

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

**June 4, 2010**

**Electronic Voting Overview**

Several years ago, Chugach members approved a by-law change that allows members to vote electronically; however, Alaska Statute prevented Chugach from implementing it. During the last Legislative session, Chugach with the support of several utilities and APA, successfully championed a change to the Statute. As part of this effort, last summer Chugach conducted preliminary research on electronic voting, gathering information from a number of vendors and having two vendors demonstrate their products in the June 16<sup>th</sup> Board Workshop session. Directors Logan, Hill, Kennedy and Vazquez attended. Based on this research, there are several key aspects that Chugach will need to consider:

- **Election Type:** While you can hold an election where everyone votes electronically, many organizations use a “hybrid” approach, which allows voters to cast ballots electronically (e.g., via a secure website), on paper through the mail, or in person. Indeed, the Statute as modified requires us to continue offering mail and in-person voting.
- **Vendor Level of Service:** Vendors typically host the electronic voting solution on their servers and provide user portals for voting and administering the election. In addition, many vendors provide “turn-key election” services: they will handle not only the electronic voting portion but will also manage any mailed ballots and may come on-site for the annual meeting, becoming the independent administrator for the election. The level of service offered varies by vendor; many are willing to work out arrangements to work in combination with a client-selected third-party election administrator, such as Sramek-Hightower. Some also have functionality in place for an “electoral board” of stakeholders to have shared administration of the election. In this scenario, the electoral board must work together to perform the administrative functions: no one person can take any action.
- **Security:** While security is necessarily an important part of all electronic voting vendors’ solutions, different approaches are used. All researched vendors have physical and electronic (minimally 128-bit SSL) security mechanisms as well as methods for preventing duplicate voting. Other vendors take security a step further, encrypting not only the voter’s electronic connection but also having each ballot digitally “signed” and votes encrypted in the database.

Chugach representatives also spoke with 3 electric cooperatives who have implemented electronic voting. All 3 use a hybrid approach, mailing a ballot packet to all members. Although they receive a lot of positive feedback about electronic voting, voter participation in elections has either not increased or increased very slowly; they typically see 7-10% response rate between all voting mechanisms.

**Update as of June 1, 2010:**

On June 1, Governor Parnell signed the bill changing the Alaska Statute. With this change, Chugach can now begin the process for implementing electronic voting. In addition, Chugach has been contacted by MEA, MTA, and GVEA, who are interested in exploring electronic voting with Chugach.

At least to begin with, Chugach expects to use a hybrid approach, which will allow time to determine members' acceptance of electronic voting. Chugach would most likely choose to send the standard mail packet to all members the first year, which would include a paper ballot as well as the information for voting electronically. In future years, Chugach could choose to scale back the packet's contents, similar to how the Department of Revenue has phased in electronic PFD applications over several years.

**Proposed Plan:**

Chugach needs to complete an RFP process for software and services, selecting a vendor by the end of September. This timing will allow Chugach to include the electronic voting costs within the 2011 budget, if the Board decides to implement electronic voting for 2011. The following table outlines a proposed plan, which will position Chugach for implementing electronic voting as early as the 2011 election.

| <i>Milestone</i>                             | <i>Responsibility</i>          | <i>Timeframe</i> |
|--|--------------------------------|------------------|
| Approve Beginning Selection Process          | Board                          | June             |
| Identify Board Liaison                       | Board                          | June             |
| Begin Selection/RFP Process                  | Selection Committee            | June             |
| Issue RFP                                    | Selection Committee            | July             |
| Receive & Evaluate Proposals                 | Selection Committee            | Early August     |
| Hold Software Demos                          | Selection Committee            | Mid August       |
| Select Software Vendor                       | Selection Committee            | Late September   |
| Update Election Procedures                   | Election Committee             | October/November |
| Recommend Implementation Timing and Approach | Election Committee             | Late October     |
| Approve Approach                             | Board                          | Late October     |
| Implement Electronic Voting                  | Election Committee with Vendor | December - May   |

**Chugach Next Steps:**

- Obtain Board approval to proceed with the selection process and have a Board liaison identified
- Explore the potential for a co-project with MTA, MEA, and GVEA for selecting an electronic voting vendor
- Identify Selection Committee participants and hold kick-off meeting
- Develop RFP