

**POLICY NO. 10-040**

**REVISION DATE: August 24, 2004**

**SUBJECT: STRUCTURE AND SELECTION OF THE BOARD OF DIRECTORS AND OFFICERS**

**I. PURPOSE**

This policy is intended to briefly summarize the rules governing the structure and selection of the Board of Directors and its officers, which are contained in the By-Laws and, in some cases, supplement them with interpretations.

**II. POLICY CONTENT**

**Structure of the Board:**

The Board shall have nine (9) directors; two representing each of the three (3) districts and three At-Large positions fully described in the By- Laws.

**Qualifications for Directors:**

The By-Laws provide that: "No person shall be eligible to become or remain a director of any district unless said person is a resident and an actual user of Okanogan County Electric Cooperative service in said district. No person shall be eligible to become or remain a director in an At-Large position unless said person is a resident within the Okanogan County Electric Cooperative's service territory and is an actual user of Okanogan County Electric Cooperative service." The By-Laws also prevent members from becoming or remaining a director if it would put them in a conflict of interest situation.

**Nomination of Directors:**

The By-Laws provide that: "It shall be the duty of the Board of Directors to appoint, not less than thirty (30) days before the date of a meeting of the members at which directors are elected, a committee on nominations consisting of three (3) members from each district for which there is to be a director elected. No officer or member of the Board of Directors or employee shall be appointed a member of such committee. The

nominating committee shall nominate a minimum one (1) member for each district position open for election. The incumbent shall automatically be one of the candidates nominated if that director desires to run for re-election.

The committee shall prepare and post at the principle office of the Cooperative at least twenty (20) days before the Meeting a list of nominations for Directors. Any fifteen (15) or more members may petition other nominations in writing over their signature not less than fifteen (15) days prior to the Meeting and the Secretary shall post the same at the same place where the list of nominations made by the committee is posted. The Secretary shall mail with the notice of the Meeting a statement of the number of Directors to be elected and showing separately the nominations made by the committee on nominations and the nominations made by petition, of members. Nothing contained herein shall, however, prevent additional nominations to be made from the floor at the Meeting of the Members. The Members may, at any meeting at which a Director or Directors shall be removed, by the members as hereinafter provided by the members, elect a successor or successors thereto without compliance with the foregoing provisions with respect to nominations. Notwithstanding anything in this section contained, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of Directors.

#### **Election of Directors:**

During each Annual Meeting, an election will be held for 1/3 of the directors. The voting is "At-Large", meaning a member can vote for candidates in any district.

Members can vote in person or by written proxy executed by the member. A properly executed proxy must be signed by the member to which, it belongs, and must have the name of the person voting such proxy printed on it. Any member at least 18 years old can vote up to ten (10) properly executed proxies in addition to vote for their own membership.

Members may also sign their proxy and return it to Okanogan County Electric Cooperative and/or the Board of Directors. These proxies will be given to the Board of Directors for voting. The Director(s) receiving such proxies may vote up to ten (10) proxies themselves, or appoint "substitutes" to vote them. Any member can vote as a "substitute" up to ten (10) properly executed proxies in addition to their own membership.

#### **Appointment of Directors:**

Normally, vacancies occurring within the Board of Directors shall be filled by a majority vote of the remaining directors. The member filling such vacancy must meet the qualification requirements, and will serve for the un-expired term, of such position.

**Removal of Directors:**

Any member may bring charges against a director by filing them in writing with the Secretary, together with a petition signed by 10% of all the members, requesting the removal of the director in question. The removal shall be voted upon at the next regular or special meeting of the members and any vacancy created by such removal may be filled by the members at such meeting.

**Election of Officers:**

Each year, at the first board meeting after the Annual Meeting of Members of the Cooperative, officers of the Board will be selected by a ballot of all directors in attendance at that meeting. The officers of the Board will be President, Vice-President, and Secretary/Treasurer.

**Tenure of Officers:**

An officer may be re-elected to that same office for unlimited amount of terms.

**III. RESPONSIBILITY**

The Board of Directors is responsible for implementation compliance with this policy and related By-Law provisions.

**ATTESTING:**

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date