

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

**March 5, 2008**

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

The following board members were present:

Elizabeth, Vazquez – Chair  
Uwe Kalenka – Vice Chairman  
Alex Gimarc – Secretary  
PJ Hill – Treasurer (*telephonically*)  
Jim Nordlund – Director (*absent*)  
Jeff Lipscomb – Director  
Rebecca Logan – Director

The following employees, members, and guests attended:

Bradley Evans	Ed Jenkin	Paul Risse
Lorali Carter, MEA	Carol Johnson	Dave Smith
Mike Cunningham	Connie Owens	Phil Steyer
Tom Daniel, Perkins Coie, LLP	Ann Patras, HEA	Tom Van Flein, CPUTT
Suzanne Gibson	Jim Patras, HEA	

DeAnna Scott, Executive Assistant, recorded the meeting proceedings.

**I. CONVENE MEETING**

Chair Vazquez called the special meeting of the Board of Directors to order at 8:25 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

**II. PLEDGE OF ALLEGIANCE**

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

**III. EXECUTIVE SESSION**

Director Kalenka moved and Director Gimarc seconded the motion that pursuant to Alaska Statute 10.25.175(c) (1) and (3) the Board go into executive session to discuss (1) matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative, and (2) to discuss matters with its attorneys the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The matter to be discussed is: 1) Personnel and Contract Matter – William R. Stewart. The motion passed unanimously.

The Board went into executive session at 8:27 p.m. and resumed in open session at 9:40 p.m.

#### **IV. APPROVAL OF AGENDA**

Chair Vazquez stated under Item VI. New Business, Agenda Items VI.B. Contract with Perkins Coie – Gordon Tans and VI.C. Additional Task Order with Perkins Coie – Tom Daniels, will be deleted from the Agenda and placed on the March 19, 2008 Agenda.

Item VI.D. - Approval of the 2007 Audited Financial Statements will become VI. B and VI.E. - Personnel and Contract Matter – William R. Stewart will become VI.C.

Director Kalenka moved and Director Gimarc seconded the motion to approve the Agenda, as amended.

Director Lipscomb moved to delete agenda Item VI.C - Personnel and Contract Matter – William R. Stewart. Motion failed for lack of a second.

Chair Vazquez called for the vote on the main motion, as amended. Chair Vazquez, Directors Kalenka Logan, Hill, and Gimarc voted yes; Director Lipscomb voted no.

#### **V. PERSONS TO BE HEARD**

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

None.

##### **B. Member Comments**

None.

#### **VI. NEW BUSINESS**

##### **A. Resolution for Redemption of Series B Bonds**

Director Kalenka moved and Director Gimarc seconded that the Board of Directors approve the attached resolution (Exhibit 1) authorizing the Acting Chief Executive Officer to take the necessary steps to redeem the entire outstanding principal amount of the 2002 Series B Bonds using Chugach's existing line(s) of credit and to develop a future financing plan to fund the repayment of amounts borrowed under such existing line(s) of credit and present that plan to the Board of Directors for approval. The motion passed unanimously.

##### **B. Approval of the 2007 Audited Financial Statements**

Director Gimarc moved and Director Kalenka seconded the motion that the Board of Directors approve the 2007 audited financial Statements and Footnotes. The motion passed unanimously.

**C. Personnel and Contract Matter – William R. Stewart**

Director Kalenka moved and Director Gimarc seconded the motion that the Board reverse its decision to terminate Mr. Bill Stewart without cause effective December 5, 2007, and retroactively terminate Mr. Stewart for cause effective immediately.

Chair Vazquez, Directors Kalenka and Gimarc voted yes; Directors Logan, Lipscomb, and Hill voted no. Motion failed.

Director Logan moved and Director Gimarc seconded the motion that the Board directs Mr. Daniels to contact Mr. Stewart's attorney and indicate that the Board is planning to post a motion to terminate for cause due to a violation of Board Policy 106 and to offer that the Board will not pursue the motion to terminate for cause if Mr. Stewart agrees to a reduction of the time left on his contract from how many months it is now to six months.

Chair Vazquez stated she would like to make a friendly amendment to the motion and that would be that all incurred cost in this matter be within 7-days be reimbursed to the Association. No action was taken on the proposed amendment.

Chair Vazquez called the question on Director Logan's motion. Chair Vazquez, Directors Gimarc, Logan and Hill voted yes; Director Lipscomb voted no and Director Kalenka abstained. Motion passed.

**VII. EXECUTIVE SESSION - (None)**

**VIII. DIRECTOR COMMENTS**

None.

**IX. ADJOURNMENT**

Director Lipscomb moved and Director Logan seconded the motion to adjourn. The meeting adjourned at 9:57 p.m.

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/ss/

Alex Gimarc, Secretary

Date Approved: March 19, 2008