

CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA
February 7, 2007
Wednesday

4:00 p.m.

BOARD OF DIRECTORS'
OPERATIONS COMMITTEE MEETING MINUTES

Committee Members present: Jeff Lipscomb, Chairman
Jim Nordlund
Alan Christopherson

Other Directors present: David Cottrell
Elizabeth Vazquez
Uwe Kalekna

Employees and Guest in attendance:

Bill Stewart	Ed Jenkin	Phil Steyer
Bill Bernier	Carol Johnson	Mary Tesch
Patti Bogan	Bill Mede	Lee Thibert
John Cooley	Arthur Miller	Ron Vecera
Mike Cunningham	Connie Owens	Jim Walker
Brad Evans	Jim Patras	Burke Wick
Rick Freymiller	Robert Price	
Susanne Gibson	Jean Sauget	

Recording Secretary – DeAnna Scott, Executive Assistant.

- I. Call to Order**

The Operations Committee was called to order by Chairman Lipscomb at 4:11 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.
- II. Approval of Agenda**

Director Nordlund moved and Director Christopherson seconded the motion to approve the agenda. The motion passed unanimously.
- III. Approval of Minutes (1/3/2007)**

Director Nordlund moved and Director Christopherson seconded the motion to approve the January 3, 2007, meeting minutes. The motion passed unanimously.
- IV. Customer Comments**
 - A. Wholesale Customer Comments - None
 - B. Retail Customer Comments - None
- V. Proposed Bylaw Amendments**
 - A. Board Comment**
 - a. Article III, Section 9 – Elections and Election Committee**

Director Nordlund moved and Director Christopherson seconded the motion that the Board Operations committee approve the board comment to the proposed bylaw amendments and refer it to the full Board for approval for inclusion in the election brochure for the 2007 annual membership meeting election. The motion passed unanimously.

b. Article IV, Section 4 – Nominations

Director Nordlund moved and Director Christopherson seconded the motion that the Board Operations Committee approve the proposed bylaw amendment for referral to the full Board for placement on the ballot for the 2007 annual membership meeting election and for referral to the Bylaws Committee for its consideration. The motion passed unanimously.

c. Article XII, Amendments, Section 1 – Notice

Director Nordlund moved and Director Christopherson seconded the motion that the Board Operations Committee approve the board comment to the proposed bylaw amendments and refer it to the full Board for approval for inclusion in the election brochure for the 2007 annual membership meeting election. The motion passed unanimously.

d. Article XII, Amendments, Section 2 – Bylaws Committee

Director Nordlund moved and Director Christopherson seconded the motion that the Board Operations Committee approve the Board comment to the proposed bylaw amendments and refer it to the full Board for approval for inclusion in the election brochure for the 2007 annual membership meeting election. The motion passed unanimously.

B. Article IV, Section 5 – Board of Directors Appointments – Proposed Amendment

Director Christopherson moved and Director Nordlund seconded the motion that the Board Operations Committee approve the proposed bylaw amendment for referral to the full Board for placement on the ballot of the 2007 annual membership meeting election and for referral to the Bylaws Committee for its consideration. The motion passed unanimously.

C. Article IV, Section 5 – Board Comment

Director Christopherson moved and Director Nordlund seconded the motion that the Board Operations Committee approve the proposed bylaw amendment for referral to the full Board for placement on the ballot of the 2007 annual membership meeting election and for referral to the Bylaws Committee for its consideration. The motion passed unanimously.

VI. Board Policy 128 - Confidentiality

Director Christopherson moved and Director Nordlund seconded the motion that the Board Operations Committee approve the revised Board Policy 128 in accordance with the modifications presented for full Board approval. The motion passed unanimously.

VII. CEO 2007 Goals

Director Christopherson moved and Director Nordlund seconded the motion that the Operation Committee adopt the proposed CEO 2007 goals and evaluation form as amended and recommend to the Board for approval. The motion passed unanimously.

VIII. AREA JAA

Director Christopherson and Director Nordlund seconded the motion that the Operations Committee recommends that the Board of Directors give authorization to the CEO to negotiate goals and projects for the AREA JAA and the readmission of Chugach Electric into the AREA JAA. The motion passed unanimously.

IX. Legislative Update

Director Vazquez gave an update to the committee on her January 30, 2007, meeting with CEO Bill Stewart and Phil Steyer, Director of Government and Corporate Relations. Mr. Steyer also discussed with the committee various issues that are before the Legislature currently and discussed with the committee the agenda for the upcoming APA conference that is scheduled to begin February 28, 2007. Out of the discussions, two motions were made by the Committee to be forwarded to the Board for consideration. The motions were as follows:

1. Director Nordlund moved and Director Christopherson seconded the motion that the Operations Committee recommends to the Board of Directors a resolution with a recommendation for approval of the RCA statutory changes. The motion passed unanimously.

2. Director Nordlund moved and Director Christopherson seconded the motion that the Operations Committee recommends to the Board consideration of support for the establishment of a Renewable Energy Fund for Alaska. The motion passed unanimously.

X. Directors Comments

Director Nordlund: None

Director Cottrell: Inquired if a call was placed to HEA Chairman, Dave Carey, to see if he received the letter and if he had additional comments or questions. Chair Lipscomb stated he would follow up on the request. Director Cottrell also stated he supported the organization's costs for holiday recognition for the employees. He asked Mr. Stewart if he felt \$80 per employee was appropriate. CEO Stewart responded he thought it was a reasonable cost but did not have statistics from other companies to support his statement.

Director Christopherson: None

Director Vazquez: Stated that as a cooperative is more closely related to a governmental agency, the \$80 per employee seemed to be on the excessive side seeing that this is going to be paid by the membership. She felt we should probably do some research on that issue.

Director Kalenka: Commended Chugach on reducing the cost of the holiday party from the previous year by approximately \$20.00. He felt that Chugach is getting a "raw deal for \$80.00 and the quality that I have seen is lacking for this price. For this price, you should be able to go up in the Crow's Nest. That's the concern I have and I will concur with Director Vazquez, we are not-for-profit." He felt everyone should have a good holiday party, but costs excessive and not justifiable.

Chairman Lipscomb: He stated the holiday party is a good deal and should continue. Chair Lipscomb also stated that he and CEO Stewart should discuss how to increase participation. He feels a holiday party is a good idea, a motivational tool, and a thanked the employees for their good work.

At 5:55 p.m. the committee recessed and reconvened at 6:12 p.m.

XI. Executive Session

At 6:12 p.m., Director Nordlund moved and Director Christopherson, 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 (3) matters with its attorneys the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The items to be discussed in the executive session are: 1) Labor Update, 2) Rate Case Update, and 3) Strategic Planning. The motion passed unanimously.

The committee reconvened at 7:57 p.m.

XII. 2006 CEO Evaluation

Director Nordlund moved and Director Christopherson seconded the motion that the Operations Committee recommend to the Board of Directors the approval of CEO Bill Stewart's 2006 evaluation as discussed in Executive Session.

XIII. Adjourn

Director Nordlund moved and Director Christopherson seconded the motion to adjourn the Operations Committee meeting. The meeting adjourned at 8:00 p.m.