

**CHUGACH ELECTRIC ASSOCIATION, INC.**

**BOARD POLICY: 108**

**DATE: June 18, 2003**

**DIRECTOR MEETING FEES AND EXPENSES**

**I. OBJECTIVE**

To provide fair and equitable compensation to Association Directors for attendance at Board, committee, member and other meetings, conferences, or when otherwise representing the Association in an official capacity.

**II. CONTENT**

- A. A meeting attendance fee of \$200 for each day, or for each fraction thereof, and reasonable out-of-pocket expenses, will be paid to Directors when attending regular or special Board or committee meetings, member meetings, or conferences, in person or by telephone, or when otherwise representing the Association in an official capacity within the State of Alaska. Directors shall be compensated in the amount of \$250 for each day the Director attends one or more meetings outside the State of Alaska representing the Association. If more than one meeting is held the same day, only one day's meeting attendance fee will be paid.

Each day of a multi-day meeting counts as a meeting for the purposes of the 70 day meeting limit (limit of 85 meetings for the Chairman of the Board).

No attendance other than at regular or special Board meetings shall be reimbursed unless approved in advance by the majority vote of the Board.

- B. A Director may fly his or her own aircraft to a meeting or while on Association business. The aircraft must be operated in compliance with the Federal Aviation Regulations and the Director and aircraft must be approved and covered under the Association's Non-Owned Aviation insurance policy. No more than two Directors and no more than two key staff may travel aboard an aircraft provided or piloted by a Director.
- C. Directors will be paid a meeting attendance fee of \$250 for each day of travel to and from meetings, conferences, or when otherwise representing the Association outside of the State of Alaska. Directors traveling in their own vehicles or aircraft will be paid a meeting attendance fee of \$250 for each day of travel to and from meetings, conferences, or when otherwise representing the Association outside of the State of Alaska, but will be paid only for those travel days that would normally be required if the Director had traveled by commercial airlines.

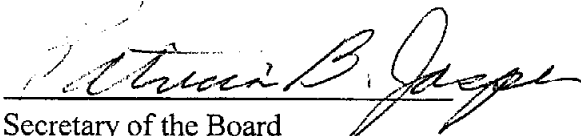
- D. A cash advance may be secured prior to travel upon submittal of a Cash Advance Request form, not to exceed \$250 per day.
- E. Directors shall be reimbursed for all legitimate expenses for attendance at such meetings upon submission of a detailed expense account, with receipts attached as appropriate. Such expense accounts shall be reviewed and approved by the majority vote of the Board. No expenses will be paid for spouses of Directors accompanying them to meetings. Travel shall be reimbursed on the following basis:
1. If commercial air travel is available, then regardless of the method of travel used, reimbursement shall be for the expenses actually incurred, but shall not exceed round trip airfare by the most economical means. All air travel arrangements will be made through the Office of the Chief Executive Officer and will take advantage of the most economical rate available.
  2. First-class air travel shall not be approved for payment; however, the Director may travel first-class providing the Director charges the Association only the appropriate coach-class rate.
  3. If a Director elects to travel by personal automobile, mileage reimbursement shall be at the current rate established by the Internal Revenue Service and shall not exceed the cost of round trip airfare by the most economical means. Directors are encouraged to pool vehicles whenever possible.
- E. Any Director authorized by the Board of Directors to attend a conference or training program will be paid meeting attendance fees, travel and reasonable out-of-pocket expenses. All arrangements shall be made through the Office of the Chief Executive Officer. The Association shall pay registration fees and, when possible, prepay accommodations.
- F. No travel expenses to or from regular or special Board meetings shall be reimbursed, without prior authorization by the Board.

### III. RESPONSIBILITIES

- A. It shall be the responsibility of the Board to ensure that the provisions of this policy are carried out.
- B. A summary of the meeting attendance fees and other expenses of Directors shall be itemized and published annually.

Date Approved: June 18, 2003

Attested:

  
Secretary of the Board

director has committed an act or omission materially and adversely affecting the business of the Association, which amounts to criminal conduct, fraud, gross negligence, failure to perform prescribed duties, or gross misconduct in office. The charging member shall bring charges by filing with the secretary of the board such charges in writing, together with a petition signed by at least two percent (2%) of members which requests the removal of such director by reason of the charges. The charges set forth in the petition must specifically allege grounds which, if true, would constitute cause for removal. The signatures of members on the petition shall be acceptable only when affixed to a sheet on which the petition and the relevant charges are fully set forth; and, provided further, that the person who solicited the signatures affixed to such petition shall acknowledge thereon before a person authorized to take acknowledgments of deeds that he had read the petition and the said charges against such director to each of the members prior to the latter subscribing their names thereto.

All signatures on petitions to remove a director shall be collected within the single ninety (90) calendar day period immediately preceding the date on which petitions are first presented to the Association, and the board of directors shall establish such policies as may be necessary and convenient to ensure compliance with this provision. A director who is the subject of such charges shall be informed in writing of the charges promptly upon receipt of such petitions by the Association. The director shall have an opportunity at a special hearing on the proposed removal, to be heard in person, or by counsel, and to present evidence in respect to the charges, and the member or members bringing the charges against the director shall have the same opportunity. This special hearing to present evidence and testimony shall occur before ballots are transmitted to members for voting in connection with the special meeting at which the question of removal shall be considered and voted upon by the members. The question of the removal of such director shall be considered and voted upon at a meeting of the members conducted in accordance with procedures established for regular annual membership meetings. The question of removal shall be decided by the vote of a majority of the members voting thereon at a meeting with respect to which a quorum exists.

**SECTION 8. Vacancies.** Any vacancy occurring in the board shall be filled by the affirmative vote of the majority of the remaining directors, and the member so appointed to the board shall serve until his successor has been elected. At such election following the existence of such vacancy, the members shall elect one of their number to serve as director during the unexpired portion of the

term vacated, subject, however to provisions of Article IV, Section 2, 3 and 4 of these bylaws.

**SECTION 9. Compensation.** (a) Directors shall not receive any salary for their services as directors, except that, by resolution of the board of directors, a fixed fee and expenses of attendance, if any, may be allowed for each day of attendance at each meeting of the board of directors, or a meeting of a committee thereof, or when a director is otherwise representing the Association in an official capacity and for each day of necessary travel to and from a meeting of the Board or other meeting while officially representing the Association. No attendance other than regular or special board or committee meetings shall be reimbursed unless authorized in advance by the majority vote of the board. A director may not be compensated for more than two regular board meetings per month, and an additional 12 special board meetings per year. The total compensated meetings shall not exceed 70 meetings per year for a director, and 85 meetings per year for the chairman of the board. The Association may not provide health insurance for directors or their families, or insurance for risks except those incurred in their capacity as directors.

(b) Directors' expense reimbursement requests shall be reviewed and approved by the majority vote of the board. Directors may not receive salaries for their services as directors, and, except in emergencies, shall not receive salaries for their services in any other capacity without the approval of the members.

## ARTICLE V

### MEETINGS OF DIRECTORS

**SECTION 1. Regular Meeting.** A regular meeting of the board of directors shall be held without notice immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the board of directors shall also be held monthly at such time and place in the Municipality of Anchorage, State of Alaska, as the board of directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof except that the board shall cause notice of the selection of the time and place of the regular meetings to be given to the members promptly after it is selected.

**SECTION 2. Special Meetings.** Special meetings of the board of directors may be called by the chairman of the board, or by any three directors, and it shall thereupon be the duty of the secretary of the board to cause notice of such meetings to be given as hereinafter provided. The