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## **WELCOME!**

The Board of Directors welcomes you into the membership of Central Missouri Electric Cooperative (CMEC). This handbook is designed to answer some of your questions about cooperative membership. We suggest that you keep this handbook available for quick reference.

CMEC is owned and controlled by the members that it serves. The Board of Directors is elected from the membership, by the membership, and governs the cooperative.

The goals of the Board are reviewed from time to time, but we continue to adhere to the philosophy that a system must be maintained that is capable of supplying your electrical needs now and in the future. We believe this may be accomplished while providing the lowest possible rates and maintaining good business practices.

Providing reliable service is our priority at CMEC. If you have any inquiry concerning your electric service, we urge you to contact the office.

The Cooperative is your business! You may keep informed of Cooperative business through your monthly *Rural Missouri*.

YOUR BOARD OF DIRECTORS

## **MISSION STATEMENT**

The mission of Central Missouri Electric Cooperative is to supply the present and future electrical service needs of our members in an efficient, reliable, and economical manner; and to maintain a financially sound cooperative able to attract future capital and provide for return of members contributed equity.

Revised: January 2011

*This handbook is intended to provide general information and does not include all policies and/or procedures. Cooperative policies and/or procedures may be changed at any time.*

## **COOPERATIVE**

By definition, a Cooperative is a group of people joining together to do something for the group that cannot be done individually (in this case, provide electric energy). It is a business enterprise, which is jointly owned and equally controlled by those who use it.

During the 1930's, the vast majority of rural America did not have electricity. The existing providers of electric energy felt it was not feasible or profitable to run electric lines into the rural areas to provide electric service.

In 1935, President Franklin Roosevelt created the Rural Electrification Act (REA), which provided money in the form of loans to electrify rural America. Rural Americans joined together and formed cooperatives that could borrow money from the REA to build an electric system.

To that end, Central Missouri Electric Cooperative (CMEC) began business in 1938.

Today, your Cooperative serves over 10,400 meters providing electricity to farms, residences, schools, and industries in rural, central Missouri. The counties of Pettis, Benton, and Saline are served by over 2,350 miles of electric line.

CMEC exists for only one purpose: to provide the best possible electric service at the lowest possible cost to the member-owners in the area it serves.

Your Board of Directors employs a general manager who is responsible for day-to-day operations of the system. The general manager employs and oversees the staff as they perform all duties necessary to provide rural electric service. These duties are divided into the following departments:

- Accounts Receivable
- Billing
- Member Records
- Operations

## **BOARD OF DIRECTORS**

CMEC operations are carried out under the policies established by the Board of Directors. Nine directors serve on the board and are elected from among the membership at CMEC's annual meeting. Each member has one vote in the election. Each director must be an active CMEC member and is elected for a three-year term. A list of the current directors is available through the office or on our website.

## ACRONYMS

Following is clarification of the organizations you may come in contact with as a member of a rural cooperative.

REC: Rural Electric Cooperative is a private, non-profit distribution cooperative. It is owned by the members it serves and provides electric service in mainly rural areas.

RUS: Rural Utilities Service, formerly REA, is an agency of the U.S. Department of Agriculture. It was created in 1935, lending money to local organizations, mostly cooperatives, to finance construction of electric power generation, transmission and distribution facilities to serve rural areas. This money is a loan, and must be repaid to RUS with interest.

AMEC: Association of Missouri Electric Cooperatives is a statewide service organization representing Missouri's 47 Electric Cooperatives. Headquartered in Jefferson City, Missouri, they publish the *Rural Missouri* newspaper and represent RECs and their members in legislative concerns, and provide them liaison with state agencies.

NRECA: National Rural Electric Cooperative Association is the national service organization representing cooperatives and their consumers in legislative concerns. Located in Arlington, Virginia, NRECA serves more than 900 member cooperatives in 47 states.

CFC: National Rural Utilities Cooperative Finance Corporation is a private market lender for the nation's electric cooperatives. Located in Herndon, Virginia, CFC provides low cost financial services enabling the REC's growth, development, and improvement of service in rural areas.

AECI: Associated Electric Cooperative, Incorporated is a generation and transmission cooperative located in Springfield, Missouri. It is owned by and provides wholesale power to 6 regional and 51 local electric cooperative systems in Missouri, NE Oklahoma, and SE Iowa.

CEPC: Central Electric Power Cooperative is a generation and transmission cooperative headquartered in Jefferson City, Missouri. It is owned by and delivers power to eight RECs and provides the substations and local transmission lines that serve CMEC members.

## ELECTRICAL TERMS

The following is a list of electrical terms commonly used by electric cooperatives.

**AMPERE (amp):** A unit of measure pertaining to the intensity or rate of flow of electric current.

**BTU (British Thermal Unit):** A measure of heat. One BTU is the amount of heat needed to raise the temperature of one pound of water one degree-or about the amount of heat produced by burning a wooden kitchen match.

**CIRCUIT:** The complete path of an electric current from the power source, through the conductors, through the device using the power, back through the conductors, and back to the source of power.

**FUSE:** A protective device that prevents the over-heating of a circuit; interrupts the current under abnormal conditions.

**KILOWATT (KW):** A unit of measure pertaining to the strength or amount of power produced by or used by various electrical devices. One kilowatt equals 1,000 watts.

**KILOWATT HOUR (KWH):** A unit of measure to describe the use of one kilowatt of electricity for a one-hour period.

**METER:** A device used to measure the number of kilowatt hours of electricity that pass through it.

**OUTAGE:** An interruption of electric current; a power failure.

**SERVICE ENTRANCE:** The wire, cables, conduit, etc., that make up the connection between a home and the power line that serves it.

**SHORT CIRCUIT:** The path of an electric current other than the way it is supposed to flow.

**SUBSTATION:** An electrical installation that contains power transformers to reduce or increase the voltage of an electric current.

**TRANSFORMER:** An electrical device that reduces or increases the voltage of an electric current.

**VOLT:** A unit of measure that describes the pressure or force that causes the movement of electricity.

**WATT:** A unit of measure of the rate of electrical usage. Wattage is determined by multiplying volts times amperage (120 volts at 30 amps provides 3,600 watts).

## **LOCATION NUMBER**

If you contact the office, you will be asked for your location number (commonly referred to as your map number). This helps us to quickly locate your account and supply you with prompt, accurate assistance. Your location number can be found on the front of this handbook, at the top of each of your billing tickets, and above your name on the front of your self-billing record.

## **CAPITAL CREDITS**

CMEC is operated on a non-profit basis. Capital credits, or margins, are to a cooperative what profits are to a private business. A margin is any money left over after all operating costs have been paid. As a cooperative member-owner, part of that margin belongs to you. The more electricity you've used, the greater your share of the margin. Capital credits are retained until the Board of Directors authorizes payment.

So that former members may receive their capital credit checks, it is important that address changes are reported to CMEC.

Each year you will receive an allocation notice informing you of credits applied to your capital credit account. When a capital credit check is issued, this allocation is printed on the check stub.

Under CMEC's estate policy, upon approval of the Board of Directors, heirs may settle the capital credit account of deceased members. These settlements are handled by CMEC's Member Records Department.

## **MEMBERSHIP DEPOSITS**

A membership fee and/or deposit is required for every meter installed. Membership fees are currently \$25 and additional deposits vary. Upon disconnection of service remaining deposits are refunded to the member.

When discontinuing service at one location and applying for service at another, the fee can be transferred provided there is no outstanding bill. However, if the original service is not disconnected, another fee will be required.

If reconnecting service within twelve months of disconnection, there will be a reconnection charge.

## **BILLING SUPPLIES**

After establishing service with CMEC, you will receive, by mail, your self-billing record. This will explain the meter reading procedure which helps the cooperative keep operating costs to a minimum. If you have questions regarding your self-billing record, please contact the office.

You will receive enough billing tickets to last until May of each year. Self-billing records are mailed to all members annually.

## **SAVING MONEY**

The rates in your self-billing record include a 5% discount. This discount is given to all members who read their meter on the first (1<sup>st</sup>) day of each month and pay the full amount due by the tenth (10<sup>th</sup>) of that month.

Eligible payments are received over the counter before the close of business on the tenth (10<sup>th</sup>) of each month, deposited in the night depository box prior to the start of business on the first working day following the tenth (10<sup>th</sup>) of each month, or postmarked on or before the tenth (10<sup>th</sup>) of each month.

Our average residential consumer uses 1500 KWH per month and by receiving this discount saves in excess of \$80.00 per year.

## **MEMBER RESPONSIBILITY**

In an attempt to control costs, CMEC asks each member to assume certain responsibilities:

- Read the meter and pay the bill monthly
- Report accurate readings
- Report slowing, stopped, or damaged meters
- Report service interruptions and damage to poles, lines, or other materials
- Be on the look-out for trees in the power lines or wires sagging too low
- Give plenty of advance notice of any needed changes or any considerable increases in electrical load
- Attend CMEC's Annual Meeting and exercise your right to vote for your Board of Directors

## **PAYMENT OF BILL**

By accurately reading the meter themselves, members of CMEC help keep the cost of electric power to a minimum. The meter is read on the first (1<sup>st</sup>) day of each month; payment is due at that time.

Payments may be made by:

- Mailing check or money order with billing ticket
- Using the 'online payment' button on our website
- Calling during office hours for credit card payment
- Using night deposit box located by front door
- Bringing payment and billing ticket to the office

Payments received after the tenth (10<sup>th</sup>) are figured on the gross rate (gross rate being 5% more than net rate) and are considered past due. Payments not received by the eighteenth (18<sup>th</sup>) are delinquent, and if not received by the twenty-fourth (24<sup>th</sup>) are subject to disconnect.

When payment or satisfactory payment arrangements are not received by the twenty-fourth (24<sup>th</sup>) of the month, an employee will be sent to read the meter. They will either collect the total amount due or disconnect service. The total amount due shall include usage to date, a service charge, and a security deposit (to insure future payments). If service is desired after disconnection, a reconnection charge will be added to the total amount due. Same day reconnection could require additional over time fees.

Payments are processed by CMEC's Accounts Receivable Department.

## **METER ACCURACY**

The electric meter is a finely calibrated, highly accurate device for measuring electric power usage. CMEC has a continuing program to test the accuracy of all meters to assure members that they are paying for the exact amount of electricity used.

When an electric bill is higher than expected, accuracy of the meter is sometimes questioned. It is unlikely that the meter is registering incorrectly, and the member may want to check the wiring and appliances for grounds, shorts, or other malfunctions. A member may request a meter test by contacting the office. If the meter test indicates that the meter is registering correctly a fee is assessed. Meter accuracy is monitored by CMEC's Operations Department.

## **ADVANCE BILLING**

Advanced billing is an estimate based on yearly usage. The yearly due date is determined by location. Members eligible for this service have paid the account's usage for one full year. At the end of each billing cycle, CMEC reads the meter and bills for the next year's estimated usage. These bills are figured by CMEC's Billing Department.

## **BUDGET BILLING**

Budget billing is a level payment plan. The payment amount is based on the previous year's usage. Budget billing accounts begin in June of each year. Members eligible for this service have paid the account's usage in full by the tenth (10<sup>th</sup>) of each month for twelve (12) consecutive months. Members must continue to submit accurate meter readings and timely payments. Each year members are notified of any changes in level payment amounts. Budget billing is handled by CMEC's Billing Department.

## **RETURNED CHECKS**

In the event of a returned check, the member will be immediately notified by CMEC. A service charge is assessed on all returned checks. An account is considered unpaid until the check and service charge are paid in cash or certified funds. Returned checks are handled by CMEC's Accounts Receivable Department.

## **REQUESTED DISCONNECT**

Upon notification of the disconnect date and your forwarding address, CMEC will take a final reading and remove the meter. The membership fee and/or deposit are deducted from the final bill. Members, who do not notify CMEC to disconnect service, are responsible for all usage on the meter until it is disconnected. If service is reconnected within twelve (12) months a fee will be required.

## **AUTOMATIC LIGHTS**

Automatic lights are available to CMEC members and may be installed on a transformer or meter pole. These lights automatically come on at dusk and go off at dawn. A two-year contract is required and an installation fee is charged. The rate chart in the self-billing record lists the monthly rental charge. This charge covers electricity used and repairs to the light for any reason except vandalism. Automatic Lights are handled by CMEC's Operations Department.

## **SERVICE INTERRUPTIONS**

In the event of a service interruption, members should:

- Check the fuses and breakers both in their home and below the meter.
- If the problem is not found, call the office. Calls are answered twenty-four (24) hours a day. Be sure to give your name and map number.
- Report any suspicious or dangerous conditions such as a tree in the line or a flash, arc, or smoke from a transformer. This information can be helpful.

During a service interruption, many people may be calling at the same time. If you receive a busy signal, please be patient. Service interruptions are handled by CMEC's Operations Department.

## **METER SEALS**

Meters are sealed for two reasons:

1. To protect the member by making the meter off-limits. Secondary voltage kills more people than any other voltage. Only a CMEC employee is authorized to cut the seal on the meter or remove it. Even an experienced electrician must get permission from CMEC before removing the meter seal.
2. To prevent someone from stealing electricity. If the meter is tampered with, the member could face the chance of losing electric service, paying for damages plus estimated loss of revenue, a bad credit rating, and/or legal action. Stealing electricity is against the law and will be dealt with as such.

CMEC periodically checks all meter readings and seals. We need your help to control the theft of electricity. Let us know if you find something amiss in your area.

## WHAT IS A KILOWATT HOUR

Quantities designated by familiar measures, such as the foot, pound or cup is easily appreciated because they can be seen. The commodity of a kilowatt hour is invisible.

Electricity is measured in kilowatts, or 1,000 watt units. The watt or kilowatt rating on electrical devices such as light bulbs tells you how much electricity it requires for operation. The higher the rating, the more electricity it uses.

The number of kilowatts used is multiplied by the number of hours of use, and the result is a kilowatt hour. For example, one 60-watt bulb used 5 hours per day for 30 days equals nine kilowatt hours ( $60 \times 5 \times 30 \div 1,000 = 9$ ).

## KILOWATT HOUR USAGE

To reduce energy consumption, your efforts should be directed toward heating, cooling, and water heating.

Heating usage can be reduced by as much as 50% by properly insulating the home, installing storm windows and storm doors, and reducing thermostat settings.

Cooling usage can be reduced by installing attic vent fans, planting shade trees, selecting high SEER (Seasonal Energy Efficiency Ratio) air conditioners and proper thermostat settings (76°-78°).

Water heating usage can be reduced by setting the thermostat to 120°, closely watching hot water consumption, and wrapping the water heater with insulation.

It is just as important to watch when we use electricity as how much electricity we use. Peak usage of electricity usually occurs on the coldest days of the winter and on the hottest days of summer. Through a program called *Peak Alert*, you may keep informed via radio and internet when peak usage occurs. By staggering the usage of electric appliances, you can help reduce these peaks. This helps hold down the cost of electric energy.

## PEAK ALERTS

Electricity cannot be stored. It must be produced on demand. The purpose of the Peak Alert program is to hold down the cost of electric bills by reducing the highest load (demand) for electricity during the year. Peak Alert does not mean there is not enough power available; however, cooperatives must purchase enough electricity to fill their heaviest demand for it. During times of peak demand, every available generator is running. Some generators are used only a few hours a year to meet your peak demand and, as a result, it costs more to produce peak load energy.

CMEC calls a *Peak Alert* any time the weather has been extremely hot or extremely cold for an extended length of time and the state's energy use threatens to reach a peak. Alerts will be issued on the radio and online. When a Peak Alert is announced, CMEC is trying to reduce the cost of electricity and members are asked to reduce their use of power. Every member's cooperation is important. Even a small reduction in energy consumption, makes a big difference.

The peak demand usually occurs in the summer on extremely hot days between 4:00 and 8:00 p.m. and in the winter on extremely cold days between 5:00 and 9:00 a.m. and 4:00 and 8:00 p.m.

## SAFETY HINTS

- Wiring should be installed and checked by a qualified electrician. Every home should have at least a 100 amp service, or 200 amp service for heavy electrical loads.
- All appliances and electrical cords should carry approval of the Underwriter's Laboratory.
- Check cords for wear, especially at plugs and connections. Keep cords away from heat and water. Do not wrap cords around any metal device or pipe.
- Electrical appliance cords should be grounded and have three-prong plugs. Never disconnect an appliance by pulling the cord; always pull the plug.
- When a fuse "blows", it should be replaced by one of the proper size. Never put a coin or anything else behind a fuse.
- All convenience outlets should be grounded.
- Outdoor electrical outlets should be weatherproof, and have ground-fault current interruption protection.
- Outdoors appliance cords should be moisture resistant.
- Every major electrical appliance should have its own

circuit.

- Do not handle or use appliances if you are wet or standing on a wet surface.
- Power tools should have heavy-duty, grounded cords.
- Do not fly kites or climb trees near power lines.
- Never go inside the fence at a power substation.
- Never try to move electric lines or components that have been damaged by storms, wrecks, or other causes.
- Be careful when moving large equipment or high-stacked loads near power lines. Never try to raise such lines so they will clear your work.
- Use caution when installing or replacing an antenna. Antennas are dangerous to move near an electric line.
- Consider all overhead lines dangerous. They are not insulated and carry many more times the voltage than the insulated wires in homes. Keep all objects at least ten feet away from them, and do not attempt to raise or move an electric line.
- Before building under or near any power line please contact CMEC.

If there is ever any question regarding the safety of any of CMEC's lines or equipment, call the office immediately.

## **STATEMENT of NONDISCRIMINATION**

Central Missouri Electric Cooperative Inc. is the recipient of Federal financial assistance from the Rural Utilities Service, an agency of the U. S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended. In accordance with Federal Law and the U. S. Department of Agriculture's policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, religion, age, or disability (Not all prohibited bases apply to all programs).

The person responsible for coordinating this organization's nondiscrimination compliance efforts is Darren Eckhoff, General Manager. Any individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may obtain further information about the statutes and regulations listed above from and/or file a written complaint with USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D. C. 20250-9410; or call (202)720-5964 (voice or TDD). USDA is an equal opportunity provider and employer. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.

# BYLAWS

## ARTICLE I--MEMBERSHIP

Section 1. (A) Requirements for Class 1 Membership. Any person, firm, association, corporation, or body politic or subdivision thereof may become a member in Central Missouri Electric Cooperative (hereinafter called the "Cooperative") by:

- (1) Executing a written application for Cooperative membership;
- (2) Executing contract for electric service agreeing to purchase from the Cooperative electric energy as hereinafter specified;
- (3) Agreeing to comply with and be bound by the articles of incorporation of the Cooperative, subsequent articles of conversion of the Cooperative, bylaws of the Cooperative, and any rules and regulations adopted by the Board of Directors from time to time; and
- (4) Paying the membership fee hereinafter specified.

(B) Requirements for Class 2 Membership. Any person, firm, association, corporation or body politic or subdivision thereof may become a class 2 member of Central Missouri Electric Cooperative (hereinafter called the "Cooperative") by becoming a customer of a corporate subsidiary which is wholly-owned by the Cooperative and to which the Cooperative furnishes electric energy, and (1) making a written application for membership in the Cooperative; and (2) agreeing to comply with and be bound by the articles of conversion and bylaws of the Cooperative and any rules and regulations adopted by the Board of Directors of the Cooperative. Class 2 members shall have the right to receive capital credits earned by the wholly-owned subsidiary, after municipal franchise or gross receipts taxes, income taxes, if any, paid by the subsidiary have been off-set against such capital credits.

(C) No person, firm, association, corporation or body politic or subdivision thereof shall become a member unless and until accepted for membership by the Board of Directors. No class 1 member may hold more than one class 1 membership in the Cooperative. No class 2 member may hold more than one class 2 membership in the Cooperative. In the event a person, firm, association, corporation or body politic or subdivision thereof has both a class 1 and class 2 membership, he or it shall be considered to have a single membership for purposes of all voting and notification rights set forth in these bylaws. No membership in the Cooperative shall be transferable, except as provided in these bylaws. Any subsequent reference in these bylaws to "members" or "membership" shall include both class 1 and class 2 members. Any subsequent reference in these bylaws to "Cooperative" shall also include any wholly-owned subsidiary of the Cooperative.

Section 2. Joint Membership. Unless the Cooperative is otherwise advised in writing, the membership of an individual shall be deemed to be jointly held by the individual and his or her spouse, subject to their compliance with the requirements set forth in Section 1 of this Article. Any provisions relating to the rights and liabilities of joint membership shall apply equally with respect to the individual member and his or her spouse. Without limiting the generality of the

foregoing, the effect of the hereinafter specified actions by or in respect of the holder of a joint membership shall be as follows:

- (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;
- (C) A waiver of notice signed by either or both shall constitute a joint waiver;
- (D) Notice to either shall constitute notice to both;
- (E) Expulsion of either shall terminate the joint membership;
- (F) Withdrawal of either shall terminate the joint membership;
- (G) Either but not both may be elected or appointed as an officer or director, provided that both meet the qualifications for such office.

#### Section 3. Conversion of Membership

(A) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the articles of incorporation, bylaws and rules and regulations adopted by the Board of Directors.

(B) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor, provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

Section 4. Membership and Service Connection Fees. The membership fee shall be twenty five dollars, upon the payment of which a member shall be eligible for one service connection.

#### Section 5. Purchase of Electric Energy.

(A) Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy purchased for use on the premises specified in his application for membership, and shall pay therefore at rates which shall from time to time be fixed by the Board of Directors. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. It is expressly understood that amounts paid for electric energy 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 per month regardless of the amount of electric energy consumed, as shall be fixed by the Board of Directors from time to time.

(B) Each member shall pay all amounts owed by him to the Cooperative as and when same shall become due and payable. The Board of Directors is expressly authorized to appropriate all of such portion of the accrued and then payable capital credits of any member who defaults in the satisfaction of his obligation to the Cooperative for the payment of such member's indebtedness.

#### Section 6. Termination of Membership.

(A) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Directors may prescribe. The Board of Directors of the Cooperative may, by the affirmative vote of not less than two-thirds of all the directors, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws or rules or regulations adopted by the Board of Directors, but only if such

member shall have been given written notice by the Cooperative that such failure makes him 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 of Directors or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available to him, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase electric energy from the Cooperative, shall be canceled by resolution of the Board of Directors. Termination of membership in any manner shall not release a member of his estate from any debts due the Cooperative.

(B) In case of withdrawal or termination of membership in any manner, the Cooperative will repay to the member the amount of membership fee paid by him, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owing from the member to the Cooperative.

## **ARTICLE II**

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, or, if the Cooperative shall not have been in existence for such period, during the period of its existence.

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--MEETINGS OF MEMBERS**

Section 1. Annual Meeting. The annual meeting of the members shall be held in Pettis County, Benton County, or Saline County at an hour, place and date to be fixed by the Board of Directors, but not prior to July 1st, nor later than October 31st of each year. It shall be the duty of the Board of Directors to fix the date insofar as possible to conform with an established schedule of annual meetings of other rural electric cooperatives in Missouri; whereby exhibitions of electrical appliances, and educational programs sponsored by the Missouri State Rural Electrification Association may be made available as a part of the program of the annual meeting of the Cooperative.

The annual meeting shall be held for the purpose of electing directors, affording the membership a suitable program, passing upon reports for the previous fiscal year, and transacting such other business as may come before the meeting.

It shall be the responsibility of the Board of Directors to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a

forfeiture or dissolution of the Cooperative.

Section 2. Special Meetings. Special meetings of the members may be called by resolution of the Board of Directors, or upon a written request signed by any three directors, by the President, or by ten per centum or more of all the members and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the Counties of Saline, Pettis, or Benton, State of Missouri, specified in the notice of the special meeting.

Section 3. Notice of Members Meetings. Written or printed notice stating the place day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten days or more than twenty-five days before the date of the meeting, either personally or by mail, 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 his address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

Section 4. Quorum. Five percent of the first two thousand members and two percent of the remaining members, present in person, shall constitute a quorum for the transaction of business at all meetings of the members. 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.

Section 5. Voting. Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of all members. All questions shall be decided by vote of a majority of the members present voting thereon in person. Voting by mail or by proxy shall not be permitted. If a membership is held in the name of the husband individually or the wife individually or the husband and wife jointly, then in any of the above events either the husband or the wife, as the cause may be, may cast the vote represented by the membership; provided, that if the membership be in the name of the husband individually or the wife individually, then the husband and wife must be living together in order for this Section to apply.

Section 6. Order of Business. The order of business at the annual meeting of the members and, so far as possible, at all other meetings of members, shall be essentially as follows:

1. Report of the number of members present in person.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers, directors and committees.
5. Election of Directors.
6. Unfinished business.
7. New Business.
8. Adjournment.

## ARTICLE IV--DIRECTORS

Section 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of nine directors which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation of these bylaws conferred upon or reserved to the members.

Section 2. Election and Tenure of Office.

(A) Pursuant to custom and procedure of long standing, the board of nine directors shall be and remain in three classes of three members each. Each director shall hold office for a term of three years, and three directors shall be elected at each annual meeting of the members. Directors shall be elected by ballot and shall serve until their successors have been elected and shall have qualified.

(B) To insure the principle of geographic representation four of the directors shall be residents of Saline County, four residents of Pettis County and one resident of Benton County. Saline and Pettis Counties shall be divided into four districts each, as follows:

### SALINE COUNTY

District 1 shall be the area North of Highway 20 and West of Wild Cat Road.

District 2 shall be the area East of Wild Cat Road and North of Township line 51.

District 3 shall be the area South of Highway 20 and West of Highway 65.

District 4 shall be the area East of Highway 65 and South of Township line 51.

### PETTIS COUNTY

District 1 shall be the area North of Township line 46 and West of Range line 22.

District 2 shall be the area East of Range line 22 and one mile North of Township line 46.

District 3 shall be the area South of Township line 46 and West of Range line 22.

District 4 shall be the area South of a line one mile North of Township line 46 and East of Range line 22.

(C) If the election of directors shall not be held at the annual meeting, or any adjournment thereof, the Board of Directors shall cause their election at a special meeting of the members as soon thereafter as possible. Directors may be elected by a plurality vote of the members.

Section 3. Qualifications. No person shall be eligible to become or remain a director or to hold any position of trust in the Cooperative who:

(A) Is not a member and bonafide resident in the area served or to be served by the Cooperative, or

(B) Is any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical fixtures or supplies to the members of the Cooperative. Upon establishment of the fact that a director is holding office in violation of any of the foregoing provisions, the Board of Directors shall remove such director 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 of Directors.

Section 4. Nominations. It shall be the duty of the board to appoint, not less than thirty days before the date of a meeting of the members at which board members are to be elected, a committee on nominations consisting of not less than 5 nor more than 11 members who shall be selected from different sections so as to insure equitable representation. No member of the board may serve on such committee. The committee, keeping in mind the principle of equitable representation, shall prepare and post at the principal office of the cooperative at least twenty days before the meeting a list of nominations for board members which shall include at least two candidates for each Board position to be filled by the election. The Secretary shall be responsible for mailing with the notice of the meeting or separately, but at least ten days before the day of the meeting, a statement of the number of board members to be elected and the names and addresses of the candidates nominated by the committee on nominations. Any fifteen or more members acting together may make other nominations by petition and the Secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. Nominations made by petition, if any, received at least five days before the meeting shall be included on the official ballot. Later nominations by petition shall be treated as nominations from the floor. The Chairman shall call for additional nominations from the floor and nominations shall not be closed until at least one minute has passed during which no additional nominations has been made. No member may nominate more than one candidate.

Section 5. Any member may bring one or more charge for cause against any one or more directors by filing with the Secretary such charges in writing, together with a petition signed by not less than five percent (5%) of the first 2,000 members and two percent (2%) of the remaining then-total members of the cooperative which petition calls for a special meeting, the stated purpose of which shall be to hear and act upon such charges, and if one or more directors are recalled, to elect their successors, and which specifies the place, time and date thereof not sooner than forty (40) days after the filing of such petition, or which requests that the matter be acted upon at the subsequent annual member meeting if such meeting will be held no sooner than forty (40) days of the filing of the petition. Each page of the petition shall, in the forepart thereof, state the names and addresses of the members filing such charges, a verbatim statement of such charges and the names of the directors against whom such charges are being made. Petition shall be signed by each member in the same name as he is billed by the Cooperative and shall state the signatory's address as the same appears on such billings. Notice of such charges verbatim, of the directors against whom the charges have been made and of the members filing the charges and the purpose of the meeting shall be contained in the notice of the meeting, or separately noticed to the members not less than seven (7) days prior to the member meeting at which the matter will be acted upon: Provided, that the notice shall set forth (in alphabetical order) only twenty (20) of the names of the members filing one or more charges if twenty (20) or more members file the same charges against the same directors. Such directors shall be informed in writing of the

charges after they have been validly filed and at least twenty (20) 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, by witnesses, by counsel, or any combination of such, and to present evidence in respect of the charges; and the members bringing the charges shall have the same opportunity, but must be heard first. The question of the removal of such director shall, separately for each if more than one has been charged, be considered and voted upon at such meeting, and any vacancy created by such removal shall be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations, except that nominations shall be made from the floor: Provided, that the question of the removal of a director shall not be voted upon at all unless some evidence in support of the charges against him shall have been presented during the meeting through oral statements, documents or otherwise. A newly elected director shall be from the same directorate district as was the director whose office he succeeds and shall serve the unexpired portion of the removed director's term.

Section 6. Vacancies. Subject to the provisions of these bylaws with respect to the filling of vacancies caused by removal of directors by the members, vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors for the unexpired portion of the term.

Section 7. Compensation. Directors shall not receive any salary for their services as directors, except that by resolution of the Board of Directors, a fixed sum and expenses of attendance at each meeting of the Board of Directors. If authorized by the board, board members 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 in lieu of detailed accounting for some of these expenses. No board member shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of the board member receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of members or the service by the board member or his close relative shall have been certified by the board as an emergency measure.

## ARTICLE V

Section 1. Regular Meetings. A regular meeting of the Board of Directors shall be held without notice at the office of the Cooperative immediately after adjournment of the annual meeting of members. A regular meeting of the Board of Directors shall be held monthly at the office of the Cooperative at such times as the Board of Directors may provide by resolution. Such regular monthly meetings may be held at such other place in Pettis County as the Board may select provided due notice is first given or waiver of notice obtained from all members of the Board.

Section 2. Special Meetings. Special meetings of the board may be called by the President, or by any three board members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or board members calling the meeting shall fix the time and place for the holding of the meeting.

Section 3. Notice of Board Meetings. Written notice of the time,

place and purpose of any special meeting of the board shall be delivered to each board member either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the board member calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, and addressed to the board member 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.

Section 4. Quorum. A majority of the board shall constitute a Quorum, provided, that if less than such majority of the board present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent board members of the time and place of such adjourned 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.

## **ARTICLE VI--OFFICERS**

Section 1. Number. The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer, and such other officers as may be determined by the Board of Directors from time to time. The offices of Secretary and Treasurer may be held by the same person.

Section 2. Election and Term of Office. The officers shall be elected by ballot, annually by and from the Board of Directors at the meeting of the Board of Directors held immediately after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal of Officers and Agents by Directors. Any officers or agents elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer, and by filing with the secretary such charges in writing together with a petition signed by ten per centum of the members, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten days prior to the board meeting 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 shall have the same opportunity. In the event the board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

Section 4. President. The President shall:

(A) Be the principal executive officer of the Cooperative and unless otherwise determined by the members of the Board of Directors, shall preside at all meetings of the members and the Board of Directors;

(B) And may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and

(C) In general perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 5. Vice President. In the absence of the President, or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him by the Board of Directors.

Section 6. Secretary. The Secretary shall be responsible for:

(A) Keeping the minutes of the meetings of the members and the board in books, provided for the purpose;

(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 register of the names and post office addresses of all members.

(E) Keeping on file at all times a complete copy of the articles of incorporation and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of members) and at the expense of the Cooperative, furnishing a copy of the bylaws and of all amendments thereto to any member upon request; and

(F) 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.

Section 7. Treasurer. The treasurer shall be responsible for:

(A) Custody of all funds and securities of the Cooperative;

(B) The receipt of and the issuance of receipts for all moneys due and payable to the Cooperative and for the deposits of such moneys in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these bylaws; and

(C) The general performance of all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board.

Section 8. Manager. The Board of Directors may appoint a manager who may be, but who shall not be required to be a member of the Cooperative. The manager shall perform such duties and shall exercise such authorities as the Board of Directors may from time to time vest in him.

Section 9. Bonds of Officers. The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and with such surety as the board shall determine. The board in its discretion may

also require any other officer, agent or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine.

Section 10. Compensation. The powers, duties and compensation of officers, agents, and employees shall be fixed by the Board of Directors, subject to the provisions of these bylaws with respect to compensation for directors and close relatives of directors.

Section 11. Reports. The officers of the Cooperative shall submit at each annual meeting of the member's reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

## **ARTICLE VII DISPOSITION OF REVENUES AND RECEIPTS**

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 patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

Section 2. Patronage Capital in Connection with Furnishing Electric Energy.

(A) In the furnishing of electric energy the Cooperative's operations shall be conducted so that all patrons 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 patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. 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 patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of the fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his account. All such amounts credited to the capital account of any patron shall have the same status as though they have been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

(B) All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, in so far 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 patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

(C) 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 patrons' 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 heretofore and hereafter furnished as capital.

(D) Provided, however, that the Board of Directors shall have the power to adopt rules providing for the separate retirement of that portion ("Power Supply Portion or Supplemental Financing Portion") of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Cooperative by organizations furnishing electric service or supplemental financing to the Cooperative. Such rules shall (a) establish a method for determining the power supply portion or supplemental financing portion of capital credited to each patron for each applicable fiscal year, (b) provide for separate identification on the Cooperative's books of the power supply portion or supplemental financing portion of capital credited to the Cooperative's patrons, (c) provide for appropriate notifications to patrons with respect to the power supply portion or supplemental financing portion of capital credited to their accounts and (d) preclude a general retirement of the power supply portion or supplemental financing portion of capital credited to patrons for any fiscal year prior to the general retirement of other capital credited to patrons for the same year or of any capital credited to patrons for any prior fiscal year.

(E) Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the board, acting under policies of general application, shall determine otherwise.

(F) The patrons 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 patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

(G) Notwithstanding any other provision of these bylaws, the board at its discretion, shall have the power at any time upon the death of any patron, who was a natural person, if the legal representative of his estate shall request in writing that the capital credited to any such patron 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 deceased patron immediately upon such terms and conditions as the board, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby. The Board of Directors shall determine the method, basis, priority and order of retirement, if any, for all amounts heretofore and hereafter furnished as capital.

(H) Notwithstanding any provisions herein contained to the contrary.

The Cooperative shall recover, after a period of two (2) years, any unclaimed capital credits, patronage refunds, utility deposits, membership fees, or account balances for which the owner (member or former member) cannot be found and are the result of distributable savings of the Cooperative, giving sixty (60) days' notice in a newspaper of general circulation, published in the county in which the Cooperative locates its general headquarters. Such notice shall state the owner's name and approximate amount of owner's interest, and that if not duly claimed within sixty (60) days of said notice, the same shall be turned over to the Cooperative, which shall reallocate the same to other members. If no provable claim shall have been filed within sixty (60) days after the one-time publication of said notice, the Cooperative may credit against said account any amounts due and owing the Cooperative by said member and thereafter allocate to the other members of the Cooperative on a pro rata basis. Such amounts of said members (the allocations herein contemplated) shall be allocated to those who are members as of the year and on a pro rata basis for the year in which the 60th day falls after the published notice. Any member or former member, who fails to claim any capital credit or other payment within two (2) years after payment has been made available to such person, shall be deemed to have made an irrevocable assignment and gift to the Cooperative of such capital credits or other payments.

(l) This Cooperative shall have a lien on (and right of setoff against) all capital credits for all indebtedness of the holder (s), whether due or to become due, thereof to the Cooperative.

#### **ARTICLE VIII--DISPOSITION OF PROPERTY**

Section 1. Disposition of Property. The Cooperative may not sell, lease or otherwise dispose of, except by mortgage, all or any substantial portion of its property unless such sale, lease or other disposition is authorized at a duly held meeting of the members thereof by the affirmative vote of not less than two-thirds of all of the members of the Cooperative, and unless the notice of such proposed sale, lease, or other disposition shall have been contained in the notice of the meeting; provided however, that notwithstanding anything herein contained, or any other provisions of law, the Board of Directors of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage, 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 the revenues and income there from, all upon such terms and conditions as the Board of Directors shall determine to secure any indebtedness of the Cooperative to United States of America or any instrumentality or agency thereof, or to any bank or other financial institution or organization.

Section 2. No sale, lease, lease-sale, exchange, or other disposition of all or a substantial portion of the Cooperative's assets to any other entity shall be authorized except in conformity with the following:

(A) If the Board of Directors looks with favor upon any proposal for such sale, lease, lease-sale, exchange or other disposition, it shall first cause three (3) independent appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative

with respect to such a sale, lease, lease-sale, exchange or other disposition and as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by the presiding judge of the judicial circuit in which the Cooperative's headquarters are located. If such judge refuses to make such designations they shall be made by the Board of Directors.

(B) If the Board of Directors, after receiving such appraisals (and other terms and conditions which are recommended, if any), determines that the proposal should be submitted for consideration by the members, it shall first give Central Electric Power Cooperative, an opportunity to submit a competing proposal. Such opportunity shall be in the form of a written notice to Central Electric Power Cooperative, which notice shall be attached to a copy of the proposal which the Cooperative has already received and a copy of the reports of the three (3) appraisers. However, any proposal to be considered must contain a provision binding the offeror to honor all obligations of the Cooperative to Central Electric Power Cooperative, including, but not limited to, the terms of the Wholesale Power Contract. Central Electric Power Cooperative shall be given not less than thirty (30) days during which to submit its competing proposal.

(C) If the board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the members, expressing in detail each of any such proposal, and shall call a special meeting of the members for consideration thereof which meeting shall not be held sooner than ninety (90) days after the giving of notice of such notice to the members: provided, that consideration thereof by the members may be given at the next annual meeting if the board so determines and if such annual meeting is not held sooner than ninety (90) days after the giving of such notice.

(D) Any fifty (50) or more members, by so petitioning the board not less than thirty (30) days prior to the date of such special or annual meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail all members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the board has made.

The foregoing provisions shall not apply to a sale, lease, lease-sale, exchange or other disposition to one or more other electric membership corporations if the substantive effect thereof is to merge or consolidate with such other one or more electric membership corporations.

#### **ARTICLE IX--SEAL**

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words, "Seal, Missouri".

#### **ARTICLE X--FINANCIAL TRANSACTIONS**

Section 1. Contracts. Except as otherwise provided in these bylaws, the Board of Directors may authorize any office 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. Checks, Drafts, Etc. 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 such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the board.

Section 3. Deposits. All funds except petty cash of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the board may select.

Section 4. 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.

#### **ARTICLE XI--MISCELLANEOUS**

Section 1. Membership in other Organizations. The Cooperative may upon authorization of the Board of Directors, purchase stock in or become a member of any corporation or organization organized for the purpose of engaging in or furthering any cause authorized by law for electric cooperatives organized under the laws of the State of Missouri.

Section 2. Waiver of Notice. Any member or director may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a member or director at any meeting shall constitute a waiver of notice of such meeting by such member or director, except in case a member or director 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. Telephone conference meetings of the Board of Directors may be conducted without notice upon unanimous consent of all members of said Board of Directors.

Section 3. Policies, Rules and Regulations. 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.

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 the Administrator of the Rural Electrification Administration of the United States of America. The board shall also after the close, 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.

#### **ARTICLE XII**

Section 1. Area Coverage. The board shall make diligent effort to see that electric service is extended to all unserved persons with

the Cooperative service area who (A) desire such service and (B) meet all reasonable requirements established by the Cooperative as a condition and service.

#### **ARTICLE XIII--AMENDMENTS**

These bylaws may be altered, amended or repealed by the members at any regular or special meeting, provided the notice of such meetings shall have contained a copy of the proposed alteration, amendment or repeal.

#### **ARTICLE XIV—ARBITRATION**

Any claim or controversy between Cooperative and any Member which arises out of or relates to the provision by Cooperative to the Member of electric power or other related services shall, at the request of any such party, be submitted to arbitration according to regulations prescribed by the Board of Directors. Cooperative, and every Member thereof, by becoming such, agrees to arbitrate all such disputes according to this Bylaw and the regulations prescribed by the Board of Directors pursuant to this Bylaw, and further agrees to abide by and perform any awards made thereunder.