

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

January 27, 2010

REGULAR BOARD OF DIRECTORS'
MEETING MINUTES

The following board members were present:

Rebecca Logan – Chair
Jim Nordlund – Vice Chairman
Alex Gimarc – Secretary
PJ Hill - Treasurer
Janet Reiser – Director
Pat Kennedy – Director
Elizabeth Vazquez – Director (*arrived at 4:58 p.m.*)

The following employees, members, and guests attended:

Brad Evans	Connie Owens	Lee Thibert	Jody Wolfe
Dave Smith	Ed Jenkin	Mike Cunningham	Patti Bogan
Bill Bernier	Mark Johnson	Phil Steyer	Bill Bernier
Tyler Andrews	Paul Risse	Arthur Miller	Tom Schulman
Laurel Rivas	Mike Brodie	Amber Van Treeck	Teresa Kurka
Mangala Chaobal	Gary Meadows	Paula Neas-Arnold	Kathy Harris
Ken Thomas	Jim Posey (ML&P)	Jim Walker (MEA)	

Divina Portades, Executive Office Administrative Assistant, recorded the meeting proceedings.

I. CONVENE MEETING

Chair Logan called the regular meeting of the Board of Directors to order at 4:08 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

II. PLEDGE OF ALLEGIANCE

Chair Logan led the Board and audience in the Pledge of Allegiance.

III. EXECUTIVE SESSION

None.

IV. APPROVAL OF AGENDA

Director Kennedy moved and Director Hill seconded the motion to approve the Agenda. The motion passed unanimously.

V. CONSENT AGENDA

A. Board Calendar

Director Hill reminded the Board that the Finance Committee will meet quarterly instead of monthly. The monthly financials will be presented at each board meeting under the CEO report.

B. Upcoming Training & Conferences

1. *Annual Audit Committee Issues Conference – February 2, 2010 – Phoenix, AZ (Hill)*
2. *NRECA Annual Meeting – February 11 – 18, 2010 – Atlanta, GA (Kennedy, Reiser & Vazquez)*
3. *APA Legislative Conference – March 9 – 10, 2010 – Juneau, AK*
4. *2010 Directors' Conference – Meeting the Challenge of Affordability – March 20-24, 2010 – Biloxi, MS*

C. Minutes – November 11, 2009 (Knight-Scott) and December 17, 2009 (Neas-Arnold)

D. Director Expenses

E. Board Policy 126 – Business Planning and Financial Management (Cutler/Smith)

F. Approve the Appointment of the 2010 Master Election Judge (Steyer)

G. Approve 2010 Date of Record (Steyer)

H. Approve 2010 Election Procedures (Smith/Bogan/Nelson)

Director Kennedy moved and Director Hill seconded the motion to approve the Consent Agenda. There were no objections to the Consent Agenda.

VI. PERSONS TO BE HEARD

A. Wholesale Customer Comments

Jim Walker, Matanuska Electric Association, shared with the Board that the MEA Board of Directors voted unanimously to support HB182 - GRETC Legislation.

B. Member Comments

None.

VII. CEO REPORT

A. Process Improvements – Damage Claim Business Process

David Smith, Sr. Vice President, Administration, gave a brief introduction about the Process Improvements – Damage Claim Business Process presentation. He introduced the Damage Claim Business Process Team and it consisted of Mel Hutchinson, Manager, Maintenance and Operations Services, Mangala Chaobal, Manager, Credit/Collection and Cost Recovery, Gary Meadows, Manager, Distribution Construction, Amber Van Treeck, Accountant, General Ledger, Laurel Rivas, Damage Claims/Cost Recovery Technician and Mike Brodie, Manager, Meter Shop & Clerical Support. Mike Brodie gave the presentation and the team answered questions from the Board. The Team also shared with the Board their individual experience and lessons learned of the process.

B. Fourth Quarter Safety Report and Update on Safety Implementation/Action Plans

Dave Smith, Sr. Vice President Administration and Ken Thomas, Manager, Safety and Industrial Hygiene presented the Fourth Quarter Safety Report and Update on Safety Implementation/Action Plans and responded to questions from the Board.

C. November Financial Statements

Jody Wolfe, Controller, gave a presentation on the November financial statements and responded to questions from the Board.

D. Net Metering

Arthur Miller, Director, Regulatory Affairs and Pricing, gave a presentation on Net Metering and responded to questions from the Board.

VIII. CORRESPONDENCE

None.

Chair Logan advised the Board that she just received an email from Homer Electric Association regarding the HB182 – GRETC Legislation and that the HEA's Board of Directors voted unanimously to support it.

IX. DIRECTOR REPORTS

A. Committee Reports

None.

B. APA Report

None.

C. Meeting Reports

Director Gimarc provided an update on the January 21, 2010, Joint Utility Task Force Meeting.

X. UNFINISHED BUSINESS

None.

XI. NEW BUSINESS

A. Appoint CFC Voting Delegate and Alternate

Director Reiser moved and Director Hill seconded the motion that the Board of Directors appoints Director Kennedy as the CFC voting delegate and Director Vazquez as the alternate. The motion passed unanimously.

The Board took a 20 minutes recess before going into executive session.

XII. EXECUTIVE SESSION

At 5:44 p.m., Director Nordlund moved and Director Kennedy seconded the motion that pursuant to Alaska Statute 10.25.175 (c) (1) and (3) the Board of Directors go into

executive session to discuss 1) financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative as it relates to legislative, gas negotiation, and HR strategic planning matters and 2) matters with its attorney, the immediate knowledge of which would clearly have an adverse effect on the legal position of the cooperative as it relates to document request issues.

The matters to be discussed will include:

1. 2010 Legislative Strategy
2. Gas Negotiations
3. Briefing from Outside Counsel on a request for documents, and
4. the Human Resources Strategic Plan.

The motion passed unanimously.

At 7:30 p.m., the Board reconvened in open session. The Board skipped Agenda Item XII.D. Human Resource Strategic Plan and agreed to discuss it after Agenda Item XIV. Director Comments.

XIII. NEW BUSINESS (continued)

B. Gas Supply Term Sheet and Agreement

Director Reiser moved and Director Gimarc seconded the motion that the Board of Directors authorize the Chief Executive Officer to execute a Gas Sales Agreement for natural gas supplies as discussed in Executive Session. The motion passed unanimously.

C. Support of House Bill 182: Formation of the Greater Railbelt Energy and Transmission Corporation (GRETC)

Director Gimarc moved and Director Reiser seconded the motion that the Board of Directors approves the resolution supporting House Bill 182, legislation enacting the formation of GRETC. The motion passed unanimously.

XIV. DIRECTOR COMMENTS

Director Hill: “I think the presentation we had tonight with the, with the Mr. Smith and the process that they worked on in terms of the, in terms of the collections was really, was really pretty, pretty cool, it’s really great to see our organization engage in that. I really want to thank, I think the motion, I can’t talk about the gas contract. *Chair Logan: Nope.*” So, I can’t, anyways, that’s good.”

Director Reiser: “I would also like to thank David Smith and the great safety performance that the whole team put in place and I think it’s really good to see after 10 years, we got this thing turned around hopefully. Also, I want to thank OT mother GRETC initiative. Ah, Directors Logan and Gimarc primarily, I think Director Nordlund list involved in a lot too. So, thank you all for all your hard work and really appreciate that and the staff work.”

Director Kennedy: “Well, I want to say, I am very pleased not to go to another long GRETC sessions, if we can get *Chair Logan: Oh, there will be more*” oh, I know but, at least we have some ...*unintelligible*... and, ah, I glad everybody came around

...unintelligible..." "Chair Logan: Thank you and thanks for attending the ML&P meeting today" No problem.

Director Gimarc: "Oh, madam chair, ah, we've made great progress this month, staff was doing superbly. Ah, safety compared to where we were the last year, we've cut the actual rates in half, in previous years and that Director Reiser was one that pushed that issue and rattled the cages, so that everybody got off the dime. GRETC is ready for the legislation; all six utilities are on board, first time that has ever happened. We have another gas agreement, will, hopefully help soft some problems. Finally, it looks like the margins these couple years are higher than expected and that is due to partly to some cold weather and a whole lot to some very good action by management, controlled cost company wide. So, good show all around everybody, I hope you have a year like that in the year to come."

Director Nordlund: "On three things, I personally, I want to thank Dave Smith and all the individuals on the team that work on the latest round of process improvements and I think that it is fabulous. I want to thank management for applying the framework and the latitude for that ...unintelligible... it really, it shows real good management to get employees involved and understanding of the processes that the members committee go through. I just want to commend you guys for making that possible. Secondly, great work on tidy negotiations on the gas contract, a lot of work, means it just as critical to our mission and thank you very much for the hard work there to the staff and third, I want to thank, particularly, Alex and Rebecca and specially Rebecca for all her hard work on getting us this far. We have a GRETC, thus put in a lot of hours and it's been a real good product and I can sincerely thank you for all your effort there."

Chair Logan: "It's like we are all winning the academy award... I want to thank... seriously... though seriously... "Director Hill: Oh, you love me, you really love" I do... "everybody laughing" but honestly, I mean just the dynamics that we have going on here right now are so incredible and it's just, every board meeting that we have, I am just so appreciative of the staff specially and the efforts that you guys put into everything. It's just incredible and we are just making great strides and just again very proud of to be part of this company and doing the things we are doing."

Director Vazquez: "Well, everything is progressing very well, and I am pleased we should be clean that the progressing we are making, and the whole progress this coming year."

At 7:39 p.m., after the director comments, Director Kennedy departed.

At 7:40 p.m., Director Hill moved and Director Reiser seconded the motion that pursuant to Alaska Statute 10.25.175 (c) (1) and (3) the Board of Directors go into executive session to discuss 1) financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative as it relates to legislative, gas negotiation, and HR strategic planning matters and 2) matters with its attorney, the immediate knowledge of which would clearly have an adverse effect on the legal position of the cooperative as it relates to document request issues.

The matter to be discussed will include:

- 1. the Human Resources Strategic Plan.*

The motion passed unanimously.

At 8:14 p.m., the Board reconvened in open session.

XIV. ADJOURNMENT

Director Hill moved and Director Reiser seconded the motion to adjourn. The motion passed unanimously. The meeting adjourned at 8:15 p.m.

/ss/

Alex Gimarc, Secretary

Date Approved: February 24, 2010