

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**June 25, 2008**

**BOARD OF DIRECTORS'**  
**MEETING MINUTES**

The following board members were present:

Rebecca Logan – Chair  
Jim Nordlund – Vice Chairman (*arrived at 4:13 p.m.*)  
Alex Gimarc – Secretary  
Jeff Lipscomb – Director  
Janet Reiser – Director  
Elizabeth Vazquez – Director (*arrived at 5:08 p.m.*)  
P J Hill- Director

The following employees, members, and guests attended:

Bradley Evans	Carol Heyman	Steve Pratt, ML&P
Tyler Andrews	Carol Johnson	Paul Risse
Patti Bogan	Teresa Kurka	Jean Sauget
Loralie Carter, MEA	Jennifer McDonald	David Smith
Mike Cunningham	Laurie Molland, ACE	Phil Steyer
Marty Freeman, DNR	Victor Montemezzani	Gordan Tans, Perkin Coie
Rick Freymiller	Jason Pierce, MCC	Lee Thibert
Suzanne Gibson	Angie Pinsonneault, MCC	Tom Daniel, Perkin Coie
Joel Groves, FRE	Jim Posey, ML&P	Ron Vecera
Dora Gropp	Divina Portades	Burke Wick

DeAnna Scott, Executive Assistant, recorded the meeting proceedings.

**I. CONVENE MEETING**

Chair Logan called the regular meeting of the Board of Directors to order at 4:10 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 AGENDA**

Director Lipscomb moved and Director Reiser seconded the motion to waive the requirement of Board Policy 113 – Procedures for Board of Director Meetings. The motion passed unanimously.

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

**V. CONSENT AGENDA**

**A. Board Calendar** *(The Board Calendar was addressed after approval of the Consent Agenda)*

Director Lipscomb moved and Director Gimarc seconded the motion to excuse Director Hill from the July 9<sup>th</sup> Finance and Operations Committee meetings and the July 30<sup>th</sup> Regular Board Meeting. The motion passed unanimously.

- Please note the July 23<sup>rd</sup> Board Meeting was moved to July 30<sup>th</sup>.
- Add the July 10<sup>th</sup> REGA meeting to the Board Calendar
- August 13 Audit, Finance, and Operations Committee meetings have been rescheduled to Friday, August 8<sup>th</sup>.
- Joint meeting with Homer Electric either August 20<sup>th</sup> or August 22<sup>nd</sup>. After discussion, August 20<sup>th</sup> would be the target date.

Director Gimarc moved and Director Lipscomb seconded the motion to approve the Board Calendar, as amended. The motion passed unanimously.

**B. Minutes – April 16, 2008, April 24, 2008 and May 21, 2008**

Director Gimarc requested a change be made to the April 16, 2008, meeting minutes, page 4 of 6; second to the last paragraph, under item E “Records Retention Policy – Revisions to Board Policy 128, Confidentiality. The last two sentences have the list of the Directors voting yes and the Directors voting no; he stated that he voted “no” and not “yes” on the motion.

**C. Directors’ Expenses**

**D. State Department of Transportation Relocation Project for Old Seward Highway**

Chair Logan asked if there were any objections to the Consent Agenda without the approval of the Board Calendar. No objections were heard.

*The Board proceeded to Agenda Item V.A. – Board Calendar.*

**VI. PERSONS TO BE HEARD**

**A. Wholesale Customers – None**

**B. Member Comments**

*(Member arrived during Agenda Item VII – CEO Report and was allowed to speak to the Board after VII.C.)*

Ms. Laurie Molland, requested that the Board support wind generation on Fire Island. She stated she lives in Bear Valley and is currently on the Bear Valley Community Council along with being a Chugach member. She stated she has a wonderful view of Fire Island and of the gas platforms on the Kenai and thinks it would be exciting to see something other than the gas platforms.

## **VII. CEO REPORT**

### **A. Treeline USA Presentation**

*Presenter was not present at this meeting.*

### **B. Update on Change to Member Payment by Credit Card**

Dave Smith, Vice President, Administration, introduced Teresa Kurka as the Acting Director, Member Services; and gave an update on the Change to Member Payment by Credit Card and responded to questions from the Board.

### **C. Update on Energy Conservation Efforts**

Dave Smith, Vice President, Administration gave an update on the Energy Conservation Efforts and responded to questions from the Board.

*The Board went back to Agenda Item VI.B.*

## **VIII. CORRESPONDENCE**

None.

## **IX. DIRECTOR REPORTS**

### **A. Committee Reports**

#### **Renewable Energy Committee**

Director Reiser stated that the Renewable Committee will be providing a very comprehensive report at the July 9<sup>th</sup> Operations Committee meeting.

### **B. APA Report**

Director Nordlund reported on the APA meeting that was held May 22, 2008.

### **C. Meeting Reports**

Director Gimarc reported on the June 12, 2008, JAA meeting.

## **X. UNFINISHED BUSINESS**

None

## **XI. NEW BUSINESS**

### **A. Approve Interim Financing Vehicle**

Director Hill moved and Director Lipscomb seconded the motion that the Board of Directors approve the establishment of a Commercial Paper interim financing

instrument up to \$300 million with N.R.U.C.F.C and Key Bank. The motion passed unanimously.

**B. Approve 2005 – 2007 Capital Credit Allocation Resolution**

Director Hill moved and Director Lipscomb seconded the motion that the Board of Directors approve utilizing the streamlined cost of service approach, using 2000 Test Year results for the proposed capital credit allocation for 2005-2007. The motion passed unanimously.

**C. Approve Amendment to the Tripartite**

Director Lipscomb moved and Director Reiser seconded the motion that the Board of Directors approve the Second Amendment to the Modified Agreement for the Sale and Purchase of Electric Power and Energy (“Tripartite Agreement”) with Matanuska Electric Association, Inc. The motion passed unanimously.

**XII. DIRECTOR COMMENTS**

**Director Hill:** “No comments.”

**Director Lipscomb:** “I would like to request that the subject of Executive Session Recordings be added to the July Board Meeting Agenda. At this time, it would be my intention to introduce a motion to eliminate the recordings of Executive Sessions and to destroy the existing tape of the prior executive sessions. *Chair Logan –Your asking that be added the July Board Meeting?* Director Lipscomb – Agenda, yes. *Chair Logan – and you’re going to work on a motion on that?* Director Lipscomb – Yes. Director Gimarc – should it not go to the Operations Committee first? *Chair Logan – I think that the full topic has been before Finance and Operations so many times. Director Gimarc – not to remove it. Chair Logan – not to remove it. Director Gimarc – this is a new motion. Chair Logan - Director Lipscomb.* “Madam Chair, the recording of the Executive Sessions were made by a motion it’s not in policy, so, it wouldn’t fall under the normal review of the Operations Committee which is responsible for policy but I have no objections is you want to bring it up to the Operations Committee first.” *Chair Logan – ok, is there any other comments on that? OK, we’ll add it to the Operations Committee then for the July 9 meeting.*

**Director Reiser:** “I like the speed voting, that’s my comment.”

**Director Gimarc:** “Madam Chair, if I may reference the JAA meeting and the discussion of peak energy and carbon taxes, I graduated college in 1973 and about the time the people with my education were pumping gas as various things were cancelled. My experience has been government caused energy shortages and energy problems like we had from ’73 to ’80; it could be repaired very quickly by other government actions. So, we are going to be tied into the funnel it’s not the end of the world and things will change very quickly. I don’t know how they are going change but they will change. Thank you.

**Director Nordlund:** “No comments.”

**Chair Logan:** “I have none either.”

**XIII. EXECUTIVE SESSION**

At 4:46 p.m., Director Nordlund moved and Director Lipscomb seconded the motion that pursuant to Alaska Statute 10.25.175(c) (1) and (2) the Board 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 tend to prejudice the reputation and character of a person, however, the person may request a public discussion. The topics to be discussed in this executive session are: 1) Participation Agreement for South Central Power Project with ML&P and HEA; 2) Ancillary Services with Homer Electric Association; 3) Update on Tiquin; 4) Forensic Audit; 5) Legal and Personnel Matter – William R. Stewart; 6) 2007-2008 Interim CEO Performance Evaluation; and 7) Discussion CEO Selection Process. The motion passed unanimously.

The Board paused for a break at 4:47 p.m. and then went into executive session at 4:55 p.m.

The Board resumed in open session at 8:32 p.m.

#### **XIV. NEW BUSINESS (continued)**

##### **D. Legal and Personnel Matter – William R. Stewart**

Director Nordlund moved and Director Gimarc seconded the motion that the Board of Director authorize Tom Daniel proceed with personnel matters as discussed in Executive Session. The motion passed unanimously.

##### **E. CEO Selection Process**

Director Nordlund moved and Director Gimarc seconded the motion to approve the performance bonus for the Interim CEO. The motion passed unanimously.

Director Nordlund moved and Director Gimarc seconded the motion to approve an additional Task Order for Tom Daniel regarding the CEO selection process. The motion passed unanimously.

#### **XV. ADJOURNMENT**

Director Hill moved and Director Reiser seconded the motion to adjourn. The meeting adjourned at 8:33 p.m.

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Alex Gimarc, Secretary

Date Approved: July 30, 2008