

NOTICE OF BOARD MEETING

The regular meeting of the Board of Directors of the Delaware County Electric Cooperative, Inc. will be held **Tuesday, May 23, 2023, at 5:00 pm**
Location is Room 121 at the Co-op's office, 5 North Depot Street, Delhi, New York 13753 to act on the following agenda.

AGENDA

- I. Opening Business:
 - a. Call to Order
 - b. Roll Call - Determination of Quorum
 - c. Adoption of Agenda [packet page 1]
- II. Line Foreman Mike Pietrantonio to give Line crew update (he is on-call, so provided there are no outages going on)
- III. Consent Agenda:
 - a. Minutes of April 25, 2023 Regular Meeting [packet pages 2-5]
 - b. New Memberships – May and April (corrected) [packet page 6-7]
 - c. Bad Debt Collection Report & Resolution [packet pages 8-9]
 - d. Director Compensation [packet page 10]
 - e. Corporate Calendar [packet page 11]
- IV. Review of Policies:
 - a. Absentee Ballot Policy [packet page 12-15]
 - b. Compensation for Board of Directors Policy [packet pages 16-18]
 - c. Director Qualifications Policy [packet pages 19-22]
 - d. Member Participation in Annual Meeting Policy [packet pages 23-25]
- V. Announcement of Upcoming Policies to be Reviewed:
 - a. Documentation Policy [packet pages 26-27]
- VI. Annual Meeting kick-off with Review and Discussion of Bylaw changes [packet pages 28-51]
- VII. CEO/General Manager John Gasstrom's Report: [packet page 52]
 - a. Historic Fixed Price Transmission Congestion Contracts (HFTCCs) through NYISO
 - b. Demand line item being added for testing to Director's bills
- VIII. CFO Cannizzaro's Monthly Report: [handout]
 - a. April Financials [handout]
- IX. Operations Manager Sullivan's Monthly Report: [packet page 53]
 - a. Quarterly Line Crew Update if Mike P is unavailable [presentation]
- X. Manager of System Planning, Job Training & Safety Small's Monthly Report: [packet page 54]
 - a. Update on visit from Federated
- XI. CSA Linehan's Monthly Report: [handout]
 - a. Nominating Committee update
 - b. Meredith Dairy Fest
 - c. RSVPs for upcoming events
- XII. Director/Staff Association Reports:
 - a. NYSRECA Meeting & Advocacy Day, May 7-9, 2023 – Albany, NY
 - b. NEAEC Annual Meeting, May 18, 2023 – Virtual
- XIII. New Business:
- XIV. Future Business:
 - a. DCEC at the Meredith Dairy Fest, June 10th & 11th, 10am-5pm – Meredith, NY
 - b. DCEC Regular Board Meeting, **Tuesday, 06/27/2023 @ 5pm**
 - i. Tree crew update report to Board
 - c. CFC Forum, June 19-21, 2023 – Seattle, WA
 - d. DCEC Storm Preparation Advocacy Group Meeting, July 11, 2023 – location TBD
 - e. NYSRECA Annual Meeting, July 27, 2023 – location TBD
 - f. NRECA Regional Meetings 1&4, September 6-8, 2023 – Richmond, VA
 - g. DCEC's 79th Annual Meeting, September 15, 2023 – Delaware Academy, Delhi, NY
 - h. NEAEC Annual Meeting, October 9-13, 2023 – Newport, RI
 - i. Board checks in on October 9, 2023
 - ii. Risk Oversight, The Board's Role in Risk Management 921.1 NRECA training, October 10, 2023
- XV. Executive Session:
- XVI. Adjournment:

The aim of Delaware County Electric Cooperative, Inc., is to make electric energy and related services available to members at the lowest cost consistent with sound economy and good management.

Cooperative Stakeholders

- Members
- Employees
- Community
- Business Partners
 - Suppliers
 - RUS
 - CFC
 - Federated
 - Other cooperatives
 - NYSERDA
- Government
- Regulators

Delaware County Electric Cooperative
Board Meeting Minutes
April 25, 2023

I. Opening Business: The regular monthly meeting of the Board of Directors of the Delaware County Electric Cooperative, Inc. was held April 25, 2023 at the Co-op's office, 5 North Depot Street, Delhi, New York.

A. Call to Order: The meeting was called to order at 5:12 p.m. by President Pick.

B. Roll Call - Determination of Quorum:

Stephen Oles	P
Edward Pick Jr.	P
Paul Menke	P
Laurie Wehmeyer	P
Steve Burnett	P
Jeffrey Russell	P
Edward Furgol	P

DCEC staff members that participated in-person were, DCEC's CEO/General Manager John Gasstrom, DCEC's CFO Mark Cannizzaro, DCEC's Operations Manager Ryan Sullivan, CSA Janelle Linehan, and Manager of Systems Planning, Job Training & Safety, James Small. DCEC's Legal Counsel Jeffrey Clark from Livingston Associates participated via phone conference. Stanley "Mike" Roseberry, CPA of Fiore Fedeli Snyder Carothers, LLP attended in person for the beginning of the meeting.

D. Adoption of Agenda: A motion was made by Director Burnett to adoption the agenda. The motion was seconded by Secretary Wehmeyer. The motion passed.

II. Consent Agenda: A motion was made to approve the consent agenda as presented by Director Burnett. The motion was seconded by Secretary Wehmeyer. The motion passed.

III. Auditor's Report by Stanley "Mike" Roseberry, CPA of Fiore Fedeli Snyder Carothers, LLP
Reviewed financial package and opinion. Reviewed draft of Form 990.

IV. Policies:

a. Insurance and Fidelity Coverage

A motion was made to approve the policy by Secretary Wehmeyer. The motion was seconded by Treasurer Menke. The motion passed.

b. Safety Committee and Incident Investigation Policy

A motion was made to approve the policy by Treasurer Menke. The motion was seconded by Director Furgol. The motion passed.

c. Sexual Harassment

A motion was made to approve the policy by Director Oles. The motion was seconded by Vice President Russell. The motion passed.

d. Workplace Violence

A motion was made to approve the policy by Director Furgol. The motion was seconded by Secretary Wehmeyer. The motion passed.

V. Appoint Nominating Committee:

A motion was made to appoint the 2023 Nominating Committee by Secretary Wehmeyer. The motion was seconded by Director Oles. The motion passed.

VI. CEO/General Manager John Gasstrom's Report:

a. Historic Fixed Price Transmission Congestion Contracts (HFTCCs) through NYISO

CEO Gasstrom discussed government relations and outside organizations, cooperative relations, grants, and community interaction. President Pick requested analysis for total TCCs bought and used for 2022 and back.

VII. CFO Cannizzaro's Monthly Report:

CFO Cannizzaro discussed financials from March and highlighted line 7 of the Income Statement; lines 9 and 23 of the Asset side of the Balance Sheet; and line 48 of the Liabilities side of the Balance sheet.

VIII. Operations Manager Sullivan's Monthly Report:

a. Quarterly Fleet Update

Operations Manager Sullivan discussed notable outages and occurrences and updates on special projects.

IX. Manager of System Planning, Job Training & Safety Small's Monthly Report:

Manager of SP, JT & Safety Small discussed notable safety updates, crew visits, and safety committee meeting.

X. CSA Linehan's Monthly Report:

CSA Linehan discussed member engagement, social media, Youth Tour, grant opportunities, and attending a Legislative Chamber of Commerce event.

XI. Director/Staff Association Reports:

- a. Rural Resources Fair, March 29, 2023 – Albany, NY
CEO Gasstrom gave report.
- b. NYAPP Conference, April 11-13, 2023 – Saratoga Springs, NY
CEO Gasstrom and President Pick gave report.
- c. Legislative Conference, April 15-19, 2023 – Washington DC
CEO Gasstrom and Director Wehmeyer gave report.

XII. New Business:

CEO Gasstrom brought up signing ISD's contract, DCEC's IT contractor. A motion was made to authorize the signing of the contract by Treasurer Menke. The motion was seconded by President Pick. The motion passed.

XIII. Future Business:

- a. NYSRECA Meeting & Advocacy Day, May 7-9, 2023 – Albany, NY
- b. DCEC Regular Board Meeting, Tuesday, 05/23/2023 @ 5pm
 - i. Line crew report to Board
- c. CFC Forum, June 19-21, 2023 – Seattle, WA
- d. NYSRECA Annual Meeting, July 27, 2023 – location TBD
- e. NRECA Regional Meetings 1&4, September 6-8, 2023 – Richmond, VA
- f. DCEC's 79th Annual Meeting, September 15, 2023 – Delaware Academy, Delhi, NY
- g. NEAEC Annual Meeting, October 9-13, 2023 – Newport, RI
 - ii. Board checks in on October 9, 2023
 - iii. Risk Oversight, The Board's Role in Risk Management 921.1 NRECA training, October 10, 2023

XIV. Executive Session:

A motion was made at 7:45pm to enter Executive Session by Treasurer Menke. The motion was seconded by Director Furgol. DCEC staff CEO John Gasstrom and CFO Cannizzaro were invited to stay. All else were excused. CEO Gasstrom was excused at 8:15pm. A motion was made to exit executive session at 8:23pm by Treasurer Menke. The motion was seconded by Vice President Russell.

XV. Adjournment: There being no further business on the agenda, President Pick adjourned the meeting at 8:23pm.

Respectfully submitted,

Secretary, Laurie Wehmeyer

607-746-2341

[illegible]

5 North Depot Street, P. O. Box 471, Delhi, New York 13753-0471
607-746-2341

[illegible]



May 4, 2023

BAD DEBT COLLECTION

* **PLEASE NOTE:** The amounts below were recovered through capital credit retirements,
Southern Tier Credit Center & DCEC through April 30, 2023
Total recovered: \$

Original Amount Turned Over For Collections	Name	**Amount Collected CC to UA	Amount Collected from So. Tier	Amount Collected from DCEC	Commission Paid this Month *	Balance Due
\$54.29	Arkadiusz Konefal	\$36.38				\$17.91
\$1208.85	Ronnie Dean	\$33.77				\$1175.08

* Commission is 30% of the total amount collected last month. 50% if legal services are required. If payment is made directly to us, the commission will be the following month.

** Under \$30.00 does not get reported to Southern Tier Credit Center.

*** Billing department did a small balance write off for the balance due amount.

**** Capital credits are applied on a discounted basis towards outstanding debt per the Capital Credits Applied to Bad Debt Policy.

***** Paid directly to DCEC prior to turning over to Southern Tier for Collections

RESOLUTION

BE IT RESOLVED, THAT WE, The Board of Directors of the Delaware County Electric Cooperative, Inc., 5 N. Depot St., Delhi, NY 13753, do hereby authorize the transfer of \$1319.82 representing uncollectible accounts for utility customers per the following listing, to accumulated provision for uncollectible accounts.

<u>ACCOUNT</u>	<u>Map Location</u>	<u>CUSTOMER</u>	<u>SEASONAL</u>	<u>RESIDENTIAL</u>
3348001	KO 2-52-8	Peter A. Sebastian		\$322.53
18331001	KO 2-42-23	Suanne Belarge		\$315.78
14902001	KO 2-31-11C	Brandy White		\$313.29
17163001	ME 1-56-11	Frances Gallagher		\$368.22

May 23, 2023

Laurie Wehmeyer
SECRETARY

Director Compensation Report

<u>2023 Director Compensation Report</u>						Report Date:		15-May-2023			
	<u>Director</u>	<u>Officer</u>	<u>CCD</u>	<u>Per Diem</u>	<u>Pers Mileage*</u>			<u>Comp YTD**</u>	<u>Mile/Reim YTD</u>	<u>TOTAL YTD</u>	<u>Balance Due (YTD)</u>
1	Burnett	No	Yes	\$ 350	17	\$ 11.14		\$ 2,100.00	\$ 66.84	\$ 2,166.84	\$ 722.28
2	Furgol	No	No	\$ 300	9	\$ 5.90		\$ 3,000.00	\$ 35.40	\$ 3,035.40	\$ 611.80
3	Menke	Yes	Yes	\$ 375	15	\$ 9.83		\$ 3,375.00	\$ 702.19	\$ 4,077.19	\$ 769.66
4	Oles	No	Yes	\$ 350	14	\$ 9.17		\$ 2,100.00	\$ 55.02	\$ 2,155.02	\$ 718.34
5	Pick	Yes	Yes	\$ 375	44	\$ 28.82		\$ 5,650.00	\$ 201.74	\$ 5,851.74	\$ 807.64
6	Russell	Yes	Yes	\$ 375	44	\$ 28.82		\$ 3,750.00	\$ 144.10	\$ 3,894.10	\$ 807.64
8	Wehmeyer	Yes	Yes	\$ 375	52	\$ 34.06		\$ 3,750.00	\$ 204.36	\$ 3,954.36	\$ 818.12
	TOTAL:							\$ 23,725.00	\$ 1,409.65	\$ 25,134.65	\$ 5,255.48
	NOTES:	1) Board policy identifies \$300 per diem compensation + \$25 for officers + \$50 for CCD directors.									
	*	2) Mileage to/from regular meetings @ IRS per mile rates of.....									\$0.655
	**	3) Compensation YTD reflects total taxable amount earned (excludes reimburseable expenses such as mileage)									
		4) Compensation for co-op-related "Short Activities" @ \$100 per meeting (per Jan2013 Board Resolution)									

DIV	ACTIVITY	M	J	J	A	S	O	N	D	J	F	M	A	PROCESS
BOARD	Nominating (Director Search) Committee Meeting											1		MEETING
BOARD	Annual Meeting Kick-off Planning (incl consideration of Bylaw changes)											1		MEETING
BOARD	Legislative Youth Tour Interviews/Selection											1		MEETING
BOARD	Board decision/approval of proposed bylaw changes (for Annual Meeting)											1		ACTION
BOARD	NYSRECA Legislative Conference (tbd)											1		MEETING
BOARD	Finance Committee Meeting			1			1						1	MEETING
BOARD	Organization & Staffing Committee Meeting	1			1					1				MEETING
BOARD	NEAEC Annual Meeting	1												MEETING
BOARD	Board Self-Evaluation Survey (odd years only, next 2023)			1										COMPLY
BOARD	NYSRECA Annual Meeting			1										MEETING
BOARD	OEC Annual Meeting				1									MEETING
BOARD	CEO Goals & Objectives Mid-Year Review				1									REPORT
BOARD	NRECA Survey - Directors, Attorneys, Auditors					1								PROCESS
BOARD	Cooperative Officers Job Descriptions Review					1								COMPLY
BOARD	Organizational Meeting of Board (incl. Committee appointments)					1								COMPLY
BOARD	NRECA Region 1 Annual Meeting					1								MEETING
BOARD	Kick-off Budgeting Process (prelim capital budget)						1							BUDGET
BOARD	Annual Sexual Harassment Training						1							COMPLY
BOARD	Capital Credit retirement - decision by Board						1							ACTION
BOARD	Re-instatement of Accounting/Audit Firm (resolution)						1							AUDIT
BOARD	Oneida-Madison EC Annual Meeting						1							MEETING
BOARD	Steuben REC Annual Meeting						1							MEETING
BOARD	CEO Performance Review – kick off & plan Jan O&S Committee Mtg						1							PROCESS
BOARD	Approve Holiday Gift for Board/Staff/Employees								1					PROCESS
BOARD	NRECA Annual Meeting											1		MEETING
BOARD	Board appoints Nominating Committee (Directors identify members)											1		ACTION
BOARD	Consider GM contract renewal/update									1				PROCESS
MGMT	Line Extension Policy Rate Review												1	PROCESS
MGMT	DEC Pesticide Business/Agency Registration (April/May, tri-annual, next in 2022)												1	COMPLY
MGMT	Update Standard Costs												1	PROCESS
MGMT	NYS ORPS Equalization & Assessment report (4/15)												1	COMPLY
MGMT	Strategic Plan Review	1				1			1		1			COMPLY
MGMT	ROW & Line-Inspection contracting Bid	1												PROCESS
MGMT	Semi-annual review of Corporate Calendar		1						1					PROCESS
MGMT	Renew Purchase of TCCs with NYISO/NYPA		1											PROCESS
MGMT	CFC Annual Forum			1										MEETING
MGMT	ROW & Line-Inspection contracting Awards/ Contract Bid Report to Board for Budget				1									BUDGET
MGMT	Self-Eval to Board				1									REPORT
MGMT	DCEC Annual Meeting					1								MEETING
MGMT	Year-End Financial Projection (Capital Credit Retirement Assessment)						1							REPORT
MGMT	Review DPS Data for Annual Member Deposit Rate Effective 1/1						1							COMPLY
MGMT	All-Employee Meeting (last week October)						1							PROCESS
MGMT	Order Holiday Gift Cards for Board/Staff/Employees						1							PROCESS
MGMT	Year-end Financial Projection (Formulary Rate Planning)							1						BUDGET
MGMT	Operating Plan/Budget Presented							1						BUDGET
MGMT	Capital Credit Retirement (if applicable)							1						PROCESS
MGMT	Employee Performance Reviews – prep								1					STAFFING
MGMT	Operating Plan/Budget Approved								1					BUDGET
MGMT	Christmas Party								1					STAFFING
MGMT	Update PPAC “System Loss Factor” based on prior year analysis									1				PROCESS
MGMT	Exempt Employee Salary Action									1				PROCESS
MGMT	Employee Performance Reviews									1				REPORT
MGMT	NYSRECA Meeting									1				MEETING
MGMT	Year-End Accomplishments Review / Goals & Objectives Approval									1				REPORT
MGMT	Legislative Youth Delegate kick-off (interviews/selection by late March)									1				PROCESS



POLICY

<u>Document Type:</u> <u>Board Level Policy</u>	<u>Original Policy Date:</u> <u>April 23, 2013</u>	<u>Latest Revision Date:</u> <u>May 23, 2023</u>
<u>Document Owner:</u> <u>Member Services</u>	<u>Document Classification:</u> <u>Public</u>	<u>Review Cycle:</u> <u>Every three years</u>

SUBJECT: Absentee Ballots

POLICY:

Background:

Article III, Section 6-7 of the Bylaws of the Delaware County Electric Cooperative (the Cooperative) describes a member's rights and responsibilities related to absentee balloting. This policy provides rules and procedures, which shall be followed by staff of the Cooperative when administering the absentee ballot process.

The Bylaws specify the following timeline for mail-in absentee ballots:

- (a) The Cooperative must receive from the member a completed absentee ballot request form at least twenty (20) days prior to the Membership Meeting.
- (b) Upon receipt, the Cooperative will provide an official absentee ballot to the member.
- (c) The Cooperative will accept a properly completed absentee ballot only if it is received within the office of the Cooperative by no later than the close of the 4th business day preceding the day of the Membership Meeting.

The Bylaws specify the following timeline for in-person absentee ballots:

- a) The member may appear, in person, at the office of the Cooperative, verify his or her identity by presenting a government issued photo identification, request the absentee ballot, complete the absentee ballot, and return it to the office of the Cooperative by no later than the close of the 4th business day preceding the day of the Membership Meeting.
- b) Absentee ballots shall be made available to members at the office of the Cooperative starting at least 20 days prior to the Membership Meeting.

The Bylaws specify the following requirements and limitations on the process:

- (a) Upon the Cooperative's receipt of an absentee ballot, a member may not revoke an absentee ballot and vote at the meeting regarding the matter described in the ballot.
- (b) The absentee ballot must: (1) set forth and describe a proposed action, identify a candidate(s) and include the language of a motion, resolution, Bylaw Amendment, or other written statement, upon which a Member is asked to vote or act; (2) state the date of a Membership Meeting at which the members are scheduled to vote or act on the matter; (3) provide an opportunity to vote for or against, or to abstain from voting on, the matter; (4) instruct the member how to complete and return the absentee ballot; and (5) state the time and date by which the Cooperative must receive the complete absentee ballot.

Article I, Section 3(C) states that an absentee ballot executed by either or both joint members shall constitute one joint absentee ballot.



Procedure:

To facilitate voting by mail-in absentee ballots:

The Cooperative shall send absentee ballot request forms to all members of the Cooperative in the July/August edition of the Catskill Hi-Line newsletter that is scheduled to be mailed at least 45 days prior to the Annual Meeting of Members and by paper or electronic means such as but not limited to regular e-mail, electronic billing notices, the Cooperative's website, social media platforms, and paper bill inserts. The request form shall require the member's name, address, and account number. The form shall also provide the due date for the request form, which shall be the last business day at least 20 days prior to the Members Meeting.

Upon receipt of each request form, the Cooperative shall confirm that the request form was submitted by a member in good standing and that all required information was provided. In cases where the request form is missing required information or when the form was submitted by someone other than a member in good standing, the Cooperative shall make a good faith effort to contact the person who submitted the request form with the goal of providing members an opportunity to exercise their right to submit absentee ballots.

Upon confirmation that a member has submitted a properly completed request form, the Cooperative shall add the member's name and account number to the Absentee Voters List and the absentee ballot shall be given an Absentee Ballot Number. The Absentee Ballot Number will be used to track which members return absentee ballots, because members may not vote by absentee ballot AND in person at the Members Meeting.

Within 3 days following the due date for the absentee ballot request form, the Cooperative shall send absentee ballot packets to all members who submitted properly completed request forms. The absentee ballot packet shall include the following:

- (a) Instructions, which shall include the due date, which shall be the close of the 4th business day preceding the day of the Membership Meeting.
- (b) An absentee ballot
- (c) A Secret Ballot Envelope in which the member will place his/her completed absentee ballot. The Secret Ballot Envelope should be marked with language such as "PLACE YOUR SECRET BALLOT INSIDE THIS EVELOPE AND SEAL BEFORE MAILING" and shall also be marked with the Absentee Ballot Number associated with the member. The Absentee Ballot Number will be used to track which members return absentee ballots without violating the Cooperative's Bylaws.
- (d) A mailing Envelope pre-addressed to "Delaware County Electric Cooperative, Inc., PO Box 471, Delhi, NY 13753, attention Member Services." The instructions should instruct the member to place his/her sealed Secret Ballot Envelope inside their Mailing Envelope before mailing the sealed Mailing Envelope to the Cooperative.

The Cooperative shall open Mailing Envelopes, but not Secret Ballot Envelopes, as absentee ballots are received in the mail. The Absentee Voter List shall be updated to record which Absentee Voters have returned Secret Ballot Envelopes. The unopened Secret Ballot Envelopes shall be placed daily in the Cooperative's safe, where they shall remain until opened by the



Cooperative's attorney or by Tellers¹ under the supervision of the Cooperative's attorney. Once Secret Ballot Envelopes are opened, absentee ballots shall be handled and stored in a manner to avoid them being seen by anyone other than the Cooperative's attorney and the appointed Tellers.

To facilitate voting by in-person absentee ballots:

The Cooperative shall make absentee ballot request forms available to any member at the office of the Cooperative starting at least 20 days prior to the Membership Meeting. Upon receiving completed absentee ballot request forms from members in-person at the office of the Cooperative, the Cooperative shall require the member to present a government issued photo identification to verify that the person submitting the request form is the member whose name is listed on the absentee ballot request form. The Cooperative shall confirm that the request form was submitted by a member in good standing and that all required information was provided. In cases where the request form is missing required information or when the form was submitted by someone other than a member in good standing, the Cooperative shall immediately notify the person who submitted the request form of any deficiency, to give them a chance to re-submit the request form in a timely manner.

Upon confirmation that a member has submitted a properly completed request form, the Cooperative shall add the member's name and account number to the Absentee Voters List and the absentee ballot shall be given an Absentee Ballot Number. The Absentee Ballot Number will be used to track which members return absentee ballots, because members may not vote by absentee ballot AND in person at the Members Meeting.

After assignment of an Absentee Ballot Number, the Cooperative shall hand the Absentee Ballot and the Secret Ballot Envelope directly to the member. The member shall complete the Absentee Ballot at the office of the Cooperative, insert it into the Secret Ballot Envelope and hand it to the Cooperative staff person. The Absentee Voter List shall be updated to record which Absentee Voters have returned Secret Ballot Envelopes. The unopened Secret Ballot Envelopes shall be placed daily in the Cooperative's safe, where they shall remain until opened by the Cooperative's attorney or by Tellers under the supervision of the Cooperative's attorney. Once Secret Ballot Envelopes are opened, absentee ballots shall be handled and stored in a manner to avoid them being seen by anyone other than the Cooperative's attorney and the appointed Tellers.

On the day of the Members Meeting, the Cooperative shall utilize the Absentee Voter List to prevent members having submitted absentee ballots from also receiving ballots to vote in person.

Absentee ballots shall be taken to the Members Meeting to be handed over to the Tellers. The Cooperative's attorney or the appointed Tellers under the supervision of the Cooperative's attorney shall complete the opening and counting of absentee ballots on the day of the Members Meeting and no later than the time during the Members Meeting when in-person ballots are

¹ Tellers are members of the Cooperative who are appointed by the President of the Board or by the full Board of Directors, either prior to or during the Members Meeting. Tellers volunteer to assist with or observe the ballot collection and counting process. Any member present at the Members Meeting is eligible to volunteer to serve as a Teller, regardless of whether other Tellers have already been appointed prior to the Members Meeting. There shall be a minimum of 3 Tellers.



counted. The opening of absentee ballots may be performed at the Cooperative's office prior to the Members Meeting or at the location of the Members Meeting during the Members Meeting. The Cooperative's attorney shall be available to inspect absentee ballots to confirm that ballots are properly completed and signed. Only appointed Tellers and the Cooperative's attorney shall be allowed to view absentee ballots so that the secrecy of the ballots is maintained.

Ballots shall be kept in a secure location at the Cooperative for a period of at least sixty (60) days and no more than thirteen (13) months after the annual meeting to allow for challenges to the voting process. Thereafter, they will be destroyed.

DELAWARE COUNTY ELECTRIC COOPERATIVE, INC

Approved by Board of Directors	April 23, 2013
Revised by Board of Directors	June 23, 2015
Revised by Board of Directors	May 30, 2017
Revised by Board of Directors	August 25, 2020
Revised by Board of Directors	May 23, 2023
Revised by Board of Directors	May 23, 2023

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<u>Document Type:</u> <u>Board Level Policy</u>	<u>Original Policy Date:</u> <u>May 4, 2023</u>	<u>Latest Revision Date:</u> <u>May 4, 2023</u>
<u>Document Owner:</u> <u>CEO</u>	<u>Document Classification:</u> <u>Internal Use Only</u>	<u>Review Cycle:</u> <u>Annual</u>

POLICY

SUBJECT: Compensation for Board of Directors

POLICY: Management of the business and affairs of the Cooperative requires talented leadership at the Board level, as well as a significant commitment of time and resources by individual Board members. Section ~~6~~7 of Article IV of the Cooperative's Bylaws authorizes payment of compensation for Board members. Therefore, consistent with the Cooperative's Bylaws, this policy establishes the standards and methods for paying such compensation and the conditions applying thereto, as follows:

1. Compensation of Board members shall be set as follows:
 - A. Board members shall be paid a fixed sum in the amount of \$300.00 for each day or portion thereof ("per diem compensation") spent on Cooperative Business, which Cooperative Business shall include, but not be limited to, attendance at meetings, conferences, and training programs or performing committee assignments as authorized by the Board.
 - B. In addition to the compensation set forth in paragraph 1(A) above, Board members serving the Cooperative as an officer shall be paid an additional \$25.00 in per diem compensation.
 - C. In addition to the compensation set forth in paragraph 1(A) and, as applicable, paragraph 1(B) above, Board members serving the Cooperative who have received NRECA Cooperative Credentialed Director (CCD) accreditation and who maintain such accreditation, shall be paid an additional \$50.00 in per diem compensation.
 - D. The Board may designate certain director activities as "Short Activities" at their sole discretion and based on any criteria they choose by recording a Board vote in the minutes of any Regular Meeting or Special Meeting of the Board. Board members shall be paid a fixed sum in the amount of \$100.00 ("Short Activity Compensation") for each Short Activity in which he or she participates on behalf of the Cooperative as authorized by the Board. Amounts set forth in paragraphs 1(A), 1(B) and 1(C) shall not apply to Short Activities.

2. In applying this Policy, the following standards will be observed:
 - A. Where travel is required on a day prior or subsequent to a meeting, conference, training program or other authorized activity, a Board member shall be eligible to be paid per diem compensation for each such day of travel in accordance with this Policy Bulletin.
 - B. Although two or more meetings or activities (e.g., the annual meeting of the members and the regular meeting of the Board of Directors immediately following), or a combination of travel and one or more meetings or activities, may occur on a single day, only one per diem compensation for that day will be allowed.
 - C. No per diem compensation shall be provided to any Board member for time spent in preparation for a Board or committee meeting, regardless of whether such preparation occurs on a day other than the one on which the meeting occurs.
3. Payment of the amount provided for in paragraphs 1(A), (B), (C), and (D) above, as applicable, shall be made by the Cooperative directly to the Board member in accordance with the following procedure:
 - A. Payments shall be made quarterly.
 - B. Attendance at Regular Meetings, Special Meetings, and Committee Meetings of the Board shall be recorded in the minutes for such meetings. The attendance record within the minutes for such meetings shall be the basis for paying per diems and "Standard Mileage Reimbursement" to each Director in attendance at the meeting so long as such meetings take place at the Cooperative's headquarters on N. Depot Street in Delhi, NY. Standard Mileage Reimbursement shall consist of reimbursement for the number of miles from the Director's place of residence to the Cooperative's headquarters and back to the Director's place of residence. Expense reports shall not be required for per diem payment or expense reimbursement for Regular Meetings or Special Meetings of the Board so long as those meetings take place at the Cooperative's headquarters.
 - C. For any activity that does not comply with the requirements of paragraph 3(B), an expense report shall be filed by the Director prior to payment of a per diem, Short Activity Payment, or reimbursement of expenses.
4. For attending meetings and otherwise performing duties pursuant to authorization thereof by the Board, Board members shall be advanced or reimbursed their related expenses actually, necessarily and reasonably incurred and expended by them, in accordance with applicable IRS laws and/or regulations.

5. All compensation paid under this Policy shall, if the total thereof by law requires such, be reported on applicable IRS Forms, including IRS Forms 1099, a copy of the former being timely furnished to each Board member.
6. The compensation structure for Board members as set forth in this policy will be reviewed, including a comparability analysis, on a periodic basis, but in any event upon:
 - A. Any proposed increase in Board member compensation;
 - B. Any material changes in Cooperative business or finances, including any material change in gross annual revenues or in costs; and
 - C. Any material changes in Board member responsibilities.
7. Any deviation from this policy regarding director attendance and/or participation in meetings other than regular board meetings (including travel time), including conference calls, committee meetings, industry conferences and other similar meetings shall be discussed and approved by the Board on a case-by-case basis with the decision documented in minutes to the Board meeting during which the decision is made.

RESPONSIBILITY: BOARD OF DIRECTORS

DELAWARE COUNTY ELECTRIC COOPERATIVE, INC.

Approved by Board of Directors.....Mar 28, 1961
 Revised by Board of Directors.....Jul 21, 1971
 Revised by Board of Directors.....Aug 23, 1983
 Revised by Board of Directors.....Sep 23, 1986
 Revised by Board of Directors.....Jul 25, 1989
 Revised by Board of Directors.....Jan 26, 1993
 Revised by Board of Directors.....Jun 22, 1993
 Reviewed by Board of Directors.....Jan 24, 1995
 Revised by Board of Directors.....May 28, 2002 effective Sept 1, 2002
 Revised by Board of Directors.....Aug 20, 2002
 Reviewed by Board of Directors.....Nov 25, 2003
 Revised by Board of Directors.....Jul 24, 2006 effective July 25, 2006
 Revised by Board of DirectorsMar 27, 2012
 Revised by Board of Directors.....Jan 22, 2013
 Revised by Board of Directors.....Jul 28, 2015
 Reviewed by Board of Directors.....Sep 25, 2017
 Revised by Board of Directors.....March 23, 2021
 Revised by Board of Directors.....May 23, 2023



POLICY

<u>Document Type:</u> Board Level Policy	<u>Original Policy Date:</u> Mar 1, 1961May 4, 2023	<u>Latest Revision Date:</u> May 23, 2023
<u>Document Owner:</u> CEO	<u>Document Classification:</u> Public	<u>Review Cycle:</u> Three Years

SUBJECT: Directors Qualifications and Responsibilities

POLICY: It shall be the policy of the Cooperative to elect and retain directors who meet and maintain certain minimum qualifications. As outlined in the Cooperative's Bylaws and in this policy, a director shall:

1. Be a bona fide resident in the areas serviced by the Cooperative; and
2. Not be employed by, or financially interested in, a competing enterprise of a business primarily engaged in selling electric energy or plumbing appliances, fixtures or supplies to the members of the Cooperative; and
3. Not be a close relative of another director or active employee of the Cooperative (defined as being within the third degree of consanguinity or affinity); and
4. Not have been a former employee of the Cooperative within thirty six (36) months prior to being elected or appointed to serve on the Board, and
5. Not have been convicted of a felony crime, and
6. Not have owed to the Cooperative an amount outstanding more than ninety (90) days in arrears.

Further, it shall be the responsibility of directors to:

1. Comply with applicable requirements of law, the Cooperative Articles of Incorporation and Bylaws, the Cooperative's duly adopted policies and the Cooperative's duly made decisions;

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Commented [A1]: Will we remove "plumbing appliances" once we sell out of hot water heaters?

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2. Assume a fiduciary duty to act, in good faith, in the best interests of the Cooperative and its members;
3. Be loyal to the Cooperative and not have any conflicting commercial or personal interests;
4. Be possessed of the minimum knowledge and skills necessary to govern the affairs of the Cooperative and to stay current in industry developments and issues through ongoing education and engagement, which shall include completing the Certified Credentialed Director (CCD) training offered by the National Rural Electric Cooperative Association (NRECA) by the end of the second term of service as director;
5. Be willing to devote such time and effort to the duties of a director as may be necessary to govern the Cooperative's affairs;
6. Be able to represent the entire membership on an impartial basis;
7. Be willing and able to attend regularly scheduled and special meetings of the Board;
8. Not use or cause to be used, the position as director to further any personal political or business ambition or to advance special interests of an individual member;
9. To put forth effort to understand the Cooperative's problems and to provide the judgment needed to reach decisions in constantly changing circumstances;
10. To support all official decisions and actions made or taken by a majority of the Board;
11. To conscientiously study the information contained in reports submitted or provided to the Board;
12. To keep informed as to the ideals, objectives and strategic plans of the Cooperative and to further study and analyze the policies, plans and problems which result from efforts to achieve such ideals and objectives;
13. To keep informed of, alert to, and aware of the attitudes of the members, the employees, and general public toward the Cooperative's objectives and policies;



14. To inform the membership and all other interested parties about the Cooperative's ideals, objectives, programs and services;
15. To conduct oneself in the eyes of the general public in such a manner as will reflect positively on the Cooperative and personify the position of trust held by the director, including refraining from such conduct which would subject the director to indictment for a felony or crime of moral turpitude or from conduct representing disregard of the standard of behavior which the members can rightfully expect from a director; and
16. Be prepared to serve at a minimum a term of three (3) years except in situations where appointments are made to complete unexpired terms of service.

PROCEDURE: This policy shall be implemented as follows:

1. It shall be disseminated and explained to any potential Cooperative Board member. The Nominating Committee appointed by the Board shall screen all persons considered for nomination as directors to ensure that they are qualified in accordance with this policy. In cases of established directors, the Chief Executive Officer and the Cooperative's attorney shall advise the Board President of circumstances where seated directors are not in compliance with this policy. The Board President shall then bring this information to the attention of the Board at a Board meeting, or if there is insufficient time to act at a Board meeting, to the attention of a committee appointed by the Board authorized to act on its behalf.
2. The Board, in filling a vacancy occurring on the Board, shall ensure that a proposed director is qualified to be appointed and is apprised of this policy before appointment.
3. All persons nominated, either by the Nominating Committee or by petition, or who are being considered for appointment as director by the Board shall, prior to election or appointment, read this policy and execute the Affirmation Form attached hereto confirming that they comply with all director eligibility requirements and other terms of this policy.



RESPONSIBILITY: The Board is responsible for the enforcement of this policy in accordance with Cooperative bylaws. If any member challenges the qualifications of any director by filing charges in the manner set forth in the bylaws, the Board shall notify the director in writing of the charges at least five days prior to the next regular or special meeting of the members, and shall present the matter to the membership at such meeting for consideration and vote. The director thus charged shall have the opportunity prior to vote to be heard in person or by counsel and to present evidence in respect to the charges, and the person or persons bringing the charges against the director shall have the same opportunity. If by vote of the membership the director is removed from office, the vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the bylaw provisions with respect to nominations.

DELAWARE COUNTY ELECTRIC COOPERATIVE, INC.

Approved by Board of Directors	Mar 1, 1961
Reviewed by Board of Directors	Jun 16, 1971
Reviewed by Board of Directors	Nov 27, 1984
Reviewed by Board of Directors	Jan 24, 1989
Reviewed by Board of Directors	Feb 28, 1995
Revised by Board of Directors	May 4, 2005
Revised by Board of Directors	May 26, 2008
Revised by Board of Directors	May 31, 2012
Revised by Board of Directors	Sept 24, 2013
Revised by Board of Directors	Oct 27, 2015
Reviewed by Board of Directors	Sep 25, 2017
Reviewed by Board of Directors	April 27, 2021
Reviewed Revised by Board of Directors	May 23, 2023

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POLICY

<u>Document Type:</u> <u>Board Level Policy</u>	<u>Original Policy Date:</u> <u>March 2, 2015</u>	<u>Latest Revision Date:</u> <u>May 23, 2023</u>
<u>Document Owner:</u> <u>CEO</u>	<u>Document Classification:</u> <u>Public</u>	<u>Review Cycle:</u> <u>Three Years</u>

SUBJECT: Member Participation in Annual Meetings of Members

POLICY: It shall be the policy of the Cooperative to provide a clearly defined process for members of the Cooperative to participate in the governance of their Cooperative at the Annual Meeting of Members. The process shall include instructions for members who wish to add business to the agenda for the Annual Meeting of Members, instructions for making motions from the floor at the Annual Meeting of Members, instructions for making statements at the Annual Meeting of Members, and instructions for members who wish to witness the counting of any ballots cast at the Annual Meeting of Members.

The clearly defined processes shall balance the rights of members to have proper notice of agenda items for the Annual Meeting of Members with the rights of members to bring business before the membership.

In accordance with Article III, Section 4 of the Cooperative's Bylaws, fifty (50) members present in person or electronically, or voting by mail, shall constitute a quorum. If less than a quorum is present at any meeting, no action may be taken at that meeting, except to adjourn the meeting from time to time without further notice, provided, that the Secretary shall notify any absent members of the time and place of such adjourned meeting.

Non-Members of the Cooperative shall have no rights to attend Annual Meetings of Members unless otherwise approved by both the General Manager and the President prior to the Annual Meeting of Members.

PROCEDURE:

Adding Business to the Agenda for the Annual Meeting of Members

The Board of Directors of the Cooperative may add or remove items of business from the agenda for the Annual Meeting of Members by an affirmative vote of the board at any regular or special meeting of the Board of Directors.

Any member may add an item of business seeking action by the membership of the Cooperative to the agenda for the Annual Meeting of Members pursuant to the following procedure:



- The member shall prepare a written motion identifying with specificity the matter to be heard by the general membership. That motion shall include a description of how the matter is of general application to all members and the name and service address of the member submitting the motion.
- The member submitting the motion shall collect signatures from at least 15 members. The signature document shall state clearly that members signing the petition support the inclusion of the motion on the agenda for the Annual Meeting of Members.
- The written motion and the member petition shall be submitted at least ~~90 days-two weeks~~ prior to the ~~Annual Meeting of Members~~ July meeting of the Board of Directors, the date of which shall be published in the ~~March/April edition of the~~ Catskill Hi-Line newsletter at least 120 days prior to the Annual Meeting of Members.

Making a Motion from the Floor at the Annual Meeting of Members

Any member may make a motion from the floor during the Unfinished / New Business portion of the agenda. In accordance with our bylaws, and the procedures set forth in Roberts Rules of Order, which shall govern proceedings at the Annual Meeting of Members, any member may propose, by motion, that any lawful matter pertaining to the business of the Cooperative be presented to the membership for debate. Any such motion must be seconded, to be effective. Once the motion is seconded, the party making the motion is given up to 5 minutes to explain the intended purpose and effect of the motion. Thereafter, any member desiring to be heard on the matter may take up to 5 minutes to do so. No member may speak a second time until all who choose to be heard have been given the chance. At any time, a member may make a motion to close the debate, to indefinitely suspend consideration of the original motion, or to send the motion to committee for further consideration. Debate is had on any subsequent motion in the same fashion as the original motion. When the debate has been closed on any motion, the matter is put to the membership for vote. Members are asked to vote either in favor of, or in opposition to, the motion. The motion is carried upon a majority vote in the affirmative.

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Making a Statement at the Annual Meeting of Members

Any member may request to speak on any topic related to the Cooperative at the Annual Meeting of Members pursuant to the following procedure:

- At least 90 days prior to the Annual Meeting of Members, the member shall submit their comments in writing or in video format to the email address "AnnualMeeting@dce.coop".
- ~~The member shall stand and request to be recognized by the moderator of the meeting during the Member Questions/Comments portion of the agenda.~~
- ~~When recognized~~ In their written or video comments, the member shall state their full name, confirm that they are an active member of the Cooperative, and state their town of residence.
- The member shall be granted up to 300 written words or 2 minutes to make a statement or ask a question of the Board of Directors, the ~~General Manager~~ CEO, or the Cooperative's Attorney.



- ~~Members who have spoken already during the Member Questions/Comments portion of the agenda shall wait until all other members who wish to be recognized have had their turn before speaking again. The moderator of the meeting may elect to end the Member Questions/Comments portion of the agenda after every member who wishes to be recognized has had an opportunity to speak at least one time.~~
- The Board of Directors and Cooperative staff will review submissions for appropriateness and may decide to have the comment heard at the Annual Meeting of Members by an affirmative vote of the board at any regular or special meeting of the Board of Directors.

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Witnessing the Counting of Any Ballots Cast at the Annual Meeting of Members

Any member of the Cooperative may witness the counting of any ballots cast at the Annual Meeting of Members according to the following procedure.

- The President of the Cooperative shall announce prior to the Secretary's Report that the absentee ballots will be counted prior to the Elections in order to speed up the ballot counting process following the Elections. The President shall invite the appointed tellers and any other interested member to witness the counting of the absentee ballots, which shall be counted by the Cooperative's Attorney.
- Prior to Voting, the Cooperative's Attorney shall remind members that they are welcome to witness the counting of ballots cast during the Annual Meeting of Members.

RESPONSIBILITY: ~~General Manager~~CEO and Board President

DELAWARE COUNTY ELECTRIC COOPERATIVE, INC.

Approved by Board of Directors	March 2, 2015
Revised by Board of Directors	June 25, 2019
Reviewed by Board of Directors	February 22, 2022
<u>Revised by Board of Directors</u>	<u>May 23, 2023</u>



POLICIES: GUIDELINES and PROCEDURES

Document Type: Board Level Policy	Original Policy Date: May 4, 2023	Latest Revision Date: May 4, 2023
Document Owner: CEO	Document Classification: Internal Use Only	Review Cycle: Annual

PURPOSE: To create and document a protocol and nomenclature for policies, guidelines, procedures, and other working documents. Also, to document a review structure.

POLICY: The Cooperative shall create documents that help govern its actions, provide instructions for work, and otherwise offer helpful guidelines for operating the business of the Cooperative. These documents may take several forms, and shall basically reflect the following protocol for Document Type, in hierarchical order:

Board Level Policy (BLP): A Board Level Policy explains why and/or what the Cooperative does. Policies at the BLP level are within the Board of Director's purview to make decisions and normally are enacted to meet requirements of the law, the Cooperative's By-Laws, or Articles of Incorporation. A BLP may be a document that sets high-level operating principles for the organization, such as establishing a risk tolerance, or financial philosophy. A BLP may also be a policy document that has direct impact on members interests and/or significant financial impact. For example, a policy on borrowing and levels of debt sets a financial philosophy and is a BLP. Also, a policy that sets parameters for how members are compensated for distributed generation or sets the organization's overall safety culture would be BLPs.

Management Level Policy (MLP): A Management Level Policy also explains why and/or what the Cooperative does, but are more focused on the day-to-day operation of the Cooperative. Policies at the MLP level are set by Management, under the purview of the CEO (who is ultimately accountable to the Board of Directors). A MLP is typically a document determining operating parameters that do not require the Board of Director's direct oversight. For example, a policy on vacation rollover would be a MLP.

Procedure: A Procedure is a document that describes how we do something. These types of documents may give high-level steps, or detailed instructions on how to accomplish one or more tasks. Procedures are set at the Management level, under the purview of the CEO.

Guideline: A Guideline is a document that describes a possible, or perhaps preferred, way of doing something. It is non-binding, but designed to give guidance to staff in performing specific tasks. Guidelines are set at the Management level, under the purview of the CEO.

Working Document: A working document is one which contains data, or work in process, that may need to be periodically or regularly updated. This might include a list of employees on a committee, or a spreadsheet of electric load data being collected for an engineering study.



From time-to-time, it may be practical to combine two or more types of document. In such case, the document type shall be treated as the type that is “highest” on the hierarchical order shown above, and there will be clearly labelled sections showing which parts of the document are of each type. An example of this may be a new MLP document that also explains some instructions on how to perform a key task. In this case, the main document will be a MLP document with one or more sections labelled “Policy” and one or more sections labelled “Procedure.”

Document Owner: The document owner shall be named to document the person or role that is responsible for the review and update of the document. Document owners may be the “Board” or may be a specific title or role within the Cooperative. The document owner should not be listed as a specific name, such as “John Smith,” but rather a title such as “CEO” or role such as “Safety Coordinator.”

Document Classification: Certain documents may contain sensitive information. The classification of documents should be set to give proper guidance to staff on how to treat the documents. Classification shall follow the following format:

Public: A Public document may be made freely available to any who wish to view it. Such documents should not contain any sensitive, trade-secret, or other information the cooperative is obligated to protect.

Member-Only: This classification of document is for those documents that are available for viewing by any member of the Cooperative. Because it is not feasible to properly protect such a document, they should also not contain any sensitive, trade-secret, or other information the cooperative is obligated to protect.

Internal-Use Only: This classification of document is for those internal employees, directors, and trusted industry-partners that have a need to know the information. Such documents should not contain any sensitive, trade-secret, or other information the cooperative is obligated to protect.

Confidential: This classification is for documents that contain sensitive, trade-secret, or any other information the cooperative is obligated to protect. Such documents shall be clearly labelled as “Confidential” with a banner, watermark, header, footer, or other obvious designation. Such documents are for directors, internal management staff of the Cooperative, other staff that have signed a Cooperative non-disclosure agreement, outside counsel with legal privilege, and third-parties with which we have an executed non-disclosure or confidentiality agreement.

Review Cycle: The review cycle sets the minimum threshold for the Cooperative to review the document. A document may be reviewed more frequently as needed or desired. An update, revision, and/or approval of a document would constitute a review, and satisfy the review cycle requirement. The review, revision, update, and approval of documents shall be captured in the review history section, normally at the end of each document.

**Delaware County
Electric
Cooperative, Inc.**

BYLAWS

Delhi, New York

Revised September 10, 2021

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*The aim of Delaware County Electric Cooperative, Inc., is
to make electric energy and related services available to members
at the lowest cost consistent with sound economy
and good management.*

**BYLAWS
of Delaware County Electric
Cooperative, Inc.**

ARTICLE I

Membership


Section 1. *Requirements for Membership.* Any natural person, firm, association, corporation, business trust, estate, partnership, federal agency, state or political subdivision or agency thereof or any body politic (collectively, a “person”) may become a member in Delaware County Electric Cooperative, Inc. (herein called the “Cooperative”) by:

- (a) filing a written or electronic application for membership therein;
- (b) agreeing to purchase from the Cooperative electric energy or other electric energy related services furnished by the Cooperative when they are made available through its facilities;
- (c) agreeing to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any policies, rules and regulations adopted by the board of directors; and
- (d) paying the membership fee hereinafter specified; provided, however, that no person shall become a member unless and until he or she or it has been accepted for membership by the board of directors or the members. No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable.

At each meeting of the members held subsequent to the expiration of a period of six months from the date of incorporation of the Cooperative, all applications received more than ninety days prior to such meeting and which have not been accepted or which have been rejected by the board of directors shall be submitted by the Secretary to such meeting and, subject to compliance by the applicant with the requirements hereinabove set forth, such applications or any one or more of them may be accepted by vote of the members. The Secretary shall give each such applicant at

least ten days notice of the date of the members' meeting to which his application will be submitted and such applicant shall be entitled to be present and heard at the meeting.

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 of directors. Such certificate, when issued in paper, shall be signed by the President and by the Secretary of the Cooperative and the corporate seal shall be affixed thereto. ~~Certificates that are produced electronically shall be appropriately marked to reflect their authenticity.~~ No membership certificate shall be issued for less than the membership fee fixed in these bylaws, nor until such membership fee has been fully paid. In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefor upon such uniform terms and indemnity to the Cooperative as the board of directors may prescribe.

 **Section 3. *Joint Membership.*** In order to comply with New York State law as articulated in the 2011 Marriage Equality Act, a joint membership is defined as a membership held by a married couple. A married couple may apply for a joint membership and subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "member" as used in these bylaws shall be deemed to include a married couple 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 to 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 of constituting a joint waiver of notice of the meeting.
- (b) The vote of either separately or both jointly shall constitute one joint vote;
- (c) An absentee ballot executed by either or both shall constitute one joint absentee ballot;
- (d) A waiver of notice signed by either or both shall constitute a joint waiver;
- (e) Notice to either shall constitute notice to both;
- (f) Expulsion of either shall terminate the joint membership;
- (g) Withdrawal of either shall terminate the joint membership;
- (h) Either but not both may be elected or appointed as an officer or director, 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 written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the articles of incorporation, bylaws, policies and rules and regulations adopted by the board of directors. The outstanding membership certificate shall be surrendered, and shall be reissued by the Cooperative in such manner as shall indicate the changed membership status.

(b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be surrendered, and shall be reissued in such manner as shall indicate the changed membership status; provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

Section 5. *Membership and Service Connection Fees.* The membership fee shall be five dollars, upon the payment of which a member shall be eligible for one service connection. An additional fee of five dollars shall be charged for each additional service connection. Membership and service connection fees for inactive members or services shall be transferred to donated capital.

Section 6. *Purchase of Electric Energy or Other Electric Energy Related Services.* Each member shall, as soon as electric energy or other electric energy related services shall be available, purchase from the Cooperative such electric energy or other electric energy related services and shall pay therefore monthly rates which shall from time to time be fixed by the board of directors; provided, however that the board of directors may limit the amount of electric energy which the Cooperative shall be required to furnish to any one member. It is expressly understood that amounts paid for electric energy and other electric energy related services 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 bylaws. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric energy used, as shall be fixed by the board of directors from time to time. Each member shall also pay all amounts owed by him or her to the Cooperative as and when the same shall become due and payable.

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

ARTICLE II

Rights and Liabilities of Members

Section 1. *Property Interest of Members.* Upon dissolution of the Cooperative, after (a) all debts and liabilities of the Cooperative shall have been paid, and (b) all capital furnished through patronage shall have been retired as provided in these bylaws, the remaining property and assets of the Cooperative shall be, to the extent practical, distributed among the members and

former members in the proportion which the aggregate patronage of each bears to the total patronage of all members preceding the date of the filing of the certificate of dissolution.

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 individually liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE III

Meetings of Members

Section 1. *Format.* At the sole discretion of the board, and in consideration of the health, safety and welfare of the members, any meeting authorized hereunder may be held partially or solely by means of electronic communication, with procedures adopted to ensure that all members choosing to participate have a reasonable opportunity to engage in all activities and purposes for which meetings are held hereunder.

Section 2. *Annual Meeting.* The annual meeting of the members shall be held ~~in~~ September of each year at such place in Delhi, in the County of Delaware, New York, or, where desirable, in another township in which the Cooperative conducts business, as shall be designated in the notice of the meeting for the purpose of electing directors, passing upon reports for the previous fiscal year, and transacting such other business as may come before the meeting. The day fixed for the annual meeting shall not be a Sunday or a legal holiday. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

Section 3. *Special Meetings.* Special meetings of the members may be called upon by resolution of the board of directors, or upon a written request signed by any three directors, by the President, or by ten per centum or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the County of Delaware, or where desirable, in another County in which the Cooperative conducts business in the State of New York, as specified in the notice of the special meeting.

Section 4. *Notice of Members Meetings.* Written, printed or electronic notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting ("Membership Meetings") at which business other than that listed in Section 8 of this article is to be transacted, the purpose or purposes for which the meeting is called, shall be given not less than ten days nor more than forty-five days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to have been given when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

Section 5. *Quorum.* Fifty members present, counted as those voting at the meeting in person or electronically, as well as those having cast votes by mail or early in-person, shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present in

person or electronically may adjourn the meeting from time to time without further notice, provided, that the Secretary shall notify any absent members of the time and place of such adjourned meeting.

Section 6. Voting. Each member shall be entitled to only one vote. Voting shall either be in person or by proxy, mail, or electronic means, or any combination of the above. In person voting shall mean votes cast at the Annual Meeting of Members or at the Cooperative office as described in Section 7(a)2 below. All questions shall be decided by a vote of a majority of the members voting thereon, except as otherwise provided by law, the articles of incorporation or these bylaws. Questions resulting in a tie vote shall be decided by a second round of voting in like manner. If a second round of voting results in a tie, the question shall be decided by a flipping of a coin, which shall be administered by a duly elected officer of the Cooperative.

Section 7. Absentee Balloting.

- (a) A member may vote by absentee ballot for any question or issue that is properly brought before the membership at Membership Meetings. To be eligible to vote by absentee ballot, a member must follow one of the following absentee balloting procedures:
1. The member may request an absentee ballot by completing an official form available from the Cooperative and submit the completed form to the Cooperative. The Cooperative must receive the completed form at least twenty (20) days prior to the Membership Meeting where, upon receipt, the Cooperative will provide an official absentee ballot to the member. The Cooperative will count a properly completed absentee ballot if it is received within the office of the Cooperative by no later than the close of business on the 4th business day preceding the day of the Membership Meeting.
 - OR
 2. The member may appear, in person, at the office of the Cooperative, verify his or her identity by presenting a government issued photo identification, request the absentee ballot, complete the absentee ballot, and return it to the office of the Cooperative by no later than the close of business on the 4th business day preceding the day of the Membership Meeting. Absentee ballots shall be made available to members at the office of the Cooperative starting at least 20 days prior to the Membership Meeting.
- (b) Upon receipt of an absentee ballot by the Cooperative, a member may not revoke an absentee ballot and vote at the meeting regarding the matter described in the ballot. A member's failure to receive an absentee ballot shall not affect a vote or action taken by absentee ballot and in-person vote.
- (c) The absentee ballot must: (1) set forth and describe a proposed action, identify a candidate(s) and include the language of a motion, resolution, Bylaw Amendment, or other written statement, upon which a Member is asked to vote or act; (2) state the date of a Membership Meeting at which the members are scheduled to vote or act on the matter; (3) provide an opportunity to vote for or against, or to abstain from voting on, the matter; (4) instruct the member how to complete and return the absentee ballot; and (5) state the time and date by which the Cooperative must receive the complete absentee ballot.

Section 8. 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 as to ~~which members are present in person~~how many members have cast votes in order to determine the existence of a quorum. It is sufficient to report that enough members have cast votes to satisfy quorum, even if the counting of votes is not yet complete.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meetings of the members, or the waiver or waivers of notice of reading, as the case may be, and the taking of necessary action thereof.
4. Presentation and consideration of reports of officers, directors and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE IV

Directors

Section 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of seven directors selected from the Northern, Central and Southern Regions of the Cooperative (as hereinafter described), which shall exercise all of the powers of the Cooperative except such as are by law, the articles of incorporation or these bylaws conferred upon or reserved to the members.

Section 2. Qualification, Election and Tenure. Two directors represent the Northern Region, ~~three~~two directors represent the Central Region, ~~and two~~ directors represent the Southern Region, and one director represents the Cooperative "at-large". The at-large director may be from any Region. The next director seat from the Central Region that is up for election after and not including the 2023 annual meeting, shall become the "at-large" director seat.

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At each annual meeting, a number of directors, equal to the number of directors whose terms expire at the time of such meeting, shall be elected to hold office for a 3-year term.

In order to achieve a balanced rotation of Central Region directors with one Central Region director elected each year, a one-time exception to the 3-year director term shall take place for

~~directors elected at the 2019 Annual Meeting of the Members, at which two Central Region directors shall be elected in accordance with this Article. The Central Region director candidate receiving the most votes at the 2019 Annual Meeting of the Members shall serve a term of 3 years. The Central Region director candidate receiving the second most votes at the 2019 Annual Meeting of the Members shall serve a term of 2 years.~~

Directors shall be elected by a plurality vote of members. No person shall be eligible to become or remain a director, or to hold any position of trust in the Cooperative, who:

- (a) is not a member; or
- (b) is in any way employed by, or was a former employee of within thirty-six (36) months, or materially financially interested in, a competing enterprise of a business primarily engaged in selling electric energy to the members of the Cooperative; or
- (c) is a close relative of another director or active employee of the Cooperative (as defined as being within the third degree of consanguinity or affinity); or
- (d) was a former employee of the Cooperative within thirty-six (36) months prior to the vote; or
- (e) has been convicted of a felony crime; or
- (f) who currently has amounts owed to the Cooperative for more than 90 days in arrears; or
- (g) is not a natural person (excludes entities such as firms, associations, corporations, business trusts, estates, partnerships, federal agencies, state or political subdivisions or agencies thereof or any body politic).

Commented [JL1]: The By-laws do not mention "plumbing appliances" as called out in the Directors Qualifications and Responsibilities.

When a membership is held jointly by a married couple, either one, but not both, may be elected a director, provided, however, that neither one shall be eligible to become or remain a director or to hold a position of trust in the Cooperative, unless both shall meet the qualifications hereinabove set forth.

Nothing contained in this section shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the board of directors.

Section 3. Nominations. It shall be the duty of the board of directors to appoint, not less than ninety (90) days nor more than two hundred (200) 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 nor more than eleven members who shall be selected from different sections of the project area so as to insure equitable representation. No member of the board of directors may serve on such committee.

The committee, keeping in mind the principle of geographical representation, shall prepare and post at the principal office of the Cooperative at least sixty (60) days before the meeting a list of nominations for directors, comprised of at least two nominees per vacancy from each region or

area of the Cooperative having one or more vacancies on the board. Any fifteen or more members acting together may make other nominations by petition not less than forty-five (45) days prior to the meeting and the Secretary shall post such nominations at the same place the list of nominations made by the committee is posted. The Secretary shall mail with the notice of the meeting or separately, but at least seven days before the date of the meeting, a statement of the number of directors to be elected and the names and addresses of the candidates, specifying separately the nominations made by the committee on nominations and also the nominations made by petition, if any. Additional nominations made by petition shall be for the respective region having vacancies on the board to be filled at the annual election. At the meeting, members shall each cast one vote for every vacancy in each region. If, for example, there are two vacancies in the Northern Region, each member may cast one vote for each of two nominees on the list, for a total of two votes. The nominee, or in the case of multiple vacancies, nominees, in each region receiving the most votes cast shall be deemed elected to the board of directors. In the multiple vacancy example, that would mean that the nominee receiving the most, and the nominee receiving the second most votes would become directors. Notwithstanding anything contained in this section, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of directors.

Such regions and the area of each such region are numbered and defined as follows:

1. Northern Region

Schoharie County – Towns of Gilboa, Jefferson and Summit

Delaware County – Towns of Davenport, Harpersfield and Stamford

Otsego County – Town of Maryland

2. Central Region

Delaware County – Towns of Bovina, Delhi, Franklin, Hamden, Kortright and Meredith

3. Southern Region

Delaware County – Towns of Andes, Colchester, Masonville, Middletown, Sidney, Tompkins and Walton.

Chenango County – Town of Bainbridge

Section 4. Removal of Directors by Members. Any member may bring charges against a director by filing such charges in writing with the Secretary, together with a petition signed by at least ten per centum of the members and request the removal of such director by reason thereof. The director against whom such charges have been brought shall be informed in writing of the charges at least five days prior to the meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges; and the person or persons bringing the charges against him or her shall have the same opportunity. The question of the removal of such director shall be considered and voted

upon at the next regular or special meeting of the members and any vacancy created by such removal shall be filled in accordance with Section 6 hereunder.

Section 5. Removal of Directors by the Board of Directors. The majority of the board of directors, acting pursuant to a duly made and seconded motion at a duly noticed regular or special meeting of the board of directors, may remove a director from the board if that director has failed to meet an objective qualification or requirement prescribed by these bylaws. The director against whom such charges have been brought shall be informed in writing of the charges at least five days prior to the meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges. The question of the removal of such director shall be considered and voted upon at the next regular or special meeting of the board of directors and any vacancy created by such removal may be filled in accordance with Section 6 of these bylaws.

Section 6. Vacancies. A vacancy occurring in the board of directors may be filled by the affirmative vote of a majority of the remaining directors. The director appointed in accordance with this paragraph must meet the director qualifications as set out in Article IV, Section 2. The appointed director may serve for a term ending no later than the next annual meeting of the members. In cases where the term of the vacated seat would have extended beyond the next annual meeting of the members, a special election shall be held at the next annual meeting of the members to fulfill the unexpired portion of the term of the director in respect of whom the vacancy occurs.

Section 7. Compensation. Directors as such shall not receive any salary for their services. However, by resolution a fixed sum may be paid for each day or portion thereof spent on Cooperative business such as attendance at meetings, conferences, and training programs or performing committee assignments as authorized by the board. If authorized by the board, directors may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the board in lieu of detailed accounting for some of their expense. No director shall receive compensation for serving the Cooperative in any other capacity nor shall any close relative of a director receive compensation for serving the Cooperative unless the payment of compensation shall be specifically authorized by a vote of the members or the service by such directors or close relative have been certified by the board as an emergency measure.

Section 8. Employment of Former Directors by the Cooperative. Former directors shall not be employed by the Cooperative for at least thirty-six (36) months after completing their service as a director.

ARTICLE V

Meetings of Directors

Section 1. Regular Meetings. A regular meeting of the board of directors ~~shall~~may be held without notice other than this bylaw, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the board of directors shall also be held monthly at such time and place in Delhi, Delaware County, New York State, or where desirable, in another township in which the Cooperative conducts business as the board of directors may provide by

resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

Section 2. *Special Meetings.* Special meetings of the board of directors may be called by the President or by any three directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the directors calling the meeting shall fix the time and place for the holding of the meeting.

Section 3. *Notice of Directors Meetings.* Written notice of the time, place and purpose of any special meeting of the board of directors shall be delivered not less than two days previous thereto, either personally or by regular or electronic mail or facsimile, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President, or the directors calling the meeting, to each director. 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 postage thereon prepaid. If given by electronic mail or facsimile, notice shall be deemed to be delivered on the day of transmission to such last known address or number.

Section 4. *Allowance of and Limitations on Telephonic Participation.* Any one or more members of the board of directors may participate in a meeting of such board by means of a conference telephone or similar telephonic communication equipment allowing all persons participating in the meeting to hear each other and such participation by telephonic means shall constitute presence at such meeting. Notwithstanding the allowance of telephonic participation of any one or more member of the board of directors at any given meeting, each member of the board of directors shall appear in person for at least 9 regular meetings of the board of directors in each year of his or her term, where a term year starts and ends at an annual meeting of the members.

Section 5. *Quorum.* A majority of the board of directors shall constitute a quorum, provided, that if less than such majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent directors of the time and place of such adjourned meeting. 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 Cooperative shall be a President, Vice-President, Secretary and 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 person.

Section 2. *Election and Term of Office.* The officers shall be elected, by ballot, annually by and from the board of directors at the meeting of the board of directors held directly after the 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 elected and shall have qualified. A vacancy in any office shall be filled by the board of directors for the unexpired portion of the term.

Section 3. *Removal of Officers and Agents by Directors.* Any officer or agent elected or appointed by directors may be removed by the board of directors whenever in its judgment the best interests of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer by filing such charges in writing with the Secretary, together with a petition signed by ten per centum of the members, and request the removal of the particular officer by reason thereof. The officer against whom such charges have been brought shall be informed in writing of the charges at least five days prior to the meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and present evidence in respect to the charges; and the person or persons bringing the charges against him or her shall have the same opportunity. The question of the removal of such officer shall be considered and voted upon at the next regular or special meeting of the members.

Section 4. *President.* The President shall:

- (a) be the principal officer of the Cooperative, and, unless otherwise determined by the members of the board of directors, shall preside at all meetings of the members and the board of directors;
- (b) sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by the board of directors or the members, and may sign 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 the 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; and
- (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 5. *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 or her by the board of directors.

Section 6. *Secretary.* The Secretary shall:

- (a) keep the minutes of the meetings of the members and of the board of directors stored or available on the premises in a media 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 affix the seal of the Cooperative 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 these bylaws;

- (d) keep a register of the names and post office addresses of all members;
- (e) sign, with the President, certificates of membership, the issue of which shall have been authorized by the board of directors of the members;
- (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 bylaws containing all amendments thereto, which copy shall always be open to the inspection of any member at the office of the Cooperative and on the Cooperative's website, and at the expense of the Cooperative, forward a copy of the bylaws and of all amendments thereto to each member, upon written request therefore; and
- (h) in general perform 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 of directors.

Section 7. 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 of and the issuance of receipts for moneys due and payable to the Cooperative from any source whatsoever, and for the deposit of all such moneys in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these bylaws;
- (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 or her by the board of directors.

Section 8. Chief Executive Officer. The board of directors may appoint a Chief Executive Officer who may be, but who shall not be required to be, a member of the Cooperative. The Chief Executive Officer shall perform such duties and shall exercise such authority as the board of directors may from time to time vest in him or her.

Section 9. Compensation. The powers, duties and compensation of any officers, agents and employees shall be fixed by the board of directors, subject to the provisions of these bylaws with respect to compensation for directors and close relatives of directors.

Section 10. Reports. 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. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII

Non-Profit Operation and Capital

Section 1. Definitions. As used in this Article,

- (a) "Authorized Early Retirement" shall mean the Retirement of Patronage Capital Credits prior to the time such capital would otherwise be generally retired to current and former Patrons under provisions of these bylaws.
- (b) "Patron" shall mean (1) a member in accordance with the provisions of these By-laws, (2) a non-member purchasing electric energy and (3) a non-member to whom the Cooperative furnishes goods or services, other than electric energy, on a patronage basis as evidenced by Board policies, Board resolutions or contract.
- (c) "Patronage Capital Credits" shall mean the amounts allocated to and contributed by the Patron to the Cooperative as capital.
- (d) "Patronage" shall mean the quantity or value of the goods or services purchased by the Patrons during the fiscal year and used by the Cooperative for allocating Patronage Capital Credits in a proportionate manner to each Patron. With respect to the furnishing of electric energy, the patronage of each Patron is measured on the basis of the proportionality of the revenue billed by the Cooperative to the individual Patron for electric energy with respect to the total revenue billed by the Cooperative to all Patrons for electric energy. With respect to the furnishing of goods and services on a patronage basis, other than electric energy, the patronage of each Patron is measured separately for each such good or service and on the basis of the proportionality of the revenue billed by the Cooperative for such good or service to the individual Patron with respect to the total revenue billed by the Cooperative to all Patrons for such good or service.
- (e) "Retirement" shall mean the redemption and payment in cash or other property of allocated Patronage Capital Credits to the Patrons and former Patrons to whom such amounts were previously allocated.

Section 2. *Interest or Dividend on Capital Prohibited.* The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefits of its Patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its Patrons.

Section 3. *Patronage Capital Contributions, Allocations and Retirements, in Connection with Furnishing Electric Energy.*

- (a) In the furnishing of electric energy the Cooperative's operations shall be so conducted that all Patrons will through their Patronage furnish capital for the Cooperative.
- (b) In order to induce Patronage and to assure that the Cooperative will operate on a non-profit basis the Cooperative is obligated to account on a Patronage basis to all its Patrons for all amounts received and receivable from and directly related to the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy (hereinafter referred to as "the Electric Margin"). The Cooperative's accounting methods for determining the Electric

Margin and the amount of patronage capital to be allocated will substantially comply with accounting principles generally accepted in the United States, federal and New York State tax law as it applies to electric cooperatives, and with the requirements of Article XI of these bylaws.

- (c) All Electric Margins are received with the understanding that they are furnished by the Patrons as capital. The Cooperative is obligated to allocate on the basis of Patronage and contribute as a credit to a capital account for each Patron all such amounts.
- (d) Provided, however, if costs and expenses exceed the amounts received and receivable from and directly related to the furnishing of electric energy, hereinafter referred to as "loss", then the board of directors shall have the authority, under accepted accounting practices, loan covenants, and federal and New York State tax law as it applies to electric cooperatives, to prescribe the accounting procedures under which such loss may be addressed.
- (e) The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so allocated to 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 allocated to his account. All such amounts allocated to the capital account of any Patron shall have the same status as though they had been paid to the Patron in cash and the Patron had then furnished the Cooperative corresponding amounts for capital.
- (f) In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding Patronage Capital Credits shall be retired without priority on a pro rata basis 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 allocated and credited to the Patrons' or former Patrons' accounts may be generally retired in full or in part. Subject to sound business and management practices, the timing and amount of such Retirements are at the discretion of the board of directors. Provided, however, any such Retirements of capital shall be made in order of priority according to the year in which the capital was allocated and credited, the capital first received by the Cooperative being first retired. In no event, however, may any such capital be retired unless, after the proposed Retirement, the capital of the Cooperative shall equal at least thirty per centum (30%) of the total assets of the Cooperative EXCEPT that if, after the proposed Retirement, the capital of the Cooperative shall be less than thirty per centum (30%) of the total assets of the Cooperative, a Retirement of Patronage Capital Credits may nonetheless be made up to but not more than 25% of the net margins received in the previous year less the amount of Authorized Early Patronage Capital Credit Retirements as defined herein.
- (g) When the Patronage Capital Credits of any Patron no longer receiving service from the Cooperative comes to a total amount of less than a fixed sum determined by the board

of directors, the same shall be retired in full with such retirements made only when and at the same time that general retirement to other Patrons is made.

- (h) When such retirements of capital are made to the patrons, the Cooperative shall be obligated to pay to each Patron or former Patron his share of the capital so retired in accordance with these By-laws in whatsoever manner (i.e. cash, check or bill credit) that the board of directors determines most efficient and convenient. The board of directors may also establish a nominal fixed amount below which a check shall not be issued and the amount of such retired but unpaid Patronage Capital Credits will be paid in the first following year when the total amount of Patronage Capital Credits qualifying for retirement exceeds that nominal amount set by the board of directors, including the amount carried over. Regardless of the nominal fixed amount set by the board of directors, however, a check shall be issued to a former Patron if all such retirements fully retires the capital credits balance of such former Patron.
- (i) The board of directors, acting under policies of general application or as may be negotiated from time to time, may approve an Authorized Early Retirement. Provided, however, the payment portion of such Authorized Early Retirement shall be on a discounted and net present value basis in order to reflect the time value of money due to the early retirement of said Patronage Capital Credits. For purposes of Authorized Early Retirements, net present value shall consider the following factors:
 - (1) a market based discount interest rate and
 - (2) a discount period of no greater than the time between the Authorized Early Retirement and the normal expected retirement date of those Patronage Capital Credits.

The difference between the total of the amount of Patronage Capital Credits retired and the cash payment of such Authorized Early Retirement shall be considered a contribution of capital to and part of the net savings of the Cooperative.

- (j) Notwithstanding any provision of these bylaws, the board of directors, at its discretion, shall have the power, at any time upon the death of any Patron or former Patron, if the legal representatives of his estate shall request in writing that the capital allocated to any such Patron be retired as an Authorized Early Retirement, to retire capital allocated to any such person immediately upon such terms and conditions as the board of directors, acting under policies of general application, and the legal representatives of such Patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.
- (k) The Cooperative, before retiring and paying any capital credited to any Patron's or former Patron's account, shall deduct therefrom any amount owing by such Patron or former Patron to the Cooperative; the right of offset applies to the amount retired and approved for payment. As method for implementing the right of offset for amounts owed the Cooperative and notwithstanding any provision of these bylaws, the board

of directors, at its discretion, shall also have the power after termination of service to a Patron to recover amounts owed the Cooperative through an Authorized Early Retirement of Patronage Capital Credits of any such Patron immediately upon such terms and conditions as the board of directors, acting under policies of general application shall agree upon. The amount retired for such a Patron shall be no more than the amount owed the Cooperative and shall be applied to such amount owed. Patronage Capital Credits of such Patron in excess of amounts owed the Cooperative shall remain allocated and credited in the capital account of such Patron.

- (l) Retired Patronage Capital Credits, which have not been claimed by the respective Patron or former Patron shall constitute an irrevocable assignment and contribution to the Cooperative, after reasonable effort to locate said Patron or former Patron. The assignment and contribution shall be added to the Cooperative's net savings. Mailing of a check or notice of the availability of a check to the last known address of a Patron or former Patron by first class mail and publication of the list of Patrons or former Patrons having unclaimed Patronage Capital Credits on the website and/or newsletter of the Cooperative for a period of three years shall be deemed reasonable effort to locate said Patron or former Patron.
- (m) Subject to the right of offset for any amounts owed the Cooperative, however, a Patron or former Patron, may at any time irrevocably assign their Patronage Capital Credits back to the Cooperative. Such irrevocable assignment shall be part of the Cooperative's net savings.
- (n) Subject to the right of offset for any amounts owed the Cooperative, unretired Patronage Capital Credits of a Patron or former Patron shall be assignable on the books of the Cooperative only on such terms and conditions and under such circumstances the board of directors, acting under policies of general application and the laws of the State of New York, shall direct. Nothing contained herein shall also give unto any Patron a vested right to assign any part of such Patronage Capital Credits.

Section 4. Patronage Capital Credits from Associated Organizations. If the Cooperative is a member, Patron or owner of an entity or organization from which the Cooperative uses or purchases a good or service, which is used in or directly related to the furnishing of electric energy and other goods or services on a patronage basis to its Patrons, and from which the Cooperative is allocated a capital credit or similar amount, then as determined by the board of directors and consistent with this Bylaw, the Cooperative may separately identify and allocate on the basis of Patronage to the Cooperative's Patrons this capital credit or similar amount allocated by the entity or organization. If the Cooperative separately identified and allocated to its Patrons such Patronage Capital Credits received from an entity or organization, the Cooperative may retire and pay such Patronage Capital Credits only after the entity or organization retires and pays the Patronage Capital Credits or similar amounts to the Cooperative. Any such Patronage Capital Credits allocated and retired pursuant to this Section 4 shall be allocated and retired using methods substantially consistent with those methods described in section 3 above.

Section 5. Patronage Capital Contributions, Allocations and Retirements, in Connection with Furnishing Other Goods or 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 allocated to each Patron. Patronage capital allocated and retired pursuant to this Section 5 shall be made consistent with the following:

- (a) The board of directors shall determine to whom such other goods or services are provided on a Patronage basis, whether to members only or to both members and non-members alike. All such determinations, required from time to time under this Section 5 and made by the board of directors, shall be through applicable policies, resolutions or other contractual authority.
- (b) The board of directors shall have the authority under accepted accounting practices, loan covenants and tax law to prescribe the manner in which losses derived from such other goods or services may be handled.
- (c) The retirement of Patronage Capital Credits allocated to such Patrons shall be paid to said Patrons using methods substantially consistent with those methods described in section 3 above.
- (d) To the extent other goods or services are provided to non-members on a non-patronage basis, the net earnings of which shall be retained as part of the Cooperative's net savings.

Section 6. *Net Earnings from Non-patronage Business.* Revenue, income and gains in excess of expenses and losses from the provision of a good or service not provided to the patrons on a Patronage basis, including earnings or losses from a subsidiary corporation, insofar as permitted by law, may be used by the Cooperative to offset any losses incurred during the current or any prior year, to retain as capital not assignable to the members except in the event of dissolution of the Cooperative and to the extent not needed for these purposes, allocated to the patrons on a Patronage basis at the discretion of the board of directors.

Section 7. *Net Savings.* Unallocated reserves and retained capital not currently distributable to the Patrons as Patronage Capital Credits are subject to property rights of members and are subject to use by the Cooperative consistent with its obligations of prudent financial management. Notwithstanding other provisions of these bylaws and insofar as permitted by law, such amounts are available to offset any current or future loss of the Cooperative and may be comprised of, but not limited to:

- (a) Capital arising from the forfeiture of membership fees, assignments of capital made by a Patron or former Patron and from donations authorized under federal lender guidelines,
- (b) The difference between the amounts of Patronage Capital Credits in a Patron's account and the discounted amount paid out for Authorized Early Retirements,
- (c) The net earnings from non-patronage business, and

(d) Unclaimed retirements of Patronage Capital Credits.

Section 8. Patron Agreement. The Patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the articles of incorporation, bylaws, policies, rules and regulations shall constitute and be a contract between the Cooperative and each Patron, and both the Cooperative and the Patrons are bound by such contract, as fully as though each Patron had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the bylaws shall be called to the attention of each Patron of the Cooperative by providing a copy of these bylaws to each new Patron and by posting a copy of these bylaws to the website of the Cooperative.

ARTICLE VIII

Disposition of Property

The board of directors of the Cooperative shall have full power and authority, without authorization by the members thereof, to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust of, 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 of directors shall determine, to secure any indebtedness of the Cooperative to United States of America or any agency or instrumentally thereof, or to a national financing institution, organized on a cooperative plan for the purpose of financing its members' programs, projects, and undertakings, in which the Cooperative holds membership.

The Cooperative may not otherwise sell, mortgage, lease or otherwise dispose of or encumber all or a substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized by the affirmative vote of TWO THIRDS of those members of the Cooperative.

ARTICLE IX

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, New York."

ARTICLE X

Financial Transactions

Section 1. Contracts. Except as otherwise provided in these bylaws, the board of directors may authorize any officer or officers, employee, 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.* Except as otherwise provided by law or in these bylaws, 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, officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the board 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.

Section 4. *Change in Rates.* Reserved for future use.

Section 5. *Fiscal Year.* The fiscal year of the Cooperative shall begin on the first day of January each year and end on the thirty-first day of December of that year.

ARTICLE XI

Miscellaneous

Section 1. *Membership in Other Organizations.* The Cooperative shall not become a member of any other organization without an affirmative vote of the members at a meeting called as provided in these bylaws, and the notice of said meeting shall specify that action is to be taken upon such proposed membership as an item of business provided, however, that the Cooperative shall, upon the authorization of the board of directors alone, have full power and authority to become a member of other cooperatives or corporations or to own stock therein for the purpose of engaging in or supporting rural electrification.

Section 2. *Waiver of Notice.* Any member or director may waive in writing, any notice of a meeting required to be given by these bylaws. 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 because the meeting shall not have been lawfully called or convened.

Section 3. *Rules and Regulations.* The board of directors shall have the power to make and adopt such policies, rules and regulations not inconsistent with law, the articles of incorporation or these bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

Section 4. *Accounting System and Reports.* The board of directors shall cause to be established and maintained a complete accounting system which shall conform so long as the Cooperative is indebted to the Government or any agency or instrumentality thereof, to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service of the Department of Agriculture of the United States of America. All accounts of the Cooperative shall be examined by a finance committee of the directors appointed by the board of directors which shall meet periodically, but not less than two times per year, and render reports to the board of directors at regular meetings of the board of directors. 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 annual meeting next following the close of such fiscal year.

ARTICLE XII

Amendments

These bylaws 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, amendment or repeal.

CEO/GM Report

May 2023

Government Relations and Outside Organizations:

- CEO Gasstrom and President Pick attended the NYSRECA meeting on May 8 and the Advocacy Day on May 9, both in Albany.
- CEO Gasstrom and President Pick attended NYAPP annual conference in Saratoga Springs April 11-13.
- CEO Gasstrom had a call with NYPA representative to attempt to gain clarity on HFPTCC's.
- CEO Gasstrom attended a RESMA conference call to gain information on national level issues that may affect our coop and others in the Northeast Association of Electric Cooperatives.

Power Technology

- CEO Gasstrom invited Stark Technologies on-site to discuss battery storage technology. We are exploring possible energy storage opportunities with this vendor.
- CEO Gasstrom and Operations Manager Sullivan met with WESCO to discuss metering solutions.
- CEO Gasstrom and Operations Manager Sullivan met with Eaton to discuss metering solutions.

Grants:

- DCEC is still waiting for responses on our existing grant applications.
- DCEC is evaluating grant applications by creating an energy efficiency consortium of farmers in our service territory to apply for a combined energy efficiency grant.
- DCEC met with SUNY Delhi to discuss working together on a subsequent Workforce Development grant.

Rate Design:

- DCEC staff has met several times on rate re-design activities. A high-level project plan is in development.

Community Interaction:

- CEO Gasstrom attended Chamber of Commerce meeting at Bluestone Restaurant in Delhi to network with other local business leaders.
- CEO Gasstrom attended the Rural Schools Association forum meeting on May 11th at Delaware Academy and spoke on issues regarding infrastructure needs and general grid preparedness for electric school buses.
- CEO Gasstrom met with SUNY Chancellor King on May 2. Chancellor King toured the SUNY pole yard and spoke with CEO Gasstrom, instructors, and students about the program. Chancellor King had a follow up reception on campus to interact with local business leaders.



Operations Manager Update

Engineering & Operations:

- Notable Outages and Occurrences: No notable outages in period.
- Disconnections: Disconnects resumed 5/16/23
- Right of Way Crew: In-house crew miles not available at time of report. Asplundh working along Catskill Turnpike and adjacent roads in Kortright headed towards Meredith.
- Headquarters: No activity currently.
- Special Projects: Working on workplan with PSE and Paul De Andrea.
- Fleet Concerns: Truck 72 parts issues, rental truck secured to fill gap until repairs can be made.

Safety Report:

- Injury Report: Zero incidents since last report. As of now none are lost time.
- Safety Committee Activity: Actively working on safety manual updates.

Respectfully submitted Ryan Sullivan 5/16/23

SYSTEMS PLANNING, JOB TRAINING & SAFETY REPORT – May Board Meeting

- ✖ Captain James H. Small conducted his building walk through and the second step of the building assessment. He will be reviewing all the information and presenting us with a detailed over-all safety assessment of our building and procedures.
- ✖ The ROW department painted backing stripes in the garage for parking the buckets and pick-ups. This is a bullet point on our RESAP plan for 2023 and was completed ahead of schedule.
- ✖ The Vehicle lift has been installed and hooked up. Mitch has been utilizing it for tire rotations, oil changes and it has helped with vehicle inspections. We talked about after a truck is stuck or pulled into a job this will help in ensuring our trucks are not damaged and in good working order.
 - He also mentioned that he wants to start fluid filming the trucks, which will be much easier to accomplish and makes our trucks last longer and be easier to work on.
- ✖ The ticks are very bad so far this year. Jake Marshall had 12 ticks climbing up him recently in the Andes area and Steve found three on him...they noticed they were standing in a tick nesting area as the ground was covered. We have since purchased some additional spray and tick bands to try and help with the large amount this year.
- ✖ **VISIT FROM FEDERATED** -Lyndon Bailey (Bubba) visited the cooperative and we went out to do some crew visits on the line crew that was working in Andes along the reservoir, the tree crew that was working in the Holiday Brook area and another line crew that was setting a pole on Covert Hollow. There were no write ups and no infractions. He discussed 3 contacts that have occurred in other cooperatives this year. One was with a tree crew member when a tree limb came in contact with the energized primary and the other two were working in URD transformers. This is a big improvement as the contact related injuries were 18 contacts over each of the last two years, so the year is off to a good start. One of the interesting things with contacts is the three that we have had this year are not the common types of contacts, or the ones you would expect to hear. Bubba was very happy to see the direction things are heading and thinks were very close to becoming one of the top tier cooperatives in terms of our safety culture.
 - We also spoke about the lack of training opportunities that exist for the lineman from our Cooperative and others, and not being able to get into training at PREA. He was overly impressed with us taking on the undertaking of getting people the necessary training to move forward and knows how much work will have to go into this project overall.