

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

April 22, 2009

BOARD OF DIRECTORS
MEETING MINUTES

The following board members were present:

Rebecca Logan – Chairman
Jim Nordlund – Vice Chairman (*arrived at 4:05 p.m.*)
Alex Gimarc – Secretary
PJ Hill – Treasurer
Jeff Lipscomb – Director
Janet Reiser – Director
Elizabeth Vazquez – Director

The following employees, members and guests attended:

Bradley Evans	Rick Freymiller	Connie Owens
Mirta Adams, AKANG	Dora Gropp	Steve Pratt
Tyler Andrews	Dustin Highers	Paul Risse
Terry Bartee	Dennis Hogan, AKANG	Paul Sandhofen, ESGR
Bill Bernier	Kali Hulquist, KTVA	Tom Schulman
Patti Bogan	Pat Kennedy	Don Schultz, Member
Loralie Carter, MEA	Marilyn Leland, APA	Dave Smith
Ed Crowsen	Albert Luton, KTVA	Phil Steyer
Louann Culter, K&L Gates	Jan Myers, AKANG	Todd Walker, KTVA
Mike Cunningham	Michael Moora, PDC Harris	Burke Wick
Dwight Dial	Paula Neas-Arnold	

DeAnna Scott, Executive Assistant, recorded the meeting proceedings.

I. CONVENE MEETING

The meeting of the Board of Directors was convened at 4:03 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

II. PLEDGE OF ALLEGIANCE

Chair Logan led the Board and audience in the Pledge of Allegiance.

III. EXECUTIVE SESSION

None

IV. APPROVAL OF THE AGENDA

Director Hill moved and Director Lipscomb seconded the motion to approve the Agenda. The motion passed unanimously.

Director Gimarc requested item XI. C. Scheduled Special Board of Director Meeting-Election of Officers be removed from the agenda as it had not been discussed at the Operations Committee Meeting. The motion as amended passed unanimously.

Director Nordlund arrived at 4:05 p.m.

V. CONSENT AGENDA

A. Board Calendar

Add Railbelt Utility Taskforce Meeting – May 12, 2009 at APA Conference Room 10:00 a.m. until 2:00 p.m.

Remove the May 6, 2009 Board Workshop

B. Minutes – September 24, 2008 (Correction to Director Vazquez’s vote on Agenda Item IX.B. Energy Efficiency and Conservation Program); March 25, 2009 and April 3, 2009.

C. Director Expenses

D. Confidential Document Storage and Rolling Release

E. 2nd Quarter Commercial Paper Issue Authorization

F. Retherford to University Transmission Project Authorization

There were no objections to the Consent Agenda.

VI. PERSONS TO BE HEARD

A. Wholesale Customer Comments

None.

B. Member Comments

Don Schultz, Member of 40 plus years, spoke to the Board about the credit card processing fee. He stated he disagrees with being charged a processing fee but understands the rationale. He also stated that as a member who makes an annual payment, he was surprised to be limited by a \$500.00 transaction which resulted in being charged a processing fee twice for one annual payment. He referenced Enstar Gas and their processing fee and stated that he is not limited to the specific dollar amount and is only charged one processing fee. Mr. Schultz asked that the Board look into this.

VII. CEO Report

A. Issues Associated with Reserves Mobilizations (Jan Meyer, Statewide Programs Director from the Alaska National Guard Facility Assistance Center, Mirta Adams, Transition Assistance Advisor from Alaska National Guard Joint Forces Headquarters and Paul Sanhoffer, Employer Support of the Guard and Reserve Ombudsman)

Jan Meyer, Statewide Programs Director from the Alaska National Guard Facility Assistance Center, Mirta Adams, Transition Assistance Advisor from Alaska National Guard Joint Forces Headquarters and Paul Sanhoffer, Employer Support of the Guard and Reserve Ombudsman, explained to the Board the processes that takes place when an Air Guard and Army Guard Reserve Units is called up to active duty

status. They clarified the procedures and explained the benefits each active duty servicemen and family is entitled to and answered questions from the Board.

B. 1st Quarter Safety Report

Dave Smith, Sr. V.P., Administration gave an update on the 1st Quarter Safety Report and answered questions from the Board.

C. Whittier Avalanche Outage

Ed Jenkin, Vice President, Engineering gave an update on the Whittier Avalanche Outage and answered questions from the Board.

D. Update on Southcentral Power Project

Dustin Highers, Director, Power Supply Technical Services, gave an update on the Southcentral Power plant and answered questions from the Board.

VIII. CORRESPONDENCE

None

IX. DIRECTORS REPORTS

A. Presentation

Chair Logan presented to Director Lipscomb a clock and thanked him for his years of dedication and service to the Association. Bradley Evans, CEO presented to Director Lipscomb a turbine blade plaque and thanked him for his visits to Beluga, support for the overhaul extension program and for his nine years of service. Director Lipscomb thanked everyone and stated that there are good people here, it's a good organization, good people, I've enjoyed it and look forward to looking out my window in the evening seeing the lights on in Anchorage, so, I will always remember that. Thank you.

B. Committee Reports

None

C. APA Report

None

D. Meeting Reports

- Chair Logan reported on her meeting with Rick Schikora, GVEA Board. She stated they had a great meeting and talked about just some ideas about this whole Railbelt Utility Taskforce and how that's going to work.
- Chair Logan reported she met with Jim Stranberg, AEA and talked about the same issue and how AEA's interim planning can parallel to what is happening with the Taskforce so that we are accomplishing great things at the same time.
- Chair Logan reported she met with John Burn, Alyeska Resort and discussed the letter that was sent to Fran Ulmer discussing their ideas they would like to implement at Alyeska in regards to Cogen.

- Chair Logan reported on her meeting with the Executive Board for Angelo American, Owner's of the Pebble Mine and stated they have a great interest in the GRETC legislation.

X. UNFINISHED BUSINESS

None.

XI. NEW BUSINESS

A. Board Policy 126

Director Lipscomb moved and Director Reiser seconded the motion that the Board of Directors approve the attached additions to Board Policy 126 – Business Planning and Financial Management as discussed in the April 8, 2009 Operations Committee. The motion passed unanimously.

B. Officer Election Ballot Procedures - Discussion

Chair Logan stated that Louann Cutler, K&L Gates, is here to talk about what the procedure would look like if a secret ballot was used when nominating and electing officers. Chair Logan noted that this is not to discuss the legal opinion because of the Attorney/Client Privilege; she is here only to speak about the procedures of using a ballot. Louann Cutler began an overview of the Officer Election Ballot Procedures. After discussion, it was decided to postpone this Agenda Item and discuss it in Executive Session at the Special Board Meeting scheduled for April 30, 2009.

C. Schedule Special Board of Directors Meeting – Election of Officers

Removed under Agenda Item IV.

XII. DIRECTOR COMMENTS

Director Hill: “No comments.”

Director Lipscomb: No comment.

Director Reiser: “I guess I would like to weigh in on the last subject very calmly and its that, I think that, for me, last year as the new director it was quite a frenzy. And so I think it is really, and it was a whirlwind and I just kind of responded and it would have been better for me and for other new people to have a chance to deliberate and, I think just because we have something and its short on time doesn't mean we shouldn't make it happen. So, just keep that in mind; that's my view on that but, I want to thank Director Lipscomb for his service. I've enjoyed working with him this last year; I appreciate everything he's done for the Association.”

Director Vazquez: “No comments.”

Director Gimarc: “Uh, two comments. First, to Director Lipscomb, thank you for the sparring, jousting; it was a heck of an education. Second comment, Madam Chairman, my thanks to the transition people from Fort Rich they do superb work for the men and women in uniform. On the other hand, I find the charges made by third parties against Chugach and the military is despicable. They relied entirely upon lack of knowledge of federal law and how transition into and out of military were made and used that lack of knowledge as a vehicle to spread lies, untruths, and innuendos. Lack of effort by the shop steward and the

IBEW hierarchy to stand up and shut this down demonstrates quite clearly to me that they had something to gain out of these actions. Sadly, this is not unexpected out of our friends from the IBEW.”

Director Nordlund: “I would just like to use my Directors Comments to thank Jeff for his service. I think your going to be missed dearly. A professional engineer, brought his expertise to the Board and to the membership; a person that I think has really strong organizational skills; I think you’ve got really good financial knowledge, probably better than anybody here on this board, that’s going to be missed and very vigilant on the issue of safety ever since I’ve been on the Board you’ve talked and talked about safety. Now which I think it’s now more of a valid concern to all of us; so, as a friend, I’m gonna miss you Jeff and thanks a lot for your service.”

Director Hill: “In thinking about Jeff leaving, we will miss you and thank you for the memories. We’ll miss your nitpicking. It keeps us honest.”

Director Logan: “And I would have to say the same, it’s good being the Chair - you get to make the final comment - but you know everybody on this board, on this team, brings a different skill in some different area and I mean its really what makes us work really well together and I just, you know, you and I have had our disagreements, heated disagreements over issues but you have always been someone that I could rely on for very good information and I appreciate that. You know, you have given me a lot of guidance in the last year and you’re your technical information, that’s been very good and that’s a big hole to fill on this Board when you lose somebody like that whose got nine years of history and understands how things work so you will be missed. Best wishes.”

At 5:30 p.m., the Board recessed and resumed in open session at 5:49 p.m.

XIII. EXECUTIVE SESSION

Director Lipscomb moved and Director Reiser seconded the motion that pursuant to Alaska Statute 10.25.175 (c) (1) the Board go into executive session to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative as it relates to Chugach’s South Central Power Project and Legislative efforts.

The matters to be discussed will include:

1. South Central Power Project - Owner’s Engineer Contract, and
2. Greater Railbelt Energy and Transmission Corporation Legislation Strategy.

Meeting reconvened in open session at 6:46 p.m.

XIV. NEW BUSINESS (continued)

D. Resolution Authorizing the CEO to Execute an Owner's Engineer Contract

Director Reiser moved and Director Hill seconded the motion that the Board of Directors authorize the Chief Executive Officer to enter into an Owner's Engineer Services Contract for the Southcentral Power Plant (SPP) with PB Power, at an estimated duration of five years and an estimated cost as discussed in Executive Session. The motion passed unanimously.

XV. ADJOURN

At 6:47 p.m., Director Reiser moved and Director Hill seconded the motion to adjourn. The motion passed unanimously.

/s/

Alex Gimarc, Secretary

Date Approved: May 27, 2009