



**CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA**

AUDIT AND FINANCE COMMITTEE MEETING

AGENDA

Rachel Morse, Chair
Harold Hollis, Vice Chair

Susan Reeves
Jim Henderson
Bettina Chastain

May 12, 2020

4:00 p.m.

Chugach Board Room

- I. CALL TO ORDER (4:00 p.m.)
 - A. *Roll Call*
- II. APPROVAL OF THE AGENDA*
- III. APPROVAL OF THE MINUTES*
 - A. *March 18, 2020 (Quezon)*
- IV. PERSONS TO BE HEARD
 - A. *Member Comments*
- V. CEO REPORTS AND CORRESPONDENCE (scheduled) (4:05 p.m.)
 - A. *1st Quarter 2020 Operating Budget Status Report (Curran) (4:05 p.m.)*
 - B. *1st Quarter 2020 Capital Tracking Report (Curran) (4:20 p.m.)*
 - C. *1st Quarter 2020 Contract Status Report (Vecera) (4:35 p.m.)*
 - D. *IRS Form 990 (Curran) (4:50 p.m.)*
 - E. *CFC Credit Card One Pilot Program Update (Vecera/Wolfe) (5:05 p.m.)*
 - F. *1st Quarter 2020 Financial Statements and Variance Report (Harris/Curran) (5:20 p.m.)*
- VI. NEW BUSINESS (scheduled) (5:35 p.m.)
 - A. *1st Quarter 2020 Financial Information (Harris)*
- VII. EXECUTIVE SESSION* (scheduled) (5:55 p.m.)
 - A. *KPMG 1st Quarter 2020 Review/KPMG Contract (5:55 p.m.)*
 - B. *FY2020 Tax Services (6:10 p.m.)*
 - C. *March 31, 2020, SEC Form 10Q Review (6:25 p.m.)*
 - D. *Accounting for ML&P Acquisition (6:40 p.m.)*
 - E. *Capital Credit Retirement (6:50 p.m.)*

* Denotes Action Items

** Denotes Possible Action Items

5/7/2020 11:13:53 AM

VIII. NEW BUSINESS* (*continued*) (7:05 p.m.)

- A. *FY2020 Tax Services* (Highers) (7:05 p.m.)*
- B. *KPMG Contract* (Highers) (7:10 p.m.)*
- C. *March 31, 2020, SEC Form 10Q Filing* (Curran) (7:15 p.m.)*
- D. *Annual Review of Board Policy 207 Audit and Finance Committee Discussion (Committee) (7:20 p.m.)*
- E. *Capital Credit Retirement* (Highers) (7:30 p.m.)*

IX. DIRECTOR COMMENTS (7:35 p.m.)

X. ADJOURNMENT* (7:45 p.m.)

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

March 18, 2020
Wednesday
4:00 p.m.

AUDIT AND FINANCE COMMITTEE MEETING

Recording Secretary: Arden Quezon

I. CALL TO ORDER

Chair Morse 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:

Rachel Morse, Chair
Harold Hollis, Vice Chair *(via teleconference)*
Susan Reeves, Director *(via teleconference)*
Jim Henderson, Director *(via teleconference)*
Bettina Chastain, Director *(via teleconference)*

Other Board Member Present:

Harry Crawford, Director
Stuart Parks, Director *(via teleconference)*

Guests and Staff in Attendance:

Lee Thibert	Jody Wolfe	Mike Hayhurst, KPMG
Sherri Highers	Renee Curran	<i>(via teleconference)</i>
Matthew Clarkson	Kathy Harris	Melissa Beedle, KPMG
		<i>(via teleconference)</i>

II. APPROVAL OF THE AGENDA

Director Hollis moved and Director Henderson seconded the motion to approve the agenda. The motion passed unanimously.

III. APPROVAL OF THE MINUTES

Director Reeves moved and Director Henderson seconded the motion to approve the November 6, 2019, Audit and Finance Committee Meeting minutes. The motion passed unanimously.

IV. PERSONS TO BE HEARD

A. Member Comments

None

V. CEO REPORTS AND CORRESPONDENCE

- A. *4th Quarter 2019 Capital Tracking Report (Curran)*
Chair Morse discussed the 4th Quarter 2019 Capital Tracking Report.
- B. *4th Quarter 2019 Operating Budget Status Report (Curran)*
The 4th Quarter 2019 Operating Budget Status Report was provided in the meeting packet.
- C. *4th Quarter 2019 Contract Status Report (Vecera)*
The 4th Quarter 2019 Contract Status Report was provided in the meeting packet.
- D. *2019 Year-End Financial Statements and Variance Report (Harris/Curran)*
The 2019 Year-End Financial Statements and the Variance Report were provided in the meeting packet.

VI. NEW BUSINESS

- A. *2019 Year-End Financial Information (Harris)*
Kathy Harris, Sr. Manager, General Accounting discussed the 2019 Year-End Financial Information and responded to questions from the Committee.

VII. EXECUTIVE SESSION

- A. *Strategic Planning*
 - 1. *Review and Accept the 2019 Independent Audited Financial Statements*
 - 2. *Pre-Approval for FY2020 Audit Services*
 - 3. *Board and Auditor Discussion*
 - 4. *December 31, 2019, SEC Form 10K Review*
 - 5. *Accounting for the ML&P Acquisition*

At 4:09 p.m., Director Hollis moved and Director Reeves 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 6:36 p.m.

VIII. NEW BUSINESS

- A. *Accept the 2019 Independent Audited Financial Statements* (KPMG)*
Director Reeves moved and Director Chastain seconded the motion that the Audit and Finance Committee recommend the Board of Directors approve the 2019 Independent Audited Financial Statements of Chugach Electric Association, Inc. and footnotes as presented by KPMG and management. The motion passed unanimously.

B. December 31, 2019, SEC Form 10K Filing (Curran)*

Director Hollis moved and Director Chastain seconded the motion that the Audit and Finance Committee recommend to the Board of Directors that management file the Securities and Exchange Commission Form 10K by the due date incorporating any amendments to the document which will be reviewed and approved by KPMG. Mr. Hayhurst and Ms. Highers will immediately inform the Board, in writing, of any material or significant changes. The motion passed unanimously.

C. Pre-Approval of KPMG for FY2020 Audit Services (Highers)*

Director Hollis moved and Director Chastain seconded the motion that the Audit and Finance Committee recommend the Board of Directors approve the retention of KPMG for audit services for FY2020 in accordance with the fees outlined in KPMG's contract, due to expire April 15, 2021. The motion passed unanimously.

IX. DIRECTOR COMMENTS

Director comments were deferred to the Special Board of Directors' meeting, immediately following the Audit and Finance Committee meeting.

X. ADJOURNMENT

At 6:40 p.m., Director Chastain moved and Director Henderson seconded the motion to adjourn. The motion passed unanimously.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

April 29, 2020

TO: Sherri L. Highers, CFO
FROM: Renee Curran, Manager, Budget & Financial Reporting
SUBJECT: 1st Quarter 2020 Operating Budget Status Report

The Operating Budget Status Report on page 2 reflects the budget adjustment for the first quarter and is outline below.




- A. As a result of energization of the transmission lines from Bradley Lake sooner than anticipated in the 2020 Budget, fuel and purchased power expense was reduced, as well as the revenue recovered through the fuel and purchased power adjustment process.

The foregoing budget adjustment had a \$0 net impact on the 2020 Operating Budget.

CHUGACH ELECTRIC ASSOCIATION, INC.
OPERATING BUDGET STATUS REPORT
1ST QUARTER 2020

CATEGORY	2020 APPROVED BUDGET	2020 Q1 BUDGET REVISIONS	2020 Q1 AMENDED BUDGET
REVENUES:			
TOTAL REVENUE	\$227,256,742	(\$8,888,507)	\$218,368,235
EXPENSES:			
FUEL EXPENSE	68,747,863	(8,743,557)	60,004,306
POWER PRODUCTION EXPENSE	21,763,699	0	21,763,699
COST OF PURCHASED POWER	19,607,365	(144,950)	19,462,415
TRANSMISSION EXPENSE	7,416,584	0	7,416,584
DISTRIBUTION EXPENSE-OPERATIONS	7,253,187	0	7,253,187
DISTRIBUTION EXPENSE-MAINTENANCE	9,125,276	0	9,125,276
CONSUMER ACCOUNTS EXPENSE	6,853,945	0	6,853,945
CUSTOMER SERVICE/INFO EXPENSE	856,021	0	856,021
ADMINISTRATIVE/GENERAL EXPENSE	25,445,771	0	25,445,771
TOTAL OPERATIONS/MAINTENANCE EXPENSE	\$167,069,711	(\$8,888,507)	\$158,181,204
DEPRECIATION/AMORTIZATION EXPENSE	31,953,849	0	31,953,849
TAX EXPENSE-OTHER	270,378	0	270,378
INTEREST ON DEBT	22,754,145	0	22,754,145
INTEREST ON CONSTRUCTION-CREDIT	(436,911)	0	(436,911)
OTHER DEDUCTIONS	400,000	0	400,000
TOTAL COST OF ELECTRIC SERVICE	\$222,011,172	(\$8,888,507)	\$213,122,665
PATRONAGE CAPITAL/OPERATING MARGINS	\$5,245,570	\$0	\$5,245,570
NON-OPERATING MARGINS-INTEREST	399,000	0	399,000
ALLOWANCE FUNDS USED DURING CONST.	145,638	0	145,638
NON-OPERATING MARGINS-OTHER	0	0	0
GENER./TRANS. CAPITAL CREDITS	0	0	0
OTHER CAPITAL CREDITS/DIVIDENDS	0	0	0
EXTRAORDINARY ITEMS	0	0	0
PATRONAGE CAPITAL OR MARGINS	\$5,790,208	\$0	\$5,790,208
<hr/>			
MF/I	1.25		1.25

BUDGET REVISION REQUEST

1.	Division: Corp Plnng & Analys	Department: Corp Plnng & Analysis
2	Add: <input type="checkbox"/>	Delete: <input checked="" type="checkbox"/> Transfer: <input type="checkbox"/>
3.	Full year amount (rounded to dollars): \$0	
4.	Monthly amounts (rounded to dollars - should total to line 3 above)	
	January \$0	May \$0
	February \$0	June \$0
	March \$0	July \$0
	April \$0	August \$0
		September \$0
		October \$0
		November \$0
		December \$0
5.	General Ledger Account Number (from): (44000-44400)-128-00-2101 44721-130-00-2101 54720-(245/500/613)-00-7410 54721-245-00-7410 54750-648-00-7410 55500-(064/655)-00-7410 General Ledger Account Number (to):	
6.	General Ledger Account Name (from): (Residential-Lighting)-Fuel-Other-Corporate Sales for Resale-Fuel-Seward-Other-Corp Prod-Fuel; Gas-(Fuel Mgmt/Beluga Gas- Hilcorp/SPP Gas-Hilcorp)-Other-Corporate Fuel Storage Fixed Cost-Fuel Mgmt-Other-Corp Prod-Fuel Transport-KBPL-Other-Corporate Purchased Power-(ML&P/EKL PP)-Other Corp General Ledger Account Name (to):	
7.	Explanation: Reduce fuel and purchased expense and revenue collected through the fuel and purchased power adjustment process as a result of resumed access to Bradley Lake power.	
8.	Requested by: Jacob Mozolik	Date: 4/23/20
9.	<\$25,000 Approved by:  (Senior) Manager	Date: 04-29-2020
10.	\$25,000 - \$250,000 Approved by:  Executive Vice President	Date: 04-29-2020
11.	\$250,000 - \$1,000,000 Approved by:  Chief Executive Officer	Date: 04-29-2020
12.	>\$1,000,000 Approved by:	Date:
	Board of Directors	
Obtain necessary approval signatures, forward to the Manager of Budget & Financial Reporting		

**CHUGACH ELECTRIC ASSOCIATION
CAPITAL PROJECT TRACKING REPORT
As of March 31, 2020**

CIP Ref #	Project Name ¹	Project Manager	BOD Project Approval Date	Estimate			Actuals			Variance		Project Completion	Comments
				Estimate	Revisions to Estimate	Revised Estimate	Spending to Date	Forecast to Completion	Total Estimated Completion Cost	Total Estimated Cost vs. Revised Estimate			
										Amount	%		
SYSTEM IMPROVEMENT PROJECTS													
eliability													
05.0974	Beluga Transformer T10 Replacement E1920053	Laughlin/Wendling	5/5/2019	\$2,500,000	\$0	\$2,500,000	\$2,419,299	\$99,701	\$2,519,000	\$19,000	101%	100%	The project has installed a new transformer, gas circuit breaker, disconnect switch and associated stuctures, foundations, bus work and miscellaneous hardware to form a complete 24.9kV distribution bay serving primarily Tyonek and secondarily the BRU gas fields. This project was phase checked and energized on March 24th. This project is complete and in close out.
10.0240	Retire INSS 138kV Facilities E1720055	Wendling	1/24/2018	\$2,700,000	\$0	\$2,700,000	\$552,742	\$2,147,258	\$2,700,000	\$0	100%	20%	This project will retire existing 138 kV facilities at the International Substation (INSS) and move two power transformers to new foundations with oil containment meeting fire protection and seismic requirements. Design is complete. The retirement portion of this project is underway. Staffing this portion of the effort aids us in managing COVID 19 risk , by having a contract crew on-site in the event of a manpower shortage due to COVID 19 illness. The construction portion of this project will be deferred to 2021 as a part of our COVID 19 capital budget reduction.
20.0320	Pt. Mackenzie 230 kV Substation Rebuild E1820056	Pahkala	9/17/2019	\$3,700,000	\$0	\$3,700,000	\$2,147,193	\$177,266	\$2,324,459	(\$1,375,541)	63%	93%	The November 30, 2018 earthquake damaged 15 of the 22 disconnect switches which rendered the 230kV portion of the Point MacKenzie Substation inoperable. This project replaced all 22 disconnect switches. Additionally, seismic mitigation measures were implemented to the bus. All construction activities have been completed and the 230kV portion of the substation was energized on March 24th. This project has entered the closeout phase. There was less structural damage than anticipated and all construction activities were completed prior to the loss of the winter access road, so the project is expected to come in under budget. Additionally, FEMA reimbursement is being pursued for this project.
etirements & Replacements													
16.0000	Land Mobile Radio Replacement C1730001	Murray	11/26/2019	\$1,995,169	\$0	\$1,995,169	\$554,798	\$1,440,371	\$1,995,169	\$0	100%	10%	Kickoff was held in mid-March. Chugach and RACOM are currently working on the detailed design for the system. Chugach and RACOM also submitted a letter of necessity to Tait to expedite manufacturing in New Zealand due to COVID-19.
perating Efficiency													
12.0213	Eklutna Hydroelectric Unit 2 Major Maintenance P1390213	Brodie	10/24/2019	\$1,047,681	\$0	\$1,047,681	\$378,630	\$669,051	\$1,047,681	\$0	100%	50%	The project was initiated by ML&P in July 2019 to complete a major overhaul of Unit 2 at Eklutna Lake. Chugach's portion of the original estimate was \$0.8M but since the start of the overhaul it was revised to \$1.0M as damaged valves and penstock repairs outside the original estimate were identified. The project is currently scheduled to be completed in July 2020. While the project is 50% complete and costs are slightly behind that, no significant variance from the estimate is anticipated at this time. There are no expected overruns at this time and the turbine is due to return to service on July 20, 2020 as noted.
Totals				\$11,942,850	\$0	\$11,942,850	\$6,052,662	\$4,533,647	\$10,586,309	(\$1,356,541)	89%	60%	

¹ Report tracks projects with costs exceeding \$1M.

² Represents Chugach costs only.



Chugach Electric Association

CFC One Card Program

AUDIT AND FINANCE COMMITTEE MEETING

MAY 12, 2020

Agenda

- Purpose
- Current System
- CFC One Card Opportunity
- Pilot Program
- CFC One Card Implementation Plan

Purpose

- Credit cards are a procurement method that supports:
 - Remote operations
 - Travel related expenses
 - “On-the-Spot” purchases (fleet, materials and supplies)

Current System

- Card issued by FNBA since August 2004
- Manual/paper intensive system
- No on-line management features
- No rewards or benefits
- Unexplained data breach

CFC One Card Opportunity

- One Card (US Bank) used by hundreds of electric cooperatives
- On-line administrative benefits:
 - New user set-up
 - Card limit changes
 - Card cancellation
 - Purchase blocks
- Accounting benefits:
 - Paperless Features
 - On-line reconciliation and approvals
 - Uploading of imaged receipts
 - More efficient approvals, journal entries and data reports

Pilot Program

- CFC One Card tested by 11 users
- Feedback from users included:
 - Administratively more flexible and less time consuming
 - Ability to send in electronic images immediately
- Feedback from other utilities:
 - Very happy with card functionality
 - Like the reward
 - Not aware of additional features they could be using
 - Still have issues with how cards are used but not with the card itself

CFC Card Implementation Plan

- Expand the card program to existing credit card users
- Executives to verify user necessity and amounts
- Currently updating policy and user agreement
- Implement prior to ML&P acquisition and addition of new users
- Card cost of \$12/card per year with expected annual award of about \$15,000

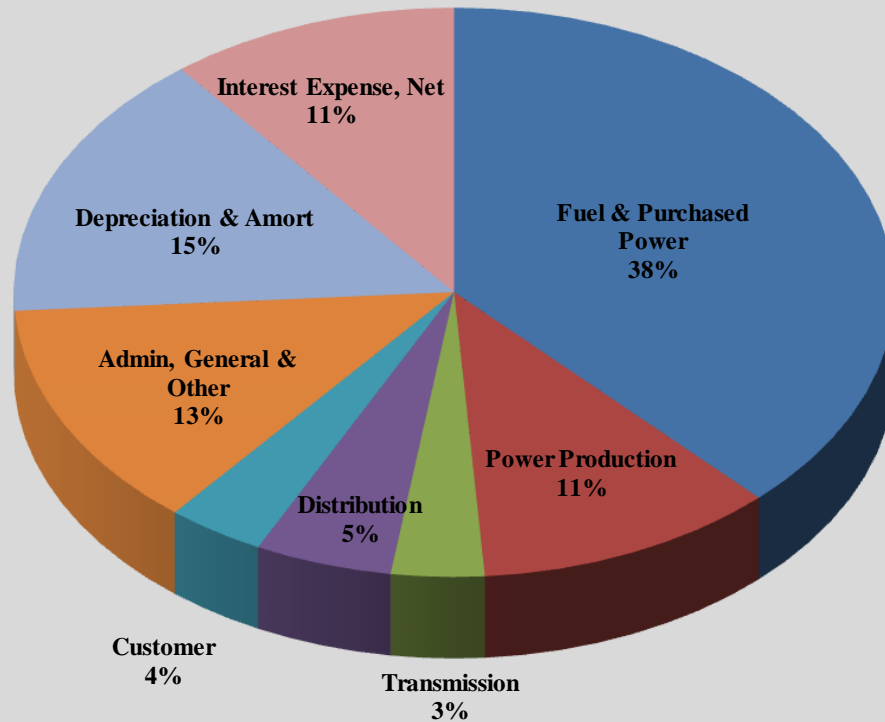
Questions



STATEMENT OF OPERATIONS

CATEGORY	2020 MTD ACTUAL	2020 MTD BUDGET	2020 MTD VARIANCE
Operating Revenue and Patronage Capital	\$ 18,505,795	\$ 17,270,096	\$ 1,235,699
Fuel and Purchased Power Expense	6,540,199	5,290,772	1,249,427
Power Production Expense	1,908,185	1,758,715	149,470
Transmission Expense	591,045	738,585	(147,540)
Distribution Expense	869,472	1,294,713	(425,241)
Customer Expense	619,715	623,073	(3,358)
Administrative, General and Other	2,252,005	2,215,907	36,098
Depreciation & Amortization Expense	2,658,795	2,649,276	9,519
Interest Expense, Net	1,842,898	1,912,773	(69,875)
Total Cost of Electric Service	\$ 17,282,314	\$ 16,483,814	\$ 798,500
Patronage Capital & Operating Margins	\$ 1,223,481	\$ 786,282	\$ 437,199
Non-Operating Margins - Interest	33,595	33,250	345
Allowance for Funds Used During Construction	9,858	5,912	3,946
Non-Operating Margins - Other	(87,886)	-	(87,886)
Patronage Capital or Margins	\$ 1,179,048	\$ 825,444	\$ 353,604

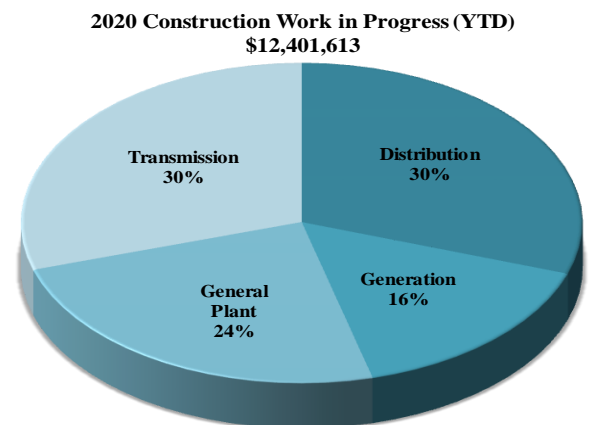
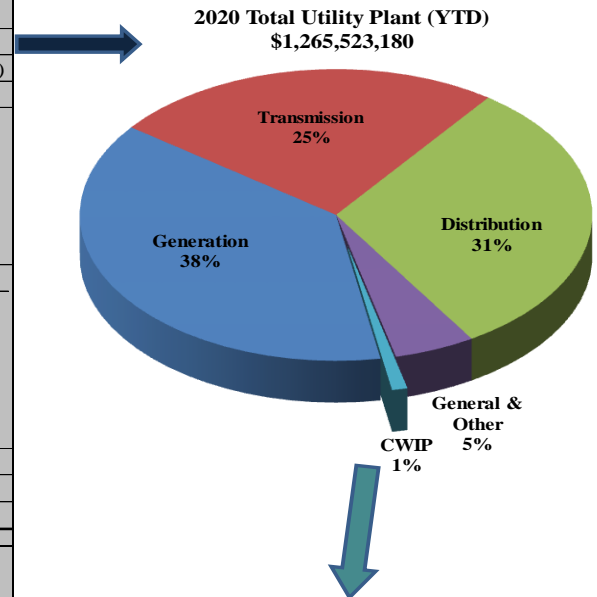
Total Cost of Electric Service (MTD Actual)



BALANCE SHEET

ASSETS & OTHER DEBITS	03/31/2020	12/31/2019
Electric Plant in Service	1,253,121,567	1,242,523,092
Construction Work in Progress	12,401,613	16,966,608
Total Utility Plant	\$ 1,265,523,180	\$ 1,259,489,700
Accum. Prov. for Depreciation/Amortization	(563,140,061)	(556,209,740)
Net Utility Plant	\$ 702,383,119	\$ 703,279,960
Nonutility Property - Net	76,889	76,889
Operating Lease Right-of-Use Assets	915,237	958,111
Investment in Assoc. Organizations	7,791,125	8,148,426
Special Funds	2,388,228	2,603,505
Restricted Cash & Other Investments	64,310	108,000
Long-term Prepayments	318,780	-
Total Other Property & Investments	\$ 11,554,569	\$ 11,894,931
Cash, Marketable Securities & Other	5,460,066	7,466,003
Special Deposits/Restricted Cash	558,676	1,298,455
Accounts Receivable - Net	29,383,709	30,120,230
Materials and Supplies, Fuel Stock	26,991,776	30,265,047
Prepayments	4,000,115	2,699,308
Other Current & Accrued Assets	688,222	1,680,885
Total Current & Accrued Assets	\$ 67,082,564	\$ 73,529,928
Deferred Debits	48,664,595	45,880,452
Total Assets & Other Debits	\$ 829,684,847	\$ 834,585,271

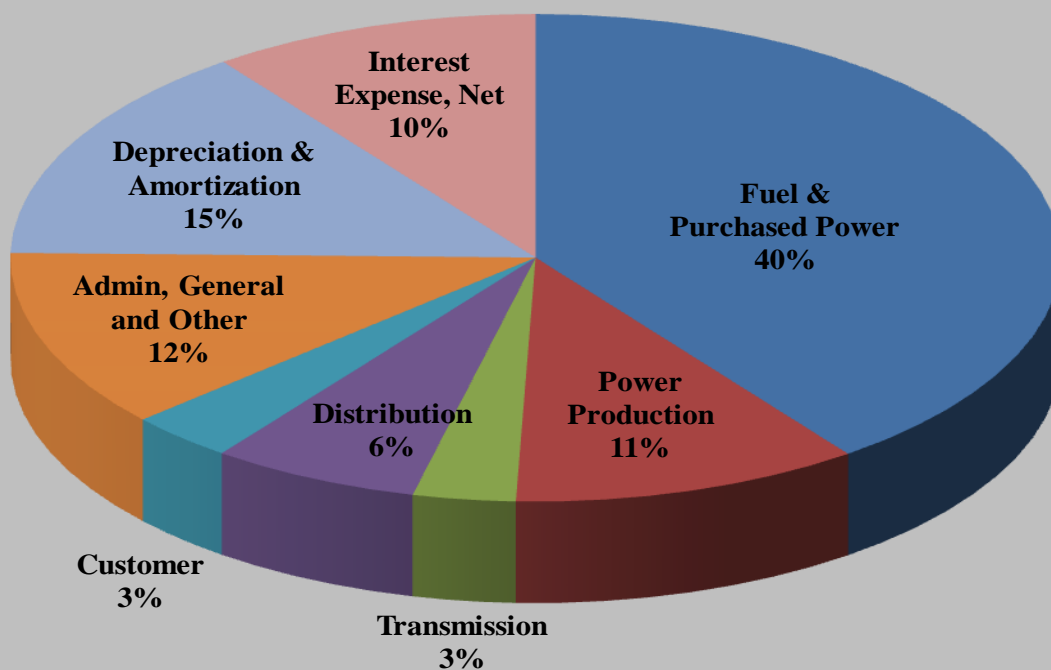
LIABILITIES & OTHER CREDITS	03/31/2020	12/31/2019
Memberships	1,782,028	1,776,592
Pat. Capital, Margins & Equities	197,618,723	192,690,321
Total Margins & Equities	\$ 199,400,751	\$ 194,466,913
Long-Term Debt - Bonds	433,583,330	449,999,997
Long-Term Debt - Other	29,640,000	30,535,826
Unamortized Debt Issuance Costs	(2,635,249)	(2,684,537)
Operating Lease Liabilities	698,668	754,888
Total Long-Term Debt	\$ 461,286,749	\$ 478,606,174
Notes Payable	61,167,236	51,056,065
Accounts Payable	8,845,852	8,316,375
Consumer Deposits	3,697,817	4,294,770
Other Current & Accrued Liabilities	29,016,940	32,498,393
Total Current & Accrued Liabilities	\$ 102,727,845	\$ 96,165,603
Deferred Compensation	1,624,628	1,775,759
Other Liabilities, Non-Current	470,888	398,790
Deferred Liabilities	966,442	903,870
Cost of Removal Obligation	63,207,544	62,268,162
Total Liabilities & Other Credits	\$ 829,684,847	\$ 834,585,271



**COMPARATIVE FINANCIAL REPORT
STATEMENT OF OPERATIONS
2020 ACTUAL TO BUDGET VARIANCE**

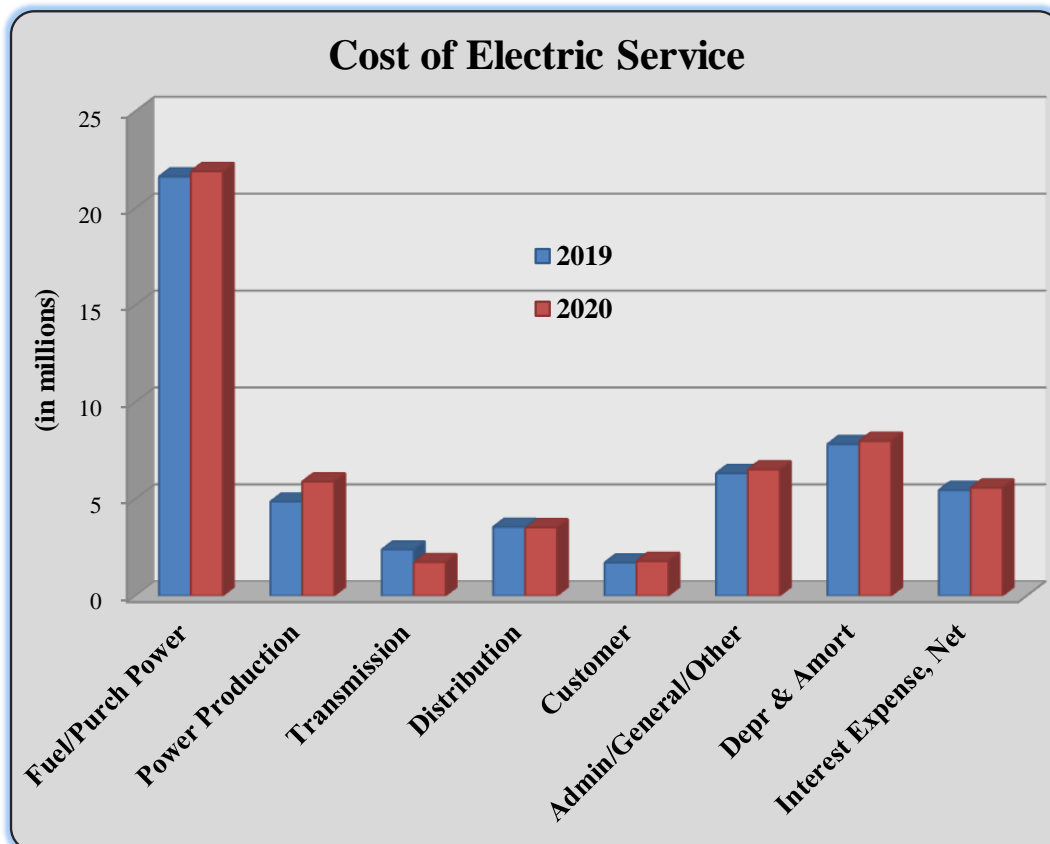
CATEGORY	2020 YTD ACTUAL	2020 YTD BUDGET	2020 YTD VARIANCE
Operating Revenue and Patronage Capital	\$ 59,907,423	\$ 58,086,526	\$ 1,820,897
Fuel and Purchased Power Expense	21,905,751	21,134,719	771,032
Power Production Expense	5,893,994	5,359,365	534,629
Transmission Expense	1,735,957	2,069,004	(333,047)
Distribution Expense	3,530,433	3,961,937	(431,504)
Customer Expense	1,789,045	1,908,017	(118,972)
Administrative, General and Other	6,518,960	6,817,803	(298,843)
Depreciation & Amortization Expense	7,991,609	7,944,068	47,541
Interest Expense, Net	5,575,941	5,737,890	(161,949)
Total Cost of Electric Service	\$ 54,941,690	\$ 54,932,803	\$ 8,887
Patronage Capital & Operating Margins	\$ 4,965,733	\$ 3,153,723	\$ 1,812,010
Non-Operating Margins - Interest	106,411	99,750	6,661
Allowance Funds Used During Const.	32,738	12,198	20,540
Non-Operating Margins - Other	(118,548)	-	(118,548)
Patronage Capital or Margins	\$ 4,986,334	\$ 3,265,671	\$ 1,720,663
MFI/I	1.88	1.57	
TIER	1.90	1.59	

Total Cost of Electric Service (YTD Actual)



**COMPARATIVE FINANCIAL REPORT
STATEMENT OF OPERATIONS
CURRENT TO PRIOR ACTUAL**

CATEGORY	2020 YTD ACTUAL	2019 YTD ACTUAL
Operating Revenue and Patronage Capital	\$ 59,907,423	\$ 55,827,238
Fuel and Purchased Power Expense	21,905,751	21,631,560
Power Production Expense	5,893,994	4,858,811
Transmission Expense	1,735,957	2,388,069
Distribution Expense	3,530,433	3,556,619
Customer Expense	1,789,045	1,713,559
Administrative, General and Other	6,518,960	6,325,858
Depreciation and Amortization Expense	7,991,609	7,826,369
Interest Expense, Net	5,575,941	5,455,656
Total Cost of Electric Service	\$ 54,941,690	\$ 53,756,501
Patronage Capital & Operating Margins	\$ 4,965,733	\$ 2,070,737
Non-Operating Margins - Interest	106,411	169,152
Allowance for Funds Used During Construction	32,738	45,557
Non-Operating Margins - Other	(118,548)	100,132
Patronage Capital or Margins	\$ 4,986,334	\$ 2,385,578
MFI/I	1.88	1.43
TIER	1.90	1.47

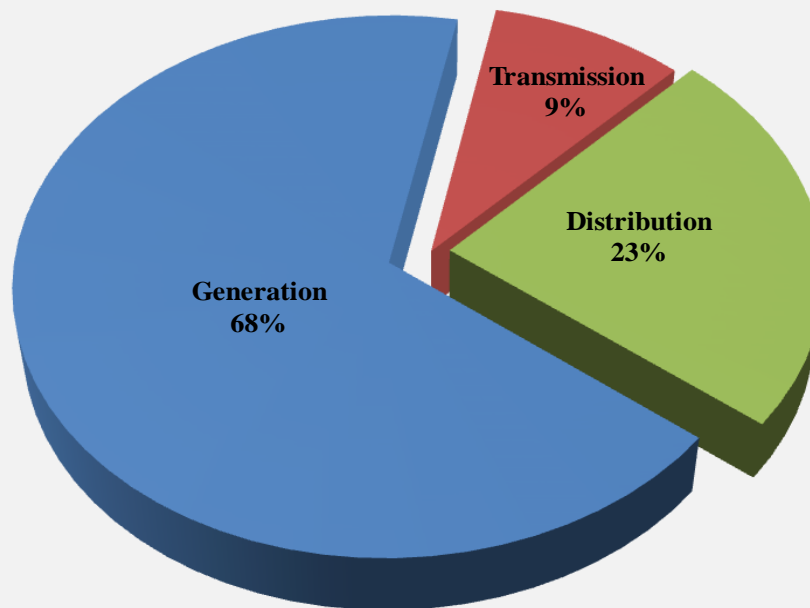


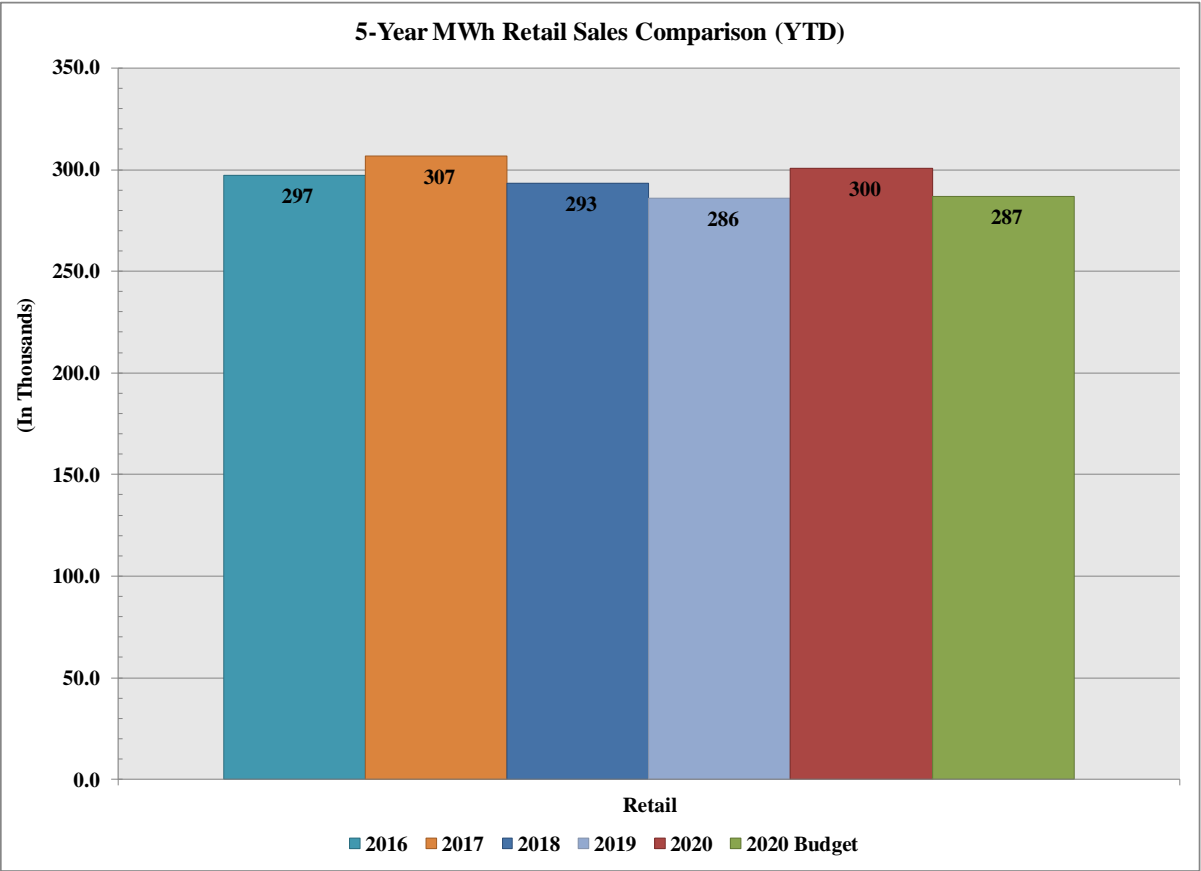
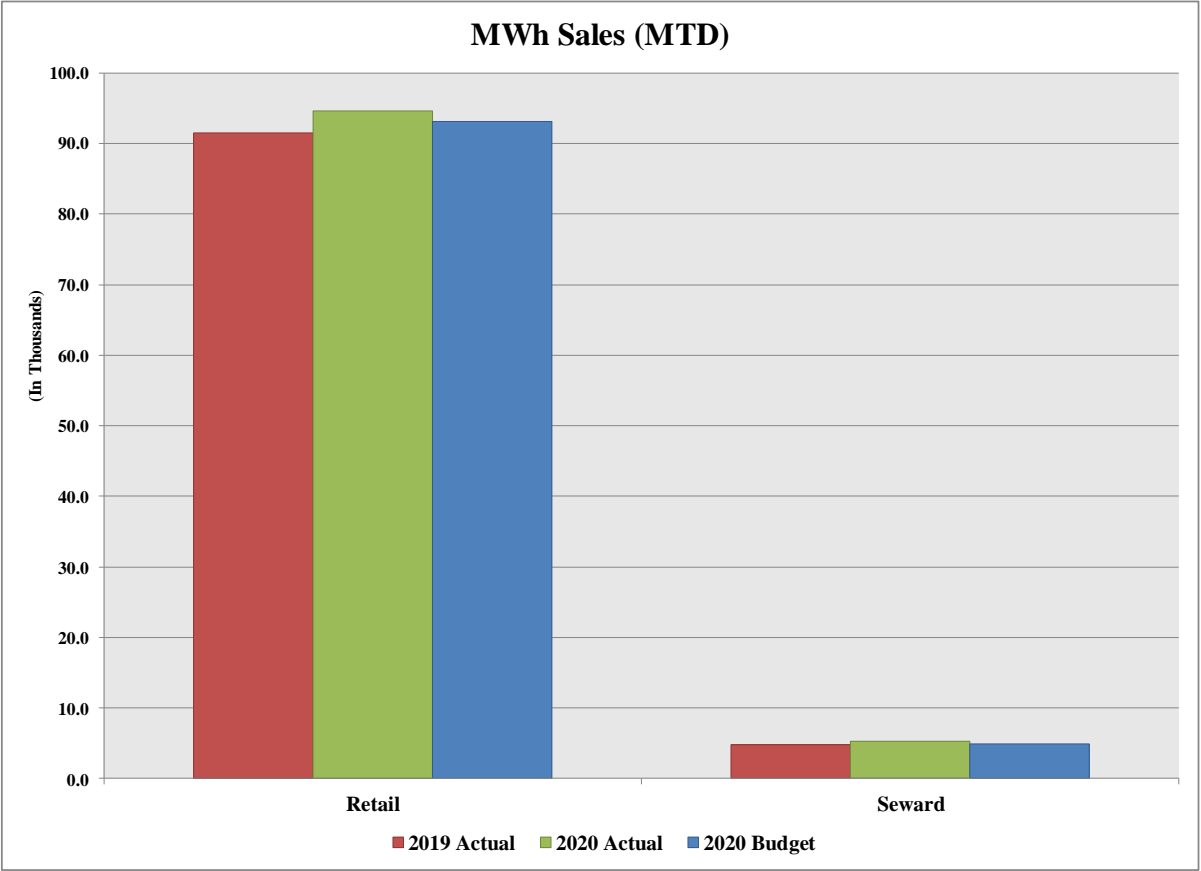
FUNCTIONAL STATEMENT OF OPERATIONS

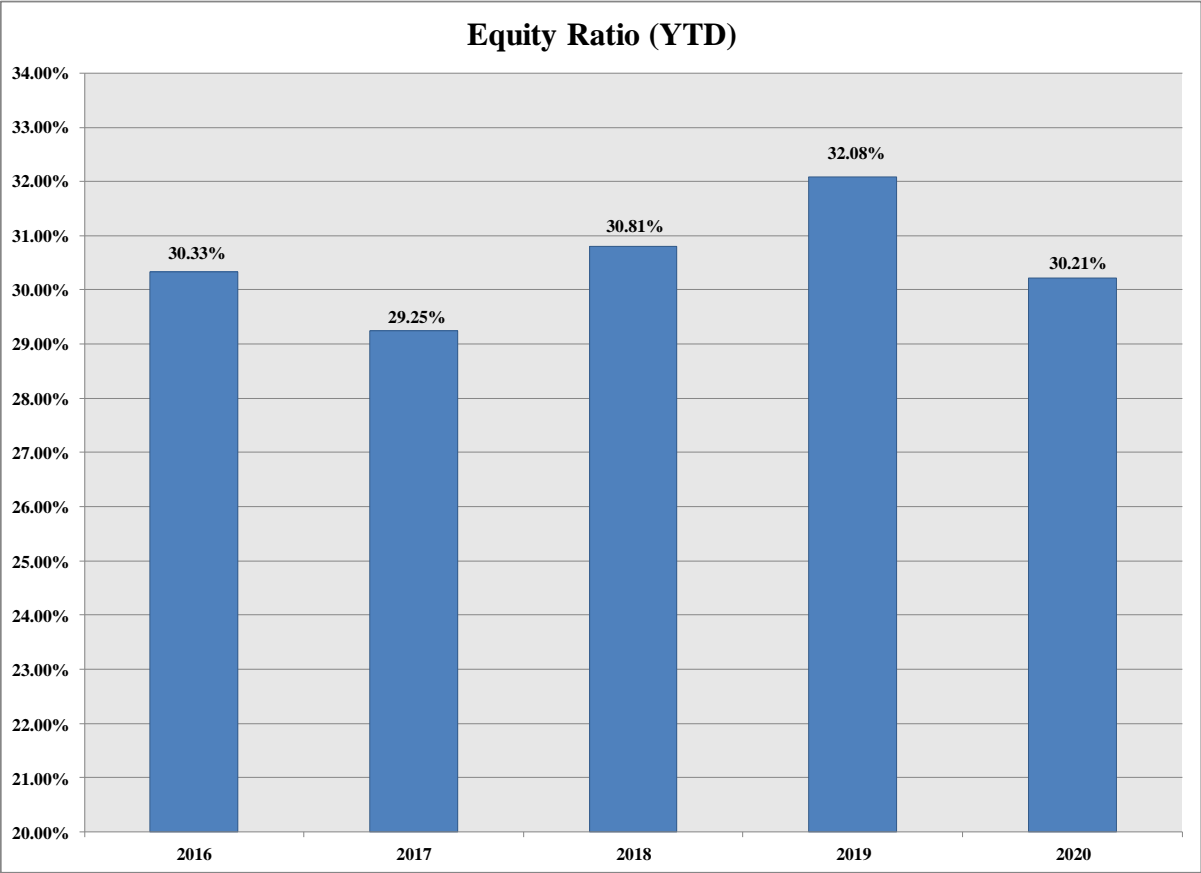
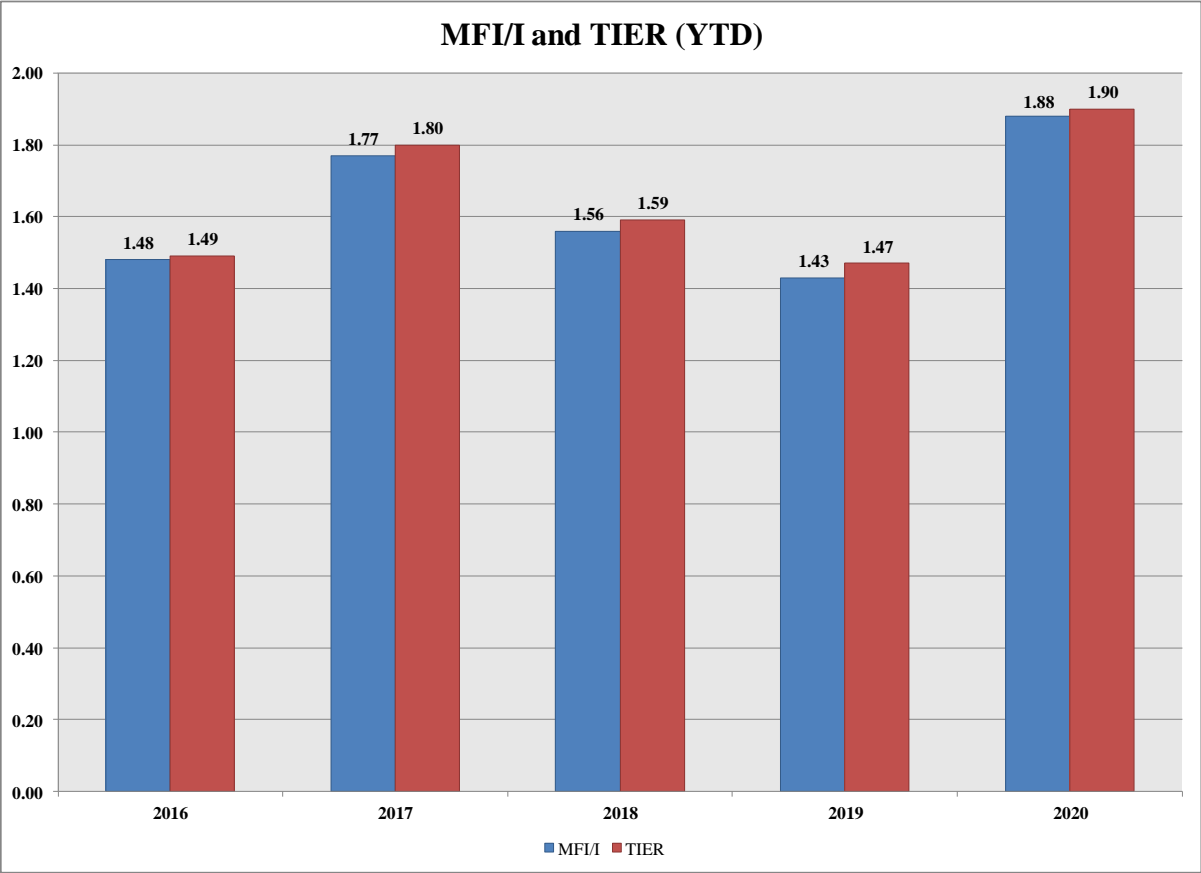
March 31, 2020

CATEGORY	2020 YTD TOTAL	2020 YTD GEN	2020 YTD TRANS	2020 YTD DIST
Operating Revenue and Patronage Capital	\$ 59,907,423	\$ 38,460,565	\$ 5,511,483	\$ 15,935,375
Fuel and Purchased Power Expense	21,905,751	21,905,751	-	-
Power Production Expense	5,893,994	5,893,994	-	-
Transmission Expense	1,735,957	-	1,735,957	-
Distribution Expense	3,530,433	-	-	3,530,433
Customer Expense	1,789,045	-	-	1,789,045
Administrative, General and Other	6,518,960	2,085,500	871,243	3,562,217
Depreciation & Amortization Expense	7,991,609	3,752,143	1,275,890	2,963,576
Interest Expense, Net	5,575,941	3,436,270	1,159,721	979,950
Total Cost of Electric Service	\$ 54,941,690	\$ 37,073,658	\$ 5,042,811	\$ 12,825,221
Patronage Capital & Operating Margins	\$ 4,965,733	\$ 1,386,907	\$ 468,672	\$ 3,110,154
Non-Operating Margins - Interest	106,411	49,961	16,989	39,461
Allowance for Funds Used During Construction	32,738	1,879	1,980	28,879
Non-Operating Margins - Other	(118,548)	(36,246)	(15,681)	(66,621)
Patronage Capital or Margins	\$ 4,986,334	\$ 1,402,501	\$ 471,960	\$ 3,111,873

Total Cost of Electric Service







ENERGY SALES (kWh)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Energy Sales	300,438,684	286,816,437
Wholesale Energy Sales	<u>16,123,691</u>	<u>14,507,500</u>
Total Firm Energy Sales	316,562,375	301,323,307
Economy Energy Sales	<u>0</u>	<u>0</u>
Total Energy Sales	316,562,375	301,323,307

Firm energy sales totaled 316,562,375 kWh, which was a 5.1% favorable variance compared to budget. Retail energy sales were over budget 4.7%, primarily due to colder than anticipated weather. Wholesale energy sales were over budget 11.1%, also primarily due to colder than anticipated weather.

ENERGY REVENUE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Revenue	\$56.8	\$ 55.9
Wholesale Revenue	<u>1.6</u>	<u>1.5</u>
Total Firm Revenue	58.4	57.4
Economy Energy/Capacity Revenue	0.0	0.0
Other Operating Revenue	<u>1.5</u>	<u>0.7</u>
Total Revenue	\$ 59.9	\$ 58.1

Revenue from firm sales totaled \$58.4 million compared to \$57.4 million in the budget. Firm revenue was higher than expected primarily due to higher than anticipated energy sales. Other operating revenue includes late fees, pole rental, wheeling, microwave, BRU royalties, miscellaneous service and other electric revenue. Other operating revenue totaled \$1.5 million compared to \$0.7 million in the budget, primarily due to higher than anticipated wheeling revenue caused by the availability of Bradley Lake power.

FUEL AND PURCHASED POWER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Fuel	\$ 14.5	\$ 15.8
Purchased Power	<u>7.4</u>	<u>5.3</u>
Total	\$ 21.9	\$ 21.1

Fuel expense includes fuel, storage, transportation, and BRU operating costs. Fuel expense was \$14.5 million compared to \$15.8 million in the budget. This favorable variance was primarily due to lower than anticipated fuel and gas, storage, and transportation expense. Less power was generated at SPP than planned due to the availability of Bradley Lake power, as well as, above normal water levels at Bradley Lake.

Actual fuel purchased or withdrawn from inventory for production was 1,661,007 Mcf, which does not include 294,799 Mcf of fuel recorded as purchased power, at an average effective delivered price of \$8.25 per Mcf compared to 1,769,633 Mcf in the budget at an average effective delivered price of \$8.23 per Mcf.

Purchased power expense represents energy purchased from Bradley Lake, Fire Island, and other utilities as needed, as well as costs associated with dispatching. Purchased power expense was \$7.4 million compared to \$5.3 million in the budget. This unfavorable variance compared to budget was primarily due to higher than anticipated purchases from ML&P as a result of higher energy sales.

Actual energy purchased was 93,484 MWh at an average effective price of 6.91 cents per kWh compared to 60,943 MWh budgeted at an average effective price of 7.12 cents per kWh.

POWER PRODUCTION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Power Production	\$ 5.9	\$ 5.4

Power production expense was \$5.9 million compared to \$5.4 million in the budget. This unfavorable budget variance is primarily due to higher than anticipated maintenance costs at Beluga.

TRANSMISSION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Transmission	\$ 1.7	\$ 2.1

Transmission operations and maintenance expense was \$1.7 million compared to \$2.1 million in the budget. This favorable variance was primarily due to lower than anticipated costs associated with vegetation control and engineering studies and design.

DISTRIBUTION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Distribution	\$ 3.5	\$ 4.0

Distribution operations and maintenance expense was \$3.5 million compared to \$4.0 million. This favorable variance was primarily due to lower than anticipated costs associated with vegetation control, engineering design and archive services.

CONSUMER ACCOUNTS / CUSTOMER INFORMATION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Consumer / Customer Information	\$ 1.8	\$ 1.9

Consumer accounts and customer information expense was \$1.8 million compared to \$1.9 million in the budget. This favorable variance is primarily due to lower than anticipated labor expense and printing costs.

ADMINISTRATIVE, GENERAL AND OTHER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Administrative, General and Other	\$ 6.5	\$ 6.8

Administrative, general and other expense includes tax, donations, other deductions associated with preliminary survey and investigation charges of projects, and obsolete inventory write-offs that are not attributable to operating or maintenance accounts. Administrative, general and other expense was \$6.5 million compared to \$6.8 million in the budget. This favorable budget variance is primarily due to lower than anticipated costs associated with legal, information services, safety and fuel and corporate planning initiatives, as well as corporate membership dues.

SUMMARY

Depreciation, interest, and interest during construction expense totaled \$13.6 million compared to \$13.7 million in the budget. This favorable variance compared to budget was primarily due to higher than anticipated interest during construction as a result of a higher average CWIP balance, as well as, lower than anticipated interest on long term debt and other interest expense.

All of the foregoing expenses resulted in total cost of electric service of \$54.9 million compared to \$54.9 million in the budget.

Non-operating margins include allowance for funds used during construction (AFUDC), capital credit and patronage capital allocations, extraordinary items, and interest income. Non-operating margins totaled \$20.6 thousand compared to \$111.9 thousand in the budget primarily due to the loss in value of marketable securities. At March 31, 2020, the market value of Chugach's marketable securities was \$0.2 million and had a quarter ending rate of return of -6.91% and a 12 month rolling return of -4.60%.

The net result of revenue and expenses was margins of \$5.0 million compared to projected margins of \$3.3 million in the budget. The current forecast projects year-end margins of \$6.9 million, an MFI/I of 1.30, and TIER of 1.32.

COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS YEAR-END FORECAST

CATEGORY	2020 APPROVED BUDGET	2020 AMENDED BUDGET	2020 YTD ACTUALS	2020 REVISED FORECAST
Operating Revenue and Patronage Capital	\$227,256,742	\$218,368,235	\$ 59,907,423	\$220,189,132 ¹
Fuel and Purchased Power Expense	88,355,228	79,466,721	21,905,751	80,237,753 ¹
Power Production Expense	21,763,699	21,763,699	5,893,994	21,763,699
Transmission Expense	7,416,584	7,416,584	1,735,957	7,416,584
Distribution Expense	16,378,463	16,378,463	3,530,433	16,378,463
Customer Expense	7,709,966	7,709,966	1,789,045	7,709,966
Administrative, General & Other	26,116,149	26,116,149	6,518,960	26,116,149
Depreciation and Amortization Expense	31,953,849	31,953,849	7,991,609	32,001,390 ¹
Interest Expense, Net	22,317,234	22,317,234	5,575,941	22,155,285 ¹
Total Cost of Electric Service	\$222,011,172	\$213,122,665	\$ 54,941,690	\$213,779,289
Patronage Capital & Operating Margins	\$ 5,245,570	\$ 5,245,570	\$ 4,965,733	\$ 6,409,843
Non-Operating Margins - Interest	399,000	399,000	106,411	405,661 ¹
Allowance for Funds Used During Construction	145,638	145,638	32,738	166,178 ¹
Non-Operating Margins - Other	-	-	(118,548)	(118,548) ¹
Patronage Capital or Margins	\$ 5,790,208	\$ 5,790,208	\$ 4,986,334	\$ 6,863,134
MFI/I	1.25	1.25	1.88	1.30
TIER	1.27	1.27	1.90	1.32

¹ Forecast based on 3 month actual and 9 month forecast

CHUGACH ELECTRIC ASSOCIATION, INC.

March 2020 Financial Information
May 12, 2020

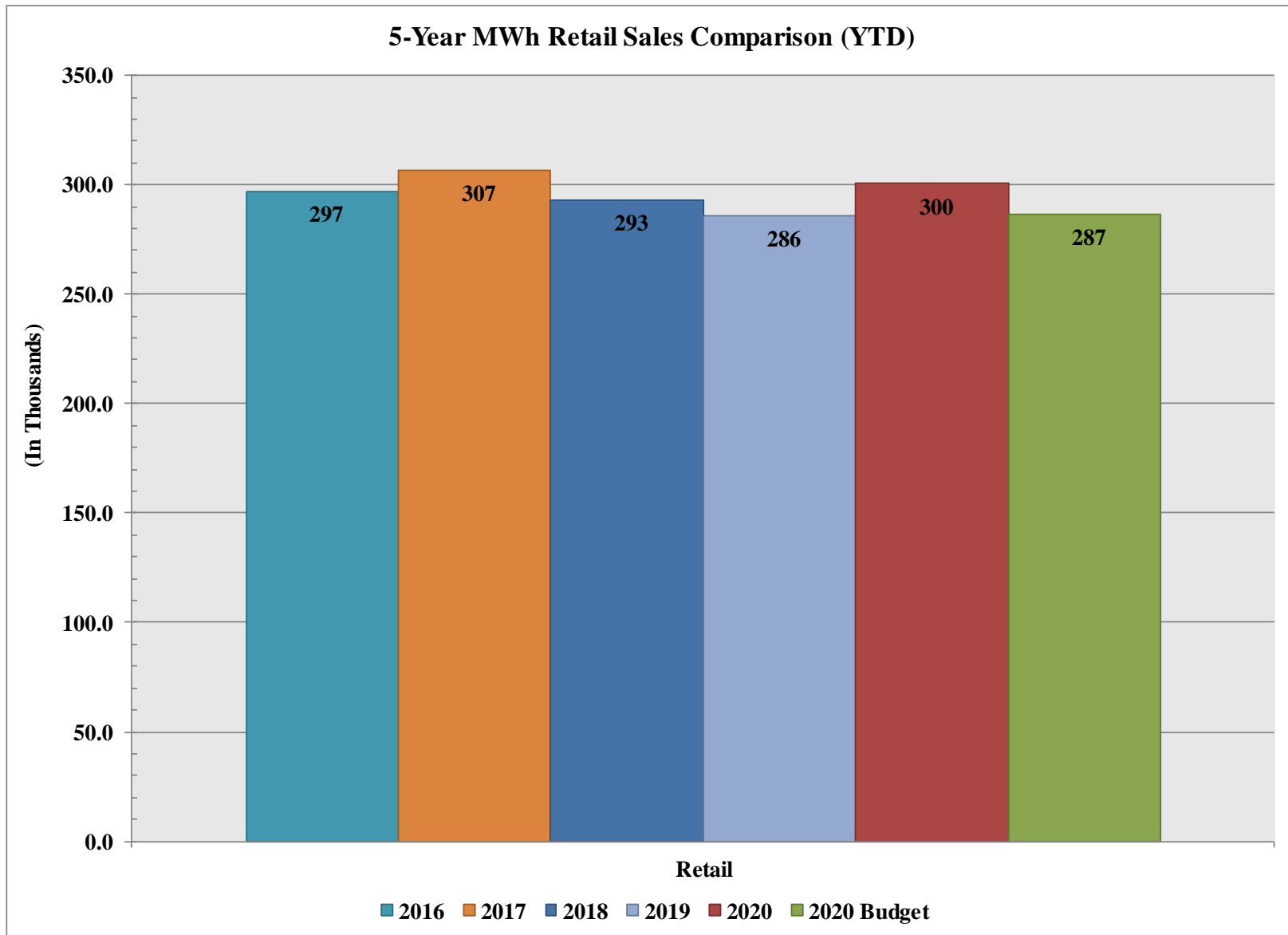


March 2020 Financial Information

- ▶ MWH Sales
- ▶ Statement of Operations
- ▶ Balance Sheet
- ▶ Statements of Cash Flows

March 2020 Financial Information

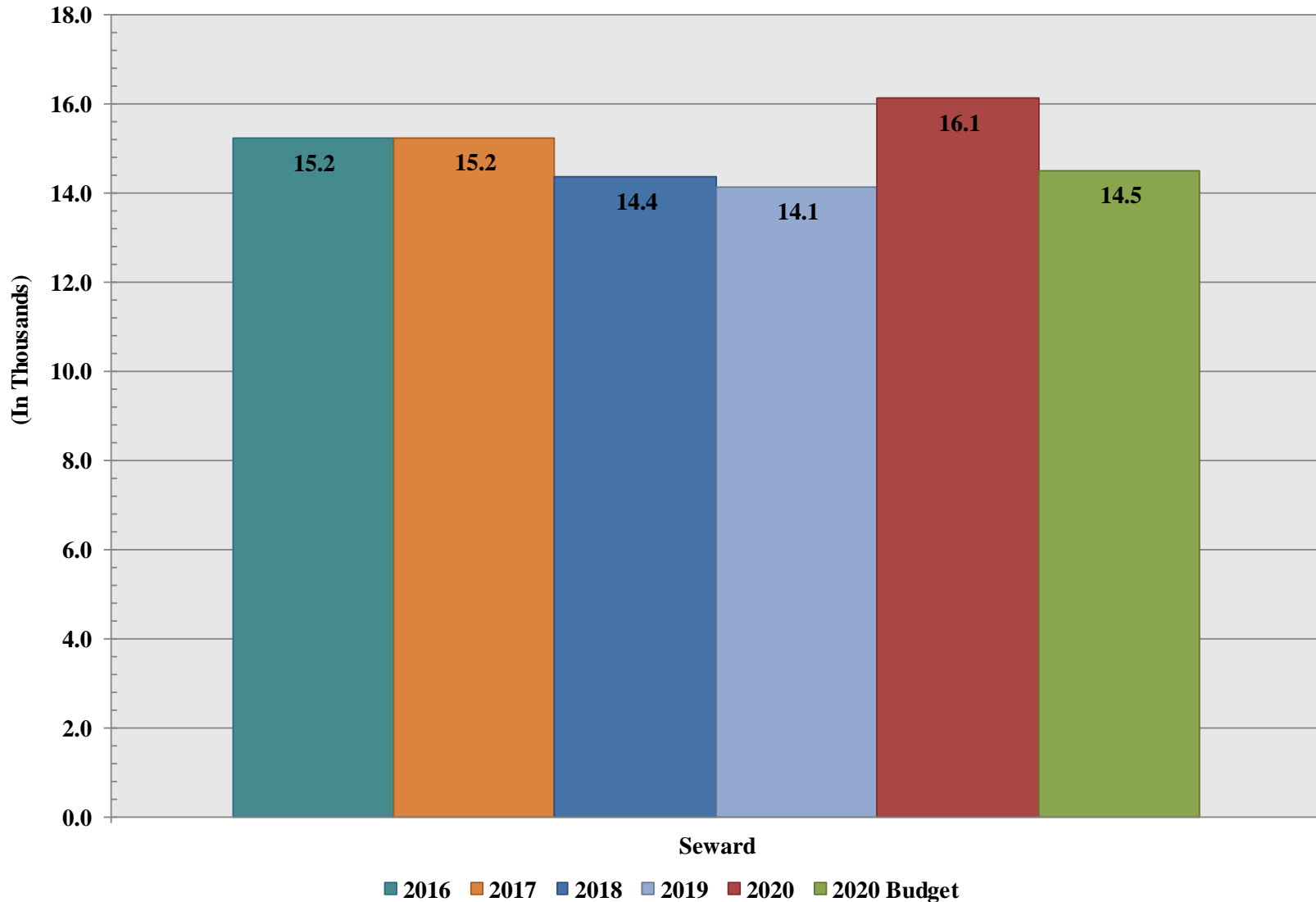
5 Year Retail MWh Sales Comparison



March 2020 Financial Information

5 Year Seward MWh Sales Comparison

5-Year MWh Sales to Seward Comparison (YTD)



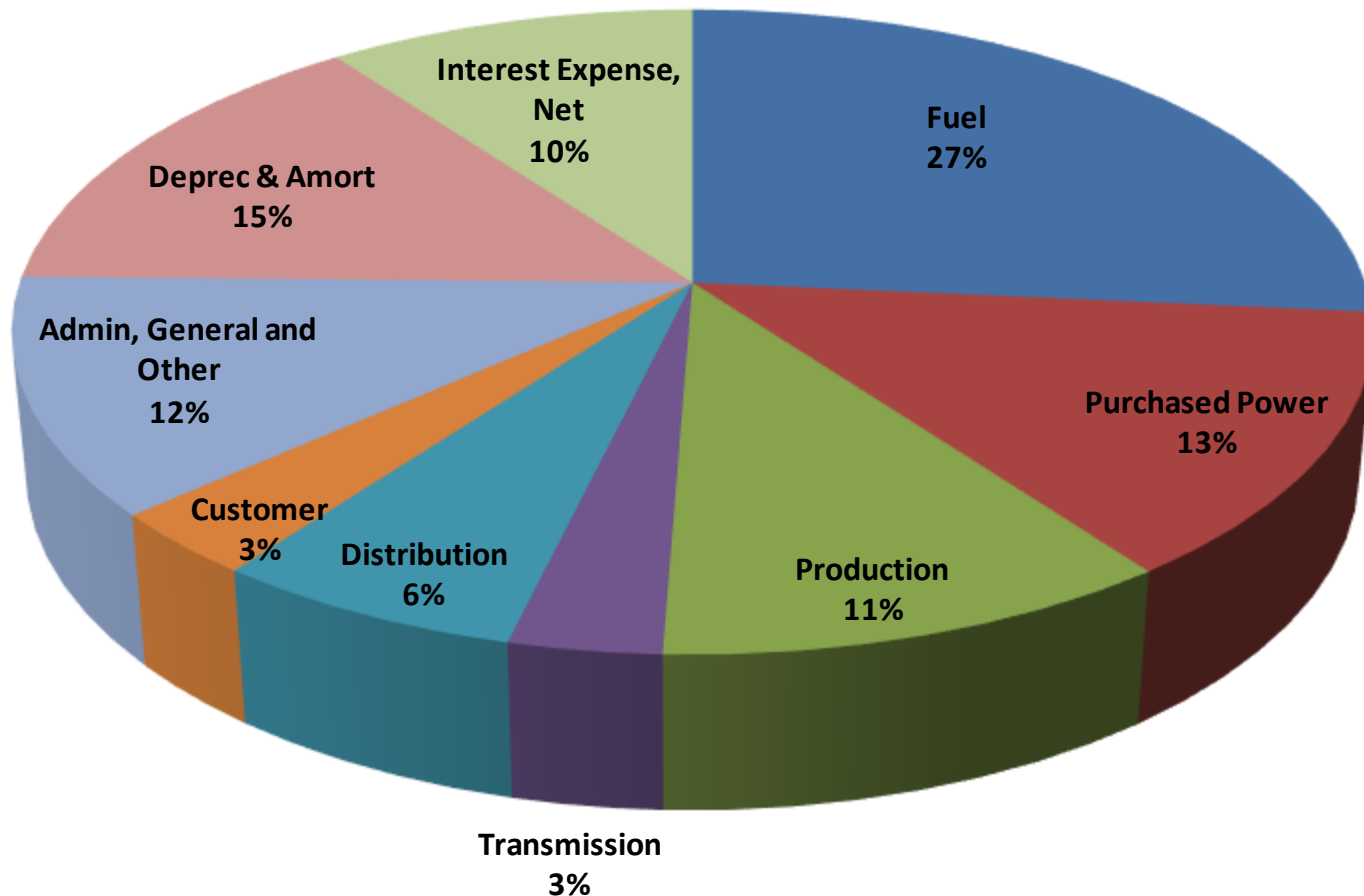
March 2020 Financial Information

Comparative Statement of Operations

CATEGORY	ACTUAL	BUDGET	VARIANCE
Operating Revenues	\$ 59,907,423	\$ 58,086,526	\$ 1,820,897
Fuel	14,532,353	15,831,179	(1,298,826)
Production	5,893,994	5,359,365	534,629
Purchased Power	7,373,398	5,303,540	2,069,858
Transmission	1,735,957	2,069,004	(333,047)
Distribution	3,530,433	3,961,937	(431,504)
Consumer Accounts	1,789,045	1,908,017	(118,972)
Administrative, General and Other	6,518,960	6,817,803	(298,843)
Depreciation and Amortization	7,991,609	7,944,068	47,541
Total Operating Expenses	\$ 49,365,749	\$ 49,194,913	\$ 170,836
Interest Expense, Long-Term and Other	5,657,786	5,774,482	(116,696)
Interest Charged to Construction	(81,845)	(36,592)	(45,253)
Net Interest Expense	\$ 5,575,941	\$ 5,737,890	\$ (161,949)
Net Operating Margins	\$ 4,965,733	\$ 3,153,723	\$ 1,812,010
Interest Income	106,411	99,750	6,661
Allowance Funds Used During Const.	32,738	12,198	20,540
Capital Credits, Patronage Dividends, Other	(118,548)	0	(118,548)
Patronage Capital or Margins	\$ 4,986,334	\$ 3,265,671	\$ 1,720,663
MFI/I	1.88	1.57	
TIER	1.90	1.59	

March 2020 Financial Information

Total Operating and Interest Expense



March 2020 Financial Information

Comparative Balance Sheet, Assets & Other Debits

ASSETS & OTHER DEBITS	03/31/20	12/31/19	CHANGE
Electric Plant in Service	1,253,121,567	1,242,523,092	10,598,475
Construction Work in Progress	12,401,613	16,966,608	(4,564,995)
Total Utility Plant	\$ 1,265,523,180	\$ 1,259,489,700	\$ 6,033,480
Accumulated Depreciation	(563,140,061)	(556,209,740)	(6,930,321)
Net Utility Plant	\$ 702,383,119	\$ 703,279,960	\$ (896,841)
Nonutility Property	76,889	76,889	0
Operating Lease Right-of-Use Assets	915,237	958,111	(42,874)
Investment in Assoc. Organizations	7,791,125	8,148,426	(357,301)
Special Funds	2,388,228	2,603,505	(215,277)
Restricted Cash Equivalents & Other	64,310	108,000	(43,690)
Long-term Prepayments	318,780	0	318,780
Total Other Property & Investments	\$ 11,554,569	\$ 11,894,931	\$ (340,362)
Cash, Marketable Securities & Other	5,460,066	7,466,003	(2,005,937)
Special Deposits & Restricted Cash	558,676	1,298,455	(739,779)
Accounts Receivable - Net	29,383,709	30,120,230	(736,521)
Materials and Supplies, Fuel Stock	26,991,776	30,265,047	(3,273,271)
Prepayments	4,000,115	2,699,308	1,300,807
Other Current Assets	688,222	1,680,885	(992,663)
Total Current Assets	\$ 67,082,564	\$ 73,529,928	\$ (6,447,364)
Deferred Charges, Net	48,664,595	45,880,452	2,784,143
Total Assets	\$ 829,684,847	\$ 834,585,271	\$ (4,900,424)

March 2020 Financial Information

Comparative Balance Sheet, Liabilities & Other Credits



LIABILITIES & OTHER CREDITS	03/31/20	12/31/19	CHANGE
Memberships	1,782,028	1,776,592	5,436
Patronage Capital	182,281,350	177,380,964	4,900,386
Other	15,337,373	15,309,357	28,016
Total Equities and Margins	\$ 199,400,751	\$ 194,466,913	\$ 4,933,838
Bonds Payable	433,583,330	449,999,997	(16,416,667)
National Bank for Cooperatives	29,640,000	30,552,000	(912,000)
Unamortized Debt Issuance Costs	(2,635,249)	(2,684,537)	49,288
Operating Lease Liabilities	698,668	738,713	(40,045)
Total Long-Term Obligations	\$ 461,286,749	\$ 478,606,173	\$ (17,319,424)
Current Installments of Long-Term Obligations	61,167,236	27,056,065	34,111,171
Commercial Paper	-	24,000,000	(24,000,000)
Accounts Payable	8,845,852	8,316,375	529,477
Consumer Deposits	3,697,817	4,294,770	(596,953)
Other Current & Accrued Liabilities	29,016,940	32,498,394	(3,481,454)
Total Current Liabilities	\$ 102,727,845	\$ 96,165,604	\$ 6,562,241
Deferred Compensation	1,624,628	1,775,759	(151,131)
Other Liabilities, Non-Current	470,888	398,790	72,098
Deferred Liabilities	966,442	903,870	62,572
Cost of Removal Obligation / ARO	63,207,544	62,268,162	939,382
Total Liabilities, Equities and Margins	\$ 829,684,847	\$ 834,585,271	\$ (4,900,424)

March 2020 Financial Information

Statements of Cash Flows

	03/31/20	03/31/19
1. Cash flows from operating activities:		
Assignable margins	\$ 4,986,334	\$ 2,385,577
Adjustments to reconcile assignable margins to net cash provided (used) by operating activities:		
Depreciation and amortization	9,815,258	9,633,008
Allowance for funds used during construction	(32,738)	(45,557)
Other	170,081	299,180
Net (increase) decrease in assets	(717,515)	618,819
Decrease in liabilities	(4,904,028)	(5,961,719)
Net cash provided by operating activities:	\$ 9,317,392	\$ 6,929,308
2. Cash flows from investing activities:		
Return of capital from investment in associated organizations	357,301	414,313
Investment in special funds	(11,089)	(7,377)
Investment in marketable securities and investments-other	(1,664)	(14,004)
Proceeds from the sale of marketable securities	0	1,200,000
Extension and replacement of plant	(6,408,084)	(10,891,794)
Net cash used in investing activities:	\$ (6,063,536)	\$ (9,298,862)
3. Cash flows from financing activities:		
Payments for debt issue costs	(21,033)	(31,609)
Net increase (decrease) in short-term obligations	17,000,000	24,000,000
Net increase (decrease) in long-term obligations	(24,214,667)	(24,214,667)
Net increase (decrease) in consumer advances/retired patronage/other	1,203,294	1,085,949
Net cash provided by (used in) financing activities:	\$ (6,032,406)	\$ 839,673
Net change in cash, cash equivalents & restricted cash	(2,778,550)	(1,529,881)
4. <u>Cash, cash equivalents & restricted cash at beginning of period</u>	\$ 8,623,975	\$ 7,428,969
5. <u>Cash, cash equivalents and restricted cash at end of period</u>	\$ 5,845,425	\$ 5,899,088

Questions?

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

AUDIT AND FINANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY

May 12, 2020

ACTION REQUIRED

AGENDA ITEM NO. VIII.A.

<u> </u>	Information Only
<u> X </u>	Motion
<u> </u>	Resolution
<u> </u>	Executive Session
<u> </u>	Other

TOPIC

FY2020 Tax Services

DISCUSSION

KPMG provides tax services which includes the preparation and filing of the Form 990 and assistance with various tax related matters.

In accordance with Public Company Accounting Oversight Board Rule 3525 (Audit Committee Pre-approval of Non-audit Services Related to Internal Control Over Financial Reporting) we are seeking Audit and Finance Committee pre-approval of the 2020 Tax Services.

MOTION

Move that the Audit and Finance Committee recommend to the Board of Directors to approve the tax services for FY2020.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

AUDIT AND FINANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY

May 12, 2020

ACTION REQUIRED

AGENDA ITEM NO. VIII.B.

<u> </u>	Information Only
<u> X </u>	Motion
<u> </u>	Resolution
<u> </u>	Executive Session
<u> </u>	Other

TOPIC

KPMG Contract

DISCUSSION

The Audit and Finance Committee reviewed a two-year contract extension proposal from KPMG.

MOTION

Move that the Audit and Finance Committee recommend the Board of Directors approve a two-year contract extension from KPMG as discussed in executive session.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

AUDIT AND FINANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY

May 12, 2020

ACTION REQUIRED

AGENDA ITEM NO. VIII.C.

<u> </u>	Information Only
<u> X </u>	Motion
<u> </u>	Resolution
<u> </u>	Executive Session
<u> </u>	Other

TOPIC

March 31, 2020, SEC Form 10Q Filing

DISCUSSION

The Form 10Q as reviewed in executive session.

MOTION

Move that the Audit and Finance Committee recommend management file the Securities and Exchange Commission Form 10Q by the due date incorporating any amendments to the document which will be reviewed and approved by KPMG. Mr. Hayhurst and Ms. Highers will immediately inform the Board, in writing, of any material or significant changes.

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 207

AUDIT AND FINANCE COMMITTEE

I. PURPOSE

The purpose of the Audit and Finance Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the Association's systems of internal controls regarding finance, accounting, and legal compliance and the Association's auditing, accounting and financial reporting processes, results and reports. The Audit and Finance Committee's responsibilities are to:

- A. Act consistent with the Association's Board Policy 100, *Code of Ethics*, in particular to create, promote and maintain a culture of honesty and high ethical standards.
- B. Review and oversee the Association's financial reporting process, results and reports as they apply to internal controls to prevent, deter and detect fraud.
- C. Review the performance of the Association's independent registered public accounting firm ("independent auditor" or "auditor").
- D. Ensure open communication between the Association's independent auditor, management and the Board of Directors.

The Audit and Finance Committee shall also:

- A. Make recommendations to the Board regarding Section II. B. of Board Policy 103.
- B. Review annually, objectives and goals in areas assigned to this Committee and makes appropriate recommendations to the Board.
- C. Review and complete such other matters as may be specifically assigned to it by the Board.

The Audit and Finance Committee will fulfill these responsibilities as enumerated in Section III of this Policy.

II. COMPOSITION

The Audit and Finance Committee shall be comprised of three or more directors as determined by the Board. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Association or an outside consultant or other programs. The Committee may also retain the services of a qualified accounting professional with auditing expertise to assist it in the performance of its responsibilities.

The Board Chair shall appoint the Board Treasurer as Audit and Finance Committee chairperson. The Audit and Finance Committee shall elect from its membership a vice chair and appoint a recording secretary as needed.

III. RESPONSIBILITIES

The responsibilities of the Committee are to:

1. Recommend to the Board of Directors the selection of the independent auditor, it being understood that the Board of Directors has the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the independent auditor.
2. Receive annually a report of, and review and discuss with the independent auditor, all significant relationships they have with the Association, including the fees and other compensation paid to them, to verify their independence.
3. Ensure the receipt of, and evaluate the written disclosures and the letter that the independent auditor submits to the Audit and Finance Committee regarding the auditor's independence in accordance with Independence Standards Board Standard No. 1, discuss such reports with the auditor and, if so determined by the Audit and Finance Committee in response to such reports, recommend that the Board of Directors take appropriate action to address issues raised by such evaluation.
4. Discuss with the independent auditor the matters required to be discussed by applicable auditing standards.
5. Instruct the independent auditor that the Committee expects to be advised if there are any areas that require special attention.
6. Meet with management and the independent auditor to discuss the annual financial statements and the report of the independent auditor thereon, and to discuss significant issues encountered in the course of the audit work, including

restrictions on the scope of activities, access to required information and the adequacy of internal financial controls.

7. Review the management letter delivered by the independent auditor in connection with the audit.
8. Following such reviews and discussions, if so determined by the Audit and Finance Committee, recommend to the Board of Directors that the annual financial statements be included in the Association's annual report.
9. Meet quarterly with management and the independent auditor to review and discuss the quarterly financial statements prior to the filing of the Form 10Q, if applicable, and meet annually with management and the independent auditor to review and discuss the annual financial statements and, if applicable, prior to filing of the Form 10K.
10. At least annually, meet with the independent auditor out of the presence of management to discuss internal controls and to review the fullness and accuracy of the Association's financial statements.
11. When necessary, meet in separate executive sessions with management and the independent auditor to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative, or when such an executive session would otherwise be necessary to comply with the open meeting requirements of the Association.
12. Have such meetings with management, the independent auditor and the internal auditor, if applicable, as the Audit and Finance Committee deems appropriate, to discuss significant financial risk exposures facing the Association, and steps management has taken or should be taken to monitor and control such exposures.
13. Review the scope and results of internal audits, if applicable.
14. Evaluate the performance of the independent auditor and, if so determined by the Audit and Finance Committee, recommend to the Board of Directors replacement of the independent auditor.
15. At the request of Association counsel, review with Association counsel legal and regulatory procedures that may have a significant impact on the Association's financial statements, compliance policies or programs.
16. Conduct or authorize such inquiries into matters within the Committee's scope of responsibility as the Committee deems appropriate.

8. Each year confirm the level of financial information to include in the Association's annual report.

17. Provide minutes of Audit and Finance Committee meetings to the Board of Directors, and report to the Board of Directors on any significant matters arising from the Committee's work.
18. Review with the independent auditors and management the extent to which any changes or improvements in financial or accounting practices, as recommended by the independent auditors and approved by the Board, have been implemented.
19. At least annually, review and reassess this Policy and, if appropriate, recommend proposed changes to the Board of Directors.

Date Approved: May 22, 2019

Attested:



Stuart Parks
Secretary of the Board

In the performance of its responsibilities, the Audit and Finance Committee is a representative of the members. However, it is not the responsibility of the Audit and Finance Committee to plan or conduct audits, or to determine whether the Association's financial statements are complete and accurate or in accordance with generally accepted accounting principles. It is not the responsibility of the Audit and Finance Committee to conduct inquiries, to resolve disagreements, if any, between management and the independent auditor, or to assure compliance with laws, regulations or any company compliance policies or programs.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

AUDIT AND FINANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY

May 12, 2020

ACTION REQUIRED

AGENDA ITEM NO. VIII.E.

<u> </u>	Information Only
<u> X </u>	Motion
<u> </u>	Resolution
<u> </u>	Executive Session
<u> </u>	Other

TOPIC

Capital Credit Retirement

DISCUSSION

The Audit and Finance Committee reviewed a capital credit retirement.

MOTION

Move that the Audit and Finance Committee recommend the Board of Directors approve a capital credit retirement as discussed in executive session.