

**CHUGACH ELECTRIC ASSOCIATION, INC.**

**OPERATING POLICY 016**

**DATE:** 11/21/06

**USE OF COOPERATIVE VEHICLES**

**I. OBJECTIVE**

To define the Association's policy regarding the use of the Association's vehicles.

**II. ELIGIBILITY**

All employees of the Association shall adhere to the provisions of this policy.

**III. CONTENT**

A. Recreational Use:

1. The Association will allow occasional recreational use of certain Association vehicles by Association personnel assigned regularly or on a daily basis to the Beluga Power Plant. The Plant Manager shall assign and identify specific vehicles for recreational use through a sign-out log to be maintained at the control room. These vehicles shall not include three or four-wheelers, front-end loaders, trailers or any other Chugach equipment. Vehicles shall be signed out on a "first come" basis. Consideration for other employees requires "car pooling" by users to ensure best use of the vehicles. Use by non-Association employees is prohibited. The use of the Association vehicles shall be restricted to maintained roads and with the understanding that proper respect for private property will be observed. Employees will be required to provide proof of acceptable insurance, a valid driver's license, and sign a Financial Responsibility and Indemnification Agreement making them responsible for and indemnifying the Association from any personal or property damages resulting from such recreational use of Association vehicles.
2. At no time will Association vehicles other than those specifically designated at the Beluga Power Plant be used for recreational purposes.

B. Other Use:

1. All Association vehicles are restricted to official Association business use only; and *de minimus* personal use as permitted by IRS regulations (such as a stop for a personal errand on the way between a business activity and a

- Chugach facility).
2. From time to time the Chief Executive Officer or Senior Vice President, Power Delivery, Senior Vice President, Power Supply or Chief Financial Officer, may assign vehicles to employees as deemed advisable to meet the needs of the Association. Employees assigned Association vehicles shall keep them in a good state of repair and appearance and use them for Association business only and *de minimum* personal use as permitted by IRS regulations (such as a stop for a personal errand on the way between a business activity and a Chugach facility or a business activity or Chugach facility and the employee's home). Any non-routine repair, maintenance and/or cleaning of the vehicle must be approved in advance by the Association.
  3. Transportation of passengers in Association vehicles will be allowed only under the following circumstances: a) if the passenger is an employee of the Association; b) if the passenger is a contractor, consultant or otherwise doing business with or for the Association; c) when an emergency exists and no other alternative transportation for the passenger exists.
  4. Employees shall use Association vehicles for Association business when practical and available. If a personal vehicle is used on Association business, the employee shall obtain and maintain personal insurance covering such use. Said insurance shall be endorsed to be primary to any insurance of the Association.

**IV. RESPONSIBILITY**

The Chief Executive Officer shall be responsible for the administration of this policy.

Date Approved: \_\_\_\_\_

11/21/06



\_\_\_\_\_  
William R. Stewart  
Chief Executive Officer

**FINANCIAL RESPONSIBILITY AND INDEMNIFICATION AGREEMENT**

I, \_\_\_\_\_ (employee), my heirs, successors, and assigns, hereby agree to assume all financial responsibility for, and indemnify and hold harmless Chugach Electric Association, Inc. (Chugach) from and against and covenant not to sue Chugach for, any and all damages or injuries to persons or property, including myself, resulting from or arising out of my use of a Chugach vehicle for recreational and non-Chugach business purposes.

Name: \_\_\_\_\_  
Signature

Name: \_\_\_\_\_  
Print

Date: \_\_\_\_\_