

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**AUDIT COMMITTEE MEETING**

**March 19, 2008**

Committee Members in Attendance: Elizabeth Vazquez, Acting Chair  
Jeff Lipscomb  
Uwe Kalenka  
PJ Hill, Chair (via telephone at 3:37 p.m.)

Other Directors Present: Alex Gimarc  
Jim Nordlund (via telephone at 4:05 p.m.)  
Rebecca Logan

Guests in Attendance: Ruth Fitzpatrick (HEA)  
Mike Nugent (HEA)  
Dave Carey (HEA)  
Loral Carter (MEA)  
Scott Miller (KPMG)  
Clayton Bourne (KPMG)  
Jim Posey (ML&P)

Staff in Attendance:

Brad Evans	Ed Jenkin	Carol Johnson	Ron Vecera
Tyler Andrews	Dave Smith	Paul Risse	Mike Cunningham
Renee Curran	Jody Wolfe	Deanna Scott	Sherri McKay – Highers
Carol Heyman	Jean Sauget	Phil Steyer	

Recording Secretary: Jennifer McDonald, Legal Secretary

**I. Call to Order**

Acting Chair Vazquez called the Audit Committee to order at 3:31 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. March 5, 2008

Director Kalenka moved and Director Lipscomb seconded the motion to approve the March 5, 2008 minutes. The motion passed unanimously.

**V. Customer Comments**

- a. Wholesale Customer Comments – None.
- b. Retail Customer Comments – None

**VI. New Business**

- a. 2007 Independent Audit Update

Scott Miller, Partner with KPMG, gave an update on the status of the 2007 Independent Audit Update and answered questions from the Committee.

*Director Hill joined the meeting via telephone at 3:37 p.m. and Director Nordlund joined the meeting via telephone at 4:05 p.m.*

**VII. Director Comments**

**Director Lipscomb:** None.  
**Director Logan:** None.  
**Director Gimarc:** None.  
**Director Kalenka:** None.  
**Director Hill:** None.  
**Director Nordlund:** None.  
**Acting Chair Vazquez:** None.

**VIII. Correspondence**

None.

**IX. Executive Session**

Director Kalenka moved and Director Lipscomb seconded the motion that pursuant to Alaska Statute 10.25.175 (c) (1) and (3) the Audit Committee go into executive session 1) to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; and 2) to discuss matters with its attorneys, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The matter to be discussed is: Review of the 10K Filing. The Audit Committee went into executive session at 3:48 p.m.

*Director Nordlund disconnected telephonically at 4:14 p.m. and rejoined at 4:15 p.m.*

The Committee resumed in open session at 4:22 p.m.

Director Lipscomb moved and Director Hill seconded the motion to amend the Agenda to add Item X. Recommendation of the 10K filing to the Board of Directors. The motion passed unanimously.

**X. Recommendation of the 10K filing to the Board of Directors**

Director Kalenka moved and Director Lipscomb seconded the motion that the Audit Committee recommend to the Board that management file the 10K for the year ending December 31, 2007, by the due date incorporating any review and amendment to the document which will be received and approved by KPMG. Mr. Miller of KPMG and Mr. Cunningham will immediately inform the Board, in writing, of any material and significant changes. The motion passed unanimously.

**XI. Adjourn**

Director Kalenka moved and Director Lipscomb seconded the motion to adjourn. The meeting adjourned at 4:25 p.m.

DRAFT