

Oregon Trail Electric Cooperative Bylaw Changes

On the 2023 annual meeting ballot, OTEC member-owners will be asked to vote to amend OTEC bylaws. These changes reflect an effort to improve and clarify the bylaws which govern the cooperative. 2015 was the last year since OTEC member-owners amended OTEC bylaws.

The proposed amendments to the Cooperative's bylaws are the result of a lengthy review process, which included review and approval by your elected Board of Directors. The Board of Directors recommends approval and is asking member-owners to ratify the updated bylaws. As a democratically controlled electric cooperative, all OTEC member-owners will have the opportunity to vote "yes" or "no" on these proposed amendments. Results of the vote will be announced at OTEC's Annual Meeting on Saturday, May 6, 2023 in La Grande.

Proposed amendments to the bylaws will be mailed to members and can also be viewed on the OTEC website at www.otec.coop/annual-meeting-board-elections.

YOUR OTEC BOARD OF DIRECTORS RECOMMENDS THE ADOPTION OF THESE BYLAW CHANGES.

The following comments explain the proposed substantive amendments to OTEC bylaws:

Article I: MEMBERSHIP: The proposed changes simplify the qualifications for becoming an OTEC member, clarifies that a member agrees to comply with OTEC bylaws, rules, policies and tariff schedules, provides that a membership fee may be included in billing if the fee is not paid at the time of establishing service, and updates inclusive joint membership language.

Article II: DISTRICTS AND MEETINGS OF MEMBERS: A proposed change would allow OTEC at some point in the future to provide electronic voting as an option.

Article III: DIRECTORS: Director qualifications are more clearly spelled out.

Article IV: MEETINGS OF THE DIRECTORS: Greater detail is provided regarding regular meetings of Directors.

Article VIII: NONPROFIT OPERATION: This Article retains the core objective of OTEC operating on a nonprofit basis but adds a provision that if OTEC were to ever serve a non-member patron, the non-member patron would also be bound by OTEC governing documents applicable to OTEC members.

Please take some time to review the proposed changes in detail below and also on our website at otec.coop/annual-meeting-board-elections. If you have questions, please call OTEC Administration at 541-524-2874.

UNDERLINED = New Language

~~Strike Through~~ = Deleted Language

Your OTEC Board of Directors unanimously recommends the adoption of the proposed revisions to the Bylaws.

BYLAWS OF OREGON TRAIL ELECTRIC CONSUMERS COOPERATIVE, INC.

ARTICLE I: MEMBERSHIP

Section 1. Qualifications and Membership.

~~(b) Has entered into a written membership agreement with the Cooperative, unless such requirement is waived by the Board of Directors, hereinafter referred to as the "Board";~~

~~(e b)~~ Receives, purchases, consumes or otherwise uses Cooperative Services that are generated, transmitted, distributed, sold, supplied, furnished, or otherwise provided by the Cooperative. As used in these Bylaws, a "Cooperative Service" is electric power or, as determined by the Board, of Directors (hereinafter referred to as the "Board"), other goods or services; and

~~(d) Agrees to comply with the Articles of Incorporation, Bylaws, rules, regulations, policies, schedules, and tariffs of the Cooperative;~~

~~(e c)~~ Has paid the membership fee hereinafter specified;

~~(f) Pays the Cooperative in accordance with tariff provisions for Cooperative Services provided to the member; and~~

~~(g) Completes or signs any additional or supplemental document, contract, or action required by the Cooperative for the Cooperative Services which the individual or entity is requesting.~~

Section 2. Membership Obligations:

(b) The Cooperative's Articles of Incorporation, Bylaws, tariffs, rules, and regulations are contracts between the Cooperative and each member. By becoming a member, the member agrees to comply with the Articles of Incorporation, Bylaws, rules, regulations, policies, schedules and tariffs of the Cooperative, and acknowledges the following Cooperative principles: (i) every member is a vital and integral part of the Cooperative; (ii) the Cooperative's successful operation depends upon each member complying with the Articles of Incorporation, Bylaws, rules, regulations, policies, schedules and tariffs; and (iii) Cooperative members are united in an interdependent relationship.

(c) Except as otherwise provided in these Bylaws, ~~in a policy determination by the Board,~~ or by the Board in advance and in writing, a membership in the Cooperative and the rights and privileges associated with membership may not be sold, purchased, assigned, disposed of, acquired or otherwise transferred.

Section 3. Membership Fee.

The membership fee shall be one cent, ~~until such~~ If the membership fee is not paid directly at the time the membership is established, the membership fee shall be included as part the Articles of Incorporation are amended a billing to the member from the Cooperative for Cooperative Services purchased.

Section 4. Joint Membership and Conversion of Membership:

(a) Spouses may jointly become a member and an application for joint membership may be accepted by the Cooperative, provided ~~the husband and wife~~ that each spouse jointly and severally comply with membership qualification provisions or any future changes thereto.

Section 7. Purchase of Cooperative Electric Power:

(a) Provision of Electric Power: Except as otherwise provided by law, each member shall purchase from the Cooperative all electric power purchased for use on the ~~premises specified on his or her or its application for membership~~ member's premises and shall pay therefore at rates which shall from time to time be fixed by the Board. Production or use of electric power on such premises, regardless of the source thereof, by means of facilities which may be interconnected with facilities of the Cooperative shall be subject to appropriate regulations, policies or tariffs fixed from time to time by the Cooperative. Regardless of the amount of power consumed, each member shall pay a minimum amount as shall be fixed from time to time by the Board. Each member shall also pay all amounts owed to the Cooperative as and when the same become due and payable.

(b) Delivery of Cooperative Services. The Cooperative shall provide Cooperative Services to members in a reasonable and cost efficient manner and shall strive to do so in a thoughtful, dependable and safe fashion that recognizes each member as an integral part of the Cooperative. The Cooperative also has the reasonable expectation that it will recover its fixed costs of providing Cooperative Services from its ~~Members~~ members that cause the Cooperative to incur such costs, so that the Cooperative or a segment of its ~~Members~~ members are not left with stranded investments or costs.

ARTICLE II: DISTRICTS AND MEETING OF MEMBERS

Section 1. District Boundaries.

The Baker district may be further divided into three smaller districts and the Union district may be divided into four smaller districts, if the Board deems such action to be appropriate.

Section 5. Notice and Purpose of Members' Meetings.

(b) A ballot and envelope for use in voting by mail ~~if an election is to be held~~ and voting by mail is provided as an option;

(c) A link to a secure electronic site, if electronic voting is provided as an option;

(~~e~~) An exact copy of every resolution to come before the membership; and

(~~e~~) Such other matter as may be deemed appropriate by the Board.

Section 7. Quorum.

Ballots received electronically or by mail may be included with the members present for determination of a quorum, provided, however, that a quorum for purpose of Article XIV and any amendment of Article XIV shall be 10 percent of all the members of the Cooperative who must be present in person.

Section 9. Voting.

At all meetings of the members at which a quorum is present, all questions shall be decided by a vote by ballot of a majority of the members voting thereon at such meeting in person, electronically or by mail, except as otherwise provided by law, the Articles of Incorporation of the Cooperative, or these Bylaws. If a ~~husband and wife~~ married couple, or domestic partners, hold a joint membership, they shall jointly be entitled to one vote and no more upon each matter submitted to a vote at an annual or special meeting of the members.

Section 10. Voting by Mail, Electronic Voting.

(a) Except as otherwise provided in these Bylaws, a member qualified to vote in any annual or special meeting of the members may vote by mail upon any matter, including the election of directors, to be acted upon at any such meeting. Such member may express his or her vote thereon by indicating "Yes" or "No" on each resolution and, in the case of election of a director, indicating a candidate in the space provided therefore. When voting by mail the ~~The~~ ballot shall be enclosed by such member in an unmarked envelope and this unmarked envelope shall be placed in a sealed voting envelope bearing the member's name, authenticated by the member's signature, and addressed to the Secretary. Such a mail ballot from any member shall be accepted and counted as a vote of such absent member if received before the meeting. No member voting by mail may vote electronically or in person at any annual or special meeting.

(b) Should the board elect to allow electronic voting in any annual or special meeting of the members, each member so choosing to electronically vote shall be provided electronic access to a secure electronic voting location or portal in which the member may cast his or her vote upon any matter to come before the membership at any such meeting, including the election of directors. Such member may express his or her vote thereon by indicating "Yes" or "No" on each resolution and, in the case of election of a director, indicating a candidate in the space provided therefore. Such electronic ballot shall bear an electronic signature which shall be authenticated and attested to by the member. An electronic ballot from any member shall be accepted and counted as a vote of such absent member if received before the meeting. No member voting electronically may vote by mail or in person at any annual or special meeting.

ARTICLE III: DIRECTORS

Section 3. Nominating Committee.

Each nominating committee shall submit its nominations to the ~~Secretary~~ Administration Department of the Cooperative not less than 90 days before the annual meeting in which the director from that district is to be elected. The function and authority of each committee shall terminate upon the completion of the annual meeting.

Section 4. Additional Nominations.

Not less than 90 days before the annual meeting in which directors shall be elected, the ~~Secretary of the Cooperative's~~ Administration Department shall cause to be posted at the Cooperative's principle place of business a list of the names of candidates selected by the nominating committee. Additional nominations may be made by petition filed with the ~~Secretary~~ Administration Department not less than 60 days before the annual meeting.

Section 5. Qualifications and Tenure of Directors.

No member shall be eligible to be a director of the Cooperative: (i) who is not a legal resident in the area served by the Cooperative; (ii) who is not purchasing Cooperative Services from the Cooperative; (iii) who is or has in the preceding 60 months been a director, officer, agent or member of a collective bargaining organization that is seeking, has or had agreements with the Cooperative regarding the terms and conditions of employment with the Cooperative; (iv) who is or has been an employee of the Cooperative within the past 60 months; (v) who is a spouse, or domestic partner, of an employee of the Cooperative within the past 60 months; ~~(v)~~ (vi) who, while serving as a director and during the 60 months immediately before becoming a director, has been convicted of or plead guilty to a felony; or (vii) who is in any way employed by, owns or controls more than 10 percent, or receives more than 10 percent, of the annual gross income from an entity that competes with the Cooperative or provides a good or service similar to a good or service provided by the

~~Cooperative; provided, however, that members owning or operating distributed generation or net metering facilities with a generating capacity of 25 kW or less shall not be deemed as competing with the Cooperative. Nothing contained in this section shall be construed to affect the validity of any act taken at any meeting of the acting Board.~~

No director shall be eligible for employment by the Cooperative who has been a director within the past 60 months.

Section 8. Removal of Directors by Members.

The members may request removal of a director by filing with the Board Secretary in writing the reasons for removal together with a petition signed by at least 10 ten percent of the members.

ARTICLE IV: MEETINGS OF THE DIRECTORS

Section 1. Regular Meetings.

~~The board shall regularly meet at the date, time and place as determined by the board. A regular meeting of the Board may be held without notice other than this Bylaw immediately after and at the same place as the annual meeting of the members.~~

Section 8. Other Officers.

The Board may appoint a Manager, a Chief Executive Officer ("CEO"), and create other offices and elect or appoint other officers, who need not be members of the Cooperative. The Manager, CEO or other officers shall perform such duties as the Board may from time to time require and shall have such authority as the Board may from time to time vest in the Manager, CEO or other officers.

ARTICLE VIII: NONPROFIT OPERATION

Section 13. Non-Member Patrons.

To the same extent as a member, a Patron using a Cooperative Service who is not a member must abide by and be bound to the duties, obligations, liabilities, and responsibilities imposed by the Governing Documents upon members.

Section 14. Bylaws a Contract.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws dealing with patronage capital shall constitute and be a contract between the Cooperative and each patrons, and both the Cooperative and 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 posting in a conspicuous place in the Cooperative's office or otherwise through an electronic posting.