

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

November 27, 2017
Monday
4:00 p.m.

AUDIT AND FINANCE COMMITTEE MEETING

Recording Secretary: Divina Portades

I. CALL TO ORDER

Chair Cooper called the Audit and Finance Committee meeting to order at 4:02 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Roll Call

Committee Members Present:

Sisi Cooper, Chair
Susan Reeves, Vice Chair
Jim Henderson, Director
Bettina Chastain, Director (*arrived at 4:04 p.m.*)
Janet Reiser, Director

Other Board Member Present:

Harry Crawford, Director
Stuart Parks, Director

Guests and Staff in Attendance:

Lee Thibert	Mark Johnson	Renee Curran
Sherri Highers	Tyler Andrews	Jean Kornmuller
Arthur Miller	Jody Wolfe	Kathy Harris
Connie Owens	Brian Hickey	Debra Caldwell
Paul Risse	Todd McCarty	Josh Resnick
Tom Schulman		

II. APPROVAL OF THE AGENDA

Director Reeves moved and Director Reiser seconded the motion to approve the agenda. The motion passed unanimously.

Director Chastain was not present at the time of the vote.

III. APPROVAL OF THE MINUTES

Director Reeves moved and Director Reiser seconded the motion to approve the November 6, 2017, Audit and Finance Committee Meeting minutes. The motion passed unanimously.

Director Chastain arrived at 4:04 p.m.

IV. PERSONS TO BE HEARD

- A. *Member Comments*
None

V. CEO REPORTS AND CORRESPONDENCE

None

VI. EXECUTIVE SESSION

- A. *Strategic Planning*
1. *2018 Operating Budget and Capital Improvement Plan*
a. *2018 Operating Budget*
b. *2018-2022 Capital Improvement Plan*
c. *2018 Risk Factors*

At 4:05 p.m., Director Reeves moved and Director Henderson seconded the motion that pursuant to Alaska Statute 10.25.175 (c)(1), the Audit and Finance Committee go into executive session to discuss financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative. The motion passed unanimously.

The meeting reconvened in open session at 6:02 p.m.

VII. NEW BUSINESS

- A. *Recommendation on Approval of the 2018 Operating and Capital Budget* (Highers)*
Director Reeves moved and Director Henderson seconded the motion that the Audit and Finance Committee recommend the Board of Directors approve the 2018 Operating and Capital Budget which is expected to produce margins of \$7.1 million, MFI/I ratio of 1.32, TIER ratio of 1.35 and Equity to Total Capitalization ratio of 30.9%. These results are based on a Total Cost of Service of \$208.6 million, Total Revenue of \$214.9 million, Non-Operating Margins of \$0.8 million, and a capital expenditure cash requirement of \$41.9 million. The motion passed unanimously.

VIII. DIRECTOR COMMENTS

Comments were made at this time.

IX. ADJOURNMENT

At 6:06 p.m., Director Reiser moved and Director Reeves seconded the motion to adjourn. The motion passed unanimously.