

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**ANCHORAGE, ALASKA**  
**May 2, 2007**  
**Wednesday**

**4:00 p.m.**

**BOARD OF DIRECTORS'**  
**OPERATIONS COMMITTEE MEETING MINUTES**

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

Other Directors present: Jeff Lipscomb  
Alan Christopherson  
P.J. Hill

Employees and guests in attendance:

Bill Stewart	Mike Hodsdon, IBEW	Jean Sauget
Tuckerman Babcock, MEA	Ed Jenkin	Phil Steyer
Loralie Carter, MEA	McKay-Highers	Mary Tesch
Mike Cunningham	Joe Miller	Lee Thibert
Don Edwards, Dorsey	Connie Owens	Amber Van Treeck
Brad Evans	Jim Patras, AEG&T	Ron Vecera
Mark Fouts	Mary Patterson	Jim Walker, MEA
Margaret Hansel	Keith Sanders, CIRI	Luz Vazquez
Carol Heyman	Dianne Hillemeier	

Recording Secretary – DeAnna Scott, Executive Assistant.

**I. Call to Order**

The Operations Committee was called to order by Chair Vazquez at 4:15 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

**II. Approval of Agenda**

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

**III. Approval of Minutes (4/4/2007)**

Director Kalenka moved and Director Gimarc seconded the motion to approve the April 4, 2007, meeting minutes. The motion passed unanimously.

**IV. Customer Comments**

- A. Wholesale Customer Comments - None
- B. Retail Customer Comments - None

**V. 2007-2008 Operations Committee Goals**

Director Kalenka moved and Director Gimarc seconded the motion to table this agenda item to the next Operations Committee meeting. Director Kalenka stated given there are two new board members the discussion regarding goals is premature at this point. Motion passed unanimously.

**VI. NWPPA Resolutions – Review and Recommendation**

Phil Steyer, Director - Government Relations and Corporate Communications, discussed staff's recommendations on the NWPPA Resolutions.

Director Kalenka moved and Director Nordlund seconded the motion to recommend to the Board of Directors authorization for the Chugach delegate at the 2007 NWPPA Annual meeting to vote on the proposed resolutions as discussed. The motion passed unanimously.

**VII. Director's Code of Conduct**

Director Kalenka moved and Director Gimarc seconded the motion to table the Directors Code of Conduct indefinitely. Chair Vazquez, Directors Kalenka and Gimarc voted yes. Director Nordlund voted no. Motion passed.

**VIII. AREA Joint Action Agency – Delegate and Alternate**

Director Kalenka moved and Chair Vazquez seconded the motion that the Operations Committee recommend to the Board of Directors to appoint Director Gimarc, Delegate, and Bill Stewart, Alternate, to the Alaska Railbelt Energy Authority Joint Action Agency. Chair Vazquez, Director Kalenka and Gimarc voted yes, Director Nordlund voted no. Motion passed.

**IX. Management Audit**

Director Kalenka stated that over the last two years he has consistently asked for a management audit. This is not to say that management is not doing their jobs; this is just to say that sometimes we are too close to a problem to actually see the problem and sometimes we need an extra set of eyes to review the organization and give recommendations in order for us to proceed into the future because we do have some hurdles and challenges in front of us. There was discussion on this item with the Committee.

Director Kalenka suggested we find some top notch executives within the community who might be willing to volunteer their time (or with minor expenses) to look at the overall operation in order to facilitate the same goal without incurring all of the expenses of a full management audit. Chair Vazquez asked if Director Kalenka was recommending some type of panel. He agreed this would be his thought and would like to make a motion to that affect to go to the full Board for discussion.

Director Kalenka moved and Director Gimarc seconded the motion to appoint such panel and forward the concept to the full Board for consideration. The motion passed unanimously.

**X. Recording of Executive Sessions & Retention Schedule**

Director Kalenka move and Director Gimarc seconded the motion to forward to the next Operations Commbttee meeting a policy and procedure regarding recording of all executive sessions and have those recordings on a one-year retention schedule. Chair Vazquez amended the motion to include "except for items dealing with personnel matters which would be kept confidential forever unless there is litigation". The amendment was accepted by Directors Kalenka and Gimarc. Chair Vazquez requested that Counsel Johnson draft a policy and procedure on this topic for the full Board to consider and the policy and procedure would be brought back to the next Operations Committee meeting. The motion passed unanimously.

**XI. Initiate Process to Hire Board Attorney**

Director Kalenka moved and Director Gimarc seconded the motion that the Operations Committee recommend to the full Board to hire an attorney that is solely for the Board. Chair Vazquez, Directors Kalenka and Gimarc voted yes and Director Nordlund voted no. Motion passed.

**XII. Hire Labor Advisor**

Director Kalenka moved and Director Gimarc seconded the motion that the Board hire a labor advisor referring to outstanding labor contracts that are being negotiated but not yet finalized. Chair Vazquez, Directors Kalenka and Gimarc, voted yes; Director Nordlund voted no.

**XIII. Revision of Board Goals**

Director Kalenka moved and Director Gimarc seconded the motion to table this issue to give the new Board members an opportunity to familiarize themselves with the Board Goals. Motion passed unanimously.

**XIV. Revision of Board Policy 128-Confidentiality**

Director Kalenka moved and Director Gimarc seconded the motion that Board Policy 128 be repealed and superseded by the previous confidentiality policy.

The motion was stated again as follows: Director Kalenka moved and Director Gimarc seconded the motion to forward the revision of Board Policy 128 Confidentiality to the full Board for reconsideration. Chair Vazquez, Directors Kalenka and Gimarc voted yes; Director Nordlund voted no. Motion passed.

**XV. Charitable Contributions, Donations, and Services**

Director Kalenka moved and Director Gimarc seconded the motion to have this agenda item tabled to the next Operations Committee meeting in order to give the new board members the opportunity to study the issue and form a proper educated opinion. The motion passed unanimously.

**XVI. Cost-Benefit Analysis for New Generation**

Director Kalenka moved and Director Gimarc seconded the motion to have this item tabled to the next Operations Committee meeting in order to give the new board members the opportunity to study the issue and form a proper educated opinion. The motion passed unanimously.

**XVII. Cost-Benefit Analysis for Fire Island**

Mark Fouts, Manager, Corporate Planning & Analysis, presented to the Committee the Cost-Benefit Analysis for Fire Island and responded to questions.

Director Kalenka moved that this issue be taken off our agenda and that wind power as far as he is concerned is not viable or economical to pursue any further (*no second to the motion*). Chair Vazquez, Directors Kalenka and Gimarc voted yes; Director Nordlund voted no. Motion passed.

**XVIII. Cost Calculations (per member) for Outside Bargaining Agreement**

Director Kalenka moved and Director Gimarc seconded the motion to table this agenda item to the next Operations Committee meeting in order to give our new members the opportunity to study the issue and form a proper educated opinion. The motion passed unanimously.

**XIX. Expenses Not in Rates**

Director Kalenka moved and Director Gimarc seconded the motion to have this agenda item tabled to the next Operations Committee meeting in order to give the new board members time to familiarize themselves with the issue. The motion passed unanimously.

**XX. Discussion – Board Retreat**

Director Kalenka moved and Director Gimarc seconded the motion to table this issue indefinitely. Motion passed.

**XXI. Directors Comments**

**Director Kalenka:** Thanked the Chair for conducting the meeting in an extremely professional manner. Welcomed the new directors to the Board. Thanked Mark Fouts for the Fire Island Wind Project presentation. Thanked HEA and MEA guests for their attendance at this meeting.

**Director Gimarc:** None

**Director Nordlund:** None

**Director Christopherson:** Welcomed the new board members. Now that the election is over, asked that the politics of the election be kept outside the board room. Also asked that board members come prepared and look at all sides of each issue and be prepared to vote in the best interests of the co-op. He would like this to be a goal for all during the coming year and to look at limiting the number of and length of meetings.

**Director Lipscomb:** Welcomed new board members and thought this meeting had given them an example of some of the issues that face us. The new directors would be reading a lot to catch up on those issues. Indicated his “pet” issue is safety. Encouraged all employees to work safely and diligently in their jobs.

**Director Hill:** It’s good to be here. People have said “congratulations” and some have said “you have my sympathy”.

**Chair Vazquez:** Welcomed the new board members. Apologized to Mr. Stewart - said we would have to discuss her personal preferences that any legislative matters be given to the entire Board immediately. In fact, on any major issue everyone immediately be apprised via email - high importance, high priority - and not just informing the Board Chair.

**XXII. Executive Session**

There was no motion or vote taken to go into Executive Session; however, an executive session was held at 7:00 p.m. (Director Lipscomb did not attend the executive session.)

**XXIII. Adjourn**

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

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