

**CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA**

**March 21, 2001
Wednesday
4:00 p.m.**

**BOARD OF DIRECTORS'
REGULAR BOARD MEETING**

- I PLEDGE OF ALLEGIANCE
- II EXECUTIVE SESSION - if required
- III APPROVAL OF AGENDA *
- III CONSENT AGENDA *
 - A Calendar of Events
 - B Minutes - Regular Board meeting 2/14/01
- IV PERSONS TO BE HEARD
 - A Wholesale Customer Comments
 - B Member Comments
- V GENERAL MANAGER'S REPORT - verbal
- VI CORRESPONDENCE
- VII DIRECTORS' REPORTS - verbal
 - A President's Report
 - B MAC Report
 - C Committee Reports
 - D ARECA Report
 - E Meeting Reports
- VIII UNFINISHED BUSINESS
- IX NEW BUSINESS
 - A 2000 Audit *
 - B December 2000 Financial Report
 - C Line Extension Policy Change - Chugach Contribution Amount Phase-Out *
 - D Approval of 2000 Compensate Program *
 - E 2001 Series A Public Bond Offering & Conversion from Secured to Unsecured Borrowing Structure *
 - F Directors' Expenses *
 - G General Manager's Evaluation *
- X DIRECTORS' COMMENTS
- XI EXECUTIVE SESSION - scheduled
- XII ADJOURNMENT

* Denotes Action Items

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

March 21, 2001

BOARD OF DIRECTORS'
MEETING MINUTES

President Jasper convened the regular meeting of the Board of Directors of Chugach Electric Association, Inc at 4 p m on Wednesday, March 21, 2001 in the boardroom of Chugach Electric Association, Inc , located at 5601 Minnesota Drive, Anchorage, Alaska

The following board members were present.

Patricia Jasper – President
Pat Kennedy – Vice President
Bruce Davison – Secretary (Teleconferenced 4 00 p.m)
Mary Minder – Treasurer
Chris Birch – Director
Red Boucher – Director
Jeff Lipscomb – Director

The following employees, members, and guests were present:

Gene Bjornstad	Bill Bernier	Ron Vecera
Dianne Hillemeier	Mary Tesch	Jill Graves
Lee Thibert	Mark Fouts	Kathy Harris
Joe Griffith	Carol Johnson	David Cottrell
Bill Stewart	Patti Bogan	Robin Ward
Connie Owens	Phil Steyer	John Berggren
Mike Cunningham	Sherry McKay	Evan Rowland
Kathy Porterfield	Lori Kirkendall	Tuckerman Babcock
Mike Massin	Jim Topolski	Dan Helmuch
Brad Evans	Gina Armstrong	Don Percival
Jim Borden	John Cooley	
Katrina Storjohann	Ken Thomas	

President Jasper led the Board and audience in the Pledge of Allegiance

I. EXECUTIVE SESSION

None

II. APPROVAL OF AGENDA

Director Kennedy moved and Director Lipscomb seconded the motion to approve the agenda as presented

The motion passed unanimously

III. CONSENT AGENDA

Director Minder moved and Director Kennedy seconded the motion to approve the consent agenda

A. Calendar of Events – March, April, May, June 2001

No changes

B. Minutes – February 14, 2001

No changes

The motion passed unanimously

IV. PERSONS TO BE HEARD

A. Wholesale Customer Comments

None.

B. Member Comments

None.

V. GENERAL MANAGER'S REPORT

A. Topics Reported to the Board by General Manager, Gene Bjornstad

- 1 Introduced the new Director of Energy Supply – Brad Evans
- 2 Fuel and Purchased Power Statistics – John Cooley, Manager, Power Control
3. Written reports from staff were included in the information distributed to the Board

VI. CORRESPONDENCE

None.

VII. DIRECTORS' REPORTS

A. President's Report

None

B. MAC Report

None

C. Committee Reports

1. Operations Committee

Jeff Lipscomb stated the Operations Committee had met earlier in the day to discuss the General Manager's evaluation and a recommendation from that committee would be forthcoming later in the meeting

D. ARECA Report

None

E. Meeting Reports

1 NRECA Annual Meeting

Director Kennedy reported on the NRECA meeting and the classes she attended Topics she discussed included.

- Community Affairs Committee - Resolution
- Raptor Issues – Shooting incidents vs flying into electric lines
- Director Compensation

2 Director Minder reported on the NRECA meeting and classes she attended Topics she discussed included

- Eric Yould, CFC Board
- Trade Show
- Fuel Cell Display
- Pre-session class – Seven Habits of Highly Effective People

3. President Jasper reported on the NRECA meeting and the classes she attended Topics she discussed included:

- Bill Stewart's presentation on Net Pay
- Senator Murkowski's Energy Bill
- Customer Service and the Human Factor

VIII. UNFINISHED BUSINESS

None

IX. NEW BUSINESS

A. 2000 Audit

Director Kennedy moved and Director Minder seconded the motion to accept the results of the 2000 audit as presented by KPMG LLC.

The motion passed with six directors voting in favor of the motion Director Boucher was out of the room at the time the vote was taken

B. December 2000 Financial Report

Mike Cunningham reviewed the December 2000 financial reports and responded to questions from the Board

C. Chugach Contribution Amount (CCA) Phase-Out, Board Policy

Director Kennedy moved and Director Minder seconded the motion to phase-out Chugach Contribution Amounts (CCA's) and hereby authorize the General Manager to file said policy with the Regulatory Commission of Alaska on or before the April 2, 2001 deadline set by the Commission

Ms. Robin Ward, President of Anchorage Home Builders Association, John Berggren, Goldenview Land Developer and Evan Rowland, all discussed their concerns with Chugach's recent proposal to further reduce credits for multi-lot and multi-unit residential line extensions and requested that the Board delay any further tariff action at this time

Mike Massin, Director Engineering Services Division, gave a presentation on Chugach Contribution Amounts and past history

After discussion by the Board, Director Kennedy moved and Director Davison seconded the motion to table this agenda item until the next regularly scheduled Board meeting on April 18, 2001

The motion passed six to one with President Jasper voting against

Director Birch requested staff provide to the Board the commission filing, statistical information of what has transpired over time and the original policy to phase out Chugach Contribution Amounts

The Board took a five-minute recess at 5:35 p.m. and reconvened at 5:40 p.m.

D. COMPensate Wage and Salary Plan

Director Minder moved and Director Kennedy seconded the motion that the Chugach COMPensate Wage and Salary Plan be revised to increase the salary ranges an average of 3.4% as recommended in the NRECA update of November 2000.

The motion passed with Directors Minder, Kennedy, Davison, and Jasper voting in favor of the motion. Directors Boucher, Birch, and Lipscomb were out of the room at the time the vote was taken.

Directors Lipscomb and Boucher requested the minutes reflect that they intended to vote in favor of the motion.

E. Approval of 2001 Series A Public Bond offering and future conversion from secured to unsecured borrowing structure

Director Minder moved and Director Kennedy seconded the motion to approve the resolution authorizing approval of 2001 Series A Public Bond Offering and future conversion from secured to unsecured borrowing structure.

The motion passed unanimously.

E. Directors Expenses

Director Kennedy moved and Director Boucher seconded the motion to approve Directors' expenses as submitted.

The motion passed with six Directors voting in favor of the motion. Director Davison abstained from voting.

E. General Manager's Evaluation

Director Kennedy moved and Director Minder seconded the motion to accept the recommendation of the Operations Committee regarding the General Manager's Evaluation.

The Board took a fifteen-minute recess at 6:15 p.m. to review the recommendation set forth by the committee and reconvened at 6:30 p.m.

Director Kennedy moved and Director Lipscomb seconded the motion to adjourn to executive session to discuss agenda item IX.D., a personnel matter. The general manager waived his right to attend the executive session.

The motion passed unanimously.

The Board of Directors reconvened at 7:20 p.m.

President Jasper passed the gavel to Vice President Kennedy and moved that the Board of Directors accept the Operations Committee evaluation of the General Manager and negotiate the terms of his contract. Director Lipscomb seconded the motion. The motion passed unanimously.

X. DIRECTOR'S COMMENTS

Director Birch – Commended Chugach and the Board of Directors for their support of the Special Olympics 2001 World Winter Games. He also commended the Board and staff on the positive comments he has heard throughout the community about Chugach Electric Association.

Director Boucher – Echoed Director Birch's comments. He said it is very good for Chugach to be a part of the community. He has also done a great deal of research regarding deregulation in preparation for the March 28 public hearing. He distributed a disk for anyone wanting a copy of the book of information he has put together.

Director Minder – Wished Director Davison a speedy recovery.

Director Davison – Thanked the Board for their thoughts.

Director Kennedy – Indicated that in one month she would be entering the last year of her term as a director. She has gone through years of the board directing staff to conduct benchmarking, best practices, budget cuts, etc. She found the evening's special interest requests offensive, 180 degrees from what she had understood to be the Board's direction.

Director Lipscomb – Indicated again his concerns about the capital expenditure program. He complimented staff on the new capital reporting system.

Director Jasper – Wished Director Davison a speedy recovery. She thought Senator Murkowski's de-regulation report was very good.

Director Lipscomb – Asked the Board to give some consideration to taking an official position on the Murkowski plans.

General Manager Bjornstad - Reviewed the plans and schedule for the public hearing on competition in the Alaska electric utility industry. Two well-informed speakers, Eric Cody and Dick Mills, would attend by teleconference and give presentations at the meeting, which will be held March 28, 2001 at 7:00 p m at the Regal Alaskan Hotel.

XI. EXECUTIVE SESSION

At 7:40 p.m., Director Kennedy moved and Director Lipscomb seconded the motion to go into executive session to discuss legal matters with its attorney, the immediate knowledge of which would have an adverse effect on the legal position of the Association, and to discuss financial matters, the immediate knowledge of which would have a adverse impact on the finances of the Association

The motion passed unanimously

XII. ADJOURNMENT

The meeting reconvened from executive session at 8:10 p.m Director Kennedy moved and Director Minder seconded the motion to adjourn

The motion passed unanimously. The meeting adjourned at 8:11 p m



Bruce Davison, Secretary

4-18-01

Date Approved.