

6/27/2007

Special Board Meeting

Agenda Item VI. D. Scope of Legal Svcs

Prepared and Submitted by Board Counsel

CONTRACT NO. _____

Task Order No. 2

1. To attend all Chugach committee and Board of Director meetings, to assist as requested in the preparation of agendas for such meetings as well as draft motions, resolutions, or memoranda relating to issues to be addressed at such meetings, to consult as requested with members of the Board of Directors in connection with matters coming before the Board at such meetings, and to provide legal advice and consulting services as requested during such meetings. This task order item is deemed effective retroactive to May 23, 2007.

2. To review Chugach's position with respect to the complaint filed against Chugach by KAPP, LLC (RCA docket U-07-46), including consultations with Don Edwards, and evaluate the possibility of settling all or a part of the claims asserted in that proceeding -- recognizing that Chugach will pursue, on a parallel path, litigation before the FERC on the issue of KAPP's status as a Qualified Facility. Guess & Rudd will be involved in settlement negotiations in an effort to ensure they are conducted in good faith and pursued diligently. Guess & Rudd P.C.'s legal fees are estimated in the range \$5,000 - \$7,500 to settle this matter with a power purchase agreement. This task order is deemed retroactive to June 1, 2007.

3. To assist as requested by the Board with the drafting and preparation of professional services contracts, confidentiality agreements, and/or other agreements for Chugach's labor consultant, Thomas Tierney, the members of Chugach's Blue Ribbon Panel, including the Facilitator, William Noll, and the members of the ML&P and Chugach Oversight Consolidation Committee. Guess & Rudd P.C.'s fees for this task are estimated in the range of \$2,500. This task order is deemed retroactive to June 1, 2007.

4. To work with Chugach's General Counsel, Chief Executive Officer, and other management staff in connection with the review and evaluation of personnel matters or issues which may arise from time to time, as requested by the Board of Directors, including recommendations for the resolution of such personnel matters and issues. This task order is deemed retroactive to June 1, 2007.

5. To assist the Board of Directors with the evaluation of the Municipality's proposed merger or other form of combination or business relationship, including assistance with the selection of experts to assist Chugach in its evaluation of this proposal, consultations with such experts and with Chugach's Board of Directors, General Counsel, and management staff, consultations with representatives of the Municipality, review and analysis of pertinent studies, reports, records and/or proposals, and the drafting of

memoranda, motions, resolutions and/or other documents regarding the evaluation of aspects of this proposal, recommendations pertinent to aspects of this proposal, and/or the implementation of one or more aspects of this proposal. This task order is deemed retroactive to June 1, 2007.

CHUGACH ELECTRIC ASSOCIATION, INC.

By: _____
Elizabeth Vazquez, Board Chair

Date: _____

GUESS & RUDD P.C.

By: _____
Gary A. Zipkin

Date: _____