



**Nishnabotna Valley Rural  
Electric Cooperative  
Harlan, Iowa  
Articles of Incorporation  
& By-Laws**

**Articles of Incorporation**

**(as amended through September 2020)**

Published January 2020

**ARTICLE ONE**

**NAME:** The name of this Association shall be Nishnabotna Valley Rural Electric Cooperative.

**ARTICLE TWO**

**PLACE OF BUSINESS:** The principal place of business shall be the City of Harlan, in the County of Shelby, State of Iowa.

**ARTICLE THREE**

**PURPOSES, POWERS:** The purpose and powers of this Association are:

1. To generate, manufacture, purchase, acquire, and accumulate electric energy and to transmit, distribute, furnish, sell, and dispose of such electric energy to its members; to construct, erect, purchase, lease as lessee, and in any manner acquire, own, hold, maintain, dispose of, sell, operate, lease as lessor, exchange, and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment, and transmission and distribution lines or systems necessary, convenient, or useful for carrying out and accomplishing any of the foregoing purposes; to construct, erect, purchase, lease as lessee and in any manner, acquire, own, hold, maintain, operate, sell, dispose of, lease as lessor, exchange and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment for communication, telecommunications, engineering, computer, master billings, centralized printing, land and industrial development, group purchasing, inventory control, telephone, water supply, waste management, television and/or transmission and distribution lines or systems necessary, convenient or useful for carrying out and accomplishing any of the foregoing purposes. The Association may do and perform any and all acts and things, and to have and exercise any and all powers, as may be necessary or convenient to accomplish any or all of the foregoing purposes as set forth in this Article and in this section, or as may be permitted by the provisions of the laws under which the association is formed; and to exercise any of its power anywhere.
2. To purchase, receive, lease as lessee, or in any other manner acquire, own, hold, maintain, use, sell, convey, exchange, mortgage, pledge, or otherwise dispose of any and all real and personal property or any interest therein necessary, useful, or appropriate to enable this Association to accomplish any and all of its purposes.

3. To acquire, own, hold, use, exercise, and, to the extent permitted by law, to sell, mortgage, pledge, hypothecate, and in any manner dispose of franchises, rights, and privileges, licenses, rights of way, and easements necessary, useful, or appropriate to accomplish any or all of the purposes of this Association.

4. To assist its members by wiring or causing to be wired their premises and by installing and causing to be installed therein electric and plumbing appliances, fixtures, machinery, supplies, apparatus, and equipment of any and all kinds and character, and, in connection therewith, and for such purposes, to enter into and carry out all agreements necessary and advisable in connection therewith, and to purchase, acquire, lease, sell, distribute, install and repair electric and plumbing appliances, fixtures, machinery, supplies, apparatus, and equipment of any and all kinds and character, and to receive, acquire, endorse, guarantee, pledge, hypothecate, transfer, and otherwise dispose of notes and other evidences of indebtedness and all security therefor.

5. To borrow money and otherwise contract indebtedness, and give any form of obligation or security therefor and, without limiting the generality of the foregoing, to issue notes, bonds, or other evidences of indebtedness, and to mortgage or pledge any of its property, assets, franchises and income.

6. To make advances to or for account of members and take any form of obligation or security therefor, to acquire, hold, transfer or pledge any obligation, and to make any contract, endorsement or guaranty deemed desirable incident to the transfer or pledge of any such obligation or security.

7. To do and perform, either for itself or its members, any and all acts and things, and to have and exercise any and all powers, as may be necessary or convenient to accomplish any or all of the foregoing purposes and to exercise any of its powers anywhere.

8. To deal with non-members in the manner and as provided in Chapter 390 G1 Code of Iowa, 1935, under which law this Association is incorporated.

## **ARTICLE FOUR**

**MEMBERSHIP.** The initial incorporators of the Association shall be members of the Association. Any individual, acting for himself, herself, or as an accredited representative of an association, corporation, partnership or organization and who customarily uses the services rendered by the Association may become a member in the Association by:

- (a) agreeing to purchase electric energy from the Association; and
- (b) agreeing to comply with and be bound by these Articles of Incorporation and the By-laws and any amendments thereof, and such rules and regulations as may from time to time be adopted by the Board of Directors; provided, however, that no applicant, except the incorporators, shall become a member in the Association unless and until the applicant has been accepted for membership by the affirmative vote of a majority of the members of the board of directors. The action of the Board of Directors with respect thereto shall be final. Any other cooperative association formed under Chapter 499 of The Code of Iowa and engaged in any activity directly or indirectly relating to any activity, in which the Cooperative is engaged, is also eligible to membership subject to the foregoing provisions of this Section.

This association shall have no capital stock and participation in the affairs of this Association or affiliation therewith shall be by membership. The rights of all members shall be equal. Memberships shall be issued to those eligible and accepted. No member may hold more than one membership and no member shall be entitled to more than one vote at the meetings of this Association.

No member who is not a member in good standing in accordance with the policies of the Association shall be allowed to vote at any regular or special meeting.

All votes shall be cast in the manner prescribed in the Bylaws of the Association. Voting by proxy shall be prohibited.

Membership may be lost and the Board of Directors may expel any member who has attempted to transfer his membership or has willfully violated any articles of the By-Laws which provides such penalty.

Spouses may jointly become a member and the application for a joint membership may be accepted in accordance with the foregoing provisions of this section provided the spouses comply jointly with the provisions hereof. The change to a joint membership shall be documented in writing. The words "member," "applicant", "person", "his", "him", and "them" or "their" as used in these Articles, shall include both spouses holding a joint 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 Director of the Cooperative, but only if both meet the qualifications required therefore; (e) neither will be permitted to have any additional service connections except through their one joint membership.

(f) When a membership is held jointly, upon the death of one of the joint members, such membership shall be deemed to be held solely by the surviving joint member with the same effect as though such membership had been originally issued solely to the survivor, and the joint membership certificate may be surrendered by the survivor and upon the recording of such death on the books of the Cooperative, the certificate may be reissued to, and in the name of such survivor; provided, however, that the estate of the deceased shall not be released from any membership debts or liabilities to the Cooperative.

(g) 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 to occupy, own, 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 with the spouse that no longer is an occupant or owner, provided, that said person shall not be released from any debts or liabilities of the joint membership. Any patronage dividends issued after such divorce, separation or termination of the joint membership for the period of the joint membership

shall be payable to all holders of the joint membership unless otherwise agreed in writing by all persons who were parties to the joint membership or otherwise established by court order.

## **ARTICLE FIVE**

**EXPIRATION:** The Corporate Life of this Association shall begin on the date of the issuance of its Certificate of Incorporation by the Secretary of the State of Iowa and shall be perpetual unless dissolved in any manner provided by the laws of the State of Iowa.

## **ARTICLE SIX**

The directors shall, at their first meeting following the annual meeting of the members hereinafter provided, elect from their own number a President, a Vice-President, a Secretary and a Treasurer. The Secretary and Treasurer may be the same person.

They may also elect such other officers as may be provided for by the By-Laws of this Association.

The first meeting of the Board of Directors shall be held in the office of the Association, at Harlan, Shelby County, Iowa, immediately after the first meeting of the members of this Association as specified in Article Eleven of these Articles of Incorporation. The regular meeting of the Board of Directors shall be held at such time and place as determined by the Board.

Special meetings of the Board of Directors may be held at such time and place as may be determined by the President, who shall give notice thereof in writing to each director. Such notice shall be delivered by mail addressed to him or her at his or her postal address as the same appears in the Records of the Association, or by electronic means as long as delivery can be verified, at least five (5) days prior to the date of such meeting.

Any director may be removed by a majority vote of all voting members of the Association at any meeting called for that purpose.

All officers elected by the Board of Directors as herein before provided shall serve for a term of one (1) year or until their successors have been elected and have qualified.

## **ARTICLE SEVEN – Annual Meeting**

The Annual Meeting of the members of this Association shall be held on such date as is established by resolution of the Board of Directors of the Association, and as is contained in the notice of the meeting mailed to all members of the Association. In the event the member elects to conduct business with the Association by electronic means, such notice could be delivered by electronic means rather than by mail. All annual meetings shall be held at such location determined by the Board of Directors within the Counties served by the Association.

## **ARTICLE EIGHT – Special Meeting**

The directors may call special meetings of members and shall do so upon written demand of twenty per centum (20%) of the members and unless the member waives it in writing, each member shall be entitled to receive ten (10) days written notice of the time and place

of all special meetings and of the purposes thereof. Such notice shall be given to the member in person or by mail directed to the member's address as shown on the books of the Association, or by publication in a newspaper of general circulation, published at Harlan, in the County of Shelby, State of Iowa.

### **ARTICLE NINE – Limitation of Liabilities**

The private property of the members hereof shall be exempt from execution for the debts of this Association and the said members shall incur no personal liability for the obligations of the said Association.

### **ARTICLE TEN – Distribution of Earnings, Assets**

The Directors shall annually dispose of the earnings of the Association in excess of its operating expenses as follows:

1. To provide a reasonable reserve for depreciation, obsolescence bad debts, or contingent losses or expenses.
2. At least ten percent (10%) of the remaining earnings must be added to surplus until surplus equals either thirty percent (30%) or the total of all paid in for stock or memberships plus all unpaid patronage dividends plus certificates of indebtedness payable upon liquidation, earnings from non-member business, and earnings arising from the earnings from other cooperative organizations of which the Association is a member, or one thousand dollars (\$1,000) whichever is greater. No addition shall be made to surplus when it exceeds either fifty percent (50%) of the total or one thousand dollars (\$1,000) whichever is greater.
3. The directors shall determine the percentage or the amount of said allocation that currently shall be paid in cash. All said remaining allocation not so paid in cash shall be transferred to the revolving fund and credited to said members and subscribers.
4. (Deleted by Amendment of September 26, 1977.)
5. All remaining net earnings shall be allocated to a revolving fund and shall be credited to the account of each member ratably in proportion to the business he has done with the Association during such year. Such credits are herein referred to as "deferred patronage dividends." Said revolving fund may be used to pay obligations of the Association or to add to the capital of the Association, in which event the deferred patronage dividends credited to members shall constitute a charge upon the revolving fund and future additions thereto and on the corporate assets subordinate to creditors then or thereafter existing.
6. The Directors may use the revolving fund to pay the obligations or add to the capital of the association. In such event the deferred patronage dividends credited to members shall constitute a charge upon the revolving fund and future additions thereto and on the corporate assets subordinate to creditors then or thereafter existing. Deferred patronage dividends for any year shall have priority over those for any subsequent year, except that the Directors may, at their discretion, pay deferred patronage dividends of deceased natural persons who are members or patrons, and all other deferred patronage dividends, without reference to the order of priority herein prescribed, except as in Section 9 of this Article Ten provided. The payment shall be made upon such terms and conditions as the Board of Directors,

- acting under policies of General Application and the legal representatives of such member's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.
7. This Association may issue certificates for deferred patronage dividends, which certificates may be transferable or non-transferable as the Board of Directors may, from time to time, determine.
  8. Credits or certificates referred to in Section 4 and 7 of this Article Ten shall not mature until the dissolution or liquidation of the Association, but shall be callable by the Association at any time in the order of priority specified in Section 6 of this Article Ten.
  9. Upon dissolution or liquidation, the assets of this Association shall be applied, first, to pay liquidation expenses, next to pay obligations of this Association other than patronage dividends or certificates issued therefor; and the remainder of such assets shall be distributed in the following priority:
    - (a) To pay any deferred patronage dividends or certificates issued therefor. If the fund is insufficient to pay them all, it shall be prorated regardless of the priority specified in Section 6 of this Article Ten.
    - (b) To pay members the amounts of which their memberships were originally issued, if any, and if the same has not already been refunded, without interest or dividends thereon.
    - (c) Any remaining assets shall be distributed among the members at the time of the dissolution or liquidation in proportion to their deferred patronage dividends.

## **ARTICLE ELEVEN – Directors and Officers**

Pending the election of a Board of Directors at the first annual meeting of this Association as provided in Article Seven of the Articles of Incorporation, there shall be called a special meeting of the members of this Association ten (10) days after issuance of Certificate of Incorporation by Secretary of State, and at such meeting a temporary Board of Directors shall be elected, which Board shall serve until the first regular election of the Board of Directors is held at the first annual meeting of the Association.

At this first meeting of the Directors as provided in Article Six hereof they shall elect from their own number a President, a Vice-President, a Secretary, and a Treasurer, together with such other officers as they may deem proper to serve until the regular election of officers as provided in Article Six hereof. The Secretary and Treasurer may be the same person.

No Member shall be eligible to become or remain a Director or to hold any position of trust in the Association who:

- (1) is not a member of the Association, residing in the district from which the director is elected;
- (2) within ten (10) years preceding a director candidate's nomination was or during service on the Board of Directors is finally adjudged to be guilty of a felony;
- (3) within ten (10) years preceding a director candidate's nomination was an employee of the Association or the spouse of an employee of the Association;
- (4) is or becomes, or at any time during the ten (10) years preceding a director candidate's nomination shall have been, employed by a labor union which

represents, or has represented, or has endeavored to represent any employees of the Association;

(5) is a grandparent, parent, co-habitant, child, or grandchild of an employee of the Association;

(6) is a person that is a grandparent, parent, co-habitant, child, or grandchild of an incumbent director whose district seat is not up for re-election at that time; (7) is in any way employed by or substantially financially interested in an enterprise competing with the Association or any Association-affiliated business; (8) is or becomes the full-time employee or agent of, or who is or becomes the full-time employer or principal of, another director;

(9) is engaged in conduct that is a violation of law or violation of a Association policy or policies, or whenever a director has materially failed to satisfy his/her duties as a director, including the duty to regularly attend meetings of the Board of Directors; or

(10) is employed by, materially affiliated with, or has a financial interest in, any individual or entity possessing a conflict of interest with the Association or a Association subsidiary.

For purposes of this Section, financially interested shall not include beneficial ownership of less than 5% of the bonds or the combined voting power of all issued and outstanding voting securities of a publicly held corporation whose stock is traded on a major stock exchange or quoted on NASDAQ.

In regard to the restrictive provisions of this Section that are based upon close relative relationships, no incumbent director shall lose eligibility to remain a director or to be re-elected a director if, during a director's incumbency, a director becomes a first kindred relative of another incumbent director or of a Association employee because of a marriage or an adoption to which the director was not a party."

## **ARTICLE TWELVE – By-Laws**

The Corporation may make and alter its By-Laws at the pleasure and may authorize its Board of Directors to do so subject to such restrictions as the said By-Laws may provide.

## **ARTICLE THIRTEEN – Incorporators**

The Incorporators of this association together with their occupations and postal addresses are the following:

George H. Hess .....Farmer .....Harlan, IA  
John F. Lee .....Farmer .....Harlan, IA  
Julius A. Lensch .....Farmer .....Walnut, IA  
Emory Frederickson .....Farmer .....Elk Horn, IA  
Walter Pedersen .....Farmer .....Harlan, IA Jacob  
Schomer .....Farmer .....Harlan, IA  
A.C. Stessman .....Farmer. ....Earling, IA Anton  
C. Jensen .....Farmer .....Irwin, IA  
Alfred O. Larsen .....Farmer .....Kirkman, IA

## **ARTICLE FOURTEEN – Sale or Other Disposition of Assets Other Than in Regular Course of Business**

1. A sale, lease, exchange or other disposition of all or substantially all of the property and assets of the Association, with or without the good will, if not made in the usual and regular course of business, may be made upon terms and conditions and for such consideration which may consist in whole or in part of money or property, real or personal, including shares of any other cooperative association organized under the statutes of the State of Iowa, as long as such sale, lease, exchange or other disposition is authorized in the following manner: (a) The Board of Directors of the Association shall adopt a resolution recommending the sale, lease, exchange or other disposition and directing the submission thereof to a vote at a meeting of the membership, which may be either an annual or special meeting.

(b) Written or printed notice of the proposal shall be given to each member of record entitled to vote at the meeting within a time and in the manner provided by these Articles of Incorporation for the giving of notice of meetings of members and whether the meeting be an annual or a special meeting shall state that the purpose, or one of the purposes of the meeting is to consider the proposed sale, lease, exchange or other disposition of substantially all of the property and assets of this Association.

(c) At the meeting the membership may authorize the sale, lease, exchange or other disposition and may fix or may authorize the Board of Directors to fix any and all of the terms and conditions thereof and the consideration to be received by this Association. Such authorization shall be approved if two thirds (2/3) of the members vote affirmatively on a ballot on which a majority of all voting members of the Association participate.

(d) After the authorization by the vote of members, the Board of Directors of the Association may nevertheless, in its discretion, abandon the sale, lease, exchange or other disposition of assets, subject to the rights of third parties under any contracts relating thereto without further action or approval by the members.

## **ARTICLE FIFTEEN – Personal Liability of Directors, Officers, Employees, or Members**

Except as otherwise provided by Iowa law, a director, officer, employee, or member of the Association is not liable on the debts or obligations, and a director, officer, member or other volunteer is not personally liable in that capacity for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for a breach of the duty of loyalty to the Association, for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or for a transaction from which the person derives an improper personal benefit.

The Association may indemnify any present or former director, officer, employee, member or volunteer in the manner and in the instances authorized in Section 499.59A of the Iowa Code (2019) as amended.



## **ARTICLE SIXTEEN – Dispute Resolution**

The Association shall attempt to resolve any claim or dispute which may arise between the Association and a member, former member, or customer who has received electric service in a good faith manner. In resolving such disputes, the Association shall give consideration to: (1) applicable laws; (2) rules and regulations imposed by state and federal agencies; (3) these Articles of Incorporation; (4) the Association's bylaws, policies, practices, plans, and procedures; (5) industry standards; and (6) the individual facts and circumstances regarding the claim or dispute.

If a member, former member, or customer who has received electric service is not satisfied with the Association's resolution of the claim or dispute, all matters subject to the jurisdiction of the Iowa Utilities Board shall be resolved by the Iowa Utilities Board or, if and when appropriate, the applicable regulatory body with jurisdiction over the Association and the matter.

All other claims and disputes shall, at the request of either the Association or the member, former member, or customer who has received electric service, first be submitted to mediation conducted by an impartial mediator agreed to by the parties. In the event the claim or dispute is not resolved through mediation, then such shall, at the request of either the Association or the member, former member, or customer who has received electric service, be submitted to binding arbitration to be conducted in accordance with the policies adopted by the Board of Directors of the Association. In absence of such policies, or in the event such policies are incomplete, the provisions of Iowa Code 679A (Arbitration), as it may be amended from time to time, shall apply to the extent it is not inconsistent with the policies adopted by the Association.

Notwithstanding the foregoing, the Association reserves the right to pursue collection of a debt owed by any member, former member, or customer who has received electric service through other means, including but not limited to use of a collection agency, small claims court, and other applicable courts. Further, any claim where the amount in controversy is less than the small claims jurisdictional amount may be resolved without utilizing the alternate dispute resolution procedures set forth in this Article.

Every member, by becoming or continuing to be a member, agrees to the foregoing, and agrees to be bound by the Bylaws of the Association. The Bylaws and these Articles of Incorporation constitute an agreement between the Association and the members.

## **ARTICLE SEVENTEEN – Amendments**

Amendments to these Articles may be made at any annual meeting of the members or at any special meeting called for that purpose when a two-thirds majority of all members participating in such meeting by voting as prescribed in the Bylaws vote for such amendment.

# By-Laws

(as amended through March 2023)

Published March 2023

## ARTICLE I – Members

1. The limitations, condition, restrictions and rights pertaining to membership and the privileges, duties and obligations of members are set forth in the Articles of Incorporation of this Association.
2. ALL customers' service lines constructed by this Association for the purpose of furnishing electric energy to the Members of this Association shall at all times be deemed the property of this Association and the Association shall have the right of access to the premises of any Member of the Association for the purpose of serving any such service line and removing the same if the person ceases to be a Member of this Association.
3. No member whose fees are not fully paid or who is indebted in any manner to this Association for current bills or any other indebtedness to the Association, and the same having not been paid within 40 days from the date the same becomes due, shall not be entitled to vote as a member of this Association at any regular or special meeting.

## ARTICLE II – Meeting of Members

**Section 1** – Annual Meeting. Beginning with the year 1973 and thereafter, the regular Annual Meeting of the members shall be held on the date and at the time and place as shall be designated in the notice of the meeting at such location determined by the Board of Directors within the Counties served by the Association 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 day fixed for the Annual Meeting shall be a Sunday or legal holiday, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any Annual Meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon as conveniently may be designated. Failure to hold the Annual Meeting at the designated time shall not work a forfeiture of or dissolution of the Cooperative.

**Section 2** A majority vote of the members present shall be sufficient for the transaction of business at all meetings of the members of this Association, except as otherwise by law or the Articles of Incorporation provided.

**Section 3** Each member shall be entitled to one vote only in the affairs of this Association.

**Section 4** The Secretary of this Association shall, at least fifteen (15) days prior to each meeting of the members of this Association, make a complete list arranged in alphabetical order of the members entitled to vote at such meeting and their addresses. Such list shall be produced and kept open at the time and place of each meeting and shall be subject to the inspection of any member during the time of the meeting.

**Section 5** Except as otherwise provided by law, the presence of the lesser of ten percent (10%) of the members outstanding or one hundred (100) members shall constitute a quorum necessary for the transaction of business at any Annual Meeting or Special Meeting of the members. A member who is not present in person, but has voted in advance of the meeting, shall be counted present for purposes of determining whether a quorum is present to transact any other business. If less than a quorum is present at any meeting, a majority of those present may adjourn the meeting from time to time without further notice.

**Section 6 (a) – Voting Districts.** The territory served or to be served by the Cooperative shall be divided into seven Districts, each of which shall contain as nearly as possible the same number of members. The districts shall be as follows:

DISTRICT NO. 1 shall consist of Grove, Union, Greeley, Washington, Cass, and Westphalia Townships, Shelby County, Iowa; Cass Township, Harrison County, Iowa.

DISTRICT NO. 2 shall consist of Douglas, Polk, Center, and Jackson Townships, Shelby County, Iowa.

DISTRICT NO. 3 shall consist of Iowa and Nishnabotna Townships, Crawford County, Iowa; Jefferson Township, Shelby County, Iowa; Lincoln, Douglas, Leroy, Sharon, and Hamlin Townships, Audubon County, Iowa.

DISTRICT NO. 4 shall consist of Lincoln, Shelby, and Fairview Townships, Shelby County, Iowa; Washington Township, Harrison County, Iowa; Minden, Pleasant, and Knox Townships, Pottawattamie County, Iowa.

DISTRICT NO. 5 shall consist of Monroe and Clay Townships, Shelby County, Iowa; Oakfield and Exira Townships, Audubon County, Iowa; Layton Township, Pottawattamie County, Iowa; Brighton Township, Cass County, Iowa.

DISTRICT NO. 6 shall consist of York, James, Valley, Washington, Belknap, Carson, Center, and Grove Townships, Pottawattamie County, Iowa.

DISTRICT NO. 7 shall consist of Waveland, Lincoln, and Wright Townships, Pottawattamie County, Iowa; Pleasant, Noble, Washington, Cass, and Bear Grove Townships, Cass County, Iowa.

At such time as the membership in the Districts herein established shall become disproportionate, the Districts, including both territory included therein and the number of Directors allotted thereto, shall be changed by resolution of the Board of Directors so that the Districts contain, as nearly as possible, an equal number of members.

**Section 6 (b) qualification and Tenure.** At the 1977 Annual Meeting of the members to be held on the date specified in Resolution of Directors and at each Annual Meeting of the members thereafter, Directors from the Districts where the terms have expired shall be elected by ballot by the members of the Cooperative to succeed those Directors whose terms of office have expired, to serve for a term of three years until their successors have been elected and shall have qualified. No member shall be eligible to become a Director or to hold any position of trust in the Cooperative who is not a bona fide resident of the Director District for which such Director is selected to represent and no member shall be eligible to become or remain a Director or to hold any position

of trust in the Cooperative if said member is in any way employed by or financially interested in a competing enterprise of a business selling electric energy or supply to the Cooperative or a business primarily engaged in selling electrical and plumbing appliances, fixtures or supplies to the members of the Cooperative. No Director shall be eligible to remain a Director beyond the next Annual Meeting of members if said Director is not a bona fide resident of the Director District for which such Director is selected to represent.

**Section 7.** The order of business at the annual meeting of the members of this Association and, so far as possible, at all other meetings of the members of this Association, may be as follows:

1. Call of the roll.
2. Reading of the notice of the meeting, together with the proof of the due giving thereof.
3. Presentation of unapproved minutes of previous meetings of the members of this Association and the taking of necessary action thereon.
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.

**Section 8 (a) – Nomination of Directors.** It shall be the duty of the Board of Directors to appoint, at least ninety (90) days before the date of the meeting of members at which Directors are to be elected, a committee on nominations, which committee shall, for the purpose of the election of Directors, consist of one member from each District in which a Director is to be elected and two members to be selected at large so as to insure equitable representation. No member of the Board of Directors shall serve on such a committee. The committee shall prepare and post at the principal office of the Cooperative at least forty-five (45) days before the meeting a list of the nominations for Directors. Any 15 or more members acting together may make other nominations by petition not less than thirty-seven (37) days prior to the meeting and the Secretary shall post such nomination at the same place where the list of nominations made by the committee is posted, providing that said nominations made by petition shall be limited to members of the District from which a Director is to be elected, and the petitioners must also be from said District.

The Secretary shall mail with the notice of the meeting or separately, but at least (10) days before the date of the meeting, a statement of the number of Directors to be elected and the names of the candidates. In the event the member elects to conduct business with the Association by electronic means, such notice could be delivered by electronic means rather than by mail. The names shall be arranged by Districts and shall specify separately the nominations made by the committee on nominations and also the nominations made by petition, if any. Notwithstanding anything contained in this section, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of Director.

**Section 8 (b) – Election of Directors.** Election of Directors shall be by printed ballot or as determined by the Board of Directors. The ballots shall list

the candidates nominated by the committee on nominations and by petition, if any, arranged by Districts. Each member of the cooperative shall be entitled to vote for one candidate from each District from which a Director is to be elected. The candidate from each District receiving the highest number of votes shall be considered elected as Director.

**Section 8 (c) – Vacancies.** Vacancies occurring in the Board of Directors shall be filled by a 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. Any member selected to fill any vacancy in the office of director shall be a bona fide resident of the district represented by the director whose death, resignation or recall from office created such vacancy.

### **ARTICLE III – Directors**

1. The Directors of this Association shall be elected for the terms and in the manner set forth in Article II - of these By-Laws.
2. Compensation. Directors as such shall not receive any salary for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board of Directors, committee meetings, or other activity on behalf of the Cooperative as may be authorized and approved by the Board of Directors or membership. 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.
3. The Board of Directors shall have power to make and adopt such rules and regulations not inconsistent with the Articles of Incorporation or these By-Laws or the laws of the State of Iowa for the management, administration and regulation of the business and affairs of this Association as the Board of Directors may deem advisable.

### **ARTICLE IV – Meetings of Directors**

1. An organizational meeting of the Board of Directors shall be held without notice other than this By-Law, following each annual meeting of the members of this Association for the purpose of the election of officers of the Cooperative for the ensuing year. A regular meeting of the Board of Directors shall be held monthly at such time and place as the Board may provide by resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.
2. Special meetings of the Board of Directors may be called by the President or any four (4) directors. The President or any four (4) or more directors who shall, pursuant hereto, call a special meeting of the Board of Directors shall fix the time and place for the holding of any such special meeting of the Board of Directors called by them.
3. Notice of the time, place and purpose of any special meeting shall be given at least two (2) days previous thereto by written notice, delivered personally or mailed to the several directors at their last known addresses. Any director may waive notice of any meeting. The attendance of a director at

any meeting shall constitute a waiver of notice of such meeting, except in the event that 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.

4. 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 shall be present at said meeting, a majority of the directors present may adjourn a meeting from time to time without further notice.

5. 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.

6. Telephonic or electronic meetings - When agreed to by not less than three-fourths (3/4) of the members of the Board, and after a bona fide effort has been made to contact all of the members, a Special Meeting of the Board may be held by conference telephone call or such other electronic means as would allow each of the Board members to fully participate in the meeting and communicate with one another. In such event, the regular requirements as to notice and place of Special Meeting shall not apply. Such meeting shall consider only the questions which the President or the other Board members calling the meeting have indicated to the members of the Board require action without the formality of calling a Special Meeting as provided in this Article. Actions taken during such meeting shall be taken in the same manner and shall have the same force and effect as those taken during regularly held meetings of the Board.

## **ARTICLE V – Officers**

1. The officers of this Association shall be those set forth in the Articles of Incorporation.
2. The Directors shall also choose and may remove such other officers and employees as they deem proper.
3. The President:
  - (a) shall be the principal executive officer of this Association and shall preside at all meetings of the members of this Association and of the Board of Directors;
  - (b) may sign, with the Secretary, or any other proper officer of this Association, authorized by the Board of Directors so to do, certificates for membership in this Association, any deeds, mortgages, 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 By-Laws to some other officer or agent of this Association, 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.
4. In the absence of the President, or in the event of his inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions

upon the President and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

5. The Secretary shall

- (a) keep the minutes of the meetings of the members and the Board of Directors;
- (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 this Association and see that the seal of this Association is affixed to all certificates for memberships prior to the issue thereof and to all documents, the execution of which on behalf of this Association under its seal is duly authorized in accordance with the provisions of these By-Laws;
- (d) keep a register of the post office address of each member which shall be furnished to the secretary by such member;
- (e) sign with the President certificates for memberships of the Association, the issue of which shall have been authorized by resolution of the Board of Directors;
- (f) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.

6. The treasurer shall

- (a) have charge and custody of and be responsible for all funds and securities of this Association;
- (b) receive and give receipts for moneys due and payable to this Association from any source whatsoever, and deposit all such moneys in the name of this Association in such banks as shall be selected in accordance with the provisions of paragraph number 2 of Article VI 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 him by the Board of Directors.

7. The Board of Directors may appoint, a manager, who may be, but who shall not be required to be a member of this Association. The manager shall perform such duties as the Board of Directors may from time to time require of him and shall have such authority as the Board of Directors may from time to time vest in him. The manager may be authorized to superintend the care, management and use of all property of the Association and subject to control by the Board of Directors, hire and discharge employees, purchase and sell property of the Association in the regular course of business and in general manage the business and affairs of this Association.

8. The Board of Directors shall require the Treasurer and any manager and any other officer or employee of this Association charged with responsibility for the custody of any of its funds or property to give bonds for the faithful discharge of their duties, in such form and containing such terms and conditions, and with such surety or sureties as the Board of Directors shall determine.

9. The salaries of the officers of this Association shall be fixed from time to time by the members, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of this Association. The

salaries, duties and terms of employment of all other employees, and manager, if any, of this Association shall be fixed and determined by the Board of Directors .

10. The officers of this Association may submit at each annual meeting of the members reports covering the business of this Association for the previous fiscal year and showing the condition of this Association at the close of such fiscal year.

## **ARTICLE VI – Deposits, Checks and Execution of Instruments**

1. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of this Association shall be signed by such officer or officers of this Association or by the manager, if authorized so to do by the Board of Directors and in such manner as shall from time to time be determined by a resolution of the Board of Directors.
2. All funds of this Association shall be deposited from time to time to the credit of this Association in such bank or banks as the Board of Directors may select.
3. The Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of this Association, and such authority may be general or confined to specific instances.

## **ARTICLE VII – Membership Certificates**

1. A member may, at their discretion, request a certificate representing membership in this Association and shall contain all of the provisions; required to be contained therein by Chapter 499, Code of Iowa, 1975, and any amendments thereto, and shall be in such form as shall be signed by the President and by the Secretary of this Association and shall be sealed with its seal. Each certificate, among other things, shall state:
  - (a) that no dividends shall be payable upon the issuing price of membership in this Association, provided, however, that this limitation shall not prohibit the payment of patronage refunds except as herein and in the Articles provided;
  - (b) that all members shall have the same rights, privileges and duties, including the right to vote; and
  - (c) that no membership shall be transferable and all certificates thereof shall be surrendered to the Association upon member becoming ineligible to membership or upon the death, expulsion or withdrawal of the member holding such certificates.
2. No certificates of membership shall be issued until the issuing price of such membership has been fully paid for in cash and such payment has been deposited with the Treasurer of this Association.

## **ARTICLE VIII – Fiscal Year**

The fiscal year of this Association shall begin on the first day of January in each year and end on the thirty-first day of December in each year.



## **ARTICLE IX – Earnings Distribution**

The conduct of the business of this Association shall be upon the cooperative plan and the earnings of this Association shall be distributed among members in accordance with the Articles of Incorporation.

## **ARTICLE X – Seal**

The corporate seal of this Association shall be in the form of a circle and shall have inscribed thereon the name of this Association and the words, “Corporate Seal, Iowa.”

## **ARTICLE XI – Dispute Resolution**

The Association shall attempt to resolve any claim or dispute which may arise between the Association and a member, former member, or customer who has received electric service in a good faith manner. In resolving such disputes, the Association shall give consideration to: (1) applicable laws; (2) rules and regulations imposed by state and federal agencies; (3) the Articles of Incorporation; (4) these bylaws, and the Association’s policies, practices, plans, and procedures; (5) industry standards; and (6) the individual facts and circumstances regarding the claim or dispute.

If a member, former member, or customer who has received electric service is not satisfied with the Association’s resolution of the claim or dispute, all matters subject to the jurisdiction of the Iowa Utilities Board shall be resolved by the Iowa Utilities Board or, if and when appropriate, the applicable regulatory body with jurisdiction over the Association and the matter.

All other claims and disputes shall, at the request of either the Association or the member, former member, or customer who has received electric service, first be submitted to mediation conducted by an impartial mediator agreed to by the parties. In the event the claim or dispute is not resolved through mediation, then such shall, at the request of either the Association or the member, former member, or customer who has received electric service, be submitted to binding arbitration to be conducted in accordance with the policies adopted by the Board of Directors of the Association. In absence of such policies, or in the event such policies are incomplete, the provisions of Iowa Code 679A (Arbitration), as it may be amended from time to time, shall apply to the extent it is not inconsistent with the policies adopted by the Association.

Notwithstanding the foregoing, the Association reserves the right to pursue collection of a debt owed by any member, former member, or customer who has received electric service through other means, including but not limited to use of a collection agency, small claims court, and other applicable courts. Further, any claim where the amount in controversy is less than the small claims jurisdictional amount may be resolved without utilizing the alternate dispute resolution procedures set forth in this Article.

Every member, by becoming or continuing to be a member, agrees to the foregoing, and agrees to be bound by the Bylaws of the Association. The Bylaws and the Articles of Incorporation constitute an agreement between the Association and the members.

## **ARTICLE XII – Amendments**

The Directors by a vote of seventy-five percent (75%) of the Directors may adopt, alter, amend or repeal By-Laws for the Association, which shall remain

in force until altered, amended or repealed by vote of seventy-five percent (75%) of the members present and having voting privileges, at any annual meeting or special meeting of the membership.