

**CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA**

March 24, 2010

**REGULAR BOARD OF DIRECTORS'
MEETING MINUTES**

The following board members were present:

Rebecca Logan – Chair
Jim Nordlund – Vice Chair (*arrived at 4:35 p.m.*)
Alex Gimarc – Secretary
PJ Hill – Treasurer (*joined the meeting via teleconference at 4:10 p.m.*)
Pat Kennedy – Director
Elizabeth Vazquez – Director (*arrived at 4:15 p.m.*)
Janet Reiser – Director

The following employees, members and guests attended:

Brad Evans	Lee Thibert	Ed Jenkin
Paul Risse	Connie Owens	Mike Cunningham
Sherri McKay-Highers	Renee Curran	Dustin Highers
Ron Vecera	Dora Gropp	Bill Bernier
Jim Posey, ML&P	Suzanne Gibson, CIRI	Ashley Schmiedeskamp, CIRI
Dave Smith	Jody Wolfe	Tyler Andrews
Phil Steyer	Dan Walker, Walker & Associates	

Paula Neas-Arnold, Executive Secretary recorded the meetings proceedings.

I. CONVENE MEETING

Chair Logan called the regular meeting of the Board of Directors to order at 4:04 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 Kennedy moved and Director Reiser seconded the motion to approve the agenda. The motion to approve the agenda passed unanimously.

V. CONSENT AGENDA

- A. *Board Calendar*
- B. *Upcoming Training & Conferences*
 - 1. *2010 Legislative Conference – May 2-5, 2010 – Washington, D.C. (Nordlund and Reiser)*
 - 2. *NWPPA Annual Conference and Membership Meeting – May 23-27, 2010 – Sacramento, CA.*
 - 3. *Summer School for Directors – June 4-9, 2010 – Ashville, NC*
 - 4. *Summer School for Directors – July 16-21, 2010 – Branson, MO*
- C. *Minutes – February 24, 2010 Regular Board of Directors’ Meeting (Knight-Scott)*
- D. *Director Expenses*
- E. *Approval Southcentral Power Plant – Purchase of Steam Turbine Generator (Highers)*

There were no objections to the Consent Agenda.

VI. PERSONS TO BE HEARD

- A. *Wholesale Customer Comments*

None.
- B. *Member Comments*

Mr. Ashley Schmiedeskamp addressed the Board as a Member and as a CIRC employee. Mr. Schmiedeskamp read from a prepared statement regarding the Fire Island Wind Project. He discussed the Technical Conference CIRC sponsored on March 22-23, 2010; further stating the conference served as a call to action to address certain critical path issues and noted that the Fire Island Wind Project could not be built without the cooperation from Chugach Electric. Mr. Schmiedeskamp continued reading from his prepared statement in its entirety. The Board requested copies of his statement and copies of the presentation that was presented during the March 22-23, 2010, Technical Conference.

Director Hill joined the meeting via teleconference at 4:10 p.m.

VII. CEO REPORT

- A. *January Financial Statements*

Jody Wolfe, Controller, gave a presentation on the January 2010 Financial Statements and answered questions from the Board.

VIII. CORRESPONDENCE

- A. *January Variance Report by Sherri McKay-Highers*
- B. *4th Quarter Capital Tracking Report by Sherri McKay-Highers*
- C. *4th Quarter Budget Status Report by Sherri McKay-Highers*

At 4:29 p.m., Chair Logan requested to take a brief at-ease for two minutes and Director Hill disconnected from the meeting.

IX. DIRECTORS REPORTS

A. Committee Reports

Director Kennedy reported that the Election Committee is having a meeting that shows the ballot process. Unfortunately, their meeting has conflicted with our meeting today; therefore, Director Kennedy was not able to attend.

B. APA Report

None.

C. Meeting Reports

Director Reiser reported she met with Ed Jenkin, Vice President, Power Delivery on the Girdwood Substation issue and expressed her appreciation.

Chair Logan reported there will be a conference call for the Task Force at 1:30 p.m. tomorrow, March 25, 2010, and provided an update. Chair Logan stated she will be in Juneau and that Chugach will have the line opened for those who want to attend. Chair Logan will be calling in for that meeting.

Director Gimarc requested for an agenda modification by way of the following motion. Director Gimarc moved and Director Vazquez seconded the motion to modify the agenda by moving Agenda Item XIII. Director Comments after Agenda Item XI. New Business. The motion passed unanimously.

X. UNFINISHED BUSINESS

None.

Director Nordlund arrived at 4:35 p.m.

XI. NEW BUSINESS

None.

XII. EXECUTIVE SESSION

This Agenda Item was heard after Agenda Item XIII. Director Comments.

A. Capital Markets Update

B. Securities & Exchange Commission Filing Process

C. Legislative Agenda

D. Fuel Supply Update, and

E. Human Resources Strategic Plan

Director Nordlund moved and Director Reiser seconded the motion that pursuant to Alaska Statute 10.25.175(c) (1) the Board of Directors go into executive session to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperation as it relates to the Association's finances, Capital Market; SEC Filings; the 2010 Legislative Agenda; Fuel Supply Matters; and the Human Resources Division's Strategic Plan.

The matter to be discussed include the:

- A. Capital Markets Update
- B. Securities & Exchange Commission Filing Process
- C. Legislative Agenda
- D. Fuel Supply Update, and
- E. Human Resources Strategic Plan

The Board went into executive session at 5:49 p.m.

Director Hill disconnected from the meeting when the Board went into Executive Session. (It was not recorded if Director Hill returned to the meeting during Executive Session.)

The Board reconvened in open session at 6:56 p.m.

XIII. DIRECTOR COMMENTS

This agenda item was heard after Agenda Item XI. New Business.

Director Reiser: “My comments are I understand the timing is tight and there’s a lot of activity at Chugach and a lot of pressing urgent things that we need to consider. But I would urge us to take a really hard look at the wind farm project and make certain that we are understanding its completeness and move as quick as we can to consider it.”

Director Kennedy: “I think I had my say last ten minutes ago”.

Director Vazquez: “Well I’d like to say that over the past several months I’ve heard on the news several snow storms that have deprived people of their electrical service for a long time in fact, I heard a news clip, two or three days ago about somebody on the east coast that was without electricity for four days and I kind of been smiling to myself when I hear those reports that we’re not having, even though we have snow storms, we’re not strangers to bad weather but we seem to do a good job at that end and kept the lights on. So, I’m really pleased. Keep up the good work. That really brings a grin to my face when I hear those reports. I don’t think we have ever been out of electricity for any long length of time, the past 20-30 years have we? *Director Reiser: “at my house.” Brad Evans: “We’ve had a couple areas that have problems like Hope...”* Director Vazquez: “Yeah, but it’s been very isolated. So anyway, I just wanted to say I appreciate, you know, the hard work that it must take to do that accomplish, because we certainly do have our share of bad weather and snow storms.”

Director Gimarc: “No comments.”

Director Nordlund: “Having just arrived at the meeting, I really shouldn’t have any comment. Other than too, I was also at the meeting with Janet to retarding the wind farm. Very good information that came out of that meeting and I would just reiterate Janet’s comments that I hope we all to take a good hard look at the budget, given the timing in order to receive the federal money, so.”

Chair Logan: “So, my comment is that, one of the things I am most proud of about this organization is the staff that we have and that the level of expertise that we have in this organization and the commitment to doing things the right way here. You know, for a

long time we didn't do things the right way here and we're very committed to doing that now. And so, we've put a lot of time and effort in research and analysis....

Director Hill rejoined the meeting telephonically (time was not recorded).

.....into doing things the right way and it offends me when people suggest two things, number one, we aren't doing that or number two, that we are stonewalling anything and I'm very tired of hearing that about the CIRI wind farm. I think we are giving it the attention that it needs and that as information is brought to us, we look at it and that we are working through the process the way that we need to work through the process and I do not appreciate public PR pressure to try to get this Board to do things that aren't appropriate. We will do things in the process in the way they are suppose to be done and we will look at things and then analyze them and we will specifically financially analyze them because it's our fiduciary responsibility."

Director Hill: "No comments."

XIV. ADJOURNMENT

Director Nordlund moved and Director Reiser seconded the motion to adjourn. The meeting adjourned at 6:57 p.m.

Alex Gimarc, Secretary

Date Approved: April 28, 2010