

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

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

**August 12, 2009**  
**Wednesday**  
**3:30 p.m.**

Committee Members in Attendance: Alex Gimarc, Acting Chair  
Rebecca Logan  
Pat Kennedy

Committee Members Not Present: PJ Hill, Chair

Other Members Present: Elizabeth Vazquez  
Janet Reiser (arrived at 3:50 p.m.)

Guest in Attendance Michael Hayhurst, (KPMG)  
Ben Renfrew, (KPMG)  
R.A. Brown, (ESI)  
W.A. Smoak, (ESI)  
Louann Cutler, (K&L Gates)  
Dan Walker, (Walker & Associates)

Staff in Attendance:

Mike Cunningham	Dan Knecht	Theresa Quigley
Tyler Andrews	Sherri McKay-Highers	Dave Smith
Renee Curran	Arthur Miller	Lee Thibert
Dora Gropp	Divina Portades	Ron Vecera
Kathy Harris	Theresa Quigley	
Mark Johnson	Dave Smith	

Recording Secretary: DeAnna Scott, Executive Assistant.

**I. Call To Order**

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

**II. Election of Chair Pro Tem**

Due to the absence of the Chair, Director Logan elected Director Gimarc as Acting Chair for the Audit Committee meeting. The motion passed unanimously without a second.

**III. Executive Session**

None.

**IV. Approval of Agenda**

Director Logan moved and Director Kennedy seconded the motion to approve the agenda. The motion passed unanimously.

**V. Approval of Minutes**

*a. May 13, 2009*

Director Logan moved and Director Kennedy seconded the motion to approve the May 13, 2009, meeting minutes. The motion passed unanimously.

**VI. Customer Comments**

*a. Wholesale Customer Comments*

None.

*b. Member Comments*

None.

**VII. 2<sup>nd</sup> Quarter SEC 10Q Filing Limited Review**

Michael Hayhurst and Brent Renfrew, KPMG reviewed the 2009 2<sup>nd</sup> Quarter SEC 10Q Filing Limited Review and answered questions from the Committee.

**VIII. Audit Committee Handbook**

Mike Cunningham, Chief Financial Officer distributed the Audit Committee Handbook and answered questions from the Committee.

**IX. Correspondence**

None.

**X. Director Comments**

**Director Vazquez:** “I am really pleased to get this Audit Committee Handbook and like I said, better late than never. I am looking forward towards the updates. Thank you.”

**Director Kennedy:** “I have the same feeling but I’m new so, it’s not better late than never, its fine for me. Thank you.”

**Director Logan:** “Thank you very much, this is fabulous. I’m mean, you do a very good job responding to our requests very quickly; so, I know that there’s a lot of detail here and I appreciate it greatly.”

**Acting Chair Gimarc:** “No comment from the Chair.”

**XI. Executive Session**

*a. 2<sup>nd</sup> Quarter SEC Form 10Q Review*

At 3:44 p.m., Director Logan moved and Director Kennedy seconded the motion that pursuant to Alaska Statute 10.25.175(c) (1) the Audit Committee 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 as it relates to Chugach's Securities and Exchange Commission Second Quarter 2009 filing. The matter to be discussed will be the 2<sup>nd</sup> Quarter SEC Form 10-Q. The motion passed unanimously.

*Director Reiser arrived at 3:50 p.m. and joined the meeting.*

The Audit Committee reconvened in open session at 3:53 p.m.

**XII. 2<sup>nd</sup> Quarter SEC 10Q Filing**

Director Logan moved and Director Kennedy seconded the motion that the Audit Committee recommend that management file the 2<sup>nd</sup> Quarter 2009 SEC Form 10Q by the due date and incorporate any amendment to the document which would be received, reviewed and approved by KPMG. Mr. Cunningham and Mr. Hayhurst will inform the Board in writing of any material and significant changes of the 10Q. The motion passed unanimously.

**XIII. Adjourn**

Director Logan moved and Director Kennedy seconded the motion to adjourn the Audit Committee Meeting. Motion passed unanimously. The meeting adjourned at 3:54 p.m.