

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE
MEETING MINUTES

July 9, 2008

Committee Members in Attendance: Jim Nordlund, Chairman
Alex Gimarc
Rebecca Logan
Janet Reiser (attended telephonically)

Other Directors Present: Jeff Lipscomb
Elizabeth Vazquez

Guests in Attendance: Bruce Scott (MEA)
Jim Posey (ML&P)
Jim Jorges (CIRI)
Steve Gilbert (enXco)
Ethan Schutt (CIRI)
Fred Boness, (Municipality of Anchorage)
Fred Valdez (Renewable Energy Committee)
Sean Skaling (Renewable Energy Committee)

Staff in Attendance:

Bradley Evans	Ed Jenkin	Tom Schulman
Tyler Andrews	Teresa Kurka	Phil Steyer
Bill Bernier	Arthur Miller	Lee Thibert
Mike Cunningham	Connie Owens	Ron Vecera
Rick Freymiller	Paul Risse	Burke Wick
Kathy Harris	Jean Sauget	Jody Wolfe

Recording Secretary: DeAnna Scott, Executive Assistant

I. CONVENE MEETING

Chairman Nordlund convened the Operations Committee meeting at 6:37 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 Riser seconded the motion to approve the agenda. Chairman Nordlund stated that Agenda Item VIII. – Approval of the

Participation & Operations and Maintenance Agreement for the South Central Alaska Power Project; there was going to be discussion on this item, however, Chairman Nordlund stated that he would ask that it be tabled for action after the Executive Session. Chairman Nordlund asked if there were any objections, none were made by the Committee, Agenda was approved.

IV. APPROVAL OF MINUTES

a. June 11, 2008

Director Gimarc moved and Director Logan seconded the motion to approve the Operations Committee Meeting minutes of June 11, 2008. No objections were noted, the minutes were approved.

(The Committee proceeded to Agenda Item V.b.)

V. CUSTOMER COMMENTS

a. Wholesale Customer Comments

Bruce Scott, Director of Technology for MEA introduced himself to the Committee.

(Agenda Item IV.A. Approval of Minutes was done at this time.)

b. Retail Customer Comments

None.

VI. Presentation – Renewable Energy Committee Board Policy (*Renewable Energy Committee*)

Fred Valdez and Sean Skaling, Renewable Energy Committee gave a presentation and answered questions from the Committee. Director Logan moved and Director Gimarc seconded the motion to postpone this topic until the next Operations Committee. No objections from the committee were noted. Motion passed.

VII. Presentation on Fire Island (*Wind Energy Alaska*)

Steve Gilbert, enXco, and Ethan Schutt, CIRI, gave a presentation and answered questions from the Committee.

Director Reiser was disconnected at 7:11 p.m. and reconnected at 7:20 p.m.

VIII. Participation & Operations and Maintenance Agreements – South Central Alaska Power Project.

Paul Risse, Acting Sr. V.P., Power Supply Division, discussed the Participation & Operations and Maintenance Agreements for the South Central Alaska Power Project (SCAPP) and answered questions from the Committee.

Director Gimarc moved and Director Logan seconded the motion to postpone the vote on the proposed motion for Agenda Item VIII. Participation Agreement for SCAPP for right after we come out of Executive Session. The motion passed unanimously.

*Director Logan moved and Director Gimarc seconded the motion that the Operations Committee recommend that the Board of Directors approve the attached resolution authorizing the Interim Chief Executive Office to sign the South Central Alaska Power Project Participation Agreement and Operations and Maintenance Agreement with ML&P as well as the Land Lease and to proceed to procure the gas turbines for the Project. The motion passed unanimously.

IX. NRECA Retirement Security Plan

Tyler Andrews, Vice President, Human Relations discussed the NRECA Retirement Security Plan and answered questions from the Committee.

Director Logan moved and Director Gimarc seconded the motion that the Operations Committee recommend the Board of Directors approve the attached Resolution allowing Chugach to continue to participate in the NRECA Retirement Security Plan, for non-represented employees. The motion passed unanimously.

X. Appoint NRECA Voting Delegate & Alternate

Director Logan moved and Director Gimarc seconded the motion that the Operations Committee recommend to the Board of Directors that Jim Nordlund be appointed as the NRECA Voting Delegate and Jeff Lipscomb as the NRECA Voting Alternate. The motion passed unanimously.

XI. Executive Session Recordings

Director Logan moved and Director Nordlund seconded the motion that the Operations Committee recommend to the Board of Directors that the recording of executive sessions of regular and special Board meetings and Board committee meetings cease immediately and all existing executive session recordings of regular and special Board meetings and Board committee meetings, except those in which there was discussion concerning an issue that is subject to a litigation hold, be destroyed.

After a lengthy discussion, the Committee took an at-ease at 7:59 p.m. and was back in session at 8:02 p.m. More discussion followed.

Chairman Nordlund called for the vote with Chairman Nordlund and Director Reiser voting yes and Directors Gimarc and Logan voting no. Motion failed.

XII. Update Blue Ribbon Panel Report

Director Logan stated that the confidential document that is in the packet was a summary prepared by staff for the Committee to review in relation to the Blue Ribbon Panel. No action is required.

XIII. Board Attorney Discussion

Director Logan stated that Gordon Tans is no longer the Board Attorney and wanted to have discussion with the Operations Committee on how to proceed for future legal counsel. After discussion, Director Vazquez was asked to head up this topic and she recommended that it be discussed in Executive Session at the July 30th Board meeting.

XIV. Review of Proposed Changed to Nominating Committee

Director Logan discussed briefly the Proposed Changes to the Nominating Committee and stated by the August Operations Committee meeting there will be a motion with documents to put that process in place.

XV. Executive Session

At 8:14 p.m., Director Gimarc moved and Director Logan seconded the motion that pursuant to Alaska Statute 10.25.175(c) (1) and (2) 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; and 2) to discuss subjects that ten to prejudice the reputation and character of a person, however, the person may request a public discussion. The matters to be discussed are: 1) Update on HR Strategic Plan to include Wage and Salary Market Survey and NRECA Benefit Renewal; 2) Discussion with Fred Boness regarding Joint Operations with ML&P; 3) REGA Study/State Energy Issues; 4) Chief Executive Officer Job Description and Goals; and 5) CEO Selection. The motion passed unanimously.

The Committee five minute recessed and went into executive session at 8:19 p.m.

Director Vazquez departed at 10:51 p.m.

The Committee resumed from executive session at 10:54 p.m.

**Agenda Item VIII. Participation & Operations and Maintenance Agreements – South Central Alaska Power Project- was addressed at this time.*

XVI. Adjourn

Director Gimarc moved and Director Logan seconded the motion to adjourn. The meeting adjourned at 10:56 p.m.