

Bylaw Change Proposals

Respectfully recommended by the Bylaws Committee and submitted by the Board of Directors for inclusion on the 2023 MEA Ballot for vote by the membership.

Bold Italic Text = Recommended Additions

~~Crossed Through Text = Recommended Deletions~~

1. **Allow former member debt to be offset with Capital Credits at the Board's discretion.**

Change Article VII, Section 2, H through K to read:

- h) Notwithstanding any other provisions of these Bylaws, the Board, at its discretion, shall have the power at any time upon the death of any patron, to retire capital credited to the patron immediately upon such terms and conditions as the Board, acting under policies of general application, ~~and the legal representative of the patron's estate shall agree upon,~~ provided:
 - 1. the patron was an individual (or, if as provided in the preceding paragraph, upon the death of an assignee, who was an individual, of the capital credits of a patron); and
 - 2. the legal representative of the estate ~~shall~~ **has** requested in writing that the capital credited or assigned, as the case may be, to any such patron be retired prior to the time that the capital would otherwise be retired under the provisions of these Bylaws; and
 - 3. that the financial condition of the Association will not be impaired thereby; and
 - 4. that the patron, assignor and assignee are current in their obligations to the Association. In the event either patron, assignor or assignee are not current in their obligations, the Association shall first apply any payment to pay those obligations owed to the Association.
- i) After retiring, and before paying capital credits allocated to a patron or former patron, the Association shall recoup or offset any amount owed to the Association by the patron or former patron by reducing the amount of retired capital credits due to the patron or former patron by the amount owed until it is paid in full or all available capital credits have been credited to the amount owed.
- j) ***Notwithstanding any other provisions of these Bylaws, the Board, at its discretion, shall have the power at any time after a former patron becomes delinquent in any amounts owed, to retire capital credited to the former patron immediately to satisfy amounts owed the Association, upon such terms and conditions as the Board, acting under policies of general application, shall determine. If the Association retires capital credits***

of a delinquent former patron to satisfy amounts owed the Association, such retirement shall be made only to the extent necessary to satisfy the obligations owed to the Association.

- k) j) The patrons of the Association, by dealing with the Association, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Association and each patron, and both the Association 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.

Justification: This amendment would allow the MEA Board to offset the debt of former patrons with unpaid capital credits early. Currently this process generally occurs when an estate seeks early retirement of capital credits. The proposed bylaw amendment would allow MEA to initiate an internal accounting process to retire past due amounts from a former patron known to be uncollectible upon MEA's own initiative. This will allow MEA to clear bad debt off the books rather than waiting to offset bad debts many years later as part of a general capital credit retirement.

2. Adding definition of "Patron."

Change Article VII, Section 1 to read:

The Association shall be operated on a cooperative nonprofit basis for the mutual benefit of its patrons (**see Article XIII, Definitions**). No interest or dividends shall be paid or payable by the Association on any capital furnished by its patrons.

Change Article XIII to read:

Patron: means (1) a member as defined in Article I; and (2) any other Person using electric service to whom the Association is obligated to allocate capital credits, which obligation existed before the Association received payment for the electric service.

Justification: This amendment adds a cross reference and the new definition of "Patron" to Article XIII. The definition of patron is consistent with the existing Bylaws and applicable law. Putting the definition in the Bylaws will make it easier to understand the meaning of the currently undefined term "patron."

3. Amending the definition of a member in “Good Standing.”

Change Article XIII – “Good Standing” definition to read:

Good Standing: means a member that is not delinquent in payment of bills or other amounts due to the Association under the provisions of the Association’s tariff or of any written agreement with the Association, and has not been delinquent **more than once** during the prior **two (2)** ~~three (3)~~ years.

Justification: This amendment is necessary because the current Bylaw language does not allow a member that has been delinquent in the past three years to qualify to be on the Board of Directors. This amendment would allow a member that has only been delinquent once to be considered in good standing and able to run for the Board of Directors and provides consideration for those who may have been delinquent due to some unforeseen issue or a change in their account information such as a credit card expiring.

4. Recognizing Tribal government in “Entity” definition.

Change Article XIII – Entity definition, Section C, to read:

Entity: means, whether domestic or foreign:

(c) local, regional, **tribal**, state, federal, or national government, including an agency or division of a government.

Justification: This amendment formally recognizes that MEA has tribal governments and organizations within its service territory that should be specifically recognized among the government agencies in the “entity” definition. Such organizations are already eligible for MEA membership, but this amendment recognizes their unique legal status.