

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

**August 7, 2019**  
**Wednesday**  
**4:00 p.m.**

**AUDIT AND FINANCE COMMITTEE MEETING**

Recording Secretary: Arden Quezon

**I. CALL TO ORDER**

Chair Morse 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:*

Rachel Morse, Chair

Harold Hollis, Vice Chair

Susan Reeves, Director

Jim Henderson, Director (*via teleconference*)

Bettina Chastain, Director

*Other Board Member Present:*

Harry Crawford, Director

*Guests and Staff in Attendance:*

Lee Thibert

Tyler Andrews

Ron Vecera

Sherri Highers

Jody Wolfe

Andrew Laughlin

Brian Hickey

Julie Hasquet

Mike Hayhurst, KPMG

Connie Owens

Renee Curran

(*via teleconference*)

**II. APPROVAL OF THE AGENDA**

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

**III. APPROVAL OF THE MINUTES**

Director Hollis moved and Director Chastain seconded the motion to approve the July 17, 2019, 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 2019 Operating Budget Status Report (Curran)*  
The 2<sup>nd</sup> Quarter 2019 Operating Budget Status Report was provided in the meeting packet.
- B. *2<sup>nd</sup> Quarter 2019 Capital Tracking Report (Vecera)*  
The 2<sup>nd</sup> Quarter 2019 Capital Tracking Report was provided in the meeting packet.
- C. *2<sup>nd</sup> Quarter 2019 Contract Status Report (Vecera)*  
The 2<sup>nd</sup> Quarter 2019 Contract Status Report was provided in the meeting packet.
- D. *2<sup>nd</sup> Quarter 2019 Financial Statements and Variance Report (Wolfe/Curran)*  
The 2<sup>nd</sup> Quarter 2019 Financial Statements and the Variance Report were provided in the meeting packet.

Sherri Highers, Chief Financial Officer, Executive VP, Finance and Administration and Brian Hickey, Chief Operating Officer responded to questions from the Committee.

Lee Thibert, Chief Executive Officer discussed his August meeting attendance availability due to upcoming RCA Hearings.

The Committee and Director Crawford discussed the August 14, 2019, Regular Board and August 19, 2019, Operations Committee meetings.

After discussion, the Committee and Director Crawford collectively agreed to move the August 14, 2019, Regular Board of Directors' Meeting to August 19, 2019 and to cancel the Operations Committee Meeting scheduled for August 19, 2019.

## **VI. NEW BUSINESS**

- A. *2<sup>nd</sup> Quarter 2019 Financial Information\* (Wolfe)*  
Jody Wolfe, Controller, discussed the 2<sup>nd</sup> Quarter 2019 Financial Information and responded to questions from the Committee.

## **VII. EXECUTIVE SESSION**

- A. *KPMG SEC Settlement*
- B. *KPMG 2<sup>nd</sup> Quarter 2019 Review*
- C. *June 30, 2019, SEC Form 10Q Review*

At 4:27 p.m., Director Chastain moved and Director Reeves 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 5:17 p.m.

**VIII. NEW BUSINESS**

*A. June 30, 2019, SEC Form 10Q Filing\* (Curran)*

Director Hollis moved and Director Reeves 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. Mr. Hayhurst 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 5:21 p.m., Director Hollis moved and Director Chastain seconded the motion to adjourn. The motion passed unanimously.