

**CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA**

April 4, 2007

Wednesday

4:00 p.m.

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

Committee Members present: Jeff Lipscomb, Chairman
Jim Nordlund
Alan Christopherson (joined via teleconference at 4:46 p.m.)
Bruce Davison

Other Directors present: David Cottrell (joined via teleconference at 4:09 p.m.)
Elizabeth Vazquez
Uwe Kalekna

Employees and Guest in attendance:

Bill Stewart	Dianne Hillemeier	David Smith
Bill Bernier	Carol Heyman	Phil Steyer
Patti Bogan	Ed Jenkin	Mary Tesch
John Cooley	Carol Johnson	Lee Thibert
Mike Cunningham	Connie Owens	Ron Vecera
Bradley Evans	Jim Patras	Jim Walker
Suzanne Gibson	Paul Risse	Burke Wick
Alex Gimarc	Jean Sauget	

Recording Secretary – DeAnna Scott, Executive Assistant.

I. Call to Order

The Operations Committee was called to order by Chairman Lipscomb at 4:04 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

II. Approval of Agenda

Director Davison moved and Director Nordlund seconded the motion to approve the agenda. The motion passed unanimously.

III. Approval of Minutes (3/7/2007)

Director Davison moved and Director Nordlund seconded the motion to approve the March 7, 2007, meeting minutes. The motion passed unanimously.

IV. Customer Comments

- A. Wholesale Customer Comments - None
- B. Retail Customer Comments - None

V. Beluga Unit 5 – Generation Repair – Project Authorization

Director Davison moved and Director Nordlund seconded the motion that the Operations Committee recommend to the Board of Directors that they approve a motion to authorize project expenditures for the Beluga Unit 5 Generator Repairs with an estimated completion date of August 31, 2007. The motion passed unanimously.

VI. Beluga Unit 5 – Hot Gas Path Inspection – Project Authorization

Director Nordlund moved and Director Davison seconded the motion that the Operations Committee recommend to the Board of Directors that they approve a motion to authorize project expenditures for the Beluga Unit 5 Hot Gas Path Inspection with an estimated cost of \$2,589,778 and an estimated completion date of August of August 31, 2007. The motion passed unanimously.

VII. Beluga Unit 3 – Major Inspection – Project Authorization

Director Davison moved and Director Nordlund seconded the motion that the Operations Committee recommend to the Board of Directors that they approve a motion to authorize project expenditures for the Beluga Unit 3 Major Inspection with an estimated cost of \$ 3,018,963 and an estimated completion date of June 30, 2007. The motion passed unanimously.

VIII. Board Policy 113

Director Davison moved and Director Nordlund seconded the motion that the Operations Committee recommend to the Board of Directors approval of the proposed changes to Board Policy 113 Procedures for Board of Directors Meetings.

Recommended changes to the Policy:

Page 2 last paragraph, “The Chairman of the Board will approve the regular Board meeting Agenda”. Recommended change to stated “The Chairman of the Board will prepare the regular Board meeting Agenda.

III. INFORMATION AVAILABLE TO THE BOARD

“All matters for consideration by the Board at regular Board meetings will be included on the Agenda and in the Board information packets one-week prior to the meeting.” Carol Johnson, General Counsel recommended, “All matters for consideration by the Board at the regular Board meeting will be included on the Agenda and in the Board information packets seven days prior to the Board meeting.

IV. PERSONS TO BE HEARD

Last paragraph states “Each Director and the Chief Executive Officer may have one opportunity to ask questions about or make comments on information presented by persons being heard. Director Cottrell recommending additional language “Unless approved by the Presiding Officer”.

V. CONDUCT OF MEETINGS

Last paragraph stating “Photographs, including videotaping...” Director Nordlund recommended changing the language to cover varied uses of photographing.

The motion passed unanimously.

IX. Directors Code of Conduct

Director Davison spoke to this item regarding the Directors Code of Conduct. No action was taken and the item was referred to the Operations Committee in May for further review.

X. 2007-2008 Operations Committee Goals

Chairman Lipscomb stated by introducing the goals, he is looking for feedback from all Directors on what they think is important for the Operations Committee to consider in the upcoming year.

XI. Outline of Chairman's Report for Annual Meeting

Chairman Lipscomb requested feedback on the outline of the Chairman's Report for the Annual Meeting.

XII. Directors Comments

Director Cottrell: Had questions about a memo that was sent to the Board of Directors and it was pointed out that the document was marked Attorney/Client Privileged – Confidential and would need to be discussed in Executive Session.

Director Christopherson: None.

Director Davison: None.

Director Kalenka: None.

Director Nordlund: None.

Director Vazquez: None.

Director Lipscomb: Stated that it is 5 minutes to 5:00 p.m. and the meeting started late. He was impressed.

XIII. Executive Session

At 4:55 p.m., Director Davison moved and Director Nordlund, seconded the motion that pursuant to Alaska statute 10.25.175(c)(1), and (3), the Board 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 (3) matters with its attorneys the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The items to be discussed in the executive session are: 1) Labor Update, 2) Rate Case Update and 3) Strategic Planning. The motion passed unanimously.

The committee recessed at 4:56 p.m.

The committee went into Executive Session at 5:15 p.m.

XIII. Adjourn

Director Nordlund moved and Director Christopherson seconded the motion to adjourn the Operations Committee Meeting. The Operations Committee meeting adjourned at 5:50 p.m.