

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**May 11, 2005**

**BOARD OF DIRECTORS'**  
**MEETING MINUTES**

A regular meeting of the Board of Directors of Chugach Electric Association, Inc. was called to order at 5:30 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

The following board members were present:

Jeff Lipscomb – Chairman  
Alan Christopherson – Vice Chairman  
Dave Cottrell – Secretary  
Liz Vazquez – Treasurer  
Bruce Davison – Director (left at 7:06 p.m.)  
Chris Birch – Director  
Uwe Kalenka - Director

The following employees, members, and guests attended:

Joe Griffith	Bill Stewart	Lee Thibert
Mary Tesch	Carol Heyman	Bill Bernier
Dianne Hillemeier	Mike Cunningham	Arthur Miller
Ed Jenkin	Brad Evans	Rick Freymiller
Carol Johnson	Paul Risse	Sherri McKay
Connie Owens	Phil Steyer	Brian Hickey
Ken Thomas	Ron Vecera	Mark Fouts
Dan Knecht	Jody Wolfe	Kathy Harris
Katrina Storjohann	Don Edwards	Kate Giard
Jim Walker	Ray Kreig	Lee Ann Gerhart
Sam Cason	H.A. Boucher	Pat Jasper
Ed Granger	Robert Sramek	Randy Hobbs
Frank Jasper	Tom Tibor	Judi Gustrock
Bob Stewart	Keith Day	

Jennifer McDonald, Legal Secretary, recorded meeting proceedings.

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

**I. EXECUTIVE SESSION**

[The Board proceeded with Agenda Item II. before going into Executive Session.]

At 5:38 p.m., Director Birch moved and Director Christopherson seconded the motion to go into Executive Session to discuss matters with attorneys for the cooperative the immediate knowledge of which could have an adverse effect on the

legal position of the cooperative. The motion to go into Executive Session passed unanimously.

The Board reconvened from Executive Session at 6:10 p.m.

At 6:12 p.m., Director Birch moved and Director Christopherson seconded the motion to go into Executive Session to discuss subjects that may tend to prejudice the reputation or character of a person, however, that person may request a public discussion. The motion to go into Executive Session passed. Chairman Lipscomb opposed.

The Board reconvened from Executive Session at 7:22 p.m.

## **II. APPROVAL OF AGENDA**

Director Davison moved and Director Cottrell seconded the motion to approve the Agenda.

Director Birch moved and Director Christopherson seconded the motion to waive the seven-day rule for the purpose of adding several items to the Agenda. The motion passed unanimously.

Director Birch moved and Director Christopherson seconded the motion to add "Chugach Succession Planning" to Agenda Item I. under Executive Session. The motion passed unanimously.

Chairman Lipscomb suggested moving "Board and Committee Meeting Schedule" topic under Agenda Item IX. D. to Agenda Item III. A.

Director Kalenka requested to add "Tape Recordings of all Meetings of Board Committees and Bylaws Committee". Chairman Lipscomb added the topic to Agenda Item IX. D.

The motion to approve the revised Agenda, as modified, passed unanimously.

## **III. APPROVAL OF CONSENT AGENDA**

Director Birch moved and Director Christopherson seconded the motion to approve the Consent Agenda.

### **A. Calendar of Events (May 2005 – May 2006)**

#### **1. Board and Committee Meeting Schedule**

Bill Stewart suggested changing the scheduling of the Finance Committee meetings to the fourth Wednesday of the month so that the finance materials would go to the Board in a timely manner. Director Cottrell moved and Director Christopherson seconded the motion to leave the Finance Committee meeting schedule as is.

Chairman Lipscomb stated on May 13, 2005, ML&P has a work session on the Joint Action Agency scheduled for noon.

Chairman Lipscomb will be out from May 19-30, 2005, and June 15-27, 2005.

**B. Minutes** (April 20, 2005)

Director Christopherson moved and Director Cottrell seconded the motion to approve the April 20, 2005, minutes.

The motion to approve the Consent Agenda as modified passed unanimously.

**IV. PERSONS TO BE HEARD**

**A. Regulatory Commission of Alaska Chair Kate Giard**

Kate Giard spoke to the Board of Directors about the Regulatory Commission of Alaska and some of the changes it is making. Ms. Giard invited Chugach Board members to attend the RCA public meetings, which are held twice a month at the ConocoPhillips Building.

**B. Wholesale Customer Comments**

None.

**C. Member Comments**

Pat Jasper congratulated the new members of the Board and said she looked forward to the "20% discount", as were thousands of others, and hoped it happened soon.

H.A. Boucher stated that it has been a great pleasure working with Joe Griffith and his staff. In addition, Mr. Boucher asked Mr. Bernier to extend his thanks to the men and women that make Chugach one of the most reliable electric utilities in the United States. Mr. Boucher said he wanted to pass on information to the Board on the threat of hacker attacks into electric cyber systems and new technologies such as broadband over power lines. Finally, Mr. Boucher offered his assistance to the Board and stated he would be watching what is happening with interest.

Chairman Lipscomb made a presentation to former Directors H.A. Boucher, Pat Jasper, and Sam Cason for their years of service, support, advice and confidence.

Ray Kreig informed the Board that Ed Granger had intended congratulate the new Board members but had to depart early.

**V. CEO Report**

Robert Sramek, CPA, gave a report on the 2005 Election and Annual Meeting election results.

**VI. CORRESPONDENCE**

None.

**VII. DIRECTORS' REPORTS**

**A. Chairman's Report**

Chairman Lipscomb attended the NRECA Legislative Conference in Washington, D.C., had a Board Operations Committee meeting on May 4, 2005, and appointed board members to the various committees.

**B. Committee Reports**

Chairman Lipscomb noted the Finance Committee met earlier today.

**C. Alaska Power Association (APA) Report**

Chairman Lipscomb stated the APA Board will be having a strategic planning session at the Alyeska Resort in Girdwood on May 18-19, 2005. CEO Griffith stated he would be attending and invited anyone else who was interested to attend.

**D. Meeting Reports**

CEO Griffith stated Chugach staff attended the MEA meeting and a report had been forwarded to the Board members.

**VIII. UNFINISHED BUSINESS**

None.

**IX. NEW BUSINESS**

**A. Bank Signature Cards**

Director Birch moved and Director Christopherson seconded the motion that the Board of Directors approve the resolution to update the approved check signers and slate of officers based on actions taken at the 2005 Annual Meeting and the division title changes within the organization. The motion passed unanimously.

**B. Directors' Expenses**

Director Cottrell moved and Director Christopherson seconded the motion to approve the Directors' expenses. The motion passed unanimously.

(Director Davison not present for vote.)

**C. Appointment of Committee Members**

Chairman Lipscomb stated he was still working on appointments for the various committees.

**D. Tape Recordings of all Meetings of Board Committees and Bylaws Committee**

Director Kalenka moved and Director Birch seconded the motion that the Chief Executive Officer resume the practice of tape recording all of the open meetings

of Board Committees and the Bylaws Committee. The motion passed unanimously.

**E. Board Training/Relationship Building**

Information item only. Strategic planning is tentatively scheduled for noon on June 10, 2005.

**F. Board Goals 2005/2006**

Director Christopherson moved and Director Kalenka seconded the motion to approve the 2005/2006 Board Goals. The motion passed unanimously.

**G. Beluga Unit 7 Annual – SRU Project**

Director Christopherson moved and Director Vazquez seconded the motion that the Chugach Board of Directors authorize project expenditures for Beluga Unit 7 with an estimated cost of \$1,190,650 and an estimated completion date of August 2005. The motion passed unanimously.

**H. Beluga Unit 5 Major – SRU Project**

Director Christopherson moved and Director Kalenka seconded the motion that the Chugach Board of Directors authorize project expenditures for the Beluga Unit 5 Major Project with an estimated cost of \$1,504,479 and an estimated completion date of July 2005. The motion passed unanimously.

**X. DIRECTORS' COMMENTS**

**Director Birch:** I understand from the news that the Legislature is not out of session. The capital budget has some issues that have a potential impact with Chugach. I presume our lobbyist is working overtime in Juneau.

**Director Christopherson:** No comment.

**Director Cottrell:** No comment.

**Director Kalenka:** No comment.

**Director Vazquez:** No comment.

**Director Lipscomb:** No comment.

**Director Davison:** Not present.

**XI. EXECUTIVE SESSION**

At 8:00 p.m., Director Birch moved and Director Christopherson seconded the motion that pursuant to Alaska Statute 10.25.175(c) (1) and (3), the Board go into executive session to discuss 1) matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; and 2) matters with its attorneys, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The topics to be discussed in executive session are: 1) Director legal matter; 2) labor contracts update; 3) CEO evaluation and compensation; and 4) strategic planning. The motion passed unanimously.

The Board recessed from Executive Session at 9:30 p.m.

The Board resumed the Executive Session on May 12, 2005, at 5:15 p.m.

The Board recessed from Executive Session at 8:45 p.m.  
The Board resumed the Executive Session on May 18, 2005, at 4:00 p.m.

**XII. ADJOURNMENT**

The meeting adjourned at 7:00 p.m. on May 18, 2005.

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David Cottrell, Secretary  
Date Approved: June 15, 2005