



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

REGULAR BOARD OF DIRECTORS' MEETING

AGENDA

Bettina Chastain, Director
Jim Henderson, Director
Stuart Parks, Director
Harold Hollis, Director

Rachel Morse, Director
Mark Wiggin, Director
Sam Cason, Director

June 17, 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 – “Pedestrian Safety” (Freeman/Andrews)*
- II. ADMINISTER OATH OF OFFICE TO NEWLY ELECTED BOARD MEMBER, SAM CASON (Clarkson)
- III. APPROVAL OF THE AGENDA*
- IV. PERSONS TO BE HEARD
 - A. *Member Comments*
- V. CONSENT AGENDA* (4:10 p.m.)
 - A. *Board Calendar*
 - B. *Training and Conferences*
 - C. *Minutes*
 - 1. *May 27, 2020, Regular Board of Directors’ Meeting (Scott)*
 - 2. *May 29, 2020, Special Board of Directors’ Meeting (Quezon)*
 - 3. *June 15, 2020, Regular Board of Directors’ Meeting (Quezon)*
 - D. *Director Expenses*
- VI. CEO REPORTS AND CORRESPONDENCE (4:20 p.m.)
 - A. *April 2020 Financial Statements and Variance Report (Harris/Curran)(4:25 p.m.)*
 - B. *2nd Quarter 2020 Railbelt Bill Comparison (Skaling/Miller) (4:35 p.m.)*
 - C. *Board Policy Scheduled Tasks/Reports (Board/Staff)(4:40 p.m.)*
- VII. DIRECTOR REPORTS (4:45 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*

VIII. UNFINISHED BUSINESS (*none*)

IX. NEW BUSINESS* (*scheduled*) (5:00 p.m.)

- A. *Discussion – Board Election Procedures (Clarkson) (5:05 p.m.)*
- B. *Election of Officers* (Board) (5:10 p.m.)*
- C. *Adoption of Calendar of Regular Meetings of the Board of Directors* (Owens/Thibert) (5:25 p.m.)*
- D. *Appointment of REAP Member and Alternate Representatives* (Housekeeping) (5:35 p.m.)*
- E. *Appointment of APA Member and Alternate Representatives* (Housekeeping) (5:40 p.m.)*
- F. *Appointment of ARCTEC Member and Alternate Representatives* (Housekeeping) (5:45 p.m.)*
- G. *Amend Resolution No. 05 01 20 Regarding Capital Credit Retirement and Payment to HEA* (Highers) (5:50 p.m.)*
- H. *Muldoon Road Undergrounding Project* (Laughlin/Hickey) (5:55 p.m.)*
- I. *Board Policies 101, 103 and 304 ** (Housekeeping) (6:00 p.m.)*

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

- A. *Alaska Energy Authority Acquisition of Homer Electric Association Quartz Creek Transmission Line (6:15 p.m.)*
- B. *Chugach/MEA Wholesale Power Pool Agreement (6:45 p.m.)*
- C. *IMO Update (7:15 p.m.)*
- D. *Financing Update (7:30 p.m.)*
- E. *ML&P Acquisition Update (7:35 p.m.)*

XI. NEW BUSINESS* (*continued*) (7:45 p.m.)

- A. *Alaska Energy Authority Acquisition of Homer Electric Association Quartz Creek Transmission Line* (Hickey/Thibert) (7:50 p.m.)*
- B. *Acceptance of the Conditions Imposed by the Regulatory Commission of Alaska in Order 39 on Chugach's Acquisition of Substantially All of ML&P's Assets* (Thibert) (7:55 p.m.)*

XII. DIRECTOR COMMENTS (8:00 p.m.)

XIII. ADJOURNMENT* (8:15 p.m.)

* *Denotes Action Items*

** *Denotes Possible Action Items*

A large, yellow diamond-shaped pedestrian crossing sign with a black silhouette of a person walking is the central focus. The sign is set against a background of a dark road with white diagonal stripes. The entire image is overlaid with abstract, flowing, translucent shapes in shades of red, orange, yellow, and blue, creating a dynamic and artistic effect.

PEDESTRIAN SAFETY

PEDESTRIAN TRAFFIC FATALITIES



5,376 pedestrians
were killed
and **69,000**
were injured in traffic crashes



OVER HALF
of pedestrian fatalities
occured at night



8 out of 10
pedestrian fatalities occured
outside of intersections



21%

of children under age 14
who were killed in traffic
crashes were on foot

Some Statistics

SAFETY TIPS

- Whenever possible walk on the sidewalk.
- Cross streets at crosswalks. Make eye contact with drivers.
- Stay alert all the way across the intersection.
- Watch for turning vehicles.
- Avoid cell-phone distracted - walking.
- Always be on alert for pedestrians when driving in urban areas.





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ANCHORAGE, ALASKA**

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* *Denotes Action Items*

** *Denotes Possible Action Items*

June 2020

June 2020							July 2020						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6				1	2	3	4
7	8	9	10	11	12	13	5	6	7	8	9	10	11
14	15	16	17	18	19	20	12	13	14	15	16	17	18
21	22	23	24	25	26	27	19	20	21	22	23	24	25
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 4:00pm Treasurer's Report - Gonzalez Marketing (2804 W Northern Lights Blvd. 562-8640) - Connie Owens	4	5	6
7	8	9 5:15pm Election Committee Meeting (Crawford) (BoardRoomCR) - Bonnie Maxwell	10 2:00pm REAP Executive Committee (Morse/Henderson) (Zoom Meeting) 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens	11 1:00pm AK CARE Committee Meeting (Microsoft Teams Meeting) - Michael Rovito	12	13
14	15 1:30pm Review Board Packet w/Chair (LDT's Office) - Connie Owens 5:30pm Chugach Electric Virtual Annual Membership Meeting - June 15, 2020 - 5:30 pm (StarLeaf Cloud) - Connie Owens via StarLeaf Cloud	16 1:30pm 1:1 w/Sam Cason (BoardroomCR) - Connie Owens 2:30pm 1:1 w/Mark Wiggan (BoardroomCR) - Connie Owens	17 9:30am Board Chair w/Cason (Steam Dot @ Sears Mall) - Connie Owens 10:30am Board Chair w/Wiggan (Steam Dot@ Mark Wiggan) - Connie Owens 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	18	19 10:00am Tour of Chugach Facilities (Cason & Wiggan) (Chugach Headquarters Building) - Connie Owens	20
21	22	23	24	25	26	27
28	29	30	Jul 1	2	3	4

July 2020

July 2020							August 2020						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4							1
5	6	7	8	9	10	11	2	3	4	5	6	7	8
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 Followed by Special Board of Directors 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 3:30pm Board of Directors' Photo (BoardroomCR) - Connie Owens 4:00pm Regular Board of Directors Meeting (Boardroom) - CCBOD	23	24	25
26	27	28	29	30	31	Aug 1

August 2020

August 2020						
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	29
30	31					

September 2020						
Su	Mo	Tu	We	Th	Fr	Sa
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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
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
30	31	Sep 1	2	3	4	5

September 2020

September 2020						
Su	Mo	Tu	We	Th	Fr	Sa
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13	14	15	16	17	18	19
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27	28	29	30			

October 2020						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
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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						

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	30	Oct 1	2	3

October 2020

October 2020						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
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18	19	20	21	22	23	24
25	26	27	28	29	30	31

November 2020						
Su	Mo	Tu	We	Th	Fr	Sa
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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	2 Member Appreciation Day - Connie Owens	3
4	5	6	7	8	9	10
11	12	13	14 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens	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						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
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22	23	24	25	26	27	28
29	30					

December 2020						
Su	Mo	Tu	We	Th	Fr	Sa
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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 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						
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	29	30	31		

January 2021						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
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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 4:00pm Operations Committee Meeting	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
					1	2
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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 NRECA Annual Meeting (Director Education 2/18-2/21) (San Diego, CA) - Connie Owens	19	20
21 NRECA Annual Meeting (Direct	22 8:30am Review Board NRECA Annual Meeting (2/21 - 2/24) (San Diego, CA) - Connie Owens	23	24	25	26 4:00pm Regular Board of Directors Meeting (Boardroom)	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
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			

April 2021						
Su	Mo	Tu	We	Th	Fr	Sa
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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
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)	Director Conference (3/22-3/25) (Austin, TX)			26	27
			24 4:00pm Regular Board of Directors Meeting (Boardroom)	25		
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

May 2021

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

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Apr 25	26	27	28	29	30	May 1
2	3	4	5	6	7	8
9	10	11 4:00pm Audit and Finance Committee Meeting (BoardroomCR)	12 4:00pm Operations Committee Meeting (BoardroomCR)	13	14	15
16	17	18 6:00pm 2021 Annual Meeting (Dena'ina Center)	19	20	21	22
23	24	25 8:30am Review Board Packet w/Chair	26 4:00pm Regular Board of Directors Meeting (Boardroom)	27	28	29
30	31 Memorial Day	Jun 1	2	3	4	5

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

May 27, 2020
Wednesday
4:00 p.m.

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: DeAnna Scott

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

Susan Reeves, Vice Chair (*via teleconference*)

Stuart Parks, Secretary

Rachel Morse, Treasurer

Jim Henderson, Director (*via teleconference*)

Harry Crawford, Director

Harold Hollis, Director (*via teleconference*)

Guests and Staff in Attendance:

Lee Thibert (*via teleconference*)

Brian Hickey (*via teleconference*)

Sherri Highers

Matthew Clarkson

Arthur Miller

Connie Owens (*via teleconference*)

Tyler Andrews (*via teleconference*)

Luke Sliman (*via teleconference*)

Burke Wick (*via teleconference*)

Mark Fouts (*via teleconference*)

Andrew Laughlin (*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 & Communication discussed "Bicycle Safety".

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. *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*

Chair Chastain noted that the *2020 APA & AIE Meeting, August 26-28, 2020, Homer, AK* has been canceled.

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

V. CEO REPORTS AND CORRESPONDENCE

- A. *Right of Way Clearing Presentation (Hickey)*
Brian Hickey, Chief Operating Officer and Luke Sliman, V.P. Field Operations presented the Right of Way Clearing Presentation and responded to questions from the Board.
- B. *COVID-19 Update (Andrews)*
Tyler Andrews, Executive V.P., Employee Services & Communication, provided a COVID-19 Update and responded to questions from the Board.
- C. *Annual Meeting Update (Hasquet/Andrews)*
Julie Hasquet, Sr. Manager, Corporate Communication, provided an Annual Meeting Update and responded to questions from the Board.
- D. *AMI Update (Miller)*
Arthur Miller, Executive V.P., Regulatory & External Affairs provided an AMI Update and responded to questions from the Board.
- E. *Board Policy Scheduled Tasks/Reports (Board/Staff)*
Lee Thibert, Chief Executive Officer (CEO) gave a summary of the Board Policy Scheduled Tasks/Reports and stated that if the Board had any questions or would like to discuss, it could be done at a future meeting. Chair Chastain and Director Morse stated they would like to discuss *Board Policy 401 – Fringe Benefits (Reference § II.B.6)* and *Board Policy 104 – Overtime Report (Reference § II.B.7)*.

Director Reeves noted it would be helpful for terms to be defined prior to the general discussion.

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 reported there was no ARCTEC meeting.

C. Renewable Energy Alaska Project (REAP) Report

Director Morse reported on the May 8, 2020, REAP Quarterly Board Meeting.

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

Director Morse reported on the May 12, 2020, Audit and Finance Committee Meeting.

Director Parks reported on the April 27, 2020 and May 6, 2020 Operations Committee meetings.

Director Reeves reported there was no Governance Committee meeting.

E. Other Meeting Reports

Chair Chastain stated that the CEO Evaluation Committee met numerous times and will provide their report during Executive Session.

VII. UNFINISHED BUSINESS

None

VIII. NEW BUSINESS

A. FY2020 Tax Services (Highers)

Director Morse moved and Director Parks seconded the motion that the Board of Directors approve the tax services for FY2020. The motion passed unanimously.

B. KPMG Contract

Director Morse moved and Director Parks seconded the motion that the Board of Directors approve a two-year contract extension from KPMG. The motion passed unanimously.

C. Board Policy 207 - Audit and Finance Committee (Highers)

Director Morse moved and Director Crawford seconded the motion that the Board of Directors approve the revision to Board Policy 207 – Audit and Finance Committee, as shown in the attached draft policy. The motion passed unanimously.

D. Capital Credit Retirement (Highers)

Director Morse moved and Director Crawford seconded the motion that the Board of Directors approve the attached resolution authorizing a wholesale capital credit retirement to MEA and Seward. The motion passed unanimously.

E. Muldoon Overhead/Underground Project Authorization (Laughlin/Hickey)

Director Parks moved and Director Morse seconded the motion 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. The motion passed unanimously.

F. Simplified Rate Filing: March 2020 Test Year (Kornmuller/Miller)

Director Morse moved and Director Crawford seconded the motion 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. The motion passed unanimously.

G. 2019 Capital Credit Allocations

Director Parks moved and Director Morse seconded the motion 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. The motion passed unanimously.

IX. EXECUTIVE SESSION

A. IMO Update

B. Finance Update

C. ML&P Acquisition Update

D. KPMG Audit Services for Employee 401K Plan

E. Report from the CEO Evaluation Committee

At 5:12 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 6:46 p.m.

X. NEW BUSINESS

A. KPMG Audit Services for Employee 401k Plan (Andrews)

Director Morse moved and Director Crawford seconded the motion that the Board of Directors approve the retention of KPMG for employees 401(k) plan audit services for FY2019 as discussed in Executive Session. The motion passed unanimously.

*B. May 1, 2020 – April 30, 2021 CEO Key Performance Indicators** (Committee)*

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

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 7:18 p.m., Director Crawford moved and Director Morse seconded the motion to adjourn. The motion passed unanimously.

Board Secretary

Date Approved: June 17, 2020

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

May 29, 2020
Friday
4:00 p.m.

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 4:02 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 *(via teleconference)*

Rachel Morse, Treasurer *(via teleconference)*

James Henderson, Director *(via teleconference)*

Harry Crawford, Director

Harold Hollis, Director *(via teleconference)*

Guests and Staff in Attendance:

Lee Thibert

Connie Owens *(via teleconference)*

Julie Hasquet

Matthew Clarkson

Tyler Andrews *(via teleconference)*

Brian Hickey *(via teleconference)*

Sherri Highers

Arthur Miller

Mark Fouts *(via teleconference)*

Tom Schulman *(via teleconference)*

C. Safety Minute

Tyler Andrews, Executive VP, Employee Services and Communication discussed "Fire Safety" 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. NEW BUSINESS

None

IX. EXECUTIVE SESSION

A. ML&P Acquisition – RCA Order

At 4:07 p.m., Director Morse moved and Director Crawford seconded the motion 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 5:51 p.m.

X. DIRECTOR COMMENTS

Director comments were made at this time.

XI. ADJOURNMENT

At 5:58 p.m., Director Crawford moved and Director Morse seconded the motion to adjourn. The motion passed unanimously.

Board Secretary

Date Approved: June 17, 2020

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

June 15, 2020
Monday
Immediately Following the Virtual 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 5:45 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
Stuart Parks, Secretary
Rachel Morse, Treasurer
James Henderson, Director
Harold Hollis, Director
Mark Wiggin, Director

Guests and Staff in Attendance:

Lee Thibert	Colin Olmert, BDO	Teresa Kurka
Matthew Clarkson	Rodney Kaas	Harry Crawford, Former
Brian Hickey	Connie Owens (<i>via</i>	Chugach Electric Board
Arthur Miller	<i>teleconference</i>)	of Director
Tyler Andrews	Brad Authier, Board	Susan Reeves, Former
Mark Fouts	Candidate	Chugach Electric Board
Sherri Highers	Barbara Simpson – Kraft	of Director
Julie Hasquet	Parliamentarian	

C. Safety Minute

Tyler Andrews, Executive VP, Employee Services and Communication discussed “*Towing Safety*” with the Board.

II. ADMINISTER OATH OF OFFICE TO NEWLY ELECTED BOARD MEMBERS

Matthew Clarkson, Executive VP, General Counsel, administered the Oath of Office to the elected Board member Mr. Mark Wiggin.

III. APPROVAL OF THE AGENDA

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

IV. PERSONS TO BE HEARD

- A. Member Comments*
None

V. CONSENT AGENDA

None

VI. CEO REPORTS AND CORRESPONDENCE

- A. CEO Report*
Lee Thibert, Chief Executive Officer (CEO) delivered the CEO Report to the Board and membership.

VII. DIRECTOR REPORTS

- A. Chair Report*
Chair Chastain delivered the Chair Report presentation to the Board and membership.
- B. Treasurer Report*
Director Morse delivered the Treasurer Report presentation to the Board and membership.

VIII. UNFINISHED BUSINESS

None

IX. NEW BUSINESS

- A. Answer Member Pre-Submitted Questions*
Lee Thibert, CEO, read and answered pre-submitted questions from the membership.

X. DIRECTOR COMMENTS

Director comments were made at this time.

XI. ADJOURNMENT

At 6:32 p.m., Director Parks moved and Director Hollis seconded the motion to adjourn. The motion passed unanimously.

Board Secretary
Date Approved: June 17, 2020

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

June 17, 2020

ACTION REQUIRED

AGENDA ITEM NO. V.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.

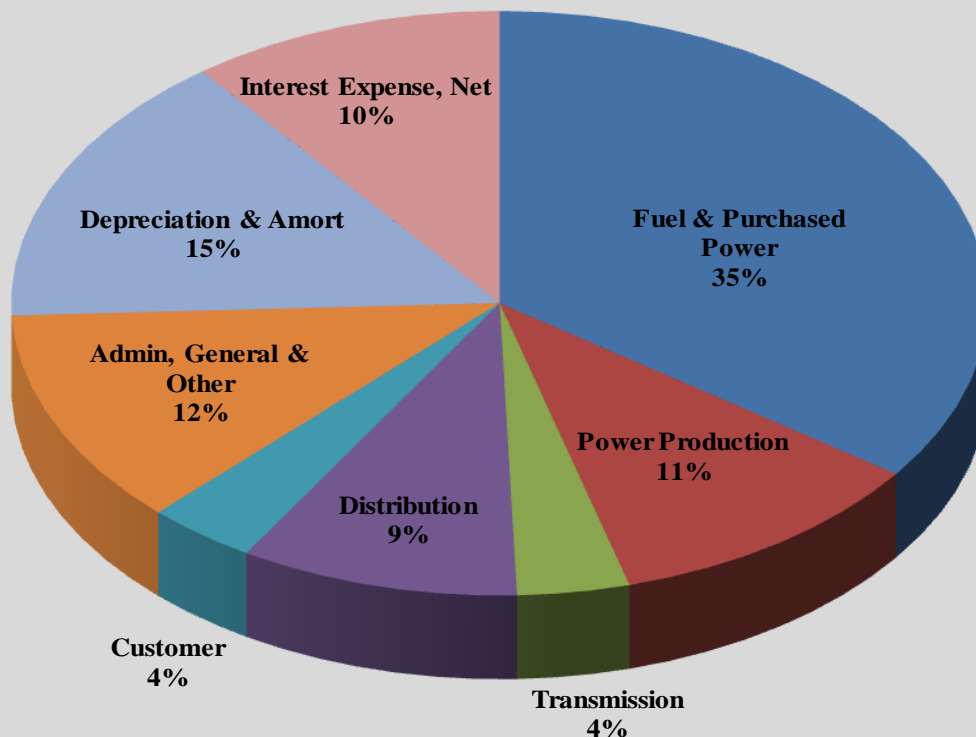
MOTION

(Consent Agenda)

STATEMENT OF OPERATIONS

CATEGORY	2020 MTD ACTUAL	2020 MTD BUDGET	2020 MTD VARIANCE
Operating Revenue and Patronage Capital	\$ 16,608,223	\$ 17,238,695	\$ (630,472)
Fuel and Purchased Power Expense	6,089,274	6,255,118	(165,844)
Power Production Expense	1,878,871	1,804,338	74,533
Transmission Expense	647,387	730,023	(82,636)
Distribution Expense	1,609,749	1,255,819	353,930
Customer Expense	633,547	663,451	(29,904)
Administrative, General and Other	2,094,845	2,237,980	(143,135)
Depreciation & Amortization Expense	2,656,539	2,649,288	7,251
Interest Expense, Net	1,818,669	1,857,784	(39,115)
Total Cost of Electric Service	\$ 17,428,881	\$ 17,453,801	\$ (24,920)
Patronage Capital & Operating Margins	\$ (820,658)	\$ (215,106)	\$ (605,552)
Non-Operating Margins - Interest	28,773	33,250	(4,477)
Allowance for Funds Used During Construction	7,353	8,103	(750)
Non-Operating Margins - Other	17,757	-	17,757
Patronage Capital or Margins	\$ (766,775)	\$ (173,753)	\$ (593,022)

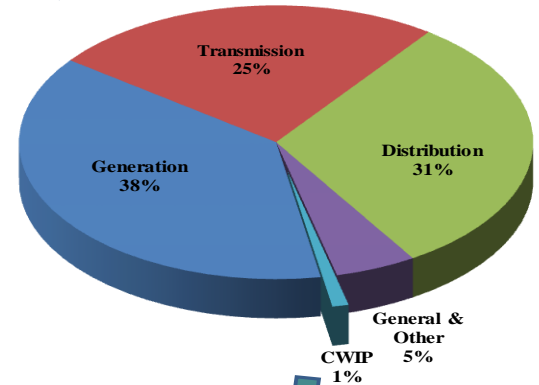
Total Cost of Electric Service (MTD Actual)



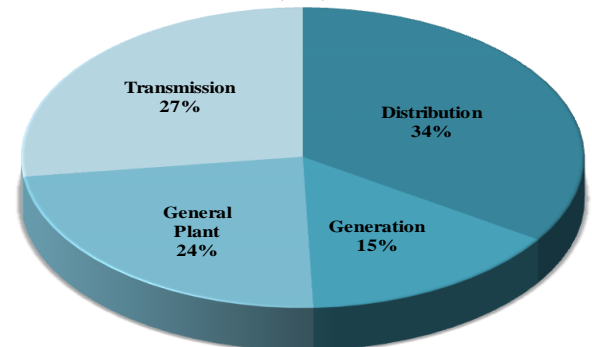
BALANCE SHEET

ASSETS & OTHER DEBITS	04/30/2020	12/31/2019
Electric Plant in Service	1,253,929,982	1,242,523,092
Construction Work in Progress	13,037,385	16,966,608
Total Utility Plant	\$ 1,266,967,367	\$ 1,259,489,700
Accum. Prov. for Depreciation/Amortization	(565,515,712)	(556,209,740)
Net Utility Plant	\$ 701,451,655	\$ 703,279,960
Nonutility Property - Net	76,889	76,889
Operating Lease Right-of-Use Assets	897,190	958,111
Investment in Assoc. Organizations	7,791,125	8,148,426
Special Funds	2,405,263	2,603,505
Restricted Cash & Other Investments	64,310	108,000
Long-term Prepayments	-	-
Total Other Property & Investments	\$ 11,234,777	\$ 11,894,931
Cash, Marketable Securities & Other	7,861,253	7,466,003
Special Deposits/Restricted Cash	558,913	1,298,455
Accounts Receivable - Net	27,261,168	30,120,230
Materials and Supplies, Fuel Stock	28,738,286	30,265,047
Prepayments	4,232,745	2,699,308
Other Current & Accrued Assets	781,336	1,680,885
Total Current & Accrued Assets	\$ 69,433,701	\$ 73,529,928
Deferred Debits	50,270,514	45,880,452
Total Assets & Other Debits	\$ 832,390,647	\$ 834,585,271
LIABILITIES & OTHER CREDITS	04/30/2020	12/31/2019
Memberships	1,784,182	1,776,592
Pat. Capital, Margins & Equities	196,824,428	192,690,321
Total Margins & Equities	\$ 198,608,610	\$ 194,466,913
Long-Term Debt - Bonds	433,583,330	449,999,997
Long-Term Debt - Other	28,728,000	30,535,826
Unamortized Debt Issuance Costs	(2,613,458)	(2,684,537)
Operating Lease Liabilities	682,278	754,888
Total Long-Term Debt	\$ 460,380,150	\$ 478,606,174
Notes Payable	61,279,579	51,056,065
Accounts Payable	9,863,949	8,316,375
Consumer Deposits	3,616,218	4,294,770
Other Current & Accrued Liabilities	32,037,337	32,498,393
Total Current & Accrued Liabilities	\$ 106,797,083	\$ 96,165,603
Deferred Compensation	1,624,628	1,775,759
Other Liabilities, Non-Current	494,414	398,790
Deferred Liabilities	966,442	903,870
Cost of Removal Obligation	63,519,320	62,268,162
Total Liabilities & Other Credits	\$ 832,390,647	\$ 834,585,271

2020 Total Utility Plant (YTD)
\$1,266,967,367



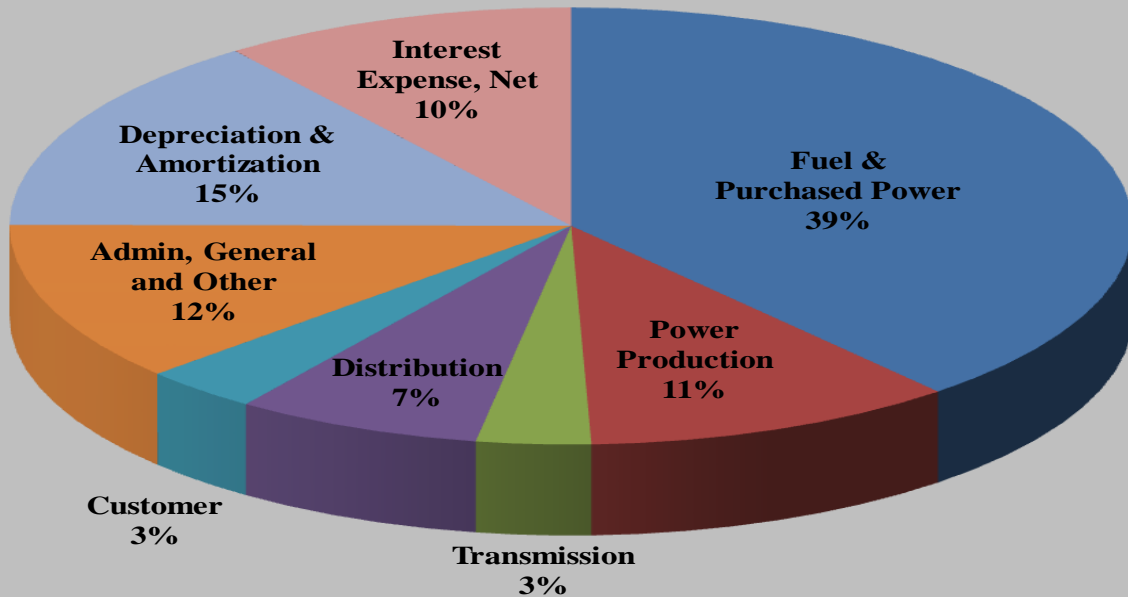
2020 Construction Work in Progress (YTD)
\$13,037,385



**COMPARATIVE FINANCIAL REPORT
STATEMENT OF OPERATIONS
2020 ACTUAL TO BUDGET VARIANCE**

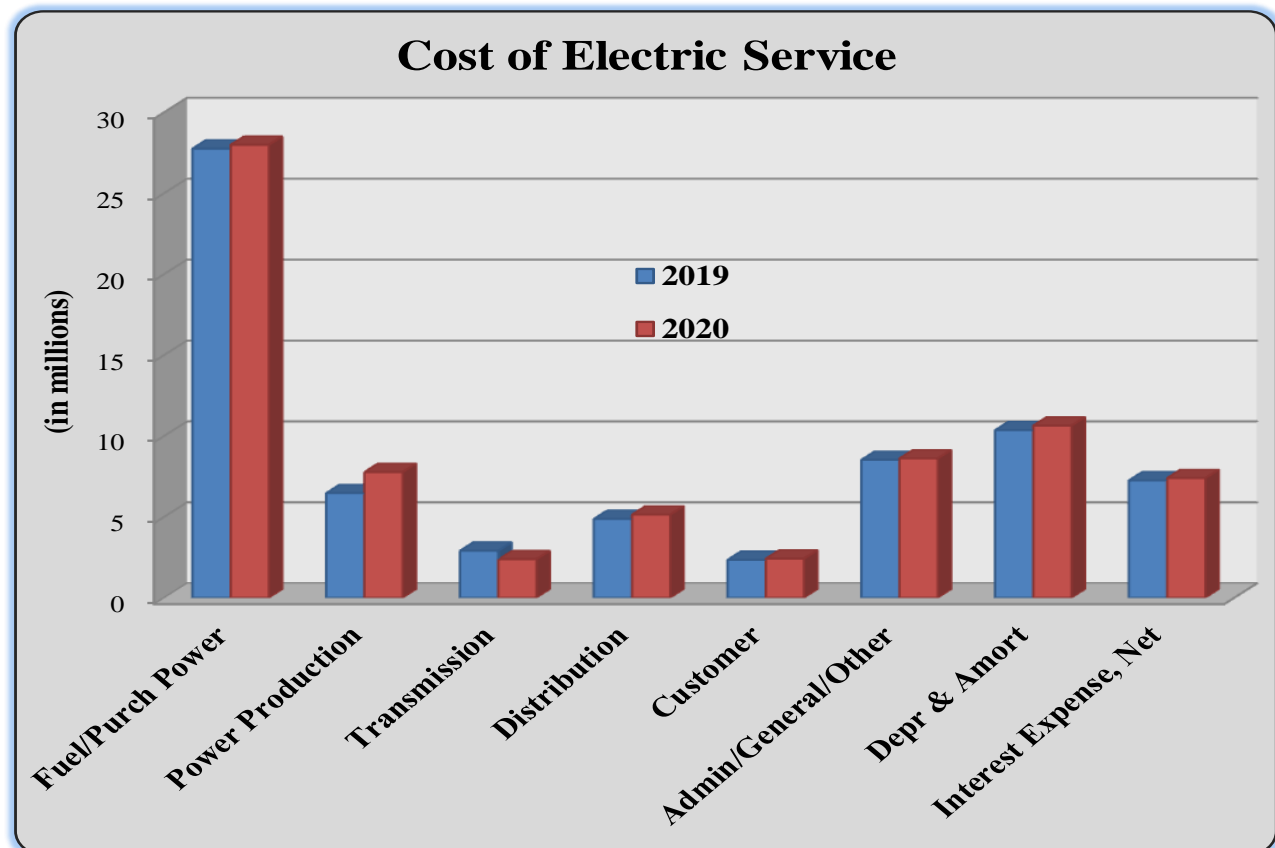
CATEGORY	2020 YTD ACTUAL	2020 YTD BUDGET	2020 YTD VARIANCE
Operating Revenue and Patronage Capital	\$ 76,515,646	\$ 75,325,221	\$ 1,190,425
Fuel and Purchased Power Expense	27,995,024	27,389,837	605,187
Power Production Expense	7,772,865	7,163,703	609,162
Transmission Expense	2,383,344	2,799,027	(415,683)
Distribution Expense	5,140,182	5,217,756	(77,574)
Customer Expense	2,422,593	2,571,468	(148,875)
Administrative, General and Other	8,613,806	9,055,783	(441,977)
Depreciation & Amortization Expense	10,648,149	10,593,356	54,793
Interest Expense, Net	7,394,609	7,595,674	(201,065)
Total Cost of Electric Service	\$ 72,370,572	\$ 72,386,604	\$ (16,032)
Patronage Capital & Operating Margins	\$ 4,145,074	\$ 2,938,617	\$ 1,206,457
Non-Operating Margins - Interest	135,184	133,000	2,184
Allowance Funds Used During Const.	40,091	20,301	19,790
Non-Operating Margins - Other	(100,790)	-	(100,790)
Patronage Capital or Margins	\$ 4,219,559	\$ 3,091,918	\$ 1,127,641
MFI/I	1.56	1.40	
TIER	1.58	1.42	

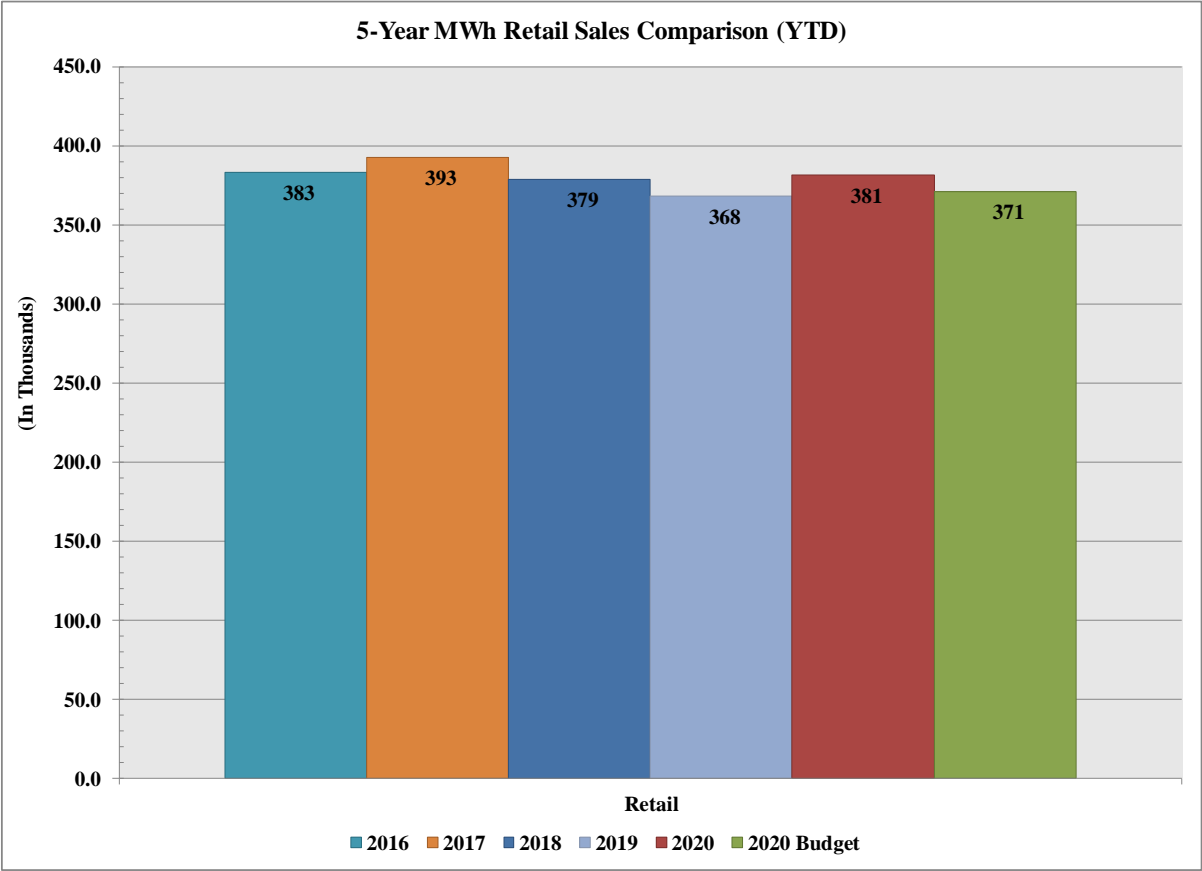
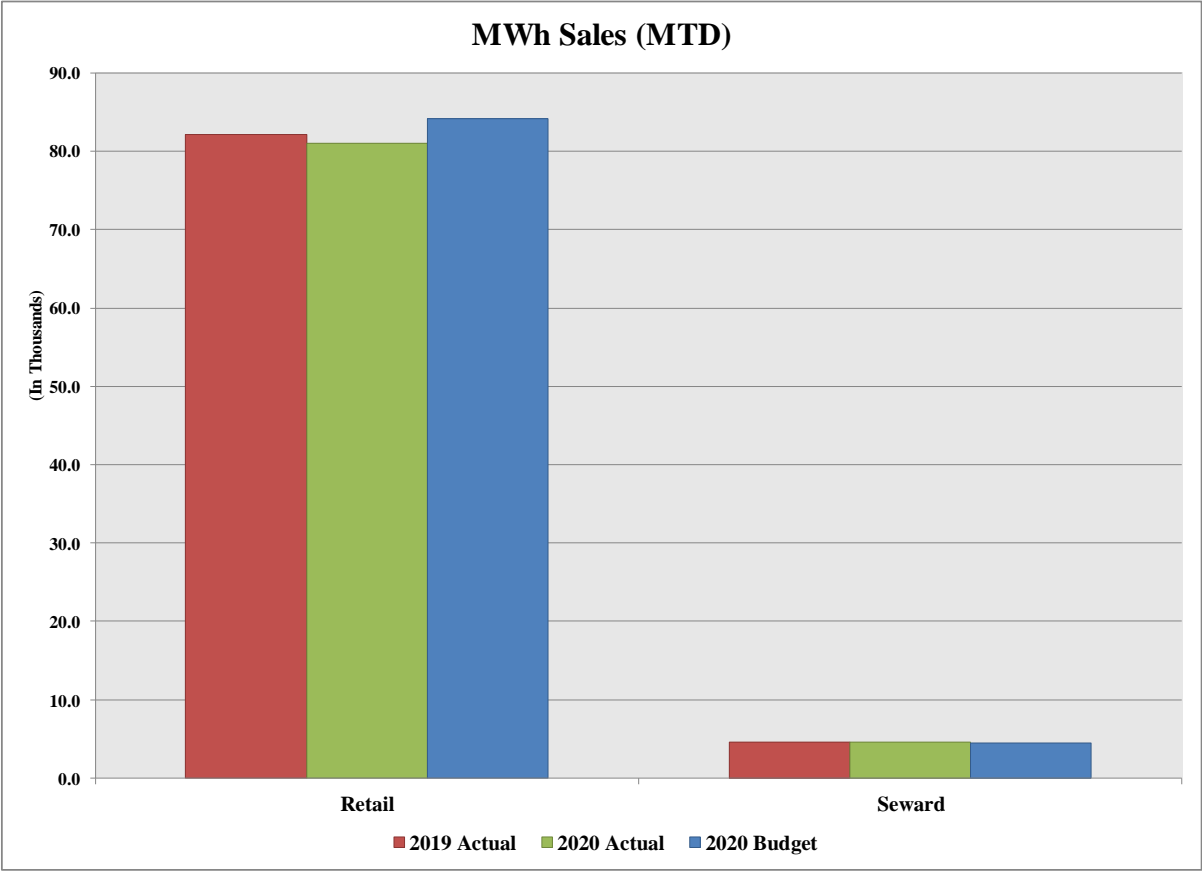
Total Cost of Electric Service (YTD Actual)

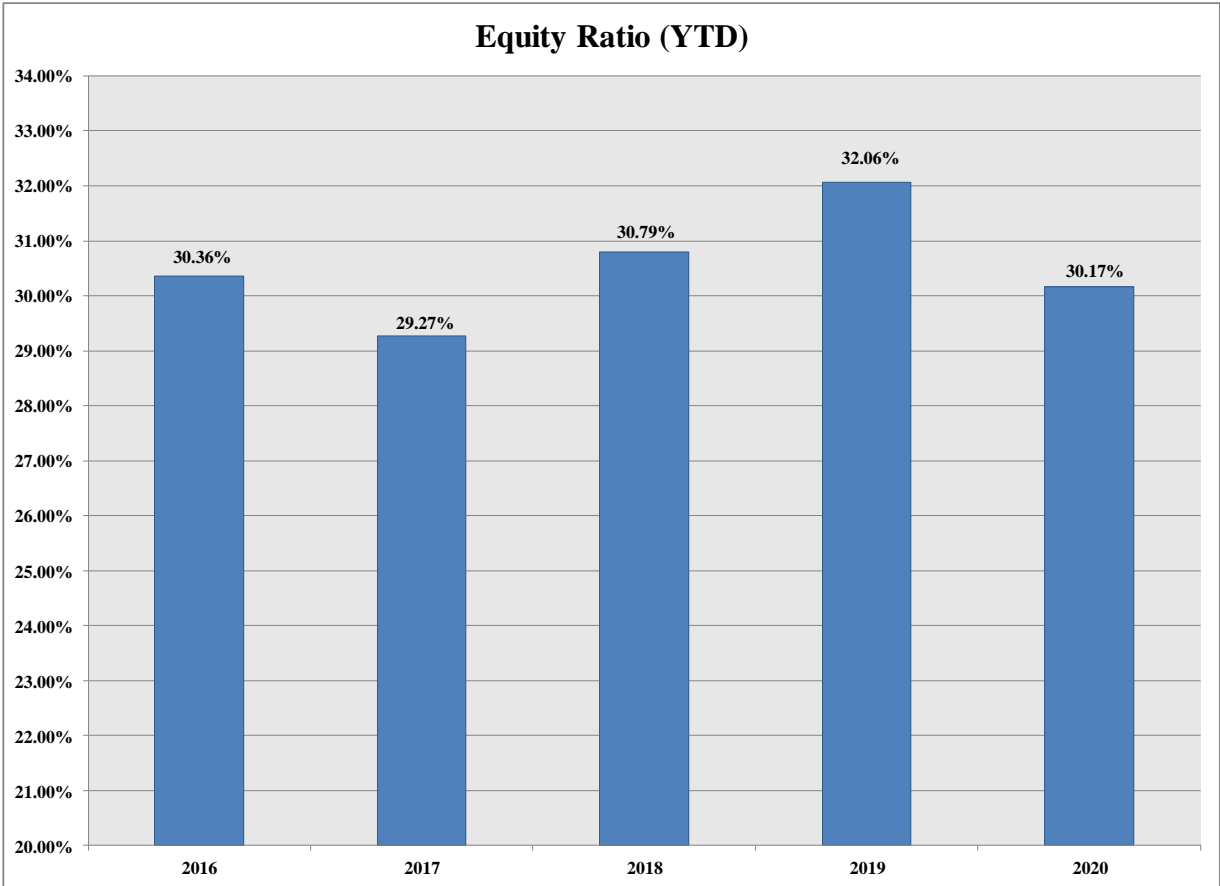
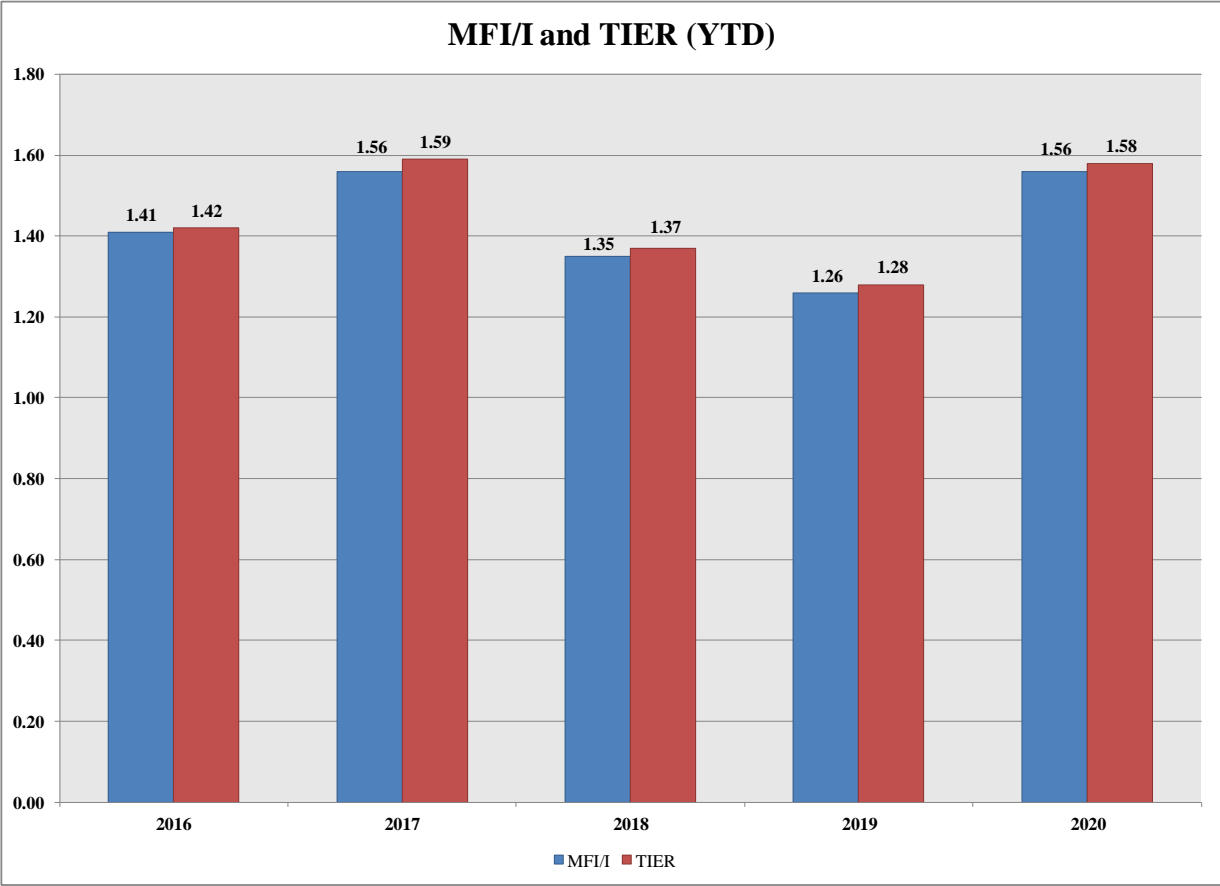


**COMPARATIVE FINANCIAL REPORT
STATEMENT OF OPERATIONS
CURRENT TO PRIOR ACTUAL**

CATEGORY	2020 YTD ACTUAL	2019 YTD ACTUAL
Operating Revenue and Patronage Capital	\$ 76,515,646	\$ 71,978,160
Fuel and Purchased Power Expense	27,995,024	27,757,425
Power Production Expense	7,772,865	6,467,829
Transmission Expense	2,383,344	2,909,061
Distribution Expense	5,140,182	4,872,318
Customer Expense	2,422,593	2,343,674
Administrative, General and Other	8,613,806	8,523,862
Depreciation and Amortization Expense	10,648,149	10,361,677
Interest Expense, Net	7,394,609	7,255,634
Total Cost of Electric Service	\$ 72,370,572	\$ 70,491,480
Patronage Capital & Operating Margins	\$ 4,145,074	\$ 1,486,680
Non-Operating Margins - Interest	135,184	227,677
Allowance for Funds Used During Construction	40,091	59,392
Non-Operating Margins - Other	(100,790)	116,246
Patronage Capital or Margins	\$ 4,219,559	\$ 1,889,995
MFI/I	1.56	1.26
TIER	1.58	1.28







ENERGY SALES (kWh)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Energy Sales	381,429,700	371,027,905
Wholesale Energy Sales	<u>20,666,745</u>	<u>18,997,651</u>
Total Firm Energy Sales	402,096,445	390,025,556
Economy Energy Sales	<u>0</u>	<u>0</u>
Total Energy Sales	402,096,445	390,025,556

Firm energy sales totaled 402,096,445 kWh, which was a 3.1% favorable variance compared to budget. Retail energy sales were over budget 2.8%, and wholesale energy sales were over budget by 8.8% primarily due to colder than anticipated weather in the first quarter.

ENERGY REVENUE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Revenue	\$72.5	\$ 72.4
Wholesale Revenue	<u>2.1</u>	<u>2.0</u>
Total Firm Revenue	74.6	74.4
Economy Energy/Capacity Revenue	0.0	0.0
Other Operating Revenue	<u>1.9</u>	<u>0.9</u>
Total Revenue	\$ 76.5	\$ 75.3

Revenue from firm sales totaled \$74.6 million compared to \$74.4 million in the budget. Firm revenue was higher than expected primarily due to higher than anticipated energy sales. Other operating revenue includes late fees, pole rental, wheeling, microwave, BRU royalties, miscellaneous service and other electric revenue. Other operating revenue totaled \$1.9 million compared to \$0.9 million in the budget, primarily due to higher than anticipated wheeling revenue caused by the availability of Bradley Lake power.

FUEL AND PURCHASED POWER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Fuel	\$ 18.6	\$ 20.7
Purchased Power	<u>9.4</u>	<u>6.7</u>
Total	\$ 28.0	\$ 27.4

Fuel expense includes fuel, storage, transportation, and BRU operating costs. Fuel expense was \$18.6 million compared to \$20.7 million in the budget. This favorable variance was primarily due to lower than anticipated fuel and gas, storage, and transportation expense. Less power was generated at SPP than planned.

Actual fuel purchased or withdrawn from inventory for production was 2,114,167 Mcf, which does not include 355,296 Mcf of fuel recorded as purchased power, at an average effective delivered price of \$8.25 per Mcf compared to 2,308,442 Mcf in the budget at an average effective delivered price of \$8.22 per Mcf.

Purchased power expense represents energy purchased from Bradley Lake, Fire Island, and other utilities as needed, as well as costs associated with dispatching. Purchased power expense was \$9.4 million compared to \$6.7 million in the budget. This unfavorable variance compared to budget was primarily due to higher than anticipated purchases from ML&P as a result of higher energy sales.

Actual energy purchased was 115,955 MWh at an average effective price of 7.01 cents per kWh compared to 76,061 MWh budgeted at an average effective price of 7.13 cents per kWh.

POWER PRODUCTION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Power Production	\$ 7.8	\$ 7.2

Power production expense was \$7.8 million compared to \$7.2 million in the budget. This unfavorable budget variance is primarily due to higher than anticipated maintenance costs at Beluga.

TRANSMISSION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Transmission	\$ 2.4	\$ 2.8

Transmission operations and maintenance expense was \$2.4 million compared to \$2.8 million in the budget. This favorable variance was primarily due to lower than anticipated costs associated with vegetation control and engineering studies and design.

DISTRIBUTION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Distribution	\$ 5.1	\$ 5.2

Distribution operations and maintenance expense was \$5.1 million compared to \$5.2 million. This favorable variance was primarily due to lower than anticipated costs associated with meter installation and engineering design, which was somewhat offset by higher labor charged to this financial statement category.

CONSUMER ACCOUNTS / CUSTOMER INFORMATION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Consumer / Customer Information	\$ 2.4	\$ 2.6

Consumer accounts and customer information expense was \$2.4 million compared to \$2.6 million in the budget. This favorable variance is primarily due to lower than anticipated labor expense and printing costs.

ADMINISTRATIVE, GENERAL AND OTHER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Administrative, General and Other	\$ 8.6	\$ 9.1

Administrative, general and other expense includes tax, donations, other deductions associated with preliminary survey and investigation charges of projects, and obsolete inventory write-offs that are not attributable to operating or maintenance accounts. Administrative, general and other expense was \$8.6 million compared to \$9.1 million in the budget. This favorable budget variance is primarily due to lower than anticipated costs associated with legal, information services, human resources and fuel and corporate planning initiatives, as well as corporate membership dues and training related costs.

SUMMARY

Depreciation, interest, and interest during construction expense totaled \$18.0 million compared to \$18.2 million in the budget. This favorable variance compared to budget was primarily due to lower than anticipated interest expense on long term debt and other, as well as higher than anticipated interest during construction as a result of a higher average CWIP balance.

All of the foregoing expenses resulted in total cost of electric service of \$72.4 million compared to \$72.4 million in the budget.

Non-operating margins include allowance for funds used during construction (AFUDC), capital credit and patronage capital allocations, extraordinary items, and interest income. Non-operating margins totaled \$74.5 thousand compared to \$153.3 thousand in the budget primarily due to the loss in value of marketable securities.

The net result of revenue and expenses was margins of \$4.2 million compared to projected margins of \$3.1 million in the budget. The current forecast projects year-end margins of \$6.1 million, an MFI/I of 1.27, and TIER of 1.28.

COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS YEAR-END FORECAST

CATEGORY	2020 APPROVED BUDGET	2020 AMENDED BUDGET	2020 YTD ACTUALS	2020 REVISED FORECAST
Operating Revenue and Patronage Capital	\$227,256,742	\$218,368,235	\$ 76,515,646	\$215,290,796 ^{1, 2}
Fuel and Purchased Power Expense	88,355,228	79,466,721	27,995,024	80,071,100 ^{1, 2}
Power Production Expense	21,763,699	21,763,699	7,772,865	20,486,788 ²
Transmission Expense	7,416,584	7,416,584	2,383,344	7,301,864 ²
Distribution Expense	16,378,463	16,378,463	5,140,182	15,252,543 ²
Customer Expense	7,709,966	7,709,966	2,422,593	7,502,277 ²
Administrative, General & Other	26,116,149	26,116,149	8,613,806	24,953,605 ²
Depreciation and Amortization Expense	31,953,849	31,953,849	10,648,149	31,977,456 ^{1, 2}
Interest Expense, Net	22,317,234	22,317,234	7,394,609	22,082,680 ^{1, 2}
Total Cost of Electric Service	\$222,011,172	\$213,122,665	\$ 72,370,572	\$209,628,313
Patronage Capital & Operating Margins	\$ 5,245,570	\$ 5,245,570	\$ 4,145,074	\$ 5,662,483
Non-Operating Margins - Interest	399,000	399,000	135,184	401,184 ¹
Allowance for Funds Used During Construction	145,638	145,638	40,091	165,428 ¹
Non-Operating Margins - Other	-	-	(100,790)	(100,790) ¹
Patronage Capital or Margins	\$ 5,790,208	\$ 5,790,208	\$ 4,219,559	\$ 6,128,305
MFI/I	1.25	1.25	1.56	1.27
TIER	1.27	1.27	1.58	1.28

¹ Forecast based on 4 month actual and 8 month forecast

² Forecast has been adjusted to reflect anticipated changes

Chugach Electric Association, Inc.
Anchorage, Alaska

June 10, 2020

TO: Chugach Board of Directors

FROM: Lee D. Thibert, Chief Executive Officer

SUBJECT: *Railbelt Electric Utility Bill Comparison: Second Quarter 2020*

This memo summarizes the comparative bill levels of the Railbelt electric utilities for rates effective June 1, 2020. The summary is based on typical usage levels to compare the monthly bill amount on customers' bills within the residential, small general service (small commercial) and large general service (large commercial) rate classes.

Among the Railbelt utilities, Chugach Electric Association, Inc. (Chugach) has the third lowest residential and large commercial rates¹ and the second lowest small commercial rates as measured on an average customer bill basis. Anchorage Municipal Light & Power (ML&P) has lower rates with bill levels for residential, small commercial and large commercial customers 11.5 percent, 10.7 percent and 20.7 percent lower than Chugach's, respectively. Matanuska Electric Association, Inc. (MEA) has rates that result in residential bill levels that are cents per month lower than Chugach's, but higher bill levels for small commercial and large commercial customers. Golden Valley Electric Association, Inc.'s (GVEA) large commercial bill level is slightly lower than Chugach's (0.4%), due to a significantly reduced fuel cost.

On a total bill basis, which includes fuel and purchased power costs, the total bill for a Chugach residential customer using 600 kWh is \$130.92, which compares with \$115.92 for ML&P, \$130.28 for MEA, \$141.61 for GVEA, and \$163.42 for Homer Electric Association, Inc. (HEA).

Below is a summary of the rate changes that have occurred for the residential class over the last quarter. In general, these changes are similarly applicable to changes in the commercial classes.

- The average Chugach residential bill, which includes fuel and purchased power costs, increased 0.5 percent in second quarter 2020. The increase is due to the combination of a 1.1 percent increase to the base energy rate and a 0.6 percent decrease to the fuel and purchased power rate.
- ML&P residential bill levels decreased 8.2 percent due to a 50.1 percent decrease to the fuel and purchased power rate attributed to the expiration of the Hilcorp gas contract and significantly greater use of Beluga River Unit gas to meet firm deliverability requirements. The base energy rate is unchanged since June 2018.
- MEA residential bill levels decreased 0.1 percent due to a 0.3 percent decrease to the fuel and purchased power rate. The base energy rate is unchanged.

¹ Does not account for the impacts of the ratchet on demand charges for ML&P and GVEA customers.

- HEA residential bill levels increased 8.1 percent due to a 2.5 percent increase to their base energy rate and a 25.2 percent increase to the fuel and purchased power rate.
- GVEA's residential bill levels decreased 14.1 percent due to a 35.3 percent decrease to their fuel and purchased power rate. The base energy rate is unchanged. The fuel savings is a result of a number of factors, including a reduction in the cost of diesel fuel. According to their filing with the Regulatory Commission of Alaska, GVEA increased their oil-fired generation by 31 percent and decreased coal-fired generation by 31 percent for a combined savings of about \$2.8 million from the prior quarter's filing. An overcollection of funds in GVEA's cost of power adjustment account of \$2.1 million also contributed to the reduced fuel rate.

Table 1 below compares current retail bill totals of each utility to the prior quarter and to Chugach.

Table 1: Summary of Second Quarter 2020 Electric Bill Totals¹ (June 2020)					
Customer Class	Chugach	ML&P	MEA	GVEA	HEA
Residential total based on 600 kWh	\$130.92	\$115.92	\$130.28	\$141.61	\$163.42
Cost per kWh	\$0.218	\$0.193	\$0.217	\$0.236	\$0.272
Change from prior quarter	0.5%	(8.2%)	(0.1%)	(14.1%)	8.1%
Difference from Chugach bill	----	(11.5%)	(0.5%)	8.2%	24.8%
Small General Service total based on 1,250 kWh	\$225.12	\$201.13	\$257.34	\$283.42	\$327.00
Cost per kWh	\$0.180	\$0.161	\$0.206	\$0.227	\$0.262
Change from prior quarter	0.3%	(9.7%)	(0.1%)	(14.6%)	8.5%
Difference from Chugach bill	----	(10.7%)	14.3%	25.9%	45.3%
Large General Service Secondary total*	\$4,906.78	\$3,890.76	\$4,948.22	\$4,884.85	\$6,721.29
Cost per kWh	\$0.175	\$0.139	\$0.177	\$0.174	\$0.240
Change from prior quarter	0.4%	(11.0%)	(0.1%)	(18.2%)	9.2%
Difference from Chugach bill	----	(20.7%)	0.8%	(0.4%)	37.0%

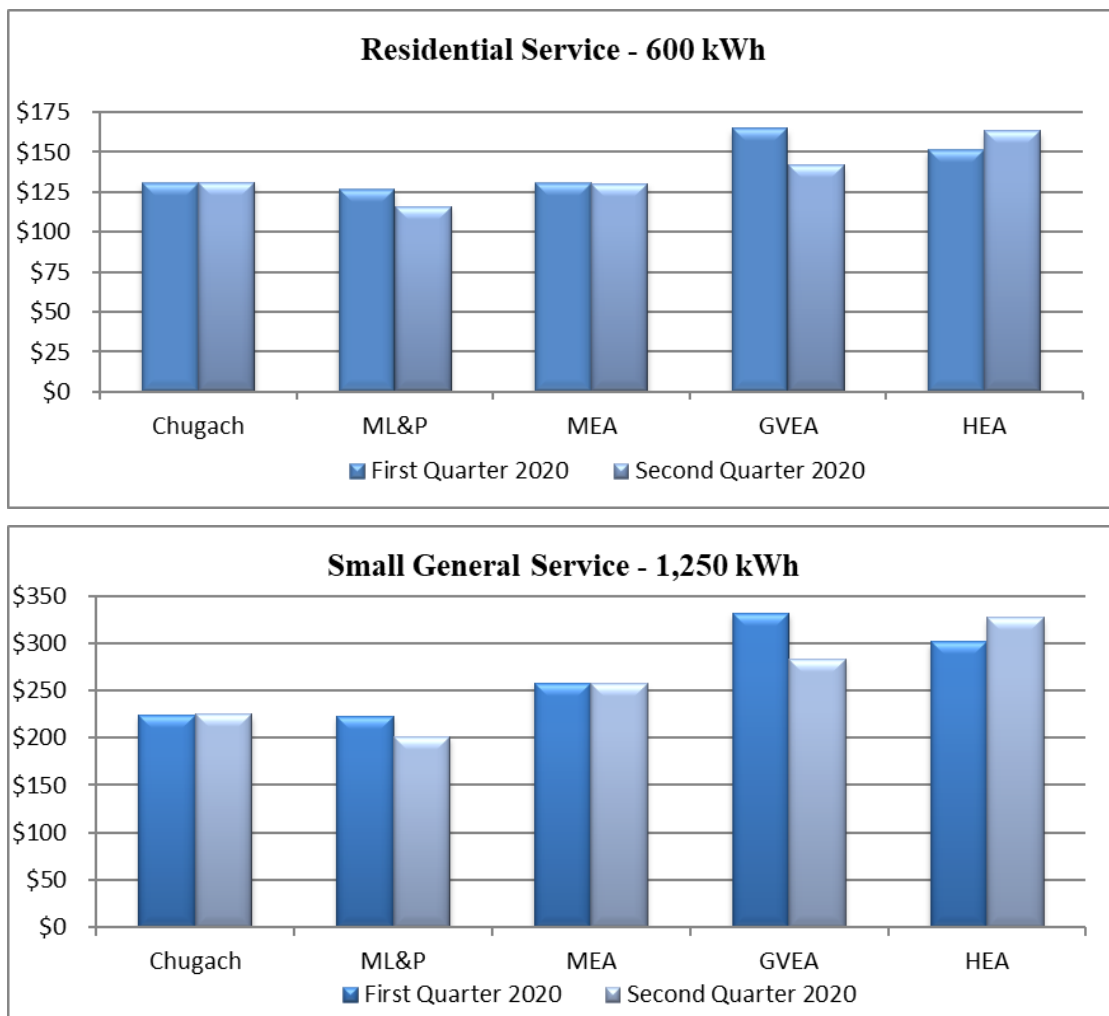
**Based on 28,000 kWh and 71 kW. The total does not reflect the effects of demand ratchets in ML&P and GVEA tariffs.*

¹ Bill totals are based on tariffed rates. Local taxes, including the Municipality of Anchorage two percent underground surcharge, are not applicable to all utilities in this comparison and are therefore excluded from the calculations. The Regulatory Cost Charge is included as this charge is applied equally to all utilities. For all cooperatives, the Gross Revenue Tax is included. The residential and small general service bill totals are based on monthly energy purchases of 600 kWh and 1,250 kWh, respectively. The large general service bill totals are based on 28,000 kWh and 71kW. Large General Service bill totals do not reflect impacts associated with tariffed demand ratchet for ML&P and GVEA. Bill comparisons include all approved and pending fuel and purchased power rates effective June 1, 2020.

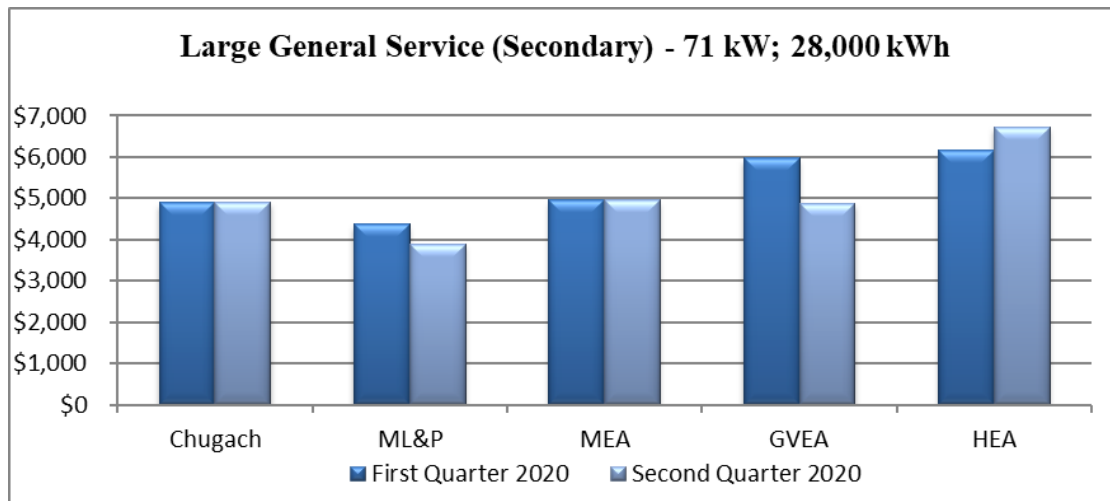
Figures 1 through 4

The graphs on the following pages provide additional comparisons of Railbelt utility rates. Figure 1 compares bill totals between second quarter 2020 and the prior quarter. Figure 2 expands the comparison by identifying separately the base rate component and the fuel and purchased power components of each utility this quarter. Figure 3 summarizes Chugach quarterly residential bill levels for the past seven years, identifying the base rate component and the fuel and purchased power component each quarter. Figure 4 illustrates residential bill totals for the last five consecutive quarters for Railbelt electric utilities.

**Figure 1: Retail Electric Bill Totals by Utility
Comparing First and Second Quarters 2020**

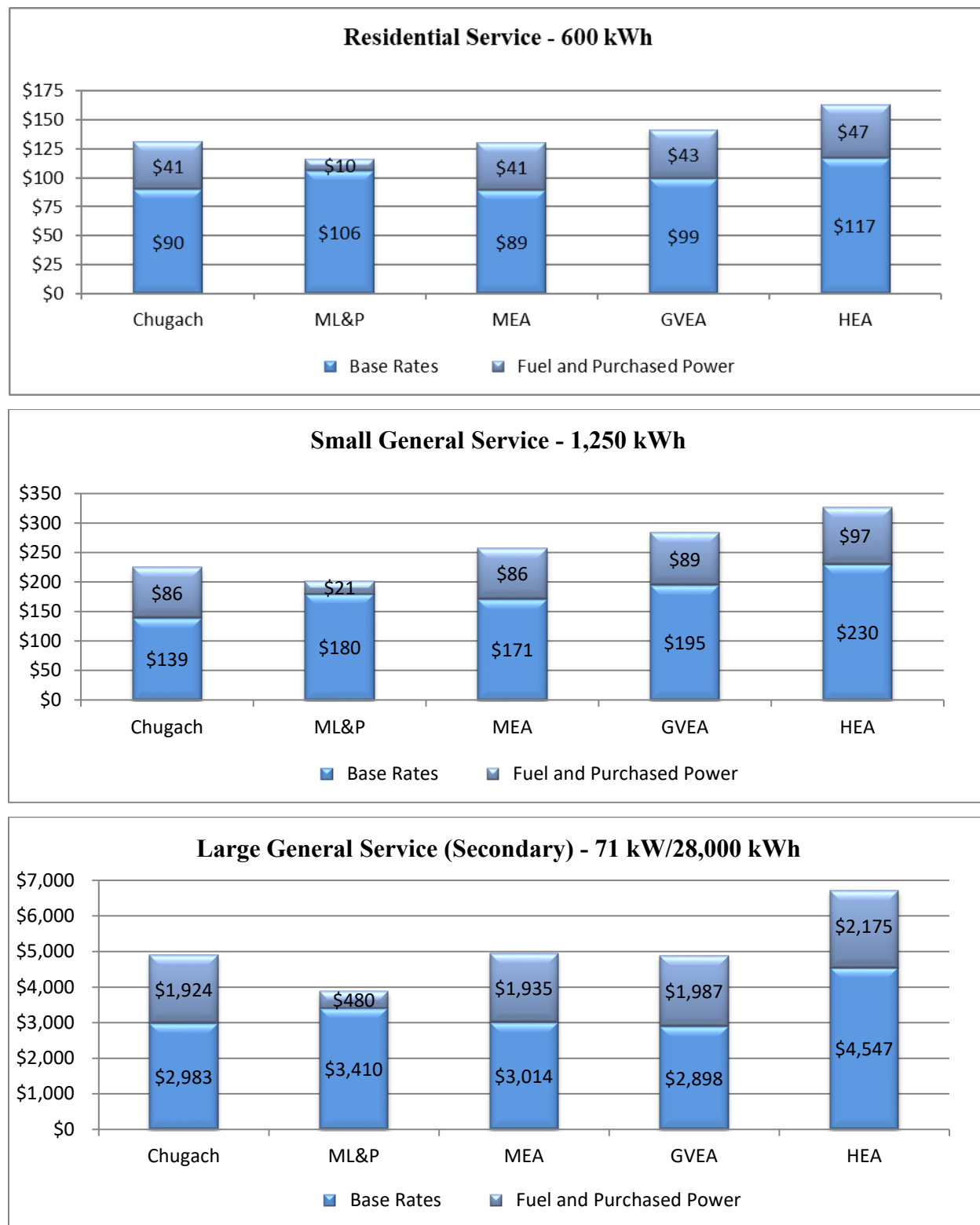


**Figure 1 (Continued): Retail Electric Bill Totals by Utility
Comparing First and Second Quarters 2020**



Bill totals are based on tariffed rates and include state taxes that are applied to all utilities and exclude local taxes and surcharges that vary by community, such as the Municipality of Anchorage two percent undergrounding charge. Large General Service totals do not reflect tariffed impacts of ratchet on demand charges for ML&P and GVEA.

**Figure 2: Base Rate and Fuel and Purchased Power Components
 Bill Totals – Second Quarter 2020**



ML&P and GVEA's Large General Service totals do not reflect tariffed impacts of their ratchets on demand charges.

Figure 3: Chugach's Quarterly Residential Bill Total History Based on 600 kWh Consumption

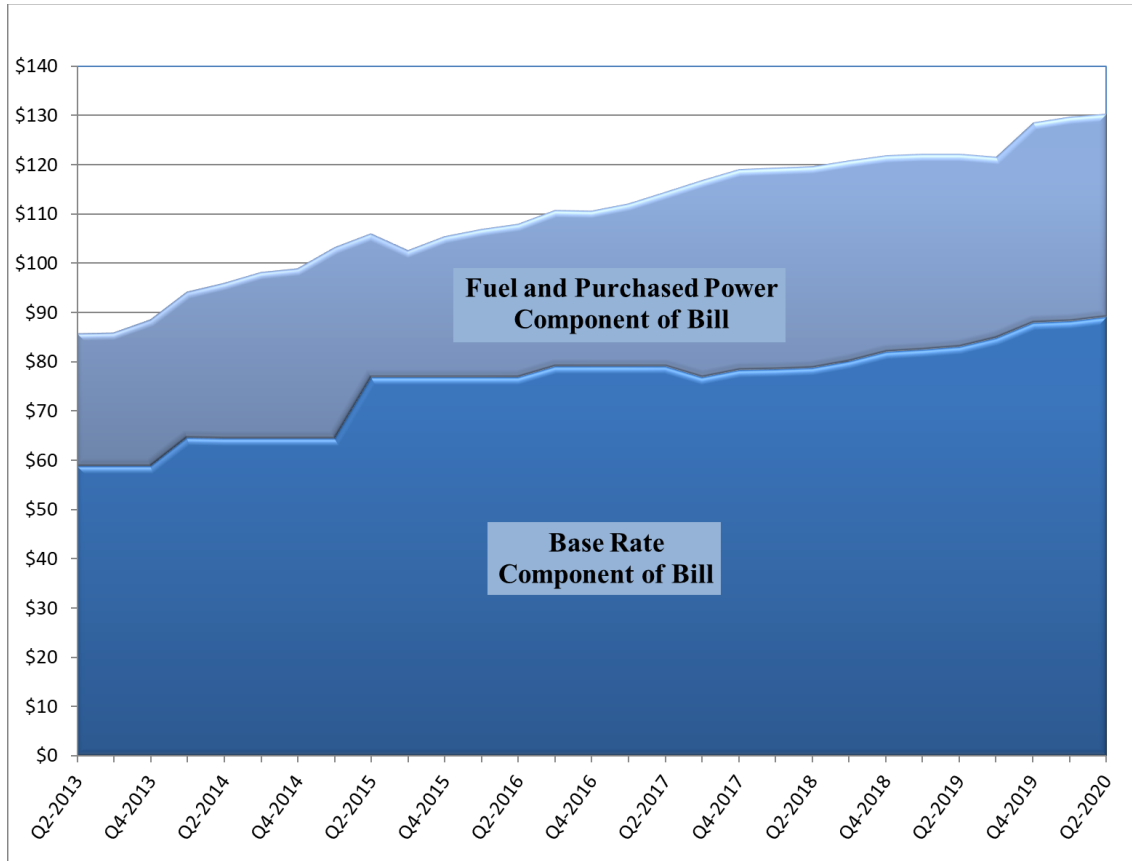
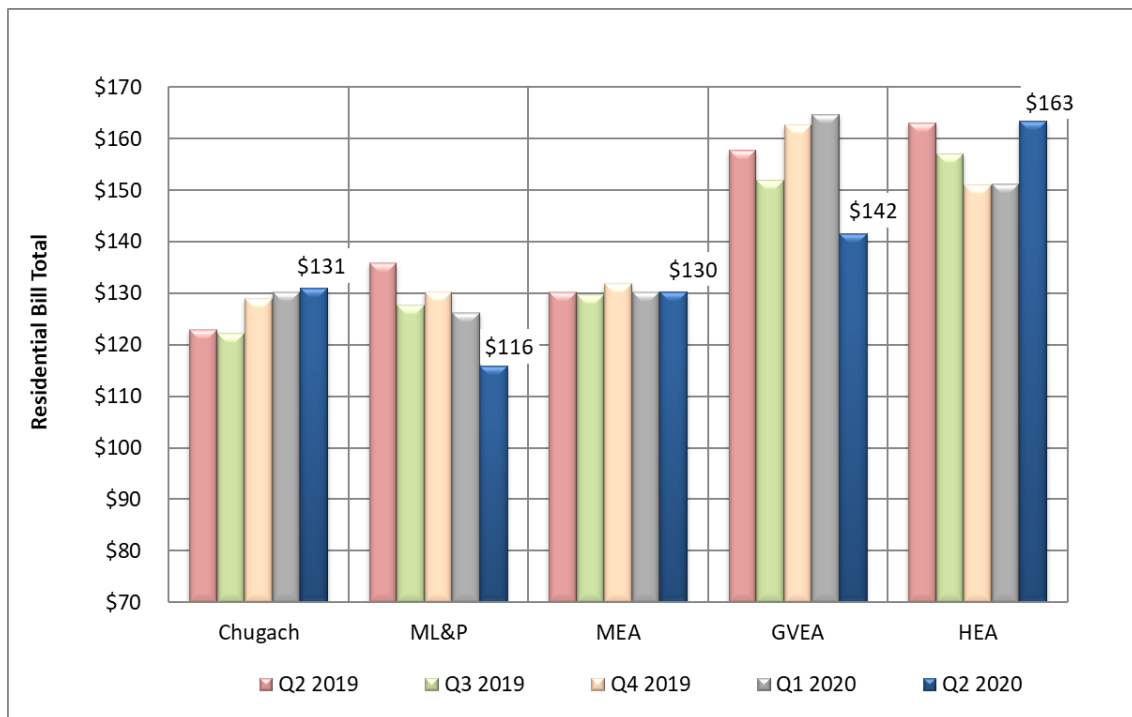


Figure 4: Railbelt Electric Utility Average Residential Bill Levels (600 kWh) Second Quarter 2019 through Second Quarter 2020



Agenda Item IX.A. Discussion – Board Election (of Officers) Procedures.

The Bylaws provide:

The election of Officers shall be conducted *by open vote in such a manner that the members may know the vote of each director.* (Art. VI, Section 2, Election and Term of Office).

Minutes will be kept for all regular and special meetings and shall include *how each individual director voted on each matter* voted upon by the board of directors. (Art. V, Section 6, Minutes).

The Board will be voting for

- Chair of the Board
- Vice-Chair of the Board
- Secretary of the Board, and
- Treasurer of the Board

The Chair should open the floor for nominations, first, for Chair of the Board. Once nominations are made, the Chair should call for a roll call vote.

The Recording Secretary will be recording the votes. Unless the vote is unanimous, the Chair should call upon each director, one by one, (or by show of hands) to record each director's vote for the Minutes.

If more than one nomination is made for the position, each director should decide which nominee they wish to vote for and vote "yes" for only one of the nominees. If, for example, there are two nominees, the Chair should put the Question, "All in favor of Director 'A', raise your hand; and all in favor of Director 'B' raise your hand." There should be a total of seven votes as no director should vote for more than one nominee. (It is important that the Recording Secretary get these votes on the Minutes; thus, it may be good to pause here to verify he/she has the seven votes recorded according to how each director cast their vote.)

If there happen to be three or more nominees, remember that there must be a majority vote; in this case four "yes" votes are necessary for a nominee to win the election for office. If there is no majority vote, the Chair will announce "no election" and the nomination and voting process is repeated until one of the nominees receives a majority of the votes.

Next, based on the voting results, the Chair will announce "Director 'X' is elected as Chair of the Board effective immediately."

The Chair would then pass the gavel to the newly elected Chair (if appropriate) who will proceed with voting for the remaining officer positions (and remainder of the meeting).

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

June 17, 2020

ACTION REQUIRED

AGENDA ITEM NO. IX.B.

<u> </u>	Information Only
<u> X </u>	Motion
<u> </u>	Resolution
<u> </u>	Executive Session
<u> </u>	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 Board
4. Treasurer of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

June 17, 2020

ACTION REQUIRED

AGENDA ITEM NO. IX.C.

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

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

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, Board Secretary, 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 17th day of June 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 17th day of June 2020.

Secretary

June 2020

June 2020							July 2020						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6				1	2	3	4
7	8	9	10	11	12	13	5	6	7	8	9	10	11
14	15	16	17	18	19	20	12	13	14	15	16	17	18
21	22	23	24	25	26	27	19	20	21	22	23	24	25
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 4:00pm Treasurer's Report - Gonzalez Marketing (2804 W Northern Lights Blvd. 562-8640) - Connie Owens	4	5	6
7	8	9 5:15pm Election Committee Meeting (Crawford) (BoardRoomCR) - Bonnie Maxwell	10 2:00pm REAP Executive Committee (Morse/Henderson) (Zoom Meeting) 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens	11 1:00pm AK CARE Committee Meeting (Microsoft Teams Meeting) - Michael Rovito	12	13
14	15 1:30pm Review Board Packet w/Chair (LDT's Office) - Connie Owens 5:30pm Chugach Electric Virtual Annual Membership Meeting - June 15, 2020 - 5:30 pm (StarLeaf Cloud) - Connie Owens via StarLeaf Cloud	16 1:30pm 1:1 w/Sam Cason (BoardroomCR) - Connie Owens 2:30pm 1:1 w/Mark Wiggan (BoardroomCR) - Connie Owens	17 9:30am Board Chair w/Cason (Steam Dot @ Sears Mall) - Connie Owens 10:30am Board Chair w/Wiggan (Steam Dot@ Mark Wiggan) - Connie Owens 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	18	19 10:00am Tour of Chugach Facilities (Cason & Wiggan) (Chugach Headquarters Building) - Connie Owens	20
21	22	23	24	25	26	27
28	29	30	Jul 1	2	3	4

July 2020

July 2020							August 2020						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4							1
5	6	7	8	9	10	11	2	3	4	5	6	7	8
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 Followed by Special Board of Directors 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 3:30pm Board of Directors' Photo (BoardroomCR) - Connie Owens 4:00pm Regular Board of Directors Meeting (Boardroom) - CCBOD	23	24	25
26	27	28	29	30	31	Aug 1

August 2020

August 2020						
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	29
30	31					

September 2020						
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	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
30	31	Sep 1	2	3	4	5

September 2020

September 2020						
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	29	30			

October 2020						
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	29	30
31						

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	30	Oct 1	2	3

October 2020

October 2020						
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	29	30	31

November 2020						
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
29	30					

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Sep 27	28	29	30	Oct 1	2 Member Appreciation Day - Connie Owens	3
4	5	6	7	8	9	10
11	12	13	14 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens	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						
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
29	30					

December 2020						
Su	Mo	Tu	We	Th	Fr	Sa
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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 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						
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	29	30	31		

January 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	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 4:00pm Operations Committee Meeting	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
					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						

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						

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
	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
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 NRECA Annual Meeting (Director Education 2/18-2/21) (San Diego, CA) - Connie Owens	19	20
21 NRECA Annual Meeting (Direct	22 8:30am Review Board NRECA Annual Meeting (2/21 - 2/24) (San Diego, CA) - Connie Owens	23	24	25	26 4:00pm Regular Board of Directors Meeting (Boardroom)	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
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			

April 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	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)	Director Conference (3/22-3/25) (Austin, TX)			26	27
			24 4:00pm Regular Board of Directors Meeting (Boardroom)	25		
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

May 2021

May 2021							June 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
						1			1	2	3	4	5
2	3	4	5	6	7	8	6	7	8	9	10	11	12
9	10	11	12	13	14	15	13	14	15	16	17	18	19
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30	31												

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Apr 25	26	27	28	29	30	May 1
2	3	4	5	6	7	8
9	10	11 4:00pm Audit and Finance Committee Meeting (BoardroomCR)	12 4:00pm Operations Committee Meeting (BoardroomCR)	13	14	15
16	17	18 6:00pm 2021 Annual Meeting (Dena'ina Center)	19	20	21	22
23	24	25 8:30am Review Board Packet w/Chair	26 4:00pm Regular Board of Directors Meeting (Boardroom)	27	28	29
30	31 Memorial Day	Jun 1	2	3	4	5

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

June 17, 2020

ACTION REQUIRED

AGENDA ITEM NO. IX.D.

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

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 appoint Director _____ as the REAP Member Representative and Director _____ as the Alternate Representative.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

June 17, 2020

ACTION REQUIRED

AGENDA ITEM NO. IX.E.

<u> </u>	Information Only
<u> X </u>	Motion
<u> </u>	Resolution
<u> </u>	Executive Session
<u> </u>	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 appoint _____ as the APA Voting Delegate and _____ as the Alternate Representative.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

June 17, 2020

ACTION REQUIRED

AGENDA ITEM NO. IX.F.

☐ Information Only
☒ Motion
☒ 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 _____, as Chugach's Member Representative, Lee Thibert as Management Representative and _____ as Alternate Representative to the ARCTEC Board of Directors.

MOTION

Move that the Board of Directors' adopt the Resolution appointing _____ as Chugach's Member Representative, Lee Thibert as Management Representative and _____ 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 _____ 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 _____ as the Alternate Representative to ARCTEC.

CERTIFICATION

I, _____, 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 17th day of June 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 17th day of June 2020.

Secretary



June 17, 2020

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 _____ as the Member Representative, Lee Thibert, Chief Executive Officer to serve as the Management Representative and _____ 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,

Chair of the Board of Directors
Chugach Electric Association, Inc.

Secretary of the Board of Directors
Chugach Electric Association, Inc.

Chugach Electric Association, Inc.

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www.chugachelectric.com • info@chugachelectric.com

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

June 17, 2020

ACTION REQUIRED

AGENDA ITEM NO. IX.G.

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

TOPIC

Amend Resolution 05 01 20 Regarding Capital Credit Payment to Homer Electric Association (HEA)

DISCUSSION

The amount of capital credits to be paid to HEA was incorrectly stated in Resolution 05 01 20. That amount should be \$1,931,294.94.

MOTION

Move that the Board of Directors approve to amend Resolution 05 01 20 by changing the amount of capital credits being paid to HEA from \$2,000,000 to \$1,931,294.94, as shown in the attached amended Resolution.



**RESOLUTION
(AMENDMENT TO RESOLUTION NO 05 01 20)**

Wholesale Capital Credit Retirement and Payment

WHEREAS, the Board of Directors desires to proceed with a wholesale capital credit retirement and a wholesale capital credit retirement payment; and

WHEREAS, the Board of Directors has determined that this retirement and retirement payment will not impair the financial condition of the Association;

NOW THEREFORE BE IT RESOLVED, Chugach establishes the amount of the capital credit retirement to MEA and SES at \$551,032.82, which will retire the balance of MEA and SES's capital credits for 2010, and their capital credits for 2011, which totals \$520,144.30 and \$30,888.52 respectively.

BE IT FURTHER RESOLVED, that pursuant to an agreement with HEA, previously retired patronage capital that has been held in a patronage capital payable account shall be released and paid in the amount of \$1,931,294.94.

CERTIFICATION

I, Board Secretary, 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 17th day of June 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 17th day of June 2020.

Secretary

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

June 17, 2020

ACTION REQUIRED

AGENDA ITEM NO. IX.H.

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

TOPIC

Construction Contract Award – Muldoon Road 12.5 kV Undergrounding Project

DISCUSSION

The project is for the underground conversion of 12.5kV overhead distribution facilities from approximately 350 feet south of the intersection of Northern Lights Blvd to approximately the intersection of Island Drive on the West side of Muldoon Road.

The 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 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.

The project authorization was approved by Chugach in May 2020. Chugach received three bids in response to our solicitation for the construction contract for the Muldoon Road Undergrounding Project. The lowest, responsible and responsive bidder was Northern Power Line Constructors with a bid of \$1,783,259.67

The bid breakdown is as follows:

Chugach	\$1,407,773.80
ACS	\$72,221.04
GCI	\$303,264.83
Total	\$1,783,259.67

The ACS and GCI portions will be reimbursable to Chugach as these amounts are for installation in joint trench and boring of ACS and GCI equipment.

MOTION

Move that the Board of Directors authorize the Chief Executive Officer to execute a contract with Northern Power Line Constructors for the Muldoon Road 12.5 kV Undergrounding Project in an amount not to exceed \$1,783,259.67



RESOLUTION

Muldoon Road 12.5 kV Undergrounding Project Construction Contract Award

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 Blvd 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 to 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 funds collected for Overhead to Underground Projects;

WHEREAS, the 2018 budgetary estimate for the Muldoon Undergrounding Project was \$2,500,000 subsequent 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;

WHEREAS, Chugach authorized the Muldoon Road Undergrounding Project in the amount of \$3,708,831.45;

WHEREAS, Chugach has solicited and received responsive bids for the Muldoon Road Undergrounding Projects from three bidders, and;

WHEREAS, Chugach has evaluated the bids and found Northern Power Line Constructors to be the lowest, responsive and responsible bidder,

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors authorize the Chief Executive Officer to execute a contract with Northern Power Line Constructors for the Muldoon Road 12.5 kV Undergrounding Project in an amount not to exceed \$1,783,259.67.

CERTIFICATION

I, Board Secretary, 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 17th day of June 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 17th day of June 2020.

Secretary

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

June 17, 2020

ACTION REQUIRED

AGENDA ITEM NO. IX.I.

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

TOPIC

Board Policies 100, 101, 103 and 304

DISCUSSION

Staff and the Board of Directors are charged with reviewing and updating, as necessary, all Board Policies on a routine basis. Staff has undertaken a review of the following policies:

- Board Policy 100 - Code of Ethics For Directors and Employees
- Board Policy 101 - Statement of Objectives
- Board Policy 103 - Duties and Responsibilities of the Board of Directors
- Board Policy 304 - Capital Credit Policy

Staff is recommending minor updates to clarify existing language in Board Policies 103 and 304 and, to update the Association's Vision Statement found in Board Policy 101 at Section I.A.2. At this time, no changes are suggested to Board Policy 100.

MOTION

The Board of Directors can approve these revisions at this time or, forward them to the Governance Committee for its consideration. Below are proposed motions if the Board agrees they can be approved at this time.

- 1) Move that the Board of Directors approve the revision to Board Policy 101 - Statement of Objectives, as shown in the attached draft policy.
- 2) Move that the Board of Directors approve the revision to Board Policy 103 - Duties and Responsibilities of the Board of Directors, as shown in the attached draft policy.
- 3) Move that the Board of Directors approve the revision to Board Policy 304 - Capital Credit Policy, as shown in the attached draft policy.

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 101

STATEMENT OF OBJECTIVES

I. OBJECTIVE

A. Major Objectives With Association Members (“members”)

1. To operate the Association as a non-profit enterprise on a continuing basis in accordance with its Articles of Incorporation, Bylaws, corporate policies and documents, and other applicable legal and contractual requirements.
2. To maximize the value members receive by ~~safely providing competitively priced, reliable energy and services responsibly~~ developing energy to build a clean, sustainable future for Alaska through innovation, leadership and prudent management, which includes the establishment of an adequate financial structure, sufficient funds available to cover all costs of service, retirement of outstanding debt obligations, provisions for future expansion to meet the needs of members, and equitable remuneration to employees.
3. To keep the members informed of the manner of operation, plans, progress, and problems of their utility system; to strive to obtain their understanding, acceptance and support; and to provide reasonable means through which the needs of the members can be expressed and acted upon as appropriate.
4. To educate members concerning ways they can most efficiently utilize electric energy. It is in the members’ best interest to use electrical energy efficiently in order to delay the need for additional generation.

B. Major Objectives With Employees

1. To establish the attitude that the Association’s greatest assets are its employees and that opportunities will be provided to encourage their growth and development.
2. To motivate and encourage employees to perform to the highest standards and to foster an increased level of personal responsibility for management of Association resources and efficiency of the work processes.
3. To fully communicate the importance of safety as a high priority of the Association.

4. To operate within the bounds of accepted safety practices and to promote the safety and well-being of employees, members and the general public.

C. Coordinate Objectives With Members

1. To develop and maintain processes which allow and encourage participation of members in the leadership of their Association.
2. To enhance the Association's reputation for fair dealings, prompt and efficient service, dependability, integrity, courtesy, and technical competence.
3. To strive constantly for ever higher standards of service through management, utilization of new equipment and techniques, and improved methods of operations; and to use these factors to increase system efficiency.
4. To develop, operate, and maintain the electric generation, transmission and distribution systems at optimum performance to assure quality of service and safety of members while maintaining investment at a reasonable level and minimizing premature obsolescence.
5. To prudently maintain an appropriate equity level.

D. Coordinate Objectives With Employees

1. To adequately train, develop, and compensate all employees.
2. To inform employees of decisions or situations affecting them on their jobs and to solicit their ideas and support.
3. To seek out, stimulate and motivate those individuals who have leadership potential.

E. Coordinate Objectives With Public

1. To develop understanding, acceptance, and support of the Association's objectives, plans, policies and programs.
2. To foster and develop the Association as a good corporate citizen in the community.
3. To provide leadership and to cooperate with other community and civic groups in furthering programs of mutual interest which will benefit the members and the community.

II. RESPONSIBILITIES

- A. The Board of Directors shall be responsible for considering the expressed objectives of the Association in making decisions which will directly or indirectly affect members, employees, and the public.
- B. The Chief Executive Officer shall be responsible for the administration of this Policy.

Date Approved: ~~May 25, 2016~~ June XX, 2020

Attested: _____

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~~Bruce M. Dougherty~~ **Stuart Parks**
Secretary of the Board

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CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 103

DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

I. OBJECTIVE

To describe the major duties and responsibilities of the Board of Directors ("Board").

II. CONTENT

Full compliance with this Policy is mandatory and directors are expected to foster a culture of transparency, integrity and honesty.

A. General duties and responsibilities of the Board are as follows:

1. Ensure that the legal requirements, as set forth in the Articles of Incorporation, the Bylaws, and regulations applicable to the Association are complied with including, but not necessarily limited to:
 - a. Relevant federal, State and local statutes, ordinances and regulations.
 - b. The Indenture of Trust and other loan covenants, loan agreements and financing agreements.
 - c. Requirements of federal and State regulatory agencies and commissions with jurisdiction over the Association's activities.
2. Select and employ a competent Chief Executive Officer and delegate to him or her, the complete responsibility and authority to select and direct employed personnel and to terminate employment if such action becomes necessary, within the limitations of Association policy, procedures and collective bargaining agreements.
3. The Board Chair shall be responsible for ensuring that the performance of the Chief Executive Officer is evaluated each year by the Board Operations Committee and that a written report to the full Board is provided on or before the first Board meeting in April on the results of such evaluation. The evaluation is to include a recommendation on salary adjustment when appropriate. Once reviewed and approved by the Board, the results of such evaluation are to be provided to and discussed with the Chief Executive Officer.

4. Hold well-planned and effectively conducted Board Meetings in a timely manner sufficiently often to stay well-informed about Association matters; to provide policy guidance; and, to take action on Association business as necessary and appropriate. The preliminary agenda for such meetings shall be developed by the Board Chair in consultation with the Chief Executive Officer. The agenda should be transmitted to Board Members in advance of the Board Meeting with sufficient supporting information to facilitate the decision-making process.
5. Ensure that complete and accurate minutes of the Board and annual and special membership meetings are prepared and maintained. Except as specified otherwise in the Association's Bylaws, minutes will generally be prepared in accordance with the "Guidelines for Taking Meeting Minutes" contained in the most recent version of *Robert's Rules of Order*, and shall be kept and maintained at the Association headquarters and distributed to all Board members.
6. Ensure open discussion and information exchange about all matters that come before the Board.
7. Authorize the funds, facilities, equipment, and human resources necessary to carry out the mission and objectives of the Association.
8. Establish committees when necessary.
9. Through the Chair, in consultation with the Chief Executive Officer and the Committee Chair, refer matters to committees for examination and investigation, receive reports from those committees and take appropriate action as a result of such reports; provided that referral of a matter to a committee will not preclude the Board from taking action on that matter.
10. Select and appoint Board Counsel, as required.
11. Arrange periodically for an evaluation of Board performance and for a systematic program to keep the Board informed and educated about the Association's business and operations.
12. Periodically review this Board policy regarding the functions, duties and responsibilities of the Board and review the Association's objectives and goals, as recommended by the Chief Executive Officer and the strategy to achieve those objectives and goals.

B. Financial duties and responsibilities of the Board are as follows:

1. Ensure the fiscal soundness of the organization.
2. Review the Association's financial statements.
3. Review the consolidated operating and capital budgets as recommended by the Chief Executive Officer including all budget revisions, ~~greater than \$1,000,000.~~ Approve the operating and capital budgets, and budget revisions greater than \$1,000,000.
4. Review on an ~~as-needed~~annual basis, the long-range financial forecasts to determine the financial needs of the Association and how they will be met.
5. Review staff recommendations on financial policies and practices and review sources and strategies for financing.
6. Protect the assets of the Association through appropriate risk management policies and coverages and by ensuring that lending covenants are met or exceeded.
7. Adopt and ensure appropriate controls for the exercise of authority delegated to Board Officers, the Chief Executive Officer, and other employees.
8. Approve depositories for funds of the Association and those authorized to sign checks, drafts, notes, contracts, deeds, mortgages and other instruments on behalf of the Association.
9. Establish policies governing the investment of funds of the Association and periodically review the investment of funds to make sure the principal is safe and the rate of return is reasonable and discuss with the Chief Executive Officer any action required.
10. In consultation with the Chief Executive Officer and Chief Financial Officer, establish target Equity to Total Capitalization Ratio and Capital Credit Rotation Policy to ensure progress towards target equity ratio.
11. Adopt proposed base rate changes.
12. Review annually the Capital Improvement Plan.
13. Review and approve major contracts exceeding Chief Executive Officer authority, as required.
14. Develop basic policies to ensure that major purchases are done competitively, where appropriate.

15. Establish policies governing the payment of travel, out-of-pocket and other expenses of Directors.

C. Operations duties and responsibilities of the Board are as follows:

1. Consider and adopt short-range and long-range plans with respect to:
 - a. objectives and major goals for the Association that are in conformance with the Articles of Incorporation and the Bylaws as well as all applicable federal and state laws; and
 - b. operating programs, services, and activities developed and recommended by the Chief Executive Officer.
2. Review and adopt any changes necessary to the Delegations of Authority (Board Policy 401) from the Board to the Chief Executive Officer.
3. Review, in consultation with the Chief Executive Officer, the Association's bylaws and recommend any changes required to meet current operating conditions, which changes shall be recommended to the Bylaws Committee.
4. Review periodically the method of nominating Directors to make sure the process encourages nominations which are representative of the composition of the membership and make recommendations to the Nominating and Bylaws Committees regarding any proposed changes to that process.
5. Ensure that controls are established which can be used in evaluating the effectiveness of Association operations by:
 - a. examining periodic reports from the Chief Executive Officer to ensure conformity to the Board's approved objectives, policies, major goals, plans and programs. These reports should be of sufficient scope to enable the Board of Directors to: prevent unauthorized action; determine how operations in key performance areas are progressing; predict trends and forecast results; determine where remedial or corrective action may be required; measure results against annual work plans and budgets; measure performance against plans and policies; and
 - b. examining the independent management audit if such an audit is undertaken, and ensuring that Board-approved recommendations are carried out.
6. In consultation with the Chief Executive Officer, review (a) proposed revisions to the Association's wage and salary plan for non-bargaining unit

employees; (b) major employee benefit programs; and (c), strategies to be utilized in labor negotiations and/or proposed contract changes. Adopt changes to those plans and programs as appropriate.

7. In consultation with the Chief Executive Officer, review member attitude studies and public and member relations programs, including member involvement and communication, so that a continuous program of member, public, and governmental relations is carried out to obtain understanding and support for Association objectives.
8. Keep members informed about issues affecting the Association through the Association website, newsletters and other publications, annual reports and membership meetings. Every reasonable effort shall be made to keep the members advised of the long-range outlook on power costs, and as far in advance as possible, on the need for adjustments in rates.
9. In consultation with the Chief Executive Officer, review market research and marketing plans and programs to improve load factors and energy sales and to help the members make more efficient use of electric energy. Adopt changes to those plans and programs as appropriate.
10. In consultation with the Chief Executive Officer, review and adopt legislative strategies and legislation to be supported or opposed by the Association.
11. In consultation with the Chief Executive Officer, review the Association's relations with Alaska Power Association (APA) and with other organizations, agencies and entities as necessary and adopt policies with regard to those entities.
12. Review recommendations of the Chief Executive Officer on the selection of principal consultants to the Board, and approve the selection of those consultants.
13. Endeavor to improve the quality of the environment through supporting the implementation of business practices that reduce or eliminate waste and encourage the recycling and environmentally sound disposal of waste.
14. Encourage the active participation of the members through committees and review, in accordance with Board Policy 602, the applications of those interested in serving on Member Standing Committees.
15. Review periodically programs and plans for Director education and development, so that Board members may be well informed about changing member needs and how the Association might meet those needs. This includes increasing knowledge and understanding of the Association's

business and operations, participating in conferences, workshops, seminars, and other professional activities deemed advantageous to the Association.

16. Assisting new Board members to develop a greater understanding of the Association and their basic responsibilities and duties, including arranging for training of new Board members about the Association's objectives, plans, policies, operations and programs.

III. RESPONSIBILITIES

- A. The Board may delegate any or all of these responsibilities to a committee of the Board or Chief Executive Officer as long as such action is not inconsistent with the Association's Bylaws or other legal requirements.
- B. It shall be the responsibility of the Board Chair to see that the foregoing functions are effectively carried out.

Date Approved: ~~May 25, 2016~~ June XX, 2020

Attested: _____

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~~Bruce M. Dougherty~~ **Stuart Parks**
Secretary of the Board

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CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 304

CAPITAL CREDIT POLICY

I. OBJECTIVE

The objective of this Capital Credits Policy ("Policy") is to state the general policy of the Association for allocating and retiring capital credits.

II. CONTENT

The Association shall allocate and retire capital credits in a manner that: (1) is consistent with state and federal law; (2) is consistent with operating on a cooperative basis under federal tax law; (3) is fair and reasonable to the Association's patrons and former patrons; (4) provides the Association with sufficient equity and capital to operate effectively and efficiently; and (5) protects the Association's financial condition. Subject to law, the Association's Articles of Incorporation and Bylaws; the allocation method and retirement of capital credits are at the sole discretion of the Association's Board of Directors ("Board"), subject to section III. D., below.

The Association shall allocate and retire capital credits according to the manner, method, timing, and amount approved by the Board.

- A. Patronage Earning Allocations: All margins received by the Association shall, insofar as permitted by law and approved by the Board, be allocated to members on a patronage basis (as may be defined by specific agreements) in accordance with Article VII of the Bylaws. Any amount so allocated shall be included as part of the capital credited to the accounts of members, as herein provided.
- B. Patronage Loss Allocations: For each good or service provided by the Association on a cooperative basis, the Association shall offset patronage losses with the Association's patronage non-operating earnings from providing the good or service during the next succeeding fiscal year(s).
- C. General Capital Credits Retirements: The Association shall generally retire capital credits with the goals of: (1) remaining in compliance with Indenture and debt agreement requirements; (2) maintaining or progressing toward an equity target level established by the Board; (3) retiring capital credits using a method approved by the Board; and (4) communicating and promoting cooperative principles.

- D. Special / Discounted Capital Credits Retirements: The Association may retire capital credits on a discounted basis as approved by the Board to reflect the net present value of the capital credits. Approval of special or discounted capital credit retirements may reduce allowable amounts in a general retirement to the extent required to comply with Indenture and debt agreements. Amounts approved for discounting will be either (1) estate payments or (2) former members that are no longer on the Association's distribution system.
- E. Recoupment of bad debt: After retiring, and before paying, capital credits allocated to a patron or former patron, the Association, unless otherwise provided for by law, may recoup or offset any amount owed to the Association by the patron or former patron by reducing the amount of retired capital credits due to the patron or former patron by the amount owed until it is paid in full or all available capital credits have been credited to the amount owed.

III. LIMITATIONS

- A. Forfeiture of Capital Credits: The Association shall not enter into contracts through which a patron or former patron forfeits the right to the allocation or retirement of capital credits. The Association shall not require any patron or former patron to forfeit the right to the allocation or retirement of capital credits.
- B. Patron Classes: As reasonable and fair, and as approved by the Board, the Association may allocate or retire capital credits to classes of similarly situated patrons or former patrons under different manners, methods, timing, and amounts, provided the Association allocates and retires capital credits to similarly situated patrons and former patrons under the same manner, method, timing, and amount pursuant to the Association's Bylaws.
- C. Notice of Allocation: Within eight and one-half (8 1/2) months following a fiscal year, the Association shall notify each patron in writing, or through electronic means, of the amount of capital credits allocated to the patron for the preceding fiscal year.
- D. Adverse Financial Impact: The Association shall not retire any capital credits unless the Board first determines that the retirement will not adversely impact the Association's financial condition.
- E. Request and Agreement for Special Retirement: Pursuant to Section II. D., the Association may specially retire and pay capital credits upon the death of a patron or former patron only upon receiving a written request from the appropriate legal representative, and only under terms and conditions agreed upon by the Association and the appropriate legal representative.

- F. Discount Rate: Pursuant to Section II. D., the Association may retire capital credits early on a discounted basis, by approximating the Association's current cost of equity capital. In making this determination, the Board will use the most recent cost of equity capital filed with the Regulatory Commission of Alaska (RCA). Alternatively, the Board may use the 10-year National Rural Utilities Cooperative Finance Corporation ("NRUCFC") borrowing rate plus 3% (three percent), if the resulting rate is higher than the rate set by the RCA.
- G. Minimum Amount: The Association shall establish a minimum check amount; unless the retirement and payment is for all remaining capital credits allocated to a former patron pursuant to Section II. D.
- H. Payment and Notice of Retirement: After the Association retires capital credits allocated to a patron; the Association shall pay the retired amount by sending a check or issuing a bill statement credit to active members for the amount to the patron's most current address listed on the Association's records.
- I. Unclaimed Capital Credits: A distribution of net margins is presumed abandoned if the distribution remains unclaimed by the owner for more than one year after payment has been made. An abandoned distribution reverts to the Association, provided the Association has, at least six months prior; (1) mailed a notice of the proposed reversion to the last known address of the owner as shown on the cooperative records, (2) posted for at least 180 days on the Association's Internet website a list of the persons for whom the Association has unclaimed distributions, and (3) published once a week for four consecutive weeks in a newspaper of general circulation in the Association's judicial district.

IV. RESPONSIBILITY

- A. Implementation of Policy: The Association's Chief Executive Officer is responsible for implementing this Policy.
- B. Recommendations to Board: Management is responsible for: (1) recommending to the Board the manner, method, timing, and amount for allocating and retiring capital credits; and (2) when in the best interest of the Association and its patrons and former patrons, recommending to the Board revisions to this Policy.
- C. Review and Approval by Board: The Board is responsible for: (1) reviewing, discussing, and evaluating management's recommendations regarding the manner, method, timing, and amount for allocating, retiring, and paying capital credits; (2) approving the manner, method, timing, and amount for allocating, retiring, and paying capital credits; and, (3) periodically reviewing, discussing, and evaluating this Policy.

- D. Compliance with Policy: The Board is responsible for the Association's compliance with this Policy.

| Date Approved: ~~May 25, 2016~~ June XX, 2020

Attested: _____

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~~Bruce M. Dougherty~~ Stuart Parks
Secretary of the Board

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CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

June 17, 2020

ACTION REQUIRED

AGENDA ITEM NO. XI.A.

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

TOPIC

Alaska Energy Authority Acquisition (AEA) of Homer Electric Association (HEA) Quartz Creek Transmission Line

DISCUSSION

As discussed in Executive Session.

MOTION

Move that the Board of Directors authorize the Chief Executive Officer to execute the Alaska Energy Authority's letter of intent in potential acquisition of Homer Electric's Quartz Creek Transmission Line essentially as discussed in Executive Session.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

June 17, 2020

ACTION REQUIRED

AGENDA ITEM NO. XI.B.

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

TOPIC

Acceptance of the conditions imposed by the Regulatory Commission of Alaska (“Commission”) in Order No. U-18-102(44)/U-19-020(39)/U-19-021(39) (“Order 39”) on Chugach Electric Association, Inc’s (“Chugach”) acquisition of substantially all of the assets of the Municipality of Anchorage (“MOA”) d/b/a Anchorage Municipal Light & Power (“Acquisition”)

DISCUSSION

On May 28, 2020, the Commission approved the Acquisition subject to numerous conditions and modifications. The Asset Purchase and Sale Agreement between the MOA and Chugach dated December 28, 2018 provides that the obligations of Chugach and the MOA thereunder are contingent upon receipt of an order from the Commission approving the Acquisition without conditions materially adverse to either Chugach or the MOA, as determined by either party in good faith and consistent with commercially reasonable business judgment.

Management has explained and discussed the conditions and modifications imposed by the Commission in Order 39. Based on that review, it is recommended that the Chugach Board of Directors accept the conditions and modifications imposed by Order 39 as not being materially adverse to Chugach and authorize the Chief Executive Officer (“CEO”) to (1) proceed with integration efforts with costs not to exceed \$24.6M of the previously approved Integration Management Office (IMO) budget (\$19.6 plus \$5M additional) until further authorization from the board. (2) initiate steps necessary to secure financing for the Acquisition; (3) finalize, subject to Board approval, an acceptable power pool agreement with Matanuska Electric Association, Inc. (“MEA”) consistent with the requirements of Order 39, and (4) finalize, subject to Board approval, any amendments to the Acquisition agreements required by Order 39.

MOTION

Move that the Board of Directors accept the conditions and modifications to the Acquisition imposed by the Commission in Order 39 as not being materially adverse to Chugach and authorize the CEO to (1) proceed with integration efforts with costs not to exceed \$24.6M of the previously approved IMO budget (\$19.6M plus \$5M additional) until further authorization from the board. (2) initiate steps necessary to secure financing for the Acquisition; (3) negotiate and finalize, subject to Board approval, an acceptable power pool agreement with MEA consistent with the requirements of Order 39, and (4) negotiate and finalize, subject to Board approval, any amendments to the Acquisition agreements required by Order 39.