

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

February 25, 2009

ACTION REQUIRED

AGENDA ITEM NO. XI.E.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Approve Annual Report Cost Savings

DISCUSSION

These proposed cost savings would save the Association approximately \$68,000. The Chugach web site would be the primary means to distribute the annual report. We would still provide printed copies to any member requesting the Annual Report. This notice would be included in both the March and April Outlets, as well as the election brochure.

None of the other Railbelt utilities provide a printed copy of their Annual Report to each member or customer unless requested. All of them use their web site as the primary means of distribution.


MOTION

Move that the Board of Directors approve the plan to achieve the savings as identified in attached memo and implement electronic distribution of the Annual Report.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

January 20, 2009

TO: Rebecca Logan, Chair

FROM: Brad Evans, Chief Executive Officer 

SUBJECT: *Projected Annual Report Savings*

Rebecca, as discussed in the January 14, 2009 meeting with staff, below is the projected savings from electronic distribution of the annual report.

Using the Chugach web site as the primary means to distribute the annual report could yield significant savings. We would still print a limited number of hard copies and mail one to any member who requests one, as well as have them available at the annual meeting. We would provide notice of this to the membership in the March and April Outlets, as well as the election brochure.

The annual report would go on the web and to the printer early in April after KPMG issues its audit opinion at the completion of the 2008 audit. The audit report would be presented to the board on March 25, 2009 instead of March 4, 2009 as currently scheduled. Chugach is required to file its audited financial statements that are included in its Form 10-K with the SEC on or before March 31, 2009.

In addition, we plan to produce an insert to include with April bills to comply with the bylaws requirement to provide a "reasonably comprehensive and easily understood summary of the audit report" to the members prior to the annual meeting.

Estimated savings

Not accelerating the audit report	(\$15,000)
Reduced print run (3k v. 70k)	(\$50,000)
Stuffing	(\$ 1,000)
Postage	(\$ 7,000)
Total estimated direct savings	(\$73,000)

Additional cost

Insert (summary report of audit results for mailing in member bills)	\$ 5,000
--	----------

Estimated net savings **(\$68,000)**