

CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA

GOVERNANCE COMMITTEE MEETING

AGENDA

Sam Cason, Chair

Bettina Chastain
James Henderson
Erin Whitney
Rachel Morse

June 16, 2021

4:00 p.m.

Chugach Board Room

- I. CALL TO ORDER (4:00 p.m.)
 - A. Roll Call
- II. APPROVAL OF AGENDA*
- III. APPROVAL OF MINUTES*
 - A. March 17, 2021 (Abruzzino)
- IV. PERSONS TO BE HEARD
 - A. Member Comments
- V. NEW BUSINESS* (scheduled) (4:05 p.m.)
 - A. Election of Governance Committee Vice Chair* (Committee) (4:05 p.m.)
 - B. NRECA Resolution Processes (Committee/Kohler) (4:15 p.m.)
 - C. Review Board Policy 208 – Statement of Functions of the Governance Committee** (Committee) (4:45 p.m.)
 - D. Yearly Review of Requested Changes to Board Policies** (Clarkson) (5:00 p.m.)
 - 1. BP 100 – Code of Ethics for Directors and Employees (Clarkson)
 - 2. BP 105 – Confidential Information (Clarkson)
 - 3. BP 107 – Representative Re: Jointly Operated Assets (Thibert/Clarkson)
 - 4. BP 201 – Open Meetings & Executive Sessions of the Board (Clarkson)
 - 5. BP 202 – Procedures for Board of Directors Meetings (Clarkson)
 - 6. BP 209 – Indemnification of Directors (Clarkson)
 - 7. BP 401 – Delegations of Authority from the Board of Directors (Clarkson)
 - E. Presentation - Member Advisory Council (MAC) (Hasquet) (5:45p.m.)
- VI. EXECUTIVE SESSION* (scheduled) (6:00 p.m.)
 - A. CEO Succession Plan
- VII. DIRECTOR COMMENTS (6:45 p.m.)
- VIII. ADJOURNMENT* (7:00 p.m.)

* Denotes Action Items

** Denotes Possible Action Items

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

March 17, 2021
Wednesday
4:00pm

GOVERNANCE COMMITTEE MEETING

Recording Secretary: Jody Abruzzino

I. CALL TO ORDER

Chair Morse called the Governance Committee meeting to order at 4:03 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Roll Call

Committee Members Present:

Rachel Morse, Chair

Stuart Parks, Vice Chair

James Henderson, Director *(via teleconference)*

Sam Cason, Director *(via teleconference)*

Bettina Chastain, Director *(absent)*

Other Board Members Present:

Harold Hollis, Director *(via teleconference)*

Mark Wiggin, Director *(via teleconference)*

Guests and Staff Attendance

Present:

Matt Clarkson

Julie Hasquet

Laurel Foster

Via Teleconference:

Lee Thibert

Arden Quezon

Arthur Miller

Tom Schulman

Sherri Highers

Teresa Kurka

Tyler Andrews

II. APPROVAL OF THE AGENDA

Director Henderson moved and Director Cason seconded the motion to approve the agenda. The motion passed unanimously.

III. APPROVAL OF MINUTES

Director Parks moved and Director Henderson seconded the motion to approve the December 9, 2020, Governance Committee meeting minutes. The motion passed unanimously.

IV. PERSONS TO BE HEARD

- A. Member Comments*
None

V. NEW BUSINESS

- A. Member Committees (Committee)*
Laurel Foster, Paralegal presented an overview of the Bylaws Committee procedures, timelines and deadlines and responded to questions from the Committee. Tom Schulman, Manager, Regulatory Legal, Matthew Clarkson, Executive VP, General Counsel, and Teresa Kurka, Director, Member Services also responded to questions from the Committee.
- B. Discuss 2022 Annual Meeting (Clarkson)*
Julie Hasquet, Senior Manager, Corporate Communications, presented on the planning timeline of the annual meeting.
- C. Discuss NRECA Resolution Process (Committee)*
Director Parks discussed the NRECA Resolutions Process and made suggestions on how to move forward to obtain a better understanding of the process. The other Committee members also made suggestions and agreed to put some items on the next Governance Committee meeting agenda.
- D. Governance Committee Calendar (Committee)*
The Committee reviewed the 2021 meeting calendar and discussed the 2022 schedule.

VI. EXECUTIVE SESSION

None

VII. DIRECTOR COMMENTS

Director comments were made at this time.

VIII. ADJOURNMENT

At 5:21 p.m., Director Parks moved and Director Cason seconded the motion to adjourn. The motion passed unanimously.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

GOVERNANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY

June 16, 2021

ACTION REQUIRED

AGENDA ITEM NO. V.A.

- Information Only
 - Motion
 - Resolution
 - Executive Session
 - Other
-

TOPIC

Election of Governance Committee Vice Chair

DISCUSSION

Board Policy 208, Statement of Functions of the Governance Committee, Section II. states the Board Chair shall appoint the Governance Committee Chairperson. The Governance Committee elects from its membership a vice chair.

The Vice Chair acts during the absence of the Committee Chair. The term of the Vice Chair is from her or his election by the Committee and until a new Committee is appointed by the Board Chair or unless the Vice Chair is otherwise removed.

MOTION

Move that the Governance Committee elect Director _____ as the Vice Chair of the Governance Committee.

NRECA Member Resolutions Process



What are Member Resolutions?

- Policy statements written and adopted by NRECA voting members
- Express what co-ops want and need from government to help co-ops provide affordable, reliable, and safe energy.
- Give NRECA guidance and direction in advocating for electric co-ops and our 42 million member-owners

Member Involvement – Crafting a Member Resolution

NRECA voting members participate by drafting and submitting their ideas for new resolutions

- A clear, concise policy position statement
 - States the position you think NRECA and electric co-ops should take
- Explain why this issue is important
 - Provide additional information to help the membership better understand the intent of the resolution

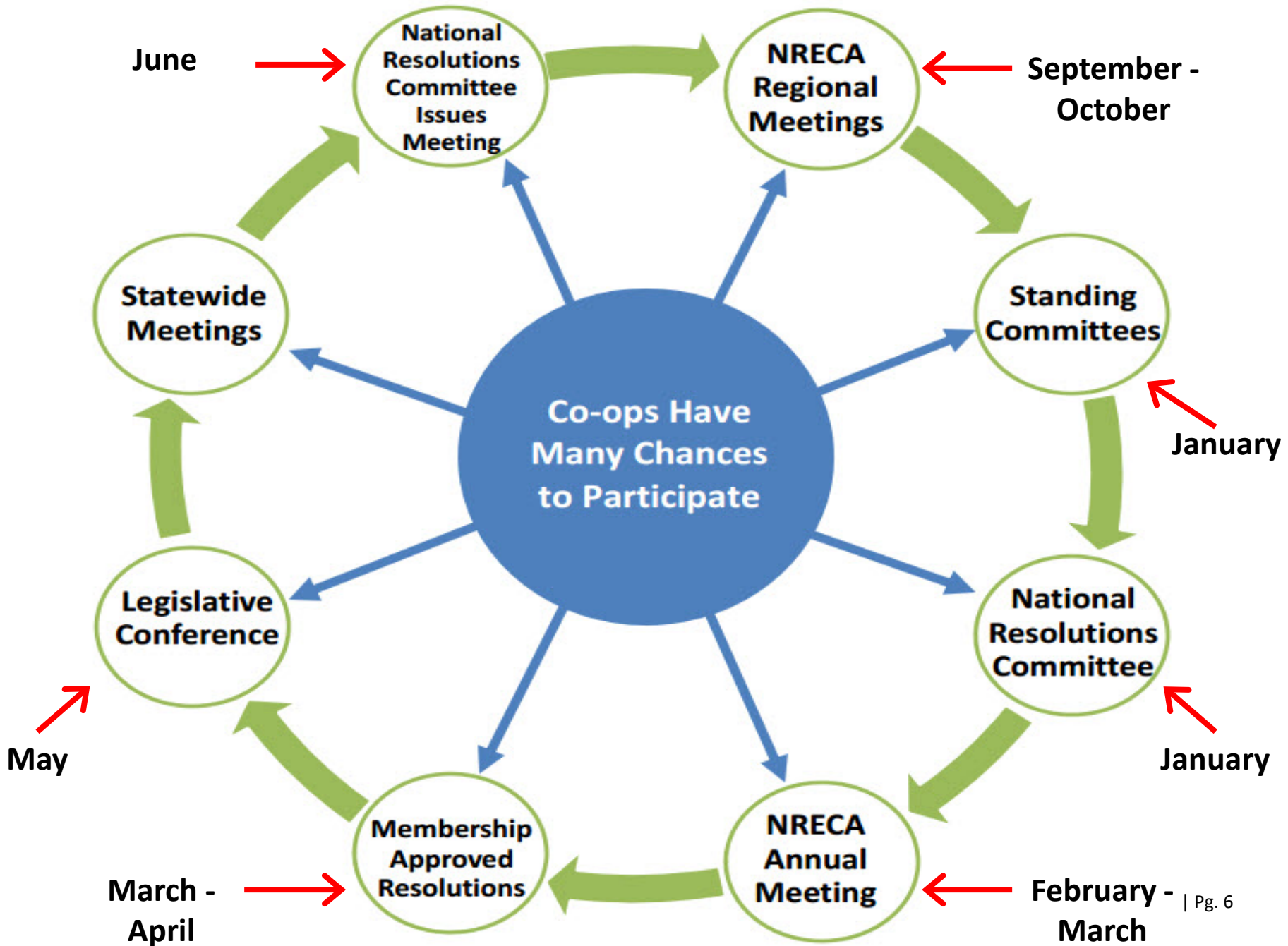
Example of Current Member Resolution

4.4 Security Issues

Cyber and physical security of electric cooperative infrastructure is critically important to protecting the grid and ensuring an affordable, reliable, and secure supply of electricity. We urge NRECA to continue supporting electric cooperative cyber and physical security by providing educational opportunities, resources and tools to advance security improvements, and encouraging NRECA members to participate in NRECA's Rural Cooperative Cybersecurity Capabilities (RC3) Program. We further urge NRECA to continue educating policymakers regarding electric sector security and advocating for appropriate laws, regulations, policies, and adequate funding to support cyber and physical security investments.

What is the Resolutions Process?

- A democratic process
- Established by the NRECA Board of Directors
- Open, transparent, driven by the membership
- Builds common understanding and consensus on policy issues



Member Input, Member Approval

- Committee of co-op leaders, elected by NRECA membership, kicks off process each summer – live broadcast
 - “National Resolutions Committee”
- Solicits ideas from voting membership
- Discusses emerging policy issues
- Votes on proposed resolutions
- Forwards proposed resolutions to all voting members for input

Input from Every Region

- **10 Regional Resolutions Committees**
 - Appointed by NRECA Board Members
 - Meet during Regional Meeting to consider how the proposed resolutions would impact their local co-ops
 - Invite audience questions and comments



Regional Business Meeting

- Proposed resolutions are presented to voting delegates
 - One delegate from each NRECA voting member
- Delegates elect “standing committee” members
 - Candidates selected by a Nominating Committee; and
 - Delegates can nominate candidates during the business meeting
 - Creates an open election process



Every Region's Opinion Considered

- **Power Supply – Proposed New Resolution**
 - A. Adopted by Regions 1, 2, 3, 4, 7, 8, 10
 - B. Adopted by Regions 5, 6
 - C. Adopted by Region 9
- Versions adopted by the Regions are forwarded to subsequent Regions and eventually considered by the Standing Committees

Standing Committees

Elected by voting delegates, two representatives from each Region

- **Legislative** – consider legislative issues impacting co-ops
 - **Regulatory** – consider regulatory issues impacting co-ops
 - **Cooperative Management, Employment and Community** – consider issues related to management of the co-op or local communities served by electric co-ops
 - Tony Izzo, MEA, is on the CMEC committee
- Responsible for combining the different Regions' ideas into one unified statement.

National Resolutions Committee

- The final step before presentation to voting membership
- Compile and package proposed resolutions into proper form for the NRECA Annual Business Meeting
 - Make recommendations on each resolution
 - Provide explanation and recent history

Example: The CMEC and Resolutions Committees recommend for the adoption of this resolution as amended. Submitted by the Resolutions Committee in June 2020, the amendments merge language from Proposed Resolution 3.9 Memberships' Need for Diversified Services and include minor edits for clarity and consistency. This version was adopted by Regions 1, 2, 3, 4, 7, 8, and 10 at the 2020 regional meetings. In January 2021, the Committees made additional streamlining amendments and struck “, including distributed energy resources,” since there is a separate resolution that addresses distributed energy resources.

Annual Meeting – Proposed Resolutions Forum

- Sunday afternoon during NRECA PowerXchange Annual Meeting
- Hosted by National Resolutions Committee
- Gives membership another opportunity to discuss the proposed resolutions before voting at the Annual Business Meeting

One Co-op, One Vote

- NRECA Annual Business Meeting
 - NRECA Bylaws allow each voting member system to select one person (a director or employee) to represent the co-op as their voting delegate and one alternate delegate
 - Delegates must be certified to cast their vote
 - Delegates can offer amendments, ask questions, debate issues



Member Participation

- 974 NRECA voting members, on average:
 - About 57% participate in the Regional Business Meetings
 - About 62% participate in the Annual Business Meeting
- A list of voting delegates who participated in the business meeting is available at [Cooperative.com/member-resolutions](https://www.cooperative.com/member-resolutions)
 - Visit the 2021 Member Resolutions and Archive page under Member Resolutions Resources

2021 Member Resolutions : [PDF](#) | [DOC](#)

- [Chart of Resolutions by Year](#)
- [Voting Members whose delegates attended 2021 Business Meeting](#)
- [Historical Policy Background Statements](#) (as of March 2020)
 - As of June 2020, policy background statements will no longer accompany member resolutions.

Member Resolutions Booklet



- Resolutions approved at Annual Business Meeting are printed in a booklet
- Mailed to all voting member co-ops (email and hard copy)
- Posted on [Cooperative.com](https://www.cooperative.com)

Questions?

- Visit [Cooperative.com/member-resolutions](https://www.cooperative.com/member-resolutions)
- Contact the Member Resolutions staff at NRECA:
 - Melissa DePuy
 - Member Resolutions Manager, Office of General Counsel
 - Melissa.DePuy@nreca.coop, 703-907-5788
 - Jessica Healy
 - Assistant General Counsel, Office of General Counsel
 - Jessica.Healy@nreca.coop, 703-907-5846



TO: Lee Thibert, Chief Executive Officer

FROM: Matthew Clarkson, Executive VP, General Counsel

DATE: June 16, 2021

SUBJECT: *Board Policy 208 – Statement of Functions of the Governance Committee*

The annual review of Board Policy 208 – Statement of Functions of the Governance Committee has been completed and there are no recommended changes as this time.

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 208

STATEMENT OF FUNCTIONS OF THE GOVERNANCE COMMITTEE

I. PURPOSE

The purpose of the Governance Committee is to assist the Board of Directors by developing new or enhancing existing policies aimed at Board working relationships and examine the annual election process to determine if improvements can be made that would be beneficial to the Association.

Polices for improving working relationships and overall board functioning will address expected board behaviors that support group decisions and direction as determined by the Board. These polices will address both internal and external or public behavioral expectations. Polices will specifically describe appropriate communication guidelines for representation of the Association's business matters in the public.

Polices for improving Board working relationships may include corrective actions for Board members acting outside the policies and expected behaviors as generally described in governance polices.

Annual election polices or recommendations for potential bylaw changes will be aimed at improving the continuity of the Board and minimizing the disruption of Board turnover.

The Governance Committee will fulfill the responsibilities as enumerated in Section III of this Policy.

II. COMPOSITION

The Governance Committee shall be comprised of three or more directors as determined by the Board. Committee members may enhance their familiarity with Governance matters by participating in educational programs conducted by the Association or an outside consultant or other programs. The Committee may also retain the services of a qualified consultant with Board Governance expertise to assist it in the performance of its responsibilities.

The Board Chair shall appoint the Governance Committee chairperson. The Governance Committee shall elect from its membership a vice chair and appoint a recording secretary if and as needed. The Committee shall meet as needed.

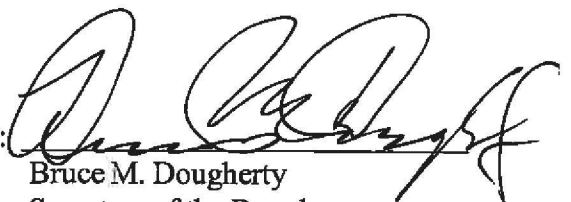
III. RESPONSIBILITIES

The responsibilities of the Committee are to:

1. Recommend to the Board of Directors specific policy changes that will improve Board working relationships.
2. Recommend to the Board of Directors specific policy changes that will improve Board communications guidelines for communicating Association matters in public.
3. Recommend to the Board of Directors specific policies that delineate the duties of Board liaisons and Board members that may act as representatives in business matters external to the Association.
4. Recommend to the Board of Directors specific policies that delineate appropriate Board relationships with Association employees and appropriate lines of communications ensuring support for the Chief Executive Officer.
5. Recommend to the Board of Directors specific policy changes describing corrective actions that may be taken for violations of Governance Polices and or Board members acting beyond or outside their authority.
6. Recommend specific requirements and policies that may improve Board continuity and minimize disruptions resulting from Board turnover.
7. Recommend specific requirements and policies for candidates running for the Board of Directors.
8. Recommend to the Board of Directors guidelines for attending meetings outside of the liaison role as well as training and conferences.
9. Review, on a regular schedule, the Board Policies and recommend any needed changes to the full Board.

Date Approved: May 25, 2016

Attested:



Bruce M. Dougherty
Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

GOVERNANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY

June 16, 2021

ACTION REQUIRED

AGENDA ITEM NO. V.D.1.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Board Policy 100 – Code of Ethics

DISCUSSION

Staff and the Board of Directors (Board) are charged with reviewing and updating, as necessary, all Board Policies on a routine basis. Staff has undertaken a review of the above referenced policy.

Upon review, current language in Board Policy 100 is duplicative of much of Board Policy 104, Prohibited Conduct and Conflict of Interest, as both address conflict of interests issues and therefore, Staff is recommending substantive changes to current language in Board Policy 100. The proposed language adds, clarifies, and defines ethical conduct and behavior that is expected of Board members, officers, and employees.

MOTION

Move that the Governance Committee recommends the Board of Directors approve revisions to Board Policy 100 – Code of Ethics, as shown in the attached draft policy and as discussed in the Committee.

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 100

CODE OF ETHICS FOR DIRECTORS AND EMPLOYEES

I. OBJECTIVE

The Association demands ~~the highest possible~~ ethical conduct from individuals serving as its directors, officers, and employees ~~as well as from its employees~~. Although the Association is not a required or voluntary filer with the Securities Exchange Commission (SEC), the Association strives to comply with Section 406 of the Sarbanes Oxley Act of 2002 and the rules of the SEC by Full compliance with this Policy is mandatory, and ~~This Policy is intended to~~ directors and employees are expected to fostering, promoting, and maintaining a culture of transparency, integrity, honesty, and high ethical standards in performance of their duties and responsibilities. This Policy is promulgated in part by the Board of Directors of the Association pursuant to Section 406 of the Sarbanes-Oxley Act of 2002 and the rules of the SEC ~~[LF1]~~ promulgated thereunder and specifically applies for the purposes therein to the Senior Financial Officers of the Association. For these purposes, Senior Financial Officers means the Principal Executive Officer, Principal Financial Officer, and Principal Accounting Officer. This Policy applies, however, to all Association directors and employees, who are expected to faithfully abide by the Articles of Incorporation, by laws, and policies and procedures of the Association. This Policy contains standards reasonably necessary to promote: honest and ethical ~~conduct,~~

~~and the exercise of reasonable care and due diligence in organization affairs; including the ethical handling of~~ timely disclosure of actual or apparent conflicts of interest between personal and professional relationships; accountability for prudent fiscal management through full, fair, accurate, timely, and understandable disclosure in the periodic reports required to be filed by the Association and in other public communications; equal and effective services without discrimination; collaboration, cooperation and partnership among Association members, employees, and members of the board; and, compliance with applicable governmental laws, rules and regulations (Laws) as well as accounting and auditing standards and Association Policies and Procedures. It should be read in conjunction with the Association's Conflict of Interest policies. ~~[LF2]~~

II. CONTENT

Directors, officers, and employees of the Association must:

A. Act with honesty and integrity, and while ethically upholding the Association's

~~Articles of Incorporation, by-laws, policies and procedures, and applicable laws and regulations. handling actual or apparent conflicts of interest in personal and professional relationships. Directors and employees should recognize that even the appearance of a conflict of interest can damage the Association. A conflict of interest may exist because of a relationship of theirs or of a family member that is inconsistent with the Association's best interests, of the Association's Bylaws or Policies or Procedures, or could cause a conflict with their ability to perform their director or employee job responsibilities.~~

~~B. Exercise reasonable care, good faith, and due diligence in organizational Association affairs.~~

~~BC. Report Fully disclose information, at the earliest opportunity, to the Chief Executive Officer, General Counsel, or Chair of the Audit and Finance Committee, as applicable, any relationship (personal or professional), conduct, transaction, or other ineidnet that reasonably could be expected to give rise to a perceived or actual conflict of interest. Directors and employees should recognize that even the appearance of a conflict of interest can damage the Association (see Board Policy 104 for further guidance on Conflict of Interests within the Association).~~ ~~[LF3][LF4]~~

~~CD. Remain accountable for prudent fiscal management by Pproducinge, or causinge to be produced, full, fair, accurate, timely, and understandable disclosure in reports and documents that the Association prepares or submits to the Securities and Exchange Commission, if applicable, and anyin other public communications.~~

~~ED. Comply with applicable lLaws, Association pPolicies and pPcedures, and aAccounting and aAuditing sStandards and pPolicies, and promptly report any violation of this Policy to the Chief Executive Officer, General Counsel, or Chair of the Audit and Finance CommitteeBoard of Directors, as -applicable.~~

~~FE. Maintain a professional level of courtesy, respect, and objectivity in all Association activities and decision--making. Promptly report any violation of this Policy to the Chief Executive Officer, General Counsel, or Chair of the Audit and Finance Committee, as applicable.~~

~~F. Exercise the powers invested for the good of all members of the Association, rather than for personal benefit.~~

~~G. Ensure the right of all Association members, employees, and directors to appropriate and effective services without unlawful discrimination.~~

~~H. Respect and uphold the confidentiality of sensitive information known due to position or authority, in accordance with Board Policy 605.~~

III. APPLICABILITY

- A. The Association reserves the right to determine when ~~violations of any matter hereto actual or potential conflicts of interest~~ exist, and then to take any action, which in the sole judgment of the Association, is needed to prevent the ~~conflict violation~~ from continuing.^[LF5]
- B. Directors, officers, and employees will be held accountable for their adherence to this Policy. Failure by a director to observe the terms of this Policy shall be dealt with as provided by the Association's Bylaws, policies and procedures, and applicable law. Failure of an employee to observe the terms of this Policy may result in disciplinary action, up to and including immediate termination of employment. Any employment action taken under this Policy shall be consistent with applicable personnel policies and collective bargaining agreements.
- C. Any requested waivers of this Policy for directors and officers shall be request by a Director for a waiver of any provision of this Policy must be submitted to, and approved by, the Board of Directors. ~~A request by a Senior Financial Officer for a waiver of any provision of this Policy must be in writing and addressed to the Chair of the Audit and Finance Committee.~~ The Board will have the sole and absolute discretionary authority, ~~acting upon such recommendation as may be made by the Audit and Finance Committee,~~ to approve or deny any waiver from this Policy. Any waiver of this Policy will be disclosed promptly on Form 8K or by any other means approved by Securities & Exchange Commission rules, if applicable. Any waiver of this Policy for Senior Financial Officers will be disclosed promptly on Form 8-K or any other means approved by applicable SEC rules or listing standards, if applicable. Any request by an employee for a waiver of any provision of this Policy must be submitted to, and approved by, the employee's supervisor and the PrincipalChief Executive Officer.
- D. ~~Nothing contained in this Policy is intended by the Association to be, nor shall it be construed as, an employment agreement.~~

IV. RESPONSIBILITIES

- A. All employees are responsible for compliance with and being alert to possible violations of this Policy. Any employee witnessing a possible violation of this Policy shall inform his or her supervisor.
- B. The Board of Directors and the Chief Executive Officer shall undertake reasonable efforts to ensure compliance with this Policy.

Date Approved: ~~May June-25~~____, ~~2016~~2021

Henderson-

Attested: _____

~~Bruce M. Dougherty~~James

Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 100

CODE OF ETHICS FOR DIRECTORS AND EMPLOYEES

I. OBJECTIVE

The Association demands ethical conduct from individuals serving as its directors, officers, and employees. Although the Association is not a required or voluntary filer with the Securities Exchange Commission (SEC), the Association strives to comply with Section 406 of the Sarbanes Oxley Act of 2002 and the rules of the SEC by fostering, promoting, and maintaining a culture of transparency, integrity, honesty, and high ethical standards in performance of their duties and responsibilities.

II. CONTENT

Directors, officers, and employees of the Association must:

- A. Act with honesty and integrity while ethically upholding the Association's Articles of Incorporation, bylaws, policies and procedures, and applicable laws and regulations.
- B. Exercise reasonable care, good faith, and due diligence in Association affairs.
- C. Fully disclose information that reasonably could be expected to give rise to a perceived or actual conflict of interest.
- D. Remain accountable for prudent fiscal management by producing, or causing to be produced, full, fair, accurate, timely, and understandable disclosure in reports and documents that the Association prepares or submits to the Securities and Exchange Commission, if applicable, and any other public communications.
- E. Comply with applicable laws, Association policies and procedures, and accounting and auditing standards and policies, and promptly report any violation of this Policy to the Chief Executive Officer, General Counsel, or Chair of the Board of Directors, as applicable.
- F. Maintain a professional level of courtesy, respect, and objectivity in all Association activities and decision-making.

- G. Ensure the right of all Association members, employees, and directors to appropriate and effective services without unlawful discrimination.
- H. Respect and uphold the confidentiality of sensitive information known due to position or authority.

III. APPLICABILITY

- A. The Association reserves the right to determine when violations of any matter hereto exist, and then to take any action, which in the sole judgment of the Association, is needed to prevent the violation from continuing.
- B. Directors, officers, and employees will be held accountable for their adherence to this Policy. Failure by a director to observe the terms of this Policy shall be dealt with as provided by the Association's Bylaws, policies and procedures, and applicable law. Failure of an employee to observe the terms of this Policy may result in disciplinary action, up to and including immediate termination of employment. Any employment action taken under this Policy shall be consistent with applicable personnel policies and collective bargaining agreements.
- C. Any requested waivers of this Policy for directors and officers shall be submitted to, and approved by, the Board of Directors. The Board will have the sole and absolute discretion to approve or deny any waiver from this Policy. Any waiver of this Policy will be disclosed promptly on Form 8K or by any other means approved by Securities & Exchange Commission rules, if applicable. Any request by an employee for a waiver of any provision of this Policy must be submitted to, and approved by, the employee's supervisor and the Chief Executive Officer.

IV. RESPONSIBILITIES

- A. All employees are responsible for compliance with and being alert to possible violations of this Policy. Any employee witnessing a possible violation of this Policy shall inform his or her supervisor.
- B. The Board of Directors and the Chief Executive Officer shall undertake reasonable efforts to ensure compliance with this Policy.

Date Approved: June ____, 2021

Attested: _____
James Henderson
Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

GOVERNANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY

June 16, 2021

ACTION REQUIRED

AGENDA ITEM NO. V.D.2.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Board Policy 105 – Confidential Information

DISCUSSION

Staff and the Board of Directors (Board) are charged with reviewing and updating, as necessary, all Board Policies on a routine basis. Staff has undertaken a review of the above referenced policy.

Staff is recommending updates to correct grammar, revise the manner in which member requests for confidential information are reviewed, and modify existing language in the following sections:

- 1.) Sec II.A – Addition to definition of Confidential Information
- 2.) Sec II.C.1.d – Removed
- 3.) Sec II.E.1 – Removed

MOTION

Move that the Governance Committee recommends the Board of Directors approve revisions to Board Policy 105 – Confidential Information, as shown in the attached draft policy and discussed in the Committee.

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 105

CONFIDENTIAL INFORMATION

I. OBJECTIVE

To adopt policies and procedures to insure the protection of confidential information of the Association, as well as confidential information of Association members and third parties with whom the Association does business if such confidential information is in the possession of the Association.

II. CONTENT

A. Definition of “Confidential Information”.

“Confidential information” means any information disclosed to an employee or board member, known as a consequence of the ~~employee or board member~~ employment or position ~~with~~ the Association, that is confidential, whether ~~thought-idea~~ or communication preserved in a tangible medium, including hard copy videotapes; audiotapes; or electronic files such as memos, reports, correspondence and handwritten notes, as well as any electronically stored information, e-mail, electronic document files (for example, Word documents, Excel spreadsheets, PowerPoint presentations, Access databases) regardless of where they are stored (for example, on removable media such as CD, DVD, jump drives, hard disks, or file servers) and includes discussions during the deliberative process regarding confidential matters.

B. Categories of Confidential Information.

Confidential information will generally fall into one of the categories described in Board Policy 605, Section II.F.

Questions concerning the confidential status of any information shall be directed to the Chief Executive Officer or ~~his or her designee~~ General Counsel.

C. Obligations of Employees and Board Directors to Maintain Confidentiality.

1. Board Members. While serving on the Board or at any time thereafter, the following confidentiality provisions apply to members of the Board of Directors (hereafter “Directors”):

- a. Directors shall not release or disseminate information disclosed in Executive Session and shall not, either directly or indirectly,

disclose or permit the disclosure of, reproduce, or in any other way publicly or privately disseminate, any confidential information to any third parties except as provided herein.

- b. To the extent expressly authorized by the Board, a Director may disclose confidential information to third parties ~~in order~~ to carry out the Director's duties to the Association.
- c. Directors shall not use confidential information for the Director's personal gain or advancement, or to the detriment of the Association. Examples include, but are not limited to, confidential information regarding bids, awarding of contracts, real estate transactions, or personnel information other than the information available to members under Article XVII, Section 1(b) of the Association Bylaws and Board Policy 605.
- ~~d. Directors shall not remove confidential information from the Association's facilities except as necessary to perform official Association duties.~~
- de. All confidential information or documents furnished to Directors, used by them on the Association's behalf, or generated or obtained by them during their membership on the Board shall be and remain the property of the Association.
- fe. Directors shall return all confidential information in their possession to the Executive Assistant within ~~10~~ten days of the termination of their term as a Director.
- gf. Directors, at the discretion of the Board, may be required to sign written confidentiality agreements ~~in order~~ to effectuate the terms of this Policy.

- 2. Employees. While employed by the Association, or at any time thereafter, the following confidentiality provisions apply to employees;
 - a. Employees shall not release or disseminate information disclosed in Executive Session and shall not, either directly or indirectly, disclose or permit the disclosure of, reproduce, or in any other way publicly or privately disseminate, any confidential information to any third parties except as, and to the extent expressly authorized by, the employee's supervisor to carry out the employee's duties.
 - b. Employees shall not use confidential information for the employee's personal gain or advancement, or to the detriment of the Association. Examples include, but are not limited to, confidential information regarding bids, awarding of contracts, or real estate transactions, or personnel information other than the information available to members under Article XVII, Section

1(b) of the Association Bylaws and Board Policy 605.

- c. Employees shall not remove confidential information or documents from the Association's facilities except as necessary to perform official Association duties.
- d. All confidential information or documents furnished to employees, used by them on the Association's behalf, or generated or obtained by them during their employment shall be and remain the property of the Association.
- e. Employees shall return all confidential information in their possession to the employee's supervisor immediately upon request of the employee's supervisor, and immediately upon termination of employment with the Association.
- f. Employees, at the discretion of the Chief Executive Officer, may be required to sign written confidentiality agreements ~~in order~~ to effectuate the terms of this Policy.
- g. Employees shall receive training regarding the treatment of confidential documents and this Policy.

3. This Policy supplements, and does not supersede, duties and obligations imposed upon Directors and employees by applicable state or federal law.

D. Potential Release of Confidential Information.

1. Confidential information shall not be released except in accordance with the release procedures provided for in Article XVII of the Association's Bylaws, this Policy, or in Board Policy 605, "Requests for Association Information."
2. Notwithstanding the release procedures provided for in this Policy or in Board Policy 605, if at any time a Director or the Chief Executive Officer believes that it is in the best interests of the Association to release ~~particular~~ confidential information, he or she may bring the matter to the attention of the full Board for consideration and action. Release of confidential information, as necessary, by the Chief Executive Officer to legal counsel for the representation of the Association is considered to be in the best interest of the Association.
3. Nothing in this Policy shall prohibit the Association from complying with obligations it may have under state and federal law or lawful orders of governmental authorities; to release, or to prohibit the release of confidential information.

E. Potential Release of Confidential Documents Presented to Board.

Confidential hard copy or electronically stored documents provided to the Board or to a Board Committee (collectively referred to herein as the “Board”) may be released to Association members in accordance with the procedures set forth in this section.

1. ~~The Chief Executive Officer or his or her designee shall keep a Confidential Board Documents Log (“CDDL”) as well as the documents included in the CDDL. The CDDL shall list all the documents and the reasons why they were originally provided to the Board on a confidential basis, using the categories of confidential information provided for in Board Policy 605 as a guide.~~
2. ~~Upon completion of a Request for Information Form provided in Board Policy 605, for a confidential document previously provided to the Board, the request will be forwarded to the General Counsel (or his or her delegate). The General Counsel shall review the confidential document(s) and make an initial determination as to whether they should remain confidential, or be made available for release.~~
23. ~~Further,~~ ~~†~~ The General Counsel shall be guided by the following more specific guidelines for confidential documents related to labor negotiations and financial, strategic, and long-term planning, unless application of such guidelines to a particular confidential document would not be in the best interest of the Association:
 - a. Collective bargaining agreements will be released in accordance with Article XVII, Section 1(c) of the Association Bylaws and Board Policy 605. Analyses and other information describing (i) a ratified agreement and (ii) all voted on, but rejected provisions, will be released, except that analysis and bargaining strategies prepared or used in connection with collective bargaining negotiations will not be released. Cost benefit analyses provided to the Board in accordance with Board Policy 404, “Approval of Collective Bargaining Agreements,” on a confidential basis, shall not be released. Cost benefit analyses made available to the public under Board Policy 404 should not be considered confidential information ~~included in the CDDL provided for in this Policy.~~
 - b. Documents concerning financial, strategic and long-term planning matters, the immediate disclosure of which would have had an adverse effect on the finances of the Association when originally presented to the Board, will be released after termination of the circumstances that would cause immediate disclosure of the information to have an adverse effect on the finances of the Association.
34. In addition to applying the guidelines provided for in Section II-E.2 ~~and 3~~ of this Policy, the General Counsel shall consult with the author of the document, or anyone else he or she needs to consult, to make his or her

initial determination.

- ~~45.~~ The General Counsel shall then prepare a memorandum to the Board ~~describing the initial determinations.~~
- ~~6.~~ ~~The Chief Executive Officer who shall review the initial determinations and either approve or amend the determination. The memorandum to the Board shall reflect the Chief Executive Officer's determinations.~~
- ~~57.~~ After review by the Chief Executive Officer, the memorandum shall be provided to the Board as confidential information.
- ~~68.~~ If no Director objects to the ~~initial~~ determinations included in the memorandum at the Board meeting following presentation of the memorandum to the Board, the documents scheduled for release would then become available to requesting members. If a Director objects to any ~~particular initial~~ determination to release or not release a document, that determination would be reconsidered by the Board in executive session and then addressed, if necessary, via motion in open session.
- ~~79.~~ If any release of information under this Policy triggers Securities Exchange Commission reporting requirements, if applicable, timely reports will be made.

III. RESPONSIBILITIES

- A. Each Director and employee shall comply with this Policy.
- B. The Chief Executive Officer shall inform all employees about the content of this Policy and use his or her best efforts to insure compliance with it.
- C. Any Director or employee whose conduct violates this Policy may be subject to: (1) if Chief Executive Officer, termination by appropriate action of the Board of Directors in accordance with any contract of employment; (2) if an employee, termination by appropriate action of the Chief Executive Officer; or (3) if a Director, removal pursuant to Article IV, Section 7 of the Association's Bylaws.
- D. The Association may seek legal and equitable relief in any court of competent jurisdiction to prevent or restrain any disclosure, breach or threatened breach of confidentiality that violates this Policy. Further, the Association shall seek to enforce the legal protections afforded to confidential information.
- E. All duties and obligations with respect to confidential information of the Association imposed by statute, court rule or common law are not abrogated or impacted in any way by this Policy.
- F. The Board Chair and the Chief Executive Officer are responsible for the administration of this Policy.

Date Approved: ~~May~~ June 25, 2021~~16~~

~~_____~~ Attested: _____

Henderson

~~—Bruce—M.—Dougherty~~James

Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 105

CONFIDENTIAL INFORMATION

I. OBJECTIVE

To adopt policies and procedures to insure the protection of confidential information of the Association, as well as confidential information of Association members and third parties with whom the Association does business if such confidential information is in the possession of the Association.

II. CONTENT

A. Definition of “Confidential Information”.

“Confidential information” means any information disclosed to an employee or board member, known as a consequence of the employment or position with the Association, that is confidential, whether idea or communication preserved in a tangible medium, including hard copy videotapes; audiotapes; or electronic files such as memos, reports, correspondence and handwritten notes, as well as any electronically stored information, e-mail, electronic document files (for example, Word documents, Excel spreadsheets, PowerPoint presentations, Access databases) regardless of where they are stored (for example, on removable media such as CD, DVD, jump drives, hard disks, or file servers) and includes discussions during the deliberative process regarding confidential matters.

B. Categories of Confidential Information.

Confidential information will generally fall into one of the categories described in Board Policy 605, Section II.F.

Questions concerning the confidential status of any information shall be directed to the Chief Executive Officer or General Counsel.

C. Obligations of Employees and Board Directors to Maintain Confidentiality.

1. Board Members. While serving on the Board or at any time thereafter, the following confidentiality provisions apply to members of the Board of Directors (hereafter “Directors”):
 - a. Directors shall not release or disseminate information disclosed in Executive Session and shall not, either directly or indirectly, disclose or permit the disclosure of, reproduce, or in any other way

publicly or privately disseminate, any confidential information to any third parties except as provided herein.

- b. To the extent expressly authorized by the Board, a Director may disclose confidential information to third parties to carry out the Director's duties to the Association.
 - c. Directors shall not use confidential information for the Director's personal gain or advancement, or to the detriment of the Association. Examples include, but are not limited to, confidential information regarding bids, awarding of contracts, real estate transactions, or personnel information other than the information available to members under Article XVII, Section 1(b) of the Association Bylaws and Board Policy 605.
 - d. All confidential information or documents furnished to Directors, used by them on the Association's behalf, or generated or obtained by them during their membership on the Board shall be and remain the property of the Association.
 - e. Directors shall return all confidential information in their possession to the Executive Assistant within 10 days of the termination of their term as a Director.
 - f. Directors, at the discretion of the Board, may be required to sign written confidentiality agreements to effectuate the terms of this Policy.
2. Employees. While employed by the Association, or at any time thereafter, the following confidentiality provisions apply to employees;
- a. Employees shall not release or disseminate information disclosed in Executive Session and shall not, either directly or indirectly, disclose or permit the disclosure of, reproduce, or in any other way publicly or privately disseminate, any confidential information to any third parties except as, and to the extent expressly authorized by, the employee's supervisor to carry out the employee's duties.
 - b. Employees shall not use confidential information for the employee's personal gain or advancement, or to the detriment of the Association. Examples include, but are not limited to, confidential information regarding bids, awarding of contracts, or real estate transactions, or personnel information other than the information available to members under Article XVII, Section 1(b) of the Association Bylaws and Board Policy 605.
 - c. Employees shall not remove confidential information or documents from the Association's facilities except as necessary to perform official Association duties.

- d. All confidential information or documents furnished to employees, used by them on the Association's behalf, or generated or obtained by them during their employment shall be and remain the property of the Association.
 - e. Employees shall return all confidential information in their possession to the employee's supervisor immediately upon request of the employee's supervisor, and immediately upon termination of employment with the Association.
 - f. Employees, at the discretion of the Chief Executive Officer, may be required to sign written confidentiality agreements to effectuate the terms of this Policy.
 - g. Employees shall receive training regarding the treatment of confidential documents and this Policy.
3. This Policy supplements, and does not supersede, duties and obligations imposed upon Directors and employees by applicable state or federal law.

D. Potential Release of Confidential Information.

1. Confidential information shall not be released except in accordance with the release procedures provided for in Article XVII of the Association's Bylaws, this Policy, or in Board Policy 605, "Requests for Association Information."
2. Notwithstanding the release procedures provided for in this Policy or in Board Policy 605, if at any time a Director or the Chief Executive Officer believes that it is in the best interests of the Association to release confidential information, he or she may bring the matter to the attention of the full Board for consideration and action. Release of confidential information, as necessary, by the Chief Executive Officer to legal counsel for the representation of the Association is considered to be in the best interest of the Association.
3. Nothing in this Policy shall prohibit the Association from complying with obligations it may have under state and federal law or lawful orders of governmental authorities to release, or to prohibit the release of confidential information.

E. Potential Release of Confidential Documents Presented to Board.

Confidential hard copy or electronically stored documents provided to the Board or to a Board Committee (collectively referred to herein as the "Board") may be released to Association members in accordance with the procedures set forth in this section.

1. Upon completion of a Request for Information Form provided in Board Policy 605, for a confidential document previously provided to the Board, the request will be forwarded to the General Counsel (or his or her delegate). The General Counsel shall review the confidential document(s) and make a determination as to whether they should remain confidential or be made available for release.
2. The General Counsel shall be guided by the following more specific guidelines for confidential documents related to labor negotiations and financial, strategic, and long-term planning, unless application of such guidelines to a particular confidential document would not be in the best interest of the Association:
 - a. Collective bargaining agreements will be released in accordance with Article XVII, Section 1(c) of the Association Bylaws and Board Policy 605. Analyses and other information describing (i) a ratified agreement and (ii) all voted on, but rejected provisions, will be released, except that analysis and bargaining strategies prepared or used in connection with collective bargaining negotiations will not be released. Cost benefit analyses provided to the Board in accordance with Board Policy 404, "Approval of Collective Bargaining Agreements," on a confidential basis, shall not be released. Cost benefit analyses made available to the public under Board Policy 404 should not be considered confidential information.
 - b. Documents concerning financial, strategic and long-term planning matters, the immediate disclosure of which would have had an adverse effect on the finances of the Association when originally presented to the Board, will be released after termination of the circumstances that would cause immediate disclosure of the information to have an adverse effect on the finances of the Association.
3. In addition to applying the guidelines provided for in Section II-E.2 of this Policy, the General Counsel shall consult with the author of the document, or anyone else he or she needs to consult, to make his or her initial determination.
4. The General Counsel shall then prepare a memorandum to the Chief Executive Officer who shall review and either approve or amend the determination.
5. After review by the Chief Executive Officer, the memorandum shall be provided to the Board as confidential information.
6. If no Director objects to the determination included in the memorandum at the Board meeting following presentation of the memorandum to the Board, the documents scheduled for release would then become available

to requesting members. If a Director objects to any determination to release or not release a document, that determination would be reconsidered by the Board in executive session and then addressed, if necessary, via motion in open session.

- 7. If any release of information under this Policy triggers Securities Exchange Commission reporting requirements, if applicable, timely reports will be made.

III. RESPONSIBILITIES

- A. Each Director and employee shall comply with this Policy.
- B. The Chief Executive Officer shall inform all employees about the content of this Policy and use his or her best efforts to insure compliance with it.
- C. Any Director or employee whose conduct violates this Policy may be subject to: (1) if Chief Executive Officer, termination by appropriate action of the Board of Directors in accordance with any contract of employment; (2) if an employee, termination by appropriate action of the Chief Executive Officer; or (3) if a Director, removal pursuant to Article IV, Section 7 of the Association’s Bylaws.
- D. The Association may seek legal and equitable relief in any court of competent jurisdiction to prevent or restrain any disclosure, breach or threatened breach of confidentiality that violates this Policy. Further, the Association shall seek to enforce the legal protections afforded to confidential information.
- E. All duties and obligations with respect to confidential information of the Association imposed by statute, court rule or common law are not abrogated or impacted in any way by this Policy.
- F. The Board Chair and the Chief Executive Officer are responsible for the administration of this Policy.

Date Approved: June____, 2021

Attested: _____

Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

GOVERNANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY

June 16, 2021

ACTION REQUIRED

AGENDA ITEM NO. V.D.3.

- Information Only
 - Motion
 - Resolution
 - Executive Session
 - Other
-

TOPIC

Board Policy 107 – Authority of the Association – Appointed Representative Regarding Jointly Owned and Operated Assets

DISCUSSION

Staff and the Board of Directors (Board) are charged with reviewing and updating, as necessary, all Board Policies on a routine basis. Staff has undertaken a review of the above referenced policy and is recommending updates to correct grammar and modify existing language in the Section II.C.

MOTION

Move that the Governance Committee recommends the Board of Directors approve revisions to Board Policy 107, Authority of the Association – Appointed Representative Regarding Jointly Owned and Operated Assets, as shown in the attached draft policy.

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 107

AUTHORITY OF THE ASSOCIATION-APPOINTED REPRESENTATIVE REGARDING JOINTLY OWNED AND OPERATED ASSETS

I. OBJECTIVES

- A. Provide clear guidelines to Association-appointed representatives regarding jointly operated assets when serving on committee(s) charged with operating those assets.
- B. Provide the Association Board with adequate notice of important matters coming before the management committee(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 a jointly owned asset management committee (whether the appointed representative or the alternate) are empowered and required to represent the Association's best interests in all votes taken by the management committee(s). 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 have a net cost to the Association of \$5,000,000 or more.
 - 2. Additions of participants in the ownership of jointly operated assets unless already provided for in agreements.
 - 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 representative(s) 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.

- C. The Chief Executive Officer, or his or her delegee, is hereby appointed to serve as the Association's representative on all jointly owned and operated assets, ~~including but not limited to Eklutna Lake Alaska Intertie, Bradley Lake and Southcentral Power Project asset management committees. The Chief Executive Officer will appoint an alternate to serve in his absence or delegate representatives to other committees.~~

III. RESPONSIBILITY

The Board of Directors and Chief Executive Officer will be responsible for administration of this Policy.

Date Approved: May 25 June, 202116

Attested: _____

[Henderson](#)

[Bruce M. Dougherty James](#)

Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 107

AUTHORITY OF THE ASSOCIATION-APPOINTED REPRESENTATIVE REGARDING JOINTLY OWNED AND OPERATED ASSETS

I. OBJECTIVES

- A. Provide clear guidelines to Association-appointed representatives regarding jointly operated assets when serving on committee(s) charged with operating those assets.
- B. Provide the Association Board with adequate notice of important matters coming before the management committee(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 a jointly owned asset management committee (whether the appointed representative or the alternate) are empowered and required to represent the Association's best interests in all votes taken by the management committee(s). 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.
 - 1. Decisions that have a net cost to the Association of \$5,000,000 or more.
 - 2. Additions of participants in the ownership of jointly operated assets unless already provided for in agreements.
 - 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 representative(s) 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.

- C. The Chief Executive Officer, or his or her delegee, is hereby appointed to serve as the Association's representative on all jointly owned and operated assets.

III. RESPONSIBILITY

The Board of Directors and Chief Executive Officer will be responsible for administration of this Policy.

Date Approved: June ____, 2021

Attested: _____
James Henderson
Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

GOVERNANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY

June 16, 2021

ACTION REQUIRED

AGENDA ITEM NO. V.D.4.

- Information Only
 - Motion
 - Resolution
 - Executive Session
 - Other
-

TOPIC

Board Policy 201 – Open Meetings and Executive Sessions of the Board of Directors

DISCUSSION

Staff and the Board of Directors (Board) are charged with reviewing and updating, as necessary, all Board Policies on a routine basis. Staff has undertaken a review of the above referenced policy and recommends adding language consistent with the recent update made to the Alaska Cooperative Statute.

MOTION

Move that the Governance Committee recommends the Board of Directors approve revisions to Board Policy 201 – Open Meetings and Executive Sessions of the Board of Directors, as shown in the attached draft policy.

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 201

OPEN MEETINGS AND EXECUTIVE SESSIONS OF BOARD OF DIRECTORS

I. OBJECTIVE

- A. To provide for member access to Board deliberations and actions.
- B. To comply with AS 10.25.175 and Article V, Section 5 of the Association's Bylaws.
- C. To provide for private deliberation when both necessary for the Association's welfare and when lawful.

II. CONTENT

Except as specified below, all Board meetings, whether regular, special or committee, shall be open to members. The Board shall go into Executive Session only when, in the Board's opinion, the topic to be discussed is one of the following:

- A. A matter the immediate public knowledge of which would clearly have an adverse effect on the Association's finances.
- B. A subject which would tend to prejudice the reputation and character of any person, when that person has not requested a public discussion.
- C. A matter discussed with an attorney for the Association, the immediate public knowledge of which could have an adverse effect on the Association's legal position.

D. A personnel matter.

The Board shall enter Executive Session only after a motion for Executive Session that specifies the subject and the appropriate justification has been made and passed. Only the specified subject, and necessary auxiliary subjects, may be discussed in Executive Session, and no formal action may be taken therein.

III. RESPONSIBILITIES

- A. It shall be the responsibility of the Board of Directors to comply with this Policy in conduct of its meetings, and to follow the requisite formalities when using Executive Session.

- B. It shall be the responsibility of the Chief Executive Officer to identify agenda items which may require Executive Session.

Date Approved: ~~May 2~~ June 5, 2021 ~~16~~

Attested: _____

~~Bruce M. Dougherty James~~

Henderson

-Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 201

OPEN MEETINGS AND EXECUTIVE SESSIONS OF BOARD OF DIRECTORS

I. OBJECTIVE

- A. To provide for member access to Board deliberations and actions.
- B. To comply with AS 10.25.175 and Article V, Section 5 of the Association's Bylaws.
- C. To provide for private deliberation when both necessary for the Association's welfare and when lawful.

II. CONTENT

Except as specified below, all Board meetings, whether regular, special or committee, shall be open to members. The Board shall go into Executive Session only when, in the Board's opinion, the topic to be discussed is one of the following:

- A. A matter the immediate public knowledge of which would clearly have an adverse effect on the Association's finances.
- B. A subject which would tend to prejudice the reputation and character of any person, when that person has not requested a public discussion.
- C. A matter discussed with an attorney for the Association, the immediate public knowledge of which could have an adverse effect on the Association's legal position.
- D. A personnel matter.

The Board shall enter Executive Session only after a motion for Executive Session that specifies the subject and the appropriate justification has been made and passed. Only the specified subject, and necessary auxiliary subjects, may be discussed in Executive Session, and no formal action may be taken therein.

III. RESPONSIBILITIES

- A. It shall be the responsibility of the Board of Directors to comply with this Policy in conduct of its meetings, and to follow the requisite formalities when using Executive Session.

- B. It shall be the responsibility of the Chief Executive Officer to identify agenda items which may require Executive Session.

Date Approved: June ___, 2021

Attested: _____
James Henderson
Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

GOVERNANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY

June 16, 2021

ACTION REQUIRED

AGENDA ITEM NO. V.D.5.

- Information Only
 - Motion
 - Resolution
 - Executive Session
 - Other
-

TOPIC

Board Policy 202 – Procedures for Board of Directors Meetings

DISCUSSION

Staff and the Board of Directors (Board) are charged with reviewing and updating, as necessary, all Board Policies on a routine basis. Staff has undertaken a review of the above referenced Policy and is recommending updates to better clarify the intent of this Policy.

MOTION

Move that the Governance Committee recommends the Board of Directors approve revisions to Board Policy 202 – Procedures for Board of Directors Meetings, as shown in the attached draft policy.

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 202

PROCEDURES FOR BOARD OF DIRECTORS MEETINGS

I. PURPOSE

To encourage the orderly and efficient conduct of Association business at regular Board of Directors and Board Committee meetings.

II. AGENDA

The Agenda for each Board of Directors regular meeting will be:

- I. Calling the meeting to order
 - a. Pledge of Allegiance
 - b. Roll Call
 - c. Safety Minute
- II. Approval of Agenda
- III. Persons to be Heard
- IV. Consent Agenda¹
 - a. Calendar of Events
 - b. Training/Conferences
 - c. Minutes
 - d. Director Expenses
 - e. Other routine business items
- V. Chief Executive Officer's Reports & Correspondence
- VI. Directors' Reports
- VII. Unfinished Business

¹ Consent agenda items are moved by a single motion. Items on the consent agenda can be amended by a majority vote and any item(s) can be "pulled" at the request of a Director for discussion and/or separate vote. A single vote passes all consent agenda items. A separate vote is required on "pulled" items. Consent items may include contract approvals (where the matter is budgeted and within budget), routine informational items, matters that have previously been presented and discussed with the Board or a Committee of the Board, and items of lesser importance.

- VIII. New Business
- IX. Executive Session (as necessary)
- X. New Business (as necessary)
- XI. Director Comments²
- XII. Adjournment

The Chief Executive Officer and the Board Chair will consult on items of new business for regular Board meetings. Items to be deleted or added to the Agenda will be taken up under Item II, Approval of the Agenda. The Board Chair will prepare the regular Board meeting Agenda.

For Committee meetings, the Chair of the Committee will consult with the Chief Executive Officer regarding the Agenda. The Chair of the Committee will approve the Committee meeting Agenda.

III. **INFORMATION AVAILABLE TO THE BOARD AND MEMBERS**

All matters for consideration by the Board at regular Board meetings will be included on the Agenda and in the Board information packets seven days prior to the Board meeting. If the Board wishes to consider a matter that was not included on the Agenda, seven days before the meeting, a motion must be made and passed to waive the seven day notice requirement.

Copies of the Board Agenda and a Board information packet (with the exception of any items considered privileged or confidential) will be available online or, upon request, at each meeting for review by the members.

IV. **PERSONS TO BE HEARD**

Each regular Board and Board Committee meeting Agenda will include a time for persons attending the meeting to speak to the Board. Persons wishing to be heard can submit a request in advance to the Chief Executive Officer's Office or be recognized by the Presiding Officer from the floor. A sign-up sheet will be available, allowing those present to indicate their desire to address the Board.

Employees are discouraged from appearing before the Board to present work-related matters and complaints. These matters should be resolved in accordance with applicable Operating Policies and collective bargaining agreements.

² Includes items suggested by Board members for discussion at future meetings.

When a person is recognized by the Presiding Officer to be heard, the person shall come to the speaker's chair and identify him/herself, including name, address, membership status, if any, and professional affiliation, if any, and any group he/she represents. The Presiding Officer may limit the time allowed for each person seeking to be heard or ask that a representative speak for a group. Unless otherwise approved by the Presiding Officer, each Director and the Chief Executive Officer may have one opportunity to ask questions about, or make comments on, information presented by persons being heard.

V. CONDUCT OF MEETINGS

The Presiding Officer shall be the Board Chair for a Board of Director meeting or the appointed Committee chair for a Committee meeting. The Board Chair and appointed Committee chairs may appoint an alternate to be the Presiding Officer at Board of Director or Committee meetings in their absence or telephonic attendance.

Regular Board and Board Committee meetings are held for the purpose of conducting the business of the Association. Meetings will generally be conducted in accordance with Robert's Rules of Order, unless modified by the Board or as otherwise provided in this Policy, or unless a Board member requests a recorded vote on a motion.

To allow meetings to be conducted in an efficient and orderly fashion, discussion of Agenda items will be limited to communications among Board members, between the Board and members, between the Board and the Chief Executive Officer and those whom the Chief Executive Officer requests make presentations. Members of the Board, the Chief Executive Officer, or others addressing the Board will not speak unless recognized by the Presiding Officer, as provided below. Speakers shall confine themselves to discussion of the topic under deliberation. Unless a speaker yields the floor, no one shall interrupt another while they are speaking, except for an interruption permitted under Robert's Rules of Order. The following specific rules of conduct shall apply to Board members during all regular Board and Board Committee meetings:

- All wishing to speak must first be recognized by the Presiding Officer.
- All remarks are to be addressed to the Presiding Officer.
- All speeches and remarks shall be limited to two minutes for each person on any given subject or debatable motion. This time may be extended by the Presiding Officer, general consent (no objection) or a majority vote. A motion to close debate, if approved, shall govern any extension of time.
- A person wishing to speak a second time to a given subject or debatable motion may do so by permission from the Presiding Officer, general consent (no objection) or a majority vote. A motion to close debate, if approved, shall govern.
- All motions must be clearly stated. The Presiding Officer may require a motion to be presented in writing.

- The person who has offered the motion has the privilege of speaking first. Thereafter, discussion shall be alternated between those for and against the motion. The Presiding Officer has the privilege of speaking last if desired.
- Total time allowed for any one subject or debatable motion shall be no more than 20 minutes. This time may be extended by the Presiding Officer, general consent (no objection) or majority vote. A motion to close debate, if approved, shall govern any extension of time.

If a person in attendance at the regular Board or Board Committee meeting has urgent material which that person believes must come to the Board’s attention under the Agenda item, a Board member may yield his or her time to such a person, with the Presiding Officer’s approval. This procedure will occur only under exceptional circumstances.

Photographs and videos may be taken during board meetings without advance permission as long as the activity does not disrupt the Board meeting or cause distraction. The Board Chair shall have the authority to administer this provision including a determination of whether an unacceptable disturbance is occurring. Usually, photographers and video takers will be expected to remain unobtrusively in the audience part of the Board room.

VI. EXECUTIVE SESSION

All executive sessions of the Board of Directors will be held in compliance with AS 10.25.175; Article V, Section 5 of the Association’s Bylaws; and, applicable Association Board policies. A motion to go into executive session will state the topic intended for discussion and the specific provision of the Alaska statute, AS 10.25.175, that permits that topic to be discussed in executive session. If a matter is to be discussed in executive session that tends to prejudice the reputation or character of a particular person (AS 10.25.175(c)(2)), that person will have the opportunity to request that the matter be discussed in open session, and the Chief Executive Officer will confirm that such notice has been provided.

VII. RESPONSIBILITY

The Board Chair, Presiding Officer and Chief Executive Officer shall be responsible for the administration of this Policy.

Date Approved: May 25 June, 202116

Attested: _____

[Henderson](#)

[Bruce M. Dougherty James](#)

Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 202

PROCEDURES FOR BOARD OF DIRECTORS MEETINGS

I. PURPOSE

To encourage the orderly and efficient conduct of Association business at regular Board of Directors and Board Committee meetings.

II. AGENDA

The Agenda for each Board of Directors regular meeting will be:

- I. Calling the meeting to order
 - a. Pledge of Allegiance
 - b. Roll Call
 - c. Safety Minute
- II. Approval of Agenda
- III. Persons to be Heard
- IV. Consent Agenda¹
 - a. Calendar of Events
 - b. Training/Conferences
 - c. Minutes
 - d. Director Expenses
 - e. Other routine business items
- V. Chief Executive Officer's Reports & Correspondence
- VI. Directors' Reports
- VII. Unfinished Business

¹ Consent agenda items are moved by a single motion. Items on the consent agenda can be amended by a majority vote and any item(s) can be "pulled" at the request of a Director for discussion and/or separate vote. A single vote passes all consent agenda items. A separate vote is required on "pulled" items. Consent items may include contract approvals (where the matter is budgeted and within budget), routine informational items, matters that have previously been presented and discussed with the Board or a Committee of the Board, and items of lesser importance.

- VIII. New Business
- IX. Executive Session (as necessary)
- X. New Business (as necessary)
- XI. Director Comments²
- XII. Adjournment

The Chief Executive Officer and the Board Chair will consult on items of new business for regular Board meetings. Items to be deleted or added to the Agenda will be taken up under Item II, Approval of the Agenda. The Board Chair will prepare the regular Board meeting Agenda.

For Committee meetings, the Chair of the Committee will consult with the Chief Executive Officer regarding the Agenda. The Chair of the Committee will approve the Committee meeting Agenda.

III. INFORMATION AVAILABLE TO THE BOARD AND MEMBERS

All matters for consideration by the Board at regular Board meetings will be included on the Agenda and in the Board information packets seven days prior to the Board meeting. If the Board wishes to consider a matter that was not included on the Agenda seven days before the meeting a motion must be made and passed to waive the seven day notice requirement.

Copies of the Board Agenda and a Board information packet (with the exception of any items considered privileged or confidential) will be available online or, upon request, at each meeting for review by the members.

IV. PERSONS TO BE HEARD

Each regular Board and Board Committee meeting Agenda will include a time for persons attending the meeting to speak to the Board. Persons wishing to be heard can submit a request in advance to the Chief Executive Officer's Office or be recognized by the Presiding Officer from the floor. A sign-up sheet will be available, allowing those present to indicate their desire to address the Board.

Employees are discouraged from appearing before the Board to present work-related matters and complaints. These matters should be resolved in accordance with applicable Operating Policies and collective bargaining agreements.

² Includes items suggested by Board members for discussion at future meetings.

When a person is recognized by the Presiding Officer to be heard, the person shall come to the speaker's chair and identify him/herself, including name, address, membership status, if any, and professional affiliation, if any, and any group he/she represents. The Presiding Officer may limit the time allowed for each person seeking to be heard or ask that a representative speak for a group. Unless otherwise approved by the Presiding Officer, each Director and the Chief Executive Officer may have one opportunity to ask questions about, or make comments on, information presented by persons being heard.

V. CONDUCT OF MEETINGS

The Presiding Officer shall be the Board Chair for a Board of Director meeting or the appointed Committee chair for a Committee meeting. The Board Chair and appointed Committee chairs may appoint an alternate to be the Presiding Officer at Board of Director or Committee meetings in their absence or telephonic attendance.

Regular Board and Board Committee meetings are held for the purpose of conducting the business of the Association. Meetings will generally be conducted in accordance with Robert's Rules of Order, unless modified by the Board or as otherwise provided in this Policy, or unless a Board member requests a recorded vote on a motion.

To allow meetings to be conducted in an efficient and orderly fashion, discussion of Agenda items will be limited to communications among Board members, between the Board and members, between the Board and the Chief Executive Officer and those whom the Chief Executive Officer requests make presentations. Members of the Board, the Chief Executive Officer, or others addressing the Board will not speak unless recognized by the Presiding Officer, as provided below. Speakers shall confine themselves to discussion of the topic under deliberation. Unless a speaker yields the floor, no one shall interrupt another while they are speaking, except for an interruption permitted under Robert's Rules of Order. The following specific rules of conduct shall apply to Board members during all regular Board and Board Committee meetings:

- All wishing to speak must first be recognized by the Presiding Officer.
- All remarks are to be addressed to the Presiding Officer.
- All speeches and remarks shall be limited to two minutes for each person on any given subject or debatable motion. This time may be extended by the Presiding Officer, general consent (no objection) or a majority vote. A motion to close debate, if approved, shall govern any extension of time.
- A person wishing to speak a second time to a given subject or debatable motion may do so by permission from the Presiding Officer, general consent (no objection) or a majority vote. A motion to close debate, if approved, shall govern.
- All motions must be clearly stated. The Presiding Officer may require a motion to be presented in writing.

- The person who has offered the motion has the privilege of speaking first. Thereafter, discussion shall be alternated between those for and against the motion. The Presiding Officer has the privilege of speaking last if desired.
- Total time allowed for any one subject or debatable motion shall be no more than 20 minutes. This time may be extended by the Presiding Officer, general consent (no objection) or majority vote. A motion to close debate, if approved, shall govern any extension of time.

If a person in attendance at the regular Board or Board Committee meeting has urgent material which that person believes must come to the Board’s attention under the Agenda item, a Board member may yield his or her time to such a person, with the Presiding Officer’s approval. This procedure will occur only under exceptional circumstances.

Photographs and videos may be taken during board meetings without advance permission as long as the activity does not disrupt the Board meeting or cause distraction. The Board Chair shall have the authority to administer this provision including a determination of whether an unacceptable disturbance is occurring. Usually, photographers and video takers will be expected to remain unobtrusively in the audience part of the Board room.

VI. EXECUTIVE SESSION

All executive sessions of the Board of Directors will be held in compliance with AS 10.25.175; Article V, Section 5 of the Association’s Bylaws; and, applicable Association Board policies. A motion to go into executive session will state the topic intended for discussion and the specific provision of the Alaska statute, AS 10.25.175, that permits that topic to be discussed in executive session. If a matter is to be discussed in executive session that tends to prejudice the reputation or character of a particular person (AS 10.25.175(c)(2)), that person will have the opportunity to request that the matter be discussed in open session, and the Chief Executive Officer will confirm that such notice has been provided.

VII. RESPONSIBILITY

The Board Chair, Presiding Officer and Chief Executive Officer shall be responsible for the administration of this Policy.

Date Approved: June __, 2021

Attested: _____

James Henderson
Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

GOVERNANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY

June 16, 2021

ACTION REQUIRED

AGENDA ITEM NO. V.D.6.

- Information Only
 - Motion
 - Resolution
 - Executive Session
 - Other
-

TOPIC

Board Policy 209 – Indemnification of Directors, Officers, Employees and Agents

DISCUSSION

Staff and the Board of Directors (Board) are charged with reviewing and updating, as necessary, all Board Policies on a routine basis. Staff has undertaken a review of the above referenced Policy and is recommending substantive changes to current language. The proposed language further defines and clarifies all interested parties' rights and obligations related to indemnification.

MOTION

Move that the Governance Committee recommends the Board of Directors approve revisions to Board Policy 209 – Indemnification of Directors, Officer, Employees and Agents, as shown in the attached draft policy.

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 209

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

I. OBJECTIVE

To establish the Association's policy on indemnification of directors, officers, employees, and agents ~~against who must defend~~ claims made ~~against them~~ for ~~actions conduct performed~~ within the scope of their duties for the Association.

II. CONTENT

The Association shall indemnify protected persons who are or may be parties to contested matters for expenses actually and reasonably incurred in connection with the contested matters under the following circumstances:

- A. The conduct complained of must have been performed within the scope of the protected person's duties for the Association; and
- B. The protected person must have acted in a manner he/she reasonably believed to be in, or not contrary to, the best interests of the Association. In the case of a criminal proceeding, the protected person must have had no reasonable cause to believe that his/her conduct was unlawful.

A protected person shall notify the Association's General Counsel in writing as soon as practicable of any contested matter for which indemnification is sought. A protected person shall not retain counsel or incur any costs of defense or expenses associated with a contested matter without the Association's prior written consent. The Association shall coordinate with insurance providers as necessary and advance the cost of defense of a contested matter to the protected person upon receipt of a written affirmation from the protected person that the person has a good faith belief that the standards set forth in A and B above have been met together with a written undertaking that the person will repay the expenses advanced if it is ultimately determined that indemnification is not required under this Policy or is not permitted by applicable law. Successful defense of the claims in a contested matter shall be a determination that indemnification is required under this Policy, but an unsuccessful defense shall not be determinative.

The Association shall be entitled to participate in the defense of any contested matter at its own expense and, to the extent a conflict of interest does not exist, it may assume the defense thereof with counsel reasonably satisfactory to the protected person. After notice

from the Association to the protected person of the Association's election to assume the defense of any such contested matter, the Association shall not be liable to the protected person under this Policy, or otherwise, for any cost of defense subsequently incurred by the protected person in connection with the defense of such contested matter. The protected person shall have the right to employ his or her own legal counsel in such contested matter, but all expenses related to such counsel incurred after notice from the Association of its assumption of the defense shall be at the protected person's own expense.

The Association shall not be liable to a protected person under this Policy for any amounts paid in settlement of any contested matter without the Association's prior written consent. The Association shall not settle any contested matter for which it has assumed control of the defense in any manner that would impose any expenses on the protected person without the protected person's prior written consent. In either instance, consent shall not be unreasonably delayed, conditioned, or withheld.——

The determination on whether indemnification is required under this Policy shall be made, in the case of an employee, by the Chief Executive Officer ~~with the concurrence of the Board~~, and by the Board of Directors in the case of an agent or the Chief Executive Officer. ~~The Chief Executive Officer shall have the authority to make a determination on indemnification for an employee for property damage claims of \$10,000 or less.~~ In the case of a Director, the determination shall be made by the disinterested Directors; if none, then by independent legal counsel. ~~If the employee, Chief Executive Officer or Director(s), as applicable, is not satisfied with the determination of their entitlement to indemnification under this Policy, he/she may request binding arbitration. Arbitration will be conducted in accordance with Operating Policy 004, Section III (B).~~

III. DEFINITIONS

- A. "Conduct" includes action, inaction and omission.
- B. "Contested matter" means a proposed, pending or completed action or proceeding, whether civil, criminal, administrative or investigative. An action or proceeding may arise pursuant to local, State or federal law.
- C. "Cost of defense" includes attorneys' and experts' fees, court costs, transcript costs, travel expenses, duplicating, printing and binding costs, telephone charges, and all other costs and expenses incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness or participate in, any contested matter. Cost of defense, however, shall not include amounts paid in settlement by a protected person or the amount of judgments or fines against a protected person.
- C. "Protected person" means a current or former Director, officer, employee or agent of the Association.

D. “Expenses” include attorney fees, judgments, fines and amounts paid in settlement.

IV. RESPONSIBILITY

The Board and the Chief Executive Officer shall be responsible for implementing this Policy.

Date Approved: ~~May 25~~ June __, 2021+6

Attested: _____

Henderson

~~Bruce M. Dougherty James~~

Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 209

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

I. OBJECTIVE

To establish the Association's policy on indemnification of directors, officers, employees, and agents against claims made for conduct performed within the scope of their duties for the Association.

II. CONTENT

The Association shall indemnify protected persons who are or may be parties to contested matters for expenses actually and reasonably incurred in connection with the contested matters under the following circumstances:

- A. The conduct complained of must have been performed within the scope of the protected person's duties for the Association; and
- B. The protected person must have acted in a manner he/she reasonably believed to be in, or not contrary to, the best interests of the Association. In the case of a criminal proceeding, the protected person must have had no reasonable cause to believe that his/her conduct was unlawful.

A protected person shall notify the Association's General Counsel in writing as soon as practicable of any contested matter for which indemnification is sought. A protected person shall not retain counsel or incur any costs of defense or expenses associated with a contested matter without the Association's prior written consent. The Association shall coordinate with insurance providers as necessary and advance the cost of defense of a contested matter to the protected person upon receipt of a written affirmation from the protected person that the person has a good faith belief that the standards set forth in A and B above have been met together with a written undertaking that the person will repay the expenses advanced if it is ultimately determined that indemnification is not required under this Policy or is not permitted by applicable law. Successful defense of the claims in a contested matter shall be a determination that indemnification is required under this Policy, but an unsuccessful defense shall not be determinative.

The Association shall be entitled to participate in the defense of any contested matter at its own expense and, to the extent a conflict of interest does not exist, it may assume the defense thereof with counsel reasonably satisfactory to the protected person. After notice

from the Association to the protected person of the Association's election to assume the defense of any such contested matter, the Association shall not be liable to the protected person under this Policy, or otherwise, for any cost of defense subsequently incurred by the protected person in connection with the defense of such contested matter. The protected person shall have the right to employ his or her own legal counsel in such contested matter, but all expenses related to such counsel incurred after notice from the Association of its assumption of the defense shall be at the protected person's own expense.

The Association shall not be liable to a protected person under this Policy for any amounts paid in settlement of any contested matter without the Association's prior written consent. The Association shall not settle any contested matter for which it has assumed control of the defense in any manner that would impose any expenses on the protected person without the protected person's prior written consent. In either instance, consent shall not be unreasonably delayed, conditioned, or withheld.

The determination on whether indemnification is required under this Policy shall be made, in the case of an employee, by the Chief Executive Officer, and by the Board of Directors in the case of an agent or the Chief Executive Officer. In the case of a Director, the determination shall be made by the disinterested Directors; if none, then by independent legal counsel. If the employee, Chief Executive Officer or Director(s), as applicable, is not satisfied with the determination of their entitlement to indemnification under this Policy, he/she may request binding arbitration. Arbitration will be conducted in accordance with Operating Policy 004, Section III (B).

III. DEFINITIONS

- A. "Conduct" includes action, inaction, and omission.
- B. "Contested matter" means a proposed, pending or completed action or proceeding, whether civil, criminal, administrative or investigative. An action or proceeding may arise pursuant to local, State or federal law.
- C. "Cost of defense" includes attorneys' and experts' fees, court costs, transcript costs, travel expenses, duplicating, printing and binding costs, telephone charges, and all other costs and expenses incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness or participate in, any contested matter. Cost of defense, however, shall not include amounts paid in settlement by a protected person or the amount of judgments or fines against a protected person.
- C. "Protected person" means a current or former Director, officer, employee or agent of the Association.
- D. "Expenses" include attorney fees, judgments, fines, and amounts paid in settlement.

IV. RESPONSIBILITY

The Board and the Chief Executive Officer shall be responsible for implementing this Policy.

Date Approved: June ____, 2021

Attested: _____
James Henderson
Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

GOVERNANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY

June 16, 2021

ACTION REQUIRED

AGENDA ITEM NO. V.D.7.

- Information Only
 - Motion
 - Resolution
 - Executive Session
 - Other
-

TOPIC

Board Policy 401 – Delegations of Authority from the Board of Directors to the Chief Executive Officer

DISCUSSION

Staff and the Board of Directors (Board) are charged with reviewing and updating, as necessary, all Board Policies on a routine basis. Staff has undertaken a review of the above referenced Policy and is recommending updates to modify authorized expenditure limits delegated to the Chief Executive Officer.

MOTION

Move that the Governance Committee recommends the Board of Directors approve revisions to Board Policy 401 – Delegations of Authority from the Board of Directors to the Chief Executive Officer, as shown in the attached draft policy and as further discussed in the Committee.

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 401

**DELEGATIONS OF AUTHORITY
FROM THE BOARD OF DIRECTORS TO
THE CHIEF EXECUTIVE OFFICER**

I. OBJECTIVE

To define the delegations of authority from the Board of Directors to the Chief Executive Officer to enable adequate direction of the operations of the Association and to report to the Board on the results achieved.

II. CONTENT

A. Planning

1. Policies

To formulate with his/her staff, as appropriate, the Board Policies to be recommended to a committee of the Board for their consideration and to participate with the Board Operations Committee and the Board in the development of Board Policies. To formulate the Operating Policies and Procedures of the Association. Such Operating Policies and Procedures shall be reviewed by the Chief Executive Officer periodically as necessary and a report made to the Board or a Board Committee.

2. Objectives

To develop, in consultation with the Board of Directors and staff, goals and objectives of the Association for presentation to and approval by the Board of Directors. To review annually these goals and objectives, as well as the results achieved.

3. Short-Range and Long-Range Plans

To conduct studies, with staff and outside consultants if necessary, and recommend to the Board of Directors short-range and long-range plans, including plans in such areas as power supply, power requirements and load forecasts, need for generation and transmission facilities, procurement of fuel, financing, energy management and marketing, member and public relations, materials management, construction, etc., and to report to the Board on results achieved compared to such plans.

4. Membership Meetings

To develop, with staff, plans for annual and other meetings of the Members and to make appropriate recommendations to the Board of Directors.

5. Annual Work Plans and Budgets

To formulate, with staff, annual work plans and budgets for the Association and recommend them to the Board for their consideration and approval and to provide detailed reports monthly on revenue, expenses and other results compared to such plans.

6. Legislation

To analyze and determine with staff, state and federal legislative and regulatory matters to be proposed, supported, or opposed consistent with established Board policy. Reports will be submitted to the Board on a regular basis.

7. Retail and Wholesale Rates and Service Rules and Regulations

To periodically study and analyze the Association's retail and wholesale rates and service rules and regulations and make appropriate recommendations to the Board.

B. Organization

1. Organizational Structure

a. To periodically review activities of the Association and to determine, with staff, the organizational structure best suited to carry out the overall objectives of the Association, within the limitations of the budget, Board Policy and priorities.

b. To determine, with the appropriate staff, the need for additional positions, the transfer, reassignment, or elimination of present positions, and to effect such changes, provided they are within the limitations of the personnel costs of the approved budget. Reports should be made annually to the Board, or a committee of the Board, on the number of positions by organizational units as compared to previous years.

2. Selection of Personnel

- a. To develop or approve standards and qualifications for use in recruitment, transfer and promotion of personnel. Such standards and qualifications should meet all federal and state legal requirements.
- b. To hire, transfer, promote, and terminate personnel.

3. Training

- a. To ensure that the Association staff is trained in accordance with the requirements of their positions.
- b. To initiate and promote, through staff, appropriate management, professional and technical training programs for all personnel within the limitations of the approved budget and Board policy, including sending personnel to appropriate training programs outside the organization.

4. Performance Appraisals

- a. To appraise, at least annually, the performance of the immediate staff and to counsel with them and assist them to develop and improve.
- b. To ensure that an annual performance appraisal program is established and carried out for all personnel.

5. Position Descriptions

To ensure that written position descriptions and job specifications are prepared and reviewed annually for all personnel. Such completed descriptions will not require Board approval.

6. Fringe Benefits

To administer or approve activities and actions with respect to vacations, holidays, sick leave and other fringe benefit programs for personnel within established policies, within the limitations of the budget, and as provided in collective bargaining agreements. A report shall be presented annually to the Board or a committee of the Board describing the various benefits and the employee and employer contribution, if any, and what percent fringes are of payroll.

7. Overtime

To ensure that overtime is controlled and to report annually to the Board on overtime as a percent of payroll compared to previous years and the results of the efforts to control this expense.

8. Consultants

To select and retain consultants, other than the firm performing the independent financial audit.

The selection and retention of any consultants working in areas which affect the function of the Board and are not delegated to the Chief Executive Officer requires the prior approval by motion or resolution of the Board of Directors.

Approval of invoices from attorneys hired by and reporting directly to the Board shall be made by the Board Chair or Board Treasurer. Increases to Contracts or Task Orders in these circumstances may be made by the Board Chair, provided the increase does not exceed 10% of the original contract or \$10,000, whichever is less.

9. Wage and Salary Administration

- a. To develop a systematic wage and salary plan for non-bargaining unit employees and present it to the appropriate committee of the Board of Directors for its review to make an appropriate recommendation to the Board.
- b. To determine all salary adjustments, except the Chief Executive Officer's, within the Board-approved wage and salary plan and policy and within the limitations of the budget. A report is to be provided to the Board annually on the administration of the wage and salary plan.
- c. To evaluate new positions and reevaluate existing positions. If their responsibilities and authorities substantially change, and if appropriate, place these positions in the Board-approved wage and salary plan.
- d. To conduct labor surveys, as necessary, to determine wages and salaries paid for comparable jobs in the area in which the Association recruits personnel, and make recommendations to a committee of the Board of Directors on any revisions required in the wage and salary

plan for non-bargaining unit employees, taking into account the financial condition of the Association.

10. Labor Relations

- a. To negotiate bargaining unit contracts and make appropriate recommendations to the Board.
- b. To administer the approved labor contracts and see that appropriate managers and supervisors understand the provisions of the contracts and their administration.

11. Employee Relations

To ensure that two-way communication between employees and management is established providing opportunities for feedback and employee involvement and participation as appropriate.

C. Operations

1. Overall Administration

- a. To direct and manage the day-to-day operations and activities of the Association in accordance with the policies of the Board of Directors and in accordance with all contracts and lending institution policies and procedures, as well as applicable federal, state and local laws.
- b. To delegate appropriate authority to immediate staff and authorize further delegation of authority to any level of management with full recognition that the Chief Executive Officer cannot be relieved of overall responsibility or any portion of accountability.
- c. To designate an appropriate person to serve as Acting Chief Executive Officer in the absence of the Chief Executive Officer.
- d. To ensure that staff advice and assistance is available to the Board of Directors and its committees.
- e. To accept invitations to participate in or designate other staff members to participate in national, state and local meetings which further the best interest of the Association, within the limitations of Board policy and the approved budget. Participation by the Chief Executive Officer in such activities which requires considerable time over a sustained period requires approval of the Board.

- f. To determine the transportation needs of the Association, with the understanding that the number of company-owned or leased cars individually assigned to employees will be minimized, and a pool of company-owned or leased cars will be utilized, and both activities will be accomplished in the most economical and practical extent possible. Such company-owned or leased cars shall be used only for trips that are primarily official business.
- g. To serve as the authorized spokesperson for the Association on major issues impacting the Association and to keep the Board up to date and well informed on such issues.
- h. To monitor and report to the Board of Directors on the Association's legal matters.
- i. To provide for continuous improvement of operational and financial practices and core performance metrics consistent with relevant industry norms

2. Membership Services

To direct appropriate and efficient membership services in such areas as, but not necessarily confined to, public and member relations, load management, energy conservation, marketing communications, and research.

3. Legislation

- a. To develop and carry out, consistent with Board Policy 503, a legislative program furthering the Association's objectives and policies. Such a program will include, but not be limited to, research, preparation of testimony, presentation of testimony before appropriate committees, consultation with members of Congress, the state legislature, and state and federal administrative and regulatory agencies.
- b. To participate with allied groups to obtain their increased understanding and support of the Association's legislative and regulatory objectives and programs.

4. Financial

- a. To administer the approved budget, including approval of non-budgeted items or budget changes of not more than \$1,000,000 (net to the

Association) and all non-budgeted items which, in his or her judgment, are vital to affect unanticipated emergency maintenance or repairs. Non-budgeted items or budget changes exceeding \$500,000 (net to the Association) must be reported to the Board of Directors.

- b. To determine the approval limits of individual employees for Association invoices, contracts, check requests, purchase orders and requisitions. No transactions can be approved by an individual above his or her signature authority (whether it is a regular or one-time transaction) as provided by Association Operating Policies, Procedures and/or Practices and that individual's job duties and responsibilities for that specific transaction.
- c. To invest or reinvest funds, cash investments when due, and cash government bonds when, and if, necessary to protect the Association's cash position, and to carry out an effective cash management program.
- d. To authorize and approve the travel expenses of personnel, except the Chief Executive Officer's, on company business within the limitations of the budget and within established policy. All such expenses shall be supported by itemized expense accounts with receipts attached, as appropriate. Expenses of the Chief Executive Officer will be approved by the Board Chair or the Treasurer of the Board prior to payment.
- e. To approve accounting systems, procedures, statistics and types of reports necessary for sound financial management of the Association, and to meet the requirements of lending and regulatory agencies and for necessary control information required by the Board of Directors.
- f. To purchase all equipment, vehicles, hardware, furniture, materials, and supplies within the limitations of the budget and Board policy. All purchases shall comply with applicable Association bylaws, policies and procedures. All purchases of major equipment or large quantities of materials for generation, transmission and substations shall be via competitive bids when feasible.
- g. To negotiate and approve contracts for construction in accordance with applicable Association procedures. Contracts in excess of \$~~2~~1,000,000 (net to the Association) shall be submitted to the Board for approval. Once the Board has approved the contract, the Chief Executive Officer or his/her designee is authorized to sign the contract and any invoices, purchase orders, task or requisitions related to that contract subject to the requirements of subsections h. and i. below.

- h. To approve purchase orders and contracts, including cumulative changes, if \$21,000,000 or less (net to the Association) for previously Board-approved projects and report on all active purchase orders and contracts over ~~\$250,500~~,000 (gross) each quarter. Purchase orders and contracts exceeding \$21,000,000 (net to the Association) will be brought to the Board for approval prior to any commitments or expenditures being made. Once the purchase order and contract have been approved by the Board, the Chief Executive Officer or his/her designee can sign any invoices, checks, purchase orders and requisitions related to the contract.
- i. To approve change orders on purchase orders and contracts previously Board-approved, if the cumulative value of the changes is less than 15% of the original value. Change orders exceeding 15% of the original Board approved contract value or which cause the original value to exceed \$21,000,000 (net to the Association) will be brought to the Board for approval prior to any commitments or expenditures being made.
- j. To approve invoices and payments for the purchase of fuel for the generation of electric energy under fuel contracts previously approved by the Board
- k. To approve invoices and payments for the purchase of electric energy under contracts previously approved by the Board
- l. To approve invoices and payments necessary to comply with contractual obligations of the Association for facilities jointly owned with other certificated utilities or the State of Alaska.
- m. To approve payments necessary to comply with the requirements of the indenture and debt obligations of the Association.
- n. To approve invoices and payments of premiums for insurance for the Association.
- o. To approve payments necessary to comply with obligations of the Association under pension and benefits programs.
- p. To determine insurance coverages required for effective risk management and to negotiate purchase of such coverages within the limitations of the budget and Board policy.
- q. To authorize individual memberships in civic clubs and organizations and company memberships in local organizations in which membership would be helpful and to authorize payment of dues by the Association

within the limitations of the budget and established Board policy.

- r. To ensure that an internal auditing function is in place to carry out necessary studies with reports to the Board by the Chief Executive Officer on the results of such studies as appropriate.
- s. After authorization of a bond issuance by the Board, to ensure that the documentation necessary for the issuance of bonds is prepared, and to carry out negotiations with financing institutions for the sale of such bonds striving to achieve the lowest cost financing and to obtain approvals as are necessary for the sale thereof.
- t. Subject to Subsections (g) and (h) above: To negotiate and execute all documents relating to the purchase, use, sale, lease, or other transactions affecting real property, to exercise the power of eminent domain to acquire for projects described in an approved budget property which the Association has been unable to obtain by negotiation; to execute and deliver all environmental studies and reports; to make application for all permits relating to the operations of the Association; to design, route and determine the site for all facilities within the limitations of Board policy and the budget.
- u. To perform all acts necessary or incidental to the management of the operations of the Association, unless such acts are specifically reserved to the Board pursuant to law, the Association's Articles of Incorporation and Bylaws, or Board policies.

5. Control

a. Operations

To submit periodic and special reports to the Board of Directors on conformity of operations with approved policies and programs and recommend any revisions requiring Board approval and to direct any remedial action required.

b. Finances

To submit periodic and special financial reports to the Board to keep them informed of the Association's financial position and conformance to financial plans and forecasts, and to see that all persons having access to cash or responsibility for purchasing of materials are properly bonded if required.

c. Budgets

To report monthly to the Board on revenues and expenditures compared to budget. To recommend any revisions required, and to direct any necessary remedial action.

d. Annual Financial Audit

To participate with the Board in the review, with the auditor present, of the annual financial audit and management letter. To direct any remedial action required and to ensure that the management letter, along with the Audit Report, is sent to each Board member prior to the meeting at which they are to be discussed.

e. Internal Controls

To develop and implement a system of internal controls for the Association which comply with industry standards or required by regulation.

f. Materials Management

i. To determine the amount of, and establish proper control of, all physical inventories to minimize investment in inventories needed to meet operating and construction needs.

ii. To ensure that a system is established to accurately account for all materials used.

g. Member Complaints

To submit periodically to the Board of Directors an analysis of Member complaints and to take any corrective action required or to recommend appropriate revisions in Board policy.

h. Reliability of Service

To submit annually to the Board a report on service reliability and any remedial action taken.

i. Availability of Power Supply

To report periodically to the Board on load growth compared to availability of power and to recommend plans to meet anticipated

growth to ensure an adequate and reliable supply for the Member at the lower possible costs consistent with sound business and management practices.

j. Power Costs

To continually study power costs compared to projections and to recommend to the Board, as far in advance as possible, any changes in power costs necessary to maintain financial strength and stability and to meet all requirements of lending and regulatory agencies.

k. Loss Control

To ensure that a loss control program is carried out to minimize and control losses due to accidents, environmental hazards and other risks.

l. Member Meetings

To report to the Board on the effectiveness of annual and other member meetings with recommendations on improvements which can be made.

III. RESPONSIBILITY

- A. The Chief Executive Officer shall report to the Board periodically on how these delegations are being carried out. Further delegations to the Chief Executive Officer may be made as required.

The Chief Executive Officer may delegate any of the foregoing authorities to the Acting Chief Executive Officer or other staff and the Acting Chief Executive Officer may act in any or all of these responsibility areas in the absence of, and when designated to act for, the Chief Executive Officer. The Chief Executive Officer is solely responsible for and accountable to the Board for the foregoing delegations of responsibility.

- B. The Board of Directors is responsible for approving any changes in the delegations to the Chief Executive Officer.

Date Approved: ~~May June 25~~ __, ~~2016~~2021

Attested: _____

Henderson

~~Bruce M. Dougherty~~ James

Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 401

**DELEGATIONS OF AUTHORITY
FROM THE BOARD OF DIRECTORS TO
THE CHIEF EXECUTIVE OFFICER**

I. OBJECTIVE

To define the delegations of authority from the Board of Directors to the Chief Executive Officer to enable adequate direction of the operations of the Association and to report to the Board on the results achieved.

II. CONTENT

A. Planning

1. Policies

To formulate with his/her staff, as appropriate, the Board Policies to be recommended to a committee of the Board for their consideration and to participate with the Board Operations Committee and the Board in the development of Board Policies. To formulate the Operating Policies and Procedures of the Association. Such Operating Policies and Procedures shall be reviewed by the Chief Executive Officer periodically as necessary and a report made to the Board or a Board Committee.

2. Objectives

To develop, in consultation with the Board of Directors and staff, goals and objectives of the Association for presentation to and approval by the Board of Directors. To review annually these goals and objectives, as well as the results achieved.

3. Short-Range and Long-Range Plans

To conduct studies, with staff and outside consultants if necessary, and recommend to the Board of Directors short-range and long-range plans, including plans in such areas as power supply, power requirements and load forecasts, need for generation and transmission facilities, procurement of fuel, financing, energy management and marketing, member and public relations, materials management, construction, etc., and to report to the Board on results achieved compared to such plans.

4. Membership Meetings

To develop, with staff, plans for annual and other meetings of the Members and to make appropriate recommendations to the Board of Directors.

5. Annual Work Plans and Budgets

To formulate, with staff, annual work plans and budgets for the Association and recommend them to the Board for their consideration and approval and to provide detailed reports monthly on revenue, expenses and other results compared to such plans.

6. Legislation

To analyze and determine with staff, state and federal legislative and regulatory matters to be proposed, supported, or opposed consistent with established Board policy. Reports will be submitted to the Board on a regular basis.

7. Retail and Wholesale Rates and Service Rules and Regulations

To periodically study and analyze the Association's retail and wholesale rates and service rules and regulations and make appropriate recommendations to the Board.

B. Organization

1. Organizational Structure

a. To periodically review activities of the Association and to determine, with staff, the organizational structure best suited to carry out the overall objectives of the Association, within the limitations of the budget, Board Policy and priorities.

b. To determine, with the appropriate staff, the need for additional positions, the transfer, reassignment, or elimination of present positions, and to effect such changes, provided they are within the limitations of the personnel costs of the approved budget. Reports should be made annually to the Board, or a committee of the Board, on the number of positions by organizational units as compared to previous years.

2. Selection of Personnel

- a. To develop or approve standards and qualifications for use in recruitment, transfer and promotion of personnel. Such standards and qualifications should meet all federal and state legal requirements.
- b. To hire, transfer, promote, and terminate personnel.

3. Training

- a. To ensure that the Association staff is trained in accordance with the requirements of their positions.
- b. To initiate and promote, through staff, appropriate management, professional and technical training programs for all personnel within the limitations of the approved budget and Board policy, including sending personnel to appropriate training programs outside the organization.

4. Performance Appraisals

- a. To appraise, at least annually, the performance of the immediate staff and to counsel with them and assist them to develop and improve.
- b. To ensure that an annual performance appraisal program is established and carried out for all personnel.

5. Position Descriptions

To ensure that written position descriptions and job specifications are prepared and reviewed annually for all personnel. Such completed descriptions will not require Board approval.

6. Fringe Benefits

To administer or approve activities and actions with respect to vacations, holidays, sick leave and other fringe benefit programs for personnel within established policies, within the limitations of the budget, and as provided in collective bargaining agreements. A report shall be presented annually to the Board or a committee of the Board describing the various benefits and the employee and employer contribution, if any, and what percent fringes are of payroll.

7. Overtime

To ensure that overtime is controlled and to report annually to the Board on overtime as a percent of payroll compared to previous years and the results of the efforts to control this expense.

8. Consultants

To select and retain consultants, other than the firm performing the independent financial audit.

The selection and retention of any consultants working in areas which affect the function of the Board and are not delegated to the Chief Executive Officer requires the prior approval by motion or resolution of the Board of Directors.

Approval of invoices from attorneys hired by and reporting directly to the Board shall be made by the Board Chair or Board Treasurer. Increases to Contracts or Task Orders in these circumstances may be made by the Board Chair, provided the increase does not exceed 10% of the original contract or \$10,000, whichever is less.

9. Wage and Salary Administration

- a. To develop a systematic wage and salary plan for non-bargaining unit employees and present it to the appropriate committee of the Board of Directors for its review to make an appropriate recommendation to the Board.
- b. To determine all salary adjustments, except the Chief Executive Officer's, within the Board-approved wage and salary plan and policy and within the limitations of the budget. A report is to be provided to the Board annually on the administration of the wage and salary plan.
- c. To evaluate new positions and reevaluate existing positions. If their responsibilities and authorities substantially change, and if appropriate, place these positions in the Board-approved wage and salary plan.
- d. To conduct labor surveys, as necessary, to determine wages and salaries paid for comparable jobs in the area in which the Association recruits personnel, and make recommendations to a committee of the Board of Directors on any revisions required in the wage and salary

plan for non-bargaining unit employees, taking into account the financial condition of the Association.

10. Labor Relations

- a. To negotiate bargaining unit contracts and make appropriate recommendations to the Board.
- b. To administer the approved labor contracts and see that appropriate managers and supervisors understand the provisions of the contracts and their administration.

11. Employee Relations

To ensure that two-way communication between employees and management is established providing opportunities for feedback and employee involvement and participation as appropriate.

C. Operations

1. Overall Administration

- a. To direct and manage the day-to-day operations and activities of the Association in accordance with the policies of the Board of Directors and in accordance with all contracts and lending institution policies and procedures, as well as applicable federal, state and local laws.
- b. To delegate appropriate authority to immediate staff and authorize further delegation of authority to any level of management with full recognition that the Chief Executive Officer cannot be relieved of overall responsibility or any portion of accountability.
- c. To designate an appropriate person to serve as Acting Chief Executive Officer in the absence of the Chief Executive Officer.
- d. To ensure that staff advice and assistance is available to the Board of Directors and its committees.
- e. To accept invitations to participate in or designate other staff members to participate in national, state and local meetings which further the best interest of the Association, within the limitations of Board policy and the approved budget. Participation by the Chief Executive Officer in such activities which requires considerable time over a sustained period requires approval of the Board.

- f. To determine the transportation needs of the Association, with the understanding that the number of company-owned or leased cars individually assigned to employees will be minimized, and a pool of company-owned or leased cars will be utilized, and both activities will be accomplished in the most economical and practical extent possible. Such company-owned or leased cars shall be used only for trips that are primarily official business.
- g. To serve as the authorized spokesperson for the Association on major issues impacting the Association and to keep the Board up to date and well informed on such issues.
- h. To monitor and report to the Board of Directors on the Association's legal matters.
- i. To provide for continuous improvement of operational and financial practices and core performance metrics consistent with relevant industry norms

2. Membership Services

To direct appropriate and efficient membership services in such areas as, but not necessarily confined to, public and member relations, load management, energy conservation, marketing communications, and research.

3. Legislation

- a. To develop and carry out, consistent with Board Policy 503, a legislative program furthering the Association's objectives and policies. Such a program will include, but not be limited to, research, preparation of testimony, presentation of testimony before appropriate committees, consultation with members of Congress, the state legislature, and state and federal administrative and regulatory agencies.
- b. To participate with allied groups to obtain their increased understanding and support of the Association's legislative and regulatory objectives and programs.

4. Financial

- a. To administer the approved budget, including approval of non-budgeted items or budget changes of not more than \$1,000,000 (net to the

Association) and all non-budgeted items which, in his or her judgment, are vital to affect unanticipated emergency maintenance or repairs. Non-budgeted items or budget changes exceeding \$500,000 (net to the Association) must be reported to the Board of Directors.

- b. To determine the approval limits of individual employees for Association invoices, contracts, check requests, purchase orders and requisitions. No transactions can be approved by an individual above his or her signature authority (whether it is a regular or one-time transaction) as provided by Association Operating Policies, Procedures and/or Practices and that individual's job duties and responsibilities for that specific transaction.
- c. To invest or reinvest funds, cash investments when due, and cash government bonds when, and if, necessary to protect the Association's cash position, and to carry out an effective cash management program.
- d. To authorize and approve the travel expenses of personnel, except the Chief Executive Officer's, on company business within the limitations of the budget and within established policy. All such expenses shall be supported by itemized expense accounts with receipts attached, as appropriate. Expenses of the Chief Executive Officer will be approved by the Board Chair or the Treasurer of the Board prior to payment.
- e. To approve accounting systems, procedures, statistics and types of reports necessary for sound financial management of the Association, and to meet the requirements of lending and regulatory agencies and for necessary control information required by the Board of Directors.
- f. To purchase all equipment, vehicles, hardware, furniture, materials, and supplies within the limitations of the budget and Board policy. All purchases shall comply with applicable Association bylaws, policies and procedures. All purchases of major equipment or large quantities of materials for generation, transmission and substations shall be via competitive bids when feasible.
- g. To negotiate and approve contracts for construction in accordance with applicable Association procedures. Contracts in excess of \$2,000,000 (net to the Association) shall be submitted to the Board for approval. Once the Board has approved the contract, the Chief Executive Officer or his/her designee is authorized to sign the contract and any invoices, purchase orders, task or requisitions related to that contract subject to the requirements of subsections h. and i. below.

- h. To approve purchase orders and contracts, including cumulative changes, if \$2,000,000 or less (net to the Association) for previously Board-approved projects and report on all active purchase orders and contracts over \$500,000 (gross) each quarter. Purchase orders and contracts exceeding \$2,000,000 (net to the Association) will be brought to the Board for approval prior to any commitments or expenditures being made. Once the purchase order and contract have been approved by the Board, the Chief Executive Officer or his/her designee can sign any invoices, checks, purchase orders and requisitions related to the contract.
- i. To approve change orders on purchase orders and contracts previously Board-approved, if the cumulative value of the changes is less than 15% of the original value. Change orders exceeding 15% of the original Board approved contract value or which cause the original value to exceed \$2,000,000 (net to the Association) will be brought to the Board for approval prior to any commitments or expenditures being made.
- j. To approve invoices and payments for the purchase of fuel for the generation of electric energy under fuel contracts previously approved by the Board
- k. To approve invoices and payments for the purchase of electric energy under contracts previously approved by the Board
- l. To approve invoices and payments necessary to comply with contractual obligations of the Association for facilities jointly owned with other certificated utilities or the State of Alaska.
- m. To approve payments necessary to comply with the requirements of the indenture and debt obligations of the Association.
- n. To approve invoices and payments of premiums for insurance for the Association.
- o. To approve payments necessary to comply with obligations of the Association under pension and benefits programs.
- p. To determine insurance coverages required for effective risk management and to negotiate purchase of such coverages within the limitations of the budget and Board policy.
- q. To authorize individual memberships in civic clubs and organizations and company memberships in local organizations in which membership would be helpful and to authorize payment of dues by the Association

within the limitations of the budget and established Board policy.

- r. To ensure that an internal auditing function is in place to carry out necessary studies with reports to the Board by the Chief Executive Officer on the results of such studies as appropriate.
- s. After authorization of a bond issuance by the Board, to ensure that the documentation necessary for the issuance of bonds is prepared, and to carry out negotiations with financing institutions for the sale of such bonds striving to achieve the lowest cost financing and to obtain approvals as are necessary for the sale thereof.
- t. Subject to Subsections (g) and (h) above: To negotiate and execute all documents relating to the purchase, use, sale, lease, or other transactions affecting real property, to exercise the power of eminent domain to acquire for projects described in an approved budget property which the Association has been unable to obtain by negotiation; to execute and deliver all environmental studies and reports; to make application for all permits relating to the operations of the Association; to design, route and determine the site for all facilities within the limitations of Board policy and the budget.
- u. To perform all acts necessary or incidental to the management of the operations of the Association, unless such acts are specifically reserved to the Board pursuant to law, the Association's Articles of Incorporation and Bylaws, or Board policies.

5. Control

a. Operations

To submit periodic and special reports to the Board of Directors on conformity of operations with approved policies and programs and recommend any revisions requiring Board approval and to direct any remedial action required.

b. Finances

To submit periodic and special financial reports to the Board to keep them informed of the Association's financial position and conformance to financial plans and forecasts, and to see that all persons having access to cash or responsibility for purchasing of materials are properly bonded if required.

c. Budgets

To report monthly to the Board on revenues and expenditures compared to budget. To recommend any revisions required, and to direct any necessary remedial action.

d. Annual Financial Audit

To participate with the Board in the review, with the auditor present, of the annual financial audit and management letter. To direct any remedial action required and to ensure that the management letter, along with the Audit Report, is sent to each Board member prior to the meeting at which they are to be discussed.

e. Internal Controls

To develop and implement a system of internal controls for the Association which comply with industry standards or required by regulation.

f. Materials Management

i. To determine the amount of, and establish proper control of, all physical inventories to minimize investment in inventories needed to meet operating and construction needs.

ii. To ensure that a system is established to accurately account for all materials used.

g. Member Complaints

To submit periodically to the Board of Directors an analysis of Member complaints and to take any corrective action required or to recommend appropriate revisions in Board policy.

h. Reliability of Service

To submit annually to the Board a report on service reliability and any remedial action taken.

i. Availability of Power Supply

To report periodically to the Board on load growth compared to availability of power and to recommend plans to meet anticipated

growth to ensure an adequate and reliable supply for the Member at the lower possible costs consistent with sound business and management practices.

j. Power Costs

To continually study power costs compared to projections and to recommend to the Board, as far in advance as possible, any changes in power costs necessary to maintain financial strength and stability and to meet all requirements of lending and regulatory agencies.

k. Loss Control

To ensure that a loss control program is carried out to minimize and control losses due to accidents, environmental hazards and other risks.

l. Member Meetings

To report to the Board on the effectiveness of annual and other member meetings with recommendations on improvements which can be made.

III. RESPONSIBILITY

- A. The Chief Executive Officer shall report to the Board periodically on how these delegations are being carried out. Further delegations to the Chief Executive Officer may be made as required.

The Chief Executive Officer may delegate any of the foregoing authorities to the Acting Chief Executive Officer or other staff and the Acting Chief Executive Officer may act in any or all of these responsibility areas in the absence of, and when designated to act for, the Chief Executive Officer. The Chief Executive Officer is solely responsible for and accountable to the Board for the foregoing delegations of responsibility.

- B. The Board of Directors is responsible for approving any changes in the delegations to the Chief Executive Officer.

Date Approved: June __, 2021

Attested: _____
James Henderson
Secretary of the Board



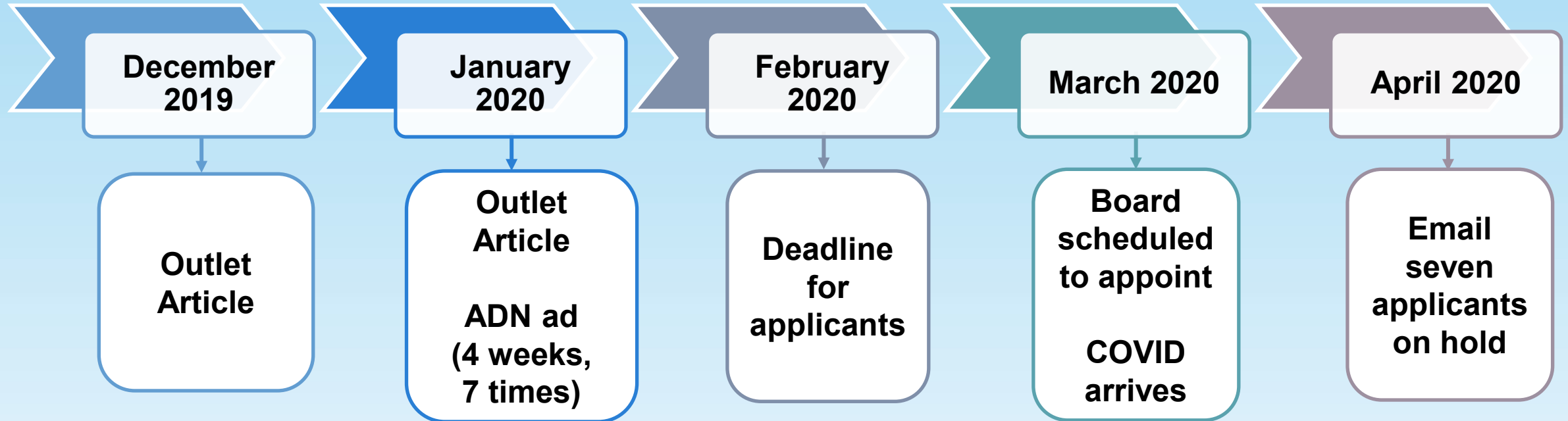
Member Advisory Council

Governance Committee

June 16, 2021



Timeline



Going forward

- Consider new process
- Would include North and South Districts
- Board identifies scope of work, term limits, and meeting cadence of MAC
- Determine council size (rec. 5-10)
- Determine staffing
- Establish board member liaison

Next steps

- Decide whether to proceed with new MAC
- Contact original seven who applied
- New round of advertising
- Set deadline for applicants to apply
- Submit applicants to board for selection



Discussion

