

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

May 27, 2009

**BOARD OF DIRECTORS’
MEETING MINUTES**

The following board members were present:

Rebecca Logan – Chairman
Jim Nordlund – Vice Chairman (*arrived at 4:09 p.m.*)
Alex Gimarc – Secretary
PJ Hill – Treasurer (*joined via teleconference at 4:08 p.m.*)
Janet Reiser – Director
Elizabeth Vazquez – Director (*arrived at 4:17 p.m.*)
Pat Kennedy - Director

The following employees, members and guests attended:

Brad Evans	Suzanne Gibson	Jim Posey, ML&P
Tyler Andrews	Mike Hayhurst, KPMG	Brent Renfrew, KPMG
Bill Bernier	Ed Jenkin	Paul Risse
Patti Bogan	Mark Johnson	David Smith
Lorali Carter, MEA	Charles Kozak, KPMG	Phil Steyer
Mike Cunningham	Marilyn Leland, APA	Lee Thibert
Rick Freymiller	Bill Mede, T&M	Ron Vecera
Judi Gastrock	Connie Owens	

DeAnna Scott, Executive Assistant, recorded the meeting proceedings.

I. CONVENE MEETING

The meeting of the Board of Directors was convened at 4:05 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

Chair Logan requested Agenda Item V.D. 2008 *Test Year General Rate Case Filing* be removed from the Consent Agenda and moved under Agenda Item XI. NEW BUSINESS, Agenda Item A.

Director Hill joined telephonically at 4:08 p.m.

Director Nordlund arrived at 4:09 p.m.

Chair Logan stated that staff has requested Agenda Item VIII.B., *Presentation on Southcentral Power Plant Waste Heat Study Result* be removed from the agenda and moved to the June Operations Committee Meeting.

Director Reiser moved and Director Kennedy seconded the motion to approve the Agenda, as amended. The motion passed unanimously.

V. CONSENT AGENDA

A. Board Calendar

- Add June 5, 2009 9-5 p.m. at the Legislative Information Office –In-State Gasline Briefing and Senate Resources Meeting.
- Change July 22, 2009, Board Meeting to July 23, 2009 at 4:00 p.m.
- October 15 through October, 22, 2009 - Director Gimarc will be out of town and not available for the October 15th Budget and CIP Review Meeting.
- Chair Logan will not be at the June 24, 2009 Board Meeting – Vice Chair Nordlund will conduct meeting.

B. Minutes – April 22, 2009 and April 30, 2009.

C. Director Expenses

D. 2008 Test Year General Rate Case Filing (*Removed from the Consent Agenda and placed under Agenda Item XI. NEW BUSINESS, Agenda Item A.*)

There were no objections to the Consent Agenda.

VI. PERSONS TO BE HEARD

A. Wholesale Customer Comments

None.

B. Member Comments

None.

VII. CEO REPORT

A. Election Contractor Briefing

Dave Smith, Sr. V.P., Administration and Bob Sramek from Sramek-Hightower gave an Election Contractor Briefing and answered questions from the Board.

Director Vazquez arrived at 4:17 p.m.

B. Presentation on Southcentral Power Plant Waste Heat Study Results

This item was removed from the Agenda and moved to the June Operations Committee meeting.

VIII. CORRESPONDENCE

None

IX. DIRECTORS REPORTS

A. Committee Reports

Director Reiser reported on the “*Business of Clean Energy in Alaska Conference*” that was held in Anchorage on May 18th and 19th.

B. APA Report

Director Nordlund stated there was nothing to report on the APA but reminded the Board of the APA Conference in August, 2009.

C. Meeting Reports

Director Reiser reported on the Renewable Energy Committee and the presentation presented by Mark Foster.

X. UNFINISHED BUSINESS

None.

XI. NEW BUSINESS

A. 2008 Test Year General Rate Case Filing

Director Reiser moved and Director Hill seconded the motion that the Board of Directors approve the resolution for filing the general rate case based on the 2008 test year, substantially similar to that discussed in the Finance Committee executive session on May 13, 2009. Chair Logan, Directors Nordlund, Hill, Gimarc, Reiser and Kennedy voted yes; *Director Vazquez’s vote was not recorded*. Motion passed.

XII. DIRECTOR COMMENTS

Director Reiser: “No comments.”

Director Kennedy: “No comments.”

Director Vazquez: “No comments.”

Director Gimarc: “No comments.”

Director Nordlund: “No comments.”

Director Logan: “No comments.”

Director Hill: “No comments.”

XIII. EXECUTIVE SESSION

At 4:27 p.m., Director Nordlund moved and Director Reiser seconded the motion that pursuant to Alaska Statute 10.25.175 (c)(1)(2) and (3) the Board of Directors 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 natural gas purchase agreement and negotiation updates, Chugach Bylaws Article VIII, Financial Management and Accounting, Section 1, Revenues and Expenditures, and Audit Committee member requirement and best practices; 2) to discuss subjects that tend to prejudice the reputation or character of a person, or persons, regarding a Board member’s

resignation from the Audit Committee; 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 a labor arbitration matter.

The matters to be discussed include:

- A. Update - Gas Negotiations
- B. Update - Arbitration Matter
- C. Bylaw Article VIII, Section 1 – Revenues and Expenditures
- D. Audit Committee Member Requirements and Best Practices
- E. Director Vazquez’s Resignation from the Audit Committee

The Board paused for a break at 4:30 p.m. and resumed in executive session at 4:35 p.m. Director Hill disconnected telephonically at 4:30 p.m. and reconnected during executive session.

The meeting reconvened in open session at 7:06 p.m.

XIV. ADJOURNMENT

At 7:07 p.m., Director Nordlund moved and Director Kennedy seconded the motion to adjourn. The motion passed unanimously.

/s/
Alex Gimarc, Secretary
Date Approved: June 24, 2009