

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD OF DIRECTORS' AUDIT COMMITTEE
MEETING MINUTES

November 12, 2008
Wednesday

3:30 p.m.

Committee Members in Attendance:

PJ Hill, Chair
Jeff Lipscomb
Alex Gimarc
Elizabeth Vazquez (*arrived at 3:39 p.m.*)
Rebecca Logan (*arrived at 4:07 p.m.*)

Other Board Members in Attendance:

Janet Reiser (*arrived at 4:04 p.m.*)
Jim Nordlund (*arrived at 3:57 p.m.*)

Guests in Attendance:

Scott Miller, KPMG
Clayton Bourne, KPMG
Diane Fejes, KPMG
Loral Carter, MEA

Staff in Attendance:

Bradley Evans	Ed Jenkin	Theresa Quigley
Mike Cunningham	Dan Knecht	Dave Smith
Renee Curran	Teresa Kurka	Lee Thibert
Rick Freymiller	Sherri McKay-Highers	Ron Vecera
Suzanne Gibson	Arthur Miller	Jody Wolfe
Dustin Highers	Connie Owens	

Recording Secretary: DeAnna Scott, Executive Assistant.

I. Call To Order

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

II. Executive Session

None.

III. Approval of Agenda

Director Gimarc moved and Director Lipscomb seconded the motion to approve the agenda. The motion passed unanimously.

IV. Approval of Minutes

a. August 8, 2008

Director Lipscomb moved and Director Gimarc seconded the motion to approve the August 8, 2008, meeting minutes. The motion passed unanimously.

V. Customer Comments

a. Wholesale Customer Comments

None.

b. Member Comments

None.

VI. 2008 Audit Guidance/Planning Discussion

Clayton Bourne, Scott Miller and Diane Fejes from KPMG discussed the 2008 Audit Guidance/Planning and responded to questions from the Committee.

VII. 3rd Quarter Limited Review Discussion

Clayton Bourne and Scott Miller from KPMG presented the 3rd Quarterly Limited Review and responded to questions from the Committee.

VIII. Federal and State Single Audit Reports

(Motion was made after agenda item IX. Review of New IRS 990 Rules)

Director Gimarc moved and Director Lipscomb seconded the motion that the Audit Committee recommend the Board of Directors accept KPMG's Federal and State Single Audit Reports for the year ending December 31, 2007.

IX. Review of New IRS 990 Rules

Diane Fejes and Scott Miller from KPMG reviewed the New IRS 990 Rules and responded to questions from the Committee.

Director Vazquez arrived at 3:39 p.m.

Director Nordlund arrived at 3:57 p.m.

Director Riser arrived at 4:04 p.m.

Director Logan joined the meeting via teleconference at 4:07 p.m.

X. Correspondence

None.

XI. Directors' Comments

None.

XII. Executive Session

At 4:10 p.m., Director Lipscomb moved and Director Logan seconded the motion that pursuant to Alaska Statute 10.25.175(c) (1) 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. The matter to be discussed is the Third Quarter SEC Form 10Q Review. The motion passed with Chair Hill, Directors Lipscomb, Gimarc, and Logan voting yes; Director Vazquez abstained. The motion passed.

The Committee reconvened in open session at 4:20 p.m.

XIII. 3rd Quarter SEC Form 10Q Filing

Director Gimarc moved and Director Lipscomb seconded the motion that the Audit Committee recommend Management file the 3rd Quarter SEC Form 10Q by the due date and incorporate any amendments to the document which would be received, reviewed and approved by KPMG. Mr. Cunningham will inform the Board in writing of any material and significant changes of the 10Q. The motion passed unanimously.

XIV. Adjourn

Director Gimarc moved and Director Vazquez seconded the motion to adjourn the Audit Committee Meeting. Motion passed unanimously. The meeting adjourned at 4:22 p.m.

DRAFT