



Your Touchstone Energy® Cooperative 



VERENDRYE ELECTRIC COOPERATIVE **OWNER'S MANUAL**

TABLE OF CONTENTS

Welcome.....	1
Mission statement.....	1
About us	2
Service area and district map	3
Voting and member control	4
Profits are returned to members.....	4
Billing and payment options.....	5
Explanation of bill	6
Understanding energy usage	8
Home energy usage.....	9
Where does the money go?	10
Energy portfolio and power distribution	11
Popular services offered by Verendrye Electric	12
Safety tips.....	13
Prepare for outages.....	14
Verendrye Electric Cooperative, Inc. – bylaws.....	15-28
Statement of non-discrimination.....	29

REPORT AN OUTAGE OR SAFETY CONCERN

Call **1-800-472-2141** or any of our published numbers to report an outage or safety concern 24 hours a day, seven days a week. See page 11 for more information on reporting outages and safety tips.



THE VELVA OFFICE

WELCOME

People who buy electricity from Verendrye Electric Cooperative are members, rather than customers, because the cooperative is a non-profit organization owned by those who purchase power from it.

Being a member means you get to vote for your board of directors at annual meetings, and you receive money back when the cooperative earns a margin and is able to retire capital credits. The best part of being a member is you will receive personal and friendly service from local people.

We hope you spend some time reading this publication to learn more about your cooperative. We encourage all of our members to stop by our Velva or Minot offices any time during normal business hours to visit with our employees.

MISSION STATEMENT

Our mission is to provide quality electric service at a competitive cost, to strengthen the area economy and to lead in improving the region's quality of life through innovation while operating within cooperative principles.

CONTACT US:

1-800-472-2141 • www.verendrye.com

Find us on Facebook and YouTube

VELVA OFFICE

615 Highway 52 W. • Velva, ND 58790-7417

Phone: 338-2855

MINOT OFFICE

1225 Highway 2 Bypass E. • Minot, ND 58701-7927

Phone: 852-0406

Email: rec@verendrye.com



THE MINOT OFFICE



Your Touchstone Energy® Cooperative 

ABOUT US

Verendrye Electric Cooperative was formed in 1939 in the tiny town of Verendrye, located

northeast of Velva. The name Verendrye is from the French explorer Pierre de la Verendrye, who was the first European to have explored North Dakota. The cooperative moved its headquarters to Velva in 1941.

The cooperative was formed after investor-owned utilities refused to serve rural areas because they could not make a profit. Farmers started their own cooperatives with the assistance of the Rural Electrification Administration (REA). The REA, which was created in the mid-1930s, helped cooperatives by providing low interest loans and technical assistance to organizers.

Today, Verendrye Electric Cooperative serves more than 16,500 electrical meters in seven counties, including parts of Minot and the entire Minot Air Force Base. The cooperative's headquarters is in Velva, but it also has a full service center in Minot and outposts in Harvey and on the Minot Air Force Base.

Visit our website to read our history book and watch a video on our history.

COMMITMENT TO COMMUNITY

We not only serve your communities, we live in them. That's why we give back to communities through a

variety of programs. Here are some examples of how we help the communities we serve.

OPERATION ROUND UP

Members voluntarily round their bills to the nearest dollar each month and the money collected is used for charitable causes. More than \$60,000 is granted to dozens of worthwhile causes each year. For more information go to www.verendrye.com and click on the Operation Round Up banner on the homepage.

STUDENT OPPORTUNITIES

Each year VEC awards three high school students with \$1,000 scholarships and one with an all-expenses-paid trip to Washington, D.C. to recognize their academic achievements. VEC also provides matching funds to each of the six Dollars for Scholars chapters within its service area. Learn more about these programs on our website.

FREE ENERGY TOURS

VEC conducts free energy tours for its members each year. The tours include a trip to Beulah in a chartered bus where guests will see how electricity is made. Stops include the Coteau Freedom Mine, Antelope Valley Station power plant and Dakota Gasification Company's Great Plains Synfuels Plant where coal is converted into natural gas. Call us today at 1-800-472-2141 to reserve a seat on the next tour.

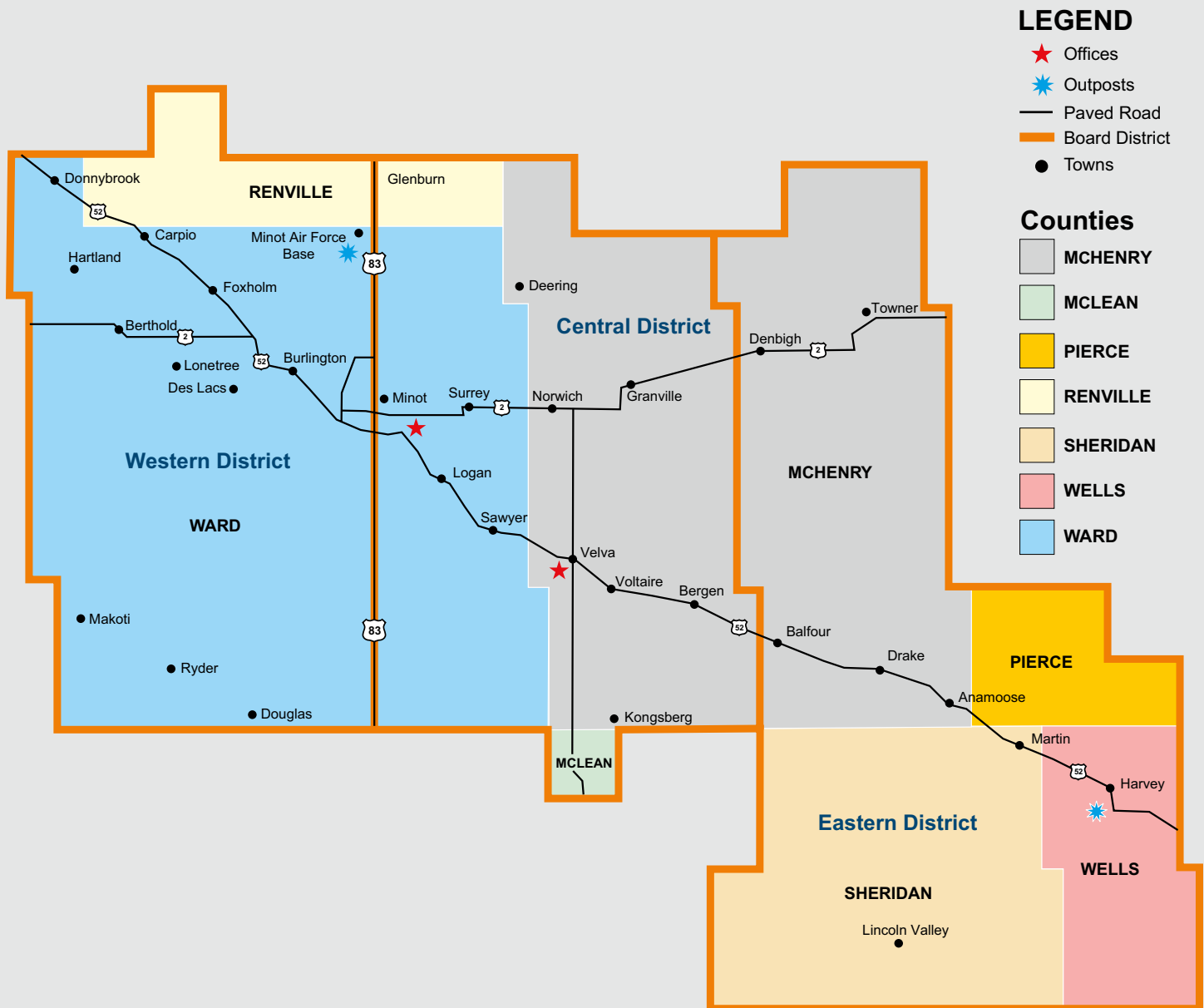


SERVICE AREA AND DISTRICT MAP

Central District: This district includes all members who live east of Highway 83, in Ranges 82 and 83, and all members who live in Range 78 of McHenry County, and all members who live in Ranges 79, 80 and 81. This means all members living east of Highway 83 and west of the eastern district.

Eastern District: This includes all members who live in Ranges 75, 76, 77 and all members who live in Sheridan, Pierce and Wells counties.

Western District: This district includes all members who live west of Highway 83, in Ranges 82 and 83, and all members who live in Ranges 84, 85, 86 and 87. This means all members living west of Highway 83.



VOTING AND MEMBER CONTROL

Verendrye Electric Cooperative is governed by nine directors – three elected from each of the cooperative's three districts. Directors are elected for terms lasting three years, and each year there is one director from each district up for election.



Members vote for their board of directors at the annual meeting each year on the second Thursday in June.

Candidates for the board are nominated at caucus meetings in the spring, or by petition. Members vote for directors at annual meetings, which are held the second Thursday in June each year. Verendrye publishes caucus meeting and annual meeting information each year in *North Dakota Living*, on its website, mobile application and as messages on bills.

Directors are responsible for setting policy, hiring the manager and selecting legal, accounting and other consultants. The manager implements board policies and selects staff to perform duties and is accountable to the board. A list of all of the current board members and staff can be found on Verendrye's website.

Verendrye also encourages member participation through the Member Advisory Committee. The committee serves as a link between the members and the cooperative's board of directors and employees. It consists of 60 people from all parts of Verendrye's territory. Members are nominated by board members in each district. If you are interested in serving on the committee, call Verendrye or contact your local board member.

PROFITS ARE RETURNED TO MEMBERS

Verendrye Electric is a non-profit organization. That means any margins, or revenues remaining after all expenses have been paid, are returned to the members in proportion to their usage of the co-op's services.

The amount of capital credits (equity) a member holds depends on how much electricity the member purchases each year. Verendrye Electric Cooperative holds on to capital credits to use as working capital. Capital credits help Verendrye meet expenses of the co-op, repay debt and keep rates affordable.

Each year the Verendrye board determines the amount of capital credits to be returned to members based on the financial condition of the cooperative and debt to equity ratios required by the Rural Utilities Service (RUS). When capital credits are retired, checks are issued to members and handed out at the annual meeting. If you don't pick up your check at the annual



*Computer Engineer **Nick Fredrich** hands a capital credit check to a member at an annual meeting.*

meeting, it will be mailed to you. If your retirement is less than \$10, it will be held until next year and paid out once it reaches \$10.

BILLING AND PAYMENT OPTIONS

Verendrye sends bills out at the beginning of the month and payment is due upon receipt. If the bill is not paid by the 22nd of each month, you are subject to late fees and disconnection of service.

REGISTER FOR AN ONLINE ACCOUNT

Pay online by setting up an online account on your computer, or you can download our SmartHub app!

You can pay your bill, see your monthly statements, and even track your energy usage by the month, day and hour. Receive a **\$1 monthly** credit by choosing a paperless bill. Pay cash by using SmartHub app through Vanilla Direct in Minot or Velva at Dollar General or Family Dollar for a small fee.

AUTO PAY

Auto Pay withdraws your payment around the 22nd of each month from an account of your choice (checking, savings, American Express, Visa or MasterCard). There are no additional fees for this service. Sign up through our SmartHub application or fill out the form found on the stub of your monthly statement. If the withdrawal is from a checking or savings account, you will receive a **\$1 monthly** credit on your bill each month!

MAIL

You can mail a check or money order payment to: 615 Highway 52 West Velva, ND 58790-7417. Please include all of your electric statement stubs with your payment and the account number(s) written on the memo of your check.

PAY BY PHONE

Call us and make a payment with American Express, Visa, MasterCard, Checking Account, or Savings Account over the phone at no extra charge.

Please call 1-800-472-2141 during our regular office hours.

Or, call 1-888-259-9226 any time for our automated phone payment system.

PAY IN PERSON

Monday - Friday 8:00AM to 4:30 PM
at either our Velva or Minot offices.

DROP IT OFF

Drop it off after hours in our drop boxes at our Velva or Minot offices, or at Marketplace Foods in Minot. (Please note Marketplace drop offs

may not be delivered to Verendrye for 1-2 business days.)

MONEYGRAM

Bring your statement into your local MoneyGram provider. The payment will post to your account immediately. MoneyGram requires you have your account number and agency receive code in order to make a payment. Verendrye's agency receive code is: 15420.

MoneyGram is available in Minot at Walmart or CVS Pharmacy. Walmart or CVS may charge you a small fee for using their services.

BUDGET BILLING

Keep your bills consistent throughout the year by enrolling in Budget Billing. To calculate your Budget Billing amount, we take an average of the last 12 months billing. This 12 month average amount is then increased by 10%. This adjustment should help assure that even if the weather is colder or hotter than normal your budget amount should cover your electric bill. This is the amount you would pay for the next 11 months. On the 12th month, the balance between what you paid and what you used is settled. At this time a new Budget Billing amount would be recalculated for the following year. You must be on VEC service for at least one year with good standing credit at VEC to qualify and sign up for budget billing. To remain on budget billing you must pay on time monthly.

OTHER THIRD PARTY PAYMENT OPTIONS:

Many other payment options may be available for you to use. If you are not using a payment method listed above, it may take several days for us to receive the funds and may cause your payment to be received late. Other third party payment options may also charge you fees you would not otherwise pay.



The advertisement features a green background with a white sun-like logo on the left containing the text "smart hub". To the right, the words "SMART ENVIRONMENT" are written in large, bold, white capital letters. Below this, the tagline "SMART MANAGEMENT. SMART LIFE. SMARTHUB." is displayed in smaller white capital letters. Further down, the text "Saving money just got easier." is followed by "Going paperless with SmartHub is easy." and "And with convenient access to your bill anytime, anywhere, doing your part to save the environment just got easier." At the bottom, it says "...All in the palm of your hand and online." On the right side, there is an image of a computer monitor displaying a green leaf logo. Below the monitor is a QR code and the website address "www.smarthubapp.com".

EXPLANATION OF BILL

SPECIAL MESSAGES:

Special messages appear here, including loan payment reminders, auto-pay updates and events.

SERVICE DETAILS:

This area has information about the particular metered service, including service address description and rate number.

METER READING DETAILS:

This summarizes information on your meter by showing meter number, present and previous reading information, service address, service description and the date the meter was read.

DETAIL OF CHARGES:

This shows all of the charges on your meter(s) for the month. The facility charge is the monthly charge that covers the cost of the service drop, transformers, etc. The kilowatt-hour revenue lines represent the charges for energy consumed during the billing period. If you are participating in the off-peak program, you will have more than one meter. The additional meter(s) will also have details of the charges and rate schedule.

RETURN STUB:

The bottom third of your statement is the portion we ask you to mail back with your payment. You will note the indicators if you are on budget billing (budget date). By including this portion with your payment, you can be assured accurate credit to the proper account. Also provided is an area to sign up for auto pay.

0003306300

**Verendrye
Electric
Cooperative**

615 Highway 52 W
Velva ND 58790-7417

Minot Office Location: 1225 Highway 2 Byp E Minot ND
Office Hours: Mon-Fri 8AM to 4:30PM
Phone: 701-852-0406, 701-338-2855, 1-800-472-2141
E-mail: rec@verendrye.com Web site: www.verendrye.com

5440 1 AV 0.380
JOHN A DOE
5800 33RD ST SE
MINOT ND 58701-9999

4 5440
C-15 P-15



This cooperative is an equal opportunity provider and employer.

1

Messages

Pay your bill and view daily usage on your account at www.verendrye.com

Service Details

Loc: 055090105460 Addr: 5800 33RD ST SW Desc: Main M

Meter Reading Details	Meter 18590875	Detail of Ch
Current Reading	10/01/19 10,112	NO PRINT EE
Previous Reading	09/01/19 9,214	150 LED Eq
Master Meter Usage	898	Facility Charg
Less Sub Meter Usage	513	KWH Revenue
Total Usage	385	Total This S

Loc: 055090105460 Addr: 5800 33RD ST SW Desc: Heat &

Meter Reading Details	Meter 158748571	Detail of Ch
Current Reading	10/01/19 30,339	Facility Charg
Previous Reading	09/01/19 29,826	KWH Revenue
Total Usage	513	Total This S

Please Return This Stub With Your Payment

☐ Yes! I would like to sign up for Auto Pay!

Your paym
may be p

By signing this you are authorizing Verendrye Electric Cooperative to withdraw payments from your account for payment of your electric bills around the 22nd of each month. You agree each payment is the same as an instrument personally signed by you.

☐ Checking ☐ Savings

Attach a voided check or savings deposit slip (you will receive a 50-cent credit each month).

☐ Visa/Mastercard/Amex No. _____ exp. _____

X
Authorized signature on my account must match name on account

JOHN A DOE
5800 33RD ST SE
MINOT ND 58701-9999

360170003306

Account Number 1234567

4

Statement Date 10/03/2019

Billing Summary

Previous Balance	\$101.00
Payments 09/09/2019	-101.00
Balance Forward	0.00
Current Charges	111.29
Operation Roundup	0.71

Amount Due \$112.00

Due Upon Receipt

Page 1 of 1

Payment Options:

We accept cash, check, money order, VISA, MasterCard, Amex

- Electronically via SmartHub
- MoneyGram (Receive Code 15420)
- In person at our Minot or Velva offices
- Via the phone
- Set up auto pay
- Mail

drye.com or download the "SmartHub" mobile app.

Meter Rate: 013 Main Meter

Charges	
BILL CREDIT	\$-0.50
	7.00
	23.00
385 KWH	39.85
Service	\$69.35

AC Meter Rate: 112 Heat Meter

Charges	
	\$4.75
513 KWH	37.19
Service	\$41.94

Tear Stub Along This Dotted Line

ment and any returned checks
processed electronically.

Account#: 1234567

Subject to 1.5% penalty if not
paid by 10/22/2019.

Amount Due: \$112.00

Verendrye Electric Cooperative
615 Highway 52 West
Velva ND 58790-7417



000000011200000011368100320192

ACCOUNT NUMBER:

This is your Verendrye Electric account number. Use it when you call our offices, as it makes it easier for us to locate your information.

STATEMENT DATE:

This represents the day your statement was printed. For members participating in the auto-pay program, the amount is deducted between the 21st and 24th of the month.

BILLING SUMMARY:

The billing summary shows your payments, any other activity on your account and the amount due. For members participating in budget billing, your budget amount due appears here.

**Verendrye
Electric
Cooperative**

Your Touchstone Energy® Cooperative



UNDERSTANDING ENERGY USAGE



A kilowatt-hour (kWh), is the unit of measurement we use when we bill you each month.

A kilowatt is the same as 1,000 watts. Electricity use over time is measured in kilowatt-hours (kWh). A kWh is equal to the energy of 1,000 watts working for one hour. If you use a 100-watt light bulb for 10 hours, you have used one kWh of electricity, or if you run 10 light bulbs at 100 watts each for one hour, you have also used one kWh.

The chart below will give you an idea of how much wattage appliances use and the approximate cost to use them.

What uses watts?

Use the chart below to get an idea of how appliances in your home contribute to your monthly electric bill.

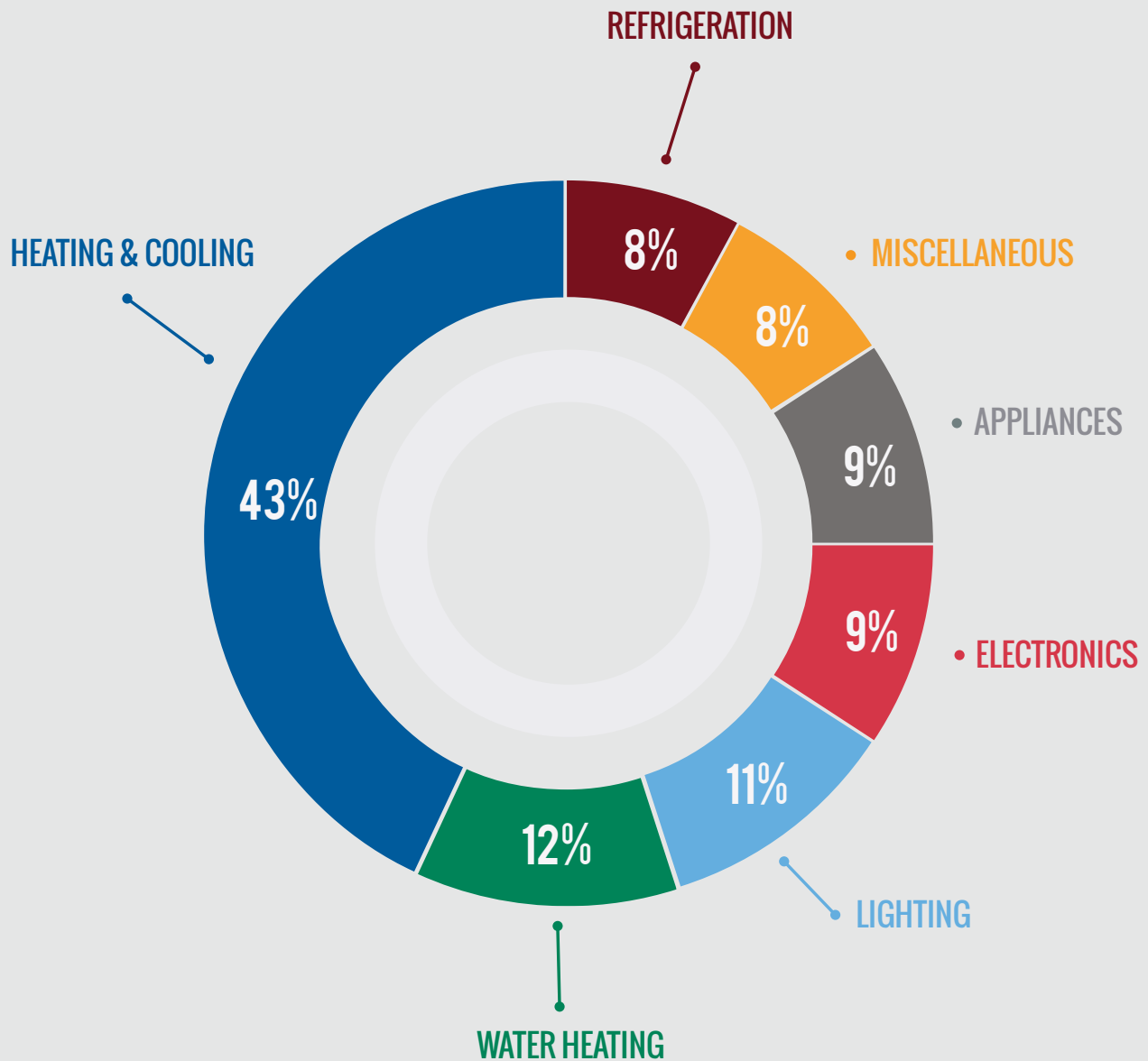
Residential/household	Typical wattage*	Estimated hours used per month*	Estimated monthly kWh	Cost per month at \$0.11/kWh**
Air conditioner (central – 8.5 SEER, 2.5 tons)	3,500	100	350	38.50
Air conditioner (room – 9,000 Btu)	1,050	360	378	41.58
Clothes dryer	5,000	16	80	8.80
Clothes washer (doesn't include hot water)	500	16	8	0.88
Coffee Maker	800	5	4	0.44
Computer	200	240	48	5.28
Dehumidifier	350	240	84	9.24
Dishwasher (doesn't include hot water)	1,800	15	20	2.20
Freezer (frostless 15 cu. ft.)	335	334	112	12.32
Lighting - 1 Incandescent bulb	60	150	9	0.99
Lighting - 1 CFL bulb	13	150	2	0.22
Lighting - 1 LED bulb	9	150	1.4	0.15
Microwave oven	1,500	10	15	1.65
Radio	25	100	3	0.33
Range with oven	3,500	15	188	20.68
Refrigerator/freezer (14 cu. ft.)	300	300	150	16.50
Refrigerator/freezer (frostless, 16-18 cu. ft.)	400	250	154	16.94
Television – 46" LED (6 hrs./day)	87	180	16	1.76
Television – 32" LCD (6 hrs./day)	114	180	21	2.31
Television – 42" plasma (6 hrs./day)	360	180	65	7.15
Water heater (varies widely)	4,500	90	405	44.55
Water pump (deep well)	1,000	15	15	1.65

*Typical wattage and estimated hours per month are samples. Actual wattage and use will vary. Consult the information panel on your appliances for specific wattages.

**Based on national average.

HOME ENERGY USE

WHERE DOES YOUR ENERGY GO?



Home energy use is different for everyone and hinges on several factors, including size of home, members in your household, your location and preferences. Knowing how your energy spend is divided will help you prioritize your energy saving habits.

Source: U.S. Energy Information Administration. www.EIA.gov.

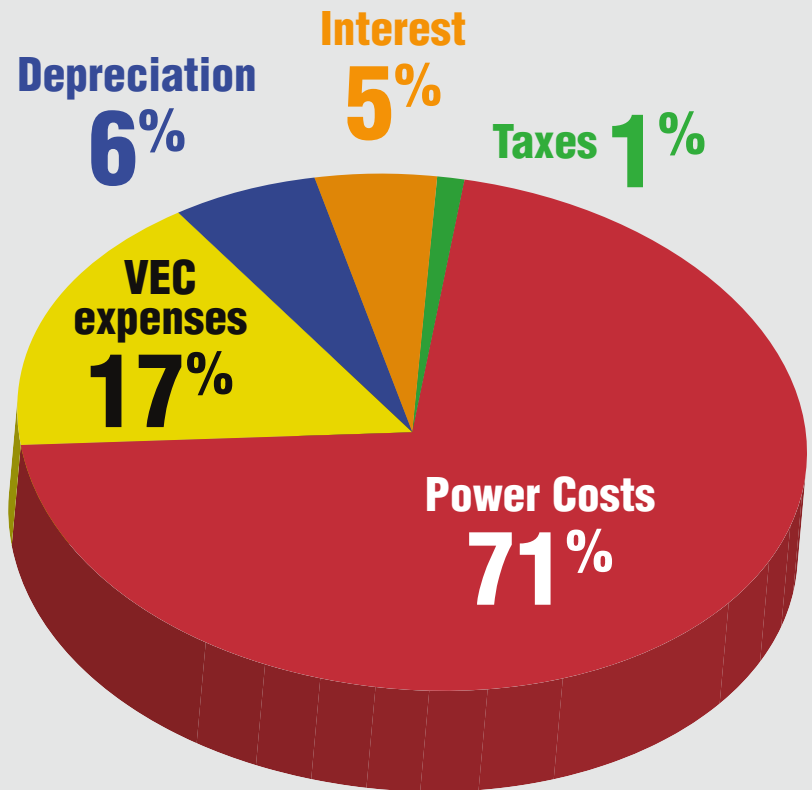
WHERE DOES THE MONEY GO?

Power costs: VEC's purchase of power comprises the majority of expenses. For every dollar collected from members, approximately 71 cents is used to purchase power.

VEC expenses: These include costs associated with maintaining and operating the infrastructure, billing, collections, member programs and communications.

Taxes: Because VEC is a nonprofit entity, some people mistakenly believe the cooperative does not pay taxes. Cooperatives do pay a tax based on annual kilowatt-hour (kWh) sales. The tax is distributed to counties where VEC owns facilities, based on line mileage and actual kwh sales in each county.

Depreciation and Interest: This covers VEC's cost of borrowing money to build, upgrade or replace electrical distribution facilities, along with the annual recognition of the useful life of property and equipment.



Lineworkers install a new pole south of Minot. Verendrye replaces a number of poles each year.



The iconic, bright yellow Verendrye Electric trucks are seen in this winter picture.

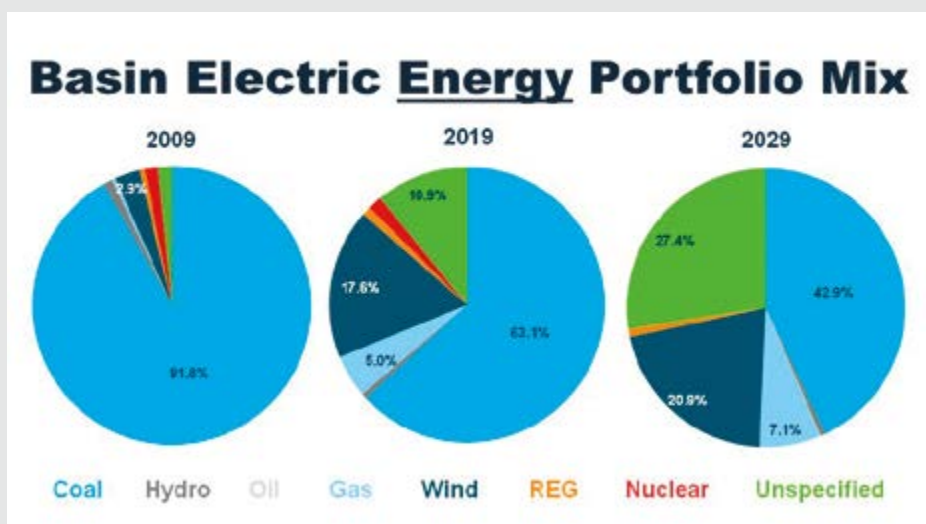
ENERGY PORTFOLIO AND POWER DISTRIBUTION

Verendrye Electric Cooperative has extensive infrastructure to serve its members. VEC has more than 4,598 miles of power lines, of which 2,076 miles is under ground. The lines serve more than 16,500 meters in a 4,900-square-mile service area.

ENERGY PORTFOLIO

Verendrye Electric is a distribution cooperative that purchases wholesale power from Central Power Electric Cooperative of Minot. Central Power doesn't generate its own power; it serves as an intermediary to Verendrye and five other cooperatives.

Central Power buys 90 percent of its power from Basin Electric Power Cooperative and 10 percent from the Western Area Power Administration (WAPA), a federal power marketing agency that supplies hydropower from the Garrison Dam. Because VEC is a member of Central Power and Basin Electric, it is also a



part owner of their facilities.

Basin Electric, which serves 140 distribution cooperatives in nine states, uses a variety of energy sources for generating electricity. Basin's energy portfolio has become increasingly more diverse with wind, solar and natural taking more of the share over the past few years as seen on the charts.



Tom Jespersen, Energy Services and Rural Development, shows students how Verendrye's solar cattle water systems work. Verendrye has over 200 of these systems it leases to ranchers.

POPULAR SERVICES OFFERED BY VERENDRYE ELECTRIC

Verendrye Electric has a variety of programs to help you save money, including equipment rebates, free energy audits and off peak and electric heat rates. It all comes with personalized advice. Our programs include:

Free energy audits: Our energy experts will conduct a free energy audit of your home or business to help you identify ways to save energy.

Water heater program: A lower rate and rebates are available to members who allow us to control their water heaters during times of high energy demand. Because the water heaters are super insulated and have a large reserve, most members don't even notice when their water heater is controlled.

Electric heat rate: Members with electric heat receive a lower rate when it is separately metered. This

is available to residential and commercial accounts.

Air conditioning rate: Air conditioners can be controlled by Verendrye for up to 30 minutes at a time in exchange for a credit on your May through September bills.

Security lighting: For a small monthly fee Verendrye will provide security lighting with efficient LED lighting that automatically turns on when it is dark and off when it is light.

Solar water pumping: Instead of building costly power lines to pump water in pastures, Verendrye leases solar systems on a monthly basis to members. The costs depend on the size of the system you need.

Home weatherization loans: Qualifying members can receive 5 percent loans for energy saving weatherization.

SAFETY TIPS

Things to remember when working around power lines.

It is important to be aware of possible hazardous conditions. Here are some important safety tips to keep in mind when working.

- Do not assume all power lines have the same clearance height.

Height can vary by year built, location and voltage.

- Your old machinery clears the lines, but how about your newer, bigger machinery?

- The roof of your machinery might clear the lines, but how about the radio antenna?

- If snow or other debris is piled up beneath a power line, it will reduce your clearance.

- Make sure you call 811 before you dig post holes or dig for other projects on the farm.

- Be careful not to hit guy wires that support poles.

- Avoid storing hay or other material near power lines because it can be a hazard when loading.

- Always lower an auger or other boom before moving it.

- Be careful when working near trees that may block the view of power lines.

- If equipment gets hung up on a power line, the operator should NOT get off the machinery unless in immediate danger.

- If you must leave the equipment, jump as far away from the machinery as possible. Never get back on machinery that touches a power line until the utility company disconnects the line.

- Train all workers and your children about safety near power lines.



Kristie Hoff, Communications and Member Services Aide, conducts a safety demonstration at the North Dakota State Fair.

PREPARE FOR OUTAGES

REPORT AN OUTAGE OR SAFETY CONCERN

Call **1-800-472-2141** or any of our published numbers to report an outage or safety concern 24 hours a day, seven days a week.

HOW YOUR OUTAGE CALLS ARE HANDLED

If your call is not answered by a Verendrye employee, it means we are experiencing high call volumes. Please try again in a few minutes. During high call volumes you might get an automated message that will allow you to report your outage by entering your phone number or electrical meter number. If you dislike automated systems, remain on hold until an employee is available. We appreciate your patience and encourage you to report outages.

NOTIFY VEC ABOUT MEDICAL ISSUES

Please notify VEC if you need electricity for critical life support needs. We will flag your account and can notify you in advance of planned outages and prioritize restoring power in the event of an unplanned outage. However, do not depend on this notification to serve your needs. It isn't always possible to speed up

repairs, and in extreme conditions, outages can last several days.

PROTECT YOUR ELECTRONICS

We work hard to provide reliable power, but occasional blinks and outages are to be expected. It is your responsibility to protect your devices from power issues that can cause damage. If you need help deciding what kind of surge protectors or uninterruptible power supplies would work in your home or business, contact us.

OUTAGES AND SAFETY

Online safety resources:

Verendrye Electric Cooperative

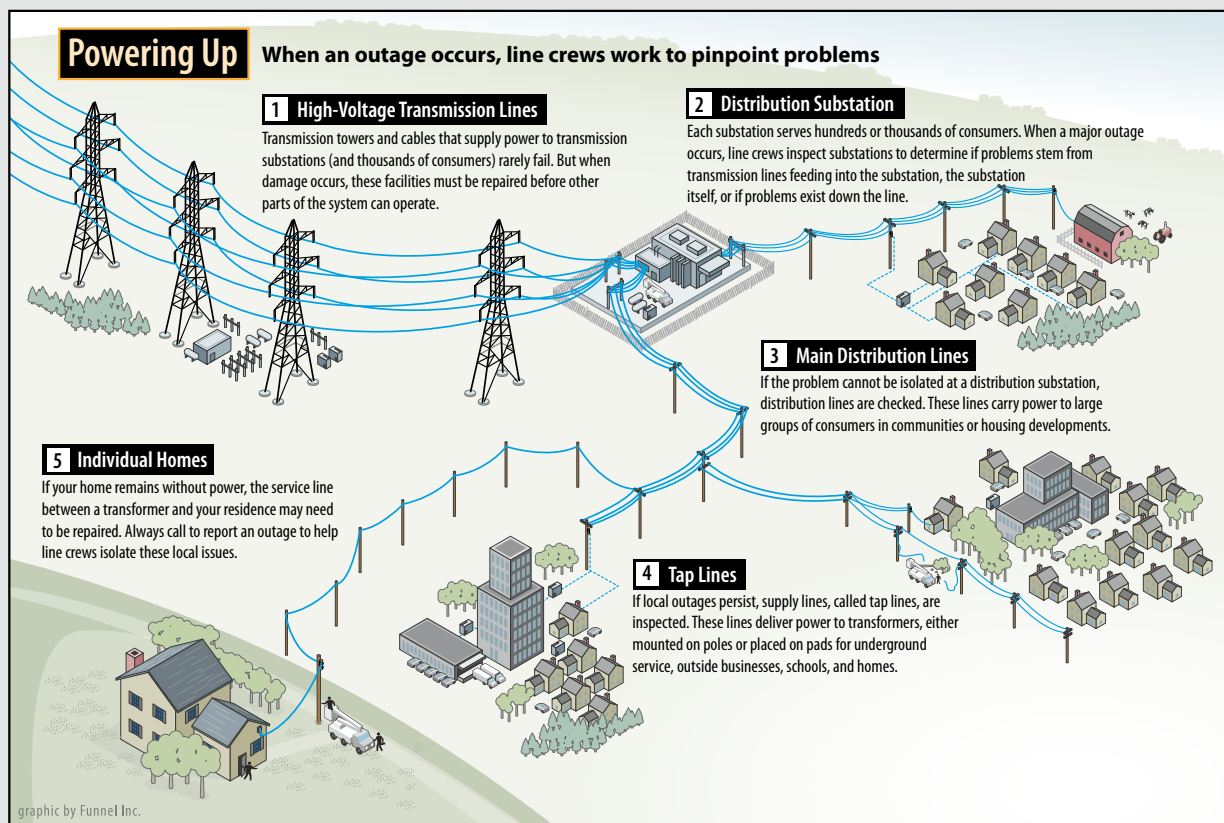
www.verendrye.com

North Dakota Association of Rural Electric Cooperatives

www.ndarec.com

North Dakota One Call

www.ndonecall.com



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

VERENDRYE ELECTRIC COOPERATIVE, INC. – BYLAWS

Revised June, 2021

PREAMBLE

The objectives of Verendrye Electric Cooperative, Inc. (herein called the “Cooperative”) are to improve the economic status and living standards of all people in our service area by providing an abundant supply of low cost energy consistent with sound business practices and good management.

BYLAWS

ARTICLE I

MEMBERSHIP

Section 1.1. Membership. Any adult person, and any partnership, incorporated or unincorporated association, corporation, or body politic shall become a member of Verendrye Electric Cooperative, Incorporated (hereinafter called “Cooperative”) upon purchasing electric service from this Cooperative. In purchasing electric service from this Cooperative, each member shall agree to comply with and be bound by the Articles of Incorporation and the Bylaws of the Cooperative and any reasonable rules and regulations adopted by the Board of Directors. No member may

hold more than one membership in this Cooperative, and no membership shall be transferable, except as provided in these Bylaws.

Section 1.2. Evidence of Membership. Membership in this Cooperative shall be evidenced by purchase of and payment for electric service from the Cooperative.

Section 1.3. Service, Deposits and Deductions.

The Board of Directors may require service connection deposits for each connection, extension, or other available service, pursuant to reasonable rules, regulations and policies adopted by the Board. Before any funds are paid by the Cooperative to a member, or former member, the amount of any debts owing from the member or former member to the Cooperative shall be deducted therefrom.

Section 1.4. Purchase and Payment for Electric Service.

Each member shall purchase from the Cooperative all electric power and energy purchased for use on all premises to which electric service has been furnished by the Cooperative, including all adjacent area owned or used by the member, in whole or in part, for so long as such premises are occupied or used by the member. Each member shall pay for all electric service purchased from the Cooperative at the times, and in accordance with the rules, regulation and rate schedules (including any minimum amount that may be charged without regard to the electric power and energy actually used) established by the Board of Directors. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with the Cooperative's facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. It is expressly understood that amounts paid for electric service in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as



A Verendrye truck is decorated for the 4th of July parade in Velva.

VERENDRYE ELECTRIC COOPERATIVE, INC. – BYLAWS

provided by these Bylaws. Each member shall also pay all amounts owed to the Cooperative as and when they become due and payable.

Section 1.5. Termination of Membership.

(a) Membership in this Cooperative shall automatically terminate when the member ceases to purchase electric service from the Cooperative.

(b) The death of an individual human member shall automatically terminate membership. The cessation of the legal existence of any other type of member shall automatically terminate such membership; provided, that upon dissolution for any reason of a partnership, such membership shall continue to be held by such remaining partner or partners as were parties to the original membership and continue directly to occupy or use the premises served by this Cooperative.

(c) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Directors may prescribe.

(d) The Board may, by the affirmative vote of not less than two-thirds of all members of the Board of Directors, expel any member who fails to comply with any of the provisions of the Articles of Incorporation,

Bylaws, or rules or regulations adopted by the Board of Directors, (and regardless of whether or not such member continues to purchase electric service from the Cooperative), but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten days after such notice was given. An expelled member may again become a member only by reinstatement by a vote of the Board or by the vote of the members at any annual or special meeting.

(e) Upon the termination in any manner on a membership, the member shall be entitled to a refund of any refundable service connection deposits still held by the Cooperative, less any amounts due the Cooperative; but neither he nor his estate shall be released from any debts then remaining due the Cooperative. Termination of membership does not entitle the patron to retirement of any accumulated capital credits.



*From Left, Linemen **Nathan Engelhart**, **Burton Atkinson** and **Jesse Suckut**, pose for a picture at a Verendrye annual meeting.*

VERENDRYE ELECTRIC COOPERATIVE, INC. – BYLAWS

ARTICLE II

RIGHTS AND LIABILITIES OF MEMBERS

Section 2.1. Property Interest of Members. Upon dissolution, after (a) all debts and liabilities of the Cooperative shall have been paid, (b) all capital furnished through patronage shall have been retired as provided in these Bylaws, and (c) all membership assets of this Cooperative shall be distributed among all patrons and former patrons on an equitable basis insofar as practicable in proportion to their patronage as determined from the books and records of the Cooperative, unless otherwise provided by law.

Section 2.2. Non liability for Debts. The private property of the members of this Cooperative is exempt from execution or other liability for the debts of the Cooperative. No member shall be liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE III

MEETINGS OF MEMBERS

Section 3.1. Annual Meeting. The annual meeting of the members shall be held on such date in the month

of June and at such place in the State of North Dakota as shall be determined by the Board of Directors, which shall be designated in the notice of the meeting, for the purpose of electing directors and transacting any business that may come before the meeting. If the election of the directors shall not be held within the time provided in these bylaws for the annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be. Failure to hold the annual meeting within the designated time shall not work a forfeiture or dissolution of the Cooperative.

Section 3.2. Special Meetings. Special meetings of the members may be called by the president, by the Board of Directors, or by members having one-fifth of the votes entitled to be cast at such meeting. It shall be the duty of the secretary to cause notice of any special meeting to be given as provided by these Bylaws. Special meetings of the members may be held at any place within the State of North Dakota specified in the notice of the special meeting.

Section 3.3. Notice of Members' Meetings. Written notice, stating the place, day, and hour and in case



A group of employees are recognized for their years of service at an annual meeting.

VERENDRYE ELECTRIC COOPERATIVE, INC. – BYLAWS

of a special member meeting the purposes for which the meeting is called, shall be given not less than ten nor more than thirty days before the meeting, to each member by either mail or electronic communication, whichever form of communication the member has requested, by or at the direction of the secretary, or upon failure of the secretary to act, at the direction of the persons calling the meeting. Notice shall be deemed to be given when deposited in the United States mail, addressed to the member's address as it appears on the records of the Cooperative, with postage thereon prepaid or date electronically sent to the member's email address as it appears on the records of the Cooperative. If notice has been duly mailed or emailed to the member, the failure of the members shall not invalidate any action which may be taken by the members at any such meeting.

Section 3.4. Quorum. A quorum at a member meeting shall be fifty members. Members represented by signed vote may be counted in computing a quorum only on those questions as to which the signed vote is taken. 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 3.5. Voting.

(a) Each member shall be entitled to one vote and no more upon each matter submitted to a vote at a meeting of the members.

(b) All questions shall be decided by a vote of a majority of the members voting thereon in person, except as otherwise provided by law, the Articles of Incorporation, or these Bylaws.

(c) For voting purposes only, each individual membership shall be deemed joint with the member's spouse, unless each spouse holds their own individual membership or unless the named member specifies otherwise by written notice, which may be delivered by mail and/or electronic communication, to the Cooperative. The presence at a meeting of either or both spouses of a joint membership shall be regarded as the presence of one member for all purposes. The vote of either or both of a joint membership, shall constitute only one vote, but should both be present

*From left, Billing Supervisor **Jen Aaseth**, Work Order Accounting Clerk **Alonna Krueger** and Computer Engineer **D.J. Randolph**, help hand out capital credit checks at an annual meeting.*



VERENDRYE ELECTRIC COOPERATIVE, INC. – BYLAWS

and in disagreement as to voting, each shall have only one-half vote.

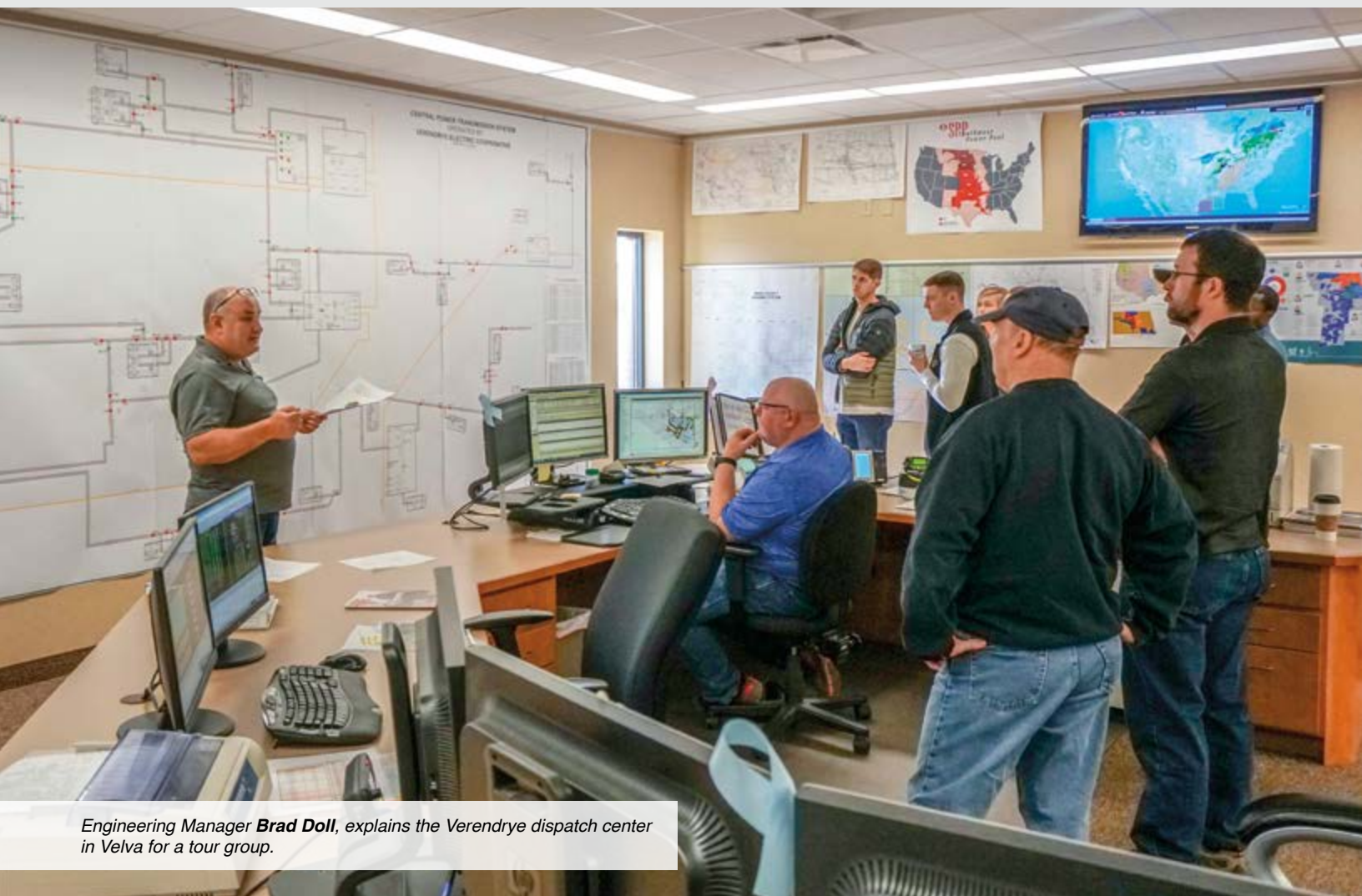
(d) Signed votes may be used only when specifically authorized by resolution of the Board of Directors. When so authorized, signed votes shall be valid and entitled to the same force and effect as a vote in person if the member has been previously notified in writing, which may be delivered by mail and/or electronic communication, of the exact motion or resolution upon which the vote is taken.

(e) At all meetings of members, voting by proxy shall not be allowed, because, to the greatest extent practicable, the presence of each member is desired at all meetings of the membership and proxy voting has the tendency to discourage actual attendance at membership meetings.

(f) In the absence of written notice, which may be delivered by mail and/or electronic communication, that some person has been designated to represent a member who is other than a natural person, such member may be represented by any of its principal

officers. If a member who is other than a natural person is not represented by any of its principal officers, such member may designate a natural person to represent it by giving the Cooperative a written notice, which may be delivered by mail and/or electronic communication, at or before the member meeting, which shows that the named representative has been authorized by the managing board of such member to represent no more than one such member, but may also vote as an individual if the person is a member individually.

Section 3.6. Election Committee. The Board of Directors, at least ten days prior to each member meeting, shall appoint an Election Committee of not less than three and not more than seven members, from among the membership, who are neither directors, known candidates for directors, nor close relatives of, or members of the same household of directors or known candidates for directors. The Election Committee shall, by a majority vote thereof, resolve any question that arises at the meeting concerning the election of directors or balloting on an issue, which is not specifically provided for by law, these Articles of



Engineering Manager **Brad Doll**, explains the Verendrye dispatch center in Velve for a tour group.

VERENDRYE ELECTRIC COOPERATIVE, INC. – BYLAWS



Verendrye Electric serves the Minot Air Force Base. In this picture, Verendrye Board member **Shawn Kaylor**, Operations Manager **Tim Krumwiede**, Manager **Randy Hauck** and Business Manager **Christel Laskowski** take a tour of a B-52 Stratofortress hangar.

Incorporation or the Bylaws. The committee's decisions on all such questions shall be final.

Section 3.7. Order of Business. The presiding officer may adopt any order of business, which provides an opportunity for full consideration of all matters to come before the meeting, subject to any proper action by the members assembled to change the order of business. Unless such a different order of business is adopted by the president, or the members assembled, 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 as follows:

1. Report as to members present in order to determine the existence of a quorum;
2. Reading of the notice of the meeting and proof of the delivery thereof;
3. Reading of any unapproved minutes of previous meetings of the members and the taking of necessary action thereon;
4. Presentation and consideration of, and action

upon, reports of officers, directors and committees;

5. Election of directors;
6. Unfinished business;
7. New business; and
8. Adjournment.

Section 3.8. Rules of Order. At all meetings of the members, of the Board of Directors and of any committees thereof, meeting procedure shall be governed by the latest edition of Robert's Rules of Order, except to the extent such procedure is otherwise determined by law, by the Articles of Incorporation, or by the Bylaws.

ARTICLE IV DIRECTORS

Section 4.1. General Powers. The business and affairs of the Cooperative shall be managed by a board of nine directors which shall exercise all of the powers of the Cooperative, except such as are by law, by the

VERENDRYE ELECTRIC COOPERATIVE, INC. – BYLAWS

Articles of Incorporation of the Cooperative, or by these Bylaws, specifically conferred upon or reserved to the members.

Section 4.2. Qualifications. Every director shall be a member of the Cooperative and a bona fide resident of the district of the Cooperative that the member represents. No representative of a member who is other than a natural person shall be qualified to be a director, unless the member is also a member of the Cooperative individually.

Even though it is not made a qualification for a directorship, the members recommend that any member who is the age of sixty-five years or older should not seek election or re-election as a director.

No member shall be eligible to become or remain a director who is in any way employed by or financially interested in a competing enterprise.

Nothing in this section shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors, unless such action is taken with respect to a matter in which one or more of the directors have an undisclosed interest adverse to that of the Cooperative.

Section 4.3. Nomination and Election of Directors.

(a) Geographical Districts. For the purpose of nominating and electing directors, territory served by the Cooperative shall be divided into the following

geographical districts:

1. The Western District shall include all members who live west of U.S. Highway No. 83 in Ranges 82 and 83 and all members who live in Ranges 84, 85, 86, and 87;

2. The Central District shall include all members who live east of U.S. Highway No. 83 and all members who live in Range No. 78 in McHenry County, and all members who live in Ranges No. 79, 80, and 81;

3. The Eastern District shall include all members who live in Ranges No. 75, 76, and 77, and all members who live in Sheridan, Pierce and Wells Counties.

(b) Nominations. A caucus shall be held in each district each year by the members residing in such district for the purpose of nominating a candidate or candidates from that district for the office of director or directors representing that district.

The caucus for each district shall be held at a place and at a time and date designated by the Board of Directors. Such caucuses must be held at least twenty days prior to the annual meeting of members and upon not less than five days notice, which may be delivered by mail and/or electronic communication, to each member in the district. The place for the caucus for each district must be held within that district, except that the Western District caucus may be held within the City limits of Minot, Ward County, North Dakota.

The secretary, or someone designated by the



Verendrye Electric supports communities in which they serve like this \$15,000 donation to the Magic City Discovery Center. The money will be used to help build a children's museum.

VERENDRYE ELECTRIC COOPERATIVE, INC. – BYLAWS

secretary, shall be present at each district caucus, and shall act as secretary thereof, and shall record the names of all nominees. The presiding officer of the caucus shall be a chairperson elected by the members actually present at the caucus.

There shall be no restrictions on the number of nominations that may be made at each caucus and nominations shall not be closed by the chairperson of the meeting until there are no further nominations made from the floor. Nominations do not need a second and shall not be voted upon at the caucus.

All nominations made shall be reported to the offices

of the Cooperative by the secretary immediately following the caucus, and all such nominees shall be placed upon the ballot for the annual meeting, unless a nominee gives notice to the Cooperative that the nominee withdraws as a candidate.

Nominations may also be made by petition. Nominations by petition need to be received at the cooperative's principle office by noon on the district's scheduled caucus meeting date. Petitions must contain signatures of at least 30 members of the district.

The secretary shall cause to be delivered, by mail and/or electronic communication, with the notice of the annual meeting, a statement of the number of directors to be elected, the districts that they are to represent, and showing the nominations made by the caucus of each district and by petition.

A nominee must be a member and a resident in the district that the member is nominated to represent.

Notwithstanding anything in this subsection contained, failure to comply with any of the provisions of this subsection shall not affect in any manner whatsoever the validity of any official action thereafter taken by the Board of Directors.

(c) Election and Tenure. At the meeting, the nominees of each district, however nominated, shall be voted on by all members of the Cooperative who are personally present at such annual meeting. If for extraordinary reasons an in person annual meeting cannot be held, the board of directors by resolution may allow a different form of voting. The presiding officer shall announce the names of the candidates nominated in each district. Election of board members shall be by ballot. The ballots shall list the candidates nominated at the district caucuses, or by petition, with the names arranged by districts. The directors shall be elected by the members at large and each member shall have one vote for each directorship being filled. The term of each director shall be for three years. One director shall be elected each year from each district for a three-year term. The nominee from each district receiving the highest number of votes of all nominees from that district shall be elected.

Section 4.4. Vacancies. Except as to a vacancy filled by the members after removal of a director by the members, a vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining directors for the unexpired portion of the term of the vacant directorship.

Section 4.5. Removal of Directors. Any member may bring charges against a director by filing them in writing with the secretary, together with a petition



Lineman **Justin Nowak** conducts a poletop rescue training exercise. All linemen are trained to be able to climb a pole and rescue another worker if necessary.

VERENDRYE ELECTRIC COOPERATIVE, INC. – BYLAWS

signed by at least ten percent of all of the members, requesting the removal of the director by reason thereof. The director against whom such charges have been brought shall be notified in writing of the charges at least twenty days prior to the meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person, or by counsel, and to present evidence in respect of the charges; and the person or persons bringing the charges against the director shall have an equal opportunity to present evidence, in person, or by counsel. The question of the removal of such director shall be considered and voted upon at the next regular or special meeting of the members. The members may, at any meeting at which a director or directors shall be removed, elect a successor or successors thereto without compliance with the provisions of these bylaws with respect to nomination of directors at caucuses.

Section 4.6. Compensation. Directors shall not receive any salary for their services as directors, but by resolution of the Board of Directors, a reasonable fixed sum per diem and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board of Directors and for attendance at state, area, regional, national and other meetings, conferences, training programs, and committee meetings on behalf of the Cooperative where attendance is specifically authorized by prior action of the Board of Directors. No director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director 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 such director or close relative shall have been certified by action of the other members of the Board of Directors as an emergency measure.

ARTICLE V MEETINGS OF DIRECTORS

Section 5.1. Regular Meetings. A regular meeting of the Board of Directors may be held without notice other than this Bylaw, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the Board of Directors shall also be held monthly at such time and place within the geographical boundaries of the service area of the Cooperative, as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

Section 5.2. Special Meetings. Special meetings of the Board of Directors may be called by the president, by any three directors, or by any person authorized to do so by prior action of the Board of Directors. The person or persons calling the meeting shall fix the time and place within the State of North Dakota for the holding of the meeting and shall cause notice of such meeting to be given as hereinafter provided.

Section 5.3. Notices. Written notice of the time and place of any special meeting of the Board of Directors shall be given either personally, by mail, or electronic communication to each director. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the director at his address as it appears on the records of the Cooperative, with postage thereon prepaid, at least five days before the day set for the meeting or date electronically sent to the member's email address as it appears on the records of the Cooperative. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except when a director attends the meeting and objects there at to the transaction of business because the meeting was not lawfully convened. A signed waiver is equivalent to personal notice to the person so signing.

Section 5.4. Presence. Any one or more members of the Board of Directors or any committee thereof may participate in a meeting of the Board of Directors or any such committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 5.5. Quorum. A majority of the directors in office shall constitute a quorum, provided, that, if less than such majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time; and provided further, that the secretary shall notify any absent directors of the time and place of any adjourned meeting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 5.6. Manner of Acting. Any action which may be taken at a meeting of the directors or Executive Committee may be taken without a meeting if a writing setting forth and approving the action taken shall be signed by all of the directors or Executive Committee members entitled to vote upon such action. In such cases, such consent shall have the same force and effect as if a meeting had been held.

Section 5.7. Executive Committee. The Board of Directors may elect an Executive Committee to consist

VERENDRYE ELECTRIC COOPERATIVE, INC. – BYLAWS

of three or more directors. If an Executive Committee is elected, such committee shall have all powers of the Board of Directors when the Board of Directors is not in session, except in respect to:

- (1) Powers reserved by the Board itself;
- (2) Apportionment or distribution of proceeds;
- (3) Election of officers;
- (4) Filling of vacancies on the Board; and
- (5) Amendment to the Bylaws.

The Board may elect other directors as alternates for members of the Executive Committee.

Section 5.8. Rules and Regulations. The Board of Directors shall have power to make and adopt such rules, regulations and policies, not inconsistent with law, the Articles of Incorporation of the Cooperative or these Bylaws, as it may deem advisable for the management, administration, and regulation of the business and affairs of the Cooperative. Among such powers the Board of Directors shall have the power to establish reasonable classifications of business done with patrons, according to the type or nature thereof, for the purpose of regulating rates and charges for electric service and allocating capital credits to patrons.

ARTICLE VI OFFICERS

Section 6.1. Number. The officers of the Cooperative shall be a President, Vice-President, Secretary-Treasurer, and Assistant Secretary-Treasurer and such other officers as may be determined by the Board of Directors from time to time. Each principal officer must be a director of the Cooperative.

Section 6.2. Election and Term of Office. The officers shall be elected annually by and from the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held at the next meeting of the Board of Directors thereafter. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members or until the officers successor shall have been duly elected and shall have qualified subject to the provisions of these Bylaws with respect to the removal of directors and officers.

Section 6.3. Removal. Any officer or employee elected or appointed by the Board of Directors may be removed by action of a majority of the Board of Directors at any time and whenever in the judgment of the Board of Directors the best interests of the

Cooperative will be served thereby.

Section 6.4. Vacancies. A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

Section 6.5. President. The President:

(a) shall be the principal officer of the Cooperative and, unless otherwise determined by the members or by the Board of Directors, shall preside at all meetings of the members and of the Board of Directors;

(b) may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments executed on behalf of the Cooperative, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and

(c) in general, shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6.6. Vice-President. In the absence of the President, or in the event of the President's inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall also perform such other duties as from time to time may be assigned to the Vice-President by the Board of Directors.

Section 6.7. Secretary-Treasurer. The Secretary-Treasurer shall:

(a) cause minutes of the meetings of the members, of the Board of Directors, and of any Executive Committee to be kept;

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

(c) supervise custody of the records and funds of the Cooperative;

(d) cause a register of the names and post office addresses of all members to be kept;

(e) in general, perform all duties incident to the office of secretary and of treasurer, and such other duties as from time to time may be assigned by the Board of Directors.

Section 6.8. Delegation of Responsibilities. Notwithstanding the duties, responsibilities and authorities of the officers provided for in these Bylaws, the Board of Directors by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular and

VERENDRYE ELECTRIC COOPERATIVE, INC. – BYLAWS

routine administration of, one or more of such officer's duties to one or more agents or other officers of the Cooperative who are not directors. To the extent that the Board does so delegate with respect to either such officer, that officer as such shall be released from such duties, responsibilities and authorities.

Section 6.9. General Manager. The Board of Directors shall appoint a general manager who shall manage the affairs of the Cooperative, under the supervision of, and in accordance with, the policies of the Board of Directors.

Section 6.10. Bonds of Officers. The treasurer or any other officer 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 Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such amount and with such surety as it shall determine.

Section 6.11. Indemnification and Insurance. This Cooperative shall indemnify, and shall have the power to purchase and maintain insurance to indemnify,

any person who is or was a director, officer, manager, employee, or agent of this Cooperative, and any person serving at the request of this Cooperative as a director, officer, manager, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by the person to the fullest extent to which such officers, directors and employees of a cooperative may be indemnified under the laws of this State or any amendments thereto or substitution therefore.

Section 6.12. Reports. One or more of the officers of the Cooperative shall submit at each annual meeting of the members a report generally showing the business of the Cooperative for the previous fiscal year and generally showing the condition of the Cooperative at the close of such fiscal year.



Member Services Representative **Rob Orts** conducts a safety demonstration for kids at Radio City Park in Minot.

VERENDRYE ELECTRIC COOPERATIVE, INC. – BYLAWS

ARTICLE VII

COOPERATIVE NON-PROFIT OPERATION

Section 7.1. Cooperative Operation. The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest on dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

Section 7.2. Patronage Capital in Connection with Furnishing Electric Service. In the furnishing of electric service the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons, for all amounts received and receivable from the furnishing of electrical service in excess of operating cost, expenses, and educational fund expenses properly chargeable against the furnishing of electrical service, which operating cost and expenses may, at the discretion of the Board of Directors, include all or any part of operating deficits of prior years.

All such amounts in excess of operating cost, expenses and education fund deductions, at the moment of receipt by the Cooperative, are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account of each patron, and the Cooperative shall within a reasonable time after the close of each fiscal year notify each patron of the amount of capital so credited to his account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital. The Board of Directors shall have the power, at its discretion, to determine the fiscal year to which should be allocated amounts received and receivable from the furnishing of electrical service and to which should be allocated operating costs and expenses.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year; and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amounts so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided.

All other amounts received by the Cooperative not

from its operations may be, in the discretion of the Board of Directors, credited to a general unallocated reserve. However, such general unallocated reserve shall not exceed 15% of the total assets of the Cooperative.

For the purpose of teaching and promoting cooperative organization and principles, not to exceed five percent (5%) of the net margin in excess of operating costs and expenses properly chargeable against furnishing of electric service may be set aside each year as an educational fund to be used in teaching or promoting cooperative organization or principles. The disbursement of any said funds shall be by order of the Board of Directors in accordance with the said purpose. Such fund shall for all purposes be deemed an expense of operation of 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 pro-rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired in full or in part. The Board of Directors, as approved through a resolution adopted each year, as such capital is retired, shall determine that method, basis, priority, and manner to be used for the year in which the capital is retired, provided that such determination of the method, basis, priority, and manner of retirement shall be applied uniformly.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to instruction from the assignor and upon such conditions as the Board of Directors, acting under policies of general application, shall determine.

Notwithstanding any other provision of these bylaws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any patron who is a natural person, if the legal representatives of the patron's estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon, provided, however, that the financial condition of the Cooperative will not be impaired thereby. Except upon the death of a natural person, there shall be

VERENDRYE ELECTRIC COOPERATIVE, INC. – BYLAWS

no other retirements except as provided for in these Bylaws. Insolvency or bankruptcy, whether individual or corporate, shall not be grounds for early or accelerated retirement.

Section 7.3. Donated Capital Credits. If any member or former member fails to claim any payment in distribution of proceeds or redemption of capital credits within six years after payment has been tendered to the member, then the member's claim to the funds may be forfeited by the board. All amounts so forfeited shall revert to the Cooperative as donated capital, if, at least six months before the declared date of forfeiture notice that such payment is available has been given to the last known address of the person entitled thereto as shown by the record of the Cooperative and by notice published at least once a month for four months, both in a publication circulated among members of the Cooperative and in a newspaper of general circulation in the area. Notwithstanding the forfeiture of the funds to the donated capital of the Cooperative, the rightful owner, or the owner's lawful heirs, may obtain payment at any time upon adequate proof of identity.

ARTICLE VIII

PROPERTY AND INDEBTEDNESS

Section 8.1. Disposition of Assets. Unless authorized by the members at a meeting called for that purpose, the Board of Directors shall not sell, transfer or convey, within the period of a single calendar year, physical plant in excess of five percent in value of the Cooperative, based upon the most recent audit of the books of the Cooperative. At such a meeting, the sale, transfer or conveyance of physical plant in excess of five percent in value of the Cooperative may be authorized if:

(a) the Board of Directors has caused an itemized written appraisal of the property to be made by a professional appraiser, and the written appraisal has been on file at the Cooperative's principal office and available for examination by any member during regular business hours for at least sixty days prior to the meeting;

(b) notice in writing of the meeting, and that such disposition will be considered, has been given to all members of the Cooperative and to each electric cooperative corporation operating in the State of North Dakota not less than twenty nor more than thirty days prior to the date of such meeting; and

(c) consent therefore shall have been obtained by vote of not less than two-thirds of the entire

membership of the Cooperative.

Nothing in this section shall prohibit the sale, transfer, conveyance or exchange of assets of this Cooperative to another electric cooperative corporation, an agency of the State of North Dakota or of the government of the United States, nor in exchange for physical plant of equal monetary value to any person or organization, public or private.

Section 8.2. Indebtedness and Security. The Board of Directors, without any further authorization by the members of the Cooperative, shall have full power and authority to incur liabilities, to borrow money, to increase the indebtedness of the Cooperative, and to secure payment of the Cooperative's debts by mortgaging any or all of the Cooperative's rights, privileges, authority and franchises, revenues, and other property, whether acquired or to be acquired, and wherever situated, all upon such terms and conditions as the Board of Directors may determine and without limitation. All prior limitations of indebtedness are hereby repealed and superseded.

ARTICLE IX

MISCELLANEOUS

Section 9.1. Fiscal Year. The fiscal year of the Cooperative shall begin on the first day of January of each year and end on the thirty-first day of December of the same year.

Section 9.2. Seal. The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, North Dakota."

Section 9.3. Contracts. Except as otherwise provided in these Bylaws, the Board of Directors 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 9.4. Execution of Checks, Drafts, or Other Evidence of Indebtedness. All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officers, agents or employees of the Cooperative, and in such manner, as shall from time to time be designated by resolution of the Board of Directors.

Section 9.5. Deposits. All funds of the Cooperative, except petty cash, shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board of Directors may select.

VERENDRYE ELECTRIC COOPERATIVE, INC. – BYLAWS

Section 9.6. Contract. The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. A copy of the bylaws and of all amendments thereto shall be furnished to each new member within ninety days after becoming a member and shall be furnished to any member upon request.

Section 9.7. Area Coverage. This Cooperative shall endeavor to make adequate and dependable electric service available to all persons in the rural service area of this Cooperative, in accordance with law, these Bylaws, and the policies, rules and regulations of this Cooperative, which may establish reasonable requirements as a condition of such service.

ARTICLE X AMENDMENTS

These Bylaws may be altered, amended, or repealed by a majority of the members voting thereon in person at a membership meeting, providing that the number of members voting thereon must be sufficient to constitute a quorum as provided in these Bylaws. An amendment must first be approved by a majority of Directors and then adopted by the members as provided herein. After the approval of a proposed amendment by the Board of Directors, the proposed amendment shall be voted on by the membership at the next regular meeting or special meeting. The proposed alteration, amendment or repeal will be made digitally available to the membership not less than ten days before the meeting and by mail if requested by the member.



Beautiful frost coats power lines, but causes trouble for the electrical distribution system.

STATEMENT OF NON-DISCRIMINATION

Verendrye Electric Cooperative, is a recipient of federal financial assistance from the U.S. Department of Agriculture (USDA).

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Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language) should contact the responsible Agency or USDA TARGET Center at (202)720-2600 (voice and TTY) or contact USDA through the Federal Relay

Service at (800) 877-8339. Program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form (AD-3027) found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

(1) mail:

U.S. Department of Agriculture

Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;

(2) fax: (202) 690-7442; or

(3) email: program.intake@usda.gov

USDA is an equal opportunity provider, employer, and lender.

Lineworkers work to restore power during a winter frost event.





Your Touchstone Energy® Cooperative 

Velva office: 615 Highway 52 W. • Velva, ND 58790-7417 • Phone: 338-2855

Minot office: 1225 Highway 2 Bypass E. • Minot, ND 58701-7927 • Phone: 852-0406

www.verendrye.com • Email: rec@verendrye.com