

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

January 15, 2003

**BOARD OF DIRECTORS’
MEETING MINUTES**

President Davison convened the regular meeting of the Board of Directors of Chugach Electric Association, Inc. at 4:02 p.m. on Wednesday, January 15, 2003, in the boardroom of Chugach Electric Association, Inc., 5601 Minnesota Drive, Anchorage, Alaska.

The following board members were present:

Bruce Davison – President
Dave Cottrell – Vice President (by phone)
Jeff Lipscomb – Treasurer
Chris Birch – Secretary
Red Boucher – Director (4:05 p.m. arrival)
Sam Cason – Director (4:13 p.m. arrival)
Pat Jasper – Director

The following employees, members, and guests attended:

Gina Armstrong
Bill Bernier
Patti Bogan
Steve Cegelka (Guest)
Mike Cunningham
Brad Evans
Mark Fouts
Joe Griffith
Dora Gropp

Kathy Harris
Dianne Hillemeier
Carol Johnson
Lori Kirkendall
Mike Massin
Sherri McKay
Alice Mullins
Mike Pauley (Guest)
Bill Stewart

Phil Steyer
Katrina Storjohann
Mary Tesch
Lee Thibert
Ken Thomas
Ron Vecera
Jody Wolfe

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President Davison led the Board and audience in the Pledge of Allegiance.

I. EXECUTIVE SESSION

None.

II. APPROVAL OF AGENDA

Director Lipscomb moved and Director Jasper seconded the motion to approve the agenda. Director Lipscomb moved and Director Jasper seconded the motion to waive the seven-day rule in order to replace agenda item IX.C.1-3 with a revised version. The motion passed unanimously. The motion passed to approve the agenda as amended.

III. APPROVAL OF CONSENT AGENDA

Director Lipscomb moved and Director Jasper seconded the motion to approve the Consent Agenda.

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A. Calendar of Events
January - April 2003

Add:

- January 21, 2003, Bylaws Committee meeting; 5:30 p.m.
- January 29, 2003, Audit Committee meeting; 4:00 p.m.
- January 29, 2003, Finance Committee meeting; 4:30 p.m.

Move:

- February 11, 2003 Operations Committee meeting to February 13, 2003
- March 19, 2003 Regular Board meeting to March 26, 2003

Cancel:

- February 12, 2003 Finance Committee meeting

B. Minutes – December 18, 2002 Regular Board Meeting

No changes.

C. November 2002 Financials

No changes.

The motion to approve the Consent Agenda passed unanimously.

IV. PERSONS TO BE HEARD

A. Wholesale Customer Comments

None.

B. Member Comments

None.

V. GENERAL MANAGER'S REPORT

The following topics were covered in the General Manager's Report:

- 2002 Year-end Safety Statistics presented by Ken Thomas, Manager of Safety
- Southern Intertie update presented by Mark Fouts, Manager, Corporate Planning & Analysis
- Business Owners and Managers Association (BOMA) award announcement by General Manager, Joe Griffith
- Legislative Update by Phil Steyer, Manager, Governmental & External Affairs

VI. CORRESPONDENCE

President Davison noted a thank you letter received for turkeys donated by Chugach.

VII. DIRECTORS' REPORTS

A. President's Report

President Davison highlighted the December joint meeting with Homer Electric Association.

B. Committee Reports

Director Lipscomb reported on the January 8, 2003, Finance Committee meeting where an Audit Committee meeting was set for January 29, 2003, and Southern Intertie cost data was reviewed.

Director Davison reported on the January 14, 2003, Operations Committee meeting where the 2003–2007 Business Plan was reviewed, modified, and forwarded for Board approval, bylaw amendments were proposed and forwarded for Board approval, achievement of 2002 General Manager's goals was discussed by General Manager Griffith, and a preliminary list of 2003 General Manager's goals was presented.

Director Boucher reported on the January 9, 2003, Technology Committee meeting where Sam Morales of Sequestered Solutions presented server farm strategy.

C. ARECA Report

Director Jasper reported on the January 6, 2003, ARECA meeting where voting methodology was discussed and legislative goals for ARECA were reviewed.

D. Meeting Reports

Director Jasper briefly reported on Matanuska Electric Association's January 13, 2003 board meeting.

VIII. UNFINISHED BUSINESS

None.

IX. New Business

A. Appointments to 2003 Election Committee

Director Birch moved and Director Cason seconded the motion to recommend all applicants for the 2003 Nominating Committee be appointed to three-year terms to establish continuity and stability on the committee. The motion passed unanimously.

B. 2003 Business Plan

Director Birch moved and Director Cason seconded the motion that the Board of Directors approve the 2003 Business Plan as presented. The motion passed unanimously.

C. Proposed Bylaw Amendments

1. **Titles** – Director Lipscomb moved and Director Birch seconded the motion to approve the proposed Bylaw amendments and comment/recommendations as approved by the Operations Committee at its January 14, 2003, meeting and refer them back to the Bylaws Committee for its consideration. If the Bylaws Committee approves the attached proposed bylaw amendments as approved by the Operations Committee and the Board, then they shall be placed on the ballot

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for the 2003 annual membership meeting. If the Bylaws Committee proposes revisions, then the Board Operations Committee and the full Board will consider those revisions at their next respective meetings. The motion passed unanimously.

2. Bonds of Officers – Director Lipscomb moved and Director Jasper seconded the motion to approve the proposed Bylaw amendments as approved by the Bylaws Committee on December 5, 2002, and by the Board Operations Committee on January 14, 2002, and the comment/recommendation, for placement on the ballot for the 2003 annual membership meeting. The motion passed unanimously.

3. Compensation – Director Lipscomb moved and Director Cason seconded the motion to approve the proposed Bylaw amendments and comment/recommendation (attached), as approved by the Operations Committee at its January 14, 2003, meeting and refer them back to the Bylaws Committee for its consideration. If the Bylaws Committee approves the attached proposed bylaw amendments as approved by the Operations Committee and the Board, then they shall be placed on the ballot for the 2003 annual membership meeting. If the Bylaws Committee proposes revisions, then the Board Operations Committee and the full Board will consider those revisions at their next respective meetings. The motion passed unanimously.

D. Directors' Expenses

Director Cason moved and Director Jasper seconded the motion that the Board of Directors approve directors' expenses as submitted. The motion passed unanimously.

X. DIRECTORS' COMMENTS

Director Jasper – None.

Director Boucher – None.

Director Cottrell – None.

Director Cason – Congratulated General Manager, Joe Griffith and Manager of Government and External Affairs, Phil Steyer, for the Journal of Commerce article stating that it was the most balanced article so far.

Director Birch – Commended General Manager, Joe Griffith and staff for the time and effort spent to resolve the RCA issue.

Director Lipscomb – Applauded employees, staff and general manager for stressing the importance of safety and for continuing to strive for a safe workplace.

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President Davison – Thanked Steve Cegelka for his assistance at Nominating Committee meeting stating that it was helpful that he attended. He requested that Steve pass to other members of the committee his appreciation for their hard work and commitment to a job well done.

XI. EXECUTIVE SESSION

None.

XII. ADJOURNMENT

Director Jasper made a motion to adjourn. The motion passed unanimously, and the meeting adjourned at 5:57 p.m.

Chris Birch, Secretary
Date Approved: February 19, 2003

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