

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

October 4, 2006

ACTION REQUIRED

AGENDA ITEM NO. XV.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Board Policy 110 – Statement of Functions of Finance Committee

DISCUSSION

At the Finance Committee meeting of September 27, 2006, it was proposed to revise Board Policy 110 to increase the number of committee members from four to six. Attached is the mark-up policy for consideration.

MOTION

Move that the Board Operations Committee approves for recommendation to the full Board for its approval the revisions to Board Policy 110, Statement of Functions of Finance Committee, as attached.

CHUGACH ELECTRIC ASSOCIATION, INC

BOARD POLICY: 110

DATE: July 21, 2004

STATEMENT OF FUNCTIONS OF FINANCE COMMITTEE

I. OBJECTIVE

To state the functions of the Finance Committee for providing an in-depth Board review of finances and cash management and controls and financial planning.

II. DUTIES AND RESPONSIBILITIES

The Finance Committee of the Association Board of Directors:

- A. Reviews the Association financial and other operating statements and, unless otherwise performed by a separate Board-appointed Audit Committee, with auditor present, the annual financial audit and the management letter to determine if any action is required, discusses such action with the Chief Executive Officer and makes appropriate recommendations to the Board.
- B. Reviews the consolidated operating and capital budgets as recommended by the Chief Executive Officer and makes appropriate recommendations to the Board.
- C. Reviews all budget revisions greater than \$1,000,000.
- D. Studies staff recommendations on financial management policies and practices and makes appropriate recommendations to the Board.
- E. Reviews periodically the investment of funds to make sure the principal is safe and the rate of return is reasonable and discusses with the Chief Executive Officer any action required.
- F. Unless otherwise performed by a separate Board-appointed Audit Committee, reviews, when necessary, with the Chief Executive Officer, firms available to conduct the independent financial audit and makes an appropriate recommendation to the Board. Recommends to the Board the selection of auditor and the scope of any special emphasis desired in the audit.
- G. Reviews sources and strategies for financing and makes appropriate recommendations to the Board.

- H. Reviews the long-range financial plans and forecasts to determine the financial needs of the Association and how they will be met and makes appropriate recommendations to the Board.
- I. Reviews proposed base rate changes and makes recommendations to the Board.
- J. Reviews annually objectives and goals in areas assigned to this committee and makes appropriate recommendations to the Board.
- K. Reviews capital credit policies and practices and makes appropriate recommendations to the Board.
- L. Reviews such other matters as may be specifically assigned to it by the Board.
- M. Reviews the equity management plan and makes recommendations to the Board of Directors.
- N. Reviews annually the Construction Work Plan and makes recommendation to the Board.
- O. Serves as the Audit Committee with the functions and responsibilities described in Board Policy 127.

III. ORGANIZATIONAL RELATIONSHIPS

- A. Makes recommendations to the Board in matters outlined in II above.
- B. The committee shall be comprised of not more than ~~four~~six Directors, including the Treasurer of the Board. With the exception of the Operations Committee and any special or ad hoc committee, every effort will be made so that no Director may serve on more than one committee.
- C. The Treasurer of the Board shall serve as chairperson of the committee. The Board Chairman shall appoint the Audit Committee chairperson, with the consent of the Board, who need not be the Board Treasurer. The committee shall elect from its membership a vice chairman, and appoint a recording secretary as needed.
- D. The committee shall meet only as needed. The committee chairperson shall convene all meetings of the committee or a majority of the committee may call a special meeting.
- E. The chairman may appoint sub-committees from the committee's membership to study specific areas. Written statements of the functions of such subcommittees

should be prepared and reviewed periodically.

- F. Staff Liaison: Chief Executive Officer or his/her designee.

IV. TERM OF OFFICE

- A. The committee is a continuing one.
- B. The term of each member is for one year and thereafter or until a successor is appointed.

Date Approved: July 21, 2004 Attested: _____
Secretary of the Board