

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

FINANCE COMMITTEE
MEETING MINUTES

August 10, 2005

Committee Members in Attendance: Elizabeth Vazquez, Chair
Dave Cottrell
Alan Christopherson
Bruce Davison

Other Board Members Present: Jeff Lipscomb
Uwe Kalenka

Guests in Attendance: Jim Patras, HEA
Mike Pauley, MEA

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Joe Griffith	Bill Stewart	Lee Thibert
Carol Heyman	Phil Steyer	Rick Freymiller
Dan Knecht	Brian Hickey	Connie Owens
Brad Evans	Jody Wolfe	Katrina Storjohann
Sherri McKay	Carol Johnson	Dianne Hillemeier
Mike Cunningham	Kathy Harris	Bill Bernier
Anita Gomez	Gina Armstrong	

Recording Secretary: Paula Neas-Arnold, Executive Assistant

I. Call to Order

Chair Vazquez called the Finance Committee to order at 5:13 p.m., in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

II. Approval of Agenda

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

III. Approval of Minutes (July 13, 2005)

Director Christopherson moved and Director Cottrell seconded the motion to approve the minutes of July 13, 2005. Director Christopherson requested more details regarding Mr. Carmony's comments made at the July 13, 2005, Finance Committee Meeting be added to the minutes. Director Christopherson moved and Director Kalenka seconded the motion to table the July 13, 2005, Finance Committee meeting minutes until they are revised.

IV. Customer Comments

A. Wholesale Customer Comments

- Mike Pauley, MEA distributed copies of the last two MEA Powerlines, their monthly newsletter to their members to the board. He briefly discussed their opposition to a proposed \$20.3 million high-voltage transmission line project that the State of Alaska has proposed to build between Wasilla and Willow.
- The committee requested staff to review the material and prepare a response for the board to review. The Board suggested it could added to the next joint meeting agenda with Matanuska Electric Association, Inc.

B. Retail Customer Comments

None

V. CoBank #2 Pricing

Mike Cunningham, Chief Financial Officer, spoke to the Committee regarding CoBank #2, \$10,000,000 note; due August 31, 2005, and the options available for refinancing. A resolution will be presented at August 24, 2005, board meeting.

VI. 2nd Quarter Review of Capital and Contracting Report

Katrina Storjohann, Manager, Corporate Budgeting gave a presentation on the Capital Tracking Report.

VII. 2006 Budget and CIP Guidance

Katrina Storjohann, Manager, Corporate Budgeting, gave a presentation on the 2006 Budget and CIP Guidance Targets. Bill Stewart, General Manager, Corporate Services Division, gave a brief explanation of the Capital Improvement Project process and responded to questions from the Committee. Director Davison moved and Director Christopherson seconded the motion to adopt the 2006 Budget and CIP Guidance Targets. The motion passed unanimously.

VIII. June Unbundled Financial Statements

Jody Wolfe, Controller, gave a presentation on June 2005 Financial Statements and responded to questions from the Committee.

IX. Second Quarter Deferred Debits by Division

Kathy Harris, Manager, Plant Accounting, gave a presentation on Second Quarter Deferred Debits.

X. CFO G&T Analysis Group

Mike Cunningham, Chief Financial Officer, discussed the CFO Analysis Group formation. The group had met four times to discuss forming an alternative power supply organization to address future power supply options. Five CFO's representing Matanuska Electric Association, Inc. (MEA), Homer Electric Association, Inc. (HEA), Golden Valley Electric Association, Inc. (GVEA), the City of Seward (SES),

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Anchorage Municipal Light & Power (AML&P) and Chugach Electric Association, Inc. were the participants. Meetings were subsequently suspended late in 2004.

XI. Asset Liability G&T and D

Mike Cunningham, Chief Financial Officer, discussed the Asset Liability Analysis for G&T and D and responded to questions from the Committee. The Committee requested a workshop be scheduled to learn more about this subject.

XII. CEO Goals

Bill Stewart, General Manager Corporate Services Division, spoke to the Committee regarding the Benchmarking currently being done at Chugach and plans for more in the future.

Lee Thibert, General Manager, Distribution Division, spoke to the Committee regarding ePerformance. ePerformance is the company currently being utilized currently for Benchmarking in the Distribution Division.

XIII. Correspondence

- A. June Corporate Variance Analysis dated July 18, 2005.

XIV. Executive Session – None Scheduled

XV. Adjourn – Director Christopherson moved and Director Cottrell seconded the motion to adjourn. The motion passed unanimously. The meeting adjourned at 7:20 p.m.

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