

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

September 7, 2005

SPECIAL BOARD OF DIRECTORS'
MEETING MINUTES

Chairman Lipscomb convened the special meeting of the Board of Directors of Chugach Electric Association, Inc., at 4:00 p.m. on Wednesday, September 7, 2005, in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska. Directors Kreig, Christopherson and Kalenka called this special meeting.

The following board members were present:

Jeff Lipscomb – Chairman
Alan Christopherson – Vice Chair
David Cottrell – Secretary (appeared telephonically)
Elizabeth Vazquez – Treasurer
Bruce Davison – Director
Uwe Kalenka – Director
Ray Kreig - Director

The following employees, members, and guests attended:

Bill Stewart	Lee Thibert	Brad Evans
Mary Tesch	Mike Cunningham	Dianne Hillemeier
Connie Owens	Phil Steyer	Rick Freymiller
Ed Jenkin	Carol Johnson	Paul Risse
Brian Hickey	Carol Heyman	Joe Miller
Ron Vecera	Bill Bernier	John Cooley
Dave Smith	Mark Fouts	Patti Bogan
Paula Neas-Arnold	Jean Sauget	Geoffrey Smith (NRECA)
Hal Johnston	Robert Sherry	Pat Jasper
Dianne Lommel	Mike Pauley (MEA)	Lee Ann Gerhart
Richard Richtmyer (ADN)	Crystal Enkvist (APA)	Jim Patras (HEA)
Eugene Ori (ML&P)	Paul Brandon	Sam Cason
Jim Posey (ML&P)		

Jennifer McDonald, Legal Secretary, recorded meeting proceedings.

I. Changing Chairman of the Board of Directors
A. Persons to be Heard

Hal Johnston stated he is concerned about how the Board is going and would like Chugach to carry on with the present administration.

Robert Sherry stated he has been a member since 1955 and is in favor of the current Chairman of the Chugach Board.

Diane Lommel, a member of the Bylaws Committee, stated that she was dismayed at the charges brought against Chairman Lipscomb, had known him to be honorable and hard working, feels he has only the best interest of the cooperative at heart and the charges appear to be vicious and unprincipled and stand to materially harm the standing of this cooperative both in the financial markets and as a working entity.

Chairman Lipscomb noted that the Board received correspondence from Jason Brune and each Board member should have a copy.

B. Changing Chairman of the Board of Directors

Director Kreig moved and Director Christopherson seconded the motion to waive the seven (7) day rule to take the question of waiving the seven (7) day rule to remove Director Lipscomb as Chairman of the Board from the table. The motion passed with a vote of four (4) in favor and three (3) opposed.

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Director Kreig moved and Director Kalenka seconded the motion that pursuant to Article VI, Section 3 of Chugach's Bylaws that Director Lipscomb be removed as Chairman of the Board as it is in the judgment of the Board that the best interests of the association will be served thereby.

Chairman Lipscomb stated that at this time, since the motion affects him, he was going to turn the meeting over to the Vice Chair, Alan Christopherson.

Director Lipscomb read from that written statement, copies of which were distributed to Board members and those in attendance his response to the reasons suggested on why he should be removed as Chairman of the Board.

The motion to remove Director Lipscomb as Chairman of the Board passed with a vote of 4 to 3. Director Davison requested a roll-call vote. Directors Kreig, Christopherson, Vazquez and Kalenka voted in favor. Directors Davison, Cottrell and Lipscomb opposed.

Director Kreig moved and Director Kalenka seconded the motion to waive the seven (7) day rule to appoint Director Christopherson as Chairman of the Board of Chugach Electric.

Director Davison noted that he would be voting against this motion and stated that in the absence of a Chairman the Vice Chairman would take over that role anyway. The topic of a new Chairman should be noticed on the agenda for a regular Board meeting and in the interim, the Vice Chairman should assume the role of the Chairman.

The motion to waive the seven (7) day rule to appoint Director Christopherson as Chairman of the Board passed with a vote of four (4) in favor and three (3) opposed.

Director Kreig moved and Director Kalenka seconded the motion to nominate Director Alan Christopherson as Chairman of the Board of Chugach Electric.

Director Lipscomb moved and Director Cottrell seconded the motion to nominate Director Bruce Davison as Chairman of the Board of Chugach Electric. Director Davison stated that the only way he would accept the nomination was if the nomination for Director Christopherson is withdrawn. The nomination for Director Christopherson was not withdrawn; therefore, Director Davison does not accept the nomination.

The motion to nominate Director Alan Christopherson as Chairman of the Board of Chugach Electric passed with a vote of 5 to 2. Director Lipscomb requested a roll-call vote. Directors Kreig, Christopherson, Vazquez, Kalenka and Davison voted in favor. Directors Cottrell and Lipscomb opposed.

Director Kreig moved and Director Kalenka seconded the motion to adjourn the special meeting. The motion passed unanimously and the meeting adjourned at 4:40 p.m.



David Cottrell, Secretary

Date Approved: October 19, 2005