

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

**OPERATIONS COMMITTEE MEETING**  
**AGENDA ITEM SUMMARY**

**August 12, 2009**

**ACTION REQUIRED**

**AGENDA ITEM NO. XI.**

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

---

**TOPIC**

Board Policy 115 – Vacancies in Unexpired Terms and Board Policy 116 – Involuntary Resignation of a Director.

**DISCUSSION**

Proposed changes to Board Policies 115 and 116 were discussed at the July 8, 2009 Operations Committee meeting. The Operations Committee tabled further consideration of Board Policy 115 until Board counsel had an opportunity to analyze whether it is appropriate to nominate individuals to fill Board Director vacancies by secret ballot. Board counsel has concluded that voting by secret ballot for this particular purpose (as opposed to voting to elect Board officers) would violate the Alaska statute that governs the Association.<sup>1</sup> Therefore, a revised draft of Board Policy 115 is presented for consideration. No other changes were made to the revised policy previously considered at the July 8, 2009 Operations Committee meeting.

At the July 8, 2009 Operations Committee meeting, the Committee asked Board counsel to consider whether Board Policy 116 is necessary in light of the substantive changes adopted to the bylaws addressing this issue (Article V, Sections 4 and 7) at the 2009 annual meeting. The only section of the previously proposed revised version of Board Policy 116 that is not already provided for in the bylaws is Section II.E, which requires the Chief Executive Officer to provide reports to Board Directors regarding their attendance statistics and to immediately advise the Board if any director has triggered the involuntary resignation bylaws due to absences. A Board Policy is not required for this practice to continue.

---

<sup>1</sup> Board Counsel's confidential memorandum on this subject has been separately provided to the Board.

## **MOTION**

### **Board Policy 115:**

Move that the Operations Committee recommend the Board of Directors approve the revisions to Board Policy 115 as shown in the attached document.

### **Board Policy 116 (two possible alternative motions):**

- A. *If the maker of the motion wishes to rescind the entire policy:* Move that the Operations Committee recommend to the Board of Directors that it rescind Board Policy 116.
  
- B. *If the maker of the motion wishes to delete all but subsection II.E of the current revised draft policy:* Move that the Operations Committee recommend to the Board of Directors that the attached version of Board Policy 116 be adopted.

**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 included in the slate, the Board shall vote to eliminate candidates until only two remain.
- F. Final Selection. Once only two candidates remain, the Board shall vote for the candidates until one is selected by a majority of the Board.
- 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: \_\_\_\_\_

Alex Gimarc  
Secretary of the Board

## 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 ~~not caused by vote of the membership.~~

#### II. CONTENT

- A. Time and Manner of Solicitation. Solicitations for applications to fill a vacancy on the Board ~~not created by membership vote~~ 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~~ included in the slate, 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~~, the Board shall voting shall be by secret ballot vote for the candidates until one is selected by a majority of the Board.
- 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: 116**

**DATE: \_\_\_\_\_**

**REPORTS TO THE BOARD REGARDING DIRECTOR ABSENCES AND  
INVOLUNTARY RESIGNATION OF DIRECTOR**

**I. OBJECTIVE**

To inform the Board regarding absences and/or involuntary resignation of a director under Article V, Section 4 of the Association's Bylaws.

**II. CONTENT**

A. The Chief Executive Officer shall provide each director an attendance report generated in accordance with Article V, Sections 4 and 7 of the Association's bylaws at each 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: \_\_\_\_\_

Alex Gimarc  
Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 116

DATE:

**REPORTS TO THE BOARD REGARDING DIRECTOR ABSENCES AND INVOLUNTARY RESIGNATION OF DIRECTOR**

**I. OBJECTIVE**

To ~~inform the Board regarding absences and/or involuntary resignation of a director 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 or all consecutive regular board meetings or four regular board meetings in any sixty day period 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 sixty day period director year.~~

~~2. For purposes of this policy, a regular board meeting shall be any meeting so designated by resolution of the board 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. If a director is absent from 25% of all meetings in a six month period, the director shall be deemed to have resigned from the board of directors under Article V, Section 4.~~

~~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:~~

~~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.~~

~~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) and the travel and absence was approved in advance by the board.~~

~~2. A director will not be counted as absent if, at the next regular or special board meeting, the director timely requests that an absence be excused and a majority of the members of the board not requesting the excuse approve the request absence.~~

~~a. 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.~~

~~b. No more than three ~~four~~ absences per director year may be excused in any twelve consecutive calendar months.~~

~~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.~~

~~2. 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.~~

~~EA.~~ The Chief Executive Officer shall provide each director ~~for whom~~ an attendance report ~~is generated under this policy~~ in accordance with Article V, Sections 4 and 7 of the Association's bylaws 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. ~~EF. For purposes of the 25% limit on telephone attendance found in Article V, Section 7, Telephone Board Meetings, the twelve month period shall run from the first of May through the end of April.~~

**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