



# Articles of Incorporation & Bylaws of the Minnesota Rural Electric Association

11640 73rd Avenue North  
Maple Grove, MN 55369

p. 763-424-1020  
f. 763-424-5820

[info@mrea.org](mailto:info@mrea.org)  
[www.mrea.org](http://www.mrea.org)

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*Articles of Incorporation & Bylaws online: <http://www.mrea.org/mrea-services/>*

# Articles of Incorporation of the Minnesota Rural Electric Association

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We, the undersigned persons of full age, acting for ourselves as agents of cooperative associations for the purpose of forming a cooperative association under and pursuant to the provisions of Chapter 326, Laws of Minnesota, 1923, and Laws amendatory thereof and supplemental thereto, do hereby associate ourselves as a body corporate and adopt the following Articles of Incorporation:

## Article I

**Section 1.** The name of this Association shall be MINNESOTA RURAL ELECTRIC ASSOCIATION.

**Section 2.** The conduct of the business of this Association shall be upon the cooperative plan. The general nature of its business and purpose or purposes for which it is formed are to act as an agency through which its members can take such action or conduct such programs as are from time to time authorized and assigned to it; to promote and provide a medium for unity of efforts and exchange of ideas among cooperative associations engaged in the distribution or generation of electricity; to make available information and services for, and encourage the conduct of, electric cooperatives so that they promote the welfare of the communities and areas which they serve and so that they establish and apply management principles and practices to continually assure efficient and economical performance; to create and maintain amicable relations with the legislature and legislators and governing regulatory agencies in order to promote and protect the welfare of its members and to represent its members in legislative matters when duly authorized; to acquire, use and dispose of real and personal property.

The enumeration of the foregoing powers shall not be held to limit or restrict in any manner the general powers of this Association. This Association shall be authorized to exercise and enjoy all powers, rights and privileges granted to or conferred upon associations of the character of this Association by the Laws of the State of Minnesota now or hereafter in force.

**Section 3.** The principal place of transacting the business of this Association shall be in St. Paul, County of Ramsey, State of Minnesota, or such other place or places as the Board of Directors may determine.

## Article II

The period of duration of this Association shall be perpetual.

## Article III

**Section 1.** This shall be a non-profit non-stock cooperative association. The property rights and interests of each member shall be equal. Any cooperative association composed of consumers and users of electricity may be admitted to membership upon payment of the membership fee and by complying with the terms and conditions of the bylaws of the Association. In addition, the Board of Directors may establish a class or classes of nonvoting, associate members upon such terms and conditions, as it deems appropriate.

**Section 2.** The net income (which does not refer to dues collected from its members) of this Association, except such amounts as are required to be set aside as a reserve fund or permanent

surplus or may be set aside by the vote of the members of the Association available for distribution among its members shall be distributed only on the basis of patronage.

## Article IV

(Deleted by the membership at their annual meeting on February 21, 1986.)

## Article V

The names and places of residence of the incorporators of this Association are:

NAME		RESIDENCE
1.	A. P. Zschetzsche, Agent of Brown County Rural Electric Association,	Sleepy Eye, Minnesota
2.	Matt O. Wilson, Agent of Lake Country Power,	Kettle River, Minnesota
3.	Elmer Jacobson, Agent of Goodhue County Cooperative Electric Association,	Kenyon, Minnesota
4.	John Phillips, Agent of Lyon-Lincoln Electric Company,	Marshall, Minnesota
5.	I. J. Clinton, Agent of Meeker Cooperative Light and Power Association,	Watkins, Minnesota
6.	O. W. Mueller, Agent of Minnesota Valley Electric Cooperative,	Prior Lake, Minnesota
7.	E. L. Smith, Agent of Minnesota Valley Cooperative Light & Power Association,	Montevideo, Minnesota
8.	Ancher Nelsen, Agent of McLeod Cooperative Power Association,	Hutchinson, Minnesota
9.	Frank Keller, Agent of Nobles Cooperative Electric,	Slayton, Minnesota
10.	P. J. E. Peterson, Agent of South Central Electric Association,	Truman, Minnesota
11.	Donald G. Sommers, Agent of Steele-Waseca Cooperative Electric,	Northfield, Minnesota
12.	L. H. Kerr, Agent of Stevens-Big Stone Cooperative Power Association,	Holloway, Minnesota

## Article VI

**Section 1.** The government of this Association and the management of its affairs and business shall be vested in a board of directors consisting of fourteen (14) directors who shall be elected by the members in such time, place, and manner as the bylaws of this Association may prescribe.

**Section 2.** The names and places of residence of those who shall compose the first board of directors and who shall hold office until the first annual meeting of the members and until their successors shall be elected and shall have qualified are as follows:

NAME		RESIDENCE
1.	A. P. Zschetzsche,	Sleepy Eye, Minnesota
2.	Matt O. Wilson,	Kettle River, Minnesota
3.	Elmer Jacobson,	Kenyon, Minnesota
4.	John Phillips,	Marshall, Minnesota
5.	I. J. Clinton,	Watkins, Minnesota

6.	O. W. Mueller,	Prior Lake, Minnesota
7.	E. L. Smith,	Montevideo, Minnesota
8.	Ancher Nelsen,	Hutchinson, Minnesota
9.	Frank Keller,	Slayton, Minnesota
10.	P. J. E. Peterson,	Truman, Minnesota
11.	Donald G. Sommers,	Northfield, Minnesota
12.	L. H. Kerr,	Holloway, Minnesota

**Section 3.** The board of directors shall have power to make and adopt such rules and regulations not inconsistent with these articles of incorporation or the bylaws of this Association or the laws of the State of Minnesota as it may deem advisable for the management, administration and regulation of the business and affairs of this Association.

## Article VII

The bylaws of this Association may define and fix the duties and responsibilities of the members, officers and directors, and may also contain any other provision for the regulation of the business and affairs of this Association not inconsistent with the articles of incorporation or the laws of the State of Minnesota.

## Article VIII

The fiscal year of this Association shall commence on the first day of January of each year and end on the thirty-first day of December of each year.

## Article IX

This Association reserves the right to amend, alter, change, or repeal any provision contained in these articles of incorporation in the manner now or hereafter prescribed by law.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals this 17th day of December, 1940.

/s/ ARTHUR P. ZSCHETZSCHE  
Agent of Brown County Rural Electric Association.

/s/ MATT O. WILSON  
Agent of Lake Country Power.

/s/ ELMER Jacobson  
Agent of Goodhue County Cooperative Electric Association.

In Presence of: /s/ JOHN PHILLIPS  
Agent of Lyon-Lincoln Electric Company.

/s/ D. B. RUMBLE /s/ IRVING J. CLINTON  
Agent of Meeker Cooperative Light & Power Association.

/s/ ANN M. PREBEG /s/ O.W. MUELLER  
Agent of Minnesota Valley Electric Cooperative.

/s/ E.L. SMITH  
Agent of Minnesota Valley Cooperative Light & Power Association.

/s/ ANCHER NELSEN  
Agent of McLeod Cooperative Power Association.

/s/ FRANK KELLER  
Agent of Nobles Cooperative Electric.

/s/ P. J. E. PETERSON  
Agent of South Central Electric Association.  
/s/ DONALD G. SOMMERS  
Agent of Steele-Waseca Cooperative Electric  
/s/ L. H. KERR  
Agent of Stevens-Big Stone Cooperative Power Association.

STATE OF MINNESOTA     )  
  )ss  
COUNTY OF RAMSEY     )

On this 17th day of December, 1940, before me personally appeared A. P. ZSCHETZSCHE, Agent of Brown County Rural Electric Association, MATT O. WILSON, Agent of Carlton County Cooperative Power Association, ELMER JACOBSON, Agent of Goodhue County Cooperative Electric Association, JOHN PHILLIPS, Agent of Lyon-Lincoln Electric Company, I. J. CLINTON, Agent of Meeker Cooperative Light & Power Association, O. W. MUELLER, Agent of Minnesota Valley Electric Cooperative, E. L. SMITH, Agent of Minnesota Valley Cooperative Light & Power Association, ANCHER NELSEN, Agent of McLeod Cooperative Power Association, FRANK KELLER, Agent of Nobles Cooperative Electric, P. J. E. PETERSON, Agent of South Central Electric Association, DONALD G. SOMMERS, Agent of Steele-Waseca Cooperative Electric, and L. H. KERR, Agent for Stevens-Big Stone Cooperative Power Association, to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

/s/ D. B. RUMBLE Notary Public, Ramsey County, Minn. My commission expires January 12, 1941.

(Notary Seal)

The foregoing proposed articles of incorporation are hereby approved as to form and legality this 18th day of December, 1940.

J. A. A. BURNQUIST, Attorney General  
By /s/ VICTOR GRAN, Assistant Attorney General.  
STATE OF MINNESOTA  
Department of State

FILED January 2, 1941  
/s/ MIKE HOLM, Secretary of State.

# Bylaws of the Minnesota Rural Electric Association

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## Article I: Name and Location

**Section 1.** The name of this Association shall be MINNESOTA RURAL ELECTRIC ASSOCIATION.

**Section 2.** The principal offices of this Association shall be located in the Minneapolis-St. Paul, Minnesota, area, or such other place or places as determined by the Board of Directors.

**Section 3.** Other offices for the transaction of business may be located at such places as the Board of Directors from time to time may determine.

## Article II: Membership

**Section 1.** Any electric cooperative association operating in the State of Minnesota may make application for membership with the Minnesota Rural Electric Association. All applications for membership are subject to the approval of the Board of Directors. Membership in this Association shall be subject to the provisions of these bylaws and such amendments as may hereafter be legally adopted. In addition, the Board of Directors may establish a class or classes of nonvoting, associate members upon such terms and conditions as it deems appropriate.

**Section 2.** Membership in this Association shall not be transferable.

**Section 3.** All certificates of membership shall be signed by the Chair and the Secretary.

**Section 4.** The Board of Directors may cancel a membership whenever a member violates these bylaws or any contract or agreement, which exists between the member and this Association. Any canceled membership may be reinstated only upon application. In the event a member ceases to be eligible as a member of this Association or fails to perform any of the covenants, terms or conditions contained in any contract or agreement between the members of this Association, including the timely payment of membership dues, or at any time knowingly or intentionally violates the provisions of the statutes under which this Association is organized or any provision of these bylaws it shall, at the option of this Association, as expressed by resolution of the Board of Directors, be expelled from this Association, and its membership terminated. No member shall be entitled to vote at membership meetings if its dues are not paid as determined by the MREA Board of Directors.

## Article III: Membership Meetings

**Section 1.** The Annual Meeting of the members of this Association shall be held at its principal offices during the month of February of each year unless a different time and place is by resolution designated by the Board of Directors.

**Section 2.** Special meetings of the members of this Association may be called at any time by the Chair, or in the Chair's absence, the Vice Chair, or by a majority vote of the Board of Directors. The Chair, or the Vice Chair, or the Board of Directors calling the special membership meeting shall determine the location, date, and time for holding the special meeting of the members of this Association.

**Section 3.** Notice of location, date, and time of the Annual Meeting and all special membership meetings shall be mailed or e-mailed by the Secretary, or by such other authorized person, to

each member not later than fifteen (15) days nor more than sixty (60) days before the date thereof. In case of special membership meetings, all notices shall state the purpose of the meeting. Waiver of notice signed by sixty percent (60%) of the members prior to the opening of the business session of a special membership meeting of this Association shall constitute legal notice for the holding of a special meeting of the members.

**Section 4.** The Chair, or in the Chair's absence, the Vice Chair shall preside over all business sessions at membership meetings of this Association.

**Section 5.** Unless otherwise provided, the "Robert's Rules of Order" shall prevail in conducting the business of this Association at all meetings.

**Section 6.** Each member of this Association shall be entitled to cast one (1) vote on any matter, motion, resolution, amendment, or election properly presented at any membership meeting of this Association. The vote cast by each member of this Association shall be cast by the duly authorized voting delegate. Proxy voting is prohibited in this Association. The MREA Board of Directors may authorize voting by mail on any matter, motion, resolution, or amendment. A vote by mail shall be acceptable if properly certified and signed by the Chair and Secretary of the member cooperative so voting. A notice containing the exact text of the matter, motion, resolution, or amendment and a copy of the same is forwarded with and attached to the vote so mailed by the absent member. The Board of Directors may cause a referendum vote to be taken by mail upon any action or recommendation of the Board of Directors, subject to the same regulations as above prescribed.

**Section 7.** The quorum requirements for the transaction of business at any meetings of this Association shall be:

1. The Annual Meeting – a quorum shall be a majority of the total number of members holding membership with this Association.
2. Special Membership Meeting – a quorum shall be a majority of the total number of members holding membership with this Association.
3. District Membership Meetings – a quorum shall be a majority of the total number of members of this Association located in the district holding the district membership meeting.
4. Board of Directors – the quorum necessary for the transaction of business by the Board of Directors at any regular or special meeting shall consist of a majority thereof.

The fact of the attendance of sufficient number of members to constitute a quorum shall be established either by roll call of the voting delegates or by the registration of the voting delegates of the members of this Association present at such meeting, which registration or roll call shall be verified by the Chair and/or Secretary of this Association and shall be reported in the minutes of such meeting.

**Section 8.** Each district of this Association as established in Article IV, Section 2 of these bylaws shall hold a meeting during the Annual Meeting of this Association, when necessary, for the purpose of electing directors to the Board of Directors of this Association. Nominations and elections of directors shall be by written ballot, and directors shall be elected by a majority vote of the members of the district, provided that if an election for director results in a tie vote on the first ballot, a second ballot shall be taken. If the second ballot results in a tie vote, the winner shall be determined by the toss of a coin.



The duly elected directors for each district of this Association shall be responsible for calling all meetings of their respective districts and shall conduct the business of the meetings. The two directors from each district of this Association shall be designated by the members of their respective district as "District Chairman" and "District Secretary." Minutes of district meetings shall be placed on file at the offices of this Association. In the absence of district directors, a temporary chairman shall be named by those in attendance, who will conduct the meeting and be responsible for forwarding a report to their respective district directors.

**Section 9.** The district directors may call additional meetings in their respective districts for the purpose of discussing the business of this Association. Notice of the call of a district meeting shall be the responsibility of the district directors and they shall notify the membership of this Association located in their respective districts of the location, date, and time of the district meeting.

## Article IV: Organizational Structure by Districts

**Section 1.** For organizational purposes, the membership of this Association shall be divided into seven (7) Districts.

**Section 2.** The State of Minnesota shall be divided into seven (7) Districts as follows:

<b>DISTRICT I</b>		
1.	Bagley	Clearwater-Polk Electric Cooperative, Inc.
2.	Baudette	North Star Electric Cooperative
3.	Bemidji	Beltrami Electric Cooperative, Inc.
4.	Grand Forks, ND	Minnkota Power Cooperative, Inc.
5.	Halstad	Red River Valley Cooperative Power Association
6.	Mahnomen	Wild Rice Electric Cooperative, Inc.
7.	Red Lake Falls	Red Lake Electric Cooperative, Inc.
8.	Roseau	Roseau Electric Cooperative, Inc.
9.	Warren	PKM Electric Cooperative, Inc.
<b>DISTRICT II</b>		
1.	Aitkin	Mille Lacs Energy Cooperative
2.	Bigfork	North Itasca Electric Cooperative, Inc.
3.	Brainerd	Crow Wing Power
4.	Grand Rapids	Lake Country Power
5.	Park Rapids	Itasca-Mantrap Cooperative Electrical Association
6.	Lutsen	Arrowhead Electric Cooperative, Inc.
7.	Two Harbors	Cooperative Light & Power Association
<b>DISTRICT III</b>		
1.	Alexandria	Runestone Electric Association
2.	Benson	Agralite Electric Cooperative
3.	Bismarck, ND	Basin Electric Power Cooperative
4.	Litchfield	Meeker Cooperative Light & Power Association
5.	Melrose	Stearns Electric Association
6.	Montevideo	Minnesota Valley Cooperative Light & Power Association
7.	Pelican Rapids	Lake Region Electric Cooperative
8.	Wadena	Todd-Wadena Electric Cooperative
9.	Wheaton	Traverse Electric Cooperative, Inc.
10.	Spicer	Kandiyohi Power Cooperative
<b>DISTRICT IV</b>		
1.	Braham	East Central Energy
2.	Maple Grove	Great River Energy

3.	Jordan	Minnesota Valley Electric Cooperative
4.	Rockford	Wright-Hennepin Cooperative Electric Association
<b>DISTRICT V</b>		
1.	Clements	Redwood Electric Cooperative
2.	Danube	Renville-Sibley Cooperative Power Association
3.	Glencoe	McLeod Cooperative Power Association
4.	Jackson	Federated Rural Electric Association
5.	Madison, SD	East River Electric Power Cooperative, Inc.
6.	Colman, SD	Sioux Valley Energy
7.	Rock Rapids, IA	L & O Power Cooperative
8.	Saint James	South Central Electric Association
9.	Sleepy Eye	Brown County Rural Electrical Association
10.	Tyler	Lyon-Lincoln Electric Cooperative, Inc.
11.	Worthington	Nobles Cooperative Electric
<b>DISTRICT VI</b>		
1.	Albert Lea	Freeborn-Mower Cooperative Services
2.	La Crosse, WI	Dairyland Power Cooperative
3.	Mankato	BENCO Electric Cooperative
4.	Owatonna	Steele-Waseca Cooperative Electric
5.	Oronoco	People's Energy Cooperative
6.	Rushford	MiEnergy Cooperative
7.	Zumbrota	Goodhue County Cooperative Electric Association
<b>DISTRICT VII</b>		
1.	Ramsey	Connexus Energy
2.	Farmington	Dakota Electric Association

## Article V: Government of this Association

**Section 1.** The government of this Association and the management of the business and affairs of this Association shall be vested in a Board of Directors consisting of fourteen (14) directors who shall exercise all of the powers of this Association except such as are by law or by the Articles of Incorporation of this Association or by these bylaws conferred upon or reserved to the members.

**Section 2.** All directors of this Association shall be elected in accordance with Article III, Section 8 hereof and shall serve a three-year term or until their successor shall have been elected and qualified. Directors' terms shall commence at the conclusion of the annual meeting of the Association.

**Section 3.** In the event of sickness, death, resignation or absence from serving, the Board of Directors of this Association shall immediately declare that a vacancy exists and may appoint a qualified director from the district for which the vacancy exists to serve until the next district meeting for that district when an election shall be held to fill the vacancy for the unexpired term. Should any district fail to elect a director as required to the Board of Directors of this Association, the members of this Association shall nominate and elect the director for that district. No member cooperative shall have more than one director elected to serve on the Board of Directors of this Association.

**Section 4.** All directors elected to serve on the Board of Directors of this Association shall at all times be and remain duly elected directors serving on the Board of Directors of a member of this Association.

No director elected to serve on the Board of Directors of this Association shall represent more than one district of this Association.

**Section 5.** Any director of this Association may, for cause, be removed from office at any special membership meeting called for that purpose, upon the affirmative vote of fifty-one percent (51%) of the members present, provided that a notice in writing of the proposed action containing a brief description of the charges against the director shall have been mailed to each member of this Association at least fifteen (15) days before such meeting. At any such meeting, the director whose acts are in question shall have the right to be heard in person, to be represented by counsel, and to produce and interrogate witnesses.

**Section 6.** The Board of Directors by resolution may authorize reasonable compensation for services as a member of the Board of Directors of this Association.

**Section 7.** A director from an electric cooperative that is not a member of the Minnesota Rural Electric Association (MREA) is not eligible to run for or serve as a director of the MREA Board.

**Section 8.** An NRECA Director from an electric co-op that is not a member of the MREA may not serve on the MREA Board as either a director or ex-officio member.

**Section 9.** An NRECA Director who is from an electric co-op that is a member of the MREA, but who is not a director on the MREA Board of Directors, shall become an ex-officio (non-voting) member of the MREA Board during active tenure on the NRECA Board.

## Article VI: Board of Directors

**Section 1.** A meeting of the Board of Directors of this Association shall be held following the Annual Meeting of this Association and at the same place for the purpose of electing the officers of this Association, which shall consist of a Chair, First Vice Chair, Second Vice Chair, Secretary, and a Treasurer. No person shall be eligible to hold two offices.

**Section 2.** The Board of Directors of this Association shall regularly convene at least bimonthly to conduct the business affairs of this Association, provided, however, a special meeting of the Board of Directors may be called at any time by the Chair or by any three (3) members of the Board of Directors.

**Section 3.** Notices and agendas of all regular and special meetings of the Board of Directors shall be mailed to each director by the Secretary, or such other designated person, at least five (5) days previous to the time fixed for the meeting. All notices of meeting shall state the time, date and location of the meetings.

**Section 4.** The quorum necessary for the transaction of business by the Board of Directors at any regular or special meeting shall consist of a majority thereof, however, a majority of those present at any regular or special meeting shall have the power to adjourn the meeting to a future time.

**Section 5.** Any officer may be removed from office by a majority vote of the Board of Directors.

**Section 6.** The Board of Directors shall require and authorize an audit of the books and accounts of this Association. The audit report, an operating statement and the general financial condition of this Association shall be submitted to the members at the Annual Meeting by the Board of Directors.

**Section 7.** The Board of Directors shall require all officers, agents, and employees having custody of funds or property to be covered by appropriate Director and Officer insurance policies. The cost of such insurance shall be an expense borne by this Association.

**Section 8.** The funds of this Association shall be deposited in banks, financial institutions, and trust companies in compliance with policies approved by the Board of Directors, and shall be withdrawn only upon the check or order of the officers or employees designated by Board policies.

**Section 9.** The Board of Directors shall have the power and authority to employ a President/CEO, and shall delegate such authority, responsibilities, and duties to the President/CEO as they determine. The compensation of the President/CEO shall be determined by the Board of Directors of this Association.

## Article VII: Officers

**Section 1.** The officers of this Association shall be a Chair, First Vice Chair, Second Vice Chair, Secretary, and a Treasurer. No person shall be eligible to hold two offices. All officers shall be elected for a term of one (1) year and each shall hold office until a successor is duly elected and qualified.

**Section 2.** The Board of Directors may appoint additional assistant officers such as, Assistant Secretary and Assistant Treasurer, and may combine such positions in one person who may or may not be a member of the Board of Directors, who shall serve for such period and perform such duties as the Board of Directors prescribe.

**Section 3.** The Chair shall preside at all meetings of the members and the Board of Directors; shall collaborate with the President & CEO in carrying out the affairs of this Association;; and shall perform such other duties as are incident to the office or as may from time to time be prescribed by the Board of Directors.

**Section 4.** The First Vice Chair shall, in the absence of the Chair or upon the Chair's inability to act, have all the powers and perform all the duties of the Chair.

**Section 5.** The Second Vice Chair shall, in the absence of the Chair and the First Vice Chair, or upon their inability to act, have all the powers and perform all the duties of the Chair.

**Section 6.** The Secretary shall maintain a record of the proceedings of all meetings of the members and the Board of Directors, and shall attest the same by their signature. .

**Section 7.** The Treasurer shall keep or cause to be kept an account of all monies, funds, and other property which may come into the hands of this Association and shall prepare or cause to be prepared the general audit of the books and accounts of this Association, which audit shall be submitted for examination and approval to a recognized accountant.

## Article VIII: Budget, Dues and Assessments

**Section 1.** For purposes of this section, a regular member means an electric cooperative operating in the State of Minnesota which is a member of this Association.

**Section 2.** The Board of Directors shall annually adopt a budget for this Association for the next year. The proposed budget shall be mailed to the regular members at least thirty (30) days prior to the December meeting of the board of directors.

**Section 3.** After consideration of the sources of funds to be received by the Association from non-dues sources, the Board of Directors shall determine the dues to be paid by the regular members for the next year.

Ten percent (10%) of the dues shall be paid by the generation and transmission cooperatives based on the ratio which the number of Minnesota member cooperatives served by each generation and transmission cooperative bears to the total number of Minnesota members served by all generation and transmission cooperatives. Of the remaining dues, fifty percent (50%) of the dues shall be paid in equal amounts by the distribution cooperatives, and fifty percent (50%) of the dues shall be paid by the distribution cooperatives based on the ratio which the number of members in Minnesota served by each distribution cooperative bears to the total number of members in Minnesota served by all distribution cooperatives.

The annual statistical report compiled by the Rural Utilities Service (RUS Financial and Operating Report Electric Distribution), or the business records of any distribution cooperative which is not an RUS borrower, shall be used for determining the number of members in Minnesota served by the distribution cooperatives.

**Section 4.** The regular members, by a vote of at least 3/4 of the regular members, may levy from time to time assessments upon the regular members to meet any extraordinary or unusual financial requirements of this Association.

## Article IX: Fiscal Year

The fiscal year of this Association shall commence on the first day of January and end on the thirty-first day of December in each year.

## Article XI: Amendments to Bylaws

Amendments to these Bylaws may be made by a two-thirds vote of the members present at any Annual Meeting or any special membership meeting if the proposed amendment has been recommended by the Board of Directors or by a resolution adopted at a previous meeting of the members and the proposed amendment has been distributed to the members with the notice of the call of the meeting.

## Addendum of Amendments to these Bylaws

DATE	ARTICLE / SECTION / NOTES
February 25, 1994	Article VIII Section 1 part 2 Generation and Transmission Cooperatives. The annual dues were increased from \$500 to \$1,000.
February 17, 1995	Article VIII Section 1 part 1 Distribution Cooperative. The fixed charge increased from \$1,000 to \$2,000.
February 23, 1996	Article III, Section 8. Each district of this Association as established in Article IV, Section 2 of these bylaws shall hold a meeting during the Annual Meeting of this Association, when necessary, for the purpose of electing directors to the Board of Directors of this Association. Nominations and elections of directors shall be by written ballot, and directors shall be elected by a majority vote of the members of the district, provided that if an election for director results in a tie vote on the first ballot, a second ballot shall be taken. If the second ballot results in a tie vote, the winner shall be determined by the toss of a coin. With respect to the terms of directors beginning in 1979, each district shall also determine which term each director is elected to as specified in Article V, Section 2.
February 23, 1996	Article V, Section 2. All directors of this Association shall be elected in accordance with Article III, Section 8 hereof and shall serve a three-year term or until their successor shall have been elected and qualified. With respect to terms of directors of this Association beginning in 1979, however, District I shall elect directors for one one-year term and one two-year term. District II shall elect directors for one two-year term and one three-year term. District III shall elect directors for one one-year term and one two-year term. District V shall elect directors for one two-year term and one three-year term. District VI shall elect directors for one one-year term and one three-year term. Directors' terms shall commence at the conclusion of the Annual Meeting of the Association.
February 23, 1996	Article V, Section 3. In the event of sickness, death, resignation or absence from serving, the Board of Directors of this Association shall immediately declare that a vacancy exists and may appoint a qualified director for the district for which the vacancy exists to serve until the next district meeting for that district when an election shall be held to fill the vacancy for the unexpired term. Should any district fail to elect a director as required to the Board of Directors of this Association, the members of this Association shall nominate and elect the director for that district. No member cooperative shall have more than one director elected to serve on the Board of Directors of this Association.
February 14, 1997	<u>Article III Section 1 of the Articles of Incorporation (Associate Membership Amendments)</u>  Article III Section 1. This shall be a non-profit non-stock cooperative association. The property rights and interests of each member shall be equal. Any cooperative association composed of consumers and users of electricity may be admitted to membership upon payment of the membership fee and by complying with the terms and conditions of the bylaws of the Association. In addition, the Board of Directors may establish a class or classes of nonvoting, associate members upon such terms and conditions as it deems appropriate.
February 14, 1997	Article II Section 1: Any electric cooperative association operating in the State of Minnesota may make application for membership with the Minnesota Rural Electric Association. All applications for membership are subject to the approval of the Board of Directors, which application shall be accompanied by a membership fee of \$5.00. Membership in this Association shall be subject to the provisions of these bylaws and such amendments as may hereafter be legally adopted. In addition, the Board of Directors may establish a class or classes of nonvoting, associate members upon such terms and conditions as it deems appropriate.
February 14, 1997	<u>Article V Section 6 of the Bylaws (Amendment to allow MREA Directors to establish board compensation.)</u>  Article V Section 6: The Board of Directors by resolution may authorize reasonable compensation for services as a member of the Board of Directors of this Association.
February 26, 1998	<u>7th District</u> Article VI Section 1 of the Articles of Incorporation deleting the reference to "twelve (12) directors" and substituting "fourteen (14) directors".
February 26, 1998	<u>7th District</u> Article IV Section 1 of the Bylaws, delete the words "six (6) Districts" and substitute the words "seven (7) Districts".  Article IV Section 2 of the Bylaws, delete the words "six (6) Districts" and substitute the words "seven (7) Districts".  Article IV Section 2 of the Bylaws, delete Anoka Electric Cooperative and Dakota Electric Association from the District IV members, and add a new District VII with Anoka Electric Cooperative and Dakota Electric Association as the members of that District.

February 26, 1998	<p><u>7th District</u> Article V Section 1 of the Bylaws, deleting the words "twelve (12) directors" and substituting the words "fourteen (14) directors".</p> <p>Article V Section 2 of the Bylaws, add the following sentence at the end: "Effective with the 1998 annual meeting, each member in District VII shall elect a director, one for a two-year term and one for a three-year term."</p>
February 26, 1998	<p><u>7th District</u> The Association's Articles of Incorporation and Bylaws will be further amended to reflect cooperative consolidations, mergers and name changes. Please notify MREA if your cooperative's name or headquarters location has been changed.</p>
December 18, 1998	<p>(Co-op names edited; Article VIII, Section 3 removed 1994 non-voting provision not passed or needed - SAB)</p>
February 22, 2001	<p>Article VI Section 10. Members of the Board of Directors, or any lawfully constituted committee, may participate in a meeting of such Board or committee by means of conference telephone or similar means of communication by which all persons participating in the meeting can simultaneously hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.</p>
February 20, 2002	<p>Article VIII: Budget, Dues, and Assessments</p> <p>Section 1. For purposes of this section, a regular member means an electric cooperative operating in the State of Minnesota which is a member of this Association.</p> <p>Section 2. The Board of Directors shall annually adopt a budget for this Association for the next year. The proposed budget shall be mailed to the regular members at least thirty (30) days prior to the December meeting of the board of directors.</p> <p>Section 3. After consideration of the sources of funds to be received by the Association from non-dues sources, the Board of Directors shall determine the dues to be paid by the regular members for the next year. The annual dues payable by each generation and transmission cooperative shall be the sum of \$2,000 for each of its Minnesota member cooperatives. The annual dues payable by each distribution cooperative shall consist of (1) a fixed amount of \$3,000 and (2) an additional amount determined by adding together the amounts derived from subparagraphs (a) and (b):</p> <p>(a) one-half of the total dues amount to be paid by the regular members, minus one-half of the dues to be paid by the generation and transmission cooperative and minus the amount of one-half of the fixed dues to be paid by each distribution cooperative, multiplied by a fraction, the numerator of which is the number of consumers served by the distribution cooperative and the denominator of which is the total number of consumers served by all distribution cooperatives in Minnesota, and</p> <p>(b) one-half of the total dues amount to be paid by the regular members, minus one-half of the dues to be paid by the generation and transmission cooperative and minus the amount of one-half of the fixed dues to be paid by each distribution cooperative, multiplied by a fraction, the numerator of which is the kilowatt hours sold to consumers at retail by the distribution cooperative and the denominator of which is the total kilowatt hours sold to consumers at retail by all distribution cooperatives in Minnesota.</p> <p>The maximum annual dues for a distribution cooperative shall not exceed 9.5% of the total dues determined by the Board of Directors to be payable by the regular members. Any amount that exceeds the maximum annual dues for a distribution cooperative shall be reallocated to the other distribution cooperatives according to the formula in subparagraphs (a) and (b) above.</p> <p>The annual statistical report compiled by the Rural Utilities Services (RUS Bulletin 1-1), or the business records of any distribution cooperative which is not an RUS borrower, shall be used for determining the number of consumers served and the kilowatt hours sold to consumers at retail by the distribution cooperatives in Minnesota.</p> <p>Section 4. The regular members, by a vote of at least 3/4 of the regular members, may levy from time to time assessments upon the regular members to meet any extraordinary or unusual financial requirements of this Association.</p> <p>(Revision of Article VIII- TMC)</p>
February 21, 2007	<p>Amendment to Article VIII, Section 3. After consideration of the sources of funds to be received by the Association from non-dues sources, the Board of Directors shall determine the dues to be paid by the regular members for the next year.</p>

	<p>Ten percent (10%) of the dues shall be paid by the generation and transmission cooperatives based on the ratio which the number of Minnesota member cooperatives served by each generation and transmission cooperative bears to the total number of Minnesota members served by all generation and transmission cooperatives. Of the remaining dues, forty-five percent (45%) of the dues shall be paid in equal amounts by the distribution cooperatives, and fifty-five percent (55%) of the dues shall be paid by the distribution cooperatives based on the ratio which the number of members in Minnesota served by each distribution cooperative bears to the total number of members in Minnesota served by all distribution cooperatives. The dues formula described above shall be phased in ratably over a five year period beginning with the year 2008.</p> <p>The annual statistical report compiled by the Rural Utilities Services (RUS Bulletin 1-1), or the business records of any distribution cooperative which is not an RUS borrower, shall be used for determining the number of members in Minnesota served by the distribution cooperatives.</p> <p>(Revision of Article VIII &amp; co-op names edited... SAB)</p>
March 4, 2009	<p>ARTICLE IV, Section 2. Organizational Structure by Districts Members of MREA Districts I and II changed by removing Itasca-Mantrap Electrical Cooperative as a member from District I and inserting it instead as a member in District II.</p> <p>(Revision of Article IV, Section 2-ACD)</p>
March 12, 2014	<p>ARTICLE II, Section 3 Membership, title of the President to Chair.</p> <p>(Revision of Article II, Section 3-AYY)</p>
March 12, 2014	<p>ARTICLE III Sections 2, 4, 6 and 7 Membership Meetings, title change of the President to Chair, title change of the Vice President to Vice Chair and change of the word "his" to "the Chair's".</p> <p>(Revision of Article III, Sections 2,4,6 &amp; 7-AYY)</p>
March 12, 2014	<p>ARTICLE IV, Section 2 Organizational Structure by Districts, name of P.K.M. Electric Cooperative, Inc. changed by removing the periods in PKM, name of Cooperative Light &amp; Power changed to Cooperative Light &amp; Power Association, name of Lake Region Cooperative Electrical Association changed to Lake Region Electric Cooperative, location of Kandiyohi Power Cooperative changed from Willmar to Spicer, location of Great River Energy changed from Elk River to Maple Grove, name of BENCO Electric changed to BENCO Electric Cooperative location of People's Cooperative Services changed from Rochester to Oronoco and name of People's Cooperative Services changed to People's Energy Cooperative,</p> <p>(Revision of Article IV, Section 2-AYY)</p>
March 12, 2014	<p>ARTICLE VI, Sections 1, 2 and 9 Board Directors, title change of the President to Chair, title change of the Vice President to Vice Chair and title change of the General Manager to President/CEO.</p> <p>(Revision of Article VI, Sections 1,2 &amp; 9-AYY)</p>
March 12, 2014	<p>ARTICLE VII, Sections 1, 3, 4, 5 and 6 Officers, title change of the President to Chair, title change of the Vice President to Vice Chair, change of the word "his" to "a", change of the word "his" to "the" and change of the word "his" to "their".</p> <p>(Revision of Article VII, Sections 1, 3, 4, 5 &amp; 6-AYY)</p>
February 18, 2015	<p>Article II Section 4 Membership: Revisions made as follows: In the event a member ceases to be eligible as a member of this Association or fails to perform any of the covenants, terms or conditions contained in any contract or agreement between the members of this Association, (added here: "including the timely payment of membership dues,") or at any time knowingly or intentionally violates the provisions of the statutes under which this Association is organized or any provision of these bylaws it shall, at the option of this Association, as expressed by resolution of the Board of Directors, be expelled from this Association, and (added here: "its membership terminated.") <del>in any of such cases, this Association shall be entitled to purchase the membership certificate of such member at its face value, or, in the event that the book value thereof be greater than the face value, the book value thereof, and upon payment or tender of such amount said membership certificate shall become the property of this Association, and the certificate representing it shall be surrendered to this Association.</del> No member shall be entitled to vote at membership meetings if its dues are not paid (added here: "as determined by MREA Board of Directors". <del>Membership in this Association shall automatically terminate as to any member whose dues are not paid within six (6) months after they become due and payable.</del> (Revision of Article II Section 4-AYY)</p>



February 18, 2015	<p>Article III Section 6 Membership Meetings: Revisions made as follows, "The (added here: "MREA") Board of Association Directors may provide (added here: "authorize") for voting by mail on any matter, motion, resolution, or amendment. <del>in which event a</del>. A vote by mail shall be acceptable if properly certified and signed by the Chair and Secretary of the Board of Directors of the member (added here: "cooperative") so voting. <del>provided, however, that</del> a notice containing the exact text of the matter, motion, resolution, or amendment and a copy of the same is forwarded with and attached to the vote so mailed by the absent member."</p> <p>Article III Section 8 Membership Meetings: Removed the last sentence of the paragraph reading, "With respect to the terms of directors beginning in 1979, each district shall also determine which term each director is elected to as specified in Article V, Section 2." (Revision of Article III Sections 6 &amp; 8-AYY)</p>
February 18, 2015	<p>Article V Section 2 Government of this Association: Removed the sentence reading, "With respect to terms of directors of this Association beginning in 1979, however, District I shall elect directors for one one year term and one two year term. District II shall elect directors for one two year term and one three year term. District III shall elect directors for one one year term and one three year term. District IV shall elect directors for one one year term and one two year term. District V shall elect directors for one two year term and one three year term. District VI shall elect directors for one one year term and one three year term." Removed the last sentence of the paragraph reading, "Effective with the 1998 annual meeting, each member in District VII shall elect a director, one for a two year term and one for a three year term." (Revision of Article V Section 2-AYY)</p>
February 18, 2015	<p>Article VIII Section 3 Budget, Dues and Assessments: Removed the last sentence in the second paragraph reading, "The dues formula described above shall be phased in ratably over a five year period beginning with the year 2008". Changed the name of Rural Utilities Services to Rural Utilities Service. Changed the name of RUS Bulletin 1-1 to RUS Financial and Operating Report Electric Distribution. (Revision of Article VIII Section 3-AYY)</p>
May 15, 2020	<p>Article II: Membership, Section 1: Removed the sentence "which application shall be accompanied by a membership fee of \$5.00. Section 3: Removed "and shall be sealed with the corporate seal". Section 4: Removed "and the payment of the membership fee specified in Section 1 of this article."</p>
May 15, 2020	<p>Article III: Membership Meetings, Section 3: Notice of location, date, and time of the Annual Meeting and all special membership meetings shall be mailed (added here: "or e-mailed").</p>
May 15, 2020	<p>Article IV: Section 2: Revised District VI – Tri-County Electric to MiEnergy Cooperative</p>
May 15, 2020	<p>Article V: Government of this Association, Section 7: Added: "A director from an electric cooperative that is not a member of the Minnesota Rural Electric Association (MREA) is not eligible to run for or serve as a director of the MREA Board."</p>
May 15, 2020	<p>Article V: Government of this Association, Section 8 added: "An NRECA Director from an electric co-op that is not a member of the MREA may not serve on the MREA Board as either a director or ex-officio-member."</p>
May 15, 2020	<p>Article V: Government of this Association, Section 9: Removed the sentence, "The Minnesota National Rural Electric Cooperative Association (NRECA) Director, who is not a member of the MREA Board of Directors shall become an ex-officio member of the MREA Board of Directors during active tenure on the NRECA Board of Directors." Added sentence "An NRECA Director who is from an electric co-op that is a member of the MREA, but who is not a director on the MREA Board of Directors, shall become an ex-officio (non-voting) member of the MREA Board during active tenure on the NRECA Board."</p>
May 15, 2020	<p>Article VI: Board of Directors, Section 7: Revised first sentence to read "The Board of Directors shall require all officers, agents, and employees having custody of funds or property to give to the Association a bond conditioned on the faithful discharge of the duties of each such person in an amount and with such company as authorized (added; "be covered by appropriate Director and Officer insurance policies."</p>
May 15, 2020	<p>Article VI: Board of Directors: Section 8, Revised sentence to read "The funds of this Association shall be deposited in such banks or banks, financial institutions, and trust companies as the in compliance with policies approved by the Board of Directors shall designate, and shall be withdrawn only upon the check or order of the officers or employees designated by the Board of Directors policies."</p>
May 15, 2020	<p>Article VI: Board of Directors, Section 10: Remove section</p>
May 15, 2020	<p>Article VII: Officers, Section 3: Revise section to read "The Chair shall preside at all meetings of the members and the Board of Directors; shall have collaborate with the President &amp; CEO in general supervision over carrying out the affairs of this Association; shall sign all contracts, deeds, and documents requiring the corporate seal; and shall perform such other duties as are incident to the office or as may from time to time be prescribed by the Board of Directors.</p>

May 15, 2020	Article VII: Officers, Section 6: Delete sentence "The Secretary shall be responsible for all the safekeeping of all papers, documents, and the corporate seal of this Association, which properly belong to the office, and all of the same shall be kept at the principal offices of this Association, unless otherwise authorized by the Board of Directors. The Secretary shall attest certificates of membership and all instruments requiring the corporate seal and shall affix the seal thereto and shall issue notices of meetings as required by these bylaws."
May 15, 2020	Article VII: Officers, Section 7: Delete sentence "The Treasurer shall supervise the depository of all monies of this Association, which shall be deposited in such bank or banks as authorized by the Board of Directors. All checks, promissory notes, bills of exchange and other instruments calling for the payment of money, which shall be issued by this Administration, shall be signed by the Treasurer or such employees or officials as the Board of Directors may from time to time designate."
May 15, 2020	Article VIII: Budget, Dues and Assessments, Section 3: Third sentence revised to read "Of the remaining dues, forty-five fifty percent (4550%) of the dues shall be paid in equal amounts by the distribution cooperatives, and fifty five percent (5550%) of the dues."
May 15, 2020	Article X: Corporate Seal: Remove Article.

## File Storage & Access

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The Articles of Incorporation & Bylaws of the Minnesota Rural Electric Association (MREA) document is archived and maintained on MREA's computer network at <Y:\WP\BD\Bylaws & Amendments>.

The most current version of this document can be accessed by members on the MREA website, [www.mrea.org](http://www.mrea.org), at <http://www.mrea.org/what-we-do/about-mrea/>