

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE
MEETING MINUTES

March 4, 2009

Committee Members in Attendance: Jim Nordlund, Chair
Alex Gimarc
Janet Reiser
Rebecca Logan
Elizabeth Vazquez

Other Directors Present: Jeff Lipscomb

Guests in Attendance: Lorali Carter, (MEA)
Jim Posey, (ML&P)
Jim Patras, (HEA)
Louann Cutler, (K&L Gates)
Leah Williams (RDI)

Staff in Attendance:

Bradley Evans	Mike Cunningham	Dave Smith
Tyler Andrews	Connie Owens	Phil Steyer
Bill Bernier	Paul Risse	Lee Thibert

Recording Secretary: DeAnna Scott, Executive Assistant

I. CONVENE MEETING

Chair Nordlund convened the Operations Committee meeting at 5:37 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

II. EXECUTIVE SESSION

None.

III. APPROVAL OF AGENDA

Director Logan moved and Director Reiser seconded the motion to approve the Agenda. The motion passed unanimously.

IV. APPROVAL OF MINUTES

a. February 4, 2009

Director Gimarc moved and Director Logan seconded the motion to approve the February 4, 2009 meeting minutes. The motion passed unanimously.

V. CUSTOMER COMMENTS

a. *Wholesale Customer Comments – None.*

b. *Retail Customer Comments – None.*

VI. Changes to 125 Plan in Support of Wellness Program

Director Logan moved and Director Reiser seconded the motion that the Operations Committee recommends the Board of Directors approve the board resolution to adopt NRECA's 125 Plan effective April 1, 2009. The motion passed unanimously.

VII. Board Policy 128 - Confidentiality

Director Reiser moved and Director Reiser seconded the motion that the Operations Committee recommend the Board of Directors to approve the revised Board Policy 128, Confidentiality, as amended. The motion passed unanimously. *(Director Vazquez departed at 6:55 p.m. and was not present for the vote.)*

VIII. Board Policy 120 – Request for Association Information

Director Logan moved and Director Reiser seconded the motion that the Operations Committee recommend the Board of Directors approve the revised Board Policy 120, Request for Association Information, as amended. The motion passed unanimously. *(Director Vazquez was not present for the vote.)*

IX. Verbal Update – Communications Plan

Dave Smith, Sr. V.P., Administration and Lee Thibert, Sr. V.P., Strategic Planning & Corporate Affairs, gave a verbal update on the Communications Plan and responded to questions from the Committee.

Director Vazquez returned to the meeting at 7:41 p.m.

X. Verbal Update – Safety & Training Program

Dave Smith, Sr. V.P., Administration, gave a verbal update on the Safety & Training Program and responded to questions from the Committee.

XI. Discussion – Memorandum of Understanding (MOU) with ANGDA

Bradley Evans, CEO stated that although he thought the Memorandum of Understanding (MOU) with ANGDA might be premature, he felt it was something Chugach needs to pay attention to. Mr. Evans noted there would probably be changes. He also stated he was not requesting action from the Committee, as of yet, but wanted the Committee to review.

XII. Correspondence - None

XIII. Director Comments

Director Logan: “You know I just want to remind people of the Candidates Forum on March 19th and I would encourage you to encourage people to come and it would be great if we had a good turnout there. And, if you guys don’t mind, I will write a letter to the editor encouraging people to come out saying that the Board would really want to see people there and let people know about it. I know we are advertising it in other different ways but, make sure we get a good turnout. That’s my whole comment.”

Director Reiser: “No, I think we’re making some really good steps forward in some areas that needs some attention that have been like on the front page of our like safety, communication and in some of these other areas. I’m really pleased to see all of that. We’re putting a lot of good effort into it. Thank you.”

Director Vazquez: “No comments.”

Director Gimarc: “I wanted to congratulate Dave Smith and the other folks associated with the Communications Plan on a superb job expanding the message to Chugach membership and different demographics and ...*unintelligible*... the other media is a great idea. Congratulations to everybody involved in its coolness. I wanted to thank members of the Board and Louisiana and Dave Smith for all of the work and support regarding Board Policies 128 and 120 in release of confidential material. It is very difficult and very painful to implement this sort of program from nothing but it’s the cost of doing business as demonstrated by this and the decrease in the flow of that stuff over last year. The existence of the program has scared folks off. If nothing else, that’s discipline. ...*Unintelligible*... Good work this last month, congratulations, keep it up.”

Director Lipscomb: “Thank you for the effort on safety and I didn’t see the presentation but I heard it on the Communications Plan; I think that’s great.

Chair Nordlund: “My comments are based on issues particular to me tonight as well. I also appreciate the progress that is being made, done on both on the Company issues that relate to confidentiality and release of information. It’s a sticky problem but I think we are making progress; and it’s starting to come more adhesive and I appreciate that. Director Gimarc, I want to thank you for taking the leadership on that and I think we’re developing a good product here. And an also, the Communication Plan looks good with all those bells and whistles; and, I definitely believe we’re moving in the direction I’d like to see; and, progress on the training, the safety training, as well is good to do what we can to bring down our safety incidents, accident factors. That’s good and with that we will entertain a motion to go into Executive Session.”

Director Vazquez: Mr. Chair, I do have a comment, I apologize. This March 2009 Outlet, this is the first time I’ve seen it, it was in the packet, I haven’t gotten it in the mail yet. I find it very interesting that we have very little space dedicated to the Annual Meeting activity. Frankly, it’s off to the, down there you know the Annual Meeting; the annual election is certainly a very important event around here. And, to be placed kind of down in the corner, you know, I mean it ought to be frankly, center stage; it’s March, not January it’s not December. So, I was rather surprised so that’s my two pennies. I think that when you have an Annual Meeting coming up in April that your March and April Outlet it ought to give it prominence. I could see the lead story being “*Chugach Files Lower Rates 5.1%*” but, I could see down below the next

story being “*Annual Meeting Countdown.*” Chair Nordlund: “*So, I think that’s a point well taken. There is going to be another outlet before the Annual Meeting.*” Director Vazquez: “*But it’s right before the Annual Meeting; it’s not preparing our Co-op members.*”

XVI. Executive Session

At 7:56 p.m., Director Gimarc moved and Director Logan seconded the motion that pursuant to Alaska Statute 10.25.175 (c) (1) (2) and (3) the Operations Committee go into executive session 1) to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative as it relates to state legislation affecting Chugach and gas and power sales agreement updates; 2) to discuss subjects that tend to prejudice the reputation or character of a person as it relates to the CEO evaluation and setting CEO goals; and 3) to discuss matters with its attorneys, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative as it relates to the potential release of confidential documents.

The matters to be discussed include:

- A. Confidential Document Storage & Rolling Release
- B. Update on a Firm Power Sales Agreement with Golden Valley
- C. Update on the status of Gas Negotiations
- D. Legislative update on the Unified Power Provider legislation, and
- E. A process for the CEO Evaluation and Goal Setting

The Board came out of Executive Session at 9:01 p.m. and reconvened in open session.

XVII. Adjourn

Director Logan moved and Director Reiser seconded the motion to adjourn. The meeting adjourned at 9:02 p.m.