

CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA
August 8, 2007
Wednesday

3:30 p.m.

BOARD OF DIRECTORS'
AUDIT COMMITTEE MEETING

Committee Members present: Elizabeth Vazquez, Acting Chair
P.J. Hill
Alex Gimarc
Jeff Lipscomb

Other Directors present: Alan Christopherson
Jim Nordlund

Employees and Guest in attendance:

Bill Stewart	Mari Marquardt, KPMG	Lee Thibert
Mike Cunningham	Scott Miller, KPMG	Tom Tierney
Debbie Debman, HEA	Jim Posey, ML&P	Amber Van Treeck
Brad Evans	Dave Smith	Ron Vecera
Suzanne Gibson	Tom Schulman	Jim Walker, MEA
Dora Gropp	Sean Skaling	Jody Wolfe
Marilyn Leeland, APA	Mary Tesch	Gary Zipkin, G&R

Recording Secretary – DeAnna Scott, Executive Assistant.

I. Call to Order

The Audit Committee was called to order by Chair Vazquez at 3:30 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

II. Approval of Agenda

Director Lipscomb moved and Director Gimarc seconded the motion to approve the agenda. Director Lipscomb moved and Director Gimarc seconded the motion to amend the agenda moving agenda item V. Directors Comments to after the Executive Session. The question was called with the motion passing unanimously. The question was called on the main motion to approve the agenda as amended. The motion, as amended, passed unanimously.

III. Approval of Minutes (5/2/07)

Director Lipscomb moved and Director Gimarc seconded the motion to approve the May 2, 2007, revised meeting minutes. The motion passed unanimously.

IV. Customer Comments

a. Wholesale Customer Comments - None

b. Retail Customer Comments - None

V. Director's Comments – (Item moved to after the Executive Session.)

Director Hill: Stated it's good to be back.

Director Lipscomb: Stated he appreciated the review of the 10K and concur with the content and its filing.

Director Christopherson: No comments.

Director Nordlund: No comments

Director Gimarc: No comments

Chair Vazquez: Stated the Board will be sending a letter to the *Alaska Journal of Commerce* with regard to the article that appeared on July 29th.

VI. Correspondence

None

VII. Executive Session

At 3:48 p.m., Director Hill 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 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 item to be discussed in the executive session is: 1) 2nd Quarter 10Q Filing. The motion passed unanimously.

The Board came out of Executive Session at 4:48 p.m.

VIII. Adjourn

Director Lipscomb moved and Director Hill seconded the motion to adjourn the Operations Committee Meeting. The Audit Committee meeting adjourned at 4:51 p.m.