

NRECA Regional Meetings



To be considered by:

**NRECA Member Standing Committees
Palm Desert, California – January 15, 2020**

With actions taken by voting delegates in:

**Regions 8 & 10
San Antonio, Texas – October 25, 2019**

**Regions 2 & 3
Louisville, Kentucky – October 10, 2019**

**Regions 7 & 9
Spokane, Washington – September 26, 2019**

**Regions 5 & 6
Milwaukee, Wisconsin – September 12, 2019**

**Regions 1 & 4
Buffalo, New York – September 6, 2019**

The Member Resolutions Process at Regional Meetings

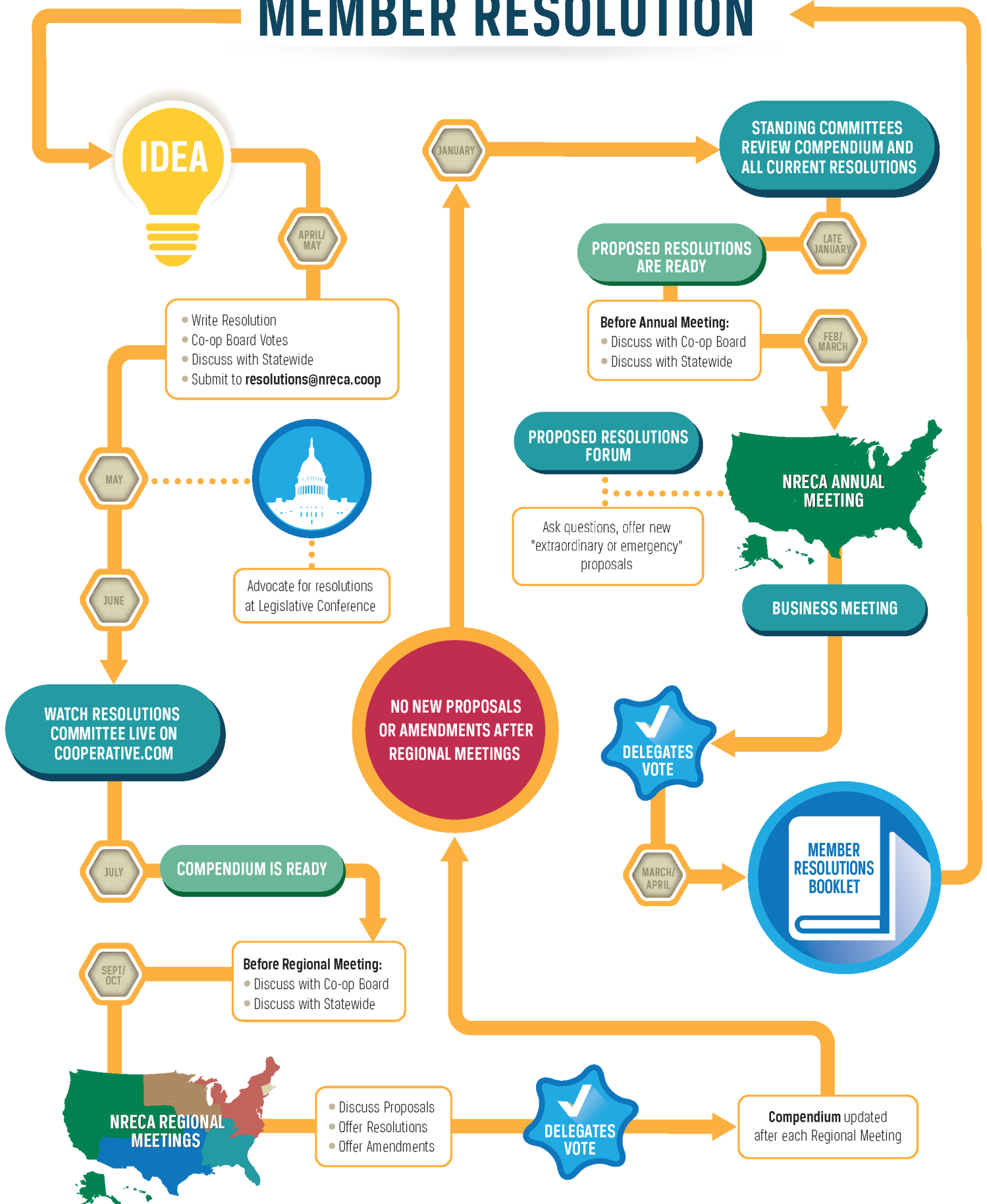
Proposed Resolutions are forwarded by the National Resolutions Committee, or by majority vote of the voting delegates at a Regional Meeting. Each Proposed Resolution in the Compendium will be presented to voting delegates for their vote.

The Regional Resolutions Committees make recommendations for their voting delegates to consider. Regional Resolutions Committees may: (1) recommend for adoption; (2) recommend against adoption; or (3) remain neutral by offering “no recommendation” for voting delegates to consider. Regional resolutions committees may not amend the proposals in the Compendium. However, they may offer and recommend additional Proposed Resolutions, even on the same subject or same existing resolution.

In November 2019, the Proposed Resolutions and all actions taken by voting delegates will be forwarded to the Member Standing Committees. At their January 2020 meetings, among other duties, the Member Standing Committees must review the Proposed Resolutions and reconcile any conflicts or duplication in the voting delegates’ actions. The Member Standing Committees and National Resolutions Committee will also make recommendations for voting delegates to consider at the 2020 NRECA Annual Meeting.

For more information visit <https://www.cooperative.com/member-resolutions/>, or contact the National Resolutions Committee at resolutions@nreca.coop.

I WANT TO SUBMIT A MEMBER RESOLUTION



National Resolutions Committee

Chair (2019): Mac McLennan, Region 6
Vice Chair (2019): Lisa Johnson, Region 2

Lisa Johnson, General Manager and CEO Seminole Electric Cooperative, Florida	Region 2	Legislative Chair
Mark Stallons, Former President and CEO Owen Electric Cooperative, Kentucky	Region 3	Legislative Vice Chair
Pat O'Loughlin, President and CEO Ohio REC and Buckeye Power, Ohio	Region 4	Regulatory Chair
Mac McLennan, President and CEO Minnkota Power Cooperative, North Dakota	Region 6	Regulatory Vice Chair
Tom Houston, General Manager Webster Electric Cooperative, Missouri	Region 8	CMEC Chair
Gary Wood, President and CEO Central Virginia Electric Cooperative, Virginia	Region 1	CMEC Vice Chair
Gary Martin, Director Menard Electric Cooperative, Illinois	Region 5	Regional Representative Regulatory Member
Bruce Graham, CEO Kansas Electric Cooperatives, Kansas	Region 7	Regional Representative Legislative Member
Mark Hayden, General Manager and CEO Missoula Electric Cooperative, Montana	Region 9	Regional Representative Legislative Member
Bill Hetherington, CEO Bandera Electric Cooperative, Texas	Region 10	Regional Representative Regulatory Committee

The Committee's current term runs until the conclusion of the 2020 NRECA Annual Meeting in New Orleans. The committee is comprised of the chairs and vice chairs of each of the three NRECA Member Standing Committees – Legislative; Regulatory; Cooperative Management, Employment and Community (CMEC). To ensure each Region is represented, the NRECA President appoints additional individuals from the Standing Committees. To contact the committee, please email resolutions@nreca.coop.

2019 Compendium of Proposed Resolutions

Note: Policy background statements accompany each resolution and are intended to provide additional information to educate voting delegates and the membership. *Only the resolutions are voted upon.* Some proposal resolutions have multiple versions; if at least one Region adopts a proposal it proceeds through the remainder of the annual process. Regional Resolutions Committees consider and make a recommendation on each version.

Proposed New Resolutions

- (1-A) Supporting Necessary Flood Risk Management Measures
- (1-B) Supporting Necessary Flood Risk Management Measures
- (1-C) Supporting Necessary Flood Risk Management Measures
- (2) Assistance to Puerto Rico
- (3) Tax Treatment of Federal and State Assistance

Proposed Amendments

Deletions are shown as ~~strikethroughs~~, and new language is underlined. Page numbers refer to the [2019 Member Resolutions](#) booklet.

- (4-A) Broadband for Rural America (pp. 22; 90)
- (4-B) Broadband for Rural America (pp. 22; 90)
- (4-C) Broadband for Rural America (pp. 22; 90)
- (5-A) Support for Electric Vehicle Policies (pp. 22; 89)
- (5-B) Support for Electric Vehicle Policies (pp. 22; 89)
- (5-C) Support for Electric Vehicle Policies (pp. 22; 89)
- (6) Bankruptcy Protection (pp. 18; 77)
- (7) Stranded Assets and Economic Impacts (pp. 16; 74)
- (8-A) Territorial Integrity, Takeover Threats and Loan Security*
- (8-B) Territorial Integrity, Takeover Threats and Loan Security*
- (8-C) Territorial Integrity, Takeover Threats and Loan Security*
- (8-D) Territorial Integrity, Takeover Threats and Loan Security*
- (9-A) Protection of Hydroelectric Dams
- (9-B) Protection of Hydroelectric Dams

**Merges existing resolutions Territorial Integrity and Loan Security (pp. 18; 78) and Takeover Threats (pp. 19; 81)*

1 **(1-A) Proposed New Resolution – Forwarded by the National Resolutions Committee with**
2 **a Recommendation for Adoption**
3 *Submitted by the Iowa Association of Electric Cooperatives*
4

5 **Supporting Necessary Flood Risk Management Measures**
6

7 **We urge NRECA to support necessary actions by Congress to require the U.S.**
8 **Army Corps of Engineers to maintain flood risk management as a top priority in the**
9 **management guidelines aimed at controlling the Missouri River.**
10

11 *Policy Background*

12 *Severe flooding along the Missouri River over the last several years has caused billions of*
13 *dollars of damage and lost income. Questions have been raised regarding whether the U.S. Army*
14 *Corps of Engineers is providing an adequate levee system for water containment and is*
15 *appropriately discharging its flood risk responsibilities.*

16 *Threats of flooding come not only from waters overtopping a levee, but also from breaches of*
17 *unknown weak spots. Cooperatives are urged to work with their local levee districts to ensure the*
18 *districts reinforce the levees themselves, including filling voids with flowable fill or other concrete*
19 *materials, and that formal flood mitigation plans are developed that address the cooperatives’*
20 *specific needs and threats. Flooding can have disastrous effects on power plant operations, forcing*
21 *power plants to shut down or alter operations to prevent serious damage from flood waters.*
22 *Operations often must be shut down under threat of flooding in order to prevent hot equipment (i.e.:*
23 *steam lines or high energy piping) from coming into contact with the water, which could result in*
24 *cracking and rupturing of pipes and other equipment. Electrical equipment, particularly*
25 *transformers and high voltage supplies, must also be protected from flooding impacts. For facilities*
26 *in flood plains, water treatment facilities also need to be constructed in a way that will prevent*
27 *inundation from flood waters.*
28

29
30 **National Resolutions Committee Action:** The Committee recommends for the adoption of this
31 resolution as presented. The Committee added language to the policy background addressing
32 additional threats to generation assets as well as other challenges flood risk management poses.
33 The Committee encourages voting members in states impacted by similar issues to propose new
34 language regarding this issue during the Regional Meetings.
35

36 **Region Actions:**
37

38 **Regions 1; 4; 5; 6; 9; 2; 3: Adopted.**
39

40 **Regions 7; 8; 10: Not Considered. See note below for more information.**
41

42 **Note:** Voting delegates in Regions 7, 8, and 10 did not consider this version since it presented
43 practically the same question as another motion previously decided at the meeting. Robert’s
44 Rules of Order (11th ed.) governs NRECA member meetings (NRECA Bylaw Article IX).
45 Robert’s Rules provides that, “Motions are ... improper when they present practically the same
46 question as a motion previously decided at the same session.” (Section 39 “Improper Motions,”
47 page 343, lines 24-26).

1 **(1-B) Proposed New Resolution**

2 *Forwarded by the Region 7 Resolutions Committee*

3
4 **Supporting Necessary Flood Risk Management Measures**

5
6 **We urge NRECA to support necessary actions by Congress to support rural**
7 **cooperatives in developing resiliency strategies to limit damage from severe weather events**
8 **and require the U.S. Army Corps of Engineers to maintain flood risk management as a top**
9 **priority in the management guidelines aimed at controlling the Missouri River.**

10
11 *Policy Background*

12 *Severe flooding along the Missouri River over the last several years has caused billions*
13 *of dollars of damage and lost income. Questions have been raised regarding whether the U.S.*
14 *Army Corps of Engineers is providing an adequate levee system for water containment and is*
15 *appropriately discharging its flood risk responsibilities.*

16 *Threats of flooding come not only from waters overtopping a levee, but also from*
17 *breaches of unknown weak spots. Cooperatives are urged to work with their local levee districts*
18 *to ensure the districts reinforce, maintain, and/or repair the levees themselves, including filling*
19 *voids with suitable materials, and that formal flood mitigation plans are developed that address*
20 *the cooperatives' specific needs and threats. Flooding can have disastrous effects on power plant*
21 *operations, forcing power plants to shut down or alter operations to prevent serious damage*
22 *from flood waters. Operations often must be shut down under threat of flooding in order to*
23 *prevent hot equipment (i.e.: steam lines or high energy piping) from coming into contact with the*
24 *water, which could result in cracking and rupturing of pipes and other equipment. Electrical*
25 *equipment, particularly transformers and high voltage supplies, must also be protected from*
26 *flooding impacts. For facilities in flood plains, water treatment facilities also need to be*
27 *constructed in a way that will prevent inundation from flood waters.*

28
29
30 **Region Actions:**

31
32 **Region 7: Adopted.**

33
34 **Regions 1; 4; 5; 6; 9; 2; 3; 8; 10: Not Considered. See note below for more information.**

35
36 **Note:** This version was introduced at the Region 7 committee meeting. In line 7, “to support
37 rural cooperatives in developing resiliency strategies to limit damage from severe weather events
38 and” was added to broaden the scope of the resolution and focus on developing strategies to
39 respond to severe weather events before they occur. This version was introduced after Regions 1,
40 4, 5, and 6 met, and was not considered by the Region 9 Resolutions Committee. Voting
41 delegates in Regions 2, 3, 8, and 10 did not consider this version since it presented practically the
42 same question as another motion previously decided at the meeting. Robert’s Rules of Order
43 (11th ed.) governs NRECA member meetings (NRECA Bylaw Article IX). Robert’s Rules
44 provides that, “Motions are ... improper when they present practically the same question as a
45 motion previously decided at the same session.” (Section 39 “Improper Motions,” page 343,
46 lines 24-26).

1 **(1-C) Proposed New Resolution**

2 *Forwarded by the Region 8 Resolutions Committee*

3
4 **Supporting Necessary Flood Risk Management Measures**

5
6 **We urge NRECA to support necessary actions by Congress to require the U.S.**
7 **Army Corps of Engineers to maintain flood risk management as a top priority in the**
8 **management guidelines aimed at controlling the Missouri River and the Mississippi River.**
9

10 *Policy Background*

11 *Severe flooding along the Missouri River and the Mississippi River over the last several*
12 *years has caused billions of dollars of damage and lost income. Questions have been raised*
13 *regarding whether the U.S. Army Corps of Engineers is providing an adequate levee system for*
14 *water containment and is appropriately discharging its flood risk responsibilities.*

15 *Threats of flooding come not only from waters overtopping a levee, but also from breaches of*
16 *unknown weak spots. Cooperatives are urged to work with their local levee districts to ensure the*
17 *districts reinforce the levees themselves, including filling voids with flowable fill or other concrete*
18 *materials, and that formal flood mitigation plans are developed that address the cooperatives'*
19 *specific needs and threats. Flooding can have disastrous effects on power plant operations, forcing*
20 *power plants to shut down or alter operations to prevent serious damage from flood waters.*
21 *Operations often must be shut down under threat of flooding in order to prevent hot equipment (i.e.:*
22 *steam lines or high energy piping) from coming into contact with the water, which could result in*
23 *cracking and rupturing of pipes and other equipment. Electrical equipment, particularly*
24 *transformers and high voltage supplies, must also be protected from flooding impacts. For facilities*
25 *in flood plains, water treatment facilities also need to be constructed in a way that will prevent*
26 *inundation from flood waters.*
27

28
29 **Region Actions:**

30
31 **Regions 8; 10: Adopted.**

32
33 **Regions 1; 4; 5; 6; 7; 9; 2; 3: Not Considered. See note below for more information.**

34
35 **Note:** This version was introduced at the Regions 8 and 10 committee meeting. This version
36 adds “and the Mississippi River” to broaden the scope of the resolution. This version was
37 introduced after Regions 1, 4, 5, 6, 7, 9, 2, and 3 met.

1 **(2) Proposed New Resolution – Forwarded by the National Resolutions Committee with a**
2 **Recommendation for Adoption**

3 *Submitted by the Tennessee Electric Cooperative Association*
4
5

6 **Assistance to Puerto Rico**
7

8 **We urge NRECA to provide assistance and support to communities and**
9 **organizations in Puerto Rico that are exploring the creation of electric cooperatives.**
10

11 *Policy Background*

12 *In September of 2017, Hurricane Maria decimated the island of Puerto Rico and destroyed*
13 *its aging electric infrastructure. In some communities, the electric system outages lasted longer*
14 *than one year. Service was restored more quickly to urban areas than to rural communities. As a*
15 *result, many communities are exploring the creation of electric cooperatives, which is a proven*
16 *vehicle for providing economic security to rural communities.*

17 *Puerto Rico has a long history with the cooperative business model. There are numerous*
18 *cooperatives operating on the island; including insurance cooperatives, cooperative banks (credit*
19 *unions), food and agriculture cooperatives, and a pharmaceutical cooperative. What the island*
20 *lacks is cooperatives with experience in operating an electric system.*

21 *Since Hurricane Maria, NRECA staff and members have been called upon to assist Puerto*
22 *Rico by participating in conferences sponsored by, among others, the manufacturing community*
23 *and the Chamber of Commerce. Groups on the island that are interested in creating electric*
24 *cooperatives have reached out to NRECA seeking technical assistance and introductions to the*
25 *Rural Utilities Service and other organizations that can help. NRECA's role has been to facilitate*
26 *technical assistance and to provide guidance on issues such as regulation of electric cooperatives*
27 *by the newly formed Puerto Rico Energy Bureau.*

28 *Over the years, NRECA has played a significant role in assisting electric utilities in third*
29 *world countries. This is an opportunity to recreate that same success with United States citizens.*
30 *In the spirit of cooperatives helping cooperatives, one of our Seven Cooperative Principles, we*
31 *believe that NRECA should serve as a clearinghouse and facilitator for the burgeoning electric*
32 *cooperative movement in Puerto Rico.*
33

34
35 **National Resolutions Committee Action:** The Committee recommends for the adoption of this
36 resolution as presented. The Committee recognizes NRECA is actively assisting Puerto Rico and
37 added language to the policy background to highlight this work.
38

39 **Region Actions:**
40

41 **Regions 1; 4; 5; 6; 7; 9; 2; 3; 8; 10: Adopted.**

1 **(3) Proposed New Resolution**

2 *Forwarded by the Regions 7 and 9 Resolutions Committees*

3
4
5 **Tax Treatment of Federal and State Assistance**

6
7 **We urge NRECA to advocate for the passage of Federal legislation, such as the**
8 **RURAL Act of 2019, that excludes Federal and State grants for purposes of determining the**
9 **tax-exempt status of rural electric cooperatives pursuant to Section 501(c)(12) of the Internal**
10 **Revenue Code.**

11
12 *Policy Background*

13 *Under current Federal law, rural electric cooperatives must receive at least 85% of their*
14 *income from members to retain their tax-exempt status under Section 501(c)(12) of the Internal*
15 *Revenue Code. Two years ago, the passage of the Tax Cuts and Jobs Act of 2017 inadvertently*
16 *made it tougher for co-ops to meet that requirement by counting government grants as non-*
17 *member income for the first time.*

18 *Legislation such as H.R. 2147, the “RURAL Act of 2019” would fix the problem, by*
19 *clarifying that grants, contribution or assistance provided by the Federal or State government for*
20 *disaster relief would not be considered income for purposes of the “85/15” rule. In addition, the*
21 *RURAL Act would also exempt funds provided for broadband, internet, or other utility facilities or*
22 *services.*

23 *Congress must act by year’s end to pass the bipartisan RURAL Act or some cooperatives*
24 *risk losing their tax-exempt status if they take government grants to restore power after a natural*
25 *disaster, bring broadband service to rural residents, boost economic development in local*
26 *communities or create energy efficiency programs. This legislation would also enable*
27 *cooperatives to accept Federal or State funds to support technology research and development, or*
28 *to develop energy resilience plans that help mitigate increasing exposure to extreme weather*
29 *events such as fire, flood, ice storms, hurricanes and other natural hazards.*

30
31
32 **Region Actions:**

33
34 **Regions 7; 9; 2; 3; 8; 10: Adopted.**

35
36 **Regions 1; 4; 5; 6: Not Considered. See note below for more information.**

37
38 **Note:** This resolution was introduced at the Regions 7 and 9 committee meetings, after Regions 1,
39 4, 5, and 6 met.

1 **(4-A) Proposed Amendment to Existing Resolution – Forwarded by the National Resolutions**
2 **Committee with a Recommendation for Adoption**
3 *Submitted by the Wisconsin Electric Cooperative Association*
4
5

6 **Broadband for Rural America**
7

8 We urge NRECA to take a prominent leadership and advocacy role in the U.S. Congress,
9 with the Administration, and at the Federal Communications Commission (FCC) to ensure
10 cooperatives have the ability to provide broadband voluntarily, on their own or in partnership with
11 other local providers, in rural America.

12 **We also urge NRECA to advocate for reforms in the FCC’s National Broadband Map**
13 **to more effectively utilize state and federal investment in rural broadband. Census block**
14 **reporting by telecommunication providers vastly overstates coverage and so we support**
15 **more accurate federal mapping using granular data and/or other available information to**
16 **better reflect actual broadband services and speeds provided.**

17 Leadership from NRECA is critical to present a unified voice for America’s electric
18 cooperatives by working together with other rural/industry advocates such as the Utilities
19 Technology Council; the National Rural Telecommunications Cooperative and other groups who
20 share electric co-op interests in rural America.
21

22 *Policy Background*

23 *The Telecommunications Act of 1996 directs the FCC to ensure that communications*
24 *services and rates in rural areas are reasonably comparable to services and rates in urban areas.*
25 *The FCC has fallen short of this mandate for too many of our rural communities. Without*
26 *broadband, our communities are falling further behind.*

27 *Specifically, NRECA’s leadership is needed to advocate for federal funding via the FCC’s*
28 *universal service fund (including the Connect America Fund) and any other federal grant/lending*
29 *sources such as the Rural Utilities Service (RUS) for electric cooperatives. Electric cooperatives*
30 *have not historically provided communications services and Members of Congress and regulators*
31 *need to understand how electric cooperatives are able to leverage their existing infrastructure to*
32 *deploy broadband and, in so doing, transform their communities.*
33 *Electric cooperatives have been leaders in rural America for nearly a century – dating back to the*
34 *1930s when committed leaders in rural America formed rural electric cooperatives to bring*
35 *electricity to areas that were being left behind by private utilities whose motive was profit—not*
36 *service. In many rural areas, we face a similar critical divide today with respect to access to*
37 *quality, reliable broadband. **Broadband service has become critical to the continued growth and***
38 ***prosperity of rural communities.***

39 ~~***Large, typically investor-owned, broadband providers are deploying high-speed***~~
40 ~~***broadband services in the more populated areas of the country but are bypassing too many of***~~
41 ~~***our communities for the same reason investor-owned utilities chose to ignore rural America in***~~
42 ~~***the 1930s—sparsely populated areas—nominal or negative profit. Yet, without broadband, our***~~
43 ~~***communities cannot survive.***~~

44 *Today, like the 1930s, electric cooperatives are answering the call of their communities by*
45 *bringing light to rural areas that have been left in digital darkness. According to the National*
46 *Rural Telecommunications Cooperative, there are currently more than 250+ electric cooperatives*
47 *throughout the country either deploying or studying deployment of broadband in rural America.*

48 *Access to broadband brings world-class educational opportunities for our children,*
49 *enhanced health care, and, most importantly, turns economic development initiatives into reality.*
50 *In short, rural America and its residents should receive broadband services on a level consistent*
51 *with their urban and suburban counterparts as Congress envisioned when it created the universal*
52 *service program.*

53 ***In many cases, the lack of granular and verified national broadband data and maps has***
54 ***hampered electric cooperative efforts to receive federal funding for broadband deployment.***
55 ***NRECA is advocating to improve national broadband data collection and mapping at the***
56 ***Federal Communications Commission (FCC), National Telecommunications Information***
57 ***Administration (NTIA), and before Congress.***
58

59
60 **National Resolutions Committee Action:** The Committee recommends for the adoption of this
61 proposed amendment as presented. After a discussion with a representative from the Wisconsin
62 Electric Cooperative Association, the Committee amended the new paragraph to read “We also
63 urge” for consistency with the structure of other member resolutions. The Committee also updated
64 the policy background to provide additional detail regarding broadband data collection and
65 mapping.
66

67 **Region Actions:**

68
69 **Regions 1; 4; 9; 2; 8: Adopted.**

70
71 **Regions 5; 6; 7; 3; 10: Not Considered. See note below for more information.**

72
73 **Note:** Voting delegates in Regions 5, 6, 7, 3, and 10 did not consider this version since it
74 presented practically the same question as another motion previously decided at the meeting.
75 Robert’s Rules of Order (11th ed.) governs NRECA member meetings (NRECA Bylaw Article
76 IX). Robert’s Rules provides that, “Motions are ... improper when they present practically the
77 same question as a motion previously decided at the same session.” (Section 39 “Improper
78 Motions,” page 343, lines 24-26).

1 **(4-B) Proposed Amendment to Existing Resolution**

2 *Forwarded by the Region 6 Resolutions Committee*

3
4
5 **Broadband for Rural America**
6

7 We urge NRECA to take a prominent leadership and advocacy role in the U.S. Congress,
8 with the Administration, and at the Federal Communications Commission (FCC) **by advocating**
9 **for reforms to the FCC National Broadband Map and Census Block reporting. These**
10 **changes will ensure more accurate broadband service coverage and speed information for**
11 **cooperatives that to ensure cooperatives** have the ability to provide broadband voluntarily, on
12 their own or in partnership with other local providers, in rural America.

13 ~~Leadership from NRECA is critical to present a unified voice for America's electric~~
14 ~~cooperatives by working together with other rural/industry advocates such as the Utilities~~
15 ~~Technology Council; the National Rural Telecommunications Cooperative and other groups~~
16 ~~who share electric co-op interests in rural America.~~
17

18 *The Policy Background for this proposed amendment is available following Proposed Resolution*
19 *4-A. As a reminder, voting delegates vote only on the policy statement, not the policy background.*
20

21
22 **Region Actions:**

23
24 **Regions 5; 6; 7; 3: Adopted.**

25
26 **Regions 1; 4; 9; 2; 8; 10: Not Considered. See note below for more information.**

27
28 **Note:** This resolution was introduced at the Regions 5 and 6 committee meeting. This version
29 seeks to retain the intent of the amendments from Proposed Resolution 4-A, above, however it
30 streamlines the language to make the resolution more concise. This version was introduced after
31 Regions 1 and 4 met. Voting delegates in Regions 9, 2, 8, and 10 did not consider this version
32 since it presented practically the same question as another motion previously decided at the
33 meeting. Robert's Rules of Order (11th ed.) governs NRECA member meetings (NRECA Bylaw
34 Article IX). Robert's Rules provides that, "Motions are ... improper when they present practically
35 the same question as a motion previously decided at the same session." (Section 39 "Improper
36 Motions," page 343, lines 24-26).

1 **(4-C) Proposed Amendment to Existing Resolution**

2 *Forwarded by the Region 10 Resolutions Committee*

3
4
5 **Broadband for Rural America**
6

7 We urge NRECA to take a prominent leadership and advocacy role in the U.S. Congress,
8 with the Administration, and at the Federal Communications Commission (FCC) **by advocating**
9 **for reforms to the FCC National Broadband Map and Census Block reporting. These**
10 **changes will ensure more accurate broadband service coverage and speed information for**
11 **cooperatives that** ~~to ensure cooperatives~~ have the ability to provide broadband voluntarily, on
12 their own or in partnership with other local providers, in rural America. **We also encourage**
13 **NRECA to assist its members with efforts that remove state statutory or regulatory barriers**
14 **for cooperatives that wish to provide broadband services.**

15 ~~Leadership from NRECA is critical to present a unified voice for America's electric~~
16 ~~cooperatives by working together with other rural/industry advocates such as the Utilities~~
17 ~~Technology Council; the National Rural Telecommunications Cooperative and other groups~~
18 ~~who share electric co-op interests in rural America.~~
19

20 *The Policy Background for this proposed amendment is available following Proposed Resolution*
21 *4-A. As a reminder, voting delegates vote only on the policy statement, not the policy background.*
22

23
24 **Region Actions:**

25
26 **Region 10: Adopted.**

27
28 **Regions 1; 4; 5; 6; 7; 9; 2; 3; 8: Not Considered. See note below for more information.**

29
30 **Note:** This resolution was introduced at the Region 10 committee meeting. This version builds on
31 the amendments in Proposed Resolution 4-B, above, adding language at line 12 asking NRECA to
32 assist members with efforts to “remove state statutory or regulatory barriers” for those members
33 seeking to deploy broadband. This version was introduced after Regions 1, 4, 5, 6, 7, 9, 2, and 3
34 met, and was not considered by the Region 8 Resolutions Committee.

1 **(5-A) Proposed Amendment to Existing Resolution – Forwarded by the National Resolutions**
2 **Committee with a Recommendation for Adoption**
3 *Submitted by the Nebraska Rural Electric Association*
4
5

6 **Electric Cooperatives Support for of Electric Vehicle Policies**
7

8 We urge NRECA to support policies and investments that incent production and
9 deployment of electric vehicles and charging infrastructure, encourage transportation
10 electrification that can optimize electric grid infrastructure, improve management of electric loads,
11 and integrate renewable energy resources.

12 ~~Specifically, we urge NRECA to advocate for federal legislation to remove the~~
13 ~~200,000 vehicle limitation and phaseout of Section 30D the Electric Vehicle Tax Credit, and~~
14 ~~seek an extension of current tax credits.~~
15

16 *Policy Background*

17 *Cooperative utilities see great promise in the electrification of the transportation sector,*
18 *including electric vehicle (EV) adoption and deployment. As the resource mix of electric utilities*
19 *becomes less carbon-intensive and other emissions continue to drop, transportation electrification*
20 *becomes a more attractive policy option to reduce vehicle emissions and improve air quality in*
21 *our communities. EVs offer an environmentally-beneficial source of load growth and an*
22 *opportunity to demonstrate our local and global environmental stewardship. Further, electricity*
23 *used as a transportation fuel reduces petroleum consumption, decreases our need to import oil,*
24 *and improves our nation's energy security.*

25 *Cooperative utilities are ideally positioned to partner with the auto industry, electric*
26 *vehicle owners, municipal and private vehicle fleets, car sharing companies, and communities to*
27 *offer products and services that encourage EV adoption and provide convenient and grid-friendly*
28 *vehicle charging options. Many cooperative utilities have found that investments in charging*
29 *infrastructure, consumer education, and designed rates and incentives encourage EV adoption.*
30 *These investments depend on continued support for EVs at the federal level and should recognize*
31 *and be consistent with state law.*

32 *Both the electric and transportation sectors are impacted by regulatory and consumer*
33 *pressure to reduce emissions. The electric sector is adapting to these pressures, making strides in*
34 *its own emission reduction efforts, and poised to assist the transportation sector's move toward*
35 *the use of electricity as a new low-carbon transportation fuel. EVs represent an opportunity for*
36 *cooperatives to meet carbon policy challenges and support growing customer demand for EVs,*
37 *while increasing electricity sales and moderating rate pressures.*

38 *Several federal policies can affect EV deployment, including tax incentives and fuel*
39 *efficiency standards- such as Internal Revenue Code Section 30D which provides a credit for*
40 *Qualified Plug-in Electric Drive Motor Vehicles including passenger vehicles and light trucks.*
41 ~~*The tax credit is available for the purchase of a new qualified PEV that draws propulsion using*~~
42 ~~*a traction battery that has at least five kilowatt-hours (kWh) of capacity, uses an external source*~~
43 ~~*of energy to recharge the battery, has a gross vehicle weight rating of up to 14,000 pounds, and*~~
44 ~~*meets specified emission standards.*~~

45 ~~*For vehicles acquired after December 31, 2009, the credit ranges from \$2,500 to \$7,500.*~~
46 ~~*The credit begins to phase out for a manufacturer's vehicles when at least 200,000 qualifying*~~
47 ~~*vehicles have been sold for use in the United States (determined on a cumulative basis for sales*~~

~~after December 31, 2009). Qualifying vehicles manufactured by that manufacturer are eligible for 50 percent of the credit if acquired in the first two quarters of the phase-out period and 25 percent of the credit if acquired in the third or fourth quarter of the phase-out period. Vehicles manufactured by that manufacturer are not eligible for a credit if acquired after the phase-out period.~~

The federal government also regulates fuel efficiency standards, and in 2018 is undertaking an effort to modify the corporate average fuel economy (CAFE) standards. It is very much in the interest of electric cooperatives to have EVs considered when automakers must meet fuel economy standards, and NRECA should work to ensure that changes to those standards reflect and support the ongoing electrification of the transportation sector.

National Resolutions Committee Action: The Committee recommends for the adoption of this proposed amendment as presented. The Committee notes the first paragraph of the resolution is sufficiently broad to allow NRECA staff to advocate for the extension of tax credits referenced in the second paragraph. The Committee revised the policy background for consistency with the proposed amendment to the resolution.

Region Actions:

Regions 1; 4; 9: Adopted.

Regions 5; 6; 7; 2; 3; 8; 10: Not Considered. See note below for more information.

Note: Voting delegates in Regions 5, 6, 7, 2, 3, 8, and 10 did not consider this version since it presented practically the same question as another motion previously decided at the meeting. Robert's Rules of Order (11th ed.) governs NRECA member meetings (NRECA Bylaw Article IX). Robert's Rules provides that, "Motions are ... improper when they present practically the same question as a motion previously decided at the same session." (Section 39 "Improper Motions," page 343, lines 24-26).

1 **(5-B) Proposed Amendment to Existing Resolution**

2 *Forwarded by the Region 6 Resolutions Committee*

3
4
5 **Electric Cooperatives Support for of Electric Vehicle Policies**

6
7 We urge NRECA to support policies and investments that ~~incent~~ encourage the
8 production and deployment of electric vehicles, ~~and~~ charging infrastructure, encourage and the
9 electrification of the transportation sector. These policies will ~~transportation electrification~~
10 ~~that can~~ optimize electric grid infrastructure, improve management of electric loads, and integrate
11 renewable energy resources.

12 ~~Specifically, we urge NRECA to advocate for federal legislation to remove the~~
13 ~~200,000-vehicle limitation and phaseout of Section 30D the Electric Vehicle Tax Credit, and~~
14 ~~seek an extension of current tax credits.~~

15
16 *The Policy Background for this proposed amendment is available following Proposed Resolution*
17 *5-A. As a reminder, voting delegates vote only on the policy statement, not the policy background.*

18
19
20 **Region Actions:**

21
22 **Regions 5; 6; 8: Adopted.**

23
24 **Regions 1; 4; 7; 9; 2; 3; 10: Not Considered. *See note below for more information.***

25
26 **Note:** This resolution was introduced at the Regions 5 and 6 committee meeting. This version
27 seeks to retain the intent of the amendments from Proposed Resolution 5-A, above, however it
28 streamlines the language to make the resolution more concise. This version was introduced after
29 Regions 1 and 4 met. Voting delegates in Regions 7, 9, 2, 3, and 10 did not consider this version
30 since it presented practically the same question as another motion previously decided at the
31 meeting. Robert's Rules of Order (11th ed.) governs NRECA member meetings (NRECA Bylaw
32 Article IX). Robert's Rules provides that, "Motions are ... improper when they present practically
33 the same question as a motion previously decided at the same session." (Section 39 "Improper
34 Motions," page 343, lines 24-26).

1 **(5-C) Proposed Amendment to Existing Resolution**

2 *Forwarded by the Region 7 Resolutions Committee*

3
4
5 **~~Electric Cooperatives~~ Support for of Electric Vehicle Policies**

6
7 We urge NRECA to support policies and investments that **encourage** ~~incent~~ production and
8 deployment of electric vehicles and charging infrastructure, encourage transportation electrification
9 that can optimize electric grid infrastructure, improve management of electric loads, and integrate
10 renewable energy resources.

11 ~~Specifically, we urge NRECA to advocate for federal legislation to remove the 200,000-~~
12 ~~vehicle limitation and phaseout of Section 30D the Electric Vehicle Tax Credit, and seek an~~
13 ~~extension of current tax credits.~~

14
15 *The Policy Background for this proposed amendment is available following Proposed Resolution*
16 *5-A. As a reminder, voting delegates vote only on the policy statement, not the policy background.*
17

18
19 **Region Actions:**

20
21 **Regions 7; 2; 3; 10: Adopted.**

22
23 **Regions 1; 4; 5; 6; 9; 8: Not Considered. See note below for more information.**

24
25 **Note:** This resolution was introduced at the Region 7 committee meeting. In line 7, “incent” is
26 replaced with “encourage,” and the second paragraph is stricken to remove references to
27 subsidizing electric vehicle deployment. This version was introduced after Regions 1, 4, 5, and 6
28 met, and was not considered by the Region 9 Resolutions Committee. Voting delegates in Region
29 8 did not consider this version since it presented practically the same question as another motion
30 previously decided at the meeting. Robert’s Rules of Order (11th ed.) governs NRECA member
31 meetings (NRECA Bylaw Article IX). Robert’s Rules provides that, “Motions are ... improper
32 when they present practically the same question as a motion previously decided at the same
33 session.” (Section 39 “Improper Motions,” page 343, lines 24-26).

1 **(6) Proposed Amendment to Existing Resolution – Forwarded by the National Resolutions**
2 **Committee with a Recommendation for Adoption**

3 *Topic submitted by the Wyoming Rural Electric Association; amendments by the National*
4 *Resolutions Committee*

5
6 **Bankruptcy Protection**
7

8 We urge NRECA to seek legislation to prevent electric cooperatives and their members
9 from subsidizing commercial and industrial members that file for bankruptcy by strengthening
10 Bankruptcy Code Section 366(c) to better protect electric cooperatives. **We further urge NRECA**
11 **to pursue clarification of federal bankruptcy laws to define utilities that provide mutual aid**
12 **as “critical vendors” in order that they are qualified for prompt reimbursement by the**
13 **bankruptcy trustee.**
14

15 *Policy Background*

16 *On average, commercial and industrial members account for a substantial share of*
17 *electric cooperative power sales. While prior federal law tried to protect electric cooperatives and*
18 *other utility providers when a commercial or industrial member initiated bankruptcy proceedings,*
19 *courts often ignored or minimized the law. The result was that through paying higher rates other*
20 *co-op member-owners were at risk of higher costs.*

21 *The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 amended federal*
22 *law to enhance financial protection for utilities serving Chapter 11 bankrupt commercial or*
23 *industrial customers. Section 366(c) of the Bankruptcy Code requires businesses to make a*
24 *specific “assurance of payment” that is “satisfactory” to their utility provider such as a cash*
25 *deposit or prepayment. However, in bankruptcy proceedings, some courts continue to ignore this*
26 *provision and require utilities to keep these bankrupt businesses running even without adequate*
27 *assurance of payment.*

28 *Legislation proposed in the U.S. House of Representatives called for the rescission of*
29 *Section 366(c). The bill would have eliminated the enhanced protective language and reinforced*
30 *court decisions requiring electric cooperatives to maintain service without satisfactory or*
31 *adequate assurance of payment during bankruptcy proceedings.*

32 *To prevent electric cooperatives and cooperative member-owners from subsidizing*
33 *commercial and industrial members which file for bankruptcy, we oppose any legislation striking*
34 *Bankruptcy Code Section 366(c).*

35 **Mutual Aid Agreements (MAA) are a valuable practice among electric cooperatives,**
36 **municipally owned utilities and in some cases investor-owned utilities to offer mutual support**
37 **during times of natural disaster. MAA expense reimbursement may be affected by the**
38 **bankruptcy of a MAA party. Recent examples include a utility bankruptcy caused in large part**
39 **by catastrophic wildfires. Electric cooperatives provided mutual assistance to the now bankrupt**
40 **utility and payment for those services is in doubt given the bankruptcy declaration. Those**
41 **providing mutual assistance should be treated as a “critical vendor” and qualified for prompt**
42 **reimbursement by the bankruptcy trustee.**
43

44
45 **National Resolutions Committee Action:** The Committee recommends for the adoption of this
46 proposed amendment as amended by the Committee and the submitting member during the June
47 21, 2019 meeting. The Wyoming Rural Electric Association (WREA) proposed a new resolution

requesting bankruptcy protection for electric cooperatives with mutual aid agreements.
Representatives from WREA and the Committee collaborated on the proposed amendments which
merges language from WREA's proposal with the existing Bankruptcy Protection resolution (pp.
18; 77) in the interest of streamlining member resolutions and keeping resolutions on similar
subjects together.

Region Actions:

Regions 1; 4; 5; 6; 7; 9; 2; 3; 8; 10: Adopted.

1 **(7) Proposed Amendment to Existing Resolution – Forwarded by the National Resolutions**
2 **Committee with a Recommendation for Adoption**

3 *Submitted by Lane Electric Cooperative, Oregon; amendments by the National Resolutions*
4 *Committee*

5
6
7 **Stranded Assets and Economic Impacts**
8

9 ~~We urge NRECA to work with its members and other appropriate stakeholders to~~
10 ~~address stranded assets such as power generation, transmission and distribution facilities,~~
11 ~~and oppose initiatives that would result in significant stranded assets and have negative~~
12 ~~economic impacts on rural communities.~~

13 We urge NRECA to work with its members and other appropriate stakeholders to
14 support recovery efforts by rural communities that are significantly and economically
15 impacted by federal policies that result in the stranding of electric generation, transmission
16 and distribution assets built to serve those rural communities.
17

18 *Policy Background*

19 *Electric cooperatives operate under a patchwork of federal regulations that have the*
20 *potential to strand long-term capital investments. Regulations that threaten the remaining*
21 *usefulness of power generation and other assets can also negatively impact rural communities*
22 *where those assets are located.*

23 *Federal regulations can take away the use of existing high-value, long-lived assets through*
24 *excessive costs or unfair limits. The economic repercussions of shortening these assets' useful*
25 *lives have a profound impact on both electric cooperative members' electricity bills and the*
26 *communities that are compelled to bear those repercussions. Likewise, regulatory constraints can*
27 *compel cooperatives to abruptly turn from reliable, affordable business solutions.*

28 *An example of these detrimental economic impacts on cooperatives and communities is the*
29 *Pacific Northwest's experience with federal timber lands regulations since the 1980s. Abrupt*
30 *regulatory changes devalued timber infrastructure and there remains a persistent economic*
31 *stagnation in rural timber communities today.*

32 *When a government's regulations harm electric cooperatives or the local economies they*
33 *serve, the government must address those impacts.*
34

35
36 **National Resolutions Committee Action:** The Committee recommends for the adoption of this
37 proposed amendment as amended by the Committee and the submitting member during the June
38 21, 2019 meeting. This resolution was originally proposed by Lane Electric Cooperative (Lane) in
39 2017 and was amended at the 2019 NRECA Annual Meeting in Orlando. Representatives from
40 Lane and the Committee collaborated on the proposed amendments which are intended to more
41 accurately convey Lane's original intent to focus the resolution on efforts to support rural
42 communities' recovery following the stranding of various assets within those communities.
43

44 **Region Actions:**
45

46 **Regions 1; 4; 5; 6; 7; 9; 2; 3; 8; 10: Adopted.**

1 **(8-A) Proposed Amendment to Existing Resolution – Forwarded by the National**
2 **Resolutions Committee with a Recommendation for Adoption**
3 *Submitted by the National Resolutions Committee*
4
5

6 **Territorial Integrity, Takeover Threats and Loan Security**
7

8 We affirm the rights of rural electric systems to serve areas in which they initiated
9 service; **and urge NRECA to support vigorously the defense efforts of the board of**
10 **directors, management, or members of any threatened cooperative by:**

- 11 • **Encouraging rural electric systems to become proactive and develop positions of**
12 **strength against hostile takeovers by, but not limited to:**
 - 13 ○ **Giving serious consideration to cooperative governance;**
 - 14 ○ **Adopting and implementing anti-takeover policies;**
 - 15 ○ **Updating the financial plan;**
 - 16 ○ **Adopting appropriate bylaw and policy changes;**
 - 17 ○ **Participating in scientific surveys of member satisfaction and needs; and**
 - 18 ○ **Conducting competitor analyses at least annually.**
- 19 • **Encouraging those systems not currently contributing to the National Rural**
20 **Utilities Cooperative Finance Corporation “System Integrity Fund” to consider**
21 **doing so in the future, as it can provide vital financial support to threatened**
22 **systems.;**

23 In cases of municipal annexation, condemnation, or other attempts to acquire rural
24 electric system facilities, financing with RUS or tax-exempt securities should be limited to those
25 cases where the change in service territories is mutually agreed upon. **NRECA should urge the**
26 **Rural Utilities Service (RUS) to continue supporting borrowers in their efforts to fight**
27 **takeovers by refusing to allow non-RE Act preference borrowers, such as investor-owned**
28 **power companies, the privilege of assuming RUS loans and** We support legislation that would
29 prohibit the use of federally subsidized tax exempt securities to finance the acquisition of
30 facilities of rural electric systems.
31

32 *Policy Background*

33 *Rural electric systems have historically undertaken the obligation to provide electricity to*
34 *rural America; therefore, any condemnation or taking of portions of an electric cooperative’s*
35 *system may interfere with this purpose and to impair its ability to repay RUS or other lenders’*
36 *loans. All rural electric systems should have the right to serve their current service territories.*
37 *We support and will defend this right against the adversarial taking of load, territory, or*
38 *member-owners by any other electric system.*

39 *Electric utility sectors in the United States – investor-owned utilities, municipals, rural*
40 *electric cooperatives, and public power districts – have developed at different times and under*
41 *different circumstances. Each sector has and will continue to compete with each other to some*
42 *degree, and probably with other entities as well, for electric load and electric service territory.*
43 *Municipal utilities and rural electric systems in many areas of the country have had long-*
44 *standing differences about serving retail load in regulated and non-regulated service territories.*

45 *Municipal utilities have had in the past the benefit of tax-exempt financing to serve their*
46 *customers. Municipal utilities now seek the benefits of such financing for private use in a*

47 competitive marketplace. We believe that tax-exempt funding for purposes of the adversarial
48 acquisition of electric cooperative service territory should be strictly prohibited.

49 We encourage state and local efforts to resolve territorial conflicts through franchises or
50 other means which may include compensation for both the distribution and G&T systems for
51 stranded assets, lost revenue and economic recovery based upon the loss of future growth as well
52 as the repayment of debt associated with the electric cooperative's assets in the annexed area.

53 NRECA and electric cooperative lenders should work with Congress at every available
54 opportunity to highlight the problems electric cooperatives face as a result of territorial erosion.
55 These may include the long-term effects of weakened credit-worthiness of the system, duplication
56 of tax-supported federal financing, waste of natural resources and the impediment of an ongoing
57 important federal purpose.

58 The CFC "System Integrity Fund" can provide vital financial support to threatened
59 systems and we commend rural electric systems that voluntarily contribute to this fund.
60

61
62 **National Resolutions Committee Action:** The Committee recommends for the adoption of this
63 resolution which is a merger of existing resolutions: Territorial Integrity and Loan Security (pp.
64 18; 78) and Takeover Threats (pp. 19; 81). In the interest of streamlining existing resolutions
65 addressing similar topics, the Committee recommends one all-inclusive resolution concerning
66 the various issues electric cooperatives face when threatened by a takeover.

67
68 **Region Actions:**

69
70 **Regions 1; 4; 8: Adopted.**

71
72 **Regions 5; 6; 7; 9; 2; 3; 10: Not Considered. See note below for more information.**
73

74 **Note:** Voting delegates in Regions 5, 6, 7, 9, 2, 3, and 10 did not consider this version since it
75 presented practically the same question as another motion previously decided at the meeting.
76 Robert's Rules of Order (11th ed.) governs NRECA member meetings (NRECA Bylaw Article
77 IX). Robert's Rules provides that, "Motions are ... improper when they present practically the
78 same question as a motion previously decided at the same session." (Section 39 "Improper
79 Motions," page 343, lines 24-26).

1 **(8-B) Proposed Amendment to Existing Resolution**

2 *Forwarded by the Region 6 Resolutions Committee*

3
4
5 **Territorial Integrity, Takeover Threats and Loan Security**

6
7 We affirm the rights of rural electric systems to serve areas in which they initiated
8 service; **and urge NRECA to support vigorously the defense efforts of the board of**
9 **directors, management, or members of any threatened cooperative.**

10 In cases of municipal annexation, condemnation, or other attempts to acquire rural
11 electric system facilities, financing with RUS or tax-exempt securities should be limited to those
12 cases where the change in service territories is mutually agreed upon. **NRECA should urge the**
13 **Rural Utilities Service (RUS) to continue supporting borrowers in their efforts to fight**
14 **takeovers by refusing to allow non-RE Act preference borrowers, such as investor-owned**
15 **power companies, the privilege of assuming RUS loans and** We support legislation that would
16 prohibit the use of federally subsidized tax exempt securities to finance the acquisition of
17 facilities of rural electric systems.

18
19 *Policy Background*

20 *Rural electric systems have historically undertaken the obligation to provide electricity to*
21 *rural America; therefore, any condemnation or taking of portions of an electric cooperative's*
22 *system may interfere with this purpose and to impair its ability to repay RUS or other lenders'*
23 *loans. All rural electric systems should have the right to serve their current service territories.*
24 *We support and will defend this right against the adversarial taking of load, territory, or*
25 *member-owners by any other electric system.*

26 *Electric utility sectors in the United States – investor-owned utilities, municipals, rural*
27 *electric cooperatives, and public power districts – have developed at different times and under*
28 *different circumstances. Each sector has and will continue to compete with each other to some*
29 *degree, and probably with other entities as well, for electric load and electric service territory.*
30 *Municipal utilities and rural electric systems in many areas of the country have had long-*
31 *standing differences about serving retail load in regulated and non-regulated service territories.*

32 *Municipal utilities have had in the past the benefit of tax-exempt financing to serve their*
33 *customers. Municipal utilities now seek the benefits of such financing for private use in a*
34 *competitive marketplace. We believe that tax-exempt funding for purposes of the adversarial*
35 *acquisition of electric cooperative service territory should be strictly prohibited.*

36 *We encourage state and local efforts to resolve territorial conflicts through franchises or*
37 *other means which may include compensation for both the distribution and G&T systems for*
38 *stranded assets, lost revenue and economic recovery based upon the loss of future growth as well*
39 *as the repayment of debt associated with the electric cooperative's assets in the annexed area.*

40 *NRECA and electric cooperative lenders should work with Congress at every available*
41 *opportunity to highlight the problems electric cooperatives face as a result of territorial erosion.*
42 *These may include the long-term effects of weakened credit-worthiness of the system, duplication*
43 *of tax-supported federal financing, waste of natural resources and the impediment of an ongoing*
44 *important federal purpose.*

45 **Cooperatives are encouraged to become proactive and strengthen their positions**
46 **against annexation and takeover threats by adopting anti-takeover policies, keeping their**

financial forecast up to date, updating their bylaws, surveying their memberships, conducting competitor analyses and by having a conversation about these types of threats during their strategic planning events. *The CFC “System Integrity Fund” can provide vital financial support to threatened systems and we commend rural electric systems that voluntarily contribute to this fund.*

Region Actions:

Regions 5; 6: Adopted.

Regions 1; 4; 7; 9; 2; 3; 8; 10: Not Considered. *See note below for more information.*

Note: This resolution was introduced at the Regions 5 and 6 committee meeting. Like the other versions of Proposed Amendment 8, this version merges the two existing resolutions. This version seeks to retain the intent of the amendments from Proposed Resolution 8-A, above, however it streamlines the language to make the resolution more concise. Additionally, the Region 6 Resolutions Committee provided suggested policy background language for the assigned Member Standing Committee to consider at its meeting in January 2020. *As a reminder, voting delegates vote only on the policy statement, not the policy background.*

This version was introduced after Regions 1 and 4 met. Voting delegates in Regions 7, 9, 2, 3, 8, and 10 did not consider this version since it presented practically the same question as another motion previously decided at the meeting. Robert’s Rules of Order (11th ed.) governs NRECA member meetings (NRECA Bylaw Article IX). Robert’s Rules provides that, “Motions are ... improper when they present practically the same question as a motion previously decided at the same session.” (Section 39 “Improper Motions,” page 343, lines 24-26).

1 **(8-C) Proposed Amendment to Existing Resolution**

2 *Forwarded by the Region 7 Resolutions Committee*

3
4 **Territorial Integrity, Takeover Threats and Loan Security**

5
6 We urge NRECA to **identify and provide education regarding best practices in areas of**
7 **cooperative governance, financial planning, bylaws, policies and surveys that would prepare and**
8 **strengthen cooperatives against threats of territorial invasion and hostile takeover and to support**
9 **vigorously the defense efforts of the board of directors, management, or members of any**
10 **threatened cooperative, by:**

- 11 ~~● Encouraging rural electric systems to become proactive and develop positions of strength~~
12 ~~against hostile takeovers by, but not limited to:~~
13 ~~○ Giving serious consideration to cooperative governance;~~
14 ~~○ Adopting and implementing anti-takeover policies;~~
15 ~~○ Updating the financial plan;~~
16 ~~○ Adopting appropriate bylaw and policy changes;~~
17 ~~○ Participating in scientific surveys of member satisfaction and needs; and~~
18 ~~○ Conducting competitor analyses at least annually.~~
19 ~~● Encouraging those systems not currently contributing to the National Rural Utilities~~
20 ~~Cooperative Finance Corporation “System Integrity Fund” to consider doing so in the~~
21 ~~future, as it can provide vital financial support to threatened systems;~~
22 ~~● Urging the Rural Utilities Service (RUS) to continue supporting borrowers in their efforts~~
23 ~~to fight off takeovers by refusing to allow~~

24 **We urge NRECA to support legislation prohibiting use of federally subsidized tax-exempt**
25 **securities to finance acquisition of rural electric system facilities and prohibiting** non-RE Act
26 **preference borrowers, such as investor-owned power companies, the privilege of assuming RUS loans.**

27 **We urge NRECA to encourage participation by cooperatives in National Rural Utilities**
28 **Cooperative Finance Corporation “System Integrity Fund” which may provide financial support**
29 **for legal defense costs by threatened cooperatives.**
30

31 *The Policy Background for this proposed amendment is available following Proposed Resolution 8-A.*
32 *As a reminder, voting delegates vote only on the policy statement, not the policy background.*
33

34
35 **Region Actions:**

36
37 **Regions 7; 10: Adopted.**

38
39 **Regions 1; 4; 5; 6; 9; 2; 3; 8: Not Considered. See note below for more information.**
40

41 **Note:** This resolution was introduced at the Region 7 committee meeting. Like the other versions of
42 Proposed Amendment 8, this version merges the two existing resolutions. However, this version retains
43 more language from the existing “Takeover Threats” resolution and omits more language from the
44 existing “Territorial Integrity and Loan Security” resolution. This version was introduced after Regions
45 1, 4, 5, and 6 met, and was not considered by the Region 9 Resolutions Committee. Voting delegates in
46 Regions 2, 3, and 8 did not consider this version since it presented practically the same question as
47 another motion previously decided at the meeting. Robert’s Rules of Order (11th ed.) governs
48 NRECA member meetings (NRECA Bylaw Article IX). Robert’s Rules provides that, “Motions are
49 ... improper when they present practically the same question as a motion previously decided at the
50 same session.” (Section 39 “Improper Motions,” page 343, lines 24-26).

1 **(8-D) Proposed Amendment to Existing Resolution**

2 *Forwarded by the Region 9 Resolutions Committee*

3
4
5 **Territorial Integrity, Takeover Threats and Loan Security**

6
7 We urge NRECA to **identify and provide education in areas of cooperative**
8 **governance, financial planning, bylaws, policies and surveys that would prepare and**
9 **strengthen cooperatives against threats of territorial invasion and hostile takeover.** support
10 ~~vigorously the defense efforts of the board of directors, management, or members of any~~
11 ~~threatened cooperative by:~~

- 12 ~~• Encouraging rural electric systems to become proactive and develop positions of~~
13 ~~strength against hostile takeovers by, but not limited to:~~
14 ~~○ Giving serious consideration to cooperative governance;~~
15 ~~○ Adopting and implementing anti-takeover policies;~~
16 ~~○ Updating the financial plan;~~
17 ~~○ Adopting appropriate bylaw and policy changes;~~
18 ~~○ Participating in scientific surveys of member satisfaction and needs; and~~
19 ~~○ Conducting competitor analyses at least annually.~~
20 ~~• Encouraging those systems not currently contributing to the National Rural Utilities~~
21 ~~Cooperative Finance Corporation “System Integrity Fund” to consider doing so in~~
22 ~~the future, as it can provide vital financial support to threatened systems;~~
23 ~~• Urging the Rural Utilities Service (RUS) to continue supporting borrowers in their~~
24 ~~efforts to fight off takeovers by refusing to allow~~

25 **In cases of municipal annexation, condemnation, or other attempts to acquire rural**
26 **electric system facilities, financing with RUS or tax-exempt securities should be limited to**
27 **those cases where the change in service territories is mutually agreed upon. We urge**
28 **NRECA to support legislation prohibiting use of federally subsidized tax-exempt securities**
29 **to finance acquisition of rural electric system facilities and prohibiting** non-RE Act
30 preference borrowers, such as investor-owned power companies, the privilege of assuming RUS
31 loans.

32 **We urge NRECA to promote participation by cooperatives in National Rural**
33 **Utilities Cooperative Finance Corporation “System Integrity Fund” which may provide**
34 **financial support for legal defense costs by threatened cooperatives.**

35
36 *The Policy Background for this proposed amendment is available following Proposed*
37 *Resolution 8-A. As a reminder, voting delegates vote only on the policy statement, not the policy*
38 *background.*

39
40
41 **Region Actions:**

42
43 **Regions 9; 2; 3: Adopted.**

44
45 **Regions 1; 4; 5; 6; 7; 8; 10: Not Considered. See note below for more information.**

47 **Note:** This resolution was introduced at the Region 9 committee meeting. Like the other versions
48 of Proposed Amendment 8, this version merges the two existing resolutions. However, this version
49 retains more language from the existing “Takeover Threats” resolution and strikes “support
50 vigorously the defense efforts of the board of directors, management, or members of any threatened
51 cooperative by” in line 9. Line 25 includes additional language from the existing “Territorial
52 Integrity and Loan Security” resolution to emphasize issues systems face regarding takeovers by
53 municipal entities. This version was introduced after Regions 1, 4, 5, and 6 met, and was not
54 considered by the Region 7 Resolutions Committee. Voting delegates in Regions 8 and 10 did
55 not consider this version since it presented practically the same question as another motion
56 previously decided at the meeting. Robert’s Rules of Order (11th ed.) governs NRECA member
57 meetings (NRECA Bylaw Article IX). Robert’s Rules provides that, “Motions are ... improper
58 when they present practically the same question as a motion previously decided at the same
59 session.” (Section 39 “Improper Motions,” page 343, lines 24-26).

1 **(9-A) Proposed Amendment to Existing Resolution**

2 *Forwarded by the Region 7 Resolutions Committee*

3
4 **Protection of Hydroelectric Dams**

5
6 We urge NRECA to oppose dam breaching proposals for congressionally authorized federal
7 multipurpose dams, or efforts to involuntarily breach other hydroelectric dams, which may impact
8 access to carbon-free energy, the reliability as well as the economic and environmental benefits of
9 the nation's hydropower system.

10
11 *Policy Background*

12 *The removal of federal multipurpose dams or other navigational and impoundment facilities*
13 *is a shortsighted and irresponsible proposal that would create potentially disastrous economic*
14 *impacts, new environmental issues and imperil the reliability of the nation's entire hydropower*
15 *system.*

16 *In addition to depriving the nation of clean, renewable hydropower generated by*
17 *multipurpose dams, the breaching of multipurpose dams would wreak havoc, resulting in the loss of*
18 *human life and property and impacting ~~on~~ commerce dependent on barges and other waterway*
19 *navigation, threaten the potable water supplies of hundreds of towns and cities, unravel decades of*
20 *wildlife mitigation efforts, and with regard to farmland irrigation, render large sections of the*
21 *country dependent upon these impoundments barren and unproductive. In addition, at a time when*
22 *the nation's electric utility industry is undergoing massive changes and concerns about reliability*
23 *are paramount, breachings not only endanger the reliability of the power supply but could add*
24 *millions of dollars to a region's power bills. The breadth and scope of the impacts are staggering.*

25 *Removing the broad set of benefits provided by clean, renewable hydroelectric power from*
26 *the nation's inventory of electric power resources, especially at a time when the need for carbon-*
27 *free, demand for high-quality grid-balancing and baseload resources is critical rising, would*
28 *require the replacement of that electricity with less environmentally friendly resources. We urge*
29 *NRECA to oppose proposals to breach dams where such proposals would have severe economic and*
30 *community development impacts as described herein.*

31
32
33 **Region Actions:**

34
35 **Region 7: Adopted.**

36
37 **Regions 1; 4; 5; 6; 9; 2; 3; 8; 10: Not Considered. See note below for more information.**

38
39 **Note:** This resolution was introduced at the Region 7 committee meeting. The Region 7 Resolutions
40 Committee provided suggested policy background language for the assigned Member Standing
41 Committee to consider at its meeting in January 2020. *As a reminder, voting delegates vote only on*
42 *the policy statement, not the policy background.* This version was introduced after Regions 1, 4, 5,
43 and 6 met, and was not considered by the Region 9 Resolutions Committee. Voting delegates in
44 Regions 2, 3, 8, and 10 did not consider this version since it presented practically the same question
45 as another motion previously decided at the meeting. Robert's Rules of Order (11th ed.) governs
46 NRECA member meetings (NRECA Bylaw Article IX). Robert's Rules provides that, "Motions are
47 ... improper when they present practically the same question as a motion previously decided at the
48 same session." (Section 39 "Improper Motions," page 343, lines 24-26).

1 **(9-B) Proposed Amendment to Existing Resolution**

2 *Forwarded by the Region 9 Resolutions Committee*

3
4
5 **Protection of Hydroelectric Dams**

6
7 We urge NRECA to oppose dam breaching proposals for congressionally authorized
8 federal multipurpose dams, or efforts to involuntarily breach other hydroelectric dams, which
9 may impact **access to carbon-free energy**, ~~the~~ reliability, and ~~as well as~~ the economic and
10 environmental benefits of the nation's hydropower system.

11
12 *The Policy Background for this proposed amendment is available following Proposed*
13 *Resolution 9-A. As a reminder, voting delegates vote only on the policy statement, not the policy*
14 *background.*

15
16
17 **Region Actions:**

18
19 **Regions 9; 2; 3; 8; 10: Adopted.**

20
21 **Regions 1; 4; 5; 6; 7: Not Considered. See note below for more information.**

22
23 **Note:** This resolution was introduced at the Region 9 committee meeting. This version includes
24 minor grammatical changes for clarity in line 9. Additionally, the Region 9 Resolutions
25 Committee supports the suggested policy background amendments shown following Proposed
26 Resolution 9-A, which the assigned Member Standing Committee will consider at its meeting in
27 January 2020. *As a reminder, voting delegates vote only on the policy statement, not the policy*
28 *background.* This version was introduced after Regions 1, 4, 5, and 6 met, and was not
29 considered by the Region 7 Resolutions Committee.