

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

August 12, 2020
Wednesday
4:00 p.m.

AUDIT AND FINANCE COMMITTEE MEETING

Recording Secretary: DeAnna Scott

I. CALL TO ORDER

Chair Hollis 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:

Harold Hollis, Chair

James Henderson, Director (*via teleconference at 4:05 p.m.*)

Sam Cason, Director

Mark Wiggin, Director (*via teleconference at 4:14 p.m. and arrived at 4:22 p.m.*)

Bettina Chastain, Director (*via teleconference*)

Other Board Member Present:

Stuart Parks, Director

Rachel Morse, Director (*via teleconference*)

Guests and Staff Attendance

Present:

Lee Thibert

Matthew Clarkson

Sherri Highers

Renee Curran

Jody Wolfe

Kathy Harris

Via Teleconference:

Brian Hickey

Tyler Andrews

Julie Hasquet

Arthur Miller

Mark Fouts

Melissa Yang

Connie Owens

Mike Hayhurst

Melissa Beedle

Laurel Foster

II. APPROVAL OF THE AGENDA

Director Morse moved and Director Cason seconded the motion to approve the agenda.

III. APPROVAL OF THE MINUTES

Director Cason moved and Director Chastain seconded the motion to approve the March 18, 2020, 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. *2nd Quarter 2020 Operating Budget Status Report (Curran)*
The 2nd Quarter 2020 Operating Budget Status Report was provided in the meeting packet.
- B. *2nd Quarter 2020 Capital Tracking Report (Curran)*
The 2nd Quarter 2020 Capital Tracking Report was provided in the meeting packet.
- C. *2nd Quarter 2020 Contract Status Report (Vecera)*
The 2nd Quarter 2020 Contract Status Report was provided in the meeting packet.
- D. *2nd Quarter 2020 Financial Statements and Variance Report (Harris/Curran)*
The 2nd Quarter 2020 Financial Statements and the Variance Report were provided in the meeting packet.

VI. NEW BUSINESS

- A. *Election of Audit and Finance Committee Vice-Chair* (Committee)*
Chair Hollis opened for floor for nomination of the Audit and Finance Committee Vice Chair. Director Chastain nominated Director Cason. No other nominations were made.

Director Chastain moved and Director Wiggin seconded the motion that the Audit and Finance Committee appoint Director Cason as Vice Chair of the Audit and Finance Committee. The motion passed unanimously.

- B. *2nd Quarter 2020 Financial Information (Harris)*
Kathy Harris, Sr. Manager, General Accounting discussed the 2nd Quarter 2020 Financial Information.

Sherri Highers, CFO, Executive VP, Finance and Administration and Lee Thibert, Chief Executive Officer (CEO) responded to questions from the Committee.⁴

VII. EXECUTIVE SESSION

- A. *KPMG 2nd Quarter 2020 Review*
- B. *June 30, 2020, SEC Form 10Q Review*
- C. *Accounting for ML&P Acquisition*

At 4:33 p.m., Director Cason moved and Director Wiggin seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1) the Board 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 7:05 p.m.

VIII. NEW BUSINESS

A. June 20, 2020, SEC Form 10Q Filing (Curran)

Director Cason moved and Director Wiggin 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 7:13 p.m., Director Wiggin moved and Director Cason seconded the motion to adjourn. The motion passed unanimously.