

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

November 17, 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:

Red Boucher - Chairman
Bruce Davison – Vice Chair (arrived 4:02 p.m.)
Pat Jasper – Secretary
Jeff Lipscomb – Treasurer (via teleconference)
Chris Birch – Director
Sam Cason – Director (arrived 4:09 p.m.)
Dave Cottrell – Director

The following employees, members, and guests attended:

Joe Griffith	Carol Heyman	Bill Stewart
Bill Bernier	Dianne Hillemeier	Phil Steyer
Patti Bogan	Ed Jenkin	Katrina Storjohann
John Cooley	Carol Johnson	Lee Thibert
Mike Cunningham	Sherrri McKay	Ken Thomas
Don Edwards	Arthur Miller	Ron Vecera
Crystal Enkvist	Paula Neas-Arnold	Jim Walker
Rick Freymiller	Jim Patras	Jody Wolfe
Kathy Harris	Paul Risse	

DeAnna Scott, Executive Assistant, recorded meeting proceedings.

Chairman Boucher led the Board and audience in the Pledge of Allegiance.

I. EXECUTIVE SESSION

None.

II. APPROVAL OF AGENDA

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

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III. APPROVAL OF CONSENT AGENDA

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

A. Calendar of Events (November 2004 - February 2005)

None.

B. Minutes (October 20, 2004)

No changes.

C. October 2004 Financial Report

Mike Cunningham, CFO, presented the October 2004 Financial Report.

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:

- CEO Griffith stated the Healy trip is scheduled for December 10, 2004. There is only one Director interested. Please let us know if you are interested in attending.
- CEO Griffith reported the Quarterly Overtime Report is in the Directors' folders.
- CEO Griffith reported that the holiday turkey gift cards are being prepared for employees again this year since they have been an overwhelming success.
- Chugach's holiday party is scheduled for December 4, 2004, at the Egan Convention Center. Please come and join the staff at the party.
- CEO Griffith reminded the Board of the joint meeting with ML&P and GVEA, which will be at the Hilton Garden in at 4:00 p.m. on November 18, 2004.

VI. CORRESPONDENCE

None.

VII. DIRECTORS' REPORTS

A. Chairman's Report

Chairman Boucher stated that included in the Director's Folders there is a hand out regarding the Broadband over power line. A quote in the New York Times

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states, “three to four years ago technology was not ready for broadband but now it is”. Along this line, arrangements have been made for our management team to meet with AT&T Alascom.

B. Committee Reports

Operations Committee met on the November 3, 2004. Discussed at the meeting were: a bylaw revision that has been referred to the board, review of the nominating committee duties, discussion of MEA ten-year notice meeting prior to the end of their contract, third quarter CEO goals update, and the draft CEO goals for 2005. In addition, there was a preliminary discussion of the 2005-2009 business plan and the financial management plan.

Director Cottrell reported that the Audit Committee met on November 10, 2004, and approved the Third Quarter 10Q.

Director Lipscomb reported that the Finance Committee met on November 10, 2004. Discussed at the meeting were the third quarter financials and project reporting as presented by Katrina Storjohann and Ed Jenkins, third quarter unbundled financials presented by Jody Wolfe, Kathy Harris presented a quarterly review of the deferred debits, and held an executive session on financial planning.

C. Alaska Power Association (APA) Report

Director Jasper reported on the APA meeting that was held on November 5, 2004.

D. Meeting Reports

Director Jasper reported on the November 8, 2004, MEA meeting.

IX. UNFINISHED BUSINESS

None.

X. NEW BUSINESS

A. Retail Capital Credit Retirement

Director Davison moved and Director Jasper seconded the motion that the board approve the resolution authorizing retirement of retail distribution capital credits to members of record for 1985 and 1986. The motion passed unanimously.

C. Proposed Bylaw Amendment – Article V, Meetings of Directors, Section 6. Minutes

SECTION 6. Minutes. Minutes will be kept for all regular and special meetings and shall include each director’s vote on each matter voted upon by the board of directors. Copies of the minutes shall promptly be given to Association members upon request. The board of directors may prescribe a reasonable fee for such copies provided such fee shall not exceed the actual labor and material costs of reproduction. ~~An electronic recording of all regular and special meetings shall also be made and kept for at least one year; Association members may request a transcription of the tape upon payment of the cost of transcription by a court reporter service; members shall also be permitted to listen to such tapes at the headquarters building.~~

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Director Davison moved and Director Jasper seconded the motion to approve the proposed bylaw amendment as recommended by the Operations Committee at its November 3, 2004, meeting and refer it on to the Bylaws Committee. Director Davison amended the motion and Director Jasper seconded the motion to refer the proposed bylaw amendment to the Bylaws Committee for consideration and recommendation. Director Davison withdrew the original motion and Director Jasper withdrew her second. A new motion was made by Director Davison and Director Jasper seconded that motion to approve the proposed bylaw amendment as approved by the Operations Committee at its October 3, 2004, meeting for referral to the Bylaws Committee for its consideration and recommendation. The motion passed unanimously.

A. Directors' Expenses

Director Davison moved and Director Cottrell seconded the motion that directors' expenses be approved as submitted. The motion passed unanimously. Director Lipscomb abstained.

X. DIRECTORS' COMMENTS

Director Cottrell: Requested information from APA regarding the status of their financials and audit. He expressed his concerns with being a member of an organization where we do not see their financial statements/audit.

(Crystal Enkvist from APA reported that their CFO was out of the office and would make sure that the information is given to the Board as soon as possible.)

Director Davison: Complimented the Energy Supply Division on their monthly report and wished Brad Evans, Sr. V.P., a speedy recovery.

Director Jasper: Director Jasper asked if anything else had come up with the Cook Inlet coal development for exports to Taiwan. CEO Griffith stated that he does not have any additional information. Information will be provided to the Board as soon as possible.

Director Cason: Met informally with Chris Rose, Renewable Energy Alaska Project (REAP), and he wanted to communicate the support from his organization for Fire Island project and that REAP views this to be an economically sound decision.

Director Birch: Thrilled to hear that the Thanksgiving turkeys are lined up for the holiday and it is exciting to see the little white lights blossoming around town.

Director Lipscomb: Following up with Director Birch's comments and reemphasizing the need for safe work practices for the holidays.

Chairman Boucher: Would appreciate the Board members looking at the materials placed in their folders regarding broadband technology and look at the URLs that were attached for further information.

XI. EXECUTIVE SESSION

At 4:45 p.m., Director Cason moved and Director Davison seconded the motion that pursuant to Alaska Statue 10.25.176(c) and (3), the Board go into executive session to discuss financial matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative. The motion passed unanimously.

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XII. ADJOURNMENT

The meeting adjourned at 6:30 p.m.

Patricia Jasper, Secretary
Date Approved: December 15, 2004

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