

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

October 16, 2002

**BOARD OF DIRECTORS’
MEETING MINUTES**

President Davison convened the regular meeting of the Board of Directors of Chugach Electric Association, Inc. at 4:03 p.m. on Wednesday, October 16, 2002, in the boardroom of Chugach Electric Association, Inc., 5601 Minnesota Drive, Anchorage, Alaska.

The following board members were present:

Dave Cottrell – Vice President
Jeff Lipscomb – Treasurer
Chris Birch – Secretary (Arrived at 4:22 p.m.)
Red Boucher – Director
Sam Cason – Director (Arrived at 4:22 p.m.)
Pat Jasper – Director

President Davison was absent.

The following employees, members, and guests attended:

Bill Bernier	Mike Massin	Jody Wolfe
Patti Bogan	Connie Owens	Jean Craciun
John Cooley	Mike Pauley	John See
Mike Cunningham	Bill Stewart	Chris O’Brien
Brad Evans	Katrina Storjohann	Dora Gropp
Joe Griffith	Mary Tesch	Mark Fouts
Carol Johnson	Lee Thibert	Mike Fenwick
Dan Kennedy	Ken Thomas	Carol Heyman
Dianne Hillemeier	Ron Vecera	

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 Jasper seconded the motion to approve the agenda. The motion passed unanimously.

III. APPROVAL OF CONSENT AGENDA

**D
R
A
F
T**

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

A. Calendar of Events

October - December, 2002 and January 2003

Add: October 14, 2002, ARECA Meeting at 10:30 a.m.

Add: October 21, 2002, Jasper to meet with Dan Kennedy at 3:00 p.m.

Add: November 14, 2002, Bylaws Committee meeting at 5:30 p.m.

Add: November 25, 2002 ARECA meeting

Add: Joe Griffith will be out January 1-8, 2003

B. Minutes – September 18, 2002

No changes.

C. August 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

The following topics were included in the General Manager's report:

- Treeline USA Certification Presentation
- Craciun Research – Results of survey on Value of Unserved Energy
- Mike Cunningham presented the third quarter financials.
- Budget Revision
- Overtime Report
- RCA Update

VI. CORRESPONDENCE

None.

VII. DIRECTORS' REPORTS

A. President's Report – none

B. Committee Reports

- Director Lipscomb reported on the October 9, 2002, Finance Committee meeting where they forwarded for recommendation to the Board the NRUCFC Line of Credit Renewal, the CoBank Master Loan Agreement, NRECA's Retirement and Security Program and Amendment, and the KPMG Audit Engagement Letter.

D
R
A
F
T

C. ARECA Report

- Director Jasper reported on the October 3, 2002, ARECA meeting.

D. Technology Committee

- Red Boucher reported on a meeting that he, Lee Thibert, and Brian Hickey attended regarding moving data over power lines. Lee is evaluating the information and a technology meeting will be scheduled sometime in November.

VIII. UNFINISHED BUSINESS

None.

IX. New Business

A. NRUCFC Line of Credit Renewal

Director Jasper moved and Director Boucher seconded the motion to adopt the resolution renewing the revolving line of credit agreement with the National Rural Utilities Cooperative Finance Corporation. The motion passed unanimously.

B. CoBank Master Loan Agreement

Director Boucher moved and Director Jasper seconded the motion to adopt the resolution adopting the Master Loan Agreement between Chugach Electric Association, Inc. and CoBank. The motion passed unanimously.

C. Appointments to the 2003 Bylaws Committee

Director Boucher moved and Director Lipscomb seconded the motion to reappoint Cary Jasper and Bill McKee to the 2003 Bylaws Committee. Sam offered a friendly amendment to the motion adding that a letter is sent to Bylaws Committee members thanking them for their services. The maker of the motion accepted the amendment. The amended motion passed with five board members in favor. Director Jasper abstained from voting.

D. Proposed Bylaws Amendments

Titles

Director Boucher moved and Director Cason seconded the motion to approve the proposed amendments to the Bylaws, as approved by the Operations Committee, to change the titles of the Board officers and General Manager and to provide that the General Manager can appoint non-statutory officers, as provided in the proposed revised bylaws; and forward the proposed bylaws amendments to the Bylaws Committee for consideration. The motion passed unanimously.

Board Compensation

Director Birch moved and Director Cason seconded the motion to approve the proposed amendment to Article IV, Section 9 of Chugach's Bylaws and as approved by the Operations Committee; and forward the proposed Bylaw

D
R
A
F
T

amendment to the Bylaws Committee for consideration. The motion passed unanimously.

Insurance

Director Birch moved and Director Lipscomb seconded the motion to approve the proposed amendment to Article VI, Section 9 of Chugach's Bylaws, as approved by the Operations Committee, to provide that the Association can procure insurance for the Treasurer and any other officer, agent or employee of the Association charged with the responsibility for the custody its funds or property in lieu of a bond; and forward the proposed Bylaw amendment to the Bylaws Committee for consideration. The motion passed unanimously.

E. Board Policy 128 – Confidentiality

Director Jasper moved and Director Boucher seconded the motion to approve the Confidentiality Policy as recommended by the Board Operations Committee. The motion passed unanimously.

F. NRECA's Retirement and Security Program

Director Birch moved and Director Cason seconded the motion to approve the resolution amending Chugach's retirement plan to allow employees with 30 years of service to continue to accrue retirement benefits. The motion passed unanimously.

G. KPMG Audit Engagement Letter

Director Birch moved and Director Cason seconded the motion to approve acceptance of KPMG engagement letter for audit services on Chugach financial statement as of December 31, 2002 as recommended by the Finance Committee at their September 11, 2002 meeting.

H. Director Expenses

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

X. DIRECTORS' COMMENTS

Director Boucher – None

Director Birch – None

Director Lipscomb – Do we have any further information on the missing employee?

Director Jasper – None

Director Cason – None

D
R
A
F
T

XI. EXECUTIVE SESSION

None.

XII. ADJOURNMENT

At 6:00 p.m., Director Boucher moved, and Director Cason seconded the motion, to adjourn. The motion passed unanimously.

Chris Birch, Secretary

Date Approved: November 20, 2002

DRAFT