

The bylaw revisions proposed in Article III are due to a new legislation addressing how Cooperatives conduct annual meetings. The Legislature wanted Cooperatives to have more flexibility in how they hold member meetings and allow Cooperatives to offer electronic and mail in voting. This enhances and expands member participation and gives every member a chance to vote without having to attend a meeting in person. These changes will also enable Cooperatives to have flexibility to navigate challenging and unprecedented times like we have experienced due to COVID-19, while ensuring Cooperative business continues to move forward and members and staff are safe. Provisions regarding proxies, quorums, tie-votes, and the period in which nominations for trustees must be submitted have also been added.

ARTICLE III MEETING OF MEMBERS

SECTION 1. Annual Meeting. ~~Except as otherwise provided in these bylaws, the Cooperative shall hold an~~ The annual meeting of the members shall be held during the month of June of each year at a such place within a country~~one of the counties~~ served by the Cooperative, or by any remote means~~communication,~~ as designated ~~selected~~ by the board of trustees, ~~and which shall be designated in the notice of the meeting, for the purpose of electing board members,~~ for the purpose of passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. ~~It shall be the responsibility of the board to make adequate plans and preparations for the annual meeting.~~ The trustees may, in their sole judgment, decide it is in the best interest of the Cooperative to postpone or cancel the annual meeting. Failure to hold the annual meeting ~~at the designated time~~ shall not cause a forfeiture or dissolution of the Cooperative.

SECTION 2. Special Meeting. Special meetings of the members may be held at any place within one of the counties served by the Cooperative, or by any remote means as specified in the notice of the special meeting.

SECTION 3. Notice of Members Meeting. Written or printed notice stating the place, day and hour of any ~~the~~ meeting ~~and, in case of a special meeting, a district meeting or an annual meeting at which business other than that listed in Section 8 of this article is to be transacted, and~~ the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than thirty (30) ~~twenty-five~~ days before the date of the meeting, to each member, either by electronic or physical means, ~~mail or delivered at the direction of the Secretary, by or at the direction of the Secretary, or upon a default in duty by the Secretary~~ by the Cooperative, its designee or the persons calling the meeting, ~~to each member.~~

SECTION 4. Quorum. ~~In case the membership of the Cooperative shall be less than 1000 members, 5 percent of the total membership present in person shall constitute a quorum. At all times when the membership exceeds 1000 members, 50 members present in person shall constitute a quorum. 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, provided that the secretary shall notify any absent members of the time and place of such adjourned meeting.~~ Five percent or fifty (50) members, whichever is less, present at the meeting shall constitute a quorum. Present shall mean by physical or remote/electronic participation. In the case of a remote (online or virtual) meeting, the board of trustees may authorize the use of mail-in or electronic ballots for issues to be voted on by the membership. If a remote (online or virtual) meeting format is selected, the quorum requirements will be deemed met so long as, on any votes taken, there are at least 50 votes cast for any issues.

SECTION 5. Voting. Each member or entity member (i.e., corporation, partnership, association, district, or municipality) shall be entitled to only one vote. ~~Entity members shall designate, in writing an officer, shareholder, or trustee of the corporation as its voting proxy.~~ Voting may be conducted by any means authorized by state law and as approved by the trustees.

~~An individual member may vote in person, or by proxy electronically, by mail-in ballot or a combination of these, as authorized by the board of trustees. An individual member shall appoint a member as proxy in writing on an appointment form and file it with Member or Customer Service before or at the time of the annual meeting. However, no individual member may be designated as proxy for more than three (3) other individual members. No individual member proxy shall be valid after one (1) year from the date it was made.~~

~~All questions shall be decided by a vote of a majority of the members voting, in person, except entities, which may vote through their authorized proxy, as set forth in the preceding paragraph, a~~ except as otherwise provided by law, the articles of incorporation, or these bylaws.

SECTION 7. Nomination and Election of Trustees.

- a) **Nomination by Committee.** Not less than ninety (90) days before any meeting at which trustees are to be elected, the president shall appoint a nominating committee composed of two members from each district from which the trustees are to be elected. ~~during that given year. As such committee, they~~ The committee shall nominate one or more candidates from each of those districts and certify the names of such candidates to the board of trustees at least sixty (60) ~~30~~ days prior to the date of the meeting at which trustees are to be elected.
- b) **Nomination by Petition.** Nomination of a Candidate to the board of trustees may be made by petition signed by ten (10) members of the Cooperative. The petition must designate the district for which the candidate is to be elected. All members signing such petition must be residents of the district for which the candidate is to be elected. The petition must be submitted to the nominating committee not less than ninety (90) ~~sixty (60)~~ days before any meeting at which trustees are to be elected, and the nominating committee shall certify the names of such candidates nominated by petition to the board of trustees at least sixty (60) ~~thirty (30)~~ days prior to the date of the meeting at which trustees are to be elected.
- c) **Election of Trustees.** Not less than ten (10) nor more than thirty (30) ~~twenty-five (25)~~ days before the date of the meeting at which trustees are to be elected, written notice shall be mailed or delivered by the direction of the secretary to each member containing the list of the candidates nominated by the nominating committee, ~~the names to be arranged by districts.~~ The list may be included with the notice of

meeting. ~~Election of trustees shall then at such meeting be by ballot with such ballots listing the candidates nominated by the committee.~~ The ~~C~~candidates nominated shall be limited to one two-minute nominating speech. There shall be no seconding speech, and no speech by the person nominating.

In the event more than three candidates are nominated from one District, there shall first be ~~conducted~~ a run-off election conducted in which the two nominees receiving the highest number of votes shall be determined. The members of the Cooperative shall then cast a second ballot to decide which of those two nominees shall be elected as trustee. If the trustee election results in a tie vote, a recount shall be conducted. If a recount confirms a tie vote, a run-off election between the candidates receiving the same number of votes shall be held within 45 days of the tie vote. If after a run-off, there is still a tie vote, the winner shall be determined by a game of chance by the Cooperative's attorney or designee.

~~Each member of the Cooperative present at the meeting shall be entitled to vote for one candidate from each district from which trustees are to be elected in any given year.~~ The candidate from each district receiving the highest number of votes ~~at the meeting~~ shall be considered elected as trustee.

SECTION 8. Order of Business. Subject to the discretion of the trustees and where circumstances warrant change, ~~T~~he order of business at any the annual-meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as generally shall be as follows:

- 1) Report as to the number of members present in order to determine the existence of a quorum.
- 2) Acknowledgement of the notice of the meeting and proof of the date of publication or mailing thereof, or the waiver or waivers of notice of the meeting.
- 3) Presentation and consideration of reports of officers, trustees, and committees.
- 4) Report of trustee election.~~Election of trustees.~~
- 5) Unfinished business.
- 6) For the Annual Meeting only, New business.
- 7) ~~Adjournment.~~
- 8) 7) The most recent edition of Robert's Rules of Order Revised shall be applicable to the conduct of business at any meeting of members, except for when such Robert's Rules of Order Revised are specifically in conflict with the Articles of Incorporation or By laws of the Cooperative, in which case, the applicable article of bylaw shall govern.

The bylaw provision proposed in Article IV eliminates the number of trustees that shall sit on the Cooperative board, along with the proxy wording. Provisions regarding board member qualifications, removal of trustees, vacancies, and compensation have also been addressed.

ARTICLE IV TRUSTEES

SECTION 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of ~~seven~~ trustees which shall exercise all of the powers of the Cooperative except those such as are bylaws, the articles of incorporation, or these bylaws conferred upon or reserved to the members by the law, the articles of incorporation, or these bylaws.

SECTION 2. Qualifications and Tenure. Trustees shall be elected for terms of three (3) years, as their respective terms expire. If the election of trustees has not been held on or by the day designated herein for the annual meeting, or at 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 is convenient. ~~It may be.~~

No person shall be eligible to become or remain a trustee or to hold any position of trust in the Cooperative who:

- a) Is not a member of the Cooperative (or is not an officer, shareholder, or trustee of an entity member ~~designated as the entity voting proxy~~) and a bonafide resident of, and physically residing in, the particular district which they are to represent, or
- b) Is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative, or is an officer, trustee or shareholder owning ten percent or more of the stock of a corporation ~~whose officer, shareholder, or trustee as corporate voting prox (see a. above) presently holding a trustee seat, which is in the business of selling electric energy or which competes with the Cooperative; or~~
- c) Who is or has been an employee of the Cooperative within the past four years; or
- ~~c) d)~~ Is related by blood within the third degree of marriage to any current employee of Lower Yellowstone Rural Electric ~~Assc. Inc. Cooperative within the third degree.~~

Upon the establishment of the fact that a trustee is holding office in violation of any of the foregoing provisions, the board of trustees ~~it~~ shall immediately ~~become incumbent upon the board of trustees to~~ remove such trustee from office.

SECTION 3. Removal of Trustees by Members. Any member may request removal of ~~bring charges against~~ a trustee by filing such specific charges in writing with the secretary, together with a petition signed by at least ten percent of the members, ~~and request the removal of such trustees by reason thereof.~~ The trustee against whom such charges have been submitted ~~brought~~ shall be informed in writing of the charges at least fifteen (15) ~~five~~ days prior to the meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or through ~~by~~ counsel and to present evidence ~~in respect of the charges~~ ; ~~and~~ ~~T~~he person or persons bringing the charges against the trustee shall have the same opportunity at the meeting. The question of the removal of such trustee shall be considered and voted upon at the ~~next regular or special~~ 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 forgoing provisions with respect to nominations, except that the new trustee must reside in the same district as the trustee in respect to whom the vacancy occurs. no trustee shall be removed unless by a vote of two-thirds (2/3) of the members present.~~

SECTION 4. Vacancies. ~~Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of trustees by the members, a~~ Any vacancy occurring in the board of trustees shall be filled by the affirmative vote of ~~the a~~ majority of ~~all of~~ the remaining trustees for the unexpired portion of the term ~~provided. If a trustee resigns effective on a specified date, the remaining trustees may appoint a member by the affirmative vote of the majority of all of the remaining trustees to fill the vacancy before it occurs, and in such case the trustee so appointed will begin to serve on the date specified in the resignation notice. In the event the vacancy is not filled by the board within sixty (60) days after of the trustee in respect of whom~~ the vacancy occurs, ~~the members residing in the trustee voting district from which such trustee was. The member elected shall have the right as trustee to fill such vacancy at a meeting of the members of such trustee voting district, the vacancy must reside in the same manner as set forth in these bylaws. A member appointed to fill a vacant trustee position must comply with all qualifications for a trustee. The procedure applicable to election of trustees at the expiration of a trustee term applies to any trustees appointed to fill an unexpired term. district as the trustee as to whose office he succeeds.~~

SECTION 5. Compensation. Trustees ~~as such~~ shall not receive any salary for their services ~~as trustees, except that, but~~ by resolution of the board, ~~of trustees a~~ reasonable fixed sum and expenses of attendance, if any, may be allowed for ~~each day or portion thereof spent on Cooperative business, such as attendance at any meetings, conferences, conventions, seminars and training programs or performing committee assignments when authorized by the board. If of Trustees. No trustee shall receive compensation for serving the Cooperative in any other capacity, unless such compensation shall be specifically authorized by a vote of the members, or such payment and amount shall be specifically authorized by the remaining trustees upon the certification of such as an emergency measure. authorized by the board, trustees also may be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the board in lieu of detailed accounting for some of these expenses.~~

The proposed amendments to Article V allows electronic meetings for both regular and special board meetings. These changes align with Article III.

ARTICLE V MEETINGS OF TRUSTEES

SECTION 1. Regular Meetings.

- a) ~~A regular meeting of the board of trustees shall be held without notice other than this bylaw, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the board of trustees shall also be held at least ten (10) times per calendar year at such time and place as the board of trustees may decide and provide by resolution. Such regular monthly meetings may be held without notice other than such resolution. Regular meetings may be conducted through the use of remote or telecommunications conference means through which all persons participating in the meetings can communicate with each other. Such participation will constitute attendance and presence in person at the meeting. The board of trustees may permit trustees to attend and participate in a regular meeting through the use of any means of communication by which all trustees participating are able to simultaneously hear each other during the meeting. A trustee participating in a meeting pursuant to this section is deemed to be present in person at the meeting.~~

SECTION 2. Special Meetings.

- a) Special meetings of the board of trustees may be called by the president or by any three trustees, and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given ~~as hereinafter provided~~. The president or the trustees calling the meeting shall fix the time and place of the special meeting. ~~Not less than five (5) days before the meeting, W~~ritten notice of the time, place and purpose of any special meeting of the board of trustees shall be delivered ~~to each trustee not less than five days previous thereto, either personally, or by mail, or electronic means, by or at the direction of the secretary, or upon a default in duty by the secretary, by the president, or the trustees calling the meeting, to each trustee.~~ If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the trustee at their address as it appears on the records of the Cooperative, with postage thereon prepaid.
- b) ~~Special meetings may be conducted through the use of remote or telecommunications conference means through which all persons participating in the meetings can communicate with each other. Such participation will constitute attendance and presence in person at the meeting. The board of trustees may permit trustees to attend and participate in a special meeting through the use of any means of communication by which all trustees participating are able to simultaneously hear each other during the meeting. A trustee participating in a meeting pursuant to this section is deemed to be present in person at the meeting.~~

~~SECTION 3. Notice of Trustees' Meetings-This section was added into Section 2 Special Meetings a)~~

SECTION 4. Quorum. A majority of the board of trustees shall constitute a quorum, ~~provided, that if less than such majority of the trustees is present at said meeting, a majority of the trustees present may adjourn the meeting from time to time, and provided further, that the secretary shall notify any absent trustees of the time and place of such adjourned meeting.~~ 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, ~~except as provided in Article 1, Section 6 of these bylaws.~~

The bylaw provision proposed in Article VI combines the secretary/treasurer responsibilities and eliminates the treasurer office completely, reflecting actual practice. The provisions also make it flexible as to when and how the trustees will elect officer positions.

ARTICLE VI OFFICERS

SECTION 1. Number. The officers of the Cooperative shall be a president, vice-president, and secretary, ~~and treasurer.~~ ~~The offices of secretary and of treasurer may be held by the same person.~~

SECTION 2. Election and Term of Office. The officers shall be elected, ~~by ballot,~~ annually by and from the board of trustees at any the meeting of the board of trustees, ~~held directly after the annual meeting of the members.~~ ~~If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be.~~ Each officer shall hold office until the first meeting of the board of trustees following the ~~next succeeding~~ annual meeting of the members or until their successor shall have been elected, ~~and shall have qualified.~~ A vacancy in any office shall be filled by the board of trustees for the unexpired portion of the term.

SECTION 3. Removal of Officers and Agents by the Trustees. Any officer or agent elected or appointed by the board of trustees may be removed by a majority vote of the board of trustees whenever in its judgment the best interests of the Cooperative will be served by the removal, ~~thereby.~~

SECTION 4. President. The president shall:

- a) Be the principal executive officer of the Cooperative and, unless otherwise determined by the members or the board of trustees, or as the president may delegate, shall preside at all meetings of the members and the board of trustees; and
- b) Sign, ~~with the secretary~~ 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 or by these bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed, ~~and.~~

SECTION 6. Secretary. The secretary shall be responsible for:

- a) Ensuring ~~The the~~ safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative 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;
- ~~b) — Keeping a register of the names and post office addresses of all members;~~
- ~~e)b) Ensuring that the Cooperative keeps~~ Keeping on file at all times a complete copy of the articles of incorporation and 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, furnishing a copy of the bylaws and of all amendments thereto to any member upon request, ~~and.~~
- ~~d)c) In general, performing all duties incident to the office of secretary and such other duties as from time to time may be assigned to them by the board.~~

~~SECTION 7. Treasurer. The treasurer shall be responsible for:~~

- ~~e)d) Custody of all funds and securities of the Cooperative;~~
- ~~f)e) The 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 the provisions of these bylaws; and~~
- ~~g)f) The general performance of all the duties incident to the office of ~~treasurer~~ secretary and such other duties as from time to time may be assigned to them by the board.~~

SECTION 8. Manager. The board of trustees may appoint or employ a manager who may, but who shall not be required to, be a member of the Cooperative. The manager shall perform such duties and shall exercise such authority as the board of trustees ~~may~~ from time to time may vest in them.

SECTION 9. Bonds of Officers. The ~~treasurer~~ secretary and any other officer or agent of the 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 shall determine.

SECTION 10. Compensation. The powers, duties and compensation of any officers, agents and employees shall be fixed by the board of trustees, subject to the provisions of these bylaws with respect to compensation for trustees, ~~and close relatives of trustees.~~

SECTION 11. Reports. The ~~officers of the~~ Cooperative, through one of its officers, shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year.