

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

February 19, 2002

**BOARD OF DIRECTORS’
MEETING MINUTES**

President Davison convened the regular meeting of the Board of Directors of Chugach Electric Association, Inc. at 4:02 p.m. on Tuesday, February 19, 2002, in the boardroom of Chugach Electric Association, Inc., 5601 Minnesota Drive, Anchorage, Alaska.

The following board members were present:

Bruce Davison – President
Red Boucher – Vice President
Jeff Lipscomb – Treasurer
Chris Birch – Secretary (by phone at 4:23 p.m. for a portion of the meeting)
Dave Cottrell – Director
Pat Jasper – Director (by phone)
Pat Kennedy – Director

The following employees, members, and guests attended:

Gina Armstrong	Mark Fouts	Billie Smith (guest)
Bill Bernier	Joe Griffith	Mary Tesch
Gene Bjornstad	Dianne Hillemeier	Lee Thibert
Patti Bogan	Carol Johnson	Ken Thomas
John Cooley	Lori Kirkendall	Jim Topolski
Mike Cunningham	Mike Massin	Ron Vecera
Mary Fairbanks (guest)	Mike Pauley (guest)	

President Davison led the Board and audience in the Pledge of Allegiance.

I. EXECUTIVE SESSION

None.

II. APPROVAL OF AGENDA

Director Kennedy moved and Director Boucher seconded the motion to approve the agenda as presented. Director Lipscomb requested Item VII.C. “Committee Reports” be added as Item III.C. under “Consent Agenda” for the convenience of Bylaws Committee President, Mary Fairbanks, who was unable to stay for the entire meeting. The motion to approve the agenda as amended passed unanimously.

III. APPROVAL OF CONSENT AGENDA

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

A. Calendar of Events

February 2002 – May 2002

Add: Finance Committee Meeting; 3:30 p.m., March 4, 2002

Operations Committee Meeting; 4 p.m., March 19, 2002

B. Minutes – January 16, 2002

No changes.

C. Committee Report

Mary Fairbanks, President of the Bylaws Committee, reported on two bylaw changes for recommendation to the Board; 1) an increase in directors' compensation to \$300; 2) the elimination of the Member Advisory Council (MAC).

(Director Birch joined the meeting via teleconference at this time).

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

IV. PERSONS TO BE HEARD

A. Wholesale Customer Comments

None.

B. Member Comments

None.

V. GENERAL MANAGER'S REPORT

A. General Manager, Gene Bjornstad, reported to the Board on the following topics:

- Fuel and Purchased Power Statistics presented by John Cooley, Manager, Power Control
- Energy Supply – Update on projects at Beluga power plant
- Ted Stevens Anchorage International Airport Noise Monitoring Program
- Bernice Lake – Update on small oil spill at the plant
- ARECA Legislative Conference

VI. CORRESPONDENCE

President Davison received a letter from Reverend Davis, Pastor of Chapel by the Sea, regarding a utility easement issue. President Davison responded (by letter) that the easement issues would be forwarded to Chugach's General Manager, Gene Bjornstad. A meeting with Chapel By the Sea representatives, Chugach, and Municipal Planning was subsequently scheduled for February 21, 2002.

VII. DIRECTORS' REPORTS

A. President's Report

None.

B. MAC Report

None.

C. Committee Reports

Finance Committee Meeting - Director Lipscomb reported on a Finance Committee meeting held February 18, 2002. The Committee accepted Dan Kennedy's (Financial Advisor to the Board) recommendation for modifications to monthly financial reporting to the Board. The new reporting method will be implemented at April's board meeting.

Operations Committee Meeting - President Davison reported on an Operations Committee meeting held February 19, 2002. At that meeting, the Committee unanimously voted to include on the annual meeting ballot a recommendation for an increase to \$300 for directors' fees. The Committee unanimously voted not to include on the ballot the elimination of the Member Advisory Council (MAC).

D. ARECA Report

Director Jasper reported on a recent ARECA meeting where the main topic was resolutions for presentation to the Legislature in Juneau. Restructuring and streamlining the Regulatory Commission of Alaska are some of the specific resolutions that the ARECA Resolution's Committee is working on.

E. Meeting Reports

None.

VIII. UNFINISHED BUSINESS

None.

IX. NEW BUSINESS

A. COMPensate Wage and Salary Plan

Director Kennedy moved and Director Boucher seconded the motion that the Chugach COMPensate Wage and Salary Plan be revised to increase the salary ranges of the non-represented employees an average of 4.12% as recommended in the January 2002 update. The motion passed with six in favor; Director Cottrell opposed.

B. 2002 Record Date

Director Kennedy moved and Director Jasper seconded the motion to set March 13, 2002 as the record date for the 2002 Chugach annual meeting and election. The motion passed unanimously.

C. **Appointment of 2002 Master Election Judge**

Director Kennedy moved and Director Boucher seconded the motion to appoint Bill McKee as the 2002 Master Election Judge. The motion passed unanimously.

D. **Approval of 2002 Election Procedures**

Director Kennedy moved and Director Boucher seconded the motion to approve the 2002 Election Procedures. The motion passed unanimously.

E. **Proposed Amendments to Bylaws:**

- a) Eliminate Member Advisory Council (MAC)
- b) Directors' Meeting Fees – Increased from \$100 to \$300 per meeting

Director Kennedy moved and Director Jasper seconded the motion to include on the annual meeting ballot the increase in directors' meeting fees to \$300 and the changes as discussed for the commentary in the brochure.

FOR THE RECORD: It was discovered at this point that Director Birch had dropped off the phone line, so he did not vote in this motion or any subsequent motions.

The motion passed with six in favor. (Director Birch not included in this vote.)

President Davison asked for a motion to eliminate the Member Advisory Council, with no response. No action was taken on this motion.

F. **Directors' Expenses**

Director Kennedy moved and Director Jasper seconded the motion to approve Directors' Expenses as submitted. The motion passed with five in favor, one abstention (Jasper), and no vote from Director Birch (absent).

X. **DIRECTORS' COMMENTS**

Director Lipscomb – Thanked staff and fellow board members for their hard work during the last two months.

Director Kennedy – Stated that she has enjoyed serving on the Board, and that she will try to do her best at the ARECA Legislative Conference in Juneau since it is her last trip as a Director on the Chugach Board.

Director Cottrell – Stated that the new capital budget page he received needs clarification on the wording "Chugach Funds." He requested further breakdown on those funds. He also commented that the RCA's five-year extension being proposed in Juneau is "one year too much." He said he would like to see the RCA broken into utility components to better serve the public in a manner that is efficient and less costly.

Director Jasper – She stated that she's looking forward to some hard work on the resolutions and eager for the rest of the Board to join her in Juneau.

Director Boucher – No comment.

President Davison – Thanked Patti Bogan, Acting Public Relations Manager, for all the help she has given him during the past few weeks. He stated that she’s “one of those unsung heroes who make the organization function as well as it does.”

At 5:00 p.m., President Davison announced a five-minute recess.

XI. EXECUTIVE SESSION

At 5:10 p.m., Director Kennedy moved and Director Boucher seconded the motion that pursuant to Alaska Statute 10.25.175 (c) (1) and (3), the Board go into Executive Session to discuss matters 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.

XII. ADJOURNMENT

At 6:00 p.m., the Board reconvened from Executive Session. It was moved and seconded to adjourn. The motion passed unanimously and the meeting adjourned at 6:01 p.m.

Chris Birch, Secretary

Date Approved: March 20, 2002