

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

August 21, 2002

**BOARD OF DIRECTORS’
MEETING MINUTES**

President Davison convened the regular meeting of the Board of Directors of Chugach Electric Association, Inc. at 4:05 p.m. on Wednesday, August 21, 2002, 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 (Teleconferenced)
Red Boucher – Director (Teleconferenced)
Pat Jasper – Director

Sam Cason, Director, was not in attendance.

The following employees, members, and guests attended:

Gina Armstrong	Joe Griffith	Bill Stewart
Bill Bernier	Kathy Harris	Katrina Storjohann
Patti Bogan	Dianne Hillemeier	Mary Tesch
John Cooley	Lori Kirkendall	Lee Thibert
Mike Cunningham	Gayle Knepper	Ken Thomas
Don Edwards	Sherri McKay	Ron Vecera
Brad Evans	Mike Pauley	

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.

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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**
August - December, 2002
No changes or additions.
- B. **Minutes – July 17, 2002**
No changes.
- C. **June 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

- A. **The following topics were included in the General Manager's report:**
 - ARECA's Mason Lazelle Memorial Award to former General Manager, Eugene M. Bjornstad
 - July 2002 Financials & Investment Update presented by Mike Cunningham, CFO
 - 2nd Quarter Member Attitude Survey presented by Patti Bogan, Acting Manager, Public Relations

VI. CORRESPONDENCE

None.

VII. DIRECTORS' REPORTS

- A. **President's Report** - None
- B. **Committee Reports**
 - Director Lipscomb briefly reported on the Finance Committee meeting of August 19, 2002.
- C. **ARECA Report**
 - Director Jasper reported on the ARECA annual meeting held in Sitka, Alaska, August 15-16, 2002.

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D. Meeting Reports

- Director Jasper reported on Matanuska Electric Association's August 12, 2002, board meeting.

VIII. UNFINISHED BUSINESS

None.

IX. New Business

A. General Manager's 2002 Goals

Director Lipscomb moved and Director Jasper seconded the motion to adopt the 2002 General Manager Goals as recommended by the Operations Committee. The motion passed unanimously.

B. Directors' Expenses

Director Jasper moved and Director Cottrell seconded the motion to approve directors' expenses as submitted. The motion passed with four in favor (Davison, Lipscomb, Jasper, Cottrell) and one abstaining (Birch).

DIRECTORS' COMMENTS

Director Davison - Stated that he attended a recent President's Community Breakfast hosted by Alyeska's President, David Wight. One of the meeting topics was relicensing of the Alyeska Pipeline and President Davison said it was interesting to note the parallels between Chugach's Cooper Lake relicensing and the Pipeline relicensing. He said the meeting was very informative and that he would highly recommend attending future meetings.

Director Boucher - No comments

Director Birch – Stated that the ARECA annual meeting in Sitka, Alaska, was excellent and that he enjoyed meeting with other electrical utility participants—particularly Homer Electric for a discussion about the Healy Clean Coal Project.

Director Lipscomb – Stated that he continues to be proud of the work of Chugach Electric employees.

Director Cottrell - Talked about the gold mine at Yaniak and inquired if Chugach is interested in providing electricity to it. General Manager Griffith replied that Chugach responded to a letter inquiring about electrical options at the mine but has not heard anything back.

Director Jasper – Stated that she heard numerous positive comments about the new leadership of General Manager Joe Griffith at the recent ARECA annual meeting in Sitka.

XI. EXECUTIVE SESSION

At 5:35 p.m. President Davison announced a five-minute recess.

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At 5:40 p.m., President Davison reconvened the meeting. Director Cottrell moved and Director Lipscomb seconded the motion that pursuant to Alaska Statute 10.25.175 (c) (1) and (3), the Board go into Executive Session to discuss matters with its attorneys, 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.

(Director Birch disconnected from executive session at 6:15 p.m.)

XII. ADJOURNMENT

At 6:45 p.m. it was moved and seconded to adjourn. The motion passed unanimously.

Chris Birch, Secretary

Date Approved: September 18, 2002

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