



BOARD POLICIES

GROUND RULES FOR EFFECTIVE, RESPONSIVE
AND ACCOUNTABLE GOVERNANCE

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101 Functions of the Board of Trustees

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.

Policy Content

- Authority from, and accountable to, the member-owners.
- Empowered 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.
- 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.

The Board of Trustees Reports To

As a Board -- the member-owners through the elected officers and others; and

As individuals -- the President as the chief presiding officer, or, in his/her absence, the Vice-President.

The Board of Trustees Directs

- All committees of the Board of Trustees; and
- The General Manager.

Responsibilities

- The policy sets out each of the responsibilities for Trustees

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.

102 Board Meetings

- Basic guidelines to mirror Bylaws
 - Time
 - Special meetings
 - Notice
 - *Attendance by members*****

103 Board Minutes

- Some controversy over minutes
- Dissenting statements

104 Committees of the Board of Trustees

- Establish standing committees of the Board of Trustees.
- Establish a process for the formation of committees other than standing committees.
- Establish a process by which Trustees may be appointed to committees.
 - Used for the preliminary study of policies, budgets, plans, etc., and for detailed study and analysis of particular issues.
 - No official decisions
 - Present reports to the whole Board

105 Finance Committee

- Providing oversight and monitoring of the Cooperative's internal controls and risk mitigation, the integrity of the financial statements and services provided by the Cooperative's independent auditors.
- Detailed guidelines established in the policy text.

106 Ethics Committee

- Oversee compliance with Whistleblower Protection policy; obtain necessary information and cooperation from the Finance Committee in furtherance of these responsibilities.
- Monitor compliance with the Cooperative's Standards of Conduct policy.
- Monitor compliance with the Cooperative's Conflicts of Interest policy.
- Monitor compliance with the Cooperative's policy on Ethics and Conflicts of Interest in Relationships with Vendors.
- Monitor compliance with the Cooperative's policy on Ethics and Outside Business Interests and Related Activities.
- Monitor the Board's compliance with the requirements of the Bylaws of the Cooperative.

107 Standing Committee

- Review, investigate and report to the Board of Trustees concerning the Cooperative's Bylaws, policies on the internal governance of the Board of Trustees, Member Service Rules and Regulations and other miscellaneous matters requiring Board attention.

108 Standards of Conduct

- End the “Jerry Springer Show” approach to Board service
- Function as a team
- Act with basic levels of dignity and decency

109 Conflicts of Interest

- A “conflict of interest” exists when a Board member or the General Manager has a personal interest, or may reasonably appear to have a personal interest, in a matter of such a nature and magnitude that a conflict exists between the personal interest and the Cooperative’s interest that could potentially cause an inability to exercise independent and objective judgment on the matter.

Don't:

- Use office or information for private gain
- Receive or solicit gifts, etc.
- Fail to disclose conflicts
 - Don't vote when there is a conflict
 - Disclose conflicts to Board and on the 990

110 Ethics and Conflicts of Interest in Relationships With Vendors

Trustees should not place themselves in a situation or a relationship with a vendor where the Trustee's actions are not in the best interest of the Cooperative, or could reasonably be interpreted as not being in the best interest of the Cooperative, without prior approval from the Board following full disclosure.

- Outside Business Interests
- Trustees or Former Trustees as Vendors or Subcontractors
- Gifts, Favors, and Entertainment
- Business Meals
- Dealings with Suppliers

111 Ethics and Conflicts of Interest in Outside Business and Related Activities

Trustees must refrain from outside activities that might, in any way, either detract from the Trustee's performance or effectiveness or create a conflict of interest.

Examples:

- Membership on Boards of other companies;
- An active interest in the ownership and management, in whole or in part, of other companies; and
- Serving as independent consultants.

112 Trustee Authority

- The Board of Trustees may act only as a body in a legally constituted meeting or in any other legally permitted method of taking official corporate action.
- Individual Trustees, unless otherwise authorized by the Articles of Incorporation or the Bylaws, or unless by specific resolution granting authority or by express ratification by the Board, may not by their individual acts, statements or comments, bind the Cooperative in any way.

113 Delegation of Authority From the Board of Trustees to the General Manager

- Day-to-day operation is delegated to the General Manager
- Specific areas of General Manager's responsibility are enumerated

114 Board of Trustees-General Manager Interrelationships

- Board establishes policies at meetings
- President is the spokesperson for the Board
- Trustees shall refrain from discussing management with personnel
- General Manager is the connection between the Board and employees
- General Manager has latitude of judgment and discretion
- Board contracts with the General Manager
- General Manager reports to the whole Board
- Trustees should address concerns through the President

115 Attendance at Regional, National and Statewide Meetings

- Board determines attendance and names delegates
- Attendees shall make full reports to the Board

116 Trustees' Fees and Expenses

- Reforms current fee and expense practices
- Reimburses reasonable actual expenses
- Requires itemized expense reports
- Board shall develop an annual budget for fees and expenses to be included in the Annual Work Plan and Budget

117 Communications With Member-Owners

- Basic obligation to communicate with Members
- Encourage employee involvement in community affairs
- Provide leadership for the betterment of community, state and nation, with emphasis on youth programs and community development
- Cooperate with public officials
- Participate in industry communication efforts

118 Services of Consultants

Standards and criteria for calling on outside specialists

- Accounting
- Engineering
- Legal
- Management

119 Functions and Compensation of Cooperative Attorney

- Routine services
- Special services
- Payment standards

120 Wage and Salary Administration

- Wage and salary consultant to establish fair and competitive compensation levels

121 Securing Confidential Member and Employee Data While Retaining and Destroying Records

- Data security standards

122 Retention of Corporate Records

- Template model
- For further review by General Counsel

123 Maintenance Periods for Personnel Records

- Template model
- For further review by General Counsel

124 Document Hold Notices and Electronic Discovery

- Legal compliance

125 Red Flag Program for Identity Theft and Credit Reporting Accuracy

- Member protections
- Exceed current legal requirements

126 Whistleblower Protection

Protections in the areas of:

- Accounting
- Internal controls
- Auditing matters
- Reports of illegal conduct
- Conflicts of interest

127 Transparency in the Procurement of Goods and Services

- Transparency
- Community involvement