Finance Committee Notes

August 17, 2010

The Finance Committee met at 3:00 pm via teleconference on August, 2010, with John Klosterman, Treasurer and Finance Committee chair; Debbie Kitchin, Board member; Dan Enloe, Board member; Sue Sample, CFO attending. John Reynolds, Margie Harris, and Pati Presnail did not attend.

Banking Process

Sue updated the committee on the status of the implementation of the banking arrangements. The documents are currently in negotiation with the legal counsel of both parties. Energy Trust was interested in making the agreements more equitable for both parties. The committee discussed the line of credit as approved and proposed by the bank. Topics covered included:

- Fee-determined to be reasonable, but would want to negotiate downward once bank becomes more familiar with our activities.
- Covenants-determined to be too high, given Energy Trust's charge to get funds back into ratepayers hands for conducting energy efficiency and renewable energy projects. Sue to inform and negotiate with bank.
- Date-to be revised to September 1, 2010—date of Board meeting and signatures.

Legal counsel is still in the process of reviewing this document along with the others and may have additional comments and suggested revisions.

June 2010 Financial Statements

The committee discussed the June financial statements previously distributed, highlighting the difference between budgeted and actual incentive expenditures. The variance is driven by shortfalls in the commercial sector and by delays in renewable project payments. Two big renewable payments were made in July. The committee also noted an error in the cumulative graph which will be corrected before the board packet is distributed. July statements are expected to be available within the next week.

ISP Recommendation

Sue let the committee know that they would be receiving a revised resolution regarding the ISP authorization in their packets. The resolution was amended to provide more detail in the "whereas" section to commemorate the process and reasoning behind the selection of Epicor as the finalist.

The meeting adjourned at 3:40 pm.

Next Meeting

The Finance Committee's next scheduled meeting is a conference call on October 18 at 3 pm.