

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE
MEETING MINUTES

July 8, 2009

Committee Members in Attendance: Janet Reiser, Chair
Alex Gimarc
Jim Nordlund
Rebecca Logan
Elizabeth Vazquez

Director Not Present: PJ Hill (not a Committee member)
Pat Kennedy (not a Committee member)

Guests in Attendance: Lorali Carter (MEA)
Jim Posey (ML&P)
David Leonard (Beacon)
Louann Cutler (K&L Gates)
Amy Limeres (K&L Gates)

Staff in Attendance:

Brad Evans	Connie Owens	Ed Jenkin	Paul Risse
Mark Johnson	Bill Bernier	Rick Freymiller	Arthur Miller
Phil Steyer	Dan Knecht	Dave Smith	Tyler Andrews
Mike Cunningham	Ed Crowson	Tom Schulman	

Recording Secretary: Jennifer McDonald, Legal Secretary

I. Convene Meeting

Chair Reiser convened the Operations Committee meeting at 4:45 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

a. Safety Minute

Dave Smith, Sr. Vice President, Administration, informed the Committee of Personal Protective equipment and distributed safety glasses, ear plugs, and other miscellaneous items to the Committee members.

II. Executive Session

None.

III. Approval of Agenda

Director Logan moved and Director Nordlund seconded the motion to approve the Agenda. The motion to approve the agenda passed unanimously.

IV. Approval of Minutes

a. June 10, 2009

Director Nordlund moved and Director Logan seconded the motion to approve the Operations Committee Meeting minutes of June 10, 2009. The motion passed unanimously.

V. Customer Comments

a. Wholesale Customer Comments
None.

b. Member Comments
None.

VI. Update on Net Metering - Presentation

Ed Jenkin, Vice President, Power Delivery, gave a presentation on Net Metering and answered questions from the Committee.

VII. Appoint NRECA and CFC Voting Delegate and Alternate

Director Logan moved and Director Gimarc seconded the motion that the Operations Committee recommend to the Board of Directors that Elizabeth Vazquez be appointed as the NRECA Voting Delegate and Janet Reiser as the NRECA Voting alternate and James Nordlund as the CFC Voting Delegate and Elizabeth Vazquez as the CFC Voting Alternate. The motion passed unanimously.

VIII. Update on Wildlife Safety Operating Policy

Tyler Andrews, Vice President, Human Resources, gave an update on the Wildlife Safety Operating Policy and answered questions from the Committee.

IX. Update on Southcentral Power Plant

Paul Risse, Sr. Vice President, Power Supply, gave an update on the Southcentral Power Plant and answered questions from the Committee.

X. Health and Safety Management System Work Plans

Dave Smith, Sr. Vice President, Administration, and David Leonard from Beacon Occupational Safety and Health Services, presented an overview of the Health and Safety Management System Work Plans relating to Chugach's safety management system. Mr. Leonard and staff answered questions from the Committee.

The Committee paused for a break at 5:47 p.m. and resumed in open session at 6:01 p.m.

XI. Proposed Revisions to Board Policy 129 – Employee Complaint and Anti-Retaliation Policy to be Re-titled Reporting Audit and Accounting Concerns

Louann Cutler and Amy Limeres of K&L Gates presented an overview of the proposed changes to Board Policy 129.

Director Logan moved and Director Nordlund seconded the motion that the Operations Committee recommend the Board of Directors approve the revisions to Board Policy 129, Employee Complaint and Anti-Retaliation Policy to be re-titled Reporting Audit and Accounting Concerns. The motion passed unanimously.

XII. Proposed Revisions to Board Policy 110 – Statement of Functions of Finance Committee and Board Policy 127 – Audit Committee Charter

Louann Cutler of K&L Gates presented an overview of the proposed changes to Board Policy 110 and Board Policy 127.

Director Logan moved and Director Nordlund seconded the motion that the Operations Committee recommend the Board of Directors approve the revisions to Board Policy 110, Statement of Functions of Finance Committee and Board Policy 127, Audit Committee Charter, as amended. The motion passed unanimously.

XIII. Proposed Revisions to Board Policy 112 – Member Advisory Council

Louann Cutler of K&L Gates presented an overview of the proposed changes to Board Policy 112.

Director Logan moved and Director Nordlund seconded the motion that the Operations Committee recommend the Board of Directors approve the revisions to Board Policy 112, Member Advisory Council, as amended. The motion passed unanimously.

XIV. Proposed Revisions to Board Policy 115 – Vacancies in Unexpired Terms and Board Policy 116 – Involuntary Resignation of a Director

Louann Cutler of K&L Gates presented an overview of the proposed changes to Board Policy 115 and Board Policy 116.

This Agenda Item was postponed to the next Operations Committee Meeting.

XV. Proposed Revisions to Board Policy 103 – Open Meetings and Executive Sessions on Board of Directors, Board Policy 109 – Committees of the Board of Directors, and Board Policy 113 – Procedures for Board of Directors Meetings

Louann Cutler of K&L Gates presented an overview of the proposed changes to Board Policy 103, Board Policy 109 and Board Policy 113.

Director Logan moved and Director Nordlund seconded the motion that the Operations Committee recommend the Board of Directors approve the revisions to Board Policy 103, Open Meetings and Executive Sessions on Board of Directors, Board Policy 109, Committees of the Board of Directors, and Board Policy 113, Procedures for Board of Director Meetings. The motion passed unanimously.

XVI. Draft Legislation Regarding Electronic Voting

Dave Smith, Sr. Vice President, Administration and Louann Cutler of K&L Gates gave an overview of the Draft Legislation Regarding Electronic Voting.

Director Logan suggested this Draft Legislation be an Agenda Item for the August 5 Joint Utility Board meeting.

Director Gimarc suggested changing the motion when it comes before the Regular Board meeting as Chugach is not approving the legislation but supporting it.

Director Logan moved and Director Nordlund seconded the motion that the Operations Committee recommend the Board of Directors approve the attached draft legislation regarding electronic voting. The motion passed unanimously.

XVII. Correspondence

None.

XVIII. Director Comments

Director Vazquez: “Well, like my colleague, Director Reiser, I am excited about the new efforts that are being made in the safety area. And I was really impressed with the timeline that was prepared because I know there was a nice report but the bottom line is – you can have all the reports in the world but if they’re not implemented then it’s no good. My other comment goes to proposed Policy 115 with regard to voting by secret ballot, section 2, subsection f. – that’s not supported at all by the Bylaws. Article V., Section 6. on page 17 states the minutes must be kept for all meetings and that includes regular and special and ‘shall include each director’s vote on each matter voted upon by the board of directors’. Article VI. [sic], Section 2. it states that the officers shall be elected annually by secret ballot – that is the election of the directors by the membership is the only place in the bylaws where ‘secret ballot’ is mentioned. In all other areas of the bylaws you just have a simple mentioning of ballot. So, I just don’t think that passes the bylaw mustard so to speak. That’s all I have.”

Director Gimarc: “Madam Chair, there’s no limit to what this cooperative can do as long as our members are fully informed about what goes on – what has gone on – and what’s about to go on. The safety analysis and implementation work-up that we saw this afternoon is a great step in that direction and properly done will open some eyes amongst the membership. Thank you.”

Director Nordlund: None.

Director Logan: “Thank you for approving the changes to the Policy about Member Advisory Committee. I really want to get that going – so, within the next month –

actually by the next Operations Committee. I'll have some proposed language about scope of work for a Committee and hopefully we can all go out and find people and get that going – in the right areas.”

Chair Reiser: “Thank you to all the hard work that we see come our way all the time. Dave – you and your team and we continue to be impressed. Thank you.”

XIX. Executive Session

- a. *Update on Contracts*
- b. *CEO Evaluation*

Director Logan moved and Director Nordlund seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1) and (2) the Operations 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 as it relates to the Association contract matters that are over five years old and (2) to discuss subjects that may prejudice the reputation or character of a person as it relates to the CEO Evaluation. The matters to be discussed include a) an Update on Association contracts more than five years old and b) the CEO Evaluation. The motion passed unanimously.

The Operations Committee paused for a break at 6:53 p.m., went into executive session at 6:57 p.m. and resumed in open session at 7:53 p.m.

XX. Adjourn

Director Logan moved and Director Nordlund seconded the motion to adjourn. The meeting adjourned at 7:53 p.m.