

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

November 15, 2006

BOARD OF DIRECTORS
MEETING MINUTES

A regular meeting of the Board of Directors of Chugach Electric Association, Inc. was called to order at 4:05 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

The following board members were present:

Jeff Lipscomb – Chairman
Bruce Davison – Vice Chairman
Jim Nordlund – Secretary
David Cottrell – Treasurer
Uwe Kalenka – Director
Alan Christopherson – Director (via teleconference at 5:36 p.m.)
Elizabeth Vazquez – Director

The following employees, members and guests attended:

Bill Stewart	Lee Thibert	Mike Cunningham
Brad Evans	Connie Owens	Mary Tesch
Carol Johnson	Brian Hickey	Bill Bernier
Ed Jenkin	Ken Thomas	Mark Fouts
Paul Risse	John Cooley	Patti Bogan
Dave Smith	Amber Van Treeck	Ron Vecera
Rick Freymiller	Jim Patras – HEA	Crystal Enkvist - APA
Kim Floyd - MEA	Mark Sickles	Bill Mede
Robert Shary	Hal Johnson	Ken Jacobus
Flane Elmore	Debbie Lyonais	

Paula Neas-Arnold, Executive Assistant, recorded meeting proceedings.

Chairman Lipscomb led the Board and audience in the pledge of Allegiance.

I. EXECUTIVE SESSION

None

II. APPROVAL OF AGENDA

Director Kalenka moved to waive the seven-day rule to add an item to the agenda. Director Vazquez seconded the motion. The motion passed unanimously.

Director Vazquez moved to add the following item to tonight's agenda, "Release of Labor Information Prior to Final Approval by the Board of Directors".
Director Kalenka seconded the motion. The motion carried.

The approval of the agenda as amended passed unanimously.

III. CONSENT AGENDA

A. Calendar

Director Davison was excused from the November 29 Finance Committee meeting. Director Nordlund was excused from the December 20 Board meeting.

The consent agenda passed unanimously.

IV. PERSONS TO BE HEARD

- A. Wholesale – None
- B. Retail – None

V. CEO REPORT

- CEO Bill Stewart hosted the Railbelt Energy Fund meeting with utility managers, here at Chugach Electric on October 27, 2006.
- CEO Bill Stewart attended the Fire Island meeting at CIRI on November 3, 2006.
- CEO Bill Stewart participated in the rating agency teleconferences, held with Fitch on November 7, 2006, and with Standard & Poors on November 9, 2006.
- CEO Stewart reported that the APA Managers' Forum is scheduled for November 17, 2006.
- CEO Stewart stated that Chugach is planning to give employees \$100 gift cards as done in previous years. Purchase of the gift cards for employees includes providing Chugach with two tons of turkeys, which are then donated to various charities in Anchorage.
 - A. 3rd Quarter Safety Report – Ken Thomas, Manager, Safety, gave a presentation.
 - B. Conoco Phillips Beluga Gas Compression – Brad Evans, Senior-Vice President, Power Supply, gave a presentation.
 - C. Capital Improvement Projects (CIP) – Mark Fouts, Manager, Corporate Planning & Analysis, gave a presentation.

VI. CORRESPONDENCE

Chairman Lipscomb reported on correspondence from the Sierra Club supporting the development of wind power on Fire Island.

VII. DIRECTOR REPORTS

A. Committee Reports

Director Cottrell gave a presentation on SOX (Sarbanes Oxley).

Director Cottrell reported on the Finance Committee meetings of October 30, 2006 and October 31, 2006. Director Cottrell stated the budget review was well received and the 2007 budget is expected to be approved at the December 20, 2006 Board meeting.

Chairman Lipscomb reported on the Operations Committee meeting and Special Board meeting both held on November 1, 2006.

B. APA Report

Bill Stewart, Chief Executive Officer, reported there is an APA Managers' meeting scheduled for November 17, 2006. Mr. Stewart also reported there is an APA Board of Directors meeting scheduled for December 8, 2006.

C. Meeting Reports

- Directors Vazquez, Kalenka, Cottrell, and Christopherson, along with Bill Stewart, Chief Executive Officer attended the November 13, 2006, Matanuska Electric Association, Inc. board meeting. Directors Cottrell and Christopherson gave a presentation on the Chugach rate case.
- Director Kalenka attended the 2006 Alaska Miners Convention on November 10, 2006. Director Kalenka reported there was a presentation on nuclear energy. Galena is the site of a proposed reactor.
- Director Kalenka attended the November 15, 2006, AML&P Commission meeting.
- Chairman Lipscomb attended the November 15, 2006, RDC Conference.

VIII. UNFINISHED BUSINESS

None

IX. NEW BUSINESS

A. Postmark Feeder Board Authorization

Director Davison moved to approve the Postmark Feeder Authorization. Director Nordlund seconded the motion. The motion carried unanimously.

Ed Jenkin, Director, Engineering Services Division, responded to questions from the Board on this project.

B. CEO Evaluation Form

Bill Stewart, Chief Executive Officer, submitted to the Board a proposed evaluation form for the Chief Executive Officer position.

Chairman Lipscomb tabled this topic to the December 6, 2006, Operations Committee meeting.

C. 2007 Not-For-Profit Individual and Organization Insurance Policy Renewal Application

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

D. Release of Labor Information Prior to Final Approval by the Chugach Board of Directors

Director Vazquez read the following motion:

“I move that it is in the best interests of the Association to follow the labor negotiations public communications policies of the Anchorage School District. Accordingly, the following information shall be released within two days that a tentative labor agreement is reached by the Association and the IBEW and HERE Unions, any contract that is to be submitted to the Chugach Board of Directors and/or bargaining unit for approval. In no case shall final Chugach board ratification of any labor contract be done before the proceeding information has been made available to our members for at least three weeks.”

Other labor negotiation items not specifically released “remain subject to the attorney-client privilege, the work product/legal strategy privilege, and any other privileges that might apply.”

Director Vazquez moved and Director Kalenka seconded the motion to approve. Directors Christopherson, Nordlund, Davison, Cottrell, and Lipscomb voted against approval. The motion did not pass.

At 5:52 p.m. Director Davison moved to adjourn to Executive Session. Director Christopherson seconded the motion. Director Vasquez and Kalenka voted against the motion. Directors Christopherson, Nordlund, Davison, Cottrell, and Lipscomb voted for the motion to go into Executive Session. The motion carried.

The Executive Session concluded and the Board meeting resumed at 7:52 p.m.

Director Davison moved and Director Nordlund seconded the motion to table the motion to publish labor negotiation information. Directors Vasquez and Kalenka voted against. Directors Christopherson, Nordlund,

Davison, Cottrell, and Lipscomb voted to table. The carried and the item was tabled.

Director Cottrell left the Board meeting at 6:40 p.m.

X. DIRECTORS COMMENTS

Director Vazquez: Requested more information on consumer complaints.

Director Kalenka: Expressed his disappointment at the motion to table the publication of labor negotiation information.

Director Davison: Expressed pleasure with no recent outages in spite of high winds both in the Matanuska Valley and Anchorage.

Chairman Lipscomb: Reminded all that winter is here and to please remember to practice safety.

Director Christopherson: Also complimented staff for keeping lights on during recent inclement weather conditions.

XI. EXECUTIVE SESSION

At 6:57 p.m. Director Cottrell moved that pursuant to Alaska Statute 10.25.175(c)(1) the Board go into executive session to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative. The topics to be discussed are: 1) 2007 Legislative Agenda; 2) Gas Negotiations; 3) OSHA Report and 4) Rating Agency Presentation. Director Christopherson seconded the motion. The motion passed unanimously.

XII. ADJOURNMENT

The board came out of Executive Session and the board meeting adjourned at 8:45p.m.

Approved: Jim Nordlund, Secretary
Dater approved: December 19, 2006