

# **Pontotoc Electric Power Association By-Laws**

**Adopted Effective March 6, 2019**



**These By-Laws were amended and  
adopted by the Board of Directors  
effective March 6, 2019.**

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## **Appendix**

## Article 1

### General

**Section 1. Purpose.** The purpose of this Association is to make an adequate and reliable supply of electric energy available to its customers at the lowest cost consistent with sound economy and prudent management of the business of the Association.

**Section 2. Principle Office.** The principle office of the Association shall be located in the Association's service area of Pontotoc County, Mississippi; but the Association may have such other offices as the Board of Directors may designate or as the business of the Association may require from time to time.

## Article II

### Members

**Section 1. Qualifications.** Any person, firm, partnership, corporation, association, municipal or county government or political subdivision of body politic or subdivision thereof may become and remain a member of this Association by: (A) completing a written application for membership therein, (B) agreeing to purchase electric energy from the Association as hereinafter specified, (C) agreeing to comply with and be bound by the articles of incorporation and by-laws of the Association and any rules and regulations adopted by the Board of Directors, and (D) paying the membership fee hereinafter specified.

**Section 2. Application for Membership.** Any applicant for membership in the Association shall execute and deliver to the Association a written application for membership in such form and containing such information as the Board of Directors may specify from time to time. The Association does hereby reserve the right to require any person under twenty-one (21) years of age who is applying for membership in the Association, to have an adult, that being a person over twenty-one (21) years of age, sign a guaranty agreement in favor of the Association guaranteeing payment of any and all bills due and owing to the Association should the minor default upon payment.

**Section 3. Membership Fee.** The membership fee of the Association shall be fixed by the Board of Directors from time to time, and shall be paid in full at the time the applications for membership are submitted. The membership fee (together with any service security deposit, or service connection deposit or fee, facilities extension deposit, or contribution in aid to construction, or any combination thereof, if required by the Association) shall entitle the member to as many service connections as he may desire and the Association is agreeable to furnishing. Also, a service connection deposit or fee, in such amount as shall be prescribed by the Association (together with a service security deposit, a facilities extension deposit or contribution in aid of construction if required by the Association) shall be paid by the member for each additional service connection requested by him, if so required by the Association. A separate membership must be held for each different class of service desired.

**Section 4. Service to Non-members.** Should the Association acquire any electric facilities already dedicated or devoted to the public use, the Association shall, for the purpose of continuing existing service and avoiding hardships, continue to serve the persons served directly from such facilities at the time of acquisition without requiring such persons to become members. Any municipality, county, or other body politic may apply for and receive service from the Association without becoming a member. In no event shall the number of such non-members served exceed forty nine percent of the total number of persons served by the Association. Such non-members shall have a right to become members upon non-discriminatory terms.

**Section 5. Membership Certificate.** Upon the filing of a written application in proper form and the payment of the required membership fee, and the payment of any delinquent amounts owing to the Association by the applicant, the Association shall issue to the applicant a certificate of membership in the following form:

No. \_\_\_\_\_ Date \_\_\_\_\_  
Certificate of Membership  
in the  
Pontotoc Electric Power Association

This is to certify that \_\_\_\_\_ is a member of the Pontotoc Electric Power Association, a Mississippi Corporation, and is entitled to all the rights and privileges and is bound by all the duties and obligations of membership therein, as defined and set forth in the by-laws of said corporation.

This certificate may be transferred by a member to another location in the service territory of the Association and may be transferred by the member to any other person who is qualified for membership in the Association if transferred in the form and manner prescribed by the Board of Directors of this Association.

By becoming a member of the Association, the member agrees to grant to the Association easements over land owned by him for the transmission and distribution lines of the Association, without charge to the Association.

In witness whereof, the Pontotoc Electric Power Association has caused this certificate to be issued on the date shown above.

\_\_\_\_\_  
President / Vice President / Manager

\_\_\_\_\_  
Secretary

**Section 6. Transfer of Membership Certificate.** A membership certificate in this Association may be transferred by any member to any other premises in the service area of the Association owned or used by the member, upon written request in the form and manner prescribed by the Board of Directors.

Any member may transfer his membership to any other consenting person or entity qualified for membership in the Association upon written request in the form and manner prescribed by the Board of Directors.

The transferor and transferee shall make satisfactory arrangements with the Board of Directors for the payment to the Association of any obligations of the transferor to the Association. The transfer of a membership shall grant to the transferee all interest, rights, privileges, duties, and obligations of membership of the transferor which shall thereafter be enjoyed by the transferee, and shall divest the transferor of all rights, title and interest in the property and assets of the Association. However, the transfer of membership does not transfer the accrued patronage, i.e., (any benefits) attributable to prior usage or consumption of the transferors membership with the Association to the transferee. The transfer of membership terminates the transferor's liability as to future incurred indebtedness arising from the said membership. The transfer does not, however, terminate the transferor's liability to any indebtedness incurred before the membership transfer.

**Section 7. Joint Membership.** A husband and wife may apply for a joint membership, and, subject to their compliance with the requirements set forth in Section 1 of this article, may be accepted for such membership. The term "member" as used in these by-laws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the right and liabilities of membership shall apply equally with respect to the holders of a joint membership. The Association reserves the option to require adult persons cohabiting, regardless of gender or marital status, to obtain a joint membership in the Association. If such cohabiting persons are required to obtain a joint membership and they do not do so, or if there is any misrepresentation concerning the state of the cohabitation that serves to defraud the Association, in any respect, then the Association has the right to terminate power supply until the cohabiting parties obtain a joint membership as per the Association's request. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- (A) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (B) The vote of either separately or both jointly shall constitute one joint vote;
- (C) A waiver of notice signed by either or both shall constitute a joint waiver;
- (D) Notice to either shall constitute notice to both;
- (E) Expulsion of either shall terminate the joint membership;
- (F) Withdrawal of either shall terminate the joint membership;
- (G) Either but not both may be elected or appointed as an officer or board member, provided that both meet the qualification of such office.



**Section 8. Conversion of Membership.** (A) A membership may be converted to a joint membership upon the written request of the holder thereof or by requirement of the Board of Directors and the agreement by such holder and his or her spouse or cohabitant to comply with the articles of incorporation, by-laws and rules and regulations adopted by the Board. The outstanding membership certificate shall be surrendered, and shall be reissued by the Association in such manner as shall indicate the changed membership status.

(B) Upon the death of either spouse or cohabitant who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate may be surrendered, and may 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 Association.

**Section 9. Withdrawal from Membership.** Any member may withdraw from membership upon payment in full of all debts and liabilities of such member to the Association and upon compliance with such terms and conditions as the Board of Directors may prescribe.

**Section 10. Expulsion of Members.** The Board may, by the affirmative vote of not less than two-thirds of all the members of the Board, expel any member who fails to comply with any of the provisions of the articles of incorporation, by-laws, or rules or regulations adopted by the Board. A member can be expelled only after such member has been given written notice by the Association that such failure to comply with all the articles of incorporation, by-laws, and / or rules and regulations of the Association makes him or her liable for expulsion and such failure to comply shall have continued for at least ten days after said notice was given. A sufficient due process hearing will be afforded the said member subject to expulsion if requested. The due process hearing is to be conducted by the manager and at least two members of the Board of Directors who shall be selected by the manager; further said committee shall report in writing its finding to the full Board of Directors. Any expelled member may be reinstated by a vote of the Board or by vote of the members at any annual or special meeting. The Association is subject to any and all regulations and statutes of the Mississippi Public Service Commission and / or the State of Mississippi.

**Section 11. Termination of Membership.** Upon the death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate, and the certificate of membership of such member shall be surrendered forthwith to the Association, provided, however, that in the discretion of the Board of Directors an individual membership, upon the death of the holder thereof, may be transferred to the surviving spouse or the legal heir or heirs of the deceased, provided that such surviving spouse or legal heir or heirs proposes to take service in the immediate future from the lines of the Association at some point in the Association's service area and it is economical and feasible for the Association to supply service at such premises; provided further, that if such surviving spouse or legal heirs does not propose to take service in the Association's service area, such membership may, in the discretion of the Board of Directors, be refunded by the Association. Such termination of membership shall not release the member from the debts or liabilities of such member to the Association.

**Section 12. Change in Premises to be Served.** Any member who moves from one location to another shall be entitled to receive service at his new location if (A) the member notifies the Association of his change in location, describing the new premises and the type and approximate amount of service desired therefor, (B) the new location is within the service area of the Association, as determined by the Board of Directors, and (C) such member pays a reasonable connection charge, the amount of which shall be determined by the Board.

**Section 13. Non-liability for Debts of the Association.** The private property of the members of the Association shall be exempt from execution for the debts of the Association and no member shall be individually liable or responsible for any debts or liabilities of the Association.

**Section 14. Grant of Easements by Members.** Members shall, without charge to the Association, grant to it any and all necessary easements over land owned by them for the transmission, distribution, and communication lines of the Association, and to such other entities which the Association has executed joint-use or pole attachment agreements.

Parties who refuse to provide, without charge to the Association, any and all necessary easements, who later make application for electric service with the Association, shall be required to reimburse the Association for all costs necessary to acquire said easement, and / or all additional costs incurred by the Association in locating said transmission, distribution and communication lines along an alternate route, before electric service shall be provide to said parties.

**Section 15. Contributions to Capital.** All amounts received and receivable for the furnishing of electric energy to members and non-members in excess of operating cost and expenses properly chargeable against the furnishing of electric energy are, at the moment of receipt by the Association, received with the understanding that such amounts are furnished by the members and non-members as capital. Capital contributed by members and non-members shall be used only for capital purposes, including, without limitations, new electric system construction, the retirement of electric system indebtedness at or prior to maturity, and working capital adequate for all purposes including facilitation of general rate reductions. The Association shall maintain such books and records as will enable it at any time to compute, upon reasonable notice, the amount of capital contributed during any given period by each of its members and non-members.

**Section 16. Purchase of Electric Energy.** Each member shall, as soon as electric energy shall be available, purchase from the Association all electric energy purchased for use on the premises specified in his application for membership, and shall pay therefor at rates which shall from time to time be fixed by the Board of Directors. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Association facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Board of Directors.

## Article III

### Meeting of Members

**Section 1. Annual Meeting.** The annual meeting of the members shall be held on the first Wednesday after the first Monday in October of each year, at such place within the service area of the Association as designated by the Board of Directors in the notice of the annual meeting. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Association. Notice of the annual meeting of membership shall be provided by Article 3, Section 3. Any business coming before the membership of the Association may be conducted, including but not limited to, nomination of candidates for election to the Board of Directors whose terms expire that year.

**Section 2. Special Meetings.** Special meetings of the members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President, the Board of Directors or by any three of the Directors, and shall be called by the President upon the written request of 20% of all the members. Special meetings of the members may be held at any place within the service area of the Association, provided such place is specified in the notice of the special meeting. No business other than that specified in the notice of the special meeting shall be transacted at such special meeting.

**Section 3. Notice of Meetings.** Written or printed notice stating the place, day and hour of the meetings, and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered to each member not less than five days nor more than twenty-five days before the date of the meeting, either personally or by mail, by or at the direction of the President, or by the persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mails, addressed to the member at his address as it appears on the records of the Association, with postage thereon prepaid. In case of a joint membership, notice given to either joint member shall be deemed notice to both joint members. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

**Section 4. Quorum.** As long as the total number of members does not exceed five hundred (500), at least ten per centum (10%) of the total number of members present in person shall constitute a quorum for the transaction of business at all meetings of the members. In case the total number of members shall exceed five hundred (500), then at least fifty members or five per centum (5%) of the members present in person, whichever shall be the larger, shall constitute a quorum for the transaction of business at all meetings of the members. In case of a joint membership, the presence at a meeting of a joint member, or both, shall be regarded as the presence of one member. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice.

**Section 5. Voting.** Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members, regardless of the number of memberships held by him. A joint membership shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. At all meetings of the members at which a quorum is present all questions shall be decided by a vote of a majority of the members voting thereon in person or by proxy, except as otherwise provided by law, the certificate of incorporation of the Association, or these by-laws.

At each annual meeting of the members there shall be given an opportunity to nominate candidates for election to the Board of Directors by and from the membership of the respective geographical district to fill the positions of directors whose terms will expire at the end of the present calendar year. The elected directors shall serve for a three year term or until their successors shall have been elected and qualified. In order to nominate a member for election to the Board of Directors at the annual meeting of members, there must be a minimum of five percent of the membership in the Association present in person to constitute a quorum, or a minimum of fifty persons if the total membership in the Association does not exceed five hundred persons. In order to nominate a member for election to the Board of Directors, the nominator must be a resident member in good standing from the district in which the vacancy will occur, and the nominee must be a resident member in good standing from the district in which the vacancy will occur.

**Section 6. Proxies.** At all meetings of members, a member may vote by proxy executed in writing by the member provided his signature is witnessed by a third party and the third party attests to the fact that it is the member's signature. Such proxy shall be filed with the secretary one hundred forty-four (144) hours or six (6) days before the time of the meeting. The Board of Directors will designate the form to be used in proxy voting.

No proxy shall be voted at any meeting of the members unless it shall designate the particular meeting at which it is to be voted, and no proxy shall be voted at any meeting other than the one so designated or any adjournment of such meeting. No person shall vote as proxy for more than three (3) members at any meeting of the members and no proxy shall be valid after sixty (60) days from the date of its execution. The presence of a member at a meeting of the members shall revoke a proxy theretofore executed by him and such member shall be entitled to vote at such meeting in the same manner and with the same effect as if he had not executed the proxy.

**Section 7. 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 of the number of members present in person in order to determine the existence of a quorum;
2. Reading of the notice of the meeting and proof of the due publication of 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 and the taking of necessary action thereon;
4. Presentation and consideration of, and acting upon, reports of officers, directors and committees;
5. Nomination of directors;
6. Unfinished business;
7. New business; and
8. Adjournment.

**Section 8. Presiding Officer.** The President or, in his absence or inability to serve, the Vice President of the Board of Directors of the Association or a representative designated by the President, shall preside at all meetings of the members.

## **Article IV**

### **Directors**

**Section 1. General Powers.** The business and affairs of the Association shall be managed by a board of nine (9) directors which shall exercise all powers of the Association except such as are by law or by the certificate of incorporation of the Association or by these by-laws conferred upon or reserved to the members. The geographic area served by the Association shall be divided into nine (9) numbered areas, or districts, as per the map in appendix, which is incorporated herein and made a part hereof. At the annual meeting, one or more members in good standing may be nominated for election to the Board of Directors from each area or district as designated hereinabove whose terms expire. Each director so elected shall and must be a bona fide resident of the area or district so served, and any director who moves from the area or district served shall vacate the directorship and the vacancy shall be filled as provided for herein.

**Section 2. Qualifications and Tenure.** At the annual meeting of members, if a quorum is present in person, members in good standing may nominate candidates for election to the Board of Directors from their respective district, in the following manner, and for the terms hereinafter set out, to wit:

1. A director shall be elected from each of the areas, or districts whose director terms expire during that year.
  - (A) Directors from Districts or Areas 1, 4, and 5, shall be elected during the same year to serve for a 3 year term.
  - (B) Directors from Districts or Areas 3, 7, and 8, shall be elected during the same year to serve for a 3 year term.
  - (C) Directors from Districts or Areas 2, 6, and 9, shall be elected during the same year to serve for a 3 year term.

These three groups of director terms shall be staggered as to allow an election of one group of directors to be held annually.

2. In all cases, directors shall serve until their successors are elected and shall have qualified, subject to the provisions of these by-laws with respect to the removal of directors.
3. In order to become or remain a member of the Board of Directors of the Association, a person:
  - (1) Must be a member of the Association in good standing, and a bona fide resident of the area represented for at least twelve months prior to nomination;
  - (2) Must not be employed by or have a financial interest in a competing enterprise or a business selling electric energy supplies or services to the Association;
  - (3) Must not be employed by another utility company providing the services of electricity, natural gas, telephone, TV cable, or cable-transmitted Internet services, regardless of whether or not said utility operates within the certificated area of the Association;
  - (4) Must be a natural person and at least twenty-one years of age at the time of nomination;
  - (5) Must be an individual with the capacity to enter into legally binding contracts;
  - (6) Must not have been an employee of the Association within 1825 days (five years) prior to the beginning of the term;
  - (7) Must not be a former employee, spouse, or close relative of a former employee who is currently receiving direct benefits or other compensation from the Association or its insurance carriers, or may be eligible or desirous to receive direct benefits or other compensation from the Association or its insurance carriers (other than the compensation of a Director);
  - (8) Must not have been finally convicted, pled guilty, or pled *nolo contendere*, to a felony;

Further, directors will not be eligible to hold a full-time elected or appointed public office in connection which a regular salary is paid. Further, no employee of the Association or their spouse, or union member representing the employees of the said Association can serve as a director. Further, no relative of an employee or relative of a spouse of an employee related closer than the first degree as computed by civil law (closer than a first cousin), including half-kin, adopted-kin, step-kin, and in-laws, including any spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece can be nominated or serve as a director. Further, no former or retired employee or their spouse, or relative of a former or retired employee or spouse closer than the first degree as computed by civil law (closer than a first cousin, including half-kin, adopted-kin, step-kin, and in-laws) can serve as a director or have their name placed in nomination for election as a director until only after a time period of 1825 days (five years) shall have passed following the last day of employment of said employee.

4. When a joint membership is held, 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 Association unless both shall meet the qualifications hereinabove set forth. Nothing in this section contained 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 forty (40) days nor more than ninety (90) days before the date of a meeting of the members at which directors are to be nominated for election, a committee on nominations consisting of not less than five (5) nor more than eleven (11) members who shall be selected to give equitable representation on the committee to the geographical area served or to be served by the Association.

The said nominations committee shall prepare and post at the principal place of business of the Association at least 40 days before the meeting a list of nominations for directors, but any forty (40) or more members who are residents of a respective district may make other nominations from their respective district in writing over their signatures on a official form provided by the Association not more than sixty (60) days and not less than twenty-five (25) days prior to the date of the annual meeting. A member petition must be submitted in person to the Secretary of the Board of the Association during normal business hours at the Association's main office not more than sixty (60) calendar days and not less than twenty-five (25) calendar days before the date of the annual meeting of members. Each member petition shall be on an official form provided by the Association and shall contain the printed name, service location address, a telephone number if available, and an original dated signature signed by the actual member. Each member signing such written member petition shall be a member in good standing at the time the petition is presented to the Association and shall be a resident of the district of the member being nominated. Only one signature will be accepted from a joint membership. Signatures signed more than ninety (90) days or less than twenty-five (25) days before the date of the annual meeting shall be invalid and will not be counted. Once the member petition has been submitted to the Secretary, it becomes the property of the Association. At a date and time decided by the Board, but prior to the date of the annual meeting, all petitions will be reviewed by the Board or by a special committee appointed by the Board for that purpose. Each member petition shall be declared as being valid or invalid, but will not be returned to the nominee for correction or for the purpose of obtaining additional signatures.

The Secretary shall then post a list of the valid candidates nominated by petition at the same place where the list of nominations made by the committee is posted. The Secretary shall mail to the members the notice of the meeting, a statement of the number of directors to be nominated, and a list of nominations showing separately the nominations made by the committee on nominations and the nominations made by petition, if any. Nothing contained herein, however, shall prevent additional nominations to be made from the floor at the meeting of the members, provided a quorum is present in person at the annual meeting of members.

A quorum of not less than five (5) members from the committee on nominations is necessary to hold a valid nominations meeting. A committee on nominations meeting with less than five (5) members of the committee on nominations present cannot validly nominate anyone to serve as director.

Notwithstanding anything in this section contained, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of directors.



#### **Section 4. Election of Directors**

Members in good standing, who have been appropriately nominated for election to the Board of Directors, either by the committee on nominations, by petition of members, or by nomination from the floor at the annual meeting of members when a quorum of the membership is present in person, shall have their name placed on a ballot for election to the Board of Directors. Said ballot shall be mailed to members in good standing that currently reside in the geographical district to which the director is to be elected at any time following the annual meeting of members and before the first day of November. The mailing of the ballot to the address on record by the Association shall constitute delivery of the same. The completed ballot shall be returned in the mail by the member to an entity designated by the Board of Directors, with the signature of the member on the envelope, and postmarked not later than the fifteenth day of November in order to be valid and to tabulate the results of the election. If no one candidate receives a majority of the valid votes cast, a run-off election will be held with the ballots being mailed not later than the first day of December. The ballots for the run-off election shall be returned in the mail with the signature of the member on the envelope, and postmarked not later than the fifteenth day of December to be eligible to be valid. The entity designated by the Board of Directors for the oversight of the election shall have complete control of the vote counting process and procedure to insure a fair and accurate election of the directors.

In the event that there is only one nominee for Director in any geographical district after the deadline for nominations has passed, then ballots for the election of that unopposed nominee shall be available for pick-up at the association offices in Pontotoc and Bruce by those members desiring to vote; further, that notice shall be published in a publication of general circulation in the county where the uncontested director area is primarily located, advising members desiring to vote in the uncontested election of the availability of ballots at the association offices in Pontotoc and Bruce. Said notice shall be published at any time following the annual meeting of members and before the first day of November.

A member's principal place of residence where he receives electric service from the Association shall be considered the district in which the member is entitled to vote. For voting purposes, a member who is not a resident of the Association's service territory will be entitled to vote in the district where his principal use of electricity is consumed if the member has multiple meters in different districts; notwithstanding that the member will only be allowed to vote in the election of directors once in each three year period, regardless of any change in the location of his principal consumption of electricity.

In any election, only nominees whose names appear on the ballot may be voted upon. Write-in votes will not be counted.

**Section 5. Vacancies.** Subject to the provisions of these by-laws with respect to the removal of directors, vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining directors and directors thus elected shall serve the unexpired term of their predecessors or until their successors shall have been elected and shall have qualified.

**Section 6. Compensation.** Directors shall not receive any salary for their services as such, but by resolution of the Board of Directors a fixed sum and expenses may be authorized for attendance for each day or portion thereof spent on Association business, such as attendance at meetings, conferences, and training programs or performing committee assignments when authorized by the Board.

**Section 7. Rules, Regulations and Policies.** The Board of Directors shall have the full and complete power to adopt, alter, amend and abolish, from time to time, such rules, regulations and policies, not inconsistent with law or administrative regulations, the articles of incorporation of the Association or the by-laws, as it may deem necessary for the management, administration and regulation of the business and affairs of the Association.

**Section 8. Removal of Board Members.** Any member may bring charges against a board member, and, by filing with the Secretary such charges in writing together with a petition signed by at least ten per centum (10%) of the members, may request the removal of such board member by reason thereof. Such board member shall be informed in writing by the Secretary of the charges at least thirty (30) days prior to the meeting of the members at which time 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/her shall have the same opportunity. The question of the removal of such board member shall be considered and voted upon at the meeting of the members. If the director is removed, at the next annual meeting the balance of the unexpired portion of the removed director's term shall be filled through the regular nomination and election process as set forth in these by-laws for a regular election of directors. If a quorum is not present at the next annual meeting of the members, the vacancy shall be filled as provided for in Article IV, Section 4 of these by-laws. Any director who has six (6) consecutive absences from regularly scheduled meetings of the Board or who fails to attend at least one-half of the regularly scheduled meetings of the Board in any consecutive twelve (12) months period of time, except for medical disability, shall be automatically disqualified from holding the office of director. He shall be removed from office by the Board and the Board shall appoint a successor by a majority vote of the remaining directors and such director shall serve the remainder of the term of his predecessor or until a successor shall have been qualified and elected.

## Article V

### Meeting of Directors

**Section 1. Regular Meetings.** A regular meeting of the Board of Directors shall be held monthly at such time and place with the Association's certified service area 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. All board meetings, unless in executive session, shall be open to any member of a corporation. Any member or customer of a corporation shall be entitled to address the board at any regular meeting regarding any suggestions for better service, grievances or any other matter affecting the corporation. The corporation shall have the right to impose reasonable limitations upon the number of members or customers addressing any one (1) board meeting, the amount of time allotted to each presentation, and also require reasonable notice in advance of the board meeting so that the board may investigate and be able to respond to the presentation.

**Section 2. Special Meetings.** Special meetings of the Board of Directors may be called by the President or any three (3) directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place for the holding of any special meeting of the Board of Directors called by them.

**Section 3. Notice.** Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given at least one (1) day previous thereto, by written notice, delivered personally or mailed, to each director at his last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail so addressed with postage thereon prepaid. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except in case a director shall attend a meeting for the express purpose of objection to the transaction of any business because the meeting shall not have been lawfully called or convened. By unanimous consent of the directors, special meetings of the Board may be held without notice at any time and at any place.

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

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

## Article VI

### Officers

**Section 1. Number.** The officers of the Association shall be President, Vice-President, Secretary and Treasurer. 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, with the exception of Secretary and Treasurer, who at the discretion of the Board may be elected from outside of the Board, at the first regular meeting of the Board of Directors in January. 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 for the remainder of the calendar year, or until his successor shall have been duly elected and shall have qualified, subject to the provisions of these by-laws with respect to the removal of officers.

**Section 3. Removal.** Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

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

**Section 5. President.** The President:

- (A) Shall be the principal executive officer of the Association and preside at all meetings of the members and of the Board of Directors: further, the President may at his discretion designate a representative to preside at meetings of the members of the Association and meetings of the Board of Directors of the Association in keeping with Article III, Section 8.
- (B) May sign with the Secretary certificates of membership, the issue of which shall have been authorized by the resolution of the Board of Directors 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 the cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or these by-laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed by some other person; and
- (C) In general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

**Section 6. Vice-President.** In the absence of the President, or in the event of his inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

**Section 7. Secretary.** The Secretary shall:

- (A) Keep the minutes of the members and the Board of Directors in one or more books provided for that purpose;
- (B) See that all notices are duly given in accordance with these by-laws, or as required by law;
- (C) Be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all certificates of membership prior to the issue thereof and to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these by-laws;
- (D) Keep a register of the post office address of each member which shall be furnished to the Secretary by such member;
- (E) Sign with the President or Vice-President, or other authorized officer or employee of the Association, certificates of membership in the Association, the issuance of which shall have been authorized by these by-laws or by resolution of the Board of Directors;
- (F) Have general charge of the books of the Association in which a record of the members is kept;
- (G) Keep on file at all times a complete copy of the by-laws of the Association containing all amendments thereto, which copy shall always be open to the inspection of any member, and at the expense of the Association forward a copy of the by-laws and all amendments thereto to each member upon request; and
- (H) In general perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.

**Section 8. Treasurer.** The Treasurer shall:

- (A) Have charge and custody of and be responsible for all funds and securities of the Association;
- (B) Receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such bank or banks as shall be selected in accordance with the provisions of these by-laws; and
- (C) In general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

**Section 9. Manager.** The Board of Directors shall appoint a manager who may be, but who shall not be required to be, a member of the Association. The manager shall have general oversight, care and management of the property and business of the Association and shall perform such additional duties and have such additional authority as the Board of Directors may from time to time require of or vest in him, provided however, that the manager shall always be subject to the direction and management of the Board of Directors through action taken at regular or special meetings of such Board.

**Section 10. Bonds of Officers.** The Board of Directors shall require the Treasurer or any other officer of the Association charged with responsibility for the custody of its funds or property, to give bond in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Association to give bond in such amount and with such surety as it shall determine. The Association shall bear the cost of such bonding.

**Section 11. Compensation.** The powers, duties, and compensation of officers, agents and employees shall be fixed by the Board of Directors subject to the provisions of these by-laws with respect to compensation for a board member.

**Section 12. Reports.** The officers of the Association shall submit, at such annual meeting of the members, reports covering the business of the Association for the previous fiscal year and showing the condition of the Association at the close of such fiscal year.

## **Article VII**

### **Financial Transactions**

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

**Section 2. Checks, Drafts, Bonds, Notes, Loans, Etc.** All checks, drafts or other orders for the payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Association, or authorized by the Board of Directors, shall be signed and/or countersigned by such officer or officers, agent or agents, employee or employees of the Association and in such manner as shall from time to time be determined by resolution of the Board.

**Section 3. Deposits.** All funds, except petty cash, of the Association shall be deposited from time to time to the credit of the Association in such bank or banks as the Board of Directors may select; and when such funds are available and not immediately needed for operational expenses, they shall, when possible be deposited in an interest bearing account.

## **Article VIII**

### **Dissolution**

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

- (A) The aggregate amount of capital contribution by members of the Association during the period of its existence shall be determined and such remaining proceeds up to such aggregate amount shall be returned to such members in proportion to the respective amounts of capital contribution by them.
- (B) The remaining liquidation proceeds, if any, shall be distributed ratably among all members of the Association during the period of its existence.

## **Article IX**

### **Dissolution of Property**

The Association may not sell, lease or otherwise dispose of all or any substantial portion of its property unless such sale, lease, or other disposition is authorized at a meeting of the members thereof by the affirmative vote of not less than three-fifths (3/5) of all members of the Association, and unless the notice of such proposed sale, lease, or other disposition shall have been contained in the notice of the meeting. Voting shall be done in person or by proxy. The tabulation of the member vote shall be attested to by an independent accounting firm engaged to perform that accounting function. Notwithstanding anything herein contained, the Board of the Association, without authorization of the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Association, whether acquired or to be acquired, and wherever situated, as well as revenues and income therefrom, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Association.

## **Article X**

### **Miscellaneous**

**Section 1. Waiver of Notice.** Any member or Director may waive, in writing any notice of meetings required to be given by these by-laws.

**Section 2. Fiscal Year.** The fiscal year of the Association shall begin on the first day of July of each year and end on the thirtieth day of June of the following year.

**Section 3. Membership in Other Organizations.** The Association may become a member of any and all other organizations as the manager may determine shall be in the best interest of the Association. The manager shall determine which organizations are to be in the best interest of the Association and recommend the membership of the said organization to the Board of Directors. The Board of Directors shall have full power and authority to authorize the Association to purchase stock or become a member of any corporation or cooperative organized on a non-profit basis if one of its purposes is to engage in rural electrification or the promotion of the sale of electric energy.

**Section 4. Security Deposits.** When the membership fee does not in the judgment of the Board of Directors constitute sufficient security for the payment of bills for electric energy, the Board of Directors may require such customer to post a deposit with the Association in an amount deemed sufficient to secure such payment.

**Section 5. Wiring.** Service to any person may in the discretion of the Board of Directors be conditioned upon such person furnishing to the Association the certificate of a reputable inspector stating that the wiring of the premises served or to be served complies with all local regulations and is in accordance with the latest rules and regulations of the National Electrical Code of the National Board of Fire Underwriters for the installing of electric wire, apparatus, and appliances. The requirement or waiver of such a certificate, however, or the supplying of service on the basis thereof, shall not subject the Association to liability to any member or other person for any damages or injuries sustained by reason of defects existing in the wiring of such premises.

**Section 6. Accounting Systems and Reports.** The accounts of the Association shall be established and maintained in such form, subject to any contractual obligations of the Association, as the Board of Directors may prescribe. The Board of Directors shall also, within a reasonable time 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 Association as of the end of such fiscal year. Such audit shall be submitted to the members at the following annual meeting.



**Section 7. Nepotism.** No person related by blood or marriage closer than the first degree computed by the rule of civil law (closer than a first cousin) to any person serving as a director, officer, manager, or full-time employee of the Association can be considered for employment in any form with the said Association, except for employment in janitorial services, employment of a temporary nature such as disaster assistance, or retired employees for special projects or services. This includes spouse, parent, step-parent, father-in-law, mother-in-law, step-father-in-law, step-mother-in-law, son-in-law, daughter-in-law, step-son-in-law, step-daughter-in-law, brother-in-law, sister-in-law, step-brother-in-law, step-sister-in-law, children, step-children, grandparent, step-grandparent, grandchildren, step-grandchildren, brother, sister, step-brother, step-sister, aunt, uncle, step-aunt, step-uncle, niece, nephew, step-niece, step-nephew; or any person living in the same household with said director, officer, manager or employee of the said Association. This section shall not apply to any employee who shall have been in the employ of the Association prior to the time his or her kinsmen closer than the first degree became either a director, officer, manager or employee of the said Association. If the said article is violated, the relative with the least amount of tenure with the Association will be terminated within a reasonable time at the discretion of the Board of Directors; but under no circumstances will the employment extend past six (6) months after notice of the violation is made known to the Board of Directors. This article does not apply to employees who violate this article at the time this article was adopted.

**Section 8. Lost Certificate of Membership.** In case of a lost, destroyed or mutilated certificate, a new certificate may be issued thereof upon such terms and such indemnity to the Association as the Board of Directors may prescribe.

**Section 9. Indemnification.** Each director, officer, manager and employee (past, present and future) of the Association shall be jointly and severally indemnified by the Association against any and all claims and liabilities to which he has or shall become subject by reason of serving or having served in such capacity or by reason of any action alleged to have been taken, omitted, or neglected by him as such director, officer, manager or employee; and the Association shall reimburse each such person for all legal expenses reasonably incurred by him in connection with any such claim or liability; provided, however, that no person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his willful misconduct or gross negligence; but in no case shall indemnification be less than to the full extent permitted by law. The Association shall have the power to purchase insurance covering such liability and expense.

**Section 10. Seal.** The corporate seal of the Association shall be in the form of a circle and shall have inscribed the name of the Association, the words "Pontotoc, MS" and the words "Co-Operative Seal".

**Section 11. Amendments.** These by-laws may be altered, amended or repealed by the affirmative vote of not less than two-thirds (2/3) of all of the directors at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.