

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

FINANCE COMMITTEE
MEETING MINUTES

November 11, 2009

Committee Members in Attendance: Pat Kennedy, Acting Chair
PJ Hill, Chair (*attended telephonically*)
Rebecca Logan
Alex Gimarc
Elizabeth Vazquez

Other Director Present: Janet Reiser
Jim Nordlund (*attended telephonically*)

Guests in Attendance: Jim Posey, ML&P

Staff in Attendance:

Brad Evans	Mark Johnson	Dave Smith
Tyler Andrews	Dan Knecht	Lee Thibert
Bill Bernier	Sherri McKay-Highers	Ron Vecera
Mike Cunningham	Divina Portades	Jody Wolfe
Kathy Harris	Paul Risse	
Ed Jenkin	Tom Schulman	

Recording Secretary: DeAnna Scott, Executive Assistant

I. Convene Meeting

Chair Hill called the Finance Committee to order at 4.21 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

II. Executive Session

None.

III. Approval of Agenda

Director Logan moved and Director Gimarc seconded the motion to approve the agenda. The motion passed unanimously.

IV. Approval of Minutes

a. October 12, 2009, October 13, 2009 and October 14, 2009

Director Logan moved and Director Gimarc seconded the motion to approve the minutes of October 12, 2009, October 13, 2009 and October 14, 2009. The motion passed unanimously.

Director Nordlund disconnected at 4:23 p.m.

V. Customer Comments

- a. *Wholesale Customer Comments*
None.
- b. *Member Comments*
None.

VI. August Financial

Jody Wolfe, Controller, gave a presentation on the 3rd Quarter Financial Results and responded to questions from the Committee.

VII. Training – Information Services Clearing

Jody Wolfe, Controller, gave a presentation on Information Services Clearing and responded to questions from the Committee.

VIII. 2009 Recommendation on Discounting of Capital Credit Payments for 2010

Dave Smith, Sr. V.P., Administration gave an overview of the 2009 Recommendation on Discounting of Capital Credit Payments for 2010 and answer questions from the Committee.

Director Logan moved and Director Gimarc seconded the motion that the Finance Committee recommend the Board of Directors approve the attached resolution funding and authorizing early (discounted) capital credit payments for 2010 up to a total of \$250,000.

IX. Retail Capital Credit Retirement

Dave Smith, Sr. V.P., Administration gave an overview of the Retail Capital Credit Retirement and responded to questions from the Committee.

Director Logan moved and Director Gimarc seconded the motion that the Finance Committee recommend the Board of Directors approve the attached resolution authorizing retirement of retail distribution capital credits to members of record for 1989 in the amount of \$1,679,809. The motion passed unanimously.

X. Wholesale Capital Credit Retirement

Mike Cunningham, Chief Financial Officer gave an overview of the Wholesale Capital Credit Retirement and responded to questions from the Committee.

Director Logan moved and Director Gimarc seconded the motion that the Finance Committee recommend the Board of Directors approve the attached resolution retiring 1999 wholesale capital credits in the amount of \$1,674,809 to Homer Electric

Association Inc., Matanuska Electric Association, Inc. and Seward Electric System to the Board of Directors. The motion passed unanimously.

XI. Simplified Rate Filing

Arthur Miller, Director, Regulatory Affairs and Pricing, presented the Simplified Rate Filing (SRF) and responded to questions from the Committee.

Director Logan moved and Director Hill seconded the motion that the Finance Committee recommend the Board of Directors approve the attached resolution authorizing the adoption of the SRF process in compliance with 3 AAC 48.700 through 3 AAC 48.790 for adjustments to base demand and energy rates. The motion passed unanimously.

XII. Correspondence

- a. *3rd Quarter Financial Results – Full Set (Wolfe)*
- b. *3rd Quarter September Variance Report (McKay-Highers)*
- c. *Signature Authority Review Compliance (Cunningham/Smith)*
- d. *3rd Quarter Operating Budget Status Report (McKay-Highers)*
- e. *3rd Quarter Capital Tracking Report (McKay-Highers)*
- f. *3rd Quarter Deferred Debits by Division (Quigley)*

XIII. Executive Session

- a. *Presentation on Opportunity for Beneficial Land Transactions*

At 4:49 p.m., Director Logan moved and Director Gimarc 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 a presentation of Opportunity for Beneficial Land Transactions.

The matters to be discussed include:

- A. Opportunity for Beneficial Land Transactions

The motion passed unanimously. The Committee went into Executive Session. The meeting reconvened in open session at 5:03 p.m.

XIV. Opportunity for Beneficial Land Transactions

Director Logan moved and Director Gimarc seconded the motion that the Finance Committee recommend the Board of Directors authorize Chugach's Chief Executive Officer to sign an Agreement for Purchase and Sale of Real Property from AWWU in the amount of \$2,400,000 and related sale of the Huffman Substation property to AWWU for approximately \$200,000. The motion passed unanimously.

XV. Director Comments

Director Reiser: "No comments."

Director Logan: “No comments.”
Director Gimarc: “No comments.”
Director Vazquez: “No comments.”
Director Hill: “No comments.”

XVI. Adjourn

Director Logan moved and Director Gimarc seconded the motion to adjourn. The meeting adjourned at 5:04 p.m.

DRAFT