



**Alaska Village Electric  
Cooperative, Inc.**

**“A co-op owned by those it serves”**

# **BYLAWS**

**Revised April 8, 2015**



**BYLAWS**  
**OF**  
**ALASKA VILLAGE**  
**ELECTRIC COOPERATIVE**  
**INCORPORATED**

This booklet is an exact printing of the Bylaws of the Alaska Village Electric Cooperative, Inc., with amendments through April 8, 2015. All copies bearing an earlier date are superseded and should be destroyed.



**BYLAWS  
OF  
Alaska Village Electric Cooperative, Inc.**

**ARTICLE I  
MEMBERSHIP**

**SECTION 1. Requirements for Membership.**

Any person, firm, association, corporation, or body politic or subdivision thereof will become a member of Alaska Village Electric Cooperative, Inc. (hereinafter called the "Cooperative") upon receipt of electric service from the Cooperative, provided that he or it has first:

- (a) Made a written application for membership therein and granted to the Cooperative such easements as the Cooperative shall require for the furnishing of electric service to the applicant and others in the immediate area, without compensation;
- (b) Agreed to purchase from the Cooperative electric energy as hereinafter specified;
- (c) Agreed to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative and any rules and regulations adopted by the Board; and
- (d) Provided, however, that upon complying with the requirements set forth above, any applicant shall automatically become a member on the date of submission of an application for service, provided that the Board of Directors may by resolution deny an application and refuse to extend service upon its determination that the applicant is not willing or is not able to satisfy and abide by the Cooperative's terms and conditions for membership and that such application should be denied for good cause; and provided further that any person whose application for membership has been submitted and denied by the Board of Directors may, by filing a written request thereof with the Cooperative at least thirty (30) days prior to the next meeting of the delegates, have his, her, or its application submitted and approved or disapproved by the vote of the delegates at such meeting at which the applicant shall be entitled to be present and to be heard.

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. Joint Membership.**

A husband and wife, or any other two persons who occupy the same household, may apply for a joint membership, and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "member" as used in these Bylaws shall be deemed to include a husband and wife, or any other two persons who occupy the same household, 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 either or both shall be regarded the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint vote;
- (c) A waiver of notice, signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership;
- (g) Either, but not both, may be elected or appointed as an officer or Board member, provided that both meet the qualifications for such office.

## **SECTION 3. Conversion of Membership.**

- (a) A membership may be converted to a joint membership upon the written request of the holder thereof, and the agreement by such holder and his or her co-member to comply with the Articles of Incorporation, Bylaws, and rules and regulations adopted by the Board. The outstanding membership certificate shall be surrendered, and shall be reissued by the Cooperative in such a manner as shall indicate the changed membership status.
- (b) Upon the death of either person 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.
- (c) Upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues directly to occupy or use the premises covered by such membership in the same

manner and to the same effect as though membership had never been joint; provided, that irrespective of the automatic termination above, the spouse or person continuing to occupy and use the premises covered by the membership shall apply to the Cooperative for an individual membership; and provided further, that the other spouse or person shall not be released from any debts due to the Cooperative but may, upon compliance with the requirements set forth above, be accepted for individual membership in the Cooperative.

#### **SECTION 4. Purchase of Electric Energy.**

Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy purchased for use on the premises specified in his or her application for membership, and shall pay therefore at rates which shall from time to time be fixed by the Board. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished members as capital and each member shall be credited with the capital so furnished as provided in these Bylaws. Each member shall pay to the Cooperative such minimum amount, regardless of the amount of electric energy consumed, as shall be fixed by the Board from time to time. Each member shall also pay all amounts owed by him or her to the Cooperative as and when the same shall become due and payable.

#### **SECTION 5. Termination of Membership.**

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe.
- (b) The Board may, by the affirmative vote of not less than two-thirds of all members of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws or rules or regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes him or her liable to expulsion and such failure shall have continued for at least thirty days after such notice was given. Any expelled member may be reinstated by the vote of the Board or by vote of the delegates at any annual or special meeting.
- (c) The membership of a member who for a period of six (6) months after service is available to him or her has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, or a member whose electric service has been disconnected for nonpayment, will be automatically terminated.
- (d) The membership of any member who moves his or her permanent residence outside the published service area

of the Cooperative, and who no longer receives electric service from the Cooperative, will cease, effective with the date service is terminated.

- (e) 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 membership shall be surrendered forthwith to the Cooperative.
- (f) Termination of membership in any manner shall not release a member or his or her estate from any debts due the Cooperative.

## **ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS**

### **SECTION 1. Property Interest of Members.**

Upon dissolution, after:

- (a) All debts and liabilities of the 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 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 period of its existence.

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

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

## **ARTICLE III MEETINGS OF MEMBERS**

### **SECTION 1. Annual Community Meeting.**

An annual community meeting of the members in each community served by the Cooperative shall be held between November 1 and March 1, prior to each annual Cooperative meeting. The date, time and place for the annual community meeting will be set by the annual community meeting chairman who will notify the community members in advance of this date, time and place. A delegate to the annual meeting of the Cooperative shall be elected at the annual community meeting. No person shall be eligible to be a delegate who is an employee of the Cooperative or otherwise regularly re-



ceives compensation for services to the Cooperative. One delegate shall be elected in each community served by the Cooperative. The delegate shall be elected for a term of three (3) years.

A first alternate delegate and a second alternate delegate shall be selected for three-year terms by the community cooperative members. The first alternate delegate shall attend the annual meeting of the Cooperative only if the regular delegate declares himself/herself unable to attend due to serious illness or other serious personal reasons. The second alternate delegate shall attend the annual meeting of the Cooperative only if both the regular delegate and the first alternate delegate both declare themselves unable to attend due to serious illness or other serious personal reasons. A delegate or alternates cannot be appointed or elected by any community governing body, community official or the regular delegate. A delegate or alternates can be elected only by community Cooperative members at a proper meeting, with a quorum present.

A chairman and secretary of the first annual community meeting shall be designated by the Board of Directors at least thirty (30) days prior to the date set for the annual community meeting. At the first and subsequent annual community meetings, the members shall elect a chairman and secretary to serve at the next annual community meeting. The members, by written resolution, may address any questions or concerns they may have at the annual meeting of the Cooperative, and the delegate shall be bound to present such resolutions. The minutes of the annual community meeting and copies of all resolutions adopted shall be certified by the chairman and attested by the secretary and mailed to the Secretary of the Cooperative not more than fifteen (15) days after the annual community meeting. Failure to hold the annual community meeting where a delegate is to be elected shall result in no voting representation from any community which does not hold an annual community meeting and shall not work a forfeiture or dissolution of the Cooperative. As soon as possible, but not more than thirty (30) days following the annual Cooperative meeting, the delegate shall cause a second community meeting to be held to fully inform the members of the actions taken at the annual Cooperative meeting and to answer any questions concerning these actions.

## **SECTION 2. Annual Cooperative Meeting.**

The annual meeting of the Cooperative shall be held during the month of March or April of each year, on a specific date and at a specific time, to be set by the Board of Directors for the purpose of elections, by mail vote of the members, directors or amending the articles or bylaws of the Cooperative. The annual meeting shall be held at such place in Anchorage, Alaska, as shall be designated in the notice of the meeting. At annual meetings, the delegates shall

present any community resolutions to the meeting and pass upon reports covering the previous fiscal year. If the election of Directors shall not be held on the day designated for any annual meeting or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the delegates as soon thereafter as conveniently may be. Any member of the Cooperative may attend and participate in the annual meeting of the Cooperative. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

### **SECTION 3. Special Cooperative Meetings.**

Special meetings of the Cooperative may be called by at least four (4) Directors or upon a written request signed by at least ten percentum (10%) of all the Cooperative delegates and it shall thereupon be the duty of the Secretary to cause notice of such meetings to be given as hereinafter provided. Special meetings of the Cooperative shall be held at Anchorage, Alaska.

### **SECTION 4. Notice of Annual Cooperative Meeting.**

Notice stating the time and place of the annual meeting of the members shall be given to each member, either personally, by mail, or electronically, not less than 15 days or more than 45 days before the date of the meeting. Notice of a special meeting of the members, together with notice of the purpose for which the meeting is called, shall be given to each member, either personally, by mail, or electronically, not less than 90 days or more than 120 days before the date of the meeting. If mailed, notice is considered given when it is deposited in the United States mail with postage prepaid addressed to the member at the address of the member as it appears on the records of the Cooperative. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

### **SECTION 5. Quorum.**

A quorum for the transaction of business at the annual community meeting where a delegate is to be elected shall be ten percent (10%) or ten members, whichever is greater, of the number of Cooperative members eligible to vote as established at the time of closing of membership books specified in Section 9. A quorum for the transaction of business at all annual meetings of the Cooperative shall be fifty (50) members present in person or voting by mail. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meetings from time to time without further notice.

## **SECTION 6. Voting.**

- (a) Each member shall be entitled to only one vote upon each matter submitted to a vote of the members. All questions shall be decided by a vote of a majority of the members voting thereon except as otherwise provided by law, the Articles of Incorporation or these Bylaws.
- (b) The vote of a member which is a partnership, firm, association, corporation, or body politic or subdivision thereof, shall be cast by no person except an owner, officer or employee of such member, whose authority to act for such member shall be in writing, duly authorized and signed by the governing authority of such member or by some officer empowered to do so. Such written authority, which shall be filed with the Secretary or other designated officer at each meeting, shall constitute a certificate of authority to act for such member and in no wise shall be deemed a "proxy" within the spirit and meaning of these Bylaws.
- (c) Members shall be entitled to vote in person, by mail, or by such other means as allowed by law and as established by the Cooperative at the Annual Cooperative meeting. Ballots for use by members voting by mail shall be contained in a security envelope imprinted with the voter's certificate, affixed with the address of the Overseer, first-class United States postage, and the name and address of the voter, be mailed to each member not less than 15 days or more than 45 days before the date of the meeting for such members to reasonably dispatch their ballots to meet the deadline fixed for the actual receipt of the ballot. "Voter's certificate" is defined as a line or other space reserved for and containing the voter's signature. Ballots of members voting by mail must be received not later than 5 p.m. on the day prior to the meeting date, to be counted.
  - (1) The Board shall retain the services of a certified public accounting firm, hereby known as the Overseer, to manage the election.
  - (2) The Overseer shall review and approve the procedures for the printing and distribution of ballots.
  - (3) The Overseer shall obtain a post office box for the receipt of ballots, which shall be accessible only to the Overseer.
  - (4) The Overseer shall supervise the securing of all ballots and the counting of the ballots at the meeting.
  - (5) Members whose ballots were disqualified may request a new ballot, and upon verification of membership be allowed to vote, prior to the close of the voting period.
  - (6) The Overseer shall present the results of the vote at the Annual Cooperative Meeting.

- (d) Each delegate shall be entitled to one vote on each matter submitted to the delegates and all questions shall be decided by a vote of a majority of the delegates voting thereon in person. Voice vote shall be used for all actions unless a show of hands or a roll call vote is requested by a delegate.

**SECTION 7. Proxies.**

There shall be no voting by proxy at any community meeting of the members or at the Annual Cooperative Meeting.

**SECTION 8. Voting by Members Not Natural Persons.**

At Annual Community Meetings and at Annual Cooperative Meetings, the vote of any member who is a firm, association, corporation or body politic or political subdivision thereof, shall be cast by no person except an owner, officer, or employee of such member whose authority to act for such member shall be in writing, duly authorized and signed by the governing authority of such member or by some officer empowered to do so. Such written authority, which shall be filed with the Secretary or other designated officer at each meeting, shall constitute a certificate of authority to act for such member and in no wise shall be deemed a "proxy" within the spirit and meaning of the Bylaws.

**SECTION 9. Closing of Membership Books.**

The membership books of the Cooperative shall be closed by order of the Board of Directors at a time not more than thirty (30) days prior to the date of distribution of mail or electronic ballots and any person, firm, association, corporation, or body politic or subdivision thereof, accepted for membership after such closing of the books, shall not be entitled to vote at such meeting.

**SECTION 10. Annual Community Meeting, Order of Business.**

The order of business at the annual community meetings shall be essentially as follows:

1. Ascertainment that a quorum is present.
2. Reading of the notice of the meeting.
3. Reading of any minutes of previous meetings and the taking of necessary action thereon, unless members vote to dispense with such reading.
4. Presentation, and consideration of, reports of the delegate.
5. Presentation of a summary of the minutes of the Board of Directors' meetings held during the preceding year.
6. Election of a delegate and alternate delegate.
7. Consideration of any resolutions to be presented to the Cooperative at the Annual Delegates meeting.
8. Adjournment.

# ARTICLE IV DIRECTORS

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

The business and affairs of the Cooperative shall be managed by a board of seven (7) directors which shall exercise all of the powers of the Cooperative except such as are by law or by the Articles of Incorporation of the Cooperative or by these Bylaws conferred upon or reserved to the members or their delegates.

## **SECTION 2. Qualification and Tenure.**

No member shall be eligible to become or remain a Director, a delegate, or to hold any position of trust in the Cooperative who is not a bonafide member of the Cooperative or in good standing or who is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative. When a membership is held jointly, either one, but not both, may be elected a Director, provided, however, that neither shall be eligible to become or remain a Director or hold a position of trust in the Cooperative unless BOTH shall meet the qualifications hereinabove set forth. No Director shall be eligible to become an employee of the Cooperative. The Board shall be comprised of seven (7) Directors. The terms of the Directors will be staggered so that three (3) Directors will be chosen at every third annual meeting of the Cooperative and two (2) Directors at all other annual Cooperative meetings.

## **SECTION 3. Nomination and Election of Directors.**

The Chairman of the Board, subject to the approval of the Board of Directors, shall appoint a seven (7) person nominating committee of delegates who shall, telephonically, meet sufficiently prior to the Annual Cooperative Meeting to prepare a list of nominees for Director and to ensure that all nominees meet the qualifications to become or remain a director. The nominating committee shall strive to nominate candidates from the widest possible geographical distribution. In any event, there shall be no more than one Director elected or serving on the Board of Directors from each of the communities served by the cooperative. Directors shall be elected by a plurality of the votes cast except that, if two or more candidates for office are running from the same community or city, the candidate receiving the highest number of votes of those candidates shall be counted. In the event of a tie vote between any two or more nominees, the tie shall be broken by lot.

## **SECTION 4. Failure to Attend Meetings.**

Directors absent from three (3) consecutive regular Board meetings without leave of absence granted by the Board of Directors

may be summarily removed from office by the Board of Directors. The Board, in its discretion, shall take such action by declaring the office vacant in accordance with the provision of Section 6 of Article IV of these Bylaws, provided however, that written notice of such contemplated action has been given to all the Directors at least fifteen (15) days before the time of the meeting at which such action is to be considered. Such notice shall be deemed to be given when deposited in the United States mail with postage prepaid addressed to the Director at his address as it appears on the records of the Cooperative.

#### **SECTION 5. Removal of Directors by Members.**

Any member may bring charges for cause against a Director by filing with the Secretary such charges in writing, together with a petition signed by at least ten percentum (10%) of the members or 300, whichever is the lesser, and may request the removal of such Director by reason thereof. Such Director shall be informed in writing of the charges at least fifteen (15) days prior to the meeting of the delegates at which the charges are to be considered and 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. The question of removal of such Director shall be considered and voted upon at a special meeting of the members and any vacancy created by such removal may be filled by vote of the members at the next Annual or Special Meeting of the members.

#### **SECTION 6. Vacancies.**

Except with respect to the filling of vacancies caused by the removal of Directors by the members, as provided in Article IV, Section 5, any vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining Directors for the unexpired portion of the term.

#### **SECTION 7. Compensation.**

Directors shall not receive any salary for their services as such, except that delegates of the Cooperative may by resolution authorize a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs or performing committee assignments when authorized by the Board. If authorized by the Board, Directors may also 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. 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 the payment and amount of compensation shall be specifically authorized by a vote of the delegates or the service by the Director or his close relative shall have been certified by the Board as an emergency measure.

## **ARTICLE V MEETINGS OF THE BOARD**

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

A regular meeting of the Board shall be held without notice, immediately after, and at the same place as, the annual meeting of the delegates. Regular meetings of the Board shall be on a nominal schedule of every other month as determined by the Board at such time and place within the State of Alaska as designated by the Board. Such regular meeting may be held without notice other than a resolution fixing the time and place thereof.

### **SECTION 2. Special Meeting.**

Special meetings of the Board may be called by the Chairman or by any four Directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Chairman or Directors calling the meeting shall fix the time and place for holding the meeting.

### **SECTION 3. Notice of Board Meetings.**

Written notice of the time, place and purpose of any special meeting of the Board shall be delivered to each Director, either personally, electronically, or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the Chairman or the Directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to each Director at his address as it appears on the records of the Cooperative, with postage thereon prepaid, at least fifteen (15) days before the date set for the meeting. If delivered electronically, such notice shall be deemed to be delivered when transmitted by facsimile or sent to each Director at his or her e-mail address as it appears on the records of the Cooperative, at least five (5) days before the date set for the meeting.

### **SECTION 4. Quorum.**

A majority of the Board shall constitute a quorum, provided, that if less than such majority of the Board is present at any meeting, a majority of the Board present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent Directors of the time and place of such adjourned meet-

ing. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in these Bylaws.

#### **SECTION 5. Minutes.**

A resume of the minutes of each Board meeting may be posted on the Cooperative's website within ten (10) days after approval.

#### **SECTION 6. Voting.**

Voting for the selection or termination of the President and Chief Executive Officer of the Cooperative shall be by secret ballot. Voice vote shall be employed for all other actions of the Board unless a roll call vote is requested by a Director.

#### **SECTION 7. Attendance.**

All members of the Cooperative may attend Board meetings but shall have no vote. Participation in the Board meetings by anyone other than Directors may be permitted by the presiding officer or by the affirmative vote of a majority of the Directors in attendance. The conduct and rules of Board meetings and all other meetings of this corporation shall be in strict accordance with "Roberts Rules of Order."

#### **SECTION 8. Telephonic Meetings.**

Regular meetings of the Board shall normally be attended in person. The Board of Directors may, however, allow a Board member to attend a meeting of the Board telephonically, provided, however, that that Board member is physically unable to attend a meeting of the Board in person due to circumstances beyond his or her control. The Board of Directors may also validly conduct a single subject, special or emergency meeting by communicating with each other by means of teleconference equipment.

## **ARTICLE VI OFFICERS**

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

The officers of the Cooperative shall be a Chairman, Vice Chairman, Secretary, Treasurer, and such other officers as may be determined by the Board 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 nominated and elected by ballot, annually by and from the Board at the meeting of the Board held immediately after the annual meeting of the delegates. 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 following the next succeeding annual meeting of the delegates or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board for the unexpired portion of the term.

### **SECTION 3. Removal of Officers and Agents by the Board.**

Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer, and by filing with the Secretary such charges in writing together with a petition signed by ten per centum (10%) of the members or 300, whichever is the lesser, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least fifteen (15) days prior to the Board meeting at which the charges are to be considered and 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 delegates, provided that not less than ten per centum (10%) of the delegates present at such meeting so demand.

### **SECTION 4. Chairman.**

The Chairman shall:

- (a) Be the principal executive officer of the Cooperative and, unless otherwise determined by the delegates or the Board, shall preside at all meetings of the delegates and of the Board;
- (b) Sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by the Board or the delegates, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board 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
- (c) In general perform all duties incident to the office of Chairman and such other duties as may be prescribed by the Board from time to time.

## **SECTION 5. Vice Chairman.**

In the absence of the Chairman, or in the event of his inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chairman. The Vice Chairman shall also perform such other duties as from time to time may be assigned to him by the Board.

## **SECTION 6. Secretary.**

The Secretary shall be responsible for:

- (a) Keeping the minutes of the meetings of the delegates and of the Board in books provided for that purpose;
- (b) Seeing that all notices are duly given in accordance with these Bylaws or as required by law and furnishing minutes, meeting agenda or other items specified in these Bylaws to members, delegates or Directors of the Cooperative.
- (c) The safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative to all certificates of membership prior to the issuance thereof, and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws.
- (d) Keeping a register of the names and post office addresses of all members;
- (e) Signing, with the Chairman, certificates of membership, the issuance of which shall have been authorized by the Board or the delegates;
- (f) 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, furnish a copy of the Bylaws and of all amendments thereto to any member upon request; and
- (g) In general, performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board.

## **SECTION 7. Treasurer.**

Unless otherwise determined by the Board, and unless required by law, the Articles, or these Bylaws, the Treasurer shall perform all the duties, shall have all the responsibility, and may exercise all authority prescribed by the Board.

## **SECTION 8. President and Chief Executive Officer.**

The Board may appoint a President and Chief Executive Officer who may be, but who shall not be required to be, a member of the Cooperative. The President and Chief Executive Officer shall perform such duties and shall exercise such authority as the Board

may from time to time vest in him or her.

### **SECTION 9. Bonds of Officers.**

The Treasurer 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. The Board in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine.

### **SECTION 10. Compensation.**

The powers, duties and compensation of officers, agents and employees shall be fixed by the Board subject to the provisions of these Bylaws with respect to compensation for a Director and close relatives of Directors.

### **SECTION 11. Reports.**

The officers of the Cooperative shall submit at each annual community meeting and annual Cooperative meeting, in person or in writing, reports covering the business of the 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 NONPROFIT OPERATION**

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

The Cooperative shall at all times be operated on a cooperative nonprofit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

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

In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the

end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be:

- (a) Used to offset any losses incurred during the current or any prior fiscal years; and
- (b) To the extent not needed for that purpose, allocated by the Board either (1) to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided, or (2) to a permanent capital account to be held as unallocated equity capital. The Board, in its discretion, may allocate all amounts not received and receivable from the furnishing of electric service, including, but not limited to, interest or investment income, equity gains from refinancings, and capital gains realized on the sale of assets into the permanent capital account. The amount of this unallocated equity capital shall not be subject to distribution as patronage capital credits but shall be returned to the members upon dissolution of the Cooperative.

If at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be made as the Board of Directors shall determine.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members.

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

Notwithstanding any other provision of these Bylaws, the Board, at its discretion, shall have the power at any time upon the death of any patron who is a natural person, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provision of these Bylaws, to retire capital credited to any such patron who is a natural person immediately upon such terms and conditions as the Board, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the Bylaws shall be called to the attention of each patron of the Cooperative's office.

The Cooperative, before retiring any capital credited to any patron's account, shall deduct therefrom any amount owing by such patron to the Cooperative, together with interest thereon at the legal rate of interest allowed on judgments in the State of Alaska in effect when such amount became overdue, compounded annually.

## **ARTICLE VIII LIMITATIONS ON THE DISPOSITION OF ASSETS**

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

The Cooperative may not sell, lease, or otherwise dispose of, including by merger or consolidation, any portion of its assets which constitutes more than 15 percent of the Cooperative's total assets, less accumulated depreciation, as reflected on the books of the Cooperative at the time of the transaction, unless the requirements contained in this Article are first met. The requirements of this Article apply regardless of whether the entity acquiring the Cooperative's assets is or is not another cooperative or the state.

### **SECTION 2. Membership Approval.**

The transaction must be approved by a vote of the members by mail, pursuant to the requirements and procedures specified in Article XIV, by the affirmative vote of not less than two-thirds of

the members voting on the transaction if the number of members voting to approve it constitutes a majority of all the members of the Cooperative.

### **SECTION 3. Statutory Requirements.**

The Board of Directors of the Cooperative shall comply with the procedures and requirements contained in AS 10.25.240 -- AS 10.25.250 (regarding mergers) or AS 10.25.260 -- AS 10.25.270 (regarding consolidations) or AS 10.25.400 (regarding other dispositions of assets), except that the number of votes required for membership approval shall be governed solely by Section 2 above.

### **SECTION 4. Transactions Not Restricted by this Article.**

Notwithstanding anything contained in this Article, the Board may, without authorization or approval by the members, expend cash assets of the Cooperative and authorize the execution and delivery of mortgages or deeds of trust of, or the pledging or encumbering of, the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenue therefrom, upon the terms and conditions which the Board determines, to secure an indebtedness of the Cooperative.

### **SECTION 5. Amendment or Repeal of this Article.**

Notwithstanding any other provision contained in these Bylaws, this Article may not be amended or repealed unless such action is approved by a vote of the members by mail, pursuant to the requirements and procedures specified in Article XIV, by the affirmative vote of not less than two-thirds of the members voting on the action if the number of members voting to approve it constitutes a majority of all the members of the Cooperative.

## **ARTICLE IX SEAL**

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Alaska."

## **ARTICLE X FINANCIAL TRANSACTIONS**

### **SECTION 1. Contracts.**

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

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

All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed and/or countersigned by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board.

### **SECTION 3. Deposits.**

All funds except petty cash of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board may select, except that the Board may invest Cooperative funds in investment grade equity or debt securities.

### **SECTION 4. Fiscal Year.**

The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

## **ARTICLE XI MISCELLANEOUS**

### **SECTION 1. Membership in Other Organizations.**

The Cooperative may, upon the authorization of the Board of Directors, make investments and purchase stock in or become a member of any corporation or organization which, in the judgement of the Board of Directors, will benefit the Cooperative or facilitate the provision of services or goods to the members of the Cooperative.

### **SECTION 2. Waiver of Notice.**

Any member, delegate or Director may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a member, delegate or Director at any meeting shall constitute a waiver of notice of such meeting by such member, delegate or

Director, except in case a member, delegate or Director shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

### **SECTION 3. Policies, Rules and Regulations.**

The Board shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the Articles of Incorporation or these Bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

### **SECTION 4. Accounting System and Reports.**

The Board 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 system as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America. The Board 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 Cooperative as of the end of such fiscal year. A report of such audit shall be submitted to the delegates at the next following annual meeting.

## **ARTICLE XII NEPOTISM PROHIBITED**

No close relative of a Director shall receive compensation as an employee or for otherwise serving the Cooperative unless such employment or service shall be specially and specifically authorized by vote of the delegates of the Cooperative. "Close relative," as herein used, shall mean wife, husband, son, daughter, father, mother, brother, sister, step-father, step-mother, step-son, step-daughter, step-brother, step-sister, or other person living in the same household. Candidates for the office of Director having a close relative in the employ or service of the Cooperative shall disclose the fact to the Secretary prior to the election, stating that fact and the relationship of the parties. If such candidate is elected, the delegates having been previously notified as aforesaid, then the fact of such election shall constitute a conclusive presumption that the members have approved the payment of compensation to the new Director's relative.



## **ARTICLE XIII PUBLIC ATTENDANCE AT MEETINGS**

Notwithstanding anything contained in these Bylaws, all meetings, except executive meetings, of the Board of Directors, all meetings of the delegates and all meetings of the community members shall be open to the public.

## **ARTICLE XIV AMENDMENTS**

These Bylaws, excepting Article VIII or new Bylaws adopted by the affirmative vote of a majority of those members voting thereon at an Annual or Special meeting of the members, provided that the notice of such meeting, whether regular or special, shall have contained the proposed amendment, repeal or new Bylaws.

The power to amend Article VIII of these Bylaws respecting disposition or encumbrance of property is reserved to the members. Power to amend the Articles of Incorporation is hereby reserved to the members.

Voting by mail shall be permitted on all questions submitted to the members except as otherwise prohibited by law, the Articles of Incorporation, or the Bylaws of the Cooperative. In addition to voting by mail, voting by electronic transmission may be allowed if specified by the Cooperative. Ballots for use by members voting by mail shall, together with a small ballot envelope and a large envelope imprinted with the voter's certificate, affixed with the address of the Cooperative, first class United States postage, and the name and address of the voter, shall be mailed to each member in sufficient time for members to return their ballots by the deadline for receipt of ballots at the Cooperative's offices in Anchorage, Alaska. "Voter's certificate" is defined as a line or other space reserved for the voter's signature. A certified public accounting firm, hereby known as the Overseer, shall be appointed by the Board of Directors to ensure validity of the mailed ballots, tally the ballots, and certify the election results, irrespective of whether a quorum is present in person at a meeting. Marked ballots will be retained and secured for a period of ninety (90) days following the election, after which time they may be destroyed.



