



**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

February 24, 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 – “Know Your Fire Extinguisher” (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*
 - C. *Minutes*
 - 1. *January 27, 2021, Regular Board of Directors’ Meeting (Abruzzino)*
 - D. *Director Expenses*
 - E. *Replacement of Fuel Dispensing Facility and Repair of Storm Drain Collection System Project*
 - F. *Eklutna Fish & Wildlife Project*
 - G. *McMillen Jacobs Contract*
- V. CEO REPORTS AND CORRESPONDENCE (scheduled) (4:15 p.m.)
 - A. *2021 State Legislative Update (Steyer/Miller) (4:15 p.m.)*
 - B. *2021 NRECA Resolutions (Steyer/Miller) (4:25 p.m.)*
 - C. *November 2020 Financial Statements and Variance Report (Harris/Curran) (4:40 p.m.)*
 - D. *Board Policy Scheduled Tasks/Reports (Board/Staff) (5:25 p.m.)*
- VI. DIRECTOR REPORTS (5:30 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* *(scheduled) (5:50 p.m.)*

- A. *Approve Virtual Annual Meeting* (Hasquet/Andrews) (5:50 p.m.)*
- B. *Approve Hilcorp Interruptible Gas Contract* (Fouts) (5:55 p.m.)*

IX. EXECUTIVE SESSION* *(scheduled) (6:15 p.m.)*

- A. *Update on RRC (6:15 p.m.)*
- B. *Status: Rate Design for Electric Vehicle Level 3 Charging (6:25 p.m.)*
- C. *Proposed Bylaws Amendments Discussion (6:45 p.m.)*
- D. *CEO Performance Discussion (7:00 p.m.)*

X. NEW BUSINESS* *(continued) (7:15 p.m.)*

- A. *Approve Bylaws Amendment for Placement on the Ballot regarding Board and Committee Eligibility, Article IV, Section 3 and Article XV, Section 4* (Clarkson) (7:15 p.m.)*
- B. *Approve Bylaws Amendment for Placement on the Ballot regarding Manner of Holding Meeting, Article III, Sections 1,2,5,6,8,9 and Article V, Section 7* (Clarkson) (7:20 p.m.)*
- C. *Approve Bylaws Amendment for Placement on the Ballot regarding Executive Sessions of the Board, Article V, Section 5* (Clarkson) (7:25 p.m.)*
- D. *Approve Bylaws Amendment for Placement on the Ballot regarding Capital Credits, Article VII, Section 1* (Clarkson) (7:30 p.m.)*

XI. DIRECTOR COMMENTS *(7:35 p.m.)*

XII. ADJOURNMENT* *(7:45 p.m.)*

* *Denotes Action Items*

** *Denotes Possible Action Items*



KNOW YOUR FIRE
EXTINGUISHER

SOME FIRE FACTS

It can take only 30 seconds for a flame to develop into a major fire.

Most home fires start in the kitchen.

Cooking and home heating cause most fires.

Most fires occur between 5pm-8pm.

FIRE EXTINGUISHER TIPS



- Know the locations of each of your household fire extinguishers.
- Your kitchen fire extinguisher is not your best choice on a grease fire, as its high pressure can cause flames to spread if you are not careful. Instead, it's best to slide a lid over a grease fire to smother it.
- Most likely your home extinguisher is an ABC extinguisher, which can put out wood, paper, cloth, flammable liquid and electrical fires.
- A fire extinguisher is used when the fire is contained to a small area and not growing. When the fire spreads beyond where it started, it's time to exit your home or building.



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XI. DIRECTOR COMMENTS (7:35 p.m.)

XII. ADJOURNMENT* (7:45 p.m.)

February

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
31.Jan	01.Feb	02.Feb APA Railbelt Issues Forum	03.Feb APA Legislative Conference (Hollis, Henderson, Cason, Chastain,Thibert & Steyer)	04.Feb APA Legislative Conference (Hollis, Henderson, Cason, Thibert, Steyer) APA Board of Directors Meeting	05.Feb	06.Feb
07.Feb	08.Feb ARCTEC Board Meeting (Chastain, Morse, Henderson, Cason) Review Operations Packet w/Hollis and Parks (Chairing Operations Committee)	09.Feb CEO Evaluation Committee Meeting (Review 360 CEO Questions)	10.Feb Operations Committee Meeting FW: Chugach Bylaws Committee	11.Feb	12.Feb	13.Feb
14.Feb	15.Feb	16.Feb APA Government Affairs Committee Meeting (Hollis/Henderson) REAP Public Policy Committee Meeting (Wiggin/Morse) FW: Nominating Committee Meeting	17.Feb Bylaws Committee (Morse)	18.Feb	19.Feb	20.Feb
21.Feb	22.Feb Review Board Packet w/Chair (Chastain/Morse) Hollis - Film Board Video Interview Morse - Film Board Video Interview Wiggin - Film Board Video Interview	23.Feb NRECA PowerXchange (Chastain, Henderson, Cason, Morse, Hollis, Parks, Wiggin, Thibert) Election Committee Meeting (Morse)	24.Feb NRECA PowerXchange (Chastain, Henderson, Cason, Morse, Hollis, Parks, Wiggin, Thibert) Cason - Film Board Video Interview Henderson - Film Board Video Interview Bettina - Annual Meeting Video Parks - Film Board Regular Board of Directors ...	25.Feb NRECA Leadership - Accountability/Feedback (2/25-2/26) (Morse, Parks, Thibert)	26.Feb NRECA Leadership - Accountability/Feedback (2/25-2/26) (Morse, Parks, Thibert)	27.Feb
28.Feb	01.Mar	02.Mar	03.Mar	04.Mar	05.Mar	06.Mar

March

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	
28.Feb	01.Mar	02.Mar	03.Mar	04.Mar	05.Mar	06.Mar	
		NRECA Proposed Resolutions Forum (Parks & Wiggin)			Review Ops Packet (Parks)		
		Election Committee Meeting (Morse)					
07.Mar	08.Mar	09.Mar	10.Mar	11.Mar	12.Mar	13.Mar	
		Election Committee Meeting (Morse)	Operations Committee Meeting				
14.Mar	15.Mar	16.Mar	17.Mar	18.Mar	19.Mar	20.Mar	
			Governance Committee Meeting		Review Board Packet w/Chair (Chastain/Morse)		
21.Mar	22.Mar	23.Mar	24.Mar	25.Mar	26.Mar	27.Mar	
		Virtual: NRECA Directors Conference (Wiggin/Hollis)	Virtual: NRECA Directors Conference (Wiggin, Hollis)				
			Regular Board of Directors Meeting				
			Regular Board of Directors Meeting				
28.Mar	29.Mar	30.Mar	31.Mar	01.Apr	02.Apr	03.Apr	
			Audit and Finance Committee Meeting				

April

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28.Mar	29.Mar	30.Mar	31.Mar	01.Apr	02.Apr	03.Apr
04.Apr	05.Apr	06.Apr	07.Apr	08.Apr NRECA CEO Succession Planning	09.Apr NRECA: CEO Succession Planning	10.Apr
11.Apr	12.Apr	13.Apr	14.Apr Operations Committee Meeting	15.Apr	16.Apr	17.Apr
18.Apr	19.Apr	20.Apr	21.Apr	22.Apr Chugach Candidate Forum	23.Apr Review Board Packet w/Chair (Chastain/Morse)	24.Apr
25.Apr	26.Apr	27.Apr	28.Apr Regular Board of Directors Meeting	29.Apr	30.Apr	01.May

May

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
25.Apr	26.Apr	27.Apr	28.Apr	29.Apr	30.Apr	01.May
02.May	03.May	04.May	05.May	06.May	07.May	08.May
09.May	10.May	11.May Audit and Finance Committee Meeting	12.May Operations Committee Meeting	13.May	14.May	15.May
16.May	17.May	18.May 2021 Annual Meeting	19.May	20.May	21.May Review Board Packet w/Chair (Chastain/Morse)	22.May
23.May	24.May	25.May	26.May Regular Board of Directors Meeting	27.May	28.May	29.May
30.May	31.May	01.Jun	02.Jun	03.Jun	04.Jun	05.Jun

June

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30.May	31.May	01.Jun	02.Jun	03.Jun	04.Jun	05.Jun
06.Jun	07.Jun	08.Jun	09.Jun Operations Committee Meeting	10.Jun	11.Jun	12.Jun
13.Jun	14.Jun	15.Jun	16.Jun Governance Committee Meeting	17.Jun	18.Jun	19.Jun
20.Jun	21.Jun Review Board Packet w/Chair	22.Jun	23.Jun Regular Board of Directors Meeting	24.Jun	25.Jun	26.Jun
			Regular Board of Directors Meeting			
27.Jun	28.Jun	29.Jun	30.Jun	01.Jul	02.Jul	03.Jul

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27.Jun	28.Jun	29.Jun	30.Jun	01.Jul	02.Jul	03.Jul
04.Jul	05.Jul	06.Jul	07.Jul	08.Jul	09.Jul	10.Jul
11.Jul	12.Jul	13.Jul	14.Jul Operations Committee Meeting	15.Jul	16.Jul	17.Jul
18.Jul	19.Jul	20.Jul	21.Jul Audit and Finance Committee (Internal Controls Workshop)	22.Jul	23.Jul Review Board Packet w/Chair	24.Jul
25.Jul	26.Jul	27.Jul	28.Jul Regular Board of Directors Meeting Regular Board of Directors Meeting	29.Jul	30.Jul	31.Jul

August

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
01.Aug	02.Aug	03.Aug	04.Aug	05.Aug	06.Aug	07.Aug
08.Aug	09.Aug	10.Aug Audit and Finance Committee Meeting	11.Aug Operations Committee Meeting	12.Aug	13.Aug	14.Aug
15.Aug	16.Aug	17.Aug	18.Aug	19.Aug	20.Aug	21.Aug
22.Aug	23.Aug Review Board Packet w/Chair	24.Aug	25.Aug Regular Board of Directors Meeting	26.Aug	27.Aug	28.Aug
29.Aug	30.Aug	31.Aug	01.Sep	02.Sep	03.Sep	04.Sep

September

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29.Aug	30.Aug	31.Aug	01.Sep	02.Sep	03.Sep	04.Sep
05.Sep	06.Sep	07.Sep	08.Sep Operations Committee Meeting	09.Sep	10.Sep	11.Sep
12.Sep	13.Sep	14.Sep	15.Sep Governance Committee Meeting	16.Sep	17.Sep Review Board Packet w/Chair	18.Sep
19.Sep	20.Sep	21.Sep	22.Sep Regular Board of Directors Meeting	23.Sep	24.Sep	25.Sep
26.Sep	27.Sep	28.Sep	29.Sep	30.Sep	01.Oct	02.Oct

October

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26.Sep	27.Sep	28.Sep	29.Sep	30.Sep	01.Oct	02.Oct
03.Oct	04.Oct	05.Oct	06.Oct	07.Oct	08.Oct	09.Oct
10.Oct	11.Oct	12.Oct	13.Oct Operations Committee Meeting	14.Oct	15.Oct	16.Oct
17.Oct	18.Oct	19.Oct	20.Oct	21.Oct	22.Oct Review Board Packet w/Chair	23.Oct
24.Oct	25.Oct	26.Oct	27.Oct Regular Board of Directors Meeting	28.Oct	29.Oct	30.Oct
31.Oct	01.Nov	02.Nov	03.Nov	04.Nov	05.Nov	06.Nov

November

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
31.Oct	01.Nov	02.Nov	03.Nov	04.Nov	05.Nov	06.Nov
07.Nov	08.Nov Audit Committee Meeting (Budget)	09.Nov Audit and Finance Committee (10Q)	10.Nov Operations Committee Meeting	11.Nov	12.Nov	13.Nov
14.Nov	15.Nov	16.Nov	17.Nov	18.Nov	19.Nov Review Board Packet w/Chair	20.Nov
21.Nov	22.Nov (Tentative: Board Legislative Lunch)	23.Nov	24.Nov	25.Nov	26.Nov	27.Nov
	Regular Board of Directors Meeting					
28.Nov	29.Nov	30.Nov	01.Dec	02.Dec	03.Dec	04.Dec

December

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28.Nov	29.Nov	30.Nov	01.Dec	02.Dec	03.Dec	04.Dec
05.Dec	06.Dec	07.Dec Governance Committee Meeting	08.Dec Operations Committee Meeting	09.Dec	10.Dec Review Packet w/Chair	11.Dec
12.Dec	13.Dec	14.Dec	15.Dec Regular Board of Directors Meeting	16.Dec	17.Dec	18.Dec
19.Dec	20.Dec	21.Dec	22.Dec	23.Dec	24.Dec	25.Dec
26.Dec	27.Dec	28.Dec	29.Dec	30.Dec	31.Dec	01.Jan

January

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26.Dec	27.Dec	28.Dec	29.Dec	30.Dec	31.Dec	01.Jan
02.Jan	03.Jan	04.Jan	05.Jan	06.Jan	07.Jan	08.Jan
09.Jan	10.Jan	11.Jan	12.Jan Operations Committee Meeting	13.Jan	14.Jan	15.Jan
16.Jan	17.Jan	18.Jan	19.Jan	20.Jan	21.Jan Review Board Packet w/Chair	22.Jan
23.Jan	24.Jan	25.Jan	26.Jan Regular Board of Directors Meeting	27.Jan	28.Jan	29.Jan
30.Jan	31.Jan	01.Feb	02.Feb	03.Feb	04.Feb	05.Feb

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

January 27, 2021
Wednesday
4:00 p.m.

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Jody Abruzzino

I. CALL TO ORDER

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

A. Pledge of Allegiance

Acting Chair Morse lead the Board in the Pledge of Allegiance.

B. Roll Call

Board Members Present:

Bettina Chastain, Chair *(via teleconference)*

Rachel Morse, Vice Chair

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:

Lee Thibert

Jody Abruzzino

Sherri Highers

Arden Quezon

Renee Curran

Via Teleconference:

Connie Owens

Sean Skaling

Dimitri Shein, Member

Matthew Clarkson

Phil Steyer

Max Neale, Member

Julie Hasquet

Arthur Miller

Nabi Qureshi, Member

Mark Fouts

Kathy Harris

Tyler Andrews

Cyrstal Enkvist, APA

C. Safety Minute

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

II. APPROVAL OF AGENDA

Director Wiggin moved and Director Hollis seconded the motion to approve the agenda.

Lee Thibert, Chief Executive Officer (CEO) requested to add an RRC Update and discussion on a request received to Co-Chair for the Conquering Covid-19 Coalition to the Executive Session. Director Wiggin and Director Hollis accepted the amendment to the agenda. The motion passed unanimously, as amended.

Acting Chair Morse delegated Director Parks as Acting Treasurer and Secretary for the meeting. No objections were made.

III. PERSONS TO BE HEARD

Dimitri Shein, Chugach member, Director of Alaska Electrical Vehicle Association and electric vehicle owner discussed electric vehicles and responded to questions from the Board.

Max Neale, Chugach member and electric vehicle owner discussed expanding the charging infrastructure for electric vehicles.

IV. CONSENT AGENDA

- 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 (Quezon)*
- D. *Director Expenses*
- E. *Update Bank Signature Cards*
- F. *BRU Future Natural Gas Investment Account*

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

V. CEO REPORTS AND CORRESPONDENCE

Lee Thibert, CEO stated that there are reports included in the CEO Reports and Correspondence and that staff can discuss if requested by the Board.

- A. *2021 State Legislative Update (Miller/Steyer)*

Phil Steyer, Director, Government Relations and Lee Thibert, CEO discussed the 2021 State Legislative Update and responded to questions from the Board.
- B. *4th Quarter Safety Report (Andrews/Freeman)*

Tyler Andrews, Executive VP, Employee Services and Communications and Lee Thibert, CEO discussed the 4th Quarter Safety Report and responded to questions from the Board.
- C. *October 2020 Financial Statements and Variance Report (Harris/Curran)*

Renee Curran, Manager, Budget and Financial Reporting discussed the October 2020 Financial Statements and Variance Report.

Lee Thibert, CEO and Renee Curran, Manager, Budget and Financial Reporting responded to questions from the Board.

D. Board Policy Scheduled Tasks/Reports (Board/Staff)

Lee Thibert, CEO, gave a summary on the Board Policy Scheduled Tasks/Reports and responded to questions from the Board.

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

Director Henderson reported on several ARCTEC Strategic Planning meetings that took place during the month of January. Lee Thibert, CEO, reported on electric vehicles being utilized along the railbelt and ARCTEC assisting with regulations and the Regulatory Commission of Alaska. Director Chastain stated that Tom DeLong, Chair of ARCTEC, reached out to her and the Homer Electric Association (HEA) Board of Directors and invited them to sit in on an ARCTEC update meeting being held on February 8, 2021.

C. Renewable Energy Alaska Project (REAP) Report

Director Wiggin reported on REAP's Public Policy Committee meeting and REAP's Annual meeting both held in January. He stated that he is now the Chugach's Representative and Director Morse is the Alternate Representative. Director Morse discussed REAP's interest in electric vehicles.

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

Director Hollis reported on the January 20, 2021, Audit and Finance Committee meeting.

Director Parks reported on the January 13, 2021, Operations Committee meeting and stated that the next Operations Committee meeting will be on February 10, 2021.

Director Morse stated that there is no Governance Committee meeting to report on but will reach out to Connie Owens, Manager, Executive Office.

E. Other Meeting Reports

Directors Cason and Morse reported on the two-day Equity Management Training.

VII. UNFINISHED BUSINESS

VIII. NEW BUSINESS

IX. EXECUTIVE SESSION

A. SEC Related Matters

B. RRC Update

C. Co-Chair for the Conquering COVID-19 Coalition

D. CEO Goals Update on PSI-5

Agenda items IX.B. RRC Update and IX.C. Co-Chair for the Conquering COVID-19 Coalition were added during the approval of the agenda.

At 5:05 p.m., Director Parks moved and Director Cason seconded the motion that pursuant to Alaska Statute 10.25.175 (c)(1), (3), and (4) 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; (3), discuss with its attorneys legal matters, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative; and (4) personnel matters. The motion passed unanimously.

The meeting reconvened in open session at 5:59 p.m.

X. NEW BUSINESS

A. SEC Related Matters (Highers)

Director Hollis moved and Director Cason seconded the motion that the Board of Directors approve Chugach Electric Association's suspension as a voluntary filer with the SEC in accordance with the attached resolution. Director Morse asked if there were any comments. After comments were made, Director Morse asked for a vote. Director Chastain, Morse, Hollis, Parks, Wiggin and Cason voted yes; Director Henderson voted no. The motion passed with a 6 to 1 vote.

B. Kubra Contract Amendment (Miller)

Director Hollis moved and Director Parks seconded the motion 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. The motion passed unanimously.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 6:19 p.m., Director Parks moved and Director Cason seconded the motion to adjourn. The motion passed unanimously.

James Henderson, Secretary
Date Approved: February 24, 2021

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

February 27, 2021

ACTION REQUIRED

AGENDA ITEM NO. IV.D.

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

February 24, 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

Replace Fuel Dispensing Facility and Repair Storm Drain Collection System Project

DISCUSSION

On February 10, 2021, the Operations Committee recommended the Board of Directors authorize the Chief Executive Officer to proceed with the project to Replace Fuel Dispensing Facility and Repair Storm Drain Collection System for a total cost of \$1,173,654.

This project will replace the existing South Campus fuel dispensing facility which has reached the end of its design life. Additionally, the existing storm drain collection system north of Building C will be repaired. Coffman Engineering developed the basis of estimate and cost estimate for this Project in July 2020, and they are currently assisting with the Request for Proposal (RFP).

The Storm Drain Reconstruction and Fuel Tank Replacement project in the amount of \$1,173,654 was included in the 2021 Capital Improvement Plan (CIP) approved at the December 16, 2020, Regular Board of Directors' meeting.

MOTION

(Consent Agenda)



RESOLUTION

Replace Fuel Dispensing Facility and Repair Storm Drain Collection System Project

WHEREAS, Chugach Electric Association, Inc. (Chugach) has identified the need to replace the existing South Campus fuel dispensing facility which has reached the end of its useful life. Additionally, the existing storm drain collection system north of Building C will be repaired. Coffman Engineering provided a basis of estimate and cost estimate for this project in July 2020, and they are currently assisting with the development of a Request for Proposal (RFP); and

WHEREAS, the Storm Drain Reconstruction and Fuel Tank Replacement project in the amount of \$1,173,654 was included in the 2021 Capital Improvement Plan (CIP) approved at the December 16, 2020, Regular Board of Directors' meeting; and

WHEREAS, Chugach will competitively solicit and receive bids for the replacement of the Fuel Dispensing Facility and Repair of the Storm Drain Collection System; and

WHEREAS, Chugach will evaluate the bids and award to the lowest, responsive, and responsible bidder; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors authorize the Chief Executive Officer to proceed with the project to Replace the Fuel Dispensing Facility and Repair Storm Drain Collection System for a total cost of \$1,173,654.

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 24th day of February, 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 the 24th day of February 2021.

Secretary

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

February 24, 2021

ACTION REQUIRED

AGENDA ITEM NO. IV.F.

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

TOPIC

Eklutna Fish & Wildlife Project

DISCUSSION

On February 10, 2021, the Operations Committee recommend the Board of Directors authorize the Chief Executive Officer to proceed with the 2021 phase of the Eklutna Fish & Wildlife project, as identified in the approved 2021 Capital Improvement Plan (CIP) and Budget, in the amount of \$2,520,000.

MOTION

(Consent Agenda)



RESOLUTION

Eklutna Fish & Wildlife Project

WHEREAS, the total estimated cost of the 2021 phase of the Eklutna Fish & Wildlife Project study effort including 4% contingency is \$2,520,000; and

WHEREAS, the Eklutna Fish & Wildlife project is reimbursable by 35.71% by Matanuska Electric Association Inc. (MEA) and Municipality of Anchorage (MOA); and

WHEREAS, \$1,620,108, Chugach's 64.29% non-reimbursable portion of the Eklutna Fish & Wildlife 2021 study effort, has been included in the 2021 Capital Improvement Plan approved by the Board in December of 2020; and

WHEREAS, two separate Task Orders will be prepared under the McMillen Jacobs contract. One for the Eklutna Fish and wildlife project and another for the CLPP FERC consulting; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors authorize the Chief Executive Officer proceed with the 2021 phase of the Eklutna Fish & Wildlife project included in the approved 2021 Capital Improvement Plan (CIP) Budget in the amount of \$2,520,000.

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 24th day of February, 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 24th day of February 2021.

Secretary

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

February 24, 2021

ACTION REQUIRED

AGENDA ITEM NO. IV.G.

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

TOPIC

McMillen Jacobs Contract

DISCUSSION

On February 10, 2021, the Operations Committee recommended the Board of Directors authorize the Chief Executive Officer to execute a contract with McMillen Jacobs in the amount of \$2,325,790 as described in the attached Resolution.

MOTION

(Consent Agenda)



RESOLUTION

McMillen Jacobs Contract

WHEREAS, the McMillen Jacobs estimate for the Eklutna Fish & Wildlife 2021 study effort is \$2,212,078; and,

WHEREAS, there will be additional Eklutna Fish & Wildlife Project legal and strategy efforts by the law firm Wilson-Sonsini, and the project strategy firm Uqaqti Consulting, necessary to complete the 2021 phase study effort and these costs are estimated at a combined \$200,000; and,

WHEREAS, McMillen Jacobs also provides services for Cooper Lake Power Plant (CLPP) FERC license compliance and required Part 12 Dam Inspection efforts through 2021. The CLPP consulting estimate included in the Board approved 2021 budget \$113,712; and

WHEREAS, two separate Task Orders will be prepared under the McMillen Jacobs contract. One for the Eklutna Fish and Wildlife Project and another for the CLPP FERC consulting; and

WHEREAS, the total 2021 McMillen Jacobs Chugach contract, including the Eklutna Fish & Wildlife and the CLPP consulting, needed for 2021 will be \$2,325,790; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors authorize the Chief Executive Officer approve execution of a contract with McMillen Jacobs in the amount of \$2,325,790.

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 24th day of February, 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 24th day of February 2021.

Secretary



TO: Board of Directors

FROM: Lee D. Thibert, Chief Executive Officer

DATE: February 16, 2021

SUBJECT: *Legislative Update*

On Feb. 11 the House was finally able to elect a Speaker after 3 weeks of stalemate between the two sides in a body split 20/20 between caucuses. Rep. Louise Stutes (R-Kodiak), was elected Speaker. On Feb. 15, the House (in a split vote) approved membership in a committee on committees. That group makes recommendations on membership and leadership of the various committees of the House. Without committees, bills have not been able to be referred to begin the review process.

APA reported on Feb. 12 that Senate President Peter Micciche (R-Soldotna) has agreed to sponsor a Senate bill on the wildfire liability issue important to utilities. As this memo was drafted, the bill had not yet been introduced.

An emergency declaration from Gov. Dunleavy relative to the COVID-19 situation expired on Feb. 14. The legislature did not extend the declaration, though the Senate passed a resolution, and some members of the House signed a letter encouraging the governor to do so on his own. The governor said he felt he lacked that authority.

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 wildfire liability when vegetation comes in contact with power lines. 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 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 the 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 buildings. The legislative intent of the bill envisions using energy service performance contracts to achieve the savings, thereby avoiding an upfront cost to the State.

SB 69, Exempt Renewable Energy Electric Plants, sponsor: Sen. Josh Revak (R-Anchorage)

This bill would extend by 10 years the sunset period (currently set for 2021) for a statute that provides exemption from regulation by the Regulatory Commission of Alaska to certain projects of Independent Power Producers. The bill received its initial hearing in the Senate Labor & Commerce Committee on Feb. 15. It was held in committee for further review.

Attached for additional background is the APA Bill Tracking Status Report from Feb. 12.



TO: Board of Directors

FROM: Lee Thibert, Chief Executive Officer

DATE: February 15, 2021

SUBJECT: 2021 Proposed NRECA Resolutions

NRECA resolutions provide guidance to NRECA staff and a statement of positions from the organization. The organization annually reviews and amends its resolutions through a process that includes its committees, flows through each of the regional meetings and culminates at the annual meeting.

Last August Chugach staff reviewed and reported on the compendium of resolutions to be considered at the NRECA Region 9 meeting (memo attached). All regions have completed their participation in the process, resulting in a final document (attached).

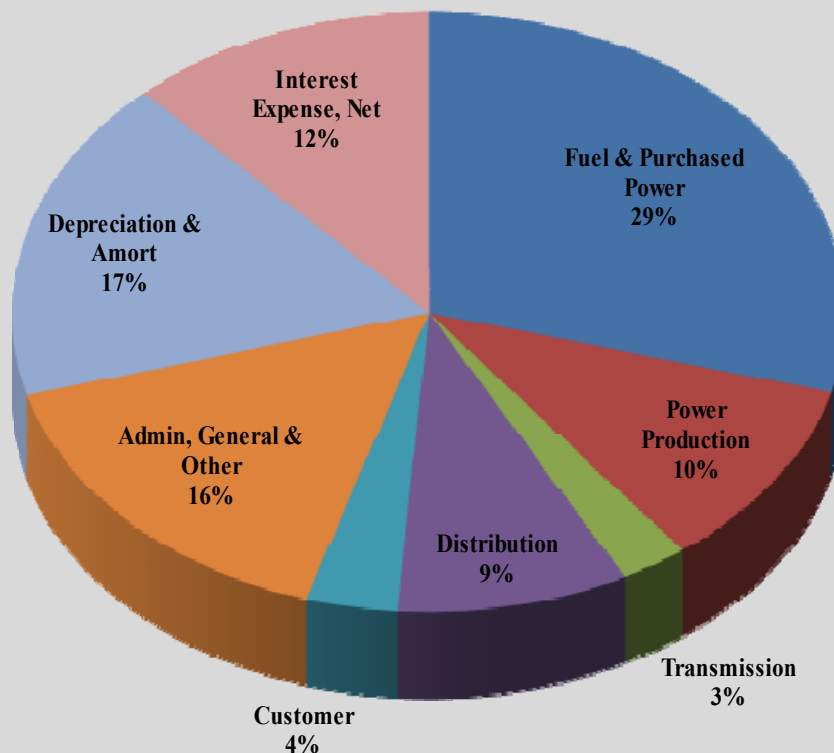
Chugach staff reviewed the 2021 Proposed Resolutions that will be presented at the upcoming annual meeting. Here is a summary:

- As noted last August, The National Resolutions Committee is striving to reorganize and streamline the resolutions document. Amendments have been made to incorporate topics from prior standalone resolutions into either one or a group of related resolutions. This will eliminate some existing resolutions while retaining their intent. This approach was widely supported by the NRECA regions.
- An effort was made to use common terms throughout the document, including how to refer to the customers served by the approximately 900 cooperatives that belong to NRECA. In the end, it was proposed that the term “member-owners” be used.
- Ironically, the Resolutions packet is larger than normal this year due to the attempt to detail the many changes necessary to streamline the document. This includes the actions taken to combine like ideas so that some existing resolutions can be removed. In addition, terminology differences between regions are noted.
- As often happens, there are a handful of “courtesy resolutions” at the end of the document, offering recognition, appreciation, and remembrance.

STATEMENT OF OPERATIONS

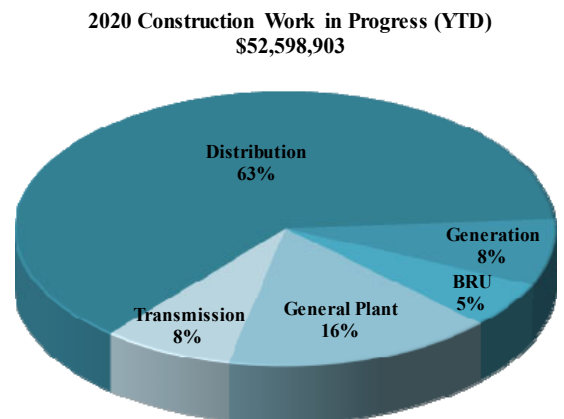
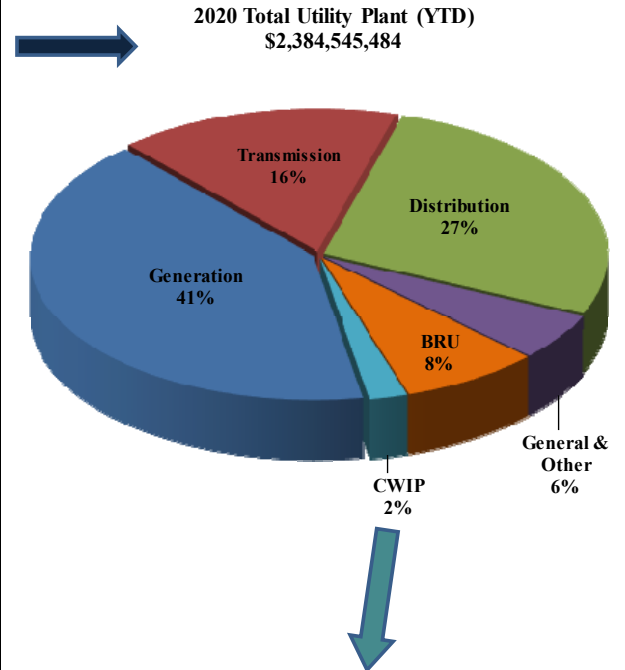
CATEGORY	2020 MTD ACTUAL	2020 MTD BUDGET	2020 MTD VARIANCE
Operating Revenue and Patronage Capital	\$ 29,087,194	\$ 32,018,708	\$ (2,931,514)
Fuel and Purchased Power Expense	8,516,537	9,549,368	(1,032,831)
Power Production Expense	3,002,839	3,393,133	(390,294)
Transmission Expense	766,024	607,247	158,777
Distribution Expense	2,613,064	2,112,191	500,873
Customer Expense	1,032,480	915,727	116,753
Administrative, General and Other	4,624,027	3,670,902	953,125
Depreciation & Amortization Expense	5,073,259	4,463,965	609,294
Interest Expense, Net	3,490,873	3,646,611	(155,738)
Total Cost of Electric Service	\$ 29,119,103	\$ 28,359,144	\$ 759,959
Patronage Capital & Operating Margins	\$ (31,909)	\$ 3,659,564	\$ (3,691,473)
Non-Operating Margins - Interest	28,967	33,250	(4,283)
Allowance for Funds Used During Construction	21,466	18,706	2,760
Non-Operating Margins - Other	32,697	-	32,697
Patronage Capital or Margins	\$ 51,221	\$ 3,711,520	\$ (3,660,299)

Total Cost of Electric Service (MTD Actual)



BALANCE SHEET

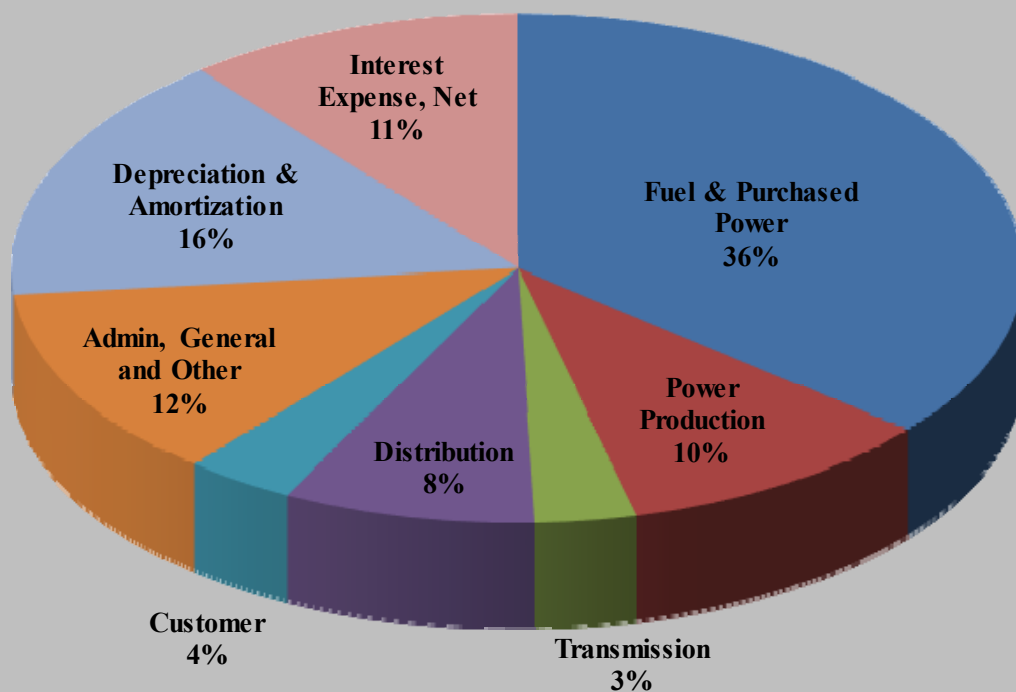
ASSETS & OTHER DEBITS	11/30/20	12/31/2019
Electric Plant in Service	2,331,946,581	1,242,523,092
Construction Work in Progress	52,598,903	16,966,608
Total Utility Plant	\$ 2,384,545,484	\$ 1,259,489,700
Accum. Prov. for Depreciation/Amortization	(974,158,842)	(556,209,740)
Net Utility Plant	\$ 1,410,386,642	\$ 703,279,960
Nonutility Property - Net	76,889	76,889
Financing & Operating Lease Right-of-Use Assets	4,127,568	958,111
Investment in Assoc. Organizations	7,595,038	8,148,426
Special Funds	20,567,693	2,603,505
Restricted Cash Equivalents & Other	64,310	108,000
Long-term Prepayments	-	-
Total Other Property & Investments	\$ 32,431,498	\$ 11,894,931
Cash & Restricted Cash	23,528,844	8,515,975
Special Deposits and Marketable Securities	36,261,916	248,483
Accounts Receivable - Net	48,772,865	30,120,230
Materials and Supplies, Fuel Stock	64,101,745	30,265,047
Prepayments	5,176,875	2,699,308
Other Current & Accrued Assets	2,604,690	1,680,885
Total Current & Accrued Assets	\$ 180,446,935	\$ 73,529,928
Deferred Debits	108,330,347	45,880,452
Total Assets & Other Debits	\$ 1,731,595,422	\$ 834,585,271
LIABILITIES & OTHER CREDITS	11/30/20	12/31/2019
Memberships	1,905,237	1,776,592
Pat. Capital, Margins & Equities	195,984,699	192,690,321
Total Margins & Equities	\$ 197,889,936	\$ 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	(6,215,640)	(2,684,537)
Operating Lease Liabilities	3,888,981	738,713
Finance Lease Liabilities	7,475	-
Total Long-Term Debt	\$ 1,236,268,146	\$ 478,606,173
Notes Payable	52,196,253	51,056,065
Accounts Payable	26,093,398	8,316,375
Consumer Deposits	5,196,385	4,294,770
Other Current & Accrued Liabilities	58,706,551	32,498,394
Total Current & Accrued Liabilities	\$ 142,192,587	\$ 96,165,604
Deferred Compensation	1,593,511	1,775,759
Other Liabilities, Non-Current	733,947	398,790
Deferred Liabilities	36,386,591	903,870
Cost of Removal Obligation	116,530,704	62,268,162
Total Liabilities & Other Credits	\$ 1,731,595,422	\$ 834,585,271



COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS 2020 ACTUAL TO BUDGET VARIANCE

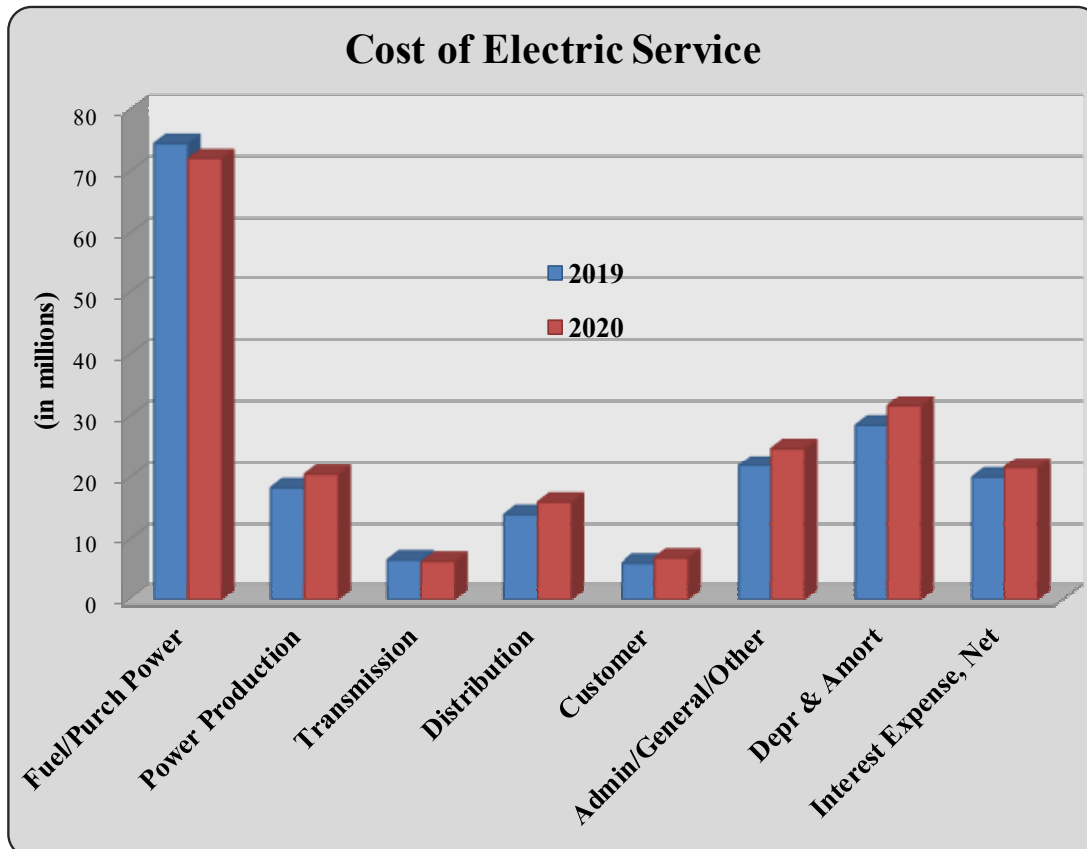
CATEGORY	2020 YTD ACTUAL	2020 YTD BUDGET	2020 YTD VARIANCE
Operating Revenue and Patronage Capital	\$ 204,456,457	\$ 209,631,044	\$ (5,174,587)
Fuel and Purchased Power Expense	72,184,879	74,011,159	(1,826,280)
Power Production Expense	20,581,624	21,515,419	(933,795)
Transmission Expense	6,554,157	6,894,317	(340,160)
Distribution Expense	16,118,398	15,620,355	498,043
Customer Expense	7,078,853	7,362,163	(283,310)
Administrative, General and Other	24,882,353	25,660,004	(777,651)
Depreciation & Amortization Expense	31,763,991	31,055,506	708,485
Interest Expense, Net	21,701,075	22,310,068	(608,993)
Total Cost of Electric Service	\$ 200,865,330	\$ 204,428,991	\$ (3,563,661)
Patronage Capital & Operating Margins	\$ 3,591,127	\$ 5,202,053	\$ (1,610,926)
Non-Operating Margins - Interest	339,938	365,750	(25,812)
Allowance Funds Used During Const.	119,775	126,190	(6,415)
Non-Operating Margins - Other	(13,550)	-	(13,550)
Patronage Capital or Margins	\$ 4,037,290	\$ 5,693,993	\$ (1,656,703)
MFI/I	1.18	1.25	
TIER	1.19	1.26	

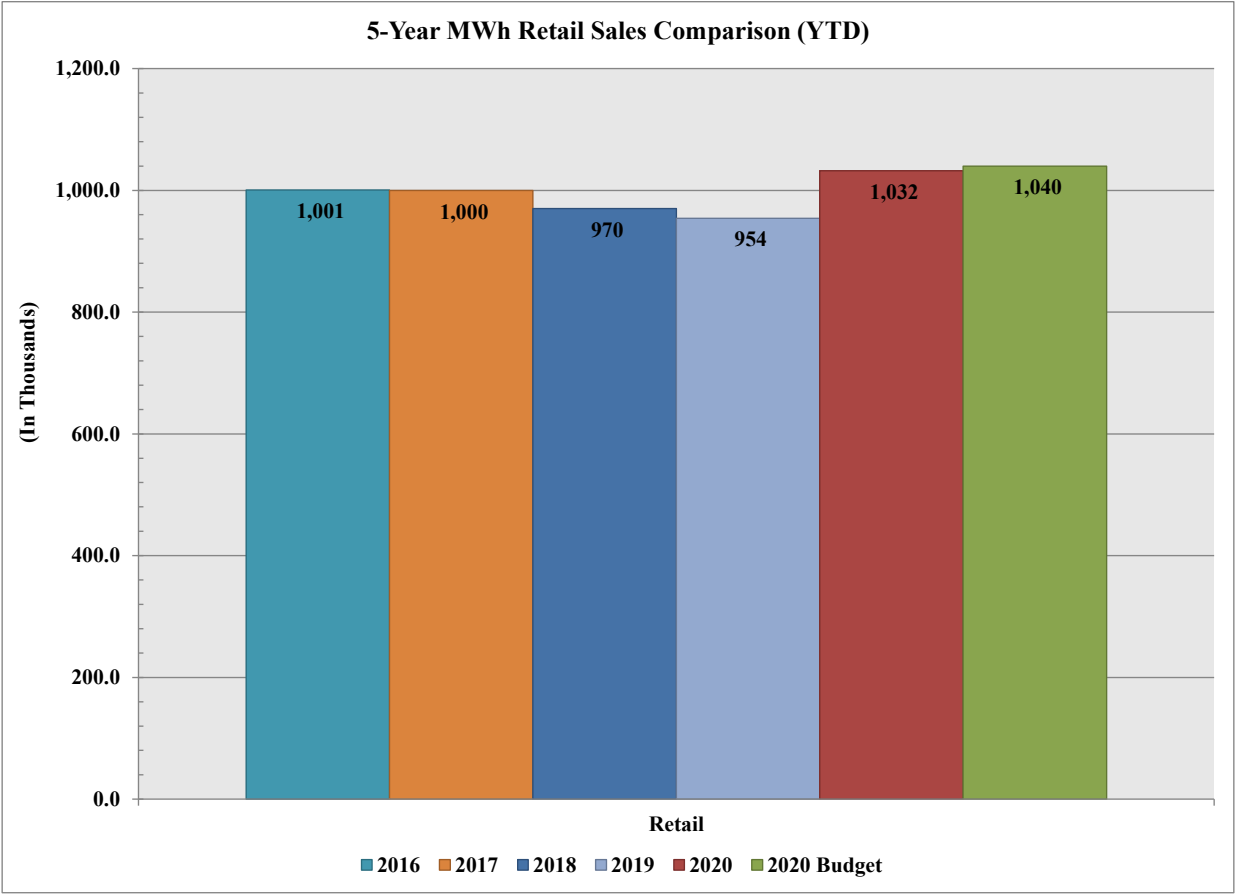
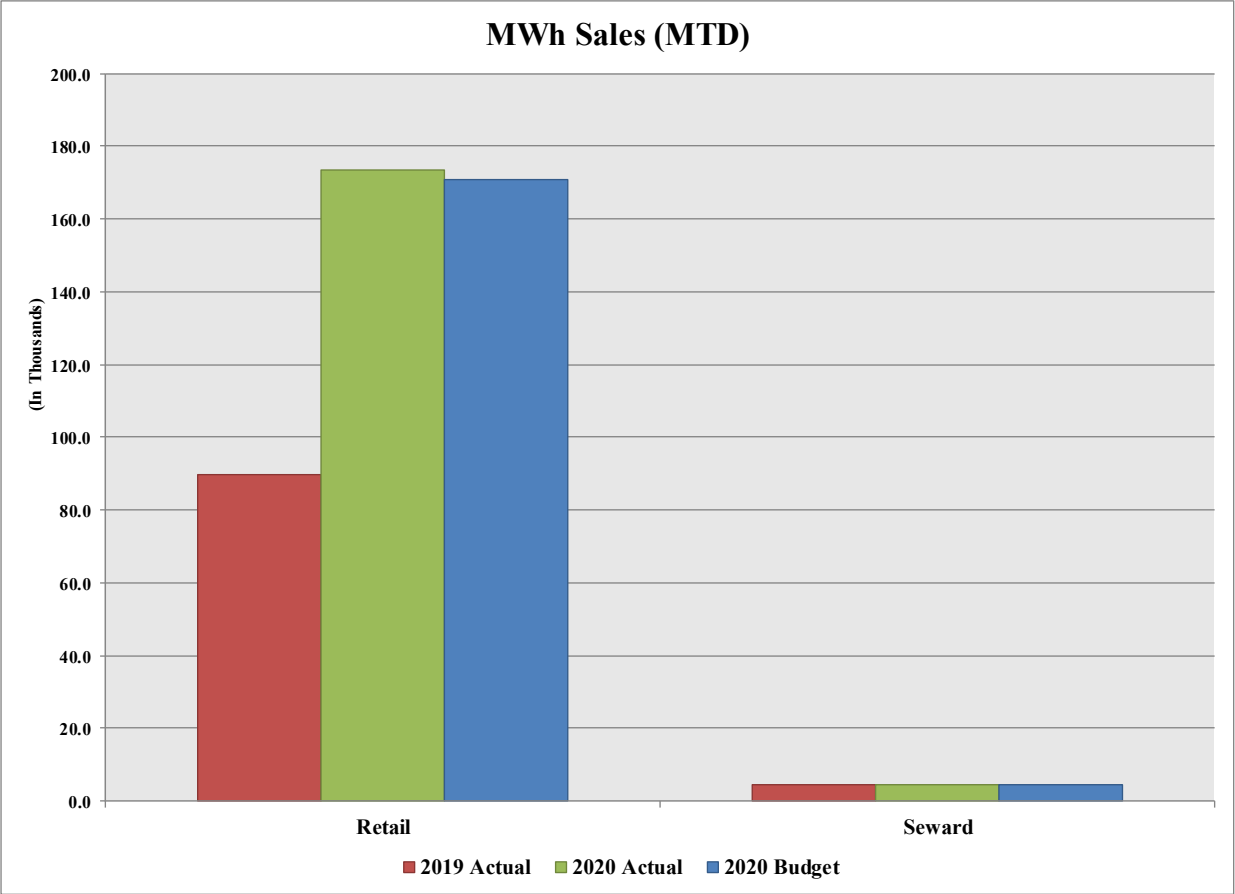
Total Cost of Electric Service (YTD Actual)

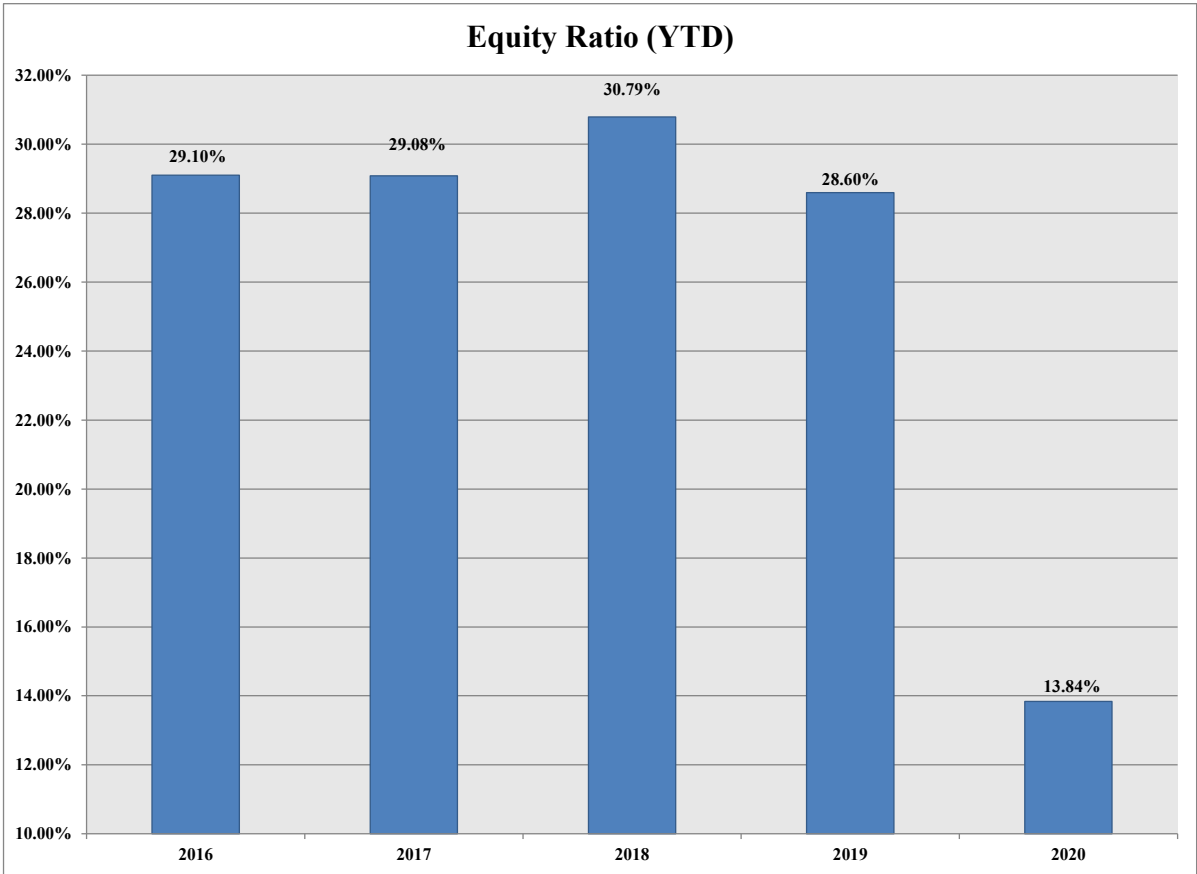
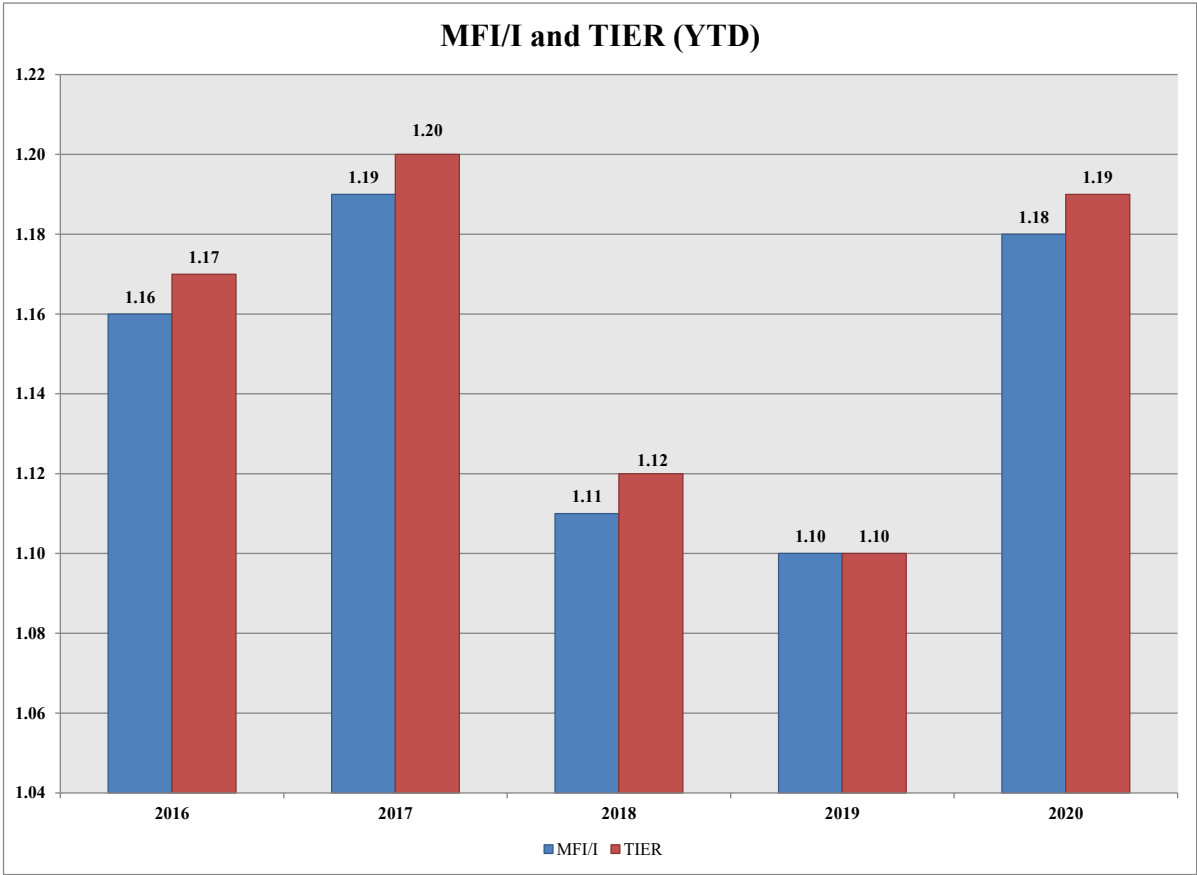


COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS CURRENT TO PRIOR ACTUAL

CATEGORY	2020 YTD ACTUAL	2019 YTD ACTUAL
Operating Revenue and Patronage Capital	\$ 204,456,457	\$ 192,320,395
Fuel and Purchased Power Expense	72,184,879	74,656,590
Power Production Expense	20,581,624	18,432,164
Transmission Expense	6,554,157	6,766,413
Distribution Expense	16,118,398	14,135,046
Customer Expense	7,078,853	6,250,258
Administrative, General and Other	24,882,353	22,063,150
Depreciation and Amortization Expense	31,763,991	28,669,058
Interest Expense, Net	21,701,075	20,125,289
Total Cost of Electric Service	\$ 200,865,330	\$ 191,097,968
Patronage Capital & Operating Margins	\$ 3,591,127	\$ 1,222,427
Non-Operating Margins - Interest	339,938	541,031
Allowance for Funds Used During Construction	119,775	140,015
Non-Operating Margins - Other	(13,550)	108,239
Patronage Capital or Margins	\$ 4,037,290	\$ 2,011,712
MFI/I	1.18	1.10
TIER	1.19	1.10







ENERGY SALES (kWh)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Energy Sales	1,031,935,558	1,039,994,148
Wholesale Energy Sales	<u>52,118,812</u>	<u>51,770,870</u>
Total Firm Energy Sales	1,084,054,370	1,091,765,018
Economy Energy Sales	<u>4,312,000</u>	<u>0</u>
Total Energy Sales	1,088,366,370	1,091,765,018

Firm energy sales totaled 1,084,054,370 kWh, which was a 0.7% unfavorable variance compared to budget. Retail energy sales were under budget 0.8% 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 0.7% 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	\$194.4	\$ 201.5
Wholesale Revenue	<u>5.2</u>	<u>5.5</u>
Total Firm Revenue	199.6	207.0
Economy Energy/Capacity Revenue	0.3	0.0
Other Operating Revenue	<u>4.6</u>	<u>2.6</u>
Total Revenue	\$ 204.5	\$ 209.6

Revenue from firm sales totaled \$199.6 million compared to \$207.0 million in the budget. Firm revenue was lower than expected due to lower than anticipated costs recovered through the fuel and purchased power adjustment process as a result of higher wheeling. Additionally, lower commercial sales throughout the year, including the impact of lower demand revenue and an adjustment to the calculation used for estimating unbilled commercial demand revenue, implemented in November, contributed to this unfavorable variance, which was somewhat offset by higher residential revenue. Economy energy/capacity revenue represents non-firm energy sales, which were primarily to GVEA and HEA. Other operating revenue includes late fees, pole rental, wheeling, microwave, BRU royalties, miscellaneous service and other electric revenue. Other operating revenue totaled \$4.6 million compared to \$2.6 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	\$ 51.6	\$ 55.8
Purchased Power	<u>20.6</u>	<u>18.2</u>
Total	\$ 72.2	\$ 74.0

Fuel expense includes fuel, storage, transportation, and BRU operating costs. Fuel expense was \$51.6 million compared to \$55.8 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 5,557,676 Mcf, which did not include 557,574 Mcf of fuel recorded as purchased power, at an average effective delivered price of \$8.40 per Mcf compared to 5,906,793 Mcf in the budget at an average effective delivered price of \$8.44 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 \$20.6 million compared to \$18.2 million in the budget. This unfavorable variance compared to budget was primarily due to higher than anticipated purchases from ML&P, prior to the acquisition, as a result of higher energy sales during the first quarter and higher than anticipated purchases from MEA during the second and third quarter.

Actual energy purchased was 266,446 MWh at an average effective price of 6.38 cents per kWh compared to 196,979 MWh budgeted at an average effective price of 7.36 cents per kWh.

POWER PRODUCTION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Power Production	\$ 20.6	\$ 21.5

Power production expense was \$20.6 million compared to \$21.5 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	\$ 6.6	\$ 6.9

Transmission operations and maintenance expense was \$6.6 million compared to \$6.9 million in the budget. This favorable variance was primarily due to lower than anticipated costs associated with vegetation control and engineering studies and design, which was somewhat offset by higher than anticipated labor.

DISTRIBUTION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Distribution	\$ 16.1	\$ 15.6

Distribution operations and maintenance expense was \$16.1 million compared to \$15.6 million in the budget. This unfavorable variance is primarily due to higher than anticipated line maintenance labor costs.

CONSUMER ACCOUNTS / CUSTOMER INFORMATION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Consumer / Customer Information	\$ 7.1	\$ 7.4

Consumer accounts and customer information expense was \$7.1 million compared to \$7.4 million in the budget. This favorable variance is primarily due to lower than anticipated labor expense, which was somewhat offset by an increase in uncollectible debt expense.

ADMINISTRATIVE, GENERAL AND OTHER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Administrative, General and Other	\$ 24.9	\$ 25.7

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 \$24.9 million compared to \$25.7 million in the budget. This favorable budget variance is primarily due to lower than anticipated costs associated with travel, legal, information services, and human resources initiatives, which was somewhat offset by higher labor, project write-offs and insurance costs.

SUMMARY

Depreciation, interest, and interest during construction expense totaled \$53.5 million compared to \$53.4 million in the budget. This unfavorable variance compared to budget was primarily due to higher than anticipated depreciation associated with North district generation assets, which was somewhat offset by lower than anticipated interest expense.

All the foregoing expenses resulted in total cost of electric service of \$200.9 million compared to \$204.4 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 \$446.2 thousand compared to \$492.0 thousand in the budget primarily due to lower than anticipated interest income and 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 \$5.7 million in the budget.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

February 24, 2021

ACTION REQUIRED

AGENDA ITEM NO. VIII.A.

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

TOPIC

Annual Meeting requirements and limitations considering the COVID-19 public health threat

DISCUSSION

On February 10, 2021, the Operations Committee met, reviewed and recommended the Board of Directors approve the attached resolution authorizing the Association's annual membership meeting be conducted through a virtual platform for the limited purpose of announcing election results.

In light of the novel coronavirus, COVID-19, pandemic and subsequent warnings and restrictions issued by the Center for Disease Control and Prevention, the World Health Organization, the United States Health and Human Services Secretary, the State of Alaska Commissioner for the Department of Health and Social Services, the Governor of the State of Alaska, the Mayor of Municipality of Anchorage, and the President of the United States, the Chugach Electric Association, Inc., Board of Directors wish to comply with those directives by taking such action as is necessary to protect both the interests and welfare of the Association's members and the public health and safety in general as more fully described in the attached Resolution. The Board of Directors believes that such action is consistent with their authority under Chugach's Bylaws and their duties and obligations as Directors.

MOTION

Move that the Board of Directors approve the attached resolution authorizing the Association's annual membership meeting be conducted through a virtual platform for the limited purpose of announcing election results.

RESOLUTION

Annual Meeting Requirements and Limitations Considering the COVID-19 Public Health Threat

WHEREAS, on March 11, 2020, the Governor of the State of Alaska issued a Declaration of Public Health Disaster and Emergency regarding the COVID-19 outbreak;

WHEREAS, on March 18, 2020, the Board of Directors passed its Resolution 03 01 20 addressing Meeting Attendance Limitations and Requirements During the COVID-19 Public Health Threat (COVID-19 Res. No. 1);

WHEREAS, on January 28, 2021, the Mayor of Anchorage updated Emergency Order 18 restricting public gatherings with food or drink to 10 people or less and without food or drink to 15 people or less;

WHEREAS, the Declaration of Public Health Disaster and Emergency expired on February 14, 2021, and it is uncertain whether a new Declaration will be issued by the Legislature;

WHEREAS, federal, state, and local authorities continue to treat COVID-19 as a very serious public health threat;

WHEREAS, the State's COVID-19 vaccine distribution plan is progressing, but large portions of the public remain unvaccinated;

WHEREAS, limiting in-person attendance at any meeting of the Association during the COVID-19 emergency, including this year's annual membership meeting, is required by and consistent with the Mayor's Emergency Order 18;

WHEREAS, limiting in-person attendance at Association meetings during the COVID-19 emergency, including the annual membership meeting, is also consistent with Article IV, Section 6 of Chugach's Bylaws, which grants the Board of Directors the "power to make, adopt and enforce such policy, rules and regulations, not inconsistent with law, the articles of incorporation, or these bylaws, as it may deem advisable for the management of the affairs and business of the Association, for the protection of its investment, and for the interest and welfare of the members thereof."

WHEREAS, the Board of Directors believe that good corporate social responsibility dictates that in-person attendance should not be encouraged at this year's annual meeting in order to avoid the unnecessary risk of exposing Association members to COVID-19;

WHEREAS, Chugach's bylaws allow the annual election results to be announced through a virtual annual meeting and members will be offered the opportunity to participate in the election by voting beginning on April 16, 2021 to May 14, 2021 for paper ballots, or until May 18, 2021 for online voting; and



WHEREAS, the Board of Directors intend to limit business conducted at the virtual annual meeting to that of announcing election results and believe that, under these emergent circumstances, adequate participation for that limited purpose can be achieved through a virtual platform.

NOW, THEREFORE, BE IT RESOLVED, the Association's annual membership meeting shall be conducted through a virtual platform;

BE IT FURTHER RESOLVED, that pursuant to Article III, Section 5 of the Association's Bylaws, business conducted at the virtual annual membership meeting shall be limited to announcing the results thereof; and

BE IT FINALLY RESOLVED, that the Chief Executive Officer is authorized to take any and all necessary steps to ensure compliance with the requirements and limitations contained in this Resolution.

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 24nd day of February 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 24th day of February 2021.

Secretary

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

February 24, 2021

ACTION REQUIRED

AGENDA ITEM NO. VIII.B.

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

TOPIC

Interruptible Gas Sale and Purchase Agreement between Hilcorp Alaska, LLC, and Chugach ("Contract CEA-14")

DISCUSSION

On February 3, 2021, Chugach executed Contract CEA-14 with Hilcorp. Contract CEA-14 is fully interruptible and does not obligate Chugach to make any purchases unless desired in Chugach's sole discretion. Contract CEA-14 is primarily necessary to make non-firm economy energy sales to GVEA. The gas purchased under Contract CEA-14 and used to make economy energy sales to GVEA is fully reimbursed by GVEA.

MOTION

Move that the Board of Directors authorize the Chief Executive Officer to approve purchase orders under Contract CEA-14 cumulatively in excess of \$1,000,000 net to the Association.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

February 24, 2021

ACTION REQUIRED

AGENDA ITEM NO. X.A.

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

TOPIC

“Board and Committee Eligibility”

Proposed Bylaw Amendment – Article IV - Directors, Section 3, Qualifications and Article XV – Standing and Ad Hoc Member Committees, Section 4, Membership.

DISCUSSION

The Bylaws Committee met on February 10, 2021 and approved a motion recommending the attached revision to the Association Bylaws including a Bylaws Committee comment supporting their proposal. The proposal and comment are now before the Board of Directors for its consideration of placing them on the ballot for the 2021 Annual Membership Meeting and a vote by the membership.

MOTION

Move that the Board of Directors place the attached Bylaw proposal regarding Board and Committee Eligibility and comment, on the ballot for the 2021 Annual Membership Meeting for a vote by the membership.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

February 24, 2021

ACTION REQUIRED

AGENDA ITEM NO. X.B.

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

TOPIC

“Manner of Holding Meetings”

Proposed Bylaw Amendment – Article III - Members, Meetings and Elections, Section 1, Annual Meetings; Section 2, Special Meetings; Section 5, Quorum; Section 6, Voting; Section 8, Order of Business; Section 9, Elections and Election Committee; and, Article V – Meeting of Directors, Section 7, Attendance at Board Meetings Via Electronic Communications.

DISCUSSION

The Bylaws Committee met on February 10, 2021 and approved a motion recommending the attached revision to the Association Bylaws including a Bylaws Committee comment supporting their proposal. The proposal and comment are now before the Board of Directors for its consideration of placing them on the ballot for the 2021 Annual Membership Meeting and a vote by the membership.

MOTION

Move that the Board of Directors approve for placement on the 2021 Annual Membership Meeting ballot the Bylaw Committee’s recommended revisions to the Association’s Bylaws as modified by the Board with respect to Article III, Section 6 and Section 9, and Article V, Section 7. The Board’s modifications shall be sent to the Bylaws Committee for review and comment. Move also that the Board of Directors join the Bylaws Committee’s proposed comment in support of the recommended revisions.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

February 24, 2021

ACTION REQUIRED

AGENDA ITEM NO. X.C.

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

TOPIC

“Executive Sessions”

Proposed Bylaw Amendment – Article V – Meeting of Directors, Section 5, Membership Attendance.

DISCUSSION

The Bylaws Committee met on February 10, 2021 and approved a motion recommending the attached revision to the Association Bylaws including a Bylaws Committee comment supporting their proposal. The proposal and comment are now before the Board of Directors for its consideration of placing them on the ballot for the 2021 Annual Membership Meeting and a vote by the membership.

MOTION

Move that the Board of Directors place the attached Bylaw proposal regarding Executive Sessions and comment, on the ballot for the 2021 Annual Membership Meeting for a vote by the membership.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

February 24, 2021

ACTION REQUIRED

AGENDA ITEM NO. X.D.

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

TOPIC

“Capital Credits”

Proposed Bylaw Amendment – Article VII – Patronage Capital, Section 1, Patronage Capital.

DISCUSSION

The Bylaws Committee met on February 10, 2021 and approved a motion recommending the attached revision to the Association Bylaws including a Bylaws Committee comment supporting their proposal. The proposal and comment are now before the Board of Directors for its consideration of placing them on the ballot for the 2021 Annual Membership Meeting and a vote by the membership.

MOTION

Move that the Board of Directors place the attached Bylaw proposal regarding Capital Credits and comment, on the ballot for the 2021 Annual Membership Meeting for a vote by the membership.