



2022 BYLAW AMENDMENT SUMMARY

The information below is a summary of each of the proposed bylaw changes being referred to a vote of the members. The Board of Trustees recommends that all the proposed amendments be approved.

- **Proposition 1:** This amendment is being proposed to modernize the bylaws to allow the Cooperative to send out notices digitally to members who have 'opted in' to receive notices digitally. The amendment also addresses a minor grammatical issue.
- **Proposition 2:** This amendment is being proposed to update the bylaws to reflect a recent statutory change in how quorum for a Meeting of the Members is determined. While it is likely that the new law will take effect without the proposed update, it is still desired that the bylaws reflect the current statutory structure.
- **Proposition 3:** This amendment is being proposed to allow members that choose to register for a meeting in-person as allowed by the new state law noted in Proposition 2 the ability to vote on matters that will be considered during the meeting. The goal of this amendment is to receive more member participating in determining the direction of the Cooperative. It also modernizes the bylaw to allow for digital voting and corrects minor grammatical issues.
- **Proposition 4:** This amendment is being proposed to modernize the bylaws to allow the Cooperative to send out notices digitally to Trustees for upcoming meetings.
- **Proposition 5:** This amendment is being proposed to make clear that the Cooperative, through its Secretary, is required to maintain certain records, but it is removing the requirement that the records be kept in a "book" or "register", allowing the records to be maintained in other formats, including digitally.
- **Proposition 6:** This amendment is being proposed to reflect the fact that the Cooperative no longer uses the Rural Utilities Service ("RUS") for financing of projects, and therefore no longer has a requirement to report to that agency directly when utility rates are changed. However, the change still requires the Cooperative to report to any state or federal agencies that reporting to is mandatory and it also authorizes the Cooperative to provide courtesy notices of rate changes to agencies.
- **Proposition 7:** This amendment, similar to Proposition 7, is removing the requirement to report certain matters to RUS, but maintains the requirement to report to any required agencies.
- **Proposition 8:** This amendment is being proposed to drop the maximum coverage amount for insurance for Board members as many portions of the Cooperative's business, such as its retirement plan, require higher coverage amounts.

In the Propositions below, text that has been ~~struck through~~ is proposed to be deleted and text that is underlined is proposed to be added.

PROPOSITION 1

ARTICLE III: MEETING OF MEMBERS

SECTION 3: NOTICE OF MEMBERS' MEETINGS

Written, printed, or digital notice stating the date, place and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered to each member not less than ten (10) days nor more than twenty-five (25) days before the date of such meeting, either personally, by mail, or by digital means by or at the direction of the Secretary. Digital notices shall only be valid when sent to members that have 'opted in' to receiving digital notices. Should the Secretary default or fail to perform the duty of the Secretary's Office, then such Notice should be given to each member by the person or persons calling the meeting. If mailed, with postage thereon prepaid, such Notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address appearing in the records of the cooperative. If sent digitally, such Notice shall be deemed to be delivered when sent using the digital means used by the Cooperative. Such Notice shall be deemed sufficient if, within the time prescribed above, it is incorporated with the monthly member service billings or as an integral part of the Cooperative's newsletter. In case of a joint membership, notice given to either husband or wife shall be deemed notice to both. The failure of any member to receive notice shall not invalidate any action that may be taken by the members at any such meeting.

PROPOSITION 2

ARTICLE III: MEETING OF MEMBERS

SECTION 4: QUORUM

Five percent of the members (or such other minimum percentage as shall be fixed by statute) shall constitute a quorum except as provided for district meetings. The minutes of each meeting shall contain a list of the members present in person. 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 further notice, provided, that the Secretary shall notify any absent members of the time and place of such adjourned meeting. If **specified in the meeting notice, in-person registrations shall be counted toward the required five percent of members necessary to constitute a quorum. Any vote taken at a time when less than five percent of all members are physically present shall be taken only on proposed actions which were specifically identified and provided to the members in advance through the meeting notice.**

PROPOSITION 3

ARTICLE III: MEETING OF MEMBERS

SECTION 5: VOTING

Each member and each joint membership shall be entitled to only one vote. 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 incorporation or these Bylaws.

- (a) A member may vote on any proposed actions which were specifically identified and provided to the members in advance through the meeting notice at the time the member registers for the meeting in person. If said member then leaves the location of the meeting after voting during registration, that member's vote shall be counted as if it were made during the official business portion of the meeting. If a member votes during the in-person registration process and stays at the meeting location and votes during the official business portion of the meeting, said member's vote made during the in-person registration process will be deemed null and void and will not be counted. Further, any vote given pursuant to this subsection (a) shall supersede any vote made by a member pursuant to subsections (b) or (c) below.
- (b) A member may vote by proxy executed in writing by the member. Such proxy shall be filed with the Secretary before or at the time of the meeting. No proxy shall be valid after sixty days from the date of its execution. No proxy shall be valid unless it shall designate the meeting at which it is to be voted and no proxy shall be voted at any meeting other than the one so designated or any adjournment of such meeting. A member may give his proxy only to another member or to an adult relative living in the same home with such member, and no person may hold more than three proxies at any meeting. The presence of a member at a meeting shall revoke a proxy

theretofore executed by him and such member shall be entitled to vote at such meeting in the same manner and with the same effect as if he had not executed a proxy. In case of a joint membership, a proxy may be executed by either husband or wife. The presence of either husband or wife at a meeting of the members shall revoke a proxy theretofore executed by either of them and such joint member or members shall be entitled to vote at such meeting in the same manner and with the same effect as if a proxy had not been executed.

- (c) Any member who is absent from any annual or special meeting of the members may vote by mail or via digital means provided by the Cooperative at such meeting upon any motion or resolution pertaining to the borrowing of funds from the United States of America or any agency or instrumentality thereof, or the sale, mortgage, lease or other disposition, or encumbrance of the Cooperative's property to the United States of America or any agency or instrumentality thereof. The Secretary shall be responsible for enclosing with the notice of such meeting an exact copy of such motion or resolution to be acted upon and such absent member shall express his vote thereon by placing a cross (X) in the space provided therefore opposite each such motion or resolution. If voting by mail, such absent member shall enclose each such copy so marked in a sealed envelope bearing his name and addressed to the Cooperative. When such written vote so enclosed is received by mail from any absent member, it shall be counted as the vote of such member at such meeting. If voting by digital means, the member will use the service selected by the Cooperative, which will store the vote in a secure manner. If a husband and wife hold a joint membership and are absent from any annual or special meeting of the members, they shall jointly be entitled to vote by mail or digital means as provided in this section. The failure of any absent member to receive a copy of any such motion shall not invalidate any action which may be taken by the members at any such meeting.

PROPOSITION 4

ARTICLE V: MEETING OF TRUSTEES

SECTION 3: NOTICE OF TRUSTEES' MEETINGS

Written notice of the time, place, and purpose of any special meeting of the board shall be delivered to each trustee, either personally, by mail, or by digital means provided by the Cooperative, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the trustees calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the trustee at his address as it appears on the records of the Cooperative, with postage thereon prepaid, at least five days before the date set for the meeting.

PROPOSITION 5

ARTICLE VI: OFFICERS

SECTION 6: SECRETARY

The Secretary shall be responsible for:

- (a) keeping the minutes of the meetings of the members and of the board of trustees; provided that the Secretary may delegate the physical responsibility of keeping the minutes to the Attorney or some qualified agent for that purpose, all subject to his approval, however.
- (b) seeing that all notices are duly given in accordance with these Bylaws or as required by law.
- (c) the safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws.
- (d) keeping a record of the names and post office addresses of all members.
- (e) having general charge of the books of the Cooperative in which record of the members is kept.
- (f) keeping on file at all times a complete copy of the articles of incorporation, of conversion, and the Bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the Bylaws and of all amendments thereto to any member upon request; and

(g) in general, performing 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.

PROPOSITION 6

ARTICLE XI: FINANCIAL TRANSACTIONS

SECTION 4: CHANGE IN RATES

Written notice shall be given to all required state or federal agencies not less than ninety days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective. Courtesy notice of changes in rates may be given to state or federal agencies not required to be notified at the discretion of the board.

PROPOSITION 7

ARTICLE XII: MISCELLANEOUS

SECTION 4: ACCOUNTING SYSTEM AND REPORTS

The board shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by any regulatory body that the Cooperative may be subject to. The board shall also after the close of each fiscal year cause to be made by a certified public accountant a full and complete audit of the accounts, books, and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit shall be submitted to the members at the next following annual meeting.

PROPOSITION 8

ARTICLE XIII: INDEMNITY PROVISIONS

SECTION 2: INSURANCE

The Cooperative may purchase, at the discretion of its Board of Trustees, Trustees' and officers' liability policies, with the premiums therefore paid by Cooperative, covering each of its Trustees and/or officers, securing them against liability arising in the manner mentioned in Section 1 above. In the event such policy or policies are purchased by the Cooperative, then the indemnity provision provided in Section 1 above shall apply only to any excess liability over and above the policy coverage.