



Financial Plan

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How we started...

- As part of the Strategic Advisory Group
- One of 5 Priority issues
- Tasked with looking at the Financial Health of Chugach
- Team members include:
 - Jody Wolfe (Lead) Katrina Storjohann
 - Rick Freymiller Sherri McKay
 - Don Edwards Mark Fouts

Components of the plan

- Equity Management
- Debt Management
- Cash and Investment
- Chugach Bond Rating

Equity Management

- Equity Ratio = 30%
- Cost of Capital (debt & equity)
- Indenture Requirements
- Capital Credit policy
- Discounting Estate Payments (IRS private letter ruling)

Debt Management

- Short Term Debt
 - Lines of Credit
- Long Term Debt (fixed vs. variable)
- Risk Tolerance (how much variable debt ??)
- Debt Service Coverage
- Bond buy-back opportunities and analysis

Cash/Investment

- Cash and temporary investment levels
- Maturity length investment options
- Overnight sweep investment rates
- Use of cash in paying vendors

Chugach Bond Rating

- Financial Drivers
- Non-Financial Drivers
 - Fuel Supply
 - New Generation
 - Transmission
 - Wholesale Customers

What's Next

- Complete Equity Management Plan by June 30th
- Financial Plan updated annually