

(a) Ceasing new joint memberships and in turn, provide similar rights to spouses of individual members, with the exception of the legal right to capital credits:

1. The Cooperative views divorce as a very personal matter that is best resolved in the appropriate legal manner by the persons involved. The ownership of capital credits between joint members that divorce should be determined by a divorce decree or other legal document but it is uncommon that joint members include capital credits in their divorce decree. Increasingly, this puts the Cooperative in the uncomfortable position between recently divorced joint members that cannot agree on ownership of their capital credits.
2. The change proposed will maintain the ability of a member and a member's spouse to have almost all rights under a single membership that a joint membership currently enjoys, while minimizing the impact of settling capital credit legalities that occur with divorces of joint members.
3. All new human memberships created after 12/31/23 will be setup as individual memberships. The individual human person that signs up for service is considered the member. The individual member's spouse may be added as the spouse of the individual member and receive all rights of the member except ownership of the capital credits. Accordingly, either the member or the member's spouse may vote, serve on committees, serve on the Board of Directors, etc., but the member's spouse will not have ownership rights of the capital credits on the membership. It will be the responsibility of the individual member and the member's spouse to otherwise account for any outstanding capital credits in their divorce settlement.
4. This proposed method to utilize an individual membership to determine ownership of the capital credits has been adopted effectively by other electric cooperatives for this purpose.
5. Joint memberships created prior to 12/31/23 and that are active as of 12/31/23 will remain joint memberships.
6. **The changes related to this topic are colored in bright green in the bylaws shown further below.**

ARTICLE I

MEMBERSHIP

Section 3. Individual Membership

(a) Where an individual membership exists, either the member, or the member's spouse, may vote, serve on committees, sign a petition, and/or serve on the Board of Directors, but not in the same instance. The serving by either spouse shall constitute the one instance of the member for each activity.

Section 4. Joint Membership

(a) The Cooperative will not admit new joint members. Married Persons occupying the same location who are joint members of as of December 31, 2023, and remain joint members, are deemed to have a "joint membership" and may continue to be joint members, subject to the following terms and conditions:

1. Married Persons occupying the same service location may ~~apply for~~ hold an existing 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 bylaws shall be deemed to include married Persons holding a joint membership, and any provisions relating to the rights and liabilities of membership shall apply equally to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect to the holders of a joint membership is as follows:

- i. The presence at the meeting of either or both shall be regarded as the presence of one member and shall have the effect of constituting a joint waiver of notice of the meeting;
- ii. The vote of either separately or both jointly shall constitute one vote;
- iii. A waiver of notice signed by either or both shall constitute a joint waiver;
- iv. Notice to either shall constitute notice to both;
- v. Expulsion of either shall terminate the joint membership;
- vi. Withdrawal of either shall terminate the joint membership

~~vii. A joint member otherwise qualified is eligible to serve as a member of the Board of Directors, regardless of whether the other joint member is eligible to serve as a Director. If both joint members are otherwise qualified to serve as a Director, then either joint member, but not both joint members simultaneously, is eligible to serve as a Director. Either spouse, but not both, may be elected or appointed as an officer or director, provided that the member meets the qualifications of such office.~~

Section 5. Conversion of Joint Membership

~~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, bylaws, policies, rules, regulations adopted by the Board of Directors.~~

(a) Upon the notice of death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor, provided, however, that the estate of the deceased joint member shall not be released from any debts due to the Cooperative.

(b) Upon the divorce or a court order of the parties of a joint membership, and notice of such divorce **or court order** to the Cooperative, such membership shall be held solely by the one who continues to purchase electric service from the Cooperative at the same place of service, provided, however, that the former joint member spouse shall not be released from any debts due to the Cooperative prior to the **actual** notification to the Cooperative of the divorce **or court order**.

(a)(c) Capital credits allocated prior to the divorce **or court order, that have not been retired as of the date of notice to the Cooperative,** shall be divided as set forth in the divorce judgment **or court order.** If the divorce judgment **or court order** is silent, the allocated capital credits, **that have not been retired as of the date of notice to the Cooperative,** shall be divided equally between the joint members.

1. **If both joint members continue legal use of the electric service at the service location at which the joint members had used electric service, then the joint membership converts to a membership in the name of the joint member as determined by the Cooperative in the discretion of the Board of Directors.**

(d) **The death of the first joint member will not result in the early retirement of capital credits, and the surviving joint member will continue to own the capital credits previously jointly owned, in the surviving joint member's name, until they are retired as provided herein. Capital credits held by joint members retained by the surviving joint member will be subject to all rights and obligations that apply to capital credits held by individual members.**

ARTICLE III

MEETINGS OF MEMBERS

Section 75. Voting

(b) **Where an individual membership exists, either the member or the member's spouse may vote, unless the member objects prior to the issuance of ballots, in which case only the member will be entitled to vote. At the annual meeting a ballot will be issued to the first of the two to register at the registration table, assuming the vote has not already been cast via mail or electronically. The vote of either shall constitute the one vote of the member. Members represented by a spouse will be considered and counted in determining whether a quorum exists.**

(b) Revising minimum requirements for members to serve on the Cooperative's Board of Directors:

1. Clarifies that a member must be receiving electric service at the member's primary residence and defines how a primary residence is determined.

2. Requires that a candidate must be a member at least 270 days prior to the date of the annual meeting in which they intend to run for a seat on the Board of Directors. This is important because the nominating committee is appointed months in advance of the annual meeting by the Board of Directors and it is difficult to evaluate the candidates for nomination if there is little to no history of the candidate to review.
3. Modifies and adds criteria that disqualifies a member from serving on the Board of Directors, including:
 - i. Having a close family member who currently is, or within the previous three years, has been financially interested in, or otherwise serves as a director or corporate officer of any entity, other than an electric cooperative, that engages in a competing enterprise or a business selling electric energy, services, or supplies. (The requirement is already in place for the director).
 - ii. Having ever been convicted of a criminal act constituting a felony.

These changes are colored in **bright yellow** in the bylaws shown below.

ARTICLE IV

DIRECTORS

Section 2. Qualifications and Tenure

(a) To be eligible to become or remain a director or to hold any position of trust in the Cooperative, the director or director candidate Only Persons meeting the following eligibility requirements may be nominated, elected, or serve as a Director:

1. Required criteria: To be nominated, elected, or serve as a Director of the Cooperative, a Person must:

- i. Be a an individual member of the Cooperative, or the spouse of an individual member, or an individual that is part of a joint membership; and
- ii. Be a member of the cooperative, receiving power from the Cooperative at the member's place of primary residence, which residence must be located in the Director district in which the Director represents or is seeking to represent; and
- iii. Remain in good standing under the Articles, bylaws, and policies of the Cooperative, as they may be amended; and
- iv. Have been a member for at least 270 days.

2. For purposes of these bylaws, a member can only have one primary residence and "primary residence" shall mean:

- i. The address of the member Director, or member seeking to represent a Director district, listed on the member's North Dakota driver's license or state issued identification card; and
- ii. The address of the member Director, or member seeking to represent a Director district, listed on the voting rolls for the voting precinct where the member was authorized by law to vote in the most recent local, state, or federal election or, in the event the member has changed residence (e.g. moved) prior to the next local, state, or federal election, the member provides valid supplemental identification authorized by the nominating committee that supports the location of where the member will be authorized to vote at the next local, state, or federal election; and
- iii. To the extent of any conflict between items 2i. and 2ii. within this definition, item 2ii. shall prevail.

3. Disqualifying Criteria: To be nominated, elected or serve as a Director of the Cooperative, a Person must not:

- i. Be employed by, or financially interested in a competing enterprise or a business selling electric energy or supplies; or be employed by, or financially interested in, a business primarily engaged in selling electrical fixtures or supplies to the Cooperative or members of the Cooperative. Currently be, or within the immediate previous three year period, have been a director, officer, or employee of any Entity, other than an electric cooperative or affiliate of an electric cooperative, that engages in a competing enterprise or a business selling electric energy, services, or supplies; or financially interested in, a business primarily engaged in selling electrical fixtures, services, or supplies to the Cooperative or members of the Cooperative; or
- ii. Have a close family member who currently is, or within the previous three years has been, a director or corporate officer of any Entity described in item 3i. above, unless otherwise approved by vote of a majority of all of the disinterested directors; or
- iii. Be currently ~~may not be~~ employed or have been employed by the Cooperative in the preceded 3 years; or
- iv. Have ever been convicted of any criminal act constituting a felony under the law of jurisdiction in which the conviction occurred.

4. No current Director will be considered for employment at the Cooperative.

5. Definitions: For the purpose of this article:

- i. "Close Family Member" means a member's spouse, parents, children, and grandchildren (including legally adopted children and grandchildren).

