

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

February 25, 2009

ACTION REQUIRED

AGENDA ITEM NO. XI.A

 Information Only
 X Motion
 Resolution
 Executive Session
 Other

~~ REVISED ~~
Feb. 19, 2009 @ 2:30 p.m.

TOPIC

Review and Approve 2009 Election Procedures

DISCUSSION

The Chugach bylaws state the Election Committee “shall devise such procedures, and adopt such rules and regulations, subject to the approval of the board of directors, as may be reasonably necessary or convenient to the discharge of the election committee’s responsibilities. These responsibilities shall include, but are not limited to (1) the registration of members at the annual or special meeting, and (2) the obligation of insuring the fairness, impartiality, confidentiality, and integrity of the voting process.”

The Election Committee met on January 5 and 13, 2009 to review and revise last year’s procedures as appropriate. They also approved further changes through an e-mail process, including a suggested change from the Operations Committee. A copy of the committee’s proposed 2009 Election Procedures is attached. Changes are highlighted in yellow and pink. Also provided are copies of the Election Practices adopted by Chugach and its Election Contractor.

MOTION

Move that the Board of Directors’ review and approve the 2009 Election Procedures.

Chugach Electric Association, Inc.
Anchorage, Alaska
2009 Election Procedures

(Revised 1/26/09)

(To be approved by the Chugach Board)

The Election Committee at its Jan. 5 and 13 meetings (as well as through an e-mail process to make changes to items 2, 17, 18 and 19 – see note at the end of the procedures) adopted the following procedures:

1. The following are the two criteria for a valid mail ballot:
 - 1) the ballot envelope must contain the member number, and
 - 2) the ballot envelope must contain an appropriate, valid member signature for the member number on the envelope.

These are the same two criteria that were set for the 1988 through 2008 elections.

2. An Election Contractor will be hired to conduct the mechanics of the 2009 election. The Master Election Judge and/or their designee(s) may observe all activities of the Election Contractor, as described in the Election Practices.
3. The Election Committee will review ballot wording prior to printing.
4. March 18, 2009 is the record date for the election and annual meeting voting. In order to participate in the election and annual meeting voting a person or non-natural entity must be a Chugach member by the close of business on this date.

Non-natural members may change their designated voter using voting signature cards received by the close of business on the date of record, or at any time thereafter but no later than 6 p.m., 10 days prior to the April 30 annual meeting and election (April 20, 2009). Non-natural members may contact Chugach's Member Services Department at (907) 563-7366 for more information on how to change their designated voter. At the annual meeting, the non-natural member may vote if the individual's is the most recent signature on file or through an affidavit that the individual is an authorized representative of the non-natural entity.

5. Chugach will prepare and mail letters to the non-natural members in February advising them of the current signer for their account. The signer names used in the letters will be taken from the most up-to-date non-natural member card, or the member application, whichever is the most recent. The letter will state that the election packet will be addressed to the designated individual on the most up-

to-date non-natural member card, or the member application, whichever is most recent. The appropriate individual within their organization is to complete the enclosed signature card and return it to Chugach prior to March 18, 2009. However, the designated individual for their organization may subsequently be updated no later than 6 p.m., 10 days prior to the April 30 election and annual meeting (April 20, 2009) whichever is most recent. Information on how to submit an updated designated individual may be obtained by contacting Chugach Electric Member Services at (907-563-7366).

6. After the date of record the Chugach Information Services Department will prepare a member voter file. The member voter file will include a flag for non-natural members to assist the Election Contractor in maintaining separate statistics for different classes of voters. It will contain the member numbers as well as member names and addresses. In addition, the non-natural members' authorized signer will be displayed on the mailing label. The Election Contractor will be required to batch election materials in such a way that Chugach pays the least amount of postage. The member voter file will be limited to members whose \$5 membership fee has not been forfeited.
7. The Election Contractor will produce a membership roster showing those members eligible to participate in the 2009 election as of the date of record. The roster will be in alphabetical order.
8. Chugach will have election materials printed and delivered to the Election Contractor by March 20, 2009. The Election Contractor will stuff and label election packets containing candidate statements, a summary of the proposed bylaw changes, director attendance and voting records, a mail ballot and a postage-paid return envelope. An annual report or other financial information may be included in the packet. A window envelope will be used, allowing the member mailing address on the return envelope to provide both the outgoing address and the return member number. These will be batched to ensure the lowest postage costs. The Election Contractor will deliver the election materials to the Airport Post Office for mailing. Chugach will pay postage. All election materials must be delivered to the post office by March 31, 2009.

There will be two election ballot return envelopes printed.

For Naturals, the return envelope will have printed below the signature line in legible font:

This ballot will not be counted without the authorized member signature for the member number shown at left. Mail ballot envelopes must be received in the election post office box by noon, April 27, or be hand-delivered to Sramek Hightower, 2525 C Street, Suite 100, by noon, April 27, 2009.

For non-naturals, the return envelope will have printed below the signature line in legible font:

Only the person listed at the left is authorized in Chugach's records to sign this ballot envelope. If that person has changed:

- 1) You must update your voting designee by 6 p.m. April 20, 2009 so your ballot will be counted. Call Chugach Member Services (907-563-7366) for more information.
 - 2) Mail ballot envelopes must be received in the election post office box by noon, April 27, or be hand-delivered to Sramek Hightower, 2525 C Street, Suite 100, by noon, April 27, 2009.
9. Mail ballots must be returned by noon, April 27, 2009, (3 days prior to the Annual Meeting).
 10. Every member mailed an election packet is entitled to request one replacement ballot packet. Members who call Chugach requesting a replacement ballot packet will be referred to the Election Contractor. Chugach will not keep any ballot packets at its facilities. The Election Contractor must have a 24-hour phone number to handle calls. The Election Contractor will send these as requested, along with a new return envelope on which the member's name and member number have been printed. The replacement ballot envelope will be stamped "replacement", and "replacement" will be stamped next to the member's name in the roster to ensure that only one replacement ballot packet is sent.
 11. In the event a member returns two ballot envelopes, the ballot envelope that is received first will count, unless it is invalid.
 12. In-person voting is allowed at the Annual Meeting, April 30, for members who either did not vote by mail or whose mail vote was invalidated.
 13. Information about the validity or invalidity of individual ballot envelopes will not be provided after the election. Invalid ballot envelopes received prior to noon, April 27, will be returned to the member per Section 24 below that includes information about returning questioned ballot envelopes and a sample rejection letter to be sent to the member.

Only the Election Contractor will notify members of the invalidity or validity of their ballot envelopes.
 14. No security envelope will be used in the election. The ballot has been returned directly in the return mail envelope for every election since 1988.
 15. Ballots will be machine-readable.

16. The Election Contractor will be responsible for securing electronic/mechanical ballot counting equipment compatible with the ballots, and for transporting the equipment. The Election Contractor will successfully test the equipment prior to commencing ballot counting.
17. A special post office box will be secured at the Anchorage International Airport Post Office for use in the election. All returned ballots will go to this Post Office box. The process of picking up and securing ballot envelopes will be performed at least once a week by a minimum of any two of the three parties from the following: a) the Election Contractor, b) the Master Election Judge or designee(s) or c) a contracted security service. Ballots will not be returned to Chugach. Ballots and ballot envelopes which are inadvertently delivered to Chugach will immediately be turned over to the Election Contractor.
18. The parties will then take the ballot envelopes to the Election Contractor's facility where they will be counted. At least two parties will verify and record the count of ballot envelopes received. The ballot envelopes will be safeguarded by the Election Contractor.
19. Following each pickup, the Election Contractor will sort (REMOVED and count) returned mail ballot envelopes and bundle them into chronological control groups.
20. The Election Contractor will check the returned ballot envelopes from each pickup to ensure they comply with the requirements to have a member number and signature. Questioned envelopes will be set aside for review by the Election Committee.
21. Mail ballot envelopes containing questioned signatures will be checked against the membership application or the non-natural member voting signature card on file with Chugach as of the date of record or the extended signature designation date for non-natural members, whichever is most recent.
22. The Election Contractor will mark the alpha membership roster with "mail vote" next to the names of those whose mail ballot envelope contains both a member number and member signature. The names of members whose ballot envelopes are questioned will not be marked until the Election Committee has ruled on the validity of their envelope.
23. Member ballot envelopes without a signature or with a signature of a person not printed on the envelope will be returned to the member by the contractor within 24 hours of receipt by the contractor.
24. Questioned ballot envelopes ruled invalid by the Election Committee for any reason, including arriving too late at Sramek-Hightower, the Election Contractor offices, are to be returned to the voter within one day of invalidation. A dated

Ballot Rejection Insert telling the voter why the election ballot was invalidated and what the voter can do to remedy it, if possible, will be included with all returned ballot envelopes. The Contractor will mark the alpha membership roster with "Returned" and date of return.

SAMPLE BALLOT REJECTION INSERT

2009 Chugach Electric Election

Dear Chugach Member:

Your ballot envelope is not valid because:

- [] Missing Signature – *To correct:* Sign the ballot envelope.
- [] Incorrect Signer – *To correct:* Have the ballot envelope signed by the member whose name is printed on the envelope.
- [] Signature does not match application – *To correct:* Contact Chugach Member Services at 563-7366.
- [] Incorrect Non-Natural Signer – *To correct:* Have the ballot envelope signed by the authorized signer printed on the envelope. Information on making changes to the designated voter may be made by contacting Chugach Member Services at (907) 563-7366.
- [] Other – *To correct:* Contact Sramek-Hightower at 566-1700.

After correcting your ballot envelope, place it in the self-addressed, postage-paid return envelope and drop it in the mail or hand deliver it to the Election Contractor. The ballot envelope must be received in the election post office box by noon on Monday, April 27, 2009. If hand delivering the envelope, it must be received at the offices of Sramek-Hightower, 2525 "C" Street, Suite 100 by noon on Monday, April 27, 2009.

Ballot envelopes that arrive after the April 27 deadline will not be counted. Voting after this deadline must be done in person at the Chugach Annual Membership Meeting, April 30, at the Egan Civic & Convention Center. Registration opens at 6 p.m. The meeting starts at 7 p.m.

For more information contact Chugach's Election Contractor, Sramek-Hightower, at 566-1700

25. The Election Committee will meet regularly to review the work of the Contractor and rule on the validity of questioned mail ballot envelopes. The Election

Committee will have final say on whether questioned ballot envelopes are valid as determined by the Election Committee members at each meeting using copies of the envelopes and member applications or signature cards.

26. On questioned mail ballot envelopes, the Election Committee will not accept a signature as valid if a member does not have a signed application or signature card on file with Chugach. However, if the committee reaches a tie on validity, the benefit of the doubt will go to the member.
27. In addition to the questioned envelopes, a minimum of 5 percent of the mail ballot envelopes with both a member signature and member number will be checked against the member applications or non-natural member voting signature cards on file with Chugach to ensure the signatures are valid. Based upon the results of the random sampling, the Election Committee may request additional envelope signatures be checked.
28. Each candidate is entitled to be present or represented by an individual at each of the Election Committee meetings where mail ballot envelopes are verified and to observe the ballot counting process on the day of the Annual Meeting. Candidates or their representatives will not be allowed to handle ballots and must remain in the observation area designated by the Election Committee.
29. The final pickup of mail ballot envelopes will be made at noon, April 27, 2009. Mail ballot envelopes shall also be accepted at the contractor's office until noon, Monday, April 27, 2009. Mail ballots which arrive at the post office box or the contractor's office after this time will not be counted.
30. No mail ballot envelopes will be opened before the day of the Annual Meeting.
31. On the day of the Annual Meeting valid mail ballot envelopes will be opened and ballots counted by the Election Contractor and Election Committee, using electronic/mechanical means. All manual ballot counts should be double counted to ensure accuracy. Mail balloting results will be safeguarded by the Election Contractor until the time of the Annual Meeting.
32. On the evening of the Annual Meeting, the Election Contractor will oversee the registration of members. All members, or the authorized representative of non-natural members, will get a voting card. Members by the date of record who have not cast a valid mail ballot will be given a ballot for in-person voting. The Election Contractor will check the membership and mail vote status.
33. Following the close of voting at the Annual Meeting, the Election Contractor and Election Committee will count those ballots cast in person at the meeting. All manual ballot counts should be double counted to ensure accuracy. The results of in-person voting will be combined with those of the mail voting.

34. The Master Election Judge will be called upon at the Annual Meeting to announce the results of the balloting. A representative of the Election Contractor will accompany the Master Election Judge and verify results before they are announced.
35. Provisions for recounts are explained in the Chugach bylaws.
36. The contractor will secure election materials and may destroy them after receiving written authorization from Chugach of the intended destruction, in accordance with Chugach Bylaws, Article III, Section 9(d) which states, "Marked ballots will be retained and secured for a period of ninety (90) days following the election, after which time they may be destroyed."
37. The Election Contractor will maintain separate statistics for the natural and non-natural members for all classifications of rejected ballots. Additionally, the number of rejected ballots received and returned and the number of those recast and validated will also be recorded.

NOTE: Changes highlighted in yellow were made by the committee. Changes highlighted in pink were made at the suggestion of the Operations Committee and approved by the committee.