

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**FINANCE COMMITTEE**  
**MEETING MINUTES**

**September 9, 2009**

Committee Members in Attendance: PJ Hill, Chair  
Pat Kennedy  
Rebecca Logan  
Alex Gimarc  
Elizabeth Vazquez (arrived at 4:06 p.m.)

Other Director Present: Janet Reiser  
Jim Nordlund (arrived at 4:03 p.m.)

Guests in Attendance: Lorali Carter (MEA)

Staff in Attendance:

Brad Evans	Mike Cunningham	Mark Johnson	Paul Risse
Lee Thibert	Tyler Andrews	Dave Smith	Ed Jenkin
Jody Wolfe	Theresa Quigley	Dora Gropp	Connie Owens
Arthur Miller	Rick Freymiller	Ken Thomas	Sherri McKay – Highers
Ron Vecera	Bill Bernier		

Recording Secretary: Jennifer McDonald, Legal Secretary

**I. Convene Meeting**

Chair Hill called the Finance Committee to order at 4:00 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. August 12, 2009*

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

**V. Customer Comments**

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

**VI. July Financial Results**

Jody Wolfe, Controller, gave a presentation on the July Financial Statements and answered questions from the Committee.

*Director Nordlund arrived at 4:03 p.m. and Director Vazquez arrived at 4:06 p.m.*

**VII. Training - Equity**

Jody Wolfe, Controller, gave a presentation on Equity and answered questions from the Committee.

**VIII. Simplified Rate Filing**

Arthur Miller, Director, Regulatory Affairs & Pricing, gave an overview of Simplified Rate Filing and he and staff answered questions from the Committee.

Director Logan stated she would like a Special Board meeting to be scheduled before the November Board meeting to provide training to the Board regarding Simplified Rate Filing.

Director Vazquez stated that she would like to see an accounting of the potential savings.

Director Logan moved and Director Gimarc seconded the motion that the Finance Committee recommend the Board of Directors approve the attached resolution authorizing management to issue a notice to its members in compliance with 3 AAC 48.700 that the Chugach Board of Directors will consider and vote on the adoption of the Simplified Rate Filing process. The motion passed unanimously.

**IX. Project Authorization – 138/115kV Substation Upgrade at International Station**

Ed Jenkin, Vice President, Power Delivery, gave an overview of the 138/115kV Substation Upgrade at International Station and he and staff answered questions from the Committee.

Director Logan moved and Director Kennedy seconded the motion that the Finance Committee recommend the Board of Directors authorize project expenditures for the upgrade of a 138/115kV Substation at International Station at an estimated total cost

of \$21,600,000, with an estimated completion date of September 2012. The motion passed unanimously.

**X. Beluga Units 6 & 7: Row 2 Blades and Vanes Purchase**

Paul Risse, Senior VP, Power Supply, gave an overview of Beluga Units 6 & 7: Row 2 Blades and Vanes Purchase and answered questions from the Committee.

Director Logan moved and Director Kennedy seconded the motion that the Finance Committee recommend the Board of Directors authorize the purchase of row 2 blades and vanes from Alstom Power in the amount of \$1,899,582. The motion passed unanimously.

**XI. Correspondence**

- a. *July Variance Report*
- b. *Signature Authority Review Compliance*
- c. *3<sup>rd</sup> Quarter Railbelt Bill Comparison*

**XII. Director Comments**

**Director Logan:** None.

**Director Reiser:** None.

**Director Kennedy:** None.

**Director Vazquez:** None.

**Director Gimarc:** “I have a request for an excused absence for the Finance Committee meeting in October and the budget meetings – October 12, 13 and 14.”

**Director Nordlund:** None.

**Chair Hill:** Requested an excused absence for the September 30 Board meeting.

**XIII. Executive Session**

- a. *Update on the 2008 Rate Case*
- b. *CEO Compensation*

Director Logan moved and Director Gimarc seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1) and (2) the Finance Committee go into executive session 1) 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 status update on the 2008 Test Year Rate Case; and 2) to discuss subjects that may tend to prejudice the reputation or character of a person as it relates to discussion of the CEO compensation package. The matters to be discussed include: A. Update on the 2008 Rate Case, and B. the CEO’s Compensation. The motion passed unanimously.

The Finance Committee went into Executive Session at 4:43 p.m. and resumed in open session at 5:28 p.m.

**XIV. CEO Compensation**

Director Gimarc moved and Director Logan seconded the motion that the Finance Committee recommend the Board of Directors approve the CEO compensation as discussed during executive session. The motion passed unanimously.

**XV. Adjourn**

Director Logan moved and Director Kennedy seconded the motion to adjourn. The meeting adjourned at 5:28 p.m.