

**CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA**

**March 5, 2008
Wednesday**

3:30 p.m.

**BOARD OF DIRECTORS' AUDIT COMMITTEE
MEETING MINUTES**

Committee Members in Attendance: Elizabeth Vazquez, Acting Chair
Uwe Kalenka
Jeff Lipscomb
P J Hill (*telephonic*)

Other Board Members in Attendance: Alex Gimarc
Rebecca Logan (*telephonic*)
Jim Nordlund (*telephonic - joined at 4:10 p.m.*)

Guest and Staff in Attendance:

Bradley Evans	Ed Jenkin	Ann Patras, HEA
Bill Bernier	Carol Johnson	Jim Patras, HEA
Clayton Bourne, KPMG	Cheryl Klein, CSS	Jim Posey, ML&P
Lorali Carter, MEA	Charles Kozak, KPMG	Paul Risse
Mike Cunningham	Sherri McKay-Highers	Jean Sauget
Rick Freymiller	Scott Miller, KPMG	David Smith
Dora Gropp	Jena Noethlich	Jody Wolfe
Kathy Harris	Connie Owens	

Recording Secretary: DeAnna Scott, Executive Assistant.

I. Call To Order

The Audit Committee Meeting was called to order by Acting Chair Vazquez at 3:41 p.m., in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

II. Executive Session

None.

III. Approval of Agenda

Director Kalenka moved and Director Lipscomb seconded the motion to approve the agenda. The motion passed unanimously.

IV. Approval of Minutes

a. November 7, 2007

Director Kalenka moved and Director Lipscomb seconded the motion to approve the November 7, 2007, meeting minutes. The motion passed unanimously.

V. Customer Comments

a. Wholesale Customer Comments

None.

b. Member Comments

None.

VI. Review and Recommendation on the 2007 Audited Financial Statements *(This item was addressed after agenda item VII. 2007 Audit Update and the formal motion was considered under agenda item XII. Adjourn.)*

Director Kalenka moved and Director Lipscomb seconded the motion that the Audit Committee recommend to the Board of Directors the approval of the 2007 audited financial statements and footnotes as presented by KPMG.

Director Kalenka requested this motion be postponed until after the executive session.

VII. 2007 Audit Update – *(This presentation was given before agenda item VI. Review and Recommendation on the 2007 Audited Financial Statements).*

Charlie Kozak and Scott Miller of KPMG presented an update on the process of the 2007 the Audit and answered questions of the committee.

VIII. SOX Audit Review

David Smith, Acting Sr. V.P. Administration and Cheryl Klein, CSS provided an update on the SOX Audit Review and answered questions of the committee.

Acting Chair Vazquez stated she had a lot of questions and requested the committee go into executive session.

At 4:09 p.m., Director Kalenka moved and Director Lipscomb seconded the motion that pursuant to Alaska Statute 10.25.175(c) (1) and (3) the Board go into executive session to discuss (1) matters before the Board at this time regarding the KPMG Audit and SOX Audit. The motion passed unanimously.

The Committee came out of executive session at 4:50 p.m. Director Nordlund dropped off telephonically at 4:51 p.m.

IX. Correspondence

None.

X. Directors' Comments

Director Lipscomb: "No comments."

Director Gimarc: "No comment."

Director Logan: "No comment."

Director Hill: "I have none."

XI. Executive Session – (None)

XII. Adjourn

Chair Vazquez asked for a motion to adjourn. *Director Kalenka stated there was a motion for Agenda Item VI. - Review and Recommendation on the 2007 Audited Financial Statements that needed action.*

Director Kalenka moved and Director Lipscomb seconded the motion that the Audit Committee recommend to the Board of Directors the approval of the 2007 audited financial statements and footnotes as presented by KPMG. The motion passed unanimously.

At 4:58 p.m., Director Kalenka moved and Director Lipscomb seconded the motion to adjourn the Audit Committee Meeting. Motion passed unanimously. The meeting adjourned.

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