



Barrow Utilities and Electric Cooperative, Inc.

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March 29, 2021

Dear BUECI Members:

Enclosed with your 2021 Annual Meeting Notice this year you will find six proposed amendments to our Bylaws. **The amendments have been unanimously recommended by the Board of Directors** for your approval at our annual membership meeting which is being held by mail and over KBRW due to the threat of COVID-19.

The BUECI Board of Directors spent many hours reviewing BUECI's Bylaws for areas of improvement. A summary of the proposed changes is as follows:

Proposition 1 (Article IV, Section 3) Improving Qualification Requirements for Directors:

BUECI's Bylaws set the minimum qualifications for serving as a director. This amendment would clarify the existing requirements that a director be in good standing and a bona fide resident. It requires physical presence in the service area for 8 months per year and that the director not be delinquent on utility accounts. It also adds new qualifications: the director cannot have been terminated from employment by BUECI or worked for the cooperative in the past two years; and the director cannot be a convicted felon.

Proposition 2 (Article III, Sections 1, 2, 3 and 4) Allowing Electronic Notice and Participation in Member Meetings:

In 2020 the Alaska Legislature changed the law so that BUECI could allow members to participate in member meetings by teleconference or other electronic means. This amendment would allow the Board to set policies to let members participate electronically. It would also allow BUECI to e-mail or text meeting notices to members who have an e-mail or text number on record with BUECI. Finally, it makes clear that a member who votes electronically or by mail before a meeting can be counted for a quorum for the matters on which that member votes.

Proposition 3 (Article V, Section 1 and 3) Allowing Electronic Notice and Participation in Board Meetings:

In 2020 the Alaska Legislature changed the law so that BUECI could expand the use of electronic communications in Board meetings by teleconference or other electronic means. This amendment would allow the Board to do so as long as members who wish to can hear the meeting. It would also allow BUECI to e-mail or text meeting notices to directors who have an e-mail or text number on record with BUECI.

Proposition 4 (Article III, Section 5 and Article IV Sections 2 and 4) Allowing Members to Vote By Mail and Changing Director Nominations to Petitions:

During the 2020 COVID-19 pandemic, BUECI had no choice but to allow voting by mail. This amendment would make voting by mail (and potentially electronically) a permanent option for BUECI members. Because voting by mail requires preparing ballots and mailing them to members, it changes BUECI's nomination rules so that a candidate can be nominated by e-mail, mail or delivery of a nomination to the Cooperative prior to the notice of the Annual Meeting. This provides an open and transparent way to nominate directors.

Proposition 5 (Various Articles) Using Gender Neutral Language: In a number of places in the Bylaws, language such as “him” or “her” is used. To update the language to be more inclusive, the following sections would be amended to use more gender neutral language. This would not be a substantive change to the cooperative’s Bylaws.

Proposition 6 (Article IV, Section 5) Requiring Opportunity for Directors to Explain Absences: BUECI’s Bylaws require the Board to treat a director as having resigned if the director misses three consecutive Board meetings without an excuse. Sometimes it cannot be determined at the time a meeting is held whether a director’s absence should be excused. This amendment to the Bylaws would give a director the opportunity to explain an absence prior to it being designated as unexcused.

You can find the full-text of the proposed changes attached to this letter. The Board of Directors strongly encourages you to participate in the Annual Meeting and cast your vote in favor of these amendments. If you have any questions or concerns about these amendments, please feel free to contact me or any of your other Board members.

Sincerely,



Price E. Brower
President, Board of Directors

BYLAW PROPOSITION NO. 1

ARTICLE IV

IMPROVING QUALIFICATION REQUIREMENTS FOR DIRECTORS

PROPOSITION 1: BUECI’s Bylaws set the minimum qualifications for serving as a director. This amendment would clarify the existing requirements that a director be in good standing and a bona fide resident. It requires physical presence in the service area for 8 months per year and that the director not be delinquent on utility accounts. It also adds new qualifications: the director cannot have been terminated from employment by BUECI or worked for the cooperative in the past two years; and the director cannot be a convicted felon.

Key—Language shown in blue underlined type is proposed to be added [~~Language shown within brackets and with strikethroughs is proposed to be deleted.~~]

SECTION 3. QUALIFICATIONS. No person shall be eligible to become or remain a Director in the Cooperative who:

(a) Is not a member in good standing, a bona fide resident in the area served or to be served by the Cooperative, and an active consumer of one or more utility services;

(i) “Good standing” means that the member is not delinquent in payment of bills or other amounts due to the Cooperative under the provisions of the Cooperative’s tariff or of any written agreement with the Cooperative.

(ii) “Bona fide resident” means that the member maintains a physical presence within the area served or to be served by the Cooperative for at least eight (8) months of each calendar year, beginning with the full calendar year immediately prior to the election in which the member is a candidate.

or,

(b) Is in any way employed by or financially interested in a competing enterprise or a business selling other utility services or supplies to the Cooperative; or,

(c) Is currently, or has been at any time in the past two (2) years, an employee of the Cooperative~~[for which he is paid a regular salary]; or,~~

(d) Has ever been terminated from employment with the Cooperative; or,

(e) Has been convicted of a felony and has not had their civil rights restored.

BYLAW PROPOSITION NO. 2

ARTICLE III

ALLOWING ELECTRONIC NOTICE AND PARTICIPATION IN MEMBER MEETINGS

PROPOSITION 2: In 2020 the Alaska Legislature changed the law so that BUECI could allow members to participate in member meetings by teleconference or other electronic means. This amendment would allow the Board to set policies to let members participate electronically. It would also allow BUECI to e-mail or text meeting notices to members who have an e-mail or text number on record with BUECI. Finally, it makes clear that a member who votes electronically or by mail before a meeting can be counted for a quorum for the matters on which that member votes.

Key— Language shown in blue underlined type is proposed to be added [~~Language shown within brackets and with strikethroughs is proposed to be deleted.~~]

SECTION 1. ANNUAL MEETING. The annual meeting of the membership shall be held at such time and place in the City of Barrow each fiscal year as the Board may determine. The notice of the meeting shall contain the purpose, such as election of directors, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. If the day fixed for the annual meeting shall fall on Sunday or legal holiday, such meeting shall be held on the next succeeding business day. The Board may adopt policies to allow members to participate in the annual meeting by teleconference or similar communication that allows all participants to hear each other during the meeting

SECTION 2. SPECIAL MEETINGS. Special meetings of the members may be called by a majority of the Board, or by ten percent (10%) or more of all the members, and the Secretary shall thereupon cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held any place in the City of Barrow specified in the notice of the special meeting. The Board may adopt policies to allow members to participate in special meetings by teleconference or similar communication that allows all participants to hear each other during the meeting.

SECTION 3. NOTICE OF MEMBERS' MEETINGS.

(a) Written or printed notice stating the place, day and hour of the meeting shall be given to each member not less than fifteen (15) days nor more than sixty (60) days before the date of the meeting.

(b) In case of a special meeting (or an annual meeting at which business to be transacted has a legal requirement for additional notice), the notice shall contain the purpose or purposes for which the meeting is called and shall be delivered not less than ninety (90) days nor more than one hundred twenty (120) days before the date of the meeting. The notice shall be delivered 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 meeting, to each member addressed to the member at [his]the member's address as it appears on the records of the Cooperative, with postage thereon pre-paid.

(c) Notice of a membership meeting may be provided by electronic mail or text message within the time limits listed in this Article III Section 3. If sent by text or electronic mail, notice is considered given when the notice is sent to the member's telephone number, if the telephone is capable of receiving text messages, or the electronic mailing address, on record with the Cooperative.

(d) 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 at any such meeting.

SECTION 4. QUORUM. Ten percent (10%) of voting members present in person at any annual or special meeting shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without notice, provided, that the Secretary shall notify any absent members of the time and place of such adjourned meeting. For purposes of determining a quorum, a member who votes on a matter by mail or electronic means in accordance with Article III Section 5(b)-(c) is considered to have attended the meeting in person for the matter on which the member voted.

BYLAW PROPOSITION NO. 3

ARTICLE V

ALLOWING ELECTRONIC NOTICE AND PARTICIPATION IN BOARD MEETINGS

PROPOSITION 3: In 2020 the Alaska Legislature changed the law so that BUECI could expand the use of electronic communications in Board meetings by teleconference or other electronic means. This amendment would allow the Board to do so as long as members who wish to can hear the meeting. It would also allow BUECI to e-mail or text meeting notices to directors who have an e-mail or text number on record with BUECI.

Key— Language shown in blue underlined type is proposed to be added [~~Language shown within brackets and with strikethroughs is proposed to be deleted.~~]

ARTICLE V—MEETING OF DIRECTORS

SECTION 1. REGULAR MEETINGS.

(a) A regular meeting of the Board of Directors shall be held without notice, immediately after, and at the same place as the annual meeting of the members.

(b) A regular meeting of the Board shall also be held monthly at such time and place in the City of Barrow, Alaska as the Board may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

(c) Teleconference or videoconference meetings may be held upon the approval of a majority of the Board. Such participation will constitute attendance and presence in person at the meeting by the persons so participating. As long as members are provided with a reasonable means to listen to the open portion of the meeting, meetings held by teleconference or videoconference do not have to be held in a physical location.

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SECTION 3. NOTICE OF DIRECTORS' MEETINGS.

(a) Written notice of the time, place, and purpose of any special meeting of the Board shall be delivered to each director not less than three (3) days previous thereto, either personally, ~~or~~ by mail, electronically or telephonically, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the directors calling the meeting.

(b) If written notice is sent electronically or by text message, such notice shall be deemed to be delivered when sent to the director's electronic mailing address or telephone number, if the telephone is capable of receiving text messages, as it appears on the records of the Cooperative.

BYLAW PROPOSITION NO. 4

ARTICLES III AND IV

ALLOWING MEMBERS TO VOTE BY MAIL AND CHANGING DIRECTOR NOMINATIONS TO PETITIONS

PROPOSITION 4: During the 2020 COVID-19 pandemic, BUECI had no choice but to allow voting by mail. This amendment would make voting by mail (and potentially electronically) a permanent option for BUECI members. Because voting by mail requires preparing ballots and mailing them to members, it changes BUECI's nomination rules so that a candidate can be nominated by e-mail, mail or delivery of a nomination to the Cooperative prior to the notice of the Annual Meeting. This provides an open and transparent way to nominate directors.

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ARTICLE III

SECTION 5. VOTING.

(a) Each member shall be entitled to only one (1) 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 members voting thereon in person, except as otherwise provided by law, the Articles of Conversion, or these Bylaws.

(b) Voting by mail shall be permitted on all questions submitted to the members, except for approval of minutes and routine procedural matters or as otherwise prohibited by law, the Bylaws, or the Articles of Conversion.

(i) Ballots for use by members voting by mail, together with a small ballot envelope and a large envelope imprinted with the voter's certificate, affixed with the address of the Cooperative, first class United States postage, and the name and address of the voter, shall be mailed to each member in sufficient time for such members to reasonably dispatch their ballots to meet the deadline fixed for receipt of ballots at the Cooperative's office in Utqiagvik, Alaska ("voter's certificate" is defined as a line or other space reserved for the voter's signature).

(ii) Ballots of members voting by mail must be received at the Cooperative's headquarters or post office box in Utqiagvik, Alaska, not later than four p.m. on the last business day of the week prior to the annual membership meeting or special meeting. In lieu of casting a ballot by mail, a member may register a vote by special ballot at the meeting.

(iii) An election committee of not less than three (3) members shall be appointed by the Board of Directors sufficiently in advance of the meeting to ensure validity of the mailed ballots to be counted. The election committee may count ballots at any time after the

deadline for receipt of mail ballots has passed. The election committee may rely on Cooperative staff to verify voter certificates. The election committee shall also count any votes cast in-person at the Annual Meeting. Election committee members do not need to be Cooperative members.

(c) The Board of Directors may adopt policies and procedures to allow members to vote prior to or at a meeting of the members by electronic means.

ARTICLE IV—DIRECTORS

SECTION 2. ELECTION AND TENURE OF OFFICE. Directors shall be elected by a plurality vote of the members present and voting at the meeting, including ballots cast by mail or electronically. .

. . . .

SECTION 4. NOMINATIONS. Nominations for director shall be accepted for a period of time determined annually by the Board of Directors, but in no case less than two (2) weeks. The Cooperative shall accept nominations by e-mail, mail or delivery to the Cooperative's business office. Names of nominees shall be posted as on the Cooperative's website and distributed with the notice of the meeting. The Secretary shall mail with the notice of the meeting, ~~[or separately; at least seven (7) days before the day of the meeting,]~~ a statement of the number of directors to be elected and the names of the candidates nominated by petition. ~~[The chairman shall invite nominations from the floor and nominations shall not be closed until at least one (1) minute has passed during which no additional nomination has been made or a motion to close nominations passes unanimously.]~~ A member cannot be nominated unless the member consents to the nomination and certifies the member meets the qualifications for holding office. Write-in votes for a candidate shall be allowed~~[consents to the nomination at the meeting or in writing prior to the meeting].~~

BYLAW PROPOSITION NO. 5

VARIOUS ARTICLES

USING GENDER NEUTRAL LANGUAGE

PROPOSITION 5: In a number of places in the Bylaws, language such as “him” or “her” is used. To update the language to be more inclusive, the following sections would be amended to use more gender neutral language. This would not be a substantive change to the cooperative’s Bylaws.

Key— Language shown in blue underlined type is proposed to be added [~~Language shown within brackets and with strikethroughs is proposed to be deleted.~~]

ARTICLE I—MEMBERSHIP

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SECTION 5. PURCHASE OF UTILITY SERVICE. . . . Each member shall, when utility services are available, purchase from the Cooperative the utility service or services specified in [his]the application

SECTION 6. TERMINATION OF MEMBERSHIP.

(b) Upon the withdrawal, death, or expulsion of a member, the membership of such member shall thereupon terminate, and the termination of membership shall be reflected in the records of the Cooperative. Termination of membership in any manner shall not release a member or [his]the estate from any debts due the Cooperative.

ARTICLE II—RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. PROPERTY INTEREST. No member may assign [his]the allocated net savings except as allowed under Board policies of general application, and the same shall not be subject to transfer, attachment, levy of execution, or other conveyance either by a member or by operation of law, except by will or under laws of descent and distribution. Distribution of assets on dissolution may be made to the member and other patrons in the manner as prescribed in the Articles of Conversion.

ARTICLE III—MEETINGS OF MEMBERS

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SECTION 3. NOTICE OF MEMBERS’ MEETINGS.

The notice shall be delivered 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 meeting, to each member addressed to the member at [his]the member’s address as it appears on the records of the Cooperative, with postage thereon pre-paid.

....

ARTICLE IV—DIRECTORS

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SECTION 5. RECALL OF DIRECTORS Such director shall be informed in writing of the charges at least ten (10) 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.

ARTICLE V—MEETING OF DIRECTORS

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SECTION 3. NOTICE OF DIRECTORS' MEETINGS.

If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to each director at [~~his~~]the director's address as it appears on the records of the Cooperative with postage thereon prepaid at least three (3) days prior to the meeting.

ARTICLE VI—OFFICERS

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SECTION 2. ELECTION AND TERM OF OFFICE.....Each officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members or until [~~his~~]a successor shall have been elected and shall have qualified.

SECTION 3. REMOVAL OF OFFICERS AND AGENTS BY DIRECTORSThe officer against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days prior to the Board meeting 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. In the event the Board does not remove such officer, the question of [~~his~~] removal shall be considered and voted upon at the next meeting of the members.

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SECTION 5. VICE-PRESIDENT. In the absence of the President, or in the event of [~~his~~]the President's inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned [~~to him~~]by the Board.

SECTION 6. SECRETARY. The Secretary shall:

....

(g) In general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned [~~to him~~]by the Board: and,

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SECTION 7. TREASURER. The Treasurer shall:

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(c) In general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned [~~to him~~]by the Board.

SECTION 8. MANAGER The Manager shall perform such duties and shall exercise such authorities as the Board may from time to time vest in [~~him~~]the Manager in accordance with the provisions of the employment contract and Board approved policies.

(a) [~~He~~]The Manager shall render annual and monthly statements in the form and manner that may be prescribed by the Articles of Incorporation, Bylaws and by the Board. [~~He~~]The Manager shall carefully preserve all books, documents, correspondence, and records of whatever kind pertaining to the business and which may come into [~~his~~]the Manager's possession.

ARTICLE X—NON-PROFIT OPERATION

SECTION 2. PATRONAGE CAPITAL IN CONNECTION WITH FURNISHING UTILITY SERVICE. . . . The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall, within a reasonable time after the close of the fiscal year, notify each patron of the amount of capital so credited to [~~his~~]the patron's account. . . .

. . . . the Board of Directors at its discretion, shall have the power at any time upon the death of any patron who was a natural person, if the legal representatives of [~~his~~]the estate shall request in writing that the capital credited to any such patron be retired

BYLAW PROPOSITION NO. 6

ARTICLE IV

REQUIRING OPPORTUNITY FOR DIRECTORS TO EXPLAIN ABSENCES

PROPOSITION 6: BUECI's Bylaws require the Board to treat a director as having resigned if the director misses three consecutive Board meetings without an excuse. Sometimes it cannot be determined at the time a meeting is held whether a director's absence should be excused. This amendment to the Bylaws would give a director the opportunity to explain an absence prior to it being designated as unexcused.

Key— Language shown in blue underlined type is proposed to be added [~~Language shown within brackets and with strikethroughs is proposed to be deleted.~~]

ARTICLE IV—DIRECTORS

SECTION 5. RECALL OF DIRECTORS. 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 ten percent (10%) of the members, may request the removal of such director by reason thereof. Such director shall be informed in writing of the charges at least ten (10) 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 considered and voted upon at the meeting of the members and 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.

Any director absent and unexcused by the Board from three (3) consecutive Board meetings shall be deemed to have involuntarily resigned from the Board and the seat declared vacant. A director shall be given the opportunity to explain an absence prior to it being designated as unexcused.