



Powell Valley Electric
Cooperative

Member Handbook
www.pve.coop

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Submit your completed form or letter to USDA by:

- (1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: program.intake@usda.gov.

It's Your Cooperative

It really is your Cooperative. Powell Valley Electric Cooperative is a member-owned corporation. You buy shares in this corporation by paying a membership fee when you join and a bill every month. Your dividend is the electric service it provides you. You, as a member of this corporation, have a voice in the management and government. How? Since it is not practical to call a meeting of several thousand members for important decisions to be made, a meeting is held annually to enable you to elect representatives who can meet regularly and make these decisions. Three of these representatives are elected each year to serve on a Board of Directors for a period of three years. This makes a total of nine Board Members, with three being elected each year. Members of the Board of Directors must be members of the Cooperative, but cannot be employed by the Cooperative. Thus, nine individuals represent the views of all the members, much the same as the representatives we elect to represent us in state and federal government. We recognize your views through this Board of Directors. However, for day to day service of any kind you need only call the Cooperative office nearest you.

This booklet was written with the hope that after reading it, you would have a better understanding of the beginnings, the purpose, and the goals of an electric Cooperative which was not organized for profit to its members or officers. We want you to have a general idea of how it is set up, how it is run, and how it benefits you.

Cooperative's Office Locations

Jonesville Office

331 Church Street
P.O. Box 308
Jonesville, VA 24263
(276) 346-6003

New Tazewell Office

420 Straight Creek Road (37825)
P.O. Box 1528
New Tazewell, TN 37824
(423) 626-5204

Sneedville Office

340 Jail Street
P.O. Box 193
Sneedville, TN 37869
(423) 733-2207

The fax number for all 3 offices is (423) 626-0711.

INTRODUCTION TO POWELL VALLEY ELECTRIC COOPERATIVE

During the mid 1930's, Rural Americans had been trying with every ounce of strength and ingenuity at their command to get electric service. Naturally the first place they turned was to the privately owned power companies. These companies' reply to their pleas was, "NO". They could not break even, much less make a profit, from building long lines to a few houses whose occupants would use very little electric power. Not to be outdone, these folks turned to their elected representatives for help. As a result of this, the Rural Electrification Administration was established in 1936. This agency was empowered to make loans to qualified entities for the purpose of building electric distribution systems. The rural people of Southwest Virginia and East Tennessee had heard about this "REA" in far-off Washington and began investigating the possibilities of using this vehicle to get electric service for themselves. In 1938, they got together and formed Powell Valley Electric Cooperative. The Cooperative was authorized to borrow money from R.E.A., build the lines and make repayments from the money collected from the electric bills. The first loan was for \$150,000 and served 340 members in Lee, Scott and Wise Counties in Virginia. The project was energized in 1939.

The following information sets forth the conditions under which electricity is supplied to its members by the Cooperative. Changes may be made from time to time to meet new or unforeseen conditions. The regulations contained herein are not to be considered complete in every detail for furnishing electric service, but are intended only to be a general outline of the practices of the Cooperative. In some instances policies are referred to. They give details of operating procedures approved by the Board of Directors. These are on file at any of the Powell Valley Electric Cooperative offices should you have questions not answered in this booklet. One final word: **We do not believe it's possible to write a hard and fast rule to cover every situation.** So, we would like to put down at this point, our **general rule** which will be used when we do not find a specific one to cover a given situation. That rule is the Golden Rule of the Bible: "Do unto others as you would have them do unto you." We believe we can apply this rule to any situation and, while we know we won't be able to please everyone, we believe we can do our work in a way that will be satisfactory to the vast majority of our members.

BECOMING A MEMBER

The following steps should be taken for any person, firm, association, body politic, or subdivision to be eligible for service with Powell Valley Electric Cooperative.

Application

1. Sign an application for membership, providing adequate identification.
2. Pay the membership fee specified in the by-laws, plus any deposit required.
3. Be accepted for membership by resolution of the Board of Directors of the Cooperative.

GETTING ELECTRIC SERVICE

Rate Selection

Following your application for membership, you will be connected and your account set up for billing under one of three rate schedules. They are: RS, GS Series and LS. The RS rate is for residential accounts, GS is for general services, (which includes almost all commercial and industrial billing) and LS, for outdoor lighting. There are multiple categories within the general services rates. Any service which does not fall into residential or outdoor lighting will be billed under the applicable General Services Rates. Other special rates may be adopted by the board from time to time.

Right-Of-Way

Right-of-way for distribution lines is granted by members applying for service with the route chosen for the best advantage to the Cooperative and the member.

Right-Of-Way Maintenance

For overhead primary and transmission lines, the Cooperative will cut and maintain its rights-of-way by either spraying, dozing, trimming or cutting, the method and schedule being determined by the Cooperative.

Deposits

All new consumers are required to pay a deposit, provide an acceptable credit reference from another power company, or have a member in good standing sign a responsibility agreement for them. The deposit amount is equal to two average months billing for the account they are having connected. By two months average, we mean that we take the total bill in this account during the most recent twelve months, divided by twelve, then double the result.

Existing consumers failing to meet certain minimum credit requirements will also be required to furnish a deposit or other guaranty.

Residential and small commercial customers will have their deposit returned after establishing a perfect record. Industrial accounts and large commercial are covered under a contract. Interest is paid on all deposits. All residential and some commercial deposits over \$40 may be paid in installments.

Fees and Service Charges

Since underground services generally cost more than overhead, a charge will be made for the difference. The Cooperative performs certain services for mobile homes which are not provided for conventional homes and for which a charge is made. Charges are also made for collection of delinquent bills and returned checks and reconnecting services. A schedule of such charges, as it is changed from time to time, is kept on file in all offices.

Line Extensions

With the ever increasing cost of construction, the Cooperative must assure some return of capital on any line it builds. For this reason, certain minimum bill contracts will be required when line extensions exceed the distances set out in the table below.

	Type	Occupancy
Residential (full-time)	-	1,000 Ft.
Cabin	-	400 Ft.
Vacation Home / Camper	-	200 Ft.
Barn or Electric Fence	-	400 Ft.
Business (small commercial)	-	500 Ft.
Water System	-	Negotiable
Large Power	-	Negotiable
Special Services	-	Negotiable

Wiring

All wiring for permanent service to a member must be completed and the necessary approval from the inspection agency be received before a service is made permanent by the Cooperative. Inspection is handled under the auspices of the State of Tennessee in all the counties served by the Cooperative in that state. In Virginia, the inspections are handled by the different counties. Each customer shall cause all premises receiving electric service pursuant to his/her membership to become, and to remain, wired in accordance with the specifications of the National Electric Code, state or local government ordinances, and of the Cooperative.

Characteristics of electric energy supplied shall be as follows:

1. 1 phase, 120/240 volt, 60 hertz
2. 3 phase, 120/208, 120/240, 240/480, 277/480 volt, 60 hertz
3. 3 phase, 2400/4160, 7200/12,470, 14,400/24,940 volt, 60 hertz
4. Higher voltage from transmission lines as available

Availability of three phase power is limited to areas where the Cooperative has the necessary lines. The Cooperative should be consulted about the availability and any special requirements for special loads.

Single phase nominal 120 volt service levels will be maintained within commercial limits of specified voltage except during periods of emergency when it may fluctuate.

Quality of Service

The General Manager and staff are charged with the responsibility of keeping all electrical distribution equipment in good and safe operating condition. Distribution equipment located on the member's property will be located as discretely as possible and with the least amount of damage. The Cooperative will relocate its equipment at no cost to the consumer when necessary for the consumer to make the best use of his/her property. When the consumer requests relocation purely for appearance sake, he/she will be requested to pay part or all the expense. No after hours maintenance will be performed on security lights except for certain emergencies.

Every effort will be made to keep the consumer hour outage time at or below an average of five hours per member per year, as recommended by RUS. (One consumer hour equals the average of all Cooperative consumers out of service one hour.)

USE OF ELECTRIC SERVICE

Electricity is supplied to the member with the understanding that the Cooperative will have the right to inspect and test the member's electrical equipment for the purpose of determining if it has any electrical characteristics which might be unsafe or cause undue disturbance to the Cooperative's system and affect the service of other members. If abnormal voltage conditions or harmonics exist due to equipment installed within the member's premises, then he/she will be charged with the responsibility of correcting the situation. Certain special problems may arise in dairy barns as a result of what is referred to as "stray voltage". **Since no power supplier can completely control this, owners should provide certain equipment to avoid problems.**

Paying a Bill

Paying for electrical service may be made in person at local bank locations. Payments may also be made by mail, online (www.pve.coop), or by automatic bank draft. Payment by automatic bank draft is strongly encouraged. Return envelopes are available for your convenience. Depositories are also located at each Cooperative office.

When You Have Questions Concerning Your Bill

For questions concerning an account, the member may call the office nearest to him/her. The offices are:

P. O. Box 308
Jonesville, VA 24263
All Inquiries - (276) 346-6003

P. O. Box 193
Sneedville, TN 37869
All Inquiries: (423) 733-2207

P. O. Box 1528
New Tazewell, TN 37824
All Inquiries - (423) 626-5204: Option 2

The fax number for all 3 offices is (423) 626-0711.

If you cannot call the office you desire without paying long distance charges you may call collect.

EMERGENCY SERVICE/OUTAGES:

Tazewell: 423-626-5204
Jonesville: 276-346-6003
Sneedville: 423-733-2207

Delinquent Accounts

The Cooperative follows a rather strict procedure in collecting bills:

1. If the payment is not received in the office by the due date on the bill, a small penalty is added.
2. No final notices are mailed.
3. If the payment is not received in the office by the disconnect date on the bill, which is approximately 10 days past the due date, cooperative personnel will disconnect the account.
4. Failure to receive bill will not relieve consumer of payment obligation.

DISCONTINUANCE AND RECONNECTION OF SERVICE

Electric service may be disconnected at no charge during normal working hours; however, if a disconnect is requested after closing hours or on a weekend end, a charge will be made. Electric service will be disconnected without notice when adequate investigation proves that beyond a reasonable doubt the occupant of a dwelling or place of business has totally abandoned the property or a known dangerous situation exists.

Adequate notice of intent to discontinue service will be given in all cases except where the safety of persons or property dictates immediate action.

The Cooperative keeps a record of circumstances pertaining to discontinued service, if it is other than routine. Reason for discontinued service and actions by the consumer to correct the situation are kept on file. After the corrective measures are taken by the consumer, service will be reconnected.

QUALITY AND CONTINUITY

The General Manager, staff and consultants are charged with the responsibility of continually studying the development of loads throughout the system and making necessary recommendations to the Board so that they might be aware of needs well in advance. Members are encouraged to report any problems with their electric service immediately.

METERS AND METERING

Meters will be placed as nearly as possible to the location desired by the consumer. Normally, metering for overhead services is located at the service entrance at a height convenient for reading. Underground services may be metered on the pole for mobile homes or on the building or house being supplied service.

The Cooperative will investigate all complaints of faulty meters by members and try to determine the cause for such complaints. Should a member not be satisfied with explanations of Cooperative employees, a special test will be made on meters with adjustments being made in billing should a meter prove to have more than a 2% error in KWH readings. No charge will be made for these special tests as long as they are not required more often than once every two years. If a meter test is requested by member and the testing determines that there is nothing wrong with the meter, there will be a service charge to the member.

The Cooperative tests its meters in accordance with its current meter testing schedule.

AVAILABILITY OF SERVICE

Electric energy is considered available in any quantity necessary to meet the needs of every consumer. In the event that TVA finds it necessary to limit the amount available to the Cooperative, then action will be taken to limit availability to the consumer.

GENERAL COMMENTS

Many references in this booklet use consumer and many use member. The two are used interchangeably by the Cooperative in all instances. The telephone numbers you should call for emergency service or outages are listed herein.

It is hoped that, via this information, we have given you a better insight into Powell Valley Electric Cooperative as it was created in 1938, and as it is today. We'd also like to assure you that, while circumstances have changed, our goals have not. We're still here only to be of service to you.

BY-LAWS
of
POWELL VALLEY ELECTRIC COOPERATIVE, INCORPORATED
ARTICLE 1
MEMBERSHIP

SECTION 1. Requirements for Membership. Any person, firm, association, corporation, or body politic or subdivision thereof will become a member of Powell Valley Electric Cooperative, Incorporated, (hereinafter called the "Cooperative"), upon receipt of electric service from the Cooperative, provided that he or it has first:

- (a) Made an application for membership therein;
- (b) Agreed to purchase from the Cooperative electric energy as hereinafter specified;
- (c) Agreed to comply with and be bound by the Articles of Incorporation and By-Laws of the Cooperative and any rules and regulations adopted by the board; and
- (d) Paid the membership fee hereinafter specified.

No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these by-laws.

SECTION 2: Membership Certificates. Membership in the Cooperative shall be evidenced in such form and manner as shall be determined by the board of directors. No membership shall be issued less than the membership fee fixed in these by-laws, nor until such membership fee has been fully paid for.

SECTION 3: Joint Membership. A husband and wife may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "member" as used in these by-laws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded 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 joint vote;
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership; 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 4. Conversion of Membership. (a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the articles of incorporation, by-laws and rules and regulations adopted by the board.

(b) Upon the death of either spouse, who is a party to the joint membership, such membership shall be held solely by the survivor.

(c) Upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues directly to occupy or use the premises covered by such membership in the same manner and to the same effect as though such membership had never been joint.

SECTION 5. Membership Fees. The membership fee shall be five dollars (\$5.00), upon the payment of which a member shall be eligible for any number of service connections. Only one membership fee per entity is permitted.

SECTION 6. Purchase of Electric Energy. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises specified in his application for membership and shall pay therefor at rates which shall from time to time be fixed by the board. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these by-laws. Each member shall pay to the Cooperative such minimum amount regardless of the amount of electric energy consumed, as shall be fixed by the board from time to time. Each member shall also pay amounts owed by him to the Cooperative as and when the same shall become due and payable.

SECTION 7. Termination of Membership. (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board may prescribe. The board may, by the affirmative vote of not less than two-thirds of all the members of the board, expel any member who fails to comply with any of the provisions of the articles of incorporation, by-laws or rules or regulations adopted by the board, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the board or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available to him, has not purchased electric energy from the Cooperative, or if a member who has ceased to purchase energy from the Cooperative may be cancelled by resolution of the board.

(b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate; and the membership of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

(c) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid by him, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.

ARTICLE II
RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. **Property Interest of Members.** Upon dissolution after:

- (a) All debts and liabilities of the Cooperative shall have been paid, and
- (b) All capital furnished through patronage shall have been retired as provided in these by-laws, and the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the existence of the Cooperative.

SECTION 2. **Non-Liability for Debts of the Cooperative.** The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE III
MEETING OF MEMBERS

SECTION 1. **Annual Meetings.** The annual meeting of the members shall be held on the third Saturday in September of each year, beginning with the year 1990, at such place within the service area as shall be designated in the notice of the meeting for the purpose of electing directors, passing upon reports covering the previous fiscal year and transacting such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be. Failure to hold the annual meeting at designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2. **Special Meetings.** Special meetings of the members may be called by at least three (3) directors or upon a written request signed by at least ten per centum (10%) of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided.

SECTION 3. **Notice of Members' Meetings.** Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or by the persons calling the meeting, to each member. 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.

In case of a joint membership, notice given to either husband or wife shall be deemed notice to both joint members.

Notice of a members' meeting to act on an amendment of the Articles of Incorporation or on a plan of merger or consolidation or on the question of a sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all, the property and assets of the Cooperative shall be delivered in the manner provided above, not less than twenty-five (25) nor more than fifty (50) days before the date of the meeting and in the form and manner as provided by the applicable laws of the State of Tennessee. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 4. Quorum. A quorum for the transaction of business at meetings of the members shall, except as provided in the next following sentence, be the lesser of two percent (2%) of all members or one hundred (100) members; and, once such a quorum is established, the meeting may proceed to transact all business that may lawfully come before it so long as at least the lesser of one percent (1%) of all members or fifty-one (51) members remain present. In the case of a meeting of the members at which the dissolution of the Cooperative or the sale or lease-sale of all or any substantial portion of its assets and property devoted to and used or useful in furnishing electric service is scheduled to be considered and acted upon pursuant, the quorum requirement shall be and shall remain through the meeting two-thirds (2/3) of all members. If, at any member meeting, less than the required quorum is present to enable the meeting to begin transacting business, or if the quorum requirement for it to continue ceases to exist, a majority of those present may adjourn the meeting from time to time without further notice; PROVIDED, if a majority of those present in person so resolve, the Secretary shall notify any absent members of the time, day and place of such adjourned meeting by delivering notice thereof. At all meetings of the members, whether a quorum be present or not, the Secretary shall annex to the meeting minutes, or incorporate therein by reference, a list of those members who were registered as present in person.

SECTION 5. Voting. Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. At all meetings of the members at which a quorum is present all questions shall be decided by a vote of a majority of the members voting thereon except as otherwise provided by law, the certificate of incorporation of the Cooperative, or these by-laws.

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

1. Report on the number 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 publication or mailing thereof, or the waivers of notice of the meeting, 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, and acting upon, reports of officers, directors and committees.
5. Election of directors
6. Unfinished business
7. New business
8. Adjournments

ARTICLE IV DIRECTORS

SECTION 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of nine (9) directors which shall exercise all of the powers of the Cooperative except such as are by law, the articles of incorporation or these by-laws conferred upon or reserved to the members. The directors shall be distributed as equally, geographically throughout the system as is possible, according to districts 1 through 9 as recorded and delineated on a map to be kept in the headquarters office of the Cooperative. Reproductions of the map showing the districts and the boundaries of each will be reproduced and lodged in the several branch offices.

SECTION 2. Election and Tenure of Officers. Members of the board shall be elected by secret ballot. Directors shall be divided into three (3) classes with three (3) directors in each class at the annual meeting of the members in the year 1971, with the term of office of the directors of the first class to expire at the next succeeding annual meeting; the term of the second class to expire at the second annual meeting and the term of the third class to expire at the third annual meeting. At the annual meeting of 1972, and each annual meeting thereafter, a number of directors equal to the number of the class whose terms are expiring shall be elected to hold office as directors for a term of three (3) years. If an election of board members shall not be held on the day designated herein for the annual meeting, or at any adjournment thereof, a special meeting of the members shall be held for the purpose of electing board members within a reasonable time thereafter. Board members may be elected by a plurality vote of the members. Board members shall serve in accordance with the tenure herein set forth above until their successors have been elected.

SECTION 3. Qualifications. All persons shall be eligible to become or remain a member of the board of the Cooperative if they are members of the Cooperative, and are bona fide residents of the district in which the vacancy exists and which is served or to be served by the Cooperative.

No person shall be eligible to become or remain a director of the Cooperative who:

(a) Is a grandparent, parent, spouse, sibling, co-habitant, child, or grandchild of an employee or incumbent director.

(b) Is absent without cause from three (3) or more regular meetings of the board of directors during any twelve (12) month period.

SECTION 4. Nominations. It shall be the duty of the Board of Directors to appoint, not more than one hundred twenty (120) days before the date of a meeting of the members at which directors are to be elected, a committee on nominations consisting of not less than five (5) nor more than eleven (11) members who shall be selected so as to give equitable representation on the committee to the different districts delineated as director districts. No officer or member of the board of directors shall be appointed a member of such committee. The committee shall prepare and post at all the offices of the Cooperative, at least ninety (90) days before the meeting, a list of nominations for directors.

Any fifteen (15) or more members may make other nominations in writing over their signatures. Such nominations in writing are required to be in a cooperative office by 5:00 p.m. not less than sixty (60) days prior to the meeting.

The Secretary shall cause the said petition to be posted at the same places where the list of nominations made by the committee is posted. The Secretary shall cause to be mailed with the notice of the meeting a statement of the number of directors to be elected, showing separately the nominations made by petition, if any. Nominations to fill vacancies on the board of directors, and the election of the respective directors, shall be for the particular district or districts where the vacancy or vacancies exist or the term or terms thereof is expiring.

SECTION 5. Vacancies. In the event a vacancy occurs in the Board of Directors prior to the end of the term, regardless of the reason, the vacancy shall be filled by the remaining Board of Directors by a majority vote of the Board members, provided a quorum is present, no later than the second regular Board meeting following the occurrence of the vacancy in accordance with and subject to the following:

If vacancy occurs:

(1) Greater than 120 days from the upcoming annual meeting, the Board of Directors shall appoint a replacement to serve until the upcoming annual meeting. The remaining portion of the original term of the vacant directorship (if any) shall then be filled in accordance with Section 4 herein.

(2) One hundred twenty (120) days or less but 60 days or more from the upcoming annual meeting, the Board shall appoint a replacement to serve until the upcoming annual meeting. If no replacement has been nominated by the Nominating Committee, or by petition, in accordance with Section 4 herein, the Board shall then appoint (or reappoint) a replacement to serve one additional year (from the upcoming annual meeting to the next following annual meeting). The remaining portion of the original term of the vacant directorship (if any) shall then be filled in accordance with the Section 4 herein.

(3) Less than 60 days from the upcoming annual meeting, the Board of Directors shall appoint a replacement to serve until the second upcoming annual meeting. The remaining portion of the original term of the vacant directorship (if any) shall then be filled in accordance with Section 4 herein.

SECTION 6. Compensation. Directors as such shall not receive any salary for their services, but by resolution of the board of directors a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the board of directors. Except in emergencies, no director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director receive compensation for serving the Cooperative, unless such compensation shall be specifically authorized by a vote of the members.

ARTICLE V **MEETINGS OF DIRECTORS**

SECTION 1. Regular Meetings. A regular meeting of the board of Directors shall be held without notice other than this by-law, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the board of directors shall be held monthly at such time and place as the board of directors may provide by resolution. Such regular monthly meetings may be held without notice other than such regulation fixing the time and place thereof.

SECTION 2. **Special Meetings.** Special meetings of the board of directors may be called by the President or any three (3) directors. The member or members authorized to call special meetings of the board of directors may fix the time and place for the holding of any special meeting of the board of directors called by them.

SECTION 3. **Notice.** Notice of the time, place and purpose of any special meeting of the board of directors shall be given at least three (3) days previous thereto, by written notice, delivered personally or mailed, to each director at his last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail so addressed, with postage thereon prepaid. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting except in case a director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

SECTION 4. **Quorum.** A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board of directors, provided, that if less than a majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

SECTION 5. **Manner of Acting.** The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors.

ARTICLE VI

OFFICERS

SECTION 1. **Number.** The officers of the Board and the Cooperative shall be a President, Vice-President, Secretary, Treasurer, General Manager and Chief Executive Officer, Assistant Secretary and Assistant Treasurer, and such other officers as may be determined by the Board of Directors from time to time. The offices of Secretary and Treasurer may be held by the same member. The offices of Assistant Secretary and Assistant Treasurer may be held by the same member.

SECTION 2. **Election and Terms of Office.** The officers shall be elected, by ballot, annually by and from the board of directors at the first meeting of the board of directors held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the board 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 these by-laws with respect to the removal of officers.

SECTION 3. **Removal.** Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interest of the Cooperative will be served thereby.

SECTION 4. **Vacancies.** Except as otherwise provided in these by-laws, a vacancy in any office may be filled by the board of directors for the unexpired portion of the term.

SECTION 5. President. The President shall:

- (a) be the principal executive officer of the Board and, unless otherwise determined by the members or the board of directors, shall preside at all meetings of the members and the board of directors.
- (b) sign, with the Secretary, any deeds, mortgages, deeds of trust, notes, bonds, contracts 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 by-laws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- (c) in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the board of directors from time to time.

SECTION 6. 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 and shall perform such other duties as from time to time may be assigned to him by the board of directors.

SECTION 7. Secretary. The Secretary shall:

- (a) keep the minutes 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 by-laws 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 documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these by-laws;
- (d) keep a register of the post office address of each member which shall be furnished to the Secretary by such member;
- (e) have general charge of the books of the Cooperative in which a record of the members is kept;
- (f) keep on file at all times a complete copy of the by-laws of the Cooperative containing all amendments thereto, which copy shall always be open to the inspection of any member; and
- (g) 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.
- (h) The Board of Directors may designate another agent or employee of the cooperative to perform applicable duties.

SECTION 8. Treasurer. The Treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
- (b) receive and give receipts for monies due and payable to the Cooperative

from any source whatsoever, and deposit all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provision of these by-laws; 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.
- (d) The Board of Directors may designate another agent or employee of the Cooperative to perform applicable duties.

SECTION 9. General Manager And Chief Executive Officer. The board of directors may appoint a General Manager and Chief Executive Officer who shall be a member of the Cooperative. The General Manager and Chief Executive Officer shall be the chief executive officer of the Cooperative. He/she 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 his/her.

SECTION 10. Assistant Secretary and Assistant Treasurer: The General Manager and Chief Executive Officer shall also serve as Assistant Secretary and Assistant Treasurer, and shall perform such duties as delegated by the Secretary and Treasurer.

SECTION 11. Bonds of Officers. The board of directors shall require the Treasurer or any officer 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 any other officer, agent or employee of the Cooperative to give bond in such amount and with surety as it shall determine.

SECTION 12. Compensation. The powers, duties and compensation of officers, agents and employees shall be fixed by the board of directors subject to the provisions of these by-laws with respect to compensation for a board member and close relatives of a board member.

SECTION 13. Reports. The officers of the Cooperative shall submit, at each annual meeting of the members, a report covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of such fiscal year. An official financial report will be published annually in The Tennessee Magazine and Cooperative Living magazine when the auditing process of such report has been completed.

SECTION 14. Delegation of Secretary's and Treasurer's Responsibilities: Notwithstanding the duties, responsibilities and authorities of the Secretary and the Treasurer hereinbefore provided the Board of Directors by resolutions 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 such officers' duties to one or more agents or other officers of the Cooperative who are not directors. To the extent that the Board does so delegate with respect to either such officer, that officer as such shall be released from such duties, responsibilities and authorities.

ARTICLE VII
CONTRACTS, CHECKS AND DEPOSITS

SECTION 1. **Contracts.** Except as otherwise provided in these by-laws, the board of directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

SECTION 2. **Checks, Drafts, Etc.** All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers of the Cooperative and in such manner as shall from time to time be determined by resolution of the board of directors.

SECTION 3. **Deposits.** All funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the board of directors may select.

ARTICLE VIII
NON-PROFIT OPERATION

SECTION 1. **Interest or Dividends on Capital Prohibited.** The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

SECTION 2. **Patronage Capital in Connection with Furnishing Electric Energy.** In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all portions will through their patronage furnish capital for the Cooperative.

All amounts received and receivable from the furnishing of electric energy to patrons, members and non-members alike, in excess of operating costs and expenses properly chargeable against the furnishing of electric energy, and all amounts received and receivable as amortization charges are, at the moment of receipt by the Cooperative, received with the understanding that such amounts are furnished by the patrons as capital. Capital contributed by the patrons, other than proceeds of amortization charges which shall be used as provided elsewhere in these by-laws, shall be used only for capital purposes including, without limitation, new electric system construction, the retirement of electric system indebtedness at or prior to maturity, and working capital adequate for all purposes including facilitation of general rate reductions. The Cooperative shall maintain such books and records as will enable it at any time to compute, upon reasonable notice, the amount of capital contributed during any given period by each of its patrons.

In the event of dissolution of the Cooperative, its affairs shall be liquidated in the manner provided by law. The directors in charge of such liquidation shall use the proceeds derived from liquidation to satisfy and discharge all outstanding liabilities and obligations of the Cooperative. To the extent permitted by law, any remaining proceeds of liquidation shall be disposed of as follows:

1. The aggregate amount of capital contributed by members of the Cooperative during the period of its existence shall be determined and such remaining proceeds up to such aggregate amount shall be returned to such members in proportion to the respective amounts of capital contributed by them.
2. The remaining liquidation proceeds, if any, shall be distributed ratably among the members holding membership as of the time it ceases to conduct its business of supplying electric power and energy.

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

ARTICLE IX

DISPOSITION OF PROPERTY

The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds (2/3) of all of the members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the board of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the board shall determine, to secure any indebtedness of the Cooperative to United States of America or any instrumentality or agency thereof: provided further that the board may upon the authorization of a majority of those members of the Cooperative present at a meeting of the members thereof, sell, lease, or otherwise dispose of all or a substantial portion of its property to another cooperative or foreign corporation doing business in this state pursuant to the Act under which this Cooperative is incorporated.

ARTICLE X

FISCAL YEAR

The fiscal year of the Cooperative shall begin on the first day of July of each year and end on the thirtieth (30th) day of June of the following year.

ARTICLE XI

MEMBERSHIP IN OTHER ORGANIZATIONS

The Cooperative shall not become a member of or purchase stock in any other organization without an affirmative vote of the members at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchases, provided, however, that the Cooperative may upon the authorization of the board of directors, purchase stock in or become a member of any corporation or organization organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification, or with the approval of the Administrator of RUS, of any other corporation for the purpose of acquiring electric facilities.

ARTICLE XII

SEAL

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Tennessee".

ARTICLE XIII

MISCELLANEOUS

SECTION 1. Waiver of Notice. Any member or director may waive in writing any notice of a meeting required to be given by these by-laws. The attendance of a member or director at any meeting shall constitute a waiver of notice of such meeting by such member or director, except in case a member or director shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened. In case of a joint membership, a waiver of notice signed by either husband or wife shall be deemed a waiver of notice of such meeting by both joint members.

SECTION 2. Rules and Regulations. The board of directors shall have power to make and adopt such rules and regulations, not inconsistent with law, the certificate of incorporation of the Cooperative or these by-laws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

SECTION 3. Accounting System and Reports. The board of directors shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulator body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America. The board of directors shall also after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. Such audit reports shall be submitted to the members at the next following annual meeting.

SECTION 4. Subscription to "Cooperative Living Magazine" and Subscription to "The Tennessee Magazine". For the purpose of disseminating information devoted to the economical, effective and conservative use of electric energy, the board of directors shall be authorized, on behalf of and for circulation to the

members periodically, to subscribe to a magazine entitled "Cooperative Living". The annual subscription therefor, 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. The Board of Directors shall also be empowered and authorized, on behalf of and for circulation to the members periodically, to subscribe to "The Tennessee Magazine". The annual subscription therefor, 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.

Notices included in these two publications shall constitute due notice.

This section shall remain in effect until the annual meeting to be held in 2022, at which time it will expire, unless the provisions thereof are extended by a majority vote of members voting at that meeting.

SECTION 5. Production Or Use Of Electric Energy: Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities that shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations, as shall be applied from time to time by the Cooperative or a regulatory body.

SECTION 6. Indemnification: In the event facilities of the Cooperative 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.

ARTICLE XIV AMENDMENTS

These by-laws may be altered, amended or repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendments or repeal.

