

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

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

**February 4, 2008**

Committee Members in Attendance: Elizabeth Vazquez, Chair  
Alex Gimarc  
Uwe Kalenka  
Jim Nordlund

Other Directors Present: PJ Hill  
Jeff Lipscomb  
Rebecca Logan

Guests in Attendance: Jim Walker (MEA)  
Jim Patras (HEA)  
Phil Levis (Elections Committee)  
Belinda Davis (Elections Committee)  
Jim Magowan (Elections Committee)  
Vicki Cantrell (Elections Committee)  
Tom Daniel (Perkins Coie)

Staff in Attendance:

Brad Evans	Connie Owens	Mike Cunningham	Dave Smith
Carol Heyman	Paul Risse	Ed Jenkin	Bill Bernier
Phil Steyer	Patti Bogan	Carol Johnson	

Recording Secretary: Jennifer McDonald, Legal Secretary

**I. CONVENE MEETING**

Chair Vazquez convened the Operations Committee meeting at 7:01 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

**II. EXECUTIVE SESSION**

None.

**III. APPROVAL OF AGENDA**

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

#### **IV. APPROVAL OF MINUTES**

- a. November 12, 2007*
- b. January 8, 2008*

Director Kalenka moved and Director Gimarc seconded the motion to approve the Operations Committee Meeting minutes of November 12, 2007 and January 8, 2008. The motion passed unanimously.

#### **V. CUSTOMER COMMENTS**

- a. Wholesale Customer Comments*  
None.
- b. Retail Customer Comments*

Belinda Davis stated she has been a member of Chugach since 1976 and has served on past Advisory and Elections Committees and is a current member of the Elections Committee. Ms. Davis stated she is speaking as an individual member of the Elections Committee and encouraged the Board to vote for Version A of the Election Procedures. Ms. Davis stated that the Committee has spent a lot of time going over individual items; these items were addressed and the majority of the Elections Committee voted for Version A of the Election Procedures. Ms. Davis stated that as a Member she has spent a lot of time attending the meetings and felt it is not appropriate for the Board to vote on Version B as the Elections Committee did not have the opportunity to review it in detail. Ms. Davis stated that if the process needs to be changed then it should be done by a change of the Bylaws Committee.

#### **VI. Review and Recommend Approval 2008 Election Procedures**

Director Gimarc gave a brief overview of the issues and differences of Version A and Version B of the 2008 Election Procedures.

Jim Magowan, Elections Committee Chair, spoke in support of Version B and answered questions from the Operations Committee.

Vicki Cantrell, Elections Committee member, spoke in support of Version A and answered questions from the Operations Committee.

The Committee paused for a break at 8:00 p.m. and reconvened at 8:13 p.m.

After extensive discussion among the Committee the following motion was prepared:

Director Gimarc moved and Director Kalenka seconded the motion that the Operations Committee recommend that the Board ask the Election Committee to review the proposed revisions to the Election Procedures incorporated in Version B, Minority Report; that the Board Operations Committee believes the proposed revisions should be considered by the Election Committee, subject to certain technical

corrections, such as correcting notification dates and addresses to drop off ballots, into the Election Committee procedures for the 2008 Annual Meeting. The three areas the Operations Committee would like the Election Committee to specifically consider are: 1) additional time for non-natural members to provide an authorized signature for their ballots; 2) notification for members whose ballots were rejected; and 3) clearer guidance about what the authorized signer is for non-natural and natural members on the ballot envelope. The motion passed unanimously.

**VII. Review and Recommend Approval of the Credit Card Transition Plan**

Dave Smith, Vice President, Administration, stated that after going back and reviewing past Board meeting voting records that the Credit Card Transition Plan has not yet been passed by the full Board.

Director Kalenka moved and Director Gimarc seconded the motion that the Operations Committee recommend to the Board of Directors approval of the proposed credit card transition plan. The motion passed unanimously.

**VIII. Acting Chief Executive Officer Signing Authority (Board Policy 106 – Delegations of Authority From the Board of Directors to the Chief Executive Officer)**

Dave Smith, Vice President, Administration, gave an overview of the proposed revisions to Board Policy 106 as a result of the Sarbanes Oxley training on January 12. After discussion among the Committee the following additional changes will be made:

- Page 6, Section II.B.8.c., last paragraph, insert a comma after \$10,000 and insert the words “whichever is less”
- Page 9, Section II.C.4.b., add new sentence to read: “No transactions can be approved by an individual above their signing authority”
- Page 9, Section II.C.4.b., add a sentence that references the Sarbanes Oxley practice in Accounting

Director Kalenka moved and Director Gimarc seconded the motion that the Operations Committee recommend to the Board of Directors approval of the proposed changes to Board Policy 106, subject to the changes as discussed, Delegations of Authority from the Board of Directors to the Acting Chief Executive Officer to the full Board. The motion passed unanimously.

**IX. Presentation on Hope**

Ed Jenkin, Acting Senior Vice President, Power Delivery, gave a presentation on the Hope Project and staff answered questions from the Committee.

**X. APA Legislative Priorities**

Phil Steyer, Director, Government Relations and Corporate Communications, gave an update on the APA Legislative Priorities and answered questions from the Committee.

**XI. Comments on the Proposed Changes to Title 17**

Ed Jenkin, Acting Senior Vice President, Power Delivery, reviewed the comments on the proposed changes to Title 17 of the Alaska Administrative Code and summarized Chugach's concerns.

**XII. SNAP Program**

Director Kalenka moved and Director Gimarc seconded the motion that the Operations Committee recommend to the Board of Directors that staff investigate and evaluate Golden Valley Electric Association's SNAP program and return to the Board of Directors with their recommendation. The motion passed unanimously.

**XIII. Revised Vision & Mission Statement**

Director Kalenka moved and Director Gimarc seconded the motion that the Vision and Mission Statement for Chugach Electric Association be changed to: "Corporate Vision – We exist to provide superior service and dependable electricity at the lowest cost possible, and to improve the economy and quality of life where we serve. Corporate Mission: Provide Safe, Reliable Power at the Lowest Cost Possible." After extensive discussion among the Committee, numerous changes were suggested.

Director Kalenka suggested the item be tabled to allow the Committee time to re-work the Corporate Vision and Mission Statements. The item was tabled.

**XIV. Correspondence**

None.

**XV. Director Comments**

**Director Hill:** None.

**Director Lipscomb:** None.

**Director Logan:** None.

**Director Nordlund:** None.

**Director Gimarc:** "I'd like to thank the members of the election committee for their hard work in the drawing up of the election procedures; we're getting closer. Thank you, thank you for the hard work."

**Director Kalenka:** None.

**Chair Vazquez:** "Thank you Mr. Evans – the presentations were well done. Thank everyone for making a presentation."

**XVI. Executive Session**

Director Kalenka moved and Director Gimarc seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1) and (3) the Committee 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 matter to be discussed is: 1) Update on New Generation. The motion passed unanimously.

The Committee went into executive session at 9:08 p.m. and resumed in open session at 9:09 p.m.

**XVII. Adjourn**

Director Kalenka moved and Director Gimarc seconded the motion to adjourn. The meeting adjourned at 9:09 p.m.

DRAFT