

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

June 23, 2021
Wednesday
4:00 p.m.

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Arden Quezon

I. CALL TO ORDER

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

A. Pledge of Allegiance

Chair Morse lead the Board in the Pledge of Allegiance.

B. Roll Call

Board Members Present:

Rachel Morse, Chair

Bettina Chastain, Vice Chair (*absent*)

James Henderson, Secretary

Harold Hollis, Treasurer

Sam Cason, Director

Mark Wiggin, Director

Erin Whitney, Director

Guests and Staff Attendance

Present:

Lee Thibert

Tyler Andrews

Julie Hasquet

Matthew Clarkson

Pete Smithson

Teresa Kurka

Sherri Highers

Sean Skaling

Jean Kornmuller

Arthur Miller

Kathy Harris

Barry Piser

Via Teleconference:

Connie Owens

Laurel Foster

Nabi Qureshi, Member

Danielle Bigelow

Crystal Enkvist, APA

Chair Morse and Julie Hasquet, Manager, Corporate Communications introduced Barry Piser, the new Communication and Creative Specialist.

C. Safety Minute

Tyler Andrews, Executive VP Employee Services and Communications discussed "Bear Safety."

II. APPROVAL OF AGENDA

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

III. PERSONS TO BE HEARD

None

IV. CONSENT AGENDA

- A. *Board Calendar*
- B. *Training and Conferences*
 - 1. *Alaska Power Association Annual Meeting (August 17-20, 2021, Homer, AK)*
- C. *Minutes*
 - 1. *May 26, 2021, Regular Board of Directors' Meeting (Abruzzino)*
- D. *Director Expenses*
- E. *BP 100 – Code of Ethics for Directors and Employees (Clarkson)*
- F. *BP 105 – Confidential Information (Clarkson)*
- G. *BP 107 – Representative Re: Jointly Operated Assets (Thibert/Clarkson)*
- H. *BP 201 – Open Meetings & Executive Sessions of the Board (Clarkson)*
- I. *BP 202 – Procedures for Board of Directors Meetings (Clarkson)*
- J. *BP 209 – Indemnification of Directors (Clarkson)*
- K. *BP 401 – Delegations of Authority from the Board of Directors (Clarkson)*

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

V. CEO REPORTS AND CORRESPONDENCE

- A. *April 2021 Financial Statements and Variance Report (Harris/Highers)*

Sherry Highers, Chief Financial Officer (CFO), Executive VP, Finance and Administration discussed the April 2021 Financial Statements and Variance Report and responded to questions from the Board.
- B. *2021 Annual Meeting Election Report (Kurka/Miller)*

Teresa Kurka, Director Member Services discussed the 2021 Annual Meeting Election Report. Teresa Kurka and Julie Hasquet, Manager, Corporate Communications responded to questions from the Board.
- C. *2nd Quarter 2021 Railbelt Bill Comparison (Skaling/Miller)*

Sean Skaling, Manager, Sustainability & Program Development and Arthur Miller, Executive VP, Regulatory & External Affairs discussed the 2nd Quarter 2021 Railbelt Bill Comparison and responded to questions from the Board.
- D. *Board Policy Scheduled Tasks/Reports (Board/Staff)*

Lee Thibert, Chief Executive Officer (CEO), discussed the Board Policy Scheduled Tasks/Reports and responded to questions from the Board.

VI. DIRECTOR REPORTS

A. Alaska Power Association (APA) Report

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

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

Lee Thibert, CEO and Director Henderson stated that ARCTEC has not met and there is nothing to report.

C. Renewable Energy Alaska Project (REAP) Report

Directors Whitney and Wiggin reported on the June 1 and June 15, 2021, REAP Public Policy Committee meetings.

Director Whitney requested to further discuss REAP in VIII. Executive Session. No objections were made.

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

Director Hollis reported on the May 19, 2021, Audit and Finance Committee meeting. He also informed the Board that the next Audit and Finance Committee meeting is scheduled for July 28, 2021.

Director Hollis reported that Operations Committee has not met since May and that the next Operations Committee meeting is scheduled for July 14, 2021.

Director Cason reported on the June 16, 2021, Governance Committee meeting and stated that the next Governance Committee meeting is scheduled for July 14, 2021, immediately following the Operations Committee meeting.

E. Other Meeting Reports

Director Whitney reported on attending a meeting with Chair Morse that was organized by Alaska Center and also attended by other utility stakeholders in regard to providing input to Lisa Murkowski's office about the Federal Infrastructure legislation.

VII. UNFINISHED BUSINESS

VIII. EXECUTIVE SESSION

A. 2022 Annual Meeting Planning

B. Renewable Energy Plan Quarterly Status Report

C. Amendment to Stipulation Resolving all Issues – ML&P Acquisition Docket (U-18-102/U-19-020/U-19-021)

D. Chugach-Hilcorp Gas Agreement

E. Chugach-Furie Gas Agreement

At 5:01 p.m., Director Cason moved and Director Henderson seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1) and (3) the Board of Directors' Audit and Finance

Committee 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 6:56 p.m.

IX. NEW BUSINESS

A. Update Bank Signature Cards (Harris/Highers)

Director Hollis moved and Director Cason seconded that the Board of Directors approve the attached resolution updating the bank signature cards based on the election of officers at its May 26, 2021, Regular Board of Directors' Meeting and changes in accounting management personnel. The motions passed unanimously.

B. Appointment of NRECA Voting Delegate and Alternate (Board)

Director Wiggin moved and Director Hollis seconded the motion that the Board of Directors appoint Chair Morse as the NRECA Voting Delegate and Director Chastain as the Voting Alternate. The motion passed unanimously.

C. Appointment of CFC Voting Delegate and Alternate (Board)

Director Cason moved and Director Henderson seconded the motion that the Board of Directors appoint Director Hollis as the CFC Voting Delegate and Director Henderson as the Voting Alternate. The motion passed unanimously.

D. 2020 Capital Credit Allocations (Kornmuller/Miller)

Director Cason moved and Director Wiggin seconded the motion that the Board of Directors approve the attached Resolution authorizing 2020 capital credit allocations in the amounts of \$4,491,699 to South District retail members, \$42,322 to Seward Electric System, and \$462,860 to North District retail members. The motion passed unanimously.

E. Authorizing Amendment of the Retirement Security (RS) Plan (Andrews/Thibert)

Director Wiggin moved and Director Cason seconded that the Board of Directors approve the attached resolution and authorize Lee Thibert, CEO, to execute all necessary documents and to take any and all further actions necessary to carry out the intentions of the Board as indicated in the attached resolution. The motion passed unanimously.

Lee Thibert, CEO and Tyler Andrews, Executive VP, Employee Services and Communications discussed Authorizing Amendment of the Retirement Security (RS) Plan and responded to questions from the Board.

F. Amendment to Stipulation Resolving all Issues – ML&P Acquisition Docket (U-18-102/U-19-020/U-19-021) (Miller/Clarkson)

Director Hollis moved and Director Cason seconded that the Board of Directors

approve the attached resolution authorizing the Chief Executive Officer to submit a petition to the Regulatory Commission of Alaska requesting approval to reduce annual expense amounts, to the extent needed, of the Secondary Regulatory Asset and/or the Eklutna PPA that would allow Chugach to achieve an MFI of 1.20 in December of 2021, 2022 and 2023. The motion passed unanimously.

G. Chugach-Hilcorp Gas Agreement (Fouts)

Director Cason moved and Director Wiggin seconded that the Board of Directors authorize the Chief Executive Officer to approve additional purchase orders under the amended Contract CEA-14 cumulatively in excess of \$1,000,000 net to the Association. The motion passed unanimously.

H. Chugach-Furie Gas Agreement (Fouts)

Director Wiggin moved and Director Cason seconded that the Board of Directors authorize the Chief Executive Officer to execute the Chugach-Furie Gas Sale and Purchase Agreement with an effective date of July 1, 2021, as discussed in Executive Session. The motion passed unanimously.

X. DIRECTOR COMMENTS

Director comments were made at this time.

XI. ADJOURNMENT

At 7:18 p.m., Director Hollis moved and Director Cason seconded the motion to adjourn. The motion passed unanimously.

/s/
James Henderson, Secretary
Date Approved: July 21, 2021