

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD MEETING
AGENDA ITEM SUMMARY

March 19, 2003

ACTION REQUIRED

- Information Only
 Motion
 Resolution
 Executive Session
 Other
-

AGENDA ITEM NO: IX. D.

TOPIC

Southern Intertie Grant Monies

DISCUSSION

The Governor has proposed seizing the \$27 million in interest funds earned by the investment of the 1993 legislative grant to Chugach for the Southern Intertie. The attached resolution is a statement of Board position on the issue and gives direction to the general manager.

GENERAL MANAGER'S RECOMMENDATION

Motion 1: Move that the Board of Directors approve the attached resolution.

Whereas, in 1993 the State Legislature appropriated \$46.8 million to Chugach Electric Association for the purpose of construction of the Southern Intertie to benefit customers of all Railbelt electric utilities, and

Whereas, the Railbelt electric utilities, the Alaska Department of Administration and AIDEA all signed the grant transfer and delegation agreement, which identifies that the grant funds and interest earned from investments will be expended for the purpose of the grant, and

Whereas, in accordance with the agreement, the project has been steadily moving forward, to include the completion of a multi-year environmental impact statement process and records of decision identifying a preferred route, and

Whereas, notwithstanding the legal agreement covering the investment of the original grant funds the Governor has proposed seizing approximately \$27 million in interest earned on the Southern Intertie grant made to Chugach in 1993 and subsequently entrusted to AIDEA to manage as Trustee on behalf of the Intertie Participants Group,

Now therefore be it resolved that the Board of Directors of Chugach Electric Association deploras this unwarranted proposed diversion of funds so necessary for the vital infrastructure that is the foundation of Alaska's economy and the key to future economic development.

Further, the Board of Directors directs the General Manager to take all the necessary measures to preserve and protect the original grant plus interest funds for the Southern Intertie project as memorialized in granting legislation and subsequent agreements.