

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

**June 11, 2008**

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

The following board members were present:

Rebecca Logan – Chairman  
Jim Nordlund – Vice Chairman (arrived at 4:06 p.m.)  
Alex Gimarc – Secretary  
PJ Hill - Treasurer  
Jeff Lipscomb – Director  
Janet Riser - Director  
Elizabeth Vazquez – Director (arrived at 4:06 p.m.)

The following employees, members, and guests attended:

Brad Evans	Connie Owens	Paul Risse
Mike Cunningham	Dave Smith	Ed Jenkin
Burke Wick	Ron Vecera	Phil Steyer
Rick Freymiller	Arthur Miller	Teresa Kurka
Tyler Andrews	Mark Fouts	Jody Wolfe
Patti Bogan	Bill Bernier	Jim Patras (HEA)
Jim Posey (ML&P)	Ken Vassar (Birch Horton)	Jim Walker (MEA)
Don Zoerb (MEA)	Joel Groves (Fishhook)	Dan Hertrich (Fishhook)
Eric Redman (via telephone) (Heller Ehrman)		

Jennifer McDonald, Legal Secretary, recorded the meeting proceedings.

**I. CONVENE MEETING**

The special meeting of the Board of Directors was convened at 4:05 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

**II. PLEDGE OF ALLEGIANCE**

**III. EXECUTIVE SESSION**

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; 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 matters to be discussed are: 1) Update Gas Negotiations and 2) Tax Exempt Bond Financing. The motion to go into executive session passed unanimously. The Board went into executive session at 4:08 p.m.

The Board resumed in open session at 5:17 p.m.

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

Director Hill moved and Director Lipscomb seconded the motion to approve the agenda.

Director Gimarc requested a change to rename Agenda Item VI. New Business to Old Business. Director Vazquez stated that she agreed with changing VI.A. but VI.B. should still be under New Business. Chair Logan stated that there was no action under VI.B. and can be removed from the Agenda.

Director Vazquez stated that the motion (executive session motion) should have read that the Board was discussing the LNG export license and some Gas Negotiations.

There were no objections to the suggested amendments. The motion, as amended, passed unanimously.

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

A. *Wholesale Customer Comments* - None.

B. *Member Comments* - None.

#### **VI. OLD BUSINESS**

A. *Board Policy 128, Confidentiality*

Director Gimarc moved and Director Vazquez seconded the motion that the Board approve the attached procedures for release of written materials. The motion passed with a vote of 6 to 1 with Director Lipscomb voting in opposition.

Director Gimarc moved and Director Vazquez seconded the motion that the Board direct management to create a process for analysis, scrubbing and release of executive session tapes and report back to the Operations Committee no later than the July 2008 Operations Committee meeting on their progress. The motion failed with a vote of 4 to 3 with Directors Lipscomb, Reiser, Hill and Nordlund voting in opposition.

#### **VII. EXECUTIVE SESSION**

None.

#### **VIII. DIRECTOR COMMENTS**

**Director Hill:** "No comment."

**Director Lipscomb:** “Quickly, I visited the Cooper Lake and Bernice Lake facilities yesterday. Dustin Highers gave me a great update on the activities down there so I appreciate that. Cooper Lake looks good – looks in pretty good shape. There is still some PCB paint issues that we’re dealing with. I saw the combustion inspection underway at Bernice Lake. The turbine looks good, the new water injection system appears to be working as expected so that was a good tour. First time I had been to Bernice Lake. Again, I’m very impressed with the capabilities of our operators and our maintenance techs down there. They were essentially doing work on their own without assistance from manufacturer reps, etc. and it’s looking good.”

**Director Reiser:** “No comments.”

**Director Gimarc:** “Yes, Madam Chair. The majority has taken a sharp turn backward from openness, transparency and accountability. The refusal to even try, emphasize try, to come up with a procedure to review the classified executive session tapes is a direct (*unintelligible*) irresponsible act from my viewpoint. It puts the magic words openness and transparency from a real meaningful term under the last leadership to your magic words – it don’t work very well. Secondly, the motion for executive session did not match the topics discussed. Madam Chair overrode objections from Director Vazquez and made no attempt to correct the error. This is high-handed and short-sighted. Also puts the Board’s veracity at risk. This (*unintelligible*) membership would like to know how your new Board is operating.”

**Director Nordlund:** “No comment other than the fact – I just have to pick up on one thing – like I said, I think that the Agenda item actually did match the topic and that the reason we talked about the export license is because it is relevant to the gas negotiations. It’s a subset of the issue of the gas negotiations – so I don’t think that was really incorrect (*unintelligible*).”

**Director Vazquez:** “It was the motion did not state explicitly when we had the motion to go into executive session – the subject that was provided was gas negotiations. Everyone around this Boardroom discussed – we discussed more than gas negotiations. We discussed just the recent decision of a regulatory body to allow further LNG exports by the producers and that was the subject of discussion in executive session. The open meetings laws required that when we move and we have a motion made in public that it reflects what we’re talking about. So that motion was flawed in that it did not have everything we discussed. We’ve been cautioned by legal counsel and if they were here they would caution us again about doing that.” *Chair Logan* – “So, as we proceed in the future what we’ll figure out is a procedural way to deal with that.” “Just state what the subject is.”

**Chair Logan:** No comment.

## IX. ADJOURNMENT

Director Lipscomb moved and Director Vazquez seconded the motion to adjourn. The meeting adjourned at 5:32 p.m.

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Alex Gimarc, Secretary  
Date Approved: July 30, 2008