

Are You Qualified?

The bylaw excerpts on page 29 list certain requirements an individual must meet before he or she can be considered for election to the Cooperative's board of trustees.

No conflict of interest, a valid membership and similar requirements are pretty standard for serving on any board of trustees.

But passing muster on the basic requirements is only the first step toward becoming a co-op trustee.

There are a lot of questions a potential board member must ponder in his or her own mind before deciding to run for this elected office, or before allowing a neighbor to place his or her name in nominations.

For instance, if you wanted to nominate a fellow member, you would want to check first to be sure he or she could make some 20 days a year available to the Cooperative. That's about the minimum requirement for an informed board member. Monthly board meetings, state and national association meetings, trustee orientation and training add up to roughly 20 days a year.

Additional activities, like representing the Co-op at other utility association meetings—and there are a lot of them—can push the annual commitment well above 20 days.

Perhaps most important, your nominee should be a person of integrity, equipped to make a meaningful contribution as an active trustee, with basic beliefs in tune with cooperative principles and philosophy. For non-profit cooperatives do represent a unique form of enterprise that isn't fully understood or appreciated by all citizens. The demands on trustees are great, so being in harmony with the objectives of the local co-op to start with makes the work much more productive.

Some key principles of rural electrification include: The right of people to provide an essential service for themselves. Member ownership and control. One member, one vote. Nonprofit operation. Area coverage—service to everyone regardless of where they are located within the service area. That this country's energy resources should be developed to provide adequate energy at reasonable costs to all people.



It is an honor to serve as a Co-operative trustee, but also an obligation which carries certain potential liabilities. Failure to give the job reasonable effort and attention can result in lawsuits. Unfortunately, trustees' and officers' type lawsuits are becoming more common in the utility business. The most effective way to avoid such problems is to be an active and informed member of the Cooperative.

Again, that does take considerable time. The following guidelines are intended to help members understand the personal characteristics and qualifications a potential board member should have. As noted earlier, the basic legal requirements are listed in the bylaws on page 29.

1. Has provided broad leadership in his or her community.

2. Be of proven integrity and enjoy the respect of the other citizens of the community.

3. Has the ability to reason logically and make sound adjustments.

4. Shows an interest in people, their viewpoints and problems, and a willingness to help solve them.

The time requirement cannot be overstated. However, the productive use of time is equally important. The following points should be considered in light of whether or not your candidate could make a meaningful contribution in the role of trustee:

1. Take time to attend meetings in addition to regularly-scheduled board meetings.

2. Willing to study data and other information presented to the board to keep fully informed and prepared for

board discussions and deliberations and to be able to answer questions raised by the members.

3. Willing to contribute to board meetings by raising pertinent and discerning questions and by contributing innovative ideas and suggestions.

4. Able to support the decisions and actions of the board once arrived at by action of the majority of the board.

5. Able to represent the full membership on an impartial basis, not just those in his or her district.

6. Willing to work toward increasing member and public understanding and support of the Cooperative and rural electrification programs.

7. Becoming skilled in raising questions about the end results being achieved in certain key performance areas and in interpreting operating and financial reports.

8. Provide leadership in meeting the changing needs of the members and to improve the quality of rural living and raise the income levels in the Cooperative's service area.

As you can see, there's a lot to think about before nominating someone for the job of Co-op trustee. But there are plenty of qualified people who can handle it if they can make the time.

If you know of someone who would make a good trustee, feel free to contact the nominating committee member in your district. Their names appear on page 32.

For input from you, the member-owner, is an essential part of the process of getting good directors and operating a successful cooperative. ■

Bylaws—Nomination And Election of Trustees

ARTICLE II Members

Section 1. Qualifications and Obligations.

Any person, firm, corporation or body politic may become a membership of the Cooperative by:

- (a) Agreeing to purchase from the Cooperative electric energy as hereinafter specified; and
- (b) Agreeing to comply with and be bound by the Articles of Incorporation of the Cooperative and these Bylaws and any amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Trustees, provided, however, that no person, firm, corporation, or body politic may own more than one (1) membership in the Cooperative.

A husband and wife may jointly become a member and their application for a joint membership may be accepted in accordance with the foregoing provisions of this section provided the husband and wife comply jointly with the provisions of the above subdivisions a. and b.

ARTICLE III Meeting of Members

Section 1. The Annual Meeting of the members shall be held in the months of February or March in Adams or Franklin Counties, State of Washington, the exact date and place of such meeting to be designated by the Board of Trustees. Failure to hold the annual meeting shall not work a forfeiture or dissolution of the Cooperative.

Section 2. Special Meeting. Special meetings of the members may be called by at least three (3) trustees or upon a written request signed by at least ten percent of all the members and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within Adams or Franklin Counties in the State of Washington specified in the notice of the special meeting.

Section 3. Notice of Members' Meetings. Written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting, to each member; provided, however, that with respect to all meetings at which trustees are to be elected such notice shall be so delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting, to each member; provided, however, that with respect to all meetings at which trustees are to be elected such notice shall be so delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of any annual meeting or special meeting of the members shall not invalidate any action which may be taken by the members at such meeting.

Section 4. Quorum. Five percent (5%) of

membership or twenty-five (25) members present, whichever is the lesser, after notice as specified herein, shall constitute a quorum, provided, however, that to amend Articles of Incorporation, the affirmative vote of a majority of the members shall be required.

Section 5. Voting. Each member shall be entitled to one (1) vote. At meetings of the members all questions shall be decided by a vote of a majority of the members voting thereon. If a husband and wife hold a joint membership, they shall jointly be entitled to one (1) vote upon each matter submitted to a vote.

Section 6. Voting by Mail. A member qualified to vote in any annual or special meeting of the members may vote by mail for election of trustees at any such meeting. The voting or return envelope shall be authenticated by the member's signature. Such a mail ballot from any member shall be accepted and counted as a vote of such member if received before the meeting. No member voting by mail may vote in person for a trustee(s) at the annual or special meeting. A member who has voted by mail may withdraw the ballot prior to the time set for commencement of that annual or special meeting.

Section 7. Proxies. Voting by proxy shall be prohibited.

ARTICLE IV Trustees

Section 2. Election.

- (a) There are hereby created and established three (3) trustee districts. From each such district there shall be three (3) trustees.
- (b) As the term of each present trustee expires, his successor, which may be the same trustee by reelection, shall be elected from the district in which such present trustee resides, said trustee to be elected by written ballot by and from all the voting members to serve for a period of three (3) years, or until his successor shall have been elected and qualified. The candidate from each district from which a trustee is to be elected receiving the highest number of votes shall be declared elected as trustee. Only one (1) ballot shall be cast for a nominee in each district.
- (c) No member shall be eligible to become or remain a trustee of any district who is not a bona fide resident in the district from which elected, 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, or a business primarily engaged in selling electrical appliances, fixtures or supplies to the members of the Cooperative, and no person shall take or hold office as a trustee who holds or is a candidate for any elective public office for which a salary is paid. When a membership is held jointly by a husband and wife, either one, but not both, may be elected a trustee, provided, however, that neither one shall be eligible to become or remain a trustee or to hold a position of trust in the Cooperative unless both shall meet the qualifications herein above set forth. Nothing in this section shall, or shall be construed to, affect in any matter whatsoever the validity of any action taken at any meeting of the Board of Trustees.

Section 3. Nominations. It shall be the duty of the Board of Trustees to appoint not less than five (5) nor more than eleven (11) members to serve as a Nominating Committee

with equitable representation on the committee according to the geographical areas served or to be served by the Cooperative. No officer or a member of the Board of Trustees shall be appointed a member of such committee. The committee shall prepare and post at a principal office of the Cooperative, at least twenty (20) days before the meeting, not later than December 1, a list of nominees. Additional nominations may be made by petition filed with the Secretary no later than January 1 of each year in which a Trustee is to be elected. Such petition shall contain the designation of the voting district, the name of the candidate for that district, signature of at least fifteen (15) members qualified to vote in that district and a request that the name of the candidate be placed on the ballot.

The Secretary shall mail with a notice of the meeting, a statement of the number of trustees to be elected, and showing separately the nominations made by the committee on nominations, and the nominations made by petition, if any. All nominations shall designate the terms for which such candidate is being nominated. No nominations may be made from the floor at the meeting of the members.

The members may, at any meeting at which a trustee or trustees shall be removed, as hereinafter provided, elect a successor or successors thereto without compliance with the foregoing provisions with respect to nominations. Notwithstanding anything in this section contained, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of trustees.

Section 4. Vacancies. Subject to the provisions of these Bylaws with respect to the removal of trustees, vacancies occurring in the Board of Trustees shall be filled by a majority vote of the remaining trustees and trustees thus elected shall serve until the next annual meeting of the members or until their successors shall have been elected and shall have qualified.

Section 5. Compensation. Trustees as such shall not receive any salary for their services, but by resolution of the Board of Trustees a fixed sum and expense of attendance, if any, may be allowed for attendance at each meeting of the Board of Trustees and any other meetings and conferences with reference to the Cooperative. Except in emergencies, no trustee shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a trustee receive compensation for serving the cooperative, unless such compensation shall be specifically authorized by a vote of the members.

Section 9. Removal of Trustees and Officers. Any member may bring charges against an officer or trustee by filing them in writing with the Secretary, together with a petition signed by ten percent (10%) of the members, requesting the removal of the officer or trustee in question. The removal shall be voted upon at the next regular or special meeting of the members. The trustee or officer against whom such charges have been brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence; and the person or persons bringing the charges against him shall have the same opportunity. Any vacancy created by such removal may be filled by the members at such meeting. ■