

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

October 16, 2002

BOARD MEETING
AGENDA ITEM SUMMARY

ACTION REQUIRED

AGENDA ITEM NO. IX.E.

Information Only
 Motion
 Resolution
 Executive Session
 Other _____

TOPIC

Confidentiality policy for Board members and employees.

DISCUSSION

In order to minimize the risk of disclosure of Confidential Association Information, a policy has been prepared which: 1) defines Confidential Association Information; 2) describes the obligations of current and former Board members and employees to maintain the confidentiality of Confidential Association Information; 3) requires the return of Confidential Association Information upon the termination of their services; 4) clarifies that the obligation to maintain confidentiality survives termination of their relationship with Chugach; and 5) sets out remedies for violation of the Policy. Adoption of this Policy will make the obligations of employees and Board members with regard to Confidential Association Information explicit and enable those individuals to clearly understand the rules which govern their actions. It will also aid Chugach in establishing that it has taken reasonable steps to maintain the confidentiality of its own information and documents as well as that of third persons who entrust their information and documents to Chugach.

The Confidentiality Policy was discussed by the Operations Committee at its September 10 and October 2, 2002 meetings and approved by the Committee at its October 2 meeting with recommendation to the full Board for approval.

GENERAL MANAGER'S RECOMMENDATION

Motion: Approve the attached Confidentiality Policy as recommended by the Board Operations Committee.

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 128

DATE: October 16, 2002

CONFIDENTIALITY

I. PURPOSE

To adopt policies and procedures to insure the protection of confidential information and documents of the Association, its customers and third parties with whom it does business.

II. CONTENT

A. Types of Confidential Information and Documents.

Though not necessarily limited to the list below, confidential information and documents of the Association will generally fall into one of the following classifications:

1. Attorney-client communications;
2. Attorney work product;
3. Statutory trade secrets;
4. Common law trade secrets;
5. Personnel records;
6. Information which Chugach is contractually required to keep confidential, including information belonging to third persons; and
7. Information discussed or disclosed in executive session.

Confidential information and documents of the Association may include, by way of example and without limitation: reports and surveys, studies, memoranda, confidential business information, marketing plans, information as to existing or future services, analyses, computer programs, financial projections, customer and supplier lists (including customer identity, rates, services and contract terms), confidential cost and pricing information, concepts, techniques, methods, systems, research, development or experimental work, work in process, operations, schedules of employee compensation, personnel records, and all copies thereof.

If a director or employee has any questions concerning what comprises confidential information and documents of the Association, they should consult with the General Manager.

B. Obligations to Maintain Confidentiality.

1. Directors and employees shall not, during the term of their membership on the Association's Board of Directors or employment with the Association, or at any time thereafter, either directly or indirectly, disclose or permit the disclosure of, reproduce, or in any other way publicly or privately disseminate, any confidential information or documents of the Association to any third parties except as and to the extent expressly authorized by the Association in order to carry out their duties to the Association, or in the case of confidential information or documents belonging solely to customers of the Association and third parties with whom the Association does business, as may be expressly contractually authorized by those persons.
2. Directors and employees shall not, during the term of their membership on the Association's Board of Directors or employment with the Association, or at any time thereafter, make any use of any confidential information or documents of the Association (including, but not limited to, bids, awarding of contracts, or other information of a competitive nature, real estate transactions, personnel records, salary information) for their own purposes, such as for personal gain or advancement, or to the detriment of the Association.
3. Directors and employees shall not remove any confidential information or documents of the Association from the Association's facilities at any time during or after their term on the Association's Board of Directors or employment with the Association except as necessary in the performance of their duties.
4. All confidential information or documents of the Association which are furnished to directors and employees by the Association, used by them on the Association's behalf, or generated or obtained by them during their term on the Association's Board of Directors or employment with the Association shall be and remain the property of the Association.
5. Directors, at the discretion of the Board of Directors, and employees, at the discretion of the General Manager, may be required to sign written confidentiality agreements in order to effectuate the terms of this policy.
6. This policy is intended to supplement, and does not supersede, those duties and obligations imposed upon directors and employees by the Alaska Uniform Trade Secrets Act, Alaska Stat. sec. 45.50.910, et seq., and all other applicable laws and regulations.

C. Obligations Upon Termination of Employment and Board Membership.

1. Directors and employees shall immediately return all confidential information or documents of the Association in their possession to the Association upon request of the Association, and, in any event, upon termination of their employment with the Association or their term on the Association's Board of Directors, including those in electronic format.
2. The duties and obligations of directors and employees under this policy shall survive the termination of their term on the Association's Board of Directors or their employment with the Association.

D. Procedures for Waiver or Release of Confidential Information and Documents.

1. It is the general policy of the Association that the confidentiality which attaches to confidential information and documents of the Association shall continue indefinitely.
2. Only the Association's Board of Directors, acting in its official capacity, and General Manager have the authority to waive the confidentiality protections which attach to confidential information and documents of the Association or authorize the release of confidential information and documents of the Association as an exception to this policy.
3. If a Director believes that it is in the best interests of the Association to waive the confidentiality protections of particular confidential information and documents of the Association, or to release particular confidential information and documents of the Association as an exception to this policy; or that particular trade secret or executive session information or documents are no longer legally entitled to confidential treatment, he or she may bring such matter to the attention of the Board of Directors, acting in its official capacity, for consideration and action.
4. Nothing in this policy shall prohibit the Association from complying with obligations it may have under state and federal law, legal process issued pursuant thereto or lawful orders of governmental authorities, to disclose confidential information and documents of the Association.

III. RESPONSIBILITIES

- A. Each Director and employee shall comply with the letter and the spirit of this policy.
- B. The General Manager shall inform all employees about the content of this policy and insure that it is complied with.
- C. Each Director and employee shall disclose any situation which violates, may violate, or could appear to violate the intent of this policy.

- D. Any Director or employee whose conduct violates this policy shall be subject to: (1) if General Manager, discipline, up to and including termination by appropriate action of the Board of Directors in accordance with any contract of employment; (2) if an employee, discipline, up to and including termination by appropriate action of the General Manager; or (3) if a Director, sanctions by the Board and/or removal pursuant to Article IV, Section 7 of the Association's Bylaws.

- E. In addition to the disciplinary provisions of Section III.D, the Association may seek legal and equitable relief in any court of competent jurisdiction to prevent or restrain any disclosure, breach or threatened breach of this policy and the legal protections afforded to confidential information and documents of the Association by any current or former director, employee, their partners, agents, representatives, employers, employees, and all other persons acting for or with them. Equitable relief may include, but not be limited to, temporary restraining orders, preliminary injunctions, and permanent injunctions. The equitable remedies described above are in addition to, and not any limitation upon, all rights and remedies as Chugach may be entitled under applicable law.

Date Approved: October 16, 2002

Attested: _____
Secretary

BP: 128