

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

February 19, 2003

**BOARD OF DIRECTORS’
MEETING MINUTES**

President Davison convened the regular meeting of the Board of Directors of Chugach Electric Association, Inc. at 4:13 p.m. on Wednesday, February 19, 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
Jeff Lipscomb – Treasurer
Chris Birch – Secretary
Red Boucher – Director
Sam Cason – Director
Pat Jasper – Director (by phone)

The following employees, members, and guests attended:

Gina Armstrong	Kathy Harris	Phil Steyer
Bill Bernier	Carol Heyman	Mary Tesch
Patti Bogan	Dianne Hillemeier	Lee Thibert
John Cooley	Carol Johnson	Ken Thomas
Mike Cunningham	Lori Kirkendall	Jody Wolfe
Don Edwards	Mike Massin	Jim Patras (guest)
Brad Evans	Sherri McKay	Mike Pauley (guest)
Mark Fouts	Arthur Miller	
Joe Griffith	Bill Stewart	

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

- I. EXECUTIVE SESSION**
None.
- II. APPROVAL OF AGENDA**
Director Boucher moved and Director Cason seconded the motion to approve the agenda. The motion passed unanimously.
- III. APPROVAL OF CONSENT AGENDA**
Director Lipscomb moved and Director Cottrell seconded the motion to approve the Consent Agenda.

T
E
A
R
D

A. Calendar of Events (February through May 2003)

Add:

- April 7, 8 – Joe Griffith out of town

Change:

- From 7 p.m. to 5:30 p.m. – March and April MEA board meeting

B. Minutes (January 15, 2003 Regular Board Meeting)

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:

- "Power Control & Fuel Management Statistics" presented by John Cooley, Manager, Power Control
- "Wholesale Power Contracts" presented by Mark Fouts, Manager, Corporate Planning & Analysis
- "2002 Year-end Financials" presented by Mike Cunningham, Chief Financial Officer

VI. CORRESPONDENCE

None.

VII. DIRECTORS' REPORTS

A. President's Report

None.

B. Committee Reports

Director Lipscomb reported on a recent Bylaws Committee meeting where changes were made, as requested by the Board, to bylaws amendments previously considered by the Bylaws Committee. The changes were approved by the Bylaws Committee and stand approved by the Board and will be on the election ballot.

Director Lipscomb reported on the January 29, 2003, Audit and Finance Committee meeting where they gave directions for the auditor and set March 5, 2003 as the next Audit Committee meeting. Director Lipscomb added that the Treasurer's report is currently being drafted for the annual report.

Director Davison reported on the February 19, 2003, Operations Committee meeting where they discussed the General Manager's 2002 goals and results, and

T
E
A
R
D

received a rate case update. Consideration of the General Manager's 2003 goals was postponed to a date yet to be determined.

C. ARECA Report

None.

D. Meeting Reports

Director Jasper reported on Matanuska Electric Association's February 10, 2003, board meeting where there was discussion on results of Chugach's rate case and the potential rate decrease MEA would receive. In addition, the MEA board discussed two bylaws changes that will be on the MEA ballot along with a package of bylaws changes approved by their Bylaws Committee.

T
E
A
R
D

VIII. UNFINISHED BUSINESS

None.

IX. New Business

A. Approval of 2003 Election Procedures

Director Cason moved and Director Birch seconded the motion to approve the 2003 election procedures. The motion passed unanimously.

B. 2003 Record Date

Director Cason moved and Director Lipscomb seconded the motion to set March 12, 2003, as the record date for the 2003 annual meeting and election. The motion passed unanimously.

C. Appointment of 2003 Master Election Judge

Director Lipscomb moved and Director Cason seconded the motion to appoint Bill Sidney as the 2003 Master Election Judge. The motion passed unanimously.

D. Directors' Expenses

Director Birch moved and Director Jasper seconded the motion to approve directors' expenses as submitted. The motion passed with six in favor and one abstention (Director Jasper).

X. DIRECTORS' COMMENTS

Director Cottrell – None.

Director Boucher – None.

Director Jasper – Stated that she is anxious to return from California and get to work on Chugach issues.

Director Cason –None.

Director Birch – Stated that he received an inquiry from a member regarding geothermal potential in Chugach’s service area, which he forwarded to the General Manager. Director Birch also inquired about the status of wind generation at Bird Point. He said someone involved with Chugach Park contacted him about his concern with wind generators at that location. General Manager Griffith responded that at a recent Chugach meeting with the environmental community it was proposed as the best spot for wind generators. While we have talked with ML&P about a joint effort, we are not pursuing the project this year due to current budget constraints.

Director Lipscomb – None.

President Davison – Stated that he appreciates Joe and other management keeping the Board well informed.

XI. EXECUTIVE SESSION

At 5:04 p.m., Director Cottrell moved to go into executive session. Director Boucher seconded the motion. The motion passed unanimously.

XII. ADJOURNMENT

The board came out of executive session and the meeting was adjourned at 6:30 p.m.

Chris Birch, Secretary
Date Approved: March 19, 2003

T
E
A
R
D