

EMPIRE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
POLICY NO. 12

ELECTION AND VOTING POLICY

I. OBJECTIVES:

- A. To establish general guidelines governing the voting process for the election of directors (Directors) to the Empire Electric Association Inc. (Cooperative) board of directors (Board) consistent with law, the Cooperative's articles of incorporation and the Cooperative's bylaws.
- B. To establish general guidelines governing the voting process for all other matters properly brought before the members (Members) of the Cooperative consistent with law, the Cooperative's articles of incorporation and the Cooperative's bylaws.
- C. This policy is intended to insure the fairness, impartiality, confidentiality, transparency and integrity of the voting process and shall be posted on the cooperative's website.

II. POLICY:

A. GENERAL

1. The Board and the Cooperative are prohibited from endorsing a qualified candidate (Candidate) for election to the Board. Resources of the Cooperative shall not be used to support or oppose a Candidate for election. The Board is not prohibited from taking a public position on other matters properly brought before the Members of the Cooperative.
2. Board members are prohibited from sending individual newsletters using Cooperative resources.
3. Elections for members of the Board will be held at the annual meeting of the Cooperative. The date, time and location for the annual meeting will be posted on the Cooperative's website no less than six (6) months prior to the annual meeting.
4. Information on how to become a Candidate and the schedule of elections shall be mailed to each member and posted on the Cooperative's website no less than two (2) months prior to the annual meeting. Mailing may be by any combination of a separate mailing, a bill stuffer or within the Cooperative's newsletter (*The Echoes*) which is included as an insert in the *Colorado County Life* magazine.

B. DIRECTOR CANDIDATE QUALIFICATIONS

1. In compliance with the bylaws of the Cooperative, to become or remain a director, the Director shall:
 - a. Be a member of the Cooperative.
 - b. Be a bona fide resident of the district represented.
 - c. Be a citizen of the United States of America.
 - d. Be at least eighteen (18) years of age.
 - e. Not be an employee of the Cooperative.
2. Preferred qualifications the Board has determined to be essential for individuals elected or appointed to serve as a director follows. The Director:
 - a. Should be willing to promote and safeguard Cooperative interests
 - b. Should represent the entire membership impartially for the good of all.
 - c. Should not be employed by, or in any way financially interested in a competing enterprise or business.

- d. Should be willing to attend regular and special meetings of the Board, national, state and other meetings of organizations with associated interests that further the cooperative movement and training courses or seminars which aid in keeping well informed on matters affecting the Cooperative.
 - e. Should know that members of the Board serve without salary, and receive per diem only, plus reimbursement of all reasonable expenses for attending regularly scheduled and approved affairs of the Cooperative.
 - f. Should agree to serve the term of office for which elected.
 - g. Should not use, or allow use of, his/her position as a director to further any political ambitions.
 - h. Should execute the Affirmation of Director Qualifications Form attached to this policy.
3. A Director shall be expected to comply with all of the current Board policies but should be particularly aware of the following policies prior to seeking a director seat:
- a. Policy 1 (Code of Ethics)
 - b. Policy 13 (Activities and Conduct of Individual Board Members)
 - c. Policy 15 (Compensation & Expenses of Board Members)
 - d. Policy 47 (Nepotism)
 - e. Policy 50 (Board Education)

C. NOMINATING PETITIONS

1. Any Member in good standing with the Cooperative is eligible to submit a nominating petition to become a Candidate for the Board. Nominations for directors to serve on the Board shall be by written petition only. Any petition for nomination shall be in writing and be signed by not less than fifteen (15) Members of the Cooperative who reside in the district for which the nomination is made. The Cooperative will furnish official petition forms for this purpose. The official petition shall designate the name of the nominee, the term for which the nominee is being nominated and the director district for which the nomination is made.
2. All nominating petitions shall be filed at the office of the Cooperative with the Board secretary at least forty-five (45) calendar days but not more than ninety (90) calendar days before the meeting at which board members are to be elected.
3. The secretary shall post all nominations thus made at the principal office of the Cooperative at least forty-five (45) calendar days before the meeting.
4. Nominations by petition will be the exclusive method of nomination.
5. Qualifying Candidates for a board election are entitled to membership lists including names, addresses and membership numbers. Candidates shall use such lists for purposes of the election and shall sign the Affirmation of Director Qualifications form at the end of this policy affirming that they will not retain the data in any form and will return or destroy them immediately after the election

D. ELECTION PROCEDURES:

1. If in the opinion of the Board it is impractical to arrange for an independent third party to oversee the storage and counting of ballots, then the Election Procedures developed in this section shall apply. If the board selects an independent third party, the third party will coordinate their own election procedures with the General Manager to comport with other applicable sections of this Part D Election Procedures.

2. This policy is intended to insure the fairness, impartiality, confidentiality, transparency and integrity of the voting process and to insure that ballots shall be stored in a way that protects their privacy.
3. Selection of election judges (Election Judges) and election employees (Election Employees)
 - a. Election Judges shall be at least 18 years of age prior to the meeting and they shall be a bona fide member of the district from which they are nominated.
 - b. The selection of Election Judges will be made at least three (3) months prior to the meeting by random drawing from director appointed nominees. Each director has the option to nominate up to one nominee appointment for each director district before the meeting. The Election Judges constitute the election committee (Election Committee).
 - c. Compensation for Election Judges shall be an amount set by the Board plus mileage for all meetings, including but not limited to the meeting. There shall not be less than three Election Judges nor more than seven Election Judges, depending upon the number and types of ballot issues pending before the membership in any given year. In no event shall there be an even number of Election Judges.
 - d. The president (President) of the Cooperative shall be responsible for picking a chairman of the Election Committee to preside each year.
 - e. In addition to the Election Judges, the general manager (Manager) shall appoint for each meeting Cooperative employees to act as Election Employees, including but not limited to counters, envelope slicers, and ballot removers.
4. The Election Committee shall monitor the election procedure at the Cooperative's annual meeting or special meeting, to ensure the regularity of the voting and prevent voter fraud.
5. It is the intention of the Board that a liberal interpretation should be applied to determine the validity of ballots so as to afford the membership the greatest possible opportunity to participate in the selection of its directors and to voice its wishes on how the Cooperative should conduct its business. Therefore, it is the desire of the Board that the Election Judges use this liberal interpretation as a guiding principal to determine the validity of ballots in questionable cases.
6. The Election Committee ultimately reports to the membership but questions should be first directed to the Manager and Cooperative Attorney. The Election Committee is responsible for delivering the ballot boxes and the mail ballots to the counting room and shall oversee the actual opening and counting of the ballots by those delegated the counting task.
7. Control Procedure Relating to Mailed Ballots
 - a. Once the mailed secret ballots are returned to the Cooperative, the Cooperative shall at all times, except when such ballots are being alphabetically arranged or for other legitimate purposes, keep the ballots securely locked in a secure vault at the Cooperative's headquarters. As the ballots come in, a designated Cooperative employee shall be responsible for making a determination whether the outside of the mailer has been improperly executed and is therefore spoiled. Spoiled ballots shall be placed in a separate category and a notation shall be made on each ballot why the accounting manager believes the ballot was spoiled. No more than five (5) calendar days prior to the meeting, the Election Committees shall review said mailers and make a decision whether to ratify or reverse the decision of the accounting manager. Reversed ballots shall be properly placed with the other mail ballots and the notation shall be obliterated. Spoiled ballots by way of example, but not by way of limitation are those that:
 - i. are received with improper certification on the mail ballot envelope;
 - ii. names which cannot be reasonably correlated with the master list of the members;

- iii. mailed ballots sent in envelopes other than those provided by the Cooperative for the return of ballots;
 - iv. two or more ballots appearing in one envelope;
 - b. Spoiled ballots shall be stamped "Spoiled" in red with a spoiled ballot stamp, segregated and kept until after the meeting and all time for appeal has expired.
 - c. After said procedure is completed, the ballots shall be placed in a secure vault until counted.
- 8. Recount Procedure and Time Limit for the Same
 - a. In the event the total ballots cast for two or more Candidates in any competing directorship results in a difference in votes for each Candidate of one percent or less, there shall be an automatic recount of all the ballots for that directorship.
 - b. In the event the total ballots cast for two or more Candidates in any competing directorship results in a difference in votes for each Candidate of greater than one percent, any Candidate of that directorship may protest the count and request a recount by the Election Committee by submitting a signed written protest to the president of the Board or the Manager of the Cooperative by 5:00 P.M. not more than five (5) calendar days after the Election Committee's certified count has been announced.
 - c. Recounts shall be conducted by the Election Committee as soon thereafter as reasonably possible under the prevailing circumstances. It shall be permissible for any three of the total number of Election Judges present at the meeting to conduct the recount. The recount decision of the Election Committee shall be final, but if the results turn upon the issue of spoiled or invalid ballots, the Election Judges shall consult with the Manager and Cooperative Counsel.
 - d. In the event the recount involves spoiled ballots and the recount is not resolved to the satisfaction of the contesting Candidate, the Candidate may use the procedures provided by Colorado law. All expenses, including but not limited to filing fees, attorney's fees, and expert witness fees incurred by the Cooperative shall be paid by the contesting Candidate filing the judicial contest unless the contesting Candidate prevails in his/her judicial challenge and then all expenses shall be borne by the party which incurred them. From the date of the final decision of the Election Committee, the contesting Candidate shall have a period ending at 5:00 P.M. on the fifteenth (15th) day in which to file an action with the District Court. Venue shall only be proper in the District Court in and for the Twenty-Second Judicial District.
- 9. Ballot Security
 - a. Ballots shall be retained until all contest and appeal times have lapsed. Ballots shall be placed in a locked receptacle and delivered to the accounting manager for safekeeping during the retainage period. The key to the receptacle shall be retained by the chairman of the Election Committee.
- 10. The Counting Process
 - a. No more than five (5) calendar days prior to the meeting, all mail ballots will be counted.
 - b. In-balloting (ballots cast at the meeting) will be counted at the meeting.
 - c. The Election Committee shall be present at the ballot counting.
 - d. Candidates may be present during and observe the ballot counting. Observing the counting process shall not include obtaining a tally of votes cast before the final vote is announced at the Meeting of Members. Candidates shall be noticed no later than thirty (30) calendar days prior to the annual meeting when the counting process will take place. For proper notice, Candidates are solely responsible for providing the Cooperative with their contact information.

e. Election Committee Tasks

- i. The Election Committee should report suspicious activity or apparent irregularities which take place at the ballot box or in the counting room to the Manager and the Cooperative Attorney. They will make a determination as to whether the activity is actionable.
- ii. If questions arise as to the validity of some ballots, ballots determined to be invalid or spoiled should not be thrown away or otherwise destroyed but should be placed in a separate receptacle for safe keeping in the event close election results occur between two candidates and it is necessary to either re-count ballots or deliver the ballots to a court.
- iii. The Election Committee shall certify the tabulation of the mail-balloting and the in-house balloting. The tally of the voting shall be kept secret by the Election Committee until the counting is complete and the announcement is ready to be made at the Membership meeting. Public notice will be provided within five (5) calendar days following the meeting.

11. Invalid responses on Ballots

- a. Determination as to whether portions of a ballot are invalid or spoiled shall be made by the Election Committee. All remaining issues on a ballot may remain valid even if a portion of the ballot is deemed invalid.
- b. Examples of an invalid portion of a ballot is when:
 - i. Two or more candidates in the same district have been voted for.
 - ii. More than one voting mark has been made on a ballot issue calling for one response.
 - iii. Voting marks have not been placed in the proper location on the ballot such as between the boxes, etc.
 - iv. Ballots reflect write-in directors
 - v. A ballot is a copy of the original, mutilated, or typed over

12. Miscellaneous

- a. Once registration is completed, the meeting is called to order and a quorum is declared, the Election Committee and the Election Employees shall proceed with counting the in-ballots. In the interest of fairness and to dispel any appearance of impropriety, no person shall be present in the counting room except the Election Judges, the Election Employees, the Candidates, the Manager, the Cooperative Attorney, and Officers of the Board.
- b. The ongoing ballot count shall not be released or disclosed to any person outside the counting room until it is complete and authorized by the Chairman of the Election Committee.
- c. Any complaints raised by the members during the voting process should be immediately referred to the Election Committee.
- d. The voting procedure in the Cooperative's bylaws and this policy should be read in concert, but if there is an inconsistency, the bylaws shall control.

E. VOTING

1. Each Member of the Cooperative shall be entitled to vote on all issues properly brought before the membership including the election of directors either at a meeting held for such purpose or by mail. Mail voting shall be in writing on ballots provided by the Cooperative and shall be received by the Cooperative not less than five (5) calendar days prior to the scheduled membership meeting.
2. Members who vote by mail are not entitled to vote at the scheduled membership meeting.

3. At all meetings of the Members at which a quorum is present, all properly-noticed action items shall be decided by a vote of a majority of the Members voting in person or by mail; except as otherwise provided by law, the articles of incorporation or the bylaws.
4. Manner of voting on all issues including election of directors:
 - a. Natural persons may vote their membership by mail or by being personally present at the meeting.
 - b. A partnership or limited partnership may vote its membership by any general partner.
 - c. Corporations, associations, churches, school districts, and government subdivisions may vote their membership by mail by properly executing a certification which shall be on the return envelope. These entities may vote said ballot in person by the presence of an officer of the entity, provided there is a properly executed and signed resolution from the entity authorizing the holder of the same to cast a ballot at the meeting.
 - d. Trusts and Estates: A personal representative for an estate or a trustee for a trust may vote the estate or trust membership by mail or by being personally present at the meeting by executing a written ballot in the proper name of the estate or the trust.
 - e. The cooperative reserves the right to request proper identification of any natural person and to request such evidence as is necessary to establish the authority of a natural person's right to vote the membership of any entity not a natural person.
 - f. If a joint membership is held, such membership shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members.
5. The secretary shall be responsible for mailing with the notice of the meeting (Notice), or separately, but at least fifteen (15) calendar days before the date of the meeting, the official ballot for all issues properly brought before the membership including the election of board members. The official ballot for the election of directors will include the names and addresses of candidates nominated and the director district for which nominated. The official ballot for all other issues will be clearly identified. Such mailing shall be to all members of the Cooperative.
6. If a Member decides to cast a mail ballot, the ballot shall be marked by the Member, placed in a special envelope provided for the purpose so as to conceal the marking of the ballot, deposited in a return envelope which must be signed by the voting Member, and mailed back to the Cooperative or their designee. Envelopes containing mail ballots shall remain sealed until counted under Part D of this policy.
7. Voting for directors by proxy or cumulative voting shall be prohibited.
8. Should there be only one nomination from each district open for election then, no ballots for the election of directors will be mailed or cast and the nominee will be declared elected as a matter of law at the annual meeting or within five (5) calendar days thereafter as provided by the Cooperative's bylaws.
9. The deadline for mailing ballots shall be posted on the Cooperative's website at least 3 months prior to the deadline.
10. The ballot position of a qualified Candidate will be selected on a random basis prior to the publication of the ballot.
11. The Notice that is mailed to members with the ballot shall contain voting instructions and biographical information about each Candidate. Candidates will be identified by name, hometown, and length of membership. A Candidate may submit up to a 250 word summary of their qualifications and views for inclusion in the Notice.
12. A Member may request a replacement ballot. The Member will be advised that they may vote in person at the meeting. Should that be unsatisfactory, a ballot and attendant

information will be reissued to them. Should the Cooperative receive more than one ballot from any single Member, all ballots from said Member will be declared invalid.

13. In-person balloting at the meeting will be available to members prior to the business portion of the meeting on the day of the meeting for a specific period of time. The Notice shall specify the hours of balloting and the specific time when balloting will cease.
14. A Candidate may observe the registration and voting process. Observing the registration and voting process shall not include obtaining a tally of votes cast before the final vote is announced at the Meeting of Members. Questions or concerns, raised by the Candidate regarding the registration and/or voting process should be directed immediately to the Election Committee for its immediate review and determination.
15. Any question, concern, dispute or inquiry regarding any election or voting issue that might arise during the registration and voting process will be submitted in writing by a Member to any Election Judge for the Election Committee's immediate review and determination. Any form of written submittal to any Election Judge shall be sufficient. The Election Committee may respond to non-written questions but such shall not be considered a legal form of inquiry.

F. DISPUTE RESOLUTION

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

G. LEGAL AUTHORITY

1. This policy is intended to comport with C.R.S. § 40-9.5-109.5 and 40-9.5-110, as amended in 2010 and thereafter amended, with the most recent amendment controlling over any inconsistent term herein. In the event any clause or provision of this policy shall be adjudged to be invalid or void, or determined to be in conflict with the Cooperative's articles of incorporation, bylaws, existing laws, rules and regulations of the United States of America, State of Colorado, or any governing body having jurisdiction, then and in that event, such laws, rules, and regulations shall take precedence over the particular guideline and the fact that any such clause or provision may be invalid or void shall not serve to invalidate the remaining guidelines, clauses and provisions contained herein.

III. RESPONSIBILITY:

- A. The Board shall be responsible for any change or revision of this policy.
- B. The Board and the Manager are responsible for administration of this policy and for making recommendations on necessary or required changes.

AUTHORITY: Board Motion 12-17-10 [Original]
Board Motion 07-13-2012 [Amended]
Board Review 11-14-2014 [No changes]

AFFIRMATION OF DIRECTOR QUALIFICATIONS FORM

I affirm that I am a registered voter in the district represented, and that I have read the current Empire Electric Association Board Policy Number 12 (Director Qualifications) and the attached policies:

1. Policy 1 (Code of Ethics)
2. Policy 13 (Activities and Conduct of Individual Board Members)
3. Policy 15 (Compensation & Expenses of Board Members)
4. Policy 47 (Nepotism)
5. Policy 50 (Board Education)

I certify that I qualify according to this Policy 12 for nomination, election or appointment to serve as a Director on the Empire Electric Board of Directors.

By checking this box, I request a membership list should I qualify as a Candidate. I certify that I will not retain the data in any form and will return or destroy the membership list immediately after the election. I further certify that I will use the membership list only for purposes of the election. (Policy 51)

I have accordingly signed my name and had the same witnessed this _____ day of _____, 20__.

CANDIDATE

Print Name

Sign Name

PHYSICAL ADDRESS

MAILING ADDRESS

Phone Number: _____ Cell _____

Email Address _____

WITNESS
