

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

FINANCE COMMITTEE
MEETING MINUTES

June 11, 2003

Committee Member Attendees: Jeff Lipscomb, Chair
Dave Cottrell
Sam Cason (teleconferenced)
Red Boucher

Other Directors in attendance: Pat Jasper
Chris Birch

Guests: Jim Patras (Homer Electric Association, Inc.)

Staff in Attendance:

Joe Griffith	Bill Stewart	Lee Thibert	Brad Evans	Ron Vecera
Jody Wolfe	Sherri McKay	Arthur Miller	Carol Johnson	Bill Bernier
Kathy Harris	Mike Massin	Don Edwards	John Cooley	Phil Steyer
Mary Tesch	Beau Disbrow	Mark Fouts	Katrina Storjohann	Dianne Hillemeier
Carol Heyman				

Recording Secretary: Connie Owens, Executive Secretary

I. Call To Order

Chair Lipscomb called the Finance Committee meeting to order at 4:00 p.m. in the Board Room of Chugach Electric Association, Inc., 5601 Minnesota Drive, Anchorage, Alaska.

II. Approval of Agenda

Director Boucher moved and Director Cottrell seconded the motion to approve the agenda.

Chair Lipscomb requested that Retail and Wholesale Customer Comments be added to the Finance Committee Agenda monthly following approval of the agenda. Motion passed unanimously.

- a. Retail Customer Comments – None
- b. Wholesale Customer Comments - None

III. Approval of the Minutes

Director Boucher moved and Director Cottrell seconded the motion to approve the minutes of May 14, 2003. Motion passed unanimously.

IV. Modification of the Billing and Collection Timeline

Ron Vecera, Director, Member Services presented a modification to the billing and collection timeline and responded to questions from the Committee.

V. Rate Case Update

Joe Griffith gave an update on the RCA. Arthur Miller, Manager, Rates gave an update on the Rate Case.

VI. 2002 Depreciation Study Update & Status Report

Kathy Harris briefed the Committee on the 2002 Depreciation Study and responded to questions.

VII. Unbundled Financial Statements

Jody Wolfe presented the first quarter Unbundled Statement of Operations. Director Cottrell requested a monthly update on how staff is doing with this process.

VIII. 2004 Budget Schedule

Katrina Storjohann reported on the 2004 Budget Schedule. Jeff requested that a recommendation from the Finance Committee for the 2004 Budget Schedule be added to the timeline in November.

IX. Financial Plan Update – Equity Management Section

Katrina Storjohann gave a brief presentation on the Equity Management Financial Plan Update and responded to questions from the Committee.

X. General Comments

Red Boucher - Stated that the Board's decisions are based on what happens at the RCA. He would like the Board to consider a workshop to discuss deregulation.

Dave Cottrell – Agrees with Red and would like to address that topic and a Public Relations Program that addresses some of Chugach's bigger projects. He would like to see the Board and senior management participate in a strategic planning session that addressed various topics.

Chris Birch – Echoed the idea on mapping out a strategy on deregulation.

XI. Correspondence

- a. SEC Implements Internal Control Provision of Sarbanes Oxley Act
- b. Moody's Investor Service – Measuring the Performance of Corporate Bond Ratings
- c. Moody's Investor Service – Credit Implications of the War in Iraq for U.S. Corporate Issuers
- d. KPMG Defining Issues – May 2003
- e. Orrick – Corporate Law Update

At 5:20 p.m. Director Cottrell moved and Director Boucher seconded the motion pursuant to Alaska Statute 10.25.175 (C) to go into executive session to discuss financial matter, the immediate knowledge of which would have an adverse effect on the finance of the cooperative. The motion passed unanimously.

The Committee reconvened at 6:00 p.m.

XII. Executive Session (Southern Intertie)

XIII. Adjourn

Director Boucher moved and Director Cottrell seconded the motion to adjourn. The meeting adjourned at 6:10 p.m.