

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**  
**January 8, 2008**  
**Wednesday**

**4:00 p.m.**

**BOARD OF DIRECTORS'**  
**FINANCE COMMITTEE MEETING MINUTES**

Committee Members in Attendance: PJ Hill, Chair  
Elizabeth Vazquez (*arrived at 4:23 p.m.*)  
Uwe Kalenka  
Jeff Lipscomb

Other Directors Present: Rebecca Logan (*arrived at 4:09 p.m.*)  
Alex Gimarc

Staff and Guest in Attendance:

Brad Evans	Carol Johnson	Dave Smith
Loral Carter, MEA	Dan Knecht	Phil Steyer
Mike Cunningham	Charles Kozak, KPMG	Lee Thibert
David Dittman, Dittman Research	Sherri McKay-Highers	Amber Van Treeck
Don Edwards, D&W	Scott Miller, KPMG	Ron Vecera
Rick Freymiller	Connie Owens	Jody Wolfe
Suzanne Gibson	Paul Risse	
Ed Jenkin	Jean Sauget	

Recording Secretary: DeAnna Scott, Executive Assistant

**I. Convene Meeting**

Chair Hill called the Finance Committee to order at 4:03 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

**II. Executive Session - None**

**III. Approval of Agenda**

Director Lipscomb moved and Director Kalenka seconded the motion to approve the agenda. *The motion passed unanimously.*

**IV. Approval of Minutes (December 5, 2007)**

Director Kalenka moved and Director Lipscomb seconded the motion to approve the meeting minutes of December 5, 2007. *The motion passed unanimously.*

**V. Customer Comments**

a. Wholesale Customer Comments

Lorali Carter, Manager of Government and Corporate Communications from Matanuska Electric Association, Inc. (MEA), read to the Finance Committee a letter from Mr. Wayne Carmony, General Manager, MEA dated January 8, 2008, addressed to Mr. Brad Evans, Acting Chief Executive Office. Ms. Carter read the letter in its entirety. The letter requested certain financial information after reviewing Chugach's November 20, 2007, Form 7.

b. Retail Customer Comments - *None*

**VI. KPMG Response to the Board Questions**

Mr. Scott Miller, Partner, KPMG LLP presented the 2007 and 2008 Requested Service as listed below:

- KPMG 2008 Audit Contract (*Budget, Schedule, Scope of Work*)
- KPMG Audit of 2007 Unbundled Financial Statements (*Price Quote*)
- KPMG Audit of wholesale and Retail and Capital Credits (*Price Quote*); and
- KPMG SOX Training (*Price Quote*).

*No formal action was recorded on this agenda item.*

**VII. November Unbundled Financial Statements**

Jody Wolfe, Controller, presented to the Finance Committee the November 2007 Unbundled Financial Statements and answered questions from the Committee.

**VIII. Correspondence**

- a. *Electric Rate Comparison of Railbelt Utilities*
- b. *November Unbundled Financial Statements*
- c. *November Variance Report*

**IX. Director Comments**

**Director Kalenka:** "No Comment."

**Director Gimarc:** "No Comment."

**Director Logan:** "No Comment."

**Director Vazquez:** Just a reminder for everybody we have SOX Training all day Saturday scheduled, January 12<sup>th</sup>.

**Director Lipscomb:** "I will point out again, the Railbelt Utility Comparison is excellent and I think that's the most appropriate benchmarking that we have; benchmarking us against our true peers in Alaska and it shows we're doing well, so, keep up the good work. The financials are a little disturbing to say the least in margins. I know the reasons for that and I'm sure Brad, you'll respond to the letter from Mr. Carmony appropriately. Thank you."

**Chair Hill:** *No comments were recorded.*

**XV. Executive Session - None**

**XVI. Adjourn**

Director Kalenka moved and Director Lipscomb seconded the motion to adjourn. The motion passed unanimously. The meeting adjourned at 4:53 p.m.