

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

**February 25, 2004**

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

A regular meeting of the Board of Directors of Chugach Electric Association, Inc. was called to order at 4:02 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Minnesota Drive, Anchorage, Alaska.

The following board members were present:

Bruce Davison – Board Chair  
Red Boucher – Vice Chair (by phone)  
Pat Jasper - Secretary  
Jeff Lipscomb – Treasurer  
Chris Birch – Director  
Sam Cason – Director (arrived at 4:10 p.m.)  
Dave Cottrell – Director

The following employees, members, and guests attended:

Bill Bernier	Carol Heyman	Dave Smith
John Cooley	Brian Hickey	Bill Stewart
Mike Cunningham	Dianne Hillemeier	Lee Thibert
Don Edwards	Ed Jenkins	Ken Thomas
Brad Evans	Mike Massin	Burke Wick
Rick Freymiller	Sherri McKay	Jody Wolfe
Joe Griffith	Mike Pauley	
Kathy Harris	Paul Risse	

Lori Kirkendall, Executive Assistant, recorded meeting proceedings.

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

**I. EXECUTIVE SESSION**

None.

**II. APPROVAL OF AGENDA**

Director Jasper moved and Director Cottrell seconded the motion to approve the agenda. The motion to approve the agenda passed unanimously.

(Note: Director Cason was not present to vote.)

**III. APPROVAL OF CONSENT AGENDA**

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

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**A. Calendar of Events** (February – May 2004)

- Joe Griffith in Juneau; 2/26-27/2004
- Joe Griffith out of town; 3/1-5/2004
- Joint Board Meeting with AML&P; 5/19/2004, 12 p.m.
- Jasper, Lipscomb in Victoria, BC; NWPPA Annual Meeting; 5/18-21/2004

**B. Minutes** (January 24, 2004)

Correct “Knick” to “Knik” under agenda item VII. Directors’ Reports, D. Meeting Reports.

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**

The following topics were covered in the CEO report:

- January 2004 financials presented by Mike Cunningham, Chief Financial Officer
- Chugach Insurance Program presented by Mike Cunningham
- Organ donor bill stuffers
- Fuel and Purchased Power Statistics presented by John Cooler, Manager, Power Control
- Cooper Lake Relicensing presented by Burke Wick, Plant O&M Supervisor
- Alstom Power gas turbine inspection/parts replacement intervals presented by Paul Risse, Manager, Plant Technical Services
- Variable loan rate
- Rate Case Filing presented by Don Edwards, General Counsel

**VI. CORRESPONDENCE**

None.

**VII. DIRECTORS’ REPORTS**

**A. Chairman’s Report**

None.

**B. Committee Reports**

Director Lipscomb reported on the February 11, 2004, Finance Committee meeting where they received a 2003 Audit Status Report and discussed “2002 Depreciation Amounts by Category.”

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Chair Davison reported on the February 11, 2004, Operations Committee meeting where they discussed the Chugach Integrated Resource Plan, Joint Action Agencies, and strategic planning, then went into executive session for the remainder of the meeting.

Director Lipscomb reported on the February 24, 2004, Audit Committee meeting where they received the 2003 Audit Report by KPMG and recommended the report for approval by the Board.

**C. APA Report**

Director Jasper reported on the February 24, 2004, APA meeting where the discussion focused on active membership dues structure.

**D. Meeting Reports**

Director Jasper reported on the NRECA Annual meeting held in New Orleans February 15-18, 2004.

Chair Davison reported on the Chugach/AML&P joint board meeting hosted by Chugach on February 18, 2004.

**VIII. UNFINISHED BUSINESS**

None.

**IX. NEW BUSINESS**

**A. 2003 Audit**

Director Lipscomb moved and Director Birch seconded the motion to accept the results of the 2003 audit as presented by KPMG LLC. The motion passed unanimously.

**B. Joint Action Agency Agreement**

Director Jasper moved and Director Cason seconded the motion to approve the resolution authorizing entry into a JAA Agreement substantially similar to the draft Joint Action Agency Agreement.

Director Lipscomb moved and Director Birch seconded the motion to table the draft resolution authorizing entry into a JAA agreement until the March board meeting. The motion passed with six in favor and one opposed (Director Jasper).

**C. Appointment of 2004 Master Election Judge**

Director Cason moved and Director Lipscomb seconded the motion to appoint Elizabeth Carew as the 2004 Master Election Judge. The motion passed unanimously.

**D. Approval of 2004 Election Procedures**

Director Lipscomb moved and Director Cason seconded the motion to approve the 2004 Election Procedures. The motion passed unanimously.

**E. Directors' Expenses**

Director Cason moved and Director Lipscomb seconded the motion to approve directors' expenses as submitted. The motion passed unanimously.

(At 5:55 p.m., Chair Davison called a 10-minute recess.  
The meeting reconvened at 6:10 p.m.)

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**F. CEO's Evaluation**

By request of Joe Griffith, CEO, the Board delivered his performance evaluation and corresponding scores in open session. Each board member then offered their individual comments, followed by a response from Joe.

**X. DIRECTORS' COMMENTS**

**Director Boucher** – Reiterated his comments regarding Joe Griffith's 2003 performance. He said he's an excellent leader and would follow him into combat.

**Director Cottrell** – No comment.

**Director Jasper** – Said she enjoyed the comments Joe included in the [February 25, 2004] article in the Anchorage Daily News.

**Director Cason** – Thanked Joe for his leadership and his patience in teaching him about the business.

**Director Birch** – Commended the work of the Audit Committee.

**Director Lipscomb** – Said Chugach is lucky to have the quality of leadership and ability that we have with the CEO and staff. Also requested that, in recognition of employee safety consciousness, he would like to have safety vests ordered and distributed again this year.

**Chair Davison** – Said Audit Committee meeting and the Financial Management Plan meetings [February 24, 2004] were educational and worthwhile. He said he also appreciates Joe's accessibility and quick responses in keeping the Board informed.

**XI. EXECUTIVE SESSION**

At 6:40 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 financial and legal matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative. The motion passed unanimously.

**XII. ADJOURNMENT**

At 7:45 p.m. the motion passed unanimously to adjourn

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Patricia Jasper, Secretary

Date Approved: March 17, 2004

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