

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

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

**October 13, 2009**

Committee Members in Attendance: PJ Hill, Chair  
Pat Kennedy  
Rebecca Logan (*arrived at 4:08 p.m.*)  
Alex Gimarc (*via telephone – connected during  
executive session*)  
Elizabeth Vazquez

Other Director Present: Janet Reiser  
Jim Nordlund (*arrived at 4:18 p.m.*)

Guests in Attendance: *None*

Staff in Attendance:

Brad Evans	Mike Cunningham	Mark Johnson	Paul Risse
Lee Thibert	Tyler Andrews	Dave Smith	Ed Jenkin
Theresa Quigley	Kathy Harris	Divina Portades	Sherri McKay-Highers
Greg Archibald			

Recording Secretary: Jennifer McDonald, Legal Secretary

**VI. Reconvene Meeting**

Chair Hill reconvened the Finance Committee meeting at 4:00 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

**VII. Executive Session**

*A. 2010 Operating Budget*

- i. 2010 Power Delivery Budget Overview*
- ii. 2010 Power Supply Budget Overview*
- iii. Risk Factors Associated with the 2010 Budget*

Director Kennedy moved and Director Vazquez seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1) and (3) the Finance Committee return to executive session recessed yesterday, October 12<sup>th</sup>, to continue discussions on 1) financial matters, the immediate knowledge of which would clearly have an adverse effect on

the finances of the cooperative and 2) matters with its attorney, the immediate knowledge of which would clearly have an adverse effect on the legal position of the cooperative as it relates to Chugach's Operating Budget 2010.

The matter to be discussed will be the Association's 2010 Operating Budget. The motion to go into executive session passed unanimously.

*The Committee went into executive session at 4:02 p.m., paused for a break at 5:17 p.m., and resumed in open session at 5:24 p.m.*

*Directors Logan and Nordlund arrived and Director Gimarc connected telephonically during executive session.*

### **VIII. Customer Comments**

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

### **IX. 2010 Operating Budget Overview**

Mike Cunningham, Sr. Vice President Finance and Bradley Evans, Chief Executive Officer, gave a presentation on the 2010 Operating Budget Overview and answered questions from the Committee.

### **X. 2010-2014 Capital Improvement Program**

Ed Jenkin, Vice President Power Delivery, Paul Risse, Sr. Vice President Power Supply, Lee Thibert, Sr. Vice President Strategic Planning & Corporate Affairs, and Dave Smith, Sr. Vice President Administration, gave a presentation on the 2010-2014 Capital Improvement Program and answered questions from the Committee.

*Director Logan departed at 5:45 p.m.*

### **XI. Correspondence**

None.

### **XII. Director Comments**

**Director Reiser:** "I certainly want to thank the staff for the budget work that has been given. I know it took a lot of work and I think - I really appreciate the detail and I appreciate the risk analysis - it was helpful and I want to continue with that. I guess one of the things that makes it clear to me is that we have some risks out there and I think that you guys are doing a great job of handling them and it also makes me just more determined than ever to see this SPP project go through smoothly and help us to mitigate some of those other risks that are out there. But anyway, thank you for the hard work - I know you - it was very clear - your presentations were all very clear and I appreciate that. Thank you."

**Director Kennedy:** “Having sat through nine years of stuff done otherwise I think this was a lot of help. It didn’t include everything that used to be in it but it also included a lot of stuff that wasn’t in the past. So, I got a better understanding of what’s going on.”

**Director Gimarc:** “I appreciate the work on the financials. It appears we are going in the right direction. Thanks for the attention to cost control and we’ll see if we can mitigate the risk. Thank you.”

**Director Vazquez:** “Well, thank you. I know it was hard work putting this whole – some of these materials together. I appreciate the cost controls. And I especially appreciated the additional risk analysis that was – it has been the most thorough risk analysis we’ve had at least since I’ve been on the board – and that’s four years, so thank you. In the future, I’d like to see a more careful consideration of how we get into executive session and discuss budget. I mean I would prefer an overall presentation – and then I mean historically – the last couple of years, there’s a long public session on the budget and then there’s a smaller executive session that talks very specifically about sensitive issues and strategic concerns. So, I think that we could do a better job about being more public about the budget process. I think that’s important since we are subject to the open meetings law. So, I know everybody has had a lot of work on their plate and it’s easier to just put everything – when in doubt – just put everything in executive session as much as you can but, I’d like to see more of an effort in the future of being more discerning of what we discuss in executive session.”

**Director Nordlund:** “I just want to thank everybody for the *unintelligible* presentations. It always gives you a good snapshot of what’s going on in the Association and there is a lot going on. It’s amazing how much work a relatively small staff does and I appreciate all the work that you all are doing. Thanks for the presentation.”

**Chair Hill:** “I too want to thank everybody - and especially Sherri - the graphs and stuff were really instructive and being responsive to the kind of concerns last night versus the new graphs you inserted today with the represented versus the non-represented employees and it was really clear. And I think the whole discussion on risk was really beneficial because it really puts a lot of our concerns out in the open. So, I want to thank everybody.”

### **XIII. Executive Session**

None.

### **XIV. Adjourn**

Director Kennedy moved and Director Vazquez seconded the motion to adjourn. The meeting adjourned at 6:26 p.m.