

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS' COMMITTEE MEETING
AGENDA ITEM SUMMARY

February 4, 2008

Version A
[Election
Committee]

ACTION REQUIRED

AGENDA ITEM NO. VI.

- Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Review and Recommend Approval of the 2008 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 3, 7 and 14, 2008 to review and revise last year’s procedures as appropriate. A copy of the committee’s proposed 2008 Election Procedures is attached. Changes are highlighted.

MOTION

Move that the Operations Committee recommend to the Board of Directors to review and approve the 2008 Election Procedures Version A.

Chugach Electric Association, Inc.
Anchorage, Alaska

2008 Election Procedures

(Revised 1/4/08)

(To be approved by the Chugach Board **1/16/08**)

The Election Committee at its January **(Jan. 3, 7, and 14 2008)** meeting 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 **2007** elections.
2. An Election Contractor will be hired to conduct the mechanics of the **2008** election.
3. The Election Committee will review ballot wording prior to printing.
4. **March 12, 2008** is the record date for the election and annual meeting voting. In order to participate in the election and annual meeting voting a person must be a Chugach member by the close of business on this date. Non-natural member voting signature cards must be received by the close of business on the date of record. The non-natural voting names will be taken from the most up-to-date non-natural member card, or the member application, whichever is most recent.
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.
6. After the date of record the Chugach Information Services Department will prepare a membership mailing file. 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 Contractor will be required to batch election materials in such a way that Chugach pays the least amount of postage. The membership voting 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 **2008** 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 Contractor by **March 14, 2008**. The Contractor will stuff and label election packets containing candidate statements, a summary of the proposed bylaw changes, director

attendance and voting records (**REMOVED an annual report**), a mail ballot and a postage-paid return envelope. 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 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 25, 2008**.

9. Mail ballots must be returned by noon, **April 21, 2008**, (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 Contractor. Chugach will not keep any ballot packets at its facilities. The Contractor must have a 24-hour phone number to handle calls. The 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 24**, 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 (aside from that necessary for the Election Committee and Contractor to perform their duties) until the deadline for requesting a recount, or a recount itself, has passed.
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 Contractor will be responsible for securing electronic/mechanical ballot-counting equipment compatible with the ballots, and for transporting the equipment. The 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 where they will be picked up by the Election Contractor. Ballots will not be returned to Chugach. Ballots and ballot envelopes which are inadvertently delivered to Chugach will immediately be turned over to the Contractor.
18. The Election Contractor will pick up the returned ballot envelopes at least once a week during the month of mail voting. Mail ballot envelopes will be taken to the Contractor facility and safeguarded by the Contractor.

19. Following each pickup, the Contractor will sort and count returned mail ballot envelopes and bundle them into control groups.
20. The 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 non-natural member voting signature card on file with Chugach as of the date of record.
22. The 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. 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.
24. On questioned ballot envelopes, the Election Committee **will not** accept a signature as valid if a member does not have a signed application on file with Chugach. **However, if the committee reaches a tie on validity, the benefit of the doubt will go to the member.**
25. 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.
26. 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.
27. The final pickup of mail ballot envelopes will be made at noon, **April 21, 2008**. Mail ballot envelopes shall also be accepted at the contractor's office until noon, **Monday, April 21, 2008**. Mail ballots which arrive at the post office box or the contractor's office after this time will not be counted.
28. No mail ballot envelopes will be opened before the day of the Annual Meeting.
29. On the day of the Annual Meeting valid mail ballot envelopes will be opened and ballots counted by the Contractor and Election Committee, using

electronic/mechanical means. Mail balloting results will be safeguarded by the Contractor until the time of the Annual Meeting.

30. On the evening of the Annual Meeting, the Contractor will oversee the registration of members. All members, or the designated voting representatives of non-natural members – as evidenced by completed voting signature cards for non-natural members or the signatures on the membership application file with Chugach – by the date of record 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 contractor will check the membership and mail vote status using the date-of-record roster that was created at the time the mailing list was produced.
31. Following the close of voting at the Annual Meeting, the Contractor and Election Committee will count those ballots cast in person at the meeting. The results of in-person voting will be combined with those of the mail voting.
32. 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.
33. Provisions for recounts are explained in the Chugach bylaws.
34. The contractor will secure election materials and may destroy them after receiving written authorization from Chugach of the intended destruction.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

February 4, 2008

Version B
[Election
Committee
Minority Report]

ACTION REQUIRED

AGENDA ITEM NO. VI.

- Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Review and Recommend Approval of the 2008 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 3, 7 and 14, 2008 to review and revise last year’s procedures as appropriate. The committee voted on January 14 to forward Version A of revised procedures to the Board of Directors. After several members of the committee requested a more complete review of issues relating to 1) disqualification of ballots from non-natural members and 2) notification of members whose ballots have been rejected, another meeting was called by the Master Election Judge of the committee on January 30. However the committee voted 7 to 5 not to discuss the subject issues. Four committee members have forwarded a minority report to the board of directors which contains a Version B of the proposed procedures that address the two issues.

I find the minority’s Version B to have merit and that it should be implemented for this year’s elections and recommend to the board that it be substituted for the Version A forwarded by the committee. A copy of the committee’s proposed 2008 Election Procedures is attached with its changes to the previous year highlighted in yellow and the changes recommended in the Version B in red. Note that the Minority Report (Version B) includes all recommended changes to current election procedures.

MOTION

Move that the Operations Committee recommend to the Board of Directors to review and approve the 2008 Election Procedures Version B attached.

Chugach Electric Association, Inc.
Anchorage, Alaska

2008 Election Procedures
(Revised 1/4/08)

(To be approved by the Chugach Board **1/16/08**)

The Election Committee at its January **(Jan. 3, 7, and 14 2008)** meeting 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 **2007** elections.
2. An Election Contractor will be hired to conduct the mechanics of the **2008** election.
3. The Election Committee will review ballot wording prior to printing.
4. **March 12, 2008** is the record date for the election and annual meeting voting. In order to participate in the election and annual meeting voting a person 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 before 7 days prior to the Annual meeting, ie. April 17, 2008, by contacting Chugach Electric Member Services or by following instructions linked prominently on Chugach Electric's home page. At the annual meeting, the non-natural member may vote if the individual's is the most recent signature on file or through proof that the individual is an officer 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 ballot 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, and that the easiest and safest way to assure that the ballot will be delivered to the appropriate individual within their organization is to complete the enclosed signature card and return it to Chugach prior to March 12, 2008. However, the designated individual may be subsequently be changed for their organization before voting or prior to April 17, 2008, whichever is earlier by contacting Chugach Electric Member Services at (907-563-7366) or go to www.chugachelectric.com.
6. After the date of record the Chugach Information Services Department will prepare a membership mailing file. The membership mailing 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 Contractor will be required to batch election materials in such a way that Chugach pays the least amount of postage. The membership voting 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 **2008** 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 Contractor by **March 14, 2008**. The Contractor will stuff and label election packets containing candidate statements, a summary of the proposed bylaw changes, director attendance and voting records (**REMOVED an annual report**), a mail ballot and a postage-paid return envelope. 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 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 25, 2008**. 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 or hand-deliver your ballot to arrive by noon April 21 to Sramek Hightower, 2525 C Street, Suite 100.

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

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

1) Update your voting designee before April 17, 2008 so your ballot will be counted by calling Chugach Member Services (907-563-7366) OR going to www.chugachelectric.com

2) Check box *after* completing Step 1 above:

3) Mail or hand-deliver your ballot to arrive by noon April 21 to Sramek Hightower, 2525 C Street, Suite 100.

9. Mail ballots must be returned by noon, **April 21, 2008**, (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 Contractor. Chugach will not keep any ballot packets at its facilities. The Contractor must have a 24-hour phone number to handle calls. The 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 24**, 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 (aside from that necessary for the Election Committee and Contractor to perform their duties) until the deadline for requesting a recount, or a recount itself, has passed.
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 Contractor will be responsible for securing electronic/mechanical ballot-counting equipment compatible with the ballots, and for transporting the equipment. The 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 where they will be picked up by the Election Contractor. Ballots will not be returned to Chugach. Ballots and ballot envelopes which are inadvertently delivered to Chugach will immediately be turned over to the Contractor.
18. The Election Contractor will pick up the returned ballot envelopes at least once a week during the month of mail voting. Mail ballot envelopes will be taken to the Contractor facility and safeguarded by the Contractor.
19. Following each pickup, the Contractor will sort and count returned mail ballot envelopes and bundle them into control groups.
20. The 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 non-natural member voting signature card on file with Chugach as of the date of record or if different from either of these, the most the recent voter signature on file with Chugach as of the date of receipt of the ballot.
22. The 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.
- 22b. Ballots that are ruled invalid for any reason, including arriving too late at the Election Contractors, are to be returned to the voter within one day of invalidation with a dated Ballot Rejection Insert telling the voter why their ballot was invalidated and what they can do to remedy it. The Contractor will mark the alpha membership roster with "Returned" and date of return.

SAMPLE BALLOT REJECTION INSERT

Your ballot is not valid because:

MISSING SIGNATURE – To correct: Sign the ballot envelope

WRONG SIGNER – To correct: Have the ballot envelope signed by the member noted.

QUESTIONED SIGNER – To correct: Contact Sramek-Hightower.

WRONG NON-NATURAL SIGNER – To correct: Have the ballot envelope signed by the authorized signer printed on the envelope or contact Chugach Member Services at (907) 563-7366 to change the authorized signer for your account. You may also go to www.chugachelectric.com for more information.

OTHER – To correct: Contact Sramek-Hightower.

I DID NOT VOTE THIS BALLOT, THIS IS NOT MY SIGNATURE – IMPORTANT: Please contact Chugach election contractor Sramek-Hightower at 561- XXXX IMMEDIATELY.

After taking the above steps to remedy deficiencies you can revoke by remailing [ballot must arrive at PO Box by noon on April 21, 2008] or by hand delivering your ballot to Sramek-Hightower 2525 C St Suite 100 by noon on April 21, 2008. You may vote in person at the annual meeting in the Egan Center at 7pm on April 24, 2008. For more information contact Sramek-Hightower or on-line: www.chugachelectric.com.

23. 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.
24. On questioned ballot envelopes, the Election Committee **will not** accept a signature as valid if a member does not have a signed application on file with Chugach. **However, if the committee reaches a tie on validity, the benefit of the doubt will go to the member.**
25. 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.
26. 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.

27. The final pickup of mail ballot envelopes will be made at noon, **April 21, 2008**. Mail ballot envelopes shall also be accepted at the contractor's office until noon, **Monday, April 21, 2008**. Mail ballots which arrive at the post office box or the contractor's office after this time will not be counted.
28. No mail ballot envelopes will be opened before the day of the Annual Meeting.
29. On the day of the Annual Meeting valid mail ballot envelopes will be opened and ballots counted by the Contractor and Election Committee, using electronic/mechanical means. Mail balloting results will be safeguarded by the Contractor until the time of the Annual Meeting.
30. On the evening of the Annual Meeting, the Contractor will oversee the registration of members. All members, or the designated voting representatives of non-natural members – as evidenced by completed voting signature cards for non-natural members or the signatures on the membership application file with Chugach – by the date of record will get a voting card, as well as Non-naturals who have changed their designated individual with Chugach Electric subsequent to the date of record but prior to April 17, 2008. In lieu of the designated individual, a person demonstrating that he or she is an officer for a non-natural member may vote a questioned ballot which will be counted only in the case of a close election where such vote may affect the outcome of the election. Questioned ballots and envelopes should be of a different color, perhaps red, so they are easily identified and separated from the other ballots. Members by the date of record who have not cast a valid mail ballot will be given a ballot for in-person voting. The contractor will check the membership and mail vote status using the date-of-record roster that was created at the time the mailing list was produced.
31. Following the close of voting at the Annual Meeting, the Contractor and Election Committee will count those ballots cast in person at the meeting. The results of in-person voting will be combined with those of the mail voting.
32. 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.
33. Provisions for recounts are explained in the Chugach bylaws.
34. The contractor will secure election materials and may destroy them after receiving written authorization from Chugach of the intended destruction, but not before the recount period has ended.
35. 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.