

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

May 15, 2002

**BOARD OF DIRECTORS’
MEETING MINUTES**

President Davison convened the regular meeting of the Board of Directors of Chugach Electric Association, Inc. at 4:04 p.m. on Wednesday, May 15, 2002, in the boardroom of Chugach Electric Association, Inc., 5601 Minnesota Drive, Anchorage, Alaska.

The following board members were present:

Bruce Davison – President
Red Boucher – Vice President (Arrived at 4:08 p.m.)
Jeff Lipscomb – Treasurer
Chris Birch – Secretary
Dave Cottrell – Director (Arrived at 4:06 p.m.)
Pat Jasper – Director (By phone)
Sam Cason – Director (By phone at 5:20 p.m.)

The following employees, members, and guests attended:

Gina Armstrong	Joe Griffith	Mike Pauley
Patti Bogan	Kathy Harris	Bob Sramek
Jim Borden	Carol Heyman	Bill Stewart
John Cooley	Dianne Hillemeier	Mary Tesch
Mike Cunningham	Lori Kirkendall	Lee Thibert
Beau Disbrow	Tom Lovas	Ken Thomas
Don Edwards	Mike Massin	Ron Vecera
Mark Fouts	Sherri McKay	
Rick Freymiller	Arthur Miller	

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

- I. EXECUTIVE SESSION**
None.
- II. APPROVAL OF AGENDA**
Director Jasper moved and Director Lipscomb seconded the motion to approve the agenda. The motion passed unanimously. (Note: Director Cason did not vote. He had not called in to meeting yet.)
- III. APPROVAL OF CONSENT AGENDA**
Director Jasper moved and Director Cottrell seconded the motion to approve the Consent Agenda.

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A. Calendar of Events

May - August 2002

Add: Operations Committee meeting; May 21, 2002; 4 p.m.
Davison, out of town; July 18 Board meeting (V.P. will preside.)

Note: Director Cason called in to the meeting at this point (5:20 p.m.)

B. Minutes – April 17, 2002

Page 3, second paragraph, change first sentence to read, “Ray Kreig, a former Chugach Director and representing the Chugach Consumers Organization came forward to address the Board.”

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

A. The following topics were included in the General Manager’s report:

- Fuel and Purchase Power Report presented by John Cooley, Manager of Power Control
- Fuel Surcharge presentation by Arthur Miller
- Monthly Safety Statistics update by Ken Thomas, Manager of Safety
- Customer Satisfaction Survey presented by Patti Bogan, Acting Manager of Member and Public Relations
- Update by General Manager on Beluga Wastewater Disposal Renewal Permit and Reclassification of Krause Creek
- Invitation from General Manager to the Board to attend Chamber, Resource Development Council, Commonwealth North, and other community meetings
- Announcement by General Manager of 10Q Filing
- Safety Vest Logos presented by Mary Tesch, Director of Human Resources
- April 2002 Financials presented by Mike Cunningham, Controller

VI. CORRESPONDENCE

President Davison received an email complaining about a copy of the Outlet received after the annual meeting. The information contained in the Outlet was no longer useful because it arrived after the annual meeting and voting was complete.

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VII. DIRECTORS' REPORTS

A. President's Report

President Davison confirmed committee assignments as follows:

Operations Committee

Chair: President Davison

Members: Directors Birch, Cottrell, Jasper, Lipscomb

Finance Committee

Chair: Director Lipscomb

Members: Directors Boucher, Cottrell, Cason

Joint Rates Committee

Members: President Davison and Director Lipscomb

Member Advisory Committee Liaison: Director Boucher

By-laws Committee Liaison: Director Lipscomb

Technology Committee

Chair: Director Boucher

Members: President Davison, Directors Jasper, Cason

Governance Committee

Chair: Director Birch

NRECA Voting Delegate: Directors Jasper and Birch

CFC Delegate: Open

NWPPA Representative: Director Boucher

ARECA Representative: Director Jasper

Alternate: Director Boucher

B. MAC Report

None.

C. Committee Reports

Director Lipscomb reported on the May 8, 2002 Finance Committee meeting. At that meeting, goals for 2002/2003 were adopted.

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D. ARECA Report

Director Jasper reported on two ARECA board meetings held May 2 and May 8, 2002. The first meeting was about AK220. They have some financial problems and are trying to resolve through national meetings. The second meeting involved the three rule-making dockets that are being worked out—pole attachment, fuel surcharge, and PAS rule in the commission.

D. Meeting Reports

Director Birch reported on his trip to Washington D.C. for the NRECA Legislative Conference May 5-8, 2002 and distributed a trip report that included more in-depth details.

VIII. UNFINISHED BUSINESS

None.

IX. NEW Business

A. 2002 Election Report

Election contractor Bob Sramek delivered the final report on Chugach's 2002 Annual Meeting and election.

B. Appointment of General Manager Joe Griffith

Director Lipscomb moved and Director seconded the motion to appoint Joe Griffith as Chugach's new General Manager. The motion passed unanimously.

C. Association's Registered Agent

Director Birch moved and Director Boucher seconded the motion to adopt the resolution changing the Associations' registered agent from Eugene N. Bjornstad to Evan J. Griffith. The motion passed unanimously.

D. Bank Signature Cards

Director Birch moved and Director Lipscomb seconded the motion to pass the resolution to update the approved check signers and slate of officers based on actions taken at the 2002 Annual Meeting. The motion passed unanimously.

E. Directors' Expenses

Director Boucher moved and Director Lipscomb seconded the motion to approve Directors' Expenses as submitted. The motion passed unanimously. (Directors Jasper and Cason abstained, as they were not present for review of expenses.)

X. DIRECTORS' COMMENTS

Director Jasper - Said she has enjoyed the last few years and is happy to be on the board again. She added that she was calling from Seattle and read their customer newsletter and it said that in 1902, Seattle charged 19 cents a kilowatt hour which is equivalent to \$3.70 in current dollars, and by 1905 they had reduced it to \$1.60 per

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kilowatt hour. She said, based on these numbers, Chugach is giving its members a very good bargain.

Director Cason - Said that he has walked up and down the streets of Mexico after dark (where he was calling from). He said he noticed that almost every other pole has one or more insulators that light up the night on a continual basis and, for everyone's safety and reliability, he was very glad he didn't see the same when he walked down the streets of Anchorage.

Director Boucher – Said Chugach's general manager and Jerry Reinwand called him to suggest he call several legislators in Juneau regarding Chugach's position on the Regulatory Commission of Alaska (RCA), specifically the lack of speed at which the agency was moving through regulatory matters and how it impacted Chugach's ability to prepare its budget. He said to ensure all board members could be aware of his correspondence on the matter, he made copies and would distribute to the board all the documents he had sent and received.

Director Cottrell - No comments.

Director Birch - Congratulated Directors Boucher and Jasper on their re-election and welcomed Director Cason to the board. He added that the dialog and issues going on with the regulatory commission is interesting and that one of its problems, like that of its predecessor, is that there is very little reporting on docket issues. He said there are some accountability issues and for that reason he appreciated the information being shared by Director Boucher.

Director Lipscomb - Expressed his thanks to all Chugach employees for their continuing focus on safety and service as noted by the high customer satisfaction reported in the recent member survey.

Director Davison – Congratulated Director Jasper on her re-election and to Sam Cason for his election to the board. He said he is very happy with the safety statistics and the award received from the NWPPA. He also commented about how pleased he was with the teamwork in dealing with the negative publicity that came out Friday morning (May 10, 2002). He said by the end of the day, he was satisfied that the Board, in conjunction with management, had responded to a one-sided and inaccurate report from the Anchorage Daily News. He added that Director Boucher's name opened many doors and added a lot of credibility when making calls to the legislators in Juneau.

XI. EXECUTIVE SESSION

At 6:03 p.m., Director Lipscomb moved and Director Cottrell seconded the motion that pursuant to Alaska Statute 10.25.175 (c) (1) and (3), the Board go into Executive Session to discuss matters the immediate knowledge of which would clearly have an adverse affect on the finances of the Cooperative and to discuss matters with its attorneys the immediate knowledge of which could have an adverse affect on the legal position of the Cooperative. The motion passed unanimously.

XII. ADJOURNMENT

At 7:00 p.m., it was moved and seconded to adjourn. The motion passed unanimously and the meeting concluded at 7:00 p.m.

Chris Birch, Secretary

Date Approved: June 19, 2002

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