

MUNICIPAL LIGHT & POWER UTILITY

BY-LAWS

ARTICLE I - NAME, PURPOSE

Section 1: The name of the organization shall be the "Municipal Light & Power Utility Board of Directors".

Section 2: The Municipal Light & Power Utility (ML&P or Utility) is a department of the Municipality of Anchorage created by Anchorage Municipal Code (AMC) title 32; all references herein are to title 32, unless otherwise stated.

ARTICLE II - DEFINITIONS

As used in these by-laws the following words and phrases shall have the following meanings:

- (a) "Assembly" means the Assembly of the Municipality of Anchorage and any legislative body hereafter succeeding to its powers;
- (b) "Board or board of directors" shall have the meaning given it by AMC section 32.10.060;
- (c) "Chair" means the chair of the board or, where appropriate in the context, the person acting as the chair of the Board;
- (d) "Director" shall have the meaning given it by AMC section 32.10.060;
- (e) "General Manager" shall have the meaning given it by AMC section 32.10.060;
- (f) "Municipality" means the Municipality of Anchorage, a home-rule municipal corporation existing under the laws of the State of Alaska, or where the context requires, it means the geographic area within the political boundaries of the Municipality of Anchorage;
- (g) "Utility or Municipal Light & Power Utility or ML&P" shall have the meaning given it by AMC section 32.10.060.
- (h) "Quorum" a quorum of the Board shall be a majority of the Directors as defined in section AMC 32.10.040 D.

ARTICLE III - BOARD OF DIRECTORS

The Board of Directors shall have the powers granted to it in section 32.10.030.

ARTICLE IV- OFFICERS

Section 1: Officers

Pursuant to section 32.10.040, the officers of the Utility Board of Directors shall be the Chair and the Vice-Chair. The Chair, Vice-Chair and Treasurer shall be elected by the Board from among Directors in January of each year. The term of the Chair and Vice-Chair shall be for one year and until the Board has duly elected a successor. A person may be reelected as Chair or Vice-Chair for successive terms. If the person serving as Chair or Vice-Chair ceases to be a Director, then the Board shall at its next meeting thereafter at which there is a quorum of the Board, elect a replacement to serve the remainder of that term.

Section 2: Chair

The Chair shall preside at all meetings of the Board and shall be the official representative of the Board, unless the Chair delegates the General Manager or another Director to be the official representative of the Board, at all other meetings or events at which the Board or the Utility is to be represented. The Chair shall have the right to participate in discussions of the Board at all meetings without convening a committee of the whole and shall have the right to vote at all Board meetings the same as any other Director; however, the Chair shall not make any motion to the Board to consider unless the Chair shall have first relinquished the chair to the Vice-Chair while the motion to be made by the Chair is being considered by the Board; upon the action by the Board on that motion the Chair shall resume the chair, and report all such approvals to the Board on a quarterly basis.

Section 3: Vice-Chair

The Vice-Chair shall perform the duties of the Chair in the event of the absence or incapacity of the Chair and while there is a vacancy in the office of the Chair.

Section 4: Board Finance Chair

The Treasurer shall interface with the staff concerning fiscal matters of the Utility, including preparation of the budget, ensuring development and board review of financial policies and procedures, and shall serve as Chair of the Audit/Finance Committee.

ARTICLE V - GENERAL MANAGER

The General Manager is not a director but shall serve as executive secretary and staff to the Board.

The General Manager of the Utility is responsible to the Board for the operation and management of the Utility.

The General Manager shall report to the Board and the Chair shall supervise the General Manager to the extent provided for in 32.10.030. The Board shall conduct an annual performance review of the General Manager in December and shall establish the level of compensation for the General Manager in January, subject to approval by the Mayor.

ARTICLE VI - UTILITY DIVISION MANAGERS

The Utility division managers are responsible to the General Manager for the operation and management of their respective divisions. The General Manager shall conduct an annual performance review of the utility division managers in December and shall establish the level of compensation for the utility division managers in January, subject to confirmation by the Board.

ARTICLE VII - MEETINGS

Section 1: Regular Meetings

The Board shall have at least one regular meeting per month. The meeting shall be at the time and place designated by the Board or, in the absence of such a designation, at the place and time fixed by the Chair, or the General Manager at the direction of the Chair in the notice to the Directors of the meeting. The Directors shall be given at least five business days prior notice of a regular meeting, and the designation, at a regular meeting, of the time and place of the next regular meeting shall constitute sufficient notice to the Directors. Any business on the regular meeting agenda may properly come before the Board to be considered and transacted at a regular meeting. Regular meetings shall be recorded and minutes prepared for review and approval at the subsequent regular meeting.

The public shall be given at least forty-eight hours notice of regularly scheduled meeting as required in AMC Section 1.25.015.

Section 2: Special Meetings (Proposed to delete this section needs more discussion)

The Chair may, when deemed expedient, or shall when requested to do so by a majority of the Directors, call a special meeting of the Board for the purpose of considering and transacting the business specified in the call for

the special meeting. The call for a special meeting may be transmitted electronically or hand delivered to the business or home address of each Director, and announced to the public at least twenty-four hours prior to the time of the meeting. No business other than that designated in the call for a special meeting shall be considered at that special meeting.

Section 3: Emergency Meetings

In case of a *bona fide* emergency, such as a natural or manmade disaster, a situation immediately threatening life, safety or property, or a major power outage, the Executive Committee may act with the full authority of the board without prior public notice of meetings, to the extent allowed by applicable laws and ordinances. Actions taken under this provision must be reported and ratified at the next duly convened regular meeting of the board of directors.

Section 4: Joint Meetings with Other Utility Governing Bodies

The Board of Directors may conduct joint meetings, after public notice, with other utility board of directors/governing bodies. At a joint meeting if a vote is necessary on an issue affecting ML&P, the ML&P Board of Directors shall cast a separate vote of its members. All other rules and regulations shall continue to apply to the ML&P Board during any such joint meeting.

Section 5: Directors' Waiver of Notice

A meeting of the Board held without all directors' having received notice properly transmitted under Section 1 or 2 as applicable, of this Article shall nonetheless be properly held and conducted, and all business transacted at the meeting shall have been duly validly transacted, if those directors who did not receive timely notice who attend the meeting shall have waived such notice by the fact of their attendance, except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened, or for lack of proper notice, and all other directors not receiving timely notice may waive such notice by executing a waiver before or after that meeting.

Section 6: Public Notice of Meetings

All meetings of the Board of Directors, including committee meetings, shall comply with the notice requirements of AMC SECTION 1.25.015. The Utility shall give public notice of all regular meetings by posting with the Municipal Clerk's Office. The Utility shall give public notice of a special meeting in the same manner, as required by AMC section.

Section 7: Board Actions; Quorum

A quorum of the Board shall be a majority of the Directors as defined in section AMC section 32.10.040 D. A smaller number of Directors may meet, receive information and adjourn from time to time. All business of the Board, other than procedural matters relating to the conduct of the meeting, shall be transacted by passing motions that have been duly made and seconded. If there is a quorum, the Board may transact business properly coming before it by a vote of a majority of the Directors in attendance. A Director may attend a Board meeting via teleconference when such facilities are available. In such cases, a Director should provide the General Manager with reasonable notice under the circumstances in order to make appropriate arrangements.

Section 8: Rules of Procedure and Manner of Voting

Except as otherwise provided herein, all meetings of the Board of Directors shall be conducted using Roberts Rules of Order.

The Board may act only at a meeting at which there is quorum and through a majority vote of the directors present at the meeting. The Chair may call for a voice vote on a motion before the Board unless a Director objects or calls for a roll call vote. If a voice vote is taken and votes are voiced on only one side of the motion, then the voice vote shall be recorded as a unanimous vote of the Directors in attendance. If a voice vote is taken and at least one vote is voiced on each side of the question, the voice vote shall be void and the Chair shall direct that a roll call vote be taken. The Chair or another Director may call for a roll call vote on a motion without a voice vote having been taken on that motion. In a roll call vote each Director voting in favor to the motions shall say "Yea", "Aye", "Yes" or some similar affirmative expression, and each Director voting against the motion shall say "Nay", "No" or some similar negative expression; the vote of each Director shall be recorded, with the Chair voting last. No Director in attendance may abstain or withhold a vote, unless barred from voting because of a conflict of interest or unless otherwise excused by the Chair from voting for good cause, in either of which cases that Director shall be recorded as present but not voting.

Section 9: Executive Sessions

An executive session for the consideration of confidential business can be requested by the Chair, the General Manager, or any Director. The executive session may address: 1) Matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the Utility; 2) Subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion; 3) Matters which by law,

municipal Charter or ordinance are required to be confidential; or 4) Matters involving consideration of government records that by law are not subject to public disclosure.

A motion to enter into executive session shall include a statement of the reason an executive session is required and shall be duly seconded and subject to a vote of the Directors. A majority of the members present must vote in the affirmative for the executive session to occur. No action is to be taken by the Board during an executive session except to adjourn from executive session through a motion passed by a simple majority of the Directors present.

Section 10: Public Hearings

Certain types of business require the Board to hold a public hearing prior to taking action. A majority of the Board can decide to hold a public hearing for any other type of business. Notification of an upcoming public hearing shall be included in the meeting announcement published by the Municipal Clerk in accordance with AMC section 1.25.015. Such notification shall be made at least seven days in advance of the public hearing. The Board Chair shall conduct the public hearing. The public hearing shall be formally opened prior to accepting public testimony and public testimony shall be formally closed to mark a conclusion to public testimony. Persons testifying will be given 3 minutes for their testimony, unless extended by the Board Chair.

Section 11: Rules Governing Meetings

Meetings and elections of the Board of Directors shall be conducted according to Robert's Rules of Order, except as otherwise set out herein; however, the Chair may use less formal procedures if no board member objects.

ARTICLE VIII - BOARD COMMITTEES

Section 1: Executive Committee

The Chair, Vice-Chair and Treasurer shall constitute the Executive Committee of the Board. The Executive Committee may act on behalf of the Board during the interim between Board meetings and report all actions taken to the Board at the next meeting.

Section 2: Other Committees

The Board may appoint standing and temporary committees to advise the Directors. Each committee shall be chaired by a member of the Board of Directors, appointed by the Chair, and include at least one other member of the Board. Committees may include non-board members.

Temporary committees may be established for the purposes of addressing a specific issue or issues. The nature of the issue, the appointees, and a date for reporting of the temporary committee shall be recorded in the minutes of the meeting during which the committee is established.

Section 3: Audit/Finance Committee

The Audit/Finance Committee shall be a standing committee of the Board. This committee will provide fiduciary oversight. There shall be three members of the Audit/Finance Committee. One of the two Director positions with experience in finance, accounting, or business - administration, under AMC section 32.10.020 A.3., shall be a member of the Audit/Finance Committee. There shall be two additional Audit/Finance Committee members as appointed by the Chair. The Utility Finance Manager shall act as Secretary for the Audit/Finance Committee.

Each member of the Audit/Finance Committee shall be independent. Independence is defined as having no responsibility for financial statement preparation or audit functions of the Utility or the Municipality of Anchorage, except for the responsibility as a member of the Board of Directors of the Utility.

The Audit/Finance Committee shall prepare and maintain a committee charter that is reviewed and updated annually.

The Audit/Finance Committee shall support management in preparing the budget prior to the budget submission to the Board.

All meetings of the Audit/Finance Committee shall be considered special meetings for the purposes of Article V.

Section 4: External Affairs Committee

The External Affairs Committee shall be a standing committee. It shall from time to time interact with other utilities, interface with other agencies relative to outside projects, monitor and advise governmental entities on issues affecting the Utility, participate in long-range planning for the utility and regional and state planning and coordination activities, and perform other activities as appropriate. Members of the committee shall be appointed by the Chair.

ARTICLE IX - ETHICAL STANDARDS

The Board Directors, as appointed public officials, shall adhere to all applicable provisions of Chapter 1.15 "Code of Ethics" and shall annually submit a disclosure statement pursuant to section 1.15.040.

ARTICLE X - CHANGES TO THE UTILITY'S TARIFF

Section 1: Standard Industry Rate Setting Practices

All revenue requirements studies and cost of service studies prepared by the Utility will be in accordance with generally accepted electric industry practices in support of requests for new or changed rates, fees and charges.

Section 2: Tariff Rate Setting Procedure

The Utility will recommend new or changed tariff rates, fees and charges to the Board for approval. Pursuant to AMC section 32.20.030, the Board shall hold a public hearing prior to action on a request for a new or changed tariff rate, fee and charge.

Upon approval of the request by the Board, following the public hearing, the Board shall recommend the new or changed tariff rate, fee and charges to the Assembly for approval. To the extent the Assembly changes or modifies the rate recommended by the Board, the Board will review and discuss the amended rate. Upon approval by the Assembly, the Board shall seek any required State regulatory approval. Public notice for introduction and public hearing on all requests for new or changed tariff rates, fees and charges will be in accordance with AMC section 1.25.015.

Section 3: All other Non-Rate Tariff Changes

The Utility will recommend all other non-rate related changes to the Utility's tariff to the Board for approval. Such changes shall be subject to a public hearing and Assembly approval prior to action on the request.

ARTICLE XI - REVIEW AND APPEAL OF COMPLAINTS

Customer complaints shall be addressed in a timely, fair and equitable manner.

Section 1: Tracking and Reporting of Complaints

The Utility shall track formal customer complaints and quarterly submit a report to the Board on formal customer complaints and the action taken by the Utility.

Section 2: Appeal of Complaints to the Board

The Board shall review complaints formally appealed in writing by the Customer and filed with the Board in a timely manner in accordance with AMC section 32.20.110.

If a complaint has been reviewed by the RCA, or RCA staff, and an opinion rendered, the Board shall adopt the RCA opinion as its own, unless the Board by majority vote chooses to review the complaint and render its own opinion. At the time of review, the Board shall allow the complainant to make a three (3) minute presentation to the Board, if so desired. The complainant shall be notified at least two weeks in advance of the Board meeting when the complaint will be discussed.

ARTICLE XII- MISCELLANEOUS PROVISIONS

Section 1: Indemnification

Any person who was or is a Director of the Utility shall be indemnified by the Utility in accordance with AMC section 32.40.020.

ARTICLE XIII - AMENDMENT

These By-Laws may be amended by a vote of a simple majority of the Board of Directors. Proposed By-Law changes must be given to all Directors not less than ten days in advance of the meeting during which the change is to be discussed.