

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

FINANCE COMMITTEE
MEETING MINUTES

November 13, 2002

Committee Member Attendees: Jeff Lipscomb, Chair
Red Boucher
Dave Cottrell (arrived at 4:23 p.m.)
Sam Cason (arrived at 4:12 p.m.)

Other Directors in attendance: Pat Jasper
Bruce Davison
Chris Birch

Staff in Attendance:

Joe Griffith	Bill Stewart	Lee Thibert	Mike Cunningham
Katrina Storjohann	Mike Massin	Ron Vecera	Mary Tesch
Carol Johnson	Rick Freymiller	Mark Fouts	Gina Armstrong
Bill Bernier	John Cooley	Diane Hillemeier	Brad Evans
Jody Wolfe	Brian Hickey	Kathy Harris	Dee Fultz
Sherri McKay	Bill Bernier	Arthur Miller	Dan Knecht
Patti Bogan	Alice Mullins		

Recording Secretary: Connie Owens, Executive Secretary

I. Call To Order

Jeff Lipscomb called the Finance Committee meeting to order at 4:10 p.m. in the board room of Chugach Electric Association, Inc. 5601 Minnesota Drive, Anchorage, Alaska.

II. Approval of Agenda

Director Cottrell moved and Director Cason seconded the motion to approve the agenda as presented. The motion was approved unanimously.

III. Approval of the Minutes – November 6, 2002

Director Cason moved and Director Cottrell seconded the motion to approve the minutes as presented. Motion passed unanimously.

IV. Retail Capital Credits Retirement

Ron Vecera gave a presentation on the retail capital credits retirement. Director Cottrell moved and Director Cason seconded the motion to recommend approval of \$2.77 million in retail capital credit retirements to the full board at it's November 20, 2002 board meeting.

V. Review Third Quarter SEC Form 10Q

Sherri McKay gave a presentation on the third quarter SEC Form 10Q. Director Cottrell asked if KPMG reviewed the document. Mike Cunningham stated they had and would get a letter from them stating their review was complete. Director Cottrell moved and Director Cason seconded the motion to recommend signing and filing of the document.

VI. Operating Cash Flow Analysis (3rd Quarter)

Mike Cunningham gave a presentation on the third quarter operating cash flow analysis. Director Cottrell requested further detail on the "Refinancing/Deferred Debts" section.

VII. 2003 Operating and Capital Budget Recommendation

Joe Griffith gave an explanation on two budget scenarios and responded to questions from the Committee.

Director Boucher moved and Director Cottrell seconded the motion to recommend adoption of Budget Scenario A to the full board at it's November 20, 2002 Board meeting. The motion passed unanimously.

Director Cottrell moved and Director Boucher seconded the motion to adopt the capital budget as presented.

Director Jasper requested an amendment to the motion adding \$400,000 to the Capital Budget to include two projects that were eliminated; 115KV disconnect switches at Summit Lake (\$174,461) and conductor breakaway switches for avalanche mitigation on 115KV transmission line (\$224,735). Director Cottrell, the maker of the motion rejected the friendly amendment.

Director Boucher moved to amend the motion to include the monies necessary to include those projects in the Capital Budget. Director Cason seconded the amendment. Motion failed. Directors Cason and Boucher voted in favor of the amendment, Directors Cottrell and Lipscomb voted against.

The original motion on the floor, recommend adoption of 2003Capital Budget Version A to the full board at the November 20, 2002 meeting as presented passed unanimously.

VIII. Business Plan

Joe Griffith discussed the Business Plan and responded to questions from the Committee. Director Cason moved and Director Cottrell seconded the motion to recommend approval of the 2003 Business Plan Version A to the full Board at it's November 20, 2002 Board meeting. The motion passed unanimously.

IX. Contracting Report

Dan Knecht discussed the contracting report and responded to questions from the committee.

X. Capital Tracking Report

Mike Cunningham briefed the Committee on the Capital Tracking Report.

XI. South Anchorage Loop

Mike Massin discussed the Cost Estimate Variances in the South Anchorage Loop Project.

XII. Rate Case Update

Rick Freymiller gave an update on the 2000 Rate Case.

XIII. Rate Comparisons

Rick Freymiller gave a presentation on the Rate Comparisons of various utilities.

XIV. 401K Plan Document Update

Mary Tesch briefed the committee on employee 401K Plan. Director Cottrell moved and Director Cason seconded the motion to recommend approval to the full Board at it's November 20, 2002 meeting. The motion passed unanimously.

XV. General Comments & Correspondence

a. SEC Release Implementing Sarbanes-Oxley Provisions

XVI. Executive Session

None.

XVII. Adjourn

The meeting adjourned at 6:56 p.m.