



CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA

OPERATIONS COMMITTEE MEETING

AGENDA

Bettina Chastain, Chair
Mark Wiggin, Vice Chair

Harold Hollis, Director
Erin Whitney, Director
Rachel Morse, Director

April 25, 2022

4:00 p.m.

Chugach Board Room

- I. CALL TO ORDER (4:00 p.m.)
 - A. *Roll Call*
- II. APPROVAL OF THE AGENDA* (4:05 p.m.)
- III. APPROVAL OF THE MINUTES* (4:10 p.m.)
 - A. *February 23, 2022 (Cacy/Quezon)*
- IV. PERSONS TO BE HEARD (4:15 p.m.)
 - A. *Member Comments*
- V. NEW BUSINESS (scheduled) (4:20 p.m.)
 - A. *Update - Eklutna Project (Mike Brodie/Hickey) (4:20 p.m.)*
 - B. *Update - Acquisition Cost Savings (Nick Brodie/Miller) (4:40 p.m.)*
- VI. EXECUTIVE SESSION* (scheduled) (5:00 p.m.)
 - A. *Update – Security (McCarty/Highers) (5:00 p.m.)*
 - B. *Hilcorp Gas Supply (Miller/Fouts) (5:15 p.m.)*
 - C. *May 1, 2021 – April 30, 2022 – Chief Executive Officer Project Specific Initiatives and Priority Areas Discussion (Committee) (5:25 p.m.)*
 - D. *Update – CEO Transition (Clarkson) (6:10 p.m.)*
- VII. NEW BUSINESS* (continued) (7:40 p.m.)
 - A. *Recommendation on May 1, 2021 – April 30, 2022 – Chief Executive Officer Evaluation and Compensation* (Committee)*
- 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

February 23, 2022
Wednesday
4:00 p.m.

OPERATIONS COMMITTEE MEETING

Recording Secretary: Sandra Cacy

I. CALL TO ORDER

Chair Chastain called the Operations Committee meeting to order at 4:01 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Roll Call

Committee Members Present:

Bettina Chastain, Chair (*via teleconference*)
Harold Hollis, Director (*via teleconference*)
Erin Whitney, Director (*via teleconference*)
Rachel Morse, Director

Committee Member Absent:

Mark Wiggin, Vice Chair

Board Members Present:

Sam Cason, Director (*arrived during Executive Session*)
Henderson, Director (*via teleconference*)

Guests and Staff Attendance

Present:

Lee Thibert	Sean Skaling	Matthew Clarkson
Arden Quezon	Arthur Miller	Bart Armfield, Consultant
Mark Fouts		

Via Teleconference:

Connie Owens	Andrew Laughlin	Julie Hasquet
Jill Knittel, JK Executive Strategies, LLC	Sherri Highers Brian Hickey	Ashton Doyle

II. APPROVAL OF THE AGENDA

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

III. APPROVAL OF THE MINUTES

Director Whitney moved and Director Morse seconded the motion to approve the January 17, 2022 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) Update*
B. *Renewable Energy RFP*
C. *2022 NRECA Resolutions*
D. *CEO Priority Areas & Project Specific Initiatives*
E. *360 Survey Discussion*
F. *CEO Contract*

At 4:05 p.m., Director Morse moved and Director Hollis seconded the motion that pursuant to Alaska Statute 10.25.175 (c)(1), (3) and (4) 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; 2) discuss with its attorneys legal matters, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative; and 3) personnel matters. The motion passed unanimously.

Director Cason arrived during Executive Session, time was not noted.

The meeting reconvened in open session at 7:21 p.m.

VII. NEW BUSINESS

None.

VIII. DIRECTOR COMMENTS

Director comments were deferred to the February 23, 2022 Special Board of Directors' Meeting.

IX. ADJOURNMENT

At 7:22 p.m., Director Hollis moved and Director Morse seconded the motion to adjourn. The motion passed unanimously.



Eklutna F&W Project 2022

**Operations Committee Meeting
April 25, 2022**



Discussion Topics

2021 Studies

2022 Study Plan and Studies

Technical Working Groups

Project Schedule

Study Flows – Water

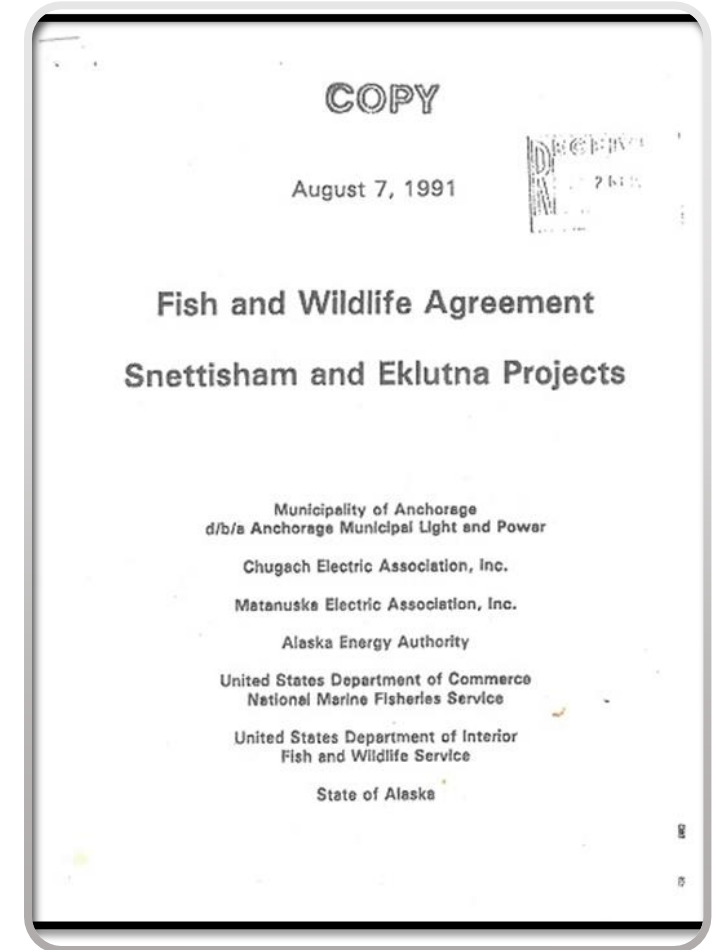
Future Year Program Costs



Just a Reminder 1991 Fish and Wildlife Agreement

The 1991 F&W Agreement requires the project owners to...

1. Study the impact of the hydroelectric project on fish and wildlife.
2. Develop proposals for the protection, mitigation, and enhancement (PME) of fish and wildlife affected by such hydroelectric development.
3. Consider the impact of fish and wildlife measures on electric rate payers, municipal water utilities, recreational users, and adjacent land use.
4. Evaluate ways to mitigate those impacts.



Eklutna 2021 Studies

10 Studies completed in the Eklutna Valley during 2021

Completed Study Reports (4)

Trail Erosion Study

Hydropower Operations Model

Infrastructure Assessment

Macroinvertebrate Report

Interim Reports Drafted (6) -To be cont'd in 2022 study year

Stream Gauging

Water Quality

Geomorphology and Sediment Transport

Instream Flow

Eklutna Lake Aquatic Habitat and Fish Utilization

Eklutna River Fish species Composition and Distribution

Reports issued to Technical Working Groups on February 11, 2022 for review

Eklutna report copies are available to BOD through Resource Tab of Onboard

2022 Study Program Framework

Studies Continued from Year 1	New Studies Initiated in Year 2
Geomorphology and Sediment Transport Study	Engineering Feasibility and Cost Assessment
Instream Flow Study	Hydro Valuation Study
Eklutna River Fish Species Composition and Distribution Study	Wetlands and Wildlife Habitat Study
Lake Aquatic Habitat and Fish Utilization Study	Terrestrial Wildlife Studies
Water Quality Study	Recreation Study
Stream Gauging	Cultural Resources Study

Technical Working Group - Composition

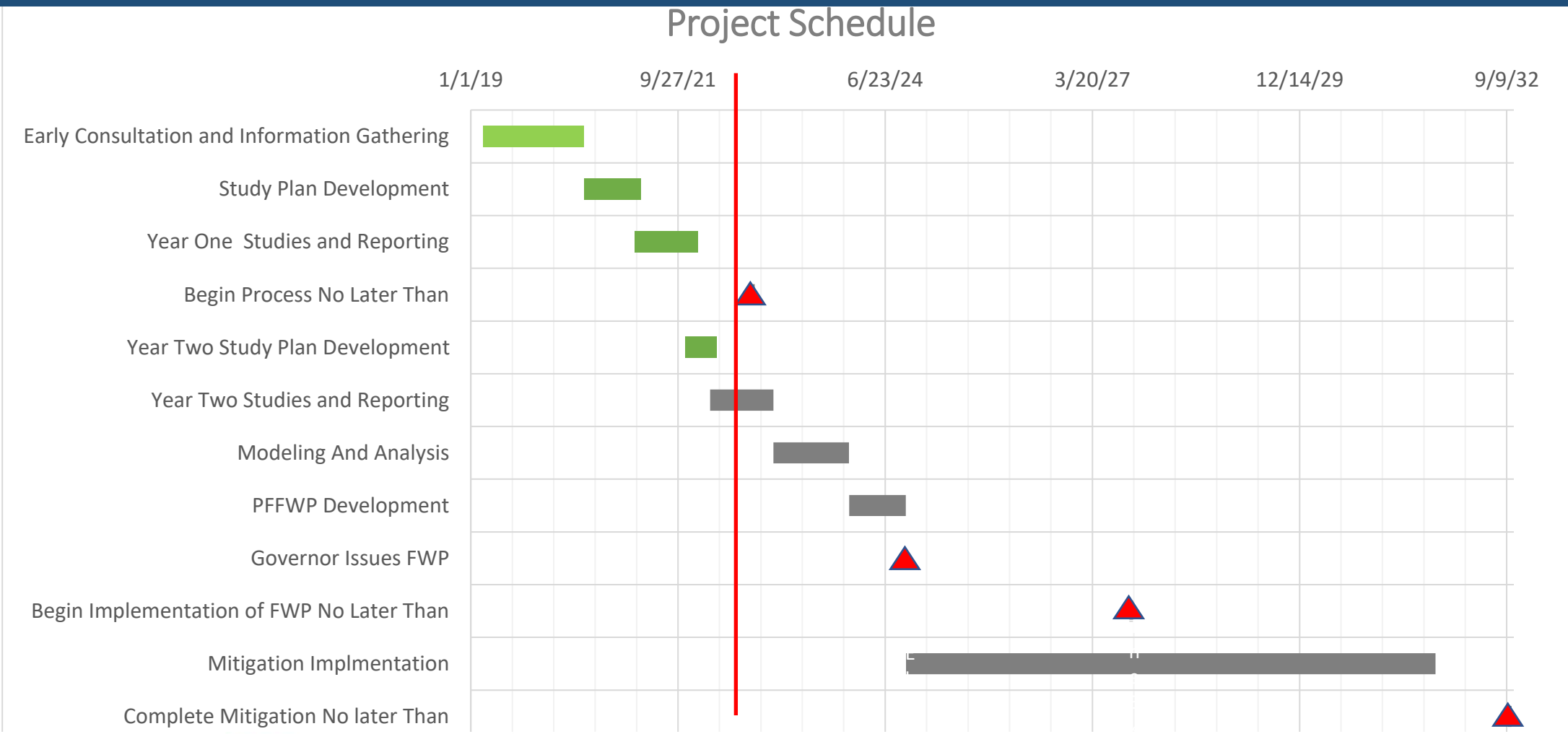
Entity	Aquatics	Terrestrial	Recreation	Cultural
Native Village of Eklutna	X	X	X	X
Alaska Department of Fish and Game	X	X	X	
ADNR Chugach State Park			X	
ADNR Office of History and Archaeology				X
U.S. Fish and Wildlife Service	X	X		X
National Marine Fisheries Service	X			
Trout Unlimited	X		X	
Alaska Pacific University	X	X		
Hydropower Project Owners	X	X	X	X

2022 Studies Planning Schedule

- **February 11** –
 - Distributed the draft year 1 study reports to the appropriate TWGs
 - Distributed the draft year 2 study plans to the TWGs and parties
- **March 11** – Comment deadline for TWGs
- **Week of March 21** – TWG meetings to review comments
- **April 1** – Distribute Proposed Final Study Plans to parties
- **April 15** –
 - Deadline to receive state concurrence letters for year 2 study plans
 - Then submit to AEA as the governor’s representative
- **April 29** –
 - Deadline to receive federal concurrence letters for year 2 study plans
 - And any feedback from AEA on year 2 study plans
- **May 13** – Finalize year 1 study reports and year 2 study plans and upload to the project website (www.eklutnahydro.com)



F&W Project Schedule



Study Flows - Water

For development and completion of Eklutna River modeling the Project Team has determined a high flow water release is not needed in 2022.

- Water study flows were released and studied for approximately 4 weeks in the Sep/Oct timeframe 2021
- Flows varied between 25 and 150 cfs for the study period
- Study flows were released through an O&M slide gate in dam spillway

Native Village of Eklutna has approached project team about future water release into Eklutna River

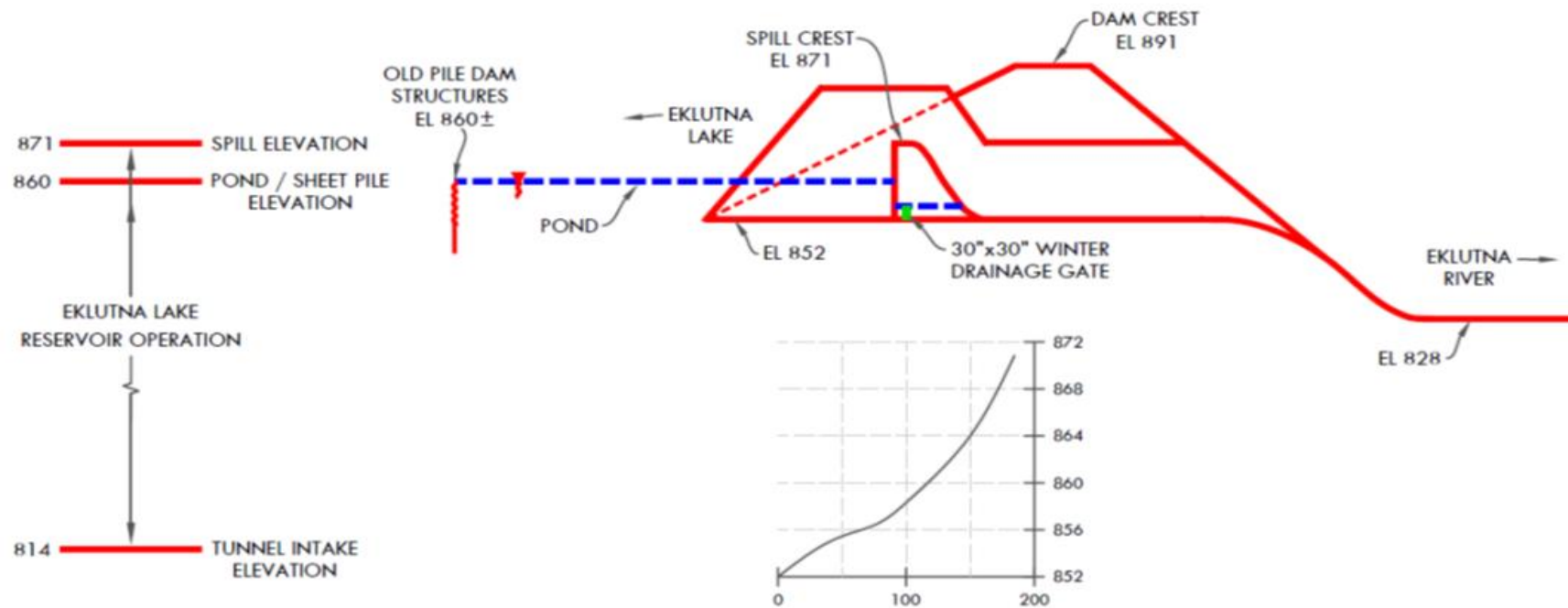
- Not available through 1991 Agreement
- Slide Gate O&M

Eklutna Hydropower Features



Pond and Slide Gate

EKLUTNA HYDROELECTRIC PROFILE DAM SPILLWAY



Future Year Study Costs – Annual Estimates

- 2022 - \$ 2,500,000 (*Study Completion*)
- 2023 - \$ 1,000,000 (*Potential Study Completion Year – Draft Program*)
- 2024 - \$ 1,000,000 (*Final Program Development and approval*)

Discussion

- Questions



UPDATE: ACQUISITION COST SAVINGS

Operations Committee Meeting
Chugach Electric Association, Inc.
Anchorage, Alaska

April 25, 2022

Agenda

Acquisition Cost Savings Update

- **Areas of Significant Cumulative Net Savings**
- **Cumulative Net Personnel Savings (Attrited / Vacant)**
- **Economic Dispatch Savings & Environmental Benefits**
- **Comparison of RCA Filing / Order v. Actual Cost Savings**
 - Cumulative Cost Savings through December 31, 2021

Areas of Significant Cumulative Net Savings

- **Other Operating Net Savings: \$30.5m**
 - Economic Dispatch of Fuel: \$12.4m
 - BRU Property Tax: \$1.1m
 - Intergovernmental Charges (IGCs): \$5.0m
 - Settlement - Restricted Rate Refund (RRR): \$12.0m
- **Personnel (All Functional Areas) Net Savings: \$12.1m**
- **Information Technology (IT) Net Savings: \$1.4m**
- **Member Services & Regulatory Net Savings: \$0.6m**
- **Human Resources (HR) & Safety Net Savings: \$0.2m**
- **Accounting & Purchasing Net Savings: \$0.2m**
- **Total Cumulative Net Savings: \$45.1m**

Cumulative Net Personnel Savings

**Full-time
Employee Count**
(Jan. 31, 2019)

517

**Full-time
Employee Count**
(Dec. 31, 2021)

438

Attrited / Vacant Positions ¹
(as of Dec. 31, 2021)

79

Cumulative Net Personnel Savings
\$12.1m

¹ Included are 42 positions that have been attrited from Chugach's budget.

Cumulative Economic Dispatch Savings (as of Dec. 31, 2021)

Month	2020 Savings	2021 Savings
January	---	\$1,036,849
February	---	\$1,363,742
March	---	\$963,941
April	---	\$1,198,324
May	---	\$384,540
June	---	\$732,776
July	---	\$123,314
August	---	\$271,064
September	---	\$694,571
October	\$32,111	\$1,222,955
November	\$1,040,942	\$1,156,639
December	\$1,003,601	\$1,160,633
Total	\$2,076,654	\$10,309,351

Total Economic Dispatch Savings

\$12,386,005

Total Avoided Fuel Usage

1,603,751 (Mcf)

Total Avoided

Carbon Dioxide (CO₂) Emissions

88,367 Metric Tons

Personnel - RCA Filing/Order v. Actual Cost Savings

Functional Area	Cumulative Estimated Personnel Cost Savings RCA Filing & Order ¹	Cumulative Actual Personnel Cost Savings Through Dec. 31, 2021	Personnel Cost Savings Comparison
Accounting & Purchasing	\$870,972	\$1,700,577	\$829,604
CEO	\$0	\$383,941	\$383,941
Dispatch	\$1,326,699	\$1,450,252	\$123,553
Engineering	\$662,222	\$1,612,694	\$950,472
Fuel	\$0	\$11,485	\$11,485
Generation	\$2,447,042	\$4,913,807	\$2,466,766
HR & Safety	\$369,021	\$1,067,493	\$698,472
IT	\$305,434	\$1,631,002	\$1,325,568
Member Svc. & Regulatory	\$456,658	\$1,191,864	\$735,206
Other Operating ²	(\$1,214,349)	(\$5,203,400)	(\$3,989,051)
T&D Operations	\$1,590,910	\$3,348,197	\$1,757,288
Total	\$6,814,609	\$12,107,912	\$5,293,304

¹ Based on RCA filed CHU-020787 Cost Savings Settlement Model and Order No. U-18-102(44)/U-19-020(39)/U-19-021(39).

² Personnel costs are included in Other Operating.

Operating - RCA Filing/Order v. Actual Cost Savings

Functional Area	Cumulative Estimated Operating Cost Savings RCA Filing & Order ¹	Cumulative Actual Operating Cost Savings Through Dec. 31, 2021	Operating Cost Savings Comparison
Accounting & Purchasing	(\$513,344)	\$175,498	\$688,842
CEO	\$0	\$0	\$0
Dispatch	\$86,414	\$0	(\$86,414)
Engineering	\$0	\$0	\$0
Fuel	\$389,511	\$0	(\$389,511)
Generation	\$0	\$0	\$0
HR & Safety	(\$122,573)	\$188,465	\$311,038
IT	(\$474,841)	\$1,434,813	\$1,909,653
Member Svc. & Regulatory	\$144,193	\$622,899	\$478,705
Other Operating ²	\$23,988,356	\$30,544,005	\$6,555,649
T&D Operations	\$0	\$0	\$0
Total	\$23,497,716	\$32,965,680	\$9,467,962

¹ Based on RCA filed CHU-020787 Cost Savings Settlement Model and Order No. U-18-102(44)/U-19-020(39)/U-19-021(39).

² Fuel savings resulting from Economic Dispatch have been included in Other Operating.

Net Total - RCA Filing/Order v. Actual Cost Savings

Functional Area	Cumulative Estimated Cost Savings RCA Filing & Order ¹	Cumulative Actual Cost Savings Through Dec. 31, 2021	Net Total Cost Savings Comparison
Accounting & Purchasing	\$357,629	\$1,876,075	\$1,518,446
CEO	\$0	\$383,941	\$383,941
Dispatch	\$1,413,113	\$1,450,252	\$37,139
Engineering	\$662,222	\$1,612,694	\$950,472
Fuel	\$389,511	\$11,485	(\$378,026)
Generation	\$2,447,042	\$4,913,807	\$2,466,766
HR & Safety	\$246,448	\$1,255,958	\$1,009,510
IT	(\$169,407)	\$3,065,814	\$3,235,221
Member Svc. & Regulatory	\$600,851	\$1,814,763	\$1,213,912
Other Operating ²	\$22,774,007	\$25,340,605	\$2,566,599
T&D Operations	\$1,590,910	\$3,348,197	\$1,757,288
Total	\$30,312,325	\$45,073,593	\$14,761,268

¹ Based on RCA filed CHU-020787 Cost Savings Settlement Model and Order No. U-18-102(44)/U-19-020(39)/U-19-021(39).

² Fuel savings resulting from Economic Dispatch and personnel costs have been included in Other Operating.

Questions?

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

April 25, 2022

ACTION REQUIRED

AGENDA ITEM NO. VII.A.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

May 1, 2021 – April 30, 2022, 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 May 1, 2021 – April 30, 2022, Chief Executive Officer Evaluation and Compensation as discussed in executive session.