

CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA

REGULAR BOARD OF DIRECTORS' MEETING

AGENDA

Bettina Chastain, Chair
Susan Reeves, Vice Chair
Rachel Morse, Treasurer
Stuart Parks, Secretary

Harry T. Crawford, Director
Jim Henderson, Director
Sisi Cooper, Director

June 27, 2018

4:00 p.m.

Chugach Boardroom

I. CALL TO ORDER

- A. *Pledge of Allegiance*
- B. *Roll Call*
- C. *Safety Minute – “Grill/Propane Safety” (Freeman)*

II. APPROVAL OF THE AGENDA*

III. PERSONS TO BE HEARD

- A. *Member Comments*

IV. CONSENT AGENDA*

- A. *Board Calendar*
- B. *Training and Conferences*
 - 1. *2018 NRECA Region 9 Meeting, September 25-27, 2018, Anchorage, AK
(Deadline for conference registration is August 1, 2018)*
 - 2. *Director Winter School, November 30 – December 5, 2018, Nashville, TN
(Deadline for conference and hotel registration is October 29, 2018)*
- C. *Minutes*
 - 1. *May 23, 2018, Regular Board of Directors' Meeting (Quezon-Vicente)*
- D. *Director Expenses*
- E. *Update Bank Signature Cards (Housekeeping)*

V. CEO REPORTS AND CORRESPONDENCE

- A. *April 2018 Financial Statements and Variance Report (Harris/Curran)*
- B. *2018 Annual Meeting and Election Report (Kurka/Miller)*
- C. *2019 Annual Meeting Plan Discussion (Wiggers/Andrews)*
- D. *2nd Quarter 2018 Utility Bill Comparison (Skaling/Miller)*

VI. DIRECTOR REPORTS

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

- B. *Renewable Energy Alaska Project (REAP) Report*
- C. *Accelerated Transition Plan Moving to 100% Renewable Energy with Zero Emissions – Report from Director Henderson*
- D. *Board Committee Reports (Audit and Finance, Operations, & Governance)*
- E. *Other Meeting Reports*

VII. UNFINISHED BUSINESS (*none*)

VIII. NEW BUSINESS* (*scheduled*)

- A. *2017 Capital Credit Allocations* (Kornmuller/Miller)*

IX. EXECUTIVE SESSION* (*scheduled*)

- A. *Alaska Power Association (APA) Membership*
- B. *Stand for Alaska Coalition*
- C. *2018 CEO Performance Scorecard and Project Specific Initiatives*
- D. *1st Quarter 2018 Fire Island Wind Report*
- E. *Review of Request for Information Protocols*
- F. *Board Policy (BP) Scheduled Tasks:*
 - 1. *BP 100 – Code of Ethics (Annual Review)*
 - 2. *BP 103 – Duties and Responsibilities of the Board of Directors (Annual Review)*
 - 3. *BP 106 – Director Duties and Standards of Conduct (Annual Review)*
 - 4. *BP 401 – 2nd Quarter 2018 Business Development and Sustainability Report (Skaling/Miller)*
- G. *On-Going Strategic Matters*
 - 1. *Initiatives Under Consideration*
 - 2. *Outstanding Risks to the Association*
- H. *ML&P Acquisition*

X. NEW BUSINESS* (*scheduled*)

- A. *ML&P - Approval of the Integration Consulting Agreement* (Fouts)*
- B. *ML&P - Authorization to Negotiate Asset Purchase Agreement for Potential Acquisition** (Miller)*
- C. *ML&P - Schedule for the Negotiation of Asset Purchase Agreement for Potential Acquisition** (Miller)*
- D. *2018 CEO Performance Scorecard and Project Specific Initiatives** (Board)*
- E. *Director Vacancy* (Board)*

XI. DIRECTOR COMMENTS

XII. ADJOURNMENT*

* *Denotes Action Items*

** *Denotes Possible Action Items*

Barbecue Safety



Some Facts:

2

- ▶ Outdoor grilling causes about 8900 home fires per year.
- ▶ 61% of households own a grill.
- ▶ July is peak month for barbecue related fires.
- ▶ About 16,000 people go to the emergency because of injuries involving grills.
- ▶ Children under 5 account for 1/3 of injures.



Barbecue Safety: Dos

3

- ▶ 1. Keep your grill at least 10 feet away from your house.
- ▶ 2. Clean your grill regularly.
- ▶ 3. Make sure your grill is stable.
- ▶ 4. Check for gas leaks.
- ▶ 5. Keep decorations away from your grill.
- ▶ 6. Keep a spray bottle of water handy.
- ▶ 7. Keep a fire extinguisher within a couple steps of your grill.
KNOW HOW TO USE IT.



Barbecue Safety: Don'ts

4

- ▶ 1. Turn on the gas while your grill lid is closed.
- ▶ 2. Leave a grill unattended.
- ▶ 3. Overload your grill with food. This applies especially fatty meats. The basic reason for this tip is that if too much fat drips on the flames at once, it can cause a large flare-up that could light nearby things on fire.
- ▶ 4. Use a grill indoors. People often think it will be safe to use a grill, especially a small one, indoors. NOT TRUE. In addition to the fire hazard, grills release carbon monoxide, the deadly colorless, odorless gas. That gas needs to vent in fresh air or it can kill you, your family and pets.



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- D. *2018 CEO Performance Scorecard and Project Specific Initiatives** (Board)*
- E. *Director Vacancy* (Board)*

XI. DIRECTOR COMMENTS

XII. ADJOURNMENT*

June 2018

May 2018						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

July 2018						
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22	23	24	25	26	27	28
29	30	31				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				<ul style="list-style-type: none"> 1:00PM - 3:30PM ARCTEC Mtg (Crawford & Henderson) (APA Board Room) 		
27	28	29	30	31	1	2
<ul style="list-style-type: none"> 1:00PM - 5:00PM Chugach Picnic (Alaska Zoo) 						
3	4	5	6	7	8	9
			<ul style="list-style-type: none"> 1:30PM - 2:30PM Mtg w/ Thibert - Review Agenda's (Chastain/Reeves) (LDT's Office) 2:30PM - 3:30PM Ad Hoc - 2018 CEO Performance Scorecard (Chastain, Reeves, Crawford, Parks) (BoardroomCR) 			
10	11	12	13	14	15	16
				<ul style="list-style-type: none"> 9:00AM - 11:00AM ARCTEC Mtg (Crawford/Henderson) (APA Board Room) 	NRECA Summer Schools... ♦ Coeur D' Ale <ul style="list-style-type: none"> 9:00AM - 10:00AM Bi-Weekly Update on ML&P Acquisition Efforts (Chastain/Parks) (BoardRoomCR) 12:00PM - 2:30PM NRECA Resolutions Committee (Reeves) (Live Web Stream) 	
17	18	19	20	21	22	23
NRECA Summer Schools for Directors (West) ♦ Coeur D' Alene, ID						
	<ul style="list-style-type: none"> 1:00PM - 2:30PM (Reeves & Chastain) Mtg w/Doug Robbins (Renewable Energy) (Cafe Del Mundo (229 E. 58th Avenue) 4:00PM - 7:00PM Operations Committee Meeting (BoardroomCR) 		<ul style="list-style-type: none"> 4:00PM - 8:00PM Regular Board of Directors Meeting (BoardroomCR) 		<ul style="list-style-type: none"> 9:30AM - 2:30PM Board Trip to Beluga - Unit 3 Outage (Grant Aviation) 	
24	25	26	27	28	29	30

July 2018

June 2018							August 2018						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2				1	2	3	4
3	4	5	6	7	8	9	5	6	7	8	9	10	11
10	11	12	13	14	15	16	12	13	14	15	16	17	18
17	18	19	20	21	22	23	19	20	21	22	23	24	25
24	25	26	27	28	29	30	26	27	28	29	30	31	

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			Independence Day			
1	2	3	4	5	6	7
		<ul style="list-style-type: none"> 10:00AM - 12:00PM Mtg w/Sherri & Rachel Morse (Morse) (SH Highers) 	<ul style="list-style-type: none"> 2:00PM - 4:00PM REAP - Future of Solar (CIRI Conference Room (725 E. Fireweed Ln)) 4:00PM - 6:00PM Audit and Finance Committee Meeting - Internal Controls (BoardRoomCR) 		<ul style="list-style-type: none"> 9:00AM - 10:00AM Bi-Weekly Update on ML&P Acquisition Efforts (Chastain/Parks) (BoardroomCR) 	
8	9	10	11	12	13	14
					<ul style="list-style-type: none"> 9:00AM - 10:00AM Bi-Weekly Update on ML&P Acquisition Efforts (Chastain/Parks) (BoardRoomCR) 	
15	16	17	18	19	20	21
	<ul style="list-style-type: none"> 4:00PM - 7:00PM Operations Committee Meeting (BoardroomCR) 		<ul style="list-style-type: none"> 3:00PM - 4:00PM Audit and Finance Committee Meeting (BoardroomCR) 4:00PM - 7:00PM Regular Board of Directors' Meeting (BoardroomCR) 		NRECA Summer School ... ♦ Savannah, GA	
22	23	24	25	26	27	28
NRECA Summer School for Directors (East) ♦ Savannah, GA					<ul style="list-style-type: none"> 9:00AM - 10:00AM Bi-Weekly Update on ML&P Acquisition Efforts (Chastain/Parks) (BoardRoomCR) 	
29	30	31	1	2	3	4

August 2018

July 2018						
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September 2018						
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
NRECA Summer School for Directors (East) ♦ Savannah, GA					● 9:00AM - 10:00AM Bi-Weekly Update on ML&P Acquisition Efforts (Chastain/Parks) (BoardRoomCR)	
29	30	31	1	2	3	4
			● 4:00PM - 7:00PM Audit and Finance Committee Meeting (BoardroomCR)			
5	6	7	8	9	10	11
					● 8:00AM - 9:00AM Bi-Weekly Update on ML&P Acquisition Efforts (Chastain/Parks) (BoardRoomCR)	
12	13	14	15	16	17	18
● 4:00PM - 6:30PM Operations Committee Meeting (BoardroomCR)			● 4:00PM - 7:00PM Regular Board of Directors' Meeting (BoardroomCR)			
19	20	21	22	23	24	25
		Strategic Planning w/Bo... ♦ Talkeetna Alaskan Lo...			● 9:00AM - 10:00AM Bi-Weekly Update on ML&P Acquisition Efforts (Chastain/Parks) (BoardRoomCR)	
26	27	28	29	30	31	1

September 2018

August 2018						
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October 2018						
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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	
					<ul style="list-style-type: none"> 9:00AM - 10:00AM Bi-Weekly Update on ML&P Acquisition Efforts (Chastain/Parks) (BoardRoomCR) 		
26	27	28	29	30	31	1	
	Labor Day ♦ United						
2	3	4	5	6	7	8	
		Gettysburg Leadership Experience ♦ Gettysburg, PA				<ul style="list-style-type: none"> 9:00AM - 10:00AM Bi-Weekly Update on ML&P Acquisition Efforts (Chastain/Parks) (BoardRoomCR) 	
9	10	11	12	13	14	15	
			<ul style="list-style-type: none"> 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR) 				
16	17	18	19	20	21	22	
	<ul style="list-style-type: none"> 4:00PM - 7:00PM Operations Committee Meeting (BoardroomCR) 	2018 NRECA Region 9 Meeting (9/25 Pr... ♦ Anchorage, Alaska			<ul style="list-style-type: none"> 9:00AM - 10:00AM Bi-Weekly Update on ML&P Acquisition Efforts (Chastain/Parks) (BoardRoomCR) 	2018 NACD Global	
23	24	25	26	27	28	29	
2018 NACD Global Board Leaders' S... ♦ Washington DC					<ul style="list-style-type: none"> 10:00AM - 2:00PM Member Appreciation Day (Lobby) 		
30	1	2	3	4	5	6	

October 2018

September 2018						
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November 2018						
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18	19	20	21	22	23	24
25	26	27	28	29	30	

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
2018 NACD Global Board Leaders' S... ♦ Washington DC					● 10:00AM - 2:00PM Member Appreciation Day (Lobby)	
30	1	2	3	4	5	6
					● 9:00AM - 10:00AM Bi-Weekly Update on ML&P Acquisition Efforts (Chastain/Parks) (BoardRoomCR)	
7	8	9	10	11	12	13
14	15	16	17	18	19	20
	● 4:00PM - 7:00PM Operations Committee Meeting (BoardroomCR)		Gettysburg Leadership Experience ♦ Gettysburg, PA			
			● 4:00PM - 7:00PM Regular Board of Directors' Meeting (BoardroomCR)		● 9:00AM - 10:00AM Bi-Weekly Update on ML&P Acquisition Efforts (Chastain/Parks) (BoardRoomCR)	
21	22	23	24	25	26	27
28	29	30	31	1	2	3

November 2018

October 2018						
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December 2018						
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23	24	25	26	27	28	29
30	31					

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28	29	30	31	1	2	3
		● 4:00PM - 7:00PM Audit and Finance Committee Meeting (Budget) (BoardroomCR)	● 4:00PM - 7:00PM Audit and Finance Committee Meeting (BoardroomCR)		● 9:00AM - 10:00AM Bi-Weekly Update on ML&P Acquisition Efforts (Chastain/Parks) (BoardRoomCR)	
4	5	6	7	8	9	10
11	12	13	14	15	16	17
				Thanksgiving Holid.	Thanksgiving Holid.	
18	19	20	21	22	23	24
	● 11:00AM - 2:00PM Chugach Legislative Reception (TBD) ● 11:30AM - 1:30PM Tentative Legislation Reception ● 4:00PM - 7:00PM Operations Committee Meeting (BoardroomCR)		● 4:00PM - 7:00PM Regular Board of Directors' Meeting (BoardroomCR)		NRECA Winter School ... ♦ Nashville, TN	
25	26	27	28	29	30	1

December 2018

November 2018						
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January 2019						
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20	21	22	23	24	25	26
27	28	29	30	31		

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25	26	27	28	29	30	1
NRECA Winter School for Directors ♦ Nashville, TN					<ul style="list-style-type: none"> 9:00AM - 10:00AM Bi-Weekly Update on ML&P Acquisition Efforts (Chastain/Parks) (BoardRoomCR) 	
2	3	4	5	6	7	8
9	10	11	12	13	14	15
	<ul style="list-style-type: none"> 4:00PM - 7:00PM Operations Committee Meeting (BoardroomCR) 		<ul style="list-style-type: none"> 4:00PM - 7:00PM Regular Board of Directors' Meeting (BoardroomCR) 		<ul style="list-style-type: none"> 9:00AM - 10:00AM Bi-Weekly Update on ML&P Acquisition Efforts (Chastain/Parks) (BoardRoomCR) 	
16	17	18	19	20	21	22
	Christmas Eve Holi	Christmas Day Holi				
23	24	25	26	27	28	29
	New Year's Eve Holi	New Year's Day Holi				
30	31	1	2	3	4	5

January 2019

December 2018						
S	M	T	W	T	F	S
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

February 2019						
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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
		New Year's Day Holi				
30	31	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	4:00PM - 7:00PM Regular Board of Directors Meeting (Boardroom)	24	25	26
27	28	29	30	31	1	2

February 2019

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

March 2019						
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24	25	26	27	28	29	30
31						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	31	1	2
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	1	2

● 4:00PM - 7:00PM
Regular Board of
Directors Meeting
(Boardroom)

March 2019

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

April 2019						
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			● 4:00PM - 7:00PM Regular Board of Directors Meeting (Boardroom)			
24	25	26	27	28	1	2
				NRECA - Director Education (3/7-3... ♦ Orlando, FL		
3	4	5	6	7	8	9
NRECA - Director E			NRECA Annual Meeting (3/10 - 3/13) ♦ Orlando, FL ♦ Connie Owens			
10	11	12	13	14	15	16
	● 4:00PM - 7:00PM Audit and Finance Committee Followed by a Special Board of Directors Meeting (BoardroomCR)	Tentative: Board Trip to Juneau (3/19-3/21)				
17	18	19	20	21	22	23
			● 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)			
24	25	26	27	28	29	30
			Strategic Planning w... ♦ Chugach Boardrc			
31	1	2	3	4	5	6

April 2019

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

May 2019						
S	M	T	W	T	F	S
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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
			Strategic Planning w... ♦ Chugach Boardrc			
31	1	2	3	4	5	6
7	8	9	10	11	12	13
				4:00PM - 5:00PM Community Meeting - Board of Directors Candidate Forum (TrainingRoom)		
14	15	16	17	18	19	20
			4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)			
21	22	23	24	25	26	27
28	29	30	1	2	3	4

May 2019

April 2019						
S	M	T	W	T	F	S
	1	2	3	4	5	6
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

June 2019						
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28	29	30	1	2	3	4
5	6	7	● 4:00PM - 7:00PM Audit and Finance Followed by Regular Board of Directors Meeting (BoardroomCR)	9	10	11
12	13	14	15	16	17	18
19	20	● 6:00PM - 9:00PM Annual Meeting (Dena'ina Center)	● 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)	23	24	25
26	Memorial Day ♦ Ur	28	29	30	31	1

Regional Meeting 7&9

Anchorage, AK | September 25 - 27, 2018

This is your opportunity to strengthen your co-op and make vital contributions to the role America's electric cooperatives will play in leading the new energy future.

7 & 9

Regional Meeting

NRECA Regional Meetings offer a prime venue for electric co-op leaders (CEOs, directors, voting delegates and key staff) from neighboring locations to engage with industry experts and colleagues who share common issues.

Your Regional Meeting Advantages:

- **Build a valuable network** of fellow co-op leaders who are facing some of the same challenges you face on a daily basis
- **Gain insights on the issues affecting your community** through region-specific programming offered at each meeting
- **Exchange ideas and best practices** that will help your co-op survive and thrive during this time of dramatic change
- **Get up-to-date on the latest news and trends** in the electric co-op industry and the broader energy sector
- **Engage in the resolutions process** by proposing, debating and discussing the issues that will be voted on at the national meeting
- **Invest in your own professional development** by attending pre-meeting education opportunities

Questions about Program ?

Kristen Wheeler

703-907-5695

Kristen.Wheeler@nreca.coop

Questions about Registration?

Registration

703-907-6875

accountsreceivable@nreca.coop

Winter School for Directors

Nashville, TN November 30 - December 5, 2018

As boards are challenged to address multiple large-scale issues, NRECA's Winter School for Directors is designed to ensure that board leaders develop the knowledge and skills required to meet these challenges successfully.

JOIN US

2018 Winter School for Directors

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

This six-day program offers co-op directors:

- The essential knowledge and skills necessary to succeed on the board
- All required courses to earn the Credentialed Cooperative Director (CCD) certificate
- The opportunity to advance beyond the CCD level toward the Board Leadership Certificate (BLC)
- Earn continuing education credits that can be applied toward maintaining their Director Gold credential.

Also of Interest

- [Summer School for Directors \(East | West\)](#)
- [Director Certificate Programs](#)

Looking to **earn credit**?

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

Questions about Program?

Janet Bowers

703-907-5622

janet.bowers@nreca.coop

Questions about Anything Else ?

Member Contact Center

1-877-766-3226

member-support@cooperative.com

Questions about Registration?

Accounts Receivable Department

703-907-6875

AccountsReceivable@nreca.coop

Cancellation and Refund Policy →

Photography/Image Agreement →

Conferences & Meetings Policies →

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

May 23, 2018
Wednesday
4:00 p.m.

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Arden Quezon-Vicente

I. CALL TO ORDER

Chair Chastain called the Regular Board of Directors' Meeting to order at 4:04 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Pledge of Allegiance

Chair Chastain led the Board in the Pledge of Allegiance.

B. Roll Call

Board Members Present:

Bettina Chastain, Chair
Susan Reeves, Vice Chair
Jim Henderson, Secretary
Sisi Cooper, Treasurer
Harry Crawford, Director
Stuart Parks, Director
Rachel Morse, Director

Guests and Staff in Attendance:

Lee Thibert	Sean Skaling	Josh Travis
Connie Owens	Josh Resnick	Teresa Kurka
Brian Hickey	Andrew Laughlin	Marty Freeman
Sherri Highers	Phil Steyer	James Mullican
Matthew Clarkson	Todd McCarty	Jean Kornmuller
Tyler Andrews	Ron Vecera	Aaron Love
Arthur Miller	Justin Penfield	Taylor Asher
Tom Schulman	Dustin Highers	Kate Ayers
Julie Hasquet		

C. Safety Minute

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

II. APPROVAL OF THE AGENDA

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

III. PERSONS TO BE HEARD

- A. *Member Comments*

IV. CONSENT AGENDA

- A. *Board Calendar*
- B. *Training and Conferences*
 - 1. *NRECA Summer School for Directors, July 27, 2018 – August 1, 2018, Savannah, GA (Deadline for conference and hotel registration is June 4, 2018)*
 - 2. *2018 NRECA Region 9 Meeting, September 25-27, 2018, Anchorage, AK (Deadline for conference registration is August 1, 2018)*
- C. *Minutes*
 - 1. *April 25, 2018, Regular Board of Directors' Meeting (Quezon-Vicente)*
 - 2. *April 26, 2018, Chugach Candidate Forum (Portades)*
 - 3. *May 7, 2018, Regular Board of Directors' Meeting (Quezon-Vicente)*
 - 4. *May 21, 2018, Special Board of Directors' Meeting (Portades)*
 - 5. *May 22, 2018, Regular Board of Directors' Meeting (Portades)*
- D. *Director Expenses*
- E. *FY2018 Tax Services (KPMG) (S. Highers)*

Chair Chastain stated that the training and conferences are coming up and to let Connie Owens know, if interested in attending.

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

V. CEO REPORTS AND CORRESPONDENCE

- A. *1st Quarter 2018 Sustainability Measurements (Vecera)*

The 1st Quarter 2018 Sustainability measurements were provided in the meeting packet.

Chair Chastain indicated that Director Henderson must be sworn in prior to continuing the meeting.

Matthew Clarkson, General Counsel, administered the Oath of Office to Director Henderson, elected Board member.

- B. *Update – Community Solar (Skaling/Miller)*

Arthur Miller, VP Regulatory & External Affairs and Sean Skaling, Manager, Business & Sustainability Program Development discussed the Community Solar update and responded to questions from the Board.

- C. *Board Policy (BP) Scheduled Tasks:*
1. *BP 401 – Delegation of Authority from Board of Directors to CEO – Annual Report on Staffing (Andrews)*
 2. *BP 401 – Delegation of Authority from Board of Directors to CEO – Annual Report on Employee Benefits, Employer Contributions, and What Percent Fringes are of Payroll (Andrews)*
 3. *BP 504 – Prevention and Detection of Theft of Electrical Service – Annual Report (Andrews)*
 4. *BP 507 – Energy Efficiency Conservation – Annual Report (Ayers/Andrews)*
 5. *BP 508 – Identity Theft Prevention Program – Annual Report (Andrews)*

Tyler Andrews, VP Member and Employee Services, discussed the Board Policy Scheduled Tasks and responded to questions from the Board.

VI. DIRECTOR REPORTS

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

Lee Thibert, CEO and Director Crawford reported on the ARCTEC meeting on May 15, 2018.

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

Director Cooper stated that the last Audit and Committee meeting was on May 7, 2018 and that Form 10-K and audit services were discussed.

Director Parks stated that there is an Operations Committee meeting scheduled tomorrow, May 24, 2018 at 4:00 p.m. and that CEO Evaluation has been added for discussion.

Director Reeves stated that there has been no Governance Committee Meeting.

- C. *Other Meeting Reports*

Directors Cooper and Parks stated that Solar, Membership Directors seats and GDS Report were discussed at the May 11, 2018, REAP Public Policy Committee Meeting.

VII. UNFINISHED BUSINESS

- A. *Discussion – Board Election Procedures*

Tom Schulman, Manager, Regulatory Legal, reviewed the Board Election Procedures.

- B. *Election of Officers* (Board)*

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

Director Reeves nominated Director Chastain for Chair of the Board. Director Parks seconded the nomination. No other nominations were made. Chair

Chastain closed the nominations and called for the vote. The nomination passed unanimously.

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

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

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

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

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

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

The result of the vote: Director Parks was elected Secretary of the Board.

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

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

The result of the vote: Director Morse was elected Treasurer of the Board.

C. *Committee Assignments and Appointment of Board Liaisons (Board)*

Chair Chastain stated that Director Morse is the Chair of the Audit and Finance Committee.

Chair Chastain opened the floor to nominations for Chair of the Operations Committee.

Director Morse nominated Director Parks for the Chair of the Operations Committee. Director Reeves seconded the nomination. No other nominations were made. Chair Chastain closed the nominations and called for a vote. The nomination passed unanimously.

The result of the vote: Director Parks was elected Chair of the Operations Committee.

Chair Chastain opened the floor to nominations for Chair of the Governance Committee.

Director Crawford nominated Director Reeves for Chair of the Governance Committee. Director Cooper seconded the nomination. No other nominations were made. Chair Chastain closed the nominations and called for a vote. The nomination passed unanimously.

The result of vote: Director Reeves was elected Chair of the Governance Committee.

Director Reeves recommended that Chair Chastain appoint Director Henderson as Chair of an Ad Hoc Special Committee on the subject of Conversion of Chugach to Renewable Resources. Director Henderson accepted Director Reeves' recommendation. No objections were made. Director Henderson was appointed as Chair of the Special Committee.

- D. *Director Cooper's Qualification to serve on the Chugach Electric Association Board of Directors* (Board)*
Director Reeves and Matthew Clarkson, General Counsel, discussed the May 21, 2018, Special Board Meeting.

First Motion:

Director Parks moved and Director Reeves seconded the motion to waive the seven-day notice requirement for consideration of the proposed Board Qualification Review Resolution. Directors Cooper and Chastain were not authorized to vote. The motion passed unanimously.

Second Motion:

Director Parks moved and Director Crawford seconded the motion to approve and adopt the attached Board Qualification Review Resolution, as discussed at the May 21, 2018, Special Board of Directors' meeting, determining that Sisi Cooper is not qualified to serve on the Chugach Electric Association Board of Directors under Article IV, Section 3(a)(1) and 3(a)(7) of the Association Bylaws for the reasons stated therein. Directors Cooper and Chastain were not authorized to vote. Vice Chair Reeves called for a vote.

Crawford – Yes
Henderson – abstained
Morse – Yes
Parks – Yes
Reeves – Yes

The result of the vote is 4 yes and 1 abstained. The motion passed.

VIII. NEW BUSINESS

- A. *Adopt of Calendar of Regular Meetings of the Board of Directors* (Owens/Thibert)*

Director Morse moved and Director Crawford 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.

- B. *Appointment of ARCTEC Member, Management and Alternate Representatives* (Housekeeping)*

Director Reeves nominated Director Crawford for the ARCTEC Member Representative and Director Henderson as the Alternate Representative. No objections were made.

Director Morse moved and Director Parks seconded the motion that the Board of Directors' adopts the Resolution appointing Director Crawford as Chugach's Member Representative, Lee Thibert as Management Representative and Director Henderson as Alternate Representative to the ARCTEC Board of Directors. The motion passed unanimously.

- C. *Appointment of REAP Member and Alternate Representatives* (Housekeeping)*

Chair Chastain asked if any volunteers for REAP member and alternate representative. Director Henderson volunteered as the REAP alternate representative. Director Parks nominated Director Cooper as the REAP member. No objections were made.

Director Parks moved and Director Morse seconded the motion that the Board of Directors appoints Director Cooper as the REAP member and Director Henderson as the alternate representative. The motion passed unanimously.

- D. *Approve Simplified Rate Filing: March 2018 Test Year* (Kornmuller/Miller)*
Jean Kornmuller, Manager, Regulatory Affairs discussed the Simplified Rate Filing: March 2018 Test Year.

Director Reeves moved and Director Crawford seconded the motion that the Board of Directors approve the attached Resolution authorizing Chugach to file with the RCA, a March 2018 test year SRF requesting approval to increase demand and energy rates by 1.8 percent to Chugach retail and 2.9 percent to the wholesale class of Seward Electric System for rates effective August 1, 2018. The motion passed unanimously.

- E. *Project Authorization for Beluga Unit 3* (D. Highers/Risse)*

Dustin Highers, Director, Power Supply and Technical Services, introduced Aaron Love, Maintenance Planning Engineer to the Board.

Mr. Highers and Mr. Love discussed the Project Authorization for Beluga Unit 3 and responded to questions from the Board.

Director Cooper moved and Director Parks seconded the motion that the Board of Directors approve the project expenditures for the Beluga Unit 3 Major Inspection with an estimated cost of \$3,810,790 and an estimated completion date of August 31, 2018. The motion passed unanimously.

IX. EXECUTIVE SESSION

- A. *Update - Legislative Affairs*
- B. *On-Going Strategic Matters*
 - 1. *Initiatives Under Consideration*
 - 2. *Outstanding Risks to the Association*

At 6:42 p.m., Director Henderson moved and Director Cooper seconded the motion that pursuant to Alaska Statute 10.25.175 (c)(1) and (3) the Board of Directors go into executive session to: 1) discuss and receive reports regarding financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; and, 2) receive reports upon legal matters that are attorney/client privileged, 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 7:08 p.m.

Director Henderson left the meeting during the Executive Session, time not noted.

X. DIRECTOR COMMENTS

Chair Chastain presented and congratulated Directors Cooper and Crawford for achieving the Director Gold Program.

Director comments were made at this time.

XI. ADJOURNMENT

At 7:17 p.m., Director Cooper moved and Director Reeves seconded the motion to adjourn. The motion passed unanimously.

Director Henderson was not present at the time of vote.

Stuart Parks, Secretary
Date Approved: June 27, 2018

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

June 27, 2018

ACTION REQUIRED

AGENDA ITEM NO. IV.D.

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

TOPIC

Director Expenses

DISCUSSION

The Director's 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 27, 2018

ACTION REQUIRED

AGENDA ITEM NO. IV.E.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Bank Signature Cards

DISCUSSION

Bank signature cards are updated each year to reflect the change of officers that are elected at the Regular/Special Board of Directors meeting that follows the annual membership meeting.

Management is recommending the Board of Directors approve the attached resolution to update the approved check signers based on the election of officers at its May 23, 2018, Regular Board of Directors Meeting.

MOTION

(Consent Agenda)

RESOLUTION

Bank Signature Cards

WHEREAS, the Board of Directors has elected new officers necessitating a change in signatures needed to authorize activity in various bank accounts maintained by the Association,

NOW, THEREFORE, BE IT RESOLVED that the resolution contained in the Certified Copy of Corporate Resolution for Signing and Endorsing Checks is adopted; and

BE IT FURTHER RESOLVED, that the Chair of the Board, Treasurer of the Board and the Secretary of the Board are authorized and directed to execute the Certified Copy of Corporate Resolution for signing and Endorsing Checks and signature cards attached hereto or other documents of a substantially similar type and purpose.

CERTIFICATION

I, Stuart Parks, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 27th day of June, 2018; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

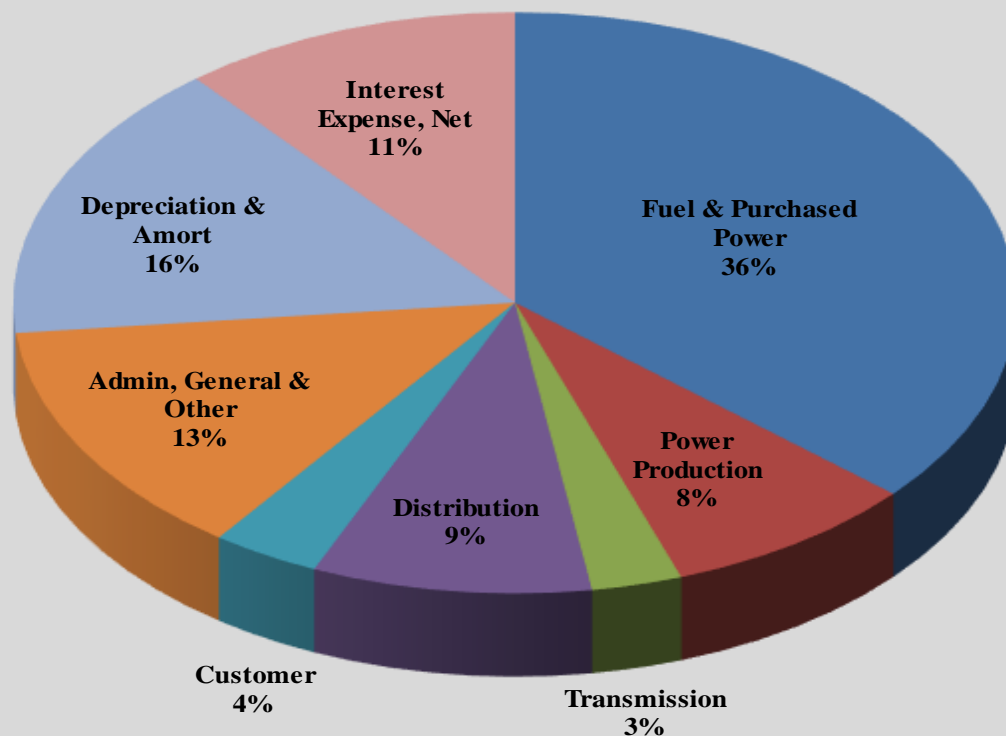
IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation on the 27th day of June, 2018.

Secretary

STATEMENT OF OPERATIONS

CATEGORY	2018 MTD ACTUAL	2018 MTD BUDGET	2018 MTD VARIANCE
Operating Revenue and Patronage Capital	\$ 16,040,271	\$ 16,532,276	\$ (492,005)
Fuel and Purchased Power Expense	6,036,251	6,432,603	(396,352)
Power Production Expense	1,360,581	1,525,046	(164,465)
Transmission Expense	483,283	539,333	(56,050)
Distribution Expense	1,492,119	1,168,350	323,769
Customer Expense	578,029	568,872	9,157
Administrative, General and Other	2,203,485	1,928,061	275,424
Depreciation & Amortization Expense	2,601,883	2,650,210	(48,327)
Interest Expense, Net	1,818,629	1,803,965	14,664
Total Cost of Electric Service	\$ 16,574,260	\$ 16,616,440	\$ (42,180)
Patronage Capital & Operating Margins	\$ (533,989)	\$ (84,164)	\$ (449,825)
Non-Operating Margins - Interest	57,826	51,827	5,999
Allowance for Funds Used During Construction	8,467	6,425	2,042
Non-Operating Margins - Other	(37,842)	-	(37,842)
Patronage Capital or Margins	\$ (505,538)	\$ (25,912)	\$ (479,626)

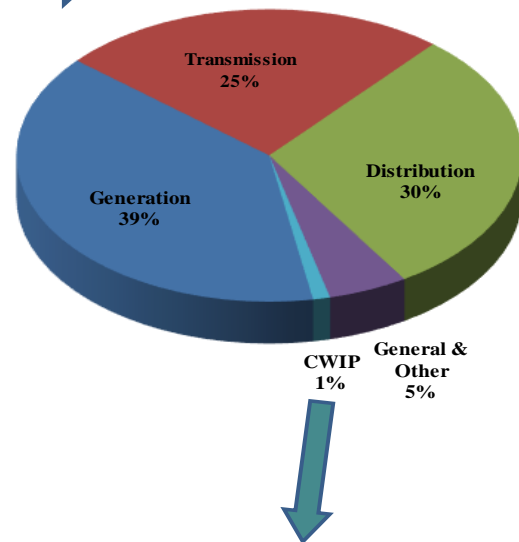
Total Cost of Electric Service (MTD Actual)



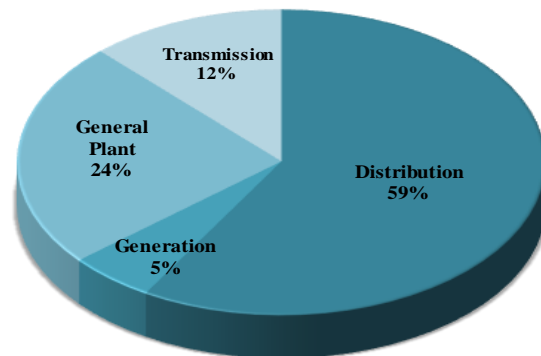
BALANCE SHEET

ASSETS & OTHER DEBITS	04/30/2018	12/31/17
Electric Plant in Service	1,209,279,486	1,205,092,224
Construction Work in Progress	13,364,966	17,952,573
Total Utility Plant	\$ 1,222,644,452	\$ 1,223,044,797
Accum. Prov. for Depreciation/Amortization	(518,974,454)	(515,496,312)
Net Utility Plant	\$ 703,669,998	\$ 707,548,485
Nonutility Property - Net	76,889	76,889
Investment in Assoc. Organizations	8,566,395	8,980,410
Special Funds	1,465,985	1,466,010
Restricted Cash & Other Investments	755,876	1,028,758
Total Other Property & Investments	\$ 10,865,145	\$ 11,552,067
Cash, Marketable Securities & Other	14,423,710	16,906,531
Special Deposits/Restricted Cash	604,593	741,670
Accounts Receivable - Net	26,233,383	35,680,680
Materials and Supplies, Fuel Stock	23,586,484	22,193,089
Prepayments	4,512,253	4,953,170
Other Current & Accrued Assets	4,158,814	5,178,987
Total Current & Accrued Assets	\$ 73,519,237	\$ 85,654,127
Deferred Debits	32,777,282	32,764,065
Total Assets & Other Debits	\$ 820,831,662	\$ 837,518,744
LIABILITIES & OTHER CREDITS	04/30/2018	12/31/17
Memberships	1,727,019	1,719,154
Pat. Capital, Margins & Equities	190,160,677	187,582,140
Total Margins & Equities	\$ 191,887,696	\$ 189,301,294
Long-Term Debt - Bonds	398,416,664	421,833,331
Long-Term Debt - Other	35,568,000	37,164,000
Unamortized Debt Issuance Costs	(2,586,886)	(2,669,485)
Total Long-Term Debt	\$ 431,397,778	\$ 456,327,846
Notes Payable	85,608,667	76,608,667
Accounts Payable	6,810,492	7,420,279
Consumer Deposits	5,198,145	5,335,896
Other Current & Accrued Liabilities	26,448,379	30,002,352
Total Current & Accrued Liabilities	\$ 124,065,683	\$ 119,367,194
Deferred Compensation	1,230,508	1,229,294
Other Liabilities, Non-Current	707,668	531,630
Deferred Liabilities	1,243,594	1,249,390
Patronage Capital Payable	8,798,077	8,798,077
Cost of Removal Obligation	61,500,658	60,714,019
Total Liabilities & Other Credits	\$ 820,831,662	\$ 837,518,744

2018 Total Utility Plant (YTD)
\$1,222,644,452



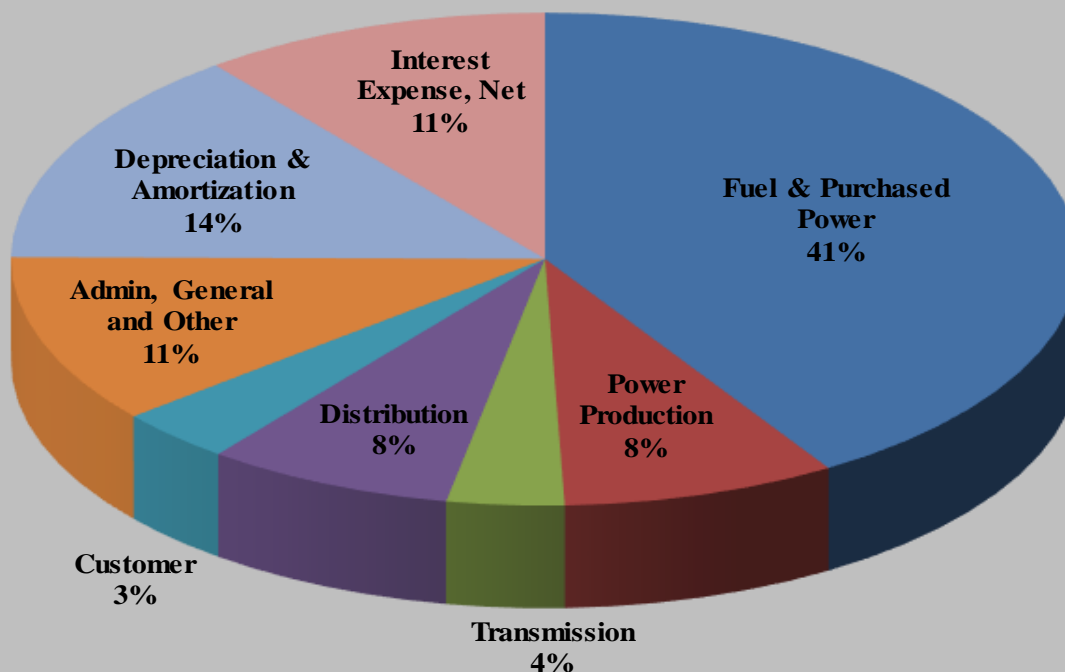
2018 Construction Work in Progress (YTD)
\$13,364,966



**COMPARATIVE FINANCIAL REPORT
STATEMENT OF OPERATIONS
CURRENT YTD ACTUAL TO BUDGET VARIANCE**

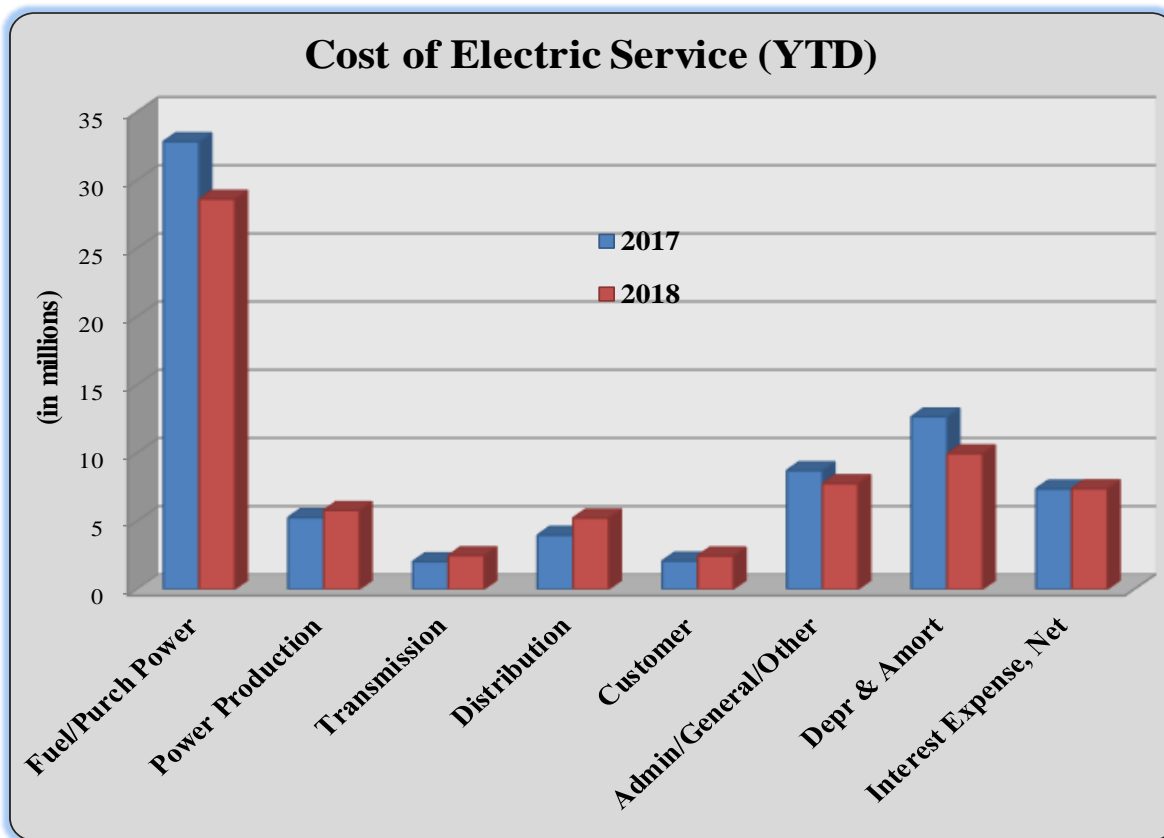
CATEGORY	2018 YTD ACTUAL	2018 YTD BUDGET	2018 YTD VARIANCE
Operating Revenue and Patronage Capital	\$ 72,097,549	\$ 76,463,502	\$ (4,365,953)
Fuel and Purchased Power Expense	28,606,729	31,286,747	(2,680,018)
Power Production Expense	5,784,500	6,135,189	(350,689)
Transmission Expense	2,471,287	2,335,131	136,156
Distribution Expense	5,228,079	4,927,164	300,915
Customer Expense	2,443,738	2,094,962	348,776
Administrative, General and Other	7,748,454	7,686,384	62,070
Depreciation & Amortization Expense	9,944,960	10,618,174	(673,214)
Interest Expense, Net	7,376,001	7,347,847	28,154
Total Cost of Electric Service	\$ 69,603,748	\$ 72,431,598	\$ (2,827,850)
Patronage Capital & Operating Margins	\$ 2,493,801	\$ 4,031,904	\$ (1,538,103)
Non-Operating Margins - Interest	217,410	207,310	10,100
Allowance Funds Used During Const.	32,340	27,131	5,209
Non-Operating Margins - Other	(121,128)	-	(121,128)
Patronage Capital or Margins	\$ 2,622,423	\$ 4,266,345	\$ (1,643,922)
MFI/I	1.35	1.57	
TIER	1.37	1.61	

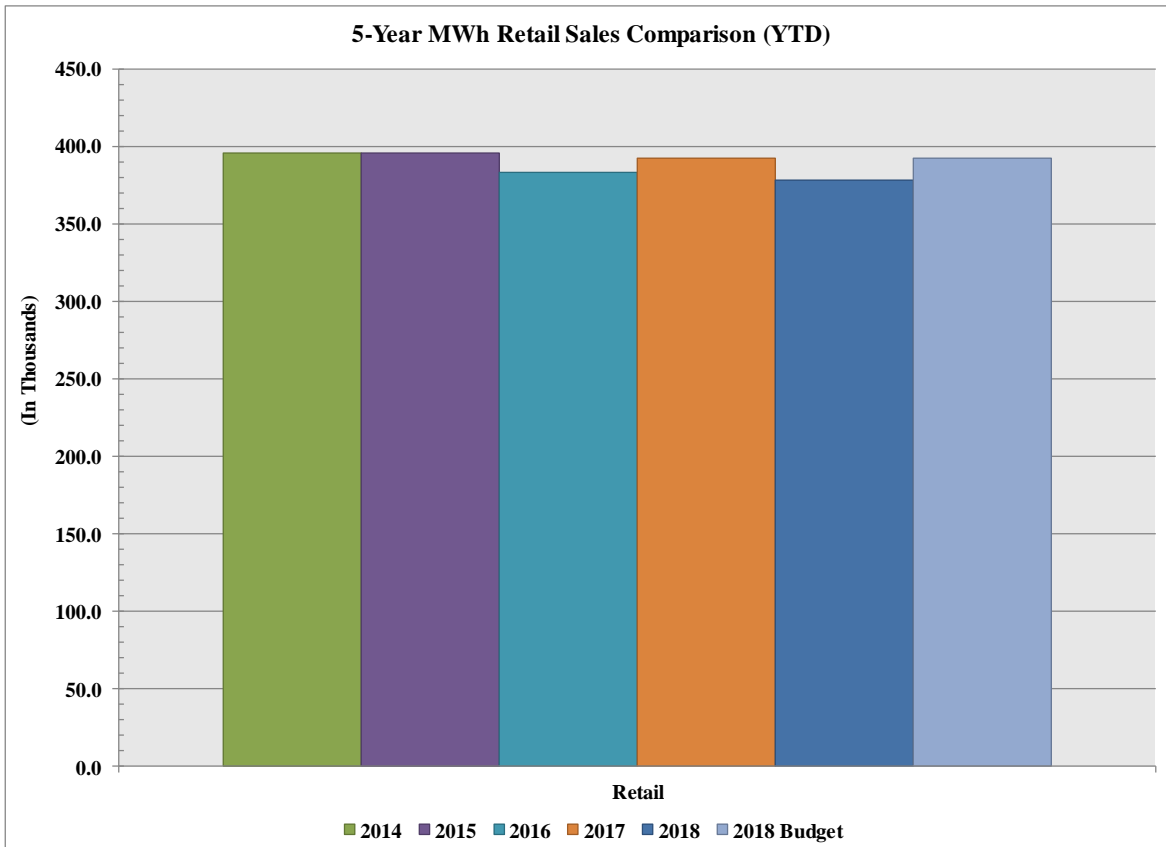
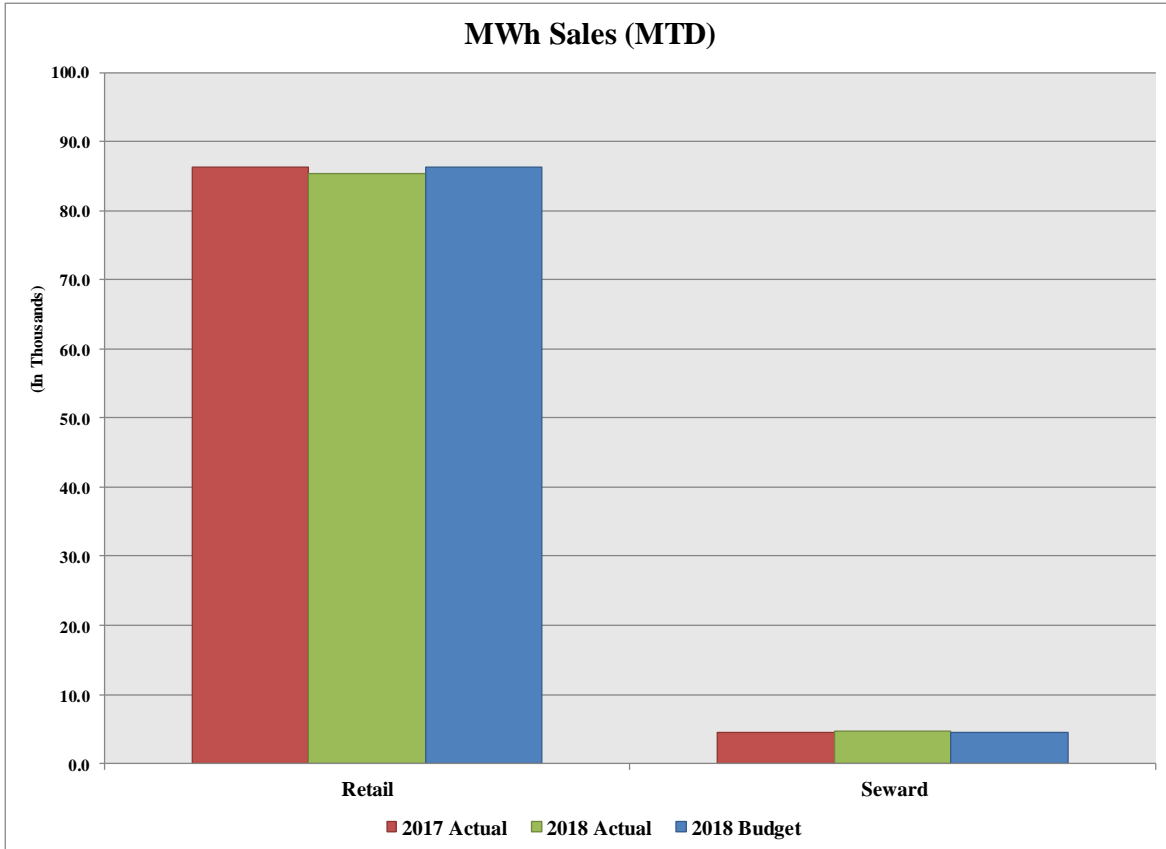
Total Cost of Electric Service (YTD Actual)

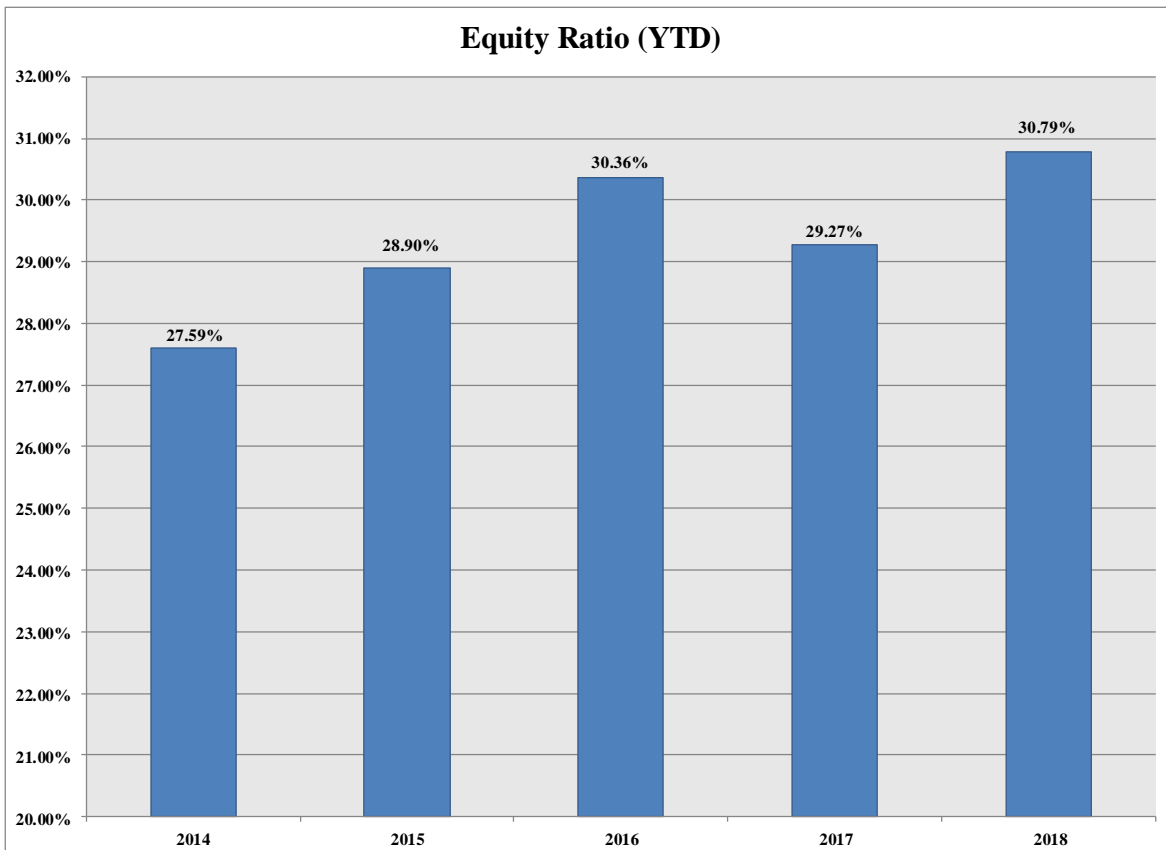
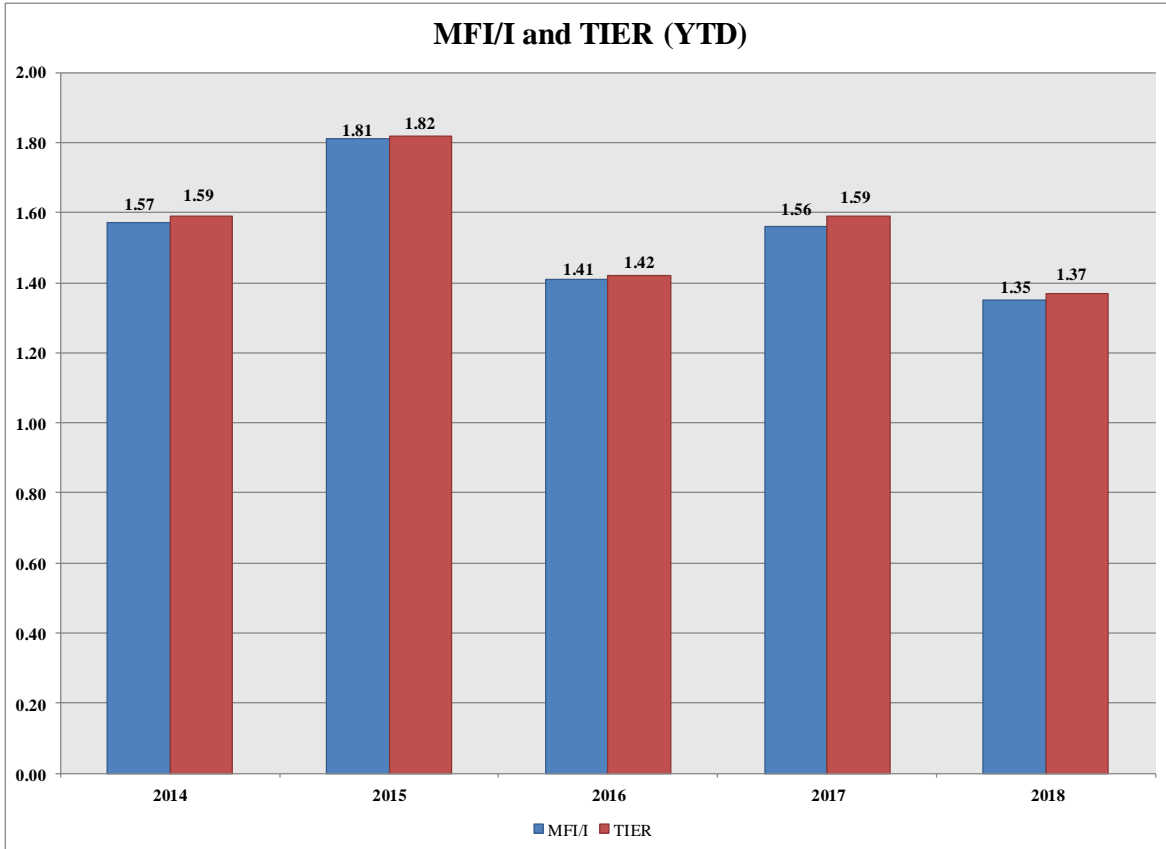


COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS CURRENT TO PRIOR YTD ACTUAL

CATEGORY	2018 YTD ACTUAL	2017 YTD ACTUAL
Operating Revenue and Patronage Capital	\$ 72,097,549	\$ 78,706,341
Fuel and Purchased Power Expense	28,606,729	32,821,819
Power Production Expense	5,784,500	5,259,954
Transmission Expense	2,471,287	2,022,490
Distribution Expense	5,228,079	3,968,318
Customer Expense	2,443,738	2,068,441
Administrative, General and Other	7,748,454	8,700,913
Depreciation and Amortization Expense	9,944,960	12,646,828
Interest Expense, Net	7,376,001	7,357,965
Total Cost of Electric Service	\$ 69,603,748	\$ 74,846,728
Patronage Capital & Operating Margins	\$ 2,493,801	\$ 3,859,613
Non-Operating Margins - Interest	217,410	202,211
Allowance for Funds Used During Construction	32,340	17,167
Non-Operating Margins - Other	(121,128)	75,632
Patronage Capital or Margins	\$ 2,622,423	\$ 4,154,623
MFI/I	1.35	1.56
TIER	1.37	1.59







ENERGY SALES (kWh)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Energy Sales	378,557,981	392,913,941
Wholesale Energy Sales	<u>18,972,243</u>	<u>19,801,211</u>
Total Firm Energy Sales	397,530,224	412,715,152
Economy Energy Sales	<u>207</u>	<u>0</u>
Total Energy Sales	397,530,431	412,715,152

Firm energy sales totaled 397,530,224 kWh, which was a 3.7% unfavorable variance compared to budget. Retail energy sales were under budget 3.7% and wholesale energy sales were under budget by 4.2%, primarily due to warmer than anticipated weather.

ENERGY REVENUE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Revenue	\$ 66.9	\$ 71.2
Wholesale Revenue	<u>1.7</u>	<u>2.0</u>
Total Firm Revenue	68.6	73.2
Economy Energy Revenue	0.1	0.0
Other Operating Revenue	<u>3.4</u>	<u>3.3</u>
Total Revenue	\$ 72.1	\$ 76.5

Revenue from firm sales totaled \$68.6 million compared to \$73.2 million in the budget. Firm revenue was lower than expected primarily due to lower than anticipated kWh sales.

Economy energy revenue totaled \$28.2 thousand due to unanticipated sales to GVEA. Other operating revenue includes late fees, pole rental, wheeling, microwave, BRU royalties, miscellaneous service and other electric revenue. Other operating revenue totaled \$3.4 million compared to \$3.3 million in the budget, primarily due to higher than anticipated wheeling revenue.

FUEL AND PURCHASED POWER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Fuel	\$ 23.1	\$ 25.8
Purchased Power	<u>5.5</u>	<u>5.5</u>
Total	\$ 28.6	\$ 31.3

Fuel expense includes fuel, storage, transportation, and BRU operating costs. Fuel expense was \$23.1 million compared to \$25.8 million projected in the budget. This variance was primarily due to less fuel consumed as a result of lower sales and lower than anticipated BRU operating costs.

Actual fuel purchased for production was 2,522,683 MCF at an average effective delivered price of \$8.45 per MCF, compared to 2,744,301 MCF in the budget at an average effective delivered price of \$8.51 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 \$5.5 million compared to \$5.5 million in the budget. While no overall variance, higher than anticipated purchases from ML&P and Bradley Lake were offset by a lower average effective price.

Actual energy purchased was 70,344 MWh at an average effective price of 6.33 cents per kWh compared to 60,146 MWh budgeted at an average effective price of 7.43 cents per kWh. Higher than anticipated purchases from Bradley Lake resulted in a lower average effective price.

POWER PRODUCTION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Power Production	\$ 5.8	\$ 6.1

Power production expense was \$5.8 million compared to \$6.1 million in the budget. This favorable variance is primarily due to reimbursement from Hilcorp for Beluga camp use and lower than anticipated SPP maintenance costs. These savings were somewhat offset by costs associated with a maintenance procedures program.

TRANSMISSION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Transmission	\$ 2.5	\$ 2.3

Transmission operations and maintenance expense was \$2.5 million compared to \$2.3 million in the budget, primarily due to higher than anticipated substation expense labor and vegetation clearing expenses.

DISTRIBUTION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Distribution	\$ 5.2	\$ 4.9

Distribution operations and maintenance expense was \$5.2 million compared to \$4.9 million in the budget. This unfavorable variance is primarily due to higher than anticipated vegetation control expenses as well as increased labor and maintenance costs due to storm-related damage.

CONSUMER ACCOUNTS / CUSTOMER INFORMATION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Consumer / Customer Information	\$ 2.4	\$ 2.1

Consumer accounts and customer information expense was \$2.4 million compared to \$2.1 million in the budget. This variance is primarily due to advertising for the ML&P acquisition.

ADMINISTRATIVE, GENERAL AND OTHER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Administrative, General and Other	\$ 7.7	\$ 7.7

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, which was \$7.7 million compared to \$7.7 million in the budget. While not a significant variance, increased labor expenses were somewhat offset by the deferred classification of costs associated with the ML&P acquisition.

SUMMARY

Depreciation, interest, and interest during construction expense totaled \$17.3 million compared to \$18.0 million in the budget. The favorable variance compared to budget was primarily due to lower than anticipated depreciation expense as a result of retirement adjustments from project closeouts.

All of the foregoing expenses resulted in total cost of electric service of \$69.6 million compared to \$72.4 million in the budget.

Non-operating margins include allowance for funds used during construction (AFUDC), capital credit and patronage capital allocations, extraordinary items, and interest income. Non-operating margins totaled \$128.6 thousand compared to \$234.4 thousand in the budget primarily due to the loss in value of marketable securities.

The net result of revenue and expenses was margins of \$2.6 million compared to projected margins of \$4.3 million in the budget. The current forecast projects year-end margins of \$6.1 million, an MFI/I of 1.28, and TIER of 1.30.

COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS YEAR-END FORECAST

CATEGORY	2018 APPROVED BUDGET	2018 YTD ACTUALS	2018 REVISED FORECAST
Operating Revenue and Patronage Capital	\$ 214,960,079	\$ 72,097,549	\$ 210,944,126 ^{1 2}
Fuel and Purchased Power Expense	85,194,690	28,606,729	82,514,672 ¹
Power Production Expense	18,965,542	5,784,500	18,692,924 ²
Transmission Expense	6,915,445	2,471,287	7,051,601 ¹
Distribution Expense	14,835,722	5,228,079	15,136,637 ¹
Customer Expense	6,833,267	2,443,738	7,182,043 ¹
Administrative, General & Other	22,127,986	7,748,454	22,028,056 ^{1 2}
Depreciation and Amortization Expense	32,264,325	9,944,960	31,391,111 ¹
Interest Expense, Net	21,493,320	7,376,001	21,521,474 ¹
Total Cost of Electric Service	\$ 208,630,297	\$ 69,603,748	\$ 205,518,518
Patronage Capital & Operating Margins	\$ 6,329,782	\$ 2,493,801	\$ 5,425,608
Non-Operating Margins - Interest	625,941	217,410	636,041 ¹
Allowance for Funds Used During Construction	181,126	32,340	186,335 ¹
Non-Operating Margins - Other	-	(121,128)	(121,128) ¹
Patronage Capital or Margins	\$ 7,136,849	\$ 2,622,423	\$ 6,126,856
MFI/I	1.32	1.35	1.28
TIER	1.35	1.37	1.30

¹ Forecast based on 4 month actual and 8 month forecast

² Forecast has been adjusted to reflect known and measurable changes

**Chugach Electric Association, Inc.
Anchorage, Alaska**

June 11, 2018

TO: Chugach Board of Directors

THROUGH: Lee D. Thibert, Chief Executive Officer

FROM: Teresa Kurka, Director, Member Services
Arthur Miller, Vice President, Regulatory and External Affairs

SUBJECT: *2018 Annual Meeting and Election Report*

2018 marked our second year of balloting through primarily electronic means while still offering paper balloting by request to our members. The foundation was laid for this change beginning in 2011 when we offered electronic voting for the first time. Communication efforts for this year's election began in 4th quarter 2017 and continued up through the last week of balloting in May 2018. Chugach used a variety of communication tools including email, US mail, social media, Web, and our monthly newsletter to reach all members throughout the voting season.

VOTING STATISTICS	
Members of Record for the 2018 Election	68,822
Valid Email Addresses for Members	48,287
Paper Ballot Requests	483
Validated Mail Ballots Cast	149
Electronic Ballots Cast Via Internet	6,560
Members Registered at the Annual Meeting	246
In-Person Ballots cast at the Annual Meeting	80
Total Ballots Cast in the 2018 Election	6,789
Percentage of Membership Voting	9.9%
Percentage of votes cast by mail/paper	3%
Percentage of votes cast electronically	97%
Directors (4-year terms)	Total Votes
Rachel Morse	4,167
Jim Henderson	2,633
Harold Hollis	2,606
Mitchell Roth	1,934
Bylaw Amendments	
Eligible Voters – passed	6,092 – Yes votes 600 – No votes
Board Meeting Notices – passed	6,194 – Yes votes 474 – No votes

Our first election and Annual Meeting outreach to members was a postcard mailing on April 18th. Voting opened on Friday, April 20th with a voting email campaign sent to 48,287 Chugach members and paper ballots mailed to the 483 members who had requested them. From this point on, there was either a postcard mailing or email blast every week reminding the membership who had not yet voted to do so.

Voter participation was nearly 10% of the membership. This is consistent with the trend we have seen in the past few years.



2019 Looking Ahead

Chugach, BDO and the Election committee met on Monday, June 4th to debrief the 2018 election with our lessons learned meeting. We continue to find value in doing these meetings to help us continue to improve our overall election process and Annual Meeting.

Feedback and suggestions that came out of this year's meeting include:

- The weekly email reminders to the membership result in higher numbers of votes cast, keep doing them as a low-cost way to boost voting participation.
- Use actual voting booths at the Annual Meeting to increase the sense of voting privacy. An election committee member says that the division of elections will loan these out. Chugach staff will follow through on this suggestion.
- The Annual Meeting setup, entertainment, use of a Master of Ceremonies to run the meeting, and the double buffet line, really increased enjoyment of the Annual Meeting overall. The election committee wanted to pass along their kudos.



Chugach Electric Association, Inc.
Anchorage, Alaska

June 27, 2018

TO: Chugach Board of Directors

FROM: Lee D. Thibert, Chief Executive Officer

SUBJECT: *Railbelt Electric Utility Bill Comparison: Rates Effective Second Quarter 2018*

Chugach's retail rates remain among the lowest of the Railbelt utilities. On a total residential customer bill basis, the bill levels of Golden Valley Electric Association, Inc. (GVEA), Homer Electric Association, Inc. (HEA), and Matanuska Electric Association, Inc. (MEA) are higher than Chugach by 28 percent, 25 percent, and 8 percent, respectively. Municipal Light and Power's (ML&P) residential customer bill levels are 16 percent lower than Chugach, due to their low cost of fuel, as shown in Figure 2. Chugach continues to have the lowest base rates for residential, small general service and large general service.

Comparison of Results

The average Chugach residential bill, which includes fuel and purchased power costs, increased by 0.2 percent from first quarter 2018 to second quarter 2018. The increase is due to small increases in both the base energy rate and the fuel and purchased power rate. Chugach's second quarter residential bill of \$120.43 (for 600 kWh) compares with bill totals of \$154.25 for GVEA, \$149.94 for HEA, \$129.50 for MEA, and \$101.67 for ML&P. Below is a summary of rate changes at other Railbelt electric utilities since last quarter.

- GVEA's retail bill levels decreased less than one percent due to a slightly reduced Cost of Power Adjustment (COPA) rate. The COPA rate is used exclusively for the recovery of fuel and purchased power costs. There were no changes to GVEA's demand and energy rates.
- HEA's retail rate levels decreased about 1.5 percent due to a 5 percent decrease to their COPA rate. There were no changes to HEA's demand and energy rates.
- ML&P retail bill levels decreased approximately 8 percent as a result of a 58 percent reduction to the COPA rate. The COPA rate reduction was driven by a positive balance in the COPA balancing account and approximately \$0.9 million in revenue from economy sales. There were no changes to ML&P's demand and energy rates.
- MEA retail bills decreased approximately 0.2 percent due to a half percent reduction to the COPA rate. There were no changes to MEA's demand and energy rates.

Table 1 below summarizes current retail bill totals in relation to Chugach and the prior quarter for each utility.

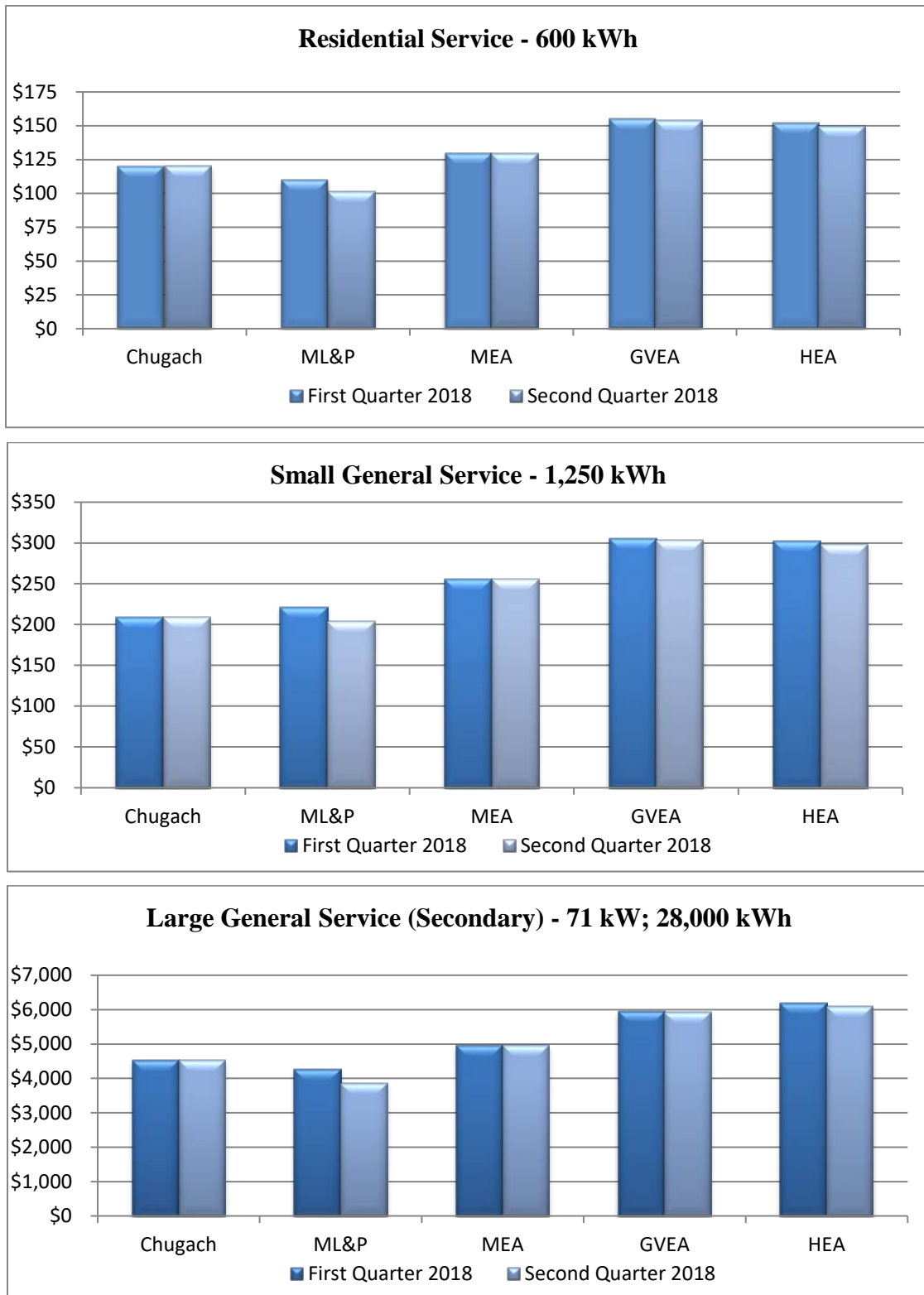
Customer Class	Chugach	ML&P	MEA	GVEA	HEA
Residential total based on 600 kWh	\$120.43	\$101.67	\$129.50	\$154.25	\$149.94
Cost per kWh	\$0.201	\$0.169	\$0.216	\$0.257	\$0.250
Change from Prior Quarter	0.2%	(7.8%)	(0.2%)	(0.6%)	(1.48%)
Difference from Chugach Bill	----	(15.6%)	7.5%	28.1%	24.5%
Small General Service total based on 1,250 kWh	\$209.36	\$203.82	\$255.71	\$303.61	\$298.30
Cost per kWh	\$0.167	\$0.163	\$0.205	\$0.243	\$0.239
Change from Prior Quarter	0.2%	(8.1%)	(0.2%)	(0.6%)	(1.6%)
Difference from Chugach Bill	----	(2.6%)	22.1%	45.0%	42.5%
Large General Service - Secondary total	\$4,529.51	\$3,866.03	\$4,963.35	\$5,921.32	\$6,093.89
Cost per kWh	\$0.162	\$0.138	\$0.177	\$0.211	\$0.218
Change from Prior Quarter	0.2%	(9.4%)	(0.2%)	(0.7%)	(1.7%)
Difference from Chugach Bill	----	(14.6%)	9.6%	30.7%	34.5%

Figures 1 through 4

The graphs on the following pages provide additional comparisons of Railbelt utility rates. Figure 1 compares bill totals between second quarter 2018 and the prior quarter. Figure 2 expands the comparison by identifying separately the base rate component and the fuel / purchased power components of each utility this quarter. Figure 3 summarizes Chugach quarterly residential bill levels for the past seven years, identifying the base rate and fuel / purchased power components of each bill. Figure 4 illustrates bill totals for the last five consecutive quarters for all Railbelt electric utilities.

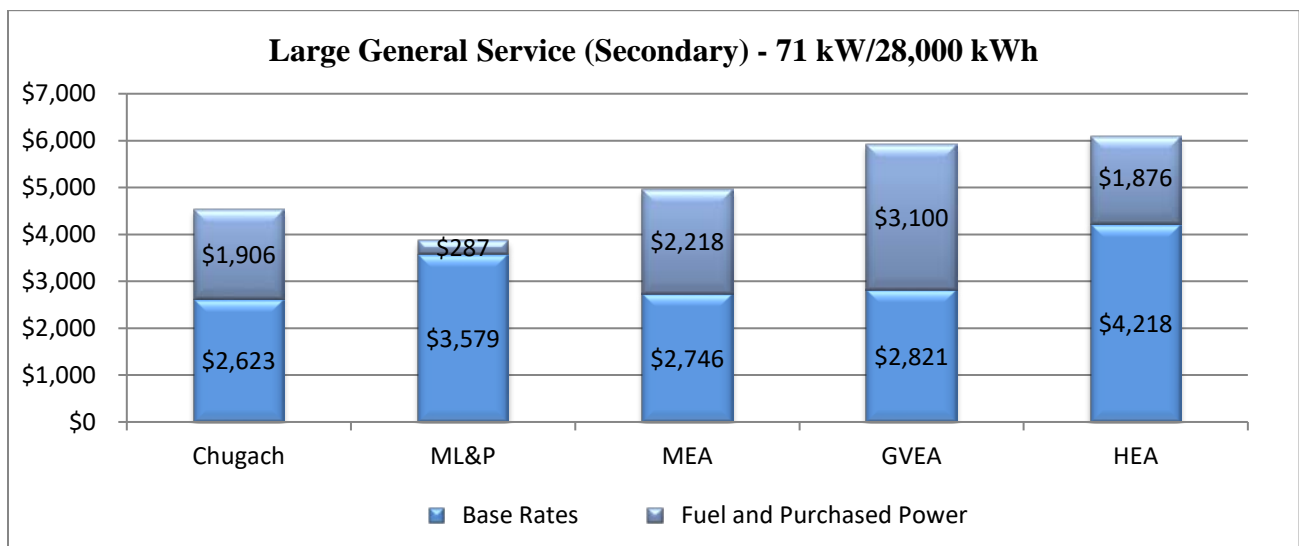
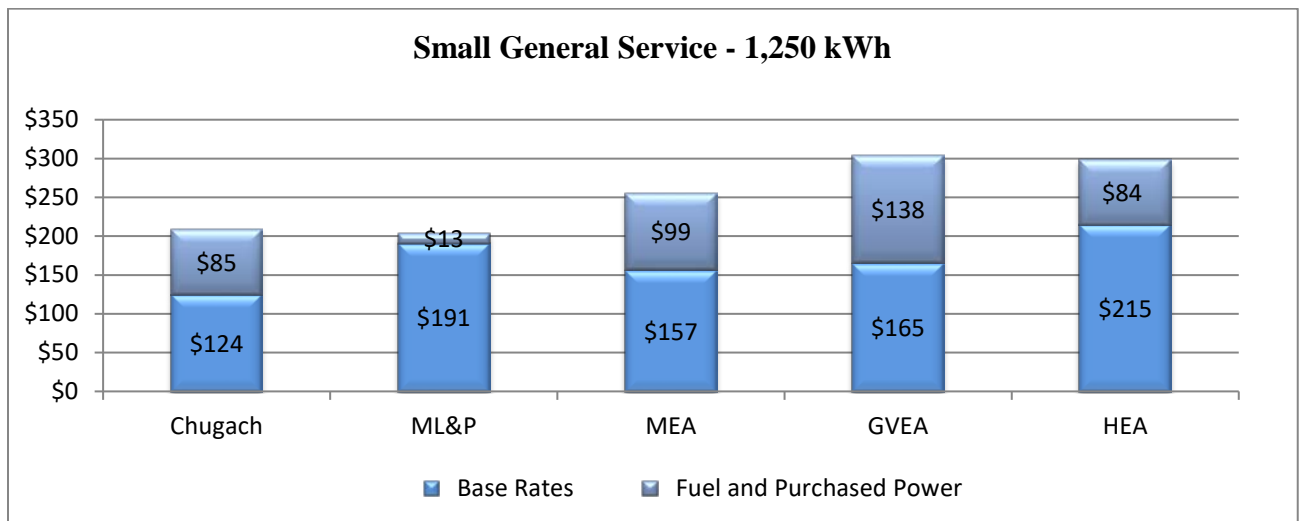
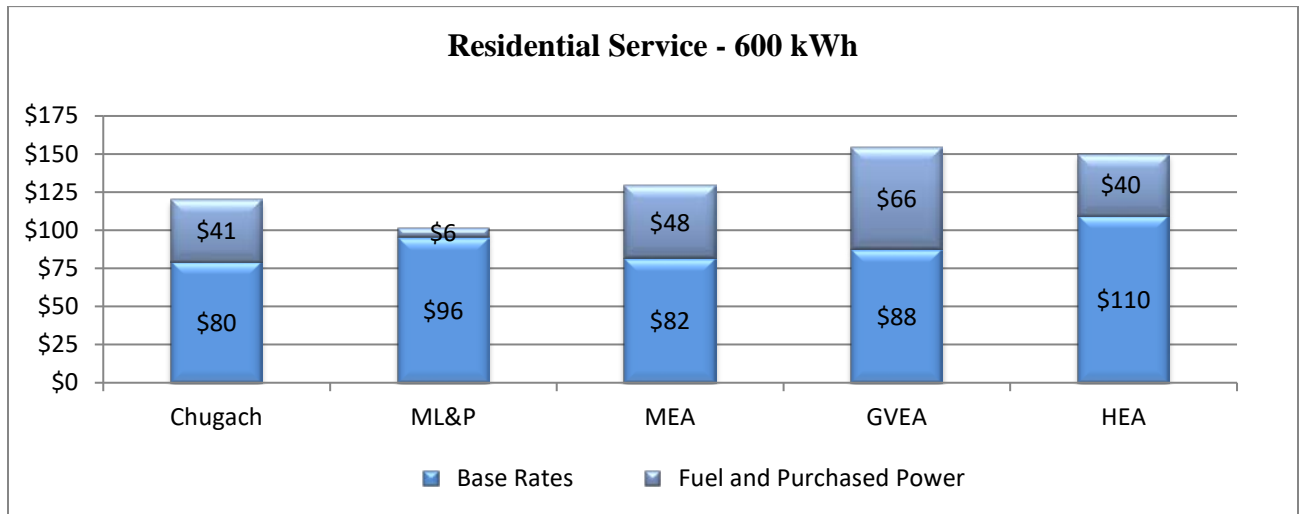
¹ Bill totals are based on tariffed rates. Local taxes, including the Municipality of Anchorage two percent underground surcharge, are not applicable to all utilities in this comparison and are therefore excluded from the calculations. The Regulatory Cost Charge is included as this charge is applied equally to all utilities. For all cooperatives, the Gross Revenue Tax is included. The residential and small general service bill totals are based on monthly energy purchases of 600 kWh and 1,250 kWh, respectively. The large general service bill totals are based on 28,000 kWh and 71kW. ML&P's Large General Service bill totals do not reflect impacts associated with their tariffed demand ratchet. Bill comparisons include all approved and pending fuel and purchased power rates for second quarter 2018.

**Figure 1: Retail Electric Bill Totals by Utility
First Quarter 2018 vs. Second Quarter 2018**



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

**Figure 2: Base Rate and Fuel and Purchased Power Components
Bill Totals – Second Quarter 2018**



ML&P's Large General Service totals do not reflect tariffed impacts of its ratchet on demand charges.

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

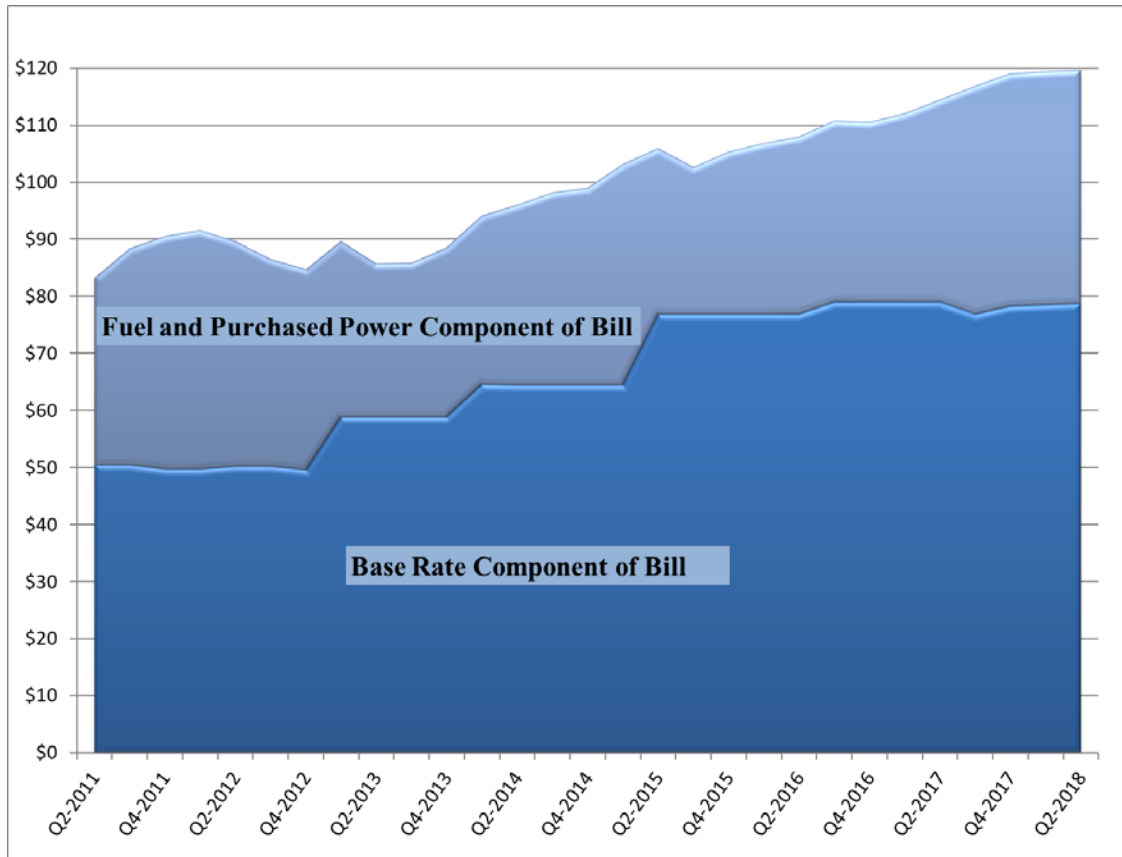
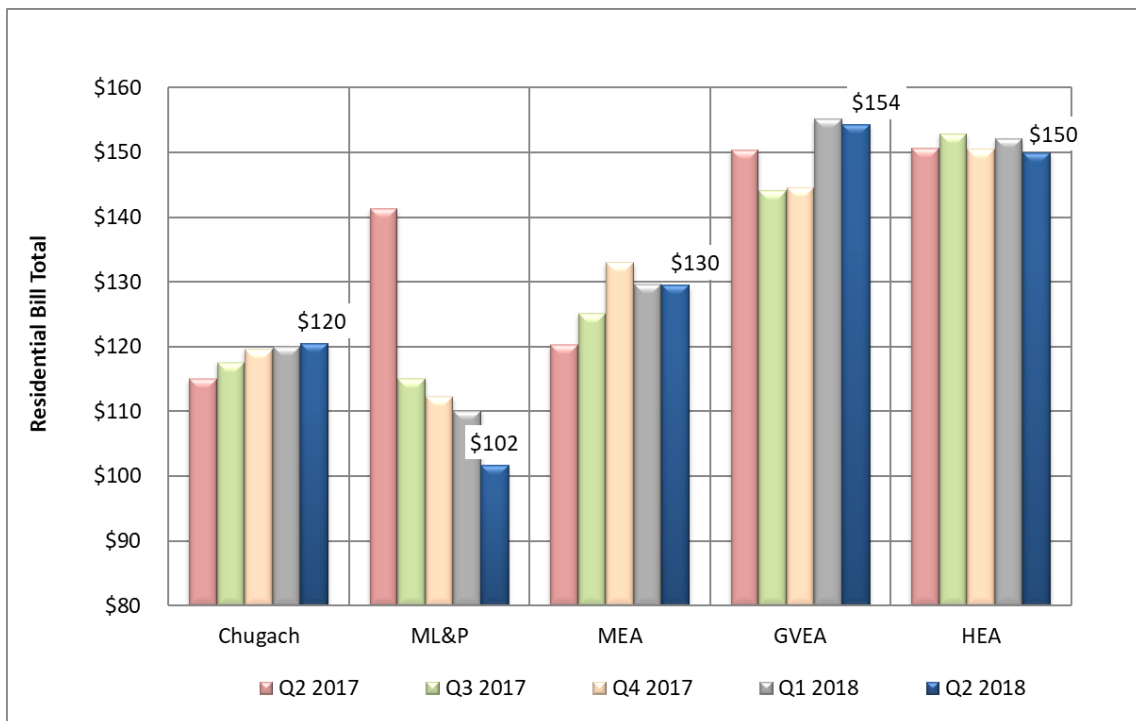


Figure 4: Railbelt Electric Utility Average Total Residential Bill Levels Second Quarter 2017 through Second Quarter 2018



CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

June 27, 2018

ACTION REQUIRED

AGENDA ITEM NO. VIII.A.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

2017 Capital Credit Allocations

DISCUSSION

Chugach Electric Association, Inc.'s (Chugach) margins are allocated to members on an annual basis. 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.

If the allocations are approved by the Board, each member will receive individual notice during July and August 2018 of their allocation amount as well as a brief explanation of Chugach's capital credit program. In addition, the capital credit amounts allocated will be identified on each retail customer bill and a general notice of the allocations will be posted to Chugach's website. Each member using Chugach's member engagement portal "My Account" will be able to view their total accumulated capital credit allocations through December 2017.

The 2017 allocations were computed based on revenue, revenue requirements and ratemaking margin levels established by the Regulatory Commission of Alaska. The allocations reflect Chugach's Commission-approved revenue requirement and cost of service study for rates effective during calendar-year 2017.

The margin allocation for calendar-year 2017 totals \$6,018,165 for Chugach retail members and \$30,559 for Seward Electric System. Below is a summary of the 2017 allocations on a class and functional basis.

Summary of Capital Credit Allocations				
Description	G&T	Distribution	Total	Percent
Chugach Retail	\$1,372,995	\$4,645,170	\$6,018,165	99.49%
Seward Electric System	\$30,559	----	\$30,559	0.51%
Total	\$1,403,554	\$4,645,170	\$6,048,724	100.00%

The proposed allocations were provided to Seward Electric System on June 7, 2018. Chugach also notified Seward that the allocations were scheduled for approval during the June 27, 2018 Board meeting. Chugach is not aware of any outstanding issues regarding the allocations.

MOTION

Move that the Board of Directors approve the attached Resolution authorizing 2017 capital credit allocations in the amounts of \$6,018,165 to Chugach retail members and \$30,559 to Seward Electric System.

RESOLUTION

2017 Capital Credit Allocations

WHEREAS, the Bylaws of Chugach Electric Association, Inc. (“Chugach” or “Association”) provide that the patronage capital furnished by each patron shall be clearly reflected in an appropriate record to the capital account of each patron;

WHEREAS, 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, the Bylaws require that the Association notify each patron of the amount of capital so credited; and,

WHEREAS, the total system patronage (margins) allocable to Chugach retail and the Seward Electric System totals \$6,048,724.

NOW, THEREFORE, BE IT RESOLVED, the allocation of 2017 system patronage to the wholesale and retail members of the Association is as follows:

Summary of Capital Credit Allocations				
Description	G&T	Distribution	Total	Percent
Chugach Retail	\$1,372,995	\$4,645,170	\$6,018,165	99.49%
Seward Electric System	\$30,559	----	\$30,559	0.51%
Total	\$1,403,554	\$4,645,170	\$6,048,724	100.00%

CERTIFICATION

I, Stuart Parks, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 27th day of June, 2018; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation on the 27th day of June, 2018.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF THE DIRECTORS' MEETING
AGENDA ITEM SUMMARY

June 27, 2018

ACTION REQUIRED

AGENDA ITEM NO. X.A.

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

TOPIC

ML&P - Approval of the Integration Consulting Agreement

DISCUSSION

At the June 25, 2018, Operations Committee Meeting, the Committee recommended to the Board of Directors to authorize the Chief Executive Officer to execute the Integration Consulting Agreement as discussed in Executive Session.

MOTION

Move that the Board of Directors authorize the Chief Executive Officer to execute the Integration Consulting Agreement as discussed in Executive Session.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

June 27, 2018

ACTION REQUIRED

AGENDA ITEM NO. X.B.

 Information Only
 X Motion
 X Resolution
 Executive Session
 Other

TOPIC

ML&P - Authorization to negotiate Asset Purchase Agreement with the Municipality of Anchorage for the potential acquisition of Anchorage Municipal Light & Power (ML&P).

DISCUSSION

Chugach staff has been advising the Chugach Board of Directors over the last year on Chugach's potential acquisition of ML&P, including results of the economic analysis on the acquisition. At the June 25, 2018, Operations Committee Meeting, the Committee recommended that the Board of Directors authorize the Chief Executive Officer to negotiate and develop an Asset Purchase Agreement with the Municipality of Anchorage for the purchase of all or a majority interest of ML&P, with expected savings of at least \$110 million and subject to due diligence, under terms and conditions substantially the same as discussed in Executive Session.

MOTION

Move that the Chugach Board of Directors approve the attached resolution authorizing the Chief Executive Officer to negotiate and develop an Asset Purchase Agreement with the Municipality of Anchorage for the purchase of all or a majority interest of ML&P, with expected savings of at least \$110 million and subject to due diligence, under terms and conditions substantially the same as discussed in Executive Sessions.

RESOLUTION

ML&P - Authorization to Negotiate Asset Purchase Agreement for Potential Acquisition

WHEREAS, Chugach Electric Association, Inc. (“Chugach” or “Association”) and Anchorage Municipal Light & Power (“ML&P”) currently provide electric service to retail customers within the Municipality of Anchorage through Certificate of Public Convenience and Necessity Nos. 8 and 121, respectively, issued and approved by the Regulatory Commission of Alaska;

WHEREAS, on June 13, 2017, the Anchorage Assembly approved Resolution AR No. 2017-235 urging the Municipality of Anchorage, ML&P and Chugach to initiate substantive steps to explore merger opportunities;

WHEREAS, Chugach completed its initial economic analysis that identified potential total savings of \$280 to \$390 million realized through economies of scale and scope from all facets of electric utility operations, including generation, transmission, distribution and customer-related functions;

WHEREAS, based on the results of the analysis, the Association has determined that under certain conditions and subject to adjustment based on due diligence activity, the acquisition of all or a majority interest of ML&P’s assets results in net economic benefit to Chugach’s membership and ML&P customers as evaluated on both a net present value and electric customer bill basis;

WHEREAS, the Association has determined that the current purchase value of ML&P is approximately \$694 million, plus the cost of defeasance, and a premium reflective of current industry acquisition multiples and expected savings resulting from consolidation;

WHEREAS, the analysis completed by Chugach indicates that, after payment of the total purchase price to the Municipality of Anchorage, a minimum level of savings totaling \$110 million (net present value; 5 percent discount rate over 40-year period) is needed for the acquisition to move forward;

WHEREAS, Chugach’s guiding principles of the acquisition require that the electric rates of Chugach members and ML&P customers will not increase as a result of the acquisition and that there will be no employee layoff at either Chugach or ML&P as a result of the acquisition;

WHEREAS, on January 9, 2018, the Anchorage Assembly passed Resolution AR No. 2018-21 identifying its expectation for Chugach to work with Matanuska Electric Association, Inc. (“MEA”) to ensure members served by MEA within the Municipality of Anchorage (approximately 23 percent of MEA sales) benefit from cost savings and power reliability, including potential asset transfers, resulting from Chugach’s acquisition of ML&P;

WHEREAS, agreement between Chugach and MEA in recognition of Anchorage Assembly Resolution AR No. 2018-21 is subject to Chugach board approval;

WHEREAS, on January 23, 2018, the Anchorage Assembly approved Ordinance AO No. 2018-1(S), finding the sale of ML&P to Chugach is in the public interest and submitting to Anchorage voters a charter amendment authorizing but not requiring ML&P to be sold to Chugach;

WHEREAS, on April 3, 2018, 65 percent of the voters in the Municipal election approved the ballot proposition authorizing the Municipality of Anchorage to move forward on the activities that could lead to a sale of ML&P assets to Chugach of approximately \$1 billion, subject to adjustment during the due diligence process and inclusive of all payments including payments in lieu of taxes;

WHEREAS, the specific terms and conditions of the acquisition of ML&P will be contained in an Asset Purchase Agreement between Chugach and the Municipality of Anchorage that, subject to due diligence and negotiation, will be presented for approval to the Chugach Board of Directors and to the Anchorage Assembly;

WHEREAS, the terms and conditions of the Asset Purchase Agreement shall be consistent with the December 18, 2017 Term Sheet authorized by the Chugach Board of Directors;

WHEREAS, on January 22, 2018, the Chugach Board of Directors authorized the Chief Executive Officer to negotiate a conditional Transition Agreement that fulfills the applicable terms contained in the December 18, 2017 Term Sheet and that will form the basis for three new collective bargaining agreements between Chugach and the International Brotherhood of Electrical Workers, Local 1547;

WHEREAS, the due diligence efforts to support the development of the Asset Purchase Agreement include, but are not limited to, further evaluation of the cost savings resulting from consolidation and the attendant economic and financial impacts resulting from the transaction as well as due diligence efforts specific to legal, title, environmental, and physical plant; and

WHEREAS, the Chief Executive Officer, Chugach staff and the Chugach Board of Directors have had and will continue to have substantive discussions of the benefits and costs of the potential acquisition of ML&P.

NOW THEREFORE, BE IT RESOLVED, that the Chugach Board of Directors authorizes the Chief Executive Officer to negotiate and develop an Asset Purchase Agreement with the Municipality of Anchorage for the purchase of all or a majority interest of ML&P (potentially excludable assets include, but are not be limited to, certain assets related to the Eklutna Hydroelectric Project and properties within the vicinity of ML&P's headquarters complex), with expected savings of at least \$110 million and subject to due diligence, under terms and conditions substantially the same as discussed in Executive Sessions.

CERTIFICATION

I, Stuart Parks, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 27th day of June, 2018; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the 27th day of June, 2018.

Secretary

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

June 27, 2018

ACTION REQUIRED

AGENDA ITEM NO. X.C.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

ML&P - Schedule for the Approval of the Asset Purchase Agreement Between Chugach and the Municipality of Anchorage.

DISCUSSION

As discussed in executive session.

MOTION

Move that the Chugach Board of Directors approve the attached resolution regarding the schedule for Chugach Board approval of the Asset Purchase Agreement for the purchase of all or a majority interest of ML&P, subject to the timely receipt of due diligence information and successful negotiations with the Municipality of Anchorage.

RESOLUTION

ML&P - Schedule for the Approval of the Asset Purchase Agreement Between Chugach and the Municipality of Anchorage

WHEREAS, on June 13, 2017, the Anchorage Assembly approved Resolution AR No. 2017-235 urging the Municipality of Anchorage, Anchorage Municipal Light & Power (“ML&P”) and Chugach Electric Association, Inc. (“Chugach” or “Association”) to initiate substantive steps to explore merger opportunities;

WHEREAS, on January 23, 2018, the Anchorage Assembly approved Ordinance AO No. 2018-1(S), finding the sale of ML&P to Chugach is in the public interest and submitting to Anchorage voters a charter amendment authorizing but not requiring ML&P to be sold to Chugach;

WHEREAS, on April 3, 2018, 65 percent of those voting in the Municipal election approved the ballot proposition authorizing the Municipality of Anchorage to move forward on the activities that could lead to a sale of ML&P’s assets to Chugach;

WHEREAS, the ballot proposition provides that the Municipality of Anchorage may sell all or part of the assets and business of ML&P to Chugach by ordinance approved no later than December 31, 2018;

WHEREAS, the Chugach Board of Directors has authorized the Chief Executive Officer to negotiate and develop an Asset Purchase Agreement with the Municipality of Anchorage, subject to due diligence and other key conditions, for the purchase of all or a majority interest of ML&P assets;

WHEREAS, the completion of the Asset Purchase Agreement on or by October 24, 2018 is consistent with and meets the Chugach Board of Directors’ expected process and timeline to complete due diligence activity and negotiation of the Asset Purchase Agreement;

WHEREAS, the Chugach Board of Directors agrees that the October 24, 2018 deadline is achievable provided substantial progress is regularly made and reported to the Chugach Board;

WHEREAS, the Anchorage Assembly Enterprise and Utility Oversight Committee requested that the Asset Purchase Agreement be provided to the Anchorage Assembly during October 2018 to provide adequate time for review and approval to meet the December 31, 2018 deadline; and,

WHEREAS, upon approval by the Chugach Board of Directors, the Asset Purchase Agreement shall be provided to the Anchorage Assembly for consideration and approval.

NOW THEREFORE, BE IT RESOLVED, the Chugach Board of Directors will undertake a process to approve the Asset Purchase Agreement on or by October 24, 2018, subject to the timely receipt of due diligence information and successful negotiations with the Municipality of Anchorage.

CERTIFICATION

I, Stuart Parks, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 27th day of June, 2018; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the 27th day of June, 2018.

Secretary

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

June 27, 2018

ACTION REQUIRED

AGENDA ITEM NO. X.D.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

2018 CEO Performance Scorecard and Project Specific Initiatives

DISCUSSION

At the April 25, 2018, Regular Board of Directors' Meeting, no action was taken and Board stated that the agenda item will be discussed at the May Board meeting.

And at the May 24, 2018, Operations Committee Meeting and June 27, 2018, Regular Board of Directors' Meeting, the Committee and Board discussed the 2018 CEO Performance Scorecard and Project Specific Initiatives. It was decided that an Ad Hoc Committee of four directors would meet and discuss potential goals with Lee Thibert, Chief Executive Officer (CEO).

Chair Chastain, Vice Chair Reeves and Director Crawford met with Lee Thibert, CEO on Wednesday, June 13, 2018.

MOTION

Move that the Board of Directors approve the 2018 CEO Performance Scorecard and Project Specific Initiatives as discussed in the Executive Session.

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-

TOPIC

Director Vacancy

DISCUSSION

The resignation of Director Cooper, effective June 20, 2018 created a vacancy on the Chugach Board of Directors. Pursuant to Board Policy 603 and Article IV, Section 8 of the bylaws, Chugach will begin solicitation for candidates to fill the vacancy.

For discussion purposes, the proposed schedule of the process to fill the vacancy follows:

- June 27, 2018 – Regular Board of Director’s Meeting – give notice of the vacancy.
- June 28, 2018 through July 10, 2018 – advertise for candidate applications.
- July 10, 2018 noon – deadline for receipt of candidate applications.
- July 12, 2018 – review applications; schedule and hold interviews.
- July 25, 2018 – Regular Board of Directors’ Meeting – vote upon candidate to fill the vacancy.

MOTION

Move that the Board give notice of Director Cooper’s resignation and proceed to fill the vacancy pursuant to Board Policy 603 and Article IV, Section 8 of the Chugach bylaws.

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 603

BOARD VACANCIES

I. OBJECTIVE

To describe the procedure for the Board to fill Board vacancies consistent with the Bylaws.

II. CONTENT

- A. **Time and Manner of Solicitation.** Solicitations for applications to fill a vacancy on the Board shall begin by direction of the Board Chair following notice at a regular Board meeting that a vacancy has occurred. The solicitations shall be done in essentially the same manner as that for candidates in a regular election for a time specified by the Board Chair. Only persons eligible to run under Bylaw Article IV, Section 3 shall be considered candidates for appointment.
- B. **Interviews.** The Board shall interview all of the candidates.
- C. **Time of Consideration.** After the closure of the solicitation and interview process, the Board shall consider the candidates at its next regularly scheduled meeting.
- D. **Nomination of Slate.** At the appropriate time on the agenda, the Directors shall develop a slate of candidates. This slate shall be created by a nomination process of the Board. In order for a name to be added, it shall require a "motion to nominate" by a Director, followed by a "second to the motion" from another Director.
- E. **Narrowing of Slate.** If more than two candidates are included in the slate, the Board shall vote to eliminate candidates until only two remain.
- F. **Final Selection.** Once only two candidates remain, the Board shall vote for the candidates until one is selected by a majority of the Board.
- G. **Deadlock.** If the Board remains deadlocked after three ballots in the final selection process, any member of the Board may by motion place a new candidate on the ballot from the applicant pool. The process shall then start as in paragraph E above.
- H. **Continuing Deadlock.** In the event of continued deadlock, the Board may, by motion, reopen the application process and/or postpone the appointment until a future meeting.
- I. **More Than One Vacancy.** If more than one vacancy occurs at the same time, the number of candidates in paragraphs E and F above shall be changed to one more

than the number of vacancies. Each seat shall be filled by a majority vote of the remaining Directors with each Director casting one vote for each vacant Director's slot. This would mean, for example, that if there were two vacancies on the Board, the Board would create a slate of three candidates by following the procedures spelled out in earlier paragraphs and then proceed to final voting. At this time, each Director would vote for two of the three names on the slate of candidates.

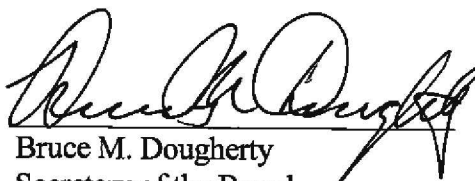
- J. Assumption of Office. If the winning candidate or candidates are present at the Board meeting at which they are selected, they shall be sworn in immediately and take their seats. If not, they shall be sworn in as soon as is reasonable.

III. **RESPONSIBILITY**

The Board of Directors shall be responsible for the administration of this Policy.

Date Approved: May 25, 2016

Attested:


Bruce M. Dougherty
Secretary of the Board