

DRAFT

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

November 3, 2005

BOARD OF DIRECTORS FINANCE COMMITTEE MEETING MINUTES

Committee Member in Attendance: Elizabeth Vazquez, Chair
Alan Christopherson
Bruce Davison
Dave Cottrell (via telephone)

Other Directors Present: Jeff Lipscomb
Ray Kreig
Uwe Kalenka

Guests in Attendance: Brad Reeve, Kotzebue Electric
Pat Jasper
Jim Patras, HEA
Crystal Enkvist, APA

Staff in Attendance:

Bill Stewart	Mike Cunningham	Brad Evans
Lee Thibert	Connie Owens	Dianne Hillemeier
Ed Jenkin	Bill Bernier	Mike Bullard
Katrina Storjohann	Carol Johnson	Tom Schulman
Brian Hickey	Mary Tesch	Carol Heyman
Rick Freymiller	Dan Knecht	Phil Steyer
Mark Fouts	Dave Smith	Paul Johnson
Shane Docherty		

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

I. Call to Order

Chairman Vazquez called the Finance Committee to order at 4:15 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

II. Approval of Agenda

Director Christopherson moved to accept the revised agenda. The motion to approve the agenda passed unanimously. (No second)

III. Response to Budget Questions

Bill Stewart, Interim Chief Executive Officer reported on two memorandums. The first dated October 31, 2005, addresses questions asked at the previous budget meeting held on October 26, 2005. The second memorandum dated November 3, 2005 is a response to Director Cottrell's request for more information on the 2005 Operating Budget revision.

II. 2005 Operating Budget Revision

This budget revision was previously approved at the October 26, 2005, Finance Committee Meeting.

Director Christopherson moved and Director Cottrell seconded the motion, pursuant to Alaska Statute 10.25.175(c)(1)(2) and (3), the Board go into executive session to discuss 1) matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative. The topic relates to agenda item IV. 2005 Operating Budget revision and recommendation. The board went into Executive Session at 4:22 p.m.

The meeting reconvened at 5:05 p.m.

V. Alaska Power Authority (APA) Membership – Open Session

Bill Stewart, Interim Chief Executive Officer reported that Chugach staff recommends continuation of membership with the Alaska Power Authority (APA) for one more year.

Mr. Brad Reeve, Chief Executive Officer, Kotzebue Electric Association, Inc. spoke as Vice President of APA and expressed thanks for many years of Chugach Electric's support of APA. Director Cottrell reported APA was looking for support from Chugach for the Annual Meeting to be held in August of 2006 at Girdwood.

VI. 2006 Operating Budget & 2006-2010 Capital Improvement Plan

Dave Smith, Director, Information Services gave a presentation on the 2006 Operating Budget for the Corporate Services Divisions.

Mike Cunningham, Chief Financial Officer gave a Corporate Overview presentation on the 2006 Operating Budget.

Ed Jenkin, Director, Engineering Services Division, gave a presentation of the Distribution Division 2006 – 2010 Capital Improvements Plan and responded to questions.

Brad Evans, General Manager, G&T Division, gave a presentation of the G&T 2006 – 2010 Capital Improvement Program and responded to questions.

VII. Finance Committee 2006 Operating Budget/CIP Recommendation

Director Christopherson moved and Director Cottrell seconded the motion, pursuant to Alaska Statute 10.25.175(c)(1)(2) and (3), the Board go into executive session to discuss 1) matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative. The topic for discussion relates to agenda item VII. Finance Committee 2006 Operating Budget/CIP Recommendation The board went into Executive Session at 6:40 p.m.

The meeting reconvened at 6:50 p.m.

VIII. Correspondence

Mike Cunningham reviewed the Third Quarter Deferred Debits presentation.

IX. Director's Comments

Director Christopherson stated he would like to compliment staff on both the Chugach Safety calendar and the latest Outlet. Director Christopherson would also like to compliment Brad Evans, General Manager, G&T Division and his staff on money saving efforts on Beluga Unit #6.

Director Davison complimented all those who gave budget presentations. Director Davison expressed that in his many years on the board, this year's presentations were very concise and informative.

Director Kreig agreed staff did a good job on the budget presentations. He was happy to see staff would be doing it the job next year with less resources yet still keeping reliability in mind. Director Cottrell also complimented staff on a job well done in regard to the budget presentations and the detail included. Director Cottrell made a particular note of good communications between staff and board during budget presentations.

Chair Vazquez also thanked all the staff for a job well done.

X. Executive Session - None

XI. Adjourn

Director Christopherson moved and Director Davison seconded the motion to adjourn. The meeting adjourned at 7:00 p.m.