

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

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

**December 19, 2007**

**ACTION REQUIRED**

**AGENDA ITEM NO. V.K.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

Retail Capital Credit Retirement

**DISCUSSION**

The attached resolution authorizes the retirement of the final portion of the retail distribution capital credits to the members of record in 1988, and a portion to members of record in 1989, less early (discounted) payments made prior to normal retirement

**MOTION**

Move that the Board of Directors' approve the attached resolution authorizing retirement of retail distribution capital credits to members of record for 1988 and 1989.

## RESOLUTION

**WHEREAS**, the Board of Directors desires to proceed with a general retirement of retail capital credits in 2007; and

**WHEREAS**, the Board of Directors has determined that this retirement will not have a significant adverse impact upon the Association's financial health;

**NOW THEREFORE BE IT RESOLVED**, Chugach shall make a total capital credits retirement of \$5,019,529, representing 50% of 2007's margins.

**BE IT FURTHER RESOLVED**, that the retail capital credits retirement will be the above amount, less \$79,070 payable to wholesale customers and less payments already made to former members and estates, which will retire the remaining portion of the retail distribution credits for 1988 and a portion of the retail distribution credits for 1989.

**BE IT FURTHER RESOLVED**, that the capital credits of any member with an outstanding debt will be used to offset that debt until it is paid in full or all available capital credits have been credited to that debt.

**BE IT FURTHER RESOLVED**, members who are still active will have their account credited for their retirement amount unless they have multiple accounts, are on level pay or the amount is for \$600.00 or more. Checks will not be created for less than \$5.00 but credits of less than \$5.00 will be applied. Any member who is inactive and has less than \$5.00 payable will be paid in the first year their cumulative amount payable is \$5.00 or more.

## 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 \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_; 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 \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

(Seal)

\_\_\_\_\_  
Secretary

# **CHUGACH ELECTRIC ASSOCIATION, INC.**

**Anchorage, Alaska**

## **2007 Capital Credits Retirement**

During December 2007 Chugach will retire \$5,019,529 of capital credits. This amount represents 50% of the margin Chugach earned in 2006.

To arrive at the amount of the retail retirement, this total is reduced by \$79,079 to be paid to wholesale customers pursuant to a U-96-37 settlement agreement and by approximately \$350,000 paid early to estates and inactive members who closed their memberships and received discounted capital credit payments. Thus, the general retail retirement will be about \$4.6 million.

This retirement will retire all remaining retail capital credits for 1988 and about 25% of those earned in 1989.

Many active members will receive their capital credits as a credit on their electric bill. A check will be sent for active members with retirement amounts of \$600.00 or greater, members with multiple accounts and members on the level pay plan. All inactive members will receive a check. Bad debts will be recovered prior to any payments being made.

To authorize the retirement an action item and the attached resolution will be brought to the Board at the November Board meeting.