



**Sullivan County Rural
Electric Cooperative, Inc.**

A Touchstone Energy® Cooperative 

BYLAWS

*Sullivan County Rural Electric Cooperative, Inc. will
provide safe, dependable electric energy and related
services to it's members in an environmentally
sound and fiscally responsible manner.*

As Amended
March 2023

Table of Contents

Article I - Membership	
Requirements for Membership.....	1
Joint Memberships.....	2
Conversion of Membership.....	2
Member to Grant Easements to Cooperative.....	3
Purchase of Electrical Service.....	3
Termination of Membership.....	4
Article II - Rights and Liabilities of Members	
Property Interest of Members.....	5
Non-liability for Debts of the Cooperative.....	5
Article III - Meeting of Members	
Annual and Regular Meetings.....	6
Special Meetings.....	6
Notice of Members' Meetings.....	7
Quorum.....	7
Voting.....	8
Order of Business.....	8
Article IV - Board Members	
General Powers.....	9
Districts and Tenure of Office.....	9
Election Process.....	10
Credentials and Election Committee.....	11
Qualifications.....	13
Removal of Board Members by Membership.....	14
Removal of Board Members by Board of Directors.....	15
Vacancies.....	15
Compensation.....	15
Rules, Policies, Regulations.....	16
Personal Liability of Directors.....	16
Indemnification.....	16
Advance Payment of Expenses.....	17
Insurance or Indemnification Fund.....	17
Exclusivity.....	17

Article V - Meetings of Board	
Regular Meetings.....	18
Special Meetings.....	18
Notice of Special Board Meetings.....	18
Quorum.....	19
Waiver of Notice.....	19
Article VI - Officers	
Number.....	20
Election and Term of Office.....	20
Removal of Officers and Agents by the Board.....	20
Chair.....	21
Vice-Chair.....	21
Secretary.....	22
Chief Executive Officer.....	22
Article VII - Non-Profit Operation	
Interest or Dividends on Capital Prohibited.....	23
Non-Profit Operation.....	23
Patronage Capital in Connection with Furnishing Electric Service.....	24
Article VIII - Dissolution.....	25
Article IX - Disposition of Property.....	26
Article X - Seal.....	26
Article XI - Contracts and Financial Transactions	
Contracts.....	26
Financial/Transactions.....	27
Fiscal Year.....	27
Article XII - Membership in Other Organizations.....	28
Article XIII - Amendment.....	28

**ARTICLE I
MEMBERSHIP**

Section 1. Requirements for Membership

Any person, firm, association, corporation, or body politic or subdivision thereof will become a member of the Sullivan County Rural Electric Cooperative, Inc., (hereinafter called the "Cooperative") upon receipt of electric service from the Cooperative, provided that they have first:

- (a) made written application for membership;
- (b) agreed to purchase electric service from the Cooperative;
- (c) agreed to comply with and be bound by the Articles of Incorporation, Bylaws, policies, rules and regulations of the Cooperative adopted by the Board of Directors;
- (d) agreed that not less than \$7.00 nor more than \$15.00 of the amount paid by each member to the Cooperative each year is for a year's subscription to Penn Lines;
- (e) Agreed that the Members of the Cooperative, by dealing with the Cooperative acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each member, and both the Cooperative and the members are bound by such contract, as fully as though each member had individually signed a separate instrument containing such terms and provisions.

No member may hold more than one membership in the Cooperative and no membership in the Cooperative shall be transferable.

Section 2. Joint Memberships

Two individuals sharing a residence, who qualify to be members, may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, will be accepted for such membership. The term “member” as used in these Bylaws shall be deemed to include the two persons holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. In addition, the holders of a joint membership will be subject to the following provisions:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member;
- (b) The vote of either separately or both jointly shall constitute one joint vote but they shall together receive no more than one vote;
- (c) Notice to either shall constitute notice to both;
- (d) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by both parties to comply with the Articles of Incorporation, Bylaws, policies, rules and regulations adopted by the Board;
- (e) Either but not both may be elected or appointed as a Board member, provided that the qualifications for such office are met.

Section 3. Conversion of Membership

Upon the death or expulsion of either individual who is a party to the joint membership, such membership shall be held solely by the survivor.

Section 4. Member to Grant Easements to Cooperative

The member further acknowledges that in making application to the Cooperative for electric service, they granted and conveyed for no cost or additional consideration other than the benefit of membership, unto the said Cooperative, its successors and assigns, an easement for the right and authority to enter upon their lands and construct, erect, operate, replace, repair and maintain perpetually an electric line with necessary wires and appurtenances for providing reliable electric service to them and to other members of the Cooperative. Also the right and privilege to cut or trim trees to the extent necessary to keep them clear of the said line. Each member shall, upon being requested to do so by the Cooperative, execute and deliver at no cost to the Cooperative additional grants of easement or right-of-way over, on and under any lands owned or leased by or mortgaged to the member, as the Cooperative shall require for the furnishing of electric service to them or other members or for the construction, operation, maintenance or relocation of the Cooperative's electric facilities.

Section 5. Purchase of Electrical Service

Each membership shall, as soon as electric service shall be available, purchase from the Cooperative all electric service used on the premises specified in their application for membership, and shall pay therefore at rates which shall be fixed by the Board. It is expressly understood that amounts paid for electric service in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these Bylaws. Each member shall pay to the Cooperative such minimum amount regardless of the amount of electric service consumed, as shall be fixed by the Board. Each member shall also pay all amounts owed by them to the Cooperative as and when the same shall become due and payable.

Section 6. Termination of Membership

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds of all the members of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws, policies, rules or regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes them liable to expulsion and such failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the Board or by vote of the members at any Annual, Regular or Special Meeting.
- (b) Unless otherwise agreed by the Cooperative, the membership of a member who for a period of six months after service is available to them, has not purchased electric service from the Cooperative, or of a member who has ceased to purchase service from the Cooperative, or upon the withdrawal, death, cessation of existence or expulsion of a member the membership of such member shall thereupon terminate.
- (c) Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

**ARTICLE II
RIGHTS AND LIABILITIES OF MEMBERS**

Section 1. Property Interest of Members

Upon dissolution after:

- (a) all debts and liabilities of the Cooperative shall have been paid, and
- (b) all capital furnished through patronage shall have been retired as provided in these Bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the ten years next preceding the date of the filing of the certificate of dissolution.

Section 2. Non-liability for Debts of the Cooperative

The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

**ARTICLE III
MEETING OF MEMBERS**

Section 1. Annual and Regular Meetings

The Annual Meeting of the members shall be held as determined by the Board at such time and place as selected by the Board of Directors. Failure to hold the Annual Meeting of the members at the designated time shall not work a forfeiture or dissolution of the Cooperative nor affect any action of the Cooperative. The Cooperative shall submit reports covering the business of the Cooperative for the previous fiscal year.

Regular meetings may be held as determined by the Board as needed.

Section 2. Special Meetings

Special meetings of the members shall be called upon any one or more of the following conditions:

(a) A resolution executed by the Board of Directors requesting a Special Meeting of the members.

(b) A paper petition signed by not less than twenty percent (20%) of all of the members of the Cooperative requesting a Special Meeting of the members, filed with the Secretary.

The time period between the first signature and the last signature on the petition shall not exceed sixty (60) days.

Each signature page shall state the purpose of the petition.

Section 3. Notice of Members' Meetings

Written notice stating the place, day and hour of the meeting and, in case of a Annual, Regular or Special Meeting at which business is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten days nor more than 30 days before the date of the meeting, either personally, by mail or other approved means including by electronic means, 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. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at their address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an Annual, Regular or Special Meeting of the members shall not invalidate any actions which may be taken by the members at any such meeting. In the case of a Special Meeting, the official written notice shall state the purpose of the meeting. No business shall be conducted at a Special Meeting of the members except that stated in the official notice of such meeting.

Section 4. Quorum

Not less than twenty percent (20%) of the membership, present in person, shall constitute a quorum for the transaction of business at a Special Meeting of the members. In case of a joint membership, the presence at a meeting of either individual, or both, shall be regarded as the presence of one member.

Section 5. Voting

Each member shall be entitled to only one vote upon each matter submitted to a vote. All questions shall be decided by a vote of a majority of the members voting thereon, except as otherwise provided by law, the Articles of Incorporation or these Bylaws.

- (a) All voting on the election of Directors and on any motion or resolution or other matters which are necessary to be voted on by the membership may, if so provided by the Board, be by hand delivery, mail or electronic means. Except for the approval of minutes at an Annual Meeting, only actions included in the meeting notice may be voted on at a member meeting.
- (b) Official ballots received by mail, electronic means, or hand delivered to the Cooperative shall be counted if received by the Cooperative prior to the close of balloting at an announced date and time as determined by the Board.
- (c) The failure of any member to receive any such ballot shall not invalidate any action which may be taken at the meeting at which the ballot is to be voted.

Section 6. Order of Business

The order of business at meetings of the members shall be determined by the Board of Directors.

In general, the latest version of Robert's Rules of Order shall be used to decide questions. In case of dispute, the attorney for the Cooperative shall state an opinion which shall be binding.

**ARTICLE IV
BOARD MEMBERS**

Section 1. General Powers

The business and affairs of the Cooperative shall be managed by a Board of nine (9) members which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or these Bylaws conferred upon or reserved to the members.

Section 2. Districts and Tenure of Office

- (a) Directorate Districts. The territory served or to be served by the Cooperative shall be divided into nine (9) districts. Each district shall be represented by one Board member who shall be a resident member user in said district. The nine (9) districts shall be as follows:

District 1	Fox Twp. McNett Twp. Canton Twp.	Sullivan County Lycoming County Bradford County
District 2	Hillsgrove Twp. Elkland Twp.	Sullivan County Sullivan County
District 3	Overton Twp. Forks Twp. Forksville Boro.	Bradford County Sullivan County Sullivan County
District 4	Laporte Twp. Cherry Twp. Laporte Boro. Albany Twp.	Sullivan County Sullivan County Sullivan County Bradford County
District 5	Davidson Twp. Shrewsbury Twp. Penn Twp. Franklin Twp. Jordan Twp.	Sullivan County Sullivan County Lycoming County Lycoming County Lycoming County
District 6	Shrewsbury Twp. Wolf Twp. Mill Creek Twp.	Lycoming County Lycoming County Lycoming County
District 7	Upper Fairfield Twp.	Lycoming County
District 8	Plunketts Creek Twp.	Lycoming County
District 9	Gamble Twp. Cascade Twp. Lewis Twp.	Lycoming County Lycoming County Lycoming County

- (b) Term of Directors shall be three years and shall continue until a successor is elected. A Director term begins upon formal announcement to the membership. Beginning with calendar year 2024, each district shall re-elect its Director on a staggered basis as follows:
- (1) Directors for Districts 2, 6 and 9 shall be elected in 2025.
 - (2) Directors for Districts 1, 5 and 7 shall be elected in 2026.
 - (3) Directors for Districts 3, 4 and 8 shall be elected in 2024.

Section 3. Election Process

Ten (10) or more members in a district wherein a Director's term is expiring may make a nomination by petition. Petitions must be received by the Cooperative not less than one hundred twenty (120) days prior to the Annual Meeting. Petitions are available sixty (60) days in advance of the petition deadline. Candidates for the office of Director shall be limited to those individuals who have been properly nominated by petition and who are subsequently deemed eligible to serve by the Credentials & Election Committee.

Section 4. Credentials and Election (C&E) Committee

- (a) Selection. No later than December 31st of the year preceding each Annual Meeting, the Board shall appoint a C&E Committee. The C&E Committee shall consist of six (6) members who are not existing Cooperative employees, agents, officers, Directors or known candidates for Director, and who are not close relatives of agents, officers, Directors or known candidates for Director. A close relative, as used in these Bylaws, is a person who, by blood or in law, including step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew, niece or a person living within the household of the principal. A Cooperative employee, used in these Bylaws, is a person who is directly employed by the Cooperative and its subsidiaries. In appointing the C&E Committee, the Board shall appoint a member from each district not up for election.
- (b) Procedures. The C&E Committee shall elect its own chair and secretary. It shall be the responsibility of the C&E Committee to determine the process of and to conduct Director elections in accordance with the Bylaws, to pass upon all questions that may arise regarding the same, to count all ballots or other votes cast in any election or in any other manner, to rule upon the effect of any ballots or other vote irregularly or indecisively marked or cast, to rule upon all other questions that may arise relating to member voting and the election of Directors (including but not limited to the validity of petitions of nomination or the qualifications of candidates and the regularity of the nomination and election of Directors), to reject all non-eligible candidates based upon their qualifications or lack thereof, as set forth in Article IV, Section 5, and to pass upon any protest or objection filed with respect to any election or to conduct affecting the results of any election. In the exercise of its responsibility, the C&E Committee shall have available to it the advice of counsel provided by the Cooperative.

- (c) Protest or Objection. In the event a protest or objection is filed by a member concerning any member election, such protest or objection must be in writing, signed and received at the Cooperative's headquarters within three business days following the adjournment of the meeting in which the voting is reported. The C&E Committee shall thereupon be reconvened, upon notice from its chair within fifteen (15) business days after such protest or objection is filed. The C&E Committee shall hear such evidence as is presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence; and the C&E Committee, by a vote of a majority of those present and voting shall be within a reasonable time, but not later than thirty (30) days after the conclusion of such hearing, render its decision in writing, the result of which may be to affirm the election, to change the outcome thereof, or to set it aside. The C&E Committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final. The C&E Committee may not affirmatively act on any matter unless a majority of the C&E Committee is present.

Section 5. Qualifications

To be eligible to become and/or remain a Board member of the Cooperative, a person must:

- (a) be a Cooperative member who is a bona fide legal resident of the District to which elected;
- (b) be a member in good standing. Good standing shall include, but not be limited to, all accounts being paid current for at least 11 of 12 months prior to the due date of their petition and not engaged in litigation against the Cooperative; and
- (c) not have been removed in the past by the membership or the Board for any reason other than the normal election process.
- (d) not have been an employee of the Cooperative for two years prior to the due date of the petition. A Cooperative employee, used in these Bylaws, is a person who is directly employed by the Cooperative or its subsidiaries.
- (e) have a high school diploma, G.E.D or equivalent.
- (f) not be a close relative of an employee of the Cooperative. A close relative, as used in these Bylaws, is a person who, by blood or in-law, including step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew, niece or a person living within the household of the principal. A Cooperative employee, used in these Bylaws, is a person who is directly employed by the Cooperative and its subsidiaries.

Upon establishment of the fact that a Board member is holding the office in violation of the foregoing provisions, the Board shall remove such Board member from office. Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board.

Section 6. Removal of Board Members by Membership

- (a) Any member of the Cooperative may request the removal of a member of the Board of Directors by filing with the Secretary of the Board of Directors a petition signed by not less than ten percent (10%) of all of the members of the Cooperative requesting the removal of said director and stating the reasons therefore. The time period between the first signature and the last signature on the petition shall not exceed sixty (60) days. Each signature page shall state the purpose of the petition.
- (b) Upon receipt and verification of such petition, the Board of Directors shall make arrangements for a meeting of the members and shall give notice of such meeting to the members as required by the Bylaws of the Cooperative.
- (c) The attorney for the Cooperative shall advise the officers of the Board as appropriate and necessary to achieve a fair hearing by all parties. No reasons for dismissal shall be introduced or discussed at this Special Meeting of the members except those specifically stated in the written notice to the director whose removal is under consideration. No more than the removal of one director shall be considered at any Special Meeting of the members.

Such meeting shall not be arranged until at least thirty (30) days after the Board member whose removal is requested has received written notice of such action and a written statement of the reasons for their possible removal.

Section 7. Removal of Board Members by Board of Directors

Any Board member, upon the affirmative vote of at least two-thirds (2/3) of the members of the Board, may be removed from the Board if they have been declared of unsound mind by an order of a court or for other proper cause, including violations of fiduciary duty expected of a Board member, self dealing, a conflict of interest or personal conduct which would likely cast doubt on the integrity of either the member, the Board and/or its other members. The Board shall establish the procedures to be followed when considering the removal of a Board member which shall include:

- (a) Presentation of the request for dismissal and the reasons therefore.
- (b) An opportunity for the director whose removal is requested to present testimony and statements on their behalf.
- (c) An opportunity for a further statement by both parties.

Section 8. Vacancies

Any vacancies occurring in the Board may be filled, as determined, by the affirmative vote of a majority of the Board members present at the meeting, for the unexpired portion of the term except that any Board member removed under Article IV, Sections 6 and 7, shall not be reappointed by the Board to fill the vacancy.

Section 9. Compensation

Board members are not employees and shall not receive any salary for their services. A meeting fee may be paid for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs or performing committee assignments. If authorized by the Board, Board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business. No Board member shall receive compensation for serving the Cooperative in any other capacity.

Section 10. Rules, Policies, Regulations

The Board of Directors shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the Articles of Incorporation of the Cooperative, or these Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

Section 11. Personal Liability of Directors

A director of the Cooperative shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action unless:

- (a) the director has breached or failed to perform the duties of their office under 15 P.S. §12423.1 (a) Electric Cooperative Corporation Act, as amended; and
- (b) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

This section shall not apply to (1) the responsibility of liability of a director pursuant to any criminal statute or (2) the liability of a director for payment of taxes pursuant to local, State or Federal law.

Section 12. Indemnification

Subject to the limitations hereinafter set forth, the Cooperative may indemnify any director, officer, employee or agent who was or is a party or is threatened to be made a party to any threatened, pending or administrative or investigative proceeding, whether formal or informal, and whether brought by or in the right of the Cooperative or otherwise, by reason of the fact that he was a director, officer, employee or agent of the Cooperative, to the fullest extent permitted by law, including without limitation indemnification against expenses (including attorneys' fees and disbursements), damages, punitive damages, judgments, penalties, fines and amounts paid in settlement incurred by such person in connection with such proceeding. Such indemnification shall not impair any other right any such person may have.

Section 13. Advance Payment of Expenses

Expenses incurred by a director, officer, employee or agent of the Cooperative in defending a civil or criminal action, suit or proceeding may be paid by the Cooperative in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Cooperative.

Section 14. Insurance or Indemnification Fund

To further effect, satisfy or secure the indemnification obligations provided herein or otherwise, the Cooperative may maintain insurance, obtain a letter of credit, act as self-insurer, create a reserve, trust, escrow, cash collateral or other fund or account, enter into indemnification agreements, or use any other mechanism or arrangement whatsoever in such amounts, at such costs, and upon such other terms and conditions as the Board of Directors shall deem appropriate.

Section 15. Exclusivity

All rights of indemnification under this Article, shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any statute, agreement, vote of members, or disinterested directors or otherwise. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article shall continue as to a person who has ceased to be a director, officer, employee or agent in respect of matters arising prior to such time, and shall insure to the benefit of the heirs, executors and administrators of such person.

**ARTICLE V
MEETINGS OF BOARD**

Section 1. Regular Meetings

Regular meetings of the Board shall be held monthly at the Cooperative offices in Forksville, Sullivan County, Pennsylvania, or any other place or means as determined by the Board. Such Regular monthly meetings may be held, without notice other than such action fixing the time and place thereof.

Section 2. Special Meetings

Special meetings of the Board may be called by the Chair or by any three Board members, and it shall thereupon be the duty of the Secretary or designee to cause notice of such meeting to be given as herein provided. The Chair or Board members calling the meeting shall fix the time and place and means for holding such meeting.

Section 3. Notice of Special Board Meetings

Written notice of the time, place, means and purpose of any Special meeting of the Board shall be delivered to each Board member either personally, by mail or by electronic means or at the direction of the Secretary, or upon a default duty by the Secretary, by the Chair or the Board member calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Board member at the Board member's address as it appears on the records of the Cooperative, with postage thereon prepaid, at least ten (10) days before the date set for the meeting.

Section 4. Quorum

A majority of the Board shall constitute a quorum. If less than such majority of the Board is present at said meeting, a majority of the Board present may reschedule the meeting. The Secretary shall notify any absent Board members of the time, place and means of such rescheduled meeting.

The act of a majority of the Board members present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in these Bylaws.

Section 5. Waiver of Notice

Any member or Board member may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a member or Board member at any meeting shall constitute a waiver of notice of such meeting by such member or Board member, except in case a member or Board member shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

ARTICLE VI OFFICERS

Section 1. Number

The officers of the Cooperative shall be a Chair, Vice-Chair, Secretary and such other officers as may be determined by the Board.

Section 2. Election and Term of Office

The officers shall be elected annually by and from the Board at the first Regular meeting following the Annual Meeting. Each officer shall hold office until their successor has been elected. A vacancy in any office shall be filled by the Board for the unexpired portion of the term.

Section 3. Removal of Officers by the Board

Any Board officer elected or appointed by the Board may be removed by the Board.

Section 4. Chair

The Chair shall:

- (a) function as the chair of the Board and, unless otherwise determined by the members or the Board, shall preside at all meetings of the members and the Board;
- (b) in general perform all duties incident to the office of Chair and such other duties as may be prescribed by the Board.

Section 5. Vice-Chair

In the absence of the Chair, or in the event of their inability or refusal to act, the Vice-Chair shall:

- (a) perform the duties of the Chair, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chair;
- (b) In general, perform all duties incident to the office of Vice-Chair and such other duties as may be prescribed by the Board.

Section 6. Secretary

The Secretary shall be responsible to:

- (a) keep or cause to be kept the minutes of the meetings of the members and of the Board in a neat, accurate, legible and satisfactory manner;
- (b) see that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) safe keep the corporate books, records and seal of the Cooperative;
- (d) keep a register of the names and post office addresses of all members;
- (e) keep on file at all times a complete copy of the Articles of Incorporation and copy of the Cooperative's most current Bylaws, furnish a copy of the Bylaws and of all amendments thereto to any member upon request; and
- (f) in general perform all duties incident to the office of Secretary and such other duties as may be prescribed by the Board.

Section 7. Chief Executive Officer

The Board shall select a Chief Executive Officer who shall be the chief executive officer of the Cooperative who shall not be required to be a member of the Cooperative. The CEO shall perform such duties and shall exercise such authority as assigned by the Board.

**ARTICLE VII
NON-PROFIT OPERATION**

Section 1. Interest or Dividends on Capital Prohibited

The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its members. No interest or dividends shall be paid or be payable by the Cooperative on any capital furnished by its members.

Section 2. Non-Profit Operation

- (a) the Cooperative shall be operated without profit to its members, but the rates, fees, rents or other charges for electric service and any other facilities, supplies, equipment or services furnished by the Cooperative, shall be sufficient at all times:
 - 1. to pay all operating and maintenance expenses necessary or desirable for the prudent conduct of its business, and the principal of and interest on the obligation issued or obligations issued assumed by the Cooperative in the performance of the purpose for which it was organized; and
 - 2. for the creation of reserves.
- (b) the revenues of the Cooperative shall be devoted, first to the payment of operating and maintenance expenses and the principal and interest on outstanding obligations, and thereafter to such reserves for improvement, new construction, depreciation, and contingencies as the Board may prescribe.
- (c) revenues not required for the purposes set forth in subsection (b) of this section shall be returned to the members on a pro-rata basis according to the amount of business done with each during the period, either in cash, in abatement of current charges for electric service, or otherwise, as the Board determines, but such return may be made by way of general rate reduction to members if the Board so elects.

Section 3. Patronage Capital in Connection with Furnishing Electric Service

In the furnishing of electric service, the Cooperative's operations shall be so conducted that all members will through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its members for all amounts received and receivable from the furnishing of electric service in excess of operating costs and expenses properly chargeable against the furnishing of electric service. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the members as capital. The Cooperative is obligated to pay by credits to a capital account for each member all such amounts in excess of operating costs, expenses and reserves. 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 member is clearly reflected and credited in an appropriate record to the capital account of each member. All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its members on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of members, as herein provided.

**ARTICLE VIII
DISSOLUTION**

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro-rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to member's accounts may be retired in full or in part. The Board of Directors shall determine the method, basis, priority, and order of retirement, if any, for all amounts furnished as capital.

The Cooperative, before retiring any capital credited to any patron's account, shall deduct therefrom any amount owing by such patron to the Cooperative.

Notwithstanding any other provisions of these Bylaws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any member, if the legal representatives of the member's estate shall request in writing that the capital credited to any such person be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any such member, on a "discounted" basis, immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such member's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

**ARTICLE IX
DISPOSITION OF PROPERTY**

The Board of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as from the revenues and income, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Cooperative.

**ARTICLE X
SEAL**

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the word "Seal."

**ARTICLE XI
CONTRACTS AND FINANCIAL TRANSACTIONS**

Section 1. Contracts

Except as otherwise provided in these Bylaws, the Board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

Section 2. Financial Transactions

All checks, drafts, or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed and/or countersigned by necessary officers, agent or agents, employee or employees of the Cooperative and in such manner as determined by action of the Board. Except petty cash and other funds authorized by the Board, all funds of the Cooperative shall be deposited to the credit of the Cooperative in such bank or banks as the Board may select.

Section 3. Fiscal Year

The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year. The Board shall cause to be established and maintained a complete accounting system which shall conform to any applicable laws and rules and regulations of any regulatory body. 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 available to members upon request.

ARTICLE XII
MEMBERSHIP IN OTHER ORGANIZATIONS

The Cooperative shall not become a member of, or purchase stock in any other organization without an affirmative vote of the Board of Directors at any duly held Regular or Special meeting of the Board, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchase, as an item of business.

ARTICLE XIII
AMENDMENT

These Bylaws may be altered, amended or repealed by the vote of not less than two-thirds (2/3) of the members of the Board of Directors at any Regular or Special meeting of the Board of Directors of which written notice shall have been given, provided, that notice of such alteration, amendment, or repeal shall have been given with the notice of the meeting.

March 16, 2023