

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

November 11, 2009

ACTION REQUIRED

AGENDA ITEM NO. XII.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Board Policy 134 – Authority of the Association – Appointing Representative Regarding Jointly Operated Assets

DISCUSSION

The Association's Standard Operating Procedure 63 calls for periodic review of Board policies to determine if any revisions are necessary. The Operations Committee met on October 14, 2009 and discussed possible revisions to BP 134 recommended by Board Counsel and staff. The Operations Committee requested that Board Counsel and staff consider whether BP 134 is necessary in light of the authorities delegated to the CEO in BP 106. BP 106 provides the CEO with the authority to spend up to \$1M on unbudgeted items under certain circumstances. Therefore, the provisions in Section II.A of BP 134 which require advance Board approval for expenditures above that amount are appropriate. Additionally, none of the other items covered in Section II.A are addressed in BP 106. Therefore, Board Counsel and staff recommend that the previously presented version of BP 134 be advanced to the full Board for its consideration.

MOTION

Move that the Operations Committee recommend the Board of Directors to approve the revisions to Board Policy 134 – Authority of the Association – Appointed Representative Regarding Jointly Operated Assets, as shown in the attached draft policy.

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 134

DATE: _____

**AUTHORITY OF THE ASSOCIATION-APPOINTED REPRESENTATIVE
REGARDING JOINTLY OPERATED ASSETS**

I. OBJECTIVES

- A. Provide clear guidelines to Association-appointed representatives regarding jointly operated assets when serving on committee(s) or any other bodies (hereafter “Joint Asset Committees”) charged with operating those assets.
- B. Provide that the Association Board has adequate notice of important matters coming before Joint Asset Committees and meaningful opportunities to provide guidance to the Association-appointed representatives;
- C. Assure that the procedures for providing oversight and guidance by the Association Board to the Association-appointed representatives are efficient and effective.

II. CONTENT

- A. The Association’s representatives on Joint Asset Committees shall represent the Association’s best interests in all votes taken by the committees. The Association’s representatives shall seek the input of the Association board of directors in advance of all votes on issues meeting the criteria set out below, and shall vote consistently with the direction given by the Association board:
 - 1. Decisions that will cost the Association \$5,000,000 or more.
 - 2. Additions of participants in the ownership of jointly operated assets unless already provided for in agreements the Association has entered into regarding jointly operated assets.
 - 3. Approval of annual operating and capital budgets that exceed \$10,000,000 net to the Association.
 - 4. Amendments to any joint operating or participation agreement relating to jointly operated assets.
 - 5. Bonding for projects that could have a direct or indirect significant effect on the finances of the Association.

- B. The Association’s representatives shall keep the Association board and management fully informed of all significant activities or matters undertaken or contemplated that the Association representatives are informed about. The Association shall be provided access to all written or visual materials provided to the Association’s representatives.

III. RESPONSIBILITY

- A. Chief Executive Officer (CEO)

The CEO is hereby appointed to serve as representative on all jointly owned and operated assets Joint Asset Committees including but not limited to the Eklutna Lake Alaska Intertie, Bradley Lake and Quilan asset management committees. The CEO will appoint an alternate to serve in his absence on any Joint Asset Committees.

Date Approved: _____

Attested: _____

Alex Gimarc
Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 134

DATE:

**AUTHORITY OF THE ASSOCIATION-APPOINTED REPRESENTATIVE
REGARDING JOINTLY OPERATED ASSETS**

I. OBJECTIVES

- A. Provide clear guidelines to Association-appointed representatives regarding jointly operated assets when serving on committee(s) or any other bodies (hereafter "Joint Asset Committees") charged with operating those assets.
- B. Provide that the Association Board has adequate notice of important matters coming before ~~the management~~ Joint Asset eCommittee(s) and meaningful opportunities to provide guidance to the Association-appointed representatives;
- C. Assure that the procedures for providing oversight and guidance by the Association Board to the Association-appointed representatives are efficient and effective.

II. CONTENT

- A. The Association's representatives on ~~the jointly owned asset management~~ Joint Asset eCommittees ~~(whether the appointed representative or the alternate) are empowered and required to shall~~ represent the Association's best interests in all votes taken by the ~~management~~ committee(s). The Association's representatives shall seek the input of the Association board of directors in advance of all votes on issues meeting the criteria set out below, and shall vote consistently with the direction given by the Association board~~The Association representatives or alternates are 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 representatives or alternates are required to vote consistent with the direction of the Association Board on:~~
 1. Decisions that will cost the Association \$5,000,000 or more.
 2. Additions of participants in the ownership of jointly operated assets unless already provided for in agreements the Association has entered into regarding jointly operated assets.
 3. Approval of annual operating and capital budgets that exceed \$10,000,000

net to the Association.

- 4. Amendments to any joint operating or participation agreement relating to ~~the~~ jointly operated assets.
- 5. Bonding for projects that could have a direct or indirect significant effect on the finances of the Association.

B. The Association ~~appointed management committee's~~ representative(s) shall keep the Association board and management fully informed of all significant activities or matters undertaken or contemplated that the Association representatives are informed about. The Association shall be provided access to all written or visual materials provided to the Association's representatives. ~~shall keep the Association Board and management fully informed of all significant jointly operated activities or matters undertaken or contemplated. The form of this communication is at the discretion of the Association Board. The Association Board shall be provided access to all written or visual materials provided to or prepared by the management committee(s), its board(s), employees, agents, consultants or contractors, subject to any applicable confidentiality agreement or requirements.~~

III. RESPONSIBILITY

A. Chief Executive Officer (CEO)

The CEO is hereby appointed to serve as representative on all ~~jointly owned and operated assets~~ Joint Asset Committees including but not limited to the Eklutna Lake Alaska Intertie, Bradley Lake and Quilan asset management committees. The CEO will appoint an alternate to serve in his absence ~~or delegate representatives to other on~~ any Joint Asset Committees.

Date Approved: _____

Attested: _____

Secretary of the Board
Alex Gimarc