



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

September 13, 2023

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* (4:10 p.m.)
 - A. August 9, 2023 (Doyle)
- 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. Director Meeting Fees & Expenses** (Miller/Committee) (4:25 p.m.)
 - B. Member Committee Key Areas & Policy Discussion (Kurka/Masten/Hasquet) (4:55 p.m.)
 - C. Website Update (Yuit/Hasquet) (5:25 p.m.)
 - D. NRECA Regional Policy Review (Baker) (5:55 p.m.)
- VII. EXECUTIVE SESSION (none)
- VIII. NEW BUSINESS (none)
- IX. DIRECTOR COMMENTS (6:00 p.m.)
- X. ADJOURNMENT* (6:15 p.m.)

* Denotes Action Items

** Denotes Possible Action Items

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

August 9, 2023
Wednesday
4:00 p.m.

GOVERNANCE COMMITTEE MEETING

Recording Secretary: Ashton Doyle

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 (*via teleconference and in person*)

Sam Cason, Director

Mark Wiggin, Director (*via teleconference*)

Bettina Chastain, Director

Board Member Present:

Sisi Cooper, Director

Guests and Staff Attendance Present:

Arthur Miller

Matthew Clarkson

Trish Baker

Allan Rudeck

Julie Hasquet

Emily Mueller

Sherri Highers

Bernie Smith, Member

Heather Slocum

Via teleconference:

Sandra Cacy

Karen Griffin

II. APPROVAL OF THE AGENDA

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

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

Director Morse was not present at the time of the vote.

III. APPROVAL OF MINUTES

Director Wiggin moved and Director Chastain seconded the motion to approve the July 21, 2023 Governance Committee meeting minutes. The motion passed unanimously.

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

Director Morse was not present at the time of the vote.

IV. PERSONS TO BE HEARD

A. Member Comments

Bernie Smith gave comments regarding the Member Advisory Council and adding information to the website.

Director Cason arrived at 4:08 p.m.

V. UNFINISHED BUSINESS

None.

VI. NEW BUSINESS

A. Member Advisory Council Overview (MAC) (Hasquet)

Julie Hasquet, Senior Manager of Corporate Communications, requested direction and guidance from the Board regarding the MAC and responded to input and questions from the Board.

B. NRECA Benchmarking Analysis (Highers)

Sherri Highers, Chief Financial Officer, presented details from the 2022 NRECA National Director's Survey regarding governance, director effort, and compensation.

Director Morse joined online at 4:21 p.m.

Director Morse arrived in person at 4:47 p.m.

VII. EXECUTIVE SESSION

A. Board Policy 204 – Director Meeting Fees and Expenses (Board/Staff)

At 4:59 p.m., Director Morse moved and Director Cason seconded the motion that pursuant to Alaska Statute 10.25.175(c)(4), the Governance Committee go into executive session to discuss personnel matters. The motion passed unanimously.

Director Wiggin left the meeting at 7:13 p.m.

The meeting reconvened in open session at 7:14 p.m.

VIII. NEW BUSINESS

None.

IX. DIRECTOR COMMENTS

Director comments were made at this time.

X. ADJOURNMENT

At 7:20 p.m., Director Cason moved and Director Morse seconded the motion to adjourn. The motion passed unanimously.

**Chugach Electric Association, Inc.
Anchorage, Alaska**

Board Compensation Alternatives

Current

- Board meeting fees in accordance with Board of Directors 2022 1099's.

**Proposal 1: NRECA National Directors Survey Comparisons (August 2022) Peer Group 1:
Revenue (\$205M - \$580M)**

- **Regular/Special Board Meetings:** Peer Group Average + Geographic Pay Differential (May 2022 Bureau of Labor Statistics) + Complexity Percentage (BRU Market Revenue as a % of 2022 Total Revenue), rounded.
- **Board Chair:** Current amount adjusted by percentage change in Regular / Special Board Meeting fee, rounded.
- **Board Committee Meetings:** 75% of Regular/Special Board Meetings, rounded.
- **Other Meetings/Events, Conferences, Educational Seminars and Travel Days:** Peer Group Minimum + Geographic Pay Differential + Complexity Percentage, rounded.

Proposal 1 Phase-In: Proposal 1 with three-year phase-in period.

Proposal 2: Identical with Proposal 1, with the following exceptions:

- **Board Committee Meetings:** 75% of Regular/Special Board Meetings, rounded. Only committee members are paid for attending committee meetings.
- **Board and Board Committee Chairs:** Both Board and Board Committee Chairs are paid additional amounts reflecting added responsibilities as chairs. Board Committee chairs are paid 75% of Board Chair amount.
- **Other Meetings/Events, Conferences, Educational Seminars and Travel Days:** Peer Group Minimum + Geographic Pay Differential + Complexity Percentage, rounded. No fee for committee and/or board meeting preparation with Chief Executive Officer.

Proposal 2 Phase-In: Proposal 2 with three-year phase-in period.

**Chugach Electric Association, Inc.
Anchorage, Alaska**

Board Compensation Alternatives

Proposal 1

Description	Current		Proposal 1: No Phase-In		Proposal 1 with 3-Year Phase In					
	Rate	Total Cost	Rate	Total Cost	Year 1		Year 2		Year 3	
					Rate	Total Cost	Rate	Total Cost	Rate	Total Cost
Regular & Special Board Meetings	\$300	\$51,600	\$750	\$129,000	\$450	\$77,400	\$600	\$103,200	\$750	\$129,000
Board Chair	\$50	\$1,250	\$125	\$3,125	\$75	\$1,875	\$100	\$2,500	\$125	\$3,125
Board Committee Meetings	\$300	\$28,400	\$575	\$55,075	\$392	\$37,324	\$483	\$46,151	\$575	\$55,075
Board Committee Chair	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Meetings/Events	\$200	\$31,200	\$350	\$54,600	\$250	\$39,000	\$300	\$46,800	\$350	\$54,600
Conferences/Education (In-State)	\$200	\$6,600	\$350	\$11,550	\$250	\$8,250	\$300	\$9,900	\$350	\$11,550
Conferences/Education (Out-of-State)	\$350	\$12,250	\$350	\$12,250	\$350	\$12,250	\$350	\$12,250	\$350	\$12,250
Travel (In-State)	\$200	\$400	\$350	\$700	\$250	\$500	\$300	\$600	\$350	\$700
Travel (Out-of-State)	\$300	\$3,600	\$350	\$4,200	\$317	\$3,804	\$333	\$3,996	\$350	\$4,200
Total		\$135,300		\$270,500		\$180,403		\$225,397		\$270,500
% Change from Current		----		99.9%		33.3%		66.6%		99.9%

Proposal 2

Description	Current		Proposal 2: No Phase-In		Proposal 2 with 3-Year Phase In					
	Rate	Total Cost	Rate	Total Cost	Year 1		Year 2		Year 3	
					Rate	Total Cost	Rate	Total Cost	Rate	Total Cost
Regular & Special Board Meetings	\$300	\$51,600	\$750	\$129,000	\$450	\$77,400	\$600	\$103,200	\$750	\$129,000
Board Chair	\$50	\$1,250	\$125	\$3,125	\$75	\$1,875	\$100	\$2,500	\$125	\$3,125
Board Committee Meetings	\$300	\$28,400	\$575	\$40,700	\$392	\$27,524	\$484	\$34,148	\$575	\$40,700
Board Committee Chair	\$0	\$0	\$95	\$1,500	\$32	\$500	\$48	\$750	\$95	\$1,500
Other Meetings/Events	\$200	\$31,200	\$350	\$50,400	\$250	\$36,000	\$300	\$43,200	\$350	\$50,400
Conferences/Education (In-State)	\$200	\$6,600	\$350	\$11,550	\$250	\$8,250	\$300	\$9,900	\$350	\$11,550
Conferences/Education (Out-of-State)	\$350	\$12,250	\$350	\$12,250	\$350	\$12,250	\$350	\$12,250	\$350	\$12,250
Travel (In-State)	\$200	\$400	\$350	\$700	\$250	\$500	\$300	\$600	\$350	\$700
Travel (Out-of-State)	\$300	\$3,600	\$350	\$4,200	\$317	\$3,804	\$333	\$3,996	\$350	\$4,200
Total		\$135,300		\$253,425		\$168,103		\$210,544		\$253,425
% Change from Current		----		87.3%		24.2%		55.6%		87.3%
Difference from Proposal 1				(\$17,075)		(\$12,300)		(\$14,853)		(\$17,075)

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

GOVERNANCE COMMITTEE MEETING
AGENDA ITEM SUMMARY

September 13, 2023

ACTION REQUIRED

AGENDA ITEM NO. VIA.

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

TOPIC

Chugach Electric Association, Inc.'s (Association) Director meeting fees and expenses.

DISCUSSION

Article IV, Section 9 of the Chugach Electric Association, Inc. (Association), Bylaws provided that “[b]y resolution of the board of directors, directors may be allowed a fixed fee and expenses of attendance, if any, for each day of attendance at each meeting of the board of directors, or a meeting of a committee thereof, or when a director is otherwise representing the Association in an official capacity and for each day of necessary travel in connection therewith.”

The Board of Directors previously passed Board Policy 204 dictating specific Director fee and expense reimbursement guidelines pursuant to the Association’s Bylaws. The Association reviewed Board Policy 204 utilizing information from the National Rural Electric Cooperative Association (NRECA) National Directors Survey, Peer Group 1 – Revenue (\$205M - \$580M) and the Bureau of Labor Statistics. Based on that review, the Board of Directors believe it is reasonable and appropriate to update Board Policy 204 to reflect standard industry expense reimbursement practices as well as current market director compensation data as proposed.

MOTION

Move that the Governance Committee recommend the Board of Directors approve the attached Resolution adopting a new schedule of director fees and other necessary revisions to Board Policy 204.



RESOLUTION

Director Meeting Fees and Expenses

WHEREAS, Article IV, Section 9 of the Chugach Electric Association, Inc. (Association), Bylaws provided that “[b]y resolution of the board of directors, directors may be allowed a fixed fee and expenses of attendance, if any, for each day of attendance at each meeting of the board of directors, or a meeting of a committee thereof, or when a director is otherwise representing the Association in an official capacity and for each day of necessary travel in connection therewith.”

WHEREAS, the Board of Directors previously passed Board Policy 204 dictating specific Director fee and expense reimbursement guidelines pursuant to the Association’s Bylaws;

WHEREAS, the Association reviewed Board Policy 204 utilizing information from the National Rural Electric Cooperative Association (NRECA) National Directors Survey, Peer Group 1 – Revenue (\$205M - \$580M) and the Bureau of Labor Statistics; and

WHEREAS, based on that review, the Board of Directors believe it is reasonable and appropriate to update Board Policy 204 to reflect standard industry expense reimbursement practices as well as current market director compensation data.

NOW THEREFORE BE IT RESOLVED, the Board of Directors approves the attached revised Board Policy 204 including Appendix A attached thereto; and

BE IT FURTHER RESOLVED, beginning October 1, 2023, the Board of Directors shall be compensated pursuant to Board Policy 204 as revised hereby.

CERTIFICATION

I, Susanne Fleek-Green, do hereby certify that I am the Secretary of Chugach Electric Association, Inc., an electric non-profit cooperative membership corporation organized and existing under the laws of the State of Alaska: that the foregoing is a complete and correct copy of a resolution adopted at a meeting of the Board of Directors of this corporation, duly and properly called and held on the ____ day of September, 2023; that a quorum was present at the meeting; that the resolution is set forth in the minutes of the meeting and has not been rescinded or modified.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of this corporation on the ____ day of September, 2023.

Secretary

PROPOSAL 1

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 204

DIRECTOR MEETING FEES AND EXPENSES

I. OBJECTIVE

To provide compensation and expense reimbursement for Directors serving on Chugach Electric Association, Inc.'s ("Association") Board of Directors.

II. CONTENT

- A. Board Meetings. Upon approval of the Board, a "Board Meeting Fee" in the amount identified in Appendix A shall be paid to Directors for each day of attendance, or fraction thereof, at regular and special meetings of the Board ("Board Meetings"). The Board Chair shall receive an additional "Board Chair Fee" in the amount identified in Appendix A for each day of each Board Meeting compensated under this Paragraph A if the Chair performs the duties of Chair at the Board Meeting.
- B. Committee Meetings. Upon approval of the Board, a "Committee Meeting Fee" in the amount identified in Appendix A shall be paid to Director committee members for each day of attendance, or fraction thereof, at Board Committee Meetings whether standing, special, or ad-hoc.
- C. Other Meetings and Events. Upon approval of the Board, an "Other Events Fee" in the amount identified in Appendix A shall be paid to Directors for each day of attendance, or fraction thereof, at: (1) Board committee meetings as a non-member, member committee meetings and meetings where a Director attends as an official Board liaison or representative ("Other Meetings"); and (2) company and community events where a Director is representing the Association in an official capacity ("Events"). Directors shall be paid a "Travel Fee (In-State)" in the amount identified in Appendix A for each day of travel to Other Meetings and Events within the state of Alaska and a "Travel Fee (Out-of-State)" in the amount identified in Appendix A for each day of travel to Other Meetings and Events outside of the state of Alaska. Travel Fees shall be limited to a maximum of two days before the first day of the Other Meeting or Event attended and one day following the end of the Other Meeting or Event.
- D. Conferences and Education. Upon approval of the Board, a "Conference Fee (In-State)" in the amount identified in Appendix A shall be paid to Directors representing the Association in an official capacity for each day of attendance, or fraction thereof, at conferences and educational seminars within the state of Alaska or a "Conference

Fee (Out-of-State) in the amount identified in Appendix A for conferences and educational seminars outside of the state of Alaska (“Conferences”). Directors shall be paid a “Travel Fee (In-State)” in the amount identified in Appendix A for each day of travel to Conferences within the state of Alaska and a “Travel Fee (Out-of-State)” in the amount identified in Appendix A for each day of travel to Conferences outside of the state of Alaska. Travel Fees shall be limited to a maximum of two days before the first day of the Conference attended and one day following the end of the Conference.

- E. Compensation Limits. If more than one Board Meeting, Committee Meeting, Other Meeting, Conference, and/or Event described in sections A-D above (“Compensable Event”) is held and attended by a Director on the same day, only one day’s attendance fee will be paid, which shall be the highest of any applicable daily fees. If travel occurs on the same day as a Compensable Event the daily attendance fee will be paid but the travel fee will not be paid. Each day of a multi-day Compensable Event counts as a single meeting. A Director may not be compensated for more than two regular Board meetings per month and an additional 12 special Board meetings per year. Directors shall not be paid for more than 70 total days of attendance per year at Board Meetings, Committee Meetings, Other Meetings and Events; *except that*, the Board Chair may be compensated for up to 85 total days of attendance per year at Board Meetings, Committee Meetings, and Other Meetings and Events. Additionally, Directors (including the Board Chair) shall not be paid for more than 20 days of attendance per year at Conferences. For purposes of this policy the term “per year” shall mean the one-year period between the Association’s annual member meetings.
- F. Expense Reimbursement. Directors shall be reimbursed for all legitimate expenses for attendance at any Compensable Events upon submission of a business expense report with receipts attached. Expense reports shall be reviewed and approved by the Board. No expenses will be paid for spouses or other family members of Directors, or any other individuals accompanying Directors to meetings. Travel and related expenses shall be reimbursed on the following basis:
1. Air Transportation
 - a. Directors will only be reimbursed for reasonably priced airfare, taking into consideration preferred airports, preferred arrival and departure times, connection times, and other restrictions. First Class air travel shall not be approved for reimbursement; however, the Director may purchase first class airfare provided that the Director is only reimbursed for reasonable round-trip airfare as provided above.
 - b. Directors may personally retain frequent flyer awards that accrue from authorized Association travel.

c. The Board reserves the right to determine whether to reimburse individual Directors for penalties and other charges for flight cancellations or changes, taking the circumstances into account.

2. Other Transportation and Parking

a. Personal Vehicles. If a Director elects to use their personal vehicle for authorized Association travel purposes for travel distances more than 15 miles to and from their personal residence each way, the Association will reimburse Directors upon request at the mileage rate set by the Internal Revenue Service (IRS). Tolls and parking fees are also reimbursable. Parking tickets, vehicle repairs and maintenance, fines for moving violations, vehicle towing charges, or other expenses not necessary for Association travel purposes will not be reimbursed. Directors using a personal vehicle for Association travel purposes should ensure that their automobile insurance covers business travel.

b. Rental Vehicles. If use of a rental car is required for Association travel purposes, the Association will reimburse Directors for the reasonable cost of the rental car, gasoline, tolls, and parking fees. Directors must reserve an economy or standard-size vehicle. Upgrades to full-size vehicles are permissible only with advance approval by the Board Chair and if required due to the number of passengers. The Association's insurance will cover both the Director and the vehicle when a vehicle is rented for Association travel purposes. Accordingly, Directors should not purchase additional insurance coverage from the rental car company.

c. Other Ground Transportation. Directors will be reimbursed for ordinary and reasonably priced ground transportation, including buses, shuttles, taxis, and car services to and from airports or railroad stations and between the Director's hotel and other business-related locations.

3. Hotels and Lodging. The Association will reimburse the Directors for the cost of standard lodging in a reasonably priced hotel for overnight stays during authorized Association travel to a Compensable Event. Directors shall be reimbursed for lodging expenses during the Compensable Event and, taking into consideration travel distances and Director schedules, up to a maximum of two additional nights prior to the Compensable Event and one additional night following the Compensable Event. Directors seeking reimbursement for lodging expenses must submit an itemized hotel receipt or statement which indicates that full payment has been made and contains: the name and location of the hotel or other lodging; the date or dates of the Director's stay; separately stated charges for lodging, meals, telephone, and other expenses.

4. Meals. The Association will reimburse Directors for the reasonable cost of their own meals while attending a Compensable Event. Directors must

provide receipts or other appropriate substantiating documentation for each meal throughout the trip. Directors may include the expense of reasonable gratuities.

- G. Scheduling. Directors are encouraged to make travel arrangements, including transportation and lodging, through the Association’s executive office. Directors attending Conferences are expected to: 1) comply with applicable registration deadlines; and 2) avoid cancellations exposing the Association to non-reimbursable charges.

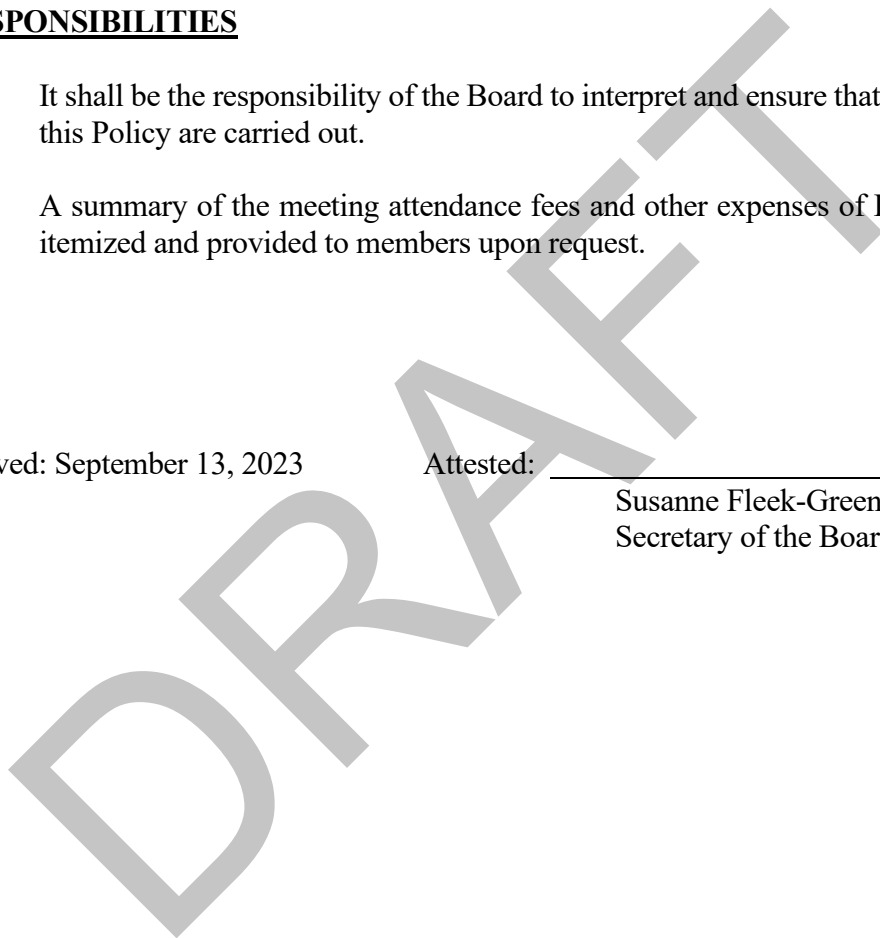
III. RESPONSIBILITIES

- A. It shall be the responsibility of the Board to interpret and ensure that the provisions of this Policy are carried out.
- B. A summary of the meeting attendance fees and other expenses of Directors shall be itemized and provided to members upon request.

Date Approved: September 13, 2023

Attested: _____

Susanne Fleek-Green
Secretary of the Board



CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

SCHEDULE OF DIRECTOR FEES

Proposal 1: No Phase-In

Description	Fee
Board Meeting Fee	\$750
Board Chair Fee	\$125
Committee Meeting Fee	\$575
Other Events Fee	\$350
Conferences Fee (In-State)	\$350
Conferences Fee (Out-of-State)	\$350
Travel Fee (In-State)	\$350
Travel Fee (Out-of-State)	\$350

DRAFT

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

SCHEDULE OF DIRECTOR FEES

Proposal 1 with 3-Year Phase-In

Description	Effective 10/1/23	Effective 10/1/24	Effective 10/1/25
Board Meeting Fee	\$450	\$600	\$750
Board Chair Fee	\$75	\$100	\$125
Committee Meeting Fee	\$392	\$483	\$575
Other Events Fee	\$250	\$300	\$350
Conferences Fee (In-State)	\$250	\$300	\$350
Conferences Fee (Out-of-State)	\$350	\$350	\$350
Travel Fee (In-State)	\$250	\$300	\$350
Travel Fee (Out-of-State)	\$317	\$333	\$350

DRAFT

PROPOSAL 2

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 204

DIRECTOR MEETING FEES AND EXPENSES

I. OBJECTIVE

To provide compensation and expense reimbursement for Directors serving on Chugach Electric Association, Inc.'s ("Association") Board of Directors.

II. CONTENT

- A. Board Meetings. Upon approval of the Board, a "Board Meeting Fee" in the amount identified in Appendix A shall be paid to Directors for each day of attendance, or fraction thereof, at regular and special meetings of the Board ("Board Meetings"). The Board Chair shall receive an additional "Board Chair Fee" in the amount identified in Appendix A for each day of each Board Meeting compensated under this Paragraph A if the Chair performs the duties of Chair at the Board Meeting.
- B. Committee Meetings. Upon approval of the Board, a "Committee Meeting Fee" in the amount identified in Appendix A shall be paid to Director committee members for each day of attendance, or fraction thereof, at Board Committee Meetings whether standing, special, or ad-hoc. The Committee Chair shall receive an additional "Committee Chair Fee" in the amount identified in Appendix A for each day of each Committee Meeting compensated under this Paragraph B if the Chair performs the duties of Chair at the Committee Meeting.
- C. Other Meetings and Events. Upon approval of the Board, an "Other Events Fee" in the amount identified in Appendix A shall be paid to Directors for each day of attendance, or fraction thereof, at: (1) member committee meetings and meetings where a Director attends as an official Board liaison or representative ("Other Meetings"); and (2) company and community events where a Director is representing the Association in an official capacity ("Events"). Directors shall be paid a "Travel Fee (In-State)" in the amount identified in Appendix A for each day of travel to Other Meetings and Events within the state of Alaska and a "Travel Fee (Out-of-State)" in the amount identified in Appendix A for each day of travel to Other Meetings and Events outside of the state of Alaska. Travel Fees shall be limited to a maximum of two days before the first day of the Other Meeting or Event attended and one day following the end of the Other Meeting or Event.
- D. Conferences and Education. Upon approval of the Board, a "Conference Fee (In-State)" in the amount identified in Appendix A shall be paid to Directors representing

the Association in an official capacity for each day of attendance, or fraction thereof, at conferences and educational seminars within the state of Alaska or a “Conference Fee (Out-of-State)” in the amount identified in Appendix A for conferences and educational seminars outside of the state of Alaska (“Conferences”). Directors shall be paid a “Travel Fee (In-State)” in the amount identified in Appendix A for each day of travel to Conferences within the state of Alaska and a “Travel Fee (Out-of-State)” in the amount identified in Appendix A for each day of travel to Conferences outside of the state of Alaska. Travel Fees shall be limited to a maximum of two days before the first day of the Conference attended and one day following the end of the Conference.

- E. Compensation Limits. If more than one Board Meeting, Committee Meeting, Other Meeting, Conference, and/or Event described in sections A-D above (“Compensable Event”) is held and attended by a Director on the same day, only one day’s attendance fee will be paid, which shall be the highest of any applicable daily fees. If travel occurs on the same day as a Compensable Event the daily attendance fee will be paid but the travel fee will not be paid. Each day of a multi-day Compensable Event counts as a single meeting. A Director may not be compensated for more than two regular Board meetings per month and an additional 12 special Board meetings per year. Directors shall not be paid for more than 70 total days of attendance per year at Board Meetings, Committee Meetings, and Other Meetings and Events; *except that*, the Board Chair may be compensated for up to 85 total days of attendance per year at Board Meetings, Committee Meetings, and Other Meetings and Events. Additionally, Directors (including the Board Chair) shall not be paid for more than 20 days of attendance per year at Conferences. For purposes of this policy the term “per year” shall mean the one-year period between the Association’s annual member meetings.
- F. Expense Reimbursement. Directors shall be reimbursed for all legitimate expenses for attendance at any Compensable Events upon submission of a business expense report with receipts attached. Expense reports shall be reviewed and approved by the Board. No expenses will be paid for spouses or other family members of Directors, or any other individuals accompanying Directors to meetings. Travel and related expenses shall be reimbursed on the following basis:
1. Air Transportation
 - a. Directors will only be reimbursed for reasonably priced airfare, taking into consideration preferred airports, preferred arrival and departure times, connection times, and other restrictions. First Class air travel shall not be approved for reimbursement; however, the Director may purchase first class airfare provided that the Director is only reimbursed for reasonable round-trip airfare as provided above.
 - b. Directors may personally retain frequent flyer awards that accrue from authorized Association travel.

c. The Board reserves the right to determine whether to reimburse individual Directors for penalties and other charges for flight cancellations or changes, taking the circumstances into account.

2. Other Transportation and Parking

a. Personal Vehicles. If a Director elects to use their personal vehicle for authorized Association travel purposes for travel distances more than 15 miles to and from their personal residence each way, the Association will reimburse Directors upon request at the mileage rate set by the Internal Revenue Service (IRS). Tolls and parking fees are also reimbursable. Parking tickets, vehicle repairs and maintenance, fines for moving violations, vehicle towing charges, or other expenses not necessary for Association travel purposes will not be reimbursed. Directors using a personal vehicle for Association travel purposes should ensure that their automobile insurance covers business travel.

b. Rental Vehicles. If use of a rental car is required for Association travel purposes, the Association will reimburse Directors for the reasonable cost of the rental car, gasoline, tolls, and parking fees. Directors must reserve an economy or standard-size vehicle. Upgrades to full-size vehicles are permissible only with advance approval by the Board Chair and if required due to the number of passengers. The Association's insurance will cover both the Director and the vehicle when a vehicle is rented for Association travel purposes. Accordingly, Directors should not purchase additional insurance coverage from the rental car company.

c. Other Ground Transportation. Directors will be reimbursed for ordinary and reasonably priced ground transportation, including buses, shuttles, taxis, and car services to and from airports or railroad stations and between the Director's hotel and other business-related locations.

3. Hotels and Lodging. The Association will reimburse the Directors for the cost of standard lodging in a reasonably priced hotel for overnight stays during authorized Association travel to a Compensable Event. Directors shall be reimbursed for lodging expenses during the Compensable Event and, taking into consideration travel distances and Director schedules, up to a maximum of two additional nights prior to the Compensable Event and one additional night following the Compensable Event. Directors seeking reimbursement for lodging expenses must submit an itemized hotel receipt or statement which indicates that full payment has been made and contains: the name and location of the hotel or other lodging; the date or dates of the Director's stay; separately stated charges for lodging, meals, telephone, and other expenses.

4. Meals. The Association will reimburse Directors for the reasonable cost of their own meals while attending a Compensable Event. Directors must

provide receipts or other appropriate substantiating documentation for each meal throughout the trip. Directors may include the expense of reasonable gratuities.

- G. Scheduling. Directors are encouraged to make travel arrangements, including transportation and lodging, through the Association’s executive office. Directors attending Conferences are expected to: 1) comply with applicable registration deadlines; and 2) avoid cancellations exposing the Association to non-reimbursable charges.

III. RESPONSIBILITIES

- A. It shall be the responsibility of the Board to interpret and ensure that the provisions of this Policy are carried out.
- B. A summary of the meeting attendance fees and other expenses of Directors shall be itemized and provided to members upon request.

Date Approved: September 13, 2023

Attested: _____

Susanne Fleek-Green
Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

SCHEDULE OF DIRECTOR FEES

Proposal 2: No Phase-In

Description	Fee
Board Meeting Fee	\$750
Board Chair Fee	\$125
Committee Meeting Fee	\$575
Committee Chair Fee	\$95
Other Events Fee	\$350
Conferences Fee (In-State)	\$350
Conferences Fee (Out-of-State)	\$350
Travel Fee (In-State)	\$350
Travel Fee (Out-of-State)	\$350

DRAFT

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

SCHEDULE OF DIRECTOR FEES

Proposal 2 with 3-Year Phase-In

Description	Effective 10/1/23	Effective 10/1/24	Effective 10/1/25
Board Meeting Fee	\$450	\$600	\$750
Board Chair Fee	\$75	\$100	\$125
Committee Meeting Fee	\$392	\$484	\$575
Committee Chair Fee	\$32	\$48	\$95
Other Events Fee	\$250	\$300	\$350
Conferences Fee (In-State)	\$250	\$300	\$350
Conferences Fee (Out-of-State)	\$350	\$350	\$350
Travel Fee (In-State)	\$250	\$300	\$350
Travel Fee (Out-of-State)	\$317	\$333	\$350

DRAFT

Chugach Electric Association, Inc.
Anchorage, Alaska

Options for Posting Chugach Board of Director Compensation on Website

Option 1: On the Board of Directors page, add the following underlined text in the paragraph under the photo:

As a cooperative, Chugach is guided by a board of directors elected by and from its membership. The seven-member board sets policy and provides direction to Chugach's Chief Executive Officer. Directors are elected to staggered four-year terms in conjunction with the annual meeting each spring. Board members are compensated for each meeting of the board of directors, or a meeting of a committee thereof, or when a director is otherwise representing the Association in an official capacity and for each day of necessary travel in connection with that representation.

Option 2: On the Board of Directors page, add a link to Article IV, Section 9 of Chugach's Bylaws labeled Board Compensation, in the lineup of other attachments listed under the Strategic Plan and the 2022 Sustainability Report. Article IV, Section 9 states:

Compensation. Directors shall not receive any salary for their services as directors and except in emergencies, may not receive salaries for their services in any other capacity without the approval of Association members. The Association may not provide health insurance for directors or insurance for risks except those incurred in their capacity as directors. By resolution of the board of directors, directors may be allowed a fixed fee and expenses of attendance, if any, for each day of attendance at each meeting of the board of directors, or a meeting of a committee thereof, or when a director is otherwise representing the Association in an official capacity and for each day of necessary travel in connection therewith. No attendance other than regular or special board or committee meetings shall be reimbursed unless authorized by a majority vote of the board. A director may not be compensated for more than two regular board meetings per month, and an additional 12 special board meetings per year. The total compensated meetings shall not exceed 70 meetings per year for a director, and 85 meetings per year for the chair of the board. In addition, a director may be compensated for up to 20 days of attendance per year at conferences or educational seminars where the director is representing the Association in an official capacity. Directors' expense reimbursement requests shall be reviewed and approved by the majority vote of the board. Any change to the amount of compensation that the board receives shall be published in the annual meeting election materials.

Option 3: On the Board of Directors page, add a link to Board Policy 204, Director Meeting Fees and Expenses.



MEMBER ELECTION COMMITTEES & SUPPORT REPORT

Chugach Board of Directors
Governance Committee
September 13, 2023

COMMITTEE REVIEW



Committed to governance excellence



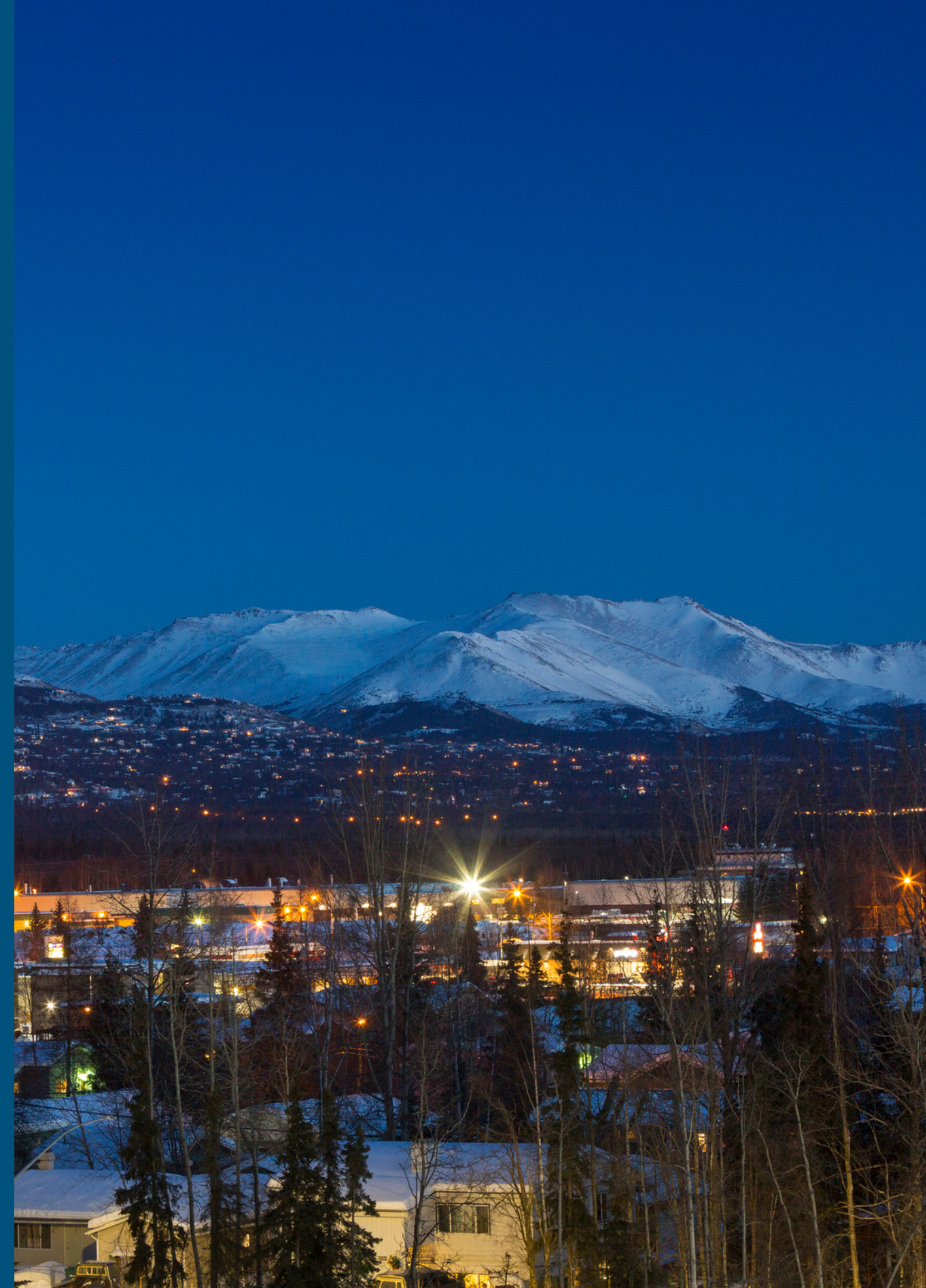
Reviewed current committee processes and documentation



Received feedback on what worked well and the issues and challenges of the committee



Formalize structure and consistency of the committees



ELECTION MEMBER COMMITTEES

Committees specific to the election and annual meeting



**ELECTION
COMMITTEE**



**BYLAWS
COMMITTEE**



**NOMINATING
COMMITTEE**

ELECTION COMMITTEE

PURPOSE

The Election Committee is responsible for ensuring the fairness, impartiality, confidentiality, and integrity of the voting process.

RESPONSIBILITIES

- Appoint a Master Election Judge
- Recommend / set the date of record
- Revise / approve election procedures
- Review / approve ballot language
- Make decisions regarding questioned ballots and voter eligibility
- Observe ballot count

PROCESS

The Election Committee consists of 5–13 members, one of which is the Master Election Judge, who chairs the committee. The other members serve as election judges. The Election Committee develops procedures and adopts rules and regulations as deemed reasonably necessary or convenient to conduct and oversee all voting activities during the calendar year.



ELECTION COMMITTEE EXPERIENCE

WHAT WORKED WELL & CHALLENGES/ISSUES



Process

The Election Committee has a well documented process and timeline



Open Meetings

Formalize open meeting requirements and exceptions



Committee Consistency

Establishing a unity of practice among other committees to ensure all committees operate consistently in accordance with Chugach bylaws

BYLAW COMMITTEE

PURPOSE

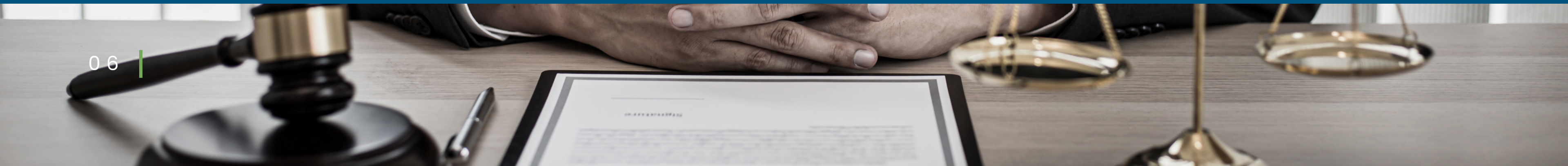
The Committee shall review the bylaws of the Association, consider recommendations for the revisions made by the board of directors or members, and report recommendations to the board.

RESPONSIBILITIES

- Appoint a Chair and Vice Chair
- Review bylaw amendment, alteration or repeal submission(s)
- Deliberate bylaw submittals
- Approve or deny submitted bylaws
- Approved bylaws are submitted to the board for review and vote

PROCESS

The Committee consists of 5 to 7 members. Following Robert's Rules of Order, a Chair and Vice Chair are determined. An agenda is prepared before every meeting and approved or modified by the Committee. Meeting notes are prepared by the Staff Liaison and distributed to the Committee after each meeting. The Committee reviews, deliberates, and votes on bylaw recommendations. Once a proposed bylaw is recommended by the Committee, it is presented to the board of directors for consideration to be placed on the annual election ballot.



BYLAW COMMITTEE EXPERIENCE

WHAT WORKED WELL & CHALLENGES/ISSUES



Deliberation

Committee members dedicated to the process necessary to fulfill their responsibilities



Open Meetings

Formalize open meeting requirements and exceptions



Experience

Committee members are knowledgeable and experienced in the bylaws process



Committee Consistency

Establishing a unity of practice among other committees to ensure all committees operate consistently in accordance with Chugach bylaws

NOMINATING COMMITTEE

PURPOSE

The Committee shall seek qualified candidates, screen potential nominees, interview candidates who opt to go through the nomination process, and provide a Slate of Candidates to be voted on by members during the annual election.

RESPONSIBILITIES

- Appoint a Chair and Vice Chair
- If necessary, revise incumbent and new candidate interview questions
- Review candidate applications prior to the first in-person meeting
- Attend candidate interviews. A quorum of 5 must be met
- Vote on the Slate of Candidates
- The Chair provides committee report at the annual meeting

PROCESS

The Committee consists of 5 to 7 members. Following Robert's Rules of Order, a Chair and Vice Chair are determined. An agenda is prepared before every meeting and approved or modified by the Committee. Meeting notes are prepared by the Staff Liaison and distributed to the Committee after each meeting. The Committee interviews candidates from the questionnaire they previously prepared. Once all interviews are completed the Committee will deliberate and vote on the Slate of Candidates. If candidates choose to run by petition, the Slate of Candidates is updated to include those who met the requirements by the deadline.



NOMINATING COMMITTEE EXPERIENCE

WHAT WORKED WELL



Deliberation

Committee members dedicated to the process necessary to fulfill their responsibilities



Full Membership Consideration

Committee members voted with the intention of what would be best for the membership



Interview Process

The Committee developed a list of interview questions for candidates, which provided consistency for interviews

NOMINATING COMMITTEE EXPERIENCE

CHALLENGES/ISSUES



Timeframe

The timeframe to interview 12 candidates was too limited



Open Meetings

Formalize open meeting requirements and exceptions



Screening Criteria

Need formalized candidate screening process



Attendance Protocol

Attendance protocol is needed if a candidate is late or does not show up for an interview



Committee Size

Limited number of committee members



Committee Consistency

Establishing a unity of practice among other committees to ensure all committees operate consistently in accordance with Chugach bylaws



Voting Protocol

Committee member eligibility to vote if not in attendance for an interview

RECOMMENDATIONS



Consistency

Member Committees should be consistent in general process and structure of how meetings are conducted.



Documentation

Member Committees should have detailed documentation that serves as a guiding template.



Standard Industry Practice

Member Committees should follow known industry standard practices.



CANDIDATE SUPPORT & EDUCATION

Chugach's support and education to candidates



**CANDIDATE
CAMPAIGN
SUPPORT**

CANDIDATE SUPPORT AND EDUCATION

PURPOSE

Traditionally, the corporate communications office, legal, and member services have worked together to facilitate director applications and answer candidate questions where appropriate to help them understand the cooperative role during the election and voting period.

RESPONSIBILITIES

- Candidates running for the board of directors are provided a list of names and mailing addresses of Association members eligible to vote in the current election and a list of those who voted in the previous election.
- Corporate communications produces an election brochure listing the date, time and place of the annual meeting; names and short biographies of candidates; ways to vote, any bylaw proposal language; and director attendance and voting record.

PROCESS

The corporate communications office is the main contact for candidates submitting applications, provides the member list to candidates, and plans a candidate forum.



CANDIDATE SUPPORT AND EDUCATION

WHAT WORKED WELL & CHALLENGES/ISSUES



Receiving Applications

Receiving and verifying applications for the board runs smoothly



Information Expectations

During election period, candidates ask for member information that Chugach is unable to provide



Introduction Opportunity

The candidate forum provides an opportunity for candidates to introduce themselves to members



Staff Resources

Multiple staff members are called to answer questions



Large Effort, Low Impact

Attendance at candidate forum is sparse, videos produced have limited viewership

CANDIDATE SUPPORT & EDUCATION STAFF RECOMMENDATIONS



Candidate Orientation

Once all candidates are approved to run for the board of directors, corporate communications and legal host an orientation for all candidates outlining what the cooperative can and cannot do during the election period including what and how information will be provided to candidates.



Candidate Forum

Chugach doesn't host a candidate forum.



NEXT STEPS

Action:

Formalize draft procedures for election committees

Present to the Governance committee

Timeframe:

September - October

October 17

Chugach Electric Association, Inc.
Anchorage, Alaska

2023 Election Committee Record

Each year, in accordance with Chugach Bylaws Article III, MEMBERS, MEETINGS, AND ELECTIONS, SECTION 9. Elections and Election Committee, the Board appoints members to an Election Committee as provided for in Article XV of the Chugach Bylaws.

In 2023, the election committee met seven times to conduct the annual election preparation and execution. The meetings were facilitated with the assistance of the Chugach liaison from the Member Services department, who prepared a meeting agenda, meeting minutes and handled the administration of the meetings.

The election committee meets early in the year to begin work on selecting from within their ranks a master election judge, recommend a date of record, and updating the election procedures to be used that year. In 2023, these meetings were held on February 21, and 28, 2023. Their work product was provided to the board for their approval at the March 22, 2023 meeting.

After voting opened in April, the election committee resumed meeting to review and issued decisions regarding questioned ballots, observe the paper ballot count, and attend and preside over the election results at the Annual Meeting. These meetings took place on May 2, 16, and the 19th.

The final meeting of the election committee was held on May 23, 2023 with the purpose of discussing 2023 lessons learned. Some of the feedback provided this year was focused on improving the logistics around voting and the Annual Meeting, to include more signage, more barriers to keep members from certain areas, spread out the booths and tables more to provide separation between the registration, voting, and food tables. Their suggestions for improvement also included better signage to explain the purpose of registration and explain the door prize process better. The election committee expressed that they liked the board video, although they did note the background music in the video at times made the words the directors said to be hard to hear.

Chugach Electric Association, Inc.
Anchorage, Alaska

2023 Bylaws Committee Record

Each year, in accordance with Chugach Bylaws ARTICLE XIII AMENDMENTS, members have an opportunity to amend, repeal, and alter the Bylaws. This year, five proposals were submitted to the Chugach Bylaws Committee for consideration. Following Robert's Rules of Order, the Bylaws Committee reviewed the proposals and motioned to move two proposals forward to the Board for consideration to put on the 2023 ballot.

Proposal A, B, and C are regarding board composition:

- A. Add at least two board seats to the legacy ML&P service area
 - a. Vote failed by majority

- B. Increase board seats from 7 to 9 (all at large)
 - a. Vote failed by majority

- C. Identify seven district board seats and add two seats at large
 - a. Vote failed by majority

Proposal D and E are regarding adding a bill round up program.

- D. Bill round-up program provides an opt out program where monies go to 501(c)(3) charitable purposes.
 - a. Majority vote passed to be reviewed by the board

- E. Green Energy Fund program where funds go to support and promote a renewable energy development and beneficial electrification.
 - a. Vote failed by majority.

 - b. The committee submitted an amendment to the Round-Up program where 50 percent of the funds would be designated to 501(c)(3) clean energy programs and the other 50 percent would be designated to undefined 501(c)(3) charitable purposes.
 - i. Majority vote passed to be reviewed by the board.

Chugach Electric Association, Inc.
Anchorage, Alaska

2023 Nominating Committee Record

Each year, in accordance with Chugach Bylaws Article IV, DIRECTORS, SECTION 4. Nominations, the committee members seek qualified candidates who opt to go through the nomination process and provide a Slate of Candidates to be voted on by members during the annual election. This year, 12 candidates applied for three open board seats. The following bullets are topics the committee identified as areas where more information and support are needed.

1. The timeframe to interview 12 candidates was too limited. The deadline for members to submit resumes and applications to run for board was February 7, 2023. This was pushed to February 9 to accommodate the newly opened seat from Director Whitney. In order to meet the Bylaws deadline to post the Slate of Candidates, interviews must be completed by February 28, 2023.
 - a. Suggestions: 1. Request applications to be submitted at least 120 days before the meeting to provide sufficient time to interview candidates.
2. Qualifications for the Nominating Committee are not clear. Answers to the questions listed below were requested by the committee.
 - i. What does “screen potential nominees” mean? Define the word “screen”.
 - ii. What is the purpose of geographical representation?
 - iii. What criteria should the committee use to approve the candidates if Member Services and the Legal Department verified membership and no conflict of interest?
 - iv. Does Chugach expect the Committee to “rubber stamp” the candidates? The intent is to provide the best options for Chugach members.
 - a. Suggestions: Committee recommends more defined criteria to evaluate the candidates to the board of directors.
3. Limited number of Committee Members

The Committee must have at the most 7 members, 5 members must be present to make a quorum. It is difficult to get a quorum around the holidays and winter travel months.

 - a. Suggestions: Increase committee size. Remove service area criteria from Bylaws; leave as members with primary residence within Chugach’s service area. Consider requiring committee member attendance during candidate interview (or review recording of interview) as a condition to vote on candidates.



WEBSITE REFRESH UPDATE

GOVERNANCE COMMITTEE

SEPT. 13, 2023



PROCESS

- Last website update was in 2017
- Currently working with Yuit Comms on a refresh
- Survey sent to executive team, board members, employees, members (MAC, election, nominating, and bylaw committee members)
- Total of 50 responses
- Yuit analyzing website metrics



NEXT STEPS

- Receive feedback from the board of directors/Governance Committee
- Combine with the current survey results, website analytics (2 weeks)
- Yuit to present findings, make recommendations
- Development of new site (1-2 months)
- Review draft new site with Chugach Board
- Deployment (1 month) Chugach and Yuit working together



DISCUSSION/QUESTIONS





2023-24 GOALS

Chugach's Strategic Plan outlines the key priorities of the member-owned electric cooperative. Chugach's annual goals are aligned with its Strategic Plan and evaluated and measured to ensure the overall strategy of the company stays on track. The goal of these combined efforts is to help Chugach remain resilient and responsive to changes in the electric industry; continue to provide safe, reliable power to our members; and position the utility for long-term viability for the benefit of our membership.

RELIABILITY



Chugach continues to focus on and invest in reliability projects. Current plans are focused on Cooper Landing and downtown Anchorage, where significant upgrades are underway or planned to improve reliability in those key areas.

SAFETY



Continue to cultivate a culture of safety to include ongoing efforts to improve safety throughout the organization. This includes professional assessments of programs and leadership training to advance a culture of safety at an organizational and individual employee level.

DECARBONIZATION



The Chugach Board of Directors established a goal to reduce carbon emissions by 35% by 2030 and by 50% by 2040, using 2012 as the baseline year without a material negative impact on Chugach member rates. To meet this goal, Chugach is continuing to make progress toward adding 100,000 MWh of renewable generation by March 31, 2025, by completing interconnection and integration studies of a utility scale wind project and a utility scale solar project. If the results of the studies are supportive, Chugach will move forward to negotiate Power Purchase Agreements with one or both of companies whose renewable projects are being studied.

Additionally, Chugach is developing a long-term decarbonization integrated resource plan specific to Chugach that complements Railbelt resource planning efforts. Other efforts include a financial/economic evaluation of solar projects at Southcentral Power Project and the Rutherford Substation as well as a community solar program for retail members, with commercial operation of these projects expected in 2024.

BUSINESS PLANNING



Structure Chugach for long-term viability, aligned with the strategic priorities of the organization, and the flexibility to respond to changes in business conditions. Develop a succession plan for managers, senior managers, and executives. The plan shall include review and update of policies where needed.

NATURAL GAS SUPPLY



With a declining supply of natural gas in the Cook Inlet, Chugach and other Railbelt utilities are studying gas supply alternatives to meet the demand of Alaskans. As part of that effort, Chugach commissioned Black & Veatch to study gas sources and supplies associated with additional infrastructure and facilities, and is working jointly with other Railbelt utilities to secure additional sources of natural gas.

Goals for Chugach include near-term and long-term gas supply requirements, financial/economic analysis of gas supply options to include importing liquefied natural gas, additional storage opportunities, and the use of gas for additional electric sales to other utilities. With a two-thirds ownership of the Beluga River gas field, Chugach is also developing a plan to maximize the value of that ownership to members.

EKLUTNA HYDROELECTRIC PROJECT



Chugach and the other owners of the Eklutna Hydroelectric Project are completing a draft Fish & Wildlife program, as required by the original purchase agreement, to study impacts from the hydro project. The program must be designed to protect, mitigate damages to, and enhance fish and wildlife. As part of the process, the owners have committed to returning water to the Eklutna River and will release a draft program outlining the proposal in the fall of 2023, hold two public meetings in January 2024, and submit a final proposal to the governor for his decision in April 2024.