

91 DEC - 11:22

KAMO POWER

December 4, 1991

Federal Election Commission
999 E Street, NW
Washington, D C 20463

Dear Commissioners

KAMO Power is a nonprofit (wholesale) cooperative, owned by other nonprofit cooperatives (that sell retail) It is incorporated under the laws of Oklahoma as a "rural electric cooperative" KAMO Power is non-union having a total of 130 employees

In 1991 KAMO Power formed a separate segregated fund called KAMOPAC (C00252437) KAMO Power is the "connected organization" for KAMOPAC

An Advisory Opinion (AO) is requested, based upon the following facts, concerning a raffle that we propose to conduct in 1992

- 1 KAMO Power's restricted class is comprised of
 - Board members, 19 in number, each representing one of the member (retail level) cooperatives,
 - Salaried management of KAMO Power,
 - Salaried managers of the member (retail level) cooperatives,
 - Administrative personnel who directly support activities of management (mostly non-salaried secretaries), and
 - Family members of the above

- 2 KAMO Power's nonrestricted class is comprised of
 - All other (all non-salaried) employees of KAMO Power, and
 - Family members of the above

- 3 Once each year KAMO Power conducts its annual meeting This meeting is attended by most of the KAMO Power employees, including virtually all of the restricted class and more than half of the nonrestricted class Attendance is not mandatory Employees are invited to attend but "attendance" is not recorded in anyway About 80% of all employees normally attend Virtually all board members (plus additional board members of the retail level cooperatives) and virtually all managers of the retail level cooperatives are likely to attend With family members of all the above, plus other invited guests (e g the media, industry VIPs, etc) the total attendance may reach 300

FEDERAL ELECTION COMMISSION
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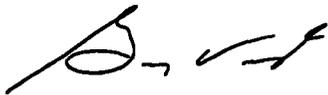
- 4 KAMOPAC proposes to accomplish two things in connection with KAMO Power's Annual Meeting in 1992
 - Raffle off a shotgun (or something similar) to be donated by KAMO Power, and
 - Use the occasion of this raffle as one of the two annual solicitations of nonrestricted class employees by sending to their home in advance a letter telling them of their rights and inviting them to purchase raffle tickets (thus making a contribution) The drawing would take place at the close of KAMO Power's annual meeting
- 5 All aspects of item (4) above, except the solicitation letter, will be administered by an outside accounting firm (person)

We assume that raffle tickets (contributions) will be purchased by some of both classes of employees, the restricted and the nonrestricted. We expect each ticket to be a \$10 ticket It is unlikely that anyone will buy as many as five (\$50)

Names can be written on the tickets (for drawing purposes) or the outside accounting firm can use a "matching number" arrangement, either approach would suit our purpose In any case though, we expect to announce the winner---thus his/her name would be known We expect our solicitation letter to sufficiently explain to nonrestricted employees that the "anonymity" right could be compromised as part of the raffle process

Do the foregoing procedures constitute a lawful raffle under existing provisions of the Federal Election Campaign Act?

Sincerely,



Gary Voigt, Manager
Corporate Development

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Enclosures

KAMO

SPRING 1991

ALBUM

MONTGOMERY

WARD



KAMO ALBUM

SPRING 1991 VOL. 4, NO 1

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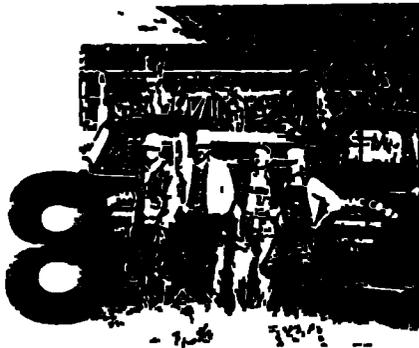
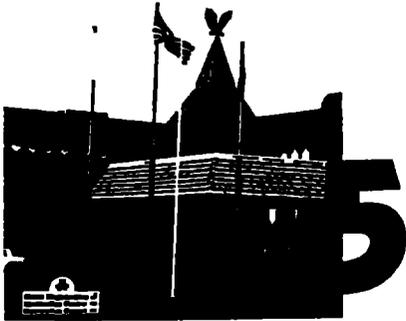
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About the Cover

Time teases us all. It slows or passes quickly altering everything or changing little. It establishes our goals, directs our future and records our successes and failures. Most of all, time shapes us and that which we strive to build. Ultimately it judges the validity of what we create.

— Anonymous

Spring 1991 marks KAMO's fiftieth anniversary. Success over such a span is time's testimony to the cooperative's purpose and to the strength of those who have formed it. In celebration of a successful history, *Album* turns the pages to the past beginning with the cover which captures a moment from an Osage Valley Electric Cooperative's annual meeting in Butler, Missouri during the 1940s.



Gary inspects a testing stand designed and built by REN to test power shift transmission control valves for Funk Manufacturing, Coffeyville, Kansas, a wholly-owned subsidiary of Deere & Company.

REN Corporation: Oklahoma's One-of-a-Kind

No other company in Oklahoma — and only a few others in the world — can build the high-tech, high-dollar one-of-a-kind equipment produced by Stillwater's REN Corporation.

"We're not just a machine builder," says REN's chief financial officer Nancy Roberts. "We're a company that gets involved in the whole testing process — research and development, design, fabrication, programming, testing, installation and service. Each machine we make is unique because it's designed to test one specialized brand of product."

REN Corporation custom-builds microprocessor-controlled hydraulic testing equipment used in factories that manufacture components such as valves, pumps, cylinders, motors and transmissions. REN's custom-built test stands range in cost from \$100,000 to \$500,000 depending on the number of testing specifications.

The market for REN's sophisticated equipment is world-wide and growing along with an increasing demand for greater industrial efficiency in meeting quality control requirements. Exports are now more than 25 percent of REN's sales. Its customers are aerospace, defense, marine, agricultural and fluid power equipment manufacturers. John Deere, Vickers Inc., Dana Corporation, Allen-Bradley, Charles Machine Works, Boeing and the Department of Defense are among the customers who have called on this company's unusual capabilities.



Gary and Nancy Roberts, owners of REN Corporation, Stillwater, want to be their customers' testing gurus.

According to Nancy, she and her husband Gary, REN's founder and president, did not set out to own their own business. "It just naturally evolved from Gary's expertise," she said.

He established a reputation for innovative test equipment design while working as manager of quality engineering for Cessna Aircraft's fluid power division, Hutchinson, Kansas, and later as a member of the research staff at Oklahoma State University's Fluid Power Research Center.

"He's the ultimate entrepreneurial engineer with many original ideas," Nancy

explains. His desire to build his designs prompted opening REN operations in 1980. Since then, the quality of REN's testing equipment has fostered the company's growth from 6 to 13 employees and raised sales in excess of \$1 million annually.

"Service backup has been a major component of our success," Gary says, explaining that REN's unique marketing philosophy is that every part of a test stand can be purchased or made from REN's complete documentation. As part

of its long-term service, REN retains all original documentation and offers repairs or upgrades. REN also has digital communications with its major customers for the purpose of consultation and program modification.

At its current rate of growth, REN projects an increase of 15 new jobs within the next three years and \$20 million in annual sales by the end of the decade. However, "like many successful small firms, we faced the problem of how to finance future growth," says Nancy.

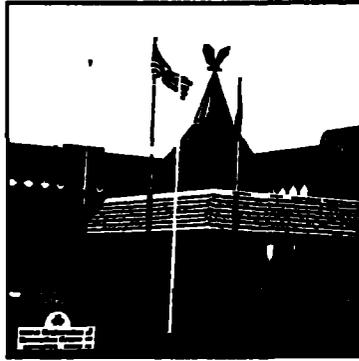
A ten-year member of Central Rural Electric, Stillwater, REN Corporation solved its financing problem through the assistance of Central's manager Lynn Midgette and KAMO economic developer Bob Davis. REN obtained a \$215,000 loan from the KAMO Economic Development Corporation (KEDCORP) to purchase the property and to renovate and expand its production facility.

With private sector financing in place, REN Corporation was able to secure a \$100,000 loan through the Oklahoma Department of Commerce for a Community Block Development Grant for Economic Development Financing (CDGF-EDF). The CDBG-EDF loan will provide the working capital necessary to support rapid growth.

Cash flow is irregular in large-scale engineering production. Although the customer pays a percentage of the cost at each stage of development, REN is not paid in full until a project is completed. From acceptance of a proposal in itself a six to nine-month process, to equipment installation, it takes at least six months.

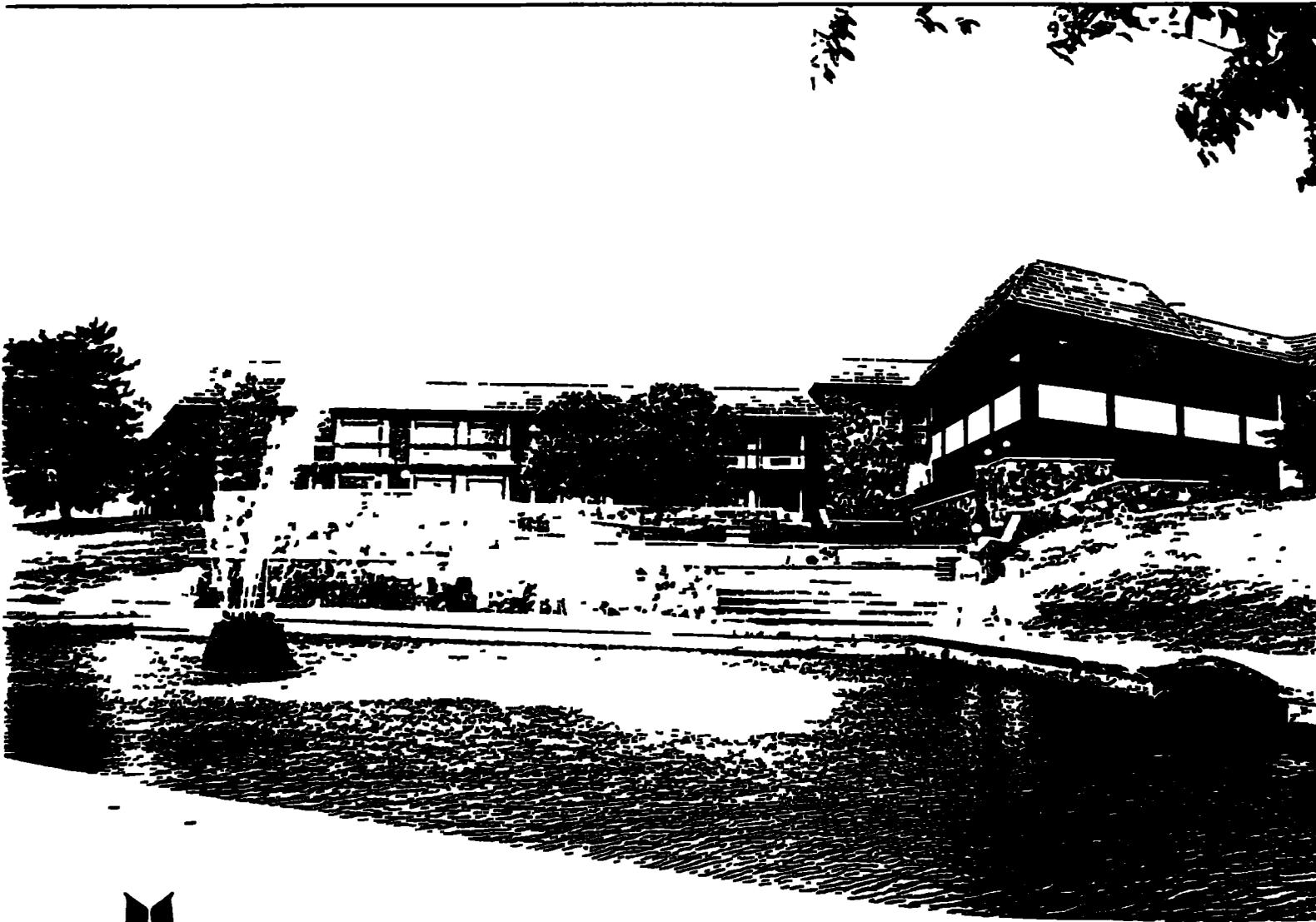
One of REN's objectives is to stabilize cash flow irregularities by marketing such items as its high-pressure filter housings and the computerized cabling and signaling equipment that REN developed to withstand the dirt, oil, and electronic noise of the workplace.

With renovation now underway — much of it being performed by REN employees — Nancy and Gary Roberts have only one other objective, and that is, as Nancy says, "to be the best, to be our customers' testing gurus."



Shangri-La: A Premier Meeting Place

This spring, and for the six preceding ones KAMO held its annual meeting at Shangri-La on Monkey Island south of Afton, Oklahoma. Shangri-La is centrally located within KAMO's service area and



Shangri-La
An Island Oasis on Grand Lake

can readily accommodate the various activities of the two-day event

Shangri-La located on the 1,300 mile shoreline of Grand Lake of the Cherokees is 23 miles from Interstate 44. It's a 90 minute drive from Tulsa International Airport and Springfield, Missouri is only a two hours drive away.

KAMO guests who need lodging find 500 available rooms that include lodge rooms, one, two and three bedroom suites and estate homes. There's even a choice of lake, courtyard or golf course views. Shangri-La offers four dining facilities as well as snacks and light fare at the recreation center and food and beverage in the evenings at the Vista Lounge.

The first day's activities begin with the KAMO Classic Golf Tournament played on Shangri-La's 7,000-yard 18-hole Blue Course. This course is cited by *Golf Digest* as one of the top five Oklahoma courses. Shangri-La also has a second 18-hole golf course, the Gold Course, to accommodate the many golfers who make their way to this 650 acre resort.

KAMO's Directors Conference and the annual business meeting are held in one of Shangri-La's 20 meeting rooms which are suitable for groups of 10 to 2,000 people. The resort's convention center has 54,000 square feet of space, Oklahoma's largest available meeting and exhibit space. Shangri-La's conference planning service assists with every activity and a visual and video rental equipment and service is also available.

Shangri-La's full catering service easily handles the reception and the informal barbecue at the close of the first day as well as the buffet luncheon that concludes the KAMO annual meeting activities.

Those guests who wish to stay longer find a wide assortment of recreational opportunities at Shangri-La: fishing, sailing, skiing, swimming, tennis, racquetball, windsurfing, volleyball, bowling, biking, softball, basketball, volleyball, pool, hot air ballooning, boardgames, Nintendo, shopping and, of course, golf.

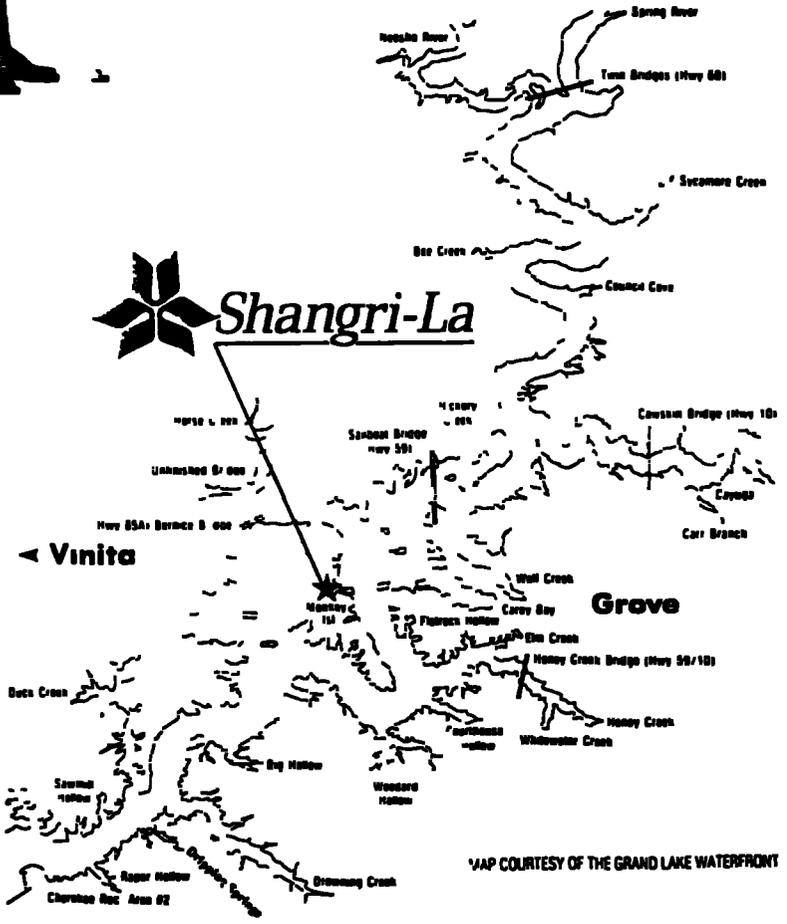


A buffet luncheon served at noon on the second day signals the end of KAMO's annual meeting activities.

Shangri-La's Tahitian Room in a leisurely pace — reading a good book, dining or visiting with friends.



Members of this KAMO Classic tour team are Jerry Dixon (manager Southwest Electric, Bolivar, Missouri), Keith Bacon (KAMO finance and administrative services division manager), Larry Frazier (manager White River Valley Electric, Branson, Missouri), and Robert Williams (director Kiamichi Electric, Wilburton, Oklahoma).



Northeast Oklahoma Electric Cooperative, Vinita, Oklahoma serves Shangri-La. Northeast employs 101 people and maintains 442 miles of line to serve 26,307 meters. Robert L. Thornton is manager and Joe Hutchison is Northeast's representative on the KAMO board.

KAMO IN RETROSPECT:

A COOPERATIVE OF COOPERATIVES



Employees and equipment of New Mac Electric Neosho, Missouri during the late 1930s or early 1940s

FIFTY YEARS

—by Roy Beavers KAMO manager of information, communications and legislative liaison



Jack Rorschach — northeastern Oklahoma rural electrification leader who was instrumental in the formation of the Grand River Dam Authority and later in the development of KAMO which he served as legal counsel from 1949-1988

Large fresh eggs were 21¢ a dozen
Armour's best bacon was 18¢ a pound
Pure pork sausage could be bought two pounds for 25¢ and Jake's Taxi Service would take you anywhere in town for 15¢

The front pages of the *Vinita Daily Journal* during the week of April 11-17, 1941 were full of war news reporting the irrepressible advance of German armies in Europe. They were "mopping up" the last pockets of resistance in Yugoslavia and the juggernaut of tanks and infantry was about to wheel south against a thin line of British and Greek forces defending the northern border of Greece. On the opposite side of the Mediterranean German armored columns in North Africa were beginning the battle that would isolate Tobruk.

Another front page story reported on a meeting of local beer dealers in Vinita. The county sheriff and prosecutor were in attendance at the meeting to urge cooperation with county officials in "cleaning up intoxicating liquor conditions." There was no story that week about a meeting of more than a dozen rural electric leaders representing already existing rural electric distribution cooperatives from the Kansas-Arkansas-Missouri-Oklahoma four-state region.

That meeting took place in the office of Jack L. Rorschach, a young Vinita attorney who also served in the State Senate of Oklahoma. A few years earlier Rorschach had been instrumental in passing two pieces of landmark legislation that created the Grand River Dam Authority (GRDA) and "enabled" the formation of rural electric cooperatives in the state.



JUNE 1941



The Grand River Dam Authority's Pensacola Dam under construction in 1939

FIFTY YEARS



Annual meeting registration and entertainment from Osage Valley Electric Butler Missouri during the 1940s



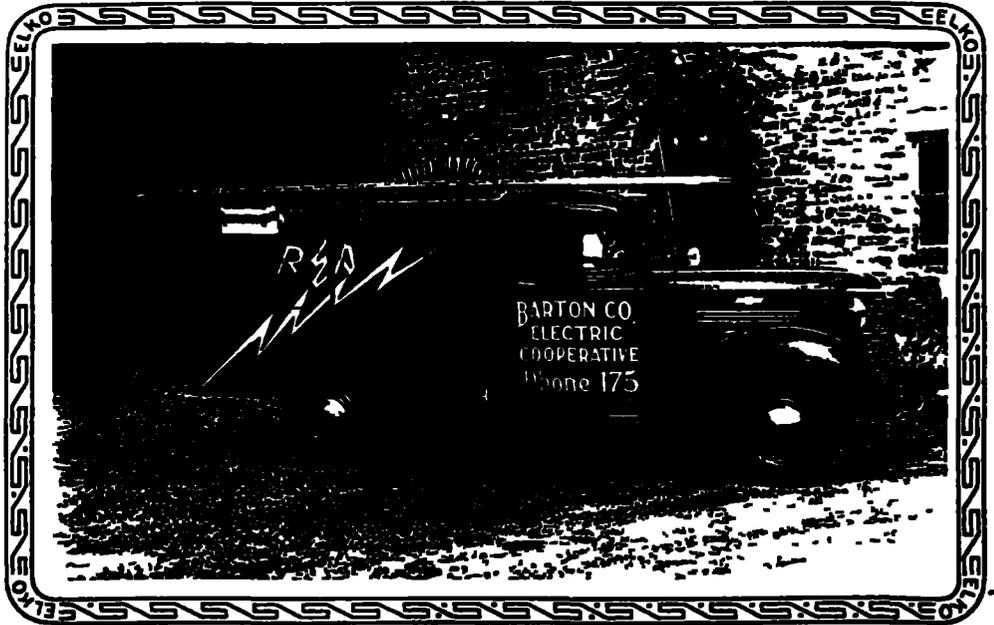
The dozen or so rural electric leaders gathered in Rorschach's office because he was a notary public with authority to legitimize before the State of Oklahoma the action they were taking. That action is described in the board minutes of incorporating member-system Barton County Electric as "the forming of a Cooperative of Cooperatives."

The completion of Oklahoma's Pensacola Dam on Grand Lake in 1940 and the formation of the Grand River Dam Authority (GRDA) in 1935 to administer the sale of power from the new hydro facility had raised the promise of inexpensive electric power for the region. GRDA's management particularly wanted buyers from the public power sector which included the many rural electric cooperatives that were organized during the latter half of the 1930s through the federally legislated Rural Electrification Administration (the "REA").

Parallel to these developments and naturally evolving from them a movement grew within the membership of these four-state co-ops to band together in order to purchase power from the new dam. The plan called for providing future power needs on a cooperative basis rather than the more costly alternative of individually arranged power supply.



Clay Dougherty, the first manager of Barton County Electric, Lamar, Missouri, 1937



FIFTY YEARS

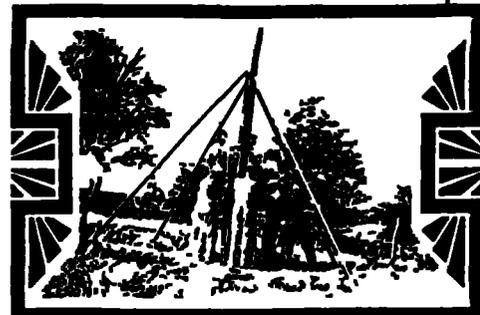
KAMO incorporated April 15 1941 obtained approval for its first REA loan for \$250 000 the following June. Since the REA did not have that much cash available at the time President Roosevelt personally authorized \$200 000 of the total from the congressionally established President's "Emergency Fund." In October of 41 the original loan was increased by \$1 542 000 to bring the total loan to more than \$1 8 million.

These funds were to be used primarily for the construction of 348 miles of transmission line in Oklahoma and Missouri. Future plans called for the transmission network to reach into Arkansas and Kansas. The second funding approval called for the KAMO system to reach as far east as the newly constructed Norfolk Dam in Arkansas. For this reason KAMO's REA designation became ARK-52-Benton rather than an Oklahoma identification.

The Japanese attack on American forces in the Pacific in December of 1941 eventually changed all of the original plans as the nation's need to concentrate on the war effort drained materials that KAMO needed for construction. By early 1942 when construction was halted KAMO had erected 188 miles of poles with some conductors but no copper wire. Later in August of 1943 KAMO's activities were further shutdown under pressure from the War Production Board.

T. H. Looney of Fayetteville Arkansas manager of Ozark Electric Cooperative was the first president or chairman of the five person organizing committee during the early months of 1941. In November he was succeeded by Howard Freeman who represented Northeast Oklahoma Electric Cooperative Vinita. In the middle of the war Freeman was succeeded by "Uncle" John Hobbs of Arkansas Valley Electric Cooperative located in Ozark Arkansas.

The real job of building KAMO after the war would be accomplished under the dedicated and inspiring leadership of "Uncle" John Hobbs. That undertaking would resume in earnest in 1946.



Barton County Electric Lamar Missouri 1930s

A 1940s style annual meeting exhibit at East Central Electric, Okmulgee, Oklahoma



Osage Valley Electric Butler Missouri



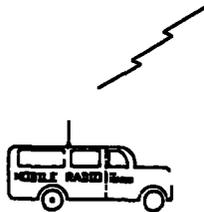
Early day work by Osage Valley Electric

KAMO's history will be continued in the next issue of Album

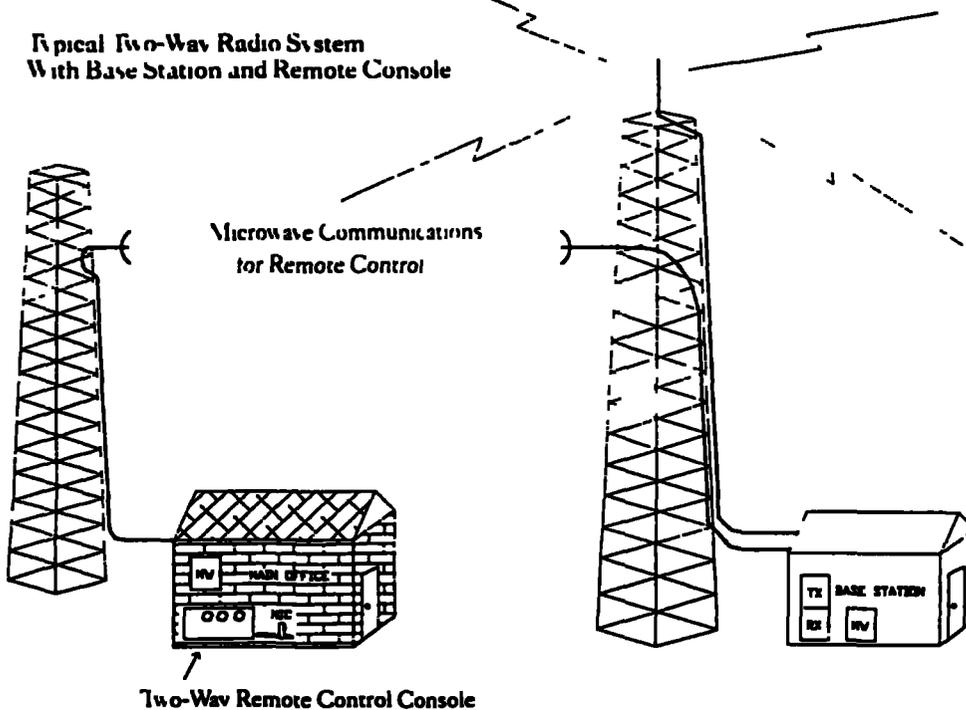
Two-way the Cooperative Way



KAMO mobile radio technician Greg Dettmer troubleshoots and repairs a member-systems mobile radio



Typical Two-Way Radio System With Base Station and Remote Console



Two-Way Remote Control Console

Remotely Controls Transmit and Receive for Base Station

When KAMO first began operations in the late 1940s coordinating field work was certainly more time-consuming than today. A crew traveled to the site, determined what had to be done, set up and then called dispatch from the nearest telephone — sometimes miles away. "Considering the logistics using a telephone at the country store worked surprisingly well," says Davmon Barton, KAMO manager of telecommunication services, "but two-way radio has made switching the power system safer and faster."

Barton explains that "technological efficiency has directed KAMO's growth in telecommunications from the first two-way radio added in the late 1950s to the addition of microwave in 1967 to today's system-wide communications network."

Efficiency has also directed personnel additions. KAMO assumed two-way maintenance responsibilities in the early



Remote control unit allows KAMO dispatcher Monte Henry to coordinate general field operations and emergency dispatching with two-way radios, walkie-talkies and pagers.

60s. "With reliable service dependent on reliable communications, we simply had to have immediate response on equipment repair," explains Barton.

Two employees maintained KAMO's two-way radios and four hops of microwave in 1971. By 1978 an ever-expanding, technologically sophisticated communications system required its own department staffed with telecommunication and computer technicians to engineer, install and maintain KAMO's diverse telecommunication systems.

Today six KAMO telecommunication technicians maintain KAMO's two-way radio system and 73 hops of microwave. The two-way radio system operates with 14 base stations via microwave to provide voice communication between the dispatch center and the mobile units, walkie-talkies and pagers which are used for routine field operations and emergency dispatching.

In 1988 KAMO extended two-way

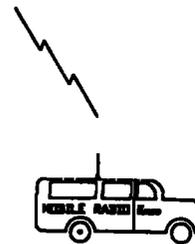


One of the functions of a microwave radio system checked here by Jim Wynn, KAMO telecommunication supervisor, is to provide a voice communication path between the dispatch center and mobile units.

radio maintenance to member-systems that request the service. "What we can do collectively is more economical and effective than what we can do individually," says Ed Krause, KAMO division manager of engineering and operations. "Our common interest is to provide consumers the most reliable and economical service possible."

Krause explains the cost-effectiveness of shared resources. "Outfitting a technician, excluding a vehicle, costs approximately \$50,000. Test equipment is expensive with some single specialized pieces costing more than \$31,000. And," Krause adds, "outside contractors working for profit are expensive."

The two-way radio service offered through the KAMO Telecommunication Service Group provides maintenance of remote control units, base station equipment and associated transmission line and antenna, mobile two-way equipment,



walkie-talkies and pagers. The service also includes the interconnect installation and maintenance that allows KAMO to perform after-hours dispatching for member-systems.

"Our objective," says Barton, "is to do the best job at the lowest possible cost. We respond to a co-op's request in the most efficient way possible. We send the closest available technician 24 hours-a-day, 365 days-a-year at KAMO's cost."

Barton predicts that KAMO's future will see the use of digital radios with the ability to send both voice and data. But whatever the changes in technology, he says that KAMO will continue "to hang its hat on immediate, reliable service."

KAMO is now providing complete two-way radio maintenance service to seven member-units: New Mac, Neosho, Missouri; Barton County, Lamar, Missouri; Sac Osage, El Dorado Springs, Missouri; Cookson Hills, Singler, Oklahoma; Indian, Cleveland, Oklahoma; Barry, Cassville, Missouri; and Lake Region, Hulbert, Oklahoma.

TRANSMISSIONS...

Speaking to a March gathering of the Rural Electric Statewide Managers Association Representative Glenn English (D-OK) said, "It will take an all-out war to save the REA program"

English who is chairman of the House Subcommittee on Conservation Credit and Rural Development said that the administration is out to destroy REA by using a backdoor approach

Although agriculture programs represented only one percent of last year's budget they cut agriculture 10 percent English said According to English agriculture's budget losses reflect the decline in rural America's voting strength

He said that fairness and equity had nothing to do with budget cuts It was where the votes were and rural areas have fewer The rural voting strength will continue to deteriorate he warned and agriculture will be looked at for more cuts

Electric and magnetic fields (EMF) surround us in our daily lives They are produced by manmade sources such as electricity flowing through wires and by natural sources The earth itself is a natural source of magnetic fields

Some studies suggest a relationship between EMF and cancer but later studies using more comprehensive and

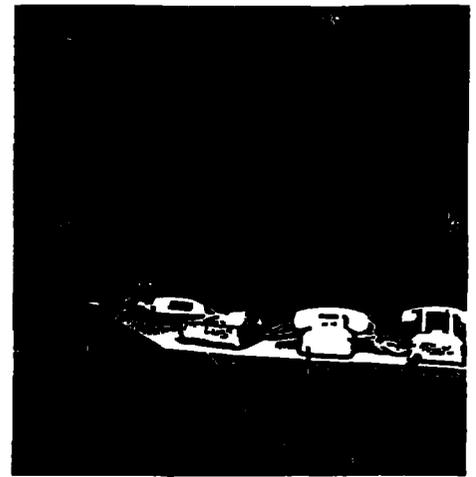
sophisticated measures of EMF exposure contradict these results **All that is known conclusively is that more research will be required to determine if a relationship exists between EMF and adverse health effects**

Most EMF research is funded by the utility industry through the Electric Power Research Institute (EPRI) With \$25 million already invested EPRI is the world's largest single funder of EMF research and continues to invest \$6 million annually

EPRI research includes epidemiological studies to determine if a link exists between cancer and EMF the development of an EMF digital exposure meter to accurately assess field strengths and duration and biological studies that could explain how cells might be affected

EPRI has a new Magnetic Field Research Facility a duplicate segment of a residential neighborhood where researchers hope to learn how electromagnetic fields form and interact and how if necessary to limit their effects

Federal funding for EMF research may be stepped up if Representative Frank Pallone's (D-N.J.) bill is successful Pallone is calling for a five-year \$34 million research and public education program coordinated by the Energy Department



KAMO began night and weekend dispatching for Cookson Hills Electric, Stigler, Oklahoma on May 3 Cookson is the fourth KAMO member system to make use of KAMO's dispatching service

Global warming — the theory that the earth is heating up due to an increasing concentration of carbon dioxide (CO₂) and some 30 other greenhouse gases — **is fast becoming a major political issue**

More than 40 bills dealing with global warming were introduced last year Some congressional leaders propose that the U.S. take the legislative lead by mandating a 20 percent reduction in the release of CO₂ Two bills requiring emission reductions have been introduced this year

However like the clean air issue politics appear to be running ahead of science The atmospheric build-up of CO₂ and other greenhouse gases is a scientific reality but research has not shown conclusive evidence that there is a problem Science does not know whether the build-up of gases has any effect on global temperatures

If legislation predates scientific research a mandatory reduction of CO₂ would be costly The costs of stabilizing or reducing CO₂ emissions will be about \$50 billion in the U.S. and worldwide more than \$5 trillion annually according to John Neal National Rural Electric Cooperative Association administrator of energy research and development

Neal advises the electric utility industry the U.S.'s largest emitter of CO₂, to come to the table with a positive CO₂ emissions reduction program If we take no role he warns we will be handed a political solution which — like the Clean Air Act — may ignore the scientific data all together



KEDCORP elected Layne Morrill (foreground) White River Valley Branson, Missouri vice president

At the April 91 annual meeting **KAMO presented distinguished service awards to Gerald Diddle**, manager of Associated Electric Springfield Missouri **Joseph Preddy**, former manager of Barry Electric Cassville Missouri **Millard Goff**, former manager of Ozarks Electric Fayetteville Arkansas and the late **Roy Matthews** whose daughter **Judy Reynolds** received the award on behalf of the Matthews family

In a brief session following the annual meeting the **KAMO Board of Trustees elected officers** for the coming year president **Otto Waldbuesser**, Barton County Lamar Missouri vice president **Sonny Billings**, Ozarks Fayetteville Arkansas and secretary-treasurer **Raymond Scholes**, Sac Osage El Dorado Springs Missouri



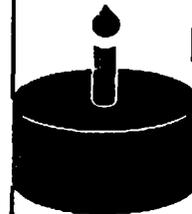
Scholes



KAMO Chief Executive Officer **B. Dean Sanger** cut KAMO's 50th birthday cake for the more than 300 participants at the annual meeting April 11-12



Judy Reynolds daughter of **Roy Matthews** 30th annual meeting guest speaker advised KAMO and all the people associated with it



KAMO: FIFTY YEARS



In his address to KAMO annual meeting attendees **Gerald Diddle** manager of Associated Electric Springfield Missouri advised the KAMO membership to maintain a unity of purpose and said that distribution systems and the G&T working together as one organization is the only way we can meet the challenges of tomorrow

Three KAMO member-systems earned KAMO marketing awards for top sales in 1990

For the third consecutive year **Sac Osage Electric**, El Dorado Springs Missouri led the KAMO system in ground source heat pump sales with 140 **Verdigris Valley Electric**, Collinsville Oklahoma led in the water heater category with 1 586 First place honors in air to-air heat pump sales goes to **Osage Valley Electric**, Butler Missouri with 76

Marketing recognition awards are part of KAMO's Efficiency Rebate Program which rebated \$1 million in 1990 to consumers who installed energy efficient water heaters and heat pumps System-wide the program rebated 5 745 water heaters 589 air-to-air heat pumps and 421 ground source heat pumps



At its April board meeting the KAMO Economic Development Corporation (KEDCORP) elected **P.D. Kircher** (left) Osage Valley Butler Missouri secretary treasurer and **Dave Cowan** (right) East Central Electric Okmulgee Oklahoma president

The Future Demands Commitment



"The Rural Electrification Program is one of America's greatest economic success stories" KAMO Chief Executive Officer B. Dean Sanger told the 300 plus attendees at KAMO's 50th annual meeting, "and central to that success is grass roots campaigning for issues important to all Americans"

Voicing rural economic concerns
Sanger reminded the audience, prompted 1987 legislation that allows co-ops to invest up to 15 percent of their assets in development projects "But" he said "we know that job creation alone is not enough to revitalize the rural economy. Our infrastructure must be rebuilt

"And we must participate in that rebuilding" he said noting that inadequate water and waste services have hindered rural development and contributed to the loss of cooperative territory. Sanger said that electric cooperatives now have opportunities to participate through zero interest REA economic development loans and The Rural Development Title of the 1990 Farm Bill which authorizes \$40 million annually for REA borrowers to provide water and waste services

Sanger emphasized that "the cooperatives stake in economic development is too high to ignore our obligation to play a constructive role" While acknowledging the need for caution he said "we cannot

defend a position that a zero risk strategy is in the best interest of the members we are committed to serve"

Cooperatives that fail to invest in rural jobs and infrastructure risk losing valuable territory to aggressive, profit-driven utilities that "do not accept the responsibility to provide critical electric service to the rural people upon whom the nation's health depends," said Sanger

He said the responsibility to serve rural needs as economically as possible obligates the cooperative leadership "to use all reasonable means to influence every aspect of the utility environment, to oppose legislation intended to have a destructive effect on the consumers cost of service and to campaign for legislation that will benefit rural Americans"

Succeeding over the past 50 years in spite of opposition and economic turn-downs "the rural electric program has transformed itself from a cooperative effort to electrify rural America into a major force in the economic development of our nation. The only constant," he concluded "has been the cooperative's stubborn commitment to its members, a commitment that we must remember as we face the challenges and opportunities of the next 50 years"

B. Dean Sanger

KAMO ALBUM

PO Box 577
Vinita, Oklahoma 74301

KAMO Album is published four times each year by KAMO Electric Cooperative, Inc. KAMO operates on a non-profit basis and is in business to provide wholesale electric service to its seventeen retail distribution cooperative members

KAMO Album is published for and mailed to employees of participating cooperatives and interested others as a means of communicating information and official notices

The editorial staff for KAMO Album is located at KAMO headquarters 4911 South Wilson PO Box 577 Vinita Oklahoma 74301 (918) 256-2251

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KAMO Cooperatives



Supplying Electricity to Vibrant Communities
 in a two-state area where people enjoy living and working. The region offers excellent opportunities for business, as well as quality living.

The KAMO cooperatives are 100% member owned utilities that provide electricity to rural and small town consumers in southwest Missouri and northeast Oklahoma. Homes, farms, industrial and commercial businesses, oil mining and recreational customers are among the recipients of this nonprofit rural electric cooperative system.

The KAMO cooperatives own KAMO, the wholesale power supply cooperative headquartered at Vinita, Oklahoma. KAMO, in turn, owns some generation plant capacity and purchases additional capacity under long term contract from various power suppliers in the region. KAMO also owns more than 2,000 miles of high voltage transmission lines that stretch from the outskirts of Kansas City to the north of Oklahoma City and deliver power via more than 200 distribution substations. Total energy sales exceed 3 billion kilowatt hours each year and generate more than \$150 million in revenue.

KAMO and Its Member-Systems Service Area

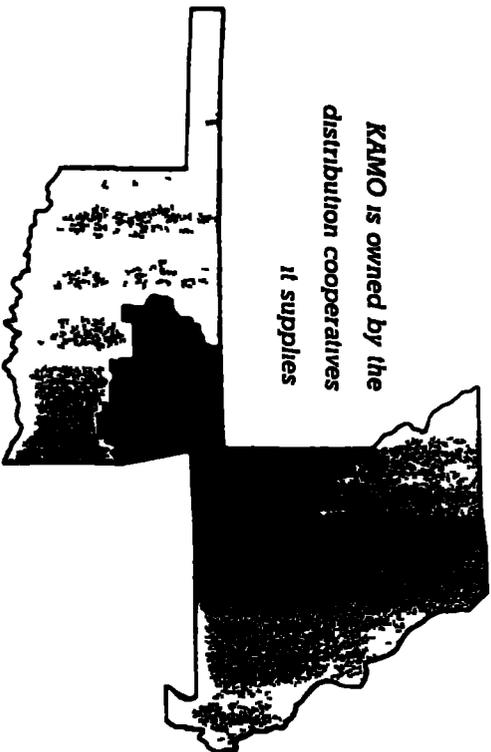
OKLAHOMA MEMBER SYSTEMS

- Central Rural Electric Stillwater
- Cookson Hills Electric Sigler
- East Central Oklahoma Electric Okmulgee
- Indian Electric Cleveland
- Kiamochi Electric Wilburton
- Lake Region Electric Hildreth
- Northeast Oklahoma Electric Vinita
- Ozark Electric Fayetteville
- Verdigris Valley Electric Collinsville

MISSOURI MEMBER SYSTEMS

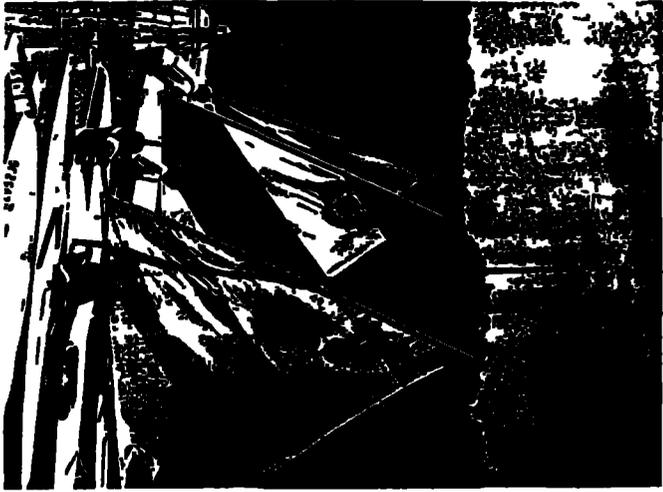
- Barry Electric Cassville
- Barton County Electric Linn
- New Mac Electric Neosho
- Osage Valley Electric Hill
- Ozark Electric Mt. Vernon
- Sac Osage Electric El Dorado Springs
- Southwest Electric Bolivar
- White River Valley Electric Branson

KAMO is owned by the distribution cooperatives it supplies



The Whole is Greater than the Sum of the Parts

The Region We Serve



Located in the center of America's heartland, KAMO is fortunate to serve a highly diversified economic region invited for its scenic beauty, recreational alternatives, dependable skilled manpower exceptional four season weather and served by an abundance of transportation facilities

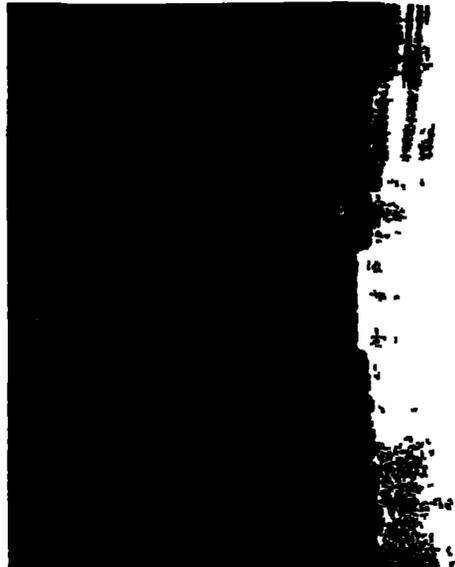
The Kerr McClellan Waterway makes possible large freight service from Tulsa to New Orleans

Interstate Highway 144 connects St. Louis (I 70) and Oklahoma City (I-40) and cuts right through KAMO Country on a north east-southwest axis. It is the most direct northeast southwest route from the industrial northeast to the booming sun belt of the southwest. We call it the "Yellow Brick

Road". Surely Dorothy was whisked out of Kansas by that tornado to find the land of Oz just southeast of her Kansas home KAMO Country

No other region of America offers more natural rivers and streams (clear clean water), recreational boating, fishing, hunting, liberally supplied with state parks and entertainment centers like the world famous Silver Dollar City at Branson, Missouri. A KAMO Cooperative White River Valley provides the power to Silver Dollar City.

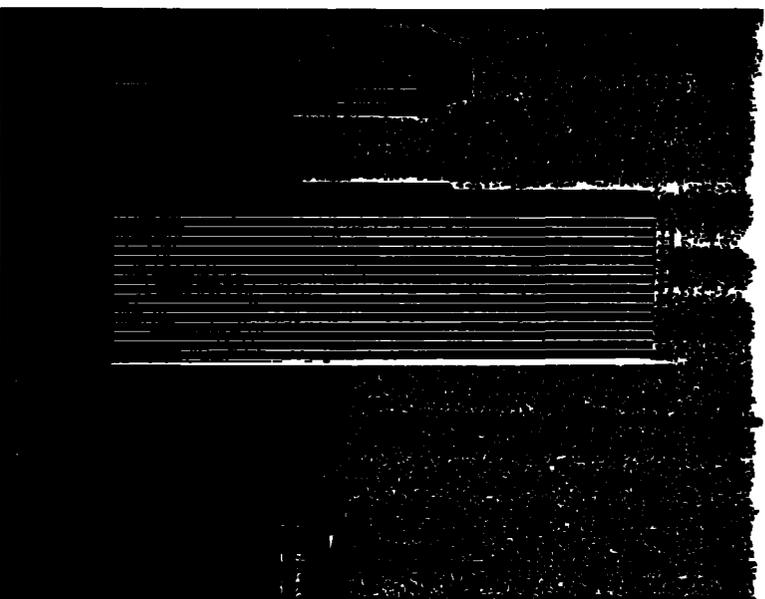
Don't miss seeing the Missouri Ozarks or Oklahoma's Green Country in the spring and fall and enjoy this clear, clean, unpolluted environment.





Our Good Neighbors, The Cities

The cities of this heartland region also add to its attractiveness. None of the cities are too large, yet the necessary few are large enough. Tulsa possesses the cultural stature of a midwest New York or Chicago noted for its Philharmonic art galleries and theater community. Springfield, Missouri next in size, is the trade center, college center and medical center of a region extending a 150 miles in all directions. It is the fastest growing city in Missouri. Stillwater, Oklahoma is the site for one of Oklahoma's major centers of learning and research, Oklahoma State University. The region is dotted with many other good solid communities, too numerous to mention that provide a less expensive comfortable life-style built upon solid values, good schools and devoid of many of the urban problems experienced by similar cities in other regions of the nation.



The KAMO System

To provide wholesale electrical service to its 17 member systems, KAMO has area offices at Cleveland and Muskogee in Oklahoma with satellite crews at Stillwater and Collinsville. Area offices in Missouri are located at El Dorado Springs, Branson, Neosho and a satellite crew at Nixa.

Crews from these area and satellite offices operate and maintain some 2300 miles of 345,000 volt, 161,000 volt, 138,000 volt and 69,000 volt transmission lines, 208 substations and a microwave telecommunications network that serves the more than 40,000 square mile system.

KAMO owns a 38 percent undivided interest in the Grand River Dam Authority (GRDA) Unit Number Two, a coal fired generation plant with a net capacity of 520,000 kilowatts located at Chouteau Oklahoma. Virtually all of KAMO's Oklahoma power generation requirements are provided by this unit plus a long term purchase contract with GRDA.

KAMO's Missouri power generation requirements are supplied by KAMO's partial ownership of Associated Electric Cooperative, Incorporated (AECI), headquartered in Springfield, Missouri. AECI is a generation and transmission wholesale power supply cooperative with a generation capacity of 2,358,000 kilowatts and interties with 17 other major power systems in the Midwest. An "all requirements" contract with AECI assures that there will always be as much power as needed to meet KAMO's needs in Missouri.

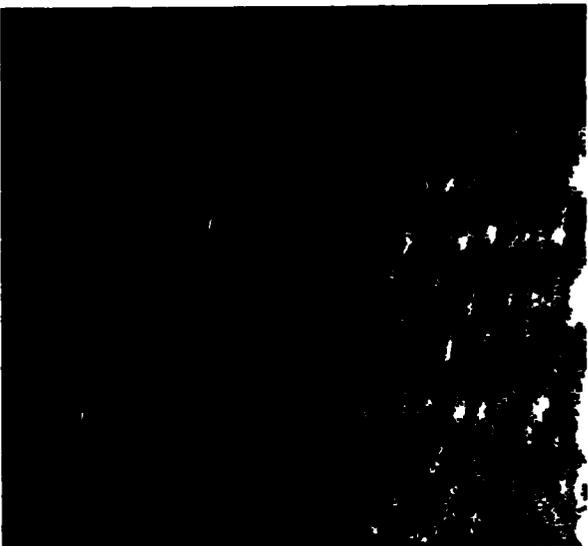
KAMO's Missouri and Oklahoma systems are interconnected with a 345,000 volt transmission line that extends from the Chouteau, Oklahoma power plant to another

1,000 line running east west across the
 le of Missouri just north of Springfield
 1 Joplin
 KAMO's peak electricity demand is
 1,000 kilowatts Total plant investment
 needs \$390 million

KAMO's Pledge

KAMO and its member cooperatives
 are committed to providing the highest quality
 service to our members. We are committed to
 the safety of our employees and the safety of
 our customers. We are committed to the
 protection of the environment. We are
 committed to the economic development of
 our communities. We are committed to
 the highest standards of financial integrity.
 We are committed to the highest standards of
 customer service.

*We work here because we want to
 live here! Come on down the Yellow
 Brick Road and visit us.*



**Come On To KAMO Country!
 We Have The Power!**

KAMO
 PO Box 577
 Vinita, Oklahoma 74301
 (918) 256 5551

The KAMO Cooperatives



... Providing
 the Power
 to Rural Oklahoma
 and Missouri



FEDERAL ELECTION COMMISSION
WASHINGTON DC 20463

December 18, 1991

Gary Voigt
KAMO Power
P.O. Box 577
Vinita, Oklahoma 74301

Dear Mr. Voigt:

This refers to your letter dated December 4, 1991, concerning the application of the Federal Election Campaign Act of 1971, as amended, to a raffle your organization wishes to hold.

You state that KAMO Power ("KAMO"), incorporated under the laws of Oklahoma, is a "rural electric cooperative" which is owned by other nonprofit cooperatives. In 1991 KAMO formed a separate segregated fund called KAMOPAC. You describe KAMO's restricted class as made up of the following: board members, 19 in number, each representing one of the member retail level cooperatives; salaried management of KAMO and managers of the member retail level cooperatives, administrative personnel, and family members of the above. You describe KAMO's nonrestricted class as all other non-salaried employees of KAMO and the family members of the above.

You state that once each year KAMO holds its annual meeting at which both the restricted and a significant portion of the nonrestrictive class attend as well as certain invited guests (media, industry VIP's etc.). You estimate that total attendance may reach 300. KAMO proposes to hold a raffle for the benefit of KAMOPAC and offering a shotgun as prize which KAMO itself will provide. It will also use the raffle as an occasion for one of the two annual solicitations of the nonrestricted class employees by mailing to each a letter in advance inviting them to support KAMOPAC by purchasing a ticket. You state that the drawing will take place at the close of the annual meeting. In describing the process by which a winner will be selected and announced you state that you view this as compromising the "anonymity" right of a contributor. The solicitation letters would explain this to a potential contributor. You ask whether KAMO proposed procedures constitute a lawful raffle under the Act and regulations.

The Act authorizes the Commission to issue an advisory opinion in response to a "complete written request" from any person with respect to a specific transaction or activity by the

Letter to Gary Voigt
Page 2

requesting person. 2 U.S.C. §437f(a). Commission regulations explain that such a request "shall include a complete description of all facts relevant to the specific transaction or activity with respect to which the request is made." 11 CFR 112.1(c).

After a preliminary review of your inquiry, this office has determined that additional information is necessary. Therefore, please provide copies of the following documents: articles of incorporation and the bylaws or similar governing documents relating to KAMO and KAMOPAC and samples of the solicitations you wish to send out concerning the raffle. Upon receiving the foregoing documents, additional questions may be necessary before this office and the Commission can give further consideration to your inquiry as an advisory opinion request.

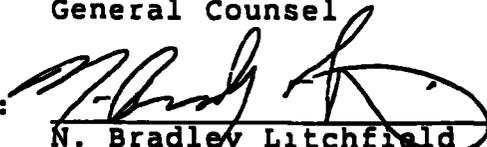
This office notes that your request raises various issues including the scope of the restricted class eligible to receive solicitations on behalf of the separate segregated fund, the limited method for making the twice-yearly solicitations of the employees, the requirement that such raffles be subject to other Federal and state statutes, and the rules regarding the division of costs between connected organization and the committee when the connected organization purchases the raffle prize. In this respect you may wish to review 11 CFR 114.5(b)(2) and (g)(1), 11 CFR 114.6 and 11 CFR 114.7. Your attention is also drawn to Advisory Opinions 1980-48 and 1981-23 which have addressed the issue of membership in a cooperative. Advisory Opinion 1989-18 has examined the solicitation questions regarding raffles, while Advisory Opinions 1991-28, 1977-56 and 1977-49 relate to solicitation procedures and anonymity issues. For your information and guidance copies of these opinions are enclosed.

If you have any questions concerning the advisory opinion process, the advisory opinions enclosed or this letter, please contact the undersigned.

Sincerely,

Lawrence M. Noble
General Counsel

BY:


N. Bradley Litchfield
Associate General Counsel

Enclosures

Advisory Opinions 1991-28, 1989-18, 1981-23, 1980-48, 1977-56
and 1977-49.

66-64034

FEDERAL ELECTION COMMISSION

92 JAN 10 AM 10:14

KAMO POWER

January 3, 1992

Mr. Lawrence M Noble
General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

92 JAN 10 PM 3:13

FEDERAL ELECTION COMMISSION

Dear Mr Noble

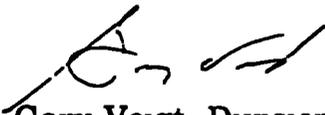
Thank you for your letter of December 18, 1991, which replied to my letter of December 4, 1991 requesting an AO on KAMO Power's proposed raffle I have enclosed the documents you requested KAMOPAC, per se, does not have articles of incorporation or bylaws It is governed (as is KAMO Power) by the action of KAMO's Board

I would also like to point out that the managers of KAMO's member systems (whom we listed as a part of the "restricted class") are so included by virtue of the fact that they serve as "alternate" board members, representing their home co-op in the absence of the regularly elected board member They have the power to vote on board decisions when acting as alternates They routinely attend our board meetings and have a role in the debate on all decisions Their attendance (by name) is noted in the minutes of all our board meetings

We are aware of the "one-third" rule as cited in AO 1989-18 In the event that the value of the donated raffle prize should exceed the total contributions by more than one-third, then KAMOPAC will reimburse KAMO Power for costs which exceed one-third of the money contributed

Thank you again for your prompt and full reply to my letter of December 4th

Sincerely,



Gary Voigt, Division Manager
Corporate Development Division

GV cll

KAMO POWER

Memorandum

To: KAMO Employees
From: B Dean Sanger
Subject: KAMOPAC RAFFLE SOLICITATION
Date:

PRELIMINARY
For Review and Discussion Only
SUBJECT TO CHANGE

A major new innovation will become part of KAMO's Annual Meeting this April 10th

KAMO's Political Action Committee (KAMOPAC) will raffle a shotgun at the 1992 Annual Meeting. Raffle tickets will be sold by _____ at a special table set up for that purpose in the hall outside our meeting room at Shangri-La. The gun to be raffled will be on display in the KAMO lobby starting about April 1st

All KAMO employees (and their immediate family) will be eligible to purchase raffle tickets. Each ticket will be \$10. No purchaser will be allowed more than four tickets (\$40 maximum).

Each ticket will represent a contribution of \$10 to KAMOPAC. These funds then become part of the KAMOPAC separate segregated fund account, which in turn may be used as a source for political contributions to candidates for the U S House of Representatives, the U S Senate or to Missouri and Oklahoma state office candidates.

Federal law affords the right of anonymity to non-salaried employees when making such contributions. For that reason no record will be maintained of raffle ticket (contribution) purchases. KAMO will not know whether or not you chose to participate. The drawing will take place as the last event in KAMO's Annual Meeting at approximately 11:45 a.m., April 10, 1992 at Shangri-La. If your ticket is drawn your right to be anonymous will be compromised to that extent, e.g., it will be known that you made at least a contribution of \$10 to KAMOPAC. All other raffle tickets will be destroyed by _____, the agency hired to conduct the raffle.

BDS:cll

92 JAN 21 PM 3:37

RECEIVED
COMMUNICATIONS

Resolution No. 5

1-10-92

Re: Election of KAMOPAC Committee to Approve Disbursement of Funds.

WHEREAS, KAMO Electric Cooperative, Inc., has established a political action fund in accordance with the Federal Election Campaign Act; such fund has been designated as KAMOPAC; and

WHEREAS, disbursements shall be made from the fund to political candidates as selected by a disbursement committee;

RESOLVED, THEREFORE, that the Board of Trustees of KAMO Electric Cooperative, Inc., do and hereby does elect Otto Waldbuesser, Bill Barnett, Raymond Scholes and B. Dean Sanger to serve as the Disbursement Committee;

which resolution, when voted upon, was declared carried.

CERTIFICATE OF ASSISTANT SECRETARY

I, Keith M Bacon, do hereby certify that I am the Assistant Secretary of KAMO Electric Cooperative, Inc , (Hereinafter called the "Cooperative"); that the above is a true and correct copy of the resolution from the original minutes entered in the minute book of the cooperative at the meeting of its Board of Trustees on January 10, 1992, that at the meeting enough members were present to constitute a quorum and acted throughout; and that the above copy of the resolution has not been rescinded or modified

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the cooperative, this 16th day of January, 1992.

Keith M Bacon

Assistant Secretary

(SEAL)

KAMO ELECTRIC COOPERATIVE, INC.

BYLAWS

Status as of April 14, 1989, after the Annual Meeting of Members held that day. The original Bylaws of KAMO were adopted by the first meeting of the Board of Trustees held May 5, 1941, following the filing of KAMO's Articles of Incorporation with the Secretary of State of the State of Oklahoma on April 15, 1941. These original Bylaws called for the Board of Trustees to be composed of five members.

At the Annual Meeting of Members held October 15, 1941, the original Bylaws were rescinded in full and new Bylaws were adopted. The principal change in the new Bylaws of October 15, 1941, was the provision that there should be one trustee per corporate member.

To date, amendments, deletions and/or additions to the Bylaws have been enacted at the following meetings:

Annual Meeting of Members held November 13, 1950
Annual Meeting of Members held November 13, 1951
Special Meeting of Members held May 14, 1956
Annual Meeting of Members held October 12, 1964
Annual Meeting of Members held October 11, 1965
Annual Meeting of Members held October 10, 1969
Annual Meeting of Members held October 12, 1973
Annual Meeting of Members held April 9, 1976
Annual Meeting of Members held April 11, 1980
Annual Meeting of Members held April 10, 1987
Annual Meeting of Members held April 8, 1988
Annual Meeting of Members held April 14, 1989

In the following, the date or dates when particular Sections or Articles have been amended or added is noted at the bottom of the page on which such Section or Article appears.

BYLAWS

KAMO ELECTRIC COOPERATIVE, INC.
(Hereinafter called the "Cooperative")

ARTICLE I
Members and Membership

Section 1. Qualifications and Obligations. Except for the incorporators, all persons, firms, corporations or bodies politic shall be eligible for membership in the Cooperative upon:

- (a) Paying a membership fee as hereinafter provided;
- (b) Agreeing to comply with and be bound by the Articles of Incorporation of the Cooperative and these Bylaws and any amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Trustees;

provided, however, that no such person, firm, corporation or body politic shall become a member of this Cooperative unless and until he has been accepted for membership by the Board of Trustees or by the members of the Cooperative. At each meeting of the members held subsequent to the expiration of a period of six months from the date of incorporation of the Cooperative, all applications received more than ninety days prior to such meeting and which have not been accepted by the Board of Trustees shall be submitted by the Board of Trustees to such meeting of the members, and subject to the compliance by the applicant with the conditions set forth in subdivisions (a) and (b) of this Section, such application for membership may be accepted by a vote of the members at such meetings.

The incorporators shall cease to be members immediately after the adjournment of the first annual meeting of the members of the Cooperative if five or more additional members have been accepted into membership.

Section 2. Membership Fee. The membership fee shall be fixed at the sum of one hundred dollars

Section 3. Non-Liability for Debts of the Cooperative
The property of the members of the Cooperative shall be exempt from execution for the debts of the Cooperative, and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

Section 4. Withdrawal of Membership. Any member may, by giving not less than six months written notice of its intention so to do, voluntarily withdraw from membership in the Cooperative on payment in full of all its debts and obligations to the Cooperative and on compliance with the performance of all contracts of such member with the Cooperative; provided, however, that any corporate member may, upon not less than thirty days notice given within one month after the first meeting of its members following its admission to membership in the Cooperative, withdraw from membership and shall thereupon be entitled to receive a refund of the membership fee.

Section 5. Transfer of Membership. Membership in the Cooperative and certificates representing such membership shall not be transferred, except that membership may be vested in a corporate successor to a member corporation provided the successor is eligible to membership. Upon the cessation of existence, expulsion or withdrawal of a member, the membership of such member shall be surrendered forthwith to the Cooperative; provided, however, that any membership which is transferred by a present member shall be approved by the Board of Trustees of this Cooperative before such successor shall be eligible to membership in this Cooperative.

Section 6 Expulsion of Members The Board of Trustees of the Cooperative may, by the affirmative vote of not less than two-thirds of the members thereof, expel any member who shall have violated or refused to comply with any of the provisions of the Articles of Incorporation of the Cooperative or these Bylaws or any rules or regulations adopted from time to time by the Board of Trustees. Any member so expelled may be reinstated as a member by a vote of the members at any annual or special meeting of the members. The action of the members with respect to any such reinstatement shall be final.

Section 7. Effect of Termination of Membership.
Termination of membership in any manner shall not release the member from the debts or liabilities of such member to the Cooperative.

ARTICLE II
Meetings of Members

Section 1. Annual Meeting. The annual meeting of the members shall be held on the first Thursday in October of each year beginning with the year 1942, excepting, however, that it be provided that beginning with the year 1956 such annual meeting of the members shall be held on the second Monday in October of each year, provided further that beginning in the year 1970 and thereafter, such annual meeting of the members shall be held on such day in the month of October as shall have been designated therefor by the Board of Trustees; provided further that beginning in the year of 1974 and thereafter, such annual meeting of the members shall be held on such day in the month of April as shall have been designated therefor by the Board of Trustees, at such time and place in the State of Oklahoma as shall be designated in the notice of the meeting, for the purpose of electing trustees, passing upon reports covering the previous fiscal year and transacting such other business as may come before the meeting. If the election of trustees shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Trustees shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

Section 2. Special Meetings. Special meetings of the members may be called by the President, by the Board of Trustees, or by at least thirty percentum (30%) of all the members; and it shall thereupon be the duty of the Secretary to cause notice of such meetings to be given as hereinafter provided. Special meetings of the members may be held at any place within the State of Oklahoma specified in the notice of the special meeting.

Section 3. Notice of Members' Meeting. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered to each member not less than ten days nor more than twenty-five days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary or the persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, in a sealed envelope, addressed to the member at its address as it appears on the records of the

Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

Section 4. Quorum. The presence of individual members and representatives of corporate members, selected as provided in Section 5 of this Article II, representing at least one-half of the total number of the members of the Cooperative, shall constitute a quorum for the transaction of business at all meetings of the members, provided, that if less than one-half of the total number of the members are represented at any such meeting, a majority of the said members present may adjourn the meeting from time to time without further notice.

Section 5. Voting. Each member shall be entitled to one vote and no more upon each matter submitted to a vote at the meeting of the members. At all meetings of the members at which a quorum is present, all questions shall be decided by law, the Articles of Incorporation of the Cooperative or the Bylaws. There shall be no voting by proxy or by mail. The vote of each corporate member shall be cast by a duly authorized representative who must be a member of the Board of Trustees of such corporate member. If the representative is not present at any meeting, the vote of such corporate member shall be cast by a duly authorized alternate representative who must be a member of the board of trustees or the manager of such corporate member. At all meetings of the members, each corporate member shall be entitled to have both a representative and an alternate representative present. Each corporate member shall file with the Secretary of the Cooperative an instrument in writing executed by the president or vice-president and secretary of such member under its corporate seal, stating the names of its representative and alternate representative and certifying that such representative and alternate have been appointed in accordance with the resolution duly adopted by its board of trustees. Each corporate member may at any time by resolution of its board of trustees terminate the appointment of its representative or alternate, and it shall thereupon notify the Cooperative of such action by an instrument in writing executed by its president or vice-president and secretary under its corporate seal. If a corporate member has no duly qualified representative or alternate, the president of such member may represent and cast the vote of such member; provided, however, that before representing and casting the vote of any such member at any meeting, he shall file with the Secretary of the Cooperative an instrument in writing

executed by the secretary of such member under its corporate seal certifying that he is president of such member. The representative or alternate or president of each corporate member shall be deemed authorized to vote as he sees fit on all matters submitted to a vote of the members of the Cooperative; unless such member shall, by an instrument in writing executed by its president and secretary under its corporate seal pursuant to a resolution duly adopted by its board of trustees, specifically limit the voting power of such representative or alternate or president. Nothing contained in this Section shall be construed to grant to any member more than one vote or to affect in any manner whatsoever the validity of any action taken at the meeting of the members.

Section 6. Order of Business. The order of business at the annual meeting of the members, and so far as possible at all other meetings of the members, shall be essentially as follows.

1. Ascertaining that a quorum is present.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of the unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of, and acting upon, reports of officers, trustees and committees.
5. Election of officers.
6. Unfinished business.
7. New business
8. Adjournment.

ARTICLE III
Trustees

Section 1. Number and General Powers. The business and affairs of the Cooperative shall be managed by a Board of Trustees which shall exercise all of the powers of the Cooperative except such as are by law or by the Articles of Incorporation of the Cooperative or by these Bylaws conferred upon or reserved to the members. The number of trustees shall equal the number of corporate members of the Cooperative.

Section 2. Qualifications and Tenure. The persons named as the trustees in the Articles of Incorporation shall continue in office until the first annual meeting of the members, or until their successors shall have been elected and shall have qualified. At each annual meeting of the members, beginning with the year 1941, trustees shall be elected by ballot, by the members, to serve until the next annual meeting of the members or until their successors shall have been elected and shall have qualified. Each corporate member shall be entitled to one representative on the Board of Trustees. No person shall be eligible to be elected and act as a trustee of this Cooperative unless such person is a duly elected and acting member of the board of trustees of the member cooperative. No person shall be eligible to be elected and act as an alternate representative of the member cooperative on the Board of Trustees of this Cooperative unless such person is a member of the board of trustees or the manager of such member cooperative. Nothing in this Section contained shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Trustees.

Section 3. Vacancies. Subject to the provisions of Section 4 of this Article III, any vacancy occurring on the Board of Trustees, whether by death, removal, resignation or disqualification of a trustee or by increase in the number of trustees, or otherwise, shall be filled by the board of trustees of the member cooperative and elected by a majority vote of the Board of Trustees of this Cooperative; and any trustee thus elected shall serve until the next annual meeting of the members or until his successor shall have been elected and shall have qualified.

Section 4. Removal of Trustees by the Cooperative.

Any member may bring charges against an officer or trustee by filing them in writing with the Secretary together with a petition signed by thirty percentum (30%) of the members, requesting the removal of the officer or trustee in question. The removal shall be voted upon at the next regular or special meeting of the members, and any vacancy created by such removal may be filled by the members at such meeting. The trustee or officer against whom such charges have been brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence, and the person or persons bringing the charges against him shall have the same opportunity.

Section 5. Compensation of Trustees. By resolution of the Board of Trustees, a fixed sum and the expenses of attendance, if any, may be allowed the trustees for attendance at each meeting of the Board of Trustees. Similarly, by resolution of the Board of Trustees, a fixed sum and the expenses of attendance, if any, may be allowed a trustee or trustees chosen by the Board of Trustees to represent the Cooperative at State and National meetings, at Institutes, and at all other meetings where attendance of a member or members of the Board of Trustees is considered necessary in conducting the business of the Cooperative.

Nothing herein shall be construed to authorize the payment by the Cooperative of the expenses of attendance of individual members, representatives or alternate representatives or presidents of corporate members, for attendance at any meetings of the members. Except in emergencies, no trustee shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a trustee receive compensation for serving the Cooperative, unless such compensation shall be specifically authorized by a vote of the members.

Section 6. Rules and Regulations. The Board of Trustees shall have the power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation of the Cooperative or these Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

Section 7. Accounting System and Reports. The Board of Trustees shall cause to be established and maintained a complete accounting system which, among other things, subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting

system as may from time to time be designated by the Administrator of the Rural Electrification Administration of the United States Department of Agriculture. All accounts of the Cooperative shall be examined by a committee of the Board of Trustees which shall render reports as directed by the Board, but not less often than annually. The Board of Trustees shall also, after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books, and financial condition of the Cooperative as of the end of such fiscal year. Such audit report shall be submitted to the members at the following annual meeting.

Section 8. Indemnification of Trustees. The Cooperative shall indemnify and hold harmless each member of the Board of Trustees, or any alternate acting on behalf of a trustee, against any cost, claim, liability, damage or expense as to any Third Party or any member of the Cooperative which arises out of any action or omission of such trustee or alternate trustee undertaken in good faith on behalf of the Cooperative; provided that such indemnification shall not be provided where the action or omission of the trustee or alternate trustee constitutes fraud, dishonesty, forgery, embezzlement or other criminal violation, an intentional tort or gross recklessness. The Cooperative is authorized to assume the defense of any proceeding for which a trustee or alternate trustee is to be indemnified pursuant to this Section and is authorized to pay the costs of defense including reasonable attorneys fees.

ARTICLE IV Meetings of Trustees

Section 1. Regular Meetings. A regular meeting of the Board of Trustees shall be held without notice other than this Bylaw, immediately after, and at the same place as, the annual meeting of the members. Regular meetings of the Board of Trustees shall also be held at such time and place as the Board of Trustees may provide by resolution. Such regular meetings may be held without notice other than such resolution fixing the time and place thereof.

Section 2. Special Meetings. Special meetings of the Board of Trustees may be called by the President or any three (3) trustees. The person or persons authorized to call special meetings of the Board of Trustees may fix the time and place for the holding of any special meeting of the Board of Trustees called by them.

Section 3. Presence of Persons other than Trustees.
At all regular and special meetings of the Board of Trustees, the duly authorized representatives or alternate representatives, or in their absence the presidents of the corporate members, shall be entitled to be present and have a voice in the proceedings; provided, however, that only the trustees of the Cooperative shall be entitled to a vote and in the absence of any such trustee the duly elected alternate representative of the member cooperative on the Board of Trustees shall be entitled to vote.

Section 4. Notice. Notice of the time, place and purpose of any special meeting of the Board of Trustees shall be given at least five (5) days previous thereto, by written notice, delivered personally or mailed to each trustee and to each individual member at his last known address and to each corporate member at its principal place of business. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid.

Section 5. Quorum. A majority of the Board of Trustees shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees; provided, that if less than a majority of the trustees are present at said meeting, a majority of the trustees present may adjourn the meeting from time to time without further notice.

Section 6. Manner of Acting. The act of the majority of the trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees.

ARTICLE V Officers

Section 1. Number. The officers of the Cooperative shall be a president, vice-president, secretary and treasurer assistant secretary, and such other officers as may be determined from time to time by the Board of Trustees. The offices of Secretary and of Treasurer may be held by the same person.

Section 2.1. Election and Term of Offices. The President, Vice-President, and Secretary and Treasurer shall be elected annually by and from the Board of Trustees at the first meeting of the Board of Trustees held after each annual meeting of the members. If the election of the said officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. The said officers shall hold office until the first meeting

of the Board of Trustees following the next succeeding annual meeting of the members or until their successors shall have been duly elected and shall have qualified. No person shall continue to hold any of the said offices in the Cooperative after he shall have ceased to be a member of the Board of Trustees.

Section 2.2. Appointed Officers. The appointed officers of the Cooperative shall be an Executive Vice President, Assistant Secretary and such other officers as the Board of Trustees shall deem necessary or advisable. All appointed officers shall be appointed by the Board of Trustees. Appointed officers shall not be required to be a member of the Board of Trustees, but shall be an employee of the Cooperative. Whenever an officer is appointed and the duties of such office are not set forth in this Article V, the Board of Trustees shall prescribe the powers and duties thereof.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Trustees may be removed by the Board of Trustees whenever in its judgment the best interests of the Cooperative would be served thereby.

Section 4. Vacancies. Except as otherwise provided in these Bylaws, a vacancy in any office may be filled by the Board of Trustees for the unexpired portion of the term.

Section 5. President. The President:

- (a) Shall preside at all meetings of the members and of the Board of Trustees;
- (b) Shall sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by the Board or the members, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board 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 from time to time.

Section 6. 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 subject 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 Trustees.

Section 7. Secretary. The Secretary:

- (a) Shall keep the minutes of the meetings of the members and of the Board of Trustees in one or more books provided for that purpose;
- (b) Shall see that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) Shall be custodian of the corporate seal and of the corporate records 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.
- (d) Shall keep a register of the post office box address of each member which shall be furnished to each individual member and to the secretary of each corporate member;
- (e) Shall sign with the President, certificates of membership, the issuance of which shall have been authorized by resolution of the Board of Trustees,
- (f) Shall have general charge of the books of the Cooperative in which a record of the members is kept;
- (g) Shall keep in file at all times a complete copy of these Bylaws of the Cooperative containing all amendments thereto which copy shall always be open to the inspection of any

member, and at the expense of the Cooperative forward a copy of these Bylaws and of all amendments thereto to each member; and

- (h) Shall in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Trustees.

Section 7.1. Assistant Secretary. The Assistant Secretary may perform the duties of the Secretary, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Secretary. The Assistant Secretary shall perform such other duties as may from time to time be assigned by the Board of Trustees.

Section 8. Treasurer The Treasurer:

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

Section 9 Executive Vice President. The Executive Vice President

- (a) Shall be the chief executive officer and general manager of the Cooperative.
- (b) May sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board 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 shall perform all duties incident to the general management and control over the Cooperative's operations, all duties of the Manager heretofore prescribed by the Board of Trustees, and such other duties as may be prescribed by the Board of Trustees from time to time.

The Board of Trustees may prescribe categories or types of major corporate actions for which the Executive Vice President, in otherwise performing duties as chief executive officer and general manager, must obtain prior approval or subsequent ratification by the Board of Trustees.

Section 10. Bonds of Officers. The Board of Trustees shall require the Treasurer, or any other officer or employee of the Cooperative charged with responsibility for the custody of any of its funds or property, to give bond to such sum and with such surety as the Board of Trustees shall determine.

Section 11 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.

Section 12. Indemnification of Officers. The Cooperative shall indemnify and hold harmless the Officers and Employees of the Cooperative, against any cost, claim, liability, damage or expense as to any Third Party or any member of the Cooperative which arises out of any action or omission of such Officer or Employee undertaken in good faith on behalf of the Cooperative; provided that such indemnification shall not be provided where the action or omission of the Officer or Employee constitutes fraud, dishonesty, forgery, embezzlement or other criminal violation, an intentional tort or gross recklessness. The Cooperative is authorized to assume the defense of any proceeding for which an Officer or Employee is to be indemnified pursuant to this Section and is authorized to pay the costs of defense including reasonable attorneys fees.

ARTICLE VI Contracts, Checks and Deposits

Section 1. Contracts. Except as otherwise provided in these Bylaws, the Board of Trustees may authorize any officer or officers, agent or agents, employee or employees 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 confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, and all notes or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, or employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

Section 3. Deposits. All funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board of Trustees may select.

ARTICLE VII Waiver of Notice

Any member or trustee may waive, in writing, any notice of meetings required to be given by these Bylaws. The attendance of any person entitled to notice of a meeting at such meeting shall constitute a waiver of notice of such meeting, unless such person shall attend therein solely in order to object to the transaction of any business because the meeting has not been legally called.

ARTICLE VIII 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

- (a) In the furnishing of electric energy, the Cooperative's operations shall be so 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 the patrons as 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 credited 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.

- (b) All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (1) used to offset any losses incurred during the current or any prior fiscal year, and (2) to the extent not needed for that purpose, allocated to its patrons on a patronage basis, and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided.
- (c) In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Trustees shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then

credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired.

- (d) Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions 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 Trustees, acting under policies of general application, shall determine otherwise.
- (e) Notwithstanding any other provision of these Bylaws, the Board of Trustees, at its discretion, shall have the power at any time upon the death of any patron, if legal representatives of his estate shall request in writing that the capital credited 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 Trustees, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon, provided, however, that the financial condition of the Cooperative will not be impaired thereby.
- (f) 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 the 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.

ARTICLE IX
Disposition of Property

The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a duly held meeting of the members thereof by the affirmative vote of not less than two-thirds (2/3) of all of the members of the Cooperative; and unless the notice of such proposed sale, mortgage, lease, or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, or any other provisions of law, the Board of Trustees of the Cooperative, without authorization by the members thereof, shall except when prohibited by law, have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated as well as the revenues and income therefrom all upon such terms and conditions as the Board of Trustees shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof, or to any corporation or financial institution authorized to assist in the credit and financial needs of rural electric cooperatives.

ARTICLE X
Fiscal Year

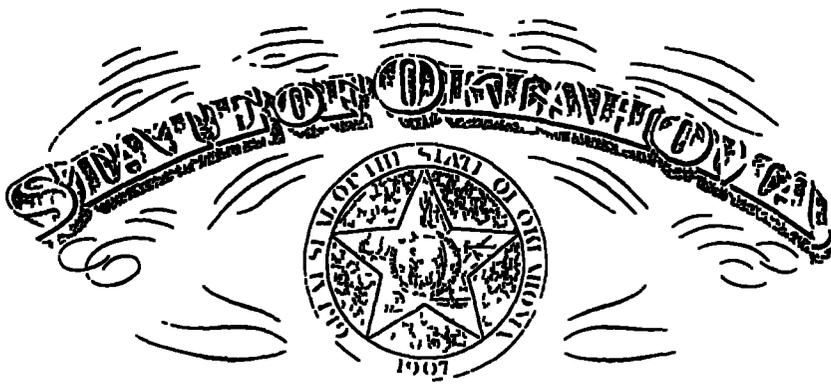
The fiscal year of the Cooperative shall begin the first day of January of each year and end on the thirty-first day of December of the same year.

ARTICLE XI
Seal

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Oklahoma."

ARTICLE XII
Amendments

These Bylaws may be altered, amended or repealed by the members of the Cooperative at any regular or special meeting, provided that notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal. After any alteration, amendment or repeal of these Bylaws has been adopted, all members shall be notified of such action as soon as is conveniently possible

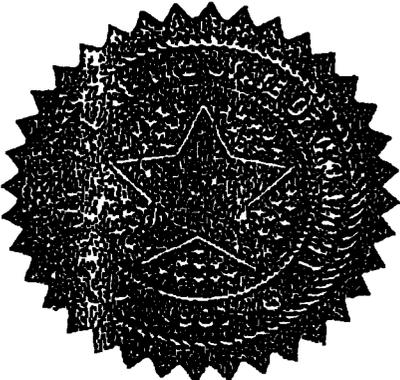


OFFICE OF SECRETARY OF STATE

To all to whom these presents shall come, Greeting:

P. C. CHILDERS, Secretary of State of the State of Oklahoma
do hereby certify that the following and hereto attached is a true copy of

ARTICLES OF INCORPORATION
OF
KAMO ELECTRIC COOPERATIVE, INC
Vinita, Oklahoma



Witness my hand and seal at the
_____ day of
JANUARY 15 1942

P. C. Childers
SECRETARY OF STATE

ASST. SECRETARY OF STATE

Board of Trustees of the Cooperative are:

<u>Names</u>	<u>Addresses</u>
J Albert Clausen,	Girard, Kansas
Howard E Freeman,	Adair, Oklahoma
Frank A. Dawes,	Hollister, Missouri
E H Looney,	Avottsville, Kansas
" W Mosely,	Bartlesville, Oklahoma, P.O. #2.

WITNESSES

The Cooperative will submit any difference it may have in reference to labor, to arbitration, as shall be provided by law

In WITNESS WHEREOF we have set our hands this 11th day of April, 1941

- _____ W S Warner
- _____ W S Vostle
- _____ Howard E Freeman
- _____ Afton Mueller
- _____ Frank A. Dawes
- _____ W E Filmore
- _____ J W Moore
- _____ J G Williams
- _____ L H Vatsell
- _____ J Albert Clausen
- _____ S L

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W S WARREN, J W WILLIAMS, J W MOORE, I W VANCE, L H VANCE, W E FILMORE, G E HARRIS, H L VANCE, and S L

to me known to be the identical persons who executed the above and foregoing instrument of writing and did acknowledge to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth

IN WITNESS WHEREOF, I have hereunto set my hand and official seal as of the day and year first above written

Jack L. Karschack
Notary Public

(S AL)

My commission Expires Feb 6, 1942

No 103378

ARTICLES OF INCORPORATION
OF
KAMO Electric
Cooperative, Inc
Vinita, Okla

SECRETARY'S MEMORANDUM
OKLAHOMA CITY, STATE OF OKLAHOMA
SECRETARY'S OFFICE

This instrument was filed for record this
15 day of April, A. D. 1941 at 2 o'clock P. M.
Recorded in Corporation Record No 278 at page 215

C. C. Childers
Secretary of State

By J. H.
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DEPARTMENT OF STATE
STATE OF OKLAHOMA
OKLAHOMA CITY

ARTICLES OF INCORPORATION

TO ALL TO WHOM THESE PRESENTS SHALL COME GREETING

It is hereby certified that W S Warner, Muskogee, Oklahoma,
W H Moseley, Bartlesville, Oklahoma, Howard E Freeman, Fair,
Oklahoma, Afton Wheeler, Huntsville, Arkansas, Frank A Dales,
Hollister, Missouri, J H Killgore, Van Buren, Arkansas, J. E
Murray, Ash Grove, Missouri, J G Williams, Ridley, Oklahoma,
L H. Yates, Jr., Neosho, Missouri, J Albert Clausen, Girard,
Kansas, G W Leker, Lamar, Missouri, E F Looney, Fayetteville,
Arkansas have filed Articles of Incorporation in this office
containing the required statement of facts necessary to form a
corporation under the Rural Electric Cooperative Act, Senate
Bill No 141 of the Seventeenth Legislature to be known as
KAMO ELECTRIC COOPERATIVE, INC. with no capital stock and with
its principal place of business at VINITA, OKLAHOMA.

This certificate is issued subject to the following Constitu-
tional requirements That the corporation to which it is issued,
will submit any differences it may have to the people as a re-
ference to laws to constitute a corporation.



Witness my hand and seal
this 1st day of November 1941
Secretary of State

KAMO POWER

02 FEB 24 - AM 11:14 3

February 20, 1992

Mr Lawrence M Noble
General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Dear Mr Noble

AOR 1992-09

This letter is in response to a telephone call from Mr Marinelli on February 6th

Board and Management

KAMO power is what is known as a 'generating and transmitting" (G&T) rural electric cooperative. We generate the power and move it ("bulk" or "wholesale") to 17 "distribution" systems who sell the power at the local level---"retail". They are the ones who connect through the meter in the home to the ultimate consumer/member. That local consumer is a "member" of that local co-op.

The way the rural electric community has evolved, a G&T plus its distribution (member) systems in fact constitute one family. "Family" is the unofficial word we often use to describe our whole system, generation-transmission-distribution. In the private (profit making) electric industry that same system normally constitutes one company, like VEPCO there in northern Virginia or Potomac Electric there in Maryland.

The main difference is that KAMO and its member-system cooperatives are tied together by a membership/ownership relationship. ***KAMO is owned by the 17 member systems to whom we sell our wholesale power.*** Thus, each member co-op sends to us one board member who is selected from among the 8 or 9 board members of that cooperative. In addition, that cooperative's "manager" or "general manager" is assigned to us as the "alternate board member". As previously described, that manager is an integral part of our board meeting process. Our board meets once each month at the KAMO headquarters. The board members are paid (by KAMO) a small stipend (plus travel expenses) when they are at the KAMO

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Mr Lawrence M Noble

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February 20, 1992

board meeting or doing KAMO business. The alternate also may be paid a stipend plus travel expenses when he/she is acting in KAMO's business.

The KAMO board, then, hires KAMO's general manager/CEO. He in turn hires KAMO's staff including the management level. The board sets policy. The CEO carries out the board's policies and is responsible for the day-to-day activities. All of this is fully documented in the minutes of the board meetings, including the names of those in attendance at each meeting.

Some of KAMO Power's generation requirement is obtained via KAMO's part ownership of Associated Electric Cooperative, headquartered in Springfield, Missouri. Associated, too, is a G&T cooperative. It is owned by KAMO and 5 other G&Ts similar to KAMO. So the "family" extends "up" from KAMO as well as down. For that reason, the President of Associated also sits as a member of KAMO's board. That is the eighteenth board member.

Number nineteen is Mr Johnnie King of Arkansas Valley Electric Cooperative. That cooperative was one of KAMO's original members. Since that time, however, they have ceased to obtain their wholesale power from us. But they have chosen to retain their membership against the possibility that they will want to resume wholesale purchases from us in the future. A cooperative (or any power company for that matter) may obtain its power from more than one generating source.

We consider all of the above board (and alternate) members as part of the "restricted" class for our PAC. To that, we add all of KAMO's salaried employees. (We understand that we also may add those secretaries or clerical persons who are not salaried, but do function in direct support of "management.")

That leaves about 100 employees who are not salaried and who do not function as secretarial support to management. (As noted in earlier correspondence, KAMO is non-union.) They are the unrestricted class whom we wish to include in our raffle as the occasion of one of the twice yearly allowable "solicitations."

The Raffle

We consider (1) that CEO's letter is the solicitation, and (2) that the employee's decision to "contribute" (or purchase a chance) will occur over a period of time.

The employees are not likely to decide about participating in the raffle until they have had an opportunity to at least *see the prize*.

Mr Lawrence M Noble
Page 3
February 20, 1992

We could mail the raffle tickets with the solicitation letter (as you suggested) but we don't feel that will motivate the average employee one way or another until he/she sees the rifle and then decides whether or not he/she wants to "take a chance " In the employee's view, this is clearly a raffle or prize situation, not a contribution---even though we make it clear to him/her (as we do) in the solicitation letter that it is a political contribution

We anticipate that it is more likely that the typical employee will wait until he is at the annual meeting before he makes up his mind Then he will walk up to the table (manned by the outside "third party") and put his \$10 or so on the table for a drawing which is going to take place that day

We could consider waiting until the day of the annual meeting and do the entire solicitation that day But the law clearly seems to require us to put it in writing, through the mail to the employee's home in advance Thus our approach has been an attempt to do just that This will give the employee an opportunity to make up his/her mind from the time he/she receives the announcement of the raffle right up to the closing of the drum sometime on the morning of the annual meeting The drum would be located there on the table that is being manned by the outside "third party " We have in mind asking one of the local banks or accounting firms to handle that for us

You can also see that this is a very positive "fun" way to promote the political contribution process And it will be a "nice " additional event for our annual meeting I have attended political fund raising events (barbecues, etc) of a similar nature in this part of the country---usually sponsored by the candidate s fund raising organization It seems to us that we ought to be able to do the same for our employees

Sincerely,



Roy L Beavers, Manager
Communication & Legislative Liaison

RLB ell