

# Proposed PRECorp bylaw amendments

In accordance with a new State of Wyoming law that takes effect on July 1, 2019, the PRECorp Board of Directors propose amending the Cooperative bylaws at its regular meeting on Tuesday, July 16, in Sundance. The bylaws are published on pages 4-12 of the June 2019 edition of the PRECorp News.

Following is a general summary of the significant changes proposed.

Anyone with questions on the bylaw approval process, or who would like to appear in person at the meeting, should contact PRECorp Administration at [adminhelp@precorp.coop](mailto:adminhelp@precorp.coop), or call 1-800-442-3630.

## Summary of proposed amendments from Legal Counsel

**Throughout:** The Board of Directors propose deleting the word Cooperative throughout the by-laws and in its place including the word Corporation to reflect the fact PRECorp is in fact a business corporation, notwithstanding the fact it is also a Cooperative.

**Article I (proposed Sec. 7):** The Board of Directors propose creating a class of membership (Class C) to allow PRECorp to become a wholesale power provider and if the Board does establish more than one class of membership the class of membership shall be defined and the qualifications for becoming a Class C member shall also be identified.

**Article IV:** The Board of Directors propose the Board would be managed by a Board of ten (10) and there could be one (1) director for each Class

C member up to a maximum of four (4) Class C directors.

**Article IV, Sec. 3:** The Board of Directors propose to make it clear a nominee for a director position must reside within the service territory of the county from which he or she is elected.

However, if there is a member who takes service outside of the counties of Campbell, Crook, Johnson, Sheridan or Weston that member shall be deemed a member of and within the area served by the county closest to the nearest meter serving the member's residence.

**Article IV:** The Board of Directors proposes amending Section 3.2 eliminating the opportunity for director candidates to be nominated from the floor during the annual meeting.

**Article V, Sec. 2:** The Board of Directors propose Notice of Director meetings may be sent either personally, by mail or electronically.

**Article VII, Sec. 2:** The Board of Directors propose to allow, upon the death of any member who has transferred assets to a trust for estate planning purposes, to receive capital credits upon terms and conditions as the Board of Directors may provide.

**Article VII, Sec. 2:** The Board of Directors propose the Corporation shall have a lien against all capital furnished by a member.

**Article XII:** The Board of Directors propose to enact the provisions of Wyoming Statute §17-20-729(b)(c) (LexisNexis 2019) authorizing the amendment of by-laws by a two-thirds (2/3) vote of all directors at a regular or special meeting of the Board at which notice of any proposed by-law amendment or repeal and the date of the board meeting at which an amendment or repeal will be considered shall be delivered to the members at least thirty (30) days prior to the meeting.

**Article I**  
**REQUIREMENTS OF MEMBERSHIP**

**SECTION 1. Requirements for Membership**

Any natural person, firm, association, corporation, business trust, partnership, federal agency, state or political subdivision thereof, or any body politic (each referred to in these bylaws as person, applicant, him or his) ~~or subdivision thereof~~ may become a member in Powder River Energy Corporation (hereinafter called the Corporation ~~Cooperative~~) by:

(a) signing an Application for Membership and Electric Service Agreement on a form provided by the Corporation filing a written application for membership therein;

(b) agreeing to purchase from the Corporation ~~Cooperative~~ electric energy as hereinafter specified in Article I, Section 5; and

(c) agreeing to comply with and be bound by the certificate of incorporation, the bylaws, rules and regulations, rate schedules and rate classifications as may be adopted or amended by the board of directors and the terms and conditions of the Application for Membership and Electric Service Agreement. ~~and bylaws of the Cooperative and any rules and regulations adopted by the board of directors; and~~

~~(d) Paying the membership fee hereinafter specified. No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these bylaws.~~

**SECTION 2. Membership Limitations**

~~No member may hold more than one membership in the Corporation and no membership in the Corporation shall be transferrable, except as provided in these bylaws. Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the board of directors. Such certificate shall be signed by the President and by the Secretary of the Cooperative or such agent(s) as may be designated by the board of directors from time to time by resolution and the corporate seal shall be affixed thereto. No membership certificates shall be issued for less than the membership fee fixed in these bylaws, not until such membership fee has been fully paid for in cash. In case a certificate is lost, destroyed or mutilated, a new certificate may be issued therefore upon such uniform terms and indemnity to the Cooperative as the board of directors may prescribe.~~

**SECTION 3. Joint Membership**

A husband and wife may apply for joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. ~~Joint membership shall be subject to, in addition to all other requirements imposed herein, the following conditions: The term "member" as used in these bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the~~

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

~~(a) The presence at a meeting of any one (1) person of the joint membership either or both shall be regarded as the presence of one (1) member and shall have the effect of revoking a proxy executed by any one (1) person of the joint membership and shall constitute either or both and of constituting a joint waiver of notice of the meeting;~~

~~(b) The vote of any one (1) person of the joint membership either separately or both jointly shall constitute one (1) joint vote;~~

~~(c) A proxy executed by any one (1) person of the joint membership either or both shall constitute one (1) joint proxy;~~

~~(d) A waiver of notice signed by any one (1) person of the joint membership either or both shall constitute a joint waiver;~~

~~(e) Notice to any one (1) person of the joint membership of either shall constitute notice to all persons of the joint membership of both;~~

~~(f) Expulsion of any one (1) person of the joint membership either shall terminate the joint membership;~~

~~(g) Withdrawal of any one (1) person of the joint membership shall terminate the joint membership;~~

~~(h) Any one (1) person of the joint membership Either but not both may be elected or appointed as an officer or director provided the candidate for appointment or election meets all qualifications for the position. that both meet the qualifications for such office.~~

**SECTION 4. Conversion of Membership**

~~(a) A membership may be converted to a joint membership upon written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the certificates of incorporation, bylaws and rules and regulations adopted by the board of directors. The outstanding membership certificate shall be surrendered, and shall be reissued by the Cooperative in such manner as shall indicate the changed membership status. (b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be surrendered, and shall be reissued in such manner as shall indicate the changed membership status; provided, however that the estate of the deceased shall not be released from any debts due the Cooperative.~~

**SECTION 4. Representation by Corporations and Partnerships**

~~4.1—(a) A member corporation, firm, association, corporation, business trust, partnership, federal agency, state or political subdivision thereof, or any body politic or subdivision thereof may designate a voting representative to represent the member them at all meetings of the members. a Such designation shall be in writing and signed by a duly authorized representative officer of the member. The Corporation reserves the right, in the Corporation's sole discretion, to reject any designation made pursuant to the terms and conditions of this Article. No designated voting representative shall act and vote as representative for more than one member firm, association, corporation, business trust, partnership, federal agency, state or political subdivision thereof, or~~

~~any body politic. When the designated representative shall be an elected president, vice president, secretary or treasurer of the member and shall personally meet all of the requirements and qualification for membership and of eligibility for director, including bona fide residence in the area served by the Cooperative then such designate representative shall be deemed eligible to become a candidate for, and if elected, to hold office as director, providing the member shall have filed with the Cooperative written authorization for the representative to be such a candidate for, and if elected, to hold office as director of the Cooperative.~~

~~(b) A member partnership may designate one of the partners as voting representative, such designation to be filed with the Cooperative in writing, signed by each partner. If such designated partner shall personally meet all the requirements and qualifications for personal membership, and of eligibility to hold office in the Cooperative, including bona fide residence in the area served by the Cooperative then such partner shall be deemed eligible to become a candidate for, and if elected, to hold office as director of the Cooperative.~~

~~(c) No person shall act and vote as representative for more than one member corporation, partnership, association or body politic, or subdivision thereof.~~

#### SECTION 5. Membership Fees

~~The membership fee shall be five dollars, upon the payment of which a member shall be eligible for one service connection.~~

#### SECTION 5. Purchase of Electric Energy

Each member shall, as soon as electric energy shall be available, purchase from the ~~Corporation~~ Cooperative all electric energy used on the premises specified in his Application for Membership ~~and electric service agreement, except as required otherwise by Federal or State law,~~ and shall pay therefore at rates which shall ~~from time to time~~ be fixed by the board of directors. It is expressly understood ~~all 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 by these bylaws. Each member shall pay to the ~~Corporation~~ Cooperative a ~~such~~ minimum amount regardless of the amount of electric energy consumed as shall be fixed by the board of directors ~~from time to time~~. Each member shall also pay all amounts owed by him to the ~~corporation~~ cooperative as and when the same shall become due and payable.

~~Whenever the Corporation has evidence or determines that special or abnormal risks or conditions may be involved in providing service to a specific load or customer, the Corporation may require special terms, contract conditions, bonds, cash advances or deposits of such a nature as it may consider reasonably necessary for its' protection against financial loss in connection with the special conditions or risks involved.~~

#### SECTION 6. Termination of Membership

~~(a) Any member may withdraw from membership upon compliance with all such uniform terms and conditions as the board of directors may prescribe. The board of directors of the Cooperative may, by~~

the affirmative vote of not less than two-thirds of all directors, expel any member who fails to comply with any of the provisions of the certificate of incorporation and bylaws, ~~all or~~ rules, ~~and~~ regulations, ~~rate schedules and rate classifications~~ adopted by the board of directors, but only if ~~the such~~ member shall have been given written notice by the ~~Corporation~~ Cooperative that his ~~such~~ failure makes him liable to be ~~expelled~~ expulsion and his ~~such~~ failure shall have continued for at least ten days after ~~such~~ notice was given. ~~Notice shall be deemed to have been given when deposited in the United States mail prepaid to the address provided by the member in the signed Application for Membership and Electric Service Agreement. Any expelled member may be reinstated by vote of the board of directors or by vote of the members at any annual or special meeting. The membership of a member who has ceased to purchase energy from the corporation may be cancelled. A membership shall terminate upon the withdrawal, death, cessation of existence or expulsion of the member. Termination of membership in any manner shall not release a member or his estate from any debts due to the Corporation. Any expelled member may be reinstated by vote of the board of directors or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available to him, has not purchased electric energy from the Cooperative or of a member who has ceased to purchase energy from the Cooperative, may be cancelled.~~

~~(b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate and the membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due to the cooperative.~~

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

#### SECTION 7. Definition and Classifications

~~The Corporation may have one or more classes of members including, but not limited to, a Class C membership to allow Powder River Energy Corporation to become a wholesale power provider. If the board establishes more than one class of membership, it shall, by resolution, determine the definitions, types, qualifications and rights of each class and make the information readily available to the membership.~~

#### SECTION 8. Lien Upon Capital Credits

~~To ensure payment of all amounts due the Cooperative, the Cooperative shall have a lien on all capital credits which may be allocated to a member's account pursuant to Article VII of these bylaws. In the event of nonpayment of amounts due the Cooperative, after the same become due, the Cooperative may apply and offset a members discounted accrued capital credits~~

~~against a member's delinquent account, or in the alternative, foreclose upon the lien and security interest granted to the Cooperative by the member in the agreement for electric service executed by the member and Cooperative prior to delivery of service to the member in a manner and form provided by law for foreclosure of security interests or in any other form provided by law. The formula for determining discount of capital credits shall be as adopted by resolution of the board of directors.~~

## ARTICLE II

### RIGHTS AND LIABILITIES OF MEMBERS

#### SECTION 1. Property Interest of Members

Upon dissolution after:

- (a) All debts and liabilities of the ~~Corporation cooperative~~ shall have been paid; and
- (b) All capital furnished through patronage shall have been retired as provided in these bylaws, the remaining property and assets of the ~~Corporation cooperative~~ shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the next ten (10) years preceding the date of the filing of the certificate of dissolution.

#### SECTION 2. Non-liability for Debts of the ~~Corporation Cooperative~~

The private property of the members shall be exempt from execution or other liability for the debts of the ~~Corporation cooperative~~ and no member shall be liable or responsible for any debts or liabilities of the ~~Corporation cooperative~~.

#### SECTION 3. Indemnification

In the event the facilities of the Corporation are interfered with, impaired in their operation or damaged by a member, or by any other person when the member's reasonable care and surveillance should have prevented the interference, impairment or damage, the member shall indemnify the Corporation and its employees, agents and independent contractors against death, injury, loss or damage resulting therefrom, including, but not limited to the Corporation's cost of repairing, replacing or relocating any facilities and the Corporation's loss, if any, of revenues resulting from the failure or defective functioning of the Corporation's metering equipment.

## ARTICLE III

### MEETINGS OF MEMBERS

#### SECTION 1. Annual Meeting

~~Beginning with the year 1997~~The annual meeting of the members shall be held at such place in one of the counties of Campbell, Crook, Johnson, Sheridan or Weston, State of Wyoming, at a location as may be designated in the notice of the meeting, and on the date established by the board of directors and designated in the notice of the meeting, but the date designated shall ~~not be~~ in the month of ~~earlier than~~ September of each ~~15 or later than~~ September 20 in any year. The board of directors will also post notice of the date designated for the annual meeting of the members in the principal office of the ~~Corporation cooperative~~ not less than 60 days

prior to the designated meeting date. The purpose of the meeting shall be the election of directors, passing upon reports for the previous fiscal year and transacting ~~such~~ other business as may properly come before the meeting. It shall be the responsibility of the board of directors to make adequate plans and preparations for the annual meeting. ~~If the day fixed for the annual meeting shall fall on a legal holiday, such meeting shall be held on the next succeeding business day.~~ Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of Cooperative.

#### SECTION 2. Special Meeting

Special meetings of the members may be called by any ~~five three~~ directors, by the president, or by ten percent (10%) ~~centum~~ or more of all the members, and it shall thereupon be the duty of the Secretary/Treasurer to cause notice of the ~~such~~ meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the counties of Campbell, Crook, Sheridan, Johnson or Weston, State of Wyoming, or at another location as specified in the notice of special meeting.

#### SECTION 3. Notice of Member's Meeting

Written or printed notice stating the place, day and hour of the meeting, and, in case of special meetings ~~notice is to be transacted~~, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than thirty-five (35) ~~twenty five (25)~~ days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary/Treasurer or upon a default in duty of the Secretary/Treasurer by the persons calling the meeting, to each member. If mailed, the ~~such~~ notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his/her/its address as it appears on the records of the ~~Corporation 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 member's meeting.

#### SECTION 4. Quorum

~~Except for member votes on mergers, consolidations, sale or disposition of assets, and dissolutions,~~ Ten percent (10%) of all members of the ~~Corporation Cooperative utility~~ present in person or by proxy or one hundred (100) members present in person, whichever is fewer, shall constitute a quorum for the transaction of business at all meetings of the members. ~~Member votes on mergers, consolidations, sale or disposition of assets and dissolutions shall be governed by these bylaws and Wyoming law.~~

#### SECTION 5. Voting

Each member shall be entitled to one (1) vote upon ~~and no more~~ each matter submitted to a vote at a meeting of the members. ; ~~provided, however, that in the election of directors a member may cast a number of votes equal to the number of directors to be elected.~~ The election of directors shall be by ballot and each member may cast one (1) vote for the directors to be elected from each of the five (5) counties. There shall be no cumulative voting. 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 the corporation of the Cooperative~~ or these bylaws. If husband and wife hold a joint membership they shall jointly be entitled to one (1) vote and not more upon each matter submitted to vote at a meeting of the members.

#### SECTION 6. Proxies

At all meetings of members, a member may vote by proxy executed in writing by the member. Any proxy so executed shall be accompanied with instruction from the member as to how that proxy shall be voted. A proxy with instructions shall be filed with the Secretary/Treasurer at such time as designated by the board of directors. The proxy shall be voted by the secretary-treasurer at the meeting in compliance with the instructions given by the members. Proxies must designate the particular meeting at which they are to be voted and no proxy shall be voted at any meeting other than the one so designated or any adjournment ~~of such meeting~~. No proxy shall be valid after sixty (60) days from the date of its execution. The presence of a member at a meeting shall entitle the member to revoke a proxy executed by ~~a member him/her and the such~~ member shall be entitled to vote at the meeting in the same manner and with the same effect as if ~~the member he/she~~ had not executed a proxy.

#### SECTION 7. Order of Business

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

1. Report as to ~~the number of~~ members who are present in person in order to determine the existence of a quorum and ~~which the number of~~ members represented by proxy.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. ~~Approval Reading~~ of unapproved minutes of previous meetings of the members. ~~and taking of necessary action thereon.~~
4. Presentation and consideration of ~~all necessary~~ reports of the ~~Corporation officers~~
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

### **ARTICLE IV DIRECTORS**

#### SECTION 1. General Powers

The business and affairs of the ~~Corporation cooperative~~ shall be managed by a board of ten (10) ~~eighteen (18) directors for a period of approximately three (3) years beginning January 1, 1997 and terminating as of the date of the annual meeting in 1999~~ directors and one (1) director for each Class C member up to a maximum of

~~four (4) Class C directors which board~~ shall exercise all the powers of the ~~Corporation Cooperative~~ except as are by law, the articles of incorporation or these bylaws, conferred upon or reserved to the members.

#### SECTION 2. Election and Tenure of Office

~~With the exception of Class C directors, all~~ directors shall be elected by secret ballot at each annual meeting by and from the members of the Corporation. ~~The Class C directors shall be appointed by the Class C member's board of directors and shall have three (3) year terms. Beginning with the election of directors at the annual meeting of Powder River Energy Corporation in the year 1999, ten Ten (10) directors shall be elected with staggered terms of one (1), two (2) and three (3) years as determined by the board of directors. Campbell, Crook, Johnson, Sheridan and Weston Counties shall have an equal number of directors on the board at all times. At the annual meeting in 1999, one (1) Campbell County director shall be elected to a one (1) year term and one (1) Campbell County director shall be elected to a two (2) year term, one (1) Crook County director shall be elected to a two (2) year term and one (1) Crook County director shall be elected to a three (3) year term, one (1) Johnson County director shall be elected to a one (1) year term and one (1) Johnson County director shall be elected to a three (3) year term, one (1) Sheridan County director shall be elected to a two (2) year term and one (1) Sheridan County director shall be elected to a three (3) year term, one Weston County director shall be elected to a one (1) year term and one (1) Weston County director shall be elected to a two (2) year term. Thereafter All All directors shall be elected for three (3) year terms, except those who may be elected to fill unexpired terms. If an election of directors shall not be held on the day designated herein for the 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 or at the next regular annual meeting. If the election is delayed until the next regular annual meeting, the term of each qualified director shall be extended one (1) year for each year the election is delayed. With the exception of Class C directors all other directors shall be elected by a plurality vote of the members present by proxy or in person at the Annual Meeting. Members taking service outside of the counties of Campbell, Crook, Johnson, Sheridan or Weston shall be deemed to be a member of and within the area served by the county closest to the nearest meter serving the member, provided however, the member is not already taking service within the county.~~

#### SECTION 3. Qualifications

##### Section 3.1

A nominee for a Powder River Energy Corporation director position must meet the following qualifications:

- (1) Must reside within the service territory of the county from which he/she is elected. However, members taking service outside the counties of Campbell, Crook, Johnson, Sheridan or Weston shall be deemed to be a member of and within the area served by the county closest to the nearest meter serving the members' residence. ~~Must be a member receiving electric energy from the Corporation;~~

(2) Must be a member receiving electric energy from the Corporation. ~~Must reside within the service territory of the county from which he/she is elected; and~~

(3) May not be in any way employed by or have a substantial financial interest in a competing enterprise or a business selling electric energy or supplies to the Corporation.

Upon establishment of the fact that a director is holding office in violation of any of the foregoing provisions, the board of directors shall remove the director from office.

Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the board of directors.

### Section 3.2

**A director from a Class C member must be a member of the board of directors of the Class C member.**

### SECTION 4. Nominations

It shall be the duty of the board of directors to appoint, not less than **one hundred twenty (120)**~~ninety (90)~~ days before the date of the meeting of the members at which directors are to be elected a committee on nominations consisting of ~~ten members, two from each county. two members from each county holding an election.~~ **two (2) members from each county holding an election.** No member of the board of directors may serve on the committee. The committee, keeping in mind the principle of geographical representation, shall prepare and post at the principal office of the **Corporation cooperative** at least **ninety (90)**~~sixty (60)~~ days before the meeting a list of nominations for directors, which may include a greater number of candidates than are to be elected. Any twenty-five or more members residing **within the service territory in the county from which a candidate for director is to be elected** may make nominations by petition at the principal office of the **Corporation cooperative** not less than **fifty (50)**~~forty (40)~~ business days prior to the meeting and the Secretary/**Treasurer** shall cause all ~~such~~ nominations to be promptly posted at the same place where the list of nominations made by the committee is posted. The Secretary/**Treasurer** shall also cause to have mailed with the notice of meeting or separately but at least seven days before the date of the meeting, a statement of the number of directors to be elected and the name and addresses of the candidates, specifying separately, the nominations made by the committee on nominations and also, the nominations made by petition, if any. ~~The chairman shall invite additional nominations from the floor and nominations shall not be closed until at least one minute has passed during which no additional nomination has been made. No member may nominate more than one candidate.~~

### SECTION 5. Removal of Directors by Members

Any member may bring charges against a director and, by filing with the Secretary/**Treasurer** the ~~such~~ charges in writing together with a petition signed by at least **five (5%)** ~~ten percent centum~~ of the members, ~~or 300, whichever is the lesser,~~ may request the removal of a ~~such~~ director by reason thereof. ~~Such~~ Director(s) shall be informed in writing of the charges at least ten (10) days prior to the

meeting of the members at which the charges are to be considered and shall have the opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of ~~a such~~ director shall be considered and voted upon at the meeting of the members. ~~and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.~~

### SECTION 6. Vacancies

A vacancy occurring in the board of directors shall be filled by the affirmative vote of a majority of the remaining directors for the unexpired portion of the term. **A Class C director vacancy shall be filled by appointment from the Class C board of directors.**

### SECTION 7. Compensation

Directors shall not receive any salary for their services as directors, except that by resolution of the board of directors, a fixed sum may be allowed for each day, or portion thereof, spent on **Corporation Cooperative** business ~~such as attendance at meetings, conferences, and training programs or performing committee assignments authorized by the board of directors.~~ If authorized by the board of directors, board members may also be reimbursed for expenses actually and necessarily incurred in carrying out **Corporation** ~~such cooperative~~ business. ~~or granted a reasonable per diem allowance by the board in lieu of detailed accounting for some of these expenses. No board member shall receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by the board member or his close relative shall have been certified by the board as an emergency measure.~~

### SECTION 8. Five Counties to have Representation

~~No more than two directors shall be elected from each of the Counties of Campbell, Crook, Johnson, Sheridan and Weston.~~

### SECTION 8. Removal of Director by Directors

**A director may be removed by action of the remaining Board of Directors if the director to be removed has missed three (3) consecutive board meetings or failed to attend seventy-five percent (75%) of all board meetings during any one (1) calendar year. In the event of a vacancy occurring pursuant to this provision the vacancy shall be filled pursuant to Article IV, Section 6 of these bylaws.**

## ARTICLE V

### MEETING OF DIRECTORS

#### SECTION 1. Regular Meetings

~~The~~ A regular meeting of the board of directors shall be held ~~without notice, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the board of directors shall also be held monthly at a such time and place~~ **within the Counties of Campbell, Crook, Johnson, Sheridan or Weston, Wyoming, or at another location outside Campbell, Crook, Johnson, Sheridan or Weston County** as the board of directors may provide

by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

#### SECTION 2. Notice of Directors Meetings

Written notice of the time and place and purpose of any special meeting of the board of directors shall be delivered to each director either personally or by mail or electronically by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his address as it appears on the records of the Corporation Cooperative, with postage thereon prepaid, at least five (5) days before the date set for the meeting. If delivered personally or electronically, the meeting may be held forthwith thereafter at any time.

#### SECTION 3. Special Meetings

Special meetings of the board of directors may be called by the President or by any three directors and it shall thereupon be the duty of the Secretary/Treasurer to cause notice of the such meeting to be given as hereinafter provided. The President or the directors calling the meeting shall fix the method, time and place for the holding of the meeting. Special meetings, upon proper notice may also be held via telephone conference call, without regard to the actual location of the directors at the time of such a telephone conference meeting, if all directors consent thereto.

#### SECTION 4. Quorum

A majority of the board of directors shall constitute a quorum, provided, that if less than such a majority of the directors is present at any meeting, a majority of the directors present may adjourn the meeting. from time to time, and provided further, that The Secretary/Treasurer shall cause notice to be given to any absent directors of the time and place of an such adjourned meeting, as agreed upon by a majority of the board of directors present as provided in Section 2 of this Article. 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, except as otherwise provided in these bylaws.

### ARTICLE VI OFFICERS

#### SECTION 1. Number

The officers of the Corporation Cooperative shall be a President, Vice President and a Secretary/Treasurer, and other officers as may be determined by the board of directors from from time to time. The offices of Secretary and Treasurer may be held by the same person.

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

The Officers shall be elected by ballot or affirmative vote, annually by and from the board of directors at the next meeting of the board of directors which may be held immediately after the annual meeting of the members. Officers shall hold office until adjournment of the next annual meeting or until his/her successor(s) shall have been elected and shall have qualified. held immediately after the annual meeting of the members. If the election of officers

shall not be held at the meeting, the election shall be held as soon thereafter as may be convenient. Officer(s) shall hold office until adjournment of the next annual meeting or until his/her successor(s) shall have been elected and shall have qualified. A vacancy in any office shall be filled by the board of directors for the unexpired portion of the term. appointed by the board of directors for the unexpired portion of the term.

#### SECTION 3. Removal of Officers and Agents by Directors

Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interest of the Corporation Cooperative will be served thereby. In addition, any member of the Corporation Cooperative may bring charges against an officer or agent and by filing with the Secretary/Treasurer charges in writing together with a petition signed by five ten percent (5%) centum of the members, or 300 whichever is lesser, may requesting the removal of the such officer or agent. The officer or agent against whom such charges have been brought shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence. in respect of the charges; and The person or persons bringing the charges against him shall have the same opportunity. In the event the board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

#### SECTION 4. President

The President shall:

- (a) Be the principal executive officer of the board of directors Cooperative and, unless otherwise determined by the members of the board of directors, shall preside at all meetings of the members and board of directors;
- (b) Sign with the Secretary/Treasurer, certificates of membership, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the board of directors to be executed, except in case in which the signing and execution thereof shall be expressly delegated by the board of directors or by these bylaws to some other officer or agent of the Corporation Cooperative or shall be required by law to be otherwise signed or executed; and
- (c) in general perform all duties incident to the office of president and other duties as may be determined prescribed by the board of directors from time to time.

#### SECTION 5. Vice President

In the absence of the president, or in the event of his/her inability or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all restrictions upon the president. The vice president shall also perform other duties as from time to time may be assigned to him/her by the board of directors.

#### SECTION 6. Secretary/Treasurer

The Secretary/Treasurer shall be responsible for:

- (a) Keeping the minutes of the meeting of the members and of the board of directors in books provided for that purpose;

(b) Seeing that all notices are duly given in accordance with these bylaws or as required by law;

(c) The safekeeping of the corporate book and records and the seal of the ~~Corporation Cooperative~~ and affixing the seal of the ~~Corporation Cooperative~~ in all certificates of membership prior to the issuance thereof; and to all documents, the execution of which on behalf of the ~~Corporation Cooperative~~ under its seal is duly authorized in accordance with the provisions of these bylaws;

(d) Keeping a register of the names and post office addresses of all members; signing, with the President, certificates of membership;

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

(f) ~~Custody of all funds and securities of the Corporation; in general performing all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the board of directors.~~

(g) Receipt of and the issuance of receipts for all monies due and payable to the Corporation and for the deposit of all monies in the name of the Corporation in a bank or banks as shall be selected in accordance with the provisions of these bylaws; and

(h) ~~In general performing all duties incident to the office of the Secretary/Treasurer and other duties as may be assigned to him/her by the board of directors.~~

#### SECTION 7. Chief Executive ~~Officer~~ ~~Manager~~

The board of directors may appoint a ~~chief executive officer manager~~ who may be, but who shall not be required to be a member of the ~~Corporation Cooperative~~. The ~~chief executive officer manager~~ shall perform ~~those such~~ duties and shall exercise ~~such~~ authority as the board of directors may ~~from time to time~~ vest in him/her.

#### SECTION 7. Treasurer

The Treasurer shall be responsible for:

(a) ~~custody of all funds and securities of the Cooperative;~~

(b) ~~receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with provisions of these bylaws; and~~

(d) ~~the general performance of all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the board of directors.~~

#### SECTION 8. Bonds of Officers

The ~~Secretary/Treasurer~~ and any other officer or agent of the ~~Corporation Cooperative~~ charged with responsibility for the custody of any of its funds or property shall be bonded ~~in such sum and with such surety~~ as the board of directors shall determine. The board of directors ~~in its discretion~~ may also require any other officer, agent or employee of the ~~Corporation Cooperative~~ to be bonded ~~in such amount and with such surety~~, as it shall determine.

#### SECTION 9. Compensation

The powers, duties, expenses and compensation of ~~directors~~, officers, agents and employees shall be fixed by the board of directors. ~~subject to the provisions of these bylaws with respect to compensation for directors and close relatives of directors.~~

#### SECTION 10. Reports

The ~~officers of the Corporation Cooperative~~ shall submit at each annual meeting of ~~the members~~ reports covering the business of the ~~Corporation Cooperative~~ for the previous ~~fiscal year~~. ~~Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.~~

### ARTICLE VII

#### DISPOSITION OF REVENUES AND RECEIPTS

##### SECTION 1. Interest or Dividends on Capital Prohibited

The ~~Corporation 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 ~~Corporation Cooperative~~ on any capital furnished by its members.

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

~~In furnishing of electric energy~~ ~~The Corporation's Cooperative's~~ operations shall be ~~so~~ conducted ~~so that~~ all members through their patronage furnish capital for the ~~Corporation Cooperative~~. In order to induce patronage and to ensure that the ~~Corporation Cooperative~~ will operate on a non-profit basis, the ~~Corporation 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 operating costs and expenses properly chargeable against the furnishing of electric energy, ~~provided however all Class C patronage shall be assigned based upon power supply patronage~~. All ~~such~~ amounts in excess of operating costs and expenses at the moment of receipt by the ~~Corporation Cooperative~~ are received with the understanding that they are furnished by the members as capital. ~~Purchasers of the Corporation's services, other than purchasing electric energy, shall not be eligible for membership or patronage credits and are neither members nor patrons by virtue of their purchase of these services.~~

The ~~Corporation Cooperative~~ is obligated to pay by credits to a capital account for each member all amounts in excess of operating costs and expenses. The books and records of the ~~Corporation Cooperative~~ shall be set up and kept in 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 in an appropriate record to the capital account of each member, and the ~~Corporation Cooperative~~ shall, within a reasonable time after the close of the fiscal year, notify each member of the amount of capital so credited to his/her account. All 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 ~~Corporation Cooperative~~ corresponding amounts for capital.



All other amounts received by the Corporation Cooperative from its operation in excess of costs and expenses shall, in so far as permitted by law be (a) used to offset any losses incurred during the current or any prior fiscal year and, (b) to the extent not needed for the purpose, allocated to its members on a patronage basis and any amount so allocated shall be included as part of the capital credited to the account of its members, as herein provided.

In the event of dissolution or liquidation of the Corporation Cooperative, after all outstanding indebtedness of the Corporation Cooperative shall have been paid, outstanding capital credits shall be retired without priority rights of the members. If, at any time prior to dissolution or liquidation, the board of directors shall determine that the financial condition of the Corporation Cooperative will not be impaired thereby, the capital credited to members' accounts may be retired in full or in part. The board of directors shall determine the method, basis, priority and order of retirement, if any, for all amounts heretofore and hereafter furnished as capital. However, at the discretion of the board of directors, any member's capital account, which is less than \$20.00, may be retired in full without reference to capital first received or first retired.

Notwithstanding any other provision of the bylaws, ~~or other provision of the membership certificate~~ if any member or former member fails to claim any cash retirement of capital credits or other payment from the Corporation Cooperative within one (1) year ~~two years~~ after payment of the same has been made available by notice or check mailed at the last address furnished to the Corporation Cooperative, such failure shall be and constitutes an irrevocable assignment and gift by the member of the capital credit or other payment to the Corporation Cooperative. Failure to claim any payment within the meaning of the section shall include the failure by ~~the such~~ member or former member to cash any check mailed by the Corporation Cooperative to the last address furnished to the Corporation Cooperative. The assignment and gift provided for under this section shall become effective only upon the expiration of one (1) ~~two (2)~~ years from the date when the payment has been made available to the member or former member without claim therefore and only after the further expiration of sixty (60) days following the giving of a notice by mail and publication that unless the payment is claimed within the sixty (60) day period, ~~the such~~ gift to the Corporation Cooperative shall become effective. The notice by mail herein provided for shall be one mailed by the Corporation Cooperative to ~~the such~~ member or former member to the last known address and notice by publication shall be two (2) consecutive insertions in a newspaper circulated in the service area of the Corporation Cooperative. The sixty (60) day period following ~~the giving of such~~ notice shall be deemed to terminate sixty (60) days after the mailing of ~~the such~~ notice or sixty (60) days following the last date of publication thereof, whichever is later.

Capital credited to the account of each member shall be assignable only on the books of the Corporation Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or part of the member's premises

served by the Corporation Cooperative unless the board, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provision of these bylaws, the board of directors at its discretion, shall have the power at any time upon the death of any member who was a natural person, ~~or a member who was a natural person who has transferred capital credits to a trust or trustee for estate planning purposes~~, if the legal representatives of his estate ~~or trust~~ shall request in writing that the capital credited to any member be retired prior to the time the capital would otherwise be retired under the provision of these bylaws, to retire capital credited to any such member immediately upon such terms and conditions as the board of directors, acting under policies of general application, and the legal representative of the members' estate shall agree upon; provided, however, that the financial condition of the Corporation will not be thereby impaired. The Corporation, ~~shall have a lien against capital furnished by a member and~~, before retiring any capital credited to any member's account, shall deduct from any amount owing by the member to the Corporation, together with interest thereon at a reasonable rate as from time to time established by the board of directors and in effect when the amount became overdue.

The members of the Corporation, by dealing with the Corporation, acknowledge that the terms and provisions of the articles of incorporation and bylaws shall constitute and be a contract between the Corporation and each member, and both the Corporation and the members are bound by this contract as fully as though each member had individually signed a separate instrument containing these terms and provisions.

### ~~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 pro-rated annually on a patronage basis and returned to those members from whom such amounts are obtained.~~

## ARTICLE VIII

### DISPOSITION AND PLEDGING OF PROPERTY

#### SECTION 1. Disposition and Pledging of Property.

(a) ~~The Corporation A cooperative utility~~ shall not sell, lease or otherwise dispose of all or any substantial portion of its property, when the action is not in the regular course of activities, except as provided in this section.

(b) Before a meeting is held to vote on approval of disposition of all or a substantial portion of the ~~Corporation's Cooperative~~ utility property, the board of directors shall:

(i) Have the proposed disposition analyzed with respect to the effect on rates or utility services and the equity position of members. The analysis shall be performed by at least two (2) independent analysts with experience in utility rate setting and valuation of utility property;

(ii) Cause three (3) independent, non-affiliated appraisers, who are expert in ~~these such~~ matters, to render their individual opinions as to the value of the ~~Corporation Cooperative~~ with respect to any proposed sale, lease, lease-sale, exchange, transfer or other disposition and as to any other terms and conditions which should be considered;

(iii) Notify all the ~~Corporation's Cooperative's~~ utility members, at least ninety (90) days in advance, of a meeting to vote on disposition of cooperative utility property, enclosing a summary of the proposal for disposition of the property with the notice, and make available to any member the full proposal for inspection and copying at the principal office of the ~~Corporation Cooperative utility~~; and

(iv) Mail to all members of the ~~Corporation Cooperative~~ a summary of any alternate purchase proposal submitted within thirty (30) days of the meeting date, and make available to any member the full proposal for inspection and copying at the principal office of the ~~Corporation utility~~.

(c) A two-thirds (2/3) affirmative vote of all the members of the ~~Corporation Cooperative utility~~ is required for any sale or disposition under this article.

(d) The ~~Corporation's Cooperative's~~ ability and authority to sell, lease, or otherwise dispose of all or a substantial portion of its property when the action is not in the regular course of activities shall be subject to the contractual obligations of the ~~Corporation Cooperative utility~~ with power suppliers and other third parties.

#### Section 2. Board Authorization.

The board of directors of the ~~Corporation~~, without authorization by the members, shall have full power and authority to authorize the execution and delivery of mortgages, deeds of trust or other instruments which may pledge or encumber any or all of the ~~Corporation's~~ property, assets, rights, privileges, licenses, franchises and permits, whether acquired or to be acquired as well as the revenues and income of the ~~Corporation~~ upon terms and conditions as the board of directors may determine.

### ARTICLE IX

#### SEAL

The Corporate Seal of the ~~Corporation Cooperative~~ shall be in the form of a circle and shall have inscribed thereon the name of the ~~Corporation Cooperative~~ and the words "Corporate Seal, (Wyoming)".

### ARTICLE X

#### FINANCIAL TRANSACTIONS

##### SECTION 1. Contracts

Except as otherwise provided in these bylaws, the board of directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the ~~Corporation Cooperative~~, and such authority may be general or confined to specific instances.

##### SECTION 2. Checks, Drafts, etc.

All checks, drafts, or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name

~~of or the Corporation Cooperative~~ shall be signed by ~~an such~~ officer or officers, agent or agents, employee or employees of the ~~Corporation Cooperative~~ and in a ~~such~~ manner as shall ~~from time to time~~ be determined by resolution of the board of directors.

##### SECTION 3. Deposits

All funds, except petty cash, ~~of the cooperative~~ shall be deposited ~~from time to time~~ to the credit of the ~~Corporation Cooperative~~ in ~~such bank or banks~~, instruments, financial institutions, and other organizations as the board of directors may select.

##### SECTION 4. Change in Rates

Prior to a change in the rates to be charged by the Corporation for electric service, the Corporation shall be required to comply with all notice requirements as set forth in the Corporation's mortgage(s) and as required by any regulatory authorities which may have jurisdiction over the Corporation's electric rates. ~~Written notice shall be given to the Administrator of the Rural Electrification Administration of the United States of America not less than ninety days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective.~~

### ARTICLE XI

#### MISCELLANEOUS

##### SECTION 1. Waiver of Notice

Any member or director may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a member or director at a ~~such~~ meeting shall constitute a waiver of notice of the ~~such~~ meeting by the ~~such~~ member or director except in the case where a member or director shall attend a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called or convened.

##### SECTION 2. Policy Rules and Regulations

The board of directors shall have power to make and adopt ~~such~~ policies, rules, and regulations, consistent with law, the certificate of incorporation, or these bylaws, as it may deem advisable for the management of the business and affairs of the Corporation.

##### SECTION 3. Accounting System and Reports

The board of directors shall cause to be established and maintained a complete accounting system ~~which, among other things, and subject to applicable laws, and rules and regulations of any regulatory body, shall conform to such accounting systems as may from time to time be designated by the Administrator of the Rural Electrification Administration of the United States of America.~~ ~~Annually~~ the board of directors shall ~~also after the close of each fiscal year~~ cause to be made by a certified public accountant a full and complete audit of the accounts, books and financial condition of the ~~Corporation Cooperative~~ ~~as of the end of such fiscal year~~. A report of the ~~such~~ audit shall be submitted to the members at the next ~~following~~ annual meeting.

##### SECTION 4. Area Coverage

The board shall make diligent effort to see that electric ~~and any other service(s) offered by the Corporation or its subsidiaries are is~~

extended to all ~~unserved~~ persons ~~within the Cooperative service area~~ who

(a) desire ~~such~~ service, and;

(b) meet all reasonable requirements established by the ~~Cooperative~~ ~~Corporation~~ as a condition of ~~such~~ service.

**ARTICLE XII**  
**AMENDMENTS**

These bylaws may be amended or repealed:

(a) By a majority vote of the members voting either in person or by proxy, at an official meeting of the membership, when initiated by petition signed by at least five percent (5%) of the members.

(b) By the board of directors, with a vote of at least two-thirds (2/3) of all directors, at a regular or special meeting of the board. Notice of the proposed bylaw amendment or repeal and the date of the board meeting at which an amendment or repeal will be considered shall be delivered to the members at least thirty (30) days prior to the meeting.