

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

March 18, 2020
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 4:02 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 *(via teleconference)*
Susan Reeves, Director *(via teleconference)*
Jim Henderson, Director *(via teleconference)*
Bettina Chastain, Director *(via teleconference)*

Other Board Member Present:

Harry Crawford, Director
Stuart Parks, Director *(via teleconference)*

Guests and Staff in Attendance:

Lee Thibert	Jody Wolfe	Mike Hayhurst, KPMG
Sherri Highers	Renee Curran	<i>(via teleconference)</i>
Matthew Clarkson	Kathy Harris	Melissa Beedle, KPMG
		<i>(via teleconference)</i>

II. APPROVAL OF THE AGENDA

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

III. APPROVAL OF THE MINUTES

Director Reeves moved and Director Henderson seconded the motion to approve the November 6, 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. *4th Quarter 2019 Capital Tracking Report (Curran)*
Chair Morse discussed the 4th Quarter 2019 Capital Tracking Report.
- B. *4th Quarter 2019 Operating Budget Status Report (Curran)*
The 4th Quarter 2019 Operating Budget Status Report was provided in the meeting packet.
- C. *4th Quarter 2019 Contract Status Report (Vecera)*
The 4th Quarter 2019 Contract Status Report was provided in the meeting packet.
- D. *2019 Year-End Financial Statements and Variance Report (Harris/Curran)*
The 2019 Year-End Financial Statements and the Variance Report were provided in the meeting packet.

VI. NEW BUSINESS

- A. *2019 Year-End Financial Information (Harris)*
Kathy Harris, Sr. Manager, General Accounting discussed the 2019 Year-End Financial Information and responded to questions from the Committee.

VII. EXECUTIVE SESSION

- A. *Strategic Planning*
 - 1. *Review and Accept the 2019 Independent Audited Financial Statements*
 - 2. *Pre-Approval for FY2020 Audit Services*
 - 3. *Board and Auditor Discussion*
 - 4. *December 31, 2019, SEC Form 10K Review*
 - 5. *Accounting for the ML&P Acquisition*

At 4:09 p.m., Director Hollis 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 6:36 p.m.

VIII. NEW BUSINESS

- A. *Accept the 2019 Independent Audited Financial Statements* (KPMG)*
Director Reeves moved and Director Chastain seconded the motion that the Audit and Finance Committee recommend the Board of Directors approve the 2019 Independent Audited Financial Statements of Chugach Electric Association, Inc. and footnotes as presented by KPMG and management. The motion passed unanimously.

B. December 31, 2019, SEC Form 10K Filing (Curran)*

Director Hollis moved and Director Chastain seconded the motion that the Audit and Finance Committee recommend to the Board of Directors that management file the Securities and Exchange Commission Form 10K 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.

C. Pre-Approval of KPMG for FY2020 Audit Services (Highers)*

Director Hollis moved and Director Chastain seconded the motion that the Audit and Finance Committee recommend the Board of Directors approve the retention of KPMG for audit services for FY2020 in accordance with the fees outlined in KPMG's contract, due to expire April 15, 2021. The motion passed unanimously.

IX. DIRECTOR COMMENTS

Director comments were deferred to the Special Board of Directors' meeting, immediately following the Audit and Finance Committee meeting.

X. ADJOURNMENT

At 6:40 p.m., Director Chastain moved and Director Henderson seconded the motion to adjourn. The motion passed unanimously.