

## **ARTICLE III BOARD MEMBERS**

### **Section 1** *General Powers*

The business and affairs of the Association shall be managed by a Board of seven (7) Directors that shall exercise all of the powers of the Association except such as are by law, or by the Articles of Incorporation of the Association, or by these Bylaws conferred upon or reserved to the members.

### **Section 2** *Election and Tenure of Office*

Each district shall be represented by one (1) Director who shall be elected for a four (4) year term. Directors representing Districts Nos. 3, 5, and 7 shall have terms of office expiring on the first odd-numbered year following each leap year. Directors representing Districts Nos. 1, 2, 4, and 6 shall have terms of office expiring on the second odd-numbered year following each leap year. Each term shall end on the date of the annual meeting in the year the term expires, provided that Directors shall continue in office until their successors have been elected and have qualified.

Each Director shall be elected by the members of the district he or she represents. Only those members located within a given district shall be entitled to vote for a Director to represent that district.

No person shall be elected Director unless nominated in accordance with Article III, Section 5 of these Bylaws, except as may otherwise be provided in these Bylaws. Procedures for the election of Directors shall be as set forth in Article III, Section 6 of these Bylaws. If for any reason the members fail to elect a Director for any district at the expiration of the incumbent Director's term of office, the incumbent shall continue in office for the new term.

### **Section 3** *Qualifications*

No person shall be eligible to become or remain a Director of the Association who:

- (a) is not a member of the Association;
- (b) is not purchasing electric energy in his or her district within the area served by the Association;
- (c) is an officer, director, employee, or owner of five (5%) percent or more of an enterprise that (i) competes with the Association, (ii) is in the business of selling energy, supplies, or services to the Association, or (iii) markets a substantial portion of its business to electrical cooperatives or utilities;
- (d) is an employee of the Association; or
- (e) holds any governmental office or employment with any state or local agency, entity, board, or commission that regulates or exercises jurisdiction over any aspect of the operations of

the Association within the ordinary course of the Association's business.

Upon establishment of the fact that a Director is holding the office in violation of any of the foregoing provisions, that individual shall automatically be considered to no longer be a member of the Board.

Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board.

When a membership is held jointly by spouses, either one, but not both, may be elected a Director; provided, however, that neither one shall be eligible to become or remain a Director unless both shall meet the qualifications hereinabove set forth.

### **Section 4** *Director Districts*

The territory served or to be served by the Association shall be divided into seven (7) districts, each of which shall contain as nearly as possible the same number of members. The boundaries of the districts shall be established by Board resolution. Each district shall be represented by one (1) Director.

Maps delineating the area and legal descriptions designating exact boundaries of each district shall be prepared and maintained on file at each office of the Association.

Beginning in 1987 and continuing every eighth (8th) year thereafter, the Board shall review the composition of all the districts and, if it should find substantial inequalities in representation which would be corrected by a redelineation of districts, the Board shall reconstitute districts so that each shall contain as nearly as practicable the same number of members. Such procedure shall be invoked in years other than every eighth (8th) year in the event the total membership of the Association is either increased or decreased by over ten percent (10%) from the prior year due to new territory acquisition or territory sale respectively. Such redelineation of districts shall be carried out not less than ninety (90) days or more than one hundred eighty (180) days before the Association's annual meeting.

### **Section 5** *Nominations*

Any fifteen (15) or more members may make nominations for Director in each district in writing over their signatures not more than ninety (90) nor less than forty-five (45) days prior to the annual meeting, and the Secretary shall post the names of those nominated by valid petition at the principal office and district offices of the Association. To be eligible for placement on the ballot a nominee must meet the requirements of Section 3 of this Article and the nominating petition must be received by the close of business at least forty-five (45) days prior to the annual meeting.

### **Section 6** *Election of Directors*

Each member of a District shall be entitled to vote for one (1) can-

didate nominated from the member's district, either at a meeting held for such purpose or by mail, but not both, provided that there shall be no voting by mail in any district for which only one (1) candidate is nominated. A member who has voted by mail shall not be entitled to vote at the meeting. Voting for directors shall conclude as of adjournment of the annual meeting in April of any election year.

When there is a contested election, the Secretary of the Association shall be responsible for mailing or causing to be mailed to each eligible member a ballot listing the candidates nominated for Director in the member's district. Such ballots shall be mailed by an independent printing or mailing service not less than thirty (30) days before the meeting at which Directors are to be elected. There shall be included with each ballot a biographical sketch and position statement on a single 8½" by 11" page, provided that such document need not be included with ballots if a candidate has not provided one to the Board Secretary at least forty-five (45) days prior to the meeting at which Directors are to be elected. Also included shall be a patterned security envelope to be used for placement of each mailed ballot and a return envelope.

All ballots voted by mail must be received by the Association or, if applicable, an independent party with whom the Association has contracted for the storage and counting of ballots on or before five o'clock (5:00) p.m. on the day preceding the annual meeting. All ballot return envelopes shall be signed by the voting member and shall include that member's account number. Envelopes containing mailed ballots shall remain sealed and uncounted until such time as the ballots are committed to the custody of an independent party retained for the purpose of the storage and counting of ballots. The candidate from each district receiving the highest number

of votes shall be deemed elected as a member of the Board. Ballots cast in an election for any director seat will be made available to any candidate for that seat after the election upon request of the candidate. Ballots will be retained under seal by the Association for a period of four (4) years following the election.

## **Section 7**

### *Vacancies*

Subject to the provisions of these Bylaws with respect to the removal of Directors, vacancies occurring on the Board shall be filled by a majority vote of the remaining Directors, and a Director thus elected shall serve for any remaining unexpired portion of the term or until a successor shall have been elected and shall have qualified.

## **Section 8**

### *Compensation*

Directors shall not receive any salary for their services except by Board resolution a fixed sum for each day or portion thereof spent on Association business, such as attendance at Board meetings or at other meetings and conferences, may be allowed. If authorized by the Board, Directors may also be reimbursed for expenses actually and necessarily incurred in carrying out such Association business, or granted a reasonable per diem allowance by the Board in lieu of detailed accounting for some of these expenses. No Director shall receive compensation for serving the Association in any other capacity, nor shall any close relative of a Director receive compensation for serving the Association, unless such compensation shall be specifically authorized by vote of the members.