

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

FINANCE COMMITTEE
MEETING MINUTES

March 22, 2006

Committee Member Attendee: Elizabeth Vazquez, Chair.
Alan Christopherson
Dave Cottrell (telephonically)
Bruce Davison

Other Directors Present: Ray Kreig
Uwe Kalenka

Guest in Attendance: Jim Walker, MEA
Mike Pauley, MEA

Staff in Attendance:

Bill Stewart	Kathy Harris	Connie Owens
Bill Benier	Ed Jenkin	Paul Risse
John Cooley	Carol Johnson	Phil Steyer
Mike Cunningham	Dan Knecht	Mary Tesch
Brad Evans	Jim McCollom	Lee Thibert
Rick Freymiller	Sherri McKay-Highers	Ron Vecera
Dora Gropp	Paula Neas-Arnold	

Recording Secretary: DeAnna Scott, Executive Assistant

I. Call To Order

Chairman Vazquez called the Finance Committee to order at 3:54 p.m. in the Boardroom of Chugach Electric Association Inc., 5601 Electron Drive, Anchorage, Alaska.

II. Approval of Agenda – March 22, 2006

Director Davison moved and Director Cottrell seconded the motion to approve the agenda. The motion passed unanimously. The motion passed unanimously.

III. Approval of Minutes – November 30, 2005

Director Davison moved and Director Christopherson seconded the motion to approve the minute of February 22, 2006.

IV. Customer Comments

Wholesale Customer: None
Retail Customer: None

V. February Unbundled Financials Statements

Jody Wolfe, Controller, presented the February Unbundled Financial Statements and responded to questions from the Committee.

VI. Air Services Contracts

Dan Knecht, Director, Administrative Services, gave a presentation on the Air Services Contract and responded to questions from the Committee. Director Davison moved and Director Christopherson

seconded the motion that the Finance Committee recommend to the Board of Directors approval of the Fix Wing Contract to ERA and the Helicopter Services contract to Last Frontier Air Ventures. Motion passed unanimously.

VII. Director Comments

Director Kreig: None

Director Kalenka: None

Director Davison: None

Director Lipscomb: None

Director Christopherson: None

Director Cottrell: Commented on the “*FAS-106 Employer’s Account for Postretirement Benefits Other than Pensions.*” “Chugach accrued post retirement benefit costs and it was calculated at \$480,900. This is an unfunded amount.” Mr. Cunningham stated that this is for health benefits and is not the retirement benefit. Director Cottrell requested that Mr. Cunningham review the financials and provide the Board with an update. He further stated that defined benefit pension plans are outdated and stated Chugach might want to investigate going with defined contributions plans for employees.

Director Vazquez: Stated she was pleased with the analysis presented on the air contracts and the potential savings of \$150,000 to \$180,000 per year.

VIII. Correspondence

- a. February Unbundled Financial Statements
- b. February Variance Report Memorandum
- c. January Unbundled Financial Statements
- d. Investment in Association Organizations Memorandum
- e. Post Retirement Benefits Obligation (FAS106) Memo

IX. Executive Session

None.

X. Adjourn

Director Davison moved and Director Christopherson seconded the motion to adjourn. The meeting adjourned at 4:43 p.m.