



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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**October 17, 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. September 13, 2023 (Slocum)
- 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. Website Update (Yuit/Hasquet) (4:25 p.m.)
  - B. Standing Member Committee Meetings Policy & Handbook Review\*\* (Torgerson/Clarkson) (4:45 p.m.)
  - C. Director Meeting Fees & Expenses\*\* (Miller/Board) (5:05 p.m.)
  - D. Member Advisory Council (MAC) Charge (Cooper/Fleek-Green) (5:45 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**

**September 13, 2023**  
**Wednesday**  
**4:00 p.m.**

**GOVERNANCE COMMITTEE MEETING**

Recording Secretary: Heather Slocum

**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  
Rachel Morse, Vice Chair (*via teleconference*)  
Bettina Chastain, Director (*via teleconference*)  
Sam Cason, Director  
Mark Wiggin, Director

*Guests and Staff Attendance Present:*

Arthur Miller	Matthew Clarkson	Julie Hasquet
Kate Ayers	Allan Rudeck	Scarlett Masten
Teresa Kurka	Josh Travis	Trish Baker
Andrew Laughlin	Emily Mueller	Sandra Cacy
Bernie Smith, member	Hannah Palmer, Yuit	Gina Romero, Yuit

*Via teleconference:*

Ashton Doyle	Deborah Gardino	Karen Griffin
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**II. APPROVAL OF THE AGENDA**

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

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

**III. APPROVAL OF MINUTES**

Director Wiggin moved and Director Cason seconded the motion to approve the August 9, 2023, Governance Committee meeting minutes. Director Chastain made a friendly amendment to correct the listing of Vice Chair in the meeting minutes. The motion passed unanimously as amended.

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

#### **IV. PERSONS TO BE HEARD**

##### *A. Member Comments*

Member Bernie Smith gave comments regarding Director Compensation, and transparency.

#### **V. UNFINISHED BUSINESS**

None.

#### **VI. NEW BUSINESS**

##### *A. Director Meeting Fees & Expenses (Miller/Committee)*

Arthur Miller, Chief Executive Officer (CEO), discussed the Director Meeting Fee Options which were provided in the packet. The options for posting the fees and Board Policy 204 on the website were also discussed.

Director Cason moved and Director Wiggin seconded the motion that the Governance Committee recommend the Board of Directors approve the attached Resolution adopting a new schedule of director fees with the following revisions 1) adopt a phased in approach; 2) all committee chairs receive compensation at the higher rate when chairing a meeting; 3) all directors attending a meeting receive compensation; 4) eliminate compensation for pre-meetings, and; 5) implementation of phase 2 is contingent on a reduction in the number of meetings per year. The motion passed 4 to 1:

Director Wiggin – yes  
Director Cason – yes  
Director Fleek-Green – yes  
Director Chastain – no

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

##### *B. Member Committee Key Areas & Policy Discussion (Kurka/Masten/Hasquet)*

Teresa Kurka, VP of Member Services, Scarlett Masten, Sustainability, Key Accounts & Document Control Specialist, and Julie Hasquet, Sr. Manager of Corporate Communications, presented to the Committee final reports and suggestions from the Elections Committee, Nominating Committee, and Bylaws Committee and responded to questions from the Committee.

*Director Morse arrived at 5:17*

##### *C. Website Update (Yuit/Hasquet)*

Julie Hasquet, Sr. Manager of Corporate Communications presented to the Committee the next steps for the Chugach Electric website as well as the collaboration with Yuit. Ms. Hasquet responded to questions from the Committee. Hannah Palmer and Gina Romero from Yuit took feedback from the Committee.

##### *D. NRECA Regional Policy Review (Baker)*

Trish Baker, Manager of Government & Business Affairs, discussed the NRECA Regional Policy Review with the Committee and responded to questions from the Committee.

*Chair Fleek-Green called for a short recess at 5:53 p.m. The meeting resumed at 5:57 p.m.*

**VII. EXECUTIVE SESSION**

None.

**VIII. NEW BUSINESS**

None.

*Director Chastain left the meeting at 6:15 p.m.*

**IX. DIRECTOR COMMENTS**

Director comments were made at this time.

**X. ADJOURNMENT**

At 6:49 p.m., Director Wiggin moved and Director Cason seconded the motion to adjourn. The motion passes unanimously.



# Website Analytics / User Experience

Yuit Communications | October 2023

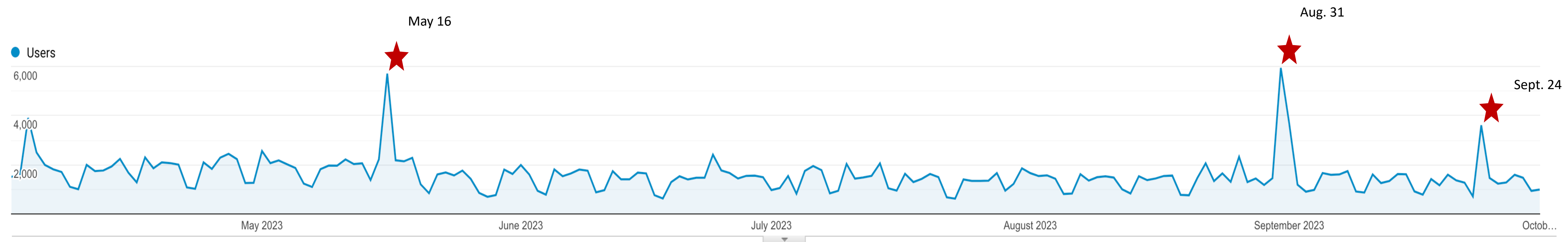
Governance Committee Meeting  
October 17, 2023

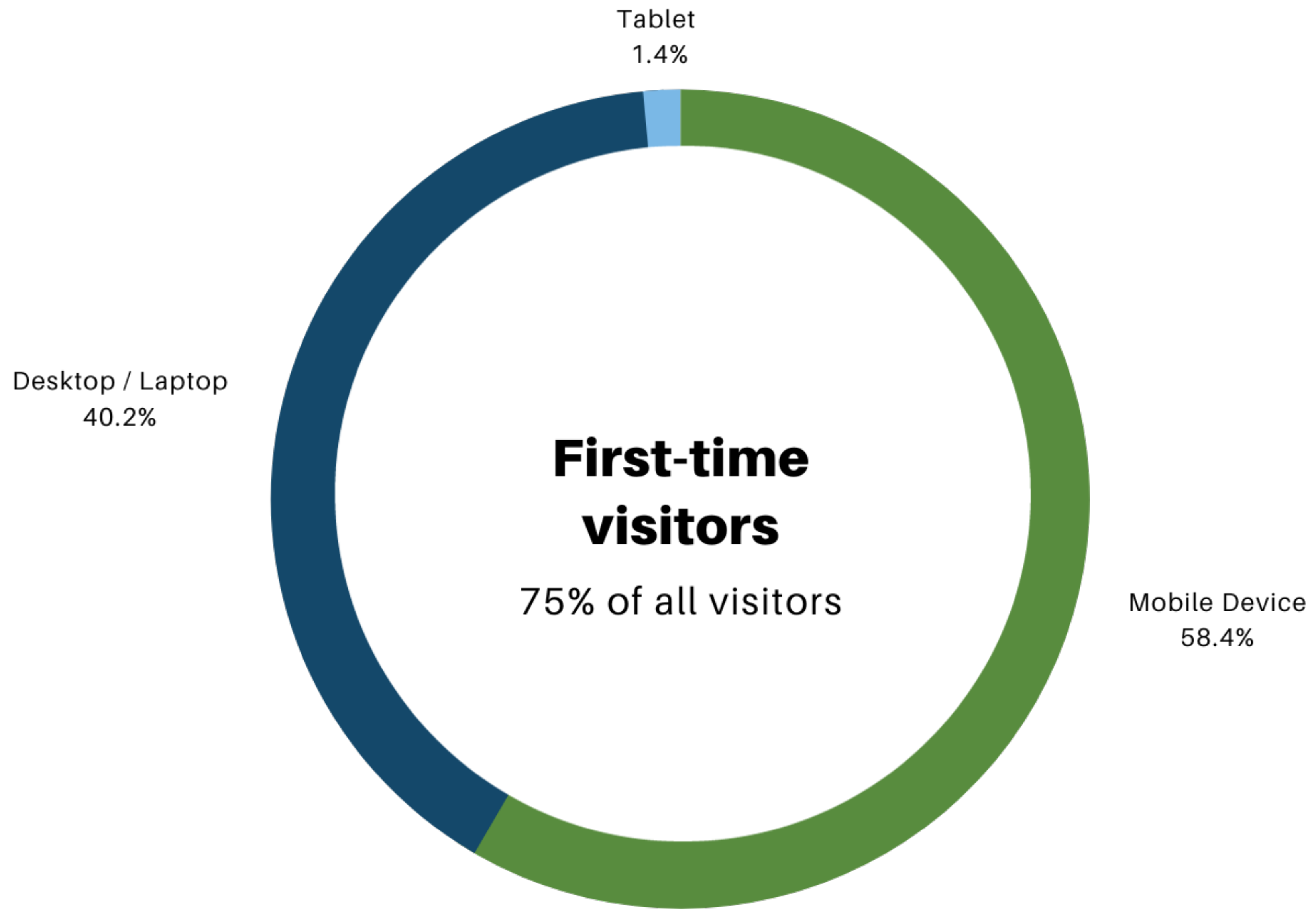
# Website and User Experience Assessment

- Google Analytics
- Online surveys
- Member Advisory Committee Session
- Governance Committee Session

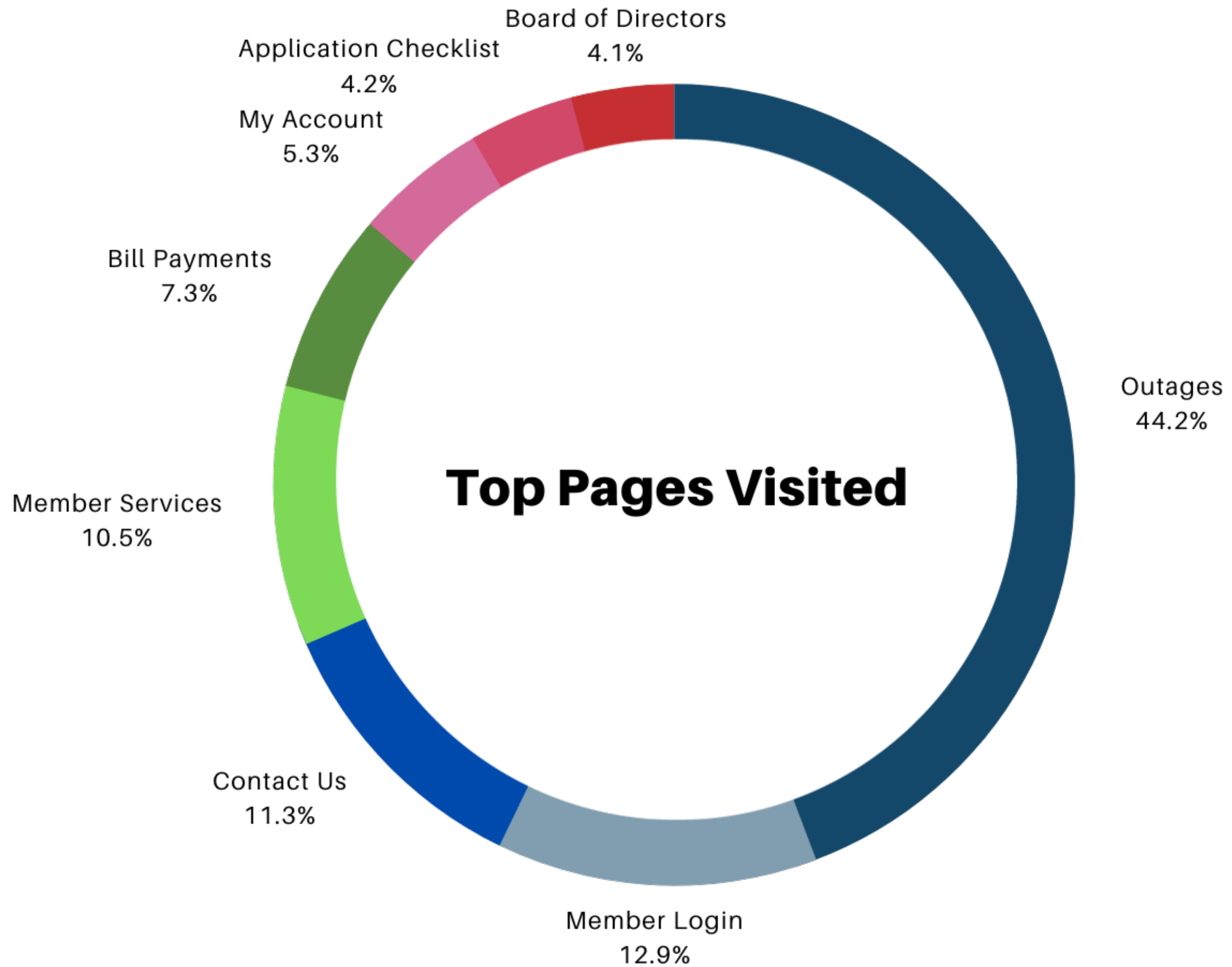
# How many people visited the site? (4/1/23-10/1/23)

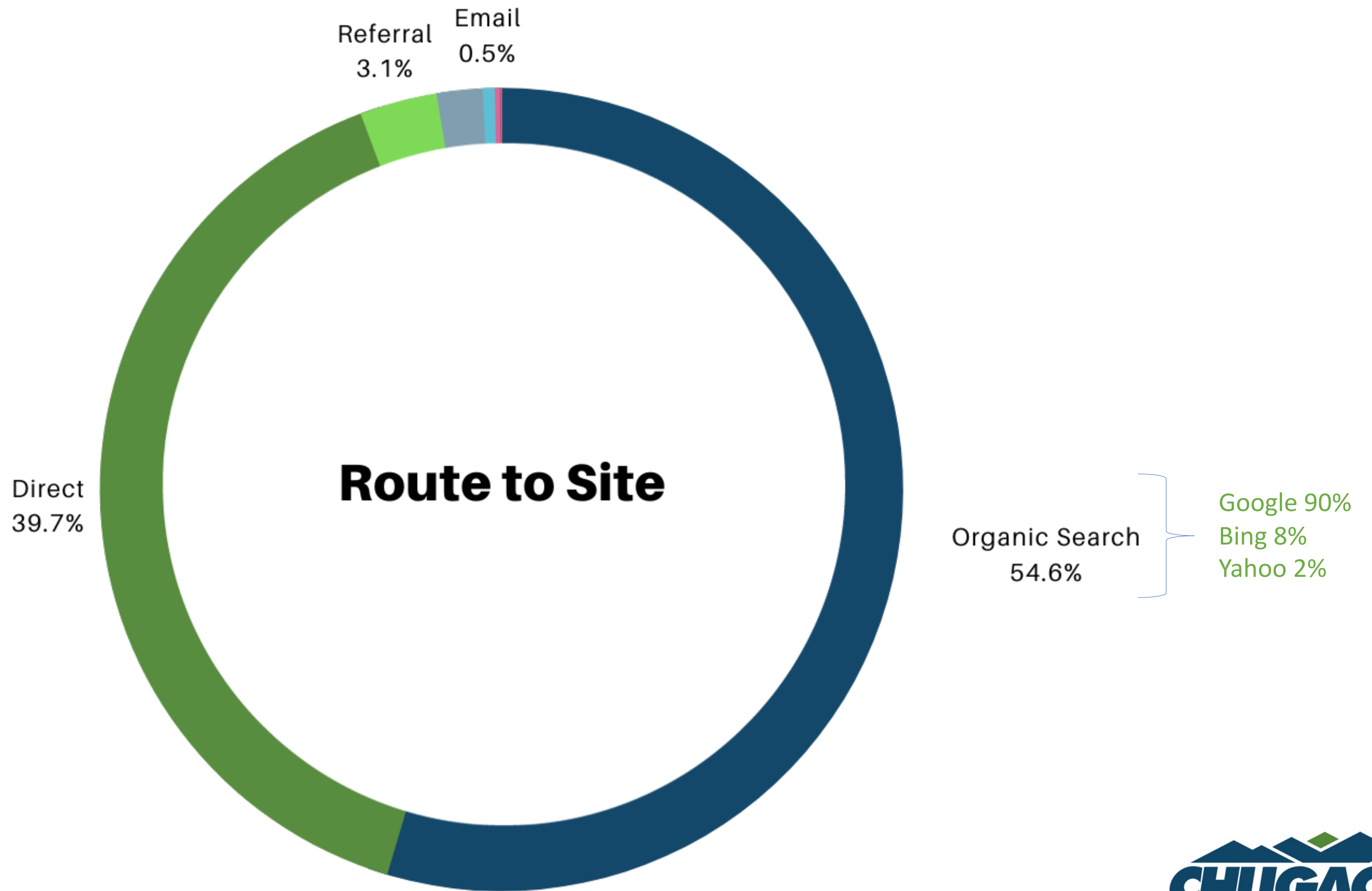
- 189,655 users visited the website generating 335,889 sessions and 543,788 pageviews.
- Reasons for spikes:
  - May 16 – Load shedding event
  - Aug. 31 – Power outage from storm
  - Sept. 24 – Power outage











# What specific features or information do you find most valuable on the current website?

- ✓ Outages
- ✓ Usage information/chart
- ✓ Easy access to “My Account”
- ✓ Bill pay
- ✓ Recent events/updates from Chugach Electric
- ✓ Member Services



# What improvements would you like to see in the website redesign?

- ✓ Simplified and easier navigation, especially once within the site
- ✓ Better portrayal/communication about mission, vision and values
- ✓ More information regarding community engagement opportunities and current co-op news
- ✓ More accessible “search” function
- ✓ Less text and more interactivity
- ✓ Easier access to meeting information

# Are there any tasks or information you find challenging to access or navigate on the existing website?

- ✘ Home page from other internal pages
- ✘ Board meeting schedule and information
- ✘ Information regarding energy savings
- ✘ Opportunities for member involvement
- ✘ Any specific information can be challenging to navigate to

# Is there any additional functionality or content you want to see on the new website to enhance your overall experience?

- ✓ Mobile responsiveness
- ✓ Board schedule
- ✓ Opportunities for member involvement
- ✓ More information re: current news events, such as the gas shortage
- ✓ Educational resources for conserving energy and promoting sustainability
- ✓ Buttons, as opposed to images



# General Feedback

- ✔ Develop an efficient, modern, user-friendly site
- ✔ Easier access to information and clear navigation
- ✔ Core values should be clear through content
- ✔ Demonstrate Chugach Electric's transition and growth
- ✔ Provide information on sustainability and demonstrate Chugach's commitment to sustainability



# Questions / Discussion





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

**GOVERNANCE COMMITTEE MEETING**  
**AGENDA ITEM SUMMARY**

**October 17, 2023**

**ACTION REQUIRED**

**AGENDA ITEM NO. VI.B.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

Chugach Electric Association, Inc.'s (Association) Member Committee Policies and Procedures.

**DISCUSSION**

Article XV of the Association's Bylaws provides that "[t]his Article XV shall apply to member committees which may from time to time be appointed by the board. Standing member committees include: the Election Committee, as provided for in Article III, Section 9; the Nominating Committee, as provided for in Article IV, Section 4; and the Bylaws Committee, as provided for in Article XIII, Section 2."

Consistent with the Association's Bylaws, industry standards, and applicable law, the Chief Executive Officer is authorized to and charged with preparing policies and procedures for the Member Committees described in and created under Article IV of the Association's Bylaws. The policies and procedures will provide the Member Committees with directions on how to perform their duties and fulfill their purposes as outlined in the Association's Bylaws.

**MOTION**

Move that the Governance Committee recommend the Board of Directors approve the attached Resolution adopting new policies and procedures for Member Committees to Board Policy 606.



## RESOLUTION

### Member Committee Policies and Procedures

WHEREAS, Chugach Electric Association, Inc.'s ("Association") Bylaws delegate certain annual election responsibilities to certain member committees including the Nominating Committee, the Election Committee, and the Bylaws Committee ("Member Committees");

WHEREAS, the Association and its Board of Directors recognize that consistent, transparent, and credible elections are essential to maintaining member confidence in the Association's election process;

WHEREAS, the Board of Directors believes it necessary and appropriate to provide the Member Committee's with direction, consistent with the Association's Bylaws, industry standards, and applicable law, on how to perform their duties and fulfill their purposes in a consistent, transparent, and credible manner.

NOW THEREFORE BE IT RESOLVED, the Board of Directors authorizes and directs the Chief Executive Officer to prepare policies and procedures for the Member Committees providing them with directions on how to perform their duties and fulfill their purposes as outlined in the Association's Bylaws in a consistent, transparent, and credible manner.

## 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 October, 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 October, 2023.

\_\_\_\_\_  
Secretary

**CHUGACH ELECTRIC ASSOCIATION, INC.**

**BOARD POLICY: 606**

**POLICIES AND PROCEDURES FOR MEMBER COMMITTEES**

**I. OBJECTIVE**

To authorize and charge the Chief Executive Officer (CEO) to create policies and procedures for the Member Committees described in and created under Article XV of the Association's Bylaws, which provide the Member Committees with direction on how to perform their duties and fulfill their purposes in a consistent, transparent, and credible manner.

**II. CONTENT**

Consistent with the Association's Bylaws, industry standards, and applicable law, the CEO is authorized to and charged with preparing policies and procedures for the Member Committees described in and created under Article XV of the Association's bylaws. The policies and procedures will provide the Member Committees with directions on how to perform their duties and fulfill their purposes as outlined in the Association's Bylaws.

**III. RESPONSIBILITY**

The CEO shall be responsible for the administration of this Policy.

Date Approved: \_\_\_\_\_, 2023

Attested: \_\_\_\_\_

Susanne Fleek-Green  
Secretary of the Board



**MEMBER COMMITTEES'**  
**POLICIES AND PROCEDURES HANDBOOK**

**Effective Date: \_\_\_\_\_, 2023**

# MEMBER COMMITTEES’ POLICIES AND PROCEDURES HANDBOOK

Effective Date: \_\_\_\_\_, 2023

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Appendix A: Committee Meeting Minutes

Appendix B: BP 100 Code of Ethics

Appendix C: BP 103 Duties and Responsibilities of the Board of Directors

Appendix D: BP 106 Director Duties and Standards of Conduct

## **I. PURPOSE**

Chugach Electric Association, Inc. (“Chugach” or “the Association”) and its Board of Directors (“Board”) recognize that consistent, transparent, and credible elections are essential to maintaining member confidence in Chugach. Chugach’s Bylaws delegate certain annual election responsibilities to the following member committees: the Nominating Committee, the Election Committee, and the Bylaws Committee (collectively “Member Committees” or “Committees”). The purpose of the policies and procedures in this Handbook is to provide Chugach’s Member Committees with direction—consistent with the Association’s Bylaws, industry standards, and applicable law—on how to perform their duties and fulfill their purposes in a consistent, transparent, and credible manner.

## **II. SCOPE**

This Handbook establishes guidelines, procedures, and requirements for:

1. The Election Committee established under Article III, Section 9 of the Association’s Bylaws;
2. The Nominating Committee established under Article IV, Section 4(a) of the Association’s Bylaws;
3. The Bylaws Committee established under Article XIII, Section 2 of the Association’s Bylaws; and

## **III. POLICIES AND PROCEDURES APPLICABLE TO ALL MEMBER COMMITTEES**

### **A. Conduct of Meetings**

A majority of the members of a Member Committee will constitute a quorum. The act(s) of a majority of the Committee members present at a meeting at which a quorum is present will be the act of the Committee. Unless there is a quorum, the Committee cannot act except to adjourn the meeting.

The meetings of Member Committees will generally be conducted in accordance with Robert’s Rules of Order, unless modified by the Board or as otherwise provided in this Policy. Each Committee member present must vote or abstain on each motion. Motions will pass if they receive the support of a majority of the members present at a meeting, assuming a quorum is present for conducting business.

Member Committees will designate a Committee member to take minutes at Committee meetings. Minutes must be kept for all Committee meetings. Minutes should record the actions taken by the Committee. A form template for Committee meeting minutes is included here as Appendix A.

Committee members may participate in meetings by means of teleconference, videoconference, or similar communications equipment so long as all members can hear all other members throughout the meeting.

Consistent with their duty of care, Committee members may not vote on any issues unless the Committee member has reviewed the full record, including any meeting recordings, before the member may vote.

#### **B. Open Meetings Requirement**

1. All Member Committee meetings will be open to all Association members. The notice of such a meeting and an agenda will be posted in a conspicuous place on the Association's webpage not later than three days prior to the meeting.
2. No closed or executive sessions will be held during Member Committee meetings except to discuss:
  - a. Subjects that tend to prejudice the reputation and character of a person;
  - b. Legal matters discussed with an attorney for the Association; or
  - c. Personnel matters.
3. No votes may be taken or decisions made in executive sessions.

### **IV. ELECTION TIMELINE**

#### **A. Establishing Annual Meeting Date, Time, and Location**

The Annual Meeting shall be held each year between May 15 and June 15 at a designated location within the Municipality of Anchorage. The date and location of the next Annual Meeting shall be selected as soon as reasonably possible after each Annual Meeting with input from the Board and Staff and shall be included in the Board's notice of Annual Meeting.

#### **B. Timeline**

Each year management will develop and present to the Board a proposed timeline, with specific dates and deadlines for Election-related events, ("Election Timeline").

#### **C. Coordination Meeting**

Upon Board approval of an Election Timeline, the Chief Legal Officer will convene a meeting of internal Association personnel to plan the overall Election Timeline and the roles and responsibilities of each individual.



Attendees at the meeting will include the Chief Legal Officer, representatives from Member Services, Communications, and the IT departments, and such other personnel as may be necessary to coordinate and implement the Election process.

#### **D. Record Date(s)**

The Election Committee will make determinations regarding notice to members and members' eligibility to vote in accordance with the record date established by the Board of Directors or the Bylaws default record date provisions. The Board may affix a record date in accordance with Article III, Section 7, of the Association's Bylaws for determination of what members are entitled to notice of a meeting of the members or to vote on a matter. If the Board fails to set a date, the record date will be the date on which notice of the meeting is first transmitted.

### **V. MEMBER COMMITTEE ROLES AND RESPONSIBILITIES**

#### **A. ELECTION COMMITTEE**

##### **1. Composition and General Responsibilities**

Article 3, Section 9, of the Association's Bylaws requires the creation of an Election Committee. The Election Committee is tasked with devising such procedures and adopting such rules and regulations, subject to the approval of the Board, as may be reasonably necessary or convenient to the discharge of the Election Committee's responsibilities.

The Election Committee's responsibilities, some of which it discharges through and with the support of Chugach management and staff, include:

- 1) Serving as election judges and appointing one Committee member to serve as master election judge;
- 2) Conducting all voting by secret ballot during the calendar year;
- 3) Arranging for the registration of members at the annual or special meeting;
- 4) Ensuring the fairness, impartiality, confidentiality, and integrity of the voting process;
- 5) Causing the preparation of an official ballot containing the names of candidates and proposed Bylaw amendments;
- 6) Procuring a post office box where all mail ballots shall be received;
- 7) Making proper arrangements to secure all ballots before, during, and following the election;
- 8) Marking and counting ballots as soon after the close of balloting as may be reasonable under the circumstances;
- 9) Resolving issues concerning the eligibility of any person to vote and the validity of any ballot cast;

- 10) Announcing the election results as soon as the count is completed;
- 11) Arranging for the retention of marked ballots in a secure manner for a period of 90 days following the election;
- 12) Receiving written requests for recounts and conducting recounts as required; and
- 13) Conducting run-off elections in the event of a tie.

## **2. Master Election Judge and Election Judges**

One member of the Election Committee must serve as the master election judge, and that member also serves as the chair of the Committee. The other Committee members serve as election judges.

## **3. Voting By Secret Ballot**

A member of the Association may cast a vote by such legal means as the Association will establish. The Election Committee is responsible for conducting all voting by secret ballot during the calendar year.

## **4. Registration of Members Entitled to Vote**

Only members who have purchased electric energy or received other services from Chugach as of the record date of the election shall be entitled to vote. Each such member shall have only one vote upon each matter submitted to a vote at a meeting of the members.

A non-natural member may designate an individual to vote on its behalf, in accordance with the member's own procedures. The Election Committee may require the designated individual to submit satisfactory written proof of his designation, prior to his voting.

Chugach staff shall prepare a list of members eligible to vote. The Election Committee shall review and resolve questions or disputes regarding member eligibility to vote on an as-needed basis necessary.

## **5. Fair and Confidential Voting Process**

To ensure the fairness, impartiality, confidentiality, and integrity of the voting process, the Election Committee shall solicit and engage, through Chugach management, a third-party election service provider. Criteria for selection of an election service provider will include: experience, technical capability, past performance, understanding and ability to comply with Chugach's Bylaws, policies, and procedures, capability to integrate with Chugach infrastructure, and ability to preserve and enhance the credibility of the election process. The election service provider shall be required to secure all ballots before, during, and following the election. The Election Committee through staff must cause a post office box to be procured where all mail ballots will be received.

## 6. Preparation of the Official Ballot

The Election Committee through staff must cause an official ballot to be prepared containing the names of the candidates for the office of director and the proposed Bylaw amendments. If a candidate is running as an authorized representative of a non-natural entity in accordance with Article IV, Section 3(b) of the Bylaws, the ballot will indicate that the candidate is running as the authorized representative of a non-natural entity.

The ballot will be designed with the position of names of the candidates changed as many times as there are candidates. As nearly as possible, an equal number of ballots will be printed after each change. In making the changes of position, the name of the first-listed candidate will be placed at the bottom of the column and the other names in the column moved up so that the name that before was second is first after the change.

The ballot will include a brief description concerning the number of offices to be filled at the election and the time, place, and method of voting. At least thirty (30) days prior to the annual meeting, an official ballot will be made available to each member with 1) a statement of the number of directors' seats to be filled, 2) the candidates' names and election statements, 3) an explanation of any other matters to be voted on by ballot, the proposed changes to the Bylaws, with the Bylaws Committee's comments and 4) a report covering the calendar year immediately preceding the annual meeting prepared by the Chief Executive Officer setting forth the attendance record of directors at regular and special board meetings, together with a summary setting forth the business items voted on and the vote of each director.

Candidate's must provide election statements including the following:

- 1) whether the candidate was nominated by the Nominating Committee or by petition.
- 2) whether the candidate is:
  - a. A member, officer, director, or employee of any union local currently acting as a bargaining agent for Association employees.
  - b. A person who has within the last two years had a financial interest in a bid, proposal, project, or contract with Chugach.
  - c. A spouse, child, brother, sister, parent, stepparent, stepchild or stepsibling of: a) any person included in subparagraph (i) or (ii) above or b) an employee of the Association.
  - d. A person running as an authorized representative of a non-natural entity in accordance with Article IV, Section 3(b).
- 3) at the candidate's discretion, a photograph of the candidate, and a statement not to exceed 200 words.

## **7. Marking and Counting Ballots**

The Election Committee will cause marked ballots to be counted as soon as reasonably possible after the close of balloting. Candidates may have a representative present during all times that ballots are being counted.

Electronic votes shall be tabulated by the election service provider at a time and date before the date of the annual or special meeting as established by Chugach. The election service provider shall perform the following quality control measures at the time of such tabulation:

- 1) Verify membership of individuals submitting votes and remove votes submitted by non-members.
- 2) Verify no member has submitted more than one vote.
- 3) Verify that the voter registration system is loaded with the list of all Chugach members as of the record date.
- 4) Verify that the voter registration system accurately reflects whether a member previously voted.
- 5) Verify that no votes were counted if they were received after the deadline for casting a ballot.

The Election Committee may employ election clerks as may be required to assist it with carrying out its responsibilities.

## **8. Handling Questioned Ballots**

The decision of a majority of the Election Committee will be conclusive with respect to the eligibility of any person to vote and the validity of any ballot cast.

## **9. Announcing Results and Retaining Ballots**

The Election Committee will announce the results of counting marked ballots as soon as the count is completed. The Election Committee will arrange for all marked ballots to be retained for a period of ninety (90) days following the election, after which they may be destroyed.

Directors shall be elected by a plurality vote of the members voting thereon at a meeting with respect to which a quorum is established.

Action to amend the Bylaws or to remove a director pursuant to the Bylaws may only be taken by the affirmative vote of a majority of those members voting thereon at a meeting with respect to which a quorum is established.

Any sale, lease, or other disposition of more than fifteen percent (15%) of Chugach's total assets, less depreciation, as reflected on Chugach's books at the time of the transaction, must be approved by the Board of Directors and the affirmative vote of members constituting not less than two-thirds

(2/3) of the members voting where the number of members voting to approve the transaction also constitutes a majority of all of the members of the Association, except that if such a disposition is to another cooperative or to the State of Alaska pursuant to Alaska Statutes Section 10.25.400, such disposition must also be approved by a majority of those members voting on the issue in an election in which at least ten percent (10%) of the members vote.

A merger of the Association with any other cooperative, or with any other entity to the extent permitted by applicable law, must be approved by the affirmative vote of members constituting two-thirds (2/3) of the members voting at a meeting with respect to which a quorum exists.

## **10. Re-counts and Run-offs**

A candidate for an election is the only party entitled to request a recount of votes cast for that election. A request for a recount must be made in writing and received by the Election Committee within ten (10) days of the close of balloting. The recount will be done in the same manner as and by the same entity that performed the original vote count. If the recount indicates that the candidate requesting the recount has lost the election by more than one percent (1%) of the total votes cast, then the cost of the recount shall be borne by the candidate. If the recount indicates that the candidate requesting the recount has either won a seat or lost by a margin of one percent (1%) or less of the total votes cast for directors, then the cost of the recount shall be borne by Chugach.

A group of ten (10) or more members who voted in that election may request a recount of the ballots for a Bylaws change or ballot question. A request for a recount must be made in writing and received by the Election Committee within ten (10) days of the close of balloting. The same provision for payment of the costs as provided above shall prevail, with the voters who requested the recount paying for the recount if the margin by which the Bylaws change or ballot question is defeated is greater than one percent (1%) of the total votes cast, and the Association bearing the expense if the Bylaws change or ballot question is passes or the margin of defeat is one percent (1%) or less of the total votes cast.

In the event of a candidate tie or a tie on a Bylaws change or a ballot question, there will be a recount of the ballots. If the recount confirms the existence of a tie between candidates, the Election Committee must conduct a run-off election. If the recount confirms the existence of a tie with respect to a Bylaws change or ballot question, such change or question will have failed. The Election Committee's responsibilities apply equally to run-off elections.

## **B. NOMINATING COMMITTEE**

### **1. Composition and General Responsibilities**

Article IV, Section 4 of the Association's Bylaws requires the creation of a Nominating Committee. No person may be elected to the Association's Board unless nominated by the Committee or by a petition signed by fifty (50) or more eligible members.

The Nominating Committee's responsibilities include (1) seeking qualified candidates, (2) screening potential nominees, and (3) approving a list of nominees for director, which may include a greater number of nominees than are to be elected, while keeping in mind the principle of geographic representation.

Nominating Committee members should strive to conduct themselves in a fair and impartial manner. Committee members should not be improperly influenced by Association employees or incumbent Directors. The Committee should seek assistance from staff as needed to satisfy its responsibilities.

The Nominating Committee must comply with applicable laws in carrying out its responsibilities.

## **2. Seeking Qualified Candidates**

The Association's Bylaws provide the required qualifications to serve as a Director of the Association.

The first responsibility of the Committee is to seek out prospective candidates among the Association's membership. Committee members may know individuals who are interested in being considered, and the Association may advertise—in consultation with the Committee—through newsletters, the Association's website, social media, print advertising, or other means to attract interest.

An advertisement on the Association's website will establish the deadline for members to submit applications to be considered by the Nominating Committee. By this deadline, a member must submit a letter of intent, a completed application form, an attestation of candidate qualifications form, and a resume to the Committee to be considered.

The Committee is next responsible for assessing whether candidates meet all eight of the qualification criteria. This assessment should occur as soon as possible after the published application deadline has closed. A person will be eligible to serve as a Director, who:

- 1) Has been a member and bona fide resident in the area served by the Association for twelve (12) continuous months before appointment to the board, or the notice of the election;
- 2) Is not in any way employed by a competing enterprise;
- 3) Does not have a financial interest in a competing enterprise;
- 4) Is not a supplier, contractor, consultant, or other entity that does business with the Association, or a person with more than a ten percent (10%) ownership interest in a supplier, contractor, consultant, or other entity that does business with the Association, except for providers whose annual business with the Association does not exceed \$25,000;
- 5) Is not an employee of the Association nor a member, officer, director, nor employee of any union local currently acting as a bargaining agent for Association employees;
- 6) Is not a person living in the same household with and financially interdependent upon any person included in paragraphs 2, 3, 4, and 5, above;

- 7) Maintains i) their membership and ii) bona fide residency in the area served by the Association throughout their term of office; and
- 8) Has not exceeded, or would not exceed if elected to the applicable term, the limit on board service specified in Article IV, Section 2.

The Nominating Committee should assess the information pertaining to a candidate that is necessary for the Committee to be reasonably certain that the candidate meets the qualification criteria, including by collecting information in addition to the member's application materials, if necessary, through a follow-up questionnaire, interview, or other similar means. The Nominating Committee should consult with the Association's Chief Legal Officer regarding questions about the meaning or application of any of the eligibility criteria or the terms used therein.

### **3. Screening Potential Nominees**

Article IV, Section 1 of the Association's Bylaws provides that "[t]he management of the business and affairs of the Association shall be vested in a board who shall exercise all of the powers of the Association" except those powers that are reserved to the Association's members. The Association's Directors have specific duties and responsibilities—including fiduciary duties of loyalty and care—to the Association, and they must comply with a code of ethics. Prospective nominees' satisfaction of the qualification criteria does not necessarily mean they are well-qualified to govern the Association in compliance with the duties of loyalty and care, and the other requirements imposed on Directors. The Bylaws require the Nominating Committee to attempt to determine that nominees can fully satisfy the duties and responsibilities expected of the Association's Directors.

To satisfy this responsibility, Committee members should familiarize themselves with Board Policies 100, 103, and 106, which are attached as Appendices B–D. The Committee should obtain relevant information from a prospective nominee to assess that individual's ability to satisfy the duties and responsibilities expected of the Association's Directors. This will typically include reviewing the potential nominee's application materials and resume, interviewing the potential nominee, and may include contacting professional/personal references. A Nominating Committee's nomination of a candidate is the Committee's endorsement that it thinks the candidate will satisfactorily perform the duties and responsibilities of a Director and will represent the interests of the Association's entire membership. The Committee's nominations must be made without discrimination as to race, color, religion, national origin, gender, age, veteran status, marital status, pregnancy, parenthood, disability or sexual orientation.

In making its determination of whether to nominate a candidate, the Nominating Committee should evaluate each candidate based on the following non-exhaustive list of criteria that are guidelines to be used when screening candidates seeking to be nominated for election to the Board.

- 1) A nominee should be willing and able to attend regular and special meetings of the Board, and to diligently prepare for those meetings. The Nominating Committee may consider the diligence of a candidate's participation in the screening process in applying this criterion.

- 2) The nominee must demonstrate an interest in and understanding of Chugach's mission and challenges. The Nominating Committee should assess this criteria based on candidate's responses to a set of core questions, which the Nominating Committee is required to ask every candidate. The Nominating Committee must develop the core interview questions each year with input from Chugach's Board and Executive Management Team, and subject to review by Chugach's legal counsel.
- 3) A nominee should be willing and able to attend Board training from time to time and to become and remain familiar with subjects of current importance to the Association.
- 4) A nominee should be aware that members of the Board serve without salary and on a fee basis for attendance at meetings of the Board, meetings of the members, and meetings and conferences specifically authorized by the Board. Reasonable expenses in connection with Board-authorized attendance meetings and conferences are reimbursable.
- 5) A nominee should be aware that members of the Board may not use, or cause to be used, the position as Director to further any political ambitions.
- 6) A nominee must not have been found guilty of a felony offense within the last five (5) years. A nominee must not have had a judgment ordered against him or her in a civil claim based on fraud, theft, deceit, misrepresentation, civil conspiracy, breach of trust, breach of fiduciary duty, insider trading, failure to disclose material facts or changes, or similar conduct, must not be involved in any litigation against the Association, must be in good standing with their account, must not have been prohibited or otherwise removed as a Director of an organization, and if a member of a professional body, must not have, during the previous five (5) years, been involuntarily prohibited or restricted from practicing as a member of that body.
- 7) A nominee must understand that Directors are individually, and collectively as a Board, responsible for the fiduciary and legal implications of Board decisions. A nominee should demonstrate capability to satisfy this responsibility.
- 8) A nominee must be willing and able to avoid conflicts of interest, observe high standards of integrity and ethics, and maintain the confidentiality and security of private Board deliberations.
- 9) A nominee must be an individual of good character, who is knowledgeable about the cooperative business model, aware of, and comfortable with, the legal liability inherent with Board service, and able to add to the diversity of knowledge and skills of the Board.
- 10) A nominee must demonstrate an ability to compromise and work collaboratively with others, to communicate effectively, to demonstrate proactive leadership, and have good listening skills.



- 11) A nominee must be willing to expend the effort needed to understand the Association's issues and concerns and to provide the judgment needed to reach decisions in changing circumstances.
- 12) A nominee must be able to consider and evaluate objectively the questions, issues, and concerns with which the Association is faced.
- 13) A nominee must be informed about and responsive to the attitudes of members and the general public toward the Association's objectives and policies.
- 14) A nominee must be willing to take the oath of office if elected to serve on the Board.

The Nominating Committee should reference and apply these screening criteria in determining whether to nominate a candidate as a Director on the Board.

#### **4. Approving a list of nominations for Director while keeping in mind the principle of geographic representation**

Public notice that the Nominating Committee's application process is open to the members will be given one hundred (100) days prior to the Association's annual meeting.

The Committee must approve, prepare, and post a list of nominations for Directors at the principal office of the Association at least eighty (80) days before the annual meeting.

The Committee may nominate a greater number of nominees than are to be elected. In determining which candidates to nominate, the Committee should keep in mind the principle of geographic representation by the Board of the Association's service area. To assist the Committee in taking this principle into consideration, Association staff should assemble and provide to the Committee information regarding the current geographic composition of the Board by service area.

### **C. BYLAWS COMMITTEE**

Article XIII, Section 2, of the Association's Bylaws requires the creation of a Bylaws Committee. The Bylaws Committee is tasked with reviewing the Association's Bylaws and considering any recommendations for revisions to the Bylaws. The Association's members and Board may make recommendations to the Committee for revisions to the Bylaws. The Bylaws Committee does not have authority to place proposed amendments on the ballot. Only proposals approved by the Association's Board will be placed on the ballot. The Committee's authority is limited to reporting its recommendations at the annual membership meeting concerning proposed Bylaw amendments.

**APPENDIX A**

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

**[DATE]**  
**[DAY]**  
**[TIME]**

\_\_\_\_\_ **COMMITTEE MEETING**

Recording Secretary: \_\_\_\_\_

**I. CALL TO ORDER**

[Committee Member name] called the \_\_\_\_\_ Committee meeting to order at [time] in the [location, e.g., boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska].

*Roll Call: (Indicate whether attending via Videoconference or Teleconference)  
Determination of quorum:*

*Staff and Guests in Attendance:*

**II. APPROVAL OF AGENDA**

[Committee Member name] moved, and [Committee Member name] seconded the motion to approve the agenda. The motion \_\_\_\_\_ (i.e. passed unanimously).

**III. APPROVAL OF MINUTES**

[Committee Member name] moved, and [Committee Member name] seconded the motion to approve the minutes of the meeting of \_\_\_\_\_. The motion \_\_\_\_\_ (i.e. passed unanimously).

**IV. UNFINISHED BUSINESS**

- A. *[Insert title]*  
[Insert summary of report]  
[Insert summary of Committee action]

**V. NEW BUSINESS**

- A. *[Insert title]*  
[Insert summary of report]  
[Insert summary of Committee action]

**VI. EXECUTIVE SESSION [As applicable]**

- A. *[Title]*

At [time], [Committee Member name] moved, and [Committee Member name] seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1), the \_\_\_\_\_ Committee go into executive

session to discuss and receive reports regarding matters [generally provide the reason why executive session necessary]. The motion \_\_\_\_\_ (i.e. passed unanimously).

*The meeting reconvened in open session at[time].*

**VII. COMMITTEE MEMBER COMMENTS**

Committee Member comments were made at this time.

**VIII. NEXT MEETING**

The next \_\_\_\_\_ Committee meeting will be \_\_\_\_\_ at \_\_\_\_\_.

**IX. ADJOURNMENT**

At [time], [Committee Member name] moved, and [Committee Member name] seconded the motion to adjourn. The motion \_\_\_\_\_ (i.e. passed unanimously).

---

\_\_\_\_\_, Committee Secretary  
Date Approved: Month Day, Year

## APPENDIX B

### CHUGACH ELECTRIC ASSOCIATION, INC.

#### BOARD POLICY: 100

#### CODE OF ETHICS FOR DIRECTORS AND EMPLOYEES

##### I. OBJECTIVE

The Association demands the highest possible ethical conduct from individuals serving as its directors as well as from its employees. Full compliance with this Policy is mandatory, and directors and employees are expected to foster, promote and maintain a culture of transparency, integrity, honesty and high ethical standards. This Policy is promulgated in part by the Board of Directors of the Association pursuant to Section 406 of the Sarbanes-Oxley Act of 2002 and the rules of the SEC promulgated thereunder and specifically applies for the purposes therein to the Senior Financial Officers of the Association. For these purposes, Senior Financial Officers means the Principal Executive Officer, Principal Financial Officer, and Principal Accounting Officer. This Policy applies, however, to all Association directors and employees. This Policy contains standards reasonably necessary to promote: honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; full, fair, accurate, timely, and understandable disclosure in the periodic reports required to be filed by the Association and in other public communications; and, compliance with applicable governmental laws, rules and regulations (Laws) as well as accounting and auditing standards and Association Policies and Procedures. It should be read in conjunction with the Association's Conflict of Interest policies.

##### II. CONTENT

Directors and employees of the Association must:

- A. Act with honesty and integrity, ethically handling actual or apparent conflicts of interest in personal and professional relationships. Directors and employees should recognize that even the appearance of a conflict of interest can damage the Association. A conflict of interest may exist because of a relationship of theirs or of a family member that is inconsistent with the Association's best interests, of the Association's Bylaws or Policies or Procedures, or could cause a conflict with their ability to perform their director or employee job responsibilities.
- B. Report to the Chief Executive Officer, General Counsel, or Chair of the Audit and Finance Committee, as applicable, any transaction that reasonably could be expected to give rise to a conflict of interest.

- C. Produce, or cause to be produced, full, fair, accurate, timely, and understandable disclosure in reports and documents that the Association prepares or submits to the Securities and Exchange Commission, if applicable, and in other public communications.
- D. Comply with applicable Laws, Association Policies and Procedures, and Accounting and Auditing Standards and Policies.
- E. Promptly report any violation of this Policy to the Chief Executive Officer, General Counsel, or Chair of the Audit and Finance Committee, as applicable.

### III. APPLICABILITY

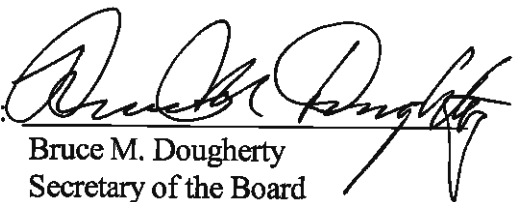
- A. The Association reserves the right to determine when actual or potential conflicts of interest exist, and then to take any action, which in the sole judgment of the Association, is needed to prevent the conflict from continuing.
- B. Directors and employees will be held accountable for their adherence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

IV. RESPONSIBILITIES

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

Date Approved: May 25, 2016

Attested:

  
Bruce M. Dougherty  
Secretary of the Board

# APPENDIX C

## CHUGACH ELECTRIC ASSOCIATION, INC.

### BOARD POLICY: 103

#### DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

##### **I. OBJECTIVE**

To describe the major duties and responsibilities of the Board of Directors (“Board”).

##### **II. CONTENT**

Full compliance with this Policy is mandatory and directors are expected to foster a culture of transparency, integrity and honesty.

##### **A. General duties and responsibilities of the Board are as follows:**

1. Ensure that the legal requirements, as set forth in the Articles of Incorporation, the Bylaws, and regulations applicable to the Association are complied with including, but not necessarily limited to:
  - a. Relevant federal, State and local statutes, ordinances and regulations.
  - b. The Indenture of Trust and other loan covenants, loan agreements and financing agreements.
  - c. Requirements of federal and State regulatory agencies and commissions with jurisdiction over the Association’s activities.
2. Select and employ a competent Chief Executive Officer and delegate to him or her, the complete responsibility and authority to select and direct employed personnel and to terminate employment if such action becomes necessary, within the limitations of Association policy, procedures and collective bargaining agreements.
3. The Board Chair shall be responsible for ensuring that the performance of the Chief Executive Officer is evaluated each year by the Board Operations Committee and that a written report to the full Board is provided on or before the first Board meeting in April on the results of such evaluation. The evaluation is to include a recommendation on salary adjustment when appropriate. Once reviewed and approved by the Board, the results of such evaluation are to be provided to and discussed with the Chief Executive Officer.

4. Hold well-planned and effectively conducted Board Meetings in a timely manner sufficiently often to stay well-informed about Association matters; to provide policy guidance; and, to take action on Association business as necessary and appropriate. The preliminary agenda for such meetings shall be developed by the Board Chair in consultation with the Chief Executive Officer. The agenda should be transmitted to Board Members in advance of the Board Meeting with sufficient supporting information to facilitate the decision-making process.
5. Ensure that complete and accurate minutes of the Board and annual and special membership meetings are prepared and maintained. Except as specified otherwise in the Association's Bylaws, minutes will generally be prepared in accordance with the "Guidelines for Taking Meeting Minutes" contained in the most recent version of *Robert's Rules of Order*, and shall be kept and maintained at the Association headquarters and distributed to all Board members.
6. Ensure open discussion and information exchange about all matters that come before the Board.
7. Authorize the funds, facilities, equipment, and human resources necessary to carry out the mission and objectives of the Association.
8. Establish committees when necessary.
9. Through the Chair, in consultation with the Chief Executive Officer and the Committee Chair, refer matters to committees for examination and investigation, receive reports from those committees and take appropriate action as a result of such reports; provided that referral of a matter to a committee will not preclude the Board from taking action on that matter.
10. Select and appoint Board Counsel, as required.
11. Arrange periodically for an evaluation of Board performance and for a systematic program to keep the Board informed and educated about the Association's business and operations.
12. Periodically review this Board policy regarding the functions, duties and responsibilities of the Board and review the Association's objectives and goals, as recommended by the Chief Executive Officer and the strategy to achieve those objectives and goals.



B. Financial duties and responsibilities of the Board are as follows:

1. Ensure the fiscal soundness of the organization.
2. Review the Association's financial statements.
3. Review the consolidated operating and capital budgets as recommended by the Chief Executive Officer including all budget revisions. Approve the operating and capital budgets, and budget revisions greater than \$1,000,000.
4. Review on an annual basis, the long-range financial forecasts to determine the financial needs of the Association and how they will be met.
5. Review staff recommendations on financial policies and practices and review sources and strategies for financing.
6. Protect the assets of the Association through appropriate risk management policies and coverages and by ensuring that lending covenants are met or exceeded.
7. Adopt and ensure appropriate controls for the exercise of authority delegated to Board Officers, the Chief Executive Officer, and other employees.
8. Approve depositories for funds of the Association and those authorized to sign checks, drafts, notes, contracts, deeds, mortgages and other instruments on behalf of the Association.
9. Establish policies governing the investment of funds of the Association and periodically review the investment of funds to make sure the principal is safe and the rate of return is reasonable and discuss with the Chief Executive Officer any action required.
10. In consultation with the Chief Executive Officer and Chief Financial Officer, establish target Equity to Total Capitalization Ratio and Capital Credit Rotation Policy to ensure progress towards target equity ratio.
11. Adopt proposed base rate changes.
12. Review annually the Capital Improvement Plan.
13. Review and approve major contracts exceeding Chief Executive Officer authority, as required.
14. Develop basic policies to ensure that major purchases are done competitively, where appropriate.

15. Establish policies governing the payment of travel, out-of-pocket and other expenses of Directors.
- C. Operations duties and responsibilities of the Board are as follows:
1. Consider and adopt short-range and long-range plans with respect to:
    - a. objectives and major goals for the Association that are in conformance with the Articles of Incorporation and the Bylaws as well as all applicable federal and state laws; and
    - b. operating programs, services, and activities developed and recommended by the Chief Executive Officer.
  2. Review and adopt any changes necessary to the Delegations of Authority (Board Policy 401) from the Board to the Chief Executive Officer.
  3. Review, in consultation with the Chief Executive Officer, the Association's bylaws and recommend any changes required to meet current operating conditions, which changes shall be recommended to the Bylaws Committee.
  4. Review periodically the method of nominating Directors to make sure the process encourages nominations which are representative of the composition of the membership and make recommendations to the Nominating and Bylaws Committees regarding any proposed changes to that process.
  5. Ensure that controls are established which can be used in evaluating the effectiveness of Association operations by:
    - a. examining periodic reports from the Chief Executive Officer to ensure conformity to the Board's approved objectives, policies, major goals, plans and programs. These reports should be of sufficient scope to enable the Board of Directors to: prevent unauthorized action; determine how operations in key performance areas are progressing; predict trends and forecast results; determine where remedial or corrective action may be required; measure results against annual work plans and budgets; measure performance against plans and policies; and
    - b. examining the independent management audit if such an audit is undertaken, and ensuring that Board-approved recommendations are carried out.
  6. In consultation with the Chief Executive Officer, review (a) proposed revisions to the Association's wage and salary plan for non-bargaining unit

employees; (b) major employee benefit programs; and (c), strategies to be utilized in labor negotiations and/or proposed contract changes. Adopt changes to those plans and programs as appropriate.

7. In consultation with the Chief Executive Officer, review member attitude studies and public and member relations programs, including member involvement and communication, so that a continuous program of member, public, and governmental relations is carried out to obtain understanding and support for Association objectives.
8. Keep members informed about issues affecting the Association through the Association website, newsletters and other publications, annual reports and membership meetings. Every reasonable effort shall be made to keep the members advised of the long-range outlook on power costs, and as far in advance as possible, on the need for adjustments in rates.
9. In consultation with the Chief Executive Officer, review market research and marketing plans and programs to improve load factors and energy sales and to help the members make more efficient use of electric energy. Adopt changes to those plans and programs as appropriate.
10. In consultation with the Chief Executive Officer, review and adopt legislative strategies and legislation to be supported or opposed by the Association.
11. In consultation with the Chief Executive Officer, review the Association's relations with Alaska Power Association (APA) and with other organizations, agencies and entities as necessary and adopt policies with regard to those entities.
12. Review recommendations of the Chief Executive Officer on the selection of principal consultants to the Board, and approve the selection of those consultants.
13. Endeavor to improve the quality of the environment through supporting the implementation of business practices that reduce or eliminate waste and encourage the recycling and environmentally sound disposal of waste.
14. Encourage the active participation of the members through committees and review, in accordance with Board Policy 602, the applications of those interested in serving on Member Standing Committees.
15. Review periodically programs and plans for Director education and development, so that Board members may be well informed about changing member needs and how the Association might meet those needs. This includes increasing knowledge and understanding of the Association's

business and operations, participating in conferences, workshops, seminars, and other professional activities deemed advantageous to the Association.

16. Assisting new Board members to develop a greater understanding of the Association and their basic responsibilities and duties, including arranging for training of new Board members about the Association's objectives, plans, policies, operations and programs.

**III. RESPONSIBILITIES**

- A. The Board may delegate any or all of these responsibilities to a committee of the Board or Chief Executive Officer as long as such action is not inconsistent with the Association's Bylaws or other legal requirements.
- B. It shall be the responsibility of the Board Chair to see that the foregoing functions are effectively carried out.

Date Approved: September 23, 2020

Attested:   
James R. Henderson  
Secretary of the Board

# APPENDIX D

## CHUGACH ELECTRIC ASSOCIATION, INC.

### BOARD POLICY: 106

#### DIRECTOR DUTIES AND STANDARDS OF CONDUCT

##### **I. OBJECTIVE**

To describe and set forth the fiduciary duties of Directors and to clarify the standards of conduct for which Directors will be held accountable when serving on the Board.

##### **II. PREAMBLE**

All of the powers of the Association are conferred upon and may be exercised by the Board of Directors, except as reserved to or conferred upon the members by law, the articles of incorporation, or the bylaws. It is the purpose of this Policy to identify or establish standards whereby such power may be exercised in the best interests of the Association.

##### **III. CONTENT**

A. Directors are subject to legal standards of fiduciary responsibility. These include the duties of care and loyalty. Under the duty of care, directors are required to:

1. Exercise that degree of care that an ordinarily prudent person would exercise under similar circumstances.
2. Have or acquire the minimum knowledge and skills necessary to direct the affairs of the Association.
3. Make every effort to attend all meetings of the Board and to study materials sent prior to each Board meeting.
4. Study and adhere to all obligations imposed by the Articles of Incorporation, the Bylaws, contractual agreements and Board Policies.

B. Directors Shall Act Only Through the Board.

1. The Board recognizes that should any Director undertake in private conversation with others to make commitments for the Board of Directors, unless directed officially by the Board, that Director becomes involved in a serious breach of policy that might disrupt the entire organization. The Board member shall be subject to reprimand from fellow Board members should a director attempt to make commitments unofficially for the Board.

2. The Board of Directors shall refrain as individuals from discussing management and personnel problems with personnel of the Association. The Board of Directors, in consultation with the Chief Executive Officer, may confer with key personnel at regular or special meetings of the Board.
  3. The “flow” of authority for the management of the Association shall be through the Board of Directors to the Chief Executive Officer. The Board of Directors shall require full, complete and timely information from the Chief Executive Officer concerning pertinent matters in connection with the management of the Association as set forth in Board Policies.
- C. Director’s Initiatives for Board of Directors Meetings. Any Director may propose a topic for discussion at an upcoming board meeting or committee meeting. The Chief Executive Officer and the Board Chair will consider any such proposal as a possible item of new business for regular Board meetings and, for Committee meetings, the Chair of the Committee will consider any such proposal in consultation with the Chief Executive Officer.
- D. Board Member Access to Company Data and Information. Any Director is entitled to have access to any data or information of the Association at reasonable times during business hours and for a proper purpose that is germane to a Board member’s standing. This principle is subject to and will be honored in accordance with the following standards:
1. All requests for such information or data shall be made to and through the Board Chair and Chief Executive Officer. In no case (unless after consultation with and being advised otherwise by the Board Chair and General Counsel because an actual or potential criminal activity of the Chief Executive Officer is involved) shall such information or data be sought by a Board member through other employees, agents, or independent contractors.
  2. In any instance in which a Director has sought access to information or data not generally or ordinarily made available or reported to the Board, the Board Chair shall so report in detail to the Board at its next meeting.
  3. Information or data received by a Director pursuant to this Policy shall not be revealed by the Director to any other persons unless the Director is sincerely convinced, after consultation with General Counsel, that to do so is compelled by law or the overriding best interests of the Association.
  4. In no case should a Director reveal to others information and data received by a Director because of the Director’s inside position in the Association if the actual or potential effect of such revelation is to damage the Association, including its image.

- E. Good Faith. Every Director in expressing their views, questions, concerns, positions and activities relating to Association policies, rates, charges, programs, etc., shall be given the benefit of the assumption that the Director is pursuing the best interests of the Association. In turn, good faith requires that: (1) Directors reveal all information or interests which they may have that may bear upon action being considered by the Board or management; (2) Directors, neither in Board or Board committee meetings nor outside meetings, pursue a position, inquiry, recommendation or motion as to unduly harass or annoy another Director or member of management; (3) Directors, unless in a Board meeting or committee meeting or while acting upon authority delegated by the whole Board, exercise no special privilege not available to the general membership; and (4) Directors' communications with employees other than management, if made at all, shall be casual and conducted on a friendly and courteous basis and not for the purpose of influencing an employee's position or attitude concerning Association-related activities, or concerning such activities or the employment positions of other Association employees, or seeking Association information or data.
- F. Directors shall comply with Board Policy 104, Prohibited Conduct and Conflict of Interest.
- G. Directors shall comply with Board Policy 605, Request for Association Information. A Director shall not:
1. Use Association information in any manner that is not in the best interests of the Association;
  2. Individually conduct negotiations or make contacts or inquiries on behalf of the Association and/or the Board of Directors unless officially designated to do so;
  3. Disclose confidential Association information in violation of Board Policy 605, Requests for Association Information and Board Policy 105, Confidential Information;
  4. Directors shall comply with any Association policy, with any direction provided by the Chief Executive Office and with applicable law with regard to any Confidential Information.
- H. Any Director appointed by the Board to serve as a Liaison or as a Representative of the Board to any member committee, trade or other organization, or to any third party or group (collectively, "Entity") shall:
1. Act solely within the scope of any direction provided by the Board and/or by the Board Chair either by resolution or otherwise.

2. Provide adequate notice of important matters coming before the Entity and meaningful opportunities to provide guidance to the Board and the Chief Executive Officer.
  3. Represent the Association's best interest in all votes taken by the Entity.
  4. Keep the Association Board and management fully informed of all significant Entity activities.
- I. Media and Public Statements.
1. Any Director may speak with the media on behalf of the Association only if he or she has been designated as an Association media spokesperson on the topic or issue.
  2. Subject to paragraph 1, a Board member is encouraged to be an ambassador of the Association and, subject to rules regarding confidentiality, to promote the activities and actions of the Board with the Association's membership. In so doing, a Board member must stay faithful to the intent of the Board as expressed in its official statements, and should not reinterpret or re-characterize the Board's actions to reflect one's own view. While having the right and responsibility to exercise independent judgment and to express dissenting opinions during Board deliberations, a Board member also has the obligation outside the Boardroom to respect and support decisions of the majority, even when the Board member dissented from the majority view. Provided that the limitations of this paragraph are honored, a Board member may express personal views on any topic of public debate, which may include, generic discussion of matters of public policy involving the Association's activities. It is not a violation of this Policy for an incumbent Board member, during the course of a campaign for re-election, to describe or explain that director's voting record and to state positions on issues concerning the Association.
- J. Enforcement. The Board Chair is authorized to ensure compliance with this Policy. Any Director may request the review of actions taken by another Director by requesting a meeting with that Director and the Board Chair to discuss concerns.

If that discussion does not resolve the concern or if the compliance issue arises out of a potential breach of Board Policy 106, Section III.B, the Director questioning the action of another Director may deliver to each Director a notice, signed by at least two Directors, setting forth the charges against such other Director. The Director against whom the charges are brought shall be informed in writing of the charges at least ten days prior to the meeting of the Board. This meeting shall be presided over by the Board Chair unless he/she is the charged



party in which case the presiding officer shall be the Vice Chair. At such Board meeting and in the presence of the Director charged, the person or persons bringing the charges shall present evidence of non compliance. The Director charged shall have an opportunity to present evidence in support of a defense to the charges. The Director may be disciplined or censured only by a 3/4ths majority vote of the entire Board, less the member charged, finding that the Director failed to comply with one or more Board Policies. Any such review of compliance undertaken by the Board and any action taken by the Board shall be reflected in the minutes of the meeting at which such review occurred.


Disciplinary action under this section is in addition to the right of the membership to remove a Director.

**IV. RESPONSIBILITY**

The Chairman of the Board shall be responsible for bringing the attention of the Board members to non-adherence to this Policy.

Each Director shall make every reasonable effort to ensure that this Policy is adhered to.

Date Approved: May 25, 2016

Attested:   
Bruce M. Dougherty  
Secretary of the Board

# Option A

(Phased-in over a three-year period)

## **Regular/Special Board Meetings**

Survey – National Rural Electric Cooperative Association (NRECA) National Directors Survey (August 2022) Peer Group 1 – Revenue (\$205M - \$580M) Average + Complexity Percentage (BRU market revenue as a % of 2022 total revenue) + Geographic Pay Differential (May 2022 Bureau of Labor Statistics), rounded.

## **Committee Meetings**

75% of Regular/Special Board Meetings, rounded.

## **Other Meetings/Events, conferences, educational seminars and travel days**

Survey – NRECA National Directors Survey (August 2022) Peer Group 1 – Revenue (\$205M - \$580M) Minimum + Complexity Percentage (BRU market revenue as a % of 2022 total revenue) + Geographic Pay Differential (May 2022 Bureau of Labor Statistics), rounded. No fee for committee and/or board meeting preparation with Chief Executive Officer (CEO).

## **Additional amount per day as Board Chair**

Previous amount adjusted by percentage change in previous per meeting fee, rounded.

## **Additional amount per day as Committee Chair**

75% of additional amount per day as Board Chair.

## **Phase-in schedule**

November 1, 2023 – December 31, 2024 (Year 1)

January 1, 2025 – December 31, 2025 (Year 2)

January 1, 2026 – December 31, 2026 (Year 3)

## **Future schedule – Beginning January 1, 2027, and annually thereafter**

Survey – NRECA National Directors Survey (current available) Peer Group 1 – Revenue (\$205M - \$580M), or equivalent, Average + Complexity Percentage (previous fiscal year BRU market revenue as a % of previous fiscal year total revenue) + Geographic Pay Differential (Bureau of Labor Statistics, current available), rounded.

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

**Board Compensation**

Description	Current		Year 1		Three-Year Phase In <sup>1</sup>		Year 3	
	Rate	Total Cost	November 1, 2023		January 1, 2025		January 1, 2026	
			Rate	Total Cost	Rate	Total Cost	Rate	Total Cost
Regular & Special Board Meetings	\$300	\$51,600	\$450	\$77,400	\$600	\$103,200	\$750	\$129,000
Board Chair	\$50	\$1,250	\$75	\$1,875	\$100	\$2,500	\$125	\$3,125
Board Committee Meetings	\$300	\$28,400	\$392	\$37,324	\$483	\$46,183	\$575	\$55,075
Board Committee Chair	\$0	\$0	\$32	\$500	\$63	\$1,000	\$95	\$1,500
Other Meetings/Events	\$200	\$31,200	\$250	\$36,000	\$300	\$44,000	\$350	\$50,400
Conferences/Education (In-State)	\$200	\$6,600	\$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
Travel (In-State)	\$200	\$400	\$250	\$500	\$300	\$600	\$350	\$700
Travel (Out-of-State)	\$300	\$3,600	\$317	\$3,804	\$333	\$4,000	\$350	\$4,200
<b>Total</b>		<b>\$135,300</b>		<b>\$177,903</b>		<b>\$223,633</b>		<b>\$267,800</b>
<b>Difference from Current</b>		----		<b>\$42,603</b>		<b>\$88,333</b>		<b>\$132,500</b>
<b>% Change from Current</b>		----		<b>31.5%</b>		<b>65.3%</b>		<b>97.9%</b>

<sup>1</sup>NRECA National Directors Survey, Peer Group 1 Revenue (\$205M - \$580M) (August 2022)

BRU Complexity Percentage - 2022 BRU market revenue as a percentage of 2022 total revenue

Geographic Pay Differential - Bureau of Labor Statistics (May 2022)

Effective January 1, 2027, and annually thereafter:

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

**GOVERNANCE COMMITTEE MEETING**  
**AGENDA ITEM SUMMARY**

**October 17, 2023**

**ACTION REQUIRED**

**AGENDA ITEM NO. VI.C.**

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

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**TOPIC**

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

**DISCUSSION**

Article IV, Section 9 of the Association's, Bylaws provide "[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 identifying 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), a Beluga River Unit (BRU) complexity percentage and a geographic pay differential from 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 and current market director compensation data as proposed.

**MOTION**

Move that the Governance Committee recommend the Board of Directors approve the attached Resolution and Board Policy 204, adopting a new schedule and structure 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 provide 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 identifying 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), a Beluga River Unit (BRU) complexity factor calculation and a geographic pay differential calculation; 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 and 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, outlining Board of Directors compensation beginning November 1, 2023, and further adjusted effective January 1, 2025, and January 1, 2026;

BE IT FURTHER RESOLVED, beginning January 1, 2027, and annually thereafter, Board Policy 204 shall be further revised as each NRECA National Directors Survey becomes available utilizing the same peer group, or equivalent, plus a BRU complexity percentage utilizing the previous fiscal years’ BRU market revenue as a percentage of the previous years’ total revenue plus a geographic pay differential based on the current available Bureau of Labor Statistics, all rounded to the nearest twenty five dollars; and

BE IT FURTHER RESOLVED, that the Board of Directors shall review and commit to reduce the number of regular and special board meetings and board committee meetings prior to January 1, 2025.

## 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 25th day of October, 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 25th day of October, 2023.

\_\_\_\_\_  
Secretary

## 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 Directors 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 Meetings/Events Fee" in the amount identified in Appendix A shall be paid to Directors for each day of attendance, or fraction thereof, at: (1) 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: October 25, 2023

Attested: \_\_\_\_\_  
Susanne Fleek-Green  
Secretary of the Board

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

**SCHEDULE OF DIRECTOR FEES**

Description	Effective November 1, 2023	Effective January 1, 2025	Effective January 1, 2026
Regular & Special Board Meeting Fee	\$450	\$600	\$750
Board Chair Fee	\$75	\$100	\$125
Board Committee Meeting Fee	\$392	\$483	\$575
Board Committee Chair Fee	\$32	\$63	\$95
Other Meetings/Events Fee	\$250	\$300	\$350
Conferences/Education Fee (In-State)	\$250	\$300	\$350
Conferences/Education Fee (Out-of-State)	\$350	\$350	\$350
Travel Fee (In-State)	\$250	\$300	\$350
Travel Fee (Out-of-State)	\$317	\$333	\$350

**Beginning January 1, 2027, and annually thereafter:**

Survey – NRECA National Directors Survey (current available) Peer Group 1 – Revenue (\$205M - \$580M), or equivalent, Average + Complexity Percentage (previous fiscal year BRU market revenue as a % of previous fiscal year total revenue) + Geographic Pay Differential (Bureau of Labor Statistics, current available), rounded.

# Option B

## **Director Fee and Expense Categories:**

**Regular/Special Board and Board Committee Meetings (In-State)**

**Regular/Special Board and Board Committee Meetings (Out-of-State)**

**Other Meetings/Events (In-State)**

**Other Meetings/Events (Out-of-State)**

**Conferences/Education (In-State)**

**Conferences/Education (Out-of-State)**

**Travel (In-State)**

**Travel (Out-of-State)**

**Additional amount per day as Board Chair**

Current compensation adjusted by the Anchorage Consumer Price Index (CPI-U) from the last board compensation adjustment in 2011 through December 31, 2022, or 27%, rounded.

## **Additional amount per day as Committee Chair**

75% of additional amount per day as Board Chair.

## **Schedule**

November 1, 2023 – December 31, 2023

## **Future Schedule: January 1, 2024, and annually thereafter**

Current compensation adjusted by the CPI-U for the twelve-month period ended June of the prior year, rounded.

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

**Board Compensation**

Description	Current		Effective November 1, 2023	
	Rate	Total Cost	Rate <sup>1</sup>	Total Cost
Regular & Special Board Meetings	\$300	\$51,600	\$381	\$65,532
Board Chair	\$50	\$1,250	\$64	\$1,600
Board Committee Meetings	\$300	\$28,400	\$381	\$36,257
Board Committee Chair	\$0	\$0	\$48	\$768
Other Meetings/Events	\$200	\$31,200	\$254	\$39,624
Conferences/Education (In-State)	\$200	\$6,600	\$254	\$8,382
Conferences/Education (Out-of-State)	\$350	\$12,250	\$445	\$15,575
Travel (In-State)	\$200	\$400	\$254	\$508
Travel (Out-of-State)	\$300	\$3,600	\$381	\$4,572
<b>Total</b>		<b>\$135,300</b>		<b>\$172,818</b>
<b>Difference from Current</b>		----		<b>\$37,518</b>
<b>% Change from Current</b>		----		<b>27.7%</b>

<sup>1</sup>Current compensation adjusted by the Anchorage Consumer Price Index (CPI-U) from the last board compensation adjustment in 2011 through December 31, 2022, or 27%, rounded.

Effective January 1, 2024, and annually thereafter:  
Current compensation adjusted by the CPI-U for the twelve-month period ended June of the prior year, rounded.

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

**GOVERNANCE COMMITTEE MEETING**  
**AGENDA ITEM SUMMARY**

**October 17, 2023**

**ACTION REQUIRED**

**AGENDA ITEM NO. VI.C.**

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

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**TOPIC**

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

**DISCUSSION**

Article IV, Section 9 of the Association's, Bylaws provide "[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 identifying specific Director fee and expense reimbursement guidelines pursuant to the Association's Bylaws. The Association reviewed Board Policy 204 and the change in the Anchorage Consumer Price Index (CPI-U) since 2011, the last time board compensation was changed. Based on that review, the Board of Directors believe it is reasonable and appropriate to update Board Policy 204 to reflect an inflationary adjustment as a standard expense reimbursement practice as proposed.

**MOTION**

Move that the Governance Committee recommend the Board of Directors approve the attached Resolution and Board Policy 204, adopting a new schedule and structure 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 identifying specific Director fee and expense reimbursement guidelines pursuant to the Association’s Bylaws;

WHEREAS, the Association reviewed Board Policy 204 and the change in the Anchorage Consumer Price Index (CPI-U) since 2011, the last time board compensation was changed; and

WHEREAS, based on that review, the Board of Directors believe it is reasonable and appropriate to update Board Policy 204 to reflect an inflationary adjustment as a standard expense reimbursement practice.

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

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

BE IT FURTHER RESOLVED, that Board Policy 204 be further revised beginning January 1, 2024, and annual thereafter, by the CPI-U for the twelve-month period ended June of the prior year, rounded; and

BE IT FURTHER RESOLVED, that the Board of Directors shall review and commit to reduce the number of regular and special board meetings and board committee meetings prior to January 1, 2025.

### 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 25th day of October, 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 25th day of October, 2023.

\_\_\_\_\_  
Secretary

## 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 Directors 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 Meetings/Events Fee" in the amount identified in Appendix A shall be paid to Directors for each day of attendance, or fraction thereof, at: (1) 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: October 25, 2023

Attested: \_\_\_\_\_  
Susanne Fleek-Green  
Secretary of the Board

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

**SCHEDULE OF DIRECTOR FEES**

Description	Effective November 1, 2023
Regular & Special Board Meeting Fee	\$381
Board Chair Fee	\$64
Board Committee Meeting Fee	\$381
Board Committee Chair Fee	\$48
Other Meetings/Events Fee (In-State)	\$254
Other Meetings/Events Fee (Out-of-State)	\$445
Conferences/Education Fee (In-State)	\$254
Conferences/Education Fee (Out-of-State)	\$445
Travel Fee (In-State)	\$254
Travel Fee (Out-of-State)	\$381

**Beginning January 1, 2024, and annually thereafter:**

Current compensation adjusted by the CPI-U for the twelve-month period ended June of the prior year, rounded.

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

**Member Advisory Council (MAC) Charge - 2024**

The Board of Directors provides the following Charge to the Member Advisory Council

**Rationale and Composition:** Chugach Bylaw Article XIV provides that the Board may appoint a MAC as an ad hoc committee to advise the Board. Members of the MAC were appointed as provided in Bylaw Article XV to one-year terms to consider and address a series of topics identified by the Board of Directors.

**Purpose:** MAC is appointed to assess and, if possible, articulate proposals or alternatives that will facilitate and continue the process of . . . With an eye towards responsiveness to member direction and service, we charge the MAC to consider:

- 1) How do we help members understand their responsibilities and opportunities within a member owned cooperative? (January XX, 2024)
- 2) How do we continue to increase member engagement, including what forums, community meetings, and other events would be good opportunities for Chugach to attend to ensure member-owners are aware of Chugach's operations and Strategic Plan? (April XX, 2024)
- 3) What operating or emerging policy issues within the electric utility industry are of interest to Chugach members, such as deployment of new renewable energy sources? (July XX, 2024)
- 4) How do we support members adopt strategies for beneficial electrification and other programs to reduce their electricity bills? (October XX, 2024)

Please consider these topics. We encourage members of the MAC to discuss these topics not only with each other, but to consider themselves a forum to discuss them with other Chugach members. After discussion within the MAC, please recommend solutions, programs, or processes to address specific needs or issues identified.

Meeting schedule and topics (subject to change by the Committee):

January 2024 -

April 2024 -

July 2024 -

October 2024 -

**Institutional Support:**

Meet in the Boardroom and virtually.

Staff Liaison - Julie Hasquet

Board Liaison -

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