

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

November 16, 2021
Tuesday
4:00 p.m.

AUDIT AND FINANCE COMMITTEE MEETING

Recording Secretary: Arden Quezon

I. CALL TO ORDER

Chair Hollis 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:

Harold Hollis, Chair
Sam Cason, Vice Chair (*arrived at 4:03 p.m.*)
James Henderson, Director (*via teleconference*)
Rachel Morse, Director

Committee Member Absent:

Mark Wiggin, Director

Board Members Present:

Bettina Chastain, Director (*via teleconference*)
Erin Whitney, Director

Guests and Staff Attendance

Present:

Lee Thibert	Mark Fouts	Jean Kornmuller
Brian Hickey	Kathy Harris	Ron Vecera
Matthew Clarkson	Karen Griffin	Teresa Kurka
Sherri Highers	Katie Millen	Ashton Doyle

Via Teleconference:

Connie Owens	Nathan Golab	Bill Lierman, APCM
Theresa Quigley	Michael Hayhurst, KPMG	Vinay Sharma, APCM
Debra Caldwell	Melissa Beedle, KPMG	

II. APPROVAL OF THE AGENDA

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

III. APPROVAL OF THE MINUTES

Director Henderson moved and Director Morse seconded the motion to approve the August 23, 2021, Audit and Finance Committee Meeting minutes. The motion passed unanimously.

Director Cason arrived at 4:03 p.m.

IV. PERSONS TO BE HEARD

- A. *Member Comments*
None.

Chair Hollis presented NRECA Board Leadership Certification for Director Morse.

V. CEO REPORTS AND CORRESPONDENCE

- A. *Employee 401K Plan Audit Report (Millen/Clarkson)*
The Employee 401K Plan Audit Report was provided in the meeting packet.
- B. *3rd Quarter 2021 Contract Status Report (Vecera)*
The 3rd Quarter 2021 Contract Status Report was provided in the meeting packet.
- C. *3rd Quarter 2021 Capital Tracking Report (Sims/Highers)*
Sherri Highers, Chief Financial Officer (CFO) & Executive VP, Finance and Administration, discussed the 3rd Quarter 2021 Capital Tracking Report and responded to questions from the Committee.
- D. *3rd Quarter 2021 Operating Budget Status Report (Sims/Highers)*
Sherri Highers, CFO & Executive VP, Finance and Administration, discussed the 3rd Quarter 2021 Operating Budget Status Report and responded to questions from the Committee.

VI. NEW BUSINESS

- A. *3rd Quarter 2021 Financial Information and Variance Report (Harris/Highers)*
Sherri Highers, CFO & Executive VP, Finance and Administration introduced Karen Griffin as the transitioning Controller.

Karen Griffin, incoming Controller, Kathy Harris, outgoing Controller and Sherri Highers, CFO & Executive VP, Finance and Administration, discussed the 3rd Quarter 2021 Financial Information and responded to questions from the Committee.

- B. *Recommendation on Discounting 2022 Capital Credit Payments (Miller)*
Teresa Kurka, Director, Member Services and Jean Kornmuller, Manager, Regulatory Affairs discussed the Recommendation on Discounting 2022 Capital Credit Payments and responded to questions from the Committee.

Director Morse moved and Director Cason seconded the motion that the Audit and Finance Committee recommend the Board of Directors approve the attached resolution authorizing early (discounted) capital credit payments in calendar-year 2022 for estate payments and former members that are no longer on Chugach's distribution system in an amount not-to-exceed \$350,000. The motion passed unanimously.

VII. EXECUTIVE SESSION

- A. *BRU ARO Investment Fund Review*
- B. *Review Chugach's 2021 Audit Plan*
- C. *3rd Quarter 2021 Financial Report*
- D. *Capital Credit Retirement Discussion*

At 4:29 p.m., Director Cason moved and Director Morse seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1) and (3) the Board of Director's Audit and Finance Committee go into executive session to: 1) discuss and receive reports regarding financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; and, 2) to discuss legal matters with its attorneys, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The motion passed unanimously.

The meeting reconvened in open session at 6:24 p.m.

VIII. NEW BUSINESS

- A. *Pre-Approval for FY2021 Audit Services (Highers)*

Director Cason moved and Director Morse seconded the motion that the Audit and Finance Committee recommend the Board of Directors approve the retention of KPMG for audit services for FY2021 in accordance with the fees outlined in KPMG's contract, due to expire April 15, 2023. The motion passed unanimously.

- B. *Capital Credit Retirement (Highers)*

Director Morse moved and Director Cason seconded the motion that the Audit and Finance Committee recommend the Board of Directors approve a capital credit retirement as discussed in executive session. The motion passed unanimously.

IX. DIRECTOR COMMENTS

Director comments were made at this time.

X. ADJOURNMENT

At 6:34 p.m., Director Morse moved and Director Cason seconded the motion to adjourn. The motion passed unanimously.