

CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA
July 6, 2005
Wednesday

4:00 p.m.

Board Operations Committee Meeting Minutes

Committee Members present: Jeff Lipscomb, Committee Chairman
 Bruce Davison
 Alan Christopherson
 Uwe Kalenka

Other Directors present: David Cottrell (teleconference)
 Elizabeth Vazquez (teleconference)

Employees and Guest in attendance:

Joe Griffith	Carol Heyman	Bill Stewart
Patti Bogan	Dianne Hillemeier	Phil Steyer
John Cooley	Ray Kreig	Mary Tesch
Mike Cunningham	Connie Owens	Lee Thibert
Don Edwards	Jim Patras	
Brad Evans	Mike Pauley	

Recording Secretary – DeAnna Scott, Executive Assistant

1. Minutes

The minutes of June 1, 2005, were accepted as presented.

2. Executive Session – Scheduled

At 4:08 p.m., Director Christopherson moved and Director Kalenka seconded 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 discussed with an attorney for the cooperative, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The topics to be discussed are: 1) AREA JAA (Agenda Item VIII); 3) D and O Reporting Policy (Agenda Item VI). The motion passed unanimously.

The committee reconvened at 5:40 p.m.

3. Customer Comments

None.

4. Board Policy 131 – D&O Reporting Policy

Director Davison moved and Director Christopherson seconded to recommend and consider approval of the amended Board Policy 131 – D&O Reporting Policy to be forwarded to the Board of Directors. The following amendments to Board Policy 131 were requested by Director Lipscomb, as follows:

II. Content, A. Definitions to read as follows:

3. A formal civil administrative or civil regulatory proceeding commenced by the filing of a notice of charges or similar document or by the entry of a formal order of investigation or similar document; or against the Association, its Directors, officers and employees which may be covered by directors and officers insurance policies maintained by the Association.



The term “potential claim” is defined as any objective manifestation by any person *or entity* of an intent to assert a claim.

D. External Reporting to be amended as follows:

1. Based upon the internal evaluation, the Risk Manager will report all claims *in writing* and, as appropriate, potential claims, to applicable insurance carriers and the Association’s insurance brokers and/or consultants.
2. The General Counsel will report *in writing* all claims and, as appropriate, potential claims, to the Association’s Directors, Chief Executive Officer and any other named officers and employees.

Motion as amended passed unanimously.

5. Board Policy 125 - Indemnification of Directors, Officers, Employees and Agents.

Director Christopherson moved and Director Kalenka seconded that Board Policy 125 – Indemnification of Directors, Officers, Employees and Agents be tabled pending further legal review. This motion passed unanimously.

6. AREA Joint Action Agency

CEO Griffith presented to the committee the AREA Joint Action Agency Agreement dated 6/23/05 for consideration and recommendation. Director Cottrell stated he supports the JAA but stated additional time is needed to address the significant economic value and the reasons we are to join. Director Christopherson recommended involvement from other potential signers to the Agreement. Chairman Lipscomb stated invitation letters could be sent to Seward and Homer. It was agreed to by the committee to table the AREA Joint Action Agency Agreement recommendation until further discussion/education and addition activities can be determined. It was recommended Chairman Lipscomb develop a schedule/timeline.

7. CEO Report

CEO Griffith asked Legal Counsel Edwards to provide an update on the Depreciation Study. CEO Griffith provided the committee with an update on the Fire Island project.

8. Executive Session

At 6:12 p.m., Director Davison moved and Director Christopherson seconded that pursuant to Alaska Statute 10.25.175(c)(1)(2) and (3), the Board go into executive session to discuss 1) matters that immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; 2) subjects that tend to prejudice the reputation and character of a person; however, the person may request a public discussion; and 3) matters discussed with an attorney for the cooperative, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The topics to be discussed are: 1) G and T Separation Progress; 2) Labor Relations Strategy; 3) Seward Electric Association Contract Strategy; 4) CEO Selection Process Tasks and Schedule; 5) CEO Contract; 6) Board/Personnel Relations. The motion passed unanimously.

The committee came out of executive session at 7:40 p.m. and adjourned.