

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

February 25, 2009

ACTION REQUIRED

AGENDA ITEM NO. XI.D.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

2009 Proposed Bylaw Amendments – Director Meeting Attendance

DISCUSSION

At its February 4, 2009 meeting, the Board Operations Committee approved proposed bylaw amendments pertaining to Director meeting attendance requirements and methods of attending those meetings via electronic means that was considered and approved by the Bylaws Committee as well as the Bylaws Committee's proposed comments to accompany these amendments.

This proposal would repeal ARTICLE V, MEETINGS OF DIRECTORS, SECTION 4 Director Attendance and SECTION 7 Telephonic Board Meetings, and replace them in their entirety. SECTION 7 would be re-titled "Attendance at Board Meetings Via Electronic Communications." A copy of the proposed amendment approved by the Operations Committee on February 4, 2009 is attached.

The Operations Committee also decided to join with the Bylaws Committee's comment on this proposed bylaw amendment. The proposed comment is included at the end of the attached Director Meeting Attendance proposal.

If this Agenda item is approved by the Board, the comment and proposed bylaw amendment would appear on the ballot for the 2009 annual meeting election and in the election brochure that accompanies the ballot when it is sent to the members.

MOTION

Move that the Board of Directors approve the proposed Director Meeting Attendance Bylaw amendment, Agenda Item XI.D., including the proposed comments for placement on the ballot for the 2009 annual membership meeting election.

PROPOSED “DIRECTOR MEETING ATTENDANCE” PROPOSAL

[This proposed amendment to Article V, Meeting of Directors, would repeal Sections 4 and 7 and replace them in their entirety]

[For reference, Article V, Sections 4 and 7 currently read as follows:]

SECTION 4. Director Attendance. If a director is absent from three consecutive regular board meetings or four regular board meetings, whether consecutive or not, or from 25% of all meetings, including regular and special meetings, board workshops, and committee meetings, in either of the two six month periods described below, the director shall be deemed to have resigned from the board of directors, and the vacancy thereby resulting will be filled as provided in Article IV, Section 8, of these bylaws. For purposes of compliance with this bylaw, attendance will be evaluated for two separate six month periods beginning May 1st and November 1st of each year. A director who is absent on Association business, including reasonable travel time to and from such business, shall not be counted absent, provided such travel and absence was approved in advance by the board. For purposes of this Section, an absence shall not be counted if it is excused by a vote of a majority of the members of the board not requesting the excuse at the next regular or special board meeting. However, no more than two absences per director may be excused by the board in either 6-month period.

...

SECTION 7. Telephonic Board Meetings. For the purpose of the holding of any regular or special meeting, the Board of Directors can validly conduct such meeting by communicating with each other by means of conference telephones or similar communications equipment as allowed by law. Telephonic attendance by directors shall be permitted without limitation if the director is unable to attend in person due to Association business provided the absence was approved in advance by the board as provided under Article V, Section 4. Telephonic attendance for reasons other than Association business shall be limited to 25% of the meetings by any one director for the 6-month period beginning May 1 and the 6-month period beginning November 1. For attendance evaluation, a director is deemed absent from each meeting where the telephonic attendance limit was exceeded.
The amendments to this Bylaw will take effect May 1, 1997.

[Replace Article V, Sections 4 and 7 to read as follows:]

**ARTICLE V
MEETINGS OF DIRECTORS**

SECTION 4. Director Attendance. (a) If a director is absent from three consecutive regular board meetings or four regular board meetings in any director year (May 1 to April 30 of the following year) whether consecutive or not, the director shall be deemed to have resigned from the board of directors. Any vacancy thereby resulting will be filled as provided in Article IV, Section 8, of these bylaws.

(b) If a director is absent from three consecutive board committee meetings or four board committee meetings in any director year whether consecutive or not, the director shall be deemed to have resigned from the board committee and may not be reappointed to that same board committee until the following director year.

(c) A director who is absent on Association business, including reasonable travel time to and from such business, shall not be counted absent for any board or board committee meetings, provided such travel and absence is approved by the board.

(d) For purposes of this Section 4, an absence shall not be counted if it is excused by a vote of a majority of the members of the board not requesting the excuse at the next regular or special board meeting. However, no more than four absences per director may be excused by the board in any director year.

...

SECTION 7. Attendance At Board Meetings Via Electronic Communications.

Directors can participate in meetings by means of teleconference or similar communications equipment. Attendance by directors shall be permitted without limitation if the director is unable to attend in person due to Association business provided the absence is approved by the board under Article V, Section 4.

(a) For any regular meeting, electronic attendance for reasons other than Association business shall be limited to three consecutive meetings or four meetings in any director year (May 1 to April 30 of the following year).

(b) For board committee meetings, and special board meetings, electronic attendance is permitted without limitation.

PROPOSED ELECTION BROCHURE COMMENT:

As part of the general cleanup of the bylaws, the Bylaws Committee found that Sections 4 and 7 concerning board attendance are unclear, subject to interpretation, and potentially could be used inappropriately to remove board members.

The committee chose to:

- 1) Clarify that to invoke automatic resignations from the board, only 4 unexcused absences from regular board meetings are necessary in one year (one interpretation permitted 4 unexcused absences every 6 months).*
- 2) Remove the requirement for advance approval of absences. The requirement is unnecessary because if an absence is justified, the board should be able to approve it before or after the absence.*
- 3) Substitute a specific number of meetings for the 25% attendance requirement because the percentage could not be calculated until the end of the term.*
- 4) Drop special meetings and workshops from the attendance requirement because the number and timing of those meetings are difficult to predict.*
- 5) Clarify that the lack of attendance at committee meetings would result in the board member's replacement on that committee rather than resignation from the board.*
- 6) Allow the Board to take advantage of new technologies by adding all forms of electronic communications as a way of attending meetings.*