



CHUGACH ELECTRIC ASSOCIATION, INC.  
ANCHORAGE, ALASKA

GOVERNANCE COMMITTEE MEETING

AGENDA

Susanne Fleek-Green, Chair  
Rachel Morse, Vice Chair

Mark Wiggin, Director  
Sam Cason, Director  
Bettina Chastain, Director

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**August 9, 2023**

**4:00 p.m.**

**Chugach Board Room**

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- 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\* (4:10 p.m.)
  - A. June 21, 2023 (Cacy)
- IV. PERSONS TO BE HEARD (4:15 p.m.)
  - A. Member Comments
- V. UNFINISHED BUSINESS (none)
- VI. NEW BUSINESS (scheduled) (4:25 p.m.)
  - A. Member Advisory Council Overview (Committee) (4:25 p.m.)
  - B. NRECA Benchmarking Analysis (Highers) (4:55 p.m.)
- VII. EXECUTIVE SESSION\* (scheduled) (5:10 p.m.)
  - A. Personnel Matters – Director Meeting Fees and Expenses (Committee)
- VIII. NEW BUSINESS (none)
- IX. DIRECTOR COMMENTS (6:10 p.m.)
- X. ADJOURNMENT\* (6:25 p.m.)

\* Denotes Action Items

\*\* Denotes Possible Action Items

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

**June 21, 2023**  
**Wednesday**  
**4:00 p.m.**

**GOVERNANCE COMMITTEE MEETING**

Recording Secretary: Sandra Cacy

**I. CALL TO ORDER**

Chair Fleek-Green called the Governance Committee meeting to order at 4:02 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  
Mark Wiggin, Director  
Bettina Chastain, Director  
Rachel Morse, Director  
Sam Cason, Director

*Board Member Present:*

Sisi Cooper, Director (*via teleconference*)  
Jim Nordlund, Director

*Guests and Staff Attendance Present:*

Arthur Miller	Matthew Clarkson	Julie Hasquet
Andrew Laughlin	Sherri Highers	Karen Griffin
Allan Rudeck	Bart Armfield,	Curtis Sims
Hans Thompson	Consultant	Emily Mueller

*Via teleconference:*

Kyyanna Hamilton	Ashton Doyle	Kate Ayers
Antony Scott		

**II. APPROVAL OF THE AGENDA**

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

*Director Cason was not present at the time of the vote.*

*Director Cason arrived at 4:04 p.m.*

**III. APPROVAL OF MINUTES**

Director Morse moved and Director Cason seconded the motion to approve the April 12, 2023, Governance Committee meeting minutes. The motion passed unanimously.

**IV. PERSONS TO BE HEARD**

- A. *Member Comments*  
None.

**V. UNFINISHED BUSINESS**

None.

**VI. NEW BUSINESS**

- A. *Election of Governance Committee Vice Chair\* (Committee)*

Chair Fleek-Green opened the floor to nominations for Vice Chair of the Governance Committee.

Director Chastain nominated Director Morse for the Vice Chair of the Committee. No other nominations were made.

Chair Fleek-Green called for a vote and Director Morse was voted Vice Chair of the Governance Committee. The vote was unanimous.

- B. *Review Board Policy 208 – Statement of Functions of the Governance Committee (Committee)*

The Committee reviewed Board Policy 208 – Statement of Functions of the Governance Committee. No changes were made.

- C. *Member Advisory Council (MAC) Update (Hasquet)*

Julie Hasquet, Senior Manager of Corporate Communications, updated the Committee on recent MAC activities and responded to questions and requests from the Board.

- D. *Synchronization of Board Approval of Project Specific Initiatives and Priority Areas with the Strategic Plan\* (Committee)*

Arthur Miller, Chief Executive Officer (CEO), proposed ways to synchronize the process and structure of the CEO Evaluation and Project Specific Initiatives and Priority Areas and responded to questions and suggestions from the Board.

*Arthur Miller, CEO, introduced Allan Rudeck, Chugach’s new Chief Strategic Officer. Rudeck provided brief personal background information to the Board and what he is looking forward to in his future at Chugach Electric Association, Inc.*

**VII. EXECUTIVE SESSION**

None.

**VIII. NEW BUSINESS**

None.

**IX. DIRECTOR COMMENTS**

Director comments were made at this time.

**X. ADJOURNMENT**

At 4:45 p.m., Director Wiggin moved and Director Morse seconded the motion to adjourn. The motion passed unanimously.



**TO:** Arthur Miller, CEO

**FROM:** Julie Hasquet, Sr. Manager, Corporate Communications

**DATE:** August 3, 2023

**SUBJECT:** *Member Advisory Council*

Chugach Electric Association, Inc.'s (Chugach) Bylaws provide that the Board of Directors may create and establish a Member Advisory Council (MAC) to advise the Board as an ad hoc committee (Article XIV, Advisory Council, Section 1, Member Advisory Council).

After several years of not having a MAC, in June of 2021, the Board of Directors established a 15-member MAC to begin service in January 2022 for one-year terms. That committee met quarterly in 2022, for a total of four meetings. In the fall of 2022, Chugach advertised for new MAC members to serve in 2023. There were 15 applicants for 15 seats, of which 10 served on the 2022 MAC and reapplied. All 15 applicants were appointed to serve on the 2023 MAC. The 2023 MAC has met three times as of this date and has a fourth and final meeting scheduled for October 4, 2023.

### **Discussion**

The MAC members in both 2022 and 2023 have been excellent participants. They enjoy the meetings, have good questions and feedback, and report a positive experience. Whereas the Bylaws state the MAC is "to advise the Board as an ad hoc committee," the committee has generally operated with topics chosen by the MAC members with educational presentations from Chugach management. Multiple Chugach employees attend the meetings to present topics requested by the MAC, and the presentations made are often similar to presentations made during Chugach's Board meetings.

Over the last two years, the MAC has provided feedback to the Chugach Board on the annual meeting, the member appreciation event, the election process, and beneficial electrification. Several members of the MAC have indicated they would like additional direction from the Board of Directors regarding the MAC's role and purpose.

### **Recommendation**

- It is recommended that Chugach provide additional direction to the MAC for identification of specific topics, goals and objectives for the upcoming year. Alternatively, given the feedback from the MAC on key topics, is it appropriate to consider taking a hiatus until additional information is needed by the Board.

- If the MAC continues in calendar-year 2024, it is recommended that the term for members on the MAC be capped at two years which allows more members to rotate through the council. Additionally, the “learning gap” gets wider between first-time members and those serving multiple years which makes it more difficult to offer presentations that are meaningful to all.

August 9, 2023

Governance  
Committee Meeting

# **NRECA Benchmarking Analysis**

# Why Are We Here?

- 2022 NRECA National Directors Survey
  - Release Date: August 2022
  - Provides data on governance, director effort and compensation exclusively to NRECA members
    - Board Compensation Benchmarking Analysis (Special Board Meeting 04-13-2023)
    - Comparisons to boards nationally and regionally, including for-profit, not-for-profit, public and private companies
    - Comparisons to other national electric cooperatives and public power districts, including peer groups of cooperatives



# Why Are We Here? (continued)

- 2022 Alaska Cooperative Director Compensation Survey (confidential)
  - Alaska utilities (15) – August 9, 2022
    - Board of Director Fees
      - Regular/Special/Committee Meetings
      - Conferences
      - Travel Days
      - Health Insurance for Directors



# 2022 NRECA National Directors Survey

- Peer Group

<u>Region</u>		<u>Average</u>	<u>Minimum</u>	<u>Maximum</u>
Peer Group 1 - Revenue (\$205M - \$580M)	Per Meeting Fee Only	\$613.00	\$275.00	\$1,000.00

# Chugach's Characteristics

- Fully integrated with \$1.8 billion in assets, serving 1 in 3 Alaskans
- 14<sup>th</sup> largest cooperative in the U.S. (Assets)
- 9<sup>th</sup> largest cooperative in the U.S. (# of Employees)
- Working interest owner in a gas field

# Benchmark Dilemmas

- Chugach's characteristics are complex and unique
- Other Alaska electric cooperatives are not a good comparison
- Even rating agencies grapple with Chugach's peer group

# Objective

- To attract and retain Chugach Board of Director candidates
  - Independent, reliable survey and appropriate benchmarking tools to set Board compensation
  - An established, routine mechanism to keep Board compensation updated



Questions?

Chugach Electric Association, Inc.  
Anchorage, Alaska

Summary of Executive Session Topics for  
Governance Committee Meeting on August 9, 2023  
Agenda Item VII.

Discussion regarding personnel matters concerning director meeting fees and expenses.  
(AS 10.25.175(c)(4))