

CHUGACH ELECTRIC ASSOCIATION, INC. ANCHORAGE, ALASKA

REGULAR BOARD OF DIRECTORS' MEETING

AGENDA

Bettina Chastain, Chair Susan Reeves, Director Rachel Morse, Treasurer Stuart Parks, Secretary Harry T, Crawford, Jr., Director Jim Henderson, Director Harold Hollis, Director

May 22, 2019

Immediately Following the Governance Committee Meeting

Chugach Boardroom

- I. CALL TO ORDER (4:00 p.m.)
 - A. Pledge of Allegiance
 - B. Roll Call
 - C. Safety Minute "Boating Safety" (Freeman) (4:05 p.m.)
- II. APPROVAL OF THE AGENDA*
- III. PERSONS TO BE HEARD
 - A. Member Comments
- IV. CONSENT AGENDA* (4:10 p.m.)
 - A. Board Calendar
 - B. Training and Conferences
 - 1. NRECA Summer School for Directors, August 2-7, 2019, Branson, MO (Deadline for conference and hotel registration is June 24, 2019)
 - 2. 2019 APA Annual Meeting, August 20-23, 2019, Juneau, AK (Deadline for conference and hotel registration is July 26, 2019)
 - C. Minutes
 - 1. April 24, 2019, Regular Board of Directors' Meeting (Portades)
 - 2. April 26, 2019, Special Board of Directors' Meeting (Portades)
 - 3. May 21, 2019, Regular Board of Directors' Meeting (Quezon)
 - D. Director Expenses
 - E. Board Policy 207, Audit and Finance Committee
 - F. Fiscal Year 2019 Tax Services
 - G. Board Policy 307, Interest Rate Risk Management Policy
- V. CEO REPORTS AND CORRESPONDENCE (4:30 p.m.)
 - A. 2019 State Legislative Briefing (Steyer)
 - B. Board Policy Scheduled Tasks/Reports (Board/Staff)



VI. DIRECTOR REPORTS (4:50 p.m.)

- A. Alaska Power Association (APA) Report (4:50 p.m.)
- B. Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report (4:55 p.m.)
- C. Renewable Energy Alaska Project (REAP) Report (5:00 p.m.)
- D. Board Committee Reports (Audit and Finance, Operations & Governance) (5:05 p.m.)
- E. Other Meeting Reports (5:15 p.m.)

VII. UNFINISHED BUSINESS (none)

VIII. NEW BUSINESS* (scheduled) (5:25 p.m.)

- A. Discussion Board Election Procedures (5:25 p.m.)
- B. Election of Officers* (Board) (5:30 p.m.)
- C. Adoption of Calendar of Regular Meetings of the Board of Directors* (Owens/Thibert) (5:40 p.m.)
- D. Appointment of ARCTEC Member, Management and Alternate Representatives* (Housekeeping) (5:45 p.m.)
- E. Appointment of REAP Member and Alternate Representatives* (Housekeeping) (5:50 p.m.)
- F. Appointment of APA Member and Alternate Representatives* (Housekeeping) (5:55 p.m.)
- G. 2018 Capital Credit Allocations* (Kornmuller/Miller) (6:00 p.m.)
- H. Simplified Rate Filing: March 2019 Test Year* (Kornmuller/Miller) (6:05 p.m.)

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

- A. 2019 (May 1, 2019 April 30, 2020) Chief Executive Officer Key Performance Indicators (6:15 p.m.)
- B. Non-Represented Retirement Pay and Benefits (6:30 p.m.)
- C. RRC/TRANSCO Update (7:20 p.m.)
- D. ML&P Acquisition Update (7:40 p.m.)

X. NEW BUSINESS* (continued) (8:10 p.m.)

- A. 2019 (May 1, 2019 April 30, 2020) Chief Executive Officer Key Performance Indicators* (Board) (8:10 p.m.)
- B. Beluga Transformer Replacement Project* (Hickey/Laughlin) (8:15 p.m.)
- C. Approve Stakeholder RRC/MOU** (Hickey) (8:20 p.m.)
- XI. DIRECTOR COMMENTS (8:25 p.m.)
- XII. ADJOURNMENT* (8:35 p.m.)

Boating Safety



Questions to ask yourself.

- 1. What should I do before I go boating?
- 2. What do I need?
- 3. Which life jacket is right for me and my family.
- 4. How will weather impact my boating plans?
- 5. What are the important reminders for recreational boaters?



KEY TIPS

- Check condition of your boat and equipment
- Carry a marine radio or some means of communication with shore.
- Wear a PFD at all times
- Don't overload your boat.
- Keep an eye on the weather



CHUGACH ELECTRIC ASSOCIATION, INC. ANCHORAGE, ALASKA

REGULAR BOARD OF DIRECTORS' MEETING

AGENDA

Bettina Chastain, Chair Susan Reeves, Director Rachel Morse, Treasurer Stuart Parks, Secretary Harry T, Crawford, Jr., Director Jim Henderson, Director Harold Hollis, Director

May 22, 2019

Immediately Following the Governance Committee Meeting

Chugach Boardroom

- I. CALL TO ORDER (4:00 p.m.)
 - A. Pledge of Allegiance
 - B. Roll Call
 - C. Safety Minute "Boating Safety" (Freeman) (4:05 p.m.)
- II. APPROVAL OF THE AGENDA*
- III. PERSONS TO BE HEARD
 - A. Member Comments
- IV. CONSENT AGENDA* (4:10 p.m.)
 - A. Board Calendar
 - B. Training and Conferences
 - 1. NRECA Summer School for Directors, August 2-7, 2019, Branson, MO (Deadline for conference and hotel registration is June 24, 2019)
 - 2. 2019 APA Annual Meeting, August 20-23, 2019, Juneau, AK (Deadline for conference and hotel registration is July 26, 2019)
 - C. Minutes
 - 1. April 24, 2019, Regular Board of Directors' Meeting (Portades)
 - 2. April 26, 2019, Special Board of Directors' Meeting (Portades)
 - 3. May 21, 2019, Regular Board of Directors' Meeting (Quezon)
 - D. Director Expenses
 - E. Board Policy 207, Audit and Finance Committee
 - F. Fiscal Year 2019 Tax Services
 - G. Board Policy 307, Interest Rate Risk Management Policy
- V. CEO REPORTS AND CORRESPONDENCE (4:30 p.m.)
 - A. 2019 State Legislative Briefing (Steyer)
 - B. Board Policy Scheduled Tasks/Reports (Board/Staff)



VI. DIRECTOR REPORTS (4:50 p.m.)

- A. Alaska Power Association (APA) Report (4:50 p.m.)
- B. Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report (4:55 p.m.)
- C. Renewable Energy Alaska Project (REAP) Report (5:00 p.m.)
- D. Board Committee Reports (Audit and Finance, Operations & Governance) (5:05 p.m.)
- E. Other Meeting Reports (5:15 p.m.)

VII. UNFINISHED BUSINESS (none)

VIII. NEW BUSINESS* (scheduled) (5:25 p.m.)

- A. Discussion Board Election Procedures (5:25 p.m.)
- B. Election of Officers* (Board) (5:30 p.m.)
- C. Adoption of Calendar of Regular Meetings of the Board of Directors* (Owens/Thibert) (5:40 p.m.)
- D. Appointment of ARCTEC Member, Management and Alternate Representatives* (Housekeeping) (5:45 p.m.)
- E. Appointment of REAP Member and Alternate Representatives* (Housekeeping) (5:50 p.m.)
- F. Appointment of APA Member and Alternate Representatives* (Housekeeping) (5:55 p.m.)
- G. 2018 Capital Credit Allocations* (Kornmuller/Miller) (6:00 p.m.)
- H. Simplified Rate Filing: March 2019 Test Year* (Kornmuller/Miller) (6:05 p.m.)

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

- A. 2019 (May 1, 2019 April 30, 2020) Chief Executive Officer Key Performance Indicators (6:15 p.m.)
- B. Non-Represented Retirement Pay and Benefits (6:30 p.m.)
- C. RRC/TRANSCO Update (7:20 p.m.)
- D. ML&P Acquisition Update (7:40 p.m.)

X. NEW BUSINESS* (continued) (8:10 p.m.)

- A. 2019 (May 1, 2019 April 30, 2020) Chief Executive Officer Key Performance Indicators* (Board) (8:10 p.m.)
- B. Beluga Transformer Replacement Project* (Hickey/Laughlin) (8:15 p.m.)
- C. Approve Stakeholder RRC/MOU** (Hickey) (8:20 p.m.)
- XI. DIRECTOR COMMENTS (8:25 p.m.)
- XII. ADJOURNMENT* (8:35 p.m.)

May 2019





Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		• 5:30PM Election Committee Meeting (Crawford) (BoardroomCR)				
28	29	30	-1	2	3	4
20	2:00PM APA Railbelt Issues Forum (Hollis/ Henderson) (Chugach BoardroomCR)	8:30AM Mtg w/Morse (Review Audit and Finance Committee Packet) (SH Office) 11:30AM Teleconference w/Chastain & Reeves (ML&P Employees) [1076246] (Teleconfreence) 5:30PM Election Committee Meeting (Crawford) (BoardroomCR)	4:00PM Audit and Finance Committee Mtg (BoardroomCR)		3	7
5	6		8	9	10	11
		• 5:30PM Election Committee Meeting (Crawford) (BoardroomCR)	 2:30PM Film Treasurer's Report for Annual Meeting (Morse) (Gonzalez Marketing (2804 W Northern Lights)) 	1:30PM ARCTEC Meeting (APA Board Room, 703 W. Tudor Rd., Suite 200, Anchorage / Call-in: (877) 903-2255 Access Code: 7320614475)		
12	• 8:30AM Review Board	• 6:00PM Annual Meeting	■ 3:45PM Governance	• 5:30PM Elections	17	18
	Packet Material and CEO Goals (Chastain, Reeves, Parks) (BoardroomCR)	(All) (Dena'ina Center)	Committee Meeting Followed by Regular Board of Directors Meeting (All) [4113538] (BoardroomCR) 5:00PM REAP Public Policy Committee Meeting (Morse/Henderson) (STG, Inc 11710 South Gambell Street call in number is: 605-313-5152, access code is 711554.)	Committee Meeting - Lessons Learned (Crawford) (Boardroom)		
19	20	21	22	23	24	25
	Memorial Day ♦ Ur	• 5:00PM REAP Development Committe and Board of Directors Meeting (Morse/ Henderson) (King Street Brewing Company)	• 4:00PM Operations Committee Meeting (Boardroom)			
26	27	28	29	30	31	1

June 2019

S M T W T F S 1 2 3 4 5 6 7 8 9 10 11	May 2019									
5 6 7 8 9 10 11	S	М	Т	W	Т	F	S			
5 6 7 8 9 10 11				1	2	3	4			
		6	7	8	9	10	11			
12 13 14 15 16 17 18	12	13	14	15	16	17	18			
19 20 21 22 23 24 25	19	20	21	22	23	24	25			
26 27 28 29 30 31	26	27	28	29	30	31				

July 2019									
S	М	Т	W	Т	F	S			
	1	2	3	4	5	6			
7	8	9		11					
14	15	16	17	18	19	20			
21	22	23	24	25	26	27			
28	29	30	31						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		5:00PM - 7:00PM REAP Development Committe and Board of Directors Meeting (Morse/ Henderson) (King Street Brewing Company)	4:00PM - 8:00PM Operations Committee Meeting (Boardroom)			
26	27	28	29		31	1
		APA Federal Legis	slative Conference (6/.	♦ Washington, DC	Summer School for	Di ♦ Williamsburg, \)
2	3	4	5	6	7	8
	er School for Directors	s (6/7 - 6/12) ♦ Williams			-	
● 1:00PM - 5:00PM Chugach Picnic (Alaska Zoo)		• 5:00PM REAP Public Policy Committee (Morse/ Henderson) (STG, inc. (11710 South Gambell Street, Anchorage) and the call in number is: 605-313-5152, access code is 711554.)				
9	10	11	12	13	14	15
	5:00PM - 7:00PM REAP Public Policy Committee (Morse/Henderson) (STG (nc. (11710 South Gambell Street, Anchorage) and the call in number is: 605-313-5152, access code is 711554.)					
16	17	18	19	20	21	22
	4:00PM - 8:00PM Operations Committee Meeting (Boardroom)		 4:00PM - 7:00PM Regular Board of Directors Meeting (All) (BoardroomCR) 			
23	24	25	26		28	29
				(Independence Day)	_	
30	1	2	3	4	5	6

July 2019



August 2019									
S	М	Т	W	Т	F	S			
				1	2	3			
4	5	6	7	8	9	10			
11	12	13	14	15	16	17			
18			21						
25	26	27	28	29	30	31			

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				Independence Day		
30	1	2	3	4	5	6
7	8	9	10	11	12	13
			• 4:00PM - 8:30PM Audit and Finance Committee Meeting (M&A and Internal Controls Training) (BoardroomCR)			
			Training) (BoardroomCR)			
14	15	16	17	18	19	20
			■ 11:00AM - 2:00PM REAP Board Meeting (Morse/Henderson) (Business Technology Center)			
			(Business Technology Center) 4:00PM - 7:00PM			
			Regular Board of Directors Meeting (All) (BoardroomCR)			
			(======================================			
0.4	00	20	0.4	0.5	00	07
21	22	23	24	25		27 r Di ♦ Branson, MO
28 5/22/2019 6:17 PM	29	30	31	1	2	3

August 2019



September 2019									
S	М	Т	W	Т	F	S			
1	2	3	4	5	6	7			
8	9	10	11	12	13	14			
15	16	17	18	19	20	21			
22	23	24	25	26	27	28			
29	30								

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					Summer School for	r Di ♦ Branson, MO
28	29	30	31	1	2	3
		ors - 8/2 - 8/7 ♦ Branso	n, MO	-		
			• 4:00PM - 7:00PM Audit and Finance Committee Meeting (BoardroomCR)			
			modulig (Dourdroomert)			
4	-	6	7		0	10
4	5	6	• 4:00PM - 7:00PM	8	9	10
			• 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)			
11	12	13	14 Annual Meeting (Au	15 ugust 20-23) ♦ Juneau,	16 AK	17
			AAIIIdai Meeting (Ac	1943: 20 20, V bundad,	7110	
18	19	20	21	22	23	24
25	26	27	28	29	30	31
5/22/2019 6·17 PM		-	4/13			CCBOD

September 2019





Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	Labor Day ♦ United					
1	2	3	4	5	6	7
8		10	11	12	13	14
		4:00PM - 7:00PM Regular Board of Directors Meeting (All) (BoardroomCR)				
		(BoardroomCR)				
15	16		18		20	21
		NREC	CA Region IX ♦ Spokar	ne, WA		
22	23	24	25	26	27	28
29	30	1	2	3	4	5
5/22/2019 6·17 PM			5/13	•	-	CCBOD

October 2019

September 2019

S M T W T F S

1 2 3 4 5 6 7

8 9 10 11 12 13 14

15 16 17 18 19 20 21

22 23 24 25 26 27 28

29 30



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16 • 4:00PM - 7:00PM	17	18	19
			• 4:00PM - 7:00PM Regular Board of Directors Meeting (All) (BoardroomCR)			
20	21	22 Gettysburg Leade	ership Experience for.		25	26
		(acceptance of		j		
5/22/2019 6:17 PM	28	29	6/13	31	1	CCBOD.

November 2019

October 2019

S M T W T F S

1 2 3 4 5
6 7 8 9 10 11 12
13 14 15 16 17 18 19
20 21 22 23 24 25 26
27 28 29 30 31



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	31	1	2
		4:00PM - 7:00PM Audit and Finance Committee Meeting (Budget and CIP) (BoardroomCR)	 4:00PM - 7:00PM Audit and Finance Committee Meeting (BoardroomCR) 			
3	4	5	6	7	8	9
3	Strategic Planning		0	-	0	9
10	11	12	13	14	15	16
17	18	19	20		22	23
		11:45AM - 1:45PM Chugach Legislative Reception (Embassy Suites) 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)		(Thanksgiving Day	(Thanksgiving Holic)	
		,				
24 5/22/2019 6:17 PM	25	26	7/12	28	29	30

December 2019

November 2019

S M T W T F S

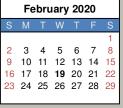
1 2
3 4 5 6 7 8 9
10 11 12 13 14 15 16
17 18 19 20 21 22 23
24 25 26 27 28 29 30

January 2020									
S	М	Т	W	Т	F	S			
			1	2	3	4			
5	6	7	8	9	10	11			
12	13	14	15	16	17	18			
19	20	21	22	23	24	25			
26	27	28	29	30	31				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
			APA December Me	eeting Series ♦ TBD	Winter School for D	Dire ♦ Nashville, TN
8	9	10	11	12	13	14
Winter	r School for Directors	- 12/13 - 12/18 ♦ Nash	• 4:00PM - 7:00PM			
			• 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)			
15	16	17	18	19	20	21
		Christmas Eve ♦ U	Christmas Day ♦ U			
22	23		25	26	27	28
		New Year's Eve ♦ l	New Year's Day ♦ l			
29	30	31	1	2	3	4

January 2020





Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			New Year's Day ♦ l			
20	20	21	4	2	2	4
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	4:00PM - 8:00PM	16	17	18
			• 4:00PM - 8:00PM Regular Board of Directors Meeting (Boardroom)			
19	20	21	22	23	24	25
26	27	28	29	30	31	1
5/22/2019 6·17 PM			9/13	1	<u> </u>	CCBOD

February 2020

| S M T W T F S | 1 2 3 4 | 5 6 7 8 9 10 11 | 12 13 14 15 16 17 18 | 19 20 21 22 23 24 25 | 26 27 28 29 30 31 |

March 2020						
S	М	Т	W	Т	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				
l						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	31	1
2	3	4	5	6	7	8
	10	4.4	40	10	4.4	45
9	10	11	4:00PM - 8:00PM Regular Board of Directors Meeting (Boardroom)	13	14	15
			Directors Meeting (Boardroom)			
16	17	18	19	20	21	22
					eeting - (2/27 - 03/04/	
23	24	25	26	27	28	29
23 5/22/2010 6:17 PM	24	25	10/12	27	28	CCROD

March 2020

February 2020

S M T W T F S

1
2 3 4 5 6 7 8
9 10 11 12 13 14 15
16 17 18 19 20 21 22
23 24 25 26 27 28 29



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
NRECA AI	nnual Meeting - (2/27	- 03/04/2020) ♦ New C	Prleans, LA			
1	2	3	4	5	6	7
	_					-
8	9	10	11	12	13	14
			• 4:00PM - 8:00PM Audit and Finance Followed			
			4:00PM - 8:00PM Audit and Finance Followed by Special Board of Directors Meeting (Boardroom)			
15	16	17	18	19	20	21
			• 4:00PM - 8:00PM Regular Board of Directors Meeting (Boardroom)			
			(Boardroom)			
22	23	24	25	26	27	28
29	30	31	1	2	3	4
5/22/2019 6·17 PM			11/13	•	•	CCBOD

April 2020





Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15 • 4:00PM - 8:00PM	16	17	18
			• 4:00PM - 8:00PM Regular Board of Directors Meeting (Boardroom)			
19	20	21	22	23	24	25
13	20	21		20	<u> </u>	25
26 5/22/2019 6:17 PM	27	28	12/13	30	1	CCBOD.

Summer School for Directors: Central

Branson, MO August 2 - 7, 2019

Director's School prepares co-op leaders for the future challenges of our industry by keeping them upto-date on the key issues and trends impacting electric utilities.

COMING THIS SUMMER

2019 Summer School for Directors: Central

To help ensure that board leaders develop the knowledge and skills required to meet the challenges of today's increasingly complex utility marketplace, NRECA offers a variety of courses at the 2019 Summer School for Directors.

This six-day program offers co-op directors:

- The essential knowledge and skills necessary to succeed on the board
- All required courses to earn the Credentialed Cooperative Director (CCD) certificate
- The opportunity to advance beyond the CCD level toward the Board Leadership Certificate (BLC)

 Earn continuing education credits that can be applied toward maintaining their Director Gold credential

SCHEDULE-AT-A-GLANCE

Registration Fees

All courses are \$619 (unless noted)

956.1 Crucial Conversations in the Boardroom	\$926
951.2 Developing Effective Boardroom Decision Making (1.5 days)	\$860
2640 Financial Decision Making (1.5 days)	\$860

Also of Interest:

- Summer School for Directors East
- Winter School for Directors
- Director Certificate Programs



Earn credits toward your Credentialed Cooperative Director (CCD) or Board Leadership Certificate (BLC). If you've already earned your CCD and BLC credentials, earn the credits you need to achieve Director Gold status.

LEARN MORE

Schedule

Subject to change

ALL DAYS FRI. 08/02 SAT. 08/03 SUN. 08/04 MON. 08/05 TUE. 08/06 WI

→

FRI. 08/02

0	8:00am - 4:00pm	2600 Director Duties and Liabilities
0	8:00am - 4:00pm	921.1 Risk Oversight: The Board's Role in Risk Management
0	8:00am - 4:00pm	956.1 Crucial Conversations in the Boardroom
0	8:00am - 4:00pm	958.1 Succession Planning: Developing the Purpose- Driven Organization

SAT. 08/03

0	8:00am - 4:00pm	2620 Board Operations and Process
0	8:00am - 4:00pm	905.1 Assessing Governance: Taking a Continuous Improvement Approach to Governing Your Co-op
0	8:00am - 4:00pm	951.2 Developing Effective Boardroom Decision- Making (1.5 days)
0	8:00am - 4:00pm	957.1 How to Evaluate and Improve Board Performance

5/2019	NRECA - Summer School for Directors - CENTRAL
• 8:00am - 4:00pm	961.1 The Evolution of Electric Cooperative Power Supply
SUN. 08/04	
❸ 8:00am - 11:30am	951.2 Developing Effective Boardroom Decision- Making (continued)
◆ 8:00am - 4:00pm	2640 Financial Decision Making (1.5 Days)
● 8:00am - 4:00pm	901.1 Rules and Procedures for Effective Board Meetings
● 8:00am - 4:00pm	914.1 Cooperative Communications and Public Opinion: The Director's Perspective
• 8:00am - 4:00pm	963.1 Strategic Technologies and Their Impact on The Cooperative
MON. 08/05	
● 8:00am - 11:30am	2640 Financial Decision Making (continued)
◆ 8:00am - 4:00pm	903.1 The Role of the Board Chair in Conducting Effective Meetings
◆ 8:00am - 4:00pm	918.1 Maximizing Your Grassroots Strategy
◆ 8:00am - 4:00pm	925.1 Co-op Bylaws: Guiding Principles & Current Issues
● 8:00am - 4:00pm	943.1 Conversation Skills Outside the Boardroom
TUE. 08/06	
● 8:00am - 4:00pm	2610 Understanding the Electric Business
◆ 8:00am - 4:00pm	929.1 Current Governance Issues in Policy Development
◆ 8:00am - 4:00pm	944.1 Giving and Receiving Effective Feedback
♦ 8:00am - 4:00pm	975.1 Capital Credits Issues and Decisions

WED. 08/07

● 8:00am - 4:00pm	2630 Strategic Planning
• 8:00am - 4:00pm	974.1 Rate Making Strategies and Policy Decisions for Electric Cooperative Boards
• 8:00am - 4:00pm	977.1 Equity Management and Boardroom Decision Making

Hotel & Travel

HOTEL

Hilton Branson Convention Center Hotel

200 East Main Street | Branson, MO 65616 | 417-336-5400

♥ For reservations call 800-688-5253

Booking code: NRECA19

RESERVE BY

7/10/19

To guarantee event rate

BOOK NOW

Additional Hotel Information >

ABOUT BRANSON, MO

Located in the heart of historic downtown Branson, the sleek 12-story tower of the Hilton Branson Convention Center hotel is attached to the Branson Convention Center.

View Airline and Travel Discounts→

Things to Do in Branson, Missouri 🗷

AIRPORT(S)



SGF 40mi from event

Additional Travel Information >

Join us in Branson, MO and register today!

REGISTER

View My Co-op's Registrants

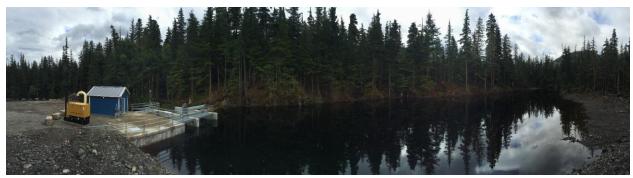
Questions about Program?

Janet Bowers
703-907-5622
janet.bowers@nreca.coop

Cancellation and Refund Policy \rightarrow

Photography/Image Agreement \rightarrow

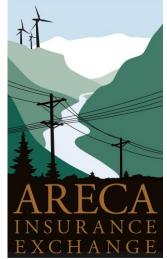
Conferences & Meetings Policies \rightarrow



Gartina Falls, Hoonah, AK

Alaska Power Association 68th Annual Meeting

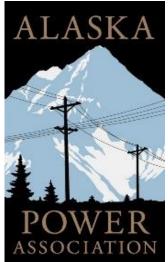
ARECA Insurance Exchange 36th Annual Meeting



Centennial Hall

101 Egan Drive, Juneau, AK

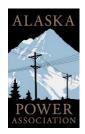
hosted by:



Alaska Electric Light & Power & Inside Passage Electric Cooperative







Alaska Power Association 68th Annual Meeting and ARECA Insurance Exchange Annual Meeting

August 20-23, 2019 Juneau, Alaska

Hosted by Alaska Electric Light & Power and Inside Passage Electric

Cooperative



INSIDE PASSAGE ELECTRIC COOPERATIVE

Tuesday, August 20, 2019

11 a.m. to 2 p.m. Gold Creek Power Plant Tours Sponsored by AEL&P 3:30 p.m. to 7:30 p.m. Allen Marine Cruise Welcome Reception Depart from Centennial Hall

Wednesday, August 21, 2019

7:00 a.m. - 9:00 a.m. Breakfast Centennial Hall

7:30 a.m. - 4:00 p.m. Registration desk open 8:00 a.m. - 4:00 p.m. Exhibitor Tables open

8:00 a.m. – 8:30 a.m. ARECA Educational Foundation Meeting

8:30 a.m. – 4:30 p.m. NRECA Director Training 8:30 a.m. – 9:00 a.m. AK 220 Shareholders' Meeting

9:00 a.m. – 9:30 a.m. Alaska Systems Coordinating Council

9:00 a.m. – 4:00 p.m. Companion Tour

9:30 a.m. – 10:00 a.m. Break

10:00 a.m. - 12:00 p.m. APA Managers' Forum

12:00 p.m. - 1:30 p.m. Lunch

1:30 p.m. - 2:30 p.m. ARECA Training Council Meeting

2:30 p.m. - 3:00 p.m. Break

3:00 p.m. - 5:30 p.m. ARECA Insurance Exchange Meeting

6:00 p.m. - 8:00 p.m. ARECA Insurance Exchange Reception Alaska State Museum

Thursday, August 22, 2019

7:00 a.m. - 9:00 a.m. Breakfast Centennial Hall

7:30 a.m. - 2:00 p.m. Registration desk open 8:00 a.m. - 4:00 p.m. Exhibitor Tables open 8:00 a.m. - 10:00 a.m. APA General Session I

10:00 a.m. - 10:30 a.m. Break

10:30 a.m. – 12:00 p.m. APA General Session II

12:00 p.m. - 1:30 p.m. Lunch

1:30 p.m. - 3:30 p.m. APA Board of Directors Meeting

5:30 p.m. – 8:30 p.m. APA Awards Banquet Centennial Hall

8:30 p.m. – 9:30 p.m. ARECA Educational Foundation Auction

Friday, August 23, 2019

7:00 a.m. - 9:00 a.m. Breakfast Centennial Hall

8:30 a.m. - 10:15 a.m. APA General Session III

10:15 a.m. - 10:30 a.m. Break

10:30 a.m. – 11:30 a.m. APA General Session IV

11:30 a.m. – 1:00 p.m. Lunch



APA & AIE 2019 ANNUAL MEETING REGISTRATION FORM

Name of Utility or Company		
	E-Mail	
Type of Registration*:		
Member □	Non-member □	One Day Only □
	ember registration includes all receptions and the Andrews one evening event. *	APA banquet.
PI	ATTENDEES lease list name to be displayed on badge	
Name	Welcome Reception (C	Cruise) YesNo
E-mail	ARECA Ins. Reception	YesNo
Companion Name	APA Banquet & AEF A	auction YesNo
	Companion Tour	YesNo
Name	Welcome Reception (C	Cruise) Yes No
E-mail	ARECA Ins. Reception	Yes No
Companion Name	APA Banquet & AEF A	auction Yes No
	Companion Tour	YesNo
Name	Welcome Reception (C	Cruise) Yes No
E-mail	ARECA Ins. Reception	Yes No
Companion Name	APA Banquet & AEF A	auction Yes No
	Companion Tour	YesNo



Name	Welcome Reception (Cruise)	Yes No
E-mail	ARECA Ins. Reception	Yes _ No
Companion Name	APA Banquet & AEF Auction	Yes No
	Companion Tour	YesNo
Name	Welcome Reception (Cruise)	Yes No
E-mail	ARECA Ins. Reception	Yes No
Companion Name	APA Banquet & AEF Auction	Yes No
	Companion Tour	YesNo
Name	Welcome Reception (Cruise)	Yes No
E-mail	ARECA Ins. Reception	Yes No
Companion Name	APA Banquet & AEF Auction	Yes No
	Companion Tour	YesNo
(please add pages as needed)		
NRECA Director Training:		
975.1 Capital Credits Issues and Decisions		
Name:		
Name		
Name:		
Name:		
Name:		

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

April 24, 2019 Wednesday 4:00 p.m.

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Divina Portades

I. CALL TO ORDER

Vice Chair Reeves 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

Vice Chair Reeves led the Board in the Pledge of Allegiance.

B. Roll Call

Board Members Present:

Bettina Chastain, Chair (via teleconference)

Susan Reeves, Vice Chair

Stuart Parks, Secretary

Rachel Morse, Treasurer

Jim Henderson, Director

Harry Crawford, Director

Harold Hollis, Director

Guests and Staff in Attendance:

Lee Thibert	Connie Owens	Sean Skaling
Brian Hickey	Tom Schulman	Jody Wolfe
Arthur Miller	Josh Resnick	Renee Curran
Sherri Highers	Pete Smithson	Crystal Enkvist, APA
Matthew Clarkson	Kathy Harris	Al Bolea, Applied

Mark Fouts Teresa Kurka Leadership

Tyler Andrews Andrew Laughlin Keene O'Connor, Wilson
Paul Risse Marty Freeman Sonsini Goodrich & Rosati

Julie Hasquet Phil Steyer

C. Safety Minute

Marty Freeman, Manager, Safety discussed "Auto Breakdown Safety" and responded to questions from the Board.

II. APPROVAL OF THE AGENDA

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

III. PERSONS TO BE HEARD

A. Member Comments
None

IV. CONSENT AGENDA

- A. Board Calendar
- B. Training and Conferences
 - 1. APA Annual Meeting Juneau, AK (August 20-23, 2019)
- C. Minutes
 - 1. March 25, 2019, Special Board of Directors' Meeting (Portades)
 - 2. March 27, 2019, Regular Board of Directors' Meeting (Quezon)
 - 3. April 18, 2019, Special Board of Directors' Meeting (Portades)
- D. Director Expenses

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

V. CEO REPORTS AND CORRESPONDENCE

Lee Thibert, Chief Executive Officer (CEO) stated that Chugach have a new employee and Brian Hickey, Chief Operating Officer (COO) introduced Pete Smithson as the new Sr. VP, Power Supply and stated that he will replace Paul Risse who will retire in January 2020. Mr. Smithson gave an overview of his background and experience to the Board.

Chair Chastain designated Director Parks to sign for her expense report.

- A. 1st Quarter 2019 Safety Report (Freeman/Andrews)
 Lee Thibert, CEO, discussed the 1st Quarter 2019 Safety Report.
- B. 1st Quarter 2019 Communications Report (Hasquet/Andrews)
 Lee Thibert, CEO, stated that the 1st Quarter 2019 Communications Report is provided in the meeting packet.
- C. Election Status Update (Kurka/Miller)
 Teresa Kurka, Director, Member Services, Julie Hasquet, Sr. Manager, Corporate
 Communication and Arthur Miller, Sr. VP, Regulatory and External Affairs,
 discussed the Election Status Update and responded to questions from the Board.
- D. January 2019 Financial Statements and Variance Report (Harris/Curran)
 Sherri Highers, CFO and Sr. VP Finance and Administration discussed the
 January 2019 Financial Statements and Variance Report.
- E. February 2019 Financial Statements and Variance Report (Harris/Curran) Sherri Highers, CFO and Sr. VP Finance and Administration discussed the February 2019 Financial Statements and Variance Report.
- F. 2019 State Legislative Briefing (Steyer)
 Phil Steyer, Director, Government Relations discussed the 2019 State Legislative Briefing and responded to questions from the Board.

Further discussion on State Legislative Briefing will be deferred to Executive Session.

VI. DIRECTOR REPORTS

- A. Alaska Power Association (APA) Report
 Director Hollis stated that Crystal Enkvist, APA is present and will report on APA upcoming events.
- B. Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC)
 Report
 Director Crawford and Lee Thibert, CEO stated that there were no ARCTEC
 - Director Crawford and Lee Thibert, CEO stated that there were no ARCTEC meeting to report.
- C. Renewable Energy Alaska Project (REAP) Report Directors Henderson and Morse and Sean Skaling, Manager, Business and Sustainability Program Development reported on the April 24, 2019, REAP Board Meeting.
- D. Board Committee Reports (Audit and Finance, Operations & Governance)
 Director Morse stated that there were no Audit and Finance Committee meeting to report.

Director Parks reported on the April 22, 2019, Operations Committee meeting.

Director Reeves reported on the April 23, 2019, Governance Committee meeting.

E. Other Meeting Reports
None

VII. UNFINISHED BUSINESS

None

VIII. NEW BUSINESS

None

IX. EXECUTIVE SESSION

- A. Wholesale Capital Credit Payments
- B. IMO Professional Service Contract Extension for RGP
- C. RCA Order: Green Energy/Community Solar
- D. 2018 Chief Executive Officer Evaluation and Compensation
- E. 2019 Chief Executive Officer Key Performance Indicators

At 4:53 p.m., Director Morse moved and Director Crawford seconded the motion that pursuant to Alaska Statute 10.25.175 (c)(1), (2) and (3) the Board of Directors go into executive session to: 1) discuss and receive reports regarding financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; 2) discuss personnel matters that may tend to prejudice the reputation or

character of a person; however, the person may request a public discussion; and, 3) discuss with its attorneys legal matters, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The motion passed unanimously.

The meeting reconvened in open session at 6:49 p.m.

X. NEW BUSINESS

- A. Wholesale Capital Credit Payments* (Highers)
 Director Hollis moved and Director Henderson seconded the motion that the Board of Directors approve the attached resolution authorizing a capital credit retirement payment to HEA, MEA and Seward of \$2,000,000, \$6,080,914.54 and \$281,043.46, respectively. This capital credit retirement payment will be distributed immediately. The motion passed unanimously.
- B. IMO Professional Service Contract Extension for RGP* (Fouts)
 Director Hollis moved and Director Parks seconded the motion that the Board of Directors authorize the Chief Executive Officer to execute an extension of the IMO Professional Service Contract with RGP for consulting services to increase the funding by \$1,677,648.00 for the period from May 11, 2019 through October 1, 2019, not-to-exceed total contract amount of \$2,332,848.00. The motion passed unanimously.
- C. 2018 Chief Executive Officer Evaluation and Compensation* (Board)
 Vice Chair Reeves deferred this agenda item to the April 26, 2019, Special Board of Directors' Meeting. No objections were made.
- D. 2019 Chief Executive Officer Key Performance Indicators* (Board)
 Vice Chair Reeves deferred this agenda item to the April 26, 2019, Special Board of Directors' Meeting. No objections were made.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 7:03 p.m., Director Morse moved and Director Parks seconded the motion to adjourn. The motion passed unanimously.

Stuart Parks, Secretary

Date Approved: May 22, 2019

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

April 26, 2019 Friday 8:00 a.m.

SPECIAL BOARD OF DIRECTORS' MEETING

Recording Secretary: Divina Portades

I. CALL TO ORDER

Chair Chastain called the Special Meeting of the Board of Directors to order at 8:14 a.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Pledge of Allegiance

Chair Chastain led the Board in the Pledge of Allegiance.

B. Roll Call

Board Members Present:

Bettina Chastain, Chair

Susan Reeves, Vice Chair

Rachel Morse, Treasurer

Stuart Parks, Secretary

Harry Crawford, Director

Jim Henderson, Director

Harold Hollis, Director

Guests and Staff in Attendance:

Connie Owens

II. APPROVAL OF THE AGENDA

Director Reeves moved and Director Crawford seconded the motion to approve the agenda. The motion passed unanimously.

III. PERSONS TO BE HEARD

A. Member Comments
None

IV. CONSENT AGENDA

None

V. CEO REPORTS AND CORRESPONDENCE

None

VI. DIRECTOR REPORTS

None

VII. UNFINISHED BUSINESS

None

VIII. EXECUTIVE SESSION

- A. 2018 Chief Executive Officer Evaluation and Compensation
- B. 2019 Chief Executive Officer Key Performance

At 8:16 a.m., Director Reeves moved and Director Morse seconded the motion that pursuant to Alaska Statute 10.25.175 (c)(1), and (2) the Board of Directors go into executive session to discuss: 1) financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; and, 2) personnel matters that may tend to prejudice the reputation or character of a person; however, the person may request a public discussion. The motion passed unanimously.

The meeting reconvened in open session at 11:32 a.m.

IX. NEW BUSINESS

- Director Reeves moved and Director Crawford seconded the motion that the Board of Directors approve the 2018 CEO evaluation and compensation. A merit increase in the amount of 2% of base salary, and a performance payment in the amount of 18% of base salary is authorized by the Board of Directors. This amount was determined without input from an outside compensation consultant. The amount was based on companywide and individual goals that were previously developed and discussed and supplemented by the Board of the Directors during Executive Session. The amount was tied directly to these individual and companywide goals. The timeline for payment is on or before May 1, 2019 and does not include any gross up. The review undertaken is consistent with the contract as amended October 2018. The motion passed unanimously, amended.
- B. 2019 Chief Executive Officer Key Performance Indicators* (Board)
 Chair Chastain stated that no action will be taken for this agenda at this time. No objections were made.

IX. EXECUTIVE SESSION

None

X. DIRECTOR COMMENTS

Director comments were made at this time.

XI. ADJOURNMENT

At 11:38 a.m., Director Parks moved and Director Hollis seconded the motion to adjourn. The motion passed unanimously.

Stuart Parks, Secretary

Date Approved: May 22, 2019

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

May 21, 2019 Tuesday Immediately Following the Annual Membership Meeting

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Arden Quezon

I. CALL TO ORDER

Chair Chastain called the Regular Board of Directors meeting to order at 8:19 p.m. in the Kahtnu Room 1, Dena'ina Civic and Convention Center, 600 West 7th Avenue, Anchorage, Alaska.

A. Pledge of Allegiance

Chair Chastain led the Board in the Pledge of Allegiance.

B. Roll Call

Board Members Present:

Bettina Chastain, Chair

Susan Reeves, Vice Chair

Stuart Parks, Secretary

Rachel Morse, Treasurer

Jim Henderson, Director

Harry Crawford, Director

Harold Hollis, Director

The following employees, members and guests attended:

Lee Thibert Divina Portades Barbara Simpson-Kraft

Arthur Miller Tyler Andrews Frank Gwartney
Tom Schulman Matthew Clarkson Brad Chastain

Sherri Highers Brian Hickey Tyann Hollis + Guest

Connie Owens

C. Safety Minute

Director Parks discussed "Biking and Moose Encounter" to the Board.

II. ADMINISTER OATH OF OFFICE TO NEWLY ELECTED BOARD MEMBERS

Matthew Clarkson, VP General Counsel, administered the Oath of Office to the elected Board members.

III. APPROVAL OF THE AGENDA

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

IV. PERSONS TO BE HEARD

None

V. CONSENT AGENDA

None

VI. CEO REPORTS AND CORRESPONDENCE

None

VII. DIRECTOR REPORTS

None

VIII. UNFINISHED BUSINESS

None

IX. NEW BUSINESS

None

X. DIRECTOR COMMENTS

Director comments were made at this time.

XI. ADJOURNMENT*

At 8:27 p.m. Director Hollis moved and Director Parks seconded the motion to adjourn. The motion passed unanimously.

Stuart Parks, Secretary

Date Approved: May 22, 2019

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

$\frac{\textbf{REGULAR BOARD OF DIRECTORS' MEETING}}{\textbf{AGENDA ITEM SUMMARY}}$

May 22, 2019

<u>ACTION REQUIRED</u>	AGENDA ITEM NO. IV.D.	
Information Only X Motion Resolution Executive Session Other		
TOPIC		
Director Expenses		
DISCUSSION		
The Director's expenses will be submitted for appr	roval at the board meeting.	
MOTION		
(Consent Agenda)		

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING AGENDA ITEM SUMMARY

May 22, 2019

ACTION REQUIRED	AGENDA ITEM NO. IV.E.
Information Only X Motion Resolution Executive Session Other	
TOPIC	
Board Policy 207, Audit and Finance Committee	
DISCUSSION	

Board Policy 207, Audit and Finance Committee was reviewed and discussed at the May 8, 2019, Audit and Finance Committee meeting. Sherri Highers, Chief Financial Officer (CFO), Sr. VP Finance and Administration stated that the auditing standard SAS 61 that is referenced on page 2, III.4. has been updated and therefore the policy should be amended as indicated in the attached redline.

MOTION

(Consent Agenda)

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 207

AUDIT AND FINANCE COMMITTEE

I. PURPOSE

The purpose of the Audit and Finance Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the Association's systems of internal controls regarding finance, accounting, and legal compliance and the Association's auditing, accounting and financial reporting processes, results and reports. The Audit and Finance Committee's responsibilities are to:

- A. Act consistent with the Association's Board Policy 100, *Code of Ethics*, in particular to create, promote and maintain a culture of honesty and high ethical standards.
- B. Review and oversee the Association's financial reporting process, results and reports as they apply to internal controls to prevent, deter and detect fraud.
- C. Review the performance of the Association's independent registered public accounting firm ("independent auditor" or "auditor").
- D. Ensure open communication between the Association's independent auditor, management and the Board of Directors.

The Audit and Finance Committee shall also:

- A. Make recommendations to the Board regarding Section II. B. of Board Policy 103.
- B. Review annually, objectives and goals in areas assigned to this Committee and makes appropriate recommendations to the Board.
- C. Review and complete such other matters as may be specifically assigned to it by the Board.

The Audit and Finance Committee will fulfill these responsibilities as enumerated in Section III of this Policy.

II. COMPOSITION

The Audit and Finance Committee shall be comprised of three or more directors as determined by the Board. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Association or an outside consultant or other programs. The Committee may also retain the services of a qualified accounting professional with auditing expertise to assist it in the performance of its responsibilities.

The Board Chair shall appoint the Board Treasurer as Audit and Finance Committee chairperson. The Audit and Finance Committee shall elect from its membership a vice chair and appoint a recording secretary as needed.

III. RESPONSIBILITIES

The responsibilities of the Committee are to:

- 1. Recommend to the Board of Directors the selection of the independent auditor, it being understood that the Board of Directors has the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the independent auditor.
- 2. Receive annually a report of, and review and discuss with the independent auditor, all significant relationships they have with the Association, including the fees and other compensation paid to them, to verify their independence.
- 3. Ensure the receipt of, and evaluate the written disclosures and the letter that the independent auditor submits to the Audit and Finance Committee regarding the auditor's independence in accordance with Independence Standards Board Standard No. 1, discuss such reports with the auditor and, if so determined by the Audit and Finance Committee in response to such reports, recommend that the Board of Directors take appropriate action to address issues raised by such evaluation.
- 4. Discuss with the independent auditor the matters required to be discussed by SAS 61 applicable auditing standards AS 1301, as it may be modified or supplemented.
- 5. Instruct the independent auditor that the Committee expects to be advised if there are any areas that require special attention.
- 6. Meet with management and the independent auditor to discuss the annual financial statements and the report of the independent auditor thereon, and to discuss significant issues encountered in the course of the audit work, including

- restrictions on the scope of activities, access to required information and the adequacy of internal financial controls.
- 7. Review the management letter delivered by the independent auditor in connection with the audit.
- 8. Following such reviews and discussions, if so determined by the Audit and Finance Committee, recommend to the Board of Directors that the annual financial statements be included in the Association's annual report.
- 9. Meet quarterly with management and the independent auditor to review and discuss the quarterly financial statements prior to the filing of the Form 10Q, if applicable, and meet annually with management and the independent auditor to review and discuss the annual financial statements and, if applicable, prior to filing of the Form 10K.
- 10. At least annually, meet with the independent auditor out of the presence of management to discuss internal controls and to review the fullness and accuracy of the Association's financial statements.
- 11. When necessary, meet in separate executive sessions with management and the independent auditor to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative, or when such an executive session would otherwise be necessary to comply with the open meeting requirements of the Association.
- 12. Have such meetings with management, the independent auditor and the internal auditor, if applicable, as the Audit and Finance Committee deems appropriate, to discuss significant financial risk exposures facing the Association, and steps management has taken or should be taken to monitor and control such exposures.
- 13. Review the scope and results of internal audits, if applicable.
- 14. Evaluate the performance of the independent auditor and, if so determined by the Audit and Finance Committee, recommend to the Board of Directors replacement of the independent auditor.
- 15. At the request of Association counsel, review with Association counsel legal and regulatory procedures that may have a significant impact on the Association's financial statements, compliance policies or programs.
- 16. Conduct or authorize such inquiries into matters within the Committee's scope of responsibility as the Committee deems appropriate.

BOARD POLICY: 207 PAGE: 4

17. Provide minutes of Audit and Finance Committee meetings to the Board of Directors, and report to the Board of Directors on any significant matters arising from the Committee's work.

- 18. Review with the independent auditors and management the extent to which any changes or improvements in financial or accounting practices, as recommended by the independent auditors and approved by the Board, have been implemented.
- 19. At least annually, review and reassess this Policy and, if appropriate, recommend proposed changes to the Board of Directors.

Date Approved: May 252, 20169	Attested:	
		Stuart ParksBruce M. Dougherty
		Secretary of the Board

In the performance of its responsibilities, the Audit and Finance Committee is a representative of the members. However, it is not the responsibility of the Audit and Finance Committee to plan or conduct audits, or to determine whether the Association's financial statements are complete and accurate or in accordance with generally accepted accounting principles. It is not the responsibility of the Audit and Finance Committee to conduct inquiries, to resolve disagreements, if any, between management and the independent auditor, or to assure compliance with laws, regulations or any company compliance policies or programs.

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING AGENDA ITEM SUMMARY

May 22, 2019

ACTION REQUIRED	AGENDA ITEM NO. IV.F.		
Information Only X Motion Resolution Executive Session Other			
TOPIC			
Approval of FY2019 Tax Services			
DISCUSSION			
KPMG provides tax services which includes the preparation	n and filing of the Form 990 and		

assistance with various tax related matters.

In accordance with Public Company Accounting Oversight Board Rule 3525 (Audit Committee Pre-approval of Non-audit Services Related to Internal Control Over Financial Reporting), at the May 8, 2019, Audit and Finance Committee meeting, the Committee recommended to the Board of Directors to approve the 2019 Tax Services.

MOTION

(Consent Agenda)

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING AGENDA ITEM SUMMARY

May 22, 2019

ACTION REQUIRED	AGENDA ITEM NO. IV.G.
Information Only Motion Resolution Executive Session Other	
TOPIC	

TOPIC

Board Policy 307, Interest Rate Risk Management Policy

DISCUSSION

On November 28, 2018, the Chugach Board of Directors approved Board Policy 307, Interest Rate Risk Management Policy, as recommended by the Board Governance Committee on October 25, 2018. Additional detail has been added for clarification, amending the current policy. This proposed amended policy was developed and is consistent with advice provided by bond counsel.

At the April 23, 2019 Governance Committee meeting, Chair Reeves requested that the Committee defer the recommendation until May 22, 2019.

At the May 22, 2019, Governance Committee recommended to the Board of Directors that the attached amended Board Policy 307, Interest Rate Risk Management Policy, be adopted by the Board.

MOTION

(Consent)

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 307

INTEREST RATE RISK MANAGEMENT POLICY

I. OBJECTIVE

- A. To establish the procedures the Association will follow to ensure a thorough evaluation of any derivative instrument under consideration based on current requirements.
- B. To provide a framework through which interest rate risks are evaluated and managed to minimize the long-term cost of debt capital.
- C. To manage current and forecasted interest rate risk incurred in the ordinary course of business while maintaining optimal financial flexibility and credit quality.
- D. To take appropriate measures to ensure costs related to interest rate risk management can be recovered in rates.
- E. To provide for the selection of an independent and qualified subject matter expert to assist with evaluating investment risks and exercising judgment in the appropriateness of interest rate hedging instruments.

II. EXPOSURE IDENTIFICATION AND DEFINITIONS

- A. The Association's financial performance is impacted by interest rates in a number of ways, including:
 - 1. Floating rate exposure. Floating rate exposure relates to variability of interest expense linked to outstanding or future variable rate financing, such as commercial paper or term loan debt.
 - 2. Refinancing risk. Refinancing risk relates to bullet debt maturities, lines of credit and the rollover of commercial paper to long-term debt.
 - 3. Financing risk. Financing risk relates to large construction projects or acquisitions that may be greater than existing commercial paper limits or lines of credit.
- B. For each of the above, the management of interest rate risk consists of three steps detailed below:

- 1. Identification of Risk. Identify the interest rate risks relevant to the Association and ensure that these are regularly measured. This identification process needs to encompass all exposures as outlined above.
 - Floating rate risks and risks associated with forecasted financings should be considered and re-evaluated on an ongoing basis.
- 2. Identification of Costs. For each potential transaction, costs should be identified in addition to the assessment of rate recovery and accounting treatment.
- 3. Evaluate the Association's Reasonable Risk. Having identified the sources of interest rate exposure, evaluate the reasonable risk to the extent necessary to fully advise the Board. This requires an assessment of the range and impact on the Association's financial performance and members' rates.

Hedging positions taken should always be in line with underlying exposures. In no instance is a speculative position to be taken for which there is no actual or anticipated underlying exposure that is being mitigated.

III. ALLOWABLE DERIVATIVE INSTRUMENTS

Chugach recognizes that there are numerous derivatives of varying degrees of complexity. Chugach attempts to avoid structural complexity in its use of derivatives and believes the instruments as defined below, used alone or in combination with each other, allow for sufficient flexibility to help the Association meet its interest rate risk management objectives.

- A. <u>Interest Rate Swap</u> An interest rate swap can be utilized to synthetically lock in borrowing rates for either current floating rate debt or a planned future borrowing.
- B. <u>Interest Rate Call or Put Options</u> An option gives the holder a right, but not an obligation, to buy or sell a security at or by a specified date(s) at an agreed upon price in exchange for the payment of a premium. Interest rate options, typically in the form of interest rate caps or floors, are designed to provide protection against interest rates being above a certain cap rate or below a certain floor rate. Options can be used when interest rates may rise prior to a new debt issuance.
- C. <u>Swaption</u> A swaption provides the right, but not the obligation, to enter into an interest rate swap on a set future effective date at today's market pricing in exchange for an upfront premium.

BOARD POLICY: 307 PAGE: 3

D. <u>Swaption collar</u> – This can reduce the upfront premium of a bought swaption by essentially purchasing an interest rate cap and selling an interest rate floor, effectively locking the rate it would issue at within an agreed-upon range.

E. <u>Interest Rate Locks</u> – A rate lock is a forward contract that represents the sale of a specific benchmark security (e.g., U.S. Treasuries, LIBOR, or tax-exempt indices) or other appropriate benchmark security at an agreed price or interest rate. This may be utilized to help lock in a future financing rate.

Before entering into any derivative transaction, Association staff, the Board Audit and Finance Committee and Board of Directors (BOD) shall perform appropriate due diligence and have a full understanding of the transaction, including: (i) a quantification of potential risks and benefits, and (ii) an analysis of the impact on the Association's debt portfolio.

IV. <u>DOCUMENTATION</u>

Because it is a best practice relative to interest rate hedging, the Association will have an International Swaps and Derivatives Association (ISDA) master agreement in place with each counterparty prior to the commencement of trading, including an appropriate credit support annex.

V. <u>OPERATIONS CONTROL</u>

From an internal control perspective, key treasury functions must be adequately segregated to prevent possible fraud, operational errors, misappropriation of funds, unauthorized deals and concealment of trades and/or manipulation of accounting records. Personnel involved in risk monitoring activities should be segregated from risk taking activities such as executing financial transactions.

VI. EVALUATION PROCESS AND REQUIREMENTS

A. Due to the complex nature of interest rate hedging instruments, management must make every effort to ensure that they have sufficient knowledge to evaluate the transaction and risks. Management shall select and rely upon the advice of an independent and qualified subject matter expert to assist with evaluating investment risks and exercising judgment in the appropriateness of interest rate hedging instruments. Management shall ensure that the subject matter expert satisfies all applicable requirements and that any and all recommended action complies with all applicable laws.

VII. RESPONSIBILITY

A. The BOD shall review and approve all financial interest rate mitigation plans and costs.

BOARD POLICY: 307 PAGE: 4

B. The Chief Financial Officer (CFO) is responsible for all interest rate risk management activities of the Association, providing oversight while monitoring all derivative transactions. At least quarterly, the CFO will report to the Chief Executive Officer (CEO) and the Board Audit and Finance Committee on the Association's outstanding derivatives and performance.

- C. This policy and any subsequent revisions shall be reviewed and approved by the BOD as it deems necessary.
- D. The CEO shall be responsible for ensuring this policy is carried out.

Date Approved:	Attested:	
	Stuart Parks Secretary of the Board	

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

May 16, 2019

TO: Chugach Board of Directors

FROM: Lee D. Thibert, Chief Executive Officer

SUBJECT: 2019 State Legislative Session Update

The budget, the Permanent Fund Dividend, the potential transfer of a significant portion of the Earnings Reserve into the corpus of the Permanent Fund, education funding and crime bills have largely been the focus of the Legislature over the past month. There was some activity on issues that could affect the electric energy industry.

HB 151

The House Special Committee on Energy heard the introduction of HB 151, then held the bill for addition hearings during the interim. The bill would amend AS 42:05, which is the statute that gives the RCA the ability to regulate utilities. The bill contains many things that different parties have suggested are needed as the Railbelt electric system evolves and adds new organizations. Among other things, it would allow the RCA to have oversight of Electric Reliability Organizations and integrated resource plans, and provide siting authority over a "large energy facility" proposed by a utility. A Senate companion bill was created on the second to last day of the regular session, bill number SB 123.

Senate Special Committee appointed

The Senate passed a resolution on May 10 establishing a Senate Special Committee on the Railbelt Electric System. It is the Senate's only Special Committee, and it is due to sunset on the opening day of the 32nd Legislature when it convenes in 2021. The committee, which is authorized to work during the interim, will consider a report from the Regulatory Commission of Alaska with recommendations regarding the reliability and security of the Railbelt grid and methods to provide economic savings to rate payers. The committee will also hold hearings on SB 123, the companion to HB 151. The following members were appointed to the committee:

Sen. John Coghill (R-North Pole)	Chair
Sen. Elvi Gray-Jackson (D-Anchorage)	Member
Sen. Peter Micciche (R-Soldotna)	Member
Sen. Mike Shower (R-Wasilla)	Member
Sen. Cathy Giessel (R-Anchorage)	Member

PCE

The Power Cost Equalization program was funded from the PCE Endowment in both the House and Senate versions of the budget. Bills introduced at the request of the Governor to eliminate the Endowment and move its billion dollar balance to the general fund did not move in committees in either body.

"Road belt" transmission loop

House Joint Resolution 10 was passed by the Legislature and is awaiting transmittal to the Governor. The resolution expresses the Legislature's support for Alaska's Congressional delegation to pursue development of new transmission and subtransmission lines to link the Copper Valley and Tok areas to the Railbelt grid. Variants of the idea have been discussed for decades. Funding is a significant issue, with the lines estimated to cost \$200-300 million.

Support for natural gas for the Fairbanks area

For several years efforts have been underway to try to expand natural gas service in the Fairbanks area. CSHB 87 would extend by a year to Jan. 1, 2021the deadline to complete an LNG storage project and receive a tax credit already allowed in statute. However, the value of the credit is reduced for a facility placed in service after Jan. 1, 2020 (the original expiration date for the credit).

Legislation of interest

Bill	Primary	Short title	Referrals	Comments
	sponsor			
HB 8	Rep Claman	EXCAVATOR LIABILITY	(H) JUD, RES	Would amend existing statutes regarding excavation around underground facilities. An excavator who requests a locate is not responsible for civil damages nor State penalty if the locate is either not done or is inaccurately marked.
HB 30	Rep Josephson	WORKERS' COMP: DEATH; PERM PARTIAL IMPAIR	(H) L&C , FIN	This bill would increase the compensation for a partial impairment and would require death benefits to be paid in prescribed sums to non-dependent family members or estates of workers with no spouse or dependents, among other changes.
HB 32	Rep Kreiss- Thompkins	AK ENERGY EFFICIENCY LOANS: ELIGIBILITY	(H) CRA , FIN	Would add tribes and certain tax- exempt entities to the list of those eligible for loans from the Alaska Energy Efficiency Revolving Loan Fund.
CSHB 87	Rep Thompson	LIQUEFIED NATURAL GAS STORAGE TAX CREDIT	(H) ENE, FIN, H, awaiting transmittal to S	Would extend by 12 months (to Jan. 1, 2021) the deadline to complete an LNG storage project and receive a tax credit already allowed in statute. Credit would be reduced for a project put into service after Jan. 1, 2020. HB 87 was the companion to SB 77.
CSHB 99	Rep Edgmon	NUYAKUK RIVER FALLS: HYDROELECTRIC SITE	(H) FIS , RES	Would allow the amendment of the management plan for the Wood-Tikchik State Park to permit the development and operation of a

HB 130	House Rules by request of the Governor	REPEALING FUNDS; COMMUNITY ASSISTANCE	(H) ENE, EDC, CRA, JUD, FIN	hydroelectric site at the Nuyakuk River Falls. Companion to CSSB 91, which became the vehicle for this legislation. Would repeal the Power Cost Equalization Endowment Fund and several other funds, with the balances to be transferred to the General Fund.
HB 151	House Energy	ELECTRIC RELIABILITY ORGANIZATIONS	(H) ENE, RES	The bill would amend AS 42:05, which is the statute that gives the RCA the ability to regulate utilities. The bill contains many things that different parties have suggested are needed as the Railbelt electric system evolves and adds new organizations. Among other things, it would allow the RCA to have oversight of Electric Reliability Organizations and integrated resource plans, and provide siting authority over a "large energy facility" proposed by a utility. The Senate companion bill is SB 123.
HB 166	Rep Talerico	TELEPHONE COOPERATIVES; TELECOMMUNICATIONS	(H) L&C	Companion to SB 81.
CS HJR 10	Rep Talerico	SUPPORTING ROAD BELT ELECTRICAL LINE	(H) ENE, RES, H, (S) CRA, S, awaiting transmittal to GOV	A resolution expressing support for additional transmission and substransmission lines to link the Copper Valley and Tok areas to the Railbelt grid. Encourages members of the Congressional contingent to pursue development.
SB 48	Sen Begich	ENERGY POLICY: PUB. BLDGS/CLEAN ENERGY	(S) CRA, RES	Says the state energy policy is that by 2025 at least 50 percent of the energy used by the state and state- funded facilities come from clean energy sources.
SB 49	Sen Begich	ENERGY EFFICIENCY OF PUBLIC BUILDINGS	(S) CRA, STA	Expresses the goal that by 2025 the state enter into \$100,000 of energy service performance contacts to retrofit public facilities and school buildings to achieve net savings in energy costs within 15 years. Also calls for energy audits of public facilities.

SB 51	Senate Resources	NATL. RES. WATER NOMINATION/ DESIGNATION	(S) RES, FIN	Water of the state must be approved by the legislature before it can be designated "outstanding national resource water". The state departments of Natural Resources, Fish & Game and Environmental Conservation must agree to recommendations.
SB 77	Sen Bishop	LIQUEFIED NATURAL GAS STORAGE TAX CREDIT	(S) FIN	Would extend by 18 months (to June 30, 2021) the deadline to complete an LNG storage project and receive a tax credit already allowed in statute. Companion to HB 87.
SB 81	Sen Hughes	TELEPHONE COOPERATIVES; TELECOMMUNICATIONS	(S) L&C	This effort to modernize AS 10.25, the "Electric & Telephone Cooperative Act" is led by the telecommunications industry. Most of the proposed edits seek to recognize the fact that these companies provide offerings beyond telephone service.
CSSB 91	Sen Hoffman	NUYAKUK RIVER: HYDROELECTRIC SITE	(S) RES, FIN, S, (H) RES, H	Companion to CSHB 99 Would allow the amendment of the management plan for the Wood-Tikchik State Park to permit the development and operation of a hydroelectric site at the Nuyakuk River Falls.
SB 100	Sen Micciche	NAMING WILLARD E. DUNHAM RESIDENCE HALL	(S) STA, S, (H) STA	Would rename an existing building at the Alaska Vocational Technical Center in Seward in honor of former Seward Mayor (and ARCTEC board member) Willard Dunham.
SB 110	Senate Rules by request of the Governor	REPEALING FUNDS; COMMUNITY ASSISTANCE	(S) CRA, FIN	Companion to HB 130
SB 123	Senate Special Cte on the Railbelt Electric System	ELECTRIC RELIABILITY ORGANIZATIONS	(S) RBE, FIN	Companion to HB 151. SB 123 is substantially similar to HB151.

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING AGENDA ITEM SUMMARY

May 22, 2019

<u>ACTION REQUIRED</u>	AGENDA ITEM NO. VIII.B.	
Information Only X Motion Resolution Executive Session Other		

TOPIC

Election of Officers:

- a. Chair of the Board
- b. Vice-Chair of the Board
- c. Secretary of the Board
- d. Treasurer of the Board

DISCUSSION

Bylaws, Article VI, Officers, Section 2, Election and Tenure of Office, states that "The officers shall be elected annually by and from the board of directors at the board meeting held immediately after the annual meeting of the members. The election shall be conducted by open vote in such a manner that the members may know the vote of each director. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the board of directors following the next succeeding annual meeting of the members, or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the board of directors for the unexpired portion of the term."

Procedurally, the Board Chair will open the floor for nominations. Voting shall be by roll call vote such that members may know the vote of each director. If the newly elected Board Chair is other than the current Chair, the existing Board Chair shall pass the gavel to the newly elected Board Chair to continue the election of officers.

MOTION

By the Board Chair: The floor is open to nominations for:

- 1. Chair of the Board
- 2. Vice Chair of the Board
- 3. Secretary of the Board4. Treasurer of the Board

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING AGENDA ITEM SUMMARY

May 22, 2019

ACTIO	<u>ON REOUIRED</u>	AGENDA ITEM NO. VIII.C.
X X	Information Only Motion Resolution Executive Session Other	

TOPIC

Adoption of Calendar of Regular Meetings of the Board of Directors

DISCUSSION

Article V, Section 1 of the Bylaws provides, in part:

"A regular meeting of the board of directors shall also be held monthly at such time and place in the Municipality of Anchorage, State of Alaska, as the board of directors may provide by resolution."

The attached resolution adopts the Board Calendar for the forthcoming Board year, in compliance with the Bylaws.

MOTION

Move that the Board of Directors approve the attached resolution which adopts a schedule for regular meetings of the Board as reflected in the Board Calendar.



RESOLUTION

Adoption of Calendar of Regular Meetings of the Board of Directors

WHEREAS, the Association has recently conducted the Annual Meeting of the Association; and

WHEREAS, Article IV, Section 1 of the Bylaws of the Association vests authority for management of the Association in the Board of Directors; and

WHEREAS, the Membership of the Association has elected new Directors to serve on the Board of Directors; and

WHEREAS, Article V, Section 1 of the Bylaws of the Association requires the Board of Directors to provide by resolution for regular meetings of the Board;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors adopts a schedule for regular meetings of the Board as reflected in the attached Board Calendar.

CERTIFICATION

I, Stuart Parks, 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 22^{nd} day of 2019; 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 $\underline{22^{nd}}$ day of \underline{May} 2019.

Secretary	

May 2019





Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		• 5:30PM Election Committee Meeting (Crawford) (BoardroomCR)				
28	29	30	-1	2	3	4
20	2:00PM APA Railbelt Issues Forum (Hollis/ Henderson) (Chugach BoardroomCR)	8:30AM Mtg w/Morse (Review Audit and Finance Committee Packet) (SH Office) 11:30AM Teleconference w/Chastain & Reeves (ML&P Employees) [1076246] (Teleconfreence) 5:30PM Election Committee Meeting (Crawford) (BoardroomCR)	4:00PM Audit and Finance Committee Mtg (BoardroomCR)		3	7
5	6		8	9	10	11
		• 5:30PM Election Committee Meeting (Crawford) (BoardroomCR)	 2:30PM Film Treasurer's Report for Annual Meeting (Morse) (Gonzalez Marketing (2804 W Northern Lights)) 	1:30PM ARCTEC Meeting (APA Board Room, 703 W. Tudor Rd., Suite 200, Anchorage / Call-in: (877) 903-2255 Access Code: 7320614475)		
12	• 8:30AM Review Board	• 6:00PM Annual Meeting	■ 3:45PM Governance	• 5:30PM Elections	17	18
	Packet Material and CEO Goals (Chastain, Reeves, Parks) (BoardroomCR)	(All) (Dena'ina Center)	Committee Meeting Followed by Regular Board of Directors Meeting (All) [4113538] (BoardroomCR) 5:00PM REAP Public Policy Committee Meeting (Morse/Henderson) (STG, Inc 11710 South Gambell Street call in number is: 605-313-5152, access code is 711554.)	Committee Meeting - Lessons Learned (Crawford) (Boardroom)		
19	20	21	22	23	24	25
	Memorial Day ♦ Ur	• 5:00PM REAP Development Committe and Board of Directors Meeting (Morse/ Henderson) (King Street Brewing Company)	• 4:00PM Operations Committee Meeting (Boardroom)			
26	27	28	29	30	31	1

June 2019

S M T W T F S 1 2 3 4 5 6 7 8 9 10 11	May 2019										
5 6 7 8 9 10 11	S	М	Т	W	Т	F	S				
5 6 7 8 9 10 11				1	2	3	4				
		6	7	8	9	10	11				
12 13 14 15 16 17 18	12	13	14	15	16	17	18				
19 20 21 22 23 24 25	19	20	21	22	23	24	25				
26 27 28 29 30 31	26	27	28	29	30	31					

July 2019									
S	М	Т	W	Т	F	S			
	1	2	3	4	5	6			
7	8	9		11					
14	15	16	17	18	19	20			
21	22	23	24	25	26	27			
28	29	30	31						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		5:00PM - 7:00PM REAP Development Committe and Board of Directors Meeting (Morse/ Henderson) (King Street Brewing Company)	4:00PM - 8:00PM Operations Committee Meeting (Boardroom)			
26	27	28	29		31	1
		APA Federal Legis	slative Conference (6/.	♦ Washington, DC	Summer School for	Di ♦ Williamsburg, \)
2	3	4	5	6	7	8
	er School for Directors	s (6/7 - 6/12) ♦ Williams			-	
● 1:00PM - 5:00PM Chugach Picnic (Alaska Zoo)		• 5:00PM REAP Public Policy Committee (Morse/ Henderson) (STG, inc. (11710 South Gambell Street, Anchorage) and the call in number is: 605-313-5152, access code is 711554.)				
9	10	11	12	13	14	15
	5:00PM - 7:00PM REAP Public Policy Committee (Morse/Henderson) (STG (nc. (11710 South Gambell Street, Anchorage) and the call in number is: 605-313-5152, access code is 711554.)					
16	17	18	19	20	21	22
	4:00PM - 8:00PM Operations Committee Meeting (Boardroom)		 4:00PM - 7:00PM Regular Board of Directors Meeting (All) (BoardroomCR) 			
23	24	25	26		28	29
				(Independence Day)	_	
30	1	2	3	4	5	6

July 2019



August 2019									
S	М	Т	W	Т	F	S			
				1	2	3			
4	5	6	7	8	9	10			
11	12	13	14	15	16	17			
18			21						
25	26	27	28	29	30	31			

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				Independence Day		
30	1	2	3	4	5	6
7	8	9	10	11	12	13
			• 4:00PM - 8:30PM Audit and Finance Committee Meeting (M&A and Internal Controls Training) (BoardroomCR)			
			Training) (BoardroomCR)			
14	15	16	17	18	19	20
			■ 11:00AM - 2:00PM REAP Board Meeting (Morse/Henderson) (Business Technology Center)			
			(Business Technology Center) 4:00PM - 7:00PM			
			Regular Board of Directors Meeting (All) (BoardroomCR)			
			(======================================			
0.4	00	20	0.4	0.5	00	07
21	22	23	24	25		27 r Di ♦ Branson, MO
28 5/22/2019 6:17 PM	29	30	31	1	2	3

August 2019



September 2019									
S	М	Т	W	Т	F	S			
1	2	3	4	5	6	7			
8	9	10	11	12	13	14			
15	16	17	18	19	20	21			
22	23	24	25	26	27	28			
29	30								

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					Summer School for	r Di ♦ Branson, MO
28	29	30	31	1	2	3
		ors - 8/2 - 8/7 ♦ Branso	n, MO	-		
			• 4:00PM - 7:00PM Audit and Finance Committee Meeting (BoardroomCR)			
			modulig (Dourdroomert)			
4	-	6	7		0	10
4	5	6	• 4:00PM - 7:00PM	8	9	10
			• 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)			
11	12	13	14 Annual Meeting (Au	15 ugust 20-23) ♦ Juneau,	16 AK	17
			AAIIIdai Meeting (Ac	1943: 20 20, V bulleda,	7110	
18	19	20	21	22	23	24
25	26	27	28	29	30	31
5/22/2019 6·17 PM		-	4/13			CCBOD

September 2019





Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	Labor Day ♦ United					
1	2	3	4	5	6	7
8		10	11	12	13	14
		4:00PM - 7:00PM Regular Board of Directors Meeting (All) (BoardroomCR)				
		(BoardroomCR)				
15	16		18		20	21
		NREC	CA Region IX ♦ Spokar	ne, WA		
22	23	24	25	26	27	28
29	30	1	2	3	4	5
5/22/2019 6·17 PM			5/13	•	-	CCBOD

October 2019

September 2019

S M T W T F S

1 2 3 4 5 6 7

8 9 10 11 12 13 14

15 16 17 18 19 20 21

22 23 24 25 26 27 28

29 30



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16 • 4:00PM - 7:00PM	17	18	19
			• 4:00PM - 7:00PM Regular Board of Directors Meeting (All) (BoardroomCR)			
20	21	22 Gettysburg Leade	ership Experience for.		25	26
		(acceptance of		j		
5/22/2019 6:17 PM	28	29	6/13	31	1	CCBOD.

November 2019

October 2019

S M T W T F S

1 2 3 4 5
6 7 8 9 10 11 12
13 14 15 16 17 18 19
20 21 22 23 24 25 26
27 28 29 30 31



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	31	1	2
		4:00PM - 7:00PM Audit and Finance Committee Meeting (Budget and CIP) (BoardroomCR)	 4:00PM - 7:00PM Audit and Finance Committee Meeting (BoardroomCR) 			
3	4	5	6	7	8	9
3	Strategic Planning		0	-	0	9
10	11	12	13	14	15	16
17	18	19	20		22	23
		11:45AM - 1:45PM Chugach Legislative Reception (Embassy Suites) 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)		(Thanksgiving Day	(Thanksgiving Holic)	
		,				
24 5/22/2019 6:17 PM	25	26	7/12	28	29	30

December 2019

November 2019

S M T W T F S

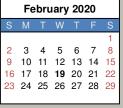
1 2
3 4 5 6 7 8 9
10 11 12 13 14 15 16
17 18 19 20 21 22 23
24 25 26 27 28 29 30

January 2020						
S	М	Т	W	Т	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
			APA December Me	eeting Series ♦ TBD	Winter School for D	Dire ♦ Nashville, TN
8	9	10	11	12	13	14
Winter	School for Directors	- 12/13 - 12/18 ♦ Nashv	ville, TN • 4:00PM - 7:00PM			
			• 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)			
15	16	17	18	19	20	21
		Christmas Eve ♦ U	(Christmas Day ♦ U			
22	23	24	25	26	27	28
		New Year's Eve ♦ l	New Year's Day ♦ l			
29	30	31	1	2	3	4

January 2020





Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			New Year's Day ♦ l			
20	20	21	4	2	2	4
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15 • 4:00PM - 8:00PM	16	17	18
			• 4:00PM - 8:00PM Regular Board of Directors Meeting (Boardroom)			
19	20	21	22	23	24	25
26	27	28	29	30	31	1
5/22/2019 6·17 PM			9/13		<u> </u>	CCBOD

February 2020

| S M T W T F S | 1 2 3 4 | 5 6 7 8 9 10 11 | 12 13 14 15 16 17 18 | 19 20 21 22 23 24 25 | 26 27 28 29 30 31 |

March 2020						
S	М	Т	W	Т	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				
l						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	31	1
2	3	4	5	6	7	8
	10	44	10	10	4.4	15
9	10	11	4:00PM - 8:00PM Regular Board of Directors Meeting (Boardroom)	13	14	15
			Directors Meeting (Boardroom)			
16	17	18	19	20	21	22
					eeting - (2/27 - 03/04/	. New Orleans, LA
23	24	25	26	27	28	29

March 2020

February 2020

S M T W T F S

1
2 3 4 5 6 7 8
9 10 11 12 13 14 15
16 17 18 19 20 21 22
23 24 25 26 27 28 29



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
NRECA Ar	nnual Meeting - (2/27	- 03/04/2020) ♦ New C	Prleans, LA			
1	2	3	4	5	6	7
	_					-
8	9	10	11	12	13	14
			• 4:00PM - 8:00PM Audit and Finance Followed			
			4:00PM - 8:00PM Audit and Finance Followed by Special Board of Directors Meeting (Boardroom)			
15	16	17	18	19	20	21
			• 4:00PM - 8:00PM Regular Board of Directors Meeting (Boardroom)			
			(Boardroom)			
22	23	24	25	26	27	28
29	30	31	1	2	3	4
5/22/2019 6·17 PM	-		11/13		'	CCBOD

April 2020





Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15 • 4:00PM - 8:00PM	16	17	18
			• 4:00PM - 8:00PM Regular Board of Directors Meeting (Boardroom)			
19	20	21	22	23	24	25
26 5/22/2019 6:17 PM	27	28	12/13	30	1	CCBOD.

May 2020





Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	1	2
			• 4:00PM - 8:00PM Audit and Finance Committee Meeting (Boardroom)			
3	4	5	6	7	8	9
3		3	0		3	9
10	11	12	13	14	15	16
10	11	12	13	1 ~	13	10
17	4.0	10	20	0.4	22	00
17	18	19	4:00PM - 8:00PM Regular Board of Directors Meeting (Boardroom)	21	22	23
			(Boardroom)			
			-			
24	25	26	27	28	29	30
31	1	2	3	4	5	6

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING AGENDA ITEM SUMMARY

May 22, 2019

<u>ACTION REQUIRED</u>	AGENDA ITEM NO. VIII.D.
Information Only X Motion X Resolution Executive Session Other	
-	

TOPIC

Appointment of ARCTEC Member, Management and Alternate Representatives

DISCUSSION

Article III, Section 7 of the Bylaws of the Alaska Railbelt Cooperative Transmission & Electric Company, Inc., ("ARCTEC") requires the Board of Directors of Chugach Electric Association to appoint in accordance with a resolution of the Board, the Member Representative, Management Representative and Alternate Representative of Chugach to the ARCTEC Board of Directors.

The Board of Directors adopts the attached Resolution appointing Harry T. Crawford, Jr. as Chugach's Member Representative, Lee Thibert as Management Representative and Jim Henderson as Alternate Representative to the ARCTEC Board of Directors.

MOTION

Move that the Board of Directors' adopts the Resolution appointing Harry T. Crawford, Jr. as Chugach's Member Representative, Lee Thibert as Management Representative and Jim Henderson as Alternate Representative to the ARCTEC Board of Directors.



RESOLUTION

Appointment of ARCTEC Member, Management and Alternate Representatives

WHEREAS, Chugach Electric Association, Inc., is a member of the Alaska Railbelt Cooperative Transmission & Electric Company ("ARCTEC"); and

WHEREAS, pursuant to Article III, Section 7 of the Bylaws of ARCTEC, each member must formally appoint the Member Representative, Management Representative and Alternate Representative to the Board of Directors of ARCTEC; and

WHEREAS, pursuant to Board Policy 107, Authority of the Association-Appointed Representative Regarding Jointly Owned and Operated Assets, Section II.A. – II.B., states:

- A. The Association's representatives on a jointly owned asset management committee (whether the appointed representative or the alternate) are empowered and required to represent the Association's best interests in all votes taken by the management committee(s). The Association- representatives or alternates are required to obtain approval of the Association Board of Directors in advance of all votes on issues meeting the criteria set out below. The Association representatives or alternates are required to vote consistent with the direction of the Association Board on:
 - 1. Decisions that cost the Association \$5,000,000 or more.
 - 2. Additions of participants in the ownership of jointly operated assets unless already provided for in agreements.
 - 3. Approval of annual operating and capital budgets that exceed \$10,000,000 net to the Association.
 - 4. Amendments to any joint operating or participation agreement relating to the jointly operated assets.
 - 5. Bonding for projects that could have a direct or indirect significant effect on the finances of the Association.
- B. The Association-appointed management committee representative(s) shall keep the Association Board and management fully informed of all significant jointly operated activities or matters undertaken or contemplated. The form of this communication is at the discretion of the Association Board. The Association Board shall be provided access to all written or visual materials provided to, or prepared by, the management committee(s), its board(s), employees, agents, consultants or contractors, subject to any applicable confidentiality agreement or requirements.



WHEREAS, Chugach wishes to actively participate in ARCTEC and the management of that organization; and

WHEREAS, the Member Representative and Alternate Representative will serve on the ARCTEC Board of Directors subject to any restrictions or limitations imposed by Chugach Bylaws or Board Policies;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors appoints Harry T. Crawford, Jr. as the Member Representative to ARCTEC and appoints Lee Thibert, Chief Executive Officer to serve as the Management Representative to ARCTEC; and

BE IT FURTHER RESOLVED, that the Board of Directors appoints Jim Henderson as the Alternate Representative to ARCTEC.

CERTIFICATION

I, Stuart Parks, 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 22^{nd} day of \underline{May} 2019; 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 22nd day of May 2019.

Secretary



May 22, 2019

Secretary
Alaska Railbelt Cooperative
Transmission & Electric Company, Inc.
c/o Alaska Power Association, Inc.
703 West Tudor, Suite 200
Anchorage, AK 99503

Secretary:

Pursuant to Article III, Section 7 of the Bylaws of the Alaska Railbelt Cooperative Transmission & Electric Company, Inc., ("ARCTEC") the Board of Directors of Chugach Electric Association, Inc., appoints Harry T. Crawford, Jr. as the Member Representative, Lee Thibert, Chief Executive Officer to serve as the Management Representative and Jim Henderson as the Alternate Representative to ARCTEC.

These appointments shall continue until superseded by action of the Board.

I certify that these appointments have been approved in accordance with a resolution duly adopted by the Board of Directors of Chugach Electric Association, Inc.

Sincerely,	
Bettina Chastain	
Chair of the Board of Directors	
Chugach Electric Association, Inc.	
_	
Stuart Parks	
Secretary of the Board of Directors	
Chugach Electric Association, Inc.	

REGULAR BOARD OF DIRECTORS' MEETING AGENDA ITEM SUMMARY

May 22, 2019

AGENDA ITEM NO. VIII.E.

TOPIC

Appointment of REAP Member and Alternate Representatives

DISCUSSION

Board Policy 107, Authority of the Association-Appointed Representative Regarding Jointly Owned and Operated Assets, Section II.A. – II.B., states:

- A. The Association's representatives on a jointly owned asset management committee (whether the appointed representative or the alternate) are empowered and required to represent the Association's best interests in all votes taken by the management committee(s). The Association- representatives or alternates are required to obtain approval of the Association Board of Directors in advance of all votes on issues meeting the criteria set out below. The Association representatives or alternates are required to vote consistent with the direction of the Association Board on:
 - 1. Decisions that cost the Association \$5,000,000 or more.
 - 2. Additions of participants in the ownership of jointly operated assets unless already provided for in agreements.
 - 3. Approval of annual operating and capital budgets that exceed \$10,000,000 net to the Association.
 - 4. Amendments to any joint operating or participation agreement relating to the jointly operated assets.
 - 5. Bonding for projects that could have a direct or indirect significant effect on the finances of the Association.
- B. The Association-appointed management committee representative(s) shall keep the Association Board and management fully informed of all significant jointly operated activities or matters undertaken or contemplated. The form of this communication is at

the discretion of the Association Board. The Association Board shall be provided access to all written or visual materials provided to, or prepared by, the management committee(s), its board(s), employees, agents, consultants or contractors, subject to any applicable confidentiality agreement or requirements.

MOTION

Move that the Board of Directors appoints Director Rachel Morse as the REAP member and Director Jim Henderson as the Alternate Representative.

REGULAR BOARD OF DIRECTORS' MEETING AGENDA ITEM SUMMARY

May 22, 2019

<u>ACTIC</u>	<u>ON REQUIRED</u>	AGENDA ITEM NO. VIII.F.
X	Information Only Motion Resolution Executive Session Other	

TOPIC

Appointment of Alaska Power Association (APA) Voting Delegate and Alternate Representatives

DISCUSSION

Board Policy 107, Authority of the Association-Appointed Representative Regarding Jointly Owned and Operated Assets, Section II.A. – II.B., states:

- A. The Association's representatives on a jointly owned asset management committee (whether the appointed representative or the alternate) are empowered and required to represent the Association's best interests in all votes taken by the management committee(s). The Association- representatives or alternates are required to obtain approval of the Association Board of Directors in advance of all votes on issues meeting the criteria set out below. The Association representatives or alternates are required to vote consistent with the direction of the Association Board on:
 - 1. Decisions that cost the Association \$5,000,000 or more.
 - 2. Additions of participants in the ownership of jointly operated assets unless already provided for in agreements.
 - 3. Approval of annual operating and capital budgets that exceed \$10,000,000 net to the Association.
 - 4. Amendments to any joint operating or participation agreement relating to the jointly operated assets.
 - 5. Bonding for projects that could have a direct or indirect significant effect on the finances of the Association.
- B. The Association-appointed management committee representative(s) shall keep the Association Board and management fully informed of all significant jointly operated activities or matters undertaken or contemplated. The form of this communication is at the

discretion of the Association Board. The Association Board shall be provided access to all written or visual materials provided to, or prepared by, the management committee(s), its board(s), employees, agents, consultants or contractors, subject to any applicable confidentiality agreement or requirements.

MOTION

Move that the Board of Directors appoints Harold Hollis as the APA Voting Delegate and Jim Henderson as the Alternate Representative.

REGULAR BOARD OF DIRECTORS' MEETING AGENDA ITEM SUMMARY

May 22, 2019

ACTION REQUIRED	AGENDA ITEM NO. VIII.G.
Information Only X Motion X Resolution Executive Session Other	

TOPIC

2018 Capital Credit Allocations

DISCUSSION

Chugach Electric Association, Inc.'s (Chugach) Bylaws provide that at the end of each fiscal year the amount of capital furnished by each patron be clearly reflected and credited to the appropriate capital account of each patron. For calendar-year 2018, Chugach's margins totaled \$5,362,874.

Chugach has completed the allocation of 2018 margins to Chugach retail and wholesale customer Seward Electric System. The margin allocation for calendar-year 2018 totals \$5,337,089 for Chugach retail members and \$25,785 for Seward Electric System. Below is a summary of the 2018 allocations on a class and functional basis.

Summary of 2018 Capital Credit Allocations				
Description	G&T	Distribution	Total	Percent
Chugach Retail	\$1,194,827	\$4,142,262	\$5,337,089	99.52%
Seward Electric System	\$25,785		\$25,785	0.48%
Total	\$1,220,612	\$4,142,262	\$5,362,874	100.00%

The 2018 allocations were computed based on revenue, revenue requirements and ratemaking margin levels established by the Regulatory Commission of Alaska (Commission). The allocations reflect Chugach's Commission-approved revenue requirement and cost of service study for rates effective during calendar-year 2018.

The allocations were provided to Seward Electric System on April 23, 2019 for review and comment. Chugach also notified Seward that the allocations were scheduled for approval during the May 22, 2019 Board meeting. Chugach is not aware of any outstanding issues regarding the allocations.

Chugach Board Policy 304 (Capital Credit Policy) requires notification to patrons of the amount of their capital credits allocated for the preceding year within eight and one-half months following each fiscal year. After approval of the allocations, each member will receive individual notice by August 15, 2019 of their allocation amount and a brief explanation of Chugach's capital credit program. In addition, the capital credit amounts allocated will be identified on each retail customer bill and a general notice of the allocations will be posted to Chugach's website. Each member using Chugach's member engagement portal "My Account" will be able to view their total accumulated capital credit allocations through December 2018.

MOTION

Move that the Board of Directors approve the attached Resolution authorizing 2018 capital credit allocations in the amounts of \$5,337,089 to Chugach retail members and \$25,785 to Seward Electric System.



2018 Capital Credit Allocations

WHEREAS, Chugach Electric Association, Inc.'s ("Chugach" or "Association") Bylaws provide that at the end of each fiscal year the amount of capital furnished by each patron be clearly reflected and credited to the appropriate capital account of each patron and that the Association notify each patron of the amount of capital so credited;

WHEREAS, Chugach Board Policy 304 (Capital Credit Policy) requires notification to patrons of the amount of their capital credits allocated for the preceding year within eight and one-half months following each fiscal year;

WHEREAS, Chugach's patronage capital (margins) based on calendar-year 2018 operating results allocable to Chugach retail and Seward Electric System totals \$5,362,874;

WHEREAS, the 2018 allocation provides that Chugach retail members shall be allocated \$5,337,089 and Seward Electric System shall be allocated \$25,785; and,

WHEREAS, after approval of the 2018 margins, Chugach shall notify each member of the amount of capital assigned through individual notice not later than August 15, 2019, of their allocated amount.

NOW, THEREFORE, BE IT RESOLVED, the allocation of 2018 system patronage to the retail and wholesale members of the Association is as follows:

Summa	ry of 2018 Caj	pital Credit Al	locations	
Description	G&T	Distribution	Total	Percent
Chugach Retail	\$1,194,827	\$4,142,262	\$5,337,089	99.52%
Seward Electric System	\$25,785		\$25,785	0.48%
Total	\$1,220,612	\$4,142,262	\$5,362,874	100.00%

CERTIFICATION

I, Stuart Parks, 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 22">22" day of May 2019; 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 22nd day of May 2019.

Secre	tary
Secre	tar

REGULAR BOARD OF DIRECTORS' MEETING AGENDA ITEM SUMMARY

May 22, 2019

ACTION REQUIRED	AGENDA ITEM NO. VIII.H.
Information Only	
X Motion	
X Motion X Resolution	
Executive Session	
Other	

TOPIC

Simplified Rate Filing (SRF) – March 2019 Test Year

DISCUSSION

The results of Chugach Electric Association, Inc.'s ("Chugach") March 31, 2019 test year Simplified Rate Filing ("SRF") indicate that system demand and energy rates should increase 2.5 percent, which represents an annual increase of \$2.9 million. On a customer class basis, the results show demand and energy rate increases of 2.5 percent to Chugach retail and 3.2 percent to the wholesale class of Seward Electric System ("Seward").

Under SRF, energy and demand rate increases are limited to 8 percent in a rolling 12-month period and 20 percent in a rolling 36-month period. Including the current proposed retail rate increase of 2.5 percent, the cumulative retail increases are 6.7 percent and 8.3 percent for the 12- and 36-month periods, respectively. For Seward, the cumulative increases are 8.0 percent on a rolling 12-month basis and 3.5 percent on a rolling 36-month basis. In this filing, the proposed demand and energy rate increase to Seward was capped at 3.2 percent, or approximately \$27,000, to keep the rate increase at the authorized 8.0 percent rolling 12-month limit. Without the limitation, Seward's increase would have been 4.4 percent.

The rate changes are primarily driven by increases to Power Production Expense (\$0.5 million), Transmission Expense (\$0.4 million), Administration and General Expense (\$0.7 million), Interest on Long-Term Debt Expense (\$0.4 million), and the effect of reduced energy sales (\$0.9 million). If sales levels had remained consistent with the prior quarter, demand and energy rates would have increased 1.7 percent to Chugach retail and 2.5 percent to Seward.

On a total customer bill basis, which includes fuel and purchased power rates, a Chugach residential customer using 600 kWh will see an increase of approximately 1.5 percent, or \$1.86 on a monthly bill. If approved by the Regulatory Commission of Alaska (Commission), the rate adjustments contained in this filing will become effective on August 1, 2019.

MOTION

Move that the Board of Directors approve the attached Resolution authorizing Chugach to file with the Regulatory Commission of Alaska, a March 2019 test year SRF requesting approval to increase the demand and energy rates by 2.5 percent to Chugach retail and by 3.2 percent to the wholesale class of Seward Electric System for rates effective August 1, 2019.



Simplified Rate Filing – March 2019 Test Year

WHEREAS, the Chugach Electric Association, Inc. ("Chugach") Board of Directors has approved the use of quarterly Simplified Rate Filings ("SRF") to adjust base demand and energy rates for Chugach retail and the wholesale customer class of Seward Electric System, and the Regulatory Commission of Alaska ("Commission") has authorized its use;

WHEREAS, calculations under the SRF procedures based on operating results for the test year ended March 31, 2019 indicate a Chugach system demand and energy rate increase of 2.5 percent;

WHEREAS, if sales had remained consistent with the prior quarter, the system rate change would have been 1.7 percent;

WHEREAS, on an individual customer class basis and factoring changes in both expenses and sales levels, the results show demand and energy rate increases of 2.5 percent to Chugach retail and 3.2 percent to the wholesale class of Seward Electric System; and,

WHEREAS, if the rate adjustments are approved, the total bill to a residential customer using 600 kWh, which includes fuel and purchased power costs, will increase approximately 1.5 percent, or \$1.86.

NOW, THEREFORE, BE IT RESOLVED, Chugach shall submit its SRF based on the March 2019 test year to the Regulatory Commission of Alaska requesting approval to increase the demand and energy rates by 2.5 percent to Chugach retail and by 3.2 percent to Seward Electric System for rates effective August 1, 2019.

CERTIFICATION

I, Stuart Parks, 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 22">22" day of May 2019; 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 22nd day of May 2019.

Secretary
•

REGULAR BOARD OF DIRECTORS' MEETING AGENDA ITEM SUMMARY

May 22, 2019

Information Only	
Motion	
Resolution	
Executive Session	
Other	

TOPIC

2019 (May 1, 2019 – April 30, 2020) Chief Executive Officer Key Performance Indicators

DISCUSSION

2019 (May 1, 2019 – April 30, 2020) Chief Executive Officer Key Performance Indicators were discussed at the March 26, 2019, and April 22, 2019, Operations Committee and April 26, 2019, Special Board meeting.

MOTION

Move that the Board of Directors approve the 2019 (May 1, 2019 – April 30, 2020) Chief Executive Officer Key Performance Indicators as discussed in executive session.

REGULAR BOARD OF DIRECTORS' MEETING AGENDA ITEM SUMMARY

May 22, 2019

Information Only	
Motion	
Resolution	
Executive Session	
Other	

TOPIC

Project Authorization – Beluga Transformer T10 Replacement Project

DISCUSSION

Transformer T10, in the Beluga Substation, failed due to an internal fault in a low voltage winding. The transformer primarily serves the village of Tyonek and alternatively the Beluga River Unit (BRU). In the current system configuration reliability has been reduced and a single contingency could create a forced outage to Tyonek and/or the BRU. The proposed project would procure and replace transformer T10. The project will also include miscellaneous modifications to the substation bay such as; a new transformer foundation with membrane type oil containment; replacement of an oil filled circuit breaker with a new gas insulated breaker, and adjustments to bus-work and control wiring.

The total project cost is estimated at \$2,500,000. The 2019 capital budget has funding to support this project due to other identified projects that have changed as a result of timing and/or scope.

MOTION

Move that the Board of Directors authorize project expenditures for the Beluga T10 Replacement at an estimated total cost of \$2,500,000 with an estimated completion in the first quarter of 2020.



Project Authorization - Beluga Transformer T10 Replacement Project

WHEREAS, Chugach Electric Association, Inc. (Chugach) has identified the need to replace the failed Beluga Substation transformer T10;

WHEREAS, the current system configuration has created a risk with supplying electricity to Tyonek and the compressors at the Beluga River Unit;

WHEREAS, the 2019 capital budget has funding to support this project due to certain known changes;

WHEREAS Chugach has estimated the Beluga Transformer T10 Replacement Project amount at \$2,500,000;

NOW THEREFORE BE IT RESOLVED by the Board of Directors of Chugach Electric Association Inc., that the Chief Executive Officer is authorized to proceed with the Beluga Transformer Replacement Project T10 with an estimated amount of \$2,500,000.

CERTIFICATION

I, Stuart Parks, 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 22" day of May 2019; 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 22nd day of May 2019.

Secretary	

Chugach Project Authorization

Project Name: Replace Beluga Transformer T10

Project Category:

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

Accountabilities & A	<u>Approvals</u>	Signatures	Date
Board of Directors:	Stuart Parks, Secretary		//
CEO	Lee Thibert, CEO		//
Executive Sponsor:	Brian Hickey, COO		//
Project Manager:	Andrew Laughlin, Sr. Mgr., Transmission		//
Project Engineer:	Shawn Wendling, Sr. Project Engineer		//

Purpose and Need:

This project will replace the Beluga Transformer T10 which failed due to an internal fault on March 15th, 2019. The current system configuration does not provide adequate reliability to the load served. A single contingency could cause an outage to consumers in Tyonek and the Beluga River Unit with extended restoration times and potential long-term impacts.

Project Description:

The project will procure and install: a replacement power transformer, a gas insulated circuit breaker, an isolation switch and associated support structures and foundations. Also included in this project is the retirement of existing transformers T9 and T10, an oil fill circuit breaker, a vacuum circuit breaker and associated support structures and foundations. The project will result in a consolidated substation bay with improved reliability.

Approval Amount: \$2,500,000

Budget ID's: 10.0047/10.0803/05.0300/12.1027/20.0310 reallocated in the 2019 Budget at \$2,500,00.

	Labor	Contract	Materials	Total
Forecast	\$400,000	\$1,100,000	\$1,000,000	\$2,500,000

Page 1 5/16/2019

REGULAR BOARD OF DIRECTORS' MEETING AGENDA ITEM SUMMARY

May 22, 2019

TOPIC

Approval of the Stakeholder Railbelt Reliability Council (RRC) Memorandum of Understanding (MOU)

DISCUSSION

As discussed in the executive session.

MOTION

Move that the Chugach Board of Directors approve the attached Resolution authorizing the Chief Executive Officer (CEO) to enter into the attached MOU, to further the Railbelt unification effort and to collaboratively define the business and organizational structure of the RRC that conforms to our guiding principles. Further, the CEO is authorized to continue with the development of a transmission investment and operation model that meets the Board's Guiding Principles.

The CEO will inform the Board of any definitive agreements or significant changes. The CEO will report to the Board no later than August 31st, 2019 on the status of this effort. And, subsequently, will submit to the Board, for the Board's approval, any documents or proposed regulatory filings related to the establishment of the RRC or a Transco.



Approval of the Stakeholder Railbelt Reliability Council (RRC) Memorandum of Understanding (MOU)

WHEREAS, the Chugach Board of Directors supports the establishment of an inclusive Railbelt stakeholder-governed entity, or governing board, tasked with the responsibility to plan, condition and coordinate necessary transmission additions and upgrades, and to ensure reliability, non-discriminatory open access, and regional economic dispatch;

WHEREAS, Chugach has a large investment in transmission facilities and further investment is needed to upgrade Railbelt transmission infrastructure;

WHEREAS, the Chugach Board of Directors desires to be proactive and take a leadership role in developing a Railbelt model that protects Chugach's investment in transmission and prudently plans for transmission expansion;

WHEREAS, on January 26, 2017 the Chugach Board of Directors approved Resolution 01 15 17, authorizing the Chief Executive Officer (CEO) to enter into a non-binding MOU and associated confidentiality agreements with ATC and other Railbelt utilities to further the work and collaboratively define the business and organizational structure of a USO/Transco that conforms to our USO/Transco Guiding Principles (the Guiding Principles);

WHEREAS on August 29, 2018, the Board of Directors reaffirmed its January 26, 2017 resolution regarding the Unified System Operator (USO) and Transmission-only Utility (Transco) Business Plan Development. In doing so, the Board reaffirmed its desire to ensure the development of these organizations, and the subsequent realization of the economic benefits associated with a non-discriminatory open access transmission system and Railbelt-wide economic dispatch that meets the Guiding Principles. Further, the Board of Directors authorized the CEO to sign the Railbelt Utility Managers (RUM) negotiated RRC MOU, and to proceed with Transco negotiations subject to the current draft Transco Term Sheet and conditions, substantially the same as discussed in executive session;

WHEREAS it has been Chugach's consistent position, as stated in the Guiding Principles, that the governance of Railbelt policy must be inclusive of all relevant Railbelt stakeholders' input. Further. It has been Chugach's consistent position that this stakeholder informed policy-making body must be stood-up before, or concurrent with, the establishment of a transmission investment and operations organization (Transco);

WHEREAS it has also been Chugach's consistent position, as stated in the Guiding Principles, that the bylaws and financial structure of the restructured Railbelt organization must be structured such that it delivers its mission at the lowest practical cost and highest value to the end-use consumer:



WHEREAS, Chugach has determined that the ART filing proposed by ATC, GVEA, SES, HEA and ML&P as a "Transco" does not meet the definition of a Transco, as a transmission-only utility, or the criteria found in the Guiding Principles in terms of governance, form, or ability to deliver value to the Chugach membership. And, that Chugach will propose an alternative transmission investment and operations structure that does meet the Board's Guiding Principles;

WHEREAS, in the interest of moving these necessary reforms forward, Chugach believes that standing up the RRC now represents a necessary first step towards the establishment of a stakeholder governed Railbelt policy-making body governing regional transmission investment and a potential first step towards a USO;

WHEREAS the Regulatory Commission of Alaska (RCA) has requested that the utilities standup such an organization as soon as practical in order to establish the open access, reliability, and planning entity contemplated in the proposed legislation embodied in HB 151 and SB 123;

WHEREAS the utilities have negotiated the RRC MOU with key non-utility stakeholders, and these stakeholders have agreed to support the establishment of the RRC as contemplated in the attached MOU; and

WHEREAS, the RRC as contemplated in the MOU would benefit Chugach's members, the other Railbelt utilities, and other stakeholders through these attributes:

- Non-discriminatory open access.
- Maximizing the use of all assets from all transmission providers for joint use with full cost recovery for all providers.
- A universal transmission rate based on system load that will encourage the economic transfer of generation across the network.
- Regional planning of all future transmission infrastructure investments.
- A regulatory compact between the Regulatory Commission of Alaska (RCA), the transmission operator and utilities to enable full cost recovery of transmission investments as long as projects are incorporated in the regional plan.

NOW, THEREFORE, BE IT RESOLVED, that the Chugach Board of Directors authorize the CEO to enter into the attached MOU, to further the Railbelt unification effort and to collaboratively define the business and organizational structure of the RRC that conforms to our guiding principles. Further, the CEO is authorized to continue with the development of a transmission investment and operation model that meets the Board's Guiding Principles.

The CEO will inform the Board of any definitive agreements or significant changes. The CEO will report to the Board no later than August 31st, 2019 on the status of this effort. And, subsequently, will submit to the Board, for the Board's approval, any documents or proposed regulatory filings related to the establishment of the RRC or a Transco.



Guiding Principles

In the end, our objective must be to maintain reliability and lower costs to each consumer. Lowering the overall costs to end-consumers and improving the reliability and resilience of the electric system will sustain and promote economic growth. The following guiding principles have been developed as a touchstone for the development and substance of a restructured Railbelt business model.

- The governance of Railbelt policy making must be inclusive of and reflect, all relevant Railbelt stakeholder input.
- The bylaws and financial structure of the organization must be structured such that the organization delivers its mission at the lowest practical cost and highest value to the enduse consumer via:
 - An optimal debt to equity structure
 - A reasonable return on equity
 - Functionally appropriate incremental administration costs
- The Transco formation must ensure open access and equitable compensation to all transmission owners for the usage of the transmission system.
- The transmission cost recovery tariff (or mechanism) must not distort economic dispatch decisions and should provide a transition to equitable cost sharing for existing assets.
- The policy-making governance body of the restructured Railbelt must have the authority to monitor and assess the effectiveness of economic dispatch in the Railbelt.
- The restructured business model must maximize regional benefit and minimize the incremental costs of restructuring by, as much as practical, using long term service agreements with existing utilities and granting a preference to locally domiciled entities to accomplish its functions.
 - o Further, the new entities (USO and Transco) must assure the use of existing Railbelt human and technical resources e.g.
 - Use existing control centers as the USO/Transco control center.
 - Railbelt Project Management and Engineering
 - Railbelt Telecom SCADA and System Protection
 - Railbelt Accounting Finance and HR
- For both the USO and the TRANSCO, a minimum of four of the six Railbelt Utilities participating plus 60% of Railbelt load must participate in the initial CPCN filing.

CERTIFICATION

I, Stuart Parks, 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 22^{nd} day of May, 2019; 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 <u>22nd</u> day of <u>May</u>, 2019.

Secretary	