

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

**December 18, 2008**

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

The following board members were present:

Rebecca Logan – Chair  
Jim Nordlund – Vice Chairman (*joined via teleconference at 4:04 p.m.*)  
Alex Gimarc – Secretary  
P.J. Hill - Treasurer  
Jeff Lipscomb – Director  
Janet Reiser – Director (*via teleconference*)  
Elizabeth Vazquez – Director

The following employees, members, and guests attended:

Brad Evans	Mike Cunningham	Paul Risse
Tyler Andrews	Rick Freymiller	Dave Smith
Bill Bernier	Ed Jenkin	Phil Steyer
Patti Bogan	Theresa Kurka	Lee Thibert
Loral Carter, MEA	Marilyn Leland, APA	Ron Vecera
Mike Cunningham	Connie Owens	

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 4:01 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 Hill moved and Director Lipscomb seconded the motion to approve the Agenda. The motion passed unanimously.

**V. CONSENT AGENDA**

**A. Board Calendar**

**B. Minutes – October 22, 2008 and November 20, 2008**

- C. Directors' Expenses**
- D. Retention of KPMG for Tax Services**
- E. Write-Offs of Accounts Receivable - Electric**
- F. Write-Offs of Accounts Receivable - Other**
- G. Establishment of a New Bank Account**
- H. Heller Ehrman Increase Contract Limit Approval**
- I. Appointments to Bylaws Committee**
- J. Appointments to Elections Committee**
- K. Appointments to Nominating Committee**

Director Lipscomb moved and Director Gimarc seconded the motion to approve the Consent Agenda. Chair Logan asked if there were any objections, none were heard.

## **VI. PERSONS TO BE HEARD**

### **A. Wholesale Customer Comments**

None.

### **B. Member Comments**

None.

## **VII. CEO REPORT**

### **A. Election Procedures Lessons Learned Update**

Dave Smith, Sr. V.P., Administration provided an update on the Lessons Learned from the 2008 Election and answered questions from the Board.

*Director Nordlund joined at 4:04 p.m.*

## **VIII. CORRESPONDENCE**

None.

## **IX. DIRECTOR REPORTS**

### **A. Committee Reports**

None.

### **B. APA Report**

Marilyn Leland, APA updated the Board on Energy Planning and APA's Board Meeting. She thanked the Board for their support, active involvement, and allowing APA to participate in the Legislative Reception.

### **C. Meeting Reports**

Director Lipscomb reported that he attended the ML&P Commission Meeting that was held on December 17, 2008.

## **X. UNFINISHED BUSINESS**

None.

## **XI. NEW BUSINESS**

### **A. Project Authorization SCAPP Project**

Director Lipscomb moved and Director Gimarc seconded the motion that the Board of Directors approve the project expenditures for the South Central Alaska Power Project with an estimated cost of \$256 million and an estimated completion date of June 30, 2013. The motion passed unanimously.

### **B. Land Purchase – New Generation**

Director Hill moved and Director Gimarc seconded the motion that the Board of Directors approve the expenditures for the South Central Alaska Power Project land purchase with an estimated cost of \$4.86 million and an estimated completion date of June 30, 2009. The motion passed unanimously.

### **C. Increase NRUCFC Line of Credit**

Director Hill moved and Director Lipscomb seconded the motion that the Board of Directors approve the resolution increasing the NRUCFC line of credit to from \$45 million to \$75 million. The motion passed unanimously.

### **D. Board Policy 135 – Approve Collective Bargaining Agreements**

Director Hill moved and Director Gimarc seconded the motion that the Board of Directors approve Board Policy 135 – Approval of Collective Bargaining Agreements as recommended by the Operations Committee. Chair Logan, Directors Hill, Vazquez, Gimarc, Reiser and Nordlund voted yes; Director Lipscomb voted no. The motion passed.

### **E. Addition – Article XIX – Creating a Campaign Conduct and Finance Commission**

Director Hill moved and Director Lipscomb seconded the motion that the Board of Directors forward the addition to the Bylaws Committee, Article XIX. Campaign Conduct and Financial Commission for their review and consideration. Chair Logan, Directors Hill, Lipscomb, Reiser and Nordlund voted yes; Directors Vazquez and Gimarc voted no. The motion passed.

### **F. Clean-up Bylaw Language**

Director Hill moved and Director Lipscomb seconded the motion that the Board of Directors forward these potential revisions of the Bylaws to the Bylaws Committee for their review and consideration.

*Director Reiser disconnected from the meeting at 4:48 p.m.*

Director Gimarc moved and Director Vazquez seconded the motion to amend the motion to reflect striking subparagraph 9 on page 4, Section III and Article XIX on page 9. The amendment passed unanimously.

Chair Logan called for a vote on the main motion; the motion passed unanimously.

**G. Amending Article III – Members, Meetings and Elections – Responsibility for Election Recount Expenses**

Director Lipscomb moved and Director Gimarc seconded the motion that the Board of Directors forward Article III, Section 9 of the Bylaws for review and consideration to the Bylaws Committee. The motion passed unanimously.

**XII. DIRECTOR COMMENTS**

**Director Hill:** “No comment.”

**Director Lipscomb:** “I want to thank everybody at Chugach for their efforts and dedication to Chugach – Powering Alaska’s Future. I wish everybody a safe and very happy holiday.”

**Director Vazquez:** “Well, this is our last board meeting of this year. We had a very challenging year; I know a lot of management and employees have been on overdrive. The fruits of that labor we’re now seeing at the last couple of months. Its’ been a tough ride but I think we are going to pull through and I have all the confidence in the world that everyone is going to continue to do the outstanding work that they’ve been doing. Um, Mr. Smith, thank you for submitting some elections procedures review and tackling them is a thorny issue. It is good to see that integrity is maintained in the election process for various obvious reasons, so thank you for the work in that area.

**Director Gimarc:** “I wanted to thank everybody associated with the staff for the hard work and the passion exhibited over the year. Um, we’ve got a lot done; we will get a lot more done. Thank you for your time; thank you for your help and your hard work and Merry Christmas and Happy New Year, I’m not going to be politically correct. So there.”

**Director Nordlund:** “Happy Holidays everybody.”

**Director Logan:** “No comment.”

**XIII. EXECUTIVE SESSION**

At 4:58 p.m., Director Hill moved and Director Lipscomb seconded the motion that pursuant to Alaska Statute 10.25.175(c) (1) and (3) 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 as it relates to strategic negotiation matters for fuel supply. The matters to be discussed are: 1) Beluga Pipeline Tariff; 2) The LNG Appeal; 3) DNR; 4) Enstar GSA Docket; and 5) New Regulatory Commission of Alaska Docket U-08-140 - The Investigation of Chugach’s Gas Supply. The motion passed unanimously.

The Board paused for a break at 4:59 p.m. and went into executive session at 5:10 p.m.

The Board resumed in open session at 6:07 p.m.

**XIV. ADJOURNMENT**

Director Hill moved and Director Lipscomb seconded the motion to adjourn. The motion passed unanimously. The meeting adjourned at 6:08 p.m.

/ss/

Alex Gimarc, Secretary

Date Approved: January 28, 2009