

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

**May 12, 2010**

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

Committee Members in Attendance: Janet Reiser, Chair  
Rebecca Logan, Vice Chair  
Jim Nordlund  
Pat Kennedy  
Elizabeth Vazquez (*arrived at 6:01 p.m.*)

Other Members Present: Susan Reeves (*arrived at 6:01 p.m.*)  
P.J. Hill

Guest in Attendance: Dr. Brian Hirsch, NREL

Staff in Attendance:

Brad Evans	Tom Schulman	Ed Jenkin
Dave Smith	Mike Cunningham	Mark Johnson
Tyler Andrews	Arthur Miller	Lee Thibert
Felix Melendez	Sherri McKay-Highers	Kathy Harris
Connie Owens	Bill Bernier	Carol Heyman
Phil Steyer	Dustin Highers	Paul Risse
Theresa Quigley		

Recording Secretary: Paula Neas-Arnold, Executive Secretary

**I. Convene Meeting**

Chair Reiser convened the Operations Committee Meeting at 5:38 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

*a. Safety Minute*

Dave Smith, Sr. Vice President, Administration, gave a Safety Minute presentation and showed a video clip on the safe use of ladders. Mr. Smith distributed ladder non-skid “caps” for the end of ladders to the Committee.

*Directors Reeves and Vazquez arrived at 6:01 p.m.*

**II. Executive Session** (*none*)

**III. Approval of Agenda**

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

**IV. Approval of Minutes**

*a. April 14, 2010 (Neas-Arnold)*

Director Logan moved and Director Kennedy seconded the motion to approve the meeting minutes of April 14, 2010. The motion passed unanimously.

**V. Customer Comments**

*a. Wholesale Customer Comments*  
None

*b. Member Comments*  
None

**VI. Election of Vice Chairman – Operations Committee**

Director Nordlund moved and Director Kennedy seconded the motion to nominate Director Logan as the Vice Chairman of the Operations Committee. The motion passed unanimously.

**VII. National Renewable Energy Laboratory Presentation**

Director Nordlund introduced Dr. Brian Hirsch, National Renewable Energy Laboratory. Dr. Hirsch gave a presentation on the various types of renewable energy and answered questions from the Committee.

**VIII. Construction Contract Award – Equipment Storage Site Preparation**

*This item was removed from the agenda.*

**IX. Update on Southcentral Power Project**

Dustin Highers, Director, Power Supply Technical Services, provided an update on the Southcentral Power Project and answered questions from the Committee.

**X. Smart Power Update**

Dave Smith, Sr. Vice President, Administration, provided an update on the Smart Power program and answered questions from the Committee.

**XI. Correspondence** (*none*)

**XII. Executive Session**

- a. Southcentral Power Project – EPC Contract Status*
- b. Update on Fire Island*

- c. *Fuel Supply*
- d. *Strategic Planning*
- e. *CEO Evaluation Process*

Director Logan moved and Director Kennedy seconded the motion that pursuant to Alaska Statute 10.25.175 (c) (1) and (2) the Board of Directors 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 Southcentral Power Project “Engineer, Procure and Construct” contract recommendation; an update on the Fire Island Wind Project; an update on Fuel Supply matters; Strategic Planning Issues; and, to discuss subjects that may tend to prejudice the reputation or character of a person as it relates to discussion of the process for evaluating the Chief Executive Officer. However, the person may request a public discussion.

The matters to be discussed are:

- a. Southcentral Power Project
- b. Update on Fire Island
- c. Fuel Supply
- d. Strategic Planning
- e. CEO Evaluation Process

The motion passed unanimously. At 6:48 p.m., the Committee took a five minute break and went into Executive Session at 6:53 p.m.

The meeting reconvened in open session at 8:45 p.m.

### **XIII. Southcentral Power Project – Motion to Recommend EPC Contract**

*This item was removed from the Agenda.*

### **XIV. DIRECTOR COMMENTS**

**Director Logan:** “Our staff rocks, you know that? When you think about all the work that they get done and the division and the leadership, we’re pretty dang lucky. I’m very appreciative.”

**Director Vazquez:** “They rock because they’ve got a good captain of the ship so to speak and that was a.....” *Chair Reiser:* “*We’re getting looser and looser on these Director Comments.*”

**Director Kennedy:** “To put it in my best sentence, I think we need to have a little rub session, a planning session of some sort pretty soon about how we’re going to respond to things that might be coming up and who we’re going to get to help us respond in terms of, for instance, I’m on all sorts of election committees; and you may have won yourself a personal match, Madam Chair. We need to figure out what we want to do, how we want to do it and how fast we want to do it, so I don’t think we should wait on it, because then we’ll just be responding, and we don’t want to seem like we’re responding. That’s my Director’s comments for right now, I’ll think of something else after I go home.”

**Director Hill:** “No comment, thank you.”

**Director Nordlund:** “I want to say to Dave Smith and staff how impressed and thankful I am towards the continued progress we’re making on this Smart Power Program. Very pleased with the progresses being made on Fuel Supply issues. I agree with Rebecca, our staff continues to plug away and make good progress and doing a really good job. And I do want to thank Brian Hirsh for his presentation from NREL, be great if we can bring in the Department of Energy in with their tremendous resources to help us get through some of these wind integration issues that we are.....*Director Logan: I’d love to have them do their own little independent integration thing for us, for the Boards. We all hear a million different things from a million different people, so it would be kind of neat to have somebody come in from outside come in with the boards, and we all have to deal with integration and do a report.*” **Director Nordlund:** “Yeah, that’s a great idea.” *Director Logan: I’d appreciate that.*”

**Director Reeves:** “No comments. Overwhelming, lots of stuff”.

**Chair Reiser:** “Okay, my final comment is certainly thanks to the staff and thanks to this Board. It’s really exciting and encouraging to see such proactive measures being put in place both at the staff level and on the board level and thank you and welcome Susan and I think we’re done!”

## **XV. ADJOURNMENT**

Director Logan moved and Director Kennedy seconded the motion to adjourn the meeting. The motion passed unanimously. The meeting adjourned the 8:48 p.m.