

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

**REGULAR BOARD OF DIRECTORS' MEETING**

**AGENDA**

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

Stuart Parks, Director  
Sam Cason, Director  
Mark Wiggin, Director

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**September 23, 2020**

**Immediately Following the Special  
Board of Directors' Meeting**

**Chugach Board Room**

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- I. CALL TO ORDER (*Approximately - 11:30 a.m.*)
  - A. *Pledge of Allegiance*
  - B. *Roll Call*
  - C. *Safety Minute – “Autumn Health and Safety Tips” (Andrews)*
- II. APPROVAL OF THE AGENDA\*
- III. PERSONS TO BE HEARD
  - A. *Member Comments*
- IV. CONSENT AGENDA\* (*11:35 a.m.*)
  - A. *Board Calendar*
  - B. *Training and Conferences*
    - 1. *Virtual - NRECA Regional Meeting – October 12-16, 2020*
    - 2. *Virtual - APA Annual Meeting – November 3-5, 2020*
  - C. *Minutes*
    - 1. *August 17, 2020, Regular Board of Directors' Meeting (Quezon)*
    - 2. *August 28, 2020, Special Board of Directors' Meeting (Scott)*
  - D. *Director Expenses*
- V. CEO REPORTS AND CORRESPONDENCE (*11:40 a.m.*)
  - A. *July 2020 Financial Statement and Variance Report (Harris/Curran) (11:40 a.m.)*
  - B. *3<sup>rd</sup> Quarter 2020 Railbelt Bill Comparison (Skaling/Miller) (11:55 a.m.)*
  - C. *COVID-19 Update (Andrews) (12:05 p.m.)*
    - 1. *Update to Corporate Incident Management Plan*
  - D. *Update on RRC (Hickey) (12:20 p.m.)*
  - E. *Board Policy Scheduled Tasks/Reports (Board/Staff) (12:40 p.m.)*

VI. DIRECTOR REPORTS (12:45 p.m.)

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

VII. UNFINISHED BUSINESS\* (scheduled) (1:00 p.m.)

- A. *Approval of Recommended Changes to Board Policies\* (Board)*
  - 1. *Board Policy 101 – Statement of Objectives*
  - 2. *Board Policy 103 – Duties and Responsibilities of the Board of Directors*
  - 3. *Board Policy 304 – Capital Credit Policy*

VIII. NEW BUSINESS\* (scheduled) (1:15 p.m.)

- A. *Old Seward Highway Overhead to Underground Contract Award\* (Laughlin/Hickey) (1:15 p.m.)*
- B. *Suspension of Participation in Simplified Rate Filing\* (Miller) (1:25 p.m.)*

IX. EXECUTIVE SESSION\* (scheduled) (1:50 p.m.)

- A. *Beluga River Unit – Asset Retirement Obligation (1:50 p.m.)*
- B. *Alaska Energy Authority Asset Acquisition (2:20 p.m.)*
- C. *IMO Update (2:50 p.m.)*
- D. *Financing Update (3:05 p.m.)*
- E. *ML&P Acquisition Update (3:15 p.m.)*
- F. *Succession Planning (Board only) (3:30 p.m.)*
- G. *Board Wrap-up (Board only) (4:45 p.m.)*

X. NEW BUSINESS\* (continued) (5:15 p.m.)

- A. *Beluga River Unit – Asset Retirement Obligation\* (Highers) (5:20 p.m.)*
- B. *Alaska Energy Authority Asset Acquisition\* (Clarkson) (5:25 p.m.)*
- C. *Integration Program Funding Authorization\* (Fouts) (5:30 p.m.)*

XI. DIRECTOR COMMENTS (5:35 p.m.)

XII. ADJOURNMENT\* (5:45 p.m.)

\* *Denotes Action Items*

\*\* *Denotes Possible Action Items*



# AUTUMN HEALTH AND SAFETY TIPS



# SAFETY TIPS

- Test/check your smoke and carbon monoxide detectors.
- Autumn is the start of flu season. Get vaccinated to reduce your risk.
- Check vehicle tire pressure. With rapidly changing temperatures, tire pressure often expands and contracts.
- When raking leaves, don't overfill leaf bags. To reduce risk of a back injury, you should be able to carry bags comfortably.
- If you have a wood burning fireplace/stove, have your chimney professionally inspected and cleaned at the beginning of the wood burning season.



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\*\* *Denotes Possible Action Items*

# September 2020

September 2020						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
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27	28	29	30			

October 2020						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Aug 30	31	Sep 1	2	3	4	5
6	7 Labor Day	8 8:30am Burlingame Lawsuit Filing Discussion (StarLeaf Cloud) - Arden Quezon-Vicente	9 Virtual - NWPPA Annual Meeting	10 2:30pm REAP Executive Committee (Morse/Wiggin) (Zoom Meeting)	11	12
13	14	15	16	17 1:00pm Webinar on Green Banks Featuring Chris Rose (Morse) (Webinar)	18 12:30pm Review Board Packet w/Chair (Chastain/Morse) (LDT's Office) - Connie Owens	19
20	21	22 8:00am Strategic Planning with the Board (9/22-9/23) 11:30am	23 11:30am Regular Board of Directors Meeting (The Meghan Room) - CCBOD	24	25	26
27	28	29	30	Oct 1	2	3

# October 2020

October 2020						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November 2020						
Su	Mo	Tu	We	Th	Fr	Sa
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

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



# November 2020

November 2020						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December 2020						
Su	Mo	Tu	We	Th	Fr	Sa
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13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

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

# December 2020

December 2020						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
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13	14	15	16	17	18	19
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27	28	29	30	31		

January 2021						
Su	Mo	Tu	We	Th	Fr	Sa
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17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Nov 29	30	Dec 1	2 APA December Meeting Series (12/2-3, 2020) (Anchorage, AK) - Cont	3	4	5
6	7	8	9 4:00pm Operations Committee Meeting (boardroomcr) - Connie Owens	10	11	12
13	14 8:30am Review Board Packet w/Chair (Chastain/Morse) (LDT's Office) - Connie Owens	15	16 4:00pm Regular Board of Directors Meeting (Boardroom) - CCBOD	17	18	19
20	21	22	23	24 Christmas Holiday	25	26
27	28	29	30	31 New Year's Holiday	Jan 1, 21	2

# January 2021

January 2021						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
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17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

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

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

# February 2021

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

March 2021						
Su	Mo	Tu	We	Th	Fr	Sa
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7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jan 31	Feb 1	2	3	4	5	6
7	8	9	10	11	12	13
14	15 8:30am Review Board Packet w/Chair (Chastain/Morse) (LDT's Office) - Connie Owens	16 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	17	18 NRECA Annual Meeting (Director Education 2/18-2/21) (San Diego, CA) - Connie Owens	19	20
21 NRECA Annual Meeting (Direct	NRECA Annual Meeting (2/21 - 2/24) (San Diego, CA) - Connie Owens			25	26	27
28	Mar 1	2	3	4	5	6

# March 2021

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

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

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

# April 2021

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

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

# May 2021

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

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

# June 2021

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

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
May 30	31	Jun 1	2	3	4	5
					Director Summer School (6/4 - 6/8) (Myrtle Beach, SC)	
6	7	8	9	10	11	12
Director Summer School (6/4 - 6/8) (Myrtle Beach, SC)			4:00pm Operations Committee Meeting (BoardroomCR)			
13	14	15	16	17	18	19
20	21	22	23	24	25	26
	8:30am Review Board Packet w/Chair		4:00pm Regular Board of Directors Meeting (Boardroom)			
27	28	29	30	Jul 1	2	3



# July 2021

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

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jun 27	28	29	30	Jul 1	2	3
4 4th of July	5 Observance - 4th of July	6	7	8	9 Directors Summer School (7/9-7/13) (Santa Fe, NM)	10
11 Directors Summer School (7/9-7/13) (Santa Fe, NM)	12	13	14 4:00pm Operations Committee Meeting (BoardroomCR)	15	16	17
18	19	20	21	22	23	24
25	26 8:30am Review Board Packet w/Chair	27	28 4:00pm Regular Board of Directors Meeting (Boardroom)	29	30	31

# August 2021

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

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

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

**Connie Owens**

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**Subject:** FW: Save the Date for Online Regional Week

**From:** NRECA Education and Training <mktg@nreca.coop>

**Sent:** Friday, June 5, 2020 10:44 AM

**Subject:** Save the Date for Online Regional Week

Join us for Online Regional Week.  
View this email online



## Online Regional Week Planned for Oct. 12-16

NRECA is planning **Online Regional Week for Oct. 12-16, 2020**. While we weren't able to convene the in-person 2020 Regional Meetings due to the COVID-19 pandemic, Online Regional Week can bring electric co-op CEOs, directors, voting delegates and key staff together in a virtual environment to engage with industry experts and colleagues who share common issues.

Each NRECA region's resolutions committee and business meetings can be conducted during the week, along with joint general sessions for all regions. This format will maintain regions' traditionally paired or stand-alone resolutions committees and business meetings. NRECA plans to post the Compendium of Proposed Resolutions and collect and publish all proposed amendments or new resolutions submitted by voting members prior to the regional meetings week. Nominating committees will be held the week of Oct. 5.

### Online Regional Week Agenda

**Oct. 12 & 13 | Regional Committee Meetings**

**Oct. 14 | General Sessions**

**Oct. 15 & 16 | Regional Business Meetings**

*More information on the agenda and exact times will be coming soon. We are working with CFC to try to ensure that their district meetings can be conducted within the scope of Online Regional Week.*



# Online REGIONAL WEEK

| Oct. 12-16, 2020



## PARTICIPATING VIRTUALLY: TIPS FOR SUCCESS

### Get Comfortable with the Technology

Establish comfort with the technology. Hover over icons to learn their purpose. Make sure you know how to turn your microphone off and on and how to utilize the chat.

### Use Google Chrome

Make sure you have the Google Chrome web browser installed and you know how to access it. Google Chrome is the preferred web browser.

### Avoid Disruptions

Make sure you have a quiet place to participate. Ensure you have blocked off time on your calendar to try and minimize disruptions. Try using headphones for greater focus.

### Block Off Time on Your Calendar

Treat this as you would an in-person event! You're "unavailable" during the meeting times.

### Be Early and Ready to Go

Log on to the platform a few minutes early to ensure you're comfortable with the technology and that your video and audio are functioning properly. Check out the chat box feature. Consider introducing yourself and begin chatting with the presenter(s) and other participants.

### Meet Your Support Staff

There will be a team member from NRECA and VideoWest (our AV/technology provider) in each session to assist with any technical issues you may have.

### Be Present

Turn off notifications for social media on your phone. Turn your ringer to silent.

### Engage!

To get the most out of your experience, make sure you're participating in all that's offered. Introduce yourself in the chat. Ask questions in the chat or live (depending on the session). Participate in informal polls as well as the presenter's activities and discussion.

## Online Regional Week

Online October 12 - 16, 2020

NRECA Online Regional Week brings together electric co-op CEOs, directors, voting delegates and key staff virtually to engage with industry experts and colleagues who share common issues.

**JOIN US ONLINE!**

## 2020 Online Regional Week

Represent your region in a whole new way. Through Online Regional Week, co-op leaders make vital contributions to the role America's electric cooperatives will play in leading the new energy future.

While we are not able to convene your 2020 Regional Meetings in person due to the COVID-19 pandemic, Online Regional Week brings together electric co-op CEOs, directors, voting delegates and key staff to engage with industry experts and colleagues who share common issues.

Each NRECA region's resolutions committee and business meetings are being conducted during a single week, along with joint general sessions for all regions. This format will maintain the regions' traditionally paired or stand-alone resolutions committee meetings and business meetings. Review the [2020 Compendium of Proposed Resolutions](#); voting members may submit proposed amendments or proposed new resolutions to [resolutions@nreca.coop](mailto:resolutions@nreca.coop) by Oct. 1. All proposals received will be posted on the [Member Resolutions Regional Meeting page](#).

Please note:

**Nominating Committee Meetings** will take place Thursday, Oct. 8, and Friday, Oct. 9, and will be organized by NRECA's Office of General Counsel. See details below. All times are Eastern.

### **Thursday, Oct. 8**

9 a.m. | Region 1 Nominating Committee Meeting  
10 a.m. | Region 4 Nominating Committee Meeting  
11 a.m. | Region 2 Nominating Committee Meeting  
1 p.m. | Region 3 Nominating Committee Meeting  
2 p.m. | Region 5 Nominating Committee Meeting

### **Friday, Oct. 9**

10 a.m. | Region 6 Nominating Committee Meeting  
11 a.m. | Region 7 Nominating Committee Meeting  
1 p.m. | Region 8 Nominating Committee Meeting  
2 p.m. | Region 10 Nominating Committee Meeting  
3 p.m. | Region 9 Nominating Committee Meeting

## Your Online Regional Week Advantages

- Participate remotely; no travel is required.
- Save money with reduced registration fees (40% off the in-person early bird rate).
- Develop and strengthen your team by including senior leaders and key contributors in the Online Regional Week experience.
- Educate future co-op leaders by sharing the resolutions process with them.
- Discover ideas and best practices that will help your co-op survive and thrive during this time of unprecedented 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.

Engage with NRECA and electric co-op leaders at the 2020 Online Regional Week. Sponsorship allows you to gain visibility in the co-op marketplace, generate awareness, introduce products and services, and build your brand.

For questions about NRECA's sponsorship program, please contact Stephanie Harbrecht at [Stephanie.Harbrecht@nreca.coop](mailto:Stephanie.Harbrecht@nreca.coop).

## Schedule

*Subject to change*

ALL DAYS    MON. 10/12    TUE. 10/13    WED. 10/14    THU. 10/15    **FRI. 10/16**

### GENERAL SESSION x

There is no General Session for this day.

## Speakers

### ANTHONY (TONY) A. ANDERSON

Tony Anderson, NRECA Secretary-Treasurer and Michigan Director

### JIM CARROLL

Futurist, Trends and Innovation Expert

### SUSAN EISENHOWER

Strategic Energy Policy Leader and International Affairs Expert

### JIM MATHESON

CEO, NRECA

### SCOTT PETERSON

Senior Vice President, Communications, NRECA

### CURTIS WYNN

NRECA President and North Carolina Director

# Registration Fees

NRECA voting delegates and alternate delegates should register for their region's regional business meeting **individually** to ensure they receive proper access to vote on behalf of their member system. If you have questions about your certified delegates, please contact [votingdelegates@nreca.coop](mailto:votingdelegates@nreca.coop).

Early Bird Registration (ends Sept. 3)	\$275
Regular Registration	\$325

## Questions about the Program?

Kristen Wheeler

703-907-5695

[Kristen.Wheeler@nreca.coop](mailto:Kristen.Wheeler@nreca.coop)

## Questions about Sponsorship?

Stephanie Harbrecht

703-907-5830

[Stephanie.Harbrecht@nreca.coop](mailto:Stephanie.Harbrecht@nreca.coop)

**Cancellation and Refund Policy →**

**Photography/Image Agreement →**

**Conferences, Meetings & Training Policies →**



# Online Regional Week

Online October 12 - 16, 2020

## Schedule

*Subject to change*

### GENERAL SESSION x

#### WED. 10/14

10:30am - 11:50am General Session 1

*All times are Eastern.*

#### **Welcome**

*Curtis Wynn, NRECA President and North Carolina Director, Presiding Officer*

#### **CEO Remarks**

*Jim Matheson, CEO, NRECA*

#### **Keynote Address**

---

12:30pm - 1:15pm General Session 2

*All times are Eastern.*

#### **Presentation of Regional Service Award (Region 6)**

#### **President's Address**

*Curtis Wynn, NRECA President and North Carolina Director*

#### **Secretary-Treasurer's Report**

*Tony Anderson, NRECA Secretary-Treasurer and Michigan Director*

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# Online Regional Week

Online October 12 - 16, 2020

## Schedule

*Subject to change*

### BREAKOUT SESSION x

#### WED. 10/14

1:40pm - 2:40pm

Breakout Session: Strategic Energy Leadership: Charting America's Energy Future

*All times are Eastern.*

*Susan Eisenhower, Strategic Energy Policy Leader*

In the next 15 years, the U.S. will need to invest more than \$2 trillion in its energy infrastructure, and our leaders don't yet have a comprehensive strategy for executing these much-needed improvements. Citing present-day and historical examples, energy strategist Susan Eisenhower helps organizations understand how we can advance a comprehensive national energy policy, while educating the public on the critical nature of our challenges. This session will include an interview with Scott Peterson, Senior Vice President, Communications, NRECA.

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1:40pm - 2:40pm

Breakout Session: Disrupting Energy: Why Accelerating Science and Technology Is Disrupting the Future of Energy, Faster Than You Think!

*All times are Eastern.*

*Jim Carroll, Futurist, Trends and Innovation Expert*

The future belongs to those who are fast! That's the mantra of futurist Jim Carroll — and nowhere has this become a reality faster than in the world of energy and utilities.

There is no doubt that the next phase of the world of energy involves the convergence of a variety of trends, each of which is significant on their own, but combined, provide an opportunity for massive disruption — and reinvention:

- Massive hyper-connectivity at an industrial, commercial and residential level

- Rapid advancement of energy science, particularly with battery storage and alternative energy sources
- Business model disruption
- Energy microgrids
- New demand and infrastructure requirements

We will see more change in the energy industry in the next 10 years than we have seen in the last 100 – are you ready?

This session will include audience Q&A.

---

## Connie Owens

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**From:** Michael Rovito <MRovito@alaskapower.org>  
**Sent:** Monday, August 3, 2020 4:17 PM  
**To:** Michael Rovito  
**Subject:** Save the Dates: APA & AIE 2020 Virtual Annual Meeting  
**Attachments:** APA\_Annual Meeting Mtg Notice\_2020.11.03.pdf

**Importance:** High

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

\*\*\*\*\*

This message originated from OUTSIDE the company. Please use caution if it contains attachments, links or requests for information.

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### Alaska Power Association Members and Friends:

We've missed seeing all of you during this time of crisis in the world, but health and safety are APA's top priorities during the COVID-19 pandemic. While we can't meet in person for this year's annual meeting, we are excited to announce the dates of the 2020 Alaska Power Association and ARECA Insurance Exchange Virtual Annual Meeting.

**We hope you'll set aside November 3-5**, for this year's online gathering. We'll conduct the business of the trade association and insurance exchange along with providing engaging content for our membership.

We're especially excited to announce that the keynote speaker on November 4, at 9 a.m. will be Lt. General Russel L. Honoré (Ret.), who, along with being a 37-year Army veteran, led the post-Hurricane Katrina military relief efforts in New Orleans. Lt. General Honoré will speak on "Resilient Leadership," a very fitting topic for the times we find ourselves in.

A **HUGE** thank you to National Rural Utilities Cooperative Finance Corporation (CFC) for providing this keynote speaker for our members.

More information will follow over the coming weeks, including agendas, virtual platform information, and other items. For now, we hope you'll save the dates.



**Michael Rovito, CCC**

Deputy Director

Alaska Power Association

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

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

907-561-5547 Fax | [www.alaskapower.org](http://www.alaskapower.org)

~ *The Unified Voice of Alaska's Electric Utilities* ~



# **Alaska Power Association**

703 West Tudor Road, Suite 200

Anchorage, Alaska 99503

Ph: 907-771-5700, Toll-free: 1-877-992-7322

Fax: 907-561-5547

[www.alaskapower.org](http://www.alaskapower.org)

## **Meeting Notice of the**

# **Alaska Power Association Annual Meeting**

**November 3-5, 2020**

**Via Video Conference**

Link to be provided.

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

**August 17, 2020**  
**Monday**  
**4:00 p.m.**

**REGULAR BOARD OF DIRECTORS' MEETING**

Recording Secretary: Arden Quezon

**I. CALL TO ORDER**

Chair Chastain called the Regular Board of Directors' Meeting to order at 4:08 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

*A. Pledge of Allegiance*

Chair Chastain lead the Board in the Pledge of Allegiance.

*B. Roll Call*

*Board Members Present:*

Bettina Chastain, Chair  
Rachel Morse, Vice Chair  
Jim Henderson, Secretary  
Harold Hollis, Treasurer  
Stuart Parks, Director  
Sam Cason, Director  
Mark Wiggin, Director

*Guests and Staff Attendance  
Present:*

Lee Thibert  
Arthur Miller

Mark Fouts  
Phil Steyer

Jean Kornmuller

*Via Teleconference:*

Brian Hickey  
Connie Owens  
Tyler Andrews  
Matthew Clarkson

Sherri Highers  
Julie Hasquet  
Sean Skaling  
Laurel Foster

Crystal Enkvist, Alaska  
Power Association (APA)  
Nabgha Qureshi, Alaska  
Center

*C. Safety Minute*

Tyler Andrews, Executive V.P., Employee Services & Communications discussed "Ladder Safety".

## **II. APPROVAL OF AGENDA**

Lee Thibert, Chief Executive Officer (CEO) requested a friendly amendment to add item D. RRC under V. CEO Reports and Correspondence. Chair Chastain stated that agenda VIII. New Business items B and C will be discussed together. No objections were made.

Director Wiggin moved and Director Cason seconded the motion to accept and approve the agenda as amended. The motion passed unanimously, as amended.

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

No member comments

## **IV. CONSENT AGENDA**

- A. *Board Calendar*
- B. *Director Training/Education and Conferences*
  - 1. *Virtual – NWPPA Annual Meeting - September 10, 2020*
  - 2. *Virtual – NRECA Region IX Meeting – October 12-16, 2020*
  - 3. *Virtual – APA Annual Meeting – November 3-5, 2020*
- C. *Minutes*
  - 1. *July 22, 2020, Regular Board of Directors’ Meeting (Scott)*
  - 2. *August 5, 2020, Special Board of Directors’ Meeting (Quezon)*
- D. *Director Expenses*

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

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

- A. *Electric Vehicle Initiatives Program (Steyer/Miller)*

Arthur Miller, Executive VP, Regulatory and External Affairs and Phil Steyer, Director, Government Relations discussed the Electric Vehicle Initiatives Program and responded to questions from the Board.
- B. *Annual Review of Wage and Salary Plan (Andrews)*

Tyler Andrews, Executive VP, Member and Employee Services discussed the Annual Review of Wage and Salary Plan and responded to questions from the Board.
- C. *Board Policy Scheduled Tasks/Reports (Board/Staff)*

Lee Thibert, CEO discussed the Board Policy Scheduled Tasks/Reports and responded to questions from the Board.
- D. *RRC Update (Hickey)*

*Added during II. Approval of the Agenda.*  
Brian Hickey, Chief Operating Officer gave an RRC update and responded to questions from the Board.



## **VI. DIRECTOR REPORTS**

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

Director Hollis and Crystal Enkvist, Executive Director, APA provided an update on APA activities and upcoming events.

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

Director Henderson reported on the August 3<sup>rd</sup> and August 12, 2020 ARCTEC meetings and upcoming events.

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

Director Morse reported on REAP's July 28, 2020, Executive Committee, Public Policy Committee and July 30, 2020 Quarterly Board meetings.

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

Director Hollis reported on the August 12, 2020 Audit and Finance Committee.

Director Parks reported on the August 5, 2020, Operations Committee meeting.

Director Morse reported that there is a Governance Committee meeting scheduled on August 18, 2020.

### *E. Other Meeting Reports*

None

*At 5:20 p.m., the Board recessed and reconvened the meeting at 5:33 p.m.*

## **VII. UNFINISHED BUSINESS**

None

## **VIII. NEW BUSINESS**

### *A. Simplified Rate Filing – June 2020 Test Year (Kornmuller/Miller)*

Jean Kornmuller, Manager, Regulatory Affairs discussed the Simplified Rate Filing – June 2020 Test Year and responded to questions from the Board.

Director Cason moved and Director Hollis seconded the motion that the Board of Directors approve the attached Resolution authorizing filing with the Regulatory Commission of Alaska, the Simplified Rate Filing described therein. The motion passed unanimously.

### *B. Appointment of 2020 NRECA Voting Delegate and Alternate (Board)*

*Item C. NRECA Resolution was discussed prior to this agenda item.*

Director Hollis moved and Director Wiggin seconded the motion that the Board of Directors appoint Director Henderson as the NRECA Voting Delegate and Director Cason as the alternate. The motion passed unanimously.

- C. *NRECA Resolution (Board Discussion)*  
*Item B. Appointment of 2020 NRECA Voting Delegate and Alternate was discussed after this agenda.*

Phil Steyer, Director, Government Relations discussed the NRECA Resolution and responded to questions from the Board.

## **IX. EXECUTIVE SESSION**

- A. *Eklutna Consultant*
- B. *Alaska Railroad Corporation (ARRC) Leases*
- C. *RRC Update*
- D. *IMO Update*
- E. *Financing Update*
- F. *ML&P Acquisition Update*

At 6:00 p.m., Director Morse moved and Director Parks 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) to discuss legal matters with its attorneys, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The motion passed unanimously.

*The meeting reconvened in open session at 7:44 p.m.*

## **X. NEW BUSINESS**

- A. *Alaska Railroad Corporation (ARRC) Leases (Clarkson)*  
Director Parks moved and Director Hollis seconded the motion that the Board of Directors authorize the Chief Executive Officer to approve and execute the Alaska Railroad Corporation (ARRC) Leases and Blanket Permit essentially as discussed in executive session. The motion passed unanimously.
- B. *IMO Program Funding for Professional Services (Fouts)*  
Director Hollis moved and Director Henderson seconded the motion that the Board of Directors authorize the Chief Executive Officer to increase the not-to-exceed amount of the IMO Professional Service Contract with RGP for consulting services from \$3,509,504 to a not-to-exceed total contract amount of \$5,270,672. The motion passed unanimously.
- C. *IMO Program Funding Authorization (Fouts)*  
Director Wiggin moved and Director Cason seconded the motion that the Board of Directors authorize an increase of the Integration Program funding of \$2.4 million to continue the program for the month of September 2020, for a total Integration Program funding authorization of \$29.6 million pending RCA approval of TA491-8, Amended Pooling Agreement. The motion passed unanimously.

**XI. DIRECTOR COMMENTS**

Director comments were made at this time.

**XII. ADJOURNMENT**

At 7:52 p.m., Director Cason moved and Director Morse seconded the motion to adjourn. The motion passed unanimously.

---

James Henderson, Secretary

Date Approved: September 23, 2020

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

**August 28, 2020**  
**Friday**  
**9:00 p.m.**

## SPECIAL BOARD OF DIRECTORS' MEETING

Recording Secretary: DeAnna Scott

## I. CALL TO ORDER

Chair Chastain called the Special Board of Directors' Meeting to order at 9:01 a.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

### A. Pledge of Allegiance

Chair Chastain led the Board in the Pledge of Allegiance.

### B. Roll Call

*Board Members Present:*

Bettina Chastain, Chair (*via teleconference*)  
 Rachel Morse, Vice Chair (*via teleconference*)  
 Jim Henderson, Secretary (*via teleconference*)  
 Harold Hollis, Director (*via teleconference*)  
 Stuart Parks, Director (*via teleconference*)  
 Sam Cason, Director (*via teleconference*)  
 Mark Wiggin, Director (*via teleconference*)

*Guests and Staff in Attendance:*

*Present:*

Lee Thibert                      Laurel Foster

*Via Teleconference:*

Sherri Highers  
 Mark Fouts

Arthur Miller

Connie Owens

### C. Safety Minute – “Electrical Safety at Home”

Lee Thibert, Chief Executive Officer (CEO) discussed “*Electrical Safety at Home*”.

## II. APPROVAL OF THE AGENDA

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

**III. PERSONS TO BE HEARD**

*None*

**IV. CONSENT AGENDA**

*None*

**V. CEO REPORTS AND CORRESPONDENCE**

*None*

**VI. DIRECTOR REPORTS**

*None*

**VII. UNFINISHED BUSINESS**

*None*

**VIII. NEW BUSINESS**

*A. Integration Program Funding Authorization*

Director Morse moved and Director Hollis seconded the motion that the Board of Directors amend the motion previously adopted on August 17, 2020, to authorize an increase of the Integration Program funding of \$2.4 million to continue the program for the month of September 2020, for a total Integration Program funding authorization of \$29.6 million pending receipt of an RCA order finding the Amended Pooling Agreement to be facially consistent with the requirements of the RCA's Order 39, recognizing that such an order was in fact received from the RCA on August 20, 2020. The motion passed unanimously.

**IX. EXECUTIVE SESSION**

*None*

**X. NEW BUSINESS**

*None*

**XI. DIRECTOR COMMENTS**

Director comments were made at this time.

**XII. ADJOURNMENT**

At 9:18 a.m., Director Morse moved and Director Hollis seconded the motion to adjourn. The motion passed unanimously.

---

James Henderson, Secretary

Date Approved: September 23, 2020

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

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

**September 23, 2020**

**ACTION REQUIRED**

**AGENDA ITEM NO. IV.D.**

<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**

Director Expenses

**DISCUSSION**

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

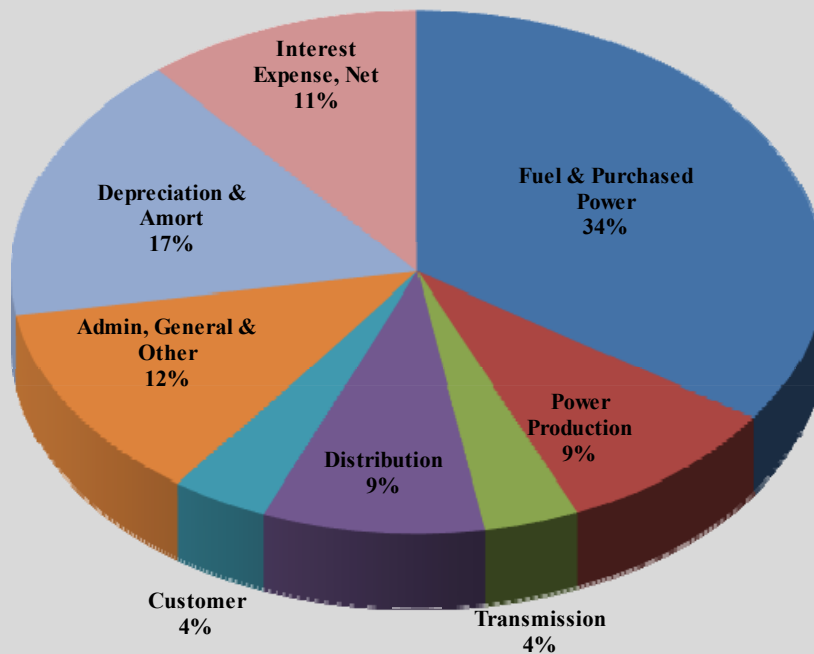
**MOTION**

*(Consent Agenda)*

## STATEMENT OF OPERATIONS

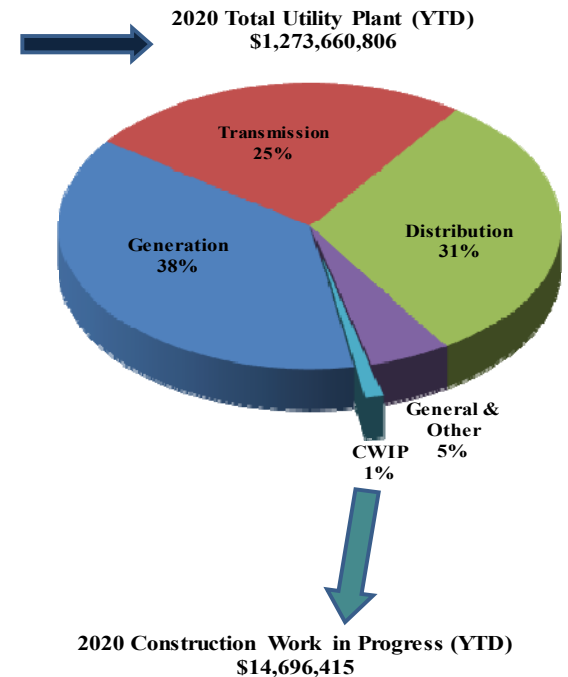
CATEGORY	2020 MTD ACTUAL	2020 MTD BUDGET	2020 MTD VARIANCE
<b>Operating Revenue and Patronage Capital</b>	<b>\$ 15,873,971</b>	<b>\$ 16,712,357</b>	<b>\$ (838,386)</b>
Fuel and Purchased Power Expense	5,555,519	6,057,566	(502,047)
Power Production Expense	1,474,620	1,845,327	(370,707)
Transmission Expense	617,447	640,786	(23,339)
Distribution Expense	1,432,598	1,482,228	(49,630)
Customer Expense	618,899	652,492	(33,593)
Administrative, General and Other	2,001,565	2,266,674	(265,109)
Depreciation & Amortization Expense	2,683,185	2,668,561	14,624
Interest Expense, Net	1,779,544	1,844,590	(65,046)
<b>Total Cost of Electric Service</b>	<b>\$ 16,163,377</b>	<b>\$ 17,458,224</b>	<b>\$ (1,294,847)</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ (289,406)</b>	<b>\$ (745,867)</b>	<b>\$ 456,461</b>
Non-Operating Margins - Interest	31,403	33,250	(1,847)
Allowance for Funds Used During Construction	8,473	13,984	(5,511)
Non-Operating Margins - Other	15,519	-	15,519
<b>Patronage Capital or Margins</b>	<b>\$ (234,011)</b>	<b>\$ (698,633)</b>	<b>\$ 464,622</b>

Total Cost of Electric Service (MTD Actual)



## BALANCE SHEET

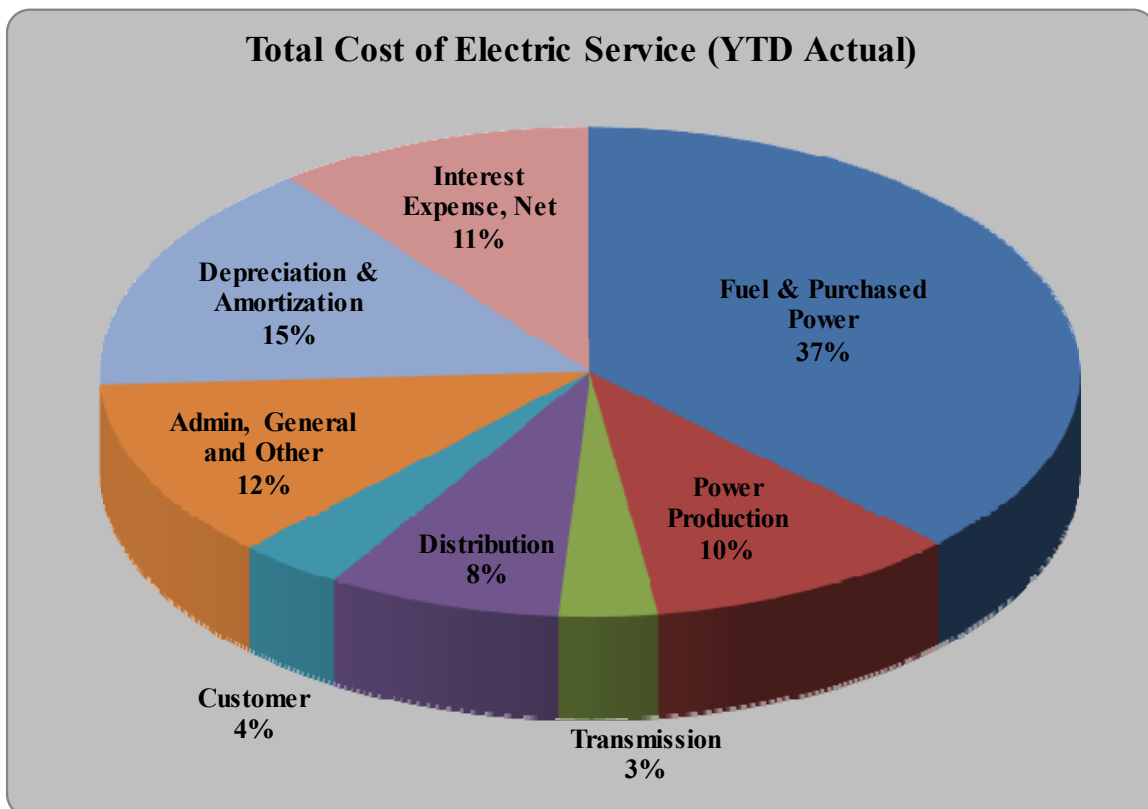
ASSETS & OTHER DEBITS	07/31/2020	12/31/2019
Electric Plant in Service	1,258,964,391	1,242,523,092
Construction Work in Progress	14,696,415	16,966,608
<b>Total Utility Plant</b>	<b>\$ 1,273,660,806</b>	<b>\$ 1,259,489,700</b>
Accum. Prov. for Depreciation/Amortization	(572,519,978)	(556,209,740)
<b>Net Utility Plant</b>	<b>\$ 701,140,828</b>	<b>\$ 703,279,960</b>
Nonutility Property - Net	76,889	76,889
Financing & Operating Lease Right-of-Use Assets	850,443	958,111
Investment in Assoc. Organizations	7,790,919	8,148,426
Special Funds	2,594,399	2,603,505
Restricted Cash Equivalents & Other	64,310	108,000
Long-term Prepayments	-	-
<b>Total Other Property &amp; Investments</b>	<b>\$ 11,376,960</b>	<b>\$ 11,894,931</b>
Cash & Restricted Cash	3,085,497	8,515,975
Special Deposits and Marketable Securities	256,095	248,483
Accounts Receivable - Net	25,525,068	30,120,230
Materials and Supplies, Fuel Stock	32,891,254	30,265,047
Prepayments	3,200,927	2,699,308
Other Current & Accrued Assets	354,090	1,680,885
<b>Total Current &amp; Accrued Assets</b>	<b>\$ 65,312,931</b>	<b>\$ 73,529,928</b>
Deferred Debits	53,710,567	45,880,452
<b>Total Assets &amp; Other Debits</b>	<b>\$ 831,541,286</b>	<b>\$ 834,585,271</b>
LIABILITIES & OTHER CREDITS	07/31/2020	12/31/2019
Memberships	1,792,112	1,776,592
Pat. Capital, Margins & Equities	195,344,603	192,690,321
<b>Total Margins &amp; Equities</b>	<b>\$ 197,136,715</b>	<b>\$ 194,466,913</b>
Long-Term Debt - Bonds	429,683,330	449,999,997
Long-Term Debt - Other	27,816,000	30,535,826
Unamortized Debt Issuance Costs	(2,587,184)	(2,684,537)
Operating Lease Liabilities	630,347	754,888
Finance Lease Liabilities	8,159	-
<b>Total Long-Term Debt</b>	<b>\$ 455,550,652</b>	<b>\$ 478,606,174</b>
Notes Payable	65,176,913	51,056,065
Accounts Payable	8,091,852	8,316,375
Consumer Deposits	3,757,603	4,294,770
Other Current & Accrued Liabilities	33,828,717	32,498,393
<b>Total Current &amp; Accrued Liabilities</b>	<b>\$ 110,855,085</b>	<b>\$ 96,165,603</b>
Deferred Compensation	1,484,476	1,775,759
Other Liabilities, Non-Current	616,610	398,790
Deferred Liabilities	1,444,872	903,870
Cost of Removal Obligation	64,452,876	62,268,162
<b>Total Liabilities &amp; Other Credits</b>	<b>\$ 831,541,286</b>	<b>\$ 834,585,271</b>





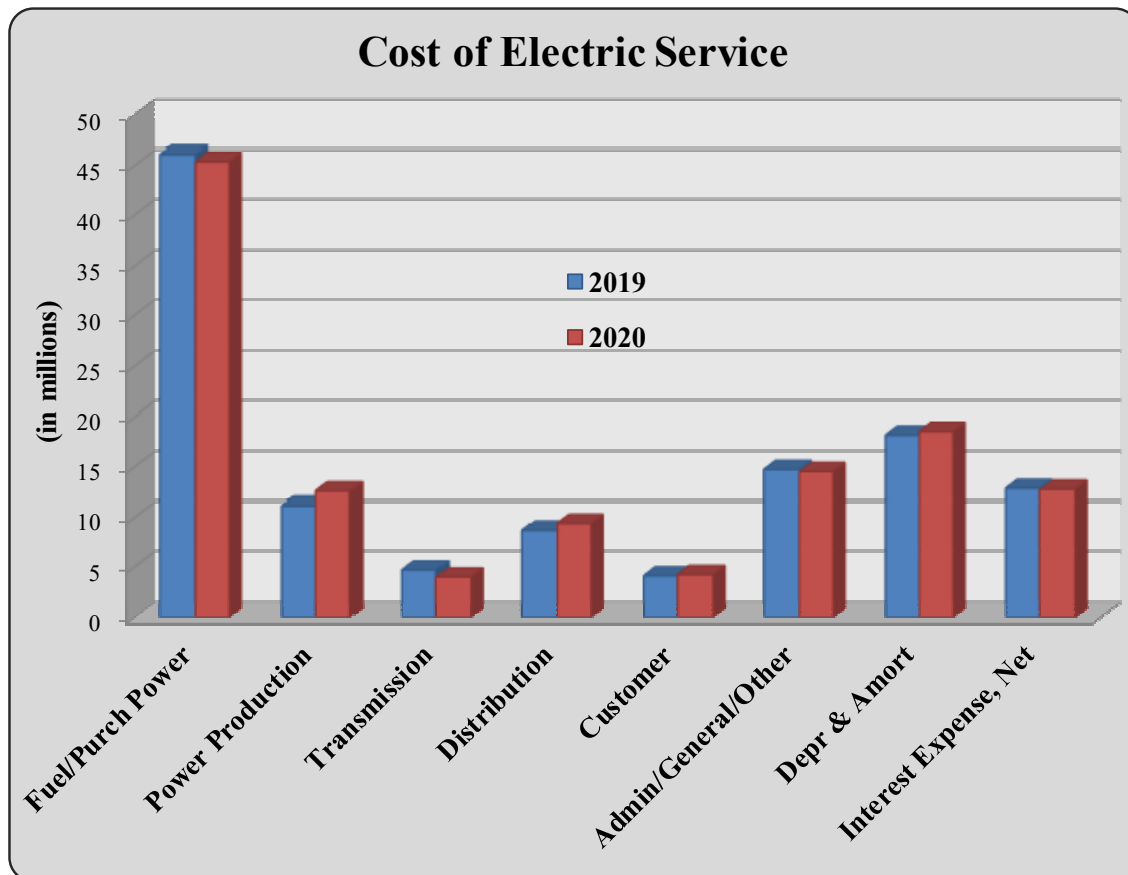
## COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS 2020 ACTUAL TO BUDGET VARIANCE

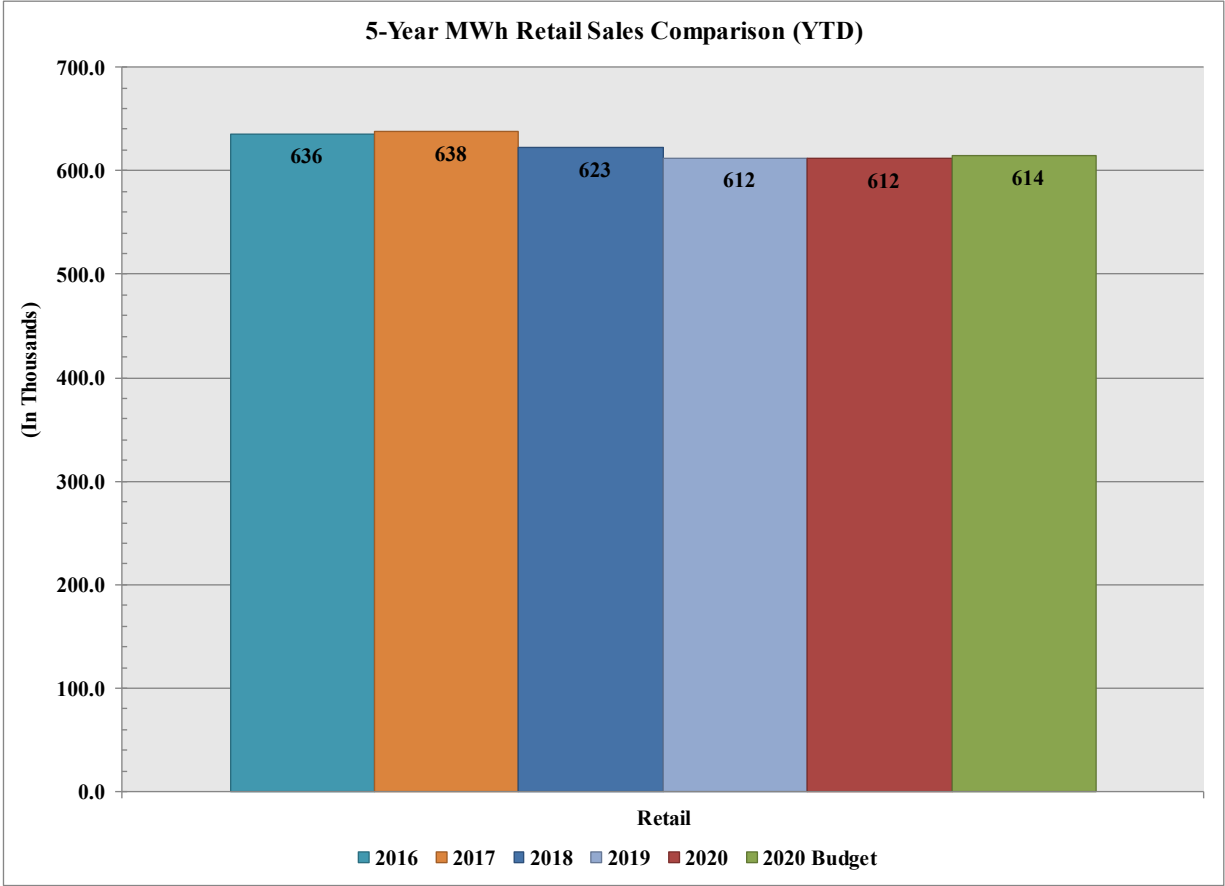
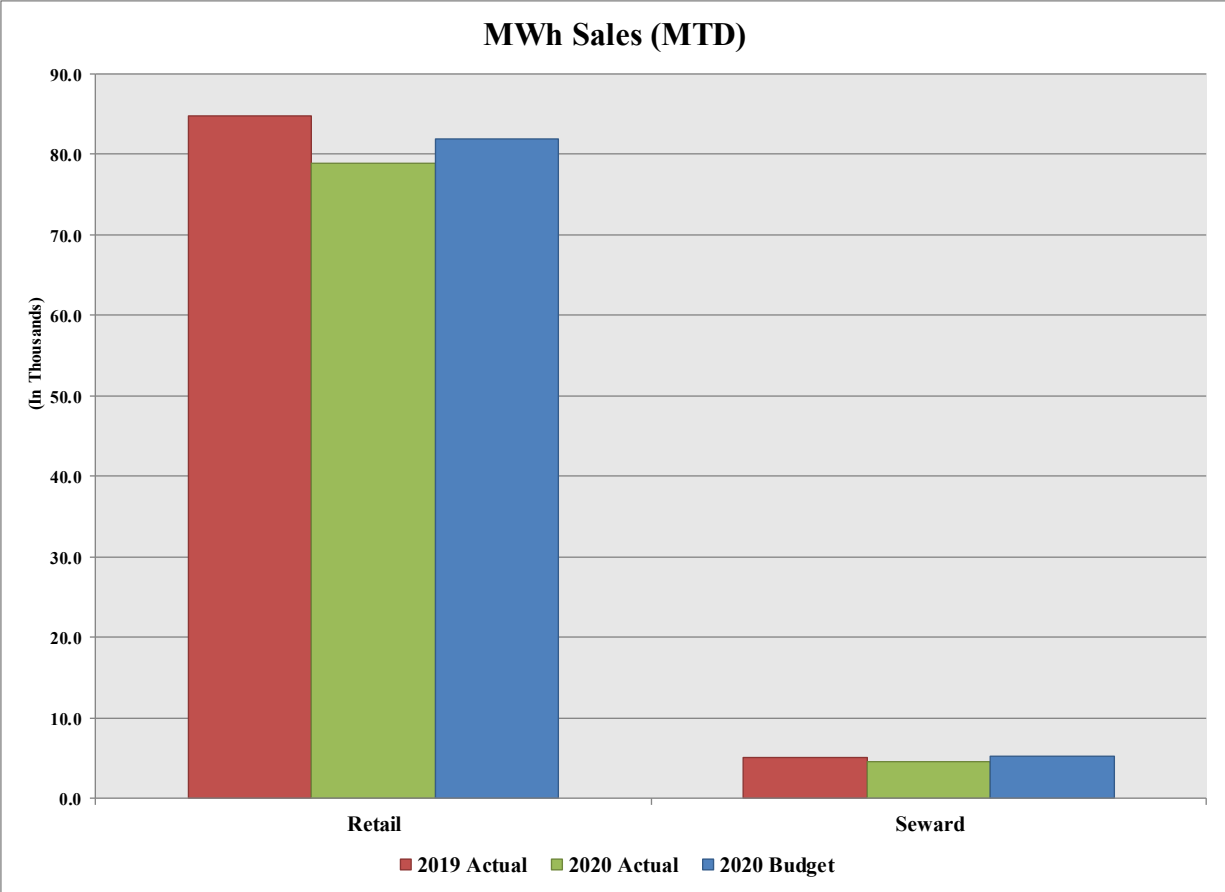
CATEGORY	2020 YTD ACTUAL	2020 YTD BUDGET	2020 YTD VARIANCE
<b>Operating Revenue and Patronage Capital</b>	<b>\$ 124,568,347</b>	<b>\$ 125,298,608</b>	<b>\$ (730,261)</b>
Fuel and Purchased Power Expense	45,394,927	45,334,974	59,953
Power Production Expense	12,582,004	12,692,969	(110,965)
Transmission Expense	3,978,619	4,577,339	(598,720)
Distribution Expense	9,414,704	9,359,186	55,518
Customer Expense	4,208,654	4,476,993	(268,339)
Administrative, General and Other	14,522,057	15,625,774	(1,103,717)
Depreciation & Amortization Expense	18,596,867	18,574,756	22,111
Interest Expense, Net	12,757,400	13,139,540	(382,140)
<b>Total Cost of Electric Service</b>	<b>\$ 121,455,232</b>	<b>\$ 123,781,531</b>	<b>\$ (2,326,299)</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ 3,113,115</b>	<b>\$ 1,517,077</b>	<b>\$ 1,596,038</b>
Non-Operating Margins - Interest	224,549	232,750	(8,201)
Allowance Funds Used During Const.	65,803	56,248	9,555
Non-Operating Margins - Other	(52,723)	-	(52,723)
<b>Patronage Capital or Margins</b>	<b>\$ 3,350,744</b>	<b>\$ 1,806,075</b>	<b>\$ 1,544,669</b>
MFI/I	1.26	1.14	
TIER	1.27	1.14	

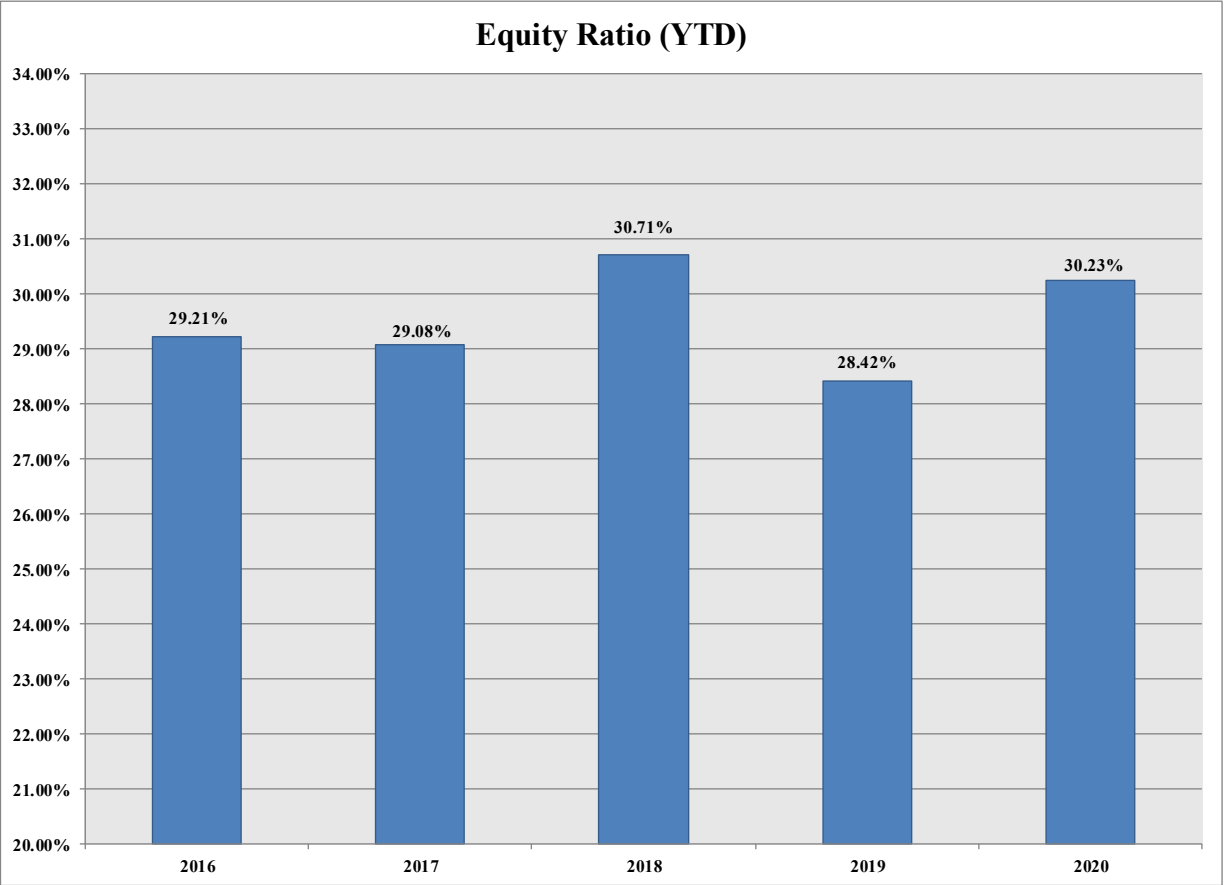
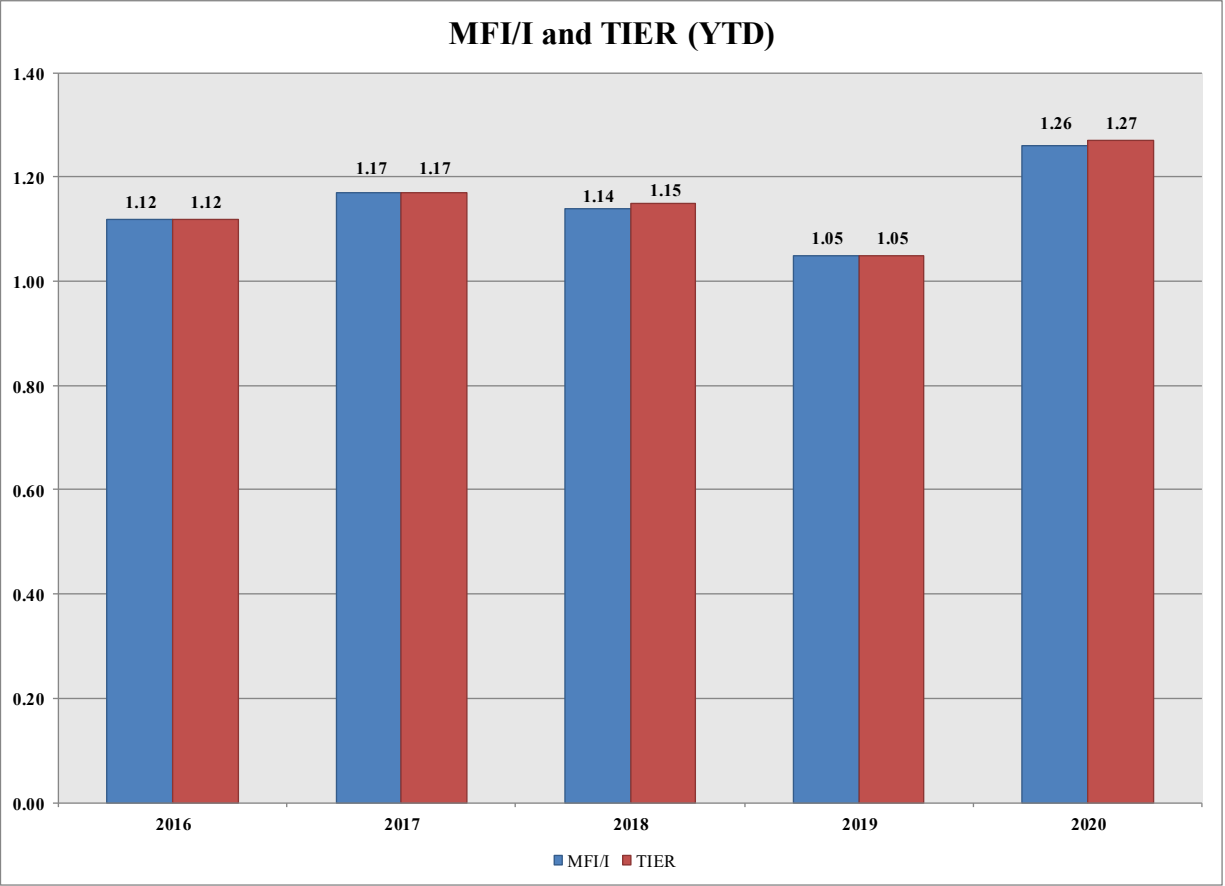


## COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS CURRENT TO PRIOR ACTUAL

CATEGORY	2020 YTD ACTUAL	2019 YTD ACTUAL
<b>Operating Revenue and Patronage Capital</b>	<b>\$ 124,568,347</b>	<b>\$ 120,590,413</b>
Fuel and Purchased Power Expense	45,394,927	46,090,327
Power Production Expense	12,582,004	11,158,628
Transmission Expense	3,978,619	4,668,203
Distribution Expense	9,414,704	8,729,940
Customer Expense	4,208,654	4,088,482
Administrative, General and Other	14,522,057	14,724,543
Depreciation and Amortization Expense	18,596,867	18,213,866
Interest Expense, Net	12,757,400	12,842,114
<b>Total Cost of Electric Service</b>	<b>\$ 121,455,232</b>	<b>\$ 120,516,103</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ 3,113,115</b>	<b>\$ 74,310</b>
Non-Operating Margins - Interest	224,549	352,909
Allowance for Funds Used During Construction	65,803	93,085
Non-Operating Margins - Other	(52,723)	118,324
<b>Patronage Capital or Margins</b>	<b>\$ 3,350,744</b>	<b>\$ 638,628</b>
MFI/I	1.26	1.05
TIER	1.27	1.05







## ENERGY SALES (kWh)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Energy Sales	612,140,664	614,364,636
Wholesale Energy Sales	<u>33,981,563</u>	<u>33,461,596</u>
Total Firm Energy Sales	646,122,227	647,826,232
Economy Energy Sales	<u>0</u>	<u>0</u>
Total Energy Sales	646,122,227	647,826,232

Firm energy sales totaled 646,122,227 kWh, which was a 0.3% unfavorable variance compared to budget. Retail energy sales were under budget 0.4% due to lower commercial sales as a result of COVID-19, which was somewhat offset by an increase in residential sales caused by members working more from home, as well as colder than anticipated weather early in the year. Additionally, wholesale energy sales were over budget by 1.6% primarily due to colder than anticipated weather during the first quarter.

## ENERGY REVENUE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Revenue	\$118.3	\$ 120.1
Wholesale Revenue	<u>3.5</u>	<u>3.5</u>
Total Firm Revenue	121.8	123.6
Economy Energy/Capacity Revenue	0.0	0.0
Other Operating Revenue	<u>2.8</u>	<u>1.7</u>
Total Revenue	\$ 124.6	\$ 125.3

Revenue from firm sales totaled \$121.8 million compared to \$123.6 million in the budget. Firm revenue was lower than expected primarily due to lower than anticipated costs recovered through the fuel and purchased power adjustment process as a result of higher wheeling. Additionally, the net impact of lower commercial revenue and higher residential revenue also contributed to this unfavorable variance. Other operating revenue includes late fees, pole rental, wheeling, microwave, BRU royalties, miscellaneous service and other electric revenue. Other operating revenue totaled \$2.8 million compared to \$1.7 million in the budget, primarily due to higher than anticipated wheeling from Bradley Lake.

## FUEL AND PURCHASED POWER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Fuel	\$ 31.1	\$ 33.9
Purchased Power	14.3	11.4
Total	\$ 45.4	\$ 45.3

Fuel expense includes fuel, storage, transportation, and BRU operating costs. Fuel expense was \$31.1 million compared to \$33.9 million in the budget. This favorable variance was primarily due to lower than anticipated fuel as a result of less power generated than planned and lower storage and transportation expense.

Actual fuel purchased or withdrawn from inventory for production was 3,476,087 Mcf, which did not include 447,049 Mcf of fuel recorded as purchased power, at an average effective delivered price of \$8.26 per Mcf compared to 3,708,051 Mcf in the budget at an average effective delivered price of \$8.24 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 \$14.3 million compared to \$11.4 million in the budget. This unfavorable variance compared to budget was primarily due to higher than anticipated purchases from ML&P as a result of higher energy sales during the first quarter.

Actual energy purchased was 180,159 MWh at an average effective price of 6.73 cents per kWh compared to 130,936 MWh budgeted at an average effective price of 6.89 cents per kWh.

## POWER PRODUCTION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Power Production	\$ 12.6	\$ 12.7

Power production expense was \$12.6 million compared to \$12.7 million in the budget. This favorable budget variance is primarily due to lower than anticipated maintenance costs at SPP and Cooper Lake, which were somewhat offset by higher than anticipated maintenance costs at Beluga.

## TRANSMISSION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Transmission	\$ 3.9	\$ 4.6

Transmission operations and maintenance expense was \$3.9 million compared to \$4.6 million in the budget. This favorable variance was primarily due to lower than anticipated costs associated with vegetation control and engineering studies and design.

## DISTRIBUTION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Distribution	\$ 9.4	\$ 9.4

Distribution operations and maintenance expense was \$9.4 million compared to \$9.4 million in the budget, with no significant variance.

## CONSUMER ACCOUNTS / CUSTOMER INFORMATION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Consumer / Customer Information	\$ 4.2	\$ 4.5

Consumer accounts and customer information expense was \$4.2 million compared to \$4.5 million in the budget. This favorable variance is primarily due to lower than anticipated labor expense.

## ADMINISTRATIVE, GENERAL AND OTHER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Administrative, General and Other	\$ 14.5	\$ 15.6

Administrative, general and other expense includes tax, donations, other deductions associated with preliminary survey and investigation charges of projects, and obsolete inventory write-offs that are not attributable to operating or maintenance accounts. Administrative, general and other expense was \$14.5 million compared to \$15.6 million in the budget. This favorable budget variance is primarily due to lower than anticipated costs associated with legal, information services, human resources and fuel and corporate planning initiatives. Costs associated with corporate membership dues, the annual meeting and training also contributed to this variance.

## SUMMARY

Depreciation, interest, and interest during construction expense totaled \$31.4 million compared to \$31.7 million in the budget. This favorable variance compared to budget was primarily due to lower than anticipated interest expense.

All of the foregoing expenses resulted in total cost of electric service of \$121.5 million compared to \$123.8 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 \$237.6 thousand compared to \$289.0 thousand in the budget primarily due to the loss in value of marketable securities.

The net result of revenue and expenses was margins of \$3.4 million compared to projected margins of \$1.8 million in the budget. The current forecast projects year-end margins of \$6.2 million, an MFI/I of 1.28, and TIER of 1.29.

## COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS YEAR-END FORECAST

CATEGORY	2020 APPROVED BUDGET	2020 AMENDED BUDGET	2020 YTD ACTUALS	2020 REVISED FORECAST
<b>Operating Revenue and Patronage Capital</b>	<b>\$ 227,256,742</b>	<b>\$ 218,368,235</b>	<b>\$ 124,568,347</b>	<b>\$ 214,654,341</b> <sup>1, 2</sup>
Fuel and Purchased Power Expense	88,355,228	79,466,721	45,394,927	79,526,339 <sup>1, 2</sup>
Power Production Expense	21,763,699	21,763,699	12,582,004	20,486,788 <sup>2</sup>
Transmission Expense	7,416,584	7,416,584	3,978,619	7,301,864 <sup>2</sup>
Distribution Expense	16,378,463	16,378,463	9,414,704	15,252,543 <sup>2</sup>
Customer Expense	7,709,966	7,709,966	4,208,654	7,502,277 <sup>2</sup>
Administrative, General & Other	26,116,149	26,116,149	14,522,057	24,953,605 <sup>2</sup>
Depreciation and Amortization Expense	31,953,849	31,953,849	18,596,867	31,969,462 <sup>1, 2</sup>
Interest Expense, Net	22,317,234	22,317,234	12,757,400	21,935,094 <sup>1</sup>
<b>Total Cost of Electric Service</b>	<b>\$ 222,011,172</b>	<b>\$ 213,122,665</b>	<b>\$ 121,455,232</b>	<b>\$ 208,927,972</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ 5,245,570</b>	<b>\$ 5,245,570</b>	<b>\$ 3,113,115</b>	<b>\$ 5,726,369</b>
Non-Operating Margins - Interest	399,000	399,000	224,549	390,799 <sup>1</sup>
Allowance for Funds Used During Construction	145,638	145,638	65,803	155,193 <sup>1</sup>
Non-Operating Margins - Other	-	-	(52,723)	(52,723) <sup>1</sup>
<b>Patronage Capital or Margins</b>	<b>\$ 5,790,208</b>	<b>\$ 5,790,208</b>	<b>\$ 3,350,744</b>	<b>\$ 6,219,638</b>
MFI/I	1.25	1.25	1.26	1.28
TIER	1.27	1.27	1.27	1.29

<sup>1</sup> Forecast based on 7 month actual and 5 month forecast

<sup>2</sup> Forecast has been adjusted to reflect anticipated changes



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

**September 15, 2020**

**TO:** Chugach Board of Directors

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

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

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

Chugach Electric Association, Inc. (Chugach) has the second lowest residential, small commercial, and large commercial rates in the Railbelt, behind Anchorage Municipal Light & Power (ML&P) as measured on an average customer bill basis. ML&P's bill levels are 9.1 percent, 7.8 percent, and 17.8 percent (not including ML&P's demand ratchet) lower than Chugach's, respectively, for residential, small commercial, and large commercial customers.

Matanuska Electric Association, Inc.'s (MEA) bill levels for residential, small commercial and large commercial customers are higher than Chugach's by about 1 percent, 16 percent, and 3 percent, respectively. Golden Valley Electric Association, Inc.'s (GVEA) bill levels are higher than Chugach's by about 20 percent, 40 percent, and 14 percent, respectively. Homer Electric Association, Inc.'s (HEA) bill levels are higher by about 26 percent, 47 percent, and 39 percent, respectively. These results are listed in Table 1.

On a total bill basis, which includes base rates, fuel and purchased power costs, and state-level taxes, the total bill for a Chugach residential customer using 600 kWh is \$130.88, which compares with \$118.93 for ML&P, \$132.41 for MEA, \$156.76 for GVEA, and \$165.53 for HEA.

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

- The average Chugach residential bill decreased 0.03 percent in third quarter. The decrease is due to the combination of a decrease to fuel and purchased power rates, offset slightly by an increase in the Regulatory Cost Charge (RCC) rate, which is applicable to all Railbelt utilities.
- ML&P residential bill levels increased 2.6 percent due to an increase in the fuel and purchased power rate and the RCC rate change. The fuel and purchased power rate increased primarily due to a change of value in the cost of power clearing account balance as compared to the prior quarter. The base energy rate has remained unchanged since June 2018.

- MEA residential bill levels increased 1.6 percent due to the combination of a decrease of base energy rates, an increase to the fuel and purchased power rate, and the previously mentioned RCC rate change.
- GVEA residential bill levels increased 10.7 percent due to a substantial increase to their fuel and purchased power rate and the RCC rate change. The fuel and purchased power rate increased for several reasons, including increased expected sales during the three-month period as compared to the prior period. The additional sales increases the amount oil and coal fuel required, and the per-unit costs for oil and coal increased since the prior filing. Additionally, the purchased power cost was expected to increase in the third quarter. The base rates remain unchanged.
- HEA residential bill levels increased 1.3 percent due to an increase to their fuel and purchased power rate and the RCC rate change. Their base rates remain unchanged.

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

<b>Table 1: Summary of Third Quarter 2020 Electric Bill Totals<sup>1</sup></b> <b>(September 2020)</b>					
Customer Class	Chugach	ML&P	MEA	GVEA	HEA
Residential total based on 600 kWh	\$130.88	\$118.93	\$132.41	\$156.76	\$165.53
Cost per kWh	\$0.218	\$0.198	\$0.221	\$0.261	\$0.276
Change from prior quarter	(0.0%)	2.6%	1.6%	10.7%	1.3%
Difference from Chugach bill	----	(9.1%)	1.2%	19.8%	26.5%
Small General Service total based on 1,250 kWh	\$225.03	\$207.42	\$261.77	\$314.98	\$331.41
Cost per kWh	\$0.180	\$0.166	\$0.209	\$0.252	\$0.265
Change from prior quarter	(0.0%)	3.1%	1.7%	11.1%	1.3%
Difference from Chugach bill	----	(7.8%)	16.3%	40.0%	47.3%
Large General Service Secondary total*	\$4,904.85	\$4,031.63	\$5,052.89	\$5,591.88	\$6,819.88
Cost per kWh	\$0.175	\$0.144	\$0.180	\$0.200	\$0.244
Change from prior quarter	(0.0%)	3.6%	2.1%	14.5%	1.5%
Difference from Chugach bill	----	(17.8%)	3.0%	14.0%	39.0%

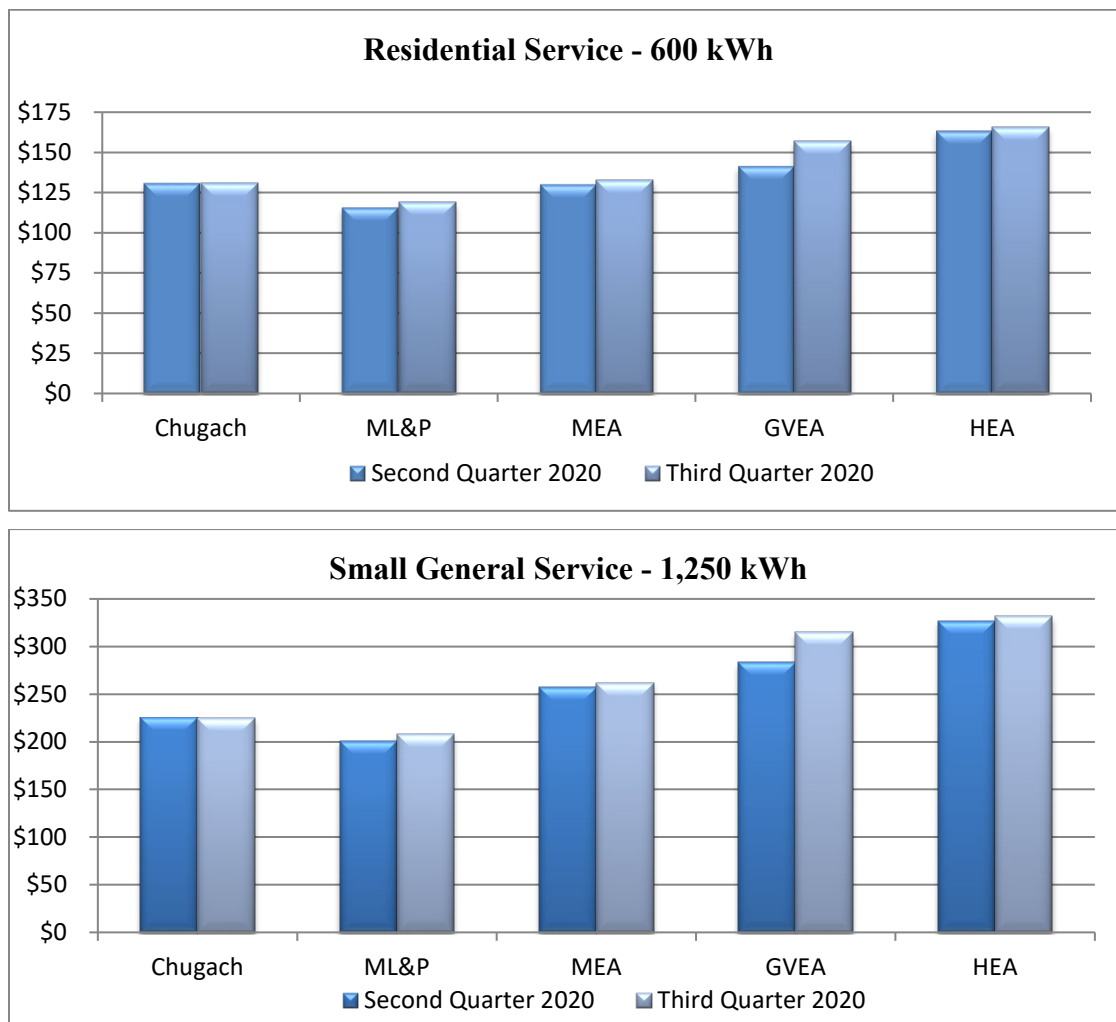
*\*Based on 28,000 kWh and 71 kW. The total does not reflect the effects of demand ratchets in ML&P and GVEA tariffs.*

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

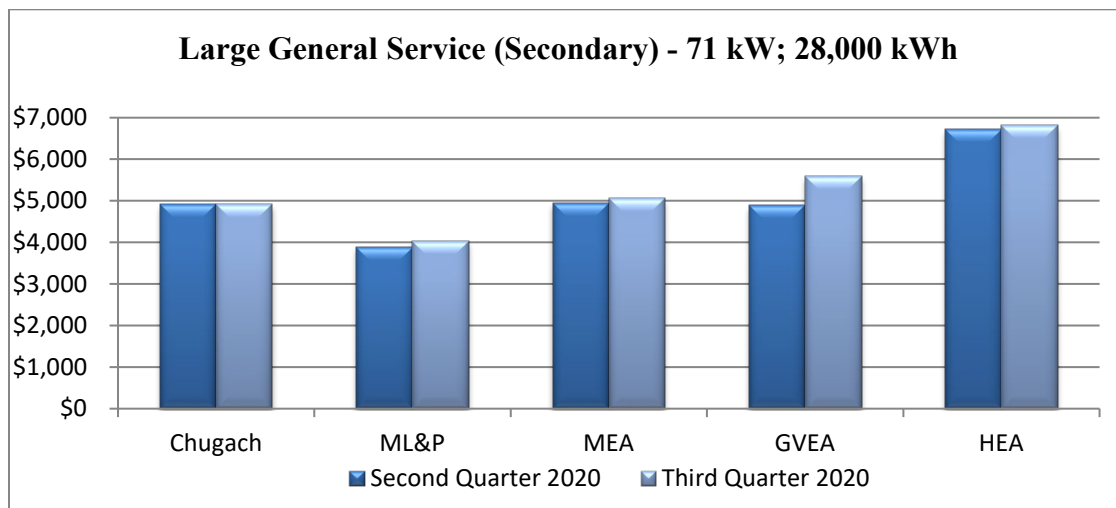
**Figures 1 through 4**

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

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

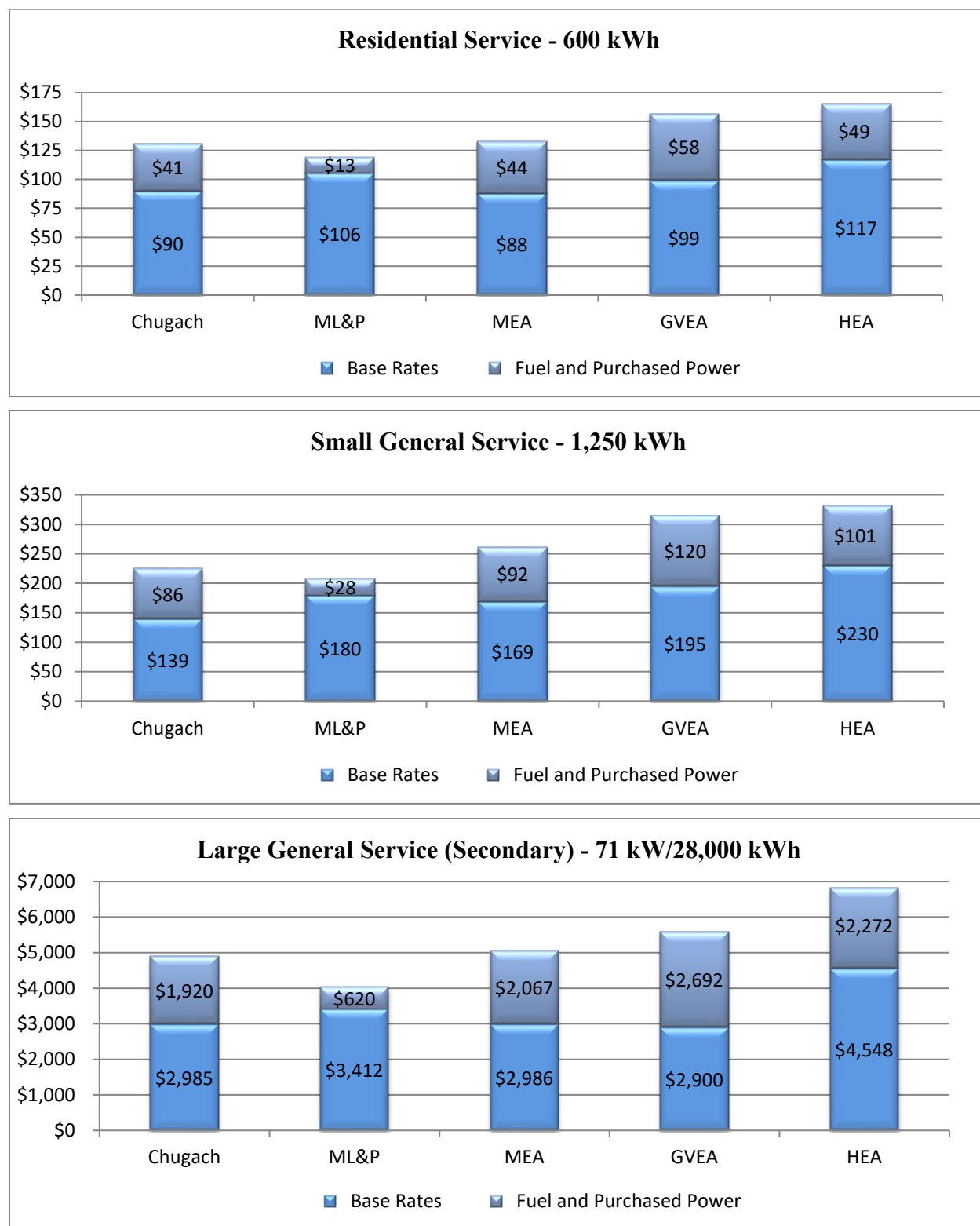


**Figure 1 (Continued): Retail Electric Bill Totals by Utility  
Comparing Second and Third Quarters 2020**



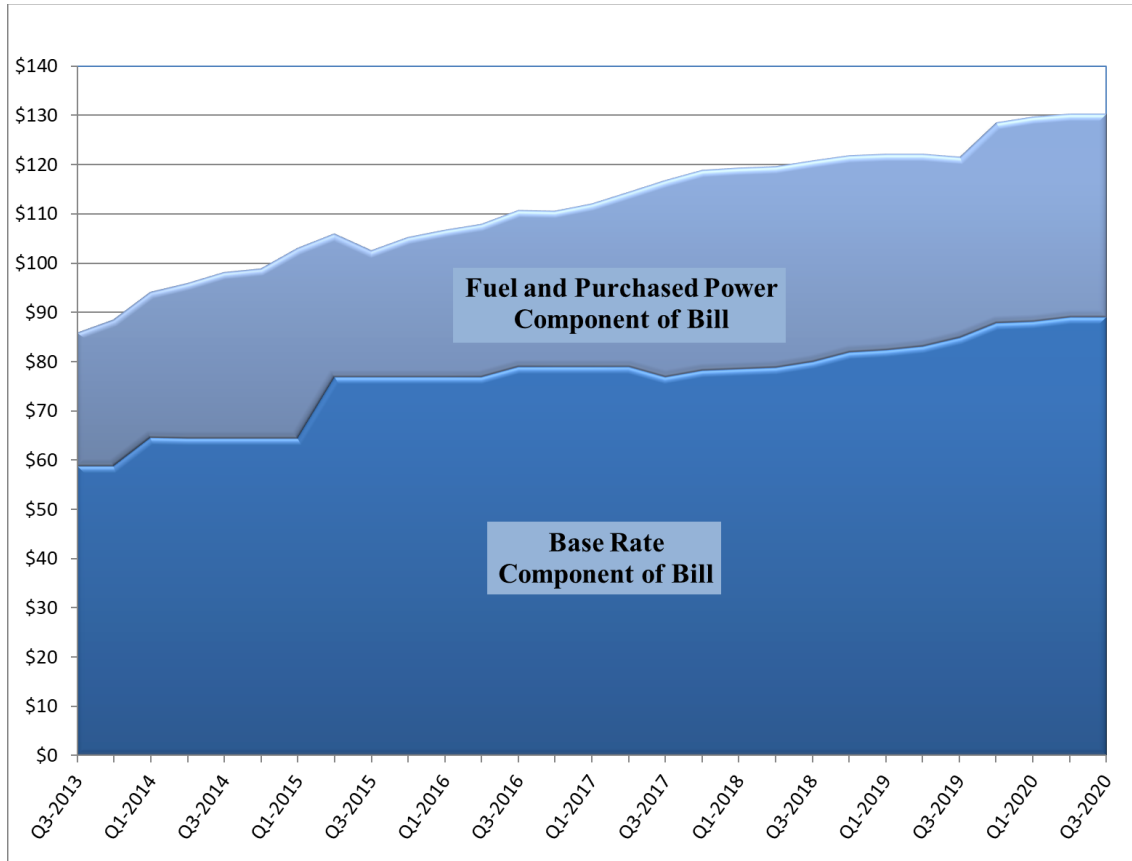
Bill totals are based on tariffed rates and include state taxes that are applied to all utilities and exclude local taxes and surcharges that vary by community, such as the Municipality of Anchorage two percent undergrounding charge. Large General Service totals do not reflect tariffed impacts of ratchet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

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

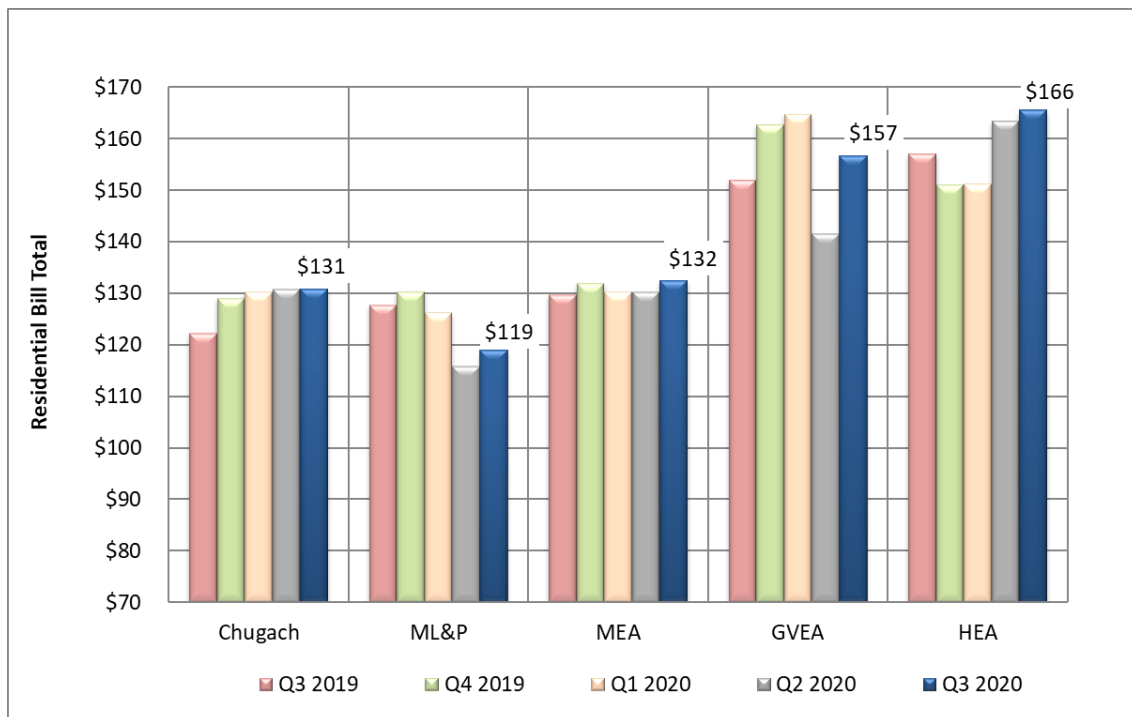


ML&P and GVEA's Large General Service totals do not reflect tariffed impacts of their ratchets on demand charges.

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



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



# COVID-19 Update

**Regular Board Meeting  
September 23, 2020**



# COVID-19

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- Current Status
- Revision of Corporate Incident Management Plan (CIMP): corporate goals require a revision to incorporate plans developed during the COVID-19 response (attached).
- Survey Results (attached)
- Lessons learned: corporate goals require a review of lessons learned during the COVID-19 response.
  - Communication
    - Responsiveness
    - Regular
    - Active
  - Tracking
  - Changing
  - Leveraging a team
  - Applying standards within context
    - Exceeding standards
    - Operational creativity
  - Continuing



**CHUGACH ELECTRIC ASSOCIATION**  
**Anchorage, Alaska**

**Sept. 11, 2020**

**TO:** Lee Thibert, CEO

**THROUGH:** Tyler Andrews, Executive VP Employee Services & Communication

**FROM:** Julie Hasquet, Sr. Manager, Corporate Communications

**SUBJECT:** Employee COVID-19 survey

On August 10, 2020, the Pandemic Response Team sent a survey to Chugach employees to get feedback and measure the company's response to the Coronavirus pandemic.

Using Survey Monkey, employees were asked eight questions regarding communications, safety, compliance with cleaning practices, and more to gauge whether employees thought the company had taken adequate steps to keep employees safe and healthy at work.

A total of 114 employees, roughly one-third of the work force, answered the survey, which was anonymous. The survey included one opened ended question asking what more leadership could do about COVID-19 related concerns. Of the total, 63 chose to answer that question.

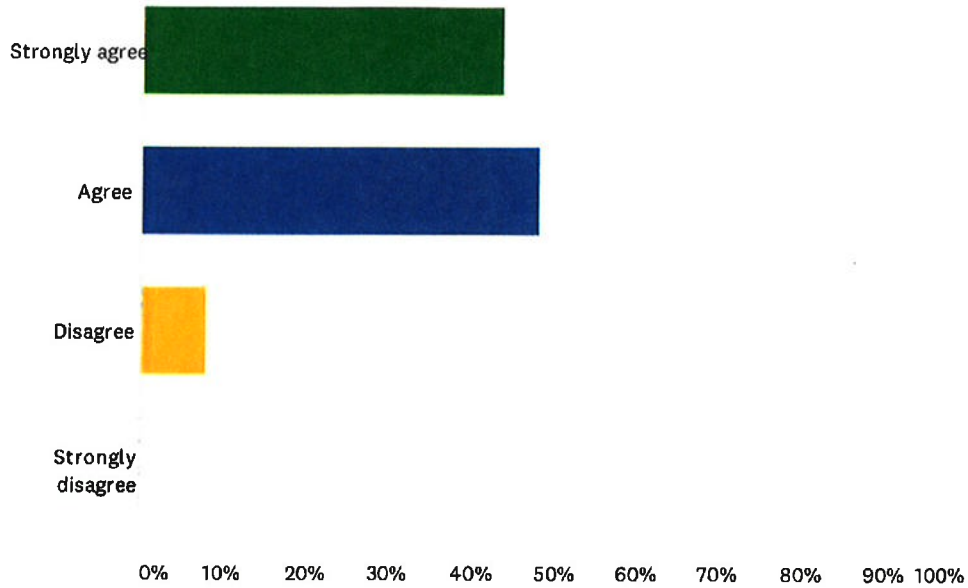
The survey was left open for one week with a couple of reminder emails sent.

Overall, the results of the survey were very positive. They are attached to this memo.

Coronavirus Employee Survey

Q1 The leadership at Chugach has responded well to the COVID-19 crisis as it relates to employee safety.

Answered: 114 Skipped: 0



ANSWER CHOICES

RESPONSES

Strongly agree

43.86%

50

Agree

48.25%

55

Disagree

7.89%

9

Strongly disagree

0.00%

0

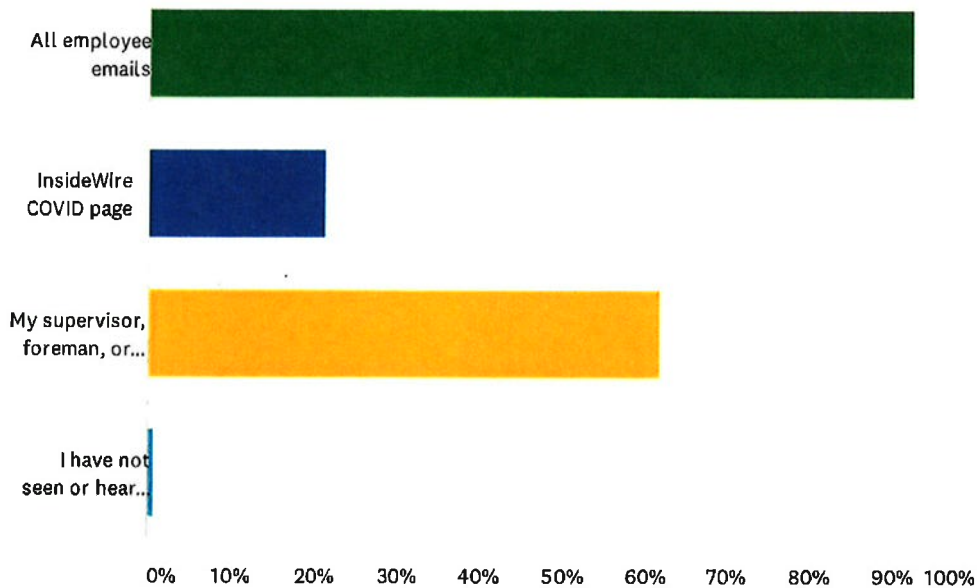
TOTAL

114

## Coronavirus Employee Survey

### Q2 I learn about Chugach COVID-19 communications from: check all that apply

Answered: 113 Skipped: 1



#### ANSWER CHOICES

All employee emails  
InsideWire COVID page  
My supervisor, foreman, or lead  
I have not seen or heard of any COVID communications

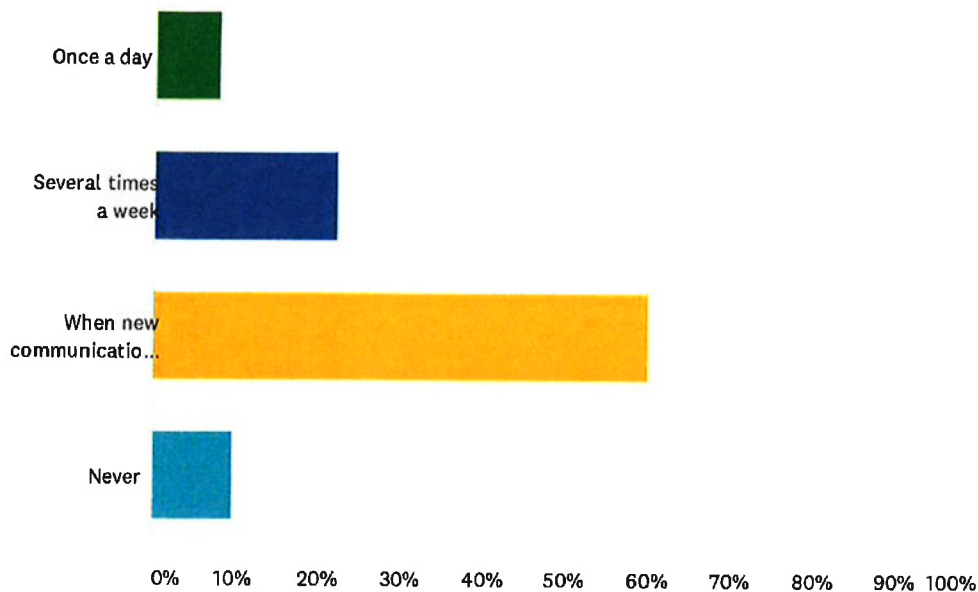
Total Respondents: 113

#### RESPONSES

92.92%	105
21.24%	24
61.95%	70
0.88%	1

### Q3 My supervisor, lead worker, or foreman, talks with me about COVID safety and COVID communications from Chugach.

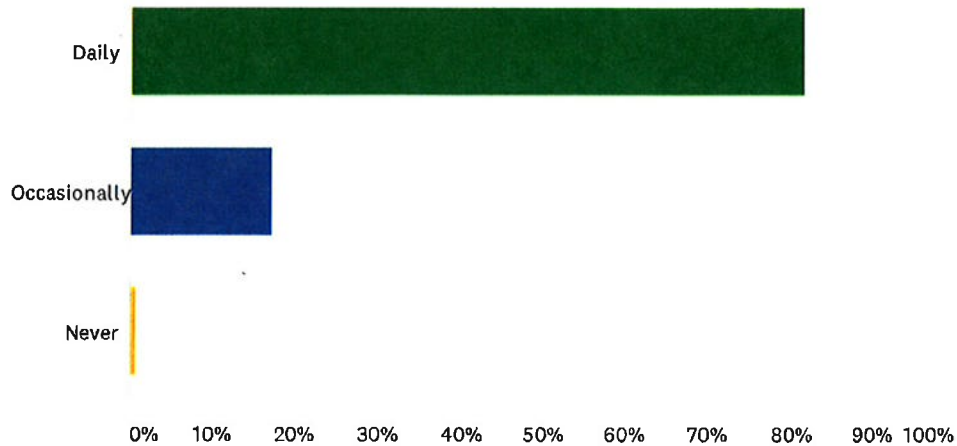
Answered: 113 Skipped: 1



ANSWER CHOICES	RESPONSES	
Once a day	7.96%	9
Several times a week	22.12%	25
When new communications are issued	60.18%	68
Never	9.73%	11
TOTAL		113

## Q4 My coworkers and I are following cleaning and physical distancing practices.

Answered: 110 Skipped: 4



### ANSWER CHOICES

Daily

Occasionally

Never

TOTAL

### RESPONSES

81.82%

17.27%

0.91%

90

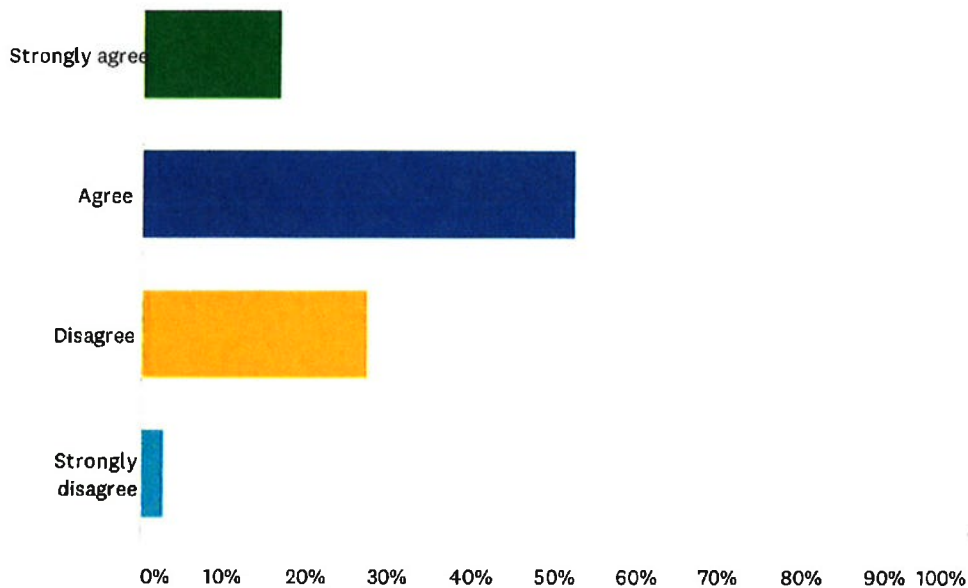
19

1

110

**Q5 From my experience and conversations, I believe co-workers ask each other to maintain physical distance when necessary to meet COVID-19 precautions.**

Answered: 112 Skipped: 2



**ANSWER CHOICES**

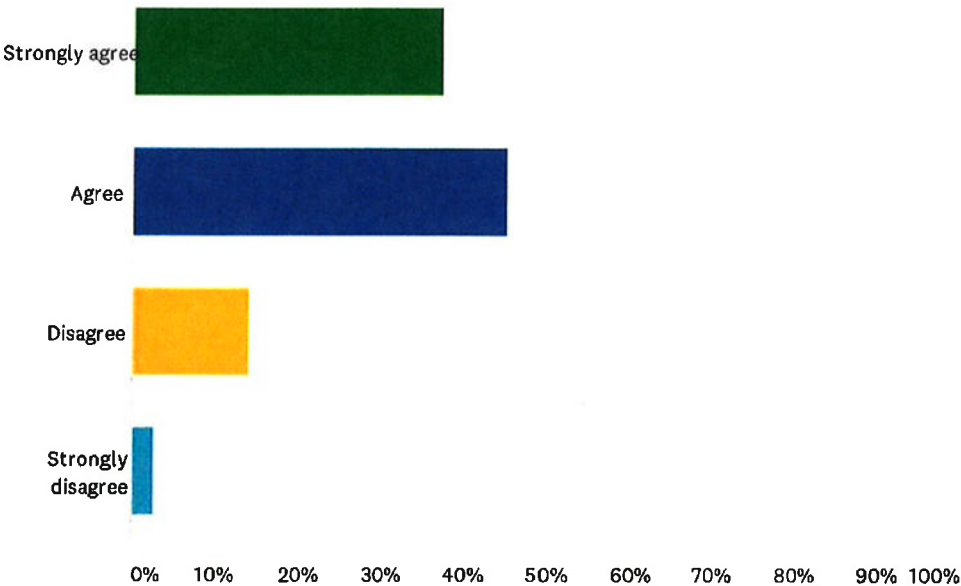
Strongly agree  
Agree  
Disagree  
Strongly disagree  
TOTAL

**RESPONSES**

16.96%	19
52.68%	59
27.68%	31
2.68%	3
	112

Q6 At Chugach, I feel I can raise health or safety concerns and they will be taken into consideration, without fear of consequences.

Answered: 114 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly agree	37.72%	43
Agree	45.61%	52
Disagree	14.04%	16
Strongly disagree	2.63%	3
TOTAL		114

**Q7 What more would you like to see leadership do about COVID-19 related concerns?**

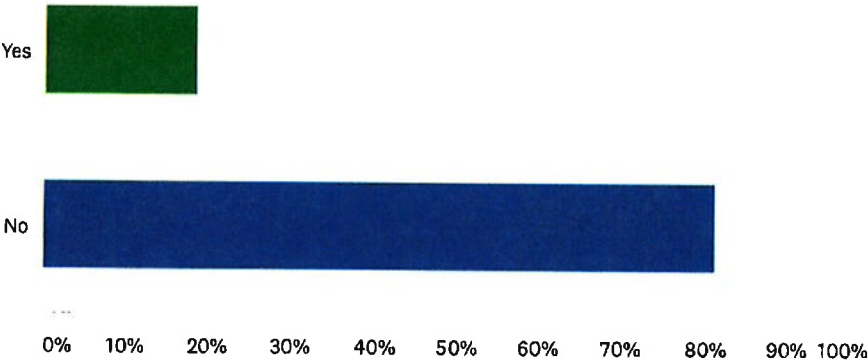
Answered: 63   Skipped: 51




Coronavirus Employee Survey

Q8 Will the delay in onsite school in your area impact your ability to come to work or perform work at home? If you answer yes, please email [questions@chugachelectric.com](mailto:questions@chugachelectric.com) to receive additional information or provide input.

Answered: 113 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	18.58%	21
No	81.42%	92
TOTAL		113

	DEPARTMENT HEALTH AND SAFETY	DOCUMENT SECURITY Internal
	SUBJECT COVID-19 Safety Plan	EFFECTIVE DATE 05/01/2020
TITLE COVID 19 Safety Plan		DOCUMENT NUMBER 7200-COV-001

## 1) Purpose

- a) Chugach Electric Association takes the health and safety of our employees very seriously. With the spread of the coronavirus or COVID-19, a respiratory disease caused by the SARS-CoV-2 virus, Chugach must remain vigilant in mitigating the outbreak. In order to be safe and maintain operations, this COVID-19 Exposure Prevention, Preparedness, and Response Plan has been developed to be implemented, to the extent feasible and appropriate, throughout Chugach and all of our jobsites.

## 2) Table of Contents

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Cleaning Measures	page 5
Contractors/Service Providers	page 5
Company response COVID case	page 6
COVID Response Checklist	App 1

## 3) References

- a) Corporate Incident Management Plan, 2019
- b) Operating Divisions COVID-19 Response Plan
- c) Production Division Policy 5000 101 POL-008, COVID-19 Response Plan.

## 4) Responsibilities

- a) **Responsibilities of Managers and Supervisors.** All managers and supervisors must be familiar with this Plan and be ready to provide guidance and oversight to employees. Managers and supervisors should always set a good example by following this plan. This involves practicing good personal hygiene and jobsite safety practices to prevent the spread of the virus. Managers and supervisors must encourage this same behavior from all employees.
- b) **Responsibilities of Employees.** Chugach is asking our employees to help with our prevention efforts while at work. To minimize the spread of COVID-19 at our jobsites, everyone must play their part. As set forth below, Chugach has instituted various housekeeping, social distancing, and other best practices. In addition, employees are expected to report to their managers or supervisors if they are experiencing signs or symptoms of COVID-19. If you have a specific question about this Plan or COVID-19, please ask your manager or supervisor. The Centers for Disease Control (CDC) has

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provided the following control and preventative guidance for all workers, regardless of exposure risk:

- Frequent hand washing with soap and water for at least 20 seconds. When soap and running water are unavailable, use an alcohol-based hand rub with at least 60% alcohol or other suitable product.
- Avoid touching your eyes, nose, or mouth with unwashed hands.
- Follow appropriate respiratory etiquette, which includes covering for coughs and sneezes.
- Avoid close contact with people who are sick.

In addition, employees must familiarize themselves with the symptoms of COVID-19, which include the following:

- Coughing
- Fever of 100.4 F or higher
- Shortness of breath, difficulty breathing.
- and early symptoms such as chills, body aches, sore throat, headache, diarrhea, nausea/vomiting, and runny nose.

**5) Communications.** The communications department will be the central entity for issuing company-wide communications regarding COVID-19 that may include updated state and local health mandates as well as internal information of interest to all employees as developed by the Pandemic Response Team.

## **6) Work Practices/Safety Measures**

### **a) General Protective Measures- Company**

- 1) Any employee/contractor/visitor experiencing or showing symptoms of COVID-19 will be asked to leave Chugach facilities and return home.
- 2) Limit contact and practice social distancing to include:
  - Maintaining a minimum of 6 feet of separation when working with and around fellow employees.
  - Limit individual office visits.
  - Avoid sitting side by side whenever possible.
  - Minimize density in open office areas with a target of 50% occupancy level.
  - Utilizing teleconference and/or videoconference for staff meetings to minimize physical interaction. If face-to-face meetings cannot be avoided, minimize the number of attendees to essential personnel only. Social distancing should be maintained. Meetings should be kept as short as possible with a goal of no more than 15 minutes. Use of masks strongly encouraged when meetings may go longer than 15 minutes or social distancing is at room's limit.
  - Adhere to conference room occupancy postings.
  - Limit face-to-face training and use online or distance learning where possible.

- 
- Dispatch and Plant control rooms are limited to critical personnel only. All required communication with these areas should be completed via phone, email, or text message whenever possible. **If you feel your communication must be in person**, please coordinate your visit before arriving as we are trying to limit the number of person-to-person interactions. If approved, please maintain Chugach policy on virus control, social distancing, face covering, hand sanitizing, etc.
- 3) Safety and staff meetings will be conducted via ShoreTel or StarLeaf.
  - 4) Minimize travel with multiple people in a vehicle.
  - 5) Employees on breaks should maintain social distancing. Establish alternating days or extra shifts to reduce the total number of staff in a facility at a given time. Face coverings must be worn in break rooms except when eating.
  - 6) Provide plexiglass barriers at workstations where employees are required to interact with the public.
  - 7) Use floor markings in public-facing areas to indicate where members of the public should stand to maintain six feet of separation.
  - 8) If close contact with fellow employees is unavoidable, keep it to less than 15 minutes.
  - 9) Minimize contact between different parts of your business at the start and end of shifts.
  - 10) Stagger meal breaks to reduce the number of people sharing a cafeteria, staff room, or kitchen.
  - 11) **Travel.** Non-essential out of state business travel is suspended during the pandemic or until further notice. Travel deemed critical to Chugach operations requires executive approval. Chugach will maintain approval on file that exempts essential personnel returning from out of state travel from state mandated strict social distancing requirements provided they have a negative COVID test result upon arrival.
- b) Face Coverings.** Cloth face coverings are required in all common areas of Chugach and when social distancing is not possible or feasibly based on the work being performed. The spread of COVID-19 can be reduced when face coverings are used along with other preventive measures, including social distancing, frequent handwashing, and cleaning and disinfecting frequently touched surfaces.
- 1) The use of face coverings are required as follows:
    - When interacting with members who come into the lobby for service.
    - Required for an employee in any department when interacting with a member of the public. For instance, face coverings should be worn while greeting a visitor, but may be removed for a short meeting if physical distancing is observed.
    - When you are unable to maintain appropriate physical distance (6 feet) from others when performing work.
    - When in common areas to include hallways, restroom and break areas.

- Face coverings are strongly suggested during group meetings, with greater consideration given when meetings go longer than 15 minutes or social distancing is at the meeting room's limit.
- 2) Employees should also be mindful of the need to wear face coverings as communicated by posted departmental requests.
- 3) Employees can wear their personal face coverings or have one provided from a supply of face coverings maintained at Chugach Electric.
- 4) **Ensure face coverings:**
  - Fit over the nose and mouth and fit snugly but comfortably against the side of the face.
  - Are secured with ties or ear loops.
  - Are put on after washing your hands.
  - Include multiple layers of fabric
  - Are not used if they become contaminated or wet.
  - Are handled as little as possible.
  - Are washed regularly

**c) General Protective Measures- Field Operations**

- 1) Any employee/contractor/visitor experiencing or showing symptoms of COVID-19 should leave the jobsite and return home.
- 2) All in-person meetings will be limited. To the greatest extent possible, meetings will be conducted via ShoreTel or StarLeaf.
- 3) Employees will be encouraged to stagger breaks and lunches to minimize the size of any group at any one time.
- 4) Attendance at meetings should not be tracked through passed-around sign-in sheets or mobile devices.
- 5) During any in-person meetings, avoid gathering in groups of more than 10 people and participants must remain at least six (6) feet apart.
- 6) Employees must avoid close, physical contact with others and shall direct others (coworkers/contractors/visitors) to increase personal space to at least six (6) feet, where possible.
- 7) To the degree practical, minimize travel with multiple people in a vehicle and compartmentalize by always traveling with the same individual on call-outs or as wagon crews.
- 8) It is recommended that a face-covering/bandana be worn whenever you cannot maintain proper social distancing. It is important to note that because face coverings serve only as supplemental protection, every effort should be made to maintain social distancing along with proper handwashing.
- 9) When field crews interface with the public, they should strive to maintain social distancing (six-foot separation); this includes when approaching member's households to notify the member of work on their property or scheduled outages.

- 10) Visiting Dispatch is discouraged and should be limited to when other means of communication are deemed inadequate, including phone or email. This limitation includes SCADA, Fuel, and Member Services staff. Crews are allowed onto the Dispatch floor but are encouraged to remain in the northeast corner of the Dispatch floor to communicate with the Switching Desk
- 11) Where work trailers are used, only necessary employees should enter the trailers and all employees should maintain social distancing while inside the trailers.
- 12) Chugach understands that due to the nature of our work, access to running water for hand washing may be difficult. In these situations, Chugach will provide hand sanitizers and/or wipes.
- 13) Employees should limit the use of co-workers' tools and equipment. To the extent tools must be shared, Chugach will provide sanitizing products to clean tools before and after use.
- 14) When cleaning tools and equipment, consult manufacturing recommendations for proper cleaning techniques and restrictions.
- 15) Chugach will divide crews/staff where possible so that projects can continue working effectively if one of the divided teams is required to quarantine.
- 16) As part of the division of crews/staff, Chugach will divide employees into dedicated shifts, at which point employees will remain with their dedicated shifts for the remainder of the project. If there is a legitimate reason for an employee to change shifts, Chugach will have sole discretion in making that alteration.
- 17) Employees are encouraged to minimize ride-sharing. While in vehicles, employees must ensure adequate ventilation.
- 18) If practicable, each employee should use/drive the same truck or piece of equipment every shift.
- 19) In lieu of using a common source of drinking water, such as a cooler, employees should use individual water bottles.

**c) Power Plant Operations:**

- 1) Power plants will continue to work normal shift rotation as scheduled.
- 2) Will maintain Chugach policy on virus control, including social distancing and hand sanitizing
- 3) At shift change, the outgoing plant operator will clean all frequently touched surfaces before the arrival of the incoming plant operator. This wipe-down should include the phones, keyboards, desk surfaces, radios, and all doorknobs into the control rooms
- 4) Each operator and manager will initial the appropriate wipe-down checklist at both the beginning and end of each shift, confirming that they have wiped down all surfaces and noting any anomalies. The initialed checklists will provide a valuable reference tool on researching cross-contamination should of our operators' contract COVID-19
- 5) During shift turnover, plant operators will maintain Chugach policy on virus control, including social distancing and hand sanitizing

- 6) Immediately after completing the shift turnover, the on-duty plant operator will clean all frequently touched surfaces, and initial the wipe-down checklist, as described above
  - 7) Chugach will divide crews/staff where possible so that projects can continue working effectively if one of the divided teams is required to quarantine.
  - 8) Plant operators will work together to clean shared work areas, including printers, copiers, kitchen area, binders and drawing table before and after each use
  - 9) Employees are encouraged to minimize ride-sharing. While in vehicles, employees must ensure adequate ventilation.
  - 10) Safety and staff meetings will be conducted via ShoreTel or StarLeaf
  - 11) Call-outs will be handled as they currently are to maximize compartmentalization and minimize cross-team contact
- d) **Cleaning.** Chugach has instituted regular housekeeping practices, which include cleaning and disinfecting frequently used tools and equipment, and other elements of the work environment, where possible. Employees should regularly do the same in their assigned work areas. The following cleaning/disinfection practices shall be followed to help protect employees and customers from exposure to COVID-19 virus that may have settled in high traffic locations/high touch surfaces.
- 1) Locations with rotating shift will, at a minimum, completely wipe down all checklist surfaces with disinfectant when they arrive on shift and before they leave shift.
  - 2) Regularly sanitize all touchpoints and shared surfaces, such as counters, doors, and shared high touch surfaces to include: tables, doorknobs, light switches, countertops, handles, desks, phones, keyboards, toilets, faucets, sinks, etc.
  - 3) Vehicles and equipment/tools should be cleaned at least once per day and before change in operator or rider.
  - 4) **Note:** Cleaning solutions that may be distributed for use may vary depending on availability. Common cleaning chemicals currently in use may include VIREX 2, QUAT-128, Clorox Wipes. When using any product that you haven't used before, read the label provided on the dispensing container to familiarize yourself with any safety precautions before use. Cleaning supplies and face coverings are available from Andrea Theriault.
- e) **Contractors/service providers.** Chugach is committed to the health and safety of our employees as well as the vendors and service providers we rely on to maintain business continuity and essential services.

Vendors and OEM technical representatives and assistants will be required to meet all social distancing and self-quarantine and shelter-in-place instructions and guidelines adopted by the cooperative. Instructions and guidelines are to be provided to them in advance with adequate lead-time to allow for necessary compartmentalization.

In support of mitigating potential exposure to the COVID-19 virus, instate vendors and contractors entering our campus shall be diligent in following the practices listed below to reduce the risk of spreading this virus within our facilities. Chugach employees are likewise practicing these same procedures.

- 1) No person experiencing symptoms of coughing, fever, or shortness of breath shall enter our facilities.
- 2) No person with laboratory-confirmed COVID-19 shall access our facilities unless they have not had fever for 72 hours and ten days have passed since the date of their first positive COVID-19 diagnostic test and have had no subsequent illness. (CDC guidance)
- 3) No person that has traveled outside Alaska shall enter our facilities unless quarantined for 14 days upon return, or cleared by a negative COVID test result and working under our state COVID plan.
- 4) All persons have received instruction in the importance of practicing increased levels of hygiene including frequent hand washing for at least 20 seconds, trying to stay six feet away from others and monitoring themselves for signs of COVID-19.

**f) Company response to confirmed or highly suspected COVID-19 cases.**

- 1) Personnel with essential infrastructure roles are permitted to continue work following potential exposure to COVID-19 (either travel-associated or close contact to a confirmed case), provided they remain asymptomatic. Personnel who are permitted to work following an exposure should self-monitor under the supervision of their employer's occupational health program including taking their temperature before each work shift to ensure they remain fever free and symptom free.
- 2) **Note:** Neither CDC nor any other agency is recommending employers send home all workers who have been exposed to a person who tests positive for COVID-19. Instead CDC recommends fellow employees should then self-monitor for symptoms.
- 3) Potential exposure is defined as working near anyone who leaves work with COVID-19 symptoms and later determined or suspected to be COVID-19 positive through an administered test or through prolonged symptoms of COVID-19 that include fever, shortness of breath and dry cough.

Employees with confirmed or suspected COVID-19, should coordinate with their supervisor and HR. HR and Safety will conduct the investigation to determine degree of potential exposure to other employees.

- 4) When communicating to employees of a confirmed or highly suspected COVID-19 case, HR will inform them of their possible exposure to COVID-19 in the workplace but maintain confidentiality as required by the Americans with Disabilities Act (ADA). The fellow employees should then self-monitor for symptoms (i.e., fever, cough, or shortness of breath).
- 5) The need for post exposure COVID testing of identified close contacts will be determined by HR on a case by case basis, with consideration given to how far back the exposure occurred and assessment of risk in the work place, such as layout and size of the room, adherence to administrative controls and movement of workers within the area. Employees directed by the company to get tested would be required to isolate at home until cleared with a negative test result.
- 6) Those employees not directed by the company to get a COVID test can still do



so if they choose by coordinating their request through HR. Individuals who request a test are allowed to remain at work while they await their test results with the provision they are adhering to our safe work practices and social distancing requirements.

- 7) All suspected or confirmed cases of COVID-19 need to be reported to HR to ensure appropriate follow-up and notification where appropriate.
- 8) A COVID-19 response checklist is provided as Appendix A that shall be reviewed and followed for each employee who leaves work with COVID-19 symptoms.

#### Document Ownership

Document Ownership	Name	Date
WRITTEN BY: Sr Manager, EHS and Security	Marty Freeman	5/1/20
APPROVED BY: Executive VP, Employee Services and Communications		

#### Change History

Brief description of change	Name	Date
Initial Release		

Appendix 1 COVID 19 RESPONSE CHECKLIST	
1	Supervisor becomes aware of employee with symptoms from observation, report of employee, or other COVID-19 related questions/concerns
<b>Note</b>	Employees who report having a fever and/or shortness of breath and dry cough upon arrival to work, or who become sick during the workday, should be immediately sent home.
2	Supervisor notifies HR of employee potential illness or other employee concern for tracking to resolution.
3	HR provides employee with return to work instructions as defined below in this checklist.
4	HR manages the work-related benefits and the return to work process by communicating directly with the employee, keeping the supervisor informed
5	Employee badge is inactivated until return to work protocol is satisfied
6	Employees with <u>known or suspected</u> COVID-19 works with HR to identify coworkers who they may have had close contact with at least 2 days prior to when they left work and began self-isolating at home.
<b>Note:</b>	The CDC defines “close contact” as a person who has been less than six feet of the symptomatic employee for a sustained period (more than 15 mins.), or someone who has been coughed or sneezed on.
7 <b>COVID Testing</b>	<p>Safety/HR determines the need for post exposure COVID testing of identified close contacts on a case by case basis, with consideration given to how far back the exposure occurred and assessment of risk in the work place, such as layout and size of the room, adherence to administrative controls and movement of workers within the area.</p> <p>Employees directed by the company to get tested would be required to isolate at home until cleared with a negative test result.</p> <p>Those employees not directed by the company to get a COVID test can still do so if they choose by coordinating their request through HR. Individuals that request a test are allowed to remain at work while they await their test results with the provision they are adhering to our safe work practices and social distancing requirements.</p>
8	HR informs identified coworkers of a confirmed or suspected COVID-19 case, and their possible exposure to COVID-19 in the workplace while maintaining confidentiality as required by the Americans with Disabilities Act (ADA). The fellow coworkers should then self-monitor for symptoms (i.e., fever, cough, shortness of breath, and loss of taste or smell).
9	Current cleaning as practiced at Chugach for daily and end of shifts meets the CDC recommended protocols for ongoing business use. Please continue to clean and disinfect the relevant areas (e.g., offices, bathrooms, and common areas), focusing especially on frequently touched surfaces. If a supervisor has any questions, please contact Safety for assistance.
<b>Note</b>	Clean AND disinfect frequently touched surfaces daily. This may include tables, doorknobs, light switches, countertops, handles, desks, phones, keyboards, toilets, faucets, and sinks.
10 <b>Return to work requirements</b>	<p>An employee with confirmed or highly-suspected COVID-19 can return to work by meeting the following CDC requirements and being cleared by HR, who will coordinate with the supervisor.</p> <ul style="list-style-type: none"> <li>• Free of fever and any other related symptoms (i.e., cough and/or shortness of</li> </ul>

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	<p>breath, loss of taste or smell) for at least <u>3 days</u> (72 hours), without the use of fever-reducing or other symptom-altering medicines (e.g. cough suppressant)</p> <ul style="list-style-type: none"><li>• AND at least <u>10 days</u> have passed since symptoms first appeared.</li><li>• AND After HR review of a medical release, employee's self-certification of meeting the criteria of wellness above, and/or a negative COVID-19 test result, only then can HR, the employee and supervisor coordinate return to work.</li><li>• OR 10 days after date of first positive test if asymptomatic.</li></ul>
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**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

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

**September 23, 2020**

**ACTION REQUIRED**

**AGENDA ITEM NO. VII.A.1.**

<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**

Board Policy 101 – Statement of Objectives

**DISCUSSION**

The Board of Directors' Governance Committee is charged with reviewing, on a regular schedule, the Board Policies and recommending to the full Board any needed changes. At its meeting on August 18, 2020, the Governance Committee reviewed and made additional revisions to Staff's suggested changes to Board Policy 101, Statement of Objectives.

Attached is a redlined version of Board Policy 101 indicating recommended changes as approved by the Governance Committee. If the Board of Directors wishes to adopt the revisions approved by the Governance Committee on August 18, 2020, the attached redlined version of Board Policy 101 should be adopted.

**MOTION**

Move that the Board of Directors approve the revisions to Board Policy 101, Statement of Objectives, as indicated in the attached.

## CHUGACH ELECTRIC ASSOCIATION, INC.

### BOARD POLICY: 101

#### STATEMENT OF OBJECTIVES

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

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

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

###### **B. Major Objectives With Employees**

1. To establish the attitude that the Association’s greatest assets are its employees and that opportunities will be provided to encourage their growth and development.
2. To motivate and encourage employees to perform to the highest standards and to foster an increased level of personal responsibility for management of Association resources and efficiency of the work processes.
3. To fully communicate the importance of safety as a high priority of the Association.
4. To operate within the bounds of accepted safety practices and to promote the safety and well-being of employees, members and the general public.

C. Coordinate Objectives With Members

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

D. Coordinate Objectives With Employees

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

E. Coordinate Objectives With Public

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

**II. RESPONSIBILITIES**

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

Date Approved: September 23, 2020

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

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

### **BOARD POLICY: 101**

#### **STATEMENT OF OBJECTIVES**

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

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

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

###### **B. Major Objectives With Employees**

1. To establish the attitude that the Association’s greatest assets are its employees and that opportunities will be provided to encourage their growth and development.
2. To motivate and encourage employees to perform to the highest standards and to foster an increased level of personal responsibility for management of Association resources and efficiency of the work processes.
3. To fully communicate the importance of safety as a high priority of the Association.
4. To operate within the bounds of accepted safety practices and to promote the safety and well-being of employees, members and the general public.



C. Coordinate Objectives With Members

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

D. Coordinate Objectives With Employees

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

E. Coordinate Objectives With Public

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

**II. RESPONSIBILITIES**

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

Date Approved: September 23, 2020

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

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

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

**September 23, 2020**

**ACTION REQUIRED**

**AGENDA ITEM NO. VII.A.2.**

<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**

Board Policy 103 – Duties and Responsibilities of the Board of Directors

**DISCUSSION**

The Board of Directors' Governance Committee is charged with reviewing, on a regular schedule, the Board Policies and recommending to the full Board any needed changes. At its meeting on August 18, 2020, the Governance Committee reviewed and made additional revisions to Staff's suggested changes to Board Policy 103, Duties and Responsibilities of the Board of Directors.

Attached is a redlined version of Board Policy 103 indicating recommended changes as approved by the Governance Committee. If the Board of Directors wishes to adopt the revisions approved by the Governance Committee on August 18, 2020, the attached redlined version of Board Policy 103 should be adopted.

**MOTION**

Move that the Board of Directors approve the revisions to Board Policy 103, Duties and Responsibilities of the Board of Directors, as indicated in the attached.

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

### **BOARD POLICY: 103**

#### **DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

### III. RESPONSIBILITIES

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

Date Approved: ~~May 25, 2016~~ September 23, 2020

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

~~Bruce M. Dougherty~~ James R. Henderson  
Secretary of the Board

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

### **BOARD POLICY: 103**

#### **DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**III. RESPONSIBILITIES**

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

Date Approved: September 23, 2020

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

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

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

**September 23, 2020**

**ACTION REQUIRED**

**AGENDA ITEM NO. VI.A.3.**

<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**

Board Policy 304 – Capital Credit Policy

**DISCUSSION**

The Board of Directors' Governance Committee is charged with reviewing, on a regular schedule, the Board Policies and recommending to the full Board any needed changes. At its meeting on August 18, 2020, the Governance Committee reviewed and approved Staff's suggested revision to Board Policy 304, Capital Credit Policy.

Attached is a redlined version of Board Policy 304 indicating the recommended change as approved by the Governance Committee. If the Board of Directors wishes to adopt the revision approved by the Governance Committee on August 18, 2020, the attached redlined version of Board Policy 304 should be adopted.

**MOTION**

Move that the Board of Directors approve the revisions to Board Policy 304, Capital Credit Policy, as indicated in the attached.



**CHUGACH ELECTRIC ASSOCIATION, INC.**

**BOARD POLICY: 304**

**CAPITAL CREDIT POLICY**

**I. OBJECTIVE**

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

**II. CONTENT**

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

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

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

present value of the capital credits. Approval of special or discounted capital credit retirements may reduce allowable amounts in a general retirement to the extent required to comply with Indenture and debt agreements. Amounts approved for discounting will be either (1) estate payments or (2) former members that are no longer on the Association's distribution system.

- E. Recoupment of bad debt: After retiring, and before paying, capital credits allocated to a patron or former patron, the Association, unless otherwise provided for by law, may recoup or offset any amount owed to the Association by the patron or former patron by reducing the amount of retired capital credits due to the patron or former patron by the amount owed until it is paid in full or all available capital credits have been credited to the amount owed.

### III. LIMITATIONS

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

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

#### IV. RESPONSIBILITY

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

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

Date Approved: ~~May 25, 2016~~ September 23, 2020

Henderson

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

~~Bruce M. Dougherty~~ James R.

Secretary of the Board

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

### **BOARD POLICY: 304**

#### **CAPITAL CREDIT POLICY**

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

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

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

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

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

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

present value of the capital credits. Approval of special or discounted capital credit retirements may reduce allowable amounts in a general retirement to the extent required to comply with Indenture and debt agreements. Amounts approved for discounting will be either (1) estate payments or (2) former members that are no longer on the Association's distribution system.

- E. Recoupment of bad debt: After retiring, and before paying, capital credits allocated to a patron or former patron, the Association, unless otherwise provided for by law, may recoup or offset any amount owed to the Association by the patron or former patron by reducing the amount of retired capital credits due to the patron or former patron by the amount owed until it is paid in full or all available capital credits have been credited to the amount owed.

### III. LIMITATIONS

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

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

#### IV. **RESPONSIBILITY**

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

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

Date Approved: September 23, 2020

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



# Old Seward Highway Undergrounding Project

**Regular Board Meeting  
September 23, 2020**

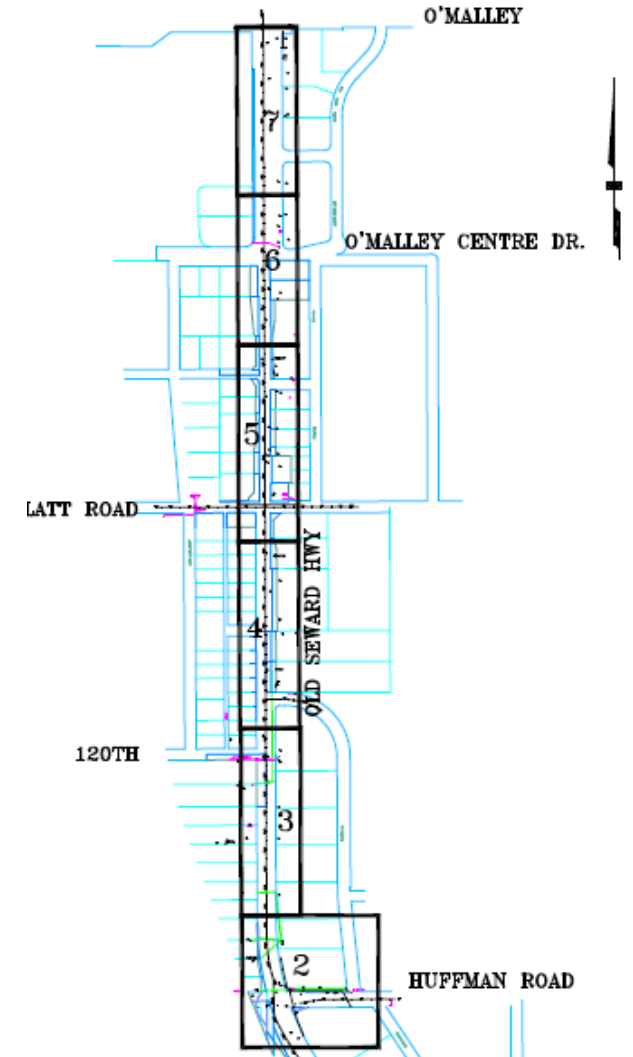


# Construction Contract Authorization

- Project Authorized in July of 2020 in the amount of \$5,121,971.47.
- Solicited a construction contract. Four bids were received:

No.	Bidder	Bid Amount
1.	Sturgeon Electric Company	\$2,671,943.48
2.	Northern Powerline Constructors	\$2,742,242.53
3.	Lineworks	\$2,872,906.02
4.	Electric Power Constructors	\$3,366,116.84

- Motion to provide the CEO with the authority to execute a construction contract with Sturgeon Electric Company.



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

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

**September 23, 2020**

**ACTION REQUIRED**

**AGENDA ITEM NO. VIII.A.**

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

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**TOPIC**

Construction Contract Award – Old Seward Highway 12.5kV and 34.5kV OH/UG: O'Malley to Huffman

**DISCUSSION**

The project will underground the existing overhead 34.5kV Sub-Transmission Line and the "Underbuilt" 12.5kV Distribution circuit from approximately O'Malley Road to Huffman Road along the East side of the Old Seward Highway.

This project will remove the poles, circuit conductors and overhead line equipment along a very busy and developing commercial area and will increase the ability to serve new load reliably. This project when combined with future projects will also increase the transfer capacity of the 34.5kV sub-transmission line between Retherford, Huffman and Hillside Substations. The existing overhead lines will be replaced with a new 12.5kV underground 750 kcmil circuit, in duct and new 34.5kV 1000 kcmil circuit in duct with below ground splicing vaults and pads. The project was authorized by the Board of Directors in July of 2020 for the amount of \$5,121,971.

The construction contract for this project was solicited during August of 2020. Table 1 shows the bidders and their bid amounts.

**Table 1: Bid Amounts**

No.	Bidder	Bid Amount
1.	Sturgeon Electric Company	\$2,671,943.48
2.	Northern Powerline Constructors	\$2,742,242.53
3.	Lineworks	\$2,872,906.02
4.	Electric Power Constructors	\$3,366,116.84

After reviewing and validating bids, Sturgeon Electric Company was determined to be the lowest responsive and responsible bidder.

**MOTION**

Move that the Board of Directors authorize the Chief Executive Officer to execute a contract with Sturgeon Electric Company for the Old Seward Highway 34.5kV and 12.5kV Undergrounding Project in an amount not to exceed \$2,671,943.48.



## RESOLUTION

### **Contract Award – Old Seward Highway 12.5kV OH/UG: O'Malley to Huffman**

WHEREAS, Chugach Electric Association, Inc. (Chugach) has identified the need to Underground the 12.5 kV distribution and 34.5 kV sub-transmission lines from Huffman Road to O'Malley Road;

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

WHEREAS, Chugach's Board of Directors authorized the Old Seward Highway Undergrounding Project on July 22, 2020, in the amount of \$5,121,917.47;

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

WHEREAS, Chugach has publicly solicited and received bids for the Old Seward Highway 12.5 kV and 34.5kV Undergrounding Project from four Bidders, and

WHEREAS, Chugach has evaluated the bids and found Sturgeon Electric Company, Inc. to be the lowest, responsive and responsible bidder,

NOW THEREFORE BE IT RESOLVED, that the Board of Directors authorize the Chief Executive Officer execute a contract with Sturgeon Electric Company, Inc for the Old Seward Highway 12.5 kV and 34.5kV Undergrounding Project in an amount not to exceed \$2,671,943.48.

## CERTIFICATION

I, James Henderson, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 23rd day of September 2020; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation on the 23rd day of September 2020.

\_\_\_\_\_  
Secretary

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

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

**September 23, 2020**

**ACTION REQUIRED**

**AGENDA ITEM NO. VIII.B.**

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

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**TOPIC**

Suspension of Participation in the Simplified Rate Filing (SRF) Process

**DISCUSSION**

Because Chugach Electric Association, Inc. (Chugach) has been approved to submit SRF filings with the Regulatory Commission of Alaska (Commission), Chugach is required to continue in SRF until a) permission to discontinue participation is granted by the Commission; or b) Chugach submits a general rate case. The Commission's regulations also require Chugach to file a cost of service study and general rate case if, on an annual basis, residential sales as a percentage of total kilowatt hour sales, or retail sales as a percentage of total sales (excluding economy sales), changes by more than five percentage points in relation to the levels in the previously filed rate case.<sup>1</sup> Chugach's acquisition of the Municipality of Anchorage d/b/a Anchorage Municipal Light & Power (ML&P) will cause the residential sales as a percentage of total kilowatt hour sales to be exceeded and therefore, Chugach will need to request Commission approval to suspend participation in the SRF process. In addition, Chugach will not have a representative post-acquisition test year of the combined operations.

On May 28, 2020, the Commission issued Order No. U-18-102(44)/U-19-020(39)/U-19-021(39) (Order 39) approving Chugach's acquisition of ML&P, subject to conditions. On August 20, 2020, the Commission issued Order No. U-18-102(49)/U-19-020(44)/U-19-021(44) (Order 44) accepting the filed pooling agreement as not facially inconsistent with Order 39 requirements.<sup>2</sup>

On August 26, 2020, Chugach also filed four compliance filings required by Order 39: 1) Tariff Advice No. 492-8, a proposed methodology for the disbursement of the Restricted Rate Reduction Account; 2) Tariff Advice No. 493-8, a proposal for the Beluga River Contributed Capital Surcharge and Rebate

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<sup>1</sup> 3 AAC 48.790.

<sup>2</sup> The Amended and Restated Operations Agreement for Power Pooling and Joint Dispatch between Chugach and Matanuska Electric Association, Inc. (filed by Chugach on August 7, 2020).

amounts; 3) Tariff Advice No. 494-8, the Beluga River Unit Gas Transfer Price Methodology (post-acquisition); and, 4) Tariff Advice No. 495-8, a proposed methodology for the post-acquisition Combined Fuel and Purchased Power Rate Adjustments.

In recognition of the Commission's recent orders on Chugach's proposed acquisition of ML&P and submittal of the August compliance filings required by Order 39, Chugach is moving forward with a targeted closing date of Friday, October 30, 2020.

Ordering paragraph 33 of Order 39 also requires Chugach to file a revenue requirement, cost of service study and a rate design for unified rates of the combined utility no later than December 31, 2023, based on a 2022 test year. However, should circumstances warrant, Chugach will file earlier if it is deemed necessary. Once a final order is issued in the rate case, Chugach will consider requesting approval to re-enter the SRF process for all customer classes on the combined system.

### **MOTION**

Move that the Board of Directors approve the attached Resolution authorizing Chugach to submit a request to suspend participation in the Simplified Rate Filing process with the Regulatory Commission of Alaska.



## RESOLUTION

### **Suspension of Participation in the Simplified Rate Filing Process**

WHEREAS, the Chugach Electric Association, Inc. (Chugach) Board of Directors has approved the use of quarterly Simplified Rate Filings (SRF) to adjust base demand and energy rates for Chugach retail and the wholesale customer class of Seward Electric System (Seward), and the Regulatory Commission of Alaska (Commission) has authorized its use;

WHEREAS, on April 1, 2019 Chugach submitted the Petition for Approvals Needed to Acquire Anchorage Municipal Light & Power (ML&P) and Application to Amend Certificate of Public Convenience and Necessity No. 8 to the Commission;

WHEREAS, on May 28, 2020 the Commission issued Order No. U-18-102(44)/U-19-020(39)/U-19-021(39) (Order 39) approving Chugach's acquisition of ML&P, subject to certain conditions;

WHEREAS, Chugach has submitted the necessary near-term filings required to meet the conditions set forth in Order 39 and, as affirmed by Order 44, has met the conditions necessary to close the transaction;

WHEREAS, Chugach is continuing to work towards closing the transaction on October 30, 2020;

WHEREAS, the acquisition of ML&P will cause sales thresholds to be exceeded requiring Chugach to request Commission approval to suspend participation in the quarterly SRF process until such time that Chugach files a general rate case in accordance with AS 42.05.381(e), 3 AAC 48.710(b) and 3 AAC 48.790.

NOW, THEREFORE, BE IT RESOLVED, Chugach is hereby authorized to submit a request to the Commission requesting approval to suspend participation in the SRF process.

## CERTIFICATION

I, James Henderson, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 23rd day of September 2020; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation on the 23rd day of September 2020.

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Secretary



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

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

**September 23, 2020**

**ACTION REQUIRED**

**AGENDA ITEM NO. X.A.**

<u>      </u>	<b>Information Only</b>
<u>  X  </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**

Beluga River Unit ("BRU") - Asset Retirement Obligation ("ARO").

**DISCUSSION**

Alaska Permanent Capital Management ("APCM") currently serves as investment manager and Wells Fargo Bank, N.A. Institutional Retirement & Trust ("Wells Fargo") currently serves as custodian of ML&P BRU ARO restricted funds. Upon close of the acquisition, the ownership of the funds will transfer to Chugach Electric Association in kind. Transferring the BRU ARO funds in kind, rather than liquidating the investments and transferring the cash to Chugach, will save transaction costs and reduce market risk. Additionally, Wells Fargo is currently being acquired by Principal Financial Group ("Principal"). Wells Fargo will continue to provide services until the acquisition becomes effective and Chugach is consenting to the assignment to Principal.

Additionally, in accordance with Amendment No. 3 to Asset Purchase and Sale Agreement, Chugach will receive \$36 million to fund a rate reduction account for the benefit of customers in the ML&P legacy service. Chugach plans to invest these funds with Wells Fargo until those funds are returned to ML&P legacy customers over a three-year term.

**MOTION**

Move that the Board of Directors approve the attached resolution retaining Alaska Permanent Capital Management as investment manager and Wells Fargo as custodian and allow ownership of the existing BRU ARO fund to transfer in kind to Chugach upon closing of the acquisition of ML&P, allow Chugach to invest the rate reduction funds with Wells Fargo, and consent to the assignment of the Wells Fargo agreement to Principal when the acquisition becomes effective.



## RESOLUTION

### **BELUGA RIVER UNIT (“BRU”)–ASSET RETIREMENT OBLIGATION(“ARO”)**

WHEREAS, the Board of Directors of Chugach Electric Association, Inc., an Alaska electric cooperative (the “Company”), has determined that it is in the best interest of the Company for the Company to retain Alaska Permanent Capital Management (“APCM”) as investment manager and Wells Fargo Bank, N.A. Institutional Retirement & Trust (“Wells Fargo”) as custodian and transfer in kind the funds invested by Municipal Light & Power (“ML&P”) for the Beluga River Unit (“BRU”) Asset Retirement Obligation (“ARO”) with Wells Fargo;

WHEREAS, the Company has determined that transferring the BRU ARO funds in kind, rather than liquidating the investments and transferring the cash to Chugach will save transaction costs and reduce market risk;

WHEREAS, the Company also intends that the proceeds from the rate reduction refund amount will also be invested with Wells Fargo, maintaining liquidity, receiving a return while moderating risk until those funds are returned to ML&P legacy customers over a three-year term;

AND WHEREAS, the Company also understands that Wells Fargo is currently being acquired by Principal Financial Group (“Principal”) and that Chugach is consenting to the assignment to Principal upon the acquisition effective date;

NOW, THEREFORE, BE IT RESOLVED that the Chief Executive Officer and CFO are authorized and directed to execute the necessary documents to retain Alaska Permanent Capital Management as investment manager, Wells Fargo as custodian, establish the investment accounts at Wells Fargo and consent to the assignment of the Wells Fargo agreement to Principal when the acquisition becomes effective.

## CERTIFICATION

I, James Henderson, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 23rd day of September 2020; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation on the 23rd day of September 2020.

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Secretary

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

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

**September 23, 2020**

**ACTION REQUIRED**

**AGENDA ITEM NO. X.B.**

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

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**TOPIC**

Alaska Energy Authority Asset Acquisition

**DISCUSSION**

Chugach is a purchaser of power generated by the Bradley Lake Hydro Electric Project (“the Project”) and a member of the Bradley Lake Management Committee (“BPMC”). On May 22, 2020, Alaska Energy Authority (“AEA”) and Homer Electric Association (“HEA”) entered a letter of intent in which AEA would purchase and HEA would sell certain electric transmission facilities and properties currently used by HEA to provide electric service to Purchasers of the power generated by the Project (“Proposed Transaction”).

On July 17, 2020, the Bradley O&D issued a report that concluded the Proposed Transaction is based on sound economics, fully consistent with the meaning of Prudent Utility Practice, meets the national standards for the electric utility industry, and is required work as defined by the Bradley Lake Power Sales Agreement. The BPMC passed Resolution No. 2020-02 on July 24, 2020 adopting the Bradley O&D Report. Chugach Management has reviewed and considered the Bradley O&D Report and recommends, from the perspective as a Purchaser, approval of the Proposed Transaction.

AEA has worked out alternative methods for funding the transaction in accordance with AS 44.88.650 – 44.88.690 and the preliminary conditions were reviewed and approved by the BPMC on July 24, 2020. The BPMC is requesting indication from its Members’ governing boards, that the conditions for the Proposed Transaction are acceptable, as each governing board is required to approve the preliminary terms and conditions to secure appropriate financing.

**MOTION**

Move that the Board of Directors approve the attached resolution approving the preliminary terms and conditions for financing the Proposed Transaction.

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

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

**September 23, 2020**

**ACTION REQUIRED**

**AGENDA ITEM NO. X.C.**

<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**

Integration Program Funding Authorization

**DISCUSSION**

On July 22, 2020, the Integration Program began a process of a month-to-month review and authorization of the Integration Program costs. The board approved a total of \$29.6 million through September 2020. The Integration Program is requesting \$3.1 million additional funding authorization for October 2020 for a total funding authorization of \$32.7 million. This is within the June 26, 2019 Board approved Integration Program Workplan Budget of \$39.5 million.

As further discussed in Executive Session, Chugach management has provided information and represented that additional funds are necessary for the month of October 2020 to keep the integration efforts on track.

**MOTION**

Move that the Board of Directors authorize an increase of the Integration Program funding of \$3.1 million to continue the program for the month of October 2020, for a total Integration Program funding authorization of \$32.7 million.