

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

**REGULAR BOARD OF DIRECTORS' MEETING**

**AGENDA**

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

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

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**October 28, 2020**

**4:00 p.m.**

**Chugach Board Room**

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- I. CALL TO ORDER (4:00 p.m.)
  - A. *Pledge of Allegiance*
  - B. *Roll Call*
  - C. *Safety Minute – “Common Sense Safety” (Andrews)*
- II. APPROVAL OF THE AGENDA\*
- III. PERSONS TO BE HEARD
  - A. *Member Comments*
- IV. CONSENT AGENDA\* (4:10 p.m.)
  - A. *Board Calendar*
  - B. *Training and Conferences*
  - C. *Minutes*
    - 1. *September 22-23, 2020, Special Board of Directors’ Meeting (Quezon)*
    - 2. *September 23, 2020, Regular Board of Directors’ Meeting (Quezon)*
    - 3. *October 16, 2020, Special Board of Directors’ Meeting (Quezon)*
  - D. *Director Expenses*
- V. CEO REPORTS AND CORRESPONDENCE (4:30 p.m.)
  - A. *August 2020 Financial Statement and Variance Report (Harris/Curran) (4:40 p.m.)*
  - B. *3<sup>rd</sup> Quarter 2020 Safety Report (Andrews) (4:50 p.m.)*
  - C. *Update on RRC (Hickey) (5:00 p.m.)*
  - D. *Board Policy Scheduled Tasks/Reports (Board/Staff) (5:15 p.m.)*
- VI. DIRECTOR REPORTS (5:20 p.m.)
  - A. *Alaska Power Association (APA) Report*
  - B. *Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report*
  - C. *Renewable Energy Alaska Project (REAP) Report*
  - D. *Board Committee Reports (Audit and Finance, Operations & Governance)*
  - E. *Other Meeting Reports*

- VII. UNFINISHED BUSINESS *(none)*
- VIII. EXECUTIVE SESSION\* *(scheduled) (5:40 p.m.)*
  - A. 2021 Strategic Plan *(5:45 p.m.)*
  - B. IMO Update *(6:30 p.m.)*
  - C. ML&P Acquisition Update *(6:45 p.m.)*
  - D. Succession Planning *(7:00 p.m.)*
- IX. NEW BUSINESS\* *(scheduled) (7:15 p.m.)*
  - A. Integration Program Funding Authorization\* *(Fouts)*
- X. EXECUTIVE SESSION\* *(scheduled) (7:20 p.m.)*
  - A. Succession Planning *(Board Only)*
- XI. DIRECTOR COMMENTS *(7:50 p.m.)*
- XII. ADJOURNMENT\* *(8:00 p.m.)*

\* *Denotes Action Items*

\*\* *Denotes Possible Action Items*

# HEALTH & SAFETY POLICY

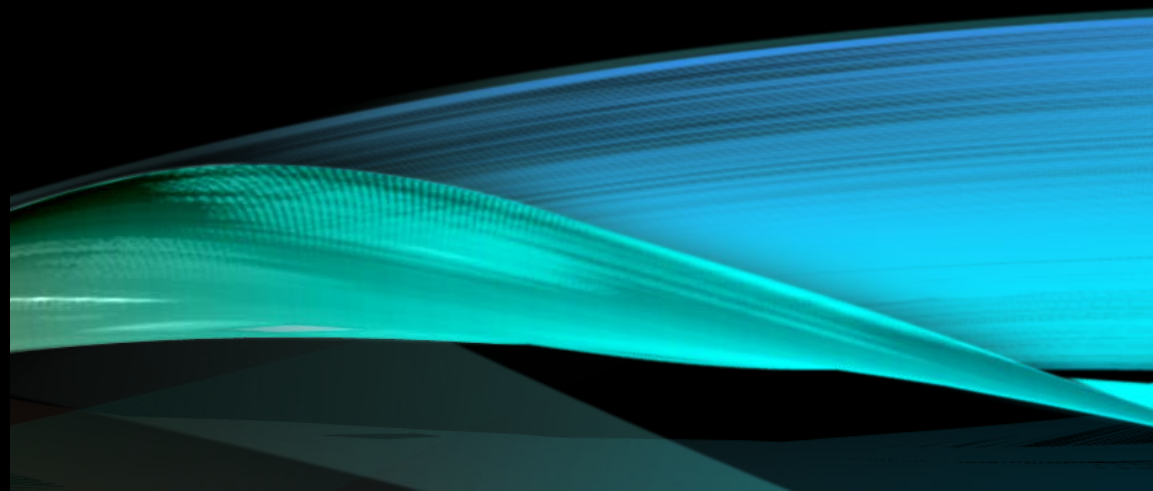
FOR EVERYONE'S PROTECTION  
YOU ARE REQUIRED TO USE

# COMMON SENSE

WHenever NECESSARY  
...

IF YOU HAVE NONE  
PLEASE LEAVE.

COMMON SENSE  
SAFETY



## WHAT IS COMMON SENSE?

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Sound and prudent judgment based on a simple perception of the situation or facts.

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The ability to think and behave in a reasonable way and to make good decisions.

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We are not born with it but acquire it over time through our own experiences.

# THE COMMON SENSE WE SHOULD ALL HAVE



**Look for potential hazards before you start a task.**



**Stay focused on the job you are doing.**



**Don't let fatigue, emotions or complacency make you distracted or careless.**



**Don't let the unsafe actions of others influence you.**

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\* *Denotes Action Items*

\*\* *Denotes Possible Action Items*

# October 2020

October 2020							November 2020						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3	1	2	3	4	5	6	7
4	5	6	7	8	9	10	8	9	10	11	12	13	14
11	12	13	14	15	16	17	15	16	17	18	19	20	21
18	19	20	21	22	23	24	22	23	24	25	26	27	28
25	26	27	28	29	30	31	29	30					

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



# November 2020

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

December 2020						
Su	Mo	Tu	We	Th	Fr	Sa
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6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

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

# December 2020

December 2020						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

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

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

# January 2021

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

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

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

# February 2021

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

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

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jan 31	Feb 1	2	3	4	5	6
7	8	9	10	11	12 8:30am Review Board Packet w/Chair (Chastain/Morse) (LDT's Office) - Connie Owens	13
14	15	16 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	17	18 NRECA Annual Meeting (Director Education 2/18-2/21) (San Diego, CA) - Connie Owens	19	20
21 NRECA Annual Meeting (Direct	22 NRECA Annual Meeting (2/21 - 2/24) (San Diego, CA) - Connie Owens	23	24	25	26	27
28	Mar 1	2	3	4	5	6

# March 2021

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

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

# April 2021

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

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

# May 2021

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

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

# June 2021

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

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



# July 2021

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

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

# August 2021

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

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

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

# September 2021

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

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

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

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

**September 22-23, 2020**  
**Tuesday-Wednesday**  
**8:30 a.m.**

**SPECIAL BOARD OF DIRECTORS' MEETING**

Recording Secretary: Arden Quezon

**I. CALL TO ORDER**

Chair Chastain called the Special Board of Directors' Meeting to order at 8:30 a.m. at the Megan Room, 6591 A Street, Anchorage, Alaska.

*A. Pledge of Allegiance*

Chair Chastain led the Board in the Pledge of Allegiance.

*B. Roll Call*

*Board Members Present:*

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

*Guests and Staff in Attendance:*

Lee Thibert	Arthur Miller	Al Bolea, Applied Leadership
Brian Hickey	Sherri Highers	Carl Peterson, Concentrix
Matthew Clarkson	Connie Owens	(via teleconference)
Mark Fouts	Tyler Andrews	

*C. Safety Minute*

Tyler Andrews, Executive VP, Employee Services and Communication, discussed "Emergency Exits".

**II. APPROVAL OF THE AGENDA**

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

**III. EXECUTIVE SESSION**

*A. Introduction (Chastain/Thibert)*

*B. BRU (Fouts)*

- 1. Update Gas Reserve Reports*
- 2. 2020 Drilling Update*
- 3. Risk Assessment*
- 4. Development Future Direction*

- C. *Renewable Energy (Miller)*
  - 1. *Review Current Environments*
  - 2. *Renewable Power Options (Carl Peterson)*
  - 3. *Net Metering*
  - 4. *Battery Storage Project Update*
  - 5. *Review Renewable Energy 5-year Goal*
  - 6. *Renewable Portfolio Standard Discussion*
- D. *Team Building (Al Bolea)*

At 8:36 a.m., Director Hollis moved and Director Parks seconded the motion that pursuant to Alaska Statute 10.25.175 (c)(1), (2) and (4) the Board of Directors' go into executive session to: 1) discuss and receive reports regarding financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; 2) discuss personnel matters that may tend to prejudice the reputation or character of a person; however, the person may request a public discussion; and 3) personnel matters. The motion passed unanimously.

#### **IV. RECESS**

The meeting recessed at 5:30 p.m.

#### **V. RECONVENE WORKSHOP**

The meeting reconvened on September 23, 2020 at 8:30 a.m. at the Megan Room, Anchorage, Alaska.

#### **VI. EXECUTIVE SESSION**

- A. *Renewable Portfolio Standard Discussion*
- B. *CEO Goals Update (Thibert)*
- C. *Wrap-Up Discussion*

*The meeting reconvened in open session at 10:35 a.m.*

#### **XI. DIRECTOR COMMENTS**

Director comments were made at this time.

#### **XII. ADJOURNMENT**

At 11:00 a.m., Director Wiggin moved and Director Cason seconded the motion to adjourn. The motion passed unanimously.

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James Henderson, Secretary  
Date Approved: October 28, 2020

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

**September 23, 2020**  
**Wednesday**  
**11:30 a.m.**

**REGULAR BOARD OF DIRECTORS' MEETING**

Recording Secretary: Arden Quezon

**I. CALL TO ORDER**

Chair Chastain called the Regular Board of Directors' Meeting to order at 12:02 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

*A. Pledge of Allegiance*

Chair Chastain lead the Board in the Pledge of Allegiance.

*B. Roll Call*

*Board Members Present:*

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

*Guests and Staff Attendance*

*Present:*

Lee Thibert	Mark Fouts	Tyler Andrews
Brian Hickey	Arthur Miller	Renee Curran
Matthew Clarkson	Sherri Highers	Sean Skaling

*Via Teleconference:*

Connie Owens	Kathy Harris	Jean Kornmuller
Julie Hasquet	Jody Wolfe	Loreen Anderson, Ocho
Laurel Foster	Crystal Enkvist, Alaska	Coaching
Andrew Laughlin	Power Association	

*C. Safety Minute*

Tyler Andrews, Executive V.P., Employee Services & Communications discussed "Autumn Health and Safety Tips".

## **II. APPROVAL OF AGENDA**

Director Wiggin moved and Director Morse seconded the motion to approve the agenda.

Director Hollis requested to add an excused absence for the October 14, 2020, Operations Committee meeting under item IV. Consent Agenda. Director Chastain requested to add a discussion on employee COVID-19 policies and procedures under V.C. COVID-19 Update, Delinquent Accounts and ERO email under item IX. Executive Session.

Director Wiggin and Director Morse accepted the amendment to the original motion. The motion passed unanimously, as amended.

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

No member comments.

Directors Chastain and Morse expressed the Boards' appreciation and thanked the staff's hard work, dedication, and success during the strategic session and through the ML&P Acquisition.

## **IV. CONSENT AGENDA**

- A. *Board Calendar*
- B. *Training and Conferences*
  - 1. *Virtual – NRECA Regional Meeting – October 12-16, 2020*
  - 2. *Virtual – APA Annual Meeting – November 3-5, 2020*
- C. *Minutes*
  - 1. *August 17, 2020, Regular Board of Directors' Meeting (Quezon)*
  - 2. *August 28, 2020, Special Board of Directors' Meeting (Scott)*
- D. *Director Expenses*

Director Morse moved and Director Wiggin seconded the motion to approve the consent agenda as amended to include Director Hollis' excused absence for the October 14, 2020, Operations Committee meeting. The motion passed unanimously, as amended.

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

- A. *July 2020 Financial Statement*

Sherri Highers, Chief Financial Officer (CFO), Executive Vice President of Finance and Administration discussed the July 2020 Financial Statement.
- B. *3<sup>rd</sup> Quarter 2020 Railbelt Bill Comparison (Skaling/Miller)*

Sean Skaling, Manager, Business and Sustainability Program Development, discussed the 3<sup>rd</sup> Quarter 2020 Railbelt Bill Comparison and responded to questions from the Board.
- C. *COVID-19 Update (Andrews)*
  - 1. *Update to Corporate Incident Management Plan*

Tyler Andrews, Executive Vice President Employee Services and Communication discussed the COVID-19 and Corporate Incident Management Plan update and responded to questions from the Board.

Lee Thibert, Chief Executive Officer (CEO) informed the Board that the conference table in the boardroom will also be extended for distancing purposes due to the Covid-19.

*D. Update on RRC (Hickey)*

Brian Hickey, Chief Operating Officer (COO) gave an RRC Update and responded to questions from the Board. Lee Thibert, CEO requested that additional discussion be added to Executive Session. No objections were made.

*E. Board Policy Scheduled Tasks/Reports (Board/Staff)*

The Board Policy Scheduled Tasks/Reports was provided in the meeting packet.

## **VI. DIRECTOR REPORTS**

*A. Alaska Power Association (APA) Report*

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

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

Director Henderson reported on the August 27, 2020, ARCTEC meeting and requested that further discussion be added to Executive Session. Director Chastain stated that ARCTEC discussion will be added to VIII. Executive Session as item A. No objections were made.

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

Director Morse reported on the September 9, 2020, REAP Executive Committee meeting. She noted Executive Committee will meet again on September 29<sup>th</sup>, and Public Policy Committee meeting is scheduled for September 30<sup>th</sup> from 2:30 p.m. to 3:30 p.m.

Director Morse also indicated that she and Director Wiggin (REAP Alternate Representative) would like to schedule a conversation with Lee Thibert, CEO and Brian Hickey, COO prior to the September 30<sup>th</sup> Public Policy Committee meeting.

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

Director Hollis reported that the Audit and Finance Committee has not met but a meeting is scheduled for November 10, 2020

Director Parks reported that the Operations Committee has not met but a meeting is scheduled for October 14, 2020.

Director Morse reported on the August 18, 2020, Governance Committee meeting and stated that there are policies being put forward under VII.A. Unfinished Business recommended to be adopted by the Board. She also reported on discussion regarding the Membership Advisory Committee (MAC).



Director Morse indicated that she will be looking into calendaring another Governance Committee meeting between now and the next Board meeting or sometime this year.

Lee Thibert, CEO, notified the Board that there is a scheduled meeting with the Native Village of Eklutna on September 30, 2020, at 10:00 a.m., which will be added to the Board calendar since Director Morse, Board Vice Chair has indicated that she will try to attend the meeting. No objections were made.

Director Chastain opened up a discussion regarding changing the date of the October 14, 2020, Operations Committee meeting since it falls on the same week as the NRECA Regional meeting. After discussion, the Board agreed to change the Operations Committee meeting to October 7, 2020.

Director Hollis requested that his excused absence be rescinded since he is available to call in for the October 7, 2020, Operations Committee meeting.

No objections were made.

*E. Other Meeting Reports*  
None

## **VII. UNFINISHED BUSINESS**

### *A. Approval of Recommended Changes to Board Policies (Board)*

#### *1. Board Policy 101 – Statement of Objectives*

Director Morse moved and Director Hollis seconded the motion that the Board of Directors approve the revisions to Board Policy 101, Statement of Objectives, as indicated in the attached. The motion passed unanimously.

#### *2. Board Policy 103 – Duties and Responsibilities of the Board of Directors*

Director Morse moved and Director Parks seconded the motion that the Board of Directors approve the revisions to Board Policy 103, Duties and Responsibilities of the Board of Directors, as indicated in the attached. The motion passed unanimously.

#### *3. Board Policy 304 – Capital Credit Policy*

Director Morse moved and Director Wiggin seconded the motion that the Board of Directors approve the revisions to Board Policy 304, Capital Credit Policy, as indicated in the attached. The motion passed unanimously.

The Board stated that agenda items will be re-ordered as follows:

- Executive Session was moved from item IX to item VIII
- New Business, item VIII and X were moved as item IX
- New Executive Session was added as item X

*No objections were made, and the Board called for a recess.*

*The meeting resumed at 1:28 p.m.*

## **VIII. EXECUTIVE SESSION**

- A. Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC)*
- B. Beluga River Unit – Asset Retirement Obligation*
- C. Alaska Energy Authority Asset Acquisition*
- D. IMO Update*
- E. Financing Update*
- F. Delinquent Accounts*
- G. ML&P Acquisition Update*

At 1:29 p.m., Director Wiggin moved and Director Morse seconded the motion that hat pursuant to Alaska Statute 10.25.175 (c)(1), (3) and (4) the Board of Directors' go into executive session to: 1) discuss and receive reports regarding financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; 3) discuss with its attorneys legal matters, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative; and (4) personnel matters. The motion passed unanimously.

*The meeting reconvened in open session at 3:39 p.m.*

## **IX. NEW BUSINESS**

- A. Old Seward Highway Overhead to Underground Contract Award (Laughlin/Hickey)*  
Brian Hickey, COO, discussed the Old Seward Highway Overhead to Underground Contract Award and responded to questions from the Board.

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

- B. Suspension of Participation in Simplified Rate Filing (Miller)*  
Arthur Miller, Executive Vice President, Regulatory and External Affairs discussed the suspension of participation in simplified rate filing.

Director Cason moved and Director Hollis seconded the motion that the Board of Directors approve the attached Resolution authorizing Chugach to submit a request to suspend participation in the Simplified Rate Filing process with the Regulatory Commission of Alaska. The motion passed unanimously.

- C. Beluga River Unit – Asset Retirement Obligation (Highers)*  
Director Hollis moved and Director Morse seconded the motion that the Board of Directors approve the attached resolution retaining Alaska Permanent Capital Management as investment manager and Wells Fargo as custodian and allow ownership of the existing BRU ARO fund to transfer in kind to Chugach upon

closing of the acquisition of ML&P, allow Chugach to invest the rate reduction funds with Wells Fargo, and consent to the assignment of the Wells Fargo agreement to Principal when the acquisition becomes effective. The motion passed unanimously.

*D. Alaska Energy Authority Asset Acquisition (Clarkson)*

Director Wiggin moved and Director Henderson seconded the motion that the Board of Directors approve the attached resolution approving the preliminary terms and conditions for financing the Proposed Transaction.

Director Chastain asked if there was any additional discussion. Lee Thibert, CEO, then discussed the Alaska Energy Authority Asset Acquisition.

The motion passed unanimously.

*E. Integration Program Funding Authorization (Fouts)*

Director Cason moved and Director Wiggin seconded the motion that the Board of Directors authorize an increase of the Integration Program funding of \$3.1 million to continue the program for the month of October 2020, for a total Integration Program funding authorization of \$32.7 million. The motion passed unanimously.

**X. EXECUTIVE SESSION**

- A. Succession Planning*
- B. Wrap-up*

At 3:58 p.m., Director Morse moved and Director Hollis seconded the motion that pursuant to Alaska Statute 10.25.175 (c)(1), (3) and (4) the Board of Directors' go into executive session to: 1) discuss and receive reports regarding financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; 3) discuss with its attorneys legal matters, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative; and (4) personnel matters. The motion passed unanimously

*The meeting reconvened in open session at 5:45 p.m.*

**XI. DIRECTOR COMMENTS**

Director comments were made at this time.

**XII. ADJOURNMENT**

At 5:54 p.m., Director Cason moved and Director Wiggin seconded the motion to adjourn. The motion passed unanimously.

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James Henderson, Secretary  
Date Approved: October 28, 2020

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

**October 16, 2020**  
**Friday**  
**8:30 a.m.**

**SPECIAL BOARD OF DIRECTORS' MEETING**

Recording Secretary: Arden Quezon

**I. CALL TO ORDER**

Chair Chastain called the Special Board of Directors' Meeting to order at 8:35 a.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

*A. Pledge of Allegiance*

Chair Chastain led the Board in the Pledge of Allegiance.

*B. Roll Call*

*Board Member:*

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

*Guests and Staff in Attendance:*

*Present:*

Lee Thibert                                      Matthew Clarkson                                      Sherri Highers

*Via Teleconference:*

Brian Hickey                                      Mark Fouts

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

Lee Thibert, Chief Executive Officer (CEO) discussed “*Driver Safety*”.

**II. APPROVAL OF THE AGENDA**

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

**III. PERSONS TO BE HEARD**

*None*

**IV. CONSENT AGENDA**

*None*

**V. CEO REPORTS AND CORRESPONDENCE**

*None*

**VI. DIRECTOR REPORTS**

*None*

**VII. UNFINISHED BUSINESS**

*None*

**VIII. NEW BUSINESS**

*None*

**IX. EXECUTIVE SESSION**

*A. Financing of ML&P Acquisition*

At 8:41 a.m., Director Morse moved and Director Hollis seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1) and (3) the Board of Directors' go into executive session to: 1) discuss and receive reports regarding financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; and, 2) to discuss legal matters with its attorneys, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The motion passed unanimously.

*The meeting reconvened in open session at 8:54 a.m.*

**X. NEW BUSINESS**

*A. Financing of ML&P Acquisition*

Director Morse moved and Director Hollis seconded the motion that the Board of Directors approve the attached resolution authorizing the Chief Executive Officer or the Chief Financial Officer to enter into, deliver, and perform its obligations under the Financing Documents (as defined in the attached resolution) and any and all other documents, instruments, and agreements necessary or desirable to comply with certain provisions of the Indenture. The motion passed unanimously.

*Director Cason was absent from the meeting.*

**XI. DIRECTOR COMMENTS**

Director comments were made at this time.

**XII. ADJOURNMENT**

At 9:00 a.m., Director Parks moved and Director Wiggin seconded the motion to adjourn. The motion passed unanimously.

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James Henderson, Secretary  
Date Approved: October 28, 2020

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

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

**October 28, 2020**

**ACTION REQUIRED**

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

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

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**TOPIC**

Director Expenses

**DISCUSSION**

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

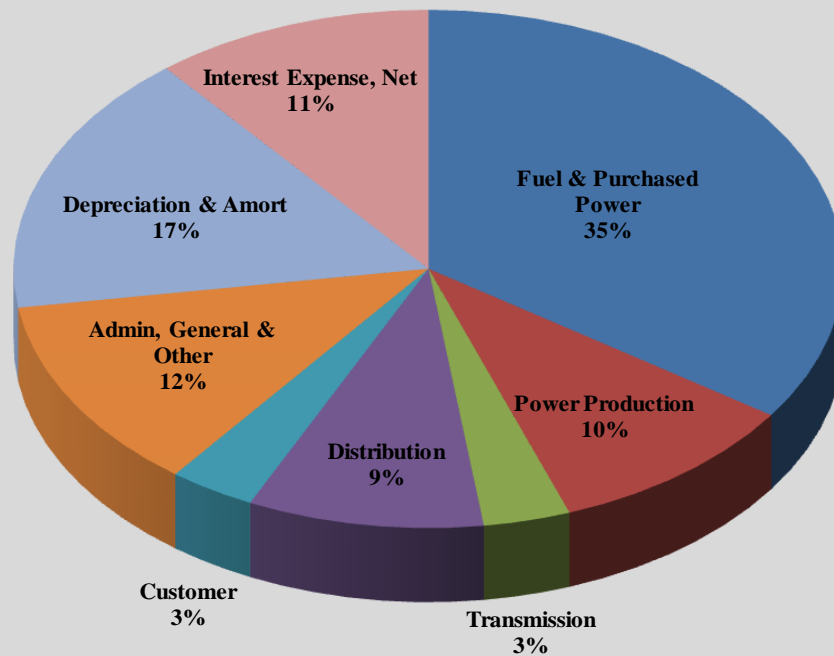
**MOTION**

*(Consent Agenda)*

## STATEMENT OF OPERATIONS

CATEGORY	2020 MTD ACTUAL	2020 MTD BUDGET	2020 MTD VARIANCE
<b>Operating Revenue and Patronage Capital</b>	<b>\$ 16,214,076</b>	<b>\$ 16,897,770</b>	<b>\$ (683,694)</b>
Fuel and Purchased Power Expense	5,648,036	6,106,659	(458,623)
Power Production Expense	1,623,665	1,800,225	(176,560)
Transmission Expense	552,936	575,436	(22,500)
Distribution Expense	1,503,203	1,348,916	154,287
Customer Expense	551,155	648,187	(97,032)
Administrative, General and Other	1,987,165	2,088,049	(100,884)
Depreciation & Amortization Expense	2,695,806	2,668,694	27,112
Interest Expense, Net	1,783,371	1,838,285	(54,914)
<b>Total Cost of Electric Service</b>	<b>\$ 16,345,337</b>	<b>\$ 17,074,451</b>	<b>\$ (729,114)</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ (131,261)</b>	<b>\$ (176,681)</b>	<b>\$ 45,420</b>
Non-Operating Margins - Interest	29,288	33,250	(3,962)
Allowance for Funds Used During Construction	10,142	15,796	(5,654)
Non-Operating Margins - Other	8,122	-	8,122
<b>Patronage Capital or Margins</b>	<b>\$ (83,709)</b>	<b>\$ (127,635)</b>	<b>\$ 43,926</b>

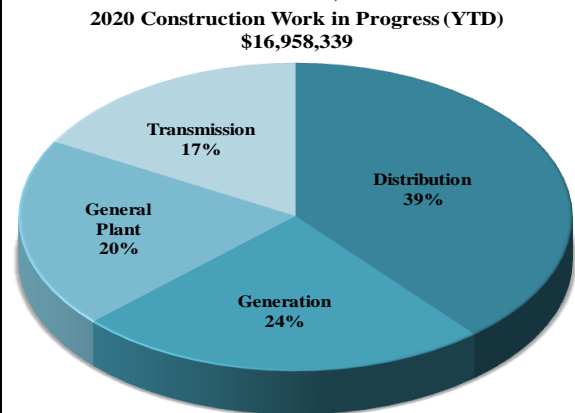
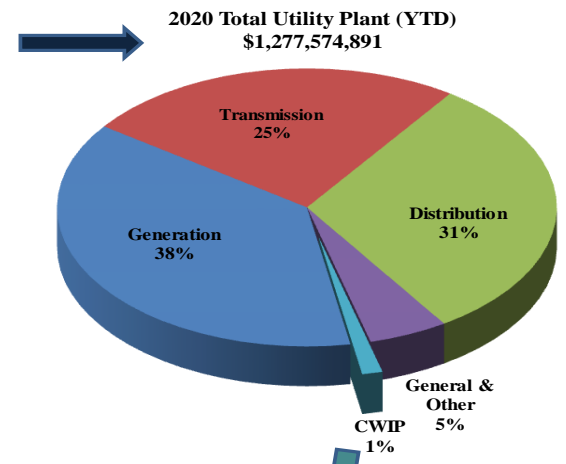
## Total Cost of Electric Service (MTD Actual)





## BALANCE SHEET

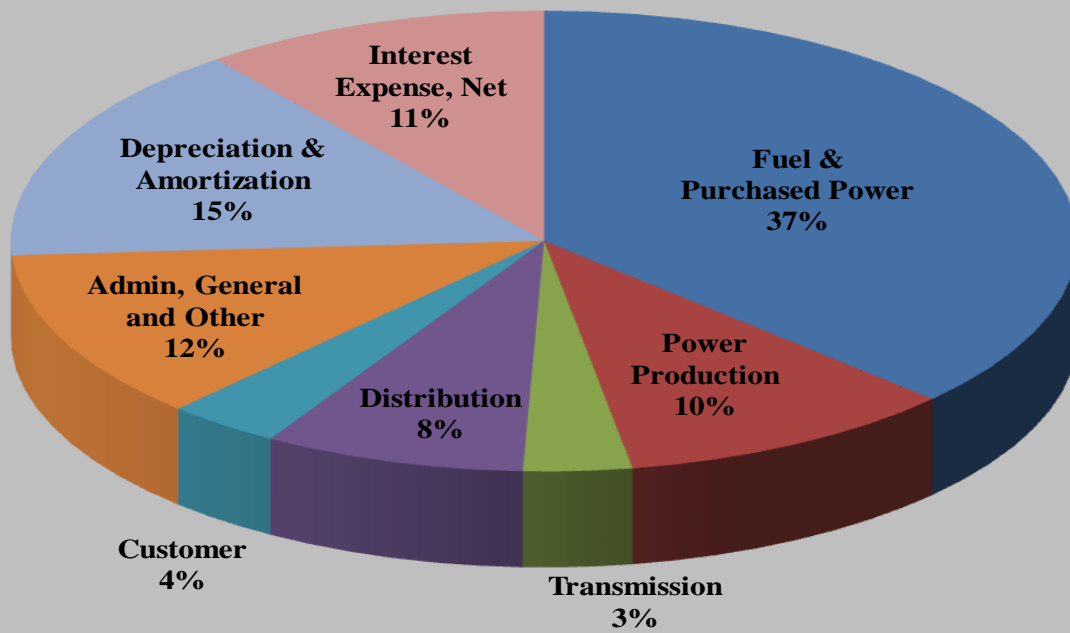
ASSETS & OTHER DEBITS	08/31/2020	12/31/2019
Electric Plant in Service	1,260,616,552	1,242,523,092
Construction Work in Progress	16,958,339	16,966,608
<b>Total Utility Plant</b>	<b>\$ 1,277,574,891</b>	<b>\$ 1,259,489,700</b>
Accum. Prov. for Depreciation/Amortization	(574,930,817)	(556,209,740)
<b>Net Utility Plant</b>	<b>\$ 702,644,074</b>	<b>\$ 703,279,960</b>
Nonutility Property - Net	76,889	76,889
Financing & Operating Lease Right-of-Use Assets	831,621	958,111
Investment in Assoc. Organizations	7,790,850	8,148,426
Special Funds	2,611,995	2,603,505
Restricted Cash Equivalents & Other	64,310	108,000
Long-term Prepayments	-	-
<b>Total Other Property &amp; Investments</b>	<b>\$ 11,375,665</b>	<b>\$ 11,894,931</b>
Cash & Restricted Cash	5,420,858	8,515,975
Special Deposits and Marketable Securities	257,032	248,483
Accounts Receivable - Net	25,051,172	30,120,230
Materials and Supplies, Fuel Stock	35,023,379	30,265,047
Prepayments	2,699,993	2,699,308
Other Current & Accrued Assets	379,118	1,680,885
<b>Total Current &amp; Accrued Assets</b>	<b>\$ 68,831,552</b>	<b>\$ 73,529,928</b>
Deferred Debits	55,480,547	45,880,452
<b>Total Assets &amp; Other Debits</b>	<b>\$ 838,331,838</b>	<b>\$ 834,585,271</b>
LIABILITIES & OTHER CREDITS	08/31/2020	12/31/2019
Memberships	1,794,712	1,776,592
Pat. Capital, Margins & Equities	195,244,141	192,690,321
<b>Total Margins &amp; Equities</b>	<b>\$ 197,038,853</b>	<b>\$ 194,466,913</b>
Long-Term Debt - Bonds	429,683,330	449,999,997
Long-Term Debt - Other	27,816,000	30,535,826
Unamortized Debt Issuance Costs	(2,602,088)	(2,684,537)
Operating Lease Liabilities	613,978	754,888
Finance Lease Liabilities	7,989	-
<b>Total Long-Term Debt</b>	<b>\$ 455,519,209</b>	<b>\$ 478,606,174</b>
Notes Payable	65,177,672	51,056,065
Accounts Payable	11,034,439	8,316,375
Consumer Deposits	3,776,376	4,294,770
Other Current & Accrued Liabilities	37,431,134	32,498,393
<b>Total Current &amp; Accrued Liabilities</b>	<b>\$ 117,419,621</b>	<b>\$ 96,165,603</b>
Deferred Compensation	1,484,476	1,775,759
Other Liabilities, Non-Current	635,744	398,790
Deferred Liabilities	1,467,600	903,870
Cost of Removal Obligation	64,766,335	62,268,162
<b>Total Liabilities &amp; Other Credits</b>	<b>\$ 838,331,838</b>	<b>\$ 834,585,271</b>



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

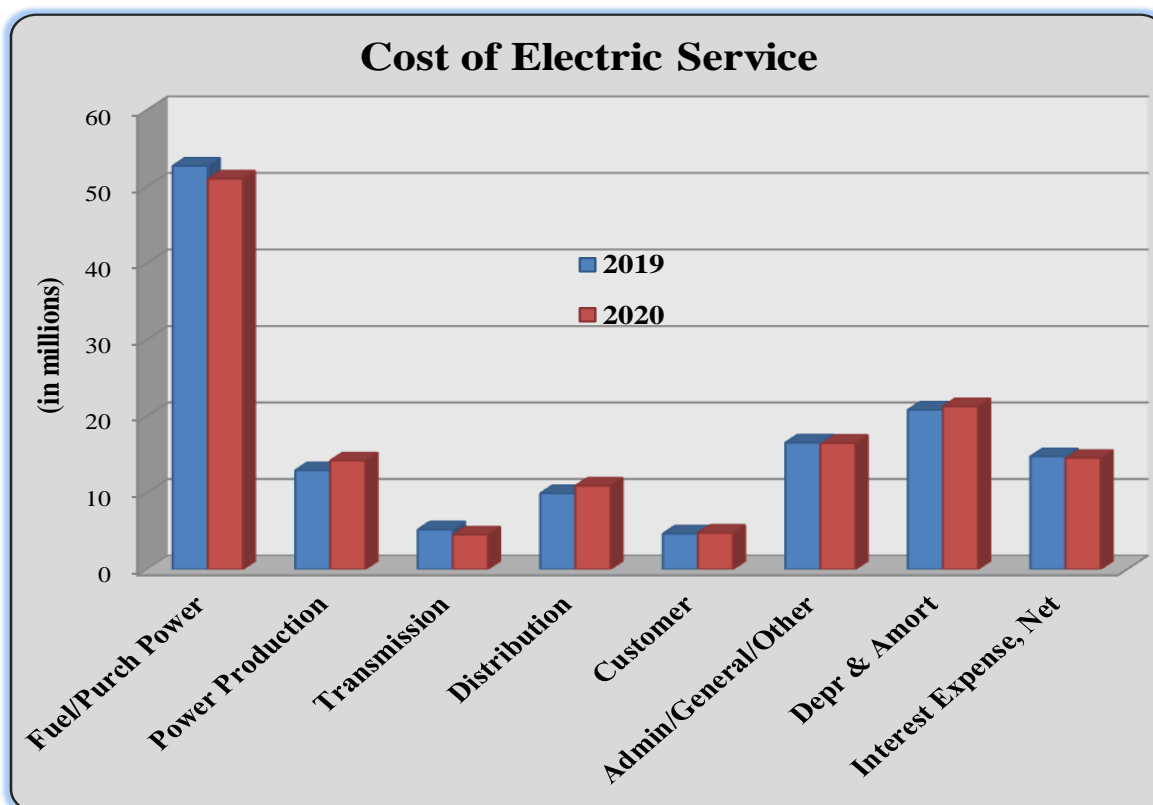
CATEGORY	2020 YTD ACTUAL	2020 YTD BUDGET	2020 YTD VARIANCE
<b>Operating Revenue and Patronage Capital</b>	<b>\$ 140,782,423</b>	<b>\$ 142,196,378</b>	<b>\$ (1,413,955)</b>
Fuel and Purchased Power Expense	51,042,963	51,441,633	(398,670)
Power Production Expense	14,205,669	14,493,194	(287,525)
Transmission Expense	4,531,555	5,152,775	(621,220)
Distribution Expense	10,917,907	10,708,102	209,805
Customer Expense	4,759,808	5,125,180	(365,372)
Administrative, General and Other	16,509,223	17,713,823	(1,204,600)
Depreciation & Amortization Expense	21,292,673	21,243,450	49,223
Interest Expense, Net	14,540,771	14,977,825	(437,054)
<b>Total Cost of Electric Service</b>	<b>\$ 137,800,569</b>	<b>\$ 140,855,982</b>	<b>\$ (3,055,413)</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ 2,981,854</b>	<b>\$ 1,340,396</b>	<b>\$ 1,641,458</b>
Non-Operating Margins - Interest	253,836	266,000	(12,164)
Allowance Funds Used During Const.	75,945	72,044	3,901
Non-Operating Margins - Other	(44,600)	-	(44,600)
<b>Patronage Capital or Margins</b>	<b>\$ 3,267,035</b>	<b>\$ 1,678,440</b>	<b>\$ 1,588,595</b>
MFI/I	1.22	1.11	
TIER	1.23	1.12	

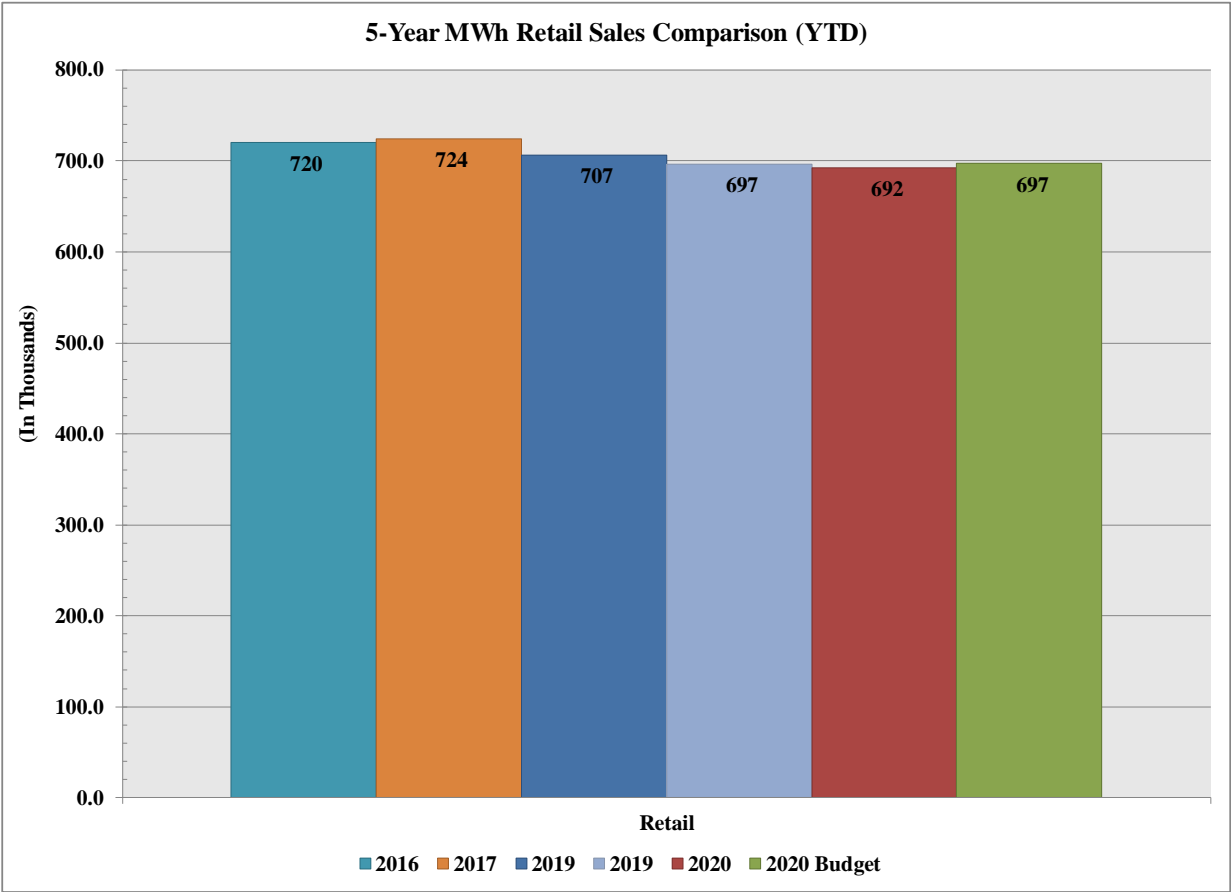
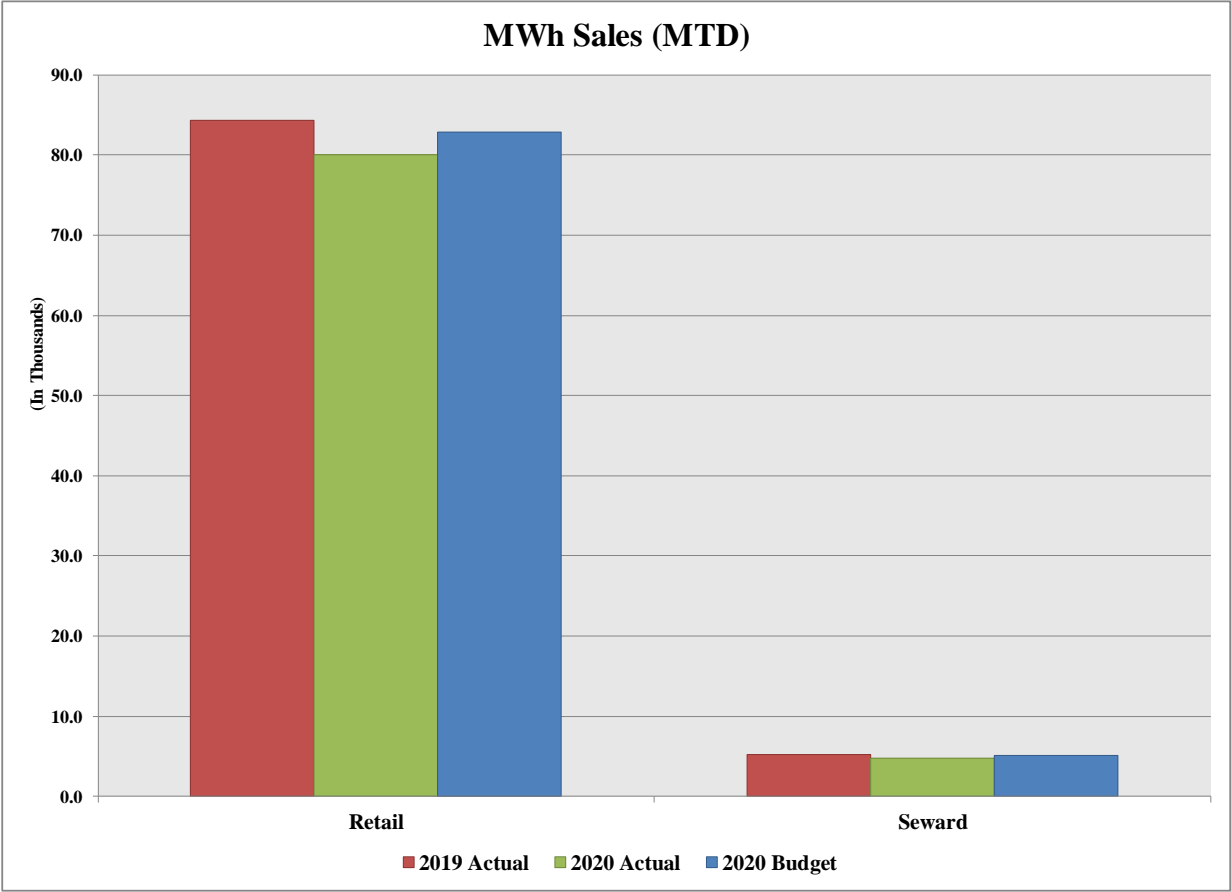
**Total Cost of Electric Service (YTD Actual)**

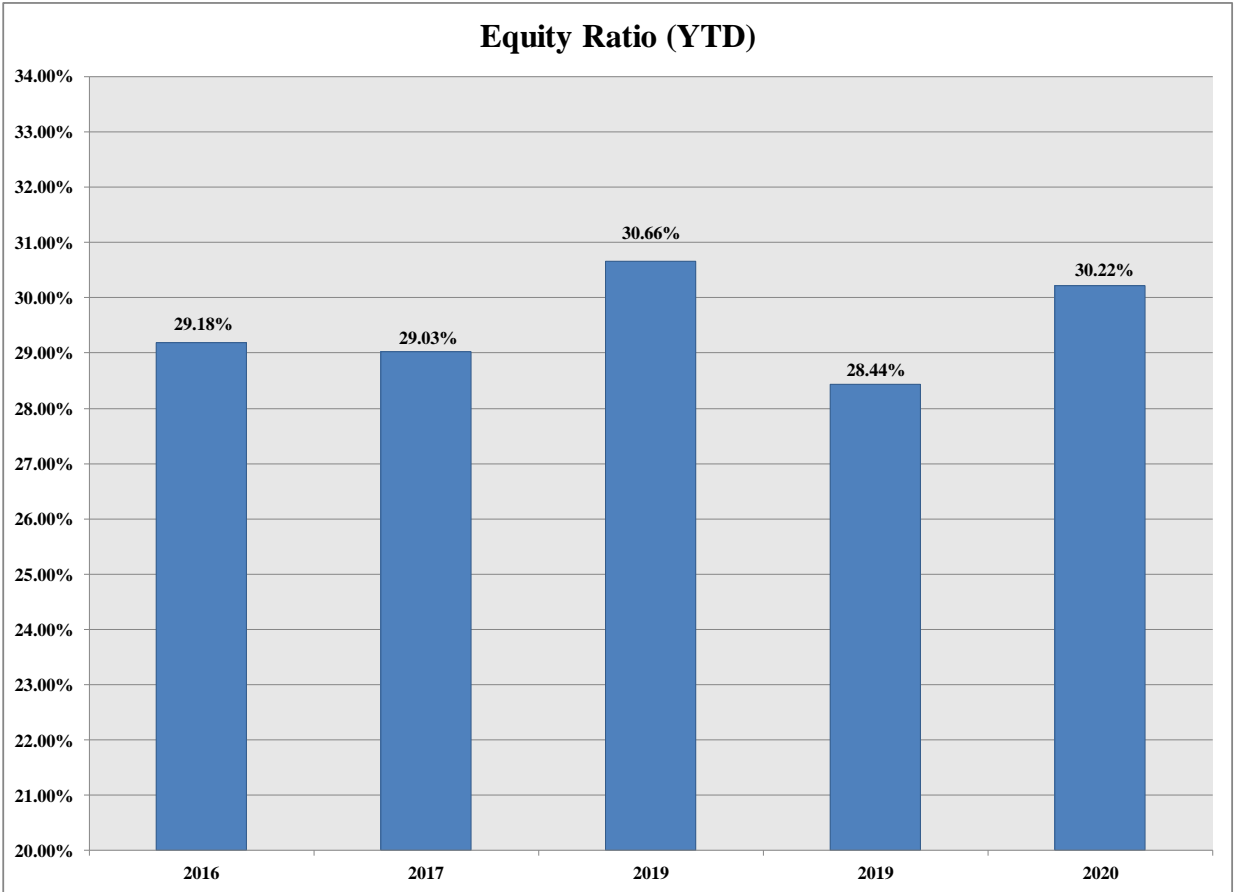
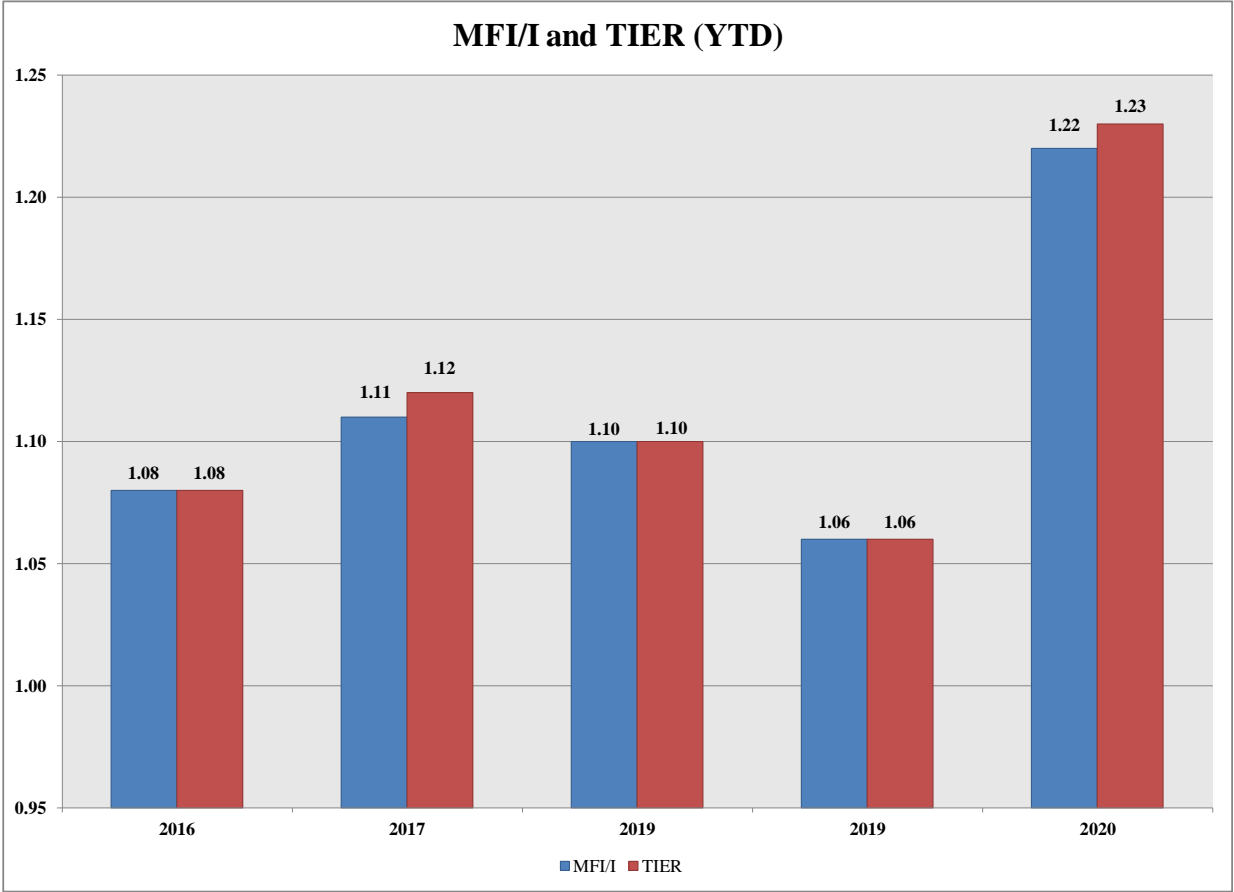


## COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS CURRENT TO PRIOR ACTUAL

CATEGORY	2020 YTD ACTUAL	2019 YTD ACTUAL
<b>Operating Revenue and Patronage Capital</b>	<b>\$140,782,423</b>	<b>\$137,836,442</b>
Fuel and Purchased Power Expense	51,042,963	52,719,337
Power Production Expense	14,205,669	12,937,323
Transmission Expense	4,531,555	5,205,226
Distribution Expense	10,917,907	9,929,303
Customer Expense	4,759,808	4,673,188
Administrative, General and Other	16,509,223	16,559,342
Depreciation and Amortization Expense	21,292,673	20,838,451
Interest Expense, Net	14,540,771	14,749,840
<b>Total Cost of Electric Service</b>	<b>\$137,800,569</b>	<b>\$137,612,010</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ 2,981,854</b>	<b>\$ 224,432</b>
Non-Operating Margins - Interest	253,836	401,004
Allowance for Funds Used During Construction	75,945	103,306
Non-Operating Margins - Other	(44,600)	106,432
<b>Patronage Capital or Margins</b>	<b>\$ 3,267,035</b>	<b>\$ 835,174</b>
MFI/I	1.22	1.06
TIER	1.23	1.06







## ENERGY SALES (kWh)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Energy Sales	692,139,163	697,287,257
Wholesale Energy Sales	<u>38,783,631</u>	<u>38,604,947</u>
Total Firm Energy Sales	730,922,794	735,892,204
Economy Energy Sales	<u>0</u>	<u>0</u>
Total Energy Sales	730,922,794	735,892,204

Firm energy sales totaled 730,922,794 kWh, which was a 0.7% unfavorable variance compared to budget. Retail energy sales were under budget 0.7% due to lower commercial sales as a result of COVID-19, which was somewhat offset by an increase in residential sales caused by members working more from home, as well as colder than anticipated weather early in the year. Additionally, wholesale energy sales were over budget by 0.5% primarily due to colder than anticipated weather during the first quarter.

## ENERGY REVENUE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Revenue	\$133.7	\$ 136.3
Wholesale Revenue	<u>3.9</u>	<u>4.0</u>
Total Firm Revenue	137.6	140.3
Economy Energy/Capacity Revenue	0.0	0.0
Other Operating Revenue	<u>3.2</u>	<u>1.9</u>
Total Revenue	\$ 140.8	\$ 142.2

Revenue from firm sales totaled \$137.6 million compared to \$140.3 million in the budget. Firm revenue was lower than expected primarily due to lower than anticipated costs recovered through the fuel and purchased power adjustment process as a result of higher wheeling. Additionally, the net impact of lower commercial revenue and higher residential revenue also contributed to this unfavorable variance. Other operating revenue includes late fees, pole rental, wheeling, microwave, BRU royalties, miscellaneous service and other electric revenue. Other operating revenue totaled \$3.2 million compared to \$1.9 million in the budget, primarily due to higher than anticipated wheeling from Bradley Lake.

## FUEL AND PURCHASED POWER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Fuel	\$ 35.2	\$ 38.6
Purchased Power	<u>15.8</u>	<u>12.8</u>
Total	\$ 51.0	\$ 51.4

Fuel expense includes fuel, storage, transportation, and BRU operating costs. Fuel expense was \$35.2 million compared to \$38.6 million in the budget. This favorable variance was primarily due to lower than anticipated fuel as a result of less power generated than planned and lower storage and transportation expense.

Actual fuel purchased or withdrawn from inventory for production was 3,920,720 Mcf, which did not include 504,943 Mcf of fuel recorded as purchased power, at an average effective delivered price of \$8.25 per Mcf compared to 4,181,887 Mcf in the budget at an average effective delivered price of \$8.25 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 \$15.8 million compared to \$12.8 million in the budget. This unfavorable variance compared to budget was primarily due to higher than anticipated purchases from ML&P as a result of higher energy sales during the first quarter.

Actual energy purchased was 200,922 MWh at an average effective price of 6.64 cents per kWh compared to 147,094 MWh budgeted at an average effective price of 6.92 cents per kWh.

## POWER PRODUCTION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Power Production	\$ 14.2	\$ 14.5

Power production expense was \$14.2 million compared to \$14.5 million in the budget. This favorable budget variance is primarily due to lower than anticipated maintenance costs at SPP and Cooper Lake, which were somewhat offset by higher than anticipated maintenance costs at Beluga.

## TRANSMISSION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Transmission	\$ 4.5	\$ 5.2

Transmission operations and maintenance expense was \$4.5 million compared to \$5.2 million in the budget. This favorable variance was primarily due to lower than anticipated costs associated with vegetation control and engineering studies and design.

## DISTRIBUTION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Distribution	\$ 10.9	\$ 10.7

Distribution operations and maintenance expense was \$10.9 million compared to \$10.7 million in the budget. This unfavorable variance is primarily due to higher than anticipated costs associated with vegetation control and maintenance and operations labor expense.

## CONSUMER ACCOUNTS / CUSTOMER INFORMATION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Consumer / Customer Information	\$ 4.8	\$ 5.1

Consumer accounts and customer information expense was \$4.8 million compared to \$5.1 million in the budget. This favorable variance is primarily due to lower than anticipated labor expense.

## ADMINISTRATIVE, GENERAL AND OTHER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Administrative, General and Other	\$ 16.5	\$ 17.7

Administrative, general and other expense includes tax, donations, other deductions associated with preliminary survey and investigation charges of projects, and obsolete inventory write-offs that are not attributable to operating or maintenance accounts. Administrative, general and other expense was \$16.5 million compared to \$17.7 million in the budget. This favorable budget variance is primarily due to lower than anticipated costs associated with legal, information services, human resources and fuel and corporate planning initiatives. Costs associated with corporate membership dues, the annual meeting and training also contributed to this variance.

## SUMMARY

Depreciation, interest, and interest during construction expense totaled \$35.8 million compared to \$36.2 million in the budget. This favorable variance compared to budget was primarily due to lower than anticipated interest expense.

All of the foregoing expenses resulted in total cost of electric service of \$137.8 million compared to \$140.9 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 \$285.1 thousand compared to \$338.0 thousand in the budget primarily due to the loss in value of marketable securities.

The net result of revenue and expenses was margins of \$3.3 million compared to projected margins of \$1.7 million in the budget. The current forecast projects year-end margins of \$6.0 million, an MFI/I of 1.27, and TIER of 1.28.



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

CATEGORY	2020 APPROVED BUDGET	2020 AMENDED BUDGET	2020 YTD ACTUALS	2020 REVISED FORECAST
<b>Operating Revenue and Patronage Capital</b>	<b>\$227,256,742</b>	<b>\$218,368,235</b>	<b>\$140,782,423</b>	<b>\$213,970,647</b> <sup>1, 2</sup>
Fuel and Purchased Power Expense	88,355,228	79,466,721	51,042,963	79,067,783 <sup>1, 2</sup>
Power Production Expense	21,763,699	21,763,699	14,205,669	20,486,788 <sup>2</sup>
Transmission Expense	7,416,584	7,416,584	4,531,555	7,301,864 <sup>2</sup>
Distribution Expense	16,378,463	16,378,463	10,917,907	15,252,543 <sup>2</sup>
Customer Expense	7,709,966	7,709,966	4,759,808	7,502,277 <sup>2</sup>
Administrative, General & Other	26,116,149	26,116,149	16,509,223	24,953,605 <sup>2</sup>
Depreciation and Amortization Expense	31,953,849	31,953,849	21,292,673	31,997,874 <sup>1, 2</sup>
Interest Expense, Net	22,317,234	22,317,234	14,540,771	21,880,180 <sup>1</sup>
<b>Total Cost of Electric Service</b>	<b>\$222,011,172</b>	<b>\$213,122,665</b>	<b>\$137,800,569</b>	<b>\$208,442,914</b>
<b>Patronage Capital &amp; Operating Margins</b>	<b>\$ 5,245,570</b>	<b>\$ 5,245,570</b>	<b>\$ 2,981,854</b>	<b>\$ 5,527,733</b>
Non-Operating Margins - Interest	399,000	399,000	253,836	386,836 <sup>1</sup>
Allowance for Funds Used During Construction	145,638	145,638	75,945	149,539 <sup>1</sup>
Non-Operating Margins - Other	-	-	(44,600)	(44,600) <sup>1</sup>
<b>Patronage Capital or Margins</b>	<b>\$ 5,790,208</b>	<b>\$ 5,790,208</b>	<b>\$ 3,267,035</b>	<b>\$ 6,019,508</b>
MFI/I	1.25	1.25	1.22	1.27
TIER	1.27	1.27	1.23	1.28

<sup>1</sup> Forecast based on 8 month actual and 4 month forecast

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

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

**October 13, 2020**

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

**FROM:** Tyler Andrews, Executive Vice President, Employee Services & Communication

**SUBJECT:** 3rd Quarter Safety Report 2020

**3rd Quarter Safety Report 2020**

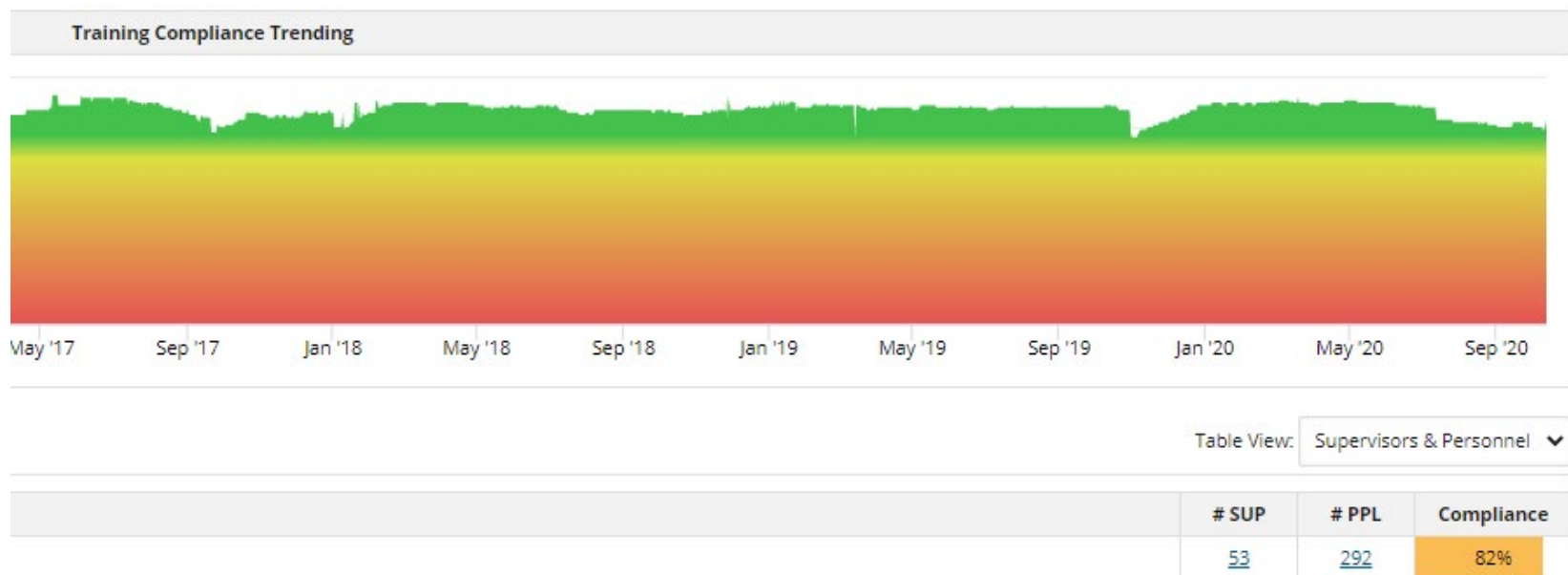
• Total Number of Recordable Injuries	3
• Number of Lost Workday Recordable Injuries	0
• Preventable Incidents	0
• Lost Workdays	0
• Vehicle Incidents	1

**Notable Items:**

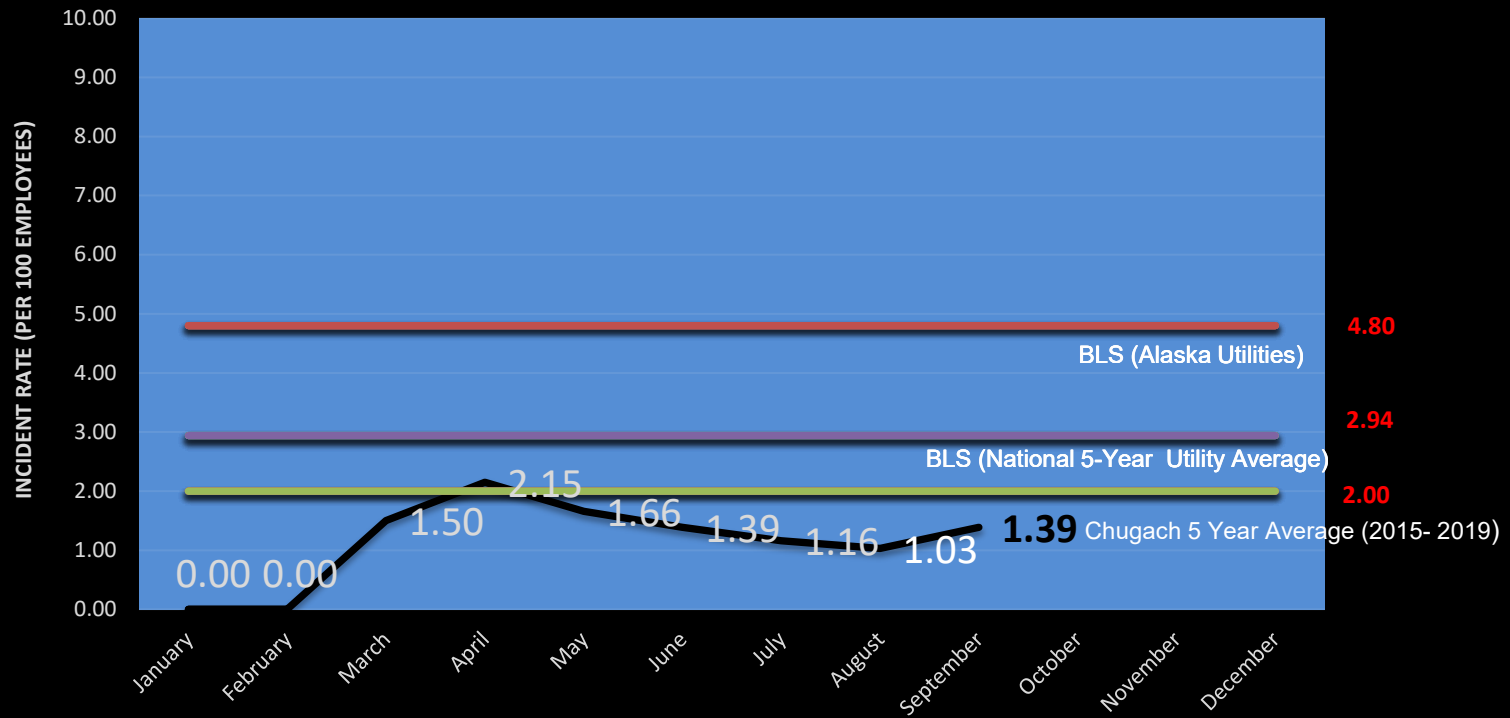
- Issued a company COVID-19 policy that established safe work practices and guidelines for employees to follow to reduce the risk of spread of the virus within our operations
- Represented Chugach Electric at the annual APA Safety Conference as the closing presenter, providing attendees a utility perspective in safety.
- Held our first virtual quarterly manager meeting, which allowed for an important opportunity to reconnect as a management team around safety.

## **Safety Training:**

- A primary incident prevention effort from the Safety Department is the delivery of safety training. Safety training topics contribute to employee knowledge, hazard identification and mitigation, required safe work procedures, and safety regulations. To date 82% of our training plan has been completed. It should be noted that COVID has impacted our ability to complete certain types of on-site instructor led training.

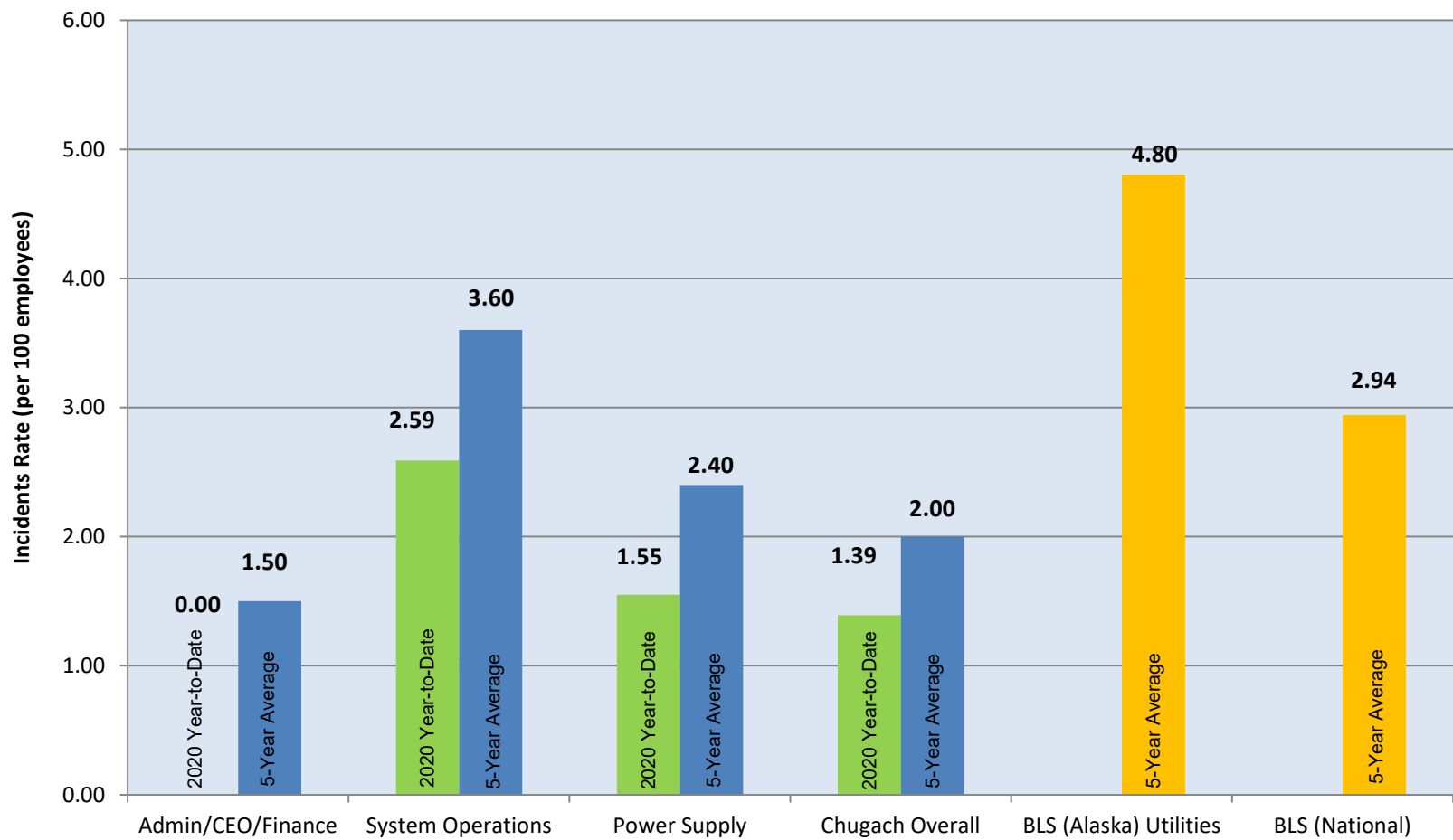


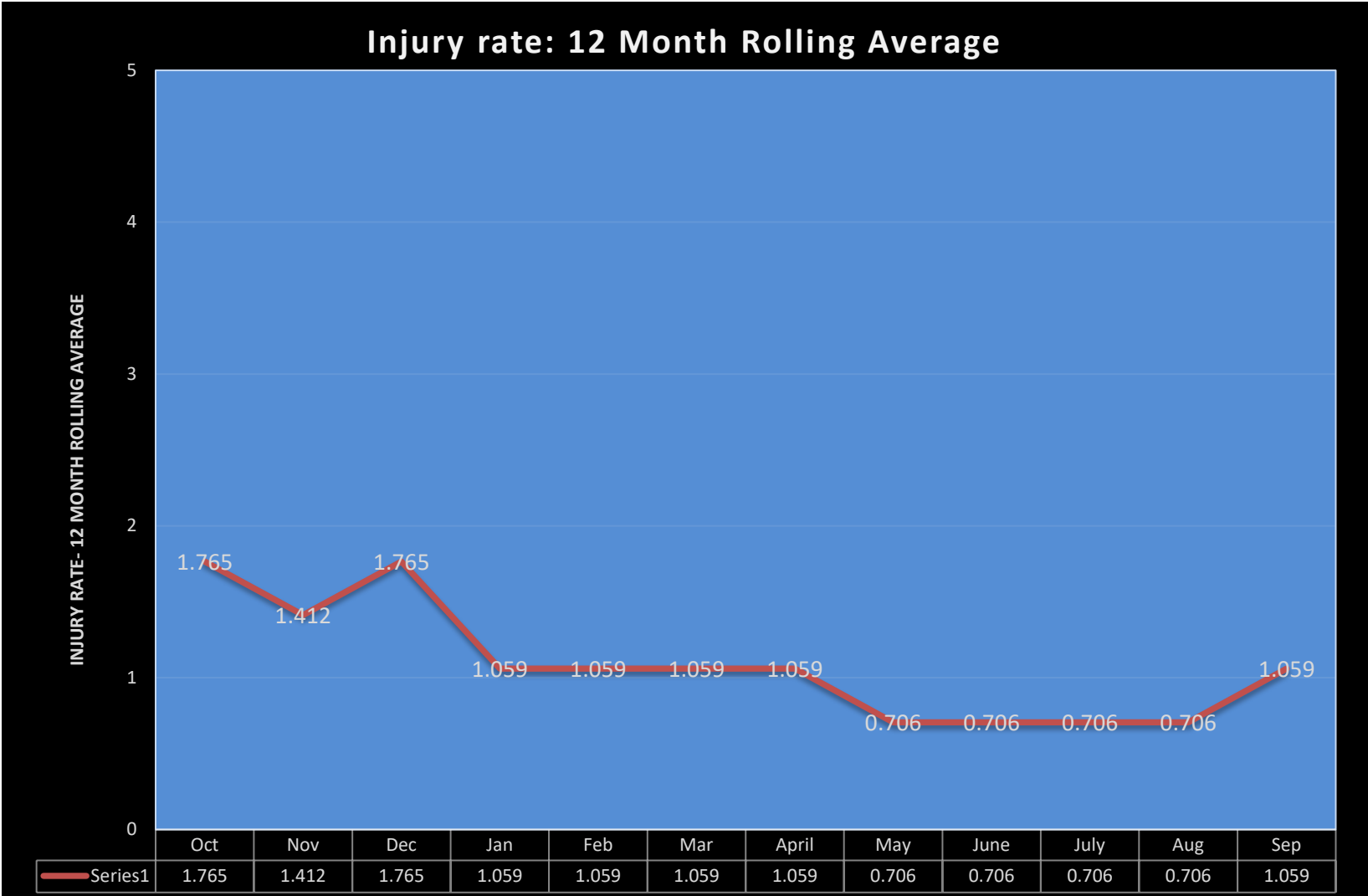
## Recordable Incident Rate 2020



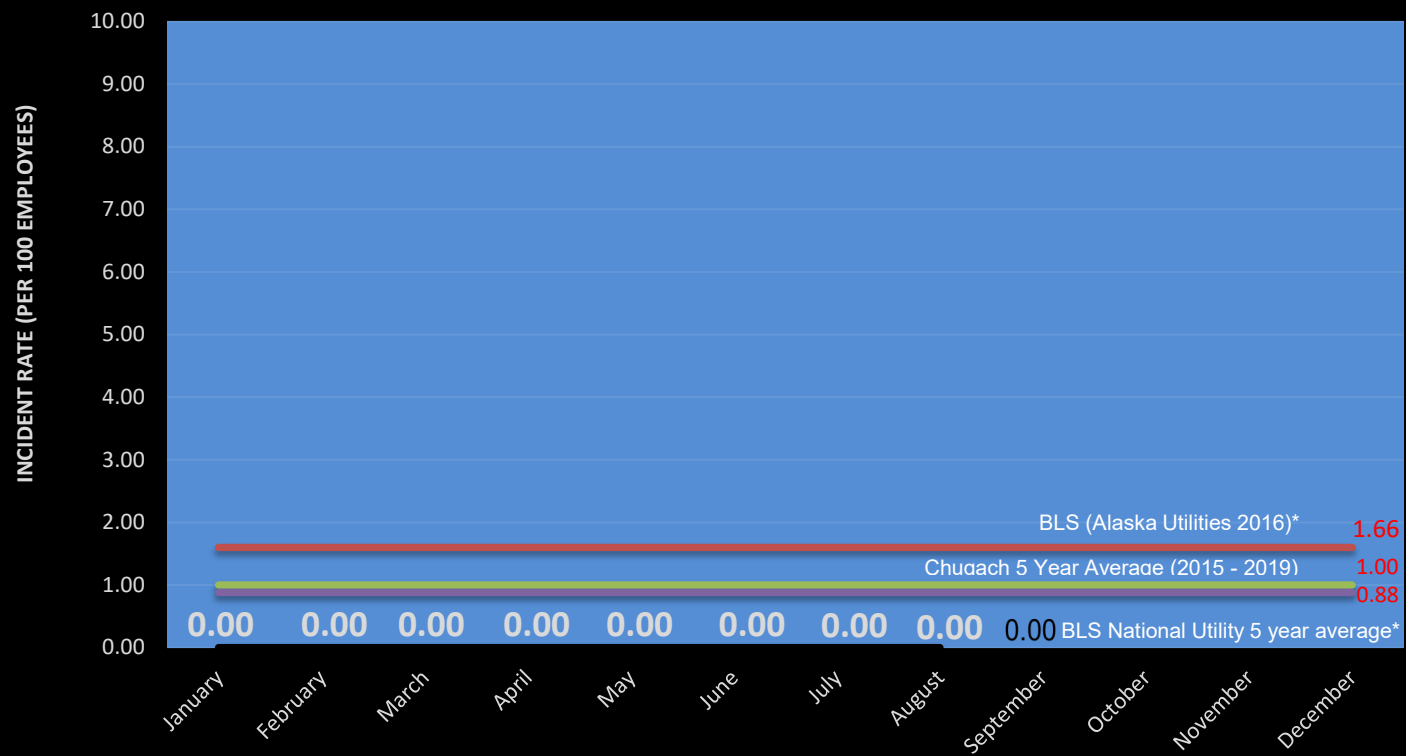
\* Based on data reported to the Bureau of Labor Statistics (BLS) under NAICS Code 2211

## Recordable Incident Rate 2020 by Group

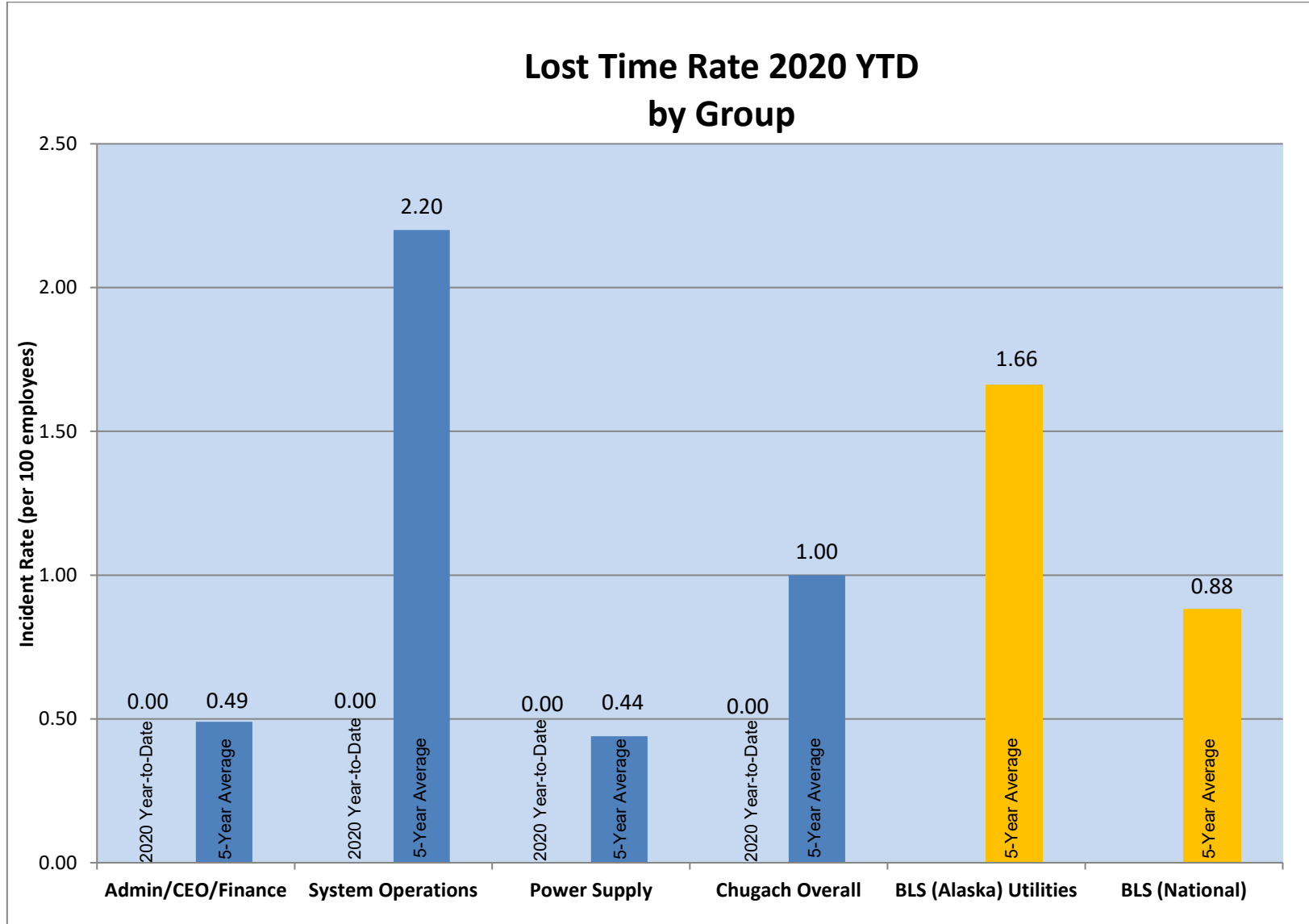




## Lost Time Rate YTD 2020



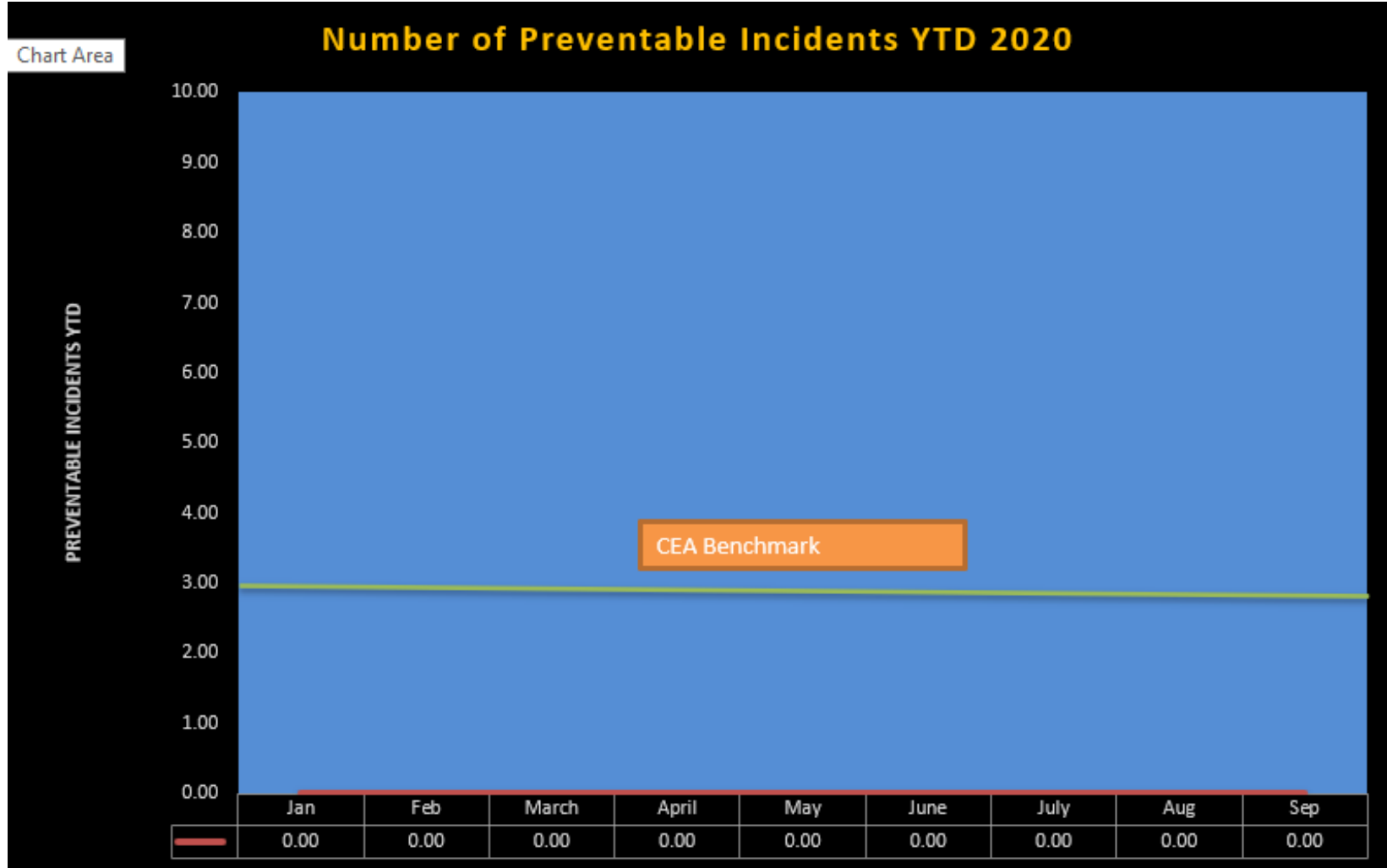
\* Based on data reported to the Bureau of Labor Statistics (BLS) under NAICS Code 2211







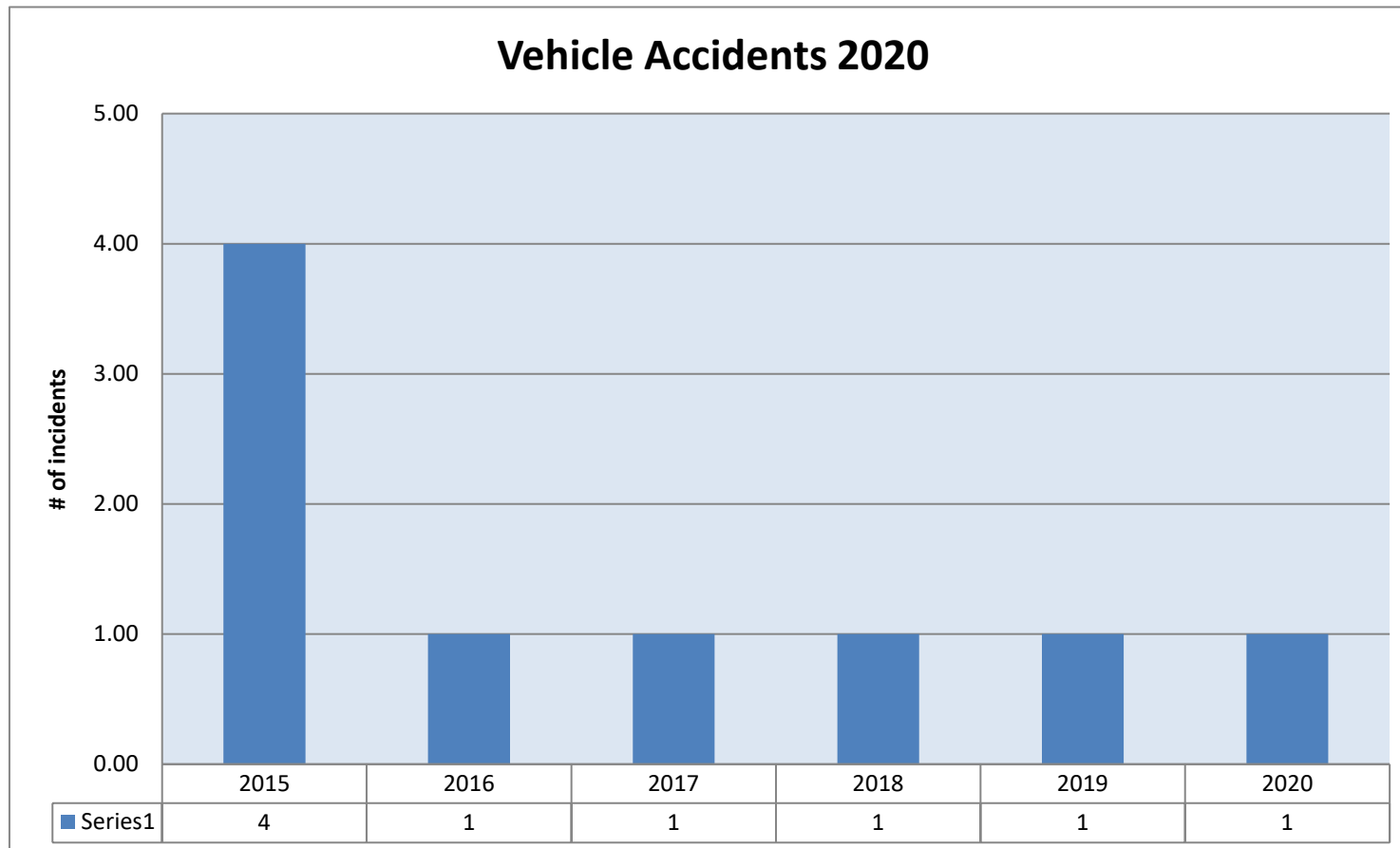
Preventable Incidents: There has been zero preventable accidents in 2020





## Vehicle Incidents

There have been 1 preventable vehicle incidents year to date.



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

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

**October 28, 2020**

**ACTION REQUIRED**

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

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

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**TOPIC**

Integration Program Funding Authorization

**DISCUSSION**

On July 22, 2020, the Integration Program began a process of a month-to-month review and authorization of the Integration Program costs. The board approved a total of \$32.7 million through October 2020. The Integration Program is requesting \$3.0 million additional funding authorization for November 2020 for a total funding authorization of \$35.7 million. This is within the June 26, 2019 Board approved Integration Program Workplan Budget of \$39.5 million.

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

**MOTION**

Move that the Board of Directors authorize an increase of the Integration Program funding of \$3.0 million to continue the program for the month of November 2020, for a total Integration Program funding authorization of \$35.7 million.