

**North Arkansas Electric Cooperative**  
Member-Submitted Proposals  
June 2026

Please take notice that, pursuant to Article III, Section 7 of the North Arkansas Electric Cooperative Inc. Bylaws, the following member proposals have been received.

The proposal summaries and opponent statements are published as submitted by the members noted. Information has not been independently verified.

**Director Requirements**

Remove from requirements to be a Candidate for Director; Article IV, Section 3: Qualifications A) “be a member of the Cooperative for two years” ... C) “be a member of the cooperative in good standing. As used herein, the term “good standing” shall mean that a director shall have no more than three delinquent monthly service bills within the preceding twenty-four month period;”

Proponent Statement by Michelle Graetz and Steve Hall: These two requirements were added to the Bylaws in November, 2025 solely for the purpose of disqualifying Michelle Graetz, a 2025 Director candidate, who was a serious threat to the 2026 Incumbent, Dennis Wiles, if she were allowed to be on the ballot in 2026. These two changes were made retroactive to include a time frame when Michelle Graetz was a “member in good standing” and qualified for the 2025 Director Ballot. These are cowardly and blatant acts of election manipulation, which totally destroys the second Cooperative Principle of Democratic Member Control. We believe all would agree, if the speed limit was 50 mph last week, but changes to 30 mph this week, it is unacceptable to give someone a speeding ticket this week for exceeding 30 mph last week. That would violate common sense and common decency. Making these rule changes retroactive is the same violation of common sense and common decency.

Opponent Statement by Mike Dover: Article IV, Section 1 of the bylaws provides that the business and affairs of NAEC shall be managed by a board of nine directors and shall have all powers to do so unless the power is provided to the members. Also, Arkansas Code Annotated provides that the business and affairs of an electric cooperative is to be managed by the board. Arkansas Code Annotated 23-18-317(a) specifically provides that the power to make, alter, amend or repeal bylaws of the corporation is vested in the board.

The board reviewed existing NAEC director qualifications in 2025 and made updates that would apply to all existing and potential board members. None of the new requirements singled out an individual, and they are in line with requirements of many other electric cooperatives across the country.

## **Board Meetings**

Any member shall be welcome to attend the Board of Directors monthly meetings and upon submission of a request prior to the meeting, or upon invitation at the meeting, shall have up to two (2) minutes to address the Board of Directors about any Cooperative related issue the member wishes to make known. Board meeting dates and times shall be announced on the Cooperative's website with as much advanced notice as practical. Board meetings shall be video broadcast live and archived for a minimum of two (2) years on the Cooperative's website. A provision for a "behind closed doors" executive session shall be allowed at the end of each board meeting for the purpose of discussing personnel or legal issues. However, board votes shall only be allowed during the open session of each board meeting.

Proponent Statement by Sherry Emerson: Though a minimal change was made after the 2025 Member Meeting to provide a "summary statement" of the Director Meetings, the lack of specifics and timeliness make the "summary statement" totally ineffective or acceptable. The "summary statement" is vague, misleading and grossly late to be meaningful. By keeping such secrecy surrounding the Board of Director Meetings, member confidence in the honesty of the Board is lacking. If there is nothing to hide, why hide it.

Opponent Statement by Wayne Winter: Roberts Rules of Order Newly Revised Section 61:6-7 provides that the board of directors determines who may attend meetings and that the board may exclude nondirectors. Currently, NAEC has a procedure that allows for issues to be taken up the chain of command, which results in an ultimate determination by the board if not resolved at the lower level. NAEC staff is not aware of any request that was turned away from the attention of the board if taking the matter up the chain of command had not resulted in resolution of the problem.

A summary of each board meeting is posted to [naeci.com](http://naeci.com).

## **Compensation**

Any "non-standard" compensation for Directors, Management or non-employees, shall be reported in detail annually at the Meeting of the Members. The "non-standard" compensation shall include but is not limited to: Employment arrangements of pay and benefits when no work output, performance or actual attendance to work is required (excludes any leave for disability); Bonuses; Deferred Compensation Plans; Termination Payments (Golden Parachutes); Payment for benefits, gifts or trips that are not specifically required to conduct business activity; Payment for family members travel, hotels and meals; Payment for Memberships to clubs, sporting events or activities that are not required to conduct business for the Cooperative.

Proponent Statement by Steve Hall: Member assets used for other than normal "day-to-day" operations should be communicated at least annually in order to maintain transparency and give members confidence in the the Board of Directors carrying out their fiduciary responsibility to be good stewards of the members assets. Recent member observations have called into question the

motives and methods used by management and approved by the Board of Directors in highly unusual compensation practices.

Opponent Statement by NAEC Senior Leadership Team: NAEC does not provide benefits, gifts or trips that are not specifically related to and required to conduct business of NAEC. Likewise, NAEC does not pay for travel, hotels and/or meals of family members, nor does it pay for country club memberships or admission fees to sporting events and/or activities for employees or board members. Matters relating to bonuses, retirement plans, and other forms of compensation are included in each year's budgets. All such compensation is a personnel matter, which is, and should remain, confidential between NAEC, the board and each particular employee.

NAEC Board Policy 100 outlines the board's responsibilities, authority and organization. This includes selecting a CEO and delegating to him/her the responsibility and authority for the operation of the cooperative within the limits of the general policies established by the board. The board, in consultation with the CEO, handles, among other tasks: basic organization structure and wage and salary plan, employee benefit program, selection of consultants, long- and short-range financial and engineering plans, and annual work plans and operating budget.

NAEC takes steps to ensure financial transparency. A financial statement audit is performed annually by Forvis Mazars, with an unqualified opinion reported on the financial statements in 2025. The audit is available for members to view in person. In addition to an independent audit, a Rural Utilities Service audit also was performed in 2025, with no findings noted.

Any member who has a concern about any cooperative-related matter may contact the CEO and then the board if the matter is not resolved to his/her satisfaction.

### **Board Policies**

The Board of Directors shall publish all policies of the Cooperative and the Board of Directors on the NAEC Website. Because it is now a Qualification for a Member to be eligible to become a candidate for election. Per Article IV, Section 3 "In order to become eligible to become and to continue to serve as a director, the person must: (j) be in compliance with all other provisions of the bylaws and policies of the Cooperative and the Board of Directors of the Cooperative."

Proponent Statement by Linda Barry: It is clearly impossible for a member to know if they meet this requirement, if they do not have access to the written "policies of the Cooperative and the Board of Directors of the Cooperative." This is much like being held responsible to follow the law of the land, when the law has only been published to a privileged few and maintained secret from the rest of society. Why hide the Cooperative and Board Policies from the Members, if there is nothing to hide?

Opponent Statement by Tori Moss: The bylaws are available in their entirety to all members via naeci.com and upon request at an NAEC office. The board policy pertaining to director qualifications was included with the petition that was posted to naeci.com during the petition period and was available upon request at an NAEC office.

The proposals will be addressed at the annual meeting of the members of North Arkansas Electric Cooperative under new business on the Annual Meeting agenda. The annual meeting will be held June 23, 2026, at 10 a.m. at NAEC's headquarters in Salem, Arkansas. Any change to the location will be posted to [naeci.com](http://naeci.com).

