



CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA

REGULAR BOARD OF DIRECTORS' MEETING

AGENDA

Bettina Chastain, Chair
Mark Wiggin, Vice Chair
Harold Hollis, Treasurer
Sam Cason, Secretary

Erin Whitney, Director
Rachel Morse, Director
Sisi Cooper, Director

November 28, 2022

4:00 p.m.

Chugach Board Room

- I. CALL TO ORDER (4:00 p.m.)
 - A. *Pledge of Allegiance*
 - B. *Roll Call*
 - C. *Safety Minute – “Holiday Safety” (Perez)*
 - D. *Electric Power Factoid: Utility Ratemaking Fundamentals (Kornmuller)*
- II. APPROVAL OF THE AGENDA* (4:10 p.m.)
- III. PERSONS TO BE HEARD (4:15 p.m.)
 - A. *Member Comments*
- IV. DIRECTOR REPORTS (4:20 p.m.)
 - A. *Alaska Power Association (APA) Report*
 - B. *Renewable Energy Alaska Project (REAP) Report*
 - C. *Board Committee Reports (Audit & Finance, Operations & Governance)*
 - D. *Other Meeting Reports*
- V. CONSENT AGENDA* (4:45 p.m.)
 - A. *Board Calendar*
 - 1. *Excused Absence for Director Cooper – November 15, 2022, Operations Committee Meeting*
 - B. *Training and Conferences*
 - 1. *APA Legislative Conference, February 1-2, 2023, Juneau, AK*
 - 2. *NRECA PowerXchange, March 5-8, 2023, Nashville, TN (registration and hotel deadline, January 6, 2023)*

* Denotes Action Items

** Denotes Possible Action Items

C. *Minutes*

1. *October 26, 2022, Regular Board of Directors' Meeting (Cacy)*

D. *Director Expenses*

VI. CEO REPORTS AND CORRESPONDENCE (5:00 p.m.)

A. *Enterprise Resource Planning (ERP) Project Update (Travis/McCarty) (5:00 p.m.)*

B. *2022 Member Survey Results (Hasquet) (5:05 p.m.)*

C. *Write-off of Accounts Receivable - Electric-Other (Muisse/Kurka) (5:15 p.m.)*

D. *Board Policy Scheduled Tasks/Reports (Board/Staff) (5:25 p.m.)*

VII. UNFINISHED BUSINESS (*none*)

VIII. NEW BUSINESS* (*scheduled*) (5:30 p.m.)

A. *Discounting for 2023 Capital Credit Payments* (Muisse/Kurka)*

IX. EXECUTIVE SESSION* (*scheduled*) (5:40 p.m.)

A. *Status of Appeal - Beluga River Unit Tax Credits (D. Thompson) (5:40 p.m.)*

B. *Capital Credit Retirement (Highers) (5:55 p.m.)*

C. *4th Quarter 2022 Update to the Renewable Energy Plan (Skaling) (6:10 p.m.)*

D. *Seward Electric System (Miller) (6:25 p.m.)*

E. *2023-2027 Strategic Plan (Board) (6:40 p.m.)*

X. NEW BUSINESS* (*continued*) (6:55 p.m.)

A. *Capital Credit Retirement* (Highers)*

XI. DIRECTOR COMMENTS (7:00 p.m.)

XII. ADJOURNMENT* (7:15 p.m.)

* *Denotes Action Items*


** *Denotes Possible Action Items*

A festive holiday-themed background featuring a close-up of pine branches with several pine cones. In the foreground, there are several Christmas ornaments: a large gold faceted ball, a smaller gold ball with a white pattern, and a red ball with a white pattern. The background is filled with soft, out-of-focus bokeh lights in warm tones, creating a cozy and celebratory atmosphere.

Holiday Safety

Tips For Staying Safe During The Holidays

Regular Board of Directors' Meeting
November 28, 2022



Stay Safe While Decorating

- Use the right ladder for the job
- Keep flammable items away from heat sources
- Never overload an outlet
- Make sure your smoke and CO detectors are in working order
- Turn off electric decorations when sleeping or when you are not home



Cooking Tips

- Stay in the kitchen while food is cooking
- Keep the cooking area free of clutter
- Always have potholders or oven mitts at the ready
- Try to keep small children and pets out of the kitchen to avoid tripping
- Clean any spills immediately



Safety Statistics for October 2022

- Total Number of Recordable Injuries 1
- Number of Lost Time Injuries 1 hurt shoulder when falling when getting out of truck
- Lost Workdays 28
- Vehicle accidents 1 fault of 3rd party- no injuries
- Incidents due to nonconformance with established safe work practices 0

YTD Information

Recordable Injuries			
Business Unit	2021	2021 YTD Oct	2022 YTD Oct
Line Operations	9	7	4
Power Generation	2	2	3
Office and Administrative	1	0	0
Total	12	9	7

Rates and Lost Work Days			
	2021	2021 YTD Oct	2022 YTD Oct
OHSA Rate	2.77 (12 cases)	3.0	2.0
Lost Time Rate	1.1 (5 cases)	1.49	.59
Lost Workdays	384	216 (5 cases)	37 (2 cases)

Ratemaking Fundamentals

Regular Board of Directors' Meeting
November 28, 2022



Electric Utility Cost Recovery

- Revenue requirement
 - Recovers the cost of providing electric service, including fuel and purchased power costs
- Cost recovery rates:
 - Base rates
 - Cost of power adjustment rates

Base Rate Billing Components



Customer



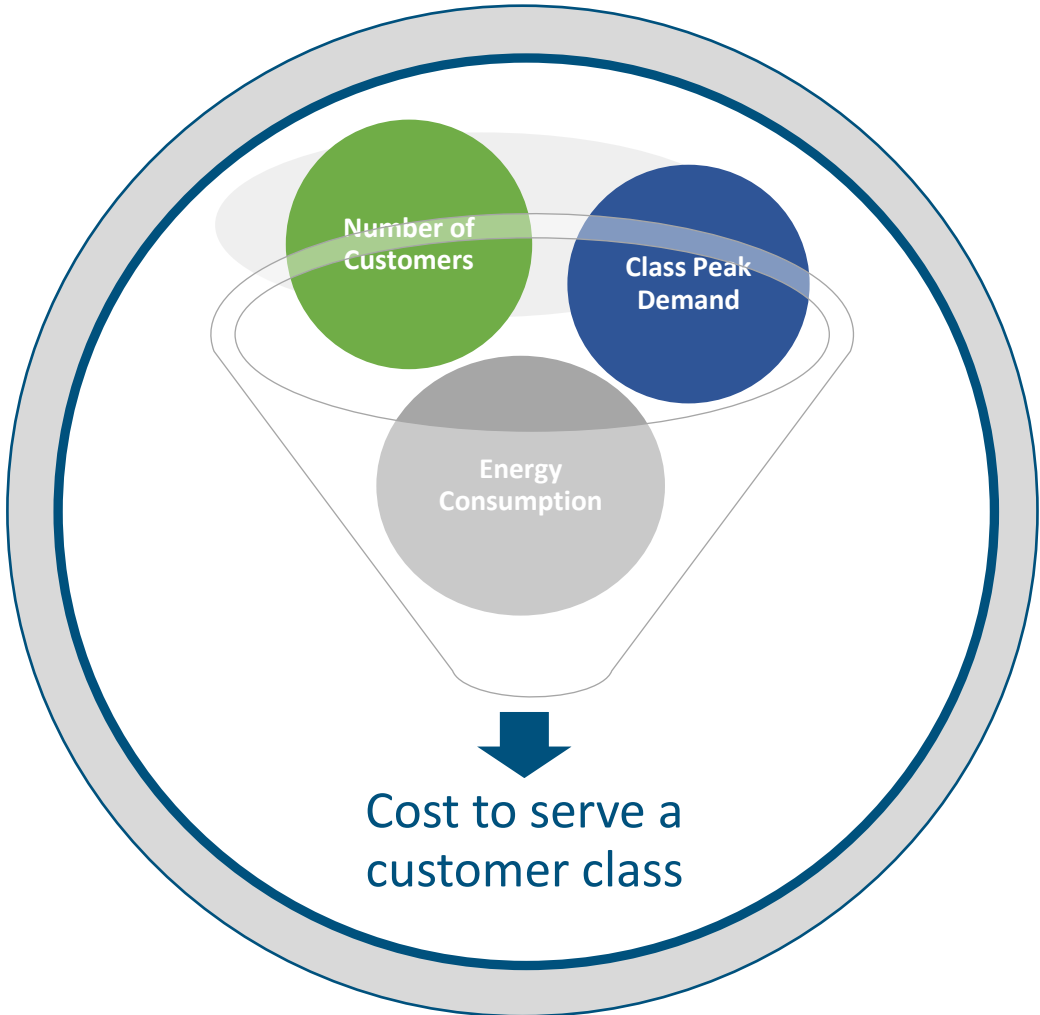
Energy



Demand

- Provide a recovery mechanism for service costs, including:
 - Operation and Maintenance
 - Administration and General
 - Depreciation
 - Margin

Determination of Base Rates



Revenue Requirement



Cost Allocation



Rate Design

Cost of Power Adjustment (COPA) Rates



Fuel



Purchased
Power



Fire Island
Wind

Provides for the exact recovery for the actual cost of fuel and purchased power expenses (no more, no less)

Ratemaking Objectives

- Provide just and reasonable rates
- Recover the cost of providing electric service, including a margin

Questions?



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

REGULAR BOARD OF DIRECTORS' MEETING

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XI. DIRECTOR COMMENTS (7:00 p.m.)

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* *Denotes Action Items*

** *Denotes Possible Action Items*

From: [Michael Rovito](#)
To: [Ashton Doyle](#)
Subject: Registration Open: APA State Legislative Conference
Date: Friday, November 18, 2022 4:41:41 PM

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

The election is over (well, mostly) and the next session of Alaska's legislature is just two months away. Now is the time to start planning your trip to Juneau to attend the Alaska Power Association 2023 State Legislative Conference.

Registration is open for the premier state legislative event for Alaska's electric utilities. Over two-days, February 1-2, we'll interact with legislators and administration officials through panel discussions, presentations, and meetings on The Hill.

Registration is \$750 or \$1,650 with Director Training. To register, click: [APA 2023 State Legislative Conference Registration](#)

On **January 31**, the day before the conference, APA will hold a meeting of its Managers' Forum and an NRECA Director Training class.

- The Director Training class will be 979.1 – Being the Consumer-Centric Utility.
 - Program description: Electric co-op boards are operating in what may be one of the most challenging business environments any generation of directors has ever known. Member interest in ESG (Environment, Social, and Governance), and beneficial electrification (BE) are two of the concepts that bring electric cooperatives challenges as well as opportunities. This course is designed to help directors navigate these and other concepts as electric co-ops fulfill the consumer-centric utility model.
 - APA's Managers' Forum will be contacted separately about the meeting agenda.

For information about hotels and an Alaska Airlines discount code along with conference updates, visit: <https://alaskapower.org/state-legislative-conference/>

We're looking forward to seeing you in Juneau and to working on behalf of Alaska's electric utilities.

Thanks!

Michael Rovito, CCC
Deputy Director
Alaska Power Association
703 West Tudor Road, Suite 200 | Anchorage, Alaska 99503-6650
907-771-5700 Main Office | 907-771-5711 Direct
907-561-5547 Fax | www.alaskapower.org
~ *The Unified Voice of Alaska's Electric Utilities* ~

From: Michael Rovito <MRovito@alaskapower.org>
Date: November 7, 2022 at 3:26:13 PM AKST
To: Michael Rovito <MRovito@alaskapower.org>
Subject: APA 2023 State Legislative Conference - Flight and Hotel Information

***Long e-mail,
but important
information
below!***

The Alaska legislature will convene this January with one of the largest freshman classes of legislators in recent memory.

Just a couple weeks after session gavels in, Alaska Power Association brings our industry to Juneau for the APA State Legislative Conference.

Taking place February 1-2, 2023, (with an APA Managers' Forum meeting and an NRECA Director Training the day before) the APA State Legislative Conference is an important part of your association's statewide advocacy program. Through panel discussions, presentations, and meetings on the Hill with legislators, APA's members make their mark early in session on the issues that matter to our industry.

This year's State Legislative Conference will take place at the Juneau Arts and Cultural Center across from Centennial Hall.

Registration for the conference will open soon, but hotel and flight information are available now. Please keep reading for details:

Conference Schedule

- The APA State Legislative Conference is Wednesday and Thursday, **February 1-2**. The conference will end mid-morning on February 2 and go right into the APA Board of Directors meeting.
- On **January 31**, the day before the conference, APA will hold a meeting of its Managers' Forum and an NRECA Director Training class.
 - The Director Training class will be 979.1 – Being the Consumer-Centric Utility.
 - Program description: Electric co-op boards are operating in what may be one of the most challenging business environments any generation



of directors has ever known. Member interest in ESG (Environment, Social, and Governance), and beneficial electrification (BE) are two of the concepts that bring electric cooperatives challenges as well as opportunities. This course is designed to help directors navigate these and other concepts as electric co-ops fulfill the consumer-centric utility model.

- More information about these two events will be sent over the coming weeks.

Flights

- APA has secured a **7 percent** discount on Alaska Airlines for travel to and from the State Legislative Conference. To book tickets under the discount, use code **ECME443**. The code is valid for travel to and from Juneau between January 29 and February 4, 2023.

Hotels

- There are two conference hotels this year (click the links to book). Both hotels are within easy walking distance to the event venue. Book early, as hotels are known to sell out rapidly during session.
 - The Four Points by Sheraton – [Book your group rate for Alaska Power Association](#)
 - The Ramada - [Ramada by Wyndham Juneau Rooms & Rates \(wyndhamhotels.com\)](#)

If you encounter any issues, please contact APA staff.

Thanks!



Michael Rovito, CCC

Deputy Director

Alaska Power Association

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

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

907-561-5547 Fax | www.alaskapower.org

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

Ashton Doyle

From: Michael Rovito <MRovito@alaskapower.org>
Sent: Monday, October 31, 2022 1:17 PM
To: Michael Rovito
Subject: APA 2023 State Legislative Conference - Save the Dates!

Follow Up Flag: Follow up
Flag Status: Flagged

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

The midterm elections are just around the corner, and just around the corner from that is the Alaska Power Association State Legislative Conference.



Returning to Juneau in-person on February 1-2, the APA State Legislative Conference puts our members front and center with legislators and Executive Branch officials. Before the conference begins, there will be an APA Managers' Forum meeting and an NRECA Director Training class on January 31, also in Juneau.

Registration will open later in November, and hotel and flight discount information are coming soon. For now, we hope you'll save the dates for this important APA conference.

Thanks!



Michael Rovito, CCC

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

NRECA PowerXchange

Nashville, TN | March 3 - 8, 2023

Schedule

Subject to change. All times are local to the event location.

FRI. 03/03

8:00am - 4:00pm	Pre-Conference 2600 Education: Director Duties and Liabilities (CCD)
8:00am - 4:00pm	Pre-Conference Education: 2610 Understanding the Electric Business (CCD)
8:00am - 4:00pm	Pre-Conference Education: 901.1 Rules and Procedures for Effective Board Meetings (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 935.1 Appraising and Compensating the CEO (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 944.1 Giving and Receiving Effective Feedback (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 952.1 Increasing Influence and Building Board Consensus (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 955.1 Your Board's Culture: Its Impact on Effectiveness (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 957.1 How to Evaluate and Improve Board Performance (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 975.1 Capital Credits Issues and Decisions (BLC, DGC)

SAT. 03/04

8:00am - 4:00pm	Pre-Conference Education: 2620 Board Operations and Process (CCD)
8:00am - 4:00pm	Pre-Conference Education: 2640 Financial Decision Making (CCD)
8:00am - 4:00pm	Pre-Conference Education: 903.1 The Role of the Board Chair in Conducting Effective Meetings (BLC, DGC)

8:00am - 4:00pm	Pre-Conference Education: 913.1 Cooperative Fundamentals, Legacy and Economic Impact (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 921.1 Risk Oversight—The Board's Role in Risk Management (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 925.1 Co-op Bylaws—Guiding Principles & Current Issues (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 943.1 Conversation Skills Outside the Boardroom (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 959.1 Boardroom Challenges—Connecting Theory to Action (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 971.1 Governance Challenges of the Evolving Distribution Cooperative (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 974.1 Rate Making Strategies and Policy Decisions for Electric Cooperative Boards (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 985.1 Considering Broadband: The Due Diligence Process (BLC, DGC)

SUN. 03/05

8:00am - 4:00pm	Pre-Conference Education: 2630 Strategic Planning (CCD)
8:00am - 4:00pm	Pre-Conference Education: 914.1 Cooperative Communications and Public Opinion (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 919.1 Cooperative Structure: A Strategic Advantage (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 927.1 Cybersecurity: The Board's Oversight Role (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 937.1 Applying Emotional Intelligence in the Boardroom (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 958.1 Succession Planning: Developing the Purpose-Driven Organization (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 961.1 The Evolution of Electric Cooperative Power Supply (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 965.1 Electric Vehicles: Strategy and Policy Considerations (BLC, DGC)
8:00am - 4:00pm	Pre-Conference Education: 977.1 Equity Management and Boardroom

Decision Making (BLC, DGC)

8:30am - 5:00pm	Pre-Conference CEO & Staff Education: Leading Today—Human-Centered Leadership
9:00am - 6:00pm	NRECA Registration
4:00pm - 5:00pm	Proposed Resolutions Forum
5:00pm - 6:00pm	Welcome Happy Hour (sponsored by CoBank)

MON. 03/06

7:00am - 7:00pm	NRECA Registration
9:00am - 10:45am	General Session 1
11:00am - 12:00pm	Breakout Sessions
12:15pm - 1:45pm	It Starts With Power: International Lunch
2:00pm - 3:00pm	Breakout Sessions
3:30pm - 4:30pm	Breakout Sessions
4:30pm - 7:00pm	TechAdvantage® Expo Grand Opening Reception

TUE. 03/07

7:00am - 8:30am	Annual ACRE® Meeting & Breakfast
7:00am - 7:00pm	NRECA Registration
9:00am - 10:45am	General Session 2
11:00am - 12:00pm	NRECA Annual Member Business Meeting
11:00am - 5:00pm	TechAdvantage® Expo Open
1:15pm - 2:15pm	Breakout and Interactive Sessions
2:45pm - 3:45pm	Breakout and Interactive Sessions
7:30pm - 8:30pm	Entertainment Night With Comedian Nate Bargatze

WED. 03/08

7:00am - 1:00pm NRECA Registration

9:00am - 10:30am General Session 3

10:30am - 1:00pm TechAdvantage® Expo Open

Save the Dates!

March 3 - 8, 2023



In-Person
Nashville, TN

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

October 26, 2022
Wednesday
4:00 p.m.

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Sandra Cacy

I. CALL TO ORDER

Chair Chastain called the Regular Board of Directors' meeting to order at 4:04 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

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

B. *Roll Call*
Board Members Present:
Bettina Chastain, Chair
Mark Wiggin, Vice Chair
Harold Hollis, Treasurer
Sam Cason, Secretary
Erin Whitney, Director
Rachel Morse, Director
Sisi Cooper, Director (*via teleconference*)

Staff and Guests in Attendance:
Present:

Arthur Miller	Sherri Highers	Karen Griffin
Matthew Clarkson	Julie Hasquet	John Bell
Andrew Laughlin	Jean Kornmuller	Russel Thornton
Teresa Kurka	Wynne Auld, Member	David Caye
Marty Freeman	Ashton Doyle	Mark Henspeter
Josh Travis	Todd McCarty	Ashton Doyle

Via Teleconference:

Arden Quezon	Kate Ayers	Rachel Christensen,
Jennifer Stryker,	Willis Geffert, Consultant	Alaska Center
Alaska Center	Shaina Kilcoyne,	Crystal Enkvist, APA
Jonas Banta, Member	Member	Chris McConnell, REAP
Kate Ayers	Nathan Golab	

C. *Safety Minute*
Marty Freeman, Senior Manager HSE, discussed "*Preparing for Winter*".

D. Electric Power Factoid: Under Frequency Load Shed

John Bell, Studies Engineer, presented an overview of Under Frequency Load Shed and responded to questions from the Board.

II. APPROVAL OF AGENDA

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

III. PERSONS TO BE HEARD

A. Member Comments

Chair Chastain and Arthur Miller, Chief Executive Officer (CEO) addressed Chugach member, Rachel Christensen's, questions.

IV. DIRECTOR REPORTS

A. Alaska Power Association (APA) Report

Director Hollis introduced Crystal Enkvist, Executive Director, APA, who provided an update on APA activities, upcoming events, and encouraged people to attend the December 7, 2022, Holiday Open House.

B. Renewable Energy Alaska Project (REAP) Report

Director Whitney introduced Chris McConnell, Alaska Network for Energy Education and Employment Director, REAP, who reported on REAP activities and upcoming events.

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

Director Hollis reported on the August 24, 2022, Audit and Finance Committee meeting and stated that the next meeting is scheduled for November 9 and 30, 2022.

Director Wiggin reported on the October 19, 2022, Operations Committee meeting and stated the next meeting is scheduled for November 15, 2022.

Director Cason reported on the September 14, 2022, Governance Committee meeting and stated that the next meeting is scheduled for December 5, 2022.

D. Other Meeting Reports

1. Member Advisory Council (MAC)

Wynne Auld, 2022 MAC Representative, reported on the results of the final MAC meeting held on October 5, 2022. Ms. Auld noted improvements and suggestions they discussed in the meeting and responded to questions from the Board.

2. Native Village of Eklutna

Arthur Miller, CEO, and Directors Morse, Hollis and Wiggin commented on the recent meeting with the Native Village of Eklutna and the Eklutna Hydro Owners Association.

V. CONSENT AGENDA

A. Board Calendar

- B. *Training and Conferences*
- C. *Minutes*
 - 1. *September 28, 2022, Regular Board of Directors' Meeting (Doyle)*
- D. *Quarts Creek Transmission Line Rebuild – Girdwood to Indian Project Authorization (Laughlin/M. Miller)*
- E. *Director Expenses*

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

VI. CEO REPORTS AND CORRESPONDENCE

- A. *Enterprise Resource Planning (ERP) Project Update (McCarty)*
Arthur Miller, CEO, provided an update on the Enterprise Resources Planning project and responded to questions from the Board.
- B. *August 2022 Financial Statements & Variance Report (Griffin/Highers)*
Karen Griffin, Vice President of Finance and Accounting, reported on the August 2022 Financial Statements and Variance Report and responded to questions from the Board.
- C. *Board Policies Scheduled Tasks (Staff/Board)*
The Board Policy Scheduled Tasks were provided in the meeting packet.

Arthur Miller, CEO, discussed the CEO Reports and Correspondence contents and responded to questions from the Board.

VII. UNFINISHED BUSINESS

None.

VIII. NEW BUSINESS

None.

IX. EXECUTIVE SESSION

- A. *Invoice Cloud – Contract Approval (Kurka/Travis)*
- B. *Draft 2023-2027 Strategic Plan (Miller)*
- C. *Battery Energy Storage System (Laughlin)*
- D. *Railbelt Reliability Council Update (Clarkson)*

At 5:13 p.m., Director Cason moved and Director Hollis seconded the motion that pursuant to Alaska Statute 10.25.175(c)(3) the Board of Directors go into executive session to discuss with its attorneys legal matters, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The motion passed unanimously.

The meeting reconvened in open session at 7:52 p.m.

X. NEW BUSINESS

- A. *Invoice Cloud – Contract Approval (Kurka/Travis)*
Director Morse moved and Director Cason seconded the motion that the Board of Directors authorizes the Chief Executive Officer to proceed with the Invoice Cloud

Biller Agreement, with a not-to-exceed amount of \$5,552,000 for the initial 5-year contract period. The motion passed unanimously.

B. Retirement Security Plan Restatement (Clarkson)

Director Morse moved and Director Cason seconded the motion that the board of Directors approve the attached resolution authorizing the CEO to execute all necessary documents including the revised adoption agreement and take any and all further actions necessary to carry out the July 1, 2022 amendment and restatement of the RS plan. The motion passed unanimously.

C. Battery Energy Storage System (Laughlin)

Director Wiggin moved and Director Morse seconded the motion that the Chugach Electric Association, Inc. Board of Directors authorize the Chief Executive Officer to proceed with the acquisition, construction and installation of a battery energy storage system as discussed in executive session, with the executive session Agenda Item Summary and Motion to be held confidential until the Chief Executive Officer has determined that the information is no longer confidential.

Chair Chastain called for a vote:

Director Chastain – Yes
Director Wiggin – No
Director Hollis – Yes
Director Cason – Yes
Director Whitney – No
Director Morse – Yes
Director Cooper – Yes

The motion passed 5 to 2 votes.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 8:03 p.m., Director Wiggin moved and Director Morse seconded the motion to adjourn. The motion passed unanimously.

Samuel Cason, Secretary
Date Approved: November 28, 2022

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

November 28, 2022

ACTION REQUIRED

AGENDA ITEM NO. V.D.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Director Expenses

DISCUSSION

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

MOTION

(Consent Agenda)



TO: Arthur W. Miller, Chief Executive Officer

FROM: Julie Hasquet, Sr. Manager, Corporate Communications

DATE: November 15, 2022

SUBJECT: *2022 Member Satisfaction Survey*

From September 16 to October 17, 2022, Hellenthal and Associates surveyed 501 Chugach Electric Association, Inc. (Chugach) members for our annual member satisfaction survey. Of the 501 interviews, 464 (92.5%) were conducted on phones with cellular prefixes and 37 (7.5%) had a traditional land-line prefix. The survey has a 95% confidence level, with a margin of error of plus or minus 4.3%.

Overall, Chugach continues to be favorably viewed by our members. They are very satisfied with the utility overall, reliability, customer service, and the restoration time. Reliability remains the priority of our members as it has since we started tracking in 1995. Our members remain somewhat traditional, using the newsletter and website as primary sources of information. There is definite interest in pursuing renewable energy projects by a fair percentage of the members, even if rates go up.

Survey Results

Overall positive rating:	93%	(2021 = 95%)
Reliability rating:	96%	(2021 = 95%)
Restoration time (A or B grade)	92%	(2021 = 92%)
Customer service (A or B grade)	90%	(2021 = 93%)

Key Findings

- Two years as a combined utility, Chugach members remain very satisfied with Chugach's service and reliability.
- Chugach continues to get the highest positive rating from our members when compared with four other utilities:
 - Chugach 93% (65% very positive; 28% somewhat)
 - ENSTAR 77%

- GCI 51%
 - ACS 39%
 - MEA 28%
- (Low, but not surprising since our members would generally not interact with MEA.)

Note: ENSTAR is a good measure for overall utility comparison because you can assume nearly all Chugach members are ENSTAR customers.

- Reliability remains the most important service for our members, followed by price, then customer service:
 - Reliability 44.0 %
 - Price 31.8 %
 - Customer service 24.2 %
- 82% of respondents reported taking steps in the past year to conserve or lower electricity use.
- Member's primary source of information about Chugach:
 - Outlet Newsletter 39.3%
 - Website 31.3%
 - Email 13.0%
 - Social media 7.1%
 - Phone calls 4.5%
 - In-person visit 3.5%
 - Mail 1.4%

Renewable Energy

We asked our members about their interest in renewable energy projects.

- Do you support renewable energy **if your rates don't go up?** 76.9% yes
23.1% no

Of the 76.9% who said yes, we asked the following:

- Do you support renewables **if your rates go up?** 53.8% yes
46.2% no

Of the 53.8% who said they still support renewables if rates go up, we asked:

- How much by percentage?
 - 1% to 9% 36.8%
 - 10% to 19% 30.6%
 - 20% or higher 32.6%

- And how much by dollar amount?
 - \$1 to \$14 38.5%
 - \$15 to \$49 33.2%
 - \$50 or more 28.3%


See attachment for more specifics on the percentage and dollar amount.


Computing the first two answers on support for renewable power overall:

- No, I don't support 23.1%
- I don't support if I have to pay 35.5%
- Yes, I support even if I have to pay 41.4%



TO: Arthur Miller, Chief Executive Officer

THROUGH: Teresa Kurka, VP, Member Services 

FROM: Lynda Muise, Sr. Manager, Member Accounting 

DATE: November 18, 2022

SUBJECT: *Semi-Annual Electric Write-Off: November 2022*

The current write-off reflects uncollectible electric account balances through April 30, 2022. This write-off consists of 996 accounts totaling \$284,580, with an average write-off balance of \$286. Recovery of previously written-off account balances through collections totaled \$144,872. The November 2022 net write-off is \$139,708, or approximately 0.09 percent of retail revenue.

The attached tables and figures have been updated to provide a more in-depth look at the types of accounts being written-off. Table 1 shows a five-year comparison of account write-offs and recovery through collection. Table 2 is a summary of the November 2022 write-off, broken out by rate class. Figure 1 shows the five-year comparison of net write-off as a percentage of revenue in chart form. Figure 2 shows five-year comparison of net write-offs as a dollar amount in chart form.

Chugach Electric Association, Inc.
Anchorage, Alaska

November 2022 Electric Write-off
Write-off Period: November 2021 to April 2022

Table 1: Five Year Electric Write Off Comparison

Write-off Period	Collection Period	Number of Accounts	Total Write-off	Recovery Through Collections	Net Write-off	Net Write-off as % of Revenue
Jul-18	May 2017 - Oct 2017	854	\$175,118	\$52,143	\$122,975	0.12%
Dec-18	Nov 2017 - Apr 2018	652	\$180,395	\$52,332	\$128,063	0.15%
Jul-19	May 2018 - Oct 2018	710	\$136,249	\$61,775	\$74,474	0.07%
Dec-19	Nov 2018 - Apr 2019	744	\$218,092	\$82,950	\$135,142	0.14%
Jul-20	May 2019 - Oct 2019	788	\$186,947	\$77,856	\$109,091	0.10%
Dec-20	Nov 2019 - Apr 2020	624	\$175,919	\$84,096	\$91,823	0.10%
Jul-21	May 2020 - Oct 2020	532	\$153,481	\$80,953	\$72,528	0.04%
Dec-21	Nov 2020 - Apr 2021	886	\$215,731	\$114,226	\$101,505	0.06%
Jul-22	May 2021 - Oct 2021	971	\$194,946	\$123,286	\$71,660	0.04%
Nov-22	Nov 2021 - Apr 2022	996	\$284,580	\$144,872	\$139,708	0.09%

Table 2: Summary of November 2022 Account Balance Write-Off

Write-offs by Rate Class	Number of Accounts	Total Write-offs	Average per Account	Write-offs as % of Revenue
Residential	976	(\$266,391)	(\$273)	(0.15%)
Small Commercial	19	(\$15,528)	(\$817)	(0.01%)
Large Commercial	1	(\$2,661)	(\$2,661)	(0.00%)
Total	996	(\$284,580)	(\$286)	(0.16%)

Figure 1: Net Write-offs as a Percent of Revenue

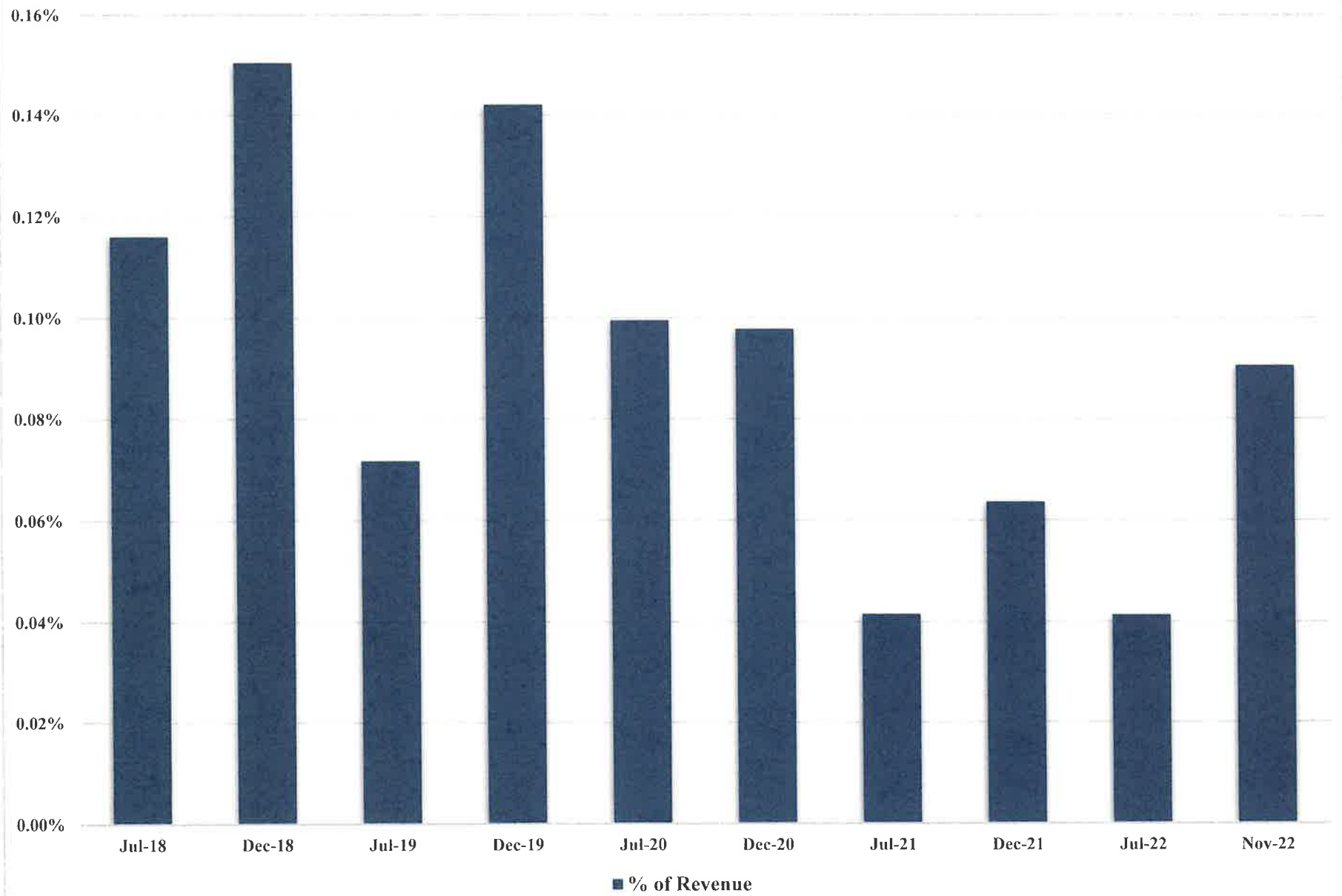
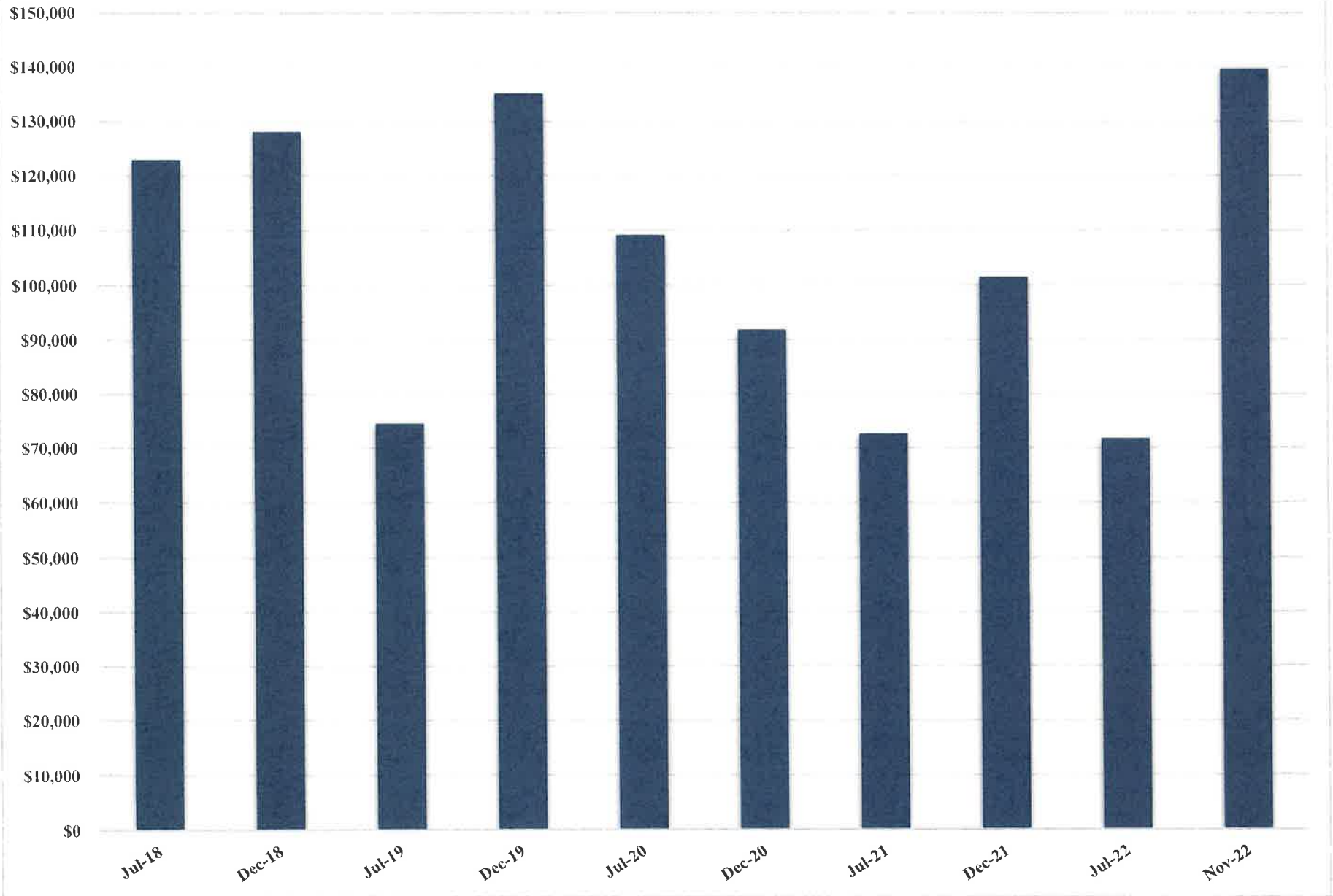


Figure 2: Net Write-off Amount



CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

November 28, 2022

ACTION REQUIRED

AGENDA ITEM NO. VIII.A.

 Information Only
 X Motion
 X Resolution
 Executive Session
 Other

TOPIC

Discounting for 2023 Capital Credit Payments

DISCUSSION

Chugach Electric Association, Inc. (Chugach) Board Policy 304 provides for the retirement of capital credits on a discounted basis for estate payments and former members that are no longer receiving electric service on the Chugach distribution system. Section II.D. of Board Policy 304 states:

Special / Discounted Capital Credits Retirements: The Association may retire capital credits on a discounted basis as approved by the Board to reflect the net present value of the capital credits. Approval of special or discounted capital credit retirements may reduce allowable amounts in a general retirement to the extent required to comply with Indenture and debt agreements. Amounts approved for discounting will be either (1) estate payments or (2) former members that are no longer on the Association's distribution system.

The attached Board resolution authorizes the retirement of capital credits in calendar-year 2023 in an amount not-to-exceed \$350,000 on a discounted basis for estate payments and former members that are no longer on Chugach's distribution system. The \$350,000 amount is identical to 2022 authorized levels. The early retirement of capital credits in an amount not-to-exceed \$350,000 for calendar-year 2023 will not adversely impact the Association's financial condition.

Chugach's Bylaws require Board of Directors approval for the retirement of capital credits. If the funding and approval of payments is preauthorized, Chugach can process the requests without having to seek Board approval for each specific retirement processed.

MOTION

Move that the Board of Directors approve the attached resolution authorizing early (discounted) capital credit payments in calendar-year 2023 for estate payments and former members that are no longer on Chugach's distribution system in an amount not-to-exceed \$350,000.



RESOLUTION

Discounting for 2023 Capital Credit Payments

WHEREAS, Chugach Electric Association, Inc. (Chugach) Board Policy 304 provides for the retirement of capital credits on a discounted basis for estate payments and to former members who are no longer receiving electric service on Chugach's distribution system;

WHEREAS, Chugach received a Private Letter Ruling from the Internal Revenue Service stating that the discounting of capital credits as provided for under Board Policy 304 does not jeopardize Chugach's tax-exempt status;

WHEREAS, Chugach's Bylaws require Board of Directors approval of capital credit retirements;

WHEREAS, amounts available for discounted capital credit payments can be increased or decreased at the discretion of the Chugach Board of Directors;

WHEREAS, the discounting of capital credit payments for estates and former members who are no longer receiving electric service on Chugach's distribution system in an amount of up to \$350,000 in 2023 will not adversely impact the Association's financial condition;

WHEREAS, estate and other early payments will be made on a frequent basis throughout 2023 and Board of Director approval of each specific early retirement would cause delay in issuing the payments; and,

WHEREAS, the Board of Directors has determined that retirements under this early payment plan in 2023 will not impair the financial condition of the Association.

NOW THEREFORE, BE IT RESOLVED, Chugach shall make early payments of capital credits for estate payments and former members who request early retirements in the actual discounted amount, not-to-exceed \$350,000 in cash payments for calendar-year 2023.

BE IT FURTHER RESOLVED, any payments under the plan for 2023 will be at the present value based on a discount rate derived using the NRUCFC 10-year long-term fixed borrowing rate plus of 3%.

BE IT FURTHER RESOLVED, before receiving a payment under this plan, any member with an outstanding electric debt balance will be required to first pay the outstanding debt or acknowledge the capital credit payment will be reduced by the amount necessary to satisfy the outstanding debt.

CERTIFICATION

I, Samuel Cason, 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 28th day of November, 2022; 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 28th day of November, 2022.

Secretary

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

November 28, 2022

ACTION REQUIRED

AGENDA ITEM NO. X.A.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Capital Credit Retirement

DISCUSSION

The Board of Directors reviewed a wholesale capital credit retirement.

MOTION

Move that the Board of Directors approve a wholesale capital credit retirement as discussed in executive session and in accordance with the attached resolution.



RESOLUTION

Wholesale Capital Credit Retirement and Payment

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

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

NOW THEREFORE BE IT RESOLVED, Chugach establishes the amount of the capital credit retirement and payment to Matanuska Electric Association, Inc. (MEA) and Seward Electric System (SES) at \$1,615,166, which will retire the balance of MEA and SES's capital credits through 2015, which totals \$1,525,166 and \$90,000, respectively.

CERTIFICATION

I, Samuel Cason, 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 28th day of November, 2022; 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.

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Secretary