

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

August 9, 2017
Wednesday
4:00 p.m.

AUDIT AND FINANCE COMMITTEE MEETING

Recording Secretary: Divina Portades

I. CALL TO ORDER

Chair Cooper 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:

Sisi Cooper, Chair
Janet Reiser, Director
Jim Henderson, Director (*via teleconference*)

Committee Member Absent:

Susan Reeves, Vice Chair

Committee Member Excused Absent:

Bettina Chastain, Director

Guests and Staff in Attendance:

Sherri Highers	Paul Risse	Renee Curran
Arthur Miller	Mark Johnson	Julie Hasquet
Connie Owens	Jody Wolfe	Teresa Quigley
Josh Travis	Ron Vecera	Elizabeth Stuart, KPMG (<i>via teleconference</i>)

II. APPROVAL OF THE AGENDA

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

III. APPROVAL OF THE MINUTES

Director Henderson moved and Director Reiser seconded the motion to approve the June 6, 2017, Audit and Finance Committee Meeting minutes. The motion passed unanimously.

IV. PERSONS TO BE HEARD

- A. Wholesale Customer and Member Comments*
None

V. CEO REPORTS AND CORRESPONDENCE

- A. *2nd Quarter 2017 Financial Statements and Variance Report (Harris/Curran)*
The 2nd Quarter 2017 Financial Statements and the Variance Report were provided in the meeting packet. Sherri Highers, VP, Finance and Chief Financial Officer (CFO) gave a brief summary and discuss changes on the 2nd Quarter 2017 Financial Statements and Variance Report. Sherri Highers, VP, Finance and CFO, Paul Risse, Sr. VP, Production and Engineering and Arthur Miller, Executive Manager, Regulatory and External Affairs responded to questions from the Committee.
- B. *2nd Quarter 2017 Operating Budget Status Report (Curran)*
The 2nd Quarter 2017 Operating Budget Status Report was provided in the meeting packet.
- C. *2nd Quarter 2017 Capital Tracking Report (Curran)*
The 2nd Quarter 2017 Capital Tracking Report was provided in the meeting packet.
- D. *2nd Quarter 2017 Contract Status Report (Vecera)*
The 2nd Quarter 2017 Contract Status Report was provided in the meeting packet.

VI. NEW BUSINESS

- A. *2nd Quarter 2017 Financial Information (Harris)*
Jody Wolfe, Controller discussed the 2nd Quarter 2017 Financial Information. Sherri Highers, VP, Finance and CFO and Jody Wolfe, Controller responded to questions from the Committee.

VII. EXECUTIVE SESSION

- A. *Strategic Planning*
 - 1. *KPMG 2nd Quarter 2017 Review*
 - 2. *June 30, 2017, SEC Form 10Q Review*
 - 3. *NRUCFC Line of Credit*

At 4:30 p.m., Director Reiser moved and Director Henderson 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 5:19 p.m.

VIII. NEW BUSINESS

- A. *June 30, 2017, SEC Form 10Q Filing* (Curran)*
Director Reiser moved and Director Henderson 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. Ms. Stuart and Ms. Highers will immediately inform the Board, in writing, of any material or significant changes. The motion passed unanimously.

B. Recommendation on Approval of the NRUCFC Line of Credit (Highers)*

Director Reiser moved and Director Henderson seconded the motion that the Audit and Finance Committee recommend the Board of Directors authorize the Chief Executive Officer to enter into a Revolving Line of Credit Agreement (Agreement) with NRUCFC in an amount not to exceed \$50 million for a term of sixty months, subject to the provisions of the Agreement substantially in the form discussed in executive session. The motion passed unanimously.

IX. DIRECTOR COMMENTS

Comments were made at this time.

X. ADJOURNMENT

At 5:22 p.m., Director Reiser moved and Director Henderson seconded the motion to adjourn. The motion passed unanimously.