



**CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA**

REGULAR BOARD OF DIRECTORS' MEETING

AGENDA

Bettina Chastain, Chair
Rachel Morse, Vice Chair
Harold Hollis, Treasurer
James Henderson, Secretary

Stuart Parks, Director
Sam Cason, Director
Mark Wiggin, Director

January 27, 2021

4:00 p.m.

Chugach Board Room

- I. CALL TO ORDER (4:00 p.m.)
 - A. *Pledge of Allegiance*
 - B. *Roll Call*
 - C. *Safety Minute – “Winter Driving Safety” (Andrews)*
- 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 2021 Directors Conference – March 23-24, 2021*
 - C. *Minutes*
 - 1. *December 16, 2020, Regular Board of Directors’ Meeting (Abruzzino)*
 - D. *Director Expenses*
 - E. *Update Bank Signature Cards*
 - F. *BRU Future Natural Gas Investment Account*
- V. CEO REPORTS AND CORRESPONDENCE (4:30 p.m.)
 - A. *2021 State Legislative Update (Steyer/Miller) (4:30 p.m.)*
 - B. *4th Quarter 2020 Safety Report (Freeman/Andrews) (4:40 p.m.)*
 - C. *October 2020 Financial Statements and Variance Report (Harris/Curran) (4:50 p.m.)*
 - D. *Board Policy Scheduled Tasks/Reports (Board/Staff) (5:00 p.m.)*
- VI. DIRECTOR REPORTS (5:10 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 (*none*)

VIII. NEW BUSINESS (*none*)

IX. EXECUTIVE SESSION* (*scheduled*) (6:00 p.m.)

- A. *SEC Related Matters (6:00 p.m.)*
- B. *CEO Goals Update on PSI-5 (6:15 p.m.)*

X. NEW BUSINESS* (*scheduled*) (6:30 p.m.)

- A. *SEC Related Matters* (Highers) (6:30 p.m.)*
- B. *Kubra Contract Amendment* (Miller) (6:35 p.m.)*

XI. DIRECTOR COMMENTS (6:45 p.m.)

XII. ADJOURNMENT* (7:00 p.m.)

* *Denotes Action Items*

** *Denotes Possible Action Items*

An aerial photograph of a multi-lane road covered in snow, with several cars driving along it. The road is flanked by snow-covered trees and bushes. The overall scene is in a cool, blue-toned color palette.

WINTER Driving Safety

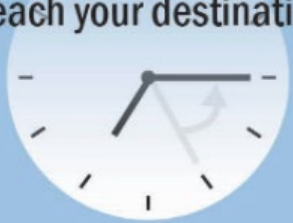
Winter driving FACTOIDS



- ◇ 17% of all vehicle crashes happen in winter conditions.
- ◇ When driving on snowy or icy roads, it can take up to 10 times longer to stop.
- ◇ Ohio is one of the worst states for winter driving.
- ◇ Alaska, Wyoming, and Minnesota are the three states with the most brutal winters.
- ◇ Spin out collisions as the top cause of winter-weather accidents.

WINTER DRIVING TIPS

Give yourself extra time to reach your destination.



Clear off all the snow and ice from the outside of your vehicle.

Don't forget mirrors, windows, lights and both windshields.



Check tires.

Good winter tires can shorten braking distances by as much as **25%**.

Allow more room between you and the vehicle in front of you.



Check washer fluid and oil levels.



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** *Denotes Possible Action Items*

January 2021

January 2021							February 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
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24	25	26	27	28	29	30	28						
31													

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Dec 27	28	29	30	31	Jan 1, 21 New Year's Holiday	2
3	4	5	6	7	8 2:15pm REAP Finance Committee (Morse/Wiggin) (Zoom Meeting)	9
10	11	12 6:00am NRECA - Legislative Committee (Wiggin/Parks) 10:00am NRECA - Regulatory Committee (Wiggin/Parks) 1:00pm ARCTEC & CLI 2nd Strategic Planning Session	13 6:00am NRECA - CMEC Committee (Wiggin) 10:00am NRECA - Resolutions 1:00pm Pre-Audit Meeting w/Sherrri 3:00pm REAP Policy Cmte (Morse/Wiggin) 4:00pm Operations Committee Meeting	14	15 11:00am REAP Annual Meeting (Wiggin/Morse) (Zoom Meeting) 1:30pm Telephone Conversation w/Henderson & Highers (Jim call (907-762-4511)) - Connie Owens	16
17	18	19	20 4:00pm Audit and Finance Committee Meeting (Boardroom_CR) - Connie Owens	21	22 3:00pm Review Board Packet w/Chair (Chastain/Morse) (LDT's Office) - CCBOD	23
24	25 9:00am Director Morse - iPad Upgrade 10:00am Director Wiggin - iPad Upgrade 11:00am Director Cason - iPad Upgrade 1:00pm APA/NRECA Director Training 1:00pm Director Hollis - iPad Upgrade	26 1:00pm APA/NRECA Director Training (1/25-26) Equity Management and Decision Making (Virtual) 3:45pm REAP Policy Committee (Morse/Wiggin)	27 4:00pm Regular Board of Directors Meeting (BoardroomCR) - CCBOD	28	29	30
31	Feb 1	2	3	4	5	6

February 2021

February 2021

Su	Mo	Tu	We	Th	Fr	Sa
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7	8	9	10	11	12	13
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21	22	23	24	25	26	27
28						

March 2021

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21	22	23	24	25	26	27
28	29	30	31			

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jan 31	Feb 1	2 1:00pm APA Railbelt Issues Forum (Microsoft Teams Meeting) - Brie Xavier	3 APA Virtual State Legislative Conference (Microsoft Teams)	4 1:30pm APA Board of Directors Meeting (Microsoft Teams Meeting) - Brie Xavier	5	6
7	8	9	10 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens	11	12	13
14	15	16	17	18	19	20
21	22 8:30am Review Board Packet w/Chair 1:30pm Hollis - Film Board Video Interview 2:00pm Morse - Film Board Video Interview 2:30pm Cason - Film Board Video Interview 3:00pm Henderson - Film Board Video 3:30pm Wiggin - Film 4:00pm Parks - Film	23 NRECA PowerXchange (Part One - 2/23-24) (Virtual)	24 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	25	26	27
28	Mar 1	2	3	4	5	6

March 2021

March 2021

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
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21	22	23	24	25	26	27
28	29	30	31			

April 2021

Su	Mo	Tu	We	Th	Fr	Sa
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17	18	19	20	21	22	23
24	25	26	27	28	29	30

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Feb 28	Mar 1	2 NRECA PowerXchange (Part Two 3/2-4) (Virtual)	3	4	5	6
7	8	9	10 4:00pm Operations Committee Meeting (BoardRoomCR) - CCBOD	11	12	13
14	15	16	17 4:00pm Audit and Finance Committee Meeting (BoardRoomCR) - CCBOD	18	19 8:30am Review Board Packet w/Chair (Chastain/Morse) (LDT's Office) - CCBOD	20
21	22	23 Virtual: NRECA Directors Conference (March 23-24, 2021) (Virtual)	24 4:00pm Regular Board of Directors Meeting (Boardroom) - CCBOD	25	26	27
28	29	30	31	Apr 1	2	3

April 2021

April 2021						May 2021							
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
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11	12	13	14	15	16	17	9	10	11	12	13	14	15
18	19	20	21	22	23	24	16	17	18	19	20	21	22
25	26	27	28	29	30		23	24	25	26	27	28	29
							30	31					

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Mar 28	29	30	31	Apr 1	2	3
4	5	6	7	8	9	10
11	12	13	14 4:00pm Operations Committee Meeting (BoardRoomCR)	15	16	17
18	19	20	21	22 4:00pm Chugach Candidate Forum (BoardroomCR) - Connie Owens	23 8:30am Review Board Packet w/Chair (Chastain/Morse) (LDT's Office) - CCBOD	24
25	26	27	28 4:00pm Regular Board of Directors Meeting (Boardroom)	29	30	May 1

May 2021

May 2021							June 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
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23	24	25	26	27	28	29	27	28	29	30			
30	31												

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Apr 25	26	27	28	29	30	May 1
2	3	4	5	6	7	8
9	10	11 4:00pm Audit and Finance Committee Meeting (BoardroomCR)	12 4:00pm Operations Committee Meeting (BoardroomCR)	13	14	15
16	17	18 6:00pm 2021 Annual Meeting (Dena'ina Center)	19	20	21 8:30am Review Board Packet w/Chair (Chastain/Morse) (LDT's Office) - Connie Owens	22
23	24	25	26 4:00pm Regular Board of Directors Meeting (Boardroom)	27	28	29
30	31 Memorial Day	Jun 1	2	3	4	5

June 2021

June 2021						July 2021							
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
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20	21	22	23	24	25	26	18	19	20	21	22	23	24
27	28	29	30				25	26	27	28	29	30	31

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
May 30	31	Jun 1	2	3	4	5
6	7	8	9 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens	10	11	12
13	14	15	16	17	18	19
20	21 8:30am Review Board Packet w/Chair	22	23 4:00pm Regular Board of Directors Meeting (BoardromCR) - Connie Owens	24	25	26
27	28	29	30	Jul 1	2	3

July 2021

July 2021						August 2021							
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
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18	19	20	21	22	23	24	22	23	24	25	26	27	28
25	26	27	28	29	30	31	29	30	31				

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jun 27	28	29	30	Jul 1	2	3
4 4th of July	5 Observance 4th of July	6	7	8	9	10
11	12	13	14 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens	15	16	17
18	19	20	21 4:00pm Audit and Finance Committee (Internal Controls Workshop) (Board Room CR) - Connie Owens	22	23 8:30am Review Board Packet w/Chair	24
25	26	27	28 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	29	30	31

August 2021

August 2021

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September 2021

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26	27	28	29	30		

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	
Aug 1	2	3	4	5	6	7	
8	9	10 4:00pm Audit and Finance Committee Meeting (BoardroomCR) - Connie Owens	11 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens	12	13	14	
15	16	17-21 APA Annual Meeting (8/17-8/22) (Homer, AK (Lands End Resort)) - Connie Owens					21
22	23 8:30am Review Board Packet w/Chair	24	25 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	26	27	28	
29	30	31	Sep 1	2	3	4	

September 2021

September 2021

Su	Mo	Tu	We	Th	Fr	Sa
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October 2021

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31						

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Aug 29	30	31	Sep 1	2	3	4
5	6 Labor Day	7	8 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens	9	10	11
12	13	14	15	16	17 8:30am Review Board Packet w/Chair	18
19	20	21	22 4:00pm Regular Board of Directors Meeting (Boardroom)	23	24	25
26	27	28 NRECA Region IX (Director Education 9/28) (Sacramento, CA) - Connie Owens	29	30	Oct 1	2

October 2021

October 2021

Su	Mo	Tu	We	Th	Fr	Sa
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November 2021

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Sep 26	27	28	29	30	Oct 1	2
3	4	5	6	7	8	9
10	11	12	13 4:00pm Operations Committee Meeting (Board Room CR) - Connie Owens	14	15	16
17	18	19	20	21	22 8:30am Review Board Packet w/Chair	23
24	25	26	27 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	28	29	30
31	Nov 1	2	3	4	5	6

November 2021

November 2021

Su	Mo	Tu	We	Th	Fr	Sa
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December 2021

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Oct 31	Nov 1	2	3	4	5	6
7	8 4:00pm Audit Committee Meeting (Budget) (BoardroomCR) - Connie Owens	9 4:00pm Audit and Finance Committee (10Q) (BoardroomCR) - Connie Owens	10 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens	11	12	13
14	15	16	17	18	19 8:30am Review Board Packet w/Chair	20
21	22 11:30am (Tentative: Board Legislative Lunch) (TBD) - Connie Owens 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	23	24	25 Thanksgiving Holiday	26	27
28	29	30	Dec 1	2	3	4

December 2021

December 2021

Su	Mo	Tu	We	Th	Fr	Sa
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January 2022

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23	24	25	26	27	28	29
30	31					

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Nov 28	29	30	Dec 1	2	3	4
5	6	7	8 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens	9	10 8:30am Review Packet w/Chair	11 Directors Winter School (12/10-12/14) (Nashville, TN)
12 Directors Winter School (12/10-12/14) (Nashville, TN)	13	14	15 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	16	17	18
19	20	21	22	23 Christmas Holiday Observed	24	25 Christmas Day
26	27	28	29	30 New Year's Holiday Observed	31	Jan 1, 22

Connie Owens

From: Pat Mangan, Director, Governance Education, NRECA <mktg@nreca.coop>
Sent: Thursday, January 21, 2021 6:33 AM
To: Lee Thibert
Subject: 2021 Directors Conference | REGISTRATION IS OPEN

This message originated from OUTSIDE the company. Please use caution if it contains attachments, links or requests for information.

Convene. Network. Learn.
View this email online

REGISTER



The banner features a red background. On the left, there is a white circle containing a red office chair icon. To the right of the chair, the text "2021 Directors Conference" is written in white. In the center, the dates "March 23-24" are displayed in white, with a thin red horizontal line underneath. Below the dates, the word "Online" is written in white inside a grey rectangular box. On the right side of the banner, the NRECA logo is shown, consisting of a stylized globe icon and the text "NRECA America's Electric Cooperatives".

Please note: You are being copied on this email, which was sent to electric cooperative directors.

Convene. Network. Learn.

Convene.

Change is happening so quickly, you can't afford to be uninformed. Join your fellow directors online for the **2021 Directors Conference, March 23-24, 11 a.m.–5:30 p.m. ET** to share ideas, explore resources and learn about the critical issues affecting the electric cooperative industry today.

Network.

Information sharing is key to good governance and a strong cooperative community, so we've placed a heavy emphasis on networking during this event. Multiple small-group discussions and networking sessions each day give you the opportunity to reconnect with peers and strengthen your leadership network.

Learn.

A full education program featuring nationally recognized speakers, small-group discussions and breakout sessions will address topics that include: strategic planning, finance, broadband, cybersecurity and technology will inform and support your governance goals.

[View Schedule](#)

[>>> REGISTER](#)

Note: This online event will require a broadband internet connection. Login information will be sent to registrants prior to the conference.

Discover the value of NRECA membership. Learn more.

This is a promotion from the National Rural Electric Cooperative Association
4301 Wilson Blvd, Arlington, VA 22203 | Tel: (703) 907-5500 | E-mail: nreca@nreca.coop

[Click here to unsubscribe](#)



Directors Conference

Online March 23 - 24, 2021

The Directors Conference provides electric co-op board members with the governance skills and education needed to enhance the effectiveness of electric co-ops nationwide.

JOIN US ONLINE

Directors Conference

The Directors Conference seeks to promote best practices in board governance through presentations by industry experts and co-op leaders and through peer networking opportunities.

Convene. Network. Learn.

Join your fellow directors online to share ideas, explore resources and learn about the issues affecting the electric cooperative industry. A full program featuring nationally recognized speakers, small-group discussions and breakout sessions addressing topics that include strategic planning, finance, broadband, cybersecurity and technology will inform and support your governance goals.

Testimonials

"I love these amazing opportunities to learn."

Wayne Eller, East Central Energy

"I have thoroughly enjoyed and have professionally developed from the courses and seminars NRECA has offered to the cooperative family.

NRECA is a valuable and enduring benefit and resource working for all our members. Keep up the very good work you all do."

David Glines, Matanuska Electric Assn, Inc.

"The Directors Conference offers an excellent way to learn and gain knowledge you can apply to the responsibilities of being a director."

Richard H. Johnson, Director, Pee Dee Electric

Also of Interest

[Director Certificate Programs](#)

[NRECA PowerXchange \(Formerly NRECA Annual Meeting\)](#)

[Governance Talk Videos](#)

[Governance and Leadership Resources](#)

Looking to earn credit?

One continuing education credit will be offered to directors who hold the Director Gold Credential.

LEARN MORE

Schedule

Subject to change. All times are Eastern.

ALL DAYS TUE. 03/23 WED. 03/24

TUE. 03/23

- | | |
|---------------------|---|
| + 9:00am - 4:00pm | Help Desk |
| + 11:00am - 11:55am | General Session 1 |
| + 12:00pm - 12:30pm | Networking Break |
| + 12:40pm - 1:20pm | Breakout: Extended Conversation with Margie |
| + 12:40pm - 1:20pm | Breakout: Planning to Hire a New CEO? |
| + 12:40pm - 1:20pm | Breakout: Think Yourself Into Your Ideal Situation |
| + 12:40pm - 1:20pm | Breakout: Considering Broadband? The Board's Role in Weighing Options |
| + 12:40pm - 1:20pm | Breakout: Boards and the Science of Teams |
| + 1:30pm - 2:10pm | General Session 2 |
| + 2:20pm - 3:00pm | Breakout: Servant Leadership Workshop |
| + 2:20pm - 3:00pm | Breakout: Think Yourself Into Your Ideal Situation |
| + 2:20pm - 3:00pm | Breakout: Boards and the Science of Teams |
| + 2:20pm - 3:00pm | Breakout: Planning to Hire a New CEO? |
| + 2:20pm - 3:00pm | Breakout: Considering Broadband? The Board's Role in Weighing Options |
| + 3:10pm - 3:30pm | Networking Session |
| + 3:50pm - 4:30pm | Breakout: Cybersecurity Risk Oversight |
| + 3:50pm - 4:30pm | Breakout: Board Chair Workshop |
| + 3:50pm - 4:30pm | Breakout: Gently Navigating Inappropriate Behavior |
| + 4:40pm - 5:20pm | Breakout: Gently Navigating Inappropriate Behavior |
| + 4:40pm - 5:20pm | Breakout: Cybersecurity Risk Oversight |

+ 4:40pm - 5:20pm Breakout: Board Chair Workshop

WED. 03/24

+ 9:00am - 4:00pm Help Desk

+ 10:00am - 11:00am Virtual Networking Brunch

+ 11:00am - 12:00pm General Session 3

+ 12:10pm - 12:40pm Networking Break

+ 12:50pm - 1:30pm Breakout: Got Beneficial Electrification?

+ 12:50pm - 1:30pm Breakout: The Board's Role to Ensure a Culture of Safety

+ 12:50pm - 1:30pm Breakout: Strategic Planning in the Digital Era

+ 12:50pm - 1:30pm Breakout: Data is King: Getting the Most Out of Your Co-op's Data

+ 1:40pm - 2:40pm General Session 4

+ 3:00pm - 3:40pm Breakout: Strategic Planning in the Digital Era

+ 3:00pm - 3:40pm Breakout: The Board's Role to Ensure a Culture of Safety

+ 3:00pm - 3:40pm Breakout: Got Beneficial Electrification?

+ 3:00pm - 3:40pm Breakout: Data is King: Getting the Most Out of Your Co-op's Data

+ 3:50pm - 4:20pm Networking Break

+ 4:30pm - 5:10pm Breakout: The Practical Side of Fiduciary Duties

+ 4:30pm - 5:10pm Breakout: Strategic Planning in the Digital Era

+ 4:30pm - 5:10pm Breakout: The Board's Role to Ensure a Culture of Safety

+ 4:30pm - 5:10pm Breakout: Considering Your Co-op's DER Strategy

Speakers

PAT MANGAN

Director of Governance Education,

S. BRADLEY KITCHENS

President and CEO ScottMadden, Inc.

NRECA

JIM MATHESON
CEO, NRECA

KELLY MCDONALD
★ *Keynote Speaker*
Founder, McDonald Marketing

MOLLY MCPHERSON, M.S., APR
Public Relations Strategist

SUSAN M. OLANDER
Vice President and General Counsel,
Federated Rural Electric Insurance
Exchange



Registration Fees

\$550 per person

Registration closes March 22, 2021. For course credit toward Director Gold renewal, directors must register individually.

Join us online and register today!



🔒 View My Co-op's Registrants

Questions about the Program?

Pat Mangan
703-907-5626
patrick.mangan@nreca.coop

Questions about Sponsorships Opportunities?

Stephanie Harbrecht
703-907-5830
stephanie.harbrecht@nreca.coop

Questions about Registration?

Accounts Receivable Department
703-907-6875
accountsreceivable@nreca.coop

Cancellation and Refund Policy →

Photography/Image Agreement →

Conferences, Meetings & Training Policies →

Questions about Hotel and Travel?

Von McMeekin
703-907-5576
von.mcmeekin@nreca.coop

Questions about Certification/Continuing Education?

Angie Hylton
703-907-5656
angie.hylton@nreca.coop

Questions about Anything Else?

Member Contact Center
877-766-3226
member-support@cooperative.com

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

December 16, 2020
Wednesday
4:00 p.m.

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Jody Abruzzino

I. CALL TO ORDER

Chair Chastain called the Regular Board of Directors' Meeting to order at 4:12 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Pledge of Allegiance

Chair Chastain lead the Board in the Pledge of Allegiance.

B. Roll Call

Board Members Present:

Bettina Chastain, Chair

Rachel Morse, Vice Chair *(via teleconference)*

Jim Henderson, Secretary *(via teleconference)*

Harold Hollis, Treasurer *(via teleconference)*

Stuart Parks, Director

Sam Cason, Director *(via teleconference)*

Mark Wiggin, Director *(via teleconference)*

Guests and Staff Attendance

Present:

Brian Hickey

Arthur Miller

Arden Quezon

Teresa Kurka

Via Teleconference:

Connie Owens

Sherri Highers

Crystal Enkvist, APA

Lee Thibert

Jenny Marie, Alaska

Sean Skaling

Matthew Clarkson

Center

Nabi Qureshi, Alaska

Julie Hasquet

Tyler Andrews

Center

C. Safety Minute

Tyler Andrews, Executive VP Employee Services and Communications discussed "Winter Safety".

II. APPROVAL OF AGENDA

Director Wiggin moved and Director Cason seconded the motion to approve the agenda. The motion passed unanimously.

III. PERSONS TO BE HEARD

Nabi Qureshi, Chugach member and Eklutna Coordinator with The Alaska Center discussed the Eklutna River Restoration Project and responded to questions from the Board.

IV. CONSENT AGENDA

- A. *Board Calendar*
- B. *Training and Conferences*
 - 1. *NRECA Power Xchange – February 18-24, 2021*
- C. *Minutes*
 - 1. *November 23, 2020, Regular Board of Directors' Meeting (Quezon)*
- D. *Director Expenses*
- E. *2021-2025 Strategic Plan*
- F. *2021 Operating and Capital Budget*

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

V. CEO REPORTS AND CORRESPONDENCE

- A. *4th Quarter 2020 Railbelt Bill Comparison (Skaling/Miller)*

Brian Hickey, Chief Executive Officer (COO), Arthur Miller, Executive VP, Regulatory and External Affairs, and Teresa Kurka, Director, Member Services discussed the 4th Quarter 2020 Railbelt Bill Comparison and responded to questions from the Board.

Julie Hasquet, Sr. Manager, Corporate Communication discussed member messaging.
- B. *Board Policy Scheduled Tasks/Reports (Board/Staff)*

Brian Hickey, (COO), recommended that discussion on this agenda item be moved to Executive Session. No objections were made.

VI. DIRECTOR REPORTS

- A. *Alaska Power Association (APA) Report*

Director Hollis and Crystal Enkvist, Executive Director, APA provided an update on APA activities, upcoming events and responded to questions from the Board.
- B. *Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report*

Lee Thibert, Chief Executive Officer, reported on ARCTEC's Strategic Planning which was held under executive session.

Mr. Thibert also stated that questions should be deferred to Executive Session. No objections were made.
- C. *Renewable Energy Alaska Project (REAP) Report*

Director Morse reported on REAP's Public Policy Committee and Executive Committees meetings held on December 15, 2020.

- D. *Board Committee Reports (Audit and Finance, Operations & Governance)*
Director Hollis reported on the December 9, 2020, Audit and Finance Committee meeting.

Director Hollis reported on the December 7, 2020, Operations Committee meeting.

Director Morse reported on the December 9, 2020, Governance Committee meeting which was held immediately following the Audit and Finance Committee.

- E. *Other Meeting Reports*
Directors Chastain reported on attending the Risk Management Course offered through APA/NRECA.

Director Chastain called for a ten-minute recess at 5:05 p.m.

Meeting reconvened at 5:15 p.m.

VII. UNFINISHED BUSINESS

VIII. NEW BUSINESS

- A. *Appointment NRECA Voting Delegate and Alternate*
Director Morse moved and Director Hollis seconded the motion that the Board of Directors appoint Director Parks as the NRECA Voting Delegate and Director Wiggin as the alternate. The motion passed unanimously.

- B. *Appointment CFC Voting Delegate and Alternate*
Director Morse moved and Director Hollis seconded the motion that the Board of Directors appoint Director Parks as the CFC Voting Delegate and Director Wiggin as the alternate. The motion passed unanimously.

Director Henderson requested a motion to reconsider him as the CFC Voting Delegate, However, the motion was not seconded. Motion for reconsideration of the original motion failed.

- C. *Appointment to 2021 Bylaws Committee (Board)*
Director Morse moved and Director Parks seconded the motion that the Board of Directors appoint Frank Gwartney and Bernie Smith to the “B” terms on the Bylaws Committee. The motion passed unanimously.

- D. *Appointment to 2021 Election Committee (Board)*
There were no applicants for the six seats available.

- E. *Appointment to 2021 Nominating Committee (Board)*
Director Morse moved and Director Hollis seconded the motion that the Board of Directors appoint Ashley Johnson and Heidi Hansen to the “B” terms on the Nominating Committee. The motion passed unanimously.

IX. EXECUTIVE SESSION

- A. *Railbelt Reliability Council Update*
- B. *Eklutna Plan*
- C. *Write-off of Accounts Receivable*

At 5:35 p.m., Director Parks 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 7:20 p.m.

X. NEW BUSINESS

- A. *Eklutna Plan (Hickey)*

No action taken and has been deferred to the January 2021 Board meeting.

- B. *Amend Requirements of Board Policy 301, Business Resource and Financial Planning*

Director Parks moved and Director Morse seconded the motion to approve amending the requirements of Board Policy 301, Business Resource and Financial Planning as it relates to the timing of the review of the next ten-year Financial Forecast. The motion passed unanimously.

Director Morse requested an amendment to the motion to add the date of 2023 to the motion, Director Parks accepted the amendment and Morse seconded. The motion passed unanimously, as amended.

- C. *Amend Requirements of Board Policy 302, Integrated Resource Planning*

Director Morse moved and Director Parks seconded the motion to approve amending requirements of Board Policy 302, Integrated Resource Planning as it relates to the timing of the review to be revisited in June 2021. The motion passed unanimously.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 7:37 p.m., Director Hollis moved and Director Cason seconded the motion to adjourn. The motion passed unanimously.

James Henderson, Secretary
Date Approved: January 27, 2021

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

January 27, 2021

ACTION REQUIRED

AGENDA ITEM NO. IV.D.

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

TOPIC

Director Expenses

DISCUSSION

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

MOTION

(Consent Agenda)

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

January 27, 2021

ACTION REQUIRED

AGENDA ITEM NO. IV.E.

<u> </u>	Information Only
<u> X </u>	Motion
<u> X </u>	Resolution
<u> </u>	Executive Session
<u> </u>	Other

TOPIC

Update Bank Signature Cards

DISCUSSION

Bank signature cards are updated each year when there is a change in personnel at Chugach Electric or to reflect a change of officers that are elected at the Regular/Special Board of Directors meeting that follows the annual membership meeting.

On January 20, 2021, the Audit and Finance Committee recommended the Board of Directors approve to update the approved check signers based on the change in personnel to replace the Manager of General Accounting position.

MOTION

(Consent Agenda)



RESOLUTION

Bank Signature Cards

WHEREAS, the Chugach Electric Association management team has hired a new Manager of General Accounting necessitating a change in signatures needed to authorize activity in various bank accounts maintained by the Association,

NOW, THEREFORE, BE IT RESOLVED, that the resolution contained in the Certified Copy of Corporate Resolution for Signing and Endorsing Checks is adopted; and

BE IT FURTHER RESOLVED, that the Manager of General Accounting is authorized and directed to execute the Certified Copy of Corporate Resolution for signing and Endorsing Checks and signature cards attached hereto or other documents of a substantially similar type and purpose.

CERTIFICATION

I, James Henderson, 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 27th day of January, 2021; 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 27th day of January, 2021.

Secretary

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

January 27, 2021

ACTION REQUIRED

AGENDA ITEM NO. IV.F.

 Information Only
 X Motion
 X Resolution
 Executive Session
 Other

TOPIC

BRU Future Natural Gas Investment Account

DISCUSSION

Municipal Light & Power (ML&P) was required to reserve funds generated by Beluga River Unit (BRU) underlift activity for future expenditures associated with the BRU field. Upon close of the acquisition, the ownership of the funds transferred to Chugach Electric Association, Inc. (Chugach). It is Chugach's intent to invest those funds to offset future BRU expenditures.

On January 20, 2021, the Audit and Finance Committee met, reviewed and recommended the Board of Directors approve the attached resolution establishing an asset management account with KEYBANC CAPITAL MARKETS INC for the future natural gas funds transferred from ML&P to Chugach associated with the acquisition.

MOTION

(Consent Agenda)



RESOLUTION

Beluga River Unit (“BRU”)–Future Natural Gas Investment Account

WHEREAS, upon close of the Municipal Light & Power (ML&P) acquisition, the ownership of ML&P’s reserved funds generated by BRU underlift activity was transferred to Chugach Electric Association, Inc., an Alaska electric cooperative (the “Company”);

WHEREAS, the Board of Directors of the Company has determined that it is in the best interest of the Company to invest those funds until they are used to offset future BRU expenditures;

WHEREAS, it is the Company’s intent to invest those funds with KEYBANC CAPITAL MARKETS INC. in accordance with short-term investment practices outlined in the Company’s Board Policy 303, “FINANCIAL MANAGEMENT”;

NOW, THEREFORE, BE IT RESOLVED, that the Company open an account or accounts in its name with KEYBANC CAPITAL MARKETS INC. and that the Chief Executive Officer, Chief Financial Officer and Controller, or any one of them acting individually, are authorized and empowered to execute the necessary documents to open account or accounts with KEYBANC CAPITAL MARKETS INC., give written or oral orders in the said account or accounts for the purchase, sale, or other disposition of authorized securities and deliver to and receive from KEYBANC CAPITAL MARKETS INC. on behalf of the Company funds of the authorized securities in accordance with its board policy reference above.

CERTIFICATION

I, James Henderson, 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 27th day of January 2021; 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 27th day of January, 2021.

Secretary



TO: Board of Directors

FROM: Lee D. Thibert, Chief Executive Officer

DATE: January 19, 2021

SUBJECT: *Legislative update*

The first regular session of the 32nd Legislature convened on January 19 and is scheduled to run until May 19. Today Sen. Peter Micciche (R-Soldotna) was elected Senate President. As this memo was drafted, the House had not yet organized. Prefiled bills were released in batches on January 8 and January 15. Here are some bills of interest to the Alaska electric utility industry.

HB 29, Electric Utility Liability, sponsor: Rep. George Rauscher (R-Sutton)

This bill would clarify liability regarding contacts with vegetation relative to an easement or right of way. The issue is important to the Alaska Power Association and its members. HB 29 is an attempt to pass legislation that did not make it all the way through the process last year. The prefiled bill is the version that emerged from committee last year before stalling on the Senate floor late in the abbreviated session. Chugach and other utilities, along with APA, supported last year's bill. APA worked with Rep. Rauscher to have HB 29 introduced this year.

HB 56, Power Cost Equalization, sponsor: Rep. Neal Foster (D-Nome)

According to APA, this bill would strengthen the integrity of the Power Cost Equalization Endowment and the distribution process. In addition to funding the PCE program, by statute earnings of the Endowment beyond those necessary to fund PCE may be used to fund community revenue sharing or assistance and the renewable energy grant fund. Among other things, this bill seeks to clarify that appropriation process.

HB 57, Funds Subject to CBR Sweep Provision, sponsor: Rep. Andy Josephson (D-Anchorage)

This bill seems intended to try and resolve disputes between the Administration and Legislation that have arisen in recent years over what funds are eligible to be swept at the end of a fiscal year. For targeted funds like the Power Cost Equalization Endowment and others, a sweep then necessitates a "reverse sweep" action by the Legislature to recapitalize the funds. It's notable that the legislative intent discussion of HB 57 takes up most of the first six pages of the 10-page bill, building upon legal analyses of prior court actions.

SB 17, Energy Efficiency & Policy: Public Buildings, sponsor: Sen. Tom Begich (D-Anchorage)

This bill is intended to save money on energy costs through energy audits and subsequent retrofits of public facilities, public buildings and public-school building. The legislative intent of the bill envisions using energy service performance contracts to achieve the savings, thereby avoiding an upfront cost to the State.



TO: Board of Directors
FROM: Lee D. Thibert, Chief Executive Officer
THROUGH: Tyler Andrews, Vice President, Member and Employee Services
DATE: January 27, 2021
SUBJECT: *4th Quarter Safety Report 2020*

4th Quarter Safety Report 2020

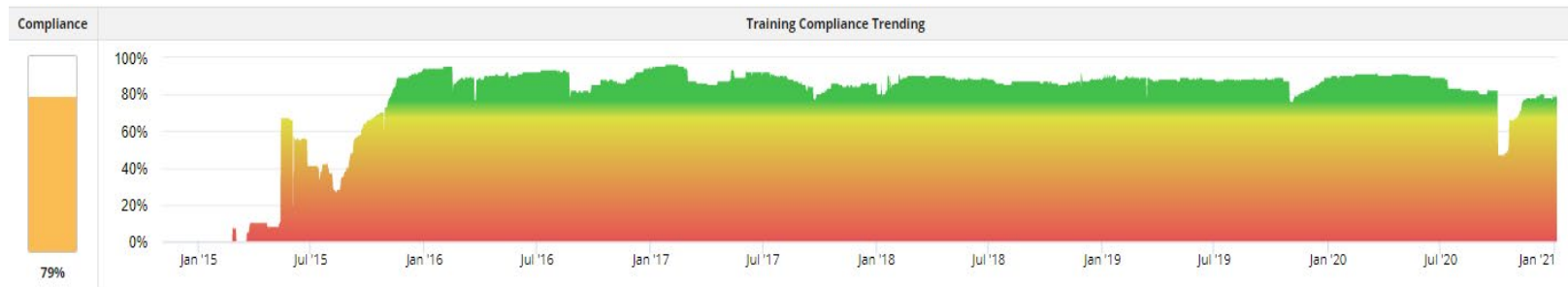
• Total Number of Recordable Injuries	3
• Number of Lost Work Day Recordable Injuries	0
• Preventable Incidents	0
• Lost Work Days	0
• Vehicle Incidents	2

Notable Items:

- Finished 2020 with no lost time injuries, an accomplishment that when combined with 2019 safety performance makes two years without an injury serious enough to result in days away from work. In addition, we also achieved an injury rate under 1.0 for the first time.
- Successfully completed our Safety and Security Integration Plan, which allowed for continuity and standardization of safety and security processes on day 1 and beyond.
- Held our second virtual quarterly manager meeting, which allowed for an important opportunity to reconnect as a management team around safety.

Safety Training:

- A primary incident prevention effort from the Safety Department is the delivery of safety training. Safety training topics contribute to employee knowledge, hazard identification and mitigation, required safe work procedures, and safety regulations. To date 79% of our training plan has been completed. It should be noted that COVID has impacted our ability to complete certain types of on-site instructor led training.

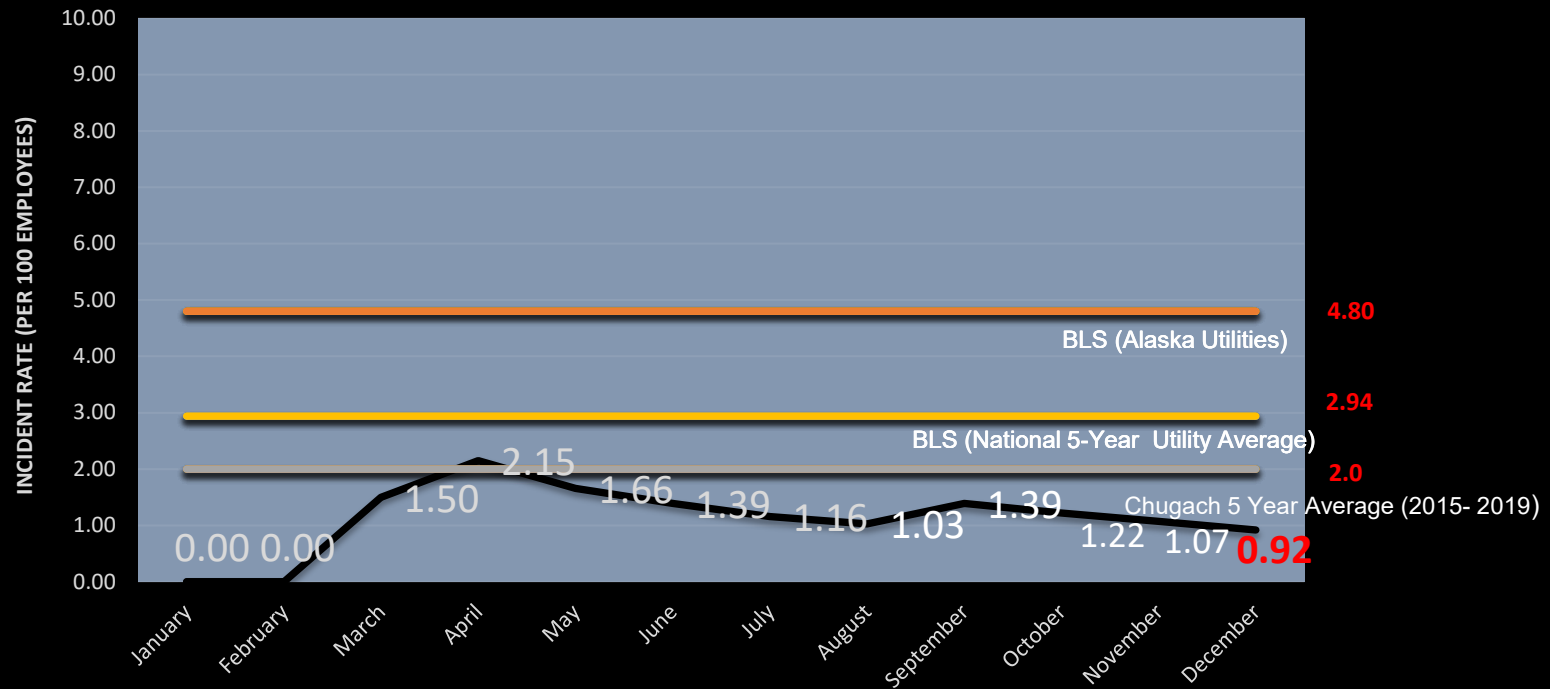


Account Specific Compliance

Table View: Supervisors & Personnel ▼

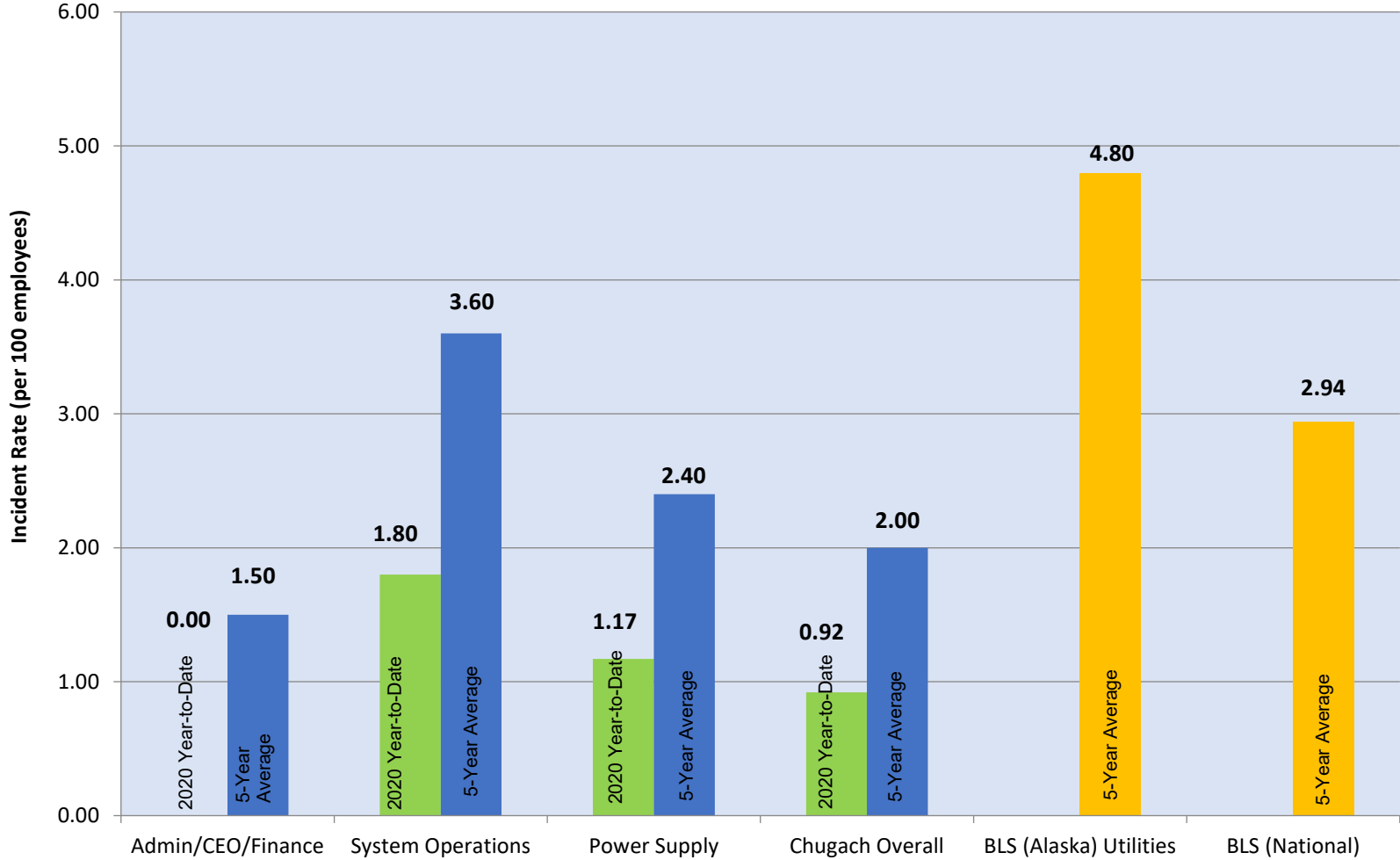
Account	# SUP	# PPL	Compliance
Chugach Electric Association Inc.	68	500	79%

Recordable Incident Rate 2020

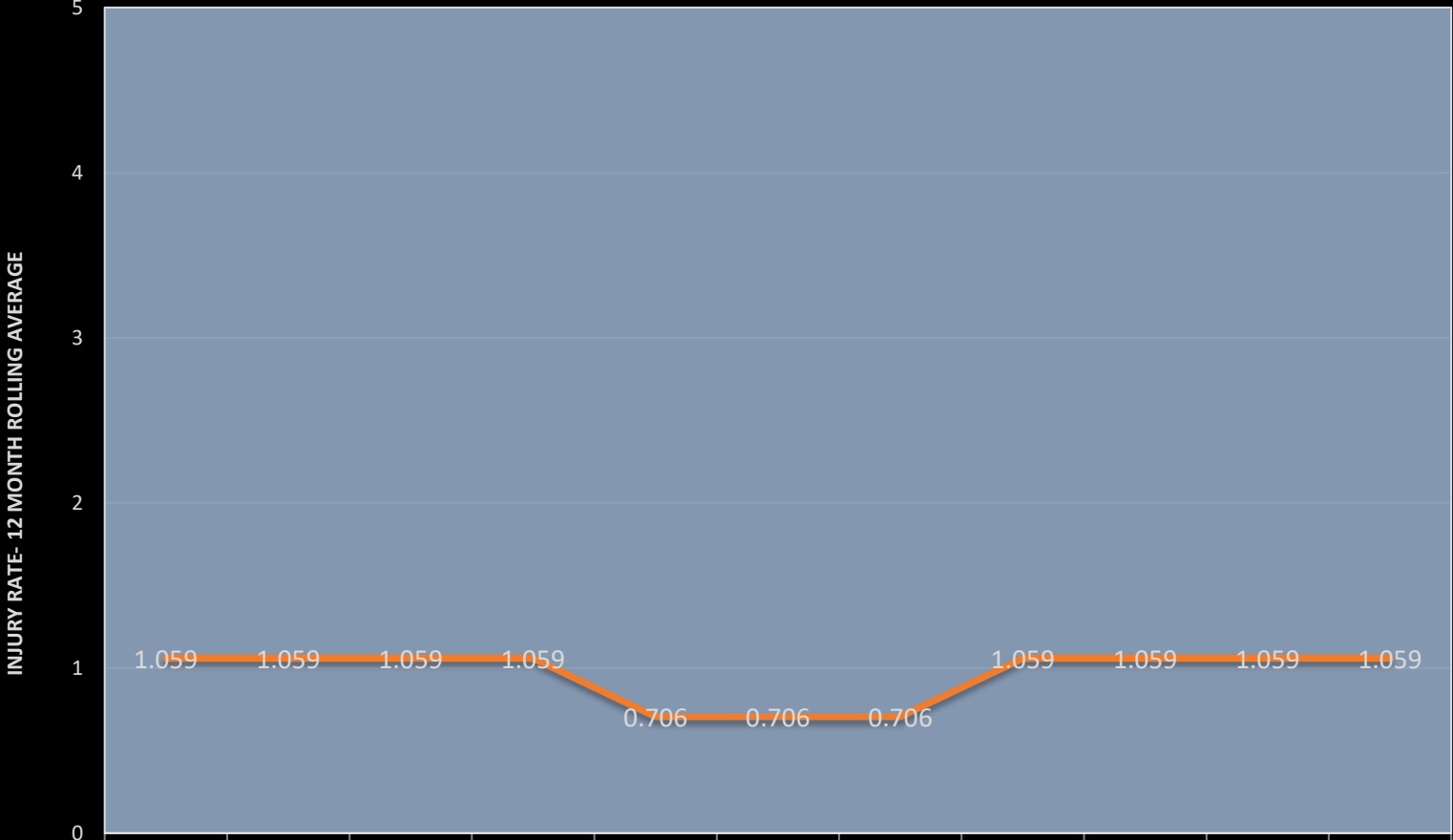


* Based on data reported to the Bureau of Labor Statistics (BLS) under NAICS Code 2211

Recordable Incident Rate 2020 by Group



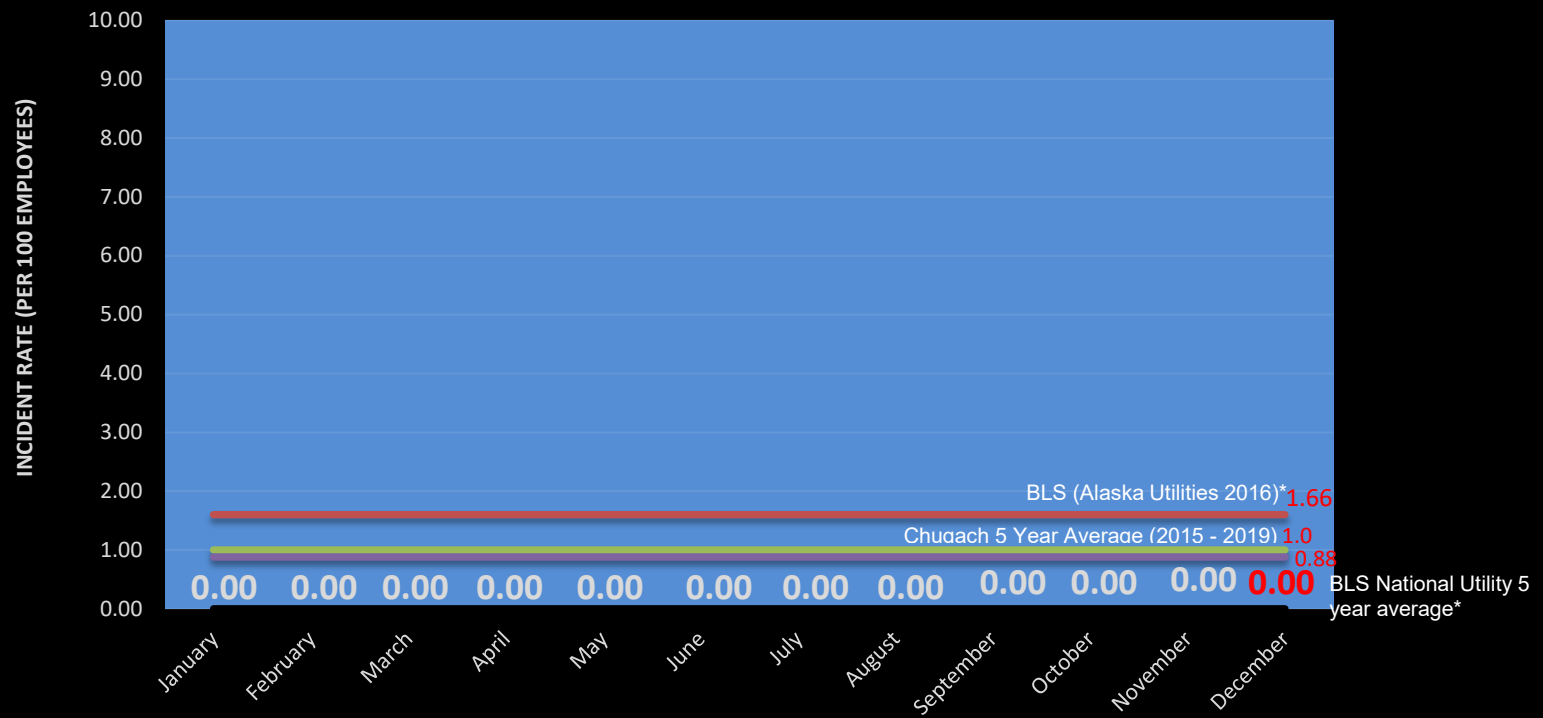
Injury rate: 12 Month Rolling Average



Series1

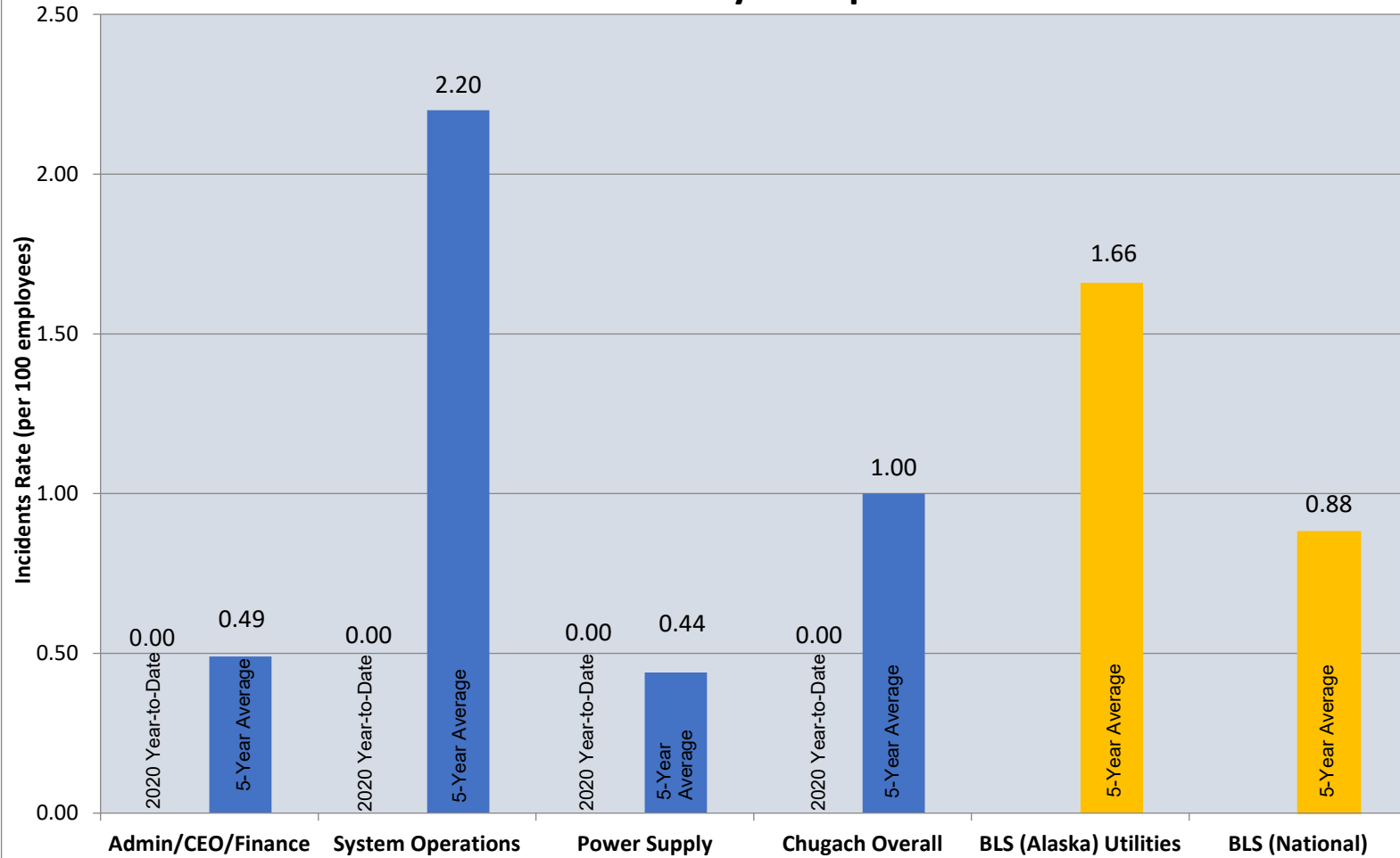
Jan	Feb	Mar	April	May	July	Aug	Sep	Oct	Nov	Dec
1.059	1.059	1.059	1.059	0.706	0.706	0.706	1.059	1.059	1.059	1.059

Lost Time Rate YTD 2020

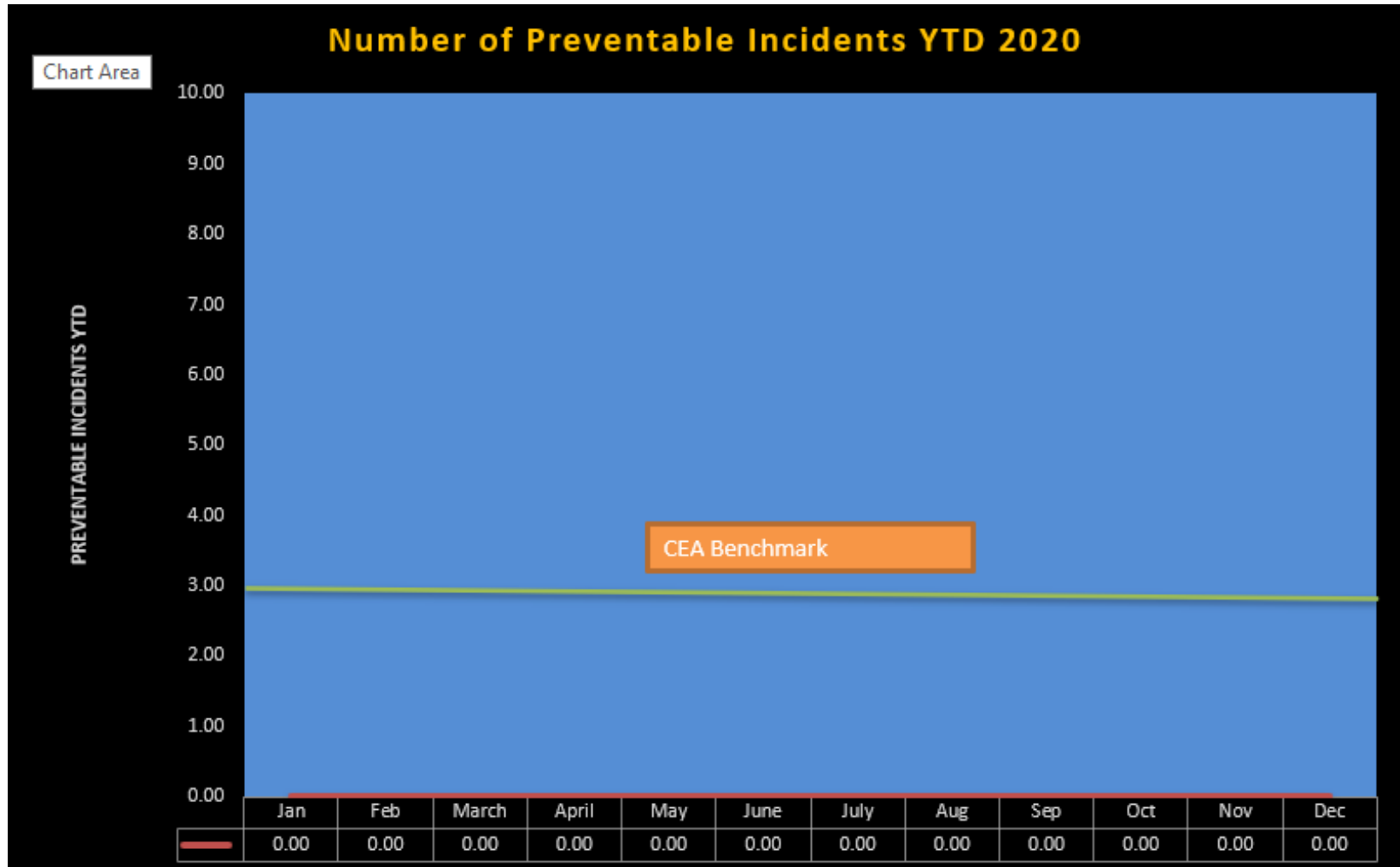


* Based on data reported to the Bureau of Labor Statistics (BLS) under NAICS Code 2211

Lost Time Rate 2020 YTD by Group

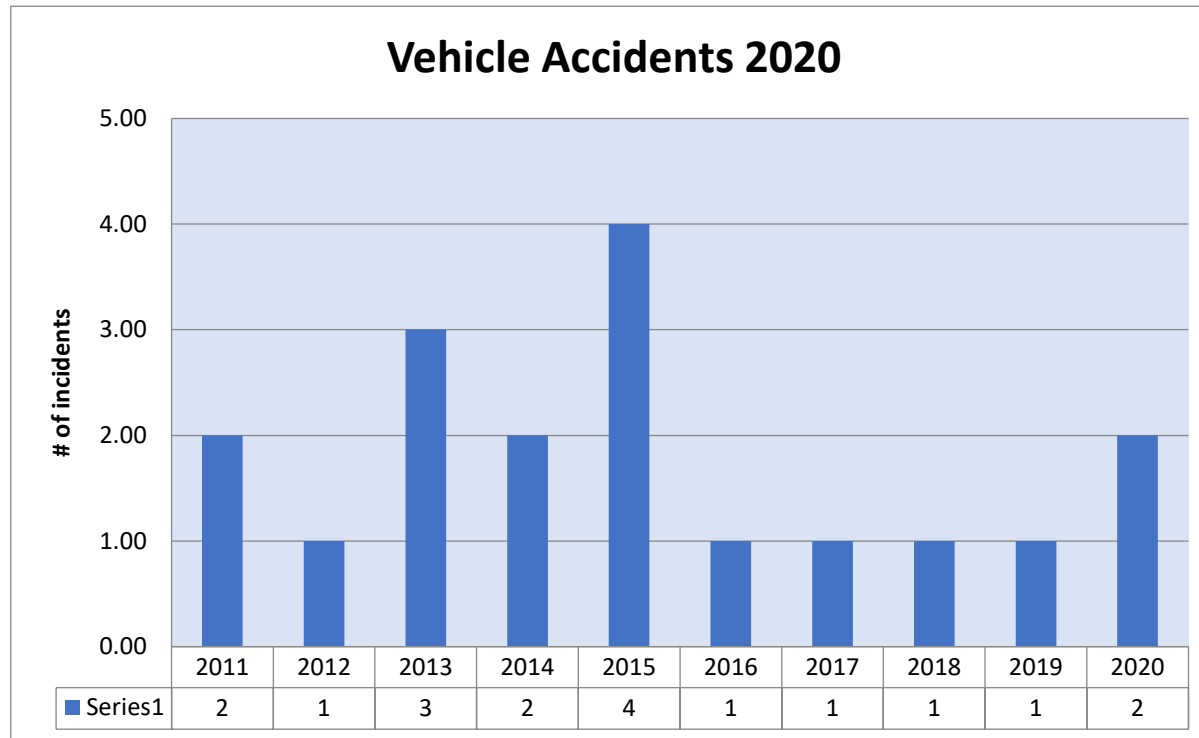


Preventable Incidents: There has been zero preventable accidents in 2020



Vehicle Incidents

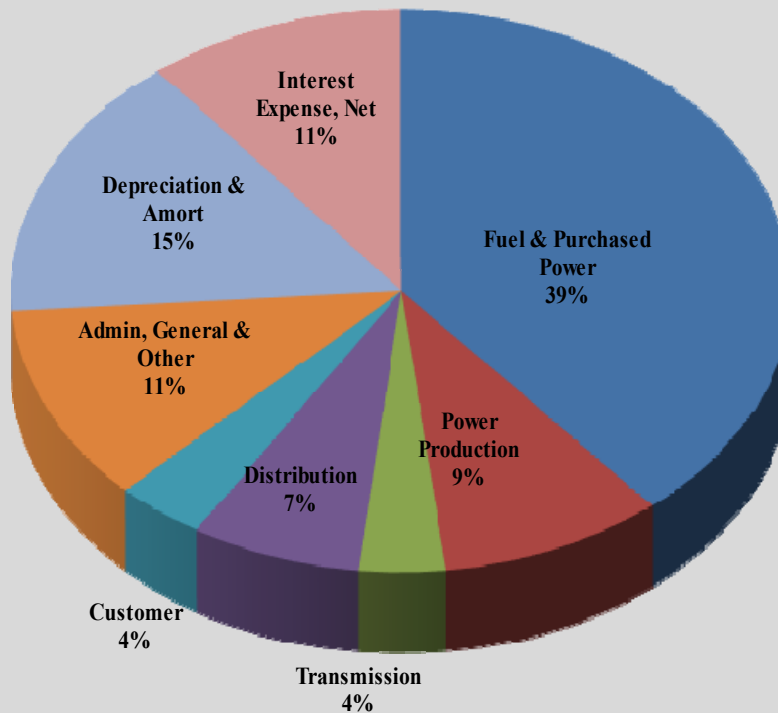
- There has been 1 preventable and 1 nonpreventable vehicle incident year to date.



STATEMENT OF OPERATIONS

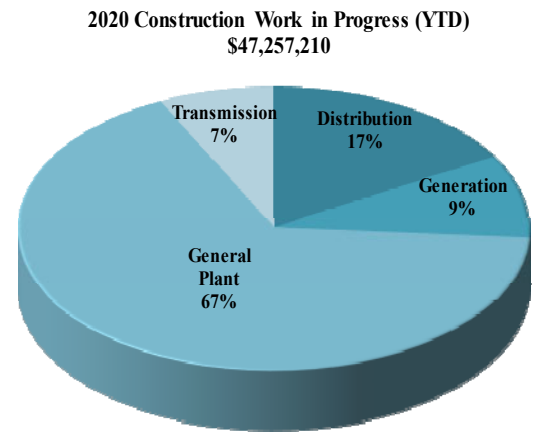
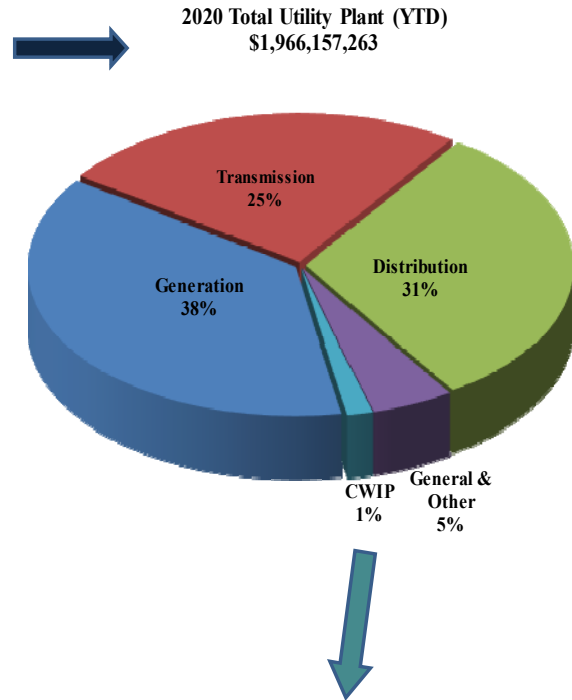
CATEGORY	2020 MTD ACTUAL	2020 MTD BUDGET	2020 MTD VARIANCE
Operating Revenue and Patronage Capital	\$ 18,417,978	\$ 18,518,927	\$ (100,949)
Fuel and Purchased Power Expense	6,863,563	6,913,331	(49,768)
Power Production Expense	1,651,383	1,823,641	(172,258)
Transmission Expense	634,154	547,763	86,391
Distribution Expense	1,251,107	1,444,041	(192,934)
Customer Expense	654,932	662,499	(7,567)
Administrative, General and Other	2,013,232	2,168,156	(154,924)
Depreciation & Amortization Expense	2,720,774	2,674,207	46,567
Interest Expense, Net	1,901,128	1,841,246	59,882
Total Cost of Electric Service	\$ 17,690,273	\$ 18,074,884	\$ (384,611)
Patronage Capital & Operating Margins	\$ 727,705	\$ 444,043	\$ 283,662
Non-Operating Margins - Interest	28,524	33,250	(4,726)
Allowance for Funds Used During Construction	11,602	17,983	(6,381)
Non-Operating Margins - Other	(1,284)	-	(1,284)
Patronage Capital or Margins	\$ 766,547	\$ 495,276	\$ 271,271

Total Cost of Electric Service (MTD Actual)



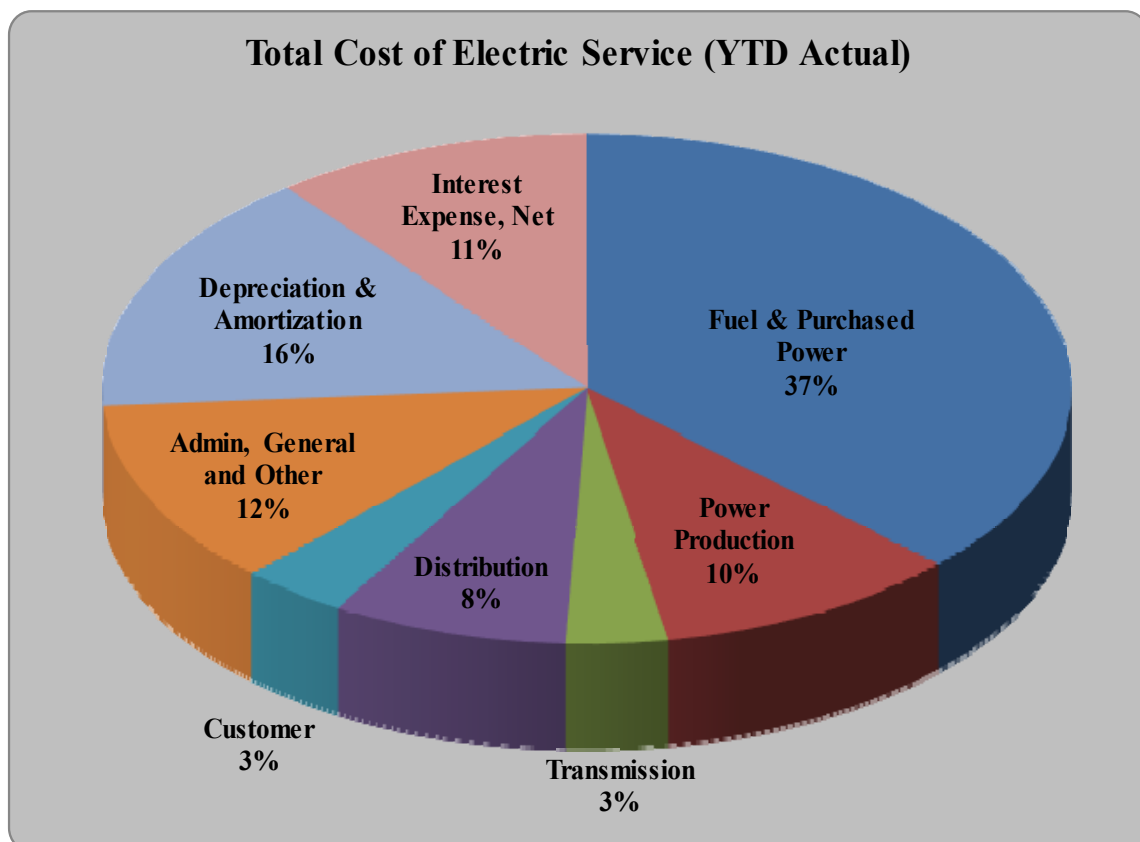
BALANCE SHEET

ASSETS & OTHER DEBITS	10/31/20	12/31/2019
Electric Plant in Service	1,918,900,053	1,242,523,092
Construction Work in Progress	47,257,210	16,966,608
Total Utility Plant	\$ 1,966,157,263	\$ 1,259,489,700
Accum. Prov. for Depreciation/Amortization	(576,052,606)	(556,209,740)
Net Utility Plant	\$ 1,390,104,657	\$ 703,279,960
Nonutility Property - Net	76,889	76,889
Financing & Operating Lease Right-of-Use Assets	790,176	958,111
Investment in Assoc. Organizations	7,595,037	8,148,426
Special Funds	20,057,346	2,603,505
Restricted Cash Equivalents & Other	64,310	108,000
Long-term Prepayments	-	-
Total Other Property & Investments	\$ 28,583,758	\$ 11,894,931
Cash & Restricted Cash	70,143,349	8,515,975
Special Deposits and Marketable Securities	36,255,251	248,483
Accounts Receivable - Net	42,456,941	30,120,230
Materials and Supplies, Fuel Stock	63,751,174	30,265,047
Prepayments	4,649,010	2,699,308
Other Current & Accrued Assets	2,587,479	1,680,885
Total Current & Accrued Assets	\$ 219,843,204	\$ 73,529,928
Deferred Debits	102,327,576	45,880,452
Total Assets & Other Debits	\$ 1,740,859,195	\$ 834,585,271
LIABILITIES & OTHER CREDITS	10/31/20	12/31/2019
Memberships	1,800,492	1,776,592
Pat. Capital, Margins & Equities	195,935,923	192,690,321
Total Margins & Equities	\$ 197,736,415	\$ 194,466,913
Long-Term Debt - Bonds	1,211,683,330	449,999,997
Long-Term Debt - Other	26,904,000	30,552,000
Unamortized Debt Issuance Costs	(6,239,363)	(2,684,537)
Operating Lease Liabilities	577,461	738,713
Finance Lease Liabilities	7,647	-
Total Long-Term Debt	\$ 1,232,933,075	\$ 478,606,173
Notes Payable	103,173,168	51,056,065
Accounts Payable	20,004,865	8,316,375
Consumer Deposits	5,648,836	4,294,770
Other Current & Accrued Liabilities	49,153,583	32,498,394
Total Current & Accrued Liabilities	\$ 177,980,452	\$ 96,165,604
Deferred Compensation	1,593,511	1,775,759
Other Liabilities, Non-Current	692,535	398,790
Deferred Liabilities	64,531,453	903,870
Cost of Removal Obligation	65,391,754	62,268,162
Total Liabilities & Other Credits	\$ 1,740,859,195	\$ 834,585,271



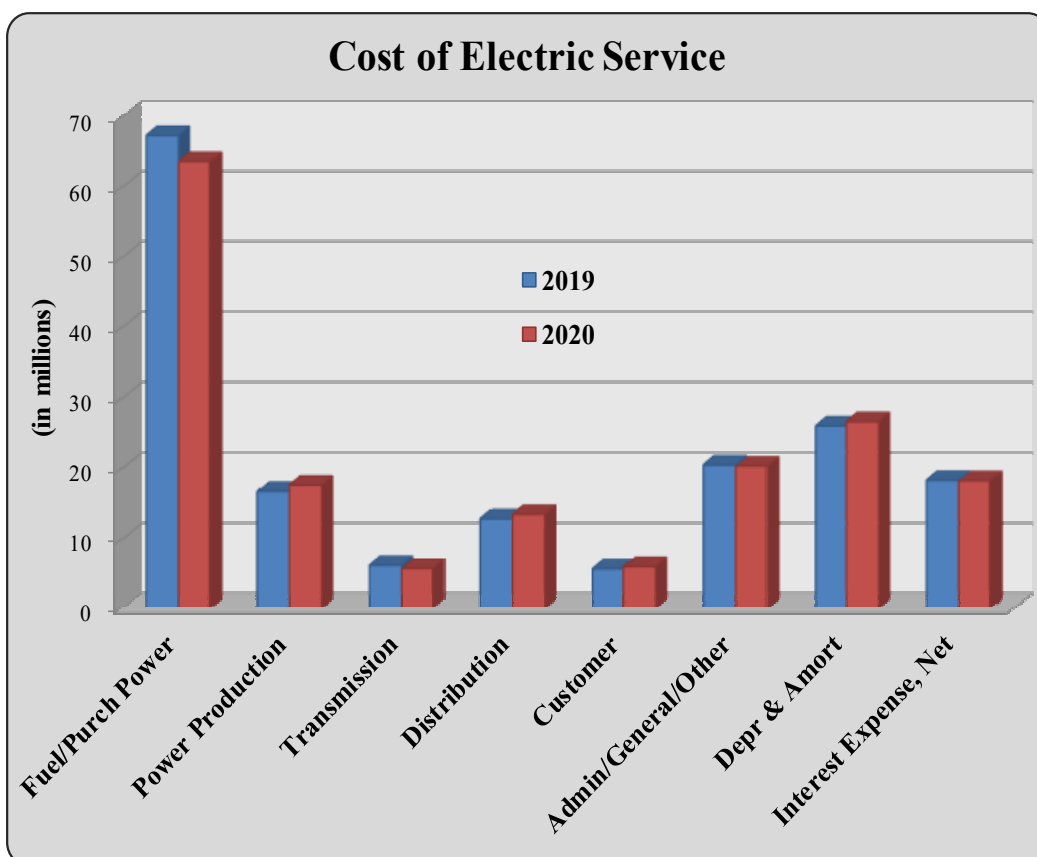
**COMPARATIVE FINANCIAL REPORT
STATEMENT OF OPERATIONS
2020 ACTUAL TO BUDGET VARIANCE**

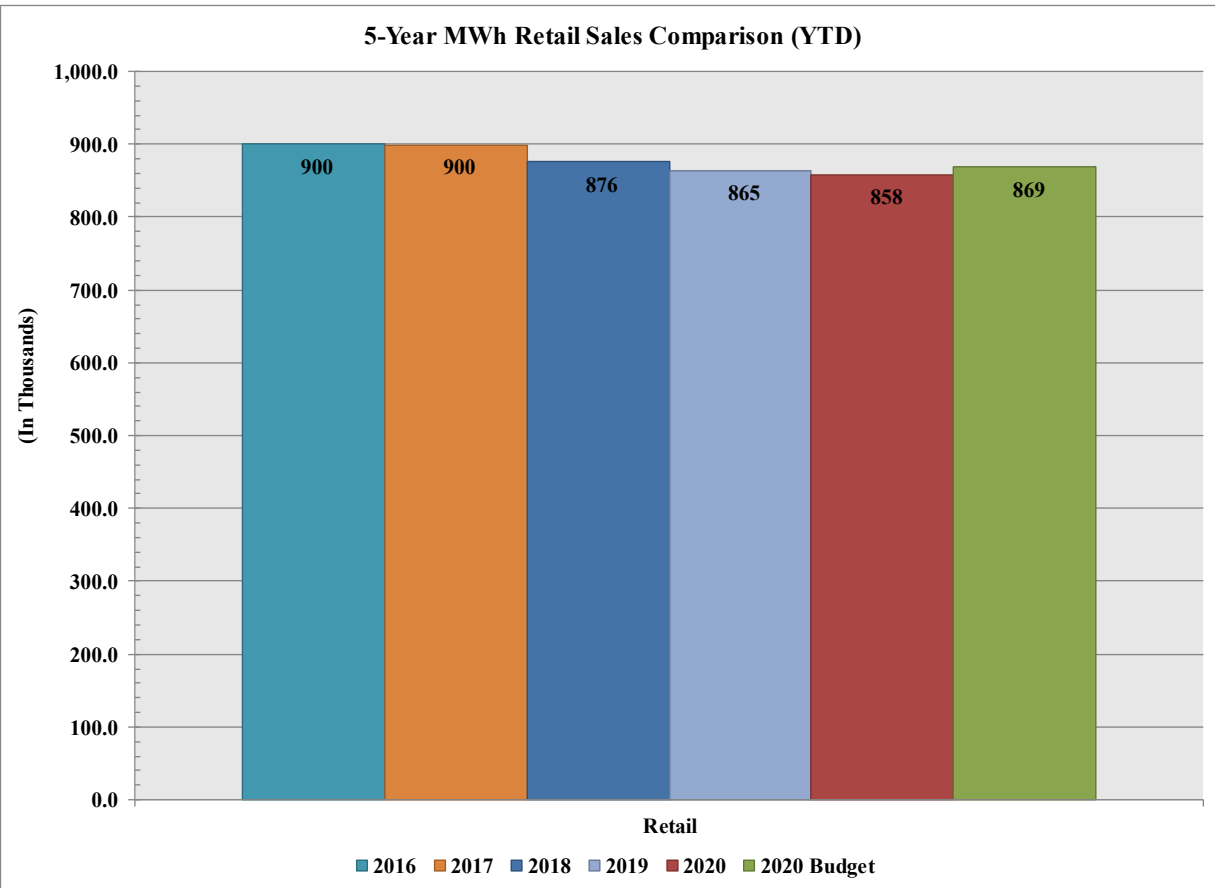
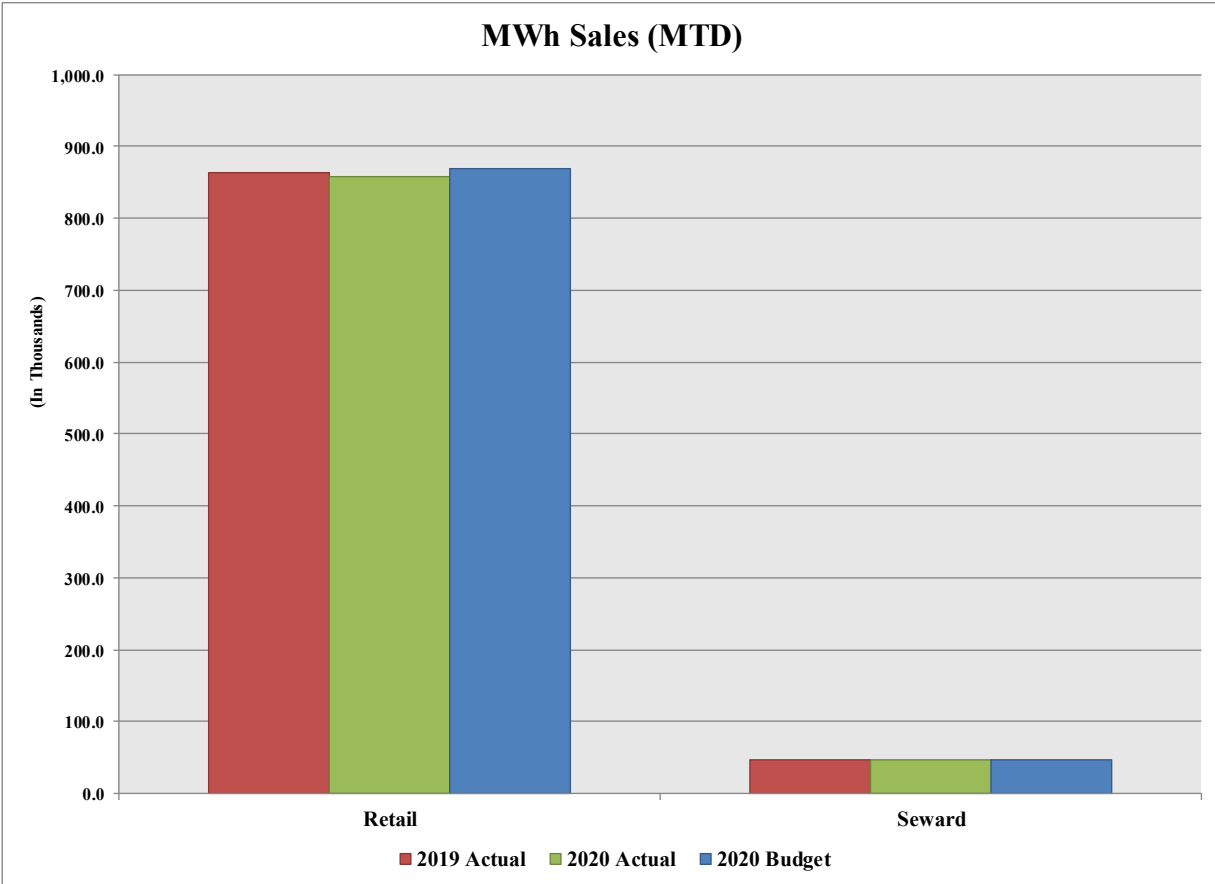
CATEGORY	2020 YTD ACTUAL	2020 YTD BUDGET	2020 YTD VARIANCE
Operating Revenue and Patronage Capital	\$ 175,369,263	\$ 177,612,336	\$ (2,243,073)
Fuel and Purchased Power Expense	63,668,342	64,461,791	(793,449)
Power Production Expense	17,578,784	18,122,286	(543,502)
Transmission Expense	5,788,133	6,287,070	(498,937)
Distribution Expense	13,505,334	13,508,164	(2,830)
Customer Expense	6,046,373	6,446,436	(400,063)
Administrative, General and Other	20,258,326	21,989,102	(1,730,776)
Depreciation & Amortization Expense	26,690,732	26,591,541	99,191
Interest Expense, Net	18,210,202	18,663,457	(453,255)
Total Cost of Electric Service	\$ 171,746,226	\$ 176,069,847	\$ (4,323,621)
Patronage Capital & Operating Margins	\$ 3,623,037	\$ 1,542,489	\$ 2,080,548
Non-Operating Margins - Interest	310,971	332,500	(21,529)
Allowance Funds Used During Const.	98,308	107,484	(9,176)
Non-Operating Margins - Other	(46,247)	-	(46,247)
Patronage Capital or Margins	\$ 3,986,069	\$ 1,982,473	\$ 2,003,596
MFI/I	1.22	1.10	
TIER	1.22	1.11	

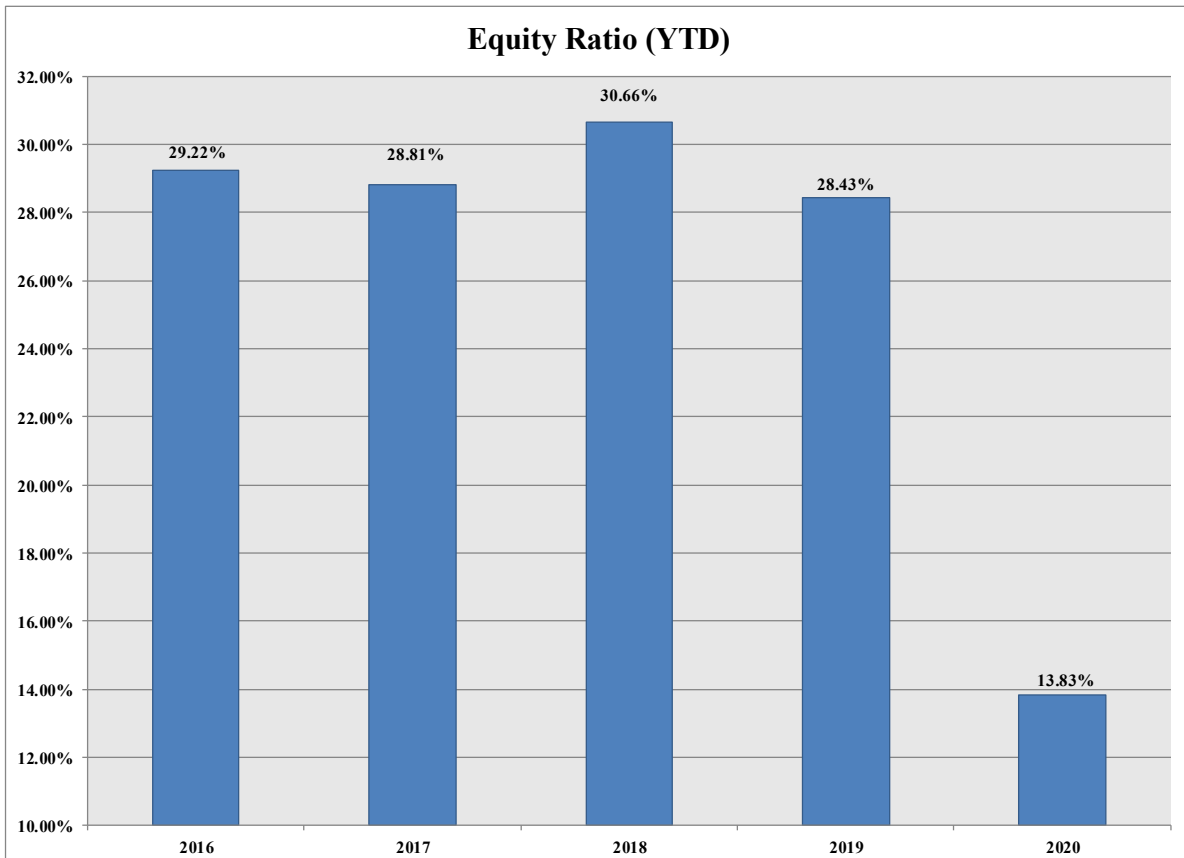
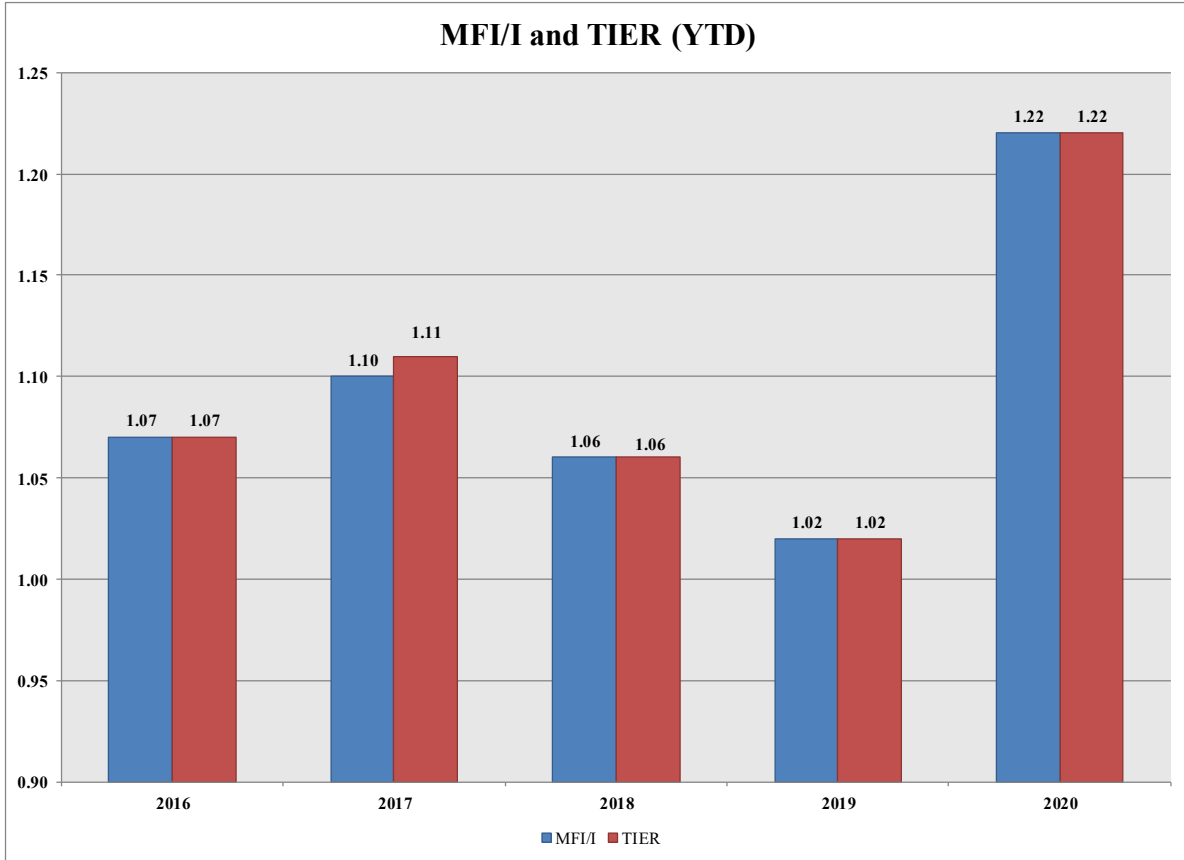


**COMPARATIVE FINANCIAL REPORT
STATEMENT OF OPERATIONS
CURRENT TO PRIOR ACTUAL**

CATEGORY	2020 YTD ACTUAL	2019 YTD ACTUAL
Operating Revenue and Patronage Capital	\$ 175,369,263	\$ 173,355,780
Fuel and Purchased Power Expense	63,668,342	67,316,352
Power Production Expense	17,578,784	16,728,783
Transmission Expense	5,788,133	6,224,601
Distribution Expense	13,505,334	12,903,897
Customer Expense	6,046,373	5,737,842
Administrative, General and Other	20,258,326	20,399,092
Depreciation and Amortization Expense	26,690,732	26,082,235
Interest Expense, Net	18,210,202	18,262,679
Total Cost of Electric Service	\$ 171,746,226	\$ 173,655,481
Patronage Capital & Operating Margins	\$ 3,623,037	\$ (299,701)
Non-Operating Margins - Interest	310,971	505,011
Allowance for Funds Used During Construction	98,308	126,523
Non-Operating Margins - Other	(46,247)	108,500
Patronage Capital or Margins	\$ 3,986,069	\$ 440,333
MFI/I	1.22	1.02
TIER	1.22	1.02







ENERGY SALES (kWh)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Energy Sales	858,455,317	868,954,858
Wholesale Energy Sales	<u>47,481,324</u>	<u>47,225,152</u>
Total Firm Energy Sales	905,936,641	916,180,010
Economy Energy Sales	<u>849,000</u>	<u>0</u>
Total Energy Sales	906,785,641	916,180,010

Firm energy sales totaled 905,936,641 kWh, which was a 1.1% unfavorable variance compared to budget. Retail energy sales were under budget 1.2% due to lower commercial sales as a result of COVID-19, which was somewhat offset by an increase in residential sales caused by members working more from home, as well as colder than anticipated weather early in the year. Additionally, wholesale energy sales were over budget by 0.5% primarily due to colder than anticipated weather during the first quarter.

ENERGY REVENUE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Revenue	\$166.5	\$ 170.2
Wholesale Revenue	<u>4.8</u>	<u>5.0</u>
Total Firm Revenue	171.3	175.2
Economy Energy/Capacity Revenue	0.0	0.0
Other Operating Revenue	<u>4.1</u>	<u>2.4</u>
Total Revenue	\$ 175.4	\$ 177.6

Revenue from firm sales totaled \$171.3 million compared to \$175.2 million in the budget. Firm revenue was lower than expected primarily due to lower than anticipated costs recovered through the fuel and purchased power adjustment process as a result of higher wheeling. Additionally, the negative net impact of lower commercial revenue and higher residential revenue also contributed to this unfavorable variance. Other operating revenue includes late fees, pole rental, wheeling, microwave, BRU royalties, miscellaneous service and other electric revenue. Other operating revenue totaled \$4.1 million compared to \$2.4 million in the budget, primarily due to higher than anticipated wheeling from Bradley Lake.

FUEL AND PURCHASED POWER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Fuel	\$ 44.5	\$ 48.6
Purchased Power	<u>19.2</u>	<u>15.9</u>
Total	\$ 63.7	\$ 64.5

Fuel expense includes fuel, storage, transportation, and BRU operating costs. Fuel expense was \$44.5 million compared to \$48.6 million in the budget. This favorable variance was primarily due to lower than anticipated fuel as a result of less power generated than planned and lower storage and transportation expense.

Actual fuel purchased or withdrawn from inventory for production was 4,819,447 Mcf, which did not include 557,574 Mcf of fuel recorded as purchased power, at an average effective delivered price of \$8.41 per Mcf compared to 5,226,420 Mcf in the budget at an average effective delivered price of \$8.26 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 \$19.2 million compared to \$15.9 million in the budget. This unfavorable variance compared to budget was primarily due to higher than anticipated purchases from ML&P as a result of higher energy sales during the first quarter.

Actual energy purchased was 245,389 MWh at an average effective price of 6.55 cents per kWh compared to 179,233 MWh budgeted at an average effective price of 6.98 cents per kWh.

POWER PRODUCTION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Power Production	\$ 17.6	\$ 18.1

Power production expense was \$17.6 million compared to \$18.1 million in the budget. This favorable budget variance is primarily due to lower than anticipated maintenance costs at SPP and Cooper Lake, which were somewhat offset by higher than anticipated maintenance costs at Beluga.

TRANSMISSION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Transmission	\$ 5.8	\$ 6.3

Transmission operations and maintenance expense was \$5.8 million compared to \$6.3 million in the budget. This favorable variance was primarily due to lower than anticipated costs associated with vegetation control and engineering studies and design.

DISTRIBUTION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Distribution	\$ 13.5	\$ 13.5

Distribution operations and maintenance expense was \$13.5 million compared to \$13.5 million in the budget, with no significant overall variance.

CONSUMER ACCOUNTS / CUSTOMER INFORMATION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Consumer / Customer Information	\$ 6.0	\$ 6.4

Consumer accounts and customer information expense was \$6.0 million compared to \$6.4 million in the budget. This favorable variance is primarily due to lower than anticipated labor expense.

ADMINISTRATIVE, GENERAL AND OTHER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Administrative, General and Other	\$ 20.3	\$ 22.0

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. Administrative, general and other expense was \$20.3 million compared to \$22.0 million in the budget. This favorable budget variance is primarily due to lower than anticipated costs associated with legal, information services, and human resources initiatives.

SUMMARY

Depreciation, interest, and interest during construction expense totaled \$44.9 million compared to \$45.3 million in the budget. This favorable variance compared to budget was primarily due to lower than anticipated interest expense.

All of the foregoing expenses resulted in total cost of electric service of \$171.7 million compared to \$176.1 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 \$363.0 thousand compared to \$440.0 thousand in the budget primarily due to the loss in value of marketable securities.

The net result of revenue and expenses was margins of \$4.0 million compared to projected margins of \$2.0 million in the budget. The current forecast projects year-end margins of \$10.1 million, an MFI/I of 1.39, and TIER of 1.40.

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

CATEGORY	2020 APPROVED BUDGET	2020 AMENDED BUDGET	2020 YTD ACTUALS	2020 REVISED FORECAST
Operating Revenue and Patronage Capital	\$ 227,256,742	\$ 244,123,724	\$ 175,369,263	\$ 240,507,904 ^{1,2}
Fuel and Purchased Power Expense	88,355,228	84,638,458	63,668,342	83,947,854 ^{1,2}
Power Production Expense	21,763,699	25,031,547	17,578,784	24,528,569 ^{1,2}
Transmission Expense	7,416,584	7,569,300	5,788,133	7,168,193 ^{1,2}
Distribution Expense	16,378,463	17,916,223	13,505,334	18,244,087 ^{1,2}
Customer Expense	7,709,966	8,310,211	6,046,373	7,942,041 ^{1,2}
Administrative, General & Other	26,116,149	29,474,962	20,258,326	27,940,400 ^{1,2}
Depreciation and Amortization Expense	31,953,849	35,533,837	26,690,732	35,633,028 ¹
Interest Expense, Net	22,317,234	25,954,318	18,210,202	25,501,063 ¹
Total Cost of Electric Service	\$ 222,011,172	\$ 234,428,856	\$ 171,746,226	\$ 230,905,235
Patronage Capital & Operating Margins	\$ 5,245,570	\$ 9,694,868	\$ 3,623,037	\$ 9,602,669
Non-Operating Margins - Interest	399,000	399,000	310,971	377,471 ¹
Allowance for Funds Used During Construction	145,638	145,638	98,308	136,462 ¹
Non-Operating Margins - Other	-	-	(46,247)	(46,247) ¹
Patronage Capital or Margins	\$ 5,790,208	\$ 10,239,506	\$ 3,986,069	\$ 10,070,355
MFI/I	1.25	1.39	1.22	1.39
TIER	1.27	1.41	1.22	1.40

¹ Forecast based on 10 month actual and 2 month forecast

² Forecast has been adjusted to reflect anticipated changes

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

January 27, 2021

ACTION REQUIRED

AGENDA ITEM NO. X.A.

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

TOPIC

Securities and Exchange Commission (SEC) Related Matters

DISCUSSION

The Audit & Finance Committee met on January 20, 2021 and recommended the Board of Directors approve Chugach's suspension as a voluntary filer with the SEC subject to additional conditions to be determined by the Board of Directors.

MOTION

Move that the Board of Directors approve Chugach Electric Association's suspension as a voluntary filer with the SEC in accordance with the attached resolution.



RESOLUTION

SEC RELATED MATTERS

WHEREAS, after the close of the Municipal Light & Power (ML&P) acquisition, it was determined that a review of Chugach Electric Association Inc.'s (Chugach) filing status with the Securities and Exchange Commission (SEC) was necessary;

WHEREAS, the Audit & Finance Committee of Chugach's Board of Directors has reviewed the risks and benefits of voluntarily filing with the SEC and has recommended that Chugach suspend as a voluntary filer with the SEC;

WHEREAS, the Board of Directors had determined that suspending Chugach's status as a voluntary filer will not impair Chugach's ability to (1) raise capital; (2) meet its contractual financial reporting obligations; (3) satisfy third party information requests; and (4) provide comprehensive, consistent, and transparent financial information; and (5) maintain best practices without the time, cost and risk of voluntary SEC compliance;

WHEREAS, the potential savings Chugach could achieve is estimated between \$500,000 and \$750,000 annually;

NOW, THEREFORE, BE IT RESOLVED that Chugach suspend as a voluntary filer with the SEC with an effective date before March 31, 2021;

BE IT FURTHER RESOLVED that Chugach consider SEC reporting and disclosure standards as they may be modified from time to time in the development and presentation of its financial reporting, continue to follow best practices and deliver meaningful and transparent financial information;

BE IT FURTHER RESOLVED that Chugach review with the Audit & Finance Committee and obtain approval from the Chugach Board of Directors any changes associated with its financial reporting;

BE IT FINALLY RESOLVED that Chugach revisit its SEC reporting status by January 1, 2025 or sooner as the Chugach Board of Directors deems necessary.

CERTIFICATION

I, James Henderson, 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 27th day of January 2021; 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 27th day of January 2021.

Secretary

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

January 27, 2021

ACTION REQUIRED

AGENDA ITEM NO. X.B.

 Information Only
 X Motion
 Resolution
 Executive Session
 Other

TOPIC

Extension of Professional Services Contract Between Chugach Electric Association, Inc. and Kubra Data Transfer Ltd. through March 31, 2022.

DISCUSSION

Chugach entered into an agreement entitled, "Professional Services Contract Between Chugach Electric Association, Inc. and Kubra Data Transfer Ltd." in January 2012 for payment processing services. The agreement has been amended and is currently extended through March 31, 2021, subject to annual renewal through March 2023.

Under the current agreement, payment processing fees for debit card, credit card, and checking account transactions handled by Kubra are paid directly by Chugach. Prior to Chugach's October 30, 2020 acquisition of the Municipality of Anchorage d/b/a ML&P, the payment processing fees totaled approximately \$0.8 million per year. With the addition of over 23,000 members (30,858 meters) on the system, Chugach is projecting that payment processing fees will increase to \$1.3 million in calendar-year 2021.

Chugach is requesting approval to extend the agreement for a 12-month period from April 1, 2021 to March 31, 2022, and authorization for the Chief Executive Officer to make payments commensurate with member payment processing costs incurred under the agreement up to \$1.3 million for calendar-year 2021. Authorization will allow Chugach to continue providing payment processing to its members without the member directly paying the fee.

MOTION

Move that the Board of Directors authorize the Chief Executive Officer to extend the Professional Services Contract Between Chugach Electric Association, Inc. and Kubra Data Transfer Ltd. through March 31, 2022 for electronic payment processing in an amount not to exceed \$1,300,000.