

Summary of Proposed Bylaws Changes Compared to Current Bylaws

The proposed Bylaws are largely a **reorganization, simplification, and modernization** of the current Bylaws. Converts the bylaws from a highly detailed operational document into a more governance-focused document while preserving most director qualifications, election, member voting, and amendment provisions. Most governance provisions relating to directors, elections, meetings, conflicts of interest, and amendments remain substantially unchanged. The primary changes involve:

- Reorganization of articles into a more logical structure.
- Simplification of language and removal of redundancies.
- Greater focus on governance-level principles while moving operational matters to Board policies, tariffs, or management practices.

ARTICLE 1 – THE ASSOCIATION (New)

Proposed 2026

Creates a new introductory article describing:

- PVREA's legal status.
- Exemption from Public Utilities Law.
- Governance through elected directors.
- Colorado law supersedes the bylaws.

Difference from 2025

- Entirely new article.
- Similar concepts were previously scattered throughout the bylaws but not presented as a stand-alone governing statement.

ARTICLE 2 – DEFINITIONS

Proposed 2026

Moves definitions to the front of the document and includes:

- Board
- Capital Credit
- Close Relative
- Director
- Patron
- Patronage Capital
- Person

Difference from 2025

- Definitions were previously in Article 9.
- No substantive change to most definitions.

- Improves readability and organization.

ARTICLE 3 – MEMBERS

Proposed 2026

Retains:

- Membership requirements.
- Membership fee authority.
- Membership certificates.
- Expulsion process.
- Withdrawal and termination provisions.
- Joint membership provisions.

Adds:

- Explicit right for a member to opt out while continuing service.
- Clarifies treatment of capital credits after membership termination.
- More detailed treatment of divorce/dissolution of joint memberships.
- Clarifies capital credit allocation between former joint members.

Difference from 2025

Removed

- Retroactive membership provision.
- Entire section requiring purchase of all electric energy from PVREA.
- Capital-credit forfeiture provisions tied to receiving power from another utility.
- "Best efforts" electric service language.

Simplified

- Member withdrawal and termination provisions consolidated.
- Joint membership language modernized and expanded.

ARTICLE 4 – MEETING OF MEMBERS

Proposed 2026

Retains:

- Annual meeting provisions.
- Special meeting authority.
- Record date.
- Election Supervisory Committee.
- Quorum requirements.
- Electronic voting.
- Director elections.
- Prohibition on proxy and cumulative voting.
- Parliamentary authority.

Adds:

- Six-month advance publication requirement for annual meeting scheduling.
- Chair may call special meetings.
- Board may call special meetings by two-thirds vote.

Difference from 2025

Simplified

- Voting procedures significantly shortened.
- Detailed ballot-handling procedures removed.
- Detailed mail-ballot mechanics removed.

Modified

- Special meeting language is clearer and more structured.
- Meeting notice requirements revised.

ARTICLE 5 – DIRECTORS

Proposed 2026

Retains nearly all substantive provisions relating to:

- Board size (9 directors).
- Director districts.
- Qualifications.
- Conflict-of-interest restrictions.
- Removal procedures.
- Nominations.
- Vacancies.
- Compensation.
- Indemnification.
- Limitation of liability.
- Standard of conduct.

Difference from 2025

Minor Changes

- District provisions no longer reference the special transition language tied to the 2026 election.
- Formatting and organization improved.

Director Qualification

- Director qualification added language regarding primary residence qualifications
- Changed the correct disqualification period for a director who is notified of being disqualified from 10 days to 30 days.

ARTICLE 6 – MEETINGS OF DIRECTORS

Proposed 2026

Retains:

- Regular meetings.
- Special meetings.
- Notice requirements.
- Quorum.
- Executive sessions.

Adds:

- New section on electronic attendance.
- New section requiring approved minutes to remain on website for at least six months.
- New committee section.

Difference from 2025

New

- Formal website posting requirements consolidated.
- Board committee authority expressly addressed.
- Limits on electronic attendance (maximum two times in 12 months unless approved).

Removed

- Separate sections dividing quorum and manner of acting.

ARTICLE 7 – OFFICERS

Proposed 2026

Creates a streamlined officer framework:

- Elected officers.
- Appointed officers.
- Removal.
- Resignation.
- Vacancies.
- Duties.
- Delegation.

Difference from 2025

Removed

- Detailed duties of Secretary and Treasurer.
- Bonds of Association Officials.
- Officer compensation section.
- Vice President structure.

Modified

- CEO expressly authorized to appoint:

- CFO
- CAO
- COO

ARTICLE 8 – CONFLICTS OF INTEREST

Proposed 2026

Contains the conflict-of-interest protections previously found in Article 6.

Difference from 2025

- Essentially unchanged.
- Relocated into a stand-alone article.

ARTICLE 9 – CAPITAL CREDITS

Proposed 2026

Creates a dedicated Capital Credits article covering:

- Allocation.
- Retirement.
- Deceased patrons.
- Assignment.

Difference from 2025

Major Simplification

Removed:

- Prohibition on paying dividends.
- Extensive nonprofit-operation language.
- Detailed power supply capital credit provisions.
- Lien rights against member capital credits.
- Unclaimed property procedures.
- Educational and charitable use provisions.
- Capital credit forfeiture provisions related to competing electric suppliers.

Retained

- Annual allocation.
- Board discretion for retirement.
- Discounted present-value retirement.
- Estate retirements.
- Assignment authority.

ARTICLE 10 – FINANCIAL AND BUSINESS TRANSACTIONS (New)

Proposed 2026

Adds:

- Fiscal year.
- Accounting system.
- Monthly financial review by Board.
- Annual audit requirement.

Difference from 2025

- Fiscal year existed previously.
- Audit requirement is now expressly stated.
- Financial governance provisions are consolidated into a separate article.
- This new article improves financial governance visibility.

ARTICLE 11 – RULES, REGULATIONS, AND TARIFFS (New)

Proposed 2026

Creates dedicated authority for:

- Tariffs.
- Rules and regulations.
- Obligation to serve.
- Purchase of electric energy.

Difference from 2025

These provisions existed but were scattered throughout:

- Director authority article.
- Membership article.
- Miscellaneous sections.
- No substantial policy change. This is primarily a reorganization.

ARTICLE 12 – DISPOSITION OF PROPERTY

Proposed 2026

Creates a simpler framework for:

- Board approval of property transactions.
- Member approval for transactions involving substantially all assets.

Difference from 2025

Major Simplification

Removed:

- Independent appraisal requirements.
- Mandatory solicitation of competing cooperative proposals.
- Two-thirds membership approval requirement based on total membership.
- Detailed distribution of gains from asset sales.
- Conversion provisions.

ARTICLE 13 – MERGER

Proposed 2026

Retains:

- Merger restricted to cooperative electric entities.
- Board approval by two-thirds vote.
- Member approval.

Difference from 2025

Simplified

- Merger requirements reduced from a lengthy, detailed process to a concise framework.

ARTICLE 14 – MISCELLANEOUS

Proposed 2026

Includes:

- Binding nature of the bylaws and tariffs.
- Formal notice procedures.
- Delivery and waiver of notice.
- Corporate seal.

Difference from 2025

Removed

- Separate electronic documents article.

Added

- Formal legal notice provisions directed to the CEO.
- Consolidated notice provisions.

ARTICLE 15 – AMENDMENTS

Proposed 2026

Retains:

- Member petition amendment process.
- Board amendment authority.
- Two-thirds Board vote requirement.
- 3% petition threshold.
- 50% ballot return threshold.
- Supremacy of law and articles.

Difference from 2025

- No material substantive change.
- Only renumbering and formatting updates.