



CHUGACH ELECTRIC ASSOCIATION, INC.  
ANCHORAGE, ALASKA

AUDIT AND FINANCE COMMITTEE MEETING

AGENDA

Rachel Morse, Chair  
Sisi Cooper, Director  
Dan Rogers, Director

Katherine Jernstrom, Director  
Mark Wiggin, Director

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**August 20, 2025**

**4:00 p.m.**

**Chugach Board Room**

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- I. CALL TO ORDER (4:00 p.m.)
  - A. *Roll Call*
- II. APPROVAL OF THE AGENDA\*
- III. APPROVAL OF THE MINUTES\*
  - A. *May 21, 2025 (Richey)*
- IV. PERSONS TO BE HEARD
  - A. *Member Comments*
- V. NEW BUSINESS\* (scheduled) (4:10 p.m.)
  - A. *Board Policy 207 – Audit and Finance Committee (Committee)*
  - B. *Election of Audit and Finance Committee Vice Chair\* (Committee)*
- VI. CEO REPORTS AND CORRESPONDENCE (4:15 p.m.)
  - A. *Collective Bargaining Agreements - Update (Millen/Menefee)*
  - B. *BRU Quarterly Investment Review (Millwood)*
  - C. *2nd Quarter 2025 Capital Tracking Report (Millwood)*
  - D. *2nd Quarter 2025 Financial Information and Variance Report (Millwood)*
- VII. NEW BUSINESS (none)
- VIII. DIRECTOR COMMENTS (5:15 p.m.)
- IX. EXECUTIVE SESSION (scheduled) (5:30 p.m.)
  - A. *Equity Management Plan Goals (Highers/Millwood/Strunk)*
- X. NEW BUSINESS (none)
- XI. ADJOURNMENT\* (6:00 p.m.)

\* *Denotes Action Items*

\*\* *Denotes Possible Action Items*

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

**May 21, 2025**  
**Wednesday**  
**4:00 p.m.**

**AUDIT AND FINANCE COMMITTEE MEETING**

Recording Secretary: Buddi Richey

**I. CALL TO ORDER**

Vice Chair Cooper called the Audit and Finance Committee meeting to order at 4:02 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

*A. Roll Call*

*Committee Members' Present:*

Sisi Cooper, Vice Chair  
Rachel Morse, Director - *via teleconference*  
Dan Rogers, Director  
Mark Wiggin, Director  
Jim Nordlund, Director - *via teleconference*

*Board Members Present:*

Bettina Chastain, Director

*Guests and Staff Attendance Present:*

Arthur Miller	David Caye	Nick Shamonieak
Sherri Highers	Grace Johnson	Randal Chicola
Matthew Clarkson	Julie Hasquet	Nathan Golab
Allan Rudeck	Katie Millen	Adam Lutchansky
Andrew Laughlin	Paul Millwood	Bernie Smith, Member

*Via Teleconference:*

Stephanie Huddell	Colin Palmer
Amanda Mankel	Katherine Jernstrom,
Sandra Cacy	Member

**II. APPROVAL OF THE AGENDA**

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

**III. APPROVAL OF THE MINUTES**

Director Wiggin moved, and Director Rogers seconded the motion to approve the April 2, 2025, Audit and Finance Committee Meeting minutes. The motion passed unanimously.



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

Bernie Smith provided comments regarding Rate Case and how much he appreciated Arthur Miller's presentation at Commonwealth North's Energy Forum May 20, 2025.

#### **V. NEW BUSINESS** *(none)*

#### **VI. CEO REPORTS AND CORRESPONDENCE**

##### *A. BRU Quarterly Investment Fund Review (Millwood)*

Paul Millwood, VP Finance & Accounting, presented the BRU Quarterly Investment Fund Review and answered questions from the Committee.

##### *B. 1<sup>st</sup> Quarter 2025 Capital Tracking Report (Millwood)*

Paul Millwood, VP Finance & Accounting, presented the 1st Quarter 2025 Capital Tracking Report and answered questions from the Committee.

##### *C. 1<sup>st</sup> Quarter 2025 Financial Information & Variance Report (Millwood)*

Paul Millwood, VP Finance & Accounting, presented the 1st Quarter 2025 Financial Information & Variance Report and answered questions from the Committee.

#### **VII. NEW BUSINESS\*** *(scheduled)*

##### *A. 2025 Operating Budget Revision\* (Highers/Millwood)*

Sherri Highers, Chief Financial Officer, gave a high-level description of the Proposed Operational Budget Revisions.

Director Wiggin moved, and Director Rogers seconded that the Audit and Finance Committee recommend the Board of Directors approve the amendment to the 2025 Operating Budget in the amount of \$6,319,305. The motion passed unanimously.

#### **VIII. DIRECTOR COMMENTS**

*Director Comments were made at this time.*

#### **IX. EXECUTIVE SESSION** *(none)*

#### **X. NEW BUSINESS** *(none)*

#### **XI. ADJOURNMENT**

At 5:06 p.m., Director Wiggin moved, and Director Rogers seconded the motion to adjourn. The motion passed unanimously.

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

### **BOARD POLICY: 207**

#### **AUDIT AND FINANCE COMMITTEE**

##### **I. PURPOSE**

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

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

The Audit and Finance Committee shall also:

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

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

## II. COMPOSITION

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

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


## III. RESPONSIBILITIES

The responsibilities of the Committee are to:

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

7. Review the management letter delivered by the independent auditor in connection with the audit.
8. Each year, confirm the level of financial information to include in the Association's annual report.
9. Meet quarterly with management to review and discuss the quarterly financial statements and meet annually with management and the independent auditor to review and discuss the annual financial statements.
10. At least annually, meet with the independent auditor out of the presence of management to discuss internal controls and to review the fullness and accuracy of the Association's financial statements.
11. When necessary, meet in separate executive sessions with management and the independent auditor to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative, or when such an executive session would otherwise be necessary to comply with the open meeting requirements of the Association.
12. Have such meetings with management, the independent auditor and the internal auditor, if applicable, as the Audit and Finance Committee deems appropriate, to discuss significant financial risk exposures facing the Association, and steps management has taken or should be taken to monitor and control such exposures.
13. Review the scope and results of internal audits, if applicable.
14. Evaluate the performance of the independent auditor and, if so determined by the Audit and Finance Committee, recommend to the Board of Directors replacement of the independent auditor.
15. At the request of Association counsel, review with Association counsel legal and regulatory procedures that may have a significant impact on the Association's financial statements, compliance policies or programs.
16. Conduct or authorize such inquiries into matters within the Committee's scope of responsibility as the Committee deems appropriate.
17. Provide minutes of Audit and Finance Committee meetings to the Board of Directors, and report to the Board of Directors on any significant matters arising from the Committee's work.
18. Review with the independent auditors and management the extent to which any changes or improvements in financial or accounting practices, as recommended by the independent auditors and approved by the Board, have been implemented.
19. At least annually, review and reassess this Policy and, if appropriate, recommend proposed changes to the Board of Directors.

Date Approved: May 26, 2021

Attested:   
James Henderson  
Secretary of the Board

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

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

**AUDIT AND FINANCE COMMITTEE MEETING**  
**AGENDA ITEM SUMMARY**

**August 20, 2025**

**ACTION REQUIRED**

**AGENDA ITEM NO. V.B.**

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

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**TOPIC**

Election of Audit and Finance Committee Vice Chair

**DISCUSSION**

Board Policy 207, Audit and Finance Committee provides that the Board Chair shall appoint the Board Treasurer as the Audit and Finance Committee Chairperson. This year, the Board Treasurer and thus the Audit and Finance Chair is Director Rachel Morse. Pursuant to Board Policy 207, the Audit and Finance Committee is to elect from its membership a Vice Chair.

The Vice Chair acts during the absence of the Chair. The term of the Vice Chair is from his or her election by the Committee and until a new Committee is appointed by the Board Chair or unless the Vice Chair is otherwise removed or no longer wishes to serve.

Director Rachel Morse is Chair of the Audit and Finance Committee and other Committee members include Directors Sisi Cooper, Katherine Jernstrom, Dan Rogers, and Mark Wiggin.

**MOTION**

Move that the Audit and Finance Committee appoint Director \_\_\_\_\_ as Vice Chair of the Audit and Finance Committee.



# Update: IBEW and Chugach Electric Association, Inc. Collective Bargaining Agreements

**Audit and Finance Committee Meeting**  
August 20, 2025





# Update and Next Steps:



- Three IBEW contracts were ratified by the bargaining units on August 19, 2025
- Anticipated economic impact posted on Chugach's website on August 19, 2025 (<https://www.chugachelectric.com/union-agreements>)
- Chugach Board action scheduled for September 17, 2025



# Estimated Costs and Rate Impact

Contract	Year 1	Year 2	Year 3	Total
Office & Engineering	\$1.065M	\$1.693M	\$2.246M	\$5.004M
Generation	\$1.394M	\$2.460M	\$3.277M	\$7.131M
Outside	\$1.587M	\$2.434M	\$3.648M	\$7.669M
Total	\$4.046M	\$6.587M	\$9.171M	\$19.804M
Rate Impact	1.0%	1.6%	2.2%	5.0%



**Anticipated Costs \$19.804M**



# Questions?







ALASKA PERMANENT  
CAPITAL MANAGEMENT

Registered Investment Adviser

# Chugach Electric Beluga River ARO Investment Fund

June 2025

# Staying focused on your goals



Chugach Electric Beluga River ARO Investment Fund		
As of June 30, 2025		
Account Inception		October 2020
Total Contributions		\$ 34,062,576
Withdrawals		\$ 0
<i>Does not include custodial or management fees</i>		
Current Market Value		\$ 40,512,314
<i>June 30, 2025</i>		
Annualized Account Return*		+ 5.38%
<i>Inception – June 30, 2025</i>		
Strategic Asset Allocation	Risk Control	27%
	Risk Assets	52%
	Alternatives	21%

## Goals:

The investment objective of the ARO Fund is to achieve a long-term rate of return on assets in the ARO Fund which, in conjunction with monthly deposits of member funds by Chugach, will be sufficient to satisfy the ARO Liability. **The current funded status of the ARO Fund is 75.1% as of June 30, 2025.**

The targeted minimum return is CPI-U plus 200 basis points. The portfolio is expected to meet this goal over the long-term with an expected return of 6.6% and APCM's long-term inflation expectation of 2.5%. However, since inception, inflation has been above average, at 4.63%, and the portfolio has returned 5.38%.

## Contribution Policy:

Chugach Electric is to make monthly deposits equal to all funds collected from members for the ARO Surcharge.

\*Performance is gross of management fees, net of internal fund fees, and annualized for periods greater than one year.

# Funded status



Contributions to Date*	\$ 34,062,576
Net Earnings	\$ 6,449,738
Current Market Value	\$ 40,512,314
Total Liability <i>End of Life</i>	\$ 79,101,308
Anticipated Contributions**	\$ 18,910,121
Funded Status***	75.1%
Current Funding Gap**** <i>Additional contributions and/or earnings required to fully fund liability</i>	\$ 19,678,873
Funded Status + Funding Gap	100%

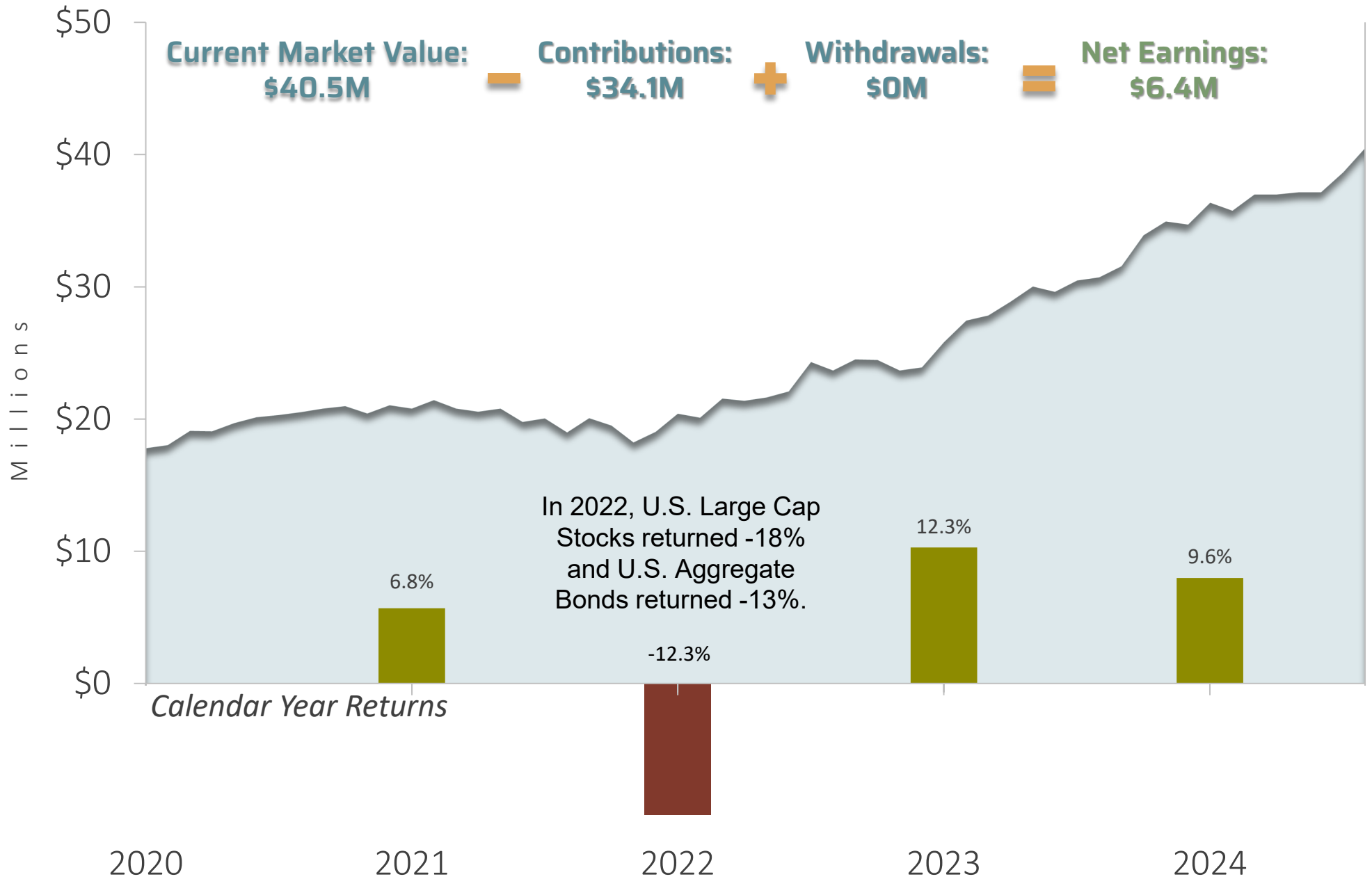
\*Contributions to Date calculated as the initial contribution plus subsequent deposits.

\*\* Anticipated Contributions based on 2022 Reserve Study prepared by Ryder Scott.

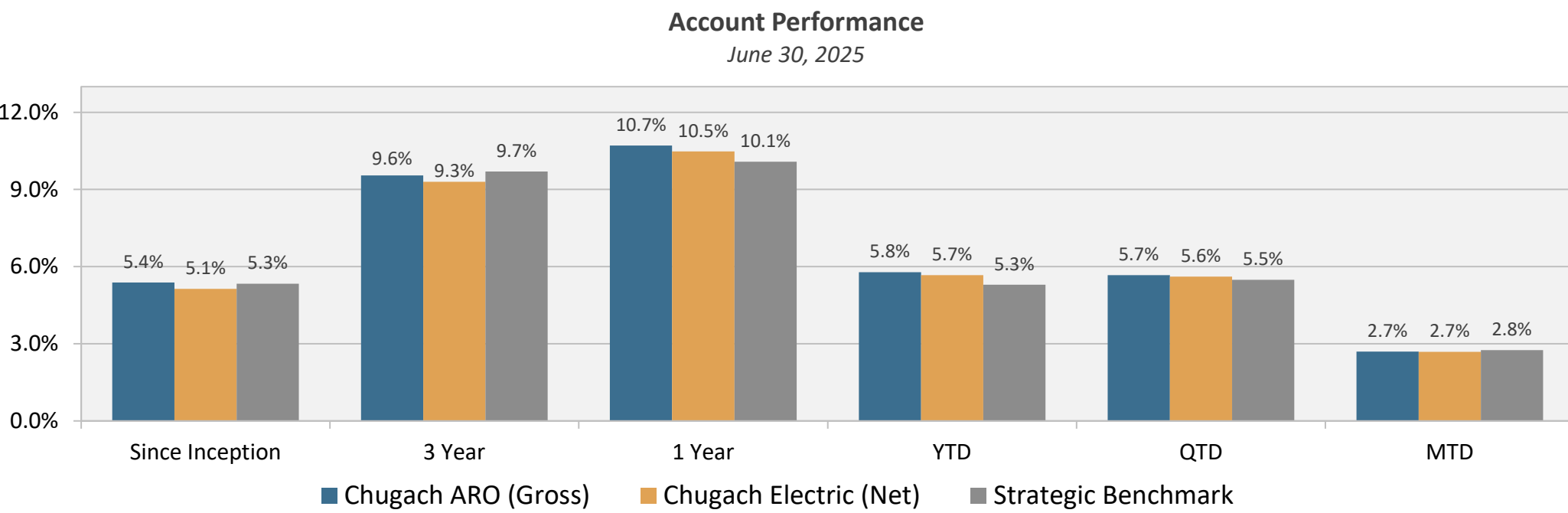
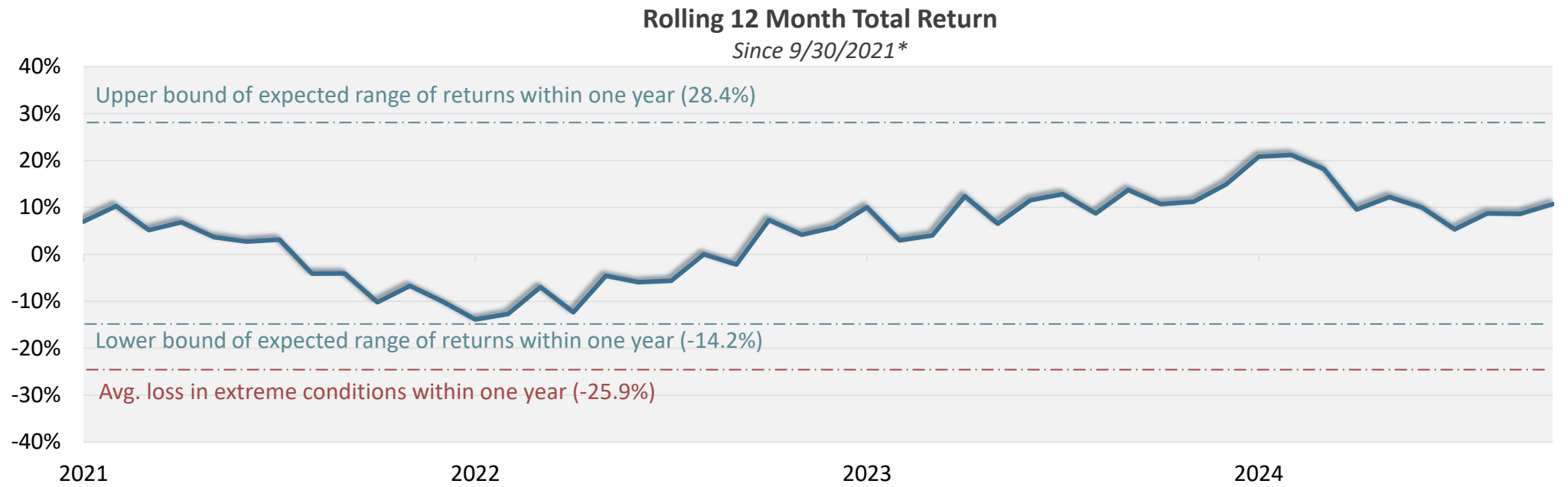
\*\*\*Funded Status calculated as current market value plus anticipated contributions of approximately \$18.91MM divided by the ARO liability of \$79.10MM.

\*\*\*\*Total Liability – (Current Market Value + Anticipated Contributions)

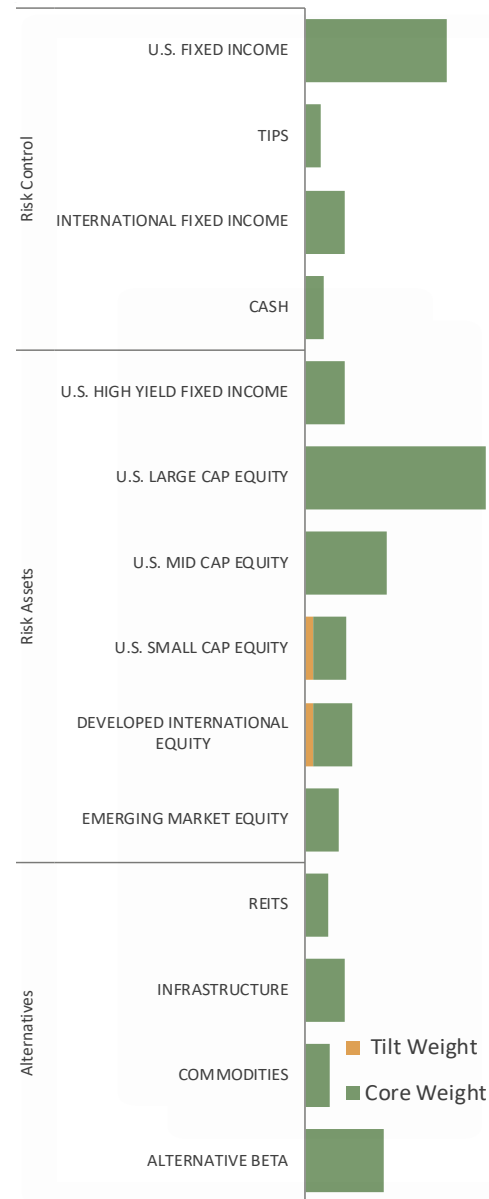
# The power of consistency in cumulative earnings



# Evaluating returns against strategic goals





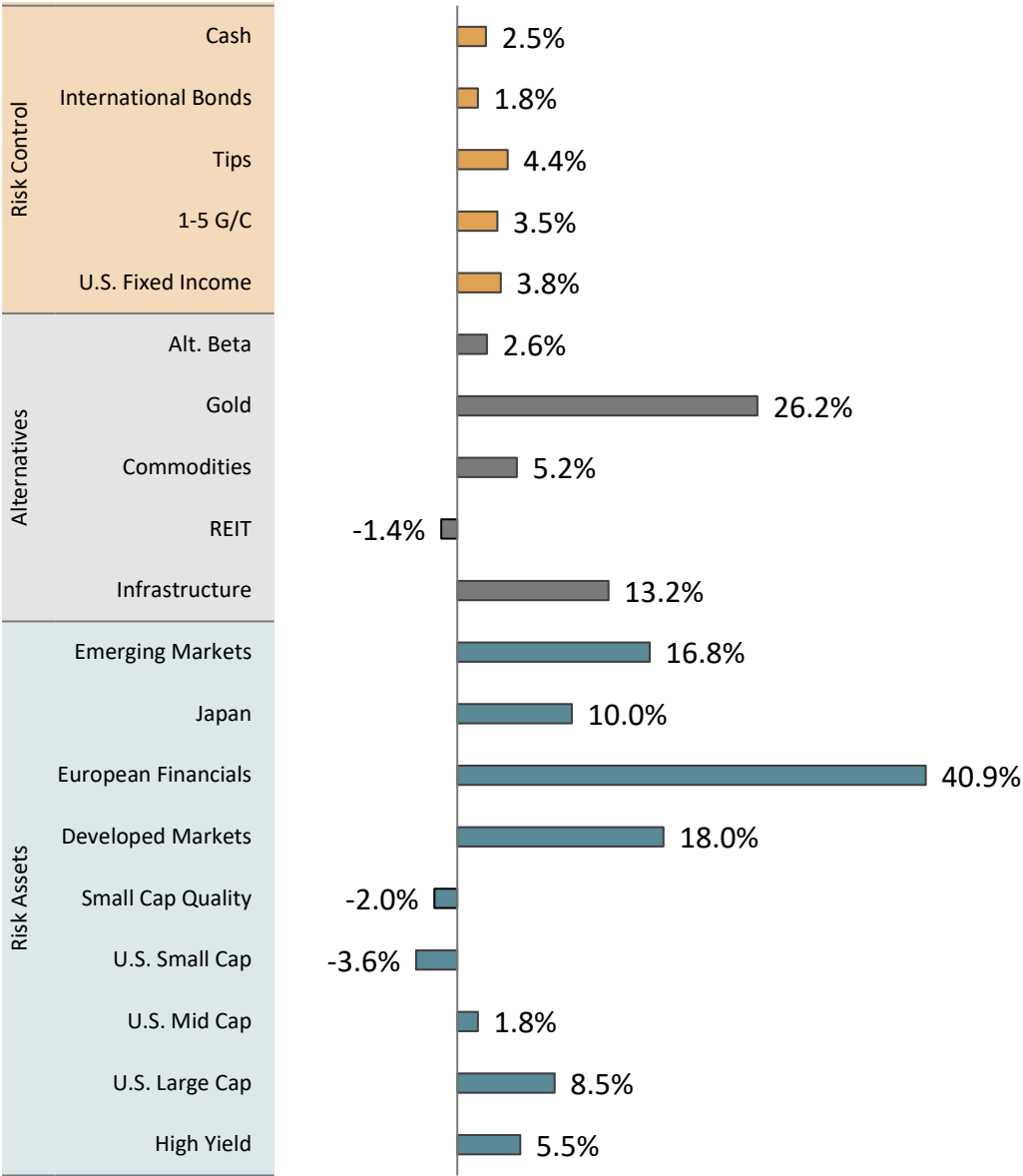




# Navigating uncertainty: Market shifts and asset class performance in 2025



YTD Total Return by Asset Class  
as of 7/31/25



## Market Recap

We entered the year expecting volatility driven by trade policy and high interest rates yet recognized a still-resilient economic backdrop. Going into the year, we added exposure to assets that tend to perform well in uncertain conditions, such as gold, which appreciated over +21% before we closed our position in May. More recently, we’ve initiated a tactical allocation to AI infrastructure, consistent with our long-term secular thesis around artificial intelligence as a durable economic force. Our equity positioning has evolved alongside macro shifts. We trimmed exposure to European financials after strong relative performance and reallocated to targeted growth segments including semiconductors, digital infrastructure, and cybersecurity. Our diversified portfolio positioning has helped cushion volatility amid rising economic uncertainty. Year to date returns remain within our long-term expectations for returns and volatility.

## Near Term Outlook

The July jobs report confirmed that economic momentum is slowing. Payrolls rose just 73,000 last month, with significant downward revisions to May and June, and average job gains now stand at a stagnation-level 35,000 per month. Without continued hiring in health care, July would have shown no net job growth. Despite this, the picture remains nuanced. Wage growth continues to outpace inflation, supporting consumption in the near term. Tax receipts and card spending data have also stabilized, suggesting households may still have some buffer. However, core economic momentum is clearly decelerating: Private Domestic Final Purchases (PDFP) slowed to 1.2% y/y, and the ISM Manufacturing Index fell to 48.0, signaling contraction. Softening economic data increases the likelihood of a Fed rate cut in September. In this environment of narrow growth and policy uncertainty, we believe our AI infrastructure allocation, spanning semiconductors, digital grid upgrades, cybersecurity, and data centers, is well-positioned. These companies are beneficiaries of structural investment flows and offer more resilient earnings and strategic relevance in a sluggish growth regime. Market leadership is narrowing, but select sectors (particularly Technology, Financials, and Industrials) have delivered strong Q2 earnings surprises.

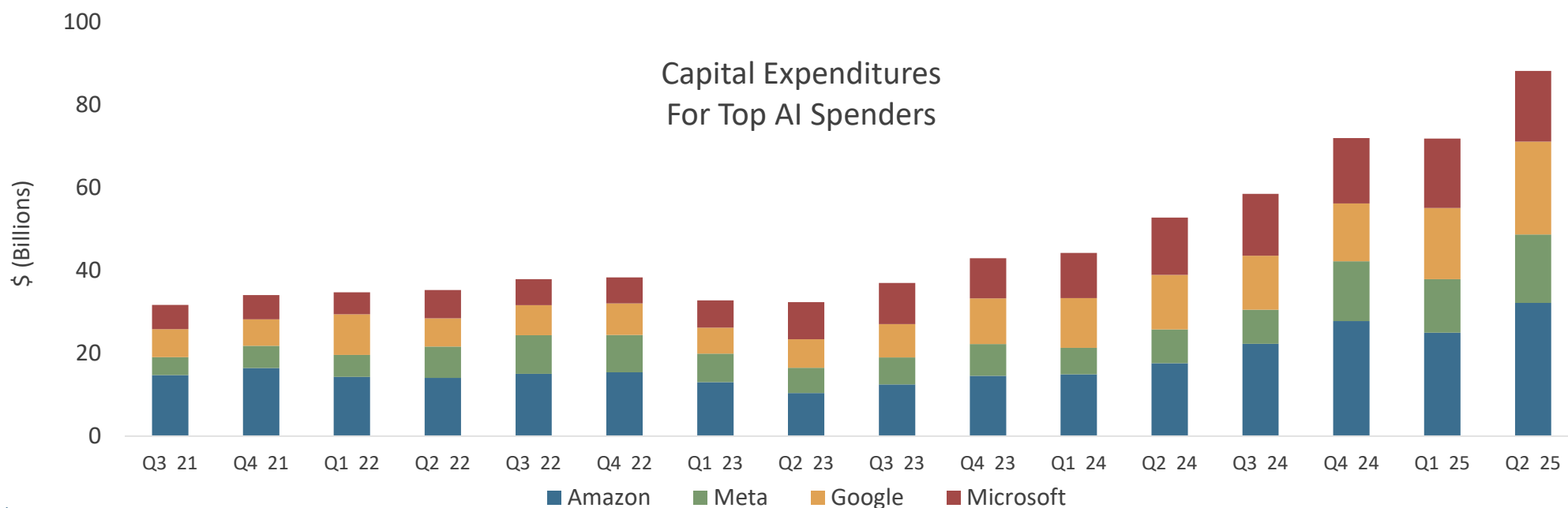
Source: Bloomberg and Oxford Economics

# The Rise of Artificial Intelligence – An Investment Perspective

Artificial Intelligence (AI) is moving from concept to capital deployment. Governments and corporations are treating AI infrastructure as a strategic priority, driving significant shifts in global investment.

- **Policy support is accelerating:** The U.S. government has explicitly identified AI as a national priority. As highlighted in the White House’s “AI Action Plan,” federal initiatives are focused on expanding domestic semiconductor manufacturing, upgrading power infrastructure to support data center demand, and strengthening national digital capabilities. Other nations are similarly directing capital toward AI-enabling technologies as part of economic and national security strategies.
- **Corporate capital expenditures are rising:** Firms like Microsoft, Amazon, Meta, and Alphabet are dramatically increasing investments in data centers, custom AI chips, power procurement, and cloud infrastructure
- **Geopolitical positioning matters:** Nations are racing to secure AI-critical resources like rare earths, energy, and chip capacity—not just to lead in innovation, but to ensure economic security and strategic influence.

We view this as a durable capital investment cycle—more akin to the internet buildout or cloud migration than a short-term trend.



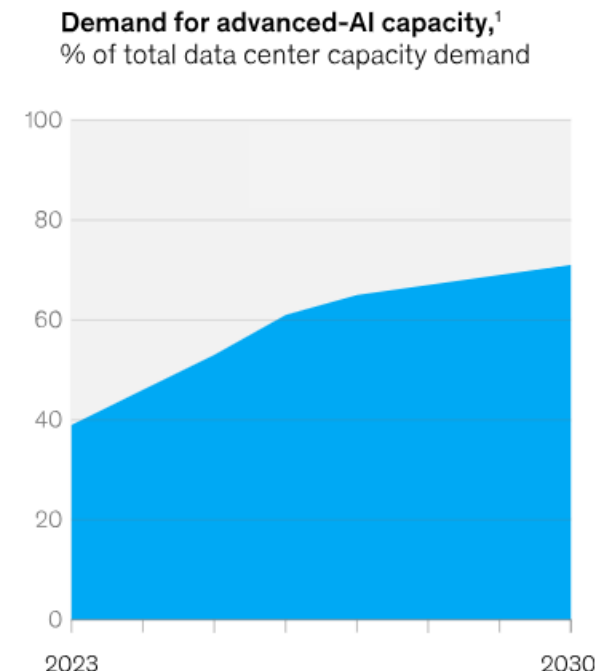
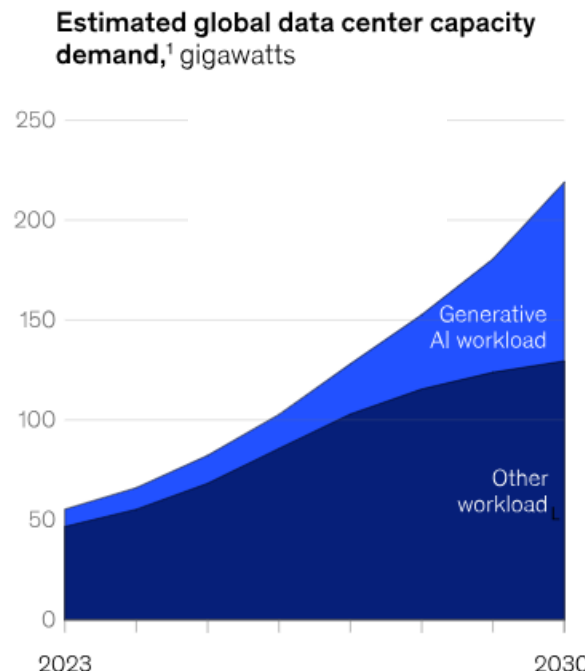
# Investing Along the AI Supply Chain

We are focused on segments of the market poised to benefit from sustained AI infrastructure investment—such as semiconductors, digital power systems, and cybersecurity. These include:

- **Semiconductors (SOXX):** Chipmakers and equipment providers are seeing increasing demand tied to both training and inference workloads. This is foundational to AI scaling.
- **Electric Grid Infrastructure (GRID):** As data center power needs surge, investments in grid efficiency, transmission, and electrification stand to benefit.
- **Cybersecurity (BUG):** Increased digital complexity and AI workloads raise the stakes for threat detection and network protection.
- **Data & Cloud Infrastructure (DTCR):** Companies enabling data ingestion, labeling, and storage are increasingly critical as AI becomes operationalized.

We see artificial intelligence as a **structural force** in capital markets.

This trade is a modest cyclical expression of that view—**focusing on who is spending, where the demand is going, and how long-term investment themes are taking shape.**



# Disclosures



## **Important Assumptions**

IMPORTANT: The projections or other information generated by Alaska Permanent Capital Management Company (APCM) regarding the likelihood of various outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. There can be no assurance that the projected or simulated results will be achieved or sustained. The charts and data only present a range of possible outcomes. Actual results will vary over time, and such results may be better or worse than the simulated scenarios. Clients should be aware that the potential for loss (or gain) may be greater than that demonstrated in the simulations. Please note that the analysis does not take into consideration all asset classes, and other asset classes not considered may have characteristics similar or superior to those being analyzed.

## **Important Legal Information**

These calculations are designed to be informational and educational only, and when used alone, do not constitute investment advice. APCM encourages investors to review their investment strategy periodically as financial circumstances do change.

Model results are provided as a rough approximation of future financial performance. Actual results could produce different outcomes (either better or worse) than those illustrated by the model, since it is not possible to anticipate every possible combination of financial market returns. APCM is not responsible for the consequences of any decisions or actions taken in reliance upon or as a result of the information provided by the results of the model.

## **Other Influences on Rates of Return**

**Investment management fees:** Returns are presented gross of management fees and include the reinvestment of all income. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The collection of fees produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, and (d) 1.00% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over ten years. Actual investment advisory fees incurred by clients may vary.

**Taxes:** Unless noted otherwise, model results have not been adjusted for any state or federal taxes or penalties.

**Inflation:** Unless noted otherwise, model results do not adjust any inputs or outcomes for inflation. Inflation is assumed to be constant over the investment horizon.

## **Limitations Inherent in Model Results**

Limitations include but are not restricted to the following:

Model results do not represent actual trading and may not reflect the impact that material economic and market factors might have had on APCM's decision making if the actual client money were being managed.

Extreme market movements may occur more frequently than represented in the model.

Some asset classes have relatively limited histories. While future results for all asset classes in the model may materially differ from those assumed in APCM's calculations, the future results for asset classes with limited histories may diverge to a greater extent than the future results of asset classes with longer track records.

Market crises can cause asset classes to perform similarly over time; reducing the accuracy of the projected portfolio volatility and returns. The model is based on the long-term behavior of the asset classes and therefore is less reliable for short-term periods. This means that the model does not reflect the average periods of "bull" and "bear" markets, which can be longer than those modeled.

The model represent APCM's best view of the next 7-10 years, but is unlikely to reflect actual investment returns worldwide over this period.

# Capital Tracking Report

2<sup>nd</sup> Quarter 2025

Chugach Electric Association, Inc.

Audit & Finance Committee

August 20, 2025



# Projects Summary

## 2<sup>nd</sup> Quarter 2025

Project Name	Actual	Forecast	Approved	Financial Status					
	(In Millions)			Legend:	Actual	Under	Over <15%	Over >15%	Approved
Reliability Projects	\$16.0	\$35.9	\$35.9		<div><div></div><div>44%</div><div>100%</div></div>				
Retirements & Replacements Projects	\$25.4	\$43.8	\$43.4		<div><div></div><div>59%</div><div>101%</div></div>				
Operating Efficiency Projects	\$70.7	\$91.1	\$92.7		<div><div></div><div>76%</div><div>98%</div></div>				

# Capital Tracking Report

2<sup>nd</sup> Quarter 2025

Supplemental Information

# Reliability Projects

## 2<sup>nd</sup> Quarter 2025

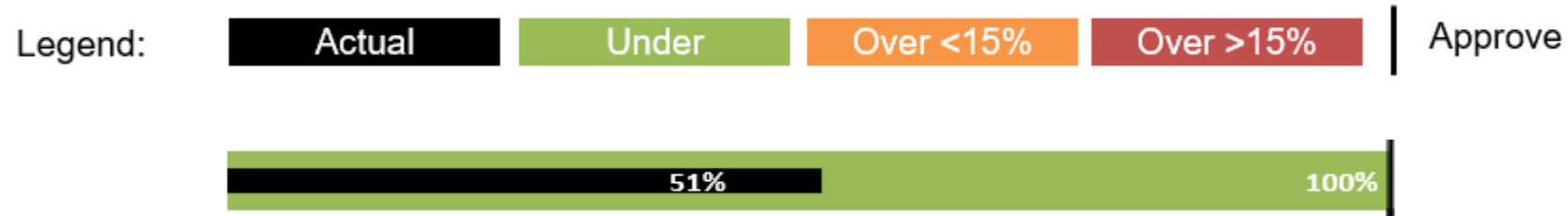


# Reliability Projects Summary

Project Name	Last Approved	Actual-to-Date (In Millions)	Forecast	Approved	Physically Complete	Financial Status	Approved
						Legend: <div>Actual</div> <div>Under</div> <div>Over &lt;15%</div> <div>Over &gt;15%</div>	
<b>Reliability</b>							
LaTouche Substation Rebuild	8/28/2024	\$3.7	\$7.2	\$7.2	60%	<div> <div>51%</div> <div>100%</div> </div>	
Campbell Lake Substation Rebuild	3/22/2023	\$2.2	\$8.6	\$8.6	36%	<div> <div>26%</div> <div>100%</div> </div>	
Bragaw OH/UG	4/23/2025	\$1.5	\$9.1	\$9.1	25%	<div> <div>16%</div> <div>100%</div> </div>	
Dimond OH/UG	6/26/2024	\$2.5	\$4.0	\$4.0	80%	<div> <div>61%</div> <div>100%</div> </div>	
Huffman OH/UG	6/26/2024	\$6.1	\$7.0	\$7.0	100%	<div> <div>87%</div> <div>100%</div> </div>	

# LaTouche Substation Rebuild

- Approved – 8/28/2024
- Project Manager – D. Thornton
- Physically Complete – 60%
- Approval Amount – \$7.2M
- Actuals – \$3.7M
- Forecast – \$7.2M



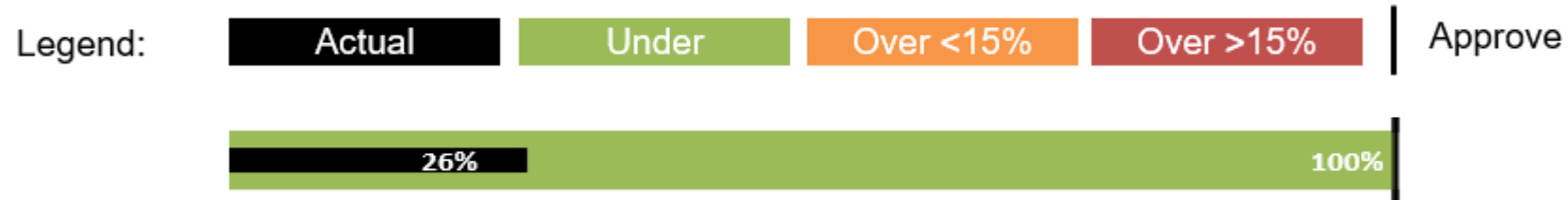
# LaTouche Substation Rebuild

Construction kicked off in September 2024. The switchgear was delivered in October of 2024. Project construction planned to restart in July 2025.



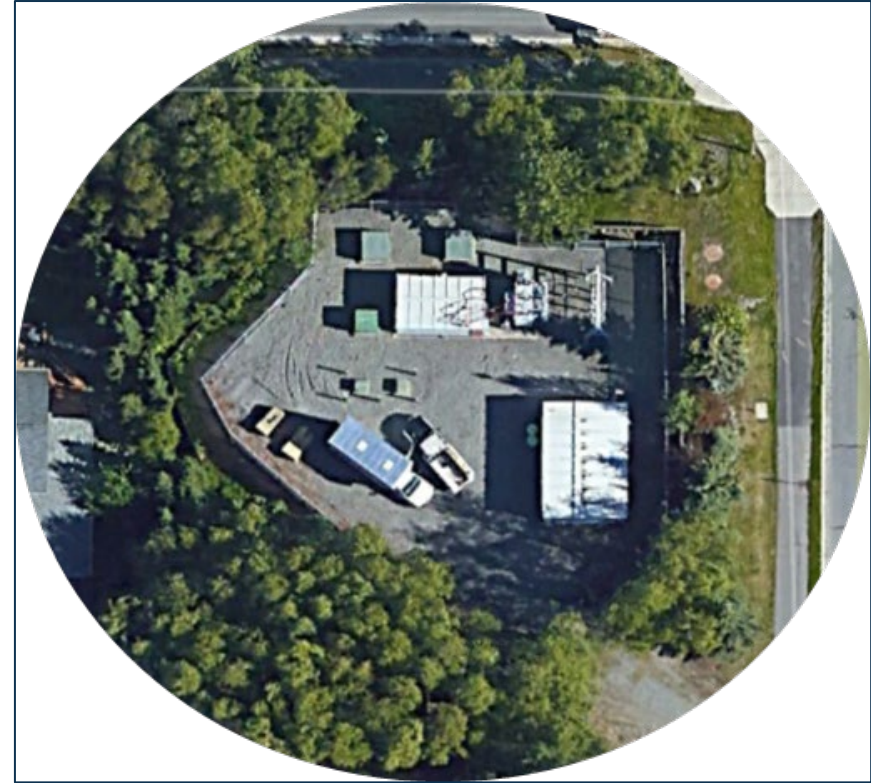
# Campbell Lake Substation Rebuild

- Approved – 03/22/2023
- Project Manager – C. Kohler
- Physically Complete – 36%
- Approval Amount – \$8.6M
- Actuals – \$2.2M
- Forecast – \$8.6M



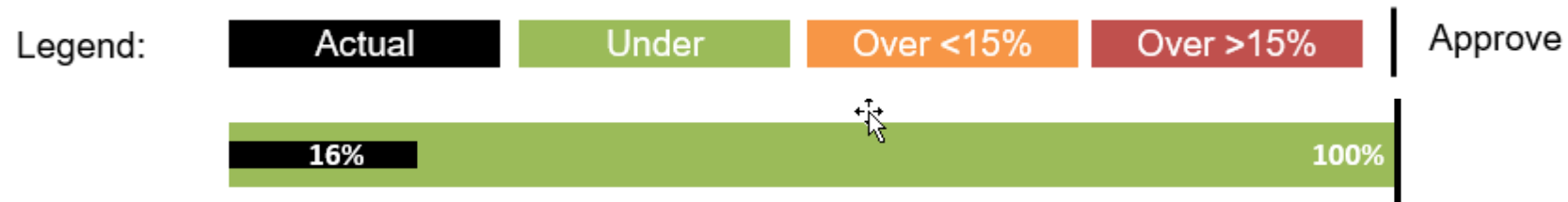
# Campbell Lake Substation Rebuild

The Conditional Use Permit has been rescinded by the Municipality because of an appeal of the Southport Masters Association. A communications alternatives analysis is being conducted while the project is on hold.



# Bragaw OH/UG

- Approved – 4/23/25
- Project Manager – D. Thornton
- Physically Complete – 25%
- Approval Amount – \$9.1M
- Actuals – \$1.5M
- Forecast – \$9.1M

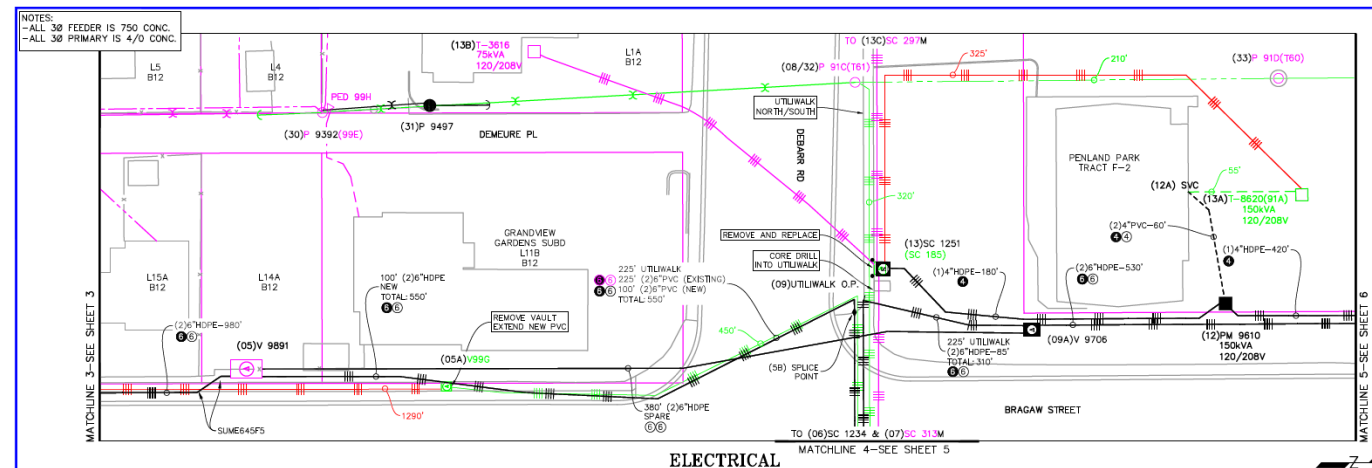




# Bragaw OH/UG

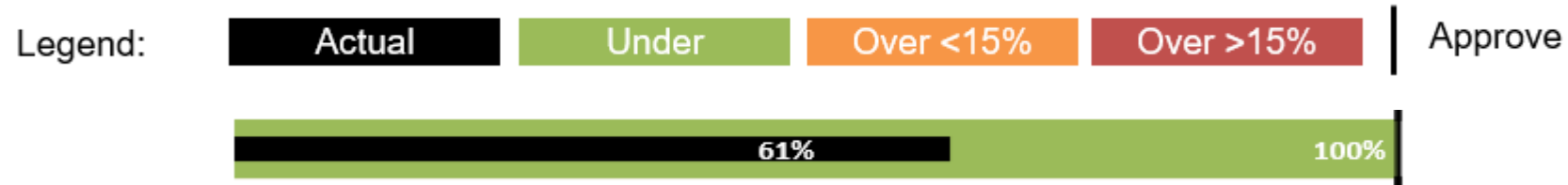


This project will relocate approximately 1.4 miles of existing overhead distribution and sub-transmission circuits underground, extending from the north side of East Northern Lights Boulevard to the north side of Brighton Park. Construction activities started in late May.



# Dimond OH/UG

- Approved – 6/26/2024
- Project Manager – D. Thornton
- Physically Complete – 80%
- Approval Amount – \$4.0M
- Actuals – \$2.5M
- Forecast – \$4.0M





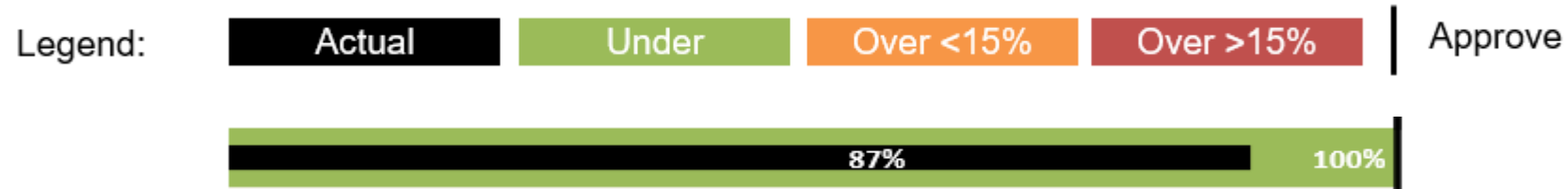
# Dimond OH/UG

The Dimond project will underground the existing overhead distribution circuit from the east side of Roy Street to the west side of Jewel Lake Road. Construction commenced summer of 2024, bore and pad work has been completed. Project completion is anticipated mid-July of 2025.



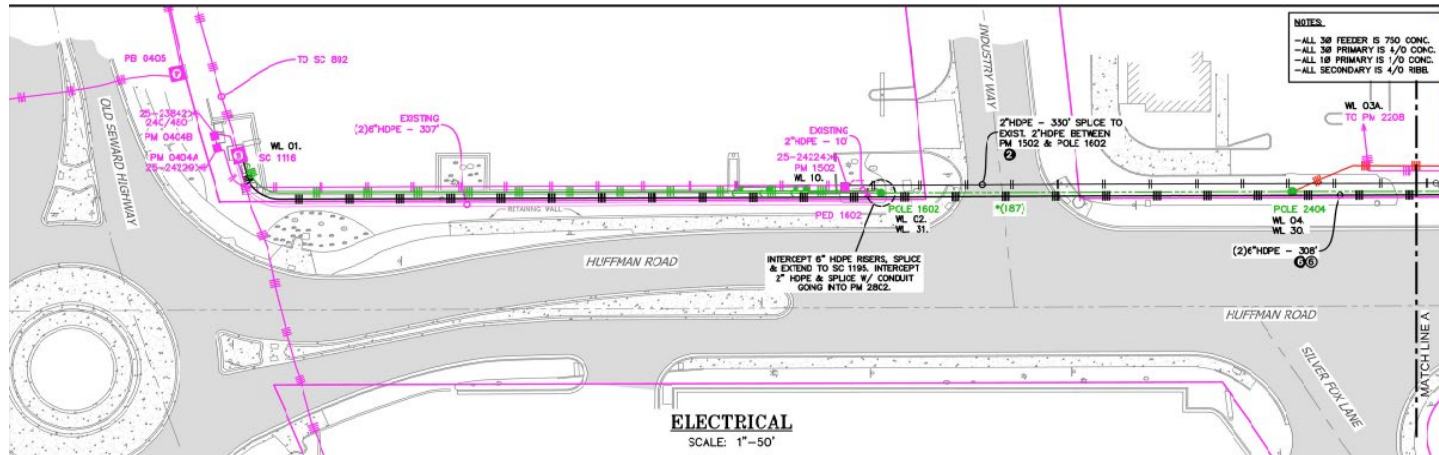
# Huffman OH/UG

- Approved – 6/26/2024
- Project Manager – D. Thornton
- Physically Complete – 100%
- Approval Amount – \$7.0M
- Actuals – \$6.1M
- Forecast – \$7.0M



# Huffman OH/UG

The Huffman project will underground the existing overhead distribution and sub-transmission circuit from the east side of Old Seward Highway to the east side of Lake Otis. Construction commenced in 2025. The 15kV feeder construction has been completed. Project completion is expected in mid-August 2025.



# Retirement & Replacement Projects

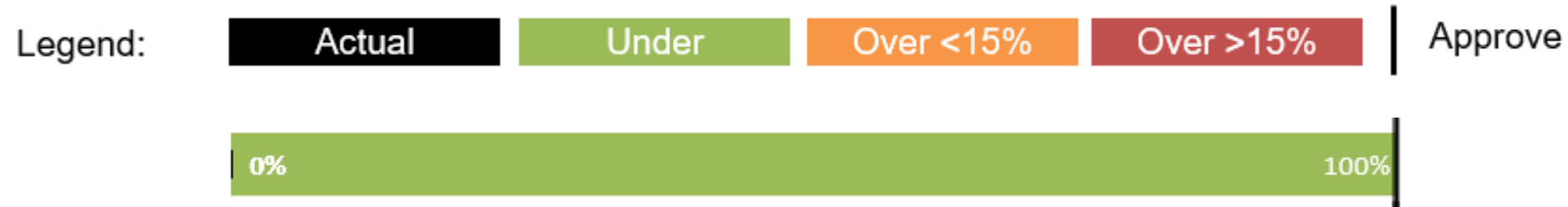
## 2<sup>nd</sup> Quarter 2025

# Retirements & Replacements Projects Summary

Project Name	Last Approved	Actual-to-Date (In Millions)	Forecast	Approved	Physically Complete	Financial Status	Approved
						Legend: <div>Actual</div> <div>Under</div> <div>Over &lt;15%</div> <div>Over &gt;15%</div>	
<b>Retirements &amp; Replacements</b>							
Sullivan Unit 10 Major Overhaul	5/28/2025	\$0.0	\$9.2	\$9.2	0%	<div>0%</div> <div>100%</div>	
Cooper Lake U2 Runner Upgrade	4/10/2024	\$0.5	\$3.2	\$3.2	50%	<div>17%</div> <div>100%</div>	
115kV T-Line Rebuild Girdwood to Indian	1/24/2024	\$24.9	\$31.4	\$31.0	75%	<div>80%</div> <div>101%</div>	

# Sullivan Unit 10 Major Overhaul

- Approved – 5/28/2025
- Project Manager – E. Ori
- Physically Complete – 0%
- Approval Amount – \$9.2M
- Actuals – \$0.0M
- Forecast – \$9.2M



# Sullivan Unit 10 Major Overhaul

Sullivan Unit 10 LM6000 turbine is over the 50,000 fired hours recommended for rebuild. This outage is scheduled for October 2025, for an estimated 3 weeks. The unit will be swapped out with the spare turbine to avoid an extended outage. The current unit will be sent out for overhaul with an estimated time of return of June 2026.





# Cooper Lake U2 Runner Upgrade

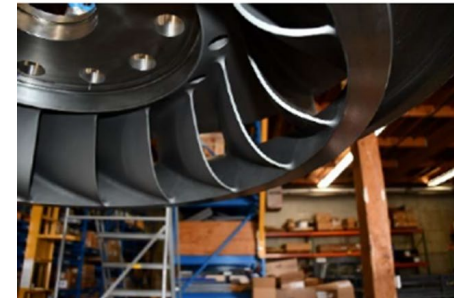
- Approved – 4/10/2024
- Project Manager – S. Ruhl
- Physically Complete – 50%
- Approval Amount – \$3.2M
- Actuals – \$0.5M
- Forecast – \$3.2M





# Cooper Lake Unit 2 Runner Upgrade

This project will replace the runner and wicket gate on Unit 2. Fabrication of the runner and wicket gates have been completed. Parts have been disassembled and shipped out for refurbishment to Canyon Hydro, for an estimated delivery date back of mid-September. Expected return to service in early 2026.



# 115kV T-Line Rebuild Girdwood to Indian

- Approved – 1/24/2024
- Project Manager – C. Kohler
- Physically Complete – 75%
- Approval Amount – \$31.0M
- Actuals – \$24.9M
- Forecast – \$31.4M



# 115kV T-Line Rebuild Girdwood to Indian

This project is upgrading 12 miles of transmission lines from Girdwood to Indian. A total of 9.5 miles have been completed with the remaining 3 miles expected to be completed in 4Q25/2Q26.



# Operating Efficiency Projects

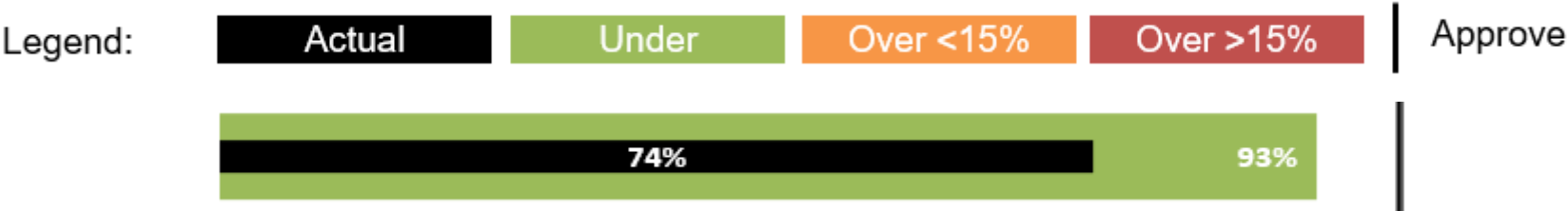
## 2<sup>nd</sup> Quarter 2025

# Operating Efficiency Projects Summary

Project Name	Last Approved	Actual-to-Date (In Millions)	Forecast	Approved	Physically Complete	Financial Status				Approved
						Legend:	Actual	Under	Over <15%	Over >15%
<b>Operating Efficiency</b>										
Main / Backup Dispatch Remodel	7/26/2024	\$2.4	\$3.0	\$3.2	98%		74%	93%		
One Campus Plan	12/14/2022	\$51.8	\$64.3	\$64.3	75%		81%	100%		
CIS/ERP Replacement	9/16/2024	\$16.5	\$23.8	\$25.2	92%		66%	95%		

# Main / Backup Dispatch Remodel

- Approved – 07/26/2024
- Project Manager – P. Johnson
- Physically Complete – 98%
- Approval Amount – \$3.2M
- Actuals – \$2.4M
- Forecast – \$3.0M



# Main / Backup Dispatch Remodel

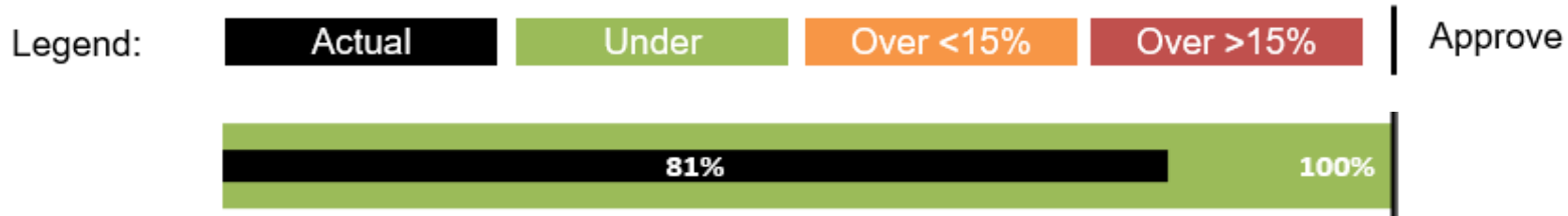
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Phase I of the project has been completed for the back-up control center at Sullivan, with move in by Dispatch in February 2025. Phase II construction at the primary control center is now complete. Consoles and office furniture installation was completed in May, with the installation of computer equipment to finish in July. Preparations under way for Dispatch to start relocation into the new facility by July end.



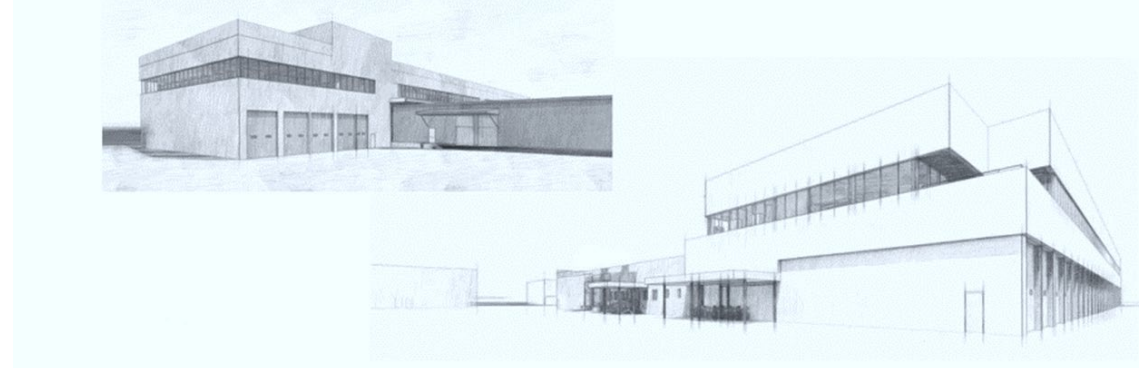
# One Campus Plan

- Approved – 12/14/2022
- Project Manager – J. Resnick
- Physically Complete – 75%
- Approval Amount – \$64.3M
- Actuals – \$51.8M
- Forecast – \$64.3M



# One Campus Plan

Construction is ongoing on the new building. Finish work on the facility is in progress.



# CIS/ERP Replacement

- Approved – 09/16/2024
- Project Manager – J. Travis
- Physically Complete – 92%
- Approval Amount – \$25.2M
- Actuals – \$16.5M
- Forecast – \$23.8M



# CIS/ERP Replacement

The CIS portion of the ERP project went live on July 3rd. The project continues through the post-go-live phase for 90 days as we remediate issues that occur. Time-of-use and bill roundup are in the next phase with final completion expected early 2026. The project team will work in parallel with Cayenta to formulate the next implementation phase plan with the goal of separating modules to maximize success criteria.







# JUNE 2025

# FINANCIAL

# INFORMATION

# AND VARIANCE

# REPORT

Date: August 20, 2025



# Agenda

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MWH Sales

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Base Revenue

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Weather Impact

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Comparative Statement of Operations

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Comparative Balance Sheet

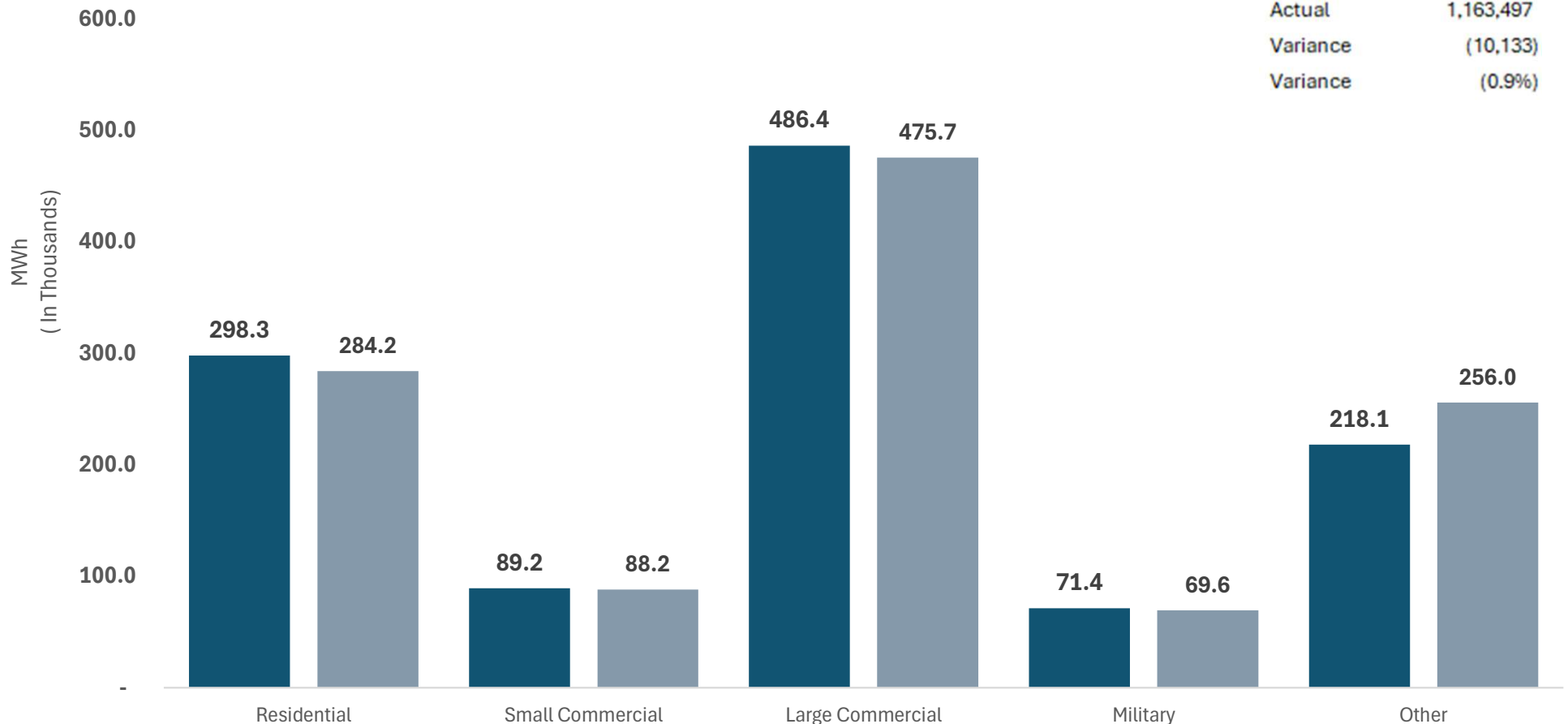
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Comparative Statement of Cash Flows

# MWH Sales

Year-to-Date June 2025

■ MWH Actual ■ MWH Budget



Other: City of Seward, Economy, Power Pool, Lighting

YTD Totals MWh	
Budget	1,173,630
Actual	1,163,497
Variance	(10,133)
Variance	(0.9%)

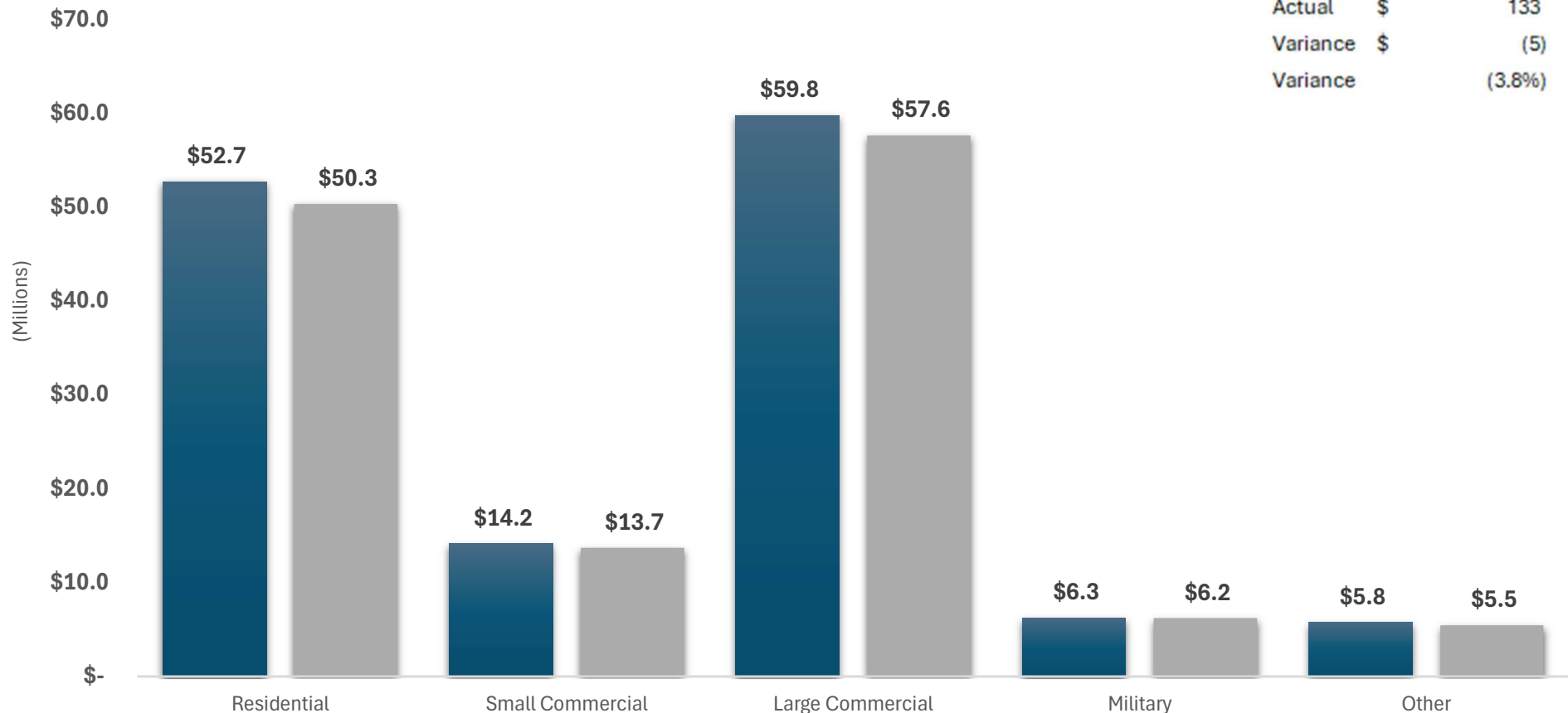


# Base Revenues

Base Revenue = kWh Sales x Rate

Year-to-Date June 2025

■ Budget ■ Actual

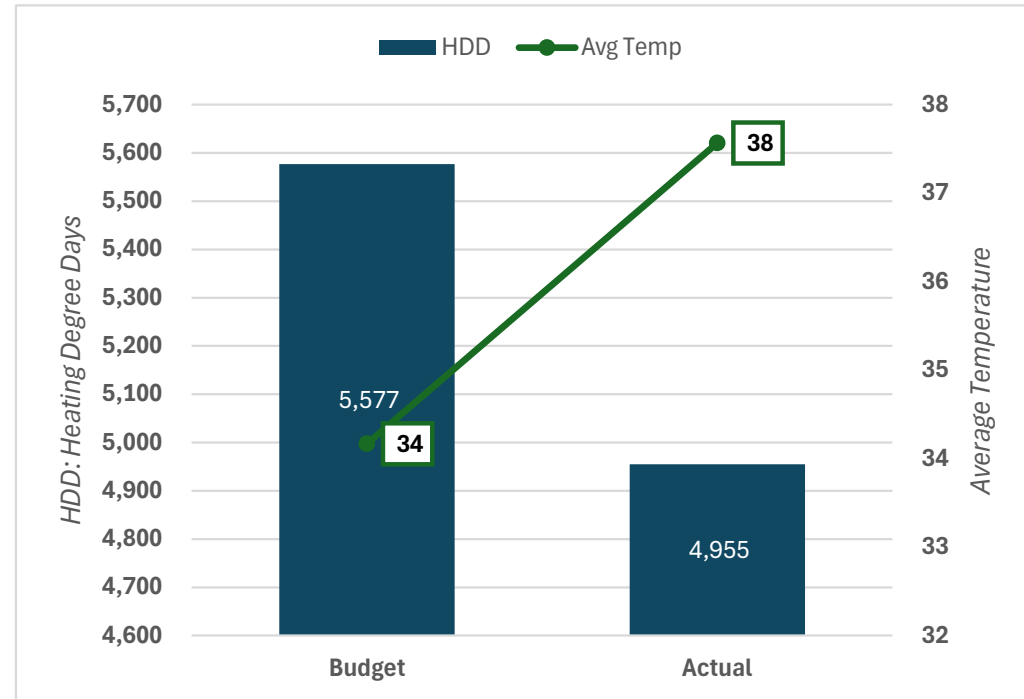


YTD Totals Millions		
Budget	\$	139
Actual	\$	133
Variance	\$	(5)
Variance		(3.8%)

Other: City of Seward, Economy, Power Pool, Lighting, Misc Revenue

# Weather Impact

- Heating Degree Days (HDD) represents the degree to which the daily average temperature is below 65 °F.
- A day with a mean temperature of 55 °F would have 10 HDD, as it's 10 degrees below 65 °F.



Chugach utilizes this data to comprehend, manage, and assess energy demand and consumption.

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**For the Period Ending June 30, 2025**

(in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>Operating Revenue</b>	<b>\$ 185,900</b>	<b>\$ 188,048</b>	<b>\$ (2,148)</b>
Fuel	38,025	32,932	5,092
Production	18,302	21,346	(3,044)
Purchase Power	15,085	15,110	(25)
Transmission	4,684	6,014	(1,330)
Distribution (O&M)	15,956	14,773	1,183
Consumer accounts	6,094	6,180	(86)
Administrative, General and Other	27,758	28,137	(380)
Depreciation & Amortization	35,830	36,009	(179)
<b>Total Operating expenses</b>	<b>161,733</b>	<b>160,501</b>	<b>1,232</b>
Long-term debt and other	25,778	25,301	477
Charged to construction	(1,243)	(1,614)	371
<b>Interest Expense, Net</b>	<b>24,535</b>	<b>23,687</b>	<b>847</b>
<b>Net operating margins</b>	<b>(367)</b>	<b>3,860</b>	<b>(4,227)</b>
Interest Income	1,437	961	476
Allowance for funds used during construction	232	292	(60)
Capital credits, patronage dividends and others	494	107	387
<b>Total nonoperating margins</b>	<b>2,164</b>	<b>1,361</b>	<b>803</b>
<b>Assignable margins</b>	<b>1,796</b>	<b>5,220</b>	<b>(3,424)</b>
<b>MFI/I</b>	<b>1.07</b>	<b>1.21</b>	
<b>TIER</b>	<b>1.08</b>	<b>1.24</b>	

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**CONSOLIDATED BALANCE SHEET**  
**As of June 30, 2025 and December 31, 2024**

<i>(in thousands)</i>	<b>Unaudited 6/30/2025</b>	<b>Audited 12/31/2024</b>	<b>Change</b>
<b>ASSETS &amp; OTHER DEBITS</b>			
Electric Plant in Service	2,286,592	2,272,412	14,180
Construction Work in Progress	126,785	109,800	16,985
<b>Total Utility Plant</b>	<b>2,413,377</b>	<b>2,382,212</b>	<b>31,165</b>
Accum. Prov. for Depreciation/Amortization	(870,695)	(835,757)	(34,938)
<b>Net Utility Plant</b>	<b>1,542,682</b>	<b>1,546,455</b>	<b>(3,773)</b>
Nonutility Property - Net	77	77	-
Operating lease right-of-use assets	3,530	3,546	(16)
Financing lease right-of-use Assets	180	190	(10)
Investment in Assoc. Organizations	6,223	6,420	(197)
Special Funds	42,326	37,679	4,647
Restricted Cash Equivalents & Other	30	30	-
Long-term Prepayments	95	79	16
<b>Total Other Property &amp; Investments</b>	<b>52,461</b>	<b>48,021</b>	<b>4,440</b>
Cash & Restricted Cash	19,500	24,661	(5,161)
Special Deposits	61	55	6
Restricted cash equivalents	500	500	-
Fuel Cost / other under recovery	9,423	10,457	(1,034)
BRU capital surcharge under - recovery	36,704	35,134	1,570
Accounts Receivable - Net	51,861	63,575	(11,714)
Materials and Supplies	59,631	55,455	4,176
Fuel Stock	12,478	16,398	(3,920)
Prepayments	6,091	6,327	(236)
Other current assets	6,305	6,358	(53)
<b>Total Current &amp; Accrued Assets</b>	<b>202,554</b>	<b>218,920</b>	<b>(16,366)</b>
Deferred Debits	98,794	100,915	(2,121)
<b>Total Assets &amp; Other Debits</b>	<b>1,896,491</b>	<b>1,914,311</b>	<b>(17,820)</b>



**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**CONSOLIDATED BALANCE SHEET**  
**As of June 30, 2025 and December 31, 2024**

<i>(in thousands)</i>	<b>Unaudited 6/30/2025</b>	<b>Audited 12/31/2024</b>	<b>Change</b>
<b>LIABILITIES &amp; OTHER CREDITS</b>			
Memberships	2,065	2,051	14
Patronage capital	202,447	201,159	1,288
Other	18,446	18,234	212
<b>Total Margins &amp; Equities</b>	<b>222,958</b>	<b>221,444</b>	<b>1,514</b>
Bonds payable	1,144,100	1,180,917	(36,817)
Notes Payable	9,120	10,944	(1,824)
Unamortized Debt Issuance Costs	(5,994)	(6,188)	194
Operating Lease Liabilities	3,491	3,508	(17)
Finance Lease Liabilities	175	183	(8)
<b>Total Long-Term Debt</b>	<b>1,150,892</b>	<b>1,189,364</b>	<b>(38,472)</b>
Current installment of long-term obligations	59,513	56,740	2,773
Commercial Paper	136,500	122,000	14,500
Accounts Payable	28,585	26,289	2,296
Consumer Deposits	3,503	3,780	(277)
Accrued interest	10,834	11,367	(533)
Salary, wages and benefits	12,715	12,479	236
Fuel Payable	5,254	5,446	(192)
Undergrounding ordinance liabilities	4,290	4,311	(21)
Provision for rate refund	31	3,125	(3,094)
Other Current Liabilities	5,322	2,187	3,135
<b>Total Current &amp; Accrued Liabilities</b>	<b>266,547</b>	<b>247,724</b>	<b>18,823</b>
Deferred Compensation	1,794	1,926	(132)
Other Liabilities, Non-Current	895	757	138
Deferred Liabilities	15,860	13,840	2,020
BRU Regulatory Liability	65,851	70,602	(4,751)
Cost of Removal Obligation	171,694	168,654	3,040
<b>Total Liabilities &amp; Other Credits</b>	<b>1,896,491</b>	<b>1,914,311</b>	<b>(17,820)</b>

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Six Months Ended June 30, 2025 and 2024**

(in thousands)

	<b>2025</b>	<b>2024</b>	<b>Variance</b>
<b>Cash flows from operating activities:</b>			
Assignable margins	1,796	2,968	(1,172)
Adjustments to reconcile assignable margins to net cash provided by operating activities:			
Depreciation and amortization	40,521	39,265	1,256
Allowance for funds used during construction	(232)	(211)	(21)
Other non-cash charges	3,272	3,544	(272)
(Increase) decrease in assets	7,570	1,135	6,435
Increase (decrease) in liabilities	(3,287)	(1,214)	(2,073)
Net cash provided by operating activities:	49,640	45,488	4,152
<b>Cash flows from investing activities:</b>			
Return of capital from investment in associated organizations	197	213	(16)
Investment in special funds	(2,636)	(1,938)	(698)
Extension and replacement of plant	(41,103)	(58,366)	17,263
Net cash used in investing activities:	(43,542)	(60,091)	16,549
<b>Cash flows from financing activities:</b>			
Net increase (decrease) in short-term obligations	17,500	48,000	(30,500)
Net increase (decrease) in long-term obligations	(38,869)	(35,869)	(3,000)
Net increase (decrease) in consumer advances/retired patronage/other	10,109	14,285	(4,176)
Net cash provided by (used in) financing activities:	(11,260)	26,417	(37,677)
Net change in cash, cash equivalents, and restricted cash equivalents	(5,161)	11,813	(16,974)
Cash, cash equivalents, and restricted cash equivalents at beginning of period	25,191	5,416	19,775
Cash, cash equivalents, and restricted cash equivalents at end of period	20,030	17,229	2,801

# Questions?





June 2025

# Monthly Financial Report





## Month to Date Results

Total sales for June concluded marginally above projections, primarily due to increased power pool sales to MEA, while retail sales remained in line with budgeted expectations. Total revenues exceeded the budget by \$1.3 million (5%), primarily as a result of the February rate adjustment and higher than anticipated recovery of fuel and purchased power costs.

Production, transmission, distribution, and consumer operating expenses were consistent with budgeted amounts. Administrative and general expenses exceeded the budget by \$1.3 million (31%), primarily due to the write-off of project costs. This increase was partially offset by a reduction in depreciation and amortization expenses resulting largely from project retirements.

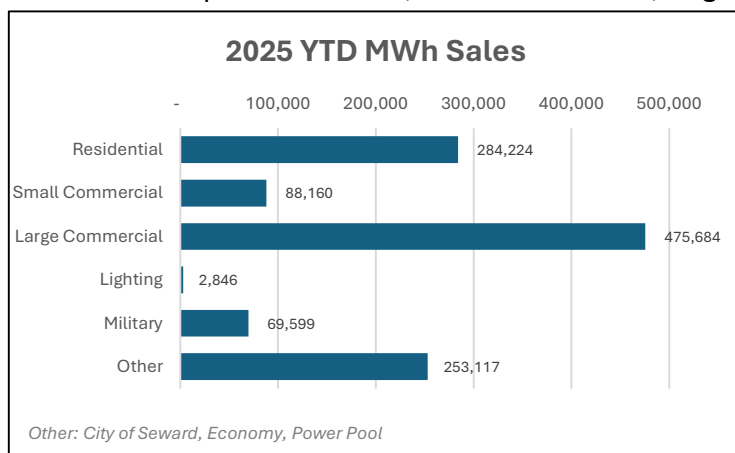
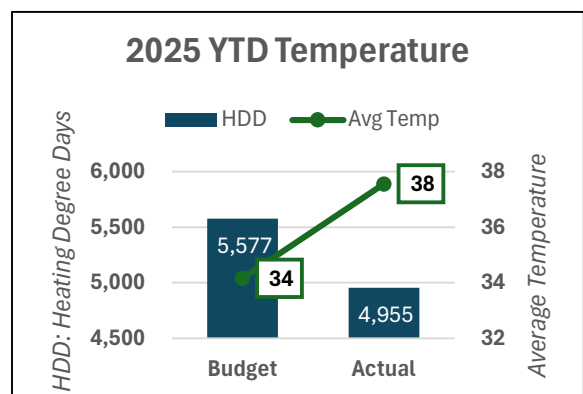
Non-operating margins were \$0.2 (68%) higher than budget due to better-than-expected realized gains in the BRU ARO fund. The total margin loss of \$1.0 million was \$0.2 million (20%) lower than budget.

## Year to Date Results

### Sales and Revenues

Total year-to-date Heating Degree Days (HDD) were 622 days (11%) below expectations, while average temperatures were 10% higher than anticipated. While total sales reached 1.2 million MWh, surpassing the budget by .01 million MWh (1%), it was primarily driven by power pool sales to MEA, which exceeded the budget by .04 million MWh (24%).

The rise in MEA sales obscures the effects that the exceptionally warm year has had on retail customers, which encompass residential, small commercial, large commercial, military, and lighting.



This segment generated 78% of total year-to-date sales and finished June 0.03 million MWh (3%) lower than budget. Retail base revenues were \$5.0 million (4%) below budget due to lower than anticipated sales. However, this shortfall was partially mitigated by the implementation of an 8% rate increase in February 2025 and higher than expected fuel revenue recovery of \$2.1 million (5%), resulting in total retail revenue finishing \$2.9 million (2%) under budget.

## Operating Expenses

Approximately 87% of our native electric energy, including the territory of Seward, is generated from natural gas. Fuel expenses, including contracted fuel, storage, transportation, and BRU operating costs were \$5.1 million (15%) higher than budget. The warmer temperatures experienced in the first quarter led to a strategic change in the usage ratio of BRU to contracted fuel. It is important to note that all fuel and purchased power costs, excluding those associated with the Eklutna Purchase Power Agreement (PPA), are recovered through the fuel and purchased power adjustment process resulting in no impact to margins.

Production expense was under budget by \$3.0 million (14%) due to lower contract services and labor costs.

Transmission expenses were under budget by \$1.3 million (22%) primarily due to lower labor and contract services costs for system control and field operations.

Distribution operations and maintenance expenses were over budget by \$1.2 million (8%) primarily due to an increase in labor costs during outage repairs and maintenance following the January winter storm and clearing efforts.

Administrative, general, and other expenses were below budget by \$0.4 million (1%), primarily due to lower labor, amortization related to regulatory assets, and insurance, which was somewhat offset by an increase in other deductions from project write offs.

Depreciation and amortization expenses were under budget by \$0.2 million (2%) primarily due to a higher amount of assets placed in service than was expected which was offset by a reduction in depreciation due to retirements and lower BRU depletion expense.

Net interest expense consists of interest on long-term debt, other interest expense, and interest charged to construction. Net interest expense was over budget by \$0.8 million (4%) due to carrying a higher-than-expected commercial paper balance, unbudgeted fees and lower interest charged to construction as a result of construction delays caused by weather conditions.

Non-operating margins consist of interest income, allowance for funds used during construction (AFUDC), capital credits, patronage dividends and others. Non-operating margins were over budget by \$0.8 million (59%) primarily due to increased interest income, and realized gains in the BRU ARO fund, which was partially offset by lower AFUDC due to construction delays caused by weather conditions.

Despite the year-to-date margin shortfall, our year-end forecast remains unchanged at a margin of \$9.1 million, generating an MFI/I of 1.18 and TIER of 1.21.

## Supplemental Information

### CHUGACH ELECTRIC ASSOCIATIONS, INC. STATEMENT OF OPERATIONS MONTH ENDING JUNE 30, 2025

(in thousands)

	Actual	Budget	Variance
<b>Operating Revenue</b>	<b>\$ 28,934</b>	<b>\$ 27,638</b>	<b>\$ 1,296</b>
Fuel	5,643	4,950	694
Production	3,064	3,326	(263)
Purchased Power	2,410	2,298	112
Transmission	1,085	1,049	36
Distribution	2,324	2,344	(20)
Consumer accounts	1,078	980	98
Administrative, General and Other	5,423	4,134	1,289
Depreciation & Amortization	5,293	6,004	(711)
<b>Total Operating expenses</b>	<b>26,321</b>	<b>25,085</b>	<b>1,236</b>
Long-term debt and other	4,208	4,280	(72)
Charged to construction	(232)	(286)	54
<b>Interest Expense, Net</b>	<b>3,976</b>	<b>3,995</b>	<b>(18)</b>
<b>Net operating margins</b>	<b>(1,364)</b>	<b>(1,442)</b>	<b>78</b>
Interest Income	302	167	135
Allowance for funds used during construction	43	52	(9)
Capital credits, patronage dividends and others	53	18	35
<b>Total nonoperating margins</b>	<b>398</b>	<b>237</b>	<b>162</b>
<b>Assignable margins</b>	<b>(965)</b>	<b>(1,205)</b>	<b>240</b>



**CHUGACH ELECTRIC ASSOCIATIONS, INC.**  
**STATEMENT OF OPERATIONS**  
**SIX MONTHS ENDING JUNE 30, 2025**

*(in thousands)*

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>Operating Revenue</b>	<b>\$ 185,900</b>	<b>\$ 188,048</b>	<b>\$ (2,148)</b>
Fuel	38,025	32,932	5,092
Production	18,302	21,346	(3,044)
Purchased Power	15,085	15,110	(25)
Transmission	4,684	6,014	(1,330)
Distribution	15,956	14,773	1,183
Consumer accounts	6,094	6,180	(86)
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Interest Income	1,437	961	476
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<b>Total nonoperating margins</b>	<b>2,164</b>	<b>1,361</b>	<b>803</b>
<b>Assignable margins</b>	<b>1,796</b>	<b>5,220</b>	<b>(3,424)</b>
 <b>MFI/I</b>	 <b>1.07</b>	 <b>1.21</b>	
<b>TIER</b>	<b>1.08</b>	<b>1.24</b>	

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**STATEMENT OF OPERATIONS**  
**SIX MONTHS ENDING JUNE, 2025 AND 2024**

*(in thousands)*

	<b>2025</b>	<b>2024</b>	<b>Variance</b>
<b>Operating Revenue</b>	<b>\$ 185,900</b>	<b>\$ 182,665</b>	<b>\$ 3,235</b>
Fuel	38,025	38,115	(91)
Production	18,302	20,407	(2,105)
Purchased Power	15,085	14,863	222
Transmission	4,684	4,854	(170)
Distribution	15,956	14,872	1,085
Consumer accounts	6,094	5,681	412
Administrative, General and Other	27,758	25,689	2,069
Depreciation & Amortization	35,830	34,534	1,296
<b>Total Operating expenses</b>	<b>161,733</b>	<b>159,015</b>	<b>2,718</b>
Long-term debt and other	25,778	23,650	2,128
Charged to construction	(1,243)	(1,056)	(187)
<b>Interest Expense, Net</b>	<b>24,535</b>	<b>22,594</b>	<b>1,941</b>
<b>Net operating margins</b>	<b>(367)</b>	<b>1,057</b>	<b>(1,424)</b>
Interest Income	1,437	1,170	266
Allowance for funds used during construction	232	211	22
Capital credits, patronage dividends and others	494	531	(36)
<b>Total nonoperating margins</b>	<b>2,164</b>	<b>1,912</b>	<b>252</b>
<b>Assignable margins</b>	<b>1,796</b>	<b>2,968</b>	<b>(1,172)</b>
 <b>MFI/I</b>	 <b>1.07</b>	 <b>1.13</b>	
<b>TIER</b>	<b>1.08</b>	<b>1.16</b>	

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**BALANCE SHEET**

As of June 30, 2025 and December 31, 2024

<b>ASSETS &amp; OTHER DEBITS</b>	<b>Unaudited 6/30/2025</b>	<b>Audited 12/31/2024</b>	<b>CHANGE</b>
<i>(in thousands)</i>			
Electric Plant in Service	\$ 2,286,592	\$ 2,272,412	\$ 14,180
Construction Work in Progress	126,785	109,800	16,985
<b>Total Utility Plant</b>	<b>2,413,377</b>	<b>2,382,212</b>	<b>31,165</b>
Accum. Prov. for Depreciation/Amortization	(870,695)	(835,757)	(34,938)
<b>Net Utility Plant</b>	<b>1,542,682</b>	<b>1,546,455</b>	<b>(3,773)</b>
Nonutility Property - Net	77	77	0
Operating lease right-of-use assets	3,530	3,546	(16)
Financing lease right-of-use Assets	180	190	(10)
Investment in Assoc. Organizations	6,223	6,420	(197)
Special Funds	42,326	37,679	4,647
Restricted Cash Equivalents & Other	30	30	0
Long-term Prepayments	95	79	16
<b>Total Other Property &amp; Investments</b>	<b>52,461</b>	<b>48,021</b>	<b>4,440</b>
Cash & Restricted Cash	19,500	24,661	(5,161)
Special Deposits	61	55	6
Restricted cash equivalents	500	500	0
Fuel Cost / other under recovery	9,423	10,457	(1,034)
BRU capital surcharge under - recovery	36,704	35,134	1,570
Accounts Receivable - Net	51,861	63,575	(11,714)
Materials and Supplies	59,631	55,455	4,176
Fuel Stock	12,478	16,398	(3,920)
Prepayments	6,091	6,327	(236)
Other current assets	6,305	6,358	(53)
<b>Total Current &amp; Accrued Assets</b>	<b>202,554</b>	<b>218,920</b>	<b>(16,366)</b>
Deferred Debits	98,794	100,915	(2,121)
<b>Total Assets &amp; Other Debits</b>	<b>1,896,491</b>	<b>1,914,311</b>	<b>(17,820)</b>



## CHUGACH ELECTRIC ASSOCIATION, INC.

## BALANCE SHEET

As of June 30, 2025 and December 31, 2024

LIABILITIES & OTHER CREDITS	Unaudited 6/30/2025	Audited 12/31/2024	CHANGE
<i>(in thousands)</i>			
Memberships	\$ 2,065	\$ 2,051	\$ 14
Patronage capital	202,447	201,159	1,288
Other	18,446	18,234	212
<b>Total Margins &amp; Equities</b>	<b>222,958</b>	<b>221,444</b>	<b>1,514</b>
Bonds payable	1,144,100	1,180,917	(36,817)
Notes Payable	9,120	10,944	(1,824)
Unamortized Debt Issuance Costs	(5,994)	(6,188)	194
Operating lease liabilities	3,491	3,508	(17)
Financing lease liabilities	175	183	(8)
<b>Total Long-Term Debt</b>	<b>1,150,892</b>	<b>1,189,364</b>	<b>(38,472)</b>
Current installment of long-term obligations	59,513	56,740	2,773
Commercial Paper	136,500	122,000	14,500
Accounts Payable	28,585	26,289	2,296
Consumer Deposits	3,503	3,780	(277)
Accrued interest	10,834	11,367	(533)
Salary, wages and benefits	12,715	12,479	236
Fuel Payable	5,254	5,446	(192)
Undergrounding ordinance liabilities	4,290	4,311	(21)
Provision for rate refund	31	3,125	(3,094)
Other Current Liabilities	5,322	2,187	3,135
<b>Total Current liabilities</b>	<b>266,547</b>	<b>247,724</b>	<b>18,823</b>
Deferred Compensation	1,794	1,926	(132)
Other Liabilities, Non-Current	895	757	138
Deferred Liabilities	15,860	13,840	2,020
BRU Regulatory Liability	65,851	70,602	(4,751)
Cost of Removal Obligation	171,694	168,654	3,040
<b>Total Liabilities &amp; Other Credits</b>	<b>1,896,491</b>	<b>1,914,311</b>	<b>(17,820)</b>

Executive Session Motion  
(Financial and Legal)  
**August 20, 2025**

**Chugach Electric Association, Inc.**  
**Audit and Finance Committee Meeting**

**Agenda Item IX.**

Move 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 matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; and 2) discuss with its attorneys matters the immediate knowledge of which could have an adverse effect on the legal position of the cooperative.

Chugach Electric Association, Inc.  
Anchorage, Alaska

Summary of Executive Session Topics for  
Audit and Finance Committee Meeting on August 20, 2025  
Agenda Item IX.

- A. Discussion of confidential and sensitive information regarding Chugach's Equity Management Plan goals, public disclosure of which could have an adverse effect on the finances and legal position of the Association. (AS 10.25.175(c)(1) and (3))