

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

OPERATIONS COMMITTEE MEETING

AGENDA

Stuart Parks, Chair
Harold Hollis, Vice Chair

Rachel Morse
Mark Wiggin
Bettina Chastain

May 12, 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 14, 2021 (Abruzzino)
- IV. PERSONS TO BE HEARD
 - A. Member Comments
- V. NEW BUSINESS* (scheduled) (4:10 p.m.)
 - A. UHF Land Mobile Radio System Replacement Phase II Contract Authorization* (Johnson/Hickey) (4:10 p.m.)
 - B. Daves Creek 352 Reliability Improvements-Phase I Project Authorization* (Laughlin/Hickey) (4:20 p.m.)
 - C. Key Member and Sustainability Program (Ayers/Miller) (4:30 p.m.)
- VI. EXECUTIVE SESSION* (scheduled) (4:45 p.m.)
 - A. Beluga River Unit (BRU) Development Planning (4:45 p.m.)
 - B. May 1, 2021 - April 30, 2022 Chief Executive Officer Project Specific Initiatives and Priority Area Goals (5:15 p.m.)
 - C. Succession Plan and Policies (6:00 p.m.)
- VII. NEW BUSINESS** (continued) (6:30 p.m.)
 - A. Beluga River Unit (BRU) Development Planning** (Fouts) (6:30 p.m.)
 - B. May 1, 2021 - April 30, 2022 Chief Executive Officer Project Specific Initiatives and Priority Area Goals** (Committee) (6:35 p.m.)
- VIII. DIRECTOR COMMENTS (6:40 p.m.)
- IX. ADJOURNMENT* (7:00 p.m.)

* Denotes Action Items

** Denotes Possible Action Items

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

April 14, 2021
Wednesday
4:00 p.m.

OPERATIONS COMMITTEE MEETING

Recording Secretary: Jody Abruzzino

I. CALL TO ORDER

Chair Parks called the Operations Committee meeting to order at 4:00 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
Mark Wiggin, Director (*via teleconference*)
Bettina Chastain, Director

Other Board Members Present:

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

Guests and Staff Attendance Present:

Lee Thibert	Tyler Andrews	Tom Walsh, PRA
Brian Hickey	Mark Fouts	

Via Teleconference:

Connie Owens	Arthur Miller	Andrew Laughlin
Arden Quezon	Julie Hasquet	Mike Miller
Matthew Clarkson	Renee Curran	Keaton Lauder

II. APPROVAL OF THE AGENDA

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

III. APPROVAL OF THE MINUTES

Director Wiggin moved and Director Morse seconded the motion to approve the April 1, 2021, Operations Committee Meeting minutes. The motion passed unanimously.

IV. PERSONS TO BE HEARD

- A. *Member Comments*
None.

V. NEW BUSINESS

- A. *O'Malley Road Undergrounding Project (Laughlin/Hickey)*
Andrew Laughlin, VP, Engineering and Brian Hickey, Chief Operating Officer (COO) and Lee Thibert, Chief Executive Officer (CEO) discussed the O'Malley Road Underground Project and responded to questions from the Board.

Director Morse moved, and Director Chastain seconded the motion 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. The motion passed unanimously.

- B. *Arctic Boulevard Undergrounding Project (Laughlin/Hickey)*
Andrew Laughlin, VP, Engineering and Brian Hickey, COO discussed the Arctic Boulevard Underground Project and responded to questions from the Board

Director Chastain moved, and Director Hollis seconded the motion 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. The motion passed unanimously.

VI. EXECUTIVE SESSION

- A. *Beluga River Unit (BRU) Discussion*
- B. *PSI-3, 3.0 - Change Management Component: Employee Survey Results and Response Plan*
- C. *May 1, 2020 – April 30, 2021 Chief Executive Officer - Project Specific Initiatives (PSI)*
- D. *May 1, 2020 – April 30, 2021 Chief Executive Officer – Priority Areas*
- E. *2020 Chief Executive Officer - Evaluation and Compensation Discussion*
- F. *May 1, 2021 – April 30, 2022 Chief Executive Officer – Project Specific Initiatives*

At 4:19 p.m., Director Hollis moved, and Director Morse 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) discuss personnel matters. The motion passed unanimously.

The meeting reconvened in open session at 7:48 p.m.

VII. NEW BUSINESS

A. Recommendation on 2020 Chief Executive Officer Evaluation & Compensation (Committee)

Director Wiggin moved, and Director Hollis seconded the motion that the Operations Committee recommends the Board of Directors approve the 2020 CEO Evaluation and Compensation as discussed in Executive Session. The motion passed unanimously.

B. Recommendation on 2020 (May 1, 2021-April 30, 2022) Chief Executive Officer Key Performance Indicators

Director Parks advised that this motion is being deferred until the 2021-2022 PSI can be identified further.

VIII. DIRECTOR COMMENTS

Comments were made at this time.

IX. ADJOURNMENT

At 7:54 p.m., Director Morse moved, and Director Hollis seconded the motion to adjourn. The motion passed unanimously.

Land Mobile Radio Replacement

Operations Committee Meeting
May 12, 2021



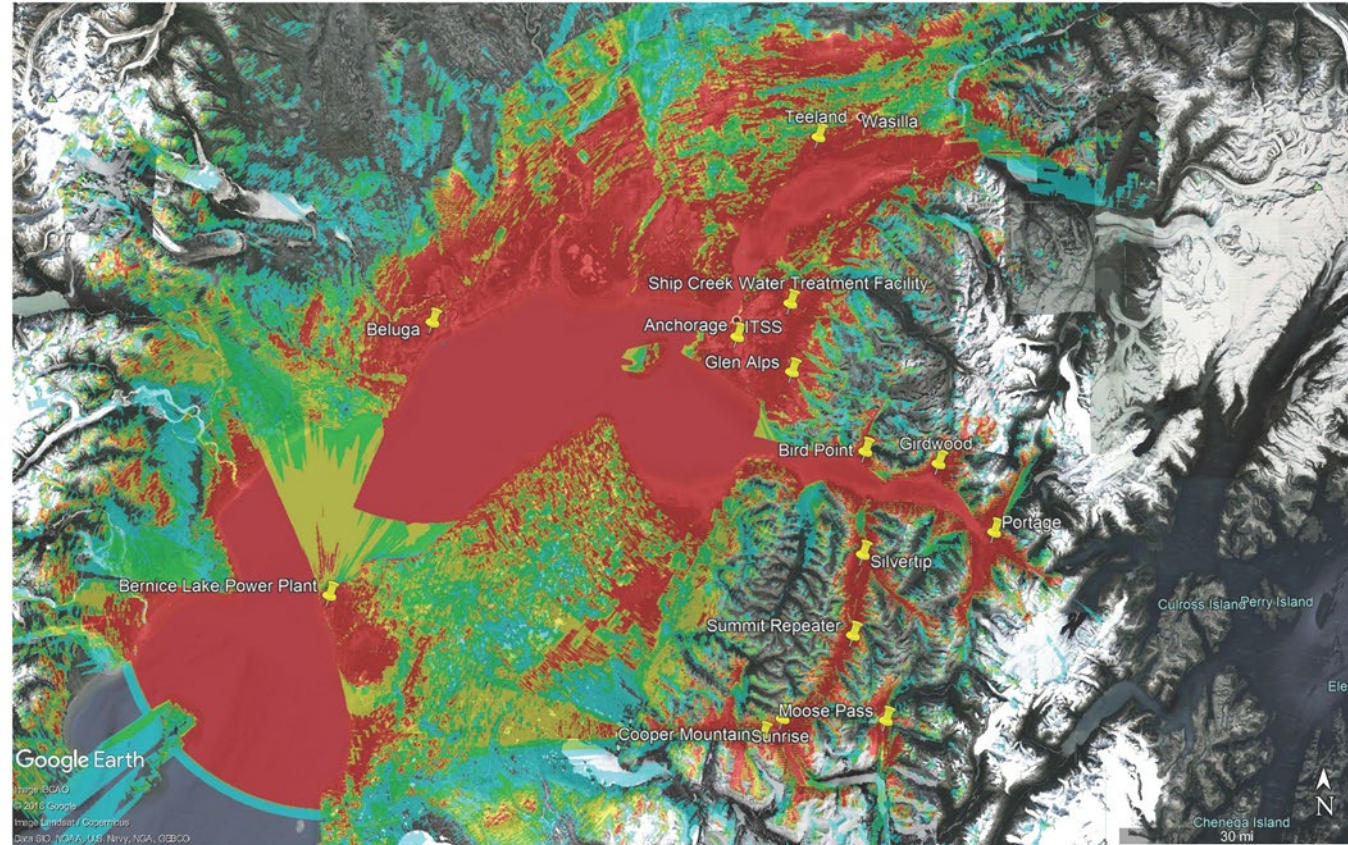
Agenda

1. Purpose
2. Project Scope
3. Schedule
4. Questions

Purpose

- Chugach utilizes land mobile radio system for Dispatch, Line Operations, Production, and Engineering critical operations
- Ph I of the project replaced 14 repeater sites and deploys 160 mobile and 175 portable radios and Dispatch base stations for South District system operations
- Ph II of the project will deploy 141 mobile and 95 portable radios and 1 additional repeater site for North District Operations

Two-Way Radio System



Project Scope and Status

- System installed and under test
- South District vehicle installation and system cutover in July
- Phase II to kick off June 1
- North District installation and cutover in Aug/Sept
- Discontinue leased use of MOA AWARN system for North District upon completion

Questions

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

May 12, 2021

ACTION REQUIRED

AGENDA ITEM NO. V.A.

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

TOPIC

UHF Land Mobile Radio System Replacement Phase II Contract Authorization

DISCUSSION

Chugach utilizes a UHF Land Mobile Radio System to provide critical communications for system operations across our entire service territory. The existing mobile radio system was placed in service in 2002 and has reached the end of its serviceable life. The manufacturer of the system is no longer in business and spare parts and technical support are no longer available. Additionally, the system cannot be expanded to accommodate additional usage that will result from the acquisition of ML&P.

In February 2020, the Chugach Board of Directors approved contract to successful proposer RACOM in the amount of \$1,454,133.16 in response to RFP 19-24. The RACOM contract included the option to purchase additional mobile and portable radio equipment as a second project phase to replace North District mobile and portable radios in support of consolidated North/South District operations after July 2021.

The initial phase of this project replaces 14 fixed repeater sites and approximately 340 mobile and portable radios. To date, the vendor has completed system design, coverage maps, system drawings, system programming of mobile and portable radios, dispatch control stations, and repeaters. Chugach has completed installation and testing of the system, with installation of vehicle radios and system cutover scheduled for July 2021.

Chugach is currently leasing use of the Municipality of Anchorage Wide Area Radio Network (AWARN) system for North District Operations at a monthly cost of \$10,000. After finalizing radio quantities the contract amount for Ph II is \$428,075.07.

Funding for Ph II of the project for deployment of mobile and portable radios was included in the approved 2021-2025 Capital Improvement Plan. This motion is for an increase to the services contract with RACOM to include all mobile and portable radios for deployment of Ph II.

MOTION

Move that the Operations Committee recommends the Board of Directors approve the resolution authorizing the Chief Executive Officer to execute an increase to the services contract with RACOM to replace Chugach's UHF Land Mobile Radio System in the amount of \$428,075.07 for a new Contract NTE amount of \$1,882,208.23



RESOLUTION

UHF Land Mobile Radio System Replacement Ph II Contract Authorization

WHEREAS, Chugach Electric Association, Inc. (Chugach) has identified the need to replace the UHF Land Mobile Radio System to increase safety and reliability;

WHEREAS, the UHF Land Mobile Radio System is critical to the operation of the Bulk Electric System;

WHEREAS, the existing UHF Land Mobile Radio System has reached the end of its serviceable life;

WHEREAS, Chugach's Board of Directors authorized contract in February 2020 in the amount of \$1,454,133.16, for the replacement of the mobile radio system;

WHEREAS, the contract included a pricing option to purchase additional radio equipment for Ph II deployment in support of consolidating South/North District system operations after purchase of ML&P with an estimated cost of \$460,796;

WHEREAS, Chugach's ML&P purchase integration work plans included deployment of mobile radios in the North District to replace use of the leased Municipality of Anchorage AWRN mobile radio system;

WHEREAS, Chugach has included this project in the approved 2021 Annual Operating Budget which includes funding for Ph II deployment; and

WHEREAS, final pricing for the Ph II radio system deployment based on final radio counts and contract pricing has been determined to be \$428,075.07;

NOW, THEREFORE, BE IT RESOLVED, that the Chugach Board of Directors authorizes the Chief Executive Officer to execute an amendment to the services contract with RACOM to replace the UHF Land Mobile Radio system in the amount of \$428,075.07 for a total contract NTE amount of \$1,882,208.23

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 26th day of May 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 26th day of May 2021.

Secretary

Daves Creek 352 Reliability Improvements Project – Phase I

**Operations Committee Meeting
May 12, 2021**



Daves Creek 352 Reliability Improvements Project – Phase I

Introduction

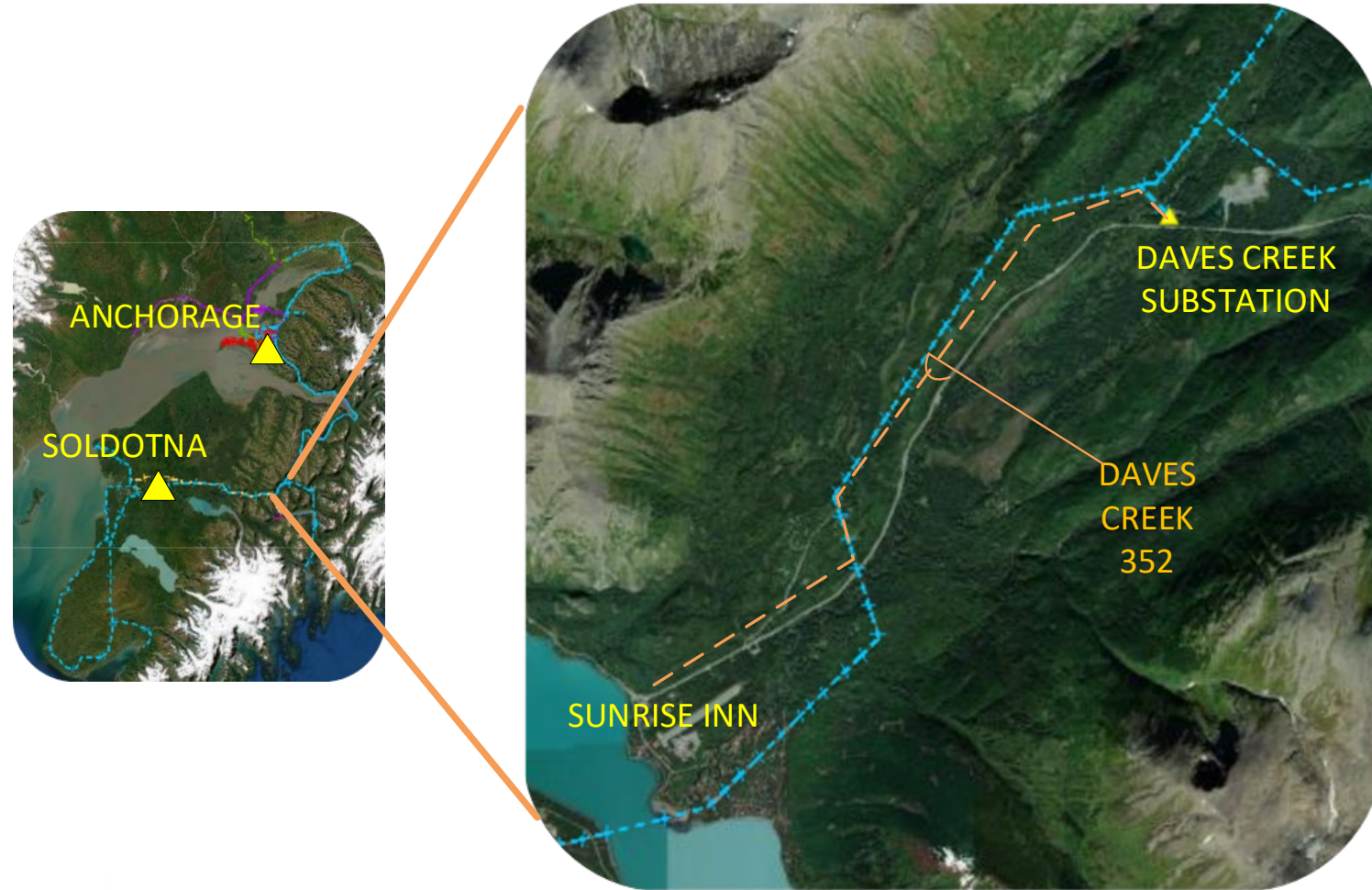
- Request an approved Motion for Project Authorization.

Project Description

- Daves Creek Feeder 352 provides power to Cooper Landing.
- This project will reconstruct approximately 4-1/2 miles of distribution from Daves Creek Substation to Sunrise Inn.
- New poles will be added, and existing poles reframed. The conductor will be upgraded.
- Improvements will reduce outages, increase capacity, and bring three phase power to Cooper Landing.

Daves Creek 352 Reliability Improvements Project – Phase I

Project Location



Daves Creek 352 Reliability Improvements Project – Phase I

Project Costs

- \$1.6 M estimated cost / Project Authorization amount.
- Budgeted in the 2021 Capital Improvement Plan.
- Contracts will be brought to the Board as needed.



CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

May 12, 2021

ACTION REQUIRED

AGENDA ITEM NO. V.B.

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

TOPIC

Daves Creek 352 Reliability Improvements Phase I - Project Authorization

DISCUSSION

Daves Creek Substation feeder 352 serves Cooper Landing. The distribution line has a history of reliability issues with long restoration times because of the travel time required to dispatch line crews from Anchorage. The physical arrangements of the line have caused nuisance tripping and heavy loading have operationally constrained the line. Due to age, most of the overhead construction does not meet current avian protection standards.

This project will reconstruct approximately four and a half miles of distribution line from Daves Creek substation to Sunrise Inn. Poles will be replaced or added as needed to correct span or uplift issues. All pole top assemblies will be reframed using current avian protection standards. Dead-ends and line switches will be added to reduce affected meters per outage and to reduce line patrol and restoration time. The conductors will be upgraded to provide additional capacity for future load growth. Three phase power will be made available to Cooper Landing, allowing load re-allocation to addressing voltage sag complaints.

The cost of the project is estimated at \$1,600,000.

MOTION

Move that the Board of Directors authorize the Chief Executive Officer to proceed with the Daves Creek 352 Reliability Improvements Phase I project at an estimated total cost of \$1,600,000.



RESOLUTION

Daves Creek 352 Reliability Improvements Phase I - Project Authorization

WHEREAS, Chugach Electric Association, Inc. (Chugach) has identified the need to reconstruct the DCSS 352 feeder from the Dave's Creek Substation to Sunrise Inn;

WHEREAS, the project was budgeted in the 2021 Capital Improvement Plan;

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors authorizes the Chief Executive Officer to proceed with Daves Creek 352 Reliability Improvements – Phase I estimated amount of \$1,600,000.

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 26th day of May 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 26th day of May 2021.

Secretary

Key Members & Sustainability

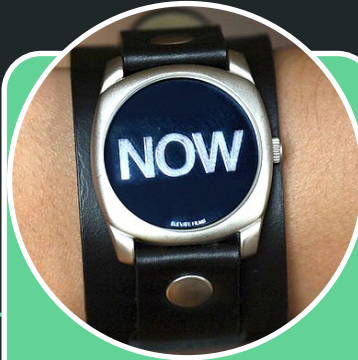
Introduction and Status Update

Chugach Electric Association, Inc.
Operations Committee Meeting
May 12, 2021

Agenda



Background



Today



Tomorrow

Key Members & Sustainability



2021 - 2025 STRATEGIC PLAN

CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA



STRATEGIC PRIORITY 3: COMMUNICATION, MEMBER ENGAGEMENT COMMUNITY INVOLVEMENT

PRIORITY GOAL:
Maximize member satisfaction; enhance community involvement.

KEY THEMES & OBJECTIVES:

- Increase member satisfaction
- Maintain a strong community presence
- Enhance sustainability tracking and reporting
- **Reintroduce key accounts program**
- Continue Employee Volunteer Program

As a member-owned cooperative, Chugach is committed to enhancing member engagement. Members are partners in our business. In alignment with sustainability, it is necessary that we work diligently for the benefit of both members and the communities we serve. Effective and ongoing member engagement and community involvement are important to Chugach's long-term success as an electric cooperative.

Celebrating the Holidays at the office

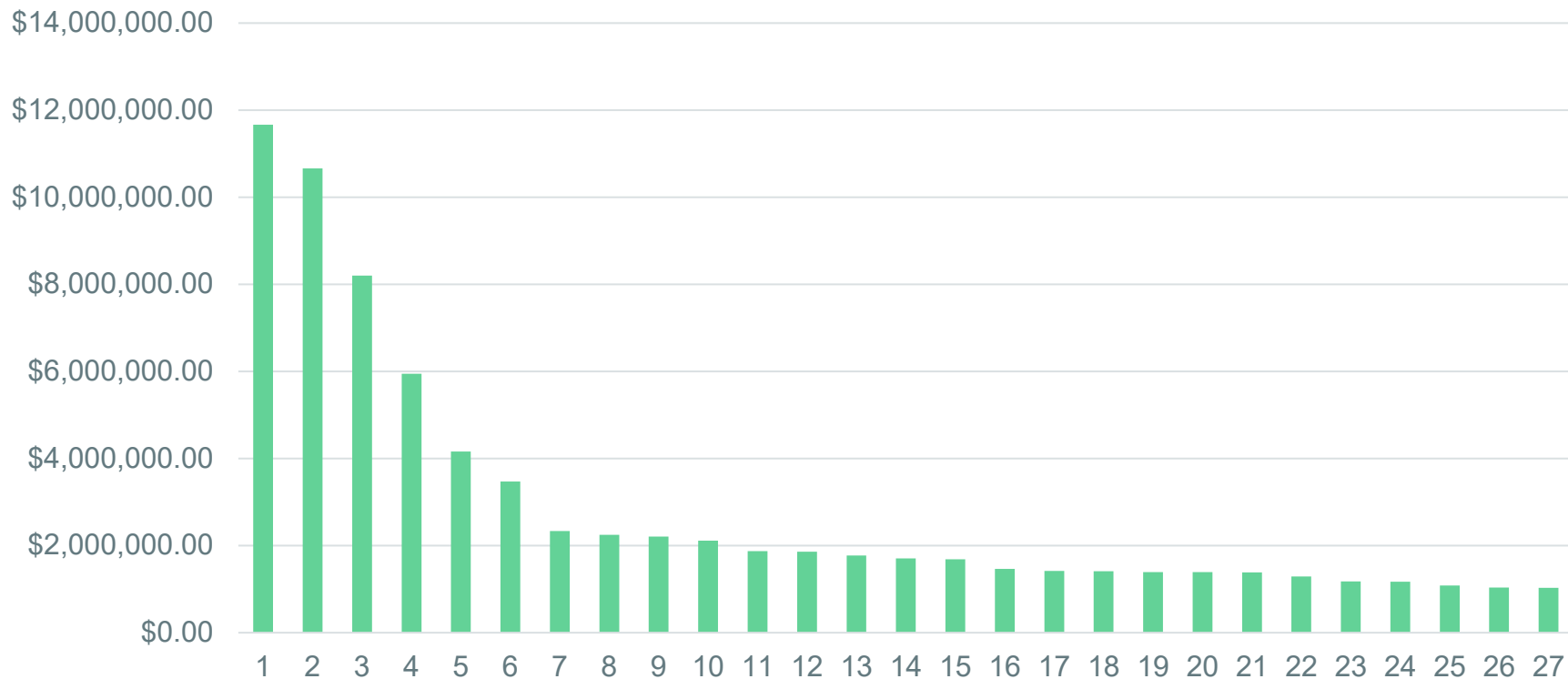
Chugach's Member Appreciation Day



Who are Key Members?

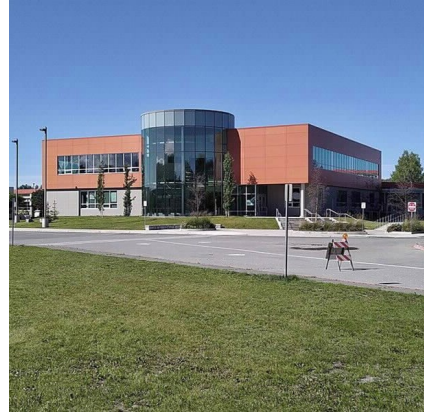
Members that have an **annual billed revenue of one million dollars** or more are a key member.

Key Members by 2020 Billed Revenue



Welcome Meetings

- Acquisition Overview
- What is a Cooperative?
- Member Incentives
- My Account Member Portal
- Key Member Specific Topics

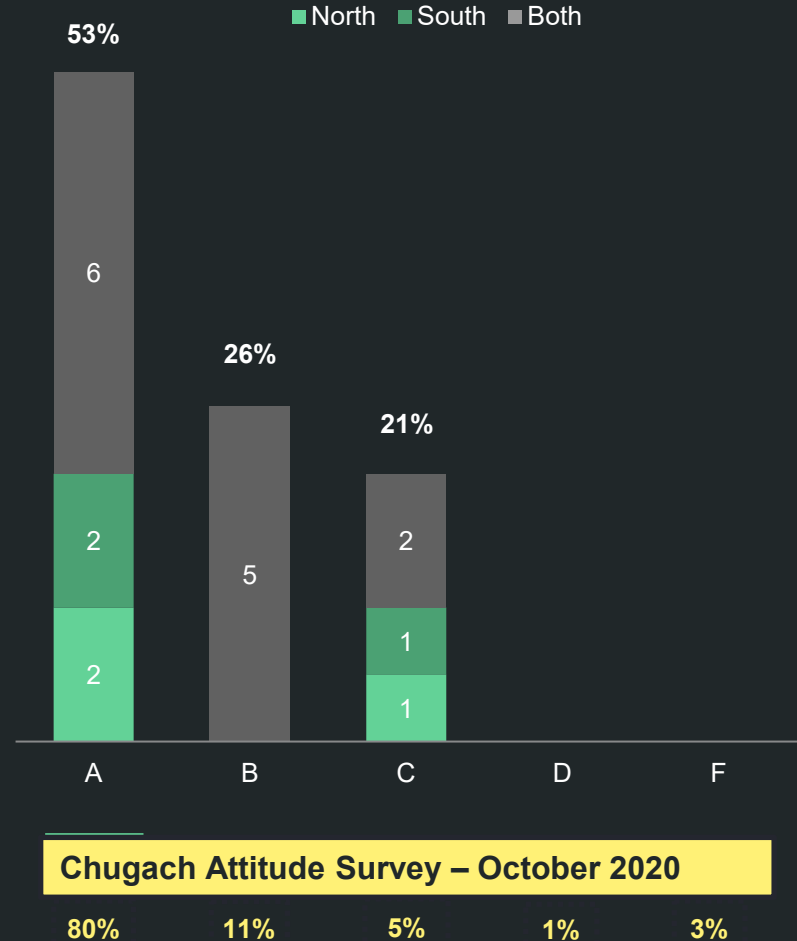


Survey Overview

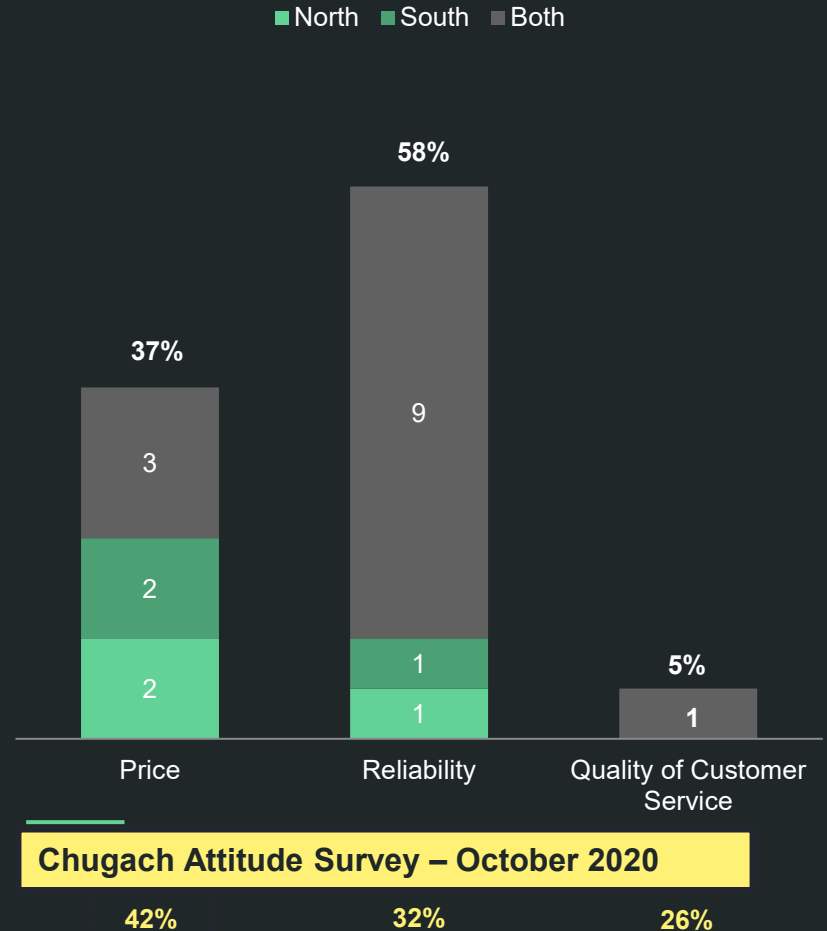
- Open from March 1 - March 17
- 19 questions
- Invited all 27 key members
 - 19 members responded
 - **3: South** District Members Only
 - **3: North** District Members Only
 - **13:** Members that have accounts in **Both** North and South Districts
- Expected time: 6 minutes
 - Average time spent: 11 minutes



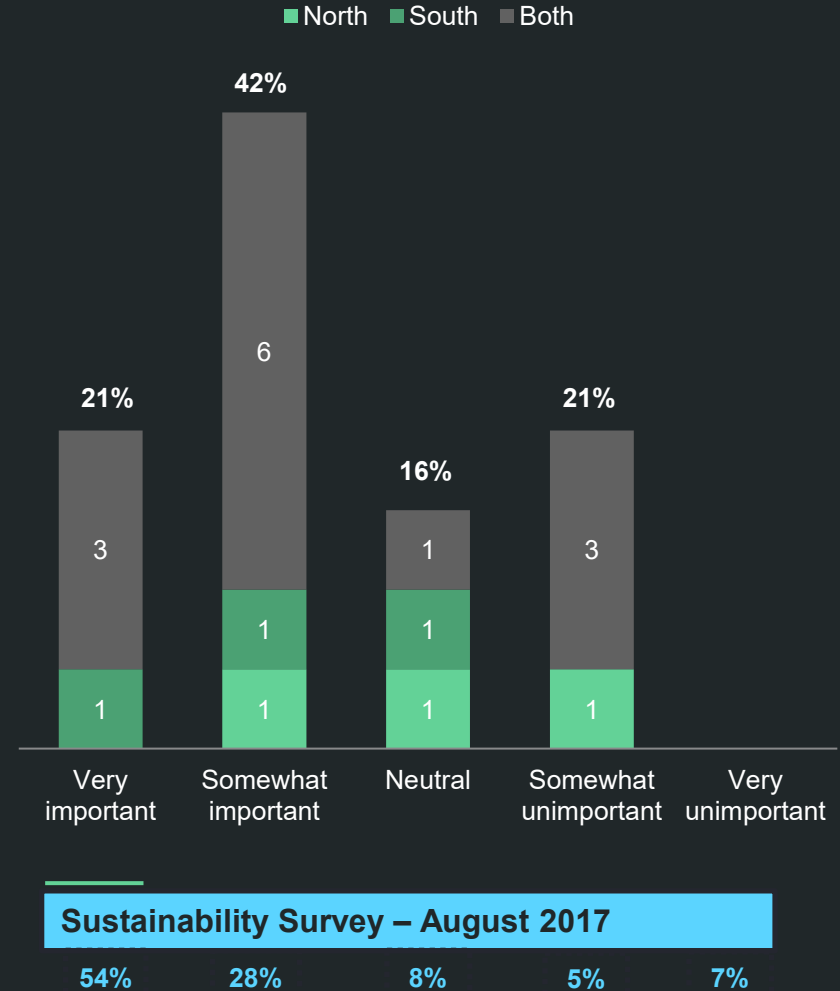
Would you give Chugach an
A, B, C, D or F in restoring
service after a power
outage occurs?



Which is most important to your business -- is it **price**, **reliability**, or **quality of customer service**?



How important is it to you that Chugach make **decisions with consideration of financial, environmental and social factors**, as opposed to consideration of primarily financial factors?

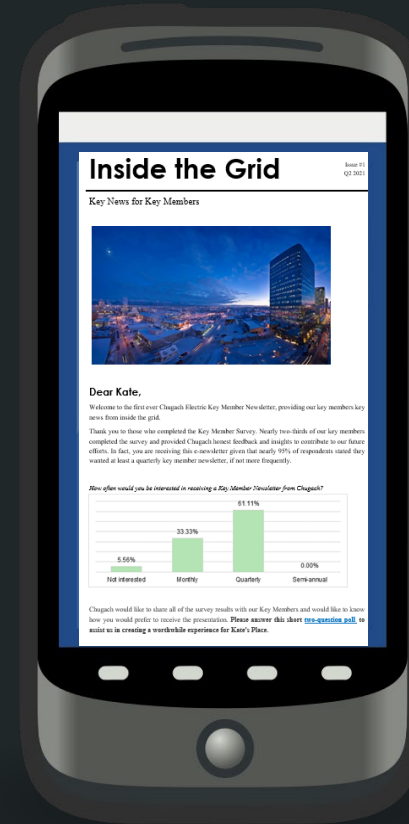


Key take-aways

- Reliability is #1 priority, followed closely by price
- 75% have considered renewable technologies or combined heat and power at their location
- Education on Renewable Energy Certificates (RECs) is needed
- Time of Use rates are of interest
- Round up program is not of interest
- 45% have or are considering the installation of an EV charger in the next 5 years
- Information sought from Chugach on a quarterly basis
- Highly interested in removing demand ratchet (North District Members only)

What's Next?

- Key Member Newsletter
- Key Member Event
- Rate Design Feedback
- EV Incentive Programs
- Data Requests
- REC Sale Program
- Membership Merges





2021 - 2025 STRATEGIC PLAN

CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA



Sustainable Chugach

People

Planet



Performance



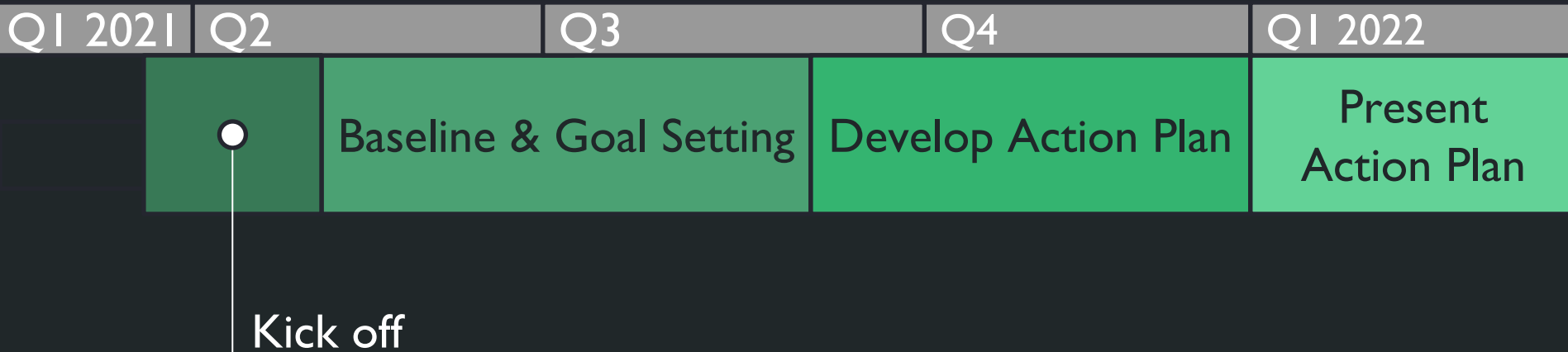
Sustainability Committee



An employee led committee to shine a light on sustainable practices from the inside out. This employee-powered committee is intended to discover and help implement best practices to better display Chugach's commitment to sustainability and be a recognized leader of sustainable habits in our community.



Sustainability Committee Timeline



“[Member Name] is a proud, long-time customer of Chugach Electric for many years. We have enjoyed working with Chugach's staff and the extraordinary level of service we have received. We hope moving forward into the future we can maintain our good relationship and work together to keep demand rates from increasing so we can develop electricity-based projects.”

“We appreciate the customer focus of Chugach. All invoices are now aligned for our 80+ meters. Additionally, the added assistance on the monthly billing spreadsheet consolidating our meters and demand across our portfolio is very helpful.”

Questions?

“At least we're not Texas - and thank you for that.”

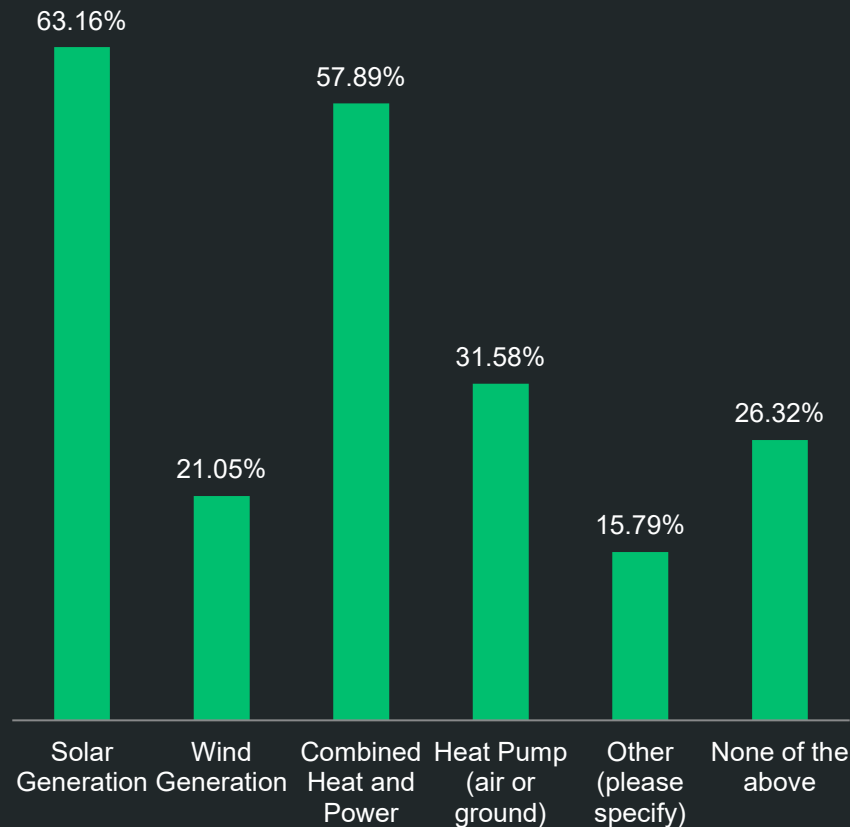
“Price, reliability, resilience, and sustainability are all important to [Member Name]”

“I appreciate the recent conversations with Scarlett and crew. This is the most communication I've seen in my tenure at [Member Name]. We look forward to a continued positive relationship as Chugach works out the specifics of the merger.”

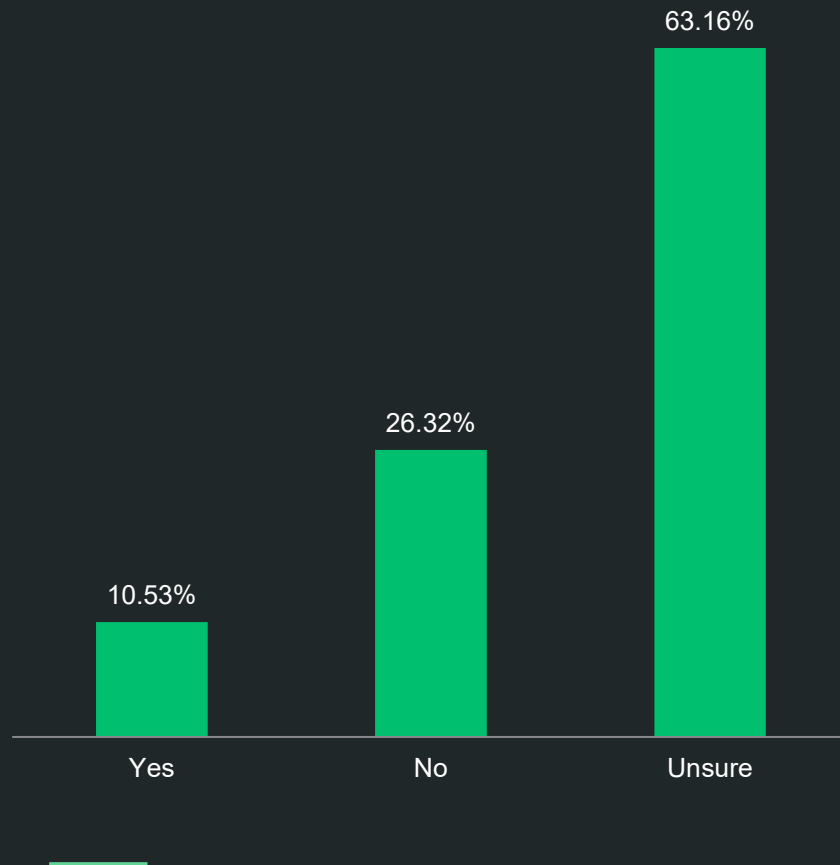
Addendum Slides

Have you **considered**
installing any of the
following technologies
at your business location(s)?
Check all that apply.

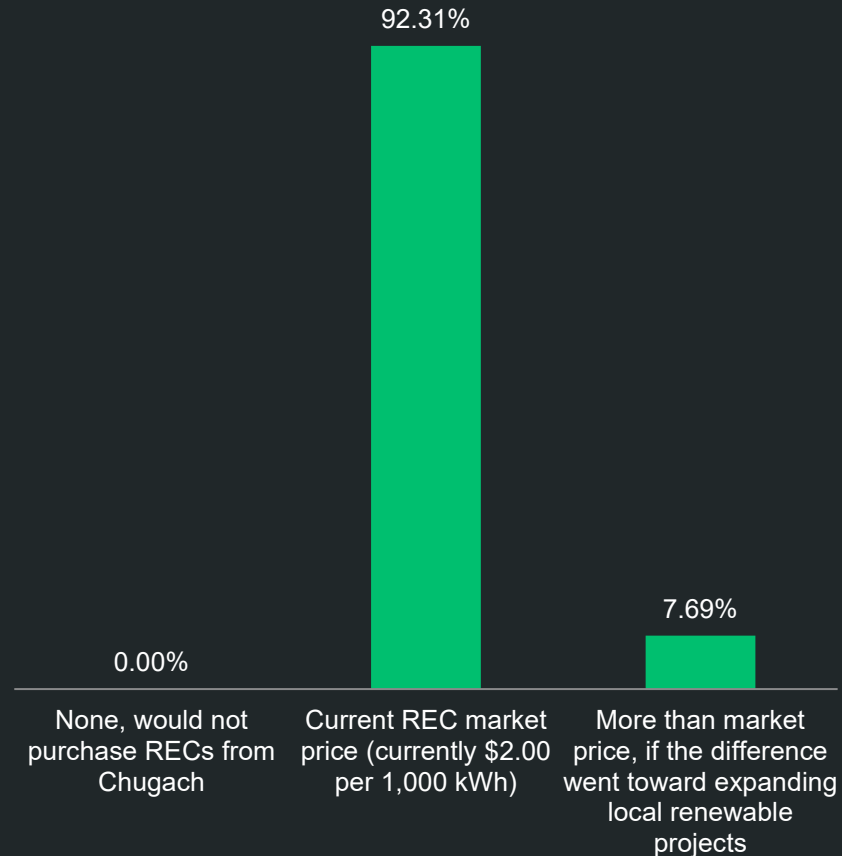
* Three members selected “Other”. Two of the three indicated they have an EV charger at their location, the other expressed they already have solar.



Renewable Energy Certificates (RECs) represents the rights to claim the environmental, social and other non-power attributes of renewable electricity generation. Would you be **interested in purchasing RECs** directly from Chugach?

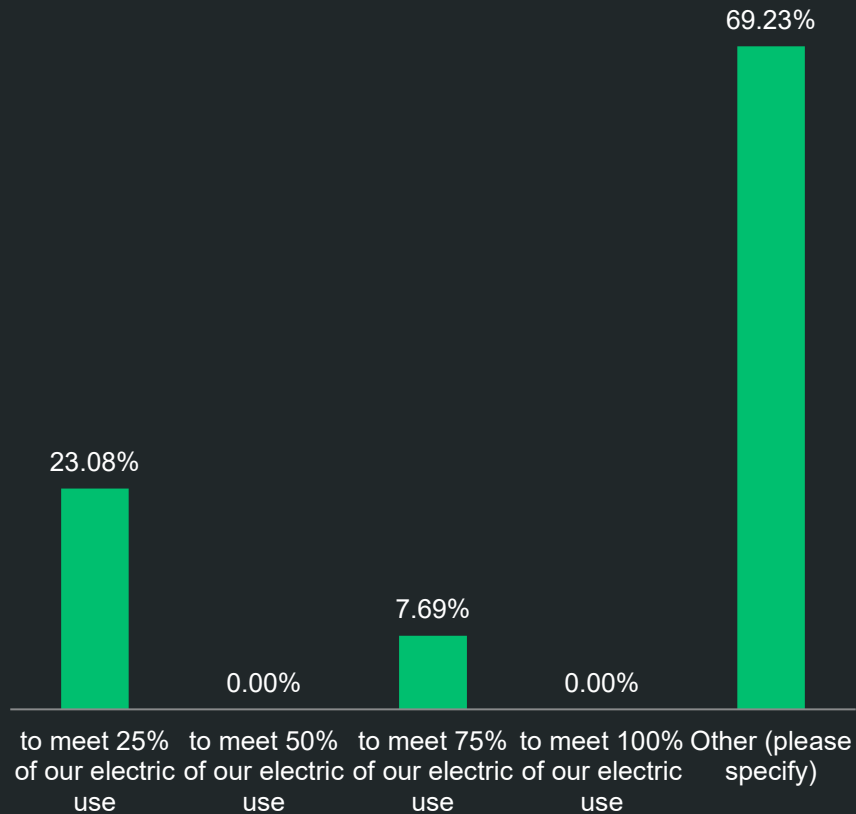


How much would you be willing to **pay per REC?**

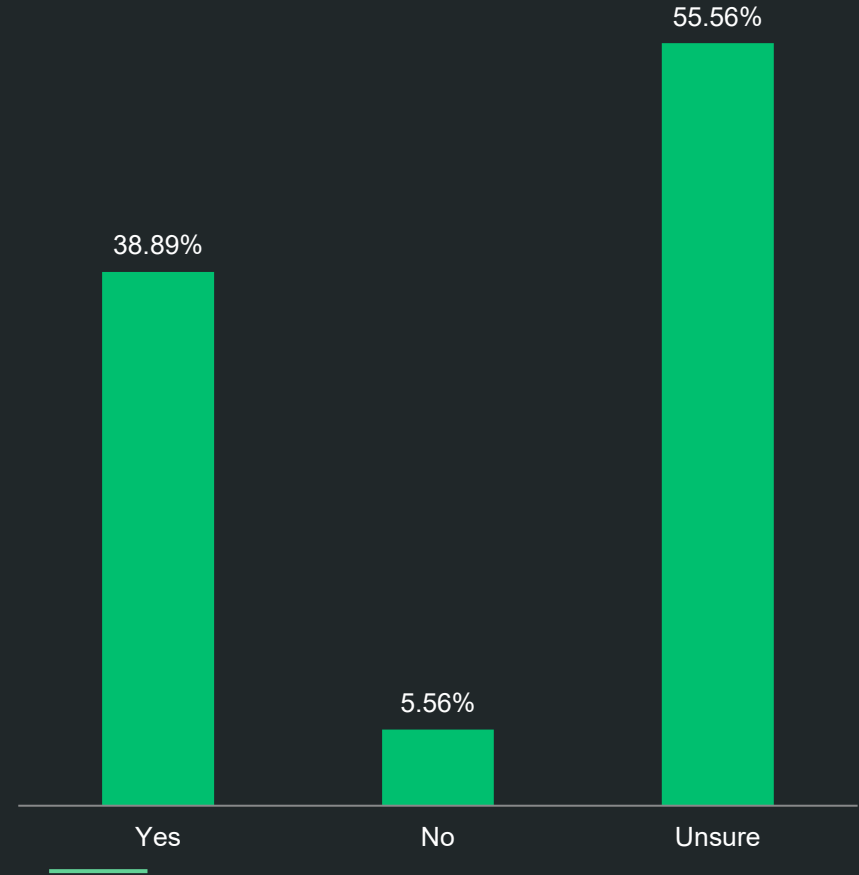


How many RECs would you be willing to purchase in a year?

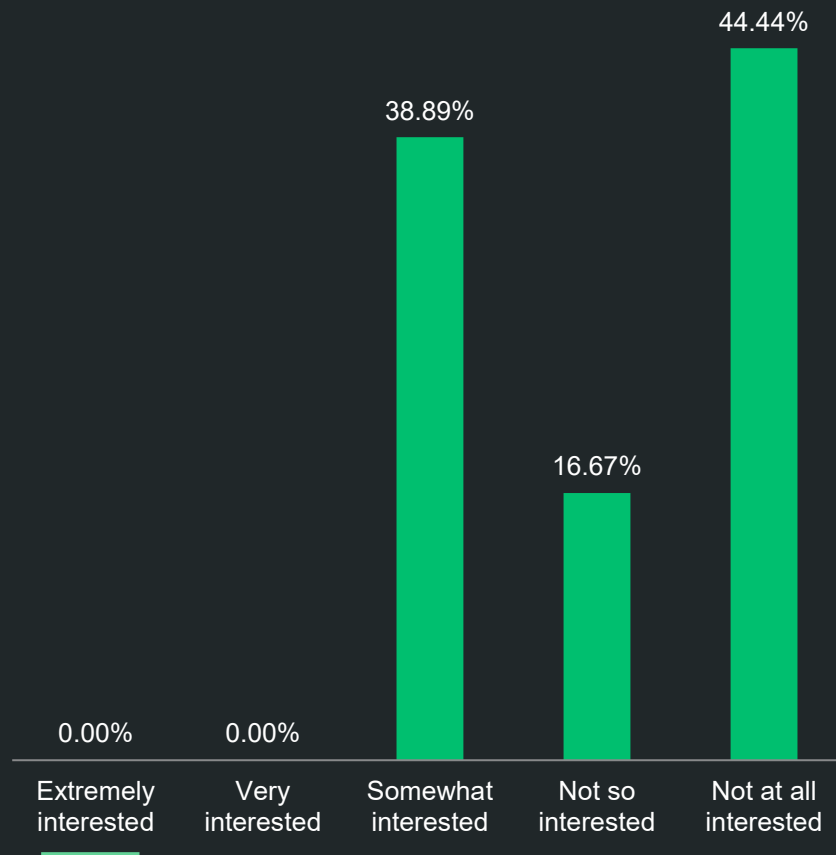
* Nine members selected “Other”. These members indicated they needed more time to research RECs, or simply did not know.



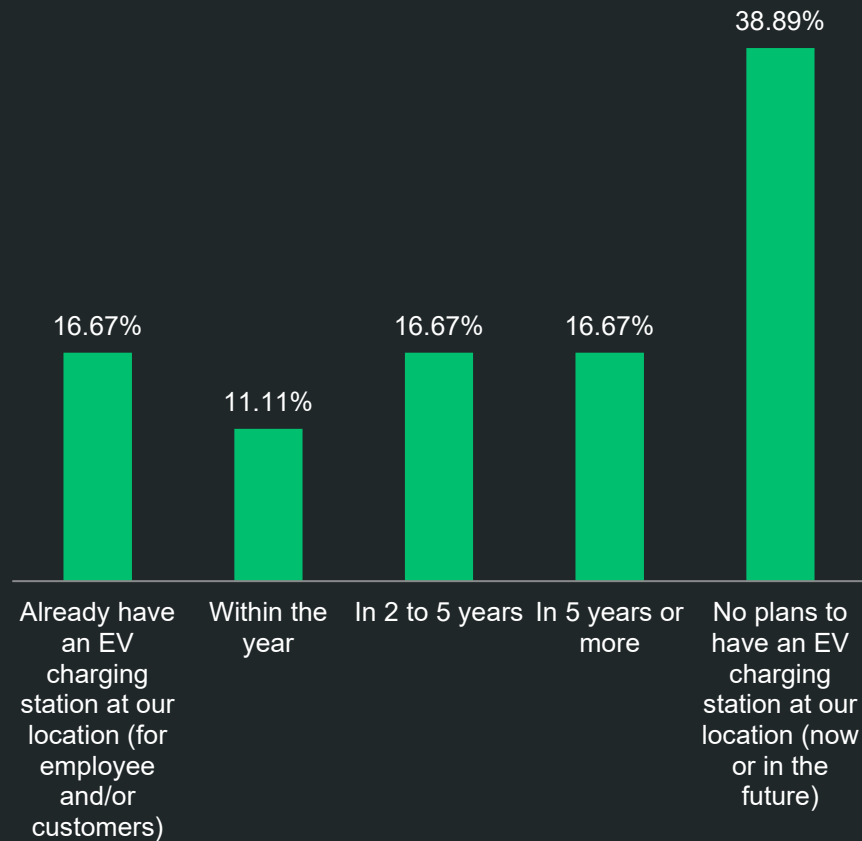
Time of Use (TOU) plans are based on how much energy you use and when you use it. TOU plans can help manage energy costs by taking advantage of lower rates during off-peak periods. Would you be interested in a **TOU electric rate?**



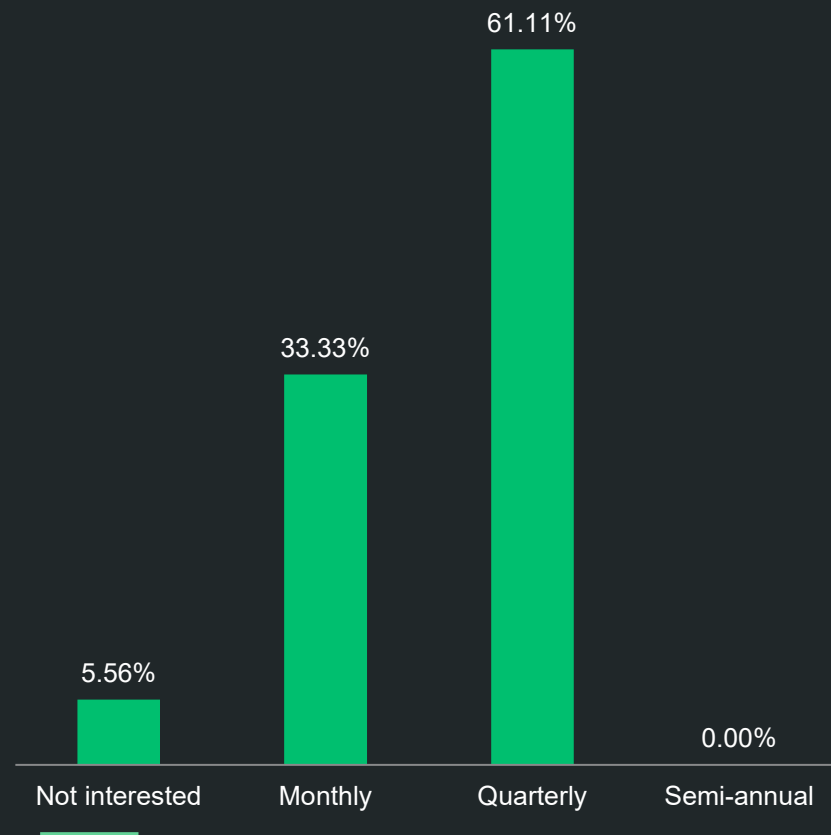
Would you be interested in participating in a member supported program that allows Chugach members to **round their bill to the nearest dollar each month**? The contributions would directly support grants and organizations in the communities that we serve.



When do you plan on
providing an **EV**
charging station (for
employees and/or customers)
at your location(s)?



How often would you be interested in receiving a **Key Members Newsletter** from Chugach? It would provide Key Members with information about the cooperative and updates on various projects, including tariff revisions and Chugach events.



What are your thoughts about the Chugach North **demand ratchet**?

“Get rid of it”

“Not a fan”

“Hate the demand ratchet”

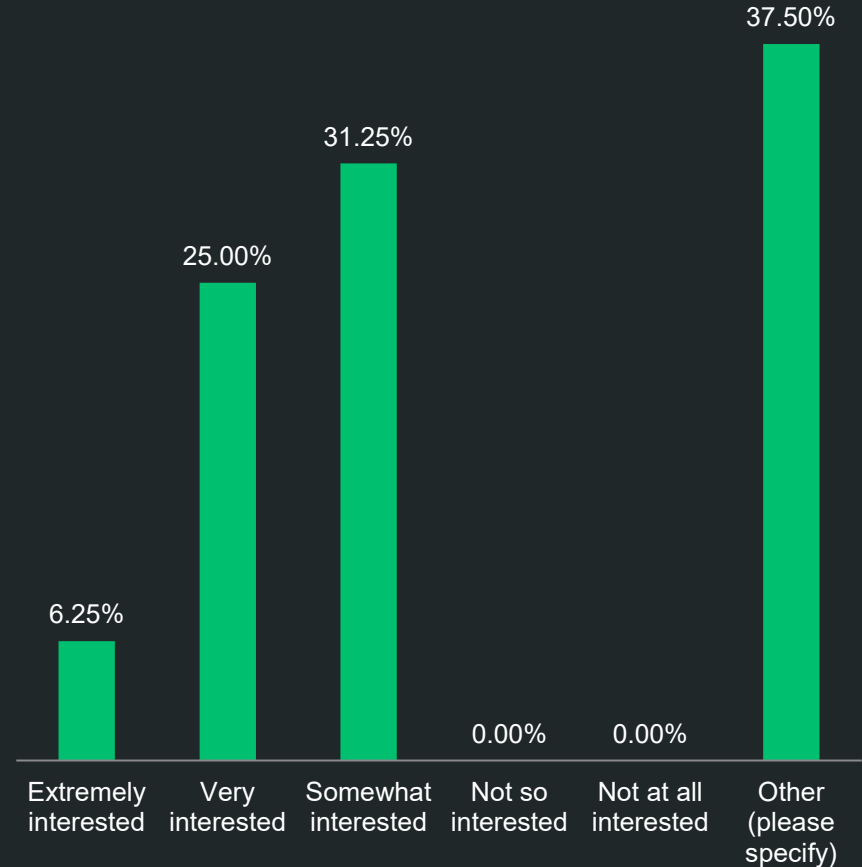
“Please do not implement a demand ratchet. From an owner perspective, this makes it very difficult to realize, project, and budget for efficiency improvements. It also heavily penalizes an owner for momentary building operational irregularities that may have been caused by system restarts after a power outage.”

“We would prefer to pay per use based on actual accrual. This is the single largest concern that we have about the historical practices and look forward to when the fee structure can be modified to address this.”

“So if I understand this correctly, this would result in a very large demand charge hike for the pleasure of buying MLP. It's tripe and will lead to me immediately starting the process for installing Co-Gen.” - *South Member*

Chugach is working on combining the North and South tariffs into one. Through this work, would you be interested in Chugach **removing the demand ratchet rate structure if it meant having more charges in the energy rate?**

* “Other” comments included wanting to know more about their options and impacts to rates



CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

May 12, 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

Beluga River Unit (BRU) Development Planning

DISCUSSION

As reviewed and discussed in Executive Session.

MOTION

Move that the Operations Committee recommends the Board of Directors approve the proposed agreement as discussed in executive session.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

May 12, 2021

ACTION REQUIRED

AGENDA ITEM NO. VII.B.

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

TOPIC

May 1, 2021 - April 30, 2022 Chief Executive Officer – Project Specific Initiatives and Priority Area Goals

DISCUSSION

As discussed in executive session at the March 24 and April 28, 2021, Regular Board of Directors', April 14 and May 12, 2021, Operations Committee meetings.

MOTION

Move that the Operations Committee recommends the Board of Directors approve the May 1, 2021 - April 30, 2022 Chief Executive Officer Project Specific Initiatives and Priority Area Goals as discussed in executive session.