

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

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

**September 7, 2005**

Committee members in attendance: Alan Christopherson, Chairman  
Bruce Davison  
Jeff Lipscomb  
Uwe Kalenka

Other board members present: Elizabeth Vazquez  
David Cottrell (participated via telephone)  
Ray Kreig

Employees, members, and guests in attendance:

Bill Stewart	Lee Thibert	Brad Evans
Rick Freymiller	Carol Johnson	Mary Tesch
Paul Risse	Connie Owens	Dianne Hillemeier
Arthur Miller	Mike Cunningham	Ron Vecera
Bill Bernier	Ed Jenkin	John Cooley
Phil Steyer	Brian Hickey	Carol Heyman
Paul Brandon	Anita Gomez	Pat Jasper
Jim Patras, MEA	Crystal Enkvist, APA	Jim Posey, AML&P

Recording Secretary: Paula Neas-Arnold, Executive Assistant

**I. Call to Order**

Chairman Christopherson called the Operations Committee to order at 4:50 p.m., in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

**II. Approval of Agenda**

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

**III. Approval of Minutes (August 3, 2005)**

Director Kreig moved and Director Kalenka seconded the motion to approve the minutes of August 3, 2005. The minutes were accepted as written.

**IV. Executive Session – To follow the meeting.**

**V. Customer Comments**

**A. Wholesale Customer Comments - None**

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## **B. Retail Customer Comments**

Paul Brandon expressed concerns as to whether the Board of Directors really has consumers' best interests at heart. He is sorry to see Director Lipscomb removed as Chairman of the Board. He would like to see the Fire Island Wind Power Project looked at more closely as the utility needs to look at alternative sources of fuel - fuel being Chugach's largest cost. Mr. Brandon feels the Board needs to work harder to get along instead of being "split" and put best interests of consumers first.

## **C. Director Comments**

**Director Kreig:** None

**Director Cottrell:** Several items such as "Revised CEO Goals, current JAA status, CFO Study, and CEO Search status" he thought were to be left on today's agenda as continuing items. Director Cottrell asked for an update on each item.

Chairman Christopherson responded that the CFO Study is moving forward and we should have a confidentiality agreement soon with MEA. Director Lipscomb stated that the AREA JAA met in Fairbanks August 31, 2005. JAA is proceeding with development of policy. JAA concurred with Chugach on take-over of the Fire Island Wind Project. Chugach is drafting policies and procedures. AML&P will prepare a budget. The next JAA meeting is scheduled for October 26 in Anchorage. The City of Seward and Homer Electric Association, Inc., are still interested in joining the JAA. Chairman Christopherson stated the CEO Search update will be provided at today's Executive Session.

**Director Vazquez:** Director Vazquez seconded Director Cottrell's opinion that these continuing items should have been placed on today's agenda.

**Director Lipscomb:** None

**Director Davison:** None

**Director Kalenka:** None

**Chairman Christopherson:** None

## **VI. Distribution O&M Comparison**

Lee Thibert, General Manager, Distribution Division, asked the Board of Directors to postpone this item due to its relation with the Benchmarking process. ePerformance, the company Chugach is working with on Benchmarking, has headquarters in New Orleans, which will cause a delay due to the disaster in the area and their loss of headquarters, etc. Mr. Thibert will provide an update at September 21, 2005, Board meeting.

## **VII. Transmission Issues**

Brad Evans, General Manager, G&T Division, stated that each month a different aspect of the transmission system issues would be presented at the Operations Committee meetings. Today's presentation is on the Alaska Intertie Upgrade Project. Brian Hickey, Director, Transmission and Technical Services, gave the presentation and responded to questions from the Board.

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**VIII. CEO Goals Update**

Director Kreig referred to an email sent to the Board of Directors regarding a suggested addition to the proposed CEO goals. Bill Stewart, Interim Chief Executive Officer, stated he received the email one day earlier and staff will respond at a later time.

**IX. Executive Session**

At 6:13 p.m. Director Davison moved and Director Kalenka second the motion pursuant to Alaska Statute 10.25.175(C)(1)(2), that the Board of Directors 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 2) 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: 1) CEO Search; and 2) Labor Negotiations.

**X. Adjourn – The Operations Committee meeting adjourned at 8:40 p.m.**