



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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**September 17, 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 – “Back Safety” (Freeman)
- 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. 2019 APA Accounting and Finance Workshop, October 10-11, 2019, Anchorage, AK (Deadline for conference registration is September 27, 2019)
  - C. Minutes
    - 1. August 19, 2019, Regular Board of Directors’ Meeting (Quezon)
    - 2. September 3, 2019, Special Board of Directors’ Meeting (Quezon)
  - D. Director Expenses
- V. CEO REPORTS AND CORRESPONDENCE (4:15 p.m.)
  - A. July 2019 Financial Statements and Variance Report (Harris/Curran) (4:15 p.m.)
  - B. 3<sup>rd</sup> Quarter 2019 Railbelt Bill Comparison (Skaling/Miller) (4:25 p.m.)
  - C. Swan Lake Fire Impact on Rates (Hickey/Miller) (4:35 p.m.)
- VI. DIRECTOR REPORTS (4:40 p.m.)
  - A. Alaska Power Association (APA) Report
  - B. Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report
  - C. Renewable Energy Alaska Project (REAP) Report
  - D. Board Committee Reports (Audit and Finance, Operations & Governance)
  - E. Other Meeting Reports

- VII. UNFINISHED BUSINESS\* *(scheduled) (5:00 p.m.)*
  - A. 2019 Salary Table Market Revision\* *(Andrews) (5:00 p.m.)*
  - B. NRECA Resolutions *(Board Discussion) (5:20 p.m.)*
- VIII. NEW BUSINESS *(none)*
- IX. EXECUTIVE SESSION\* *(scheduled) (5:30 p.m.)*
  - A. Gas Supply *(5:30 p.m.)*
  - B. Quartz Creek Transmission Line *(5:45 p.m.)*
  - C. Update on TRANSCO Concept *(6:00 p.m.)*
  - D. Update on RRC MOU *(6:30 p.m.)*
  - E. IMO Update *(7:00 p.m.)*
  - F. ML&P Acquisition RCA Filing Update *(7:15 p.m.)*
- X. NEW BUSINESS\* *(scheduled) (8:00 p.m.)*
  - A. Gas Supply\* *(Fouts)*
  - B. Point Mackenzie Project Authorization\*\* *(Laughlin/Hickey)*
- XI. DIRECTOR COMMENTS *(8:05 p.m.)*
- XII. ADJOURNMENT\* *(8:15 p.m.)*

\* *Denotes Action Items*

\*\* *Denotes Possible Action Items*



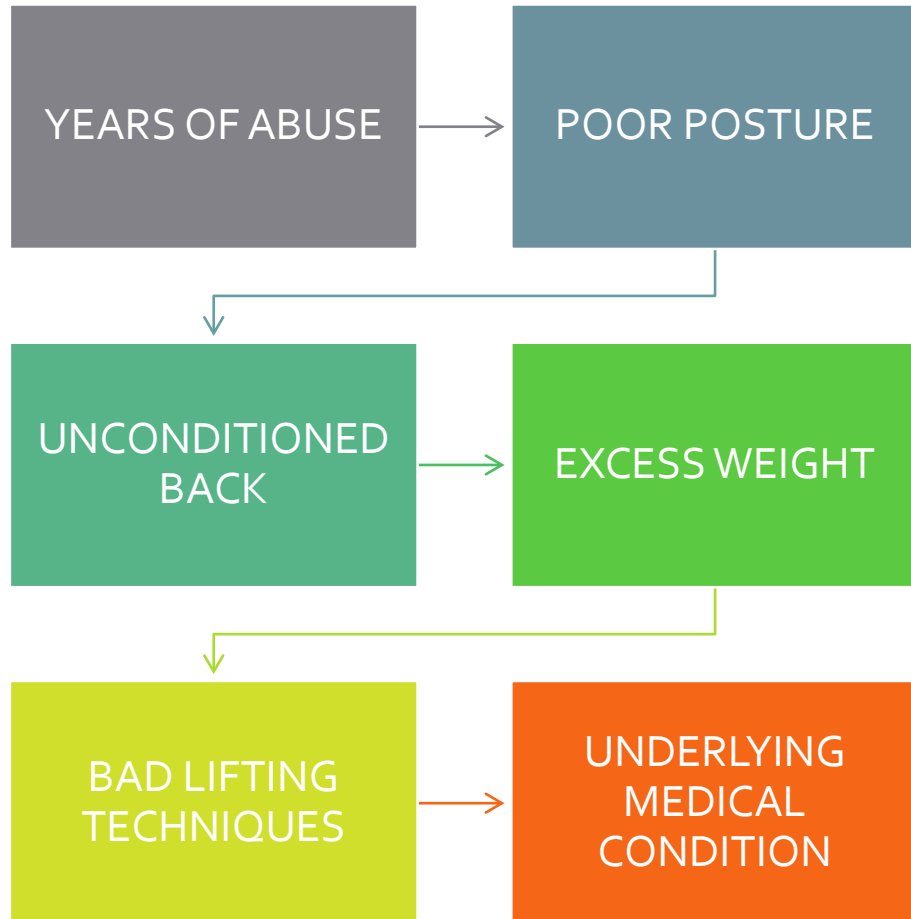
# BACK SAFETY

Regular Board of Directors' Meeting  
September 17, 2019



## SOME BACK- INJURY FACTS

- 80% of Americans will have a back injury that requires medical attention.
- Back injuries are the second most common cause of lost work time, next to the common cold.
- Back injuries occur more often at home than they do at work.
- Injured backs are often subject to reinjury.
- In addition to missed work, there may be a lifetime of pain



# BACK INJURY CAUSES

# WHAT CAN CAUSE A BACK INJURY



REACHING



BAD  
POSTURE



TYING YOUR  
SHOES



BENDING



TWISTING



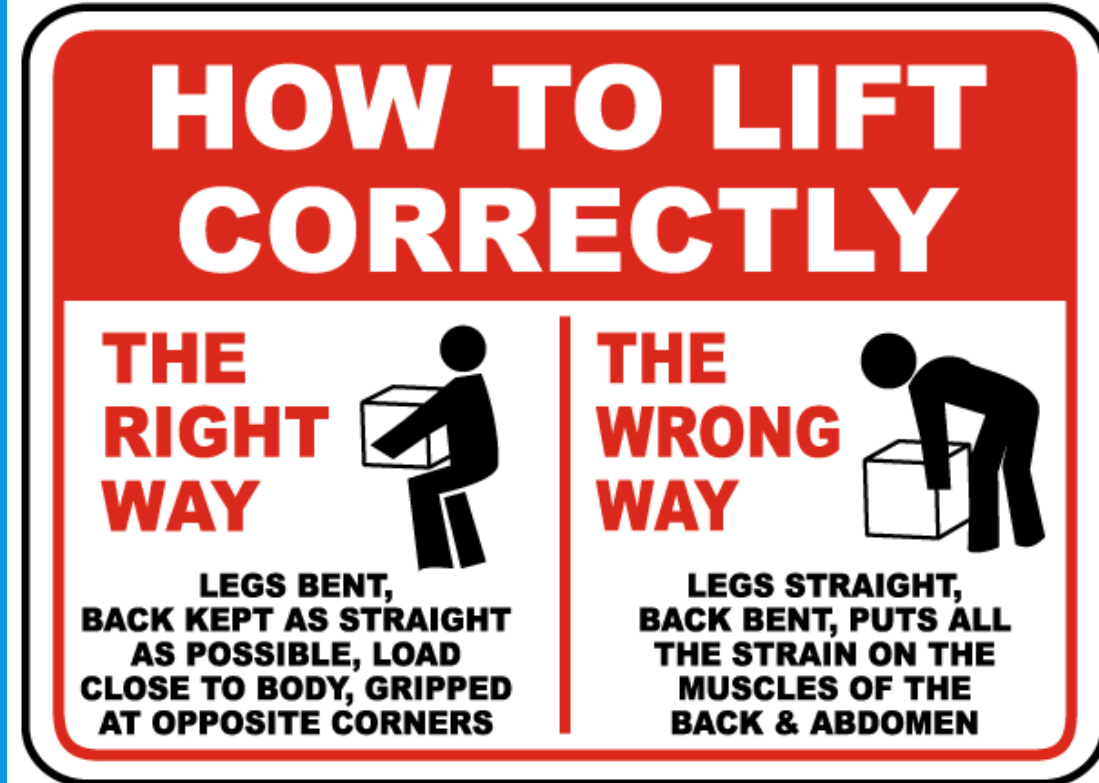
SITTING



USING POOR  
TECHNIQUES

# TIPS

- Make proper posture a habit
- Use available lifting equipment
- Have a lifting plan
- Use your legs – avoid twisting
- Purposely interrupt long periods of sitting
- Consider your back in all things that you do.





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  - E. IMO Update *(7:00 p.m.)*
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\* *Denotes Action Items*

\*\* *Denotes Possible Action Items*

# September 2019

August 2019						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
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October 2019						
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20	21	22	23	24	25	26
27	28	29	30	31		

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	Labor Day ♦ Unitec	6:00PM - 9:00PM Special Board of Directors Meeting (BoardroomCR)				
1	2	3	4	5	6	7
8	9	10	11	12	13	14
		9:30AM - 10:45AM Review Board Packet w/ Thibert (Chastain/Reeves) (LDT's Office) 4:00PM - 8:00PM Regular Board of Directors Meeting (All) (BoardroomCR)	10:30AM - 12:00PM REAP Public Policy Committee (Morse/Henderson) (605-313-5152, access code 711554#.)	11:15AM - 12:45PM EV Charging Station Ribbon Cutting (Alyeska Resort)		
15	16	17	18	19	20	21
		NRECA Region IX - 9/24 - 9/26 ♦ Spokane, WA				
22	23	24	25	26	27	28
					Member Appreciati	
29	30	1	2	3	4	5

# October 2019

September 2019						
S	M	T	W	T	F	S
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8	9	10	11	12	13	14
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22	23	24	25	26	27	28
29	30					

November 2019						
S	M	T	W	T	F	S
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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	
					Member Appreciati		
29	30	1	2	3	4	5	
	4:00PM - 8:00PM Operations Committee Meeting (BoardroomCR)			APA Accounting and F... ♦ Coast Internati			
6	7	8	9	10	11	12	
13	14	15	16	17	18	19	
				8:30AM - 10:00AM Review Board Packet w/ Thibert (Chastain/ Reeves) (LDT's Office) 4:00PM - 7:00PM Regular Board of Directors Meeting (All) (BoardroomCR)			
20	21	22	23	24	25	26	
	9:00AM - 10:30AM Mtg w/Lee (Board Strategic Planning Session) (LDT's Office)	Gettysburg Leadership Experience - 10/2... ♦ Gettysburg, PA					
27	28	29	30	31	1	2	

# November 2019

October 2019						
S	M	T	W	T	F	S
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27	28	29	30	31		

December 2019						
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	<ul style="list-style-type: none"> <li>9:00AM - 10:30AM Mtg w/ Lee (Board Strategic Planning Session) (LDT's Office)</li> </ul> 28	29	30	31	1	2
3	4	<ul style="list-style-type: none"> <li>4:00PM - 7:00PM Audit and Finance Committee Meeting (Budget and CIP) (BoardroomCR)</li> </ul> 5	<ul style="list-style-type: none"> <li>4:00PM - 8:00PM Audit and Finance Committee Meeting (BoardroomCR)</li> </ul> 6	7	8	9
10	Strategic Planning (11... ♦ Meghan Room)		13	14	15	16
17	18	19	20	21	22	23
24	25	<ul style="list-style-type: none"> <li>9:00AM - 10:30AM Review Board Packet w/Thibert (Chastain/Reeves) (LDT's Office)</li> <li>11:45AM - 1:45PM Chugach Legislative Reception (Embassy Suites)</li> <li>4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)</li> </ul> 26	27	Thanksgiving Day	Thanksgiving Holic	30

# December 2019

November 2019						
S	M	T	W	T	F	S
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3	4	5	6	7	8	9
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17	18	19	20	21	22	23
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January 2020						
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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 Ser... ♦ TBD			
1	2	3	4	5	6	7
	4:00PM - 8:00PM Operations Committee Meeting (BoardroomCR)				Winter School for Dire... ♦ Nashville, TN	
8	9	10	11	12	13	14
Winter School for Directors - 12/13 - 12/18 ♦ Nashville, TN						
	9:00AM - 10:30AM Review Board Packet w/ Thibert (Chastain/Reeves) (LDT's Office)		4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)			
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						
S	M	T	W	T	F	S
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February 2020						
S	M	T	W	T	F	S
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16	17	18	19	20	21	22
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						
S	M	T	W	T	F	S
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23	24	25	26	27	28	29

April 2020						
S	M	T	W	T	F	S
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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
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
15	16	17	<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>	19	20	21
22	<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>	23	24	25	26	27
29	30	31	1	2	3	<ul style="list-style-type: none"> <li>Directors Conferen</li> </ul>
						4



# April 2020

March 2020						
S	M	T	W	T	F	S
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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						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
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19	20	21	22	23	24	25
26	27	28	29	30		

June 2020						
S	M	T	W	T	F	S
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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						
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24	25	26	27	28	29	30
31						

July 2020						
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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
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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
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
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September 2020						
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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
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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
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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
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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



National Rural Utilities  
Cooperative Finance Corporation



— Registration Form —  
**Alaska Electric Utility  
Accounting and Finance Workshop  
For Electric Utility CFOs, Controllers, and Accountants**

*Hosted by*  
*Alaska Power Association, BDO, CoBank, and CFC*  
October 10-11, 2019  
Coast International Inn, 3450 Aviation Ave., Anchorage, Alaska

Name of Organization: \_\_\_\_\_

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

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

**ATTENDEES**

Name \_\_\_\_\_ Title \_\_\_\_\_

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

Attending:  October 10     October 11    **Member Fee: \$175/day** \_\_\_\_\_

**Non-Member Fee: \$500/day** \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

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

Attending:  October 10     October 11    **Member Fee: \$175/day** \_\_\_\_\_

**Non-Member Fee: \$500/day** \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

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

Attending:  October 10     October 11    **Member Fee: \$175/day** \_\_\_\_\_

**Non-Member Fee: \$500/day** \_\_\_\_\_

**Total** \_\_\_\_\_

**CANCELLATION POLICY**

Cancellation requests received by close of business on September 27, 2019 are fully refundable. Cancellation requests received after close of business on September 27, 2019 are non-refundable. After September 27, 2019 unpaid registration fees will become the responsibility of the participant, even if not in attendance. Fees are forfeited for those registered, but not in attendance. **Substitutions are welcome.**



— Payment Form—  
**Alaska Electric Utility  
 Accounting and Finance Workshop  
 For Electric Utility CFOs, Controllers, and Accountants**

*Hosted by Alaska Power Association, BDO, CoBank, and CFC  
 October 10-11, 2019  
 Coast International Inn, 3450 Aviation Ave., Anchorage, Alaska*

Name of Organization: \_\_\_\_\_

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

Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_

- Please Bill (available to APA Members)
- Check Enclosed (made payable to Alaska Power Association)
- Credit Card (please complete the charge form below)

Card Holder Name

*(As it appears on the card):* \_\_\_\_\_

Billing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone #: \_\_\_\_\_

Card #: \_\_\_\_\_ Security Code: \_\_\_\_\_

Expiration Date: \_\_\_\_\_ Type of Card: \_\_\_\_\_

Cardholder's Signature: \_\_\_\_\_

*(Digital signatures are not accepted)*

Contact name for billing: \_\_\_\_\_

**E-mail address you would like the receipt sent to:** \_\_\_\_\_

**DEADLINE**

Registration is open until the class is filled.

To register, send this form and the payment form to Toni Mancini, Executive Coordinator, Alaska Power Association via:

- E-mail: [tmancini@alaskapower.org](mailto:tmancini@alaskapower.org)
- Fax: 907-561-5547
- Mail: Alaska Power Association  
703 West Tudor Road, Suite 200 Anchorage, Alaska 99503

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

**August 19, 2019**  
**Monday**  
**4:00 PM**

**REGULAR BOARD OF DIRECTORS' MEETING**

Recording Secretary: Arden Quezon

**I. CALL TO ORDER**

Chair Chastain called the Regular Board of Directors' Meeting to order at 4:02 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 (*arrived at 4:05 p.m.*)  
Jim Henderson, Director  
Harry Crawford, Director  
Harold Hollis, Director

*Guests and Staff in Attendance:*

Lee Thibert	Pete Smithson	Kate Ayers
Brian Hickey	Connie Owens	Marty Freeman
Matthew Clarkson	Josh Resnick	Kristen Collins, AK Center
Arthur Miller	Phil Steyer	Wes Cashman, RGP
Tyler Andrews	Jean Kornmuller	Aaron, Wiseman, Gonzalez
Paul Risse	Andrew Laughlin	Marketing
Mark Fouts	Sean Skaling	Don Edwards, Consultant

C. *Safety Minute*  
Marty Freeman, Manager, Safety discussed "*Home Security*".

*Director Morse arrived at 4:05 p.m.*

**II. APPROVAL OF THE AGENDA**

Director Reeves moved and Director Crawford seconded the motion to approve the agenda. The motion passed unanimously.

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

- A. *Member Comments*  
None

### **IV. CONSENT AGENDA**

- A. *Board Calendar*
- B. *Training and Conferences*
  - 1. *APA Accounting and Finance Workshop, October 10-11, 2019, Anchorage, AK (Deadline for conference registration is September 6, 2019)*
  - 2. *Gettysburg Leadership Experience, October 29-31, 2019, Gettysburg, PA (Deadline for conference and hotel registration is September 17, 2019)*
- C. *Minutes*
  - 1. *July 30, 2019, Regular Board of Directors' Meeting (Portades)*
- D. *Director Expenses*

Director Parks moved and Director Reeves seconded the motion to approve the consent agenda. The motion passed unanimously.

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

- A. *Solarize Anchorage Campaign at the Alaska Center (Collins)*  
Deferred until after V.C. Member Appreciation Day and National Drive Electric Week – Planning Update.

Kristen Collins, Alaska Center, presented the Solarize Anchorage Campaign at the Alaska Center and responded to questions from the Board.

Arthur Miller, Executive VP, Regulatory & External Affairs responded to questions from the Board.

- B. *2019 State Legislative Briefing (Steyer)*  
Phil Steyer, Director, Government Relations, discussed the 2019 State Legislative Briefing.

- C. *Member Appreciation Day and National Drive Electric Week – Planning Update (Kurka/Miller)*  
Kate Ayers, Member and Energy Program Specialist, discussed the Member Appreciation Day and National Drive Electric Week and responded to questions from the Board.

### **VI. DIRECTOR REPORTS**

- A. *Alaska Power Association (APA) Report*  
Director Hollis stated that a report from Crystal Enkvist, APA is provided in the meeting packet and reported on APA's participation in a Connectivity Alaska meeting and that the next APA Board of Directors meeting will be on August 22, 2019 in Juneau.
- B. *Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report*  
Director Crawford reported that there was no ARCTEC meeting to report.

C. *Renewable Energy Alaska Project (REAP) Report*  
Director Morse reminded the Board that REAP's 15<sup>th</sup> Anniversary is on August 28, 2019 and reported on August 5, 2019, REAP Public Policy Committee meeting.

D. *Board Committee Reports (Audit and Finance, Operations & Governance)*  
Director Morse reported on the August 7, 2019, Audit and Finance Committee meeting.

Director Parks stated that there was no Operations Committee meeting to report.

Vice Chair Reeves reported on the August 8, 2019, Governance Committee meeting.

E. *Other Meeting Reports*  
None

## VII. UNFINISHED BUSINESS

None

## VIII. NEW BUSINESS

A. *Simplified Rate Filing – June 2019 Test Year\* (Kornmuller/Miller)*  
Jean Kornmuller, Manager, Regulatory Affairs discussed the Simplified Rate Filing – June 2019 Test Year and responded to questions from the Board. Lee Thibert, Chief Executive Officer (CEO) responded to questions and stated that further discussion will be added to Executive Session.

*Motion has been deferred to New Business after Executive Session. No objections were made.*

B. *NRECA Resolutions\* (Board)*  
Phil Steyer, Director, Government Relations stated that a memo summarizing the proposed NRECA resolution is provided in the meeting packet.

Mr. Steyer discussed the NRECA Resolutions and responded to questions from the Board.

Director Reeves encouraged the Board to review the materials provided and be prepared for further discussion at the next Board meeting. No objections were made.

## IX. EXECUTIVE SESSION

- A. *Report to Board on 2019 Salary Table Market Revision*
- B. *IMO Update*
- C. *IMO Professional Service Contract Extension for RGP*
- D. *ML&P Acquisition RCA Filing Update*
- E. *Organizational Structure*

At 5:09 p.m., Director Reeves moved and Director Morse seconded the motion that pursuant to Alaska Statute 10.25.175 (c)(1), 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; and, 2) 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 7:45 p.m.*

**X. NEW BUSINESS**

*A. 2019 Salary Table Market Revision\* (Andrews)*

The 2019 Salary Table Market Revision has been deferred to September 17, 2019, Regular Board of Directors' meeting. No objections were made.

*B. Simplified Rate Filing – June 2019 Test Year\* (Kornmuller/Miller)*

Deferred from New Business agenda item VIII.A.

Director Morse moved and Director Reeves seconded the motion that the Board of Directors approve the attached Resolution authorizing Chugach to file with the Commission, a June 2019 test year SRF requesting approval to increase the demand and energy rates by 3.9 percent to Chugach retail and increase the demand and energy rates by 1.5 percent to Seward and, if necessary, to supplement the filing based on the results of the Commission's final order on Chugach's proposed changes to its authorized TIER levels.

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

*C. IMO Professional Service Contract Extension for RGP\* (Fouts)*

Director Hollis moved and Director Henderson seconded the motion that the Board of Directors authorize the Chief Executive Officer to execute an extension of the IMO Professional Service Contract with RGP for consulting services to increase the funding by \$960,977 for the period through November 19, 2019, not-to-exceed the total contract amount of \$3,293,825. And, if the RCA approves the acquisition or extends the statutory timeline, authorize the Chief Executive Officer to execute an additional extension to increase the funding by \$543,794 for the period of November 20, 2019 through December 31, 2019, for a not-to-exceed total contract amount of \$3,837,619. The motion passed unanimously.

**XI. DIRECTOR COMMENTS**

Director comments were made at this time.

**XII. ADJOURNMENT**

At 7:57 p.m., Director Morse moved and Director Parks seconded the motion to adjourn. The motion passed unanimously.

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Stuart Parks, Secretary

Date Approved: September 17, 2019

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

**September 3, 2019**  
**Tuesday**  
**6:00 PM**

**SPECIAL BOARD OF DIRECTORS' MEETING**

Recording Secretary: Arden Quezon

**I. CALL TO ORDER**

Chair Chastain called the Special Board of Directors' Meeting to order at 6:03 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 (*joined via teleconference during Executive Session*)

Stuart Parks, Secretary

Rachel Morse, Treasurer

Jim Henderson, Director

Harold Hollis, Director

*Board Member Absent:*

Harry Crawford, Director

*Guests and Staff in Attendance:*

Lee Thibert

Paul Risse

Connie Owens

Brian Hickey

Tyler Andrews

Julie Hasquet

Arthur Miller

Sherri Highers

Jim Bertrand, Stinson LLP

Matthew Clarkson

Pete Smithson

(*via teleconference*)

**II. APPROVAL OF THE AGENDA**

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

*Director Reeves was not present at the time of the vote.*

**III. PERSONS TO BE HEARD**

*A. Member Comments*

None



**IV. CONSENT AGENDA**

**V. CEO REPORTS AND CORRESPONDENCE**

**VI. DIRECTOR REPORTS**

**VII. UNFINISHED BUSINESS**

None

**VIII. NEW BUSINESS**

None

**IX. EXECUTIVE SESSION**

- A. *Amendment to Asset Purchase Agreement (APA)*
- B. *Amendment to the Payment in Lieu of Taxes Agreement (PILT)*
- C. *Matanuska Electric Association, Inc., (MEA) Operations and Exchange Agreement*

At 6:04 p.m., Director Morse moved and Director Henderson seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1) 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; and, 2) to discuss legal matters with its attorneys, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The motion passed unanimously.

*Director Reeves was not present at the time of vote.*

*Director Reeves joined via teleconference.*

*The meeting reconvened in open session at 8:42 p.m.*

**X. NEW BUSINESS**

- A. *Approve Amendments to Asset Purchase Agreement (APA) and Payment in Lieu of Taxes (PILT)\*\* (Thibert/Miller)*

Director Morse moved and Director Hollis seconded the motion that the Board of Directors authorize the Chief Executive Officer to execute the Amendment to Asset Purchased Agreement (APA) and the Payment in Lieu of Taxes as discussed in Executive Session and per the Resolution. The motion passed unanimously.

*Director Reeves was not present at the time of vote.*

- B. *Matanuska Electric Association, Inc., (MEA) Operations and Exchange Agreement (Thibert/Miller)*

Director Parks moved and Director Henderson seconded the motion that the Board of Directors authorize the Chief Executive Officer to execute the Matanuska Electric

Association, Inc., (MEA) Operations and Exchange Agreement as discussed in Executive Session. The motion passed unanimously.

*Director Reeves was not present at the time of vote.*

**XI. DIRECTOR COMMENTS**

Director comments were made at this time.

**XII. ADJOURNMENT**

At 8:47 p.m., Director Morse moved and Director Hollis seconded the motion to adjourn. The motion passed unanimously.

*Director Reeves was not present at the time of vote.*

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Stuart Parks, Secretary

Date Approved: September 17, 2019

CHUGACH ELECTRIC ASSOCIATION, INC.  
Anchorage, Alaska

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

September 17, 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.

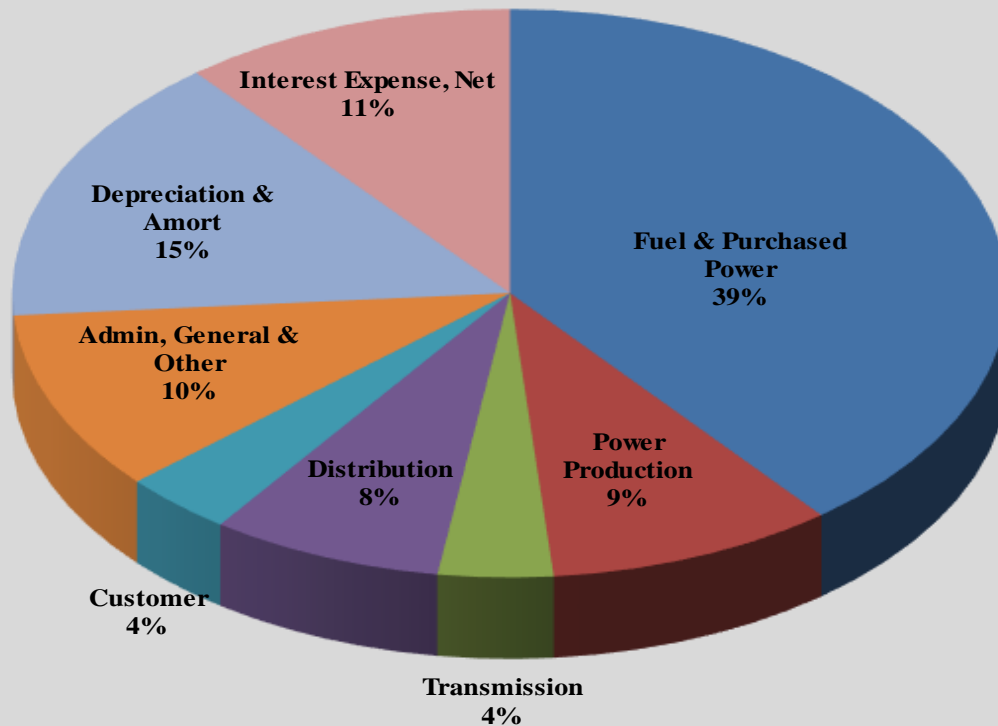
**MOTION**

*(Consent Agenda)*

## STATEMENT OF OPERATIONS

CATEGORY	2019 MTD ACTUAL	2019 MTD BUDGET	2019 MTD VARIANCE
<b>Operating Revenue and Patronage Capital</b>	<b>\$ 17,223,087</b>	<b>\$ 15,284,954</b>	<b>\$ 1,938,133</b>
Fuel and Purchased Power Expense	6,792,531	5,320,784	1,471,747
Power Production Expense	1,616,442	1,671,483	(55,041)
Transmission Expense	645,420	640,733	4,687
Distribution Expense	1,305,463	1,422,800	(117,337)
Customer Expense	621,920	666,554	(44,634)
Administrative, General and Other	1,778,176	2,046,464	(268,288)
Depreciation & Amortization Expense	2,663,118	2,553,818	109,300
Interest Expense, Net	1,880,135	1,837,759	42,376
<b>Total Cost of Electric Service</b>	<b>\$ 17,303,205</b>	<b>\$ 16,160,395</b>	<b>\$ 1,142,810</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ (80,118)</b>	<b>\$ (875,441)</b>	<b>\$ 795,323</b>
Non-Operating Margins - Interest	41,094	52,481	(11,387)
Allowance for Funds Used During Construction	9,579	14,846	(5,267)
Non-Operating Margins - Other	(433)	-	(433)
<b>Patronage Capital or Margins</b>	<b>\$ (29,878)</b>	<b>\$ (808,114)</b>	<b>\$ 778,236</b>

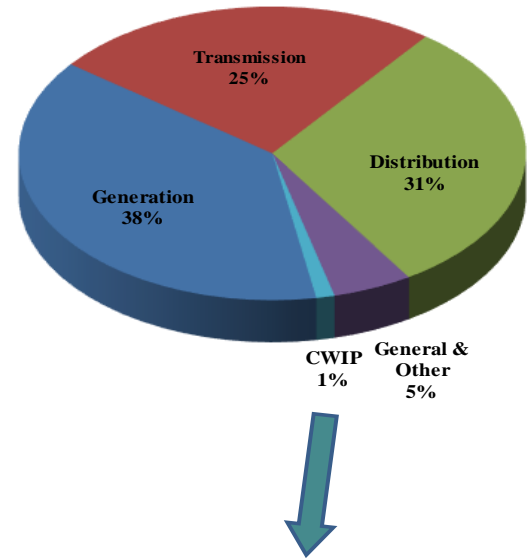
### Total Cost of Electric Service (MTD Actual)



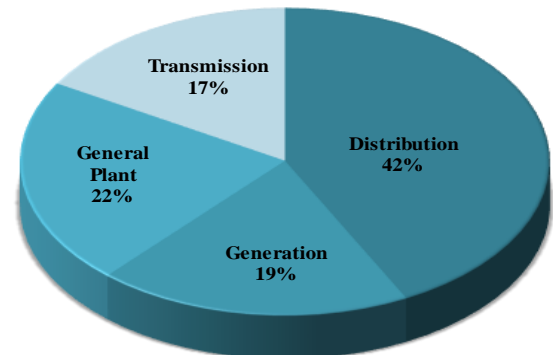
## BALANCE SHEET

ASSETS & OTHER DEBITS	7/31/2019	12/31/18
Electric Plant in Service	1,237,902,504	1,216,663,092
Construction Work in Progress	14,673,715	17,272,307
<b>Total Utility Plant</b>	<b>\$ 1,252,576,219</b>	<b>\$ 1,233,935,399</b>
Accum. Prov. for Depreciation/Amortization	(546,910,703)	(529,099,451)
<b>Net Utility Plant</b>	<b>\$ 705,665,516</b>	<b>\$ 704,835,948</b>
Nonutility Property - Net	76,889	76,889
Operating lease right-of-use assets	1,009,154	-
Investment in Assoc. Organizations	8,155,603	8,570,046
Special Funds	2,384,722	1,890,221
Restricted Cash & Other Investments	108,000	108,000
<b>Total Other Property &amp; Investments</b>	<b>\$ 11,734,368</b>	<b>\$ 10,645,156</b>
Cash, Marketable Securities & Other	2,176,424	12,423,578
Special Deposits/Restricted Cash	1,280,382	1,268,274
Accounts Receivable - Net	24,988,524	31,165,249
Materials and Supplies, Fuel Stock	26,389,798	28,175,563
Prepayments	3,519,184	2,227,117
Other Current & Accrued Assets	203,191	241,279
<b>Total Current &amp; Accrued Assets</b>	<b>\$ 58,557,503</b>	<b>\$ 75,501,060</b>
Deferred Debits	41,005,672	37,668,424
<b>Total Assets &amp; Other Debits</b>	<b>\$ 816,963,059</b>	<b>\$ 828,650,588</b>
<b>LIABILITIES &amp; OTHER CREDITS</b>	<b>7/31/2019</b>	<b>12/31/18</b>
Memberships	1,763,937	1,748,172
Pat. Capital, Margins & Equities	188,301,711	192,776,522
<b>Total Margins &amp; Equities</b>	<b>\$ 190,065,648</b>	<b>\$ 194,524,694</b>
Long-Term Debt - Bonds	449,999,997	398,416,664
Long-Term Debt - Other	31,448,103	33,972,000
Unamortized Debt Issuance Costs	(2,793,668)	(2,425,247)
Operating lease liabilities	834,925	-
<b>Total Long-Term Debt</b>	<b>\$ 479,489,357</b>	<b>\$ 429,963,417</b>
Notes Payable	35,912,794	87,608,667
Accounts Payable	8,788,387	9,538,749
Consumer Deposits	4,655,541	4,845,611
Other Current & Accrued Liabilities	32,074,094	32,853,659
<b>Total Current &amp; Accrued Liabilities</b>	<b>\$ 81,430,816</b>	<b>\$ 134,846,686</b>
Deferred Compensation	1,573,178	1,359,878
Other Liabilities, Non-Current	540,532	580,841
Deferred Liabilities	840,920	764,834
Patronage Capital Payable	1,931,295	3,393,253
Cost of Removal Obligation	61,091,313	63,216,985
<b>Total Liabilities &amp; Other Credits</b>	<b>\$ 816,963,059</b>	<b>\$ 828,650,588</b>

**2019 Total Utility Plant (YTD)**  
\$1,252,576,219



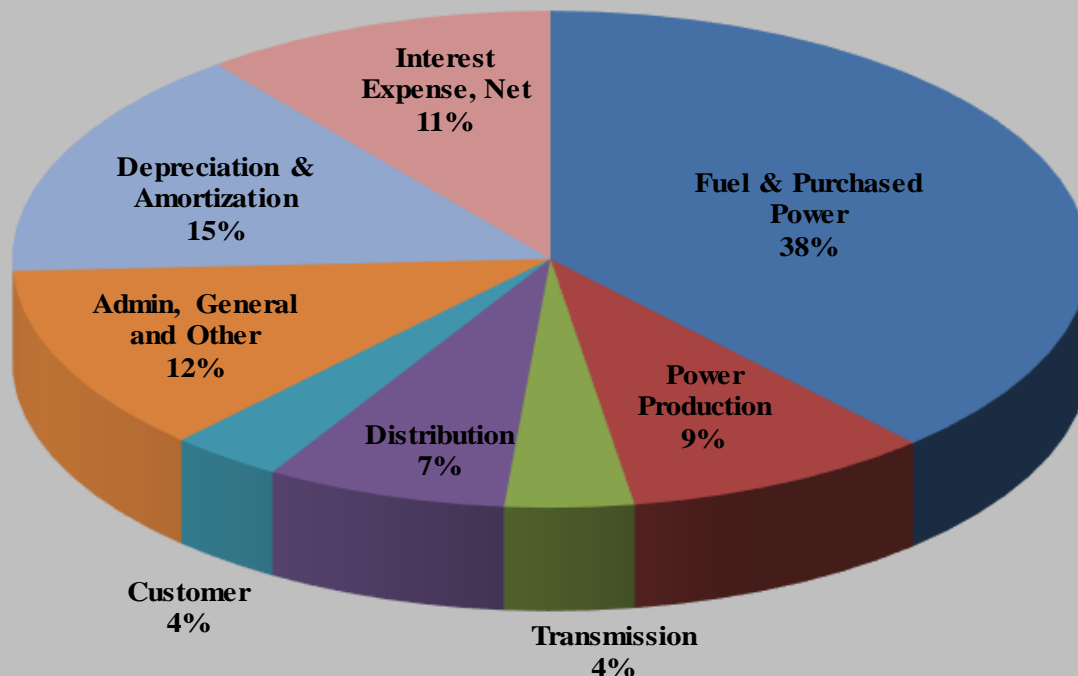
**2019 Construction Work in Progress (YTD)**  
\$14,673,715



**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>\$ 120,590,413</b>	<b>\$ 117,365,499</b>	<b>\$ 3,224,914</b>
Fuel and Purchased Power Expense	46,090,327	43,493,191	2,597,136
Power Production Expense	11,158,628	11,779,397	(620,769)
Transmission Expense	4,668,203	4,661,117	7,086
Distribution Expense	8,729,940	9,132,946	(403,006)
Customer Expense	4,088,482	4,012,917	75,565
Administrative, General and Other	14,724,543	14,539,055	185,488
Depreciation & Amortization Expense	18,213,867	17,866,503	347,364
Interest Expense, Net	12,842,114	12,135,409	706,705
<b>Total Cost of Electric Service</b>	<b>\$ 120,516,104</b>	<b>\$ 117,620,535</b>	<b>\$ 2,895,569</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ 74,309</b>	<b>\$ (255,036)</b>	<b>\$ 329,345</b>
Non-Operating Margins - Interest	352,909	367,367	(14,458)
Allowance Funds Used During Const.	93,086	103,921	(10,835)
Non-Operating Margins - Other	118,324	-	118,324
<b>Patronage Capital or Margins</b>	<b>\$ 638,628</b>	<b>\$ 216,252</b>	<b>\$ 422,376</b>
MFII	1.05	1.02	
TIER	1.05	1.02	

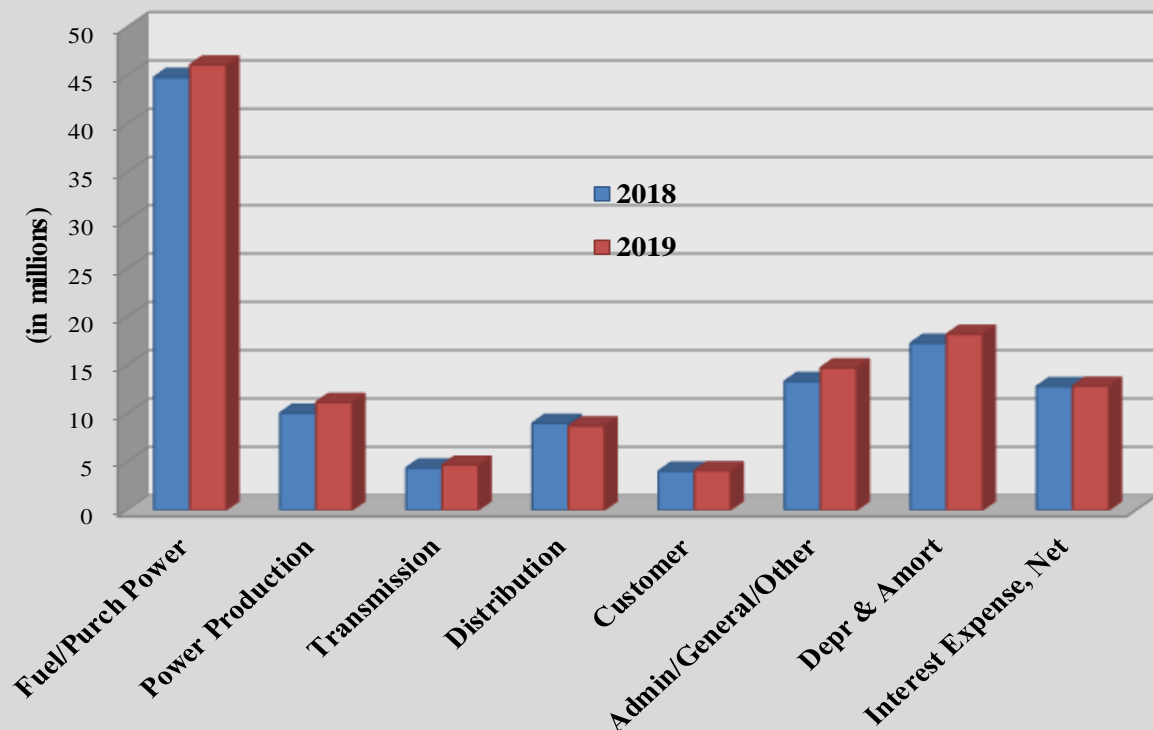
**Total Cost of Electric Service (YTD Actual)**

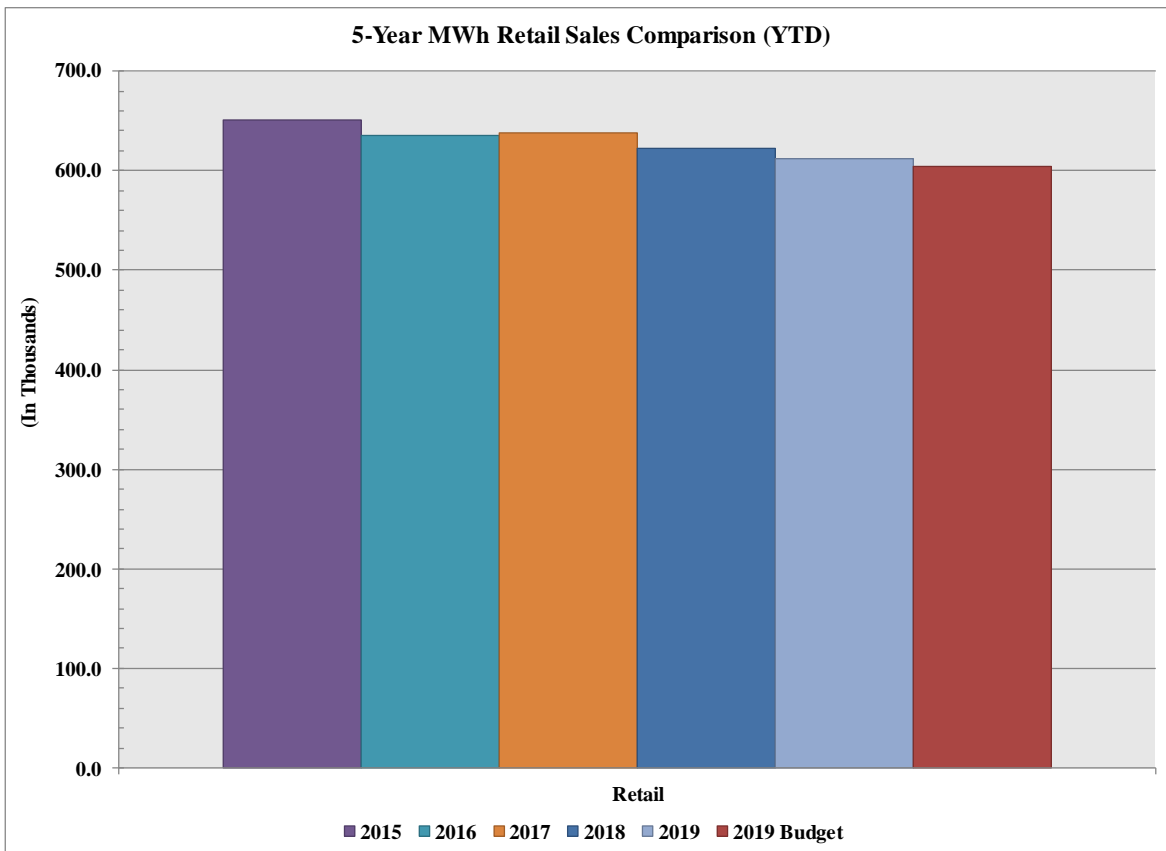
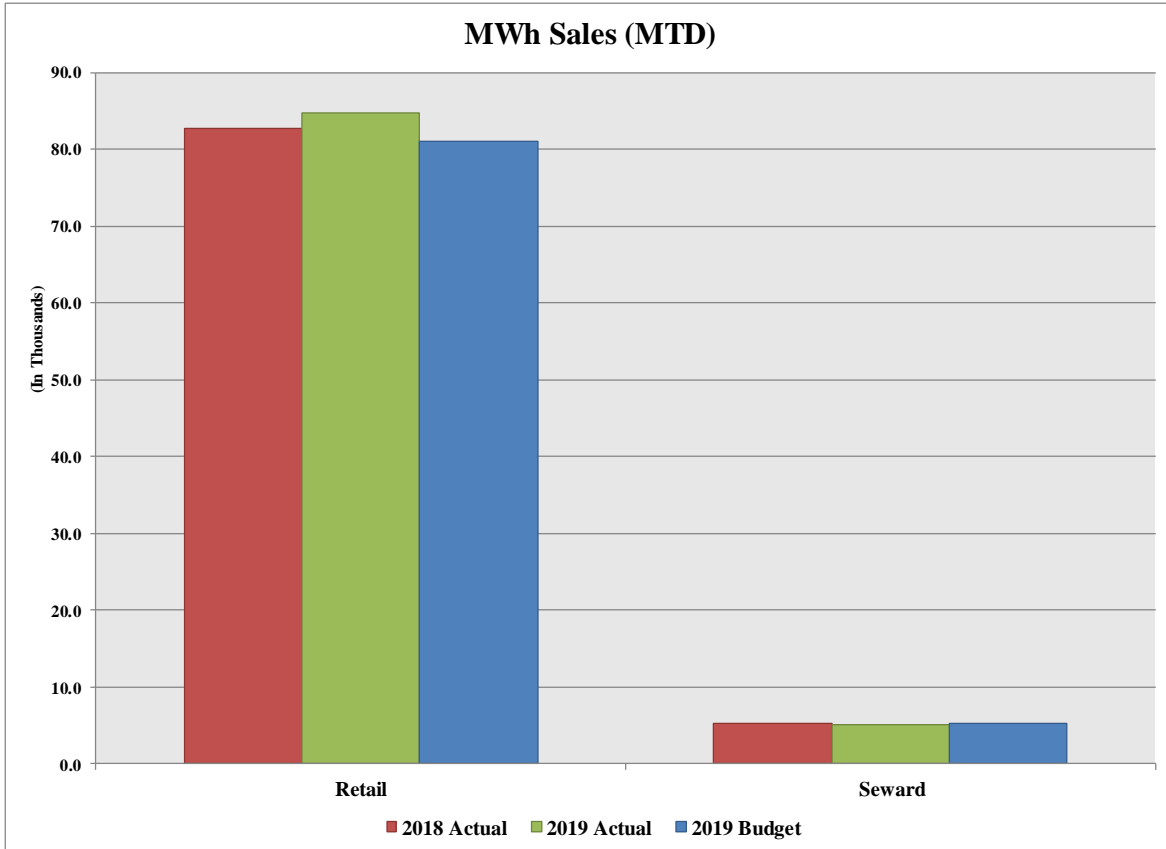


## COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS CURRENT TO PRIOR YTD ACTUAL

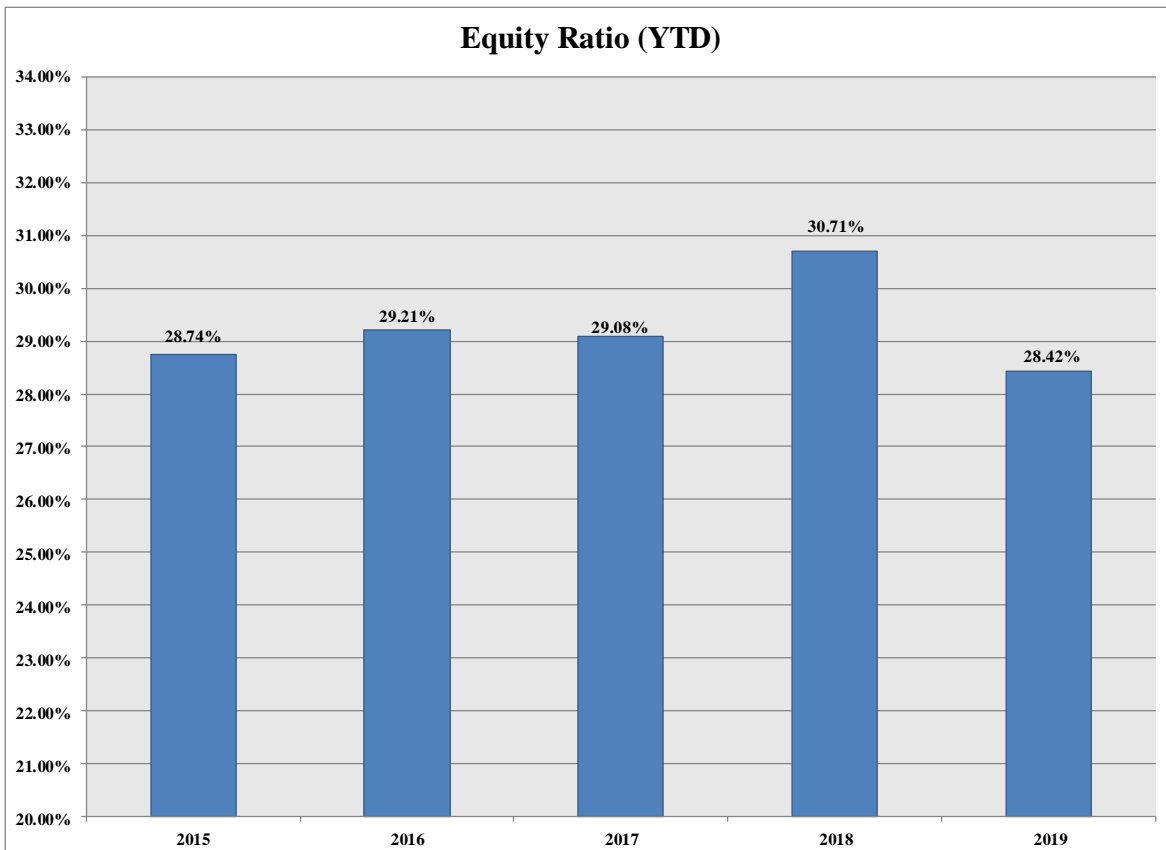
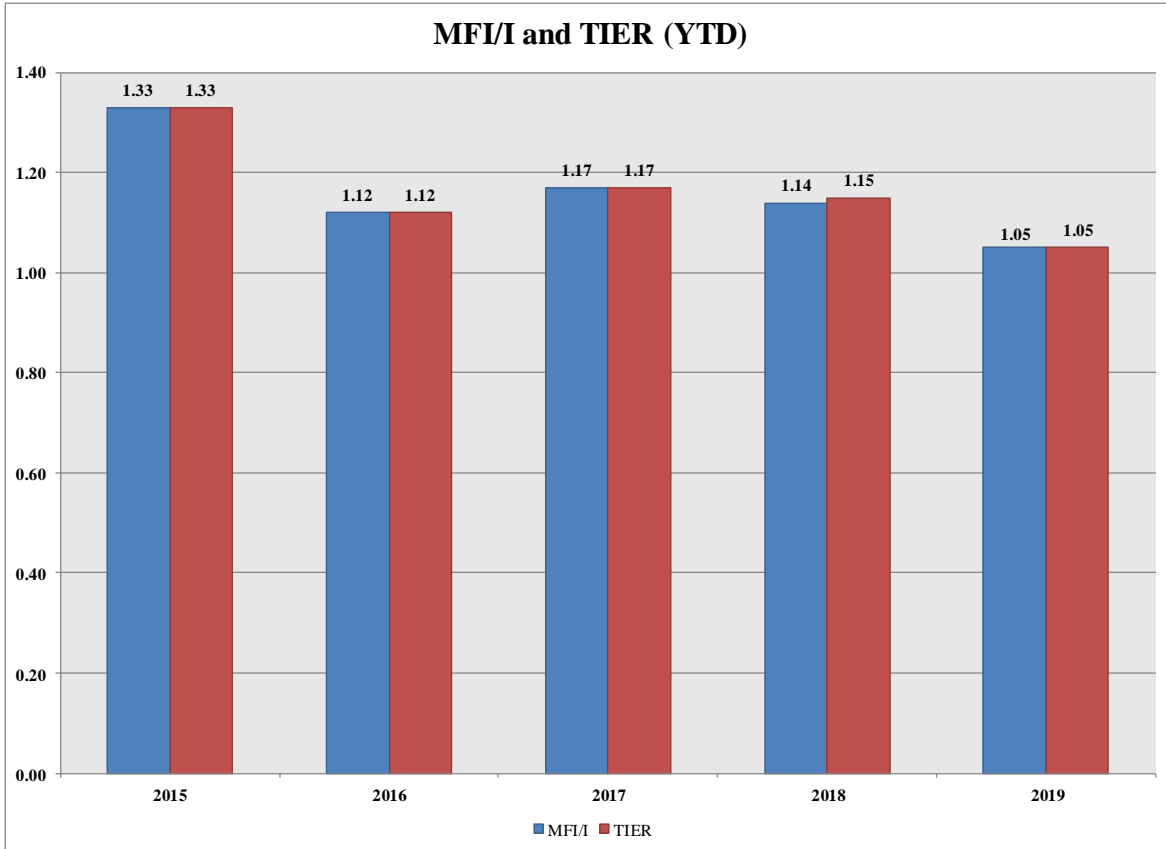
CATEGORY	2019 YTD ACTUAL	2018 YTD ACTUAL
<b>Operating Revenue and Patronage Capital</b>	<b>\$ 120,590,413</b>	<b>\$ 117,164,615</b>
Fuel and Purchased Power Expense	46,090,327	44,808,268
Power Production Expense	11,158,628	10,046,312
Transmission Expense	4,668,203	4,373,979
Distribution Expense	8,729,940	8,983,619
Customer Expense	4,088,482	4,030,758
Administrative, General and Other	14,724,543	13,322,446
Depreciation and Amortization Expense	18,213,867	17,275,224
Interest Expense, Net	12,842,114	12,796,148
<b>Total Cost of Electric Service</b>	<b>\$ 120,516,104</b>	<b>\$ 115,636,754</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ 74,309</b>	<b>\$ 1,527,861</b>
Non-Operating Margins - Interest	352,909	406,675
Allowance for Funds Used During Construction	93,086	62,813
Non-Operating Margins - Other	118,324	(175,387)
<b>Patronage Capital or Margins</b>	<b>\$ 638,628</b>	<b>\$ 1,821,962</b>
MFI/I	1.05	1.14
TIER	1.05	1.15

### Cost of Electric Service (YTD)









## ENERGY SALES (kWh)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Energy Sales	612,499,191	603,764,723
Wholesale Energy Sales	<u>33,296,776</u>	<u>33,825,424</u>
Total Firm Energy Sales	645,795,967	637,590,147
Economy Energy Sales	<u>103,400</u>	<u>0</u>
Total Energy Sales	645,899,367	637,590,147

Firm energy sales totaled 645,795,967 kWh, which was a 1.3% favorable variance compared to budget. Retail energy sales were over budget 1.4%, primarily due to higher than anticipated large commercial activity. Wholesale energy sales were under budget by 1.6%.

Economy energy sales totaled 103,400 kWh, which was a favorable variance of 100% compared to budget. This was due to unanticipated sales to Golden Valley Electric Association (GVEA) and Matanuska Electric Association (MEA).

## ENERGY REVENUE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Revenue	\$ 113.1	\$ 111.0
Wholesale Revenue	<u>3.3</u>	<u>3.3</u>
Total Firm Revenue	116.4	114.3
Economy/Other Energy Revenue	0.0	0.0
Other Operating Revenue	<u>4.2</u>	<u>3.1</u>
Total Revenue	\$ 120.6	\$ 117.4

Revenue from firm sales totaled \$116.4 million compared to \$114.3 million in the budget. Although not a significant variance, firm revenue was higher than expected primarily due to higher than anticipated sales to large general commercial customers and higher fuel and purchased power recovered in revenue. Other operating revenue includes late fees, pole rental, wheeling, microwave, BRU royalties, miscellaneous service and other electric revenue. Other operating revenue totaled \$4.2 million compared to \$3.1 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	\$ 32.8	\$ 32.4
Purchased Power	<u>13.3</u>	<u>11.1</u>
Total	\$ 46.1	\$ 43.5

Fuel expense includes fuel, storage, transportation, and BRU operating costs. Fuel expense was \$32.8 million compared to \$32.4 million projected in the budget. This variance was primarily due to more fuel consumed at the Beluga Power Plant than anticipated. This was somewhat offset by lower than anticipated storage and transportation expense.

Actual fuel purchased or withdrawn from inventory and used for production was 3,674,483 MCF at an average effective delivered price of \$8.23 per MCF, compared to 3,426,509 MCF in the budget at an average effective delivered price of \$8.28 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 \$13.3 million compared to \$11.1 million in the budget, due to higher than anticipated purchases from ML&P and MEA at a higher average effective price.

Actual energy purchased was 156,519 MWh at an average effective price of 7.14 cents per kWh compared to 133,921 MWh budgeted at an average effective price of 6.64 cents per kWh.

## POWER PRODUCTION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Power Production	\$ 11.2	\$ 11.8

Power production expense was \$11.2 million compared to \$11.8 million in the budget. This favorable variance is primarily due to lower than anticipated maintenance costs, which was 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	\$ 4.7	\$ 4.7

Transmission operations and maintenance expense was \$4.7 million compared to \$4.7 million in the budget. Although not an overall variance, higher substation expense labor was offset by lower than anticipated vegetation control, microwave maintenance, and helicopter services.

## DISTRIBUTION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Distribution	\$ 8.7	\$ 9.1

Distribution operations and maintenance expense was \$8.7 million compared to \$9.1 million in the budget. This favorable variance is primarily due to lower than anticipated vegetation clearing and lease costs, as well as 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	\$ 4.1	\$ 4.0

Consumer accounts and customer information expense was \$4.1 million compared to \$4.0 million in the budget. This unfavorable variance is primarily due to higher than anticipated credit card merchant fees, which was 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	\$ 14.7	\$ 14.5

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 \$14.7 million compared to \$14.5 million in the budget. This unfavorable variance is primarily due to higher than anticipated labor expense and project write-offs, which were somewhat offset by lower than anticipated costs associated with fuel management, accounting, and safety, as well as headquarters maintenance.

## SUMMARY

Depreciation, interest, and interest during construction expense totaled \$31.1 million compared to \$30.0 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 due primarily to the timing of projects.

All of the foregoing expenses resulted in total cost of electric service of \$120.5 million compared to \$117.6 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 \$0.6 million compared to \$0.5 million in the budget primarily due to the gain in value of marketable securities earlier this year.

The net result of revenue and expenses was margins of \$0.6 million compared to projected margins of \$0.2 million in the budget. The current forecast projects year-end margins of \$5.7 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>\$ 208,813,709</b>	<b>\$ 120,590,413</b>	<b>\$ 212,038,623</b> <sup>1</sup>
Fuel and Purchased Power Expense	76,788,722	76,788,722	46,090,327	79,385,858 <sup>1</sup>
Power Production Expense	20,297,640	20,297,640	11,158,628	20,297,640
Transmission Expense	7,442,254	7,442,254	4,668,203	7,442,254
Distribution Expense	15,695,623	15,813,973	8,729,940	15,813,973
Customer Expense	7,089,507	7,089,507	4,088,482	7,165,072 <sup>1</sup>
Administrative, General & Other	24,398,225	24,398,225	14,724,543	24,085,558 <sup>2</sup>
Depreciation and Amortization Expense	30,612,717	30,612,717	18,213,867	30,960,081 <sup>1</sup>
Interest Expense, Net	20,112,012	21,416,228	12,842,114	22,122,933 <sup>1</sup>
<b>Total Cost of Electric Service</b>	<b>\$ 202,436,700</b>	<b>\$ 203,859,266</b>	<b>\$ 120,516,104</b>	<b>\$ 207,273,369</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ 4,948,575</b>	<b>\$ 4,954,443</b>	<b>\$ 74,309</b>	<b>\$ 4,765,254</b>
Non-Operating Margins - Interest	629,772	629,772	352,909	615,314 <sup>1</sup>
Allowance for Funds Used During Construction	178,150	178,150	93,086	167,315 <sup>1</sup>
Non-Operating Margins - Other	-	-	118,324	118,324 <sup>1</sup>
<b>Patronage Capital or Margins</b>	<b>\$ 5,756,497</b>	<b>\$ 5,762,365</b>	<b>\$ 638,628</b>	<b>\$ 5,666,207</b>
MFI/I	1.28	1.26	1.05	1.25
TIER	1.30	1.27	1.05	1.27

<sup>1</sup> Forecast based on 7 month actual and 5 month forecast

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

**Chugach Electric Association, Inc.**  
**Anchorage, Alaska**

**September 6, 2019**

**TO:** Chugach Board of Directors

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

**SUBJECT:** *Railbelt Electric Utility Bill Comparison: Third 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 and small general service classes. In the large general service rate class, Chugach's rates are lower than all other utilities except Anchorage Municipal Light and Power (ML&P), which has rates 2.4 percent lower than Chugach's when not counting ML&P's demand ratchet. ML&P's demand ratchet increases the cost to many customers, but the increase varies from customer to customer depending upon their usage over the prior year. Chugach does not have a demand ratchet on this rate class.

On a total bill basis, which includes fuel and purchased power costs, the total bill for a Chugach residential customer using 600 kWh is \$122, which compares with \$128 for ML&P, \$130 for Matanuska Electric Association, Inc. (MEA), \$152 for Golden Valley Electric Association, Inc. (GVEA), and \$157 for Homer Electric Association, Inc. (HEA) (bill totals rounded to nearest dollar).

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, decreased 0.6 percent in third quarter 2019. The decrease is due to the combination of a 2.5 percent increase to the base energy rate, a 6.3 percent decrease to the fuel and purchased power rate, and a 15.4 percent decrease to the Regulatory Cost Charge, which decreased the same for all utilities listed in this report from \$0.000978 to \$0.000827 per kWh.
- ML&P residential bill levels decreased 6.0 percent due to a 26.9 percent decrease to the fuel and purchased power rate. The base energy rate is unchanged since June 2018.
- MEA residential bill levels decreased 0.4 percent due to the combination of a 1.9 percent increase to the base rate and a 4.0 percent decrease to the fuel and purchased power rate.
- HEA residential bill levels decreased 3.7 percent due to a 12.2 percent decrease to their fuel and purchased power rate. The base energy rate is unchanged since the prior quarter.
- GVEA's residential bill levels decreased 3.7 percent, due to a 9.4 percent decrease to their fuel and purchased power rate. The base energy rate is unchanged since the prior quarter.

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.

Customer Class	Chugach	ML&P	MEA	GVEA	HEA
Residential total based on 600 kWh	\$122.31	\$127.69	\$129.86	\$152.02	\$157.09
Cost per kWh	\$0.204	\$0.213	\$0.216	\$0.253	\$0.262
Change from prior quarter	(0.6%)	(6.0%)	(0.4%)	(3.7%)	(3.7%)
Difference from Chugach bill	----	4.4%	6.2%	24.3%	28.4%
Small General Service total based on 1,250 kWh	\$209.63	\$225.66	\$256.46	\$304.85	\$313.58
Cost per kWh	\$0.168	\$0.181	\$0.205	\$0.244	\$0.251
Change from prior quarter	(1.3%)	(7.0%)	(0.4%)	(3.8%)	(3.9%)
Difference from Chugach bill	---	7.6%	22.3%	45.4%	49.6%
Large General Service Secondary total*	\$4,550.31	\$4,440.24	\$4,942.13	\$5,391.82	\$6,426.64
Cost per kWh	\$0.163	\$0.159	\$0.177	\$0.193	\$0.230
Change from prior quarter	(1.2%)	(7.9%)	(0.6%)	(4.8%)	(4.2%)
Difference from Chugach bill	----	(2.4%)	8.6%	18.5%	41.2%

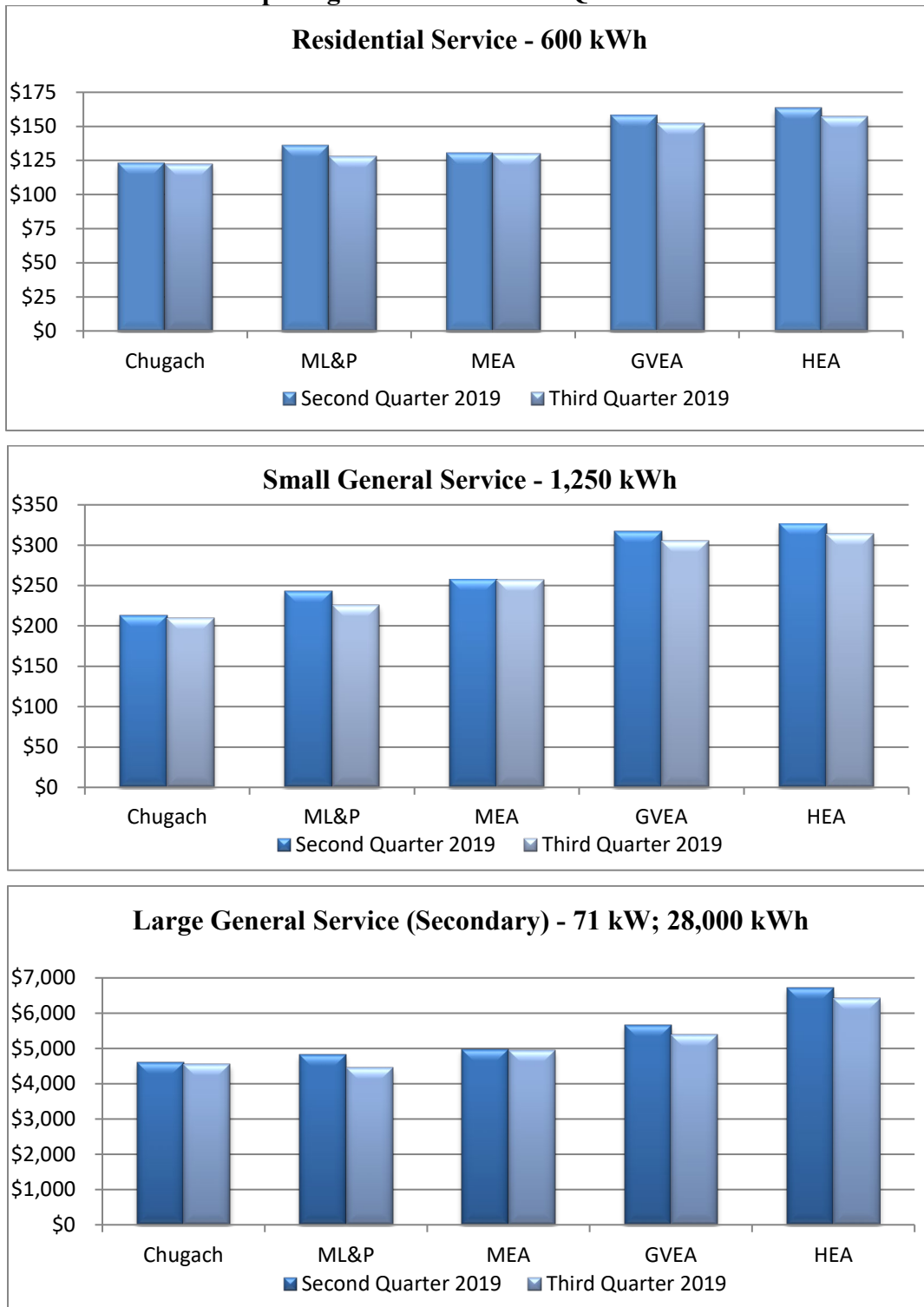
*\*Based on 28,000 kWh and 71 kW. The total does not reflect the effects of demand ratchets in ML&P and GVEA tariffs.*

<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 third 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 third 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 Railbelt electric utilities.

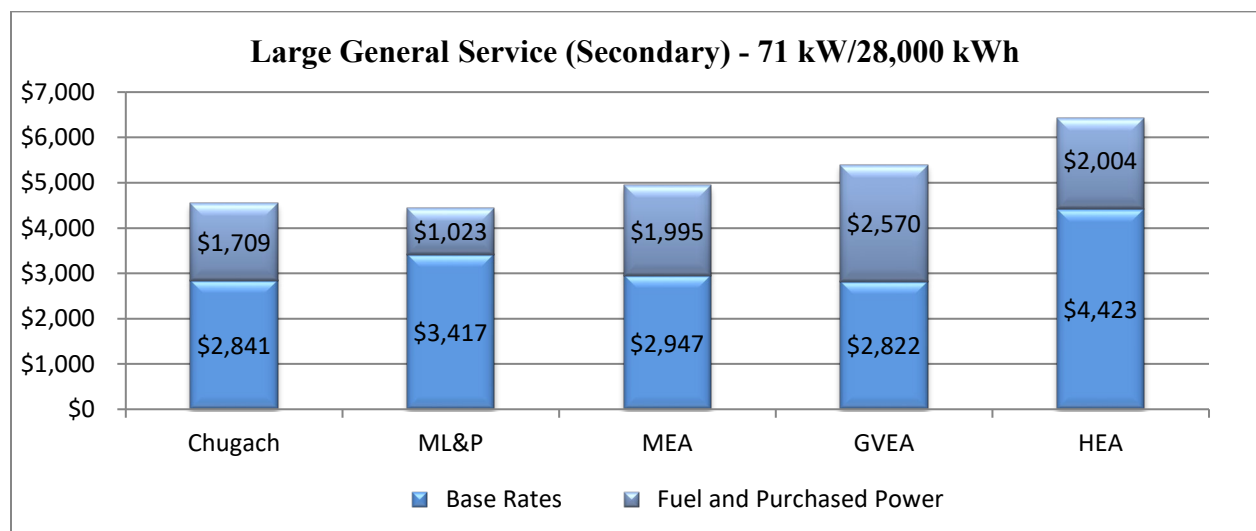
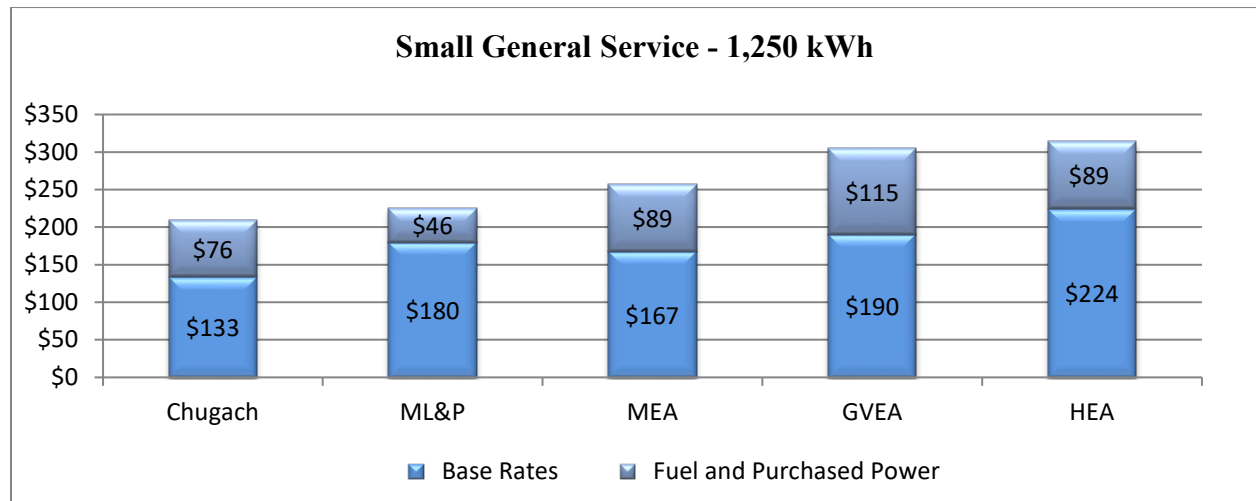
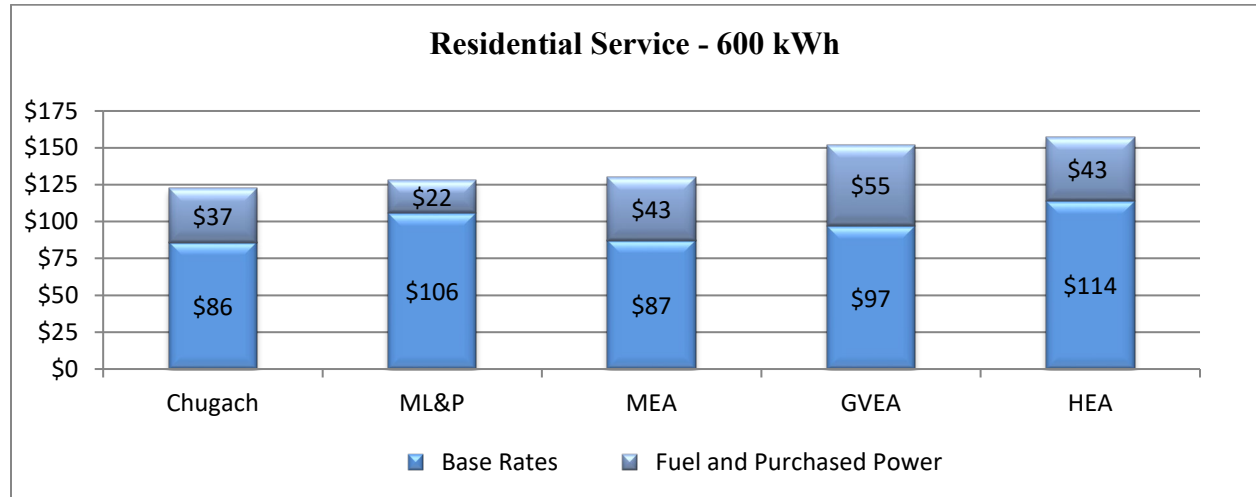
**Figure 1: Retail Electric Bill Totals by Utility  
 Comparing Second and Third Quarters 2019**



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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.

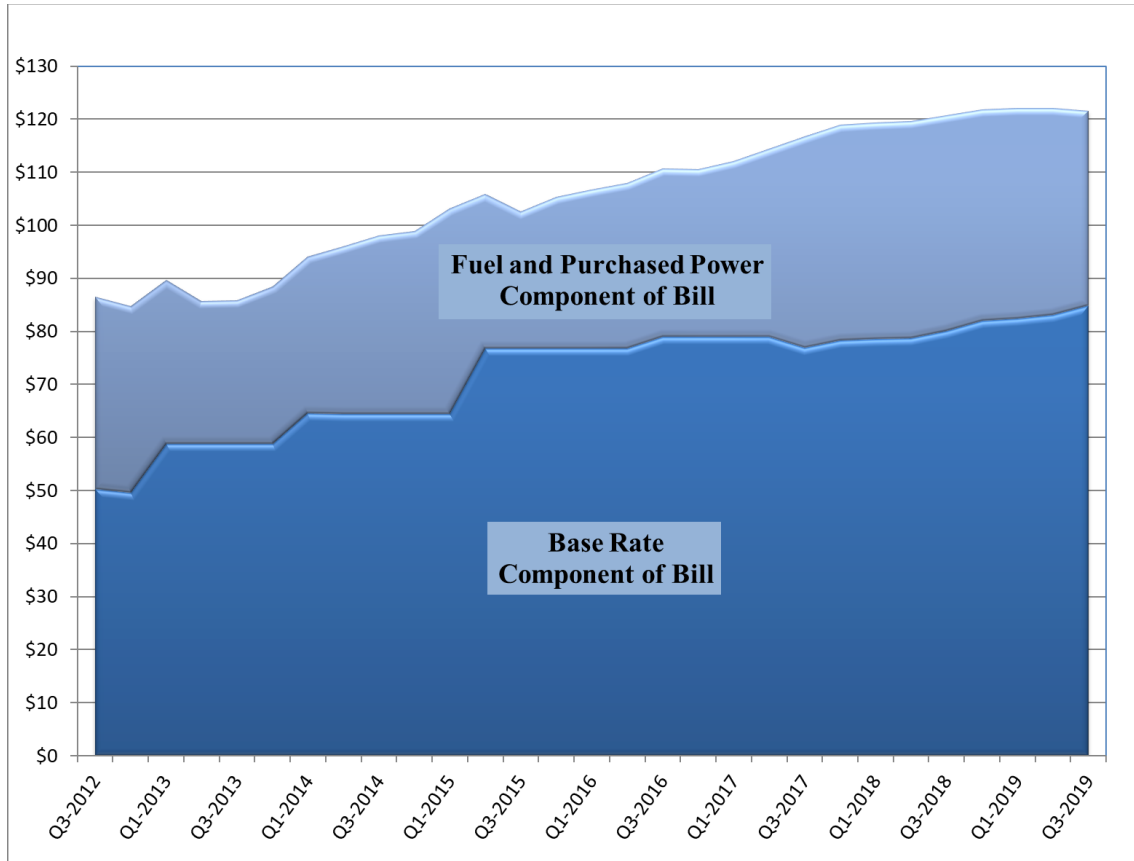


**Figure 2: Base Rate and Fuel and Purchased Power Components  
 Bill Totals – Third Quarter 2019**

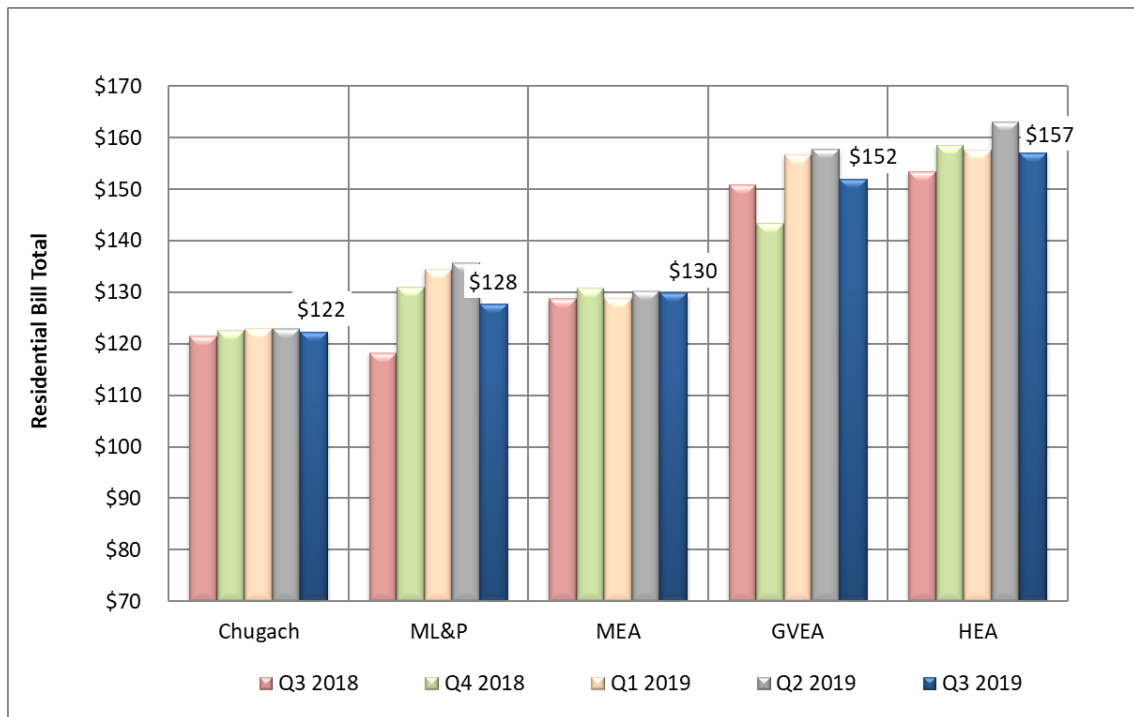


ML&P and GVEA's Large General Service totals do not reflect tariffed impacts of their ratchets on demand charges.

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



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



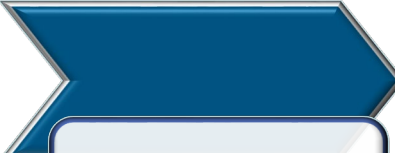
# Swan Lake Fire Impact on Rates




CONFIDENTIAL

Regular Board of Directors' Meeting  
September 17, 2019

# The Swan Lake Fire Timeline




**Swan Lake Fire  
Re-Ignited  
(June 5)**



**Quartz Creek  
Transmission Line  
Out of Service  
(June 23)**  
**Temporarily returned  
to service  
(July 12 – Aug. 18)**



**Bradley Lake  
Begins to Spill  
(Sept. 9)**



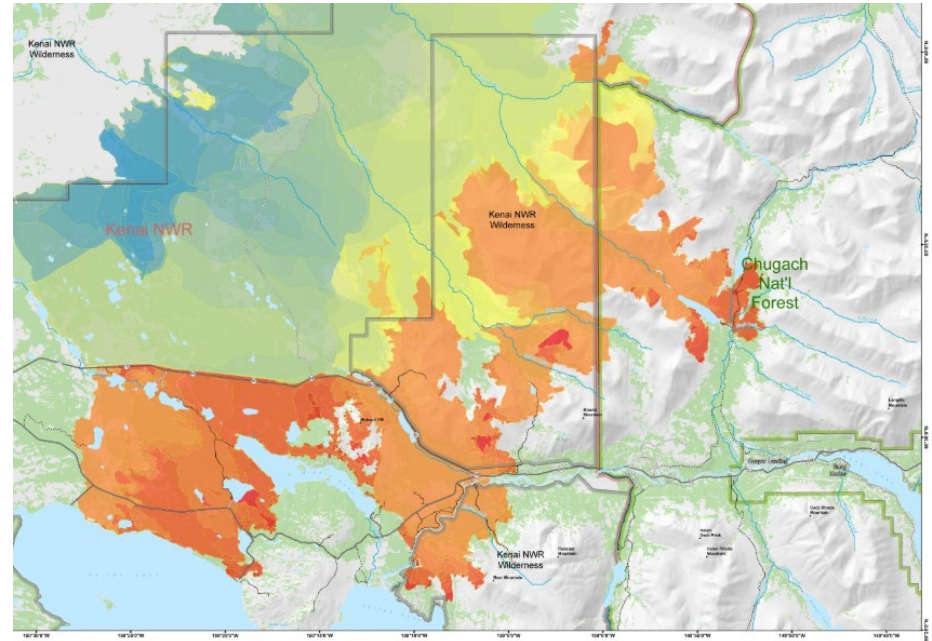
**Aerial Inspection;  
64 Impacted  
Structures  
(Sept. 9)**

# Bradley Lake Hydro-Electric Plant Issues

- Damage found late 2018 Bradley Unit 1 & 2
  - ▷ One generator at the Bradley Lake Hydro Power Plant during maintenance periods
  - ▷ Water levels above normal before the start of the Swan Lake Fire
- Imminent spill August 18
- Began to spill September 9th
- Any additional rain will continue to spill

# Transmission Line Restoration

- The Quartz Creek Line could be out for an extended time
  - ▷ 64 transmission structures impacted
  - ▷ 14+ miles of transmission line exposed to fire
- Total estimated cost of repairs is not yet known



# The Swan Lake Fire Impact on Rates

- Two impacts on rates:
  - ▷ Based on current cost estimates and assuming the line is repaired by first quarter 2020, the impact on fuel and purchased power rates is an increase of 3 percent (annualized)
  - ▷ The cost of transmission repairs are expected to be collected through base rates or potentially through fuel and purchased power rates

# Questions?



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

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

**September 17, 2019**

**ACTION REQUIRED**

**AGENDA ITEM NO. VII.A.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

2019 Salary Table Market Revision

**DISCUSSION**

At the August 19, 2019, Regular Board of Directors' meeting the Board reviewed and discussed the 2019 Salary Table Market Revision and further discussion was deferred to the next Regular Board meeting.

Consistent with prudent salary administration and Chugach Board Policy a salary market survey of non-represented salaries is conducted every year. Prior surveys resulted in no recommendation for change, the most recent survey suggest that the current non-represented salary table needs an adjustment to maintain Chugach's position in the employment market. Chugach is experiencing some recruitment and retention difficulties based on our total compensation, of which salary is the major component.

The non-represented salary table covers approximately 90 positions. Non-represented job classifications include: accountants, engineers (project managers), supervisors, executive secretaries, security personnel, administrative workers, managers and executives. The salary table was last updated September 28, 2018, using the most current data from 2017. Chugach uses an independent third-party consultant to analyze the table within a number of appropriate market surveys. Adjustment to the non-represented salary table is not a pay increase. Although, individual salaries that are below the table minimum will need to be adjusted; this estimated to be less than \$8,000 for a few specific individuals. The third-party consultant has determined that the current salary table is lagging the market. Executive management recommends that the consultant recommendation is accepted by the Board of Directors.

**MOTION**

Move that the Board of Directors approve the 2019 Salary Table Market Revision as the basis for the non-represented unit salary table administration, essentially the same as discussed in Executive Session at the August 19, 2019, Regular Board of Directors' Meeting.

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

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

**September 17, 2019**

**ACTION REQUIRED**

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

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

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**TOPIC**

Gas Supply

**DISCUSSION**

The transmission line from the Bradley Lake Hydroelectric on the Kenai Peninsula to Anchorage is out of service due to the Swan Lake Fire. Chugach needs to acquire additional gas supply to replace the Bradley Lake Hydroelectric energy.

**MOTION**

Move that the Board of Directors' authorize the Chief Executive Officer to finalize the terms and conditions of the purchase of gas supply essentially the same as discussed in Executive Session.

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

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

**September 17, 2019**

**ACTION REQUIRED**

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

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

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**TOPIC**

Project Authorization – Pt. Mackenzie 230 kV Substation Rebuild

**DISCUSSION**

The Pt. Mackenzie Substation (PMSS) was constructed in the 1970's. Pt. Mackenzie substation 230 kV switch yard was constructed in the 1980s. It is a breaker and a half substation, with terminals connecting it to Beluga Line 2, Beluga Line 3, Teeland Substation, West Cable Terminal and 230/138 kV transformer connected to the 138 kV switchyard. During the 7.1 magnitude, November 30<sup>th</sup> earthquake, the 230 kV portion of the station was rendered inoperable. This station is critical to stable operation of the transmission system and connection of the Beluga Power Plant to the system.

The primary cause of failure was 230 kV vee switches that broke. The mode of failure was due to insufficient ability for the equipment to move during the event. Rigid connections to adjacent bus work exerted force on porcelain insulators which failed. 15 of the 22 switches in the station broke and caused secondary damage to bus work and breakers when they fell.

This project will replace the broken vee switches with a more robust design with high strength insulators. Additionally, the bus work will be rebuilt to current IEEE seismic standards using flexible connections to equipment addressing the primary mode of failure during the November 30<sup>th</sup> event.

The total project cost is estimated at \$3,700,000. Approximately \$700,000 will be charged to this project in 2019. This project has been included in the 2020 budget.

**MOTION**

Move that the Board of Directors authorize the Chief Executive Officer to proceed with the Pt. Mackenzie 230 kV Substation Rebuild at an estimated total cost of \$3,700,000 with an estimated completion date of April 2020.