

## **TO OUR MEMBERS:**

This information is the By-laws of Washington- St. Tammany Electric Cooperative, Inc. It is sent to our members in accordance with it's provisions.

A Cooperative such as ours is owned by the members of the Cooperative, governed by them through a Board of Directors, and the by-laws.

These by-laws should be read by every member, the copy sent you herewith should be kept by you and referred to from time to time as questions arise.

We will be happy to explain any sections of these by-laws to any member upon request.

Cooperatively yours,

THE BOARD OF DIRECTORS

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## ARTICLE I

### MEMBERSHIP

**SECTION 1.01. Eligibility.** The following shall be eligible to become a member of and, at one or more premises owned or directly occupied or used by the applicant, to receive electric service from the Washington- St. Tammany Electric Cooperative, Inc. (hereinafter called the "Cooperative"): any natural person, firm, association, electric membership corporation, foreign electric cooperative, corporation, domestic or foreign, business, for other trust, partnership, federal agency, state, or political subdivision or agency thereof, or any body politic (each hereinafter referred to as "person," "applicant," "him," or "his"). No person shall hold more than one membership in the Cooperative, and no membership shall be transferable except as provided in these Bylaws.

**SECTION 1.02. Application for Membership; Renewal of Prior Application.** Application for membership shall be made in writing on such form as is provided therefore by the Cooperative. The applicant shall agree to purchase electric power and energy from the Cooperative and to be bound by and to comply with all of the other provisions of all Cooperative's Articles of Incorporation, Articles of Conversion and Bylaws, and all rules, regulations, rate classifications and rate schedules established pursuant thereto, as all the same then exist or may thereafter be adopted or amended (the obligations embraced by such agreement being hereinafter called "membership obligations"). With respect to any particular classification of service for which the Board of Directors shall require it, such application shall be accompanied by a supplemental contract, executed by the applicant on such form as is provided therefore by the Cooperative. The membership application shall be accompanied by the membership fee provided for in Section 1.03, together with any service security deposit, or contribution in aid of construction that may be required by the Cooperative (hereinafter called "other payments, if any"). The membership fee and other payments, if any, shall be refunded in the event the application is denied. Any former member of the Cooperative may, by the sole act of paying a new membership fee and any outstanding account plus accrued interest thereon at the Louisiana legal rate on judgments in effect when such account first became overdue, compounded annually, together with other payments, if any, renew and reactive any prior application for membership to the same effect as though the application had been newly made on the date of such payment.

**SECTION 1.03. Membership Fee; Service Connection Deposit or Fee; Service Security and Facilities Extension Deposits; Contribution in Aid of Construction.** The membership fee shall be as fixed from time to time by the Board of Directors, not to exceed \$10.00. The membership fee, together with other payments, if any, shall entitle the member to one service connection. A service connection deposit or fee, in such amount as shall be prescribed by the Cooperative, together with other payments, if any, shall be paid by the member for each additional service connection requested by him.

**SECTION 1.04. Joint Membership.** A husband and wife, by jointly executing a membership application or otherwise jointly so requesting in writing, shall be accepted into joint membership or, if one of them is already a member, shall automatically convert such membership into a joint membership. The words "member," "applicant," "person," "his," and "him," as used in these Bylaws, shall include a husband and wife applying for or holding a joint membership, unless otherwise clearly distinguished in the text; and all provisions relating to the rights, powers,

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terms, conditions, obligations, responsibilities, and liabilities of membership shall apply equally, severally and jointly to them. Without limiting the generality of the foregoing-

- (a) the presence at a meeting of either or both shall constitute the presence of one member and a joint waiver of notice of the meeting;
- (b) the vote of either of both shall constitute, respectively, one joint vote; PROVIDED, if both be present but in disagreement on such vote, each shall cast only one-half (1/2) vote;
- (c) notice to , or waiver of notice signed by, either or both shall constitute, respectively, a joint notice or waiver of notice;
- (d) suspension or termination in any manner of either shall constitute, respectively, suspension or termination of the joint membership;
- (e) either, but not both concurrently, shall be eligible to serve as a director of the Cooperative, but only if both meet the qualifications required therefore; and
- (f) neither will be permitted to have any additional service connections except through their one joint membership unless such already existed prior to creation of the joint membership.

**SECTION 1.05 Acceptance into Membership.** Upon complying with the requirements set forth in Section 1.02, any applicant shall automatically become a member on the date of his connection for electric service; PROVIDED, the Cooperative may 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 of membership or that such application should be denied for other good cause.

**SECTION 1.06. Purchase of Electric Power and Energy; Power Production by Member; Application of Payments to All Accounts.** 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; and each member, for so long as such premises are owned or directly occupied or used by him, shall purchase from the Cooperative all central station electric power and energy purchased for use on all premises to which electric service has been furnished by the Cooperative pursuant to his membership, unless and except to the extent that the Board of Directors may in writing waive such requirements, rate classifications and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of electric power and energy actually used) established by the Board of Directors and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Section 1.02. Production or used of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. Each member shall also pay all other amounts owed by him to the Cooperative as and when they become due and payable. When the member has more than one service connection from the Cooperative, any payment for service by him to the Cooperative shall be deemed to be allocated and credited on a pro rata basis to his outstanding accounts for all such service connections, notwithstanding that the Cooperative's actual accounting procedures do not reflect such allocation and proration.

**SECTION 1.07. Excess Payments to be Credited as Member-Furnished Capital.** All amounts paid for electric service in excess of the cost thereof shall be furnished by members

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as capital, and each member shall be credited with the capital so furnished as provided in Article VIII of these Bylaws.

**SECTION 1.08. Wiring of Premises; Responsibility Therefor; Responsibility for Meter Tampering or Bypassing and for Damage to Cooperative Properties; Extent of Cooperative Responsibility; Indemnification.** Each member shall cause all premises receiving electric service pursuant to his membership to become and to remain wired in accordance with the specifications of the then-current edition of the National Electric Code, of any applicable state code or local government ordinances, and of the Cooperative. If the foregoing specifications are variant the more exacting standards shall prevail. Each member shall be responsible for such premises and all wiring and apparatuses connected thereto or used thereon; and shall indemnify and hold harmless the Cooperative and its employees, agents and independent contractors against death, injury, loss, or damage, including reasonable attorneys' fees, resulting from any defect in or improper use or maintenance thereof. Each member shall without charge make available to the Cooperative a suitable site, as determined by the Cooperative, whereon to place the Cooperative's physical facilities for the furnishing and metering of electric service and shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto safely and without interference from any hostile source, for meter reading and bill collecting and for connection, inspection, maintenance, replacement, relocation, repair, disconnection or reconnection of such facilities as all reasonable times. As part of the consideration for such service, each member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall use his best efforts to prevent others from so doing. Each member shall at his own expense also provide such protective devices to his premises, apparatuses or meter base as the cooperative shall from time to time require in order to protect the Cooperative's physical facilities and their operation to prevent any interference with or damage to such facilities and their operation and to prevent any interference with or damage to such facilities. In the event such facilities are interfered with, impaired in their operation or damaged by the member, or by any other person when the member's reasonable care and surveillance should have prevented such, the member shall indemnify the cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting therefrom, including but not limited to the cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment. The Cooperative shall, however, in accordance with applicable service rules and regulations, indemnify the member for any overcharges for service that may result from a malfunctioning of its metering equipment or any error occurring in the Cooperative's billing procedures. In no event shall the responsibility of the Cooperative for furnishing electric service extend beyond the point of delivery.

**SECTION 1.09. Member to Grant Easements to Cooperative and to Participate in Required Cooperative Load Management Programs.** Each member shall, upon being requested so to do by the Cooperative, executed and deliver to the Cooperative grants of easement or 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 or relocation of the Cooperative's electric facilities. Each member shall participate in any required program and comply with related rates 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 electric load research.

## ARTICLE II

### MEMBERSHIP SUSPENSION AND TERMINATION

**SECTION 2.01. Suspension; Reinstatement.** Upon his failure, after the expiration of the initial time limit prescribed either in specific notice to him or in the Cooperative's generally publicized applicable rules and regulations, to pay any amounts due the Cooperative or the cease any other noncompliance with his membership obligations, a person's membership shall automatically be suspended; and he shall not during such suspension be entitled to receive electric service from the Cooperative or to cast a vote at any of the members. Payments of all amounts due the Cooperative, including any additional charges required for such reinstatement, and/or cessation of any other noncompliance with his membership obligations within the final time limit provided in such notice or rules and regulations shall automatically reinstate the membership, in which event the member shall thereafter be entitled to receive electric service from the Cooperative and to vote at the meetings of its members.

**SECTION 2.02. Termination by Expulsion; Renewed Membership.** Upon failure of a suspended member to be automatically reinstated to membership as provided in Section 2.01, he may, without further notice, but only after due hearing if such is in writing requested by him, be expelled by the Board of Directors at any subsequently held regular or special meeting of the Board. After expulsion of a member, he may not again become a member except upon new application therefore as provided in Sections 1.02 and 1.05. The Board of Directors, acting upon principles of general application in such cases, may establish such additional terms and conditions for renewed membership as it determines to be reasonably necessary to assure the applicant's compliance with all his membership obligations.

**SECTION 2.03. Termination in Good Standing by Withdrawal or Resignation.** A member may withdraw or resign in standing form membership upon such generally applicable conditions as the Board of Directors shall prescribe and upon either (a) ceasing to (or, with the approval of the Board of Directors, resigning his membership in favor of a new application who also shall) own or directly occupy or use all premises being furnished electric service pursuant to his membership, or (b) except when the Board of Directors specifically waives such condition, abandoning totally and permanently the use of central station electric service on such premises.

**SECTION 2.04. Termination by Death or Cessation of Existence; Continuation of Membership in Remaining or New Partners.** The death of an individual human member shall automatically terminate his individual membership. The cessation of the legal existence of any other type of member shall automatically terminate such membership; PROVIDED, upon the dissolution for any reason of a partnership, or upon the death withdrawal or addition of any individual partner, such membership shall continue to be held by such remaining partner(s) and new partner(s), if any, as continue to own or directly to occupy or use the premises being furnished electric service pursuant to such membership in the same manner and to the same effect as though such membership has never been held by different partners; PROVIDED FURTHER, neither a withdrawing partner nor his estate shall be released from any debts then due the Cooperative.

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**SECTION 2.05. Effect of Termination.** Upon the termination in any manner of a person's membership, he or his estate, as the case may be, shall be entitled to refund of his membership fee (and to his service security deposit(s), if any theretofore paid the Cooperative), less any amounts due the Cooperative; but neither he nor his estate, as the case may be, shall be released from any debts or other obligations then remaining due the Cooperative. Notwithstanding the suspension or expulsion of a member, as provided for in Sections 2.01 and 2.02, such suspension or expulsion shall not, unless the Board of Directors shall expressly so elect, constitute such release of such person from his membership obligations as to entitle him to purchase from any other person any central station electric power and energy for use at the premises to which such service has theretofore been furnished by the Cooperative pursuant to such membership.

**SECTION 2.06. Effect of Death, Legal Separation or Divorce upon a Joint Membership.** Upon the death of either spouse of a joint membership, such membership shall continue to be held solely by the survivor so long as the survivor continues receiving service from the Cooperative, in the same manner and to the same effect as though such membership has never been joint; PROVIDED, the estate of the deceased spouse shall not be released from any debts due the Cooperative. 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 and receiving service from the Cooperative through such membership, in the same manner to the same effect as though such membership has never been joint; PROVIDED, the other spouse shall not be released from any debts due the Cooperative.

**SECTION 2.07. Board Acknowledgement of Membership Termination; Acceptance of Members Retroactively.** Upon the termination of a person's membership for any reason, the Board of Directors, so soon as practicable after such termination is made known to it, shall by appropriate resolution formally acknowledge such termination, effective as of the date on which the Cooperative ceased furnishing electric service to such person. Upon discovery that the Cooperative has been furnishing electric service to any person other than a member, it shall cease furnishing such service unless such person applies for, and the Board of Directors approves, membership retroactively to the date on which such person first began receiving such service, in which event the Cooperative, to the extent practicable, shall correct its membership and all related records accordingly.

## ARTICLE III

### MEETINGS OF MEMBERS

**SECTION 3.01. Annual Meeting.** For the purposes of electing directors, hearing and passing upon requests covering the previous fiscal year, and transacting such other business as may properly come before the meeting, the annual meeting of the members shall be held on the first Saturday of May of each year, at such place in any parish in Louisiana in which the cooperative serves, and beginning at such hour, as the Board of Directors shall from year to year fix; PROVIDED, for cause sufficient to it, the Board of Directors may fix a different date for such annual meeting not more than thirty (30) days prior or subsequent to the first Saturday of May for such meeting. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for, and to encourage member attendance at, the annual meeting. Failure

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to hold the annual meeting the designated time and place shall not work a forfeiture or dissolution of the Cooperative.

**SECTION 3.02. Special Meetings.** A special meeting of the members may be called by the Board of Directors, the President, by any three directors, or by written petition signed by at least ten (10%) percent of the then-total members of the Cooperative, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 3.03. Such meeting, if called by the Board of Directors, may be held at any place that the annual meeting may pursuant to Section 3.01 be held, and shall begin at such hour as the Board shall decide; if otherwise called, it shall be held in such place in the Washington Directorate District in the State of Louisiana, on such date not sooner than forty (50) days after at such hour as shall be designated by him or those calling or petitioning for the same, except that the Board of Directors may set such meeting to be held in any other Louisiana parish in which the Cooperative serves.

**SECTION 3.03. Notice of Members Meetings.** Written or printed notice of the place, day and hour of the meeting and, in the case of a special meeting or of an annual meeting at which business requiring special notice is to be transacted, of the purpose or purposes of the meeting shall, except as otherwise provided by the Louisiana Revised Statutes Annotated, be delivered to each member not less than ten (10) days nor more than twenty-five (25) days before the date of the meeting, by any reasonable means, at the direction of him or those calling the meeting. Reasonable means of providing such notice shall include but not be limited to United States mail, personal delivery, the Cooperative's monthly newsletter, or member service billings. No matter the carrying of which, as provided by law, requires the affirmative votes of at least a majority of all the Cooperative's members shall be acted upon at any meeting the members unless notice of such matter shall be contained in the notice 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 and, whether mailed first-class or not, postmarked at least five (5) days prior to the meeting date. In making such computation, the date of the meeting shall not be counted. The incidental and non-intended failure of any member to receive such notice shall not invalidate any action which may be taken by the members at any such meeting, and the attendance in person of a member at any meeting of the members shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction for any business, or one or more items or business, on the ground that the meeting shall not have been lawfully called or convened. Any member attending any meeting for the purpose of making such objection shall in writing so notify the Secretary prior to or at the beginning of the meeting.

**SECTION 3.04. Quorum.** (a) Except as provided in subsections (b), (c) and (d) of this Section 3.04, business may not be transacted at any meeting of the members unless there are present in person at least five (5%) percent of the members.

(b) At any meeting of the member at which the dissolution of the Cooperative or the sale, lease, lease-sale, or other disposition of all or a substantial portion of the Cooperative's property is to be considered and acted upon, business may not be transacted unless there are present in person at least (1) ten (10%) percent of its members if the Board of Directors shall have authorized voting by proxy and allowed for three (3) proxies to be voted by any member or (2)

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twenty (20%) percent of its members if the Board of Directors shall have authorized voting by mail.

(c) If the Board authorized mail voting at any member meeting, members voting by mail shall be considered present in person.

(d) Regardless of the number of members present at a member meeting, by vote of a majority thereof the meeting may be adjourned to another time and place not sooner than thirty (30) day later, and the Secretary shall give written notice thereof to all members as provided in Section 3.03 of these Bylaws.

**SECTION 3.05. Voting.** Each member who is not in a status of suspension, as provided for in Section 2.01, shall be entitled to only one vote upon each matter submitted to a vote at any meeting of the members. Voting by members other than members who are natural persons shall be allowed upon the presentation to the Cooperative, prior to or upon registration at each member meeting, of satisfactory evidence entitling the person presenting the same to vote. At all meetings of the members, all questions shall be decided by a majority of the members voting thereon, except as otherwise provided by law or by the Cooperative's Articles of Incorporation or these Bylaws. Members may not cumulate their votes, or except it and under the conditions and in the manner prescribed by the Board of Directors from time to time, vote by proxy and/or by mail; PROVIDED, only members may act as proxies and no member may act as proxy for more than three other members at any member meeting; PROVIDED FURTHER, HOWEVER, a person duly representing as delegate a member which is not a natural person shall not be deemed to be acting as such member's proxy.

**SECTION 3.06. Credentials and Election Committee.** The Board of Directors shall, not less than fifteen (15) nor more than forty (40) days before any annual meeting of the members, appoint a Credentials and Election Committee. The Committee shall consist of an uneven number of members not less than five (5) nor more than eleven (11) who are not members of the Nominating Committee or existing Cooperative employees, agents, officers, directors or known candidates for director, and who are not close relatives (as hereinafter defined) or members of the same household thereof. In appointing the Committee, the Board shall have regard for the equitable representation of the several areas served by the Cooperative. The Committee shall elect its own chairman and secretary prior to the member meeting. It shall be the responsibility of the Committee to establish or approve the manner of conducting member registration and any ballot or other voting, to pass upon all questions that may arise with respect to the respect to the registration of members present in person, as delegates of non-natural person members and if the Board of Directors has authorized such by proxy to count all ballots or other votes cast in any election of in any other matter to rules upon the effect of any ballot or other vote irregularly or indecisively marked or cast to rule upon all other questions that may arise relation to member voting and the election of directors (including but not limited to the validity of petitions of nomination the qualifications of candidates and the regularity of the nomination and election of directors) and to pass upon any protest or objection is filed with the Cooperative, any Board officer or any member of the Committee, such protest or objection shall be filed in writing during or within the three (3) business days next following the adjournment of the meeting in or with respect to which the voting is conducted. The Committee shall thereupon be reconvened, upon notice from its chairman, not less than ten (10) days after such protest or objection is filed, The Committee shall hear such evidence as is presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both and any opposing evidence and the Committee, by a vote of a majority of those present and voting shall within a reasonable time but not later than

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thirty (30) days after such hearing render its decision the result of which may be to confirm an election of director(s). to change the outcome thereof to set it aside or to confirm change or set aside any other result of action taken at the meeting. The Committee may not affirmatively act upon any matter unless a majority of the Committee is present. The Committee's final decision (as reflected by a majority of those actually present and voting on all matters covered by this Section shall be final.

**SECTION 3.07. Order of Business.** The order of business at the annual meeting of the members and insofar as practicable or desirable, at all other meetings of the members shall be essentially as follows:

- (1) Report on the bomber of members present in order to determine the existence of a quorum.
- (2) Reading of the notice of the meeting and proof of the due giving thereof, or of the waiver or waivers of notice of the meetings, as the case may be;
- (3) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon;
- (4) Presentation and consideration of reports of officers, directors and committees;
- (5) Election of directors;
- (6) Unfinished business;
- (7) New business; and
- (8) Adjournment.

Notwithstanding the foregoing the Board of Directors may from time to time establish a different order of business for the purpose of assuring the earlier consideration of and action upon any item of business the transaction of which is necessary or desirable in advance of any other item of business PROVIDED no business other than adjournment of the meeting to another time and place may be transacted until and unless the existence of a quorum is first established.

## ARTICLE IV

### DIRECTORS

**SECTION 4.01. Number and General Powers.** The business and affairs of the Cooperative shall be managed by a board of nine (9) directors. The Board shall exercise all of the powers of the Cooperative except such as are by law or by the Cooperative's Articles of Incorporation or Bylaws conferred upon or reserved to the members.

**SECTION 4.02. Qualifications.** No person shall be eligible to become or remain a director of the Cooperative who is close relative of an incumbent director or of an employee of the Cooperative or is not a member in good standing of the Cooperative or of another electric cooperative which shall be a member thereof, and is receiving service from the Cooperative or such other cooperative at his primary residential adobe. No person shall be eligible to become or remain a director of or to hold any other position of trust in the Cooperative who is not at least eighteen (18) years of age is any employed by or substantially financially interesting a competing

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enterprise of a business selling electric energy supplies to the Cooperative, or a business substantially engaged in selling electrical or plumbing appliances, fixtures or supplies primarily to the members of the Cooperative or who, while an incumbent director, if finally adjudged to be guilty of or pleads guilty or nolo contendere to a charge of, a felony or who, although never having been a director, has been so adjudged or has so pleaded and at least ten (10) years has not elapsed after his having been fully pardoned or having completed his punishment therefor. Notwithstanding any of the foregoing provisions of this Section concerning close relative relationships, no incumbent director shall lose eligibility to remain a director or to be re-elected as a director if he becomes a close relative of another incumbent director or of a Cooperative employee because of a marriage or adoption to which he was not a party. Upon establishment of the fact that a nominee for director lacks eligibility under this Section or as may be provided elsewhere in these Bylaws, it shall be the duty of the chairman presiding at the meeting at which such nominee would otherwise be voted upon to disqualify such nominee. Upon the establishment of the fact that any person being considered for, or already holding, a directorship or other position of trust in the Cooperative lacks eligibility under this Section, it shall be the duty of the Board of Directors to withhold such position from such person, or to cause him to be removed therefrom, as the case may be. Also, the office of a director shall become vacant if he misses as many as three (3) regular meetings of the Board of Directors during any twelve (12) consecutive regular meetings, unless the remaining directors unanimously resolve (1) that there was good cause for such absences and (2) that such cause shall not likely result in such absences during the ensuing twelve (12) consecutive regular Board of Directors meetings. Nothing contained in this Section shall, or shall be constructed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors, unless such action is taken with respect to a matter which is affected by the provisions of the Sections and in which one or more of the directors have an interest adverse to that of the Cooperative.

**SECTION 4.03. Election.** At each annual meeting of the members, directors shall be elected by secret written ballot by the members and, except as stated in the first proviso of Section 4.02 of the Bylaws, from among those members who are natural persons; PROVIDED, when the number of nominees does not exceed the number of directors to be elected from a particular Directorate District, and if there is no objection, secret written balloting may be dispensed with in respect of that particular election and voting may be conducted in any other proper manner. Directors shall be elected by a plurality of the votes cast. In the event of tie votes, the winner shall, when necessary, be determined by drawing of lots.

**SECTION 4.04. Election and Three-Year Staggered Terms.** Directors shall serve for three-year terms and be so nominated and elected that one (1) shall be elected from the Washington Directorate District and two (2) shall be elected from the St. Tammany Directorate District in each two (2) successive years; and two (2) shall be elected from the Washington Directorate District and one (1) shall be elected from the Tangipahoa Directorate District in the third year; and so forth. Upon the election, directors shall, subject to the provisions of these Bylaws with respect to the removal or directors, serve until the annual meeting of the members of the year in which their terms expire or until their successor shall have been elected and shall have qualified. If for any reason an election of directors shall not be held at an annual meeting of the members duly fixed and called pursuant to these Bylaws, such election may be held at any adjournment of such meeting or at a subsequently held special or the next annual meeting of the members. Failure of an election for a given year shall allow the incumbent(s) whose directorship(s) would have been voted on to hold over only until the next member meeting at which a quorum is present and they or their successors shall be elected and shall have qualified.

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**SECTION 4.05. Directorate Districts.** The territory served by the Cooperative shall be divided into three (3) Parish Directorate Districts, described as follows:

District Name	Description
Washington	Washington Parish, Louisiana and Pike, Walthall and Marion Counties, Mississippi
St. Tammany	St. Tammany Parish, Louisiana
Tangipahoa	Tangipahoa Parish, Louisiana

Every year the Board of Directors, not less than ninety (90) days prior to the earliest date on which the annual member meeting may be scheduled by these Bylaws to be held, shall review the Districts and directorships. If the Board determines that the descriptions or numbers of districts should be altered or that the number of district directors should be increased or reduced, so as to correct any substantially inequitable factors regarding the residence of members, the number or the geographic location of Districts, or the number of District directors, the Board shall amend these Bylaws accordingly, and may, after such amendments become effective, appoint any additional directors provided for by such amendments and may fix their respective initial terms, not to exceed three years. The Board shall cause all such amendments and the names, addresses and initial terms of any such newly appointed additional directors to be noticed in writing precisely to the members not less than five (5) days prior to the date on which the Committee on Nominations for the next annual meeting shall first convene, and shall also, in timely advance of such Committee meeting, inform the members of the names, addresses and telephone numbers of the members of the Nominating Committee and of the date, or and place of the Committee's first meeting. From and after the date of such notice of amendments, these Bylaws shall have been effectively amended accordingly, except that such Districts and/or the number of district directors may also be changed by amendment of these Bylaws by the members from time to time in order to establish the most equitable and fair geographical representation of the Board of Directors; PROVIDED, any change so made by action of the Board shall be un full force and effect until at least the completion of the election of directors at the annul meeting of the members first held in accordance with such changed effectuated by the Board of Directors; AND PROVIDED FURTHER, no such change, whether effectuated by the Board or by the members, shall become effective so as to expand an incumbent director's existing term or, unless such director consents thereto in writing, to compel the vacancy of any director's office prior to the time such director's terms would normally expire.

**SECTION 4.06. Nominations.** It shall be the duty of the Board of Directors to appoint, not less than thirty (30) nor more than ninety (90) days prior to the date of a meeting of the members at which directors are to be elected, a Committee on Nominations, consisting or nine (9) members of the Cooperative who are not existing Cooperative employees, agents, officers, directors, or known candidates for director, who are not close relatives (as hereinafter defined) or members of the same household thereof, and who are so selected that four (4) are residents of Washington Directorate District, four (4) are residents of St. Tammany Directorate District, and one (1) is a resident of Tangipahoa Directorate District. The Committee shall pass upon the eligibility requirements of all nominees but shall make no nominations itself except for directorships, if any, for which there are no qualified nominees otherwise made. Any incumbent director may be a nominee by filing a letter to that effect with the Cooperative at leas forty (40)

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days prior to the date of the member meeting at which such directorship is to be voted upon; and any other member may be a nominee by filing with the Cooperative a petition to that effect over the signatures of fifteen (15) or more members who are in good standing by the same date. The Committee shall meet not less than thirty-five (35) nor more than thirty-nine (39) days prior to such meeting to take any required action, but shall not meet at all if no action by it is required. The Secretary shall mail to the members with the notice of the meeting, or separately, but at least ten (10) days prior to the date of the meeting, a statement of the names and addresses of all nominees, showing clearly those nominated by the Committee, if any, and those nominated by letter and/or petition. At the member meeting, nominations may be made from the floor unless the Board has provided for mail balloting for the election of directors, except that nominations may be in any event made from the floor for the filling of any directorate scheduled to be filled at such meeting if there would not otherwise be any eligible nominee for such election; PROVIDED, if the Board shall have provided for mail balloting, such ballots shall contain all nominee(s) identifying separately those nominated by the Committee, if any, and those nominated by letter and/or petition, and the ballots shall be mailed either with or separately from, but no later than, the mailing of the notification required to be given by the Secretary, as set forth above. Notwithstanding the provisions contained in this Section, failure to comply with any of such provisions shall not affect in any manner whatsoever the validity of any action taken by the Board of Directors after the election of directors.

**SECTION 4.07. Voting for Directors; Validity of Board Action.** In the election of directors, each member shall, with respect to each Parish Directorate District, be entitled to cast only the number of votes (but not cumulatively) which corresponds to the total number of directors to be elected from or with respect to the District. Ballots marked in violation of the foregoing restriction shall be invalid and shall not be counted with respect to the affected District. Notwithstanding the provisions contained in this Section, failure to comply with any of such provisions shall not affect in any manner whatsoever the validity of any action taken by the Board of Directors after the election of directors.

**SECTION 4.08. Removal of Directors by Members.** Any member may bring one or more charges for cause against any one or more directors, alleging acts or omissions adversely affecting the business and affairs of the Cooperative that amount to actionable negligence, malfeasance, misfeasance, nonfeasance, fraud or criminal conduct, and may request the removal of such director(s) by reason thereof by filing with Secretary such charge(s) in writing together with a petition, signed by not less than ten (10%) percent of the total members of the Cooperative, which calls for a special member meeting thereon and specifies the place, time and date thereof within not less than forty-five (45) days after the filing of such petition or requests that the matter be acted upon at the next annual meeting of the members if the same will be held no sooner than ninety (90) days after such petition is filed. Each page of the petition shall, in the forepart thereof, state the name(s) and address(es) of the member(s) filing such charge(s), a verbatim statement of such charge(s) and the name(s) of the director(s) against whom such charge(s) is (are) being made. The petition shall be signed by each member in the same name as he is billed by the Cooperative and shall state the signatory's address as the same appears on billings. Notice of such charge(s) verbatim, of the director(s) against whom the charge(s) shall be contained in or accompany the notice of the meeting to the members not less than ten (10) nor more than twenty-five (25) days prior to the member meeting at which the matter will be acted upon; PROVIDED, the notice shall set forth (by random selection but otherwise in alphabetical order) only twenty (20) members filed the same charge(s) against the same director(s). Such director(s) shall be informed in writing of the charges after they have been validly filed and at least thirty-five (35)

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days prior the meeting of the members at which the charge(s) are to be considered, shall have an opportunity at the meeting to be heard in person, by witnesses, by counsel or any combination of such, and to present evidence in respect of the charge(s), and shall be heard last; and the person(s) bringing the charge(s) shall have the same opportunity, and shall be heard first. The Question for the removal of such director(s) shall, separately for each if more than one has been charged, be considered and voted upon at such meeting. Any vacancy created by such removal shall be filled by the affirmative votes of a majority of the votes cast at such meeting, without compliance with the foregoing provisions with respect to pre-meeting nominations, the nominations shall be made from the floor; PROVIDED, the question of the removal of a director shall not be voted upon at all unless some evidence in support of the charge(s) against him shall have been presented during the meeting through oral statements, documents, or otherwise; AND PROVIDED FURTHER, no director shall be so removable from office for the reason that he, in good faith and believing such to be in the best interests of the Cooperative and of its present and future members, failed or declined to support, or that he opposed, (1) a proposal to sell, lease, lease-sell or otherwise disposes of all or a substantial portion of the Cooperative's assets and properties or to dissolve the Cooperative, or (2) a motion to notify the Cooperative's members of such a proposal, or (3) a motion or any other effort to call a meeting of the Cooperative's members to consider and act upon such a proposal. A newly elected director shall serve out the unexpired portion of the removed director's term.

**SECTION 4.09. Vacancies.** Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of directors by the members, a vacancy occurring the Board of Directors shall be filled by the affirmative vote of a majority of the remaining directors. A director thus elected shall serve out the unexpired term of the director whose office was originally vacated and until his successor is elected and qualified.

**SECTION 4.10. Compensation; Expenses.** For their services as such, directors shall not, unless approved by the members, receive any salary, but they shall, on a per diem basis for attending meetings of the Board, receive such compensations, which may include insurance benefits, as is fixed by resolution of the Board. Directors shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred, in the performance of their duties. No close relative of a director shall be employed by the Cooperative and no director shall be employed by or receive compensation from the Cooperative for serving the Cooperative in any other capacity, unless such employment and payment are temporary and re specifically authorized by a vote of the members upon their determination, either prior or subsequent to the employment, that such is/was an emergency measure; PROVIDED, a director who is also an officer of the Board, and who as such officer performs regular or periodic duties of a substantial nature for the Cooperative in its fiscal affairs, may be compensated in such amount as shall be fixed and authorized in advance of such service by the unanimous vote of the remaining directors; AND PROVIDED FURTHER, an employee shall not lose eligibility to continue in the employment of the Cooperative if he become a close relative of a director because of marriage or adoption to which he was not a party.

**SECTION 4.11. Rules, Regulations, Rate Schedules and Contracts.** The Board of Directors shall have power to make, adopt, amend, abolish and promulgate such rules, regulations, rate classifications, rate schedules, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law or the Cooperative's Articles of Incorporation or Bylaws, as it may deem advisable for the management, administration and regulations of the business and affairs of the Cooperative.

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**SECTION 4.12. Accounting System and Reports.** The Board of Directors shall cause to be established and maintained a complete accounting system of the Cooperative's financial operations and condition, and shall, after the close of each fiscal year, cause to be made a full, complete and independent audit of the Cooperative's accounts, books and records reflecting financial operations during, and financial condition as of the end of, such year. A full and accurate summary of such audit reports shall be submitted to the members at or prior the succeeding annual meeting of the members. The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

**SECTION 4.13. Subscription to Cooperative's Newsletter; Subscription to Statewide Publication.** For the purpose of dissemination information devoted to the economical, effective and conservative use of electric energy, the Board of Directors shall be empowered, on behalf of and for circulations to the members periodically, the subscribe to the Cooperative's Newsletter, or any successor such publication, the annual subscription price which shall be deducted from any funds accruing in favor of such member, so as to reduce such funds in the same manner as would any other expense of the Cooperative. The Board of Directors shall also be empowered, on behalf of and for circulation to the members periodically, to subscribe to the statewide publication, "Louisiana Country," or any successor such publication, the annual subscription prices for which shall be deducted from any funds accruing in favor of such members, so as to reduce such funds in the same manner as would any other expense of the Cooperative.

**SECTION 4.14. "Close Relative" Defined.** As used in these Bylaws, "close relative" means a person who, by blood or in law, including half, foster, step and adoptive kin, is either a spouse, child, grandchild, great-grandchild, parent, grandparent, great grandparent, brother, sister, aunt, uncle, nephew or niece of the principal; PROVIDED, restrictions in these Bylaws relating to close relatives shall not apply to any director and employee who are already close relatives at the time this Section 4.14. is adopted.

## ARTICLE V

### MEETING OF DIRECTORS

**SECTION 5.01. Regular Meetings.** A regular meeting of the Board of Directors shall be held, without notice, immediately after the adjournment of the annual meeting of the members, or as soon thereafter as conveniently may be, at such site as designated by the Board in advance of the annual member meeting. A regular meeting of the Board of Directors shall also be held monthly at such date, time and place in the Washington Parish Directorate District, Louisiana, as the Board may provide by resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the date, time and place thereof, except when business to be transacted thereat shall require special notice; PROVIDED, any director absent from any meeting of the Board at which such a resolution initially determines or makes any change in the date, time or place of a regular meeting shall be entitled to receive written notice of such determination or change at least five (5) days prior to the next meeting of the Board; AND PROVIDED FURTHER, if a policy therefor is established by the Board, the President may change the date, time or place or a regular monthly meeting for good cause and upon at least five (5) days' notice thereof to all directors.

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**SECTION 5.02. Special Meetings.** Special meetings of the Board of Directors may be called by Board resolution, by the President, or by any three (3) directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 5.03. The Board, the President, or the directors calling the meeting shall fix the date, time and place for the meeting, which shall be held in the Washington Directorate District, Louisiana, unless all directors consent to its being held in some other place in Louisiana or elsewhere. Special meeting, upon proper notice as otherwise provided herein, may also be held via telephone conference call, without regard to the actual location of the directors at the time of such a telephone conference meeting, if all directors consent thereto.

**SECTION 5.03. Notice of Directors Meetings.** Written notice of the date, time, place (or of the scheduled day and time of a telephone conference call), and purpose(s) of any special meeting of the Board and, when the business to be transacted thereat shall require such, of any regular meeting of the Board shall be delivered to each director not less than five (5) days prior thereto, either personally or by mail, by or at the direction of the Secretary or, upon his default, by the President or by him or those calling it in the case of a special meeting or by any director in the case of any meeting whose date, time and place have already been fixed by Board resolution. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the director at his address as it appears on the records of the Cooperative, with first class postage thereon prepaid, and postmarked at least five (5) days prior to the meeting date. The attendance of a director at any meeting of the board shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any Business or of one or more items of business on the ground that the meeting shall not have been lawfully called or convened.

**SECTION 5.04. Attendance by Members; Hearing on Proposed Rate Change.**  
(a) Every meeting of the Board of Directors shall open to attendance by members of the Cooperative to the extent that such members can be reasonably, physically accommodated in the place in which the Board of Directors is meeting unless such meeting is closed pursuant to the calling of an executive session to consider the following:

- (1) Discussion of the character, professional competence, or physical or mental health of a person.
- (2) Strategy sessions or negotiations with respect to collective bargaining, prospective litigation, or litigation when an open meeting would have a detrimental effect on the bargaining or litigating position of the Cooperative.
- (3) Discussion regarding the report, development, or course of action regarding security personnel, plans, or devices.
- (4) Proceedings regarding allegations of misconduct.
- (5) Cases of extraordinary emergency.

(b) Prior to any change in rates charged for electric energy, the Cooperative shall conduct a public hearing after giving sixty (60) days prior written notice to all its members. The notice may be included in a billing notice but shall be a separate and prominent document. The notice shall contain a brief explanation of the reasons for the effect of the rate increase on consumers and inform the members of the availability of a complete written explanation shall be available

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for examination by any member or his representative at all Cooperative offices during regular business hours at least sixty (60) days prior to the hearing.

At the hearing, the Board of Directors shall present evidence in support of the rate change and shall provide the members or their representatives an opportunity to produce evidence regarding the rate change. If the Board fails to implement the rate change within sixty (60) days of the public hearing they shall conduct another public hearing prior to implementing the rate change. The press shall be admitted to the hearing.

**SECTION 5.05. Quorum.** The presence in person of a majority of the directors in office shall be required for the transaction of business and except as otherwise provided in these Bylaws the affirmative votes of a majority of the directors present and voting shall be required for any action to be taken PROVIDED a director who by law or these Bylaws 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 quorum of directors in office or present; AND PROVIDED FURTHER, if less than a quorum present at a meeting a majority of the directors present may adjourn the meeting from time to time, but shall cause all directors to be duly and timely notified of the date, time and place of such adjourned meeting.

## ARTICLE VI

### OFFICERS; MISCELLANEOUS

**SECTION 6.01. Number and Title.** The officers of the Cooperative shall be a President, Vice President, Secretary and Treasurer, and such other officers as from time to time be determined by the Board of Directors. The offices of Secretary and Treasurer may be held by the same person.

**SECTION 6.02. Election and Term of Office.** The officers named in Section 6.01 shall be elected by secret written ballot, annually and without prior nomination, by and from the Board of Directors at the first meeting of the Board held after each annual meeting of the members. If the election of such officers shall not be held at such meeting it shall be held as soon thereafter as may be convenient. Each such officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members or until his successor shall have been duly elected and shall have qualified subject to the provisions of the Bylaws with respect to the removal of directors by the members and to the removal of officers by the Board of Directors. Any other officers may be elected by the Board from among such persons and with such title, tenure, responsibilities and authorities, as the Board of Directors may from time to time deem advisable.

**SECTION 6.03. Removal.** Any officer, agent or employee elected or appointed by the Board of Directors may be removed as such by the Board of Directors whenever in its judgment the best interest of the Cooperative will be served thereby.

**SECTION 6.04. Vacancies.** A vacancy in any office elected or appointed by the Board of Directors shall be filled by the Board for the unexpired portion of the term.

**SECTION 6.05. President.** The President shall-

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- (a) be the principal executive officer of the Cooperative and shall preside at all meetings of the Board of Directors and unless determined otherwise by the Board of Directors whenever in its judgment the best interest of the Cooperative will be served thereby.
- (b) sign with the Secretary certificates of membership the issue of which shall have been authorized by resolution of the Board of Directors and may sign any deeds, mortgages deeds of trust, notes, bond, contract or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Cooperative or shall be required by law to be otherwise signed or executed
- (c) in general 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 6.06. Vice President.** In the absence of the President, or in the event of his 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 the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him by the Board of Directors.

**SECTION 6.07. Secretary.** The Secretary shall-

- (a) keep or cause to be kept the minutes of meetings of the members and of the Board of Directors in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with these Bylaws or as required by law
- (c) be custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all certifications of membership prior to the issue 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 or is required by law.
- (d) Keep or cause to be kept a register of the names and post office addresses of each member which address shall be furnished to the Cooperative by such member;
- (e) Sign with the President certifications of membership the issue of which shall have been authorized by resolution of the Board of Directors;
- (f) Have general charge of the books of the Cooperative in which a record of the members is kept
- (g) Keep on file at all times a complete copy of the Cooperative's Articles of Incorporation and Bylaws, together with all amendments thereto, which copies shall always be open to the inspection of any member, and, at the expense of the Cooperative, furnish a copy of such documents and of all amendments thereto upon request to any member and

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- (h) In general perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.

**SECTION 6.08. Treasurer.** The Treasurer shall-

- (a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
- (b) be responsible for the receipt and issuance of receipts for monies due and payable to the Cooperative from any source whatsoever and deposit or invest all such monies in the name of the Cooperative in such bank or banks or securities as shall be selected by the Board of Directors; and
- (c) in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

**SECTION 6.09. Delegation of Secretary's and Treasurer's Responsibilities.**

Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Section 6.07. and 6.08, the Board of Directors by resolution may, except as otherwise limited by law, delegate wholly or in part, the responsibility and authority for and the regular or routine administration of one or more of each such officer that officer as such shall be released from such duties, responsibilities, and authorities.

**SECTION 6.10. General Manager; Executive Vice President.** The Board of Directors may appoint a general manager, who shall be required to be a member of the Cooperative and who also may be designated Executive Vice President. Such officer 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 from time to time vest in him.

**SECTION 6.11. Bonds.** The Board of Directors shall require the Treasurer and any other officer, agent or employee of the Cooperative charged with responsibility for the custody of any of its funds or property to give bond in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require amount and with such surety as it shall determine. The costs of all such bonds shall be borne by the Cooperative.

**SECTION 6.12. Compensation; Indemnification.** The compensation, if any, of any officer, agent, or employee who is also a director or close relative of a director shall be determined as provided in Section 4.10 of these Bylaws and the powers, duties and compensation of any other officers, agents, employees shall be fixed or a plan therefore approved by the Board of Directors. The Cooperative shall indemnify present and former directors and officers, including the General Manager (and/or if so titled, the Executive Vice President), and may but, shall not be obligated to indemnify one or more of its other agents and employees, to the fullest extent allowable by law; and may purchase insurance to cover such indemnification in such amounts as are fixed by the Board of Directors.

**SECTION 6.13. Reports; Right of Members to Inspect Contracts; Disclosure.** The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the

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Cooperative at the close of such fiscal year. In addition, the Cooperative shall maintain for inspection by any member of the Cooperative or his attorney, during regular office hours, every contract or agreement of a value in an amount in excess of fifteen thousand dollars (\$15,000). Each person or legal entity which is a party to any such contract or agreement with the Cooperative shall submit a sworn statement disclosing any business or personal relationship which exists with a director or officer of that Cooperative. The sworn statement shall be attached to all such contracts or agreements.

## ARTICLE VII

### CONTRACTS, CHECKS AND DEPOSITS

**SECTION 7.01. Contracts.** Except as otherwise provided by law or these Bylaws, the Board of Directors may authorize any Cooperative officer, agent or employee 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 7.02. 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 or countersigned by such officer, agent or employee of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

**SECTION 7.03. Deposits.** All funds received by the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the Board of Directors may select.

## ARTICLE VIII

### NONPROFIT OPERATION

**SECTION 8.01. Interest of 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 8.02. Patronage Capital in Connection with Furnishing Electric Energy.** In the furnishing of electric energy the Cooperative's operations shall be 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 in excess of operating costs and expenses properly chargeable against 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

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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; PROVIDED, individuals notices of such amounts furnished by each patron shall not be required if the Cooperative notifies all patrons of the aggregate amount of such excess and provides a clear explanation of how each patron may compute and determine for himself the specific amount of capital so credited to him. All such amounts credited to the capital account of any patron shall have the same status as though they has 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 is 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 year and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis, and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidations of the Cooperative, after all outstanding indebtedness or 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 properly rights of members; PROVIDED, insofar as gains may at that time be realized from the sale of any appreciated asset, such gains shall be distributed to all persons who were patrons during the period the asset was owned by the Cooperative in proportion to the amount of business done by such patrons during that period insofar as is practicable, as determined by the Board of Directors, before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons accounts heretofore and hereafter furnished as capital; PROVIDED, however, the Board of Directors shall have the power the adopt rules providing for the separate retirement of that portion (“power supply or other service or supply portion”) of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing power supply or any other service or supply to the Cooperative. Such rules shall (a) establish a method for determining the portion of such capital credited to each patron for each applicable fiscal year, (b) provide for separate identification on the Cooperative’s books of such portions of capital credited to the Cooperative’s patrons, (c) provide for appropriate notifications to patrons with respect to such portions of capital credited to their accounts and (d) preclude a general retirement of such portions of capital credited to patrons for any fiscal year to the general retirement of other capital credited to patrons for the same year or of any capital credited to patrons for any prior fiscal year.

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 interest of successors in occupancy in all or a part of such patron’s premises served by the Cooperative, unless the Board of Directors, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provisions of these Bylaws, the Board of Directors, at its discretions, shall have the power at any time upon the death of any patron, who was a natural person, (or, if as so provided for in the preceding paragraph, upon the death of an assignee of the

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capital credits of a patron, which assignee was a natural person), if the legal representatives of his estate shall request in writing that the capital so credited or assigned, as the case may be, be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire such capital immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and such legal representatives, shall agree upon; PROVIDED, however, the financial condition of the Cooperative will not be impaired thereby.

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 Louisiana legal rate on judgments in effect when such amount became overdue, compounded annually.

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 has 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 by posting in a conspicuous place in the Cooperative's office.

**SECTION 8.03. Patronage Refunds in Connection with Furnishing Other Services.** In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons from whom such amounts were obtained, on such basis and in such order of priority as the Board of Directors shall determine.

## **ARTICLE IX**

### **WAIVER OF NOTICE**

Any member or director may waive, in writing, any notice of meetings required to be given by these Bylaws or any notice that may otherwise be legally required, either before or after such notice is required to be given.

## **ARTICLE X**

### **DISPOSITION AND PLEDGING OF PROPERTY DISTRUBTION OF SURPLUS ASSETS ON DISSOLUTION**

**SECTION 10.01. Disposition and Pledging of Property.** (a) The members may authorize any sale, lease-sale, exchange, transfer or other disposition of all or a substantial portion of the Cooperative's properties and assets to one or more entitles which are not electric

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cooperatives authorize to transact business in Louisiana pursuant to Part I of La. Rev. Stat. Ann., Chapter 4, Section 12:0401 et seq., by the affirmative vote of not less than a majority of all the members; and may, by the affirmative votes of a majority of those members present at a duly held member meeting, authorize such to another such electric cooperative; and the Board of Directors may authorize the pledging or other encumbering of such properties and assets as securities for Cooperative indebtedness, all as provided in Louisiana Revised Statute Annotated Section 12:421, as amended. No inconsistently with that section, the Cooperative's Board of Directors may authorize any sale, lease, lease-sale, exchange, transfer or other disposition of less than a substantial portion (which is hereby defined to be ten (10%) percent or more of the fair market value of the Cooperative's total properties and assets) of the Cooperative's properties and assets and any properly or merchandise no longer necessary or useful for the operation of the Cooperative.

(b) Not in conflict with, or in lieu of, but rather as supplementary to the foregoing subsection, (a), the following procedures shall be followed in authorizing such a sale, lease, lease-sale, exchange, transfer or disposition of all substantial portion of the Cooperative's properties and assets:

(1) The Board of Directors shall first appoint three persons each of whom or which is independent of the Cooperative and of the other two and each being expert in electric utility properly evaluations, and commission them, separately, to study, appraise and evaluate such assets and properties, including their going concern value and the values associated with the right of the members to participate in the ownership and control of the Cooperative. Such appraisers shall be instructed to and shall take into account any other factors they may deem relevant in determining the present market value of such assets and properties. Within not more than sixty (60) days after their appointment and commission, each appraiser shall render his or its highest determination of such present value. The Board of Directors shall not recommend and submit for member approval any plan to sell, lease, lease-sell, exchange, convey, transfer or otherwise dispose of such assets and properties for a consideration that is less than the highest such determination rendered by the appraisers; nor shall it, following the expiration of one (1) year after receipt of the appraisers' reports; make such a recommendation and submittal without, again, first complying with the foregoing requirements.

(2) If, after receiving such appraisals, the Board of Directors resolves to pursue the matter further, it shall, within sixty (60) days after such resolution, transmit the appraisals, together with any underlying data and information that may have accompanied them, to every other electric cooperative corporately sited and operating in Louisiana and invite it to submit competing or alternative proposals, including proposals to merge or consolidate with the Cooperative. Such appraisals shall also be accompanied by any proposal for such a sale, lease, lease-sale, exchange, conveyance, transfer or other disposition received by the Cooperative within one (1) year prior to the receipt of the last appraisal or received subsequent thereto but prior to the adoption of such resolution; PROVIDED, only the most recent proposal from a person that has made two or more proposals need be so transmitted. Such other electric cooperatives shall be given at least sixty (6) days within which to submit competing or alternative proposals, and they shall be notified in such transmittal of the actual final date for such submissions.

(3) If, after such date, the Board of Directors so resolves, it shall recommend and submit to the members (1) a proposal for such a sale, lease, lease-sale, exchange, transfer or other

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(4) disposition or (2) a proposal to merge or consolidate the Cooperative with one or more other electric cooperatives, but shall accompany the proposal with verbatim copies of all competing or alternative proposals it has received, together with all of the appraisals. The Board of Directors shall submit such recommendation and information to the members and shall at the same time call and give notice of a special meeting of the members thereon or, if it so determines, notify the members that the matter will be considered and acted upon at the ensuing annual member meeting, in any event stating in detail each of any such proposals. The special or annual meeting shall be held not less than ninety (90) days after the giving of such notice.

(5) Any two hundred (200) or more members of the Cooperative may, over their respective signatures and within not less than forty-five (45) days prior to the date of such member meeting, petition the Cooperative to mail to all of the Cooperative's members any statement of opposition to the Board of Directors' recommendation and/or of their own recommendation that a competing or alternative proposal, which may be or include a proposition to merge or consolidate the Cooperative with one ore more other electric cooperatives, be submitted to and acted upon by the members at such meeting, in which event the Board of Directors shall cause a printed copy of the petition, including the printing of the names of the members signatories thereof, together with a printed copy of the statement, to be transmitted to all of the Cooperative's members via the United States mail not less than thirty (30) days prior to such member meeting, with the cost of such printing and mailing to be borne by the Cooperative. When so mailed, such petition and statement shall constitute sufficient notice of any such competing or alternative proposal for the same to be considered and acted upon at such meeting.

(6) The provisions of this subsection (b) shall not apply to a sale, lease, lease-sale, exchange, transfer, or other disposition to one or more other electric cooperatives; or if the substantive or actual legal effect thereof is to merge or consolidate with such other one or more other electric cooperatives, all as provided in the following subparagraph (c); or if such is in the nature of a forced sale for the reason that the purchaser possesses and otherwise would exercise the legal right to acquire, damage, relocate or destroy such property by condemnation or otherwise without the Cooperative's consent.

(c) No offer to purchase or lease-purchase, and no offer to sell, lease, lease-sell, exchange, transfer or otherwise dispose of, all of a substantial portion of the Cooperative's assets and properties shall be valid or, if made and accepted, enforceable unless the total consideration to be paid or otherwise furnished therefor, to the extent that the same is in excess of the amounts necessary to discharge or to provided for the discharge of the Cooperative's obligations and liabilities, shall be distributed, or is such be the case allocated and assignee, to the patrons or former patrons of the Cooperative in the manner provided for in the Articles of Incorporation, Bylaws or applicable law.

**SECTION 10.02. Distribution of Surplus Assets on Dissolution.** Upon the Cooperative's dissolution, any assets remaining after all liabilities or obligations of the Cooperative have been satisfied and discharged shall, to the extent practicable as determined by the Board of Directors and non inconsistently with the provisions of the third paragraph of Section 8.02 of these Bylaws, be distributed without priority among all persons who are or who

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have been members of the Cooperative for any period during its existence, on the basis that their respective patronage during such periods bears to the total receipts of the Cooperative since its inception; PROVIDED HOWEVER, if in the judgments of the Board the amount of such surplus is too small to justify the expense of making such distribution, the Board may, in lieu thereof, donate, or provide for the donation of, such surplus to one or more nonprofit charitable or educational organizations that are exempt from Federal income taxation.

## **ARTICLE XI**

### **FISCAL YEAR**

The Cooperative's fiscal year shall begin on the first day of January of each year and end on the 31<sup>st</sup> day of December following.

## **ARTICLE XII**

### **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. This article shall be subordinate to any other provision of these Bylaws pertaining to the votes required for action by members, directors or committees.

## **ARTICLE XIII**

### **SEAL**

The Corporate seal of the Cooperative shall be in form of a circle and shall have inscribed about the circumference thereof the name of "Washington- St. Tammany Electric Cooperative, Inc." and the words "Corporate Seal," in the center portion thereof.

## **ARTICLE XIV**

### **AMENDMENTS**

**SECTION 14.01. Power to Amend.** Subject to the provisions of Louisiana Revised Statute Annotated Section 12:477, as amended, these Bylaws may be changed (altered, amended, or repealed) by the affirmative vote of not less than a majority of the votes cast by the members at any regular or special member meeting, as the case may be; PROVIDED, the Board may amend

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these Bylaws to authorize voting by mail at member meetings unless such voting is on a proposed sale, lease, or other disposition or encumbrance of all or any substantial portion of the property belonging to the Cooperative or on a proposal to dissolve the Cooperative.

**SECTION 14.02. Procedure for Amending.** A bylaw may be changed only if (1) a copy or an accurate summary explanation of the proposed change is contained in or with the notice of the member or board meeting at which it is to be acted upon; and (2) if to be voted on by the members, it is either sponsored by the Board of Directors or by at least fifty (50) members who over their signatures file with Cooperative a petition, proposing such change and setting forth with particularity the wording thereof and the time that the change is to become effective, at least forty-five (45) days prior to the date of the member meeting at which such change will be acted upon; PROVIDED, if the Cooperative is presented with a written request by one or more but less than fifty (50) members that a bylaw change to be noticed to and acted upon by the members, and if the request sets forth with particularity the wording of the proposed change and the time that it is to become effective, the Board of Directors may, but shall not be obligated to , waive the foregoing petition requirement and cause such proposed change to be noticed and acted upon even though it does not join in its sponsorship; PROVIDED FURHTER, the Board of Directors shall not cause any proposed bylaw change to be noticed or acted upon if it determines that such, if adopted, would be illegal or a legal nullity. A change so noticed may not be amended from the floor of a member meeting at which it is being considered.

**Adopted by Board of Directors February 12, 1941**

<b>Revised</b>	<b>May 1, 1964</b>
<b>Revised</b>	<b>July 1, 1971</b>
<b>Revised</b>	<b>May 1, 1977</b>
<b>Revised</b>	<b>May 2, 1987</b>
<b>Revised</b>	<b>May 7, 1988</b>
<b>Revised</b>	<b>May 6, 1689</b>