

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

**AUDIT COMMITTEE**  
**MEETING MINUTES**

**November 11, 2009**  
**Wednesday**  
**3:30 p.m.**

Committee Members in Attendance: Rebecca Logan, Acting Chair  
Alex Gimarc  
PJ Hill, Chair (*attended telephonically*)  
Pat Kennedy

Other Members Present: Elizabeth Vazquez  
Janet Reiser  
Jim Nordlund (*attended telephonically at 3:35 p.m.*)

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

Staff in Attendance:

Brad Evans	Mark Johnson	Paul Risse
Mike Cunningham	Theresa Kurka	Dave Smith
Dwight Dial	Sherri McKay-Highers	Lee Thibert
Rick Freymiller	Arthur Miller	Jody Wolfe
Kathy Harris	Paula Neas-Arnold	
Ed Jenkin	Connie Owens	

Recording Secretary: DeAnna Scott, Executive Assistant.

**I. Call To Order**

The Audit Committee Meeting was called to order by Acting Chair Logan 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. August 12, 2009*

Director Kennedy moved and Director Gimarc seconded the motion to approve the August 12, 2009, meeting minutes. The motion passed unanimously.

**V. Customer Comments**

*a. Wholesale Customer Comments*

None.

*b. Member Comments*

None.

**VI. Appointment of Directors to attend KPMG's Audit Committee Institute 6<sup>th</sup> Annual Audit Committee Issues Conference – Phoenix, AZ – February 2010**

Acting Chair Logan appointed Director Hill and Director Vazquez to attend KPMG's Audit Committee Institute 6<sup>th</sup> Annual Audit Committee Issues Conference in Phoenix, AZ, February 2010. No objection was heard from the Committee.

**VII. 2009 Audit Guidance/Planning Discussion**

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

*Director Nordlund joined telephonically at 3:35 p.m.*

*Director Nordlund disconnected from the meeting at 3:39 p.m.*

**VIII. 3<sup>rd</sup> Quarter SEC 10Q Form – Limited Review**

Michael Hayhurst and Brent Renfrew, KPMG discussed the 3<sup>rd</sup> Quarter SEC 10Q Form – Limited Review and answered questions from the Committee.

**IX. Audit Committee Handbook**

Mike Cunningham, Sr. Vice President, Finance and Chief Financial Officer discussed the *Fall Update* to the Audit Committee Handbook. Mr. Cunningham stated that the next update will be in the spring of 2010, and answered questions from the Committee.

**X. Correspondence**

None.

**XI. Executive Session**

*a. 3<sup>rd</sup> Quarter SEC From 10Q Review*

At 3:51 p.m., Director Gimarc 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 3rd Quarter Securities and Exchange Commission filing. The matter to be discussed will be the 3rd Quarter SEC 10-Q. The motion passed unanimously.

The Audit Committee reconvened in open session at 4:08 p.m.

**XII. 3<sup>rd</sup> Quarter SEC 10Q Filing**

Director Gimarc moved and Director Hill seconded the motion that the Audit Committee recommend that management file the 3<sup>rd</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. Director Comments**

**Director Reiser:** "No comments."

**Director Kennedy:** "No comments."

**Director Vazquez:** "No comments."

**Director Gimarc:** "No comments."

**Director Hill:** "I just want to thank Sherri for her work. Those 10Q's read like a book; they're really terrific, she really puts a lot into it and I want to recognize her for her for her efforts."

**Acting Chair Logan:** "Ditto, that what I was going to say, the same thing. That's very, very good information when you read through that."

**XIV. Adjourn**

Director Gimarc moved and Director Kennedy seconded the motion to adjourn the Audit Committee Meeting. Motion passed unanimously. The meeting adjourned at 4:10 p.m.