

OWNER'S MANUAL

OF

LACREEK ELECTRIC
ASSOCIATION, INC.



**The Power
is in your
Hands**



Touchstone Energy[®]

**PO Box 220
121 N. Harold St.
Martin, SD 57551
Telephone: 605-685-6581
FAX: 605-685-6957
www.lacreek.com**

In Case of an Outage

FIRST: Check your fuses or breakers in your home or building in which you do not have power.

SECOND: Check meter for display and readings. If the meter is blank, you are probably experiencing an outage and need to call our office immediately.

THIRD: If your meter has a display, check your breaker below your meter on the yard pole or house.

FOURTH: Please contact your neighbor to see if they are experiencing a power outage because it would be helpful to know if other members in the area are also out of power.

FIFTH: Make sure you have the name the bill is in, the meter number and /or the account number.

SIXTH: Call Lacreek Electric at **605-685-6581**

We now have a 24 hour answering service. First you will hear an automated message, "Thank you for calling Lacreek Electric. Your call may be recorded or monitored for quality assurance." You will then hear the following menu:

- *If you're calling to report an electrical outage, press 1.
- *If you have a billing question, press 2.
- *If you're calling to report a meter reading, press 3.
- *For all other calls, press 0.

Office Hours: 7 a.m.-4:30 p.m. MT • Open over noon hour •
Monday through Friday Closed Saturday, Sunday and holidays.



Manager's Welcome



We would like to welcome you as a member of Lacreek Electric Association and thank you for giving us the opportunity to be of service to you.

We currently have a metering system which, will allow remote reading, connects, disconnects, and load control through the substations. If you have a heat meter, you will still need to submit readings for that meter from October through April. Call the office if you are interested in remote reading for your heat meter.

Your first billing will include your deposit, plus a connection fee. The bills come out right after the first of the month and are due by the 20th of each month. If they are not paid by the 20th of the month, a \$12.50 late charge will be applied to your bill and any unpaid balance into the next billing will have a 1.5% interest charge added until it is paid in full.

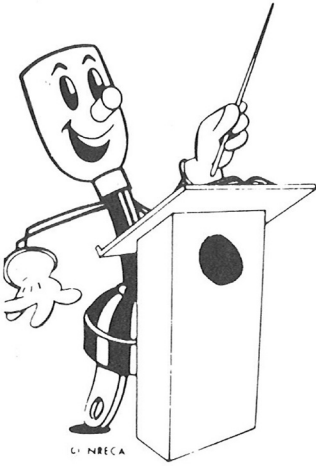
Our office is open 7:00 a.m. to 4:30 p.m. (Mountain Time) each day Monday through Friday (except holidays). For your convenience we have a night depository beside the front door of our Office Building, at the Security First Bank in Martin, S.D., at Angel's Store in Kyle, S.D., at Oglala Service Center in Oglala, S.D., at the Wanblee Mart in Wanblee, S.D., at the Oglala Sioux Tribal Housing Office in Pine Ridge, S.D., at the Common Cents Store at Sharps Corner, at Kary's Store in Parmelee, S.D, or at Lakota Federal Credit Union in Kyle.

Our employees, staff and board of directors constantly strive to provide you with excellent service. Remember OUR POWER IS YOU, and as a member, you are an owner of Lacreek Electric.

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Lacreek Electric Association, Inc. Mission Statement:



To provide our service territory with safe and reliable service at the lowest possible cost, while advancing the quality of life by staying abreast of the latest technology available in our industry.

What is your Cooperative?

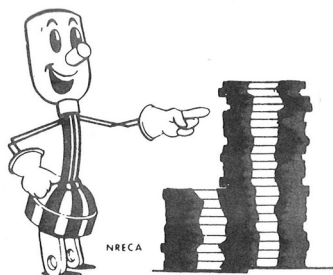
Each rural electric system in South Dakota is chartered and incorporated under the laws of the State of South Dakota, as a non-profit corporation. Each rural electric system is wholly owned and controlled by the people it serves. Each rural electric system is a separate, business-managed, tax-paying privately-owned utility lawfully operating within the framework of private enterprise.

What is RUS?

The Rural Utilities Service (RUS) is a federal agency, established by Congress, which makes loans to finance the construction of electric, water and waste-water facilities to persons in rural areas who are not receiving central station service.

Why a Cooperative?

Cooperatives usually are formed to satisfy a need which the members could not satisfy by themselves, and no other organization was willing or able to solve the problem for them. Most rural electric systems were organized as cooperatives because the rural areas they serve would not return a profit for a commercial power company. The non-profit operation of rural electrics, and the availability of low-cost, long-term loans from the government, help make it possible to extend electric service to sparsely settled areas.



Your Cooperative Pays Taxes!

In fact, it is among the largest taxpayers in the area it serves. Refer to the question and answer Section on page 48

A great deal has been said about the taxes paid by investor-owned electric utilities. Mostly these companies are talking about income taxes -- taxes on profit. If we made a profit for investors, we would expect to pay income taxes.

Any electric utility in America can get the same tax treatment we get by agreeing in advance, as we do, to return to its consumers any charge greater than the cost of providing service. (Section 501 (c) (12) of the Internal Revenue Code of 1954 provides for this exemption.)

Attend the Annual Meeting



The highest authority in the electric cooperative is the membership.

This is a big business. You members own it. RUS in Washington does not have a single vote on the Board, nor in your annual meeting.

Once a year you get an opportunity to speak and to vote your convictions. Or if your zone is open, you have the opportunity to take out a petition and run for the board yourself.

If you don't like the way your cooperative is run, you have a chance to change it. If you are satisfied with its operation, please come out and tell your board and your staff you appreciate their work.

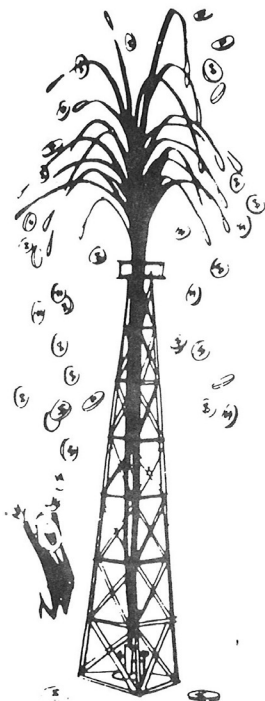
You and the other members share in the Cooperative's margins!

Your Cooperative's margin is any money left over after all its operative costs have been paid. Since you are one of the owners of the Cooperative, part of that margin is yours! Your share of the margin is determined by how much electricity you use. The more you use, the larger your share in the margin.

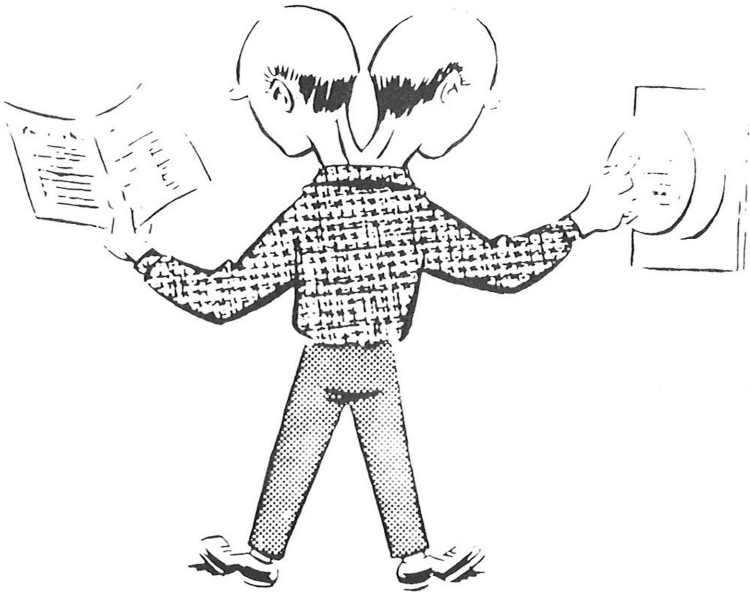
Each year you receive an allocation statement showing the amount of your contribution to the capital account for the calendar year. These are your "capital credits."

The member's allocation statement indicates the amount you have paid over and above the cost of service. On the financial statement included as part of your annual report, the net margin reflects the total retained capital credits, in addition to certain other accounts which make up the total.

These margins in the past have been used by your Cooperative to maintain and improve the electric system to insure your service is the best possible. RUS has directed that Rural Electric systems with less than 30% equity limit their general retirement of capital credits to 25% of the previous year's margins including those capital credits being paid to the estates of deceased members. LEA is following the guidelines of that directive from RUS.

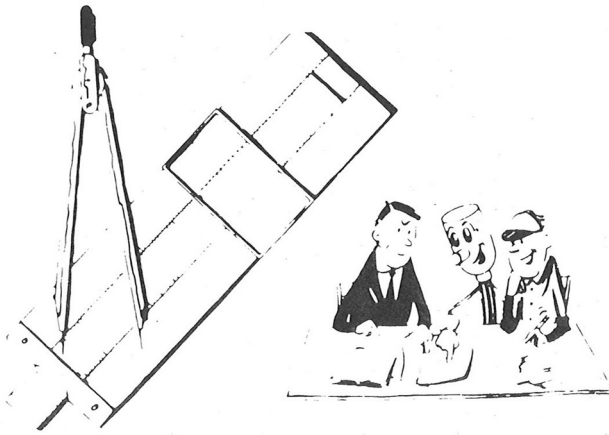


READ



Your News Letter

The Lacreek Electric Cooperative Connections is sent free of charge to every member. It is the only practical way that we have to reach the members each month. Stay in touch with your Cooperative and community by reading the newsletter. Ideas and suggestions for the contents are welcomed from members.



Special Services Available

It is recognized that there is a responsibility over and above just delivering power to members. The Cooperative must, to attain its objectives of supplying dependable, adequate, low-cost power to its members, assist each individual with his electrical equipment or wiring problems and also be of assistance to insure wise and productive use of electricity in every possible way. The entire staff is anxious to assist you.

★ Energy Audits

- ★ Estimates on electric heat.**

- ★ Consultant service on wiring problems.**

- ★ Availability of standby generation equipment hook-up.**

- ★ Use of the Board room at the office for
clubs and community meetings.**

- ★ Assistance and programming for 4-H, and
area service clubs.**

- ★ Load Control**

- ★ Safety Demonstrations**

How to pay your Monthly Electric Bill

Payments may be made at the LEA office, by credit/debit card at 1-855-385-9980, LEA website www.lacreek.com, SmartHub or at one of our Drop Box Locations, on the front of Lacreek office building, Security 1st Bank in Martin, OSHA Office in Pine Ridge, Oglala Service Center in Oglala, Common Cents in Sharps Corner, Angel's Store in Kyle, Wanblee Mart in Wanblee, Kary's Store in Parmelee, or Lakota Federal Credit Union in Kyle.

If you are delinquent with your payment and are putting it into a drop box, please be sure to show the clerk and have them call 685-6581 and confirm that payment is being put into the drop box.

Accounts not paid or received at the office on or before the due date, shall be considered delinquent and a late charge will be added. A reminder notice will be mailed, interest will be charged on any delinquent balance over \$100 and when the account is delinquent, the service is also subject to disconnect.

When service is disconnected for non-payment, service shall not be reconnected until the disconnect bill, a deposit (if applicable) a disconnect/reconnect fee are paid in full.

Shown on page 7 is a copy of the statement like the one which will be mailed to you each month. We have numbered certain lines and items on the statement to correspond with the following:

- 1) The yellow circle indicates the amount due before the due date.
- 2) In the yellow circle in the bottom is the amount due after the due date.
- 3) These lines are your account number plus:
 - a. The reading dates.
 - b. The number of days between reading.
 - c. Previous reading 32684.
 - d. Present reading 33833; this is the meter reading which was last reported
 - e. This line indicates the kWh used 1149; this is the difference between the previous reading and current reading.
 - f. This is the total $\$90.00 + \$28.79 = \$118.79$ for the kWh.
- 4) Statement date
- 5) Enter heat meter reading here (if you do not have a TWACS meter). This represents your present heat meter reading. You must report all digits as shown on your meter. If you would like a coop read heat meter there is a \$25.00 charge to install this type of meter.
- 6) This line shows the date the bill becomes delinquent on.
- 7) This line shows the previous balance.
- 8) This line shows the late charge.
- 9) This line shows the previous months payment.
- 10) This line shows the balance forward into billing.
- 11) This line indicates the service minimum charge.
- 12) This line represents the sales tax.
- 13) This line indicates you have a security light(example: 150-watt Metal Halide and the "1" indicates billing for "1" security light)
- 14) This area allows for special information.
- 15) This line shows usage history month.



LACREEK ELECTRIC

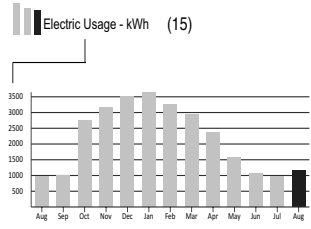
Office Hours: 7:00 a.m. - 4:30 p.m. Mon - Fri
Phone: (605) 685-6581
Toll Free Pay-by-Phone (855) 385-9980
www.lacreek.com

(3) Account Number: 99999
Member Name: JOHN A DOE
(4) Statement Date: 09/01/2020
Phone #: (999) 999-9999

TOTAL DUE
09/20/2020 (1)
\$137.00
After Due Date
149.50 (2)

Usage History

Previous Year Current Month



(3) Account Number: 99999 (a) (b) (c) (d) (e) Service Address: 1234 N MAIN STREET

Meter No.	Services From To	Days	Readings Previous	Present	Meter Multiplier	kWh Usage	Demand Reading	Rate
11-0491 00-011H	07/29/20 08/31/20	33	32684 6805	33833 6805	1.0 40.0	1149 0	8.68 0.0	003 - Residential Electric Heat 013 - Electric Heat Sub Meter

Activity Since Last Billing		
(7) Previous Balance		75.22
(8) Late Charge		12.50
(9) Payment - Thank You		-87.72
(10) Balance Forward		0.00
Message From Lacreek Electric		
Don't forget to call in your heat meter reading. (14)		

Detail of Charges		
KWH Charge	800 kWh @ 0.112500	(f) 90.00
KWH Charge	349 kWh @ 0.082500	28.79
Service Minimum (11)		40.00
4.5% Sales Tax (12)		5.90
150W Metal Halide - (1) (13)		11.00
WAPA Tribal Credit/OST		-38.69
Total Current Charges		137.00
Balance Forward		0.00
Total Amount Due		137.00

KEEP
SEND Please do not staple or paperclip.



LACREEK ELECTRIC

PO BOX 220 - 121 N. Harold St
Martin SD 57551

Our records indicate your telephone number is: (999) 999-9999.
Please provide updated information on the back if incorrect.

Account Number	99999 (3)
Amount Due 09/20/2020	137.00 (1)
Amount Due if Paid After 09/20/2020 (6)	149.50 (2)

Meter Number Previous Reading Enter Current Reading
00-011H 6805 _____ (5)



Pay by Phone 24/7: (855) 385-9980

We Accept:



www.lacreek.com

JOHN A DOE
JANE B DOE
1234 N MAIN STREET
MARTIN SD 57551-0001

1 117



Power Outages

Although every precaution is taken to prevent it, occasionally your power may go off. The cause of power failure may be in your own wiring. Please check fuses or circuit breakers in your fuse panel. If there are breakers below your meter, make sure they are in the “on” position.

If you don’t find anything wrong with your wiring, please contact your neighbors to see if their power is off. If there is an outage please report to your Cooperative by telephone 605-685-6581.

If you have noticed any damage to our line, please describe it when you report the outage. It may save hours of driving. **PLEASE DO NOT TRY TO CORRECT THE TROUBLE YOURSELF. YOU COULD BE SERIOUSLY INJURED.**

Many times a harmless looking defect may be very dangerous.



1. Check the breakers on yard pole, below meter or in main electrical panel; push breakers all the way down firmly to the “off” position, then up to “on” position.

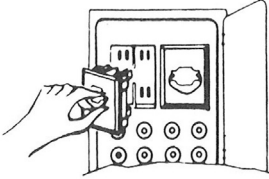
2. If you need to replace a fuse in the main electrical panel, be sure you install the same size fuse. If you have breakers make sure they are in the “on” position. If they have been “tripped” it must be moved to “off” position and then to “on”.

3. If fuses blow or breakers trip off when replaced there is trouble in your house with your wiring or some appliance that is plugged into an outlet. Call your electrician.

How to Change a Fuse or Reset a Breaker



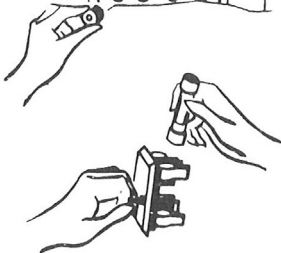
1. First, disconnect lamps and appliances in use when circuit went out.



2. Make sure your hands are dry: stand on a dry board or rubber pad, if possible. Open main switch, or pull-out section of panel labeled “main” in the service entrance, to cut off current while working at the branch circuit box.



3. Identify the blown fuse. When a fuse blows, the transparent section becomes cloudy, or blackened.



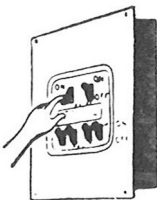
4. Replace the blown fuse with a new one of proper size. The smaller sizes screw in and out just like light bulbs. If the blown fuse is a cartridge type, located in the pull-out section, it can be removed and replaced by hand pressure.

5. Close the main switch, or replace pull-out section, to restore service.

6. Throw away the blown fuse.

NEVER, NEVER, NEVER put a penny behind a fuse.
There is extreme danger that your house or building will burn down.

HOW TO RESET A CIRCUIT BREAKER



1. Move handle to OFF position

2. Push handle past OFF position

3. Return handle to ON position

Member's Equipment on Poles?

No member's equipment or service wires may be attached to any pole other than the yard pole. Such equipment and/or devices of the member will be restricted to electrical service assemblies as approved by the Cooperative. No radio, television or electric fence aerial crossings will be allowed on any pole owned by the Cooperative.

Rates

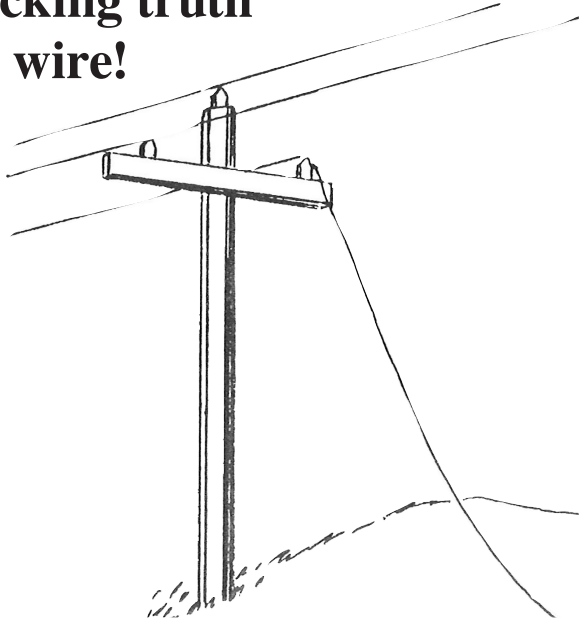
Every residential member pays the same rate whether their service is close to the substation or at the end of the line. A schedule of rates may be obtained from the Cooperative's office upon request. Or see www.lacreek.com.



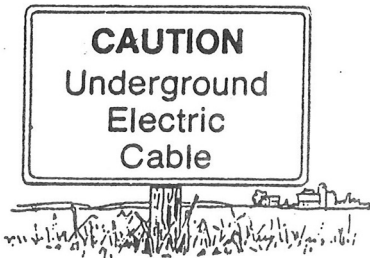
Your Account Number

Your account number is equally as important as your name when contacting the office for any reason. It is a location number that pinpoints your property on our maps and records. If you move to another location on our lines you are assigned a different account number.

The shocking truth about fallen wire!



Many people believe that when a storm or accident topples a power line, what is down is dead. But the fact remains: a fallen wire can be very much alive. So don't take chances. If you come across a downed power line, report it immediately to your electric utility. Never touch the wire or let your body come in contact with anything that is touching it. The truth is, it's easier than you think to assume fallen wire is safe. Unfortunately, that's one truth that can hurt.



Call Before You Dig!

In some areas underground electric service has become feasible. It is more expensive than overhead lines, but it is immune to wind-storms and ice.

As long as nobody digs it up!

That cannot only interrupt the electric service, but can electrocute the digger.

The location of electric cable installed underground by your Cooperative is carefully recorded. Before you start digging in an area that has underground cable, check with your Cooperative for safety precautions. Please contact: South Dakota One Call at 811 or 1-800-781-7474 or Nebraska One Call at 1-800-331-5666.



Meter Tampering Is Illegal

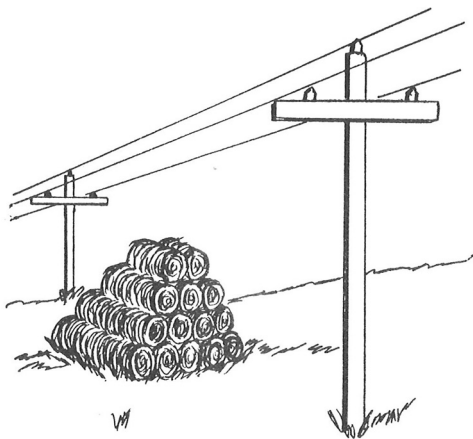
Meter tampering, or any other method of current diversion use by a member for the purpose of receiving unmetered electrical service, is illegal and the offender risks prosecution by law.

The law provides up to \$10,000.00 fine and/or 10 years imprisonment, for anyone tampering with the meter, breaking the seal, or attaching any wire or other device which would permit the flow of unmetered or unauthorized electricity.

Due to the higher cost of electricity, this ever-present problem has increased and costs our members more each year. The Cooperative will exercise its right to protect the interests of its members.

It is the policy of Lacreek Electric Association, Inc. to investigate complaints where any member is alleged to have tampered with meters and/or any other equipment or property of the Cooperative for the purpose of receiving electric service that has not been properly charged to the consumer member.

If conclusive proof of current diversion is obtained, service to the member may be discontinued, legal action may be initiated, and the consumer-member may be expelled from membership in the Cooperative.



IT'S THE LAW!

The Proximity Law, passed by the South Dakota Legislature in 1973, governs activities in proximity to electric transmission lines and also provides a penalty.

The law makes a misdemeanor for any person, firm, corporation or association, to place any person or employee, tool, equipment, machinery or material, in a position where it will come within ten feet of a high voltage over-head electric line.

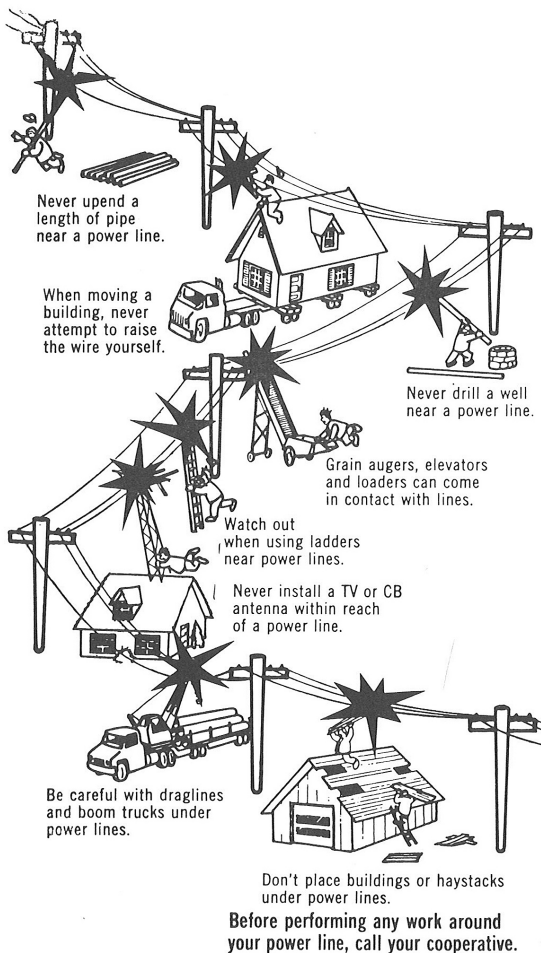
The law defines “high voltage” as being a voltage in excess of 750 volts.

Section 3 states that no person, as an agent or employee of any person, firm, corporation or association, shall store, operate, erect, maintain, move or transport any tool, house or any other buildings, machinery, equipment, supplies, material, apparatus or any part of which is capable of lateral or swinging motion, unless there is posted and maintained in plain view of the operator a durable warning sign or label, legible at 12 feet reading, that states: “Unlawful to operate this equipment within six feet of high voltage lines.”

Section 5 also makes it mandatory that a person who is going to carry on any function, activity or operation, in closer proximity to high voltage lines than permitted by law, must contact the owner of the high voltage line.

Section 6 states that any person, firm, corporation, employee of such person, firm, corporation, or association, who violates any provision of this act shall be guilty of a misdemeanor by law.

LOOK UP and LIVE!





What to do if your equipment contacts power lines --

First, try to back up or otherwise maneuver to get free.

If you can't drive away you will usually be safe if you stay on the equipment, so try to call for help.

If you must leave the equipment, JUMP! If you step down and touch the ground while touching the equipment, you may be burned or killed. So JUMP CLEAR! Then shut off the power if you can or call your power supplier.

You are not always safe on rubber-tired vehicles. Carbon is added to rubber to make tires last longer and carbon is a good conductor. Tires can conduct enough current to cause them to heat up and catch fire. If you see this happening. JUMP CLEAR before the tire collapses.

Better yet, learn to keep equipment clear of power lines.

LOOK UP AND LIVE!

ANNUAL MEETING



How You Can Help Your Rural Electric System

That's right. The Cooperative is yours. It belongs to you, the membership. It's not a government "handout". It's a growing community service of which we may be proud. People like you helped get it started.

You know, one of the best things about an electric cooperative is that the more we use it the bigger stake we have in it. Our investment increases with the years as we pay off our loan.

Remember, too, that new uses for electricity are being found almost every day. Our community will increasingly need a steady dependable source of electric power at reasonable rates.

That's why our electric Cooperative means so much to us. You can protect your stake in the Cooperative by:

- 1. Attending and taking part in the Annual Meeting**
- 2. Supporting the Cooperative board.**
- 3. Paying bills promptly.**
- 4. Suggesting new and improved ways our Cooperative can serve all of us.**
- 5. Reporting trouble on the line if and when it occurs.**
- 6. Telling others about our Cooperative and how we own it. LET'S KEEP OUR COOPERATIVE WORKING FOR US ALL.**

Bylaws
of
Lacreek Electric
Association, Inc.

As Amended through April 27, 2017.

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ARTICLE I

MEMBERSHIP

SECTION 1. Eligibility. Any person, firm, association, corporation, business trust, partnership, Federal agency, State or political subdivision thereof, (each hereinafter referred to as “person”, “applicant”, “him” or “his”) shall be eligible to become a member of, and, at one or more premises owned or directly occupied or used by him, to receive electric service from, Lacreek Electric Association, Inc. (hereinafter called the “Cooperative”), upon receipt of electric service from the Cooperative provided that he or it has first:

- (a) Made a written application for electrical service;
- (b) Agreed to purchase from the Cooperative electric energy as hereinafter specified:
- (c) Agreed to comply with, and be bound by the Articles, By-laws, regulations, rules, policies, and rate schedules established pursuant thereto, as all the same exist or as thereafter be duly adopted or amended, as a Contract between the Cooperative and the member.
- (d) Paid the non-refundable service connection fee hereinafter specified.

No person may hold more than one membership in the Cooperative and no membership in the Cooperative shall be transferable, except as provided in these bylaws:

SECTION 2. Application for Membership. Renewal of Prior Application.

The application for membership shall be made in writing on such form as is provided therefore by the Cooperative, with respect to any particular classification of service for which the Board of Directors shall require it, such application shall be accompanied by a supplemental contract, executed by the applicant on such form as is provided therefore by the Cooperative. The membership application shall be accompanied by the membership fee provided in Article I, Section 3 (together with any service security deposit, service connection or deposit or fee, facilities extension deposit, or contribution in aid of construction that may be required by the Cooperative), which fee (and service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction, if any) shall be refunded in the event the application is by Board resolution denied. Any former member of the Cooperative may, by the sole act of paying a new membership fee and any outstanding account plus accrued interest thereon at the South Dakota legal rate on judgments in effect when such account first became overdue, compounded annually (together with any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction that may be required by the Cooperative), renew and reactivate any prior application for membership to the same effect as though the application had been newly made of such payment.

SECTION 3. Membership Fee; Service Security and Facilities Extension Deposits; Contribution in Aid of Construction. The membership fee shall be fixed from time to time by the Board of Directors. The membership fee (together with any service security deposit, service connection deposit or fee, facilities extension deposit, contribution in aid of construction or any combination thereof, if required by the Cooperative), shall entitle the member to one service connection. A service connection deposit or fee, in such amount as shall be prescribed by the Cooperative (together with a service security deposit, a facilities extension deposit or a contribution in aid of construction or any combination thereof, if required by the Cooperative), shall be paid by the member for each additional service connection requested by him.

SECTION 4. Joint Membership. A husband and wife, specifically so requesting in writing, may be accepted into joint membership or if one of them is already a member, may automatically convert such membership into a joint membership. The words “member,” “applicant,” “person,” “his” and “him,” as used in these Bylaws, shall include a husband and wife applying for or holding a joint membership, unless otherwise clearly distinguished in the text, and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of membership shall apply equally, severally and jointly to them without limiting the generality of the foregoing.

(a) The presence at a meeting of either or both shall constitute the presence of one member and a joint waiver of the meeting.

(b) The vote of either or both shall constitute, respectively, one joint vote;

(c) Notice to, or waiver of notice signed by either or both shall constitute, respectively a joint notice or waiver of notice:

(d) Suspension on termination in any manner of either shall constitute respectively, suspension or termination of the joint membership.

(e) Either, but not both concurrently, shall be eligible to serve as a director of the Cooperative, but only if both meet the qualification required therefore.

SECTION 5. A non-refundable service fee as determined from time to time by the Board shall be paid by each new member before receiving any service connection. An additional fee fixed by the Board shall be charged for each additional service connection.

SECTION 6. Acceptance Into Membership. Upon complying with the requirements set forth in Article I, Section 1, any applicant shall automatically become a member on the date of his connection for electric service; PROVIDED, that the Board of Directors may by resolution deny an application and refuse to extended service upon its determination that the applicant is not willing or is not able to satisfy and abide by the Cooperative’s terms and conditions of membership or that such application should be denied for other good cause.

SECTION 7. Purchases of Electric Power and Energy. Power Production by Member; Application of Payments to all Accounts. The Cooperative shall make all reasonable efforts to furnish its members with adequate and dependable electric service, although it cannot and therefore does not guarantee a continuous and uninterrupted supply thereof; and each member, for so long as such premises are owned or directly occupied or used by him shall purchase from the Cooperative all central station electric power and energy purchased for use on all premises to which electric service has been furnished by the Cooperative pursuant to his membership, unless and except to the extent that the Board of Directors may in writing waive such requirement and shall pay therefore at the times, and in accordance with the rules, regulations, 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 Directors and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Article I, Section 2 (provided, however, that the Board of Directors may limit the amount of electric energy which the Association shall be required to furnish to any one member.)

Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative.

Each member shall also pay all other amounts owed by him to the Cooperative as and when they become due and payable. When the member has more than one service connection from the Cooperative, any payment by him for service from the Cooperative shall be deemed to be allocated and credited on a pro rate basis to his outstanding accounts for all such service connections, notwithstanding that the Cooperative's actual accounting procedures do not reflect such allocation and proration.

All amounts paid for electric service in excess of the cost thereof shall be furnished by members as capital and each member shall be credited with the capital so furnished as provided in Article VII of these bylaws.

SECTION 8. Suspension; Reinstatement. Upon his failure, after the expiration of the initial time limit prescribed either in a specific notice to him or in the Cooperative's generally publicized applicable rules and regulations, to pay any amounts due the Cooperative or to cease any other noncompliance with his membership obligations, a person's membership shall automatically be suspended; and he shall not during such suspension be entitled to receive electric service from the Cooperative or to cast a vote at any meeting of the members.

Payment of all amounts due the Cooperative, including any additional charges required for such reinstatement, and/or cessation of any other non-compliance with his membership obligations within the final time limit provided in such notice of rules and regulations shall automatically reinstate the membership, in which event the member shall thereafter be entitled to receive electric service from the Cooperative and to vote at the meetings of its members.

SECTION 9. Termination by Expulsion; Renewed Membership. Upon failure of a suspended member to be automatically reinstated to membership, as provided in Article I, Section 9, he may, without further notice, but only after due hearing if such is requested by him, be expelled by resolution of the board. After any expulsion of a member, he may not again become a member except upon a new application therefore duly approved as provided in Article I, Section 7. The Board of Directors, acting upon principles of general application in such cases, may establish such additional terms and conditions for renewed membership as it determines to be reasonably necessary to assure the applicant's compliance with all his membership obligations.

SECTION 10. Termination by Withdrawal or Resignation. A member may withdraw from membership upon such generally applicable conditions as the Board of Directors shall prescribe and upon either (a) ceasing to (or, with the approval of the Board of Directors, resigning his membership in favor of a new applicant who also shall) own or directly occupy or use all premises being furnished electric service pursuant to his membership, or (b) except when the Board of Directors specifically waives such condition, abandoning totally and permanently the use of central station electric service on such premises.

SECTION 11. Termination by Death or Cessation of Existence; Continuation of Membership In Remaining or New Partners. Except as provided in Article I, Section 14, the death of an individual human member shall automatically terminate his membership. The cessation of the legal existence of any other type of member shall automatically terminate such membership: PROVIDED, that upon the dissolution for any reason of a partnership, or upon the death, withdrawal or addition of any individual partner, such membership shall continue to be held by such remaining and/or new partner or partners as continue to own or directly to occupy or use the premises being furnished electric service pursuant to such membership in the same manner and to the same effect as though such membership had never been held by different partners: PROVIDED FURTHER, that neither a withdrawing partner nor his estate shall be released from any debts then due the Cooperative.

SECTION 12. Effect of Termination. Upon the termination in any manner of a person's membership, he or his estate, as the case may be, shall be entitled to refund of his service security deposit, if any, theretofore paid the Cooperative, less any amounts due to the Cooperative; but neither he nor his estate, as the case may be, shall be released from any debts or other obligations then remaining due the Cooperative.

Notwithstanding the suspension or expulsion of a member, as provided for in Article I, Section 9, and Article I, Section 10, such suspension or expulsion shall not, unless the Board of Directors shall expressly so elect constitute such release of such person from his membership obligations as to entitle him to purchase from any other person any central station electric power and energy for use at the premises to which such service has theretofore been furnished by the Cooperative pursuant to such membership.

SECTION 13. Effect of Death, Legal Separation or Divorce upon a Joint Membership. Upon the death of either spouse, of a party to the joint membership, such membership shall continue to be held solely by the survivor, in the same manner and to the same effect as though such membership had never been joint; provided, that the estate of the deceased shall not be released from any debts due the Cooperative. Upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues directly to occupy or use the premises covered by such membership in the same manner and to the same effect as though such membership had never been joint: PROVIDED, that the other spouse shall not be released from any debts due the Corporation.

SECTION 14. Board Acknowledgement of Membership Termination; Acceptance of Members Retroactively. Upon the termination of a person's membership for any reason the Board of Directors, as soon as practicable after such termination is made known to it, shall by appropriate resolution formally acknowledge such termination, effective as of the date on which the Cooperative ceased furnishing electric service to such person. Upon discovery that the Cooperative has been furnishing electric service to any person other than a member, it shall cease furnishing such service unless such person applies for, and the Board of Directors approves, membership retroactively to the date on which such person first began receiving such service in which event the Cooperative, to the extent practicable, shall correct its membership and all records accordingly.

SECTION 15. Retention of Membership and Connection Fee. The Membership and Connection fees of all members who became members under prior existing bylaws provisions providing for admission to membership on filing of written application for membership and payment of membership or service connection fee as provided for in the bylaws shall be transferred effective June 6, 1975 to a connection fee account to be retained by the Cooperative, and all such members desiring additional service connections thereafter must pay the regular service connection fee and file a separate application for electrical service for each such additional service connection, such connections and fees to be immediately deposited in a connection fee account, to be governed by provision of the bylaws then in effect, or as subsequently amended.

SECTION 16. Wiring of Premises; Responsibility Therefore; Responsibility for Meter Tampering or Bypassing and for Damage to Cooperative Properties; Extent of Cooperative Responsibility; Indemnification. Each member shall cause all premises receiving electric service pursuant to his membership to become and to remain wired in accordance with the specifications of the South Dakota Electrical Commission, the National Electric Code, any applicable state code or local government ordinances, and of the Cooperative. Where different specifications have variant standards, the more exacting shall be complied with. Each member shall be responsible for -- and shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss of damage resulting from wiring and apparatuses connected thereto or used thereon. Each member shall make available to the Cooperative a suitable site, as determined by the Cooperative, whereon to place the Cooperative's physical facilities for the furnishing and metering of electric service and shall permit the cooperative's authorized employees, agents and independent contractors to have access thereto safely and without interference from hostile dogs or any other hostile source for meter reading, bill collecting and for inspection, maintenance, replacement, relocating, repair or disconnection of such facilities at all reasonable times. As part of the consideration for such service, each member shall be the Cooperatives' bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall use his best efforts to prevent others from so doing. Each member shall also provide such protective devices to his 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 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 the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, or revenues resulting from the failure or defective functioning of its metering equipment. The Cooperative shall, however, in accordance with its applicable service rules and regulations, indemnify the member for any overcharges for service that may result from a malfunctioning of its metering equipment or any error occurring in the Cooperative's billing procedures. In no event shall the responsibility of the Cooperative for furnishing electric service extend beyond the point of delivery.

SECTION 17. Member to Grant Easements to Cooperative and to Participate In Required Cooperative Load Management Programs. Each member shall, in accordance with such reasonable terms and conditions as the Cooperative shall require for the furnishing of electric service to him or other members, or for the construction, operation, maintenance or relocation of the Cooperative's electric facilities, execute and deliver to the Cooperative grants of easements or right of way over, on and under such lands owned or leased by or mortgaged to the member. Each member shall participate in any required program and comply with related rates and services, rules and regulations that may be established by the Cooperative to enhance load management, more efficiently to utilize or conserve electric energy or to conduct load research.

ARTICLE II

RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. Distribution of Surplus Assets on Dissolution. Upon the Cooperative's dissolution, any assets remaining after all liabilities or obligations of the Cooperative have been satisfied and discharged, including retirement of outstanding capital credits and refund of membership fees, shall, to the extent practicable as determined by the Board of Directors, not inconsistently with the provisions of the third paragraph of Article VII, Section 2 of these Bylaws, be distributed without priority but on a patronage basis among all persons who are or have been members of the Cooperative, PROVIDED, HOWEVER, that, if in the judgment of the Board the amount of such surplus is too small to justify the expense of making such distribution, the Board may, in lieu thereof, donate, or provide for the donation of, such surplus to one or more nonprofit charitable or educational organizations that are exempt from Federal Income taxation.

SECTION 2. Non-Liability for Debts of the Association. The private property of the members shall be exempt from execution or other liability for the debts of the Association and no member shall be liable or responsible for any debts or liabilities of the Association.

ARTICLE III

MEETING OF MEMBERS

SECTION 1. Annual Meeting. The Annual Meeting of members shall be held between April 1 and June 30, each year at such place in one of the Counties in South Dakota within which the Cooperative serves, and beginning at such hour, as the Board of Directors shall from year to year fix; PROVIDED, that, for cause sufficient to it, the Board of Directors may fix a different date for such annual meeting not more than thirty (30) days prior or subsequent to the day otherwise established for such meeting in this Section, for the purpose of electing directors, hearing and passing upon reports, covering the previous fiscal year and transacting such other business as may properly come before the meeting.

It shall be the responsibility of the Board of Directors to make adequate plans and preparations for, and to encourage member attendance at, the Annual Meeting. Failure to hold the Annual Meeting at the designated time and place shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2. Special Meetings. A Special Meeting of the members may be called by the Board of Directors, by any five directors, or by petition signed by not less than ten per centum of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Article III, Section 3. Such a meeting shall be held at such place in one of the counties in South Dakota within which the Cooperative serves, on such date, not sooner than forty (40) days after the call for such meeting is made or a petition therefore is filed, and beginning at such hour as shall be designated by him or those calling or petitioning for the same.

SECTION 3. Notice of Member's Meetings. Written or printed notice of the place, date and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes of the meeting shall be delivered to each member not less than seven (7) days (or in the case of increasing the Cooperative's debt limit not less than 60 days) nor more than twenty-five (25) days prior to the date of the meeting, either personally or by mail, by or at the direction of the President or the Secretary, (and, in the case of a special meeting, at the direction of him or those calling the meeting). 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 newsletter and/or its monthly insert, if any, in the Cooperative Connection. No matter the carrying of which, as provided by law, or the Cooperative's Articles of Incorporation or Bylaws requires the affirmative votes of at least a majority of all the Cooperative's members shall be acted upon at any meeting of the members unless notice of such matter shall have been contained in the notice of the meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon paid, and postmarked at least seven (7) days prior to the meeting date. In making such computation, the date of the meeting shall not be counted. The incidental and non-intended failure of any member to receive a notice deposited in the mail addressed to the member at his address as shown on the Cooperative's books shall not invalidate any action which may be taken by the members at any such meeting, and the attendance in person of a member at any meeting of the members shall be for the express purpose of objecting to the transaction of any business, or one or more items of business, on the grounds that the meeting shall not have been lawfully called or convened. Any member attending any meeting for the purpose of making such objection shall notify the Secretary prior to or at the beginning of the meeting of his objection.

SECTION 4. Quorum. Business may not be transacted at any meeting of the members unless there are present in person at least fifty of the cooperative's members, except that, if less than a quorum is present at any meeting, a majority of those present in person may without further notice adjourn that meeting to another time and date not less than forty (40) days later and to any place in one of the counties in South Dakota within which the Cooperative serves: PROVIDED, that the Secretary shall notify any absent members of the time, date and place of such adjourned meeting by delivering notice thereof as provided in Section III, Subsection 3. At all meetings of the members, whether a quorum be present or not, the Secretary shall annex to the meeting minutes, or incorporate therein by reference, a list of those members who were registered as present in person.

SECTION 5. Voting. Each member who is not in a status of suspension, as provided for in Article I, Section 8, shall be entitled to only one vote 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 registration 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 Incorporation or these bylaws. Members may not cumulate their votes, or vote by proxy or by mail, PROVIDED, however, that any member who is absent from an Annual Meeting or special meeting of the members may vote by mail at such meeting upon any motion or resolution pertaining to the borrowing of funds, from the United States of America, or any agency or instrumentality thereof, or from any other source. The secretary shall enclose with the notice of such meeting an exact copy of such motion or resolution to be acted upon and such absent member shall express his vote thereon by placing a cross (X) in the space provided therefore opposite each such motion or resolution. Such absent member shall enclose each such copy so marked in a sealed envelope bearing his name and address to the Secretary. If such written vote, so enclosed, is received by mail from any absent member, it shall be counted as the vote of such member at such meeting when such motion or resolution is voted on at such meeting. The failing of any absent member to receive a copy of such information shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 6. 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 present in person in order to determine the existence of a quorum;
- (2) Reading of the notice of the meeting and proof of the due giving thereof or the waiver or waivers of notice of the meeting, as the case may be;
- (3) Reading of unapproved minutes of previous meeting of the members and the taking of necessary action thereof;

(4) Presentation of unapproved minutes of previous meeting of the members and the taking of necessary action thereof;

(5) Election of directors;

(6) Unfinished business;

(7) New business; and

(8) Adjournment.

Notwithstanding the foregoing, the Board of Directors or the members themselves may from time to time establish a different order of business for the purpose of assuring the earlier consideration of and action upon any items of business the transaction of which is necessary or desirable in advance of any other items of business: PROVIDED, that no business other than adjournment of the meeting to another time and place may be transacted until and unless the existence of a quorum is first established.

ARTICLE IV

DIRECTORS

SECTION 1. General Powers. The business and affairs of the Cooperative shall be managed by a Board of thirteen (13) directors which shall exercise all of the powers of the Cooperative, except such as are by law, the Articles of Incorporation or these Bylaws conferred upon or reserved to the members.

Section 2. Zones and General Qualifications of Directors. For the purpose of election and qualification of directors, the service area of Lacreek Electric Association, Inc., shall be divided into nine (9) Zones each to have the number of directors indicated:

(a) Zone 1 shall consist of territory within the corporate limits of the City of Martin and shall be entitled to two directors.

(b) Zone 2 shall consist of territory designated as East Bennett and shall consist of all that portion of Bennett County east of the Range Line between Range 37 and 38 west of the Sixth Principal Meridian with such line extended north and south to the north and south boundaries of Bennett County, respectively, and shall be entitled to one director.

(c) Zone 3 shall consist of territory designated as West Bennett, west of the Range Line between Range 37 and 38 west of the Sixth Principal Meridian with such line extended north and south to the north and south boundaries of Bennett County, respectively, and shall be entitled to one director.

(d) Zone 4 shall consist of territory designated as East Oglala Lakota County and shall include all of that portion of Oglala Lakota County east of the Range Line between Range 42 and 43, and shall be entitled to two directors.

(e) Zone 5 shall consist of all that portion of Jackson County (including the former Washabaugh County) served by the cooperative and shall be entitled to two directors.

(f) Zone 6 shall consist of all of the Lacreek area in Todd and Mellette Counties combined, and shall be entitled to one director.

(g) Zone 7 shall consist of all the Lacreek area in Cherry County, Nebraska, and shall be entitled to one director.

(h) Zone 8 shall be considered as a zone at-large consisting of all of the Lacreek Association territory and be entitled to one director elected from any place in the entire area including any of the zones heretofore defined.

(i) Zone 9 shall consist of territory designated as West Oglala Lakota County and shall include all of that portion of Oglala Lakota County, west of the Range Line between Range 42 and 43, and shall be entitled to two directors.

In the event the territory of the Lacreek Electric Association, Inc., should be enlarged in the future, the enlarged portion shall become a part of the Zone numbered from one to nine, excluding eight as above described with the exterior boundary of which it has the greatest distance of its own exterior boundary contiguous.

SECTION 3. Tenure of Office.

(a) Director shall be elected to serve a three-year term, with director terms staggered in such a manner that no more than five (5) directors are up for election in any one year

(b) All directors shall serve until the close of the annual meeting in the year in which their successors have been elected and qualified. If an election of directors is or can not be held, a special meeting shall be held for the purpose within a reasonable time thereafter. Failure of an election for a given year shall allow the incumbents whose directorships would have been voted on to hold over only until the next meeting at which an election shall be conducted.

(c) In the event that the election results in a tie between two candidates, the winner shall be decided by the flip of a coin. In the event that there is a tie between three candidates, three coins shall be flipped, one by each of the candidates or their representatives, until an odd man shall have been established, and said odd man shall be declared the winner. In the event that more than three candidates are tied, the winner shall be determined by drawing lots in the form of slips of paper to be drawn from a hat, one of which shall be marked to designate a winner.

SECTION 4. Qualifications. No person shall be eligible to become or remain a director or hold any position in the Association who is not a member and bona fide resident of the area served or to be served by the Association, and in the case of a director, a resident of the zone from which elected. No person who is a close relative of an existing director, as the term "close relative" is defined by Section 9, may be elected to serve on the board of directors during the term of such close relative then serving. No person is eligible to become or remain a director who has been convicted of a felony criminal violation under Federal or State law within the 24 months before their election as a director or during their term(s) as a director. No person is eligible to become a director who is or has been an employee of the Association within the prior three years. No person may become a new director of the Association if they refuse to take or if they fail a drug test administered by the same Association's staff that also administers drug testing of the Association's employees.

SECTION 5. Nominations. Directors of the Cooperative shall be nominated by petition, signed by at least fifteen (15) members of the Cooperative, residing in the zone from which the candidate is to be elected, and stating the candidate's name, post office address, and zone which said candidate is to represent. Such petition shall be filed with the Secretary, not more than sixty (60) days no less than thirty (30) days before the day of the annual meeting. Not less than twenty (20) days before the annual meeting, the Secretary shall post at the front door of the principal office of the Cooperative, a list containing the name, post office address and zone of each person so nominated. A true copy of such list shall be posted by the Secretary prior to the commencement of the annual meeting at the site thereof. The Secretary shall mail with the Notice of Meeting, or separately, but at least seven (7) days before the date of the meeting, a statement of the number of directors to be elected and the names, post office addresses, and zone of the candidates.

In the election of directors, each member shall be entitled to cast the number of votes but no cumulatively which correspond to the total number of directors to be elected, but no member may vote for more nominees than the number of directors that are to be elected from or with respect to any particular Zone. Ballots marked in violation of the foregoing restriction with respect to one or more Zones shall be invalid and shall not be counted with respect to such Zone or Zones. Notwithstanding the provisions contained in the Section, failure to comply with any of such provisions shall not affect in any manner whatsoever the validity of any action taken by the Board of Directors after the election.

SECTION 6. Removal of Director by Members. Any member may bring one or more charges for cause against any one or more directors and may request the removal of such director(s) by reason thereof by filing with the Secretary such charge(s) in writing together with a petition signed by not less than ten (10) percent of the total membership of the Cooperative, which petition calls for a special member meeting, the stated purpose of which shall be to hear and act on such charges and, if one or more directors are recalled, to elect their successor(s) and specifies the place, time and date thereof not less than forty (40) days after filing of such petition, of which requests that the matter be acted upon at the subsequent annual member meeting if such meeting will be held no sooner than forty (40) days after the filing of such petition.

Each page of the petition shall, in the forepart thereof, state the name(s) and address(es) of the members filing such charge(s), a verbatim statement of such charge(s) and the name(s) of the director(s) against whom such charge(s) is (are) being made. The petition shall be signed by each member in the same name as he is billed by the Cooperative and shall state the signatory's address as the same appears on such billings.

Notice of such charge(s) verbatim, of the director(s) against whom the charge(s) have been made of the members filing the charges and the purpose of the meeting shall be contained in the notice of the meeting, or separately noticed to the members not less than ten (10) days prior to the meeting at which the matter will be acted upon: PROVIDED: that the notice shall set forth only twenty (20) of the names (in alphabetical order) of the members filing one or more charges if twenty (20) or more members file the same charge(s) against the same director(s). Such director(s) shall be informed in writing of the charges after they have been validly filed and at least twenty (20) days prior to the meeting of the members at which the charge(s) are to be considered and shall have an opportunity at the meeting to be heard in person, by witnesses, by counsel or any combination of such, and to present evidence in respect of the charge(s); and the person(s) bringing the charge(s) shall have the same opportunity, but must be heard first. The question of removal of such director(s) shall, separately for each if more than one has been charged, be considered and voted upon at such meeting, and any vacancy created by such removal shall be filled by vote of the members at such meeting without compliance with the foregoing provision with respect to nominations, except that nominations shall be made from the floor: PROVIDED, that the question of the removal of a director shall not be voted upon at all unless some evidence in support of the charge(s) against him shall have been presented during the meeting through oral statements, documents or otherwise. A newly elected director shall be from or with respect to the same Zone as was the director whose office he succeeds and shall serve the unexpired portion of the removed director's term.

SECTION 7. Vacancies. Subject to the provisions of these bylaws with respect to the filing of vacancies caused by the removal of directors by the members, a vacancy occurring in the Board of Directors shall be filled by the Board of Directors. A director thus elected shall serve out the unexpired term of the director whose office was originally vacated and until a successor is elected and qualified: PROVIDED, that such a director shall be from or with respect to the same Zone as was the director whose office was vacated.

SECTION 8. Compensation. Directors shall, as determined by resolution of the Board of Directors, receive, on a per diem basis, a fixed fee, which may include insurance benefits, for attending meetings of the Board of Directors. Directors shall also receive advancement of reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred in attending such meeting and performing such business.

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 such compensation shall specifically be authorized by a vote of the members or such payment and amount shall be specifically authorized by the Board of Directors upon their certification of such as an emergency measure: PROVIDED, that a director who is also an officer of the Board, and who as such officer performs regular or periodic duties of a substantial nature for the Cooperative in its fiscal affairs, may be compensated in such amount as shall be fixed and authorized in advance of such service by the Board of Directors.

SECTION 9. **“Close Relative” Defined.** As used in these bylaws, “close relative” means a father, mother, husband, wife, son, daughter, brother, sister, grandfather, grandmother, father-in-law, mother-in-law, brother-in-law, sister-in-law. Cousins, aunts and uncles do not constitute close relatives.

ARTICLE V

MEETING OF DIRECTORS

SECTION 1. **Regular Meetings.** A regular meeting of the Board of Directors shall be held, without notice, 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 in Martin, County of Bennett, as the Board of Directors may provide by resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

SECTION 2. **Special Meeting.** Special Meetings of the Board of Directors may be called by the President or by any three directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the directors calling the meeting shall fix the time and place which shall be in Martin, County of Bennett, for the holding of the meeting. Special meetings, upon proper notice as otherwise provided in Article V, Section 3, may also be held via telephone conference call, without regard to the actual location of the directors at the time of such a telephone conference meeting, if all the directors consent thereto.

SECTION 3. **Notice of Directors’ Meetings.** Written notice of the date, time, place (or telephone conference call) and purpose or purposes of any special meetings of the Board and, when the business to be transacted thereat shall require such, of any regular meeting of the Board shall be given to each director not less than five (5) days prior thereto, either personally or by mail, by or at the direction of the Secretary, or upon a default in this duty by the Secretary, by him or those calling in the case of a special meeting or by any director in the case of a meeting whose date, time and place have already been fixed by Board resolution. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the director at his address as it appears on the records of the Cooperative, with first class postage thereon prepaid, and postmarked at least five (5) days prior to the meeting date. The attendance of a director at any meeting of the Board shall be for the express purpose of objecting to the transaction of any business, or of one or more items of business, on the grounds that the meeting shall not have been lawfully called convened.

Section 4. **Quorum.** The presence in person of a majority of the directors in office shall be required for the transaction of business and the affirmative votes of a majority of the directors present and voting shall be required for any action to be taken: PROVIDED, that a director who by law or these Bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining the number of directors in office or present; AND PROVIDED FURTHER, that if less than a quorum be present at a meeting, a majority of the directors present may adjourn the meeting from time to time, but shall cause the absent directors to be duly and timely notified of the date, time and place of such adjourned meeting.

ARTICLE VI

OFFICERS: MISCELLANEOUS

SECTION 1. **Number and Title.** The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer and such other officers as may be determined by the Board of Directors from time to time. The offices of Secretary and Treasurer may be held by the same person.

SECTION 2. **Election and Term of Office.** The officers shall be elected by ballot, annually by and from the Board of Directors at the meeting of the Board held immediately after the annual meeting of the members. If the election of such officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. The tenure of office for each officer of the Board of Directors shall be limited to three one year successive terms. After an officer has been replaced for one year he or she may then be eligible again for the same office. An officer of the Board of Directors may serve three years in one office and then be eligible for another office. A vacancy in any office shall be filled by the Board of Directors for the unexpired portion of the term.

SECTION 3. **Removal.** Any officer, agent or employee elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interests of the Cooperative will be served thereby.

SECTION 4. **President.** The President shall:

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

(b) sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by resolution of the Board of Directors and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, 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, 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 5. Vice President. In the absence of the President, or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and, when so acting, shall have all the powers of and be subjected to all the restrictions upon the President; and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 6. Secretary. The Secretary shall:

(a) Keep, or cause to be kept, the minutes of the meetings of the members and the Board of Directors in one or more books provided for that purpose.

(b) See that all notices are duly given in accordance with these bylaws or as required by law;

(c) Be custodian of the Corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all certificates of membership prior to the issue thereof, and to all documents, the execution of which, on behalf of the cooperative under its seal, is duly authorized in accordance with the provisions of these Bylaws or is required by law.

(d) Keep, or cause to be kept, a register of the name and post office address of each member, which address shall be furnished to the Cooperative by such member.

(e) Sign, with the President, certificates of membership the issue of which shall have been authorized by resolution of the Board of Directors.

(f) Keep on file at all times a complete copy of the articles of incorporation and bylaws of the Cooperative containing all amendments thereto (which copy shall be open to the inspection of any member) and at the expense of the Cooperative, furnish a copy of such documents and of all amendments thereto to any member upon request;

(g) In general perform all duties incident to the office of the Secretary and other such duties as from time to time may be assigned to him by the Board of Directors;

(h) Have general charge of the books of the Cooperative in which a record of the members is kept.

SECTION 7. Treasurer. The treasurer shall:

- (a) Have charge and custody of and be responsible for all funds and securities of the Cooperative.
- (b) Receive and give receipts for monies due and payable to the Cooperative from any source whatsoever, and deposit or invest all such monies in the name of the Cooperative in such bank or banks or in such financial institutions or securities as shall be selected in accordance with the provisions of these Bylaws; and
- (c) In general perform all the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 8. Delegation of Secretary's and Treasurer's Responsibilities. Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Article VI, Section 6 and Article VI, Section 7, 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 or routine administration of, one or more of each such officer's such duties to one or more agents, other offices or employees of the Cooperative who are not directors. To the extent that the Board does so delegate with respect to any such officer, that officer as such shall be relieved from such duties, responsibilities and authorities.

SECTION 9. Manager. The Board of Directors may appoint a Manager, who may be, but who shall not be required to be, a member of the Association. The manager shall perform such duties and shall exercise such authority as the Board of Directors may from time to time vest in him.

SECTION 10. Bonds. The Board of Directors shall require the Treasurer and any other officer, agent or employee of the Cooperative charged with responsibility for the custody of any of its funds or property to give bond in such sums 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. The costs of all such bonds shall be borne by the Cooperative.

SECTION 11. Compensation; Indemnification. The compensation, if any, of any officer, agent or employee who is also a director or close relative of a director shall be determined as provided in Article IV, Section 8 of these Bylaws, and the powers, duties and compensation of any other officers, agents and employees shall be fixed or a plan therefore approved by the Board of Directors. The Cooperative shall indemnify present and former directors, officers, including the General Manager, agents and employees in accordance with and to the fullest extent allowable under S.D. Codified Laws Ann. Section 47-21-21.1 The Cooperative may purchase insurance to cover such indemnification.

SECTION 12. **Reports.** The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII

NON-PROFIT OPERATION

SECTION 1. **Interest or Dividends on Capital Prohibited.** The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

SECTION 2. **Patronage Capital In Connection with Furnishing Electric Energy.** In the furnishing of electric energy the Cooperative's operations shall be 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 electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by patrons as a capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so accredited 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.

All other amounts received by the Cooperative for its operations in excess of costs and expenses, referred to as non-operating income, insofar as permitted by law, may be (a) allocated as Capital Credits to Patrons in the same manner as the Cooperative allocates it to Patrons as specified in the previous paragraph, (b) retained or used by the Cooperative as permanent, non-allocated capital, (c) used to pay or offset any Cooperative cost or expense, or (d) used as otherwise determined or approved 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-rate basis before any payments are made on account of property rights of members: PROVIDED, that insofar as gains may at that time be realized from the sale of any appreciated asset, such gains shall be distributed to all persons who were patrons during the period the asset was owned by the Cooperative in proportion to the amount of business done by such patrons during that period, insofar as is practicable, as determined by the Board of Directors before any payments are made on account of property rights of members.

If, at any time prior to the dissolution or liquidation, the board of directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patron accounts may be retired in full or in part. After June 2, 1995, and thereafter, the board of directors shall determine the method, bases, priority, and order of retirement, if any, for all amounts furnished as capital. PROVIDED further, however, that the board of directors shall have the power to adopt rules providing for the separate retirement of that portion ("power supply portion") of capital credited to the accounts of patrons which corresponds to capital credited the account of the Cooperative by an organization furnishing electric service to the Cooperative. Such rules shall (a) establish a method for determining the power supply portion of capital credited to each patron for each applicable fiscal year, (b) provides for separate identification of the Cooperative's books of the power supply portion of capital credited to the Cooperative's patrons, and (c) provide for appropriate notifications to patrons with respect to the power supply portion of capital credited to their accounts.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the Board of Directors, acting under policies of general application, shall determine otherwise.

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 representative of such patron's estate shall request that the capital credits 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 legal representatives of such patrons's estate shall agree upon: PROVIDED, however, that the financial condition of the cooperative will not be impaired thereby.

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 patrons are bound by such contract as fully as though each patron had individually signed a separate instrument containing such terms and provisions.

The provisions of this Article of the Bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

Nothing in this section contained shall in any manner impair, restrict or in any manner affect the right of the Association to use any and all capital in any way furnished to it when necessary for any operation, maintenance, extension, improvement or other corporate purpose.

SECTION 2A. Debt Setoff. The Cooperative has a priority security interest in the Capital Credits or Affiliated Capital Credits of every Member or Patron to the extent of any debt due and owing the Cooperative. After perfection in a manner allowed under the Uniform Commercial Code, the Cooperative may enforce the security interest and set off the debt from the accrued Capital Credits or Affiliated Capital Credits of the Member or Patron. The debt secured by such Capital Credits includes the unpaid bill, any interest thereon at the South Dakota legal rate on judgments in effect when such amount became overdue, compounded annually, and late payment fee as determined by the Board of Directors. Before retiring and refunding any Capital Credits or Affiliated Capital Credits, the Cooperative shall deduct from the Capital Credits or Affiliated Capital Credits any amounts owed to the Cooperative by the Member or Patron, including any interest thereon at the South Dakota legal rate on judgments in effect when such amount became overdue, compounded annually and late payment fee as determined by the Board of Directors. The Cooperative shall have a first lien upon all certificates of interest, membership, patronage capital, or other interest standing on its books for all indebtedness of the respective holders or owners thereof to the Cooperative. A Member or Patron is deemed to have consented to the security interest of the Cooperative at the time the electric service was provided and initially billed to the Member or Patron.

SECTION 3. Assignment and Gift of Capital Credits by Failure to Claim.

(1)Notwithstanding any other provisions of the Bylaws, if any patron or former patron fails to claim any cash retirement of capital credits or other payment from the Cooperative within six (6) years after payment of the same has been made available to him by check mailed to him at his last address furnished by him to the Cooperative, such failure shall be and constitute an irrevocable assignment and gift by such member of such capital credit or other payments to the cooperative.

(2)Failure to claim any such payment within the meaning of this Section shall include the failure of such patron or former patron to cash any check mailed to him by the Cooperative at the last address furnished by him to the Cooperative.

The assignment and gift provided for under this section shall become effectively only upon the expiration of six (6) years from the date when such payment was made available to such patron or former patron without a claim therefore and only after the further expiration of sixty (60) days following the giving of a Notice by mail or publication that unless such payment is claimed within sixty (60) days, such gift to the cooperative shall become effective.

(3)The Notice by mail herein provided shall be one mailed by the Cooperative to such patron or former patron at the last known address. If Notice by Publication is given, such publication shall be one insertion in a newspaper circulated in the service area of the Cooperative.

(4) The sixty (60) day period following the giving of such Notice, either by mail or publication, shall be deemed to terminate sixty (60) days after the mailing or publication of such Notice.

ARTICLE VIII

DISPOSITION AND PLEDGING OF PROPERTY

DISTRIBUTION OF SURPLUS ASSETS ON DISSOLUTION

Disposition and pledging of property:

(a) Not inconsistently with S.D. Codified Laws Ann. Sections 47-21-44, 45 and subsection (b) hereof. The members of the Cooperative may, at a duly held meeting of the members, authorize the sale, lease, lease-sale, exchange, transfer or other disposition of all or a substantial portion of the Cooperative's property and assets by the affirmative votes of not less than two-thirds of the total members of the Cooperative. However, the Board of Directors, without authorization by the members, shall have full power and full authority:

1. To borrow monies from any source in such amounts as the board may from time to time determine.

2. To mortgage or otherwise pledge or encumber any or all of the Cooperative property or assets as security therefore, and

3. To sell, lease, lease-sell, exchange, transfer or otherwise dispose of merchandise, property no longer necessary or useful for the operation of the Cooperative or less than a substantial portion of the Cooperative's property and assets. (Substantial portion) means 10% or more of the Cooperative's total assets as a reflection on its books at the time of the transaction.

(b) Supplementary to the first sentence of the foregoing subsection (a) and any other applicable provisions of law or these Bylaws, no sale, lease, lease-sale, exchange, transfer or other disposition of all or a substantial portion of the Cooperative's property and assets shall be authorized except in conformity with the following:

- (1) If the Board of Directors looks with favor upon any proposal for such sale, lease, lease-sale, exchange, transfer or other disposition, it shall first cause three (3) independent, non-affiliated appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative with respect to such a sale, lease, lease-sale, exchange, transfer or other disposition and as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by a Circuit Court Resident Judge for Judicial Circuit in South Dakota in which the Cooperative's headquarters are located. If such judge refuses to make such designations, they shall be made by the Board of Directors.

- (2) If the Board of Directors, after receiving such appraisals (and other terms and conditions which are submitted, if any), determines that the proposal should be submitted for consideration by the members, it shall first give every other rural electric cooperative corporately made such and offer for such sale, lease, lease-sale, exchange, transfer or other disposition, an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such rural electric cooperative, which notice shall be attached to a copy of the proposal which the Cooperative has already received and copies of the respective reports of the three (3) appraisers.

Such rural electric cooperative shall be given not less than thirty (30) days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.

(3) If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the members not less than sixty (60) days before noticing a special meeting of the members thereon or, if such be the case, the next annual members meeting, expressing in detail each of any such proposals, and shall call a special meeting of the members for consideration thereof and action thereon, which meeting shall be held no less nor more than twenty-five (25) days after the giving of notice thereof to the members: PROVIDED, that consideration and action by the members may be given at the next annual meeting if the Board so determines and if such annual meeting is held not less nor more than twenty-five (25) days after the giving of notice of such meeting.

(4) Any fifty (50) or more members, by so petitioning the Board not less than thirty (30) days prior to the date of such special or annual meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all members any opposing or alternative positions which they may have, to the proposal that have been submitted or any recommendations that the Board had made.

The Provisions of this subsection (b) shall not apply to a sale, lease, lease-sale, exchange, transfer or other dispositions to one or more other rural electric cooperatives if the substantive or actual legal effect thereof is to merge or consolidate with such other one or more rural electric cooperatives.

ARTICLE IX SEAL

The Corporate Seal of the Cooperative shall be in the form of circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, South Dakota."

ARTICLE X CONTRACTS, CHECKS AND DEPOSITS

SECTION 1. Contracts. Except as otherwise provided by law or these Bylaws, the Board of Directors may authorize any Cooperative officer, agent or employee 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 confine to specific instances.

SECTION 2. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness, issued in the name of the Cooperative, shall be signed or counter-signed by such officer or employee of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 3. Deposits, Investments. All funds of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the Board of Directors may select.

SECTION 4. Change In Rates. Written notice shall be given to the Administrator of the Rural Utilities Services of the United States of America not less than ninety days prior to the date upon which any proposed change in the rates charged by the Association for the electric energy becomes effective.

Section 5. Fiscal Year. The fiscal year of the Association shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

ARTICLE XI

MISCELLANEOUS

SECTION 1. Waiver of Notice. Any member or director may waive, in writing, any notice of a meeting required to be given by these Bylaws or any notice that may otherwise be legally required, either before or after such notice is required to be given.

SECTION 2. Rules, Regulations, Rate Schedules and Contracts. The Board of Directors shall have power to make, adopt, amend, abolish and promulgate such rules, regulations, rate schedules, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law or the Cooperative's Articles of Incorporation or Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

SECTION 3. Accounting System and Reports. The Board of Directors shall cause to be established and maintained a complete accounting system of the Cooperative financial operations and condition, and shall, after the close of each fiscal year, cause to be made a full, complete and independent audit of the Cooperative accounts, books and records reflecting financial operations during, and financial condition as of the end of, such year. A full and accurate summary of such audit reports shall be submitted to the members at or prior to the succeeding annual meeting of the members. The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

SECTION 4. Indemnification. The Cooperative may indemnify any person who was or is a party or is threatened to be made a party to any threatened pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative other than an action by or in the right of the cooperative by reason of the fact that he is or was a director, officer, employee

or agent of the cooperative, or is or was serving at the request of the cooperative as director, officer, employee or agent of another corporation, partner-joint venture, trust or other enterprise, against expenses including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the cooperative and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Any indemnification authorized by this section shall be made by the cooperative only as authorized in the specific case upon a determination that indemnification is proper in the circumstances. Such determination shall be made (1) by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the cooperative in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the director, officer, employee, or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the cooperative as authorized by this section.

The indemnification provided by this section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, bylaw, agreement, vote of the stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer employee, or agent and shall inure to the benefit of the heirs, executors and administrators of such persons.

By action of its Board of Directors, notwithstanding any interest of the directors in action, the cooperative may purchase and maintain insurance in such amounts as the Board of Directors deems appropriate, on behalf of any person who is or was a director, officer, employee or agent of the cooperative, or is or was serving at the written request of the cooperative as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the cooperative would have the power or would be required to indemnify him against such liability under the provisions of this section or the laws of the State of South Dakota.

Nothing contained herein shall be construed as granting any person indemnification as a matter of right.

ARTICLE XII

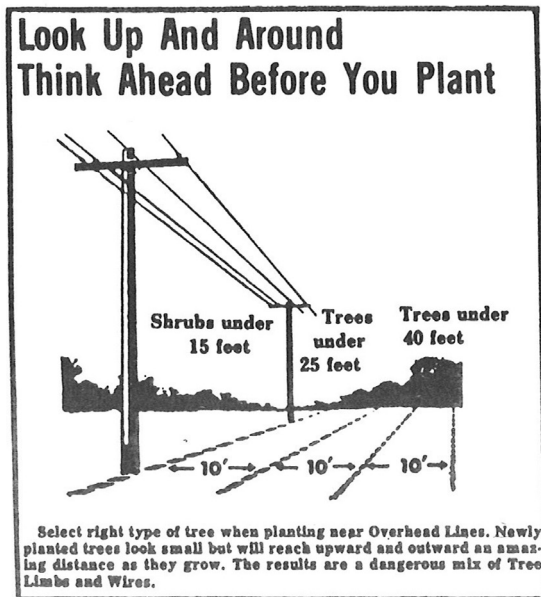
AMENDMENTS

These Bylaws may be altered, amended or repealed by the affirmative vote of not less than a majority of the members present and voting at any regular or special member meeting, but only if the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal, or an accurate summary explanation thereof; PROVIDED, that no such alteration, amendment or motion to repeal may be submitted to vote of the members unless previously recommended by a two-thirds vote of the Board of Directors, or a petition favoring such amendment, alteration or repeal containing the signatures of not less than 15 percent of the total membership shall have been first presented to the Board of Directors.

ARTICLE XIII

RULES OF ORDER

Parliamentary procedure at all meetings of the members, of the Board of Directors, of any committee provided for in these Bylaws and of any other committee of the members or Board of Directors which may from time to time be duly established shall be governed by the most recent edition of Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the Cooperative's Articles of Incorporation or Bylaws.

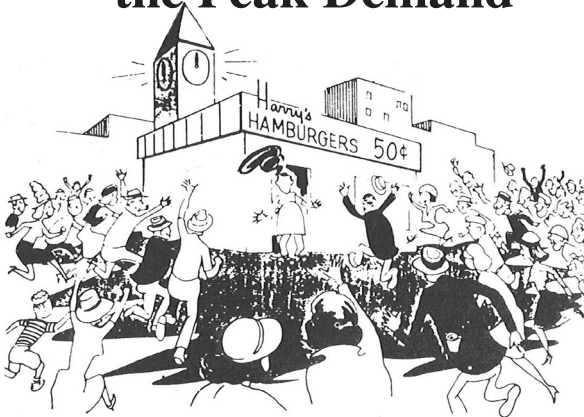




Statement of Non Discrimination

Lacreek Electric is an equal opportunity provider and employer. In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident. Person with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202)720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800)877-8339. Additionally, 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 in the letter 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 mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; fax: (202) 690-7442 or by email: program.intake@usda.gov

How Harry Solved the Peak Demand



Harry had a hamburger shop that had 20 seats. Every day at 12 o'clock noon, Harry served his customers the best darn hamburgers in the country. Word spread. More and more people came to Harry's and before long 60 people wanted to eat that day at 12 o'clock noon sharp. Harry had a peak demand for hamburgers at 12 o'clock noon and a problem.

So Harry called the 60 people together and said, "If you all insist on eating at 12 o'clock noon I will have to build another hamburger shop 3 times as big, I'll have to buy a grill 3 times as wide, will have to hire 3 times as much help and will have to purchase 3 times as many seats. And, of course the hamburgers will cost you 3 times as much."

"Or," said Harry, "If 20 of you people would come at 11:30 and another 20 came at Noon and the remaining 20 came at 12:30, then I could serve you all beautifully by **SPREADING OUT THE DEMAND**, and continue to sell hamburgers at the lowest possible cost."

So now, the people are coming 20 at a time, in 3 shifts and everybody is happy. Harry simply spread out the peak demand.

Lacreek Electric Association faces the same problem today with the peak demand for electricity on the coldest and hottest days. If you can spread out your use of major appliances and motors during the day and avoid **PEAK DEMAND** periods, we can continue to serve you with adequate electric power before we have to build more generating and transmission facilities. Lacreek Electric has implemented a load control program to help you do just that.

We are non-profit, member-owned. When we can save money by shaving the **PEAK DEMAND**, it means we are saving money for you. For more information on Lacreek Electric load control program, please call the office or go to our web site at www.lacreek.com.



Some Answers to Your Questions

LEA - Lacreek Electric Association

KW - Kilowatt

KWH - Kilowatt Hour

PCA - Power Cost Adjustment

Q. Why do I have to become a member to have electricity?

A. The by-laws of this electric Cooperative require that each person receiving electric service from the Cooperative be a member. A membership in the Cooperative is similar to a share of stock in a corporation.

Q. Does this mean that I am part owner of the Cooperative?

A. Yes. This Cooperative is owned by the people it serves.

Q. Does my membership entitle me to a dividend?

A. No, the Cooperative operates as a non-profit organization and the dividends to its members are paid in the form of electricity at the lowest cost possible and capital credits.

Q. Am I required to pay a deposit?

A. Yes, Your Cooperative requires security deposits. Commercial and industrial accounts require special deposits. If you use auto pay, no deposit will be required or a good credit reference from your previous electric company.

Q. Is there a membership fee?

A. No, there is no fee to become a member, but it is necessary to sign a membership application when requesting service. There is a service connect fee for connecting each service. This is subject to change by the board of directors from time to time.

Q. Are deposits refundable?

A. Yes, any amount paid as a deposit can be applied to the final bill, or can be refunded if you have paid your bill 12 consecutive months on time.

Q. Will consumers who are late with their payment be disconnected?

A. Yes, after a due process, service is disconnected if the account is not paid.

Q. When the Cooperative representative calls for late payment, are there extra charges?

A. Yes, a collection fee is charged for a call made by a collector or to reconnect service that has been disconnected due to non-payment.

Q. Why are consumers charged a late fee, a 1.5% interest on the balance into billing and a collection fee?

A. They are incentives to pay electric bills on time and to recover the costs in collecting delinquent bills.

Q. Where can I pay my electric bill?

A. At the LEA office, by credit/debit card at 1-855-385-9980 or at one of our Drop Box Locations, on the front of Lacreek office building, Security 1st Bank in Martin, OSHA Office in Pine Ridge, Oglala Service Center in Oglala, Common Cents in Sharps Corner, Angel's Store in Kyle, Wanblee Mart in Wanblee, Kary's Store in Parmelee, or at Lakota Federal Credit Union in Kyle.

Q. How can I pay my bill? or ACH.

A. Mail your check or money order with your bill stub. Also you may pay your bill with either Visa, MasterCard or by ACH.

Q. Why is there a fluctuation in monthly electric bills?

A. Readings not taken on the same day each month, incorrect readings, estimated readings, extreme weather conditions and added usage are some of the main reasons for fluctuation in electric bills.

Q. What is PCA?

A. Due to fluctuating cost of providing wholesale power, our power supplier raises or lowers their rate to LEA. In an effort to keep margins stable, LEA needs to pass this change in cost to the consumer. PCA or Power Cost Adjustment is passing the change in wholesale power cost on to the consumer through their rates.

In Case of an Outage

FIRST: Check your fuses or breakers in your home or building in which you do not have power.

SECOND: Check meter for display and readings. If the meter is blank, you are probably experiencing an outage and need to call our office immediately.

THIRD: If your meter has a display, check your breaker below your meter on the yard pole or house.

FOURTH: Please contact your neighbor to see if they are experiencing a power outage because it would be helpful to know if other members in the area are also out of power.

FIFTH: Make sure you have the name the bill is in, the meter number and /or the account number.

SIXTH: Call Lacreek Electric at **605-685-6581**. We now have a 24 hour answering service. First you will hear an automated message, "Thank you for calling Lacreek Electric. Your call may be recorded or monitored for quality assurance." You will then hear the following menu:

*If you're calling to report an electrical outage, press 1.

*If you have a billing question, press 2.

*If you're calling to report a meter reading, press 3.

*For all other calls, press 0.

Office Hours: 7 a.m.-4:30 p.m. MT • Open over noon hour •

Monday through Friday, Closed Saturday, Sunday and holidays.

Q. Other than supplying electricity, what can the Cooperative do for me?

A. The Cooperative offers advice to its members on insulation, conservation tips, electric heat, air conditioning, consultation on wiring problems and energy audits.

Q. I have heard that Cooperatives do not pay taxes. Is this true?

A. Since Cooperatives are not operated to make a profit, income taxes are not paid. Operating margins (profits) are allocated back to the members in the form of capital credits and are eventually paid back to the members. Cooperatives pay other taxes as are applicable to any other business, such as 2% gross receipts tax and property taxes.

Q. How can I know that my electric meter is accurate?

A. Electric meters are as accurate as a watch or clock. The Cooperative considers them to be accurate if they are within two percent plus or minus when tested.

Q. Can a meter be tested?

A. Yes, if you feel the meter is not operating correctly you can pay a deposit and request the meter be checked. If the meter is found to be 2% of the true accuracy the deposit is applied toward the cost of the test. The deposit will be refunded and billing adjusted if the test shows inaccuracy of more than 2%.

Q. What is required in the way of electrical wiring?

A. On all new services, a wiring certificate is required.

Q. Is temporary electric service available?

A. Yes, Provisions have been made to provide temporary electric service for consumers who have a need for it. Full details on this can be obtained from the office.

Q. If the power goes off, is the Cooperative liable for damages that might be incurred as a result of the power interruption?

A. No, because the Cooperative cannot guarantee one hundred percent continuity of electric service. Forces beyond the control of the company such as automobile accidents, storms, and freezing rain and other acts of God make it impossible to operate without some power interruptions.

Q. Am I responsible for the Cooperative's property?

A. All meters, service connections and other equipment furnished by the cooperative shall be, and remain, the property of the cooperative. The member shall provide a space for and exercise proper care to protect the property of the Cooperative on its premises; and in the event of loss or damage to the Cooperative's property arising from neglect of member to care for the same, the cost of the necessary repairs or replacement may be billed to the member.

Q. If for some reason I feel the service is unsatisfactory, what can I do?

A. The member should notify the Cooperative immediately if the service is unsatisfactory for any reason, or if there are any defects, trouble or accident affecting the supply of electricity. Such notices, if oral, should be confirmed in writing.

Q. Must I notify the Cooperative when I move?

A. Whenever a change of occupancy or of legal responsibility takes place on any premises, notice of such change must be given to the office within a reasonable time prior to the date of such change, or the outgoing member will be held responsible for all services until such notice has been received by the Cooperative.

Q. Should I inform the Cooperative when I add a new load?

A. The member should inform the Cooperative if possible of any unusual or additional load in advance of installation. This will enable the Cooperative to upgrade facilities when necessary for the continuance of dependable, uninterrupted service.

Q. Must I furnish an easement?

A. Each member is asked to sign an easement giving the Cooperative the right to construct necessary facilities where new facilities are required.

Q. What are the rights of your electric Cooperative to members premises?

A. The Cooperative shall have the right, through its employees, to enter upon the premises of the member at all reasonable times for the purposes of reading, inspecting, repairing or removing the metering devices and wiring of the Cooperative. The member shall not permit access to such devices to other than authorized representatives of the Cooperative. The member shall obtain and grant all necessary permission to enable the Cooperative to install the service and carry out its contracts.

CONTROL and POLICY

**COOPERATIVE
MEMBERS**

ELECT

**DIRECTORS. This elected board sets
the policies and regulations under
which we operate.**

BOARD EMPLOYS

**A GENERAL MANAGER who is charged with the day
to day operations under the established policies.
The manager also hires the operating staff.**

EMPLOYEES

Board of Directors

Members like you run your Cooperative through a board of directors, elected by you members (and they are themselves members) at the annual meeting. These members serve without salary. When they attend meetings, they receive a daily fee and expenses. Your board normally meets once a month. They review all activities of Your Cooperative, attend training sessions to improve their abilities and meet with other boards to undertake joint ventures which we cannot do individually because of size. The board establishes the basic policies under which we operate. These policies and operational detail are carried out by a hired staff.

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Our Power Is You!



Touchstone Energy[®]

stands for the nationwide alliance of locally owned and operated electric utilities serving rural customers. Touchstone energy cooperatives strive to deliver the highest level of service and quality, you have come to expect from your cooperative.

Serving Home, Farm, Business and Industry

Our total purpose is spreading electricity around so our members can work better and live better. It's a nice business ... serving people. And we're building ahead for future loads so you can count on always having the power you need ... when you need it. We encourage our members to use energy wisely and avoid waste.