

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

**July 25, 2007**

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

The following board members were present:

Elizabeth Vazquez – Chairman  
Uwe Kalenka – Vice Chairman  
Alex Gimarc – Secretary  
Alan Christopherson – Director  
Jeff Lipscomb – Director  
Jim Nordlund – Director

PJ Hill – Treasurer (excused absence)

The following employees, members, and guests attended:

Bill Stewart	Brad Evans	Mike Cunningham
Lee Thibert	Connie Owens	Phil Steyer
Carol Johnson	Mary Tesch	Rick Freymiller
Divina Portades	Dave Smith	Gary Zipkin (G&R)
Lorali Carter (MEA)	Don Edwards (Dorsey)	Mike McLaughlin (G&R)
Tom Van Flein (Clapp, Peterson)	Marc Marlow (Tiqun)	

Jennifer McDonald, Legal Secretary, recorded meeting proceedings.

**I. CONVENE MEETING**

The special meeting of the Board of Directors was convened at 8:27 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. APPROVAL OF THE AGENDA**

Director Kalenka moved and Director Gimarc seconded the motion to approve the agenda. The motion to approve the agenda passed unanimously.

**IV. PERSONS TO BE HEARD**

**A. Wholesale Customer Comments**

None.

**B. Member Comments**

None.

**V. CORRESPONDENCE**

**A. Alaska State Legislature Letter**

Chair Vazquez stated there is a letter from the Alaska State Legislature about Fire Island and stated that she will be working on a response.

**VI. 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) 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 in this executive session are (1) Labor Negotiation; 2) Knik Arm Power Plant; 3) 2005 TY Rate Case; 4) Chugach Electric Association, Inc. v. Ray Kreig, Stephen Routh and Chugach Consumers, Superior Court Case No. 3AN-06-13743 and 5) Sarbanes Oxley Compliance Corporate Governance. The motion passed unanimously. The Board went into executive session at 8:29 p.m.

The Board reconvened from executive session at 9:46 p.m.

**VII. NEW BUSINESS**

**A. Labor**

No action taken.

**B. Knik Arm Power Plant**

No action taken.

**C. Rate Case**

No action taken.

**D. Chugach Electric Association, Inc. v. Ray Kreig, Stephen Routh and Chugach Consumers, Superior Court Case No. 3AN-06-13743**

No action taken.

**VIII. DIRECTOR COMMENTS**

**Director Lipscomb:** None.

**Director Christopherson:** None.

**Director Gimarc:** None.

**Director Kalenka:** Commented on the visit to Homer Electric Association. Based on the letter received today Chugach has received positive feedback, stated that HEA was very receptive to the Board and stated he is very please with the way things went. Stated that he would like everybody to know that Chugach has invited HEA to make a presentation to the Blue Ribbon Panel. Also wanted to recommend in the future that as soon as Chugach has the Blue Ribbon Panel recommendation back that possibly Chugach appoint a committee that will deal with HEA on an unbiased basis to see what the issues are and if the issues between Chugach and HEA can be resolved. Stated that in the past, based on prior Board members, the reason that HEA is the way they are is because that's the way they are. Stated that he would like to find out if it's only HEA or if there is something Chugach is doing wrong and if Chugach is doing something wrong then he certainly would like to address those issues. Thanked HEA for being receptive and hospitable towards us.

**Director Nordlund:** Asked if the Board will have an opportunity to meet the members of the Blue Ribbon Panel stated he has not even been introduced to any of them. Also, stated he would like to meet the advisors to the ML&P/Chugach merger committee. *Bill Stewart stated that staff has met with the Blue Ribbon Panel and Mr. Noll stated that they are thinking of inviting the Board to come and talk to them.*

**Chair Vazquez:** Thanked Bill Stewart and staff for preparing the presentations for the Blue Ribbon Panel. Thanked Ms. Tesch for the amount of time she has spent with Tom Tierney and gathering the information for Mr. Tierney and Mr. Mede. Thanked Mr. Cunningham and his staff for the hard work in the Rate Case both preparing for the hearing and trying to settle – those efforts are very intensive. Thanked Mr. Zipkin for his wise counsel.

## **IX. ADJOURNMENT**

Director Kalenka moved and Director Gimarc seconded the motion to adjourn. The meeting adjourned at 9:50 p.m.

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Alex Gimarc, Secretary

Date Approved: August 8, 2007