

CHUGACH ELECTRIC ASSOCIATION, INC.  
Anchorage, Alaska

**BOARD MEETING**  
**AGENDA ITEM SUMMARY**

June 15, 2005

**ACTION REQUIRED**

**AGENDA ITEM NO. IX.C.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other \_\_\_\_\_

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**TOPIC**

Board Policy 115 – Director Vacancy

**DISCUSSION**

At its June 1, 2005 meeting, the Board Operations Committee discussed 1) making a specific change to Board Policy 115 to allow the Board to take action on vacancies at special board meetings; 2) the provisions in the Policy that permit voting by secret ballot, which conflict with Article V, Section 6 of the bylaws, as well as A.S. 10.25.175(a); 3) asked General Counsel to review the Policy to determine if there were other provisions in the Policy which might be inconsistent with Chugach's bylaws; and 4) asked that the Policy be placed on the agenda for the June 15, 2005 regular board meeting. General Counsel has reviewed the Policy and determined that, other than the provisions in the Policy providing for voting by secret ballot, the Policy is generally consistent with Chugach's bylaws and with the Alaska Cooperative Statute. However, in order to avoid confusion, it is also suggested that the language stating that "solicitations shall be done in essentially the same manner as that for candidates in a regular election" [emphasis supplied] be revised as it is vague and may conflict with Article IV, Section 4 of the bylaws. A proposed revised redlined Policy, as well as a revised "clean" version, are attached. Other revisions, if desired, could be made at a future date after consideration by the Operations Committee.

**MOTION**

Move to amend Board Policy 115, Director Vacancy, as discussed at the June 1, 2005 Operations Committee meeting and as reflected in the attached revised Policy.

**CHUGACH ELECTRIC ASSOCIATION, INC.**

**BYLAWS**

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**ARTICLE IV**

**DIRECTORS**

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**SECTION 4. Nominations.** (a) Nominating Committee. It shall be the duty of the board of directors to appoint, not less than one hundred and twenty days before the dates of a meeting of the members at which directors are to be elected, a committee on nominations, as provided for in Article XV of these bylaws. The committee shall consist of not less than five nor more than seven members, who shall be selected from different sections of the service area of the Association as to insure equitable representation. No member of the board of directors may serve on such committee. The committee shall seek qualified candidates, as well as screen potential nominees. Public notice for nominations shall be given ninety days prior to the meeting. The committee, keeping in mind the principle of geographical representation, shall approve, prepare and post at the principal office of the Association, at least seventy days before the meeting, a list of nominations for directors, which may include a greater number of candidates than are to be elected.

(b) Petition. Any fifty or more members, acting together, may make other nominations by petition not less than sixty days prior to the election, and the secretary of the board shall post such nominations at the same place where the list of nominations made by the committee is posted.

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**ARTICLE V**

**MEETINGS OF DIRECTORS**

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**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. An electronic recording of all regular and special meetings shall also be made and kept for at least one year; Association members may request a transcription of the tape upon payment of the cost of

transcription by a court reporter service; members shall also be permitted to listen to such tapes at the headquarters building.

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## CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 115

DATE: ~~June 18, 2003~~

### VACANCIES IN UNEXPIRED TERMS

#### I. OBJECTIVE

To describe the procedure for the Board to fill unexpired terms on the Board of Directors not caused by vote of the membership.

#### II. CONTENT

- A. Time and Manner of Solicitation. Solicitations for applications to fill a vacancy on the Board not created by membership vote shall begin by direction of the Chairman of the Board following notice at a regular or special Board meeting that a vacancy has occurred. The solicitations shall be done for a length of time and in a manner as determined by the Board.~~essentially the same manner as that for candidates in a regular election for a time specified by the Chairman of the Board.~~ Only persons eligible ~~to run under Bylaw Article IV, Section 3~~ of the Association's bylaws shall be considered candidates for appointment.
- B. Interviews. The Board shall interview all of the candidates.
- C. Time of Consideration. After the closure of the solicitation and interview process, the Board shall consider the candidates at ~~its next regularly scheduled~~ or special Board meeting.
- D. Nomination of Slate. At the appropriate time on the agenda, the directors shall develop a slate of candidates. This slate shall be created by a nomination process of the Board. In order for a name to be added, it shall require a "motion to nominate" by a director, followed by a "second to the motion" from another director.
- E. Narrowing of Slate. If more than two candidates are on the ballot, the Board shall vote ~~by secret ballot~~ to eliminate candidates until only two remain.
- F. Final Selection. Once only two candidates remain on the ballot, voting shall be ~~by~~ continue secret ballot ~~for the candidates~~ until one is selected.
- G. Deadlock. If the Board remains deadlocked after three ballots in the final selection process, any member of the Board may by motion place a new candidate on the ballot from the applicant pool. The process shall then start as in paragraph E above.
- H. Continuing Deadlock. In the event of continued deadlock, the Board may, by

motion, reopen the application process and/or postpone the appointment until a future meeting.

- I. **More Than One Vacancy.** If more than one vacancy occurs at the same time, the number of candidates in paragraphs E and F above shall be changed to one more than the number of vacancies. Each seat shall be filled by a majority vote of the remaining directors with each director casting one vote for each vacant director's slot. This would mean, for example, that if there were two vacancies on the Board, the Board would create a slate of three candidates by following the procedures spelled out in earlier paragraphs and then to proceed to final voting. At this time, each director would vote for two of the three names on the slate of candidates.
  
- J. **Assumption of Office.** If the winning candidate or candidates are present at the Board meeting at which they are selected, they shall be sworn in immediately and take their seats. If not, they shall be sworn in as soon as is reasonable.

**III. RESPONSIBILITY**

The Board of Directors shall be responsible for the administration of this policy.

Date Approved: \_\_\_\_\_

Attested: \_\_\_\_\_  
Secretary of the Board

**CHUGACH ELECTRIC ASSOCIATION, INC.**

**BOARD POLICY: 115**

**DATE: \_\_\_\_\_**

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