

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

**OPERATIONS COMMITTEE MEETING**  
**AGENDA ITEM SUMMARY**

**August 12, 2009**

**ACTION REQUIRED**

**AGENDA ITEM NO. VIII.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

Board Policy 108 – Director Meeting Fees and Expenses.

**DISCUSSION**

The Association’s Standard Operating Procedure 63 calls for periodic review of Board policies to determine if any revisions are necessary. Board counsel and staff have undertaken the review, and they recommend the changes to Board Policy 108 as shown in the attached document.

The proposed changes clarify and simplify the policy and align it more closely with the bylaw from which it stems (Article IV, Section 9). Additionally, we propose removing the provision on advance approval of travel expenses to meetings (Subsection II.G). Advance approval is no longer required in Article IV, Section 9 of the bylaws. Additionally, Article V, Section 4 of the Bylaws was amended at the 2009 annual meeting to remove the requirement for advance Board approval of travel associated with Association business.

Finally, because Article IV, Section 9 of the bylaws provides that the payment of fixed fees and expenses should be provided for by Board resolution, we further recommend that the changes to Board Policy 108 be made by such a resolution.

**MOTION**

Move that the Operations Committee recommend the Board of Directors approve the revisions to Board Policy 108 – Director Meeting Fees and Expenses as shown in the attached draft policy and draft Board resolution.

## RESOLUTION

WHEREAS Article IV, Section 9 of the Association bylaws provides for payment of fixed fees and expenses to Board Directors by passage of a Board Resolution; and

WHEREAS the Board of Directors desire to amend Board Policy 108, Director Meeting Fees and Expenses;

NOW THEREFORE BE IT RESOLVED that Board Policy 108 is amended as shown in the attached document.

I, Alex Gimarc, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the 26th day of August, 2009; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation the 26th day of August, 2009.

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Secretary

**CHUGACH ELECTRIC ASSOCIATION, INC.**

**BOARD POLICY: 108**

**DATE: \_\_\_\_\_**

**DIRECTOR MEETING FEES AND EXPENSES**

**I. OBJECTIVE**

To provide for reimbursable fees and expenses to Association Directors in accordance with Article IV, Section 9 of the Association's Bylaws for attendance at regular or special Board, Board Committee, Member Committee and other meetings; conferences; training programs; or when otherwise representing the Association in the Director's official capacity as a member of the Board of Directors. All such meetings, conferences, training programs, or other events shall be referred to in this Policy as "meetings."

**II. CONTENT**

- A. Upon approval of the Board, 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 for meetings within the State of Alaska. Directors shall be paid \$250 for each day the Director attends meetings outside the State of Alaska. 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 single meeting. 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 Board Chairman.

- B. A Director may fly his or her own aircraft to a meeting. 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 \$200 or \$250 for each day of travel to and from meetings. Directors will not be paid for any travel days that would not normally be required to attend a meeting.
- 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 meetings upon submission of a detailed expense account, with receipts attached as appropriate. Such expense accounts shall be reviewed and approved by the

Board. No expenses will be paid for spouses, or other family member of Directors, or any other individuals 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 under the circumstances. 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 under the circumstances.
2. First-class air travel shall not be approved for payment; however, the Director may travel first-class provided that the Director is only reimbursed for the most economical rate available under the circumstances.
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 under the circumstances. Directors are encouraged to pool vehicles whenever possible.

**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 provided to members upon request.

Date Approved: \_\_\_\_\_

Attested: \_\_\_\_\_

Alex Gimarc  
Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 108

DATE: \_\_\_\_\_

DIRECTOR MEETING FEES AND EXPENSES

I. OBJECTIVE

To provide ~~fair and equitable compensation~~ for reimbursable fees and expenses to Association Directors in accordance with Article IV, Section 9 of the Association's Bylaws for attendance at regular or special Board, Board eCommittee, mMember Committee and other meetings; conferences; training programs; or when otherwise representing the Association in ~~an the Director's~~ official capacity as a member of the Board of Directors. All such meetings, conferences, training programs, or other events shall be referred to in this Policy as "meetings."

II. CONTENT

- A. Upon approval of the Board, Aa 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~~ for meetings within the State of Alaska. Directors shall be ~~compensated in the amount of paid~~ \$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 single meeting. 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 Board Chairman. 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 or unless the meeting was on the Board calendar which was approved by 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 \$200 or \$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 Directors will not be paid ~~only~~ for ~~those~~ any travel days that would not normally be required ~~if the Director had traveled by commercial airlines to attend a meeting.~~
- 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, or other family member of Directors, or any other individuals 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 under the circumstances. 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 under the circumstances.
  2. First-class air travel shall not be approved for payment; however, the Director may travel first-class provided inged that the Director ~~charges the Association only the appropriate coach class rate~~ is only reimbursed for the most economical rate available under the circumstances.
  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 under the circumstances. Directors are encouraged to pool vehicles whenever possible.
- ~~F. 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. Note: this section removed as redundant; Directors would still be entitled to reimbursement of these expenses. See definition of "meeting" in Section I above.~~
- ~~G. 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~~provided to members upon request.

Date Approved: \_\_\_\_\_

Attested: \_\_\_\_\_  
Secretary of the Board