



CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA

REGULAR BOARD OF DIRECTORS' MEETING

AGENDA

Bettina Chastain, Chair
Susan Reeves, Vice Chair
Rachel Morse, Treasurer
Stuart Parks, Secretary

Harry T. Crawford, Jr., Director
Jim Henderson, Director
Harold Hollis, Director

December 18, 2019

4:00 p.m.

Chugach Boardroom

- I. CALL TO ORDER (4:00 p.m.)
 - A. Pledge of Allegiance
 - B. Roll Call
 - C. Safety Minute – “Winter Vehicle Preparation” (Freeman)
- 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
 - 1. Alaska Power Association State Legislative Conference, January 29-30, 2020, Juneau, Alaska (*Deadline for conference registration is December 18, 2019*)
 - 2. 2020 NRECA Annual Meeting, February 27-March 1, 2020, New Orleans, LA (*Deadline for conference registration is December 30, 2019*)
 - C. Minutes
 - 1. November 26, 2019, Special Board of Directors’ Meeting (Portades)
 - 2. November 26, 2019, Regular Board of Directors’ Meeting (Portades)
 - D. Director Expenses
- V. CEO REPORTS AND CORRESPONDENCE (4:20 p.m.)
 - A. October 2019 Financial Statements and Variance Report (Harris/Curran) (4:20 p.m.)
 - B. 4th Quarter 2019 Railbelt Bill Comparison (Skaling/Miller) (4:30 p.m.)
 - C. Write-off of Accounts Receivable – Electric/Other (Kurka/Miller) (4:40 p.m.)
 - D. Board Policy Scheduled Tasks (Thibert) (4:50 p.m.)
 - E. Review 2021-2034 Financial Forecast (Highers) (5:00 p.m.)

- VI. DIRECTOR REPORTS (5:15 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. NEW BUSINESS* (scheduled) (5:35 p.m.)
- A. *Appointment of 2020 NRECA Voting Delegate and Alternate* (Board)*
- IX. EXECUTIVE SESSION* (scheduled) (5:40 p.m.)
- A. *IMO Update (5:50 p.m.)*
 - B. *2020-2022 Strategic Plan (6:05 p.m.)*
 - C. *Chugach Comments on Senate Bill No. 123 and House Bill No. 151 (6:20 p.m.)*
 - D. *2019 (May 1, 2019 – April 30, 2020) Chief Executive Officer Key Performance Indicators and CEO 360 Review Questions (6:35 p.m.)*
 - E. *Succession Plan for Key Management Positions (7:05 p.m.)*
 - F. *Integration of ML&P Non-Represented Employees into Chugach Pay and Benefits System (7:20 p.m.)*
- X. NEW BUSINESS* (continued) (7:40 p.m.)
- A. *2020-2022 Strategic Plan* (Miller/Thibert) (7:40 p.m.)*
 - B. *Chugach Comments on Senate Bill No. 123 and House Bill No. 151* (Hickey) (7:45 p.m.)*
 - C. *Helicopter Services* (Hickey) (7:50 p.m.)*
- XI. DIRECTOR COMMENTS (7:55 p.m.)
- XII. ADJOURNMENT* (8:05 p.m.)

* *Denotes Action Items*

** *Denotes Possible Action Items*



Winterize Your Car

Prepare Your Car for the Winter Season

Winterization Tips



Check the condition of your windshield wiper blades.



Clear windows, headlights, taillights and signal lights of ice and snow.



Ensure you keep a good ice scraper/snow brush in each of your vehicles.



Check your tires for adequate inflation and tread depth.



Keep your windshield washer fluid topped up.



Pack a winter safety kit.



Ensure your battery is up to speed. Cold weather reduces battery capacity.



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* *Denotes Action Items*

** *Denotes Possible Action Items*

December 2019

December 2019

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January 2020

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Dec 1	2	3	4 <div style="background-color: yellow;">APA December Meeting Series (TBD) - CCBOD</div> <div style="border: 1px solid cyan; padding: 2px;">3:00pm REAP Public Policy Committee (Morse/Hender</div> <div style="border: 1px solid cyan; padding: 2px;">4:30pm APA Open House (APA (703 W Tudor Road))</div>	5 <div style="border: 1px solid cyan; padding: 2px;">8:30am APA Board Meeting (Hollis/Henders on) (Lakefront Hotel (Turnagain Room) (4800 Spenard Road))</div>	6 <div style="border: 1px solid cyan; padding: 2px;">2:00pm REAP Telephonic Board Meeting (The teleconference number is 605-313-5152 and the passcode is</div>	7
8	9 <div style="border: 1px solid cyan; padding: 2px;">4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens</div>	10	11	12	13 <div style="background-color: yellow;">Winter School for Directors - 12/13 - 12/18 (Nashvi</div>	14
15	16 <div style="border: 1px solid cyan; padding: 2px;">9:00am Review Board Packet w/Thibert (Chastain/Reeves) (LDT's Office) - Connie Owens</div>	17	18 <div style="border: 1px solid cyan; padding: 2px;">4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens</div>	19	20	21
Winter School for Directors - 12/13 - 12/18 (Nashville, TN)						
22	23	24 <div style="background-color: pink;">Christmas Eve (United States)</div>	25 <div style="background-color: pink;">Christmas Day (United States)</div>	26	27	28
29	30	31 <div style="background-color: pink;">New Year's Holiday (Uni</div>	Jan 1, 20	2	3	4

January 2020

January 2020

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February 2020

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Dec 29	30	31	Jan 1, 20 New Year's Holiday (U)	2	3	4
5	6	7	8 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens	9	10	11
12	13	14	15	16	17	18
19	20 9:00am Review Board Packet w/Thibert (Chastain/Reev es) (LDT's Office) - Connie Owens	21	22 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	23	24	25
26	27	28	29 APA State Legislative Conference (1/29-30/2020)	30	31	Feb 1

February 2020

February 2020

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March 2020

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jan 26	27	28	29	30	31	Feb 1
2	3	4	5 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens	6	7	8
9	10	11	12	13	14	15
16	17 9:00am Review Board Packet w/Thibert (Chastain/Reeves) (LDT's Office) - Connie Owens	18	19 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	20	21	22
23	24	25	26	27 NRECA Annual Meeting - Director Education 2/27-3/1 - Annual To Mar 4 →	28	29

March 2020

March 2020

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April 2020

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Mar 1	2	3	4	5	6	7
← From Feb 27 NRECA Annual Meeting - Director Education 2/27-3/1 - Annual Meeting 3/1-3/4 2/						
8	9	10	11 4:00pm Operations Committee Meeting (BoardroomCR) - Connie Owens	12	13	14
15	16	17	18 4:00pm Audit and Finance Committee Meeting (Followed by a Special Board of Directors Meeting) (BoardroomCR)	19	20	21
22	23 9:00am Review Board Packet w/Thibert (Chastain/Reev es) (LDT's Office) - Connie Owens	24	25 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	26	27	28
29	30	31	Apr 1	2	3	4

April 2020

April 2020

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May 2020

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31						

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Mar 29	30	31	Apr 1	2	3	4 Directors Conference 4/ 6:00pm Spring Party (Dena'ina Center) - Connie Owens
5 Directors Conference 4/4-4/7 (Kansas City, MO)	6	7	8 4:00pm Operations Committee Meeting (boardroomcr) - Connie Owens	9	10	11
12	13	14	15	16	17	18
19	20 9:00am Review Board Packet w/Thibert (Chastain/Reev es) (LDT's Office) - Connie Owens	21	22 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	23	24	25
26	27	28	29	30	May 1	2

May 2020

May 2020						June 2020							
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
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17	18	19	20	21	22	23	21	22	23	24	25	26	27
24	25	26	27	28	29	30	28	29	30				
31													

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

June 2020

June 2020							July 2020						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
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21	22	23	24	25	26	27	19	20	21	22	23	24	25
28	29	30					26	27	28	29	30	31	

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
May 31	Jun 1	2 APA Federal Legislative Conference (6/2-4, 2020) (Washington, DC) - Connie	3	4	5 Directors Summer School - 6/5-6/10 (Charleston, C	6
7	8	9	10	11	12	13
Directors Summer School - 6/5-6/10 (Charleston, C.C.)						
14 1:00pm Chugach Picnic (Alaska Zoo) - Connie Owens	15 6:30pm Annual Meeting Date (Deni'ana Center) - Connie Owens	16	17	18	19	20
21	22	23	24 4:00pm Regular Board of Directors Meeting (BoardroomCR) - Connie Owens	25	26	27
28	29	30	Jul 1	2	3	4

July 2020

July 2020							August 2020						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jun 28	29	30	Jul 1	2	3 Independence Day Observed	4 Independence Day (United States)
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22 4:00pm Regular Board of Directors Meeting (Boardroom)	23	24 Directors Summer School - 7/24-7/29 (Sal Lake City)	25
26 Directors Summer School - 7/24-7/29 (Sal Lake City, Utah)	27	28	29	30	31	Aug 1

August 2020

August 2020

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September 2020

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

September 2020

September 2020

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October 2020

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Aug 30	31	Sep 1	2	3	4	5
6	7 Labor Day (United States)	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23 4:00pm Regular Board of Directors Meeting (Boardroom)	24	25	26
27	28	29 NRECA Region IX - 9/29 - 10/1 (Omaha, Neb.) - Con	30	Oct 1	2	3

October 2020

October 2020

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November 2020

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Sep 27	28	29	30	Oct 1 NRECA Region IX - 9/2	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 4:00pm Regular Board of Directors Meeting (Boardroom)	29	30	31

November 2020

November 2020						
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December 2020						
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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Nov 1	2	3	4	5	6	7
8	9 4:00pm Audit and Finance Committee Meeting (BoardroomCR)	10 4:00pm Audit and Finance Committee Meeting (BoardroomCR)	11 Strategic Planning (Meghan Room)	12	13	14
15	16	17	18	19	20	21
22	23	24 11:45am Chugach Legislative Luncheon (Embassy Suites) - Connie 4:00pm Regular Board of Directors Meeting	25	26 Thanksgiving Day Holiday (United States)	27	28
29	30	Dec 1	2	3	4	5

December 2020

December 2020						
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January 2021						
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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Nov 29	30	Dec 1	2 APA December Meeting Series (12/2-3, 2020) (A	3	4	5
6	7	8	9	10	11 Directors Winter School - 12/11-12/16 (Nashville, T	12
13 Directors Winter School - 12/11-12/16 (Nashville, TN)	14	15	16 4:00pm Regular Board of Directors Meeting (Boardroom)	17	18	19
20	21	22	23	24 Christmas Holiday (United States)	25	26
27	28	29	30	31 New Year's Holiday (Uni	Jan 1, 21	2



Alaska Power Association 2020 Legislative Conference
January 29- January 30, 2020 Westmark Baranof Hotel, Treadwell Room

Agenda

Tuesday, January 28, 2020

Early registration (*outside Treadwell Room*)

4:00 p.m. - 5:30 p.m.

Wednesday, January 29, 2020

Breakfast (*Treadwell Room*)

7:30 a.m. - 8:30 a.m.

Federal legislative briefings

8:00 a.m.

Rep. Don Young (via teleconference)

Sen. Lisa Murkowski (video address)

Sen. Dan Sullivan (video address)

APA Legislative Briefing

8:30 a.m.

Crystal Enkvist, Executive Director, and Larry Markley, APA lobbyist

Henry Strub, Chair, AK CARE Committee

Legislator Panel

9:00 a.m. - 10:00 a.m.

Break

10:00 a.m. - 10:15 a.m.

Administration Panel

10:15 a.m. - 11:15 a.m.

Break

11:15 a.m. - 11:30 a.m.

Lunch

11:30 a.m. - 1:00 p.m.

Hill visits

1:00 p.m. - 5:30 p.m.

APA Legislative Reception (*Treadwell Room*)

5:30 p.m. - 7:30 p.m.

Thursday, January 30, 2020

Breakfast (*Treadwell Room*)

7:00 a.m. - 8:00 a.m.

Speaker:

8:00 a.m. - 8:30 a.m.

Legislator Panel

8:30 a.m. - 9:30 a.m.

Attendees are asked to please exit the room during the break so it may be rearranged for the APA Board of Directors meeting.

APA Board of Directors meeting (*Treadwell Room*)

10:30 a.m. - 12:00 p.m.

Attendees of the APA Legislative Conference are encouraged to stay for the board meeting.

Annual Meeting

New Orleans, LA February 27 - March 4, 2020

Schedule

Subject to change

FRI. 02/28

8:00am - 4:00pm Pre-Meeting Education

SAT. 02/29

8:00am - 4:00pm Pre-Meeting Education

8:00am - 5:00pm Community Service Project

SUN. 03/01

7:00am - 4:00pm Health and Retirement Screenings

8:00am - 4:00pm Pre-Meeting Education

9:00am - 2:30pm NRTC Registration

9:00am - 6:00pm NRECA Registration

9:00am - 6:00pm CFC Registration

10:00am - 11:30am SEDC Member Enrichment Meeting

11:30am - 1:30pm NISC Annual Meeting & Luncheon

2:30pm - 4:00pm NRTC Annual Meeting

4:00pm - 5:00pm Proposed Resolutions Forum

5:30pm - 7:30pm Welcome Reception (Sponsored by CoBank)

Join CoBank on the decks of the Riverboat Louis Armstrong, a traditional paddleboat named after the jazz legend. CoBank's dockside reception will offer easy access to delicious catering, live music and the opportunity to network with colleagues from across the nation. Register for the March 1 evening event when you register for the NRECA Annual Meeting.



MON. 03/02

7:00am - 8:15am Breakfast (Sponsored by CFC, NCSC & Federated)

7:00am - 2:00pm CFC Registration

7:00am - 4:00pm Health and Retirement Screenings

8:30am - 10:30am General Session 1

Welcome

Address by Jim Matheson

Keynote Presentation: Innovate or Die Trying

Pablos Holman, Hacker, Inventor and Futurist

How many taxi companies could have made their own iPhone app but didn't? Everyone knows they had better innovate or die, but what does that really mean? How do you know if Silicon Valley is going to come after your industry? Can we learn to innovate faster than our competitors? If computers can do the job of a truck driver, what about a factory worker, or a chef, or a doctor, or you?

Holman is one of the rare technologists who can both understand and explain these new technologies and their potential. Working with them every day at his lab, his team has taken on problems ranging from hurricane suppression to brain surgery & disease eradication to nuclear energy.

Key Take Aways:

- Get into the mindset of the world's most innovative people.
- Glimpse into the next generation technologies nobody has seen yet.
- Understand how to have a practical relationship with innovation.

11:00am - 12:00pm	Breakout Sessions
11:00am - 1:30pm	Lunch (Sponsored by CFC, NCSC & Federated)
11:30am - 1:00pm	International Lunch
1:30pm - 2:30pm	Breakout Sessions
3:00pm - 4:00pm	CFC Annual Meeting
4:30pm - 7:00pm	TechAdvantage® Expo Opening Reception

TUE. 03/03

7:00am - 8:15am	Breakfast (Sponsored by CFC, NCSC & Federated)
7:00am - 8:30am	ACRE Breakfast
7:00am - 4:00pm	Health and Retirement Screening
7:00am - 7:00pm	NRECA Registration
9:00am - 11:30am	General Session 2 (includes Business Meeting at approx. 11 a.m.)

President's Address

Curtis Wynn, President, NRECA and CEO, Roanoke Electric Cooperative

Youth Leadership Council Address

Kade McAdams, Tri-County Electric Cooperative, Texas

11:00am - 1:30pm	Lunch (Sponsored by CFC, NCSC & Federated)
1:00pm - 2:00pm	Breakout Sessions
2:15pm - 3:15pm	Breakout Sessions
3:45pm - 4:45pm	Federated Rural Electric Insurance Exchange Annual Meeting
7:30pm - 9:30pm	Entertainment Night (doors open at 7 p.m.)

WED. 03/04

7:00am - 3:00pm NRECA Registration

8:30am - 11:00am General Session 3

11:00am - 2:00pm TechAdvantage® Expo

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

November 26, 2019
Tuesday
12:00 p.m.

SPECIAL BOARD OF DIRECTORS' MEETING

Recording Secretary: Divina Portades

I. CALL TO ORDER

The Special Board of Directors Meeting convened at 12:10 p.m. at the Embassy Suites, 600 East Benson Boulevard, Anchorage, Alaska.

Chair Chastain thanked everyone for attending the Chugach Electric Association's Legislative Luncheon and introduced other Board members in attendance.

A. Roll Call

Board Members Present:
Bettina Chastain, Chair
Susan Reeves, Vice Chair
Rachel Morse, Treasurer
Stuart Parks, Secretary
Jim Henderson, Director
Harry Crawford, Director
Harold Hollis, Director

Others in Attendance:
Staff and Distinguished Guests

B. Pledge of Allegiance

Chair Chastain led the Board, staff and distinguished guests in the Pledge of Allegiance.

II. APPROVAL OF THE AGENDA

No formal action was taken on this item.

III. LEGISLATIVE LUNCHEON

Chair Chastain stated that Phil Steyer Director, Government Relations will go over the presentation and Lee Thibert, Chief Executive Officer will respond to questions from the audience. Mr. Steyer presented and discussed ML&P Acquisition, 2020 Legislative Session, Eklutna Studies and Electric Vehicles. This was followed by a question and answer period.

Mr. Thibert thanked everyone for attending and stated that the road is slippery and that his safety minute is for everyone to drive carefully.

IV. ADJOURNMENT

At 12:59 p.m., Director Morse moved and Director Parks seconded the motion to adjourn. The motion passed unanimously.

Stuart Parks, Secretary
Date Approved: December 18, 2019

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

November 26, 2019
Tuesday
4:00 PM

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Divina Portades

I. CALL TO ORDER

Chair Chastain called the Regular Board of Directors' Meeting to order at 4:03 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
Susan Reeves, Vice Chair (*arrived at 4:05 p.m.*)
Stuart Parks, Secretary
Rachel Morse, Treasurer
Jim Henderson, Director
Harry Crawford, Director (*arrived at 4:04 p.m.*)
Harold Hollis, Director

Guests and Staff in Attendance:

Lee Thibert	Tyler Andrews	Jean Kornmuller
Brian Hickey	Mark Fouts	Teresa Kurka
Matthew Clarkson	Arthur Miller	Renee Curran
Sean Skaling	Sherri Highers	Paul Johnson
Andrew Laughlin	Connie Owens	Bill Murray
Russ Thornton	Phil Steyer	Crystal Enkvist, Alaska
Jody Wolfe	Julie Hasquet	Power Association (APA)

Director Crawford arrived at 4:04 p.m.

C. Safety Minute
Tyler Andrews, Executive VP, Employee Services and Communication discussed "Holiday Safety – Thanksgiving Safety Tips". Mr. Andrews and Lee Thibert, Chief Executive Officer (CEO) gave additional prevention safety tips.

Director Reeves arrived at 4:05 p.m.

D. Certificate of Achievement – Morse – Credentialed Cooperative Director (Chastain)

Chair Chastain presented the Credentialed Cooperative Director certificate of achievement to Director Morse.

E. Certificate of Achievement – Reeves – Board Leadership Program (Chastain)

Chair Chastain presented the Board Leadership Program certificate to Director Reeves.

II. APPROVAL OF THE AGENDA

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

III. PERSONS TO BE HEARD

A. Member Comments

None

IV. CONSENT AGENDA

A. Director Henderson – Excused Absence, November 5-6, 2019, Audit and Finance Committee Meetings

B. Board Calendar

C. Training and Conferences

1. Alaska Power Association State Legislative Conference, January 29-30, 2020, Juneau, Alaska (Deadline for conference registration is December 18, 2019)

2. 2020 NRECA Annual Meeting, February 27-March 1, 2020, New Orleans, LA (Deadline for conference registration is December 31, 2019)

C. Minutes

1. October 24, 2019, Regular Board of Directors' Meeting (Portades)

2. November 11-12, 2019, Special Board of Directors' Meeting (Quezon/Portades)

D. Director Expenses

E. Approval of 2020 Operating and Capital Budget

F. First Amendment to CoBank Master Loan Agreement

G. Discounting for 2020 Capital Credit Payments

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

V. CEO REPORTS AND CORRESPONDENCE

A. Member Attitude Survey (Hasquet)

Julie Hasquet, Sr. Manager, Corporate Communications discussed the Member Attitude Survey. Ms. Hasquet and Mr. Thibert, CEO responded to questions from the Board.

VI. DIRECTOR REPORTS

A. Alaska Power Association (APA) Report

Director Hollis stated that Crystal Enkvist, APA is present and will be reporting on APA upcoming events and responded to questions from the Board.

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

Director Crawford and Lee Thibert, CEO stated that there was no ARCTEC meeting to report.

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

Director Morse reported on the October 30, 2019, REAP Quarterly Board Meeting.

Director Henderson reported on REAP presentation on Tidal Energy Generation presentation at the Museum.

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

Director Morse reported on the November 5 & 6, 2019, Audit and Finance Committee meetings.

Director Reeves commented that former Director Cooper started a procedure in meeting with auditors.

Director Parks stated that there was no Operations Committee meeting to report.

Director Reeves stated that Governance Committee have not met, but Director Morse presented the Member Advisory Council (Council) status at the Strategic Planning session and that they will work on creating a scope for the Council.

Director Reeves also stated that she would like to resume the Governance Committee meetings soon.

Chair Chastain stated that there will be additional discussion on the Member Advisory Council.

E. *Other Meeting Reports*

Director Henderson discussed Cybersecurity issues presented at the NWPPA/APA Alaska Electric Utility Conference on November 20-21, 2019.

Director Henderson discussed the ACRE and encouraged the Board members to join and donate.

Director Parks discussed the Gettysburg Leadership Experience training that he attended in October 2019.

VII. UNFINISHED BUSINESS

A. *Legislative Goals* (Board)*

Lee Thibert, CEO discussed the Legislative Goals.

Director Hollis moved and Director Parks seconded the motion that the Board of Directors adopt the recommendation to monitor legislative issues in 2020 as discussed in the attached October 24, 2019 memo. The motion passed unanimously.

VIII. NEW BUSINESS

A. *Member Advisory Council* (Board)*

Director Morse moved and Director Reeves seconded that the Board of Directors establish the Member Advisory Council (MAC) as an *ad hoc* committee and that Association staff begin the process of advertising for member volunteers to serve on the

Council. Completed member applications should be presented to the Board at its February 16, 2020 meeting such that the MAC can begin meeting soon thereafter. The motion passed unanimously.

B. Appointments to 2020 Bylaws Committee (Board)*

Director Henderson moved and Director Reeves seconded that the Board of Directors appoints Donna Resnick and Jessica Koloski to “A” terms and Mitchell Roth to the “B” term on the Bylaws Committee.

Director Henderson requested a friendly amendment to the original motion.

Director Reeves accepted the friendly amendment.

Director Henderson moved and Director Parks seconded that the Board of Directors appoints Donna Resnick and Jessica Koloski to “A” terms and Mitchell Roth to the “C” term on the Bylaws Committee.

Lee Thibert, CEO and Matthew Clarkson, Executive VP, General Counsel responded to questions from the Board.

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

C. Appointments to 2020 Election Committee (Board)*

Director Henderson moved and Director Reeves seconded that the Board of Directors appoints Jim Magowan, William Simpson, Mary (Patti) Bogan and Lawrence Camp and Dawn Bundick to “A” terms on the Election Committee.

Lee Thibert, CEO and Matthew Clarkson, Executive VP, General Counsel responded to questions from the Board.

Director Henderson amended the motion and there were no objections made.

Director Henderson moved and Director Reeves seconded that the Board of Directors appoints Jim Magowan, William Simpson, Mary (Patti) Bogan and Lawrence Camp to “A” terms and Dawn Bundick to the “C” term on the Election Committee.

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

D. Appointments to 2020 Nominating Committee (Board)*

Director Reeves moved and Director Hollis seconded that the Board of Directors appoints Vicki Soule to “A” term on the Nominating Committee. The motion passed unanimously.

E. Project Authorization – Mobile Radio Replacement (Hickey)*

Brian Hickey, Chief Operating Officer introduced Paul Johnson, Sr. Manager, Control and Communications and Bill Murray, Supervisor, Telecommunication. Mr. Johnson and Mr. Murray discussed the Land Mobile Radio Replacement project. Mr. Johnson, Mr. Murray and Mr. Hickey responded to questions from the Board.

Director Parks moved and Director Crawford seconded that the Board of Directors authorize project expenditures for Land Mobile Radio Replacement Project at an estimated total cost of \$1,995,169 with an estimated completion date of July 2021. The motion passed unanimously.

- F. *September 2019 Test Year Simplified Rate Filing* (Kornmuller/Miller)*
Jean Kornmuller, Manager, Regulatory Affairs discussed the September 2019 Test Year Simplified Rate Filing.

Director Morse moved and Director Henderson seconded that the Board of Directors approve the Resolution authorizing Chugach to file with the Regulatory Commission of Alaska, a September 2019 test year Simplified Rate Filing requesting approval to increase the demand and energy rates by 0.4 percent to Chugach retail and increase the demand and energy rates by 1.8 percent to Seward. The motion passed unanimously.

IX. EXECUTIVE SESSION

- A. *Green Energy Program and Community Solar*
- B. *IMO Update*
- C. *RRC MOU Update*
- D. *APA/AIE CEO Evaluation*

At 5:12 p.m., Director Reeves moved and Director Hollis seconded the motion that pursuant to Alaska Statute 10.25.175 (c)(1), (2) and (3) the Board of Directors go into executive session to: 1) discuss 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) 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 7:03 p.m.

X. NEW BUSINESS

- A. *Adoption of Green Energy Program** (Skaling/Miller)*
The Adoption of Green Energy Program has been deferred to future Operations Committee meeting. No objections were made.
- B. *IMO Program Funding* (Fouts)*
Director Morse moved and Director Hollis seconded that the Board of Directors authorize the Chief Executive Officer to execute an extension of the IMO Professional Service Contract with RGP for consulting services to increase the funding by \$3,509,504 for a not-to-exceed total contract amount of \$7,347,123; and execute an extension with RDI for \$4,060,560; and execute an extension with CTG for \$1,178,000, all three contracts with period ending December 31, 2020.

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

C. *RRC Memorandum of Understanding (MOU)** (Hickey)*

Director Henderson moved and Director Morse seconded that the Chugach Board of Directors approve the Chief Executive Officer (CEO) to execute the RRC MOU under terms and conditions substantially the same as discussed in Executive Session. The motion passed unanimously.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 7:13 p.m., Director Hollis moved and Director Parks seconded the motion to adjourn. The motion passed unanimously.

Stuart Parks, Secretary

Date Approved: December 18, 2019

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

December 18, 2019

ACTION REQUIRED

AGENDA ITEM NO. IV.D.

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

TOPIC

Director Expenses

DISCUSSION

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

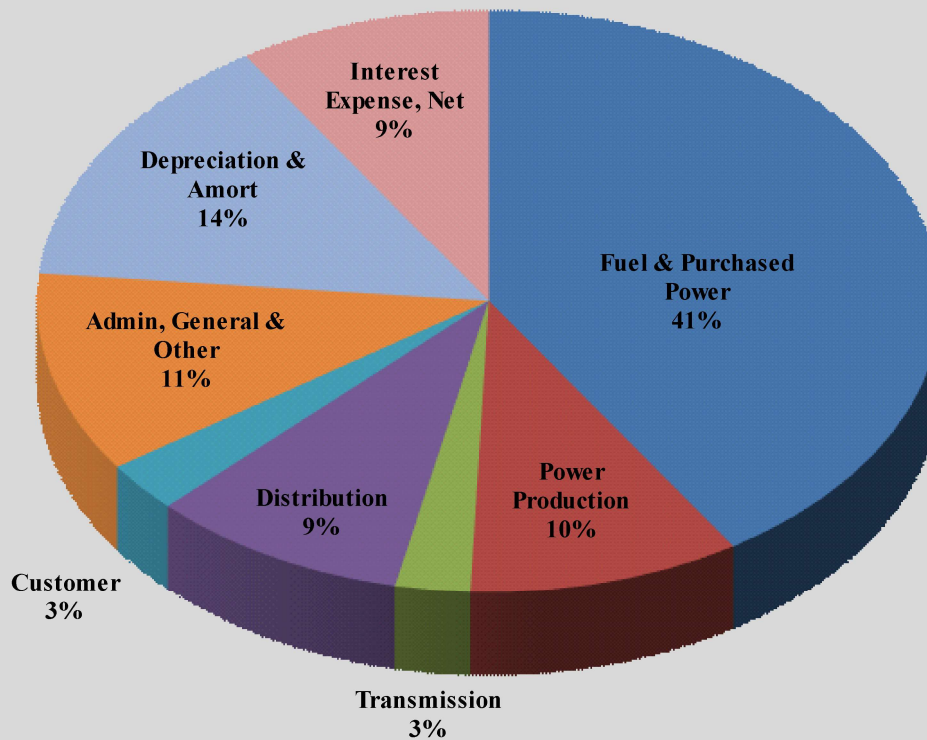
MOTION

(Consent Agenda)

STATEMENT OF OPERATIONS

CATEGORY	2019 MTD ACTUAL	2019 MTD BUDGET	2019 MTD VARIANCE
Operating Revenue and Patronage Capital	\$ 18,367,449	\$ 18,422,506	\$ (55,057)
Fuel and Purchased Power Expense	7,448,304	6,919,403	528,901
Power Production Expense	1,773,379	1,676,716	96,663
Transmission Expense	487,053	570,710	(83,657)
Distribution Expense	1,681,100	1,389,116	291,984
Customer Expense	507,483	618,982	(111,499)
Administrative, General and Other	2,031,361	2,123,382	(92,021)
Depreciation & Amortization Expense	2,629,313	2,552,527	76,786
Interest Expense, Net	1,647,338	1,859,558	(212,220)
Total Cost of Electric Service	\$ 18,205,331	\$ 17,710,394	\$ 494,937
Patronage Capital & Operating Margins	\$ 162,118	\$ 712,112	\$ (549,994)
Non-Operating Margins - Interest	62,860	52,481	10,379
Allowance for Funds Used During Construction	12,124	14,846	(2,722)
Non-Operating Margins - Other	2,761	-	2,761
Patronage Capital or Margins	\$ 239,863	\$ 779,439	\$ (539,576)

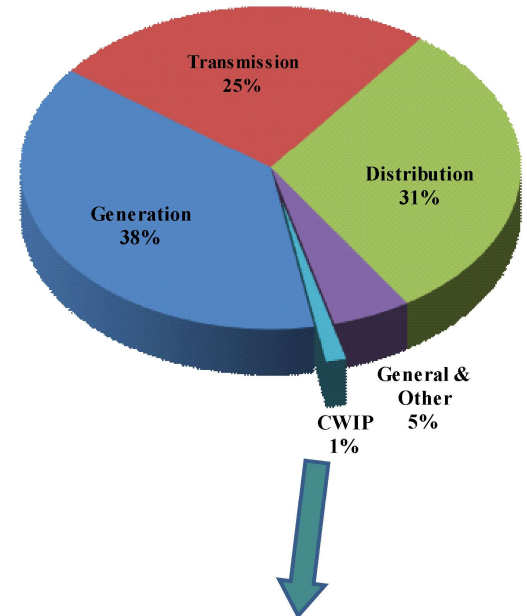
Total Cost of Electric Service (MTD Actual)



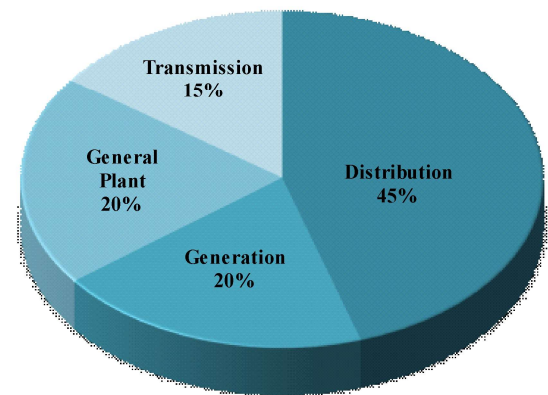
BALANCE SHEET

ASSETS & OTHER DEBITS	10/31/19	12/31/18
Electric Plant in Service	1,240,188,914	1,216,663,092
Construction Work in Progress	16,519,417	17,272,307
Total Utility Plant	\$ 1,256,708,331	\$ 1,233,935,399
Accum. Prov. for Depreciation/Amortization	(553,395,398)	(529,099,451)
Net Utility Plant	\$ 703,312,933	\$ 704,835,948
Nonutility Property - Net	76,889	76,889
Operating Lease Right-of-Use Assets	961,462	-
Investment in Assoc. Organizations	8,148,222	8,570,046
Special Funds	2,426,296	1,890,221
Restricted Cash & Other Investments	108,000	108,000
Total Other Property & Investments	\$ 11,720,869	\$ 10,645,156
Cash, Marketable Securities & Other	2,979,163	12,423,578
Special Deposits/Restricted Cash	1,285,710	1,268,274
Accounts Receivable - Net	24,135,909	31,165,249
Materials and Supplies, Fuel Stock	28,691,715	28,175,563
Prepayments	3,696,474	2,227,117
Other Current & Accrued Assets	2,637,831	241,279
Total Current & Accrued Assets	\$ 63,426,802	\$ 75,501,060
Deferred Debits	44,472,412	37,668,424
Total Assets & Other Debits	\$ 822,933,016	\$ 828,650,588
LIABILITIES & OTHER CREDITS	10/31/19	12/31/18
Memberships	1,772,432	1,748,172
Pat. Capital, Margins & Equities	188,031,832	192,776,522
Total Margins & Equities	\$ 189,804,264	\$ 194,524,694
Long-Term Debt - Bonds	449,999,997	398,416,664
Long-Term Debt - Other	30,552,000	33,972,000
Unamortized Debt Issuance Costs	(2,717,702)	(2,425,247)
Operating Lease Liabilities	771,008	-
Total Long-Term Debt	\$ 478,605,303	\$ 429,963,417
Notes Payable	42,027,121	87,608,667
Accounts Payable	9,910,723	9,538,749
Consumer Deposits	4,605,085	4,845,611
Other Current & Accrued Liabilities	31,257,017	32,853,659
Total Current & Accrued Liabilities	\$ 87,799,946	\$ 134,846,686
Deferred Compensation	1,612,964	1,359,878
Other Liabilities, Non-Current	554,458	580,841
Deferred Liabilities	849,776	764,834
Patronage Capital Payable	1,931,295	3,393,253
Cost of Removal Obligation	61,775,010	63,216,985
Total Liabilities & Other Credits	\$ 822,933,016	\$ 828,650,588

2019 Total Utility Plant (YTD)
\$1,256,708,331

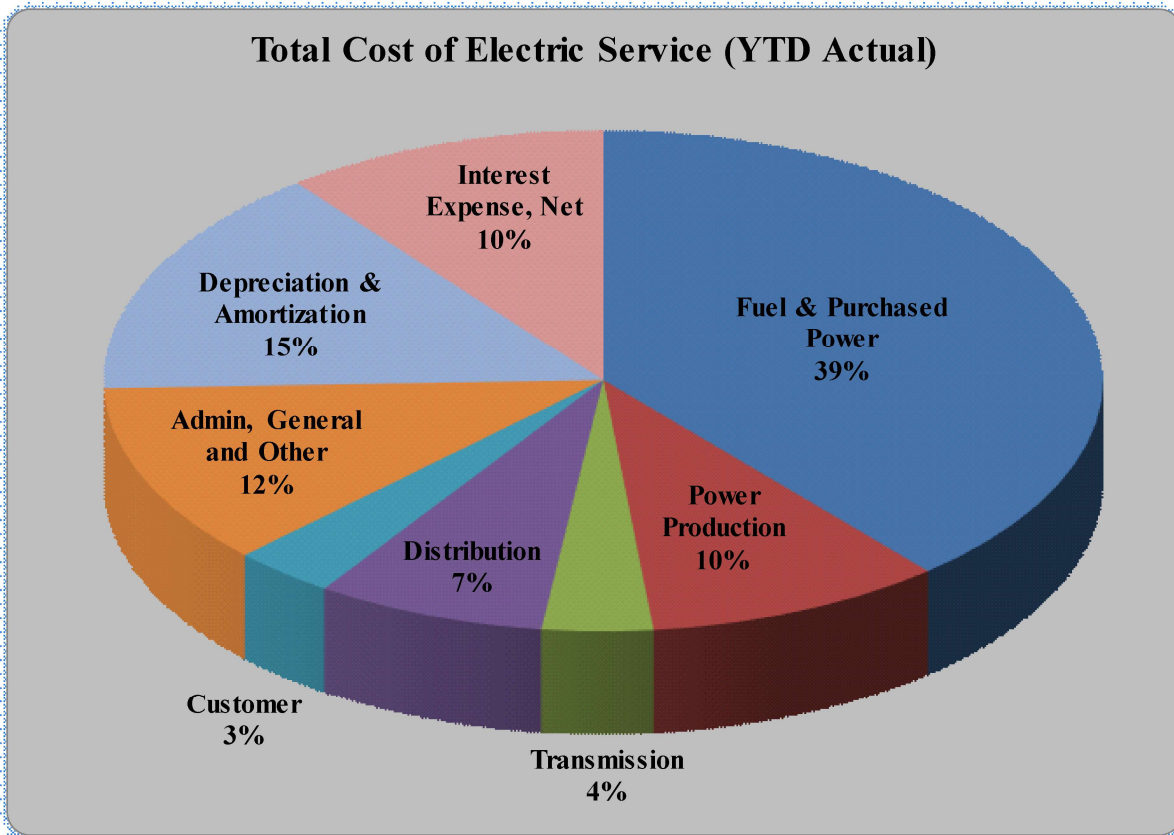


2019 Construction Work in Progress (YTD)
\$16,519,417



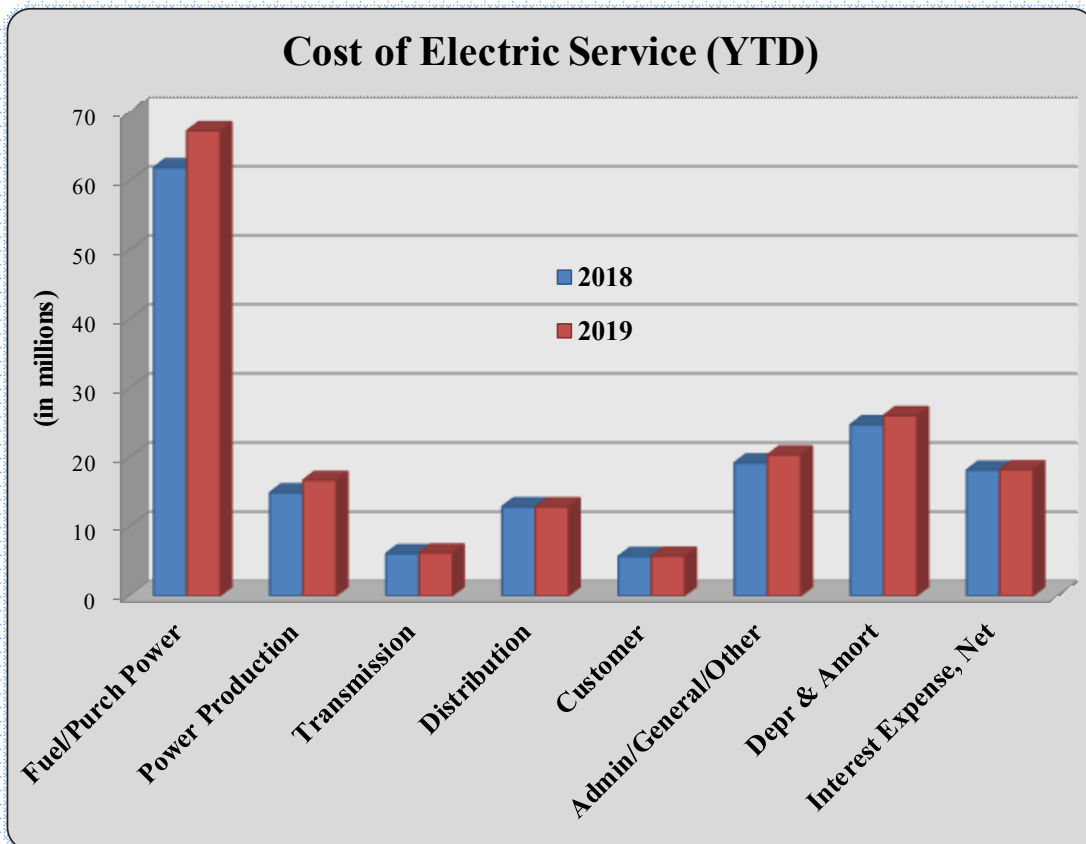
**COMPARATIVE FINANCIAL REPORT
STATEMENT OF OPERATIONS
CURRENT YTD ACTUAL TO BUDGET VARIANCE**

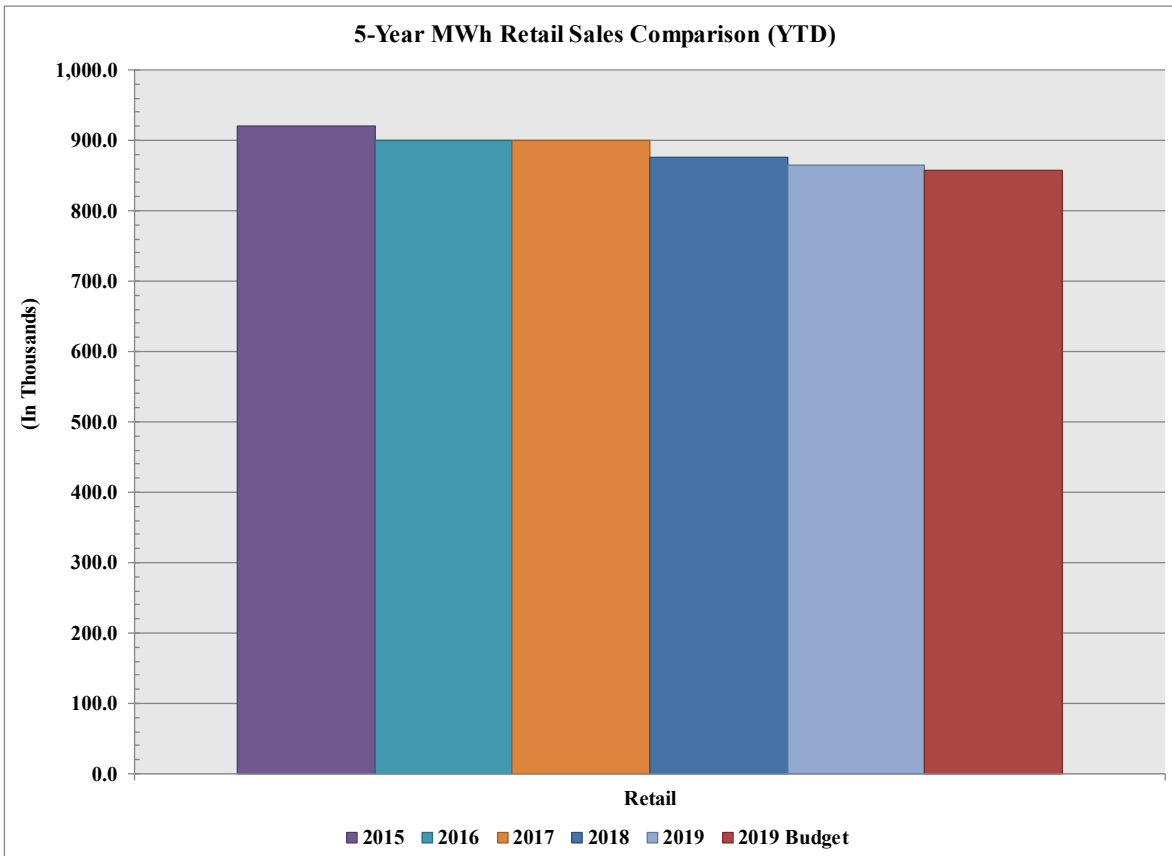
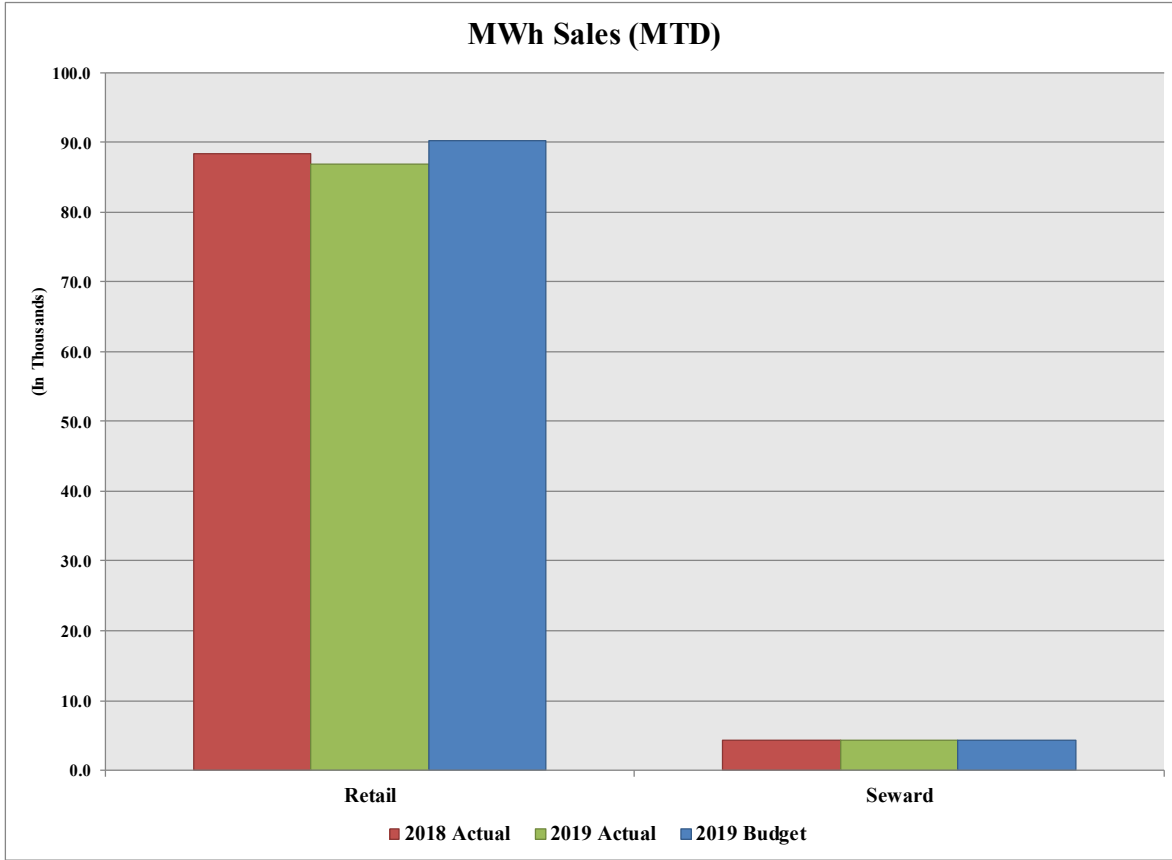
CATEGORY	2019 YTD ACTUAL	2019 YTD BUDGET	2019 YTD VARIANCE
Operating Revenue and Patronage Capital	\$ 173,355,780	\$ 168,358,721	\$ 4,997,059
Fuel and Purchased Power Expense	67,316,352	61,946,665	5,369,687
Power Production Expense	16,728,783	16,751,778	(22,995)
Transmission Expense	6,224,601	6,346,092	(121,491)
Distribution Expense	12,903,897	13,147,881	(243,984)
Customer Expense	5,737,842	5,846,740	(108,898)
Administrative, General and Other	20,399,092	20,513,495	(114,403)
Depreciation & Amortization Expense	26,082,235	25,519,944	562,291
Interest Expense, Net	18,262,679	17,700,406	562,273
Total Cost of Electric Service	\$ 173,655,481	\$ 167,773,001	\$ 5,882,480
Patronage Capital & Operating Margins	\$ (299,701)	\$ 585,720	\$ (885,421)
Non-Operating Margins - Interest	505,011	524,810	(19,799)
Allowance Funds Used During Const.	126,523	148,459	(21,936)
Non-Operating Margins - Other	108,500	-	108,500
Patronage Capital or Margins	\$ 440,333	\$ 1,258,989	\$ (818,656)
MFI/I	1.02	1.07	
TIER	1.02	1.07	

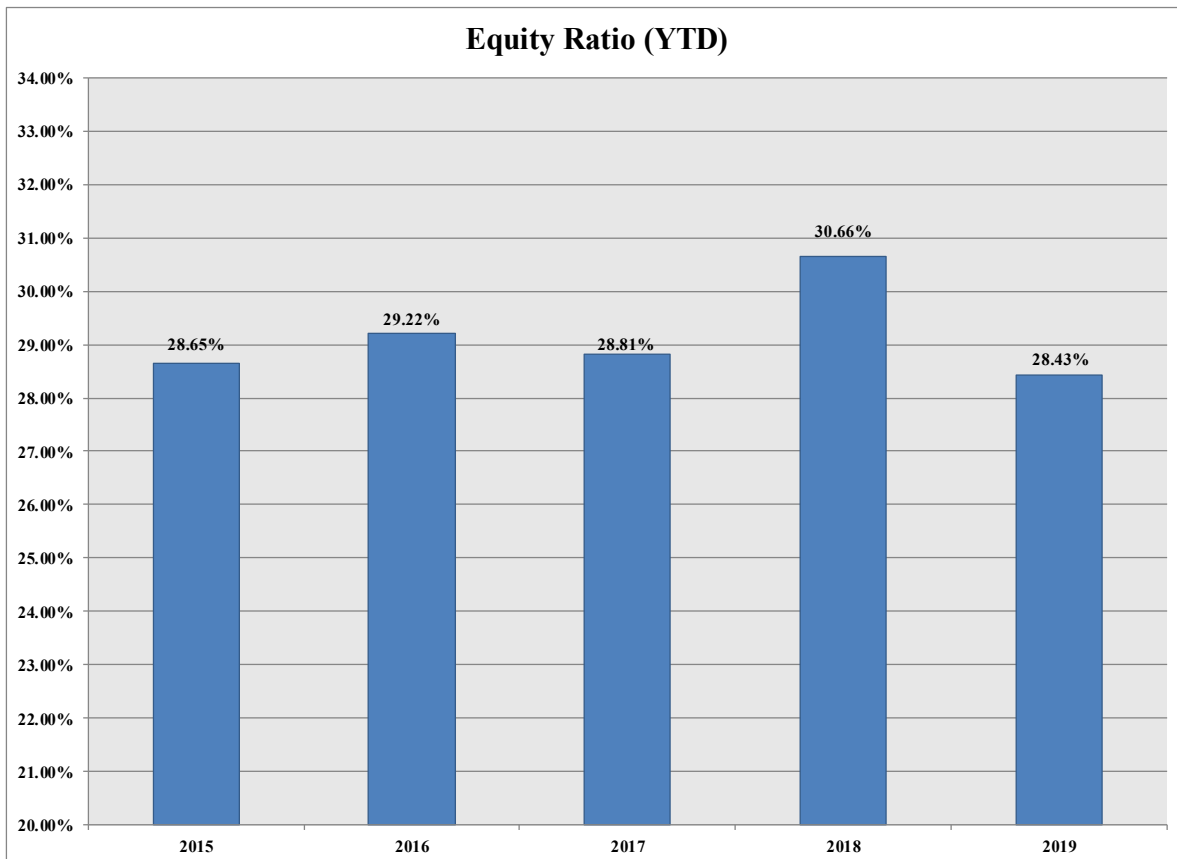
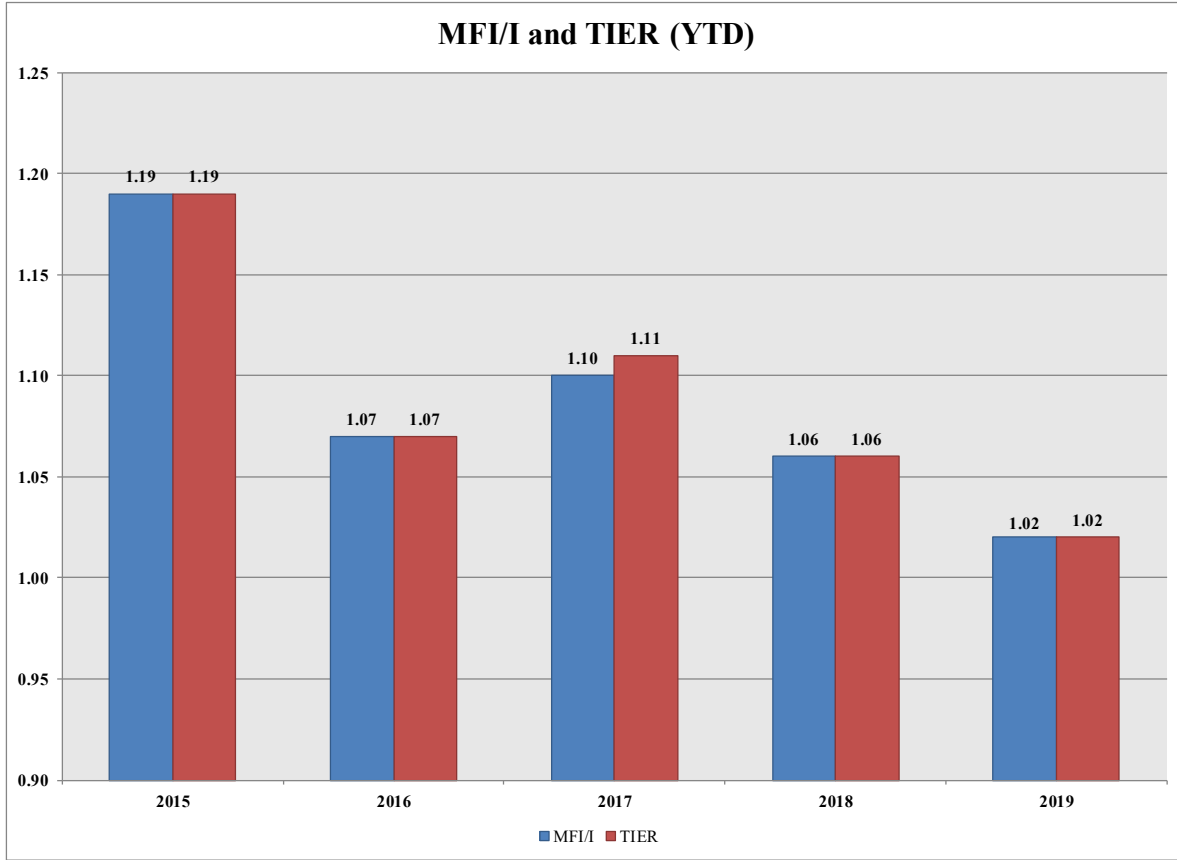


**COMPARATIVE FINANCIAL REPORT
STATEMENT OF OPERATIONS
CURRENT TO PRIOR YTD ACTUAL**

CATEGORY	2019 YTD ACTUAL	2018 YTD ACTUAL
Operating Revenue and Patronage Capital	\$ 173,355,780	\$ 164,435,274
Fuel and Purchased Power Expense	67,316,352	61,979,741
Power Production Expense	16,728,783	14,937,951
Transmission Expense	6,224,601	6,113,685
Distribution Expense	12,903,897	12,893,438
Customer Expense	5,737,842	5,703,429
Administrative, General and Other	20,399,092	19,248,898
Depreciation and Amortization Expense	26,082,235	24,788,366
Interest Expense, Net	18,262,679	18,201,119
Total Cost of Electric Service	\$ 173,655,481	\$ 163,866,627
Patronage Capital & Operating Margins	\$ (299,701)	\$ 568,647
Non-Operating Margins - Interest	505,011	591,001
Allowance for Funds Used During Construction	126,523	100,781
Non-Operating Margins - Other	108,500	(228,072)
Patronage Capital or Margins	\$ 440,333	\$ 1,032,357
MFI/I	1.02	1.06
TIER	1.02	1.06







ENERGY SALES (kWh)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Energy Sales	864,563,512	856,753,581
Wholesale Energy Sales	<u>47,369,160</u>	<u>48,057,779</u>
Total Firm Energy Sales	911,932,672	904,811,360
Economy Energy Sales	<u>103,400</u>	<u>0</u>
Total Energy Sales	912,036,072	904,811,360

Firm energy sales totaled 911,932,672 kWh, which was a 0.8% favorable variance compared to budget. Retail energy sales were over budget 0.9%, primarily due to higher than anticipated residential and large commercial activity. Wholesale energy sales were under budget by 1.4%.

Economy energy sales totaled 103,400 kWh, which was a favorable variance of 100% compared to budget. This was due to unanticipated sales to Golden Valley Electric Association (GVEA) and Matanuska Electric Association (MEA).

ENERGY REVENUE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Revenue	\$ 163.1	\$ 159.1
Wholesale Revenue	<u>4.8</u>	<u>4.7</u>
Total Firm Revenue	167.9	163.8
Economy/Other Energy Revenue	0.0	0.0
Other Operating Revenue	<u>5.4</u>	<u>4.6</u>
Total Revenue	\$ 173.3	\$ 168.4

Revenue from firm sales totaled \$167.9 million compared to \$163.8 million in the budget. Firm revenue was higher than expected primarily due to higher than anticipated sales to residential and large general commercial customers and higher fuel and purchased power costs recovered in revenue. Other operating revenue includes late fees, pole rental, wheeling, microwave, BRU royalties, miscellaneous service and other electric revenue. Other operating revenue totaled \$5.4 million compared to \$4.6 million in the budget, primarily due to higher than anticipated wheeling revenue.

FUEL AND PURCHASED POWER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Fuel	\$ 47.6	\$ 46.4
Purchased Power	<u>19.7</u>	<u>15.5</u>
Total	\$ 67.3	\$ 61.9

Fuel expense includes fuel, storage, transportation, and BRU operating costs. Fuel expense was \$47.6 million compared to \$46.4 million projected in the budget. This variance was primarily due to more fuel consumed at the Beluga Power Plant as a result of the Swan Lake fire which impacted the transmission lines and reduced the amount of purchased power that Chugach was able to access from the Bradley Lake Hydro facility. The increase in fuel expense was somewhat offset by lower than anticipated storage and transportation expense.

Actual fuel purchased or withdrawn from inventory and used for production was 5,348,319 MCF at an average effective delivered price of \$8.21 per MCF, compared to 4,896,517 MCF in the budget at an average effective delivered price of \$8.31 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 \$19.7 million compared to \$15.5 million in the budget, due to higher than anticipated purchases from ML&P and MEA as a result of the Swan Lake fire which impacted the transmission lines and reduced the amount of purchased power that Chugach was able to access from the Bradley Lake Hydro facility. Less purchases from Bradley Lake also resulted in an increase in the average effective price.

Actual energy purchased was 209,686 MWh at an average effective price of 7.96 cents per kWh compared to 183,847 MWh budgeted at an average effective price of 6.71 cents per kWh.

POWER PRODUCTION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Power Production	\$ 16.7	\$ 16.8

Power production expense was \$16.7 million compared to \$16.8 million in the budget. This favorable variance is primarily due to lower than anticipated maintenance costs, which was somewhat offset by higher amortization expense associated with the Cooper Lake dredging project.

TRANSMISSION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Transmission	\$ 6.2	\$ 6.3

Transmission operations and maintenance expense was \$6.2 million compared to \$6.3 million in the budget. This favorable variance is primarily due to lower than anticipated vegetation control, microwave maintenance, and helicopter services which was offset by a shift in substation expense labor from Distribution.

DISTRIBUTION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Distribution	\$ 12.9	\$ 13.1

Distribution operations and maintenance expense was \$12.9 million compared to \$13.1 million in the budget. This favorable variance is primarily due to lower than anticipated lease costs and a shift in substation expense labor to Transmission.

CONSUMER ACCOUNTS / CUSTOMER INFORMATION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Consumer / Customer Information	\$ 5.8	\$ 5.8

Consumer accounts and customer information expense was \$5.8 million compared to \$5.8 million in the budget. Although not an overall variance, lower than anticipated printing costs were offset by higher than anticipated uncollectible accounts.

ADMINISTRATIVE, GENERAL AND OTHER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Administrative, General and Other	\$ 20.4	\$ 20.5

Administrative, general and other expense includes tax, donations, other deductions associated with preliminary survey and investigation charges of projects, and obsolete inventory write-offs that are not attributable to operating or maintenance accounts, which was \$20.4 million compared to \$20.5 million in the budget. This favorable variance is primarily due to lower than anticipated costs associated with outside legal services, human resources, as well as headquarters maintenance, which were somewhat offset by higher than anticipated labor expense and project write-offs.

SUMMARY

Depreciation, interest, and interest during construction expense totaled \$44.3 million compared to \$43.2 million in the budget. The unfavorable variance compared to budget was primarily due to higher than anticipated interest expense on short-term borrowings of commercial paper as well as increased depreciation expense due primarily to the timing of projects.

All of the foregoing expenses resulted in total cost of electric service of \$173.7 million compared to \$167.8 million in the budget.

Non-operating margins include allowance for funds used during construction (AFUDC), capital credit and patronage capital allocations, extraordinary items, and interest income. Non-operating margins totaled \$0.7 million compared to \$0.7 million in the budget, with no significant variance.

The net result of revenue and expenses was margins of \$0.04 million compared to projected margins of \$1.3 million in the budget. The current forecast projects year-end margins of \$5.2 million, an MFI/I of 1.23, and TIER of 1.25.

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

CATEGORY	2019 APPROVED BUDGET	2019 AMENDED BUDGET	2019 YTD ACTUALS	2019 REVISED FORECAST
Operating Revenue and Patronage Capital	\$ 207,385,275	\$ 208,813,709	\$ 173,355,780	\$ 218,805,556 ²
Fuel and Purchased Power Expense	76,788,722	76,788,722	67,316,352	86,996,957 ²
Power Production Expense	20,297,640	20,297,640	16,728,783	20,274,645 ¹
Transmission Expense	7,442,254	7,442,254	6,224,601	7,320,763 ¹
Distribution Expense	15,695,623	15,813,973	12,903,897	15,569,989 ¹
Customer Expense	7,089,507	7,089,507	5,737,842	6,980,609 ¹
Administrative, General & Other	24,398,225	24,398,225	20,399,092	24,155,489 ²
Depreciation and Amortization Expense	30,612,717	30,612,717	26,082,235	31,175,008 ¹
Interest Expense, Net	20,112,012	21,416,228	18,262,679	21,978,501 ¹
Total Cost of Electric Service	\$ 202,436,700	\$ 203,859,266	\$ 173,655,481	\$ 214,451,961
Patronage Capital & Operating Margins	\$ 4,948,575	\$ 4,954,443	\$ (299,701)	\$ 4,353,595
Non-Operating Margins - Interest	629,772	629,772	505,011	609,973 ¹
Allowance for Funds Used During Construction	178,150	178,150	126,523	156,214 ¹
Non-Operating Margins - Other	-	-	108,500	108,500 ¹
Patronage Capital or Margins	\$ 5,756,497	\$ 5,762,365	\$ 440,333	\$ 5,228,282
MFI/I	1.28	1.26	1.02	1.23
TIER	1.30	1.27	1.02	1.25

¹ Forecast based on 10 month actual and 2 month forecast

² Forecast has been adjusted to reflect anticipated changes

Chugach Electric Association, Inc.
Anchorage, Alaska

December 11, 2019

TO: Chugach Board of Directors

FROM: Lee D. Thibert, Chief Executive Officer

SUBJECT: *Railbelt Electric Utility Bill Comparison: Fourth Quarter 2019*

Chugach Electric Association, Inc. (Chugach) continues to have the lowest rates of any Railbelt utility as measured on a total customer bill basis for residential and small general service classes. For the large general service class, Chugach's rates are lower than all other utilities except Anchorage Municipal Light & Power (ML&P). ML&P's bill levels for large general service are 5.9 percent lower than Chugach's. This difference, however, does not include impacts associated with ML&P's demand ratchet, which increases bill levels. Without detailed billing records, Chugach is not able to quantify the impact, which varies from customer to customer depending on each individual customer's demand levels over the prior 12-month billing periods. Chugach does not have a demand ratchet on this rate class.

On a total bill basis, which includes fuel and purchased power costs, the total bill for a Chugach residential customer using 600 kWh is \$129, which compares with \$130 for ML&P, \$132 for Matanuska Electric Association, Inc. (MEA), \$163 for Golden Valley Electric Association, Inc. (GVEA), and \$151 for Homer Electric Association, Inc. (HEA) (bill totals rounded to nearest dollar).

Below is a summary of the rate changes that have occurred for the residential class over the last quarter. In general, these changes are similarly applicable to changes in the commercial classes. Note that all utilities north of the HEA Soldotna to Quartz Creek transmission line outage caused by the Swan Lake Fire show increases to fuel and purchased power rates averaging 11.5 percent. HEA's fuel and purchased power rates decreased by 13.4 percent due to the free excess hydro power they received from Bradley Lake due to the transmission line outage and Bradley Lake at "imminent spill" level.

- The average Chugach residential bill, which includes fuel and purchased power costs, increased 5.6 percent in fourth quarter 2019. The increase is due to the combination of a 3.9 percent increase to the base energy rate, a 10.8 percent increase to the fuel and purchased power rate, and a 28.3 percent decrease to the Regulatory Cost Charge, which decreased the same for all utilities listed in this report from \$0.000827 to \$0.000593 per kWh.
- ML&P residential bill levels increased 1.9 percent due to an 11.6 percent increase to the fuel and purchased power rate. The base energy rate is unchanged since June 2018.
- MEA residential bill levels increased 1.7 percent due to the combination of a 1.0 percent increase to the base rate and a 3.7 percent increase to the fuel and purchased power rate.

- HEA residential bill levels decreased 3.8 percent due to a 13.4 percent decrease to their fuel and purchased power rate. The base energy rate is unchanged since April 2019.
- GVEA’s residential bill levels increased 7.1 percent, due to a 19.8 percent increase to their fuel and purchased power rate. The base energy rate is unchanged since June 2019.

Table 1 below compares current retail bill totals of each utility to the prior quarter and to Chugach. The table includes residential, small general service, and large general service customer classes.

Customer Class	Chugach	ML&P	MEA	GVEA	HEA
Residential total based on 600 kWh	\$129.12	\$130.09	\$132.07	\$162.81	\$151.18
Cost per kWh	\$0.215	\$0.217	\$0.220	\$0.271	\$0.252
Change from prior quarter	5.6%	1.9%	1.7%	7.1%	(3.8%)
Difference from Chugach bill	----	0.8%	2.3%	26.1%	17.1%
Small General Service total based on 1,250 kWh	\$222.05	\$230.66	\$261.07	\$327.32	\$301.27
Cost per kWh	\$0.178	\$0.185	\$0.209	\$0.262	\$0.241
Change from prior quarter	5.9%	2.2%	1.8%	7.4%	(3.9%)
Difference from Chugach bill	----	3.9%	17.6%	47.4%	35.7%
Large General Service Secondary total*	\$4,835.34	\$4,552.40	\$5,040.09	\$5,895.14	\$6,150.72
Cost per kWh	\$0.173	\$0.163	\$0.180	\$0.211	\$0.220
Change from prior quarter	6.3%	2.5%	2.0%	9.3%	(4.3%)
Difference from Chugach bill	----	(5.9%)	4.2%	21.9%	27.2%

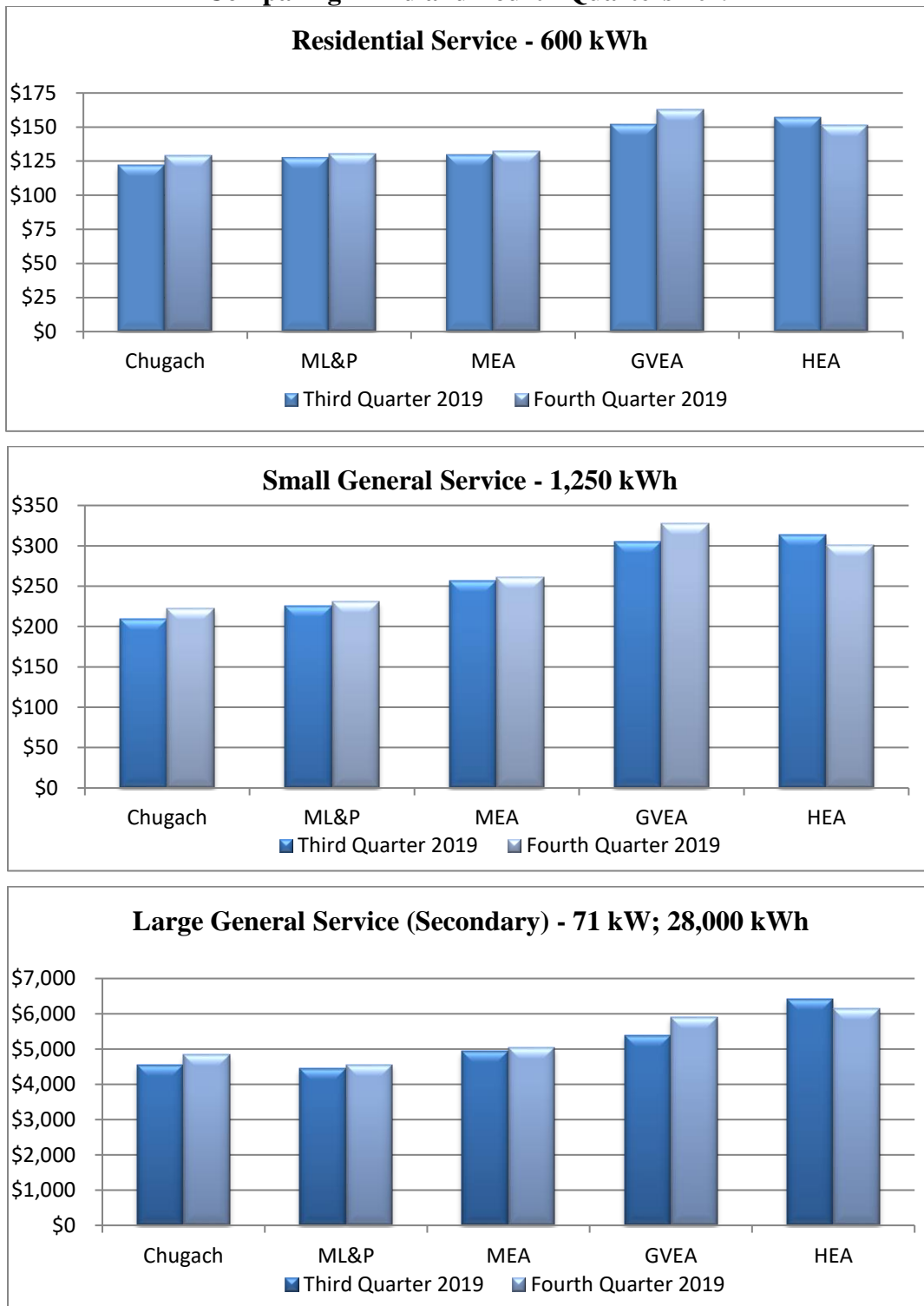
**Based on 28,000 kWh and 71 kW. The total does not reflect the effects of demand ratchets in ML&P and GVEA tariffs.*

¹ Bill totals are based on tariffed rates. Local taxes, including the Municipality of Anchorage two percent underground surcharge, are not applicable to all utilities in this comparison and are therefore excluded from the calculations. The Regulatory Cost Charge is included as this charge is applied equally to all utilities. For all cooperatives, the Gross Revenue Tax is included. The residential and small general service bill totals are based on monthly energy purchases of 600 kWh and 1,250 kWh, respectively. The large general service bill totals are based on 28,000 kWh and 71kW. Large General Service bill totals do not reflect impacts associated with tariffed demand ratchet for ML&P and GVEA. Bill comparisons include all approved and pending fuel and purchased power rates for fourth quarter 2019.

Figures 1 through 4

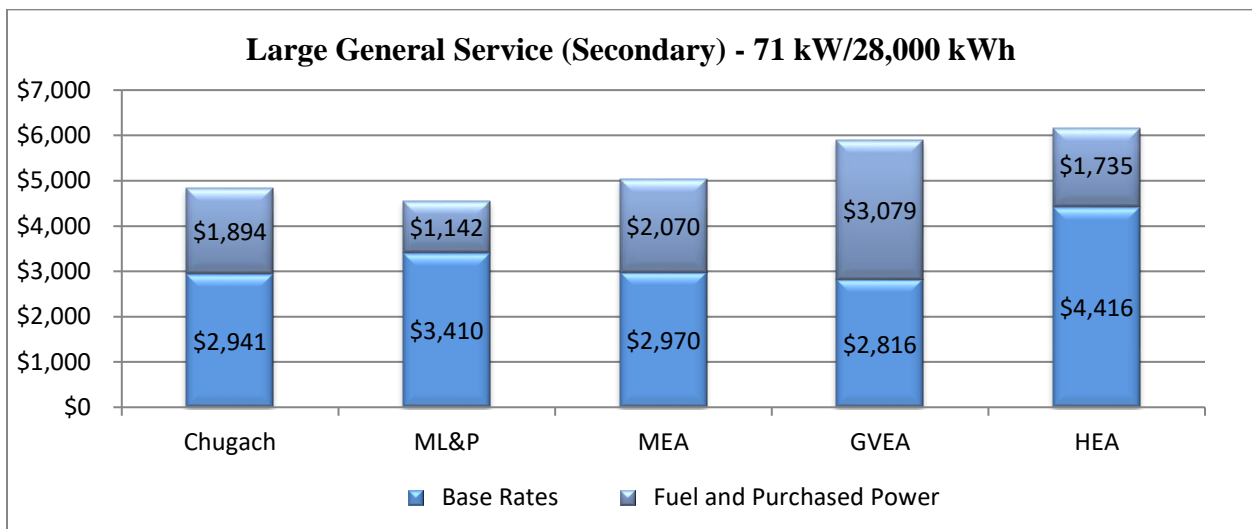
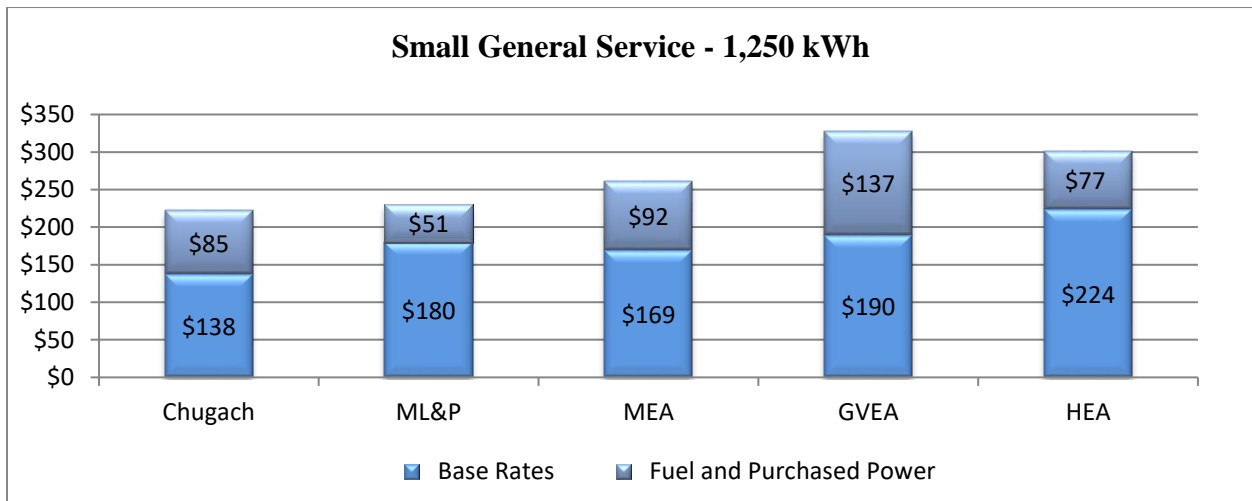
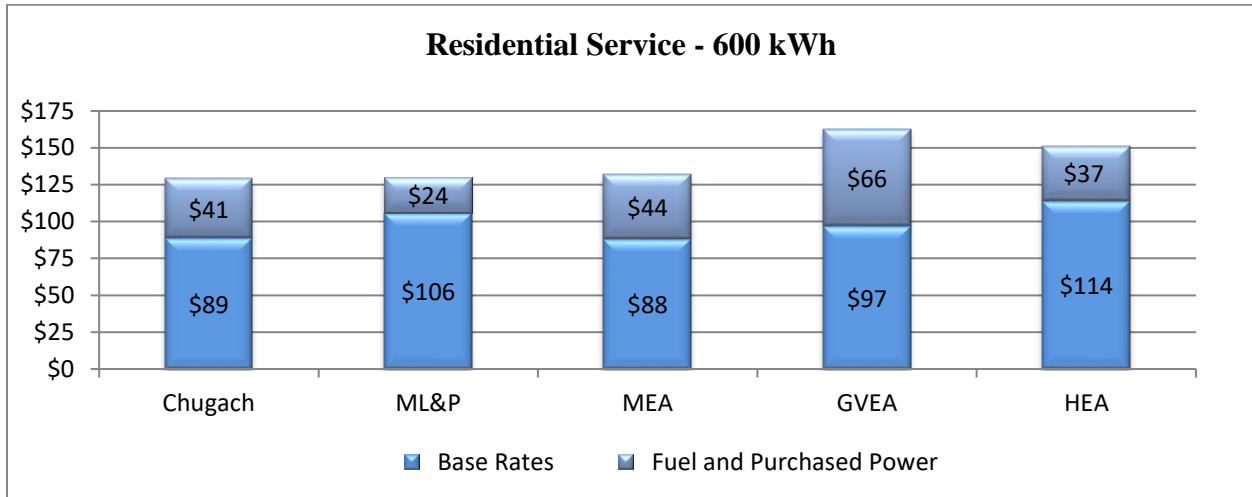
The graphs on the following pages provide additional comparisons of Railbelt utility rates. Figure 1 compares bill totals between third quarter 2019 and the prior quarter. Figure 2 expands the comparison by identifying separately the base rate component and the fuel and purchased power components of each utility this quarter. Figure 3 summarizes Chugach quarterly residential bill levels for the past seven years, identifying the base rate component and the fuel and purchased power component each quarter. Figure 4 illustrates residential bill totals for the last five consecutive quarters for Railbelt electric utilities.

**Figure 1: Retail Electric Bill Totals by Utility
 Comparing Third and Fourth Quarters 2019**



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

**Figure 2: Base Rate and Fuel and Purchased Power Components
 Bill Totals – Fourth Quarter 2019**



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

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

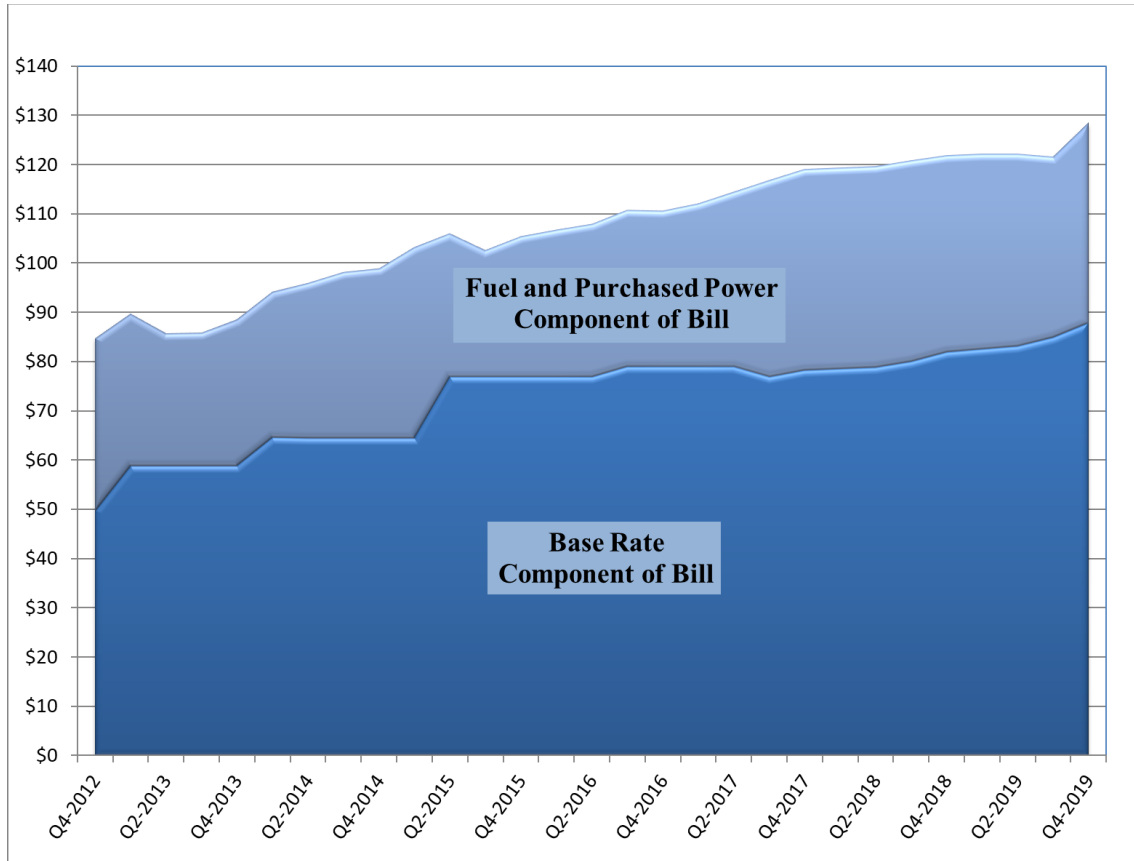
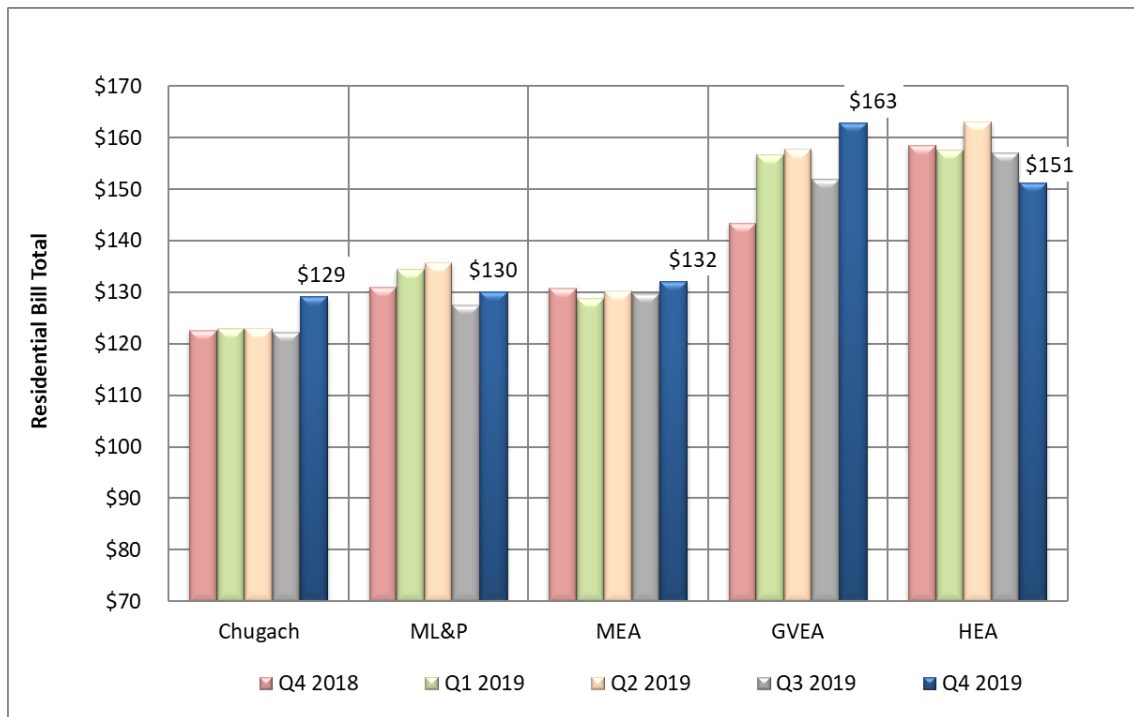




Figure 4: Railbelt Electric Utility Average Residential Bill Levels Fourth Quarter 2018 through Fourth Quarter 2019




CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

December 10, 2019

TO: Arthur Miller,  Executive VP, Regulatory & External Affairs

THROUGH: Teresa Kurka, Director Member Services 

FROM: Lynda Muise, Manager, Consumer Accounting 

SUBJECT: ***Semi-Annual Electric Write-Off: December 2019***

The current write-off reflects uncollectible electric account balances through April 30, 2019. This write-off consists of 753 accounts totaling \$219,844, which represents 0.23% of retail revenue with an average write-off balance amount of \$292. These accounts will be written-off from accounts receivable and recorded as bad debt. There were no write-offs of miscellaneous accounts receivable for this period.

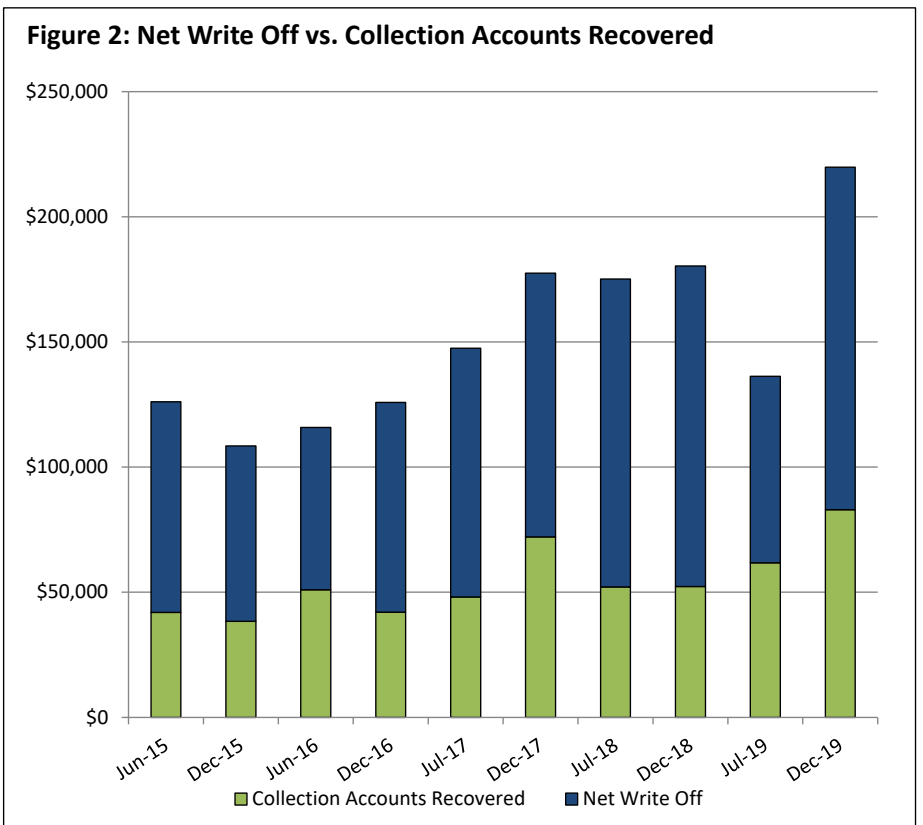
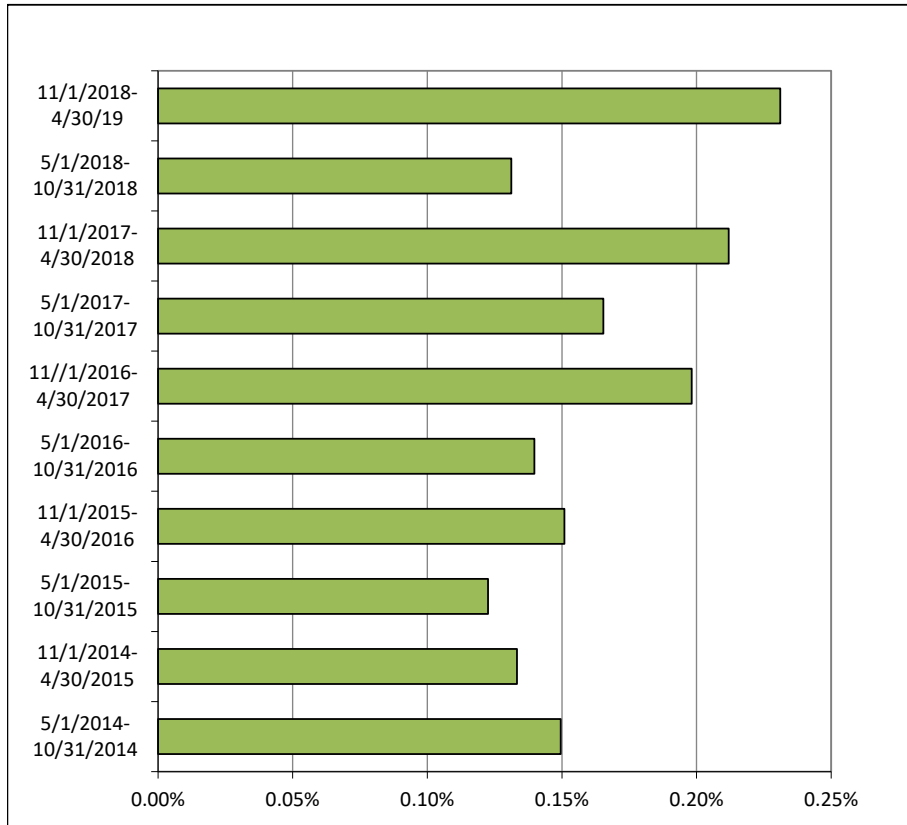
Table 1 on the second page reflects a five-year comparison of the write-offs this period to those of prior periods for electric accounts receivables. Figure 1 represents the gross write-off, while Figure 2 represents the same write-off, net of amounts collected from Chugach's third-party collection agency.

CHUGACH ELECTRIC ASSOCIATION, INC.

Anchorage, AK

Table 1: Five Year Electric Write Off Comparison

Write-Off Date	Collection Period	Number of Accounts	Retail Revenue	Accounts Eligible for Write Off	Percent of Revenue	Collection Accounts Recovered	Collections as a Percent of Revenue	Net Write Off	Net Write Off as a Percent of Revenue	Average Amount per Account
Jun-15	5/1/2014-10/31/2014	787	\$84,324,971	\$126,104	0.15%	\$41,962	0.05%	\$84,143	0.10%	\$160
Dec-15	11/1/2014-4/30/2015	622	\$81,416,107	\$108,495	0.13%	\$38,426	0.05%	\$70,068	0.09%	\$174
Jun-16	5/1/2015-10/31/2015	771	\$94,542,710	\$115,843	0.12%	\$50,966	0.05%	\$64,876	0.07%	\$150
Dec-16	11/1/2015-4/30/2016	636	\$83,344,470	\$125,810	0.15%	\$42,018	0.05%	\$83,791	0.10%	\$198
Jul-17	5/1/2016-10/31/2016	783	\$105,477,123	\$147,454	0.14%	\$48,156	0.05%	\$99,298	0.09%	\$188
Dec-17	11/1/2016-4/30/2017	783	\$89,530,357	\$177,469	0.20%	\$72,115	0.08%	\$105,354	0.12%	\$227
Jul-18	5/1/2017-10/31/2017	854	\$105,900,546	\$175,118	0.17%	\$52,143	0.05%	\$122,975	0.12%	\$205
Dec-18	11/1/2017-4/30/2018	652	\$85,120,459	\$180,395	0.21%	\$52,332	0.06%	\$128,063	0.15%	\$277
Jul-19	5/1/2018-10/31/2018	710	\$103,859,864	\$136,249	0.13%	\$61,775	0.06%	\$74,474	0.07%	\$192
Dec-19	11/1/2018-4/30/19	753	\$95,148,886	\$219,844	0.23%	\$82,950	0.09%	\$136,894	0.14%	\$292



Financial Forecast

December 18, 2019



AGENDA



Assumptions



Results



Appendix

Assumptions



ASSUMPTIONS



Satisfies CEO Goal 4.1- Leadership and Management



In accordance with Board Policy 103 and 301



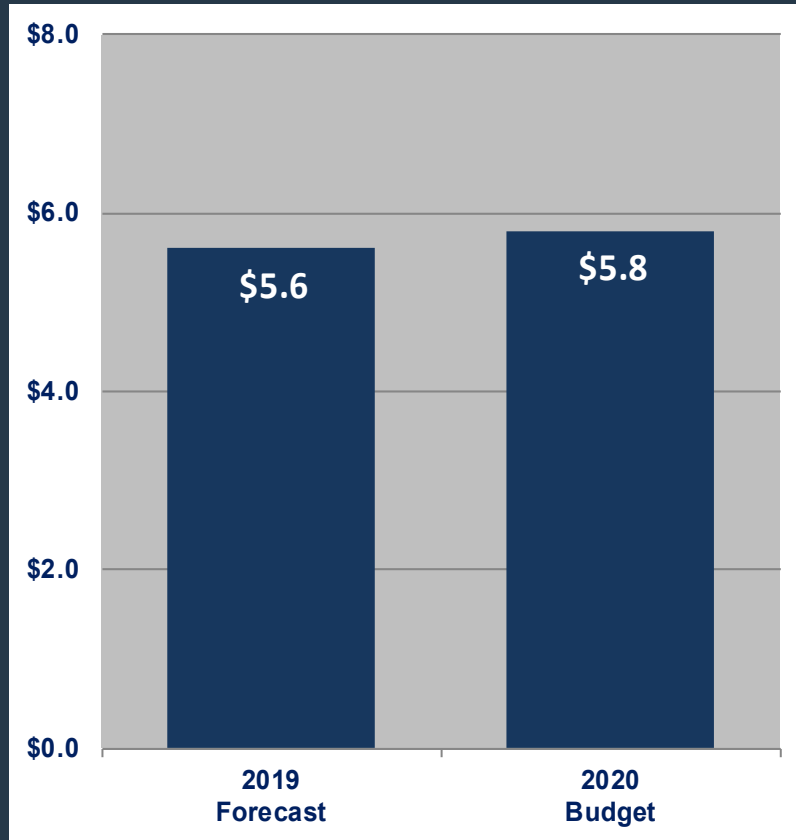
2020 Operating and Capital Budget



Final Acquisition Financials

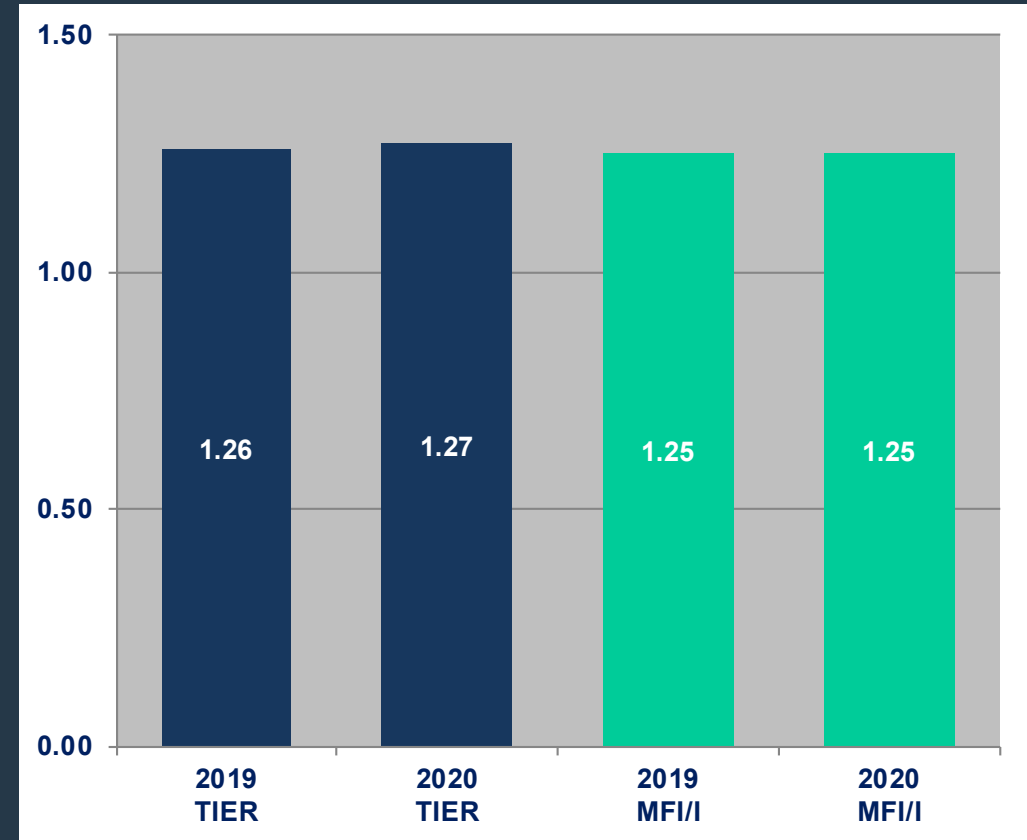
2020 OPERATING AND CAPITAL BUDGET

Margins (millions)



2019 Forecast Equity Ratio: 28.9%

TIER & MFI/I



2020 Budget Equity Ratio: 30.3%

2020 BUDGET REVISION



Post Close After All Adjustments



Based on ML&P's Forecast Used For RCA Filing

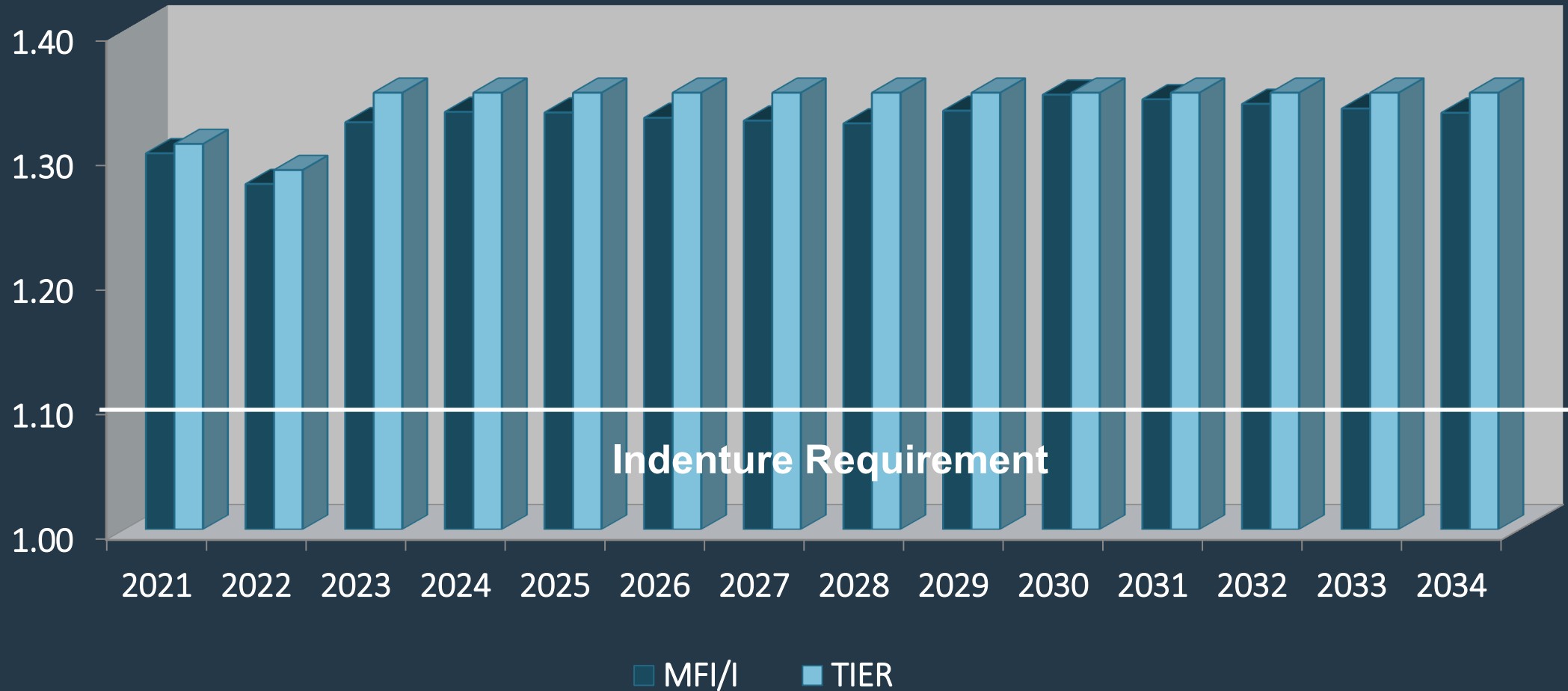


Requires Board Approval

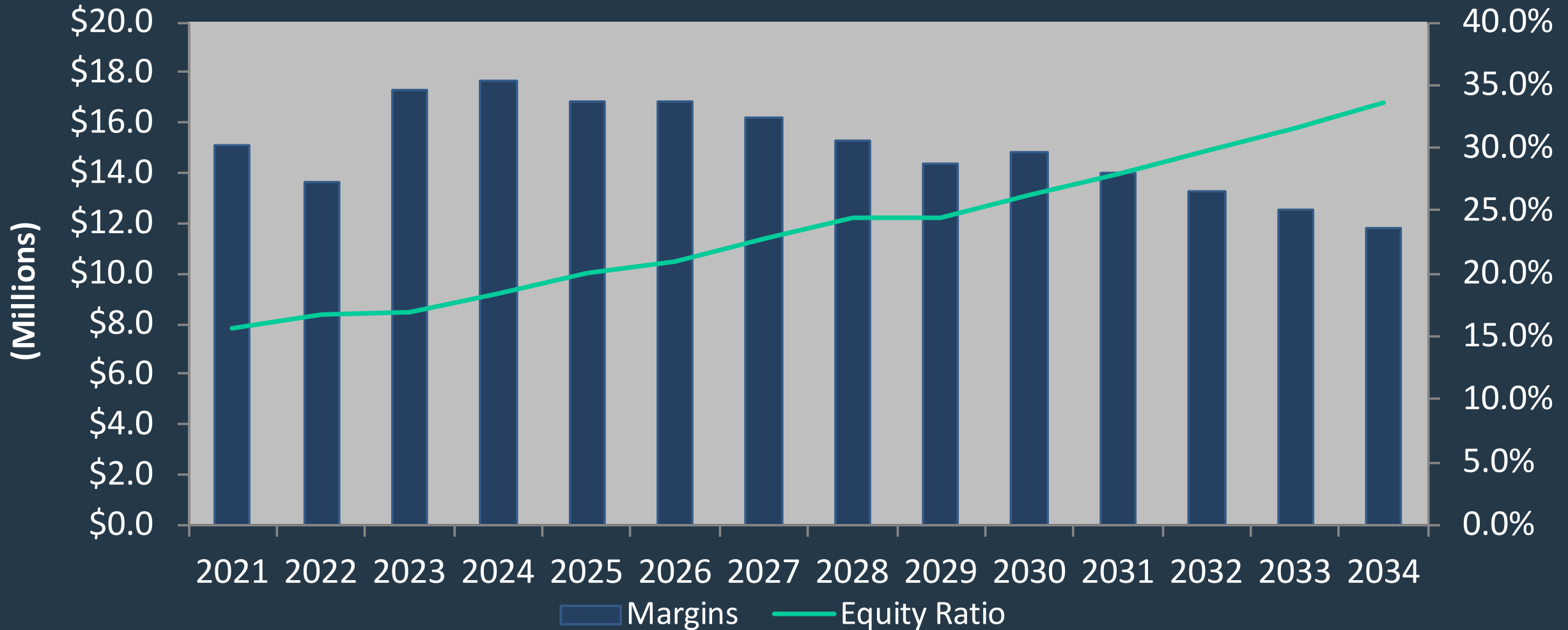
Results



FINANCIAL RESULTS: MFI/I & TIER



FINANCIAL RESULTS: MARGINS & EQUITY RATIO



Appendix



PROJECTED STATEMENT OF OPERATIONS

(In Millions)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Revenue	\$387.2	\$385.4	\$380.3	\$382.6	\$381.9	\$387.6	\$386.4	\$387.0	\$385.5	\$388.9	\$388.6	\$387.9	\$388.6	\$389.6
Fuel Expense	94.6	93.6	81.2	80.1	81.1	84.0	85.3	87.0	87.1	87.3	87.3	87.2	87.1	86.9
Purchased Power Expense	24.1	23.4	23.3	23.8	23.3	23.5	23.4	22.5	23.4	23.4	23.0	22.3	22.9	23.7
Operating & Maintenance Expense	91.2	91.9	93.1	94.4	96.0	97.5	98.8	101.8	103.1	105.5	107.5	109.4	111.5	113.5
General & Administrative Expense	31.6	32.0	32.4	33.1	32.6	33.1	33.6	34.4	34.4	34.5	34.5	34.6	34.6	34.7
Total Operations & Maintenance Expense	241.5	240.9	230.0	231.4	233.0	238.1	241.1	245.7	248.0	250.7	252.3	253.5	256.1	258.8
Depreciation/Amortization Expense	72.2	73.4	72.1	72.9	73.4	73.4	71.7	70.8	72.1	72.8	73.5	74.2	74.9	75.6
Net Interest Expense	49.5	48.7	52.0	51.8	49.7	50.3	48.5	46.3	42.0	41.6	39.8	38.0	36.2	34.4
Tax Expense/Other Deductions	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.6	9.6	9.6	9.6	9.5	9.6
Total Cost of Electric Service	372.7	372.5	363.6	365.6	365.6	371.3	370.8	372.3	371.7	374.7	375.2	375.3	376.7	378.4
Non-Operating Margins	0.6	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Margins	\$15.1	\$13.6	\$17.3	\$17.6	\$16.9	\$16.9	\$16.2	\$15.3	\$14.4	\$14.8	\$14.0	\$13.2	\$12.5	\$11.8

PROJECTED BALANCE SHEET

(In Millions)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Assets														
Net Utility Plant	1,402.3	1,404.9	1,411.4	1,402.9	1,393.9	1,385.3	1,379.0	1,373.7	1,356.3	1,338.3	1,319.7	1,300.3	1,280.4	1,259.8
Total Other Property & Investments	11.4	11.4	11.4	11.4	11.4	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2
Total Current & Accrued Assets	167.5	158.0	159.4	159.7	160.8	161.1	161.8	162.0	162.4	163.6	164.3	166.2	166.6	168.2
Deferred Debits	111.3	106.1	100.2	94.3	88.4	82.5	77.3	72.6	67.8	63.1	58.4	53.6	48.9	44.2
Total Assets	\$1,692.5	\$1,680.4	\$1,682.4	\$1,668.3	\$1,654.5	\$1,640.1	\$1,629.3	\$1,619.5	\$1,597.7	\$1,576.2	\$1,553.6	\$1,531.3	\$1,507.1	\$1,483.4
Liabilities & Patronage Capital														
Total Margins & Equities	210.7	219.7	233.0	246.2	258.8	271.1	282.8	294.0	304.3	315.0	324.9	334.0	342.4	350.0
Total Long Term Debt	1,134.3	1,088.3	1,143.0	1,087.0	1,031.6	1,019.7	963.2	907.2	938.3	886.7	836.6	788.0	740.7	694.7
Total Current & Accrued Liabilities	230.2	249.9	178.7	202.1	225.8	205.8	234.9	265.1	199.3	216.1	231.1	245.7	257.8	269.8
Total Other Non-current Liabilities	117.3	122.5	127.7	133.0	138.3	143.5	148.4	153.2	155.8	158.4	161.0	163.6	166.2	168.9
Total Liabilities & Patronage Capital	\$1,692.5	\$1,680.4	\$1,682.4	\$1,668.3	\$1,654.5	\$1,640.1	\$1,629.3	\$1,619.5	\$1,597.7	\$1,576.2	\$1,553.6	\$1,531.3	\$1,507.1	\$1,483.4

PROJECTED STATEMENT OF CASH FLOWS

(In Millions)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Assignable Margins	\$15.1	\$13.6	\$17.3	\$17.6	\$16.9	\$16.9	\$16.2	\$15.3	\$14.4	\$14.8	\$14.0	\$13.2	\$12.5	\$11.8
Total Adjustments to Assignable Margins	74.2	78.9	78.4	75.2	74.3	76.5	75.5	74.5	74.0	73.3	74.2	75.3	76.2	75.8
Net Cash Provided by Operating Activities	\$89.3	\$92.5	\$95.7	\$92.8	\$91.2	\$93.4	\$91.7	\$89.8	\$88.4	\$88.1	\$88.2	\$88.5	\$88.7	\$87.6
Net Cash Used in Investing Activities	(52.8)	(66.9)	(71.6)	(57.5)	(57.5)	(57.7)	(58.4)	(58.5)	(47.6)	(47.8)	(47.8)	(47.8)	(47.8)	(47.8)
Net Cash Provided by/(Used In) Financing Act	(29.7)	(35.5)	(24.2)	(35.6)	(33.1)	(36.2)	(32.8)	(31.3)	(41.2)	(40.3)	(40.7)	(40.1)	(41.6)	(39.3)
Net Changes in Cash and Cash Equivalents	\$6.8	(\$9.9)	(\$0.1)	(\$0.3)	\$0.6	(\$0.5)	\$0.5	\$0.0	(\$0.4)	(\$0.0)	(\$0.3)	\$0.6	(\$0.7)	\$0.5
Cash and Cash Equivalents at Beginning of Per	13.2	20.0	10.1	10.0	9.7	10.3	9.8	10.3	10.3	9.9	9.9	9.6	10.2	9.5
Cash and Cash Equivalents at End of Period	\$20.0	\$10.1	\$10.0	\$9.7	\$10.3	\$9.8	\$10.3	\$10.3	\$9.9	\$9.9	\$9.6	\$10.2	\$9.5	\$10.0

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

December 18, 2019

ACTION REQUIRED

AGENDA ITEM NO. VIII.A.

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

TOPIC

Appointment of 2020 NRECA Voting Delegate and Alternate

DISCUSSION

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

The current NRECA voting delegate is Susan Reeves and the alternate is Jim Henderson.

The NRECA 2020 Annual Meeting is scheduled for February 27 – March 13, 2020, in New Orleans, LA.

MOTION

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

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

December 18, 2019

ACTION REQUIRED

AGENDA ITEM NO. X.A.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Chugach Electric Association, Inc.'s 2020 - 2022 Strategic Plan

DISCUSSION

As discussed in Executive Session during the December 9, 2019 Operations Committee Meeting.

The Committee deferred action and requested that discussion will continue at the December 18, 2019 Regular Board of Director's Meeting.

MOTION

Move that the Board of Directors approve Chugach Electric Association, Inc.'s 2020 - 2022 Strategic Plan as discussed in the Executive Session.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

December 18, 2019

ACTION REQUIRED

AGENDA ITEM NO. X.B.

 Information Only
 X Motion
 Resolution
 X Executive Session
 Other

TOPIC

Comments on Senate Bill No. 123 and House Bill No, 151

DISCUSSION

As discussed in Executive Session.

MOTION

Move that the Board of Directors authorize the Chief Executive Officer to sign a letter of conditioned support for Senate Bill no. 123 as discussed in the Executive Session.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

December 18, 2019

ACTION REQUIRED

AGENDA ITEM NO. X.C.

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

TOPIC

Helicopter Services Contract

DISCUSSION

The current Helicopter Charter Services contract expires on December 31, 2019. The contract has been in place for a number of years and can no longer be extended. A new updated RFP was prepared, advertised and a pre-bid conference was held. Questions from prospective vendors were received and responded to in accordance with the RFP schedule and proposals were received on Friday, November 15, 2019.

We have received five (5) responses to the RFP for Helicopter Services. All proposals were reviewed for compliance with the terms, conditions, specifications, insurance and rate proposal schedule contained in the RFP documents. Proposals determined to be qualified for review and possible award were received from the following respondents:

<u>Company</u>	<u>Bid based on historical usage</u>
Alpha Aviation, LLC	\$ 2,202,192.00
Rotak Helicopter Services, LLC	\$ 2,652,240.00
Pathfinder Aviation, LLC	\$ 3,309,000.00
Maritime Helicopters, Inc.	\$ 3,005,400.00
Soloy Helicopters, LLC	\$ 2,852,040.00

The estimate for the first year of the contract based on historical use is: \$ 734,064.00

Based on evaluation of technical qualifications, pilot qualifications, evaluated pricing, insurance and experience performing this type of service, Alpha Aviation, LLC has been found to be the least cost, responsive, responsible, and qualified bidder and is recommended for award of this contract.

MOTION

Move that the Board of Directors authorize the Chief Executive Officer to execute a contract with Alpha Aviation, LLC for Helicopter Services for the period January 1, 2020 through December 31, 2022, with an estimated cost of \$2,202,192.00 and further, the Chief Executive Officer is authorized, after Board review, to extend the contract for three (3) additional one year periods subject to Chugach's sole discretion and mutual agreement on price.



RESOLUTION

Helicopter Services Contract

WHEREAS, Chugach Electric Association, Inc. (Chugach) has determined the necessity to retain the services of a provider of Helicopter Services;

WHEREAS, Chugach has included funding in its 2020 Annual Operating budget for the first year use of the helicopter;

WHEREAS, Chugach has solicited and received responses to its RFP for Helicopter Services; and

WHEREAS, Chugach has evaluated the proposals and has found Alpha Aviation, LLC to be the most responsive and responsible proposer fully meeting the technical qualifications,

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of Chugach Electric Association Inc., that the Chief Executive Officer is authorized to execute a contract with Alpha Aviation, LLC for Helicopter Services for the period January 1, 2020 through December 31, 2022, with an estimated cost of \$2,202,192.00 and further, the Chief Executive Officer is authorized, after Board review, to extend the contract for three additional one year periods subject to Chugach's sole discretion and mutual agreement on price.

CERTIFICATION

I, Stuart Parks, 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 18th day of December 2019; 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 18th day of December 2019.

Secretary