



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 27, 2020

4:00 p.m.

Chugach Board Room

- I. CALL TO ORDER (4:00 p.m.)
 - A. *Pledge of Allegiance*
 - B. *Roll Call*
 - C. *Safety Minute – “Bicycle Safety” (Freeman)*
- II. APPROVAL OF THE AGENDA*
- III. PERSONS TO BE HEARD
 - A. *Member Comments*
- IV. CONSENT AGENDA* (4:15 p.m.)
 - A. *Board Calendar*
 - B. *Training and Conferences*
 - 1. *2020 APA Annual Meeting, August 26-28, 2020, Homer, AK (Deadline for conference and hotel registration is June 24, 2020)*
 - C. *Minutes*
 - 1. *April 22, 2020, Regular Board of Directors’ Meeting (Quezon)*
 - 2. *April 27, 2020, Special Board of Directors’ Meeting (Quezon)*
 - 3. *May 12, 2020, Special Board of Directors’ Meeting (Quezon)*
 - D. *Director Expenses*
- V. CEO REPORTS AND CORRESPONDENCE (4:25 p.m.)
 - A. *Right of Way Clearing Presentation (Hickey) (4:25 p.m.)*
 - B. *COVID-19 Update (Andrews) (4:35 p.m.)*
 - C. *Annual Meeting Update (Hasquet/Andrews) (4:45 p.m.)*
 - D. *AMI Update (Miller) (4:55 p.m.)*
 - E. *Board Policy Scheduled Tasks/Reports (Staff) (5:00 p.m.)*
- VI. DIRECTOR REPORTS (5:05 p.m.)
 - A. *Alaska Power Association (APA) Report*
 - B. *Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report*

- C. *Renewable Energy Alaska Project (REAP) Report*
- D. *Board Committee Reports (Audit and Finance, Operations & Governance)*
- E. *Other Meeting Reports*

VII. UNFINISHED BUSINESS (*none*)

VIII. NEW BUSINESS* (*scheduled*) (5:20 p.m.)

- A. *FY2020 Tax Services* (Highers) (5:20 p.m.)*
- B. *KPMG Contract* (Highers) (5:25 p.m.)*
- C. *Board Policy 207 – Audit and Finance Committee* (Highers) (5:30 p.m.)*
- D. *Capital Credit Retirement* (Highers) (5:35 p.m.)*
- E. *Muldoon Overhead/Underground Project Authorization* (Laughlin/Hickey) (5:40 p.m.)*
- F. *Simplified Rate Filing: March 2020 Test Year* (Kornmuller/Miller) (5:50 p.m.)*
- G. *2019 Capital Credit Allocations* (Kornmuller/Miller) (6:00 p.m.)*

IX. EXECUTIVE SESSION* (*scheduled*) (6:10 p.m.)

- A. *IMO Update (6:20 p.m.)*
- B. *Finance Update (6:30 p.m.)*
- C. *ML&P Acquisition Update (6:35 p.m.)*
- D. *KPMG Audit Services for Employee 401k Plan (6:50 p.m.)*
- E. *Report from the CEO Evaluation Committee (7:00 p.m.)*

X. NEW BUSINESS (*continued*) (7:40 p.m.)

- A. *KPMG Audit Services for Employee 401k Plan* (Andrews) (7:40 p.m.)*
- B. *May 1, 2020 – April 30, 2021 CEO Key Performance Indicators** (Committee) (7:45 p.m.)*

XI. DIRECTOR COMMENTS (7:50 p.m.)

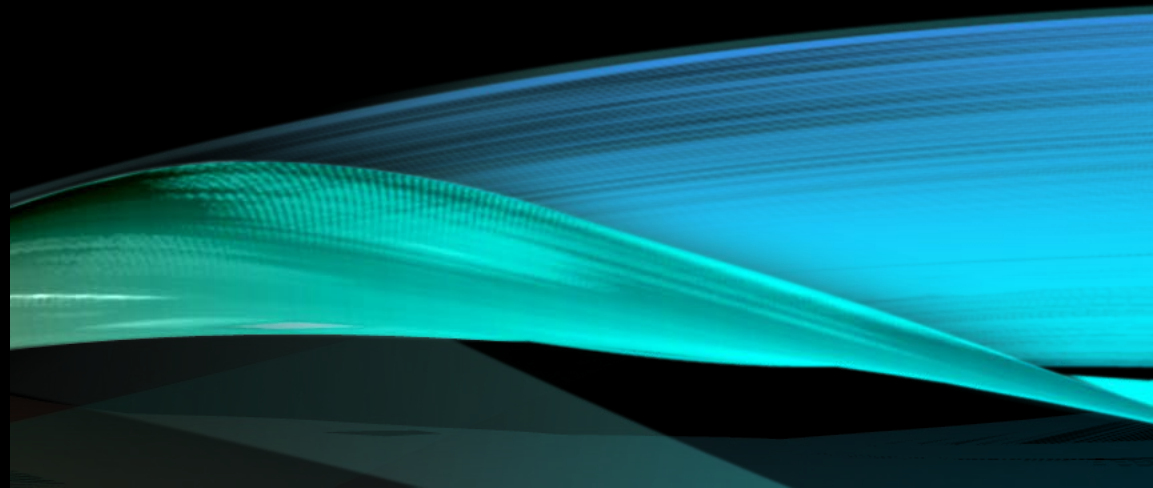
XII. ADJOURNMENT* (8:00 p.m.)

* *Denotes Action Items*

** *Denotes Possible Action Items*



BICYCLE SAFETY



SAFETY TIPS

| | |
|------|---|
| Ride | Ride with the direction of traffic |
| Make | Make eye contact with drivers so you know they see you |
| Use | Use a blinking taillight when riding on public roads |
| Wear | Wear a helmet. They reduce risk of head injury by as much as 88% |
| Make | Make sure your bike is in good repair, especially your brakes and tires |
| Wear | Wear high visibility clothing |
| Scan | Scan the road ahead for obstructions and road hazards |



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X. NEW BUSINESS (*continued*) (7:40 p.m.)

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XI. DIRECTOR COMMENTS (7:50 p.m.)

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

* *Denotes Action Items*

** *Denotes Possible Action Items*

May 2020

| May 2020 | | | | | | | June 2020 | | | | | | |
|----------|----|----|----|----|----|-----|-----------|----|----|----|----|----|----|
| Su | Mo | Tu | We | Th | Fr | Sa | Su | Mo | Tu | We | Th | Fr | Sa |
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| 10 | 11 | 12 | 13 | 14 | 15 | 16 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 | 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 | 28 | 29 | 30 | | | | |
| 31 | | | | | | | | | | | | | |

| SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY |
|--------|---|--|--|---|---|----------|
| Apr 26 | 27 | 28 | 29 | 30 | May 1 | 2 |
| 3 | 4 8:00am CEO Evaluation Committee (Morse, Hollis, Chastain) (Teleconference) | 5 1:00pm StarLeaf: CEO Evaluation Committee Meeting (StarLeaf Cloud) - Connie Owens | 6 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens | 7 | 8 11:00am REAP Board Meeting (Morse/Henderson) (NeighborWorks) - CCBOD | 9 |
| 10 | 11 9:00am CEO Evaluation Committee Meeting (Morse, Hollis, Chastain) (Teleconference) - 10:30am Mtg w/Sherri (Audit and Finance Committee Packet) (StarLeaf Cloud) - Connie Owens | 12 9:30am StarLeaf: CEO Evaluation Committee (StarLeaf Cloud) - Connie Owens 4:00pm Audit and Finance Committee Meeting followed by Special Board of Directors Meeting (BoardroomCR) - | 13 | 14 12:30pm CEO Evaluation Committee (NRECA Consulting Contract) (Teleconference) 1:30pm CEO Evaluation Cmte w/NRECA Consultant (Teleconference) | 15 12:00pm T/C w/AI Bolea & Rachel Morse (Rachel - Call AI (529-5020) @ Noon AK Time) - Connie Owens | 16 |
| 17 | 18 | 19 | 20 10:00am Mtg w/CEO Evaluation Committee & AI Bolea (StarLeaf Cloud) - Connie Owens 12:30pm CEO Evaluation Committee (BoardRoomCR) - Connie Owens | 21 2:00pm Teleconference: CEO Evaluation Committee (Hollis, Morse, Chastain) | 22 | 23 |
| 24 | 25 Memorial Day (United States) | 26 8:30am Review Board Packet w/Thibert (Chastain/Reeves) (LDT's Office) - Connie 10:30am Film Treasurer's Report for Annual Mtg @ 5:15pm Election Committee Meeting (Crawford) | 27 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens | 28 | 29 4:00pm Special Board of Directors Meeting (StarLeaf Cloud) - Connie Owens | 30 |
| 31 | Jun 1 | 2 | 3 | 4 | 5 | 6 |

June 2020

| June 2020 | | | | | | | July 2020 | | | | | | |
|-----------|----|----|----|----|----|----|-----------|----|----|----|----|----|----|
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| 14 | 15 | 16 | 17 | 18 | 19 | 20 | | 12 | 13 | 14 | 15 | 16 | 17 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 | | 19 | 20 | 21 | 22 | 23 | 24 |
| 28 | 29 | 30 | | | | | | 26 | 27 | 28 | 29 | 30 | 31 |

| SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY |
|--------|--|--|--|----------|--------|----------|
| May 31 | Jun 1 | 2 5:15pm Election Committee Meeting (Crawford) (BoardRoomCR) - Bonnie Maxwell | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 5:15pm Election Committee Meeting (Crawford) (BoardRoomCR) - Bonnie Maxwell | 10 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens | 11 | 12 | 13 |
| 14 | 15 5:30pm Chugach Electric Virtual Annual Membership Meeting – June 15, 2020 – 5:30 pm (StarLeaf Cloud) - Connie Owens via StarLeaf Cloud | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 8:30am Review Board Packet w/Chair (LDT's Office) - Connie Owens | 23 | 24 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens | 25 | 26 | 27 |
| 28 | 29 | 30 | Jul 1 | 2 | 3 | 4 |

July 2020

| July 2020 | | | | | | | August 2020 | | | | | | |
|-----------|----|----|----|----|----|----|-------------|----|----|----|----|----|----|
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| 12 | 13 | 14 | 15 | 16 | 17 | 18 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 26 | 27 | 28 | 29 | 30 | 31 | | 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| | | | | | | | 30 | 31 | | | | | |

| SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY |
|--------|---|---------|--|----------|-----------------------------------|--|
| Jun 28 | 29 | 30 | Jul 1 | 2 | 3 Independence Day Observed | 4 Independence Day (United States) |
| 5 | 6 | 7 | 8 4:00pm Operations Committee Meeting (Boardroom) - Connie Owens | 9 | 10 | 11 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 8:30am Review Board Packet w/Chair (LDT's Office) - Connie Owens | 21 | 22 4:00pm Regular Board of Directors Meeting (Boardroom) - CCBOD | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | 31 | Aug 1 |

August 2020

| August 2020 | | | | | | |
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| 30 | 31 | | | | | |

| September 2020 | | | | | | |
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| 27 | 28 | 29 | 30 | | | |

| SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY |
|--------|--|---|--|----------|--------|----------|
| Jul 26 | 27 | 28 | 29 | 30 | 31 | Aug 1 |
| 2 | 3 | 4 | 5 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 4:00pm Audit and Finance Committee Meeting (BoardroomCR) - CCBOD | 13 | 14 | 15 |
| 16 | 17 8:30am Review Board Packet w/Chair (LDT's Office) - Connie Owens | 18 | 19 4:00pm Regular Board of Directors Meeting (Boardroom) - CCBOD | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| | | APA Annual Meeting (8/25-28/19) (Homer, AK) | | | | |
| 30 | 31 | Sep 1 | 2 | 3 | 4 | 5 |

September 2020

| September 2020 | | | | | | |
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| October 2020 | | | | | | |
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| SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY |
|--------|--|--|---|----------|--------|----------|
| Aug 30 | 31 | Sep 1 | 2 | 3 | 4 | 5 |
| 6 | 7 Labor Day (United States) | 8 | 9 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 8:30am Review Board Packet w/Chair (LDT's Office) - Connie Owens | 22 | 23 4:00pm Regular Board of Directors Meeting (Boardroom) - CCBOD | 24 | 25 | 26 |
| 27 | 28 | 29 NRECA Region IX - 9/29 - 10/1 (Omaha, Neb.) - Connie Owens | 30 | Oct 1 | 2 | 3 |

October 2020

| October 2020 | | | | | | |
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| November 2020 | | | | | | |
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| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | | | | | |

| SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY |
|--------|--|---------|---|--|---|----------|
| Sep 27 | 28 | 29 | 30 | Oct 1 NRECA Region IX - 9/29 - 10/1 | 2 Member Appreciation Day - Connie Owens | 3 |
| 4 | 5 | 6 | 7 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 8:30am Review Board Packet w/Chair (LDT's Office) - Connie Owens | 27 | 28 4:00pm Regular Board of Directors Meeting (Boardroom) - CCBOD | 29 | 30 | 31 |

November 2020

| November 2020 | | | | | | |
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| December 2020 | | | | | | |
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| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | 31 | | |

| SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY |
|--------|---|---|---|--|--------|----------|
| Nov 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 4:00pm Audit and Finance Committee Meeting (BoardroomCR) | 10 4:00pm Audit and Finance Committee Meeting (BoardroomCR) | 11 4:00pm Operations Committee Meeting | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 11:45am Chugach Legislative Luncheon (Embassy Suites) - Connie Owens 2:00pm Review Board Packet w/Chair (LDT's Office) - Connie Owens 4:00pm Regular Board of Directors Meeting (Boardroom) | 25 | 26 Thanksgiving Day Holiday (United States) | 27 | 28 |
| 29 | 30 | Dec 1 | 2 | 3 | 4 | 5 |

December 2020

| December 2020 | | | | | | |
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| January 2021 | | | | | | |
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| 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 |
|---|--|---------|--|--|---|----------|
| Nov 29 | 30 | Dec 1 | 2 APA December Meeting Series (12/2-3, 2020) (Anchorage, AK) - Cont | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 Directors Winter School - 12/11-12/16 (Nashville, TN) | 12 |
| 13 Directors Winter School - 12/11-12/16 (Nashville, TN) | 14 8:30am Review Board Packet w/Chair (LDT's Office) - Connie Owens | 15 | 16 4:00pm Regular Board of Directors Meeting (Boardroom) - CCBOD | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 Christmas Holiday (United States) | 25 | 26 |
| 27 | 28 | 29 | 30 | 31 New Year's Holiday (United States) | Jan 1, 21 | 2 |

January 2021

| January 2021 | | | | | | |
|--------------|----|----|----|----|----|----|
| Su | Mo | Tu | We | Th | Fr | Sa |
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| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | |

| February 2021 | | | | | | |
|---------------|----|----|----|----|----|----|
| Su | Mo | Tu | We | Th | Fr | Sa |
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| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | | | | | | |

| SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY |
|--------|---|---------|---|----------|---|----------|
| Dec 27 | 28 | 29 | 30 | 31 | Jan 1, 21 New Year's Holiday (United States) New Year's Day (United States) | 2 |
| 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 4:00pm Operations Committee Meeting | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 8:30am Review Board Packet (LDT's Office) | 26 | 27 4:00pm Regular Board of Directors Meeting (Boardroom) | 28 | 29 | 30 |
| 31 | Feb 1 | 2 | 3 | 4 | 5 | 6 |

February 2021

| February 2021 | | | | | | |
|---------------|----|----|----|----|----|----|
| Su | Mo | Tu | We | Th | Fr | Sa |
| | 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 | | | | | | |

| March 2021 | | | | | | |
|------------|----|----|----|----|----|----|
| Su | Mo | Tu | We | Th | Fr | Sa |
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| 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 |
|--------|--|---------|---|----------|--------|----------|
| Jan 31 | Feb 1 | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 | 10 4:00pm Operations Committee Meeting | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 8:30am Review Board Packet (LDT's Office) | 23 | 24 4:00pm Regular Board of Directors Meeting (Boardroom) | 25 | 26 | 27 |
| 28 | Mar 1 | 2 | 3 | 4 | 5 | 6 |

March 2021

| March 2021 | | | | | | |
|------------|----|----|----|----|----|----|
| Su | Mo | Tu | We | Th | Fr | Sa |
| | 1 | 2 | 3 | 4 | 5 | 6 |
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| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 | | | |

| April 2021 | | | | | | |
|------------|----|----|----|----|----|----|
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| | | | | 1 | 2 | 3 |
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| 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 |
|--------|---|---------|---|----------|--------|----------|
| Feb 28 | Mar 1 | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 | 10 4:00pm Operations Committee Meeting | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 4:00pm Audit and Finance Committee Meeting | 18 | 19 | 20 |
| 21 | 22 8:30am Review Board Packet (LDT's Office) | 23 | 24 4:00pm Regular Board of Directors Meeting (Boardroom) | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 | Apr 1 | 2 | 3 |

April 2021

| April 2021 | | | | | | | May 2021 | | | | | | |
|------------|----|----|----|----|----|----|----------|----|----|----|----|----|----|
| Su | Mo | Tu | We | Th | Fr | Sa | Su | Mo | Tu | We | Th | Fr | Sa |
| | | | | 1 | 2 | 3 | | | | | | | 1 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 25 | 26 | 27 | 28 | 29 | 30 | | 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| | | | | | | | 30 | 31 | | | | | |

| SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY |
|--------|--|---------|---|----------|--------|----------|
| Mar 28 | 29 | 30 | 31 | Apr 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 4:00pm Operations Committee Meeting (BoardRoomCR) | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 8:30am Review Board Packet (LDT's Office) | 27 | 28 4:00pm Regular Board of Directors Meeting (Boardroom) | 29 | 30 | May 1 |

From: Michael Rovito <MRovito@alaskapower.org>
Sent: Thursday, February 20, 2020 2:21 PM
To: Michael Rovito <mrovito@alaskapower.org>
Subject: APA/AIE 2020 Annual Meeting Lodging Information - Important
Importance: High

*****EXTERNAL EMAIL*****

Important APA & AIE Annual Meeting Information Below

Our members have been great at booking lodging early for the 2020 APA & AIE Annual Meeting in Homer. **The Land's End Resort is now SOLD OUT of rooms.** Below are other options for lodging in Homer (please note that APA is not providing transportation between hotels):

Aspen Hotel, 91 Sterling Hwy., Homer (Director Training will be held at this hotel on Wednesday, August 26. The hotel is roughly a 15 minute drive from Land's End)

NRECA Director Training will be held here
- 907-235-2351 www.aspenhotelsak.com
- APA group code: APA20
- \$185 plus 7.85% tax

Best Western Bidarka Inn, 575 Sterling Hwy. Homer (The hotel is about 15 minutes away from Land's End)

APA does not have a room block here, but they have rooms available, serve breakfast, and have a pool hall next door.
- 907-235-8148, 1-800-780-7234
- www.bestwestern.com

Driftwood Inn and Seaside Lodges, 135 W. Bunnell Ave., Homer (15 minutes from Land's End)
APA does not have a room block here. **The hotel suggests reservations be made before the end of February.**

- 907-235-8019
- www.driftwoodinn.com

There are multiple B&Bs in the Homer area. Car rental at the Homer airport is slim. We recommend renting a vehicle in Anchorage and enjoying the drive to Homer. It's a four to five hour drive through the mountains. HEA will be offering a tour of their Soldotna Combustion Turbine plant, which is on the way to Homer. The plant tour and the welcome reception are on Tuesday, August 25th. The time is yet to be determined, but plan for the tour late morning and the welcome reception late afternoon. More information on these events will be sent in the next few months.

Please contact us if you have any questions.

Thanks!



Michael Rovito, CCC

Deputy Director

Alaska Power Association

703 West Tudor Road, Suite 200 | Anchorage, Alaska 99503-6650

907-771-5700 Main Office | 907-771-5711 Direct

907-561-5547 Fax | www.alaskapower.org

~ The Unified Voice of Alaska's Electric Utilities ~

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

April 22, 2020
Wednesday
4:00 p.m.

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 4:03 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Pledge of Allegiance

Chair Chastain lead the Board in the Pledge of Allegiance.

B. Roll Call

Board Members Present:

Bettina Chastain, Chair *(via teleconference)*

Susan Reeves, Vice Chair *(via teleconference)*

Stuart Parks, Secretary

Rachel Morse, Treasurer

Jim Henderson, Director *(joined via teleconference at 4:08 p.m.)*

Harry Crawford, Director

Harold Hollis, Director *(arrived at 4:07 p.m.)*

Guests and Staff in Attendance:

Lee Thibert

Brian Hickey *(via teleconference)*

Matthew Clarkson

Connie Owens *(via teleconference)*

Arthur Miller *(via teleconference)*

Tyler Andrews *(via teleconference)*

Sherri Highers *(via teleconference)*

Teresa Kurka *(via teleconference)*

Mark Fouts *(via teleconference)*

Mitchell Roth,
Chugach Member
(via teleconference)

Julie Hasquet *(via teleconference)*

Crystal Enkvist, Alaska
Power Association (APA)
(via teleconference)

C. Safety Minute

Tyler Andrews, Executive V.P., Employee Services & Communications discussed "Ins and Outs of Cloth Face Coverings – Know your Mask".

Director Hollis arrived at 4:07 p.m.

Director Henderson joined via teleconference at 4:08 p.m.

II. APPROVAL OF THE AGENDA

Director Morse 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

- A. *Board Calendar*
- B. *Director Training/Education and Conferences (Board Discussion)*
 - 1. *2020 APA & AIE Annual Meeting, August 26-28, 2020, Homer, AK*
(Deadline for meeting and hotel registration is June 24, 2020)
- C. *Minutes*
 - 1. *March 25, 2020, Regular Board of Directors' Meeting (Scott)*
 - 2. *April 8, 2020, Special Board of Directors' Meeting (Quezon)*
- D. *Director Expenses*

Chair Chastain stated that the Board will be discussing the 2020 APA & AIE Annual meeting.

Crystal Enkvist, Executive Director, APA discussed the 2020 APA & AOE Annual Meeting and responded to questions from the Board.

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

V. CEO REPORTS AND CORRESPONDENCE

- A. *1st Quarter 2020 Safety Report (Freeman/Andrews)*
The 1st Quarter 2020 Safety Report was provided in the meeting packet.
- B. *1st Quarter 2020 Communication Report (Hasquet/Andrews)*
The 1st Quarter 2020 Communication Report was provided in the meeting packet.
- C. *January 2020 Financial Statements and Variance Report (Curran/Highers)*
The January 2020 Financial Statements and Variance Report was provided in the meeting packet.
- D. *February 2020 Financial Statements and Variance Report (Curran/Highers)*
The February 2020 Financial Statements and Variance Report was provided in the meeting packet.
- E. *Virtual Annual Meeting Discussion (Hasquet/Andrews)*
Julie Hasquet, Sr. Manager, Corporate Communications, Arthur Miller, Executive VP, Regulatory & External Affairs discussed the Virtual Annual Meeting and responded to questions from the Board.

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

The Board Policy Scheduled Task/Reports was provided in the meeting packet.

Lee Thibert, Chief Executive Officer (CEO) gave a brief summary on the CEO Reports and Correspondence and responded to questions from the Board.

VI. DIRECTOR REPORTS

A. Alaska Power Association (APA) Report

Director Hollis introduced Crystal Enkvist, Executive Director, APA to provide an update on APA activities and upcoming events.

B. Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report

Director Crawford stated that there was no ARCTEC meeting to report.

C. Renewable Energy Alaska Project (REAP) Report

Director Morse stated that there was a REAP Executive Committee meeting last week and that there is a scheduled REAP Finance Committee meeting on Friday, April 24, 2020, and a REAP Board meeting on May 8, 2020, which she plans on attending.

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

Director Morse stated that there was no Audit and Finance Committee meeting to report.

Director Parks reported on the April 15, 2020, Operations Committee meeting and stated that there is a scheduled follow-up Operations Committee meeting on Monday, April 27, 2020.

Director Reeves reported the Governance Committee did not meet, however, reported that the Member Advisory Council (MAC) candidates have been informed by Julie Hasquet, Sr. Manager, Corporate Communications on the postponement of member selection.

E. Other Meeting Reports

None

VII. UNFINISHED BUSINESS

None

VIII. EXECUTIVE SESSION

A. IMO Update

B. ML&P Acquisition Update

C. Finance Update

D. Status Report – COVID19 Impacts

E. 2019 Chief Executive Officer Evaluation and Compensation

F. 2020 (May 1, 2020 – April 30, 2021) Chief Executive Officer Project Specific Initiative and Key Performance Indicators

At 4:48 p.m., Director moved and Director seconded the that pursuant to Alaska Statute 10.25.175 (c)(1) 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; and, 2) 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 8:43 p.m.

IX. NEW BUSINESS

A. Virtual Annual Meeting and Extension of Prior COVID-19 Resolutions (Hasquet/Clarkson)*

Director Morse moved and Director Pars seconded the motion that the Board of Directors approve the attached resolution authorizing the Association's annual membership meeting to be conducted through a virtual platform with in-person attendance not encouraged and extending the Board of Directors prior COVID-19 resolutions. The motion passed unanimously.

*B. 2019 Chief Executive Officer Evaluation and Compensation ** (Board)*
Deferred to April 27, 2020, Special Board of Directors' meeting.

*C. 2020 (May 1, 2020 – April 30, 2021) Chief Executive Officer Project Specific Initiative and Key Performance Indicators** (Board)*
Deferred to April 27, 2020, Special Board of Directors' meeting.

X. DIRECTOR COMMENTS

Director comments were made at this time.

XI. ADJOURNMENT

At 8:59 p.m., Director Morse moved and Director Crawford seconded the motion to adjourn. The motion passed unanimously.

Stuart Parks, Secretary
Date Approved: May 27, 2020

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

April 27, 2020
Monday
Immediately Following the Operations Committee Meeting

SPECIAL BOARD OF DIRECTORS' MEETING

Recording Secretary: Arden Quezon

I. CALL TO ORDER

Chair Chastain called the Special Board of Directors' Meeting to order at 5:50 p.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 *(via teleconference)*

Susan Reeves, Vice Chair *(via teleconference)*

Stuart Parks, Secretary

Rachel Morse, Treasurer *(via teleconference)*

James Henderson, Director *(via teleconference)*

Harry Crawford, Director

Harold Hollis, Director

Guests and Staff in Attendance:

Lee Thibert

Connie Owens *(via*

Matthew Clarkson

teleconference)

C. Safety Minute

Lee Thibert, Chief Executive Officer (CEO), discussed “Food Expiration Dates” with the Board.

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. *2019 Chief Executive Officer Evaluation and Compensation*
- B. *2020 (May 1, 2020 – April 30, 2020) Chief Executive Officer Project Specific Initiative and Key Performance Indicators*

At 5:53 p.m., Director Hollis moved and Director Crawford 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 6:15 p.m.

IX. NEW BUSINESS

- A. *2019 Chief Executive Officer Evaluation and Compensation*

Director Parks moved and Director Hollis seconded the motion that the Board of Directors accept the Operations Committee recommendation to approve the attached resolution regarding CEO annual performance review recognizing the Board of Directors and Lee D. Thibert's mutual agreement that Thibert shall not receive a performance payment or merit increase regardless of the results of his 2019 performance review in light of the COVID-19 economic disruptions.

Chair Chastain asked if there was any discussion and Director Reeves responded by asking if Mr. Thibert would confirm that he agrees with the terms and condition on the resolution. Mr. Thibert, CEO responded by stating that he does agree with the resolution. The motion passed unanimously.

- B. *2020 (May 1, 2020 – April 30, 2021) Chief Executive Officer Project Specific Initiatives and Key Performance Indicators*

Chair Chastain stated that there would be no action on this agenda item and will be deferred to an assigned Committee for further discussion.

X. DIRECTOR COMMENTS

Director comments were made at this time.

XI. ADJOURNMENT

At 6:28 p.m., Director Parks moved and Director Crawford seconded the motion to adjourn. The motion passed unanimously.

Stuart Parks, Secretary

Date Approved: May 27, 2020

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

May 12, 2020
Tuesday
Immediately Following the Audit and Finance Committee Meeting

SPECIAL BOARD OF DIRECTORS' MEETING

Recording Secretary: Arden Quezon

I. CALL TO ORDER

Chair Chastain called the Special Board of Directors' Meeting to order at 6:43 p.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 (*via teleconference*)

Stuart Parks, Secretary (*via teleconference*)

Rachel Morse, Treasurer

James Henderson, Director (*via teleconference*)

Harry Crawford, Director

Harold Hollis, Director (*via teleconference*)

Guests and Staff in Attendance:

Lee Thibert

Connie Owens (*via*

Matthew Clarkson

teleconference)

C. Safety Minute

Lee Thibert, Chief Executive Officer (CEO), discussed "*Bear Safety*" with the Board.

II. APPROVAL OF THE AGENDA

Director Morse 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. NEW BUSINESS

None

IX. EXECUTIVE SESSION

- A. *May 1, 2020 – April 30, 2020 Chief Executive Officer Project Specific Initiatives*
- B. *NRECA Consultant Contract*

At 6:47 p.m., Director Morse moved and Director Crawford seconded the motion that pursuant to Alaska Statute 10.25.175 (c)(2) the Board of Directors go into executive session to discuss 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 7:31 p.m.

X. NEW BUSINESS

- A. *May 1, 2020 – April 30, 2021 Chief Executive Officer Project Specific Initiatives (Board)*
Chair Chastain stated that there would be no action taken for this agenda item.
- B. *NREA Consultant Contract (Board)*
Director Morse moved and Director Reeves seconded the motion that the Board of Directors approve the NRECA Consultant Contract as discussed in executive session with the initial amount not to exceed \$10,000.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 7:41 p.m., Director moved and Director Crawford seconded the motion to adjourn. The motion passed unanimously.

Stuart Parks, Secretary
Date Approved: May 27, 2020

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

May 27, 2020

ACTION REQUIRED

AGENDA ITEM NO. IV.D.

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

TOPIC

Director Expenses

DISCUSSION

The Director's expenses will be submitted for approval at the board meeting.

MOTION

(Consent Agenda)

2020

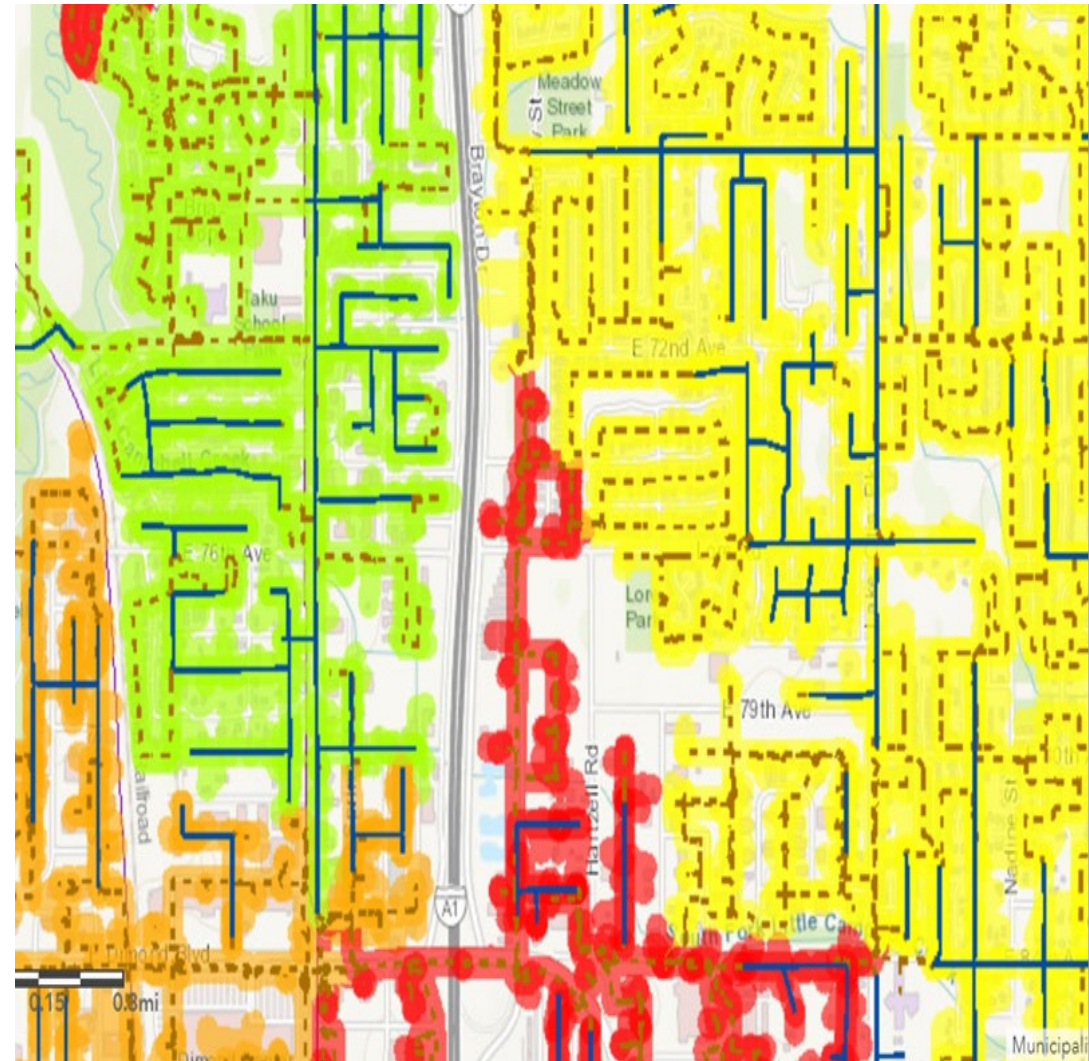
Right of Way Clearing

Regular Board Meeting

May 27, 2020

Discussion

- 890 circuit miles of overhead distribution line
- 435 circuit miles of transmission line
- Another hot dry summer, Spruce Bark Beetle kill
- Prioritize clearing for fire and reliability
- Erosion of right of way edges fences/vegetation. Expect some members to complain
- Vegetation Management Plan on website
- Developing a tree clearing layer in GIS providing a current visual of clearing status



Right of Way Pictures



CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

May 19, 2020

TO: Lee Thibert, Chief Executive Officer

FROM: Tyler Andrews, Executive Vice President
Employee Service and Communications

SUBJECT: COVID-19 Response Status

As of today, there have been 396 COVID-19 cases in various communities in Alaska, including Anchorage. Statewide there are currently 42 active cases reported.

As a Critical Infrastructure organization, Chugach continues to devote attention and resources to the virus outbreak and potential impacts on Chugach operations and integration activities resulting from the acquisition of ML&P. No plan can prevent all impacts of COVID-19 infection; at this point there has been no impact to Chugach operations stemming from the direct infection of employees. Chugach is cautiously preparing to return office staff to various workplaces based on interest and employer priorities. Return to office plans are mindful of employee density in specific locations, the ability to maintain social distancing, and continuation of cleaning protocols.

Operations:

Line Operations and Generation continue in their COVID-19 configurations. Line crews continue to operate from separate locations and in discrete groups. Generation and Dispatch continue to limit access to required staff for critical locations (control rooms and the dispatch center). Other employees are dispatched from home rather than starting their workday from the Chugach campus.

Member Services:

Reopening of the lobby to members for bill payment and service requests occurred on May 4, 2020. Numerous steps were taken before opening including installing plexiglass in front of each workstation, adding social distancing markers to the floor, putting up informative signs, and limiting the number of members in the lobby at once to six. There is no known negative disease related impact from reopening the lobby. Customer Service Representative reactions are so far positive to the safety modifications and other protocols. Member seem to be understanding and appreciative of the social distancing and safety protocols in place at this time.

Office Staff:

Many office staff continue to work from home. Chugach is taking measured steps to return people to office spaces. In our initial phase we are seeking input on employee concern and interest in returning to office facilities. Any effort to return employees to their office work locations will be mindful of safety, employee concerns and Chugach priorities. There are some instances where productivity can be enhanced by having employees on campus.

Communications:

Chugach employees continue to receive multiple communications per week regarding the impacts of the response, impacts from health mandates, cleaning/safety protocols, and change in the Chugach response. We continue to add to the Intranet page for employees and the communications become talking points for managers to share with employees.

Members are receiving regular communications from Chugach through regular updates to the website, as well as postings on social media, news releases, and in the monthly Outlet.

The most recent communication effort worked on jointly by Communications, Regulatory, and Member Services is notification to members of the passage of Senate Bill 241 which allows those with a financial hardship from the COVID-19 to avoid disconnect. In order to do so, members must fill out a declaration of financial hardship and enter into a deferred payment agreement with Chugach. The forms are available on the website, were noticed via a news release and in The Outlet and are being communicated directly with members who are facing a financial hardship.

Pandemic Response Team (PRT):

The PRT continues to coordinate Chugach's ongoing response to the COVID-19 outbreak: the primary purpose being to contribute to employee safety while Chugach maintain service to members and the community. The PRT is providing ready response to the concerns and questions of managers and employees. Managers receive advice and consult with PRT team members on applying the various protocols and health mandates. Employees access COVID-19 benefits through the PRTs HR staff. Employee absences and returns to work are tracked and coordinates daily through the PRT. The PRT is doing the work of looking forward to plan for coordinated returns to the office where safety is the highest priority.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

May 20, 2020

TO: Lee Thibert, Chief Executive Officer

THROUGH: Tyler Andrews, Executive Vice President
Employee Service and Communications

FROM: Julie Hasquet, Sr. Manager, Corporate Communications

SUBJECT: Virtual Annual Meeting Plans

Chugach will be holding its first virtual annual meeting on June 15, 2020. The meeting begins at 5:30 pm and will be livestreamed via StarLeaf from the Chugach Boardroom. Currently, there are 60 members signed up to participate. As previously noted, members are signing up through the Chugach website.

Complying with COVID-19 health precautions, we are limiting in-person attendees to the following:

- Board members: All (socially distanced; some in audience chairs)
- CEO: Lee Thibert
- Chugach staff: Connie Owens, Julie Hasquet, Rodney Kaas, Matt Clarkson, recording secretary (Arden or Deanna)
- Board candidates: Brad Authier, Sam Cason, Mitchell Roth, and Mark Wiggin
- Master Election Judge: Dawn Bundick
- Parliamentarian: Barbara Simpson-Kraft

The Chugach executive team not in the room will participate electronically via StarLeaf. In order to increase efficiency and minimize disruptions, members will be able to view the meeting through the livestream or just listen via telephone but will not be able to comment during the meeting. The meeting will be recorded and placed on the Chugach website.

I consulted with Matt Clarkson regarding the bylaws and the structure of the meeting. Without a quorum, we are only allowed to report the election results and may not conduct any other official business. Knowing that, the following meeting structure appears to follow the requirements of Chugach's bylaws most closely:

1. Annual Meeting

- a. Board chair Chastain calls the meeting to order and gives a brief description of the virtual annual meeting noting the limits of no quorum and only reporting election results and mentioning that an membership update and informational session will be held immediately following meeting adjournment.

- b. Master Election Judge reports the election results.
- c. Chair Chastain asks for a motion and adjourns the meeting.

2. Membership Update and Informational Session

- a. CEO Lee Thibert gives overview of ML&P acquisition status and other Chugach updates.
- b. Chair Chastain introduces Board video.
- c. Treasurer Rachel Morse introduces Treasurer video.
- d. Julie reads some of the questions submitted through the signup process; to be answered by Lee Thibert and, if appropriate, Chair Chastain.
- e. Chair Chastain thanks members for watching, reminds the entire meeting is being recorded for website, signs off meeting.

As we get closer to June 15, I will write a script for those involved here to follow for the meeting.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

May 20, 2020

TO: Chugach Board of Directors

FROM: Lee D. Thibert, Chief Executive Officer

SUBJECT: *Residential Meter Exchange - Advanced Metering Infrastructure*

Chugach Electric Association, Inc. (Chugach) replaced over 81,000 residential and commercial meters as part of its Advanced Metering Infrastructure (AMI) project. The project began in 2015 and to date, all but 57 residential meters have been replaced on the Chugach system. Overall, the project has resulted in significant improvements in Chugach operations, including real-time information on power outages, the ability to electronically connect and disconnect meters from electric service, the ability to identify causes for high bills, and the ability for both the member and Chugach to access detailed (15-minute) customer load information.

At the time the new meters were installed, Chugach permitted residential members to “opt-out” from having their older meter replaced (commercial members were not permitted to opt-out of the program). The members who chose to opt-out cited perceived health hazards due to the radio frequency (RF) communications from the meters and a smaller subset identified privacy concerns. Chugach is now transitioning all members to one system and after July 2020, will no longer allow members to opt-out. In mid-June, the attached letter will be sent to these members to inform them that their meter will be exchanged with updated technology and to contact Chugach if they have any questions or concerns.

Chugach’s decision is consistent with a February 2019 decision from the Regulatory Commission of Alaska (Commission) which supported Anchorage Municipal Light & Power’s (ML&P) policy of requiring all customers to have AMI meters as a condition of service. The Commission order declined to investigate a complaint against ML&P filed by a customer who argued that ML&P’s installation of an AMI meter at their residence was unsafe due to RF emissions. The Commission order cited that, “Congress mandated the establishment of national standards for RF emission exposure and made the Federal Communications Commission (FCC) responsible for adoption of those standards.” The AMI meters meet the FCC standard for RF emissions.

Chugach is making the change in its policy for the following reasons:

- Costs are reduced to the membership if Chugach consolidates operations using one metering system instead of two. Duplication of licensing, equipment, systems, and support is eliminated.

- Increases safety to employees and the general public by reducing the number of vehicles on the road through elimination of on-site meter reads.
- Chugach's policy is consistent with ML&P's policy of not permitted customers to opt out of AMI. This consistency will be helpful in the alignment of post-acquisition operations.
- The AMR meters being taken out of service also use RF for communications, such that the newer AMI meters are not adding a new RF source to the households. All meters are compliant with FCC standards.



**** DRAFT ****

June __, 2020

Member Name

Member Address

City, State, Zip Code

Member-Account Number

Subject: Meter Replacement

Dear _____,

Chugach Electric Association, Inc. (Chugach) has completed the exchange of approximately 81,000 residential and commercial electric meters to an advanced metering technology platform. This upgrade in metering technology increases our ability to continue providing reliable and efficient electric service to our members and expedites our ability to identify and respond to power outages. The new meters also gather monthly energy usage more efficiently and timely for routine monthly billing.

Although most meters on the Chugach system have been replaced, approximately 60 residential meters using the older technology remain in service. You are receiving this letter because the meter at your residence located at _____ is based on the older technology and is therefore scheduled to be replaced during the month of July 2020 as part of the final phase of the meter upgrade program.

There is no charge to you, and you do not need to be present for the exchange. However, Chugach will need access to the meter and you will lose power for a moment during this exchange.

As a not-for-profit cooperative electric utility owned by the members, Chugach continuously strives to reduce costs and serve members with the best quality service. If you have any questions or concerns, please contact me directly at (907) 762-____, or you may contact a member service representative at (907) 563-____.

Sincerely,

DRAFT

Chugach Electric Association, Inc.

5601 Electron Drive, P.O. Box 196300, Anchorage, Alaska 99519-6300 • (907) 563-7494 Fax (907) 562-0027 • (800) 478-7494
www.chugachelectric.com • info@chugachelectric.com

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

May 27, 2020

ACTION REQUIRED

AGENDA ITEM NO. VIII.A.

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

TOPIC

FY2020 Tax Services

DISCUSSION

KPMG provides tax services which includes the preparation and filing of the Form 990 and assistance with various tax related matters. The Audit and Finance Committee pre-approved tax services to be provided by KPMG for 2020 on May 12, 2020.

MOTION

Move that the Board of Directors approve the tax services for FY2020.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

May 27, 2020

ACTION REQUIRED

AGENDA ITEM NO. VIII.B.

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

TOPIC

KPMG Contract

DISCUSSION

On May 12, 2020, the Audit and Finance Committee received, reviewed and discussed a two-year contract extension proposal from KPMG.

MOTION

Move that the Board of Directors approve a two-year contract extension from KPMG.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

May 27, 2020

ACTION REQUIRED

AGENDA ITEM NO. VIII.C.

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

TOPIC

Board Policy 207 – Audit and Finance Committee

DISCUSSION

At its meeting on May 12, 2020, while performing their annual review of its governing policy, the Audit and Finance Committee agreed to revise Section III, Item 8 of Board Policy 207 by replacing the current language to read: “Each year, confirm the level of financial information to include in the Association’s annual report.”

The Association’s financial information is routinely provided in the annual report to the members. This revision would charge the Audit and Finance Committee with determining the level of financial information to be provided in that report.

Attached is a redlined version of the proposed change to Board Policy 207.

MOTION

Move that the Board of Directors approve the revision to Board Policy 207 – Audit and Finance Committee, as shown in the attached draft policy.

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 applicable auditing standards.
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.~~
- ~~8. Each year, confirm the level of financial information to include 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.
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 27, 2020

Attested: _____
Stuart Parks
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.

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 applicable auditing standards.
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. Each year, confirm the level of financial information to include 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.
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 27, 2020

Attested: _____
Stuart Parks
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 27, 2020

ACTION REQUIRED

AGENDA ITEM NO. VIII.D.

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

TOPIC

Capital Credit Retirement

DISCUSSION

On May 12, 2020, the Audit and Finance Committee recommended the Board of Directors approve a capital credit retirement as discussed in executive session.

The Board of Directors has determined that this retirement will not impair the financial condition of the Association.

MOTION

Move that the Board of Directors approve the attached resolution authorizing a wholesale capital credit retirement to MEA and Seward.

Muldoon Road Undergrounding Project

May 27, 2020

- [illegible]

Budget

- The estimate to complete this project is \$3.7 M.
- Project funding source, Title 21 Underground fund
- Currently \$11M in the Undergrounding fund
 - Approximately \$3.8 M is collected annually
 - Approximately \$7.6M anticipated to be spent this year



CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

May 27, 2020

ACTION REQUIRED

AGENDA ITEM NO. VIII.E.

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

TOPIC

Muldoon Road 12.5 kV Undergrounding Project Authorization

DISCUSSION

The project is for the underground conversion of 12.5 kV overhead distribution facilities from approximately 350 feet south of the intersection of Northern Lights Boulevard to approximately the intersection of Island Drive on the west side of Muldoon Road. It is an identified project in Chugach's Undergrounding Plan and funded by collection of fees from ratepayers per Anchorage Municipal Code.

The preliminary budget for the project was \$2,500,000 and changes required by the Alaska Department of Transportation and design enhancements increased the budget by \$1,208,831.45. The project includes extensive hand digging and directional drilling including four locations across Muldoon Road and multiple locations along the north/south routing of the project for side streets, driveways and in areas where conventional trenching is not feasible or permitted.

MOTION

Move that the Board of Directors authorize the Chief Executive Officer to proceed with the Muldoon Road 12.5 kV Undergrounding Project for a total cost of \$3,708,831.45 with an estimated completion of October 31, 2020.



RESOLUTION

Muldoon Road 12.5 kV Undergrounding Project Authorization

WHEREAS, Chugach Electric Association, Inc. (Chugach) has identified the need to Underground the 12.5 kV distribution lines from approximately 350 feet south of the intersection of Northern Lights Boulevard to approximately the intersection of Island Drive on the west side of Muldoon Road;

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

WHEREAS, Chugach currently has \$11,063,924 of funds collected for Overhead to Underground Projects;

WHEREAS, the 2018 budgetary estimate for the Muldoon Undergrounding Project was \$2,500,000. Changes by the Department of Transportation and design enhancements require a budget increase of \$1,208,831.45 for a total project cost of \$3,708,831.45.

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

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors authorizes the Chief Executive Officer to proceed with the Muldoon Road 12.5 kV Undergrounding Project for an estimated amount of \$3,708,831.45.

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 27th day of May, 2020; 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 27th day of May, 2020.

Secretary

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

May 27, 2020

ACTION REQUIRED

AGENDA ITEM NO. VIII. F.

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

TOPIC

Test Year Simplified Rate Filing (SRF): March 2020 Test Year

DISCUSSION

The SRF results based on the March 31, 2020 test year show demand and energy rate decreases of 0.9 percent on a system basis, 0.9 percent to the Chugach retail class, and 2.2 percent to the wholesale class of Seward Electric System (Seward). Although the Chugach system revenue requirement of \$137 million has not changed in relation to the prior SRF, test period revenues increased by \$1.2 million due to increased sales during the first quarter of 2020.

Chugach is recommending that the demand and energy rates for the Chugach retail class remain unchanged and the demand and energy rates to the wholesale class of Seward be reduced by 2.2 percent. The regulations provide that changes to rates are not required if resultant ratemaking Times Interest Earned Ratio (TIER) levels do not exceed 5 percent of the authorized levels established by the Regulatory Commission of Alaska (Commission). For the March 2020 test period SRF, the resultant ratemaking TIER does not exceed 5 percent of authorized levels for the Chugach retail class but exceed the authorized levels for Seward by more than 5 percent. If approved, the rate change to Seward is expected to become effective on August 1, 2020.

Chugach is recommending that retail rates remain unchanged in recognition of significant and unprecedented events on the system, which include continued uncertainty relating to impacts from the Coronavirus (COVID-19) pandemic. The State of Alaska and the Municipality of Anchorage have issued health mandates and emergency orders in response to COVID-19, and Chugach has taken actions to mitigate impacts to retail members who are experiencing financial hardship, including temporary moratoriums on service disconnections and late payment fees. In addition, while sales levels were higher in first quarter 2020 due to unseasonably colder temperatures, retail sales in second quarter (through May 18, 2020) are lower than both 2019 actual and 2020 budgeted levels by 2.9 percent and 4.8 percent,

respectively. Given these events, Chugach is recommending that the base demand and energy rates to Chugach retail remain unchanged.

Included in this filing is Chugach's annual update of the allocators in the Allocated Cost of Service (ACOS). On a system basis, the update to the ACOS has no impact on system revenues. On a class basis, however, the update results in no change in cost responsibility of \$111.00 for Chugach retail and a commensurate increase to Seward.

Finally, the Commission is scheduled to issue a decision on Chugach's proposed acquisition of Anchorage Municipal Light & Power by May 28, 2020. Based on the results of the Commission order, including any potential conditions, Chugach may be required to modify this filing and the Board of Directors will be apprised of any such modifications.

MOTION

Move that the Board of Directors approve the attached Resolution authorizing Chugach to file with the Commission a March 2020 test year SRF requesting approval to leave the demand and energy rates to the Chugach retail class unchanged and to reduce the demand and energy rates to the wholesale class of Seward Electric System by 2.2 percent for rates effective August 1, 2020.



RESOLUTION

Simplified Rate Filing – March 2020 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 (Seward), and the Regulatory Commission of Alaska (Commission) has authorized its use;

WHEREAS, the SRF results based on the March 31, 2020 test period show demand and energy rate decreases of 0.9 percent on a system basis, 0.9 percent to the Chugach retail class, and 2.2 percent to the wholesale class of Seward Electric System (Seward);

WHEREAS, the primary driver of the reduction in rate levels is attributed to significantly higher sales during first quarter 2020 due to unseasonably colder temperatures in relation to prior test period levels;

WHEREAS, the State of Alaska and the Municipality of Anchorage have issued health mandates and emergency orders in response to the Coronavirus (COVID-19) pandemic, and Chugach has taken actions to mitigate impacts to retail members who are experiencing financial hardship, including temporary moratoriums on service disconnections and late payment fees;

WHEREAS, retail sales levels in second quarter (through May 18, 2020) are lower than both 2019 actual and 2020 budgeted levels by 2.9 percent and 4.8 percent, respectively;

WHEREAS, the second quarter reductions in electric sales are attributed, in part, to the COVID-19 pandemic and it is uncertain as to how long these impacts will persist;

WHEREAS, the SRF calculations based on the March 31, 2020 test year show the resultant ratemaking Times Interest Earned Ratio (TIER) for the retail class are below do not exceed 5 percent of authorized levels but the resultant ratemaking TIER for the wholesale class of Seward exceed 5 percent of authorized levels;

WHEREAS, the Commission regulations require demand and energy rate reductions if the resultant ratemaking TIER levels exceed 5 percent of authorized levels; and,

WHEREAS, given these events, Chugach is recommending in this SRF that the demand and energy rates for the Chugach retail class remain unchanged and that the demand and energy rates to the wholesale class of Seward be reduced by 2.2 percent.



NOW, THEREFORE, BE IT RESOLVED, Chugach shall submit a March 2020 test year SRF to the Commission requesting approval to leave demand and energy rates to the Chugach retail class unchanged and to reduce the demand and energy rates to the wholesale class of Seward Electric System by 2.2 percent for rates effective August 1, 2020.

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 27th day of May, 2020; 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 27th day of May, 2020.

Secretary

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

May 27, 2020

ACTION REQUIRED

AGENDA ITEM NO. VIII.G.

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

TOPIC

2019 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. Chugach has completed the allocation of 2019 margins to the Chugach retail class and wholesale customer class of Seward Electric System (Seward).

System margins for calendar year 2019 total \$5,119,627, with \$5,089,454 assigned to the Chugach retail class and \$30,173 assigned to the wholesale class of Seward. The allocations are calculated 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 2019.

Below is a summary of the allocations on a class and functional basis.

| Summary of 2019 Capital Credit Allocations | | | | |
|---|----------------|---------------------|--------------|----------------|
| Customer Class | G&T | Distribution | Total | Percent |
| Chugach Retail | \$1,398,945 | \$3,690,509 | \$5,089,454 | 99.41% |
| Seward Electric System | \$30,173 | ---- | \$30,173 | 0.59% |
| Total | \$1,429,118 | \$3,690,509 | \$5,119,627 | 100.00% |

The allocations were provided to Seward on April 27, 2020 for review and comment. Chugach also notified Seward that the allocations were scheduled for approval during the May 27, 2020 Chugach Board of Directors 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, 2020 of their allocation amount and an 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 on Chugach's website. Members using Chugach's "My Account" member engagement portal will be able to view their total accumulated capital credit allocations through December 2019.

MOTION

Move that the Chugach Electric Association, Inc. Board of Directors approve the attached Resolution authorizing 2019 capital credit allocations in the amounts of \$5,089,454 to Chugach retail members and \$30,173 to wholesale member Seward Electric System.



RESOLUTION

2019 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 2019 operating results totals \$5,119,627;

WHEREAS, the 2019 allocation provides that Chugach retail members shall be allocated \$5,089,454 and Seward Electric System shall be allocated \$30,173; and,

WHEREAS, after approval of the 2019 margins, Chugach shall notify each member of the amount of capital assigned through individual notice not later than August 15, 2020, of their allocated amount.

NOW, THEREFORE, BE IT RESOLVED, the allocation of 2019 system patronage to the retail and wholesale members of the Association is as follows:

| Summary of 2019 Capital Credit Allocations | | | | |
|--|-------------|--------------|-------------|---------|
| Customer Class | G&T | Distribution | Total | Percent |
| Chugach Retail | \$1,398,945 | \$3,690,509 | \$5,089,454 | 99.41% |
| Seward Electric System | \$30,173 | ---- | \$30,173 | 0.59% |
| Total | \$1,429,118 | \$3,690,509 | \$5,119,627 | 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 27th day of May 2020; 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 27th day of May 2020.

Secretary

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

May 27, 2020

ACTION REQUIRED

AGENDA ITEM NO. X.A.

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

TOPIC

Approval of KPMG for Employees 401k Plan Audit Services

DISCUSSION

As discussed in Executive Session.

MOTION

Move that the Board of Directors approve the retention of KPMG for employees 401(k) plan audit services for FY2019 as discussed in Executive Session.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

MAY 27, 2020

ACTION REQUIRED

AGENDA ITEM NO. X.B.

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

TOPIC

May 1, 2020 – April 30, 2021 CEO Key Performance Indicators

DISCUSSION

The CEO Evaluation Committee, the Operations Committee and the Board of Directors have discussed the May 1, 2020 – April 30, 2021 Chief Executive Officer Key Performance Indicators at the following meetings:

| | | |
|----------------|---|-------------------------------------|
| April 15, 2020 | - | Operations Committee |
| April 22, 2020 | - | Regular Board of Directors' Meeting |
| April 27, 2020 | - | Special Board of Directors' Meeting |
| April 30, 2020 | - | CEO Evaluation Committee |
| May 4, 2020 | - | CEO Evaluation Committee |
| May 5, 2020 | - | CEO Evaluation Committee |
| May 6, 2020 | - | Operations Committee |
| May 11, 2020 | - | CEO Evaluation Committee |
| May 12, 2020 | - | Special Board of Directors' Meeting |

MOTION

Move that the Board of Directors approve the May 1, 2020 – April 30, 2021 Chief Executive Officer Key Performance Indicators as discussed in executive session., with the understanding that the Board may approve revisions to these Key Performance Indicators after meeting with the consultant retained to advise the Board on CEO performance matters.