

CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA

AUDIT AND FINANCE COMMITTEE MEETING

AGENDA

Sisi Cooper, Chair

Bettina Chastain
Jim Henderson
Janet Reiser

June 6, 2017

4:00 p.m.

Chugach Board Room

- I. CALL TO ORDER
 - A. *Roll Call*
- II. APPROVAL OF THE AGENDA*
- III. APPROVAL OF THE MINUTES*
 - A. *May 10, 2017 (Portades)*
- IV. PERSONS TO BE HEARD
 - A. *Member Comments*
- V. CEO REPORTS AND CORRESPONDENCE (*none*)
- VI. NEW BUSINESS* (*scheduled*)
 - A. *Election of Audit and Finance Committee Vice Chair* (Committee)*
- VII. EXECUTIVE SESSION* (*scheduled*)
 - A. *Strategic Planning*
 - i. *Financial Forecast*
- VIII. NEW BUSINESS* (*continued*)
 - B. *Recommendation on Approval of the Financial Forecast* (Highers)*
- IX. DIRECTOR COMMENTS
- X. ADJOURNMENT*

* *Denotes Action Items*

** *Denotes Possible Action Items*

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

May 10, 2017
Wednesday
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
Bettina Chastain, Vice Chair
Jim Henderson, Director (*via teleconference at 4:07 p.m.*)
Harry Crawford, Director
Janet Reiser, Director

Other Board Member Present:

Stuart Parks, Director
Susan Reeves, Director

Guests and Staff in Attendance:

Lee Thibert	Mark Fouts	Debra Caldwell
Tyler Andrews	Jody Wolfe	Julie Hasquet
Sherri Highers	Kathy Harris	James Mullican
Arthur Miller	Renee Curran	Elizabeth Stuart, KPMG
Connie Owens	Ron Vecera	Melissa Beedle, KPMG
Paul Risse	Jon Sinclair	

II. APPROVAL OF THE AGENDA

Director Crawford moved and Director Chastain seconded the motion to approve the agenda. The motion passed unanimously.

Director Henderson was not present at the time of vote.

III. APPROVAL OF THE MINUTES

Director Chastain moved and Director Crawford seconded the motion to approve the March 22, 2017, Audit and Finance Committee Meeting minutes. The motion passed unanimously.

Director Henderson was not present at the time of vote.

IV. PERSONS TO BE HEARD

- A. *Wholesale Customer and Member Comments*
None

V. CEO REPORTS AND CORRESPONDENCE

- A. *1st Quarter 2017 Financial Statements and Variance Report (Harris/Curran)*
The 1st Quarter 2017 Financial Statements and the Variance Report were provided in the meeting packet.
- B. *1st Quarter 2017 Operating Budget Status Report (Curran)*
The 1st Quarter 2017 Operating Budget Status Report was provided in the meeting packet.
- C. *1st Quarter 2017 Capital Tracking Report (Curran)*
The 1st Quarter 2017 Capital Tracking Report was provided in the meeting packet.
- D. *1st Quarter 2017 Contract Status Report (Vecera)*
The 1st Quarter 2017 Contract Status Report was provided in the meeting packet and Paul Risse, Sr. Vice President, Production and Engineering responded to questions from the Committee.
- E. *IRS Form 990 (Curran)*
The IRS Form 990 was provided in the meeting packet and Lee Thibert, Chief Executive Officer (CEO) responded to questions from the Committee.

Director Henderson joined via teleconference at 4:07 p.m.

After discussion, the Committee deferred further discussion in the Executive Session.

VI. NEW BUSINESS

- A. *1st Quarter 2017 Financial Information (Harris)*
Kathy Harris, Sr. Manager, General Accounting discussed the 1st Quarter 2017 Financial Information. Lee Thibert, CEO and Jon Sinclair, Sr. Manager, Transmission Substation Engineering responded to questions from the Committee.

VII. EXECUTIVE SESSION

- A. *Strategic Planning*
 - i. *KPMG 1st Quarter 2017 Review*
 - ii. *March 31, 2017, SEC Form 10Q Review*
 - iii. *FY2017 Tax Services*

At 4:21 p.m., Director Chastain moved and Director Crawford 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 as it relates to a

discussion on KPMG's first quarter audit review; the Securities and Exchange Commission draft Form 10-Q review; and FY2017 tax services. The motion passed unanimously.

The meeting reconvened in open session at 5:21 p.m.

VIII. NEW BUSINESS

B. March 31, 2017, SEC Form 10Q Filing (Curran)*

Director Chastain moved and Director Crawford seconded the motion 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. Ms. Stuart and Ms. Highers will immediately inform the Board, in writing, of any material or significant changes.

After discussion, the Chair called for a vote. The motion passed unanimously.

C. Pre-Approval of FY207 Tax Services (Highers)*

Director Chastain moved and Director Crawford seconded the motion that the Audit and Finance Committee recommend to the Board of Directors approve the tax services for FY2017. The motion passed unanimously.

D. Annual Review of Board Policy 207 Audit and Finance Committee Discussion (Committee)

After discussion, the Committee agreed and requested the following:

- i. Barbara Simpson-Kraft was hired by the Board last year to review and make recommendations on several Board policies. The Committee would like to get a copy of the final report performed by Ms. Simpson-Kraft.*
- ii. Possible training with NRECA on Bylaw revision.*
- iii. Defer further discussion at the Governance Committee.*

IX. DIRECTOR COMMENTS

Comments were made at this time.

X. ADJOURNMENT

At 5:34 p.m., Director Chastain moved and Director Crawford seconded the motion to adjourn. The motion passed unanimously.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

AUDIT AND FINANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY

June 6, 2017

ACTION REQUIRED

AGENDA ITEM NO. VI.A.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Election of Audit and Finance Committee Vice Chair

DISCUSSION

Board Policy 207, Audit and Finance Committee, states the Board Chair shall appoint the Board Treasurer as Audit and Finance Committee Chair person. The Audit and Finance Committee elects from its membership a vice chair.

The Vice Chair acts during the absence of the Chair. The term of the Vice Chair is from his or her election by the Committee and until a new Committee is appointed by the Board Chair or unless the Vice Chair is otherwise removed or no longer wishes to serve. Director Sisi Cooper was appointed by the Board Chair as Chair of the Audit and Finance Committee. Other Committee members include Directors Bettina Chastain, Jim Henderson and Janet Reiser.

MOTION

Move that the Audit and Finance Committee appoint Director _____ as Vice Chair of the Audit and Finance Committee.

This page has been excluded from your book.

This page has been excluded from your book.

This page has been excluded from your book.

This page has been excluded from your book.

This page has been excluded from your book.

This page has been excluded from your book.

This page has been excluded from your book.

This page has been excluded from your book.

This page has been excluded from your book.

This page has been excluded from your book.

This page has been excluded from your book.

This page has been excluded from your book.

This page has been excluded from your book.

This page has been excluded from your book.

This page has been excluded from your book.

This page has been excluded from your book.

This page has been excluded from your book.

This page has been excluded from your book.

This page has been excluded from your book.

This page has been excluded from your book.

This page has been excluded from your book.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

AUDIT AND FINANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY

June 6, 2017

ACTION REQUIRED

AGENDA ITEM NO. VIII.B.

- Information Only
 - Motion
 - Resolution
 - Executive Session
 - Other
-

TOPIC

Recommendation on Approval of the Financial Forecast

DISCUSSION

As discussed in Executive Session at the June 6, 2017, Audit and Finance Committee Meeting.

MOTION

Move that the Audit and Finance Committee recommend Board of Directors to approve the financial forecast as discussed in Executive Session.