

PROPOSED BYLAWS REVISIONS 2026



Central Alabama
Electric Cooperative

A Touchstone Energy® Cooperative 

Proposed Bylaws Revisions for CAEC Membership For August 7, 2026, Annual Meeting

SECTION 1.04 Joint Membership.

(g) In the event of a legal separation pursuant to a written agreement or court order, in the event of a divorce of the individuals holding a joint membership, or in the event that one individual vacates a premises, if one joint member legally retains possession of a premises being served by the Cooperative, the joint membership, upon notice and proof of status, shall convert to a membership in the sole name of the joint member retaining possession of the premise served and such member shall be entitled to the payment **in the future** of any **future** capital credits and to any security deposit that may be refunded in the future.

(h) Upon the death of either individual who is a party to the membership, such membership shall be held solely by the survivor, who will be entitled to **the payment in the future of any future** capital credit payments and will be entitled to **future** refund of any service security deposit **that may be refunded in the future**. Upon legal separation, divorce of married individuals, the death of one joint member, or the removal of one individual from the premises, the Cooperative may require a service security deposit or an increase in such deposit from the individual retaining possession of a premise or the survivor in accordance with the Cooperative's standards for requiring service security deposits.

SECTION 1.06 Purchase of Electric Power and Energy; Non-Liability to Members; Power Production by Member; Application of Payments to All Accounts.

Each Member, for so long as such premises are owned or occupied or used by the Member, shall purchase from the Cooperative all electric power and energy purchased for use on all premises to which electric service is being furnished by the Cooperative pursuant to the Member's membership, unless and except to the extent that the Board of Trustees may in writing waive such requirement; and **the member** shall pay, therefor, at the times, and in accordance with the rules, regulations, rate classifications and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of electric power and energy actually used) established by the Board of Trustees and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Section 1.02. A Member may produce or make use of electric energy produced entirely on such premises by its owned facilities. Except in accordance with policies and regulations that shall be fixed from time to time by the Cooperative, no Member **facilities for the production of the electric energy** shall be interconnected with Cooperative facilities and, if such interconnection is permitted, the Cooperative shall not be required to purchase any electric capacity or energy from such premises unless the Cooperative has a policy to do so. Each Member shall also pay all other amounts owed by the Member to the Cooperative as and when they become due and payable. If a metering or billing irregularity is discovered, should the Member have been overcharged, the Cooperative will refund the amount determined or reasonably estimated as an overcharge for the period up to 36 months immediately preceding the date of discovery and, if there has been an undercharge, the Member will reimburse the Cooperative for such amount determined or reasonably estimated as an undercharge for the period of up to 36 months immediately preceding the discovery of the error. When the Member has more than one service connection from the Cooperative, any **payment refund** for service to the Member by the Cooperative shall be deemed to be allocated and recorded on a pro rata basis to the Member's outstanding accounts for all such service connections, notwithstanding that the Cooperative's actual accounting procedures do not reflect such

allocation and proration.

SECTION 1.07 Excess Payments Above Operation at Cost to be Credited as Member-Furnished Capital. It is expressly understood that amounts paid for electric energy in excess of the **Cooperative's aggregated** costs of service **by members** are furnished by **the** members as capital and **each** such Member shall be credited with the capital so furnished **as a capital credit in the manner** provided in Article VIII of these Bylaws.

SECTION 1.08 Wiring of Premises; Responsibility Therefor; Responsibility for Meter Tampering or Bypassing and for Damage to Cooperative Properties; Extent of Cooperative Responsibility; Indemnification.

As part of the consideration for such service, each Member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering **or tampering** with, impairing the operation of or causing damage to such facilities, and shall use the Member's best efforts to prevent others from so doing. Each Member shall also provide such protective devices to the Member's premises, apparatuses or meter base as the Cooperative shall from time to time require in order to protect the Cooperative's physical facilities and their operation and to prevent any interference with or damage to such facilities. In the event such facilities are interfered **or tampered** with, impaired in their operation or damaged by the Member, or by any other person when the Member's reasonable care and surveillance should have prevented such, the Member shall indemnify and hold harmless the Cooperative and its employees, agents and independent contractors against any and all death, injury, loss or damage to person or property and costs, including reasonable attorney's fees, resulting therefrom, including, but not limited to, the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment.

SECTION 1.09 Member to Grant Easements to Cooperative. Each Member shall, upon being requested to do so by the Cooperative, execute and deliver to the Cooperative, **for from and on behalf of** the Member **and** the Member's successors and assigns, grants of easement or right-of-way over, on or under such real property in which the Member has any interest (and in, under or upon all streets, roads or highways abutting such real property) owned or leased by or mortgaged to the Member, such easement or right-of-way to be utilized for the construction, operation, repair and maintenance of electric distribution and service lines and appurtenances, whether owned by the Cooperative or otherwise, and for any other purposes, such as for communications, whether such facilities are used to serve the Member or others. Such easement or right-of-way shall include the right to cut or trim trees on the right-of-way or that threaten facilities located on the easement or right-of-way. The Cooperative shall take into consideration any suggestions of the landowner to minimize any inconveniences to the landowner in the construction, operations, maintenance or relocation of Cooperative electric facilities but the Cooperative may locate said facilities on said premises where it deems them necessary and under the terms and conditions as the Cooperative shall require.

SECTION 3.03 Notice of Member Meetings. Written or printed notice of the place, day and hour of the meeting and, in the case of a special meeting or of an annual meeting at which business requiring special

notice is to be transacted, the purpose or purposes of the meeting shall be delivered to each member not less than ~~ten (10)~~ **five (5)** days nor more than ~~fifty (50)~~ **forty (40)** days before the date of the meeting, either personally, by electronic means or by mail, by or at the direction of the Secretary. Any such notice delivered by mail may be included with member service billings or as an integral part of or with the Cooperative's monthly or periodic newsletter and/or its monthly or periodic insert, if any, in Alabama Living Magazine or any similar magazine then being furnished to the members ~~at the expense of by or on behalf of~~ the Cooperative. Due to the use of mail balloting, no matter may be acted upon by the members at a meeting unless notice of such proposed action has been included in the notice of the meeting sent to the members.

SECTION 3.04 Quorum. Business may not be transacted at any meeting of the members unless there are present in person or represented by mail votes or by other means established by the Board at least three percent (3%) of the total active and unsuspended members of the Cooperative, on the record date, except that, if less than a quorum is present at any meeting, a majority of those present in person may without further notice adjourn the meeting to another time and date no sooner than thirty (30) days later and to any place within a county **containing members** served by the Cooperative in Alabama; provided, the Secretary shall notify all Members of the time, date and place of such adjourned meeting by delivering notice thereof as provided in Section 3.03. Registration of attendance at a meeting of members and mail votes shall be used to determine a quorum.

Upon adoption of a resolution authorizing the use of area meetings by the Board, the Cooperative may provide one or more area meetings where members may register attendance and vote in lieu of attending the meeting at the primary location of the **annual or special member** meeting. Any place selected for an area meeting shall contain facilities equipped with technology that will permit the members to view and hear business conducted at the annual meeting by means of audio and video equipment that will also allow the members to make comments or ask questions heard by those members at the primary location of the meeting at such time in the meeting as members physically present at the principal location of the meeting may make comments or ask questions. Members attending such an area meeting shall be considered present at the meeting in person for purposes of determining a quorum.

SECTION 3.05 Voting.

(a) Each Member who is not in a status of suspension, as provided for in Section 2.01, shall be entitled to one vote and no more, regardless of the number of services, upon each matter submitted to a vote at any meeting of the members. Voting by Members other than Members who are natural persons shall be allowed upon the presentation to the Cooperative, prior to or upon registering at each member meeting, of satisfactory evidence entitling the person presenting the same to vote. At all meetings of the members, all questions shall be decided by a vote of a majority of the Members voting thereon, except as otherwise provided by law or by the Cooperative's Articles of Conversion or these Bylaws. Members may not cumulate their votes or vote by proxy. The Board of Trustees may provide facilities through which Members may cast their votes **on the day of the meeting** on matters included in the Notice of the meeting prior to the formal commencement of the business meeting ~~on the day of the meeting~~ after the Member has registered the Member's attendance.

SECTION 3.06 Order of Business. The order of business at the annual meeting of the members and, insofar as practicable or desirable, at all other meetings of the members shall be essentially as follows:

1. Report on the number of members registered in person, by mail or other means established by the Board in order to determine the existence of a quorum;
2. Presentation and consideration of reports of officers, Trustees and committees;
3. Election of Trustees, **if applicable**;
4. Unfinished business;
5. New business; and
6. Adjournment.

SECTION 4.01 Number and General Powers. The business, activities and affairs of the Cooperative shall be managed by a board of not less than nine (9) or more than eleven (11) Trustees (**each a “Trustee”**), which shall **have the power and authority to authorize, approve and ratify the** exercise **of** all of the powers of the Cooperative except such as are by law or by the Cooperative’s Article of Conversion or Bylaws conferred upon or reserved to the members. Nine (9) of the Cooperative’s Trustee’s shall represent geographic districts and if the Cooperative has more than nine (9) Trustees, the remaining Trustees shall serve at-large. The Board of Trustees shall determine when and whether the Cooperative shall have more than nine (9) Trustees and, if such a determination is made, the Board of Trustees shall appoint the person to fill such at-large positions for a term for such position to be designated by the Board, not to exceed three (3) years. Thereafter, unless the Board of Trustees determines to abolish an at-large Trustee position, the at-large Trustee positions shall be filled in accordance with Sections 4.03 and 4.06 of the Bylaws. The territory served or to be served by the Cooperative shall be divided into nine (9) districts, the boundaries of which shall be so fixed that each shall contain approximately the same number of members. Each district shall be represented by one (1) Trustee who must be **an individual** member receiving service from the Cooperative within the district which he represents. A description of the **current** nine (9) districts shall be **attached to the Bylaws maintained by the Cooperative and contained in the records of the Board for inspection upon proper request by a member. Such Districts shall be attached to the Bylaws when changed and available with each copy of the Bylaws provided by the Cooperative.**

Effective with the date of the notice given to members of the District boundary alterations, such action by the Board of Trustees shall constitute an amendment to these Bylaws with respect to District Boundaries. The boundaries of such Districts may also be changed by amendment of these Bylaws by the members. Provided, any change so made by action of the Board shall be in full force and effect until at least the completion of the election of Trustees at the annual meeting of the members first thereafter held; and provided further, that no such amendment by the Board shall become effective so as to extend an incumbent Trustee’s existing term beyond the time it would otherwise expire or, unless the Trustee consents thereto in writing, to cause the vacancy of any Trustee’s office prior to the time the Trustee’s term would otherwise expire. Notwithstanding any of the provisions of this Section, a violation of the districting provisions shall not invalidate or in any way affect or impair the validity of any corporate action taken by the Cooperative **or its Board.**

SECTION 4.02 Qualifications. To become eligible or remain a Trustee, a person must:

- (a) Be a legal citizen of the United States;
- (b) ~~For election to a Director position, b~~ Be a member in good standing ~~and bona fide resident~~ receiving service ~~at the Member's primary residential abode~~ from the Cooperative **in the District for which the individual is running for election, and also a resident in that District**, for a minimum period of twelve (12) months prior to election, **provided that any individual running for an at-large position may receive service within and reside within any of the Cooperative's Districts to be eligible;**

SECTION 4.03 Election. At each annual meeting of the members, Trustees shall be elected by ballot by the members or, if there is no contest, by voice vote of those present and mail ballots shall also be counted **as described in Article III.** Trustees shall be elected by a plurality of votes cast unless the members in advance of any balloting resolve that a majority of the votes cast shall be required to elect, and this Bylaw provision shall be drawn to the attention of members and explained to them prior to any balloting. Drawing by lot shall resolve, where necessary, any tie votes.

SECTION 4.04 Tenure. The terms of the Trustees elected from Districts 2, 5 and 9 and the present at-large Trustee expire at the annual meeting to be held in 2007 **and every third year thereafter (i.e., 2010, etc.).** The terms of the Trustees elected from Districts 1, 4 and 6 expire at the annual meeting to be held in 2008 **and every third year thereafter (i.e., 2011, etc.).** The term of the Trustees elected from Districts 3, 7 and 8 expire at the annual meeting to be held in 2009 **and every third year thereafter (i.e., 2012, etc.).** The term of all Trustees elected has and shall continue to be three (3) years. Upon their election, Trustees shall, subject to the provisions of these Bylaws with respect to the removal of Trustees, serve until the annual meeting of the members of the year in which their terms expire or until their successors shall have been elected and shall have qualified. If for any reason an election of Trustees shall not be held at an annual meeting of the members duly fixed and called pursuant to these Bylaws, such election may be held at an adjournment of such meeting or at a subsequently held special or the next annual meeting of the members. Failure of an election for a given year shall allow the incumbents whose Trusteeships would have been voted on to hold over only until the next member meeting at which a quorum is present.

SECTION 4.05 Nominations. It shall be the duty of the Board of Trustees to appoint, not less than one hundred-twenty (120) days before the date of a meeting of the members at which Trustees are to be elected, a Committee on Nominations, consisting of not less than five (5) nor more than eleven (11) members who shall be selected from different sections of the service area of the Cooperative so as to insure equitable representation. No member of the Board of Trustees, nor employee, agent, officer of the Cooperative, no known candidate for Trustee, and no close relative or member of the same household thereof, may serve on such Committee. The Committee, keeping in mind the principal of geographical representation, shall prepare and post at the principal office of the Cooperative at least ninety (90) days before the **annual** meeting, a list of nominations for Trustees, arranged in groups according to the Districts in which the candidates reside. ~~One percent (1%)~~ **Fifty (50)** or more members from any District acting together (or, with respect to an At-Large Trustee's position, ~~1/9th of 1%~~ **fifty (50)** or more of the members), may make other nominations for Trustee to represent their District by petition **received** not less

than eighty (80) days prior to the meeting and the Secretary shall post such nominations at the same place where the list of nominations made by the Committee is posted. Each page of the petition shall, in the forepart thereof, state the names, addresses and account numbers of the members, signed by each Member in the same name as the Member is billed by the Cooperative and shall state the Member's address as it appears on the Member's billings. The Secretary shall mail with the notice of the meeting or separately, but at least fifteen (15) days before the date of the meeting, a listing of the Trustee positions to be filled and the names and address of the candidates grouped by Districts, specifying separately the nominations made by the Committee on Nominations and the nominations made by petition, if any. Nominations for Trustee in any other manner, including nominations from the floor, shall not be allowed. Notwithstanding anything contained in this section, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of Trustees or the validity of any action taken by the Board of Trustees after the election of Trustees.

SECTION 7.04 Fiscal Year. The Cooperative's fiscal year shall begin on the first day of the month of **January** ~~May~~ of each **calendar** year and end on the last day of the month of **December** ~~April~~ of the **same calendar following** year. The Board of Trustees may change the fiscal year as they deem appropriate.

SECTION 8.02 Patronage Capital in Connection with Furnishing Electric Energy.

The Board of Trustees shall determine the timing, method, basis, priority and order of making retirements of capital credits, from time to time, for all amounts heretofore and hereafter furnished as capital; provided, the Board of Trustees shall have the power to adopt rules providing for the separate retirement of that portion ("power supply or other service or supply portion") of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing power supply or any other service or supply to the Cooperative. Such rules shall (a) provide for separate identification on the Cooperative's books of such portion of capital credited to the Cooperative patrons and (b) provide for appropriate notifications to patrons with respect to such portions of capital credit to their accounts. Before retiring and refunding any capital, the Cooperative ~~may~~ **shall** deduct from the capital any amounts owed to the Cooperative by the patron, together with interest thereon at the Alabama legal rate on judgments in effect when such amount became overdue, compounded annually and late payment fees established by the Cooperative's policies or by the Board. 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.

SECTION 12.03 Effective Date. The Bylaws of the Cooperative currently in effect as amended through August **14, 2020** ~~14, 2015~~, are hereby repealed in their entirety and substituted therefor are the within Bylaws effective at the end of the business meeting held on August **7, 2020** ~~2020~~ **2026**, at which these Bylaws are adopted.

