



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

REGULAR BOARD OF DIRECTORS' MEETING

AGENDA

Sam Cason, Chair
Sisi Cooper, Vice Chair
Rachel Morse, Treasurer
Susanne Fleek-Green, Secretary

Mark Wiggin, Director
Bettina Chastain, Director
Jim Nordlund, Director

November 13-14, 2023

8:30 a.m.

**The Megan Room
6591 A Street**

- I. CALL TO ORDER (8:30 a.m. – Monday, November 13, 2023)
 - A. Pledge of Allegiance
 - B. Roll Call
 - C. Safety Minute – “Emergency Exits” (S. Highers)
 - D. Energy Factoid – Rate Adjustment Processes (Clarkson)
- II. APPROVAL OF THE AGENDA* (8:40 a.m.)
- III. PERSONS TO BE HEARD (8:45 a.m.)
- IV. CONSENT AGENDA* (8:50 a.m.)
 - A. Board Calendar
 - 1. Excused Absence – Director Nordlund – November 07, 2023, Special Board of Directors’ Meeting
 - 2. Excused Absence – Director Nordlund –November 08, 2023, Audit & Finance Committee Meeting
 - B. Training Conferences
 - C. Minutes
 - 1. October 25, 2023, Regular Board of Directors’ Meeting (Hamilton)
 - 2. November 7, 2023, Special Board of Directors’ Meeting (Slocum)
 - D. 2024 Operating and Capital Budget (S. Highers)
 - E. BMO Account Changes (S. Highers)
 - F. KeyBank Credit Card Approval (S. Highers)
 - G. Director Expenses
- V. EXECUTIVE SESSION* (scheduled) (8:55 a.m.)
 - A. Introductions and Opening Comments (Cason/Schneider) (8:55 a.m.)
 - B. Strategic Plan Overview and Session Objectives (Miller) (9:25 a.m.)
 - C. Natural Gas Supply (Schneider) (9:40 a.m.)

* Denotes Action Items

** Denotes Possible Action Items

11/10/2023 4:31:56 PM

- D. Disruptive Trends (Schneider) (11:40 a.m.)*
- E. Utility of the Future (Schneider) (1:10 p.m.)*
- F. Legislation and Policy Positions (Schneider) (2:10 p.m.)*
- VI. RECESS* (4:10 p.m.)
- VII. RECONVENE MEETING* (8:30 a.m. – Tuesday, November 14, 2023)
- VIII. EXECUTIVE SESSION* (scheduled) (8:30 a.m.)
 - A. Review of Strategic Priority Areas (Schneider) (8:30 a.m.)
 - 1. Safety
 - 2. Integration of Synergies & Cost Savings
 - 3. Communication, Member Engagement & Community Involvement
 - 4. Business Planning & Economic Development
 - 5. Leadership, Management & Employee Development
 - 6. Decarbonization
 - 7. Natural Gas Supply
 - B. Action Plan and Accountabilities (Board/Staff) (11:15 a.m.)
- IX. DIRECTOR REPORTS (12:30 p.m.)
 - A. Alaska Power Association (APA) Report
 - B. Board Committee Reports (Audit & Finance, Operations & Governance)
 - C. Other Meeting Reports
- X. CEO REPORTS AND CORRESPONDENCE (12:40 p.m.)
 - A. Community Solar (Skaling)
 - B. Board Policy Scheduled Tasks/Reports (Board/Staff)
- XI. NEW BUSINESS* (scheduled) (1:00 p.m.)
 - A. Southcentral Power Project Generation Repair* (Ori/Laughlin)
 - B. Appointment of ARCTEC Member, Management and Alternate Representatives* (Board)
- XII. EXECUTIVE SESSION* (scheduled) (1:30 p.m.)
 - A. Enterprise Resource Planning Project Update (McCarty/Wood)
 - B. Railbelt Coordination Planning (Clarkson/Miller)
- XIII. UNFINISHED BUSINESS (none)
- XIV. DIRECTOR COMMENTS (2:15 p.m.)
- XV. ADJOURNMENT* (2:35 p.m.)

* Denotes Action Items

** Denotes Possible Action Items

11/10/2023 4:31:56 PM

Factoid: Utility Costs and Cost Recovery

**Regular Board of Directors Meeting
November 13, 2023**

Base Rates

- **Base rate revenue requirement = approximately 2/3 of total annual costs**
- **Revenue requirement components:**
 - O&M expense (production, transmission, and distribution)
 - A&G expense
 - Customer accounts
 - Depreciation expense
 - Taxes
 - Interest on debt
 - Margin

Base Rates

- **Base rates adjusted through General Rate Case (GRC) or Simplified Rate Filing Procedure (SRF)**
 - SRF
 - Quarterly/Semi-annual
 - Revenue requirement adjustments, billing determinant adjustments, and normalizations
 - Limited to 20% increase in 3 years and 8% in any 12-month period
 - GRC
 - Rate design/cost of service modifications
 - Rate increases beyond SRF limits
 - TIER adjustment

COPA Rates

- **Cost of Power Adjustment (COPA) = approximately 1/3 of total annual costs**
- **Components:**
 - Fuel expense
 - Cost of BRU (recovered through fuel expense)
 - Gas Transfer Price (GTP) = ARO + Cap Ex + Op Ex + Margin (all cost of BRU operations)
 - Purchased power expense
- **Includes balancing account over/under recovery**
- **Current quarter costs and revenues**
- **Projected costs for next quarter**

Economy Energy

- **Interruptible energy sales to third-parties (i.e., Golden Valley Electric Ass'n)**
- **Components:**
 - Fuel expense
 - O&M expense
 - Margin
- **Offset to retail and Seward fuel costs (margin)**

Miscellaneous Fee Charges

- **Line Extension fees**
- **Service connect and disconnect fees**
- **Late payment fees**
- **Return check fees**
- **Special Services**
 - Raising and lowering of facilities
 - Secondary service relocation

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

October 25, 2023
Wednesday
4:00 p.m.

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Ky'yanna Hamilton

I. CALL TO ORDER

Director Morse called the Regular Board of Directors' meeting to order at 4:02 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. *Pledge of Allegiance*

Director Morse led the Board in the Pledge of Allegiance.

B. *Roll Call*

Board Members Present:

Sam Cason, Chair (*Telephonic*)

Sisi Cooper, Vice Chair (*Telephonic*)

Rachel Morse, Treasurer

Susanne Fleek-Green, Secretary (*Telephonic*)

Mark Wiggin, Director

Bettina Chastain, Director

Jim Nordlund, Director (*Telephonic*)

Staff and Guests in Attendance:

Present:

Sherri Highers

Todd McCarty

Josh Travis

Allan Rudeck

Emily Muller

Scarlett Masten

Matthew Clarkson

Peyton Reid

Phillip Zempel

Andrew Laughlin

Mike Brodie

Patty Bogan, Member

Karen Griffin

Trish Baker

Brad Authier, Member

Julie Hasquet

Margret Louie, Member

William Herman, Member

Marty Freeman

Crysal Enkvist, APA

Bruce Schull, Member

Via Teleconference:

Aurora Roth, Member

Samantha Owen,

David Caye

Donovan Russoniello,
Member

McMillen

Nathan Golab

George Donart, Member

Paul Michelsohn,
Member

Ashton Doyle

Polly Murray, Member

Deborah Gardino

Sandra Cacy

Heather Slocum

C. *Safety Minute*

Marty Freeman, Senior Manager of Safety, and Security presented "Using an AED", the year-to-date safety information, and responded to questions from the Board.

D. Electric Power Factoid: Cyber Security – (McCarty)

Todd McCarty, VP of Information Services presented a detailed update about “Cyber Security” and answered questions from the board.

II. APPROVAL OF AGENDA

Director Wiggin moved, and Director Chastain seconded the motion to approve the agenda. Director Chastain made a friendly amendment to the Agenda, to include an executive session item to discuss the Eklutna Project. The motion passed unanimously as amended.

Director Cooper was not present at the time of the vote.

III. PERSONS TO BE HEARD

A. Member Comments

Bruce Schulte, Member, made comments regarding community engagement related to substation upgrades.

Donovan Russoniello, Member, made comments requesting the Chugach Board to adopt a resolution in support of SB 101 and HB 121 to establish a Renewable Portfolio Standard for the Railbelt.

Polly Murray, Member, made comments regarding the benefits of a strong renewable portfolio standard and the impact on engineering jobs in Alaska.

Aurora Roth, Member, made comments asking the board to create and pass a resolution to support the Renewable Portfolio Standards in the upcoming legislative session.

William Herman, Member, made comments about the Renewable Portfolio Standards of Chugach.

Margaret T Louie, Member, made comments regarding the proposed 65-foot tower at the Campbell Lake substation.

Paul Michelsohn Jr., Member, made comments regarding the cost of the Campbell Lake Substation.

Director Wiggin arrived in person at 4:39 p.m.

IV. DIRECTOR REPORTS

A. Member Advisory Council (MAC) Report

Julie Hasquet, Senior Manager of Corporate Communications, provided an update on the MAC committee activities, changes to the website, strategic goals and announced open seats on the committee.

B. Alaska Power Association (APA) Report

Crystal Enkvist, APA, provided an update on APA activities, upcoming events, and responded to questions from the board.

C. Board Committee Reports (Audit & Finance, Operations & Governance)

Director Morse reported on the upcoming Audit & Finance Committee on November 8, 2023.

Director Wiggin reported on the October 11, 2023, Operations Committee Meeting.

Director Morse reported on the October 17, 2023, Governance Committee Meeting.

- D. *Other Meeting Reports*
Director Morse gave a report on her attendance at the NRECA regional meeting.

V. CONSENT AGENDA

- A. *Board Calendar*
1. *Excused Absence – Director Nordlund – October 11, 2023, Operations Committee Meeting*
- B. *Training and Conferences*
1. *NRECA Winter School for Directors, December 8-12, 2023, Nashville, TN*
- C. *Minutes*
1. *September 27, 2023, Regular Board of Directors’ Meeting (Slocum)*
- D. *Member Advisory Council (MAC) Charge*
- E. *Board Policy 606: Policies and Procedures for Member Committees*
- F. *Retail Capital Credit Retirement*
- G. *Director Expenses*

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

Director Cooper was not present at the time of the vote.

VI. CEO REPORTS AND CORRESPONDENCE

- A. *August 2023 Financial Statements and Variance Report (Griffin/Highers) (5:20 p.m.)*
Karen Griffin, VP of Finance and Accounting, presented the August 2023 Financial Statements and Variance Report, and responded to questions from the Board.
- B. *Online Access to Rate Case Information (Clarkson) (5:45 p.m.)*
Matt Clarkson, Chief Legal Officer, provided a tutorial of how to access and navigate the RCA website to track all Rate Case Information and answered questions from the board.
- C. *Board Policy Scheduled Tasks/Reports (Board/Staff) (6:00 p.m.)*
The Board Policy Scheduled Tasks were provided in the meeting packet.

Director Cooper joined online at 5:19 p.m.

VII. UNFINISHED BUSINESS

None.

VIII. NEW BUSINESS (scheduled) (6:10 p.m.)**

- A. *Board Policy 204: Director Meeting Fees and Expenses** (Board) (6:10 p.m.)*

Director Fleek – Green reported on the governance committee discussion regarding Board Policy 204: Director Meeting Fees and Expenses and opened the floor to the Board members to discuss Board Policy 204: Director Meeting Fees and Expenses. Directors expressed concerns and recommended that a clear process be put in place for changes over time and keeping a close eye on the frequency of board meetings, budgets, and compensation of board members.

Director Wiggin moved, and Director Fleek-Green seconded the agenda to approve the attached Resolution and Board Policy 204, adopting a new schedule and structure of director fees and other necessary revisions to Board Policy 204. The motion passed unanimously.

IX. EXECUTIVE SESSION

A. Eklutna Project Update

At 5:55 p.m., Director Chastain moved, and Director Cason 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 matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; and 2) discuss with its attorneys matters the immediate knowledge of which could have an adverse effect on the legal position of the cooperative.

The Meeting reconvened in open session at 7:45 p.m.

X. NEW BUSINESS

None.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 7:59 p.m., Director Wiggin moved, and Director Chastain seconded the motion to adjourn. The motion passed unanimously.

Susanne Fleek-Green, Secretary
Date Approved: November 13, 2023

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

November 7, 2023
Tuesday
12:00 p.m.

SPECIAL BOARD OF DIRECTORS' MEETING

Recording Secretary: Heather Slocum

I. CALL TO ORDER

Chair Cason called the Special Board of Directors' meeting to order at 12:04 p.m. at the Alaska Native Heritage Center, 8800 Heritage Center Drive, Anchorage, Alaska.

A. Land Acknowledgement

Chair Cason gave a land acknowledgement.

B. Pledge of Allegiance

Chair Cason led the Board and distinguished guests in the Pledge of Allegiance.

C. Roll Call

Board Members Present:

Sam Cason, Chair

Sisi Cooper, Vice Chair – *Via Teleconference*

Susanne Fleek-Green, Director

Mark Wiggin, Director

Bettina Chastain, Director – *Via Teleconference*

Rachel Morse, Director

Board Members Absent:

Jim Nordlund, Director

Others in Attendance:

Staff and Distinguished Guests

II. APPROVAL OF THE AGENDA

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

III. LEGISLATIVE LUNCHEON

Chair Cason welcomed guests and invited them to write down any questions they might have. Trish Baker, Manager, Government Affairs returned to the podium, where she introduced Chugach's Executive Team. Arthur Miller, Chief Executive Officer, Allan Rudeck, Chief Strategic Officer, Andrew Laughlin, Chief Operating Officer, and Dustin Highers, VP Corporate Programs led a presentation to the group. Trish Baker returned to the stage to lead the Questions and Answers portion of the program. Chair Cason returned to the stage to give closing remarks and encouraged everyone to stay and enjoy the center.

Vice Chair Cooper left the meeting at 12:50 p.m.

IV. ADJOURNMENT

At 1:09 p.m., Director Wiggin moved and Director Morse seconded the motion to adjourn. The motion passed unanimously.

Susanne Fleek-Green, Secretary
Date Approved: November 13, 2023

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

November 13, 2023

ACTION REQUIRED

AGENDA ITEM NO. IV.D.

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

TOPIC

Approve 2024 Operating and Capital Budget

DISCUSSION

On November 8, 2023, the Audit and Finance Committee met, reviewed and recommended for approval the 2024 Operating and Capital Budget.

The 2024 Operating Budget is expected to produce margins of \$8.2 million, Margins for Interest/Interest (MFI/I) ratio of 1.18, Times Interest Earned Ratio (TIER) ratio of 1.22 and Equity to Total Capitalization Ratio of 17.6%. These results are based on a Total Cost of Service of \$349.7 million, Total Revenue of \$357.1 million and Non-Operating Margins of \$0.8 million.

The 2024 Capital Budget cash requirement is \$133.2 million, consisting of 4.7 million in Generation, \$18.8 million in Transmission and Sub-Transmission, \$24.6 million in Distribution, \$10.3 million in Distribution Substation, \$27.2 million in Beluga River Unit, \$2.2 million in Telecommunications/SCADA and \$45.4 million in General Plant and Other expenditures. The 2024 Capital Budget includes \$28.6 million funding from surcharges related to BRU and undergrounding.

MOTION

Move that the Board of Directors approve the 2024 Operating and Capital Budget which is expected to produce margins of \$8.2 million, MFI/I ratio of 1.18, TIER ratio of 1.22 and Equity to Total Capitalization ratio of 17.6%. These results are based on a Total Cost of Service of \$349.7 million, Total Revenue of \$357.1 million, Non-Operating Margins of \$0.8 million, and a capital expenditure cash requirement of \$133.2 million.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

November 14, 2023

ACTION REQUIRED

AGENDA ITEM NO. IV.E.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

BMO Bank N.A. Designators and Signers

DISCUSSION

Chugach Electric Association, Inc. (Chugach) maintains an account with BMO Bank N.A. to facilitate transactions related to Chugach's Health Savings Account (HSA) and Flexible Spending Accounts (FSA) provided for its employees.

Certain management changes within the organization necessitates a change in designators and signers needed to authorize activity related to this bank account.

MOTION

Move that the Board of Directors approve the attached resolution to update the approved designators and signers empowered to act on behalf of Chugach related to its account with BMO Bank N.A.



RESOLUTION

WHEREAS Chugach Electric Association, Inc. (Chugach) maintains an account with BMO Bank N.A., an authorized depository of Chugach, to facilitate transactions related to Chugach's Health Savings Account (HSA) and Flexible Spending Accounts (FSA) provided for its employees;

WHEREAS there have been management changes within the organization necessitating a change in designators and signers needed to authorize activity related to this bank account maintained by Chugach;

NOW, THEREFORE, BE IT RESOLVED that the resolution designating certain officers as authorized officers with each such authorized officer empowered to act individually on behalf of Chugach to exercise such powers and authorities is adopted; and

BE IF FURTHER RESOLVED that the Secretary of the Board is authorized and directed to execute the Corporate Resolution and signature cards or other documents of a substantially similar type and purpose.

CERTIFICATION

I, Susanne Fleek-Green, 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 14th day of November, 2023; 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 14th day of November, 2023.

Secretary

CORPORATE RESOLUTIONS

DATED AS OF 11/14/2023

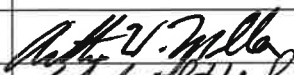


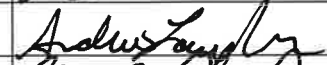

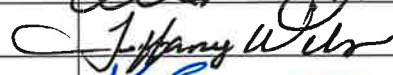

I, Susanne Fleek-Green, DO HEREBY CERTIFY to
BMO Bank N.A. ("BMO") that:

1. I am the duly elected, qualified and acting secretary, or assistant secretary (the "Secretary"), and keeper of the corporate records and corporate seal, if any, of Chugach Electric Association, Inc., a corporation duly organized and existing under the laws of the State of Alaska (the "Company"); and that the following is a true and correct copy of the resolutions duly adopted by the board of directors of the Company on the 14 day of November, 2023, and recorded in the minute book of the Company, in accordance with applicable law and the bylaws and certificate or articles of incorporation of the Company (the "Resolutions"):

I. BMO AS DEPOSITORY

BE IT RESOLVED, that BMO is designated as an authorized depository of the Company.

BE IT FURTHER RESOLVED, that each of the following officers of the Company is designated as an "Authorized Officer"; with each such Authorized Officer empowered to act individually on behalf of the Company to exercise such powers and authorities as are set forth in the Resolutions:

OFFICER NAME	OFFICER TITLE	SPECIMEN SIGNATURE
1. Arthur Miller	Officer	
2. Sherri Highers	Officer	
3. Matthew Clarkson	Officer	
4. Andrew Laughlin	Officer	
5. Allan Rudeck	Officer	
6. Tiffany Wilson	Officer	
7. Karen Griffin	Vice- President	

BE IT FURTHER RESOLVED, that any Authorized Officer is authorized and empowered, in the name and on behalf of the Company, to delegate to additional employees, officers or agents of the Company ("Delegees"), any or all of the powers and authorities granted to the Authorized Officers herein, including, but not limited to, signatory powers and authorities, as any such Authorized Officer deems necessary, desirable or appropriate (excluding, however, the authority to appoint additional or revoke the authority of Delegees), or revoke such authority, such determination to be conclusively presumed by any such Authorized Officer informing BMO (verbally, in writing or by electronic (Internet, fax or e-mail) instruction) of such designation, delegation or revocation.

BE IT FURTHER RESOLVED, that any Authorized Officer is authorized and empowered, in the name and on behalf of the Company:

(a) to execute and deliver any and all signature cards, authorizations, set-up and other applications, forms, documentation, instructions, certificates and agreements, including without limitation any deposit account agreements, required or requested by BMO, or deemed necessary, appropriate or desirable by an Authorized Officer, in connection with the establishment, maintenance or administration of any checking, savings or other deposit accounts with BMO (the "Accounts") or in connection with any other banking services provided by BMO, to close any or all of the Accounts or to terminate such banking services and receive any proceeds therefrom, such determination to be conclusively evidenced by the execution and delivery of such signature card, authorization, set-up or other application, form, document, instruction, certificate or agreement by any such Authorized Officer;

(b) to make, execute, draw, accept and endorse (manually, via facsimile signature, stamp or otherwise) any and all checks, notes, drafts, items, bills of exchange, acceptances, undertakings or other orders for the payment of money, including without limitation orders or directions in informal or letter form (collectively, "Orders"), against any money or funds or Accounts at any time standing to the credit of the Company with BMO, and BMO is authorized to honor any and all such Orders so made, executed, drawn, accepted or endorsed, including those drawn to the individual order of any such person signing the same, or authorized by an Authorized Officer to be endorsed by, or purporting to be endorsed by, facsimile signature or stamp of such person without further inquiry or regard to the authority of said person or persons or the use of the Orders or the proceeds thereof;

(c) to instruct BMO, orally, in writing, electronically (including Internet, fax or e-mail) or otherwise, and take or cause to be taken all such other and further action, and to execute, acknowledge and deliver any and all certificates, agreements, documents and other instruments, that any such Authorized Officer deems necessary or desirable in relation to any Orders deposited into or drawn on an Account, including with respect to any stop payment instructions on such Orders, such determination to be conclusively evidenced by the taking of such action or the execution and delivery of such certificate, agreement, document or other instrument by any such Authorized Officer;

(d) to issue written, telephonic, electronic (including Internet, fax or e-mail) or oral instructions with respect to the transfer of funds of the Company on deposit with BMO (or at any other depository) by wire, automated clearing house or other electronic means of transfer, without any written Order being issued with respect to such transfer; and to enter into such agreements with BMO, in the name and on behalf of the Company, with respect to such transfers authorizing or providing for automatic or repetitive transfers, including without limitation agreements protecting BMO against the consequences of relying on instructions from persons purporting to be authorized to act in the name and on behalf of the Company, that any such Authorized Officer may deem necessary, appropriate or desirable, such determination to be conclusively evidenced by the issuance of such instruction or the execution of such agreement by any such Authorized Officer, and to receive and administer user procedures, numbers, codes, passwords and other identification data and procedures assigned to the Company and its users for the foregoing services;

(e) to conduct Internet banking transactions using the services offered by BMO over the Internet as permitted by the terms and conditions set forth in any agreement by and between BMO and the Company and to designate employees, officers and other individuals, who may or may not be employees or Authorized Officers of the Company, as agents of the Company, and authorize each of the foregoing individuals to conduct such banking transactions using the Internet, in the name and on behalf of the Company.

BE IT FURTHER RESOLVED, that any Authorized Officer is authorized, empowered and directed, in the name and on behalf of the Company, to take or cause to be taken any and all actions necessary to ensure that all information relating to the Company, the Authorized Officers and Delegees delivered to or otherwise in BMO's possession, including without limitation, the Company's address for purposes of the delivery of account statements, account titles, notices, correspondence and contact information, is at all times true, correct and complete.

BE IT FURTHER RESOLVED, that any employee, officer or agent of the Company is authorized and empowered to execute or endorse for deposit, transfer or otherwise any Order or other negotiable instrument, which executions or endorsements may be made in writing, by facsimile signature or by stamp and with or without designation of the person so endorsing; and that in the absence of any such execution or endorsement BMO be and it hereby is authorized and empowered to make such execution or endorsement for deposit in the name and on behalf of the Company.

BE IT FURTHER RESOLVED, that any Authorized Officer is authorized and empowered, in the name and on behalf of the Company, to take any and all actions, and to execute, acknowledge and deliver any and all certificates, applications, agreements, documents, instructions and other instruments, that any such Authorized Officer deems necessary, appropriate or desirable in order to close any or all of the Accounts and receive any proceeds therefrom, such determination to be conclusively evidenced by the taking of such action or the execution and delivery of such certificate, application, agreement, document, instruction or other instrument by any such Authorized Officers.

BE IT FURTHER RESOLVED, that any Order or other negotiable instrument authorized to be made, executed, drawn, accepted or endorsed pursuant to these Resolutions in the name of the Company, may be made, executed, drawn, accepted or endorsed by any of the Authorized Officers or appropriately authorized Delegees in any trade name or any name other than the legal name of the Company that any of such Authorized Officers or Delegees deem necessary or desirable, such determination to be conclusively presumed by the use of such name, and each such Order or other negotiable instrument shall be considered to be the Order or negotiable instrument of the Company, to the same extent and with the same force and effect as if the Order or other negotiable instrument had been made, executed, drawn, accepted or endorsed in the legal name of the Company.

II. AUTHORITY TO OBTAIN ADDITIONAL BANKING SERVICES

BE IT FURTHER RESOLVED, that any Authorized Officer is authorized and empowered, in the name and on behalf of the Company:

(a) to borrow money and obtain credit from BMO on a current or other basis and to execute, acknowledge and deliver any notes, drafts, loan or line of credit agreements, application for letters of credit, agreements for commercial credit card loans and services, undertakings and other

agreements with respect to such credit upon such terms, rates of interest, and conditions as any such Authorized Officer may deem advisable, such determination to be conclusively evidenced by the execution and delivery of such note, draft, application for letter of credit, agreement for commercial credit card loans and services, undertaking or other agreement by any such Authorized Officer;

(b) to execute, acknowledge and deliver agreements to assume, guaranty, endorse, agree to purchase or provide funds for the payment of or otherwise become liable for the obligations and/or liabilities which may from time to time be due and owing from any other person or entity to BMO, or to otherwise assure BMO against losses relating to an extension of credit to a third party;

(c) to receive and receipt for, sign Orders and issue instructions (written, including via facsimile or electronic instruction, or oral) for the handling and delivery of the proceeds of any extension of credit;

(d) to mortgage, pledge, transfer or assign to BMO, or create a security interest in favor of BMO, in any or all of the property (real, personal or mixed) and assets of the Company, including without limitation, real estate, notes, bonds, stocks, drafts, warehouse receipts and other documents, accounts and securities of the Company, and to take or cause to be taken any and all other action, and to execute, acknowledge and deliver any and all agreements, documents and instruments, in connection therewith or to otherwise perfect such security interests, including with respect to the deposit (and withdrawal or substitution) of such property with BMO;

(e) to take any and all other actions, and to execute, acknowledge and deliver any agreements that any of the Authorized Officers deem necessary or desirable in order to obtain or procure any other additional banking services from BMO, including without limitation cash management services, including, but not limited to, wire transfer, ACH or other electronic funds transfer services, collection and deposit services, and/or any electronic banking services, that any Authorized Officer deems necessary, appropriate or desirable, including terms in such agreements that would have the Company indemnify or limit BMO's liability, such determination to be conclusively evidenced by the execution, acknowledgement and delivery thereof by any such Authorized Officer.

III. GENERAL

BE IT FURTHER RESOLVED, that the Secretary is authorized and directed to deliver to BMO a certified copy of the Resolutions, which certified copy shall without more constitute the undertaking and agreement of the Company as herein provided, and to certify that the provisions thereof are in conformity with the certificate or articles of incorporation of the Company and the bylaws of the Company and that the Resolutions and the authority thereby conferred shall remain in full force and effect until the Company notifies BMO to the contrary in writing, but if any of the authorities and undertakings herein contained shall be terminated by operation of law without such notice, it is hereby resolved and agreed for the purpose of inducing BMO to act hereunder that BMO shall be indemnified and held harmless by the Company for any loss suffered or liability incurred by it after such termination without notice.

BE IT FURTHER RESOLVED, that the Secretary or any other secretary or assistant secretary of the Company is authorized, empowered and directed to certify to BMO as to the incumbency and the genuineness of the signature of each Authorized Officer and Delegee granted signatory power and authority pursuant to the terms hereof; and that to the extent such certification is not provided to BMO in a timely manner, BMO is authorized in its discretion to either rely on any signature that BMO in good faith believes is the genuine signature of such Authorized Officer or Delegee or refuse to honor any signature for such person until it receives such certification and BMO shall be indemnified and held harmless by the Company for any loss suffered or liability incurred by it for such reliance upon any such signature or for refusing to honor the signatures of any person not so certified to BMO.

BE IT FURTHER RESOLVED, that BMO may conclusively presume that the Resolutions remain in effect and that all Authorized Officers and Delegees designated pursuant thereto retain all powers and authorities granted upon them pursuant to the Resolutions, and in the case of any Delegee, such conclusive presumption shall be irrespective of whether the Authorized Officer that delegated the powers and authorities to such Delegee pursuant to the Resolutions is no longer an Authorized Officer, unless and until the Company delivers to BMO written notice to the contrary, and BMO shall be indemnified and held harmless by the Company for any loss suffered or liability incurred (including for reasonable attorneys' fees and legal expenses) by it in reliance upon any signature of an Authorized Person or Delegee, the genuineness of which has been certified to BMO pursuant to these Resolutions regardless of by whom or by what means the purported signatures may have been affixed to any instrument, if such signatures reasonably resemble the specimen signature so certified.

BE IT FURTHER RESOLVED, that any Authorized Officer is, authorized and empowered, in the name and on behalf of the Company, to take or cause to be taken all such other and further action, and to execute, acknowledge and deliver any and all certificates, applications, agreements, documents, instructions and other instruments, that any such Authorized Officer deems necessary, appropriate or desirable in order to carry out the Resolutions and to consummate or carry-out any of the transactions or matters contemplated thereby, such determination to be conclusively evidenced by the taking of such action or the execution and delivery of such certificate, application, agreement, document, instruction or other instrument by any such Authorized Officer.

2. The Resolutions have not been amended, altered, modified, rescinded or repealed and are in full force and effect as of the date hereof.

3. The Resolutions do not conflict with or contravene the certificate or articles of incorporation of the Company or the bylaws of the Company, or any agreement, law, regulation or order applicable to the Company or its business.

4. Each of the persons listed on the first page of the Resolutions has been designated by the board of directors of the Company in the Resolutions as an Authorized Officer and each such Authorized Officer has been duly elected to and currently holds the office(s) set forth opposite his or her name and each such Authorized Officer's specimen signature set forth in the Resolutions above is the genuine signature of such Authorized Officer:

5. The Company will certify to BMO the genuineness of the specimen signature of any additional Authorized Officer or Delegee with signatory power and authority subsequently designated as such pursuant to the Resolutions.

IN WITNESS WHEREOF, I have hereunto subscribed my name on behalf of the Company as of the date first written above.

Signature

Name: Susanne Fleek-Green

Title: Secretary

Banking products and services are subject to approval and are provided in the United States by BMO Bank N.A. Member FDIC

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

November 14, 2023

ACTION REQUIRED

AGENDA ITEM NO. IV.F.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

KeyBank Corporate Credit Card Account

DISCUSSION

Chugach Electric Association, Inc. (Chugach) has determined that it is in the best interest of Chugach to open a corporate credit card account with KeyBank. To do so requires a resolution from the Board of Directors and the execution of a credit card application (the Key2Purchase Program).

MOTION

Move that the Board of Directors approve the attached resolution authorizing the Chief Financial Officer to execute the Key2Purchase Program Application and any related documents.



RESOLUTION

Corporate Credit Card Account Authorization

WHEREAS, Chugach Electric Association, Inc. (Chugach) utilizes credit cards for travel and certain business-related expenses; and

WHEREAS, the Board of Directors of Chugach has determined that it is in the best interest of Chugach to open a corporate credit card account with KeyBank (the Key2Purchase Program); and

NOW, THEREFORE, BE IT RESOLVED, that the Chief Financial Officer be and is hereby authorized to execute the necessary documents to open a corporate credit card account on behalf of Chugach, to execute any future amendments as such individual may deem appropriate, and to execute such further documents as may be necessary or appropriate related to the corporate credit card account with KeyBank.

CERTIFICATION

I, Susanne Fleek-Green, 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 14th day of November 2023; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation on the 14th day of November 2023.

Secretary

Chugach Electric Association, Inc.
Anchorage, Alaska

Summary of Executive Session Topics for
Regular Board of Directors' Meeting on November 13, 2023
Agenda Item V.

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

Chugach Electric Association, Inc.
Anchorage, Alaska

Summary of Executive Session Topics for
Regular Board of Directors' Meeting on November 14, 2023
Agenda Item VIII.

Discussion of confidential and sensitive information regarding review of Chugach's Strategic priority areas, public disclosure of which could have an adverse effect on the finances and legal position of the Association. (AS 10.25.175(c)(1) and (3))

Community Solar Update

Chugach Electric Association, Inc.

Board of Directors Meeting

November 14, 2023



Project Overview

- Developing 500 kW of solar that could become a community solar project
- Retherford Substation property
- 800 E 94th near Old Seward & railroad tracks
- 4 acres for solar (yellow)
- Low shading factor
- Will connect to substation at 35 kV
- Produces about 500,000 kWh/year*



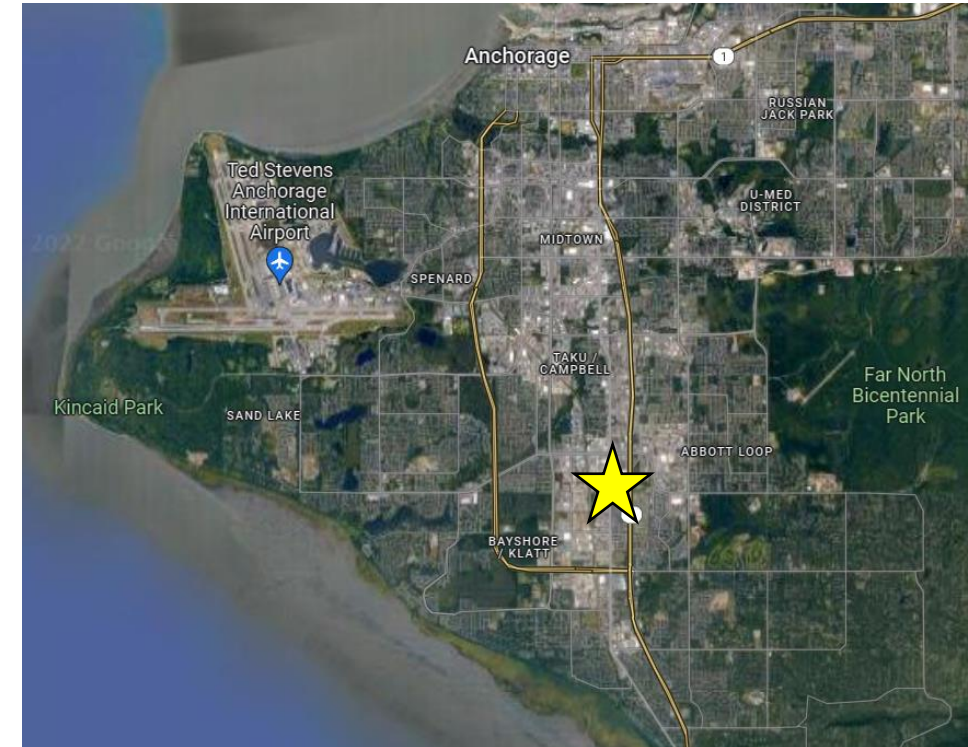
Project Update

- Design work completed August 2023 for a design-build process
- Costs appeared high
- Expanded sourcing option to evaluate IPP project versus self build - driving for least cost
- RFP to be issued this month
- Community solar program design and economic model prepared



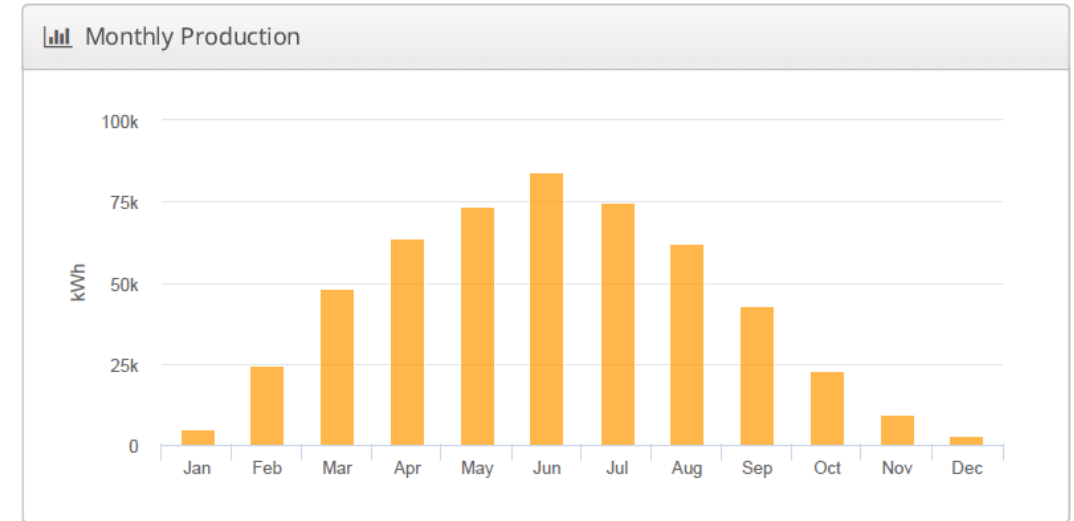
Program Design

- Members voluntarily subscribe for “blocks” of the facility.
 - 1 block = 1 panel = 450W = 32 kWh/month average*
- Subscribers pay monthly fee that pays a portion of the lifetime project cost
- Subscribers receive a portion of the energy
 - Like net metering program but with remote panels
- Members can subscribe up to 10 blocks per household or 15 per business*



Program Design

- All members eligible to participate
- Minimum one-year subscription
 - To avoid seasonal rate impacts
- Subscriptions are portable when people move within the service area
- If necessary, a lottery to select subscribers, 6-month signup; waitlist will be established if needed
- Unsold blocks purchased by Chugach to meet power supply needs
- Purchases that exceed avoided cost will be recovered from all retail members or through reduction in margins



Program Benefits

- Provides member choice
- Provides broader access to solar and net metering to members who
 - Live in apartments and condos
 - Have roofs that cannot support solar
 - Have shaded roofs
 - Cannot afford upfront cost of solar
- The program will receive the tax benefits to reduce the cost, and members will not need to file with the IRS



Survey and Tariff Filing

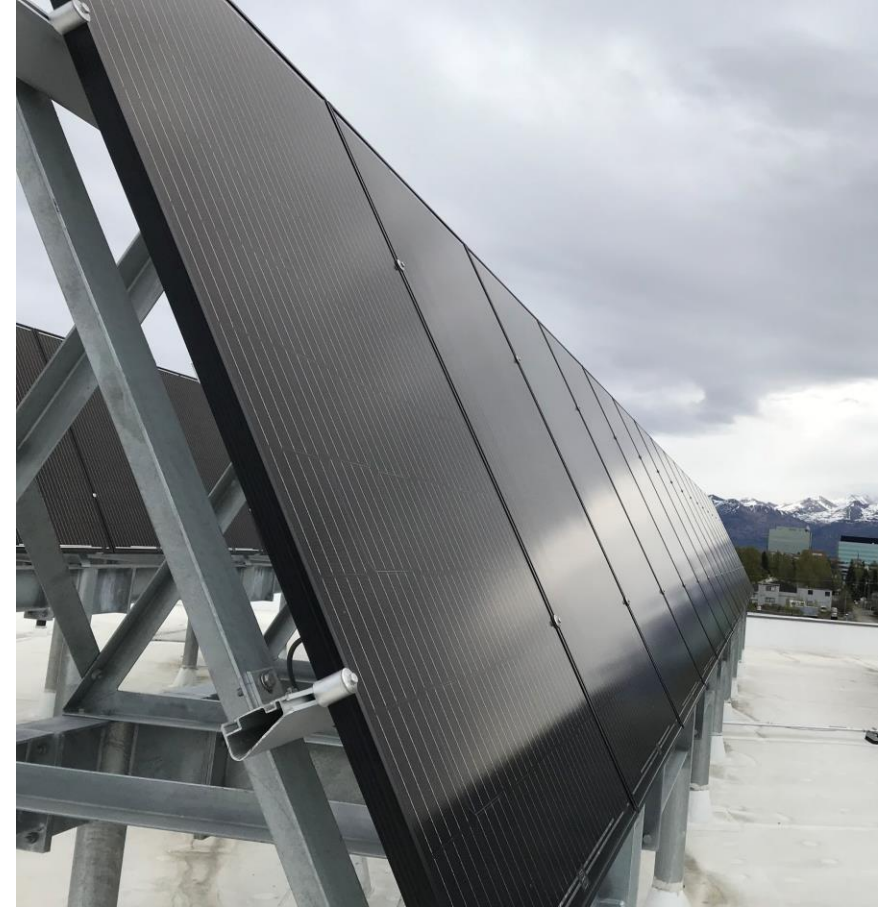
- Member Survey
 - Survey being completed in November
 - Alaska Survey Research email poll
- Tariff Filing
 - Filing tariffs in December with the RCA
 - 45-day approval process, unless suspended

Sourcing, Design & Construction

- The Chugach design-bid-build cost estimate completed
- Evaluating Independent Power Producer sourcing options to ensure least cost for members
 - Chugach leases the land to IPP to design, build, operate, maintain, the project for a 25-year life and decommission
 - Chugach purchases power under long term power purchase agreement

Schedule

- November 2023: Launch RFP for IPP
- December 2023: Board Action - program with not to exceed project costs
- December 2023: Proposals Due
- December 2023: File with Commission
- Fall 2024: Initiate Software Updates
- Q4 2024: Commercial Operation
- Spring 2025: Start of Community Solar Program



Chugach Property Solar Projects

	Nameplate Capacity (kW)	kWh/yr
Retherford Community Solar	576	527,786
Operations/Engineering Bldg Solar	165	144,540
SPP Solar	100	87,600
Sullivan 2A Solar	100	87,600
Total	941	847,526



Questions?



Southcentral Power Project – Steam Turbine Major Overhaul - Rotor Cracking

Regular Board of Directors Meeting
November 14, 2023



SPP Steam Turbine - Rotor Cracking

Introduction:

- Requesting Project Authorization of SPP Unit 10 Steam Turbine Overhaul

Project Background and Description:

- Background: The Southcentral power project is a 200 MW 3 X 1 Combined Cycle Power plant with 3, LM6000PF gas turbines with boilers making steam which powers a Mitsubishi 57.5 MW axial exhaust steam turbine. The steam turbine has been operating for 11 years for approximately 86,000 hours. Per OEM standards it was due for its first major overhaul inspection (total teardown to the bearings).
- The scope was to open the turbine casings, remove and perform Non-destructive testing (NDT) on the turbine rotor, inspect/replace the bearings, overhaul the main steam valves, make upgrades to the turning gear, upgrade of the last stage blades for longevity, reassemble and re-commission the turbine.
- Project cost was estimated and budgeted to be \$1,213,000.



SPP Steam Turbine - Rotor Cracking

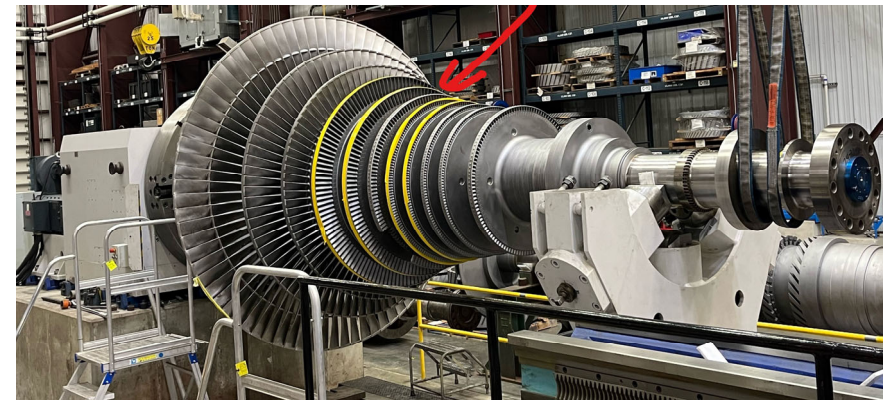
- Turbine Rotor was removed. It was cleaned and prepped for NDT inspection by TEAM Industrial.
- Numerous cracks on the stage 6 blade dovetail area identified.
- Power Services Group (PSG) Technical Advisor advised the rotor be shipped to their shop for a more detailed Non-Destructive Examination (NDE) and metallurgical inspection.
- Rotor was shipped to PSG - St. Louis facility in August and a 3rd party condition assessment was made by Structural Integrity Associates (SIA).
- PSG/Mitsubishi repair timeline was too long/OEM and non-committal and repair quote expensive.
- Chugach opted for a 2nd opinion.



SPP Steam Turbine - Rotor Cracking

Steam Turbine Rotor Repair:

- Rotor shipped from St Louis to Houston for Sulzer to perform Root Cause Analysis (RCA), and repairs.
- Metallurgical examination shows root cause to be Stress Corrosion Cracking, SCC.
- Expert Recommendation was to “Trepan Repair stage 6”:
machine off stage 6, weld build up, heat treat, machine new dovetails, and install new blades.
- Repairs are in process and the estimated completion is end of 2023.
- Shipping back to Anchorage by January 2024.
- Return to service by February 2024.



SPP Steam Turbine - Rotor Cracking

Root Cause Analysis – *Making sure it doesn't happen again:*

- Why Stress Corrosion Cracking, SCC?
 - Sodium Hydroxide deposits on rotor found - *TEAM Industrial*
 - Caustic attack root cause of SCC – *SIA*
- Caused by upset or deviation in water treatment program or improper duration of polisher media use. - *SIA*
- M&M Engineering was brought in to analyze and report on overall SPP Water Chemistry system
- Multiple recommendations were made including:
 - Installation of Sodium Analyzer downstream of polisher – *in process*
 - Installation of Service De-Ionization system, SDI downstream of polisher – *in process*
- Process training and pH monitoring improvements - *in process.*



Chemistry Evaluation
Chugach Electric Southcentral Power Plant

Chugach Electric
Anchorage, Alaska

Submitted to:

Mr. Paul Park
Chugach Electric Association, Inc.
5601 Electron Drive
Anchorage, Alaska 99509

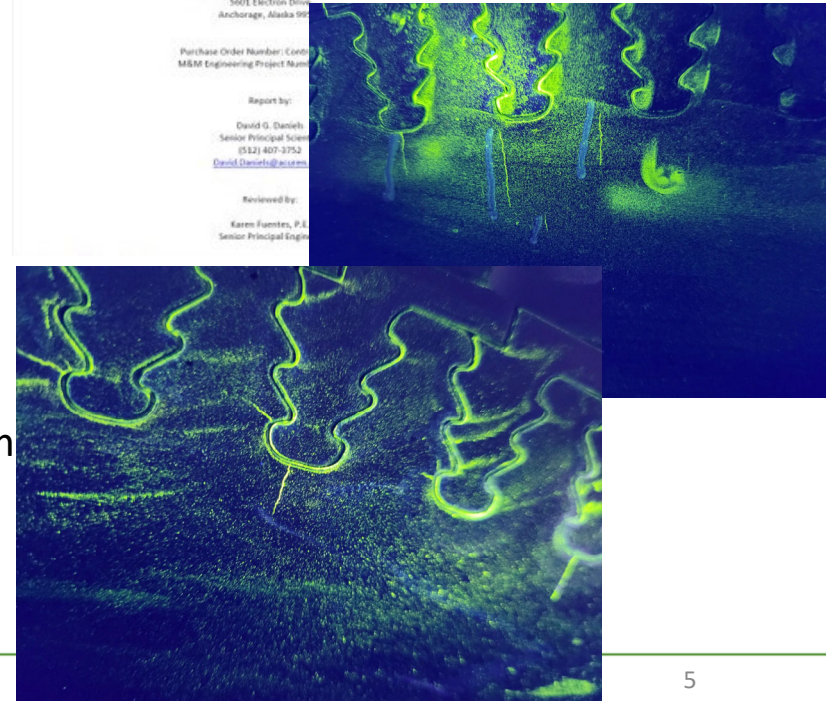
Purchase Order Number: Conto
M&M Engineering Project Name:

Report by:

David G. Daniels
Senior Principal Scientist
(907) 407-3752
David.Daniels@acuren.com

Reviewed by:

Karen Fuentes, P.E.
Senior Principal Engineer



SPP Steam Turbine Major - Rotor Cracking

Project Costs and Estimates

- *Project budget:* *\$1,213,000*
- *Project spend to date:* *\$1,596,000*
- *Estimate to complete Project: rotor repairs, ship, implement water chemistry controls:* *\$1,383,000*
- *Total Project Cost:* *\$2,979,000*

Project funding source:

- *2023 capital funds available from other deferred projects*

Requesting Board Approval for Project Authorization.

Questions?



*Night Shift SPP Unit 10 overhaul Crew after lifting the rotor:
TJ Krier, Dale Hopkins, Mike Bratley, Alvin Newlin*

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

November 14, 2023

ACTION REQUIRED

AGENDA ITEM NO. XI.A.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Project Authorization – Southcentral Power Project: U10 STG Major Overhaul

DISCUSSION

Commissioned in 2012, the Southcentral Power Project (SPP) is a 200 MW combined cycle power plant with three, General Electric (GE) LM6000PF gas fired Combustion Turbine Generators (CTG) with boilers and a single Mitsubishi Heavy Industries (MHI) 57.5 MW Steam Turbine Generator (STG). The combined cycle configuration, where waste from the CTGs is harvested to drive the STG, makes SPP one of the most efficient in the state of Alaska.

After 10 years of operation, the STG was removed from service for its first major overhaul. In this overhaul the turbine rotor, diaphragms, and other internal components were removed and subjected to Non-Destructive Testing (NDT). Through this process, cracking was discovered on the sixth stage of the turbine rotor. It was immediately sent to the lower forty-eight for further Non-Destructive Examination (NDE) by Power Services Group (PSG) and analysis by Structural Integrity Associates, Inc. (SIA), the finding was determined to be Stress Corrosion Cracking (SCC).

A Root Cause Analysis (RCA) determined the SCC was caused by sodium hydroxide in the steam which had a caustic effect on the rotor. This will be mitigated with the installation of a sodium analyzer, Service De-Ionization System (SDI) and additional process and monitoring improvements.

Based on the recommendations from SIA, the trepanning of sixth stage of the rotor has commenced to mitigate the SCC. In this process the blades and a portion of the sixth stage rotor disc is cut from the rotor followed by weld building of the disc material back to design dimensions where the blades will be reinstalled. This work is scheduled to be completed by the end of 2023 and the STG reassembled and returned to service by February 2024. This work was unplanned.

The major overhaul was originally anticipated to cost \$1.2 million, however, with the additional unplanned scope of work the cost will increase by approximately \$1.7 million. This includes the cost of the rotor repairs and additional systems to monitor water quality.

MOTION

Move that the Board of Directors authorizes the Chief Executive Officer acquire, construct and install the Southcentral Power Project, Unit 10 Major Overhaul project for an estimated Total Installed Cost of \$2.979 million.

Chugach Electric Association, Inc.
Anchorage, Alaska

Summary of Executive Session Topics for
Regular Board of Directors' Meeting on November 14, 2023
Agenda Item XII.

- A. Discussion of confidential and sensitive information regarding an update of Chugach's Enterprise Resource Planning Project, public disclosure of which could have an adverse effect on the finances and legal position of the Association. (AS 10.25.175(c)(1) and (3))
- B. Discussion of confidential and sensitive information regarding Railbelt Coordination planning, public disclosure of which could have an adverse effect on the legal position of the Association. (AS 10.25.175(c)(3))