

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD MEETING
AGENDA ITEM SUMMARY

July 21, 2004

ACTION REQUIRED

AGENDA ITEM NO. IX.D.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Revisions to board Policies 109, 110, and 111

DISCUSSION

At its July 7, 2004, meeting the Board Operations Committee approved the attached revisions to Board Policies 109, 110, and 111, pertaining to board committee appointments and recommended them to the full board for approval.

CEO'S RECOMMENDATION

Move: That the Board of Directors approve the revisions to Board Policy 109, Committees of the Board of Directors; Board Policy 110, Statement of Functions of Finance Committee; and 111, Statement of Functions of the Operations Committee, as recommended by the Operations Committee.

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 109

DATE:

COMMITTEES OF THE BOARD OF DIRECTORS

I. OBJECTIVE

To provide for the establishment of committees and to ensure that their functions are clearly defined and reviewed periodically.

II. CONTENT

- A. The Board of Directors may establish or abolish such standing or special committees as it deems desirable.
- B. Each committee shall have such powers and duties as may be delegated to it by the Board of Directors. Functions of the committees shall be defined in a written Statement of Functions that shall be reviewed annually by the Board of Directors to determine if revisions are needed or if the committee is still required, and an appropriate recommendation shall be made to the Board.
- C. The Chief Executive Officer, or his designee, shall attend each committee meeting to provide staff advice and assistance.

III. RESPONSIBILITIES

- A. It shall be the responsibility of the Board of Directors to establish or abolish committees, approve changes in committee functions and receive and act upon their reports or recommendations.
- B. The Chairman of the Board, in consultation with the Vice Chairman of the Board, Secretary of the Board, and the Treasurer of the Board, and the Chief Executive Officer, shall appoint the members of committees, taking into consideration the preference of the directors. Only members of the Board may serve on Board committees.
- C. The Chairman of the Board of Chugach Electric Association is an ex-officio member of all Board committees, but only votes on the committee to which he/she is appointed.
- D. The chairperson of such committees shall be appointed by the Chairman of the Board, except that the Treasurer of the Board shall be the Chair of the Finance Committee. The Vice Chairman of the Board **committee** shall be elected by the committee members.

- E. Board Committees shall only meet as needed. The committee chairperson shall convene all meetings of the committee. Dates of all committee meetings shall be coordinated with the Chief Executive Officer, or his/her designee, to avoid conflict and to assure completion of any required staff study or support. A majority of the committee may call a meeting of the committee.

- F. A preliminary agenda shall be prepared for each committee meeting by the Chief Executive Officer in consultation with the chairperson of the committee. Every effort will be made to get the agenda to committee members at least three days before the committee meeting. This requirement may be waived by a majority of the committee in an emergency.

- G. Minutes shall be kept of each committee meeting and shall be provided to the Board of Directors. A report shall be made by the committee chairperson to the Board at its next meeting.

Date Approved: _____

Attested: _____

Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC

BOARD POLICY: 110

DATE:

STATEMENT OF FUNCTIONS OF FINANCE COMMITTEE

I. OBJECTIVE

To state the functions of the Finance Committee for providing an in-depth Board review of finances and cash management and controls and financial planning.

II. DUTIES AND RESPONSIBILITIES

The Finance Committee of the Association Board of Directors:

- A. Reviews the Association financial and other operating statements and, unless otherwise performed by a separate Board-appointed Audit Committee, with auditor present, the annual financial audit and the management letter to determine if any action is required, discusses such action with the Chief Executive Officer and makes appropriate recommendations to the Board.
- B. Reviews the consolidated operating and capital budgets as recommended by the Chief Executive Officer and makes appropriate recommendations to the Board.
- C. Reviews all budget revisions greater than \$1,000,000.
- D. Studies staff recommendations on financial management policies and practices and makes appropriate recommendations to the Board.
- E. Reviews periodically the investment of funds to make sure the principal is safe and the rate of return is reasonable and discusses with the Chief Executive Officer any action required.
- F. Unless otherwise performed by a separate Board-appointed Audit Committee, reviews, when necessary, with the Chief Executive Officer, firms available to conduct the independent financial audit and makes an appropriate recommendation to the Board. Recommends to the Board the selection of auditor and the scope of any special emphasis desired in the audit.
- G. Reviews sources and strategies for financing and makes appropriate recommendations to the Board.

- H. Reviews the long-range financial plans and forecasts to determine the financial needs of the Association and how they will be met and makes appropriate recommendations to the Board.
- I. Reviews proposed base rate changes and makes recommendations to the Board.
- J. Reviews annually objectives and goals in areas assigned to this committee and makes appropriate recommendations to the Board.
- K. Reviews capital credit policies and practices and makes appropriate recommendations to the Board.
- L. Reviews such other matters as may be specifically assigned to it by the Board.
- M. Reviews the equity management plan and makes recommendations to the Board of Directors.
- N. Reviews annually the Construction Work Plan and makes recommendation to the Board.
- O. Serves as the Audit Committee with the functions and responsibilities described in Board Policy 127.

III. **ORGANIZATIONAL RELATIONSHIPS**

- A. Makes recommendations to the Board in matters outlined in II above.
- B. The committee shall be comprised of not more than four Directors, including the Treasurer of the Board. With the exception of the Operations Committee and any special or ad hoc committee, every effort will be made so that no Director may serve on more than one committee.
- C. The Treasurer of the Board shall serve as chairperson of the committee. The Board Chairman shall appoint the Audit Committee chairperson, **with the consent of the Board**, who need not be the Board Treasurer. The committee shall elect from its membership a vice chairman, and appoint a recording secretary as needed.
- D. The committee shall meet only as needed. The committee chairperson shall convene all meetings of the committee or a majority of the committee may call a special meeting.
- E. The chairman may appoint sub-committees from the committee's membership to study specific areas. Written statements of the functions of such subcommittees

should be prepared and reviewed periodically.

- F. Staff Liaison: Chief Executive Officer or his/her designee.

IV. TERM OF OFFICE

- A. The committee is a continuing one.
- B. The term of each member is for one year and thereafter or until a successor is appointed.

Date Approved: _____

Attested: _____
Secretary of the BoardBP: 110

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 111

DATE:

STATEMENT OF FUNCTIONS OF THE OPERATIONS COMMITTEE

I. BASIC FUNCTION

To study, advise, and make recommendations to the Chief Executive Officer and Board of Directors on matters relating to the overall policy direction and management of the Association and public and member relations, marketing and economic development.

II. DUTIES AND RESPONSIBILITIES

- A. Appraises annually the performance of the Chief Executive Officer and makes a written report to the Board on or before the second Board meeting in March of each year, but no later than April 23, on the results of such appraisal including a recommendation on a salary adjustment when appropriate.
- B. Reviews the Statement of Delegations (Policy 106) from the Board to the Chief Executive Officer and recommends to the Board any revisions required.
- C. Reviews, in consultation with the Chief Executive Officer and General Counsel, the Association's bylaws and recommends to the Board any changes required to meet current operating conditions, which changes shall be recommended to the Bylaws Committee. Reviews bylaw amendments proposed by the Bylaws Committee and makes an appropriate recommendation to the Board of Directors.
- D. Recommends to the Board for approval the Statement of Functions of this committee and reviews annually the functions of this committee to see if any changes are needed and makes an appropriate recommendation to the Board.
- E. Reviews revised or new policies recommended by the Chief Executive Officer in areas this committee is responsible for, or for which there is no appropriate committee, to refer such policies and makes an appropriate recommendation to the Board.
- F. Reviews, in consultation with the Chief Executive Officer, any proposed revisions to the Association's wage and salary plan for non-bargaining unit employees and makes an appropriate recommendation to the Board. Reviews the overall results of the plan with the Chief Executive Officer and discusses any action required.

- G. Reviews in consultation with the Chief Executive Officer major employee benefit programs and makes recommendations to the Board.
- H. Reviews in consultation with the Chief Executive Officer strategies to be utilized in labor negotiations and proposed contract changes and makes recommendations to the Board.
- I. Reviews periodically the Association's overall objectives and goals, as recommended by the Chief Executive Officer, and the strategy to achieve these objectives and goals, and makes recommendations to the Board.
- J. Reviews in consultation with the Chief Executive Officer the Association's relations with **ARECA Alaska Power Association (APA)** and with other organizations, agencies and entities as necessary and reports and makes recommendations to the Board.
- K. Reviews periodically programs and plans for Director education and development, and makes recommendations to the Board.
- L. Reviews recommendations of the Chief Executive Officer on the selection of principal consultants to the Board and makes recommendations to the Board.
- M. Reviews the long-range objectives and goals of the Association as recommended by the Chief Executive Officer and makes recommendations to the Board.
- N. Reviews in consultation with the Chief Executive Officer legislative strategies and legislation to be supported or opposed by the Association and makes recommendations to the Board.
- O. Reviews in consultation with the Chief Executive Officer member attitude studies and public and member relations programs, including member involvement and communication, and makes recommendations to the Board or Chief Executive Officer.
- P. Reviews in consultation with the Chief Executive Officer market research and marketing plans and programs to improve load factors and energy sales and to help the members make more efficient use of electric energy and makes recommendations to the Board or Chief Executive Officer.
- Q. Reviews periodically the method of nominating Directors to make sure the process encourages nominations which are representative of the composition of the membership and makes recommendations to the Board.
- R. Reviews in accordance with Board Policy 114 the applications of those interested in serving on the Bylaws Committee, Nominating Committee, and Election Committee

and recommends to the Board the appointment of members to these Committees and the term for each member.

- S. Serves the Board in such other areas as may be specifically assigned to it by the Board.

III. ORGANIZATIONAL RELATIONSHIPS

- A. Reports to the Board of Directors.
- B. The Committee shall be comprised of not more than four directors, including the Chairman of the Board.
- C. The Chairman of the Board shall serve as chairperson of the Committee or may appoint another director to serve as chair. The Committee shall elect from its membership a vice chairperson and appoint a secretary as needed.
- D. The Committee shall meet only as needed. The Committee chairperson shall convene all meetings of the Committee. A majority of the Committee may call a special meeting of the Committee.
- E. Staff Liaison: Chief Executive Officer.

IV. TERM OF OFFICE

- A. The Committee is a continuing one.
- B. The term of each member runs for one year and thereafter or until a successor is appointed.

Date approved: _____

Attested: _____
Secretary of the Board

BP: 111