

## **Article 9: Revenues & Receipts**

### **SECTION 9.01. INTEREST OR DIVIDENDS ON CAPITAL PROHIBITED.**

The Cooperative shall at all times be operated on a Cooperative nonprofit basis for the mutual benefit of its members. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its members.

### **SECTION 9.02. DISPOSITION OF REVENUES; DISTRIBUTION OF EXCESS.**

With respect to the Cooperative's furnishing of electric service, the revenues therefrom for any fiscal year, in excess of the amount thereof necessary:

- (1) to defray expenses of the Cooperative, including the operation and maintenance of its facilities during such fiscal year;
- (2) to pay interest and principal obligations of the Cooperative coming due in such fiscal year;
- (3) to finance, or to provide a reserve to finance, the construction or acquisition by the Cooperative of additional facilities to the extent determined by the Board;
- (4) to provide a reasonable reserve for working capital;
- (5) to provide a reserve for the payment of indebtedness of the Cooperative maturing more than one year after the date of the incurrence of such indebtedness in an amount not less than the total of the interest and principal payments in respect thereof required to be made during the next following fiscal year;
- (6) to comply with any covenant or obligation of the Cooperative pursuant to any contract it has entered into; and
- (7) to provide a fund for education in cooperation and for the dissemination of information concerning the effective use and conservation of electric power and energy and concerning any other services made available by the Cooperative, including, if the Board so authorizes, publication of or subscription to a Cooperative newsletter and/or a statewide or regional publication shall be distributed or credited by the Cooperative to patrons:
  - (a) as patronage refunds prorated in accordance with the patronage of the Cooperative by the respective patrons paid for during or with respect to such fiscal year; or
  - (b) by way of general reductions of rates or other charges; or
  - (c) by any combination of such methods.

### **SECTION 9.03. USE OF CONTRIBUTED CAPITAL.**

The primary purpose of this Cooperative shall be to extend to and provide its patrons with electrical current and energy at the lowest feasible rate or charge consistent with prudent management and sound economy. Therefore, all amounts received and receivable from the furnishing of electric energy to patrons, members and non-members alike, in excess of operating costs and expenses properly chargeable against the furnishing of electric energy are at the moment of receipt by the Cooperative received with the understanding that such amounts are furnished by the patrons as capital. Capital contributed by the patrons shall be used only for

capital purposes including, without limitation, new electric system construction, the retirement of electric system indebtedness at or prior to maturity, and working capital adequate for all purposes including facilitation of general rate reductions.

#### **SECTION 9.04. ASCERTAINMENT OF CONTRIBUTED CAPITAL.**

The Cooperative shall maintain such books and records as will enable it at any time to compute, upon reasonable notice, the amount of capital contributed during any given period by each of its patrons.

#### **SECTION 9.05. CONTRACT.**

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the provisions of this Article of the Bylaws shall constitute and be a contract between the Cooperative and non-member patrons, and both the Cooperative and such 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 such patrons by being posted in a conspicuous place in the Cooperative's offices.

#### **SECTION 9.06. PATRONAGE REFUNDS IN CONNECTION WITH FURNISHING OTHER SERVICES OR GOODS.**

In the event that the Cooperative should engage in the business of furnishing services or goods other than electric power energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable thereto shall, insofar as permitted by law, be prorated annually on a patronage basis and, subject to their prior use for any proper purposes, be returned to those patrons from whom such amounts were obtained pursuant to such method, at such time, on such basis and in such order of priority as the Board of Directors shall determine.