

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

**August 4, 2010**

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

Committee Members in Attendance: Janet Reiser, Chair  
Rebecca Logan, Vice Chair  
Jim Nordlund (*arrived at 5:30 p.m.*)  
Pat Kennedy  
Elizabeth Vazquez (*arrived at 4:14 p.m.*)

Other Members Present: Susan Reeves

Staff in Attendance:

Bradley Evans	Mark Johnson	Dave Smith
Tyler Andrews	Dan Knecht	Phil Steyer
Bill Bernier	Connie Owens	Ron Vecera
Mike Cunningham	Divina Portades	Burke Wick
Louann Cutler	Paul Risse	
Ed Jenkin	Tom Schulman	

Recording Secretary: DeAnna Scott, Executive Assistant

**I. Convene Meeting**

Chair Reiser convened the Operations Committee Meeting 4:13 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

*a. Safety Minute*

Dave Smith, Sr. V. P., Administration, gave a Safety Minute presentation and showed a video clip on the results of a white sock bite. Mr. Smith distributed Benadryl to members of the Committee.

**II. Executive Session**

None

**III. Approval of Agenda**

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

#### **IV. Approval of Minutes**

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

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

#### **V. Customer Comments**

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

#### **VI. 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.

#### **VII. Update on Member Services Payment Process Improvement**

Dave Smith, Sr. V. P., Administration, provided an update on the Member Services Payment Process Improvement and answered questions from the Committee.

#### **VIII. Correspondence**

None

#### **IX. Executive Session**

- a. *Confidential Document Storage and Rolling Release*
- b. *Southcentral Power Project - Purchase of Boilers*
- c. *Southcentral Power Project - Steam Turbine Generator Shipment Contract*
- d. *Fire Island Wind Project Offtake Agreement*
- e. *Strategic Planning*  
- *wholesale customer contract matters*  
- *power proposals from other suppliers*
- f. *Gas Storage, including:*  
- *Precedent Agreement*  
- *FSS Agreement, and*  
- *Tariff matters*
- g. *Alaska Energy Authority Renewable Grant Application.*

At 4:35 p.m., Director Logan moved and Director Kennedy seconded the motion that pursuant to Alaska Statute 10.25.175 (c) (1) and (3) the Operations Committee go into executive session to discuss matters the immediate knowledge of which would clearly have an adverse effect on the legal position of the cooperative as it relates to the confidential document storage and rolling release pursuant to Board Policy No. 128; and, 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

purchase of boilers and the steam turbine generator shipment contract; the proposed Fire Island Wind Project Offtake Agreement; strategic planning matters; and, gas storage issues including a precedent agreement and discussion regarding firm storage services (FSS Agreement) and the Cook Inlet Natural Gas Storage Alaska, LLC ("CINGSA") filing with the RCA for a Certificate of Public Convenience and Necessity ("CPCN") and related tariff matters.

The matters to be discussed will include:

- a. Confidential Document Storage and Rolling Release
- b. Southcentral Power Project - Purchase of Boilers
- c. Southcentral Power Project - Steam Turbine Generator Shipment Contract
- d. Fire Island Wind Project Offtake Agreement
- e. Strategic Planning
  - wholesale customer contract matters
  - power proposals from other suppliers
- f. Gas Storage, including:
  - Precedent Agreement
  - FSS Agreement, and
  - Tariff matters
- g. Alaska Energy Authority Renewable Grant Application.

The Committee took a 6 minute recess and went into Executive Session at 4:35 p.m.

*Director Logan departed at 7:49 p.m.*

*Director Reeves departed during Executive Session – time was not noted.*

At 8:10 p.m., the Committee reconvened in open session and Director Logan joined the meeting telephonically.

**X. Southcentral Power Project – Purchase of Boilers**

Director Nordlund moved and Director Kennedy seconded the motion that the Operations Committee recommend the Board of Directors authorize the CEO to approve a Once Through Steam Generator Purchase Contract for the Southcentral Power Project (SPP) for an estimated cost as described in Executive Session. The motion passed unanimously.

**XI. Southcentral Power Project – Steam Turbine Generator Shipment Contract**

Director Nordlund moved and Director Kennedy seconded the motion that the Operations Committee recommend the Board of Directors authorize the CEO to approve the Steam Turbine Generator Shipment Contract for the Southcentral Power Project (SPP) for an estimated cost as described in Executive Session. The motion passed unanimously.

**XII. Precedent Agreement for Natural Gas Storage**

Director Nordlund moved and Director Kennedy seconded the motion that the Operations Committee recommend the Board of Directors approve the resolution approving the

Precedent Agreement with the Cook Inlet Natural Gas Storage Company Alaska, LLC.  
The motion passed unanimously.

**XIII. Alaska Energy Authority Renewable Energy Grant Application**

Director Nordlund moved and Director Kennedy seconded the motion that the Operations Committee recommend the Board of Directors approve the resolution authorizing and endorsing the preparation and submittal of a Renewable Energy Grant Application to the Alaska Energy Authority. The motion passed unanimously.

**XIV. Director Comments**

**Director Kennedy:** “Thank God another day is done and I hope we have shorter meetings after this. Thank you.”

**Director Vazquez:** “No comment.”

**Director Nordlund:** “No comment.”

**Director Logan:** *Disconnected from the meeting at this time.*

**Chair Reiser:** “No comment.”

**XV. Adjourn**

At 8:13 p.m., Director Nordlund moved and Director Kennedy seconded the motion to adjourn the meeting. The motion passed unanimously.