

CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA

AUDIT AND FINANCE COMMITTEE MEETING

AGENDA

Rachel Morse, Chair

Susan Reeves
Jim Henderson
Bettina Chastain

July 11, 2018

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 7, 2018 (Quezon-Vicente)*
- 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*
 - 1. *Internal Controls Workshop*
- VIII. DIRECTOR COMMENTS
- IX. ADJOURNMENT*

* *Denotes Action Items*

** *Denotes Possible Action Items*

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

May 7, 2018
Monday
4:00 p.m.

AUDIT AND FINANCE COMMITTEE MEETING

Recording Secretary: Arden Quezon-Vicente

I. CALL TO ORDER

Chair Cooper called the Audit and Finance Committee meeting to order at 4:00 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 (*via teleconference*)
Jim Henderson, Director
Bettina Chastain, Director

Other Board Member Present:

Harry Crawford, Director
Stuart Parks, Director
Rachel Morse, Director (*arrived at 4:05 p.m.*)

Guests and Staff in Attendance:

Brian Hickey	Mark Fouts	Jean Kornmuller
Tyler Andrews	Jody Wolfe	Julie Hasquet
Sherri Highers	Kathy Harris	James Mullican
Arthur Miller	Renee Curran	Elizabeth Stuart, KPMG
Connie Owens	Matthew Clarkson	Anna Shcheglyuk, KPMG
Paul Risse	Josh Resnick	

II. APPROVAL OF THE AGENDA

Chair Cooper stated that agenda item Employees 401K Plan Audit Services will be added under New Business VIII.D.

Director Reeves moved and Director Parks seconded the motion to approve the agenda as amended. The motion passed unanimously.

Director Morse was not present at the time of vote.

III. APPROVAL OF THE MINUTES

Director Chastain moved and Director Henderson seconded the motion to approve the

March 19, 2018, Audit and Finance Committee Meeting minutes. The motion passed unanimously.

Director Morse was not present at the time of vote.

IV. PERSONS TO BE HEARD

- A. *Member Comments*
None

V. CEO REPORTS AND CORRESPONDENCE

- A. *1st Quarter 2018 Financial Statements and Variance Report (Harris/Curran)*
The 1st Quarter 2018 Financial Statements and the Variance Report were provided in the meeting packet.
- B. *1st Quarter 2018 Operating Budget Status Report (Curran)*
The 1st Quarter 2018 Operating Budget Status Report was provided in the meeting packet.
- C. *1st Quarter 2018 Capital Tracking Report (Curran)*
Sherri Highers, Chief Financial Officer (CFO), VP, Finance and Administration discussed the 1st Quarter 2018 Capital Tracking Report.
- D. *1st Quarter 2018 Contract Status Report (Vecera)*
The 1st Quarter 2018 Contract Status Report was provided in the meeting packet.
- E. *IRS Form 990 (Curran)*
The IRS Form 990 was provided in the meeting packet.

Director Morse arrived at 4:05 p.m.

VI. NEW BUSINESS

- A. *1st Quarter 2018 Financial Information (Harris)*
Kathy Harris, Sr. Manager, General Accounting discussed the 1st Quarter 2018 Financial Information and responded to questions from the Committee.

Brian Hickey, acting Chief Executive Officer and Sherri Highers, CFO, VP, Finance and Administration also 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*
 - iv. *Employees 401K Plan Audit Services*

At 4:23 p.m., Director Chastain 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 5:24 p.m.

VIII. NEW BUSINESS

A. March 31, 2018, SEC Form 10Q Filing (Curran)*

Director Henderson moved and Director Chastain 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. The motion passed unanimously.

B. Pre-Approval of FY2018 Tax Services (Highers)*

Director Chastain moved and Director Reeves seconded the motion that the Audit and Finance Committee recommend to the Board of Directors to approve the tax services for FY2018. The motion passed unanimously.

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

Chair Cooper opened the floor for discussion. No action taken.

D. Employees 401K Plan Audit Services (Andrews)*

Director Chastain moved and Director Reeves seconded the motion that the Audit and Finance Committee recommend the Board of Directors approve the retention of KPMG for employees 401(k) plan audit services for FY2018 as discussed in Executive Session. The motion passed unanimously.

IX. DIRECTOR COMMENTS

Comments were made at this time.

X. ADJOURNMENT

At 5:31 p.m., Director Chastain moved and Director Henderson seconded the motion to adjourn. The motion passed unanimously.

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

**AUDIT AND FINANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY**

July 11, 2018

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 Rachel Morse was appointed by the Board Chair as Chair of the Audit and Finance Committee. Other Committee members include Directors Jim Henderson, Susan Reeves and Bettina Chastain.

MOTION

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