

Notice of the
2019
Chugach Electric Association, Inc.
Election
and
Annual Membership Meeting

**your cooperative,
your voice,
your choice...**

Vote

Tuesday, May 21, 2019
Dena'ina Civic & Convention Center
Registration opens at 5:30 p.m.
Meeting begins at 6:30 p.m.

This pamphlet contains:
voting information,
candidate information,
and a director attendance and voting record.



Annual Membership Meeting Agenda - May 21, 2019

5:30 p.m. Registration opens

5:30 - 6:15 p.m.

Music by Lulu Small

Education and information booths

6:30 p.m.

Call to order, Pledge of Allegiance, Welcome, Introduce Master of Ceremonies

Bettina Chastain, Board Chair

Announcements, and introductions

Steve MacDonald, Master of Ceremonies

Report of quorum

William Simpson, Master Election Judge

Proof of publication of the annual meeting, approval of the 2018 annual meeting minutes, unfinished business, and new business.

Steve MacDonald, Master of Ceremonies

Nominating Committee report

Steve Strait, Chair

Bylaws Committee report

Michael Powell, Chair

Candidate statements (2 minutes each)

Bettina Chastain

Harold Hollis

Mitchell Roth

Ron Stafford

Recess

Last chance to register and vote

Close of registration and voting

Meeting resumes

Board of Director's video

2018 In Review

Treasurer report

Rachel Morse, Treasurer

Board Chair report

Bettina Chastain, Board Chair

Chief Executive Officer report

Lee Thibert, Chief Executive Officer

Questions/comments

Report of voting results

William Simpson, Master Election Judge

Door prizes

Adjournment

2018 Annual Report

Chugach is using the Internet as the primary means to distribute the annual report (www.chugachelectric.com). Printed copies will be available May 21 at the annual meeting, in the Member Services lobby, by online request or by calling (907) 762-4177.

2019 Voting Information

Introduction

Chugach is more than a utility – it is a member-owned cooperative. As a cooperative, Chugach is guided by a seven-member board of directors elected by and from the membership. Directors are elected to staggered 4-year terms in conjunction with the annual meeting each spring.

Four candidates are running for the two available seats on the board in the 2019 election. This pamphlet contains voting instructions, information on each candidate, two proposed changes to the bylaws, and a director attendance and voting record.

You must be a member of Chugach by April 4, 2019 (date of record as set by the Board), to be eligible to vote in the 2019 election.

Chugach has moved to a paperless election. Please update your email with Chugach to receive important election materials and voting instructions. Paper ballots and election materials are available upon request.

Ways to vote

Electronic voting:

- An email will be sent to you with your voting instructions on April 20. If you don't see it, check your spam filter before contacting the elections contractor. ***Electronic voting will close at 4 p.m., Tuesday, May 21.***

Paper ballot voting:

- **By US Mail** in the postage-paid return envelope. ***Ballot envelopes must be received in the post office box by noon, Monday, May 20.***
- **In the secure drop box** at Chugach, 5601 Electron Drive or BDO USA, LLC at 3601 C Street, Suite 600. ***Ballot envelopes must be in secure drop box by noon, Monday, May 20.***

A ballot envelope must contain a member number and the appropriate signature for that membership.

In-person voting:

- **At the annual meeting.** Members registering at the annual meeting will be able to vote in-person if they have not already cast a valid ballot.

Need assistance?

If you need assistance with the voting process, contact the election contractor below.

Election contractor contact information:

BDO USA, LLC.
3601 C. Street, Suite 600
Anchorage, Alaska
Mon. - Fri. 8 a.m. to 5 p.m.
(907) 646-7394
(888)729-4679

Which ballot counts? If more than one vote is cast by a member, the one that is received first will count.

Voting is a membership right. Chugach is organized as a not-for-profit, member-owned cooperative. One of the rights of membership is the ability to vote for the board of directors that provides policy direction for your utility. Please report any evidence of improper voting by calling the election contractor.

Reminders

- ◆ Please make sure we have your email on file. Contact us at service@chugachelectric.com or call 762-4366.
- ◆ Add noreply@chugachelection.com to your approved sender list to make sure you receive important election communications.
- ◆ Only members may vote. Proxy and power of attorney voting is not allowed.
- ◆ Photo I.D. is required to register and vote at the Annual Meeting.
- ◆ If voting by mail or secure drop box, remember to sign the envelope.

2019 Voting Information

your cooperative,
your voice,
your choice...

Vote

You just might win...

Voting Incentive Prizes

All members voting in the election are eligible and need not be present to win.

\$500 Travel certificates
(2 winners)



\$100 Chugach Gift of Light certificates
(3 winners)

Vote early to win

Members who cast an electronic ballot by noon each Friday are eligible. Drawings will be held each Friday of the election season (April 26, May 3, 10, and 17). Cast your vote the first week and if you don't win, your name is carried over to the next week's drawing.

April 26
**DEWALT 18/20V MAX* WET/
DRY HEPA VACUUM TOOL**



May 3
**DEWALT 12V/18V/20V/115V
COMPACT JOBSITE RADIO**



May 10
LEAF BLOWER KIT



May 17
**FLEXVOLT 60V B/L
STRING TRIMMER KIT**



2019 Candidate Statements

The following refers to the candidate statements which start on page 5.

Candidate Statements

The candidates are solely responsible for the content of their statements. Publication of the candidates' statements does not imply endorsement by Chugach Electric Association, Inc. of any candidate or specific group. For candidates referencing endorsements by a specific group, Chugach policy requires candidates to maintain on file in the Corporate Communications office, the name of the chairman or president, title, and the address and telephone number at which the group may be contacted.

Article III, Section 9 of the Chugach Bylaws calls for candidate statements to specify whether the candidate is:

(i) A member, officer, director or employee of any union local currently acting as a bargaining agent for Association employees.

(ii) A person who has within the last two years had a financial interest in a bid, proposal, project or contract with Chugach.

(iii) A spouse, child, brother, sister, parent, stepparent, stepchild or stepsibling of: a) any person included in subparagraph (i) or (ii) above or b) an employee of the Association.

(iv) A person running as an authorized representative of a non-natural entity in accordance with Article IV, Section 3(b).

Candidates' responses to these requirements are noted in the area marked "Declarations."

2019 Candidates

Note: Candidate statements must comply with certain standards. See page 4 for more information.

Bettina Chastain, P.E.

Service area: Girdwood
Member for: 26 years
Occupation: Executive/Engineering Consultant
Employer: Self employed
Education: B.S. Chemical Engineering, University of Arizona; Credentialed Cooperative Director (CCD); Board Leadership Certificate, NRECA
Nominated by: Nominating Committee
Incumbent: Yes
Declarations: None



Candidate Statement

It has been a privilege to serve on the Chugach Electric Board of Directors for the past 4 years. If I am re-elected, I pledge to continue to work hard for the members of the Association with a focus on the following objectives:

- Maintaining low rates;
- Provide safe and reliable power through investment in diverse energy sources; and
- Help guide the long-term strategy for the Association to make cost-effective investments for the future.

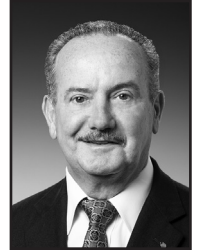
I have served in various leadership capacities on the Board including Secretary, Vice Chair, Chair of the Operations Committee, and most recently as the Board Chair for the past 18 months. Serving in these capacities I have a very strong understanding of the ongoing operations and prospective project undertakings of the cooperative. I believe that by continuing to bring strong technical and management expertise to the organization, I can provide practical solutions for the challenges that lay ahead.

I am committed to helping lead Chugach Electric through the approval and integration process with ML&P in order to build a much stronger utility to serve the Anchorage community.

I would appreciate your vote and it would be an honor to continue to serve you, our members.

Harold L. Hollis

Service area: South Anchorage/ Bayshore
Member for: 9 years
Occupation: Vice President - Construction & Engineering
Employer: NANA Development Corp.
Education: B.S. Civil Engineering Oregon State University, Arctic Engineering University of Alaska Anchorage, LEED Accredited Professional; Credentialed Cooperative Director (CCD)
Nominated by: Nominating Committee
Incumbent: Yes
Declarations: None



Candidate Statement

This is a transformational time for Chugach. Finalizing the acquisition and integration of ML&P will be a historic event in Anchorage's development. It will enhance our ability to continue to support our members and our community with reliable, affordable, and sustainable power. I was honored to be appointed to the board in July 2018. I ask for your support to continue serving.

As an Anchorage resident since 1982, I have over 35 years of successful business experience in Alaska. My technical background and management experience allow me to view challenges from an objective and impartial perspective. I understand the importance of giving back to our community and benefiting future generations with the same opportunities my family and I have been so fortunate to have.

My personal commitment is:

- Always putting the best interest of our members first and foremost
- Providing reliable, low cost electricity to our customers
- Promoting a culture of safety that protects our employees
- Working with the Railbelt utilities towards efficiencies to lower costs
- Supporting a mixed power generation portfolio, including renewables

It will be an honor to continue to represent you and I would appreciate your vote. Thank you.

2019 Candidates

Note: Candidate statements must comply with certain standards. See page 4 for more information.

Mitchell Roth

Service area: Girdwood
Member for: 9 years
Occupation: Retired Professor of
Computer Science
Education: Ph.D. Computer Science
University of Illinois,
M.S. Computer Science
Michigan State Univer-
sity, B.S. Mathematics
Michigan, State Univer-
sity
Nominated by: Nominating Committee
Incumbent: No
Declarations: None



Candidate Statement

The Chugach Electric Association is a member-owned cooperative whose Board of Directors determine the policies for how your electricity is generated and priced. The Directors represent you. Your vote is important.

What I am hearing from members is a desire for lower electric rates and a greater proportion of renewable energy production. As professor of computer science and scientific director of the Arctic Region Supercomputing Center at the University of Alaska, I was involved in both environmental and energy research, becoming intimately familiar with the deep connections between energy production and its effects on the global environment.

It is clear that the only way to achieve lower rates and lower emissions is to eliminate fuel from the generation process. This is accomplished by producing and storing energy from 100% renewable sources. I will bring this perspective to the Chugach Electric Association.

To learn more or leave comments, please visit chugachgreenenergy.org. My candidacy is endorsed by the Alaska Climate Action Network, akclimateaction.org. I respectfully ask for your vote so that your voice will be heard on the Board.

Ron Stafford

Service area: Mid Hillside
Member for: 7 years
Occupation: Consultant
Employer: Stafford Consultants,
LLC.
Education: Ph.D. Education, Ph.D.
Business Administration,
Rocklands University
Nominated by: Petition
Incumbent: No
Declarations: None



Candidate Statement

I need your vote in the election. I was born in Kansas City, Missouri, moved to Arizona for 10 years, then moved to Alaska in 2013.

I want to ensure that Chugach Electric provides us with reliable and economical electricity.

In looking to the future, I want to see Chugach Electric expand its use of renewable, ecologically responsible electricity, at economical rates. I want to make sure that Chugach Electric looks to the future of electric cars in Alaska. We need to set economical rates, in the off-hours, to re-charge these electric cars. More manufacturers are making electric cars every year, and the costs of these cars is coming down all the time.

The most important thing for Chugach Electric is to provide its customers with reliable, economic electricity, that is friendly to our ecological problems. Help me to make sure this is the direction we take with our organization in the future.

Please vote for me in the upcoming election. Thank you for your participation.

2019 Proposed Amendments to the Bylaws

Introduction

Two proposed amendments to the Bylaws are presented in this section. The proposed changes are introduced with a title contained within a box. The titles are the same as those used on your ballot. The existing language proposed to be deleted is in ~~[brackets and struck through like this]~~. Proposed language to be added is in **bold typeface and underlined like this**.

Board Qualifications

Amend the Bylaws as follows:

Board of Directors and Bylaws Committee recommendation:

It is problematic to require affirmation regarding a member's permanent residence intentions. The future is unknown. Plans and circumstances change. Yet the Bylaws, as written, require a member to affirm that they intend to reside within the service territory permanently. If a member plans to live at their primary residence within the service territory indefinitely, i.e., they have no plans on moving elsewhere, that should suffice.

Likewise, requiring a member to state it is their unequivocal intention to remain at a certain residence permanently is unrealistic.

As revised, this proposal still requires that a member affirm they currently live at their primary residence in the area served by the Association and that it is their intention, as evidenced by their acts, words and circumstances to remain there indefinitely.

Your Board of Directors and the Bylaws Committee recommends a "Yes" vote on this proposed Bylaw amendment.

ARTICLE IV
DIRECTORS

SECTION 3. Qualifications. (a) A person shall be eligible to serve as a director, who:

1) Has been a member and bona fide resident in the area served by the Association for 12 continuous months before appointment to the board, or the notice of the election;

...

7) Maintains i) his or her membership and ii) bona fide residency in the area served by the Association throughout his or her term of office; and

...

(e) "Bona fide resident" is hereby defined to mean: 1) a person whose primary residence is in the area served by the Association, and who actually lives at this primary residence with the intention to remain there ~~[permanently or]~~ indefinitely and 2) a non-natural entity who chooses as their authorized representative a person who is a "bona fide resident" as defined in 1).

"Primary residence" shall mean the residence that is the chief or main residence of the person and where the person actually lives for the most substantial portion of the year. "Intention" shall ~~[mean the unequivocal intention of the person as]~~ **be** evidenced by that person's acts and words and by the circumstances.

2019 Proposed Amendments to the Bylaws

Director Compensation

Board of Directors and Bylaws Committee recommendation:

An informed and well-trained director is invaluable to the Association and its members. Directors should be encouraged to attend relevant conferences and educational seminar opportunities to improve their skills and knowledge in matters relevant to current issues they routinely consider as a member of the board.

This proposal includes edits for clarity, to more closely follow state cooperative statutes, and would allow a director to be compensated an additional 20 days within a calendar year for attending conferences and educational seminars when representing the Association in an official capacity. If all members of the board were to participate in the training, the average monthly residential customer bill would increase by approximately 2.7 cents.

Your Board of Directors and the Bylaws Committee recommends a “Yes” vote on this proposed Bylaw amendment.

Amend the Bylaws as follows:

ARTICLE IV DIRECTORS

SECTION 9. Compensation. ~~[(a)]~~ Directors shall not receive any salary for their services as directors and~~[,]~~ except in emergencies, may not receive salaries for their services in any other capacity without the approval of Association members. The Association may not provide health insurance for directors or insurance for risks except those incurred in their capacity as directors. ~~[that, by]~~ **By** resolution of the board of directors, directors may be allowed a fixed fee

and expenses of attendance, if any, ~~[may be allowed]~~ for each day of attendance at each meeting of the board of directors, or a meeting of a committee thereof, or when a director is otherwise representing the Association in an official capacity and for each day of necessary travel in connection therewith ~~[with any such meeting]~~. No attendance other than regular or special board or committee meetings shall be reimbursed unless authorized by a majority vote of the board. A director may not be compensated for more than two regular board meetings per month, and an additional 12 special board meetings per year. The total compensated meetings shall not exceed 70 meetings per year for a director, and 85 meetings per year for the chair~~[man]~~ of the board. In addition, a director may be compensated for up to 20 days of attendance per year at conferences or educational seminars where the director is representing the Association in an official capacity. Directors' expense reimbursement requests shall be reviewed and approved by the majority vote of the board. Any change to the amount of compensation that the board receives ~~[for meetings]~~ shall be published in the annual meeting election materials. ~~[The Association may not provide health insurance for directors or insurance for risks except those incurred in their capacity as directors.]~~

~~(b) Directors' expense reimbursement requests shall be reviewed and approved by the majority vote of the board. Directors may not receive salaries for their services as directors, and, except in emergencies, shall not receive salaries for their services in any other capacity without the approval of the members.]~~

2018 Board of Directors Voting and Attendance Record

Meeting Date	Meetings	Directors						
		C H A S T A I N	C O O P E R	C R A W F O R D	H E N D E R S O N	M O R S E	P A R K S	R E E V E S
	<u>Attendance Codes:</u> a = absent p = present e = excused t = attended via telephone - = attendance not required <u>Voting Codes:</u> y = yes n = no b = abstained m = not present at time of vote tb = telephone approved Association Business							
1/22/18	Special Board Meeting II. Approval of the Agenda VII. Executive Session – to go into Executive Session VIII.A. Transition Agreement Resolution X. Adjournment	p u u u u	t/p	p	p	p	p	t
1/24/18	Regular Board Meeting II. Approval of the Agenda III.A. Executive Session – to go into Executive Session IV.A. Election of New Officers - Chair - Bettina Chastain - Jim Henderson The result of the vote: Bettina Chastain was elected Chair of the Board by 4 to 2 votes - Vice Chair - Susan Reeves - Jim Henderson The result of the vote: Susan Reeves was elected Vice Chair of the Board by 5 to 2 votes VI. Consent Agenda X.A. Project Authorization for International Substation Retirement (INSS) X.B. Appointment of ARCTEC Member, Management, and Alternate Representatives X.C. Appointment of 2018 CFC Voting Delegate and Alternate XI. Executive Session – to go into Executive Session XIII. Adjournment	p u u y y u u u u u	p y y u	p y y u	p y y u	p b y y	p y y u	p y y u
2/20/18	Regular Board Meeting II. Approval of the Agenda IV. Consent Agenda VIII.A. Appointment of Nominating Committee Members VIII.B. Approval of 2018 Date of Record VIII.C. Approval of 2018 Master Election Judge VIII.D. 2018 Election Procedures VIII.E. Simplified Rate Filing (SRF) December 2017 Test Year VIII.F. 115 kV Rebuild – Hope to Summit Project Authorization – amended resolution IX. Executive Session – to go into Executive Session XI. Adjournment	p u u u u u u u u u u	t	p m m m m m m	p	p	p	t
3/19/18	Audit and Finance Committee Meeting	p	p	p	p	p	p	t
3/19/18	Special Board Meeting II. Approval of the Agenda VIII.A. Accept the 2017 Independent Audited Financial Statements VIII.B. December 31, 2017, SEC Form 10K Filing VIII.C. Pre-Approval for FY2018 Audit Services XI. Adjournment	p u u u u	p	p	p	p	p	t
3/28/18	Regular Board Meeting II. Approval of the Agenda IV. Consent Agenda – as amended VIII.A. Bylaws Committee Ballot Proposals 1. Eligible Voters (Article III, Section 6) 2. Board Meeting Notices (Article V, Section I) IX. Executive Session – to go into Executive Session XI. Adjournment	p u u u u u u	p	p	p	t/p m m	p	p

2018 Board of Directors Voting and Attendance Record

Meeting Date	Meetings	Directors							
	<u>Attendance Codes:</u> a = absent p = present e = excused t = attended via telephone - = attendance not required	<u>Voting Codes:</u> y = yes n = no b = abstained m = not present at time of vote tb = telephone approved Association Business	C H A S T A I N	C O O P E R	C R A W F O R D	H E N D E R S O N	M O R S E	P A R K S	R E V E S
4/18/18	Regular Board Meeting II. Approval of the Agenda IV. Consent Agenda – as amended IX. Executive Session – to go into Executive Session XI. Adjournment		p u u u u	p	t	p m m m	t/p b b b	p	e
4/25/18	Regular Board Meeting II. Approval of the Agenda IV. Consent Agenda VIII.A. DeBarr Substation Rebuild – Electric Power Constructors, Inc. Change Order IX. Executive Session – to go into Executive Session X.A. 2018 CEO Evaluation, Performance Matrix and Compensation – as amended XII. Adjournment		p u u u u u u	p m	p	p	p	p	p
4/26/18	Chugach Candidate Forum		p	p	p	p	p	-	p
5/7/18	Audit and Finance Committee Meeting		p	p	p	p	p	p	t
5/7/18	Regular Board Meeting II. Approval of the Agenda – as amended IV. Consent Agenda Motion to waive the 7-day rule notice requirement VIII.A. Employees 401K Plan Audit Services IX. Executive Session – to go into Executive Session XI. Adjournment		p u u u u u	p	p	p	p	p	t
5/21/18	Special Board Meeting II. Approval of the Agenda – as amended IX. Executive Session – to go into Executive Session X.A. Waive the Seven-Day Rule Requirement X.B. Director Cooper's Qualification to serve on the Chugach Electric Association Board of Directors – motion passed with 4 votes X.C. Waive the Seven-Day Rule Requirement X.D. Director Chastain's Qualification to serve on the Chugach Electric Association Board of Directors – motion failed with 4 votes XII. Adjournment XIII. Rescind the Adjournment XIV. Adjournment		p u u b b b u u u	p b b	p u y u n	t m m m	p y n	p y n	p y n
5/22/18	Annual Membership Meeting (meeting minutes have not been approved)		p	p	p	p	p	p	p
5/22/18	Regular Board Meeting III. Approval of the Agenda V. Adjournment		p u u	p	p	a	p	p	p

2018 Board of Directors Voting and Attendance Record

Meeting Date	Meetings	Directors						
		C H A S T A I N	C R A W F O R D	H E N D E R S O N	M O R S E	P A R K S	R E V E S	V A C A N T
	<u>Attendance Codes:</u> a = absent p = present e = excused t = attended via telephone - = attendance not required	<u>Voting Codes:</u> y = yes n = no b = abstained m = not present at time of vote tb = telephone approved Association Business						
5/24/18	Operations Committee Meeting	p	p	t	p	p	p	
6/25/18	Operations Committee Meeting	p	p	t	tb	p	p	
6/27/18	Regular Board Meeting II. Approval of the Agenda IV. Consent Agenda VIII.A. 2017 Capital Credit Allocations IX. Executive Session – to go into Executive Session X.A. ML&P – Approval of the Integration Consulting Agreement X.B. ML&P – Authorization to Negotiate Asset Purchase Agreement for Potential Acquisition as amended X.C. ML&P – Schedule for the Negotiation of Asset Purchase Agreement for Potential Acquisition as amended X.E. Director Vacancy Chair Chastain requested that the Board return to Executive Session – no objections were made Executive Session – to go into Executive Session XII. Adjournment	p u u u u u u u u u u u	t t	tb tb	p p	p p		
7/11/18	Audit and Finance Committee Meeting	p	p	p	p	p	p	
7/12/18	Special Board Meeting II. Approval of the Agenda VIII. Executive Session – to go into Executive Session X. Adjournment	p u u u	p	p	p	p	p	
7/23/18	Operations Committee Meeting	p	p	t	-	p	p	
7/25/18	Audit and Finance Committee Meeting	p	p	p	p	p	e	
7/25/18	Regular Board Meeting II. Approval of the Agenda – as amended IV. Consent Agenda VIII.A. ML&P – Financing for Potential Acquisition IX. Executive Session – to go into Executive Session X.A. 2018 CEO Performance Scorecard and Project Specific Initiatives X.B. Appointment of New Board Member - Harold Hollis - Matt Moore The result of the vote: Pursuant to Board Policy 603 and Article IV, Section 8 of Chugach's bylaws, the Board of Directors' appointed Harold Hollis, effective July 25, 2018, to fill the vacancy on the Chugach Board. XII. Adjournment	p u u u u u u u y n u	p p m m n y	p p y n	p p y n	e e		

