

CHUGACH ELECTRIC ASSOCIATION, INC. ANCHORAGE, ALASKA

REGULAR BOARD OF DIRECTORS' MEETING

AGENDA

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

July 22, 2020

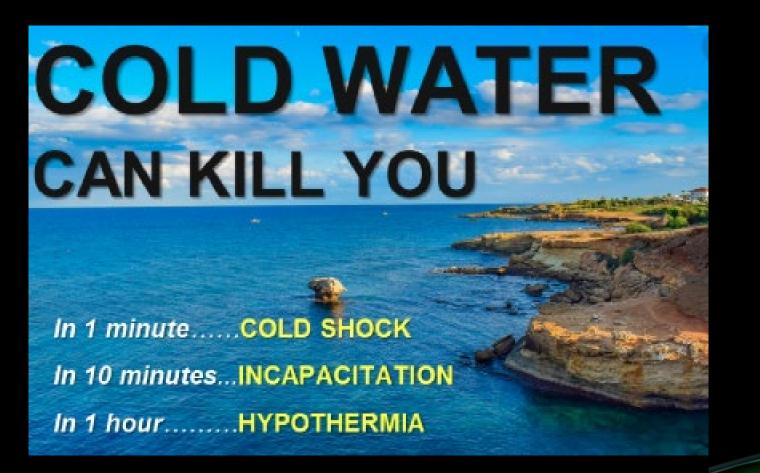
4:00 p.m.

Chugach Board Room

- I. CALL TO ORDER (4:00 p.m.)
 - A. Pledge of Allegiance
 - B. Roll Call
 - C. Safety Minute "Cold Water Safety" (Freeman/Andrews)
- II. APPROVAL OF THE AGENDA*
- III. PERSONS TO BE HEARD
 - A. Member Comments
- IV. CONSENT AGENDA* (4:10 p.m.)
 - A. Board Calendar
 - B. Training and Conferences
 - C. Minutes
 - 1. June 17, 2020, Regular Board of Directors' Meeting (Scott)
 - 2. July 8, 2020, Special Board of Directors' Meeting (Quezon)
 - D. Director Expenses
- V. CEO REPORTS AND CORRESPONDENCE (4:20 p.m.)
 - A. 2nd Quarter 2020 Safety Report (Freeman/Andrews) (4:20 p.m.)
 - B. 2nd Quarter 2020 Communications Report (Hasquet/Andrews) (4:30 p.m.)
 - C. May 2020 Financial Statements and Variance Report (Curran/Highers) (4:40 p.m.)
 - D. 2020 Annual Meeting and Election Report (Kurka/Miller) (4:50 p.m.)
 - E. Write-off of Accounts Receivable Electric/Other (Kurka/Miller) (5:00 p.m.)
 - F. Board Policy Scheduled Tasks/Reports (Board/Staff) (5:05 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

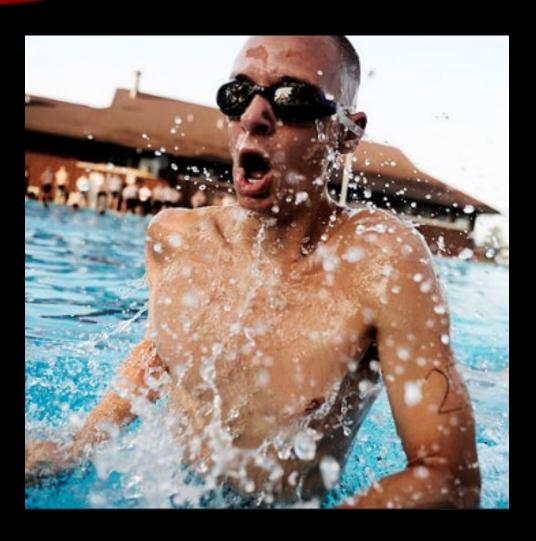


- D. Board Committee Reports (Audit and Finance, Operations & Governance)
- E. Other Meeting Reports
- VII. UNFINISHED BUSINESS (none)
- VIII. NEW BUSINESS* (scheduled) (5:30 p.m.)
 - A. Update Bank Signature Cards* (Wolfe/Highers) (5:30 p.m.)
 - B. Old Seward Highway Underground Project* (Laughlin/Hickey) (5:40 p.m.)
- IX. EXECUTIVE SESSION* (scheduled) (5:50 p.m.)
 - A. 2020 Sales Forecast Update (6:00 p.m.)
 - B. Consulting Agreement with Susan Reeves (6:15 p.m.)
 - C. Strategic Planning Discussion of Topics (6:30 p.m.)
 - D. IMO Update (6:45 p.m.)
 - E. Financing Update (7:00 p.m.)
 - F. ML&P Acquisition Update (7:05 p.m.)
- X. NEW BUSINESS* (continued) (7:25 p.m.)
 - A. Integration Program Funding Authorization** (Fouts) (7:30 p.m.)
 - *B.* Consulting Agreement with Susan Reeves** (7:35 p.m.)
- XI. DIRECTOR COMMENTS (7:40 p.m.)
- XII. ADJOURNMENT* (7:50 p.m.)



COLD WATER SAFETY

SOME FACTS



Roughly 20 percent of those who fall into cold water die in the first minute of immersion due to cold water shock.

Even strong swimmers will lose muscle control in about 10 minutes.

Body heat can be lost 25 times faster in cold water than in cold air.

Wearing a life jacket significantly increases chances of survival.



Always wear a life jacket.

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- Stay calm. Be prepared to overcome the initial shock. Work to regain control of your breathing. Do not attempt any other actions until your breathing is under control.
- Evaluate your options. You will have about 30 minutes before you lose the motor skills to swim. Research suggests that most people can swim 800-1500 meters in cold water.
- Do not panic. You have at least 30 minutes to get out of the water.
- Keep as much of your body out of the water as possible. If you can, pull yourself out of the water onto a floating object.
- If you can't climb out of the water, conserve body heat by staying as still as possible and reducing the body area exposed to the water.
- In the case of two or more people wearing life-jackets, huddle together to conserve body heat and increase your visibility for rescuers.



CHUGACH ELECTRIC ASSOCIATION, INC. ANCHORAGE, ALASKA

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July 2020

July 2020

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August 2020

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jun 28	29	30	Jul 1 1:00pm Director Education (ML&P Acquisition) (Cason & Wiggin) (BoardroomCR) - Connie Owens	2	3 Independence Day Observed	4 Independence Day
5	8:30am Review CEO Goals Timelines (Boardroomer) - Connie Owens 11:00am CEO Evaluation Committee (Chastain, Morse, Hollis) (Teleconference) - Connie Owens	7 10:00am Review the Board Packet w/Chair (Chastain/Morse) (Teleconference (BoardroomCR)) - Connie Owens	8 4:00pm Operations Committee Meeting Followed by Special Board of Directors Meeting (Boardroom) - Connie Owens	9	10	11
12	13	14	15	16	17	18
19	20	21 8:30am Review Board Packet w/Chair (Chastain/Morse) (LDT's Office) - Connie Owens	11:00am ARCTEC Membership Annual Meeting (Henderson/Cason) (1-877-903-2255 Conference ID: 732-061-4475) - Connie Owens 4:00pm Regular Board of Directors Meeting (Boardroom) - CCBOD	23 2:00pm APA Board of Directors Cost Recovery Subcommittee Meeting (Microsoft Teams Meeting) - Brie Xavier	24 1:30pm Mtg w/Mark Wiggin (Rate Making) (Arthur Miller's Office) - Connie Owens	25
26	27	28	29	30	31	Aug 1

August 2020

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

September 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	8	9 4:00pm Operations Committee Meeting - Connie Owens	10	11	12
13	14	15	16	17	18	19
20	21 8:30am Review Board Packet w/Chair (Chastain/Morse) (LDT's Office) - Connie Owens	22 Strategic Planning with the Board	9/22-9/23) (TBD) - Connie Owens 4:00pm Regular Board of Directors Meeting (Boardroom) - CCBOD	24	25	26
27	28	29	30	Oct 1	2	3 7/16/2020 8:18 AM

October 2020

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

November 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) - CCBOD	4:00pm Audit and Finance Committee Meeting (BoardroomCR) - CCBOD	11 4:00pm Operations Committee Meeting (BoardRoomCR) - CCBOD	12	13	14
15	16	17	18	19	20	21
22	23	24 11:45am Chugach Legislative Luncheon (Embassy Suites) - Connie Owens 2:00pm Review Board Packet w/Chair (Chastain/Morse) (LDT's Office) - Connie 4:00pm Regular Board of Directors Meeting (BoardroomCR) - CCBOD	25	26 Thanksgiving Day Ho	27 Sliday (United States)	28
29	30	Dec 1	2	3	4	5 7/16/2020 8:18 AM

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)	3 /2-3, 2020) (Anchorage, AK) - Cont	4	5
6	7	8	9 4:00pm Operations Committee Meeting (boardroomcr) - Connie Owens	10	11	12
13	8:30am Review Board Packet w/Chair (Chastain/Morse) (LDT's Office) - Connie Owens	15	16 4:00pm Regular Board of Directors Meeting (Boardroom) - CCBOD	17	18	19
20	21	22	23	24 Christma	25 s Holiday	26
27	28	29	30	31 New Year's Holiday	Jan 1, 21	2

January 2021

January 2021

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February 2021

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

February 2021

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

March 2021

March 2021

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April 2021

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Feb 28	Mar 1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23 Director Conference (3	24 3/22-3/25) (Austin, TX)	25	26	27
	8:30am Review Board Packet w/Chair (LDT's Office) - CCBOD		4:00pm Regular Board of Directors Meeting (Boardroom) - CCBOD			
28	29	30	31	Apr 1	2	3
CCROD			0			7/16/2020 9:19 AM

April 2021

April 2021

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May 2021

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

May 2021

May 2021

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June 2021

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Apr 25	26	27	28	29	30	May 1
2	3	4	5	6	7	8
9	10	11 4:00pm Audit and Finance Committee Meeting (BoardroomCR)	12 4:00pm Operations Committee Meeting (BoardroomCR)	13	14	15
16	17	18 6:00pm 2021 Annual Meeting (Dena'ina Center)	19	20	21	22
23	8:30am Review Board Packet w/Chair (Chastain/Morse) (LDT's Office) - Connie Owens	25	4:00pm Regular Board of Directors Meeting (Boardroom)	27	28	29
30 CCROD	31 Memorial Day	Jun 1	2	3	4	5 7/16/2020 9:19 AM

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

June 17, 2020 Wednesday 4:00 p.m.

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: DeAnna Scott

I. CALL TO ORDER

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

A. Pledge of Allegiance

Chair Chastain lead the Board in the Pledge of Allegiance.

B. Roll Call

Board Members Present:

Bettina Chastain, Chair

Rachel Morse, Vice Chair

Jim Henderson, Secretary

Harold Hollis, Treasurer (via teleconference)

Stuart Parks, Director (via teleconference)

Sam Cason, Director

Mark Wiggin, Director

Guests and Staff in Attendance:

Lee Thibert Tyler Andrews (via Mitchell Roth, Chugach teleconference) Brian Hickey Member (via Burke Wick (via Sherri Highers teleconference) Matthew Clarkson teleconference) Julie Hasquet Mark Fouts Crystal Enkvist, Alaska Arthur Miller Connie Owens (via Andrew Laughlin (via Power Association (APA)

teleconference) teleconference

teleconference (via teleconference)

Laurel Foster

C. Safety Minute

Tyler Andrews, Executive V.P., Employee Services & Communication discussed "Pedestrian Safety".

II. ADMINISTER OATH OF OFFICE TO NEWLEY ELECTED BOARD MEMBER, SAM CASON

Matthew Clarkson, Executive V.P., General Counsel, administered the Oath of Office to the elected Board member Mr. Sam Cason.

III. APPROVAL OF AGENDA

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

IV. PERSONS TO BE HEARD

No member comments

V. CONSENT AGENDA

- A. Board Calendar
- B. Director Training/Education and Conferences (Board Discussion)
- C. Minutes
 - 1. May 27, 2020, Regular Board of Directors' Meeting (Scott)
 - 2. May 29, 2020, Special Board of Directors' Meeting (Quezon)
 - 3. June 14, 2020, Special Board of Directors' Meeting (Quezon)
- D. Director Expenses

Director Morse recommended the email from The Alaska Center – Educational Event regarding the Eklutna River Restoration to be moved to Executive Session.

Chair Chastain noted that the Board needed to discuss a date for Strategic Planning which will be discussed during Agenda Item IX.C. New Business – Adoption of Calendar of Regular Meetings of the Board of Directors.

Director Morse moved and Director Henderson seconded to motion to approve the consent agenda, as amended. The motion passed unanimously.

VI. CEO REPORTS AND CORRESPONDENCE

- A. April 2020 Financial Statements and Variance Report (Harris/Curran)
 Lee Thibert, Chief Executive Officer (CEO) and Sherri Highers, Chief Financial
 Officer (CFO) & V.P., Finance and Administration discussed the April 2020
 Financial Statements and Variance Report and responded to questions from the
 Board.
- B. 2nd Quarter 2020 Railbelt Bill Comparison (Skaling/Miller)
 Lee Thibert, CEO and Arthur Miller, Executive V.P., Regulatory and External Affairs, discussed the 2nd Quarter 2020 Railbelt Bill Comparison and responded to questions from the Board.
- C. Board Policy Scheduled Tasks/Reports (Board/Staff)
 Lee Thibert, CEO discussed the Board Policy Scheduled Tasks/Reports and responded to questions from the Board. Chair Chastain noted Board Policies 101, 103 and 304 have had changes made and will need to be addressed under IX.I. New Business Board Policies 101, 103 and 304.

VII. DIRECTOR REPORTS

A. Alaska Power Association (APA) Report
Director Hollis stated that Crystal Enkvist, Executive Director, APA is on the phone

and will be providing an update on APA activities and upcoming events.

- B. Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report Lee Thibert, CEO reported that there was no ARCTEC meeting, however, noted that email correspondence was received from the ARCTEC Chair for current members in preparation for an annual meeting.
- C. Renewable Energy Alaska Project (REAP) Report Director Morse reported on the June 10, 2020, REAP Executive Committee Meeting.
- D. Board Committee Reports (Audit and Finance, Operations & Governance)
 Director Morse reported there was no Audit and Finance Committee meeting.

Director Parks reported on the June 10, 2020, Operations Committee meeting.

Director Morse reported there was no Governance Committee meeting.

E. Other Meeting Reports
Director Henderson reported on the Alaska Center meeting.

VIII. UNFINISHED BUSINESS

None

IX. NEW BUSINESS

- A. Discussion Board Election Procedures (Clarkson)
 Matthew Clarkson, Executive V.P., General Counsel discussed the Board Election
 Procedures and responded to questions from the Board.
- B. Election of Officers (Board)
 Chair Chastain opened the floor to nominations for Chair of the Board.

Director Wiggin nominated Director Chastain for the Chair of the Board. Director Morse seconded the nomination. No other nominations were made. Chair Chastain closed the nomination and called for a vote. The nomination passed unanimously.

The result of the vote: Chair Chastain was elected as Chair of the Board.

Chair Chastain opened the floor to nominations for Vice Chair of the Board.

Director Hollis nominated Director Morse for Vice Chair of the Board. Director Wiggin seconded the nomination. Director Cason noted nominations do not require to be seconded. No other nominations were made. Chair Chastain closed the nomination and called for a vote. The nomination passes unanimously.

The result of the vote: Director Morse was elected Vice Chair of the Board.

Chair Chastain opened the floor to nominations for Secretary of the Board.

Director Hollis nominated Director Henderson for Secretary of the Board. No other nominations were made. Chair Chastain closed the nomination and called for a vote. The nomination passed unanimously.

The result of the vote: Director Henderson was elected Secretary of the Board.

Chair Chastain opened the floor to nominations for Treasurer of the Board.

Director Morse nominated Director Hollis for Treasurer of the Board. No other nominations were made. Chair Chastain closed the nomination and called for a vote. The nomination passed unanimously.

The result of the vote: Director Hollis was elected Treasurer of the Board.

C. Adoption of Calendar of Regular Meetings of the Board of Directors (Owners/Thibert)

Director Wiggin moved and Director Henderson seconded the motion to approve the attached resolution which adopts a schedule for regular meetings of the Board as reflected in the Board Calendar.

Chair Chastain discussed the Board Strategic Planning and opened for discussion on Board availability. The Board agreed to amend the Board Calendar to add September 22-23, 2020 as the dates for the Board Strategic Planning.

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

- D. Appointment of REAP Member and Alternate Representatives (Housekeeping) Director Cason moved and Director Parks seconded the motion that the Board of Directors appoint Director Morse as the REAP Member Representative and Director Wiggin as the Alternate Representative. The motion passed unanimously.
- E. Appointment of APA Member and Alternate Representatives (Housekeeping) Director Morse moved and Director Wiggin seconded the motion that the Board of Directors appoint Director Hollis as the APA Voting Delegate and Director Henderson as the Alternate Representative. The motion passed unanimously.
- F. Appointment of ARCTEC Member and Alternate Representative (Housekeeping) Director Morse moved and Director Wiggin seconded the motion that the Board of Directors' adopt the Resolution appointing Director Henderson as Chugach's Member Representative, Lee Thibert as Management Representative and Director Cason as Alternate Representative to the ARCTEC Board of Directors. The motion passed unanimously.

At 5:13 p.m., Board took a recess and reconvened the meeting at 5:26 p.m.

G. Amend Resolution No. 05 01 20 Regarding Capital Credit Retirement and Payment to HEA (Highers)

Sherri Highers, CFO & V.P., Finance and Administration, discussed the Amend Resolution No. 05 01 20 Regarding Capital Credit Requirement and Payment to HEA and responded to questions from the Board.

Director Morse moved and Director Wiggin seconded the motion that the Board of Directors approve to amend Resolution 05 01 20 by changing the amount of capital credits being paid to HEA from \$2,000,000 to \$1,931,294.94, as shown in the attached amended Resolution. The motion passed unanimously.

Director Henderson was not present at the time of vote.

H. Muldoon Road Undergrounding Project (Laughlin/Hickey)

Brian Hickey, Chief Operating Office and Andrew Laughlin, Vice President Engineering, discussed the Muldoon Road Undergrounding Project and responded to questions from the Board.

Director Henderson rejoined the meeting at 5:29 p.m.

Director Wiggin moved and Director Morse seconded the motion that the Board of Directors authorize the Chief Executive Officer to execute a contract with Northern Power Line Constructors for the Muldoon Road 12.5 kV Undergrounding Project in an amount not to exceed \$1,783,259.67. The motion passed unanimously.

I. Board Policies 101, 103 and 304 (Housekeeping)
Chair Chastain stated Director Morse requested Board Policies 101, 103 and 304 be forwarded to the Governance Committee for consideration. No Board action was taken on this agenda item.

X. EXECUTIVE SESSION

- A. Alaska Energy Authority Acquisition of Homer Electric Association Quartz Creek Transmission Line
- B. Chugach/MEA Wholesale Power Pool Agreement
- C. IMO Update
- D. Finance Update
- E. ML&P Acquisition Update

At 5:34 p.m., Director Morse moved and Director Cason seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1) and (3) the Board of Directors go into executive session to: 1) discuss and receive reports regarding financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; and, 2) to discuss legal matters with its attorneys, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The motion passed unanimously.

The meeting reconvened in open session at 8:23 p.m.

Chair Chastain stated that Director Hollis, Treasurer participating via teleconference needed to appoint a Board member to sign the Board Expense Reports on his behalf as *Treasurer. Director Morse was appointed. No objections were made.*

XI. **NEW BUSINESS**

- Alaska Energy Authority Acquisition of Homer Electric Association Quarts Creek Α. *Transmission Line (Hickey/Thibert)* Director Morse moved and Director Hollis seconded the motion that the Board of Directors authorize the Chief Executive Officer to execute the Alaska Energy Authority's letter of intent in potential acquisition of Homer Electrics' Quartz Creek Transmission Line essentially as discussed in Executive Session. The motion passed unanimously.
- В. Acceptance of the Conditions Imposed by the Regulatory Commission of Alaska in Order 39 on Chugach's Acquisition of Substantially All of ML&P's Assets (Thibert) Director Cason moved and Director Henderson seconded the motion that the Board of Directors accept the conditions and modifications to the Acquisition imposed by the Commission in Order 39 as not being materially adverse to Chugach and authorize the CEO to (1) proceed with integration efforts with costs not to exceed \$24.6M of the previously approved IMO budget (\$19.6M plus \$5M additional) until further authorization from the board. (2) initiate steps necessary to secure financing for the Acquisition; (3) negotiate and finalize, subject to Board approval, an acceptable power pool agreement with MEA consistent with the requirements of Order 39, and (4) negotiate and finalize, subject to Board approval, any amendments to the Acquisition agreements required by Order 39. The motion passed unanimously.

XII. **DIRECTOR COMMENTS**

Director comments were made at this time.

XIII. ADJOURNMENT

At 8:34 p.m., Director Wiggin moved and Director Morse seconded the motion to adjourn. The motion passed unanimously.

> James Henderson, Secretary Date Approved: July 22, 2020

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

July 8, 2020 Wednesday Immediately Following the Operations Committee Meeting

SPECIAL BOARD OF DIRECTORS' MEETING

Recording Secretary: Arden Quezon

I. CALL TO ORDER

Chair Chastain called the Special Board of Directors' Meeting to order at 7:26 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

Rachel Morse, Vice Chair

James Henderson, Secretary

Harold Hollis, Treasurer (via teleconference)

Stuart Parks, Director

Samuel Cason, Director

Mark Wiggin, Director

Guests and Staff in Attendance:

Lee ThibertArthur MillerConnie Owens (viaMatthew ClarksonMark Foutsteleconference)Brian HickeyTyler Andrews (viaJulie Hasquet (viaSherri Highers (viateleconference)teleconference)

teleconference)

C. Safety Minute

Tyler Andrews, Executive VP, Employee Services and Communication discussed "Seat Belt Safety" with the Board.

II. APPROVAL OF THE AGENDA

Director Wiggin moved and Director Parks seconded the request for a friendly amendment, to remove agenda item X.D. Consulting Contract with Susan Reeves from the agenda. No objections were made. The motion passed unanimously.

III. PERSONS TO BE HEARD

A. Member Comments
None

IV. CONSENT AGENDA

None

V. CEO REPORTS AND CORRESPONDENCE

None

VI. DIRECTOR REPORTS

None

VII. UNFINISHED BUSINESS

None

VIII. NEW BUSINESS

None

IX. EXECUTIVE SESSION

None

X. NEW BUSINESS

A. Approve ML&P Acquisition Agreements

Director Morse moved and Director Cason seconded the motion that the Board of Directors approve the attached Resolution authorizing the Chief Executive Officer to execute and deliver the Amendments, including the APA Amendment No. 3; the Eklutna PPA Amendment No. 3; the PILT Agreement Amendment No. 3; and, the BRU Fuel Agreement Termination Agreement in substantially the same form as attached and to take all other actions as described in the Resolution and discussed in the Operations Committee meeting executive session. The motion passed unanimously.

B. Chugach/MEA Operations Agreement for Pooling and Joint Dispatch

Director Morse moved and Director Wiggin seconded the motion that the Board of Directors authorize the Chief Executive Officer to negotiate and finalize the terms and conditions of the Operations Agreement for Power Pooling and Joint Dispatch essentially the same as discussed in the Operations Committee meeting executive session. The motion passed unanimously.

C. 2020-2021 CEO Key Indicators

Director Parks moved and Director Morse seconded the motion that the Board of Directors approve the 2020-2021 CEO Key Indicators as discussed in the Operations Committee meeting executive session.

D. Consulting Contract with Susan Reeves
Removed from the agenda under Agenda Item II. Approval of the Agenda.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 7:45 p.m., Director Cason moved and Director Henderson seconded the motion to adjourn. The motion passed unanimously.

James Henderson, Secretary Date Approved: July 22, 2020

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

$\frac{\textbf{REGULAR BOARD OF DIRECTORS' MEETING}}{\textbf{AGENDA ITEM SUMMARY}}$

July 22, 2020

<u>ACTION REQUIRED</u>	AGENDA ITEM NO. IV.D.
Information Only X Motion Resolution Executive Session Other	
TOPIC	
Director Expenses	
DISCUSSION	
The Director's expenses will be submitted for appr	oval at the board meeting.
MOTION	
(Consent Agenda)	

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

July 15, 2020

TO: Lee Thibert, Chief Executive Officer

FROM: Tyler Andrews, Vice President, Member and Employee Services

SUBJECT: 2nd Quarter Safety Report 2020

2nd Quarter Safety Report 2020

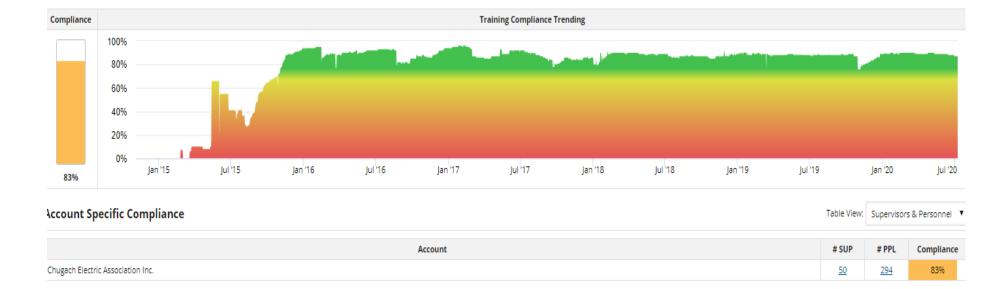
•	Total Number of Recordable Injuries	2
•	Number of Lost Workday Recordable Injuries	0
•	Preventable Incidents	0
•	Lost Workdays	0
•	Vehicle Incidents	1

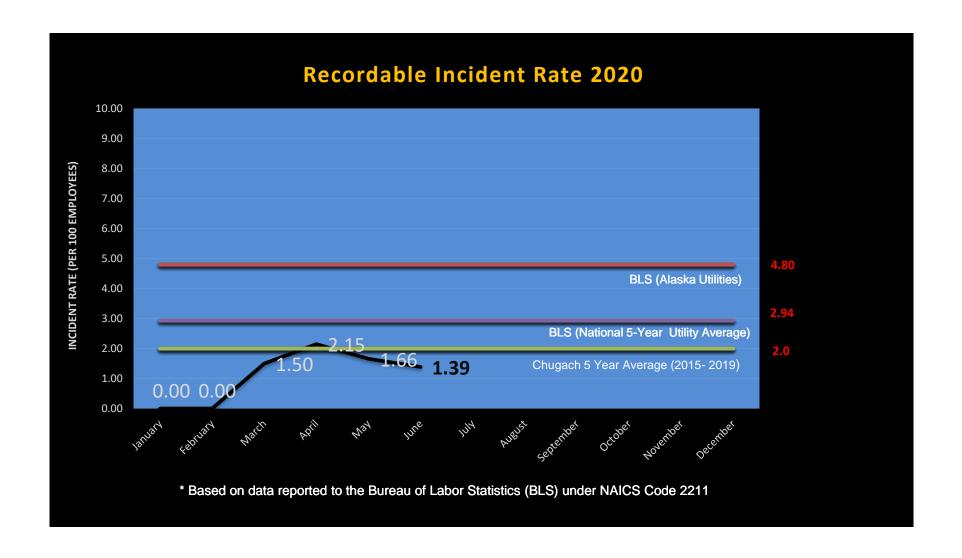
Notable Items:

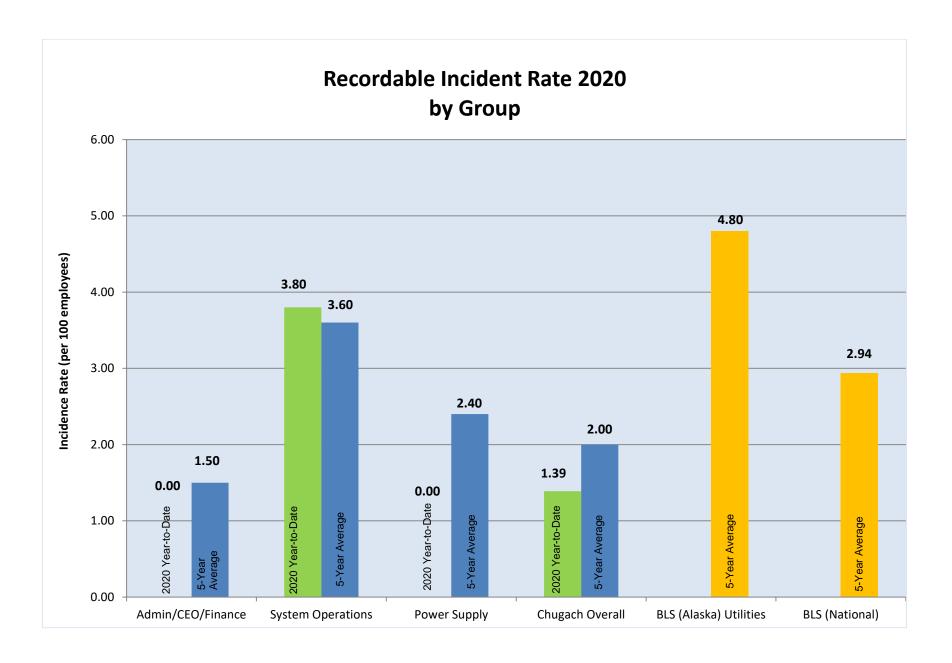
- Developed company COVID-19 policy that established safe work practices and guidelines for employees to follow to reduce the risk of spread of the virus within our operations.
- Issued return to work guidance for use by managers in responding to confirmed or suspected COVID-19 cases.
- Submitted plans to the state department of commerce that outlined protective practices to reduce the potential spread of COVID-19 related to critical infrastructure employees, technicians and service providers entering Alaska from out of state IAW Health Mandate 10.

Safety Training:

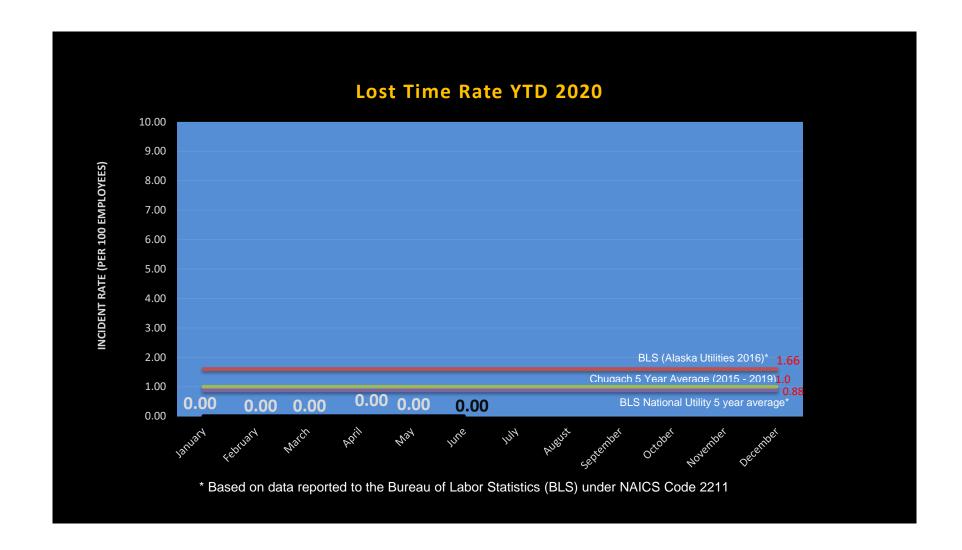
• A primary incident prevention effort from the Safety Department is the delivery of safety training. Safety training topics contribute to employee knowledge, hazard identification and mitigation, required safe work procedures, and safety regulations. To date 83% of our training plan has been completed.



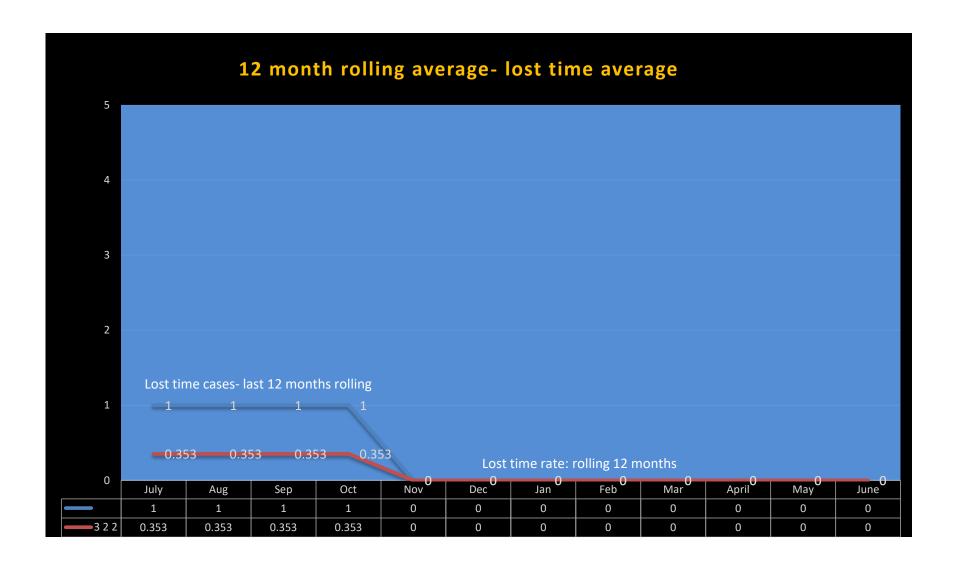




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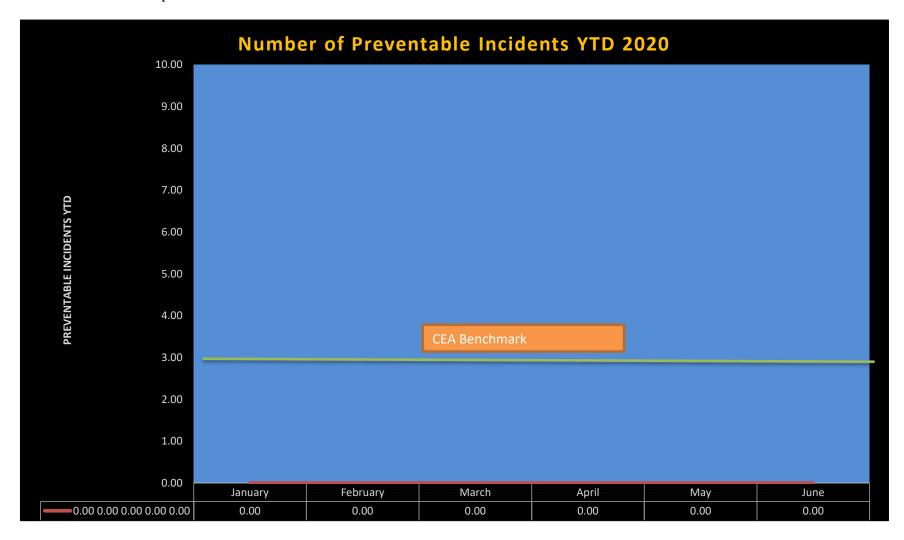






Preventable Incidents

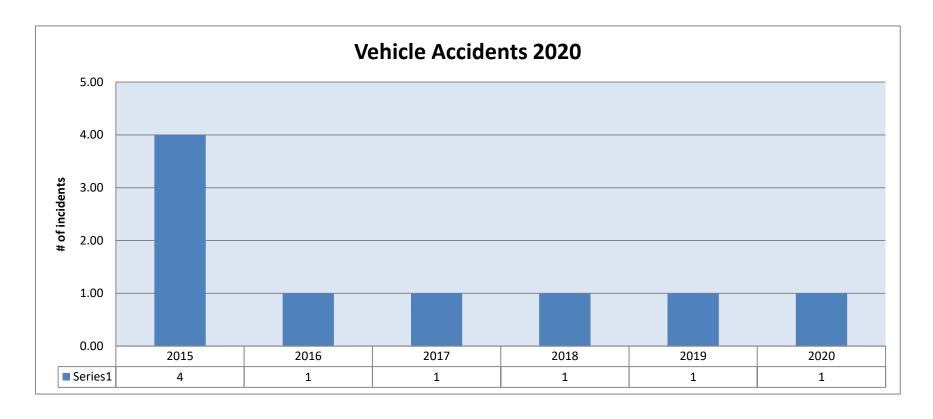
There have been zero preventable accidents in 2020





Vehicle Incidents

There has been one preventable vehicle incidents year to date.





Communications Update - 2Q 2020



Facebook Highlights

- COVID-19 updates
- Linemen, Work in all conditions
- Earth Day
- Annual Meeting
- Election

Employee Communications/Events

- Integration updates
- Spirit Week
- Citywide Cleanup Day
- COVID-19

Outages

- Apr 5 Raspberry/Jewel Lake
- Apr 24 Jewel Lake/Spenard
- Apr 26 Girdwood
- Apr 30 Dowling/Old Seward
- May 23 Hamilton Park
- Jun 4 Boniface/Northern Lights
- Jun 21 40th Ave/Lakeshore Dr.
- Jun 24 Jewel Lake
- Jun 28 Lore Rd/72 Ave/Zurick St/Basel St

Tweet Highlights

- COVID-19 Updates
- Lobby reopening
- Chugach Cleanup Crew
- Scam Alert

Website updates

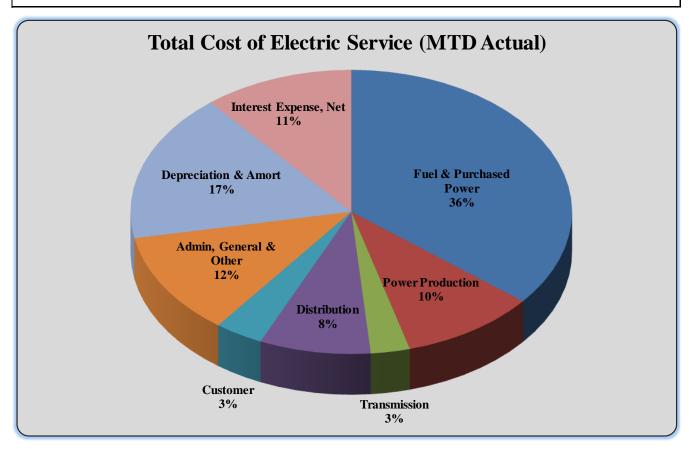
- COVID-19
- ML&P Acquisition
- Virtual Annual Meeting/Election
- New Engineering Request form
- Land Services/Net Metering/ Backup Generators updates
- 2019 Annual Report

Media/Press Releases

- Chugach opens payment options for residential members
- Chugach to reopen lobby
- Acquisition conditionally approved
- Chugach members elect two new directors
- Chugach kicks off summer 2020 right-of-way clearing program

STATEMENT OF OPERATIONS

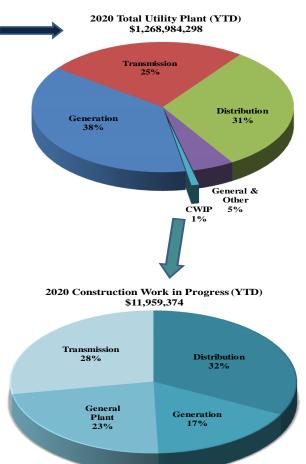
CATEGORY	2020 MTD ACTUAL	2020 MTD BUDGET	V	2020 MTD ARIANCE
CHILDONI	ite terit	Bebull	V 1	HUI I CE
Operating Revenue and Patronage Capital	\$ 16,293,925	\$ 16,804,864	\$	(510,939)
Fuel and Purchased Power Expense	5,852,214	5,924,805		(72,591)
Power Production Expense	1,612,631	1,811,055		(198,424)
Transmission Expense	467,794	546,444		(78,650)
Distribution Expense	1,331,349	1,298,202		33,147
Customer Expense	578,777	628,666		(49,889)
Administrative, General and Other	1,914,440	2,087,357		(172,917)
Depreciation & Amortization Expense	2,770,502	2,649,546		120,956
Interest Expense, Net	1,798,013	1,853,968		(55,955)
Total Cost of Electric Service	\$ 16,325,720	\$ 16,800,043	\$	(474,323)
Patronage Capital & Operating Margins	\$ (31,795)	\$ 4,821	\$	(36,616)
Non-Operating Margins - Interest	29,406	33,250		(3,844)
Allowance for Funds Used During Construction	8,194	10,141		(1,947)
Non-Operating Margins - Other	19,243	-		19,243
Patronage Capital or Margins	\$ 25,048	\$ 48,212	\$	(23,164)



BALANCE SHEET

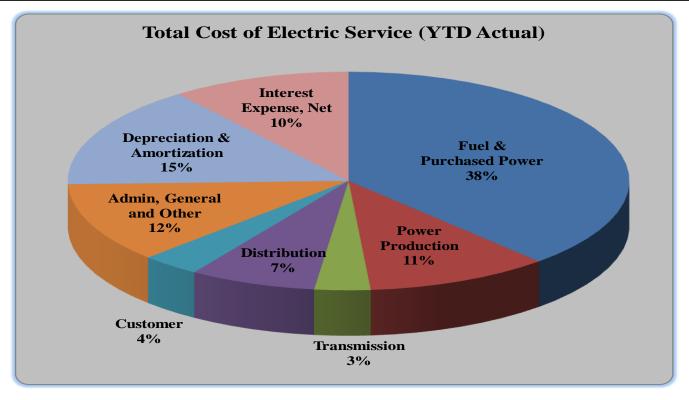
ASSETS & OTHER DEBITS	05/31/2020	12/31/2019
Electric Plant in Service	1,257,024,924	1,242,523,092
Construction Work in Progress	11,959,374	16,966,608
Total Utility Plant	\$ 1,268,984,298	\$ 1,259,489,700
Accum. Prov. for Depreciation/Amortization	(567,901,677)	(556,209,740)
Net Utility Plant	\$ 701,082,621	\$ 703,279,960
Nonutility Property - Net	76,889	76,889
Operating Lease Right-of-Use Assets	883,336	958,111
Investment in Assoc. Organizations	7,790,989	8,148,426
Special Funds	2,423,096	2,603,505
Restricted Cash & Other Investments	64,310	108,000
Long-term Prepayments	_	· -
Total Other Property & Investments	\$ 11,238,620	\$ 11,894,931
Cash, Marketable Securities & Other	5,803,310	7,466,003
Special Deposits/Restricted Cash	558,899	1,298,455
Accounts Receivable - Net	25,971,967	30,120,230
Materials and Supplies, Fuel Stock	30,284,046	30,265,047
Prepayments	3,785,860	2,699,308
Other Current & Accrued Assets	642,850	1,680,885
Total Current & Accrued Assets	\$ 67,046,932	\$ 73,529,928
Deferred Debits	51,379,214	45,880,452
Total Assets & Other Debits	\$ 830,747,387	\$ 834,585,271
LIABILITIES & OTHER CREDITS	05/31/2020	12/31/2019

LIABILITIES & OTHER CREDITS	05/31/2020	12/31/2019
Memberships	1,786,372	1,776,592
Pat. Capital, Margins & Equities	196,288,446	192,690,321
Total Margins & Equities	\$ 198,074,818	\$ 194,466,913
Long-Term Debt - Bonds	433,583,330	449,999,997
Long-Term Debt - Other	28,728,000	30,535,826
Unamortized Debt Issuance Costs	(2,604,607)	(2,684,537)
Operating Lease Liabilities	666,993	754,888
Total Long-Term Debt	\$ 460,373,716	\$ 478,606,174
Notes Payable	61,281,233	51,056,065
Accounts Payable	7,369,784	8,316,375
Consumer Deposits	3,641,134	4,294,770
Other Current & Accrued Liabilities	32,933,045	32,498,393
Total Current & Accrued Liabilities	\$ 105,225,196	\$ 96,165,603
Deferred Compensation	1,624,628	1,775,759
Other Liabilities, Non-Current	515,011	398,790
Deferred Liabilities	1,103,132	903,870
Cost of Removal Obligation	63,830,886	62,268,162
Total Liabilities & Other Credits	\$ 830,747,387	\$ 834,585,271



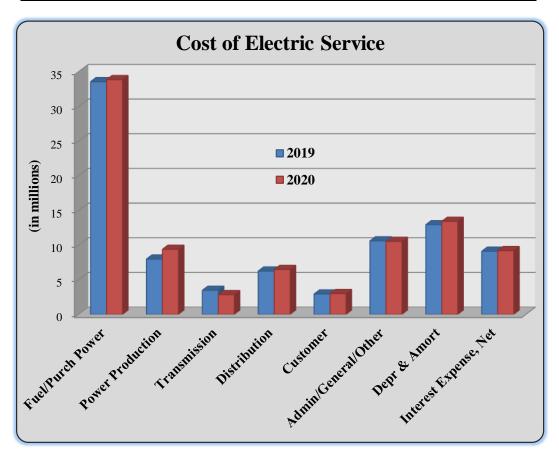
COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS 2020 ACTUAL TO BUDGET VARIANCE

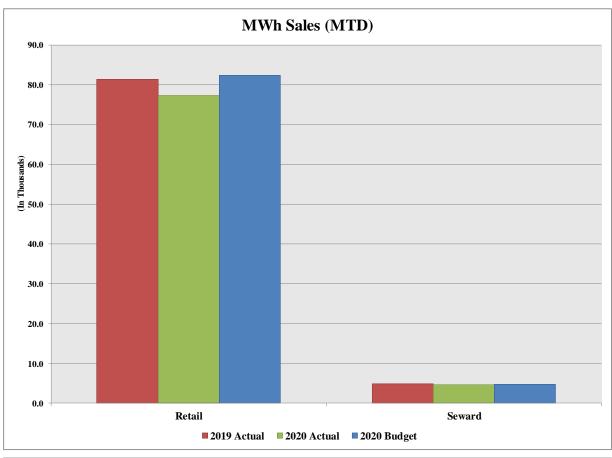
	2020 YTD	2020 YTD	2020 YTD
CATEGORY	ACTUAL	BUDGET	VARIANCE
CATEGORI	ACTUAL	DUDGET	VARIANCE
Operating Revenue and Patronage Capital	\$ 92,809,571	\$ 92,130,085	\$ 679,486
Fuel and Purchased Power Expense	33,847,239	33,314,642	532,597
Power Production Expense	9,385,495	8,974,758	410,737
Transmission Expense	2,851,139	3,345,471	(494,332)
Distribution Expense	6,471,531	6,515,958	(44,427)
Customer Expense	3,001,370	3,200,134	(198,764)
Administrative, General and Other	10,528,246	11,143,140	(614,894)
Depreciation & Amortization Expense	13,418,651	13,242,902	175,749
Interest Expense, Net	9,192,622	9,449,642	(257,020)
Total Cost of Electric Service	\$ 88,696,293	\$ 89,186,647	\$ (490,354)
Patronage Capital & Operating Margins	\$ 4,113,278	\$ 2,943,438	\$ 1,169,840
Non-Operating Margins - Interest	164,590	166,250	(1,660)
Allowance Funds Used During Const.	48,285	30,442	17,843
Non-Operating Margins - Other	(81,547)	-	(81,547)
Patronage Capital or Margins	\$ 4,244,606	\$ 3,140,130	\$ 1,104,476
		1.00	
MFI/I	1.46	1.33	
TIER	1.47	1.34	

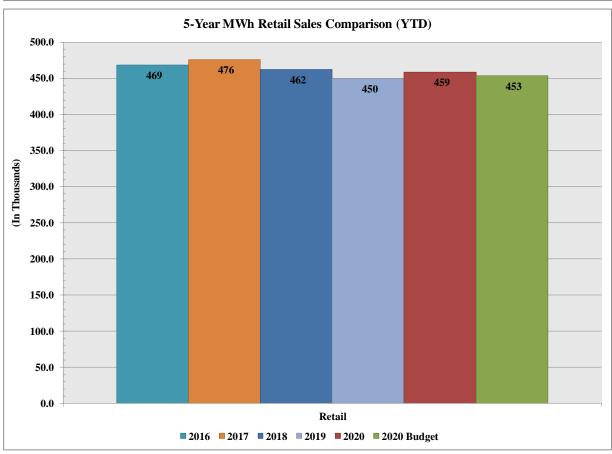


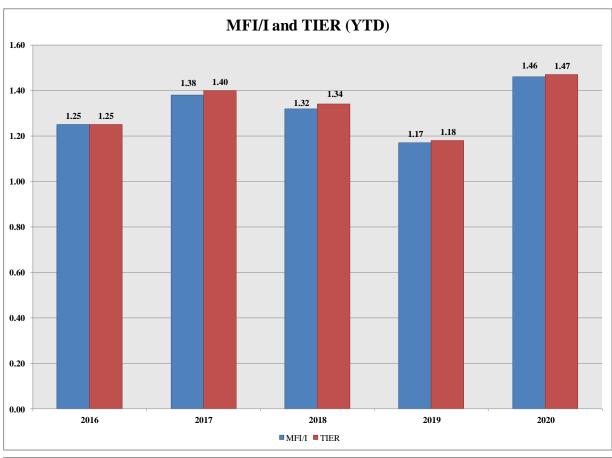
COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS **CURRENT TO PRIOR ACTUAL**

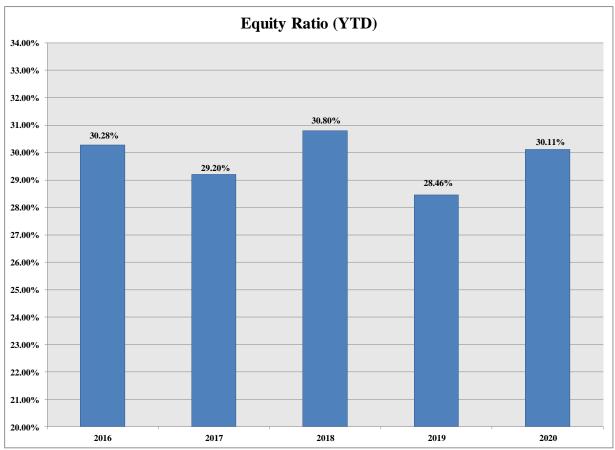
	2020	2019
	YTD	YTD
CATEGORY	ACTUAL	ACTUAL
Operating Revenue and Patronage Capital	\$ 92,809,571	\$ 87,908,434
Fuel and Purchased Power Expense	33,847,239	33,553,893
Power Production Expense	9,385,495	7,978,573
Transmission Expense	2,851,139	3,469,437
Distribution Expense	6,471,531	6,246,339
Customer Expense	3,001,370	2,939,266
Administrative, General and Other	10,528,246	10,599,631
Depreciation and Amortization Expense	13,418,651	12,937,753
Interest Expense, Net	9,192,622	9,099,390
Total Cost of Electric Service	\$ 88,696,293	\$ 86,824,282
Patronage Capital & Operating Margins	\$ 4,113,278	\$ 1,084,152
Non-Operating Margins - Interest	164,590	274,785
Allowance for Funds Used During Construction	48,285	74,076
Non-Operating Margins - Other	(81,547)	113,780
Patronage Capital or Margins	\$ 4,244,606	\$ 1,546,793
MFI/I	1.46	1.17
TIER	1.47	1.18











ENERGY SALES (kWh)

	YTD Actual	YTD Budget
Retail Energy Sales Wholesale Energy Sales Total Firm Energy Sales	458,733,684 <u>25,209,689</u> 483,943,373	453,430,482 23,673,993 477,104,475
Economy Energy Sales	0	0
Total Energy Sales	483,943,373	477,104,475

Firm energy sales totaled 483,943,373 kWh, which was a 1.4% favorable variance compared to budget. Retail energy sales were over budget 1.2%, and wholesale energy sales were over budget by 6.5% primarily due to colder than anticipated weather in the first quarter and strong residential sales in April and May due to the impact of our members working more from home, which was offset by lower commercial sales in April and May due to reduced commercial activity as a result of the impact of COVID-19.

ENERGY REVENUE (in millions)

	YTD Actual	YTD Budget
Retail Revenue	\$88.1	\$ 88.4
Wholesale Revenue	2.5	2.5
Total Firm Revenue	90.6	90.9
Economy Energy/Capacity Revenue	0.0	0.0
Other Operating Revenue	2.2	1.2
Total Revenue	\$ 92.8	\$ 92.1

Revenue from firm sales totaled \$90.6 million compared to \$90.9 million in the budget. Firm revenue was lower than expected primarily due to lower than anticipated costs recovered through the fuel and purchased power adjustment process as a result of higher wheeling and the impact of small and large general service revenue in April and May, which was offset by higher residential revenue in April and May and higher retail and wholesale revenue in the first quarter due to the colder weather. Other operating revenue includes late fees, pole rental, wheeling, microwave, BRU royalties, miscellaneous service and other electric revenue. Other operating revenue totaled \$2.2 million compared to \$1.1 million in the budget, primarily due to higher than anticipated wheeling from Golden Valley Electric Association.

FUEL AND PURCHASED POWER (in millions)

	YTD Actual	YTD Budget
Fuel	\$ 23.0	\$ 25.1
Purchased Power	10.8	8.2
Total	\$ 33.8	\$ 33.3

Fuel expense includes fuel, storage, transportation, and BRU operating costs. Fuel expense was \$23.0 million compared to \$25.1 million in the budget. This favorable variance was primarily due to lower than anticipated fuel as a result of less power generated at SPP than planned and lower storage and transportation expense.

Actual fuel purchased or withdrawn from inventory for production was 2,618,436 Mcf, which did not include 359,461 Mcf of fuel recorded as purchased power, at an average effective delivered price of \$8.23 per Mcf compared to 2,788,292 Mcf in the budget at an average effective delivered price of \$8.23 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 \$10.8 million compared to \$8.2 million in the budget. This unfavorable variance compared to budget was primarily due to higher than anticipated purchases from ML&P as a result of higher energy sales in the first quarter.

Actual energy purchased was 131,642 MWh at an average effective price of 7.00 cents per kWh compared to 94,475 MWh budgeted at an average effective price of 6.98 cents per kWh.

POWER PRODUCTION (in millions)

	YTD Actual	YTD Budget
Total Power Production	\$ 9.4	\$ 9.0

Power production expense was \$9.4 million compared to \$9.0 million in the budget. This unfavorable budget variance is primarily due to higher than anticipated maintenance costs at Beluga.

TRANSMISSION OPERATIONS AND MAINTENANCE (in millions)

	YTD Actual	YTD Budget
Total Transmission	\$ 2.9	\$ 3.3

Transmission operations and maintenance expense was \$2.9 million compared to \$3.3 million in the budget. This favorable variance was primarily due to lower than anticipated costs associated with vegetation control and engineering studies and design.

DISTRIBUTION OPERATIONS AND MAINTENANCE (in millions)

	YTD Actual	YTD Budget
Total Distribution	\$ 6.5	\$ 6.5

Distribution operations and maintenance expense was \$6.5 million compared to \$6.5 million in the budget with no significant variance.

CONSUMER ACCOUNTS / CUSTOMER INFORMATION (in millions)

	YTD Actual	YTD Budget
Total Consumer / Customer Information	\$ 3.0	\$ 3.2

Consumer accounts and customer information expense was \$3.0 million compared to \$3.2 million in the budget. This favorable variance is primarily due to lower than anticipated labor expense and printing costs.

ADMINISTRATIVE, GENERAL AND OTHER (in millions)

	YTD Actual	YTD Budget
Administrative, General and Other	\$ 10.5	\$ 11.1

Administrative, general and other expense includes tax, donations, other deductions associated with preliminary survey and investigation charges of projects, and obsolete inventory write-offs that are not attributable to operating or maintenance accounts. Administrative, general and other expense was \$10.5 million compared to \$11.1 million in the budget. This favorable budget variance is primarily due to lower than anticipated costs associated with legal, information services, human resources and fuel and corporate planning initiatives, as well as corporate membership dues and training related costs.

SUMMARY

Depreciation, interest, and interest during construction expense totaled \$22.6 million compared to \$22.7 million in the budget. This favorable variance compared to budget was primarily due to lower than anticipated interest expense on short-term debt, as well as higher than anticipated interest during construction as a result of a higher average CWIP balance.

All of the foregoing expenses resulted in total cost of electric service of \$88.7 million compared to \$89.2 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 \$131.3 thousand compared to \$196.7 thousand in the budget primarily due to the loss in value of marketable securities.

The net result of revenue and expenses was margins of \$4.2 million compared to projected margins of \$3.1 million in the budget. The current forecast projects year-end margins of \$6.1 million, an MFI/I of 1.27, and TIER of 1.28.

COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS YEAR-END FORECAST

	2020 APPROVED	2020 AMENDED	2020 YTD	2020 REVISED
CATEGORY	BUDGET	BUDGET	ACTUALS	FORECAST
Operating Revenue and Patronage Capital	\$227,256,742	\$218,368,235	\$ 92,809,571	\$215,247,721 ^{1, 2}
Fuel and Purchased Power Expense	88,355,228	79,466,721	33,847,239	79,998,849 1,2
Power Production Expense	21,763,699	21,763,699	9,385,495	20,486,788 ²
Transmission Expense	7,416,584	7,416,584	2,851,139	7,301,864 ²
Distribution Expense	16,378,463	16,378,463	6,471,531	15,252,543 ²
Customer Expense	7,709,966	7,709,966	3,001,370	7,502,277 ²
Administrative, General & Other	26,116,149	26,116,149	10,528,246	24,953,605 ²
Depreciation and Amortization Expense	31,953,849	31,953,849	13,418,651	32,098,412 1,2
Interest Expense, Net	22,317,234	22,317,234	9,192,622	22,026,725 1,2
Total Cost of Electric Service	\$222,011,172	\$213,122,665	\$ 88,696,293	\$209,621,063
Patronage Capital & Operating Margins	\$ 5,245,570	\$ 5,245,570	\$ 4,113,278	\$ 5,626,658
Non-Operating Margins - Interest	399,000	399,000	164,590	397,340 1
Allowance for Funds Used During Construction	145,638	145,638	48,285	163,481 1
Non-Operating Margins - Other	-	_	(81,547)	(81,547) 1
Patronage Capital or Margins	\$ 5,790,208	\$ 5,790,208	\$ 4,244,606	\$ 6,105,932
MFI/I	1.25	1.25	1.46	1.27
TIER	1.27	1.27	1.47	1.28

¹ Forecast based on 5 month actual and 7 month forecast

² Forecast has been adjusted to reflect anticipated changes

FINAL REPORT FOR:

CHUGACH ELECTRIC ASSOCIATION, INC.

2020 Annual Election



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Overview

BDO USA, LLP ("BDO") was contracted in December 2019 to perform Election Administrator services for Chugach Electric Association, Inc. ("Chugach") for the 2020 Chugach Annual Meeting and Election. Election Administration services include administration and oversight of the election, as well as, subcontracting for electronic voting services. Specific Election Administrator duties and responsibilities are outlined in the Chugach Election Procedures.

Key Election Activities and Dates

The following is a list of key election dates and activities:

Election Phase	Activity	Date		
Dec Voties	Date of Record	April 22nd		
Pre-Voting Mail Inspection		May 14th		
	Voting Opens	May 15th		
	Paper Ballots Mailed	May 15th		
Voting	Control Number Mailing	May 20 th		
	Paper Ballot Mail-In Deadline	June 12th 12:00 pm ADT		
	Electronic Voting Deadline	June 15 th 04:00 pm ADT		
Reporting	Virtual Annual Meeting June 15 th 05:30 pm ADT			

Mail Inspection

ELIGIBLE MEMBERS AND PAPER BALLOTS

The date of record for Chugach was April 22, 2020. As of the date of record, there were 69,589 members identified by Chugach Member Services as eligible to cast a vote in the 2020 election. BDO received the member file with each member's preferred voting method from Chugach on April 24, 2020. BDO noted a total of 496 eligible members requested to receive a paper ballot. BDO transmitted the file to the Electronic Election Contractor, Kent Thomas, for setup and generation of unique control numbers on May 5, 2020.

Member Type	Eligible Member Count	Paper Ballot Requested
Natural	67,018	484
Non-Natural	2,571	12
Grand Total	69,589	496

MAIL INSPECTION

Chugach delivered election materials to their third-party mailing service provider, Rapid Action Mailing Services, Inc. ("Rapid Action"), on April 26, 2020. BDO confirmed the required contents to be included in the paper ballot packages and obtained a copy of each from Chugach personnel. BDO performed an onsite inspection of assembled packages at Rapid Action (3620 Jewel Lake Road, Anchorage, AK 99502) on May 14, 2020. The inspection included testing of 10% of the 496 packages for a total of 50 packages. The sampled packages were reviewed for completeness and accuracy. There were no issues identified for the 50 sampled packages. The 496 packages were mailed through the US Postal Service on May 15, 2020.

Paper Ballot Activity

Postcard notifications were send to eligible members on April 29th, May 12th, and June 2nd. Eligible members were provided their unique control numbers via the U.S. Postal Service on May 20th. Paper ballots mailed to the secure Chugach drop box (5601 Electron Drive) were delivered to BDO (3601 C Street, Suite 600) by the third-party security service provider, Guardian Security Systems, Inc. ("Guardian"), on the days listed in the table below. A delivery receipt was provided by Guardian with the count of envelopes delivered. BDO reviewed each envelope to ensure it was signed by an authorized individual and the signature was similar to the member's application signature on file with Chugach.

Date	Count of Valid Envelopes Received
Tuesday, May 19th	37
Friday, May 22nd	50
Tuesday, May 26th	22
Friday, May 29th	22
Tuesday, Jun 2nd	16
Friday, June 5th	16
Tuesday, June 9th	15
Friday, June 12th	14
Grand Total	192

Electronic Ballot Activity

Email notifications were sent every Friday, beginning on May 15th and ending on June 12th. Eligible members were provided their unique control number in the email provided on May 15th. Eligible members used the unique control number to vote via the Chugach online election portal (https://www.chugachelection.com/).

Day of		Method of Voting				Cumulative
Date	Election	Web (Manual)	Web (Email Link)	Mail	Daily Count	Count
May 15th	1	5	1080	0	1085	1085
May 16th	2	3	270	0	273	1358
May 17th	3	1	124	0	125	1483
May 18th	4	5	170	0	175	1658
May 19th	5	4	144	37	185	1843
May 20th	6	7	66	0	73	1916
May 21st	7	261	65	0	326	2242
May 22nd	8	288	808	50	1146	3388
May 23rd	9	116	210	0	326	3714
May 24th	10	121	97	0	218	3932
May 25th	11	74	81	0	155	4087
May 26th	12	142	216	22	380	4467
May 27th	13	80	119	0	199	4666
May 28th	14	71	82	0	153	4819
May 29th	15	46	687	22	755	5574
May 30th	16	38	189	0	227	5801
May 31st	17	29	81	0	110	5911
June 1st	18	63	119	0	182	6093
June 2nd	19	36	54	16	106	6199
June 3rd	20	43	44	0	87	6286
June 4th	21	37	46	0	83	6369
June 5th	22	46	485	16	547	6916
June 6th	23	26	127	0	153	7069
June 7th	24	24	58	0	82	7151
June 8th	25	54	90	0	144	7295
June 9th	26	40	45	15	100	7395
June 10th	27	31	38	0	69	7464
June 11th	28	34	22	0	56	7520
June 12th	29	34	375	14	423	7943
June 13th	30	21	102	0	123	8066
June 14th	31	35	64	0	99	8165
June 15th	32	42	42	0	84	8249
Grand T	otal	1,857	6,200	192	8,249	8,249

Member Support Activity

HELPLINES

BDO managed the Chugach Election Support Helplines (1-907-646-7394 and 1-888-729-4679) between the hours of 8:00 am ADT - 5:00 pm ADT from May 15th through June 15th. Calls received via the helplines were categorized as shown in the table below.

Call Category	Count of Calls
Control number request	82
Other	35
GCI.NET related issue	16
Login help	44
Paper Ballot request	23
Chugach Customer Service (CCS) calls	20
Email updated in ANCET and resent	9
Email resent	7
Confirmed electronic vote received	5
Helped find Election Info. online	2
Address Change forwarded to CCS	1
Grand Total	244

MAILBOX

BDO managed the Chugach Election Support Mailbox (chugachelection@bdo.com) between the hours of 8:00 am ADT - 5:00 pm ADT from May 15th through June 15th. Email received via the mailbox were categorized as shown in the table below.

Email Category	Count of Email
Control number request	30
Electronic ballot request	23
Paper ballot request	17
How to Vote	10
Member questioning online vote	5
Email resend request	3
Member not receiving email	1
BDO testing inbox for functionality	1
Grand Total	90

Prizes

BDO randomly generated 4 early bird winners from the members who voted electronically by 12:00 pm noon ADT on the day of the early bird drawing. BDO also randomly generated the winner of the grand prize on June 16th.

Drawing	Date of Drawing		
Early Bird Drawing #1	May 22 nd		
Early Bird Drawing #2	May 29 th		
Early Bird Drawing #3	June 5 th		
Early Bird Drawing #4	June 12 th		
Grand Prize Drawing	June 16 th		

Voting Metrics

Below is a summary of the election activity for 2020 as compared to prior election years.

Metric	Year				
Metile	2020	2019	2018	2017	2016
Mail Ballots Received	205	170	155	172	3,838
Valid Mail Ballots	192	167	149	167	3,663
Replacement Paper Ballots Sent	48	8	355	1,473	359
No Signature	2	1	2	1	87
Invalid Signature (Committee Determined)	9	2	5	3	72
Member Requested	35	55	15	79	3
Other (2020 = no signature on file)	2	0	0	1	1
Email Notification Resent	487	420	334	1,389	196
Email Bounces	374	N/A	N/A	N/A	N/A
Email Changes	791	538	422	N/A	N/A
Electronic Ballots Received (prior to Annual Meeting)	8,057	6,508	6,565	7,200	2,590
Internet	8,057	6,508	6,565	7,200	2,482
Telephone	N/A	N/A	N/A	N/A	108
Annual Meeting - Members Registered	140	244	246	224	187
Annual Meeting - In-Person Ballots Issued	N/A	77	82	71	78
Annual Meeting - In-Person Ballots Cast	N/A	74	75	69	76
Ballots Cast (Valid + Invalid)	8,262	6,752	6,795	7,441	6,504
Valid	8,249	6,749	6,789	7,436	6,329
Invalid	13	3	6	5	175
Percentage of eligible members that voted	11.87%	9.74%	9.87%	10.81%	9.40%
Percentage of eligible members with valid ballot	11.85%	9.74%	9.86%	10.80%	9.20%
% of valid ballots submitted via Internet	97.7%	96.5%	96.80%	96.83%	38.20%
% of valid ballots submitted via telephone	N/A	N/A	N/A	N/A	1.70%
% of valid ballots submitted via paper	2.3%	3.5%	3.20%	3.17%	60.60%
Replacements/Corrections Made by Election Committee	0	4	2	7	48
Cut/Torn Ballot	0	2	1	3	29
Mismarked	0	2	1	4	12
Incorrect Ink Color	0	0	0	0	6
Over-vote	0	0	0	0	1
Paper ballots received after the due date	0	0	0	0	0
Electronic votes received after mail-in deadline	697	135	604	670	112
Member Support Emails Received	90	26	6	14	60
Member Support Calls Received	244	475	57	74	93

Election Results

The two candidates who received the most votes were elected to 4-year terms. Based on the election results, shown below, Mark Wiggin and Sam Cason were elected to 4-year terms.

Candidate	Online Votes	Paper Votes	Total Votes
Brad Authier	3,045	89	3,134
Samuel W. "Sam" Cason	3,850	97	3,947
Mitchell Roth	2,948	75	3,023
Mark Wiggin	3,308	103	3,411
Grand Total	13,151	364	13,515

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CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

July 16, 2020

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: July 2020

The current write-off reflects uncollectible electric account balances for the May 1, 2019 through October 31, 2019 period.

The attached tables and figures have been updated this write-off period to provide more detail into the types of the accounts written-off. Table 1 shows a five-year comparison of the write-offs. This write-off consists of 788 retail accounts totaling \$186,947, with an average account write-off amount of \$237. When factoring the recovery of previously written-off accounts of \$77,856, the net amount write-off is \$109,091, which represents 0.11% of the retail revenue for the period of May 1, 2019 to October 31, 2019. 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 2 is a summary of the July 2020 write-off identified by retail rate class. There were 776 residential write-offs, totaling \$172,333. There were 8 small commercial write-offs, totaling \$3,881. There were 4 large commercial write-offs, totaling \$10,734.

Figure 1 represents the net write-off as a percentage of revenue. The July 2020 net write-off represents .11% of retail revenue compared to the December 2019 net write-off which represented .13% of retail revenue.

Figures 2 and 3 are frequency distributions of residential and commercial write-offs. The frequency distributions allow for a visual representation of write-off occurrences.

Chugach Electric Association, Inc.

Anchorage, Alaska

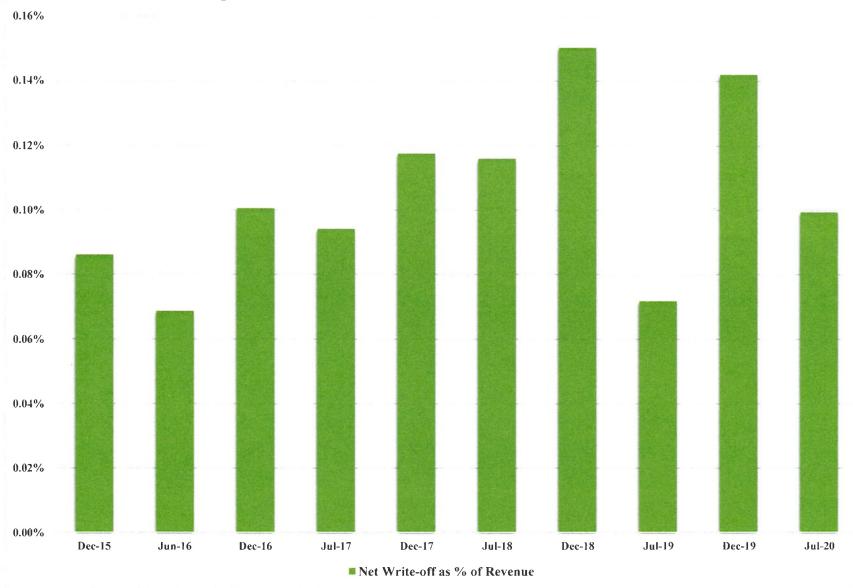
July 2020 Electric Write-off Write-off Period: May 2019 to October 2019

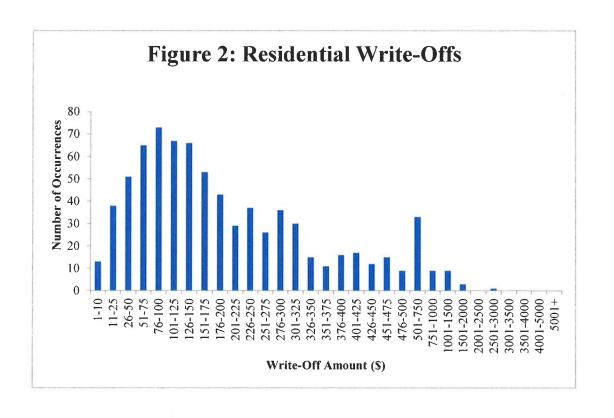
The prior periods are provided for historical information for comparative purposes.

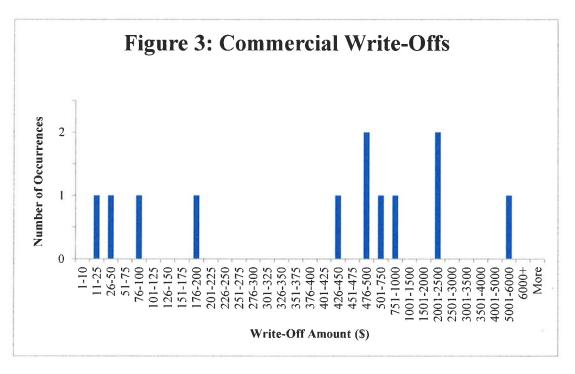
Write-Off Date	Collection Period	Number of Accounts Written Off	Total Write-offs	Average Amount per Account	Recovery of Accounts Written Off	Net Write-off	Retail Revenue	Net Write-off as % of Revenue
Dec-15	11/1/2014-4/30/2015	622	\$108,495	\$174	\$38,426	\$70,068	\$84,324,971	0.08%
Jun-16	5/1/2015-10/31/2015	771	\$115,843	\$150	\$50,966	\$64,876	\$81,416,107	0.08%
Dec-16	11/1/2015-4/30/2016	636	\$125,810	\$198	\$42,018	\$83,791	\$94,542,710	0.09%
Jul-17	5/1/2016-10/31/2016	783	\$147,454	\$188	\$48,156	\$99,298	\$83,344,470	0.12%
Dec-17	11//1/2016-4/30/2017	783	\$177,469	\$227	\$72,115	\$105,354	\$105,477,123	0.10%
Jul-18	5/1/2017-10/31/2017	854	\$175,118	\$205	\$52,143	\$122,975	\$89,530,357	0.14%
Dec-18	11/1/2017-4/30/2018	652	\$180,395	\$277	\$52,332	\$128,063	\$105,900,546	0.12%
Jul-19	5/1/2018-10/31/2018	710	\$136,249	\$192	\$61,775	\$74,474	\$85,120,459	0.09%
Dec-19	11/1/2018-4/30/19	744	\$218,092	\$293	\$82,950	\$135,142	\$103,859,864	0.13%
Jul-20	05/01/19-10/31/19	788	\$186,947	\$237	\$77,856	\$109,091	\$95,148,885	0.11%

By Rate Class	Number of Accounts Written Off	Total Write-Offs	Average Amount per Account	Recovery of Accounts Written Off	Net Write-off	Retail Revenue	Net Write-off as % of Revenue
Residential	776	\$172,332	\$222	\$71,769	\$100,562	\$44,743,135	0.11%
Small Commercial	8	\$3,881	\$485	\$1,616	\$2,265	\$9,064,996	0.00%
Large Commercial	4	\$10,734	\$2,684	\$4,470	\$6,264	\$40,500,397	0.01%
Street Lighting	0	\$0	\$0	\$0	\$0	\$840,357	0.00%
Total	788	\$186,947	\$237	\$77,856	\$109,091	\$95,148,885	0.11%

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







CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING AGENDA ITEM SUMMARY

July 22, 2020

ACTION REQUIRED	AGENDA ITEM NO. VIII.A.
Information Only X Motion X Resolution Executive Session Other	
<u>TOPIC</u>	

DISCUSSION

Update Bank Signature Cards

Bank signature cards are updated each year to reflect the change of officers that are elected at the Regular/Special Board of Directors meeting that follows the annual membership meeting.

Management is recommending the Board of Directors approve the attached resolution to update the approved check signers based on the election of officers at its June 17, 2020, Regular Board of Directors' Meeting.

MOTION

Move that the Board of Directors approved the attached resolution to update the approved check signers based on the election of officers at its June 17, 2020, Regular Board of Directors' Meeting.



RESOLUTION

Bank Signature Cards

WHEREAS, the Board of Directors has elected new officers necessitating a change in signatures needed to authorize activity in various bank accounts maintained by the Association,

NOW, THEREFORE, BE IT RESOLVED that the resolution contained in the certified copy of the Corporate Authorization Resolution for signing and endorsing checks is adopted; and

BE IT FURTHER RESOLVED, that the Chair of the Board and Treasurer of the Board are authorized to exercise the powers granted and the Secretary of the Board is authorized and directed to execute the certified copy of the Corporate Authorization Resolution for signing and endorsing checks and signature cards attached hereto or other documents of a substantially similar type and purpose.

CERTIFICATION

I, James Henderson, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 22nd day of July, 2020; 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 22nd/day of July, 2020.

Secretary	

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING AGENDA ITEM SUMMARY

July 22, 2020

ACTION REQUIRED	AGENDA ITEM NO. VIII.B.
Information Only	
X Motion	
X Resolution	
Executive Session	
Other	

TOPIC

Project Authorization – Old Seward Highway, O'Malley Road to Huffman Road 34.5kV and 12.5kV Overhead to Underground Conversion

DISCUSSION

The Old Seward Highway, O'Malley Road to Huffman Road 34.5kV &12.5kV Overhead to Underground Conversion project was designated as a project meeting the requirements for use of Undergrounding Funds collected from Members residing in the area covered by the Municipal Undergrounding Ordinance. The project will underground the existing overhead 34.5kV Sub-Transmission Line and the "Underbuilt" 12.5kV Distribution circuit from approximately O'Malley Road to Huffman Road along the East side of the Old Seward Highway.

This project will remove the poles, circuit conductors and overhead line equipment along a very busy and developing commercial area and will increase the ability to serve new load reliably. This project, when combined with future projects, will also increase the transfer capacity of the 34.5kV sub-transmission line between Retherford, Huffman, and Hillside Substations. The existing overhead lines will be replaced with a new 12.5kV underground 750 kcmil circuit, in duct and new 34.5kV 1000 kcmil circuit in duct with below ground splicing vaults and pads.

The overhead 34.5kV line's transfer capacity is limited because the "underbuilt" distribution line does not allow for additional conductor sag under certain conditions. The overhead line is non-compliant with current NESC strength requirements for a line located in a high wind corridor that is subject to frequent damaging high wind events. The capacity improvements and reliability improvements of both the 34.5kV and the 12.5kV circuit are significant.

The overhead line to be removed by this project is located along a high visibility arterial (Old Seward Highway) and this project will move forward with upgrading these important circuits as well as complete a high visibility line removal within the target area of the Municipal Underground Ordinance.

The total project cost is estimated at \$5,121,971.47. As indicated, this project is fully funded with funds on hand from the collection of the undergrounding surcharge as required by the Municipal Undergrounding Ordinance.

MOTION

Move that the Board of Directors authorize the Chief Executive Officer to proceed with the Old Seward Highway, O'Malley Road to Huffman Road 34.5Kv & 12.5kV Overhead to Underground Conversion project at an estimated total cost of \$5,121,971.47.



RESOLUTION

Old Seward Undergrounding Project Authorization

WHEREAS, Chugach Electric Association, Inc. (Chugach) has identified the need to Underground the distribution and sub-transmission lines from approximately O'Malley Road to Huffman Road on the Old Seward Highway;

WHEREAS, and funds have been collected via Chugach's compliance with State of Alaska and Municipal Overhead to Undergrounding requirements, Anchorage Municipal Code requires Chugach to spend two percent of the prior three-year average of annual gross retail revenues derived from service connections within the MOA. Per AMC 21.90.070(A)(1);

WHEREAS, Chugach currently has \$11,696,094 of funds collected for Overhead to Underground Projects;

WHEREAS, less than \$8,255,000 of the undergrounding fund will be spent in 2020;

WHEREAS, this project is included in Chugach's Undergrounding Plan approved by the Municipality of Anchorage;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors authorizes the Chief Executive Officer to proceed with the Old Seward Undergrounding Project for an estimated amount of \$5,121,971.47.

CERTIFICATION

I, James Henderson, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 22md/2.02 (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 22nd day of July, 2020.

Secretary

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

REGULAR BORAD MEETING AGENDA ITEM SUMMARY

July 22, 2020

ACTION REQUIRED	AGENDA ITEM NO. X.A.
Information Only X Motion Resolution Executive Session Other	
TOPIC	

DISCUSSION

Integration Program Funding Authorization

The Chugach Board of Directors approved an Integration Program budget at the June 24, 2019 Board meeting of \$39.5 million. At the October 24, 2019 board meeting, the Board approved a pre-RCA Decision on the ML&P Acquisition an amount of \$19.6 million. At the June 17, 2020 board meeting, the Board authorized an additional \$5.0 million spending for July, for a total authorized spending of \$24.6 million.

The IMO is now requesting authorization for an additional \$2.6 million for August 2020 to continue the program for Day 1 readiness.

MOTION

Move that the Board of Directors approve an Integration Program spending authorization of \$2.6 million, for a total spending authorization limit of \$27.2 million.

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING AGENDA ITEM SUMMARY

July 22, 2020

<u>ACTION REQUIRED</u>	AGENDA ITEM NO. X.A.
Information Only	
X Motion	
X Resolution	
Executive Session	
Other Other	

TOPIC

Integration Program Funding Authorization

DISCUSSION

On June 17, 2020, the Chugach Board of Directors ("Board") accepted the conditions and modifications to Chugach's acquisition of substantially all of ML&P's assets ("Acquisition") imposed by the Regulatory Commission of Alaska ("Commission") in Order U-18-102(44)/U-19-021(39)/U-19-021(39) ("Final Order") as not being materially adverse to the Association.

On July 8, 2020, the Board approved amendments required by the Final Order to the Asset Purchase and Sale Agreement, the Eklutna Power Purchase Agreement, the Payment in Lieu of Taxes Agreement, and the BRU Fuel Agreement Termination Agreement.

Chugach management has and continues to provide information to the Board on all costs associated with the Acquisition and integration of ML&P and continues to represent that costs are prudently incurred for a successful close and transition.

Chugach management has provided information and represented that additional funds are necessary through February 2021 to complete the integration program.

The Board instructed Chugach management not to spend additional funds on integration absent preapproval from the Board and believes that month-to-month review and authorization of such costs is reasonable and prudent.

REVISED (07/21/20)

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

MOTION

Move that the Board of Directors approve the attached Resolution authorizing the Chief Executive Officer to spend up to \$2.6 million on continued integration efforts for the month of August 2020 and pre-approval authorization from the Board of Directors shall continue to be necessary for additional integration funds on a month-to-month basis.



RESOLUTION

Approve Acquisition Integration Spending Budget for August 2020

WHEREAS, on June 17, 2020, the Chugach Board of Directors accepted the conditions and modifications to Chugach's acquisition of substantially all of ML&P's assets ("Acquisition") imposed by the Regulatory Commission of Alaska ("Commission") in Order U-18-102(44)/U-19-021(39)/U-19-021(39) ("Final Order") as not being materially adverse to the Association;

WHEREAS, on July 8, 2020, the Chugach Board of Directors approved amendments required by the Final Order to the Asset Purchase and Sale Agreement ("APA"), the Eklutna Power Purchase Agreement ("Eklutna PPA"); and the Payment in Lieu of Taxes Agreement; as well as the agreement to terminate the Beluga River Unit Fuel Agreement;

WHEREAS, Chugach management has and continues to provide information to the Chugach Board of Directors on all costs associated with the Acquisition and integration of ML&P into the Chugach system, and has and continues to represent that those Acquisition and integration costs are prudently incurred for a successful close and transition to a single combined utility;

WHEREAS, Chugach management has provided information and represented that additional funds are necessary through February 2021 to complete the integration program;

WHEREAS, the Chugach Board of Directors has instructed Chugach management not to spend additional funds on integration absent pre-approval from the Board on a monthly basis and believes that month-to-month review and authorization of such integration costs is reasonable and prudent under the circumstances;

WHEREAS, Chugach management has provided information and represented that additional funds are necessary for the month of August 2020 in order to keep integration efforts on track for successful operation as a single combined utility after Close;

NOW, THEREFORE, BE IT RESOLVED, the Chugach Board of Directors authorizes the Chief Executive Officer to spend up to \$2.6 million on continued integration efforts for the month of August 2020 as discussed in executive session. Pre-approval authorization from the Board of Directors shall continue to be necessary for additional integration funds on a month-to-month basis.

CERTIFICATION

I, James Henderson, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 22nd/2020; 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 <u>22nd</u> day of <u>July</u> 2020.

Secretary

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING AGENDA ITEM SUMMARY

July 22, 2020

ACTION REQUIRED	AGENDA ITEM NO. X.B.	
Information Only X Motion Resolution Executive Session Other		
TOPIC		

DISCUSSION

Board Consulting Contract with Susan Reeves

For many years, Chugach Electric Association, Inc. has been involved in the acquisition of Municipal Light & Power. In 2018, the Board of Directors, after having spent many months reviewing and analyzing the acquisition documents, authorized the Chief Executive Officer to execute transaction agreement to accomplish the acquisition. Susan Reeves was a Board member during the entirety of these negotiations and deliberations and played an active role in providing guidance and input to staff and other Board members. Ms. Reeves' term on the Board has now terminated and the Board would like to retain Ms. Reeves as a consultant/independent contractor to provide continuity in understanding acquisition documents and actions taken related to the acquisition. Consulting services by Ms. Reeves would be to assist, consult, and advise the Board on issues related to the ML&P acquisition efforts. Under the Contract, Ms. Reeves would take direction from, and request information through, the Chugach Board Chair.

MOTION

Move that the Board of Directors authorize the Board Chair to approve and execute the attached Professional Services Contract with Susan E. Reeves. The Contract term will be through December 31, 2020 and is not to exceed \$9,500.

PROFESSIONAL SERVICES CONTRACT

BETWEEN

CHUGACH ELECTRIC ASSOCIATION, INC.

AND

SUSAN E. REEVES

FOR

CONSULTING SERVICES

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PROFESSIONAL SERVICES CONTRACT BETWEEN CHUGACH ELECTRIC ASSOCIATION, INC. AND SUSAN E. REEVES

In consideration of the mutual promises herein contained, Chugach Electric Association, Inc. (Chugach), and Susan E. Reeves (Consultant), (each a "Party" and collectively, the "Parties") hereby agree as follows:

SECTION 1. SCOPE OF SERVICES

The Consultant shall provide professional services for the Board of Directors to provide continuity in understanding documents and actions taken related to the acquisition of Municipal Light & Power and related matters. (the "Work"). The services to be performed by the Consultant (the "Services") may include assistance with review of orders, various acquisition documents, draft agreements, consultation, research, and advice to the Board on issues relating to the RCA's decision and Chugach's compliance with that decision, but the Services shall not include or be considered legal advice. The Work will require attendance at meetings, video or teleconferences, and the provision of professional advice, memoranda as needed from time to time, and consultation on matters related to the ML&P acquisition efforts. Consultant shall take direction from, and request information through, the Chugach Board Chair.

No Work shall be considered complete, the Work accepted, nor final payment authorized unless and until all required documentation has been provided to and approved by Chugach in its sole discretion.

SECTION 2. <u>COMPENSATION</u>

Chugach shall pay the Consultant for the Work performed at \$125.00 per hour ("Consultant's Rates"), and shall not exceed \$9,500 in total unless otherwise stipulated by Chugach and approved by the Board of Directors in writing.

The execution of this Contract does not obligate Chugach to provide Work or pay the Consultant except as provided hereunder.

SECTION 3. TERMS OF PAYMENT

On a monthly basis or upon completion, the Consultant shall issue to Chugach an invoice for Services provided and expenses incurred (an "Invoice"). All Invoices shall specify the time and costs for the invoice period, the totals previously invoiced and the unexpended balance of the Contract limits. The Consultant shall be entitled to seek reimbursement of costs only to the extent approved in advance by Chugach. Copy charges, at five cents per page are approved. Invoices shall list the Contract number and shall include the support documentation for labor hours, expenses incurred, the date and itemization of disbursements, and when referencing

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Chugach staff, the full name of that individual. Upon request of Chugach, the Consultant shall provide any additional documentation reasonably required by Chugach to substantiate an Invoice.

The Invoice shall be sent to Chugach Electric Association, P.O. Box 196300, Anchorage, AK 99519-6300, Attention: Connie Owens and marked "Confidential" on each page and on the envelope. No later than the end of the first week of each month, the Consultant must also provide Chugach with an estimate of its total fees and costs for the preceding month's Work done for Chugach. That information should be emailed to: connie_owens@chugachelectric.com.

Chugach shall make payment for amounts properly invoiced in accordance with this Section 3 within thirty (30) days after receipt of the applicable Invoice by Chugach. Should Chugach dispute any portion of the Consultant's Invoices, Chugach shall advise the Consultant in writing of the disputed portion of the Invoice and may withhold payment of such disputed amounts; provided, however, that Chugach shall pay the undisputed portion of the Invoice.

SECTION 4. COMMUNICATIONS

Communications with Chugach shall be directed to the Board Chair and others as directed by the Chair. Copies of all correspondence, memoranda and other work product prepared by the Consultant are to be expeditiously furnished to the foregoing. All written communications shall be marked "Confidential." All inquiries from the media or others shall be referred to the Board Chair unless Chugach directs otherwise.

SECTION 5. TERM

Subject to Section 12, the term of this Contract shall be from July 22, 2020 through December 31, 2020. Chugach shall have the option to renew or extend this Contract for one or more additional terms, subject in each case to an agreement between the Parties on labor rates.

SECTION 6. <u>INDEPENDENT CONTRACTOR, AGENCY, SUBCONTRACTOR, TAXES</u>

The Consultant agrees to perform the Work described in this Contract as an independent contractor and not as a subcontractor, agent or employee of Chugach. Consultant is a former board member; is not participating in non-related acquisition matters; and, is not providing legal advice under this Contract.

Nothing in this Contract shall be interpreted to make the Consultant the agent of Chugach, nor Chugach the agent of the Consultant. In no event shall the Consultant claim that the Consultant is or should be deemed to be an employee, partner, officer, agent, principal, member, director, representative, or shareholder of Chugach, including specifically for purposes of any Chugach employee benefit programs, income withholding taxes, social security or similar withholding taxes, or unemployment benefits under the law of any jurisdiction. The Consultant shall have no authority to bind Chugach in any capacity unless expressly authorized by Chugach in a separate writing.

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The Consultant shall not subcontract any Services or portion thereof without the prior written consent of Chugach, which consent may be withheld in Chugach's sole discretion. If any part of the Work is to be performed by a subcontractor, the terms and conditions of this Contract shall apply to such subcontractor. The Consultant shall administer its subcontracts so as to not delay the development of the Project or interfere with the work of other suppliers or contractors performing work on the Project. No approval of a subcontractor shall relieve the Consultant from any of its obligations or liabilities under this Contract and the Consultant shall assume responsibility to Chugach for the proper performance of the Services by any such subcontractor.

The Consultant shall ensure that each subcontract with its subcontractor performing the Services is assignable to Chugach without consent of the subcontractor or any other person or entity in the event that the Consultant is in breach of its obligations under this Contract or the Contract is terminated by Chugach (i) pursuant to Section 12 hereof or (ii) for any other reason (including, but not limited to, the Consultant's breach of this Contract).

As an independent contractor, the Consultant shall be obligated to pay, and assumes any and all liability for, all taxes based on or arising out of this Contract which may now or hereafter be imposed under the authority of any taxing jurisdiction. The Consultant hereby waives and releases and agrees to indemnify and hold harmless Chugach from any claim, liability, loss, damage or penalty arising from, relating to or connected with any such taxes. The Consultant shall further be responsible for securing, at its cost, such health, disability and life insurance as the Consultant deems advisable.

SECTION 7. <u>CHUGACH'S SATISFACTION</u>

Work performed by the Consultant under this Contract shall be to the satisfaction of Chugach. In all areas, Chugach shall be the sole judge as to whether Work is satisfactory.

SECTION 8. PERFORMANCE

The Consultant covenants to perform all Work hereunder in compliance with this Contract and all applicable law.

Consultant warrants that all Work performed will be of a professional caliber as Chugach has a right to expect, and will comply in all respects with applicable law, the requirements of the Contract Documents and the standard of care, skill and diligence generally accepted in the performance of such services and currently recognized and accepted by the applicable profession. Consultant, at its own expense and without additional compensation, shall promptly re-perform or correct any Work which fails to conform to aforesaid warranties in any respect.

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SECTION 9. USE OF THE CONSULTANT'S WORK

All reports, recommendations and any information furnished by the Consultant in connection with its performance hereunder shall be: (i) the property of Chugach and may be used by Chugach, as Chugach deems appropriate; and (ii) subject to the confidentiality and Work Product provisions of Section 10 hereof. Chugach reserves the right to have third parties review the Consultant's Work.

SECTION 10. PROPRIETARY AND CONFIDENTIAL DATA AND INFORMATION; OWNERSHIP OF WORK PRODUCT

All information and data, regardless of form, that is received from Chugach and/or prepared by the Consultant pursuant to this Contract are the property of Chugach and shall be treated as confidential by the Consultant and the CONSULTANT SHALL NOT DISCLOSE SUCH INFORMATION OR DATA TO OTHERS EXCEPT UPON EXPRESS WRITTEN APPROVAL OF CHUGACH. Without the prior written approval of Chugach, the Consultant shall not use for any purpose other than the performance of the Work contemplated by this Contract, information, including, but not limited to, designs, drawings, specifications, reports or other documents received by and/or prepared by the Consultant for the contracted effort, supplies and/or materials.

Directly or indirectly in connection with this Contract, the Consultant may develop, receive, or otherwise learn of certain trade secrets, technical or other information, processes, apparatus, technology or formulae relating to the business of Chugach ("Confidential Information"). The Consultant shall not disclose to any person or entity, or itself use, any Confidential Information except as necessary to perform the Work or as otherwise agreed to, in a writing signed by Chugach prior to such disclosure. In addition, the Consultant shall not disclose to any person or entity any records, evaluations, reports, data, drawings, drafts, calculations, test results and other documents developed pursuant to this Contract.

All reports, data, field notes, drafts, calculations, estimates, maps, drawings and other written documents or intellectual property prepared or developed by the Consultant in performance of its obligations hereunder ("Work Product"), and all copies thereof, shall be the property of Chugach and shall be turned over to Chugach at Chugach's request. All such Work Product must be prominently labeled by the Consultant as confidential. All documents, sketches, specifications, drawings, plans and other information pertaining to the business of Chugach or to the Work, and all copies thereof, provided to the Consultant for its information and use hereunder are the property of Chugach, and are not to be used on other work or projects of the Consultant.

Upon Chugach's request, but no later than Work completion, the Consultant will return to Chugach all documentation, Confidential Information and Work Product provided to the Consultant in connection with the Work or the Project, obtained by the Consultant in performing the Work, or otherwise disclosed by Chugach, and shall safeguard against disclosure to others all Work papers and other documents and materials in the Consultant's possession that include such information, except to the extent necessary to comply with the valid order of a governmental entity or court of competent jurisdiction; provided, however, that in such event, the Consultant

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shall promptly provide Chugach a copy of said order and shall not make any disclosure unless prior to thereto the Consultant seeks confidential treatment of the information or documents required to be disclosed.

The Consultant shall require all persons and entities involved in the performance of any aspect of the Work, including its employees, agents and any subcontractors it employs or contracts with, to be bound by a nondisclosure agreement encompassing the requirements of this Section 10.

The obligations of the Parties pursuant to this Section 10 shall survive the expiration or other termination of this Contract.

SECTION 11. REVISIONS TO THIS CONTRACT

Chugach shall have the right, in its sole discretion, to make any changes in or delete services from the Work described in this Contract, and may direct the Consultant to perform extra Work and the Consultant shall implement such changes and perform such extra Work when documented as an amendment to this Contract. Should any such change increase or decrease, or affect the amount or character of services required in this Contract, the Estimate shall be adjusted accordingly. The amount of increase or decrease, if any, in the affected Estimate shall be determined by agreement between the Consultant and Chugach; however, Work initiation shall not proceed until the agreement is documented as noted above.

Any revisions and amendments to this Contract (including, for the avoidance of doubt, any revision or amendment) shall be effected by an amendment to the Contract, executed by both Parties, increasing or decreasing the amount of, or making alterations in, the Work to be performed, and/or modifying any other terms as warranted, which amendment shall be furnished to the Consultant, and if accepted by the Consultant, shall be signed and returned to Chugach promptly. In the absence of such an amendment the Consultant shall have no claim for compensation in addition to the price agreed upon for any Work performed and no right to additional time for completion of the Work described in this Contract. In case of any such change, so much of the Contract as is not necessarily thereby changed shall remain in full force and effect and no act or conduct of either Party or any employee or employees or agent or agents thereof shall be held to operate as a waiver of any term, condition or provision of this Contract, unless made by proper authority and reduced to writing in the form of an amendment to this Contract as set forth in this Section 11. The provisions of this Section shall not be construed to in any way limit the right of Chugach to make any changes, which Chugach may deem desirable, as provided in this Section.

In case such change or alteration shall result in a decrease in the Work to be performed, no allowance shall be made to the Consultant for loss of anticipated profits, but if the Consultant, before receiving Chugach's notice of intention to make such a change, shall have incurred expenses which shall be rendered unnecessary by such change or alteration, an allowance shall be made therefor to the Consultant as shall be fair and reasonable. Acceptance by the Consultant of the final payment under this Contract shall constitute a waiver of all claims against Chugach in connection with the Contract.

SECTION 12. TERMINATION

Chugach shall have the absolute right to terminate the Contract (or any portion thereof) for any or no reason, in Chugach's sole and absolute discretion, in whole or in part, upon thirty (30) days written notice and payment to the Consultant for Services rendered up to the time of termination. Upon such notice of termination, the Consultant shall stop the performance of Work hereunder except as may be necessary to carry out such notice of termination, and take any other action toward termination of the Work, which Chugach may reasonably direct. Upon such termination, the obligations of the Parties to one another under this Contract or the portion thereof, which is terminated, shall cease, except for such obligations, which by their nature or the terms of this Contract, would survive such termination. The Consultant shall be paid on a pro rata basis for Work completed under this Contract through the effective date of termination, except as provided in Section 3.

If only a portion of the Work to be performed under the Contract is terminated by Chugach, the Consultant shall continue to perform all portions of the Work not terminated, and as to the portions of the Work not terminated, the Contract shall remain in full force and effect. In no event shall Chugach be liable to the Consultant for any anticipated profits on any portion of the Work terminated by Chugach, nor for any other sum except as set forth in this Contract. The remedies of the Consultant specified in this Contract shall constitute the exclusive remedies of the Consultant in the event of termination, in whole or in part, by Chugach under this Section 12.

SECTION 13. <u>SUSPENSION</u>

Chugach reserves the right to suspend Work under this Contract, in whole or in part, with or without cause. The Consultant shall resume Work so suspended when directed to do so by Chugach. If only a portion of the Work is suspended, Chugach will compensate the Consultant for those portions of the Contract effort performed by the Consultant not specifically suspended and/or canceled and for such effort as may be necessary to comply with a suspension directive. If Chugach requests the Consultant to perform other services during a period of suspension, those services shall be considered a change and shall be compensated as provided in Sections 2, 3, and 11.

SECTION 14. ACCOUNTING & RIGHT TO AUDIT

Chugach, or an independent certified public accountant designated by Chugach, shall have the right to audit, during the Consultant's normal working hours, the Consultant's accounts and records relating to costs incurred hereunder. The expense of such audit will be borne by Chugach.

SECTION 15. CHUGACH'S RIGHTS NOT WAIVED BY PAYMENT

No certificate given or payment made shall be considered as conclusive evidence of the satisfactory performance of the Consultant's obligations under this Contract in whole or in part, nor shall any certificate or payment be construed as acceptance of defective Work or as relieving the Consultant from its full responsibility under this Contract. Acceptance or acquiescence in a

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course of performance rendered under the Contract shall not be relevant to determine the meaning of the Contract and no waiver by a Party of any right under the Contract shall prejudice that Party's exercise of that right in the future.

SECTION 16. <u>INSURANCE</u>

Chugach reserves the right to require the Consultant to provide insurance in amounts and/or coverages determined necessary by Chugach in its sole discretion at any time during the term of this Contract.

SECTION 17. ASSIGNMENTS

Except insofar as this Contract specifically permits assignments, any assignments by the Consultant of its interest in any part of this Contract or any delegation of duties under this Contract without the express written consent of Chugach shall be void, and any attempt by the Consultant to assign any part of its interest or delegate duties under this Contract shall give Chugach the right immediately to terminate this Contract without any liability for Work performed. Chugach may assign its rights and obligations under this Contract, in whole or in part, to any other party without the consent of the Consultant.

SECTION 18. NOTICES AND CORRESPONDENCE

All notices required or provided for under this Contract, including, but not limited to, notice of termination, shall be in writing and shall be effective if delivered personally or sent by certified mail, return receipt requested, with postage prepaid, or by overnight carrier, telegram, or confirmed telex or facsimile addressed as follows:

If to Chugach:

When Mailed: Chugach Electric Association, Inc.

P.O. Box 196300

Anchorage, Alaska 99519-6300

Attn: Matthew Clarkson, Executive VP, General Counsel

When Personally Delivered or Sent via

Facsimile: Chugach Electric Association, Inc.

5601 Electron Drive

Anchorage, Alaska 99518

Attn: Matthew Clarkson, Executive VP General Counsel

Facsimile No.: (907) 762-4514

If to the Consultant

When Mailed: Susan E. Reeves

4001 Westwood Drive Anchorage, Alaska 99517

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Any notice sent by mail in the manner set forth above shall be deemed given and received seventy-two (72) hours after the date deposited in the United States mail. Any notice or communication given by personal delivery or sent by overnight carrier, telegram, telex, email or facsimile in the manner set forth above shall be deemed given upon receipt. Any Party hereto may change its notice address by giving notice to the other Party, in the manner set forth herein; provided, however, that no change of address notice shall be effective until received by the other Party.

SECTION 19. <u>VENUE, GOVERNING LAW AND JURISDICTION</u>

Venue for any arbitration or litigation under this Contract shall be Anchorage, Alaska. This designation of venue shall not be construed to modify the provisions of Section 21 (Arbitration and Disputes). Insofar as is necessary, the Parties hereby consent and submit to the jurisdiction of said courts or arbitrators. This Contract is made subject to and shall be governed and construed in accordance with the laws of the State of Alaska and the authority granted to the individual Parties thereunder. The prevailing Party in any arbitration or litigation concerning this Contract or any Work hereunder shall be entitled to costs and reasonable attorneys' fees in addition to any damages or relief granted.

SECTION 20. ARBITRATION AND DISPUTES

Chugach, at its sole discretion, shall have the right to require the Consultant to arbitrate any and all claims, disputes and other matters in question between Chugach and the Consultant arising out of or relating to this Contract or the breach thereof.

The Consultant agrees that, upon the written demand of Chugach based on a contention of a duty of the Consultant to indemnify Chugach or a claim for contribution, it will become a party to any arbitration or other proceeding involving Chugach and any third party. All arbitration under this Section 21 shall be conducted pursuant to the rules of the American Arbitration Association then in effect.

Notwithstanding the fact that a dispute may exist between Chugach and the Consultant regarding any matter relating to the performance of the Work, the Consultant shall nevertheless proceed when so directed by Chugach, with the Work during the pendency of such dispute in accordance with existing specifications and established schedules.

SECTION 21. PUBLIC ANNOUNCEMENT

The Consultant is to make no public announcement or release of information concerning the Work or this Contract until such release has been submitted to and approved in writing by Chugach, which approval may be withheld by Chugach in its sole discretion.

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SECTION 22. NATURE OF AGREEMENT

The Consultant and Chugach understand and agree that this Contract is not a commitment to provide Work, but an agreement on the terms, which will govern if Chugach provides Work to the Consultant. This Contract shall be binding and of full force and effect.

SECTION 23. HEADINGS

The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of the Contract between the Parties, nor should they be used to aid in any manner in the construction or interpretation of this Contract.

SECTION 24. EQUAL EMPLOYMENT OPPORTUNITY

The Consultant represents that it is in compliance with applicable laws, regulations, and orders with respect to equal employment opportunity and either has heretofore provided or will provide to Chugach the certifications and representations regarding equal employment opportunity that Chugach may require under such laws, regulations and orders.

SECTION 25. SEVERABILITY

If any provision of this Contract shall be finally adjudicated to be invalid or unenforceable, the remainder of the Contract shall be unaffected by such adjudication, and the remaining provisions of the Contract shall remain in full force and effect as if such provision so adjudicated to be invalid had not been included herein.

SECTION 26. <u>CONTRACT DOCUMENTS</u>

This Contract consists of the following: (i) the main body of the Contract, as amended from time to time; and (ii) all attachments, exhibits, addenda to the Contract, as amended from time to time. In case of conflict between items (i) and (ii) above, item (i) shall take precedence.

SECTION 27. NO THIRD PARTY BENEFICIARY

This Contract and all rights hereunder are intended for the sole benefit of the Parties hereto, and subject only to an assignment permitted by Section 18, if any, and shall not imply or create any rights on the part of, or obligations to, any other entity not a party to this Contract. No provision of the Contract is intended nor shall be construed to be for the benefit of any third party.

SECTION 28. SUCCESSORS IN INTEREST

Each and every clause and provisions herein contained shall be binding upon and inure to the benefit of the successors, heirs, and assigns of the Parties hereto and cannot be changed or terminated except by a written instrument subsequently executed by the Parties hereto.

SECTION 29. SURVIVAL

Notwithstanding any provisions herein to the contrary, the confidentiality and Work Products provisions set forth in Sections 9 and 10, Sections 20 and 21 and the indemnity obligations set forth herein shall survive (in full force and effect) the expiration or termination of this Contract and shall continue to apply to the Parties to this Contract even after termination of this Contract.

SECTION 30. WAIVER

The failure of either Party to insist, in any one (1) or more instances, on the performance of any of the obligations required by the other under the Contract shall not be construed as a waiver or relinquishment of such obligation or right with respect to future performance.

SECTION 31. COMPLIANCE

The Consultant shall comply with all applicable Municipal, State and Federal ordinances, statutes, rules and regulations pertaining to its Work. The Consultant shall also comply with any Chugach safety requirements in effect at the time of the Work. The Consultant shall obtain and maintain current for the duration of this Contract, all required Federal, State, and local licenses and permits. All associated fees and taxes shall be paid by the Consultant without additional cost to Chugach.

All subcontractors, vendors, and suppliers agree and certify that they shall comply with the non-discrimination requirements of all pertinent Federal laws, orders and regulations including but not limited to Executive orders 13201, 112461, and 112758, as amended, the regulations of 41 CFR Parts 60-1 through 60-80 and Parts 60-250 and 60-741. Section 2012 of the Vietnam Rehabilitation Act, PL93-508, and Section 503 of Handicapped Rehabilitation Act of 1973, PL-93-112, and the VETS-100 reporting requirement listed at 41CFR 61.250.10.

SECTION 32. ENTIRE AGREEMENT

The terms of this Contract and any provisions adopted by reference or otherwise incorporated into this Contract set forth the full intent of the Parties regarding the matters covered by this Contract. Neither Party is relying on or may rely on any written or oral collateral, prior, or contemporaneous agreements, assurances, representations or warranties not set forth in this Contract. No modifications of this Contract shall be implied in law or equity, nor may any part hereof be amended, supplemented, waived or modified without an instrument in writing signed by both Parties.

FOR:	CHUGACH ELECTRIC ASSOCIATION, INC.	
BY: _		DATE:
	Name: Bettina Chastain	
ITS: _	Board of Directors, Chair	
FOR:	SUSAN E. REEVES	
BY: _		DATE:
	Name: Susan E. Reeves	
ITS:	Title: Principal	