

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

July 23, 2009

BOARD OF DIRECTORS'
MEETING MINUTES

The following board members were present:

Rebecca Logan – Chair
Jim Nordlund – Vice Chairman (arrived during Executive Session)
Alex Gimarc – Secretary
Janet Reiser – Director
Pat Kennedy - Director
Elizabeth Vazquez – Director (arrived during Executive Session)

The following board members were absent:

PJ Hill – Treasurer (excused absence)

The following employees, members, and guests attended:

Brad Evans	Dave Smith	Connie Owens
Lee Thibert	Tyler Andrews	Mark Johnson
Bill Bernier	Burke Wick	Jody Wolfe
Ken Thomas	Arthur Miller	Felix Melendez
Rick Freymiller	Tom Schulman	Sherri McKay-Highers
Phil Steyer	Teresa Kurka	Loral Carter (MEA)
Louann Cutler (K&L Gates)	Jim Posey (ML&P)	Crystal Enkvist (APA)

Jennifer McDonald, Legal Secretary, 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 Reiser moved and Director Kennedy seconded the motion to approve the Agenda. The motion passed unanimously.

V. CONSENT AGENDA

A. Board Calendar/Board Approved Travel

- 1. NRECA Director Summer Training – July 25-30 – Hilton Head, SC**
- 2. APA Annual Meeting – August 5-7 – Soldotna, AK**
- 3. NWPPA Board of Trustees – September 9-11 – Vancouver, VA**
- 4. NRECA Region IX – September 22-24 – San Diego, CA**
- 5. NWPPA Alaska Utility Conference – October 20-30 – Anchorage, AK**
- 6. NRECA Director Winter Training – December 11-16 – Nashville, TN**
 - Brad Evans will be out August 10 through August 14.
 - Director Gimarc will be out October 8 through October 15 and stated he will not be attending the Finance/Budget meetings in October.
 - Director Reiser will be out August 13 through August 28 and stated she will attend the Board meeting on August 26.

B. Minutes – June 24, 2009

C. Director Expenses

D. Approve 2008 Capital Credit Allocation

E. Adopt 2010 Operating Budget and CIP Targets

F. Appoint NRECA and CFC Voting Delegate and Alternate

G. Board Policy 119 – Contributions Policy (Member Assistance)

H. Board Policy 129 – Employee Complaint and Anti-Retaliation Policy to be Re-titled Reporting Audit and Accounting Concerns

I. Board Policy 103 – Open Meetings and Executive Sessions on Board of Directors, Board Policy 109 – Committees of the Board of Directors, and Board Policy 113 – Procedures for Board of Director Meetings

Director Kennedy moved and Director Reiser seconded the motion to approve the Consent Agenda. There was no opposition to approve the Consent Agenda.

VI. PERSONS TO BE HEARD

A. Wholesale Customer Comments

None.

B. Member Comments

None.

VII. CEO REPORT

A. Safety 2nd Quarter Update

Dave Smith, Sr. Vice President, Administration and Ken Thomas, Manager, Safety & Industrial Hygiene, gave a presentation on the Safety 2nd Quarter Update and staff answered questions from the Committee.

B. Pole Top Rescue Training

Bill Bernier, Director, Substations and Line Operations, gave a presentation on Pole Top Rescue Training and answered questions from the Committee.

VIII. CORRESPONDENCE

None.

IX. DIRECTOR REPORTS

A. Committee Reports

Director Kennedy reported on the Renewable Energy Committee and stated several Committee members are taking a topic of interest and obtaining basic information for that particular subject. Director Kennedy has agreed to be the “gopher” for the Committee relating to this project.

B. APA Report

None.

C. Meeting Reports

Director Gimarc reported on the GRETC Task Force meeting with the Joint Utility Boards. Items discussed included a paper that summarized the deliberation and the primary questions during the discussions along with answers to those questions and a list of changes to the legislation. Director Gimarc stated that it was recommended adoption of such paper and support of GRETC to the combined Boards. This item is to be discussed further at the August 5 meeting.

Chair Logan reported that went to Seward on July 22 and met with Chugach’s representatives for the Task Force and City council members and gave a speech on the whole GRETC process. In addition, Chair Logan stated she met with Joe Griffith and several of the MEA Board members and also George Vakalis on the status of the entire situation.

X. UNFINISHED BUSINESS

None.

XI. NEW BUSINESS

A. Proposed Revisions to Board Policy 110 – Statement of Functions of Finance Committee and Board Policy 127 – Audit Committee Charter

Louann Cutler, Board Attorney, reviewed the proposed revisions.

Director Reiser moved and Director Kennedy seconded the motion that the Board of Directors approve the attached revisions to Board Policy 110, Statement of Functions of Finance Committee and Board Policy 127, Audit Committee Charter. The motion passed unanimously.

- B. Proposed Revisions to Board Policy 112 – Member Advisory Council**
Louann Cutler, Board Attorney, reviewed the proposed revisions.

Director Reiser moved and Director Kennedy seconded the motion that the Board of Directors approve the attached revisions to Board Policy 112, Member Advisory Council. The motion passed unanimously.

- C. Draft Legislation Regarding Electronic Voting**
Louann Cutler, Board Attorney, reviewed the proposed revisions.

Director Reiser moved and Director Kennedy seconded the motion that the Board of Directors recommend to the Alaska Legislature that it enact the attached draft legislation. The motion passed unanimously.

XII. DIRECTOR COMMENTS

Director Reiser: None.
Director Kennedy: None.
Director Gimarc: None.
Chair Logan: None.

XIII. EXECUTIVE SESSION

- A. State Integrated Resource Plan (IRP)/Greater Railbelt Energy & Transmission Corporation (GRETC) and Power Supply Matters**
B. CEO Evaluation

Director Reiser moved and Director Kennedy seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1) and (2) the Board of Directors 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 as it relates to strategies involving the State Integrated Resource Plan, the Greater Railbelt Energy & Transmission Corporation and other Power Supply Matters and 2) to discuss subjects that may prejudice the reputation or character of a person as it relates to the CEO Evaluation. The matters to be discussed include A.) the State Integrated Resource Plan, the Greater Railbelt Energy & Transmission Corporation and Power Supply Matters and B.) the CEO Evaluation. The motion passed unanimously.

Directors Nordlund and Vazquez arrived during Executive Session.

The Board went into executive session at 4:43 p.m. and resumed in open session at 6:47 p.m.

XIV. NEW BUSINESS

D. Approval of the CEO Evaluation

Director Gimarc moved and Director Nordlund seconded the motion that the Board of Directors approve the CEO's evaluation and authorize Director Reiser to conduct the evaluation and compensation as discussed in executive session.

Director Vazquez offered a friendly amendment and stated it will be done in two phases. Chair Logan removed "compensation" from the motion.

Director Gimarc offered a second friendly amendment to change the word "conduct" to "present".

Amended motion: Move that the Board of Directors approve the CEO's evaluation and authorize Director Reiser to present the evaluation as discussed in executive session.

The motion, as amended, passed unanimously.

XV. ADJOURNMENT

Director Reiser moved and Director Vazquez seconded the motion to adjourn. The meeting adjourned at 6:48 p.m.

/ss/

Alex Gimarc, Secretary

Date Approved: August 26, 2009