

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

**FINANCE COMMITTEE
MEETING MINUTES**

November 5, 2003

Committee Member Present: Jeff Lipscomb, Chair
 Red Boucher
 Sam Cason

Committee Member(s) Absent: Dave Cottrell

Other Directors in Attendance: Chris Birch
 Bruce Davison
 Pat Jasper

Guests: Jim Patras, Homer Electric Assoc., Inc.
 Jim Walker, Matanuska Electric Assoc., Inc.
 Dan Kennedy, Financial Advisor to the Board of Directors

Staff in Attendance:

Bill Bernier	Dianne Hillemeier	Rick Freymiller
Bill Stewart	Carol Johnson	Katrina Storjohann
Mike Cunningham	Ken Thomas	Mary Tesch
Dave Smith	Mike Massin	Lee Thibert
Don Edwards	Sherri McKay	Ron Vecera
Brad Evans	Arthur Miller	Jody Wolfe
Mark Fouts	Kathy Harris	Gregg Arthur
Joe Griffith	Dan Knecht	
Carol Heyman	Lori Kirkendall	

Recording Secretary: Connie Owens, Executive Assistant

I. Call to Order

Chair Lipscomb convened the Finance Committee meeting on Wednesday, November 5, 2003, at 4:10 p.m. in the training room of Chugach Electric Association, Inc., 5601 Minnesota Drive, Anchorage, Alaska.

II. Approval of the Agenda

Director Boucher moved and Chair Lipscomb seconded the motion to approve the agenda. The motion passed unanimously.

III. Review of 2004 Operating Budget

Chief Executive Office Joe Griffith briefed the Committee on the vision and mission statement and addressed the operational and financial goals in the 2004 Operating Budget and responded to questions.

Mike Cunningham, Chief Financial Officer, discussed the major assumptions for the 2004 Budget. He addressed the kWh sales, revenue comparison/breakdown, expenses and major expense category variances. Mike also reviewed the components of labor and the operational/strategic challenges that Chugach is facing in 2004.

Jeff Lipscomb requested additional information on limitations of capital credit distributions according to our bylaws and accounting rules. He wanted to know what would happen to the equity ratio if we had a capital credit retirement in 2004. He also requested a sensitivity analysis on achieving a 1.25 MFI/I in 2004.

VI. Adjourn

The Finance Committee Meeting adjourned at 5:10 p.m.