

H B

670

A M E N D M E N T

OFFERED IN THE HOUSE:

By: State Affairs

To: CS HOUSE BILL No. 670

SENATE BILL No. _____

PAGE: _____

LINE: _____

Adopte language in Work Draft CS with the following amendments:

line 15 add language that would say 'records of the coopreative Not to include
the names and addresses of it's members, at the principal office of the cooperative.

Add language adopting the attached amendments by Rep. Rogers.

COMMITTEE REPORT

HOUSE

(5)

FURTHER:

2/15/82

Date: 4/1/82

Mr. Speaker:

The Committee on STATE AFFAIRS has had RD 670

"An Act requiring that meetings of the board of directors of an electric or telephone cooperative be open to members of the cooperative."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for RD 670 same title
 new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING

DO PASS

MEMBERS HAVING

OTHER RECOMMENDATIONS:

CHAIRMAN



chugach current

LIGHTING THE WAY TO THE FUTURE-

An Equal Opportunity Employer

MARCH 1982

Proposed By-Laws Amendments

The following Chugach Electric Association, Inc., by-laws amendments have been proposed by the 1982 By-Laws Committee. The amendments will be voted on by members at the 1982 Annual Membership Meeting April 28 at West Anchorage High School. The meeting begins at 6:30 p.m.

A summary of the by-laws was published March 20, 1982, in the Anchorage Times and March 21, 1982 in the Anchorage Daily News. Copies of the by-laws may be obtained from the Association's consumer services offices at Eighth and Gambell Street downtown, and in the Boniface Center.

Members of the By-Laws Committee are Steven R. Foster, chairman; James C. Robertson, vice chairman; Dottie Johnson, secretary; George Cebula II; Edith G. Misiewicz; Sylvia L. Short, and Donald McClintock. Additional information may be obtained by telephoning the Association at 276-3500, extension 106.

In the following, proposed new language is underlined and existing language proposed for deletion is enclosed by brackets:

ARTICLE III

Members, Meetings, and Elections [MEETINGS OF MEMBERS]

Section 1. Annual Meeting. The annual meeting of the members shall be held at such convenient date, on or after the 1st day of April, and on or before the 1st day of May of each year, at such place or building in the Anchorage Precinct, Third Judicial District, State of Alaska, as shall be designated by the board of directors on the notice of meeting, for the purpose of announcing newly elected directors [ELECTING DIRECTORS] passing upon reports for the previous fiscal year, and transacting such other business as may come before the meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Association.

Section 3. Notice of Members' Meetings. Written or printed notice, stating the place, day and hour of the meeting and the business to be transacted thereat, [IN CASE OF A SPECIAL MEETING, OR AN ANNUAL MEETING AT WHICH BUSINESS REQUIRING SPECIAL NOTICE IS TO BE TRANSACTED] the purpose or purposes for which the meeting is called, shall be delivered not less than thirty days before the date of the meeting, either personally or by mail, by or at the direction of the secretary, or upon a default in duty by the secretary, by the persons calling the meet-

ing, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Association, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members of any such meeting.

Section 5. Quorum. One hundred members [FIVE HUNDRED MEMBERS OR ONE PER CENTUM OF THE TOTAL NUMBER OF MEMBERS, WHICHEVER IS THE GREATER NUMBER PRESENT IN PERSON.] shall constitute a quorum for a regular or special meeting of the members. If less than a quorum is present at any meeting of the members, a majority of those present may adjourn the meeting from time to time without further notice. If a regular or special meeting of the members is not held for lack of a quorum, one hundred members [FIVE HUNDRED MEMBERS, OR ONE PER CENTUM OF THE TOTAL MEMBERSHIP, WHICHEVER IS THE LESSER NUMBER.] shall constitute a quorum for each meeting subsequent thereto, whether convened by action of the members or otherwise. [UNTIL A QUORUM IS PRESENT AND A MEETING IS HELD, AFTER WHICH THE QUORUM FOR THE MEETING OF THE MEMBERS NEXT FOLLOWING WILL REVERT TO FIVE HUNDRED MEMBERS, OR ONE PER CENTUM OF THE TOTAL MEMBERSHIP, WHICHEVER IS THE GREATER NUMBER.]

Section 6. Meeting [VOTING.] Each member shall be entitled to only one vote upon each matter submitted to a vote [AT A MEETING OF THE MEMBERS.] All questions shall be decided by a vote of a majority of the
(Continued on Page 2)

Annual Meeting Notice

Notice is hereby given that the annual membership meeting of Chugach Electric Association, Inc., will be held at West Anchorage High School in Anchorage, Alaska, on Wednesday, April 28, 1982, at 6:30 p.m. for the purpose of receiving and considering reports of its officers, directors, and committees, to elect two directors to serve until the annual meeting in 1985, and to transact such other business as may properly come before the meeting.

The membership lists, for the purpose of participating in the foregoing meeting, closed as of the end of the Association's business on Wednesday, March 31, 1982, at 5:00 o'clock in the afternoon.

Gerald K. Morrell
Secretary

members voting thereon in person, except as otherwise provided by law, the articles of incorporation, or these by-laws.

Section 7. Order of Business.

5. Election results. [OF DIRECTORS.]

Section 8. Ballot Voting. Each member shall be entitled to only one vote upon each matter submitted to a vote. All questions shall be decided by a vote of a majority of the ballots, except as otherwise provided by law, the articles of incorporation, or these by-laws. All voting will be conducted by secret ballot which shall be delivered with notice of members meeting as set forth in Article III, Section 3. Ballots must be postmarked or received at least fifteen days prior to the meeting. A neutral party shall receive ballots and tabulate results. Results of the votes will be announced at the meeting and all ballots retained for thirty days for review, after which time they must be destroyed. At least five hundred ballots must be received to constitute an election. If five hundred ballots are not received, another election must be held within six months.

ARTICLE IV

Section 1. Election and Tenure of Office. The persons named as directors in the articles of incorporation shall compose the board of directors until the first annual meeting, or until their successors shall have been elected and shall have qualified. Directors shall be elected by secret ballot [AT ANNUAL MEETINGS] of the membership, by and from the members, to serve for a three-year-term, or until their successors have been elected and qualified; provided, that directors elected to fill vacancies as provided in Article IV, Section 8 of these by-laws, as amended, shall serve only for the unexpired portion of the term vacated. At the first such election under this provision, members of the board shall be elected as follows: three members to one year terms; two members to two-year terms; and two members to three-year terms. At each subsequent annual election [MEETING] members shall be elected to fill the seats on the board which become vacant under the schedule hereby set forth, or which become vacant as contemplated by Article IV, Section 8 of these by-laws, as amended. [IF ANY ELECTION OF DIRECTORS SHALL NOT BE HELD ON THE DAY DESIGNATED HEREIN FOR THE ANNUAL MEETING, OR AT ANY ADJOURNMENT THEREOF, A SPECIAL MEETING OF THE MEMBERS SHALL BE HELD WITHIN A REASONABLE TIME THERE-

AFTER FOR THE PURPOSE OF ELECTING DIRECTORS.] Directors may be elected by a plurality vote of the members.

Section 4. Nominations. It shall be the duty of the board of directors to appoint, not less than ninety [SIXTY] days before the date of a meeting of the members [AT WHICH DIRECTORS ARE TO BE ELECTED,] a committee on nominations consisting of not less than five nor more than seven members, who shall be selected from different sections so as to insure equitable representation. No member of the board of directors may serve on such committee. Public notice for nominations shall be given ninety days prior to the annual meeting in accordance with the by-laws. The committee, keeping in mind the principle of geographical representation, shall prepare and post at the principal office of the Association, sixty days [AT LEAST TWENTY DAYS] before the meeting, a list of nominations for directors, which may include a greater number of candidates than are to be elected. Any fifteen or more members, acting together, may make other nominations by petition not less than forty-five [FIFTEEN DAYS] prior to the meeting, and the secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. The secretary shall mail with the notice of the meeting, or separately, at least thirty [SEVEN] days before the date of the meeting, a statement of the number of directors to be elected and the names and addresses of the candidates, which may include a photograph of the candidate and a resume not to exceed one hundred words, specifying separately the nominations made by the committee on nominations and the nomination made by petition, if any.

Section 7. Removal of Directors by Members. Any member may bring charges against a director and, by filing with the secretary such charges in writing, together with a petition signed by at least a sufficient number of members to constitute a quorum as defined in Section 5, Article III, may request the removal of such director by reason thereof; provided, however, that the signatures of members shall be acceptable only when affixed to a sheet on which the petition therein is

Proposed 1982 Amendments To Chugach By-Laws

fully set forth; and, provided further, that the person who solicited the signatures affixed to such petition shall acknowledge thereon before a person authorized to take acknowledgements of deeds that he had read the petition and the said charges against such director to each of the members prior to the latter subscribing their names thereto. Such director shall be informed in writing of the charges at least ten days prior to the meeting of the members at which the charges are to be considered, and shall have an opportunity at the meeting to be heard in person, or by counsel, and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such director shall be con-

sidered and voted upon at the meeting of the members. [AN / ANY VACANCY CREATED BY SUCH REMOVAL MAY BE FILLED BY VOTE OF THE MEMBERS AT SUCH MEETING WITHOUT COMPLIANCE WITH THE FOREGOING PROVISIONS WITH RESPECT TO NOMINATIONS.]

Section 8. Vacancies. Vacancies caused by the removal of directors by the members shall be filled as provided in Article III, Section 8 [ARTICLE IV, SECTION 7, ABOVE] subject, however, to the provisions of Article IV, Sections 2 and 3. Any other vacancy occurring in the board shall be filled by the affirmative vote of the majority of the remaining directors, and the member so elected to the board shall serve until the next annual elec-

tion [MEETING] of the members, or until his successor has been elected and qualified. At the annual election [MEETING] next following the existence of such vacancy, the members shall elect one of their number to serve as director during the unexpired portion of the term vacated, subject, however, to the provisions of Article IV, Sections 2, 3, and 4 of these by-laws.

ARTICLE V

Section 6. Membership Attendance. Regular meetings, special meetings, or work sessions shall be open to any of the Association's members who wish to attend. The notice of such meetings and an agenda shall be posted on the bulletin board at the headquarters building not later than five working days prior to a meeting. Executive sessions of the board of directors may be called at any regular or special meeting to deal with manager personnel problems or problems determined by the board of directors by vote to be detrimental to the Association.

Section 7. Minutes. All meetings, regular and special, shall be electronically recorded and with the minutes be made available to the members at the headquarters building executive office. Any Association member desiring copies of the minutes will be required to pay the costs of duplication and salaries of employees' time involved in reproducing the documents.

ARTICLE VIII

Section 2. Accounting System and Reports. The accounting system adopted and maintained by the board of directors shall conform to such rules and regulations applicable to accounting systems, their establishment and operation, as may from time to time be promulgated by the Administrator, Rural Electrification Administration, United States Department of Agriculture, and which may be established by any applicable laws, rules and regulations of the United States, the State of Alaska, or any regulatory agency thereof of competent jurisdiction. The board of directors shall also, after the close of each fiscal year, cause to be made a full, complete and independent audit of the accounts, books, and financial condition of the Association as of the end of such fiscal

year. Such audit reports shall be submitted to the members prior to [AT] the annual meeting next following.

Section 3. Disclosure. The books and records of the Association shall be made available to members for information and copying during normal business hours within one month after written request for such documents. Members desiring copies will be required to pay whatever costs are involved to provide duplication. (Cost of copying and/or salary for employees' time involved.)

ARTICLE XIII

Section 1. These by-laws may be altered, amended or repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration amendment or repeal. Notice to the membership shall be given ninety days prior to the annual meeting for submission of proposed by-law changes. Proposed by-law changes must be submitted within two weeks after the public notification is given.

Section 2. By-Laws Committee. It shall be the duty of the board of directors to appoint, not less than ninety [SIXTY] days before the annual membership meeting, a committee on by-laws, consisting of not less than five nor more than seven members, who shall be selected from different sections of the service area of the Association so as to insure equitable representation. No member of the board of directors may serve on such committee. The committee shall review the by-laws of the Association, consider any recommendations for revisions thereof which may be made by the board of directors or any member, and report their recommendations concerning the by-laws to the annual membership meeting. Nothing herein shall be interpreted to limit the authority of the board of directors to propose changes in the by-laws, or the right of the members to call a special meeting for any proper purpose pursuant to Article III, Section 2, herein.

ARTICLE XIV

ADVISORY COUNCIL

Section 1. Member Advisory Council. The board of directors shall create and establish a Member Advisory Council.

Section 2. General Duties. It shall be the duty of the board of directors to appoint members to the advisory council who shall be selected from different sections of the service area of the Association so as to insure equitable representation.

PROGRAM
32nd ANNUAL MEMBERSHIP MEETING
Wednesday, April 28, 1982

6:30 p.m. Registration
Meeting Called to Order Richard B. Smith, President
Invocation Rev. Dan Leighton, Pastor
Trinity United Presbyterian Church
Report of Quorum . . . Lino Agosti, Master Election Judge
Proof of Publication
of Annual Meeting Richard B. Smith, President
Reading and Approval of
Unapproved Minutes Gerald K. Morrell, Secretary
Report of By-Laws Committee . . . Steven Foster, Chairman
Introduction of Candidates . . . Jesse Wilson, Jr. Chairman
Nominating Committee
Statement of Candidates 3 Minutes each
Explanation of Voting Procedures
and Balloting L. Van Whitehead, Chairman
Annual Meeting Committee

INTERMISSION Refreshments
Unfinished Business
New Business
Adjournment

CHUGACH CURRENT

A publication of the CHUGACH ELECTRIC ASSOCIATION, INC.
Telephone: 276-3500 Office Locations: Eighth and Gambell
Boniface Center

Mailing Address: P.O. Box 3518, Anchorage, Alaska 99501

CHUGACH ELECTRIC ASSOCIATION, INC. is a nonprofit electric cooperative owned and operated by the people it serves. Chugach's purpose is to provide electric energy to members at the lowest cost consistent with sound economy and good management.

- Richard B. Smith, President Rabbit Creek
- John E. Ryan, Vice-President Hillside Drive
- Gerald K. Morrell, Secretary Crescent Drive
- David W. Robinson, Treasurer Sand Lake
- Patrick M. Rodey, Director Spenard
- L. Van Whitehead, Director Ocean View
- Liz L. Gilbert, Director Chugach Foothills
- T.S. Kolasinski Acting General Manager

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 Alaska

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 670

Title Requiring meetings of the board of directors of an electric or telephone

Requested by _____ Date _____
cooperative be open to members of the cooperative.

II. FISCAL DETAIL

Agency Affected Commerce and Economic Development

Program Category Affected Consumer Protection

BRU, Program, Or Subprogram(s) Affected Public Utilities Commission

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		0				
200 TRAVEL		0				
300 CONTRACTUAL		0				
400 COMMODITIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS, ETC.		0				
TOTAL		0				

FUNDING (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS		0				
OTHER (Specify Source)		0				

POSITIONS

FULL TIME		0				
PART TIME		0				
TEMPORARY		0				

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

IV. DATE 4/2/82

PREPARED BY

Larson A. Press

AGENCY

Public Utilities Commission

PHONE

276-6277

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

3-29-82

Original sponsor: Rogers

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 670 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act requiring that meetings of the board of
7 directors of an electric or telephone cooperative be
8 open to members of the cooperative."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*and records
of an electric
telephone coop*

10 * Section 1. AS 10.25 is amended by adding new sections to read:

11 Sec. 10.25.175. BOARD MEETINGS OPEN TO MEMBERS. A meeting of the

12 board of directors may be attended by members of the cooperative.

13 Sec. 10.25.177. MEMBER'S RIGHT TO EXAMINE BOOKS AND RECORDS. A

14 member of a cooperative may, in person or by attorney, at a reasonable
15 time examine and make copies of the books and records of the cooperative

16 at the principal office of the cooperative. The cooperative may charge
17 a member an amount equal to the actual cost of duplicating documents
18 requested under this section.

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THE LEGISLATURE OF THE STATE OF ALASKA
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EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
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200 TRAVEL		0				
300 CONTRACTUAL		0				
400 COMMODITIES		0				
500 EQUIPMENT		0				
600 LAND & STRUCTURES		0				
700 GRANTS, CLAIMS, ETC.		0				
TOTAL		0				

FUNDING (Thousands of Dollars)

GENERAL FUND		0				
FEDERAL FUNDS		0				
OTHER (Specify Source)		0				

POSITIONS

FULL TIME		0				
PART TIME		0				
TEMPORARY		0				

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

IV. DATE 4/2/82 PREPARED BY *Carroll S. Press*
 AGENCY *Public Utilities Commission*
 Original: Legislative Finance PHONE *276-6227*
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

HC670

opinion

Anchorage Daily News

Winner, 1976 Pulitzer Prize Gold Medal for Public Service

Katherine Fanning
Editor and Publisher



Gerald E. Grilly
General Manager

Stan Abbott
Executive Editor

Howard Weaver
Managing Editor

Laurence Fanning, Editor and Publisher 1967 to 1971
Alaska's Only Morning Newspaper • Founded in 1946 by Norman C. Brown

22 MARCH 82

Accountability at Chugach Electric

Aggravated members of Chugach Electric Association hope to make the utility cooperative live up to its name next month. It's a good idea for all concerned.

Angered by rate increase requests totaling 54 percent and difficulty dragging salary information out of Chugach management, a group allied around board of directors member Liz Gilbert plans to offer bylaw changes designed to open decision-making processes to member scrutiny. Among the proposals:

- requiring that board meetings — except executive sessions — be open to the public;
- mandating a utility response to member questions within 30 days;
- requiring that minutes be kept of all board meetings, including executive sessions;
- allowing member balloting by mail; and
- establishing a members' committee to advise the board of directors.

All of which means improved accountability within the state's largest electric utility — a good thing for any public organization (with 52,000 paying customers, is there a more public outfit in all of Alaska?), and an essential thing for a cooperative that needs member participation. Both Chugach as an organization and its members as individuals could benefit by changes that let ratepayers in on decisions made in their name.

Massive rate hike proposals coupled with the release of a seemingly lavish salary structure brought on the current controversy about Chugach management and decision-making procedures. The sporadic and unconnected disputes of years past apparently coalesced into a groundswell of protest only when consumers were faced with a major economic setback.

But current resentment about the salary and rate structure must be translated into a continuing involvement by informed Chugach cooperative members — or the controversy will only be repeated in the future. Accountability that flows both ways between management and membership is the best defense against further dispute.

Chugach did not come to present circumstances suddenly or without prior hint. Member apathy, together with relatively low electric rates in the Anchorage area, has long allowed management to run the cooperative from the top. Any organization is likely to become ingrown and isolated from its members' concerns when they fail to play an active role. And if bylaws fail to encourage participation, it is hardly surprising that management and membership eventually would come to disagreement.

That is why loosening the bylaws to give consumers a window on the workings of their utility can help everyone: members who understand management's choices will consent more readily to rate increases shown to be necessary; managers who must listen — however uncomfortably — to ratepayers' perspectives will act more readily in members' interests. Both sides can encourage a good-faith effort to bring electricity to Alaskans at the lowest possible rates.

And if, in the controversy still to come, the 52,000 members of Chugach Electric Association become more aware of Alaska's future energy choices and needs, the episode will be beneficial for everyone.