

# BY-LAWS

"as revised at the annual meeting  
on June 17, 2021"

## OAKDALE ELECTRIC COOPERATIVE

Oakdale, Wisconsin

The objective of the Oakdale Electric Cooperative (hereinafter called the "Cooperative") is to make electric energy and energy services available to its members at the lowest cost consistent with sound economy and good management.

### ARTICLE I MEMBERSHIP

**Section 1. Requirements for Membership.** Members: Any person, firm, association, corporation or body politic or subdivision thereof will become a member of Oakdale Electric Cooperative (hereinafter called the "Cooperative") upon receipt of electric service from the cooperative, provided that he or it has first:

- (a) Made a written application for service and membership therein;
- (b) Agreed to purchase from the Cooperative electric energy and energy services as hereinafter specified;
- (c) Agreed to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and reasonable rules and regulations adopted by the board of directors.

Any member who requests service from the Cooperative subject to the conditions applicable to all patrons of the same class of service, upon receipt of such service shall be deemed a patron of such class within the membership. No member may hold more than one membership in the Cooperative, and no membership in the Cooperative may be transferable except as provided in these bylaws. Two or more persons may hold a membership as tenants in common or as joint tenants with right of survivorship in accordance with the terms of their application and any rules of the board of directors applicable thereto. The provisions of Section 3 (c) (1), (2), (3), (4), (5), (6), and (7) of this Article shall apply to a membership held by tenants in common, and to a joint membership where the holders thereof are not spouses.

**Section 2. Recording of Membership.** All memberships in the Cooperative shall be entered in the Cooperative records. Membership Certificates will not be issued after April 12, 1997, and will no longer be used as evidence of membership after April 21, 2001.

### **Section 3. Joint Membership and Membership as Tenants in Common.**

- (a) Any application for membership in the Cooperative received after June 20, 1970 from any person who is married shall be deemed and become an application for membership by both spouses as joint tenant members with right of survivorship unless the person making such application otherwise designates in writing.
- (b) With respect to memberships issued prior to June 20, 1970, the membership of any persons who on June 20, 1970 were married, or who thereafter while a member became married, shall be deemed to have become, and did become at such time, a membership in

spouses as joint tenant members with right of survivorship without further action by such member, unless within 30 days after June 20, 1970 or 30 days after date of marriage, whichever date is later, the person to whom such membership was issued otherwise has designated in writing.

- (c) The term "member" as used in these bylaws shall be deemed to include spouses or other persons holding a joint tenancy or tenancy in common membership, and any provisions relating to the rights, and liabilities of membership, including without limitation the following, shall apply to such member:
  - (1) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
  - (2) The vote of either separately or both jointly shall constitute one joint vote;
  - (3) A waiver of notice signed by either or both shall constitute a joint waiver;
  - (4) Notice of either shall constitute notice to both;
  - (5) Expulsion of either shall terminate the joint membership;
  - (6) Withdrawal of either shall terminate the joint membership;
  - (7) Either but not both may be elected or appointed as an officer or board member, provided that both meet the qualification for such office.
- (d) The records of the cooperative shall show all single, joint, or tenancy in common memberships and names of all persons holding such membership.
- (e) Upon the death of either spouse, or other person, who is the party to a joint membership, such membership shall be held solely by the survivor and the records of the cooperative shall be changed to show membership solely in the survivor; provided, however, that the estate of the deceased shall not be released from any debts due the cooperative.

**Section 4. Conversion of Membership.** By a written request signed by all persons having an interest therein, a membership in the name of one person, a joint membership, or a membership as tenants in common, may be converted to a membership of another of the three types. Such written request shall contain the agreement by all persons having an interest in the membership involved, to comply with the articles of incorporation, bylaws and rules and regulations adopted by the board.

**Section 5. Purchase of Electric Energy and Energy Services.** Each member shall, as soon as electric energy and energy services shall be available, purchase from the cooperative all electrical energy and energy services purchased for use on the premises specified in the member's application for membership, and shall pay therefore at rates which shall from time to time be fixed by the board. Production or use of electric energy on such premises, regardless of source thereof, by means of facilities which shall be interconnected with the 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 and energy services 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 by these bylaws. Each member shall pay to the cooperative such minimum amount regardless of the amount of electric energy and energy services consumed, as shall be fixed by the board from time to time. Each member shall also pay all amounts owed by such member to the cooperative as and when the same shall become due and payable.

**Section 6. Non-Liability for Debts of the Cooperative.** The private property of the members of the Cooperative shall be exempt from execution for the debts of the cooperative and no member shall be individually liable or responsible for any debt or liability of the cooperative.

## **Section 7. Termination of Membership.**

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board may prescribe. Subject to any regulations imposed by lawful authority, the board may, by the affirmative vote of not less than two-thirds of all members of the board, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws or reasonable rules or regulations adopted by the board, but only if such member shall have been given written notice by the cooperative that such failure makes the member liable to expulsion and such failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the board or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available to the member has not purchased electric energy and energy services from the cooperative or of a member who has ceased to purchase energy and energy services from the cooperative, may be cancelled by resolution of the board.
- (b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate, and the membership certificate of such member, if any, shall be surrendered forthwith to the cooperative. Termination of membership in any manner shall not release a member or the member's estate from any debts due the cooperative.
- (c) Upon the legal separation or divorce of the holders of a joint membership, or the holders of a membership as tenants in common, such membership shall continue to be held solely by the one who continues to occupy or use the premises covered by such membership, in the same manner and to same effect as though such membership had never been joint or as tenants in common, provided that except for the membership fee, this provision shall not affect the ownership of funds held by the cooperative in the names of the joint owners, or tenants in common, and further provided that neither joint tenants, or tenants in common, shall be released from debts due to the cooperative arising from the joint ownership or ownership as tenants in common.

## **Section 8. Property Interest to 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 the bylaws, the remaining property and assets of the cooperative shall be distributed among members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all such members during the ten calendar years next preceding the date of the filing of the certificate of dissolution, subject to and in accordance with such classifications of business formula as may have been employed in allocating patronage capital to such members during said ten-year period.

## **Section 9. Service Principles**

- (a) **Area Coverage Service.** The cooperative holds itself out to serve and shall make diligent efforts to extend and render adequate and dependable service to all unserved persons within the cooperative service area, regardless of the size or nature of their service requirements, who (a) desire such service and (b) meet all reasonable requirements established by the cooperative as a condition of service.

- (b) **Service Area Maps.** The cooperative shall from time to time prepare and maintain on file area coverage service maps designating the cooperative service area within which it holds itself out to extend and render service under (a) of this section.
- (c) **Extension and Service Rules.** Extension and service rules of the cooperative from time to time promulgated by the board shall be of general and uniform application and shall provide for service without discrimination to all patrons as members within the same classification of service.
- (d) **Service to Non-Member Patrons.** In the event the cooperative shall acquire all or any portion of the property of any public utility, former consumers of such public utility served through the property acquired shall be invited to become members of the cooperative. Should any such consumer refuse to become a member of the cooperative then the cooperative may continue to render electric service to such consumer as a patron of the cooperative, provided, however, that the cooperative may not render service to non-members in excess of ten percentum of the total patrons served by the cooperative.
- (e) **Assumption of Public Utility Obligations.** Within the corporate limits of any city or village in which the Cooperative may acquire the property of any public utility the board of directors by rule, or agreement with the governing board of such municipality, may cause the cooperative to become subject therein to all or part of the regulatory rules and jurisdiction of the Public Service Commission of Wisconsin, or other regulatory agency provided by law, provided that this shall not affect the status of the cooperative in the balance of its service area nor require approval of its securities issued to any financing institution.

## **ARTICLE II MEETINGS OF THE MEMBERS**

**Section 1. Annual Meeting.** The annual meeting of the members shall be held within a period of six months following the end of the fiscal year of the cooperative unless a different time is fixed by the board of directors, at a time and place within the cooperative service area, as shall be determined by the board of directors and designated in the notice of the meeting. Such meeting shall be held for the purpose of electing directors, passing upon reports covering the previous fiscal year and transacting such other business as may come before the meeting. If the election of directors shall not be held on the day designated for any annual meeting or any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be. 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 the President or by a two-thirds vote of the board of directors or upon a written request signed by at least twenty percent 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 meeting may be held at any place within the County of Monroe as designated by the board and shall be specified in the notice of the special meeting. Any special meeting called for the purpose of considering a proposed sale, lease or other disposition or encumbrance of all or any substantial portion of the cooperative's property, or for the purpose of altering, amending or repealing any provision of these bylaws relating to the sale, mortgage, lease, or other disposition or encumbrance of all or any substantial portion of the cooperative's property may, in the determination of the board of

directors be held not less than sixty nor more than ninety days after the date the meeting is called.

**Section 3. Notice of Members' Meetings.** Written printed notice stating the place, day and hour of the meeting and in the case of a special meeting the purpose for which the meeting is called, shall be delivered not less than seven days nor more than forty-five (45) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon default in duty by the Secretary, by the persons calling the meeting, to each member. If mailed, the notice is given when it is deposited or in a newsletter or other publication of the cooperative, or of an affiliated organization which includes the notice, is deposited, in the United States mail, with postage prepaid thereon, addressed to such person at the address as it appears on the records of the cooperative. In case of joint memberships, or memberships as tenants in common, notice given to either joint tenant member or either tenant in common member shall be deemed notice of both members. The failure of any member to receive notice of any annual or special meeting of the members shall not invalidate any action, which may be taken at such meeting.

**Section 4. Quorum.** The number of members to constitute a quorum at a meeting of members shall be fifty. In case of a joint membership or a membership held by tenants in common, the presence at a meeting by either joint member or both or by one of the tenants in common, shall be regarded as the presence of one member. If less than a quorum is present at any meeting, a majority of those present may adjourn the meeting, provided a new notice is mailed to each member specifying the time and place of the adjourned meeting.

**Section 5. Voting.** Each member shall be entitled to one vote and no more upon each matter submitted to a vote at a meeting of the members. At all meetings of the members at which a quorum is present, all questions shall be decided by a vote of a majority of the members voting thereon at such meeting except as otherwise provided by law, the articles of incorporation of the cooperative or these bylaws. Any member, which is a cooperative, corporation, government body, church or voluntary association may, acting through its governing body, designate in writing, its representative to act for it at membership meetings. Such written designation shall be filed with the Secretary before such representative votes at any such meeting, except that the chairman of any such corporation, association, board or body politic may cast its vote at such meetings if no such written designation for any other representative is so filed. Such representative or officer may also vote as an individual if he is a member. A guardian of any member may vote in behalf of such member. No member who has ceased to be a connected user shall be entitled to vote at any membership meeting.

**Section 6. Voting by Absentee Signed Ballot.** Any member who is unable to attend a meeting of the members may vote on any motion to be considered at the meeting only as follows:

(a) If the cooperative provides ballots for the vote on the motion to the members together with notice of the meeting at which the vote will be taken and exact copies of the motion and any resolution to which it pertains, an absent member may vote on the motion by submitting a signed ballot. If a signed ballot has been submitted on a motion under this paragraph, neither the motion nor any resolution to which it pertains may be amended.

(b) If the cooperative does not provide ballots and an exact copy of the motion or resolution to which it pertains to the members along with the notice of meeting, but makes available ballots for the vote along with exact copies of the motion or resolution to which it pertains, then a member may request a ballot and exact copy of the motion and may vote by submitting a signed ballot. However, the motion and any resolution to which it pertains may be amended at the meeting and if the motion or resolution is amended, the ballot is void.

The ballot may not be counted on any motion to amend or adopt as amended the motion or resolution.

(c) A sealed envelope bearing the signature of the member and enclosing a marked but unsigned ballot shall constitute a signed absentee ballot for purposes of this section.

(d) Absentee ballots shall be mailed or delivered to the cooperative office so as to be received at the office on or before the day before the membership meeting.

(e) In the event a member voting by absentee ballot attends such meeting in person, the member's absentee ballot shall be discarded in favor of the vote cast in person at the meeting.

**Section 7. Items of Business.** The annual meeting of the members, and so far as possible all other meetings of the members, shall include, but not be limited to, the following items of business:

1. Determination of Quorum.
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. Consideration and approval of the unapproved minutes of previous meetings of the members.
4. Presentation and consideration of and acting upon reports of officers, directors and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

The order of business for member meetings shall be determined by an agenda provided by the board of directors, but may be modified by vote of the members in attendance and voting at such meeting. Unless the members by a 2/3 vote of those in attendance and voting determine otherwise, Roberts Rules of Order shall govern all other procedural questions.

**Section 8. Resolutions Committee.** No less than 90 days before an annual meeting, members may submit proposed resolutions relating to the affairs of the Cooperative. Should a resolution be submitted by the deadline, the board of directors shall appoint a seven (7) member Resolutions Committee consisting of a member from each of the territorial districts established pursuant to Article III of these bylaws. The Resolutions Committee shall have the responsibility of considering proposed resolutions that have been timely submitted by members.

In consultation with the Board, the Cooperative attorney and the General Manager, the Resolutions Committee shall determine whether any proposed resolution should be presented for consideration at the annual meeting and, if so, whether additional information should be presented to the membership to ensure that an informed decision can be made by the membership on the matter. The Resolutions Committee in its report to the membership may make a recommendation concerning disposition of any such resolution.

### **ARTICLE III DIRECTORS**

**Section 1. General Powers.** All powers of the cooperative shall be exercised by or under authority of, and the business and affairs of the cooperative shall be managed under the direction of, the

board of directors, except as otherwise provided by law, the articles of incorporation, or these bylaws. There shall be seven directors. Powers of the board of directors (without limitation because of designation) shall include the determination and fixing of classifications of service, rates to be charged by the cooperative for services furnished, the promulgation and enforcement of rules and regulations governing service to patrons and the selection or nomination of directors, delegates or other representatives of the cooperative at meetings of organizations of which the cooperative may be a member, including the power to remove such director, delegate or representative.

## **Section 2. Tenure and Qualifications.**

- (a) Tenure. The board of directors shall be composed of one director from each of the seven territorial districts created pursuant to Section 3 of this Article. Directors shall be elected for three-year terms on a staggered basis so that no more than three of such terms shall expire at each annual meeting. At each annual meeting the members shall elect directors for three-year terms from the respective districts in which the terms of directors therefrom expire. When elected, directors shall serve until their successors have been elected and qualified, subject however, to the provisions of these bylaws with respect to the removal of directors.
- (b) Qualifications. No person shall be eligible to become or remain a director or to hold any position of trust in the cooperative who:
  - (1) is not a user of the cooperative electric services and a bona fide domiciliary of the director district for which he or she has been nominated or has been elected to represent, except that a director shall not be disqualified from completing his or her current term due to a change in the district boundaries as provided in Section 4, below; or
  - (2) is in any way employed by or financially interested in a competing enterprise, or a business selling energy, supplies, or services to the cooperative, provided that a person exercising the right to sell energy to the cooperative pursuant to federal law shall not be so disqualified, but may not take any part in consideration of such transactions on behalf of the cooperative;
  - (3) is an incumbent of or candidate for a partisan elective county, state or federal office in connection with which a salary is paid;
  - (4) is now, becomes, or during the immediately preceding five years has been an employee of the cooperative;
  - (5) is now, becomes, or during the immediately preceding five years has been a claimant in any claim asserted against the cooperative
  - (6) has been convicted of a felony in any jurisdiction at any time in the seven years preceding his or her election or appointment, or during the term of office, if the circumstances of the charges are substantially related to the fiduciary duties and expectations of a director.

For purposes of this Section 2(b), a person is a domiciliary of a district if their residence in the district is their permanent and primary residence.

When a membership is held jointly or by tenants in common, one of the joint tenants or one of the tenants in common, but not more than one, may be elected a director, provided, however, that such person shall not be eligible to become or remain a director or hold a position of trust in the cooperative unless both joint tenants or all tenants in common shall meet the qualifications hereinabove set forth. When a membership is held by a partnership, one, but not more than one, of the partners designated in writing by the partnership may be elected a director; provided, however, that none of the partners shall be eligible to become or remain a director or hold a position of trust in the cooperative unless the candidate shall meet the qualifications set forth in (b), above, and unless all partners shall meet the qualifications set forth in (b)(2) through (b)(5), above. When a membership is held by a firm, association, corporation or body politic or subdivision thereof, one, but not more than one, of the officers thereof designated in writing by the corporation may be elected a director, provided, however, that none of the officers shall be eligible to become or remain a director or hold a position of trust in the cooperative unless the candidate shall meet the qualifications set forth in (b), above, and unless all of the officers shall meet the qualifications set forth in (b)(2) through (b)(5), above.

Nothing in this section shall be construed to preclude any member from serving as a director or from holding any position of trust in the cooperative because such member is also a member or a director of any other cooperative from which this cooperative purchases or may purchase electric energy, supplies or services.

### **Section 3. Disqualification.**

- (1) At a meeting of the membership, other than at a district meeting, upon establishment of the fact that a nominee for director lacks eligibility under this section it shall be the duty of the chairperson presiding at the meeting at which such nominee would otherwise be voted upon to disqualify such nominee.
- (2) Except as provided in subsection (1) above, upon the establishment of the fact that any person being considered for, or already holding a position of director, may lack eligibility to become or remain a director, it shall be the duty of the directors, upon reasonable notice to the person whose eligibility is in question, to hold a hearing on such matter.

The directors shall find and determine whether such person is ineligible to become a director or if already a director, is ineligible to remain a director under the qualifications provided in these bylaws. In making such determination, if the person whose eligibility is being considered is a director, that person may not vote. If the remaining directors determine by a majority vote that the person, if a candidate, is ineligible to become a director, then such person's name shall be withdrawn as a candidate for director. If the person is already a director, then that person shall be ineligible to remain a director, and his or her office as a director shall forthwith become vacant. The remaining directors shall appoint a successor until the next membership meeting.

### **Section 4. Districts, Nominations and Elections.**

- (a) Territorial Districts. The territory served by the cooperative shall be divided into a number of territorial districts equal in number to the number of directors of the cooperative. Each such district shall be composed of one or more continuous townships and each district shall contain as near as may be practicable the same number of members as each other territorial district. The territorial limits of such division shall

originally be determined and may be changed from time to time by the board of directors but shall be subject to revision by the members at any membership meeting. At least every three years, the board of directors shall review the district boundaries and make revisions determined by the board of directors to be necessary to ensure that the districts comply with the requirements of this Section. No change in district boundaries shall disqualify a director from completing his or her current term.

- (b) Nominations. Nominations of candidates for director shall be by petition. To be valid, a petition shall be in a form designated by the Cooperative, shall designate the district the candidate resides in and is being nominated for, shall be signed by not less than fifteen (15) members residing in that district (with the signature of either or both joint or tenancy in common members counting as one signature), and shall be delivered to the Cooperative's principal office at least 90 days prior to the annual meeting. In the event no valid petitions have been filed by that date, the Board shall appoint a Nominating Committee from the members in the director districts for which directors are to be elected at the following annual meeting. In that event, the Nominating Committee shall use its best efforts to nominate one (1) or more qualified candidates for each director position up for election. The names of all nominees shall be set forth in the notice of the annual meeting.
- (c) The winner of the election for a director vacancy shall be the nominee receiving a plurality of the votes of the members voting thereon at such meeting. In the event of a tie, the tie shall be resolved, and the result determined, by the flip of a coin.

**Section 5. Vacancies.** Subject to the provisions of these bylaws with respect to the removal of directors, vacancies occurring in the board of directors shall be filled by majority vote of the remaining directors, and directors thus elected shall serve until the next annual meeting of the members or until their successors shall have been elected and shall have qualified. Such vacancies shall be filled by an eligible member from the district in which the vacancy has occurred.

**Section 6. Compensation.** Board members shall not receive any salary for their services as such, but by resolution of the board a fixed sum for each day or portion thereof spent on cooperative business, such as at meetings, conferences, and training programs, or performance of committee assignments or other services when authorized by the board, along with reasonable expenses actually and necessarily incurred, may be allowed. Except in emergencies, no director shall receive compensation for serving the cooperative in any other capacity, nor shall any close relative of a director receive compensation for serving the cooperative, unless such compensation shall be specifically authorized by a vote of the members. The term "close relative", as used herein, applies to the following: son, daughter, mother, father, sister, brother, spouse and stepfather, stepmother, stepson, stepdaughter, half-sister and half-brother.

**Section 7. Policies, Rules and Regulations.** The board of directors shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the articles of incorporation or these bylaws, as it may deem advisable for the management of the business and affairs of the cooperative. Such policies, rules and regulations shall be binding upon all members provided that they receive notice of the substance of the policies, rules and regulations. For purposes of this section, notice shall be deemed sufficient if it is mailed to the members at the member's address as it appears on the records of the cooperative, post duly prepaid, if it is published in a newsletter sent by the cooperative to its members, is published in the Wisconsin Energy Cooperative News or in another newspaper circulated in the service area of the cooperative, is published on the cooperative's website, or if it is sent to the member electronically to the member's email address

as it appears on the records of the cooperative.

**Section 8. Accounting System and Reports.** The board of directors shall cause to be established and maintained a complete accounting system, which, among other things shall conform to applicable laws and rules and regulations. The board of directors shall after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the cooperative as of the end of such fiscal year. Such audit reports shall be submitted to the members at the following annual meeting.

**Section 9. Removal of Board Members by Members.** Any member may bring charges against a board member, and by filing with the Secretary such charges in writing together with a petition signed by at least ten per centum (10%) of the members, may request the removal of such board member by reason thereof. Such board member shall be informed in writing of the charges at least ten 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 or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against the board member shall have the same opportunity. The question of the removal of such board member shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

**Section 10. Voting for Directors by Signed Ballot.** The board of directors may authorize voting for the election of directors by signed ballot consistent with this Section. If voting by signed ballot is authorized by the board, then such ballots for director elections must be mailed to all members at least 30 calendar days prior to any duly called membership meeting where such director elections will be considered. Printed instructions and an explanation as to when and where ballots shall be returned must be included with the ballots. To be valid, mail-in ballots must be received by the Cooperative through the close of business two days prior to the member meeting where the elections will be considered. Member voting shall still be permitted at such member meeting, but any member who has returned a signed ballot to the Cooperative for the election of a director shall not also vote for such election or removal at the member meeting.

**Section 11. Electronic Voting.** The board of directors may authorize electronic voting for elections of directors. If authorized by the board, a vote cast by electronic means shall have the same effect as a vote cast by signed ballot or by a member present at the meeting. If electronic voting is authorized by the board under this section, then the board shall establish procedures for such electronic voting which shall include means for the Cooperative to authenticate that such votes are cast by the Cooperative's members.

#### **ARTICLE IV MEETING OF DIRECTORS**

**Section 1. Regular Meetings.** A regular meeting of the board of directors shall be held without notice other than this bylaw, immediately after, and at the same place as the annual meeting of the members. A regular meeting of the board of directors shall also be held monthly at such time and place in Monroe County, Wisconsin, as the board of directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

**Section 2. Special Meetings.** Special meetings of the board of directors may be called by the President or any three directors. The person or persons authorized to call special meetings of the

board of directors may fix the time and place (which shall be in Monroe County, Wisconsin) for the holding of any special meeting of the board of directors called by them.

### **Section 3. Meetings Conducted by Telephone.**

- (a) If the board of directors shall permit in advance and shall be given the required notice, or if all directors shall verbally consent concurrently with the holding of the meeting, any or all directors may participate in a regular or special meeting or in a committee meeting, including an executive committee meeting of the board by, or the meeting may be conducted through the use of, any means of communication by which any of the following occurs:
  - (1) All participating directors may simultaneously hear each other during the meeting.
  - (2) All communication during the meeting is immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors.
- (b) If a meeting will be conducted through the use of any means described in par. (a) all participating directors shall be informed that a meeting is taking place at which official business may be transacted. A director participating in a meeting by any means described in par. (a) is deemed to be present in person at the meeting. Minutes of the meeting shall be prepared and distributed to each director and shall also be kept with the official records of the cooperative.
- (c) A meeting held by the board or a committee thereof by any means described in par. (a) may not act on the following matters: a plan of merger, consolidation or division; to sell, lease, exchange or otherwise dispose of substantial property or assets of the cooperative; to voluntarily dissolve, or to file for bankruptcy. For purposes of this Section, any sale, lease, exchange or other disposition, which covers or affects 5% or more of the cooperative property or assets, shall constitute a substantial disposal thereof.

**Section 4. Notice.** Notice of the time, place and purpose of any special meeting of the board of directors shall be given at least five days previous thereto, by written notice delivered personally or mailed to each director at his last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting except in case a director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

**Section 5. Quorum.** A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board of directors provided that if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

**Section 6. Manner of Acting.** The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors.

## **ARTICLE V OFFICERS**

**Section 1. Number.** The officers of the cooperative shall be President, Vice-President, Secretary, Assistant Secretary and Treasurer, and such other officers as may be determined by the board of directors from time to time. The office 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 first meeting of the board of directors held after each annual meeting of the members, except that the Assistant Secretary need not be a director but may be an employee of the Cooperative. 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 duly elected and shall have qualified, subject to the provisions of these bylaws with respect to the removal of officers.

**Section 3. Removal.** Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the cooperative will be served thereby.

**Section 4. Vacancies.** Except as otherwise provided in these bylaws a vacancy in any office may be filled by the board of directors for the unexpired portion of the term.

**Section 5. President.** The president shall:

- (a) be the principal executive officer of the cooperative and shall preside at all meetings of the members and of the board of directors;
- (b) Sign, with the Secretary, 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, shall perform all duties incident to the office of President and; such other duties as may be prescribed by the board of directors from time to time.

**Section 6. 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 restrictions upon the President and shall perform such other duties as from time to time may be assigned to him or her by the board of directors.

**Section 7. Secretary and Assistant Secretary.** The Secretary shall:

- (a) keep the minutes of meetings of the members and the board of directors in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with these bylaws 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 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) keep a register of post office address of each member, which shall be furnished to the Secretary by such member;
- (e) have general charge of the books of the cooperative in which a record of the members is kept;
- (f) keep on file at all times a complete copy of the bylaws of the cooperative containing all amendments thereto, which copy shall always be open to the inspection of any member, and at the expense of the cooperative forward a copy of the bylaws and amendments thereto to each member; and
- (g) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the secretary by the board of directors.
- (h) the Assistant Secretary shall assist the Secretary, shall perform the duties of the Secretary in the absence or ready unavailability of the Secretary, and shall perform such other duties as the board of directors may determine.

**Section 8. 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 money due and payable to the cooperative from any source whatsoever, and deposit all such monies 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) 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 him or her by the board of directors. Under board authorization, the actual execution of the duties and functions of the office of Treasurer may be delegated to employees of the cooperative under the direction of the Manager.

**Section 9. 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 as the board of directors may from time to time require of him or her and shall have such authority as the board of directors may from time to time vest in him or her.

**Section 10. Bonds and Officers.** The board of directors shall require the Treasurer or any other officer 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 directors shall determine. The board of directors in its discretion may also require any other officer, agent or employee of the cooperative to give bond in such amount and with such surety as it shall determine.

**Section 11. Compensation.** The compensation, if any, of any officer, agent or employee who is also a director or close relative of a director shall be determined by the members, as provided elsewhere in these bylaws, and the powers, duties and compensation of any other officers, agents or employees shall be fixed by the board of directors.

**Section 12. 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 VI CONTRACTS, CHECKS AND DEPOSITS**

**Section 1. Contracts.** Except as otherwise provided in these bylaws, the board of directors may authorize any officer or officers, agent or agents, to enter into and 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 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 of directors.

**Section 3. Deposits and Investments.** All funds, except petty cash, 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 investments or institutions as the board shall deem prudent. Nothing herein shall be deemed to prohibit the board from extending loans to members for proper purposes in the interest of the cooperative.

## **ARTICLE VII NON-PROFIT OPERATION**

**Section 1. Interest or dividends on Capital Prohibited.** The cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its 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 and Energy Services.** In the furnishing of electric energy and energy services, 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 non-profit basis, the cooperative is obligated to account on a patronage basis to all its patrons within a particular business classification for all amounts received and receivable from the furnishing of electric energy and energy services to patrons within such classification in excess of operating costs and expenses properly chargeable against the furnishing of electric energy and energy services to patrons within such classification. Subject to the provisions hereof relating to adjustments between and among classes of business, 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 patrons as capital. Subject to the provisions hereof relating to adjustments between and among classes of business, the cooperative is obligated to pay as 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 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 the patron's class of business and account. 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 of capital.

All other amounts received by the cooperative from its operations in excess of costs and expenses

shall, insofar as permitted by law, be apportioned among the various classes of business on a total patronage basis and shall be (a) used to offset any losses incurred during the current or any fiscal year, and (b) to the extent not needed for that purpose, allocated to its patrons within such business classifications 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.

**Section 3. Patronage Refunds in Connection With Furnishing Other Service.**

In the event that the cooperative should engage to a substantial extent in the business of furnishing goods or services other than electric energy and energy services, all amounts received and receivable therefrom, which are in excess of costs and expenses properly chargeable against the furnishing of such goods and services shall, insofar as permitted by law, be pro-rated annually on a patronage basis and returned or allocated to those patrons from whom such amounts were obtained.

**Section 4. Classification of Business.** With respect to the furnishing of electric energy and energy services and the allocation of capital credits in connection therewith, the board may classify the business done by the cooperative with all of its patrons into classes of business and patronage. Such classifications shall be based on factors relating to the cost of rendering service and the rates lawfully chargeable in connection therewith in accordance with utility standards and practice. The board may apply to such classes of business formulas designed to equitably determine for each class so established any amounts paid by patrons within such class in excess of the costs of service for such class. In developing such formulas and in determining the respective amounts of capital so furnished by all patrons within such classes, the board shall give regard to the level of capital contributed by each such class of business during the current or any prior fiscal year so as to equitably adjust the aggregate capital accounts between and among classes of business. If the receipts from every class of business in any year exceed the costs and expenses allowable and chargeable thereto, then the excess of receipts over expenses for each class of business shall be allowable to each class as capital credits and to patrons within each such class on a dollar patronage basis. If, however, the cost and expenses chargeable or allowable against any one or more classes of business exceed the receipts from all patrons within such class or classes of business, then such deficit shall be charged against the patronage margins otherwise assignable to any remaining class or classes of business, on a dollar volume patronage business, so that in no year shall there be credited to patrons as patronage capital an amount greater than the excess of receipts from all patrons over the costs and expenses of doing business with all patrons. All patronage margins contributed by patrons within a given class of business shall be assigned to such patrons on a dollar volume basis of patronage, but no patronage capital shall be deemed to have been contributed by, or shall be allocated to any patron within any class of business, if the receipts from all patrons within such class do not exceed the costs and expenses chargeable or allocable to such class. In the event patronage from any patron falls into two or more classes of business, capital credits assigned to such patron shall be the net amount of the capital credits determined after debiting and crediting from all such classes of business.

**Section 5. Retirement of Patronage Capital on Dissolution or Liquidation or Prior Thereto.**

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 of directors shall determine that the financial condition of the cooperative shall not be impaired thereby the capital then credited to patrons' accounts may be retired in full or in part. The board of directors shall determine under rules of general application the method, basis, priority and order of retirement, if any, for all amounts heretofore and hereafter furnished as capital.

**Section 6. Assignment of Patronage Capital.** Except as provided in Section 9 and 10 hereof, 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 directors, acting under policies of general application, shall determine otherwise.

**Section 7. Prior Retirement to Estates of Deceased Patrons.** Notwithstanding any other provisions of these bylaws, the board of directors, at its discretion, shall have the power at any time upon the death of any patron, if the legal representative of the patron's 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 provision of these bylaws, to retire capital credits to any such patron immediately upon such terms and conditions as the board of directors, 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 is authorized, but not required to provide prior retirements to surviving joint tenancy patrons and to heirs of deceased patrons on the same basis as retirements hereunder may be made to estates of deceased patrons.

**Section 8. Security Interest in Patronage Capital.** The cooperative shall have a continuing security interest in the patronage capital allocated and credited to any patron for any indebtedness due and owing from such patron to the cooperative. The patron shall execute such documents as the cooperative may request to create and perfect this security interest. The rights of the cooperative under the security interest hereby granted may be exercised in the event of the default in payment by the patron of the patron's obligations or in the event of the bankruptcy or insolvency of the patron. Such indebtedness of the patron shall be subtracted from the capital allocated and credited to the patron in any retirement thereof made hereunder to said patron or to the patron's estate, heirs or surviving joint member.

**Section 9. Assignment for Educational or Charitable Purposes.** Any patron may assign all or any portion of the patronage now or hereafter expected to be credited to the patron's account pursuant to this Article VIII to the cooperative in trust, however, to be used only for Federated Youth Foundation, Inc., or such other educational or charitable purpose as may be designated by the assignor or the board, effective as of the date of assignment, subject to the cooperative's prior lien for unpaid charges under Section 8 of this article.

**Section 10. Forfeiture of Unclaimed Funds.**

- A. The cooperative shall effect the forfeiture of all unclaimed funds, including all forms of distributions or capital credits, membership fees, deposits, and dividends and shall do the following in connection therewith.
  - (1) No earlier than three years and no later than five years after the funds are first made available to the owners, the board of directors shall declare the funds forfeited to the cooperative unless claimed by a specific date.
  - (2) After the declaration of forfeiture, the cooperative shall give notice that states that the funds shall be forfeited if not claimed by the specified date, which shall be a business day at least 60 days after the mailing of the notice.
  - (3) The notice under paragraph (2) shall be mailed to the last known address of each

owner and shall be published on or before the date of mailing in a newspaper published in the municipality containing the service area of the cooperative.

- (4) The cooperative shall dedicate any funds remaining unclaimed after the date specified in paragraph (2) to educational purposes, limited to providing scholarships or loans to students or to charitable purposes as the board of directors determines, within one year after the date the funds are declared forfeited under paragraph (1). Educational purposes shall not include political purposes as defined in Section 11.01(16), Wisconsin Statutes.

B. At any time subsequent to a forfeiture under this bylaw, the owner of forfeited funds may submit a claim to the board of directors and if the board determines that the person owned the funds at the time of the forfeiture, it shall refund the funds to the person.

C. The board of directors may establish a reasonable reserve for payment of claims, which reserve shall be credited to patrons in accordance with the ratio which their patronage bears to total patronage. This reserve shall be reimbursed for claims charged thereto, out of funds subsequently declared forfeited.

**Section 11. Subscription to Wisconsin Energy Cooperative News.** The cooperative, through action of its board of directors, is authorized in the name and behalf of such member of the cooperative to subscribe for the WISCONSIN ENERGY COOPERATIVE NEWS. The expense of such subscriptions for all members shall be such amount per month as shall be from time to time determined by the board, and shall be charged to the aggregate of capital deposited by members under Section 2 of this Article for electrical service in the same manner as are charged other appropriate expenses of the cooperative.

**Section 12. Contractual Obligations.** 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.

## **ARTICLE VIII WAIVER OF NOTICE**

**Section 1.** Any member or director may waive in writing, any notice of meeting required to be given by these bylaws.

**Section 2. Action Without Meeting.** Any action which may be taken at a meeting may be taken without a meeting if a writing setting forth and approving the action taken shall be signed by all of the cooperative members, directors or executive committee members entitled to vote on such action. Such consent shall have the same force and effect as a unanimous vote at a meeting.

## **ARTICLE IX DISPOSITION OF PROPERTY AND MERGER**

**Section 1. Disposition of Property in General.** The cooperative may not sell, lease or otherwise dispose of all or any substantial portion of its property unless such sale, lease or other disposition is authorized at a 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 sale to another electric cooperative organized and existing under Chapter 185 of the Wisconsin Statutes, which has been engaged in producing or furnishing electric power to its members for a period of at least two years prior to such sale, may be approved by an affirmative vote of two-thirds of those members voting thereon; provided however, that notwithstanding anything herein contained, the board of directors of the cooperative, without authorization by the members thereof, shall have full power and authority to borrow money from the United States of America or any agency or instrumentality thereof, or from National Rural Utilities Cooperative Finance Corporation (hereinafter referred to as "C.F.C.") or other financing institution or bank, and in connection with such borrowing to authorize the execution and delivery of mortgages or the pledging or encumbering of any or all of the property of the cooperative, whether acquired or to be acquired, all upon such terms and conditions as the board of directors shall determine to secure any indebtedness of the cooperative to the United States or any instrumentality or agency thereof or to "C.F.C." or other financing institution or bank.

**Section 2. Merger.** This cooperative may merge or consolidate with one or more other electric cooperatives upon compliance with the provisions of law relating thereto. If the other cooperative or cooperatives with which this cooperative proposes to merge or consolidate is or are electric cooperatives organized and existing under Chapter 185 of the Wisconsin Statutes and have been engaged in producing or furnishing electric power to its or their members at cost and without profit for at least two years prior to such merger or consolidation, an affirmative vote of a majority of members voting thereon shall constitute approval of the plan of merger or consolidation. Likewise, if this cooperative proposes to merge or consolidate with an electric cooperative which is an entity resulting from merger or consolidation of other electric cooperatives meeting the qualification set forth above, an affirmative vote of a majority of members voting thereon shall constitute approval of the plan of merger or consolidation. If the proposed merger or consolidation is with one or more organizations not meeting the foregoing qualifications, approval of the plan of merger or consolidation shall require the affirmative vote of not less than two-thirds of all members of the cooperative.

## **ARTICLE X INDEMNIFICATION OF OFFICERS AND DIRECTORS**

The cooperative shall indemnify an officer or director, and may indemnify an employee against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement actually or reasonably incurred by such person in connection with an action, suit or proceeding, or a threatened action suit or proceeding where such person is a party or is threatened to be made a party by reason of the fact that he or she was a director, officer, or employee of the cooperative, all as provided by law.

## **ARTICLE XI FISCAL YEAR**

The fiscal year of the cooperative shall begin on the first day of January of each year and end on

the last day of December of the same year.

## **ARTICLE XII MEMBERSHIP IN OTHER ORGANIZATIONS**

By a vote of, not less than two-thirds of the directors or a majority of the members voting at any membership meeting, the cooperative may purchase a membership in any cooperative or association or may purchase shares of stock in any corporation, the purchase of which membership or stock, or both, is incidental to the purposes for which the cooperative is organized. It is recognized that in the event this cooperative shall be entitled to be represented on the board of directors of such other organization, that such representation will be most effective if the representative is also a member of the board of directors of this cooperative or its Manager. Accordingly, any person selected to represent this cooperative on the board of directors of such other organization shall be, at the time of his nomination, a member of the board of directors of this cooperative or its Manager.

## **ARTICLE XIII SEAL**

The corporate seal of the cooperative shall be in the form of a circle and shall have inscribed therein the name of the cooperative and the words "Corporate Seal, Wisconsin".

## **ARTICLE XIV AMENDMENTS**

These bylaws may be altered, amended or repealed by the members of the cooperative at any regular or special meeting, the notice of which specifies the nature of the proposed amendment, alteration or repeal to be considered at such meeting, provided, however, that not less than an affirmative vote of two-thirds of all of the members of the cooperative shall be required to amend, so as to require a lesser vote, the bylaw provision requiring that the sale, lease or other disposition of all or any substantial portion of the cooperative property must be authorized by a vote of two-thirds of all of the members of the cooperative.

## **ARTICLE XV DISPUTE RESOLUTION**

If a dispute, claim or controversy arises out of, or in any way relates to, the Articles of Incorporation, the Bylaws or any rule or regulation adopted by the Board of Directors, the Cooperative's provision of electric energy or other services, the Cooperative's furnishing of any goods or its conduct of its operations, or a patron's use of any service or good provided by the Cooperative, and such dispute, claim or controversy is not resolved by agreement of the parties, at the request of any party it shall be resolved by binding arbitration by an impartial arbitrator or panel of arbitrators, pursuant to written policies and procedures to be established from time to time by the Board of Directors; provided, however, that matters within the jurisdictional limits of the small claims courts may be pursued in such courts and shall not be submitted for binding

arbitration unless all parties agree to the same. As with the other terms of the contract between the patrons and the Cooperative, each patron, member or non-member alike, and the Cooperative agree to arbitrate all such claims or controversies according to this bylaw and the policies and procedures prescribed by the board of directors pursuant to this bylaw, and further agree to abide by and perform any resulting arbitration awards. This agreement to arbitrate disputes shall survive any withdrawal from or termination of a member's membership in the Cooperative. This agreement to arbitrate shall also inure to the benefit of and be enforceable by the Cooperative's insurers.