

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD MEETING
AGENDA ITEM SUMMARY

February 23, 2005

ACTION REQUIRED

AGENDA ITEM NO. IX.C.1-3

Information Only
 Motions
 Resolution
 Executive Session
 Other _____

TOPIC

Proposed Bylaw Amendments and Board Comments

DISCUSSION

The following proposed bylaw amendments and accompanying comments are before the Board for its approval. Motions for each agenda item follow on page 3.

1. Agenda Item IX.C.1.a. - Proposed Bylaw Amendment to Article V, Meetings of Directors, Section 6. Minutes

At its February 2, 2005 meeting, the Board Operations Committee approved the attached amendment to **Article V, Meetings of Directors, Section 6. Minutes** for referral to the full Board for its approval and for placement on the ballot for the 2005 annual membership meeting. This proposed amendment would eliminate the requirement that all regular and special board meetings be electronically recorded and kept for a year and that the recordings be transcribed at a member's request and expense. It does not require that the Association stop electronically recording these Board meetings. This proposed bylaw amendment had originally been referred by the Board to the Bylaws Committee for its consideration, and was approved by the Bylaws Committee at its January 4, 2005 meeting.

2. Agenda Item IX.C.1.b. - Comment to Proposed Bylaw Amendment to Article V, Meetings of Directors, Section 6. Minutes

A proposed **comment** to accompany the proposed amendment to Article V, **Meetings of Directors, Section 6. Minutes** is attached as Agenda Item No. IX.C.1.b. This comment was approved by the Bylaws Committee at its January 20, 2005 meeting. At its February 2, 2005 meeting the Board Operations Committee voted to approve and join with the Bylaws Committee in this comment, which would appear in the election brochure that is sent to the members along with the ballot and other election materials for the 2005 annual membership meeting.

3. **Agenda Item IX.C.2.a. – Proposed bylaw amendments to Article XIV, Advisory Council and to Article XV, Standing and Ad Hoc Committees, Section 1. General**

At its February 2, 2005 meeting, the Board Operations Committee approved the attached proposed amendments to **Article XIV, Advisory Council** and to **Article XV, Standing and Ad Hoc Committees, Section 1. General** for referral to the full Board for its approval and for placement on the ballot for the 2005 annual membership meeting. These proposed amendments would eliminate the requirement for a Member Advisory Council. The proposed amendments were approved by the Bylaws Committee at its January 20, 2005 meeting. It considered input provided by the Board and management.

4. **Agenda Item IX.C.2.b. - Comment to Proposed bylaw amendments to Article XIV, Advisory Council and to Article XV, Standing and Ad Hoc Committees, Section 1. General**

A proposed **comment** to accompany the proposed bylaw amendment to **Article XIV, Advisory Council** and to **Article XV, Standing and Ad Hoc Committees, Section 1. General** is attached as Agenda Item No IX.C.2.b. This comment was approved by the Bylaws Committee at its January 20, 2005 meeting. At its February 2, 2005 meeting the Board Operations Committee voted to approve and join with this Bylaw Committee comment, which would appear in the election brochure that is sent to the members along with the ballot and other election materials for the 2005 annual membership meeting.

5. **Agenda Item IX.C.2.c. – Additional Board Comment to Proposed Bylaw Amendments to Article XIV, Advisory Council and to Article XV, Standing and Ad Hoc Committees, Section 1. General**

At the February 2, 2005 Board Operations Committee, Director Lipscomb stated he would draft a separate comment for the Board to consider in support of the proposed amendments to **Article XIV, Advisory Council** and **Article XV, Standing and Ad Hoc Committees, Section 1. General**. A copy of that proposed draft comment will be provided to the Board prior to the Board meeting as Agenda Item IX.C.2.c.

6. **Agenda Item IX.C.3.a. – Proposed Bylaw Amendment to Article XV, Standing and Ad Hoc Committees, Section 2. Compensation**

At its January 19, 2005 meeting, the Board approved the attached proposed amendment to **Article XV, Standing and Ad Hoc Committees, Section 2. Compensation** and referred it to the Bylaw Committee for its consideration. The Bylaws Committee approved the proposed amendment at its January 20, 2005 meeting. It is now before the Board for its approval for placement on the ballot for the 2005 annual membership meeting. The proposed bylaw amendment would eliminate the prohibition on compensating standing and ad hoc committee members.

7. **Agenda Item IX.C.3.b. – Comment to Proposed Bylaw Amendment to Article XV, Standing and Ad Hoc Committees, Section 2. Compensation**

At its January 20 meeting the Bylaws Committee approved the attached **comment** to the proposed bylaw amendment to Article XV, **Standing and Ad Hoc Committees, Section 2. Compensation**. This comment would accompany the proposed amendment in the election brochure that is sent to members for the 2005 annual meeting. The Board can join in with the Bylaws Committee comment, modify it or write its own comment.

CEO'S RECOMMENDATION

Agenda Item IX.C.1.a. – Move to approve the proposed bylaw amendment to **Article V, Meetings of Directors, Section 6. Minutes** of the Association's bylaws for placement on the ballot for the 2005 annual membership meeting.

Agenda Item IX.C.1.b. – Move to approve and join the attached Bylaws Committee comment to the proposed bylaw amendment to **Article V, Meetings of Directors, Section 6. Minutes** to accompany the proposed bylaw amendment in the 2005 annual meeting election brochure.

Agenda Item IX.C.2.a. – Move to approve the proposed bylaw amendments to **Article XIV, Advisory Council** and to **Article XV, Standing and Ad Hoc Committees, Section 1. General** of the Association's bylaws for placement on the ballot for the 2005 annual membership meeting.

Agenda Item IX.C.2.b. – Move to approve and join the Bylaws Committee's comment to the proposed bylaw amendments to **Article XIV, Advisory Council** and to **Article XV, Standing and Ad Hoc Committees, Section 1. General**.

Agenda Item IX.C.2.c. – N/A

Agenda Item IX.C.3.a. – Move to approve the proposed bylaw amendment to **Article XV, Standing and Ad Hoc Committees, Section 2. Compensation** of the Association's bylaws for placement on the ballot for the 2005 annual membership meeting.

Agenda Item IX.C.3.b. – Move to approve and join the Bylaws Committee's comment to the proposed bylaw amendment to **Article XV, Standing and Ad Hoc Committees, Section 2. Compensation**

**ARTICLE V
MEETINGS OF DIRECTORS**

SECTION 6. Minutes. Minutes will be kept for all regular and special meetings and shall include each director's vote on each matter voted upon by the board of directors. Copies of the minutes shall promptly be given to Association members upon request. The board of directors may prescribe a reasonable fee for such copies provided such fee shall not exceed the actual labor and material costs of reproduction.

AGENDA ITEM NO. IX.C.1.b.

Bylaws Committee Comment to Proposed Bylaw Amendment to Article V, Meetings of Directors, Section 6. Minutes

The official record of a corporation's Board meetings is the minutes. There is no legal requirement to electronically record the meetings or to save or provide transcripts of them. A survey of other utilities/corporations indicated that these requirements are not the standard practice. Minutes of the meetings are available on the Chugach web site, at the Association's offices, and by request of a member. Members can also attend the meetings in person. Therefore this bylaw requirement is not necessary.

AGENDA ITEM NO. IX.C.2.a.

NOTE: Article XV, Article XVI and Article XVII would be renumbered as Article XIV, Article XV and Article XVI, respectively.

**ARTICLE XV
STANDING AND AD HOC COMMITTEES**

SECTION 1. General. This section shall apply to standing and ad hoc committees which may from time to time be appointed by the board. Standing 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.

AGENDA ITEM NO. IX.C.2.b.

Bylaws Committee Comment to Proposed Bylaw Amendments to Article XIV, Advisory Council, and Article XV, Standing and Ad Hoc Committees, Section 1. General

The Member Advisory Council has not met since 1997. The Board has the authority under Article IV, Section 1 of the Bylaws to appoint ad hoc committees. Therefore, the purpose of a MAC can be fulfilled on an as-needed basis.

AGENDA ITEM NO. IX.C.2.c.

Separate Board comment to Proposed Bylaw Amendments to Article XIV, Advisory Council, and Article XV, Standing and Ad Hoc Committees, Section 1. General

As the Association has grown over the decades, its business and the utility industry in general have become more complex. The operational and policy issues facing the Association's management and Board of Directors require both expertise and a significant time commitment. The Board is made up of Association members who live in the Association service area and get their power from the Association. Like other members they place a high value on safety, reliability, and keeping the cost of receiving energy and services from the Association reasonable. In the past, it has been difficult to find members who can donate the time required to serve on a Member Advisory Council. These reasons, as well as the fact that the ultimate responsibility for management of the Association rests with your elected Board of Directors and cannot be delegated, make the requirement of a Member Advisory Council impractical and unnecessary. The Board can create ad hoc member committees as needed under Article XV, Section 1 of the bylaws. Therefore, the Board of Directors recommends you vote for this bylaw change.

AGENDA ITEM NO. IX.C.3.a.

**ARTICLE XV
STANDING AND AD HOC COMMITTEES**

[Sections 3, 4 and 5 would be renumbered as 2, 3 and 4.]

AGENDA ITEM NO. IX.C.3.b.

Bylaws Committee Comment to Proposed Bylaw Amendment to Article XV, Standing and Ad Hoc Committees, Section 2. Compensation

It is frequently difficult for the Board to fill member committees. This proposed bylaw amendment would allow the Board to provide some form of compensation to members to encourage their participation on such committees.