

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

March 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:

Bruce Davison – Board Chair
Red Boucher – Vice Chair (joined at 4:07 p.m.)
Pat Jasper – Secretary (via telephone – joined during Executive Session)
Jeff Lipscomb – Treasurer
Chris Birch – Director (joined during Executive Session)
Sam Cason – Director
Dave Cottrell – Director

The following employees, members, and guests attended:

Joe Griffith	Carol Heyman	Mike Pauley, MEA
Bill Bernier	Brian Hickey	Jim Posey, ML&P
Patti Bogan	Dianne Hillemeier	Bill Stewart
John Cooley	Ed Jenkin	Phil Steyer
Mike Cunningham	Carol Johnson	Katrina Storjohann
Don Edwards	Mike Massin	Mary Tesch
Steve Gilbert	Sherri McKay	Lee Thibert
Dora Gropp	Arthur Miller	Jody Wolfe
Kathy Harris	Jim Patras, HEA	

Deanna Scott, Executive Assistant, recorded meeting proceedings.

Chair Davison led the board and audience in the Pledge of Allegiance.

I. EXECUTIVE SESSION

At 4:05 p.m., Director Lipscomb moved and Director Cottrell seconded the motion that pursuant to Alaska Statue 10.25.175,C., the Board go into executive session to discuss matters with its attorneys, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative, with respect to Agenda Item IX.B, Joint Action Agency. Motion passed. Directors Jasper, Boucher and Birch were not yet present at time of vote.

The meeting reconvened at 4:20 p.m.

II. APPROVAL OF AGENDA

Director Cason moved and Director Boucher seconded the motion to approve the agenda with added session to include the Executive Session. The motion passed unanimously.

III. APPROVAL OF CONSENT AGENDA

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

A. Calendar of Events (March - June 2004)

- Joe Griffith will be in Juneau March 18-19, 2004.

B. Minutes (February 25, 2004 - Regular Board Meeting)

No Changes.

C. Financial Reports – January 2004.

The motion to approve the Consent Agenda passed unanimously.

IV. PERSONS TO BE HEARD

A. Wholesale Customer Comments

Mr. Mike Pauley, representative from Matanuska Electric Association, urged the Board not to take action on Agenda Item IX.B., Joint Action Agency Agreement.

B. Member Comments

None.

V. CEO Report

The following topics were covered in the CEO report:

- The February 2004 Financials were presented by Mike Cunningham, Chief Financial Officer.
- The Safety Department is in the process of investigating the five minor vehicle incidents Chugach has had in 2004. Upon the completion of the investigations, the Board will be given an update.
- Power Plant Apprenticeship Program memo was included in the Board's correspondence.

VI. CORRESPONDENCE

None.

VII. DIRECTORS' REPORTS

A. Chairman's Report

None

B. Committee Reports

Director Lipscomb report on the March 10, 2004, Finance Committee meeting where they reviewed the 2003 Unbundled Financial Statement and were given an update on the deferred debits. The committee also reviewed the Financial Management Plan, which was referred to the Board, and will come at a later date. The next meeting is scheduled for April 14, 2004.

Chairman Davidson reported on the March 3, 2004, Operations Committee meeting where they discussed Board Policy 126 and modifications were approved and forwarded to the Board. The committee received additional information regarding the Joint Action Agency Agreement, which was forwarded to the Board for action. The committee received a legislative agenda update and had an executive session to discuss strategic issues.

C. APA Report

At the request of Director Jasper, CEO Griffith reported on the March 10, 2004, APA Board meeting where discussions focused on HB 453 and HB 520.

D. Meeting Reports

Director Jasper reported on the MEA Board meeting that was held on March 15, 2004.

VIII. UNFINISHED BUSINESS

None.

IX. NEW BUSINESS

A. Revisions to Board Policy 126

Director Lipscomb moved and Director Boucher seconded the motion to approve the revisions to Board Policy 126, Business Planning and Financial Management, as recommended by the Board Operations Committee. The motion passed unanimously.

B. Joint Action Agency Agreement

Director Lipscomb moved and Director Cason seconded the motion to approve the resolution authorizing entry into a JAA Agreement substantially similar to the proposed draft Joint Action Agency Agreement. The motion passed unanimously.

C. South Anchorage Substation – Transformer Bid

Director Cason moved and Director Lipscomb seconded the motion that the Chugach Board of Directors authorizes the Chief Executive Officer to execute a contract for two transformers with Smit, represented by Hees Enterprises, for a total amount not to exceed \$1,681,944. The motion passed unanimously.

D. Directors' Expenses

Director Lipscomb moved and Director Cason seconded the motion to approve director's expenses as submitted. The motion passed unanimously.

X. DIRECTORS' COMMENTS

Director Boucher - No Comment.

Director Cottrell – Provided input/corrections to the 10K. He also suggested that Chugach should look into audio and videoconferencing equipment for board meetings.

Director Jasper – Stated that she appreciates staff’s diligence in responding to the Board’s questions.

Director Birch – No Comment.

Director Lipscomb – Appreciates the efforts staff has placed on safety and would like to have Chugach look into safety vests in appreciation.

Director Cason – Agreed with Director Lipscomb and concurred with his recommendation for safety recognition – possibly health club membership.

Chair Davison – Shared with the Board a strange outage incident that happened in the Lower 48 and reminded everyone that you do not know what is going to happen from one day to the next.

XI. EXECUTIVE SESSION

At 5:21 p.m., Director Cason moved and Director Jasper 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 motion passed unanimously.

XII. ADJOURNMENT

At 6:50 p.m., the Board voted unanimously to adjourn.

Patricia Jasper, Secretary
Date Approved: April 21, 2004