

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

**January 21, 2004**

**BOARD OF DIRECTORS'**  
**MEETING MINUTES**

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

The following board members were present:

Bruce Davison – Chairman  
Red Boucher – Vice Chairman  
Pat Jasper - Secretary  
Jeff Lipscomb – Treasurer  
Chris Birch – Director (Arrived at 4:06 p.m.)  
Sam Cason – Director (Arrived at 4:11 p.m.)  
Dave Cottrell – Director (Arrived at 4:04 p.m.)

The following employees, members, and guests attended:

Joe Griffith	Diane Lommel	Mark Fouts
Bill Bernier	Don Edwards	Mary Tesch
Bill Stewart	Jamie Stout	Mike Cunningham
Brad Evans	Jim Posey, ML&P	Mike Massin
Brian Hickey	Jim Walker, MEA	Patti Bogan
Carl Harmon	Jim Patras, HEA	Patty Ginsberg, ML&P
Carol Heyman	Kathy Harris	Rick Freymiller
Carol Johnson	Ken Hilfiker	Dianne Hillemeier
Dave Smith	Lee Thibert	Ron Vecera
Lori Eubanks		

Deanna Scott, Executive Assistant, recorded meeting proceedings.

Chairman Davison led the board and audience in the Pledge of Allegiance.

**I. EXECUTIVE SESSION**

None.

**II. APPROVAL OF AGENDA**

Director Jasper moved and Director Boucher seconded the motion to approve the agenda with the addition of an Executive Session at the end of the meeting. The motion passed unanimously.

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### III. APPROVAL OF CONSENT AGENDA

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

#### A. Calendar of Events (January - April 2004)

- Joint Meeting with ML&P Commission - February 18, 2004 - noon
- Regular Board Meeting - February 25, 2004
- Chugach Annual Meeting - April 29, 2004
- Matanuska Electric Association's Annual Meeting - April 3, 2004 – 2:00pm

#### B. Minutes (December 17, 2003 - Regular Board Meeting)

No Changes.

#### C. Financial Reports – November 2003.

The motion to approve the Consent Agenda passed unanimously.

### IV. PERSONS TO BE HEARD

#### A. Wholesale Customer Comments

None.

#### B. Member Comments

None.

### V. CEO Report

CEO Joe Griffith reported on the following topics:

- Information regarding the August 14, 2003, blackout
- 2003 Contributions to the Community
- Overtime Report for 2003
- Railbelt Energy Study presentation by Mark Fouts, Manager, Corporate Planning & Analysis
- GIS update from Ken Hilfiker, Manager, Geographic Information Systems, and Jan Swartzburg, GIS Analysis Programmer
- Title V Permitting Program presented by Carl Harmon, Manager, Environmental Engineering and Hazardous Material
- Safety Presentation by Ken Thomas, Manager, Safety
- Update on meeting GVEA and MEA on the Alaska Intertie Docket
- Plans for Energy Task Force hearings on February 3 and 5, 2004, in Juneau

### VI. CORRESPONDENCE

None.

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**VII. DIRECTORS' REPORTS**

**A. Chairman's Report**

None

**B. Committee Reports**

Chairman Davison reported on the January 7, 2004, Operations Committee meeting where recommendation was made for appointments to the 2004 Election Committee, approved the proposed revision to Board Policy 126, Strategic Planning Timeline discussed in Executive Session and the CEO's Contract Review was deferred to the next Operations Committee Meeting in February.

Director Lipscomb reported on the January 14, 2004, Finance Committee meeting where they discussed the Financial Advisor during the Executive Session. There was also discussion on the Business Plan, depreciation study results, the November financials, and a brief update on the 2003 audit that will begin on February 2, 2004.

Director Cason reported that the Bylaws Committee has recommended that the Term Limits bylaw be changed and removed and the make a concise recommendation to the membership to repeal that bylaw.

**C. APA Report**

Director Jasper reported on the January 8, 2004, board meeting of the Alaska Power Association on January 8, 2004.

**D. Meeting Reports**

Director Birch reported on the Resource Development Council meeting where former Mayor Werch discussed the Knick Arm Bridge.

Director Jasper reported briefly on Matanuska Electric Association's December meeting and discussed in detail their January 2004 Board Meeting.

**VIII. UNFINISHED BUSINESS**

None.

**IX. NEW BUSINESS**

**A. Revisions to Board Policy 126**

Director Cason moved and Director Jasper seconded the motion to approve the revisions to Board Policy 126, Business Planning and Financial Management, as unanimously recommended by the Board Operations Committee. The motion passed unanimously.

Director Jasper moved and Director Lipscomb seconded the motion to recommend that Board Policy 126 go to the Finance and Operations Committees for further revisions and the inclusion of cyber security considerations. This motion passed unanimously.

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**B. Amendment to Bylaw Article IV, Section 2**

Director Boucher moved and Director Jasper seconded the motion to approve the proposed bylaw amendment eliminating the restriction on director term limits in Article IV, Section 2 of Chugach's bylaws, and place it on the ballot for the 2004 annual membership meeting. The motion passed unanimously.

**C. Appointment to 2004 Election Committee**

Director Cason moved and Director Lipscomb seconded the motion to appoint Philip G. Levis, Sr., to serve on the Election Committee, C Term, as recommended by the Board Operations Committee. The motion passed unanimously.

**D. 2004 Date of Record**

Director Boucher moved and Director Jasper seconded the motion to set March 17, 2004, as the record date for the 2004 Chugach annual meeting and election. The motion passed unanimously.

**E. Southern Intertie Participation**

Director Cason moved and Director Jasper seconded the motion to approve the resolution authorizing Chief Executive Officer, Joe Griffith, to withdraw from participation in the Southern Intertie per section 4(b)(3) of the Participants Agreement and authorize the Chief Executive Officer to pursue recovery from AIDEA of funds expended for the Southern Intertie for Chugach's portion of Phase 1 funding not yet reimbursed by AIDEA. The motion passed unanimously.

**F. Directors' Expenses**

Director Boucher moved and Director Jasper seconded the motion to approved director's expenses as submitted. The motion passed unanimously.

**G. Rate Regulation Analysis**

Director Jasper moved and Director Cason seconded the motion to authorize and direct Joe Griffith, Chief Executive Officer, to prepare a Rate Regulation Analysis for discussion between management and the Board of Directors at the July 2004 board meeting. The motion passed unanimously.

**X. DIRECTORS' COMMENTS**

**Director Boucher** – Stated it is very important that we keep the electric industry balanced. He further sated that the Legislature is looking for the utilities to create a position paper on the long-range economic development for the state.

**Director Cottrell** – Don Edwards issued an update on the IRS Ruling for the early retirement of discounted capital credits. Director Cottrell noted that we have been working on this for some time and there is still a need to work out a plan where we can start decreasing the amount of people on our capital credit list.

**Director Jasper** – No comment.

**Director Cason** – Appreciates receiving the monthly reports and would like to have additional review during the board meeting.

**Director Birch** – Stated that he appreciated the Title V presentation by Carl Harmon, Manager, Environmental and Hazardous Material. He also stated that he

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was very pleased with the safety records of Chugach employees and appreciates the continuous updates from Ken Thomas, Manager, Safety.

**Director Lipscomb** – Concurred with Director Birch regarding the safety performance of the employees. He also stated that he was very pleased with the GIS System. He believes with this tool, it would help those in the field improve our reliability, shorten outage time, and increase productivity. He stated further that he was pleased with the contributions of the employees and would like to see more visibility in the community of Chugach’s various sponsorships/activities.

**Chairman Davison** – Concurred with Director Lipscomb regarding the GIS System and stated that this is a huge benefit to the employees in the field. He was also pleased to see Chugach staff at the Anchorage Economic Development luncheon. He stated he was encouraged by the news of positive growth projected for Anchorage’s economy.

**XI. EXECUTIVE SESSION**

At 6:32 p.m., Director Cason moved and Director Jasper seconded the motion that pursuant to Alaska statute 10.25.175(c)(1) and (3), the Board go into executive session to discuss matters related to strategic planning the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative. The motion passed unanimously.

(Directors Davison and Birch departed at 7:00 p.m.)

**XII. ADJOURNMENT**

At 7:15 p.m. the meeting reconvened out of executive session and adjourned immediately.

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Patricia Jasper, Secretary  
Date Approved: February 25, 2004

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