

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

October 16, 2002

BOARD MEETING
AGENDA ITEM SUMMARY

ACTION REQUIRED

AGENDA ITEM NO. IX.D.2.

Information Only
 Motion
 Resolution
 Executive Session
 Other _____

TOPIC

Proposed bylaw amendment to revise director compensation.

DISCUSSION

It is proposed that Article IV, Section 9, **Compensation**, of Chugach's Bylaws be amended to eliminate: 1) the set \$100 per meeting fee paid to directors for attending Board or other meetings while the director is representing the cooperative in an official capacity; 2) the restrictions, or "cap", on the number of meetings the Board president and Board members can attend annually and be compensated for; 3) the restriction on the type of insurance coverage which can be provided a director; and 4) establish a member committee to determine appropriate compensation for Board members. While by statute Board members cannot receive a salary, they can receive a fixed fee for each day of attendance at and travel to and from meetings. The present set fee is inadequate, and including it in the bylaws at a set amount also does not allow for flexibility to change the fee other than by amending the bylaws. Establishing a committee of members to set the fee would allow for a comprehensive review of what an appropriate fee for Board members should be.

The proposed amendment to Article IV, Section 9, attached, was approved by the Board Operations Committee at its October 2 meeting with recommendations to the Board for approval and for referral to the Bylaws Committee for its consideration.

GENERAL MANAGER'S RECOMMENDATION

Motion: 1) Approve the proposed amendment to Article IV, Section 9 of Chugach's Bylaws as attached and as approved by the Operations Committee; and 2) forward the proposed bylaw amendment to the Bylaws Committee for its consideration.