

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

June 13, 2007

BOARD OF DIRECTORS'
SPECIAL BOARD MEETING MINUTES

The following board members were present:

Elizabeth Vazquez – Chairman
Uwe Kalenka – Vice Chairman
Alex Gimarc – Secretary
P.J. Hill – Treasurer
Jeff Lipscomb - Director
Alan Christopherson – Director
Jim Nordlund – Director

The following employees, members, and guests attended:

Bill Stewart	Carol Johnson	Shelia Reilly, CIRI
Mike Abbott, MOA	Greg Jones	Paul Risse
Mark Begich, Mayor, MOA	Dan Knecht	Jean Sauget
Patty Bogan	Dennis LeBlanc, MOA	Ashley Schmiedeskamp, CIRI
Loralie Carter, MEA	Marc Marlow, Tiquin	Dave Smith
Mike Cunningham	Bill Mede, Turner & Mede	Bob Stewart, DWT
Don Edwards	Connie Owens	Mary Tesch
Anita Gomez	Jim Patras, HEA	Lee Thibert
Carol Heyman	Mary Ann Pease, MAP Consulting	Randy Ticaen
Randy Hobbs	Jim Posey, ML&P	Ron Vecera
Ed Jenkin	Jim Reeves, MOA	Gary Zipkin, Guess & Rudd

DeAnna Scott, Executive Assistant, recorded meeting proceedings.

I. CONVENE MEETING

The special meeting of the Board of Directors was called to order at 4:03 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

II. PLEDGE OF ALLEGIANCE

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

III. EXECUTIVE SESSION

At 4:04 p.m., Director Kalenka moved and Director Gimarc seconded the motion that pursuant to Alaska statute 10.25.175(c)(1), (3), the Board 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; (2) matters with its attorneys the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The topics to be discussed in this executive session are: 1) Strategic Planning 2) Website

Tampering; 3) Beluga Report; 4) Chugach Electric Association, Inc. vs. Ray Kreig; Stephen Routh and Chugach Consumers, Case No. 3AN-06-13743, 5) KAPP (Knik Arm Power Plant) Limited Order RCA Order Issued May 24, 2007, U-07-46, Order #2; 6) Board Attorney - Scope of Work; and 7) Board Policy 106 – Delegation of Authority from the Board of Directors to the Chief Executive Officer.

The Board reconvened from executive session at 7:28 p.m.

IV. APPROVAL OF AGENDA

Director Lipscomb moved and Director Kalenka seconded the motion to amend the agenda under VI. New Business as follows: A) Strategic Planning – Statement of Principle; B) Budget Revision – Additional Labor Costs; C) New Generation – Status Report; D) Board Communications Advisor and E) Board Attorney – Scope of Work. The other items that appeared on the public agenda are to be deleted.

The motion to approve the Agenda as amended passed unanimously.

V. PERSONS TO BE HEARD

A. Wholesale Customer Comments

None.

B. Member Comments

None.

VI. NEW BUSINESS

A. Strategic Planning – Statement of Principle

Director Lipscomb moved and Director Kalenka seconded the motion to waive the seven-day rule regarding the Statement of Principles. The motion passed unanimously.

Director Lipscomb moved and Kalenka seconded the motion that the Chairman be authorized to execute the Statement of Principle regarding Strategic Planning as discussed in tonight's Executive Session. The motion passed unanimously.

B. Budget Revision – Additional Labor Costs

Director Kalenka moved and Director Gimarc seconded the motion that the Budget Revision – Additional Labor Costs be tabled and forwarded to the Finance Committee scheduled for June 27, 2007. *There was no vote recorded on this motion.*

C. New Generation – Status Report

Bradley Evans, Sr. Vice President, Power Supply, presented a status report on new generation and responded to questions from the Board.

D. Board Communications Advisor

Director Kalenka moved and Director Gimarc seconded the motion that the Board of Directors hire Dittman Research & Communications Corporation as

communications advisor to the Board with an initial authorized budget not to exceed \$25,000 for fees and expenses. The Board will administer the budget and assignments.

Initial Scope of Work

Provide advice to the Chugach Electric Association Board of Directors on member and public communications and other related matters. This shall include a review of the Chugach Outlet; outreach to local organizations; and suggestions for further development of media relations. Other related tasks may be assigned by the Board.

After much discussion, the question was called by Chair Vazquez. Chair Vazquez, Directors Kalenka and Gimarc voting yes. Directors Hill, Lipscomb, Nordlund and Christopherson voted no. Motion failed.

Director Hill moved and Director Kalenka seconded the motion for reconsideration. Chair Vazquez called for the vote on the motion. Chair Vazquez, Directors Kalenka, Gimarc and Hill voted yes. Directors Lipscomb, Nordlund and Christopherson voted no. Motion passed.

Director Hill asked for a friendly amendment to the motion adding that the Board of Directors put out for competitive bid a contract to hire a Board Communications Advisor?

At 8:13 p.m., the Board took a 5 minute recess and reconvened at 8:22 p.m.

Director Hill moved and Director Kalenka seconded the motion to table this agenda item until the next regular Board Meeting scheduled on June 20, 2007. The motion passed unanimously.

E. Board Attorney

Director Hill moved and Director Kalenka seconded the motion that the Board of Directors accepts the contract for Gary Zipkin with Guess and Rudd. After much discussion, the question was called with Chair Vazquez, Directors Kalenka, Hill and Gimarc voting yes. Directors Lipscomb, Christopherson and Nordlund voting no. Motion passed.

XII. DIRECTORS' COMMENTS

Director Hill: None

Director Lipscomb: None

Director Christopherson: Stated he is willing to serve and be a part of the Blue Ribbon Committee. His extensive business experience both local, statewide, nationally and internationally with his engineering firm offers a lot in capacity and experience. Director Christopherson stated that he had heard nothing back from the Chair and would like to challenge as to why he could not participate. Director Christopherson stated if the public wishes his participation, he would hope they would speak out. He sighted his extensive

business experience, personal experience with a payroll of over 100 people and his fair and partial relationship with the union. Director Christopherson also noted that in the editorial page of the Anchorage Daily News, there was a fair and balanced editorial published in it.

Director Nordlund: None.

Director Gimarc: None

Director Kalenka: Stated the he saw the editorial and was amazed and wondered why in the world did you then support Chugach in spending \$60,000 in rate payer's money suing to suppress the black book prepared by the team of experts. He also stated that if it is such a great labor contract, let the RCA and our members decide that for themselves. After they read the study themselves and what this great contract actually achieve, Mr. Christopherson. Furthermore, you have said earlier, and you've made allegations that there are e-mails that I was involved with some regard of election year with Dittman Research, I would sure like to get some copies of those. I know you have some that you were engaged in and I challenge you to produce some and show where I was engaged in. Furthermore, in regard of candidates of the Blue Ribbon Committee, I recalled on several occasion that everyone in this room was asked to make some recommendations to the Chair. I challenge you to prove that you have made such recommendations. The issue on the Blue Ribbon Committee was to take select people that are much further above us people sitting on this board here and have much more experience than we have and that's why we've asked for their help to make some recommendations. So, once again, I do not believe that anybody sitting on this Board is quite qualified to be on the panel of the Blue Ribbon members.

Chairman Vazquez: Stated that she requested names be submitted regarding the Blue Ribbon panel to the Chair and it was not the intent for Directors to be on that panel. The intent is to have third parties look and not have any of the Directors or management involved. We can serve as a resource to the panel and management will certainly be contacted. *Director Christopherson stated that he was not asking to serve on the panel but wanted to be involved in the selection process of the members.* Chair Vazquez stated that the members were already selected and that there would be a formal motion coming before the Board at the June 20, 2007 Regular Board Meeting. She also stated that she would be distributing the motion to be discussed tonight or sometime tomorrow.

XIII. EXECUTIVE SESSION

None.

XII. ADJOURNMENT

Director Kalenka moved and Director Gimarc seconded the motion to adjourn. The meeting adjourned at 8:42 p.m.

/ss/
Alex Gimarc, Secretary
Date Approved: July 11, 2007