

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE
MEETING MINUTES

August 12, 2009

Committee Members in Attendance: Janet Reiser, Chair
Alex Gimarc
Rebecca Logan
Elizabeth Vazquez
Pat Kennedy

Directors Not Present: Jim Nordlund
PJ Hill (not a Committee member)

Guests in Attendance: Jim Walker (MEA)
Jim Posey (ML&P)
Louann Cutler (K&L Gates)
Bill Mede (Turner & Mede)
R.A. Brown (ESI)
W.A. Smoak (ESI)

Staff in Attendance:

Lee Thibert	Mark Johnson	Tom Schulman
Tyler Andrews	Divina Portades	Dave Smith
Mike Cunningham	Theresa Quigley	
Dustin Highers	Paul Risse	

Recording Secretary: DeAnna Scott, Executive Assistant

I. Convene Meeting

Chair Reiser convened the Operations Committee meeting at 5:30 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

a. Safety Minute

Dave Smith, Sr. Vice President, Administration, discussed Slips, Trips, and Falls with the Committee and distributed a safety kit. Mr. Smith also wanted to remind the Committee that August 1st started the CFL Campaign and stated Alaska Housewares are distributing the signs to the various stores in the community. Mr. Smith also reported MEA has joined the CFL Campaign, which will now allow advertisement in the Matanuska Valley.

II. Executive Session

None.

III. Approval of Agenda

Director Logan moved and Director Gimarc seconded the motion to approve the Agenda. The motion to approve the agenda passed unanimously.

IV. Approval of Minutes

a. July 8, 2009

Director Logan moved and Director Gimarc seconded the motion to approve the Operations Committee Meeting minutes of July 8, 2009. The motion passed unanimously.

V. Customer Comments

a. Wholesale Customer Comments

None.

b. Member Comments

None.

VI. Update on Southcentral Power Project

Dustin Highers, Director, Power Supply Technical Services, distributed a monthly report, provided an update on the Southcentral Power Project, and answered questions from the Committee.

VII. Proposed Revision to Board Policy 100 – Statement of Objectives, Board Policy 101 – Policy Formulation, Board Policy 104 – Board Correspondence and Board Policy 105 – Functions of the Board.

Louann Cutler of K&L Gates and Dave Smith, Sr. V.P., Administration presented an overview of the proposed changes to Board Policy 100, Board Policy 101, Board Policy 104, and Board Policy 105.

Director Logan moved and Director Gimarc seconded the motion that the Operations Committee recommend the Board of Directors approve the revisions to Board Policy 100, as amended – Statement of Objectives; Board Policy 101 – Policy Formulation, Approval and Distribution; and Board Policy 104 – Board Correspondence. The motion passed unanimously. *Board Policy 105 will be discussed at the October Operations Committee Meeting.*

VIII. Proposed Revision to Board Policy 108 – Director Meeting Fees and Expenses

Louann Cutler of K&L Gates and Dave Smith, Sr. V.P., Administration presented an overview of the proposed changes to Board Policy 108.

Director Logan moved and Director Gimarc seconded the motion that the Operations Committee recommend the Board of Directors approve the revisions to Board Policy 108 – Director Meeting Fees and Expenses as shown in the attached draft policy and draft Board resolution. The motion passed unanimously.

IX. Proposed Revision to Board Policy 111 – Statement of Functions of the Operations Committee

Louann Cutler of K&L Gates and Dave Smith, Sr. V.P., Administration presented an overview of the proposed changes to Board Policy 111.

Director Logan moved and Director Gimarc seconded the motion that the Operations Committee recommend the Board of Directors approve the revisions to Board Policy 111 – Statement of Functions of the Operations Committee as shown in the attached draft policy. The motion passed unanimously.

X. Proposed Revision to Board Policy 114 – Appointment of Standing Committee Members

Louann Cutler of K&L Gates and Dave Smith, Sr. V.P., Administration presented an overview of the proposed changes to Board Policy 114.

Director Logan moved and Director Gimarc seconded the motion that the Operations Committee recommend the Board of Directors approve the revisions to Board Policy 114 – Appointment of Standing Committee Members as shown in the attached document. The motion passed unanimously.

XI. Proposed Revisions to Board Policy 115 – Vacancies in Unexpired Terms and Board Policy 116 – Involuntary Resignation of a Director

Louann Cutler of K&L Gates and Dave Smith, Sr. V.P., Administration presented an overview of the proposed changes to Board Policy 115 and Board Policy 116.

Director Logan moved and Director Gimarc seconded the motion that the Operations Committee recommend the Board of Directors approve the revisions to Board Policy 115 as shown in the attached document. The motion passed unanimously.

Director Logan moved and Director Gimarc seconded the motion that the Operations Committee recommend to the Board of Directors that it rescind Board Policy 116. The motion passed unanimously.

XII. Proposed Revisions to Board Policy XXX – on the subject of “Provision of Health Insurance to employees related to Board members”

Louann Cutler of K&L Gates and Dave Smith, Sr. V.P., Administration presented an overview of the proposed Board Policy XXX.

Director Gimarc moved and Director Logan seconded the motion that the Operations Committee recommend the Board of Directors approve the revisions to Board Policy

116, Provision of Health Insurance to Employees Who Are Family Members of Board Directors. The motion passed unanimously.

XIII. Correspondence

None.

XIV. Director Comments

Director Gimarc: "I just want to thank Mr. Smith and Ms. Cutler for the work on the clean up and standardization of the Board Policies. We will keep working on them until we get them right. Thank you for your hard work."

Director Vazquez: "No comment."

Director Kennedy: "No comment."

Director Logan: "I just want to let everybody know that we set the next meeting for the Joint Utility Task Force today. It's on Friday, the 28th from 10:30 a.m. until 1:00 p.m. and we're having it here at Chugach in the Training Room; and one of the things we decided on in Soldotna was that every, all of the information that is distributed to the Task Force is now going to go to every Board member of every Railbelt utility."

Chair Reiser : "I do have a comment, thank you for letting us know about this and keeping it going; another goody bag, we like that. And again, thank you both, Ms. Cutler and Mr. Smith for your time. It must be exciting work and really do appreciate you sticking with it. Thank you."

XV. Executive Session

- a. *Human Resources Strategic Plan*
- b. *Gas Matters*

At 6:24 p.m., Director Logan moved and Director Gimarc seconded the motion that pursuant to Alaska Statute 10.25.175 (c)(1) the Operations Committee go into executive session to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative as it relates to the Association's Human Resources Strategic Plan and Natural Gas Matters. The items to be discussed include:

- a. The Human Resources Department Strategic Plan, and
- b. An update on Natural Gas Matters

The motion passed unanimously.

XVI. Adjourn

Director Logan moved and Director Nordlund seconded the motion to adjourn. The meeting adjourned at 7:13 p.m.