

## **ARTICLE IV BOARD TRUSTEES**

### **SECTION 1. General Powers**

- A. The business and affairs of the Cooperative shall be managed by a Board of seven (7) Trustees, which shall exercise all of the powers of the Cooperative required by law, by the Articles of Incorporation, by these Bylaws, or conferred upon the Board by the Cooperative Members.
- B. The Board shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the Articles of Incorporation or these Bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.
- C. The Board shall ensure that Cooperative Members have access to information relevant to the business of the Cooperative with the exception of information that is deemed proprietary or confidential by law, contract, policy, and these Bylaws. Information available to Members shall include but not be limited to Bylaws, policies, financial reports and audits, minutes of Board Meetings, strategic plans, load forecasts, business plans, agreements with business partners, power supply contracts, and news relating to the Cooperative and the electric energy industry. Information shall be supplied to Members on request and made available through methods including website postings, mailings, special informational meetings, and news releases distributed to industry publications and news media.
- D. Before creating or entering into an agreement that results in any direct or indirect obligation for the repayment of long-term indebtedness for financing, directly or indirectly, the construction, maintenance, or operation of power generation facilities exceeding five (5) megawatts capacity, the Board of Trustees must receive a vote of approval from at least 51% of the Members of the Cooperative. The Board shall establish and publish a process for mail-in voting that complies with the principles of Article III, Section 7; conduct a Special Meeting in compliance with Article III, Sections 2, 3 and 4; and employ an independent third party to receive and tabulate the ballots cast. The Cooperative shall not circumvent this restriction by dividing a project or work to be performed subject to this restriction into several contracts, projects or components or by any similar device.
- E. Prior to such a vote, the Board shall secure and share with Members an independent analysis of the proposed facility and its potential financial impact on Members. No project may be presented to the Members for consideration without comparative analysis of similar projects; assessment of the financial, engineering, and operations aspects of the project; and examination of its position in an integrated resource plan. The Board shall conduct an informational meeting in each Cooperative district and supply information relevant to the proposed project through methods that include website postings, mailings, special informational meetings, and news releases.
- F. The Board shall ensure that the Members are notified of the timeframe for review and approval of the annual budget. In addition the Board will provide Members access to budget information through methods including, but not limited to, website postings, mailings, and news releases.
- G. The Board shall provide at least 60-day notice to Members of proposals before the Board approves long-term debt exceeding two (2) years, or enters or amends power contracts exceeding two (2) years. During the notification period, Members shall be allowed to comment on such proposals, including, at the monthly Board Meeting immediately prior to the Board Meeting at which a vote on the proposal is scheduled, or at specially scheduled Board Meeting for Member comments and discussion.

### **SECTION 2. Tenure of Office**

- A. Each Board Trustee shall represent one of the seven (7) districts and shall be elected in conformance with procedures described as follows:
  - 1. At the Annual Meeting for the year 1972 the Board Trustees representing Districts 1, 3 and 7 shall each be elected to serve three (3) year terms, or until their successors shall have been elected and shall have qualified.

2. At the Annual Meeting for the year 1973 the Board Trustees representing Districts 4 and 6 shall each be elected to serve three (3) year terms, or until their successor shall have been elected and shall have qualified.
  3. At the Annual Meeting for the year 1974 the Board Trustees representing Districts 2 and 5 shall each be elected to serve three (3) year terms, or until their successor shall have been elected and shall have qualified.
- B. Trustees whose terms expire shall be elected by ballot at each Annual Meeting of the Members by and from the Members to serve three (3) year terms or until their successors are elected and qualified.
- C. If the election of Trustees has not been held on the day designated herein for the Annual Meeting, the Board shall cause the election to be held at a Special Meeting of the Members as soon thereafter as reasonable and convenient.
- D. No Trustee who has served five (5) consecutive terms of office as an elected Trustee may be reelected to the Board until a successor has completed at least one (1) full term of office.

### **SECTION 3. Qualifications**

- A. No person shall be eligible to become or remain a Board Trustee of the Cooperative under the following circumstances:
1. A person shall not be eligible if he/she is not a consuming Member and bona fide resident of the district served or to be served by the Cooperative.
  2. A person shall not be eligible if he/she is any way employed by or financially interested in a competing enterprise or a business selling electric energy (excluding net metered customers) or supplies to the Cooperative, or a business primarily engaged in selling electrical appliances, fixtures, or supplies to the Members of the Cooperative.
  3. A person shall not be eligible if he/she has been an employee of the Cooperative for any length of time within the immediately preceding five (5) years.
  4. A person shall not be eligible if he/she is employed by, is an agent of, or is a close relative of an employee or agent of the Cooperative.
  5. A person shall not be eligible if he/she is employed by or materially affiliated with any other Trustee.
  6. A person shall not be eligible if he/she owns an interest greater than ten percent (10%) or holds a management position in a business wherein more than ten percent (10%) of the goods sold are sold to the Cooperative or one of its subsidiaries, or a combination thereof.
- B. Upon establishment of the fact that a Board Trustee is holding the office in violation of any of the foregoing provisions, the Board shall remove such Board Trustee from office.
- C. Nothing contained in this section shall affect in any manner the validity of any action taken at any meeting of the Board.

### **SECTION 4. Nominations**

- A. It is the responsibility of the Members to solicit candidates for the election of Trustees. The Trustees shall ensure there are qualified nominees.
- B. Any fifteen (15) or more Members acting together may make nominations by petition and the Secretary shall publicize such nominations. Nominations made by petition received at least fifty (50) days before the meeting shall be included on the official ballot.

### **SECTION 5. Election of Trustees**

Elections of Trustees shall be by a form of printed ballot. Each membership of the Cooperative shall be entitled to vote for one (1) candidate from each district for which a Trustee is to be elected. The candidate from each district for which a Trustee is to be elected receiving the plurality of votes cast for that office at such meeting shall be declared elected as Trustee. If, after a recount, there is a tie for a Trustee position, the winner shall be determined by a coin toss.

## **SECTION 6. Trustee Seating**

At the Board Reorganization Meeting immediately following the Annual Membership Meeting, all newly elected Trustees shall sign a statement verifying they are qualified and have no conflict of interest that violates these Bylaws. The newly elected Trustees shall then be seated.

## **SECTION 7. Removal of Board Trustee**

- A. Any Member may bring charges against a Board Trustee, and by filing with the Secretary such charges in writing together with a petition signed by at least ten percent (10%) of the Members or three hundred seventy-five (375), whichever is the lesser, may request the removal of such Board Trustee by reason thereof. Such Board Trustee 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/her shall have the same opportunity. The question of the removal of such Board Trustee shall be considered and voted upon at the meeting of the Members.
- B. Any Board Trustee who fails to attend three (3) monthly meetings in a calendar year without approval from the Board is subject to removal from the Board by majority vote of the other Board Trustees.

## **SECTION 8. Vacancies**

Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by resignation, failure to attend meetings, or removal of Board Trustees by the Members, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining Board Trustees. The appointed Trustee will fill the vacancy until the next Annual Meeting when a Trustee will be elected for the remaining unexpired portion of said term. The Board must give public notice of such vacancy and shall fill such vacancy within one hundred twenty (120) days of its occurrence.

## **SECTION 9. Trustee Compensation**

- A. Without approval of the Membership, Board Trustees may not receive any salaries for their services as Trustees, except Board Trustees shall be covered by liability insurance provided by the Cooperative. Except in emergencies, Board Trustees may not be employed by the Cooperative in any capacity involving compensation.
- B. The Board of Trustees may establish a fixed sum, including expenses of attendance, if any, to be allowed for attendance at each meeting of the Board of Trustees or any Committee of the Board of Trustees; or representing the Cooperative at any meeting or on any business whenever representation has been approved by the Board. Board Trustees may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the Board. Payments to a Board Trustee will be made on submission of an expense report and report of related activities which shall be noted and included in Board meeting minutes.