

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

May 18, 2022
Wednesday
4:00 p.m.

AUDIT AND FINANCE COMMITTEE MEETING

Recording Secretary: Sandra Cacy

I. CALL TO ORDER

Chair Hollis called the Audit and Finance Committee meeting to order at 4:04 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Roll Call

Committee Members Present:

Harold Hollis, Chair

Sam Cason, Vice Chair

James Henderson, Director (*joined via teleconference at 4:04 p.m.*)

Mark Wiggin, Director (*via teleconference*)

Rachel Morse, Director (*arrived during Executive Session*)

Board Members Present:

Bettina Chastain, Director (*via teleconference*)

Erin Whitney, Director (*joined via teleconference during Executive Session*)

Guests and Staff Attendance

Present:

Sherri Highers

Julie Hasquet

Curtis Sims

Arthur Miller

Andrew Laughlin

Jessie Anderson

Karen Griffin

Matthew Clarkson

Via Teleconference:

Connie Owens

Ashton Doyle

Bill Lierman, APCM

Arden Quezon

Vinay Sharma, APCM

Brandy Niclai, APCM

Nathan Golab

II. APPROVAL OF THE AGENDA

Director Wiggin moved and Director Cason seconded the motion to approve the agenda. The motion passed unanimously.

Director Henderson joined via teleconference at 4:04 p.m.

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

III. APPROVAL OF THE MINUTES

Director Cason moved and Director Wiggin seconded the motion to approve the March 30, 2022, Audit and Finance Committee Meeting minutes. The motion passed unanimously.

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

IV. PERSONS TO BE HEARD

- A. *Member Comments*
None.

V. CEO REPORTS AND CORRESPONDENCE

- A. *1st Quarter 2022 Capital Tracking Report (Sims/Griffin)*
The 1st Quarter 2022 Capital Tracking Report was provided in the meeting packet.
- B. *1st Quarter 2022 Operating Budget Status Report (Sims/Griffin)*
The 1st Quarter 2022 Operating Budget Status Report was provided in the meeting packet.
- C. *1st Quarter 2022 Contract Status Report (Vecera)*
The 1st Quarter 2022 Contract Status Report was provided in the meeting packet.

Arthur Miller, Acting Chief Executive Officer (CEO), gave a summary of the CEO Reports and Correspondence items. Mr. Miller and Andrew Laughlin, Acting Chief Operating Officer (COO), responded to questions from the Committee.

VI. NEW BUSINESS

- A. *BRU Quarterly Update and BRU Reserve Strategy Options*
Bill Lierman, CFA, Chief Investment Officer, Fixed Income, and Brandy Niclai, CFA, Chief Investment Officer, Multi-Asset Strategies with Alaska Permanent Capital Management gave a BRU Quarterly update and discussed the BRU Reserve Strategy Options and responded to questions from the Committee.

Arthur Miller, Acting CEO and Sherri Highers, Chief Executive Officer (CFO) and Executive VP, Finance and Administration responded to questions from the Committee.

Director Cason moved and Director Wiggin seconded the motion that the Audit and Finance Committee recommend the Board of Directors approve the Fixed Income Only Solution option, as discussed and recommended by management. The motion passed unanimously.

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

- B. *1st Quarter 2022 Financial Information and Variance Report (Griffin)*
Sherri Highers, CFO and Executive VP, Finance and Administration, Karen Griffin, VP, Finance and Accounting, and Curtis Sims, Senior Manager, Budget

Finance Reporting discussed the 2021 Year-End Financial Information and responded to questions from the Committee.

C. *Annual Review of Board Policy 207 – Audit and Finance Committee*

The Committee reviewed and discussed Board Policy 207 – Audit and Finance Committee and there were no recommended changes.

VII. EXECUTIVE SESSION

A. *1st Quarter 2022 Financial Statement Review*

B. *CEO Transition*

At 4:53 p.m., Director Cason moved and Director Wiggin seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1), the Board of Directors' Audit and Finance Committee go into executive session to discuss and receive reports regarding financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative. The motion passed unanimously.

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

Director Whitney joined via teleconference during Executive Session.

Director Morse arrived during Executive Session.

The meeting reconvened in open session; time was not noted.

VIII. NEW BUSINESS

None.

IX. DIRECTOR COMMENTS

None.

X. ADJOURNMENT

At 7:26 p.m., Director Cason moved and Director Morse seconded the motion to adjourn. The motion passed unanimously.