

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

**REGULAR BOARD OF DIRECTORS' MEETING**

**AGENDA**

Janet Reiser, Chair  
Bettina Chastain, Vice Chair  
Sisi Cooper, Treasurer  
Jim Henderson, Secretary

Susan Reeves, Director  
Harry T. Crawford, Jr., Director  
Stuart Parks, Director

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**September 27, 2017**

**4:30 p.m.**

**Chugach Board Room**

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I. CALL TO ORDER

- A. *Pledge of Allegiance*
- B. *Roll Call*
- C. *Safety Minute - "Chemical Safety" (Freeman)*

II. APPROVAL OF THE AGENDA\*

III. PERSONS TO BE HEARD

- A. *Member Comments*

IV. CONSENT AGENDA\*

- A. *Board Calendar*
- B. *Training and Conferences*
  - 1. *Director Winter School, December 1-6, 2017, Nashville, TN (Deadline for conference and hotel registration is November 29, 2017)*
- C. *Minutes*
  - 1. *August 23, 2017, Regular Board of Directors' Meeting (Quezon-Vicente)*
  - 2. *September 6-8, 2017, Special Board of Directors' Meeting (Portades/Quezon-Vicente)*
- D. *Director Expenses*

V. CEO REPORTS AND CORRESPONDENCE

- A. *July 2017 Financial Statements and Variance Report (Harris/Curran)*
- B. *3<sup>rd</sup> Quarter 2017 Railbelt Bill Comparison (Skaling/Miller)*
- C. *Chugach Streetlights – LED Upgrade Presentation (Risse/Schmitt)*
- D. *Member Appreciation Day (Andrews)*

VI. DIRECTOR REPORTS

- A. *Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report*
- B. *Board Committee Reports (Audit and Finance, Operations & Governance)*

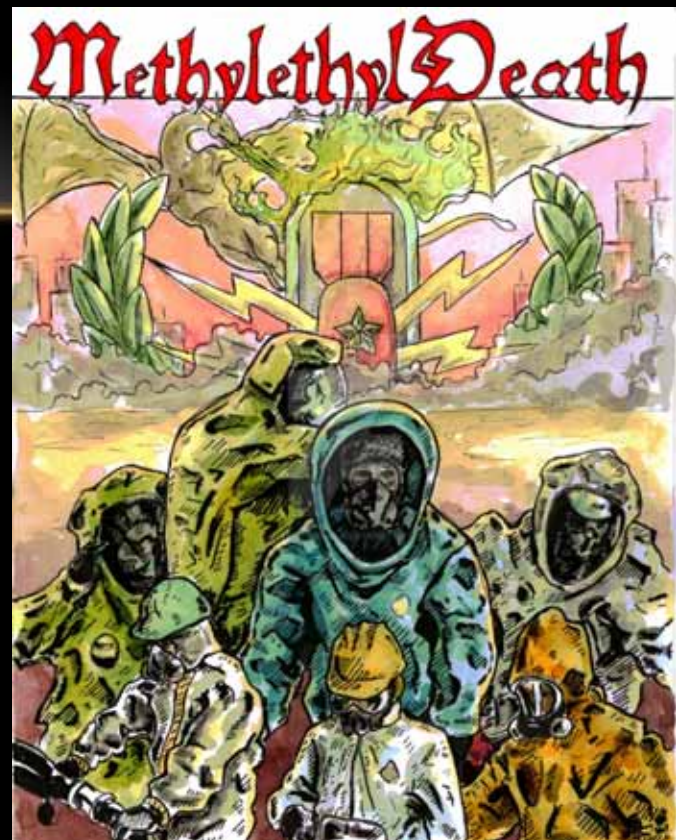
- C. *Other Meeting Reports*
- VII. UNFINISHED BUSINESS\* (*scheduled*)
  - A. *Approve NRECA Resolutions\* (Board)*
- VIII. NEW BUSINESS\* (*scheduled*)
  - A. *Appointment of 2017 NRECA Voting Delegate and Alternate\* (Board)*
- IX. EXECUTIVE SESSION\* (*scheduled*)
  - A. *Financial and Legal Matters*
  - B. *Strategic Planning Committee – Follow Up*
  - C. *CEO Goals and Parameters and Project Specific Objectives*
- X. NEW BUSINESS\* (*continued*)
  - A. *Retirement Security Plan Restatement\* (Andrews)*
  - B. *Approval of Salary Plan Matrix\*\*(Andrews)*
  - C. *Amendment to Memorandum of Agreement dated July 27, 2007 between Homer Electric Association, Inc. and Chugach Electric Association, Inc.\* (Miller)*
  - D. *2017 Retail Capital Credit Retirement\* (Andrews/S. Highers)*
  - E. *2017 HEA Capital Credit Retirement Payment\* (Andrews/S. Highers)*
  - F. *2017 Wholesale Capital Credit Retirement\* (Andrews/S. Highers)*
- XI. DIRECTOR COMMENTS
- XII. ADJOURNMENT\*

\* *Denotes Action Items*

\*\* *Denotes Possible Action Items*

# Chemical Safety

**CHEMICAL  
SAFETY  
DATA  
SHEETS**



# September 2017

August 2017							October 2017						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
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13	14	15	16	17	18	19	15	16	17	18	19	20	21
20	21	22	23	24	25	26	22	23	24	25	26	27	28
27	28	29	30	31			29	30	31				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				<ul style="list-style-type: none"> <li>11:30AM - 1:30PM Fuel Supply - Strategic Planning Committee (BoardroomCR)</li> <li>3:00PM - 3:30PM Mtg w/ Miller and Henderson (Strategic Planning Presentation Review) (AM's Office)</li> </ul>		
27	28	29	30	31	1	2
	Labor Day Holiday	<ul style="list-style-type: none"> <li>11:30AM - 1:30PM Railbelt Alignment - Strategic Planning Committee (Cooper/Parks) (BoardroomCR)</li> </ul>	Strategic Planning w/Board (9/6-... ♦ Alyeska Resort)			
3	4	5	6	7	8	9
		Gettysburg Leadership Experience (9/12-... ♦ Gettysburg, PA)				
10	11	12	13	14	15	16
			National Hydroelectric Association (9/20-9/... ♦ Girdwood, AK)			
17	18	19	20	21	22	23
	<ul style="list-style-type: none"> <li>11:00AM - 2:00PM Review w/Chastain, Reiser &amp; Thibert (Operations Committee Packet, Board Meeting Packet &amp; CEO Goals) (BoardroomCR)</li> </ul>	<ul style="list-style-type: none"> <li>4:00PM - 8:00PM Operations Committee Meeting (BoardroomCR)</li> </ul>	<ul style="list-style-type: none"> <li>4:00PM - 4:30PM Reeves - Board Interview - Annual Meeting Video (BoardroomCR)</li> <li>4:30PM - 7:30PM Regular Board of Directors Meeting (BoardroomCR)</li> </ul>	<ul style="list-style-type: none"> <li>12:00PM - 1:30PM Reputation/Plan C &amp; Ancillary Services - Strategic Planning Committee (Crawford, Chastain, Henderson) (BoardroomCR)</li> </ul>		
24	25	26	27	28	29	30

# October 2017

September 2017						
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17	18	19	20	21	22	23
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November 2017						
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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
					<div style="border: 1px solid black; padding: 2px;"> <b>Chugach's Member</b>                      ● 10:00AM - 2:00PM                      Member Appreciation Day (Chugach Lobby)                 </div>	
1	2	3	4	5	6	7
		● 1:00PM - 4:00PM ARCTEC Meeting (APA Board Room)				
8	9	10	11	12	13	14
	NRECA Region 9 Meeting - 10/16 - ... ♦ Denver, CO					
15	16	17	18	19	20	21
			● 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)			
22	23	24	25	26	27	28
29	30	31	1	2	3	4

# November 2017

October 2017						
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December 2017						
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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
29	30	31	1	2	3	4
5	6	<ul style="list-style-type: none"> <li>4:00PM - 7:00PM Audit and Finance Committee Meeting (Budget Meeting) (BoardroomCR)</li> </ul>	<ul style="list-style-type: none"> <li>4:00PM - 7:00PM Audit and Finance Committee Agenda (Budget Meeting) (BoardroomCR)</li> </ul>	9	10	11
12	13	14	15	16	17	18
19	20	21	22	Thanksgiving Day	Thanksgiving Holiday	25
26	<ul style="list-style-type: none"> <li>4:00PM - 6:00PM Special Board of Directors Meeting - Internal Controls (BoardroomCR)</li> </ul>	<ul style="list-style-type: none"> <li>4:00PM - 6:00PM Operations Committee Meeting - Review of CEO Goals and Parameters (BoardroomCR)</li> </ul>	<ul style="list-style-type: none"> <li>3:30PM - 4:00PM MS-ESS Ribbon Cutting (Meet in the Board Room)</li> <li>4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)</li> </ul>	30	Directors Winter Scho... ♦ Nashville, TN	
	27	28	29		1	2

# December 2017

November 2017						
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19	20	21	22	23	24	25
26	27	28	29	30		

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

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	<ul style="list-style-type: none"> <li>4:00PM - 6:00PM Special Board of Directors Meeting - Internal Controls (BoardroomCR)</li> </ul>	<ul style="list-style-type: none"> <li>4:00PM - 6:00PM Operations Committee Meeting - Review of CEO Goals and Parameters (BoardroomCR)</li> </ul>	<ul style="list-style-type: none"> <li>3:30PM - 4:00PM MS-ESS Ribbon Cutting (Meet in the Board Room)</li> <li>4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)</li> </ul>		<b>Directors Winter Scho... ♦ Nashville, TN</b>	
26	27	28	29	30	1	2
<b>Directors Winter School - December 1-6 ♦ Nashville, TN</b>						
3	4	5	6	7	8	9
			<ul style="list-style-type: none"> <li>4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)</li> </ul>			
10	11	12	13	14	15	16
					<b>Christmas Eve Hol</b>	
17	18	19	20	21	22	23
	<b>Christmas Day</b>				<b>New Year's Eve Ho</b>	
24	25	26	27	28	29	30
	<b>New Year's Day</b>					
31	1	2	3	4	5	6

# January 2018

December 2017						
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31						

February 2018						
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11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	New Year's Day					
31	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)	25	26	27
28	29	30	31	1	2	3



# February 2018

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

March 2018						
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18	19	20	21	22	23	24
25	26	27	28	29	30	31

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28	29	30	31	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	1	2	3

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

NRECA Annual Meeting - (Director Educa... ♦ Nashville, TN

NRECA Annual Meeting - (Director Education 2/22 - 2/25) (An... ♦ Nashville, TN

# March 2018

February 2018						
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April 2018						
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22	23	24	25	26	27	28
29	30					

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
25	26	27	28	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	<ul style="list-style-type: none"> <li>4:00PM - 8:00PM Audit &amp; Finance Committee Followed by Special Board of Directors Meeting (BoardroomCR)</li> </ul>	22	23	24
25	26	27	<ul style="list-style-type: none"> <li>4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)</li> </ul>	29	30	31

# April 2018

March 2018						
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May 2018						
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6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			Gettysburg Leadership Experience ♦ Gettysburg, PA			
1	2	3	4	5	6	7
NRECA Legislative Confer... ♦ Washington DC						
8	9	10	11	12	13	14
			4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)			
15	16	17	18	19	20	21
			Strategic Planning w/Bo... ♦ Chugach Headquarters			
22	23	24	25	26	27	28
29	30	1	2	3	4	5

# May 2018

April 2018						
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29	30					

June 2018						
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17	18	19	20	21	22 23	
24	25	26	27	28	29	30

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	1	2	3	4	5
6	7	8	<ul style="list-style-type: none"> <li>4:00PM - 7:00PM Audit and Finance Committee Meeting (Chugach Boardroom)</li> </ul>	10	11	12
13	14	15	16	17	18	19
20	21	<ul style="list-style-type: none"> <li>5:00PM - 8:30PM SAVE THE DATE: 2018 Chugach Annual Meeting (Dena'ina Center)</li> </ul>	23	24	25	26
27	Memorial Day ♦ Ur	29	<ul style="list-style-type: none"> <li>4:00PM - 7:00PM Regular Board of Directors Meeting (Board of Directors Meeting)</li> </ul>	31	1	2

# June 2018

May 2018						
S	M	T	W	T	F	S
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20	21	22	23	24	25	26
27	28	29	30	31		

July 2018						
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			● 4:00PM - 7:00PM Regular Board of Directors Meeting (Board of Directors Meeting)			
27	28	29	30	31	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	NRECA Summer Schools for Director...	
NRECA Summer Schools for Directors (West)			● 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR)	22	23	24
24	25	26	27	28	29	30

# July 2018

June 2018						
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17	18	19	20	21	22	23
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August 2018						
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19	20	21	22	23	24	25
26	27	28	29	30	31	

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			Independence Day			
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	4:00PM - 7:00PM Regular Board of Directors' Meeting (BoardroomCR)		NRECA Summer School for Director...	
NRECA Summer School for Directors (East)				26	27	28
29	30	31	1	2	3	4

# August 2018

July 2018						
S	M	T	W	T	F	S
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22	23	24	25	26	27	28
29	30	31				

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

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
NRECA Summer School for Directors (East)						
29	30	31	1	2	3	4
			4:00PM - 7:00PM Audit and Finance Committee Meeting (BoardroomCR)			
5	6	7	8	9	10	11
12	13	14	15	16	17	18
			4:00PM - 7:00PM Regular Board of Directors' Meeting (BoardroomCR)			
19	20	21	22	23	24	25
		Strategic Planning w/Board ♦ Talkeetna Alaskan Lodge ♦ Connie Owens				
26	27	28	29	30	31	1



[\(/conferences-education/conferences/winter-school\)](/conferences-education/conferences/winter-school)

**Dec 1 - Dec 6, 2017**  
**Nashville, TN**



Cooperative.com (</publicHome/Pages/default.aspx>) > Conferences & Education (</conferences-education/Pages/default.aspx>) > Conferences & Meetings (</conferences-education/conferences/Pages/default.aspx>) > Winter School for Directors

## MENU

## Winter School for Directors

As boards are challenged to address multiple large-scale issues, including rising costs, climate-change, power supply constraints, and heightened scrutiny of corporate governance practices, NRECA's Winter School for Directors is designed to ensure that board leaders develop the knowledge and skills required to meet these challenges successfully.

### Save the date for Winter School 2017!

December 1-6, 2017  
Nashville, TN  
Gaylord Opryland Hotel

## Why Should You Attend?

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Earn your [Credentialed Cooperative Director \(CCD\)](http://conferences-education/certificates/director-certificate/pages/ccd-certificate.aspx) certificate or your [Board Leadership Certificate \(BLC\)](http://conferences-education/certificates/director-certificate/Pages/blc-certificate.aspx) while networking and sharing solutions with fellow directors from co-ops across the country. If you've already earned your CCD and BLC credentials, but still need the additional 3 credits required to earn the NEW Director Gold status, take advantage of 2016 Winter School to get the credits you need!

The new Director Gold credential recognizes directors who have earned their CCD and BLC credentials and are committed to continuing their education throughout their service on the board. If you have already earned your first Director Gold, you may apply the Directors School as one credit of continuing education for maintaining Gold. Working towards earning your initial Director Gold certificate? To earn the initial Gold, one must hold the CCD and BLC credential, and earn three additional credits from the Board Leadership Certificate series of courses.

Learn more about Director Gold [here](http://conferences-education/certificates/director-certificate/Pages/director-gold-program.aspx).



[education/certificates/director-certificate/Pages/director-gold-program.aspx](http://conferences-education/certificates/director-certificate/Pages/director-gold-program.aspx)

Contact Us

**Program Information**

Janet Bowers

[janet.bowers@nreca.coop](mailto:janet.bowers@nreca.coop) (mailto:%20janet.bowers@nreca.coop)

703-907-5622

### **Registration Questions**

Accounts Receivable Department

[AccountsReceivable@nreca.coop \(mailto:%20AccountsReceivable@nreca.coop\)](mailto:AccountsReceivable@nreca.coop)

703-907-6875

### **General Questions**

Member Contact Center

[member-support@cooperative.com \(mailto:%20member-support@cooperative.com\)](mailto:member-support@cooperative.com)

1-877-766-3226

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## **Also of Interest**

[Board Leadership Certificate \(BLC\) \(/conferences-education/certificates/director-certificate/Pages/blc-certificate.aspx\)](#)

[Director Certificate Programs \(/conferences-education/certificates/director-certificate/Pages/default.aspx\)](#)

[Summer School for Directors \(/conferences-education/conferences/summer-school\)](#)

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

**August 23, 2017**  
**Wednesday**  
**4:00 p.m.**

**REGULAR BOARD OF DIRECTORS' MEETING**

Recording Secretary: Arden Quezon-Vicente

**I. CALL TO ORDER**

Chair Reiser called the Regular Meeting of the Board of Directors to order at 4:27 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. *Pledge of Allegiance*  
Chair Reiser led the Board in the Pledge of Allegiance.

B. *Roll Call*  
*Board Members Present:*  
Janet Reiser, Chair  
Bettina Chastain, Vice Chair  
Jim Henderson, Secretary  
Sisi Cooper, Treasurer  
Susan Reeves, Director  
Harry Crawford, Director  
Stuart Parks, Director

*Guests and Staff in Attendance:*

Lee Thibert	Dustin Highers	Jean Kornmuller
Tyler Andrews	Brian Hickey	Teresa Kurka
Sherri Highers	Julie Hasquet	Todd McCarty
Arthur Miller	Sean Skaling	Ron Vecera
Connie Owens	Jody Wolfe	Taylor Crocker
Mark Johnson	Kathy Harris	Josh Travis
Mark Fouts	Tom Schulman	

C. *Safety Minute*  
Taylor Crocker, Safety Specialist discussed “*Fire Extinguisher Safety*” and responded to questions from the Board.

Lee Thibert, Chief Executive Officer (CEO) congratulated Mr. Crocker for acquiring his Safety Professional Certification.

## **II. APPROVAL OF THE AGENDA**

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

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

- A. *Member Comments*  
None

## **IV. CONSENT AGENDA**

- A. *Board Calendar*
- B. *Training and Conferences*
  - 1. *NRECA Region 9 Meeting, October 16-18, 2017, Denver, CO (Deadline for conference and hotel registration is September 14, 2017)*
  - 2. *Director Winter School, December 1-6, 2017, Nashville, TN (Deadline for conference and hotel registration is November 29, 2017)*
- C. *Minutes*
  - 1. *July 26, 2017, Regular Board of Directors' Meeting (Quezon-Vicente)*
- D. *Director Expenses*

Chair Reiser discussed the upcoming training and conferences and stated that for any Directors interested to coordinate with Connie Owens.

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

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

- A. *2<sup>nd</sup> Quarter 2017 Key Metrics Dashboard (Thibert)*  
Lee Thibert, Chief Executive Officer (CEO) and Tyler Andrews, VP, Member and Employee Services discussed the 2<sup>nd</sup> Quarter 2017 Key Metrics Dashboard and responded to questions from the Board.
- B. *Multi-Stage Energy Storage Project (D. Highers)*  
Dustin Highers, Director, Power Supply Technical Services, presented the Multi-Stage Energy Storage Project.

Mr. Highers and Lee Thibert, CEO discussed the Multi-Stage Energy Storage Project and responded to questions from the Board.

## **VI. DIRECTOR REPORTS**

- A. *Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report*  
Lee Thibert, CEO and Chair Reiser reported on the July 27, 2017, ARCTEC meeting.

Chair Reiser stated that further discussion will continue in the Executive Session.

- B. *Board Committee Reports (Audit and Finance, Operations & Governance)*  
Director Cooper reported on the August 9, 2017, Audit and Finance Committee meeting.

Sherri Highers, Chief Financial Officer (CFO) and Lee Thibert, CEO discussed the KPMG report and responded to questions from the Board.

Ms. Highers stated that Ms. Beth Stuart will speak to Director Cooper in the near future for more information regarding the KPMG settlement matter.

- C. *Other Meeting Reports*

Director Cooper reported on the August 18, 2017, REAP which was attended with Director Parks.

Mr. Thibert, CEO stated that there will be an RCA hearing on the following dates:

1. September 27, 2017 on Power pool.
2. October 11, 2017 on Reliability.

Mr. Thibert, CEO also reported on the RCA Public meeting today regarding Transco.

Director Chastain and Mr. Thibert, CEO discussed the teleconference with Senator Natasha von Imhof. Chair Reiser stated that further discussion will continue in the Executive Session.

## **VII. UNFINISHED BUSINESS**

None

## **VIII. NEW BUSINESS**

- A. *Simplified Rate Filing – June 2017 Test Year\* (Miller/Kornmuller)*

Director Reeves moved and Director Cooper seconded the motion that the Board of Directors approve the Resolution authorizing filing with the Regulatory Commission of Alaska, the Simplified Rate Filing described therein.

Jean Kornmuller, Manager, Regulatory Affairs and Arthur Miller, Executive Manager, Regulatory & External Affairs discussed the Simplified Rate Filing – June 2017 Test Year and responded to questions from the Board.

After discussion, Chair Reiser called for a vote. The motion passed unanimously.

- B. *Approve NRECA Resolutions\* (Board)*

Chair Reiser stated that this agenda item will be moved to the September 27, 2017 Regular Board meeting. No objections were made.

The Board was encouraged to read the resolution for discussion at the next meeting.

C. *Discounting Capital Credits\* (S. Highers)*

Director Chastain moved and Director Reeves seconded the motion that the Board of Directors' approve the resolution increasing the authorization for early (discounted) capital credit payments to former members and estates for 2017 by \$25,000.

Sherri Highers, Chief Financial Officer and VP of Finance and Administration and Teresa Kurka, Director, Member Services discussed the Discounting Capital Credits and responded to questions from the Board.

After discussion, Chair Reiser called for a vote. The motion passed unanimously.

**IX. EXECUTIVE SESSION**

A. *Financial and Legal Matters*

1. *NRUCFC Line of Credit*
2. *Update on Battle Creek*
3. *Update on Fire Island Wind Phase 2*
4. *Public Meeting with RCA / Transco Discussion*
5. *New Issues/Ideas*

B. *Strategic Planning Committee Updates*

1. *Fuel and Power Supply*
2. *Railbelt Alignment*
3. *Reputation/Plan C & Ancillary Services*

C. *CEO Goals and Parameters and Project Specific Objectives*

At 5:53 p.m., Director Reeves moved and Director Cooper seconded the motion that pursuant to Alaska Statute 10.25.175 (c)(1), (2) and (3) the Board of Directors go into executive session to: 1) discuss financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; 2) receive reports upon legal matters that are attorney/client privileged, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative; and, 3) to discuss personnel matters that may tend to prejudice the reputation or character of a person; however, the person may request a public discussion. The motion passed unanimously.

*The meeting reconvened in open session at 7:00 p.m.*

**X. NEW BUSINESS\* (continued)**

A. *Approval of the NRUCFC Line of Credit\* (S. Highers)*

Director Chastain moved and Director Cooper seconded the motion that the Board of Directors authorize the Chief Executive Officer to enter into a Revolving Line of Credit Agreement (Agreement) with NRUCFC in an amount

not to exceed \$50 million for a term of sixty months, subject to the provisions of the Agreement substantially in the form discussed in executive session at the August 9, 2017, Audit and Finance Committee meeting. The motion passed unanimously.

**XI. DIRECTOR COMMENTS**

Director comments were made at this time.

**XII. ADJOURNMENT**

At 7:03 p.m., Director Reeves moved and Director Parks seconded the motion to adjourn. The motion passed unanimously.

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James Henderson, Secretary  
Date Approved: September 27, 2017

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

**September 6-8, 2017**  
**Wednesday-Friday**  
**9:00 a.m.**

**SPECIAL BOARD OF DIRECTORS' MEETING**

Recording Secretary: Divina Portades/Arden Quezon-Vicente

**I. CALL TO ORDER**

Chair Reiser called the Special Board of Directors Meeting to order at 9:06 a.m. in the conference room of Alyeska Resort at Girdwood, Alaska.

*A. Roll Call*

*Board Members Present:*

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

*Guests and Staff in Attendance:*

Lee Thibert	Connie Owens	Brian Hickey
Sherri Highers	Tyler Andrews	Arthur Miller
Tyler Andrews	Paul Risse	Mark Fouts
Julie Hasquet		

**II. SAFETY MINUTE**

Lee Thibert, Chief Executive Officer, discussed "Hiking Safety" and responded to questions from the Board.

**III. APPROVAL OF THE AGENDA**

*A. Event Schedule*

Director Reeves moved and Director Chastain seconded the motion to approve the agenda. The motion passed unanimously.

**IV. EXECUTIVE SESSION**

*A. Strategic Planning*

- 1. Overview*
- 2. Railbelt Alignment*
- 3. Fuel and Power Supply*



At 9:12 a.m., Director Reeves moved and Director Cooper seconded the motion that pursuant to Alaska Statute 10.25.175 (c) (1) the Board of Directors go into executive session to discuss financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative. The motion passed unanimously.

**V. RECESS**

At 4:22 p.m., Director Reeves moved and Director Chastain seconded the motion to recess. The motion passed unanimously.

**VI. RECONVENE WORKSHOP**

The meeting reconvened on September 7, 2017 at 9:00 a.m., Alyeska Resort, Girdwood, Alaska.

**VII. EXECUTIVE SESSION** *(continued)*

- A. *Strategic Planning*
  - 1. *Reputation/Plan C & Ancillary*

**VIII. RECESS**

The meeting recessed at 3:35 p.m.

**IX. RECONVENE WORKSHOP**

The meeting reconvened on September 8, 2017 at 8:37 a.m., Alyeska Resort, Girdwood, Alaska.

**X. EXECUTIVE SESSION** *(continued)*

- A. *Strategic Planning*
  - 1. *Wrap Up Discussion*
  - 2. *2018 Strategic Planning Dates*

*The meeting reconvened in open session at 10:55 a.m.*

**XI. DIRECTOR COMMENTS**

Director comments were made at this time.

**XII. ADJOURNMENT**

At 11:19 a.m., Director Reeves moved and Director Parks seconded the motion to adjourn. The motion passed unanimously.

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Jim Henderson, Secretary  
Date Approved: September 27, 2017

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

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

**September 27, 2017**

**ACTION REQUIRED**

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

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

**TOPIC**

Director Expenses

**DISCUSSION**

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

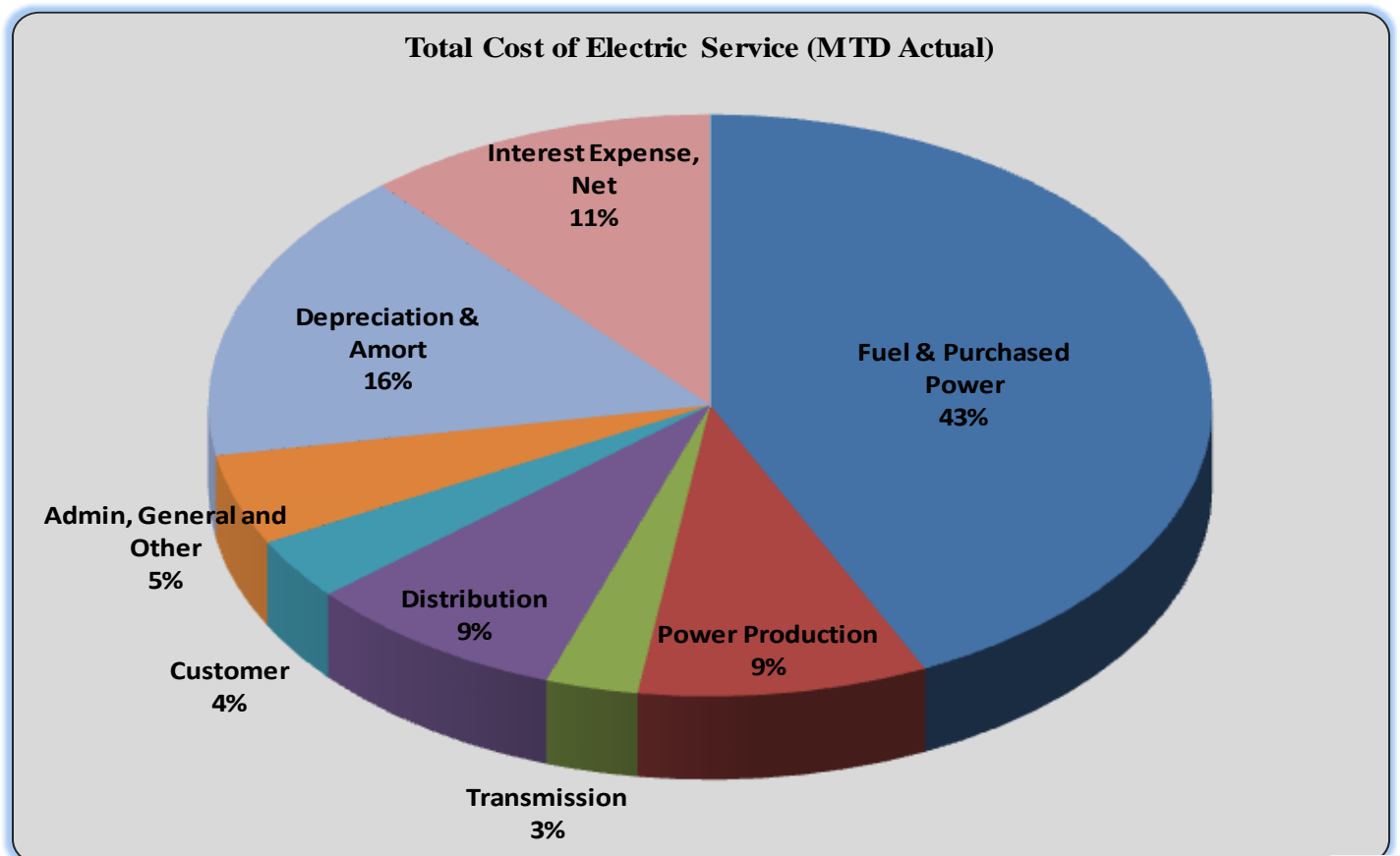
**MOTION**

*(Consent Agenda)*

## STATEMENT OF OPERATIONS

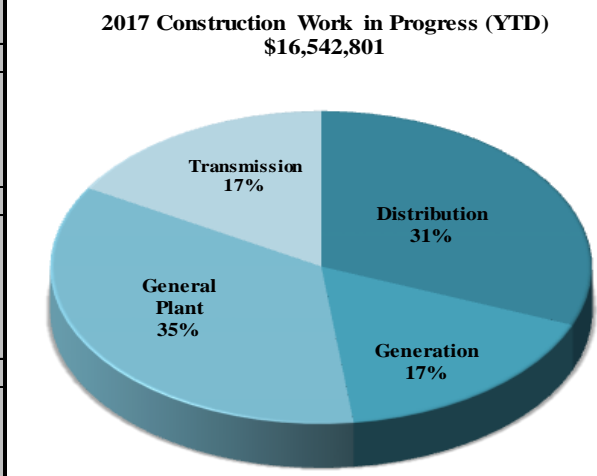
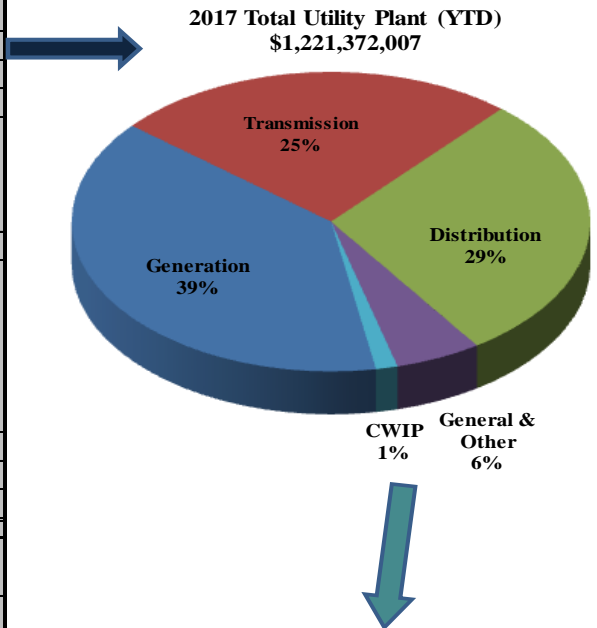
CATEGORY	2017 MTD ACTUAL	2017 MTD BUDGET	2017 MTD VARIANCE
<b>Operating Revenue and Patronage Capital</b>	<b>\$ 16,324,249</b>	<b>\$ 16,820,093</b>	<b>\$ (495,844)</b>
Fuel and Purchased Power Expense	7,030,923	6,461,714	569,209
Power Production Expense	1,528,542	1,539,397	(10,855)
Transmission Expense	486,880	630,597	(143,717)
Distribution Expense	1,383,602	1,100,304	283,298
Customer Expense	560,643	543,993	16,650
Administrative, General and Other	826,305	1,992,513	(1,166,208) *
Depreciation & Amortization Expense	2,682,359	2,669,394	12,965
Interest Expense, Net	1,861,632	1,836,907	24,725
<b>Total Cost of Electric Service</b>	<b>\$ 16,360,886</b>	<b>\$ 16,774,819</b>	<b>\$ (413,933)</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ (36,637)</b>	<b>\$ 45,274</b>	<b>\$ (81,911)</b>
Non-Operating Margins - Interest	54,662	27,804	26,858
Allowance for Funds Used During Construction	7,112	6,909	203
Non-Operating Margins - Other	23,213	-	23,213
<b>Patronage Capital or Margins</b>	<b>\$ 48,350</b>	<b>\$ 79,987</b>	<b>\$ (31,637)</b>

\* Reflects a YTD IS Clearing adjustment of \$1.1 million from A&G to the following: Purchased Power \$0.1 million, Power Production \$0.3 million, Transmission \$0.1 million, Distribution \$0.3 million, Customer \$0.3 million



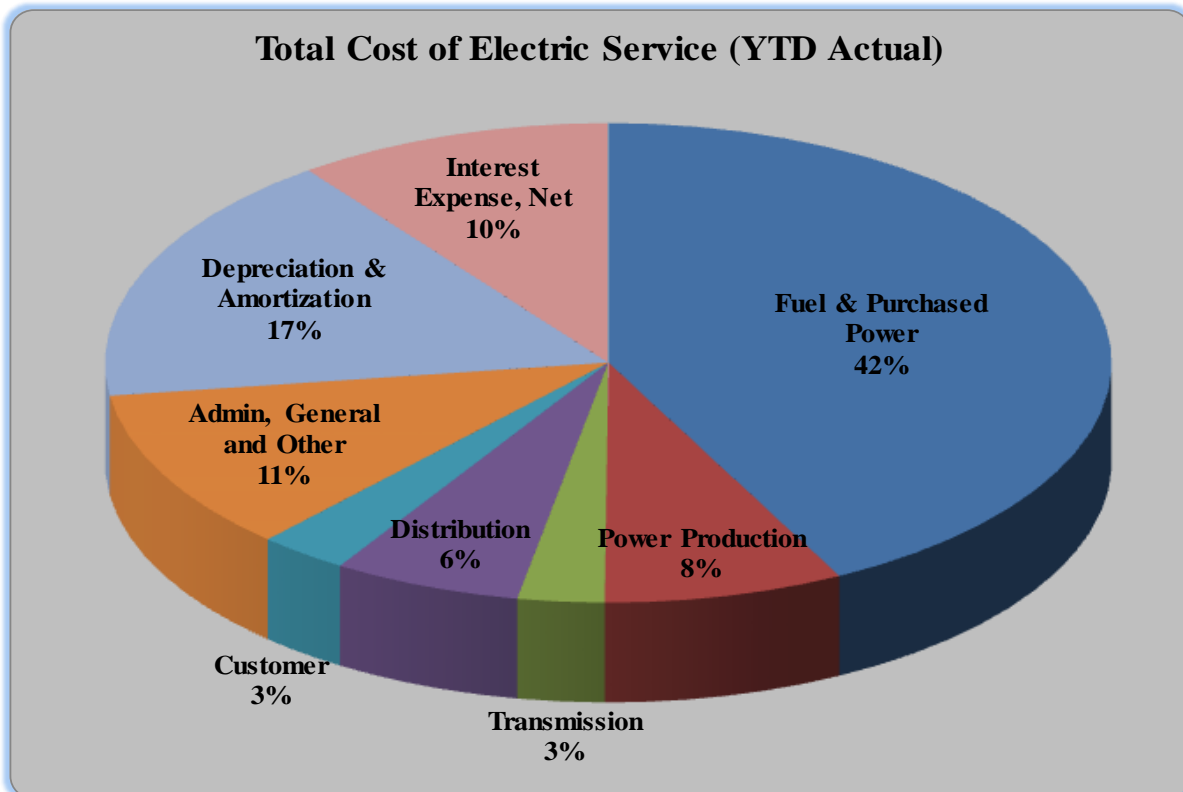
## BALANCE SHEET

ASSETS & OTHER DEBITS	07/31/2017	12/31/16
Total Utility Plant in Service	1,204,829,206	1,192,513,869
Construction Work in Progress	16,542,801	18,455,940
<b>Total Utility Plant</b>	<b>\$ 1,221,372,007</b>	<b>\$ 1,210,969,809</b>
Accum. Prov. for Depreciation/Amortization	(508,958,306)	(496,098,131)
<b>Net Utility Plant</b>	<b>\$ 712,413,701</b>	<b>\$ 714,871,678</b>
Nonutility Property - Net	76,889	76,889
Investment in Assoc. Organizations	8,980,034	9,349,311
Special Funds	1,075,155	907,836
Restricted Cash & Marketable Securities	4,265,085	3,871,993
<b>Total Other Property &amp; Investments</b>	<b>\$ 14,397,163</b>	<b>\$ 14,206,029</b>
Cash & Marketable Securities	10,700,410	12,048,316
Special Deposits/Restricted Cash	810,670	975,665
Accounts Receivable - Net	26,391,143	33,000,919
Materials and Supplies, Fuel Stock	23,116,711	34,210,843
Prepayments	3,439,038	1,407,026
Other Current & Accrued Assets	2,167,860	294,697
<b>Total Current &amp; Accrued Assets</b>	<b>\$ 66,625,832</b>	<b>\$ 81,937,466</b>
Deferred Debits	37,503,063	25,140,957
<b>Total Assets &amp; Other Debits</b>	<b>\$ 830,939,759</b>	<b>\$ 836,156,130</b>
LIABILITIES & OTHER CREDITS	07/31/2017	12/31/16
Memberships	1,706,779	1,691,014
Pat. Capital, Margins & Equities	185,737,093	183,824,511
<b>Total Margins &amp; Equities</b>	<b>\$ 187,443,872</b>	<b>\$ 185,515,525</b>
Long-Term Debt - Bonds	421,833,331	405,249,998
Long-Term Debt - Other	37,962,000	40,356,000
Unamortized Debt Issuance Costs	(2,753,377)	(2,715,745)
<b>Total Long-Term Debt</b>	<b>\$ 457,041,954</b>	<b>\$ 442,890,253</b>
Notes Payable	68,608,667	93,036,667
Accounts Payable	9,250,522	9,618,630
Consumer Deposits	5,015,831	5,207,585
Other Current & Accrued Liabilities	28,611,061	26,532,912
<b>Total Current &amp; Accrued Liabilities</b>	<b>\$ 111,486,081</b>	<b>\$ 134,395,794</b>
Deferred Compensation	1,075,155	907,836
Other Liabilities, Non-Current	808,036	655,277
Deferred Liabilities	1,220,563	1,179,414
Patronage Capital Payable	12,008,499	12,008,499
Cost of Removal Obligation	59,855,599	58,603,532
<b>Total Liabilities &amp; Other Credits</b>	<b>\$ 830,939,759</b>	<b>\$ 836,156,130</b>



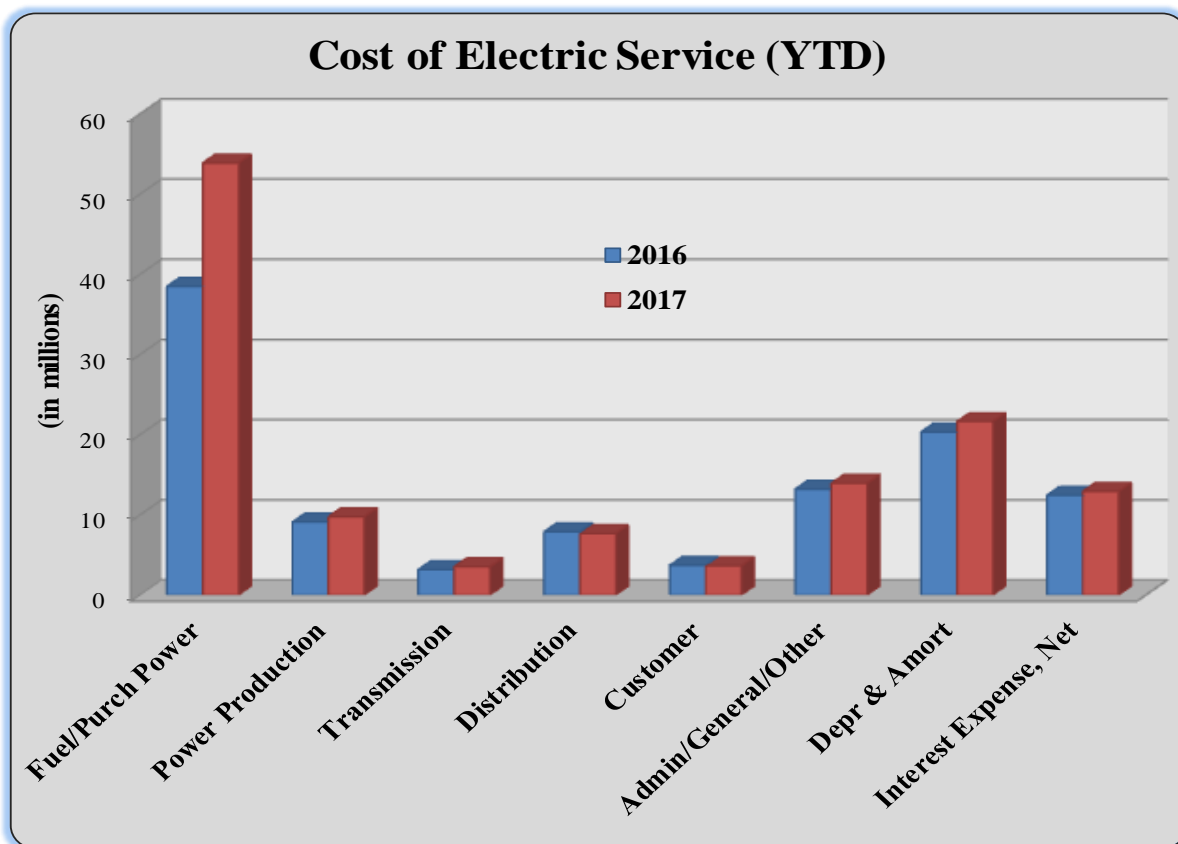
**COMPARATIVE FINANCIAL REPORT  
STATEMENT OF OPERATIONS  
CURRENT YTD ACTUAL TO BUDGET VARIANCE**

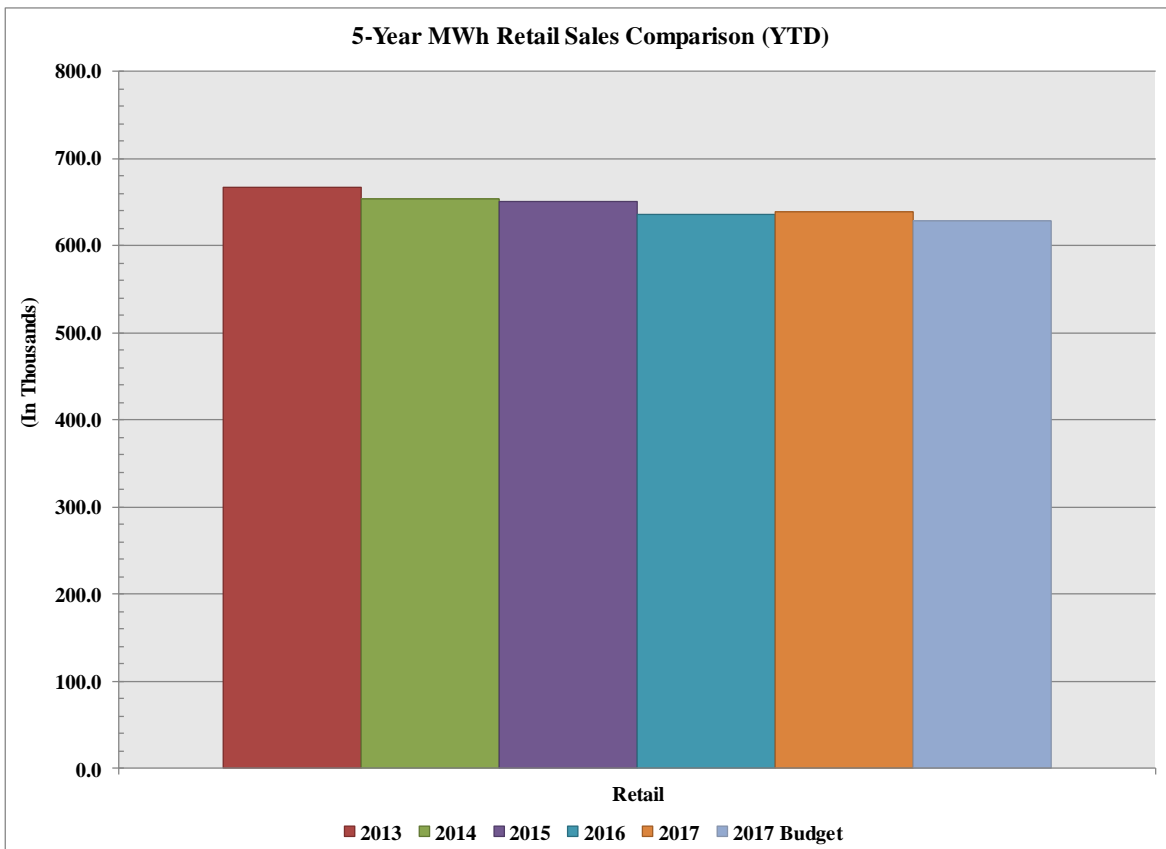
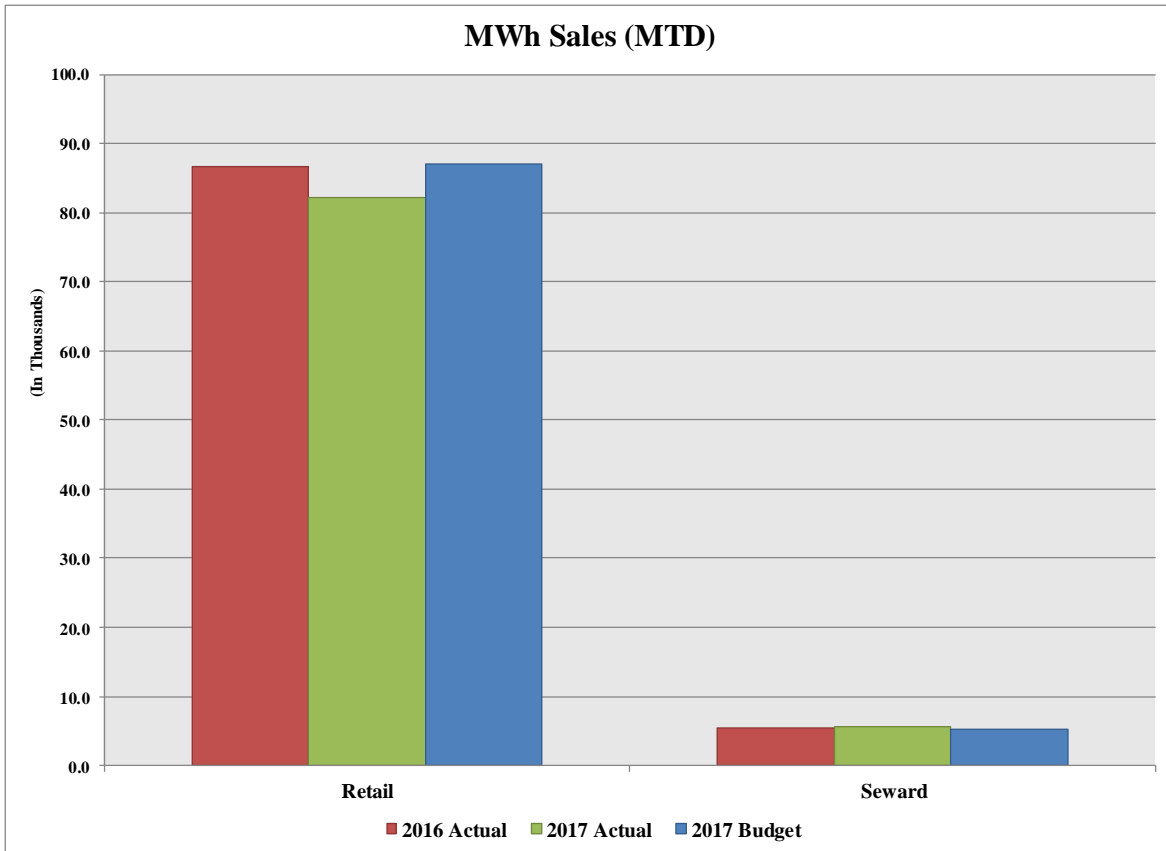
CATEGORY	2017 YTD ACTUAL	2017 YTD BUDGET	2017 YTD VARIANCE
<b>Operating Revenue and Patronage Capital</b>	<b>\$ 128,672,381</b>	<b>\$ 123,962,132</b>	<b>\$ 4,710,249</b>
Fuel and Purchased Power Expense	53,876,959	48,796,785	5,080,174
Power Production Expense	9,769,259	10,055,517	(286,258)
Transmission Expense	3,536,937	4,269,129	(732,192)
Distribution Expense	7,671,416	7,826,563	(155,147)
Customer Expense	3,657,732	3,662,224	(4,492)
Administrative, General and Other	13,936,909	14,233,700	(296,791)
Depreciation & Amortization Expense	21,639,030	21,966,267	(327,237)
Interest Expense, Net	12,917,143	12,684,135	233,008
<b>Total Cost of Electric Service</b>	<b>\$ 127,005,385</b>	<b>\$ 123,494,320</b>	<b>\$ 3,511,065</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ 1,666,996</b>	<b>\$ 467,812</b>	<b>\$ 1,199,184</b>
Non-Operating Margins - Interest	361,493	190,619	170,874
Allowance Funds Used During Const.	32,776	70,648	(37,872)
Non-Operating Margins - Other	104,511	-	104,511
<b>Patronage Capital or Margins</b>	<b>\$ 2,165,776</b>	<b>\$ 729,079</b>	<b>\$ 1,436,697</b>
MFI/I	1.17	1.06	
TIER	1.17	1.06	

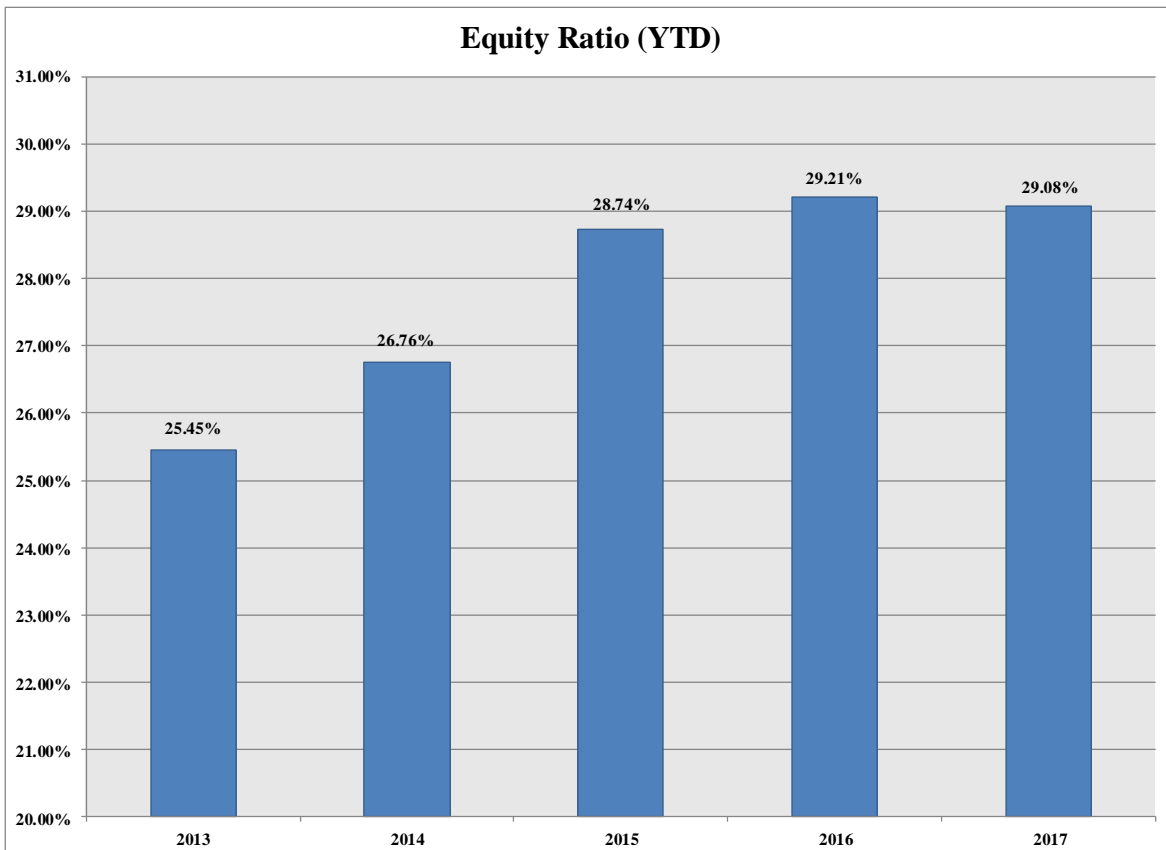
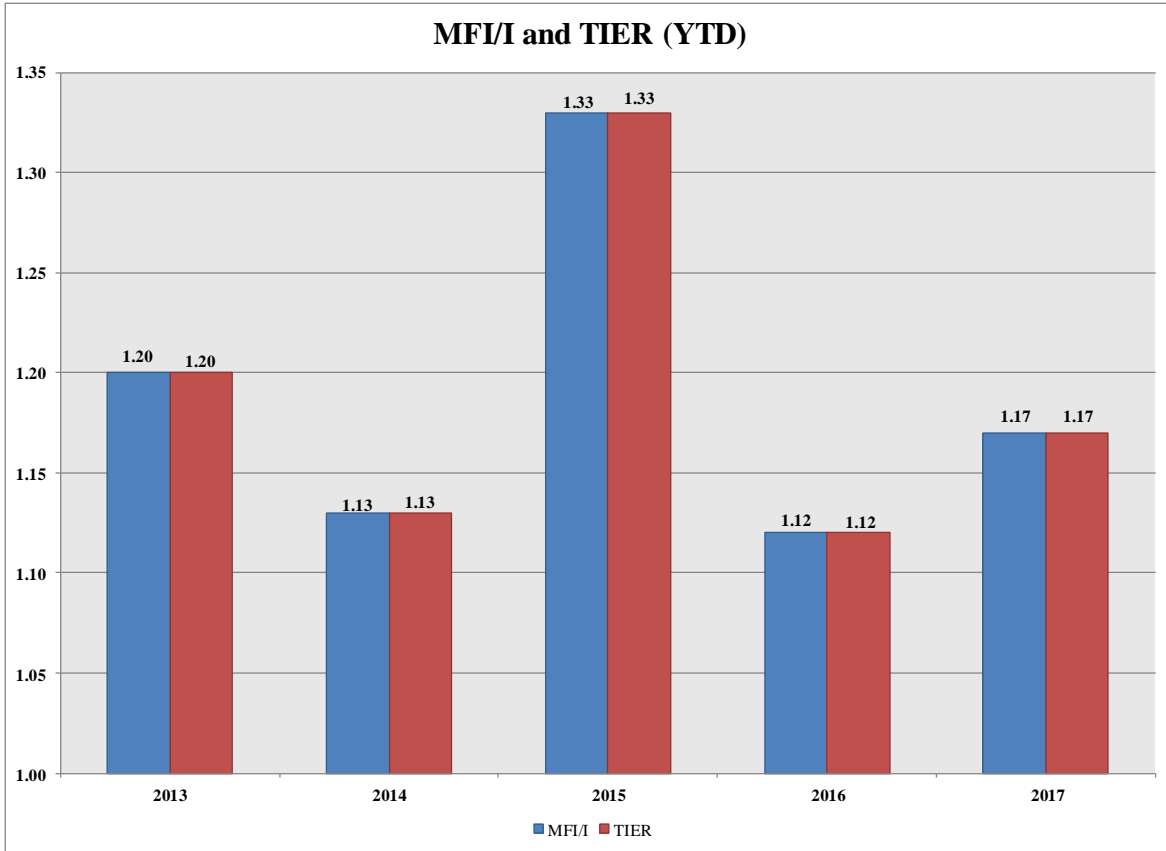


## COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS CURRENT TO PRIOR YTD ACTUAL

CATEGORY	2017 YTD ACTUAL	2016 YTD ACTUAL
<b>Operating Revenue and Patronage Capital</b>	<b>\$ 128,672,381</b>	<b>\$ 109,546,556</b>
Fuel and Purchased Power Expense	53,876,959	38,477,323
Power Production Expense	9,769,259	9,107,644
Transmission Expense	3,536,937	3,164,539
Distribution Expense	7,671,416	7,884,001
Customer Expense	3,657,732	3,697,912
Administrative, General and Other	13,936,909	13,222,064
Depreciation and Amortization Expense	21,639,030	20,347,257
Interest Expense, Net	12,917,143	12,434,832
<b>Total Cost of Electric Service</b>	<b>\$ 127,005,385</b>	<b>\$ 108,335,572</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ 1,666,996</b>	<b>\$ 1,210,984</b>
Non-Operating Margins - Interest	361,493	192,667
Allowance for Funds Used During Construction	32,776	101,144
Non-Operating Margins - Other	104,511	4,836
<b>Patronage Capital or Margins</b>	<b>\$ 2,165,776</b>	<b>\$ 1,509,631</b>
MFI/I	1.17	1.12
TIER	1.17	1.12









## ENERGY SALES (kWh)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Energy Sales	638,128,966	627,783,586
Wholesale Energy Sales	<u>35,166,479</u>	<u>34,067,326</u>
Total Firm Energy Sales	673,295,445	661,850,912
Economy Energy Sales	<u>20,832,000</u>	<u>0</u>
Total Energy Sales	694,127,445	661,850,912

Firm energy sales totaled 673,295,445 kWh, which were 1.7% over budget. Retail energy sales were over budget 1.6% and wholesale energy sales were over budget by 3.2%, primarily associated with higher sales due to colder than anticipated weather.

Economy energy sales totaled 20,832,000 kWh which were 100% over budget due to unanticipated sales to Golden Valley Electric Association (GVEA), Matanuska Electric Association (MEA), and Homer Electric Association (HEA).

## ENERGY REVENUE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Revenue	\$ 113.1	\$ 113.5
Wholesale Revenue	<u>3.4</u>	<u>3.4</u>
Total Firm Revenue	116.5	116.9
Economy Energy Revenue	2.5	0.0
Other Operating Revenue	<u>9.7</u>	<u>7.1</u>
Total Revenue	\$ 128.7	\$ 124.0

Revenue from firm sales totaled \$116.5 million compared to \$116.9 million in the budget, with no significant variance. Economy energy revenue totaled \$2.5 million due to unanticipated sales to GVEA, MEA, and HEA.

Other operating revenue includes late fees, pole rental, wheeling, microwave, BRU sales and royalties, miscellaneous service and other electric revenue. Other operating revenue totaled \$9.7 million compared to \$7.1 million in the budget, primarily due to higher than anticipated wheeling revenue associated with sales to GVEA.

## FUEL AND PURCHASED POWER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Fuel	\$ 44.1	\$ 37.3
Purchased Power	<u>9.8</u>	<u>11.5</u>
Total	\$ 53.9	\$ 48.8

Fuel expense includes fuel, storage, transportation, and BRU operating costs. Fuel expense was \$44.1 million compared to \$37.3 million projected in the budget. This variance was due, in part, to higher than anticipated fuel consumption as a result of increased sales coupled with less efficient generation units used as a result of lower than anticipated power available to purchase from ML&P.

Actual fuel purchased for production was 4,940,530 MCF at an average effective delivered price of \$8.11 per MCF, compared to 4,217,473 MCF in the budget at an average effective delivered price of \$7.87 per MCF.

Purchased power expense represents energy purchased from Bradley Lake, Fire Island, and other utilities as needed, as well as costs associated with dispatching. Purchased power expense was \$9.8 million compared to \$11.5 million in the budget. This variance was primarily due to lower than anticipated purchases from ML&P and less power produced at Fire Island, which was somewhat offset by more purchases from MEA.

Actual energy purchased was 113,242 MWh at an average effective price of 7.04 cents per kWh compared to 139,502 MWh budgeted at an average effective price of 7.03 cents per kWh.

## POWER PRODUCTION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Power Production	\$ 9.8	\$ 10.1

Power production expense was \$9.8 million compared to \$10.1 million in the budget primarily due to lower than anticipated maintenance costs at SPP.

## TRANSMISSION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Transmission	\$ 3.5	\$ 4.3

Transmission operations and maintenance expense was \$3.5 million compared to \$4.3 million in the budget, primarily due to lower than anticipated labor due to changes in scheduled maintenance from transmission to distribution.

## DISTRIBUTION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Distribution	\$ 7.7	\$ 7.8

Distribution operations and maintenance expense was \$7.7 million compared to \$7.8 million in the budget. This variance is due primarily to lower than anticipated vegetation control and allocated costs. This was somewhat offset by increased labor expense due to the change in scheduled maintenance from transmission to distribution.

## CONSUMER ACCOUNTS / CUSTOMER INFORMATION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Consumer / Customer Information	\$ 3.7	\$ 3.7

Consumer accounts and customer information expense was \$3.7 million compared to \$3.7 million in the budget, with no significant variance.

## ADMINISTRATIVE, GENERAL AND OTHER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Administrative, General and Other	\$ 13.9	\$ 14.2

Administrative, general and other expense includes tax, donations, other deductions associated with preliminary survey and investigation charges of projects, and obsolete inventory write-offs that are not attributable to operating or maintenance accounts, which was \$13.9 million compared to \$14.2 million in the budget. This variance was primarily due to lower than anticipated training services, safety materials, and building maintenance expenses.

## SUMMARY

Depreciation, interest, and interest during construction expense totaled \$34.6 million compared to \$34.7 million in the budget, with no significant variance.

All of the foregoing expenses resulted in total cost of electric service of \$127.0 million compared to \$123.5 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 \$0.5 million compared to \$0.3 million in the budget due primarily to higher interest and dividend income and the gain in the value of marketable securities.

The net result of revenue and expenses was margins of \$2.2 million compared to projected margins of \$0.7 million in the budget. The current forecast projects year-end margins of \$5.6 million and an MFI/I of 1.25.

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

CATEGORY	2017 APPROVED BUDGET	2017 AMENDED BUDGET	2017 YTD ACTUALS	2017 REVISED FORECAST
<b>Operating Revenue and Patronage Capital</b>	<b>\$ 214,142,698</b>	<b>\$ 215,797,542</b>	<b>\$ 128,672,381</b>	<b>\$ 219,755,112</b> <sup>1 2</sup>
Fuel and Purchased Power Expense	84,787,639	84,787,639	53,876,959	89,867,813 <sup>1</sup>
Power Production Expense	17,255,632	17,824,312	9,769,259	17,824,312
Transmission Expense	7,235,161	7,235,161	3,536,937	7,135,161 <sup>2</sup>
Distribution Expense	13,466,026	13,466,026	7,671,416	13,466,026
Customer Expense	6,315,719	6,315,719	3,657,732	6,315,719
Administrative, General & Other	23,942,288	23,942,288	13,936,909	23,817,288 <sup>2</sup>
Depreciation and Amortization Expense	35,344,430	35,344,430	21,639,030	34,811,581 <sup>1</sup>
Interest Expense, Net	20,794,273	21,880,437	12,917,143	22,113,445 <sup>1</sup>
<b>Total Cost of Electric Service</b>	<b>\$ 209,141,168</b>	<b>\$ 210,796,012</b>	<b>\$ 127,005,385</b>	<b>\$ 215,351,345</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ 5,001,530</b>	<b>\$ 5,001,530</b>	<b>\$ 1,666,996</b>	<b>\$ 4,403,767</b>
Non-Operating Margins - Interest	328,028	328,028	361,493	498,902 <sup>1</sup>
Allowance for Funds Used During Construction	100,029	100,029	32,776	62,157 <sup>1</sup>
Non-Operating Margins - Other	-	-	104,511	104,511 <sup>1</sup>
Other Capital Credits and Patronage Dividends	571,586	571,586	-	571,586 <sup>1</sup>
<b>Patronage Capital or Margins</b>	<b>\$ 6,001,173</b>	<b>\$ 6,001,173</b>	<b>\$ 2,165,776</b>	<b>\$ 5,640,923</b>
MFI/I	1.28	1.27	1.17	1.25
TIER	1.30	1.28	1.17	1.26

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

<sup>2</sup> Forecast has been adjusted to reflect known and measurable changes

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

**September 20, 2017**

**TO:** Chugach Board of Directors

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

**SUBJECT:** *Railbelt Electric Utility Bill Comparison: Rates Effective Third Quarter 2017*

Chugach's third quarter 2017 retail rates remain among the lowest of the Railbelt utilities. On a total residential customer bill basis, which includes fuel and purchased power costs, the bill levels of Homer Electric Association, Inc. (HEA), Golden Valley Electric Association, Inc. (GVEA), and Matanuska Electric Association, Inc. (MEA) are higher than Chugach by 30 percent, 23 percent, and 7 percent, respectively. However, the residential bill level for Anchorage Municipal Light and Power (ML&P) customers is 2 percent lower than Chugach. Chugach has the lowest rates for small and large commercial customers based on typical usage levels.

### **Comparison of Results**

The average Chugach residential bill, which includes fuel and purchased power costs, increased by 2.2 percent from second to third quarter 2017. The increase is the net effect of an increase in the fuel and purchased power rate partially offset by a decrease in the base energy rate. The Regulatory Cost Charge (RCC), which is applied equally to all utilities, increased as well but the impact on a total customer bill basis is negligible. Chugach's third quarter residential bill of \$117.60 compares with bill totals of \$152.97 for HEA, \$144.14 for GVEA, \$123.41 for MEA, and \$115.20 for ML&P. Below is a summary of rate changes at other Railbelt electric utilities since last quarter.

- HEA's retail rate levels increased approximately 1.5 percent. The increase is due to a change in HEA's quarterly Cost of Power Adjustment (COPA) factor for rates effective in third quarter 2017 plus the RCC increase identified above. The COPA rate is used exclusively for the recovery of fuel and purchased power costs. There were no changes to HEA's base demand and energy rates.
- GVEA retail bill levels decreased approximately 4.5 percent due to a decrease to its COPA rate. There were no changes to GVEA's base demand and energy rates. GVEA submitted a general rate case to the Commission in December 2016 requesting approval to reduce overall rate levels by 2.4 percent. A final order in the case is expected by mid-March, 2018.
- ML&P retail bill levels decreased approximately 20 percent following increases of 30 percent and 9 percent in first quarter and second quarter, 2017, respectively. The significant reduction this quarter is due to a reduction of ML&P's COPA rate, driven primarily by an over-recovery in their COPA balancing account, higher than projected economy sales margins, and a drop in their Beluga River Unit gas transfer price from \$4.57 to \$2.53 per Mcf effective July 1, 2017. Without the over-recovery in the balancing account or the economy sales margin increase, their residential bill level would have been significantly higher.

- MEA retail bills increased approximately 4 percent for residential and large general service classes, and 1 percent for large general service classes. MEA’s general rate case filed with the Regulatory Commission of Alaska earlier this year was approved for rates effective September 1, 2017. The new rates increase the monthly customer charge and demand charges for retail customers. The base energy charge decreased for the first 1300 kWh sold per month to residential and single phase commercial customers. The base energy charge increased for single phase customers above 1300 kWh and remained the same for three-phase commercial customers.

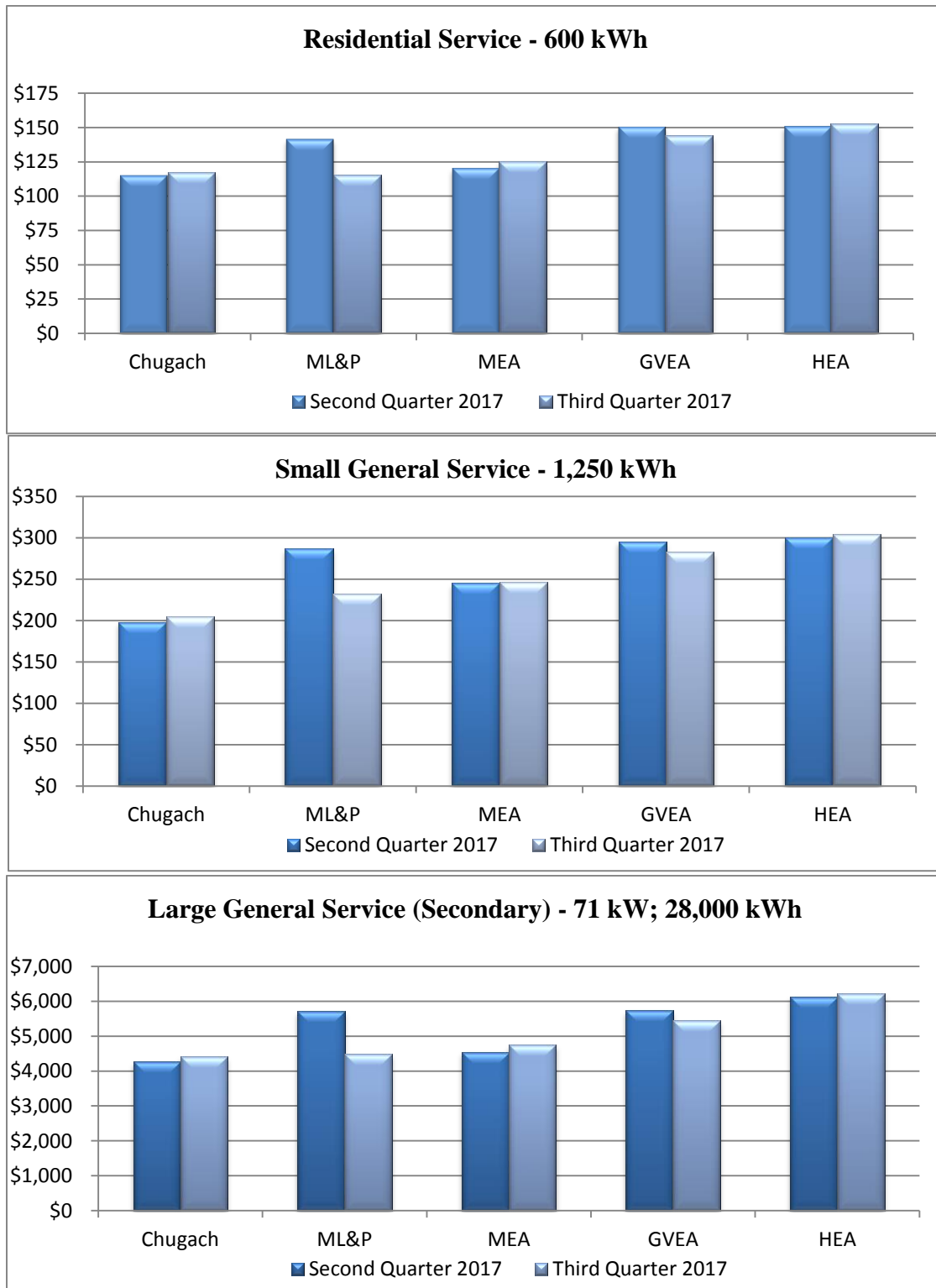
Table 1 below summarizes current retail bill totals in relation to Chugach and the prior quarter for each utility.

Customer Class	Chugach	ML&P	MEA	GVEA	HEA
Residential total based on 600 kWh	\$117.60	\$115.20	\$125.26	\$144.14	\$152.97
Cost per kWh	\$0.196	\$0.192	\$0.209	\$0.240	\$0.255
Change from Prior Quarter	2.2%	(18.5%)	4.0%	(4.2%)	1.45%
Difference from Chugach Bill	----	(2.0%)	6.5%	22.6%	30.1%
Small General Service total based on 1,250 kWh	\$204.56	\$232.00	\$246.87	\$282.54	\$304.60
Cost per kWh	\$0.164	\$0.186	\$0.197	\$0.226	\$0.244
Change from Prior Quarter	3.3%	(19.0%)	0.9%	(4.4%)	1.5%
Difference from Chugach Bill	----	13.4%	20.7%	38.1%	48.9%
Large General Service - Secondary total	\$4,417.14	\$4,497.43	\$4,754.89	\$5,449.24	\$6,235.01
Cost per kWh	\$0.158	\$0.161	\$0.170	\$0.195	\$0.223
Change from Prior Quarter	3.3%	(21.4%)	4.6%	(5.1%)	1.7%
Difference from Chugach Bill	----	1.8%	7.6%	23.4%	41.2%

The graphs on the following pages provide additional comparisons of Railbelt utility rates. Figure 1 compares bill totals between second and third quarters of 2017. Figure 2 expands the comparison by identifying separately the base rate component and the fuel / purchased power components of each bill. Figure 3 summarizes Chugach quarterly residential bill levels for the past seven years, identifying the base rate and fuel / purchased power components of each bill. Figure 4 illustrates bill totals for the last five consecutive quarters for all Railbelt electric utilities.

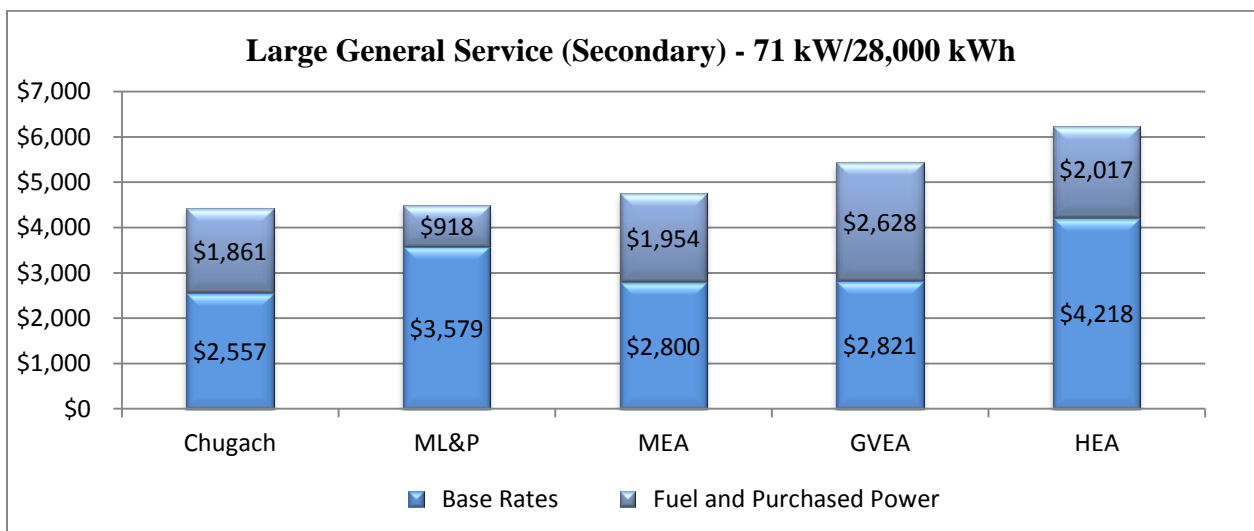
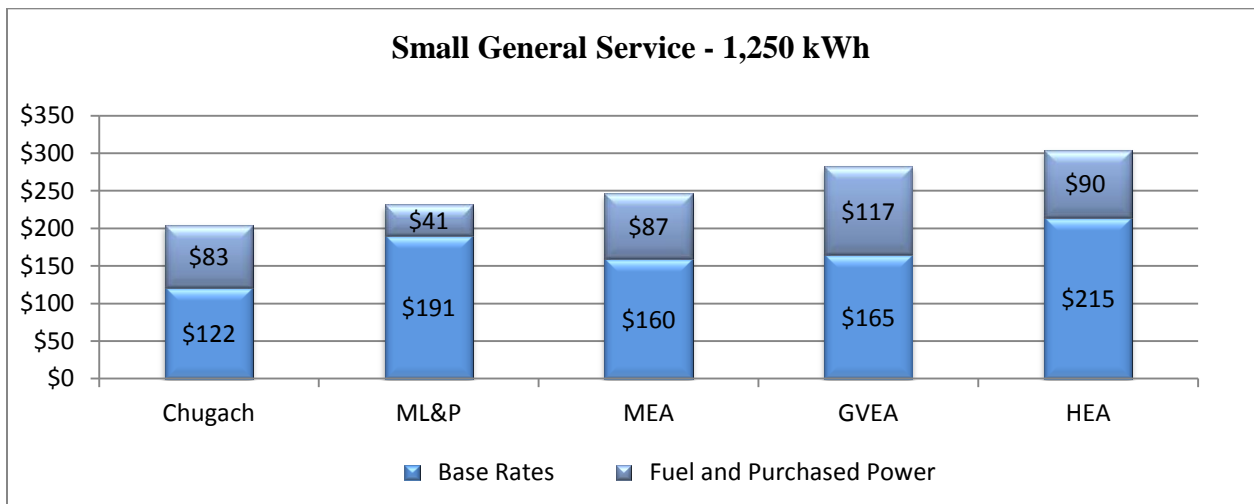
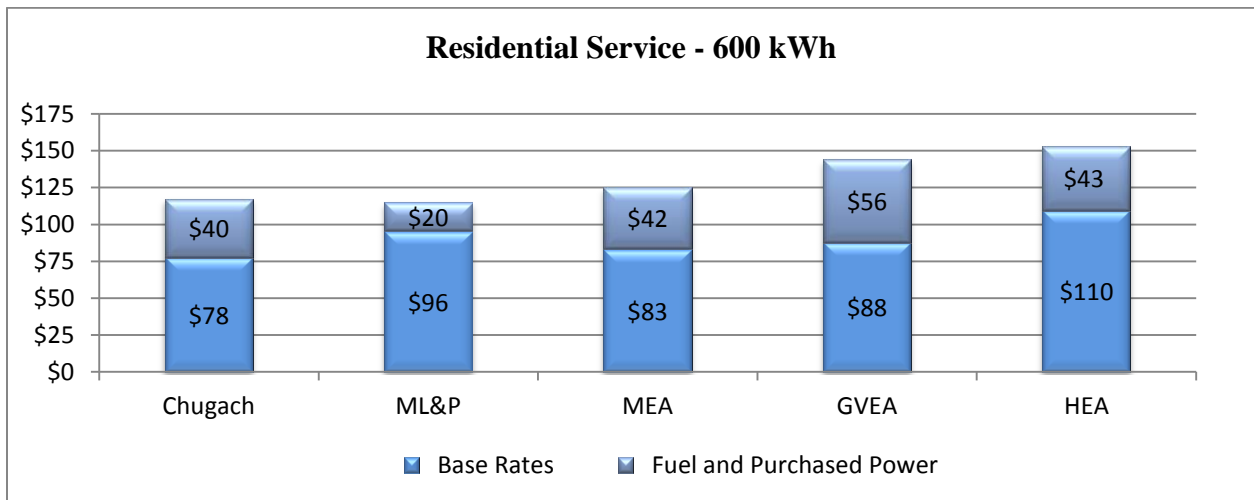
<sup>1</sup> Bill totals are based on tariffed rates. Local taxes, including the Municipality of Anchorage two percent underground surcharge, are not applicable to all utilities in this comparison and are therefore excluded from the calculations. The Regulatory Cost Charge is included as this charge 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. ML&P’s Large General Service bill totals do not reflect impacts associated with their tariffed demand ratchet. Bill comparisons include all approved and pending fuel and purchased power rates for third quarter, 2017.

**Figure 1: Retail Electric Bill Totals by Utility  
 Second Quarter 2017 vs. Third Quarter 2017**



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

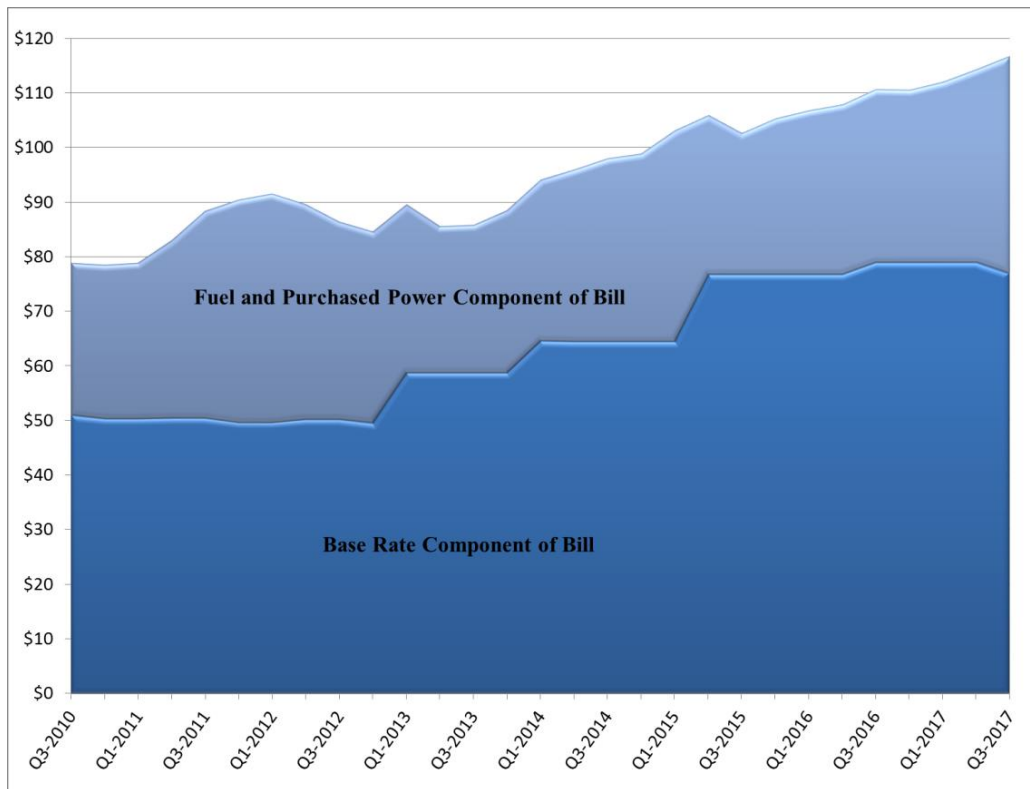
**Figure 2: Base Rate and Fuel and Purchased Power Components  
 Bill Totals – Third Quarter 2017**



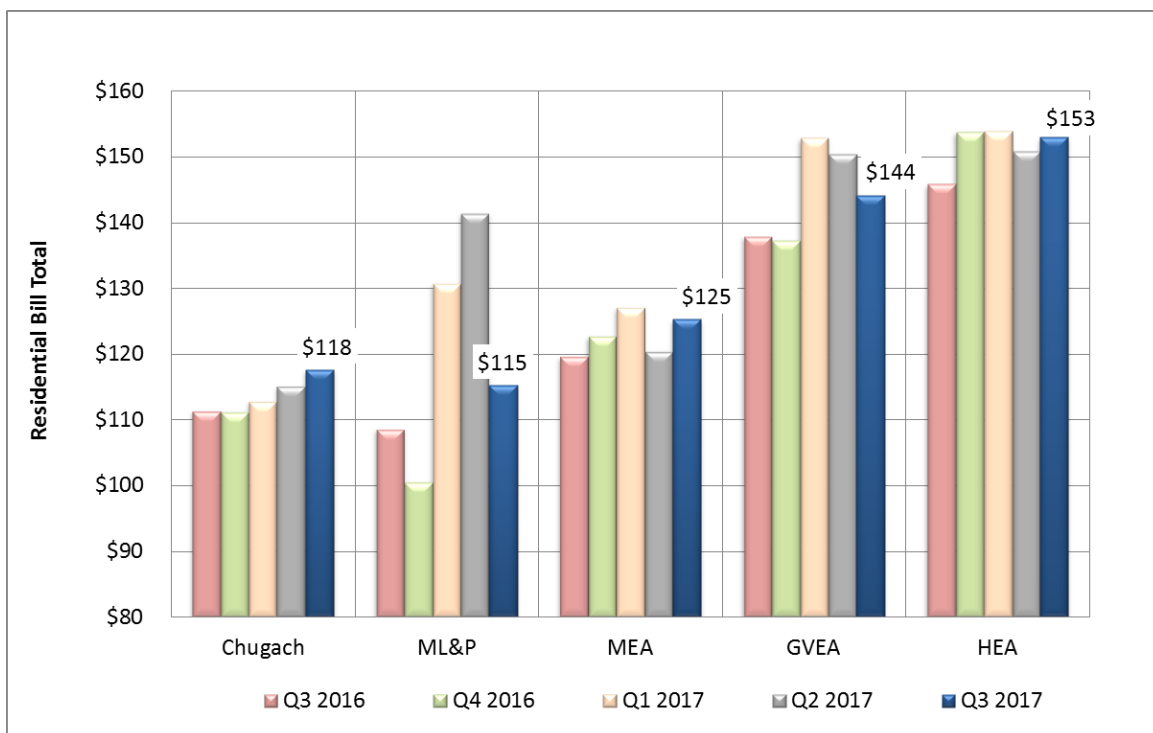
ML&P's Large General Service totals do not reflect tariffed impacts of its ratchet on demand charges.



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



**Figure 4: Railbelt Electric Utility Average Total Residential Bill Levels Third Quarter 2016 through Third Quarter 2017**



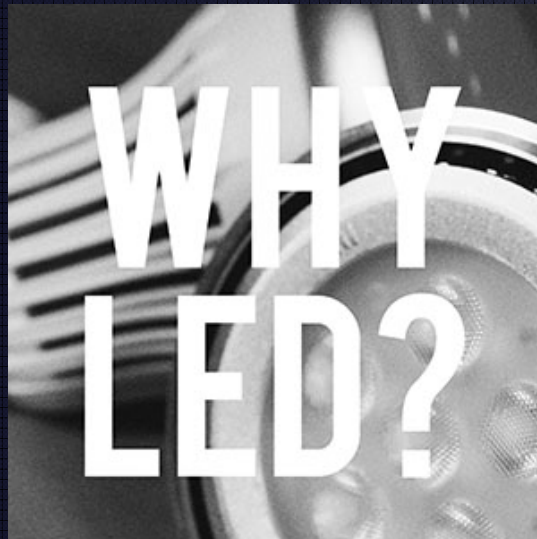
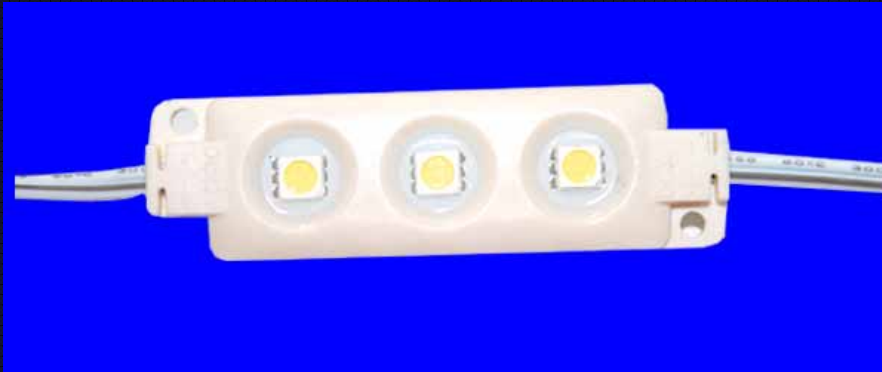
# LED Street and Area Lighting Project Update

Chugach Electric Association  
Regular Board of Directors' Meeting  
September 27, 2017



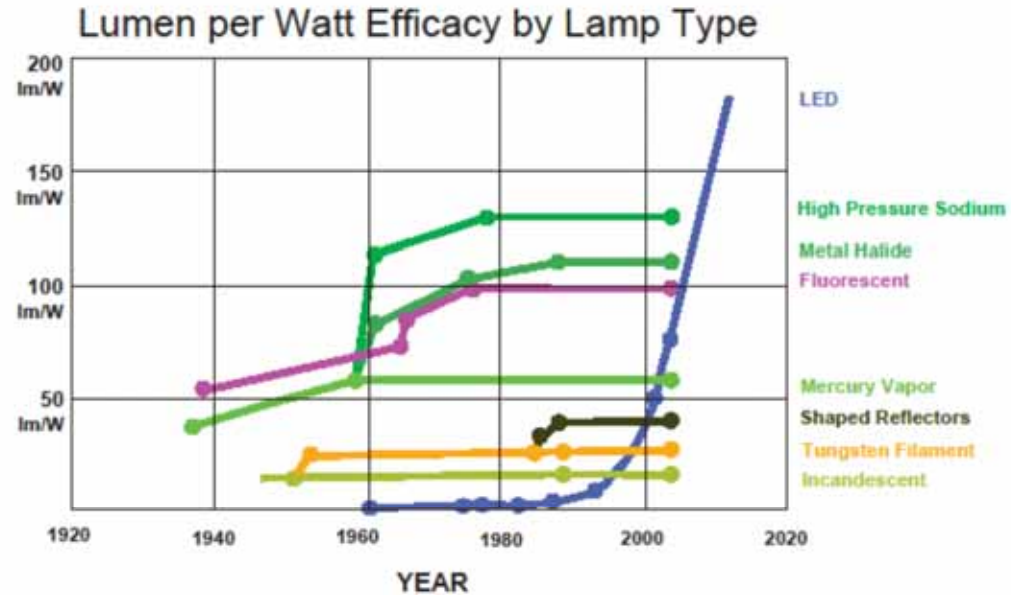
*Shelly R. Schmitt, P.E.  
Senior Manager Distribution Engineering  
LED Project Manager*

# Why is the Industry moving to LED?



- More efficient
- Longer lifespan
- Less light pollution
- Controllable

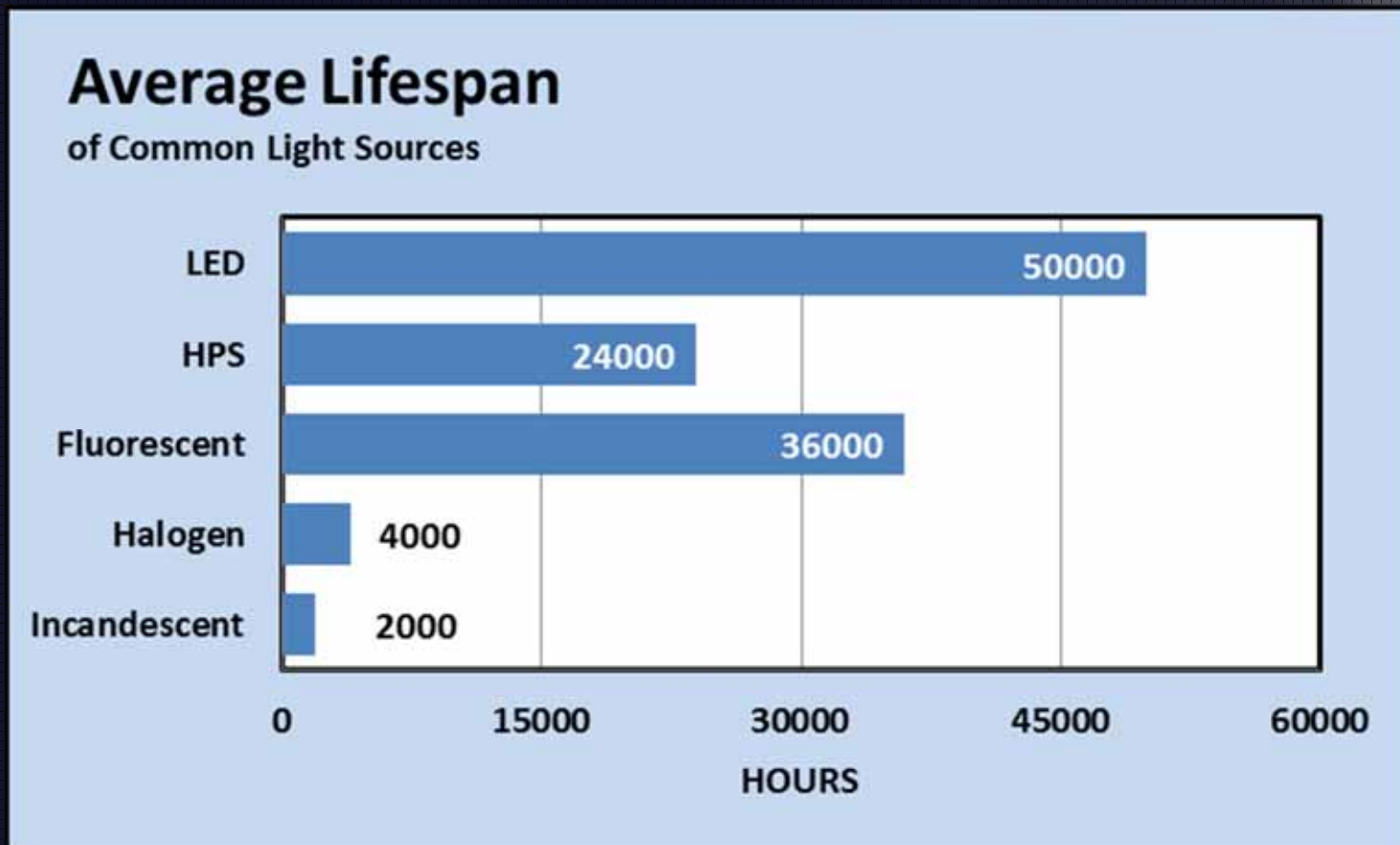
# More Efficient



HPS vs. LED Efficacy & Power

Light Source	Lumens / Watt	Total Wattage
HPS (150W)	82 lm/W	195W
HPS (250W)	79 lm/W	305W
LED (150W equiv.)	112 lm/W	54W
LED (250W equiv.)	110 lm/W	108W

# Longer Life



# Less Light Pollution

Before (HPS lighting)



After (LED lighting)



Pine St. (Mountain View) in Anchorage.  
Taken Feb., 2017. By Wayne Johnson, ML&P

# Controllable

- Constant light output
- Dimming
- Flashing/Strobe light
- Remote on/off
- Outage notification
- Localized metering

# Additional Benefits to Chugach

## Material Management



## Less Maintenance Costs

- 1000 maintenance events per year



# Chugach LED Program

1. Bayshore (2011) – 65 lights
2. Oceanview (2013) – 113 lights

3. Systemwide

- Started Dec 2015
- 4800 fixtures
- 257 new poles



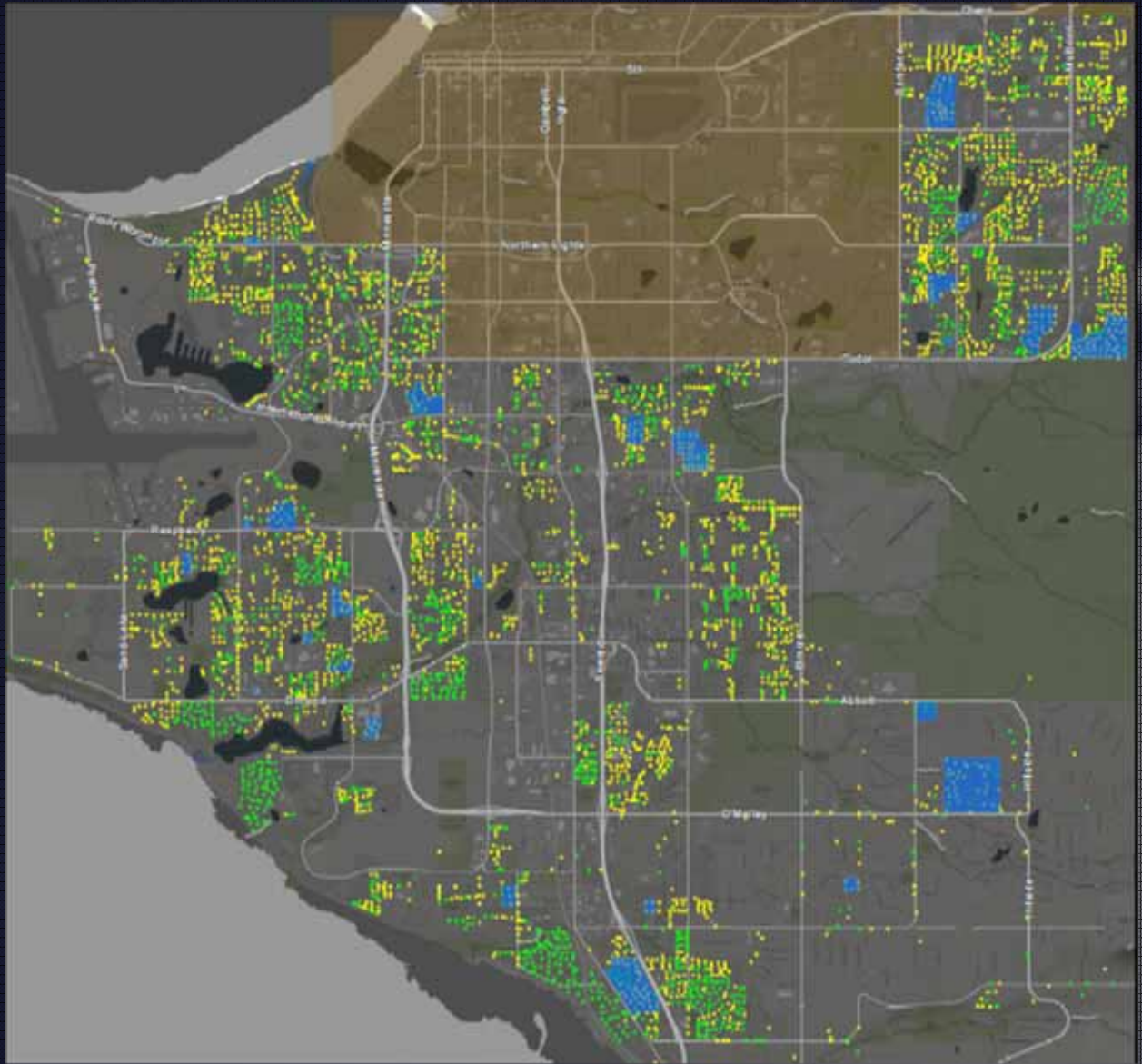
# Project Status

## Completed

- 1475 LEDs
- 172 poles



Anticipated  
Completion Date  
December 2019



Data from 8/2017

# Questions?



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

**September 2017**

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

**THROUGH:** Tyler Andrews, VP Member and Employee Services

**FROM:** Kate Ayers, Energy Efficiency and Conservation Specialist

**SUBJECT: Member Appreciation Day – October 6**

Member Appreciation Day is on October 6 from 10am to 2pm. The event serves as an opportunity for Chugach to join the nation in celebrating Energy Awareness and National Cooperative Month.

Members have been invited to take an SPP tour, a bucket truck ride, hop on the energy bike and grab a hotdog. There will also be presentations about various topics from emergency preparedness to renewable energy. Chugach members can enter into a drawing for a chance to win a \$250 Chugach gift certificate, which may be used to pay any Chugach account. Members can enter into the drawing online or at Chugach on October 6.

<b>SCHEDULE OF ACTIVITIES – OCTOBER 6</b>	
10:00am – 2:00pm (Ongoing Events)	<b>Educational booths, bucket truck rides, earthquake simulator, prize drawing, and hot dog BBQ</b>
10:00am	Event Begins
10:00am	<b>First SPP Tour</b>
10:30am – 10:40am	Alaska Housing Finance Corporation presentation
10:45am – 10:55am	Tree clearing presentation
11:00am	<b>Second SPP tour</b>
11:15am – 11:25am	Safety City presentation
11:30am – 11:40am	Renewable Energy Alaska Project presentation
11:45am – 11:55am	Undergrounding presentation
12:00pm	<b>Third SPP tour</b>
12:00pm – 12:10pm	RurAL Cap presentation
12:15pm – 12:25pm	My Account presentation
12:30pm – 12:45pm	Chugach CEO Lee Thibert
1:00pm	<b>Fourth SPP tour</b>
2:00pm	Event Ends

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

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

**September 27, 2017**

**ACTION REQUIRED**

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

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

**TOPIC**

Approve NRECA Resolutions

**DISCUSSION**

The NRECA 2017 Proposed Resolutions have been provided to the Board of Directors.

**MOTION**

Move that the Board of Directors accept the NRECA 2017 Proposed Resolutions.



## **The National Resolutions Committee Report and 2017 Compendium of Proposed Resolutions**

The National Resolutions Committee met on June 23, 2017, at NRECA in Arlington, Virginia. NRECA members were able to watch the meeting live on Cooperative.com as the Committee discussed proposals submitted by the membership.

Submissions were considered in light of the existing policy resolutions adopted by voting delegates at the 75th NRECA Annual Meeting in San Diego. The Committee voted to forward three new resolutions, amendments to four existing resolutions, a revised preamble statement for the member resolutions booklet, and a recommendation against the adoption of two existing resolutions for consideration at the 2017 Regional Meetings. Explanations of the Committee's actions follow the language of each proposal in the Compendium.

NRECA and the Committee continually strive to make the resolutions process open and accessible to the membership. Members were invited to call in and present their submissions to the Committee. These conference calls allowed for a dialogue and a better understanding of members' ideas. Together, the Committee and members were able to collaborate on the final language presented in the Compendium. It has been a great improvement to our annual summer meeting.

### **Proposals Not Advanced to the Regional Meetings**

The Committee includes these brief explanations on why the following proposals are not included in the 2017 Compendium of Proposed Resolutions. These proposals, as submitted by members, are available for review [on the Resolutions Committee page of Cooperative.com](#). As a reminder, any NRECA voting member may re-introduce these concepts (or new proposals) at a Regional Meeting. The Committee encourages members to work with regional resolutions committees in Regions 1 and 4 to insert proposals early in the process and allow for input from all Regions. Regional committee rosters are available on [the member resolutions process section of Cooperative.com](#).

*Retirement Security Defined Benefit Plan discussion topic, submitted by Runestone Electric Association, Minnesota.* Based on additional information and clarification provided by Peter Baxter, Plan Administrator of the Retirement Security Plan, to both the Committee and Kristin Dolan of Runestone Electric, including a review of the language in the existing resolution, "Employee Retirement Benefits" (pp. 14 & 74), and the activities that NRECA already has underway in support of legislation (H.B. 1962 and S.B. 852) that will help reduce electric cooperative costs associated with participating in, and exiting, the NRECA defined benefit plan, the requesting member expressed satisfaction that the concern raised was adequately addressed in the current resolution and the Committee chose not to forward a proposal.

*“Wholesale Power Contracts” (pp. 9 & 54), discussion topic from the National Resolutions Committee’s January meeting.* Following a robust discussion on wholesale power contracts and PURPA, the Committee agreed this resolution is adequate as it is currently written and no amendments are necessary at this time. The Committee suggested the best way to address any PURPA issues should be handled through an amendment to the existing PURPA resolution or through a new resolution. No further action was taken.

*Proposed amendment to the existing resolution, “Development of a Plan to Meet the Fuel Requirements of the New Natural Gas Fleet and Comply with Environmental Regulations” (pp. 7 & 46), submitted by Tri-State G&T Association, Colorado.* The Committee discussed Tri-State G&T Association’s proposed amendment to the policy background of the resolution and incorporated it into the policy background of the “Tax-Exempt Financing” (pp. 4 & 30) resolution since the language addresses tax credits. Additionally, the Committee amended the name of “Tax-Exempt Financing” to “Energy Tax Policy” since the scope of the resolution encompasses more than financing. The revised policy background and proposed new title will be available for voting delegates and members to review prior to the 2018 NRECA Annual Business Meeting in Nashville.

*Update to “Telecommunications Services for Rural America” policy background statement (p. 88), submitted by the Nebraska Rural Electric Association (NREA).* NREA recommended amending the policy background to address the lack of cell coverage in rural areas. NREA explained that the resolution itself includes a reference to cell service; however the policy background does not. After discussion, the Committee approved adding “and cell” to the first sentence of the second paragraph of the policy background after “broadband.” The revised policy background will be available for voting delegates and members to review prior to the 2018 NRECA Annual Business Meeting in Nashville.

*“National Rural Telecommunications Cooperative Legislative Issues” (pp. 26 & 100), discussion topic from the National Resolutions Committee’s January meeting.* Following the Committee’s discussion of a proposed new broadband resolution, “Broadband for Rural America,” and discussion regarding existing resolution “Telecommunications Services for Rural America,” the Committee felt that they sufficiently covered the topics initially slated for discussion and therefore took no action on this item.

*Proposed amendment to the existing resolution, “Ensuring Adequate Federal Funds to Combat Wildfires” (pp. 22 & 89), submitted by Anza Electric Cooperative, California.* The Committee felt the proposed language included very specific language for those regions and states impacted by wildfires. The Committee asked NRECA staff to discuss the issues raised in this proposal with affected members in regions and states with significant federal lands to address member concerns.

*“Rural Home Protection Act,” submitted by Anza Electric Cooperative, California.* After discussion on this proposed new resolution, the Committee felt this is a local issue rather than a national issue that would merit an NRECA member resolution.

*In Conclusion*

The Committee hopes that the membership finds this report informative. We encourage you to discuss the proposed resolutions with your boards and state associations. We also encourage you to add your cooperative's input to these proposals and the member resolutions process by participating at your upcoming Regional Meeting. If you have not yet certified a voting delegate for the Regional Meeting, there's still time. Please contact NRECA Membership & Association Support Services at (703) 907-5868 or [VotingDelegates@nreca.coop](mailto:VotingDelegates@nreca.coop) if you have questions.

*Dave Wheelihan*  
Chair

*Jack Reasor*  
Vice Chair



## National Resolutions Committee

**Chair: Dave Wheelihan, Region 9**

**Vice Chair: Jack Reasor, Region 1**

<b>Dave Wheelihan, CEO</b> Montana Electric Cooperatives' Association	<b>Region 9</b>	<b>Legislative Chair</b>
<b>Barry Hart, Exec. Vice President and CEO</b> Assoc. of Missouri Electric Cooperatives	<b>Region 8</b>	<b>Legislative Vice Chair</b>
<b>Jack Reasor, President and CEO</b> Old Dominion Electric Cooperative, Virginia	<b>Region 1</b>	<b>Regulatory Chair</b>
<b>David Crabtree, Vice President and General Counsel</b> Deseret G&T, Utah	<b>Region 9</b>	<b>Regulatory Vice Chair</b>
<b>Mark Stubbs, General Manager and CEO</b> Farmers Electric Cooperative, Texas	<b>Region 10</b>	<b>CMEC Chair</b>
<b>Markus Bryant, General Manager</b> Lorain-Medina REC, Ohio	<b>Region 4</b>	<b>CMEC Vice Chair</b>
<b>Mike Smith, President and CEO</b> Oglethorpe Power Corporation, Georgia	<b>Region 2</b>	<b>Regional Representative Regulatory Member</b>
<b>Mike Partin, President and CEO</b> Sequachee Valley Electric Co-op, Tennessee	<b>Region 3</b>	<b>Regional Representative Legislative Member</b>
<b>Gary Martin, Director</b> Menard Electric Cooperative, Illinois	<b>Region 5</b>	<b>Regional Representative CMEC Member</b>
<b>Rick Lancaster, Vice President and Chief Generation Officer</b> Great River Energy, Minnesota	<b>Region 6</b>	<b>Regional Representative Regulatory Member</b>
<b>Don Kaufman, President and Director</b> Sangre De Cristo Electric Assn., Colorado	<b>Region 7</b>	<b>Regional Representative Legislative Member</b>

*The Committee's current term runs until the conclusion of the 2018 NRECA Annual Meeting. The committee is comprised of the chairs and vice chairs of each of the three NRECA Member Standing Committees – Legislative; Regulatory; Cooperative Management, Employment and Community (CMEC). To ensure each Region is represented, the NRECA President appoints additional individuals from the Standing Committees. To contact the committee, please email [resolutions@nreca.coop](mailto:resolutions@nreca.coop).*

# 2017 Compendium of Proposed Resolutions

## **Proposed New Resolutions – Forwarded with Recommendation for Adoption**

- (1) Broadband for Rural America
- (2) Promoting the Benefits of End-Use Electrification

## **Proposed Amendments – Forwarded with Recommendation for Adoption**

*Deletions are shown as ~~strikethroughs~~, and new language is underlined. Page numbers refer to the [2017 Member Resolutions booklet](#).*

- (3) Federal Clean Air Regulation (pp. 11 & 64)
- (4) Greenhouse Gas Emissions (pp. 10 & 58)
- (5) Development of a Plan to Meet the Fuel Requirements of the New Natural Gas Fleet and Comply with Environmental Regulations (pp. 7 & 46)
- (6) Protection of Federal Hydropower Customers Through Proper Allocation of Dam Repair Costs (*split from existing resolution Protection of Dams and Allocation of Dam Repair Costs (pp. 5 & 38)*)
- (7) Protection of Federal Dams (*split from existing resolution Protection of Dams and Allocation of Dam Repair Costs (pp. 5 & 38)*)

## **Proposed Courtesy Resolutions – Forwarded with Recommendation for Adoption**

- (8) Honoring Electric Cooperative Workers' Roles as First Responders
- (9) NRECA and America's Electric Cooperatives

## **Existing Resolutions – Forwarded with Recommendation against Adoption**

- (10) Overhead Charges for Mutual Aid Assistance (pp. 19 & 83)
- (11) Keystone XL Pipeline (pp. 27 & 104)
- (12) Existing Preambles to the Member Resolutions (*Electric Cooperative Principles; Electric Cooperative Platform for Our Energy Future; and Electric Energy Consumer Bill of Rights (pp. 1-3)*)

*Please note, policy background statements accompany each resolution and are intended to provide additional information to educate voting delegates and the membership. Only the resolutions are voted upon.*

1 **(1) Proposed New Resolution – Forwarded with Recommendation for Adoption**

2 *Submitted by the Michigan Electric Cooperative Association, Michigan*

3  
4  
5 **Broadband for Rural America**

6  
7 We urge NRECA to take a prominent leadership and advocacy role in the U.S. Congress,  
8 with the Administration, and at the Federal Communications Commission (FCC) to ensure  
9 cooperatives have the ability to provide broadband voluntarily, on their own or in partnership  
10 with other local providers, in rural America.

11 Leadership from NRECA is critical to present a unified voice for America’s electric  
12 cooperatives by working together with other rural/industry advocates such as the Utilities  
13 Technology Council; the National Rural Telecommunications Cooperative and other groups who  
14 share electric co-op interests in rural America.

15  
16 *Policy Background*

17 *The Telecommunications Act of 1996 directs the FCC to ensure that communications*  
18 *services and rates in rural areas are reasonably comparable to services and rates in urban*  
19 *areas. The FCC has fallen short of this mandate for too many of our rural communities.*  
20 *Without broadband, our communities are falling further behind.*

21 *Specifically, NRECA’s leadership is needed to advocate for federal funding via the*  
22 *FCC’s universal service fund (including the Connect America Fund) and any other federal*  
23 *grant/lending sources such as the Rural Utilities Service (RUS) for electric cooperatives.*  
24 *Electric cooperatives have not historically provided communications services and Members of*  
25 *Congress and regulators need to understand how electric cooperatives are able to leverage their*  
26 *existing infrastructure to deploy broadband and, in so doing, transform their communities.*

27 *Electric cooperatives have been leaders in rural America for nearly a century – dating*  
28 *back to the 1930s when committed leaders in rural America formed rural electric cooperatives to*  
29 *bring electricity to areas that were being left behind by private utilities whose motive was*  
30 *profit—not service. In many rural areas, we face a similar critical divide today with respect to*  
31 *access to quality, reliable broadband.*

32 *Large, typically investor-owned, broadband providers are deploying high-speed*  
33 *broadband services in the more populated areas of the country but are bypassing too many of*  
34 *our communities for the same reason investor-owned utilities chose to ignore rural America in*  
35 *the 1930s—sparsely populated areas = nominal or negative profit. Yet, without broadband, our*  
36 *communities cannot survive.*

37 *Today, like the 1930s, electric cooperatives are answering the call of their communities*  
38 *by bringing light to rural areas that have been left in digital darkness. According to the National*  
39 *Rural Telecommunications Cooperative, there are currently more than 250+ electric*  
40 *cooperatives throughout the country either deploying or studying deployment of broadband in*  
41 *rural America.*

42 *Access to broadband brings world-class educational opportunities for our children,*  
43 *enhanced health care, and, most importantly, turns economic development initiatives into reality.*  
44 *In short, rural America and its residents receive broadband services on a level consistent with*  
45 *their urban and suburban counterparts as Congress envisioned when it created the universal*  
46 *service program.*

49 **National Resolutions Committee Action:** The Committee recommends for the adoption of this  
50 resolution as presented. The Committee moved the proposed second paragraph to the policy  
51 background as supporting language and included the word “voluntarily” since cooperatives  
52 should be able to determine whether or not to provide broadband services.

53

54 **Region Actions:**

1 **(2) Proposed New Resolution – Forwarded with Recommendation for Adoption**

2 *Submitted by Golden Spread Electric Cooperative*

3  
4  
5 **Promoting the Benefits of End-Use Electrification**

6  
7 We urge NRECA to engage the membership, industry stakeholders, policymakers and  
8 regulators on the economic and environmental benefits of electrification. We further urge  
9 NRECA to support analysis to quantify and communicate the benefits of increased electrification  
10 of the economy. Promoting electrification throughout the economy has the potential to provide a  
11 wide variety of economic and environmental benefits to local communities and the nation while  
12 increasing electricity sales for electric cooperatives.

13  
14 *Policy Background*

15 *With advances in electric end-use technology and transitions to lower-emitting*  
16 *technologies, there is an opportunity to substitute electricity for other energy sources in many*  
17 *sectors of our economy. For example, further electrification of the transportation sector will*  
18 *result in decreased carbon, nitrogen oxide and carbon dioxide levels. There is increasing*  
19 *recognition that policy goals focused on mandating the reduction of kWh sales can be*  
20 *counterproductive to national economic and environmental goals. NRECA should develop*  
21 *analysis and work to communicate the benefits of electrification to support electricity as a*  
22 *beneficial end-use option in end-uses such as agricultural pumping, space and water heating,*  
23 *transportation, industrial processes and other sectors that currently rely on direct combustion of*  
24 *fossil fuels.*

25  
26  
27 **National Resolutions Committee Action:** The Committee recommends for the adoption of this  
28 resolution as presented. The Committee made a minor wording edit in the last sentence of the  
29 resolution for clarity.

30  
31 **Region Actions:**

1 **(3) Proposed Amendment to Existing Resolution – Forwarded with Recommendation for**  
2 **Adoption**

3 *Submitted by Golden Spread Electric Cooperative, Texas; Minnkota Power Cooperative, North*  
4 *Dakota; Old Dominion Electric Cooperative, Virginia; and Tri-State G&T Association,*  
5 *Colorado*

6  
7  
8 **Federal Clean Air Regulation**

9 We urge NRECA to take all appropriate actions to protect the interests of the cooperative  
10 member-owner to ensure that EPA’s Clean Air Act (CAA) regulations are legal, cost-effective,  
11 sensible, and address conflicting emissions reduction requirements, and address scientifically  
12 demonstrable and significant environmental impacts.

13 ~~We oppose use of the CAA to regulate greenhouse gas emissions~~ **urge NRECA to**  
14 **work with the Administration to protect the interests of electric cooperatives in any effort**  
15 **to revise or repeal the Clean Power Plan.**

16 Additionally, we urge NRECA to examine programs incorporating financial incentives to  
17 reduce the costs of compliance with mitigating air emissions and to recommend changes or  
18 additions to ensure that these incentives would be equally beneficial to the cooperatives as  
19 compared to the other utility sectors.

20  
21 *Policy Background*

22 *NRECA should advocate regulatory programs that incorporate the following principles:*

- 23 • *All regulations should meet their environmental goals in a most cost-effective manner,*  
24 *should incorporate provisions that minimize economic impacts on the electric*  
25 *consumer, allow utilities as much flexibility and local control as possible, recognize the*  
26 *need to provide economic and reliable electric power, and consider the regulatory*  
27 *effects on emerging competitive electricity markets.*
- 28 • *Specific programs to address pollutants commonly associated with coal-based electric*  
29 *generation such as sulfur dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), fine particulate matter*  
30 *(PM<sub>2.5</sub>), and mercury should avoid overlapping and potentially conflicting*  
31 *requirements and should include provisions that provide adequate timelines and*  
32 *reasonable certainty regarding the installation of additional pollution controls and the*  
33 *imposition of other mandates.*
- 34 • *The New Source Review Program should make clear that physical and operational*  
35 *changes at existing generating facilities to maintain reliability or increase efficiency*  
36 *are excluded from new source review requirements.*
- 37 • **Regulation of existing sources for CO<sub>2</sub> and other GHGs should fall within the**  
38 **limited authority given in the enabling regulatory statute, and should not usurp the**  
39 **role of Congress in setting policy.**
- 40 • *The program to mitigate mercury air emissions (Utility Mercury and Air Toxics*  
41 *Standards Rule) should initially evaluate and consider the extent to which regulations*  
42 *that address non-toxic pollutants over the next decade will mitigate mercury emissions*  
43 *as well as public health and environmental concerns, and should then evaluate and*  
44 *consider the effects that additional specific mercury reduction requirements would have*  
45 *on improving the public health or environment before imposing such additional*  
46 *requirements. If the Clean Power Plan and other regulations on coal plants reduce*  
47 *mercury emissions, those reductions should be taken into account in conducting the*  
48 *cost benefit analysis for mercury reductions under UMATS.*

- 49 • *EPA should not be permitted to double count environmental and health benefits arising*  
50 *from different environmental regulations.*
- 51 • *Programs to address regional ozone non-attainment and regional haze visibility*  
52 *impairment should fully recognize state flexibilities inherent in the State*  
53 *Implementation Plan (SIP) process by allowing states the options to define and enact*  
54 *programs to achieve “reasonable progress” and “best available retrofit technologies”*  
55 *for regional haze. States that comply with the Cross State Air Pollution Rule (CSAPR)*  
56 *should be given full credit for regional haze compliance.*
- 57 • *Programs and policies of the Federal Land Managers (FLMs) to “protect air quality*  
58 *related values” (AQRVs) as required under the CAA should be revised to be consistent*  
59 *with CAA provisions, including the limited FLM authorities to regulate and the*  
60 *specified burdens of the regulated to demonstrate CAA compliance.*
- 61 • *Programs or plant projects required to reduce traditional criteria pollutants (NOx,*  
62 *SOx, PM) that increase plant heat rates and drive up CO2 emission rates and/or*  
63 *trigger New Source Review should be reconciled to accommodate the conflicting goals*  
64 *of each rule. Each EPA program should account for the impacts of one rule on another*  
65 *when issuing compliance guidance.*  
66
- 

67

68 **National Resolutions Committee Action:** The Committee recommends for the adoption of this  
69 proposed amendment as presented. The Committee considered three different versions of  
70 amendments and ultimately supports this version which urges NRECA to work with the new  
71 Administration to protect the interests of electric cooperatives “in any effort to revise or repeal  
72 the Clean Power Plan.”

73

74 **Region Actions:**

1 **(4) Proposed Amendment to Existing Resolution – Forwarded with Recommendation for**  
2 **Adoption**

3 *Submitted by Minnkota Power Cooperative, North Dakota; Old Dominion Electric Cooperative,*  
4 *Virginia; Seminole Electric Cooperative, Florida; and Tri-State G&T Association, Colorado*

7 **Greenhouse Gas Emissions**

8 We urge NRECA to be informed and actively engaged to ensure that any government  
9 action (executive, legislative or regulatory) to address greenhouse gas emissions protects the  
10 interests of, and minimizes the economic impacts to, electric cooperatives and our member-  
11 owners, and allows cooperatives to continue to provide affordable, reliable, and safe electric  
12 power.

13 We also urge NRECA to support research and technology development for projects that  
14 can help to economically mitigate carbon dioxide emissions. Furthermore, we **support an open**  
15 **dialogue and** encourage other organizations’ continued research efforts to determine the validity  
16 and extent of human-caused climate change, and also efforts to determine the cost effectiveness  
17 of **carbon mitigation proposals** ~~the EPA’s Clean Power Plan~~ on future world climate  
18 conditions. We urge NRECA to continue educating member-owners of electric cooperatives,  
19 policy-makers and the general public of the cost and consequences of government action on  
20 greenhouse gas emissions.

22 *Policy Background*

23 *Many national and international policymakers, industries and environmental groups*  
24 *focus on and continue to work to develop policies intended to mitigate human contributions of*  
25 *greenhouse gas to the atmosphere in order to address climate change concerns. Because*  
26 *approximately half of the nation’s overall electric production, and more than two-thirds of the*  
27 *electric cooperatives’ generation is from coal, the NRECA membership has a keen interest in*  
28 *proposals to mitigate greenhouse gas emissions.*

29 *Policies to address climate change can have substantial impacts on electric cooperative*  
30 *member-owners; therefore, it is in the interest of all cooperatives to be actively engaged in the*  
31 *debate over climate change. If fully implemented, EPA’s CPP has the potential to significantly*  
32 *and adversely impact many rural electric cooperative systems through higher rates and the*  
33 *potential of reduced reliability of electrical service. NRECA supports the goal of reducing*  
34 *carbon emissions in the United States, but believes the goals and approaches taken should rely*  
35 *on accurate assumptions and analysis. There are a number of government and non-government*  
36 *organizations addressing research and development efforts, and the effectiveness of different*  
37 *approaches to reduce carbon emissions world-wide. We urge NRECA staff to monitor these*  
38 *efforts as appropriate, to educate through forums, to encourage fair debate on the merits of*  
39 *different approaches to potential adverse effects of electric generation, to protect the interests of,*  
40 *and to minimize the economic impacts of government action on electric cooperatives.*

41 *During the debates of cap-and-trade legislation in Congress, NRECA's members adopted*  
42 *detailed resolutions urging NRECA to ensure that such plans included certain elements that*  
43 *would reduce the economic impact on member-owners when compared with other alternatives.*  
44 *The text of the resolutions’ guidelines is immediately below for historical purposes.*

45 *In any climate change policy debate, electric cooperatives support policy that includes*  
46 *the following principles:*

- 47 • *Any plan should cover emissions from all sectors of the economy, not simply electricity*  
48 *generation, and should include provisions to ensure that other nations, including both*



- 49 *developed and developing, are enacting policies to address this issue within their own*  
50 *borders. Such provisions should ensure a level playing field with respect to carbon*  
51 *costs or taxes for international trade and not result in disadvantages for U.S.*  
52 *manufacturers or businesses.*
- 53 • *Any plan should recognize the need to construct new generation to preserve electric*  
54 *reliability, replace aging generation plants and to meet increasing demand.*  
55 *Cooperatives are committed to take steps to implement cost-effective energy efficiency*  
56 *and to look at reasonable alternatives. Even so, new generation will be needed to meet*  
57 *load growth reliably.*
  - 58 • *Any climate change proposal should maintain fuel diversity, allowing a variety of fuel*  
59 *sources to meet the energy and economic needs of the country. Provisions to encourage*  
60 *new nuclear generation should eliminate barriers to cooperatives participating in new*  
61 *projects with non-cooperative partners and should grant cooperatives a right to*  
62 *participate in new nuclear projects.*
  - 63 • *Any plan should recognize that regional differences in generation fuel mix,*  
64 *demographics, natural resources, climate, and geology will cause one-size-fits-all*  
65 *mandates to have disproportionate cost impacts across the country.*
  - 66 • *Any proposal should include provisions, such as an economic safety-valve, to protect*  
67 *the U.S. economy from significant impacts. Additionally, Congress should work to*  
68 *protect both urban and rural consumers from any significant economic impacts from*  
69 *climate change legislation.*
  - 70 • *Any plan should recognize that in the short term, terrestrial sequestration,*  
71 *conservation, and energy efficiency appear to be among the most cost-effective methods*  
72 *of mitigating greenhouse gas emissions at this time. Additionally, it should be*  
73 *recognized that sequestration can provide benefits to rural areas and agricultural- and*  
74 *forestry-based economies. Any plan should incentivize long-term improvements in cost-*  
75 *effective energy efficiency and conservation by end-use consumers.*
  - 76 • *Any plan should recognize that in the long term, new technologies including the*  
77 *capture and sequestration of carbon dioxide from power plants will be critical to*  
78 *addressing this issue, but cost-effective, commercially available technologies are still in*  
79 *development and are years or decades away from large-scale commercial applications.*  
80 *Every effort must be made, and appropriate funding provided, to accelerate the*  
81 *research, development, demonstration, and commercialization of these technologies.*
  - 82 • *Any plan should encourage cost-effective reductions and should provide incentives*  
83 *available to all segments of the utility industry including cooperatives to develop and*  
84 *deploy advanced electric generation, transmission, and distribution technologies.*
  - 85 • *Any plan should recognize that climate change policy and energy policy are*  
86 *inextricably linked, and that these policies can have a significant impact on our*  
87 *nation's economic and energy security.*
  - 88 • *Any plan should remove regulatory and other impediments to increasing the efficiency*  
89 *of existing generating units.*
  - 90 • *Any climate change or energy legislation with climate change provisions should*  
91 *include a nuclear title with a cooperative nuclear incentive comparable to IOU and*  
92 *municipal incentives. Further, any plan should recognize nuclear (existing, new, and*  
93 *incremental) as a critical non-CO2-emitting source of generation.*
  - 94 • *Any plan should establish a responsible legal, regulatory, and liability framework to*  
95 *allow for geologic sequestration of CO2, including provisions that allow for siting of*  
96 *pipelines to transport CO2 to injection locations.*

- Any plan should establish a single, integrated program establishing the sole legal and regulatory requirements for reducing greenhouse gas emissions, and should pre-empt existing federal laws (including the Clean Air Act, Clean Water Act, Endangered Species Act) and state laws that could be used to require emission reductions absent such pre-emption.
- **Any plan should consider the marginal cost of replacing fossil-fuel generation with renewable generation and very high-cost backup generation as the percentage of renewables in the generation mix increases. The plan should support the mix of resources that is the lowest cost option, while still protecting the reliability and resiliency of the grid, and while still providing competitive and low-cost electricity that will allow us to compete in a global market where the cost of electricity is one of the crucial factors that will allow us to remain competitive.**
- Any revenues derived from climate change legislation should be dedicated to fund research, development and deployment of low-carbon, carbon-neutral or carbon-free technologies, energy efficiency, and/or to assist electric consumers in paying for increased costs resulting from the legislation.

CCS and CCU Technologies. Developing cost-effective technologies to capture and sequester carbon dioxide from power plants has been identified as a critical research and development need to address concerns about climate change. Electric cooperatives are actively engaged with efforts to make carbon capture and sequestration (CCS) and carbon capture and utilization (CCU) technology a viable choice. In order to solve the technological challenges that prevent CCS and CCU from becoming a reality, we must ensure that cooperatives can effectively mitigate their financial risks along a lengthy and complex transaction chain and a stable regulatory environment. Needed measures include:

- A federal structure for liability.
- Federal support for Enhanced Oil Recovery.
- The Rural Utilities Service (RUS) to be allowed to finance CCS and CCU projects, including support for associated base load energy projects.
- Continuation of the federal Clean Coal Power Initiative (CCPI).
- States to increase monetary support for CCS and CCU projects.
- Elimination of federal or state limitations on CCS and CCU projects that require international cooperation.
- Enhancements to the tax credits at Section 45Q of the Internal Revenue Code, including:
  - Enabling their effective use by not-for-profit cooperatives or not-for-profit research and development organizations.
  - Allowing developers to take the credit in the form of a grant.
  - Making credits available to projects without geographic limitations.
- Research and development funding for CCS in a manner that will bring this needed technology to commercial availability as rapidly as is practical without imposing unnecessary burdens on consumers.

Various legislative proposals to constrain CO<sub>2</sub> emissions have included consideration of CCS and CCU issues. Any such legislation should:

- Include bonus and early action credit for CCS and CCU developers.
- Ensure that any reverse auction provide some certainty as to project support prior to project approval.

Carbon Allowance Allocation. As preference customers of the Bonneville Power Administration (BPA), electric cooperatives in the Northwest have long relied upon ways of

145 meeting electrical demand without generating CO2 emissions, specifically through renewable  
146 hydroelectric power, conservation and nuclear energy. However, electric cooperatives in the  
147 Northwest are not immune to changes in federal carbon policy, and they are susceptible to  
148 federal salmon recovery initiatives that reduce the amount of preference power available from  
149 BPA which dramatically increases electric rates paid by Northwest cooperative members.

150 In addition to the loss of preference power from salmon recovery initiatives, the new BPA  
151 post-2011 power contracts have introduced marginal pricing for load growth which may limit  
152 BPA's involvement in meeting the load growth of many of its preference customers. As a result,  
153 many electric cooperatives will need to invest in new resources to meet their load growth. In  
154 order to meet base-load requirements of load growth, and replace hydropower lost because of  
155 salmon recovery initiatives, it is probable that many of the new resources will be fossil-fired. In  
156 the near future, Northwest cooperatives may be adding carbon based resources, rather than  
157 eliminating them.

158 If allowance allocation issues are considered, Northwest electric cooperatives are not  
159 advocating for a disproportionate share of allowances. No utility should be provided a  
160 disproportionate share of allowances. Northwest cooperatives support a fair, equitable  
161 allowance allocation proposal that protects our ability to meet future load growth and addresses  
162 replacement of lost renewable hydropower, while mitigating the impact on electric cooperatives  
163 that have a heavier reliance on coal. However, it would be unfair for the Northwest to be  
164 disadvantaged on carbon allocations, and then forced to build carbon based facilities because of  
165 shifting federal policies on hydropower generation.

166 Support for Domestic and International Offsets. An "offset" component of cap-and-trade  
167 climate change legislation allows utilities to satisfy a portion of their compliance obligation with  
168 government-certified, emissions-reducing, or sequestration-increasing activities in areas not  
169 covered by the cap. Offset activities can occur domestically or internationally. Much of this  
170 sequestration would occur in areas served by electric cooperatives and provide a revenue stream  
171 to rural landowners.

172 Offsets are a lower cost means of achieving real greenhouse gas emission reductions.  
173 Land management techniques can be much less costly than acquiring new, lower-emission  
174 generation sources. Eliminating or severely curtailing the use of offsets could result in  
175 significant increases in the price of emission allowances. An effective, sustainable offset program  
176 should adhere to the following principles:

- 177 • An offset program must be voluntary and should include emission-reducing agriculture  
178 and forestry activities. It should give agriculture and forestry producers the flexibility  
179 needed to accommodate the wide range of ecological and economic circumstances  
180 found throughout the country.
- 181 • Offsets should be unlimited. The number of voluntary participants and the verification  
182 process itself will limit the size of the domestic offset program. If the goal of climate  
183 change legislation is to reduce CO2 in the atmosphere, there is no reason to limit the  
184 use of carbon offsets that can be measured, monitored, and verified.
- 185 • Offsets should be real, additional, verified, registered, and of an acceptable duration. A  
186 measurement protocol must be developed that allows for a practical, workable system  
187 that will result in real emission reductions and a robust offset market. USDA should  
188 perform verification services, rather than EPA or other agencies.
- 189 • Qualifying international offset credits should be awarded based on methods, protocols,  
190 and standards as stringent as the methods, protocols, and standards applied to  
191 domestic offsets.

- 192                   • *One offset credit should be equivalent to one allowance, thereby fully protecting a*  
193                   *buyer from any project-specific offset risk.*  
194
- 

195  
196 **National Resolutions Committee Action:** The Committee recommends for the adoption of this  
197 proposed amendment as presented. The Committee considered four different versions of  
198 amendments and ultimately supports this version which removes references to the Clean Power  
199 Plan (given EPA’s intent to repeal or revise the regulation). Language was also added to “support  
200 an open dialogue” regarding climate change.

201  
202 **Region Actions:**

1 (5) Proposed Amendment to Existing Resolution – Forwarded with Recommendation for  
2 Adoption

3 Submitted by Seminole Electric Cooperative, Florida; Minnkota Power Cooperative, North  
4 Dakota

5  
6  
7 Development of a Plan to Meet the Fuel Requirements of the  
8 New Natural Gas Fleet and Comply with Environmental Regulations  
9

10 We urge NRECA to work with the EPA, FERC, DOE, the natural gas industry, and other  
11 industry stakeholders to develop a plan that adequately considers the time required to implement  
12 the infrastructure necessary to meet the fuel requirements of the new fleet of natural gas  
13 generation, ~~as well as~~ **while continuing to** meet **environmental regulations** ~~the desired level~~  
14 ~~of carbon dioxide emission reduction in the Clean Power Plan or other regulations.~~

15  
16 Policy Background

17 Between 2015 and 2019, retirements of coal-fired generation will outpace the installation  
18 of new natural gas-fired generation capacity. Some of these retirements of older, less efficient  
19 coal plants were expected. However, the early retirement of coal units resulting from  
20 Environmental Protection Agency (EPA) regulations **or market forces** may create reliability risk  
21 if operationally flexible natural gas infrastructure cannot be constructed prior to the early plant  
22 retirements or conversions to natural gas.

23 ~~Clean Power Plan (CPP), the Mercury and Air Toxics Standards (MATS) rule, and~~  
24 ~~other regulations~~ **Several EPA regulations** will accelerate a comprehensive shift in the U.S.  
25 electric generation resource mix. The power industry's reliance on natural gas for generation  
26 will increase significantly due to the low cost of natural gas, coal plant retirements, and the  
27 intermittent nature of wind and solar generation which requires gas for back-up. ~~However,~~  
28 ~~under the EPA's proposed carbon dioxide reduction deadlines, there is not sufficient time to~~  
29 ~~adequately plan, design, and build new generation, transmission, and natural gas~~  
30 ~~infrastructure required to maintain reliability.~~

31 Lead times to construct new facilities are longer than ever, and continue to face siting  
32 and construction challenges. According to the Energy Information Administration (EIA), an  
33 interstate natural gas construction project will take approximately three years from the time it is  
34 first announced until the new pipeline is placed in service and large, complex projects can take  
35 even longer to complete. The timeline to identify a generation need, receive regulatory approval,  
36 and place the new generation in service can take between six and eight years (Figure 1). In  
37 addition, NERC has estimated that it can take up to 15 years to build a new 500 kV electric  
38 transmission line.

39 ~~In order to accomplish the goal of reduced carbon dioxide emissions of the CPP while~~  
40 ~~maintaining national grid reliability,~~ NRECA should work with industry stakeholders,  
41 legislators, and regulators to develop a plan that realistically considers the time required to  
42 install the necessary new natural gas-fired generation and associated pipeline infrastructure.  
43  
44  
45  
46  
47  
48

49 *Figure 1 Courtesy of ACES®*

Milestones in the Construction of a New Natural Gas Fired Generator		Approximate Timing
Site Development Timeline	Internal Analysis to Determine Capacity Needs	Months 1 – 6
	Site Analysis: Permitting, Fuel Capabilities, Grid Interaction, Environmental Issues	Months 6 – 12
	Send RFP to Determine market Costs to Provide vs. Self-Build Alternative	Months 6 – 12
	RTO Study	Months 6 – 24
	Selection of Generator Manufacturer	Months 6 – 24
	Certificate of Public Need and Convenience Process	Months 12 – 30
	State and Local Permitting Process	Months 12 – 30
Pipeline Construction Timeline	Develop Pipeline Design and Services	Months 12 – 27
	Conduct Pipeline Open Season	Month 26
	Execute Binding Pipeline Service Agreements	Month 26
	Initiate FERC Pre-Filing	Month 27
	File FERC Application	Month 33
	Purchase Pipe/Compression	Month 35
	Receive FERC Certificate	Month 35
	Commence Construction	Month 36
	Targeted In Service Date	Months 72 – 96
<b>Total Project Time</b>		<b>6 to 8 Years</b>

50

51

52 **National Resolutions Committee Action:** The Committee recommends for the adoption of this  
 53 proposed amendment as presented. The Committee considered four different versions of  
 54 amendments and ultimately supports this version which removes references to the Clean Power  
 55 Plan and broadens the resolution by clarifying that new electric cooperative generation will  
 56 continue to meet environmental regulations in general.

57

58 **Region Actions:**

1 (6) Proposed Amendment to Existing Resolution – Forwarded with Recommendation for  
2 Adoption

3 Submitted by the National Resolutions Committee  
4  
5

6 **Protection of Dams and Protection of Federal Hydropower Customers Through Proper**  
7 **Allocation of Dam Repair Costs**  
8

9 We urge NRECA to urge Congress and the Administration to direct the U.S. Army Corps  
10 of Engineers to follow the directives of the Dam Safety Act of 1986 in allocating **the** costs  
11 associated with dam safety repairs **among multiple project purposes.** ~~We also urge NRECA to~~  
12 ~~oppose dam breaching proposals.~~  
13

14 *Policy Background*

15 *In the Dam Safety Act of 1986 (Title XII of P.L. 99-662), Congress provided direction to*  
16 *the U.S. Army Corps of Engineers on how to allocate costs associated with structural repairs*  
17 *caused by dam safety concerns. The language reads, in part, that when “costs incurred in the*  
18 *modification ... of dams and related facilities ... the cause of which results from new hydrologic*  
19 *or seismic data or changes in state-of-the-art design or construction criteria deemed necessary*  
20 *for safety purposes ... 15 percent of the modification costs shall be assigned to project purposes*  
21 *in accordance with the cost allocation in effect for the project at the time work is initiated...”*  
22 *Congress recognized that cost-sharing among sponsors that benefit from dam operations –*  
23 *such as water supply utilities, irrigators, hydropower facilities, etc. – is required of many*  
24 *project purposes, and major expenses associated with safety repairs could have a crippling*  
25 *economic effect on those charged with recovering such costs.*

26 Unfortunately, experience has shown that the Corps has not been following the directives  
27 of the Dam Safety Act of 1986. For example, **recently** the Corps determined that Wolf Creek  
28 Dam on the Cumberland River in Kentucky was in danger of failure because it was built on  
29 bedrock of water soluble limestone, which over time had deteriorated, threatening downstream  
30 communities. **While** ~~the~~ law is clear that only 15 percent of the costs associated with the very  
31 expensive repairs should **have been** ~~be~~ allocated to **hydropower** project purposes under the  
32 provisions of the Dam Safety Act of 1986. ~~However,~~ the Corps allocated 100 percent of the costs  
33 to project purposes, which would have **required** **resulted in** a major increase in the rates  
34 charged for hydropower from the project to repay these costs.

35 Although **Southeastern Power Administration (SEPA)** was allowed to **reduce the**  
36 **allocation to PMA customers to 15 percent and to** implement a five-year rate using its  
37 determination of the proper application of the Dam Safety Act, there continues to be uncertainty  
38 over future application of the Act. In response to a December 2015 GAO report, the Corps  
39 agreed to clarify its applicable engineering regulation, but did not agree to change its position.

40 In light of the Corps’ disregard of statutory directives, Congress and the Administration  
41 should direct the Corps to follow the directives of the Act in allocating costs associated with dam  
42 safety repairs.

43 ~~Further, the removal of federal multipurpose dams or other navigational and~~  
44 ~~impoundment facilities is a shortsighted and irresponsible proposal that would create~~  
45 ~~potentially disastrous economic impacts, new environmental issues and imperil the reliability~~  
46 ~~of the nation’s entire hydropower system.~~

47 ~~In addition to depriving the nation of clean, renewable hydropower generated by~~  
48 ~~multipurpose dams, the breaching of multipurpose dams would wreak havoc on commerce~~

49 ~~dependent on barges and other waterway navigation, threaten the potable water supplies of~~  
50 ~~hundreds of towns and cities, unravel decades of wildlife mitigation efforts, and with regard to~~  
51 ~~farmland irrigation, render large sections of the country dependent upon these impoundments~~  
52 ~~barren and unproductive. In addition, at a time when the nation's electric utility industry is~~  
53 ~~undergoing massive changes and concerns about reliability are paramount, breachings not~~  
54 ~~only endanger the reliability of the power supply but could add millions of dollars to a region's~~  
55 ~~power bills. The breadth and scope of the impacts are staggering.~~

56 ~~Removing clean, renewable hydroelectric power from the nation's inventory of electric~~  
57 ~~power resources, especially at a time when the demand for high-quality electricity is rising~~  
58 ~~precipitously, would require the replacement of that electricity with less environmentally~~  
59 ~~friendly combustion generation.~~

60

61

62 **National Resolutions Committee Action:** The Committee recommends for the adoption of this  
63 proposed amendment which extracts language concerning the allocation of dam repair costs from  
64 existing resolution "Protection of Dams and Allocation of Dam Repair Costs." The Committee  
65 proposes adding additional language at the end of the resolution to broaden the scope; however,  
66 they do not wish to change the purpose or intent of the resolution. The Committee feels this issue  
67 is separate and distinct from the protection of dams issue and warrants an individual resolution.

68

69 **Region Actions:**



1 (7) Proposed Amendment to Existing Resolution – Forwarded with Recommendation for  
2 Adoption

3 Submitted by the National Resolutions Committee  
4  
5

6 **Protection of Federal Dams and Allocation of Dam Repair Costs**  
7

8 We urge NRECA to ~~urge Congress and the Administration to direct the U.S. Army~~  
9 ~~Corps of Engineers to follow the directives of the Dam Safety Act of 1986 in allocating costs~~  
10 ~~associated with dam safety repairs. We also urge NRECA~~ to oppose dam breaching  
11 proposals.  
12

13 *Policy Background*

14 ~~*In the Dam Safety Act of 1986 (Title XII of P.L. 99-662), Congress provided direction*~~  
15 ~~*to the U.S. Army Corps of Engineers on how to allocate costs associated with structural*~~  
16 ~~*repairs caused by dam safety concerns. The language reads, in part, that when “costs incurred*~~  
17 ~~*in the modification ... of dams and related facilities ... the cause of which results from new*~~  
18 ~~*hydrologic or seismic data or changes in state-of-the-art design or construction criteria*~~  
19 ~~*deemed necessary for safety purposes ... 15 percent of the modification costs shall be assigned*~~  
20 ~~*to project purposes in accordance with the cost allocation in effect for the project at the time*~~  
21 ~~*work is initiated...” Congress recognized that cost-sharing is required of many project*~~  
22 ~~*purposes, and major expenses associated with safety repairs could have a crippling economic*~~  
23 ~~*effect on those charged with recovering such costs.*~~

24 ~~*Unfortunately, experience has shown that the Corps has not been following the*~~  
25 ~~*directives of the Dam Safety Act of 1986. For example, the Corps determined that Wolf Creek*~~  
26 ~~*Dam on the Cumberland River in Kentucky was in danger of failure because it was built on*~~  
27 ~~*bedrock of water soluble limestone, which over time had deteriorated, threatening downstream*~~  
28 ~~*communities. The law is clear that only 15 percent of the costs associated with the very*~~  
29 ~~*expensive repairs should be allocated to project purposes under the provisions of the Dam*~~  
30 ~~*Safety Act of 1986. However, the Corps allocated 100 percent of the costs to project purposes,*~~  
31 ~~*which would have required a major increase in the rates charged for hydropower from the*~~  
32 ~~*project to repay these costs. Although SEPA was allowed to implement a five-year rate using*~~  
33 ~~*its determination of the proper application of the Dam Safety Act, there continues to be*~~  
34 ~~*uncertainty over future application of the Act. In response to a December 2015 GAO report,*~~  
35 ~~*the Corps agreed to clarify its applicable engineering regulation, but did not agree to change*~~  
36 ~~*its position.*~~

37 ~~*In light of the Corps’ disregard of statutory directives, Congress and the*~~  
38 ~~*Administration should direct the Corps to follow the directives of the Act in allocating costs*~~  
39 ~~*associated with dam safety repairs.*~~

40 ~~*Further,*~~ ~~*t*~~The removal of federal multipurpose dams or other navigational and  
41 impoundment facilities is a shortsighted and irresponsible proposal that would create potentially  
42 disastrous economic impacts, new environmental issues and imperil the reliability of the nation’s  
43 entire hydropower system.

44 In addition to depriving the nation of clean, renewable hydropower generated by  
45 multipurpose dams, the breaching of multipurpose dams would wreak havoc on commerce  
46 dependent on barges and other waterway navigation, threaten the potable water supplies of  
47 hundreds of towns and cities, unravel decades of wildlife mitigation efforts, and with regard to  
48 farmland irrigation, render large sections of the country dependent upon these impoundments

49 *barren and unproductive. In addition, at a time when the nation’s electric utility industry is*  
50 *undergoing massive changes and concerns about reliability are paramount, breachings not only*  
51 *endanger the reliability of the power supply but could add millions of dollars to a region’s power*  
52 *bills. The breadth and scope of the impacts are staggering.*

53 *Removing clean, renewable hydroelectric power from the nation’s inventory of electric*  
54 *power resources, especially at a time when the demand for high-quality electricity is rising*  
55 *precipitously, would require the replacement of that electricity with less environmentally friendly*  
56 *combustion generation. **We urge NRECA to oppose proposals to breach dams where such***  
57 ***proposals would have severe economic and community development impacts as described***  
58 ***herein.***

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60  
61 **National Resolutions Committee Action:** The Committee recommends for the adoption of this  
62 proposed amendment which extracts language addressing the protection of dams from existing  
63 resolution “Protection of Dams and Allocation of Dam Repair Costs.” The Committee does not  
64 wish to change the purpose or intent of the resolution, rather they feel this issue is separate and  
65 distinct from the allocation of dam repair costs issue and warrants an individual resolution.

66  
67 **Region Actions:**

1 **(8) Proposed New Courtesy Resolution – Forwarded with Recommendation for Adoption**  
2 *Submitted by Victoria Electric Cooperative, Texas*

3  
4  
5 **Honoring Electric Cooperative Workers’ Roles as First Responders**

6  
7 **We honor the service provided by rural electric cooperative workers as they provide**  
8 **critical support to police, fire, sheriffs and other organizations in responding to**  
9 **emergencies.**

10  
11 *Policy Background*

12 *NRECA and its members recognize and honor all electric utility workers who put their*  
13 *lives in harm’s way daily to serve and protect the communities throughout the United States of*  
14 *America.*

15 *Electric utility workers risk their own safety and personal property in the execution of*  
16 *their duties to provide essential electricity to the public on a daily basis. Electric utility workers*  
17 *are always ‘on call’ and stand ready to come to the aid of the citizens of the United States of*  
18 *America 24 hours every day. The immediate response of electric utility workers is a necessity in*  
19 *protecting the health and safety of the public during almost every public emergency situation.*  
20 *Electric utility workers are a vital part of every community serving as volunteers in schools,*  
21 *churches, non-profits, and community organizations. Electric utility workers consistently join*  
22 *both career and volunteer first responders to aid the public in the event of an emergency.*

23  
24  
25 **National Resolutions Committee Action:** The Committee recommends for the adoption of this  
26 resolution as submitted.

27  
28 **Region Actions:**

1 **(9) Proposed New Preamble for Member Resolutions – Forwarded with Recommendation**  
2 **for Adoption**

3 *Submitted by the National Resolutions Committee*  
4  
5

6 **NRECA and America’s Electric Cooperatives**  
7

8 The NRECA Member Resolutions are a foundational document which informs the  
9 activity and advocacy of the national organization for America’s Electric Cooperatives. The  
10 issues NRECA’s members face are complex and can affect individual electric cooperatives  
11 differently. However, electric cooperatives are united in their mission to provide safe, reliable  
12 and affordable electric power to member-owners. They work together to maintain adequate  
13 energy capacity, meet member-owners needs for access to electricity, provide leadership in  
14 communities, and protect the environment. NRECA supports all of its members in their efforts to  
15 meet those objectives and works to establish commonsense priorities through enactment of  
16 balanced policies. NRECA’s members speak with one voice through the Member Resolutions.  
17

18 A crucial element of the electric cooperative model depends on an engaged relationship  
19 with energy consumers. By working cooperatively to meet member needs, America’s Electric  
20 Cooperatives support consumers who join together to create and operate member-owned, not-  
21 for-profit utilities. We promote the concept of a consumer-centric utility. Furthermore, NRECA  
22 enables collaboration to occur among its membership in the interest of serving these  
23 communities of energy consumers. This activity may take the form of additional utility products  
24 or consumer services, community economic development, technology innovation, strong  
25 governance and strategic execution, or mutual support for other shared goals. The power of  
26 NRECA and America’s Electric Cooperatives resides in the participatory, cooperative model and  
27 the engaged members who devote their time, effort and talent to these endeavors.  
28  
29

30 **The Seven Cooperative Principles**  
31

- 32 • *Voluntary and Open Membership* – Cooperatives are voluntary organizations, open to all  
33 persons able to use their services and willing to accept the responsibilities of  
34 membership;  
35
- 36 • *Democratic Member Control* – Cooperatives are democratic organizations controlled by  
37 their members, who actively participate in setting policies and making decisions;  
38
- 39 • *Member Economic Participation* – Members contribute equitably to, and democratically  
40 control, the capital of their cooperative;  
41
- 42 • *Autonomy and Independence* – Cooperatives are autonomous, self-help organizations  
43 controlled by their members;  
44
- 45 • *Education, Training and Information* – Cooperatives provide education and training for  
46 members, elected representatives, managers, and employees so they can contribute  
47 effectively to the development of their cooperatives;  
48

- 49       • *Cooperation Among Cooperatives* – Cooperatives serve members most effectively and  
50       strengthen the cooperative movement by working together; and  
51  
52       • *Concern for Community* – While focusing on member needs, cooperatives work for the  
53       sustainable development of their communities.  
54
- 

55  
56 **National Resolutions Committee Action:** The Committee recommends for the adoption of this  
57 preamble statement to the Member Resolutions booklet. Language from the existing preamble  
58 statements, which were adopted several years ago, has been consolidated. This revision will  
59 replace those three existing statements, “Electric Cooperative Principles,” “Electric Cooperative  
60 Platform for Our Energy Future,” and “Electric Energy Consumer Bill of Rights” (pp. 1-3), listed  
61 at Proposed Resolution 12 below.  
62

63 **Region Actions:**

1 **(10) Existing Resolution – Forwarded with Recommendation against Adoption**  
2 *Submitted by the National Resolutions Committee*

3  
4  
5 **Overhead Charges for Mutual Aid Assistance**

6  
7 **We urge NRECA to create a working group to recommend guidelines for**  
8 **determining the components of overhead charges when sending crews to assist other**  
9 **cooperatives.**

10  
11 *Policy Background*

12 *The components included in calculating overhead charges for personnel that assist other*  
13 *cooperatives during disasters and other situations vary from cooperative to cooperative. During*  
14 *Hurricane Sandy some co-ops charged more than 100 percent for overhead while others*  
15 *charged significantly less. FEMA has provided guidance on the components it considers eligible*  
16 *for inclusion in overhead charges. Overhead charges usually include retirement, insurance,*  
17 *social security, holiday, vacation, and other costs.*

18 *We urge NRECA to create a forum to help its members understand FEMA’s formula for*  
19 *calculating overhead costs. NRECA and its members are committed to complying fully with all*  
20 *applicable federal and state antitrust laws, and forum activities, communications, and any*  
21 *resulting recommendations, must comply with those laws.*

22  

---

23  
24 **National Resolutions Committee Action:** The Committee recommends against the adoption of  
25 this existing resolution. (Note: The Committee recommends that you vote “no” on this  
26 resolution. A “no” vote will delete the resolution.) This issue is generally addressed by  
27 cooperatives within a state or region and by utilizing FEMA guidance. The policy background  
28 language related to FEMA will be added to the policy background of existing resolution  
29 “Disaster Assistance” (pp. 23 & 93). The revised “Disaster Assistance” policy background will  
30 be available for voting delegates and members to review prior to the 2018 NRECA Annual  
31 Business Meeting in Nashville.

32  
33 **Region Actions:**

1 **(11) Existing Resolution – Forwarded with Recommendation against Adoption**  
2 *Submitted by the National Resolutions Committee*

3  
4  
5 **Keystone XL Pipeline**

6  
7 **We urge NRECA to support development of the Keystone XL Pipeline, seeking**  
8 **continued congressional action as well as urging the U.S. Secretary of State and the**  
9 **President to approve this project.**

10  
11 *Policy Background*

12 *The Keystone XL Pipeline, if constructed, would transport tar sands oil from Alberta,*  
13 *Canada, almost two thousand miles to the Texas Gulf Coast. NRECA members adopted this*  
14 *resolution supporting Keystone at the NRECA Annual Meeting in 2014. On February 24, 2015,*  
15 *President Obama vetoed legislation that would have authorized its construction; several weeks*  
16 *later, the Senate failed to override his veto. On November 6, 2015, the Administration officially*  
17 *rejected the proposal. In January 2016, TransCanada Corp., the company that would build*  
18 *Keystone, filed a lawsuit challenging its rejection, claiming that the president’s veto was outside*  
19 *his constitutional authority and violated the North American Free Trade Agreement.*

20 *NRECA supports efforts to diversify the nation’s energy supply. The Keystone XL*  
21 *Pipeline, if it is ever built, would provide the United States another energy resource and have a*  
22 *positive economic benefit to the nation by providing both temporary and permanent jobs and*  
23 *adding to the tax base.*

24 *If the pipeline is built, electric cooperatives throughout the Midwest would provide*  
25 *electricity to 22 of the 30 pumping stations that would be located along its proposed route in the*  
26 *United States. Importantly for electric cooperative member-owners, since the additional loads*  
27 *are high-quality, steady loads, the pipeline if built would also stabilize power rates and benefit*  
28 *all ratepayers, including tribal members, who are served by the rural electric cooperatives that*  
29 *would provide power for pipeline operations.*

30 *Other benefits include:*

- 31 *• Bolstering and strengthening of ties between the United States and Canada; and*  
32 *• Providing a proven means of safely transporting oil products to domestic refineries*  
33 *with minimal impacts on the environment.*

34  
35  
36 **National Resolutions Committee Action:** The Committee recommends against the adoption of  
37 this existing resolution. (Note: The Committee recommends that you vote “no” on this  
38 resolution. A “no” vote will delete the resolution.) The Trump Administration, earlier this year,  
39 approved the completion of the Keystone XL pipeline project. At this time, no further executive  
40 or federal action is needed related to this specific issue.

41  
42 **Region Actions:**

1 **(12) Existing Member Resolutions Preambles – Forwarded with Recommendation against**  
2 **Adoption**  
3 *Submitted by the National Resolutions Committee*  
4  
5

6 **Electric Cooperative Principles**  
7

8 The issues confronting electric cooperatives and the electric utility industry continue to  
9 be complex, as demonstrated by the scope of issues addressed in the NRECA Resolutions. The  
10 resolutions each year reflect the challenges that electric cooperatives face as they strive to  
11 provide reliable and affordable electricity. Although the issues continue to shift, we affirm our  
12 dedication to address these issues, guided at all times by the Cooperative Principles:  
13

- 14 • *Voluntary and Open Membership* – Cooperatives are voluntary organizations, open to all  
15 persons able to use their services and willing to accept the responsibilities of  
16 membership.
- 17
- 18 • *Democratic Member Control* – Cooperatives are democratic organizations controlled by  
19 their members, who actively participate in setting policies and making decisions.  
20
- 21 • *Member Economic Participation* – Members contribute equitably to, and democratically  
22 control, the capital of their cooperative.
- 23
- 24 • *Autonomy and Independence* – Cooperatives are autonomous, self-help organizations  
25 controlled by their members.  
26
- 27 • *Education, Training and Information* – Cooperatives provide education and training for  
28 members, elected representatives, managers, and employees so they can contribute  
29 effectively to the development of their cooperatives.
- 30
- 31 • *Cooperation Among Cooperatives* – Cooperatives serve members most effectively and  
32 strengthen the cooperative movement by working together.  
33
- 34 • *Concern for Community* – While focusing on member needs, cooperatives work for the  
35 sustainable development of their communities.  
36

37 Adopted at the 69th NRECA Annual Meeting 2011  
38  
39

40 **Electric Cooperative Platform for Our Energy Future**  
41

42 Our nation faces severe challenges today. These include the need to maintain adequate  
43 energy capacity, provide consumers affordable access to electricity, provide leadership in  
44 community and economic development, and protect the environment. Electric cooperatives have  
45 worked and will continue to work for enactment of balanced policies that support these goals. To  
46 ensure our energy future:  
47



- 48 • We believe all consumers should have access to affordable, reliable and safe electric  
49 power and that as electric cooperatives, we have a responsibility to advance consumer  
50 interests.
- 51
- 52 • We are consumer advocates and are fully committed to helping consumers save money  
53 and resources through greater efficiency and conservation measures. We also believe  
54 government programs must enable and encourage these advances.
- 55
- 56 • We are fully committed to working with government to achieve balanced solutions to our  
57 nation’s energy and environmental policy goals that advance the interests of consumers.
- 58
- 59 • We are industry leaders in the development of renewable energy and are using the  
60 cooperative model to fully develop additional cost-effective sources of clean energy.
- 61
- 62 • We believe that fossil fuels and nuclear energy are an essential part of a reliable electric  
63 supply and that the development of new technologies will help use these fuels more  
64 cleanly.
- 65
- 66 • We believe that all levels of government must support the siting, construction and  
67 funding of adequate generation, transmission and distribution infrastructure to meet our  
68 21st century needs for electricity.
- 69
- 70 • We believe the full portfolio of fuels and technologies must be available to produce the  
71 additional electric power our members and the country will need in the future.
- 72
- 73 • We believe a strong public private partnership for research and development is essential  
74 to guide and fund new technologies that improve the use of electricity and help meet  
75 public policy goals.
- 76
- 77 • We recognize the importance of community and economic development in the survival of  
78 rural places, towns, and cities that are the cornerstones of successful electric  
79 cooperatives.
- 80
- 81 • The Rural Utilities Service must continue providing the capital needed to assure adequate  
82 and affordable electricity for electric cooperative member-owners.
- 83

84 Adopted at the 67th NRECA Annual Meeting 2009  
85 Amended 2011  
86  
87  
88

### 89 **Electric Energy Consumer Bill of Rights**

90  
91 We, the consumer-owned not-for-profit members of the National Rural Electric  
92 Cooperative Association, endorse these rights for all consumers. We believe this Electric Energy  
93 Consumer Bill of Rights represents the standard against which state and federal legislative and  
94 regulatory policy should be measured:  
95

- 96 1. The right to have access to reliable, affordable and safe electric power.  
97  
98 2. The right to join together to establish and operate a consumer-owned not-for-profit  
99 electric utility.  
100  
101 3. The right of consumer-owned not-for-profit systems to be treated fairly and recognized as  
102 a unique form of business.  
103  
104 4. The right to elect representatives to manage their consumer-owned form of business to  
105 best meet their needs.  
106  
107 5. The individual right to privacy that assures consumer information will be safeguarded  
108 against disclosure consistent with established, lawful data privacy principles.  
109  
110 6. The right to determine the scope of energy services to be furnished through their  
111 consumer-owned not-for-profit utilities.  
112  
113 7. The right to use consumer-owned not-for-profit utilities to provide additional services  
114 that meet the needs of their consumers and communities.  
115  
116 8. The right to work in cooperation with other consumer-owned entities with common  
117 goals.  
118

119 Adopted at the 57th NRECA Annual Meeting 1999  
120 Amended 2011  
121

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122  
123 **National Resolutions Committee Action:** The Committee recommends against the adoption of  
124 the three existing preamble statements to the Member Resolutions booklet. (Note: The  
125 Committee recommends that you vote “no” on these existing preamble statements. A “no” vote  
126 will delete the statements.) As noted in the explanation accompanying Proposed Courtesy  
127 Resolution 9, the existing statements have been consolidated and revised into a single,  
128 standalone statement, while retaining the spirit of the three existing statements.  
129

130 **Region Actions:**

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

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

**September 27, 2017**

**ACTION REQUIRED**

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

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

**TOPIC**

Appointment of 2017 NRECA Voting Delegate and Alternate

**DISCUSSION**

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

The current NRECA voting delegate is Jim Henderson and the alternate is Stuart Parks.

The NRECA 2017 Regional Meeting is scheduled for October 16-18, 2017, in Denver, CO.

**MOTION**

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

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

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

**September 27, 2017**

**ACTION REQUIRED**

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

<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**

Retirement Security Plan Restatement

**DISCUSSION**

At the September 26, 2017, Operations Committee Meeting, the Committee recommended the Board of Directors defer the Retirement Security Plan Restatement approval to the September 27, 2017, Regular Board of Directors' Meeting for further discussion in the Executive Session.

Qualified retirement plan must undergo a cyclical review by the Internal Revenue Service (IRS) to ensure they are in compliance with Internal Revenue Code and Treasury regulations. This review includes a restatement of the Plan, which is rewriting the plan documents to include all plan level amendments adopted since the last restatement (July 1, 2012).

NRECA's retirement plan is being restated for the 2017 plan year. The adoption agreement has been revised to reflect the provisions in effect as of July 1, 2017.

**MOTION**

Move that the Board of Directors approve the resolution authorizing the amendment and the restatement of the NRECA Retirement Security Plan essentially the same as discussed in Executive Session.

## RESOLUTION

### **Authorizing the Amendment and Restatement of the NRECA Retirement Security Plan**

WHEREAS, Chugach Electric Association, Inc. (Chugach), is a participating employer in the NRECA-sponsored Retirement Security (RS) Plan

WHEREAS, the Board of Directors of Chugach is aware that the Plan must periodically be amended to comply with new regulations, rulings, other legislation and operational changes, and that these amendments must be filed with the Internal Revenue Service as a restatement of the Plan and that this restatement will be effective July 1, 2017.

NOW, THEREFORE, BE IT RESOLVED that this Board authorizes the July 1, 2017 amendment, restatement and continuance of the RS Plan to conform in its entirety with all the provisions of the plan document of the RS Plan, through the execution of the Adoption Agreement, which includes all of the provisions of the Cooperative's most recently executed Adoption Agreements and any compliance clarifications needed to conform with Plan operations; and

BE IT FURTHER RESOLVED, that this Board is aware that the timing of the restatement may not correspond with regularly scheduled meetings of the Board of Directors, therefore the Board does hereby authorize and direct Lee Thibert, Chief Executive Officer, to execute all necessary documents and to take any and all further actions necessary to carry out the July 1, 2017 amendment and restatement of the RS Plan.

#### 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 27<sup>th</sup> day of September, 2017; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the 27<sup>th</sup> day of September, 2017.

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Secretary

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

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

**September 27, 2017**

**ACTION REQUIRED**

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

       **Information Only**  
  **X**   **Motion**  
       **Resolution**  
       **Executive Session**  
       **Other**

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**TOPIC**

Approval of Salary Plan Matrix

**DISCUSSION**

Consistent with prudent salary administration and Chugach Board Policy a salary market survey of non-represented salaries is conducted every year. Prior surveys resulted in no recommendation for change, the most recent survey suggest that the current management salary plan needs an adjustment to maintain Chugach's position in the employment market. Anecdotally, Chugach is experiencing some recruitment and retention difficulties based on our total compensation, of which salary is the major component.

The non-represented salary plan covers approximately 90 positions. Non-represented job classifications include: accountants, engineers (project managers), supervisors, executive secretaries, security personnel, administrative workers, managers and executives. The plan was last updated March 26, 2014, using the most current data from 2013. Chugach uses an independent third party consultant to analyze the plan within a number of appropriate market surveys. The third party consultant has determined that the current salary plan is lagging the market. Executive management recommends that the consultant recommendation is accepted by the Board of Directors.

At the September 26, 2017, Operations Committee Meeting, the Committee recommend the Board of Directors approve the salary table as the basis for the non-bargaining unit salary plan administration, essentially the same as discussed in Executive Session.

**MOTION**

Move that the Board of Directors approve the salary table as the basis for the non-bargaining unit salary plan administration, essentially the same as discussed in Executive Session.

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

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

**September 27, 2017**

**ACTION REQUIRED**

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

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

Amendment to the July 27, 2007 Memorandum of Agreement between Homer Electric Association, Inc. and Chugach Electric Association, Inc.

**DISCUSSION**

As discussed in executive session.

**MOTION**

Move that the Board of Directors authorize the Chief Executive Officer to sign the Amendment to the Memorandum of Agreement between Homer Electric Association, Inc. and Chugach Electric Association, Inc. under the terms and conditions substantially the same as discussed in executive session.

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

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

**September 27, 2017**

**ACTION REQUIRED**

**AGENDA ITEM NO. X.D.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

2017 Retail Capital Credit Retirement

**DISCUSSION**

The attached resolution authorizes a retirement of retail capital credits.

The total amount of the wholesale and retail capital credit retirement is \$2,906,928 less \$275,000 paid early to estates and inactive members who closed their memberships and received discounted capital credit payments. The Board of Directors has determined that this retirement will not impair the financial condition of the Association.

The amount of the retail retirement is \$1,773,702, which will retire approximately 34% of capital credits for the year 1991.

This retail retirement will be distributed no later than December 31, 2017.

**MOTION**

Move that the Board of Directors approve the resolution authorizing a retail capital credit retirement of \$1,773,702, which will retire approximately 34% of capital credits for the year 1991. The retail capital credit retirement will be distributed no later than December 31, 2017.



## RESOLUTION

### 2017 Retail Capital Credit Retirement

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

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

NOW THEREFORE BE IT RESOLVED, Chugach establishes the amount of the retail retirement at \$1,773,702, which will complete approximately 34% of capital credits for the year 1991.

BE IT FURTHER RESOLVED, Chugach shall make a total capital credits retirement of \$2,906,928, less \$275,000 paid early to estates and inactive members who closed their memberships and received discounted capital credit payments.

BE IT FURTHER RESOLVED, that the retail retirement will be distributed no later than December 31, 2017.

BE IT FURTHER RESOLVED, that the capital credits of any member with an outstanding debt will be used to offset that debt until it is paid in full or all available capital credits have been credited to that debt.

#### 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 27<sup>th</sup> day of September, 2017; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the 27<sup>th</sup> day of September, 2017.

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Secretary

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

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

**September 27, 2017**

**ACTION REQUIRED**

**AGENDA ITEM NO. X.E.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

2017 HEA Capital Credit Retirement Payment

**DISCUSSION**

The attached resolution authorizes a retirement payment of capital credits to HEA.

The Board of Directors has determined that this retirement payment will not impair the financial condition of the Association.

The amount of the retirement payment to HEA is \$2,000,000, which represents approximately 25% of the balance of HEA's patronage capital payable.

The retirement payment to HEA will be distributed no later than December 31, 2017.

**MOTION**

Move that the Board of Directors approve the resolution authorizing a capital credit retirement payment to HEA, which will represent approximately 25% of the balance of HEA's patronage capital payable. This capital credit retirement payment will be distributed to HEA no later than December 31, 2017.

## RESOLUTION

### 2017 HEA Capital Credit Retirement Payment

WHEREAS, an Amendment to Memorandum of Agreement dated July 27, 2007 between Homer Electric Association, Inc. (HEA) and Chugach was executed;

WHEREAS, the Board of Directors desires to proceed with a capital credit retirement payment to HEA in accordance with that Amendment to Memorandum of Agreement; and

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

NOW THEREFORE BE IT RESOLVED, Chugach establishes the amount of the HEA retirement payment at \$2,000,000 which represents approximately 25% of the balance of HEA's patronage capital payable.

BE IT FURTHER RESOLVED, that the retirement to HEA will be distributed no later than December 31, 2017.

#### 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 27<sup>th</sup> day of September, 2017; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the 27<sup>th</sup> day of September, 2017.

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Secretary

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

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

**September 27, 2017**

**ACTION REQUIRED**

**AGENDA ITEM NO. X.F.**

       Information Only  
  X   Motion  
  X   Resolution  
       Executive Session  
       Other

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**TOPIC**

2017 Wholesale Capital Credit Retirement

**DISCUSSION**

The attached resolution authorizes a retirement of wholesale capital credits to Matanuska Electric Association, Inc. (MEA) and Seward Electric System (SES).

The total amount of the 2017 wholesale and retail capital credit retirement is \$2,906,928 less \$275,000 paid early to estates and inactive members who closed their memberships and received discounted capital credit payments. The Board of Directors has determined that this retirement will not impair the financial condition of the Association.

The amount of the retirement to MEA and SES is \$789,578 and \$68,648, respectively. This will complete the retirement for the year 1995 and will retire approximately 61% of capital credits for the year 1996.

The retirement to SES will be distributed no later than December 31, 2017. MEA's capital credit retirement is expected to be distributed no later than December 31, 2019.

**MOTION**

Move that the Board of Directors approve the resolution authorizing a wholesale capital credit retirement to MEA and SES of \$789,578 and \$68,648, respectively, which will represent a retirement for the balance of 1995 and approximately 61% of 1996. This capital credit retirement will be distributed to SES no later than December 31, 2017 and is expected to be distributed to MEA no later than December 31, 2019.

## RESOLUTION

### 2017 Wholesale Capital Credit Retirement

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

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

NOW THEREFORE BE IT RESOLVED, Chugach establishes the amount of the wholesale retirement at \$858,226, which will retire the balance of MEA and SES's capital credits for 1995 and approximately 61% of 1996, which is \$789,578 and \$68,648, respectively.

BE IT FURTHER RESOLVED, Chugach shall make a total capital credits retirement of \$2,906,928, less \$275,000 paid early to estates and inactive members who closed their memberships and received discounted capital credit payments.

BE IT FURTHER RESOLVED, that the retirement to SES will be distributed no later than December 31, 2017.

BE IT FURTHER RESOLVED, that MEA's capital credit retirement is expected to be distributed no later than December 31, 2019.

#### 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 27<sup>th</sup> day of September, 2017; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the 27<sup>th</sup> day of September, 2017.

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Secretary