

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**February 24, 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

The following employees, members, and guests attended:

Bradley Evans	Felix Hernandez	Tom Schulman
Tyler Andrews	Ed Jenkin	Dave Smith
Roberta Brooks, IBEW	Mark Johnson	Phil Steyer
Mike Cunningham	Marilyn Leeland, APA	Lee Thibert
Louann Cutler, K&L Gates	Connie Owens	Jim Walker, MEA
Rick Freymiller	Paul Risse	

DeAnna Scott, Executive Assistant, recorded the meeting proceedings.

**I. CONVENE MEETING**

Chair Logan called the regular meeting of the Board of Directors to order at 4:35 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 Hill moved and Director Vazquez seconded the motion to approve the Agenda. The motion passed unanimously.

**V. CONSENT AGENDA**

- A. *Board Calendar*
- B. *Upcoming Training & Conferences*

1. *APA Legislative Conference – March 9-10, 2010 – Juneau, AK (Gimarc, Hill, & Kennedy)*
2. *2010 Directors’ Conference – Meeting the challenge of Affordability – March 20-24, 2010 – Biloxi, MS (Deadline for registration and room reservation is February 24, 2010.)*
- C. *Minutes – January 27, 2010 (Portades) and February 9, 2010 (Neas-Arnold)*
- D. *Director Expenses*
- E. *Approve Unit 6C Inspection – Project Authorization (Risse)*
- F. *Approve Support of Alternative Energy in Alaska (Gimarc) (Moved to Agenda Item XI. New Business.)*
- G. *Confidential Document Storage and Rolling Release*

There were no objections to the Consent Agenda, as amended.

**VI. PERSONS TO BE HEARD**

- A. *Wholesale Customer Comments*  
None.
- B. *Member Comments*  
None.

**VII. CEO REPORT**

- A. *Rate Case Update*  
Arthur Miller, Director, Regulatory Affairs and Pricing, provided an update on the Rate Case and answered questions from the Board.

**VIII. CORRESPONDENCE**

None.

**IX. DIRECTOR REPORTS**

- A. *Committee Reports*  
None.
- B. *APA Report*  
Director Gimarc reminded the Board of the APA meetings scheduled in Juneau, AK March 9 and 10, 2010.
- C. *Meeting Reports*  
Director Hill provided an update on the 6<sup>th</sup> Annual Audit Committee Issues Conference in Phoenix, AZ. Director Hill suggested that the Board consider doing a “self-evaluation”. Dave Smith, Sr. V.P., Administration also attended the meeting and provided comments.

Director Gimarc reported on the Mayor’s Energy Task Force meetings he attended and answered questions from the Board.

Chair Logan reported on the GRETC conference call that was held on Monday, February 22, 2010. Chair Logan stated that there would be a meeting scheduled for Friday, February 26, 2010 which starts at 10:30 a.m. and stated HB 44 would be discussed. She also stated that at 1:00 p.m. SB 277 would be discussed and answered questions from the Board.

**X. UNFINISHED BUSINESS**

None.

**XI. NEW BUSINESS**

*A. Bylaw Change – Non-Natural Entity Board Candidate Qualifications*

Louann Cutler of K&L Gates and Dave Smith, Sr. V.P., Administration presented an overview of the proposed Bylaw Change – Non-natural Entity Board Candidate Qualifications.

Director Reiser moved and Director Kennedy seconded the motion Move that the Board of Directors approve the proposed Bylaw amendment to ARTICLE III, Section 9(b) and ARTICLE IV, Section 3(b) for placement on the ballot for the 2010 annual membership meeting election and join in the Bylaws Committee’s proposed comment for the election brochure. The motion passed unanimously.

*B. Bylaw Change – Member Committee Terms and Service*

Louann Cutler of K&L Gates and Dave Smith, Sr. V.P., Administration presented an overview of the proposed Bylaw Change – Member Committee Terms and Services.

Director Reiser moved and Director Kennedy seconded the motion that the Board of Directors approve the proposed Bylaw amendment to Article XV, Section 3; Article III, Section 9; Article IV, Section 4 and Article XIII, Section 2 for placement on the ballot for the 2010 annual membership meeting and join in the Bylaws Committee’s proposed comment for the election brochure. The motion passed unanimously.

*C. Bylaw Change – Delegation of Duties of the Board Secretary and Treasurer*

Louann Cutler of K&L Gates and Dave Smith, Sr. V.P., Administration presented an overview of the proposed Bylaw Change – Delegation of Duties of the Board Secretary and Treasurer.

Director Reiser moved and Director Kennedy seconded the motion that the Board of Directors approve the proposed Bylaw amendment to Article VI, Sections 6 and 7 for placement on the ballot for the 2010 annual membership meeting and join in the Bylaws Committee’s proposed comment for the election brochure. The motion passed unanimously.

*D. Bylaw Change – Annual Membership Meeting Date*

Louann Cutler of K&L Gates and Dave Smith, Sr. V.P., Administration presented an overview of the proposed Bylaw Change – Annual Membership Meeting Date.

Director Reiser moved and Director Nordlund seconded the motion that the Board of Directors approve the proposed Bylaw amendment to Article III, Section 1 and Article V, Sections 4 and 7 for placement on the ballot for the 2010 annual membership meeting and join in the Bylaws Committee's proposed comment for the election brochure. The motion passed unanimously.

*E. Bylaw Change – Director Voting Procedures*

Louann Cutler of K&L Gates and Dave Smith, Sr. V.P., Administration presented an overview of the proposed Bylaw Change – Director Voting Procedures.

Director Gimarc moved that the Board of Directors approve the proposed amendment to Article V, Section 6 and Article VI, Section 2 for placement on the ballot for the 2010 annual membership meeting election and include a Board comment in addition to the Bylaws Committee comment to read as follows: "The Board does not oppose the proposed amendments. "However, no director should be intimidated into voting for a particular officer as opposed to voting for the officer the director believes will be best qualified for the position."

*This motion died for lack of a second.*

The Board requested this agenda item be returned to the Bylaws Committee for reconsideration and that the new recommendation be discussed at the March 3, 2010, Special Board Meeting.

*F. Alstom Power Parts Purchase for Beluga Unit 6*

Director Reiser moved and Director Kennedy seconded the motion that the Board of Directors authorize the procurement of necessary Alstom Power materials in the amount of \$1,654,210. The motion passed unanimously.

*G. Collective Bargaining Agreement Extensions*

- i. Outside Plant*
- ii. Generation*
- iii. Office and Engineering*

Director Hill moved and Director Kennedy seconded the motion that the Board of Directors approve the attached Collective Bargaining Agreement extensions covering the terms and conditions of employment for Office and Engineering bargaining unit personnel, Generation bargaining unit personnel and Outside Plant bargaining unit personnel. The motion passed unanimously.

*H. Approve Support of Alternative Energy in Alaska  
Moved from the Agenda Item V. Consent Agenda.*

Director Gimarc moved and Director Kennedy seconded the motion that the Board approve the modified resolution in support of alternative energy in Alaska.

Director Reiser moved and Director Kennedy seconded the motion to amend the fourth Whereas to read: “WHEREAS, Chugach Electric strongly supports the current review and analysis of a Susitna and/or other hydroelectric generation projects.”

*The Board took a recess at 5:25 p.m. and reconvened the meeting at 5:29 p.m.*

Chair Logan called for a role call vote.

Chair Logan – No  
Director Hill – Yes  
Director Reiser – Yes  
Director Kennedy – Yes  
Director Nordlund – Yes  
Director Gimarc – No  
Director Vazquez – Yes

Motion passed.

Director Reiser moved to amend to the fifth WHEREAS to read “...and the study of a natural gas bullet line and/or spur line from the Alaska North Slope to assure availability...” The amended was accepted by Director Gimarc.

Director Reiser moved to amend the seventh WHEREAS to remove “...conservation and efficiency measures...”. Director Gimarc accepted the amendment.

Director Nordlund moved and Director Kennedy seconded the motion to amend the sixth WHEREAS and remove the word “all” to read as follows: ...Chugach encourages AEA to analyze alternative energy generation technologies...”. Chair Logan called for the vote. Chair Logan, Directors Reiser, Kennedy, and Nordlund voted yes; Directors Hill, Gimarc and Vazquez voted no. Motion passed.

Chair Logan called for the vote on the main motion to adopt the Resolution, as amended. Chair Logan, Directors Hill, Reiser, Gimarc, Vazquez, and Kennedy voted yes; Director Nordlund voted no. Motion passed.

*At 5:43 p.m., the Board took a recess and reconvened in open session at 5:59 p.m.*

## **XII. EXECUTIVE SESSION**

- A. *Legislative Agenda*
- B. *Fuel Supply and Storage Update*

At 5:59 p.m., Director Nordlund moved and Director Kennedy seconded the motion that pursuant to Alaska Statute 10.25.175 (c) (1) the Board of Directors 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 2010 Legislative Agenda and Fuel Supply and Storage issues. The motion passed unanimously.

*Director Vazquez was not present at the time vote was taken.*

*At 6:14 p.m., Director Vazquez returned to the meeting during Executive Session.*

*At 7:21 p.m., the meeting reconvened in open session and Director Nordlund departed from the meeting.*

### **XIII. DIRECTOR COMMENTS**

**Director Hill:** "I was really pleased to vote on the labor contacts tonight and I want to commend the board and the staff; I think it's a new direction in terms of where labor relationship with Chugach and proud to be on this end of it."

**Director Reiser:** "I definitely concur with Director Hill and that's all I have to say."

**Director Kennedy:** "Sort of an advisory note my expenses were taken out of the book on Consent Agenda and as far as I know I am not being paid. *Chair Logan:* "Nope..."  
**Director Kennedy:** "As of this date, I am not being paid". Then where is it? *Chair Logan:* "PJ signed it." **Director Kennedy:** "PJ signed it but it was not passed by the Board, so, I would like to have that cleared up otherwise I can't go to Juneau. Sorry. *Chair Logan:* *That's not what happened at all.* **Director Kennedy:** "But I live near a lot of people. He wasn't in the packet either because I was holding the one they got me to sign for him." *Director Reiser:* "It was in the packet." **Director Kennedy:** "No it was not signed, trust me."

**Director Vazquez:** "No comments."

**Director Gimarc:** "I would like to reiterate what I said earlier regarding the labor contacts passed. They are a great step for both this corporation and other utilities in the Railbelt. They start tying employee compensation to financial performance of the corporation. I, this is a start, this is not a finish. This is part of what we intended to do three years ago and this is what we intend to do for the duration. Thank you."

**Chair Logan:** "No comments."

### **XIV. ADJOURNMENT**

Director Hill moved and Director Kennedy seconded the motion to adjourn. The meeting adjourned at 7:29 p.m.

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/ss/  
Alex Gimarc, Secretary  
Date Approved: March 24, 2010