

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

February 7, 2007

ACTION REQUIRED

AGENDA ITEM NO. VII.

- Information Only**
 - Motion**
 - Resolution**
 - Executive Session**
 - Other**
-

TOPIC

CEO 2007 Goals

DISCUSSION

At the January 3, 2007, Board Operations Committee, the CEO 2007 goals were referred to the Chairman and Vice Chairman for finalizing and approval. Attached is a copy of the CEO 2007 Goals.

MOTION



| Performance Area | Expectations | Actual Performance | Evaluation 1 = Unacceptable 2 = Does not meet 3 = Meets expectations 4 = Exceeds expectations 5 = Superior |
|--------------------------------------|---|--------------------|---|
| Operational Outcomes | <p>Achieves service reliability targets of:</p> <ol style="list-style-type: none"> 1. No more than 1.6 outages 75 minutes or more 2. Less than 150 minutes per year <p>Customer survey results indicate high satisfaction with Chugach's:</p> <ol style="list-style-type: none"> 1. Reliability: 2. Service: 3. Price: <p>Achieves utility financial management targets:</p> <ol style="list-style-type: none"> A. Overall MFI/I ratio of 1.37 B. Equity to Total Capitalization Ratio of 30.9% C. Distribution MFI/I of 2.76 D. G&T MFI/I of 0.82 | | |
| Long Range Strategic Planning | <p>Finalizes plan for new generation capacity by: <u>4/1/07</u></p> <p>Completes mid range fuel contract negotiations by: <u>11/1/07</u></p> <p>Recommendation to the Board for a G&T and Distribution organization by: <u>3/31/07</u></p> <p>Develops Financial Management Plan by: <u>3/31/07</u></p> | | |
| Leadership | <p>Perceived to be a leader by employees and Board. Personal ethics and accountability are deemed high.</p> <p>Establishes an effective organization that is designed and staffed to meet a changing environment</p> <p>Effectively participates in local, regional, state, and national organizations to promote the Association and achieve Association goals.</p> | | |
| Management | <p>Keeps Board informed of important industry issues and Chugach's performance. Brings well thought-out recommendations for the Board's consideration. Actively builds trust and support of the Board. Encourages Board to work together effectively, and encourages innovative thinking on the part of the Board.</p> <p>Creates a positive work environment for employees and encourages team work. Delegates effectively to key staff and provides effective feedback. Keeps employees informed about industry issues and trends and influences them to adapt to change. Assures that competent individuals are hired, trained and promoted. Empowers employees to make decisions that improve Chugach's performance.</p> <p>Develop a Strategic Business Plan by: <u>10/15/07</u></p> | | |

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|---|---|--|--|
| Health, Safety & Environmental | Achieves lost time injury incident rate of: <u>3.00</u> | | |
| | Achieves a recordable incident rate of: <u>6.88</u> | | |
| | Achieves vehicle incidents of less than: <u>7</u> | | |
| | Promotes an environment of Safety in the workforce. | | |

OPPORTUNITIES FOR IMPROVEMENT

Operational Outcomes:

Long Range Strategic Planning:

Leadership:

Management:

Health, Safety & Environmental:

APPROVAL AND ACCEPTANCE

Approved by: _____, Board of Directors

Date:

Accepted by: Bill Stewart, Chief Executive Officer

Date: