

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

OPERATIONS COMMITTEE MEETING

AGENDA

Stuart Parks, Chair
Harold Hollis, Vice Chair

Rachel Morse
Mark Wiggin
Bettina Chastain

April 14, 2021

4:00 p.m.

Chugach Board Room

- I. CALL TO ORDER (4:00 p.m.)
 - A. Roll Call
- II. APPROVAL OF THE AGENDA*
- III. APPROVAL OF THE MINUTES*
 - A. April 1, 2021 (Bigelow)
- IV. PERSONS TO BE HEARD
 - A. Member Comments
- V. NEW BUSINESS* (scheduled) (4:05 p.m.)
 - A. O'Malley Road Undergrounding Project* (Laughlin/Hickey) (4:05 p.m.)
 - B. Arctic Boulevard Undergrounding Project* (Laughlin/Hickey) (4:15 p.m.)
- VI. EXECUTIVE SESSION* (scheduled) (4:25 p.m.)
 - A. Beluga River Unit (BRU) Discussion (4:25 p.m.)
 - B. PSI-3, 3.0 – Change Management Component: Employee Survey Results and Response Plan (5:00 p.m.)
 - C. May 1, 2020 - April 30, 2021 Chief Executive Officer – Project Specific Initiatives (PSI) (5:15 p.m.)
 - D. May 1, 2020 - April 30, 2021 Chief Executive Officer – Priority Areas (5:30 p.m.)
 - E. 2020 Chief Executive Officer – Evaluation and Compensation Discussion (5:45 p.m.)
 - F. May 1, 2021 - April 30, 2022 Chief Executive Officer – Project Specific Initiatives (7:15 p.m.)
- VII. NEW BUSINESS** (continued) (7:35 p.m.)
 - A. Recommendation on 2020 Chief Executive Officer Evaluation and Compensation** (Committee) (7:35 p.m.)

* Denotes Action Items

** Denotes Possible Action Items

*B. Recommendation on May 1, 2021 - April 30, 2022 Chief Executive Officer – Project Specific Initiatives** (Committee) (7:40 p.m.)*

VIII. DIRECTOR COMMENTS (7:45 p.m.)

IX. ADJOURNMENT* (8:00 p.m.)

* Denotes Action Items

** Denotes Possible Action Items

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

April 1, 2021
Thursday
4:00 p.m.

OPERATIONS COMMITTEE MEETING

Recording Secretary: Danielle Bigelow

I. CALL TO ORDER

Chair Parks called the Operations Committee meeting to order at 4:06 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Roll Call

Committee Members Present:

Stuart Parks, Chair
Harold Hollis, Vice Chair
Rachel Morse, Director (*absent*)
Mark Wiggin, Director
Bettina Chastain, Director (*via teleconference*)

Other Board Members Present:

Sam Cason, Director
James Henderson, Director (*via teleconference*)

Guests and Staff Attendance Present:

Mark Fouts	Tom Walsh, PRA	Chantal Walsh, PRA
	Stephen Gerlek,	Khristin Kirschner, PRA
	Cross Street Consulting	

Via Teleconference:

Lee Thibert	Connie Owens	Brian Hickey
Sherri Highers	Matt Clarkson	William Van Dyke, PRA
Arthur Miller	Tyler Andrews	Gordon Pospisil, Liberty
Arden Quezon	Laurel Foster	Resources

II. APPROVAL OF THE AGENDA

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

III. APPROVAL OF THE MINUTES

Director Hollis moved and Director Wiggin seconded the motion to approve the March 10, 2021, Operations Committee Meeting minutes. The motion passed unanimously.

IV. PERSONS TO BE HEARD

- A. Member Comments*
None

V. NEW BUSINESS

None

VI. EXECUTIVE SESSION

- A. Beluga River Unit (BRU) Discussion*

At 4:09 p.m., Director Hollis moved, and Director Wiggin seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1) and (3) the Board of Directors' Operations Committee go into executive session to: 1) discuss and receive reports regarding financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; and, 2) to discuss legal matters with its attorneys, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The motion passed unanimously.

The meeting reconvened in open session at 7:12 p.m.

VII. NEW BUSINESS

None

VIII. DIRECTOR COMMENTS

Comments were made at this time.

IX. ADJOURNMENT

At 7:13 p.m., Director Wiggin moved, and Director Hollis seconded the motion to adjourn. The motion passed unanimously.

O'Malley Road Undergrounding Project

Operations Committee Meeting
April 14, 2021



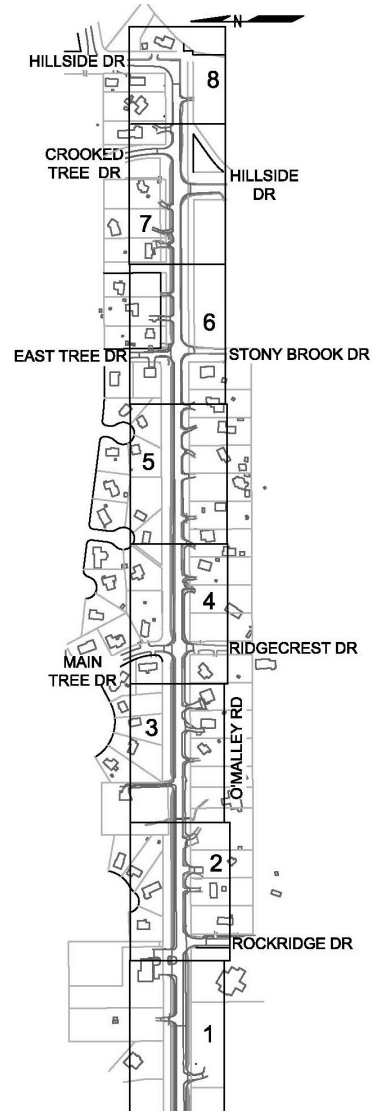
O'Malley Road Undergrounding Project

Introduction

- Requesting an approved motion for project authorization.

Project Description

- This project will underground feeders located on the North and South side of O'Malley Road.
- Joint project with DOT Road Improvements.
- Replacing overhead with underground 750 kcmil cables adding capacity and improving reliability.



O'Malley Road Undergrounding Project (cont'd.)

Project Costs

- \$4.1 M estimated cost / project authorization amount.
- Cost sharing between DOT and Chugach is approximately \$1.7M and \$2.4M respectively.
- Budgeted in 2021 and funded through Title 21.
- Currently \$10.5M in the Undergrounding fund.
- Contracts will be brought to the board as required.



CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

April 14, 2021

ACTION REQUIRED

AGENDA ITEM NO. V.A.

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

TOPIC

Project Authorization: O'Malley Road Overhead to Underground Conversion

DISCUSSION

The project will underground the existing overhead the 12.5kV Distribution circuits parallel to O'Malley Road from the O'Malley Substation near Rockridge Drive to Hillside Drive in addition to addressing various conflicts with scheduled State of Alaska, Department of Transportation (DOT) road improvements. This is a mutually beneficial project for the DOT and Chugach which will be jointly funded with each entity sharing approximately 40% & 60% of the financial burden respectively.

Approximately one mile of 336 ACSR 3-phase overhead line supporting two O'Malley Substation feeders will be undergrounded. The feeders will be replaced with parallel runs of underground 750 kcmil cable. This project will be constructed in conjunction with the upper O'Malley Road improvements.

The total project cost is estimated at \$4,100,000. This project is funded by a combination of DOT relocation reimbursement and funds on hand from the collection of the undergrounding surcharge as required by the Municipal Undergrounding Ordinance. The portion of funding Chugach is providing from the undergrounding surcharge is \$2,400,000.

MOTION

Move that the Operations Committee recommend the Board of Directors authorize the Chief Executive Officer to proceed with the O'Malley Road Overhead to Underground Conversion project at an estimated total cost of \$4,100,000 and a total cost to Chugach of \$2,400,000.



RESOLUTION

Project Authorization: O'Malley Road Overhead to Underground Conversion

WHEREAS, Chugach Electric Association, Inc. (Chugach) has identified the need to underground the 12.5 kV distribution lines parallel to O'Malley Road from the O'Malley Substation near Rockridge Drive to Hillside Drive;

WHEREAS, and funds have been collected via Chugach's compliance with State of Alaska and Municipal Overhead to Undergrounding requirements, Anchorage Municipal Code requires Chugach to spend two percent of the prior three-year average of annual gross retail revenues derived from service connections within the MOA. Per AMC 21.90.070(A)(1);

WHEREAS, Chugach currently has \$10.5 million of funds collected for Overhead to Underground Projects;

WHEREAS, \$2,400,000 was included in the 2021 Budget for Chugach's portion of this project which will be completed in 2021.

WHEREAS, \$1.7 million will be reimbursed by the Alaska Department of Transportation's portion of this project.

WHEREAS, this project is included in Chugach's Undergrounding Plan;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors authorizes the Chief Executive Officer to proceed with the O'Malley Undergrounding Project for an estimated amount of \$4,100,000.

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 28th day of April, 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 28th day of April 2021.

Secretary

Chugach Project Authorization

Project Name: O'Malley Road Overhead to Underground Conversion

Project Category:

Safety	X	Incremental Load Growth		New Service		R&R T&D	
Agency Mandated	X	Reliability	X	Operating Efficiency		R&R Generation	

Accountabilities & Approvals:

Signatures

Date

Board of Directors: James Henderson, Secretary

_____/____/____

CEO: Lee Thibert, CEO

_____/____/____

Executive Sponsor: Brian Hickey, COO

_____/____/____

Sponsor: Andrew Laughlin, VP, Engineering

_____/____/____

Project Manager: Mike Miller, Design Manager,
Distribution Engineering

_____/____/____

Purpose and Need:

The project will underground a portion of the O'Malley 12.5kV distribution feeders in compliance with undergrounding requirements within the Anchorage bowl.

Project Description:

The project will underground the existing overhead the 12.5kV Distribution circuit parallel to O'Malley Road from the O'Malley Substation near Rockridge Drive to Hillside Drive in addition to addressing various conflicts with scheduled State of Alaska, Department of Transportation (DOT) road improvements. This is a mutually beneficial project for the DOT and Chugach which will be jointly funded with each entity sharing approximately 40% & 60% of the respective costs.

Approximately one mile of 336 ACSR 3-phase overhead line supporting two O'Malley Substation feeders will be undergrounded. The feeders will be replaced with parallel runs of underground 750 kcmil cable. This project will be constructed in conjunction with the upper O'Malley Road improvements.

Approval Amount: \$4,100,000

\$2,400,000 was included in the 2021 CIP under Budget ID's 03.0810 for Chugach's portion of this project. DOT reimbursement will support the difference between the budget and estimated cost to complete the project.

	Labor	Contract Services	Materials	DOT Reimbursement	Total
To Date	\$110,060	\$0	\$0	\$(19,256)	\$90,804
Estimate.to Comp	\$147,513	\$2,854,734	\$987,694	\$(1,668,744)	\$2,309,196
Total	\$257,572	\$2,854,734	\$987,694	\$(1,700,000)	\$2,400,000

Arctic Boulevard Undergrounding Project

Operations Committee Meeting
April 14, 2021



Arctic Boulevard Undergrounding

Introduction

- Request an approved Motion for project authorization.

Project Description

- This project will underground one circuit on the west side of Arctic Blvd and the north side of West 72nd Ave.
- Replaces overhead distribution conductors with underground 750 MCM cables increasing capacity.



Arctic Boulevard Undergrounding (cont'd.)

Project Costs

- \$2.1M estimated cost / project authorization amount.
- Budgeted in 2021 and funded through Title 21.
- Currently \$10.5M in the undergrounding fund.
- Contracts will be brought to the board as required.



CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

April 14, 2021

ACTION REQUIRED

AGENDA ITEM NO. V.B.

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

TOPIC

Arctic Boulevard Overhead to Underground Conversion: Raspberry Road to Dimond Boulevard Project Authorization

DISCUSSION

The Arctic Boulevard, Raspberry Road to Dimond Boulevard Distribution Overhead to Underground Conversion Project meets the requirements for use of undergrounding funds collected from members residing in the area covered by the Municipal Undergrounding Ordinance. The project will underground the existing overhead distribution circuit from approximately Raspberry Road to Dimond Boulevard along the west side of Arctic Boulevard.

This project will remove the poles, circuit conductors and overhead line equipment along a busy commercial and residential area and support feeder load growth. The existing 4/0 overhead lines will be replaced with a new underground 750 MCM circuit in duct with below ground splicing vaults and pads.

The total project cost is estimated at \$2,100,000 and funded through the collection of the undergrounding surcharge as required by the Municipal Undergrounding Ordinance.

MOTION

Move that the Operations Committee recommend the Board of Directors authorize the Chief Executive Officer to proceed with the Arctic Boulevard Overhead to Underground Conversion Project at an estimated total cost of \$2,100,000.



RESOLUTION

Project Authorization – Arctic Boulevard Overhead to Underground Conversion: Raspberry Road to Dimond Boulevard

WHEREAS, Chugach Electric Association, Inc. (Chugach) has identified the need to underground the distribution lines from approximately Raspberry Road to Dimond Boulevard on Arctic Boulevard;

WHEREAS, funds have been collected via Chugach's compliance with State of Alaska and Municipal Overhead to Undergrounding requirements, Anchorage Municipal Code requires Chugach to spend two percent of the prior three-year average of annual gross retail revenues derived from service connections within the Municipality of Anchorage (MOA). Per AMC 21.90.070(A)(1);

WHEREAS, Chugach currently has \$10.5 million of funds collected for Overhead to Underground Projects;

WHEREAS, \$2,100,000 was included in Budget ID 03.0810 of the 2021 Budget for this project which will be completed in 2021;

WHEREAS, this project is included in Chugach's Undergrounding Plan approved by the MOA;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors authorizes the Chief Executive Officer to proceed with the Arctic Boulevard Undergrounding Project for an estimated amount of \$2,100,000.

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 28th day of April, 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 28th day of April 2021.

Secretary

Chugach Project Authorization

Project Name: Arctic Blvd Undergrounding Project

Project Category:

Safety		Incremental Load Growth		New Service		R&R T&D	X
Agency Mandated		Reliability		Operating Efficiency		R&R Generation	

Accountabilities & Approvals:

Signatures Date

Board of Directors:	James Henderson, Secretary	_____	___/___/___
CEO:	Lee Thibert, CEO	_____	___/___/___
Executive Sponsor:	Brian Hickey, COO	_____	___/___/___
Project Sponsor:	Andrew Laughlin, VP, Engineering	_____	___/___/___
Project Manager:	Mike Miller, Design Manager, Distribution Engineering	_____	___/___/___

Purpose and Need:

This project will underground a portion of the Arctic Blvd distribution feeder in compliance with undergrounding requirements within the Anchorage bowl.

Project Description:

This project will remove the poles, circuit conductors and overhead line equipment along a busy commercial and residential area and support feeder load growth. The existing 4/0 overhead lines will be replaced with a new underground 750 MCM circuit, in duct with below ground splicing, vaults and pads.

Approval Amount: \$2,100,000

\$2,100,000 was included in the 2021 CIP under Budget ID's 03.0810 for this project.

	Labor	Contract Services	Materials	Total
To Date	\$ 82,173	\$0	\$0	\$82,173
Estimate to Comp.	\$ 82,639	\$1,413,749	\$521,439	\$2,017,827
Total	\$164,812	\$1,413,749	\$521,439	\$2,100,000

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

April 14, 2021

ACTION REQUIRED

AGENDA ITEM NO. VII.A.

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

TOPIC

2020 Chief Executive Officer Evaluation and Compensation

DISCUSSION

As discussed in Executive Session.

MOTION

Move that the Operations Committee recommends the Board of Directors approve the 2020 CEO Evaluation and Compensation as discussed in executive session.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

APRIL 14, 2021

ACTION REQUIRED

AGENDA ITEM NO. VII.B.

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

TOPIC

May 1, 2021 - April 30, 2022 Chief Executive Officer – Project Specific Initiatives

DISCUSSION

At the March 24, 2021, Regular Board of Directors’ meeting, the Board discussed the May 1, 2021 – April 30, 2022 Chief Executive Officer Project Specific Initiatives in executive session.

MOTION

Move that the Operations Committee recommend the Board of Directors approve the May 1, 2021 – April 30, 2022 Chief Executive Officer Project Specific Initiatives as discussed in executive session.