

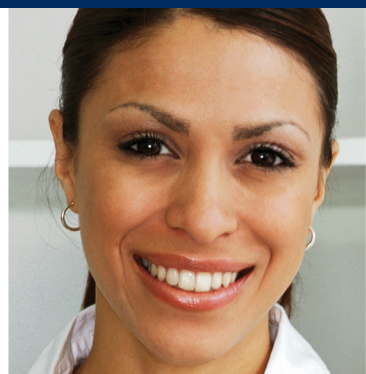
GLACIER ELECTRIC COOPERATIVE, INC.

# *The Benefits of Membership*

A Guide for New Members



*Owned and Operated by the Members We Serve.*







P.O. Box 2090 | Cut Bank, MT 59427

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**Cut Bank Office**  
410 East Main  
Cut Bank, MT 59427  
(406) 873-5566

**Office Hours**  
9 a.m. - 5 p.m.  
Monday - Friday

**Browning Office**  
P.O. Box 609  
Browning, MT 59417  
(406) 338-5400

# Owned and Operated by the Members We Serve

Rural Electric Cooperatives, referred to as RECs, began in 1935 when President Franklin D. Roosevelt created the Rural Electrification Administration (REA). The REA made low interest loans to groups who agreed to provide electric service to rural areas. This agency has now changed its name to Rural Utilities Service, and Glacier Electric no longer borrows money from their federal program. Most rural electric cooperatives today pay the going interest rate and do not receive any assistance from the government. We do not pay deferral or state income taxes, since we are non-profit enterprises, but we pay all other taxes.

There are nearly 900 rural electric systems across our nation today. They meet the needs of approximately 40 million consumers in 47 states. Glacier Electric, along with six other Montana electric cooperatives, purchases its power from Bonneville Power Administration (BPA). BPA is a federal agency based in the Pacific Northwest. Although BPA is part of the U.S. Department of Energy, it is self-funding and covers its costs by selling its products

and services at cost to utilities like Glacier Electric. BPA markets wholesale electrical power from 31 federal hydro projects (including Hungry Horse Dam) in

the Columbia River Basin, one non-federal nuclear plant, and several small non-federal power plants. Approximately 90 percent of BPA generation is from clean renewable hydro projects.

Glacier Electric Cooperative was formed in 1945. From our meager beginning, we have grown into a vital contributor in the community. We serve approximately 5,000 consumer-members in Glacier County and portions of Flathead, Pondera, and Toole counties and Alberta, Canada. The co-op owns and operates more than 1,800 miles of line.

Glacier Electric members own their cooperative system. A board of directors is elected from among the members to meet and make decisions about the cooperative's business. Every member has an equal vote in electing the board members and on all amendments and bylaws that are put before the membership at the annual membership meeting each year.

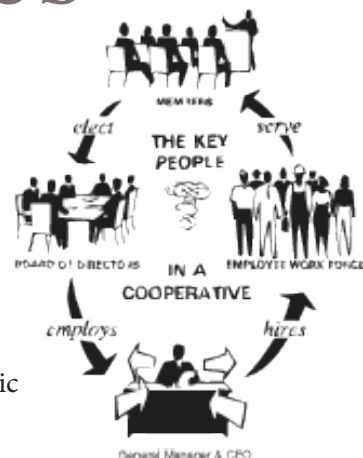
## Cooperative Principles

1. Voluntary and Open Membership
2. Democratic Member Control
3. Members' Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation Among Cooperatives
7. Concern for Community

## Glacier Electric Board of Trustees

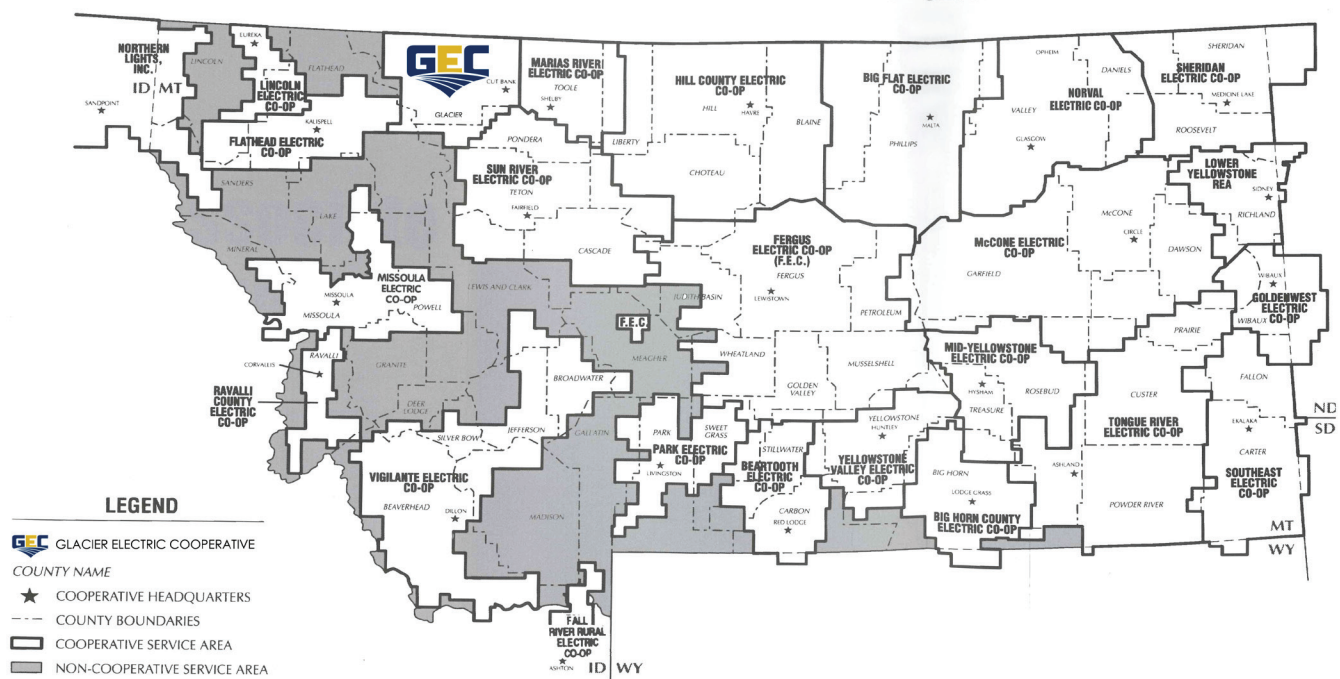
Glacier Electric is governed by a board of nine trustees who are members of the cooperative. They are elected by the membership at the annual meeting of members. Each trustee serves a three-year term, after which they can run for re-election. Each year, prior to the annual meeting, Glacier Electric sends out the official ballots for the board of trustees. All members can vote for the candidate of their choice for each open position. The votes are counted and the results are announced at the annual meeting.

The GEC board meets once a month to discuss financial issues, policies, and other issues facing the cooperative. For more information about the function of the board of trustees visit our policies page at [www.GlacierElectric.com](http://www.GlacierElectric.com) - under "My Cooperative." Also under "My Cooperative" you can find a complete listing of the current Glacier Electric Board of Trustees, along with contact information for each trustee.



# Glacier Electric Service Area

Glacier Electric Cooperative, Inc. is located in Northwest Montana just east of the continental divide. Glacier Electric provides electricity to our members in Flathead, Glacier, Pondera, and Toole counties and parts of Alberta, Canada. The Cooperative headquarters is located at 410 East Main Street in Cut Bank, Montana with a satellite office at the corner of First and Pata in Browning, Montana. The GEC service territory is divided into three districts: Browning, Cut Bank and Rural. The GEC board is comprised of two members from the Browning District, three from the Cut Bank District, and four from the Rural District.



## Glacier Electric Statistical Highlights

Glacier Electric Cooperative is governed by a nine member board. The board meets on the last Wednesday of each month. Below are statistical highlights from 2010.

Total members served - 5,100

Total meters served - 7,534

Miles of line - 1,895

Number of members per mile of line - 2.44

Power supplier - Bonneville Power Administration

kWh sold in 2010 - 161,032,733

Date first energized - 1946

Date incorporated - 1945

Full-time employees - 30

Part-time employees - 3



# Becoming a Member of Glacier Electric

New electrical service can be obtained by becoming a member of Glacier Electric Cooperative. To become a member you must complete an application form and pay a \$25 membership fee. Membership fees stay on file until the member terminates service at which time the fee is applied to the final bill.

Glacier Electric Cooperative will run a credit history check on people applying for a new membership. This credit check will give Glacier Electric either a red or green rating for the new member. If the new member has a green rating no security deposit will be required to start a membership. If the new member's rating is red a deposit will be required. New members with a red credit rating must pay a \$400 deposit for non-electrically heated homes or \$800 deposit

for electrically heated homes. Deposits stay on file until the member has twelve consecutive months of good payment

history or until the account has been terminated for non-pay, at which point, the deposit is applied to the outstanding balance on the account.

**In lieu of deposit new members may:**

- 1) Obtain a written guarantee of surety from a responsible party. The responsible party must be a GEC member and have twenty-four months of previous service with GEC with a good credit rating, the guarantee must be in writing, and cannot extend over one year.
- 2) Applicant may choose to open a pre-pay account. Pre-pay requires a \$25 membership fee, \$50 deposit on an IHD unit with subsequent \$5 rental fee, or purchase of the IHD for \$100.



## Touchstone Energy The Power of Human Connections

The future of the energy industry depends upon those with the vision, the message, and the means to reach every individual we serve. In doing so, we enhance lives and open possibilities for the future.

Touchstone Energy Cooperatives are among the forward-thinkers. As independent, individual cooperatives, we have developed the trust and loyalty of millions of customers. It is a bond we honor. We earned it by performing well as individual co-ops; we will sustain it by performing well as a national cooperative and alliance with a strong brand identity.

The changes and challenges facing the energy industry are more easily met when we speak in one voice, clearly articulating who we are and what we stand for. Taking this step gives us the opportunity to deliver on our promise and strengthen our performance with greater consistency and relevance. It allows us to expand our reach, increase our recognition, and continue to build trust and generate confidence.

Glacier Electric's goals for the future are ambitious. As your local Touchstone Energy Partner, we are committed to being reliable, competitive, and innovative for the members we serve. This is a commitment to the community that only your co-op can offer. After all, we are part of an alliance of consumer-owned electric utilities across the country-serving more than 40 million customers in 47 states. Proving that we put "the power of human connections" to work for you every day, in every neighborhood, including yours.

To take advantage of all the services offered through Touchstone Energy visit the Touchstone Energy page on our website, [www.GlacierElectric.com](http://www.GlacierElectric.com), where you will find links to several Touchstone Energy online programs and services. Click on the "Connections Card" link for more information about your connections card discounts.

# Understanding Your Capital Credits

As a member of Glacier Electric Cooperative, you own part of your electric company. Glacier Electric is organized as a not-for-profit organization owned by its members. As a cooperative, GEC does not earn profits. Instead, any revenues and other income over and above the cost of doing business during any given year is considered “margins.” Although the cooperative operates as a non-profit entity, we must still maintain a revenue margin to assure financial stability. The National Rural Utilities Cooperative Finance Corporation (CFC), which loans us money for construction and system improvements, requires us to maintain a set level of margin to cover our interest expense on long-term debts.

A percentage of these margins is allocated to each member of the cooperative who purchased power from Glacier Electric during the year in which the margins were earned. Each member earns the same percentage of margins on their electricity purchases; therefore, the actual dollar amount “credited” will vary from member to member because each individual member

uses a different amount of electricity. IRS regulations and our bylaws require us to notify each member of their portion of this profit or margin called capital credits, each year. These capital credits are paid back to members when the cooperative is in the financial position to do so. The amount of capital credits each member receives varies with the amount of electricity they have purchased. The more electricity purchased, the more capital credits we refund to the member.

Glacier Electric mails capital credit notices each summer. Capital credits are refunded to our members each year in December in the form of a capital credit refund check.

A portion of the capital credits, is retired or paid on a first-in, first-out basis. In 2009 Glacier Electric paid capital credits to those people served by the cooperative in 1987

and 1988. Once all capital credits for 1988 were returned to those members, the cooperative began returning capital credits for 1989, and so on.

In 2010 the Glacier Electric Board of Trustees voted to extend capital credit discounting to every member who received capital credits allocations in any or all of the years 2001 through 2003. Individuals who were members during these years, have the voluntary option to receive their capital credit allocation at a discounted rate all in

one lump sum. When capital credits are allocated the cooperative usually uses that capital for about 20 years before returning it to members. Therefore, while a member may be allocated a sum of money in the form of capital credits they will not receive that money until 20 years have elapsed. For example, if a member is allocated \$100 this year they would not receive that \$100 for another 20 years. So, if you wanted to determine the value of that \$100 in today’s dollars the only way to figure it would be to inversely compound \$100 for 20 years using a predetermined interest rate. Glacier Electric used an 8.25% interest rate and calculated the present value of

each year’s allocation for the period 2001 through 2003, a process known in financial terms as the time value of money. Each year, the board will review the financial state of the cooperative and determine if we can offer a discount on specific years along with our regular 20 year scheduled retirement.

Please keep in mind that you should notify us if you move out of our service area so we may get a forwarding address. That way, we can send you your capital credits checks when your refund cycle comes up. We cannot refund your capital credits at the time of your move or discontinue service with GEC because it would be a violation of our bylaws and unfair to current members. Please call us at (406) 873-5566 if you have any questions about capital credits or to notify us of your new address.

## Capital Credit Payments

### Capital Credits Returned to GEC Members

<b>1990.....</b>	<b>\$199,532</b>
<b>1994.....</b>	<b>\$243,612</b>
<b>1998.....</b>	<b>\$347,513</b>
<b>2005.....</b>	<b>\$451,096</b>
<b>2010.....</b>	<b>\$1,196,787</b>

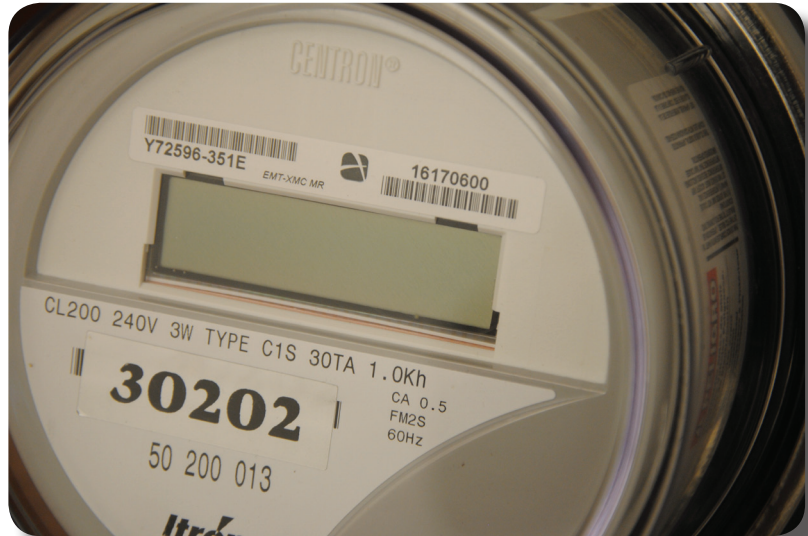
# Glacier Electric Billing Information

Glacier Electric members should expect to receive their bill between the fifth and ninth day of each month. The due date is printed on each bill and typically falls near the twentieth of the month. Members need to read their bill to determine the exact due date.

A disconnect message will appear on all bills with a 30 day past due balance of more than \$20 and penalty charges of 1.5% will be applied to past due balances. Accounts with a 60 day past due balance will have a disconnect message on the bill, penalty changes, as outlined above, and will receive a final notice along with a \$15 delinquent fee. Final notices are printed on orange paper and are mailed the tenth of each month. They include a set deadline for payments to be made and the date electricity will be disconnected. Glacier Electric now uses remote disconnect collars which allow GEC the ability to terminate and restore power to a single meter from the office. We no longer send a lineman and service truck to the site to disconnect or reconnect electrical service.

Charges you might see on your bill include: base charge (charged to all accounts) - \$20, energy charge (actual kWh used) amount varies by use, NSF check charge - \$15, delinquent notice Fee - \$15, re-connection Fee - \$50, after-hours re-connection - \$250, service limiter Fee - \$30, IHD rental - \$5, security light - \$11.50, surge protector rental - \$5, penalty charges on past due balances - 1.5% per month.

If you have any questions about your bill see the detailed bill reading description at [www.GlacierElectric.com](http://www.GlacierElectric.com), or you can call or visit either of our offices for more information.



## Estimated Bills

We will make every reasonable effort to read your meter on approximately the same day each month; however, we may not be able to do so at all times due to scheduling, equipment failure, extreme weather conditions, emergencies, or the inability to gain access to your premises. If we cannot secure your meter reading, we will estimate your meter reading based on the average of your past 12 month's usage.

## Going Away for a While?

Planning for an extended absence from your home in advance will help you avoid disconnection of service when you are out of town and do not receive your bills. Please take one of the following actions if you plan to be gone from your residence for a long period of time:

- Request service to be turned off during the period of absence.
- Make an advance payment of the estimated amount of bills.
- Furnish a temporary address to which bills are to be forwarded.

Meter reading dates precede the billing dates by varying periods of time, depending on meter reading schedules. Consequently, if there are questions about the amount of your bill during a period of absence, please refer to the "service to date" on your bill. This will show you the exact days that this bill covers.



# Bill Payment Options

## Where can I pay my bill?

### **Cut Bank Glacier Electric Office**

410 East Main Street | P.O. Box 2090 | Cut Bank, MT 59427

- You can bring your payment into our office Monday-Friday between 9 a.m. and 5 p.m.
- You can use the after-hours box on the west side of the building 24 hours a day
- You can mail your payment to our P.O. Box

### **Browning Glacier Electric Office**

Corner of First and Pata | P.O. Box 609 | Browning, MT 59417

- You can bring your payment into our office Monday-Friday between 9 a.m. and 5 p.m.
- You can use the after-hours box on the west side of the building 24 hours a day
- You can mail your payment to our P.O. Box

**Albertsons Grocery Store**, Cut Bank- Use the payment drop box in the entry way.

**Online Bill Pay**- You can use Glacier Electric's online bill pay option

**Phone Pay** - You can call in your payment using a credit card. Simply call your local Glacier Electric office to make a phone payment, Cut Bank (406) 873-5566, Browning (406) 338-5400.

## What are my account options?

**Traditional Accounts** – With this account members receive a regular monthly bill for the power used during the previous billing cycle. Payments are due each month. To see a sample of a traditional bill visit the “reading your bill” page under “My Account” at [www.GlacierElectric.com](http://www.GlacierElectric.com).

**Pre-Pay**- The prepayment program is available for Glacier Electric members who would like to make advance purchases of electricity. This allows members to make smaller more frequent payments rather than having to pay a larger monthly bill. Pre-pay members will not receive a monthly bill, as they can track their account balance by using their in-home display unit (IHD). Pre-pay members are not required to pay a security deposit and are not subject to delinquent charges or disconnect/re-connection fees. Pre-pay members are required to pay the regular \$25 membership fee, and either rent or purchase an IHD. Recent studies indicate that consumers who are on a pre-pay system with an IHD tend to use between 10-15% less electricity than they did on a traditional account. This savings is attributed to a greater awareness of energy consumption. Pre-pay purchases can be made in the GEC offices, online, or over the phone. To sign-up for a pre-pay account, call or visit your local Glacier Electric office.

**Budget Billing** – This program is available to members who wish to budget their payments to avoid high seasonal bills. We will estimate your monthly consumption based on the past year's usage. You will then make a levelized payment each month. To see a sample of a budget bill visit the “reading your bill” page under “My Account” on our website, [www.GlacierElectric.com](http://www.GlacierElectric.com).

## What forms of payment can I use?

Glacier Electric will accept the following forms of payment:

cash, checks, debit cards, money orders, cashier's checks, and credit cards.\*

\*Master Card, Visa, Discover, American Express

# Electricity is a Bargain

You have probably never thought about it, especially not when the electric bill comes in the mail each month, but electricity is a bargain. Electricity is one of the few things that we use first and pay for later. We can not see electricity, therefore it is difficult to understand its value.

## With electricity and just a few pennies, you can:

- Use a 75-watt lamp for 14 hours for about 8 cents.
- Refrigerate food for a day for about 20 cents.
- Operate a window fan for about 1 cent per hour.
- Cook a meal on an electric range for about 84 cents per hour.
- Wash a load of dishes in the dishwasher for about 8 cents.

What else can you buy that costs so little and does so much work? When you think about everything you use electricity for each day, you realize, it really is a great value!

## What is a Kilowatt-hour?

You are billed each month for the number of kilowatt-hours(kWh) of electricity you use. One kilowatt hour is the equivalent of using 1,000 watts for one hour or using a 100-watt light bulb for 10 hours. The more kilowatt-hours of electricity you use, the higher your bill. To calculate the exact cost of your appliances, first look for the serial plate on the bottom or back of your appliances. It lists the power used in terms of watts (120 watts may be written or 120w) or amps and volts. Then plug those numbers into the following formula:

$$\text{Amps} \times \text{volts} = \text{watts}$$

$$\text{Watts} \times \text{hours of operation} = \text{watt-hours}$$

$$\text{Watt hours}/1000 = \text{kilowatt hours (kWh)}$$

$$\text{kWh} \times \$0.073 \text{ (7.3 cents is GEC's general rate)} = \text{estimated cost of using appliance.}$$

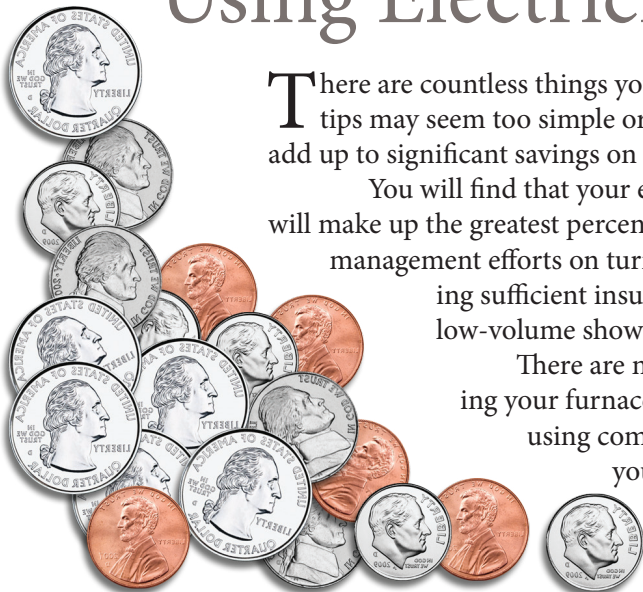
## Using Electricity More Efficiently

There are countless things you can do to use electricity more efficiently. Many conservation tips may seem too simple or too small to matter, however, making several small changes can add up to significant savings on your electric usage.

You will find that your electric furnace, space heaters, air conditioners, and water heater will make up the greatest percentage of your monthly electric bill. Concentrate your first energy management efforts on turning the thermostat up or down depending on the season, adding sufficient insulation to your home, and taking shorter, cooler showers or using low-volume shower heads.

There are many other small steps that you can take as well, such as changing your furnace filter every month, cleaning the coils on your refrigerator, using compact fluorescent bulbs in your light fixtures, or using a timer on your engine block heater.

For more information on how you can save electricity, visit the "Touchstone Energy" link on our website, [www.Glacier-Electric.com](http://www.Glacier-Electric.com) or come by our office for tips.



# Helping You Save Energy

## is Important to Glacier Electric

**B**ecause Glacier Electric is owned by you, the member, we have a vested interest in helping you get the most out of every dollar you spend on energy. The greenest energy is the energy that is never consumed. If your bill seems high, it may be helpful to conduct an energy audit of your home. A web-based do-it-yourself energy audit can be found on our website, [www.GlacierElectric.com](http://www.GlacierElectric.com). Glacier Electric also offers a wealth of energy conservation tips on our website, [www.GlacierElectric.com](http://www.GlacierElectric.com) and in our offices.

To understand other differences in your bill from month to month, please notice the period covered on your bill. There is always a five to 30 day lag between the meter reading date and the billing date. For more assistance on understanding the amount due on your bill, contact our office. Increases in usage are rarely due to a faulty meter. Bills vary greatly according to the outside temperature and by energy usage inside the home.

Electricity is one of the most accurately measured commodities. Meters are tested within a plus or minus tolerance. If you want your meter tested for accuracy, a small fee is charged in advance. If the meter test shows the meter to be accurate your fee is forfeited. If it is inaccurate, the fee is refunded and account adjustments are made accordingly.

### Tips for Saving Energy

- Set your thermostat lower in the winter and higher in the summer. For every degree you lower the thermostat in the winter, you will save 3.1% on your heating. With air conditioning the savings are over 8% per degree.
- Clean or replace filters on furnaces and air conditioners once a month.
- Use cold water to wash and rinse clothes.
- Use caulking and weather stripping around windows and doors, electrical outlets and service entrances where heated or cooled air can escape.
- Consider adding more insulation to the attic, floor, crawl space, or basement. An energy audit will tell you where to add insulation.
- Cover the whole-house attic fan throughout the heating season. An uncovered attic fan is equivalent to losing 1/3 of your attic insulation.

## Energy Assistance Programs

### Low Income Energy Assistance Program (LIEAP)

Local - Browning (406) 338-7977; Regional - Opportunities Inc. (406) 761-0310

Members who qualify for this program, based on income, receive assistance in the form of a credit to the provider of the primary home heating source. If a member's primary heating source is electricity, and they qualify for the program, LIEAP will make payments to Glacier Electric to help cover their heating costs.

### Energy Share of Montana HRDC

Administered by the Montana Human Resource Development Council (HRDC), Energy Share of Montana, provides grants and loans to individuals or families confronting an emergency. Call (406) 222-0896.

### Homeless Prevention Grant

Opportunities Incorporated currently administers a homeless prevention grant that can be used in crisis situations to help families cover utilities, and other expenses. Individuals seeking assistance should meet with a program representative to determine if they are eligible for assistance through this program. Applications for assistance are evaluated on a case-by-case basis. Please visit Glacier Electric for current information about local office hours and location for this program.

### Glacier Electric Crisis Fund

Glacier Electric sponsors the Glacier Electric Low Income Energy Crisis Program each year. The Browning Low Income Energy Assistance office administers the program for Glacier Electric. **ALL** GEC members can contact Vicki Connelly Schott at the LIEAP office, (406) 873-7977, for information about the this crisis fund.

# Energy Efficiency Rebates

## For your Home or Business

Glacier Electric offers a wide variety of residential and commercial energy efficiency rebates. All of our energy efficiency rebates are based on Bonneville Power Administration (BPA) energy efficiency programs. Glacier Electric follows BPA's guidelines and requirements for all of our rebate programs. In order to receive a residential rebate you must complete the appropriate application and submit all required documentation and GEC verification listed on the application. Return your rebate application to Glacier Electric for processing. You can print your own application form for each of the residential rebates by going to the residential rebates page under "My Home" on our website, [www.GlacierElectric.com](http://www.GlacierElectric.com). A list of our residential energy efficiency rebates is below.

The GEC commercial energy efficiency rebate programs are designed to help our local businesses save electricity in their day-to-day operations. We offer rebates on commercial lighting, irrigation, motor rewinds, and much more. If you are working on any major renovation that might help your business save on energy use, contact Glacier Electric to learn more about our commercial energy efficiency programs and find out if your project might qualify for a rebate.

If you have any questions about these programs please contact Glacier Electric.

### **EnergyStar® Appliances**

### **EnergyStar® Lighting**

### **Electric Water Heaters**

### **EnergyStar® Manufactured Home**

### **Prime Window Replacement**

### **Refrigerator/Freezer Recycling**



There are often additional incentives available from the Federal and State government. Many of these incentives are in the form of tax credits, others are rebate programs for purchases such as EnergyStar appliances. Glacier Electric strives to stay up to speed on any Federal or State programs that might help our members cover the cost of energy efficiency upgrades. Visit our Cut Bank office or give us a call for more information on specific programs. If we do not have any information on the program you are interested in, we will do our best to help you find it. We can also direct you to several helpful websites and other resources to determine what programs and/or assistance you are eligible to receive.



# Our Commitment to Reliability

Glacier Electric prides itself on providing prompt, dependable service. However, there are times when electric service is interrupted due to severe weather, construction, or equipment failure. These interruptions are unavoidable. Glacier Electric realizes the inconvenience of being without electricity and always restores the electric service as quickly as possible and to the largest number of people first.

If anyone in your household has a medical condition that requires electric service, please register with Glacier Electric for priority service. When an outage occurs, our personnel will give priority attention to restoring your service. In the event of an extended outage, priority service members need to call 911 or go to the nearest location with electricity that can assist them.

*Committed to being competitive, reliable, and innovative for the members we serve.*

## What Should I do During a Power Outage

1. Check your fuses or circuit breakers.
2. Check to see if your neighbor's lights are also out.
3. Check outdoors for any indicators of the problem, like sparks or downed lines. Stay away from these hazards!
4. If fuses and breakers are okay, call our office number, (406) 873-5566, or (1-800) 347-6795. After hours, call (406) 873-2391, or (406) 338-2665 if you experience an outage. Be prepared to give your name as it appears on your account, phone number and address. Any information you can give at this time to help us pinpoint the problem will hasten repairs.
5. Know where your meter is. Glacier Electric is responsible for repairing anything up to the meter base. The member is responsible for repairs from the meter to the home and inside the home.

While we appreciate hearing from you when your power is out, we also appreciate your patience and understanding as we try to restore your power. When calling us, please know that we have many available phone lines, but sometimes you still may not be able to get through. Keep trying to call us and know that you will get the next available phone line.

## Tree Trimming

If you have a tree or other vegetation growing near or into our power lines we will trim, cut, or remove the growth. Trees that grow too close to power lines can be an extreme safety hazard for children and tree trimmers. Only qualified workers are allowed to work within 10 feet of power lines. Glacier Electric tree trimming crews, or contract trimming crews, are trained to perform this work.

We understand that conflict sometimes occurs when trees or other vegetation needs to be trimmed or removed along power lines, however, for Glacier Electric to maintain a safe and reliable power system, trimming is imperative. We believe that some of these issues can be resolved by members remembering to think of the mature growth size of all vegetation before planting near power lines.

Remember if you notice a downed tree or limb in a Glacier Electric power line please contact us so that our crews can address the situation. DO NOT ATTEMPT TO REMOVE OR TOUCH THE TREE/LIMB.

# Committed to the Communities in Which We Live and Work

Owned and operated by the members we serve, Glacier Electric Cooperative has been committed to the communities it serves since 1945 when a few local farmers banded together to form our cooperative. Back then, Glacier Electric offered its member-owners more than electricity, just as it does today. Today GEC serves as a cornerstone of our community. By supporting economic development, offering scholarships to our local students, and providing all our members with valuable energy savings and educational materials, we are helping our own neighbors, friends, and families.

Each year the Glacier Electric Board of Trustees receives numerous donation and sponsorship requests from local, state, and national organizations. The board ensures that GEC contributes only to local causes. In a typical year, Glacier Electric invests more than \$50,000 in our community through local monetary donation, sponsorships, scholarships, and donated equipment and labor. Glacier Electric sponsors events and makes donations through-

out our service territory. From Cut Bank and Browning to East Glacier, Babb, and Heart Butte we support all of our local communities.

You do not have to look very far to see GEC employees, management, or board members helping our community. We are busy with everything from stringing Christmas lights and driving bucket trucks in Cut Bank and Browning parades, to handing out information and CFLs at local events, we all strive to serve you, our member-owners, and our community.

If you take a closer look, you will also find that GEC employees, management, and board members are active participants and leaders in many civic organizations: local chambers of commerce, Lions Club, volunteer fire departments, school boards, Port Authority, Historical Society,

Elks, local churches, and many more.

Glacier Electric has changed over the years; but two things have remained the same quality service from people you know and advice that is still free!



## The Cooperative Difference

At your Glacier Electric, we don't simply send electricity to your home. We look out for you and your entire community. And we do so for a very simple reason—it's our community too. That's why we are always working to keep the lights on and our costs down. Because we pay the same bills you pay. Your hometown is our hometown. And together, we can't go wrong.

## Your Community is Our Community



# Additional Member Services

Glacier Electric offers a few ancillary services to help our members. We carry space heaters, surge protector strips, and whole house surge protection systems. We also offer security lights to our members. All of these items are offered as a service to our members.

## ConvectAir Heaters

Glacier Electric keeps a few ConvectAir electric space heaters in stock at all times. We also have catalogs and brochures full of additional styles and wattages of ConvectAir heaters that our members can order. If you are interested in more information about these space heaters please stop by your local GEC office and pick up a brochure or take a look at our display heaters. ConvectAir offers models that can be wired into your home and simple plug-in models. Heaters are available in 500 to 2,000 watts. Members can purchase heaters from either office.

## Surge Protection

Glacier Electric is committed to providing reliable power to all our members. However, with our extreme weather, nearby intermediate generation, and other unavoidable situations you may sometimes experience outages or voltage dips and spikes. For this reason, Glacier Electric offers a variety of surge protection equipment. From single appliance protection and surge strips, to whole house surge protection we have you covered! Many people want surge protection to protect sensitive electronics from dips, surges, and outages. Others are looking to protect everything in their home in the case of a lightning strike. Either way we offer equipment that will suit your needs. Simply stop by our Cut Bank office for more information.

## Security Lights

If you are looking for a little extra security at your home or business, you might want to consider a security light. Glacier Electric offers security lights to all of our members for a small monthly fee. The installation cost will vary depending on the circumstances of the installation (i.e., is there an existing pole to mount the light on, are GEC crews already setting poles at your property). Security lights provide additional lighting and peace of mind. Plus, GEC is responsible for the equipment and will change out the light as needed. If you are interested in having a security light added to your account, please contact your local GEC office.

## In Home Display Unit

Do you ever wonder how much electricity you use each day? Now you can find out. Glacier Electric offers an In Home Display Unit (IHD) which works with your meter to track your daily power consumption. Our pre-pay account members use the IHD to keep up with their account balances. However, any GEC member can purchase an IHD for \$100 or rent one by paying a \$50 deposit and a \$5 monthly rental fee. With the IHD you will be able to see how much you are spending on electricity each day. Studies indicate that consumers who use an IHD unit save about 10-15% on their electricity usage. If you are interested in an IHD or would like to sign-up for a pre-pay account, stop by your local GEC office for more information.



## Glacier Electric Contacts

Jasen Bronec .....	General Manager
Hugo Anderson .....	Manager of Operations
Josh Dellinger.....	Manager of Technical Services
Virginia Harman.....	Manager of Communications & Conservation
Betty McCormick .....	Manager of Finance & Administration
Doug Ray .....	Manager of Special Projects
Mike Sullivan .....	Manager of Information Services & Security

### Customer Service

Janet Crocker, Deena DeVries, LeeAnn Gobert, Colleen Matt, TyAnn McGinnis, Ada Sharp, and Kendra Vermulm

### Staking/New Services

Tom Lane and Jill Huschka



# Bylaws of Glacier Electric Cooperative

## ARTICLE I MEMBERSHIP

SECTION 1. Requirements of Membership. Any person of legal age, firm, association, corporation, or body politic or sub-division thereof will become a member of Glacier Electric Cooperative, Inc. (herein after called the "Cooperative") upon receipt of electric service from the Cooperative provided that he, she or it has first:

- (a) submitted an application for membership and electrical service card therein;
- (b) agreed to comply with and be bound by the Articles of Incorporation and By-Laws of the Cooperative and any rules and regulations adopted by the Board of Trustees; and
- (c) Paid the membership fee established by the Board of Trustees hereinafter specified; No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these By-Laws. Membership in the Cooperative is a prerequisite to receiving electric service or any other products or services.

SECTION 2. Membership Certificates. Membership in the Cooperative shall be evidenced by the completion and signing of the "Application for Membership and Electric Service" which will serve as a membership certificate.

SECTION 3. Membership Classes. The Cooperative may have one or more classes of membership to accommodate various types of service. If the Cooperative has more than one class of membership, the Board of Trustees shall determine, under rules of general application, the definition, rights, and obligations of each class, including the method for allocating patronage capital.

SECTION 4. Joint Membership. A husband and wife may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "member" as used in these By-Laws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the herein after specified actions by or in respect of the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint vote;
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership;
- (g) Either, but not both, may be elected or appointed as an officer or trustee, provided that both meet the qualifications for such office.

SECTION 5. 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 his or her spouse to comply with the Articles of Incorporation, By-Laws and rules and regulations adopted by the board of trustees. The outstanding membership certificate shall be surrendered, and shall be reissued by the Cooperative in such manner as shall indicate the changed membership status.
- (b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be surrendered, and shall 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 to the Cooperative.

SECTION 6. Membership and Service Connection Fees. The membership fee for all new members shall be established by the Board of Trustees, upon the payment of which a member shall be eligible for one or more service connections. A member of the Cooperative shall be entitled to only one membership, one vote, and the rights and privileges of that membership, irrespective of the number of service connections and products and services provided to him by the Cooperative.

SECTION 7. Termination of Membership.

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board of trustees may prescribe. 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 fails to comply with any of the provisions of the Articles of Incorporation, By-Laws, rules, or regulations adopted by the board of trustees, but only if such member shall have been given written notice by the Cooperative.
- (b) Upon the withdrawal, death, cessation of existence, or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or his or her estate from any debts due the Cooperative.
- (c) In case of withdrawal or termination of membership in any manner, the Cooperative will repay to the member the amount of the membership fee. The Cooperative shall deduct from such fees the amount of any debts or obligations owing from the member to the Cooperative.

## ARTICLE II RIGHTS AND RESPONSIBILITIES 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 By-Laws, the remaining property and assets of the Cooperative shall be distributed among the members in proportion to the aggregate patronage of each such member during the seven years next preceding the date of the filing of the certificate of dissolution.

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 liable or responsible for any debts or liabilities of the Cooperative.



### SECTION 3. Access to Property.

(a) As determined or required by the Cooperative, each member or patron shall provide the Cooperative safe and reliable access reasonably necessary to operate the Cooperative safely, reliable and efficiently or to provide Cooperative services to any real or personal property in which the member possesses a legal right.

(b) Members or patrons shall grant the Cooperative the right to inspect, monitor, operate, repair, maintain, remove, extend, or relocate along property boundaries or existing roadways, any Cooperative facilities or equipment. Members or patrons shall also give the Cooperative access to provide, monitor, measure or maintain any Cooperative service or to satisfy or facilitate any obligation incurred or right granted by the Cooperative regarding the use of Cooperative equipment.

(c) Unless otherwise determined by the Board of Trustees, the Cooperative owns all Cooperative facilities and equipment. Each member and patron shall protect all Cooperative equipment and shall install, implement, and maintain any protective device or procedure required by the Cooperative.

SECTION 4. Membership List. The Cooperative shall maintain a current membership list, but in order to protect the privacy of individual members, the list shall not be made generally available and only distributed at the discretion of the Board of Trustees.

## ARTICLE III MEETING OF MEMBERS

SECTION 1. Annual Meeting. The annual meeting of the members shall be held during the months of March or April of each year at such place within the Cooperative service area as selected by the Board of Trustees and which place shall be designated in the notice of the meeting. The purpose of the annual meeting shall be for the election of trustees, passing upon reports for the previous calendar year and transacting such other business as may come before the meeting. It shall be the responsibility of the board of trustees to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting during the designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2. Special Meetings. Special meetings of the members may be called by resolution of the board of trustees, or upon written request signed by any three trustees, by the president, or by not less than ten per cent of all the members, and it shall thereupon be the duty of the secretary to cause such notice of such meetings to be given as hereinafter provided. Special meetings of the members may be held any place within the Cooperative service area as designated by the board of trustees and shall be specified in the notice of special meeting.

SECTION 3. Notice of Members' Meeting. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be given not less than ten days nor more than twenty-five days before the date of the meeting, either personally or by mail, by or at the direction of the secretary, or upon a default in duty by the secretary, by the persons calling the meeting, to each member.

If mailed, such notice shall be deemed to be given 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. Fifty members or five per centum of the membership present in person, whichever is fewer, 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 in person may adjourn the meeting from time to time without further notice.

SECTION 5. Voting, Conduct of Elections, Election Judges. Each member shall be entitled to only one vote on each matter submitted to a vote at a meeting. A firm, association, corporation, or body politic or sub-division may cast its vote by and through any of its duly elected officers or representatives. A member as an individual may cast his or her vote as such individual, as well as the vote of any one or more partnerships, associations, corporations, bodies politic or sub-divisions of which he or she is a duly elected officer or partner. If a husband and wife hold a joint membership, they shall jointly be entitled to one vote and no more upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of a majority of the members voting thereon in person or by mail except as otherwise provided by law, the Articles of Incorporation or these By-Laws.

Every elector who votes in person at a meeting of members shall sign or make his mark on a register of members before he votes. Any member who is absent from an annual or special meeting of the members may vote by mail at such meeting upon any motion or resolution or for the election of trustees. The secretary shall be responsible for enclosing with the notice of such meeting an exact copy of the motion or resolution to be voted upon and the statement as to the trustees to be elected as required by Article IV, Section 5 of these By-laws.

The secretary shall also be responsible for enclosing with the notice of such meeting one of each of the following election materials by which the absent member may express his vote on each motion or resolution to be acted upon and his selection of trustees.

(a) an official ballot (b) a secrecy envelope (c) a return/verification envelope (d) complete written instructions for voting and returning ballots.

Each packet of election materials mailed shall be addressed to the member's or to the joint member's most current address as shown on the records of the Cooperative, and shall be deposited in the United States mail with sufficient postage for it to be delivered to the member's or joint member's address, and shall be clearly marked on its face with the words "DO NOT FORWARD. RETURN TO SENDER. RETURN POSTAGE GUARANTEED."

The form of the ballot shall be approved by the board of trustees, provided however, that all ballots shall be printed uniformly, shall be neutral as to any motion, resolution or candidate to be voted upon, and shall provide spaces by which the absent member may express his choice by placing an (X) or check mark on the ballot. The return/verification envelope shall contain the printed name and address of the member or joint members and shall provide lines for the signature or mark of the member or one or both joint members.

Upon receipt of his ballot, the member or joint members may vote by:

(a) marking the ballot in the manner specified;

(b) placing the marked ballot in the secrecy envelope, free of any identifying marks;

(c) placing the secrecy envelope containing a single ballot in the return/verification envelope;

(d) signing the return/verification envelope containing the secrecy envelope with ballot enclosed. A ballot sent to joint members shall be valid if the return/verification envelope is signed by either or both joint members. If an elector is unable to sign his name, his ballot shall, nevertheless, be valid if he makes his mark on the signature line of the return/verification envelope, provided however, that two adult witnesses who personally

know the elector shall also sign the return/verification envelope certifying that they witnessed the elector make his mark.

An elector may return his ballot by depositing the return/verification envelope in the United States mail, with sufficient postage affixed, and addressed to the secretary of the Cooperative at its offices in Cut Bank, or by delivering it in person to either of the Cooperative's offices in Cut Bank or Browning. In order to have his ballot counted, each elector must return it in such a manner that it is received on or before noon of the last business day prior to the meeting of members.

The return/verification envelopes shall be preserved, unopened, and delivered to the election judges at the annual meeting. Return/verification envelopes received after the cutoff date and time specified herein shall also be marked as late. At the meeting of members, after the conclusion of the voting by those electors voting in person, the election judges shall canvass those votes, and shall then immediately proceed to count the ballots received by mail or delivered in person at the Cooperative's offices. The election judges shall:

- (a) compare the name and signature(s) or mark on the return/verification envelopes with the official register to determine that the elector has not voted in person. If the elector has voted in person or if the return/verification envelope is not properly signed or was received after the cutoff date and time, it shall not be opened but shall be retained as hereinafter provided.
- (b) if the elector has not voted in person and if the return/verification envelope is properly signed and was received by the cutoff date and time, open the return/verification envelope and retain it as an official record;
- (c) remove the secrecy envelope and deposit it unopened in a container with all other unopened secrecy envelopes.
- (d) once all the unopened secrecy envelopes have been so deposited, open the secrecy envelopes and count all valid ballots. A ballot is valid only if it is sealed in the secrecy envelope and returned in the return/verification envelope which has been signed or marked by the elector as set forth above and is received by the cutoff date and time set forth above. A ballot is invalid if more than one ballot is enclosed in a single return/verification or secrecy envelope or any identifying marks are placed on the ballot by the elector or if the ballot is marked in such a fashion that the election judges cannot readily determine the vote of the elector.

Having counted all the ballots as above set forth, the election judges shall combine the results of their count with the results of the votes cast in person and shall then certify in writing the results of the vote on each matter and candidate voted upon, indicating the number of votes cast for and against each matter and the number of votes for each candidate. At the last regular meeting of the Board of Trustees prior to the meeting of members, the Board shall appoint six (6) election judges consisting of two members from each trustee district.

If an election judge so appointed fails to attend the meeting, then the trustees at the meeting shall appoint a member attending the meeting to serve as election judge, provided that, if a qualified member cannot be found to serve as an election judge, then those election judges attending the meeting shall proceed to discharge their duties as hereinafter set forth. An election judge may not be a trustee, officer, employee or nominee for trustee of the Cooperative or a spouse or child of such person. The election judges shall be responsible for insuring the integrity of the voting process at the meeting of members, for counting the ballots mailed or delivered to the offices of the Cooperative in accordance with this Section, for ruling upon the validity of any ballot, for canvassing the votes whether by machine or paper ballot, and for certifying in writing the results of the vote on each matter and candidate voted upon.

Decisions of the election judges shall be made by majority vote and shall be final as to any matter ruled upon, provided that any such decision shall conform to the provisions of these By-laws. All election materials including packets of materials returned as undeliverable, return/verification envelopes (whether opened or unopened), secrecy envelopes, ballots, registers, and any other materials used by the election judges shall be retained at the Cooperative's principal office until the next annual meeting, at which time said materials may be destroyed.

The failure of any member to receive a ballot or any of the election materials hereinabove set forth or the occurrence of any irregularity which involves no substantial risk of undermining the election process shall not invalidate any vote or any action which may be taken by the members at any meeting.

**SECTION 6. Initiative of Members.** There shall be submitted to the members of the Cooperative any proposition embodied in a petition signed by not less than ten per cent of its members, together with any document submitted with such petition to give the effect to the proposition, either at a special meeting of the members held within forty-five days after the presentation of such petition or, if the date of the next annual meeting of members falls within ninety days after such presentation or if the petition so requests, at such annual meeting.

The approval of the Board of Trustees shall not be required in respect of any proposition or document submitted to the members pursuant to this section and approved by them, but such proposition or document shall be subject to all laws of the State of Montana and of the United States of America. Any affidavit or affidavits required to be filed with any such document pursuant to applicable provisions of the laws of the State of Montana or the United States of America shall, in such case, be modified to show compliance with the provisions of this section.

**SECTION 7. Order of Business.** The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows:

1. report on the number of members present in person in order to determine the existence of a quorum;
2. reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting as the case may be;
3. reading the unapproved minutes of previous meetings of the members and taking necessary action thereon, provided that, on motion, the reading of the minutes may be waived;
4. thereafter the order of the meeting shall be prescribed by the president or chairman of the meeting, provided that the following shall be included:
  - a) election of trustees;
  - b) presentation and consideration of reports of officers, trustees and committees;
  - c) unfinished business;
  - d) new business;
5. adjournment.

## **ARTICLE IV TRUSTEES**

**SECTION 1. General Powers.** The business and affairs of the Cooperative shall be managed by a board of nine trustees which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or these By-Laws conferred upon or reserved to the members.

**SECTION 2. Election and Tenure of Office.** The persons named as trustees in the Articles of Incorporation shall compose the board of trustees

until the first annual meeting or until their successors shall have been elected and shall have qualified.

Trustees shall be elected by secret ballot by those members voting in person or by mail at the annual meeting of the members. Trustees shall be elected for terms of three (3) years, with one-third of the terms to expire each year. There shall be nine (9) trustees who shall serve from the following districts: Cut Bank District: Three trustees. Browning District: Two trustees. Rural District: Four trustees. Three trustees shall be elected for a term of three years to replace those trustees whose terms have expired, with the nominee receiving the largest number of votes to be declared elected.

If an election of trustees shall not be held on the day designated herein for the annual meeting of members, or at any adjournment thereof, the board of trustees shall cause the election to be held at a special meeting of the members within a reasonable time thereafter. Trustees may be elected by a plurality vote of the members, provided however, that should there be a tie in the number of votes cast for any candidate, the winner shall be determined immediately after the votes are canvassed by a flip of the coin. Trustees shall serve until their successors are elected and shall have qualified. The election of a trustee shall be submitted to the entire membership of the Cooperative attending the annual meeting or voting by mail.

SECTION 3. Districts Defined. The territory to which the Cooperative supplies electric energy to its members shall be divided into three (3) trustee districts, named the Cut Bank District, the Browning District and the Rural District, respectively. Cut Bank District: The Cut Bank District shall include all of that portion of the Cooperative's service area within the city limits of Cut Bank, Montana. Browning District: The Browning District shall include all of that portion of the Cooperative's service area within the city limits of Browning, Montana and within Township 32 North, Range 11 West, Glacier County, Montana, SECTION 3, E1/2, E1/2W1/2, SECTION 2, W1/2W1/2, SECTION 11, W1/2W1/2 and SECTION 10, E1/2, E1/2W1/2. Rural District: The Rural District shall include the rest of the Cooperative's service area not included in either the Cut Bank or Browning Districts.

SECTION 4. Qualifications. No person shall be eligible to become or remain a trustee of the Cooperative who:

- (a) is not an active member receiving service from the Cooperative and a bona fide resident in the district nominated from and who has not resided in his said district for at least one year preceding the time when he shall be nominated for said office; or
- (b) is in any way 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 appliances, fixtures or supplies to the members of the Cooperative.
- (c) is a member that has been an employee of the Cooperative for any length of time within the immediately preceding three (3) years.
- (d) is a member of his or her immediate family ("immediate family" meaning one's spouse, parents, grandparents, grandchildren, children, or spouses of children) that is, or becomes, an employee of the Cooperative.

Upon establishment of the fact that a trustee is holding office in violation of any of the foregoing provisions, the board of trustees shall 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 5. Nominations. Not less than sixty (60) nor more than one hundred twenty (120) days before the date of a meeting of the members at which trustees are to be elected, it shall be the duty of the board of trustees to appoint a nominating committee consisting of nine (9) members. Three (3) members of the committee shall be selected from the Cut Bank District, two (2) members of the committee shall be selected from the Browning District, and four (4) members of the committee shall be selected from the Rural District. No member of the board of trustees may serve on such committee. At least forty-five (45) days before the meeting, the committee shall prepare and post at the offices of the Cooperative in Cut Bank and in Browning, a list of nominations for trustees which may include one or more candidates for each Board position to be filled by the election. In the Rural District, keeping in mind the principle of equitable representation, candidates shall be selected from different quadrants of that district, to the extent possible and practicable.

The board of trustees shall designate one member of the nominating committee as the chairman whose duty it shall be to call and preside at meetings of the committee, to prepare and post the list of nominees and to deliver the report of the committee at the annual meeting of members. Members of the nominating committee shall be given reasonable notice of all committee meetings. A majority of the committee shall constitute a quorum for the transaction of business, providing that a majority of those present may adjourn the meeting from time to time without further notice.

Any fifteen (15) or more members acting together may make other nominations by petition not less than thirty (30) days prior to the meeting, and the Secretary shall post such nominations at the same places where the list of nominations made by the committee are posted. At least ten (10) days before the meeting, the Secretary shall mail with the notice of the meeting a statement of the number of trustees to be elected and the names and addresses of the candidates, specifying separately the nominations made by the nominating committee and also the nominations made by petition, if any.

SECTION 6. Removal of Trustees by Members. Any member may bring charges against a trustee and, by filing with the secretary such charges in writing together with a petition signed by at least ten per cent of the members, may request the removal of such trustee by reason thereof.

Such trustee shall be informed in writing of the charges at least ten days prior to the meeting of the members 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 to the charges; and the person or persons bringing the charges against him shall have the same opportunity.

The question of the removal of such trustee shall be considered and voted upon at the 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, provided, however, that no member shall be elected who shall not meet the qualifications of Section 4 of this Article.

SECTION 7. Forfeiture of Office. A trustee shall automatically forfeit his office if he misses five regular or special meetings in any twelve month period, which twelve month period shall commence and end on the anniversary date of his election, or if he misses ten regular or special meetings during his term of office.

SECTION 8. Vacancies. Subject to the provisions of these By-Laws with respect to the filling of vacancies, a vacancy occurring in 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. The appointee shall meet the qualifications of Section 4 of this Article.

SECTION 9. Compensation. Board members shall not receive any salary for their services as such, except that the board of trustees may by resolution authorize a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs or performing committee assignments when authorized by the board.

If authorized by the board, board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Co-

operative business or granted a reasonable per diem allowance by the board in lieu of detailed accounting for some of these expenses. No board member shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a board member receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by the board member or his close relative shall have been certified by the board as an emergency measure.

## **ARTICLE V MEETING OF TRUSTEES**

**SECTION 1. Regular Meeting.** A meeting of the board of trustees shall be held without notice, immediately after, the annual meeting of the members. A regular meeting of trustees shall also be held monthly at Cut Bank, Glacier County, Montana, at the principal office of the Cooperative, at such hour as fixed by the trustees by resolution. Such regular monthly meetings may be held without notice other than the resolution fixing the time thereof.

**SECTION 2. Special Meetings.** Special meetings of the board of trustees may be called by the president or by any three (3) 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 for holding the special meeting, the place for holding a special meeting will be the principal office of the Cooperative, at Cut Bank, Glacier County, Montana.

**SECTION 3. Notice of Trustees' Special Meetings.** Written notice of the time, place and purpose of all special meetings of the board of trustees shall be given to each trustee not less than five (5) days previous thereto, either personally or by mail, by or at the direction of the secretary, or upon a default in duty by the secretary, by the president or the trustees calling the meeting. If mailed, such notice shall be deemed to be given 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; provided further, that a special meeting of the trustees may be held without notice, if all are present and sign a waiver of notice.

**SECTION 4. Quorum.** A majority of the board of trustees shall constitute a quorum provided, that if less than a majority of the trustees are 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 trustees 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, except as otherwise provided in these By-Laws.

## **ARTICLE VI OFFICERS**

**SECTION 1. Number.** The officers of the Cooperative shall be a president, vice president, secretary, treasurer, and such other officers as may be determined by the board of trustees from time to time. 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 immediately 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 by Trustees.** 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 interests of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer, and by filing with the secretary such charges in writing together with a petition signed by ten per cent of the members, or three hundred (300), whichever is lesser, may request the removal of such officer.

The officer against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days prior to the board meeting at which the charges are to be considered and shall have opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges; and the person or persons bringing the charges against him shall have the same opportunity. In the event the board does not remove such officer, the question of his removal shall be considered and voted at the next annual 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 of the board of trustees, shall preside at all meetings of the members and the board of trustees;
- (b) sign, or cause to be signed, as directed by the board, with the secretary, certificates of membership, the issuance of which shall have been authorized by the board of trustees of the members, and may sign 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 execution thereof shall be expressly delegated by the board of trustees or by these By-Laws 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 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 in one or more books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these By-Laws or as required by law;
- (c) the safe keeping of the corporate records and of the seal of the Cooperative and the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these By-Laws.
- (d) keeping a register of the names and post office addresses of all members;
- (e) signing, with the president, as directed by the board, certificates of membership, the issue of which shall have been authorized by the board of trustees or the members;
- (f) keeping on file at all times a complete copy of the Articles of Incorporation and By-Laws 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 By-Laws and



of all amendments thereto to any member upon request; and

(g) 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 moneys due and payable to the Cooperative and for the deposit of all such moneys in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these By-Laws; and

(c) in general perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the board of trustees.

SECTION 8. Manager. The board of trustees may appoint a manager who may be, but who shall not be required to be, a member of the Cooperative. The manager shall perform such duties and shall 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 shall be bonded in such sum and with such surety as the board of trustees shall determine. The board of trustees in its discretion may also require any other officer, manager, agent or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine.

SECTION 10. Compensation. The powers, duties and compensation of officers, agents and employees shall be fixed by the board of trustees subject to the provisions of these By-Laws with respect to compensation for trustees and close relatives of trustees.

SECTION 11. Reports. The officers of the Cooperative shall submit at each annual meeting of the member's reports covering the business of the Cooperative for the previous calendar year. Such reports shall set forth the condition of the Cooperative at the close of such calendar year.

## **ARTICLE VII NON-PROFIT OPERATION**

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 members. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its members.

SECTION 2. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy and service, the Cooperative's operation shall be conducted so that all members will, through their patronage, furnish capital for the Cooperative. The term "capital" shall include amounts necessary for operating costs and expenses and any sums received in addition thereto.

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 of its members, and the board of trustees of the Cooperative will credit to the membership as a whole, at the close of each fiscal year, refunds of capital which exceed the amount thereof necessary to:

(1) defray expenses of the Cooperative and of the operation and maintenance of its facilities during such fiscal year;

(2) pay interest and principal obligations of the Cooperative coming due in such fiscal year;

(3) provide a reserve for the financing of the construction or acquisition by the Cooperative of additional facilities to the extent determined by the board of trustees;

(4) provide a reasonable reserve for working capital;

(5) offset losses incurred in any prior fiscal year;

(6) provide a reserve for the payment of indebtedness of the Cooperative maturing more than one year after the date of the incurrence of such indebtedness in an amount no less than the total of the interest and principal payments in respect thereof required to be made during the next following fiscal year;

(7) provide a fund, which shall not be less than 2% or more than 5% of the balance remaining, for education in cooperation and for dissemination of information concerning the effective use of electric energy and other services made available by the cooperative; and

(8) make any other expenditure as authorized by law.

The decision of the board of trustees to refund capital to the membership as a whole in the form of capital credits shall be deemed a "retirement" of capital credits. The individual members have a right to their respective portion of the capital credits retired to the membership and to any other refund or payment made to members on a prorate or per capita basis.

SECTION 3. Redemption of Member/Patron Capital Credits at a Discount. Notwithstanding any other provisions of these Bylaws, the Board of Trustees, in its sole discretion, may establish an equity discounting program whereby all or partial balances of existing allocated patronage capital may be paid in cash at a discount to members/patrons or former members/patrons. Determination of eligibility for participation in the equity discounting program will be exclusively in discretion of the Board of Trustees and may include but will not be limited to current members, current nonmember patrons, members/patrons that are permanently ending membership in the Cooperative, decedents' estates, among others.

The Board will establish a rotation cycle for all allocated equity; that cycle will serve as the period for normal equity redemption as well as the maximum number of discount periods for early redemption of current patronage allocations. For redemption of earlier allocated patronage, the rotation cycle will also be used to determine the number of remaining years for each patronage vintage before redemption would occur.

All calculations will be made to the most recent year-end date of the Cooperative. The Board of Trustees will determine the cost of patronage capital to serve as the discount rate to be used in calculation of the early redemption amount for all vintages from the original face value for each year which early redemption is sought.

The discount rate will be the 20 year Treasury Bond yield, plus an additional risk premium for the Cooperative determined as of the most recent year-end. The unredeemed amount (i.e., the face amount less the discounted amount paid in cash) will be transferred to temporary patronage capital of the Cooperative and will be redeemable to participating members/patrons or former members/patrons only upon dissolution of the corporation.

The temporary patronage capital will be subordinate to any regular patronage capital credited to members'/patrons' or former members'/patrons' accounts. Records of participants' identity, taxpayer identification number, last known address, and amounts transferred to temporary capital will be maintained. The Board of Trustees is authorized to suspend the discounting program if, in their sole judgment, such action is in the best interest of the

Cooperative. Further, the Board is authorized to adopt administrative policies and rules for the effective implementation of the program.

If the patronage capital discounting is offered by the Board of Trustees, then it will be at the option of the member/patron or former member/patron to participate. However, the Board and management of the Cooperative shall have the authority, in their sole discretion, to apply discounted capital credits to any debts or overdue accounts owed to the Cooperative.

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 without priority on a prorated 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, and there are no limitations in mortgages or deeds of trust, the capital then credited to members' accounts may be retired in full or part.

The board of trustees shall determine the method, basis, priority and order of retirement, if any, for all amounts heretofore and hereafter furnished as capital. Capital credited to the accounts of each member shall be assignable only on the books of the Cooperative, pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such member's premises served by the Cooperative unless the board of trustees, acting under policies of general application, shall determine otherwise. The members of the Cooperative, by dealing with the Cooperative acknowledge that the terms and provisions of the Articles of Incorporation and By-Laws shall constitute and be a contract between the Cooperative and each member, and both Cooperative and members are bound by such contract, as fully as though each member had individually signed a separate instrument containing such terms and provisions. The provisions of this Article of the By-Laws, shall be called to the attention of each member of the Cooperative by posting in a conspicuous place in the Cooperative's office.

SECTION 4. Permissible Uses of Payments of Capital Credits or Other Refunds or Payments Not Accepted. If any member or former member fails to accept the Cooperative's payment of capital credits or any other refund or payment made to members on a prorate or per capita basis, as set forth in Section 2 above, then and in that event any or all of such funds may be used, in the discretion of the board of trustees, for scholarships or for other programs benefiting the Cooperative, its members or their dependents.

## **ARTICLE VIII DISPOSITION OF OR ENCUMBRANCE OF PROPERTY**

SECTION 1. Disposition of Property. The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a duly held meeting of members thereof by the affirmative vote of not less than two-thirds (2/3) of all the members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, or any other provisions of law, 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 encumbrance 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 revenue and income there from all upon such terms and conditions as the board of trustees shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof, or to any other financing sources within the United States; provided, further, that the board may upon the authorization of a majority, of those members of the Cooperative voting at a meeting of the members thereof, sell, lease or otherwise dispose of all or a substantial portion of its property to another cooperative or foreign corporation doing business in this State pursuant to the act under which the Cooperative is incorporated.

SECTION 2. Long Term Indebtedness - Generation. Before the Cooperative may create or enter into an agreement that results in any direct or indirect obligation for the repayment of long term bonded indebtedness for financing directly or indirectly the construction, maintenance, or operation of power generating facilities that may result in a rate increase to the Cooperative's members for repayment of the obligation, the Cooperative must receive approval from a majority of those members present and voting at a special meeting called for that purpose.

## **ARTICLE IX SEAL**

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, State of Montana".

## **ARTICLE X FINANCIAL TRANSACTIONS**

SECTION 1. Contracts. Except as otherwise provided in these By-Laws, 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. All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidence of indebtedness issued in the name of the Cooperative shall be signed and/or countersigned by such officer or officers, agent or agents, employee or employees 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; except petty cash, 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 shall end on the thirty-first day of December of the same year.

## **ARTICLE XI MISCELLANEOUS**

SECTION 1. Membership in Other Organizations. The Cooperative may, upon the authorization of the Board of Trustees, upon majority vote of said Trustees, become a member of or purchase stock or other equity ownership in another organization, whether a for-profit or a not-for-profit organization.

SECTION 2. Waiver of Notice. Any member or trustee may waive in writing any notice of a meeting required to be given by these By-Laws. The attendance of a member or trustee at any 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 on the ground that the meeting

has not been lawfully called or convened.

SECTION 3. Policies, Rules and Regulations. The board of trustees shall have power to make and adopt such policies, rules and regulations, not inconsistent with the law, the Articles of Incorporation or these By-Laws, as it may deem advisable for the management of the business and affairs of the Cooperative.

SECTION 4. 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 and approved by the board, upon the advice of the Cooperative's auditors in accordance with generally accepted methods of accounting.

The board of trustees shall, after the close of each fiscal year cause to be made by a duly licensed and 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. The report of such audit shall be available to the members at the next following annual meeting.

SECTION 5. Area Coverage. The Board shall make diligent effort to see that electric service is extended to all un-served persons within the Cooperative service area who:

- (a) desire such service and,
- (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

SECTION 6. Indemnification. The Cooperative shall indemnify any officer, trustee, manager or assistant manager of the Cooperative for any losses incurred as a result of claims, liabilities, and expenses and legal fees paid or necessarily incurred in connection with any court action or proceeding brought against the officer, trustee, manager or assistant manager charging negligence in the performance of duties or errors or omissions in the performance of such duties and the board of trustees of the Cooperative will purchase insurance coverage to provide such indemnification at the cost of the Cooperative.

The provision of this By-Law shall not apply where an officer, trustee, manager or assistant manager has been found guilty of any criminal offense in his or her capacity as an officer, trustee, manager or assistant manager.

## **ARTICLE XII AMENDMENTS - GENDER**

SECTION 1. Amendments. These By-Laws 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.

SECTION 2. Gender. The use of the masculine gender in these By-Laws shall and does include the feminine and, as appropriate, the neuter.

Glacier Electric Cooperative, Inc.



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