

# DRAFT

CHUGACH ELECTRIC ASSOCIATION, INC.  
Anchorage, Alaska

## AUDIT COMMITTEE MEETING

February 22, 2006

Committee Members in Attendance: David Cottrell, Chair  
Alan Christopherson (not present)  
Bruce Davison  
Elizabeth Vazquez

Other Directors Present: Ray Kreig  
Jeff Lipscomb (arrived at 3:50 p.m.)  
Uwe Kalenka (arrived at 3:53 p.m.)

Guests in Attendance: David Ausman  
Michael Pauley  
Jim Patras  
Kathy Porterfield  
Irina Harding

Staff in Attendance:

Bill Stewart	Dianne Hillemeier	Mike Cunningham	Brad Evans
Lee Thibert	Sheri McKay-Highers	Kathy Harris	Jody Wolfe
Carol Johnson	Ed Jenkin	Patti Bogan	Paul Risse
John Cooley	Mary Tesch	Dave Smith	Rick Freymiller
Dan Knecht	Phil Steyer		

Recording Secretary: Jennifer McDonald, Legal Secretary

### **I. Call to Order**

Chair Cottrell called the Audit Committee to order at 3:36 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

### **II. Approval of Agenda**

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

### **III. Approval of Minutes – November 14, 2005**

Director Davison moved and Director Vazquez seconded the motion to approve the November 14, 2005 minutes. The motion passed unanimously.

### **IV. Customer Comments**

- a. Wholesale Customers – None.
- b. Retail Customers – None

### **V. Independent Auditors Report on 2005 Audit – KPMG**

Kathy Porterfield of KPMG presented KPMG's Independent Auditors Report on the 2005 Audit and responded to questions from the Committee.

# DRAFT

## VI. 2005 Audited Financial Statements

Mike Cunningham, Chief Financial Officer, gave a presentation on the 2005 Audited Financial Statements and responded to questions from the Committee.

## VII. Review of Budget Policy - KPMG

Kathy Porterfield of KPMG discussed the Review of the Budget Policy and KPMG's suggestion for management to provide quarterly updates including budget revisions.

## VIII. Director Comments

**Director Davison:** None.

**Director Vazquez:** Thanked management staff for working hard on the Audit. Audits take a lot of time and patience and usually other people that are not involved really don't appreciate the amount of work that is involved. Ms. Vazquez asked Kathy Porterfield if she could email her PowerPoint presentation to the Board.

**Director Kreig:** None.

**Director Kalenka:** None.

**Chair Cottrell:** Asked Mike Cunningham to provide a draft copy of the MDNA for his review and confirmed whether the Financial Statements will be in the annual report for the members.

**Director Lipscomb:** Asked when the MDNA is due, when the Board will receive a draft copy and whether it will be included in the Annual Report. *Mike Cunningham replied that the MDNA is due by the end of March. The Board should receive a copy a week prior to the March 22 Audit Committee meeting at which time it will be reviewed. Mr. Cunningham noted that the MDNA is part of the Audit report and is not included in the Annual Report.*

Mr. Lipscomb stated that last year it was intended to report the financials on an unbundled basis in the Annual report and asked if that was still the plan? *Bill Stewart stated that he doesn't see a reason why it couldn't be.*

## IX. Correspondence

- a. NRECA Supplement Governance & Accountability

## X. Executive Session – None.

## XI. Adjourn

The meeting adjourned at 4:12 p.m.