




# BYLAWS



Clay Electric  
Co-operative, Inc.

A Touchstone Energy® Cooperative 



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# **BYLAWS OF CLAY ELECTRIC CO-OPERATIVE, INC.**

## **ARTICLE I MEMBERS**

### **SECTION 1. Qualifications and Obligations.**

Any natural person, firm, association, corporation, limited liability company, partnership, or body politic may become a member in the Cooperative by:

- (a) Paying the membership fee hereinafter specified;
- (b) Agreeing to purchase from the Cooperative electric energy as hereinafter specified; and
- (c) Agreeing to comply with and be bound by the certificate of incorporation of the Cooperative and these bylaws and any amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Trustees.

Provided, however, that no natural person, firm, association, corporation, limited liability company, partnership or body politic shall become a member unless and until the prospective member has been accepted for membership by the Board of Trustees or the members. However, the Cooperative shall provide power to anyone in its service territory, regardless of membership in the cooperative. At each meeting of the members held subsequent to the expiration of a period of six (6) months from the date of incorporation of the Cooperative, all applications received more than ninety (90) days prior to such meeting and which have not been accepted by the Board of Trustees shall be submitted by the Board of Trustees to such meeting of the members and, subject to compliance by the applicant with the conditions set forth in subdivisions (a), (b) and (c) of this section, such applications for membership may be accepted by a vote of the members at such meeting. No natural person, firm, association, corporation, limited liability company, partnership or body politic may own more than one (1) membership in the Cooperative.

Any individuals residing in the same residence may jointly become a member and their application for joint membership may be accepted in accordance with the foregoing provisions of this section provided the individuals comply jointly with the provisions of the above subdivisions (a), (b) and (c). **(As amended 2018)**

### **SECTION 2. Membership fees.**

The membership fee shall be \$5.00, the payment of which shall make the member eligible for one (1) service connection. An additional fee of \$5.00 shall be paid for each additional service connection requested by a member.

### **SECTION 3. Purchase of Electric Energy.**

Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises specified in the application for membership, and shall pay therefore monthly rates which shall from time to time be fixed by the Board of Trustees. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the

capital so furnished as provided in these bylaws. Each member shall pay the Cooperative such minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the Board of Trustees from time to time. Each member shall also pay all amounts owed by the member to the Cooperative as and when the same shall become due and payable. **(As amended 2018)**

#### **SECTION 4. Non-Liability for the 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 members shall be individually liable or responsible for any debts or liabilities of the Cooperative. **(As amended 2018)**

#### **SECTION 5. Expulsion of Members.**

The Board of Trustees of the Cooperative may, by affirmative vote of not less than two-thirds (2/3) of the members thereof, expel any member who shall have violated or refused to comply with any of the provisions of the certificate of incorporation of the Cooperative, of these bylaws, or any rules or regulations adopted from time to time by the Board of Trustees. Any member so expelled may be reinstated as a member by a vote of the members at an annual or special meeting of the members. The action of the members with respect to any such reinstatement shall be final. **(As amended 2018)**

#### **SECTION 6. Withdrawal of Members.**

Any member may withdraw from membership upon payment in full of all debts and liabilities of such member to the Cooperative and upon compliance with such terms and conditions as the Board of Trustees may prescribe. **(As amended 2018)**

#### **SECTION 7. Transfer and Termination of Membership.**

- (a) Membership in the Cooperative shall not be transferable, except as hereinafter otherwise provided, and upon the death, cessation of existence, expulsion or withdrawal of a member the membership of such member shall thereupon terminate, and the certificate of membership of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release the member from the debts or liabilities of such member to the Cooperative. **(As amended 2018)**
- (b) A membership may be transferred by a member to himself or herself and to another individual, as the case may be, jointly upon the written request of such member and compliance by such prospective member jointly with the provisions of subdivision (b) and (c) of Section 1 of this Article. Such transfer shall be made and recorded on the books of the Cooperative and such joint membership noted on the original certificate representing the membership transferred.
- (c) When a membership is held jointly by two or more members, upon the death of either, such membership shall be deemed to be held solely by the survivor and upon the recording of such death on the books of the Cooperative, the certificate may be re-issued 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. **(As amended 2018)**

**SECTION 8. Removal of Trustees and Officers.**

Any member may bring charges against an officer or trustee by filing them in writing with the Secretary, together with a petition signed by ten per-centum (10%) of the members, requesting the removal of the officer or trustee in question. The removal shall be voted upon at the next regular or special meeting of the members and by a vote of a majority of the members present in person, the officer or Trustee may be removed, and the vacancy may be filled by the members. The Trustee or officer against whom such charges have been brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence; and the person or persons bringing the charges against said member shall have the same opportunity. **(As amended July 14, 1978)**

**SECTION 9. Certification of Membership.**

The Cooperative shall maintain an electronic list of all members in the Cooperative. This list shall be the official certification as to membership in the Cooperative. **(As amended 2018)**

**ARTICLE II**

**SECTION 1. Annual Meeting.**

An annual meeting of the members shall be held each year hereafter on some day during the calendar months of July, August and September, the exact date during said period to be specified by the Board of Trustees; said meeting to be held at such place in the County of Clay and State of Illinois as shall be designated by the Trustees, and be held for the purpose of electing Trustees, passing upon reports covering the previous fiscal year, and transacting such other business as may come before the meeting. If the election of Trustees shall not be held on the day designated herein for any annual meeting or any adjournment thereof, the Board of Trustees 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. **(As amended 2018)**

**SECTION 2. Special Meetings.**

Special meetings of the members may be called by at least three (3) Trustees or upon a written request signed by at least ten per-centum (10%) of all the members and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the County of Clay and State of Illinois specified in the notice of the special meeting.

**SECTION 3. Notice of Members' Meetings.**

Written or printed notice stating the place, day and hour of the meeting, and in case of a special meeting the purpose or purposes for which the meeting is called, including all meetings at which Trustees are to be elected, shall be delivered not less than five (5) days nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or by the person calling the meeting, to each member; provided however, that with respect to all meetings called for the purposes listed in 805 ILCS 105/107.15, notice shall be delivered pursuant

to 805 ILCS 105/107.15. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at the members address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members, shall not invalidate any action which may be taken by the members at any such meeting. **(Amended 2018)**

A Special meeting or the Annual meeting of the members may be held virtually if the circumstances are such that an in-person meeting is not possible due to public health concerns, a catastrophic event, any order of the governor, legislature or other legal entity, or other unforeseen circumstance. Attendance of members via on-line shall be the same as in-person attendance for the Quorum. **(Adopted 2024)**

**SECTION 4. Quorum.**

At least eighty-five (85) members present in person shall constitute a quorum for the transaction of business at all meetings of the members. In case of a joint membership the presence at a meeting of either member or both shall be regarded as the presence of one member. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice. **(As amended 2024)**

**SECTION 5. Voting.**

Each member shall be entitled to one vote and no more upon each matter submitted to a vote at the 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 in person except as otherwise provided by law, the certificate of incorporation of the Cooperative, or these bylaws. If a husband and wife hold a joint membership they shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. **(As amended 2018)**

**SECTION 6. Proxies.**

No member may vote upon any matter submitted to a vote at a meeting of the members unless the member is present in person or by proxy. A member may submit a proxy vote to another member, but this proxy vote must be signed by both the members. **(As amended 2018)**

**SECTION 7. Order of Business.**

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

1. Call of the roll.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waivers of notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of, and acting upon, reports of officers, trustees and committees.
5. Election of trustees.
6. Unfinished business.
7. New business.
8. Adjournment.



Notwithstanding the foregoing, the Board or the members themselves may, from time to time, establish a different order of business for the purpose of assuring the earlier consideration of an action upon any item of business, the transaction of which is necessary or desirable in advance of any other item of business; provided that no business other than adjournment of the meeting to another time and place may be transacted until and unless the existence of a quorum is first established. **(As amended September 9, 1999)**

### **SECTION 8. Postponement of a Meeting of the Members.**

In the event of inclement weather or the occurrence of a catastrophic event, the meeting of the members may be postponed by the Board or by its President or Vice President. Notice of the adjourned meeting shall be given by the President in any media of general circulation or broadcast serving the area. **(Adopted September 9, 1999)**

### **SECTION 9. Election Committee.**

- (a) Any protest or objection concerning any election must be filed within three (3) business days following the adjournment of the meeting in which the voting is conducted. The Board of Trustees shall then, within thirty (30) days of the election, appoint an Election Committee consisting of an uneven number of Cooperative members, one from each District, who are not existing Cooperative employees, agents, officers, Trustees, or known candidates for Trustee, and who are not close relatives or members of the same Cooperative household thereof. The Committee may elect its own chairperson and secretary prior to the member meeting.
- (b) The Election Committee shall thereupon be convened, upon notice from its chairperson, not less than fourteen (14) days after such appointment by the Board of Trustees. The Committee shall hear such evidence as presented by the protester(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence; and the Committee, by a vote of a majority of those present and voting, shall, within a reasonable time, but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof, or to set it aside.
- (c) The Committee may not affirmatively act on any matter unless a majority of the Committee is present. A committee member may participate in a committee meeting or conduct the meeting through the use of conference telephone or similar communications equipment by which all committee members participating may simultaneously hear each other during the meeting. A committee member participating in a meeting by this means is deemed to be present in person at the meeting. The Committee's decision (as reflected by a majority of those present and voting) on all matters covered by this Section shall be final. In the event that no decision can be made due to the inability of the Committee to obtain a majority vote, the Committee shall adjourn and reconvene for further action until such time that the Committee can and does obtain a majority vote.

- (d) Members of the Election Committee may be compensated for attending meetings or transacting affairs which in the judgment of the Board of Trustees is in furtherance of the duties of the Committee. Such compensation shall be fixed by the Board of Trustees. **(Adopted 2018)**

## **ARTICLE III TRUSTEES**

### **SECTION 1. General Powers.**

The Board of Trustees shall consist of nine members. Except as otherwise provided by law, the certificate of incorporation of the Cooperative, or by these bylaws, the Board of Trustees shall manage the business affairs and property of the Cooperative, authorize contracts, fix charges for its services for furnishing electric energy to its members, and for other services rendered for and to its members, and shall otherwise manage the affairs of the Cooperative in such manner as may be necessary, convenient or proper in order to carry out its objectives and purposes; provided, however, that the Cooperative shall not be operated for pecuniary profit either to itself or to its members. **(As amended 2018)**

### **SECTION 2. Qualifications and Tenure.**

- (a) The persons named as Trustees in the certificate of incorporation of the Cooperative shall compose the Board of Trustees until the first annual meeting or until their successors shall have been elected and shall have qualified. At each annual meeting of the members beginning with the year 1941, Trustees shall be elected by ballot, by and from the members, as hereinafter provided, to serve until the next annual meeting of members or until their successors shall have been elected and shall have qualified, subject to the provisions of these Bylaws with respect to the removal of Trustees. No member shall be eligible to become or remain a Trustee, or to hold any position of trust in the Cooperative who is not a member and is not presently residing in the area served or to be served by the Cooperative, and in addition thereto is not a bona-fide resident of the district from which he is elected, or who is in any way employed by or financially interested in a competing enterprise or a business enterprise or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in the selling of electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative. When a membership is held jointly by multiple individuals, either one, but not all, may be elected a Trustee; provided, however, that neither one shall be eligible to become or remain a Trustee or to hold a position of trust in the Cooperative unless both shall meet the qualifications hereinabove set forth. Nothing in this section contained shall be construed to affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Trustees. **(As amended 2018)**
- (b) At the first Annual Meeting of Members following the meeting held in the year 1947, three Trustees shall be elected for a term of one year; three for a term of two years; and three for a term of three years; and all nominations

made for Trustees to be elected at this meeting, regardless of the method by which said nominations are made, shall specify for what terms said person is being nominated, and no person shall be nominated for more than one of the alternative terms. Thereafter, at each Annual Meeting of the Members, three Trustees shall be elected each for a term of three years, to succeed those Trustees whose term is then expiring. **(As amended February 11, 1947)**

**SECTION 3. Nominations.**

(a) For the purposes of nomination of candidates for the office of Trustee, and to determine the number of Trustees elected to represent each district, the following districts and number of Trustees representing each district are established as follows:

<b>DISTRICT</b>	<b>NUMBER OF TRUSTEES</b>
<b>District I</b> to include Bible Grove Township, Clay County; Lucas Township, Effingham County; and South Muddy Township, Jasper County	1
<b>District II</b> to include Blair Township, Clay County and Union Township, Effingham County	1
<b>District III</b> to include Larkinsburg Township, Clay County; Mason Township, Effingham County; and LaCledde Township, Fayette County	1
<b>District IV</b> to include Pixley Township, Clay County; and Noble Township and Denver Township, Richland County	1
<b>District V</b> to include Hoosier Township and Louisville Township, Clay County	1
<b>District VI</b> to include Oskaloosa Township and Songer Township, Clay County; and Meacham Township and Omega Township, Marion County	1
<b>District VII</b> to include Clay City Township and Stanford Township, Clay County; and Keith Township, Wayne County	1
<b>District VIII</b> to include Harter Township, Clay County; and Keith Township and Indian Prairie Township, Wayne County	1
<b>District IX</b> to include Xenia Township, Clay County; luka Township and Romine Township, Marion County; and Garden Hill Township and Orchard Township, Wayne County	1

**(as amended July 14, 1978)**

(b) Any qualified member, a member meeting the requirements of Article III, Section 2 of these Bylaws, from the required District, may be nominated for Trustee by official petition of not less than fifteen (15) members of the Cooperative from

the required District. Official petition forms will be available at the Cooperative Headquarters no more than one hundred twenty (120) days prior to the date of the meeting for the calendar year in which Trustee's terms expire. **(As amended 2018)**

- (c) All candidates' nomination petitions, together with such additional information as may be requested by the Secretary of the Cooperative, shall be submitted by the prospective candidate to the Secretary at the Cooperative headquarters building, not less than forty-five (45) days prior to the date of the meeting at which Trustees will be elected. At the time of delivering the signed written petition to the Secretary, the prospective candidate shall also deliver to the Secretary a completed Statement of Qualifications demonstrating that he or she is qualified to serve as a Trustee under the terms of Article III, Section 2 of the bylaws. All petitions filed by persons waiting in line as of 8:00 a.m. on the first day for filing, or as of the normal opening hour of the headquarters building on that day, shall be deemed filed as of 8:00 a.m. or the normal opening hour, as the case may be. Petitions filed by mail and received after midnight of the first day for filing and in the first mail delivery or pickup of that day shall be deemed as filed as of 8:00 a.m. of that day or as of the normal opening hour of such day, as the case may be. All petitions received thereafter shall be deemed as filed in the order of actual receipt. Where 2 or more petitions are received simultaneously, the Secretary shall break ties and determine the order of filing, by means of lottery or other fair and impartial method of random selection approved by the Secretary. Such lottery shall be conducted within nine (9) days following the last day for petition filing and shall be open to the public. Seven (7) days written notice of the time and place of conducting such random selection shall be given by the Secretary and such notice shall be posted at the Cooperatives headquarter building. **(As amended 2018)**
- (d) The Secretary shall review all candidate nomination petitions to insure that the candidate is qualified to be a Trustee and to insure that the requisite number of qualified signatures (signatures of members residing in the required District) are contained in the petition.
- (e) The Secretary shall cause to be posted a list of all qualified nominations at the Cooperative's headquarters building thirty (30) days before the meeting and shall cause to be mailed with the notice of meeting or separately, but at least five (5) days before the date of the meeting at which Trustees are to be elected, a statement of the number of Trustees being elected, the names and addresses of the candidates, and the Districts in which they are candidates. The ballot to be used at the election, if needed, shall list the names of the candidates nominated and the District in which they are candidates. Further, the order of candidates on the ballot shall be determined as follows: for each district, all candidates shall be listed in the order in which their petitions have been filed; where candidates have filed simultaneously, they shall be listed in the order determined by lot and prior to candidates who filed for the same District at a later time. **(As amended 2018)**

- (f) In the event petitions are received only for the number of Trustees to be elected in a District and the Secretary determines the petitions are in order and the candidates qualified, no further election process shall be held and those candidates nominated shall be declared elected as Trustees at the meeting.
- (g) Nominations by petition is the only means or method of becoming a candidate for Trustee. No nominations shall be made by nominating committee nor from the floor of a meeting at which trustees are to be elected.
- (h) In the event the term of Secretary of the Cooperative expires at an upcoming meeting, the duties of the Secretary for the nominating process will be assumed by the President or Vice-President of the Cooperative. If all three officers' terms expire in the same year, another Trustee will be appointed to oversee the nominating process. **(As amended 2018)**

#### **SECTION 4. Vacancies.**

In the event of a vacancy occurring in the Board of Trustees, the remaining members of the Board of Trustees shall elect some qualified person to fill such vacancy, for the unexpired portion of the term and from the District in which the vacancy occurs, and which qualified person shall serve until their successor shall be duly elected and shall have qualified. **(As amended September 9, 1999)**

#### **SECTION 5. Compensation of Trustees.**

Trustees shall not receive any salary for their services as Trustees, but by resolution of the Board of Trustees, said Trustee may be paid a per diem fee and mileage for attending meetings or transacting affairs which in the judgment of the Board of Trustees will promote the interest of this Cooperative, and in addition thereto may be reimbursed for reasonable expenses necessarily incurred in connection therewith. Trustee shall also be covered by the Cooperative's Business Travel and Accidental Insurance in furtherance of Cooperative business. In its discretion, the Board can offer further insurance, including but not limited to health, dental and life, to the Trustees and/or Attorney for the Trustees and/or Attorney to purchase. Except in emergencies, no Trustee shall receive compensation for serving the Cooperative in any other capacity. **(As amended 2018)**

#### **SECTION 6. Rules and Regulations.**

The Board of Trustees shall have power to make and adopt such rules and regulations, not inconsistent with law, the certificate of incorporation of the Cooperative or these bylaws, as it may deem advisable for the management, administration and regulation of the business affairs of the Cooperative. **(As amended 2018)**

#### **SECTION 7. Accounting System and Reports.**

The Board of Trustees shall cause to be established and maintained a complete accounting system, which among other things, shall be subject to applicable laws and rules and to the regulations of any regulatory body, if and as required by law. The Board of Trustees shall also 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. **(As amended 2018)**

## **SECTION 8. Indemnification of Officers, Trustees, Employees and Agents.**

- (a) The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by, or in the right of, the Cooperative) by reason of the fact that such person is or was a Trustee, officer, employee or agent of the Cooperative or who is or was serving at the request of the Cooperative as a trustee, director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), adjustments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceedings, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon pleas of nolocontendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct of such person was unlawful. **(As amended 2018)**
- (b) The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to, any threatened, pending, or completed action or suit by, or in the right of, the Cooperative to procure a judgment in its favor by reason of the fact that such person is, or was, a Trustee, officer, employee or agent of the Cooperative, or is or was, serving at the request of the Cooperative as a trustee, director, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith, and in a manner such person reasonably believed to be in or not opposed to the best interests of the Cooperative, and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the duty of such person to the Cooperative, unless, and only to the extent that the Court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity of such expenses as the court shall deem proper. **(As amended 2018)**
- (c) To the extent that a Trustee, officer, employee or agent of the Cooperative has been successful, on the merits or

otherwise, in the defense of any action, suit or proceedings referred to in (a) and (b) above, in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by such person in connection therewith. **(As amended 2018)**

- (d) Any indemnification under (a) and (b) above (unless ordered by a court) shall be made by the Cooperative only as authorized in the specific case, upon a determination that indemnification of the Trustee, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in (a) and (b) above. Such determination shall be made (1) by the Board by a majority vote of a quorum consisting of Trustees who were not parties to such action, suit or proceedings, or (2) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested Trustees so directs, by independent legal counsel in a written opinion or (3) by the members. **(As amended 2018)**
- (e) Expenses incurred in defending a civil or criminal action, suit or proceedings may be paid by the Cooperative in advance of the final disposition of such action, suit or proceedings, as authorized by the Board in the specific case, upon receipt of an undertaking by or on behalf of the Trustee, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Cooperative as authorized in this Article. **(As amended 2018)**
- (f) The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of members or disinterested Trustees, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Trustee, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.
- (g) The Cooperative may purchase and maintain insurance, including but not limited to Business Travel and Accidental Insurance, on behalf of any person who is or was a Trustee, officer, attorney, employee or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a trustee, director, officer, attorney, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the status of such person as such, whether or not the Cooperative would have the power to indemnify such person against such liability under the provisions of this Section. **(As amended 2018)**
- (h) If the Cooperative has paid indemnity or has advanced expenses under this ARTICLE III, Section 8 to a Trustee, officer, employee or agent, the Cooperative shall report the indemnification or advance in writing to the members entitled to vote with or before the notice of the next meeting of such members. **(As amended 2018)**

## **ARTICLE IV MEETINGS OF TRUSTEES**

### **SECTION 1. Regular Meetings.**

A regular meeting of the Board of Trustees shall be held, at the call of the Board of Trustees, and at the same place as the annual meeting of the members. A regular meeting of the Board of Trustees shall be held monthly at such time and place as the Board of Trustees may provide by resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof. **(As amended 2018)**

### **SECTION 2. Special Meetings.**

Special meetings of the Board of Trustees may be called by the President or any three Trustees. The person or persons authorized to call special meetings of the Board of Trustees may fix the time and place for the holding of any special meeting of the Board of Trustees called by them. **(As amended September 9, 1999)**

### **SECTION 3. Notice.**

Notice of the time, place, and purpose of any special meeting of the Board of Trustees shall be given at least five (5) days previous thereto, by written notice, delivered personally or mailed, to such Trustee at his last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail and so addressed with postage thereon prepaid. The attendance of a Trustee at any meeting shall constitute a waiver of notice of such meeting, except in case a Trustee 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 4. Quorum.**

A majority of the Board of Trustees shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees; provided, that if less than a majority of the Trustees are present at said meeting a majority of the Trustees present may adjourn the meeting from time to time without further notice.

### **SECTION 5. Manner of Acting.**

The act of the majority of the Trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees.

### **SECTION 6. Attendance by Telephone.**

Trustees may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting. **(Adopted September 9, 1999)**

### **SECTION 7. Unanimous Consent in Writing.**

Unless otherwise prohibited by law, Board actions may be taken without a meeting and without a vote if unanimous consent of the Board is obtained in writing setting forth the action taken in detail and the detail is signed by all Board members entitled to vote. **(Adopted September 9, 1999)**



## **ARTICLE V OFFICERS**

### **SECTION 1. Number.**

The officers of the Cooperative shall be a President, Vice President, Secretary and Treasurer, all of whom must be members of the Board of Trustees, and a Chief Executive Officer and such other officers as may be determined by the Board of Trustees from time to time, none of whom need be members of the Board of Trustees. The offices of Secretary and Treasurer may be held by the same person. **(As amended 2018)**

### **SECTION 2. Election and Term of Office.**

All officers provided for in Section 1, except the Chief Executive Officer, shall be elected annually by the Board of Trustees by ballot after each annual meeting of the members. If the election of officers shall not be held at such meeting, such elections shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Trustees 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. **(As amended 2018)**

### **SECTION 3. Removal.**

Any officer or agent elected or appointed by the Board of Trustees may be removed by the Board of Trustees whenever in its judgment the best interests of the Cooperative will be served thereby. **(As amended 2018)**

### **SECTION 4. Vacancies.**

Except as otherwise provided in these bylaws, a vacancy in any office may be filled by the Board of Trustees for the unexpired time.

### **SECTION 5. President.**

The President:

- (a) Shall be the principal executive officer of the Cooperative and shall preside at all meetings of the members and the Board of Trustees;
- (b) Shall sign with the Secretary, the issue of which shall have been authorized by resolution by the Board of Trustees, any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Trustees to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Trustees or by these bylaws to some 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 Trustees from time to time. **(As amended 2018)**

### **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 the restrictions upon the President and shall perform

such other duties as from time to time may be assigned by the Board of Trustees.

**SECTION 7. Secretary. The Secretary shall:**

- (a) Keep the minutes of the meetings of the members and of the Board of Trustees in one or more books provided for that purpose or through electronic means;
- (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 corporation 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 register of the 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 of all amendments thereto to each member;
- (g) Shall sign with the President, the issue of which shall have been authorized by resolution by the Board of Trustees, any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Trustees to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Trustees or by these bylaws to some officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- (h) In general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board of Trustees.

**(As amended 2018)**

**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 moneys due and payable to the Cooperative from any source whatsoever, and deposit all such moneys in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these bylaws; and
- (c) In general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Trustees. **(As amended 2018)**

**SECTION 9. Chief Executive Officer (CEO).**

The Board of Trustees may appoint a Chief Executive Officer who may be, but who shall not be required to be, a member of the Cooperative. The Chief Executive Officer shall perform such duties as the Board of Trustees may from time to time require of a CEO and shall have such authority as the Board of Trustees may from time to time vest in the CEO. **(As amended 2018)**

**SECTION 10. Bonds of Officers.**

The Board of Trustees 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 the sum and with such surety as the Board of Trustees shall determine. The Board of Trustees in its discretion may also require any other officer, agent, or employee of the Cooperative to give bond in such amount and with such surety as it shall determine. **(As amended 2018)**

**SECTION 11. Reports.**

- (a) 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. **(As amended 2018)**
- (b) The President or Secretary or such other officer as shall be designated by the Board of Trustees shall (1) make and verify a report in writing to the Secretary of State of the State of Illinois between the first day of February and the first day of March each year, upon the forms prescribed for the purpose, giving the address of the Cooperative, and the names and addresses of the officers and Trustees. **(As amended 2018)**

**ARTICLE VI  
FINANCIAL TRANSACTIONS**

**SECTION 1. Contracts.**

Except as otherwise provided in these bylaws, the Board of Trustees 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 the Cooperative and such authority may be general or confined to specific instances. **(As amended 2018)**

**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 Trustees.

**SECTION 3. Deposits.**

All funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board of Trustees may select. **(As amended 2018)**

**Old Article VII, Membership Certificates deleted 2018**

**ARTICLE VII  
WAIVER OF NOTICE**

**SECTION 1.**

Any Trustee or member may waive in writing any notice of meetings required to be given by the bylaws. In case of a joint membership a waiver of notice signed by any member shall be deemed a

waiver of notice of such meeting by both joint members. **(As amended 2018)**

## **ARTICLE VIII 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 members. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its members. **(As amended 2018)**

### **SECTION 2. Patronage Capital in Connection with Furnishing Electric Energy.**

In the furnishing of electric energy, the Cooperative's operations shall be conducted so that all members 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 members for all amounts received and receivable from the furnishing of electric energy in excess of the sum of (a) operating costs and expenses properly chargeable against the furnishing of electric energy and (b) amounts required to offset any losses incurred during the current year. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the members as capital. The Cooperative is obligated to pay by credits to a capital account for each member all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and credited to an appropriate record to the capital account of each member, and the Cooperative shall within a reasonable time after the close of the fiscal year, notify said member of the amount of capital so credited to his account. All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the C-operative corresponding amounts for capital. **(Amended 2018)**

All other amounts received by the Cooperative from its operation in excess of costs and expenses shall, in the discretion of the Board of Trustees, and insofar as permitted by law, be allocated: (a) to offset any losses incurred during the current year and (b) to reserves to offset any losses incurred in any prior, current or future fiscal year, or (c) to the extent not needed for those purposes, to all of its members on a patronage basis and included as part of the capital credited on the accounts of its members, as provided herein. **(Amended 2018)**

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 before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to members' accounts may be retired in

full or in part. Any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired. **The Board of Trustee may retire other capital credit years, regardless of retirement year, if it is financially responsible and in the best interest of the Cooperative. (Amended 2018)**

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

Notwithstanding any other provision of these bylaws, the Board at its discretion, shall have the power at any time upon the death of any member, who was a natural person, if the legal representatives of his estate or if none, the proper heir or beneficiary, shall request in writing, either through a small estate affidavit or letters of office, that the capital credited to any such member be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such member immediately upon such terms and conditions as the Board, acting under policies of general application, and legal representatives of such member's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby. **(Amended 2018)**

The members 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 member, and both the Cooperative and the members are bound by such contract, as fully as though each member 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 member of the Cooperative by posting in a conspicuous place in the Cooperative's office.

It is the duty of all members of the Cooperative, their heirs, executors, administrators and assigns, to notify the Cooperative at its main offices, of their address and the Cooperative shall not be required to investigate or attempt to locate the executor, administrator, spouse, next of kin or assigns of any member, nor the owner or owners, creditors or any representatives who may be entitled to receive payment of the capital credits. The Cooperative may regard any member who cannot be located by letter written to said member at his or its last address listed in the books of the Cooperative as "not found." In the event such member cannot be found, the Cooperative shall retain such funds allocated toward the payment of capital credits for a period of two (2) years as a credit to the capital account of such member who cannot be found. If such capital credits are not properly claimed by the member or the member's heirs, executors, administrators and assigns, the Board may then allocate such funds in a manner they deem to be proper and not in conflict with the bylaws of this Cooperative and the laws of State and Federal Government and the rules and regulations of any governing body or agency.

In the event any member entitled to capital contribution refund is indebted to the Cooperative for any reason, including any claims the Cooperative may have against such member, liquidated or

unliquidated, the Cooperative may deduct the amount of such indebtedness from the capital contribution refund and remit the balance to such member. **(As amended 2018)**

### **SECTION 3. Patronage Refunds in Connection with Furnishing Other Services.**

In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall insofar as permitted by law, be prorated annually on a patronage basis and returned to those members from whom such amounts were obtained. **(As amended 2018)**

## **ARTICLE IX DISPOSITION OF PROPERTY**

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.

The Board of Trustees of the Cooperative, without authorization by the members thereof, shall, however, have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Cooperative. **(As amended 2018)**

## **ARTICLE X FISCAL YEAR**

The fiscal year of the Cooperative shall begin on the first day of January of each year and end on the thirty-first day of December of the same year. **(As amended 2018)**

## **ARTICLE XI MEMBERSHIP IN OTHER ORGANIZATIONS**

The Cooperative shall not become a member or purchase stock in any other organization without an affirmative vote of two-thirds of the Board of Trustees at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchase. **(As amended 2018)**

## **ARTICLE XII SEAL**

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal Illinois." **(As amended 2018)**

## **ARTICLE XIII AMENDMENTS**

### **SECTION 1.**

The certificate of incorporation of the Cooperative may be amended from time to time in the following manner:

- (a) The Board of Trustees shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of the members, which may be either a regular annual meeting or a special meeting.
- (b) Written or printed notices setting forth the proposed amendment shall be given to each member within the time and in the manner provided in these bylaws for the giving of notice of meetings of members. If such meeting be the regular annual meeting, the proposed amendment may be included in the notice of such regular annual meeting.

Any number of amendments may be submitted to the members, and voted upon by them at one meeting.

After the adoption of the proposed amendment or amendments, the Board of Trustees shall authorize the proper officer to take such further steps as may be required by law to effectuate the proposed amendment or amendments to the certificate of incorporation. **(As amended 2018)**

### **SECTION 2.**

These bylaws may be altered, amended, or repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alterations, amendment or repeal, by the affirmative vote of a majority of those members present at the meeting; except that Section 5 of ARTICLE II (relating to voting by members), ARTICLE X (relating to disposition of property), and ARTICLE XIV (relating to amendment) of the bylaws may be altered, amended, or repealed only by the affirmative vote of not less than two-thirds of all the members present at the meeting. **(As amended September 3, 1992.)**

### **SECTION 3. Articles/Bylaws Binding.**

Each Member of the Cooperative agrees to be bound by the provisions contained in the Articles of Incorporation of the Cooperative, these Bylaws, Policies and any rules or regulations adopted from time to time by the Board of Directors, even though such rules and regulations may be adopted after the date the Member's Membership becomes effective. **(As amended 2018)**

### **SECTION 4. Liens and Rights of Set Off.**

The Cooperative shall have a lien on and the right to set off any debts due by said Member to the Cooperative against capital credits assigned, allocated or accrued to the account of any Member for any debt or sum of money due the Cooperative from that Member of whatever kind, including but not limited to charges for electric service, damage to Cooperative property, purchases from the Cooperative, late fees and attorneys' fees and Court costs incurred in the collection of any such indebtedness. The amount of set-off shall be based upon the present value of those capital credits. The present value shall be computed on the basis of a 30-year revolvment of capital credits. The discount rate to be used in making the computation of the value of the capital credits shall

be equal to the weighted cost of equity of the Cooperative then available as determined by the Board of Directors. **(As amended 2018)**

**SECTION 5. Arbitration.**

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

**SECTION 6. Grant of Property Rights.**

- (a) As required by the Cooperative for a Cooperative Purpose, a Member shall:
  - (1) provide the Cooperative safe and reliable access to or use of Member Property; and
  - (2) pursuant to terms and condition specified by the Cooperative, and without compensation from the Cooperative, grant or convey to the Cooperative a written or oral easement, right-of-way, license, or other right or interest in Member Property, and execute a document regarding this grant or conveyance.
- (b) A "Cooperative Purpose" is at any time, and in a manner determined by the Cooperative:
  - (1) purchasing, installing, constructing, inspecting, monitoring, operating, repairing, maintaining, removing, relocating, upgrading, or replacing Cooperative Equipment or Member Equipment connected to Cooperative Equipment;
  - (2) through physical, chemical, herbicide, or other means, clearing, trimming, removing, or managing any trees, bushes, brush, or other vegetation;
  - (3) providing a Cooperative Service to a Member or one or more other Members;
  - (4) monitoring, measuring, or maintaining a Cooperative Service provided to a Member or one or more other Members;
  - (5) providing electric energy to a Member or one or more other Members;
  - (6) monitoring, measuring, or maintaining electric energy Provided to a Member or one or more other Members;
  - (7) authorizing, permitting, satisfying, or facilitating an obligation incurred, or right granted, by the Cooperative regarding use of Cooperative Equipment; or
  - (8) safely, reliably, and efficiently operating the Cooperative or Providing a Cooperative Service.

If reasonably needed for safety, reliability, efficiency, or similar reasons, a Cooperative Purpose includes clearing, trimming, removing, or managing any trees, bushes, brush, or other vegetation located outside an easement, right-of-way, license, or other right or interest in Member Property. **(As amended 2018)**



**SECTION 7. Partial Invalidity.**

When reasonably possible, every Bylaw article, section, subsection, paragraph, sentence, clause, or provision (collectively, "Bylaw Provision") must be interpreted in a manner by which the Bylaw Provision is valid. The invalidation of a Bylaw Provision by an Entity possessing proper jurisdiction and authority, which invalidation does not alter the fundamental rights, duties, and relationship between the Cooperative and Members, does not invalidate the remaining Bylaw Provisions. **(As amended 2018)**

**SECTION 8. Governing Law and Choice of Forum.**

These Bylaws and any rule, regulations, or policy of the Cooperative shall be governed by, construed, and enforced in accordance with the laws of the State of Illinois, without regard to Illinois's choice of law rules. To the extent Article II, Section V of these Bylaws are found to be invalid by a court of competent jurisdiction, then any and all actions, suits, or judicial proceedings upon any claim arising from or relating to these Bylaws shall be instituted and maintained in the Circuit Court of the County of Clay, State of Illinois. **(As amended 2018)**





