

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD MEETING
AGENDA ITEM SUMMARY

March 16, 2005

ACTION REQUIRED

AGENDA ITEM NO. IX.B.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Board Policy 130 - Authority of the Association-appointed Alaska Railbelt Energy Authority
JAA Director

DISCUSSION

Attached is the proposed new Board Policy 130 as recommended by the Board Operations
Committee at their meeting of March 8, 2005.

CEO'S RECOMMENDATION

Move: That the Board of Directors approve Board Policy 130, Authority of the Association-
appointed Alaska Railbelt Energy Authority JAA Director, as recommended by the Operations
Committee.

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 130

DATE: March 16, 2005

AUTHORITY OF THE ASSOCIATION-APPOINTED ALASKA RAILBELT ENERGY AUTHORITY JOINT ACTION AGENCY DIRECTOR

I. OBJECTIVES

- A. Provide clear guidelines to the Association-appointed director of the Alaska Railbelt Energy Authority Joint Action Agency (AREA) on representing the Association's interests when serving on the AREA board of directors;
- B. Provide assurances that the Association board has adequate notice of important matters coming before the AREA board and meaningful opportunities to provide guidance to the Association-appointed AREA director;
- C. Assure that the procedures for allowing oversight and guidance by the Association board to the Association-appointed AREA director are efficient and effective.

II. CONTENT

- A. The Association's representative on the AREA board of directors (whether the appointed director or the alternate) is empowered and required to represent Association's best interests in all votes taken by the AREA board of directors. The Association-appointed director or alternate is required to obtain approval of the Association board of directors in advance of all votes on issues meeting the criteria set out below. The Association-appointed director or alternate is required to vote consistently with the direction of the Association board on:
 - 1. Decisions that may cost (either directly or indirectly) the Association \$100,000 or more per action.
 - 2. Decisions that may cause substantial changes to Association's way of operating or costs of operating including but not limited to such activities by the AREA as purchases of electric power, joint planning activities or other actions by the AREA that, as a practical matter, will or may significantly affect the Association's service to its customers.
 - 3. Additions of AREA members.
 - 4. Approval of new projects.

5. Amendments to the Joint Action Agency Agreement relating to the AREA or its bylaws.
 6. Bonding for AREA projects that could have a direct or indirect significant effect on the financial health of the Association.
- B. For Alaska Railbelt Energy Authority meeting attendance and approved business where the Chugach representatives are not paid meeting fees by the Alaska Railbelt Energy Authority, the Chugach representatives(s) who are not Chugach employees, shall receive the current meeting fee(s) for Chugach Directors for each Alaska Railbelt Energy Authority meeting attended. All such fees shall be borne by the Chugach Electric Association and will conform to the Chugach meeting limits as specified in the Chugach Bylaws, Article 4, Section 9.
- C. The Association-appointed AREA director shall keep the Association board and management fully informed of all significant AREA activities or matters undertaken or contemplated. The form of this communication is at the discretion of the Association. The Association shall be provided access to all written or visual materials provided to or prepared by the AREA, its board, employees, agents, consultants or contractors. Appropriate safeguards to protect confidentiality of the information contained in documents or communications may be required of Association directors and management.

III. RESPONSIBILITY

A. Board of Directors

At the first Chugach board meeting following the annual membership meeting, or upon a vacancy, the Chugach Board of Directors will appoint a representative and alternate to the Joint Action Agency Board of Directors.

It shall be the responsibility of the Board of Directors to ensure compliance by its Association-appointed AREA director with this policy.