



CHUGACH ELECTRIC ASSOCIATION, INC.  
ANCHORAGE, ALASKA

REGULAR BOARD OF DIRECTORS' MEETING

AGENDA

Bettina Chastain, Chair  
Susan Reeves, Vice Chair  
Rachel Morse, Treasurer  
Stuart Parks, Secretary

Harry T, Crawford, Jr., Director  
Jim Henderson, Director  
Harold Hollis, Director

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**June 26, 2019**

**4:00 p.m.**

**Chugach Boardroom**

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- I. CALL TO ORDER (4:00 p.m.)
  - A. *Pledge of Allegiance*
  - B. *Roll Call*
  - C. *Safety Minute – “Eye and Face Safety” (Freeman) (4:05 p.m.)*
- II. APPROVAL OF THE AGENDA\*
- III. PERSONS TO BE HEARD
  - A. *Member Comments*
- IV. CONSENT AGENDA\* (4:10 p.m.)
  - A. *Board Calendar*
  - B. *Training and Conferences*
    - 1. *NRECA Summer School for Directors, August 2-7, 2019, Branson, MO (Deadline for conference and hotel registration is June 24, 2019)*
    - 2. *2019 APA Annual Meeting, August 20-23, 2019, Juneau, AK (Deadline for conference and hotel registration is July 26, 2019)*
  - C. *Minutes*
    - 1. *May 22, 2019, Regular Board of Directors' Meeting (Portades)*
  - D. *Director Expenses*
- V. CEO REPORTS AND CORRESPONDENCE (4:20 p.m.)
  - A. *2019 State Legislative Briefing (Steyer)*
  - B. *2019 Annual Meeting and Election Report (Kurka/Miller)*
  - C. *2<sup>nd</sup> Quarter 2019 Utility Bill Comparison (Skaling/Miller)*
  - D. *April 2019 Financial Statements and Variance Report (Harris/Curran)*
  - E. *Board Policy Scheduled Tasks/Reports (Board/Staff)*
  - F. *Update on the Swan Lake Fire (Hickey)*
- VI. DIRECTOR REPORTS (4:50 p.m.)

- A. *Report from Henderson and Crawford (APA Federal Legislative Conference)*
- B. *Alaska Power Association (APA) Report*
- C. *Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report*
- D. *Renewable Energy Alaska Project (REAP) Report*
- E. *Board Committee Reports (Audit and Finance, Operations & Governance)*
- F. *Other Meeting Reports*

VII. UNFINISHED BUSINESS (*none*)

VIII. NEW BUSINESS\*\* (*scheduled*) (5:10 p.m.)

- A. *CFC Credit Card One Pilot Program\*\* (Wolfe/Vecera)*
- B. *Board Policy 101, Statement of Objectives Policy\*\* (Board)*

IX. EXECUTIVE SESSION\* (*scheduled*) (5:45 p.m.)

- A. *Update on Chugach Sales (5:45 p.m.)*
- B. *Discussion – Audit Election Process (6:05 p.m.)*
- C. *IMO Work Plan and Budget (6:20 p.m.)*
- D. *Golden Valley Electric Association (GVEA) MOU (6:50 p.m.)*
- E. *Update on TRANSCO/RRC (7:00 p.m.)*
- F. *First National Bank Credit Card Data Breach (7:10 p.m.)*

X. NEW BUSINESS\* (*scheduled*) (7:20 p.m.)

- A. *Approve IMO Work Plan and Budget\* (Fouts) (7:20 p.m.)*
- B. *Golden Valley Electric Association (GVEA) MOU\*\* (Miller/Clarkson) (7:25 p.m.)*

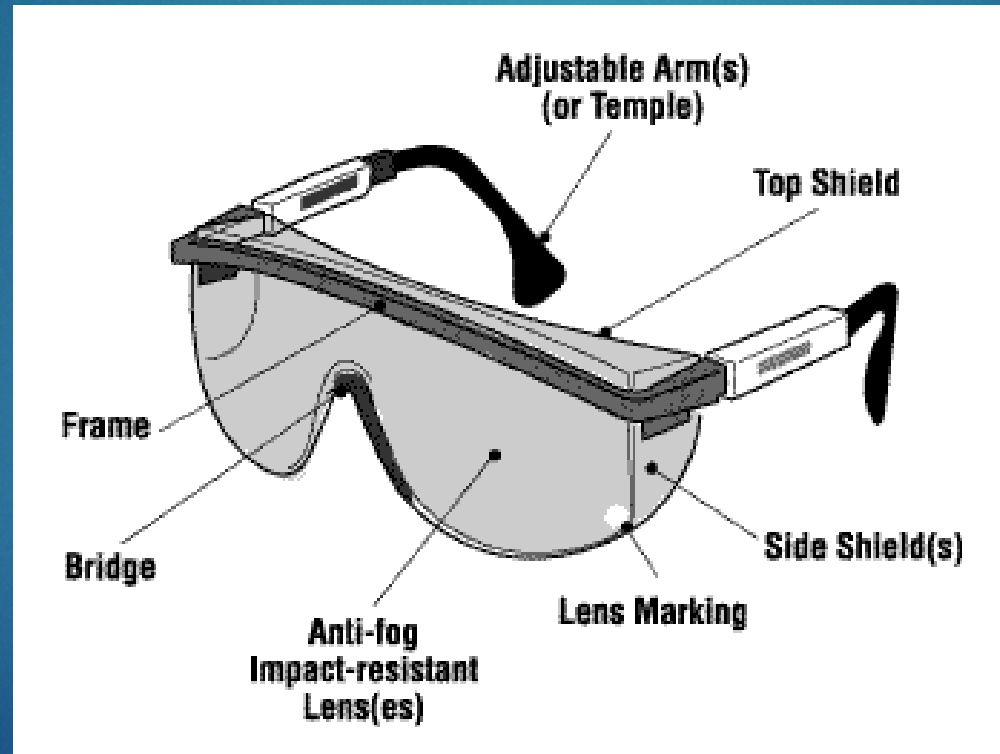
XI. DIRECTOR COMMENTS (7:30 p.m.)

XII. ADJOURNMENT\* (7:35 p.m.)

\* *Denotes Action Items*

\*\* *Denotes Possible Action Items*

# Eye and Face Safety



# What hazards should we be concerned about?

- ▶ Splashes from harmful liquid chemicals such as acids or cleaning solutions
- ▶ Flying debris, chips and dust from grinding and windy conditions
- ▶ Flying projectiles from objects colliding, falling or being dumped
- ▶ Loose straps, cords or banding that breaks or snaps under extreme tension
- ▶ Extreme heat and light radiation from exposure to flames, welding or torches



# Prevention

- ▶ Recognize what work tasks expose you to an eye or face hazard.
- ▶ Wear the proper eye and face protection.
- ▶ Ensure others around you are wearing appropriate eye and face protection.





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XI. DIRECTOR COMMENTS (7:30 p.m.)

XII. ADJOURNMENT\* (7:35 p.m.)

# June 2019

May 2019						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
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July 2019						
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21	22	23	24	25	26	27
28	29	30	31			

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		<ul style="list-style-type: none"> <li>5:00PM REAP Development Committee and Board of Directors Meeting (Morse/Henderson) (King Street Brewing Company)</li> </ul>	<ul style="list-style-type: none"> <li>4:00PM Operations Committee Meeting [7979856] (Boardroom)</li> </ul>			
26	27	28	29	30	31	1
		<b>APA Federal Legislative Conference (6/... ♦ Washington, DC)</b>			<b>Summer School for Di... ♦ Williamsburg, VA</b>	
2	3	4	5	6	7	8
<b>Summer School for Directors (6/7 - 6/12) ♦ Williamsburg, VA</b>						
<ul style="list-style-type: none"> <li>1:00PM Chugach Picnic (Alaska Zoo)</li> </ul>		<ul style="list-style-type: none"> <li>11:30AM 2nd Quarter All Employee Meeting (Chastain, Reeves, Hollis) (TrainingRoom)</li> <li>1:15PM Mtg w/Chastain and Reeves - ML&amp;P - U-16-094 ML&amp;P General Rate Case (LDT's Office)</li> <li>3:00PM REAP Public Policy Committee (Morse/Henderson) (STG, Inc. (11710 South Gambell St...</li> </ul>			<ul style="list-style-type: none"> <li>10:00AM RCA Hearing - ML&amp;P General Rate Case Order (RCA)</li> </ul>	
9	10	11	12	13	14	15
	<ul style="list-style-type: none"> <li>8:00AM Operations Quarterly Safety Breakfast (Chastain/Hollis) (Bull Room)</li> <li>9:00AM REAP Public Policy Committee (Morse/Henderson) (STG, Inc. (11710 South Gambell Street, Anchorage) and the call in number is: 605-313-5152, access code is 711554.)</li> </ul>					
16	17	18	19	20	21	22
	<ul style="list-style-type: none"> <li>9:30AM Review Board Packet w/Thibert (Chastain/Reeves) (LDT's Office)</li> <li>2:00PM Chugach Board Leadership Mtg. w/ML&amp;P Anna Henderson (Chastain, Reeves, Hollis) (ML&amp;P 1200 E First Aven...</li> <li>2:30PM Chugach Board Leadership Meet &amp; Greet w/ML&amp;P Employees (Ch...</li> <li>4:00PM Operations Committee Meeting (BoardroomCR)</li> </ul>		<ul style="list-style-type: none"> <li>4:00PM Regular Board of Directors Meeting (All) (BoardroomCR)</li> </ul>	<ul style="list-style-type: none"> <li>2:00PM REAP Development Committee and Board of Directors (Morse/Henderson) (APA (703 W tudor Road, Unit 200)</li> </ul>		
23	24	25	26	27	28	29
				<b>Independence Day</b>		
30	1	2	3	4	5	6



# July 2019

June 2019						
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August 2019						
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18	19	20	21	22	23	24
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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				Independence Day		
30	1	2	3	4	5	6
7	8	9	10	11	12	13
	<ul style="list-style-type: none"> <li>4:00PM - 8:00PM Operations Committee Meeting (BoardroomCR)</li> </ul>		<ul style="list-style-type: none"> <li>4:00PM - 8:30PM Audit and Finance Committee Meeting (M&amp;A and Internal Controls Training) (BoardroomCR)</li> </ul>		<ul style="list-style-type: none"> <li>1:30PM - 4:30PM ARCTEC Board Meeting (Crawford/Henderson) (APA Board Room)</li> </ul>	
14	15	16	17	18	19	20
	<ul style="list-style-type: none"> <li>9:00AM - 10:30AM Review Board Packet w/ Thibert (Chastain/Reeves) (LDT's Office)</li> </ul>		<ul style="list-style-type: none"> <li>11:00AM - 2:00PM REAP Board Meeting (Morse/Henderson) (Business Technology Center)</li> <li>4:00PM - 7:00PM Regular Board of Directors Meeting (All) (BoardroomCR)</li> </ul>			
21	22	23	24	25	26	27
					Summer School for Di... ♦ Branson, MO	
28	29	30	31	1	2	3

# August 2019

July 2019						
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September 2019						
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29	30					

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					Summer School for Di... ♦ Branson, MO	
28	29	30	31	1	2	3
Summer School for Directors - 8/2 - 8/7 ♦ Branson, MO						
			4:00PM - 7:00PM Audit and Finance Committee Meeting (BoardroomCR)			
4	5	6	7	8	9	10
	9:00AM - 10:30AM Review Board Packet w/ Thibert (Chastain/ Reeves) (LDT's Office) 4:00PM - 8:00PM Operations Committee Meeting (BoardroomCR)		4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)			
11	12	13	14	15	16	17
APA Annual Meeting (August 20-23) ♦ Juneau, AK						
18	19	20	21	22	23	24
			5:30PM - 8:00PM REAP's 15-Year Anniversary (Morse/ Henderson) (King Street Brewery)			
25	26	27	28	29	30	31

# September 2019

August 2019						
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October 2019						
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27	28	29	30	31		

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	Labor Day ♦ Unitec					
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	<ul style="list-style-type: none"> <li>9:00AM - 10:30AM Review Board Packet w/ Thibert (Chastain/Reeves) (LDT's Office)</li> <li>4:00PM - 8:00PM Operations Committee Meeting (BoardroomCR)</li> </ul>	<ul style="list-style-type: none"> <li>4:00PM - 7:00PM Regular Board of Directors Meeting (All) (BoardroomCR)</li> </ul>				
16	17	18	19	20	21	21
22	23	NRECA Region IX ♦ Spokane, WA			27	28
22	23	24	25	26	27	28
29	30	1	2	3	Member Appreciati	5
29	30	1	2	3	4	5

# October 2019

September 2019						
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November 2019						
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24	25	26	27	28	29	30

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	
					Member Appreciati		
29	30	1	2	3	4	5	
6	7	8	9	10	11	12	
13	14	15	16	17	18	19	
20	<ul style="list-style-type: none"> <li>9:00AM - 10:30AM Review Board Packet w/ Thibert (Chastain/Reeves) (LDT's Office)</li> <li>4:00PM - 8:00PM Operations Committee Meeting (BoardroomcR)</li> </ul>		<ul style="list-style-type: none"> <li>4:00PM - 7:00PM Regular Board of Directors Meeting (All) (BoardroomCR)</li> </ul>				
27	28	Gettysburg Leadership Experience for... ♦ Gettysburg, PA					26
27	28	29	30	31	1	2	

# November 2019

October 2019						
S	M	T	W	T	F	S
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December 2019						
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22	23	24	25	26	27	28
29	30	31				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	31	1	2
		● 4:00PM - 7:00PM Audit and Finance Committee Meeting (Budget and CIP) (BoardroomCR)	● 4:00PM - 7:00PM Audit and Finance Committee Meeting (BoardroomCR)			
3	4	Strategic Planning (11... ♦ Meghan Room)		7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
	● 9:00AM - 10:30AM Review Board Packet w/ Thibert (Chastain/Reeves) (LDT's Office) ● 4:00PM - 8:00PM Operations Committee Meeting (BoardroomCR)	● 11:45AM - 1:45PM Chugach Legislative Reception (Embassy Suites) ● 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)		Thanksgiving Day	Thanksgiving Holic	
24	25	26	27	28	29	30

# December 2019

November 2019						
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January 2020						
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26	27	28	29	30	31	

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			APA December Meeting Ser... ♦ TBD			
1	2	3	4	5	6	7
					Winter School for Dire... ♦ Nashville, TN	
8	9	10	11	12	13	14
Winter School for Directors - 12/13 - 12/18 ♦ Nashville, TN						
	<ul style="list-style-type: none"> <li>9:00AM - 10:30AM Review Board Packet w/ Thibert (Chastain/Reeves) (LDT's Office)</li> <li>4:00PM - 8:00PM Operations Committee Meeting (BoardroomCR)</li> </ul>		<ul style="list-style-type: none"> <li>4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)</li> </ul>			
15	16	17	18	19	20	21
		Christmas Eve ♦ U	Christmas Day ♦ U			
22	23	24	25	26	27	28
		New Year's Eve ♦ l	New Year's Day ♦ l			
29	30	31	1	2	3	4

# January 2020

December 2019						
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February 2020						
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23	24	25	26	27	28	29

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			New Year's Day ♦			
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	<ul style="list-style-type: none"> <li>9:00AM - 10:30AM Review Board Packet w/ Thibert (Chastain/Reeves) (LDT's Office)</li> <li>4:00PM - 8:00PM Operations Committee Meeting (BoardroomCR)</li> </ul>		<ul style="list-style-type: none"> <li>4:00PM - 8:00PM Regular Board of Directors Meeting (BoardroomCR)</li> </ul>			
26	27	28	29	30	31	1
			APA State Legislativ... ♦ Juneau, Alaska			





# March 2020

February 2020						
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April 2020						
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26	27	28	29	30		

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
NRECA Annual Meeting - Director Education 2/27-3/1 - An... ♦ New Orleans, LA						
1	2	3	4	5	6	7
8	9	10	11	12	13	14
			<ul style="list-style-type: none"> <li>4:00PM - 8:00PM Audit and Finance Committee Meeting (Followed by a Special Board of Directors Meeting) (BoardroomCR)</li> </ul>			
15	16	17	18	19	20	21
<ul style="list-style-type: none"> <li>9:00AM - 10:30AM Review Board Packet w/ Thibert (Chastain/Reeves) (LDT's Office)</li> <li>4:00PM - 8:00PM Operations Committee Meeting (BoardroomcR)</li> </ul>			<ul style="list-style-type: none"> <li>4:00PM - 8:00PM Regular Board of Directors Meeting (BoardroomCR)</li> </ul>			
22	23	24	25	26	27	28
						Directors Conferen
29	30	31	1	2	3	4

# April 2020

March 2020						
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22	23	24	25	26	27	28
29	30	31				

May 2020						
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17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						Directors Conferer
29	30	31	1	2	3	4
Directors Conference 4/4-4/7 ♦ Kansas City, MO						
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	<ul style="list-style-type: none"> <li>9:00AM - 10:30AM Review Board Packet w/ Thibert (Chastain/Reeves) (LDT's Office)</li> <li>4:00PM - 8:00PM Operations Committee Meeting (boardroomcr)</li> </ul>		<ul style="list-style-type: none"> <li>4:00PM - 8:00PM Regular Board of Directors Meeting (BoardroomCR)</li> </ul>			
26	27	28	29	30	1	2

# May 2020

April 2020						
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26	27	28	29	30		

June 2020						
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6

4:00PM - 6:00PM  
Candidate Forum  
(BoardroomCR)

4:00PM - 8:00PM Audit  
and Finance Committee  
Meeting (BoardroomCR)

Memorial Day ♦ Ur

8:30AM - 10:00AM  
Review Board Packet w/  
Thibert (Chastain/  
Reeves) (LDT's Office)  
4:00PM - 8:00PM  
Operations Committee  
Meeting (BoardroomCR)

4:00PM - 8:00PM  
Regular Board of  
Directors Meeting  
(BoardroomCR)

APA Federal Legislative Conference (6/2... ♦ Washington, DC)

Directors Summer Sch... ♦ Charleston, C.

# June 2020

May 2020						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

July 2020						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		APA Federal Legislative Conference (6/2... ♦ Washington, DC)			Directors Summer Sch... ♦ Charleston, C.	
31	1	2	3	4	5	6
Directors Summer School - 6/5-6/10 ♦ Charleston, C.C.						
7	8	9	10	11	12	13
	6:30PM - 9:00PM Annual Meeting Date (Deni'ana Center)					
14	15	16	17	18	19	20
			4:00PM - 8:00PM Regular Board of Directors Meeting (Boardroom)			
21	22	23	24	25	26	27
					Independence Day	Independence Day
28	29	30	1	2	3	4

# July 2020

June 2020						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

August 2020						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					Independence Day	Independence Day
28	29	30	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	4:00PM - 8:00PM Regular Board of Directors Meeting (Boardroom)	23	Directors Summer Sch... ♦ Sal Lake City,	
Directors Summer School - 7/24-7/29 ♦ Sal Lake City, Utah				26	27	28
26	27	28	29	30	31	1

# August 2020

July 2020						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

September 2020						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	
26	27	28	29	30	31	1	
2	3	4	5	6	7	8	
9	10	11	4:00PM - 8:00PM Audit and Finance Committee Meeting (BoardroomCR)	13	14	15	
16	17	18	4:00PM - 8:00PM Regular Board of Directors Meeting (Boardroom)	20	21	22	
23	24	25	APA Annual Meeting (8/26-28, 2... ♦ Homer, AK				29
30	31	1	2	3	4	5	

# September 2020

August 2020						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

October 2020						
S	M	T	W	T	F	S
						1 2 3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30	31	1	2	3	4	5
	Labor Day ♦ Unitec					
6	7	8	9	10	11	12
13	14	15	16	17	18	19
			4:00PM - 8:00PM Regular Board of Directors Meeting (Boardroom)			
20	21	22	23	24	25	26
		NRECA Region IX - 9/29 - ... ♦ Omaha, Neb.				
27	28	29	30	1	2	3





# November 2020

October 2020						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

December 2020						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
		<ul style="list-style-type: none"> <li>4:00PM - 8:00PM Audit and Finance Committee Meeting (BoardroomCR)</li> </ul>	<ul style="list-style-type: none"> <li>4:00PM - 8:00PM Audit and Finance Committee Meeting (BoardroomCR)</li> </ul>			
8	9	10	11	12	13	14
15	16	17	18	19	20	21
		<ul style="list-style-type: none"> <li>11:45AM - 1:45PM Chugach Legislative Reception (Embassy Suites)</li> <li>4:00PM - 8:00PM Regular Board of Directors Meeting (Boardroom)</li> </ul>		Thanksgiving Day Hol... ♦ United States		
22	23	24	25	26	27	28
			APA December Meeting... ♦ Anchorage, A			
29	30	1	2	3	4	5

# December 2020

November 2020						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

January 2021						
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3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			APA December Meeting... ♦ Anchorage, A			
29	30	1	2	3	4	5
					Directors Winter Scho... ♦ Nashville, TN	
6	7	8	9	10	11	12
Directors Winter School - 12/11-12/16 ♦ Nashville, TN			4:00PM - 8:00PM Regular Board of Directors Meeting (Boardroom)			
13	14	15	16	17	18	19
				Christmas Eve ♦ U	Christmas Day ♦ U	
20	21	22	23	24	25	26
				New Year's Eve ♦ U	New Year's Day ♦ U	
27	28	29	30	31	1	2

# Summer School for Directors: Central

Branson, MO August 2 - 7, 2019

Director's School prepares co-op leaders for the future challenges of our industry by keeping them up-to-date on the key issues and trends impacting electric utilities.

COMING THIS SUMMER

## 2019 Summer School for Directors: Central

To help ensure that board leaders develop the knowledge and skills required to meet the challenges of today's increasingly complex utility marketplace, NRECA offers a variety of courses at the 2019 Summer School for Directors.

This six-day program offers co-op directors:

- The essential knowledge and skills necessary to succeed on the board
- All required courses to earn the Credentialed Cooperative Director (CCD) certificate
- The opportunity to advance beyond the CCD level toward the Board Leadership Certificate (BLC)

- Earn continuing education credits that can be applied toward maintaining their Director Gold credential

## SCHEDULE-AT-A-GLANCE

# Registration Fees

All courses are \$619 (unless noted)

956.1 Crucial Conversations in the Boardroom	\$926
951.2 Developing Effective Boardroom Decision Making (1.5 days)	\$860
2640 Financial Decision Making (1.5 days)	\$860

## Also of Interest:

- [Summer School for Directors - East](#)
- [Winter School for Directors](#)
- [Director Certificate Programs](#)

Looking to **earn credit?**

Earn credits toward your Credentialed Cooperative Director (CCD) or Board Leadership Certificate (BLC). If you've already earned your CCD and BLC credentials, earn the credits you need to achieve Director Gold status.

[LEARN MORE](#)

## Schedule

*Subject to change*

**ALL DAYS**    **FRI. 08/02**    **SAT. 08/03**    **SUN. 08/04**    **MON. 08/05**    **TUE. 08/06**    **WED. 08/07**



### FRI. 08/02

- + 8:00am - 4:00pm    **2600 Director Duties and Liabilities**
- + 8:00am - 4:00pm    **921.1 Risk Oversight: The Board's Role in Risk Management**
- + 8:00am - 4:00pm    **956.1 Crucial Conversations in the Boardroom**
- + 8:00am - 4:00pm    **958.1 Succession Planning: Developing the Purpose-Driven Organization**

### SAT. 08/03

- + 8:00am - 4:00pm    **2620 Board Operations and Process**
- + 8:00am - 4:00pm    **905.1 Assessing Governance: Taking a Continuous Improvement Approach to Governing Your Co-op**
- + 8:00am - 4:00pm    **951.2 Developing Effective Boardroom Decision-Making (1.5 days)**
- + 8:00am - 4:00pm    **957.1 How to Evaluate and Improve Board Performance**

**+** 8:00am - 4:00pm **961.1 The Evolution of Electric Cooperative Power Supply**

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**SUN. 08/04**

**+** 8:00am - 11:30am **951.2 Developing Effective Boardroom Decision-Making (continued)**

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**+** 8:00am - 4:00pm **2640 Financial Decision Making (1.5 Days)**

---

**+** 8:00am - 4:00pm **901.1 Rules and Procedures for Effective Board Meetings**

---

**+** 8:00am - 4:00pm **914.1 Cooperative Communications and Public Opinion: The Director's Perspective**

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**+** 8:00am - 4:00pm **963.1 Strategic Technologies and Their Impact on The Cooperative**

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**MON. 08/05**

**+** 8:00am - 11:30am **2640 Financial Decision Making (continued)**

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**+** 8:00am - 4:00pm **903.1 The Role of the Board Chair in Conducting Effective Meetings**

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**+** 8:00am - 4:00pm **918.1 Maximizing Your Grassroots Strategy**

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**+** 8:00am - 4:00pm **925.1 Co-op Bylaws: Guiding Principles & Current Issues**

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**+** 8:00am - 4:00pm **943.1 Conversation Skills Outside the Boardroom**

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**TUE. 08/06**

**+** 8:00am - 4:00pm **2610 Understanding the Electric Business**

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**+** 8:00am - 4:00pm **929.1 Current Governance Issues in Policy Development**

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**+** 8:00am - 4:00pm **944.1 Giving and Receiving Effective Feedback**

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**+** 8:00am - 4:00pm **975.1 Capital Credits Issues and Decisions**

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**WED. 08/07**

- + 8:00am - 4:00pm 2630 Strategic Planning**
- + 8:00am - 4:00pm 974.1 Rate Making Strategies and Policy Decisions for Electric Cooperative Boards**
- + 8:00am - 4:00pm 977.1 Equity Management and Boardroom Decision Making**

## Hotel & Travel

HOTEL

# Hilton Branson Convention Center Hotel

200 East Main Street | Branson, MO 65616 | 417-336-5400

☎ For reservations call 800-688-5253

Booking code: NRECA19

**RESERVE BY**

**7/10/19**

**To guarantee event rate**

**BOOK NOW**

**Additional Hotel Information ▼**

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## AIRPORT(S)

# BKG

15mi from event

# SGF

40mi from event

[Additional Travel Information](#) ▼

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Janet Bowers

703-907-5622

[janet.bowers@nreca.coop](mailto:janet.bowers@nreca.coop)

[Cancellation and Refund Policy](#) →

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[Conferences & Meetings Policies](#) →





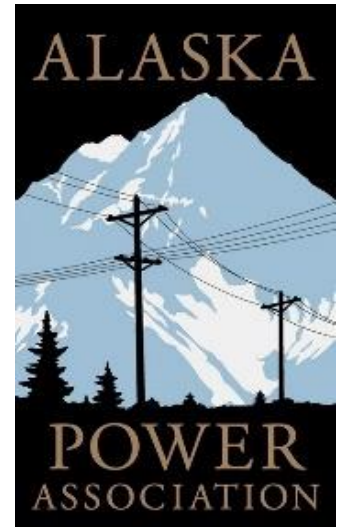
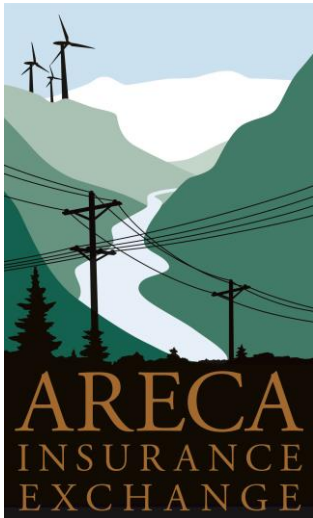
Gartina Falls, Hoonah, AK

**Alaska Power Association 68<sup>th</sup> Annual Meeting**

**ARECA Insurance Exchange 36th Annual Meeting**

**Centennial Hall**

**101 Egan Drive, Juneau, AK**



hosted by:

**Alaska Electric Light & Power & Inside Passage Electric Cooperative**

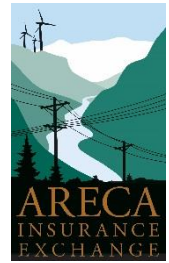




# Alaska Power Association 68th Annual Meeting and ARECA Insurance Exchange Annual Meeting

August 20-23, 2019 Juneau, Alaska

Hosted by Alaska Electric Light & Power and Inside Passage Electric Cooperative



INSIDE PASSAGE ELECTRIC COOPERATIVE

## Tuesday, August 20, 2019

11 a.m. to 2 p.m. Gold Creek Power Plant Tours  
3:30 p.m. to 7:30 p.m. Allen Marine Cruise Welcome Reception

Sponsored by AEL&P  
Depart from Centennial Hall

## Wednesday, August 21, 2019

7:00 a.m. - 9:00 a.m. Breakfast  
7:30 a.m. - 4:00 p.m. Registration desk open  
8:00 a.m. - 4:00 p.m. Exhibitor Tables open  
8:00 a.m. - 8:30 a.m. ARECA Educational Foundation Meeting  
8:30 a.m. - 4:30 p.m. NRECA Director Training  
8:30 a.m. - 9:00 a.m. AK 220 Shareholders' Meeting  
9:00 a.m. - 9:30 a.m. Alaska Systems Coordinating Council  
9:00 a.m. - 4:00 p.m. Companion Tour  
9:30 a.m. - 10:00 a.m. Break  
10:00 a.m. - 12:00 p.m. APA Managers' Forum  
12:00 p.m. - 1:30 p.m. Lunch  
1:30 p.m. - 2:30 p.m. ARECA Training Council Meeting  
2:30 p.m. - 3:00 p.m. Break  
3:00 p.m. - 5:30 p.m. ARECA Insurance Exchange Meeting  
6:00 p.m. - 8:00 p.m. ARECA Insurance Exchange Reception

Centennial Hall

Alaska State Museum

## Thursday, August 22, 2019

7:00 a.m. - 9:00 a.m. Breakfast  
7:30 a.m. - 2:00 p.m. Registration desk open  
8:00 a.m. - 4:00 p.m. Exhibitor Tables open  
8:00 a.m. - 10:00 a.m. APA General Session I  
10:00 a.m. - 10:30 a.m. Break  
10:30 a.m. - 12:00 p.m. APA General Session II  
12:00 p.m. - 1:30 p.m. Lunch  
1:30 p.m. - 3:30 p.m. APA Board of Directors Meeting  
5:30 p.m. - 8:30 p.m. APA Awards Banquet  
8:30 p.m. - 9:30 p.m. ARECA Educational Foundation Auction

Centennial Hall

Centennial Hall

## Friday, August 23, 2019

7:00 a.m. - 9:00 a.m. Breakfast  
8:30 a.m. - 10:15 a.m. APA General Session III  
10:15 a.m. - 10:30 a.m. Break  
10:30 a.m. - 11:30 a.m. APA General Session IV  
11:30 a.m. - 1:00 p.m. Lunch

Centennial Hall



## APA & AIE 2019 ANNUAL MEETING REGISTRATION FORM

Name of Utility or Company \_\_\_\_\_

Contact Name for Registration \_\_\_\_\_

Phone Number \_\_\_\_\_ E-Mail \_\_\_\_\_

### Type of Registration\*:

Member

Non-member

One Day Only

*\* Member and non-member registration includes all receptions and the APA banquet.*

*One-day registration includes one evening event. \**

### ATTENDEES

Please list name to be displayed on badge

Name \_\_\_\_\_ Welcome Reception (Cruise) Yes \_\_\_ No \_\_\_

E-mail \_\_\_\_\_ ARECA Ins. Reception Yes \_\_\_ No \_\_\_

Companion Name \_\_\_\_\_ APA Banquet & AEF Auction Yes \_\_\_ No \_\_\_

Companion Tour Yes \_\_\_ No \_\_\_

Name \_\_\_\_\_ Welcome Reception (Cruise) Yes \_\_\_ No \_\_\_

E-mail \_\_\_\_\_ ARECA Ins. Reception Yes \_\_\_ No \_\_\_

Companion Name \_\_\_\_\_ APA Banquet & AEF Auction Yes \_\_\_ No \_\_\_

Companion Tour Yes \_\_\_ No \_\_\_

Name \_\_\_\_\_ Welcome Reception (Cruise) Yes \_\_\_ No \_\_\_

E-mail \_\_\_\_\_ ARECA Ins. Reception Yes \_\_\_ No \_\_\_

Companion Name \_\_\_\_\_ APA Banquet & AEF Auction Yes \_\_\_ No \_\_\_

Companion Tour Yes \_\_\_ No \_\_\_

**Registrations received after close of business on July 31, 2019 will be assessed a late fee of \$100.**



Name \_\_\_\_\_

Welcome Reception (Cruise) Yes \_\_\_ No \_\_\_

E-mail \_\_\_\_\_

ARECA Ins. Reception Yes \_\_\_ No \_\_\_

Companion Name \_\_\_\_\_

APA Banquet & AEF Auction Yes \_\_\_ No \_\_\_

Companion Tour Yes \_\_\_ No \_\_\_

Name \_\_\_\_\_

Welcome Reception (Cruise) Yes \_\_\_ No \_\_\_

E-mail \_\_\_\_\_

ARECA Ins. Reception Yes \_\_\_ No \_\_\_

Companion Name \_\_\_\_\_

APA Banquet & AEF Auction Yes \_\_\_ No \_\_\_

Companion Tour Yes \_\_\_ No \_\_\_

Name \_\_\_\_\_

Welcome Reception (Cruise) Yes \_\_\_ No \_\_\_

E-mail \_\_\_\_\_

ARECA Ins. Reception Yes \_\_\_ No \_\_\_

Companion Name \_\_\_\_\_

APA Banquet & AEF Auction Yes \_\_\_ No \_\_\_

Companion Tour Yes \_\_\_ No \_\_\_

*(please add pages as needed)*

## **NRECA Director Training:**

### **975.1 Capital Credits Issues and Decisions**

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

Name \_\_\_\_\_

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

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

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

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**May 22, 2019**  
**Wednesday**  
**(Immediately following the Governance Committee Meeting)**

**REGULAR BOARD OF DIRECTORS' MEETING**

Recording Secretary: Divina Portades

**I. CALL TO ORDER**

Chair Chastain called the Regular Board of Directors' Meeting to order at 4:01 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. *Pledge of Allegiance*

Chair Chastain led the Board in the Pledge of Allegiance.

B. *Roll Call*

*Board Members Present:*

Bettina Chastain, Chair  
Susan Reeves, Vice Chair  
Stuart Parks, Secretary  
Rachel Morse, Treasurer  
Jim Henderson, Director  
Harry Crawford, Director  
Harold Hollis, Director

*Guests and Staff in Attendance:*

Lee Thibert	Tom Schulman	Robert Price
Brian Hickey	Josh Resnick	Jean Kornmuller
Connie Owens	Pete Smithson	Katie Millen
Arthur Miller	Teresa Kurka	Kate Ayers
Sherri Highers	Andrew Laughlin	Michael Rovito, APA
Matthew Clarkson	Marty Freeman	Don Edwards, Outside Regulatory Consultant (via teleconference)
Mark Fouts	Phil Steyer	
Tyler Andrews	Sean Skaling	
Julie Hasquet	Jody Wolfe	

C. *Safety Minute*

Marty Freeman, Manager, Safety discussed "*Boating Safety*" and responded to questions from the Board.

**II. APPROVAL OF THE AGENDA**

Director Hollis moved and Director Morse seconded the motion to approve the agenda. The motion passed unanimously.

### **III. PERSONS TO BE HEARD**

- A. *Member Comments*  
None

*Chair Chastain stated that Director Crawford is requesting an excused absence for the April 23, 2019, Governance Committee Meeting and herself for the May 8, 2019, Audit and Finance Committee Meeting.*

*Director Reeves moved and Director Henderson seconded the motion to approve the excused absence for Director Crawford for the April 23, 2019, Governance Committee Meeting and Director Chastain for the May 8, 2019, Audit and Finance Committee Meeting. The motion passed unanimously.*

### **IV. CONSENT AGENDA**

- A. *Board Calendar*
- B. *Training and Conferences*
  - 1. *NRECA Summer School for Directors, August 2-7, 2019, Branson, MO (Deadline for conference and hotel registration is June 24, 2019)*
  - 2. *2019 APA Annual Meeting, August 20-23, 2019, Juneau, AK (Deadline for conference and hotel registration is July 26, 2019)*
- C. *Minutes*
  - 1. *April 24, 2019, Regular Board of Directors' Meeting (Portades)*
  - 2. *April 26, 2019, Special Board of Directors' Meeting (Portades)*
  - 3. *May 21, 2019, Regular Board of Directors' Meeting (Quezon)*
- D. *Director Expenses*
- E. *Board Policy 207, Audit and Finance Committee*
- F. *Fiscal Year 2019 Tax Services*
- G. *Board Policy 307, Interest Rate Risk Management Policy*

Director Morse moved and Director Henderson seconded the motion to approve the consent agenda.

Chair Chastain discussed the Board Strategic Planning and opened for discussion and Board's availability. The Board agreed to reschedule the Board Strategic Planning to November 11-12, 2019.

Director Parks requested to move the September 18, 2019, Regular Board of Directors' Meeting to September 17, 2019.

After discussion, Chair Chastain called for a vote. The motion passed unanimously, as amended.

### **V. CEO REPORTS AND CORRESPONDENCE**

- A. *2019 State Legislative Briefing (Steyer)*  
Phil Steyer, Director, Government Relations discussed the 2019 State Legislative Briefing and responded to questions from the Board.

Further discussion on State Legislative Briefing will be deferred to Executive Session.

*B. Board Policy Scheduled Tasks/Reports (Board/Staff)*

Lee Thibert, Chief Executive Officer (CEO) discussed the Board Policy Scheduled Tasks/Reports and responded to questions from the Board.

Further discussion on Board Policy 401, Staffing will be deferred to Executive Session.

**VI. DIRECTOR REPORTS**

*A. Alaska Power Association (APA) Report*

Director Hollis stated that Michael Rovito, APA is present and will report on APA's upcoming events.

*B. Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report*

Directors Crawford and Henderson and Lee Thibert, CEO reported on the May 16, 2019, ARCTEC Board Meeting.

Lee Thibert stated that Willard Dunham (City of Seward Board) successor is his son, Kevin Dunham, former employee of Chugach Electric.

*C. Renewable Energy Alaska Project (REAP) Report*

Director Morse reported that the REAP meeting is tonight and not able to attend.

Director Morse commented on inviting the REAP Executive Director to speak at the Chugach Electric's Board meeting.

Director Reeves commented on inviting Polly Carr, Executive Director of Center for the Environment (The Alaska Center) to speak at the Chugach Electric's Board meeting.

*D. Board Committee Reports (Audit and Finance, Operations & Governance)*

Director Morse reported on the May 8, 2019, Audit and Finance Committee meeting.

Director Parks stated that there were no Operations Committee meeting to report and but would like to defer further discussion of the April 22, 2019, Operations Committee meeting during Executive Session.

Director Reeves reported on the May 22, 2019, Governance Committee meeting.

*E. Other Meeting Reports*

None

**VII. UNFINISHED BUSINESS**

None

## VIII. NEW BUSINESS

### A. *Discussion – Board Election Procedures*

Tom Schulman, Manager, Regulatory Legal, discussed the Board Election Procedures and responded to questions from the Board.

### B. *Election of Officers\* (Board)*

*Chair Chastain opened the floor to nominations for Chair of the Board.*

Director Reeves nominated Director Chastain for Chair of the Board. Director Henderson seconded the nomination. No other nominations were made. Chair Chastain closed the nomination and called for a vote. The nomination passed unanimously.

*The result of the vote: Chair Chastain was elected Chair of the Board.*

*Chair Chastain opened the floor to nominations for Vice Chair of the Board.*

Director Hollis nominated Director Reeves for Vice Chair of the Board. Director Morse seconded the nomination. No other nominations were made. Chair Chastain closed the nomination and called for a vote. The nomination passed unanimously.

*The result of the vote: Director Reeves was elected Vice Chair of the Board.*

*Chair Chastain opened the floor to nominations for Secretary of the Board.*

Director Henderson nominated Director Parks for Secretary of the Board. Director Morse seconded the nomination. No other nominations were made. Chair Chastain closed the nomination and called for a vote. The nomination passed unanimously.

*The result of the vote: Director Parks was elected Secretary of the Board.*

*Chair Chastain opened the floor to nominations for Treasurer of the Board.*

Director Reeves nominated Director Morse for Treasurer of the Board. Director Hollis seconded the nomination. No other nominations were made. Chair Chastain closed the nomination and called for a vote. The nomination passed unanimously.

*The result of the vote: Director Morse was elected Treasurer of the Board.*

### C. *Adoption of Calendar of Regular Meetings of the Board of Directors\* (Owens/Thibert)*

Director Reeves moved and Director Henderson seconded the motion that the Board of Directors approve the resolution which adopts a schedule for regular meetings of the Board as reflected in the Board Calendar.



Director Parks requested to move the September 18, 2019, Regular Board of Directors' Meeting to September 17, 2019.

After discussion, Chair Chastain called for a vote. The motion passed unanimously, as amended.

*D. Appointment of ARCTEC Member, Management and Alternate Representatives\* (Housekeeping)*

Director Morse moved and Director Crawford seconded the motion that the Board of Directors' adopts the Resolution appointing Director Crawford as Chugach's Member Representative, Lee Thibert as Management Representative and Director Henderson as Alternate Representative to the ARCTEC Board of Directors. The motion passed unanimously.

After Agenda Item VIII.F., Director Reeves moved to amend the original motion and to add to the Resolution for the Appointment of ARCTEC Member, Management and Alternate Representatives by adding Board Policy 107, Authority of the Association-Appointed Representative Regarding Jointly Owned and Operated Assets as a reference and Director Morse seconded the motion. The motion passed unanimously.

*E. Appointment of REAP Member and Alternate Representatives\* (Housekeeping)*

Director Reeves moved and Director Parks seconded the motion that the Board of Directors appoints Director Morse as the REAP member and Director Henderson as the Alternate Representative. The motion passed unanimously.

*F. Appointment of APA Member and Alternate Representatives\* (Housekeeping)*

Director Henderson moved and Director Crawford seconded the motion that the Board of Director appoints Director Hollis as the APA member and Director Henderson as the Alternate Representative. The motion passed unanimously.

*G. 2018 Capital Credit Allocations\* (Kornmuller/Miller)*

Jean Kornmuller, Manager, Regulatory Affairs discussed the 2018 Capital Credit Allocations with the Board.

Director Henderson moved and Director Hollis seconded the motion that the Board of Directors approve the Resolution authorizing 2018 Capital Credit Allocations in the amounts of \$5,337,089 to Chugach retail members and \$25,785 to Seward Electric System. The motion passed unanimously.

*H. Simplified Rate Filing: March 2019 Test Year\* (Kornmuller/Miller)*

Jean Kornmuller, Manager, Regulatory Affairs discussed the Simplified Rate Filing March 2019 Test Year with the Board.

Director Henderson moved and Director Parks seconded the motion that the Board of Directors approve the Resolution authorizing Chugach to file with the Regulatory Commission of Alaska, a March 2019 test year SRF requesting approval to increase the demand and energy rates by 2.5 percent to Chugach retail

and by 3.2 percent to the wholesale class of Seward Electric System for rates effective August 1, 2019. The motion passed unanimously.

**IX. EXECUTIVE SESSION**

- A. *2019 (May 1, 2019 – April 30, 2020) Chief Executive Officer Key Performance Indicators*
- B. *Non-Represented Retirement Pay and Benefits*
- C. *RRC/TRANSCO Update*
- D. *ML&P Acquisition Update*

At 5:30 p.m., Director Parks moved and Director Morse seconded the motion that pursuant to Alaska Statute 10.25.175 (c)(1), (2) and (3) the Board of Directors go into executive session to: 1) discuss and receive reports regarding financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; 2) discuss personnel matters that may tend to prejudice the reputation or character of a person; however, the person may request a public discussion; and, 3) discuss with its attorneys legal matters, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The motion passed unanimously.

*The meeting reconvened in open session at 7:37 p.m.*

**X. NEW BUSINESS**

- A. *2019 (May 1, 2019 – April 30, 2020) Chief Executive Officer Key Performance Indicators\* (Board)*

Director Hollis moved and Director Henderson seconded the motion that the Board of Directors approve the 2019 (May 1, 2019 – April 30, 2020) Chief Executive Officer Key Performance Indicators as discussed in executive session. The motion passed unanimously.

- B. *Beluga Transformer Replacement Project\* (Hickey/Laughlin)*

Andrew Laughlin, Sr. Manager, Transmission and Substation Engineering and Brian Hickey, Chief Operating Officer discussed the Beluga Transformer Replacement Project and responded to questions from the Board.

Director Morse moved and Director Parks seconded the motion that the Board of Directors authorize project expenditures for the Beluga T10 Replacement at an estimated total cost of \$2,500,000 with an estimated completion in the first quarter of 2020. The motion passed unanimously.

- C. *Approve Stakeholder RRC/MOU\*\* (Hickey)*

Director Henderson moved and Director Crawford seconded the motion that the Chugach Board of Directors approve the Resolution authorizing the Chief Executive Officer (CEO) to enter into the attached MOU, to further the Railbelt unification effort and to collaboratively define the business and organizational structure of the RRC that conforms to our guiding principles. Further, the CEO is authorized to continue with the development of a transmission investment and operation model that meets the Board's Guiding Principles.

The CEO will inform the Board of any definitive agreements or significant changes. The CEO will report to the Board no later than August 31<sup>st</sup>, 2019 on the status of this effort. And, subsequently, will submit to the Board, for the Board's approval, any documents or proposed regulatory filings related to the establishment of the RRC or a Transco. The motion passed unanimously.

**XI. DIRECTOR COMMENTS**

Director comments were made at this time.

**XII. ADJOURNMENT**

At 8:00 p.m., Director Morse moved and Director Hollis seconded the motion to adjourn. The motion passed unanimously.

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Stuart Parks, Secretary  
Date Approved: June 26, 2019

CHUGACH ELECTRIC ASSOCIATION, INC.  
Anchorage, Alaska

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

June 26, 2019

**ACTION REQUIRED**

AGENDA ITEM NO. IV.D.

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

Director Expenses

**DISCUSSION**

The Director's expenses will be submitted for approval at the board meeting.

**MOTION**

*(Consent Agenda)*

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**June 18, 2019**

**TO:** Chugach Board of Directors  
**FROM:** Lee D. Thibert, Chief Executive Officer  
**SUBJECT:** *2019 State legislative session update*

The first special session adjourned June 13. In calling the session, Gov. Dunleavy named five topics for legislators to work on: education funding, the operating budget, the mental health budget, the capital budget and anti-crime legislation. Special session activity is limited to items specified in its call, so there was no work on other legislation.

A second special session has been called to convene in Wasilla at 1:00 p.m. on July 8. The sole topic of the call is paying a PFD under existing statute.

**Report from the RCA**

As this report was drafted, the Regulatory Commission of Alaska had not yet delivered a report to the Legislature as a follow-up to its letter dated June 30, 2015 on operations of the Railbelt grid.

**HB 151**

The House Special Committee on Energy is expected to convene during the interim to consider HB 151. The bill (similar to SB 123) would amend AS 42:05, which is the statute that gives the RCA the ability to regulate utilities. The bill contains many things that different parties have suggested are needed as the Railbelt electric system evolves and adds new organizations. Among other things, it would allow the RCA to have oversight of Electric Reliability Organizations and integrated resource plans and provide siting authority over a “large energy facility” proposed by a utility.

**SB 123**

The Senate Special Committee on the Railbelt Electric System was formed to consider recommendations from the RCA, including those embodied in SB 123 (similar to HB 151), regarding additional authorities under AS 42.05. The committee is authorized to work during the interim. As yet, no date has been set for the first meeting of the committee.

**Legislation of interest**

<b>Bill</b>	<b>Primary sponsor</b>	<b>Short title</b>	<b>Referrals</b>	<b>Comments</b>
HB 8	Rep Claman	EXCAVATOR LIABILITY	(H) JUD, RES	Would amend existing statutes regarding excavation around underground facilities. An excavator who requests a locate is not responsible for civil damages nor State penalty if the locate is either not done or is inaccurately marked.
HB 30	Rep Josephson	WORKERS' COMP: DEATH; PERM PARTIAL IMPAIR	(H) <del>L&amp;C</del> , FIN	This bill would increase the compensation for a partial impairment and would require death benefits to be paid in prescribed sums to non-dependent family members or estates of workers with no spouse or dependents, among other changes.
HB 32	Rep Kreiss-Thompkins	AK ENERGY EFFICIENCY LOANS: ELIGIBILITY	(H) <del>CRA, FIN</del> , RLS	Would add tribes and certain tax-exempt entities to the list of those eligible for loans from the Alaska Energy Efficiency Revolving Loan Fund.
CSHB 87	Rep Thompson	LIQUEFIED NATURAL GAS STORAGE TAX CREDIT	(H) <del>ENE, FIN</del> , H, (S) FIN	Would extend by 12 months (to Jan. 1, 2021) the deadline to complete an LNG storage project and receive a tax credit already allowed in statute. Credit would be reduced for a project put into service after Jan. 1, 2020. HB 87 was the companion to SB 77.
HB 99	Rep Edgmon	NUYAKUK RIVER FALLS: HYDROELECTRIC SITE	(H) <del>FIS</del> , RES	Would allow the amendment of the management plan for the Wood-Tikchik State Park to permit the development and operation of a hydroelectric site at the Nuyakuk River Falls.

				Companion to CSSB 91, which became the vehicle for this legislation.
HB 130	House Rules by request of the Governor	REPEALING FUNDS; COMMUNITY ASSISTANCE	(H) ENE, EDC, CRA, JUD, FIN	Would repeal the Power Cost Equalization Endowment Fund and several other funds, with the balances to be transferred to the General Fund.
HB 151	House Energy	ELECTRIC RELIABILITY ORGANIZATIONS	(H) ENE, RES	The bill would amend AS 42:05, which is the statute that gives the RCA the ability to regulate utilities. The bill contains many things that different parties have suggested are needed as the Railbelt electric system evolves and adds new organizations. Among other things, it would allow the RCA to have oversight of Electric Reliability Organizations and integrated resource plans, and provide siting authority over a "large energy facility" proposed by a utility.
HB 166	Rep Talerico	TELEPHONE COOPERATIVES; TELECOMMUNICATIONS	(H) L&C	Companion to SB 81.
HJR 10	Rep Talerico	SUPPORTING ROAD BELT ELECTRICAL LINE	(H) <del>ENE, RES,</del> <del>H</del> (S) <del>CRA, S</del> Awaiting transmittal to GOV	A resolution expressing support for additional transmission and subtransmission lines to link the Copper Valley and Tok areas to the Railbelt grid. Encourages members of the Congressional contingent to pursue development.
SB 48	Sen Begich	ENERGY POLICY: PUB. BLDGS/CLEAN ENERGY	(S) CRA, RES	Says the state energy policy is that by 2025 at least 50 percent of the

				energy used by the state and state-funded facilities come from clean energy sources.
SB 49	Sen Begich	ENERGY EFFICIENCY OF PUBLIC BUILDINGS	(S) CRA, STA	Expresses the goal that by 2025 the state enter into \$100,000 of energy service performance contracts to retrofit public facilities and school buildings to achieve net savings in energy costs within 15 years. Also calls for energy audits of public facilities.
SB 51	Senate Resources	NATL. RES. WATER NOMINATION/ DESIGNATION	(S) RES, FIN	Water of the state must be approved by the legislature before it can be designated "outstanding national resource water". The state departments of Natural Resources, Fish & Game and Environmental Conservation must agree to recommendations.
SB 77	Sen Bishop	LIQUEFIED NATURAL GAS STORAGE TAX CREDIT	(S) FIN	Would extend by 18 months (to June 30, 2021) the deadline to complete an LNG storage project and receive a tax credit already allowed in statute. Companion to HB 87.
SB 81	Sen Hughes	TELEPHONE COOPERATIVES; TELECOMMUNICATIONS	(S) L&C	This effort to modernize AS 10.25, the "Electric & Telephone Cooperative Act" is led by the telecommunications industry. Most of the proposed edits seek to recognize the fact that these companies provide offerings beyond telephone service.
SB 91	Sen Hoffman	NUYAKUK RIVER: HYDROELECTRIC SITE	(S) <del>RES, FIN,</del> S (H) <del>RES, H</del> Awaiting transmittal to GOV	Companion to CSHB 99 Would allow the amendment of the management plan for the Wood-Tikchik State Park to permit the development and operation of a



				hydroelectric site at the Nuyakuk River Falls.
SB 100	Sen Micciche	NAMING WILLARD E. DUNHAM RESIDENCE HALL	(S) STA, RLS, S (H) STA, RLS, H Awaiting transmittal to GOV	Would rename an existing building at the Alaska Vocational Technical Center in Seward in honor of former Seward Mayor (and ARCTEC board member) Willard Dunham.
SB 110	Senate Rules by request of the Governor	REPEALING FUNDS; COMMUNITY ASSISTANCE	(S) CRA, FIN	Companion to HB 130
SB 123	Senate Special Committee on the Railbelt Electric System	ELECTRIC RELIABILITY ORGANIZATIONS	(S) RBE, FIN	Similar to HB 151, would authorize new powers for the RCA under AS 42.05.

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**June 19, 2019**

**TO:** Chugach Board of Directors

**FROM:** Lee Thibert, Chief Executive Officer

**SUBJECT:** *2019 Annual Meeting and Election Report*

Below is a summary of Chugach Electric Association, Inc.'s (Chugach) 2019 Annual Meeting and report on the election. Please note that the report on the annual meeting is identical to the report provided in a separate memo under Agenda Item V.F. titled, "Effectiveness of Annual and Other Member Meetings - Board Policy 401 II(C)(5)(1)".

**2019 Annual Meeting**

Chugach's 2019 Chugach Annual Meeting was held on May 21, 2019 at the Dena'ina Civic and Convention Center. Overall, the meeting went very smoothly with members, staff, and board members providing positive feedback. Directors Bettina Chastain and Harold Hollis were elected for additional terms, and the proposed Bylaw amendments were approved.

Utilizing the Tikahtnu Rooms A/B/C, the event was set for 600 people both in terms of seating and food service. An estimated 450 members, family, and friends attended. All of the provided food was consumed. In addition to the required election advertising, the annual meeting and election were promoted in Chugach's monthly Outlet from January through May 2019, on social media, and a dedicated page established on Chugach's website. Below are additional items to note:

- Steve MacDonald served as emcee. Steve is a long-time Chugach member and former broadcast journalist.
- A four-minute video was presented, featuring highlights of the year and comments from each board member. In addition, a recorded treasurer report with slides was again well-received.
- Lee Thibert presented the Chief Executive Officer report which highlighted the ML&P acquisition and a comparison of Chugach's rate levels. Mr. Thibert also addressed questions from the membership.
- Welcome entertainment was provided by Alaska musician/songwriter LuLu Small. Chugach provided goody bags for the first 250 registered members and door prizes during

the meeting, which were again popular and very well received. Member parking was validated for those who parked in the Easy Park lot at 7<sup>th</sup> and G Street.

Below is a summary of this year's annual meeting cost, estimated attendance levels and entertainment in relation to prior years.

<b>Table 1: Summary of Annual Meetings</b>			
<b>Year</b>	<b>Cost <sup>1</sup></b>	<b>Estimated Attendance</b>	<b>Entertainment/Guest</b>
2019	\$28,963	450	Singer Lulu Small
2018	\$29,829	450	Singer Hobo Jim
2017	\$20,365	450	Singer Hobo Jim
2016	\$20,735	400	Mayor Berkowitz welcome
2015	\$21,244	400	None

<sup>1</sup> Cost includes venue, food, and audio/visual. The increase in cost from 2017 to 2018 is a result of Chugach increasing food services from 400 to 600 attendees.

## **2019 Election Report**

The communication effort with members began in October 2018 with newspaper ads asking for committee volunteers, and continued through the last week of balloting just prior to the Annual Meeting on May 21, 2019. As in prior years, Chugach used a variety of communication tools to notify members on the election throughout the voting process, including email, US mail, social media, website, and monthly newsletters. Voter participation was nearly 10% of the membership, consistent with prior year percentages.

Voting opened on Friday, April 19, 2019 with a “get out the vote” email campaign sent to 51,493 Chugach members. 485 paper ballots were mailed to members who had requested them. From this point, there was either a postcard mailing or email blast every week reminding those member who had not yet voted, to do so. One challenge this year was a major local Internet Service Provider completed a system upgrade that “trapped” and delayed voting emails to members for a little over a week. This impacted over 4,000 Chugach members.

Attached is a memorandum from BDO on the election activities and results from the 2019 election. Table 2 below, from the BDO report, provides a summary of the 2019 election activity in relation to prior years.

**2019 Annual Meeting and Election Report**

<b>Table 2: Summary Ballot Information</b>					
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Returned mail ballot envelopes	170	155	172	3,838	4,721
Valid returned mail ballots	167	149	167	3,663	4,578
Electronic ballots cast - Total Prior to Annual Meeting	6,508	6,565	7,200	2,590	3,025
Internet	6,508	6,565	7,200	2,482	2,835
Telephone	N/A	N/A	N/A	108	190
Members that registered at the annual meeting	244	246	224	187	184
In-person ballots issued at the annual meeting	77	82	71	78	88
In-person ballots cast at the annual meeting	74	75	69	76	84
Total ballots cast	6,752	6,795	7,441	6,504	7,830
Total valid ballots cast	6,749	6,789	7,436	6,329	7,687
Percentage of member of record that voted	9.74%	9.87%	10.81%	9.40%	11.30%
Percentage of members of record with a valid vote	9.74%	9.86%	10.80%	9.20%	11.10%
Number of paper ballots received after the due date	0	0	0	0	40
Total eVotes after the mail deadline	135	604	670	112	96
<b>Method of Voting (Valid)</b>					
Internet	96.50%	96.80%	96.83%	38.30%	36.20%
Telephone	N/A	N/A	N/A	1.70%	2.40%
Paper	3.50%	3.20%	3.17%	60.00%	61.40%

**2020 Looking Ahead**

Chugach, BDO and the Election Committee met on May 28, 2019 to debrief the 2019 election with our lessons learned meeting. We continue to find value in these meetings to improve both the Annual Meeting and the election process. Feedback and suggestions that came out of this year's meeting include:

***2019 Annual Meeting and Election Report***

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- The weekly email reminders to the membership result in higher numbers of votes cast, keep doing them as a low-cost way to boost voting participation. Chugach staff noted that we did one extra email blast this year.
- Make sure the ballot language is included on handouts inside the Annual Meeting room as well as outside so that members don't have to exit the meeting room to get voting information.
- Include additional space at the back of the meeting room for easy transit, particularly for our older members using walkers and wheelchairs.
- The election committee was impressed with the overall pace and flow of the Annual Meeting, including the food lines and the emcee, Steve McDonald.

Attachment



# Memo

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Ref 2019 Election Results  
To Teresa Kurka  
From BDO USA, LLP  
Date June 4, 2019

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Subject 2019 Election Results and Supplementary Data

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This memo provides a report on the election activities and related results from the Chugach Electric Association (Chugach) Board of Directors election held on May 21, 2019. The memo is organized to address the election activities, and key dates as identified on the table below.

Election Activity and Key Dates		
<b>Election Material Processing</b>	Date of Record	April 4
	Ballot receipt at the mail contractor	April 8
	Election package inspection	April 17
	Ballot mailing	April 19
<b>Voting Activity</b>	Go LIVE internet and active voting	April 19
	First paper ballot delivery	April 27
	Last paper ballot delivery	May 20
	Internet voting closed	May 21 – 4pm
<b>Reporting</b>	Election Results	May 21

## Election Material Processing

Date of Record and Receipt of Member File: The date of record for the Chugach 2019 Election of Directors was April 4, 2019. Sixty-nine thousand, three hundred and twenty members (69,320) were identified by Chugach Member Services as eligible to cast a vote in the 2019 election. BDO received the member file from Chugach on April 4, 2019. We verified the eligible member count with Chugach personnel and transmitted the file to the electronic election contractor, Kent Thomas, for setup and generation of unique control numbers.

During the preparation for the election, Chugach determined that 485 members requested paper ballots which were processed and mailed by Rapid Action. The initial mailing count was verified with Rapid Action during BDO's on-site test work. In addition, Rapid Action provided additional ballots and associated election materials in anticipation of paper ballot requests from members.

Ballot Receipt at the Mail Contractor Facility: The official paper ballots were delivered to Rapid Action on April 5, 2019.

The number of ballots delivered was as follows:

- 1,000 official ballots were received
- 1,000 Chugach prepaid reply envelopes

Upon receipt at the mail contractor facility, we performed the following tests:

### Test:

- Ballots were randomly selected and tested for both sequential count and proper ballot rotation.
- Of the 100 ballots we tested, we identified no errors.

### Package Mailing:

Ballots and the related election materials were placed in election mailing packets and USPS mailing tubs by Rapid Action. This resulted in a total of 485 ballots.

Ballot Mailing and Electronic Mailing Materials: Official ballot packets for mailing were sent to the Anchorage, Alaska Airport Post Office on April 19, 2019. Electronic materials were emailed to Chugach members on April 20, 2019 at noon.

The electronic and paper election materials were mailed as follows:

485 Packets were mailed through the United States Postal Service  
51,493 Email notifications were sent  
51,978 Total member packets mailed, or email notification sent  
69,320 Total members as of the date of record

## Voting Activity

GO LIVE and Active Voting: Electronic voting went live on April 20, 2018 offering internet voting. The security service began delivering paper ballots to the BDO office on April 27, 2019 and continued through May 20, 2019. Electronic voting remained open until 4pm on Tuesday, May 21<sup>st</sup>.

Online Communication & Additional Mailing: For the duration of the election a total of 5 separate email blasts were sent, 4/19, 4/26, 5/3, 5/10, & 5/17. These emails contained a direct link to automatically log into the election website along with the unique control number needed to manually login to Chugachelection.com

On 4/19, 5/3, and 5/8 Rapid Action was provided information for a postcard mailing to all members who have not yet voted, which contained the member's unique control number and voting website link.



Below is a summary of the election activity for 2019 as compared to 2018, 2017, 2016 & 2015:

**Ballot Processing - Replacement and corrected meeting day ballots**

	Summary Ballot Information				
	2019	2018	2017	2016	2015
Returned mail ballot envelopes (Appendix F)	170	155	172	3,838	4,721
Valid returned mail ballots (Appendix A)	167	149	167	3,663	4,578
Electronic ballots cast - Total Prior to Annual Meeting	6,508	6,565	7,200	2,590	3,025
Internet (appendix b)	6,508	6,565	7,200	2,482	2,835
Telephone	N/A	N/A	N/A	108	190
Members that registered at the annual meeting (Appendix G)	244	246	224	187	184
In-person ballots issued at the annual meeting (Appendix G)	77	82	71	78	88
In-person ballots cast at the annual meeting (Appendix C)	74	75	69	76	84
Total ballots cast (valid + invalid report)	6,752	6,795	7,441	6,504	7,830
Total valid ballots cast (Appendix D)	6,749	6,789	7,436	6,329	7,687
Percentage of member of record that voted	9.74%	9.87%	10.81%	9.40%	11.30%
Percentage of members of record with a valid vote	9.74%	9.86%	10.80%	9.20%	11.10%
Number of paper ballots received after the due date	0	0	0	0	40
Total eVotes after the mail deadline (Appendix E)	135	604	670	112	96
<b>Method of Voting (Valid)</b>					
Internet	96.5%	96.80%	96.83%	38.20%	36.20%
Telephone	N/A	N/A	N/A	1.70%	2.40%
Paper	3.5%	3.20%	3.17%	60.60%	61.40%

Replacement ballots issued during active voting, and the corresponding reason for the reissuance is listed on the table below.

Replacement Ballot Summary					
Replacement Ballots Sent for Invalid Paper Ballot	2019	2018	2017	2016	2015
No signature	1	2	1	87	72
Determined Invalid by Committee	2	5	3	72	30
Other	0	0	1	1	3
Member requested	55	15	79	3	23
Failed Email Notification - Re-emailed	615	334	1,389	196	83
<b>Total Replacement Ballots Sent</b>	<b>673</b>	<b>355</b>	<b>1,473</b>	<b>359</b>	<b>211</b>
<b>Total Replacement Ballots Sent for Invalid Paper Ballots</b>	<b>3</b>	<b>7</b>	<b>5</b>	<b>160</b>	<b>105</b>

Replacement ballots issued, or corrections made by the election committee on the meeting day are listed in the table below.

Replacement or Corrected Ballots on the Meeting Day					
Issues requiring replacement ballots	2019	2018	2017	2016	2015
Cut or torn ballot	2	1	3	29	109
Mismarked	2	1	4	12	10
Incorrect Ink Color	0	0	0	6	3
Food on ballot	0	0	0	0	0
Over vote	0	0	0	1	0
Water damage	0	0	0	0	1
<b>Total</b>	<b>4</b>	<b>2</b>	<b>7</b>	<b>48</b>	<b>123</b>

**Member Support:** The following table summarizes the calls and emails received from members requesting assistance with voting.

Member Assistance Summary					
	2019	2018	2017	2016	2015
Telephone Calls from Members Requesting Assistance	129	57	74	93	163
Email Received from Members Requesting Assistance	26	6	14	60	28
<b>Total:</b>	<b>155</b>	<b>63</b>	<b>88</b>	<b>153</b>	<b>191</b>

Detailed information for the assistance provided for the 2019 election is listed on the table below.

Date	# of Calls	Reason for Contact
4/19/2019	1	Email changes & resends
4/22/2019	5	Email changes & resends
4/23/2019	7	Email changes & resends, Paper ballot request, Can't find candidate information, Login help
4/24/2019	1	Email changes & resends
4/25/2019	1	Email changes & resends
4/26/2019	5	Email changes & resends, Paper ballot request, Questionable signatures
4/29/2019	2	Paper ballot request
4/30/2019	0	
4/31/2019	0	
5/1/2019	7	Email changes & resends, Paper ballot request
5/2/2019	6	Email changes & resends, Paper ballot request, Annual Meeting inquiries
5/3/2019	3	Paper ballot request, Confirmed whether they had voted successfully, Browser issues related to online voting
5/6/2019	10	Paper ballot request, Confirmed whether they had voted successfully, Annual Meeting inquiries
5/7/2019	5	Email changes & resends, Paper ballot request, Request for control #, Login help, Customer service calls to the wrong number
5/8/2019	6	Email changes & resends, Paper ballot request, Request for control #
5/9/2019	3	Confirmed whether they had voted successfully, Questionable signatures
5/10/2019	6	Paper ballot request, Request for control #, Customer service calls to the wrong number
5/13/2019	5	Paper ballot request, Customer service calls to the wrong number, Questionable signatures
5/14/2019	7	Paper ballot request, Confirmed whether they had voted successfully, Login help

5/15/2019	15	Email changes & resends, Paper ballot request, Questionable signatures, Can't find candidate information
5/16/2019	8	Paper ballot request, Login help, Can't find candidate information, Annual Meeting inquiries
5/17/2019	8	Email changes & resends, Misc. voting questions, Customer service calls to the wrong number, Annual Meeting inquiries, Login help
5/18/2019	1	Login help
5/20/2019	10	Email changes & resends, Login help, Questionable signatures, Request for control #, Annual Meeting inquiries
5/21/2019	7	Annual Meeting inquiries, Login help, Request for control #
	<b>129</b>	<b>Total Member Support Requests Received</b>
E-MAIL	329	Individual member ballot re-sent - (new email or bounce update)
Paper	17	Individual member ballot re-sent - from Chugach staff
	<b>475</b>	<b>Total Individual Member Assistance</b>

## Reporting

Election Results: The information below details the official election results of the 2019 Board of Directors Election held on May 21, 2019.

### Directors

Bettina Chastain

4673
------

Harold Hollis

3402
------

Mitchell Roth

2200
------

Ron Stafford

1244
------

### Board Qualifications

Yes

5857
------

No

766
-----

### Director Compensation

Yes

4398
------

No

2221
------

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**June 21, 2019**

**TO:** Chugach Board of Directors

**FROM:** Lee D. Thibert, Chief Executive Officer

**SUBJECT:** *Railbelt Electric Utility Bill Comparison: Second Quarter 2019*

Chugach Electric Association, Inc. (Chugach) continues to have the lowest rates of any Railbelt utility on a customer bill basis (based on average usage levels) for residential, small general service and large general service classes. On a total bill basis, which includes fuel and purchased power costs, the total bill for a Chugach residential customer using 600 kWh is \$123, which compares with \$130 for Matanuska Electric Association, Inc. (MEA), \$136 for Anchorage Municipal Light and Power (ML&P), \$155 for Golden Valley Electric Association, Inc. (GVEA), and \$163 for Homer Electric Association, Inc. (HEA) (bill totals rounded to nearest dollar).

For the 12-month period ending March 31, 2019, the average Chugach residential customer used only 550 kWh per month. Many winter months during that period were unusually warm, which results in decreased energy use in the residential sector. For this report and until our members consistently use around 550 kWh, this Railbelt comparison will continue to use 600 kWh as the comparison level.

Below is a summary of the rate changes that have occurred for the residential class over the last quarter. In general, these changes are similarly applicable to changes in the commercial classes as well.

- The average Chugach residential bill, which includes fuel and purchased power costs, increased 0.1 percent in second quarter 2019. The increase is due to a 1 percent increase to the base energy rate and a 1.6 percent decrease to the fuel and purchased power rate.
- ML&P residential bill levels increased by 1 percent due to a 4.8 percent increase to the fuel and purchased power rate. The base energy rate is unchanged since June 2018.
- MEA residential bill levels increased 1.2 percent due to a 3.5 percent increase to the fuel and purchased power rate. The base energy rate is unchanged since last quarter.
- HEA residential bill levels increased 3.4 percent due to a 4.1 percent increase to the base energy rate and a 2 percent increase to their fuel and purchased power rate.
- GVEA's residential bill levels decreased 1.2 percent, due to the net impact of a 1.1 percent increase to the base energy rate and a 4.8 percent decrease to the fuel and purchased power rate.

Table 1 below compares current retail bill totals of each utility to the prior quarter and to Chugach. The table includes residential, small general service, and large general service customer classes.

<b>Table 1: Summary of Second Quarter 2019 Electric Bill Totals<sup>1</sup></b> (June 2019)					
Customer Class	Chugach	ML&P	MEA	GVEA	HEA
Residential total based on 600 kWh	\$123.10	\$135.86	\$130.34	\$154.88	\$163.16
Cost per kWh	\$0.205	\$0.226	\$0.217	\$0.258	\$0.272
Change from prior quarter	0.1%	1.0%	1.2%	(1.2%)	3.4%
Difference from Chugach bill	----	10.4%	5.9%	25.8%	32.5%
Small General Service total based on 1,250 kWh	\$212.32	\$242.68	\$257.46	\$310.81	\$326.22
Cost per kWh	\$0.170	\$0.194	\$0.206	\$0.249	\$0.261
Change from prior quarter	(0.1%)	1.2%	1.2%	(1.2%)	3.7%
Difference from Chugach bill	----	14.3%	21.3%	46.4%	53.6%
Large General Service Secondary total*	\$4,605.57	\$4,821.62	\$4,974.34	\$5,525.40	\$6,709.74
Cost per kWh	\$0.164	\$0.172	\$0.178	\$0.197	\$0.240
Change from prior quarter	(0.1%)	1.3%	1.5%	(1.8%)	3.9%
Difference from Chugach bill	----	4.7%	8.0%	20.0%	45.7%

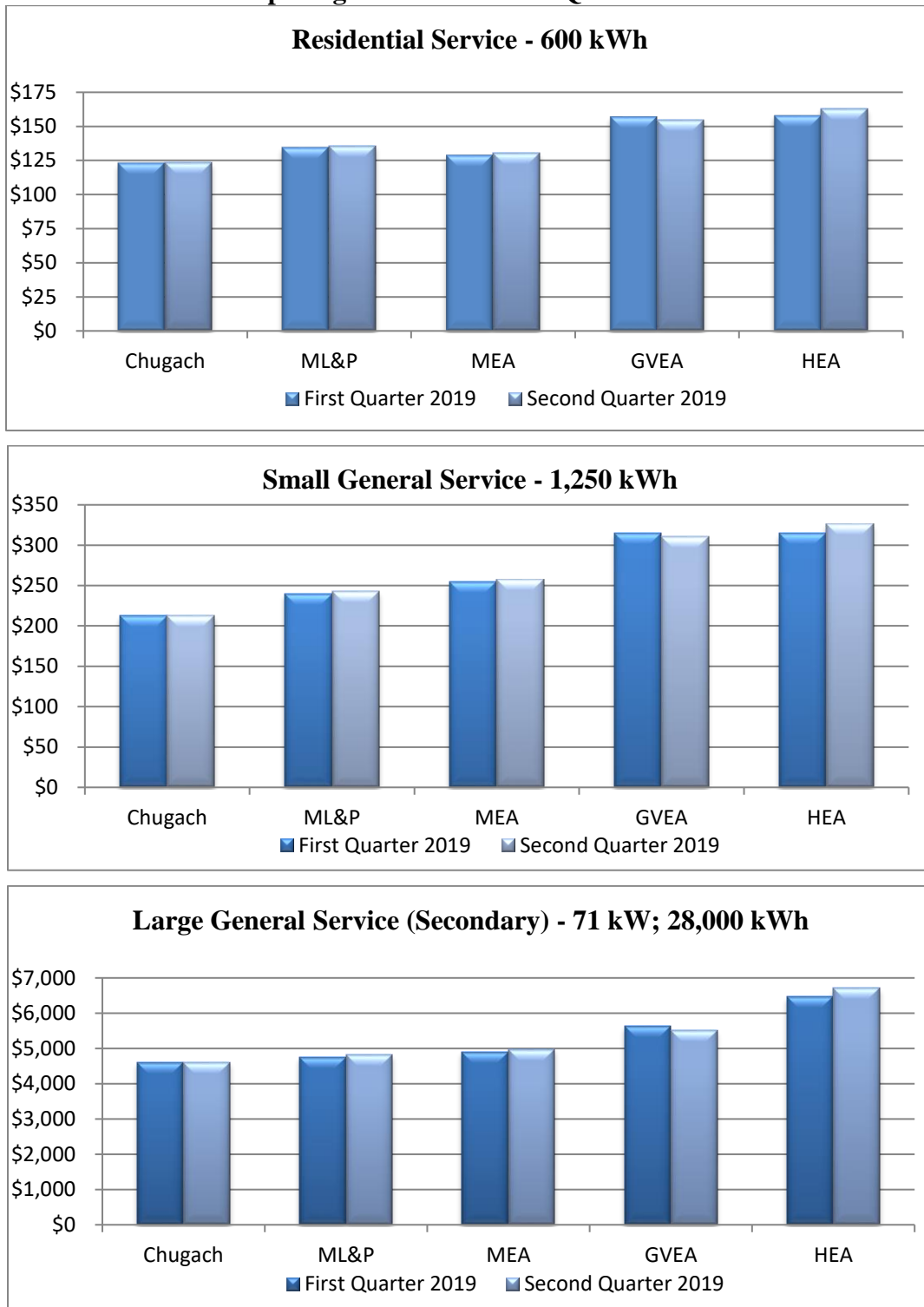
*\*Based on 28,000 kWh and 71 kW. The total does not reflect the effects of demand ratchets in ML&P and GVEA tariffs.*

<sup>1</sup> Bill totals are based on tariffed rates. Local taxes, including the Municipality of Anchorage two percent underground surcharge, are not applicable to all utilities in this comparison and are therefore excluded from the calculations. The Regulatory Cost Charge is included as this charge is applied equally to all utilities. For all cooperatives, the Gross Revenue Tax is included. The residential and small general service bill totals are based on monthly energy purchases of 600 kWh and 1,250 kWh, respectively. The large general service bill totals are based on 28,000 kWh and 71kW. Large General Service bill totals do not reflect impacts associated with tariffed demand ratchet for ML&P and GVEA. Bill comparisons include all approved and pending fuel and purchased power rates for first quarter 2019.

**Figures 1 through 4**

The graphs on the following pages provide additional comparisons of Railbelt utility rates. Figure 1 compares bill totals between second quarter 2019 and the prior quarter. Figure 2 expands the comparison by identifying separately the base rate component and the fuel and purchased power components of each utility this quarter. Figure 3 summarizes Chugach quarterly residential bill levels for the past seven years, identifying the base rate component and the fuel and purchased power component each quarter. Figure 4 illustrates residential bill totals for the last five consecutive quarters for all Railbelt electric utilities.

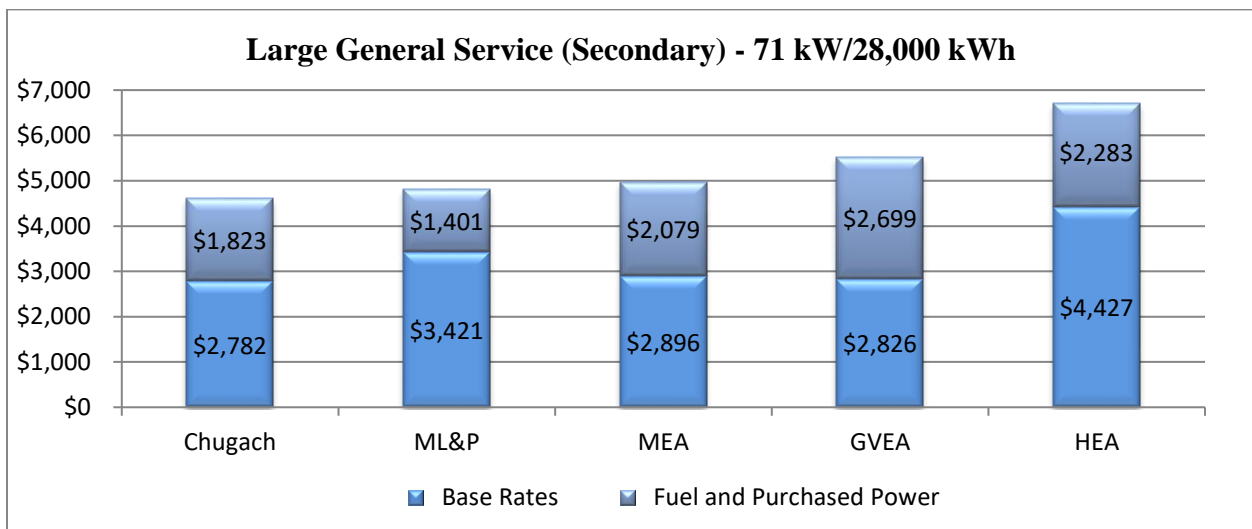
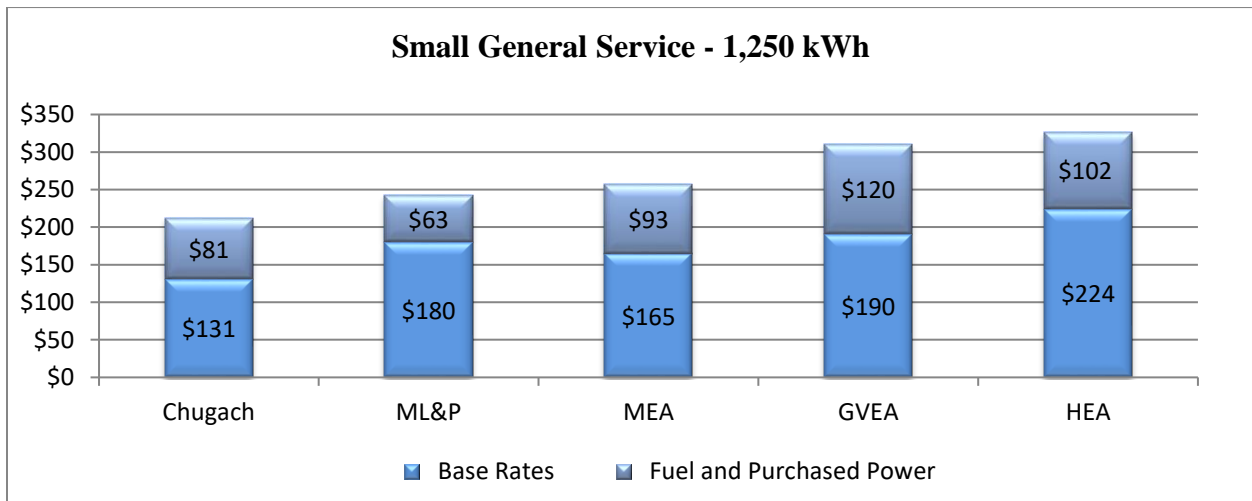
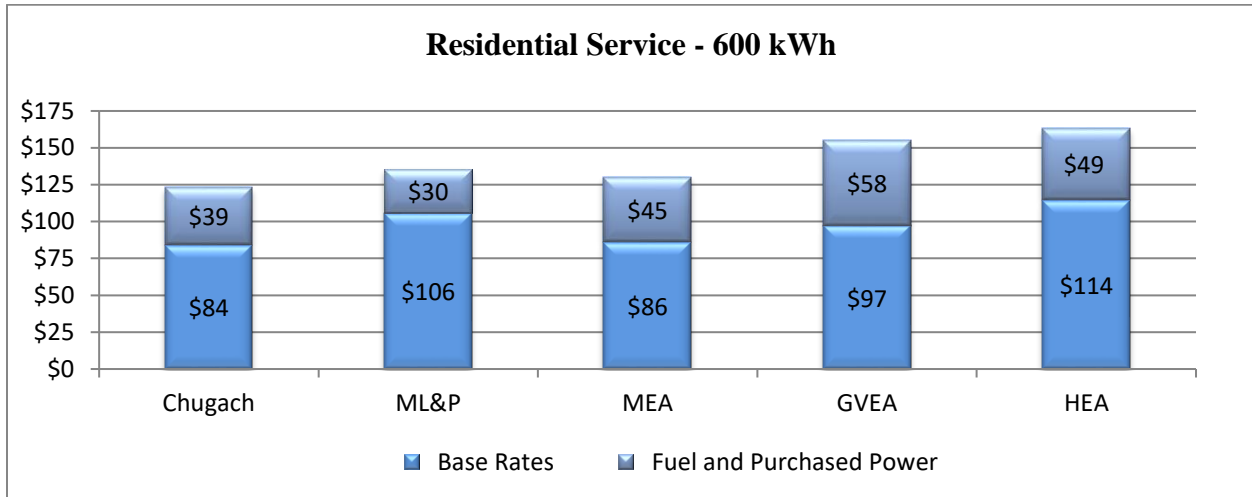
**Figure 1: Retail Electric Bill Totals by Utility  
 Comparing First and Second Quarters 2019**



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 Bill totals are based on tariffed rates and include state taxes that are applied to all utilities and exclude local taxes and surcharges that vary by community, such as the Municipality of Anchorage two percent undergrounding charge. Large General Service totals do not reflect tariffed impacts of ratchet on demand charges for ML&P and GVEA.

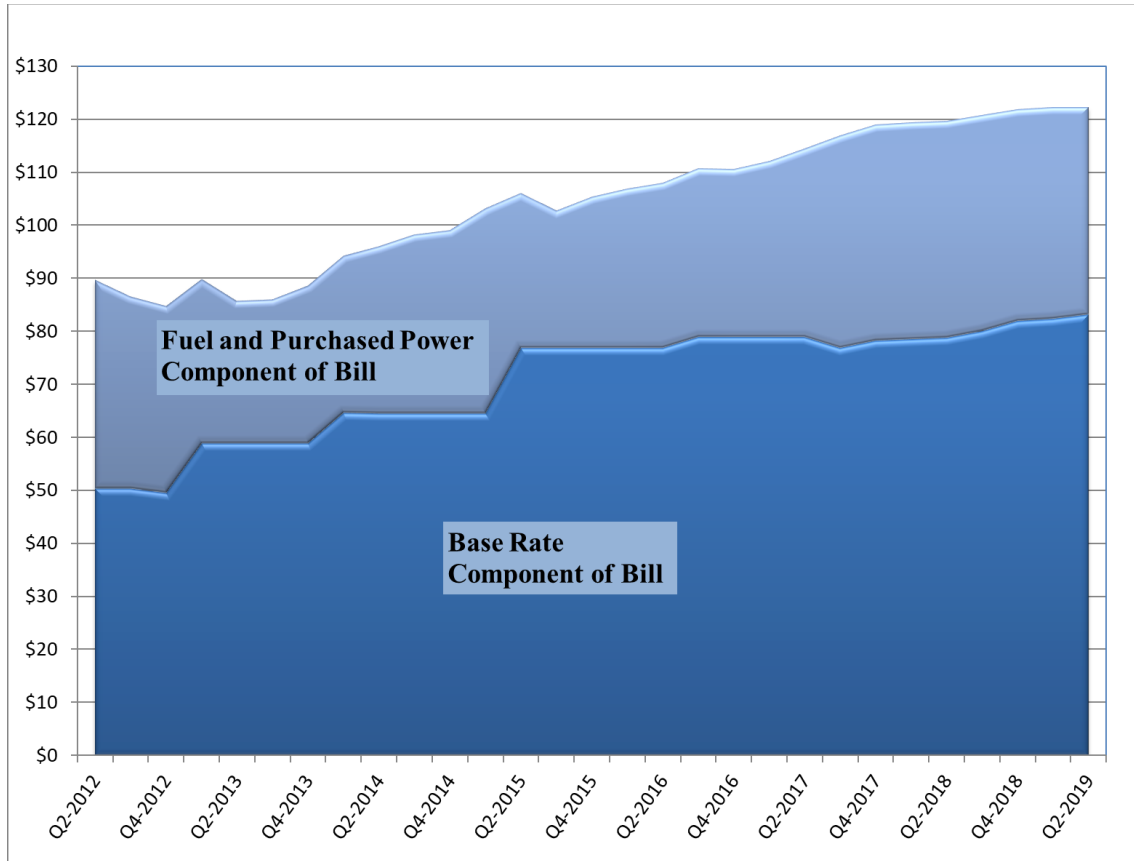


**Figure 2: Base Rate and Fuel and Purchased Power Components  
 Bill Totals – Second Quarter 2019**

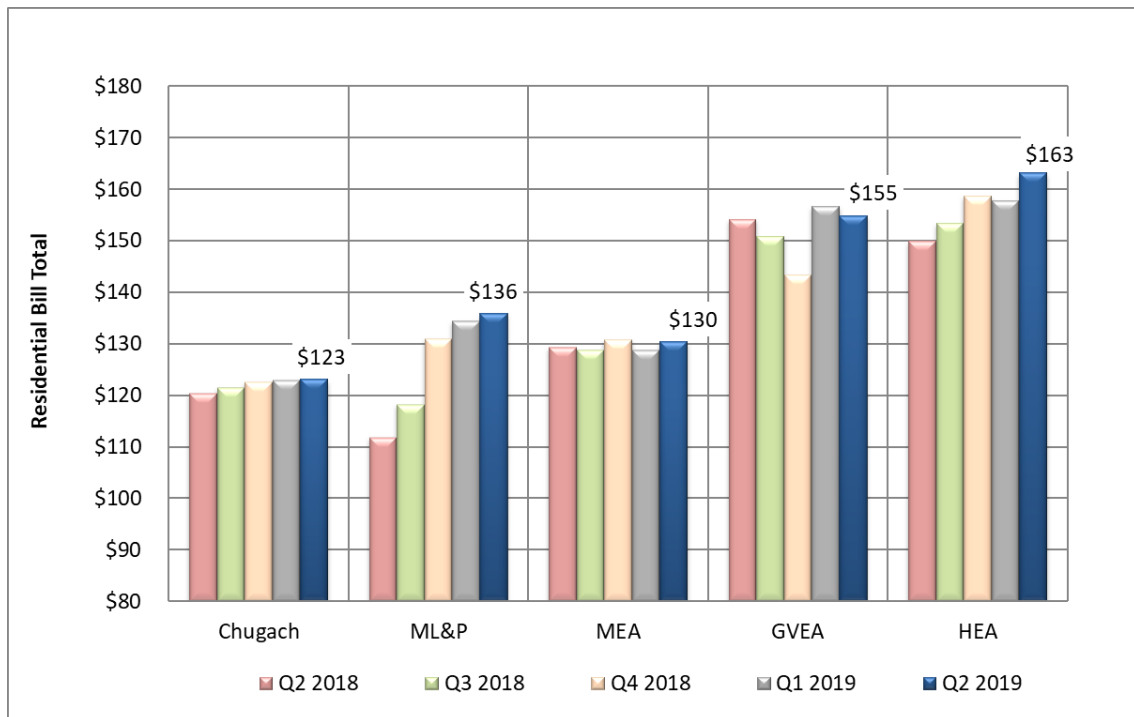


ML&P and GVEA's Large General Service totals do not reflect tariffed impacts of their ratchets on demand charges.

**Figure 3: Chugach's Monthly Residential Bill Total History Based on 600 kWh Consumption**



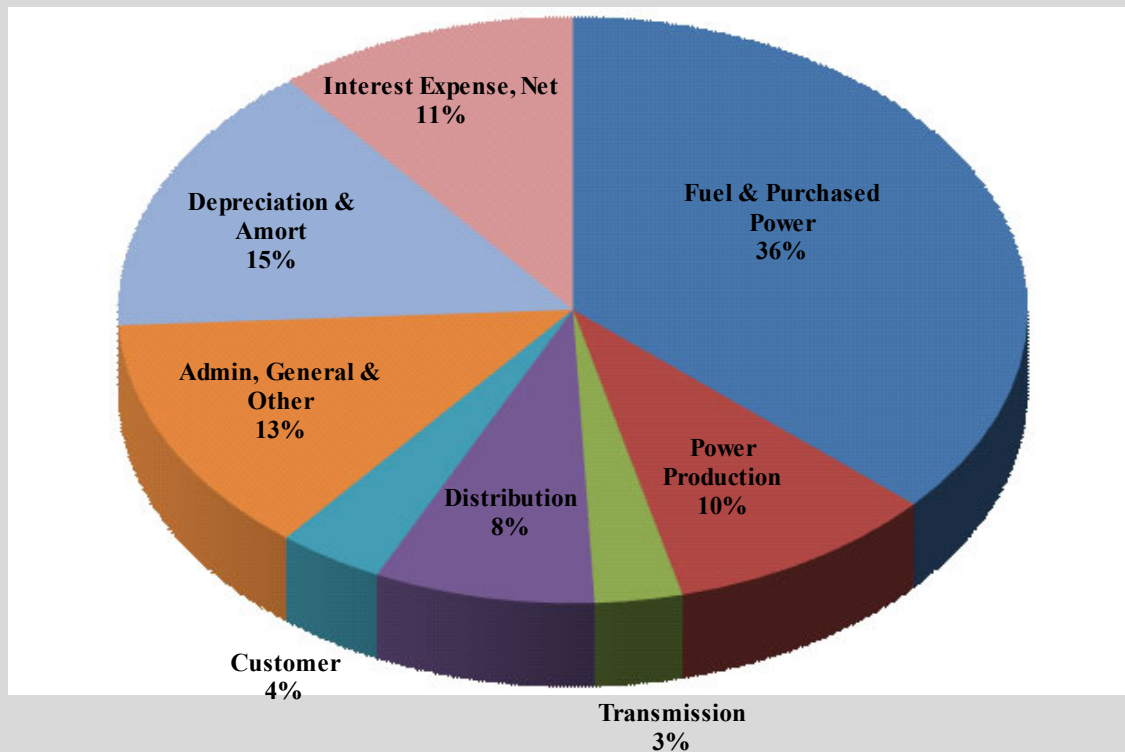
**Figure 4: Railbelt Electric Utility Average Residential Bill Levels Second Quarter 2018 through Second Quarter 2019**



## STATEMENT OF OPERATIONS

CATEGORY	2019 MTD ACTUAL	2019 MTD BUDGET	2019 MTD VARIANCE
<b>Operating Revenue and Patronage Capital</b>	<b>\$ 16,150,923</b>	<b>\$ 16,819,740</b>	<b>\$ (668,817)</b>
Fuel and Purchased Power Expense	6,125,865	6,609,948	(484,083)
Power Production Expense	1,609,018	1,710,809	(101,791)
Transmission Expense	520,991	725,801	(204,810)
Distribution Expense	1,315,699	1,325,543	(9,844)
Customer Expense	630,115	601,628	28,487
Administrative, General and Other	2,231,005	2,107,862	123,143
Depreciation & Amortization Expense	2,535,308	2,552,527	(17,219)
Interest Expense, Net	1,799,979	1,638,780	161,199
<b>Total Cost of Electric Service</b>	<b>\$ 16,767,980</b>	<b>\$ 17,272,898</b>	<b>\$ (504,918)</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ (617,057)</b>	<b>\$ (453,158)</b>	<b>\$ (163,899)</b>
Non-Operating Margins - Interest	58,525	52,481	6,044
Allowance for Funds Used During Construction	13,835	14,846	(1,011)
Non-Operating Margins - Other	16,115	-	16,115
<b>Patronage Capital or Margins</b>	<b>\$ (528,582)</b>	<b>\$ (385,831)</b>	<b>\$ (142,751)</b>

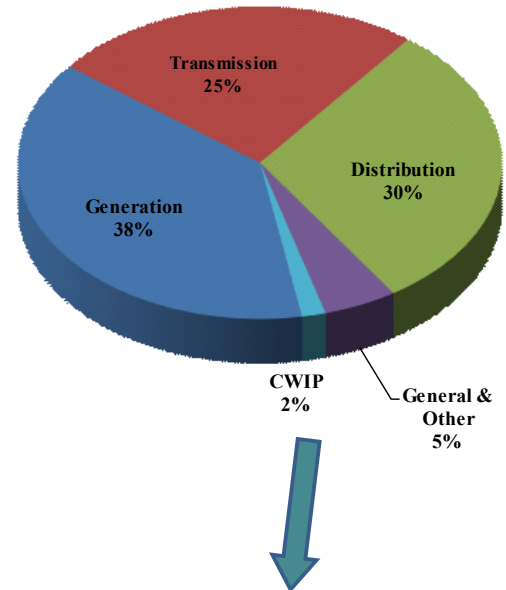
### Total Cost of Electric Service (MTD Actual)



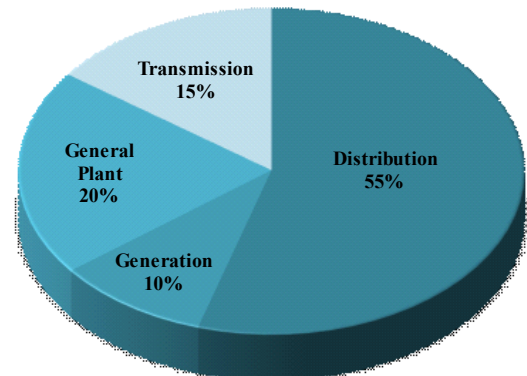
## BALANCE SHEET

ASSETS & OTHER DEBITS	4/30/2019	12/31/18
Electric Plant in Service	1,227,110,240	1,216,663,092
Construction Work in Progress	19,753,616	17,272,307
<b>Total Utility Plant</b>	<b>\$ 1,246,863,856</b>	<b>\$ 1,233,935,399</b>
Accum. Prov. for Depreciation/Amortization	(541,436,111)	(529,099,451)
<b>Net Utility Plant</b>	<b>\$ 705,427,745</b>	<b>\$ 704,835,948</b>
Nonutility Property - Net	76,889	76,889
Operating lease right-of-use assets	934,371	-
Investment in Assoc. Organizations	8,155,603	8,570,046
Special Funds	2,002,876	1,890,221
Restricted Cash & Other Investments	108,000	108,000
<b>Total Other Property &amp; Investments</b>	<b>\$ 11,277,739</b>	<b>\$ 10,645,156</b>
Cash, Marketable Securities & Other	10,126,442	12,423,578
Special Deposits/Restricted Cash	1,277,002	1,268,274
Accounts Receivable - Net	24,643,889	31,165,249
Materials and Supplies, Fuel Stock	26,369,901	28,175,563
Prepayments	3,893,605	2,227,117
Other Current & Accrued Assets	242,628	241,279
<b>Total Current &amp; Accrued Assets</b>	<b>\$ 66,553,467</b>	<b>\$ 75,501,060</b>
Deferred Debits	38,572,182	37,668,424
<b>Total Assets &amp; Other Debits</b>	<b>\$ 821,831,133</b>	<b>\$ 828,650,588</b>
<b>LIABILITIES &amp; OTHER CREDITS</b>		
	<b>4/30/2019</b>	<b>12/31/18</b>
Memberships	1,756,067	1,748,172
Pat. Capital, Margins & Equities	189,665,045	192,776,522
<b>Total Margins &amp; Equities</b>	<b>\$ 191,421,112</b>	<b>\$ 194,524,694</b>
Long-Term Debt - Bonds	374,999,997	398,416,664
Long-Term Debt - Other	32,360,329	33,972,000
Unamortized Debt Issuance Costs	(2,386,303)	(2,425,247)
Operating lease liabilities	750,388	-
<b>Total Long-Term Debt</b>	<b>\$ 405,724,411</b>	<b>\$ 429,963,417</b>
Notes Payable	110,793,272	87,608,667
Accounts Payable	17,486,778	9,538,749
Consumer Deposits	4,696,258	4,845,611
Other Current & Accrued Liabilities	26,997,260	32,853,659
<b>Total Current &amp; Accrued Liabilities</b>	<b>\$ 159,973,568</b>	<b>\$ 134,846,686</b>
Deferred Compensation	1,451,796	1,359,878
Other Liabilities, Non-Current	640,437	580,841
Deferred Liabilities	753,566	764,834
Patronage Capital Payable	1,931,295	3,393,253
Cost of Removal Obligation	59,934,948	63,216,985
<b>Total Liabilities &amp; Other Credits</b>	<b>\$ 821,831,133</b>	<b>\$ 828,650,588</b>

**2019 Total Utility Plant (YTD)**  
\$1,246,863,856



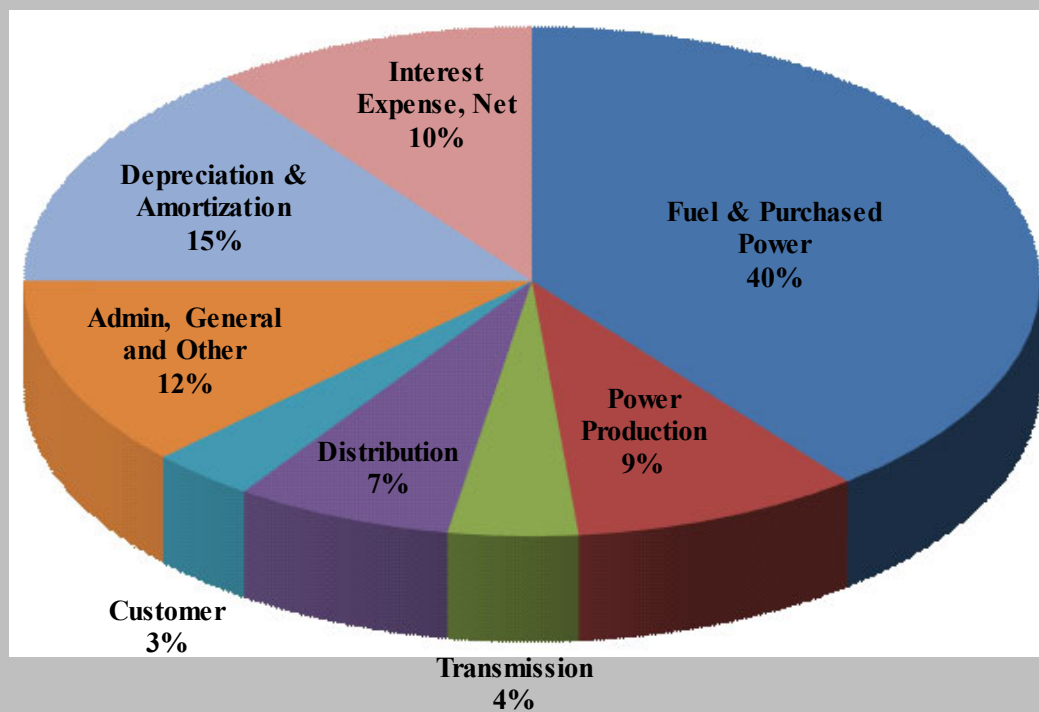
**2019 Construction Work in Progress (YTD)**  
\$19,753,616



**COMPARATIVE FINANCIAL REPORT  
STATEMENT OF OPERATIONS  
CURRENT YTD ACTUAL TO BUDGET VARIANCE**

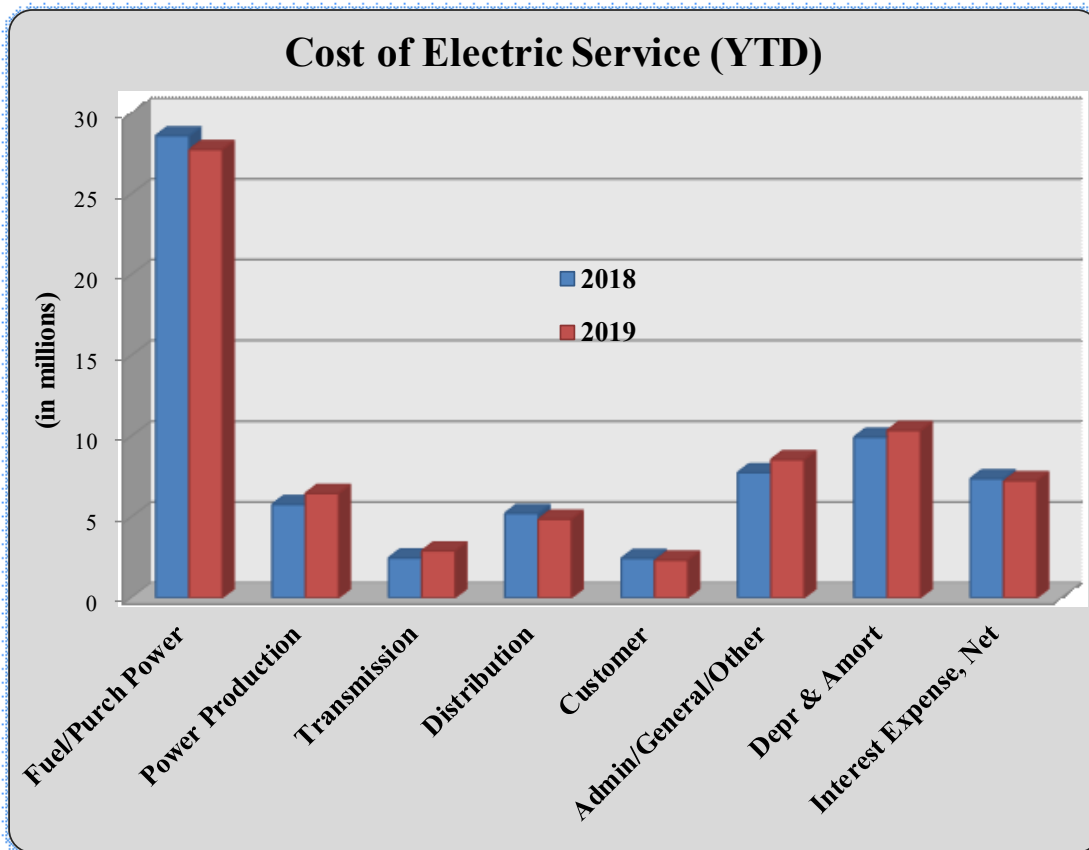
CATEGORY	2019 YTD ACTUAL	2019 YTD BUDGET	2019 YTD VARIANCE
<b>Operating Revenue and Patronage Capital</b>	<b>\$ 71,978,160</b>	<b>\$ 71,636,848</b>	<b>\$ 341,312</b>
Fuel and Purchased Power Expense	27,757,424	27,529,160	228,264
Power Production Expense	6,467,829	6,724,447	(256,618)
Transmission Expense	2,909,061	2,830,340	78,721
Distribution Expense	4,872,318	5,100,649	(228,331)
Customer Expense	2,343,674	2,176,961	166,713
Administrative, General and Other	8,556,863	8,452,244	104,619
Depreciation & Amortization Expense	10,361,677	10,208,445	153,232
Interest Expense, Net	7,255,634	6,779,925	475,709
<b>Total Cost of Electric Service</b>	<b>\$ 70,524,480</b>	<b>\$ 69,802,171</b>	<b>\$ 722,309</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ 1,453,680</b>	<b>\$ 1,834,677</b>	<b>\$ (380,997)</b>
Non-Operating Margins - Interest	227,677	209,924	17,753
Allowance Funds Used During Const.	59,392	59,384	8
Non-Operating Margins - Other	116,246	-	116,246
<b>Patronage Capital or Margins</b>	<b>\$ 1,856,995</b>	<b>\$ 2,103,985</b>	<b>\$ (246,990)</b>
MF/I	1.25	1.30	
TIER	1.28	1.32	

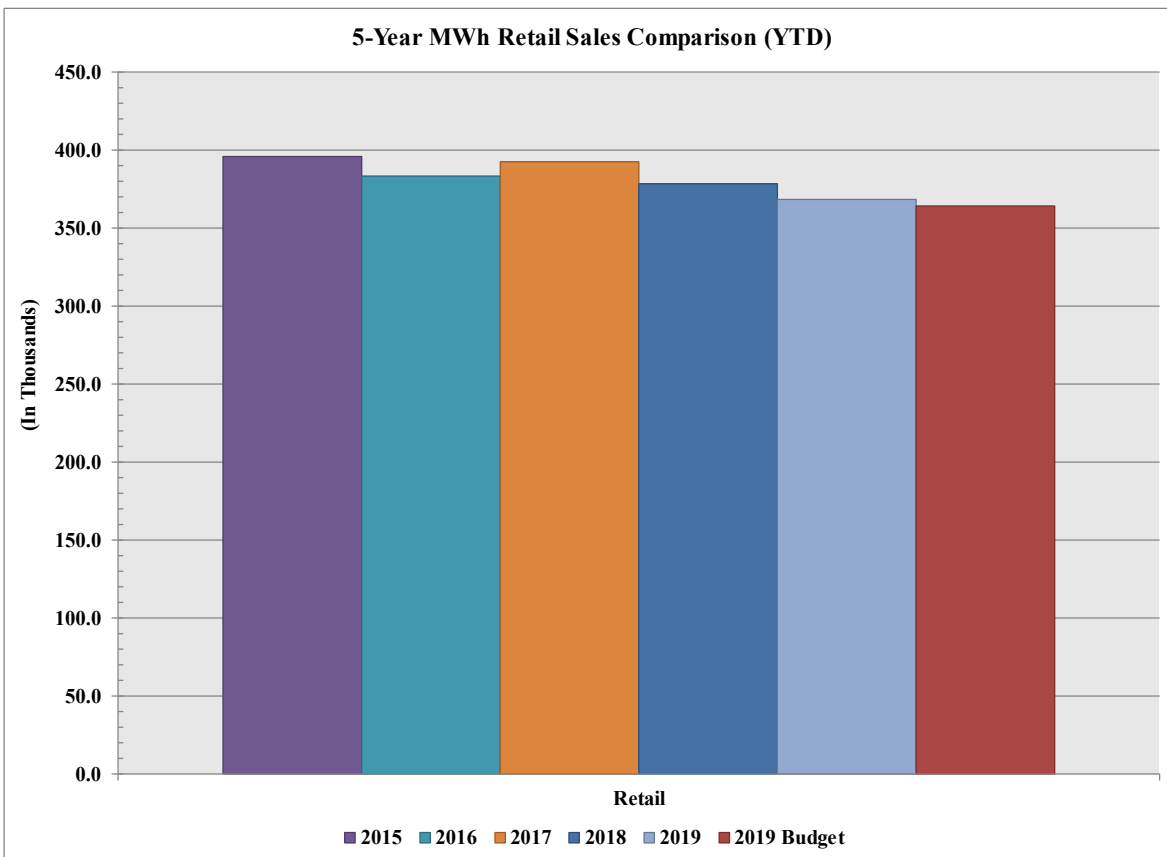
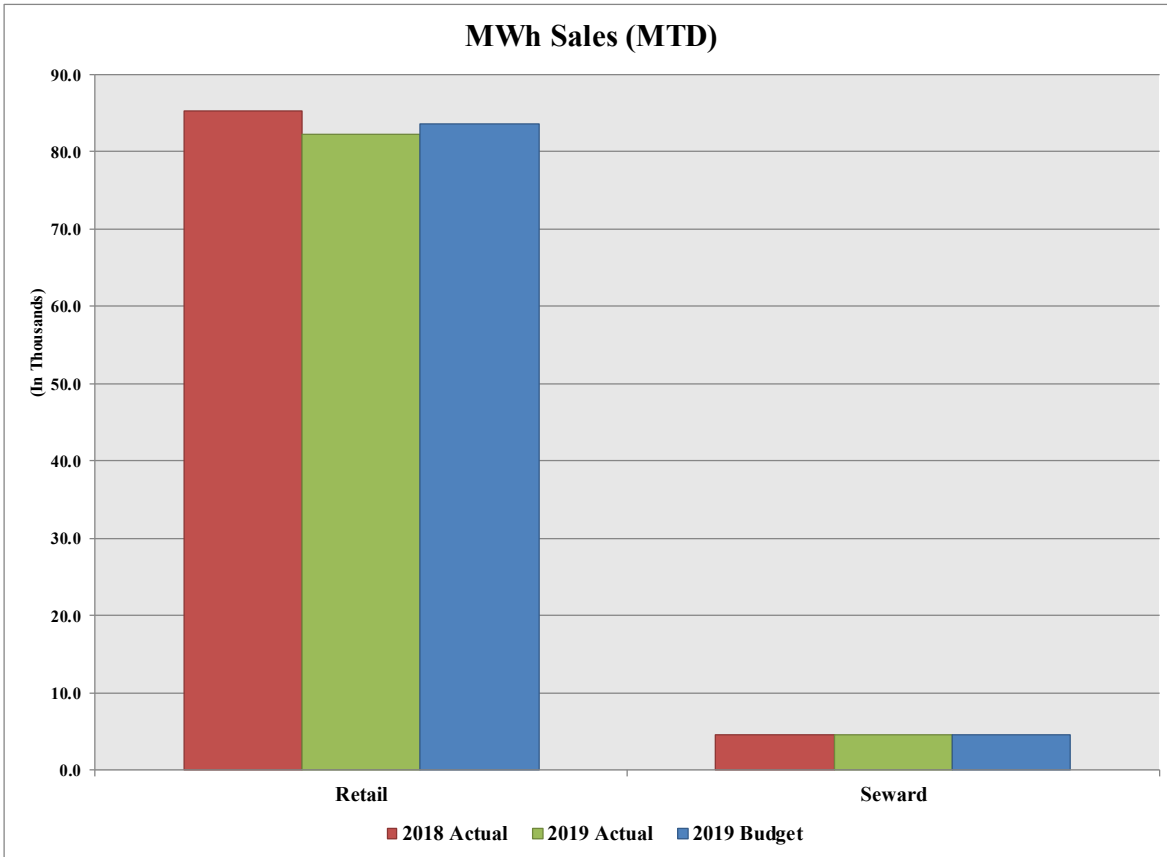
**Total Cost of Electric Service (YTD Actual)**

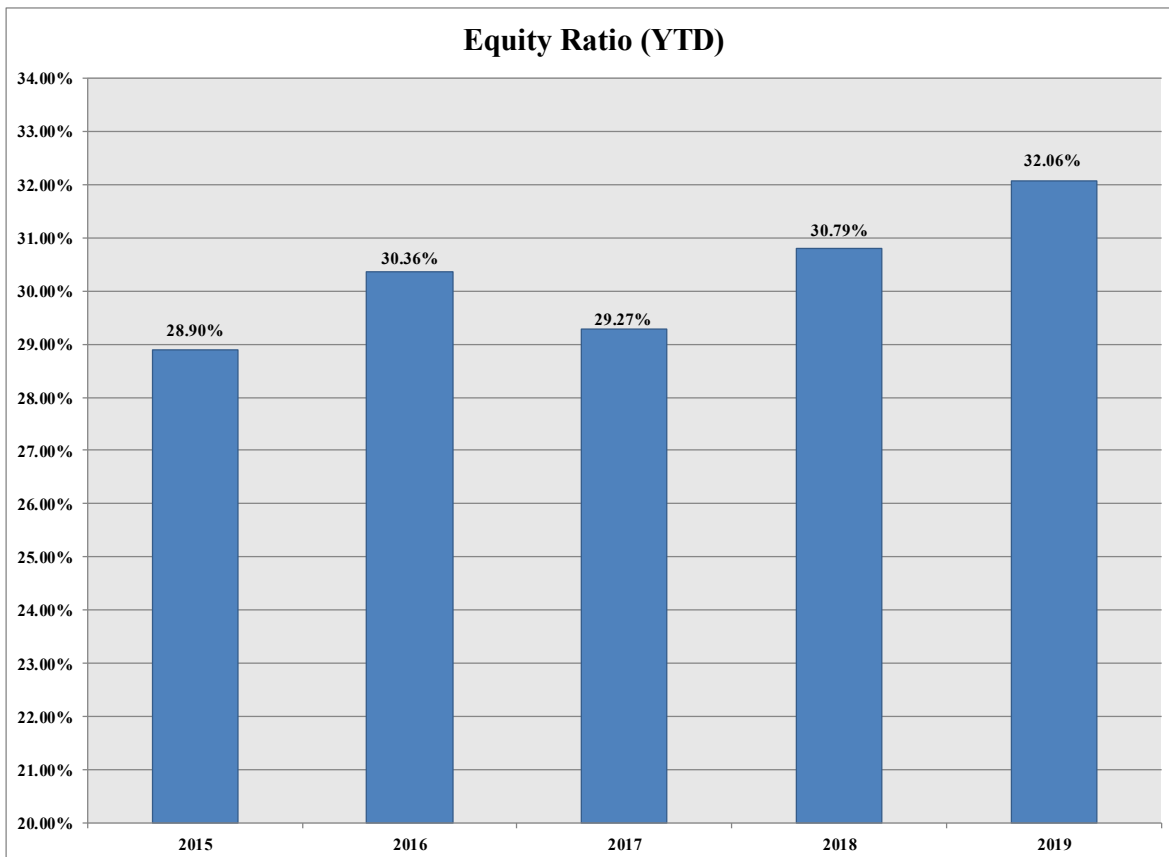
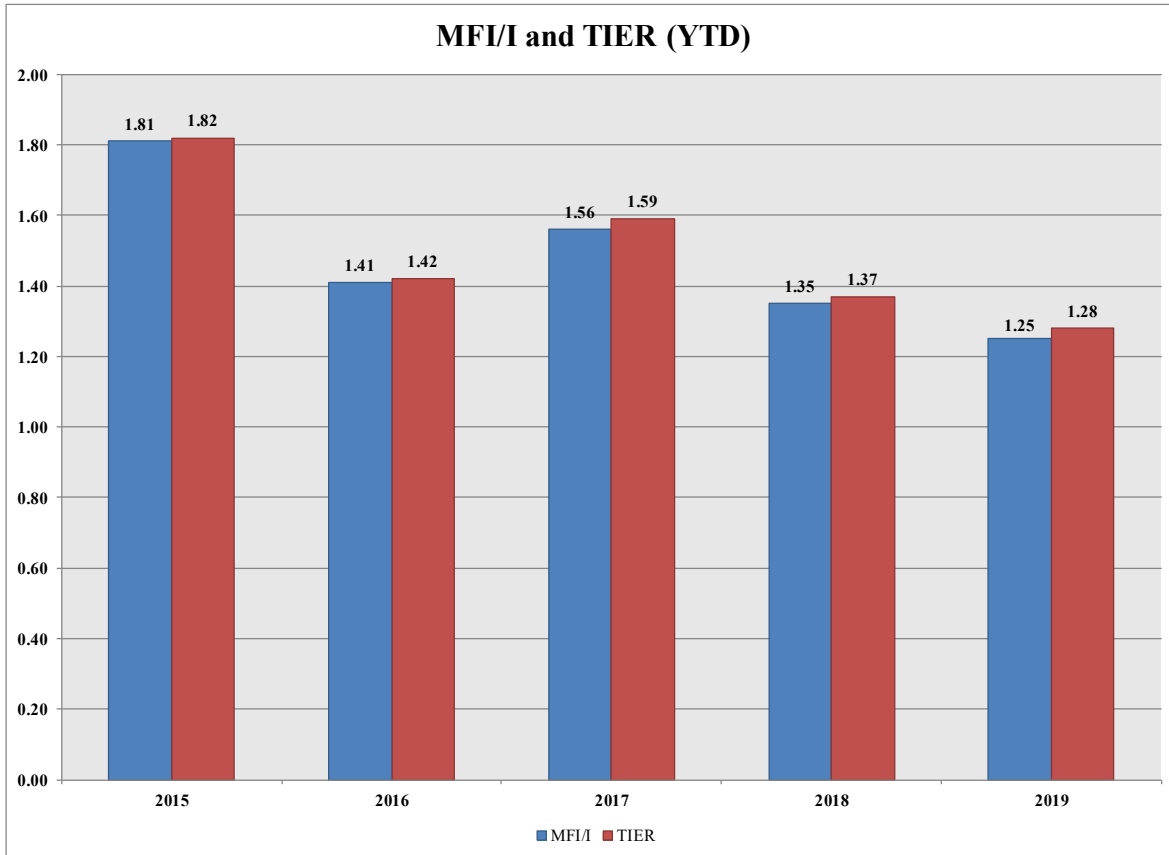


## COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS CURRENT TO PRIOR YTD ACTUAL

CATEGORY	2019 YTD ACTUAL	2018 YTD ACTUAL
<b>Operating Revenue and Patronage Capital</b>	<b>\$ 71,978,160</b>	<b>\$ 72,097,549</b>
Fuel and Purchased Power Expense	27,757,424	28,606,729
Power Production Expense	6,467,829	5,784,500
Transmission Expense	2,909,061	2,471,287
Distribution Expense	4,872,318	5,228,079
Customer Expense	2,343,674	2,443,738
Administrative, General and Other	8,556,863	7,748,454
Depreciation and Amortization Expense	10,361,677	9,944,960
Interest Expense, Net	7,255,634	7,376,001
<b>Total Cost of Electric Service</b>	<b>\$ 70,524,480</b>	<b>\$ 69,603,748</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ 1,453,680</b>	<b>\$ 2,493,801</b>
Non-Operating Margins - Interest	227,677	217,410
Allowance for Funds Used During Construction	59,392	32,340
Non-Operating Margins - Other	116,246	(121,128)
<b>Patronage Capital or Margins</b>	<b>\$ 1,856,995</b>	<b>\$ 2,622,423</b>
MFI/I	1.25	1.35
TIER	1.28	1.37









## ENERGY SALES (kWh)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Energy Sales	368,206,532	364,308,157
Wholesale Energy Sales	<u>18,720,339</u>	<u>18,761,942</u>
Total Firm Energy Sales	386,926,871	383,070,099
Economy Energy Sales	<u>73,000</u>	<u>0</u>
Total Energy Sales	386,999,871	383,070,099

Firm energy sales totaled 386,926,871 kWh, which was a 1.0% favorable variance compared to budget. Retail energy sales were over budget 1.1%, primarily due to higher than anticipated large commercial activity. Wholesale energy sales were under budget by 0.2%.

## ENERGY REVENUE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Revenue	\$ 67.9	\$ 68.2
Wholesale Revenue	<u>1.9</u>	<u>1.9</u>
Total Firm Revenue	69.8	70.1
Economy/Other Energy Revenue	0.0	0.0
Other Operating Revenue	<u>2.2</u>	<u>1.5</u>
Total Revenue	\$ 72.0	\$ 71.6

Revenue from firm sales totaled \$69.8 million compared to \$70.1 million in the budget. Firm revenue was lower than expected primarily due to lower costs recovered through the fuel and purchased power adjustment process as a result of wheeling transactions.

Other operating revenue includes late fees, pole rental, wheeling, microwave, BRU royalties, miscellaneous service and other electric revenue. Other operating revenue totaled \$2.2 million compared to \$1.5 million in the budget, primarily due to higher than anticipated wheeling revenue.

## FUEL AND PURCHASED POWER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Fuel	\$ 18.9	\$ 20.9
Purchased Power	<u>8.8</u>	<u>6.6</u>
Total	\$ 27.7	\$ 27.5

Fuel expense includes fuel, storage, transportation, and BRU operating costs. Fuel expense was \$18.9 million compared to \$20.9 million projected in the budget. This variance was primarily due to lower than anticipated storage expense and less fuel used for production.

Actual fuel purchased or withdrawn from inventory and used for production was 2,145,400 MCF at an average effective delivered price of \$8.20 per MCF, compared to 2,275,332 MCF in the budget at an average effective delivered price of \$8.19 per MCF.

Purchased power expense represents energy purchased from Bradley Lake, Fire Island, and other utilities as needed, as well as costs associated with dispatching. Purchased power expense was \$8.8 million compared to \$6.6 million in the budget, due to higher than anticipated purchases from ML&P and MEA. This was somewhat offset by higher than anticipated purchases from Bradley Lake resulting in a lower average effective price.

Actual energy purchased was 98,941 MWh at an average effective price of 7.76 cents per kWh compared to 64,282 MWh budgeted at an average effective price of 8.33 cents per kWh.

## POWER PRODUCTION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Power Production	\$ 6.5	\$ 6.7

Power production expense was \$6.5 million compared to \$6.7 million in the budget. This favorable variance is primarily due to lower than anticipated maintenance costs at the Beluga and SPP Power Plants, and the cancelled community solar project. These savings were somewhat offset by higher amortization expense associated with the Cooper Lake dredging project.

## TRANSMISSION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Transmission	\$ 2.9	\$ 2.8

Transmission operations and maintenance expense was \$2.9 million compared to \$2.8 million in the budget, primarily due to higher than anticipated maintenance and substation and line operations expense labor, which was a shift from Distribution as a result of earthquake assessment and repairs.

## DISTRIBUTION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Distribution	\$ 4.9	\$ 5.1

Distribution operations and maintenance expense was \$4.9 million compared to \$5.1 million in the budget. This favorable variance is primarily due lower than anticipated locating and lease costs, as well as to a shift in substation expense labor to Transmission.

## CONSUMER ACCOUNTS / CUSTOMER INFORMATION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Consumer / Customer Information	\$ 2.3	\$ 2.2

Consumer accounts and customer information expense was \$2.3 million compared to \$2.2 million in the budget. This unfavorable variance is primarily due to higher than anticipated credit card merchant fees, which were somewhat offset by lower than anticipated printing costs.

## ADMINISTRATIVE, GENERAL AND OTHER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Administrative, General and Other	\$ 8.6	\$ 8.5

Administrative, general and other expense includes tax, donations, other deductions associated with preliminary survey and investigation charges of projects, and obsolete inventory write-offs that are not attributable to operating or maintenance accounts, which was \$8.6 million compared to \$8.5 million in the budget. While not a significant variance, lower than anticipated consulting costs associated with fuel management, accounting, and safety, as well as headquarters maintenance, were offset by project write-offs.

## SUMMARY

Depreciation, interest, and interest during construction expense totaled \$17.6 million compared to \$17.0 million in the budget. The unfavorable variance compared to budget was primarily due to higher than anticipated interest expense on short-term borrowings of commercial paper as well as increased depreciation expense.

All of the foregoing expenses resulted in total cost of electric service of \$70.5 million compared to \$69.8 million in the budget.

Non-operating margins include allowance for funds used during construction (AFUDC), capital credit and patronage capital allocations, extraordinary items, and interest income. Non-operating margins totaled \$0.4 million compared to \$0.3 million in the budget primarily due to the gain in value of marketable securities.

The net result of revenue and expenses was margins of \$1.9 million compared to projected margins of \$2.1 million in the budget. The current forecast projects year-end margins of \$5.3 million, an MFI/I of 1.25, and TIER of 1.27.

**COMPARATIVE FINANCIAL REPORT  
STATEMENT OF OPERATIONS  
YEAR-END FORECAST**

CATEGORY	2019 APPROVED BUDGET	2019 AMENDED BUDGET	2019 YTD ACTUALS	2019 REVISED FORECAST
<b>Operating Revenue and Patronage Capital</b>	<b>\$ 207,385,275</b>	<b>\$ 207,385,275</b>	<b>\$ 71,978,160</b>	<b>\$ 209,072,129</b> <sup>1 2</sup>
Fuel and Purchased Power Expense	76,788,722	76,788,722	27,757,424	77,016,986 <sup>1</sup>
Power Production Expense	20,297,640	20,297,640	6,467,829	20,297,640
Transmission Expense	7,442,254	7,442,254	2,909,061	7,442,254
Distribution Expense	15,695,623	15,813,973	4,872,318	15,813,973
Customer Expense	7,089,507	7,089,507	2,343,674	7,089,507
Administrative, General & Other	24,398,225	24,398,225	8,556,863	24,398,225
Depreciation and Amortization Expense	30,612,717	30,612,717	10,361,677	30,765,949 <sup>1</sup>
Interest Expense, Net	20,112,012	20,112,012	7,255,634	21,933,263 <sup>1 2</sup>
<b>Total Cost of Electric Service</b>	<b>\$ 202,436,700</b>	<b>\$ 202,555,050</b>	<b>\$ 70,524,480</b>	<b>\$ 204,757,797</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ 4,948,575</b>	<b>\$ 4,830,225</b>	<b>\$ 1,453,680</b>	<b>\$ 4,314,332</b>
Non-Operating Margins - Interest	629,772	629,772	227,677	647,525 <sup>1</sup>
Allowance for Funds Used During Construction	178,150	178,150	59,392	178,158 <sup>1</sup>
Non-Operating Margins - Other	-	-	116,246	116,246 <sup>1</sup>
<b>Patronage Capital or Margins</b>	<b>\$ 5,756,497</b>	<b>\$ 5,638,147</b>	<b>\$ 1,856,995</b>	<b>\$ 5,256,261</b>
MFI/I	1.28	1.27	1.25	1.25
TIER	1.30	1.29	1.28	1.27

<sup>1</sup> Forecast based on 4 month actual and 8 month forecast

<sup>2</sup> Forecast has been adjusted to reflect anticipated changes



# Chugach Electric Association

## CFC Credit Card One Pilot Program

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REGULAR BOARD MEETING

JUNE 26, 2019

# Agenda

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- Current Program and New Program Advantages
- Pilot Program
- Questions

# Current Program

---

- 20+ years with FNBA
  - Only provider we've ever used for employee credit cards
  - Approx. \$900,000 a year in charges
- Administration is cumbersome
  - Effort and delay to add or delete users or modify credit limits
  - Manual reconciliations – paper intensive
- Process-Status Quo
  - No new features have been implemented
  - Never received a usage credit/reward

# Potential New Program – CFC One Card

---

- Approximately 400 co-ops are currently using
- User control of credit card issuance, cancellation and limits
- Paperless benefits via ability to photograph or scan and upload receipts
- Cost of \$12/card/year
- Cash reward based on usage of approximately \$15,000/year



# Pilot Program

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- BETA
  - 3 Admins with 2-3 credit card users
  - Test Apple phone receipts / imaging
  - US Bank software
  - 120+ days testing
- Request approval to move forward
  - Roll out to all selected employees

# Questions

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**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**June 26, 2019**

**ACTION REQUIRED**

**AGENDA ITEM NO. VIII.A.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

---

**TOPIC**

CFC Credit Card One Pilot Program

**DISCUSSION**

Chugach is evaluating the ability to improve processing efficiency and earn rewards from its company credit card program. The current credit card program is administratively cumbersome and does not earn any reward. Thus, Chugach plans to conduct a pilot program using the CFC Credit Card One to evaluate its efficacy as a credit card option going forward. To do so requires a resolution from the Board of Directors and the execution of a credit card agreement (the One Card Program Reimbursement Agreement).

**MOTION**

Move that the Board of Directors approve the attached resolution authorizing Sherri L. Highers, Chief Financial Officer, to execute the One Card Program Reimbursement Agreement.



## RESOLUTION

### CFC Credit Card One Pilot Program

I, Stuart Parks, do hereby certify that: I am the Secretary of CHUGACH ELECTRIC ASSOCIATION, INC. (the "Cooperative") and further certify as follows:

The following is a true and correct copy of excerpts from the minutes of a meeting of the Board of Directors of the Cooperative held on June 26, 2019, Regular Board of Directors' Meeting, as they appear in the Minutes Book of the Cooperative; the meeting was duly and properly called, with a quorum present and acting throughout; said resolutions were duly adopted thereat; and said resolutions have not been modified or rescinded:

"RESOLVED, that the Cooperative establish or continue its participation in a corporate credit card program under the terms, conditions and provisions of the One Card Program Reimbursement Agreement (the Agreement"), and to reimburse CFC, together with interest, for any amounts that CFC is required to pay U.S. BANK on behalf of the Cooperative pursuant to the terms of the Agreement; and,

RESOLVED, that the Chief Financial Officer of the Cooperative be and is hereby authorized to execute the Agreement on behalf of the Cooperative, to execute any future amendments to said Agreement as such individual may deem appropriate, and to execute such further documents as may be necessary or appropriate in order to comply with CFC's or U.S. Bank's requirements; and,

RESOLVED, that it is the intent of the Board that upon execution and delivery of the Agreement to CFC, and when executed by CFC, the Agreement shall constitute a valid and binding agreement between CFC and the Cooperative, enforceable in accordance with its terms; and

RESOLVED, that the appropriate officers are authorized to take all other actions they deem advisable to carry out the purpose of these resolutions."

IN WITNESS WHEREOF, I have hereunder set my hand and affixed the seal of the Cooperative, this 26<sup>th</sup> day of June, 2019.

### CERTIFICATION

I, Stuart Parks, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 26<sup>th</sup> day of June, 2019; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation on the 26<sup>th</sup> day of June, 2019.

\_\_\_\_\_  
Secretary

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**June 26, 2019**

**ACTION REQUIRED**

**AGENDA ITEM NO. VIII.B.**

     Information Only  
  X   Motion  
     Resolution  
     Executive Session  
     Other

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**TOPIC**

Board Policy 101, Statement of Objectives Policy

**DISCUSSION**

Staff routinely reviews Association policies and procedures for needed updates and modifications. Upon review of Board Policy 101, Statement of Objectives, staff is recommending the attached, redlined updates to this policy be approved by the Board of Directors.

**MOTION**

Upon the recommendation of management, the Board of Directors move and agree that the attached updates to Board Policy 101, Statement of Objectives should be approved.

# CHUGACH ELECTRIC ASSOCIATION, INC.

## BOARD POLICY: 101

### STATEMENT OF OBJECTIVES

#### I. OBJECTIVE

##### A. Major Objectives With Association Members (“members”)

1. To operate the Association as a non-profit enterprise on a continuing basis in accordance with its Articles of Incorporation, Bylaws, corporate policies and documents, and other applicable legal and contractual requirements.
2. To maximize the value members receive by safely providing ~~competitively priced, affordable and~~ reliable electric energy and services through ~~innovations~~superior service and sustainable practices, leadership and prudent management, which includes the establishment of an adequate financial structure, sufficient funds available to cover all costs of service, retirement of outstanding debt obligations, provisions for future expansion to meet the needs of members, and equitable remuneration to employees.
3. To keep the members informed of the manner of operation, plans, progress, and ~~problems~~challenges of their utility system; to strive to obtain their understanding, acceptance and support; and to provide reasonable means through which the needs of the members can be expressed and acted upon as appropriate.
4. To educate members concerning ways they can most efficiently utilize electric energy. It is in the members’ best interest to use electrical energy efficiently in order to ~~delay~~manage the need for additional generation.

##### B. Major Objectives With Employees

1. To fully communicate the importance of safety as a high priority of the Association.
2. To operate within the bounds of accepted safety practices and to promote the safety and well-being of employees, members and the general public.
3. To establish the attitude that the Association’s greatest assets are its employees and that opportunities will be provided to encourage their growth and development.

~~24.~~ To motivate and encourage employees to perform to the highest standards and to foster an increased level of personal responsibility for management of Association resources and efficiency of the work processes.

~~1. To fully communicate the importance of safety as a high priority of the Association.~~

~~1. To operate within the bounds of accepted safety practices and to promote the safety and well-being of employees, members and the general public.~~

C. Coordinate Objectives With Members

1. To develop and maintain processes which allow and encourage participation of members in the leadership of their Association.
2. To enhance the Association's reputation for fair dealings, prompt and efficient service, dependability, integrity, courtesy, and technical competence.
3. To strive constantly for ever higher standards of service through management, utilization of new equipment and techniques, and improved methods of operations; and to use these factors to increase system efficiency.
4. To develop, operate, and maintain the electric generation, transmission and distribution systems at optimum performance to assure quality of service and safety of members while maintaining investment at a reasonable level and minimizing premature obsolescence.
5. To prudently ~~maintain an appropriate~~manage the Association's equity level.

D. Coordinate Objectives With Employees

1. To adequately train, develop, and compensate all employees.
2. To inform employees of decisions or situations affecting them on their jobs and to solicit their ideas and support.
3. To seek out, stimulate and motivate ~~those~~ individuals who ~~have~~desire leadership ~~potential~~development.

E. Coordinate Objectives With Public

1. To develop understanding, acceptance, and support of the Association's objectives, plans, policies and programs.

- 2. To foster and develop the Association as a good corporate citizen in the community.
- 3. To provide leadership and to cooperate with other community and civic groups in furthering programs of mutual interest which will benefit the members and the community.

**II. RESPONSIBILITIES**

- A. The Board of Directors shall be responsible for considering the expressed objectives of the Association in making decisions which will directly or indirectly affect members, employees, and the public.
- B. The Chief Executive Officer shall be responsible for the administration of this ~~policy~~Policy.

Date Approved: -June 26, 2019

Attested: \_\_\_\_\_  
Stuart Parks  
Secretary of the Board \_\_\_\_\_



**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**June 26, 2019**

**ACTION REQUIRED**

**AGENDA ITEM NO. X.A.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

Approve IMO Work Plan and Budget

**DISCUSSION**

At the June 24, 2019, Operations Committee Meeting, the Operations Committee discussed and deferred any action to approve the IMO Work Plan and Budget to the Regular Board of Directors' meeting on June 26, 2019.

**MOTION**

Move that the Board of Directors approve the IMO Work Plan and Budget of \$39,549,159, and authorize the Chief Executive Officer to spend no more than \$14,383,662 before the RCA decision on the acquisition of ML&P pursuant to the attached resolution.



## RESOLUTION

### IMO Work Plan and Budget

WHEREAS, Chugach Electric Association, Inc. (Chugach) has a fully executed agreement with the Municipality of Anchorage to purchase Municipal Light and Power (ML&P) dated December 28, 2018;

WHEREAS, Chugach will be serving the ML&P ratepayers immediately after financial close and must be prepared to provide safe and reliable electric service;

WHEREAS, Chugach completed an Integration Work Plan on June 13, 2019 that contains the plan and budget to integrate the operating and business processes of Chugach and ML&P;

WHEREAS, Chugach filed an integration cost estimate with the RCA before completion of the IMO Work Plan of \$32,972,191, and the completed IMO Work Plan budget has increased to \$39,549,159; and

WHEREAS, The completed IMO Work Plan budget is \$14,383,662 before the anticipated November 19, 2019 RCA decision on the acquisition of ML&P by Chugach (RCA Decision), \$16,011,234 between RCA Decision and the transaction close date, and \$9,154,263 after close.

NOW THEREFORE BE IT RESOLVED, the Board of Directors of Chugach Electric Association, Inc. approve the IMO Work Plan and Budget of \$39,549,159, and further, authorize the Chief Executive Officer to spend no more than \$14,383,662 before the RCA Decision on the acquisition of ML&P, anticipated on November 19, 2019.

## CERTIFICATION

I, Stuart Parks, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 26<sup>th</sup> day of June, 2019; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation on the 26<sup>th</sup> day of June, 2019.

Secretary

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**June 26, 2019**

**ACTION REQUIRED**

**AGENDA ITEM NO. X.B.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

Memorandum of Understanding between Chugach Electric Association, Inc. (“Chugach”) and Golden Valley Electric Association, Inc. (“GVEA”) (collectively, “MOU”).

**DISCUSSION**

On December 28, 2018, Chugach and the Municipality of Anchorage (“MOA”) entered into an Asset Purchase and Sale Agreement, Eklutna Power Purchase Agreement, the Beluga River Unit Fuel Agreement, and the Payment in Lieu of Taxes Agreement related to MOA’s proposed sale of the majority of Anchorage Municipal Light & Power’s (“ML&P”) assets to Chugach (“Acquisition”). On April 1, 2019, Chugach submitted its request to the Regulatory Commission of Alaska (“Commission” or “RCA”) for approval of the acquisition. Chugach’s request is being addressed by the Commission in Dockets U-18-102, U-19-020, and U-19-021.

During GVEA’s evaluation of the filing, GVEA expressed concern regarding access to economy energy sales. Chugach and GVEA entered into negotiation to resolve GVEA’s concerns and reached agreement. The MOU represents an arrangement that provides GVEA with assurances to economy energy and firm capacity, and allows Chugach to provide additional sales under its tariff for economy energy, wheeling and ancillary services, and a small amount of capacity from its share of the Bradley Lake project. If the MOU is executed, GVEA has agreed to submit a filing with the Commission by July 2, 2019, withdrawing any objections to the acquisition and will withdraw as a party to the acquisition dockets (U-18-102, U-19-020, and U-19-021).

Under the MOU, Chugach agrees to provide GVEA non-firm energy, wheeling and ancillary services for a 3-year period under terms and conditions consistent with its operating tariff. Under the MOU, GVEA is obligated to purchase from Chugach a minimum 120,000 MWh of

non-firm (economy) energy from generation units having a heat rate of 8,000 BTU/kWh or less for each 12-month period during the 3-year term of the agreement. The MOU provides that GVEA will pay a fixed O&M rate of \$10.36 per MWh, a fixed margin rate of \$5 per MWh, and actual fuel costs as determined by each transaction.

In addition, the MOU also provides that Chugach will make available 5 MW of Bradley Lake capacity to GVEA for a 5-year period at a rate of \$5 per MW, consistent with the terms and conditions in the Bradley Lake Hydroelectric Project Allocation and Scheduling Procedures. This capacity arrangement provides \$0.2 million per year of annual revenue to the Chugach system. Because this is a capacity arrangement, there is no additional energy, wheeling or ancillary services revenue to the Chugach system.

Chugach management recommends approval of the MOU. Approval provides annual revenues of \$3.6 million (excluding fuel) to the Chugach system, with the majority of this total contributing to fixed cost recovery for the benefit of Chugach's retail and wholesale customers on the system. GVEA receives the assurance of access to economy energy (minimum 120,000 MWh per year) at prices consistent to what ML&P was charging prior to the acquisition.

The rights and obligations the Parties under the MOU related to Bradley Lake capacity and economy energy are subject to and only become effective upon the satisfaction of the following conditions precedent: (1) Chugach shall have received RCA Approval for the Acquisition as defined in Section 6.06(f) of the Asset Purchase and Sale Agreement; (2) Chugach shall have successfully closed and completed the Acquisition; (3) Chugach and GVEA shall have received any board approvals deemed necessary in connection with this MOU by June 27, 2019; and (4) Chugach and GVEA shall have received any regulatory or other third party approvals legally required in connection with this MOU.

## **MOTION**

Move that the Board of Directors authorize the Chief Executive Officer to execute the attached Memorandum of Understanding between Chugach Electric Association, Inc. and Golden Valley Electric Association, Inc.

## MEMORANDUM OF UNDERSTANDING

BETWEEN

**GOLDEN VALLEY ELECTRIC ASSOCIATION, INC.**  
Fairbanks, AK

AND

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
Anchorage, AK

1. **Parties.** This Memorandum of Understanding (“MOU”), is made and entered into by and between Chugach Electric Association, Inc. (“Chugach”), located at 5601 Electron Drive, Anchorage, Alaska 99518 and Golden Valley Electric Association, Inc. (“GVEA”) located at 758 Illinois Street, Fairbanks, Alaska 99701. Chugach and GVEA are referred to collectively in this MOU as the “Parties”.
2. **Background.** Chugach and GVEA are utilities that provide electric service in the Anchorage and Fairbanks areas, respectively. The Parties, along with electric utilities Anchorage Municipal Light and Power (“AMLP”), Matanuska Electric Association, Inc. (“MEA”), Homer Electric Association, Inc. (“HEA”) and Seward Electric System (“Seward”) are interconnected through an electric transmission grid across the Railbelt. Chugach, AMLP, GVEA, Seward, MEA and HEA are referred to collectively in this MOU as the “Railbelt Utilities”.

On December 8, 1987, the Railbelt Utilities and the Alaska Electric Generation and Transmission Cooperative<sup>1</sup> entered into an Agreement for the Sale and Purchase of Electric Power (“the Power Sales Agreement”) with the Alaska Power Authority (“APA”)<sup>2</sup> governing APA’s sale of power from the State of Alaska-owned Bradley Lake Hydroelectric Project (“Bradley Lake” or the “Bradley Lake Project”). The Power Sales Agreement established each purchaser’s percentage share of Bradley Lake energy and capacity as follows: Chugach: 30.4%; AMLP: 25.9%; HEA: 12.0%; MEA: 13.8%; GVEA: 16.9% and Seward: 1.0%.

The Bradley Project Management Committee (“BPMC”) is generally responsible for the overall management, operation, maintenance and improvement of the Bradley Lake Project, subject to the non-delegable duties of the AEA.

Chugach provides wheeling, storage and energy purchase services to the Railbelt Utilities and AEG&T pursuant to an Agreement for the Wheeling of Electric Power and For Related Services, dated December 8, 1987 (the “Services Agreement”). For purposes of this MOU,

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<sup>1</sup> The Alaska Electric Generation and Transmission Cooperative (“AEG&T”) held the status of purchaser under the Power Sales Agreement. MEA and HEA had contracts with AEG&T to buy electric power that AEG&T generated or purchased to meet their requirements.

<sup>2</sup> APA is now the Alaska Energy Authority (“AEA”).

the Service Agreement and the Power Sales Agreement are referred to together as the “Bradley Lake Agreements”).

On December 28, 2018, Chugach and the Municipality of Anchorage (“MOA”) entered into an Asset Purchase and Sale Agreement (“APA”), Eklutna Power Purchase Agreement, the Beluga River Unit Fuel Agreement, and the Payment in Lieu of Taxes Agreement (collectively, the “Acquisition Agreements”) related to MOA’s proposed sale of the majority of AMLP’s assets to Chugach (“Acquisition”). Chugach and GVEA believe that this MOU represents an acceptable arrangement that provides mutual benefit to both Parties in the event that the Acquisition is approved by the Regulatory Commission of Alaska (“Commission”) and closes.

### **3. Terms and Conditions.**

#### **a. Conditions to Certain Obligations of the Parties**

The rights and obligations of each Party contained in Sections 3.d. and 3.e. below are subject to and only become effective upon the satisfaction of the following conditions precedent: (1) Chugach shall have received RCA Approval for the Acquisition reasonably consistent with Section 6.06(f) of the APA such that Chugach is willing to proceed with the Acquisition; (2) Chugach shall have successfully closed and completed the Acquisition; (3) Chugach and GVEA shall have received any board approvals deemed necessary in connection with this MOU by June 27, 2019; and (4) Chugach and GVEA shall have received any regulatory or other third party approvals legally required in connection with this MOU.

#### **b. Binding Agreements**

Subject to the conditions to effectiveness described in Section 3.a. above, all other provisions of this MOU are binding and effective upon the date last signed and executed by the duly authorized representatives of the Parties.

#### **c. Good Faith Negotiations**

The Parties shall negotiate in good faith and use their reasonable best efforts to bring about the execution, delivery, and approval of the MOU.

#### **d. Bradley Lake Capacity**

Chugach will make available to GVEA 5 MW of Chugach’s Bradley Lake generating capacity (not water or energy) and all rights associated with that capacity that are contained in the Bradley Lake Agreements (including, but not limited to, transmission capacity) for a period of 5 years from the date the conditions contained in Section 3.a. of this MOU are satisfied. To the extent that the 5 MW capacity is not being utilized by GVEA, Chugach shall have the right to utilize such capacity at no cost, subject to GVEA’s schedule and

dispatch requirements.<sup>3</sup> GVEA will compensate Chugach for such capacity consistent with Section 5(g) of the Bradley Lake Hydroelectric Project Allocation and Scheduling Procedures as revised by the BPMC on May 30, 2017. See Attachment I for summary of charges, which provides for annual payments of \$219,000. Payments are fixed and not based on GVEA's actual schedule and utilization of such capacity.

Wheeling charges for Bradley Lake power are subject to the Bradley Lake Hydroelectric Project Agreement for the Wheeling of Electric Power and for Related Services dated December 8, 1987.

**e. Economy Energy Sales**

Chugach will sell and GVEA will purchase a minimum of 120,000 MWh of economy energy from Chugach for each 12-month period, for a period of 3 years from the date the conditions contained in Section 3.a. of this MOU are satisfied.

Consistent with Chugach's operating tariff for Economy Energy Transactions, economy energy sales from Chugach's generating resources to GVEA will be available on a non-firm basis. Service does not include reserves.

Wheeling charges for non-Bradley Lake power are subject to the terms and conditions identified in Chugach's operating tariff. Chugach agrees that it will file a rate case and any appropriate and necessary data and studies (including but not limited to a cost of service study) to adjust its transmission rates for wheeling economy energy on a going forward basis no later than December 31, 2023.

To the extent GVEA requests economy energy from Chugach but Chugach is unable to fulfill GVEA's request, GVEA's annual purchase commitment will be offset by the amount of that unfulfilled request.

The rate and terms of conditions shall be based on Chugach's tariff for Economy Energy Transactions:

$$\text{Price} = \text{Fuel Cost (based on generation unit(s) used in the transaction* and the price of natural gas)} + \text{Non-Fuel Variable O\&M} + \text{Margin}$$

The "\*" in the above formula signifies as follows: As first priority, Chugach will dispatch economy energy from the Southcentral Power Project ("SPP"), Plant 2A or any other generating unit with a heat rate of 8000 BTU/kWh or less. If those generating units do not have capacity available, Chugach may offer GVEA economy energy in response to its request from a unit with a heat rate exceeding 8000 BTU/kWh. In that circumstance, GVEA will have the right to refuse Chugach's offer, and GVEA's annual purchase commitment will be offset by the amount of that unfulfilled request. Fuel will be provided

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<sup>3</sup> GVEA's use of the capacity is not solely determined by instantaneous power flow as it may be used for regulation or spin purposes.

by Chugach (contract price) or by GVEA. Margins will be set at \$5.00/MWh and non-fuel variable O&M charges will be set at \$10.36/MWh.

See Attachment II for a summary of economy energy charges consistent with the formula above.

**f. GVEA's Commitment to Support the Acquisition**

Upon approval of the MOU by the Parties' respective boards (3.a.3.), GVEA will make a filing with the Commission by July 2, 2019, expressly withdrawing any objections to the Acquisition and will withdraw as a party to the consolidated dockets (U-18-102, U-19-020, U-19-021).

**4. General Provisions.**

**a. Termination.** This MOU may be terminated at any time prior to the date of satisfaction of the conditions contained in Section 3.a.1, 2 and 4 of this MOU: (1) by the mutual written consent of both Parties; (2) by Chugach by written notice to GVEA if GVEA has failed to meet the conditions of section 3.f.; (3) by GVEA by written notice to Chugach if Chugach's board has not approved this MOU by June 27, 2019; or (4) by either of the Parties if the conditions specified in Section 3.a.1, 2, and 4 are not substantially satisfied, or it becomes evident that they will not be satisfied, by December 31, 2020, and CEA has withdrawn its CPCN Application in U-19-020.

Upon satisfaction of the conditions contained in Section 3.a., this MOU will terminate as provided in Sections 3.d. (as to Bradley Lake Capacity) and 3.e. (as to Economy Energy Sales).

**b. Amendments.** Either Party may request changes to this MOU. Any changes, modifications, revisions or amendments to this MOU which are mutually agreed upon by and between the Parties shall be incorporated by written instrument, and effective when executed and signed by the Parties.

**c. Governing Law.** The construction, interpretation, and enforcement of this MOU shall be governed by the laws of the State of Alaska, without giving effect to any choice or conflict of law provision or rule (whether of the state of Alaska or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the state of Alaska.

**d. Reasonable Best Efforts.** The Parties will use their reasonable best efforts to agree on a joint strategy and plan of approach to achieve results that carry out this MOU's terms and to coordinate their actions.

**e. No Third-Party Beneficiaries.** Nothing herein is intended or shall be construed to confer upon any person or entity other than the Parties and their successors or assigns, any rights or remedies under or by reason of this MOU.



- f. **No Assignment.** Neither this MOU, nor any rights or obligations hereunder may be assigned, delegated or conveyed by either Party without the prior written consent of the other Party.
- g. **Costs and Expenses.** Each Party shall be responsible for its own costs and expenses associated with pursuing the proposed transactions described in this MOU, including without limitation (i) the performance of its obligations under this MOU, (ii) pursuing any approvals necessary to effectuate this MOU, and/or (iii) resolving any disputes between the Parties that arise out of this MOU.

5. **Contact Information**


Cory Borgeson, President and Chief Executive Officer  
Golden Valley Electric Association  
758 Illinois Street  
Fairbanks, AK 99701  
Tel: (907) 458-5721  
Fax: (907) 458-5951  
CBorgeson@gvea.com

Lee D. Thibert, Chief Executive Officer  
Chugach Electric Association, Inc.  
5601 Electron Drive  
Anchorage, AK 99518  
Tel: (907) 563-7366  
Fax: (907) 762-4678  
Lee\_Thibert@chugachelectric.com

6. **Counterparts.** This MOU may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same agreement. A signed copy of this MOU delivered by fax, email or other means of electronic transmission, shall be deemed to have the same legal effect as delivery of an original signed copy of this MOU.

IN WITNESS WHEREOF, the Parties hereto have executed this MOU as of the date set forth above.

Golden Valley Electric Association, Inc.

By:   
Name: Cory Borgeson  
Title: President and Chief Executive Officer

Date: 06/25/2019

**Chugach Electric Association, Inc.**

**By:** \_\_\_\_\_

**Name:** Lee D. Thibert

**Title:** Chief Executive Officer

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

Attachment I

Memorandum of Understanding between Chugach Electric Association, Inc.  
and Golden Valley Electric Association, Inc.

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**Bradley Lake Capacity**

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Description	Rate / kW	Capacity (kW)	Total
Fixed capacity cost	\$0.005	5,000	\$219,000

Attachment II

Memorandum of Understanding between Chugach Electric Association, Inc.  
and Golden Valley Electric Association, Inc.

**Sale of Economy Energy to GVEA - Annual**

Description	Rate / kWh	Minimum Annual kWh	Total
<b>Non-firm generation</b>			
Fuel Expense	Variable, Based on Fuel & Generation Source		
Non Fuel Variable O&M Expense	\$0.01036	120,000,000	\$1,243,200
Margin	\$0.005	120,000,000	\$600,000
Subtotal	\$0.01536		\$1,843,200
Average Cost			
<b>Non-firm wheeling service (Effective 8/23/2016)</b>			
Scheduling, System Control and Dispatch	\$0.00052	120,000,000	\$62,400
Reactive Supply and Voltage Control	\$0.00088	120,000,000	\$105,600
Non-Firm wheeling	\$0.01116	120,000,000	\$1,339,200
Subtotal	\$0.01256		\$1,507,200
Average Cost			\$0.01256
Subtotal			\$3,350,400
Average Cost			