



POLICY NO. 101

SUBJECT: FUNCTIONS OF THE BOARD OF TRUSTEES

I. PURPOSE

- A. To establish, clarify, and interpret the responsibilities and authorities of the Board of Trustees as set forth by law, the Articles of Incorporation, the Bylaws, and accepted business principles.
- B. To provide guidance to individual Trustees in the performance of their duties and responsibilities.
- C. To provide guidance to the member-owners in the selection of Trustees.

II. POLICY CONTENT

The Board of Trustees derives its authority from, and is directly accountable to, the member-owners of the Cooperative. The Board of Trustees is empowered by them and required by law to institute such actions as are necessary to attain the objectives of the Cooperative by the protection of its rights, interests, and assets, except such actions which by law, the Articles of Incorporation, or the Bylaws are conferred upon or reserved to the members. Therefore, it shall be the policy of the Board of Trustees of the Cooperative to use the following outline of relationships and responsibilities as guidelines for action and behavior as individual and collective members of the Board of Trustees in fulfilling its responsibilities and obligations to the member-owners of the Cooperative.

III. PROVISIONS

The following provisions apply to this policy:

- A. Relationships
 - 1. The Board of Trustees reports to:
 - a. As a Board -- the member-owners through the elected officers and others; and
 - b. As individuals -- the President as the chief presiding officer, or, in his/her absence, the Vice-President.

2. The Board of Trustees directs:
 - a. All committees of the Board of Trustees; and
 - b. The General Manager.

B. Responsibilities

The Board of Trustees is expected to fulfill the following responsibilities:

1. To maintain the legal entity of the Cooperative by:
 - a. Complying with the provisions of the Articles of Incorporation, Bylaws, and regulatory and contractual requirements placed upon the Cooperative by, but not limited to, federal, state, and local statutes and ordinances, and the regulations of federal, state, and local commissions and agencies;
 - b. Recommending to the members revisions to the Cooperative's Bylaws as necessary or required; and
 - c. Executing, or having executed, all necessary legal contracts.
2. To act as trustee for the member-owners by:
 - a. Protecting the assets and interests of the Cooperative;
 - b. Complying fully with the provisions of the Bylaws and policies;
 - c. Assisting new members of the Board of Trustees to become oriented in their responsibilities;
 - d. Maintaining or having maintained full and accurate minutes of official Board of Trustees and membership meetings;
 - e. Informing or having the members informed of the objectives, plans, and programs of the Cooperative;
 - f. Participating in activities which enhance the prestige of the Cooperative and help to fulfill its corporate obligation to the area it serves; and
 - g. Keeping informed and improving their knowledge and skills as members of the Board of Trustees and using their knowledge and skills to contribute to the effective management of the Cooperative.

3. To provide organization and operational direction by:
 - a. Formulating, approving, and periodically reviewing general policies for the operation of the Cooperative; and
 - b. Selecting a General Manager and delegating to him/her the responsibility and authority for the operation of the Cooperative within the limits of the general policies established by the Board of Trustees.

4. To consider and adopt or approve in consultation with the General Manager:
 - a. Retail rates and classifications;
 - b. Terms and conditions governing the provisions of electrical service to members;
 - c. Plans for meetings of members;
 - d. Basic organization structure and wage and salary plan;
 - e. Employee benefit program;
 - f. Selection of legal, accounting, engineering, management, and other consultants;
 - g. Long and short range financial and engineering plans as required and necessary for the maintenance of the economic feasibility of the Cooperative; and
 - h. Annual work plans and operating budget.
 - i. Plans for investment decisions or partnering in joint ventures with others to provide other products and services.

5. To provide the continuing operating and capital requirements of the Cooperative by:
 - a. Considering the results of studies and recommendations prepared by the General Manager;
 - b. Adopting rate changes and financial practices necessary to provide operating requirements; and
 - c. Initiating loan applications.

6. To establish and periodically review measures and controls as recommended by the General Manager to:
 - a. Prevent unauthorized action;
 - b. Determine progress in major areas;
 - c. Predict trends;
 - d. Determine where changes should be made;
 - e. Measure performance in relation to goals, plans, and budget; and
 - f. Measure the Board of Trustees' attainment of the stated objectives of the Cooperative.

IV. RESPONSIBILITY

The Board of Trustees is responsible for the administration of this policy.

APPROVED BY THE BOARD OF TRUSTEES

PRESIDENT

EFFECTIVE DATE: _____

REVISED DATE: _____