

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

**OPERATIONS COMMITTEE**  
**MEETING MINUTES**

**January 13, 2010**

Committee Members in Attendance: Janet Reiser, Chair  
Alex Gimarc  
Jim Nordlund (*arrived at 4:21 p.m.*)  
Rebecca Logan (*arrived at 4:07 p.m.*)  
Elizabeth Vazquez

Other Directors in Attendance: Pat Kennedy  
PJ Hill (*joined telephonically during Executive Session*)

Guests in Attendance: Louann Cutler, K&L Gates  
Teresa Nelson, Election Committee  
Kurt Autor, Renewable Energy Committee

Staff in Attendance:

Brad Evans	Ed Jenkin	Tom Schulman
Tyler Andrews	Mark Johnson	Dave Smith
Bill Bernier	Teresa Kurka	Phil Steyer
Patti Bogan	Paula Neas-Arnold	Lee Thibert
Ed Crowson	Connie Owens	Ken Thomas
Mike Cunningham	Paul Risse	Ron Vecera

Recording Secretary: DeAnna Scott, Executive Assistant

**I. Convene Meeting**

Chair Reiser convened the Operations Committee meeting at 4:04 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

*a. Safety Minute*

*Director Logan arrived at 4:07 p.m.*

Ken Thomas, Manager of Safety and Industrial Hygiene and Ed Crowson, Safety Specialist distributed road flares and Dave Smith, Sr. Vice President, Administration, discussed "*How to Properly Light a Road Flare.*" Mr. Smith also discussed briefly the need for washing your hands and showed a video clip on "*How to Properly Wash Your Hands.*"

**II. Executive Session**

None.

**III. Approval of Agenda**

Director Logan moved and Director Gimarc seconded the motion to approve the Agenda. The motion passed unanimously.

**IV. Approval of Minutes**

*a. December 9, 2009*

Director Logan moved and Director Gimarc seconded the motion to approve the Operations Committee Meeting minutes of December 9, 2009. The motion passed unanimously.

**V. Customer Comments**

*a. Wholesale Customer Comments*

None.

*b. Member Comments*

None.

**VI. Board Policy 126 – Business Planning and Financial Management**

Louann Cutler of K&L Gates and Dave Smith, Sr. V.P., Administration presented an overview of the proposed changes to Board Policy 126.

Director Logan moved and Director Gimarc seconded the motion that the Operations Committee recommend the Board of Directors to approve the revisions to Board Policy 126 – Business Planning and Financial Management, as shown in the attached draft policy. The motion passed unanimously.

**VII. Renewable Energy Committee Charter Discussion**

Chair Reiser stated that there was some consideration and discussion about changing the focus or mandate or charter of the Renewable Energy Committee (REC). One of the items or pieces of information that was to be gathered was the view of the REC.

*Director Nordlund arrived at 4:21 p.m.*

Chair Reiser reported that the REC met on January 5, 2010. She reported that Directors Kennedy and Vazquez were in attendance with her where they took up the subject. Chair Reiser stated she was in receipt of a response from the REC and stated they passed a motion in support of the continuation of the initial mandate of the REC in opposition to the proposed amendment. Chair Reiser continued reading the REC response to the Committee.

Director Gimarc provided input and discussed the changes/additions that were added to the proposed *Resolution Establishing the Renewable Energy Committee*. Director Gimarc stated that the proposed resolution attempts to refocus what the Committee does so it would be more useful where Chugach is going over the next decade.

After discussion, it was recommended that this subject be referred to the Operations Committee meeting in February where the Committee would take on specifics.

**VIII. Appointment of the 2010 Master Election Judge**

Phil Steyer, Director, Government Relations & Corporate Communications reported the Election Committee met and has recommended Teresa Nelson to be the 2010 Master Election Judge.

Director Logan moved and Director Gimarc seconded the motion that the Operations Committee recommend the Board of Directors to appoint Teresa Nelson as the 2010 Master Election Judge. The motion passed unanimously.

**IX. Approval of 2010 Date of Record**

Phil Steyer, Director, Government Relations & Corporate Communications reported the Election Committee met and has recommended March 17, 2010 as the 2010 Date of Record.

Director Logan moved and Director Gimarc seconded the motion that the Operations Committee recommend the Board of Directors to set March 17, 2010 as the Date of Record for Chugach's 2010 election. The motion passed unanimously.

**X. Approval of the 2010 Election Procedures**

Dave Smith, Sr. V.P., Administration, Patti Bogan, Manager, Public Relations and Theresa Nelson, Master Election Judge Elect discussed the 2010 Election Procedures and answered questions from the Committee. Through discussion, Director Vazquez requested that the *Office Practices and Policies* be referenced in the 2010 Election Procedures.

Director Logan moved and Director Gimarc seconded the motion that the Operations Committee recommend the Board of Directors approve the 2010 Election Procedures as approved by the Election Committee and make reference to the Office Practices and Policies, as amended. The motion passed unanimously.

**XI. Update on Southcentral Power Project**

Paul Risse, Sr. V.P., Power Supply Division provided an update on the Southcentral Power Project and answered questions from the Committee.

**XII. Gas Supply Term Sheet and Agreement**

Director Logan moved and Director Gimarc seconded the motion that the Operations Committee recommend the Board of Directors to authorize the Chief Executive

Officer to execute a Gas Sales Agreement for natural gas supplies as discussed in Executive Session. The motion passed unanimously.

### **XIII. Correspondence**

- a. *Memo – 2009 Drug Testing Program – Recap*
- b. *Update on Employee Complaint and Anti-Retaliation Policy Update*
- c. *Communications Plan – Electronic Distribution of the Annual Report*
- d. *Update on the Bylaws Committee Meetings*

### **XIV. Executive Session**

At 5:11 p.m., Director Logan moved and Director Gimarc seconded the motion that pursuant to Alaska Statute 10.25.175 (c) (1) the Operations Committee go into executive session to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative as it relates to the Association's 2010 Legislative Agenda and the Human Resources Division Strategic Plan.

The matters to be discussed include:

- A. 2010 Legislative Agenda, and
- B. An Update on the Human Resources Strategic Plan

The motion passed unanimously.

At 5:12 p.m., the Committee took a 10 minute recess and went into Executive Session at 5:22 p.m.

The Operations Committee reconvened in open session at 6:04 p.m.

### **XV. Director Comments**

**Director Hill:** "I really want to commend Brad and Tyler on the labor negotiations, I think it's, I think it's really, we're really in a much better position now than we have been before, especially you know, the education in terms of our financial situations and so forth, I think it's really, really a good, good place to be."

**Director Vazquez:** "No comments, well...I really appreciate all of the effort that are being made in the safety area. Obvious we are making improvements, that kind of, that's very satisfying. Just keep up the good work management and Mr. Evans, there's lot of projects on the front burner and that are being dealt with."

**Director Gimarc:** "A little lessons in renewables in wind energy from Great Britain courtesy of their historic, in at least the last century, a cold snap over the last ten days. Great Britain has committed to installing a lot of wind generation. I believe that commitment is over 10% eventually of their installed capacity. So far, they've got around 1,700 megawatts installed. That's about 1.5 percent of their total generation installed and it's about a little over 4% of what they generate everyday. During the cold snap last week it was very calm. Their wind generation capacity were turning out about 3 ½ percent of the installed capacity over something just under 60 mw. That's a lot of money to be spending for 60 mw. To put it in a current perspective

here in Alaska, 3 ½ percent of our Fire Island proposal is less than 2. Is that work worth hooking up the island to the mainland? I don't think so. But if that's what wind energy does when things, when the weather gets really hard, perhaps we need to consider other generation sources. Thank you."

**Director Nordlund:** "I guess I just want to express my appreciation to staff as well a lot of projects, you know, since as long as I've been working on the Board, we've been grinding through, we are definitely seeing some good results and one of which was on the agenda today which is the new Gas Supply Term Sheet. You know, this has been in the works for a long time and you know, this is one of the things that is critically important to the utility and you know, we're getting there and I really appreciate the work that Lee and Brad have been doing on that."

**Director Logan:** "I just want to call everybody's attention to the Mayor's Energy Task Force meeting of next week on the 20<sup>th</sup>. I can't be there and so, anybody that can be there, I would really appreciate it. Thank you Alex and Liz." *Chair Reiser:* "I'm going to try." **Director Logan:** "That is a really big deal that when we have our efforts getting that task force recommended to the Mayor that they support GRETC. That would be huge for us so, if people could be there I would greatly appreciate it."

**Director Kennedy:** "No comment."

**Chair Reiser:** "I have one comment and I want to talk a little bit about the power plant and I've been working with Paul and Dustin and I'm really encouraged and I'm really pleased with the job and the focus that they have and you know time will tell, because we are at the very early stages and with a big construction project there are a lot of opportunities for good things and bad things. So, but I'm very pleased with the way things are being handled and our working relationship is good and the responsiveness to our Board suggestions is very positive so, I want to commend them for the work they're doing."

## **XVI. Adjourn**

Director Logan moved and Director Gimarc seconded the motion to adjourn. The meeting adjourned at 6:08 p.m.