



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

**REGULAR BOARD OF DIRECTORS' MEETING**

**AGENDA**

Rachel Morse, Chair  
Bettina Chastain, Vice Chair  
Harold Hollis, Treasurer  
James Henderson, Secretary

Sam Cason, Director  
Mark Wiggin, Director  
Erin Whitney, Director

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**June 23, 2021**

**4:00 p.m.**

**Chugach Board Room**

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- I. CALL TO ORDER (4:00 p.m.)
  - A. *Pledge of Allegiance*
  - B. *Roll Call*
  - C. *Safety Minute – “Bear Safety” (Andrews)*
- II. APPROVAL OF THE AGENDA\*
- III. PERSONS TO BE HEARD
  - A. *Member Comments*
- IV. CONSENT AGENDA\* (4:10 p.m.)
  - A. *Board Calendar*
  - B. *Training and Conferences*
    - 1. *Alaska Power Association Annual Meeting (August 17-20, 2021, Homer, AK)*
  - C. *Minutes*
    - 1. *May 26, 2021, Regular Board of Directors’ Meeting (Abruzzino)*
  - D. *Director Expenses*
  - E. *BP 100 – Code of Ethics for Directors and Employees (Clarkson)*
  - F. *BP 105 – Confidential Information (Clarkson)*
  - G. *BP 107 – Representative Re: Jointly Operated Assets (Thibert/Clarkson)*
  - H. *BP 201 – Open Meetings & Executive Sessions of the Board (Clarkson)*
  - I. *BP 202 – Procedures for Board of Directors Meetings (Clarkson)*
  - J. *BP 209 – Indemnification of Directors (Clarkson)*
  - K. *BP 401 – Delegations of Authority from the Board of Directors (Clarkson)*
- V. CEO REPORTS AND CORRESPONDENCE (4:20 p.m.)
  - A. *April 2021 Financial Statements and Variance Report (Harris/Highers) (4:20 p.m.)*
  - B. *2021 Annual Meeting Election Report (Kurka/Miller) (4:30 p.m.)*
  - C. *2<sup>nd</sup> Quarter 2021 Railbelt Bill Comparison (Skaling/Miller) (4:40 p.m.)*
  - D. *Board Policy Scheduled Tasks/Reports (Board/Staff) (4:50 p.m.)*

VI. DIRECTOR REPORTS (5:10 p.m.)

- A. *Alaska Power Association (APA) Report*
- B. *Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report*
- C. *Renewable Energy Alaska Project (REAP) Report*
- D. *Board Committee Reports (Audit and Finance, Operations & Governance)*
- E. *Other Meeting Reports*

VII. UNFINISHED BUSINESS (none)

VIII. EXECUTIVE SESSION\* (scheduled) (5:30 p.m.)

- A. *2022 Annual Meeting Planning (5:30 p.m.)*
- B. *Renewable Energy Plan Quarterly Status Report (5:45 p.m.)*
- C. *Amendment to Stipulation Resolving all Issues – ML&P Acquisition Docket (U-18-102/U-19-020/U-19-021) (6:00 p.m.)*
- D. *Chugach-Hilcorp Gas Agreement (6:25 p.m.)*
- E. *Chugach-Furie Gas Agreement (6:40 p.m.)*

IX. NEW BUSINESS\* (scheduled) (7:00 p.m.)

- A. *Update Bank Signature Cards\* (Harris/Highers) (7:00 p.m.)*
- B. *Appointment of NRECA Voting Delegate and Alternate\* (Board) (7:05 p.m.)*
- C. *Appointment of CFC Voting Delegate and Alternate\* (Board) (7:10 p.m.)*
- D. *2020 Capital Credit Allocations\* (Kornmuller/Miller) (7:15 p.m.)*
- E. *Authorizing Amendment of the Retirement Security (RS) Plan\* (Andrews/Thibert) (7:25 p.m.)*
- F. *Amendment to Stipulation Resolving all Issues – ML&P Acquisition Docket (U-18-102/U-19-020/U-19-021)\* (Miller/Clarkson) (7:35 p.m.)*
- G. *Chugach-Hilcorp Gas Agreement\* (Fouts) (7:40 p.m.)*
- H. *Chugach-Furie Gas Agreement\* (Fouts) (7:45 p.m.)*

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

XI. ADJOURNMENT\* (8:00 p.m.)

\* *Denotes Action Items*

\*\* *Denotes Possible Action Items*



# BEAR SAFETY

Regular Board Of Directors' Meeting  
June 23, 2021

# DO'S AND DON'TS



- Don't panic. By now, everyone should have encountered a bear unexpectedly at least once.
- If you see a bear, but it doesn't see you, detour quickly and quietly.
- If the bear spots you, acknowledge the bear by talking to it in a normal voice.
- Do not run or make sudden movements.
- If the bear continues toward you, hold your ground.
- Yell at the bear and firmly tell it to leave: "Get out of here, bear!"



## DO'S AND DON'TS CONTINUED

- Try to figure out whether the bear is a grizzly or a black bear. Grizzly bears and black bears tend to behave differently.
- Defensive responses that result in physical contact almost always involve grizzly bears surprised at close range, on a carcass or protecting young.
- If attacked, grizzly bears tend to lose interest once you are no longer a perceived threat. With a black bear you want to remain assertive and fight back. Never play dead with a black bear.
- Remember to trust your bear spray if you are carrying it. It has been proven to be effective. Begin spraying when it is within 40 feet or so.



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  - F. *BP 105 – Confidential Information (Clarkson)*
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- E. *Authorizing Amendment of the Retirement Security (RS) Plan\* (Andrews/Thibert) (7:25 p.m.)*
- F. *Amendment to Stipulation Resolving all Issues – ML&P Acquisition Docket (U-18-102/U-19-020/U-19-021)\* (Miller/Clarkson) (7:35 p.m.)*
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XI. ADJOURNMENT\* (8:00 p.m.)

\* *Denotes Action Items*

\*\* *Denotes Possible Action Items*

# June 2021

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

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
May 30	31	<b>Jun 1</b> 3:30pm REAP Public Policy Committee (RPS) (Whitney/Wiggin)	<b>2</b> 1:00pm 1:1 w/Whitney & Thibert (LDT's Office) - Connie Owens 2:00pm Tour of South Facilities (Whitney) (LDT's Office) - Connie Owens	<b>3</b> 9:00am Board Planning Meeting (Morse/Chastain) (LDT's Office) - Connie Owens	<b>4</b>	<b>5</b>
6	7	<b>8</b> 2:00pm Pre-Governance Committee Meeting (Morse, Chastain, Cason) (StarLeaf Cloud) - Connie Owens	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>
13	14	<b>15</b> 7:30am APA Virtual Federal Legislative Conference (Microsoft Teams Meeting) - 3:30pm REAP Public Policy Committee (RPS) (Whitney/Wiggin)	<b>16</b> 7:30am APA Virtual Federal Legislative Conference (Microsoft Teams Meeting) - 4:00pm Governance Committee Meeting (Board Meeting) - Connie	<b>17</b> 7:30am APA Virtual Federal Legislative Conference (Microsoft Teams Meeting) - Michael Rovito	<b>18</b> 9:30am Review Board Packet (Morse/Chastain) (BoardroomCR) - Connie Owens 11:00am 1:1 with Clarkson/Chastain (CEO Succession Policies) (Clarkson's Office)	<b>19</b>
<b>20</b> 11:00am Chugach Annual Picnic (Alaska Zoo) - Connie Owens	<b>21</b>	<b>22</b>	<b>23</b> 4:00pm Regular Board of Directors Meeting (BoardromCR) - Connie Owens	<b>24</b>	<b>25</b>	<b>26</b>
<b>27</b>	<b>28</b>	<b>29</b> 3:30pm REAP Policy Cmte Meeting (Wiggin/Whitney) (TBD)	<b>30</b>	<b>Jul 1</b>	<b>2</b>	<b>3</b>



# July 2021

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

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jun 27	28	29	30	Jul 1	2 9:00am CEO Succession Cmte (Cason, Chastain, Whitney) (StarLeaf Cloud) - Connie Owens	3
4 4th of July	5 Observance 4th of July	6	7	8	9	10
11	12	13	14 4:00pm Operations Committee Meeting followed by Governance Committee Meeting (BoardroomCR) - Connie Owens	15	16	17
18	NRECA Director Summer School - Virtual (Wiggin)					24 9:30am Review Board Packet (Morse/Chastain) (Board Room CR) - Connie Owens
25	26	27	28 4:00pm Audit and Finance Committee (Internal Controls Workshop) (Board Room CR) - Connie Owens	29	30	31

# August 2021

August 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				

September 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
Aug 1	2	3	4	5	6	7
8	9	10	11 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens	12	13	14
15	16 4:00pm Audit and Finance Committee Meeting (BoardroomCR) - Connie Owens	17-20: APA Annual Meeting (Land's End Resort) (Homer, AK) - Connie Owens				21
22	23 9:30am Review Board Packet (Chastain/Morse) (boardroomCR) - Connie Owens	24	25 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	26	27	28
29	30	31	Sep 1	2	3	4

# September 2021

September 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		

October 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
Aug 29	30	31	Sep 1	2	3	4
5	6 Labor Day	7	8 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens	9	10	11
12	13	14	15 4:00pm Governance Committee Meeting (boardroomcr) - Connie Owens	16	17 9:30am Review Board Packet (Morse/Chastain) (BoardroomCR) - Connie Owens	18
19	20	21	22 3:15pm Board Photo (BoardroomCR) - Connie Owens 4:00pm Regular Board of Directors Meeting (boardroomCR) - Connie Owens	23	24	25
26	27	28	29	30	Oct 1	2
NRECA Region IX (Meeting Dates: Sept 28-30 - Director Education 9/28) (Las Vegas, NV)						

# October 2021

October 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						

November 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
Sep 26	27	28	29	30	Oct 1	2
3	4	5	6	7	8	9
10	11	12	13 4:00pm Operations Committee Meeting (Board Room CR) - Connie Owens	14	15	16
17	18	19	20	21	22 9:30am Review Board Packet (Morse/Chastain) (boardroomCR) - Connie Owens	23
24	25	26	27 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	28	29	30
31	Nov 1	2	3	4	5	6

# November 2021

November 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				

December 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
Oct 31	Nov 1	2	3	4	5	6
7	8	9	10 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens	11 4:00pm Audit Committee Meeting (Budget/CIP) (BoardroomCR) - Connie Owens	12	13
14	15	16 4:00pm Audit and Finance Committee (BoardroomCR) - Connie Owens	17	18	19 9:30am Review Board Packet (Morse/Chastain) (BoardroomCR) - Connie Owens	20
21	22 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	23	24	25 Thanksgiving Holiday	26	27
28	29	30	Dec 1	2	3	4

# December 2021

December 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	

January 2022

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 28	29	30	Dec 1 4:00pm Governance Committee Meeting (BoardroomCR) - Connie Owens	2	3	4
5	6	7	8 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens	9 9:30am Review Board Packet (Morse/Chastain) (BoardroomCR) - Connie Owens	10-11 Directors Winter School (12/10-12/14) (Nashville, TN)	
12-13 Directors Winter School (12/10-12/14) (Nashville, TN)			15 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	16	17	18
19	20	21	22	23-24 Christmas Holiday Observed		25 Christmas Day
26	27	28	29	30-31 New Year's Holiday Observed		Jan 1, 22

# January 2022

January 2022						
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 2022						
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 26	27	28	29	30	31	Jan 1, 22 New Years Day
2	3	4	5	6	7	8
9	10	11	12 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens	13	14	15
16	17	18	19	20	21 9:30am Review Board Packet (Morse/Chastain) (BoardroomCR) - CCBOD	22
23	24	25	26 4:00pm Regular Board of Directors Meeting (Board Room CR) - Connie Owens	27	28	29
30	31	Feb 1	2	3	4	5

# February 2022

February 2022

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 2022

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 30	31	Feb 1	2	3	4	5
6	7	8	9 4:00pm Operations Committee Meeting (boardroomCR) - Connie Owens	10	11	12
13	14	15	16 4:00pm Governance Committee Meeting (Boardroomcr) - Connie Owens	17	18 9:30am Review Board Packet (Morse/Chastain) (boardroomcr) - Connie Owens	19
20	21	22	23 4:00pm Board of Directors Meeting (BoardroomCR) - Connie Owens	24	25	26
27	28	Mar 1	2	3	4	5



# March 2022

March 2022							April 2022						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5						1	2
6	7	8	9	10	11	12	3	4	5	6	7	8	9
13	14	15	16	17	18	19	10	11	12	13	14	15	16
20	21	22	23	24	25	26	17	18	19	20	21	22	23
27	28	29	30	31			24	25	26	27	28	29	30

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Feb 27	28	Mar 1	2	3	4	5
NRECA Annual Meeting (March 3-9, 2022) (Nashville, TN) - Connie Owens						
6	7	8	9	10	11	12
NRECA Annual Meeting (March 3-9, 2022) (Nashville, TN) - Connie Owens						
13	14	15	16	17	18	19
			4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens		9:30am Review Board Packet (BoardroomCR) - Connie Owens	
20	21	22	23	24	25	26
			4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens			
27	28	29	30	31	Apr 1	2
			4:00pm Audit and Finance Committee Meeting (BoardroomCR) - Connie Owens			

# April 2022

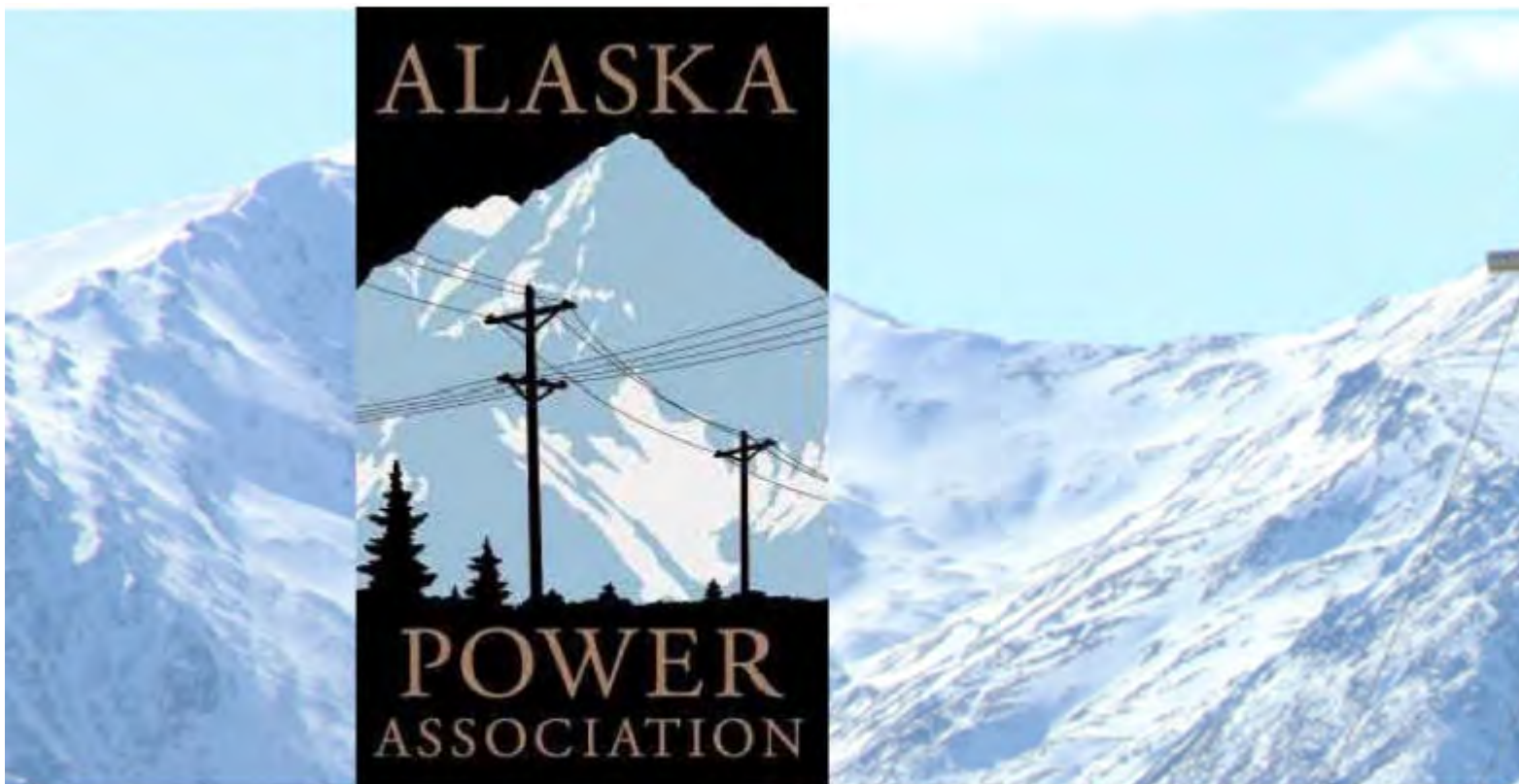
April 2022						May 2022							
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
					1	2	1	2	3	4	5	6	7
3	4	5	6	7	8	9	8	9	10	11	12	13	14
10	11	12	13	14	15	16	15	16	17	18	19	20	21
17	18	19	20	21	22	23	22	23	24	25	26	27	28
24	25	26	27	28	29	30	29	30	31				

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Mar 27	28	29	30	31	Apr 1	2
3	4	5	6	7	8	9
10	11	12	13 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens	14	15	16
17	18	19	20 4:00pm Governance Committee Meeting (boardroomCR) - Connie Owens	21	22 9:30am Review Board Packet (Morse/Chastain) (BoardroomCR) - Connie Owens	23
24	25	26	27 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	28	29	30

# May 2022

May 2022							June 2022						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7				1	2	3	4
8	9	10	11	12	13	14	5	6	7	8	9	10	11
15	16	17	18	19	20	21	12	13	14	15	16	17	18
22	23	24	25	26	27	28	19	20	21	22	23	24	25
29	30	31					26	27	28	29	30		

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
May 1	2	3	4	5	6	7
8	9	10	11 4:00pm Operations Committee Meeting (Board Room CR) - Connie Owens	12	13	14
15	16	17 5:00pm Annual Meeting (TBD) - Connie Owens	18 4:00pm Audit and Finance Committee Meeting (BoardroomCR) - Connie Owens	19	20 9:30am Review Board Packet (Morse/Chastain) (boardroomCR) - Connie Owens	21
22	23	24	25 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	26	27	28
29	30 Memorial Day - Connie Owens	31	Jun 1	2	3	4



## ALASKA POWER ASSOCIATION 2021 ANNUAL MEETING – HOMER, ALASKA!

We're excited to welcome everyone to the 2021 APA & AIE Annual Meeting in Homer, Alaska!. See the drop down menus below for information on the many activities and details of the event. The 2021 APA & AIE Annual Meeting is August 17-20, with a welcome reception on August 17.



∨ [TO REGISTER - CLICK HERE](#)

∧ [NRECA DIRECTOR TRAINING - CLICK HERE](#)

Alaska Power Association is excited to partner with NRECA to offer a relevant and timely Director Training course during this year's APA Annual Meeting in Homer, Alaska. Taking place at the Aspen Hotel and Suites on August 18, APA is offering course 964.1 – "Communicating the New Energy Landscape," taught by Kevin Sump.

Note: The deadline to sign up for Director Training is July 26, 2021 (this is not the deadline to sign up for the general annual meeting)

(<https://alaskapower.org/wp-content/uploads/2021/06/Director-Training-Promo-Graphic.jpg>).

The Director Training course will focus on these areas:

- Discussing changes in the market structure of the electric energy industry
- Anticipating member questions
- Integrating DER with the cooperative's strategic plan



- Examining key questions in the boardroom about DER

Taking a Director Training course at the APA Annual Meeting is a great way to earn credits while also attending the premier event for electric utilities in Alaska. NRECA sends us top-notch instructors, many of whom are very familiar with Alaska and APA's members.

To register for the annual meeting and the NRECA Director Training course, choose the second option on the registration form at this link: <http://events.constantcontact.com/register/event?llr=t4howobab&oeidk=a07ehyxl8eb33063c4d> (<http://events.constantcontact.com/register/event?llr=t4howobab&oeidk=a07ehyxl8eb33063c4d>) (General Annual Meeting registration is also open and can be accessed at the same link.)

### ^ **APA ANNUAL MEETING COMPANION TOUR - CLICK HERE**

APA is excited to offer a day-long companion tour of interesting sites around the Homer area. The companion tour is reserved for guests of registered attendees, and is free of charge. Those who have been on the tour before rave about the interesting and fun stops that are part of the day.

The APA Annual Meeting Companion Tour will begin on Wednesday, August 18, at 8 a.m. at the Land's End Resort.

To register, [click here](http://events.constantcontact.com/register/event?llr=t4howobab&oeidk=a07ei3zqmcp90514bcc) (<http://events.constantcontact.com/register/event?llr=t4howobab&oeidk=a07ei3zqmcp90514bcc>).

#### A Note on Travel:

Alaska, like many parts of the country, is experiencing a rental car shortage. There is no clarity about when more cars might be available.


To fly from Anchorage to Homer, visit <https://ravnalaska.com/> (<https://ravnalaska.com/>).

There is a privately run bus route from Anchorage to Homer. For more information, visit: <https://www.alaskabuscompany.com/> (<https://www.alaskabuscompany.com/>).

\*APA has not coordinated with Ravn or Alaska Bus Company and cannot guarantee their service of vouch for either company.


✓ [HOTEL BOOKING INFORMATION FOR 2021 ANNUAL MEETING IN HOMER, AK - CLICK HERE](#)


^ [CLICK HERE FOR THIS YEAR'S ANNUAL MEETING AGENDA](#)



## Alaska Power Association 70th Annual Meeting and ARECA Insurance Exchange Annual Meeting

August 17-20, 2021, Land's End Resort,  
Homer, Alaska  
Hosted by Homer Electric Association  
*Reunited, Reenergized, and Renewables*



**Homer Electric Association, Inc.**  
A Washington State Cooperative

### Tuesday, August 17, 2021

11 a.m., noon, 1 p.m.	Soldotna Combustion Turbine Plant and BESS Tour 41925 Sterling Highway, Soldotna, AK
5:30 p.m. - 7:45 p.m.	Cruise to Seldovia Transportation provided, more details to follow <i>Sponsored by Homer Electric Association</i>

### Wednesday, August 18, 2021 - Land's End Resort

7:00 a.m. - 9:00 a.m.	Breakfast <i>Sponsored by NC Power Systems</i>	Land's End Resort
7:30 a.m. - 4:00 p.m.	Registration desk open	Land's End Resort
8:00 a.m. - 8:30 a.m.	ARECA Educational Foundation Meeting	Land's End Resort
8:30 a.m. - 4:30 p.m.	NRECA Director Training	Aspen Hotel, Homer
8:30 a.m. - 9:00 a.m.	AK 220 Shareholders Meeting	Land's End Resort
9:00 a.m. - 4:00 p.m.	Companion Tour	Land's End Resort
9:00 a.m. - 9:30 a.m.	Break	Land's End Resort

*Sponsored by Golden Valley Electric Association, Nushagak Cooperative, NWPPA, and NRTC*


9:30 a.m. - 12:00 p.m.	APA Managers Forum	Land's End Resort
12:00 p.m. - 2:00 p.m.	Lunch	Land's End Resort

Keynote speakers:


	<b>ERO Update - What's New in the Railbelt</b> Julie Estey, Dir. of External Affairs and Strategic Partnerships, Matanuska Electric Association	
	<b>Electric Utility Legal and Regulatory Update</b> John Andrew Leman, Counsel, Kempel, Huffman & Ellis	

2:00 p.m. - 4:00 p.m.	ARECA Insurance Exchange Trustees Meeting	Land's End Resort
5:30 p.m. - 6:00 p.m.	Transportation to Bear Creek Winery <i>Sponsored by Pioneer Utility Resources and Avista</i>	Land's End Resort
6:00 p.m. - 8:00 p.m.	ARECA Insurance Exchange Reception	<a href="#">Bear Creek Winery</a>


\*Agenda subject to change without notice



National Rural Utilities  
Cooperative Finance Corporation



Homer Electric  
Association, Inc.



COBANK

8/11/2021

^ [APA ANNUAL MEETING STAFF CONTACTS \(CLICK TO EXPAND\)](#)

If you have any questions or need assistance before or during the APA Annual Meeting, please contact one of the staff members listed below:

Michael Rovito – Deputy Director –

- Office 907-771-5711

Catherine Sullivan – Executive Assistant

- Office 907-771-5712

## AUCTION ITEMS NEEDED!

From arts and crafts, to travel packages, to outdoor equipment and more, your donated items help raise money for APA's scholarship programs through the fun and interactive auction.

Past auction items have included Native Alaskan art, photography, gift certificates, wine, paintings, etc. The auction is a fun and energetic way to support APA's scholarship programs.

Click the button below to fill out the auction item donation form. Donated items must be received by August 11, 2021

[Click here to donate \(https://one.bidpal.net/aefaction2021/donate-item\)](https://one.bidpal.net/aefaction2021/donate-item)

## THANKS TO OUR TERRIFIC SPONSORS!

**Power Plant Sponsors:**



**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**May 26, 2021**  
**Wednesday**  
**4:00 p.m.**

**REGULAR BOARD OF DIRECTORS' MEETING**

Recording Secretary: Jody Abruzzino

**I. CALL TO ORDER**

Chair Chastain called the Regular 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 lead the Board in the Pledge of Allegiance.

*B. Roll Call*

*Board Members Present:*

Bettina Chastain, Chair

Rachel Morse, Vice Chair (*via teleconference*)

James Henderson, Secretary

Harold Hollis, Treasurer

Sam Cason, Director

Mark Wiggin, Director

Erin Whitney, Director

*Guests and Staff Attendance*

*Present:*

Lee Thibert

Arthur Miller

Phil Steyer

Sherri Highers

Brian Hickey

Tyler Andrews

Matthew Clarkson

Laurel Foster

Mark Fouts

Sean Skaling

*Via Teleconference:*

Connie Owens

Tom Schulman

Crystal Enkvist, APA

Arden Quezon

Paul Johnson

Shaina Kilcoyne, Member

Julie Hasquet

*C. Safety Minute*

Tyler Andrews, Executive VP Employee Services and Communication discussed "Questions to Ask Before a Work Task."

## **II. APPROVAL OF AGENDA**

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

## **III. PERSONS TO BE HEARD**

None

*Director Cason arrived and time was not noted.*

## **IV. CONSENT AGENDA**

- A. *Board Calendar*
- B. *Training and Conferences*
  - 1. *APA Virtual Federal Legislative Conference (June 15-17, 2021, Virtual)*
- C. *Minutes*
  - 1. *April 28, 2021, Regular Board of Directors' Meeting (Bigelow/Quezon)*
  - 2. *May 18, 2021, Regular Board of Directors' Meeting (Bigelow)*
- D. *Director Expenses*
- E. *UHF Land Mobile Radio System Replacement Phase II Contract Authorization*
- F. *Daves Creek 352 Reliability Improvements-Phase I Project Authorization*
- G. *May 1, 2021 – April 30, 2022 Chief Executive Officer – Project Specific Initiatives and Priority Area Goals*
- H. *Approve Amendment to Board Policy 207 – Audit and Finance Committee*

Director Hollis moved and Director Wiggin seconded the motion to approve the consent agenda. After discussion, the Board of Directors moved agenda item IV.I. Beluga River Unit (BRU) Development Planning to X.A. in New Business and added to Executive Session as agenda item X.C. The motion passed as amended with a 6 to 1 vote, Director Whitney abstained from voting.

## **V. CEO REPORTS AND CORRESPONDENCE**

- A. *2021 State Legislative Update (Steyer/Miller)*

Phil Steyer, Director, Government Relations discussed the 2021 State Legislative Update and he, Lee Thibert, Chief Executive Officer (CEO) and Arthur Miller Executive VP, Regulatory and External Affairs responded to questions from the Board.
- B. *Board Policy Scheduled Tasks/Reports (Board/Staff)*

Lee Thibert, Chief Executive Officer, gave a summary on the Board Policy Scheduled Tasks/Reports. There were no questions from the Board.

## **VI. DIRECTOR REPORTS**

- A. *Alaska Power Association (APA) Report*

Director Hollis introduced Crystal Enkvist, Executive Director and Executive Vice President at APA and she provided an update on APA activities, upcoming events and responded to questions from the Board.

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

Lee Thibert, CEO and Director Henderson stated there was nothing new to report since ARCTEC has not had a meeting.

*C. Renewable Energy Alaska Project (REAP) Report*

Director Morse reported on the May 13, 2021, REAP Public Policy Committee.

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

Director Hollis reported on the April 19, 2021, Audit and Finance Committee meeting. He also informed the Board that the next Audit and Finance Committee meeting is scheduled for July 21, 2021.

Director Hollis reported on the May 12, 2021, Operations Committee meeting and stated that the next Operations Committee meeting is scheduled for June 9, 2021.

Director Morse stated that the next Governance Committee meeting is scheduled for June 16, 2021.

*E. Other Meeting Reports*

Director Cason reported on having met with Erin McKittrick, a Homer Electric Board of Director and stated that Directors from different utility boards should meet more often to get a different perspective on the same issues.

*Chair Chastain requested a recess at 5:15 p.m.*

*The meeting reconvened in open session at 5:33 p.m.*

## **VII. UNFINISHED BUSINESS**

## **VIII. NEW BUSINESS**

*A. Discussion – Board Officer Election Procedures (Foster)*

Laurel Foster, Legal Assistant/Paralegal discussed the Board Officer Election Procedures and she and Matthew Clarkson, Executive VP, General Counsel responded to questions from the Board.

*B. Board of Directors – Election of Officers (Board)*

Chair Chastain opened the floor to nominations for Chair of the Board.

Director Hollis nominated Director Morse for the Chair of the Board. No other nominations were made. Chair Chastain closed the nomination and called for a vote. The nomination passed unanimously.

*The result of the vote: Director Morse was elected as Chair of the Board.*

*Newly elected Chair Morse then stated that Director Chastain continue to chair the rest of the meeting in her place as Acting Chair.*

Acting Chair Chastain opened the floor to nominations for Vice Chair of the Board.

Director Wiggin nominated Director Chastain for Vice Chair of the Board. No other nominations were made. Acting Chair Chastain closed the nomination and called for a vote. The nomination passed unanimously.

*The result of the vote: Director Chastain was elected Vice Chair of the Board.*

Acting Chair Chastain opened the floor to nominations for Secretary of the Board.

Director Hollis nominated Director Henderson for Secretary of the Board. No other nominations were made. Acting Chair Chastain closed the nomination and called for a vote. The nomination passed unanimously.

*The result of the vote: Director Henderson was re-elected Secretary of the Board.*

Acting Chair Chastain opened the floor to nominations for Treasurer of the Board.

Director Morse nominated Director Hollis for Treasurer of the Board. No other nominations were made. Acting Chair Chastain closed the nomination and called for a vote. The nomination passed unanimously.

*The result of the vote: Director Hollis was re-elected Treasurer of the Board.*

*C. Approve 2021 Adopt 2021-2022 Calendar of Regular Meetings of the Board of Directors (Owens/Thibert)*

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

*D. Appointment of REAP Member and Alternate Representatives (Board)*

Director Wiggin moved and Director Henderson seconded the motion that the Board of Directors appoint Director Whitney as the REAP Member Representative and Director Wiggin as the Alternate Representative. The motion passed unanimously.

*E. Appointment of APA Member and Alternate Representatives (Board)*

Director Henderson moved and Director Wiggin seconded the motion that the

Board of Directors appoint Director Hollis as the APA Voting Delegate and Director Henderson as the Alternate Representative. The motion passed unanimously.

*F. Appointment of ARCTEC Member and Alternate Representative (Board)*

Director Henderson moved and Director Cason seconded the motion that the Board of Directors adopt the Resolution appointing Director Henderson as Chugach's Member Representative, Lee Thibert as Management Representative and Director Cason as Alternate Representative to the ARCTEC Board of Directors.

After discussion, Director Henderson then moved and Director Cason seconded the amended motion that the Board of Directors adopt the Resolution appointing Director Henderson as Chugach's Member Representative, Lee Thibert as Management Representative and Director Chastain as the Alternate Representative to the ARCTEC Board of Directors. The motion passed unanimously.

**IX. EXECUTIVE SESSION**

- A. Railbelt Reliability Council (RRC) Regulations Update*
- B. Board Budget Discussion*
- C. Beluga River Unit (BRU) Development Planning*

At 5:56 p.m., Director Wiggin moved and Director Hollis 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 3) discuss legal matters with its attorneys, 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 7:19 p.m.*

**X. NEW BUSINESS**

- A. Beluga River Unit (BRU) Development Planning (Fouts)*

Director Wiggin moved and Director Hollis seconded the motion that the Board of Directors adopt and approve the attached resolution approving the form, terms, and provisions of the Beluga River Unit Agreement attached thereto as Exhibit A. The resolution and attached Exhibit A shall remain confidential until such time as Chugach and Hilcorp mutually agree otherwise. The motion passed with a 6 to 1 vote, Director Whitney abstained from voting.

**XI. DIRECTOR COMMENTS**

Director comments were made at this time.

**XII. ADJOURNMENT**

At 7:26 p.m., Director Wiggin moved and Director Hollis seconded the motion to adjourn. The motion passed unanimously.

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James Henderson, Secretary  
Date Approved: June 23, 2021

CHUGACH ELECTRIC ASSOCIATION, INC.  
Anchorage, Alaska

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

June 23, 2021

**ACTION REQUIRED**

AGENDA ITEM NO. IV.D.

- Information Only
  - Motion
  - Resolution
  - Executive Session
  - Other
- 

**TOPIC**

Director Expenses

**DISCUSSION**

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

**MOTION**

*(Consent Agenda)*

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**June 23, 2021**

**ACTION REQUIRED**

**AGENDA ITEM NO. IV.E.**

- Information Only
  - Motion
  - Resolution
  - Executive Session
  - Other
- 

**TOPIC**

Board Policy 100 – Code of Ethics

**DISCUSSION**

Staff and the Board of Directors (Board) are charged with reviewing and updating, as necessary, all Board Policies on a routine basis. Staff has undertaken a review of the above referenced policy.

Upon review, current language in Board Policy 100 is duplicative of much of Board Policy 104, Prohibited Conduct and Conflict of Interest, as both address conflict of interests issues and therefore, Staff is recommending substantive changes to current language in Board Policy 100. The proposed language adds, clarifies, and defines ethical conduct and behavior that is expected of Board members, officers, and employees.

At the June 16, 2021, Governance Committee meeting, the Committee recommended the Board of Directors approve revisions to Board Policy 100 – Code of Ethics, as shown in the attached draft policy and as discussed in the Committee.

**MOTION**

*(Consent Agenda)*



# CHUGACH ELECTRIC ASSOCIATION, INC.

## BOARD POLICY: 100

### CODE OF ETHICS FOR DIRECTORS AND EMPLOYEES

#### I. OBJECTIVE

The Association demands ~~the highest possible~~ ethical conduct from individuals serving as its directors, officers, and employees ~~as well as from its employees~~. Although the Association is not a required or voluntary filer with the Securities Exchange Commission (SEC), the Association strives to comply with Section 406 of the Sarbanes Oxley Act of 2002 and the rules of the SEC by ~~Full compliance with this Policy is mandatory, and~~ ~~This Policy is intended to~~ directors and employees are expected to ~~directors and employees are expected to~~ fostering, promoting, and maintaining a culture of transparency, integrity, honesty, and high ethical standards in performance of their duties and responsibilities. ~~This Policy is promulgated in part by the Board of Directors of the Association pursuant to Section 406 of the Sarbanes-Oxley Act of 2002 and the rules of the SEC~~ Section 406 of the Sarbanes-Oxley Act of 2002 and the rules of the SEC ~~promulgated thereunder and specifically applies for the purposes therein to the Senior Financial Officers of the Association. For these purposes, Senior Financial Officers means the Principal Executive Officer, Principal Financial Officer, and Principal Accounting Officer. This Policy applies, however, to all Association directors and employees, who are expected to faithfully abide by the Articles of Incorporation, by laws, and policies and procedures of the Association. This Policy contains standards reasonably necessary to promote: honest and ethical conduct,~~

~~and the exercise of reasonable care and due diligence in organization affairs; including the ethical handling of~~ timely disclosure of actual or apparent conflicts of interest between personal and professional relationships; accountability for prudent fiscal management through full, fair, accurate, timely, and understandable disclosure in the periodic reports required to be filed by the Association and in other public communications; equal and effective services without discrimination; collaboration, cooperation and partnership among Association members, employees, and members of the board; and, compliance with applicable governmental laws, rules and regulations (Laws) as well as accounting and auditing standards and Association Policies and Procedures. ~~It should be read in conjunction with the Association's Conflict of Interest policies.~~

#### II. CONTENT

Directors, officers, and employees of the Association must:

A. Act with honesty and integrity, and while ethically upholding the Association's

~~Articles of Incorporation, by-laws, policies and procedures, and applicable laws and regulations. handling actual or apparent conflicts of interest in personal and professional relationships. Directors and employees should recognize that even the appearance of a conflict of interest can damage the Association. A conflict of interest may exist because of a relationship of theirs or of a family member that is inconsistent with the Association's best interests, of the Association's Bylaws or Policies or Procedures, or could cause a conflict with their ability to perform their director or employee job responsibilities.~~

B. Exercise reasonable care, good faith, and due diligence in ~~organizational~~ Association affairs.

~~BC. Report Fully disclose information , at the earliest opportunity, to the Chief Executive Officer, General Counsel, or Chair of the Audit and Finance Committee, as applicable, any relationship (personal or professional), conduct, transaction, or other ineidnet that reasonably could be expected to give rise to a perceived or actual conflict of interest. Directors and employees should recognize that even the appearance of a conflict of interest can damage the Association (see Board Policy 104 for further guidance on Conflict of Interests within the Association).~~ ~~{LF3}{LF4}~~

CD. Remain accountable for prudent fiscal management by Pproducinge, or causinge to be produced, full, fair, accurate, timely, and understandable disclosure in reports and documents that the Association prepares or submits to the Securities and Exchange Commission, if applicable, and ~~anyin~~ other public communications.

ED. Comply with applicable ~~I~~aws, Association ~~p~~Policies and ~~p~~Procedures, and ~~a~~Accounting and ~~a~~Auditing ~~s~~Standards and ~~p~~Policies, and promptly report any violation of this Policy to the Chief Executive Officer, General Counsel, or Chair of the ~~Audit and Finance Committee~~Board of Directors, as ~~-~~applicable.

FE. Maintain a professional level of courtesy, respect, and objectivity in all Association activities and decision--making. Promptly report any violation of this Policy to the Chief Executive Officer, General Counsel, or Chair of the Audit and Finance Committee, as applicable.

~~F. Exercise the powers invested for the good of all members of the Association, rather than for personal benefit.~~

G. Ensure the right of all Association members, employees, and directors to appropriate and effective services without unlawful discrimination.

H. Respect and uphold the confidentiality of sensitive information known due to position or authority, ~~in accordance with Board Policy 605.~~

### III. APPLICABILITY

- A. The Association reserves the right to determine when ~~violations of any matter hereto actual or potential conflicts of interest~~ exist, and then to take any action, which in the sole judgment of the Association, is needed to prevent the ~~conflict violation~~ from continuing.<sup>[LF5]</sup>
- B. Directors, officers, and employees will be held accountable for their adherence to this Policy. Failure by a director to observe the terms of this Policy shall be dealt with as provided by the Association's Bylaws, policies and procedures, and applicable law. Failure of an employee to observe the terms of this Policy may result in disciplinary action, up to and including immediate termination of employment. Any employment action taken under this Policy shall be consistent with applicable personnel policies and collective bargaining agreements.
- C. Any requested waivers of this Policy for directors and officers shall be request by a Director for a waiver of any provision of this Policy must be submitted to, and approved by, the Board of Directors. ~~A request by a Senior Financial Officer for a waiver of any provision of this Policy must be in writing and addressed to the Chair of the Audit and Finance Committee.~~ The Board will have the sole and absolute discretionary authority, ~~acting upon such recommendation as may be made by the Audit and Finance Committee,~~ to approve or deny any waiver from this Policy. Any waiver of this Policy will be disclosed promptly on Form 8K or by any other means approved by Securities & Exchange Commission rules, if applicable. Any waiver of this Policy for Senior Financial Officers will be disclosed promptly on Form 8-K or any other means approved by applicable SEC rules or listing standards, if applicable. Any request by an employee for a waiver of any provision of this Policy must be submitted to, and approved by, the employee's supervisor and the PrincipalChief Executive Officer.
- D. ~~Nothing contained in this Policy is intended by the Association to be, nor shall it be construed as, an employment agreement.~~

IV. RESPONSIBILITIES

- A. All employees are responsible for compliance with and being alert to possible violations of this Policy. Any employee witnessing a possible violation of this Policy shall inform his or her supervisor.
- B. The Board of Directors and the Chief Executive Officer shall undertake reasonable efforts to ensure compliance with this Policy.

Date Approved: ~~May June 25~~\_\_\_\_, ~~2016~~2021

Henderson-

Attested: \_\_\_\_\_

~~Bruce M. Dougherty~~James

Secretary of the Board

## **CHUGACH ELECTRIC ASSOCIATION, INC.**

### **BOARD POLICY: 100**

#### **CODE OF ETHICS** **FOR DIRECTORS AND EMPLOYEES**

##### **I. OBJECTIVE**

The Association demands ethical conduct from individuals serving as its directors, officers, and employees. Although the Association is not a required or voluntary filer with the Securities Exchange Commission (SEC), the Association strives to comply with Section 406 of the Sarbanes Oxley Act of 2002 and the rules of the SEC by fostering, promoting, and maintaining a culture of transparency, integrity, honesty, and high ethical standards in performance of their duties and responsibilities.

##### **II. CONTENT**

Directors, officers, and employees of the Association must:

- A. Act with honesty and integrity while ethically upholding the Association's Articles of Incorporation, bylaws, policies and procedures, and applicable laws and regulations.
- B. Exercise reasonable care, good faith, and due diligence in Association affairs.
- C. Fully disclose information that reasonably could be expected to give rise to a perceived or actual conflict of interest.
- D. Remain accountable for prudent fiscal management by producing, or causing to be produced, full, fair, accurate, timely, and understandable disclosure in reports and documents that the Association prepares or submits to the Securities and Exchange Commission, if applicable, and any other public communications.
- E. Comply with applicable laws, Association policies and procedures, and accounting and auditing standards and policies, and promptly report any violation of this Policy to the Chief Executive Officer, General Counsel, or Chair of the Board of Directors, as applicable.
- F. Maintain a professional level of courtesy, respect, and objectivity in all Association activities and decision-making.

- G. Ensure the right of all Association members, employees, and directors to appropriate and effective services without unlawful discrimination.
- H. Respect and uphold the confidentiality of sensitive information known due to position or authority.

**III. APPLICABILITY**

- A. The Association reserves the right to determine when violations of any matter hereto exist, and then to take any action, which in the sole judgment of the Association, is needed to prevent the violation from continuing.
- B. Directors, officers, and employees will be held accountable for their adherence to this Policy. Failure by a director to observe the terms of this Policy shall be dealt with as provided by the Association’s Bylaws, policies and procedures, and applicable law. Failure of an employee to observe the terms of this Policy may result in disciplinary action, up to and including immediate termination of employment. Any employment action taken under this Policy shall be consistent with applicable personnel policies and collective bargaining agreements.
- C. Any requested waivers of this Policy for directors and officers shall be submitted to, and approved by, the Board of Directors. The Board will have the sole and absolute discretion to approve or deny any waiver from this Policy. Any waiver of this Policy will be disclosed promptly on Form 8K or by any other means approved by Securities & Exchange Commission rules, if applicable. Any request by an employee for a waiver of any provision of this Policy must be submitted to, and approved by, the employee’s supervisor and the Chief Executive Officer.

**IV. RESPONSIBILITIES**

- A. All employees are responsible for compliance with and being alert to possible violations of this Policy. Any employee witnessing a possible violation of this Policy shall inform his or her supervisor.
- B. The Board of Directors and the Chief Executive Officer shall undertake reasonable efforts to ensure compliance with this Policy.

Date Approved: June \_\_\_\_, 2021

Attested: \_\_\_\_\_  
James Henderson  
Secretary of the Board

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**June 23, 2021**

**ACTION REQUIRED**

**AGENDA ITEM NO. IV.F.**

- Information Only
  - Motion
  - Resolution
  - Executive Session
  - Other
- 

**TOPIC**

Board Policy 105 – Confidential Information

**DISCUSSION**

Staff and the Board of Directors (Board) are charged with reviewing and updating, as necessary, all Board Policies on a routine basis. Staff has undertaken a review of the above referenced policy.

Staff is recommending updates to correct grammar, revise the manner in which member requests for confidential information are reviewed, and modify existing language in the following sections:

- 1.) Sec II.A – Addition to definition of Confidential Information
- 2.) Sec II.C.1.d – Removed
- 3.) Sec II.E.1 – Removed

At the June 16, 2021, Governance Committee meeting, the Committee recommended the Board of Directors approve revisions to Board Policy 105 – Confidential Information, as shown in the attached draft policy and as discussed in the Committee.

**MOTION**

*(Consent Agenda)*

# CHUGACH ELECTRIC ASSOCIATION, INC.

## BOARD POLICY: 105

### CONFIDENTIAL INFORMATION

#### I. OBJECTIVE

To adopt policies and procedures to insure the protection of confidential information of the Association, as well as confidential information of Association members and third parties with whom the Association does business if such confidential information is in the possession of the Association.

#### II. CONTENT

##### A. Definition of "Confidential Information".

"Confidential information" means any information disclosed to an employee or board member, known as a consequence of the ~~employee or board member~~ employment or position ~~with~~ the Association, that is confidential, whether ~~thought-idea~~ or communication preserved in a tangible medium, including hard copy videotapes; audiotapes; or electronic files such as memos, reports, correspondence and handwritten notes, as well as any electronically stored information, e-mail, electronic document files (for example, Word documents, Excel spreadsheets, PowerPoint presentations, Access databases) regardless of where they are stored (for example, on removable media such as CD, DVD, jump drives, hard disks, or file servers) and includes discussions during the deliberative process regarding confidential matters.

##### B. Categories of Confidential Information.

Confidential information will generally fall into one of the categories described in Board Policy 605, Section II.F.

Questions concerning the confidential status of any information shall be directed to the Chief Executive Officer or ~~his or her designee~~ General Counsel.

##### C. Obligations of Employees and Board Directors to Maintain Confidentiality.

1. Board Members. While serving on the Board or at any time thereafter, the following confidentiality provisions apply to members of the Board of Directors (hereafter "Directors"):

- a. Directors shall not release or disseminate information disclosed in Executive Session and shall not, either directly or indirectly,



disclose or permit the disclosure of, reproduce, or in any other way publicly or privately disseminate, any confidential information to any third parties except as provided herein.

- b. To the extent expressly authorized by the Board, a Director may disclose confidential information to third parties ~~in order~~ to carry out the Director's duties to the Association.
- c. Directors shall not use confidential information for the Director's personal gain or advancement, or to the detriment of the Association. Examples include, but are not limited to, confidential information regarding bids, awarding of contracts, real estate transactions, or personnel information other than the information available to members under Article XVII, Section 1(b) of the Association Bylaws and Board Policy 605.
- ~~d. Directors shall not remove confidential information from the Association's facilities except as necessary to perform official Association duties.~~
- de. All confidential information or documents furnished to Directors, used by them on the Association's behalf, or generated or obtained by them during their membership on the Board shall be and remain the property of the Association.
- fe. Directors shall return all confidential information in their possession to the Executive Assistant within ~~10ten~~ days of the termination of their term as a Director.
- gf. Directors, at the discretion of the Board, may be required to sign written confidentiality agreements ~~in order~~ to effectuate the terms of this Policy.

2. Employees. While employed by the Association, or at any time thereafter, the following confidentiality provisions apply to employees;

- a. Employees shall not release or disseminate information disclosed in Executive Session and shall not, either directly or indirectly, disclose or permit the disclosure of, reproduce, or in any other way publicly or privately disseminate, any confidential information to any third parties except as, and to the extent expressly authorized by, the employee's supervisor to carry out the employee's duties.
- b. Employees shall not use confidential information for the employee's personal gain or advancement, or to the detriment of the Association. Examples include, but are not limited to, confidential information regarding bids, awarding of contracts, or real estate transactions, or personnel information other than the information available to members under Article XVII, Section

1(b) of the Association Bylaws and Board Policy 605.

- c. Employees shall not remove confidential information or documents from the Association's facilities except as necessary to perform official Association duties.
  - d. All confidential information or documents furnished to employees, used by them on the Association's behalf, or generated or obtained by them during their employment shall be and remain the property of the Association.
  - e. Employees shall return all confidential information in their possession to the employee's supervisor immediately upon request of the employee's supervisor, and immediately upon termination of employment with the Association.
  - f. Employees, at the discretion of the Chief Executive Officer, may be required to sign written confidentiality agreements ~~in order~~ to effectuate the terms of this Policy.
  - g. Employees shall receive training regarding the treatment of confidential documents and this Policy.
3. This Policy supplements, and does not supersede, duties and obligations imposed upon Directors and employees by applicable state or federal law.

D. Potential Release of Confidential Information.

1. Confidential information shall not be released except in accordance with the release procedures provided for in Article XVII of the Association's Bylaws, this Policy, or in Board Policy 605, "Requests for Association Information."
2. Notwithstanding the release procedures provided for in this Policy or in Board Policy 605, if at any time a Director or the Chief Executive Officer believes that it is in the best interests of the Association to release ~~particular~~ confidential information, he or she may bring the matter to the attention of the full Board for consideration and action. Release of confidential information, as necessary, by the Chief Executive Officer to legal counsel for the representation of the Association is considered to be in the best interest of the Association.
3. Nothing in this Policy shall prohibit the Association from complying with obligations it may have under state and federal law or lawful orders of governmental authorities; to release, or to prohibit the release of confidential information.

E. Potential Release of Confidential Documents Presented to Board.

Confidential hard copy or electronically stored documents provided to the Board or to a Board Committee (collectively referred to herein as the “Board”) may be released to Association members in accordance with the procedures set forth in this section.

1. ~~The Chief Executive Officer or his or her designee shall keep a Confidential Board Documents Log (“CDDL”) as well as the documents included in the CDDL. The CDDL shall list all the documents and the reasons why they were originally provided to the Board on a confidential basis, using the categories of confidential information provided for in Board Policy 605 as a guide.~~
2. ~~Upon completion of a Request for Information Form provided in Board Policy 605, for a confidential document previously provided to the Board, the request will be forwarded to the General Counsel (or his or her delegate). The General Counsel shall review the confidential document(s) and make an initial determination as to whether they should remain confidential, or be made available for release.~~
23. ~~Further, t~~The General Counsel shall be guided by the following more specific guidelines for confidential documents related to labor negotiations and financial, strategic, and long-term planning, unless application of such guidelines to a particular confidential document would not be in the best interest of the Association:
  - a. Collective bargaining agreements will be released in accordance with Article XVII, Section 1(c) of the Association Bylaws and Board Policy 605. Analyses and other information describing (i) a ratified agreement and (ii) all voted on, but rejected provisions, will be released, except that analysis and bargaining strategies prepared or used in connection with collective bargaining negotiations will not be released. Cost benefit analyses provided to the Board in accordance with Board Policy 404, “Approval of Collective Bargaining Agreements,” on a confidential basis, shall not be released. Cost benefit analyses made available to the public under Board Policy 404 should not be considered confidential information ~~included in the CDDL provided for in this Policy.~~
  - b. Documents concerning financial, strategic and long-term planning matters, the immediate disclosure of which would have had an adverse effect on the finances of the Association when originally presented to the Board, will be released after termination of the circumstances that would cause immediate disclosure of the information to have an adverse effect on the finances of the Association.
34. In addition to applying the guidelines provided for in Section II-E.2 ~~and 3~~ of this Policy, the General Counsel shall consult with the author of the document, or anyone else he or she needs to consult, to make his or her

initial determination.

- ~~45.~~ The General Counsel shall then prepare a memorandum to the Board ~~describing the initial determinations.~~
- ~~6.~~ ~~The~~ Chief Executive Officer who shall review ~~the initial determinations~~ and either approve or amend the determination. ~~The memorandum to the Board shall reflect the Chief Executive Officer's determinations.~~
- ~~57.~~ After review by the Chief Executive Officer, the memorandum shall be provided to the Board as confidential information.
- ~~68.~~ If no Director objects to the initial ~~determinations~~ included in the memorandum at the Board meeting following presentation of the memorandum to the Board, the documents scheduled for release would then become available to requesting members. If a Director objects to any particular initial ~~determination~~ to release or not release a document, that determination would be reconsidered by the Board in executive session and then addressed, if necessary, via motion in open session.
- ~~79.~~ If any release of information under this Policy triggers Securities Exchange Commission reporting requirements, if applicable, timely reports will be made.

### III. RESPONSIBILITIES

- A. Each Director and employee shall comply with this Policy.
- B. The Chief Executive Officer shall inform all employees about the content of this Policy and use his or her best efforts to insure compliance with it.
- C. Any Director or employee whose conduct violates this Policy may be subject to: (1) if Chief Executive Officer, termination by appropriate action of the Board of Directors in accordance with any contract of employment; (2) if an employee, termination by appropriate action of the Chief Executive Officer; or (3) if a Director, removal pursuant to Article IV, Section 7 of the Association's Bylaws.
- D. The Association may seek legal and equitable relief in any court of competent jurisdiction to prevent or restrain any disclosure, breach or threatened breach of confidentiality that violates this Policy. Further, the Association shall seek to enforce the legal protections afforded to confidential information.
- E. All duties and obligations with respect to confidential information of the Association imposed by statute, court rule or common law are not abrogated or impacted in any way by this Policy.
- F. The Board Chair and the Chief Executive Officer are responsible for the administration of this Policy.

Date Approved: ~~May~~ June 25, 2021~~16~~

~~\_\_\_\_\_~~ Attested: \_\_\_\_\_

\_\_\_\_\_  
Henderson

~~—Bruce—M.—Dougherty~~James

Secretary of the Board

# CHUGACH ELECTRIC ASSOCIATION, INC.

## BOARD POLICY: 105

### CONFIDENTIAL INFORMATION

#### I. OBJECTIVE

To adopt policies and procedures to insure the protection of confidential information of the Association, as well as confidential information of Association members and third parties with whom the Association does business if such confidential information is in the possession of the Association.

#### II. CONTENT

##### A. Definition of "Confidential Information".

"Confidential information" means any information disclosed to an employee or board member, known as a consequence of the employment or position with the Association, that is confidential, whether idea or communication preserved in a tangible medium, including hard copy videotapes; audiotapes; or electronic files such as memos, reports, correspondence and handwritten notes, as well as any electronically stored information, e-mail, electronic document files (for example, Word documents, Excel spreadsheets, PowerPoint presentations, Access databases) regardless of where they are stored (for example, on removable media such as CD, DVD, jump drives, hard disks, or file servers) and includes discussions during the deliberative process regarding confidential matters.

##### B. Categories of Confidential Information.

Confidential information will generally fall into one of the categories described in Board Policy 605, Section II.F.

Questions concerning the confidential status of any information shall be directed to the Chief Executive Officer or General Counsel.

##### C. Obligations of Employees and Board Directors to Maintain Confidentiality.

1. Board Members. While serving on the Board or at any time thereafter, the following confidentiality provisions apply to members of the Board of Directors (hereafter "Directors"):
  - a. Directors shall not release or disseminate information disclosed in Executive Session and shall not, either directly or indirectly, disclose or permit the disclosure of, reproduce, or in any other way

- publicly or privately disseminate, any confidential information to any third parties except as provided herein.
- b. To the extent expressly authorized by the Board, a Director may disclose confidential information to third parties to carry out the Director's duties to the Association.
  - c. Directors shall not use confidential information for the Director's personal gain or advancement, or to the detriment of the Association. Examples include, but are not limited to, confidential information regarding bids, awarding of contracts, real estate transactions, or personnel information other than the information available to members under Article XVII, Section 1(b) of the Association Bylaws and Board Policy 605.
  - d. All confidential information or documents furnished to Directors, used by them on the Association's behalf, or generated or obtained by them during their membership on the Board shall be and remain the property of the Association.
  - e. Directors shall return all confidential information in their possession to the Executive Assistant within 10 days of the termination of their term as a Director.
  - f. Directors, at the discretion of the Board, may be required to sign written confidentiality agreements to effectuate the terms of this Policy.
2. Employees. While employed by the Association, or at any time thereafter, the following confidentiality provisions apply to employees;
- a. Employees shall not release or disseminate information disclosed in Executive Session and shall not, either directly or indirectly, disclose or permit the disclosure of, reproduce, or in any other way publicly or privately disseminate, any confidential information to any third parties except as, and to the extent expressly authorized by, the employee's supervisor to carry out the employee's duties.
  - b. Employees shall not use confidential information for the employee's personal gain or advancement, or to the detriment of the Association. Examples include, but are not limited to, confidential information regarding bids, awarding of contracts, or real estate transactions, or personnel information other than the information available to members under Article XVII, Section 1(b) of the Association Bylaws and Board Policy 605.
  - c. Employees shall not remove confidential information or documents from the Association's facilities except as necessary to perform official Association duties.

- d. All confidential information or documents furnished to employees, used by them on the Association's behalf, or generated or obtained by them during their employment shall be and remain the property of the Association.
  - e. Employees shall return all confidential information in their possession to the employee's supervisor immediately upon request of the employee's supervisor, and immediately upon termination of employment with the Association.
  - f. Employees, at the discretion of the Chief Executive Officer, may be required to sign written confidentiality agreements to effectuate the terms of this Policy.
  - g. Employees shall receive training regarding the treatment of confidential documents and this Policy.
3. This Policy supplements, and does not supersede, duties and obligations imposed upon Directors and employees by applicable state or federal law.

D. Potential Release of Confidential Information.

1. Confidential information shall not be released except in accordance with the release procedures provided for in Article XVII of the Association's Bylaws, this Policy, or in Board Policy 605, "Requests for Association Information."
2. Notwithstanding the release procedures provided for in this Policy or in Board Policy 605, if at any time a Director or the Chief Executive Officer believes that it is in the best interests of the Association to release confidential information, he or she may bring the matter to the attention of the full Board for consideration and action. Release of confidential information, as necessary, by the Chief Executive Officer to legal counsel for the representation of the Association is considered to be in the best interest of the Association.
3. Nothing in this Policy shall prohibit the Association from complying with obligations it may have under state and federal law or lawful orders of governmental authorities to release, or to prohibit the release of confidential information.

E. Potential Release of Confidential Documents Presented to Board.

Confidential hard copy or electronically stored documents provided to the Board or to a Board Committee (collectively referred to herein as the "Board") may be released to Association members in accordance with the procedures set forth in this section.



1. Upon completion of a Request for Information Form provided in Board Policy 605, for a confidential document previously provided to the Board, the request will be forwarded to the General Counsel (or his or her delegate). The General Counsel shall review the confidential document(s) and make a determination as to whether they should remain confidential or be made available for release.
2. The General Counsel shall be guided by the following more specific guidelines for confidential documents related to labor negotiations and financial, strategic, and long-term planning, unless application of such guidelines to a particular confidential document would not be in the best interest of the Association:
  - a. Collective bargaining agreements will be released in accordance with Article XVII, Section 1(c) of the Association Bylaws and Board Policy 605. Analyses and other information describing (i) a ratified agreement and (ii) all voted on, but rejected provisions, will be released, except that analysis and bargaining strategies prepared or used in connection with collective bargaining negotiations will not be released. Cost benefit analyses provided to the Board in accordance with Board Policy 404, "Approval of Collective Bargaining Agreements," on a confidential basis, shall not be released. Cost benefit analyses made available to the public under Board Policy 404 should not be considered confidential information.
  - b. Documents concerning financial, strategic and long-term planning matters, the immediate disclosure of which would have had an adverse effect on the finances of the Association when originally presented to the Board, will be released after termination of the circumstances that would cause immediate disclosure of the information to have an adverse effect on the finances of the Association.
3. In addition to applying the guidelines provided for in Section II-E.2 of this Policy, the General Counsel shall consult with the author of the document, or anyone else he or she needs to consult, to make his or her initial determination.
4. The General Counsel shall then prepare a memorandum to the Chief Executive Officer who shall review and either approve or amend the determination.
5. After review by the Chief Executive Officer, the memorandum shall be provided to the Board as confidential information.
6. If no Director objects to the determination included in the memorandum at the Board meeting following presentation of the memorandum to the Board, the documents scheduled for release would then become available

to requesting members. If a Director objects to any determination to release or not release a document, that determination would be reconsidered by the Board in executive session and then addressed, if necessary, via motion in open session.

- 7. If any release of information under this Policy triggers Securities Exchange Commission reporting requirements, if applicable, timely reports will be made.

**III. RESPONSIBILITIES**

- A. Each Director and employee shall comply with this Policy.
- B. The Chief Executive Officer shall inform all employees about the content of this Policy and use his or her best efforts to insure compliance with it.
- C. Any Director or employee whose conduct violates this Policy may be subject to: (1) if Chief Executive Officer, termination by appropriate action of the Board of Directors in accordance with any contract of employment; (2) if an employee, termination by appropriate action of the Chief Executive Officer; or (3) if a Director, removal pursuant to Article IV, Section 7 of the Association’s Bylaws.
- D. The Association may seek legal and equitable relief in any court of competent jurisdiction to prevent or restrain any disclosure, breach or threatened breach of confidentiality that violates this Policy. Further, the Association shall seek to enforce the legal protections afforded to confidential information.
- E. All duties and obligations with respect to confidential information of the Association imposed by statute, court rule or common law are not abrogated or impacted in any way by this Policy.
- F. The Board Chair and the Chief Executive Officer are responsible for the administration of this Policy.

Date Approved: June\_\_\_\_, 2021

Attested: \_\_\_\_\_

Secretary of the Board

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**June 23, 2021**

**ACTION REQUIRED**

**AGENDA ITEM NO. IV.G.**

- Information Only
  - Motion
  - Resolution
  - Executive Session
  - Other
- 

**TOPIC**

Board Policy 107 – Authority of the Association – Appointed Representative Regarding Jointly Owned and Operated Assets

**DISCUSSION**

Staff and the Board of Directors (Board) are charged with reviewing and updating, as necessary, all Board Policies on a routine basis. Staff has undertaken a review of the above referenced policy and is recommending updates to correct grammar and modify existing language in the Section II.C.

At the June 16, 2021, Governance Committee meeting, the Committee recommended the Board of Directors approve revisions to Board Policy 107, Authority of the Association – Appointed Representative Regarding Jointly Owned and Operated Assets, as shown in the attached draft policy.

**MOTION**

*(Consent Agenda)*

## CHUGACH ELECTRIC ASSOCIATION, INC.

### BOARD POLICY: 107

#### AUTHORITY OF THE ASSOCIATION-APPOINTED REPRESENTATIVE REGARDING JOINTLY OWNED AND OPERATED ASSETS

##### I. OBJECTIVES

- A. Provide clear guidelines to Association-appointed representatives regarding jointly operated assets when serving on committee(s) charged with operating those assets.
- B. Provide the Association Board with adequate notice of important matters coming before the management committee(s) and meaningful opportunities to provide guidance to the Association-appointed representatives;
- C. Assure that the procedures for providing oversight and guidance by the Association Board to the Association-appointed representatives are efficient and effective.

##### II. CONTENT

- 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 have a net cost to the Association of \$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.

C. The Chief Executive Officer, or his or her delegee, is hereby appointed to serve as the Association's representative on all jointly owned and operated assets, ~~including but not limited to Eklutna Lake Alaska Intertie, Bradley Lake and Southcentral Power Project asset management committees. The Chief Executive Officer will appoint an alternate to serve in his absence or delegate representatives to other committees.~~

**III. RESPONSIBILITY**

The Board of Directors and Chief Executive Officer will be responsible for administration of this Policy.

Date Approved: May 25 June, 202116

Attested: \_\_\_\_\_

[Henderson](#)

[Bruce M. DoughertyJames](#)

Secretary of the Board

## CHUGACH ELECTRIC ASSOCIATION, INC.

### BOARD POLICY: 107

#### **AUTHORITY OF THE ASSOCIATION-APPOINTED REPRESENTATIVE REGARDING JOINTLY OWNED AND OPERATED ASSETS**

##### **I. OBJECTIVES**

- A. Provide clear guidelines to Association-appointed representatives regarding jointly operated assets when serving on committee(s) charged with operating those assets.
- B. Provide the Association Board with adequate notice of important matters coming before the management committee(s) and meaningful opportunities to provide guidance to the Association-appointed representatives;
- C. Assure that the procedures for providing oversight and guidance by the Association Board to the Association-appointed representatives are efficient and effective.

##### **II. CONTENT**

- 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.
  - 1. Decisions that have a net cost to the Association of \$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.
  
- C. The Chief Executive Officer, or his or her delegee, is hereby appointed to serve as the Association’s representative on all jointly owned and operated assets.

**III. RESPONSIBILITY**

The Board of Directors and Chief Executive Officer will be responsible for administration of this Policy.

Date Approved: June \_\_\_\_, 2021

Attested: \_\_\_\_\_  
James Henderson  
Secretary of the Board



**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**June 23, 2021**

**ACTION REQUIRED**

**AGENDA ITEM NO. IV.H.**

- Information Only
  - Motion
  - Resolution
  - Executive Session
  - Other
- 

**TOPIC**

Board Policy 201 – Open Meetings and Executive Sessions of the Board of Directors

**DISCUSSION**

Staff and the Board of Directors (Board) are charged with reviewing and updating, as necessary, all Board Policies on a routine basis. Staff has undertaken a review of the above referenced policy and recommends adding language consistent with the recent update made to the Alaska Cooperative Statute.

At the June 16, 2021, Governance Committee meeting, the Committee recommended the Board of Directors approve revisions to Board Policy 201 – Open Meetings and Executive Sessions of the Board of Directors, as shown in the attached draft policy.

**MOTION**

*(Consent Agenda)*

**CHUGACH ELECTRIC ASSOCIATION, INC.**

**BOARD POLICY: 201**

**OPEN MEETINGS AND EXECUTIVE SESSIONS OF BOARD OF DIRECTORS**

**I. OBJECTIVE**

- A. To provide for member access to Board deliberations and actions.
- B. To comply with AS 10.25.175 and Article V, Section 5 of the Association's Bylaws.
- C. To provide for private deliberation when both necessary for the Association's welfare and when lawful.

**II. CONTENT**

Except as specified below, all Board meetings, whether regular, special or committee, shall be open to members. The Board shall go into Executive Session only when, in the Board's opinion, the topic to be discussed is one of the following:

- A. A matter the immediate public knowledge of which would clearly have an adverse effect on the Association's finances.
- B. A subject which would tend to prejudice the reputation and character of any person, when that person has not requested a public discussion.
- C. A matter discussed with an attorney for the Association, the immediate public knowledge of which could have an adverse effect on the Association's legal position.

D. A personnel matter.

The Board shall enter Executive Session only after a motion for Executive Session that specifies the subject and the appropriate justification has been made and passed. Only the specified subject, and necessary auxiliary subjects, may be discussed in Executive Session, and no formal action may be taken therein.

**III. RESPONSIBILITIES**

- A. It shall be the responsibility of the Board of Directors to comply with this Policy in conduct of its meetings, and to follow the requisite formalities when using Executive Session.

- B. It shall be the responsibility of the Chief Executive Officer to identify agenda items which may require Executive Session.

Date Approved: ~~May 2~~ June 5, 2021~~16~~

Attested: \_\_\_\_\_

~~Bruce M. Dougherty James~~

Henderson

-Secretary of the Board

# CHUGACH ELECTRIC ASSOCIATION, INC.

## BOARD POLICY: 201

### OPEN MEETINGS AND EXECUTIVE SESSIONS OF BOARD OF DIRECTORS

#### I. OBJECTIVE

- A. To provide for member access to Board deliberations and actions.
- B. To comply with AS 10.25.175 and Article V, Section 5 of the Association's Bylaws.
- C. To provide for private deliberation when both necessary for the Association's welfare and when lawful.

#### II. CONTENT

Except as specified below, all Board meetings, whether regular, special or committee, shall be open to members. The Board shall go into Executive Session only when, in the Board's opinion, the topic to be discussed is one of the following:

- A. A matter the immediate public knowledge of which would clearly have an adverse effect on the Association's finances.
- B. A subject which would tend to prejudice the reputation and character of any person, when that person has not requested a public discussion.
- C. A matter discussed with an attorney for the Association, the immediate public knowledge of which could have an adverse effect on the Association's legal position.
- D. A personnel matter.

The Board shall enter Executive Session only after a motion for Executive Session that specifies the subject and the appropriate justification has been made and passed. Only the specified subject, and necessary auxiliary subjects, may be discussed in Executive Session, and no formal action may be taken therein.

#### III. RESPONSIBILITIES

- A. It shall be the responsibility of the Board of Directors to comply with this Policy in conduct of its meetings, and to follow the requisite formalities when using Executive Session.

- B. It shall be the responsibility of the Chief Executive Officer to identify agenda items which may require Executive Session.

Date Approved: June \_\_\_\_, 2021

Attested: \_\_\_\_\_  
James Henderson  
Secretary of the Board

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**June 23, 2021**

**ACTION REQUIRED**

**AGENDA ITEM NO. IV.I.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

Board Policy 202 – Procedures for Board of Directors Meetings

**DISCUSSION**

Staff and the Board of Directors (Board) are charged with reviewing and updating, as necessary, all Board Policies on a routine basis. Staff has undertaken a review of the above referenced Policy and is recommending updates to better clarify the intent of this Policy.

At the June 16, 2021, Governance Committee, the Committee recommended the Board of Directors approve revisions to Board Policy 202 – Procedures for Board of Directors Meetings, as shown in the attached draft policy.

**MOTION**

*(Consent Agenda)*

# CHUGACH ELECTRIC ASSOCIATION, INC.

## BOARD POLICY: 202

### PROCEDURES FOR BOARD OF DIRECTORS MEETINGS

#### I. PURPOSE

To encourage the orderly and efficient conduct of Association business at regular Board of Directors and Board Committee meetings.

#### II. AGENDA

The Agenda for each Board of Directors regular meeting will be:

- I. Calling the meeting to order
  - a. Pledge of Allegiance
  - b. Roll Call
  - c. Safety Minute
- II. Approval of Agenda
- III. Persons to be Heard
- IV. Consent Agenda<sup>1</sup>
  - a. Calendar of Events
  - b. Training/Conferences
  - c. Minutes
  - d. Director Expenses
  - e. Other routine business items
- V. Chief Executive Officer's Reports & Correspondence
- VI. Directors' Reports
- VII. Unfinished Business

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<sup>1</sup> Consent agenda items are moved by a single motion. Items on the consent agenda can be amended by a majority vote and any item(s) can be "pulled" at the request of a Director for discussion and/or separate vote. A single vote passes all consent agenda items. A separate vote is required on "pulled" items. Consent items may include contract approvals (where the matter is budgeted and within budget), routine informational items, matters that have previously been presented and discussed with the Board or a Committee of the Board, and items of lesser importance.



- VIII. New Business
- IX. Executive Session (as necessary)
- X. New Business (as necessary)
- XI. Director Comments<sup>2</sup>
- XII. Adjournment

The Chief Executive Officer and the Board Chair will consult on items of new business for regular Board meetings. Items to be deleted or added to the Agenda will be taken up under Item II, Approval of the Agenda. The Board Chair will prepare the regular Board meeting Agenda.

For Committee meetings, the Chair of the Committee will consult with the Chief Executive Officer regarding the Agenda. The Chair of the Committee will approve the Committee meeting Agenda.

### III. **INFORMATION AVAILABLE TO THE BOARD AND MEMBERS**

All matters for consideration by the Board at regular Board meetings will be included on the Agenda and in the Board information packets seven days prior to the Board meeting. If the Board wishes to consider a matter that was not included on the Agenda, seven days before the meeting, a motion must be made and passed to waive the seven day notice requirement.

Copies of the Board Agenda and a Board information packet (with the exception of any items considered privileged or confidential) will be available online or, upon request, at each meeting for review by the members.

### IV. **PERSONS TO BE HEARD**

Each regular Board and Board Committee meeting Agenda will include a time for persons attending the meeting to speak to the Board. Persons wishing to be heard can submit a request in advance to the Chief Executive Officer's Office or be recognized by the Presiding Officer from the floor. A sign-up sheet will be available, allowing those present to indicate their desire to address the Board.

Employees are discouraged from appearing before the Board to present work-related matters and complaints. These matters should be resolved in accordance with applicable Operating Policies and collective bargaining agreements.

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<sup>2</sup> Includes items suggested by Board members for discussion at future meetings.

When a person is recognized by the Presiding Officer to be heard, the person shall come to the speaker's chair and identify him/herself, including name, address, membership status, if any, and professional affiliation, if any, and any group he/she represents. The Presiding Officer may limit the time allowed for each person seeking to be heard or ask that a representative speak for a group. Unless otherwise approved by the Presiding Officer, each Director and the Chief Executive Officer may have one opportunity to ask questions about, or make comments on, information presented by persons being heard.

## V. CONDUCT OF MEETINGS

The Presiding Officer shall be the Board Chair for a Board of Director meeting or the appointed Committee chair for a Committee meeting. The Board Chair and appointed Committee chairs may appoint an alternate to be the Presiding Officer at Board of Director or Committee meetings in their absence or telephonic attendance.

Regular Board and Board Committee meetings are held for the purpose of conducting the business of the Association. Meetings will generally be conducted in accordance with Robert's Rules of Order, unless modified by the Board or as otherwise provided in this Policy, or unless a Board member requests a recorded vote on a motion.

To allow meetings to be conducted in an efficient and orderly fashion, discussion of Agenda items will be limited to communications among Board members, between the Board and members, between the Board and the Chief Executive Officer and those whom the Chief Executive Officer requests make presentations. Members of the Board, the Chief Executive Officer, or others addressing the Board will not speak unless recognized by the Presiding Officer, as provided below. Speakers shall confine themselves to discussion of the topic under deliberation. Unless a speaker yields the floor, no one shall interrupt another while they are speaking, except for an interruption permitted under Robert's Rules of Order. The following specific rules of conduct shall apply to Board members during all regular Board and Board Committee meetings:

- All wishing to speak must first be recognized by the Presiding Officer.
- All remarks are to be addressed to the Presiding Officer.
- All speeches and remarks shall be limited to two minutes for each person on any given subject or debatable motion. This time may be extended by the Presiding Officer, general consent (no objection) or a majority vote. A motion to close debate, if approved, shall govern any extension of time.
- A person wishing to speak a second time to a given subject or debatable motion may do so by permission from the Presiding Officer, general consent (no objection) or a majority vote. A motion to close debate, if approved, shall govern.
- All motions must be clearly stated. The Presiding Officer may require a motion to be presented in writing.

- The person who has offered the motion has the privilege of speaking first. Thereafter, discussion shall be alternated between those for and against the motion. The Presiding Officer has the privilege of speaking last if desired.
- Total time allowed for any one subject or debatable motion shall be no more than 20 minutes. This time may be extended by the Presiding Officer, general consent (no objection) or majority vote. A motion to close debate, if approved, shall govern any extension of time.

If a person in attendance at the regular Board or Board Committee meeting has urgent material which that person believes must come to the Board’s attention under the Agenda item, a Board member may yield his or her time to such a person, with the Presiding Officer’s approval. This procedure will occur only under exceptional circumstances.

Photographs and videos may be taken during board meetings without advance permission as long as the activity does not disrupt the Board meeting or cause distraction. The Board Chair shall have the authority to administer this provision including a determination of whether an unacceptable disturbance is occurring. Usually, photographers and video takers will be expected to remain unobtrusively in the audience part of the Board room.

**VI. EXECUTIVE SESSION**

All executive sessions of the Board of Directors will be held in compliance with AS 10.25.175; Article V, Section 5 of the Association’s Bylaws; and, applicable Association Board policies. A motion to go into executive session will state the topic intended for discussion and the specific provision of the Alaska statute, AS 10.25.175, that permits that topic to be discussed in executive session. If a matter is to be discussed in executive session that tends to prejudice the reputation or character of a particular person (AS 10.25.175(c)(2)), that person will have the opportunity to request that the matter be discussed in open session, and the Chief Executive Officer will confirm that such notice has been provided.

**VII. RESPONSIBILITY**

The Board Chair, Presiding Officer and Chief Executive Officer shall be responsible for the administration of this Policy.

Date Approved: May 25 June, 202116

Attested: \_\_\_\_\_

\_\_\_\_\_

[Henderson](#)

[Bruce M. Dougherty James](#)

Secretary of the Board

# CHUGACH ELECTRIC ASSOCIATION, INC.

## BOARD POLICY: 202

### PROCEDURES FOR BOARD OF DIRECTORS MEETINGS

#### I. PURPOSE

To encourage the orderly and efficient conduct of Association business at regular Board of Directors and Board Committee meetings.

#### II. AGENDA

The Agenda for each Board of Directors regular meeting will be:

- I. Calling the meeting to order
  - a. Pledge of Allegiance
  - b. Roll Call
  - c. Safety Minute
- II. Approval of Agenda
- III. Persons to be Heard
- IV. Consent Agenda<sup>1</sup>
  - a. Calendar of Events
  - b. Training/Conferences
  - c. Minutes
  - d. Director Expenses
  - e. Other routine business items
- V. Chief Executive Officer's Reports & Correspondence
- VI. Directors' Reports
- VII. Unfinished Business

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<sup>1</sup> Consent agenda items are moved by a single motion. Items on the consent agenda can be amended by a majority vote and any item(s) can be "pulled" at the request of a Director for discussion and/or separate vote. A single vote passes all consent agenda items. A separate vote is required on "pulled" items. Consent items may include contract approvals (where the matter is budgeted and within budget), routine informational items, matters that have previously been presented and discussed with the Board or a Committee of the Board, and items of lesser importance.

- VIII. New Business
- IX. Executive Session (as necessary)
- X. New Business (as necessary)
- XI. Director Comments<sup>2</sup>
- XII. Adjournment

The Chief Executive Officer and the Board Chair will consult on items of new business for regular Board meetings. Items to be deleted or added to the Agenda will be taken up under Item II, Approval of the Agenda. The Board Chair will prepare the regular Board meeting Agenda.

For Committee meetings, the Chair of the Committee will consult with the Chief Executive Officer regarding the Agenda. The Chair of the Committee will approve the Committee meeting Agenda.

### **III. INFORMATION AVAILABLE TO THE BOARD AND MEMBERS**

All matters for consideration by the Board at regular Board meetings will be included on the Agenda and in the Board information packets seven days prior to the Board meeting. If the Board wishes to consider a matter that was not included on the Agenda seven days before the meeting a motion must be made and passed to waive the seven day notice requirement.

Copies of the Board Agenda and a Board information packet (with the exception of any items considered privileged or confidential) will be available online or, upon request, at each meeting for review by the members.

### **IV. PERSONS TO BE HEARD**

Each regular Board and Board Committee meeting Agenda will include a time for persons attending the meeting to speak to the Board. Persons wishing to be heard can submit a request in advance to the Chief Executive Officer's Office or be recognized by the Presiding Officer from the floor. A sign-up sheet will be available, allowing those present to indicate their desire to address the Board.

Employees are discouraged from appearing before the Board to present work-related matters and complaints. These matters should be resolved in accordance with applicable Operating Policies and collective bargaining agreements.

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<sup>2</sup> Includes items suggested by Board members for discussion at future meetings.

When a person is recognized by the Presiding Officer to be heard, the person shall come to the speaker's chair and identify him/herself, including name, address, membership status, if any, and professional affiliation, if any, and any group he/she represents. The Presiding Officer may limit the time allowed for each person seeking to be heard or ask that a representative speak for a group. Unless otherwise approved by the Presiding Officer, each Director and the Chief Executive Officer may have one opportunity to ask questions about, or make comments on, information presented by persons being heard.

## V. CONDUCT OF MEETINGS

The Presiding Officer shall be the Board Chair for a Board of Director meeting or the appointed Committee chair for a Committee meeting. The Board Chair and appointed Committee chairs may appoint an alternate to be the Presiding Officer at Board of Director or Committee meetings in their absence or telephonic attendance.

Regular Board and Board Committee meetings are held for the purpose of conducting the business of the Association. Meetings will generally be conducted in accordance with Robert's Rules of Order, unless modified by the Board or as otherwise provided in this Policy, or unless a Board member requests a recorded vote on a motion.

To allow meetings to be conducted in an efficient and orderly fashion, discussion of Agenda items will be limited to communications among Board members, between the Board and members, between the Board and the Chief Executive Officer and those whom the Chief Executive Officer requests make presentations. Members of the Board, the Chief Executive Officer, or others addressing the Board will not speak unless recognized by the Presiding Officer, as provided below. Speakers shall confine themselves to discussion of the topic under deliberation. Unless a speaker yields the floor, no one shall interrupt another while they are speaking, except for an interruption permitted under Robert's Rules of Order. The following specific rules of conduct shall apply to Board members during all regular Board and Board Committee meetings:

- All wishing to speak must first be recognized by the Presiding Officer.
- All remarks are to be addressed to the Presiding Officer.
- All speeches and remarks shall be limited to two minutes for each person on any given subject or debatable motion. This time may be extended by the Presiding Officer, general consent (no objection) or a majority vote. A motion to close debate, if approved, shall govern any extension of time.
- A person wishing to speak a second time to a given subject or debatable motion may do so by permission from the Presiding Officer, general consent (no objection) or a majority vote. A motion to close debate, if approved, shall govern.
- All motions must be clearly stated. The Presiding Officer may require a motion to be presented in writing.

- The person who has offered the motion has the privilege of speaking first. Thereafter, discussion shall be alternated between those for and against the motion. The Presiding Officer has the privilege of speaking last if desired.
- Total time allowed for any one subject or debatable motion shall be no more than 20 minutes. This time may be extended by the Presiding Officer, general consent (no objection) or majority vote. A motion to close debate, if approved, shall govern any extension of time.

If a person in attendance at the regular Board or Board Committee meeting has urgent material which that person believes must come to the Board’s attention under the Agenda item, a Board member may yield his or her time to such a person, with the Presiding Officer’s approval. This procedure will occur only under exceptional circumstances.

Photographs and videos may be taken during board meetings without advance permission as long as the activity does not disrupt the Board meeting or cause distraction. The Board Chair shall have the authority to administer this provision including a determination of whether an unacceptable disturbance is occurring. Usually, photographers and video takers will be expected to remain unobtrusively in the audience part of the Board room.

**VI. EXECUTIVE SESSION**

All executive sessions of the Board of Directors will be held in compliance with AS 10.25.175; Article V, Section 5 of the Association’s Bylaws; and, applicable Association Board policies. A motion to go into executive session will state the topic intended for discussion and the specific provision of the Alaska statute, AS 10.25.175, that permits that topic to be discussed in executive session. If a matter is to be discussed in executive session that tends to prejudice the reputation or character of a particular person (AS 10.25.175(c)(2)), that person will have the opportunity to request that the matter be discussed in open session, and the Chief Executive Officer will confirm that such notice has been provided.

**VII. RESPONSIBILITY**

The Board Chair, Presiding Officer and Chief Executive Officer shall be responsible for the administration of this Policy.

Date Approved: June \_\_, 2021

Attested: \_\_\_\_\_

James Henderson  
Secretary of the Board



**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**June 23, 2021**

**ACTION REQUIRED**

**AGENDA ITEM NO. IV.J.**

- Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other
- 

**TOPIC**

Board Policy 209 – Indemnification of Directors, Officers, Employees and Agents

**DISCUSSION**

Staff and the Board of Directors (Board) are charged with reviewing and updating, as necessary, all Board Policies on a routine basis. Staff has undertaken a review of the above referenced Policy and is recommending substantive changes to current language. The proposed language further defines and clarifies all interested parties' rights and obligations related to indemnification.

At the June 16, 2021, Governance Committee, the Committee recommended the Board of Directors approve revisions to Board Policy 209 – Indemnification of Directors, Officer, Employees and Agents, as shown in the attached draft policy.

**MOTION**

*(Consent Agenda)*

# CHUGACH ELECTRIC ASSOCIATION, INC.

## BOARD POLICY: 209

### INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

#### I. OBJECTIVE

To establish the Association's policy on indemnification of directors, officers, employees, and agents ~~against who must defend~~ claims made ~~against them~~ for ~~actions conduct performed~~ within the scope of their duties for the Association.

#### II. CONTENT

The Association shall indemnify protected persons who are or may be parties to contested matters for expenses actually and reasonably incurred in connection with the contested matters under the following circumstances:

- A. The conduct complained of must have been performed within the scope of the protected person's duties for the Association; and
- B. The protected person must have acted in a manner he/she reasonably believed to be in, or not contrary to, the best interests of the Association. In the case of a criminal proceeding, the protected person must have had no reasonable cause to believe that his/her conduct was unlawful.

A protected person shall notify the Association's General Counsel in writing as soon as practicable of any contested matter for which indemnification is sought. A protected person shall not retain counsel or incur any costs of defense or expenses associated with a contested matter without the Association's prior written consent. The Association shall coordinate with insurance providers as necessary and advance the cost of defense of a contested matter to the protected person upon receipt of a written affirmation from the protected person that the person has a good faith belief that the standards set forth in A and B above have been met together with a written undertaking that the person will repay the expenses advanced if it is ultimately determined that indemnification is not required under this Policy or is not permitted by applicable law. Successful defense of the claims in a contested matter shall be a determination that indemnification is required under this Policy, but an unsuccessful defense shall not be determinative.

The Association shall be entitled to participate in the defense of any contested matter at its own expense and, to the extent a conflict of interest does not exist, it may assume the defense thereof with counsel reasonably satisfactory to the protected person. After notice

from the Association to the protected person of the Association's election to assume the defense of any such contested matter, the Association shall not be liable to the protected person under this Policy, or otherwise, for any cost of defense subsequently incurred by the protected person in connection with the defense of such contested matter. The protected person shall have the right to employ his or her own legal counsel in such contested matter, but all expenses related to such counsel incurred after notice from the Association of its assumption of the defense shall be at the protected person's own expense.

The Association shall not be liable to a protected person under this Policy for any amounts paid in settlement of any contested matter without the Association's prior written consent. The Association shall not settle any contested matter for which it has assumed control of the defense in any manner that would impose any expenses on the protected person without the protected person's prior written consent. In either instance, consent shall not be unreasonably delayed, conditioned, or withheld.—

The determination on whether indemnification is required under this Policy shall be made, in the case of an employee, by the Chief Executive Officer ~~with the concurrence of the Board~~, and by the Board of Directors in the case of an agent or the Chief Executive Officer. ~~The Chief Executive Officer shall have the authority to make a determination on indemnification for an employee for property damage claims of \$10,000 or less.~~ In the case of a Director, the determination shall be made by the disinterested Directors; if none, then by independent legal counsel. ~~If the employee, Chief Executive Officer or Director(s), as applicable, is not satisfied with the determination of their entitlement to indemnification under this Policy, he/she may request binding arbitration. Arbitration will be conducted in accordance with Operating Policy 004, Section III (B).~~

### III. DEFINITIONS

- A. "Conduct" includes action, inaction and omission.
- B. "Contested matter" means a proposed, pending or completed action or proceeding, whether civil, criminal, administrative or investigative. An action or proceeding may arise pursuant to local, State or federal law.
- C. "Cost of defense" includes attorneys' and experts' fees, court costs, transcript costs, travel expenses, duplicating, printing and binding costs, telephone charges, and all other costs and expenses incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness or participate in, any contested matter. Cost of defense, however, shall not include amounts paid in settlement by a protected person or the amount of judgments or fines against a protected person.
- C. "Protected person" means a current or former Director, officer, employee or agent of the Association.

D. "Expenses" include attorney fees, judgments, fines and amounts paid in settlement.

**IV. RESPONSIBILITY**

The Board and the Chief Executive Officer shall be responsible for implementing this Policy.

Date Approved: ~~May 25~~ June \_\_, 2021+6

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Attested: \_\_\_\_\_

Henderson

~~Bruce M. Dougherty James~~

Secretary of the Board

**CHUGACH ELECTRIC ASSOCIATION, INC.**

**BOARD POLICY: 209**

**INDEMNIFICATION OF DIRECTORS,  
OFFICERS, EMPLOYEES AND AGENTS**

**I. OBJECTIVE**

To establish the Association's policy on indemnification of directors, officers, employees, and agents against claims made for conduct performed within the scope of their duties for the Association.

**II. CONTENT**

The Association shall indemnify protected persons who are or may be parties to contested matters for expenses actually and reasonably incurred in connection with the contested matters under the following circumstances:

- A. The conduct complained of must have been performed within the scope of the protected person's duties for the Association; and
- B. The protected person must have acted in a manner he/she reasonably believed to be in, or not contrary to, the best interests of the Association. In the case of a criminal proceeding, the protected person must have had no reasonable cause to believe that his/her conduct was unlawful.

A protected person shall notify the Association's General Counsel in writing as soon as practicable of any contested matter for which indemnification is sought. A protected person shall not retain counsel or incur any costs of defense or expenses associated with a contested matter without the Association's prior written consent. The Association shall coordinate with insurance providers as necessary and advance the cost of defense of a contested matter to the protected person upon receipt of a written affirmation from the protected person that the person has a good faith belief that the standards set forth in A and B above have been met together with a written undertaking that the person will repay the expenses advanced if it is ultimately determined that indemnification is not required under this Policy or is not permitted by applicable law. Successful defense of the claims in a contested matter shall be a determination that indemnification is required under this Policy, but an unsuccessful defense shall not be determinative.

The Association shall be entitled to participate in the defense of any contested matter at its own expense and, to the extent a conflict of interest does not exist, it may assume the defense thereof with counsel reasonably satisfactory to the protected person. After notice

from the Association to the protected person of the Association's election to assume the defense of any such contested matter, the Association shall not be liable to the protected person under this Policy, or otherwise, for any cost of defense subsequently incurred by the protected person in connection with the defense of such contested matter. The protected person shall have the right to employ his or her own legal counsel in such contested matter, but all expenses related to such counsel incurred after notice from the Association of its assumption of the defense shall be at the protected person's own expense.

The Association shall not be liable to a protected person under this Policy for any amounts paid in settlement of any contested matter without the Association's prior written consent. The Association shall not settle any contested matter for which it has assumed control of the defense in any manner that would impose any expenses on the protected person without the protected person's prior written consent. In either instance, consent shall not be unreasonably delayed, conditioned, or withheld.

The determination on whether indemnification is required under this Policy shall be made, in the case of an employee, by the Chief Executive Officer, and by the Board of Directors in the case of an agent or the Chief Executive Officer. In the case of a Director, the determination shall be made by the disinterested Directors; if none, then by independent legal counsel. If the employee, Chief Executive Officer or Director(s), as applicable, is not satisfied with the determination of their entitlement to indemnification under this Policy, he/she may request binding arbitration. Arbitration will be conducted in accordance with Operating Policy 004, Section III (B).

### **III. DEFINITIONS**

- A. "Conduct" includes action, inaction, and omission.
- B. "Contested matter" means a proposed, pending or completed action or proceeding, whether civil, criminal, administrative or investigative. An action or proceeding may arise pursuant to local, State or federal law.
- C. "Cost of defense" includes attorneys' and experts' fees, court costs, transcript costs, travel expenses, duplicating, printing and binding costs, telephone charges, and all other costs and expenses incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness or participate in, any contested matter. Cost of defense, however, shall not include amounts paid in settlement by a protected person or the amount of judgments or fines against a protected person.
- C. "Protected person" means a current or former Director, officer, employee or agent of the Association.
- D. "Expenses" include attorney fees, judgments, fines, and amounts paid in settlement.

**IV. RESPONSIBILITY**

The Board and the Chief Executive Officer shall be responsible for implementing this Policy.

Date Approved: June \_\_\_\_, 2021

Attested: \_\_\_\_\_  
James Henderson  
Secretary of the Board



**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**June 23, 2021**

**ACTION REQUIRED**

**AGENDA ITEM NO. IV.K.**

- Information Only
  - Motion
  - Resolution
  - Executive Session
  - Other
- 

**TOPIC**

Board Policy 401 – Delegations of Authority from the Board of Directors to the Chief Executive Officer

**DISCUSSION**

Staff and the Board of Directors (Board) are charged with reviewing and updating, as necessary, all Board Policies on a routine basis. Staff has undertaken a review of the above referenced Policy and is recommending updates to modify authorized expenditure limits delegated to the Chief Executive Officer.

At the June 16, 2021, Governance Committee, the Committee recommended the Board of Directors approve revisions to Board Policy 401 – Delegations of Authority from the Board of Directors to the Chief Executive Officer, as shown in the attached draft policy and as further discussed in the Committee.

**MOTION**

*(Consent Agenda)*

**CHUGACH ELECTRIC ASSOCIATION, INC.**

**BOARD POLICY: 401**

**DELEGATIONS OF AUTHORITY  
FROM THE BOARD OF DIRECTORS TO  
THE CHIEF EXECUTIVE OFFICER**

**I. OBJECTIVE**

To define the delegations of authority from the Board of Directors to the Chief Executive Officer to enable adequate direction of the operations of the Association and to report to the Board on the results achieved.

**II. CONTENT**

A. Planning

1. Policies

To formulate with his/her staff, as appropriate, the Board Policies to be recommended to a committee of the Board for their consideration and to participate with the Board Operations Committee and the Board in the development of Board Policies. To formulate the Operating Policies and Procedures of the Association. Such Operating Policies and Procedures shall be reviewed by the Chief Executive Officer periodically as necessary and a report made to the Board or a Board Committee.

2. Objectives

To develop, in consultation with the Board of Directors and staff, goals and objectives of the Association for presentation to and approval by the Board of Directors. To review annually these goals and objectives, as well as the results achieved.

3. Short-Range and Long-Range Plans

To conduct studies, with staff and outside consultants if necessary, and recommend to the Board of Directors short-range and long-range plans, including plans in such areas as power supply, power requirements and load forecasts, need for generation and transmission facilities, procurement of fuel, financing, energy management and marketing, member and public relations, materials management, construction, etc., and to report to the Board on results achieved compared to such plans.

4. Membership Meetings

To develop, with staff, plans for annual and other meetings of the Members and to make appropriate recommendations to the Board of Directors.

5. Annual Work Plans and Budgets

To formulate, with staff, annual work plans and budgets for the Association and recommend them to the Board for their consideration and approval and to provide detailed reports monthly on revenue, expenses and other results compared to such plans.

6. Legislation

To analyze and determine with staff, state and federal legislative and regulatory matters to be proposed, supported, or opposed consistent with established Board policy. Reports will be submitted to the Board on a regular basis.

7. Retail and Wholesale Rates and Service Rules and Regulations

To periodically study and analyze the Association's retail and wholesale rates and service rules and regulations and make appropriate recommendations to the Board.

B. Organization

1. Organizational Structure

a. To periodically review activities of the Association and to determine, with staff, the organizational structure best suited to carry out the overall objectives of the Association, within the limitations of the budget, Board Policy and priorities.

b. To determine, with the appropriate staff, the need for additional positions, the transfer, reassignment, or elimination of present positions, and to effect such changes, provided they are within the limitations of the personnel costs of the approved budget. Reports should be made annually to the Board, or a committee of the Board, on the number of positions by organizational units as compared to previous years.

2. Selection of Personnel

- a. To develop or approve standards and qualifications for use in recruitment, transfer and promotion of personnel. Such standards and qualifications should meet all federal and state legal requirements.
- b. To hire, transfer, promote, and terminate personnel.

3. Training

- a. To ensure that the Association staff is trained in accordance with the requirements of their positions.
- b. To initiate and promote, through staff, appropriate management, professional and technical training programs for all personnel within the limitations of the approved budget and Board policy, including sending personnel to appropriate training programs outside the organization.

4. Performance Appraisals

- a. To appraise, at least annually, the performance of the immediate staff and to counsel with them and assist them to develop and improve.
- b. To ensure that an annual performance appraisal program is established and carried out for all personnel.

5. Position Descriptions

To ensure that written position descriptions and job specifications are prepared and reviewed annually for all personnel. Such completed descriptions will not require Board approval.

6. Fringe Benefits

To administer or approve activities and actions with respect to vacations, holidays, sick leave and other fringe benefit programs for personnel within established policies, within the limitations of the budget, and as provided in collective bargaining agreements. A report shall be presented annually to the Board or a committee of the Board describing the various benefits and the employee and employer contribution, if any, and what percent fringes are of payroll.

7. Overtime

To ensure that overtime is controlled and to report annually to the Board on overtime as a percent of payroll compared to previous years and the results of the efforts to control this expense.

8. Consultants

To select and retain consultants, other than the firm performing the independent financial audit.

The selection and retention of any consultants working in areas which affect the function of the Board and are not delegated to the Chief Executive Officer requires the prior approval by motion or resolution of the Board of Directors.

Approval of invoices from attorneys hired by and reporting directly to the Board shall be made by the Board Chair or Board Treasurer. Increases to Contracts or Task Orders in these circumstances may be made by the Board Chair, provided the increase does not exceed 10% of the original contract or \$10,000, whichever is less.

9. Wage and Salary Administration

a. To develop a systematic wage and salary plan for non-bargaining unit employees and present it to the appropriate committee of the Board of Directors for its review to make an appropriate recommendation to the Board.

b. To determine all salary adjustments, except the Chief Executive Officer's, within the Board-approved wage and salary plan and policy and within the limitations of the budget. A report is to be provided to the Board annually on the administration of the wage and salary plan.

c. To evaluate new positions and reevaluate existing positions. If their responsibilities and authorities substantially change, and if appropriate, place these positions in the Board-approved wage and salary plan.

d. To conduct labor surveys, as necessary, to determine wages and salaries paid for comparable jobs in the area in which the Association recruits personnel, and make recommendations to a committee of the Board of Directors on any revisions required in the wage and salary

plan for non-bargaining unit employees, taking into account the financial condition of the Association.

10. Labor Relations

- a. To negotiate bargaining unit contracts and make appropriate recommendations to the Board.
- b. To administer the approved labor contracts and see that appropriate managers and supervisors understand the provisions of the contracts and their administration.

11. Employee Relations

To ensure that two-way communication between employees and management is established providing opportunities for feedback and employee involvement and participation as appropriate.

C. Operations

1. Overall Administration

- a. To direct and manage the day-to-day operations and activities of the Association in accordance with the policies of the Board of Directors and in accordance with all contracts and lending institution policies and procedures, as well as applicable federal, state and local laws.
- b. To delegate appropriate authority to immediate staff and authorize further delegation of authority to any level of management with full recognition that the Chief Executive Officer cannot be relieved of overall responsibility or any portion of accountability.
- c. To designate an appropriate person to serve as Acting Chief Executive Officer in the absence of the Chief Executive Officer.
- d. To ensure that staff advice and assistance is available to the Board of Directors and its committees.
- e. To accept invitations to participate in or designate other staff members to participate in national, state and local meetings which further the best interest of the Association, within the limitations of Board policy and the approved budget. Participation by the Chief Executive Officer in such activities which requires considerable time over a sustained period requires approval of the Board.

- f. To determine the transportation needs of the Association, with the understanding that the number of company-owned or leased cars individually assigned to employees will be minimized, and a pool of company-owned or leased cars will be utilized, and both activities will be accomplished in the most economical and practical extent possible. Such company-owned or leased cars shall be used only for trips that are primarily official business.
- g. To serve as the authorized spokesperson for the Association on major issues impacting the Association and to keep the Board up to date and well informed on such issues.
- h. To monitor and report to the Board of Directors on the Association's legal matters.
- i. To provide for continuous improvement of operational and financial practices and core performance metrics consistent with relevant industry norms

2. Membership Services

To direct appropriate and efficient membership services in such areas as, but not necessarily confined to, public and member relations, load management, energy conservation, marketing communications, and research.

3. Legislation

- a. To develop and carry out, consistent with Board Policy 503, a legislative program furthering the Association's objectives and policies. Such a program will include, but not be limited to, research, preparation of testimony, presentation of testimony before appropriate committees, consultation with members of Congress, the state legislature, and state and federal administrative and regulatory agencies.
- b. To participate with allied groups to obtain their increased understanding and support of the Association's legislative and regulatory objectives and programs.

4. Financial

- a. To administer the approved budget, including approval of non-budgeted items or budget changes of not more than \$1,000,000 (net to the

Association) and all non-budgeted items which, in his or her judgment, are vital to affect unanticipated emergency maintenance or repairs. Non-budgeted items or budget changes exceeding \$500,000 (net to the Association) must be reported to the Board of Directors.

- b. To determine the approval limits of individual employees for Association invoices, contracts, check requests, purchase orders and requisitions. No transactions can be approved by an individual above his or her signature authority (whether it is a regular or one-time transaction) as provided by Association Operating Policies, Procedures and/or Practices and that individual's job duties and responsibilities for that specific transaction.
- c. To invest or reinvest funds, cash investments when due, and cash government bonds when, and if, necessary to protect the Association's cash position, and to carry out an effective cash management program.
- d. To authorize and approve the travel expenses of personnel, except the Chief Executive Officer's, on company business within the limitations of the budget and within established policy. All such expenses shall be supported by itemized expense accounts with receipts attached, as appropriate. Expenses of the Chief Executive Officer will be approved by the Board Chair or the Treasurer of the Board prior to payment.
- e. To approve accounting systems, procedures, statistics and types of reports necessary for sound financial management of the Association, and to meet the requirements of lending and regulatory agencies and for necessary control information required by the Board of Directors.
- f. To purchase all equipment, vehicles, hardware, furniture, materials, and supplies within the limitations of the budget and Board policy. All purchases shall comply with applicable Association bylaws, policies and procedures. All purchases of major equipment or large quantities of materials for generation, transmission and substations shall be via competitive bids when feasible.
- g. To negotiate and approve contracts for construction in accordance with applicable Association procedures. Contracts in excess of \$~~2~~1,000,000 (net to the Association) shall be submitted to the Board for approval. Once the Board has approved the contract, the Chief Executive Officer or his/her designee is authorized to sign the contract and any invoices, purchase orders, task or requisitions related to that contract subject to the requirements of subsections h. and i. below.



- h. To approve purchase orders and contracts, including cumulative changes, if \$21,000,000 or less (net to the Association) for previously Board-approved projects and report on all active purchase orders and contracts over \$250500,000 (gross) each quarter. Purchase orders and contracts exceeding \$21,000,000 (net to the Association) will be brought to the Board for approval prior to any commitments or expenditures being made. Once the purchase order and contract have been approved by the Board, the Chief Executive Officer or his/her designee can sign any invoices, checks, purchase orders and requisitions related to the contract.
- i. To approve change orders on purchase orders and contracts previously Board-approved, if the cumulative value of the changes is less than 15% of the original value. Change orders exceeding 15% of the original Board approved contract value or which cause the original value to exceed \$21,000,000 (net to the Association) will be brought to the Board for approval prior to any commitments or expenditures being made.
- j. To approve invoices and payments for the purchase of fuel for the generation of electric energy under fuel contracts previously approved by the Board
- k. To approve invoices and payments for the purchase of electric energy under contracts previously approved by the Board
- l. To approve invoices and payments necessary to comply with contractual obligations of the Association for facilities jointly owned with other certificated utilities or the State of Alaska.
- m. To approve payments necessary to comply with the requirements of the indenture and debt obligations of the Association.
- n. To approve invoices and payments of premiums for insurance for the Association.
- o. To approve payments necessary to comply with obligations of the Association under pension and benefits programs.
- p. To determine insurance coverages required for effective risk management and to negotiate purchase of such coverages within the limitations of the budget and Board policy.
- q. To authorize individual memberships in civic clubs and organizations and company memberships in local organizations in which membership would be helpful and to authorize payment of dues by the Association

within the limitations of the budget and established Board policy.

- r. To ensure that an internal auditing function is in place to carry out necessary studies with reports to the Board by the Chief Executive Officer on the results of such studies as appropriate.
- s. After authorization of a bond issuance by the Board, to ensure that the documentation necessary for the issuance of bonds is prepared, and to carry out negotiations with financing institutions for the sale of such bonds striving to achieve the lowest cost financing and to obtain approvals as are necessary for the sale thereof.
- t. Subject to Subsections (g) and (h) above: To negotiate and execute all documents relating to the purchase, use, sale, lease, or other transactions affecting real property, to exercise the power of eminent domain to acquire for projects described in an approved budget property which the Association has been unable to obtain by negotiation; to execute and deliver all environmental studies and reports; to make application for all permits relating to the operations of the Association; to design, route and determine the site for all facilities within the limitations of Board policy and the budget.
- u. To perform all acts necessary or incidental to the management of the operations of the Association, unless such acts are specifically reserved to the Board pursuant to law, the Association's Articles of Incorporation and Bylaws, or Board policies.

5. Control

a. Operations

To submit periodic and special reports to the Board of Directors on conformity of operations with approved policies and programs and recommend any revisions requiring Board approval and to direct any remedial action required.

b. Finances

To submit periodic and special financial reports to the Board to keep them informed of the Association's financial position and conformance to financial plans and forecasts, and to see that all persons having access to cash or responsibility for purchasing of materials are properly bonded if required.

c. Budgets

To report monthly to the Board on revenues and expenditures compared to budget. To recommend any revisions required, and to direct any necessary remedial action.

d. Annual Financial Audit

To participate with the Board in the review, with the auditor present, of the annual financial audit and management letter. To direct any remedial action required and to ensure that the management letter, along with the Audit Report, is sent to each Board member prior to the meeting at which they are to be discussed.

e. Internal Controls

To develop and implement a system of internal controls for the Association which comply with industry standards or required by regulation.

f. Materials Management

i. To determine the amount of, and establish proper control of, all physical inventories to minimize investment in inventories needed to meet operating and construction needs.

ii. To ensure that a system is established to accurately account for all materials used.

g. Member Complaints

To submit periodically to the Board of Directors an analysis of Member complaints and to take any corrective action required or to recommend appropriate revisions in Board policy.

h. Reliability of Service

To submit annually to the Board a report on service reliability and any remedial action taken.

i. Availability of Power Supply

To report periodically to the Board on load growth compared to availability of power and to recommend plans to meet anticipated

growth to ensure an adequate and reliable supply for the Member at the lower possible costs consistent with sound business and management practices.

j. Power Costs

To continually study power costs compared to projections and to recommend to the Board, as far in advance as possible, any changes in power costs necessary to maintain financial strength and stability and to meet all requirements of lending and regulatory agencies.

k. Loss Control

To ensure that a loss control program is carried out to minimize and control losses due to accidents, environmental hazards and other risks.

l. Member Meetings

To report to the Board on the effectiveness of annual and other member meetings with recommendations on improvements which can be made.

**III. RESPONSIBILITY**

- A. The Chief Executive Officer shall report to the Board periodically on how these delegations are being carried out. Further delegations to the Chief Executive Officer may be made as required.

The Chief Executive Officer may delegate any of the foregoing authorities to the Acting Chief Executive Officer or other staff and the Acting Chief Executive Officer may act in any or all of these responsibility areas in the absence of, and when designated to act for, the Chief Executive Officer. The Chief Executive Officer is solely responsible for and accountable to the Board for the foregoing delegations of responsibility.

- B. The Board of Directors is responsible for approving any changes in the delegations to the Chief Executive Officer.

Date Approved: ~~May-June 25~~, 20162021

Attested: \_\_\_\_\_

Henderson

~~Bruce M. Dougherty~~ James

Secretary of the Board

**CHUGACH ELECTRIC ASSOCIATION, INC.**

**BOARD POLICY: 401**

**DELEGATIONS OF AUTHORITY  
FROM THE BOARD OF DIRECTORS TO  
THE CHIEF EXECUTIVE OFFICER**

**I. OBJECTIVE**

To define the delegations of authority from the Board of Directors to the Chief Executive Officer to enable adequate direction of the operations of the Association and to report to the Board on the results achieved.

**II. CONTENT**

A. Planning

1. Policies

To formulate with his/her staff, as appropriate, the Board Policies to be recommended to a committee of the Board for their consideration and to participate with the Board Operations Committee and the Board in the development of Board Policies. To formulate the Operating Policies and Procedures of the Association. Such Operating Policies and Procedures shall be reviewed by the Chief Executive Officer periodically as necessary and a report made to the Board or a Board Committee.

2. Objectives

To develop, in consultation with the Board of Directors and staff, goals and objectives of the Association for presentation to and approval by the Board of Directors. To review annually these goals and objectives, as well as the results achieved.

3. Short-Range and Long-Range Plans

To conduct studies, with staff and outside consultants if necessary, and recommend to the Board of Directors short-range and long-range plans, including plans in such areas as power supply, power requirements and load forecasts, need for generation and transmission facilities, procurement of fuel, financing, energy management and marketing, member and public relations, materials management, construction, etc., and to report to the Board on results achieved compared to such plans.

4. Membership Meetings

To develop, with staff, plans for annual and other meetings of the Members and to make appropriate recommendations to the Board of Directors.

5. Annual Work Plans and Budgets

To formulate, with staff, annual work plans and budgets for the Association and recommend them to the Board for their consideration and approval and to provide detailed reports monthly on revenue, expenses and other results compared to such plans.

6. Legislation

To analyze and determine with staff, state and federal legislative and regulatory matters to be proposed, supported, or opposed consistent with established Board policy. Reports will be submitted to the Board on a regular basis.

7. Retail and Wholesale Rates and Service Rules and Regulations

To periodically study and analyze the Association's retail and wholesale rates and service rules and regulations and make appropriate recommendations to the Board.

B. Organization

1. Organizational Structure

a. To periodically review activities of the Association and to determine, with staff, the organizational structure best suited to carry out the overall objectives of the Association, within the limitations of the budget, Board Policy and priorities.

b. To determine, with the appropriate staff, the need for additional positions, the transfer, reassignment, or elimination of present positions, and to effect such changes, provided they are within the limitations of the personnel costs of the approved budget. Reports should be made annually to the Board, or a committee of the Board, on the number of positions by organizational units as compared to previous years.

2. Selection of Personnel

- a. To develop or approve standards and qualifications for use in recruitment, transfer and promotion of personnel. Such standards and qualifications should meet all federal and state legal requirements.
- b. To hire, transfer, promote, and terminate personnel.

3. Training

- a. To ensure that the Association staff is trained in accordance with the requirements of their positions.
- b. To initiate and promote, through staff, appropriate management, professional and technical training programs for all personnel within the limitations of the approved budget and Board policy, including sending personnel to appropriate training programs outside the organization.

4. Performance Appraisals

- a. To appraise, at least annually, the performance of the immediate staff and to counsel with them and assist them to develop and improve.
- b. To ensure that an annual performance appraisal program is established and carried out for all personnel.

5. Position Descriptions

To ensure that written position descriptions and job specifications are prepared and reviewed annually for all personnel. Such completed descriptions will not require Board approval.

6. Fringe Benefits

To administer or approve activities and actions with respect to vacations, holidays, sick leave and other fringe benefit programs for personnel within established policies, within the limitations of the budget, and as provided in collective bargaining agreements. A report shall be presented annually to the Board or a committee of the Board describing the various benefits and the employee and employer contribution, if any, and what percent fringes are of payroll.



7. Overtime

To ensure that overtime is controlled and to report annually to the Board on overtime as a percent of payroll compared to previous years and the results of the efforts to control this expense.

8. Consultants

To select and retain consultants, other than the firm performing the independent financial audit.

The selection and retention of any consultants working in areas which affect the function of the Board and are not delegated to the Chief Executive Officer requires the prior approval by motion or resolution of the Board of Directors.

Approval of invoices from attorneys hired by and reporting directly to the Board shall be made by the Board Chair or Board Treasurer. Increases to Contracts or Task Orders in these circumstances may be made by the Board Chair, provided the increase does not exceed 10% of the original contract or \$10,000, whichever is less.

9. Wage and Salary Administration

a. To develop a systematic wage and salary plan for non-bargaining unit employees and present it to the appropriate committee of the Board of Directors for its review to make an appropriate recommendation to the Board.

b. To determine all salary adjustments, except the Chief Executive Officer's, within the Board-approved wage and salary plan and policy and within the limitations of the budget. A report is to be provided to the Board annually on the administration of the wage and salary plan.

c. To evaluate new positions and reevaluate existing positions. If their responsibilities and authorities substantially change, and if appropriate, place these positions in the Board-approved wage and salary plan.

d. To conduct labor surveys, as necessary, to determine wages and salaries paid for comparable jobs in the area in which the Association recruits personnel, and make recommendations to a committee of the Board of Directors on any revisions required in the wage and salary

plan for non-bargaining unit employees, taking into account the financial condition of the Association.

10. Labor Relations

- a. To negotiate bargaining unit contracts and make appropriate recommendations to the Board.
- b. To administer the approved labor contracts and see that appropriate managers and supervisors understand the provisions of the contracts and their administration.

11. Employee Relations

To ensure that two-way communication between employees and management is established providing opportunities for feedback and employee involvement and participation as appropriate.

C. Operations

1. Overall Administration

- a. To direct and manage the day-to-day operations and activities of the Association in accordance with the policies of the Board of Directors and in accordance with all contracts and lending institution policies and procedures, as well as applicable federal, state and local laws.
- b. To delegate appropriate authority to immediate staff and authorize further delegation of authority to any level of management with full recognition that the Chief Executive Officer cannot be relieved of overall responsibility or any portion of accountability.
- c. To designate an appropriate person to serve as Acting Chief Executive Officer in the absence of the Chief Executive Officer.
- d. To ensure that staff advice and assistance is available to the Board of Directors and its committees.
- e. To accept invitations to participate in or designate other staff members to participate in national, state and local meetings which further the best interest of the Association, within the limitations of Board policy and the approved budget. Participation by the Chief Executive Officer in such activities which requires considerable time over a sustained period requires approval of the Board.

- f. To determine the transportation needs of the Association, with the understanding that the number of company-owned or leased cars individually assigned to employees will be minimized, and a pool of company-owned or leased cars will be utilized, and both activities will be accomplished in the most economical and practical extent possible. Such company-owned or leased cars shall be used only for trips that are primarily official business.
- g. To serve as the authorized spokesperson for the Association on major issues impacting the Association and to keep the Board up to date and well informed on such issues.
- h. To monitor and report to the Board of Directors on the Association's legal matters.
- i. To provide for continuous improvement of operational and financial practices and core performance metrics consistent with relevant industry norms

2. Membership Services

To direct appropriate and efficient membership services in such areas as, but not necessarily confined to, public and member relations, load management, energy conservation, marketing communications, and research.

3. Legislation

- a. To develop and carry out, consistent with Board Policy 503, a legislative program furthering the Association's objectives and policies. Such a program will include, but not be limited to, research, preparation of testimony, presentation of testimony before appropriate committees, consultation with members of Congress, the state legislature, and state and federal administrative and regulatory agencies.
- b. To participate with allied groups to obtain their increased understanding and support of the Association's legislative and regulatory objectives and programs.

4. Financial

- a. To administer the approved budget, including approval of non-budgeted items or budget changes of not more than \$1,000,000 (net to the

Association) and all non-budgeted items which, in his or her judgment, are vital to affect unanticipated emergency maintenance or repairs. Non-budgeted items or budget changes exceeding \$500,000 (net to the Association) must be reported to the Board of Directors.

- b. To determine the approval limits of individual employees for Association invoices, contracts, check requests, purchase orders and requisitions. No transactions can be approved by an individual above his or her signature authority (whether it is a regular or one-time transaction) as provided by Association Operating Policies, Procedures and/or Practices and that individual's job duties and responsibilities for that specific transaction.
- c. To invest or reinvest funds, cash investments when due, and cash government bonds when, and if, necessary to protect the Association's cash position, and to carry out an effective cash management program.
- d. To authorize and approve the travel expenses of personnel, except the Chief Executive Officer's, on company business within the limitations of the budget and within established policy. All such expenses shall be supported by itemized expense accounts with receipts attached, as appropriate. Expenses of the Chief Executive Officer will be approved by the Board Chair or the Treasurer of the Board prior to payment.
- e. To approve accounting systems, procedures, statistics and types of reports necessary for sound financial management of the Association, and to meet the requirements of lending and regulatory agencies and for necessary control information required by the Board of Directors.
- f. To purchase all equipment, vehicles, hardware, furniture, materials, and supplies within the limitations of the budget and Board policy. All purchases shall comply with applicable Association bylaws, policies and procedures. All purchases of major equipment or large quantities of materials for generation, transmission and substations shall be via competitive bids when feasible.
- g. To negotiate and approve contracts for construction in accordance with applicable Association procedures. Contracts in excess of \$2,000,000 (net to the Association) shall be submitted to the Board for approval. Once the Board has approved the contract, the Chief Executive Officer or his/her designee is authorized to sign the contract and any invoices, purchase orders, task or requisitions related to that contract subject to the requirements of subsections h. and i. below.

- h. To approve purchase orders and contracts, including cumulative changes, if \$2,000,000 or less (net to the Association) for previously Board-approved projects and report on all active purchase orders and contracts over \$500,000 (gross) each quarter. Purchase orders and contracts exceeding \$2,000,000 (net to the Association) will be brought to the Board for approval prior to any commitments or expenditures being made. Once the purchase order and contract have been approved by the Board, the Chief Executive Officer or his/her designee can sign any invoices, checks, purchase orders and requisitions related to the contract.
- i. To approve change orders on purchase orders and contracts previously Board-approved, if the cumulative value of the changes is less than 15% of the original value. Change orders exceeding 15% of the original Board approved contract value or which cause the original value to exceed \$2,000,000 (net to the Association) will be brought to the Board for approval prior to any commitments or expenditures being made.
- j. To approve invoices and payments for the purchase of fuel for the generation of electric energy under fuel contracts previously approved by the Board
- k. To approve invoices and payments for the purchase of electric energy under contracts previously approved by the Board
- l. To approve invoices and payments necessary to comply with contractual obligations of the Association for facilities jointly owned with other certificated utilities or the State of Alaska.
- m. To approve payments necessary to comply with the requirements of the indenture and debt obligations of the Association.
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- r. To ensure that an internal auditing function is in place to carry out necessary studies with reports to the Board by the Chief Executive Officer on the results of such studies as appropriate.
- s. After authorization of a bond issuance by the Board, to ensure that the documentation necessary for the issuance of bonds is prepared, and to carry out negotiations with financing institutions for the sale of such bonds striving to achieve the lowest cost financing and to obtain approvals as are necessary for the sale thereof.
- t. Subject to Subsections (g) and (h) above: To negotiate and execute all documents relating to the purchase, use, sale, lease, or other transactions affecting real property, to exercise the power of eminent domain to acquire for projects described in an approved budget property which the Association has been unable to obtain by negotiation; to execute and deliver all environmental studies and reports; to make application for all permits relating to the operations of the Association; to design, route and determine the site for all facilities within the limitations of Board policy and the budget.
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growth to ensure an adequate and reliable supply for the Member at the lower possible costs consistent with sound business and management practices.

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To continually study power costs compared to projections and to recommend to the Board, as far in advance as possible, any changes in power costs necessary to maintain financial strength and stability and to meet all requirements of lending and regulatory agencies.

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To report to the Board on the effectiveness of annual and other member meetings with recommendations on improvements which can be made.

**III. RESPONSIBILITY**

- A. The Chief Executive Officer shall report to the Board periodically on how these delegations are being carried out. Further delegations to the Chief Executive Officer may be made as required.

The Chief Executive Officer may delegate any of the foregoing authorities to the Acting Chief Executive Officer or other staff and the Acting Chief Executive Officer may act in any or all of these responsibility areas in the absence of, and when designated to act for, the Chief Executive Officer. The Chief Executive Officer is solely responsible for and accountable to the Board for the foregoing delegations of responsibility.

- B. The Board of Directors is responsible for approving any changes in the delegations to the Chief Executive Officer.

Date Approved: June \_\_\_\_, 2021

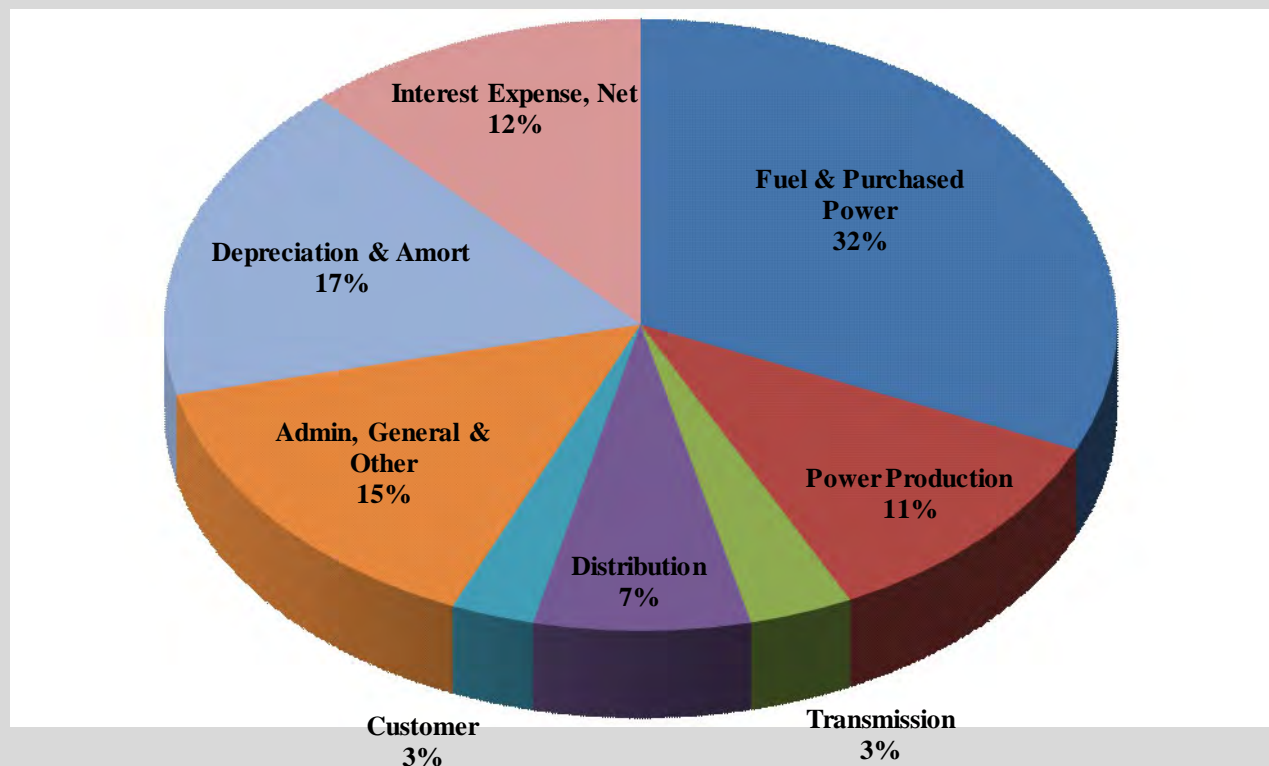
Attested: \_\_\_\_\_  
James Henderson  
Secretary of the Board



## STATEMENT OF OPERATIONS

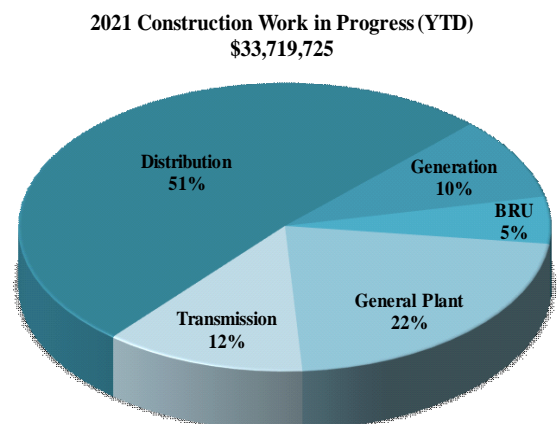
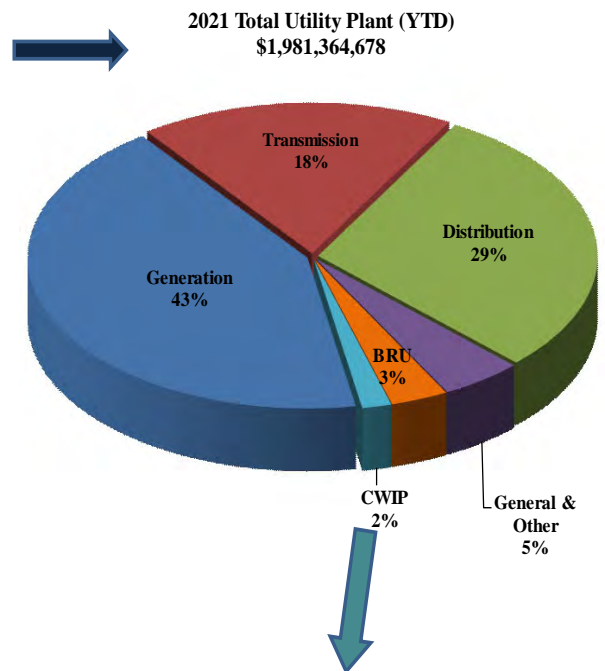
CATEGORY	2021 MTD ACTUAL	2021 MTD BUDGET	2021 MTD VARIANCE
<b>Operating Revenue and Patronage Capital</b>	<b>\$ 28,798,274</b>	<b>\$ 30,804,943</b>	<b>\$ (2,006,669)</b>
Fuel and Purchased Power Expense	9,419,640	9,972,944	(553,304)
Power Production Expense	3,288,452	3,115,622	172,830
Transmission Expense	1,046,002	789,510	256,492
Distribution Expense	2,180,394	2,314,228	(133,834)
Customer Expense	840,127	890,662	(50,535)
Administrative, General and Other	4,414,691	4,420,546	(5,855)
Depreciation & Amortization Expense	5,037,827	5,350,478	(312,651)
Interest Expense, Net	3,489,805	3,479,411	10,394
<b>Total Cost of Electric Service</b>	<b>\$ 29,716,938</b>	<b>\$ 30,333,401</b>	<b>\$ (616,463)</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ (918,664)</b>	<b>\$ 471,542</b>	<b>\$ (1,390,206)</b>
Non-Operating Margins - Interest	24,241	16,532	7,709
Allowance for Funds Used During Construction	7,730	18,915	(11,185)
Non-Operating Margins - Other	400	-	400
<b>Patronage Capital or Margins</b>	<b>\$ (886,293)</b>	<b>\$ 506,989</b>	<b>\$ (1,393,282)</b>

### Total Cost of Electric Service (MTD Actual)



## BALANCE SHEET

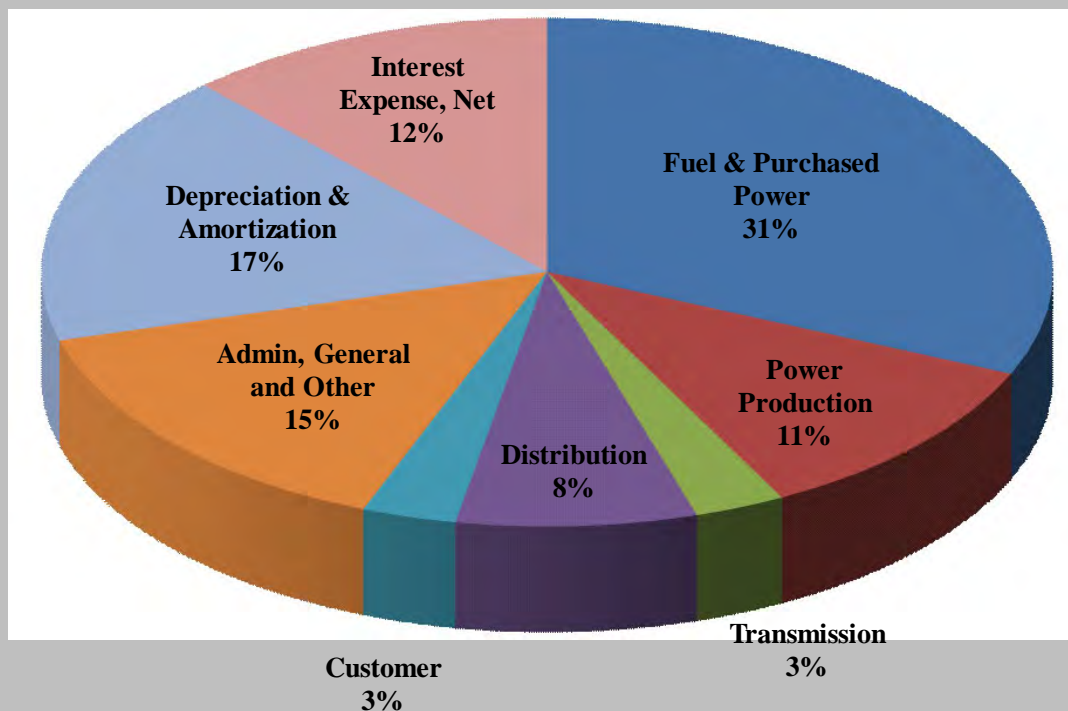
ASSETS & OTHER DEBITS	4/30/2021	12/31/2020
Electric Plant in Service	1,947,644,953	1,941,080,063
Construction Work in Progress	33,719,725	38,075,575
<b>Total Utility Plant</b>	<b>\$ 1,981,364,678</b>	<b>\$ 1,979,155,638</b>
Accum. Prov. for Depreciation/Amortization	(596,766,919)	(581,506,871)
<b>Net Utility Plant</b>	<b>\$ 1,384,597,759</b>	<b>\$ 1,397,648,767</b>
Nonutility Property - Net	76,889	76,889
Financing & Operating Lease Right-of-Use Assets	3,978,478	4,102,328
Investment in Assoc. Organizations	7,288,564	7,595,197
Special Funds	29,844,421	19,862,119
Restricted Cash Equivalents & Other	64,310	64,310
Long-term Prepayments	-	423,404
<b>Total Other Property &amp; Investments</b>	<b>\$ 41,252,662</b>	<b>\$ 32,124,247</b>
Cash & Restricted Cash	39,149,020	60,392,108
Special Deposits and Marketable Securities	58,300	58,300
Accounts Receivable - Net	48,440,736	53,679,921
Materials and Supplies, Fuel Stock	61,018,072	62,430,009
Prepayments	6,116,410	4,672,489
Other Current & Accrued Assets	8,614,301	241,983
<b>Total Current &amp; Accrued Assets</b>	<b>\$ 163,396,839</b>	<b>\$ 181,474,810</b>
Deferred Debits	114,027,135	110,489,123
<b>Total Assets &amp; Other Debits</b>	<b>\$ 1,703,274,395</b>	<b>\$ 1,721,736,947</b>
LIABILITIES & OTHER CREDITS	4/30/2021	12/31/2020
Memberships	1,921,088	1,908,432
Pat. Capital, Margins & Equities	199,647,763	196,940,981
<b>Total Margins &amp; Equities</b>	<b>\$ 201,568,851</b>	<b>\$ 198,849,413</b>
Long-Term Debt - Bonds	1,186,266,663	1,211,683,330
Long-Term Debt - Other	25,991,999	26,904,000
Unamortized Debt Issuance Costs	(6,027,029)	(6,179,476)
Operating Lease Liabilities	3,740,493	3,866,092
Finance Lease Liabilities	6,604	7,302
<b>Total Long-Term Debt</b>	<b>\$ 1,209,978,730</b>	<b>\$ 1,236,281,248</b>
Notes Payable	54,196,588	52,197,115
Accounts Payable	10,242,577	19,170,493
Consumer Deposits	4,924,948	5,249,272
Other Current & Accrued Liabilities	66,250,864	53,612,254
<b>Total Current &amp; Accrued Liabilities</b>	<b>\$ 135,614,977</b>	<b>\$ 130,229,134</b>
Deferred Compensation	1,882,472	1,821,222
Other Liabilities, Non-Current	764,135	548,570
Deferred Liabilities	34,097,872	36,899,176
Cost of Removal Obligation	119,367,358	117,108,184
<b>Total Liabilities &amp; Other Credits</b>	<b>\$ 1,703,274,395</b>	<b>\$ 1,721,736,947</b>

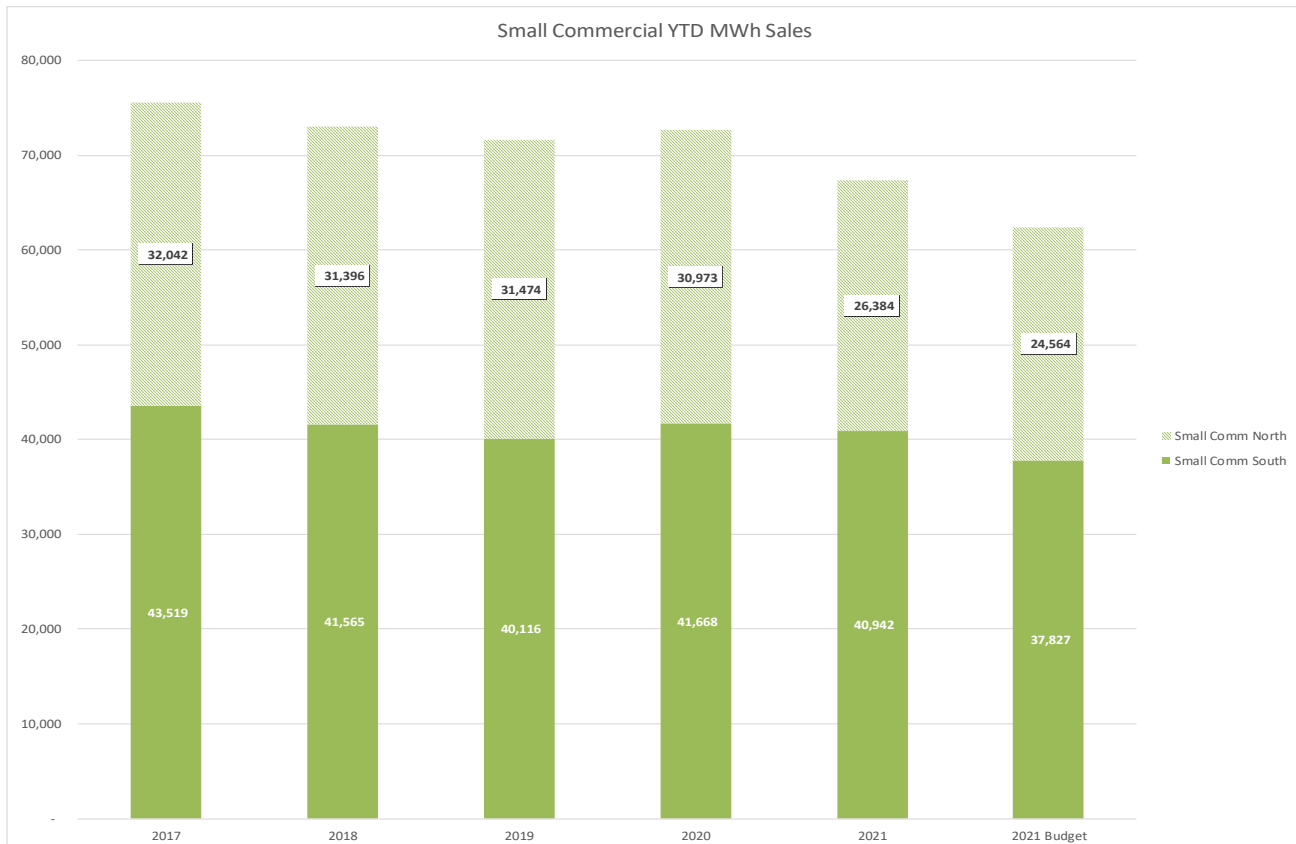
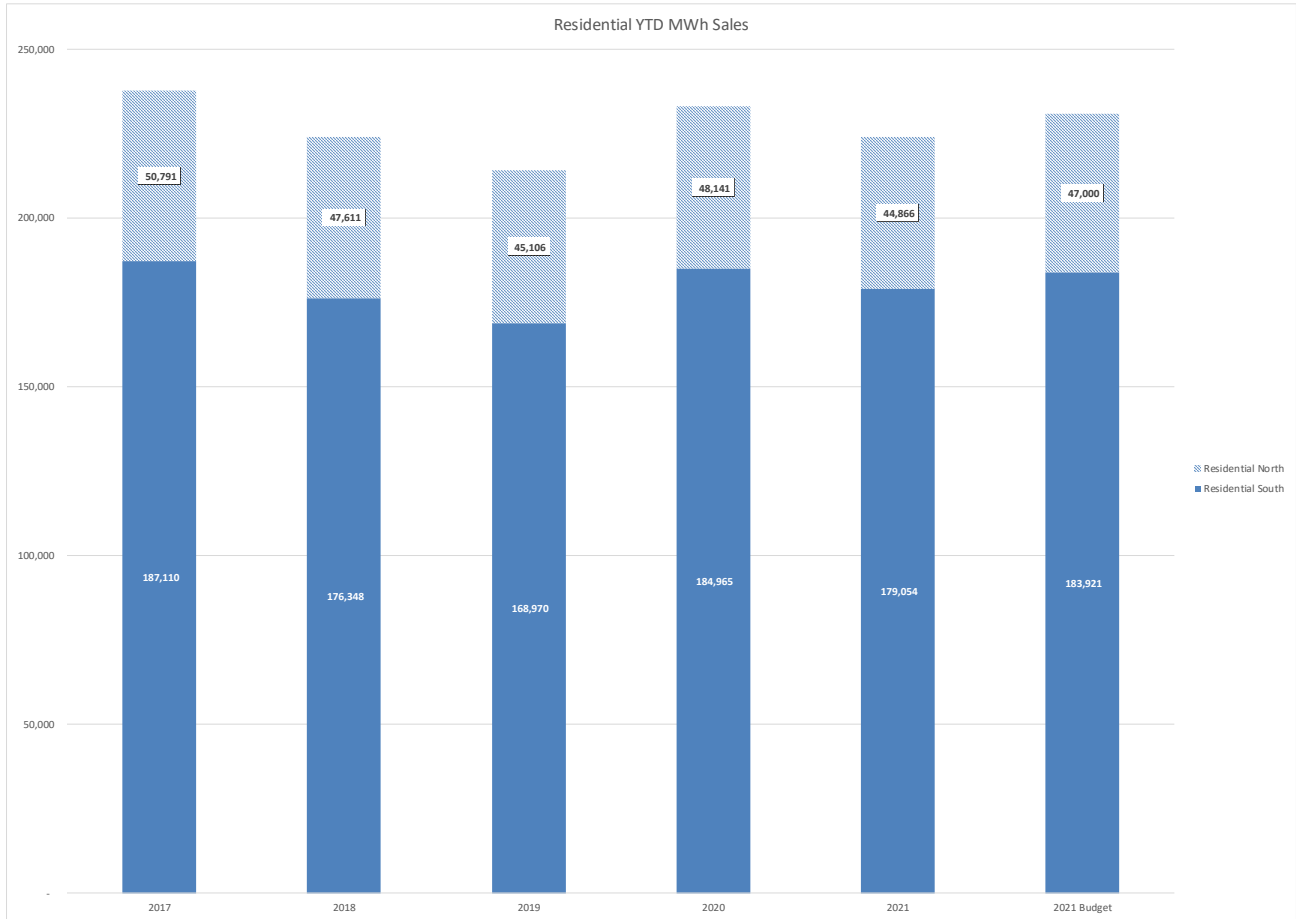


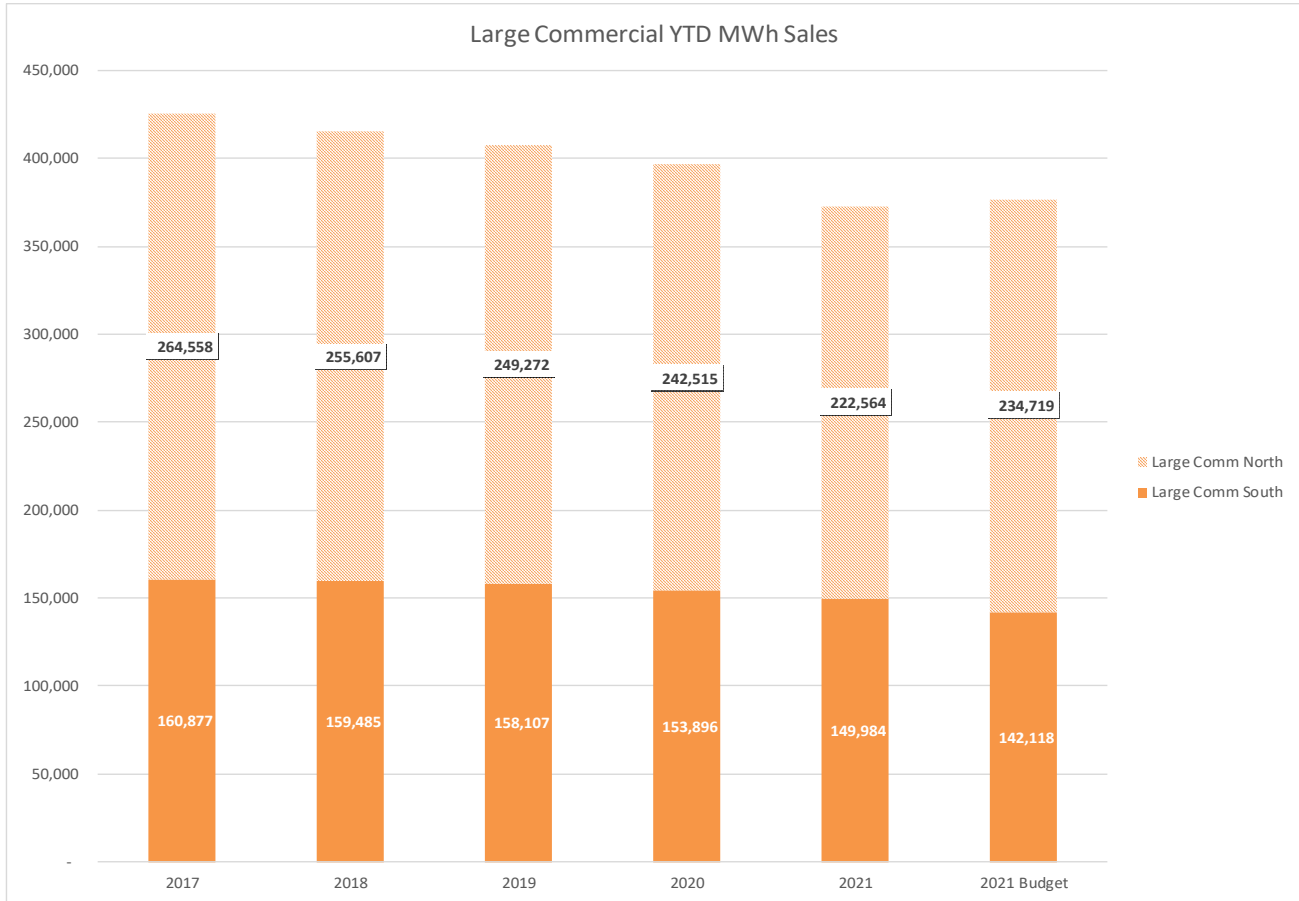
## COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS 2021 ACTUAL TO BUDGET VARIANCE

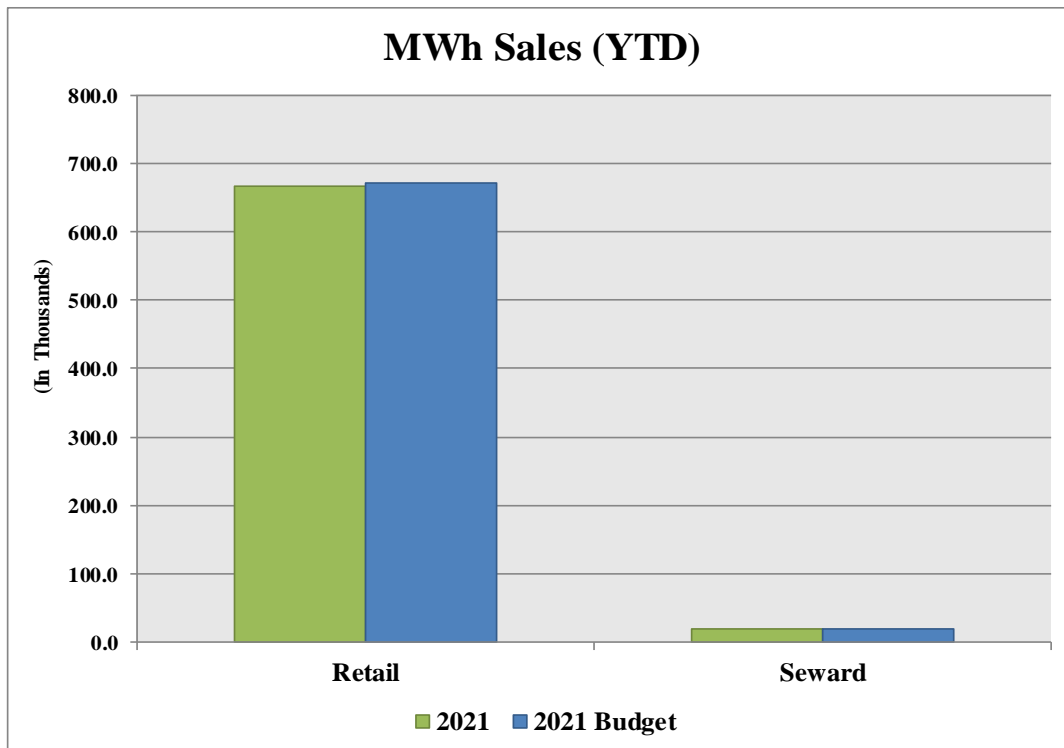
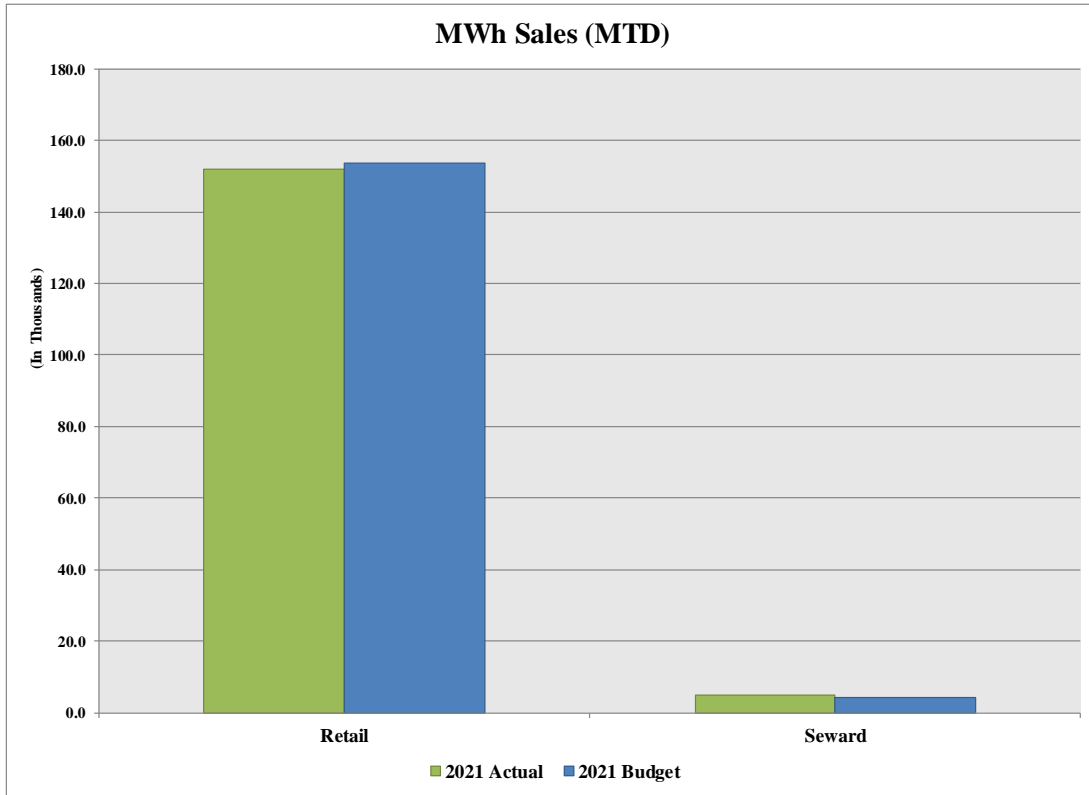
CATEGORY	2021 YTD ACTUAL	2021 YTD BUDGET	2021 YTD VARIANCE
<b>Operating Revenue and Patronage Capital</b>	<b>\$ 121,338,436</b>	<b>\$ 128,802,542</b>	<b>\$ (7,464,106)</b>
Fuel and Purchased Power Expense	37,463,967	39,921,032	(2,457,065)
Power Production Expense	12,778,637	12,035,808	742,829
Transmission Expense	3,433,494	3,374,642	58,852
Distribution Expense	9,115,562	9,261,714	(146,152)
Customer Expense	3,568,040	3,517,100	50,940
Administrative, General and Other	17,505,724	17,984,856	(479,132)
Depreciation & Amortization Expense	20,738,874	21,422,609	(683,735)
Interest Expense, Net	14,094,381	14,072,469	21,912
<b>Total Cost of Electric Service</b>	<b>\$ 118,698,679</b>	<b>\$ 121,590,230</b>	<b>\$ (2,891,551)</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ 2,639,757</b>	<b>\$ 7,212,312</b>	<b>\$ (4,572,555)</b>
Non-Operating Margins - Interest	97,001	66,127	30,874
Allowance Funds Used During Const.	43,180	75,660	(32,480)
Non-Operating Margins - Other	7,142	-	7,142
<b>Patronage Capital or Margins</b>	<b>\$ 2,787,080</b>	<b>\$ 7,354,099</b>	<b>\$ (4,567,019)</b>
MFI/I	1.20	1.51	
TIER	1.20	1.52	

### Total Cost of Electric Service (YTD Actual)









## ENERGY SALES (kWh)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Energy Sales	666,006,512	671,936,858
Wholesale Energy Sales	<u>19,799,011</u>	<u>18,413,502</u>
Total Firm Energy Sales	685,805,523	690,350,360
Economy Energy/Capacity/Power Pool Sales	<u>34,177,000</u>	<u>48,294,000</u>
Total Energy Sales	719,982,523	738,644,360

Firm energy sales totaled 685,805,523 kWh, which was a 0.7% unfavorable variance compared to budget. Retail energy sales were under budget 0.9% primarily due to lower than anticipated residential and large commercial energy sales, which was somewhat offset by higher than anticipated small commercial energy sales. This variance was somewhat offset by higher than anticipated wholesale energy sales which were over budget by 7.5%. Lower than anticipated economy energy, capacity and power pool sales which were under budget by 29.2% contributed to the overall unfavorable sales variance.

## ENERGY REVENUE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Revenue	\$115.0	\$ 122.2
Wholesale Revenue	<u>1.6</u>	<u>1.7</u>
Total Firm Revenue	116.6	123.9
Economy Energy/Capacity/Power Pool Revenue	2.8	3.8
Other Operating Revenue	<u>1.9</u>	<u>1.1</u>
Total Revenue	\$121.3	\$ 128.8

Revenue from firm sales totaled \$116.6 million compared to \$123.9 million in the budget. Firm revenue was lower than expected primarily due to lower than anticipated residential and large commercial energy sales, large commercial demand revenue and lower fuel costs recovered through the fuel and purchased power adjustment process. Economy energy, capacity and power pool revenue was \$2.8 million compared to \$3.8 million in the budget. This unfavorable variance was due to lower than anticipated sales to GVEA. Other operating revenue includes late fees, pole rental, wheeling, microwave, BRU royalties, grants, miscellaneous service and other electric revenue. Other operating revenue totaled \$1.9 million compared to \$1.1 million in the budget, primarily due to higher than anticipated wheeling from GVEA and FEMA grants associated with the 2018 earthquake.

## FUEL AND PURCHASED POWER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Fuel	\$ 29.0	\$ 31.5
Purchased Power	<u>8.4</u>	<u>8.4</u>
Total	\$ 37.5	\$ 39.9

Fuel expense includes fuel, storage, transportation, and BRU operating costs. Fuel expense was \$29.0 million compared to \$31.5 million in the budget. This favorable variance was primarily due to lower than anticipated storage and transportation costs, BRU operating costs and a lower price, which was somewhat offset by more fuel purchased for production.

Actual fuel purchased or withdrawn from inventory for production was 2,949,882 Mcf at an average effective delivered price of \$8.46 per Mcf compared to 2,631,412 Mcf in the budget at an average effective delivered price of \$9.85 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 \$8.4 million compared to \$8.4 million in the budget. More energy purchased was offset by a lower average effective price.

Actual energy purchased was 128,775 MWh at an average effective price of 5.09 cents per kWh compared to 85,667 MWh budgeted at an average effective price of 7.86 cents per kWh.

## POWER PRODUCTION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Power Production	\$ 12.8	\$ 12.0

Power production expense was \$12.8 million compared to \$12.0 million in the budget. This unfavorable budget variance is primarily due to higher than anticipated expense labor at SPP and Sullivan, which was somewhat offset by lower than anticipated maintenance and utility costs at Sullivan.

## TRANSMISSION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Transmission	\$ 3.4	\$ 3.4

Transmission operations and maintenance expense was \$3.4 million compared to \$3.4 million in the budget, with no significant variance.



## DISTRIBUTION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Distribution	\$ 9.1	\$ 9.3

Distribution operations and maintenance expense was \$9.1 million compared to \$9.3 million in the budget. This favorable variance is primarily due to lower than anticipated line clearing, which was somewhat offset by higher than anticipated costs allocated to this financial category for garage and information services costs.

## CONSUMER ACCOUNTS / CUSTOMER INFORMATION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Consumer / Customer Information	\$ 3.6	\$ 3.5

Consumer accounts and customer information expense was \$3.6 million compared to \$3.5 million in the budget. This unfavorable variance is primarily due to higher than anticipated payment processing costs.

## ADMINISTRATIVE, GENERAL AND OTHER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Administrative, General and Other	\$ 17.5	\$ 18.0

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 \$17.5 million compared to \$18.0 million in the budget. This budget variance is primarily due to lower than anticipated costs associated with legal and other corporate initiatives as well as audit fees, which was somewhat offset by higher than anticipated labor and PILT.

## SUMMARY

Depreciation, interest, and interest during construction expense totaled \$34.8 million compared to \$35.5 million in the budget. This favorable variance compared to budget was primarily due to lower than anticipated depreciation expense.

All the foregoing expenses resulted in total cost of electric service of \$118.7 million compared to \$121.6 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 and dividend income. Non-operating margins totaled \$147.3 thousand compared to \$141.8 thousand in the budget primarily due to higher than anticipated interest income. The quarterly BRU ARO Investment Fund Review to the Audit and Finance Committee includes the market value and rate of return on that investment. The other investment associated with BRU, the future natural gas purchases investment account had a balance of \$7.8 million on April 30, 2021, and had a 30-day yield of 0.04%.

The net result of revenue and expenses was margins of \$2.8 million compared to projected margins of \$7.4 million in the budget.



**TO:** Board of Directors

**FROM:** Lee Thibert, Chief Executive Officer

**DATE:** June 23, 2021

**SUBJECT:** *2021 Annual Election Report*

Due to COVID-19 health and safety protocols, and restrictions on gatherings, Chugach's 2021 Annual Membership Meeting was held virtually on May 19, 2021. There were 75 participants who attended the meeting via telephone or livestream.

Attached is the final report from BDO on the results of Chugach Electric Association, Inc.'s 2021 Annual Election. The report contains detailed information on the election, including election results, voting participation levels (including electronic and mail), and detailed voting metrics.

In summary, for the 2021 election, 11.4 percent of eligible members voted (10,453 ballots cast) with 98 percent voting on-line and 2 percent by mail. We were not able to differentiate election participation levels on a North versus South District basis. These results compare with 2020 results where 11.9 percent of eligible members voted (8,262 ballots cast), with 98 percent voting online and 2 percent by mail. Additional detail is provided in the attached report.



FINAL REPORT FOR:

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**2021 Annual Election**

MAY 2021

**|BDO**<sup>®</sup>



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# Executive Summary

## OVERVIEW

BDO USA, LLP (“BDO”) was contracted by Chugach Electric Association, Inc. (“Chugach”) to perform election administration services, as the Election Administrator, for the 2021 Annual Meeting and Election. Election administration services include administration and oversight of the election, as well as subcontracting for electronic voting services. Specific election administrator duties and responsibilities are outlined in the Chugach Election Procedures.

## KEY CALLOUTS

- ▶ A total of 91,556 members were eligible to vote in the 2021 Annual Election; 27% more members than in 2020.
- ▶ A total of 10,453 (11.4%) of eligible members cast a valid ballot online (98%) or by mail (2%).
- ▶ A total of 2,300 (22%) of members who voted had an ID starting with ‘141’ (likely part of the ML&P merger).

## ELECTION RESULTS

In the 2021 election, eligible members voted for one of three candidates running for the one available seat on the board of directors. The one candidate who received the most votes was elected to a 4-year term. Eligible members also voted on proposed bylaw amendments. Results of the election are shown in the tables below.

Board of Directors Candidate	Online	Paper	Total Votes
Erin Whitney	5,155	79	5,234
Stuart Parks	2,986	89	3,075
Leslie C. “Fritz” Krusen III	1,998	42	2,040

Bylaw Amendments	Total “Yes” Votes	Total “No” Votes	Outcome
Director & Member Committee Qualifications	9,394	641	Passed
Manner of Holding Meetings	9,236	802	Passed
Executive Sessions	8,960	1,030	Passed
Capital Credits	9,197	792	Passed

# Key Election Activities & Dates

Key election activities and dates are shown in the table below.

Activity / Significance	Date
Date of Record	4/1/2021
Mail Inspection	4/14/2021
Voting Opens	4/16/2021
Paper Ballots Mailed	4/16/2021
Guardian Paper Ballot Delivery #1	4/20/2021
Guardian Paper Ballot Delivery #2	4/23/2021
Email Blast #1	4/23/2021
Early Bird Drawing #1	4/23/2021
Control Number Mailing	4/26/2021
Guardian Paper Ballot Delivery #3	4/27/2021
Election Committee Meeting	4/27/2021
Guardian Paper Ballot Delivery #4	4/30/2021
Email Blast #2	4/30/2021
Early Bird Drawing #2	4/30/2021
Guardian Paper Ballot Delivery #5	5/4/2021
Election Committee Meeting	5/4/2021
Guardian Paper Ballot Delivery #6	5/7/2021
Email Blast #3	5/7/2021
Early Bird Drawing #3	5/7/2021
Postcard Mailing	5/7/2021
Guardian Paper Ballot Delivery #7	5/11/2021
Election Committee Meeting	5/11/2021
Guardian Paper Ballot Delivery #8	5/14/2021
Email Blast #4	5/14/2021
Early Bird Drawing #4	5/14/2021
Paper Ballot Mail-In Deadline	5/14/2021
Electronic Voting Deadline	5/18/2021
Grand Prize Drawing	5/18/2021
Virtual Annual Meeting	5/18/2021

# Mail Inspection

On 04/05/2021, Chugach delivered their printed election material to their third-party mailing service provider, Rapid Action Mailing Service, Inc. ("Rapid Action"), for assembly of paper ballot election packages to be mailed via USPS on 04/16/2021.

Rapid Action assembled the election materials into 10 x 12 master envelopes and placed the envelopes into postal trays in the order they are provided on the printed list, which is by zip code. Each package received 1 ballot (1 of 3 available versions). Each version has a different one of the candidates listed first. Ballots are stamped in sequential order from beginning to end (i.e., 001, 002, 003, etc.). In addition to the ballot, each master envelope also receives 1 ballot return envelope (two-sided #10 envelope with the member's address showing through the plastic window and the Chugach return address on the reverse side) and 1 election pamphlet.

BDO obtained the listing of eligible voting members for the 2021 election from the Chugach file share and noted that a total of 519 of the eligible voters opted to receive paper ballots. On 04/14/2021, BDO met Jarrod Holloway, Rapid Action General Manager, at Rapid Action Mailing Service, Inc., located at 3620 Jewel Lake Road, Anchorage, AK 99502. BDO manually counted the packages, which were distributed amongst 5 postal trays and noted a total of 519 printed paper ballot packages. BDO haphazardly selected a sample of 10% of the population for a total of 52 samples by selecting ballots in sequential groups of 5 and one group of 2 from the 5 postal trays. BDO inspected each of the selected packages. No exceptions were noted for the 52 sampled packages.

# Paper Ballot Activity

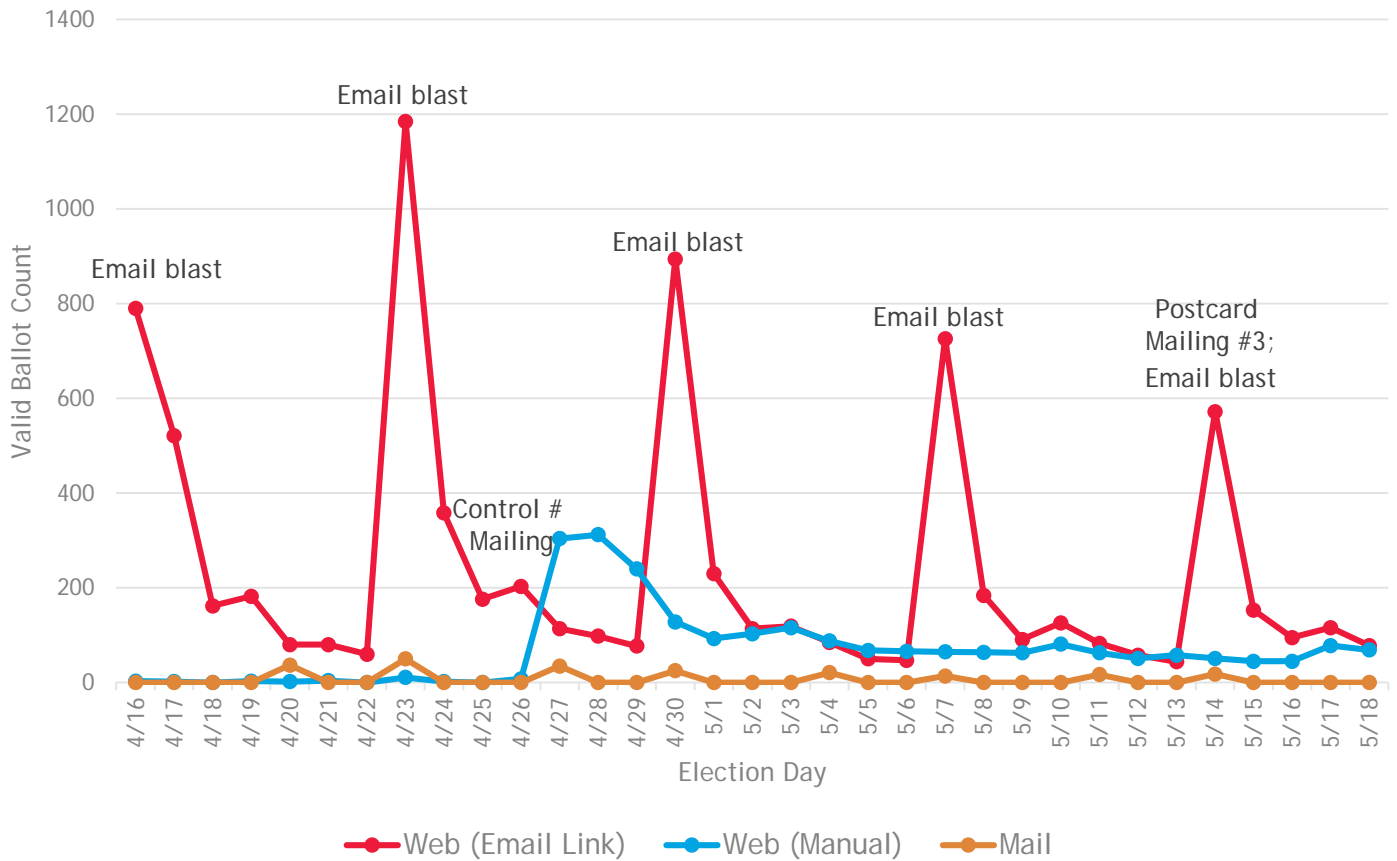
Paper ballots are picked up from the secure Chugach drop box (5601 Election Drive) and Anchorage airport post office by third-party service provider, Guardian Security Systems, Inc. (“Guardian”), and delivered to BDO (3601 C Street, Suite 600), on the days listed in the table below. A delivery receipt was provided by Guardian with the count of paper ballots delivered. BDO reviewed each envelope to ensure it was signed by an authorized member and the signature matched the member’s signature on file in Laserfiche. No paper ballots were mailed directly to the BDO office. The number of paper ballots received with each Guardian delivery and the number of unresolved issues (invalid ballots) are shown in the table below.

Batch #	Date Received	Ballot Count	Invalid	Valid
1	4/20/2021	37	None	37
2	4/23/2021	52	▶ 2 not signed	50
3	4/27/2021	36	▶ 1 invalid signature	35
4	4/30/2021	26	▶ 1 no application	25
5	5/4/2021	23	▶ 1 already voted ▶ 1 not signed	21
6	5/7/2021	15	▶ 1 invalid signature	14
7	5/11/2021	18	▶ 1 already voted	17
8	5/14/2021	19	▶ 1 no application	18
<b>Total</b>		<b>226</b>	<b>9</b>	<b>217</b>



# Daily Valid Ballot Counts by Voting Method

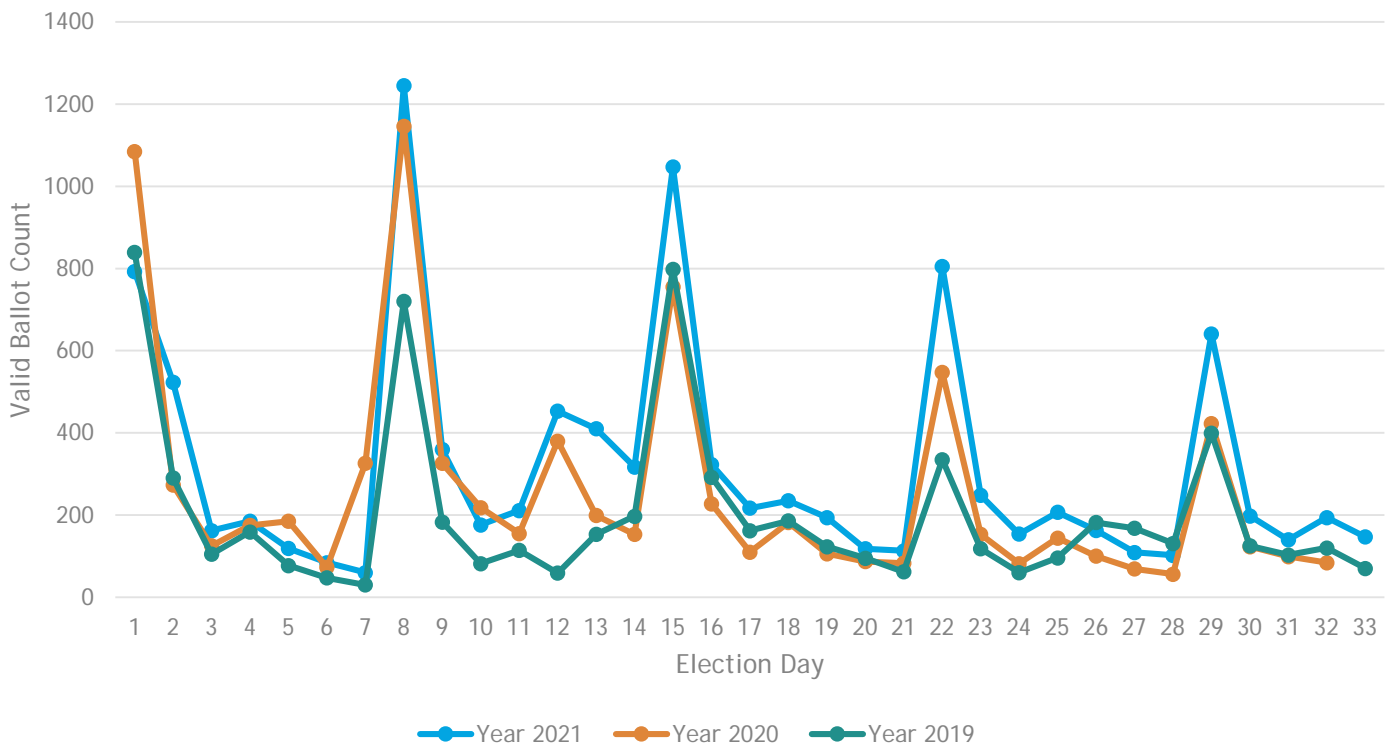
The graph below shows the daily valid ballot counts received per available voting method.



Voting Method	Election Day																																
	4/16	4/17	4/18	4/19	4/20	4/21	4/22	4/23	4/24	4/25	4/26	4/27	4/28	4/29	4/30	5/1	5/2	5/3	5/4	5/5	5/6	5/7	5/8	5/9	5/10	5/11	5/12	5/13	5/14	5/15	5/16	5/17	5/18
Web (Email Link)	790	521	162	182	80	80	60	1184	358	176	203	114	98	77	894	230	114	119	85	50	47	726	184	91	126	83	58	44	572	153	95	116	78
Web (Manual)	3	2	0	3	2	4	0	11	2	0	8	304	312	240	128	93	103	116	88	68	66	65	64	63	81	63	51	58	51	45	45	78	69
Mail	0	0	0	0	37	0	0	50	0	0	0	35	0	0	25	0	0	0	21	0	0	14	0	0	0	17	0	0	18	0	0	0	0
<b>Daily Totals</b>																																	
Daily Count	793	523	162	185	119	84	60	1,245	360	176	211	453	410	317	1,047	323	217	235	194	118	113	805	248	154	207	163	109	102	641	198	140	194	147
Daily Cumulative	793	1,316	1,478	1,663	1,782	1,866	1,926	3,171	3,531	3,707	3,918	4,371	4,781	5,098	6,145	6,468	6,685	6,920	7,114	7,232	7,345	8,150	8,398	8,552	8,759	8,922	9,031	9,133	9,774	9,972	10,112	10,306	10,453

# Historical View of Daily Valid Ballot Counts

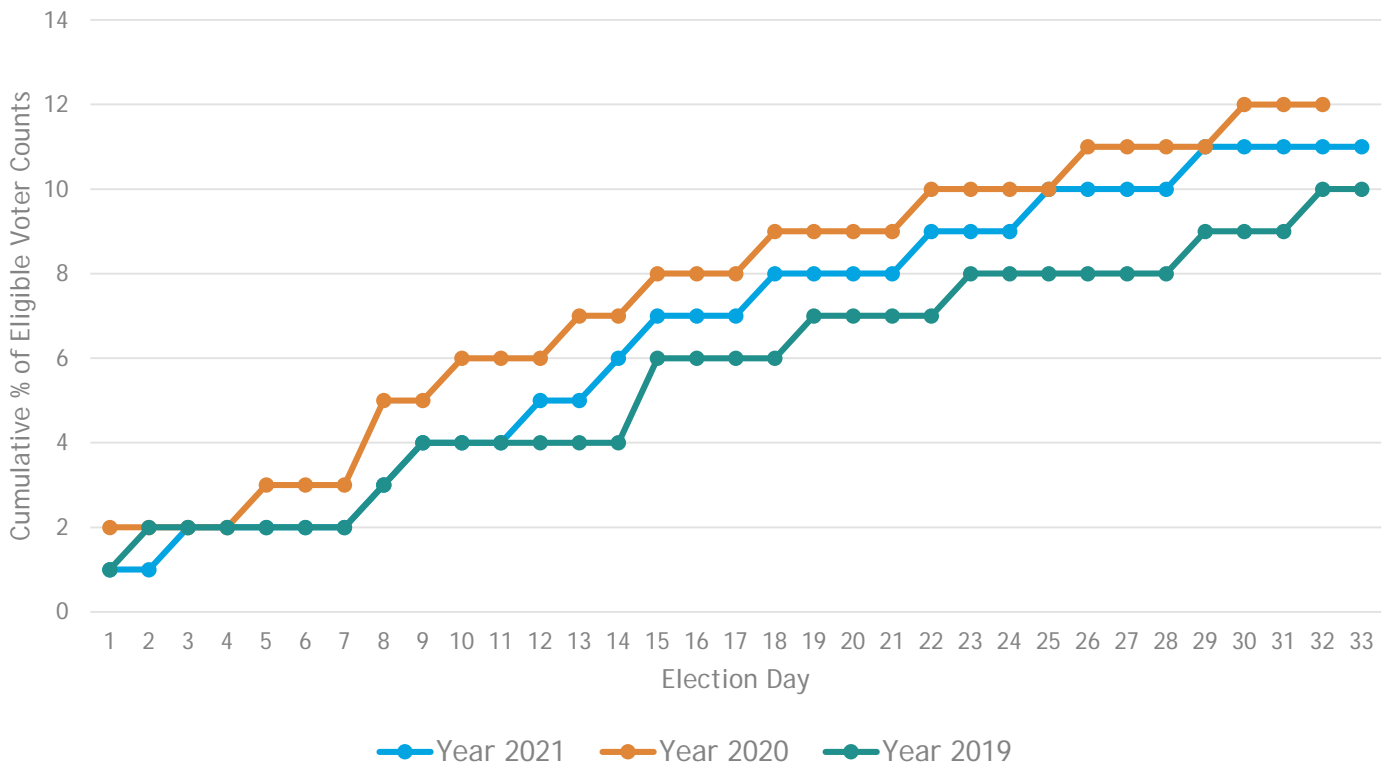
The graph below shows the valid ballot counts received each day for the current and previous two elections.



Election Year	Election Day																																
	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	32	33
2021	793	523	162	185	119	84	60	1,245	360	176	211	453	410	317	1,047	323	217	235	194	118	113	805	248	154	207	163	109	102	641	198	140	194	147
2020	1,085	273	125	175	185	73	326	1,146	326	218	155	380	199	153	755	227	110	182	106	87	83	547	153	82	144	100	69	56	423	123	99	84	
2019	839	290	105	159	77	47	30	720	183	82	114	59	153	197	798	292	162	186	123	95	62	335	118	60	96	182	168	131	399	125	103	120	70

# Historical View of Cumulative Percentage of Valid Eligible Ballot Counts

The graph below shows the daily cumulative percentage of valid eligible voter counts.



Election Year	Election Day																																	
	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	32	33	
2021 (91,556 eligible voters)	1%	1%	2%	2%	2%	2%	2%	3%	4%	4%	4%	5%	5%	6%	7%	7%	7%	8%	8%	8%	8%	9%	9%	9%	10%	10%	10%	10%	11%	11%	11%	11%	11%	
2020 (69,589 eligible voters)	2%	2%	2%	2%	3%	3%	3%	5%	5%	6%	6%	6%	7%	7%	8%	8%	8%	9%	9%	9%	9%	10%	10%	10%	10%	11%	11%	11%	11%	12%	12%	12%		
2019 (69,320 eligible voters)	1%	2%	2%	2%	2%	2%	2%	3%	4%	4%	4%	4%	4%	4%	6%	6%	6%	6%	7%	7%	7%	7%	8%	8%	8%	8%	8%	8%	9%	9%	9%	10%	10%	

# Member Support Activity

BDO managed the Chugach election hotline (907-646-7394; 888-729-4679) and inbox ([chugachelection@bdo.com](mailto:chugachelection@bdo.com)) from 8am – 5pm AKDT, 4/16/2021 through 5/18/2021. The reason for each phone call and email was categorized, as shown in the table below.

Support Category	Hotline	Inbox
Control Number Request	117	42
Email Resent	76	0
Email Updated and Resent	51	0
Paper Ballot Request	36	0
Chugach Customer Service (CCS) Call	32	0
Confirming if Paper or Online Vote Received	20	1
Login Assistance	16	0
Help Finding Election Info Online	8	0
Individual Account Change / Question	7	0
Voting Assistance	6	0
Address Change Forwarded to CCS	3	0
Candidate or Bylaw Information	4	0
Question About Who is Eligible or Required to Vote	4	3
Complaint	4	0
Question About Number of Votes per Account	3	0
Question About Voting Deadline	2	0
Voting Email Not Received	2	10
Unclear - No Subject or Message	2	2
Other	3	0
Name Change Forwarded to CCS	1	0
No Election Material Received	0	6
Question About Prize Eligibility	0	1
<b>TOTAL</b>	<b>397</b>	<b>65</b>

# Prize Drawings


BDO used Chugach election software to randomly generate prize winners for the early bird and grand prize drawings. Only members who voted online and cast their vote before noon AKDT on the day of the drawing were in scope for the early bird drawing. Winners were removed from scope from subsequent early bird drawings. Members in scope for the grand prize drawing included all members who voted before the online deadline, regardless of voting method or previous winnings. Below are the 2021 winners.

Drawing	Date of Drawing	Number of Winners	Winners
Early Bird Drawing #1	April 23 <sup>rd</sup>	2	1. [REDACTED] 2. [REDACTED]
Early Bird Drawing #2	April 30 <sup>th</sup>	2	1. [REDACTED] 2. [REDACTED]
Early Bird Drawing #3	May 7 <sup>th</sup>	2	1. [REDACTED] 2. [REDACTED]
Early Bird Drawing #4	May 14 <sup>th</sup>	3	1. [REDACTED] 2. [REDACTED] 3. [REDACTED]
Grand Prize Drawing	May 18 <sup>th</sup>	2	1. [REDACTED] 2. [REDACTED]

# Voting Metrics

Below is a summary of election activity for the current year and the previous five years.

Metric	Year				
	2021	2020	2019	2018	2017
Total Ballots Cast	10,462	8,262	6,752	6,795	7,441
Valid	10,453	8,249	6,749	6,789	7,436
Invalid	9	13	3	6	5
Total Mail Ballots Received	226	205	170	155	172
Valid Mail	217	192	167	149	167
Invalid Mail	9	13	3	6	5
Total Valid Online Ballots Received	10,236	8,057	6,508	6,565	7,200
Paper Ballots Sent After Initial Mailout	104	48	58	22	84
Member Requested	95	35	55	15	79
Not Signed	3	2	1	2	1
Invalid Signature	2	9	2	5	3
No Application on File	2	2	0	0	0
Other (e.g., already voted)	2	0	0	0	1
Resent Email Notifications (manual and bulk upload)	1,129	487	420	334	1,389
Remaining Email Bounces	2,066	374	N/A	N/A	N/A
Total Email Changes	1,002	791	538	422	N/A
Ballots Received After Mail-In Deadline	1,277	697	135	604	670
Paper	0	0	0	0	0
Online	1,277	697	135	604	670
Member Support Activity	462	334	501	63	88
BDO Hotline Calls	397	244	475	57	74
BDO Inbox Email	65	90	26	6	14
Replacements/Corrections Made by Committee	0	0	4	2	7
Cut/Torn Ballot	0	0	2	1	3
Mismarked	0	0	2	1	4
Incorrect Ink Color	0	0	0	0	0
Over-vote	0	0	0	0	0
Annual Meeting - Members Registered	208	140	244	246	224
Annual Meeting - In-Person Ballots Issued	N/A	N/A	77	82	71
Annual Meeting - In-Person Ballots Cast	N/A	N/A	74	75	69
Percentage of eligible members that voted	11.43%	11.87%	9.74%	9.87%	10.81%
Percentage of eligible members with valid ballot	11.42%	11.85%	9.74%	9.86%	10.80%
% of valid ballots submitted via Internet	97.92%	97.67%	96.43%	96.70%	96.83%
% of valid ballots submitted via paper	2.08%	2.33%	2.47%	2.19%	2.25%
% of valid ballots submitted in person	0%	0%	1.10%	1.10%	.93%



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**TO:** Board of Directors

**FROM:** Lee Thibert, Chief Executive Officer

**DATE:** June 16, 2021

**SUBJECT:** *Railbelt Electric Utility Bill Comparison: Second Quarter 2021*

This memo summarizes the electric bill totals among the Railbelt utilities for retail rates effective second quarter, 2021. The comparison is based on typical monthly usage levels in the residential, small commercial and large commercial rate classes.

Chugach Electric Association, Inc.'s (Chugach) North District bill levels are the lowest in the Railbelt. As compared to Chugach South District, the residential, small general service and large general service bill levels of Chugach North District are lower by 10 percent, 9 percent and 19 percent, respectively. Matanuska Electric Association, Inc.'s (MEA) bill levels are 1.5 percent lower, 13 percent higher and 0.3 percent lower than Chugach South District, respectively. Golden Valley Electric Association, Inc.'s (GVEA) bill levels are 23 percent, 44 percent and 18 percent higher than Chugach South District. Homer Electric Association, Inc.'s (HEA) bill levels for residential, small general service, and large general service are higher by 28 percent, 49 percent, and 41 percent, respectively. These results are listed in Table 1 on page 2.

On a total bill basis, which includes base rates, fuel and purchased power rates, and state taxes, the total bill for a Chugach residential customer using 600 kWh is \$116.46 for the North District and \$129.25 for the South District. These compare with bill levels of \$127.28 for MEA, \$158.94 for GVEA, and \$165.44 for HEA.

Table 1 below summarizes the bill totals of each utility in relation to the prior quarter and to the Chugach South District.



Customer Class	Chugach South	Chugach North	MEA	GVEA	HEA
Residential total based on 600 kWh	\$129.25	\$116.46	\$127.28	\$158.94	\$165.44
Cost per kWh	\$0.215	\$0.194	\$0.212	\$0.265	\$0.276
Change from prior quarter	1.5%	(0.8%)	(1.6%)	1.2%	(1.2%)
Difference from Chugach South bill	----	(9.9%)	(1.5%)	23.0%	28.0%
Small General Service total based on 1,250 kWh	\$221.63	\$202.25	\$251.09	\$319.53	\$331.22
Cost per kWh	\$0.177	\$0.162	\$0.201	\$0.256	\$0.265
Change from prior quarter	1.8%	(0.9%)	(1.6%)	1.3%	(1.2%)
Difference from Chugach South bill	----	(8.7%)	13.3%	44.2%	49.4%
Large General Service Secondary total	\$4,828.69	\$3,915.99	\$4,813.77	\$5,693.80	\$6,815.68
Cost per kWh	\$0.172	\$0.140	\$0.172	\$0.203	\$0.243
Change from prior quarter	1.9%	(1.1%)	(1.9%)	1.6%	(1.4%)
Difference from Chugach South bill	----	(18.9%)	(0.3%)	17.9%	41.1%

<sup>1</sup> Bill totals are based on tariffed rates including the Regulatory Cost Charge and Gross Revenue Tax. 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 residential and small general service bill totals are based on energy purchases of 600 kWh and 1,250 kWh, respectively. The large general service bill totals are based on 28,000 kWh and 71kWh, and do not reflect impacts associated with the tariffed demand ratchet for Chugach North District and GVEA. Bill comparisons include all approved and pending fuel and purchased power rates effective April 1, 2021.

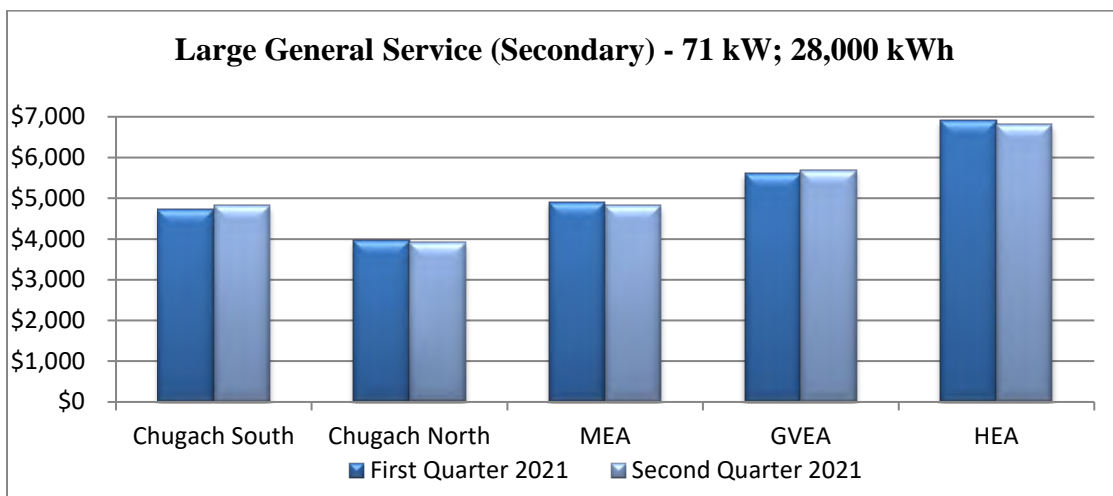
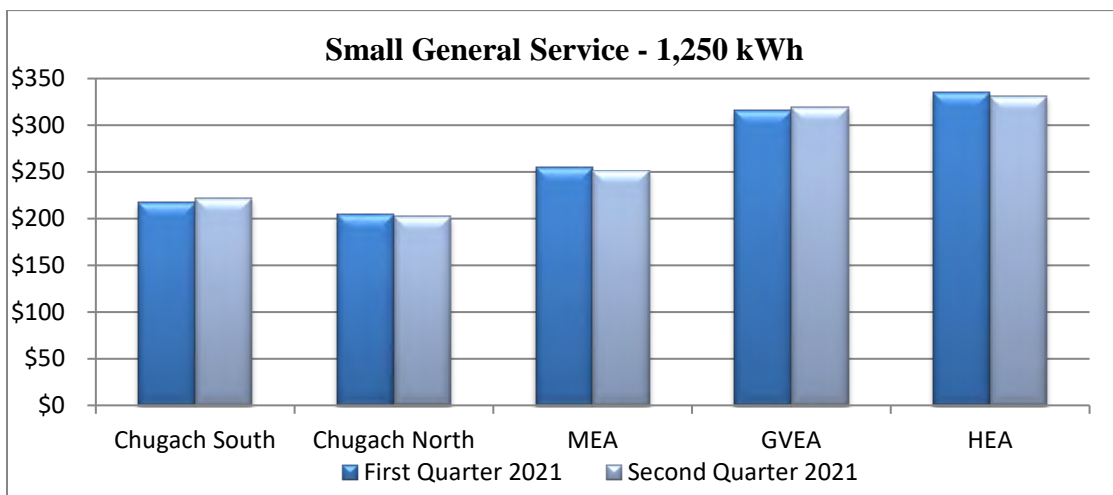
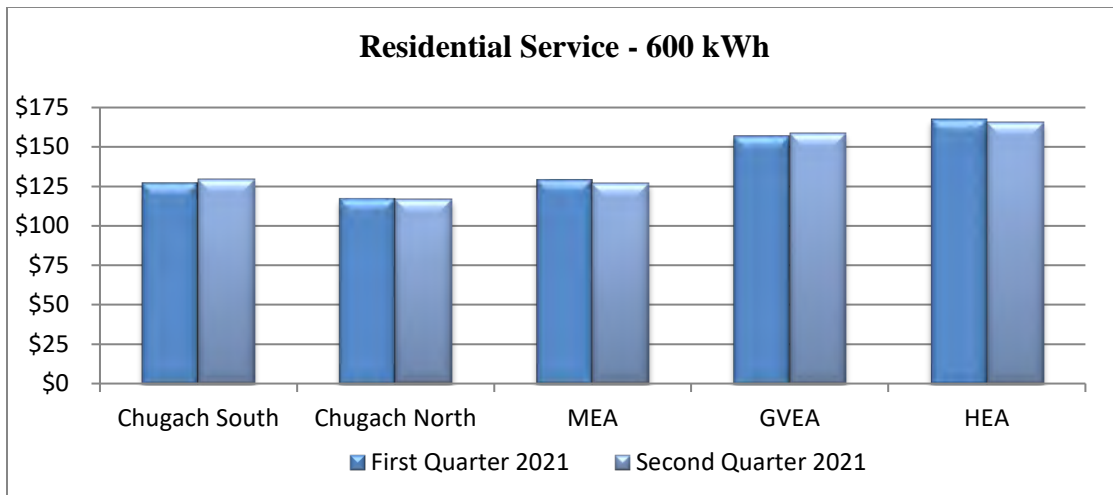
Below is a summary of the primary drivers of the rate changes for the residential class. In general, these changes are similarly applicable to changes in the commercial classes.

- The average Chugach South District residential bill increased 1.5 percent due to an increase in the cost of power adjustment factor and an increase in the Beluga River Unit (BRU) Contributed Capital surcharge. Chugach North District residential bill levels decreased 0.8 percent due to the combined effects of the same cost of power adjustment factor as the South District, which was more than offset by an increase in both the BRU Contributed Capital and the Restricted Rate Reduction (RRR) account rebates. The base energy rates remain unchanged for both Chugach districts.
- MEA residential bill levels decreased 1.6 percent due to a decrease in the cost of power adjustment factor. The base energy rates remain unchanged.
- GVEA residential bill levels increased 1.2 percent due to an increase in the cost of power adjustment factor. The base energy rates remain unchanged.
- HEA residential bill levels decreased 1.2 percent due to a decrease in the cost of power adjustment factor. The base energy rates remain unchanged.

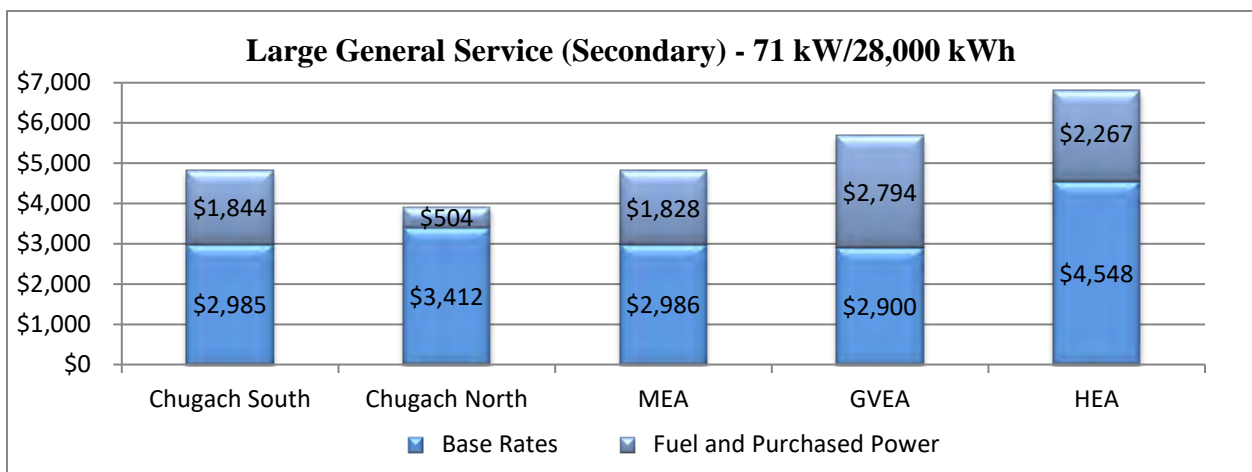
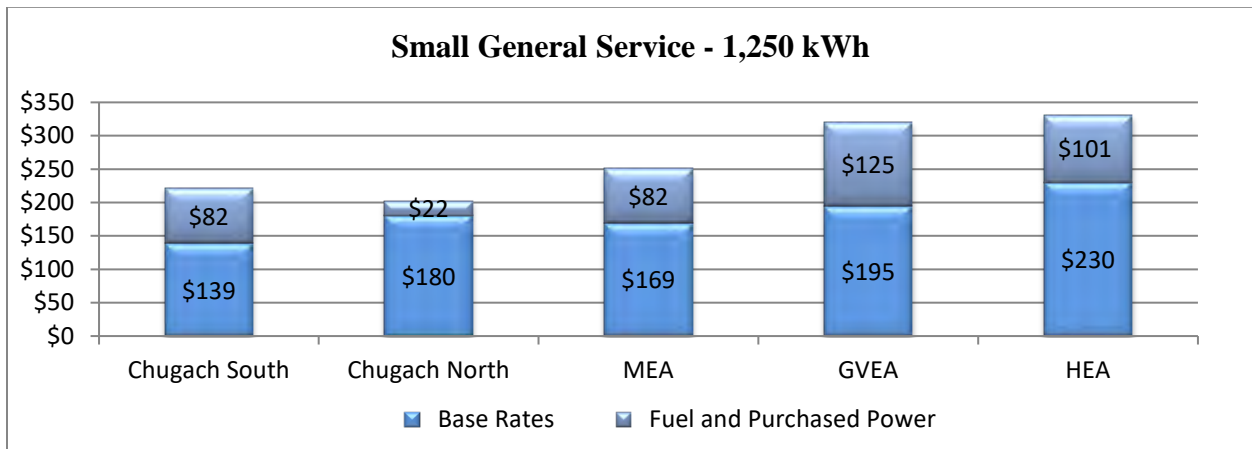
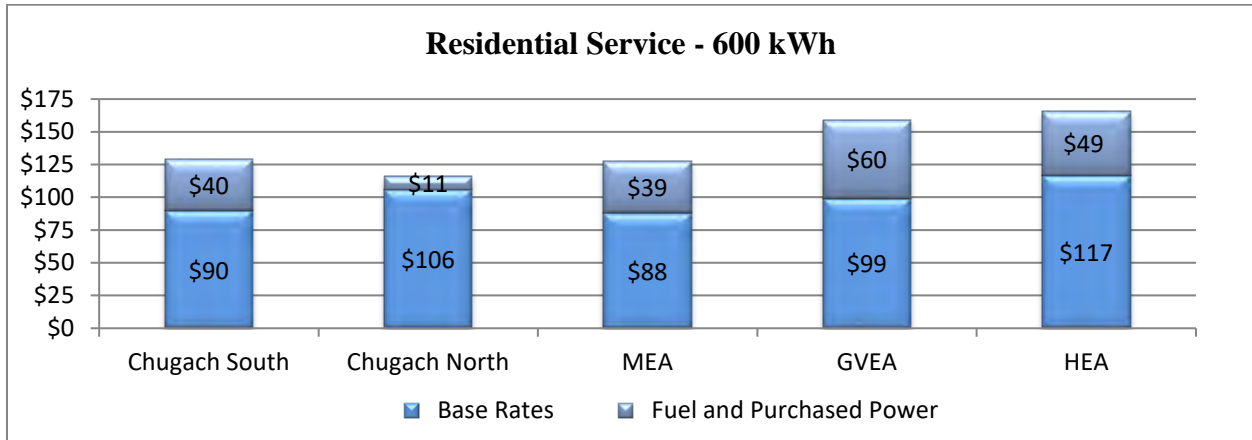
**Figures 1 through 4**

The graphs on the following pages provide additional comparisons of Railbelt utility rates. Figure 1 compares bill totals between first quarter 2021 and second quarter 2021. Figure 2 expands the comparison by separately identifying the base rate component and the fuel and purchased power components of each utility this quarter. Figures 3A and 3B summarize Chugach's South and North Districts' respective 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.

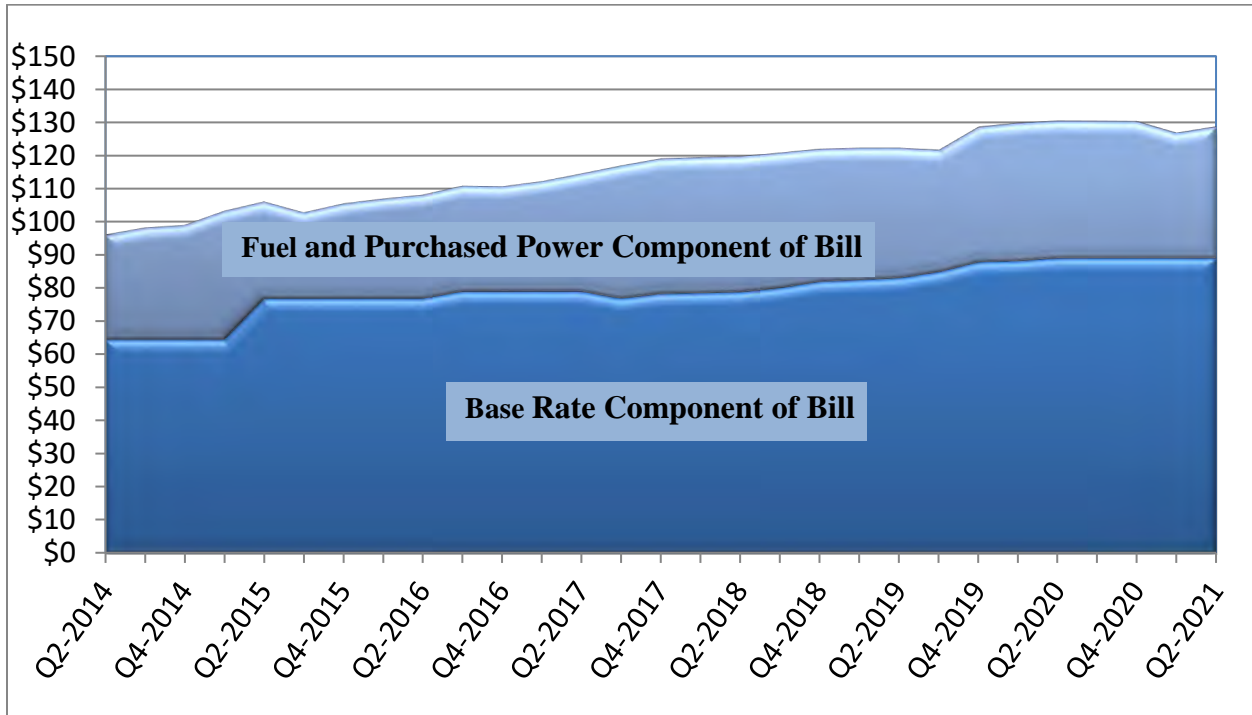
**Figure 1: Retail Electric Bill Totals by Utility  
 Comparing First Quarter 2021 and Second Quarter 2021<sup>1</sup>**



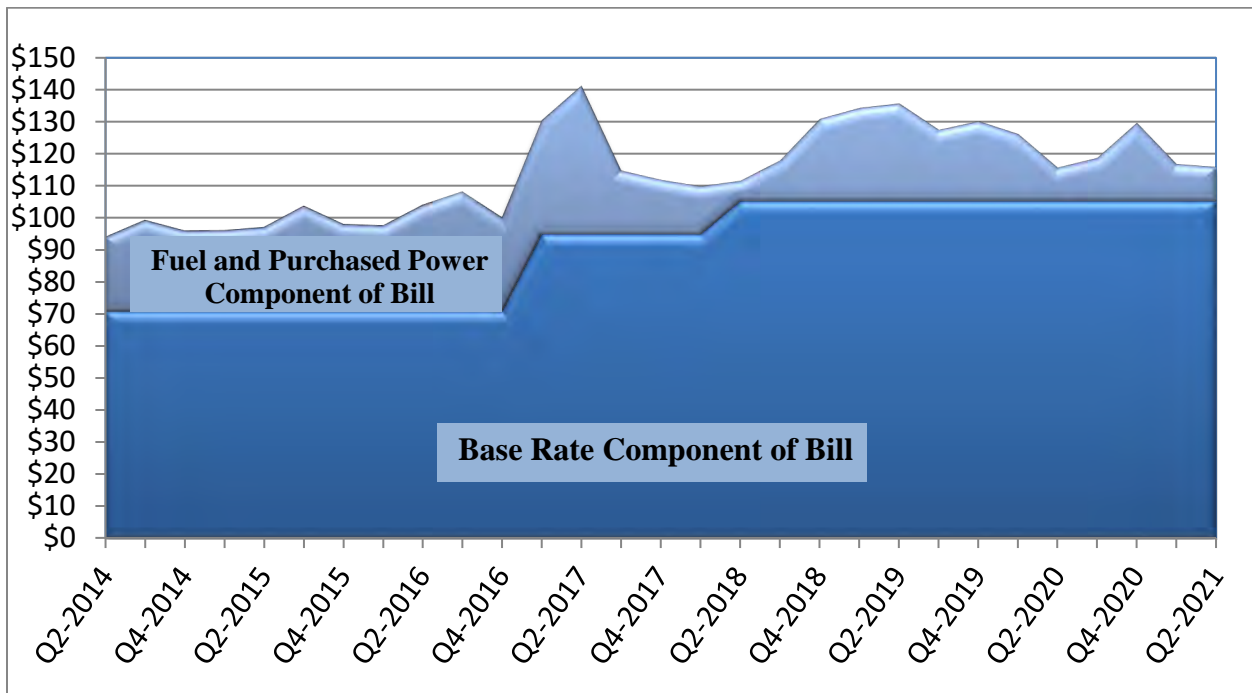
**Figure 2: Base Rate and Fuel and Purchased Power Components  
 Bill Totals – Second Quarter 2021<sup>1</sup>**



**Figure 3A: Chugach South Quarterly Residential Bill Total History  
 Based on 600 kWh Consumption<sup>2</sup>**

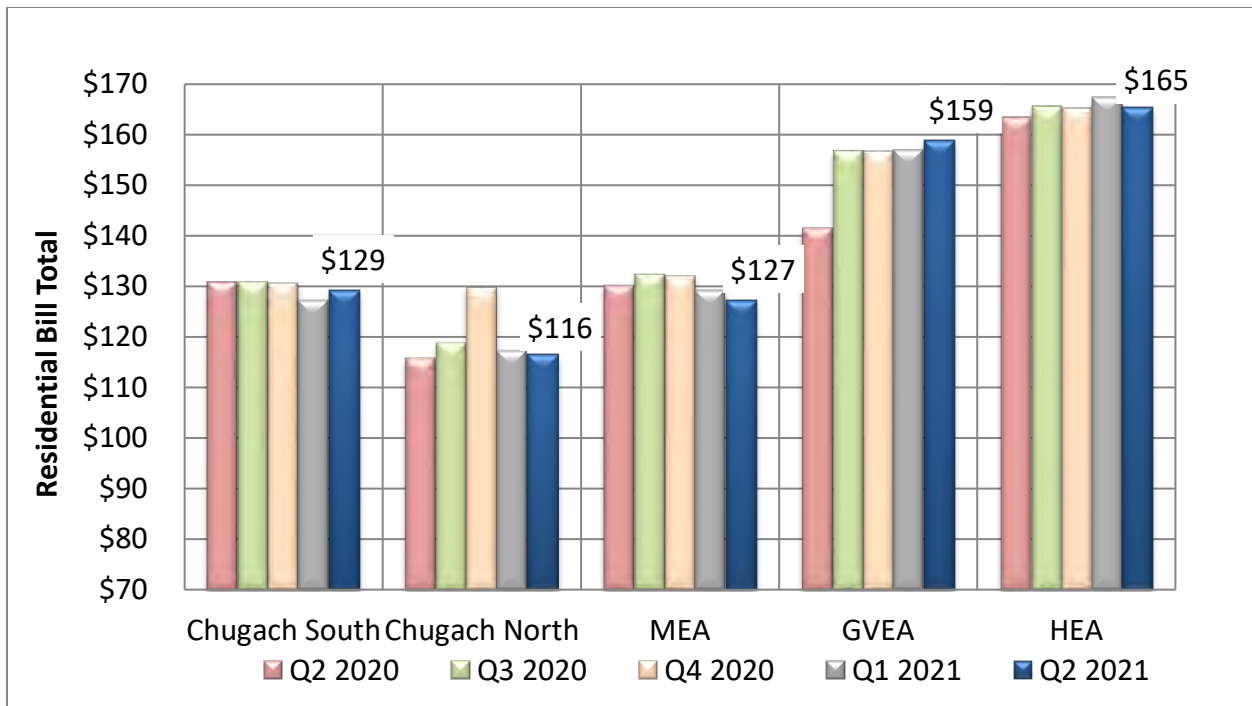


**Figure 3B: Chugach North Quarterly Residential Bill Total History  
 Based on 600 kWh Consumption<sup>2</sup>**



<sup>2</sup>Figure 3A includes the BRU Contributed Capital Surcharge effective Q1 2021. Figure 3B includes the BRU Contributed Capital Rebate and RRR Rebate effective Q1 2021. These are reflected in the fuel and purchased power component of the total bill.

**Figure 4: Railbelt Electric Utility Residential Bill Levels (600 kWh)  
 Second Quarter 2020 through Second Quarter 2021<sup>3</sup>**



<sup>3</sup>The Chugach South District includes the BRU Contributed Capital Surcharge beginning in Q1 2021. The Chugach North District includes the BRU Contributed Capital Rebate and RRR Rebate beginning in Q1 2021.

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**June 23, 2021**

**ACTION REQUIRED**

**AGENDA ITEM NO. IX.A.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

Update Bank Signature Cards

**DISCUSSION**

The Board of Directors elected new officers at the May 26, 2021 Regular Board Meeting.

There have been some management staffing changes in the Accounting department. With the election of new officers and staffing changes it is necessary to update the Corporate Authorization Resolution for signing and endorsing checks and other documents of a substantially similar type and purpose.

Management is recommending the Board of Directors approve the attached resolution updating the bank signature cards to reflect the new Board officers and changes to Accounting management personnel.

**MOTION**

Move that the Board of Directors approve the attached resolution updating the bank signature cards based on the election of officers at its May 26, 2021, Regular Board of Directors' Meeting and changes in accounting management personnel.



## RESOLUTION

### Bank Signature Cards

WHEREAS, the Board of Directors has elected new officers and staffing changes in the Accounting Department necessitate a change to our Corporate Authorization Resolution for signing and endorsing checks; and

NOW, THEREFORE, BE IT RESOLVED, that the Corporate Authorization Resolution for signing and endorsing checks is adopted; and

BE IT FURTHER RESOLVED, the Chief Executive Officer is authorized and directed to execute the Certified Copy of the Corporate Resolution for signing and endorsing checks and signature cards attached hereto or other documents of a substantially similar type and purpose.

## CERTIFICATION

I, James Henderson, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 23<sup>rd</sup> day of June, 2021; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation on the 23<sup>rd</sup> day of June 2021.

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Secretary



**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**June 23, 2021**

**ACTION REQUIRED**

**AGENDA ITEM NO. IX.B.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

Appointment of NRECA Voting Delegate and Alternate

**DISCUSSION**

The voting delegate and alternate to the NRECA meetings are chosen from those who will be participating.

The NRECA voting delegate was Stuart Parks and the current alternate is Mark Wiggin.

**MOTION**

**Motion 1:**

Move that the Board of Directors appoint \_\_\_\_\_ as the NRECA Voting Delegate.

**Motion 2:**

Move that the Board of Directors appoint \_\_\_\_\_ as the NRECA Voting Alternate.

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**June 23, 2021**

**ACTION REQUIRED**

**AGENDA ITEM NO. IX.C.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

Appointment of CFC Voting Delegate and Alternate

**DISCUSSION**

The voting delegate and alternate to the CFC meetings are chosen from those who will be attending.

The CFC voting delegate was Stuart Parks and the current alternate is Mark Wiggin.

**MOTION**

**Motion 1:**

Move that the Board of Directors appoint \_\_\_\_\_ as the CFC Voting Delegate.

**Motion 2:**

Move that the Board of Directors appoint \_\_\_\_\_ as the CFC Voting Alternate.

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**June 23, 2021**

**ACTION REQUIRED**

**AGENDA ITEM NO. IX.D.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

2020 Capital Credit Allocations

**DISCUSSION**

Chugach Electric Association, Inc.'s (Chugach) Bylaws provide that at the end of each fiscal year the amount of capital furnished by each patron be clearly reflected and credited to the appropriate capital account of each patron. For calendar year 2020, Chugach's margins totaled \$4,996,881.

In recognition of Chugach's acquisition of the Municipality of Anchorage d/b/a Municipal Light & Power (ML&P) on October 30, 2020, the assignment of margins was completed in two separate allocation processes. One for margins earned between January 1 and October 29, 2020 (pre-acquisition) and the second for margins earned between October 30 and December 31, 2020 (post-acquisition). Table 1 below summarizes the 2020 allocations for all functional classes on the Chugach system:

<b>Table 1: Allocation of 2020 Margins</b>				
	South District	North District	Total	Percentage
Retail - G&T	\$2,259,768	\$366,595	\$2,626,363	52.6%
Retail - Distribution	\$2,231,931	\$96,265	\$2,328,196	46.6%
Wholesale - Seward	\$42,322	---	\$42,322	0.8%
Total	\$4,534,021	\$462,860	\$4,996,881	100.0%

The 2020 allocations are calculated based on revenue, revenue requirements and adjusted ratemaking margin levels established by the Regulatory Commission of Alaska (Commission).

The North and South District allocations reflect the Commission approved revenue requirement and cost of service study for rates effective during calendar year 2020.

Chugach Board Policy 304 (Capital Credit Policy) requires that Chugach provide notification to its members of the amount of their capital credits allocated for the preceding year within eight and one-half months following each fiscal year. After approval of the allocations, each member will receive individual notice by August 15, 2021 of their allocation amount and an explanation of Chugach's capital credit program. In addition, the capital credit amounts allocated will be identified on each retail customer bill and a general notice of the allocations will be posted on Chugach's website. Members using Chugach's "My Account" member engagement portal will be able to view their total accumulated capital credit allocations through December 2020.

### **MOTION**

Move that the Board of Directors approve the attached Resolution authorizing 2020 capital credit allocations in the amounts of \$4,491,699 to South District retail members, \$42,322 to Seward Electric System, and \$462,860 to North District retail members.



## RESOLUTION

### 2020 Capital Credit Allocation

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

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

WHEREAS, Chugach's system patronage capital (margins) based on calendar year 2020 operating results totals \$4,996,881;

WHEREAS, Chugach acquired the Municipality of Anchorage d/b/a Municipal Light & Power (ML&P) on October 30, 2020;

WHEREAS, in recognition of Chugach's acquisition of ML&P, the 2020 margin assignments were completed under two separate allocation processes: One for margins earned between January 1 and October 29, 2020 (pre-acquisition) and the second for margins earned between October 30 and December 31, 2020 (post-acquisition);

WHEREAS, the 2020 allocation provides that Chugach South District retail members shall be allocated \$4,491,699, Seward Electric System shall be allocated \$42,322, and North District retail members shall be allocated \$462,860; and,

WHEREAS, after approval of the 2020 allocation, Chugach shall notify each member of their allocated amount through individual notice not later than August 15, 2021.

NOW, THEREFORE, BE IT RESOLVED, the allocation of 2020 system patronage to the retail and wholesale members of the Association is as follows:

<b>Table 1: Allocation of 2020 Margins</b>				
	South District	North District	Total	Percentage
Retail - G&T	\$2,259,768	\$366,595	\$2,626,363	52.6%
Retail - Distribution	\$2,231,931	\$96,265	\$2,328,196	46.6%
Wholesale - Seward	\$42,322	---	\$42,322	0.8%
Total	\$4,534,021	\$462,860	\$4,996,881	100.0%

**CERTIFICATION**

I, James Henderson, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 23rd day of June 2021; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the 23rd day of June 2021.

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Secretary

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**June 23, 2021**

**ACTION REQUIRED**

**AGENDA ITEM NO. IX.E.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

Authorizing Amendment of the Retirement Security (RS) Plan consistent with provisions of the Asset Purchase Agreement.

**DISCUSSION**

Through the Asset Purchase Agreement and the Board of Directors approval and acceptance of the Asset Purchase Agreement, Chugach Electric was authorized to waive the one year waiting period and provide eligibility for former ML&P non-represented employees for the Retirement Security Plan offered through NRECA. The RS Plan is currently providing the authorized retirement benefits to those employees as required. The attached resolution and updated adoption agreement affirm the Board's awareness of the previously approved change and update the RS Plan administratively.

**MOTION**

Move that the Board of Directors approve the attached resolution and authorize Lee Thibert, CEO, to execute all necessary documents and to take any and all further actions necessary to carry out the intentions of the Board as indicated in the attached resolution.



## RESOLUTION

### **Authorizing the Amendment of the Retirement Security Plan RUS#: 02009-001**

**WHEREAS**, Chugach Electric Association, Inc. is participating in the NRECA sponsored defined benefit plan, the Retirement Security Plan (the “RS Plan”); and,

**WHEREAS**, Chugach Electric Association, Inc. and the city of Anchorage reached an agreement for Chugach Electric Association, Inc. to acquire the assets, territory and employees associated with Anchorage Municipal Light & Power effective October 30, 2020; and,

**WHEREAS**, it was also agreed that the former employees of Anchorage Municipal Light and Power who were not covered by a collective bargaining agreement would become eligible participants in the RS Plan as soon as administratively feasible by allowing prior predecessor employment service to count towards meeting eligibility and vesting requirements to participate in the RS Plan; and,

**WHEREAS**, the Board of Directors of Chugach Electric Association, Inc. (“the Board”) now desires to amend this Plan pursuant to Section 18.02 of the RS Plan document and does hereby authorize the amendments retroactive to November 1, 2020, by executing the appropriate Adoption Agreement;

**THEREFORE BE IT RESOLVED**, that the eligibility to participate in the RS Plan shall be updated to include Employees not covered by a collective bargaining agreement who were employed by Anchorage Municipal Light & Power and acquired by Chugach Electric Association, Inc., on October 30, 2020.

**BE IT FURTHER RESOLVED**, that for the purposes of section 5.06(e) of the Retirement Security Plan, an Employee shall receive credit towards the eligibility under the Plan for any period the Employee is employed by an entity merged, consolidated or liquidated into Chugach Electric Association, Inc. or any entity, substantially all of the assets of which have been acquired by the Association or which is otherwise considered a predecessor employer under Section 414(a) of the Code.

**BE IT FURTHER RESOLVED**, that the Board does hereby authorize and direct Lee Thibert, the CEO, to execute all necessary documents and to take any and all further actions necessary to carry out the intentions of the Board as indicated in this resolution.

#### CERTIFICATION

I, James Henderson, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 23rd day of June 2021; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the 23rd day of June 2021.

\_\_\_\_\_  
Secretary



## National Rural Electric Cooperative Association Adoption Agreement Retirement Security Plan

CHUGACH ELEC ASSN INC (hereinafter referred to as the Participating System) hereby adopts for its Employees the Retirement Security Plan (Plan) and the Trust under which it is administered, sponsored by the National Rural Electric Cooperative Association (NRECA), effective the first day of January, 1954, and amended effective the first day of November, 2020. The Participating System is bound by all terms and conditions included herein, which are construed in accordance with the Plan and any amendments thereto. The Participating System adopts the following elective Plan provisions:

### 1. Eligibility Requirements

An Employee shall become a Participant in the Plan on the first day of the month coincident with or next following (only **one** applies):

- a.  The date on which the Employee completes \_\_\_ one/ \_\_\_ three/ \_\_\_ six Full Month(s) of Employment or, if earlier, a Year of Eligibility Service.
- b.  The date on which the Employee completes one Year of Eligibility Service.
- c.  The date on which the Employee completes \_\_\_ one/ \_\_\_ three/ \_\_\_ six Full Month(s) of Employment or, if earlier, one Year of Eligibility Service and attains age 21.
- d.  The date on which the Employee completes a Year of Eligibility Service and attains age 21.

**For purposes of Section 1**, an Employee completes the Full Month of Employment requirement when he or she works 84 hours in each month during a one, three or six full calendar month(s) period, as elected, **which do not need to be consecutive**. An Employee completes a Year of Eligibility Service when he or she works 1,000 hours for a Participating System or a related Employer (as defined in Paragraph 5.06 of the Plan) during the first 12 months of employment (or subsequent Calendar Year).

An Employee who was a Participant in the Plan upon termination of employment shall become a Participant on the date of his or her reemployment with the same or another Participating System adopting the Plan if the employee meets the Eligibility Requirements and is part of an Eligible Class of Employees as defined by the subsequent Participating System's Plan Adoption Agreement.

### 2. Eligible Class of Employees

The provisions of the Plan and the Adoption Agreement are applicable to the following class of Employees of the Participating System (only **one** applies):

- a.  All Employees of the Participating System.
- b.  Employees of the Participating System covered under an agreement that is the subject of good faith bargaining between the Participating System and \_\_\_\_\_ Union, which makes the Plan and any amendments thereto available to such Employees.
- c.  Employees of the Participating System not covered by a collective bargaining agreement.
- d.  Other:
  - Non-union Employees

- Non-union Employees who were employed by Anchorage Municipal Light & Power and acquired by Chugach Electric Association on October 30, 2020

An Employee who transfers from the class of Employees specified above to another class of Employees within the Participating System shall, as of the date of transfer, become subject to the provisions of the Adoption Agreement applicable to such other class. The benefits attributable to Years of Benefit Service completed prior to the transfer shall be equal to the Participant's accrued benefit under the Plan, if any, determined as if the Participant had terminated employment on the date immediately prior to the effective date of the transfer and adjusted in the manner described under Section 7.a.ii. of this Adoption Agreement.

### 3. Excluded Class of Employees

Employees of the Participating System described in the following classification(s) shall **not** be eligible to participate in the Plan (**one or more** options may apply):

- Part-time, Temporary, Seasonal Employees who have not completed a Year of Eligibility Service (not permitted if option b. or d. under Section 1 is elected).
- Part-time, Temporary, Seasonal Employees who have not completed a Year of Eligibility Service and attained age 21 (not permitted if option b. or d. under Section 1 is elected).
- Other job classifications. The excluded classifications should be definitely determinable and should not be based on age or length of employment.
- Highly Compensated Employees are excluded from participation in the Plan.

### 4. Years of Eligibility Service Relating to a Merger, Consolidation or Acquisition

This election is needed **only** if Paragraph 5.06(e) of the Plan is applicable.

If Paragraph 5.06(e) of the Plan **applies**, an Employee

- Shall
- Shall **Not**

receive credit for any period the Employee is employed by any entity merged, consolidated or liquidated into a Participating System or any entity, substantially all of the assets of which have been acquired by a System, or which is otherwise considered a predecessor employer under Section 414(a) of the Internal Revenue Code of 1986, as amended (the Code).

### 5. Normal Retirement Date

Normal Retirement Date under the Plan shall be (only **one** applies):

- Age 65: The first day of the month coincident with or next following a Participant's attainment of age 65.
- Age 62: The first day of the month coincident with or next following a Participant's attainment of age 62.
- Age 60: The first day of the month coincident with or next following a Participant's attainment of age 60.

The retirement benefit payable to any Participant, under an age-based plan, whose retirement is postponed beyond his or her Normal Retirement Date pursuant to Paragraph 7.04 of the Plan shall be computed as of the Participant's actual retirement date.

- 30-Year: The first day of the month coincident with or any day thereafter following a Participant's attainment of the earlier of 30 Years of Benefit Service or age 62.

This date will apply to an individual who is a Participant in the Plan on or before January 1, 2017 or is an Employee hired on or before January 1, 2017 and becomes a Participant after completing his or her initial eligibility computation period. For an Employee who is hired after January 1, 2017 and becomes a Participant after that date and who did not have prior Benefit Service with a Participating System, the Normal Retirement Date shall be the first day of the month coincident with or any day thereafter following the Participant's attainment of age 62.

The retirement benefit payable to any Participant under the **30-Year Plan** shall be computed as of (only **one** applies):

- i.  The last day of the month in which the Participant completes 30 Years of Benefit Service under this Plan.
- ii.  The first day of the month in which the Participant's actual retirement date occurs.

**For purposes of Section 5**, any change to the Normal Retirement Date elected by a Participating System shall apply only to individuals who were employees on or after the effective date of the Adoption Agreement making the change. In any case where a Participant is transferred from another Participating System after the change in Normal Retirement Date, the Normal Retirement Date elected hereunder shall apply solely with respect to the benefit earned for Years of Benefit Service subsequent to the date of transfer. In any case where a Participant is transferred from another Participating System before the change in Normal Retirement Date, the Normal Retirement Date definition hereunder shall apply with respect to all Years of Benefit Service under the Plan.

#### 6. Salary Definition (only one applies)

- a.  The definition of **Base Salary** as determined under Subparagraph 2.26.b. (Base Salary in effect on November 15 of the prior year) shall apply in determining benefits under the Plan.
- b.  The definition of Full Salary as determined under Subparagraph 2.26.a. shall apply in determining benefits under the Plan.
  - i.  Full Salary shall be applied only prospectively.
  - ii.  Full Salary shall be applied both retrospectively and prospectively.

#### 7. Normal Retirement Benefits

The retirement benefit payable to a Participant who retires on that person's Normal Retirement Date, computed on a Joint and Spouse Annuity basis, shall be equal to (only **one** applies):

- a.  **GRADUATED BENEFIT:**
  - i. 2.0 % of the Participant's Final Average Effective Salary multiplied by Years of Benefit Service subsequent to the effective date of this Adoption Agreement; **and**
  - ii. The benefit derived from the benefit formula in effect prior to the effective date of this Adoption Agreement, determined as if the Participant had terminated employment with the Employer on the date immediately prior to the effective date of the change in benefit formula (or the date the Participant actually terminated employment with the Employer, if earlier) under Section 12.03 of the Plan.
- b.  **UNIFORM BENEFIT:**  
\_\_\_\_\_ % of the Participant's Final Average Effective Salary multiplied by Years of Benefit Service, but not less than the Participant's frozen accrued benefit, as determined and adjusted in the manner described under Section 7.a.ii.

#### **TIERED BENEFIT:**

The benefit under this Tiered Benefit section shall not be less than the Participant's frozen accrued benefit, as determined and adjusted in the manner described under Section 7.a.ii.

- i.  \_\_\_% of the Participant's Final Average Effective Salary for each of the Participant's Years of Benefit Service subsequent to \_\_\_\_\_, **plus**
- ii.  \_\_\_% of the Participant's Final Average Effective Salary for each of the Participant's Years of Benefit Service on or after \_\_\_\_\_ and prior to \_\_\_\_\_, **plus**
- iii.  \_\_\_% of the Participant's Final Average Effective Salary for each of the Participant's Years of Benefit Service on or after \_\_\_\_\_ and prior to \_\_\_\_\_.

**Years of Benefit Service** (for Uniform or Tiered Benefit purposes):

For the purpose of calculating the Uniform or Tiered Benefit, a Participant's Years of Benefit Service shall include (only **one** applies):

- i.  Only years during which the Employee was a Participant of this Participating System.
- ii.  The date on which the Employee is hired.
- iii.  Years during which the Employee is a Participant plus all years of employment subsequent to the selection below (only **one** applies):
  - a.  From the date on which the Employee completed \_\_one/ \_\_three/ \_\_six Full Month(s) of Employment.
  - b.  From the date on which the Employee completed one Year of Eligibility Service.
  - c.  From the date on which the Employee completed \_\_one/ \_\_three/ \_\_six Full Month(s) of Employment and attained age 21.
  - d.  From the date on which the Employee completed a Year of Eligibility Service and attained age 21.

**Transfers** (for Uniform or Tiered Benefit purposes):

When an Employee transfers from one Participating System to another Participating System (pursuant to 12.03.d of the Plan), the Employee's retirement benefit for Years of Benefit Service with previous System will also be transferred as follows (only **one** applies):

- i.  Shall be computed, with respect to each Participant who transferred prior to \_\_\_\_\_, or on the effective date of this amendment, under the formula elected hereunder, but the Participant's benefit shall never be less than the benefit determined under the formula elected by the Participating System from which the Participant is transferred. The benefits attributable to Years of Benefit Service completed prior to the transfer shall be equal to the Participant's accrued benefit under the Plan, if any, determined as if the Participant had terminated employment on the date immediately prior to the effective date of the transfer and adjusted in the manner described under Section 7.a.ii. of this Adoption Agreement.
- ii.  Shall be limited to the benefit provided under the formula elected by the System from which the Participant is transferred and calculated with reference to the Participant's Final Average Effective Salary (as of the Participant's retirement or other termination of employment), determined under the Adoption Agreement of such Participating System as in effect on the date the Participant ceased to be employed by such System.

## 8. Participant Contributions

Each Participant shall contribute annually 0% of Effective Salary.

A Participating System may not elect to provide for Participant Contributions unless the demographic requirements set forth in Treasury Regulation §1.401(a)(4)-6(a)(b)(2)(ii)(B) are satisfied. In addition, a Participating System that provides for Participant Contributions and elects Full Salary as the definition of Salary in Section 6 of this Adoption Agreement must pass additional nondiscrimination testing requirements.

## 9. Cost-of-living Adjustment

Benefits payable under the Plan (only **one** applies)

- a.  Shall **not** be adjusted for changes in the cost of living.
- b.  Shall be adjusted for changes in the cost of living in accordance with Paragraph 12.01 of the Plan after such benefits are in pay status.

**For purposes of Section 9**, any change to a Participating System's election that constitutes an increase hereunder shall apply only to individuals who were Employees on or after the effective date of the Adoption Agreement making the change. In any case where a Participant is transferred from another Participating System after the election of the cost-of-

living adjustment, the cost-of-living adjustment shall apply solely with respect to the benefit earned for Years of Benefit Service subsequent to the date of transfer unless the Participating System elects to have the formula elected hereunder apply with respect to Years of Benefit Service completed before and after the transfer. In any case where a Participant is transferred from another Participating System before the election of the cost-of-living adjustment, the cost-of-living adjustment shall apply with respect to all Years of Benefit Service under the Plan.

#### **10. Optional 100% Death Benefit (only one applies)**

If elected by a Participating System, the Optional 100% Death Benefit provides a Participant's beneficiary with the option to elect a single cash payment equal to the single cash payment (or an annuity payment in the event Section 11 indicates a Lump Sum is not available) a Participant could have received if he or she had terminated employment on the date of his or her death and elected such a payment.

- a.  No Optional 100% Death Benefit.
- b.  The Participating System hereby adopts for its Employees this optional benefit to the Plan. This option is adopted effective \_\_\_\_.
- c.  The Participating System hereby eliminates for its Employees this optional benefit to the Plan that was effective \_\_\_\_\_. This option is revoked effective \_\_\_\_\_.

#### **11. Single Cash Payment (only one applies)**

Option b. eliminates the ability for Participants to elect a Single Cash Payment of the portion of the benefit accrued to them after the effective date of the change.

- a.  Permitted
- b.  Not permitted for benefits accrued on or after .

#### **12. Quasi-retirement (only one applies)**

Option b. eliminates the ability for Participants to make an election, while still actively employed following the attainment of Normal Retirement Age and if actively employed following the attainment of age 70 1/2, to receive the benefit (as described in Paragraph 7.06 of the Plan) with respect to the portion of the benefit accrued after the effective date of the change.

- a.  Permitted
- b.  Not permitted for benefits accrued on or after .

#### **13. Limitations of Benefits**

If the Participating System maintains or maintained, in addition to this Plan, one or more qualified defined benefit plans, the sum of the annual benefits for any Participant for any limitation year cannot exceed the maximum permissible amount. For definitions of annual benefit and maximum permissible amount, refer to Paragraphs 14.05.d and 14.05.c of the Plan, respectively.

#### **14. Top-Heavy Adjustment**

If the Participating System's Plan is determined to be top-heavy, due to the required aggregation of multiple plans, Section 416 of the Code and Section 22 of the Plan document will apply.

## **15. Hold Harmless and Indemnification Agreement**

This section applies **only** if the Participating System participated in another plan qualified under Section 401(a) of the Code (the Prior Plan) and assets and liabilities of the Prior Plan are transferred to the Plan pursuant to the merger of the Prior Plan and the Plan.

Upon the effective date of the merger, the Participating System agrees to hold harmless and to indemnify NRECA, its officers and directors, the Plan and the I&FS Committee from any and all liability, fines, penalties, loss, damage or expense, including all costs to correct any disqualifying defect or practice, imposed or arising under the Code and from any and all liability, fines, penalties, loss, damage or expense imposed or claim arising under the Employee Retirement Income Security Act of 1974 with respect to the Participating System's participation in the Prior Plan. This Hold Harmless and Indemnification Agreement shall continue in full force and effect without regard to changes or modifications by the Participating System to its Adoption Agreement in the Plan and without regard to the Participating System's termination of participation in the Plan in the future. This Agreement shall inure to the benefit of the Plan, the I&FS Committee and NRECA and its officers, directors and employees and their respective heirs, estates and assigns. This Adoption Agreement incorporates the Merger Agreement between the Plan and the Participating System, effective the date of this Adoption Agreement.

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**16. Signatures**

**IN WITNESS WHEREOF**, the Participating System, by its duly authorized officers, has caused this Agreement to be executed as of the date below.

CHUGACH ELEC ASSN INC  
(Name of Participating System)

By: \_\_\_\_\_  
(Signature of Authorized Officer)

\_\_\_\_\_  
(Title of Officer)

Date: \_\_\_\_\_

**NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION**

By: \_\_\_\_\_

Date: \_\_\_\_\_



**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**June 23, 2021**

**ACTION REQUIRED**

**AGENDA ITEM NO. IX.G.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

Amendment to Interruptible Gas Sale and Purchase Agreement between Hilcorp Alaska, LLC, and Chugach (“Contract CEA-14”)

**DISCUSSION**

On February 3, 2021, Chugach executed Contract CEA-14 with Hilcorp. Contract CEA-14 is fully interruptible and does not obligate Chugach to make any purchases unless desired in Chugach’s sole discretion. Contract CEA-14 is primarily necessary to make non-firm economy energy sales to GVEA. The cost of any gas purchased under Contract CEA-14 to make economy energy sales to GVEA is fully reimbursed by GVEA.

On February 24, 2021, the Chugach Board of Directors authorized the Chief Executive Officer to approve purchase orders under Contract CEA-14 cumulatively in excess of \$1,000,000 net to the Association. On June 14, 2021, Contract CEA-14 was amended to extend the term. The termination date was changed from August 31, 2021, to January 31, 2022. Chugach management seeks authorization for the Chief Executive Officer to approve additional purchase orders under amended Contract CEA-14 cumulatively in excess of \$1,000,000 net to the Association.

**MOTION**

Move that the Board of Directors authorize the Chief Executive Officer to approve additional purchase orders under the amended Contract CEA-14 cumulatively in excess of \$1,000,000 net to the Association.

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**June 23, 2021**

**ACTION REQUIRED**

**AGENDA ITEM NO. IX.H.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

Gas Sale and Purchase Agreement between Furie Operating Alaska, LLC, and Chugach.

**DISCUSSION**

Chugach's existing gas agreement with Furie expires on or before September 30, 2021. Chugach management seeks to enter into a new gas supply agreement with Furie. The new gas supply agreement does not obligate Chugach to make any purchases unless desired in Chugach's sole discretion and provides for purchase of firm and interruptible gas supplies as mutually agreed to. The new gas agreement is primarily to make non-firm economy energy sales to GVEA. The gas purchased and used to make economy energy sales to GVEA is fully reimbursed by GVEA. The term is July 1, 2021, through March 31, 2023.

**MOTION**

Move that the Board of Directors authorize the Chief Executive Officer to execute the Chugach-Furie Gas Sale and Purchase Agreement with an effective date of July 1, 2021, as discussed in Executive Session.