

**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. *1<sup>st</sup> Quarter 2017 Financial Statements and Variance Report (Harris/Curran)*  
The 1<sup>st</sup> Quarter 2017 Financial Statements and the Variance Report were provided in the meeting packet.
- B. *1<sup>st</sup> Quarter 2017 Operating Budget Status Report (Curran)*  
The 1<sup>st</sup> Quarter 2017 Operating Budget Status Report was provided in the meeting packet.
- C. *1<sup>st</sup> Quarter 2017 Capital Tracking Report (Curran)*  
The 1<sup>st</sup> Quarter 2017 Capital Tracking Report was provided in the meeting packet.
- D. *1<sup>st</sup> Quarter 2017 Contract Status Report (Vecera)*  
The 1<sup>st</sup> 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. *1<sup>st</sup> Quarter 2017 Financial Information (Harris)*  
Kathy Harris, Sr. Manager, General Accounting discussed the 1<sup>st</sup> 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 1<sup>st</sup> 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.