

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

BOARD POLICY NO. 2-6

NOMINATION, BALLOTING, AND ELECTION OF DIRECTORS



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I. OBJECTIVE:

To create general guidelines governing the nomination and voting process for the election of directors in keeping with procedures which are consistent with the provisions of state law and the articles of incorporation and bylaws of Morgan County Rural Electric Association (sometimes hereinafter referred to as “association” or “the association”). These guidelines are intended to insure the fairness, impartiality, confidentiality, transparency and the integrity of the processes to nominate and elect members of the Board of Directors of the association.

II. POLICY:

A. Election Supervision.

1. As provided in Article III, Section 6 of the bylaws of the association, not less than thirty (30) days prior to any meeting of members where a ballot question is presented, the Board of Directors, consistent with Article III, Section 6, shall appoint a Credentials and Election Committee to assume the specific responsibilities enumerated in this Policy and in Article III, Section 6 of the bylaws and oversee and participate in the member registration and the election and voting processes.
2. The committee's responsibilities include, but are not limited to, resolving all issues or questions that may be presented to them with respect to the election and voting processes, the validity of members' signatures on mail ballot return envelopes, the registration of members, the tabulation of ballots and any challenges to the election and voting processes.
3. Corporate Counsel shall be available, at all times, to assist and advise the Credentials and Election Committee in interpreting the provisions of this Policy as well as the applicable provisions of the association's articles of incorporation, its bylaws, its policies; as well as applicable state and federal law, rules, regulations and policies, and for assistance and advice in such other matters as might affect the duties and responsibilities of the Committee.

B. Annual Meeting Election; Nomination of Director Candidates.

1. As provided by the bylaws of the association, elections of members of the Board of Directors will be conducted at the Annual Meeting of the association. The date, time and location for the Annual Meeting will be fixed and determined in advance each year and will be posted on the association's website no less than six months prior to the meeting. In addition, as required by law, information

as to how to become a candidate and the schedule for elections shall be communicated to each member in a mailing and on the association's website no less than two (2) months before petitions to become a candidate are due.

2. Any member of the association who meets the qualifications to become a director set forth in Article IV, Section 3 of the bylaws of the association, may obtain from the Secretary or an Assistant Secretary of the association an officially prepared and issued nominating petition to appear on the ballot as a candidate for the association's Board of Directors.
3. Consistent with state law and the provisions of Article IV Section 4 of the association's bylaws, official nominating petitions shall be issued by the Secretary or an Assistant Secretary not earlier than sixty-five days prior to the meeting at which the election is to be held; they must be signed by at least 15 qualified members of the association and returned to the Secretary or Assistant Secretary for filing with the Board of Directors no less than 45 days prior to the election.
4. Candidates for the office of director shall be designated on the ballot in the order that their valid nomination is completed by the return of the nominating petition, with those being first duly nominated, as evidenced by a certification of the date and time of the return for filing of the candidate's nominating petition, being designated on the ballot above those later so nominated.
5. The Board of Directors of the association shall not take an active position of support for, or opposition to, any individual candidate for a board election. Resources of the association shall not be used to support or oppose a candidate for election. During the two months prior to an election, members of the Board of Directors are prohibited from sending individual newsletters using association materials and resources.
6. Consistent with applicable corporate policy, candidates for positions on the Board of Directors shall be entitled to request and receive membership lists, in a usable format, on the same basis and at the same time as such lists are made available to any other candidate. In keeping with applicable corporate policy, such lists shall be used only for purposes of the election and shall be returned or destroyed after the election.

C. Membership, Member Signature, Validity.

1. Only members of Morgan County Rural Electric Association are qualified to sign a nominating petition and only members may vote at regular and special meetings of members.
2. As a practical matter, the association permits members to certify their membership in the association when affixing their signatures to nominating petition forms and ballot-return envelopes. The association verifies membership based upon that member's record and application for service. From time to time, such signatures vary from the association's records requiring a determination of validity. Applying the principal of allowing as many members as possible to act upon their opinions and preferences, determinations of validity will err on the side of acceptance.

3. The office staff of the association will determine signature and membership validity, with such advice and assistance of corporate counsel and the Credentials and Election Committee as the staff may require.

D. Unopposed Election.

1. If, after the completion of the nomination process as described herein, any or all of the qualified candidates for director of the association should be running unopposed, then in that event, a unanimous ballot shall be automatically cast for the election of any qualified candidate for director running unopposed at the Annual Meeting of the association.

E. Members' Votes.

1. As provided by the bylaws of the association, each member shall be entitled to one vote upon each matter submitted to a vote at any meeting of the members. For the election of directors, each member shall have the right to cast one vote for each director to be elected, voting either by mail or, alternatively, in person at the meeting; and the number of directors to be elected from each Director District who receive the highest number of votes shall be elected.
2. Except as otherwise provided by law, by the articles of incorporation or the bylaws, at all meetings of the members at which a quorum is present, all issues or questions, other than for election of directors, shall be decided by a vote of a majority of the members voting in person and those voting by mail.
3. Ballots for the election of directors shall be mailed to all members of the association at their billing address approximately thirty (30) days prior to the Annual Meeting with instruction as to how to cast and return the ballot.
4. If authorized and directed by resolution of the Board of Directors, mail ballots for ballot issues, other than for the election of directors shall be provided to members at such time and in such manner as shall be specified by the resolution.
5. Mail ballots shall contain a return envelope, which must be signed by the member to validate the enclosed ballot. Return envelopes shall include a special envelope to conceal the markings on the ballot. Members who vote by mail are not allowed to vote at the Annual Meeting.
6. The deadline for mailing ballots for the election of directors shall be posted on the association website at least three (3) months prior to the deadline and remain so posted until after the election.
7. The office staff of the association will receive the return envelopes and maintain them unopened in their care, custody and control for delivery to the Credentials and Election Committee for examination and tabulation. Following tabulation, members of the office staff will, once again, assume custody and control of all of the ballots and the return envelopes and secure them for safekeeping and preservation as hereinafter required by this policy.

F. Mail Voting.

1. Mail voting shall be in writing on official ballots provided by the association. A mail ballot shall be voted by the member, placed in the special envelope provided for the purpose of concealing the marking on the ballot, then deposited in a return envelope which must be signed by the voting member and timely returned to the association.
2. Return envelopes shall have affixed to them a member name and address label generated from the membership records of the association and a signature block for the member's signature, printed name and title. Other appropriate information and directions for marking and returning the mail ballot will also be provided.
3. Unsigned return envelopes will invalidate any ballot contained therein, and ballot return envelopes not properly signed by the member casting the same by a signature which can be read and identified as the signature of a bona-fide member, will not be counted and will be considered void. Furthermore, as provided in Article III, Section 5 of the bylaws of the association, mail ballots which have not been received on or before the last business day before the day of the meeting will not be counted. More than one ballot return envelope from any member will invalidate all ballots from that member when, from the circumstances, it can be determined that the member seeks thereby to improperly cast more than one vote.
4. Return envelopes shall be kept unopened and secure until the ballot tabulation process begins at the time and location for opening and tabulation.
5. The office staff of the association will transport all return envelopes containing ballots, unopened, to the site of the Annual Meeting of members and remain responsible for their custody and control during meeting registration.
6. At such time the Annual Meeting is called to order, the Credentials and Election Committee shall close the registration process and direct and supervise the transport of the mail ballots as well as the meeting-day ballots that have been cast to a secure site to begin the ballot tabulation process.

G. Meeting Registration, Meeting-day Voting, Electioneering.

1. An important part of the Annual Meeting of members is registration of members to determine the presence of a quorum and, if required, to verify membership for voting purposes. The member registration process will be jointly conducted by the office staff of the association and the members of the Credentials and Election Committee.
2. Meeting-day ballots to cast votes for candidates for the office of director will be available to members during the hours of registration at the site of the Annual Meeting prior to the time that the Annual Meeting of members is called to order and not thereafter. Meeting-day voting is not permitted for members who have voted by mail prior to the Annual Meeting. The Credentials and Election Committee will supervise the registration of association members and the meeting-day balloting process.

3. A qualified director candidate may have a representative observe the registration and voting and tabulation process, provided that person has been previously so identified in writing by the candidate and presented to the Credentials and Election Committee. Questions or concerns, raised by the candidate's representative, regarding the registration and/or the voting process should be directed immediately to the Credentials and Election Committee for immediate review and determination.
4. No person shall be allowed to electioneer, photograph, videotape or tape record any activity in the registration and voting area, or within one hundred feet thereof, while registration and election-day balloting is in progress, nor shall unauthorized persons congregate within the registration and voting area. The registration and voting area shall include the interior of the building where Annual Meeting registration and voting is taking place and within one hundred feet thereof.
5. Any question, concern, dispute or inquiry regarding any election or voting issue that might arise during the registration and voting process must be submitted in writing to the Credentials and Election Committee for immediate review and determination. Any form of written submittal to any member of the Committee shall be sufficient. The committee may respond to non-written questions but such shall neither be considered a legal form of inquiry nor an official response.

H. Tabulation, Tie Vote, Retention of Ballots.

1. Once registration and meeting-day balloting has ended, the Credentials and Election Committee shall supervise the transport all ballots cast in person and by mail to a secure site to begin the ballot examination and counting process. The Credentials and Election Committee will supervise and assist the association's employees in the opening of the mail ballot return envelopes; the removal and opening of the special ballot envelope, and the removal of the ballots. The Credentials and Election Committee will then examine, count and tabulate all of the ballots cast by the members.
2. A qualified director candidate's representative may observe the ballot counting and tabulation process but shall not interfere with the counting or make challenges until the final count is tabulated. Such challenges are to be made to the Credentials and Election Committee in writing.
3. The Credentials and Election Committee shall develop its own methods of counting, cross-checking, recording and reporting the result. Handling questionable or irregular ballots will be determined immediately by members of the Committee, in consultation with Corporate Counsel.
4. In the event that an election contest is won by a margin of one percent or less of the total votes cast for any Director District position or any particular ballot question, the Credentials and Election Committee will automatically recount all ballots appropriate to that Director District position or ballot question.

5. In the event of a tie vote for the election of director candidates, the outcome of the election shall be decided by the flip of a coin conducted by a member of the Credentials and Election Committee in the presence of two corporate officers of the association and the affected candidates. In the event of an election tie on any other issue, the election outcome shall be decided by a vote of the Board of Directors at the next regular meeting of the Board.
6. A representative of the Credentials and Election Committee will certify the results of the election as soon as the results are available.
7. All return envelopes, ballots and any materials used in conducting the count shall be preserved and turned over to the office staff of the association for safekeeping to be preserved by the office staff for a period of not less than ninety days.

I. Challenges.

1. Any qualified director candidate may challenge the correctness of any announced result of a director election in which he or she was a candidate. Should a challenge be presented, it shall be made in writing within ten calendar days from the close of balloting. It shall be addressed to the Credentials and Election Committee, stating the candidate's grounds for the challenge and specifically asking for a recount. The committee will, thereupon, authorize a recount at the requesting candidate's expense, to be performed, as nearly as is possible, by the same members of the Credentials and Election Committee and, as nearly as is possible in the same manner as the original count.
2. Due to the state statutory requirements for the balloting by mail process, any challenge by a qualified director candidate to the balloting by mail process; method of handling return envelopes; validation of members signatures; acceptance or rejection of return envelopes and/or other issues relating to balloting by mail must be made prior to the close of balloting at the Annual Meeting of members. Any challenge so raised must be directed in writing to the Credentials and Election Committee for their immediate review and determination. Once balloting ends, and the return-mail envelopes are opened, the special ballot envelope containing the member's ballot is necessarily removed, eliminating any method of identifying any ballot from any other. That being the case, once return-mail envelopes are opened, challenges to the ballot by mail process are not available and will be categorically denied.

J. Dispute Resolution.

1. The Credentials and Election Committee shall have the authority to rule upon all questions that may arise with respect to the validity of member signatures; the registration of members; the counting of ballots cast in any election; the determination of the validity of any ballot irregularly marked or cast; rulings upon all other questions that may arise relating to the ballot by mail process or member voting and the election of directors, and decisions upon any challenge, protest or objection made with respect to any election, or conduct that may affect the results of any election. The committee's decision on all such matters shall be final.

2. In the event any clause or provision of these guidelines shall be adjudged to be invalid or void, or determined to be in conflict with the articles of incorporation, bylaws, existing laws, rules and regulations of the association, the United States of America, the State of Colorado, or any governing body having jurisdiction over the association, then and in that event, such laws, rules, and regulations shall take precedence over the particular guideline and the fact that any such clause or provision may be invalid or void shall not serve to invalidate the remaining guidelines, clauses and provisions contained herein.

III. RESPONSIBILITY:

It shall be the responsibility of the Board of Directors, the office staff of the association, Corporate Counsel and the Credentials and Election Committee to carry out the terms of this policy.

General Manager

Board President

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