

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

SPECIAL BOARD MEETING
AGENDA ITEM SUMMARY

May 30, 2007

ACTION REQUIRED

AGENDA ITEM NO. VII.F.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Chugach Electric Association, Inc. v. Ray Kreig, Stephen Routh and Chugach Consumers, Case No. 3AN-06-13743 CI

DISCUSSION

This pending law suit was initiated in the name of the Association without prior formal approval of the full Board of Directors. Once the lawsuit was filed, the full Board has not been fully and consistently informed of the proceedings in this matter. To date, in excess of \$57,000 has been spent on this matter. The Board of Directors needs to ensure that the benefits to the Association are commensurate with the costs already incurred and could be incurred to pursue this matter further. Until this essential analysis is made, all proceedings in this matter should be immediately stayed.

MOTION

Move that the Board of Directors hereby direct counsel representing the Association in this matter to immediately stay all proceedings in the Kreig matter until a review by the Board's new legal counsel is conducted and completed. This review will include a cost/benefit analysis. The Association's General Counsel and Davis Wright Tremaine, LLP, are directed to provide new counsel for the Board full cooperation and access to whatever files or information they may have in their possession regarding the pending lawsuit filed against Ray Kreig, et al., and any other legal matter which the Board of Directors may ask its new counsel to review.