

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

November 6, 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 4:05 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*)
Bettina Chastain, Director (*via teleconference*)
Jim Henderson, Director
Janet Reiser, Director

Other Board Member Present:

Harry Crawford, Director
Stuart Parks, Director (*arrived at 4:13 p.m.*)

Guests and Staff in Attendance:

Lee Thibert	Mark Johnson	Renee Curran
Sherri Highers	Tyler Andrews	James Mullican
Arthur Miller	Jody Wolfe	Elizabeth Stuart, KPMG
Arden Quezon-Vicente	Ron Vecera	

II. APPROVAL OF THE AGENDA

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

III. APPROVAL OF THE MINUTES

Director Reiser moved and Director Henderson seconded the motion to approve the August 9, 2017, 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. *3rd Quarter 2017 Financial Statements and Variance Report (Harris/Curran)*
The 3rd Quarter 2017 Financial Statements and the Variance Report were provided in the meeting packet.
- B. *3rd Quarter 2017 Operating Budget Status Report (Curran)*
The 3rd Quarter 2017 Operating Budget Status Report was provided in the meeting packet.
- C. *3rd Quarter 2017 Capital Tracking Report (Curran)*
The 3rd Quarter 2017 Capital Tracking Report was provided in the meeting packet.
- D. *3rd Quarter 2017 Contract Status Report (Vecera)*
The 3rd Quarter 2017 Contract Status Report was provided in the meeting packet. Sherri Highers, Chief Financial Officer (CFO) & VP, Finance and Administration and Lee Thibert, Chief Executive Officer (CEO) responded to questions from the Committee.
- E. *Employees 401K Plan Audit (Andrews)*
The Employees 401K Plan Audit was provided in the meeting packet.

VI. NEW BUSINESS

- A. *Recommendation of Discounting for 2018 Capital Credit Payments* (Highers)*
Director Reiser moved and Director Reeves seconded the motion that the Audit and Finance Committee recommend the Board of Directors' approve the resolution authorizing early (discounted) capital credit payments for 2018 not to exceed \$275,000.

Sherri Highers, CFO & VP, Finance and Administration gave a brief summary of the program for Discounting for 2018 Capital Credit Payments. Ms. Highers, Lee Thibert, CEO and Tyler Andrews, VP, Member and Employee Services responded to questions from the Committee.

Director Parks arrived at 4:13 p.m.

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

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

- B. *3rd Quarter 2017 Financial Information (Harris)*
Kathy Harris, Sr. Manager, General Accounting discussed the 3rd Quarter 2017 Financial Information.

VII. EXECUTIVE SESSION

- A. *Strategic Planning*
 - 1. *KPMG 3rd Quarter 2017 Review*
 - 2. *Board and Auditor Discussion*
 - 3. *Review Chugach's 2017 Audit Plan*
 - 4. *September 30, 2017, SEC Form 10Q Review*

At 4:22 p.m., Director Reiser 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 5:33 p.m.

VIII. NEW BUSINESS

- A. *September 30, 2017, SEC Form 10Q Filing* (Curran)*

Director Reiser moved and Director Henderson 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.

IX. DIRECTOR COMMENTS

Comments were made at this time.

X. ADJOURNMENT

At 5:37 p.m., Director Reiser moved and Director Henderson seconded the motion to adjourn. The motion passed unanimously.