

**BYLAWS  
OF  
THE SOUTHEAST ALASKA POWER AGENCY**

**ARTICLE I  
BOARD OF DIRECTORS**

1.1 **Duties and Voting Requirements.** All powers of the Southeast Alaska Power Agency (the "Agency") shall be exercised by or under the authority of the Board of Directors and the business and affairs of the Agency, including all matters related to the Long Term Power Sales Agreement between the Agency and the Member Utilities, as defined therein, shall be managed by or under the direction of the Board of Directors.

1.2 **Appointment and Term of Office.** The Agency shall have a total of five Directors. Each Project shall be represented by two Directors. The Tyee Lake Project shall be represented by one Director and one alternate from Petersburg, and one Director and one alternate from Wrangell. The Swan Lake Project shall be represented by two Directors and two alternates from Ketchikan. Each Member Utility shall notify all other Member Utilities in writing of its designated Director and alternate to the Board. Directors and alternates shall serve for a one-year term commencing on January 1 and ending on December 31 of each calendar year, provided that a Director or an alternate to the Board shall continue to serve until his or her successor is appointed. The fifth Director and one alternate shall be selected and approved, on an alternating annual basis, between the two Projects. When the Swan Lake Project is to select the fifth Director, the Member Utility from Ketchikan shall make the selection. In the year that the Tyee Lake Project is to select the fifth Director, the selection shall alternate between the Member Utilities of Petersburg and Wrangell.<sup>1</sup> The selection of the initial fifth Director shall be determined randomly in a manner unanimously agreed upon by the Member Utilities. In the event the Member Utility from Ketchikan, on behalf of the Swan Lake Project, is randomly determined to select the initial fifth Director, there shall be a second random selection between Wrangell and Petersburg to determine which Member Utility will select the initial fifth Director to represent the Tyee Lake Project. The fifth Director may serve one or more additional terms, with the consent of all Directors from each Project. Such a selection shall not alter the alternation of the selection of the fifth Director. The right of a Member Utility to appoint a Director or an alternate to the Board is not transferable to any other entity or person without the prior unanimous consent of all Directors. Each alternate may attend all meetings and be granted all of the same rights and privileges as a Director, including without limitation, the right to reimbursement of expenses, except the right to vote where the appointed Director is present and able to vote on any matter before the Board.

1.3 **Qualification.** A Director or alternate to the Board shall not be either an employee of the Agency, a union representative representing Agency employees or contractors, or a party to a personal services contract with the Agency at any time that he or she is serving as a Director or alternate to the Board.

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<sup>1</sup> By way of example only, if Ketchikan selected the fifth Director in Year 1 (representing the Swan Lake Project), in Year 2, Petersburg would select the fifth Director (representing the Tyee Lake Project). In Year 3, Ketchikan would select the fifth Director (representing Swan Lake). In Year 4, Wrangell would select the fifth Director (representing the Tyee Lake Project).

1.4 **Vacancies.** In the event any vacancy occurs on the Board of Directors, the unrepresented Member Utility shall appoint a successor prior to the next regular meeting of the Board. A Member Utility that appoints a new Director or alternate in accordance with these Bylaws and the Third Amended and Restated Joint Action Agency Agreement (the "JAA Agreement") shall promptly provide written notice of such change to the Agency and other Member Utilities. A vacancy that will occur at a specific later date, by reason of a resignation or otherwise, may be filled before the vacancy occurs, and the new Director shall take office when the vacancy occurs.

1.5 **Resignation.** Any Director or alternate to the Board may resign by delivering written notice to the Board of Directors, through its chairperson. The Director or alternate shall continue to serve until his or her successor is appointed.

1.6 **Removal.** Any Director or alternate to the Board may be removed for cause in accordance with Section 6(c) of the JAA Agreement.

## **ARTICLE 2 BOARD MEETINGS**

2.1 **Open Meeting Requirement.** All formal meetings of the Board and its special purpose committees must, unless otherwise provided in the JAA Agreement or in these Bylaws, comply with the open meetings requirements contained in AS 44.62.310 *et seq.*

2.1.1 **Executive Sessions.** If any subjects to be discussed at a meeting are subjects that may potentially be discussed in an executive session, the meeting shall first be convened as a regular or special meeting and the question of holding an executive session to discuss matters that come within the exceptions to the open meeting requirement shall be determined by a majority vote of the Board. No subjects may be considered at the executive session except those mentioned in the motion calling for the executive session unless auxiliary to the main question. Formal action may not be taken during the executive session. The following subjects constitute exceptions to the open meeting requirement and may be discussed in an executive session:

- (a) matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the Agency, the Projects, or any of the Member Utilities represented on the Board;
- (b) subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion;
- (c) matters which by law are required to be confidential;
- (d) matters discussed with an attorney retained by the Board, or with a consultant retained by such attorney, the immediate knowledge of which could have an adverse effect on the legal position of the Agency, the Projects, or any of the Member Utilities represented on the Board; and matters which for any other reason allowed by law may be exempt from the open meeting requirement.

2.2 **Annual Meeting.** The Board shall hold an annual meeting for the purpose of electing officers and for transacting such other business as may come before the meeting.

2.3 **Regular Meetings.** Regular meetings of the Board shall be held at least once per calendar quarter, with the specific date and time to be determined by the Agency.

2.4 **Special Meetings.** Special meetings of the Board may be called at any time by the Chairperson or by three members of the Board of Directors by so advising the Secretary of the Board, provided each Project shall have one Director voting to approve such meeting. Business at a special meeting of the Board shall be limited to the purpose stated in the notice of such meeting.

2.5 **Notice of Meetings.** Written notice of any meeting of the Board of Directors, including official meetings, informal meetings, or executive sessions, shall be given by the Secretary of the Board to the public, Directors and alternates to the Board, and the governing body of each Member Utility.

2.5.1 Notice of a regular meeting shall be mailed and published at least five (5) days in advance of the date of the meeting, and shall be given by:

- (a) mailing notice to all persons or organizations who have filed with the Agency a written request to receive notice, and
- (b) publishing notice once in the designated newspaper of the Agency, the local newspapers in Ketchikan, Wrangell and Petersburg.

2.5.2 A notice of a meeting shall include the date, time and place of the meeting, and if the meeting is by teleconferencing, the location of a teleconferencing facility that is equipped with a speaker-telephone or similar listening device.

2.5.3 Written notice of special meetings of the Board shall state the purpose or purposes for which the meeting is called. Business at a special meeting shall be limited to the purposes stated in the notice of the special meeting. Notice of special meetings shall be published to the extent practical and if sufficient time permits.

2.5.4 It is the intent of the Agency to give the best notice possible to the public of all its transactions, but the inadvertent failure to accomplish any one of the notice requirements shall not invalidate any action of the Board.

2.6 **Waiver of Notice.** Any person entitled to notice of a Board meeting may at any time waive any notice required by law, the JAA Agreement, or these Bylaws. Unless a person entitled to notice attends and participates in a meeting, a waiver must be in writing, must be signed by the person entitled to notice, must specify the meeting for which notice is waived, and must be filed with the minutes or Agency records. Attendance at a Board meeting shall constitute a waiver of notice, except where attendance is for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

2.7 **Place of Meetings.** The Chairperson of the Board may designate any place as the place of meeting for any annual, regular or special meeting of the Board. As a matter of general policy, the Board will conduct its meetings in the State of Alaska. Should there be a need to meet outside the State of Alaska, the Board will consider the desire for easy access by the press and the public in addition to the need to conduct business at the least cost to the ratepayer.

2.8 **Teleconferencing.** Attendance and participation by any or all Directors and alternates at any meeting of the Board may be by teleconference. The votes at a meeting held by teleconference shall be taken by roll call. Materials to be considered at a meeting held by teleconference shall be made

available at the teleconference locations. Participation by such means shall constitute presence in person at a meeting.

2.9 **Minutes of Meetings.** Written minutes shall be kept for all annual, regular, and special meetings of the Board. Minutes of Board meetings shall be mailed or provided electronically to each Director, alternate, and Member Utility following each meeting. The official copy of each minutes shall be signed by the Chairperson and the Secretary.

2.10 **Quorum.** The presence of any three Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, except as otherwise provided by law, another agreement, or these Bylaws.

2.11 **Manner of Acting.**

2.11.1 A Director may not vote by proxy but may vote by participation in a meeting of the Board in person or via telephone conference.

2.11.2 All Board actions shall be taken in a manner that the public may know the vote of each member of the Board who is entitled to vote.

2.11.3 A Director who is present at a meeting of the Board of Directors at which the Board takes action on a matter shall vote on such matters by either yes or no.

2.11.4 Except for those matters that expressly require alternative voting procedures, the vote of a majority of Directors shall be required for the adoption of any matter voted upon, and shall be an act of the Board.

2.11.5 The following matters shall require the affirmative vote of all Directors:

- (a) adoption of the Bylaws, amendment, alteration or repealing of the Bylaws, consistent with the JAA Agreement, as amended.
- (b) any action required by the JAA Agreement, as amended to be approved by a unanimous vote of all Directors.
- (c) releasing any Member Utility from its purchase of Firm Power Requirements as determined in the Long Term Power Sale Agreement.
- (d) as otherwise required by the Long Term Power Sales Agreement.

2.11.6 The following matters shall require the affirmative vote of at least eighty percent (80%) of the Directors (a "Supermajority"):

- (a) providing any new hydroelectric generation or transmission lines.
- (b) any action required by the JAA Agreement, as amended, to be approved by a Supermajority vote of all Directors.
- (c) as otherwise required by the Long Term Power Sales Agreement.

- (d) the Funding of any capital projects in excess of an amount set by an adopted Agency Policy. This amount will be reviewed periodically by the Board of Directors as appropriate.
- (e) adoption of an Operations Plan consistent with the Power Sales Agreement.
- (f) the sale and pricing of Surplus Power, after the Agency has determined that Surplus Power is available, pursuant to the Long Term Power Sales Agreement.
- (g) the entering of any long term service or operations contract in excess of five (5) years.

2.11.7 Conduct of Meetings. Robert's Rules of Order shall govern the conduct of Board meetings except where in conflict with specific procedural rules adopted by the Board.

### **ARTICLE 3 EXECUTIVE COMMITTEE AND SPECIAL PURPOSE COMMITTEES**

3.1 **Designation of Committees.** The Board of Directors may designate two or more Directors or alternates to constitute an executive committee or a special purpose committee, subject to such conditions as may be prescribed by the Board and subject to any limitations imposed by the JAA Agreement. The designation of a committee, and the delegation of authority to it, shall not operate to relieve the Board of Directors or any member thereof of any responsibility imposed by law or the JAA Agreement. No member of a committee shall continue to be a member thereof after ceasing to be a Director or alternate of the Agency. The Board of Directors shall have the power at any time to increase or decrease the number of members of the committee, to fill vacancies thereon, to change any member thereof, and to change the functions or terminate the existence thereof. The creation of a committee and the appointment of members to it shall be approved by a majority of the Directors in office when the action is taken, unless a greater number is required by the JAA Agreement or these Bylaws.

3.2 **Powers.** The Board may not delegate its decision making duties to any executive or special purpose committee.

3.3 **Term.** The members of a committee shall serve from the date of appointment until the earliest of: (1) the date of the next annual meeting of the Board of Directors, (2) the resignation of such member from the committee, and (3) the removal of such member of the committee by the Board of Directors for any reason, or no reason.

3.4 **Procedures; Meetings; Quorum.**

3.4.1 The Board of Directors shall appoint a committee Chairperson and Secretary from among the members of the committee. The Chairperson shall preside at all meetings of the committee and the Secretary of the committee shall provide for a record of its acts and proceedings, which shall be filed with the minutes of the Agency.

3.4.2 Regular meetings of a committee shall be held upon such notice as is required by these Bylaws for regular meetings of the Board of Directors, and shall be held on such days and at such places as shall be fixed by resolution adopted by the committee. Special meetings of the committee shall

be called at the request of the Chairperson or of any member of the committee, and shall be held upon such notice as is required by these Bylaws for special meetings of the Board of Directors.

3.4.3 Attendance of any member of a committee at a meeting shall constitute a waiver of notice of the meeting. A majority of the committee, from time to time, shall be necessary to constitute a quorum for the transaction of any business, and the act of a majority of the members present at a meeting at which is quorum is present shall be the act of the committee. Members of a committee may hold a meeting of such committee by conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in such meeting shall constitute presence in person at the meeting.

## **ARTICLE 4 OFFICERS**

4.1 **Appointment and Term of Office.** The Board of Directors shall annually appoint a Chairperson, Vice Chairperson, Treasurer and Secretary. The offices of Chairperson and Secretary shall not be held by the same person except as provided by Section 4.4 below. Each officer shall serve for a one-year term commencing on January 1 and ending on December 31 of each calendar year, and shall hold office until a successor is appointed, unless the officer earlier resigns or is removed by the Board of Directors, each in accordance with these Bylaws and the JAA Agreement.

4.2 **Qualification.** Only Directors or alternates to the Board shall be eligible to serve as officers of the Agency.

4.3 **Resignation and Removal.** An officer may resign at any time by delivering notice of such resignation to the Agency. Unless permitted by the Board of Directors, a resigning officer shall continue to serve until his or her successor is appointed. Once delivered, a notice of resignation is irrevocable unless revocation is permitted by the Board of Directors. Any officer appointed by the Board of Directors may be removed from office at any time with or without cause by the Board.

4.4 **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification, a Director not being reappointed by the Member Utility, or otherwise may be filled by the Board of Directors for the unexpired portion of the term. In the event a vacancy exists that has not yet been filled by the Board, such vacancy shall be temporarily and automatically filled until the next regular meeting of the Board by the Chairperson, or, if such position is vacant, by the Vice Chairperson, or, if such position is vacant, by the Secretary, or if such office is vacant, by the Treasurer.

4.5 **Chairperson of the Board of Directors.** The Chairperson shall preside over all meetings of the Agency and shall perform such other duties and have such other powers as the Board may prescribe, subject to the limitations set forth in the JAA Agreement.

4.6 **Vice Chairperson.** The Vice Chairperson shall act under the direction of the Chairperson, and in the absence or disability of the Chairperson or if the office of the Chairperson is vacant, shall perform the duties of Chairperson, and from time to time shall perform such other duties and have such other powers as the Chairperson or Board of Directors may prescribe, subject to the limitations set forth in the JAA Agreement.

4.7 **Secretary.** The Secretary shall act under the direction of the Chairperson. Subject to the direction of the Chairperson or the Board, the Secretary shall attend all meetings of the Board and keep accurate records of all proceedings. The Secretary shall perform like duties for committees when

required. In the Secretary's absence, the Chairperson shall designate another member of the Board to keep a record of the proceedings. The Secretary shall give or cause to be given notice of all meetings of the Board and special meetings of the Board and shall promptly obtain and provide approval of all minutes of official meetings of the Agency. The Secretary shall perform such other duties as may be prescribed by the Chairperson or the Board. The Secretary or the Board of Directors may delegate to another or others any of the duties hereinbefore assigned to this officer.

4.8 **Treasurer.** The Treasurer shall act under the direction of the Board of Directors. Subject to the direction of the Board, the Treasurer shall have control of the Board's funds and securities and shall keep full and accurate records of all accounts and finances of the Agency, and shall report at least four (4) times per year to the Board with a summary of all accounts and finances. The Treasurer shall immediately deposit all monies and other valuable effects in the name and to the credit of the Board in such depositories as may be designated by the Board. The Treasurer shall disburse funds of the Board as may be ordered by the Board, taking proper vouchers for such disbursements. The Board shall secure a bond in an adequate amount to cover the actions of the Treasurer. The Treasurer or the Board of Directors may delegate to another or others any of the duties hereinbefore assigned to this officer.

## **ARTICLE 5 MISCELLANEOUS PROVISIONS**

### **5.1 Compensation.**

5.1.1 Directors and alternates to the Board, Directors and alternates serving as executive and special committee members and Directors and alternates serving as officers to the Board, may not receive salaries for such services, and except in emergencies, may not receive salaries for services provided to the Agency in any other capacity without the approval of a majority of the Board, excluding the vote of the Director or alternate to be compensated. Directors and alternates to the Board may receive reasonable reimbursement for expenses, including but not limited to travel, hotel and a per diem for meals for any necessary travel required as a Director and alternate, including service as an executive and special committee member and officer. The Board from time to time may establish a policy governing such reimbursements for necessary travel to and from a meeting of the Board or other meetings while officially representing the Agency.

5.2 **Contracts.** The Board of Directors may authorize any officer or officers and agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Agency, and such authority may be general or confined to specific instances.

5.3 **Checks; Drafts.** All checks, drafts or other orders for the payment of money and notes or other evidences of indebtedness issued in the name of the Agency shall be signed by such officer or officers and agent or agents of the Agency and in such manner as shall from time to time be determined by resolution of the Board of Directors.

5.4 **Deposits.** All funds of the Agency not otherwise employed shall be deposited from time to time to the credit of the Agency in such banks, trust companies or other depositories as the Board of Directors may select.

5.5 **Severability.** Any determination that any provision of these Bylaws is for any reason inapplicable, invalid, illegal or otherwise ineffective shall not affect or invalidate any other provision of these Bylaws.

**ARTICLE 6**  
**AMENDMENTS**

6.1 These Bylaws may be altered, amended or repealed and new bylaws may be adopted only by unanimous vote of all members of the Board of Directors at any regular or special meeting.

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Secretary of the Board of Directors

ADOPTED: \_\_\_\_\_, 2015