

**BYLAWS  
OF  
EAST-CENTRAL IOWA RURAL ELECTRIC COOPERATIVE**

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**BYLAW I. GOALS**

The goal of East-Central Iowa Rural Electric Cooperative is to make electric energy available to its members at the lowest cost consistent with sound economy and good management.

Dependable Service. The Cooperative shall use reasonable diligence to furnish its members with adequate and dependable electric service, although it cannot and therefore does not guarantee a continuous and uninterrupted supply thereof.

**BYLAW II. MEMBERS**

Section 1. Requirements for Membership. The limitations, conditions, restrictions, and rights pertaining to membership, and the privileges, duties, and obligations of members are set forth in the Articles of Incorporation of the Cooperative.

Section 2. Members. All service lines and all meters, switches, and other appliances and equipment constructed or installed by the Cooperative in or on the property of any member, except so much thereof, if any, as shall be paid for by the member, shall at all times be the property of the Cooperative, and the Cooperative shall have the right and privilege to enter upon the premises of any member to repair or service the same, and upon the discontinuance of the service for any reason, to remove the same.

Section 3. Joint Memberships. Spouses or any two or more individuals sharing or co-owning a premise may apply for a joint membership, and subject to their compliance with the requirements set forth in Section 1 of this Bylaw, may be accepted for such membership. The term "Member" as used in these Bylaws shall be deemed to include spouses, whether or not holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of such membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of such membership shall be as follows:

- (a) The presence at a meeting of one or more of the joint members shall be regarded as the presence of one member and shall constitute a waiver of notice of all joint members of the meeting.
- (b) The vote of any joint member separately or all joint members jointly shall constitute one vote.
- (c) A waiver of notice signed by one or more joint members shall constitute a joint waiver.
- (d) Notice to one of the joint members shall constitute notice to all of the individuals comprising the joint membership.

Section 4. Membership by Other Than Persons. If an association, corporation, or partnership complies with the Articles of Incorporation, such entity may hold a membership in the

Cooperative. The holders of such memberships shall be bound by the following rules:

- (a) The membership shall only be entitled to one vote.
- (b) Waiver of notice signed by an officer or partner on behalf of the member shall constitute a waiver of notice of the member.
- (c) Notice to a partner or an officer of the entity on behalf of the member shall constitute notice to the member.

### **BYLAW III. MEETINGS OF MEMBERS**

Section 1. Member Demands For Special Meetings. Any demand for a special meeting of members shall be in writing, signed by the members making the demand, and be addressed and delivered to the Secretary of the Cooperative.

Section 2. Notice. Each member shall be entitled to receive ten (10) days written notice of the time and place of all meetings and the purpose of all special meetings. Such notice shall be given to the member in person or by mail directed to the member's address as shown on the books of the Cooperative. If mailed, such notice shall be deemed delivered when deposited in the United States mail, addressed to the member at the member's address as it appears on the records of the Cooperative, with postage thereon prepaid. Any member may waive, in writing, notice of any meeting of the members.

Section 3. Failure To Receive Notice. The failure of any member to receive notice of an annual meeting or special meeting of the members shall not invalidate any action which may be taken by the members at any such annual meeting or special meeting.

Section 4. Quorum. Ten percent (10%) or more of the members present in person or represented by mail ballots shall constitute a quorum necessary for the transaction of business at any annual meeting or special meeting of the membership; provided, however, that so long as the total number of members of the Cooperative shall exceed five hundred (500), then fifty (50) or more members present in person shall be sufficient to constitute a quorum for the transaction of business at all meetings of the members. If less than a quorum is present at any meeting, a majority of those present may adjourn the meeting from time to time without further notice.

Section 5. Voting. As stated in the Articles of Incorporation, no member shall own more than one membership and each member shall be entitled to one (1) vote upon each matter submitted to a vote at a meeting of the membership. Voting by proxy shall not be permitted. If two or more persons hold one membership certificate in partnership, joint tenancy, or otherwise, the vote of such membership may be cast by any one of such persons, or as otherwise directed by the Board of Directors. A member absent from any meeting may submit a mail or electronic vote on any motion, resolution, or amendment to be acted upon at such meeting, provided a mail and/or electronic ballot has been specifically authorized by the Board of Directors. A mail or electronic vote must be cast on a ballot containing the exact text of the proposed motion, resolution, or amendment by depositing such ballot in the United States mail, addressed to the Secretary at the business office of the Cooperative or through an electronic method approved by Board of Directors. At all meetings of the members at which a quorum is present, all questions shall be decided by a majority vote of the members present in person or represented by mail/electronic vote except as otherwise provided by law, the Articles of Incorporation of the Cooperative, or these Bylaws. All votes received by Cooperative staff prior to the close of the election at the annual meeting shall be counted.

Section 6.      Order of Business. The order of business at the regular annual meeting of the members of the Cooperative and, so far as possible at all other meetings of the members, shall be as follows:

- (a) Roll call.
- (b) Reading of the Notice of the meeting together with the proof of due giving thereof or the waiver or waivers of notice of such meeting.
- (c) Approval of the agenda
- (d) Presentation and reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- (e) Presentation and consideration of, and acting upon reports of officers, directors, and committees.
- (f) Election of directors.
- (g) Unfinished business.
- (h) New business.
- (i) Adjournment.

Voting on a motion or resolution at an annual meeting or special meeting of the members shall only take place if written notice of such motion or resolution was provided to all members with the notice of the meeting, with a ballot enclosed to allow voting by mail.

Section 7.      Rules of Order. Parliamentary procedure at all meetings of the members, of the Board of Directors, of any committee provided for in these Bylaws, and of any other committee of the members or Board of Directors which may from time to time be duly established shall be governed by the most recent edition of Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the Cooperative's Articles of Incorporation or Bylaws.

## **BYLAW IV. DIRECTORS**

Section 1.      Districts. The Articles of Incorporation provide that the service area of the Cooperative shall be divided into districts for the purpose of electing Directors. There are presently ten (10) districts, which are geographically defined as set forth in Section 2 below. To be eligible for a directorship, a nominee shall have bona fide residence in the district which is up for election.

### Section 2.      Districts Descriptions.

The districts are geographically defined as follows:

District 1;; Geneseo, Clark, and Oneida Townships in Tama County; Big Grove, Bruce, Cedar, Harrison, Monroe, and Jackson Townships in Benton County.

District 2: Polk and Benton Townships in Benton County.

District 3: York Township in Tama County; Florence, Homer, Kane, Union, Eldorado, Fremont, Iowa, Leroy, and St. Clair Townships in Benton County; Lenox, Marengo and Washington Townships in Iowa County; Clinton and Fairfax Townships in Linn County; Monroe Township in Johnson County.

District 4: Canton, Taylor, and Eden Townships in Benton County; Fayette and Washington townships in Linn County.

District 6:, Homer, Washington, and Sumner Townships in Buchanan County.

District 8: Poyner, Big Creek, Lester, Barclay, Fox and Spring Creek Townships in Black Hawk County; Jefferson,, Westburg, Perry and Fairbank Townships in Buchanan County.

District 9: Fremont, Harlan, Oran, Illyria, Smithfield, Fairfield, Jefferson, Scott and Putnam Townships in Fayette County; Sperry and Cass Townships in Clayton County; Hazleton, Madison and Buffalo Townships in Buchanan County; Richland Township in Delaware County; Franklin Township in Bremer County.

District 10: Byron, Fremont, Liberty, Middlefield, Newton, and Cono Townships in Buchanan County; Coffins Grove, Prairie and Adams Townships in Delaware County; Grant Township in Linn County.

Following the Annual Meeting of members to be held in the year 2018, and prior to the Annual Meeting of members to be held in the year 2019, the size of the Board of Directors shall be reduced from ten (10) Directors to eight (8) Directors. The reduction will occur through resignations, retirement, or such other means as deemed appropriate to the Board of Directors. The reduction shall be coordinated so as to provide for the elimination of two (2) director positions prior to or concurrent with the Annual meeting of members to be held in 2019, and the service area of the Cooperative shall be divided into eight (8) districts by the Board of Directors, with each of the eight (8) remaining Directors being assigned to the district within which they reside. The foregoing district boundaries shall be amended to provide for eight (8) districts concurrent with or immediately following the Annual Meeting of members to be held in the year 2019.

Section 3. Elections. The process for nominating and electing Directors shall be as set forth in the Articles of Incorporation. Directors shall be elected by a plurality of the votes cast. Drawing by lot shall resolve any tie vote.

Section 4. Rules and Regulations. The Board of Directors shall have the power to make and adopt such rules and regulations, not inconsistent with the Articles of Incorporation of the Cooperative or these Bylaws or the laws of the State of Iowa, as it may deem advisable for the management, administration, and regulation of the business affairs of the Cooperative.

Section 5. Accounting System and Reports. The Board of Directors shall cause to be established and maintained a complete accounting system which, among other things, subject to applicable laws of the State of Iowa and the rules and regulations of any regulatory body thereof, shall conform to such accounting system as may, from time to time, be designated by the Administrator of the Rural Utilities Service. The Board of Directors shall, after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books, and financial condition of the Cooperative as of the end of such fiscal year. Such audit reports shall be submitted to the members at the following Annual Meeting of members.

## **BYLAW V. MEETINGS OF DIRECTORS**

Section 1. Annual Meeting. An Annual Meeting of the Board of Directors shall be held immediately following the Annual Meeting of the members for the purpose of the election of officers of the Cooperative for the ensuing year, and to transact such other business as may properly come before the meeting.

Section 2. Regular Monthly Meetings. A regular meeting of the Board of Directors shall be held on a monthly basis. The notice of the time, date, and place of each regular meeting shall be

specified in the minutes of the previous regular meeting which shall be furnished to the Directors prior to the Board meeting.

Section 3. Special Meetings. A special meeting of the Board of Directors shall be held whenever called by the President or any three (3) directors. Seven (7) days prior notice of any special meeting must be given to each director personally or by mail, which notice shall specify the purpose for which the meeting has been called.

Section 4. Waiver of Notice. Notice of any meetings may be waived by attendance at the meeting, except when a director attends a meeting and objects to the transaction of business. Notice of the meeting may also be waived by signing a waiver of notice before, during, or after the meeting.

Section 5. Quorum and Voting. A majority of the directors shall constitute a quorum necessary for the transaction of business at any Annual Meeting, regular meeting, or special meeting of the Board of Directors. If less than a quorum is present, the directors present may adjourn the meeting from time to time until a quorum is present. All matters considered by the Board of Directors shall be decided by a vote of a majority of the directors present at the meeting except as otherwise provided by law, the Articles of Incorporation, or these Bylaws. Any director who is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining the number of directors in office or present.

Section 6. Compensation. Directors shall not receive a salary for their services as directors. However, the Board of Directors may designate a fee to be paid to directors for attending any meeting of the Board of Directors, and shall also reimburse all directors for reasonable expenses of attendance at any meeting of the Board of Directors.

Members of the Board of Directors may also receive a fee for and be reimbursed for all reasonable expenses incurred while attending other meetings or other activities on behalf of the Cooperative. The Board of Directors shall, from time to time, establish policies and procedures regarding such attendance fees and reimbursement for reasonable expenditures.

Except in emergencies, no director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director receive compensation for serving the Cooperative, unless such compensation shall be specifically authorized by a vote of the Board of Directors.

Section 7. Telephonic Meetings and Actions By Consent. The Board of Directors may permit any or all Directors to participate in a regular or special meeting through the use of any means of communication by which all directors participating are able to simultaneously hear each other during the meeting. A director participating in a meeting pursuant to this section is deemed to be present in person at the meeting.

Any action required or permitted to be taken at a Board of Directors meeting may be taken without a meeting if the action is taken by all members of the Board. The action must be evidenced by one or more written consents describing the action taken, signed by each director, and filed with the corporate records reflecting the action taken. Any action so taken is effective when the last director signs the consent, unless the consent specifies a different effective date. A consent signed under the authority of this paragraph is deemed to have the same effect as a meeting vote and may be described as such in any document.

## **BYLAW VI. OFFICERS**

Section 1. Officers. The officers of the Cooperative shall be a President, a Vice President, a Secretary, and a Treasurer. The Board of Directors may also elect an Assistant Secretary-Treasurer and/or a Chief Executive Officer. The offices of the Secretary and Treasurer may be held by one person, in which case the officer so serving shall be called the Secretary-Treasurer.

Section 2. Election. The Board of Directors shall elect officers of the Cooperative at the Annual Meeting of the Board of Directors each year. The President, Vice President, Secretary, Treasurer, and Assistant Secretary-Treasurer and Chief Executive Officer, if elected, shall hold office until the next Annual Meeting of the Board of Directors and until their successors are elected and qualified, unless removed as provided in the Articles of Incorporation. The Board of Directors shall also have full authority to appoint, by a majority vote, such additional officers as the Board deems appropriate and in the best interests of the Cooperative.

Section 3. President. The President shall be the principal executive officer of the Cooperative and shall preside at all meetings of the members and all meetings of the Board of Directors. The President may sign, with the Secretary or an Assistant Secretary, or any other proper officer of the Cooperative authorized by the Board of Directors to do so, certificates of membership in the Cooperative, as well as any real estate deeds, mortgages, bonds, contracts, or other instruments authorized by the Board of Directors to be executed. In general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 4. Vice President. In the absence of the President, or in the event of the President's 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 of the restrictions upon the President. The Vice President shall also perform such other duties and responsibilities as, from time to time, may be assigned by the Board of Directors.

Section 5. Secretary. The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors, and shall compile those minutes in a corporate minute book. The Secretary shall also be responsible for the mailing of all notices in a timely manner as provided by law, the Articles of Incorporation, or these Bylaws. The Secretary shall be the custodian of all corporate records and the seal of the Cooperative. Additionally, the Secretary shall keep a membership list showing the proper names and addresses of each member of the Cooperative. The Secretary shall also sign, along with the President, all membership certificates. In general, the Secretary shall perform all duties incident to the office of Secretary and such other duties as, from time to time, may be assigned to the Secretary by the Board of Directors.

Section 6. Treasurer. The Treasurer of the Cooperative shall perform such duties with respect to the finances of the Cooperative as may be prescribed, from time to time, by the Board of Directors. In general, the Treasurer shall supervise all financial affairs of the Cooperative and shall perform all duties incident to the office of Treasurer, as well as such other duties as, from time to time, may be assigned to the Treasurer by the Board of Directors.

Section 7. Assistant Secretary-Treasurer. In the absence of the Secretary or the Treasurer, or in the event of the Secretary's or the Treasurer's inability or refusal to act, the Assistant Secretary-Treasurer shall perform the duties of the Secretary or the Treasurer, respectively, and when so acting, shall have all the powers of and be subject to all of the restrictions on those offices.

Section 8. Chief Executive Officer. The Chief Executive Officer, if elected, shall perform such duties of operations and management on behalf of the Cooperative as may from time to time be

assigned by the Board of Directors.

Section 9. General Manager. The Board of Directors may also appoint a qualified person to serve as General Manager of the Cooperative. The General Manager may be, but shall not be required to be a member of the Cooperative. The General Manager shall perform such duties as the Board of Directors may, from time to time, require and shall have such authority as the Board of Directors may vest in the General Manager. The General Manager shall have general charge of the ordinary and usual business operations of the Cooperative, including supervision of all personnel, purchasing, marketing, cost controls, and the management of all products, services, and supplies handled by the Cooperative.

Section 10. Bonds of Officers. The Board of Directors shall require the Treasurer or any other officer charged with responsibility for the custody of any of its funds or property, to give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, employee, or agent of the Cooperative to give such bonds in such amounts, with such surety or sureties, and containing such terms and conditions as it shall determine.

Section 11. Compensation. The salary, compensation, and other benefits of the General Manager, and of any other officer, shall be fixed by the Board of Directors.

Section 12. Reports. The officers shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year and showing its condition at the close of such fiscal year.

## **BYLAW VII. DEPOSITS, CHECKS, AND INSTRUMENTS**

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

## **BYLAW VIII. MEMBERSHIP CERTIFICATES**

Membership in the Cooperative shall be evidenced by a certificate of membership which shall be in the form and shall contain such provisions as determined by the Board of Directors, provided such terms are not inconsistent with the Articles of Incorporation and these Bylaws. The certificate shall be signed by the President and by the Secretary, and shall be sealed with the corporate seal. No membership certificate shall be issued until the issuing price of such membership has been fully paid in cash, and such payment has been deposited in the accounts of the Cooperative, except members of the cooperatives which have consolidated to form the present Cooperative shall receive a membership certificate upon their request without charge. In case of a lost, destroyed, or mutilated certificate, a new certificate may be issued upon such terms, and with appropriate indemnity provisions, as the Board of Directors may prescribe. Each membership certificate, among other things, shall state in substance that membership in the Cooperative shall not be transferable and all certificates shall be surrendered to the Cooperative upon a member becoming ineligible to membership or upon the death, expulsion, or withdrawal of the member holding such certificate.

## **BYLAW IX. FISCAL YEAR**

The fiscal year of the Cooperative shall begin on January 1 of each year and shall end on December 31 of each year.

## **BYLAW X. MEMBERSHIP IN OTHER ORGANIZATIONS**

The Board of Directors of the Cooperative may cause the Cooperative to become a member of any other organization, corporation, association, or cooperative, organized on a nonprofit basis for the purpose of engaging in or furthering the cause of rural electrification.

## **BYLAW XI. 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, Iowa".

## **BYLAW XII. EASEMENTS AND MEMBER COOPERATION**

Each member shall, upon being requested to do so by the Cooperative, execute and deliver to the Cooperative grants of easement right-of-way over, on, and under such lands owned or leased by or mortgaged to the member, and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the furnishing of electric service to him or other members or for the construction, operation, maintenance, upgrading, or relocation of the Cooperative's electric facilities. Each member shall participate in any required program to comply with related rules and service rules and regulations that may be established by the Cooperative to enhance load management, to more efficiently utilize or conserve electric energy, or to conduct load research.

## **BYLAW XIII. DEFERED PATRONAGE DIVIDENDS**

The Cooperative shall maintain books and records reflecting the deferred patronage dividend allocated and paid to each member.

Section 1. Reversion Fund for Unclaimed Patronage Dividends. Pursuant to the authority granted in Iowa Section 499.30A, the Cooperative shall establish a separate reversion fund for the deposit of unclaimed member patronage dividends. The establishment and use of this fund shall be as follows:

- (a) If a member's patronage dividend is deemed abandoned after the member has been provided proper notice and time to file a claim for the dividend under Iowa law, said dividend shall be forfeited and deposited into the reversion account.
- (b) The General Manager/CEO of the Cooperative shall have the discretion to honor a claim for an abandoned patronage dividend which is submitted after the six-month claims period, upon a showing of legitimate reason for the claim being filed late. If a delinquent claim is honored, the Cooperative shall pay out the amount of the disbursement to the member, the member's estate, or the member's successor in interest.
- (c) Forfeited patronage dividends shall be used as the board of directors deems suitable for any of the following purposes:
  - (1) Teaching and promoting cooperation; or

- (2) Economic development including private or joint public and private investments involving the creation of economic opportunities for members or the retention of existing sources of income that would otherwise be lost.

Section 2. Payment of Deferred Patronage Dividends. The Directors shall determine the extent and manner in which to pay patronage dividends to members and former members. Each year the Directors shall determine whether to retire allocated patronage dividends for previous years and the manner of any such payment. Allocated patronage dividends to be paid to a member or former member with an outstanding debt will be offset against that debt until the debt is paid in full. Pursuant to Iowa Code Chapter 499, former members shall be mailed a patronage dividends check for the period of time determined by the Directors as long as the check amount is more than \$5.00 or is the last of that member's accumulated patronage dividends.

Section 3. Transfer of Deferred Patronage Dividends prior to Payment. A member with a commercial account may request a certificate for deferred patronage dividends and transfer its allocated patronage dividends to a buyer of its business by making this transfer request in writing and with the approval of the Board of Directors. Following such an approved transfer, the allocated patronage dividends shall be paid to the buyer pursuant to Section 2 of this Article.

Upon the dissolution of a business that was a commercial member of the Cooperative, a business officer shall provide the Cooperative with names and mailing addresses of the individuals to whom future retired patronage dividends should be paid. Without such information, retired patronage dividends will be paid in the business name.

Section 4. Security Interest in Deferred Patronage Dividends. The Cooperative shall file a UCC Financing Statement with the Iowa Secretary of State when any commercial member's deferred patronage dividends accumulate to more than \$10,000 to provide the Cooperative with a security interest in those dividends.

#### **BYLAW XIV. AMENDMENT**

The Board of Directors, by a vote of seventy-five percent (75%) of the directors, may adopt, alter, amend, or repeal the Bylaws of the Cooperative. Such original or amended Bylaws shall remain in force and effect until subsequently altered, amended, or repealed by a vote of seventy-five percent (75%) of the membership at any annual meeting or special meeting of the members. The Bylaws shall be kept by the Secretary of the Cooperative and shall be subject to inspection by any member at any time. Proposals by members to adopt, alter, amend, or repeal Bylaws by a vote of the membership shall be presented to the Secretary of the Cooperative for mailing to the membership by the Cooperative at least twenty (20) days prior to the meeting at which the proposed change is to be considered.