

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

AUDIT COMMITTEE
MEETING MINUTES

August 2, 2006

Committee Member Attendee: Dave Cottrell, Chairman (via telephone)
Elizabeth Vazquez
Bruce Davison

Other Directors Present: Jeff Lipscomb
Uwe Kalenka

Guest in Attendance: Kim Floyd, MEA

Staff in Attendance:

Bill Stewart	Mike Cunningham	Brad Evans
Lee Thibert	Greg Arthur	Bill Bernier
Dianne Hillemeier	Connie Owens	Phil Steyer
Carol Johnson	Dan Knecht	Dave Smith
Rick Freymiller	Amber Van Treeck	Carol Heyman

Recording Secretary: Paula Neas-Arnold, Executive Assistant

I. Call to Order

Director Davison (substituting for Chairman Cottrell who participated by telephone) called the Audit Committee to order at 3:30 p.m. in the Boardroom of Chugach Electric Association Inc., 5601 Electron Drive, Anchorage, Alaska.

II. Approval of Agenda

Director Cottrell moved and Director Vazquez seconded the motion to approve the agenda. The motion passed unanimously.

III. Approval of Minutes - May 3, 2006

Director Cottrell moved and Director Vazquez seconded the motion to approve the minutes of May 3, 2006. The motion passed unanimously

IV. Customer Comments

- a. Wholesale Customer: None
- b. Retail Customer: None

V. KPMG Limited Review 2nd Quarter 10Q Filing (Kathy Porterfield)

Kathy Porterfield discussed the KPMG Limited Review 2nd Quarter 10Q Filing.

VI. 2006 KPMG Contract Extension – KPMG (Mike Cunningham)

Mike Cunningham, Chief Financial Officer discussed the KPMG contract extension with the Operations Committee. Director Cottrell moved and Chairman Davison seconded the motion to recommended approval of the KPMG contract at it next regular Board meeting. The motion carried unanimously.

VII. Director Comments

None

VIII. Correspondence

None

IX. Executive Session

At 3:42 P.M. Director Lipscomb moved and Chairman Davison seconded the motion that pursuant to Alaska Statute 10.25.1759(c)(1)(2) and (3), the Board go into executive session to discuss 1) matters that the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; and 3) matters with its attorneys, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The topics to be discussed in executive session are: The 10Q SEC Filing.

X. Adjourn

The Board reconvened at 3:50 P.M. Director Cottrell moved and Director Vasquez seconded the motion to adjourn. The meeting adjourned at 3:51 P.M.