

CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA

GOVERNANCE COMMITTEE MEETING

AGENDA

Katherine Jernstrom, Chair
Rachel Morse, Director
Susanne Fleek-Green, Director

Jim Nordlund, Director
Mark Wiggin, Director

July 23, 2025

4:00 p.m.

Chugach Board Room

- I. CALL TO ORDER (4:00 p.m.)
 - A. Roll Call
- II. APPROVAL OF THE AGENDA* (4:05 p.m.)
- III. APPROVAL OF THE MINUTES* (4:05 p.m.)
 - A. March 5, 2025 (Richey)
- IV. UNFINISHED BUSINESS (none)
- V. NEW BUSINESS* (scheduled) (4:10 p.m.)
 - A. Election of Governance Committee Vice-Chair* (Board) (4:10 p.m.)
 - B. Amendment to Board Policy 401 and Removal of Board Policy 508* (Clarkson/Wilkson) (4:15 p.m.)
 - C. Chugach Electric Association Charitable Foundation Board of Trustees* (Asher/Ayers) (4:35 p.m.)
 - D. Discussion of Member Advisory Council (MAC) Role and Renewal (Board) (5:00 p.m.)
 - E. Review Potential New Responsibilities of the Governance Committee (Board) (5:20 p.m.)
- VI. DIRECTOR COMMENTS (5:40 p.m.)
- VII. EXECUTIVE SESSION* (5:55 p.m.)
 - (Recess 10-minutes)
 - A. CEO Project Specific Initiatives and Priority Area Goals (Miller) (6:05 p.m.)
- VIII. NEW BUSINESS** (6:30 p.m.)
 - A. CEO Project Specific Initiatives and Priority Area Goals** (Board) (6:30 p.m.)
- IX. ADJOURNMENT* (6:35 p.m.)

* Denotes Action Items

** Denotes Possible Action Items

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

March 5, 2025
Wednesday

GOVERNANCE COMMITTEE MEETING

Recording Secretary: Buddi Richey

I. CALL TO ORDER

Chair Fleek-Green called the Governance Committee meeting to order at 4:01 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Roll Call

Committee Members Present:

Susanne Fleek-Green, Chair
Rachel Morse, Vice Chair
Mark Wiggin, Director
Bettina Chastain, Director
Sisi Cooper, Director

Board Members Present:

Jim Nordlund, Director (*via teleconference*)
Dan Rogers, Director

Guests and Staff Attendance Present:

Arthur Miller	Allan Rudeck	Scarlet Masten
Andrew Laughlin	Julie Hasquet	Kate Ayers
Matthew Clarkson	Whitney Wilkson	Chantell Lewis-Boutte
Sherri Highers	Trish Baker	Bernie Smith, Member

Via teleconference:

Stephanie Huddell	Amanda Mankel	Katherine Jernstrom,
Sandra Cacy	Heather Slocum	Member

II. APPROVAL OF THE AGENDA

Director Wiggin moved, and Director Morse seconded the motion to approve the agenda. The motion passed unanimously.

III. APPROVAL OF MINUTES

Director Morse moved, and Director Wiggin seconded the motion to approve the December 4, 2024, Governance Committee meeting minutes. The motion passed unanimously.

IV. UNFINISHED BUSINESS (*none*)

V. NEW BUSINESS

Director Cooper arrived at 4:11 p.m.

*A. Bylaw Changes**

Director Cooper moved, and Director Morse seconded the motion that the Governance Committee recommend the Chugach Electric Association, Inc. Board of Directors approve the proposed amendment, as outlined in Attachment II, for inclusion on the ballot for a vote by the Chugach membership in the 2025 annual meeting election to extend the timeframe for the annual meeting from the period of May 15 to June 15, to April 15 to June 15. The motion passed unanimously.

*B. Board Policy Updates**

Sherri Highers, Chief Financial Officer, and Whitney Wilkson, Associate General Counsel, presented the Board Policy Updates and responded to questions from the Committee.

- 1.BP 202 – Procedures for Board of Directors Meeting*
- 2.BP 204 – Director Meeting Fees and Expenses*
- 3.BP 404 – Approval of Collective Bargaining Agreements*

Director Morse moved, and Director Cooper seconded the motion that the Governance Committee recommend the Chugach Electric Association, Inc. Board of Directors approve the modifications to the Board Policies identified on Attachment II. The motion passed unanimously.

C. Community Outreach

Julie Hasquet presented the Chugach Electric Association, Inc. and member community outreach and responded to questions from the Committee.

D. NRECA Resolutions

Trish Baker presented the NRECA Resolutions Updates and responded to questions from the Committee.

VI. EXECUTIVE SESSION *(none)*

VII. NEW BUSINESS *(none)*

VIII. DIRECTOR COMMENTS

Director comments were made at this time.

IX. ADJOURNMENT

At 5:16 p.m., Director Cooper moved, and Director Wiggin seconded to adjourn. The motion passed unanimously.

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 401

DELEGATION OF AUTHORITY AND RELATIONSHIP BETWEEN THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

I. OBJECTIVE

To delegate authority to the Chief Executive Officer (CEO); and to express the Board's expectations regarding performance and accomplishments of the CEO, and to define the relationship between the Board and the CEO.

II. CONTENT

The CEO is the chief executive officer of the corporation, capable of binding it legally within defined financial limits and responsible for day-to-day operations. To enable Chugach Electric Association, Inc., to achieve its mission, the CEO shall have the authority necessary to carry out those responsibilities and the expectations set forth below. In addition, the principles and guidelines set out below shall set the boundaries of the Board/CEO relationship.

III. DELEGATED AUTHORITY

Under the Board's direction, guidance, and oversight, the following responsibilities and corresponding authority are delegated by the Board to the CEO:

- A. Engage the Board in a formal strategic planning process on an annual basis;
- B. Develop and implement goals and objectives that align with the cooperative's strategic plan. Provide quarterly updates to the Board;
- C. Develop short and long-range financial, cash management, equity management, power supply, power requirements, load forecasts, need for generation and transmission facilities, procurement of fuel, marketing, member engagement and public relations, materials management, construction work plans and annual budgets for recommendation to the Board, and provide timely reports on revenue, expenses and other results compared to such plans;
- D. Administer the approved budget, including approval of non-budgeted items or budget changes of not more than \$1,000,000 and all non-budgeted items which, in his or her judgment, are vital to effect unanticipated emergency maintenance or repairs. Non-budgeted items or budget changes exceeding \$500,000 must be reported to the Board of Directors;
- E. Ensure prudent financial, asset management, and contracts policies, procedures, and guidelines are established and maintained.

- F. Approve Association purchase orders and contracts, including cumulative changes, if \$2,000,000 or less (net to the Association). Purchase orders and contracts exceeding a total cost of \$2,000,000 (net to the Association) shall require Board approval.
- G. Approve change orders or amendments to Board-approved purchase orders and contracts if the cumulative value of the change is less than 15% of the original value. Change orders or amendments exceeding 15% of the original value shall be brought to the Board for approval.
- H. Formulate operating policies and procedures for the organization; including administrative policies. Ensure policies, procedures and guidelines are consistent with Board policies for execution of enterprise-wide risk management and safety controls;
- I. Direct and promote an effective employee and public safety program;— ~~E~~create and maintain a culture that motivates employees to engage in work practices that avoid accidents and injuries; and ~~to~~ educate members regarding the safe use of electricity;
- J. Accept invitations to participate in or designate other staff members to participate in national, state, and local meetings which further the best interests of the Association, within the limitations of Board policy and the approved budget. Participation by the CEO in such activities which require considerable time over a sustained period requires approval of the Board;
- K. Coordinate with the Alaska Power Association and the National Rural Electric Cooperative Association regarding state and federal legislative and regulatory matters consistent with Board Policy 503 and recommend to the Board whether Chugach should adopt a position in regard to such matters;
- L. Monitor and report to the Board on the Association's legal matters;
- M. As necessary, analyze the system's rates along with service rules and regulations to make sure they meet operating, financing, and any other requirements and make appropriate recommendations to the Board. Provide unbundled financial results (generation, transmission, distribution) at the time base rates are adjusted;
- N. Organize, plan, and execute the annual and other member meetings as well as Board and Board committee meetings as requested by the Board;
- O. Direct all staffing of the Association and related human resources policies, practices, and procedures including organizational structure, recruiting, hiring, training, development, job descriptions, benefits, annual appraisal process,

terminations, and succession planning;

- P. Develop an employee compensation and benefit program for Board approval;
- Q. Determine all salary adjustments, except the CEO's, within the approved compensation program and within the limitations of the budget. Salary adjustments for the CEO shall be decided by the Board of Directors;
- R. Ensure that overtime is controlled and report to the Board annually on overtime as a percent of payroll compared to previous years and the results of efforts to control this expense;
- S. Negotiate and administer bargaining unit contracts. Make appropriate recommendations to the Board for approval;
- T. Direct forecasting and the use of such information in planning for power supply and delivery requirements, energy management, risk management, and related requirements. Direct conservation efforts, demand response, and environmental requirements analysis;
- U. Ensure that appropriate accounting and record-keeping practices, risk management processes, and internal controls are in place and working effectively;
- V. Conduct an annual measurement of member needs and satisfaction with current and proposed service and/or product offerings;
- W. Participate and support efforts that contribute to the economic and social development of the broad community that the Association serves with the intent of enhancing members' quality of life and building a loyal membership base;
- X. Designate an appropriate person to serve as acting CEO in the limited absence of the CEO, such as vacations or professional events;
- Y. Designate an appropriate person to serve as acting CEO in the event of an emergency. This individual would serve temporarily as acting CEO in the event of an immediate and unplanned CEO departure, as outlined in the CEO Emergency Succession Plan Policy, until the Board takes appropriate action, at a meeting to be convened within three days. Such designation shall be made immediately by the CEO and reviewed on an as-needed basis to ensure the CEO's designee remains willing and able to serve during an emergency. The CEO shall report such designation to the Board once made;
- Z. Maintain an ongoing systematic succession planning process, as well as a succession plan for key staff and share the appropriate level of information with

the Board annually;

- AA. Direct day-to-day operations of the Association except as specified otherwise by the bylaws or the Board;
- BB. Subject to subsection F above, procure real property, equipment, facilities, insurance coverage and any other necessary resources for operating the Association;
- CC. Select and appoint outside consultants and negotiate contracts or agreements for services of such consultants, within the limitations of policy, the work plan, and budget;
- DD. Serve as the principal representative for the Association with the primary responsibility to establish constructive and positive relationships with key stakeholders. Develop and maintain public, business, and political alliances that are beneficial to the Association's members;
- EE. Leverage the Association's resources to take full advantage of the Association's network and contribute to its success by being an engaged participant;
- FF. Perform and/or delegate tasks outlined in the CEO's job description.
- GG. 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 Articles of Incorporation, Bylaws, or Board policies.

~~GG.~~HH. Establish and oversee an Identity Theft Prevention Program in compliance with 16 CFR Part 681 (Red Flag Rule), applicable to member utility accounts maintained by the Association that applies to all Association personnel, contractors, consultants, auditors and vendors with access to member Personally Identifying Information-(PH).

IV. EXERCISE OF DELEGATED AREAS OF RESPONSIBILITY

- A. The CEO is authorized, except as otherwise limited by law, the articles of incorporation, bylaws, or board policies, to delegate appropriate authority to immediate staff and authorize further delegation of authority to any level of management with full recognition that the CEO cannot be relieved of overall responsibility or any portion of accountability.
- B. The CEO must exercise due care in such delegations and regularly monitor the compliance of the areas delegated.

V. WORKING WITH THE BOARD

Ensuring the success of the Association requires a team effort between the Board and management that is based on mutual respect and support. At the same time, the Board must maintain its governance role, that is, to oversee, monitor and guide with full engagement, the Association and to protect the interests of the organization and its members. To fulfill these expectations, the CEO shall:

- A. Develop, with the Board an annual schedule of topics to be discussed and reports to be presented to the Board to ensure that adequate attention can be devoted to strategic issues and challenges;
- B. Assist the Board Chair in developing an agenda for each Board meeting and ensure that all appropriate information and reports are provided to the Board and its committees in a timely fashion;
- C. Ensure that staff advice and assistance is available to the Board and its committees;
- D. Report to the Board on conformity of operations with approved policies, plans, and budgets, and recommend revisions requiring board approval;
- E. Review with the Board and its designated committees, the annual financial audit, monthly financial statements, progress on strategic plan initiatives, periodic reports or evaluations of internal controls and risk management system, ethics and compliance programs, and all other items delegated within this policy;
- F. Seek the Board's advice and counsel whenever it is needed or desired.

VI. LIMITATIONS

The Board will maintain the following principles and guidelines in its relationship with the CEO:

- A. The Board is responsible for directing the affairs of the Association. It reserves authority to establish policies, approve plans and programs, exercise fiduciary oversight, employ a CEO, engage outside counsel, hire a professional CPA firm to conduct the financial audit, engage consultants as deemed necessary, and act as trustees of member interests;
- B. The Board recognizes that good management is the most important factor in the success of the Association. The CEO must be delegated sufficient authority to manage the operations of the corporation on a day-to-day basis. Although delegated, these powers are expansive in nature and substantial in depth. The CEO is expected to make decisions within the bounds of their authority that bind the Association legally and that impact its on-going viability. The Board further recognizes that

management can be effective only if there is mutual understanding and joint cooperation. The CEO is expected to produce results and give an account to the Board. The best results cannot be achieved unless the CEO is given latitude to perform within the confines of board policy. It is the Board's responsibility to clearly identify any limits on management discretionary decision making;

- C. The Board has delegated to the CEO a significant level of power and authority and has designated this person as a corporate officer. Therefore, this person serves as the Chief Executive Officer of the corporation;
- D. The Board delegates to the CEO the authority to execute and carry out plans, programs, and policies. In addition to the powers delegated in section "Expectations" above, the CEO is expected to provide advice and counsel to the Board, and to take the lead in ensuring that important issues are presented and explained to the Board in a timely fashion;
- E. The flow of authority shall be from the Board as a whole to the CEO to employees.
- F. The Board is responsible for ensuring that the CEO knows and understands its expectations and any limitations it has placed on discretionary decision making. These expectations and limitations should be identified in approved policies or plans. Such policies and plans should be used as the foundation for an annual appraisal of the CEO's performance.

VII. RESPONSIBILITY

- A. The Board Chair will be responsible for ensuring adherence to this policy.
- B. The CEO shall report to the Board on how these delegations are being carried out. The CEO may delegate any of the foregoing authorities to the appropriate staff.
- C. The Board is responsible for ensuring that the performance of the CEO is appraised each year and that clear goals are established by the Board, including a recommendation on a salary adjustment when appropriate, and that the results of such appraisal are discussed with the CEO.

Date Approved: July 30~~September 28~~, 20252

Green

Attested: _____

~~Samuel Cason~~Susanne Fleck-

Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 508

IDENTITY THEFT PREVENTION PROGRAM

I. OBJECTIVE

To implement an Identity Theft Prevention Program (Program) as required by Title 16 Part 681 *et seq.* of the Code of Federal Regulations (Red Flag Rule).

II. CONTENT

The Program must include methods for (1) identifying and detecting, (2) preventing and responding to, and (3) mitigating theft of an Association member's Personally Identifying Information (PII). The Program must include the establishment of policies and procedures for:

- Identifying patterns, practices, and specific forms of activity that are Red Flags, which indicate a possible existence of Identity Theft;
- Responding to any Red Flags that are detected to prevent and mitigate Identity Theft;
- Ensuring regular Program updates to reflect changes in risks from Identity Theft;
- Training staff to effectively implement the Program;
- Exercising appropriate and effective oversight of service provider arrangements and;
- Reporting the effectiveness of the Program in annual internal reports.

III. DEFINITIONS

Identity Theft - Fraud committed or attempted using the identifying information of another person without authority.

Personally Identifying Information - Any name or number that may be used alone or in conjunction with any other information to identify a specific person including:

1. Name, social security number, date of birth, official state- or government- issued driver's license or identification number, alien registration number, government passport number, employer or taxpayer identification number;
2. Unique biometric data such as fingerprint, voice print, retina or iris image, or other unique physical representation;
3. Unique electronic identification number, address or routing code; or
4. Telecommunication identifying information or access device (as defined in 18 U.S.C. 1029(e)).

Red Flag – A pattern, practice, or specific activity that indicates a possible existence of Identity Theft.

Member - A person, including a non-natural entity, who is a member of the Association.

IV. SCOPE

This Policy applies to all Association personnel including full-time, part-time, and temporary employees; contractors; consultants; vendors; auditors; and others engaged to perform work for or on behalf of the Association with access to member PII that is maintained, stored, or transmitted by the Association and at all physical locations owned, leased, contracted, or otherwise occupied by the Association or its vendors.

V. PROGRAM

The Program consists of this Policy; Departmental Practices and Procedures in Member Services, Administrative Services, Human Resources, and Information Services; and applicable Chugach Operating Policies, e.g., Operating Policy 027.142, *Encryption Policy*.

A. Member Services

Member Services is the custodian of all Association member PII and grants and revokes access to the Customer Information System (CIS), which hosts all member PII. Member Services maintains detailed procedures and Department Practices consistent with this Policy.

B. Administrative Services

Administrative Services shall ensure that all contracts with third party businesses that use, store, or otherwise may have access to or utilize Association member PII (in any human or machine readable form) meet work practices consistent with this Policy. Additionally, third party businesses shall be contractually obligated to have reasonable alternative safeguards that provide the same or a greater level of protection for Association member information as provided by the Association. Administrative Services maintains detailed procedures and Department Practices consistent with this Policy.

C. Information Services

Information Services develops and hosts the systems that transmit, receive, and store member PII. Information Services maintains detailed procedures and Department Practices consistent with this Policy.

D. Human Resources

Human Resources shall ensure Information Services Help Desk is promptly notified of involuntary termination or suspension of employees. Human Resources maintains detailed procedures and Department Practices consistent with this Policy.

E. Training

Member Services shall provide training to Association personnel prior to granting his/her permission to access member PII in the CIS. Additionally, training will be provided annually thereafter until his/her CIS access is revoked. A record of those completing training is maintained in the Training database.

F. Reporting

Each Department having responsibility under this Policy shall prepare a quarterly report for the Vice President of Member and Employee Services on the progress of implementation of the Program; Program effectiveness; the risk level of identity theft of member PII; and contain any suggested revisions to the Program to further protect member PII; compliance results and identification and discussion of instances of Identity Theft of Association member PII. The Vice President of Member and Employee Services shall review the reports, follow up on any issues raised, and provide a summary to the Chief Executive Officer. The Chief Executive Officer shall review the summary, discuss it with the Vice President of Member and Employee Services if necessary, and provide a copy of it to the Board. All reports and summaries shall be marked "Confidential".

G. Program Updates

The Association shall at least annually determine whether it has experienced any Identity Theft of member PII; whether changes in the methods of Identity Theft require updates to this Policy; and whether changes to the Policy, Practices and Procedures are necessary to detect, prevent, and mitigate Identity Theft. The Association will continuously monitor changes in the methods of Identity Theft, and will re-evaluate this Policy if changes are identified.

H. Compliance Monitoring

Department Practices and Procedures shall include regular compliance monitoring functions designed to ensure the Program is being carried out as described in this Policy, the Practices and Procedures, including any revisions.

Department Managers responsible for this Policy shall communicate possible revisions that may be needed to the Vice President of Member and Employee Services and copy all of responsible or affected Department Managers.

VI. RESPONSIBILITY

The Chief Executive Officer shall be responsible for the overall administration of this Policy. The Vice President of Member and Employee Services shall be responsible for the oversight, development, and administration of the Program.

Date Approved: May 25, 2016

Attested:


Bruce M. Dougherty
Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.

OPERATING POLICY _____

DATE: _____, 2025

IDENTITY THEFT PREVENTION PROGRAM

I. OBJECTIVE

This Identity Theft Prevention Policy (Program) is established to fulfill the requirements of the Federal Trade Commission's Red Flags Rule found at 16 C.F.R Part 681, and in accordance with Board Policy 401.

The purpose of this Program is to establish reasonable procedures designed to detect, prevent, and mitigate Identity Theft in connection with the opening or maintenance of member utility accounts. The Program aims to identify patterns, practices, and specific activities (Red Flags) that signal possible Identity Theft, respond appropriately to such Red Flags, and reduce risk to members and the Association.

II. SCOPE

This Program applies to all departments, personnel, and service providers involved in the establishment, access, and maintenance of member utility accounts at the Association. It encompasses any "Covered Account", as defined in Section III. Employees responsible for enrolling, servicing, or modifying member accounts must comply with the detection and mitigation procedures outlined in this Program. Service Providers performing account-related functions on behalf of the Association must implement equivalent safeguards consistent with this Program.

III. DEFINITIONS

- A. Identity Theft: A fraud committed or attempted using the identifying information of another person without authority.
- B. Red Flag: A pattern, practice, or specific activity that indicates the possible existence of identity theft.
- C. Covered Account: A member utility account that permits deferred payment for electric service (e.g., monthly billing), or any other account the Association offers or maintains for which there is a reasonably foreseeable risk of Identity Theft.
- D. Identifying Information: Any name, number, or other data element that may be used, alone or with other information, to identify a specific individual. Examples include, but are not limited to name, residential or service address, date of birth, Social Security number, driver's license number, utility account number, bank

account or credit card number, email address, or phone number associated with the account.

- E. Service Provider: A third-party vendor or contractor engaged by the Association to perform services related to management, billing, or access of member utility accounts, and who is required to comply with the Association's Identify Theft Prevention Program.

IV. PROGRAM COMPONENTS

A. Identifying Red Flags

The Association identifies relevant Red Flags associated with the establishment and maintenance of member accounts. In determining relevant Red Flags, the Association considers the methods used to open these accounts, and guidance by credit reporting agencies, law enforcement, and notices from members. Red Flags may include suspicious documents or identifying information, unusual account activity, or notice of unauthorized access.

B. Detecting Red Flags

The Association has reasonable procedures to detect Red Flags during day-to-day account activities. These include verifying identification using valid government-issued identification when opening new accounts, authenticating identity before processing address or service changes, and confirming the legitimacy of unusual contact requests.

C. Responding to Red Flags

Upon detection of a Red Flag, the Association will take steps to reduce the risk of fraud. Responses will be risk-based and may include notifying the members and requiring additional verification, restricting account access, escalating to Member Services management, notifying law enforcement, and documenting the incident in a Red Flags response log.

D. Oversight of Service Providers

The Association will ensure any third-party service providers handling member data or billing functions implement measures to detect and prevent identity theft. Service providers will be obligated to implement policies equivalent to this Program. They must either report Red Flags to the Association or take appropriate mitigating action.

E. Staff Training and Awareness

Employees with access to member utility accounts or PII will receive initial and ongoing training on Red Flag detection and response. Training will address the nature of Identity Theft, the Red Flags Rule, detection and response practices, and

employee responsibility. Periodic refreshers will ensure continued awareness and compliance.

F. Program Administration and Review

Management in Member Services, Information Services, and Human Resources are jointly responsible for administering this Program. The Program will be reviewed when operational changes occur. Reviews will assess Red Flag detection and response effectiveness and training adequacy.

V. RESPONSIBILITY

The Chief Executive Officer has the responsibility and authority for ensuring that this policy is implemented.

Date Approved: _____, 2025

Arthur W. Miller
Chief Executive Officer

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

GOVERNANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY

July 23, 2025

ACTION REQUIRED

AGENDA ITEM NO. V.B.

<u> </u>	Information Only
<u> X </u>	Motion
<u> </u>	Resolution
<u> </u>	Executive Session
<u> </u>	Other

TOPIC

Board Policy Updates

DISCUSSION

The Chugach Electric Association, Inc. (Chugach) Board of Directors establishes board policies that govern Chugach's direction, including governance, operations, finance, human resources, and strategic planning.

Chugach initiated the first of a three-year review of its Board Policies in 2023. Based on that review, management is recommending the following revision:

- 1) Amend Board Policy 401, "*Delegation of Authority and Relationship Between the Board of Directors and the CEO*" to include minor grammatical corrections and incorporate the program responsibilities currently outlined in Board Policy 508, "*Identity Theft Prevention Program*."
- 2) Replace Board Policy 508 with an Operating Policy.

MOTION

Move that the Governance Committee recommend the Board of Directors approve the proposed minor grammatical corrections to Board Policy 401, "*Delegation of Authority and Relationship Between the Board of Directors and the CEO*" and incorporate the program responsibilities currently outlined in Board Policy 508, "*Identity Theft Prevention Program*". Further, replace Board Policy 508 with an Operating Policy.



TO: Arthur W. Miller, Chief Executive Officer

THROUGH: Al Rudeck, Chief Strategic Officer

FROM: Kate Ayers, Key Accounts and Sustainability Senior Manager
Taylor Asher, Member Programs and Sustainability Specialist

DATE: July 23, 2025

SUBJECT: *Cents of Community: Charitable Foundation Board of Trustees Appointment Process*

The application period for the Chugach Electric Association Charitable Foundation Board of Trustees (Trustees) opened on May 1, 2025, and closed on June 30, 2025. Of the 20 individuals who applied, four were disqualified: two for failure to submit the required background check, and two for not being members of Chugach.

Seven trustees will be appointed by the Chugach Electric Association, Inc. (Chugach) Board of Directors (Directors) to serve staggered four-year terms on the Charitable Foundation Board. The Foundation will manage funds generated through the Cents of Community bill round-up program. Trustees will meet quarterly to review community grant applications and award funds to eligible 501(c)(3) charitable organizations within the Chugach service area.

To ensure a transparent and equitable selection process, Chugach is proposing to establish a formal Trustee appointment process. This process is designed to provide objective and consistent evaluation of applicants and, if adopted, is intended to remain in place for future recruitment cycles. The proposed process consists of four stages:

- Stage 1: Minimum Qualifications Screening
- Stage 2: Comprehensive Application Review and Scoring
- Stage 3: Candidate Interviews (if applicable)
- Stage 4: Final Selection and Recommendations

Under the proposal, Chugach staff will oversee stage one, which includes initial eligibility screening, document management, and applicant communications. The Chugach Board of Directors would be responsible for stages two through four.

The primary evaluation occurs in stage two, where reviewers will assess and score application sections on a 1-5 scale. A scoring rubric with examples of low, medium, and high ratings is provided to ensure consistency. Scores will be recorded on a standardized scorecard. A sample scorecard is included in the Board Governance Committee packet.

Chugach staff has completed stage one, and 16 applicants have advanced to stage two. Applicant packets for review include each candidate's completed application, resume, and background check.

Chugach Electric Association, Inc.

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Trustee appointments are tentatively scheduled for Chugach Board approval on August 27, 2025, during the Board of Directors' Regular meeting directly following the strategic planning session.

Chugach Electric Association Charitable Foundation

****DRAFT****

Board of Trustees Selection Process

Chugach Electric Association, Inc. (Chugach) has established a formal process to appoint Trustees to the Chugach Charitable Foundation Board. The process consists of four stages:

- Stage 1: **Minimum Qualifications Screening**
- Stage 2: **Comprehensive Application Review and Scoring**
- Stage 3: **Candidate Interviews (if applicable)**
- Stage 4: **Final Selection and Recommendations**

The Chugach Board of Directors (Board) serves as the sole member of the Foundation and is responsible for reviewing applicants and appointing Trustees through this process.

Stage 1: Minimum Qualifications Screening

Goals:

- **Membership Verification:** Confirm applicants are current Chugach members in good standing. Both primary and joint members are eligible.
- **Age Verification:** Ensure applicants are at least 18 years old at the time of appointment.
- **Background Check:** Confirm completion of a satisfactory background check.

Outcome: Applicants who meet all minimum qualifications advance to stage 2. Those who do not meet the qualifications will be removed from consideration and notified.

Process:

1. Member Programs sends the applicant list to Member Services for membership verification.
2. Member Programs forwards the applicant list and background check documents to the Chugach legal team for age and background check verification.
3. Member Programs compiles a list of qualified applicants that will advance to stage 2.
4. All applicants are notified of their status after the completion of the minimum qualifications screening.

Stage 2: Application Review

Applicants who meet minimum qualifications are reviewed and scored by the Chugach Board.

Goals and Desired Trustee Attributes:

1. **Motivation & Alignment:** Demonstrates commitment to the Foundation's mission, values, and community service.
2. **Qualifications & Achievements:** Possesses relevant experience, analytical skills, communication abilities, and financial acumen.
3. **Nonprofit/Philanthropic Experience:** Familiarity with governance, fundraising, and responsible stewardship of resources.
4. **Passion for Community Causes:** Supports diverse needs within the Chugach service area.
5. **Local Involvement:** Demonstrates understanding of and engagement within the service area.

The Board also seeks diversity in geography, professional background, and community perspectives.

Outcome: Scores are calculated using a defined rubric. Applicants are ranked numerically, and the highest-ranked candidates, equal to the number of open positions, are identified for appointments. The Board may choose to share scores, deliberate further, or request interviews.

Process:

1. Through the Executive Office, Member Programs provides the Board with applicant materials, the scoring rubric, and process instructions.
2. The Board completes individual reviews and submits scores to the Executive Office.
3. The Executive Office compiles scores, ranks applicants, and works with the Board to resolve ties as needed.
 - If a tie exists, the Board may choose to deliberate or hold interviews.
 - If interviews are required, Member Programs coordinates scheduling.

Stage 3: Candidate Interviews (if applicable)

Stage 3 occurs only if the Board requests additional evaluation of candidates.

Goal:

Gain deeper insight into applicants' qualifications, motivations, and community perspectives.

Outcome: Interview feedback may adjust stage 2 scoring. Final rankings determine appointees.

Process:

1. Member Programs schedules interviews
2. The Board conducts interviews and deliberates based on both application scores and interview performance.

Sample Interview Questions:

1. What makes you the best candidate for this Trustee position?
2. How do you stay informed about community needs within the Chugach service area?
3. How would you ensure transparency in Foundation funds and grant decisions?
4. What criteria should guide grant application evaluations?
5. Do you have potential conflicts of interest, and how would you mitigate them?

Stage 4: Final Selection

Goal:

Appoint Trustees who best align with the Foundation's mission, strategic needs, and community priorities.

Outcome: The Board formally appoints Trustees to the Foundation.

Process:

1. Member Programs finalizes the list of highest-ranked applicants and assigns term lengths (random through a drawing process)
2. Member Programs compile all documentation (applications, qualification verifications, scores, interview notes, proposed term lengths) and prepares an action summary and motion for Board consideration.
3. The Board approves the motion to officially appoint Trustees.
4. Member Programs notifies both the selected and non-selected applicants.
5. Member Programs schedules onboarding for appointed Trustees.
6. Upon Acceptance, Chugach issues a public announcement of the new Trustees.

Chugach Electric Association Charitable Foundation

**** DRAFT ****

Board of Trustees Application Review and Scoring Rubric

Chugach Electric Association, Inc. (Chugach) Board of Directors (Board) will independently review and score all applications using this rubric as a guide.

Scores will be weighted as follows:

Motivation & Alignment:	20%
Qualifications & Achievements:	20%
Nonprofit/Philanthropic Experience:	25%
Passion for Community Causes:	15%
Local Involvement:	<u>20%</u>
Total: 100%	

The Executive Office will collect the completed scorecards, compile the scores and forward the results to the Chugach Board.

Instructions for Reviewer:

Please rate each applicant for each criterion using a **1-5 scale**, where:

- 1 - Low:** Weak, generic, lacks relevance or detail.
- 2 - Below Average:** Somewhat relevant but lacks depth or clear examples.
- 3 - Average/Meets Expectations:** Adequate, addresses the prompt, and provides some relevant information.
- 4 - Above Average:** Strong, well-articulated, and with good examples and clarity.
- 5 - High:** Exceptional, highly relevant, demonstrates deep understanding and strong qualifications.

Motivation & Alignment (20%)

Application Question: *Why are you interested in serving on the Board of Trustees for Chugach Electric Association Charitable Foundation? (Maximum 250 words).*

Scoring Considerations:

- Does the applicant's stated interest align with the Foundation's mission and values?
- Do they express genuine commitment and enthusiasm for the Foundation's charitable purpose?
- Do they demonstrate a willingness to dedicate time and energy to fulfill the responsibilities of the role?

Rating Guidelines:

- **Low:** Generic response with no specific connection to the Chugach service area, or the Foundation's mission.
- **Medium:** Shows some understanding of the Foundation's mission but lacks a strong personal connection or clear reasoning.
- **High:** Clearly articulates a well-thought-out, specific motivation for serving, with demonstrated commitment to the Foundation's mission and cooperative values.

Qualifications & Achievements (20%)

Application Questions: *What personal skills, expertise, experience or abilities can you bring to the Foundation Board? (Financial Management/Accounting, non-profit Leadership, Community Engagement, Fundraising/Grant Writing, Legal Expertise, Strategic Planning, Program Management, and Other).*

What personal or professional achievements demonstrate your qualifications for this role?

Scoring Considerations:

- Does the applicant have relevant expertise that will benefit the Foundation?
- Do they demonstrate analytical and decision-making skills aligned with the Foundation's guidelines?
- Do they show strong communication skills, leadership, and financial acumen?

Rating Guidelines:

- **Low:** List general skills with no concrete examples or relevance to board service. Achievements may be unrelated to the Foundation's needs.
- **Medium:** Identifies relevant skills with limited connection to board governance or charitable work.
- **High:** Directly connects specific skills and achievements to the Foundation's goals, with clear, impactful examples demonstrating leadership, collaboration, problem-solving, and a results-driven approach.

Nonprofit/Philanthropic Experience (25%)

Application Question: *What experience have you had with other non-profit boards or philanthropic organizations?*

Scoring Considerations:

- Does the applicant demonstrate familiarity with non-profit governance, fundraising, compliance, or resource management?
- Do they understand the responsibilities of acting in the best interest of the Foundation and with reasonable care and skill?

Rating Guidelines:

- **Low:** Minimal or passive involvement (e.g., only as a donor) with little understanding of governance, compliance or operations.
- **Medium:** Mentions participation but lacks specific details on roles, responsibilities, or accomplishments.

- **High:** Demonstrates substantial, relevant experience with clear understanding of philanthropic operations, community needs, and responsible stewardship of resources. May reference governance, donor relations, or grant cycles, particularly within Alaska or Anchorage.

Passion for Community Causes (15%)

Application Question: *What are the causes you care about? Choose from the list of 13 + other options (Animal Welfare, Arts & Culture, Children/Youth, Civil Rights and Social Action, Disaster & Humanitarian Relief, Economic Empowerment, Education, Environment/Sustainability, Health, Poverty Alleviation, Science & Technology, Social Services, Veteran Support).*

Prioritization Matrix: Use the Applicant Score Card matrix, which lists all possible causes and indicates which causes each applicant selected. The matrix also shows the percentage of applicants who selected each cause.

Scoring Considerations:

- Does the applicant express interest in a broad range of causes that reflect the diverse needs of the Chugach service area?
- Does their selection provide a balance of common community priorities and unique, strategically valuable perspectives?

Rating Guidelines:

- **Low:** Selects very few causes with limited variety or relevance
- **Medium:** Selects a moderate range of causes, including some community priorities and a few distinctive areas.
- **High:** Selects a broad and diverse spectrum of causes, maximizing alignment with community needs and strategic uniqueness.

Local Involvement (20%)

Application Questions: *What is or has been your involvement and/or familiarity with the needs of the communities in the Chugach service area? Describe any personal activities you are currently involved in, including hobbies and volunteer work.*

Scoring Considerations:

- Does the applicant have direct experience or engagement with the communities served by Chugach?
- Do they demonstrate local knowledge, volunteerism, or leadership within the service area?

Rating Guidelines:

- **Low:** Minimal or no stated involvement; only general references to living in the area without meaningful engagement.
- **Medium:** Shows basic familiarity with the area and some limited or occasional participation in community activities.
- **High:** Demonstrates significant, sustained involvement in community needs, volunteer work, local organizations, or professional roles tied to the Chugach service area. May also describe hobbies that reflect transferable skills such as teamwork, leadership, or community engagement.

**Chugach Electric Association
Charitable Foundation
Board of Trustees Application Review Scoring Sheet**

Director Name:

Board of Directors will independently review and score applications using this scorecard and the scoring rubric.
Review one applicant per sheet. Only fill in the 'score' section, everything else will be automatically totaled.

Scores will be weighted as follows:

Motivation & Alignment	20%
Qualifications & Achievements	20%
Nonprofit/Philanthropic Experience	25%
Passion for Community Causes	15%
Local Involvement	20%
Total	100%

Instructions for Reviewer: Please rate each applicant for the criteria below using a scale of 1-5, where:

1 = Low: Weak, generic, lacks relevance or detail.

2 = Below Average: Somewhat relevant but lacks depth or clear examples.

3 = Average/Meets Expectations: Adequate, addresses the prompt, and provides some relevant information.

4 = Above Average: Strong, well-articulated, and with good examples and clarity.

5 = High: Exceptional, highly relevant, demonstrates deep understanding and strong qualifications.

Completed scorecards will be collected by the Executive Office to compile the scores and forward the results to the Chugach Board.

Passion for Causes - An x indicates the applicant selected that specific cause.

[illegible]

Applicant Total Scores

	Motivation & Alignment	Qualifications & Achievements	Nonprofit/ Philanthropic Experience	Passion for Community Causes	Local Involvement	Total
Applicant A	0	0	0	0	0	0
Applicant B	0	0	0	0	0	0
Applicant C	0	0	0	0	0	0
Applicant D	0	0	0	0	0	0
Applicant E	0	0	0	0	0	0
Applicant F	0	0	0	0	0	0
Applicant G	0	0	0	0	0	0
Applicant H	0	0	0	0	0	0
Applicant I	0	0	0	0	0	0
Applicant J	0	0	0	0	0	0
Applicant K	0	0	0	0	0	0
Applicant L	0	0	0	0	0	0
Applicant M	0	0	0	0	0	0
						0

Chugach Electric Association Charitable Foundation
Applicant A Board of Trustees Application Score Card

Section	Score (1-5)	Weight (%)	Multiplier	Weighted Score
Motivation & Alignment		20%	4	0
Qualifications and Achievements		20%	4	0
Nonprofit/Philanthropic Experience		25%	5	0
Passion for Community Causes		15%	3	0
Local Involvement		20%	4	0
Total Weighted Score				0

Chugach Electric Association Charitable Foundation
Applicant B Board of Trustees Application Score Card

Section	Score (1-5)	Weight (%)	Multiplier	Weighted Score
Motivation & Alignment		20%	4	0
Qualifications and Achievements		20%	4	0
Nonprofit/Philanthropic Experience		25%	5	0
Passion for Community Causes		15%	3	0
Local Involvement		20%	4	0
Total Weighted Score				0

Chugach Electric Association Charitable Foundation
Applicant C Board of Trustees Application Score Card

Section	Score (1-5)	Weight (%)	Multiplier	Weighted Score
Motivation & Alignment		20%	4	0
Qualifications and Achievements		20%	4	0
Nonprofit/Philanthropic Experience		25%	5	0
Passion for Community Causes		15%	3	0
Local Involvement		20%	4	0
Total Weighted Score				0

Chugach Electric Association Charitable Foundation
Applicant D Board of Trustees Application Score Card

Section	Score (1-5)	Weight (%)	Multiplier	Weighted Score
Motivation & Alignment		20%	4	0
Qualifications and Achievements		20%	4	0
Nonprofit/Philanthropic Experience		25%	5	0
Passion for Community Causes		15%	3	0
Local Involvement		20%	4	0
Total Weighted Score				0

Chugach Electric Association Charitable Foundation
Applicant E Board of Trustees Application Score Card

Section	Score (1-5)	Weight (%)	Multiplier	Weighted Score
Motivation & Alignment		20%	4	0
Qualifications and Achievements		20%	4	0
Nonprofit/Philanthropic Experience		25%	5	0
Passion for Community Causes		15%	3	0
Local Involvement		20%	4	0
Total Weighted Score				0

Chugach Electric Association Charitable Foundation
Applicant F Board of Trustees Application Score Card

Section	Score (1-5)	Weight (%)	Multiplier	Weighted Score
Motivation & Alignment		20%	4	0
Qualifications and Achievements		20%	4	0
Nonprofit/Philanthropic Experience		25%	5	0
Passion for Community Causes		15%	3	0
Local Involvement		20%	4	0
Total Weighted Score				0

**Chugach Electric Association Charitable Foundation
Applicant G Board of Trustees Application Score Card**

Section	Score (1-5)	Weight (%)	Multiplier	Weighted Score
Motivation & Alignment		20%	4	0
Qualifications and Achievements		20%	4	0
Nonprofit/Philanthropic Experience		25%	5	0
Passion for Community Causes		15%	3	0
Local Involvement		20%	4	0
Total Weighted Score				0

**Chugach Electric Association Charitable Foundation
Applicant H Board of Trustees Application Score Card**

Section	Score (1-5)	Weight (%)	Multiplier	Weighted Score
Motivation & Alignment		20%	4	0
Qualifications and Achievements		20%	4	0
Nonprofit/Philanthropic Experience		25%	5	0
Passion for Community Causes		15%	3	0
Local Involvement		20%	4	0
Total Weighted Score				0

Chugach Electric Association Charitable Foundation
Applicant I Board of Trustees Application Score Card

Section	Score (1-5)	Weight (%)	Multiplier	Weighted Score
Motivation & Alignment		20%	4	0
Qualifications and Achievements		20%	4	0
Nonprofit/Philanthropic Experience		25%	5	0
Passion for Community Causes		15%	3	0
Local Involvement		20%	4	0
Total Weighted Score				0

Chugach Electric Association Charitable Foundation
Applicant J Board of Trustees Application Score Card

Section	Score (1-5)	Weight (%)	Multiplier	Weighted Score
Motivation & Alignment		20%	4	0
Qualifications and Achievements		20%	4	0
Nonprofit/Philanthropic Experience		25%	5	0
Passion for Community Causes		15%	3	0
Local Involvement		20%	4	0
Total Weighted Score				0

Chugach Electric Association Charitable Foundation
Applicant K Board of Trustees Application Score Card

Section	Score (1-5)	Weight (%)	Multiplier	Weighted Score
Motivation & Alignment		20%	4	0
Qualifications and Achievements		20%	4	0
Nonprofit/Philanthropic Experience		25%	5	0
Passion for Community Causes		15%	3	0
Local Involvement		20%	4	0
Total Weighted Score				0

Chugach Electric Association Charitable Foundation
Applicant L Board of Trustees Application Score Card

Section	Score (1-5)	Weight (%)	Multiplier	Weighted Score
Motivation & Alignment		20%	4	0
Qualifications and Achievements		20%	4	0
Nonprofit/Philanthropic Experience		25%	5	0
Passion for Community Causes		15%	3	0
Local Involvement		20%	4	0
Total Weighted Score				0

Chugach Electric Association Charitable Foundation
Applicant M Board of Trustees Application Score Card

Section	Score (1-5)	Weight (%)	Multiplier	Weighted Score
Motivation & Alignment		20%	4	0
Qualifications and Achievements		20%	4	0
Nonprofit/Philanthropic Experience		25%	5	0
Passion for Community Causes		15%	3	0
Local Involvement		20%	4	0
Total Weighted Score				0

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

GOVERNANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY

July 23, 2025

ACTION REQUIRED

AGENDA ITEM NO. V.C.

<u> </u>	Information Only
<u> X </u>	Motion
<u> </u>	Resolution
<u> </u>	Executive Session
<u> </u>	Other

TOPIC

Chugach Electric Association Charitable Foundation Board of Trustees Appointment Process

DISCUSSION

The application period for the Chugach Electric Association Charitable Foundation Board of Trustees (Trustees) opened on May 1, 2025, and closed on June 30, 2025. Seven trustees will be appointed by the Chugach Board of Directors to serve staggered four-year terms on the Charitable Foundation Board. The Foundation will manage funds generated through the Cents of Community bill round-up program. Trustees will meet quarterly to review community grant applications and award funds to eligible 501(c)(3) charitable organizations within the Chugach service area.

It is recommended that the current initial Charitable Foundation Trustees Director Susan Fleek-Green, Director Jim Nordland, and Director Dan Rogers be appointed to finalize the applicant selection process and recommend to the Chugach Board of Directors the appointment of new Charitable Foundation Board of Trustees for approval at the August 27, 2025, Board meeting.

MOTION

Move that the Governance Committee appoint Director Susan Fleek-Green, Director Jim Nordland, and Director Dan Rogers to complete the applicant selection process and recommend the appointment of Charitable Foundation Board of Trustees to the Chugach Board of Directors for approval at the August 27, 2025, Board meeting.

Executive Session Motion
(Financial, Legal and Personnel)
July 23, 2025

Chugach Electric Association, Inc.
Goverance Committee Meeting

Agenda Item VII.

Move that pursuant to Alaska Statute 10.25.175(c)(4), the Board of Directors go into executive session to discuss personnel matters.

Chugach Electric Association, Inc.
Anchorage, Alaska

Summary of Executive Session Topics for
Board of Directors Governance Committee Meeting on July 23, 2025
Agenda Item VII.

- A. Discussion regarding personnel matters concerning the Chief Executive Officer's Project Specific Initiatives and Priority Areas of the Association. (AS 10.25.175(c)(4))