

## **CHANGE #1 removal of membership certificates:**

### ***Purpose for change***

Membership Certificates are legally unnecessary, create additional administrative work, overhead, and cost (passed along to the Members), and many members do not return their certificates as required by Section 6(b) of the Code.

### ***Existing Language***

#### ARTICLE I MEMBERSHIP

SECTION 2. Membership Certificates. Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the Board. Membership Certificates shall reflect the name of the person, firm, association, corporation, partnership, body politic or subdivision thereof, or other entity in whose name the membership is recorded. If a natural person, the membership certificate shall reflect the name of that person's spouse. Such certificate shall be signed either manually or by facsimile by the President and by the Secretary of the Cooperative and the corporate seal or a facsimile thereof shall be affixed to such certificate. Failure to issue a membership certificate or the loss or destruction of such certificate shall not affect the membership status of any person listed as a member in the Cooperative's membership records. In case a certificate is lost, destroyed or mutilated, a new certificate may be issued therefor upon such uniform terms and conditions as the Board may prescribe. The term "member" as used in this Code of Regulations shall include the husband or wife of the person in whose name the membership is recorded and all provisions relating to the rights and liabilities of membership shall apply equally to the holders of such membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one vote;
- (c) A waiver of notice signed by either or both shall constitute a valid waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the membership;
- (f) Withdrawal of either shall terminate the membership; and
- (g) Either but not both may be elected or appointed as an officer or Board member, provided that both meet the qualifications for such office.

#### SECTION 6. Termination of Membership.

- (b) Upon the withdrawal, death, cessation of the Cooperative's service to, or expulsion of a member, the membership of such member shall thereupon terminate, and the membership certificate of such member shall be surrendered forthwith to the Cooperative. The Board may adopt uniform rules governing the membership status of persons whose service is temporarily discontinued by the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts or obligations due the Cooperative.

### ***Proposed Language***

SECTION 2. Membership ~~Certificates. Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the Board. Membership Certificates shall reflect the name of the person, firm, association, corporation, partnership, body politic or subdivision thereof, or other entity in whose name the membership is recorded. If a natural person, the membership certificate shall reflect the name of that person's spouse. Such certificate shall be signed either manually or by facsimile by the President and by the Secretary of the Cooperative and the corporate seal or a facsimile thereof shall be affixed to such certificate. Failure to issue a membership certificate or the loss or destruction of such certificate shall not affect the membership status of any person listed as a member in the Cooperative's membership records. In case a certificate is lost, destroyed or mutilated, a new certificate may be issued therefor upon such uniform terms and conditions as the Board may prescribe.~~ The term "member" as used in this Code of Regulations shall include the husband or wife of the person in whose name the membership is recorded and all provisions relating to the rights and liabilities of membership shall apply

equally to the holders of such membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one vote;
- (c) A waiver of notice signed by either or both shall constitute a valid waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the membership;
- (f) Withdrawal of either shall terminate the membership; and
- (g) Either but not both may be elected or appointed as an officer or Board member, provided that both meet the qualifications for such office.

#### SECTION 65. Termination of Membership.

- (b) Upon the withdrawal, death, cessation of the Cooperative's service to, or expulsion of a member, the membership of such member shall thereupon terminate, ~~and the membership certificate of such member shall be surrendered forthwith to the Cooperative.~~ The Board may adopt uniform rules governing the membership status of persons whose service is temporarily discontinued by the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts or obligations due the Cooperative.

#### *Final Language*

#### ARTICLE I MEMBERSHIP

SECTION 2. Membership. The term "member" as used in this Code of Regulations shall include the husband or wife of the person in whose name the membership is recorded and all provisions relating to the rights and liabilities of membership shall apply equally to the holders of such membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one vote;
- (c) A waiver of notice signed by either or both shall constitute a valid waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the membership;
- (f) Withdrawal of either shall terminate the membership; and

Either but not both may be elected or appointed as an officer or Board member, provided that both meet the qualifications for such office.

#### SECTION 5. Termination of Membership.

Upon the withdrawal, death, cessation of the Cooperative's service to, or expulsion of a member, the membership of such member shall thereupon terminate. The Board may adopt uniform rules governing the membership status of persons whose service is temporarily discontinued by the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts or obligations due the Cooperative.

#### **CHANGE #2 service area more defined:**

#### *Purpose for change*

Better clarifies eligibility for membership and definition of service area.

#### *Existing Language*

#### ARTICLE I, Section 7(a)

(a) ... As used in this Code of Regulations, the term "service area" shall mean the entire geographic area wherein the Cooperative supplies electric and/or other energy services and/or other services or maintains electric facilities as well as all

areas adjacent thereto where service may be rendered thereto by the Cooperative in compliance with all applicable laws and regulations.

***Proposed Language***

ARTICLE I, Section 7(a)

(a) ... As used in this Code of Regulations, the term "service area" shall mean the entire geographic area wherein the Cooperative supplies electric and/or other energy services and/or other services or maintains electric facilities as well as all areas adjacent thereto where service may be rendered thereto by the Cooperative in compliance with all applicable laws and regulations, **including without limitation any geographic area subject to a municipal franchise agreement.**

***Final Language***

ARTICLE I, Section 7(a)

(a) ... As used in this Code of Regulations, the term "service area" shall mean the entire geographic area wherein the Cooperative supplies electric and/or other energy services and/or other services or maintains electric facilities as well as all areas adjacent thereto where service may be rendered thereto by the Cooperative in compliance with all applicable laws and regulations, including without limitation any geographic area subject to a municipal franchise agreement.

**CHANGE #3 extending term limits:**

***Purpose for change***

Extending term limits from four to five will help the co-op retain knowledge and investment in the trustee and provide continuity in the leadership who guides the direction of HWE. A considerable amount of financial investment is made by the co-op for training. A trustee is required to take over 24 classes incorporated across three director certifications. This training deals with industry related issues, strategic planning, analyzing financial statements, budgeting, and rate training, to name a few. Each current trustee will have to be re-nominated and elected every three years by the membership in their district to continue to serve on the board.

***Existing Language***

ARTICLE IV, Sections 1 and 2

SECTION 1. General Powers. The entire business and affairs of the Cooperative shall be directed by a Board of nine Trustees which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or this Code of Regulations conferred upon or reserved to the members.

SECTION 2. Districts & Tenure of Office. The Board shall divide the service area of the Cooperative into nine (9) Districts so that equitable representation may be given to the geographic areas served by the Cooperative. The Board shall have the power to change the boundaries of such Districts whenever in their opinion the purpose of the section requires such a change. Each District shall be represented by one Trustee. Three Trustees shall be elected each year by the members voting in the District which they are to represent to serve for a term of three (3) years or until their successors shall have been elected and shall have qualified, subject to the provisions of this Code of Regulations. No Trustee who has served four (4) successive 3-year terms shall be eligible for re-election or appointment as a Trustee until the expiration of 3 years from the end of his or her previous term.

***Proposed Language***

SECTION 1. General Powers. The entire business and affairs of the Cooperative shall be directed by a Board of **nine** Trustees which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or this Code of Regulations conferred upon or reserved to the members.

SECTION 2. Districts & Tenure of Office. The Board shall divide the service area of the Cooperative into nine (9) Districts so that equitable representation may be given to the geographic areas served by the Cooperative. The Board shall have the power to change the boundaries of such Districts whenever in their opinion the purpose of the **Cooperative section** requires such a change. Each District shall be represented by one Trustee. Three Trustees shall be elected each year

by the members voting in the District which they are to represent to serve for a term of three (3) years or until their successors shall have been elected and shall have qualified, subject to the provisions of this Code of Regulations. No Trustee who has served ~~five~~four (5) successive 3-year terms shall be eligible for re-election or appointment as a Trustee until the expiration of 3 years from the end of his or her previous term.

***Final Language***

SECTION 1. General Powers. The entire business and affairs of the Cooperative shall be directed by a Board of Trustees which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or this Code of Regulations conferred upon or reserved to the members.

SECTION 2. Districts & Tenure of Office. The Board shall divide the service area of the Cooperative into nine (9) Districts so that equitable representation may be given to the geographic areas served by the Cooperative. The Board shall have the power to change the boundaries of such Districts whenever in their opinion the purpose of the Cooperative requires such a change. Each District shall be represented by one Trustee. Three Trustees shall be elected each year by the members voting in the District which they are to represent to serve for a term of three (3) years or until their successors shall have been elected and shall have qualified, subject to the provisions of this Code of Regulations. No Trustee who has served five (5) successive 3-year terms shall be eligible for re-election or appointment as a Trustee until the expiration of 3 years from the end of his or her previous term.

**CHANGE #4 uncontested election update**

***Purpose for change***

The change in subsection (b) clarifies that the Cooperative need not send ballots to the Membership for uncontested elections, saving on postage and administrative cost.

***Existing Language***

ARTICLE IV, Section 4

SECTION 4. Petition Process and Elections.

(b) An election ballot shall be prepared by the Secretary along with a self-addressed, postage-paid envelope and mailed at least twenty-five (25) days prior to the annual meeting to each member in the District in which nominations have been held. ...

***Proposed Language***

SECTION 4. Petition Process and Elections.

(b) **For any election with two or more nominees,** An election ballot shall be prepared by the Secretary along with a self-addressed, postage-paid envelope and mailed at least twenty-five (25) days prior to the annual meeting to each member in the District in which nominations have been held. ...

***Final Language***

SECTION 4. Petition Process and Elections.

(b) For any election with two or more nominees, an election ballot shall be prepared by the Secretary along with a self-addressed, postage-paid envelope and mailed at least twenty-five (25) days prior to the annual meeting to each member in the District in which nominations have been held. ...

**CHANGE #5 separating secretary and treasurer:**

***Purpose for change***

The change in Section 9 cleans up language regarding the Assistant Secretary (which is covered in new Section 10) and splits the officer descriptions between Secretary and Treasurer (and Assistant Secretary and Assistant Treasurer). The

office of Secretary and Treasurer (and Assistant Secretary and Assistant Treasurer) may still be served by one person, consistent with past practice.

Subsequent Section numbers will also be updated accordingly.

### ***Existing Language***

ARTICLE VI, Sections 9 and 10

#### ARTICLE VI OFFICERS

SECTION 9. Secretary/Treasurer. The Secretary/Treasurer shall be responsible for:

- (a) Keeping the minutes of the meetings of the members and of the Board in books provided for that purpose;
- (b) Seeing that all notices are duly given in accordance with this Code of Regulations or as required by law;
- (c) The safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative or a facsimile thereof to all certificates 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 this Code of Regulations.
- (d) Keeping a register of the names and post office addresses of all members;
- (e) Signing, with the Chairman of the Board, certificates of membership;
- (f) Keeping on file at all times a complete copy of the Articles of Incorporation and Code of Regulations of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnish a copy of the Code of Regulations and of all amendments thereto to any member upon request; and
- (g) In general performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board. SECTION 10. Assistant Secretary. The Assistant Secretary, if one is appointed by the Board pursuant to Section 3 of this ARTICLE VI, need not be a member of the Board and he shall hold office until relieved by the Board. He shall assist the Secretary in the performance of the Secretary's duties as requested by the Secretary or by the Board.
- (h) Custody of all funds and securities of the Cooperative;
- (i) The receipt of and issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of this Code of Regulations; and
- (j) The general performance of 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.

SECTION 10. Assistant Secretary/Treasurer. In the absence of the Secretary/Treasurer, or in the event of the Secretary/Treasurers' inability or refusal to act, the Secretary/Treasurer shall perform duties of the Secretary/Treasurer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary/Treasurer. The Asst. Secretary/Treasurer shall also perform such other duties as from time to time may be assigned to him or her by the Board of Directors.

### ***Proposed Language***

#### ARTICLE VI OFFICERS

SECTION 9. Secretary/~~Treasurer~~. The Secretary/~~Treasurer~~ shall be responsible for:

- (a) Keeping the minutes of the meetings of the members and of the Board in books provided for that purpose;
- (b) Seeing that all notices are duly given in accordance with this Code of Regulations or as required by law;
- (c) The safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative or a facsimile thereof to all ~~certificates 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 this Code of Regulations.
- (d) Keeping a register of the names and post office addresses of all members;
- ~~(e) Signing, with the Chairman of the Board, certificates of membership;~~
- ~~(ef)~~ Keeping on file at all times a complete copy of the Articles of Incorporation and Code of Regulations of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at

the expense of the Cooperative, furnish a copy of the Code of Regulations and of all amendments thereto to any member upon request; and

(f) In general performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Board. ~~SECTION 10. Assistant Secretary. The Assistant Secretary, if one is appointed by the Board pursuant to Section 3 of this ARTICLE VI, need not be a member of the Board and he shall hold office until relieved by the Board. He shall assist the Secretary in the performance of the Secretary's duties as requested by the Secretary or by the Board.~~

SECTION 10. Assistant Secretary. The Assistant Secretary, if one is appointed by the Board pursuant to Section 3 of this Article VI, need not be a member of the Board and he or she shall hold office until relieved by the Board. He or she shall assist the Secretary in the performance of the Secretary's duties as requested by the Secretary or by the Board.

SECTION 11. Treasurer. The Treasurer shall be responsible for:

- (a) Custody of all funds and securities of the Cooperative;
- (b) The receipt of and issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of this Code of Regulations; and
- (c) The general performance of all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Board.

~~SECTION 10. Assistant Secretary/Treasurer. In the absence of the Secretary/Treasurer, or in the event of the Secretary/Treasurers' inability or refusal to act, the Secretary/Treasurer shall perform duties of the Secretary/Treasurer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary/Treasurer. The Asst. Secretary/Treasurer shall also perform such other duties as from time to time may be assigned to him or her by the Board of Directors.~~

SECTION 12. Assistant Treasurer. The Assistant Treasurer, if one is appointed by the Board pursuant to Section 3 of this Article VI, need not be a member of the Board and he or she shall hold office until relieved by the Board. He or she shall assist the Treasurer in the performance of the Treasurer's duties as requested by the Treasurer or by the Board.

### ***Final Language***

#### **ARTICLE VI OFFICERS**

SECTION 9. Secretary. The Secretary shall be responsible for:

- (a) Keeping the minutes of the meetings of the members and of the Board in books provided for that purpose;
- (b) Seeing that all notices are duly given in accordance with this Code of Regulations or as required by law;
- (c) The safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative or a facsimile thereof to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of this Code of Regulations.
- (d) Keeping a register of the names and post office addresses of all members;
- (e) Keeping on file at all times a complete copy of the Articles of Incorporation and Code of Regulations of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnish a copy of the Code of Regulations and of all amendments thereto to any member upon request; and
- (f) In general performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Board.

SECTION 10. Assistant Secretary. The Assistant Secretary, if one is appointed by the Board pursuant to Section 3 of this Article VI, need not be a member of the Board and he or she shall hold office until relieved by the Board. He or she shall assist the Secretary in the performance of the Secretary's duties as requested by the Secretary or by the Board.

SECTION 11. Treasurer. The Treasurer shall be responsible for:

- (a) Custody of all funds and securities of the Cooperative;

(b) The receipt of and issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of this Code of Regulations; and

(c) The general performance of all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Board.

SECTION 12. Assistant Treasurer. The Assistant Treasurer, if one is appointed by the Board pursuant to Section 3 of this Article VI, need not be a member of the Board and he or she shall hold office until relieved by the Board. He or she shall assist the Treasurer in the performance of the Treasurer's duties as requested by the Treasurer or by the Board.

#### **CHANGE #6 capital credit via electric notice:**

##### ***Purpose for change***

It is sometimes very difficult to track down members to reimburse their capital credit. Notably, if a member moves from the service area without a forwarding address, it does little good to send a letter to a former address and give notice in the Cooperative newsletter which the former member no longer receives. The Cooperative proposes also adding electronic notice through the Cooperative website or otherwise (e.g. email) to give the departing member more opportunities to claim the unreimbursed capital credit.

##### ***Existing Language***

ARTICLE VII, Section 2(g)

(g) Notwithstanding any other provision of the Code of Regulations or other provision of the membership certificate, if any patron or former patron fails to claim any cash retirement of capital credits or other payment from the Cooperative within four (4) years after payment of the same has been made available to him by notice or check mailed to him at his last address furnished by him to the Cooperative, such failure shall be and constitutes an irrevocable assignment and gift by such patron of such capital credit or other payment to the Cooperative. Failure to claim any such payment within the meaning of this section shall include the failure by such patron or former patron to cash any check mailed to him by the Cooperative at the last address furnished by him to the Cooperative. The assignment and gift provided for under this section shall become effective only upon the expiration of four (4) years from the date when such payment was made available to such patron or former patron without claim therefor and only after the further expiration of sixty (60) days following the giving of a notice by mail and publication that unless such payment is claimed within said sixty (60) day period, such gift to the Cooperative shall become effective. The notice by mail herein provided for shall be one mailed by the Cooperative to such patron or former patron at the last known address and the notice by publication shall be two (2) consecutive insertions in a newspaper circulated in the service area of the Cooperative, which may be the Cooperative Newsletter. The sixty (60) day period following the giving of such notice shall be deemed to terminate sixty (60) days after the mailing of such notice or sixty (60) days following the last date of publication thereof, whichever is later.

##### ***Proposed Language***

ARTICLE VII, Section 2(g)

(g) Notwithstanding any other provision of the Code of Regulations ~~or other provision of the membership certificate~~, if any patron or former patron fails to claim any cash retirement of capital credits or other payment from the Cooperative within four (4) years after payment of the same has been made available to him by notice or check mailed to him at his last address furnished by him to the Cooperative, such failure shall be and constitutes an irrevocable assignment and gift by such patron of such capital credit or other payment to the Cooperative. Failure to claim any such payment within the meaning of this section shall include the failure by such patron or former patron to cash any check mailed to him by the Cooperative at the last address furnished by him to the Cooperative. The assignment and gift provided for under this section shall become effective only upon the expiration of four (4) years from the date when such payment was made available to such patron or former patron without claim therefor and only after the further expiration of sixty (60) days following the giving of a notice by mail and publication **(which said publication may be done through electronic means on the Cooperative website or otherwise)** that unless such payment is claimed within said sixty (60) day period, such gift to the Cooperative shall become effective. The notice by mail herein provided for shall be one mailed by the Cooperative to

such patron or former patron at the last known address and the notice by publication shall be two (2) consecutive insertions in a newspaper circulated in the service area of the Cooperative, which may be the Cooperative Newsletter and/or Cooperative website or other electronic means. The sixty (60) day period following the giving of such notice shall be deemed to terminate sixty (60) days after the mailing of such notice or sixty (60) days following the last date of publication thereof, whichever is later.

***Final Language***

ARTICLE VII, Section 2(g)

(g) Notwithstanding any other provision of the Code of Regulations, if any patron or former patron fails to claim any cash retirement of capital credits or other payment from the Cooperative within four (4) years after payment of the same has been made available to him by notice or check mailed to him at his last address furnished by him to the Cooperative, such failure shall be and constitutes an irrevocable assignment and gift by such patron of such capital credit or other payment to the Cooperative. Failure to claim any such payment within the meaning of this section shall include the failure by such patron or former patron to cash any check mailed to him by the Cooperative at the last address furnished by him to the Cooperative. The assignment and gift provided for under this section shall become effective only upon the expiration of four (4) years from the date when such payment was made available to such patron or former patron without claim therefor and only after the further expiration of sixty (60) days following the giving of a notice by mail and publication (which said publication may be done through electronic means on the Cooperative website or otherwise) that unless such payment is claimed within said sixty (60) day period, such gift to the Cooperative shall become effective. The notice by mail herein provided for shall be one mailed by the Cooperative to such patron or former patron at the last known address and the notice by publication shall be two (2) consecutive insertions in a newspaper circulated in the service area of the Cooperative, which may be the Cooperative Newsletter and/or Cooperative website or other electronic means. The sixty (60) day period following the giving of such notice shall be deemed to terminate sixty (60) days after the mailing of such notice or sixty (60) days following the last date of publication thereof, whichever is later.