

**CHUGACH ELECTRIC ASSOCIATION, INC.  
ANCHORAGE, ALASKA**

**July 26, 2006**

**FINANCE COMMITTEE  
MEETING MINUTES**

Committee Members in Attendance:        Dave Cottrell, Chair  
   Jeff Lipscomb  
   Jim Nordlund  
   Elizabeth Vazquez

Other Board Members Present:                Alan Christopherson (arrived 5: 27 p.m.)

Guests in Attendance:                         Don Edwards

The following employees, members, and guests attended:

Bill Stewart	Lee Thibert	Mike Cunningham
Brad Evans	Dianne Hillemeier	Connie Owens
Carol Johnson	Ed Jenkin	Jody Wolfe
Kathy Harris	Amber Van Treeck	Sherri McKay-Highers
Mary Tesch	Tom Schulman	John Cooley
Phil Steyer	Arthur Miller	Rick Freymiller
Ron Vecera	Dan Knecht	

Paula Neas-Arnold, Executive Assistant, recorded meeting proceedings.

**I. Call To Order**

Chairman Cottrell called the Finance Committee to order at 4:12 p.m., in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

**II. Approval of Agenda**

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

**III. Approval of Minutes (June 28, 2006)**

Director Vazquez moved and Director Nordlund seconded the motion to approve the minutes of June 28, 2006. The motion to approve the minutes passed unanimously.

**IV. Customer Comments**

- A.** Wholesale Customer Comments - None
- B.** Member Comments - None

- V. **2<sup>ND</sup> Quarter Unbundled Financial Statements - (Jody Wolfe)**  
Jody Wolfe, Controller, gave a presentation on the 2<sup>nd</sup> Quarter Unbundled Financial Statements.
- VI. **2<sup>ND</sup> Quarter Deferred Debits by Division - (Kathy Harris)**  
Kathy Harris, Manager, Plant Accounting, gave a presentation on the 2<sup>nd</sup> Quarter Deferred Debits.
- VII. **2<sup>nd</sup> Quarter Capital Tracking Report - (Lee Thibert & Brad Evans)**  
Lee Thibert, Senior Vice-President, Power Delivery, and Brad Evans, Senior Vice-President, Power Supply Division gave an update on the 2<sup>nd</sup> Quarter, Major Capital Improvement Projects.
- VIII. **2<sup>ND</sup> Quarter Operating Budget Status - (Sherri McKay-Highers)**  
Sherri McKay-Highers, Manager, Corporate Budgeting, gave a presentation on the 2<sup>nd</sup> Quarter, Operating Budget Status.
- IX. **Review of Power Supply 2006 Budget - (Sherri McKay-Highers)**  
Sherri McKay-Highers, Manager, Corporate Budgeting. gave a presentation on 2006 Power Supply Division Budget. Ms. McKay explained the various departments within the Division and provided a breakdown of their individual budgets.
- X. **2007 Budget & CIP Guidance (Sherri-McKay-Highers)**  
Sherri McKay-Highers, Manager, Corporate Budgeting gave a presentation on the 2007 Budget and the Capital Improvements Plan Guidance.
- XI. **Correspondence**
  - a. 2<sup>nd</sup> Quarter Unbundled Financial Statements
  - b. June Variance Report
  - c. 2<sup>nd</sup> Quarter Contract Status
  - d. 2006 Corporate Dues Summary
  - e. Pension Trust Fund Meeting Update
  - f. 2006 Line Loss Comparison Report
  - g. Draft Cost Allocation Manual

**XII. Directors Comments**

**Director Vazquez:** None

**Director Christopherson:** Director Christopherson commented on the recent Alaska Supreme Court ruling to reject Mr. Tom Staudenmaier's initiative petitions for sale of Municipality of Anchorage utilities (Anchorage Municipal Light & Power and Anchorage Water & Wastewater Utility). Carol Johnson, General Counsel's office answered questions on the ruling. The Alaska Supreme Court upheld Judge Hensley's decision to reject the initiatives and also found that the Municipal Charter does provide for initiative appropriation was invalid. Mr. Staudenmaier lost on all of his petitions.

Director Christopherson also referred to the article in the July 26, 2006, Anchorage Daily News discussing the \$4,000,000 study of the Natural Gas Pipeline from Fairbanks to Wasilla, Alaska. Governor Murkowski suggests, "Perhaps the \$4,000,000 should be taken out the \$72,000,000 vetoed Railbelt Energy Funded projects".

**Director Nordlund:** None

**Chairman Cottrell:** Chairman Cottrell also commented on the Anchorage Daily News article, stating the Governor did not do any favors for the members or cooperatives by vetoing the Railbelt Energy Fund.

### **XIII. Executive Session**

At 5:55 P.M., Director Vazquez moved and Director Nordlund seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1)(2) and (3), the Board go into executive session to discuss 1) matter the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; 3) matters with its attorneys the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The topic to be discussed are: 1) Rate Case Update.

### **XII. Adjourn**

The Finance Committee meeting resumed at 7:15 P.M. Director Nordlund moved and Director Vazquez seconded the motion to adjourn the Finance Committee Meeting. The Finance Committee meeting adjourned at 7:17 P.M.