

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

**FINANCE COMMITTEE**  
**MEETING MINUTES**

**May 24, 2006**

Committee Member Attendee: David Cottrell, Chairman  
Elizabeth Vazquez  
Bruce Davison  
Jim Nordlund (arrived at 3:40 p.m.)

Other Directors Present: None

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

Staff in Attendance:

Bill Stewart	Ed Jenkin	Phil Steyer
Bill Bernier	Carol Johnson	Mary Tesch
John Cooley	Sherri McKay-Highers	Lee Thibert
Mike Cunningham	Arthur Miller	Jody Wolf
Mark Fouts	Connie Owens	Ron Vecera
Kathy Harris	Paul Risse	
Dianne Hillemeier	David Smith	

Recording Secretary: DeAnna Scott, Executive Assistant

**I. Call To Order**

Chairman Cottrell called the Finance Committee to order at 3:36 p.m. in the Boardroom of Chugach Electric Association Inc., 5601 Electron Drive, Anchorage, Alaska.

**II. Approval of Agenda – May 24, 2006**

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

**III. Approval of Minutes – April 26, 2005**

Director Davison moved and Director Vazquez seconded the motion to approve the minute of April 26, 2006. The motion passed unanimously.

**IV. Customer Comments**

Wholesale Customer: Mike Pauley, Manager of Corporate and Government Communications, Matanuska Electric Association, Inc., addressed the Committee reading a letter that was faxed to Interim CEO, Bill Stewart on May 24, 2006, and provided copies to the Committee. The letter expressed disappointment to the response received from Interim CEO Stewart. This letter was read in its entirety to the Committee by Mr. Pauley.

Retail Customer: None

**V. April Unbundled Financials Statements**

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

**VI. 2006/2007 Approval of Finance Committee Goals**

Director Davison moved and Director Nordlund seconded the motion that the Finance Committee adopt the 2006/2007 Finance Committee Goals. The motion passed unanimously.

**VII. 1<sup>st</sup> Quarter Line Loss Report**

Arthur Miller, Manager Pricing presented the 1<sup>st</sup> Quarter Line Loss Report and responded to questions from the Committee.

**VIII. Review and Recommendation of Pension Restoration Plan**

Mary Tesch, Vice President, Human Resources, brief the Committee on the Pension Restoration Deferred Compensation Plan and Pension Restoration Severance Pay Plan and the requirements of the IRS. This will be added as an action item to the agenda for the next board meeting as housekeeping issue.

**IX. Individual Department Budget Review Discussion**

Chairman Cottrell stated the Finance Committee will start reviewing the 2006 departmental budgets beginning in June.

**X. Correspondence**

a. *April Unbundled Financial Statements (Full Report – Jody Wolfe)*

b. *April Variance Report Memo (Sherri McKay-Highers)*

c. *1<sup>st</sup> Quarter Electric Rate Comparison (Rick Freymiller)*

**XI. Executive Session – None Scheduled**

**XII. Director Comments**

**Director Davison:** None

**Director Vazquez:** None

**Director Nordlund:** None

**Director Cottrell:** Stated he attended the APA meeting and distributed at the meeting was the new organizational chart. Also distributed was the new chart of accounts which would help keep the cost allocations between the Trade Association and the expenses and revenues of the Insurance Trust separate. Director Cottrell stated that he feels it is important to be a member of APA because the organization is our first line of defense to make sure our fellow cooperatives are not doing something we should be aware of and so by attending these meetings, we can be kept up to date as to what is going on. He requested the CEO or a staff designee attend these meetings in the future.

Director Cottrell stated there was an article that was forwarded to the board members entitles “*MEA Seeks Input*”. Director Cottrell stated that it is important that we start telling the story of the generation and transmission business. He further stated that it might help people understand when they receive information from MEA or HEA.

Director Cottrell would like to publish an article in the Compass or some other method of communication. This will be discussed further at the next board meeting to get approval from the board.

**XIII. Adjourn**

The meeting adjourned at 4:31 p.m.