

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**December 18, 2008**

**ACTION REQUIRED**

**AGENDA ITEM NO. XI.C.**

<u>      </u>	<b>Information Only</b>
<u>  X  </u>	<b>Motion</b>
<u>  X  </u>	<b>Resolution</b>
<u>      </u>	<b>Executive Session</b>
<u>      </u>	<b>Other</b>

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**TOPIC**

Increase NRUCFC line of credit from \$45 million to \$75 million.

**DISCUSSION**

Chugach has satisfied its operational and capital cash requirements primarily through internally generated funds, an annual \$7.5 million line of credit with CoBank and a \$50 million line of credit from NRUCFC. On October 9, 2008, Chugach reduced the NRUCFC line of credit to \$45 million. The reduction to the borrowing limit was temporary in order that a full \$300 million commitment on an unsecured credit agreement backstopping Chugach's new Commercial Paper program could be met. Chugach has utilized the NRUCFC line of credit in 2008 to redeem our 2002 Series B Bonds and for general working capital.

As of December 4, 2008, Chugach has an outstanding balance of \$41.45 million and the intent to draw up to an additional \$2 million prior to the date of the Finance Committee meeting, December 10<sup>th</sup>.

An increase to \$75 million will provide Chugach enhanced liquidity and flexibility to utilize the best interest rates available either using the line of credit or the Commercial Paper Program.

There is no unused commitment fee associated with this line of credit.

**MOTION**

Move that the Board of Directors approve the attached resolution increasing the NRUCFC line of credit to from \$45 million to \$75 million.

## RESOLUTION

WHEREAS the Board of Directors established a line of credit and authorized borrowing from National Rural Utilities Cooperative Finance Corporation (CFC) in an amount which shall not any one time exceed \$50,000,000.00 (the "Line of Credit Amount"), for a term of sixty (60) months, subject to the provisions of the Revolving Line of Credit Agreement;

WHEREAS the Line of Credit Amount was amended not to exceed \$45,000,000.00;

WHEREAS the provisions of the Revolving Line of Credit Agreement, as reviewed by the Board of Directors, remain unchanged;

WHEREAS individuals authorized to act on behalf of the Cooperative regarding the Line of Credit remains unchanged;

NOW, THEREFORE, BE IT RESOLVED that each of the Chief Executive Officer and Chief Financial Officer ("Officers") of the Cooperative, acting jointly or alone, is authorized in the name and on behalf of the Cooperative, to execute and deliver the Amendment to the Line of Credit Agreement dated as of October 14, 2007, (including any non-material amendments thereto) in substantially the form presented to this meeting, increasing the amount thereof to \$75,000,000.00, and to execute and deliver all such other instruments and do all such other acts as in the opinion of such individual(s) acting may be necessary or appropriate in order to carry out the purpose and intent of the foregoing resolutions.

## CERTIFICATION

I, Alex Gimarc, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 18<sup>th</sup> day of December, 20 08; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the 18<sup>th</sup> day of December, 20 08.

(Seal)

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Secretary