

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

August 23, 2021
Wednesday
4:00 p.m.

AUDIT AND FINANCE COMMITTEE MEETING

Recording Secretary: Danielle Bigelow

I. CALL TO ORDER

Chair Hollis called the Audit and Finance Committee meeting to order at 4:03 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 (*absent*)

James Henderson, Director

Mark Wiggin, Director (*joined via teleconference and in person.*)

Rachel Morse, Director

Board Members Present:

Bettina Chastain, Director

Guests and Staff Attendance

Present:

Sherri Highers

Matthew Clarkson

Julie Hasquet

Arthur Miller

Ron Vecera

Ashton Doyle

Brian Hickey

Via Teleconference:

Connie Owens

Arden Quezon

Blake Phillips, APCM

Kathy Harris

Debra Caldwell

Brandy Niclai, APCM

Karen Griffin

Curtis Sims

Vinay Sharma, APCM

Theresa Quigley

II. APPROVAL OF THE AGENDA

Director Wiggin 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 July 28, 2021, Audit and Finance Committee Meeting minutes. The motion passed unanimously.

IV. PERSONS TO BE HEARD

- A. *Member Comments*
None.

Sherri Highers, Chief Financial Officer (CFO) and Executive VP, Finance and Administration, introduced Curtis Sims, Senior Manager, Budget and Finance Reporting, and Debra Caldwell, Senior Financial Analyst.

V. CEO REPORTS AND CORRESPONDENCE

- A. *2nd Quarter 2021 Contract Status Report*
The 2nd Quarter 2021 Contract Status Report was provided in the meeting packet and discussed in Executive Session.
- B. *2nd Quarter 2021 Capital Tracking Report*
Sherri Highers, CFO and Executive VP, Finance and Administration, discussed the 2nd Quarter 2021 Capital Tracking Report.
- C. *2nd Quarter 2021 Operating Budget Status Report*
Sherri Highers, CFO and Executive VP, Finance and Administration, discussed the 2nd Quarter 2021 Operating Budget Status Report.

VI. NEW BUSINESS

- A. *2nd Quarter 2021 Financial Information and Variance Report*
Kathy Harris, Controller, and Sherri Highers, CFO and Executive VP, Finance and Administration, discussed the 2nd Quarter 2021 Financial Information and responded to questions from the Committee.

Arthur Miller, Executive VP, Regulatory and External Affairs, Brian Hickey, Chief Operating Officer, Matthew Clarkson, Executive VP, General Counsel also responded to questions from the Committee.

Ms. Highers thanked Kathy Harris, Controller, Nathan Golab, Assistant Manager, Plant Accounting, and Karen Griffin, Manager, General Accounting, for a job well done on the Variance Report.

VII. EXECUTIVE SESSION

- A. *BRU ARO Investment Fund Review*
- B. *BRU ARO Investment Strategy Discussion*
- C. *IRS Form 990*
- D. *2nd Quarter 2021 Financial Report*

At 4:47 p.m., Director Morse moved and Director Henderson seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1) and (3) the 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.

Director Wiggin arrived during executive session.

The meeting reconvened in open session at 6:50 p.m.

VIII. NEW BUSINESS

A. BRU ARO Investment Strategy (Highers)

Director Morse moved and Director Henderson seconded the motion Audit and Finance Committee recommend the Board of Directors approve the attached resolution establishing an investment strategy and adopting investment guidelines to accomplish the purpose of the ARO Fund.

IX. DIRECTOR COMMENTS

Director comments were made at this time.

X. ADJOURNMENT

At 6:56 p.m., Director Wiggin moved and Director Henderson seconded the motion to adjourn. The motion passed unanimously.