

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

OPERATIONS COMMITTEE MEETING
AGENDA ITEM SUMMARY

July 8, 2009

ACTION REQUIRED

AGENDA ITEM NO. XIV.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Proposed Revisions to Board Policy 115 – Vacancies in Unexpired Terms and Board Policy 116 – Involuntary Resignation of a Director

DISCUSSION

The Association's Standard Operating Procedure 063 calls for periodic review of board policies to determine if any revisions are necessary. Board counsel and staff have undertaken the review and they recommend the changes to Board Policies 115 and 116 as shown in the attached documents.

It is recommended that Board Policy 115 be revised to provide a procedure for filling Board vacancies under all circumstances as opposed to only those provided for in Article IV, Section 7 of the Association's Bylaws.

It is recommended that Board Policy 116 be revised to conform with the changes adopted by the membership in April 2009 to the Bylaw provisions regarding Board of Directors' absences.

MOTION

Move that the Operations Committee recommend the Board of Directors approve the revisions to Board Policy 115, Vacancies in Unexpired Terms and Board Policy 116, Involuntary Resignation of a Director.

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 115

DATE:

VACANCIES IN UNEXPIRED TERMS

I. OBJECTIVE

To describe the procedure for the Board to fill unexpired terms on the Board of Directors.

II. CONTENT

- A. Time and Manner of Solicitation. Solicitations for applications to fill a vacancy on the Board shall begin by direction of the Chairman of the Board following notice at a regular Board meeting that a vacancy has occurred. The solicitations shall be done in 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 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 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 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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VACANCIES IN UNEXPIRED TERMS

I. OBJECTIVE

To describe the procedure for the Board to fill unexpired terms on the Board of Directors.

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II. CONTENT

- A. Time and Manner of Solicitation. Solicitations for applications to fill a vacancy on the Board shall begin by direction of the Chairman of the Board following notice at a regular Board meeting that a vacancy has occurred. The solicitations shall be done in 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 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 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 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.
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- 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: 116

DATE:

INVOLUNTARY RESIGNATION OF DIRECTOR

I. OBJECTIVE

To define specific procedures for determining when a director has involuntarily resigned under Article V, Section 4 of the Association's Bylaws.

II. CONTENT

- A. If a director is absent from three consecutive regular board meetings or four regular board meetings in any director year (May 1 to April 30 of the following year), the director shall be deemed to have resigned from the board of directors under Article V, Section 4 of the Association's Bylaws.
1. Whenever a Director is absent from a regular board meeting, it shall be the duty of the Chief Executive Officer to prepare a written report summarizing the director's attendance record for the preceding director year.
 2. For purposes of this policy, a regular board meeting shall be any meeting so designated under Article V, Section 1 of the Association's Bylaws.
- B. If a director is absent from three consecutive board committee meetings or four board committee meetings in any director year whether consecutive or not, the director shall be deemed to have resigned from the board committee and may not be reappointed to that same board committee until the following year.
- C. The following absences shall not be counted in determining a director's attendance record:
1. A director will not be counted as absent whenever the director is absent on Association business including reasonable travel time to and from such business, provided such travel and absence is approved by the board.
 2. A director will not be counted as absent if, at the next regular or special board meeting, a majority of the members of the board not requesting the excuse approve the absence.
 - a. No more than four absences per director year may be excused.

- D. Directors may participate at Board meetings by teleconference or similar communications equipment.
 - 1. Directors may participate by electronic communications without limitation if the director is unable to attend in person due to Association business provided the absence is approved in accordance with Article V, Section 4 of the Association's Bylaws.
 - 2. Directors may also participate by electronic communications without limitation in any board committee meetings or special meetings regardless of whether they are unable to attend in person due to Association business.
 - 3. For any regular Board meeting, electronic attendance for reasons other than Association business shall be limited to three consecutive meetings or four meetings in any director year.

- E. The Chief Executive Officer shall provide each director for whom an attendance report is generated under this policy with a copy of the report at the next regular or special board meeting. The director shall then have thirty (30) days to correct any errors in the report. The Chief Executive Officer shall immediately advise the board if a director's absences have resulted in the director's involuntary resignation under Article V, Section 4.

III. RESPONSIBILITIES

- A. It shall be the responsibility of the Chief Executive Officer to administer this policy.

- B. It shall be the responsibility of individual directors to monitor their own attendance.

Date Approved: _____

Attested: _____
Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 116

DATE:

INVOLUNTARY RESIGNATION OF DIRECTOR

I. OBJECTIVE

To define specific procedures for determining when a director has involuntarily resigned under Article V, Section 4 of the Association's Bylaws.

II. CONTENT

A. If a director is absent from three consecutive regular board meetings or four regular board meetings in any director year (May 1 to April 30 of the following year), the director shall be deemed to have resigned from the board of directors under Article V, Section 4 of the Association's Bylaws.

1. Whenever a Director is absent from a regular board meeting, it shall be the duty of the Chief Executive Officer to prepare a written report summarizing the director's attendance record for the preceding director year.

2. For purposes of this policy, a regular board meeting shall be any meeting so designated under Article V, Section 1 of the Association's Bylaws.

B. If a director is absent from three consecutive board committee meetings or four board committee meetings in any director year whether consecutive or not, the director shall be deemed to have resigned from the board committee and may not be reappointed to that same board committee until the following year.

C. The following absences shall not be counted in determining a director's attendance record:

1. A director will not be counted as absent whenever the director is absent on Association business including reasonable travel time to and from such business, provided such travel and absence is approved by the board.

2. A director will not be counted as absent if, at the next regular or special board meeting, a majority of the members of the board not requesting the excuse approve the absence.

a. No more than four absences per director year may be excused.

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¶ 1. For purposes of determining compliance with attendance requirements, director attendance shall be computed for two fixed six-month periods from the first of May through the end of October and the first of November through the end of April. On the first of May and the first day of November of each year, or on the first business day thereafter, it shall be the duty of the Chief Executive Officer to prepare a written report summarizing the attendance records of all directors for the preceding six calendar months. ¶

¶ 2. The following board events shall be considered "meetings" when calculating a director's six-month attendance record:

Deleted: a. All regular and special board meetings;¶

¶ b. All board workshops;¶

¶ c. All meetings of committees on which the director sits, and ¶

¶ d. Any other board event that the board has designated in advance as a required meeting for attendance purposes. Each meeting at which attendance is req[... [1]

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D. Directors may participate at Board meetings by teleconference or similar communications equipment.

1. Directors may participate by electronic communications without limitation if the director is unable to attend in person due to Association business provided the absence is approved in accordance with Article V, Section 4 of the Association's Bylaws.

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2. Directors may also participate by electronic communications without limitation in any board committee meetings or special meetings regardless of whether they are unable to attend in person due to Association business.

3. For any regular Board meeting, electronic attendance for reasons other than Association business shall be limited to three consecutive meetings or four meetings in any director year.

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E. The Chief Executive Officer shall provide each director for whom an attendance report is generated under this policy with a copy of the report at the next regular or special board meeting. The director shall then have thirty (30) days to correct any errors in the report. The Chief Executive Officer shall immediately advise the board if a director's absences have resulted in the director's involuntary resignation under Article V, Section 4.

III. RESPONSIBILITIES

A. It shall be the responsibility of the Chief Executive Officer to administer this policy.

B. It shall be the responsibility of individual directors to monitor their own attendance.

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Date Approved: _____

Attested: _____
Secretary of the Board

- a. All regular and special board meetings;
 - b. All board workshops;
 - c. All meetings of committees on which the director sits, and
 - d. Any other board event that the board has designated in advance as a required meeting for attendance purposes. Each meeting at which attendance is required by all board members shall be so noted on the calendar of events by a lower case "r" in parentheses; each meeting where committee members' attendance is required shall be noted by a lower case "rc" in parentheses.
3. In the event a required meeting extends over more than one day, each day's absence will be counted as a separate absence.

A request is timely if it is made at or before the next regular or special board meeting or if it is made within thirty (30) days of the absence.