

CLINTON COUNTY ELECTRIC COOPERATIVE'S

Illinois Country Living

MARCH 2016 • ICL.COOP

— Attend the —

Clinton County Electric Cooperative **ANNUAL MEETING**

Thursday, March 17, 2016

Central Community High School • Route 50 West • Breese, IL 62230

\$10 credit

on your next electric bill
for all members attending
the Annual Meeting!

- Registration begins at 6:30 pm
- Entertainment by Duane Grapperhaus
- Business meeting including Trustee elections & Bylaw voting begins at 7:30 pm
- Attendance prizes
- Four cash prizes

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Official Registration

Phone Number (____) _____

*Please cut out and bring to the meeting
for registration and drawing of prizes.*

PLEASE BRING THIS CARD TO THE MEETING



Official Meeting Notice

The Annual Meeting of the Members of the Clinton County Electric Cooperative, Inc. will be held at the Central Community High School, Rt. 50 West, Breese, Illinois, at 7:30 PM, on Thursday, March 17, 2016, to take action upon the following matters:

- (1) The reports of officers, trustees and committees;
- (2) The election of three trustees of the cooperative;
- (3) The voting of proposed bylaw revisions.

In connection with the election of three trustees for this meeting, the following members have been certified for trustees by the Election & Credentials Committee appointed by the Board of Trustees of the Cooperative and nominated by petition pursuant to the Bylaws.

- DISTRICT NO. 1: Cary Dickinson, Hoffman, IL
- DISTRICT NO. 2: Joseph Voss, Carlyle, IL
- DISTRICT NO. 3: Stephen Kalmer, New Baden, IL

No additional nominations for trustee may be made at the meeting.

Timothy D. Hanke, Secretary

PLEASE NOTE,
 in the past we have distributed Capital Credit Checks at our Annual Meeting. However, starting this year, checks were mailed in late February and should arrive shortly before Clinton County Electric's 2016 Annual Meeting on March 17. If your retired patronage dividends are under \$10 they will be held until the accumulated amount is over \$10.

Annual Meeting Agenda

Registration and music by Duane Grapperhaus, 6:30PM	
Call to Order, 7:30PM	Vernon Mohesky, Chairman
Report on Number of Members (to determine a quorum)	Timothy D. Hanke, Secretary
Invocation	Harry Buller
National Anthem	Duane Grapperhaus
Rules of the Meeting	Vernon Mohesky
Introductions	Vernon Mohesky
Reading of Notice of the Meeting	Timothy D. Hanke
Reading of 2015 Minutes	Timothy D. Hanke
Election of Trustees & Voting of Bylaws	Norman Conrad, Attorney
Chairman's Report	Vernon Mohesky
Treasurer's Report	Timothy D. Hanke
SIPC's Report	Don Gulley, CEO of SIPC
President's Report	Mike Johnson, President
Acceptance of Reports of Officers	Vernon Mohesky
Report of Election Results	Norman Conrad
Any and All Other Business	Vernon Mohesky
Adjournment	Vernon Mohesky
Awarding of Attendance Prizes	Ahren Langhauser, Operations Assistant

Candidates For Trustee

Certified by the Election & Credentials Committee on Tuesday, February 2, 2016

We, the undersigned members of the Clinton County Electric Cooperative, Inc. being appointed to an Election & Credentials Committee by the Board of Trustees of the Clinton County Electric Cooperative, Inc., 475 North Main Street, Breese, Illinois, 62230, do hereby certify the following list of candidates as meeting the qualifications for trustee, three of whom are to be elected at the Annual Meeting of the Members, March 17, 2016, and serve for a term beginning on March 17, 2016, and ending at the Annual Meeting of the Members of the Cooperative to

be held in 2019, at which time they or their successors shall be duly elected, or appointed and have qualified.

- DISTRICT NO. 1:** Cary Dickinson, Hoffman, IL
- DISTRICT NO. 2:** Joseph Voss, Carlyle, IL
- DISTRICT NO. 3:** Stephen Kalmer, New Baden, IL

Respectfully Submitted,

Janet Heimann *Nelson Arrowsmith*
Joseph Voss *Steph. Gule*
Ronald Zumbro *Sinda M. Weisner*

Proposed Bylaw Changes



Please review the Current and Proposed Bylaws of Clinton County Electric Cooperative, Inc. found on pages 9 and 16A-16D of this magazine. The Current Article I of the Bylaws is printed in black on pages 16A- 16C, whereas the Proposed Article I is printed in red on pages 16C-16D. The Cooperative's General Counsel Norman Conrad summarized the proposed changes to Article I of Clinton County Electric Cooperative, Inc. Bylaws by stating, "The restatement of Article I MEMBERSHIP of the bylaws retains the existing 11 sections while deleting provisions from each Section that no longer serve the Cooperative purpose such as deleting the designation of four member classes for receiving services that are not currently provided by the Cooperative (Section 1.01 Eligibility) and amending sections that no longer comply with existing state statutes/regulations, i.e. Section 1.04 Joint Membership that currently discriminates against unmarried members. The intent is to update the existing Article I with contemporary plain language compliant with existing state statutes and regulations."

The Current Article V of the Bylaws is printed in black on the top half of page 9 and the Proposed Article V is printed in red at the bottom of page 9. General Counsel Conrad summarized the proposed changes to Article V by stating, "The restatement of Article V of the bylaws adds electronic notice to the existing methods of meeting notice requirements for valid board of trustees' regular and special board meetings, deletes confusing "Provided" language and defines a "quorum" for conducting board meetings in contemporary, plain language."

The membership will have the opportunity to vote on these proposed bylaw changes at the Annual Meeting to be held on March 17, 2016 beginning at 7:30 pm at Central High School in Breese, IL.

Balance Sheet

(As of December 31, 2015)

ASSETS (What We Own)

Cash	\$	41,561
Other Investments & Other Property	\$	3,564,269
Notes & Accounts Receivable	\$	397,619
Materials & Supplies	\$	379,576
Prepayments & Other Deferred Debits	\$	115,719
Total Utility Plant	\$	33,881,347
Accumulated Depreciation	\$	10,755,108
Net Utility Plant	\$	23,126,239
Total Assets (We Own)	\$	27,624,983

LIABILITIES & EQUITIES (What We Owe)

Borrowed from NRUCFC	\$	29,849,421
Paid Back to NRUCFC	\$	15,118,512
Owe NRUCFC	\$	14,730,909
Patronage Capital Credits	\$	9,380,723
2013 Margins	\$	1,113,861
Total Members' Equities	\$	10,494,584
Other Margins & Equities	\$	338,478
Notes Payable (including Line of Credit)	\$	1,248,887
Accounts Payable	\$	77,859
Consumer Deposits	\$	160,590
Other Liabilities	\$	439,548
Deferred Credits	\$	134,128
Total Liabilities & Equities (We Owe)	\$	27,624,983

Revenue and Expenses

(January 1, 2015 to December 31, 2015)

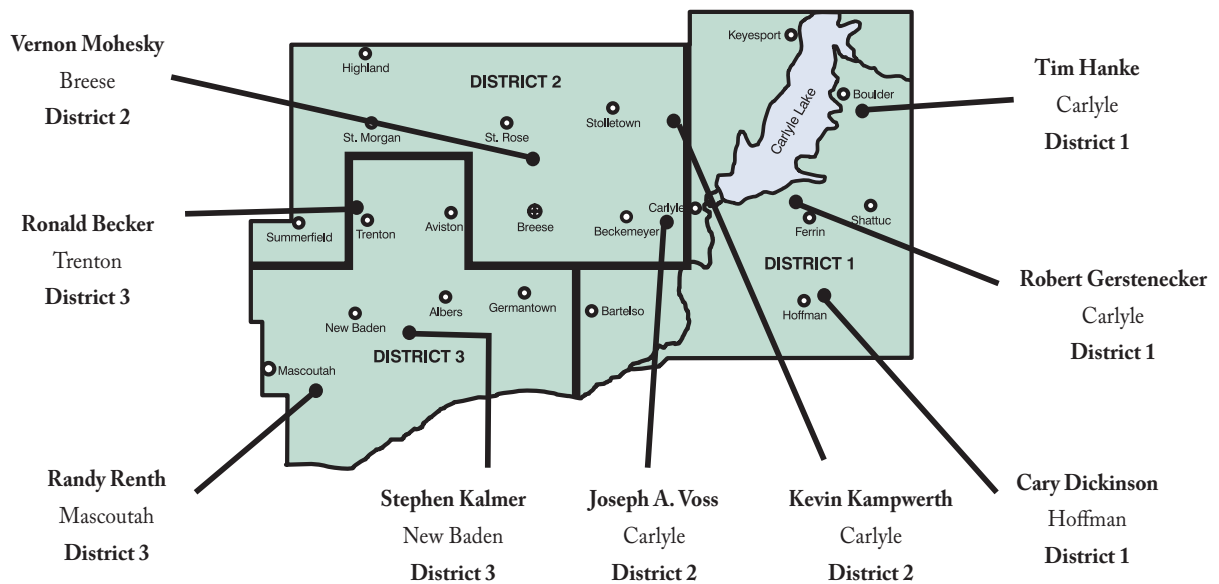
REVENUE:

Electric Service Sold & Other Income	\$	16,076,792
Other Capital Credits & Interest Income	\$	732,553
Total Revenue	\$	16,809,345

EXPENSES:

Electric Power	\$	10,779,842
Operations & Maintenance Expenses	\$	1,663,384
Consumer Accounts Expenses	\$	405,428
Sales & Consumer Expenses	\$	121,632
General Office & Administrative Expenses	\$	974,505
System Depreciation (this year)	\$	1,042,696
Tax Expense	\$	6,088
Interest to NRUCFC & others	\$	701,909
Total Expenses	\$	15,695,484
Total Margins for the Year	\$	1,113,861

Your neighbors serving as your cooperative's trustees



Board Candidate Profiles



Cary Dickinson has represented **District No. 1** as a Clinton County Electric Cooperative Board of Trustee member since

1996. Cary has served as Chairman of the Cooperative and as CCECI's representative on the Association of Illinois Electric Cooperative's (AIEC) Board of Directors, where he previously served as Treasurer. He currently serves as a Director at Southern Illinois Power Cooperative in Marion, Illinois.

With many hours of training, Cary has achieved his Credentialed Cooperative Director Certificate as well as The Board Leadership Certificate.

Cary and his wife Sharon live in Hoffman. They are the parents of two sons, Kyle of Nashville, TN and Brett of Hoffman, IL. They have 2 grandsons and 2 granddaughters.

Cary is the sales manager for Monken Chrysler Dodge Jeep Ram and Nissan in Centralia.



Joe Voss is a current CCECI Trustee representing **District No. 2**. He and his wife Joan have 5 children along with 6 grandchildren.

They live on a grain and livestock farm southwest of Carlyle. Joe has achieved the Credentialed Cooperative Director Certificate as well as the Board Leadership Certificate. He is a past Secretary-Treasurer, Vice President, and Chairman of the Clinton County Electric Cooperative Board and currently serves as Chairman of the Southern Illinois Power Cooperative's Board. Joe serves as a Trustee on the Carlyle Southwest Water District Board as well as a member of the Beckemeyer American Legion Post 1227 and the Carlyle Knights of Columbus Post 1227.



Steve Kalmer is a current CCECI Trustee representing **District No. 3**. Steve was raised on a family grain and cattle farm located west of Damiansville and is the son of Jerome & Rose Kalmer (deceased). Steve attended St. Damian's grade school and Mater Dei Catholic High School. In 1989 Steve received his Engineering degree from St. Louis University.

Steve worked for HQ Air Mobility Command as the Chief of the Energy Management and Utilities Engineering branch. He is a Certified Energy Manager and is responsible for managing all utilities and contracts related to electric, natural gas, liquid propane, fuel oil and water at ten Air Force installations.

Steve is an active member of the community and belongs to several personal and professional organizations. In his spare time he enjoys sports, farming and spending time with his wife Barb and two sons, Calvin and Christopher.



Clinton County Connection

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CURRENT ARTICLE I MEMBERSHIP

SECTION 1.01. Eligibility.

- a) Regular Membership** - Any person; firm; legally existing entity; organized association; corporation; the government of the United States of America or any agency thereof or body politic, or subdivision thereof; any state government or body politic or subdivision thereof; any local governmental body, special district, or body politic or subdivision thereof; or foreign government (hereinafter called the "Applicant") will become a regular Member of Clinton County Electric Cooperative, Inc., (hereinafter called the "Cooperative"), upon receipt of the electrical service from the Cooperative, provided that applicant has first:
- (1) made a written application for Membership on the prescribed forms;
 - (2) agreed to purchase from the Cooperative electric energy and/or electric distribution services as hereinafter specified;
 - (3) agreed to comply with and be bound by the Articles of Incorporation, Bylaws and any rules and regulations of the Cooperative adopted by the Board of Trustees (hereinafter called the "Board"), including retroactive application of any amendments (Governing Documents); except as otherwise provided in these Bylaws;
 - (4) paid any required Membership fee; and
 - (5) provided proof of formal organization or creation, if required.
- b) Associate Membership** - Any Applicant will become an Associate Member of Clinton County Electric Cooperative, Inc., upon receipt of services from any firm, association, or corporation owned in whole or in part by the Cooperative, Inc. ("the subsidiary"), provided the applicant has first:
- (1) made a written application for Membership in the Cooperative and the subsidiary on the prescribed forms;
 - (2) agreed to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative and the subsidiary and any and all rules and regulations adopted by the Board of either the Cooperative or the subsidiary; including retroactive application of any amendments (Governing Documents); except as otherwise provided in these Bylaws;
 - (3) paid any required Membership fee; and

- (4) provided proof of formal organization or creation, if required.
- c)** No Member may hold more than one Membership or Associate Membership in the Cooperative, and no Membership or Associate Membership in the Cooperative shall be transferable, except as provided in these Bylaws.
- d)** Any reference to, or use of the term "Member" in these Bylaws shall mean all Members within any Membership class as hereinafter authorized unless the reference or use specifically states otherwise.
- e)** Unless the Board determines otherwise as provided in these Bylaws, upon completing the Membership procedure to the Cooperative's satisfaction and using, receiving or purchasing a Cooperative Service, an Applicant automatically becomes a Member of the Cooperative effective the date the Applicant began using, receiving or purchasing a Cooperative Service ("Member"). If the Board determines that an Applicant is unable to comply with the Governing Documents, then the Board may refuse the Applicant Membership in the Cooperative. For other good cause determined by the Board, the Board may refuse an Applicant Membership in the Cooperative. If the Board refuses Membership to an Applicant, then the Cooperative shall return to the Applicant any amounts paid to the Cooperative by the Applicant as part of the Membership Procedure other than:
- (1) Amounts paid for using, receiving or purchasing any Cooperative Service; and
 - (2) Outstanding amounts previously owed the Cooperative and any associated interest or late payment charges.
- f)** Based upon a Member's use, receipt or purchase of Cooperative Services, the Cooperative may group Members in the following classes ("Member Classes").

Class A Member: Any Member using, receiving and purchasing (1) solely from and through the Cooperative substantially all the electric power used, received and purchased for; and (2) any Cooperative Services associated with, or regarding, the provision and/or distribution of electric power to: a residential, or commercial, dwelling or structure, owned, controlled, or directly occupied by the Member.

Class B Member: Any Member using, receiving and purchasing any Cooperative Service regarding the distribution of electric power or ancillary services associated therewith to any

dwelling or structure, owned, controlled, or directly occupied by the Member.

Class C Member: Any Member using, receiving and purchasing any Cooperative Service for which the Cooperative is exempt from income taxation under the Internal Revenue Code as currently existing or as hereafter amended or replaced.

Class D Member: Any Member using, receiving and purchasing any Cooperative Service for which the Cooperative is not exempt from income taxation under the Internal Revenue Code as currently existing or hereafter amended or replaced.

In classifying Members, the following shall apply:

- (1) No Member may be a Member of more than one Member Class;
- (2) Based upon a Member's use, receipt or purchase of one or more Cooperative Services, the Cooperative may group the Member first as a Class A Member, if possible, then as a Class B Member, if possible, then as a Class C Member, if possible, then as a Class D Member, if possible; and
- (3) Upon the Cooperative learning of, or upon a Member demonstrating to the Cooperative's reasonable satisfaction, a change in any Member's use, receipt or purchase of one or more Cooperative Services, then if necessary, within a reasonable time thereafter, the Cooperative shall re-classify the Member first as a Class A Member, if possible, then as a Class B Member, if possible, then as a Class C Member, if possible, and then as a Class D Member, if possible.

SECTION 1.02.

Certificate of Membership.

- a)** Membership in the Cooperative may, if the Board so resolves, be evidenced by a certificate of Membership, which shall be in such form and shall contain such provisions as shall be determined by the Board not contrary to, or inconsistent with, the Cooperative's Articles of Incorporation or its Bylaws. Such certificate, if authorized to be issued by the Board, shall be signed by the Chairman of the Board and by the Secretary, and the seal shall be affixed thereto; PROVIDED, that the seal and the signatures of the Chairman of the Board and the Secretary may be imprinted thereon by

facsimile.

- b) Issue of Membership Certificates - No Membership certificate shall be issued for less than the Membership fee fixed by the Board nor until such Membership fee, any required service security deposits, facilities extension deposits, service connection fees, or contributions in aid of construction have been fully paid.
- c) Lost Certificate - In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefore upon such terms and such indemnity to the Cooperative as the Board of Trustees may prescribe.

SECTION 1.03. Membership Fee; Service Security and Facilities Extension Deposits; Contribution in Aid of Construction.

The Membership fee shall be as fixed from time to time by the Board of Trustees. The Membership fee (together with any service security deposit or service connection deposit or fee, facilities extension deposit, or contribution in aid of construction, or any combination thereof, if required by the Cooperative) shall entitle the Member to one service. A service deposit or fee, in such amount as shall be prescribed by the Cooperative (together with a service security deposit, a facilities extension deposit or a contribution in aid of construction, if required by the Cooperative), shall be paid by the Member for each additional service requested by Member.

SECTION 1.04. Joint Membership.

A husband and wife or Members of the same household of legal age, by specifically so requesting in writing, may be accepted into joint Membership. The words "Member," "Applicant," "person," "his" and "him" as used in these Bylaws, shall include a husband and wife or Members of the same household of legal age applying for or holding a joint Membership, unless otherwise clearly distinguished in the text, and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of Membership shall apply equally, severally and jointly to them. Without limiting the generality of the foregoing -

- a) The presence at a meeting of either or both shall constitute the presence of one Member and a joint waiver of notice of the meeting;
- b) The vote of either or both shall constitute, respectively, one joint vote;
- c) Notice to, or waiver of notice signed by, either or both shall constitute, respectively, a joint notice or waiver of notice;
- d) Suspension or termination in any manner of either shall constitute, respectively, suspension or termination of the joint Membership;
- e) Either, but not both concurrently, shall be eligible to serve as a Trustee of the Cooperative, but only if both meet the required qualifications.

SECTION 1.05. Conversion of Membership.

- a) A Membership may be converted to a joint Membership upon the written request of the holder thereof and the agreement by such holder and holder's spouse or such other person occupying a dwelling as a residence only, to comply with the Articles of Incorporation, Bylaws and rules and regulations adopted by

the Board. The outstanding Membership certificate may be surrendered and may be reissued by the Cooperative in such manner as shall indicate the changed Membership status.

- b) Upon the death of any person who is a party to the joint Membership, such Membership shall be held solely by the survivors. The outstanding Membership certificate may be surrendered, and may be reissued in such manner as shall indicate the changed Membership status, provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.
- c) In case of divorce, annulment, or dissolution of joint Members, the Membership may only be continued in the name of any one of the joint Members. If the Court granting the Dissolution or Annulment, or if any other Court of competent jurisdiction, does not determine which joint Member is to succeed to the Membership, then the parties shall resolve this succession by written release signed by the joint Members. The release shall be in such form as from time to time prescribed by the Cooperative and shall include the disposition of all capital credits assigned or then earned but not assigned. If, within thirty days from the date of the judgment of dissolution or annulment, the parties have not determined in whose name the Membership shall be continued, and have not filed such release with the Cooperative, then the Membership shall automatically be registered in the name of the joint Members continuing to reside in the residence and if none, the Membership shall automatically terminate as to the joint Members. All capital credits to which these Members may then be entitled shall remain credited in the capital account in the names of all joint Members, subject to transfer only by written order of all joint Members, or lawfully entered court order.
- d) Upon death of the Member, the Membership certificate may be surrendered to the Cooperative. The Membership fee may be repaid to the surviving spouse or next of kin, or personal representative, provided, however, that the Cooperative shall deduct from the Membership fee the amount of any debts or obligations owed the Cooperative by the Member.

SECTION 1.06. Purchase of Electric Power and/or Services; Power Production by Member; Application of Payments to All Accounts.

- a) The Cooperative shall use ordinary care to furnish its Members with adequate and dependable electric service, although it cannot and therefore does not guarantee a continuous and uninterrupted supply thereof. Each Member shall, as soon as electric energy, electric power distribution services and/or associated electric services shall be available, purchase from the Cooperative all electric energy and all electric power distribution services purchased by the Member for use or actually used on, at or in connection with any property which the Member owns or uses or in which the Member has some other interest, which is situated within an area in which the Cooperative is entitled to furnish electric

service and shall pay therefore at rates which shall from time to time be fixed by the Board of Trustees. Provided that as required or allowed by law and as determined by the Board of Trustees, the Member may purchase such electric energy from other sources for use on such property as the Member may determine, but subject to conditions established from time to time by the Board of Trustees.

Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. Each Member shall pay to the Cooperative such minimum amount regardless of the amount of electric energy consumed, as shall be fixed by the Board of Trustees from time to time. Each Member shall also pay all amounts owed by the Member to the Cooperative as and when the same shall become due and payable. When the Member has more than one service from the Cooperative, any payment by the Member for service from the Cooperative may be deemed to be allocated and credited on a pro rata basis to the Members outstanding accounts for all such service, notwithstanding that the Cooperative's actual accounting procedures do not reflect such allocation and proration.

- b) Reduction in Use. As required or allowed by Law and as determined by the Board of Trustees:
 - (1) If a Member substantially reduces or ceases the Member's use, receipt or purchase of Cooperative Services, either singly or in combination; then
 - (2) The Cooperative may charge the Member and the Member shall pay the Cooperative the costs and expenses incurred by the Cooperative in reliance upon the Member's pre-reduction or pre-ceasing use, receipt or purchase of Cooperative Services.

SECTION 1.07. Excess Payments to be Credited as Member-Furnished Capital.

All amounts paid for electric energy, power distribution services and/or associated electric services in excess of the cost thereof shall be furnished by Members as capital, and each Member shall be credited with the capital so furnished as provided in these Bylaws.

SECTION 1.08. Wiring of Premises; Responsibility Therefore; Responsibility for Meter Tampering or Bypassing and for Damage to Cooperative Properties; Extent of Cooperative Responsibility; Indemnification.

Each Member shall cause all premises receiving electric service pursuant to Membership to become and to remain wired in accordance with the specifications of the Illinois Fire Marshal's office or its successor agency, the National Electric Code, any applicable state code or local government ordinances, and of the Cooperative. Each Member shall be responsible for and shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting from any defect in

or improper use or maintenance of such premises and all wiring and apparatus connected thereto or used thereon. Each Member shall make available to the Cooperative a suitable site, as determined by the Cooperative, whereon to place the Cooperative's physical facilities for the furnishing and metering of service and shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto safely and without interference from hostile dogs or any other hostile source, for meter reading and bill collecting and for inspection, maintenance, replacement, relocation, repair or disconnection of such facilities at all reasonable times. Each Member shall use best efforts to maintain and protect Cooperative property from damages and shall not interfere with or impair the operation of the Cooperative or its facilities. This obligation on each Member extends to preventing other Members from doing so and includes the Member's obligation to report Member breaches of this provision. Each Member agrees to pay to the Cooperative the value of the property if damaged or destroyed while in Member's possession, natural wear and tear excepted. Each Member shall also provide such protective devices to Member's premises, apparatuses or meter base as the Cooperative shall from time to time require in order to protect the Cooperative's physical facilities and their operation and to prevent any interference with or damage to such facilities.

Regardless of the care exercised by the Member, in the event such facilities are interfered with, impaired in their operation or damaged by the Member or by any other person, the Member shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment. The Cooperative shall, however, in accordance with its applicable service rules and regulations, indemnify the Member for any overcharges for service that may result from malfunctioning of its metering equipment or any error occurring in the Cooperative's billing procedures. In no event shall the responsibility of the Cooperative for furnishing service extend beyond the point of delivery.

SECTION 1.09. Member to Grant Easements to Cooperative and to Participate in required Cooperative Load Management Programs.

Each Member shall, upon being requested to do so by the Cooperative, execute and deliver to the Cooperative grant of easement or right-of-way over, on and under such lands owned or leased by or mortgaged to the Member. The terms of such a grant shall be reasonable, shall be negotiated by the parties with an intent to disturb agricultural,

business, and recreational uses as little as is economically possible, and shall follow roads or property lines whenever possible. The grant shall only be as required for the furnishing of service to Members or for the construction, operation, maintenance or relocation of the Cooperative's facilities. Each Member may participate in any required program that may be established by the Cooperative to enhance load management, to more efficiently utilize or conserve electric energy or to conduct load research. If a Member chooses not to participate, Member's rates may be adjusted to reflect Member's non-participation.

SECTION 1.10. Non-Liability for Debts of the Cooperative. The private property of the Members shall be exempt from execution or other liability for the debts of the Cooperative and no Member shall be liable or responsible for any debts or liabilities of the Cooperative.

SECTION 1.11. Indemnification. As requested by the Board of Trustees, each Member shall indemnify the Cooperative for, and hold the Cooperative harmless from, any expenses, costs, liabilities, or damages, including attorney fees and legal expenses, incurred by the Cooperative, or by any Cooperative Trustee, Officer, employee, agent, representative, or contractor, because of any property damage, personal injury, or death resulting from the Member's negligence or failure to comply with the Governing Documents.

PROPOSED ARTICLE I MEMBERSHIP

SECTION 1.01. Eligibility.

- (a) **Regular Membership** - Any person or legally existing entity (hereinafter "Applicant") is eligible to become a regular member of the Clinton County Electric Cooperative, Inc., (hereinafter called the "Cooperative"), by:
- (1) completing and executing a written application for Membership on prescribed forms;
 - (2) agreeing to purchase from the Cooperative electric energy and/or electric distribution services as hereinafter specified;
 - (3) complying with all requirements of the Cooperative's Articles of Incorporation, bylaws, policies and any rules and regulations of the Cooperative adopted by the Board of Trustees (hereinafter "Board");
 - (4) paying a Membership fee (if required); and
 - (5) providing documentation of legal existence and good standing (if requested to do so).

For business related memberships, examples of "legally existing entity" and requirements for documentation of same include:

- sole proprietor and partnership (assumed named certificate per 805 ILCS405/0.01 et. seq.)
- corporation (certificate of good standing and designation of authorized agent)
- limited liability company (documentation designating manager)
- limited partnership and limited liability partnership (documentation designating the managing partner/authorized agent)
- trusts where the grantor is not the

trustee (documentation of the trustee's appointment and FEIN for the trust.)

- (b) **Associate Membership** - Any Applicant is eligible to become an Associate Member of Clinton County Electric Cooperative, Inc., upon receipt of services from any entity owned in whole or in part by the Cooperative, Inc. ("the subsidiary"), by:
- (1) completing and executing a written application for membership in the Cooperative and the subsidiary on the prescribed forms;
 - (2) complying with all requirements of the Cooperative's and subsidiary's Articles of Incorporation, bylaws, policies and any rules and regulations of the Cooperative adopted by the Board of Trustees (hereinafter "Board");
 - (3) paying a membership fee (if required); and
 - (4) providing documentation of legal existence and good standing (if requested to do so).
- (c) **Assignment/Transfer** - No Member may hold more than one Membership or Associate Membership in the Cooperative, or any subsidiary and memberships are not assignable or transferable without the consent of the Board of Trustees.
- (d) **Definition of Member** - "Member" as used in these Bylaws includes all Regular Members and Associate Members within any membership class described herein.
- (e) **Termination/Suspension of Membership** - Membership begins upon acceptance by the Cooperative of the application submitted and usage, receipt or purchase of a Cooperative

service by the applicant. Membership continues until the member requests termination or the Board determines the member has failed to comply with the terms of membership as required by this Section. In the event of involuntary termination/suspension, any amounts due to the member shall be returned after offset of any and all amounts due from the member to the Cooperative including but not limited to payment for services received, late payment charges, interest and penalties assessed for noncompliance.

- (f) **Membership Classes** - the Board may develop (by policy) member classes within Regular Membership and Associate Membership groups as necessary to equitably allocate expenses, margins and capital credits among those receiving Cooperative services so long as compliant with federal, state and local laws and ordinances in addition to lender requirements.

SECTION 1.02. Certificate of Membership. Membership in the Cooperative may, if the Board so resolves, be evidenced by a Certificate of Membership, which shall be in such form and shall contain such provisions as shall be determined by the Board.

SECTION 1.03. Membership Fee; Service Security and Facilities Extension Deposits; Contribution in Aid of Construction. The Membership fee together with any service security deposit or service connection deposit or fee, facilities extension deposit, or contribution in aid of construction, or any combination thereof shall be determined by Board policy.

SECTION 1.04. Joint Membership.

Members of legal age residing at a single location may, by requesting in writing, create a joint membership. The words "Member," "Applicant," "person," "his" and "him" as used in these Bylaws, shall include joint members and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of membership shall apply equally, severally and jointly to them.

- a) The presence at a meeting of any one joint tenant shall constitute the presence of one member and serve as a waiver of notice of the meeting as to all joint tenants;
- b) The vote of any joint tenant shall constitute one vote of the joint membership;
- c) Notice to, or waiver of notice signed by, any joint tenant shall constitute, respectively, a joint notice or waiver of notice;
- d) Suspension or termination in any manner of any joint tenant shall constitute, respectively, suspension or termination of the joint membership;
- e) Any joint tenant shall be eligible to serve as a Trustee of the Cooperative, but only if all joint tenants meet the requirements to serve as trustee.

SECTION 1.05. Conversion of Membership.

- a) A membership may be converted to a joint membership upon the written request of the member.
- b) Upon the death of a joint tenant, the remaining joint tenant(s) acquires the interest of the deceased joint tenant as a right of survivorship and such membership shall be held solely by the survivors. The estate of the deceased is not released from any debts due to the Cooperative and any capital credits due to the decedent's estate shall become the property of the surviving joint tenants equally.
- c) In case of divorce, annulment, or dissolution of a joint membership, the membership may only be continued in the name of any one of the joint members. Unless ownership is determined by any court of competent jurisdiction, then the surviving membership shall be determined by written agreement of the joint tenants and shall include the disposition of all capital credits assigned or then earned but not assigned. If the parties cannot agree on the surviving membership, then the joint membership is terminated and the member desiring to continue service shall execute a new membership agreement. All capital credits to which these Members may then be entitled shall remain credited in the capital account in the names of all joint members, subject to transfer only by written order of all joint members, or court order.
- d) Upon the death of the member, all amounts due to the deceased member, including the refund of deposits and accrued capital credits shall be paid to the personal representative of the decedent's estate or as indicated on an Illinois Small Estate Affidavit prepared and

executed by the personal representative of the decedent's estate after deduction for all debts and obligations owed by the member.

SECTION 1.06.

Purchase of Electric Power and/or Services; Power Production by Member; Application of Payments to All Accounts.

The Cooperative shall use ordinary care to furnish its members with adequate and dependable electric service but does not guarantee a continuous and uninterrupted supply thereof. Each member shall purchase from the Cooperative all electric energy consumed and all electric power distribution services required by the member for that service at rates fixed by the Board of Trustees.

Member owned renewable energy and/or stand by generation for use on the member's premises interconnected with the Cooperative's facilities, is subject to the Cooperative's net metering and interconnection/distributed generation policies. Each member remains liable for any facilities charge or other charges necessary for the delivery of electric power to the member whether or not power is consumed. Payments for service may be allocated on a pro-rata basis to the member's outstanding accounts for all service provided at all locations within the Cooperative's service area..

SECTION 1.07. Excess Payments to be Credited as Member-Furnished Capital.

All amounts paid for electric energy, power distribution services and/or associated electric services in excess of the cost thereof shall be furnished by members as capital, and each member shall be credited with the capital so furnished on the capital account records of the Cooperative.

SECTION 1.08.

Wiring of Premises; Responsibility Therefore; Responsibility for Meter Tampering or Bypassing and for Damage to Cooperative Properties; Extent of Cooperative Responsibility; Indemnification.

Each member shall cause all premises receiving electric service pursuant to the membership to comply with the specifications of the Illinois Fire Marshal's office or its successor agency, the National Electric Code, any applicable state code or local government ordinances, and requirements of the Cooperative. Each member shall be responsible for and shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting from any defect in or improper use or maintenance of such premises and all wiring and apparatus connected thereto or used thereon. Each member shall provide reasonable access, as determined by the Cooperative, for installation and maintenance of the Cooperative's facilities necessary to provide and meter electric service and shall permit Cooperative authorized employees, agents and independent contractors safe access to the facilities thereto for meter reading, bill collecting, inspection, maintenance,

replacement, relocation, repair or disconnection of such facilities at all reasonable times. The member shall use best efforts to maintain and protect Cooperative property from damages and shall not interfere with or impair the operation of the Cooperative or its facilities. This obligation on each member extends to preventing other members from doing so and includes obligation to report activities adversely affecting the Cooperative's ability to provide electric service to its members. Each member agrees to pay to the Cooperative the value of the property damaged or destroyed while in member's possession, natural wear and tear excepted. Each member shall provide protective devices to member's premises, apparatuses or meter base as the Cooperative shall from time to time require necessary to protect the Cooperative's facilities and operation thereof and to prevent any interference with or damage to such facilities. The member shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting there from, including but not limited to the Cooperative's cost of repairing, replacing or relocating facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment. The Cooperative shall, however, in accordance with its applicable service rules and regulations, indemnify the member for any overcharges for service that may result from malfunctioning of its metering equipment or any error occurring in the Cooperative's billing procedures. The Cooperative's duty to provide electric service does not extend beyond the point of delivery.

SECTION 1.09.

Member to Grant Easements to Cooperative.

Each member shall, upon request by the Cooperative, execute and deliver to the Cooperative a grant of easement or right-of-way over, on and under such lands owned or leased by or mortgaged to the member. The terms of such a grant shall be reasonable, shall be negotiated by the parties with the intent to minimize the Cooperative's use of the premises. The grant shall only be as required for the furnishing of service to members or for the construction, operation, maintenance or relocation of the Cooperative's facilities.

SECTION 1.10.

Non-Liability for Debts of the Cooperative.

Members are not liable or responsible for debts or liabilities of the Cooperative.

SECTION 1.11. Indemnification.

Each member shall indemnify the Cooperative for, and hold the Cooperative harmless from any expenses, costs, liabilities, or damages, including attorney fees and legal expenses, incurred by the Cooperative, or by any Cooperative trustee, officer, employee, agent, representative, or contractor, resulting from the member's negligence or failure to comply with the Cooperative's governing documents.

Please note, in the past we have distributed Capital Credit Checks at our Annual Meeting. However starting this year, checks were mailed in late February and should arrive shortly before Clinton County Electric's 2016 Annual Meeting on March 17. If your retired patronage dividends are under \$10 they will be held until the accumulated amount is over \$10.