

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**REGULAR BOARD OF DIRECTORS' MEETING**  
**AGENDA ITEM SUMMARY**

**December 18, 2008**

**ACTION REQUIRED**

**AGENDA ITEM NO. XI.F.**

**Information Only**  
 **Motion**  
 **Resolution**  
 **Executive Session**  
 **Other**

---

**TOPIC**

Clean-up Bylaw Language

**DISCUSSION**

On the December 10, 2008, Operations Committee Meeting, the committee discussed additional changes to the Bylaw language as shown in the attached.

**MOTION**

Move that the Board of Directors forward the revised Bylaw language to the Bylaws Committee for their review and consideration.

## ARTICLE III

### MEMBERS, MEETINGS AND ELECTIONS

**SECTION 2. Special Meetings.** Special meetings of the members may be called by resolution of the board of directors, or upon a written request signed by a majority of the directors to the chairman of the board, or by a written request made to the chairman of the board and signed by not less than ten percent (10%) of the members. The resolution or request shall specify the purpose of the meeting. All signatures for a request of a special meeting by members shall be collected within the single ninety (90) calendar day period immediately preceding the date on which signed requests are first presented to the Association, and the board of directors shall establish such policies as may be necessary and convenient to ensure compliance with this provision. It shall thereupon be the duty of the secretary of the board to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the Municipality of Anchorage specified in the notice of the special meeting. Only such business shall be conducted at a special meeting of members as shall have been specified in the notice of the special meeting.

Deleted: any four

**SECTION 8. Order of Business.** (a) The order of business at the annual meeting of the members and, insofar as possible, at all other meetings of the members, shall be essentially as follows:

- 1) Report on the number of members present in person in order to determine the existence of a quorum.
- 2) Reading of the notice of the meeting and proof of the due publication thereof.
- 3) Reading of unapproved minutes of previous meetings of the members, making technical changes only to the minutes, and approval thereof.
- 4) Presentation and consideration of reports of officers, directors and committees.
- 5) Election of directors.
- 6) Unfinished business.
- 7) New business.
- 8) Adjournment.

(b) Any proposed amendment to the bylaws upon which voting is being conducted by ballot may be discussed at the meeting, but may not be altered, amended or tabled. The only vote permitted is whether to approve or disapprove the amendment to the bylaws as set forth in the official ballot.

Deleted: P

Deleted: s

Deleted: annual

Deleted: shall not be treated as being before the annual meeting for action, other than passage or defeat of the proposed amendments. They may not be further amended or tabled by action of the annual meeting

Deleted: 66449-0004/LEGAL14667505.1

Formatted: zzmpTrailerItem

Formatted: Line spacing: Exactly 10 pt

**SECTION 9. Elections and Election Committee.** (a) The board of directors shall appoint an election committee by December 31st of each year, as provided for in Article XV of these bylaws. The committee shall consist of the master election judge, who shall chair the committee, and not more than twelve election judges. This committee shall have the responsibility for conducting all voting by secret ballot during the calendar year. 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 master election judge and election judges shall be selected from the Association membership, with consideration for geographical representation. In case of a vacancy, the board of directors shall appoint an Association member to complete the unexpired term of the committee member.

(b) The election committee shall cause the preparation of an official ballot containing the names of the candidates for the office of director and the proposed bylaw amendments. The ballot shall be designed with the position of names of the candidates changed as many times as there are candidates. As nearly as possible, an equal number of ballots shall be printed after each change. In making the changes of position, the name of the candidate shall be taken and placed at the bottom and the column moved up so that the name that before was second is first after the change. After the ballots are printed, they shall be placed in separate stacks, one stack for each change of position. The ballots shall then be gathered by taking one from each stack, the intention being that every other ballot in the accumulated stack of ballots shall have the names of the candidates in a different position. The ballot shall also include a brief description concerning the number of offices to be filled at the election and the time, place, and method of voting. At least thirty (30) days prior to the meeting, an official ballot shall be transmitted by the secretary of the board to each member with 1) a statement of the number of directors' seats to be filled, 2) the candidates' names and election statements, 3) an explanation of any other matters to be voted on by ballot, the proposed changes to the bylaws, with the Bylaws Committee's comments and 4) a report covering the calendar year immediately preceding the annual meeting prepared by the Chief Executive Officer setting forth the attendance record of directors at regular and special board meetings, together with a summary setting forth the agenda business items voted and the vote of each director. The candidates' statements:

- 1) Shall specify whether the candidate was nominated by the Nominating Committee or by petition.
- 2) Shall specify whether the candidate is:
  - (i) A member, officer, director, or employee of any union local currently acting as a bargaining agent for Association employees.
  - (ii) A person who has within the last two years had a financial interest in a bid, proposal, project, or contract with Chugach.
  - (iii) A spouse, child, brother, sister, parent, stepparent, stepchild or stepsibling of: a) any person included in subparagraph (i) or (ii) above or b) an employee of the Association.
- 3) May include a photograph of the candidate, and a statement not to exceed 200 words.

The election committee shall procure a post office box where all mail ballots shall be received.

(c) A member may vote in person at the annual or special meeting or by such other means as allowed by law and established by the Association. All ballots not cast in person must be received by the Association or its designee by 12:00 Noon three (3) calendar days prior to the annual or special meeting.

**Deleted:** 66449-0004/LEGAL14667505.1  
**Formatted:** zzmpTrailerItem  
**Formatted:** Line spacing: Exactly 10 pt

(d) The election committee shall make proper arrangements to secure all ballots before, during, and following the election. Marked ballots shall be counted as soon after the close of balloting as may be reasonable under the circumstances. The results thereof will be announced as soon as the count is completed. Marked ballots will be retained and secured for a period of ninety (90) days following the election, after which time they may be destroyed.

(e) The election committee may employ such additional election clerks as may be required to register members at the annual or special meeting, to assist in the counting of the ballots and otherwise to ensure the efficient management of the meeting and balloting. Each candidate for the office of director may have a representative present during all times that ballots are being counted. The decision of a majority of the election committee shall be conclusive with respect to the eligibility of any person to vote and the validity of any ballot cast.

(f) A recount of votes cast for a director's seat may only be requested by a candidate in that election. A request for a recount must be made in writing and received by the Election Committee within 10 days of the close of balloting. The recount will be done in the same manner as and by the same entity that performed the original vote count. If the recount indicates that the candidate requesting the recount has lost the election by more than 1 percent of the total votes cast, then the cost of the recount shall be borne by the candidate. If the recount indicates that the candidate requesting the recount has either won a seat or lost by a margin of 1 percent or less, then the cost of the recount shall be borne by the Association.

A group of 10 or more members who voted in that election may request a recount of the ballots for a bylaws change or ballot question. A request for a recount must be made in writing and received by the Election Committee within 10 days of the close of balloting. The same provision for payment of the costs as provided above shall prevail, with the voters who requested the recount paying for the recount if the margin is greater than 1 percent, and the Association bearing the expense if the margin is 1 percent or less.

(g) In the event of a tie for an election of a director, a bylaws change or a ballot question, a recount of the ballots shall be done. The Association shall bear the cost of recounts in the event of a tie. If the recount confirms the existence of a tie in the election of directors, then a run-off election shall be conducted by mail and by such other means as may be established by the Association within 60 days of the date the results of the recount are certified. The form and content of the ballots shall comply with this Article III, Section 9(b). The run-off election shall be conducted by the Election Committee. The provisions of this Article III, Section 9(d), (e) and (f) shall apply. If the recount confirms the existence of a tie with respect to a bylaws change or ballot question, such change or question shall have failed.

## ARTICLE IV

### DIRECTORS

**SECTION 1. General Powers.** The management of the business and the affairs of the Association shall be vested in a board of seven (7) directors who shall exercise all of the powers of the Association, except such as are by law, the articles of incorporation, or by these bylaws conferred upon or reserved to the members.

Formatted: Keep with next

Deleted: 66449-0004/LEGAL14667505.1

Formatted: zzmpTrailerItem

Formatted: Line spacing: Exactly 10 pt

**SECTION 2. Election and Tenure of Office.** The persons named as directors in the articles of incorporation shall compose the board of directors until their successors shall have been elected and shall have qualified. Directors shall be elected by secret ballot either mailed or cast in person at annual or special meetings of the membership, by and from the members, to serve for a three-year term, not to exceed three consecutive three-year terms, until their successors shall have been elected and qualify, . provided that the terms of directors shall be staggered so that one-third of the directors, or a number as close to one-third as possible, shall be elected each year. The directors elected to fill vacancies as provided in Article IV, Section 8 of these bylaws, shall serve only for the unexpired portion of the term vacated. Where the remaining unexpired terms to be filled are of different lengths, the longest term shall be given to the director receiving the most votes. If the size of the board is subsequently increased, the initial terms of the directors to fill the newly created seat or seats shall be scheduled so that, as nearly as possible, an equal number of terms expire each year. At each annual or special meeting, members shall be elected to fill the seats on the board which become vacant as contemplated by Article IV, Section 8 of these bylaws.

**SECTION 3. Qualifications.** (a) A person shall be eligible to serve as a director, who:

- 1) Has been a member and bona fide resident in the area served by the Association for 12 continuous months before appointment to the board, or the notice of the election;
- 2) Is not in any way employed by a competing enterprise, however, an employee of the Municipality of Anchorage who is not directly employed by Municipal Light and Power is eligible to serve if he or she has no fiduciary duties which in any way pertain to Municipal Light and Power;
- 3) Does not have a financial interest in a competing enterprise;
- 4) Is not a supplier, contractor, consultant, or other entity which does business with the Association or a person with more than a 10% ownership interest in a supplier, contractor, consultant, or other entity which does business with the Association, except for providers whose annual business with the Association does not exceed \$25,000;
- 5) Is not an employee of the Association nor a member, officer, director, nor employee of any union local currently acting as a bargaining agent for Association employees;
- 6) Is not a person living in the same household with and financially interdependent upon any person included in paragraphs 2, 3, 4, and 5, above;
- 7) Maintains i) his or her membership and ii) bona fide residency in the area served by the Association throughout his or her term of office; and
- 8) Has not exceeded, or would not exceed if elected to the applicable term, the limit on board service specified in Article IV, Section 2; [and
- 9) Agrees to obey the rules and any official action of the Association's Campaign Conduct and Finance Commission].
- (b) Upon establishment of the fact that a director is holding office in violation of any of the foregoing provisions or violated the disclosure provisions of Article III, Section 9(b), subsection (2), the board

Deleted: and

Deleted: ,

Deleted: , and iii) a minimum of 12 continuous months of bona fide residency in the area served by the Association

Deleted: (b) An individual who is the authorized representative of a non-natural entity (corporation, association or partnership, for example) which itself is qualified under subsection (a) may become or remain a director if he is qualified under subsections (a)(1), (2), (3), (4), (5), (6) and (7). If the individual or the non-natural member fails to meet the prescribed qualifications, or if the non-natural member changes its authorized representative, the individual shall become subject to removal under subsection (c), and the director's position shall become vacant, without power of appointment by the non-natural member. ¶

Deleted: c

Deleted: including

Deleted: 66449-0004/LEGAL14667505.1

Formatted: zzmpTrailerItem

Formatted: Line spacing: Exactly 10 pt

of directors shall remove such director from office unless the basis for disqualification is remedied within thirty (30) days of notice of disqualification by the board of directors.

(d) Directors are ineligible for employment by the Association for a period of two (2) years after their term has expired.

(e) "Bona fide resident" is hereby defined to mean a person whose primary residence is in the area served by the Association, and who actually lives at this primary residence with the intention to remain there permanently or indefinitely.

"Primary residence" shall mean the residence that is the chief or main residence of the person and where the person actually lives for the most substantial portion of the year. "Intention" shall mean the unequivocal intention of the person as evidenced by that person's acts and words and by the circumstances.

The failure of a director to meet the qualifications for service shall not affect the validity of any action taken at any meeting of the board of directors.

**SECTION 4. Nominations.** No person may be elected a director by the members unless nominated pursuant to this Article IV, Section 4.

(a) Nominating Committee. The board of directors shall appoint a committee on nominations by December 31st of each year, 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.

**SECTION 5. Appointment of Consultants and Chief Executive Officer.** The board of directors may engage the services of advisors, consultants and other professionals to advise it from time to time as well as appoint a Chief Executive Officer. The Chief Executive Officer may be but shall not be required to be a member of the Association. The Chief Executive Officer shall, together with such other staff, agents and employees as he may select, including such non-statutory officers as he shall appoint, perform such duties and exercise such authority as the board of directors may from time to time vest in him.

**SECTION 9. Compensation.** (a) By resolution of the board of directors, directors may receive a fixed fee and expenses of attendance, if any, for each day of attendance at each meeting of the board of directors, or a meeting of a committee thereof, or when a director is otherwise representing the Association in an official capacity and for each day of necessary travel in connection with any such meeting. No attendance other than regular or special board or committee meetings shall be

Deleted: :  
Deleted: 1)  
Deleted: and 2) a non-natural entity who chooses as their authorized representative a person who is a "bona fide resident" as defined in 1)

Deleted: Nothing contained in this section  
Deleted: in any manner whatsoever

Deleted: Directors shall not receive any salary for their services as directors, except that, b  
Deleted: may be allowed  
Deleted: to and from a  
Deleted: of the Board or other meeting while officially representing the Association  
Deleted: 66449-0004/LEGAL14667505.1  
Formatted: zzmpTrailerItem  
Formatted: Line spacing: Exactly 10 pt

reimbursed unless authorized by a majority vote of the board. A director may not be compensated for more than two regular board meetings per month, and an additional 12 special board meetings per year. The total compensated meetings shall not exceed 70 meetings per year for a director, and 85 meetings per year for the chairman of the board. The Association may not provide health insurance for directors or their families (other than for a family member employed by the Association who is not living in the same household as the director and who is not financially interdependent upon the director), or insurance for risks except those incurred in their capacity as directors.

Deleted: in advance  
Deleted: the

(b) Directors' expense reimbursement requests shall be reviewed and approved by the majority vote of the board.

(c) [Except for the meeting fees authorized by Article IV, Section 9(a) of these bylaws,] directors may not receive salaries for their services as directors, and, except in emergencies, shall not receive salaries for their services in any other capacity without the approval of the members.

Deleted: D

## ARTICLE V

Formatted: Keep with next

### MEETINGS OF DIRECTORS

**SECTION 7. Telephonic Board Meetings.** For the purpose of the holding of any regular or special meeting, the Board of Directors (or any board committee) 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 is approved 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 each May 1 and the 6-month period beginning each November 1. For attendance evaluation, but no other purpose, a director is deemed absent from each meeting where the telephonic attendance limit was exceeded.

Deleted: was  
Deleted: in advance

Deleted: The amendments to this Bylaw will take effect May 1, 1997.

## ARTICLE VI

Formatted: Keep with next

### OFFICERS

**SECTION 1. Number.** The officers of the Association shall be a chairman of the board, vice-chairman of the board, secretary of the board and treasurer of the board, and such other agents and employees, who may be given the customary title and authority of an officer, but shall not be deemed to be an "officer" for purposes of Alaska Statutes Section 10.25.200, as may be determined by the board of directors from time to time. The offices of secretary of the board and treasurer of the board may be held by the same person.

Deleted: ¶ officers

Deleted: Be the principal executive officer of the Association and,

Deleted: shall

Deleted: S

Deleted: 66449-0004/LEGAL14667505.1

Formatted: zzmpTrailerItem

Formatted: Line spacing: Exactly 10 pt

**SECTION 4. Chairman of the Board.** The chairman of the board shall:

(a) unless otherwise determined by the members or the board of directors, preside at all meetings of the members and the board of directors;

(b) Unless the board has appointed a chief executive officer, be the principal executive officer of the Association and sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other

instruments authorized by the board of directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the board of directors or these bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and

(c) In general, perform all duties incident to the office of chairman of the board and such other duties as may be prescribed by the board of directors from time to time.

## ARTICLE XV

Formatted: Keep with next

### STANDING AND AD HOC MEMBER COMMITTEES

**SECTION 1. General.** This Article XV shall apply to standing and ad hoc member committees which may from time to time be appointed by the board. Standing member committees include: the Election Committee, as provided for in Article III, Section 9; the Nominating Committee, as provided for in Article IV, Section 4; the Bylaws Committee, as provided for in Article XIII, Section 2; and the Member Advisory Council, as provided for in Article XIV.

Deleted: section

**SECTION 2. Compensation.** Members of standing and ad hoc committees shall receive no compensation or gratuity for their participation in the affairs of the Association but may be reimbursed for reasonable expenses incurred in connection with meeting attendance.

**SECTION 3. Terms.** The terms of standing committee members shall be for no more than three (3) years and be staggered so that, as nearly as possible, one-third shall expire each year.

**SECTION 4. Membership.** In order to be fairly representative of the Association's diverse membership, it is preferable that member committees be comprised of members who reflect that diversity. Toward that end, the selection process shall include consideration of the member's occupation, education, experience, geographical area in which service is provided by the Association, and type of service provided by the Association. A person is eligible to serve on such committees provided that such person is not:

Deleted: standing and ad hoc

(a) an employee or director of the Association;

(b) a director, officer or employee of any union local currently acting as a bargaining agent for Association employees;

(c) a person employed by a competing enterprise, however, an employee of the Municipality of Anchorage who is not directly employed by Municipal Light and Power is eligible to serve if he or she has no fiduciary duties which in any way pertain to Municipal Light and Power;

(d) a person having a financial interest in a competing enterprise;

(e) a supplier, contractor, consultant or other entity which does business with the Association or a person with more than a 20% ownership interest in a supplier, contractor, consultant or other entity which does business with the Association except for providers whose actual business with the Association does not exceed \$50,000; or

Deleted: 66449-0004/LEGAL14667505.1  
Formatted: zzmpTrailerItem  
Formatted: Line spacing: Exactly 10 pt

(f) a person living in the same household with or financially interdependent upon any of the persons listed in (a) through (e), above.

Deleted: and

**SECTION 5. Removal.** The board of directors may remove any member of any member committee by the affirmative vote of not less than a majority of the number of directors fixed by these bylaws.

**SECTION 6. Vacancy.** In the case of a vacancy in a member committee, the board of directors shall appoint an Association member in accordance with the provisions of this Article to complete the unexpired term of a committee member.

Deleted: 5

**ARTICLE XIX**

**CAMPAIGN CONDUCT AND FINANCE COMMISSION**

Formatted: Keep with next

**SECTION 1. Establishment of Commission.** There is established a commission of the Association to be known as the Campaign Conduct and Finance Commission (the "**Commission**"). The Commission shall consist of [three] members appointed by the Association's board of directors. [One member] shall serve an initial term of [two] years ending [December 31, 2011], [one member] shall serve an initial term of [three] years ending [December 31, 2011], and [one member] shall serve an initial term of [four] years ending [December 31, 2013]. After the foregoing initial terms, each member shall serve a term of [three] years, and no member shall serve for more than [10] consecutive years. A member of the Commission may serve on the Commission after the expiration of his or her term until his or her successor has taken office as a member of the Commission. An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he or she succeeds. The board of directors shall fill any vacancy promptly.

Formatted: Font: Bold

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Formatted: Default, Left

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Formatted: Default

Formatted: Font: Not Bold

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Formatted: Font: 11.5 pt

Deleted: 66449-0004/LEGAL14667505.1

Formatted: zzmpTrailerItem

Formatted: Line spacing: Exactly 10 pt

**SECTION 2. Qualification of Commission Members; Compensation.** Members of the Commission need not be members of the Association and shall be chosen on the basis of their experience, integrity, impartiality, and good judgment. Commission members shall not be (and shall not have a family member living in the same household with, or financially interdependent upon, such individual who is) (a) a director of the Association, (b) an employee of the Association, (c) an independent contractor with a significant business relationship with the Association, or (d) a member or employee of the International Brotherhood of Electrical Workers, and any Commission member who becomes subject to the foregoing disqualifications while serving shall be removed promptly by the board of directors. Commission members shall be entitled to reasonable compensation for service, which shall be determined by the board of directors from time to time.

**SECTION 3. Authority of Commission.** (a) The Commission shall establish rules to govern the conduct of campaigns by candidates for election to the Association's board of directors as the Commission may determine in its discretion (subject to the general requirement that all rules are designed to promote civil, fair, open and transparent elections at minimum cost to candidates and the Association), which rules may include, but are not limited to:

- Limitations on campaign activities by candidates;
- Limitations on the campaign expenditures of candidates;
- Requirements for public disclosure of the source or sponsor of any campaign-related communication;

