

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

**August 8, 2018**  
**Wednesday**  
**4:00 p.m.**

**AUDIT AND FINANCE COMMITTEE MEETING**

Recording Secretary: Arden Quezon-Vicente

**I. CALL TO ORDER**

Chair Morse called the Audit and Finance Committee meeting to order at 4:01 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

*A. Roll Call*

*Committee Members Present:*

Rachel Morse, Chair

Jim Henderson, Director

Susan Reeves, Director

Bettina Chastain, Director (*arrived during Executive Session*)

Harold Hollis, Director

*Other Board Member Present:*

Harry Crawford, Director

*Guests and Staff in Attendance:*

Lee Thibert

Andrew Laughlin

Jody Wolfe

Sherri Highers

Connie Owens

Renee Curran

Arthur Miller

Dustin Highers

Beth Stuart, KPMG

Matthew Clarkson

Ron Vecera

**II. APPROVAL OF THE AGENDA**

Chair Morse recommended that VII. Executive Session be moved to III.

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

*Director Chastain was not present at the time of vote.*

**III. APPROVAL OF THE MINUTES**

Director Reeves moved and Director Chastain seconded the motion to approve the July 25, 2018, 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. *2<sup>nd</sup> Quarter 2018 Financial Statements and Variance Report (Harris/Curran)*  
The 2<sup>nd</sup> Quarter 2018 Financial Statements and Variance Report were provided in the meeting packet.
- B. *2<sup>nd</sup> Quarter 2018 Operating Budget Status Report (Curran)*  
The 2<sup>nd</sup> Quarter 2018 Operating Budget Status Report was provided in the meeting packet.
- C. *2<sup>nd</sup> Quarter 2018 Capital Tracking Report (Curran)*  
The 2<sup>nd</sup> Quarter 2018 Capital Tracking Report was provided in the meeting packet.
- D. *2<sup>nd</sup> Quarter 2018 Contract Status Report (Vecera)*  
The 2<sup>nd</sup> Quarter 2018 Contract Status Report was provided in the meeting packet.

## VI. NEW BUSINESS

- A. *Election of Audit and Finance Committee Vice Chair\* (Committee)*  
*This agenda item took place after Agenda IV.*

Chair Morse opened the floor for nomination.

Director Chastain nominated Director Hollis for the Audit and Finance Committee Vice Chair and Director Reeves seconded the nomination.

No other nominations were made.

Director Hollis was appointed as the newly elected Vice Chair of the Audit and Finance Committee.

- B. *2<sup>nd</sup> Quarter 2018 Financial Information (Harris)*  
Jody Wolfe, Controller, discussed the 2<sup>nd</sup> Quarter 2018 Financial Information.

Mr. Wolfe, Sherri Highers, Chief Financial Officer, VP, Finance and Administration and Arthur Miller, VP, Regulatory and External Affairs responded to questions from the Committee.

## VII. EXECUTIVE SESSION

- A. *Strategic Planning*
  - 1. *KPMG 2<sup>nd</sup> Quarter 2018 Review*
  - 2. *June 30, 2018, SEC Form 10Q Review*

At 4:02 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.

*Director Chastain arrived during Executive Session.*

The meeting reconvened in open session at 5:26 p.m.

**VIII. NEW BUSINESS**

- A. *June 30, 2018, SEC Form 10Q Filing\* (Curran)*  
*This agenda item took place after Agenda VI.A.*

Director Reeves 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.

**IX. DIRECTOR COMMENTS**

Comments were made at this time.

**X. ADJOURNMENT**

At 6:06 p.m., Director Reeves moved and Director Chastain seconded the motion to adjourn. The motion passed unanimously.