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CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

FINANCE COMMITTEE MEETING MINUTES

November 30, 2005

Committee Members in Attendance: Elizabeth Vazquez, Chair
Alan Christopherson (arrived at 4:12 p.m.)
Dave Cottrell (telephonically)
Bruce Davison

Other Directors Present: Ray Kreig
Uwe Kalenka
Jeff Lipscomb (arrived at 4:15 p.m.)

Guests in Attendance: Don Edwards Parry Grover
Bill Mede Jim Patras
Mike Pauley

Staff in Attendance:

Bill Stewart	Dianne Hillemeier	Mike Cunningham	Brad Evans
Lee Thibert	Carol Johnson	Arthur Miller	Ed Jenkin
Connie Owens	Carol Heyman	Ron Vecera	Mark Fouts
Bill Bernier	Mary Tesch	Paul Risse	Sherri McKay-Highers
Beau Disbrow	Jody Wolfe	John Cooley	Phil Steyer

Recording Secretary: Jennifer McDonald, Legal Secretary

I. Call to Order

Chair Vazquez called the Finance Committee to order at 4:05 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

II. Approval of Agenda

Director Davison moved and Director Vazquez seconded the motion to approve the agenda.

Director Davison moved and Director Cottrell seconded the motion to waive the seven-day rule to amend the agenda to add an executive session as Agenda Item II.A. The motion to waive the seven-day rule passed unanimously.

Director Davison moved and Director Cottrell seconded the motion to amend the agenda to add an executive session as Agenda Item II.A. The motion to amend the agenda passed unanimously.

A. Executive Session

Director Davison moved and Director seconded the motion that pursuant to Alaska Statute 10.25.175(c) (1) and (3), the Board go into executive session to discuss 1) matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; and 3) matters with its attorneys, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The topic to be discussed in executive session is: labor negotiations. The motion passed unanimously. The Board went into executive session at 4:08 p.m.

The Board reconvened from executive session at 4:27 p.m.

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- III. **Minutes**
- a. **September 28, 2005**
 - b. **October 26, 2005**
 - c. **November 3, 2005**

Director Christopherson moved to approve the September 28, 2005, October 26, 2005, and November 3, 2005 minutes. The motion passed unanimously.

IV. **October Unbundled Financials Presentation**

Jody Wolfe, Controller, gave a presentation on the October Unbundled Financials and staff answered questions from the Committee and other Board members.

V. **Financial Plan Review Presentation and Recommendation**

Sherri McKay-Highers, Senior Financial Analyst, gave a presentation on the Financial Plan Review and Recommendation and staff answered questions from the Committee and other Board members. The Committee requested an alternate Financial Plan to include a new 130 MW generation plant, the 115 kV line maintenance and any other additional expenditures that may arise between 2006 through 2010.

The Committee recessed at 5:47 p.m. and reconvened at 6:07 p.m.

Chair Vazquez tabled this issue until the January Finance Committee meeting. There was no objection from the Committee.

VI. **Implementation of 2002 Depreciation Study Rates**

Mike Cunningham, Chief Financial Officer, referred the Committee to his October 27, 2005 memo contained in the Committee packet, and staff answered questions from the Committee and other Board members. In addition, Donald Edwards, attorney with Dorsey & Whitney, LLP, answered questions from the Committee and other Board members.

VII. **Correspondence**

- a. **JAA Expenses** – The November 21, 2005 memo in the Committee packet from Mike Cunningham to the Board was briefly discussed and staff answered questions from the Committee and Board members.
- b. **Wind Power Grant Monies and Internal Fund Expenditures** – The matrix in the Committee packet was briefly discussed and staff answered questions from the Committee and Board members.
- c. **Third Quarter Railbelt Electric Rate Comparison** The November 23, 2005 memo from Bill Stewart to the Board was briefly discussed and staff answered questions from the Committee and Board members.
- d. **October Unbundled Financials** – The October 31, 2005 Unbundled Financial Statement PowerPoint document was briefly discussed and staff answered questions from the Committee and Board members.
- e. **October 2005 Year to Date Financial Results** - The November 21, 2005 memo from Katrina Storjohann to Mike Cunningham was briefly discussed and staff answered questions from the Committee and Board members.

VIII. **Director Comments**

Director Kreig: None.
Director Kalenka: None.
Director Christopherson: None.
Director Davison: None.
Director Cottrell: None.
Director Lipscomb: None.
Chair Vazquez: None.

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IX. Executive Session

Director Davison moved and Director Cottrell seconded the motion that pursuant to Alaska Statute 10.25.175(c) (1), (2) and (3), the Board go into executive session to discuss 1) matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; 2) subjects that tend to prejudice the reputation and character of a person; however, the person may request a public discussion; and 3) matters with its attorneys, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The topics to be discussed in executive session are 1) 2006 Rate Case and 2) CEO compensation. The motion passed unanimously. The Board went into executive session at 6:36 p.m.

X. Adjourn

The meeting adjourned at 8:15 p.m.