

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE
MEETING MINUTES

April 8, 2008

Committee Members in Attendance: Elizabeth Vazquez, Chair
Alex Gimarc
Uwe Kalenka
Jim Nordlund

Other Directors Present: PJ Hill
Jeff Lipscomb
Rebecca Logan (participated telephonically from 5:21 p.m.
to 6:19 p.m.; appeared in person at 6:21 p.m.)

Guests in Attendance: Jim Walker (MEA)
Jim Posey (ML&P)
Scott Miller (KPMG)
Charles Kozak (KPMG)
Bill Mede (Turner & Mede)
Parry Grover (Davis Wright Tremaine)
Gordon Tans (Perkins Coie)

Staff in Attendance:

Brad Evans	Connie Owens	Mike Cunningham	Dave Smith
Carol Johnson	Paul Risse	Tyler Andrews	Suzanne Gibson
Ed Jenkin	Ron Vecera		

Recording Secretary: Jennifer McDonald, Legal Secretary

I. CONVENE MEETING

Chair Vazquez convened the Operations Committee meeting at 5:21 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

II. EXECUTIVE SESSION

Director Kalenka moved and Director Gimarc seconded the motion that pursuant to Alaska Statute 10.25.175(c) (1) and (3) the Operations Committee go into executive session 1) to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; and 2) to discuss matters with its attorneys, the immediate knowledge of which could have an adverse effect on the

legal position of the cooperative. The matters to be discussed are: 1) Board Policy 129 – Employee Complaint and Anti-Retaliation Policy (Whistleblower Policy), 2) Code of Ethics for Directors and Employees Policy, 3) Follow Up on Release of Portions of the Black Book and Supporting Documents, 4) Record Retention Policy and 5) Blue Ribbon Panel Report. The motion passed unanimously.

The Committee and other Board members present went into executive session at 5:25 p.m. and resumed in open session at 7:05 p.m.

Director Logan disconnected telephonically at 6:00 p.m., reconnected at 6:05 p.m., disconnected at 6:19 p.m. and then appeared in person at 6:21 p.m.

The Committee paused for a break at 7:05 p.m. and reconvened the meeting at 7:12 p.m.

III. APPROVAL OF AGENDA

Director Kalenka moved and Director Hill¹ seconded the motion to approve the Agenda. The motion to approve the agenda passed unanimously.

IV. APPROVAL OF MINUTES

a. February 4, 2008

b. March 5, 2008

Director Kalenka moved and Director Hill² seconded the motion to approve the Operations Committee Meeting minutes of February 4, 2008 and March 5, 2008. The motion passed unanimously.

V. CUSTOMER COMMENTS

a. Wholesale Customer Comments

None.

b. Retail Customer Comments

None.

VI. Board Policy 129 – Employee Complaint and Anti-Retaliation Policy (Whistleblower Policy)

Director Kalenka moved and Director Gimarc seconded the motion to forward for approval the Whistleblower Policy with a couple of changes as discussed in Executive Session.

Carol Johnson, General Counsel, noted that the changes Director Kalenka had made in his motion are for the Code of Ethics Policy and not the Whistleblower Policy. Director Kalenka agreed.

¹ Director Hill is not a member of the Operations Committee

² Director Hill is not a member of the Operations Committee.

The motion to approve the Policy passed unanimously.

VII. Code of Ethics for the Directors and Employees Policy

Director Kalenka moved and Director Gimarc seconded the motion that the Operations Committee recommend to move this to the Board for approval with the changes (underlined) in the last paragraph: “Any request by a Director for a waiver of any provision of this Code of Ethics must be submitted in writing to and approved by the Board of Directors in writing.” The motion passed unanimously.

VIII. Release of Portions of Black Book and Supporting Documents

Director Gimarc moved and Director Kalenka seconded the motion that the Operations Committee recommend to the Board of Directors to approve the release of the following information related to previous collective bargaining efforts.

1. Management will prepare a summary of the Black Book and related labor negotiation data for the next Board meeting.
2. The Board will de-classify and release to Mr. Kreig the three Chugach Consumers documents minus pages numbered 85 and 86 for their use. Chugach Consumers/Mr. Kreig is responsible for gaining appropriate permissions for release of UBS [sic] data. The Board Secretary will prepare and sign a transmittal letter upon Board approval.
3. Management will prepare a document of a process for continual release of confidential labor-related information to the general public. This procedure will be presented to the Board for approval.

The motion passed by a vote of 3 to 1 with Director Nordlund voting in opposition.

IX. Records Retention Policy

Director Gimarc stated there is no action required on this item outside of what was discussed in Executive Session.

X. Blue Ribbon Panel Report

Director Gimarc moved and Director Kalenka seconded the motion that it is in the best interests of the Association to release the Blue Ribbon Panel Report, with certain redactions removed and other that remain, as recommended by the CEO, to the general membership. Method of release will be via a notice posted on the Chugach Electric Association web site and posting of the Report, with the revisions to the redactions, on Chugach’s website. The redacted portions remaining include topics relating to financial matters and ongoing negotiations. The motion passed unanimously.

XI. Correspondence

None.

XII. Director Comments

Director Nordlund: None.

Director Hill: None.

Director Logan: None.

Director Kalenka: None.

Director Gimarc: “I have a couple of comments Madam Chairman. Madam Chairman and the Board members, we are in the middle of yet another hot and contested election. This time around half-truths, lies and innuendo appear to be at the top of the list. For instance, we had claims that Madam Chairman has been flying around the country on a rate-payer dime. We all look at the time sheets, we all, every one of us, approve them. Not a single person around this table spoke a word in opposition or correction to that timesheet. Now, an organization, which has *[sic]* counts among its membership, two of our Board members are claiming that Madam Chair and by inference, the rest of the Board has done something illegal, immoral and (*unintelligible*). Second item, contrast this hyper-concern with the integrity and impropriety with the real problem that their candidate Mr. Izzo, has with his resume. The man is not who he claims to be. He has apparently fooled his former employers Enstar and he has misrepresented himself both to this Association and to Ms. Bogan about where that degree was conferred. In other words your actions are reprehensible but they’re sadly predictable and I’m surprised. Be careful hitching your wagon to a pack of lies for should you win, you will quickly (*unintelligible*) all authority, what little you may have, for this all will be public.

Chair Vazquez: None.

Director Lipscomb was not present during Agenda Items VI. through Agenda XII., therefore was not present to make Director Comments. Director Lipscomb rejoined the meeting at the beginning of Agenda Item XIII.

XIII. Executive Session

Director Kalenka moved and Director Gimarc seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1) and (3) the Operations Committee go into executive session 1) to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; and 2) to discuss matters with its attorneys, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The matters to be discussed are: 1) Gas Negotiations, 2) New Generation, and 3) ML&P/Chugach (Navigant Contract). The motion passed unanimously.

The Committee and other Board members present went into executive session at 7:23 p.m. and resumed in open session at 7:44 p.m.

XIV. Adjourn

Director Kalenka moved and Director Gimarc seconded the motion to adjourn. The meeting adjourned at 7:45 p.m.