

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD OF DIRECTORS' AUDIT COMMITTEE
MEETING MINUTES

March 3, 2010
Wednesday

3:30 p.m.

Committee Members in Attendance: PJ Hill, Chair
Alex Gimarc
Pat Kennedy
Rebecca Logan (*joined at 3:43 p.m.*)

Other Members Present: Elizabeth Vazquez (*arrived at 4:03 p.m.*)
Janet Reiser (*arrived at 3:31 p.m.*)
Jim Nordlund (*arrived at 4:04 p.m.*)

Guest in Attendance Michael Hayhurst, KPMG
Ben Renfrew, KPMG
Jim Posey, ML&P

Staff in Attendance:

Bradley Evans	Dustin Highers	Connie Owens
Tyler Andrews	Ed Jenkin	Paul Risse
Bill Bernier	Mark Johnson	Tom Schulman
Mike Cunningham	Dan Knecht	Dave Smith
Renee Curran	Felix Melendez	Lee Thibert
Rick Freymiller	Arthur Miller	Burke Wick
Kathy Harris	Sherri McKay-Highers	Jody Wolfe

Recording Secretary: DeAnna Scott, Executive Assistant.

I. Call To Order

The Audit Committee Meeting was called to order by Chair 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 Kennedy moved and Director Gimarc seconded the motion to approve the agenda. The motion passed unanimously.

IV. Approval of Minutes

a. November 11, 2009

Director Gimarc moved and Director Kennedy seconded the motion to approve the November 11, 2009, meeting minutes. The motion passed unanimously.

V. Customer Comments

a. Wholesale Customer Comments

None.

b. Member Comments

None.

VI. 2009 Year End Financial Statements

Jody Wolfe, Controller, gave a presentation on the 2009 Year End Financial Statements and answered questions from the Committee.

VII. Review 2009 Audited Financial Statements

Director Logan joined the meeting at 3:43 p.m.

Michael Hayhurst and Brent Renfrew, KPMG reviewed the 2009 Audit Guidance/Planning and answered questions from the Committee.

(Action on Agenda Item VII. Review 2009 Audited Financial Statements addressed under Agenda item VIII. Retention of KPMG, LLP.)

Director Logan moved and Director Kennedy seconded the motion that the Audit Committee recommend the Board of Directors approve the 2009 audited financial statements and footnotes as presented by KPMG. The motion passed unanimously.

VIII. Retention of KPMG, LLP for Tax Services

Michael Hayhurst and Brent Renfrew, KPMG gave a presentation regarding the Retention of KPMG, LLP for Tax Services and answered questions from the Committee.

(Action on Agenda Item VII. Review 2009 Audited Financial Statements was taken at this time.)

Director Logan moved and Director Kennedy seconded the motion that the Audit Committee recommend to the Board of Directors approval of the retention of KPMG, LLP for tax services as described above. The motion passed unanimously.

IX. Correspondence

None.

X. Executive Session

a. Review of December 31, 2009 SEC 10K Filing

At 3:56 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 a review of the Association's December 31, 2009 Securities and Exchange Commission filing. The matter to be discussed is a review of the December 31, 2009 SEC 10-K. The motion passed unanimously.

Directors Nordlund and Vazquez joined the meeting during Executive Session.

The Audit Committee reconvened in open session at 4:12 p.m.

XI. SEC 10K Filing

Director Logan moved and Director Kennedy seconded the motion that the Audit Committee recommend the Board of Directors that management file the Securities and Exchange Commission Form 10K by the due date incorporating any review and amendment to the document which will be reviewed and by KPMG. Mr. Hayhurst and Mr. Cunningham will immediately inform the Board, in writing, of any material and significant changes. The motion passed unanimously.

XII. Director Comments

Director Logan: "No comment."

Director Reiser: "No comment."

Director Kennedy: "No comment."

Director Vazquez: "One of these days I would like to see the final 10K presented to us instead of having a motion where, you know, still to be reviewed and if there was any material changes we will be notified. I mean, I have always felt uncomfortable about that; I'm gonna say for the record again, we ought to be seeing the final thing and not have this goofy motion."

Director Gimarc: "Yes, another successful audit. Congratulations to everybody involved and another year of good work. Thank you very much."

Director Nordlund: "No comment."

Chair Hill: I really want to commend the Accounting group for all of their work on this audit and Sherri's tremendous amount of work on the 10K. I think it's a terrific job and it's appreciated by the Board.

XIII. Adjourn

Director Logan moved and Director Kennedy seconded the motion to adjourn the Audit Committee Meeting. Motion passed unanimously. The meeting adjourned at 4:48 p.m.