

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

**April 26, 2006**

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

A regular meeting of the Board of Directors of Chugach Electric Association, Inc. was called to order at 4:03 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

The following board members were present:

Alan Christopherson – Chairman  
Dave Cottrell – Secretary  
Bruce Davison – Director  
Jeff Lipscomb – Director  
Ray Kreig – Director  
Uwe Kalenka – Director

Elizabeth Vazquez, Treasurer, was not present at this meeting.

The following employees, members, and guests attended:

Bill Stewart	Lee Thibert	Mike Cunningham
Brad Evans	Dianne Hillemeier	Connie Owens
Carol Johnson	Carol Heyman	Patti Bogan
Phil Steyer	Ken Thomas	Paula Neas-Arnold
Dan Knecht	Ron Vecera	Mark Fouts
Ed Jenkin	Rick Freymiller	Jody Wolfe
Bill Bernier	John Cooley	Dave Smith
Ed Helton	Joe Hodge	Jean Sauget
Laurel Brouillette	Monica Lewis	Diane Thatcher
Erika Kelly	Margaret Hansell	Peggy Gold
Ashley Bergsrud	Susan Pope	Sev Swanson
Happy Anderson	David Class	Mark Hodsdon
Dave Reeves	David Hubbard	Jon Cason
Julius Matthew	Mike Snell	Troy Blaglock
Ruth Fitzpatrick (HEA)	Jim Walker (MEA)	Rick Miller (ML&P)
Lee Ann Gerhart	David Ausman	Frank Gwartney
Jim Nordlund	Others (unidentified)	

Jennifer McDonald, Legal Secretary, recorded meeting proceedings.

Chairman Christopherson led the Board and audience in the Pledge of Allegiance.

**I. EXECUTIVE SESSION**

None.

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**II. APPROVAL OF AGENDA**

Director Davison moved and Director Kreig seconded the motion to approve the Agenda. The motion to approve the Agenda passed unanimously.

**III. CONSENT AGENDA**

Director Davison moved and Director Kreig seconded the motion to approve the Consent Agenda.

**A. Calendar of Events (April 2006 – March 2007)**

**B. Minutes (March 22, 2006)**

Director Kreig stated that at the end of the Executive Session, there was a Board vote; Director Lipscomb hung up the phone just before the vote was taken and Director Vazquez requested that Director's Lipscomb's absence be reflected in the minutes. Chairman Christopherson stated that was correct and requested that the minutes be amended to reflect this.

The motion to approve the Consent Agenda, as amended, passed unanimously.

**IV. PERSONS TO BE HEARD**

**A. Wholesale Customer Comments**

Jim Walker, Senior Counsel, Matanuska Electric Association, Inc., stated that at the last Board meeting, attended by Mr. Pauley for MEA, the Board made a commitment to provide MEA with Financial Management Plan documents, which MEA has not received. Mr. Stewart wrote MEA stating that Chugach would provide those documents to MEA in May. MEA wanted to express its disappointment that the Board's commitment to provide MEA the documents was not yet fulfilled by staff.

**B. Member Comments**

Laurel Brouillette, member and 15-year employee of Chugach, stated it was a great concern to see Ray Kreig (Chugach Director) walking around Chugach's parking lot taking pictures of vehicles for two days in a row. Ms. Brouillette stated that she did not understand why Mr. Kreig would be doing this and asked if he was checking plate numbers in an attempt to get personal information as to where or how employees live or how employees are voting. Ms. Brouillette asked what was Mr. Kreig planning to do with the photos and asked if they were for distribution, retaliation, intimidation and if not, asked that Mr. Kreig provide a clear explanation as to why these photos were taken.

*Director Kalenka stated that Director Kreig had every right to go outside and take pictures and stated that it is private property and if people do not like pictures being taken of their vehicle then so be it - that is Director Kreig's freedom of expression to be out there and take pictures.*

*Director Kreig stated that he submitted a communication to the appropriate person in management and had no further comment.*

**V. CEO REPORT**

**A. 1<sup>st</sup> Quarter Safety Report**

Ken Thomas, Safety Manager, gave a presentation on the 2006 1<sup>st</sup> Quarter Safety Report and staff responded to questions from the Board. The Board requested future reports indicate dollar values.

Bill Stewart, Interim CEO, reported the following:

- The Anchorage Assembly approved an additional \$200,000 in grant funds through the Anchorage Fire Department to Chugach for removal of danger trees on the Hillside. That brings the total grant funds utilized through this program to around \$500,000.
- Chugach's lobbyist, Jerry Reinwand was to participate in the Board meeting to provide a legislative update but he was not available. Therefore, Phil Steyer, Manager, Government and External Affairs, gave an update of legislative issues and responded to questions from the Board.
- Bill Stewart discussed the APA to Baxter project. Phil Steyer, Manager, Government and External Affairs, presented an overview of the project and provided information on the processes in place to provide information to the community. Staff responded to questions from the Board.
- Bill Stewart distributed to the Board a copy of letter he had sent to Wayne Carmony in response to Mr. Carmony's letter requesting why MEA did not have a copy of the FMP. Mr. Stewart replied that at the time of the letter the FMP was not finalized and that MEA can expect to receive a copy sometime in May.

Director Cottrell requested a presentation to the Board as to what the Corporate Planning and Analysis Department is currently working on.

**VI. CORRESPONDENCE**

None.

**VII. DIRECTORS' REPORTS**

**A. Committee Reports**

None.

**B. Alaska Power Association (APA) Report**

Director Cottrell reported that the APA has a new Executive Director and she begins work May 1. The APA is diligently separating the entity and probably within the next quarter, there will be a new organization chart for APA. APA is

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monitoring very closely legislative activities to make sure they are not amending any of the bills that the APA feels will have an adverse effect on utilities.

**C. Meeting Reports**

Director Kalenka stated there was nothing to report on MEA.

Chairman Christopherson reported there was an Operations Committee meeting on April 5 and the NWPPA resolutions were discussed.

**VIII. UNFINISHED BUSINESS**

**IX. NEW BUSINESS**

**A. NWPPA Resolutions**

Director Davison moved and Director Lipscomb seconded the motion that the Board of Directors authorize the Chugach delegate at the 2006 NWPPA Annual meeting to approve Resolutions 06-5, 06-10, 06-11, 06-12 and the authority to support Resolutions 06-1, 06-2, 06-3, 06-4, 06-6, 06-7, 06-8, and 06-9. The motion passed unanimously.

Director Lipscomb provided an amendment to the motion to substitute the words "vote for" for "approve Resolutions 06-05" and to remove the words "the authority" and insert the words "vote for". The motion would read: Move that the Board of Directors authorize the Chugach delegate at the 2006 NWPPA Annual meeting to vote for Resolutions 06-5, 06-10, 06-11, 06-12 and vote for Resolutions 06-1, 06-2, 06-3, 06-4, 06-6, 06-7, 06-8, and 06-9.

Director Davison accepted Director Lipscomb's friendly amendment.

The motion passed unanimously.

**B. Directors' Expenses**

Director Davison moved and Director Lipscomb seconded the motion to approve Directors' Expenses. Director Cottrell stated that his expense report has changed and he has added the additional item. Director Lipscomb stated that there also needed to be a change to Chairman Christopherson's expense report to add in a meeting. The motion, with the corrections to Director Cottrell and Chairman Christopherson's expense reports, passed unanimously.

**X. DIRECTORS' COMMENTS**

**Director Kreig:** No comment.

**Director Cottrell:** "I have some property in Arizona and I received a letter with my utility bill with a summary the previous year's daily cost among other information and provided a copy to Bill Stewart for informational purposes." (*Chairman Christopherson stated he also provided Bill Stewart a copy from his property in California.*)

**Director Kalenka:** No comment.

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**Director Lipscomb:** "I would like to see us have some sales and revenue from wind and think it would be good for the utility. Safety has been one of my concerns and I believe safety of our people is primary – that is how we get our work done. We have started the year with an excellent safety record – much improved over prior years and I am thrilled and ask everybody to always be conscientious on the job."

**Director Davison:** No comment.

**Director Christopherson:** "I received a letter with three pages of signatures regarding photographs of cars in the parking lot. I compel Director Kreig to write a letter and explain why and what his reasons were to put their minds at ease. I know Director Kreig and I do not think he has ill will. I hope that everybody feels the same."

**XI. EXECUTIVE SESSION**

At 4:52 p.m., Director Davison moved and Director Cottrell seconded the motion that pursuant to Alaska Statute 10.25.175(c)(3), the Board go into executive session to discuss matters with its attorneys the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The topic to be discussed: Legal matters – specifically ongoing litigation. The motion passed unanimously.

**XII. ADJOURNMENT**

The Board came out of executive session at 5:10 p.m. and adjourned.

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Jim Nordlund, Secretary  
Date Approved: May 17, 2006

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