

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

**March 3, 2010**

**SPECIAL 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	Ed Jenkin	Paul Risse
Tyler Andrews	Mark Johnson	Tom Schulman
Bill Bernier	Dan Knecht	Dave Smith
Mike Cunningham	Feliz Melendez	Lee Thibert
Renee Curran	Arthur Miller	Burke Wick
Rick Freymiller	Sherri McKay-Highers	Jody Wolfe
Kathy Harris	Connie Owens	
Dustin Highers	Jim Posey, ML&P	

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 4:48 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. PERSONS TO BE HEARD**

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

**VI. NEW BUSINESS**

- A. *2009 Audited Financial Statements*  
Director Reiser moved and Director Kennedy seconded the motion that the Board of Directors approve the 2009 audited financial statements and footnotes as presented by KPMG. The motion passed unanimously.
  
- B. *December 31, 2009, SEC 10K Filing*  
Director Hill moved and Director Kennedy seconded the motion that the Board of Directors recommend the management to file the Securities and Exchange Commission Form 10K by the due date incorporating any review and amendment to the document which will be received, reviewed, and approved by KPMG. Mr. Hayhurst and Mr. Cunningham will immediately inform the Board, in writing, of any material and significant changes. The motion passed unanimously.
  
- C. *Retention of KPMG, LLP for Tax Services*  
Director Hill moved and Director Kennedy seconded the motion that the Board of Directors approve the retention of KPMG, LLP for tax services as described above.  
  
Chair Logan, Directors Nordlund, Hill, Reiser, Gimarc and Kennedy voted yes; Director Vazquez abstained. Motion passed.
  
- D. *2010 Proposed Bylaw Amendment – Director Voting Procedures*  
Dave Smith, Sr. V.P., Administration discussed with the Board the changes to the 2010 Proposed Bylaw Amendment – Director Voting Procedures.

Director Nordlund moved and Director Kennedy seconded the motion that the Board of Directors approve the proposed amendments to Article V, Section 6 and Article VI, Section 2 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.

**VII. EXECUTIVE SESSION (none)**

**VIII. DIRECTOR COMMENTS.**

**Director Hill:** “Silent”

**Director Reiser:** “That must be a record.”

**Director Kennedy:** “Same”

**Director Vazquez:** “I would like to see this body be presented with the final 10K and have it approved in a normal fashion instead of this after the fact, you know, it’s gonna be filed

and if there are any changes we get to know about it. I think the real, I keep saying this and one of these days something is going to happen and I'm gonna say "I told you so". So, anyway, I don't think it's a good habit to do this. I think we ought to, and Director Kennedy is also nodding up and down; I really feel uncomfortable... *Director Kennedy: "I agree with you, yeah, yeah."* Director Vazquez: "I think this is...I keep saying it and it keeps getting ignored and I don't know at what point; I don't think its, it would be very interesting to see what the SEC's reaction would be if they were told that we do what we do ...*unintelligible*"... *Director Kennedy: "...unintelligible..."* Director Vazquez: "I don't think they'd appreciate it. I keep saying this and I don't know how much more diplomatic I need to be or blunt to get the point across. I did SEC work."

**Director Gimarc:** "Yes, Madam Chair. Last Board meeting we had a spirited discussion on the *Resolution in Support of Alternative Energy* with four or five changes to be votes up or down. It got me to thinking because we hadn't had that discussion previously and I look back at the November 20, 2008, minutes for the regular board meeting where we did pass that resolution. Item E on page 4 reads as follows: *Resolution in Support of Alternative Energy. Director Hill moved and Director Gimarc seconded the motion that the Board of Directors support continued study of alternative electric generation solutions as described in the following resolution. The motion passed unanimously.* A suggestion to my esteemed colleagues on the other side of the table, next round of grand standing would be a lot more effective if you take exceptions an ...*unintelligible*... and you vote against. This resolution was a unanimous vote of the board."

**Director Nordlund:** "No comment."

**Chair Logan:** "To Director Vazquez's point. In the time that I've been on the board we've never done anything different than what we have done. And in all the time I've been on the board we had that procedure review many, many, many times and we've never had anybody say anything to us about it. We pay people big gobs of money to make sure that we're doing the things we are supposed to be doing. Especially in regards to security exchange filings. So, to make sure that everybody is comfortable with the procedure that we're using, let's have a discussion about this in our board meeting in March. Because again, this is what we've always done, we've never done anything else. So, let's make sure everybody else is comfortable with the procedure and like I said, we've been audited and audited and audited and had people come in and look at our procedures, especially with the board in regards to Securities and Exchange Commission issues and nobody has ever said anything about it so, we'll take care of that at the March board meeting."

## IX. ADJOURNMENT

At 4:56 p.m., Director Hill moved and Director Kennedy seconded the motion to adjourn. The motion passed unanimously.

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Alex Gimarc, Secretary

Date Approved: March 24, 2010