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LEGISLATIVE CITATIONS

Representative Clocksin moved and asked unanimous consent that the House approve the citations on the calendar. There being no objection, the House approved the following citations:

Honoring - Martha Shields

Honoring - Tom and Terry Kennedy

Honoring - Paul and Anna Chukan

Honoring - Dillingham High School
Girls Basketball Team
Region 1-3A Champions

which were referred to the Chief Clerk for transmittal to the Senate; and

Honoring - Teacher Appreciation Week
May 4 - 10, 1986

which was sent to enrolling.

UNFINISHED BUSINESSHB 562

The Speaker waived the Judiciary Committee referral on HOUSE BILL NO. 562 (relating to the adoption of bylaws by a cooperative) at the request of the Chairman.

HB 562 was sent to the Rules Committee.

THIRD READING OF HOUSE BILLSCSHB 589(Fin)

Representative Navarre brought up reconsideration of COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 589 (Finance) (relating to disability insurance; effective date).

CSHB 589(Fin) was read the third time.

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April 4, 1986

Representative Mike Miller, Chairman
House Judiciary Committee
House of Representatives
Pouch V
Juneau, AK 99811

Re: House Bill 562

Dear Mr. Chairman:

This letter which is written at the request of this firm's client Copper Valley Electric Association, Inc. (CVEA), will explain the background that led in part to the introduction of House Bill No. 562.

CVEA is divided into two (2) districts: the Copper River Basin and the Valdez Districts. The cooperative uses a delegate system for amending its Bylaws. Pursuant to the existing Bylaws, three out of 18 delegates can call a special meeting. Recently, three delegates attempted to call a special meeting. One of the items on the agenda was a possible move of the headquarters of CVEA from Glennallen to Valdez. No member notice was given. A great deal of concern arose from some of the residents of Glennallen that Glennallen would lose a major employer in the area. CVEA's staff was also concerned because of commitments made by them for housing in Glennallen and family considerations. Further, some CVEA Board members were concerned that it would not be economically wise for the move to be made. Finally, there was a general concern that the members were not even notified of the proposed move.

CVEA has 1755 voting members. Because of the way the delegate system works, ten members, as delegates, could vote to move the headquarters without membership notice or approval or input and consideration by the Board.

The purpose of House Bill 562 is to leave that kind of decisionmaking up to a majority of the members. The advantage to membership voting is that ballot propositions would be placed before the membership, an opportunity would be given for the membership to hear the pros and cons of the propositions, and a considered vote could be made by the membership.

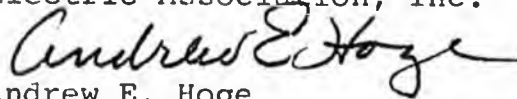
Representative Mike Miller, Chairman
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The district delegate method of voting does not seem appropriate when only three out of 1755 members could call for such a proposition and, with the concurrence of seven other delegate members, make such a decision for the cooperative.

The proposed law will still allow basic majority control by the membership for changes; in this manner, all members will have the opportunity to vote and not just a select few delegates.

Very truly yours,

HOGE and LEKISCH
Attorneys for Copper Valley
Electric Association, Inc.



Andrew E. Hoge

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cc: Copper Valley Electric Association, Inc.
Alaska Rural Electric Cooperatives Association, Inc.