

DRAFT

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

AUDIT COMMITTEE MEETING

February 27, 2007

Committee Members in Attendance: Dave Cottrell, Chair
Elizabeth Vazquez (participated telephonically)
Bruce Davison (arrived at 3:39 p.m.)

Other Directors Present: Jeff Lipscomb
Uwe Kalenka

Guests in Attendance: Jim Walker (MEA)
Loral Carter (MEA)
Kathy Porterfield (KPMG)
Marie Marquardt (KPMG)

Staff in Attendance:

Bill Stewart	Connie Owens	Mike Cunningham	Lee Thibert
Brad Evans	Sheri McKay-Highers	Carol Johnson	John Cooley
Dave Smith	Ron Vecera	Ed Jenkin	Kathy Harris
Rick Freymiller	Jody Wolfe	Amber Van Treeck	Suzanne Gibson

Recording Secretary: Jennifer McDonald, Legal Secretary

I. Call to Order

Chair Cottrell called the Audit Committee to order at 3:32 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

II. Approval of Agenda

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

III. Approval of Minutes – August 2, 2006

Director Vazquez moved and Director Cottrell seconded the motion to approve the August 2, 2006 minutes. The motion passed unanimously.

IV. Customer Comments

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

V. KPMG Review of 2006 Audited Financial Statements

Kathy Porterfield of KPMG discussed the status of the Audit, the 2006 Audit Letter, and responded to questions from the Committee.

VI. Recommendation – Approval of Audit to the Full Board

Director Davison moved and Director Vazquez seconded the motion that the Audit Committee forward to the full Board for approval the 2006 Independent Audit as presented by KPMG. The motion passed unanimously.

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VII. Director Comments

Director Vazquez: None.

Director Davison: None.

Director Kalenka: None.

Director Lipscomb: None.

Chair Cottrell: Stated he met with the Auditors before the meeting and went over the items that Kathy Porterfield talked about and recommended that Kathy explain those items to the Committee on the adjustments. Stated he talked to Mike Cunningham about changing the format of the financial statements for next year - the Audit Committee is going to “jazz up” the financial statements for 2008.

VIII. Correspondence

None.

IX. Executive Session

None.

X. Adjourn

The meeting adjourned at 3:43 p.m.