

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

FINANCE COMMITTEE
MEETING MINUTES

July 9, 2008

Committee Members in Attendance: Rebecca Logan, Acting Chair
Elizabeth Vazquez (*arrived at 5:35 p.m.*)
Jeff Lipscomb
Alex Gimarc

Other Director Present: Janet Reiser
Jim Nordlund (*arrived at 4:38 p.m.*)

Guests in Attendance: Bruce Scott (MEA)
Jim Posey (ML&P)
Jim Jorges (CIRI)
Steve Gilbert (enXco)
Ethan Schutt (CIRI)
Fred Boness, (Municipality of Anchorage)
Fred Valdez (Renewable Energy Committee)
Sean Skaling (Renewable Energy Committee)

Staff in Attendance:

Bradley Evans	Ed Jenkin	Tom Schulman
Tyler Andrews	Teresa Kurka	Phil Steyer
Bill Bernier	Arthur Miller	Lee Thibert
Mike Cunningham	Connie Owens	Ron Vecera
Rick Freymiller	Paul Risse	Burke Wick
Kathy Harris	Jean Sauget	Jody Wolfe

Recording Secretary: DeAnna Scott, Executive Assistant

I. Convene Meeting

Acting Chair Logan called the Finance Committee to order at 4:04 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

II. Executive Session

None.

III. Approval of Agenda

Director Lipscomb moved and Director Gimarc seconded the motion to approve the agenda. The motion passed unanimously.

IV. Approval of Minutes

a. June 11, 2008

Director Lipscomb moved and Director Gimarc seconded the motion to approve the minutes of April 8, 2008. The motion passed unanimously.

V. Customer Comments

- a. Wholesale Customer Comments
None.

- b. Retail Customer Comments
None.

VI. Appointment of a Vice Chairman for Finance Committee

Director Lipscomb moved and Director Gimarc seconded the motion to table the appointment of a Vice Chair for the Finance Committee until time certain which will be after the Executive Session. There was no opposition on the motion.

This was addressed after Agenda Item XIV. Financial Management Plan.

Director Gimarc moved and Director Vazquez seconded the motion that the Finance Committee appoints Director Elizabeth Vazquez as Vice Chair of the Finance Committee. The motion passed unanimously.

VII. May Unbundled Financial Statements

Jody Wolfe, Controller, gave a brief overview of the March Unbundled Financials and answered questions from the Committee.

VIII. Write-Off Accounts Receivable – Electric

Director Lipscomb moved and Director Gimarc seconded the motion that the Finance Committee recommend the Board of Directors adopt the resolution referring to write-off Uncollectible Accounts Receivable – Electric. The motion passed unanimously.

IX. Write-Off Accounts Receivable - Other

Director Lipscomb moved and Director Gimarc seconded the motion that the Finance Committee recommend the Board of Directors adopt the attached resolution referring to write-offs of Uncollectible Accounts Receivable – Other in the amount of \$37,747.39. The motion passed unanimously.

X. Approve 2008-2009 Finance Committee Goals

Director Lipscomb moved and Director Gimarc seconded the motion that the Finance Committee approve the 2008 – 2009 Finance committee Goals as attached dated July 9, 2008.

After discussion, Director Lipscomb moved and Director Gimarc seconded the motion to postpone this item – consideration of the Finance Committee Goals 2008 – 2009 until the August 2008 Finance Committee meeting.

XI. Correspondence

- a. *May Unbundled Financial Statements (Full Set – Wolfe)*
~ Jody Wolfe, Controller stated this was a full set of the Unbundled Financial Statements for the Committee's review.
- b. *May Variance Report (McKay-Highers)*
~ Mike Cunningham, Chief Financial Officer provided an overview and answered questions from the Committee.
- c. *Signature Authority Review Compliance (Smith)*
~ David Smith, Sr. Vice President, Administration provided an overview and answered questions from the Committee.
- d. *2nd Quarter Railbelt Peer Comparison (Freymler)*
~ Rick Freymiller, Director Regulatory Affairs and provided an overview and answered questions from the Committee.
- e. *Point Paper on Deferred Debit Accounting (Wolfe)*
~ Jody Wolfe, Controller, provided an overview and answered questions from the Committee.

XII. Director Comments

Director Lipscomb: "I would go back to our rates and just make note that for the average residential customer – at 700 KWH and \$56.13 - we have the lowest base rate of all of the Railbelt utilities. So I think that a deserving mention of a good job well done to Brad, staff and everybody else. Thank you."

Director Gimarc: No comments"

Acting Chair Logan: "My only comment is that I appreciate Director Gimarc pointing out on the financial goals that there is a difference between a work plan and what our traditional work is that we have to accomplish and goals that we need to set. One thing we have been doing within many different conversations is setting Board goals and we just haven't actually sat down and done that and that is impending and it will happen and a part of that will be financial goals."

XIII. Executive Session

At 4:32 p.m., Director Gimarc moved and Director Lipscomb seconded the motion that pursuant to Alaska statute 10.25.175(c)(1), the Finance Committee go into executive session to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative. Matters to be discussed are 1) Review Generation Economics and 2) Review 2008 – 2017 Financial Management Plan. The motion passed unanimously.

XIV. Financial Management Plan

Director Lipscomb moved and Director Gimarc seconded the motion that the Finance Committee recommend to the Board of Directors to approve the 2008-2017 FMP as presented on the attached projected Statement of Operations, Balance Sheet, Summary of Financial Information and Ratios and Unbundled Financial Information and Ratios on pages 2 and 3 of this Agenda Item.

Agenda item VI. Appointment of a Vice chair for Finance Committee was addressed at this time.

XV. Adjourn

Director Lipscomb moved and Director Gimarc seconded the motion to adjourn. The meeting adjourned at 6:26 p.m.