

The Western Cooperative Electric Association, Inc.

WaKeeney, Kansas 67672

By-Laws

May 2022

WESTERN COOPERATIVE ELECTRIC ASSOCIATION INC. BY-LAWS

ARTICLE I: MEMBERSHIP

Section 1.01: Eligibility

Any natural person, firm, association, corporation, trust, partnership, federal agency, state or political subdivision thereof, or any body politic (each hereinafter referred to as “person”, “Member”, “them/theirs”, “him/her”, or “his/hers”) shall be eligible to become a member of, and, at one or more premises owned by directly occupied or used by them, to receive electric service from, Western Cooperative Electric Association, Inc. (hereinafter called the “Cooperative”). No person shall hold more than one membership in the Cooperative.

Section 1.02: Membership

An eligible person is automatically a member of the Cooperative (“Member”), and consents to being a Member, upon: initially using or requesting to use electric power or energy provided by the Cooperative and receiving written notice within thirty (30) days of initially using or requesting to use electric power or energy provided by the Cooperative, stating: that the person is automatically a Member, and consents to being a Member upon initially using or requesting to use electric power or energy provided by the Cooperative, ~~unless the person notifies the Cooperative in writing within ten (10) days of receiving the written notice that the person does not consent to being a Member; and failing to notify the Cooperative in writing within ten (10) days of receiving the written notice that the person does not consent to being a Member.~~¹ Upon acceptance of electric service, the Member shall agree to be bound by and to comply with the articles of incorporation, and the bylaws, and the rules and regulations adopted from time to time by the Board of Trustees. The Cooperative shall maintain appropriate membership records.

As a condition to receiving electric service, a Member may be required to provide a service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction that may be required by the Cooperative. The Board of Trustees may also require a Member to execute a supplemental contract if the character or classification of service to be provided by the Cooperative varies from standard residential or commercial service.

Section 1.03: Joint Membership

A person or persons, by specifically so requesting in writing, may be accepted into joint membership or, if one of them is already a Member, may automatically convert such membership into a joint membership by jointly executing a written request. The words “Member”, “person”, “them/theirs” “his/hers” or “him/her” as used in these Bylaws, shall include those applying for or holding a joint

¹ ~~Remove language; Taking service automatically establishes membership~~

membership, unless otherwise clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of membership shall apply equally, severally and jointly to them. Without limiting the generality of the foregoing --

- a) the presence at a meeting of either or both shall constitute the presence of one Member and a joint waiver of notice of the meeting;
- b) notice to, or waiver of notice signed by, either or both shall constitute, respectively, a joint notice or waiver of notice;
- c) suspension or termination in any manner of either shall constitute, respectively, suspension or termination of the joint membership;
- d) either, but not both concurrently, shall be eligible to serve as a Trustee of the Cooperative, but only if both meet the qualifications required therefor;
- e) neither will be permitted in their respective names to have any additional service connections except through their one joint membership; and
- f) any individual member of a joint membership may cast a vote on behalf of the joint membership if the other member is absent.

Section 1.04: Acceptance into Membership

Upon complying with the requirements set forth in Section 1.02, any person ~~shall by Board resolution be accepted into membership in, and~~² ~~shall~~ become eligible to receive electric service from, the Cooperative, unless the Board of Trustees shall determine that such person is not willing or is not able to satisfy and abide by the Cooperative's terms and conditions of membership or that such membership should be rejected for other good cause: PROVIDED, that any person whose request for electric service from the cooperative has been submitted for sixty (60) days or longer, but not approved by the Board of Trustees may, by filing written request therefor with the Cooperative at least thirty (30) days prior to the next meeting of the Trustees, have their application submitted to and approved or disapproved by the vote of the Trustees at such meeting, at which the Member shall be entitled to be present and be heard.

Section 1.05: Purchase of Electric Power and Energy: Power Production by Member; Application of Payments to All Accounts

The Cooperative shall use its best efforts to furnish its Members with adequate and dependable electric service, although it cannot and therefore does not guarantee a continuous and uninterrupted supply thereof; and each Member, for so long as such premises are owned or directly occupied or used by them, shall purchase from the Cooperative all central station electric power and energy purchased for use on all premises to which electric service has been furnished by the Cooperative pursuant to their

² Remove language; Conflicts with 1.02, which states that they are automatically a member

membership, unless and except to the extent that tariffs for renewable energy applies,³ the Board of Trustees may in writing waive such requirement, and shall pay therefor at the times, and in accordance with the rules, regulations, and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of electric power and energy actually used) established by the Board of Trustees and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Section 1.02. Production or use of electric energy on such premises, regardless of the source thereof, by Cooperative facilities, shall be Subject to appropriate regulations as shall be fixed from time to time by the Cooperative and/or as may be fixed by the Kansas Corporation Commission. Each Member shall also pay all other amounts owed by them to the Cooperative as and when they become due and payable. When the Member has more than one service connection from the Cooperative, any payment for service to them by the Cooperative shall be deemed to be allocated and credited on a pro rata basis to their outstanding accounts for all such service connections, notwithstanding that the Cooperative's actual accounting procedures do not reflect such allocation and proration.

Section 1.06: Excess Payments to be Credited as Member-Furnished Capital

All amounts paid for electric service in excess of the cost thereof shall be furnished by Members as capital, and each Member shall be credited with the capital so furnished as provided in Article IX of these Bylaws.

Section 1.07: Wiring of Premises; Responsibility Therefor; Responsibility for Meter Tampering or Bypassing and for Damage to Cooperative Properties; Extent of Cooperative Responsibility; Indemnification

Each Member shall cause all premises receiving electric service pursuant to their membership to become and to remain wired in accordance with the specifications of the National Electric Safety Code, any applicable state code or local government ordinances, and of the Cooperative. Each Member shall be responsible for -- and shall indemnify the Cooperative and any other person against death, injury, loss or damage resulting from any defect in or improper use or maintenance of -- such premises and all wiring and apparatus connected thereto or used thereon. Each Member shall make available to the Cooperative a suitable site, as determined by the Cooperative, whereon to place the Cooperative's physical facilities for the furnishing and metering of electric service and shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto for inspection, maintenance, replacement, relocation or repair thereof at all reasonable times. As part of the consideration for such service, each member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall use their best efforts to prevent others from so doing. Each Member shall also provide such protective devices to their premises, apparatuses or meter base as the Cooperative shall from time to time require in order to protect the Cooperative's physical facilities and their operation and to prevent any interference with or damage to such facilities. In the event such facilities are interfered with,

³ Remove/add language: Includes distributed generation, removes board requirement to provide in writing.

impaired in their operation or damaged by the member, or by any other person when the Member's reasonable care and surveillance should have prevented such, the member shall indemnify the Cooperative and any other person against death, injury, loss or damage resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing or relocation any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment. The Cooperative shall, however, in accordance with its applicable service rules and regulations, indemnify the Member of any overcharges for service that may result from a malfunctioning of its metering equipment or any error occurring in the Cooperative's billing procedures. In no event shall the responsibility of the Cooperative extend beyond the point of delivery.

Section 1.08: Member to Grant Easement to Cooperative If Required.

Each Member shall, upon request by the Cooperative, execute and deliver to the Cooperative grants of easement or right-of-way over, on and under such lands owned or leased by or mortgaged to the Member, and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the furnishing of electric service to them or for the construction, operation, maintenance or relocation of the Cooperative's electric facilities.

ARTICLE II: MEMBERSHIP SUSPENSION AND TERMINATION

Section 2.01: Suspension; Reinstatement

Upon their failure, after the expiration of the initial time limit described either in a specific notice to them or in the Cooperative's generally publicized applicable rules and regulations, to pay any amounts due the Cooperative or to cease any other non-compliance with their membership obligations, a person's membership shall automatically be suspended; and they shall not during such suspension be entitled to receive electric service from the Cooperative or to cast a vote at any meeting of the Members. Payment of all amounts due the Cooperative, including any additional charges required for such reinstatement, and/or cessation of any other noncompliance with their membership obligations within the final time limit provided in such notice or rules and regulations shall automatically reinstate the membership, in which event the Member shall thereafter be entitled to receive electric service from the Cooperative and to vote at the meetings of its Members.

Section 2.02: Termination by Expulsion; Renewed Membership

Upon failure of a suspended Member to be automatically reinstated to membership, as provided in Section 2.01, they may, without further notice but only after due hearing if such is requested by them, be expelled by resolution of the Board of Trustees at any subsequently held regular or special meeting of the Board. Any person so expelled may, by delivering written notice to that effect to the Cooperative at least ten (10) days prior to the next meeting of such Trustees, appeal to and be present and heard at such meeting, which may vote approval of such expulsion or disapproval thereof in which latter event such person's membership shall be reinstated retroactively to at least the date of their expulsion. After any finally effective expulsion of a Member, they may not again become a member except upon new

request for membership therefor duly approved as provided in Section 1.04. The Board of Trustees, acting upon principles of general application in such cases, may establish such additional terms and conditions for renewed membership as it determines to be reasonably necessary to assure the Member's compliance with all their membership obligations.

Section 2.03: Termination by Withdrawal or Resignation

A Member may withdraw from membership upon such generally applicable conditions as the Board of Trustees shall prescribe and upon either (a) ceasing to (or, with the approval of the Board of Trustees, resigning their membership in favor of a new Member who also shall) own or directly occupy or use all premises being furnished electric service pursuant to their membership, or (b) except when the Board of Trustees specifically waives such condition, abandoning totally and permanently the use of central station electric service on such premises.

Section 2.04: Termination by Death or Cessation of Existence; Continuation of Membership in Remaining or New Partners

Except as provided in Section 2.06, the death of an individual human Member shall automatically terminate their membership. The cessation of the legal existence of any other type of Member shall automatically terminate such membership; PROVIDED, that upon the dissolution for any reason of a partnership, or upon the death, withdrawal or addition of any individual partner, such membership shall continue to be held by such remaining and/or new partner or partners as continue to own or directly to occupy or use the premises being furnished electric service pursuant to such membership.

Section 2.05: Effect of Termination

Upon the termination in any manner of a person's membership, their estate, as the case may be, shall be entitled to refund of their service security deposit, if any, theretofore paid the Cooperative, less any amounts due the Cooperative; but neither they nor their estate, as the case may be, shall be released from any debts or other obligations then remaining due the Cooperative. Notwithstanding the suspension or expulsion of a member, as provided for in Sections 2.01 and 2.02, such suspension or expulsion shall not, unless the Board of Trustees shall expressly so elect, constitute such release of such person from their membership obligations as to entitle them to purchase from any other person any central station electric power and energy for use at the premises to which such service has theretofore been furnished by the Cooperative pursuant to such membership.

Section 2.06: Effect of Death, Legal Separation or Divorce upon a Joint Membership

Upon the death of either spouse of a joint membership, such membership shall continue to be held solely by the survivor, in the same manner and to the same effect as though such membership had never been joint: PROVIDED, that the estate of the deceased shall not be released from any debts due the Cooperative. Upon the legal separation or divorce of the holders of a joint membership, such

membership shall continue to be held solely by the one who continues directly to occupy or use the premises covered by such membership, in the same manner and to the same effect as though such membership had never been joint: PROVIDED, that the other spouse shall not be released from debts due the Cooperative.

~~Section 2.07: Board Acknowledgment of Membership Termination; Acceptance of Members Retroactively~~

~~Upon the termination of a person's membership for any reason, the Board of Trustees, so soon as practicable after such termination is made known to it, shall by appropriate resolution formally acknowledge such termination effective as of the date on which the Cooperative ceased furnishing electric service to such person. Upon discovery that the Cooperative has been furnishing electric service to any person other than a Member, it shall cease furnishing such service unless such person requests, and the Board of Trustees approves, membership retroactively to the date on which such person first began receiving such service, in which event the Cooperative, to the extent practicable, shall correct its membership and all related records accordingly.⁴~~

ARTICLE III: MEETINGS OF MEMBERS

Section 3.01: Annual Meeting

For the purposes of hearing and passing upon reports covering the previous fiscal year, and transacting such other business as may properly come before the meeting, the annual meeting of the Members shall be held ~~on the second Wednesday of the month of May each year~~, at such place ~~and time in WaKeeney, in Trego County, Kansas,~~ to be determined by the Board of Trustees⁵ and beginning at such hour, as the Board of Trustees shall from year to year fix: PROVIDED, that, for cause sufficient to it, the Board of Trustees may fix a different date for such annual meeting not ~~less~~ more⁶ than thirty (30) days prior or subsequent to the day otherwise established for such meeting in this Section. ~~It shall be the responsibility of the Board of Trustees to make adequate plans and preparations for, and to encourage Member attendance at, the annual meeting.⁷~~ Failure to hold the annual meeting at the designated time and place shall not work a forfeiture or dissolution of the Cooperative.

Section 3.02: Special Meetings

A special meeting of the Members may be called by the Board of Trustees, by any three (3) Trustees, by the President or by not less than ten per centum (10%) of the Members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 3.03. Such a meeting shall be held at such place and⁸ ~~at any place in WaKeeney, in Trego County, Kansas,~~

⁴ Remove language: Not a current practice. Operational practice should be in policy and unnecessary for bylaws.

⁵ Change the Annual Meeting time and place to be at the board's discretion—In case of COVID or disaster.

⁶ Error—Should be “not less”.

⁷ Removed: Should be moved to policy, not Bylaws

⁸ Consistency with sect. 3.01

on such date, and beginning at such hour as shall have been designated by them or those calling the same.

Section 3.03: Notice of Member Meetings

Written, electronic⁹ or printed notice of the place, day and hour of the meeting and, in the case of a special meeting or of an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes of the meeting shall be delivered to each Member not less than ten (10) days nor more than thirty-five (~~60~~¹⁰~~35~~) days prior to the date of the meeting, ~~either personally or by mail, but or at the direction of the President, the Secretary or other officer or~~ by the persons calling the meeting. No matter the carrying of which, as provided by law, requires the affirmative votes of at least a majority of all the Cooperative's members shall be acted upon at any meeting of the Members unless notice of such matter shall have been contained in the notice of the meeting. 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 and, whether mailed first-class or not, postmarked at least ten (10) days prior to the meeting date. In making such computation, the date of the meeting shall not be counted. The incidental and non-intended failure of any Member to receive such notice shall not invalidate any action which may be taken by the Members at any such meeting, and the attendance in person of a Member at any meeting of the Members shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or one or more items of business, on the ground that the meeting shall not have been lawfully called or convened. Any Member attending any meeting for the purpose of making such objection shall notify the Secretary prior to or at the beginning of the meeting of their objection.

Section 3.04: Quorum

Business may not be transacted at any meeting of the Members unless there are present in person at least twenty (20) of the Cooperative's Members, except that, if less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting to another time and date not less than forty-five (45) days later and at such place and time determined by the board¹¹ ~~to any place in WaKeeney, in Trego County, Kansas;~~ PROVIDED, that ~~the Secretary shall notify~~ all Members are notified¹² of the time, date and place of such adjourned meeting by delivering notice thereof as provided in Section 3.03. At all meetings of the Members, whether a quorum be present or not, the Secretary shall annex to the meeting minutes, or incorporate therein by reference, a list of those who were registered as present in person.

⁹ Adding the ability for electronic notifications email, SmartHub, etc.

¹⁰ Additional leeway on the timing. As written, the communication windows can be tight when printing and mailing.

¹¹ Consistency with sect. 3.01

¹² Date and place must be properly communicated to the membership

Section 3.05: Voting

Voting by proxy or by power of attorney shall not be permitted. At the discretion of the Board of Directors, members may vote at any regular or special membership meetings on a ballot furnished to them or electronically, ~~PROVIDED that prior to the vote the ballot meets the following conditions: (1) the ballot must be mailed to the last known address of every voting member of the association; (2) the ballot must state the return mailing address of the association; (3) the ballot must state the full proposal being considered; (4) the ballot must contain a place for the member to indicate whether he/she favors or opposes the proposal; and (5) the envelope in which the ballot is returned must be signed by the Member. The mail ballot may be considered whenever the final vote is taken on the proposal, even if this final vote is taken at a subsequent meeting or continuation of the original meeting.~~¹³

Notwithstanding the prohibition of proxy voting, any member which is not a natural person may vote by and through its duly authorized representative. At least thirty (30) days prior to the annual meeting, each member shall be mailed a ballot which shall contain the names of the members running for election for the appropriate director's seat. The ballots sent to each member may be marked and returned to the corporate office at least ten (10) days prior to the annual meeting. Members may not cumulate their votes.

Section 3.06: ~~Credentials and~~ Election Process Committee

Trustees shall ensure the election process adheres to Cooperative bylaws, policies, and applicable laws. It shall be conducted in a fair and transparent manner, with results certified by an independent election committee or auditor as deemed by the Board.¹⁴

~~The Board of Trustees shall, at least ten (10) days before any meeting of the Members, appoint a Credentials and Election Committee consisting of Members who are not existing Cooperative officers, Trustees or known candidates for Trustees, and who are not close relatives (as hereinafter defined in Section 4.15) or of the same household of Cooperative officers, incumbent Trustees or known candidates of trustees. The Board shall appoint one Member from each of the Cooperative's Trustee Districts to serve on the Committee. The Committee shall elect its own chairman and secretary prior to the Member meeting. It shall be the responsibility of the Committee to establish or approve the manner of conducting member registration and any ballot or other voting, to pass upon all questions that may arise with respect to the registration of members in person, to count all ballots or other votes cast in any election or in any other matter, 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 Trustees (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 Trustees), 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 Committee shall have available to it the advice of counsel provided by the Cooperative. In the event a protest or objection is filed concerning any election, such protest or objection must be filed during, or within three (3) business days immediately following~~

¹³ Move to policy and allow for flexibility or board discretion.

¹⁴ Proper election protocol and transparent governance should be stated in the Bylaws as duties of the board. Everything else in this section should be moved to policy because it is more operational in nature.

~~the adjournment of, the meeting in which the voting is conducted. The Committee shall thereupon be reconvened, upon notice from its chairman, not less than seven (7) days after such protest or objection is filed. The 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 Committee, by a vote of a majority of those present and voting, shall, within a reasonable time but not later than thirty (30) days after such hearing, render its decision, which may be either to affirm the election, to change the outcome thereof, or to set it aside. The Committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final.¹⁵~~

Section 3.07: Order of Business

The order of business at the annual meeting of the Members and, insofar as practicable or desirable, at all other meetings of the members shall be essentially as follows:

- 1) Report on the number of Members present in person in order to determine the existence of a quorum;
- 2) Reading of the notice of the meeting and proof of the publication or mailing thereof or of 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, Trustees and committees;
- 5) Report results of trustee elections;
- 6) Unfinished business;
- 7) New business; and
- 8) Adjournment.

Notwithstanding the foregoing, the Board of Trustees or the members themselves may from time to time establish a different order of business for the purpose of assuring the earlier consideration of and action upon any item of business the transaction of which is necessary or desirable in advance of any other item of business: PROVIDED, that no business other than adjournment of the meeting to another time and place may be transacted until and unless the existence of a quorum is first established.

¹⁵ [Move to policy](#)

ARTICLE IV: TRUSTEES

Section 4.01: Number and General Powers

The business and affairs of the Cooperative shall be managed by a Board of no more than nine Trustees. The Board shall exercise all of the powers of the Cooperative except such as are by law or by the Cooperative's Articles of Incorporation or By-laws conferred upon or reserved to the Members.

Section 4.02: Qualifications

~~No~~¹⁶Any natural person shall be eligible to become or remain a Trustee or hold any position of trust in the Cooperative who:

- a) is ~~not~~ a Member and ~~bona fide~~¹⁷permanent resident in the area served or to be served by the Cooperative and remain so throughout their term¹⁸; and
- b) is ~~not~~¹⁹in any way employed by or financially interested in a competing enterprise or a business selling electric energy, or supplies to the Cooperative.
- c) is ~~not~~²⁰a current employee or has been employed by the cooperative within the last five (5) years.

Upon establishment of the fact that a trustee is holding office in violation of any of the foregoing provisions, the Board of Trustees shall remove such Trustee from office but nothing contained in this section shall affect in any manner whatsoever, the validity of any action taken at any meeting of the Board of Trustees in which such Trustee who was removed participated.

Section 4.03: Election

All trustees shall be elected by ~~secret~~²¹secure ballot provided to each member prior to each annual meeting of the members by and from the members.

Section 4.04: Tenure

Trustees' term of office shall be three years with no limitation placed upon the number of terms a trustee can serve. As the terms of such trustees expire, they, or their respective successors, shall be

¹⁶ Change to read in the positive; not double-negative.

¹⁷ Permanent is more easily defined than bona fide.

¹⁸ Keeps someone from starting in our territory, moving away, and remaining on the board.

¹⁹ Consistency within 4.02

²⁰ Consistency within 4.02

²¹ Changing to secure would allow for an auditing firm or third party to help in conducting elections—Tracking votes across multiple platforms would otherwise be impossible, i.e. reconciling electronic and paper ballots.

elected for three year terms subject to the provisions of the bylaws with respect to the removal of trustees.

Section 4.05: Trustee Districts

The territory served by the Cooperative shall be divided into three (3) Trustee Districts. Each district shall be represented by three (3) Trustees. The Trustee Districts shall be as follows:

District 1 — Sheridan, Graham, Rooks, and Osborne Counties

District 2 — Trego, Ellis, Russell, and Lincoln Counties

District 3 — Gove, Ness, Rush, Barton, and Ellsworth Counties

In the event the territory of the Cooperative shall be changed in the future by loss or acquisition, the trustees may adjust the boundaries of the said three districts. Notice of such change of boundaries shall be given the Members at the time notice of annual meeting is given.

Section 4.06: Nominations

At least seventy-five (75) days prior to the annual meeting, the President shall with the approval of the Board of Trustees, appoint a nominating committee of three (3) Members from each of said three (3) trustee districts, and each of said nominating committees shall nominate one or more Members from its respective district for each trustee to be elected from the district. Members wishing to have their name on the ballot, may ~~send their resume to the cooperative office to the attention of the Member Services Manager or to~~²² the members of their district nominating committee. Nominating committee members are responsible for verifying that the person requesting a position on the ballot meets all of the requirements of the Bylaws Section 4.02. If said person meets those requirements, the member ~~shall~~ ^{may}²³ be placed on the ballot. Within fifty (50) days prior to the meeting said nominating committees shall report their nominations to the Secretary of the Cooperative who shall cause the list of nominees to be mailed-~~or electronically delivered~~²⁴ to the Members of the Cooperative at the time the notice of annual meeting is mailed. Any fifteen (15) or more Members of the Cooperative, acting together, may make additional nominations in writing over their signatures, in like manner showing clearly which Committee-nominated candidate(s) are being opposed, not less than fifty (50) days prior to the meeting, and the ~~Cooperative Secretary~~²⁵ shall post such nominations at the same place where the list of nominations made by the Committee is posted. The ~~Secretary Cooperative~~²⁶ shall ~~mail communicate~~²⁷ to the Members with the notice of the meeting, or separately, but no less than thirty (30) days prior to the date of the meeting, ~~a statement of information on~~²⁸ the Trustees to be elected from specific Trustee

²² Removes WCE staff obligations from the process and directs candidates to the nominating committee.

²³ This would give the nominating committee discretion.

²⁴ Allowing for electronic balloting.

²⁵ This would be done internally, not by the board Secretary.

²⁶ This would be done internally, not by the board Secretary.

²⁷ Allows for electronic notifications.

²⁸ Move to policies.

Districts, and the names ~~and addresses~~²⁹ of all nominees, showing separately those nominated by the Committee and those nominated by petition, if any.

Section 4.07: Voting for Trustees; Validity of Board Action

In the election of Trustees, each Member shall be entitled to cast the number of votes (but not cumulatively) which corresponds to the total number of Trustees to be elected, but no Member may vote for more than the number of nominees to be elected from or with respect to any particular Trustee District. Ballots marked in violation of the foregoing restriction with respect to one or more Trustee Districts shall be invalid and shall not be counted with respect to such District or Districts.

Notwithstanding the provisions contained in this Section, failure to comply with any of such provisions shall not affect in any manner whatsoever the validity of any action taken by the Board of Trustees after the election of Trustees.

Section 4.08: Removal of Trustees by Members

Any Member may bring one or more charge(s) for cause against any one or more Trustee(s) and may request the removal of such Trustee(s) by reason thereof by filing with the Secretary such charges in writing together with a petition signed by not less than ten per centum (10%) of the total Members of the Cooperative, which petition calls for a special member meeting thereon and specifies the place, time and date thereof not less 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 such petition. The petition shall be signed by each Member in the same name as they is billed by the Cooperative and shall state the signatory's address as the same appears on such billings. Notice of such charge(s) verbatim, of the Trustee(s) against whom the charge(s) have been made, and of the Member(s) filing the charge(s) shall be contained in the notice of the meeting, or separately noticed to the members, not less than ten (10) nor more than thirty-five (35) days prior to the Member meeting at which the matter will be acted upon. Such Trustee(s) shall they 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 charge(s) 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 charge(s); and the person or persons bringing the charge(s) shall have the same opportunity, but must be heard first. The question of the removal of such Trustee(s) 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. A newly elected Trustee shall be from or with respect to the same Trustee District as was the Trustee whose office they succeeds. The question of removal shall be decided by a majority of the Members ~~in~~ attendance.³⁰

²⁹ Not a current practice, should be in policies.

³⁰ Allows for voting flexibility.

Section 4.09: Failure to Attend Meeting

Failure on the part of a Trustee to attend either three (3) consecutive regular meetings of the Board of Trustees or five (5) meetings during one calendar year shall be deemed sufficient cause for removal of any such Trustee and declaration of a vacancy, PROVIDED, that the failure of any Trustee to attend any regular meeting by reason of temporary actual inability to attend may be considered in the discretion of the board as excusing nonattendance on one or more occasions. A vacancy created by removal for nonattendance shall be filled as provided in Article IV, Section 4.10.

Examples of approved absences but not inclusive are listed below:

-Health reasons: Illness or medical appointments

Family emergencies: Urgent family matters or significant events

Work commitments: Unavoidable professional obligations

Travel: Pre-scheduled travel that conflicts with the meeting

Death of an immediate family member

Military service

Activities necessary to the performance of the Trustee's official duties

Any trustee seeking an approved absence shall notify the Board President prior to the meeting.

~~upon the vote of not less than two-thirds of the entire number of the Board of Trustees; PROVIDED, that the failure of any Trustee to attend any regular meeting by reason of temporary actual inability to attend may be considered in the discretion of the board as excusing nonattendance on one or more occasions. A vacancy created by removal for nonattendance shall be filled as provided in Article IV, Section 4.10.~~³¹

Section 4.10: Vacancies

Subject to the provisions of these By-laws with respect to the filling of vacancies caused by the removal of Trustees by the Members, a vacancy occurring in the Board of Trustees ~~may~~^{shall} be filled by appointment by³² the remaining Trustees. A Trustee thus elected shall serve out the unexpired term of the Trustee whose office was originally vacated and until their successor is elected and qualified:

³¹ Clarity for excused absences

³² Gives the board flexibility due to the timing of the vacancy.

PROVIDED, that such a Trustee shall be from or with respect to the same Trustee District as was the Trustee whose office was vacated.

~~Section 4.11: Compensation; Expenses~~

~~For their attendance at meetings of the Board of Trustees and for other functions duly authorized by the Board for and on behalf of the Cooperative, Trustees shall, on a per diem basis, receive such fee, which may include insurance benefits, as is fixed by resolution of the Board of Trustees. For the performance of their duties, Trustees shall also receive reimbursement of any travel and out-of-pocket expenses on a per diem basis or actually, necessarily and reasonably incurred, in accordance with the Cooperative's established policies, covering such. No Trustee shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of the Trustee receive compensation for serving the Cooperative, unless the payment and amount of such compensation shall be specifically authorized by a vote of the Members or such payment and amount shall be specifically authorized by the unanimous vote of the remaining Trustees upon their certification of such as an emergency measure: PROVIDED, that a Trustee who is also an officer of the Board, and who as such officer performs regular or periodic duties of a substantial nature for the Cooperative in its fiscal affairs, may be compensated in such amount as shall be fixed and authorized in advance of such service by the unanimous vote of the remaining Trustees.~~³³

Section 4.12: Rules, Regulations, Rate Schedules and Contracts

The Board of Trustees shall have power to make, adopt, amend, abolish and promulgate such rules, regulations, rate schedules, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law or the Cooperatives Articles of Incorporation or By-laws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

Section 4.13: Accounting System and Reports

The Board of Trustees 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 of Trustees shall also after the close of each fiscal year cause to be made a full and complete consolidated audit of The Western Cooperative Electric Association, Inc. accounting records which shall include subsidiary accounts and financial condition of the Cooperative. Such audit reports, or an accurate summary thereof, shall be available to the Members at the next following annual meeting. The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

³³ [Move to policy.](#)

Section 4.14: Communication to the Membership

For the purpose of disseminating information devoted to the economical, effective and conservative use of electric energy, the Board of Trustees shall be empowered to circulate communications to the membership by whatever means are appropriate.

Section 4.15: "Close Relative" Defined

As used in these By-laws, "close relative" means a person who, by blood or in law, including step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister of the principal.

ARTICLE V: MEETINGS OF TRUSTEES

Section 5.01: Regular Meetings

A regular meeting of the Board of Trustees ~~shall~~ may³⁴ be held, without notice, immediately after the adjournment of the annual meeting of the members, or as soon thereafter as conveniently may be, at such site as designated by the Board in advance of the annual member meeting. A regular meeting of the Board of Trustees shall also be held monthly at such date, time and place ~~in Trego County, Kansas~~³⁵, as the Board shall provide by resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the date, time and place thereof, except when business to be transacted thereat shall require special notice: PROVIDED, that any Trustee absent from any meeting of the Board at which such a resolution initially determines or makes any change in the date, time or place of a regular meeting shall be entitled to receive written notice or through electronic notification, of such determination or change at least three (3) days prior to the next meeting of the Board; AND PROVIDED FURTHER that, if policy therefor is established by the Board, the President may change the date, time or place of a regular monthly meeting for good cause and upon at least three (3) days' notice thereof to all Trustees.

Section 5.02: Special Meetings

Special meetings of the Board of Trustees may be called by Board resolution, by the President or by any three (3) Trustees, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 5.03. The Board, the President or the Trustees calling the meeting shall fix the date, time and place for the meeting, which shall be held at a place and time to be determined by the Board³⁶~~held in Trego County, Kansas, unless all Trustees consent to its being held in some other place within the state or elsewhere~~. Special meetings may also be held via ~~telephone~~

³⁴ This sentence does not state the reason or purpose for such meeting and should be at the board's discretion.

³⁵ Flexibility and consistency.

³⁶ Flexibility and consistency

~~conference calls electronic communication~~³⁷ and without regard to the actual location of the Trustee at the time of the meeting if all Trustees consent thereto.

Section 5.03: Notice of Trustees Meetings

Written notice of the date, time, place and purpose or purposes of any special meeting of the Board and, when the business to be transacted thereat shall require such, of any regular meeting of the Board shall be delivered to each Trustee not less than three (3) days prior thereto, either personally, by mail, or by electronic notification, by or at the direction of the Secretary or, upon a default in this duty by the Secretary, by them or those calling it in the case of a special meeting or by any other Trustee or officer in the case of any meeting whose date, time and place have already been fixed by Board resolution. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Trustee at their address as it appears on the records of the Cooperative, with first class postage thereon prepaid and postmarked at least three (3) days prior to the meeting date. The attendance of a Trustee at any meeting of the Board shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or of one or more items of business, on the ground that the meeting shall not have been lawfully called or convened.

Section 5.04: Quorum

The presence of a majority of the Trustees in office shall be required for the transaction of business, and, except where these By-laws provide otherwise with respect to specific matters, the affirmative votes of at least a majority of the Trustees present shall be required for any action to be taken: PROVIDED, that a Trustee who by law or these By-laws is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining the number of Trustees in office or present; AND PROVIDED FURTHER, that, if less than a quorum be present at a meeting, a majority of the Trustees present may adjourn the meeting from time to time, but shall cause the absent Trustees to be duly and timely notified of the date, time and place of such adjourned meeting.

ARTICLE VI: OFFICERS; MISCELLANEOUS

Section 6.01: Number and Title

³⁷ Allows for Teams and Facetime

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

Section 6.02: Election and Term of Office

The ~~four~~ officers named in Section 6.01 shall be elected by secret written ballot, annually, by and from the Board of Trustees ~~at the first meeting of the Board held after the annual meeting of the Members~~³⁸. If the election of such officers shall not be held at such meeting, it shall they held as soon thereafter as conveniently may be. Each such officer shall hold office until the meeting of the Board first held after the next succeeding annual meeting of the Members or until their successor shall have been duly elected and shall have qualified, subject to the provisions of the By-laws with respect to the removal of Trustees by the Members and to the removal of officers by Trustees by the Members and to the removal of officers by the Board of Trustees. Any other officers may be elected by the Board from among such persons and with such title, tenure, responsibilities and authority as the Board of Trustees may from time to time deem advisable.

Section 6.03: Removal

Any officer, agent or employee elected or appointed by the Board of Trustees may be removed by the Board whenever in its judgment the best interests of the Cooperative will thereby be served.

Section 6.03.1. Trustee Removal and Discipline by the Board

- a) Additionally, to supplement Section 4.08 of Western's By-Laws, Removal of Trustees by Members, action by the board may be taken against an officer of the Board or a non-officer trustee under the following conditions without a vote of the membership. This is specific to failing to meet the qualifications in the Bylaws, violation of a Trustee's fiduciary duty or the Code of Conduct/Ethics policies; or the bringing of disrepute or disparagement to the Cooperative by unacceptable personal conduct.
- b) Trustee Discipline. The Board shall create a Committee to investigate any formal written complaint made about a Trustee. The Board shall provide the complaint to the Trustee who is the subject of the complaint after creation of a Committee to investigate. The Committee shall be composed of the current Board President, or next highest officer if the Board President is the subject of the complaint, and two (2) other Trustees selected by the Board. The Board or the Committee may deliberate Trustee discipline in Executive Session and maintain confidentiality of records to protect personal privacy or safety. Following investigation, the Committee shall make its report to the full Board with recommendations of discipline, if any, of the affected Trustee. The affected Trustee shall be given an opportunity to respond prior to the Board vote

³⁸ Should be a policy and not outlined in the Bylaws.

on any recommended action. Discipline action may range to include: (1) a verbal warning; (2) a written reprimand; (3) censure; (4) a reduction in Trustee privileges or compensation; or (5) removal pursuant to subsection (b) of this section. The formal complaint must be in writing and filed by another Trustee or by the General Counsel of the Cooperative; and must be verified as a good faith complaint by majority vote of the remaining Trustees. The Trustee who is the subject of the complaint shall not participate in the Board's deliberation or vote on any matter related to the issue, except as requested by the Board or as allowed in this section.

c) Removal by the Board. A Trustee may be removed for Cause, by a vote of at least two-thirds (2/3) of the non-affected remaining Trustees, who are not subject to the current complaint, at a Regular or Special Board meeting called for such purpose. The Trustee shall be informed thereof in writing at least thirty (30) days in advance of the meeting at which such a removal vote is scheduled to take place, and shall have an opportunity to respond, or be heard in person or by counsel, at such meeting.

d) Cause Defined. Cause includes: (1) a conviction or judicial determination involving a felony crime or a crime of moral turpitude; (2) becoming ineligible to serve as a Trustee due to failing to meet the qualifications in the Bylaws, violation of a Trustee's fiduciary duty or the Code of Conduct/Ethics policies; or the bringing of such disrepute or disparagement to the Cooperative by unacceptable personal conduct.³⁹

Section 6.04: Vacancies

A vacancy in any office elected ~~or appointed~~ by the Board of Trustees shall be filled by the Board ~~by~~ appointment⁴⁰ for the unexpired portion of the term.

Section 6.05: President

The president shall --

- a) be the principal executive officer of the Cooperative and shall preside at all meetings of the Board of Trustees, and, unless determined otherwise by the Board of Trustees, at all meetings of the Members;
- b) sign, with the Secretary, certificates of membership the issue of which shall have been authorized by resolution of the Board of Trustees, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Trustees to be executed, except in cases in which the signing and execution thereof shall be expressly

³⁹ Clearly defines grounds for removal of a trustee by the board.

⁴⁰ Clarity

delegated by the Board of Trustees or by these By-laws 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 Trustees from time to time.

Section 6.06: Vice President

In the absence of the President, or in the event of their 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; and shall perform such other duties as from time to time may be assigned to them by the Board of Trustees.

Section 6.07: Secretary

The Secretary shall –

- a) keep, or cause to be kept, the minutes of meetings of the Members and of the Board of Trustees in one or more books provided for that purpose;
- b) see that all notices are duly given in accordance with these By-laws or as required by law;
- c) be custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all certificates of membership prior to the issue thereof and 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 By-laws or is required by law;
- d) keep, or cause to be kept, a register of the name and post office address of each Member, which address shall be furnished to the Cooperative by such Member;
- e) sign, with the President, certificates of membership the issue of which shall have been authorized by resolution of the Board of Trustees;
- f) have general charge of the books of the Cooperative in which a record of the Members is kept;
- g) keep on file at all times a complete copy of the Cooperative's Articles of Incorporation and By-laws, together with all amendments thereto, which copies shall always be open to the inspection of any member, and, at the expense of the Cooperative, furnish a copy of such documents and of all amendments thereto upon request to any Member; and
- h) in general, perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to them by the Board of Trustees.

Section 6.08: Treasurer

The Treasurer shall --

- a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
- b) receive and give receipts for monies due and payable to the Cooperative from any source whatsoever, and deposit or invest all such monies in the name of the Cooperative in such bank or banks or securities as shall be selected in accordance with the provisions of these By-laws; and
- c) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to them by the Board of Trustees.

Section 6.09: Delegation of Secretary's and Treasurer's Responsibilities

Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Sections 6.07 and 6.08, the Board of Trustees by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of each such officer's such duties to one or more agents, other officers or employees of the Cooperative who are not Trustees. To the extent that the Board does so delegate with respect to either such officer, that officer as such shall be released from such duties, responsibilities and authorities.

Section 6.10: ~~General Manager; Executive Vice President~~CEO/General Manager⁴¹

The Board of Trustees may appoint a ~~General Manager~~Chief Executive Officer (CEO)⁴², who may be, but who shall not be required to be, a member of the Cooperative, and who also may be designated ~~Executive Vice President~~General Manager⁴³. Such officer shall perform such duties as the Board of Trustees may from time to time require and shall have such authority as the Board of Trustees may from time to time vest in them.

Section 6.11: Bonds

The Board of Trustees may require the Treasurer and any other officer, agent or employee of the Cooperative charged with responsibility for the custody of any of its funds or property to give bond in such sum and with such surety as the Board of Trustees shall determine. The Board of Trustees in its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such

⁴¹ Title change

⁴² Title change

⁴³ Title change

amount and with such surety as it shall determine. The costs of all such bonds shall be borne by the Cooperative.

Section 6.12: Compensation

The compensation, if any, of any officer, agent or employee who is also a Trustee or close relative of a Trustee shall be determined as provided in Section 4.10 of these Bylaws, and the powers, duties and compensation of any other officers, agents and employees shall be fixed, or a plan therefor approved, by the Board of trustees. The Cooperative shall indemnify its Trustees, officers, agents and employees, and may purchase insurance to cover such indemnification, against all liability, including legal fees, arising out of their acts in their official capacities if they shall have acted in good faith and deemed such acts to be in the best interests of the Cooperative or not against its best interests.

Section 6.13: Reports

The officers of the Cooperative shall submit at each annual meeting of the Members reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII: CONTRACTS, CHECKS AND DEPOSITS

Section 7.01: Contracts

Except as otherwise provided by law or these By-laws, the Board of Trustees may authorize any Cooperative officer, agent or employee 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 7.02: 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 or countersigned by such officer, agent or employee of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

Section 7.03: Deposits; Investments

All funds of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the Board of Trustees may select.

ARTICLE VIII: MEMBERSHIP CERTIFICATES

Section 8.01: Certificate of Membership

~~Membership in the Cooperative may, if the Board so resolves, be evidenced by a certificate of membership, which shall be in such form and shall contain such provisions as shall be determined by the Board of Trustees not contrary to, or inconsistent with, the Cooperative's Articles of Incorporation or its By-laws. Such certificate, if authorized to be issued by the Board, shall be signed by the President and by the Secretary, and the seal shall be affixed thereto or a facsimile thereof printed thereon: PROVIDED, that the signatures of the President and the Secretary may be imprinted by facsimile thereon also.~~

Section 8.02: Issue of Membership Certificates

~~No membership certificate shall be issued until all required service security deposits, facilities extension deposits, service connection fees, or contributions in aid of construction have been fully paid.~~

Section 8.03: Lost Certificate

~~In case of a lost destroyed or mutilated certificate, a new certificate may be issued therefor upon such terms and such indemnity to the Cooperative as the Board of Trustees may prescribe.⁴⁴~~

ARTICLE IX: NON-PROFIT OPERATION

Section 9.01: Interest or Dividends on Capital Prohibited

The business and affairs of the Cooperative shall be managed by a Board of no more than nine Trustees. The Board shall exercise all of the powers of the Cooperative except such as are by law or by the Cooperative's Articles of Incorporation or By-laws conferred upon or reserved to the Members.

Section 9.02: Patronage Capital in Connection with Furnishing Electric Energy

~~Not inconsistently Consistent~~⁴⁵ with Kansas Statutes Annotated Section 17-4623, of The Electric Cooperative Act, in the furnishing of electric energy the Cooperative's operations shall be so conducted 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 nonprofit 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

⁴⁴ ~~Remove from bylaw; not current practice.~~

⁴⁵ ~~Remove double-negative.~~

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 each 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 their account: PROVIDED, that individual notices of such amounts furnished by each patron shall not be required if the cooperative notifies all patrons of the aggregate amount of such excess and provides a clear explanation of how each patron may compute and determine for themselves the specific amount of capital so credited to them. All such amounts credited to the capital account of any patron shall have the same status as though they had 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.

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 patrons on a patronage basis, and any amount so allocated shall be included as a part of the capital credits to the accounts of patrons, as herein provided.

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 returned without priority on a pro rata basis before any payments are made on account of property rights of Members. PROVIDED, that insofar as gains may at that time be realized from the sale of any appreciated asset, such gains shall be distributed to all persons who are patrons during the preceding period not in excess of seven years during which the asset was owned by the Cooperative in proportion to the amount of business done by such patrons during that period insofar as is practicable, as determined by the Board of Trustees, before any payments are made on account of property rights of Members. If, at any time prior to dissolution or liquidation, the Board of Trustees shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired: PROVIDED, however, that the Board of Trustees shall have the power to adopt rules providing for the separate retirement of that portion ("power supply or other service or supply portion") of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing power supply or any other service or supply to the Cooperative. Such rules shall (a) establish a method for determining the portion of such capital credited to each patron for each applicable fiscal year, (b) provide for separate identification on the Cooperative's books of such portions of capital credited to the Cooperative's patrons, (c) provide for appropriate notifications to patrons with respect to such portions of capital credited to their accounts and (d) preclude a general retirement of such portions 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. 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 of Trustees, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provisions of these By-laws, the Board of Trustees shall, at its discretion, have the power at any time upon the death of any patron, who was a natural person, if the legal representatives of their estate shall request in writing that the capital credited to such patron be retired prior to the time such capital would otherwise be retired under the provisions of the By-laws, to retire such capital immediately upon such terms and conditions as the Board of Trustees, acting under policies of general application to situations of like kind, and such legal representatives, shall agree upon: PROVIDED, however, that the financial condition of the Cooperative will not be impaired thereby.

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

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provision of the Articles of Incorporation and By-laws 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 By-laws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's offices.

ARTICLE X: WAIVER OF NOTICE

Any Member or Trustee may waive, in writing, any notice of meetings required to be given by these By-laws.

ARTICLE XI: DISPOSITION AND PLEDGING OF PROPERTY; DISTRIBUTION OF SURPLUS ASSETS OF DISSOLUTION

Section 11.01: Disposition and Pledging of Property

- a) The Members may authorize the sale, lease, lease-sale, exchange or other disposition of all or a substantial portion of the Cooperatives properties and assets, and the Board of Trustees may authorize the pledging of such properties and assets as securities, all as provided in the Electric Cooperative Act, Kansas Statutes Annotated Section 17-4624. Not inconsistently with that Section, the Board of Trustees may authorize the sale, lease, lease-sale, exchange or other disposition of less than a substantial portion of the Cooperative's properties and assets and of any property or merchandise no longer necessary or useful for the operation of the Cooperative.

‘Substantial portion’ as used in this Section means ten per centum (10%) or more of the fair market value of the Cooperative’s total properties and assets.

- b) Not in conflict with, or in lieu of, but rather as supplementary to the foregoing subsection (a), the following procedures shall be followed in authorizing a sale, lease, lease-sale, exchange or other disposition of all or a substantial portion of the Cooperative’s properties and assets:
 - 1. Before allowing any plan or proposal therefor to be submitted to the Members, the Board of Trustees shall cause three (3) independent appraisers, expert in such matters, to be appointed to render their individual opinions as to the fair market value of the Cooperative’s assets and properties, including its good will and going business value, and as to any other terms and conditions which, in their respective judgments, should be considered. The Board of Trustees, after receiving such appraisals (and other terms and conditions which are recommended, if any), shall then give every other electric cooperative in Kansas (which has not submitted such a plan or proposal) an opportunity to submit competing plans or proposals. Such opportunity shall be in the form of a written notice to such electric cooperatives, which notice shall attach a copy of the initial plan or proposal being then considered and a copy of the reports of the three (3) appraisers. Such electric cooperatives shall be given not less than thirty (30) days within which to submit competing plans or proposals, and the actual minimum period within which plans or proposals are to be submitted shall be stated in the written notice given to them.
 - 2. 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 adopt a resolution to that effect and so notify the Members, expressing in detail each of any such proposals, and shall call a special meeting of the Members for consideration thereof, which meeting shall not be held sooner than thirty-five (35) days after the giving of such notice to the Member: PROVIDED, that consideration thereof by the Members may be given at the next annual Member meeting if the Board so determines and if such annual meeting is not held sooner than thirty-five (35) days after the giving of such notice.
 - 3. Any five hundred (500) or more Members, by so petitioning the Board not less than twenty (20) days before the date of the special or annual Member meeting at which such a plan or proposal will be considered, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all other Members, at least ten (10) days prior to such Member meeting, any opposing positions or alternative plans or proposals which the petitioners may have.

Section 11.02: Distribution of Surplus Assets on Dissolution

Not inconsistently with Kansas Statutes Annotated 17-4621, upon the Cooperative’s dissolution any assets remaining after all of the Cooperative’s liabilities and obligations, including outstanding capital credits, have been satisfied or discharged or a plan therefor appropriately established shall, not inconsistently with the provisions of the third paragraph of Section 9.02 of these By-laws, be distributed

without priority among all persons who have been patrons of the Cooperative for any period during the seven years preceding the date of the filing of the Cooperative's certificate of dissolution, on the basis that their respective patronage during such seven-year period bears to the total receipts of the Cooperative during such seven-year period: PROVIDED that, if in the judgment of the Board the amount of such surplus is too small to justify the expense of making any distribution whatever, the Board may, in lieu thereof, donate, or provide for the donation of, such surplus to one or more nonprofit charitable or educational organizations that are exempt from Federal income taxation.

ARTICLE XII: FISCAL YEAR

The Cooperative's fiscal year shall begin on the first day of the month of January of each year and end of the last day of the month of December.

ARTICLE XIII: RULES OF ORDER

Parliamentary procedure at all meetings of the Members, of the Board of Trustees, of any committee provided for in these By-laws and of any other committee of the Members or Board of Trustees which may from time to time be duly established shall be governed by the most recent edition of Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the Cooperative's Articles of Incorporation or By-laws

ARTICLE XIV: SEAL

The Corporate seal of the Cooperative shall be in a form prescribed by the Board and shall have inscribed thereon the name of the Cooperative and the words "corporate seal".

ARTICLE XIV: AMENDMENTS

These By-laws may be altered, amended or repealed by the affirmative votes of a majority of the votes cast by the Members. At the discretion of the board, voting may proceed by verbal motion, paper ballot, mail, or electronically at any annual or special meeting, but only if the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal, or an accurate summary explanation thereof.

Approved May 2022.