

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

May 12, 2010

FINANCE COMMITTEE
MEETING MINUTES

Committee Members in Attendance: Susan Reeves, Chair
PJ Hill, Vice Chair
Jim Nordlund
Pat Kennedy
Elizabeth Vazquez

Other Members Present: Janet Reiser
Rebecca Logan

Staff in Attendance:

Brad Evans	Tom Schulman	Ed Jenkin
Dave Smith	Mike Cunningham	Mark Johnson
Tyler Andrews	Arthur Miller	Lee Thibert
Felix Melendez	Sherri McKay-Highers	Kathy Harris
Connie Owens	Bill Bernier	Carol Heyman
Phil Steyer	Dustin Highers	Paul Risse

Recording Secretary: Paula Neas-Arnold, Executive Secretary

I. Convene Meeting

Chair Reeves convened the Finance Committee Meeting 4:09 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

II. Executive Session (*none*)

III. Approval of Agenda

Director Kennedy moved and Director Hill seconded the motion to approve the Agenda. The motion passed unanimously.

IV. Approval of Minutes

a. March 3, 2010 (Knight-Scott)

Director Hill moved and Director Kennedy seconded the motion to approve the meeting minutes of March 3, 2010. The motion passed unanimously.

V. Customer Comments

- a. *Wholesale Customer Comments*
None

- b. *Member Comments*
None

VI. Election of a Vice Chairman – Finance Committee

Director Nordlund moved and Director Kennedy seconded the motion to nominate Director Hill for Vice Chairman of the Finance Committee. The motion passed unanimously.

VII. 3RD Quarter Commercial Paper Issue Authorization

Mike Cunningham discussed the 3rd Quarter Commercial Paper Issue and answered questions from the Committee.

Director Hill moved and Director Kennedy seconded the motion that the Finance Committee recommend the Board of Directors authorize the issuance of an additional \$25 million of commercial paper as necessary to cover capital expansion, new generation requirements, and operational needs in lieu of using higher priced line of credit sources to a maximum total of \$125 million outstanding at the end of third quarter 2010. Chair Reeves, Directors Nordlund, Hill, and Kennedy voted yes; Director Vazquez abstained. The motion passed.

VIII. Bank Signature Cards

Mike Cunningham discussed the Bank Signature Cards and answered questions from the Committee. Chair Reeves asked for clarification on the signers. Mr. Cunningham stated that due to the recent Board elections and the need to make sure that sufficient in-house signers are available, Mr. Lee Thibert, Sr. Vice President, Strategic Planning & Corporate Affairs, was added to the list.

Director Hill moved and Director Nordlund seconded the motion that the Finance Committee recommend the Board of Directors approve the attached resolution to update the approved check signers based on the election of officers at its April 29, 2010, Special Board of Directors Meeting. The motion passed unanimously.

IX. Correspondence

- a. *March Variance Report*
Sherry McKay-Highers, Manager, Budget and Financial Reporting, provided an overview and answered questions from the Committee.

- b. *1st Quarter Capital Tracking Report*
Sherry McKay-Highers, Manager, Budget and Financial Reporting, provided an overview and answered questions from the Committee.

- c. *1st Quarter Budget Status Report*
Sherry McKay-Highers, Manager, Budget and Financial Reporting, provided an overview and answered questions from the Committee.
- d. *2nd Quarter Railbelt Bill Comparison*
Felix Melendez, Manager, Regulatory Affairs, provided an overview and answered questions from the Committee.

X. Executive Session

- a. *Rate Case Update*
- b. *SPP Regulatory Status*

Director Nordlund moved and Director Hill seconded the motion that pursuant to Alaska Statute 10.25.175 (c) (1) the Finance Committee go into executive session to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative as it relates to the status of the Southcentral Power Project Regulatory Status and update of the 2008 Test Year Rate Case.

The matters to be discussed will be:

- a. Rate Case Update; and,
- b. Southcentral Power Project Regulatory Status.

The motion passed unanimously.

The Committee went into Executive Session at 4:24 p.m. and resumed in open session at 5:23 p.m.

XI. Director Comments

Director Logan: “No comments.”

Director Nordlund: “No comments.”

Director Hill: “No comments.”

Director Kennedy: “No comments.”

Director Vazquez: “No comments.”

Chair Reeves: “I would just thank everyone who presented today. Impressed with professional presentations we received at Finance and I also appreciate all the help from my fellow board members in getting through the first meeting that I chaired; so, the meeting is adjourned.”

XII. Adjournment

Chair Reeves adjourned the Committee meeting at 5:24 p.m. *(There was no formal action taken on this agenda item.)*