



A Touchstone Energy® Cooperative   
The power of human connections®



# Member Handbook & Bylaws



## Welcome to OCEC!

Welcome! On behalf of the Board of Trustees and employees of Otero County Electric, I would like to be the first to welcome you as a member of this Cooperative. Otero County Electric Cooperative (OCEC) was established in 1939 to serve our rural communities. Today, we serve 19,979 meters across 2,807 miles of line in Otero, Lincoln, Chavez and Socorro counties and currently have 64 employees dedicated to serving our members. OCEC has 10 Trustees who are elected by the membership to govern your cooperative.

As a member you are invited to our annual meeting held the first Saturday of August each year. At the meeting members participate and vote on business items pertaining to the cooperative and its function. Followed by the business meeting members enjoy a barbeque lunch provided by OCEC. Member participation is an important part of the cooperative model. I look forward to meeting you if you are able to attend the annual meeting.

OCEC distributes a monthly newsletter with each bill to keep you updated on cooperative news and highlights. If you find yourself with questions about your bill, do not hesitate to call our offices. The Member Services department is here to help answer questions, offer detailed energy reports, walk-through your home and do energy assessments. You will also receive a monthly newspaper which is published by our statewide organization in Santa Fe to highlight news going on around the state. And, we offer a large number of rebates to make your home or business more efficient. A list of rebates is located on page 11 of the member handbook.

I am sure you noticed the picture of our electric vehicle (EV) on the front page! This was the first Chevy Bolt purchased in New Mexico. The Bolt was added to OCEC's fleet of vehicles in 2017, and since that time we have added 2 Tesla Model 3s to the fleet. I am excited to add these great vehicles and give our members the opportunity to come by and take any of them for a test drive. The Chevy Bolt has a range of almost 240 miles, while the Teslas have a range of 310 miles on a single charge. Our goal is to gain valuable experiences with our EVs and educate and promote the advantages of EVs to our members. We installed a charging station in front of our Cloudcroft office and at the Casino Apache Travel Center. If you are in need of a charge, stop by and see us.

Lastly, I want to thank you for being an OCEC member. If you have a recommendation or concern feel free to give me a call and let me know. I look forward to hearing from you and more importantly look forward to seeing you at the annual meeting.

Sincerely



Mario Romero  
CEO/ General Manager





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## Your Cooperative

### **Mission Statement**

Otero County Electric Cooperative, Inc. is committed to providing its members with the lowest cost, highest quality, and most reliable electric power, consistent with sound and cost-effective business practices, and collaborate with its members to provide the resources and services that may be beneficial to our members and to the citizens of the communities we serve.

### **You are an owner**

Cooperatives are owned by the people they serve, called members. We exist to provide electric service to our members, at the lowest possible cost. As for how margins are handled, rather than having to make a return on investment for stockholders, a cooperative exists to provide services/products to their membership in the most economical way. Therefore, all margins are directly allocated back to the membership based on each member's patronage, or purchase of services. When revenue exceeds costs, margins are allocated to the members. These allocations are referred to as Capital Credits. While the Capital Credits are allocated each year, they are not immediately paid back to the membership as the cooperative uses a portion as operating capital. Capital Credits are retired each year that it is financially possible after consideration is given to the cooperative's funding needs for the following year's operating requirements, system growth and improvements.

### **You Have the Power**

Anyone who receives electricity from the cooperative is a member. Cooperatives are led by the members.

#### **Members**

- Members elect Trustees each year at the Annual Meeting. Members communicate with their area Trustee.

#### **Board of Trustees**

- Trustees are elected by the members to serve as leaders and establish the strategic direction of the cooperative.

#### **General Manager**

- The General Manager is responsible for ensuring the strategic initiatives and goals set by the Board are met.

#### **Staff**

- The Staff is responsible for carrying out the day-to-day operations and administrative functions.

## Cooperative Principles

As a cooperative, we are member-owned and democratically controlled. We strive to adhere to the following principles:

### **1<sup>st</sup> Principle ~ Voluntary & Open Membership**

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

### **2<sup>nd</sup> Principle ~ Democratic Member Control**

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

### **3<sup>rd</sup> Principle ~ Member Economic Participation**

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefitting members in proportion to their transactions with the cooperative, and supporting other activities approved by the membership.

### **4<sup>th</sup> Principle ~ Autonomy & Independence**

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

### **5<sup>th</sup> Principle ~ Education, Training & Information**

Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They inform the general public—particularly young people and opinion leaders—about the nature and benefits of cooperation.

### **6<sup>th</sup> Principle ~ Cooperation Among Cooperatives**

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

### **7<sup>th</sup> Principle ~ Concern for Community**

While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

# The **7** Cooperative Principles

## Board of Trustees

OCEC serves consumers in Otero, Lincoln, Chaves & Socorro Counties. Ten trustees are elected from 5 districts and serve 3-year terms with 4 trustees elected every third year.

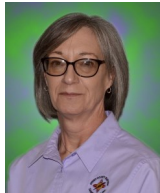
Our annual meeting is held on the first Saturday of August at the Cloudcroft High School gymnasium. We invite you as a member to come participate by voting during the business meeting, win a door prize and enjoy a barbeque lunch



**Preston Stone**  
Trustee  
Northwest District  
Term Expires 2024



**David Powers**  
Trustee  
Northeast District  
Term Expires 2022



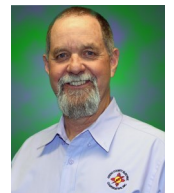
**Cheri Hass**  
Trustee  
Central District  
Term Expires 2023



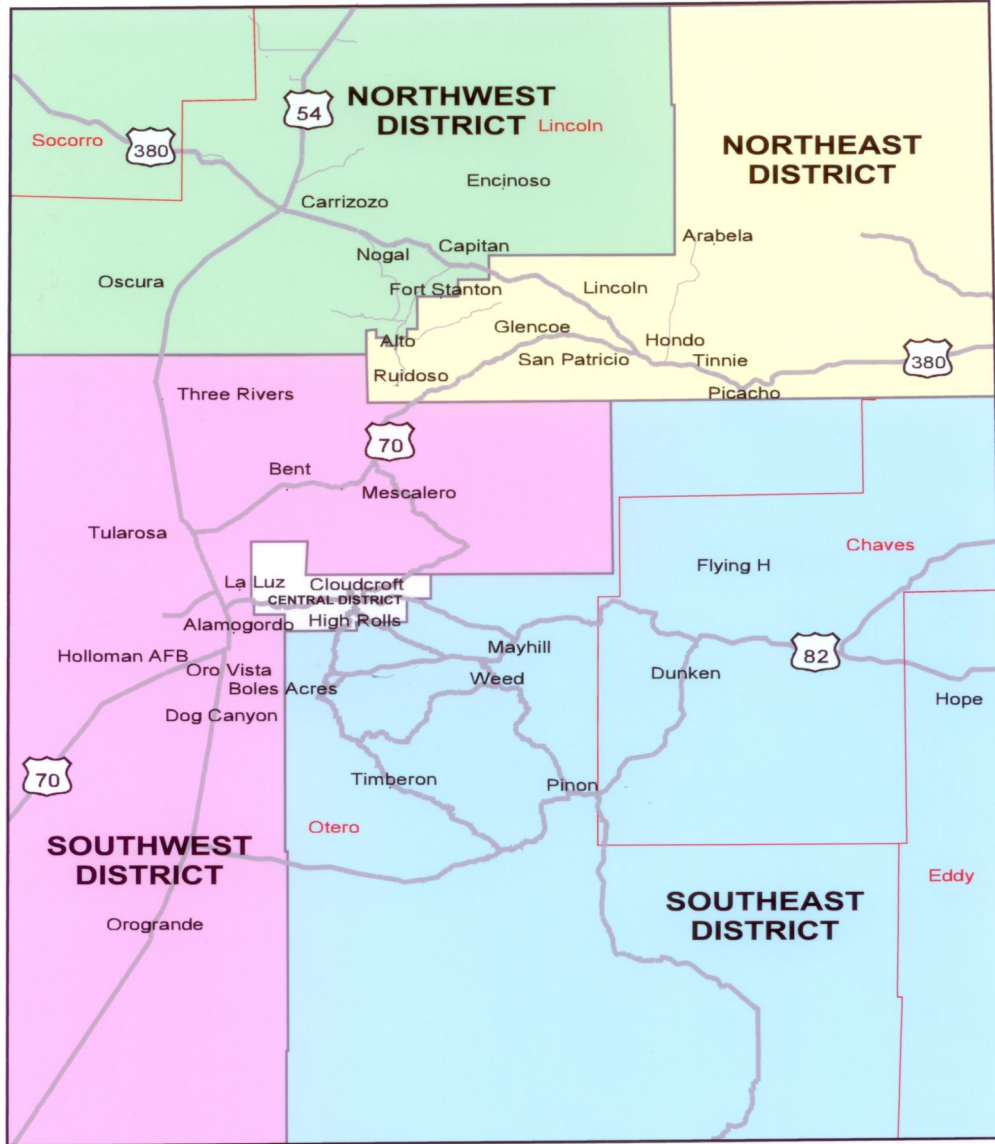
**Bill Bird**  
Trustee  
Northeast District  
Term Expires 2023



**Kenny Blazer**  
Trustee  
Southwest District  
Term Expires 2023



**Tim Rabon**  
Trustee  
Southwest District  
Term Expires 2022



**Charlie Mulcock**  
President  
Southeast District  
Term Expires 2024



**Denny Burnett**  
Vice-President  
Southeast District  
Term Expires 2022



**Scott Shafer**  
Treasurer  
Northwest District  
Term Expires 2024



**Marty Mills**  
Secretary  
Central District  
Term Expires 2022



## **Should I Report an Outage to OCEC**

Do you ever wonder if it's necessary to report your power outage to OCEC? The answer is a resounding "yes!" Read on for a perfect example why you should call.

You're sitting at home on a Sunday afternoon enjoying some TV time with the family. All of a sudden, your electricity goes out. You decide this is the perfect opportunity to take everyone outside to enjoy an afternoon walk, so out the door you go.

A few hours later, you return home, exhilarated by the sunshine you took in and the extra time with the family without any interruptions from the computer, mobile devices or the television. But, you realize that you still don't have power and haven't seen any crews out looking for what might be the cause of the outage. You decide that maybe you should call Otero County Electric to see when your service will be restored.

Your call is answered quickly and a member service representative explains that there have been no previous reports of an outage in your area. Good thing you called! Now, a line crew from OCEC can be dispatched to your location to restore your electric service and get the juice flowing again.

When your residence is out of power, we need to know; you may be the only one experiencing the outage. There can be many reasons you lose power at your home, including animal intrusion, equipment failure, storms, or transmission issues from our power supplier. No matter what the cause, it is imperative that you report your outage to OCEC as soon as you are aware of it.

When OCEC receives an outage call our intricate network of technology goes to work checking meters to help pin point the area of the problem. This advanced meter infrastructure allows the co-op to get line crews to a more precise location of the outage, depending on the number of and locations of calls received. This can decrease outage times for members by a considerable amount since crews may not have to spend extra time patrolling, looking for a cause of an outage.

## **Reporting an Outage**

The most used form of reporting an outage is by phone at 1-800-548-4660. During normal business hours, calls are answered by a member service representative in one of our offices – Cloudcroft, Alto and Carrizozo. After 5 PM and on weekends and holidays, calls are answered by an after-hours call center who dispatch line crews as soon as calls are received. Having your name, meter number or account number and street address available for the operator will insure that crews are sent to the proper location.

But there are other ways to report an outage - by using the mobile app SmartHub or by logging into your OCEC account online. These are great avenues to report your outage if you have access to them. The outage information is routed to dispatchers just as if you had called in, so you can rest assured that a crew will be headed your way.

Calling the local sheriff's or police department is not a good way to report an outage, unless of course there is a real emergency such as a vehicle hitting a utility pole and emergency medical and/or fire crews are needed.

**To report an outage, call  
1-800-548-4660**

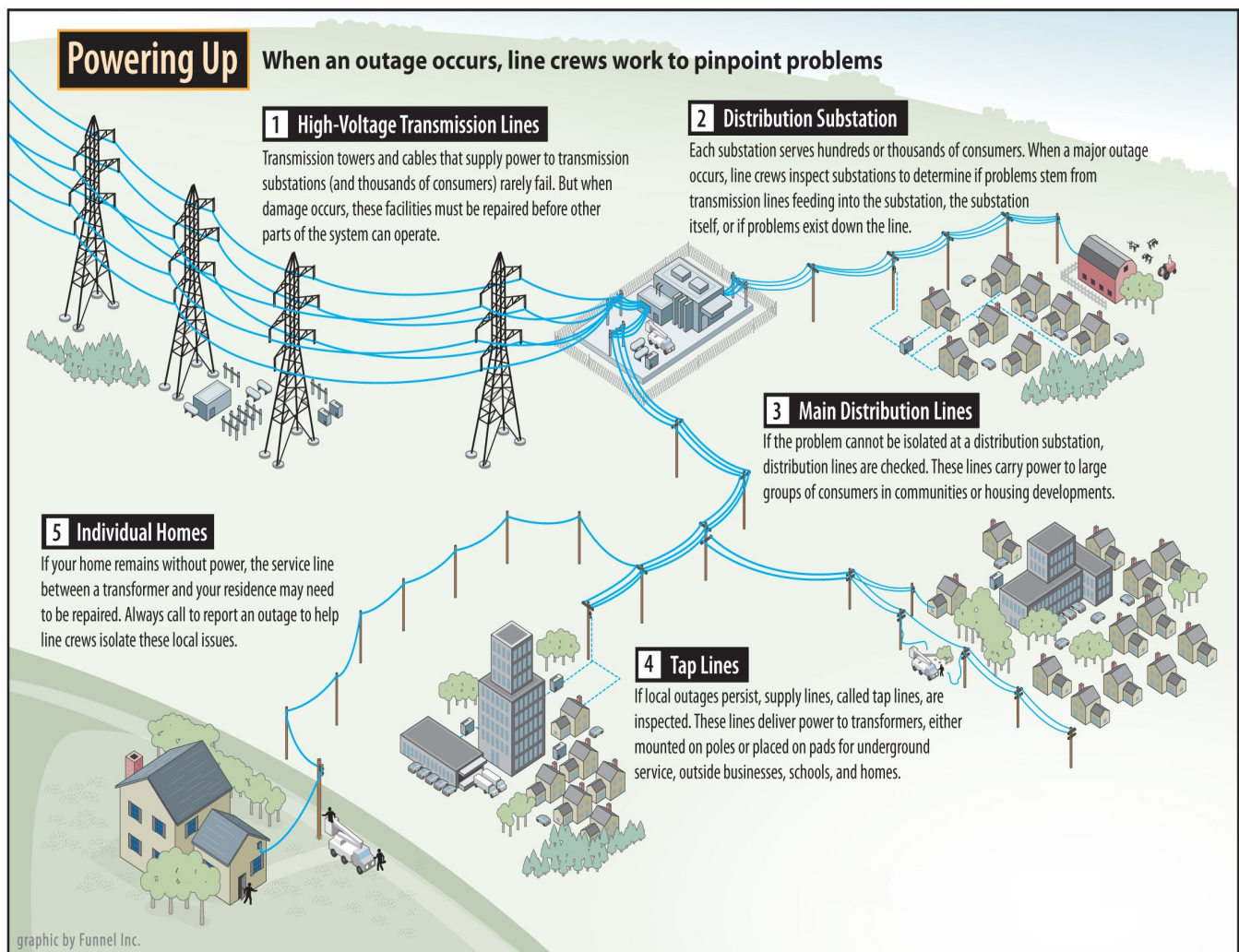
## Restoring Your Power During an Outage

When electricity goes out, most of us expect power will be restored within a few hours. But when a major storm causes widespread damage, longer outages may result. Co-op line crews work long, hard hours to restore service safely to the greatest number of consumers in the shortest time possible.

The steps your cooperative will take to restore power are:

- 1. Transmission Towers & Lines.** Tens of thousands of people could be serviced by one high-voltage transmission line, so if there is damage here, it gets attention first.
- 2. Distribution Substations.** If the problem can be corrected at the substation level, power may be restored to a large number of people.
- 3. Distribution Lines.** Once repaired, all members served by the same line could see the lights come on, as long as there is no problem farther down the system. Work is completed on the lines that affect the most members first.
- 4. Service Lines.** Sometimes damage occurs between your house and the transformer on a nearby pole. This can explain how you have no power when neighbors do.

Special Note: Individual households may receive special attention if loss of electricity affects life support systems or poses an immediate danger. Call your cooperative before an emergency arises.



## **Before You Dig**

New Mexico state law requires everyone involved in any excavation to provide at least two (2) working days notice to owners of underground facilities when a dig is planned. All facility owners are then required to mark the locations of any underground lines or take other appropriate measures to protect them.

Municipalities, pipelines, gas distribution, telecommunication, water and electric companies have underground facilities everywhere in New Mexico. Striking any one of these lines can cause service interruptions, injury, or even death. New Mexico One Call (NMOC) exists to provide the resources and educations excavators need so that every dig is a safe one.

You may contact NMOC by any of the following methods.

### **BY PHONE**

Statewide ~ Dial 811 or 1-800-321-2537

### **BY FAX**

505-260-1248 or 1-800-727-8809

### **ONLINE**

[www.nmonecall.org](http://www.nmonecall.org)

### **EMERGENCY REQUEST**

Dial 811 or 1-866-344-6662



## General Billing Information

Bills for electric service are sent out on or around the 10th day of each month for the prior month's usage. The net of the bill is payable within 20 days of the date the bill is issued. If the bill is not paid by the due date on the billing, a second billing notice is sent. If the bill is not paid by the date shown on the second billing notice, the service may be subject to disconnection for non-payment.

If the service is disconnected for non-payment, a deposit and reconnect charge, plus usage up to the date of disconnect is added to the current bill and must be paid prior to services being reconnected during regular working hours. If reconnected after hours or on weekends, an additional overtime fee is also added.

It is to every member's advantage, and greatly simplifies paper work if bills are paid on time. If for some reason, a bill cannot be paid within 20 days, please contact the office and we will try to make arrangements with you to get caught up.

Don't let it go and have the service disconnected for non-payment. This makes extra expense and inconvenience for you and extra work for your cooperative office and crew. Your cooperation in this matter is appreciated and to your advantage.



Reconnecting your own electric service after it has been disconnected for any reason is a dangerous practice and also illegal. New Mexico law makes any tampering with a meter, or attempting to steal electricity in any way, an illegal act that is punishable by fine, imprisonment or both.

## Ways to Pay Your Bill

### **Mail Your Payment**

Payments may be made by check, money order or cashier's check through the mail. Include the payment stub from your bill with your preferred form of payment, using the return envelope provided.

### **Pay at Your Local Office**

OCEC offices are open weekdays, 8 AM – 4 PM. Stop in to pay your bill and one of our friendly, member service representatives will be happy to assist you.

Cash, checks, money orders and card payments are accepted in offices located in Cloudcroft, Alto, and Carrizozo.

### **Payment Drop Box**

A drop box is available at each office location if you need to drop off a payment outside of normal business hours. Please only utilize the drop box if you have a check or money order. Including your payment stub with your payment is advised. Cash payments using this method are highly discouraged.

### **Online**

Payments may be made online by visiting [www.ocec-inc.com](http://www.ocec-inc.com). Simply click on the "Pay Online" button in the upper right hand corner of the home page. An email address and account number will be needed the first time you login.

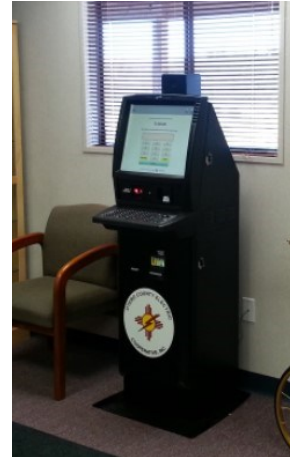
Logging into your electric account online also gives you access to usage information to help you better manage your energy consumption.

## Bill Payment Kiosk

Kiosks allow our members to pay their bill at a convenient location in their service area, without having to visit one of our offices. Payment kiosks accept cash, credit/debit cards and checks. You must have your account number to make a payment.

Payment kiosks are currently located at the following locations:

**MESCALERO**  
**Tribal Store**  
190 Chiricahua Plaza  
**Mescalero Apache Telecom Office**  
75 Carrizo Canyon Road  
**CAPITAN**  
**Smokey's Country Market**  
113 Smokey Bear Blvd.  
**TULAROSA**  
**Tularosa Travel Center**  
21 St. Francis Drive  
**CLOUDCROFT**  
**OCEC Office**  
404 Burro Avenue



Additional kiosks may be added in the future.

## By Phone

Payments by phone may be made 24 hours a day using interactive voice response system (IVR) technology that allows for a secure, yet easy way to make your payment.

Call **1-844-846-2695** to pay by card or electronic check. Please have your account number ready.

## Mobile Device

An app is available for download on your smart phone or other mobile device. The app allows you the same account access as paying online, in a convenient on-the-go format.

To download the app, search "SmartHub" in the app store or visit [www.smarthubapp.com](http://www.smarthubapp.com).



## Automatic Draft

Busy lifestyle, don't want late payments? Sign up to have your electric bill payment automatically drafted from your checking or savings account each month. OCEC offers the choice of draft dates on either the 3rd or 25th of each month.

To participate in Automatic Draft, members will need to fill out a form and submit a voided check or deposit slip. Forms are available on the website or at your local OCEC office.

## Recurring Credit Card Payment

Recurring credit card payments may be set up by calling **1-844-846-2695** and choosing Option 4 or by logging into your online electric account at [www.ocec-inc.com](http://www.ocec-inc.com) or through SmartHub on your mobile device.

## OCEC Rates

### SUMMARY OF RATES ~ EFFECTIVE JANUARY 1, 2020

Base Energy Rate for All Classes ~ \$0.082125

Note: All rates are subject to Fuel and Debt Service Adjustments

RATE CLASS	CUSTOMER CHARGE	TOTAL KWH/KW CHARGE
<b>General Service ~ Regular Rate</b>	\$30.00	
Demand Charge per kW: (1-10 kW)		\$1.25
Demand Charge per kW: (above 10 kW)		\$9.25
Energy (all kWh)		\$0.1150
<b>General Service ~ Optional Rate</b>	\$32.50	
Demand Charge per kW: (1-10 kW)		\$1.25
On Peak: 3 PM to 9 PM (12)		\$20.50
Off Peak: 9 PM to 3 PM (18)		\$3.00
Energy (all kWh)		
On Peak: 3 PM to 9 PM (12)		\$0.1319
Off Peak: 9 PM to 3 PM (18)		\$0.0944
<b>Large Power ~ Regular Rate (50 kVA or more)</b>	\$80.00	
Demand Charge per first 500 kW per billing period:		\$11.25
Demand Charge over 500 kW per billing period:		\$14.50
Energy for first 500,000 kWh per billing period:		\$0.1114
Energy over 500,000 kWh per billing period:		\$0.0893
<b>Large Power ~ Optional Rate (50 kVA or more)</b>	\$90.00	
Demand Charge per kW: (all kW)		
On Peak: 3 PM to 9 PM (11)		\$20.50
Off Peak: 9 PM to 3 PM (19)		\$4.00
Energy (all kWh)		
On Peak: 3 PM to 9 PM (11)		\$0.1242
Off Peak: 9 PM to 3 PM (19)		\$0.0992
<b>Residential Service ~ Flat Rate</b>	\$30.00	
Energy (all kWh)		\$0.1371
<b>Residential Service ~ Optional Rate</b>	\$32.50	
Energy (all kWh)		
On Peak: 3 PM to 9 PM (14)		\$0.2650
Off Peak: 9 PM to 3 PM (16)		\$0.0900
<b>Street Lighting Service ~ Monthly Charge</b>		
100 watt HPS / 42 watt LED		\$15.70
250 watt HPS / 51-75 watt LED		\$19.95
400 watt HPS / 76-110 watt LED		\$23.90
1,000 watt HPS / 300-400 watt LED		\$78.30

## Service Charges

DESCRIPTION OF CHARGE	AMOUNT
<b>Connect Charge ~ Normal Business Hours</b> Charged for all service orders, including transfers of service and new service connects.	<b>\$40</b>
<b>Connect Charge ~ Outside of Normal Business Hours (Saturday, Sunday &amp; Holidays)</b>	<b>\$200</b>
<b>Records Change</b>	<b>\$15</b>
<b>Meter Tampering ~ 1st offense</b>	<b>\$150</b>
<b>Meter Tampering ~ All subsequent offenses</b> When service is disconnected for tampering, consumer shall also be charged for actual cost of damage to utility's property, charges for kWh usage and reconnect fee.	<b>\$300</b>
<b>Trouble Call ~ Normal Business Hours</b>	<b>\$150</b>
<b>Trouble Call ~ Outside of Normal Business Hours</b> When Cooperative is requested to dispatch servicemen to consumer's premises, and trouble is found to be in consumer's appliances or facilities, or from causes over which utility has no control, trouble call charges may be added to consumer's account.	<b>\$200</b>
<b>Relocation of facilities for consumer's convenience</b>	<b>Actual Cost</b>
<b>Trip Charge</b> Charged to consumer for trip to consumer's premises to collect or disconnect for non-payment of bill, in addition to account balance	<b>\$80</b>
<b>Returned Check Processing Fee</b>	<b>\$40</b>
<b>Meter Test</b> If a meter test is requested and the meter has been tested within the past 18 months, and the meter proves to be less than two percent (2%) in error, there shall be a testing fee charged to consumer's account.	<b>\$35</b>
<b>Other Special Services Rendered by Cooperative</b>	<b>Actual Cost</b>
<b>Mailing Charges outside USA</b>	<b>Actual Cost</b>
<b>Late Fee</b> A late fee shall be applied to the balance of consumer's bills, excluding residential consumers, when said balance becomes delinquent.	<b>3% per month</b>

## Energy Efficiency Rebates

The OCEC Energy Efficiency Program will offer rebates to OCEC customers who have additional insulation or weatherization installed in their existing home or business. In addition to weatherization, OCEC is offering rebates for certain Energy Star® electric appliances and high efficiency water heaters, as well as some commercial rebates.

All requests for rebates must be submitted with completed form and receipt of purchase, as well as any documents supporting the ENERGY STAR® certification. Rebate forms may be obtained at any OCEC office or downloaded at [www.ocec-inc.com](http://www.ocec-inc.com). Below is a partial listing of rebates available; for a complete list, visit the website.

REBATE	AMOUNT
<b>HOUSEHOLD APPLIANCES</b>	
ENERGY STAR® Clothes Washer & Clothes Dryer	\$75 each /\$150 pair
ENERGY STAR® Refrigerator (Rebate varies depending on size of refrigerator)	\$50-\$200
ENERGY STAR® Freezer	\$100
ENERGY STAR® Dishwasher	\$100
ENERGY STAR® LED Television	\$100
<b>THERMOSTATS</b>	
Programmable Thermostat	\$25
Smart Thermostat	\$100
<b>REFRIGERATED COOLING</b>	
HVAC Tune-up by Qualified Technician	\$75
HVAC System installed by Qualified Technician - 16 SEER rating or higher	\$750/unit
Closed Loop Geothermal Heat Pump	\$2,000/unit
Air Source Heat Pump - 16 SEER rating or higher	\$1,000/unit
Mini-Split Heat Pump System	\$500/room
<b>EVAPORATIVE COOLING</b>	
Rebate is for a single-duct unit and must be on approved OCEC list. <u>Window units do not qualify for rebates.</u> Any questions about this rebate should be asked of OCEC personnel prior to purchase.	
Single-Duct, 12" media - see list for approved models	\$600
<b>INSULATION (Pre-installation and Post-installation Inspection May Be Required)</b>	
Improving or adding insulation	30% of material costs
<b>WINDOWS &amp; DOORS (Pre-installation and Post-installation Inspection May Be Required)</b>	
ENERGY STAR® rated Windows & Doors	25% of material costs
<b>CAULKING &amp; WEATHERSTRIPPING</b>	50% of material costs
<b>LED LIGHTING</b>	25% of cost
<b>WATER HEATING</b>	25% of cost
Electric Water Heater - .93 UEF or higher	
ENERGY STAR® Heat Pump Water Heater - HP setting only	
<b>ELECTRIC VEHICLE CHARGER (Additional program details available in separate publication)</b>	<b>Provided by OCEC</b>
<b>OUTDOOR POWER EQUIPMENT (Additional program details available on website)</b>	
Electric Mower or Snow Blower (36 volt minimum)	25% of cost up to \$100
Electric Trimmer, Chainsaw, Pruner or Blower (18 volt minimum)	25% of cost up to \$50



## OCEC Extras

As a member of OCEC, you will receive certain extras from us at no charge. These extra service include

### **1. Member Services Department**

By calling our offices and asking for Member Services, you will be able to obtain the following:

- Questions answered concerning your billing.
- Detailed reports on electric usage at your home.
- A walk-through energy audit at your home or business.
- Energy conservation measures.
- Recommendations when buying new appliances.
- Programs presented to schools, civic groups and other organizations.

### **2. Enchantment Paper**

The Enchantment newspaper is mailed to you each month. This paper is published by our statewide organization in Santa Fe, NM and includes articles about the cooperatives throughout New Mexico; and Tri-State Generation and Transmission Cooperative, Inc.—the supplier of electricity to the majority of the cooperatives in New Mexico. The back page of the paper provides OCEC related information and tips on energy conservation.

# *enchantment*

The Voice of New Mexico's Rural Electric Cooperatives

### **3. PowerGram**

This monthly newsletter is included with the consumer monthly billing. The Power-Gram is published by the Member Services Department. You will find safety tips and energy conservation tips as well as information on community happenings, employee information and general information about your cooperative.



# **Bylaws and Articles of Incorporation of the OTERO COUNTY ELECTRIC COOPERATIVE, INC. Amended August 7, 2021**

## **ARTICLE I-MEMBERSHIP**

**SECTION 1. Membership.** Any natural person, firm, association, corporation, business, trust, partnership, federal agency, state or political subdivision or agency thereof or any body politic (hereinafter called 'person') located in the area served by Otero County Electric Cooperative, Inc. (hereinafter called the 'Cooperative') may receive electric service as a member of the Cooperative or as a member of the general public, upon request and upon meeting such rules, regulations, practices, acts or requirements from time to time established by the Cooperative relating to the availability and terms of electric service. Unless otherwise specified in the application for electric service, each person shall be deemed to be also an applicant for membership in the Cooperative, agreeing to purchase from the Cooperative electric energy according to the terms of any service agreement by and between such person and the Cooperative and according to rates and service regulations established by the Cooperative in accordance with the Public Utility Act as amended and the Rural Electric Cooperative Act as amended and agreeing to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative consistent with said Acts. No person shall become or remain a member of the Cooperative unless such person shall agree to use electric energy furnished by the Cooperative when such electric energy shall be available through its facilities. Membership in the Cooperative shall not be transferable and no person may hold more than one membership in the Cooperative. Upon compliance with the above terms, a person becomes a member of the Cooperative upon receipt of electric service.

**SECTION 2. Termination of Membership.** Upon the withdrawal, death, cessation of existence or expulsion of a member or if a member shall fail or refuse to use electric energy made available by the Cooperative or if electric energy shall not be made available to such person by the Cooperative within any period after such person shall have become a member as may be specified in the service agreement, the membership of such person shall thereupon terminate. The Board of Trustees of the Cooperative may, by the affirmative vote of not less than two-thirds of all the Trustees, expel any member who shall have refused or failed to comply with any of the provisions of the Articles of Incorporation, Bylaws, or rules or regulations adopted by the Board of Trustees, but only if such member shall have been given written notice by the Secretary of the Cooperative that such refusal or failure makes him 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 a majority vote of the Board of Trustees or by a majority vote, after hearing, of the members at any annual or special meeting. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

## **ARTICLE II- RIGHTS AND LIABILITIES OF MEMBERS**

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

- (a) All debts and liabilities of the Cooperative shall have been paid, and
- (b) All capital furnished through patronage shall have been retired as provided in these Bylaws,

the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all such members, unless otherwise provided by law.

**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. Annual Meeting.** The Annual meeting of the members shall be held during the month of

August of each year, on such date and at such place or places and times within the service area of the Cooperative, which the Board of Trustees may select and designate, and shall be designated in the notice of meeting. In the event that the Board of Trustees determines that holding an annual meeting in multiple locations is in the best interests of the membership, then the same requirements for member participation and voting will be applied at each of the designated locations and the meeting may proceed with some locations participating through electronic media. In such circumstances, the Board of Trustees shall provide notice of the designated locations and the procedures to be utilized to assure member participation in the meeting at each such location, including utilization of the same voting procedures at each location. Failure to hold the Annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative. The Board of Trustees has the authority to cancel or postpone any meeting of the Cooperative in circumstances where the conduct of the meeting would pose a threat to the public health, safety or welfare.

**SECTION 2. Special Meetings.** Special meetings of the members may be called by the Board of Trustees, by any three Trustees, by not less than ten per centum of the members, or by the President, and the meeting shall be held at the place or places as may be designated in the petition.

**SECTION 3. Notice of Members' Meetings.** Written or printed notice stating the place or places, day and hour of the meeting, and in case of a special meeting or an annual meeting at which business other than that listed in SECTION 6 of this article is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than twenty-five (25) 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 the duty by the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. 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.** Two percent of all members present in person at the time and place or places designated for a meeting, in aggregate, shall constitute a quorum for the transaction of business at all meetings of the members. If less than a quorum is present at any meeting, a majority of those present may adjourn the meeting from time to time without further notice.

**SECTION 5. Voting.** Each member shall be entitled to only one vote. Voting by proxy shall not be allowed. Except for voting on the election of Trustees, all questions shall be decided by a vote of the majority of the members voting thereon in person, except as otherwise provided by law, the Articles of Incorporation, or these Bylaws.

**SECTION 6. Order of Business.** The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows: 1) Report the existence of a quorum. 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 and the taking of necessary action thereon. 4) Presentation and consideration of reports of officers, Trustees and committees. 5) Election of Trustees. 6) Unfinished business. 7) New business. 8) Adjournment.

## **ARTICLE IV- BOARD OF TRUSTEES**

**SECTION 1. Number.** The Board of Trustees shall be composed of ten members.

**SECTION 2. Qualifications and Tenure of Trustees.** The area served by the Cooperative is hereby divided into five Trustee districts as follows:

**Northwest District (NW)** encompasses all the area served by the Cooperative North and West of the boundary described hereinafter: Beginning with the 2nd Standard Parallel South, which is the Southern boundary of Township 10 South, and coincides with the Lincoln-Otero County Line, as a Southern limit on the Western side. Follow this line to a point which is the Southeastern Corner of T10S, R12E. From this point go

North along the East boundary of R12E to a point that is the Southwest corner of Section 19, T10S, R13E, thence East along the Southern boundaries of Sections 19, 20, 21, 22, 23 and 24, all in T10S, R13E, thence continuing East along the Southern boundaries of Sections 19, 20, 21, 22, 23 and 24, all in T10S, R14E, to a point on the Eastern boundary of Range 14 East which is the Southeast corner of Section 24, T10S, R14E. Thence North along the Eastern boundary of Range 14 East to a point that is the Southeastern corner of T8S, R14E. Thence East along the South boundary of Township 8 South to a point that is the Southeastern corner of T8S, R17E. Thence North along the East boundary of Range 17 East to the Northeastern corner of T6S, R17E where upon the boundary offsets West to the Southeastern corner of T5S, R16E, and continues North along the Eastern boundary of Range 16 East.

**Northeast District (NE)** encompasses all of the area served by the Cooperative North and East of the boundary described hereinafter: Beginning with the Southern boundary of Township 13 South as a Southern limit on the East side and continue West along this boundary to a point on the Eastern boundary of the Mescalero Apache Indian Reservation that is a common point on the Otero, Chaves, and Lincoln County lines and is also the Southwestern corner of T13S, R17E. Then North along the Western boundary of Range 17 East, which is also the Eastern boundary of the Mescalero Reservation, to a point that is the Southwestern corner of T11S, R17E, and a Northeastern corner of the Mescalero Reservation. Thence West along the Southern boundary of Township 11 South which is also a Northern boundary of the Mescalero Reservation to a point that is the Southwestern corner of T11S, R13E. This is also a point at which the Mescalero Reservation boundary turns North. From this point the district boundary goes North along the Western boundary of Range 13 East to a point that is the Southwest corner of Section 19, T10S, R13E, thence East along the Southern boundaries of Sections 19, 20, 21, 22, 23 and 24, all in T10S, R13E, thence continuing East along the Southern boundaries of Sections 19, 20, 21, 22, 23 and 24, all in T10S, R14E, to a point on the Western boundary of Range 15 East which is the Southeast corner of Section 24, T10S, R14E. Thence North along the Western boundary of Range 15 East to a point that is the Northwestern corner of T9S, R15E. Thence East along the Northern boundary of Township 9 South to a point that is the Southeast corner of T8S, R17E. Thence North along the Western boundary of Range 18 East to a point that is the Northwestern corner of T6S, R18E, whereupon the boundary offsets West to the Southwestern corner of T5S, R17E and continues North along the Western boundary of Range 17 East.

**Central District (CN)** encompasses all the area served by the Cooperative within the boundaries described hereinafter: Beginning at a point on the Western boundary of Range 11 East and at the Northwest corner of Section 19, T14S, R11E. Thence South along the Western boundary of Range 11 East to a point that is the Southwest corner of Section 31, T15S, R11E. Thence East along the Third Standard Parallel South that is also the Southern boundary of Township 15 South to a point that is the Northwestern corner of Section 6, T16S, R11E. Thence South along the Western boundary of Range 11 East to a point that is the Southwestern corner of Section 31, T16S, R11E, and is also the Southwestern corner of Township 16 South, Range 11 East. Thence East along the Southern boundary of Township 16 South to a point that is the Southeastern corner of Section 36, T16S, R11E, and is also the Southeastern corner of Township 16 South, Range 11 East. Thence North along the Eastern boundary of Range 11 East to a point that is the Northeastern corner of Section 13, T16S, R11E. Thence East along the Southern boundaries of Sections 7, 8, 9, 10, 11 & 12 all in the T16S, R12E, to a point that is the Southeastern corner of Section 12, T16S, R12E. Thence North along the Eastern boundary of Range 12 East to a point that is the Northeastern corner of T16S, R12E. Thence East along the Third Standard Parallel South that is also the Southern boundary to Township 15 South to a point that is the Southeastern corner of T15S, R13E. Thence North along the Eastern boundary of Range 13 East to a point on the Southern boundary of the Mescalero Apache Indian Reservation that is also the Northeastern corner of Section 24, T15S, R13E. Thence West along the Southern boundary of the Mescalero Reservation to a Southwestern corner of the Mescalero Reservation that is also the Southeastern corner of Section 13, T15S, R11E. Thence North along a Western boundary of the Mescalero Reservation that is also the Eastern boundary of Range 11 East to a point that is the Northeastern corner of Section 24, T14S, R11E. Thence West along the Northern boundaries of Section 24, 23, 22, 21, 20 & 19, all in T14S, R11E, to a point that is the Northwestern Corner of Section 19, T14S, R11E, and is the point of beginning.

**Southwest District (SW)** encompasses all the area served by the Cooperative South and West of the boundary hereinafter described: Beginning with the Second Standard Parallel South which is the Northern boundary of Township 11 South and coincides with the Lincoln-Otero County Line, as a Northern limit on the Western side. Follow this line to a point which is the Northeastern corner of T11S, R12E.

Thence South along the Eastern boundary of Range 12 East which is also an Eastern boundary of the Mescalero Apache Indian Reservation to a point that is the Northeastern corner of T12S, R12E. Thence East along the Northern boundary of Township 12 South, which is also a Northern boundary of the Mescalero Reservation, to a point which is the Northeastern corner of T12S, R16E and is also a Northeastern corner of the Mescalero Reservation. Thence South along the Eastern boundary of Range 16 East, which is also the Eastern boundary of the Mescalero Reservation, to a point which is the Southeastern corner of Section 13, T15S, R16E, and is also the Southeastern corner of the Mescalero Reservation. Thence West along the Southern boundary of the Mescalero Reservation to a Southwestern corner of the Mescalero Reservation that is also the Southeastern corner of Section 13, T15S, R11E. Thence North along a Western boundary of the Mescalero Reservation that is also the Eastern boundary of Range 11 East to a point that is the Northeastern corner of Section 24, T14S, R11E. Thence West along the Southern boundaries of Sections 13, 14, 15, 16, 17 & 18, all in T14S, R11E, to a point on the Eastern boundary of Range 10 East, which is the Southwestern corner of Section 18, T14S, R11E. Thence South along the Eastern boundary of Range 10 East which is the Southwestern corner of Section 18, T14S, R11E. Thence South along the Eastern boundary of Range 10 East to a point on the Third Standard Parallel South, which is the Southeastern corner of T15S, R10E. Thence East along the Third Standard Parallel South, which is the Northern boundary of Township 16 South, to a point which is the Northeastern corner of Township 16 South, Range 10 East. Thence South along the Eastern boundary of Range 10 East to a point that is the Southwestern corner of Township 16 South, Range 11 East. Thence East along the Northern boundary of Township 17 South to a point that is the Northeastern corner of Section 4, T17S, R11 E. Thence South along the Eastern boundaries of Sections 4, 9, 16, 21, 28, & 33, all in T17S, R11 E, and along the Eastern boundaries of the same sections in all Townships South of this point in Range 11 East.

**Southeast District (SE)** encompasses all of the area served by the Cooperative South and East of the boundary described hereinafter. Beginning with the northern boundary of Township 14 South as a Northern limit on the East side and continue West along this boundary to a point on the Eastern boundary of the Mescalero Apache Indian Reservation. This is a common point on the Otero, Chaves, and Lincoln County Line and is also the Northwestern corner of T14S, R17E. Thence South along the Western boundary of Range 17 East, which is also the Eastern boundary of the Mescalero Reservation, to a point that is the Southeastern corner of the Mescalero Reservation and is also the Southeastern corner of Section 13, T15S, R16E. Thence West along the Southern boundary of the Mescalero Reservation to a point on the Western boundary of Range 14 East in Township 15 South that is the Northwest corner of Section 19, T15S, R14E. Thence South along the Western boundary of Range 14 East to a point on the Third Standard Parallel South that is the Southwestern corner of Section 31, T15S, R14E. Thence West along the Third Standard Parallel South that is also the Northern boundary of Township 16 South to a point that is the Northwestern corner of Section 6, T16S, R13E. Thence South along the Western boundary of Range 13 East to a point that is the Northwest corner of Section 18, T16S, R13E. Thence West along the Northern boundaries of Sections 13, 14, 15, 16, 17, & 18 all in T16s, R12E to a point that is the Northeastern corner of Section 13, T16S, R11E. Thence South along the Eastern boundary of Range 11 East to a point that is the Southeastern corner of Section 36, T16S, R11E, and is also the Southeastern corner of Township 16 South, Range 11 East. Thence West along the Southern boundary of Township 16 South to a point that is the Northeastern corner of Section 4, T17S, R11E. Thence South along the Eastern boundaries of Sections 4, 9, 16, 21, 28, & 33 all in T17S, R11E, and along the Eastern boundaries of the same Section in all townships south of this point in Range 11 East.

The Board of Trustees will review the boundaries of the districts prior to the annual meeting in 1994 and will propose at the 1994 annual meeting amendments to the Bylaws to adjust the boundaries of the districts if the Board deems such adjustments necessary. Thereafter, the Board shall consider the boundaries and, if necessary, propose adjustments to the Bylaws at every fifth annual meeting. Two Trustees shall be elected for each district by vote of the members present at the meeting and residing in such district. Trustees shall be elected by a plurality of the votes cast for each Trustee position. In the event of a tie vote, the tie will be broken by the toss of a coin. The ground rules of such a coin toss will be determined by the Chairman of the meeting, who may not be one of the candidates involved in the tie vote. The persons qualified and elected as Trustees shall compose the Board of Trustees until the successors shall have been elected and shall have qualified. If the election of Trustees shall not be held on the day designated herein for the annual meeting or at any adjournment thereof, the incumbent Trustees shall hold office until the next following annual meeting of the members or until a special meeting of the members shall be held for the purpose of electing

the Trustees if such special meeting is called. Trustees shall be elected by districts at each annual meeting of the members beginning with the year of 1981, by and from the members, who serve for three years or until their successors have been elected and shall have qualified with the following exceptions: Trustees at the 1981 annual meeting shall be elected only for the districts of Trustees whose terms will expire in 1981. Trustees whose terms do not expire in 1981 shall continue to serve until their term does expire at which time Trustees shall be elected for those districts. No person shall be eligible to become or remain a Trustee or to hold any position of trust in the Cooperative who:

(a) is not a member of the Cooperative; or

(b) is not a bona fide resident of the district for which he is elected; or

(c) is anyway employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures, or supplies to the members of the Cooperative; or otherwise have any financial interest in the Cooperative other than as consumer of electric services or one entitled to capital credits or receiving Trustee benefits; or

(d) is absent from three (3) or more consecutive meetings of the Board of Trustees without having a bona fide reason, said reason to be determined by the remaining Trustees, and any Trustee so removed by and under this SECTION shall be notified by the Board of Trustees; or

(e) shall refuse or fail to fulfill his or her fiduciary duty to the Cooperative.

Upon establishment of the fact that a Trustee is holding office in violation of any of the foregoing provisions it shall immediately become incumbent upon the Board of Trustees to remove such Trustee from office. Nothing contained in this SECTION shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Trustees.

**SECTION 3. Nominations.** Nominations for Trustees to be elected shall be by Petition signed by fifteen or more members acting together, and who are bona fide residents of the district for which the nomination is made. The Petition shall be filed not less than twenty-five (25) days or more than forty-five (45) days before the date of the Meeting of the Members in which Trustees are to be elected. Nominations for the position of Trustee from the floor, at the annual Meeting of Members, is not allowed. The secretary shall include with the notice of the meeting, at least ten (10) days before the date of the meeting, a statement of the number of Trustees to be elected and the names and addresses of the candidates. 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 Trustee.

**SECTION 4. Removal of Trustees by Members.** Any member may bring charges against a Trustee 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 Trustee by reason thereof. The Trustee 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 of the charges; and the person or persons bringing the charge against him shall have the same opportunity. The question of the removal of such Trustee shall be considered and voted upon at the next regular or special meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

**SECTION 5. Vacancies.** Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of Trustees by the members, a vacancy occurring on the Board of Trustees shall be filled by the affirmative vote of a majority of the remaining Trustees for the unexpired portion of the term of the Trustee in respect of whom the vacancy occurs.

**SECTION 6. Compensation.** Trustees as such shall not receive any salary for their services, but by resolution of the Board of Trustees a fixed sum and expenses of attendance, if any, may be allowed for attendance at each Board approved meeting attended as a member of the Board of Trustees. No Trustee shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a Trustee receive compensation for serving the Cooperative, unless specifically authorized by a vote of the members or by two-thirds vote of the Board of Trustees voting and participating other than the Trustee affected. However, the Cooperative shall provide Trustees and their dependents the same medical, health

and hospitalization insurance benefits furnished to other Cooperative employees, provided that the Cooperative may only furnish such benefits to the Trustees during the terms in office.

## **ARTICLE V- MEETINGS OF TRUSTEES**

**SECTION 1. Regular Meetings.** A regular meeting of the Board of Trustees shall be held without notice other than this Bylaw requirement, immediately after and at the same place as, the Annual meeting of the members. A regular meeting of the Board of Trustees shall also be held at such time and place in the State of New Mexico as the Board of Trustees may provide by resolution. Such regular meeting 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 Trustees may be called by the President or by any three Trustees, 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 Trustees calling the meeting shall fix the time and place (which shall be in the State of New Mexico), for the holding of the meeting.

**SECTION 3. Notice of Trustees Meetings.** Written notice of the time, place and purpose of any special meeting of the Board of Trustees shall be delivered not less than five (5) days previous thereto, either personally, by mail, or by electronic mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President of the Trustees calling the meeting, to each Trustee. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Trustee at his address as it appears on the records of the Cooperative, with postage thereon prepaid.

**SECTION 4. Quorum.** A majority of the Board of Trustees shall constitute a quorum, provided, that if less than such majority of the Trustees is present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent Trustee of the time and place of such adjourned meeting. The act of the majority of the Trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees. For the purpose of this SECTION, Trustees are considered present if physically present or participating orally via telecommunications.

## **ARTICLE VI- OFFICERS**

**SECTION 1. Number.** The officers of the Cooperative shall be a 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 Trustees at the meeting of the Board of Trustees 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 Trustees 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 Trustees for the unexpired portion of the term.

**SECTION 3. Removal of Officers and Agents.** Any officer or agent elected or appointed by the Board of Trustees may be removed by the Board of Trustees whenever, in its judgment, the best interest 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 percent of the members, and request 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 to present evidence in respect of the charges; and the person or persons bringing the charges against the Officer 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 executive officer of the Cooperative and, unless otherwise determined by the members or the Board of Trustees, shall preside at all meetings of the members and the Board of Trustees.

(b) sign, with the Secretary, any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Trustees to be executed, except in cases in which the signing and exe-

cution thereof shall be expressly delegated by the Board of Trustees 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 Trustees 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 by the Board of Trustees.

**SECTION 6. Secretary.** The Secretary shall be responsible for:

(a) keeping the minutes of the meetings of the members and of the Board of Trustees;

(b) seeing that all notices are duly given in accordance with these Bylaws or as required by law;

(c) the safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative 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) keeping records of the names and post office addresses of all members;

(e) keeping on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and, at the expense of the Cooperative, furnishing a copy of the Bylaws and of all amendments thereto to any member upon request; and

(f) in general performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Trustees.

**SECTION 7. Treasurer.** The Treasurer shall be responsible for:

(a) custody of all funds and securities of the Cooperative;

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

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

**SECTION 8. Manager.** The Board of Trustees may appoint a Manager to perform such duties and exercise such authority as the Board of Trustees may from time to time vest in him.

**SECTION 9. Bonds of Officers.** The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property may be bonded in such sum and with such surety as the Board of Trustees may determine. The Board of Trustees in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded in such amount and with surety as it shall determine.

**SECTION 10. Compensation.** The powers, duties, and compensation of any officers, agents and employees shall be fixed by the Board of Trustees.

**SECTION 11. 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-LIABILITY AND INDEMNIFICATION**

**SECTION 1. Trustees' Limited Liability.** A Trustee shall not be personally liable to the Cooperative or to its members for monetary damages for breach of fiduciary duty as a Trustee unless:

(a) the Trustee has breached or failed to perform the duties of his office in compliance with Section 62-15-9.1, NMSA 1978; and

(b) the breach or failure to perform constitutes willful misconduct or recklessness.



**SECTION 2. Officers' and Trustees' Indemnification.** Subject to SECTIONS 4, 5, and 6 of this Article VII, the Cooperative shall indemnify any person who is or was a Trustee or an elected or appointed Officer of the Cooperative and any person, who, while a Trustee or officer of the Cooperative, is or was serving at the request of the Cooperative as a director, officer, partner, Trustee, employee or agent of another cooperative or of a foreign or domestic corporation or nonprofit corporation, partnership, joint venture, trust, unincorporated association, other incorporated or unincorporated enterprise or employee benefit plan or trust, and who is made a party to any action, suit or proceeding, civil or criminal, by reason of holding or having held such an office or position.

**SECTION 3. Employees' and Agents' Indemnification.** Subject to SECTIONS 4, 5, and 6 of this Article VII, the Cooperative shall indemnify any person other than a Trustee or an Officer acting as such who has or had an employment or agency relationship with the Cooperative and who is made party to any action, suit or proceeding, civil or criminal, by reason of serving during the course of such relationship, including service at the request of the Cooperative as a director, officer, partner, Trustee, employee or agent of another cooperative or of a foreign or domestic corporation or nonprofit corporation, partnership, joint venture, trust, unincorporated association, other incorporated or unincorporated enterprise or employee benefit plan or trust.

**SECTION 4. Indemnification Disqualification.** The Trustee, Officer or other person shall not be indemnified if they shall be adjudged to be liable on the basis that they breached or failed to perform the duties of his office or position and the breach or failure to perform constitutes willful misconduct or recklessness. The Trustee, Officer or other person shall, further, not be indemnified in respect to any proceeding charging improper personal benefit to him, whether or not involving action in their official capacity, in which he shall have been adjudged to be liable on the basis that personal benefit was improperly received.

There shall be no indemnification of a person, other than a Trustee, unless the board of Trustees finds that the indemnity:

- (a) acted in good faith;
- (b) reasonably believed that he was acting in the course of his office, employment or agency and in a manner to be in or at least not opposed to the best interests of the Cooperative; and
- (c) in the case of any criminal proceeding, had no reasonable cause to believe the person's conduct was unlawful. Termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, be determinative that the person is disqualified from receiving indemnification.

**SECTION 5. Indemnification Amount.** Indemnification shall, pursuant to SECTION 2, and may, pursuant to SECTION 3, be made against judgments, penalties, fines, settlements, and compromises, cost and expenses, including attorney's fees, reasonably incurred by or on behalf of the indemnity in connection with the defense of such proceeding. Reasonable expenses incurred by a Trustee, officer or other person who is a party to a proceeding may be paid or reimbursed by the Cooperative in advance of the final disposition of such proceeding if:

- (a) such person furnished the Cooperative a written affirmation of his good faith belief that he is not disqualified from receiving indemnification under SECTION 4 of this Article VII;
- (b) such persons furnished the cooperative a written undertaking by or on behalf of the person to repay such amount if it shall ultimately be determined that he is disqualified or, in the case of a person other than a Trustee or an Officer acting as such, not fully indemnified in the board of Trustee's discretion; and
- (c) a determination is made that the facts then known to those making the determination would not preclude indemnification.

**SECTION 6. Indemnification Procedure.** No indemnification under SECTIONS 2 and 3 shall be made unless authorized in the specific case after a determination has been made that indemnification is permissible in accordance with the Rural Electric Cooperative Act and this Article VII. Such determination shall be made:

- (a) by the board of Trustees by a majority vote of a quorum of Trustees not at the time parties to the proceeding;
- (b) if such a quorum cannot be attained, by a majority vote of a committee of the board of Trustees

duly designated to act in the matter by a majority vote of the Board of Trustees, in which designated Trustees who are parties may participate, and consisting solely of two or more Trustees not at the time parties to the proceeding.

(c) by special legal counsel, selected by the board of Trustees or a committee thereof by vote as set forth in paragraph (a) or (b) of this SECTION 6 or, if the requisite quorum of the full board of Trustees cannot be obtained therefore and such committee cannot be established, by a majority vote of the full board of Trustees, in which selection Trustees who are parties may participate; or

(d) pursuant to a resolution of a majority of the members present and voting at any Annual or Special meeting. Authorization of indemnification and determination as to the amount shall be made in the same manner as the permissibility determination, except that if the permissibility determination is made by a special legal counsel, authorization and amount determination shall be made in a manner specified in sub-section (c) of this SECTION 6 for the selection of such counsel.

would not preclude indemnification.

**SECTION 7. Employee Benefit Plans.** For the purpose of this Article VII, the Cooperative shall be deemed to have requested a person to serve as a director, Trustee, employee or agent of an employee benefit plan or trust whenever the performance of his duties to the Cooperative also imposes duties of him or otherwise involves his services to the plan or trust or the participants or beneficiaries of the plan or trust; excise taxes assessed on him with respect to an employee benefit plan or trust pursuant to applicable law shall be deemed “fines”; and action taken or omitted with respect to an employee benefit plan or trust in the performance of duties for a purpose reasonably believed to be in the interest of the participants and beneficiaries of the plan or trust shall be deemed to be for a purpose which is not opposed to the best interests of the Cooperative and to be neither willful misconduct or reckless.

**SECTION 8. Insurance and Similar Protection.** The board of Trustees may purchase and maintain insurance or furnish similar protection, including but not limited to providing a trust fund, a letter of credit or self-insurance, on behalf of any person who is or was a Trustee, officer, employee or agent of the Cooperative or who, while a Trustee, Officer, employee or agent of the Cooperative, is or was serving at the request of the Cooperative as a director, Officer, partner, Trustee, employee or agent of another cooperative or a foreign or domestic corporation, partnership, joint venture, trust, unincorporated association, other incorporated or unincorporated enterprise or employee benefit plan or trust, against any liability asserted against and incurred by the person in such capacity or arising out of that person’s status as such, whether or not the Cooperative could indemnify the person against such liability under the provisions of this Article VII.

**SECTION 9. Non-Exclusive.** The indemnification authorized by this Article VII shall not be deemed exclusive of any other rights to which these seeking indemnification may be entitled under an agreement approved by the board of Trustees, a resolution of the members or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office or position, and shall continue as to a person who has ceased to be a Trustee, officer, employee or agent and inure to the benefit of his personal representatives and heirs.

## **ARTICLE VIII: NON PROFIT OPERATIONS**

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

**SECTION 2. Patronage Capital.** allocated in connection with the furnishing of electric energy. In the furnishing of electric energy, the Cooperative’s operations shall be so conducted that all patrons, members and non-members alike, will, through their patronage, furnish capital for the Cooperative. 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 the furnishings of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of

receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. 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 furnished by 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 credited to his account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital. All other amounts received by the Cooperative from its operation in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons on an electric energy patronage basis and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired with 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 Trustees shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be made at such times in such amounts, and in such manner as the Board of Trustees may, from time to time, determine and prescribe, subject, however, to the security provisions of outstanding loan documents of the corporation and to the rules, regulations and restrictions promulgated by the Rural Utility Services. Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or a part of such patrons' premises served by the Cooperative unless the Board of Trustees, acting under policies of general application, shall determine otherwise. The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws 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 posting in a conspicuous place in the Cooperative's office.

**SECTION 3. Pursuant to 7-8-6, N.M.S.A. 1978 Comp.** Any unclaimed capital credit payments to patrons shall be used for educational scholarships of members or their immediate families or for such other charitable uses as determined by the Board of Trustees. The Board of Trustees shall provide for the management and distribution of the unclaimed capital credit payments which shall include the authority to set up educational and charitable trusts as the Board of Trustees may deem appropriate.

A patron shall be deemed to have made an irrevocable gift to the Cooperative of the patron's capital credit payment if the patron fails to claim the capital credit payment within two years after the Cooperative has mailed, postage pre-paid, to the last known address of the patron as furnished to the Cooperative. Any gifts of capital credit of this provision shall be used for educational and charitable purposes as set forth in this SECTION.

## **ARTICLE IX- DISPOSITION OR ENCUMBRANCE OF PROPERTY**

**SECTION 1.** The Cooperative may not sell or otherwise dispose of all, or any substantial portion of its property, unless such sale is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds of all the members of the Cooperative and unless the notice of such sale shall have been contained in the notice of the meeting.

**SECTION 2.** The Board of Trustees of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages

or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative whether acquired or to be acquired, and wherever situated, as well as the revenues and income there from, or upon such terms and conditions as the Board of Trustees determine, to secure any indebtedness of the Cooperative.

## **ARTICLE X- FINANCIAL TRANSACTIONS**

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

**SECTION 2. Checks, Drafts, etc.** 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 of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

**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 Trustees may select.

**SECTION 4. Fiscal Year.** The fiscal year of the Cooperative shall begin on the first day of January of each year and end on the thirty-first day of December of the same year.

## **ARTICLE XI- MISCELLANEOUS**

**SECTION 1. Waiver of Notice.** Any member or Trustee may waive in writing, any notice of a meeting required to be given by these Bylaws. The attendance of a member or Trustee at any such meeting shall constitute a waiver of notice of such meeting by such member or Trustee, except in case a member or Trustee 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 2. Rules and Regulations.** The Board of Trustees shall have power to make and adopt such 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 3. Accounting System and Reports.** The Board of Trustees shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may, from time to time, be designated by the Administrator of the Rural Electrification Administration of the United States of America. The Board of Trustees shall also, after the close of each fiscal year, cause to be made by a Certified Public Accountant a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit shall be submitted to the members at the next following annual meeting.

**SECTION 4. 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 Mexico'.

**SECTION 5. Board Committees.** The board of Trustees may create committees consisting partially or wholly of others than Trustees and, by resolution adopted by a majority of its full membership, designated from among its members one or more board committees, including an executive committee. The Board of Trustees shall, from time to time, designate the authority of any such committee except that no such committee shall have authority to take any action on behalf of the board of Trustees to retire the capital credited to members' accounts or in any matter which, under the Articles of Incorporation, these Bylaws or the Rural Electric Cooperative Act, requires the members' approval, such as merger, consolidation, dissolution or the disposi-

tion of all or any substantial portion of the Cooperative's property (other than encumbrances to secure the Cooperatives indebtedness).

**SECTION 6. Enchantment.** The Board of Trustees is authorized to subscribe to enchantment magazine for the individual consumers of the Cooperative at an annual subscription rate of between \$4.00 to \$8.00, and such subscription shall be paid by the Cooperative's members through the electric rates as would any other expense of the Cooperative.

## **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.

NOTE: The original Bylaws were adopted at the first meeting of the Board of Trustees held on the 18th day of October, 1939, and portions of the Bylaws have been amended at the Annual meetings of the membership from time to time through the years since 1939.

## **Non-Discrimination Statement**

Otero County Electric Cooperative, Inc. is the recipient of Federal financial assistance from the US Department of Agriculture (USDA). The USDA prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program (not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET CENTER at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410, or call toll free (866) 632-9992 (voice) or (800) 877-8339 (TDD) or (866) 377-8642 (relay voice users). USDA is an equal opportunity provider and employer.



# We're Here for You

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575-648-2848 (FAX)

Office Hours ~ Weekdays from 8 AM to 5 PM, excluding holidays;  
however, the Lobby of each office closes at 4 PM



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