

Minnesota Valley Electric Cooperative 2023 Candidate Guide



MVEC

MINNESOTA VALLEY ELECTRIC COOPERATIVE

A Touchstone Energy® Cooperative 

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The deadline to file for the MVEC Board of Directors is

Tuesday, January 17, 2023.

This includes submitting the following forms:

- ✓ Acknowledgement of Rules – page 10
- ✓ Campaign Contributions Report – page 14
- ✓ Affirmation of Director Qualifications – page 16 - 18
- ✓ Director Nomination – page 20
- ✓ Candidate Biography and Photo – page 21

Return all forms to cheril@mvec.net
by midnight 1/17/2023

DIRECTOR ELIGIBILITY QUALIFICATIONS

ANY PERSON, TO BECOME AND REMAIN A DIRECTOR, SHALL:

- Comply with applicable requirements of law, MVEC's Articles of Incorporation and Bylaws, MVEC's duly-adopted policies and duly-made decisions
- Assume fiduciary duty to act in good faith and in the best interest of MVEC and its members
- Be loyal to MVEC and not have conflicting commercial or personal interests, or use or cause to be used, their position as Director for political gain or ambition
- Have the knowledge and skills necessary, and be willing to devote the time and effort necessary, to oversee the affairs of MVEC
- Be able to represent the entire membership on an impartial basis
- Be willing and able to attend regularly scheduled and special meetings of the Board of Directors, national, state, and other meetings with organizations of associated interests, and training seminars which aid in keeping well informed on matters affecting MVEC
- Are not a close relative of a MVEC Director or an MVEC employee
- Be a member in good standing of MVEC
- Be at least 18 years of age

EXPECTATIONS OF DIRECTORS

In order to maximize the Board's effectiveness, the MVEC Board has the following expectations of its Directors:

- Each Director will review the Board material before the Board meeting and be prepared to discuss the topics on the agenda.
- Each Director will attend a minimum of 18 meetings per year
 - This includes monthly Board meetings, the Annual Meeting, and the Budget meeting.
- In their first term on the Board, a Director will complete their Credentialed Cooperative Director Certificate. This takes approximately 40 hours of classroom work.

BYLAW REQUIREMENTS

No person shall be eligible to become or remain a director of the Cooperative who:

- is not a bona fide member and resident of the district from which he or she is elected or for which he or she is a candidate; (“bona fide resident” shall be defined as residing at and continuously and materially purchasing electric service at a location within any director district from which the director is elected or for which he or she is a candidate for at least nine (9) months each calendar year);
- is in any way employed by or substantially financially interested in an enterprise substantially competing with the Cooperative or any Cooperative-affiliated business;
- within five (5) years preceding a director candidate’s nomination was or during service on the Board of Directors is adjudged to be guilty of a felony;
- within three (3) years preceding a director candidate’s nomination was a full-time or part-time employee of the Cooperative;
- is a close relative of an existing director;
- is a close relative of an existing employee of the Cooperative;
- is or becomes the full-time employee or agent of, or who is or becomes the full-time employer or principal of, another director; does not have the capacity to enter legally binding contracts; unless excused for good cause by the board, is absent from three or more regular meetings of the Board of Directors during any calendar year. If a director participates in more than one regular meeting during any consecutive twelve-month period by electronic communication, that director shall be considered absent from that meeting for purposes of this paragraph. In the event of inclement weather, a pandemic, or a catastrophic event, directors may participate via electronic communication in board meetings during that period.

A “close relative” as used in these Bylaws is a person who:

- is by blood, law, or marriage (including half, step, foster, and adoptive relations) a child, grandchild, parent, grandparent, or sibling; or
- is a spouse or resides in the same residence

Any individual properly qualified and elected or appointed as a director does not become a close relative while serving as a director because of any marriage or legal action to which the individual was not a party.

If the Board of Directors determines that any director nominee or any existing director lacks eligibility under this Section, it shall be the duty of the board to disqualify any such nominee or to remove any such director from the Board of Directors, as the case may be.

A member that is an authorized farm corporation or family farm corporation may select an individual member residing on or actively operating the farm to be eligible for election to the board.

A natural person appointed or elected by a member who is not a natural person, family farm corporation, or an authorized farm corporation is not eligible for election as a director to the board.

Upon the establishment of the fact that a Director is holding office in violation of any of the foregoing provisions, it shall immediately become incumbent upon the Board to remove such Director from office. Such removal shall be accomplished only upon a vote of not less than two-thirds of the Board eligible to vote.

EMPLOYMENT OF RELATIVES

Purpose: Employment of relatives will be allowed within MVEC.

1. There may not be direct supervision of a close relative. If a situation should arise where an employee is to be supervised by a close relative, one of the individuals must seek a different position within the cooperative, or terminate employment.
2. Prospective employment applicants, who are a close relative of a serving director, are ineligible to apply for employment at the cooperative.

“Close relative” shall mean natural persons who are in a legally recognized relationship, parent/in-law, child/in-law, brother/in-law, sister/in-law, grandparent/in-law, grandchild/in-law, step-relative/in-law, half-relative/in-law, aunt/in-law, uncle/in-law, nephew/in-law, and niece/in-law.

A “close relative” is a person who:

1. is by blood, law, or marriage (including half, step, foster, and adoptive relations) a child, grandchild, parent, grandparent, or sibling; or
2. is a spouse or resides in the same residence.

Issues involving employment of relatives will follow the normal hiring process and be coordinated by Human Resources.

RESPONSIBILITY: HUMAN SERVICE

REFERENCE POLICY: E-1 EMPLOYMENT

EFFECTIVE: JULY 29, 2002 R042715 R050117 R031020



CHIEF EXECUTIVE OFFICER

RULES GOVERNING THE ELECTION OF DIRECTORS

Purpose: The purpose of this policy is to establish and define the rules and the process governing the election of directors.

Policy:

A. Director Election Rules. Candidates for the board of directors and an incumbent director, whether a candidate or not, shall be governed by the following:

1. Campaigning at MVEC's facilities is prohibited;
2. Campaigning at Minnesota Valley Electric Cooperative Annual Meeting shall be in designated areas;
3. MVEC's logo or letterhead shall not be used in any form on any campaign materials;
4. Shall not make a statement that a candidate is supported by another person or organization without having first obtained the written permission from that person or organization;
5. Shall not make a false statement about another candidate or a candidate's position on an issue involving MVEC;
6. Shall not use the term "re-elect" in connection with the election for directors, unless the candidate is an incumbent director;
7. Shall not threaten, coerce, restrain, or exercise undue influence over the casting of a ballot by a member;
8. Shall not threaten, coerce, restrain, or exercise undue influence over an employee of MVEC to obtain the assistance of the employee in the candidate's election campaign;
9. Shall not accept a financial contribution or other financial assistance from a person, corporation, or entity that competes directly with the business of MVEC;
10. Shall not disseminate, publish, or circulate any campaign materials, printed or electronic, without including a statement of the name and address of the candidate or the candidate's committee responsible for the preparation, dissemination, publication; or circulation of such materials. The statement shall read: "Prepared and paid for by (name and address of candidate or candidate's committee); If the material is produced and disseminated without cost, the words "and paid for" may be omitted from the disclaimer. The disclaimer requirement is satisfied for an entire website or social media page when the disclaimer appears once on the home page of the site;
11. Shall not disseminate, publish, or circulate any materials or information, whether printed or

electronic, that is not factually accurate;

12. Shall not offer any item of monetary value to a member to induce the member to vote for a particular candidate, or on an issue in a particular way.

13. Shall not conspire, solicit, or arrange for any member or group of members to engage in any of the foregoing activities:

14. Campaign Finance Disclosure:

A. Campaign Contributions Discouraged. To promote the fairness and transparency of the election process and the best interests of the Cooperative, a candidate is encouraged to campaign for a seat on the Cooperative Board without accepting financial contributions, in-kind contributions, gifts, donations, loans to support the campaign, promises, or pledges to transfer money, goods, or services, paid personal services, or any other type of financial contribution from any individual, legal entity, Cooperative member or group of members, group of other persons, business, political party, interest group, association, union, or any other entity.

B. Contributions Accepted. If a candidate chooses to accept campaign contributions, then the contributions should be modest in nature and freely disclosed as required by this policy.

(1) "Campaign Contribution" means: a financial contribution; an in-kind contribution; a gift; a donation; a loan to support the campaign; a promise or pledge to transfer money, goods, or services; paid personal services; or any other type of contribution from an individual, entity, group, business, partnership, political party, interest group, or union.

(2) A candidate who chooses not to accept Campaign Contributions may voluntarily disclose that decision to the membership by filing a statement in the manner directed by the Cooperative.

C. Disclosure of Accepted Contributions. A candidate who chooses to accept Campaign Contributions is required to file with the Cooperative for posting by the Cooperative on its website a monthly Contributions Report (form attached) containing:

- (1) The name and address of the source of each campaign contribution;
- (2) The amount of each contribution or the nature and value of an in-kind contribution;
- (3) The date the candidate accepted each contribution; and
- (4) The contributor's occupation and employer (from individual contributors).

- D. **Personal Funds.** A candidate who spends his or her own personal funds on the candidate's own campaign is not required to file a Contributions Report.
- E. **Timing of Filing of Contributions Reports:** A candidate is required to file his or her Contributions Reports on the following schedule:

(1) A candidate required to file a Contributions Report shall file on the last day of each month before the Board election.

(2) In addition, a candidate shall file a Contributions Report for any contribution or expenditure in the amount of \$100 or more not later than 48 hours before the date of the election.

(3) A candidate shall file a final Contributions Report on the 30th day after the date of the election that includes any Campaign Contributions not previously disclosed.

- F. **Campaign Debt Retirement.** If a candidate is elected, or appointed after the election, to a director position, and the candidate chooses to accept contributions intended to help retire the candidate's campaign debt, the candidate is required to file with the Cooperative for posting by the Cooperative on its website a Contributions Report within 30 days after accepting each contribution.

B. Arbitrator. The board of directors shall select a qualified neutral arbitrator to decide violations of director election rules and prescribe appropriate penalties as authorized under this policy. MVEC legal counsel shall meet and inform the arbitrator of his/her responsibilities under this policy. MVEC shall pay any fees and expenses to the arbitrator for services rendered. MVEC will indemnify the arbitrator against all claims that may be brought against him/her, which arise from the performance of the arbitrator's duties under this policy.

C. Rule Enforcement Process. Any member who believes that a candidate or director has violated any director election rule ("Complainant") may file a written complaint ("Complaint") with MVEC at the corporate office, together with any documents in support of the Complaint. The form of Complaint attached to this policy as Exhibit A shall be used and shall be made available by MVEC upon request. MVEC will send a copy of the Complaint to the candidate or director against whom the Complaint is made ("Respondent").

Once chosen, MVEC shall send the Complaint to the arbitrator with a directive to handle the Complaint as expeditiously as possible in accordance with this policy. The arbitrator will promptly review the Complaint and determine that the Complaint meets the requirements of this policy. If the arbitrator determines that it does, then the arbitrator will set a hearing on the Complaint as soon as possible. All parties shall be given at least three (3) days' written (written would include e-mail, text or other electronic means) notice of the hearing on the Complaint.

The Complainant and Respondent shall be entitled to appear at the hearing with legal counsel and

present evidence for and against the charges made in the Complaint. The Complainant shall bear the burden of proof. Promptly after the hearing, the arbitrator shall determine whether there is clear and convincing evidence that a violation of an election rule was committed. If the arbitrator determines that a violation of an election rule was committed, it shall prescribe the penalty to be imposed for the violation, considering the nature and severity of the violation. The penalty must be appropriate to the violation committed.

D. Penalties. Penalties may include:

- a. an order to cease and desist from violating the rule,
- b. a reprimand,
- c. a censure,
- d. a disqualification of the Respondent's candidacy,
- e. a recommendation that the director resign or be removed from office, or
- f. such other penalty as the arbitrator determines is appropriate.

The arbitrator shall submit his/her determination and the factual basis for the determination on the Complaint and the penalty to be imposed, if any, in writing (in writing would include e-mail or other electronic means but not text) promptly to the board of directors. The board of directors shall promptly execute the decision of the arbitrator.

The arbitrator may consult with MVEC's corporate legal counsel in the discharge of his/her duties. The arbitrator may also utilize an assigned MVEC staff member to coordinate notices and arrangements for a hearing, the hearing location, a hearing tape/transcript, and such other services as the arbitrator deems necessary to carry out his/her duties under this policy.

E. No Claim Against MVEC. MVEC will not be responsible, and no member shall make any claim against MVEC, for the payment of attorneys' fees and costs, arising from the conduct of the election for directors under the provision of this policy.

F. Acknowledgment of Rules. All candidates for the board of directors shall sign the following Acknowledgment of the receipt of these rules.

ACKNOWLEDGEMENT OF RULES

I, _____, acknowledge receipt of MVEC's Rules Governing the Election of Directors and agree to comply with them. I understand that a violation of these rules could subject me to the penalties described in these rules.

Signature

G. Additional Campaign Processes.

1. Director candidate biographies will be posted in the MVEC Headquarters lobby and will be available on-line at www.mvec.net and in the Electric Eye;
2. Each candidate shall have a photograph taken at MVEC Headquarters or may submit one electronically. The candidate may receive a copy of this picture for campaign use;
3. No MVEC Director or Candidate may contact the balloting contractor during the election process. Questions regarding the election process shall be directed to the election supervisor at MVEC as appointed by the Board of Directors.

H. Recount Procedure and Time Limits.

1. In the event the total ballots cast for two or more competing director candidates in any election results in a difference in votes for each candidate of one-half of 1% or less, (0.5%) of the total votes cast in that election, a losing candidate may request a recount. That request must be made by the candidate filing in the office of the Chief Executive Officer of the Cooperative within three (3) business days following the adjournment of the meeting in which the vote was conducted. Upon such filing, the Cooperative attorney shall arrange for a hand recount of the votes by the election service provider (such as Survey & Ballot Systems, Inc. who has been used in past elections). That recount shall take place within 30 days of the adjournment of the meeting in which the voting was conducted and upon five (5) days' notice of the time and place of the recount given by telephone call to each candidate and confirmed by a notice sent by U.S. Mail so that each candidate and his or her representative may have an opportunity to view the recount process. The Cooperative attorney shall supervise the recount process, determine the validity of any ballots in question and upon completion of the recount shall certify the result of the election. The cost of the election service provider and the Cooperative attorney for the recount shall be paid by the Cooperative.

- I. Responsibility.** The Board of Directors, together with assistance from the general manager, is responsible for the administration of this policy

This policy supersedes and cancels all other policies related to the subject matter herein and which may conflict herewith.

Adopted: August 31, 2019
Amended: September 30, 2019
Amended: November 25, 2019
Amended: April 26, 2021



Board President

ELECTION PROCESS COMPLAINT

I state that:

1. _____ [insert name of candidate or director] engaged in the following activity, which is in direct conflict with _____ [state the article, bylaw or policy provision] in that he/she did the following:
- _____
- _____
- _____.

(Please attach additional information if necessary)

2. I am a member of Minnesota Valley Electric Cooperative.

My Name: _____

My Address: _____

My Phone: _____

My Email: _____

3. I filed this Complaint with the Minnesota Valley Electric Cooperative corporate offices on this date together with the attached documents (if any), which support my claim.

4. I believe the appropriate relief is _____
- _____
- _____

(Please attach additional information if necessary)

5. I understand that I must prove my claim by clear and convincing evidence.

6. I certify that this Complaint is submitted to the best of my knowledge, information, and belief, and is based upon information that is reasonable under the circumstances. I further certify that this Complaint is not presented for any improper purpose, such as to harass a candidate or director, or to cause a needless increase in the cost of the campaign.

Dated: _____, 20____

Complainant's Signature

CAMPAIGN CONTRIBUTIONS REPORT

MINNESOTA VALLEY ELECTRIC COOPERATIVE **DIRECTOR CAMPAIGN CONTRIBUTIONS REPORT**

Name of Director Candidate: _____ District: _____

Period of time covered by report: from _____ to _____

CONTRIBUTIONS RECEIVED

Date of Acceptance	Name, Address, Occupation and Employer of Contributor	Cash? or Other? (describe)	Amount or Value
			\$
			\$
			\$
			\$
			\$
	Additional sheets are attached showing additional contributions. (check one)	Yes? ____	No? ____

TOTAL AMOUNT RECEIVED \$ _____

Optional Statement: I have chosen not to accept campaign contributions. ____ (check if true)

I certify that this report is true, complete and accurate.

Candidate's Signature

Date

Print Name _____ Telephone _____ Email _____

Address _____

Campaign Finance Disclosure Rules as Required by Minnesota Valley Electric Cooperative:

A. Campaign Contributions Discouraged. To promote the fairness and transparency of the election process and the best interests of the Cooperative, a candidate is encouraged to campaign for a seat on the Cooperative Board without accepting financial contributions, in-kind contributions, gifts, donations, loans to support the campaign, promises, or pledges to transfer money, goods, or services, paid personal services, or any other type of financial contribution from any individual, legal entity, Cooperative member or group of members, group of other persons, business, political party, interest group, association, union, or any other entity.

B. Contributions Accepted. If a candidate chooses to accept campaign contributions, then the contributions should be modest in nature and freely disclosed as required by this policy.

i. "Campaign Contribution" means: a financial contribution; an in-kind contribution; a gift; a donation; a loan to support the campaign; a promise or pledge to transfer money, goods, or services; paid personal services; or any other type of contribution from an individual, entity, group, business, partnership, political party, interest group, or union.

ii. A candidate who chooses not to accept Campaign Contributions may voluntarily disclose that decision to the membership by filing a statement in the manner directed by the Cooperative.

C. Disclosure of Accepted Contributions. A candidate who chooses to accept Campaign Contributions is required to file with the Cooperative for posting by the Cooperative on its website a monthly Contributions Report containing:

iii. The name and address of the source of each campaign contribution;

iv. The amount of each contribution or the nature and value of an in-kind contribution;

v. The date the candidate accepted each contribution; and

vi. The contributor's occupation and employer (from individual contributors).

D. Personal Funds. A candidate who spends his or her own personal funds on the candidate's own campaign is not required to file a Contributions Report.

E. Timing of Filing of Contributions Reports: A candidate is required to file his or her Contributions Reports on the following schedule:

(1) A candidate required to file a Contributions Report shall file on the last day of each month before the Board election.

(2) In addition, a candidate shall file a Contributions Report for any contribution or expenditure in the amount of \$100 or more not later than 48 hours before the date of the election.

(3) A candidate shall file a final Contributions Report on the 30th day after the date of the election that includes any Campaign Contributions not previously disclosed.

F. Campaign Debt Retirement. If a candidate is elected, or appointed after the election, to a director position, and the candidate chooses to accept contributions intended to help retire the candidate's campaign debt, the candidate is required to file with the Cooperative for posting by the Cooperative on its website a Contributions Report within 30 days after accepting each contribution.

QUESTIONS CONCERNING QUALIFICATIONS FOR DIRECTORS

Complete and return to cheril@mvec.net

Certain qualifications to be eligible to become and remain a Director are set forth in MVEC Bylaws. In addition, statutory and common laws impose certain duties upon Directors. The following questions are designed to ensure you are eligible to be a candidate for Director and to remain a Director if elected.

Full Name: _____

Address of Primary Residence: _____

Bona fide residents shall be defined as residing at and continuously and materially purchasing electric service at a location within any director district from which the director is elected, or for which he or she is a candidate, for at least nine months each calendar year. *Are you a bona fide member and resident of the district from which a candidate is elected, or for which he or she is a candidate?*

Yes _____ No _____

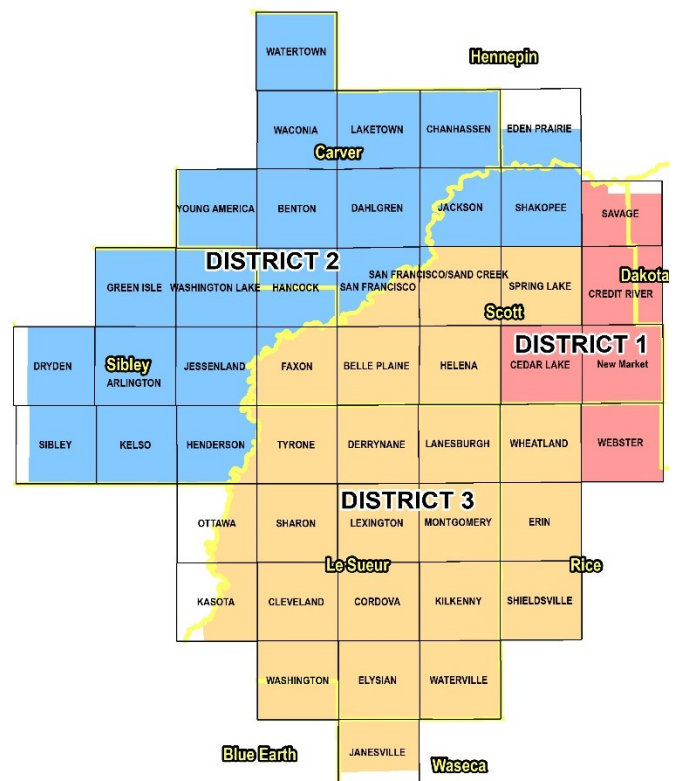
In what district do you reside in and/or receive electric service? _____ (See Larger map on page 30)

A Director is responsible for, and must actively participate in, oversight of the management of the business and affairs of MVEC. The MVEC Board of Directors is quite active; it is anticipated you will spend approximately 15-25 days annually at meetings of the Board of Directors, general membership, committees, and other organizations. The vast majority of the meetings occur during day time hours Monday through Friday. Unless excused for good cause by the board, a director who is absent from three or more regular meetings of the Board of Directors during any calendar year, may not qualify to remain a director. *Are you able to commit that amount of time to be actively involved in the affairs of MVEC?*

Yes _____ No _____

Are you in any way employed by or substantially financially interested in an enterprise substantially competing with the Cooperative or any Cooperative-affiliated business?

Yes _____ No _____



Have you, within the past five years, been adjudged to be guilty of a felony?

Yes _____ No _____

Have you been a full-time or part-time employee of the Cooperative within the past three years?

Yes _____ No _____

A close relative is defined a person who is by blood, law or marriage (including half, step, foster, and adoptive relations) a child, grandchild parent, grandparent, or sibling; or is a spouse or resides in the same residence)

Are you a close relative of an existing director? If so, relationship: _____

Yes _____ No _____

Are you a close relative of an existing Cooperative employee? If so, relationship: _____

Yes _____ No _____

Are you a full-time employee or agent of, or a full-time employer or principal of another director?

Yes _____ No _____

Do you have the capacity to enter legally binding contracts?

Yes _____ No _____

AFFIRMATION OF DIRECTOR QUALIFICATIONS

I, the undersigned, hereby state and affirm as follows:

I have read MVEC's Director Candidate Handbook and all attachments.

1. I am qualified to be nominated, elected, and/or appointed to service as a MVEC Director.
2. I agree to abide by the Articles of Incorporation, Bylaws and Policies of MVEC.

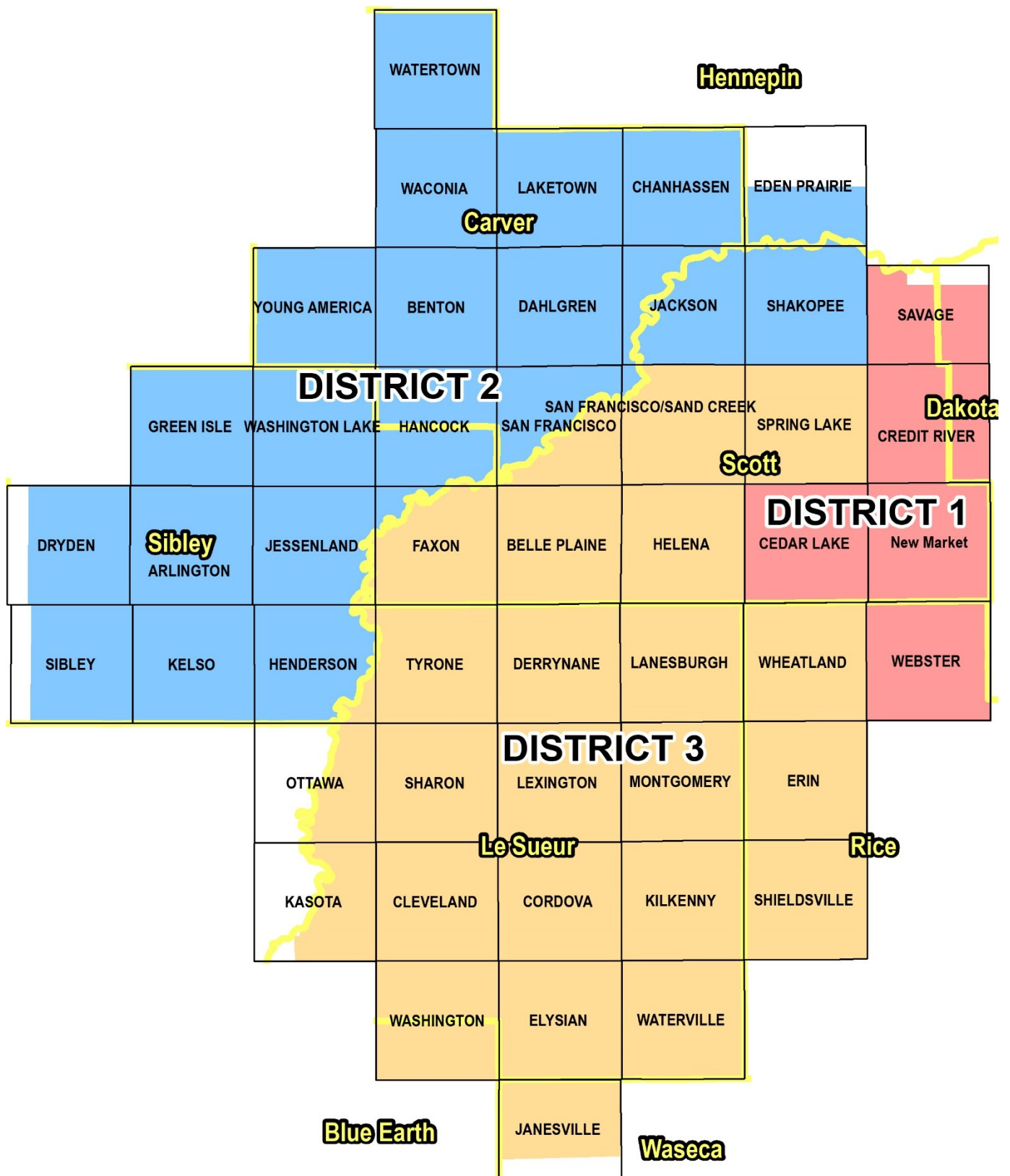
I have signed my name hereto on this _____ day of _____, 20____.

Candidate Signature

Email Address

Phone Number

DISTRICT MAP



DIRECTOR NOMINATION FOR 2023 ELECTION

Return to: Cheri Lenzmeier
Minnesota Valley Electric Cooperative
125 Minnesota Valley Electric Drive
Jordan, MN 55352
CheriL@mvec.net

Re: Acceptance or Declination of Nomination

I hereby accept the nomination for the Board of Directors of Minnesota Valley Electric Cooperative.

Signature

Date

I respectfully decline the nomination for the Board of Directors of Minnesota Valley Electric Cooperative.

Signature

Date

Minnesota Valley Electric Cooperative

BOARD OF DIRECTORS CANDIDATE BIOGRAPHY

Full Name:

Address:

Email Address:

Years as MVEC member:

Spouse's name (optional):

Use this space as you wish to describe occupation, education, community involvement, hobbies:

Goal as a Director (maximum 250 words):

Please also email Cheril@mvec.net a 300-dpi photo of yourself to include with this biography.