

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**OPERATIONS COMMITTEE MEETING**  
**AGENDA ITEM SUMMARY**

**August 12, 2009**

**ACTION REQUIRED**

**AGENDA ITEM NO. VII.**

Information Only  
 Motion  
 Resolution  
 Executive Session  
 Other

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**TOPIC**

Board Policy 100 – Statement of Objectives;  
Board Policy 101 – Policy Formulation, Approval and Distribution;  
Board Policy 104 – Board Correspondence; and,  
Board Policy 105 – Functions of the Board of Directors

**DISCUSSION**

The Association’s Standard Operating Procedure 63 calls for periodic review of Board policies to determine if any revisions are necessary. Board counsel and staff have undertaken the review, and they recommend the changes to Board Policies 100, 101, 104 and 105 as shown in the attached documents.

The proposed changes to Board Policy 100 remove: (1) references to “member-owners,” “customers,” and “consumer-members” and replace each with the single, more accurate label of “members”; (2) references to “progressive” activities since such a characterization is vague; and (3) overreaching promises made to employees in Sections II.D.1 and II.D.2 outside of the collective bargaining process or development of personnel policies.

The proposed changes to Board Policy 101 generally clarify the existing provisions.

The changes to Board Policy 104: (1) tie treatment of confidential Board communications to the other Board Policies (120 and 128) which deal more directly with confidential Association documents; and (2) clarify that the Board may prepare its own communications without the assistance of the Chief Executive Officer when appropriate.

The proposed changes to Board Policy 105 clarify that it sets forth the duties and responsibilities of the Board of Directors and clarify certain of those duties and responsibilities. The changes also remove redundant and/or inconsistent duties and responsibilities that are either set forth in other Board Policies or elsewhere in Board Policy 105.

**MOTION**

Move that the Operations Committee recommend the Board of Directors approve the revisions to Board Policy 100 – Statement of Objectives; Board Policy 101 – Policy Formulation, Approval and Distribution; Board Policy 104 – Board Correspondence; and, Board Policy 105 – Functions of the Board of Directors as shown in the attached drafts.

**CHUGACH ELECTRIC ASSOCIATION, INC.**

**BOARD POLICY: 100**

**DATE:** \_\_\_\_\_

**STATEMENT OF OBJECTIVES**

**I. OBJECTIVE**

A. Major Objectives With Association Members (“members”)

1. To operate the Association as a non-profit enterprise on a continuing basis in accordance with its Articles of Incorporation, Bylaws, corporate policies and documents, and other applicable legal and contractual requirements.
2. To maximize the value members receive by safely providing competitively priced, reliable energy and services through innovation, leadership and prudent management, which includes the establishment of an adequate financial structure, sufficient funds available to cover all costs of service, retirement of outstanding debt obligations, provisions for future expansion to meet the needs of members, and equitable remuneration to employees.
3. To keep the members informed of the manner of operation, plans, progress, and problems of their utility system; to strive to obtain their understanding, acceptance and support; and to provide reasonable means through which the needs of the members can be expressed and acted upon as appropriate.
4. To educate members concerning ways they can most efficiently utilize electric energy. It is in the members' best interest to use electrical energy efficiently in order to delay the need for additional generation.

B. Major Objectives With Employees

1. To establish the attitude that the Association's greatest assets are its employees and that opportunities will be provided to encourage their growth and development.
2. To motivate and encourage employees to perform to the highest standards and to foster an increased level of personal responsibility for management of Association resources and efficiency of the work processes.
3. To fully communicate the importance of safety as a high priority of the Association.

4. To operate within the bounds of accepted safety practices and to promote the safety and well-being of members and the general public.

C. Coordinate Objectives With Members

1. To develop and maintain processes which allow and encourage participation of members in the leadership of their Association.
2. To enhance the Association's reputation for fair dealings, prompt and efficient service, dependability, integrity, courtesy, and technical competence.
3. To strive constantly for ever higher standards of service through management, utilization of new equipment and techniques, and improved methods of operations; and to also use these factors to increase system efficiency.
4. To develop, operate, and maintain the electric generation and distribution systems at optimum performance to assure quality of service and safety of members while maintaining investment at a reasonable level and minimizing premature obsolescence.
5. To prudently maintain an appropriate equity level.

D. Coordinate Objectives With Employees

1. To adequately train, develop, and compensate all employees.
2. To inform employees of decisions or situations affecting them on their jobs and to solicit their ideas and support.
3. To seek out, stimulate and motivate those individuals who have leadership potential.

E. Coordinate Objectives With Public

1. To develop understanding, acceptance, and support of the Association's objectives, plans, policies and programs.
2. To foster and develop the Association as a good corporate citizen in the community.
3. To provide leadership and to cooperate with other community and civic groups in furthering programs of mutual interest which will benefit the members and the community.

**II. RESPONSIBILITIES**

- A. The Board of Directors shall be responsible for considering the expressed objectives of the Association in making decisions which will directly or indirectly affect members, employees, and the public.
  
- B. The Chief Executive Officer shall be responsible for the administration of this policy.

Date Approved: \_\_\_\_\_

Attested: \_\_\_\_\_

Alex Gimarc  
Secretary of the Board

# CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 100

DATE:

## STATEMENT OF OBJECTIVES

### I. OBJECTIVE

#### A. Major Objectives With ~~Association Members-Owners~~ (“members”)

1. To operate the Association as a non-profit enterprise on a continuing ~~and progressive~~ basis in accordance with its Articles of Incorporation, Bylaws, corporate policies and ~~all other corporate~~ documents, and other applicable legal and contractual requirements.
2. To maximize the value ~~customers~~members receive by safely providing competitively priced, reliable energy and services through innovation, leadership and prudent management, which includes the establishment of an adequate financial structure, sufficient funds available to cover all costs of service, retirement of ~~the~~ outstanding debt obligations, provisions for future expansion to meet the needs of ~~our~~ members, and equitable remuneration to employees.
3. To keep the ~~members-owners~~ fully informed of the manner of operation, plans, progress, and problems of their utility system; to strive to obtain their understanding, acceptance and support; and to provide reasonable means through which the needs of the ~~consumer~~ members can be expressed and acted upon as appropriate.
4. To educate ~~members-owners~~ concerning ways they can most efficiently utilize electric energy. It is in the members' best interest to use electrical energy efficiently in order to delay the need for additional generation.

#### B. Major Objectives With Employees

1. To establish the attitude that the Association's greatest assets are its employees and that opportunities will be provided to encourage their growth and development.
2. To motivate and encourage employees to perform to the highest standards and to foster an increased level of personal responsibility for management of Association resources and efficiency of the work processes.

3. To fully communicate the importance of safety as a high priority of the Association.
4. To operate within the bounds of accepted safety practices and to promote the safety and well-being of ~~our~~ members and the general public.

C. Coordinate Objectives With Members-Owners

1. To develop and maintain processes which allow and encourage participation of members in the leadership of their Association.
2. To enhance the Association's reputation for fair dealings, prompt and efficient service, dependability, integrity, courtesy, and technical competence.
3. To strive constantly for ever higher standards of service through ~~progressive~~ management, utilization of new equipment and techniques, and improved methods of operations; and to also use these factors to increase system efficiency.
4. To develop, operate, and maintain the electric generation and distribution systems at optimum performance to assure ~~the~~ quality of service and safety of ~~the member-owners~~ members while maintaining investment at a reasonable level and minimizing premature obsolescence.
5. To prudently maintain an appropriate equity level.

D. Coordinate Objectives With Employees

1. To adequately train, develop, and compensate all employees ~~in order to attract and keep in its service those who seek a career with the Association.~~
2. To inform employees of decisions or situations affecting them on their jobs and to solicit their ideas and support ~~in order that their lives and work will be given meaning, dignity, satisfaction, and purpose.~~
3. To seek out, stimulate and motivate those individuals who have leadership potential.

E. Coordinate Objectives With Public

1. To develop understanding, acceptance, and support of the Association's objectives, plans, policies and programs.

- 2. To foster and develop the Association as a good corporate citizen in the community.
- 3. To provide leadership and to cooperate with other community and civic groups in furthering programs of mutual interest which will benefit the ~~Association's~~ members and the community.

**II. RESPONSIBILITIES**

- A. The Board of Directors shall be responsible for considering the expressed objectives of the Association in making decisions which will directly or indirectly affect ~~the member-owners~~members, employees, and ~~the~~ public.
- B. The Chief Executive Officer shall be responsible for the administration of this policy.

Date Approved: \_\_\_\_\_

Attested: \_\_\_\_\_  
Secretary of the Board

**CHUGACH ELECTRIC ASSOCIATION, INC.**

**BOARD POLICY: 101**

**DATE:** \_\_\_\_\_

**BOARD POLICY FORMULATION, APPROVAL AND DISTRIBUTION**

**I. OBJECTIVE**

To establish the basis for the formulation, approval and distribution of Board policies to effectively achieve and implement the goals, objectives, plans and programs of the Association, and to provide for the periodic review of such policies.

**II. CONTENT**

- A. The Chief Executive Officer, in consultation with his/her staff as appropriate, shall develop policy recommendations to be presented to the appropriate Board committee. Individual Board directors may also develop policy recommendations for presentation to the appropriate Board committee.
- B. The Board shall consider the Committee's recommendations and adopt policies that the Board determines are necessary.
- C. Each policy should be reviewed at least once every five years by the Chief Executive Officer who will recommend to the appropriate Board committee any revisions or changes necessary to meet current operating conditions and the committee shall make an appropriate recommendation to the Board.
- D. The Chief Executive Officer shall be accountable to the Board for carrying out these policies, explaining them to employees, and making reasonable efforts to see that they are understood, accepted and complied with.
- E. Employees, through the Chief Executive Officer, will be given the opportunity, and are encouraged to make suggestions for, and contribute to the formulation of, new policies and/or modification of existing policies.

**III. APPLICABILITY**

- A. In the event there is a conflict between any Board policy and state or federal law, the Bylaws, the Articles of Incorporation, or the rules and regulations of a lending or regulatory agency, the applicable state or federal law, Bylaws, Articles of Incorporation, or rules and regulations of a lending or regulatory agency shall prevail.

**IV. RESPONSIBILITIES**

- A. The Chairman of the Board and the Chief Executive Officer shall undertake reasonable efforts to ensure compliance with this policy.
- B. The Chief Executive Officer will provide each Director with the current Articles of Incorporation, Bylaws, and Board Policies.
- C. The Chief Executive Officer shall ensure that copies of all policies are available for review by members of the Association.
- D. The Chief Executive Officer, in consultation with the Association's Counsel, shall ensure that all proposed policies or revisions meet the requirements of lenders, the Indenture, the RCA and other lending, regulatory and administrative agencies as well as all state and federal legal requirements.

Date Approved: \_\_\_\_\_

Attested: \_\_\_\_\_

Alex Gimarc  
Secretary of the Board

# CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 101

DATE:

## BOARD POLICY FORMULATION, APPROVAL AND DISTRIBUTION

### I. OBJECTIVE

To establish the basis for the formulation, approval and distribution of Board policies to effectively achieve and implement the goals, objectives, plans and programs of the Chugach Electric Association, and to provide for the periodic review of such policies.

### II. CONTENT

A. The Chief Executive Officer, in consultation with his/her staff as appropriate, shall develop policy recommendations to be presented to the appropriate Board committee. Individual Board directors may also develop policy recommendations for presentation to the appropriate Board committee.

B. The Board shall consider the Committee's recommendations and adopt necessary policies required to ensure the effective and efficient operation of the Association that the Board determines are necessary.

~~C. Individual Directors may propose areas where policies are needed, but these should be developed as in A and B above. Proposed policies may be brought out of committee by a simple majority vote of the Board~~ **NOTE: First sentence transferred to subsection A to clarify that proposals from individual Board members are also vetted by the appropriate Board committee. Second sentence deleted as unnecessary since all motions require a simple majority vote.**

~~DC.~~ Each policy should be reviewed at least once every five years by the Chief Executive Officer who will recommend to the appropriate Board committee any revisions or changes necessary to meet current operating conditions and the committee shall make an appropriate recommendation to the Board.

~~ED.~~ The Chief Executive Officer shall be accountable to the Board for carrying out these policies, and ensuring that all policies are effectively explaineding them to the employees, and making every reasonable efforts to see that they are understood, accepted and complied with.

~~FE.~~ Employees, through the Chief Executive Officer, will be given the opportunity, and are encouraged to make suggestions for, and contribute to the formulation of, new policies and/or modification of existing policies ~~developed as in A and B above.~~

**III. APPLICABILITY**

- A. In the event there is a conflict between any Board policy and ~~the state or federal~~ law, the Bylaws, ~~or~~ the Articles of Incorporation, or the rules and regulations of a lending or regulatory agency, ~~either the law, the Bylaws or the Articles of Incorporation~~ the applicable state or federal law, Bylaws, Articles of Incorporation, or rules and regulations of a lending or regulatory agency shall prevail.

**IV. RESPONSIBILITIES**

- A. The Chairman of the Board and the Chief Executive Officer shall ~~make every~~undertake reasonable efforts to ensure compliance with ~~that~~ this policy ~~is adhered to~~.
- B. The Chief Executive Officer will provide each Director with ~~a manual containing the~~ current Articles of Incorporation, ~~the~~ Bylaws, and Board Policies ~~and any revisions to these~~.
- C. The Chief Executive Officer shall ensure that copies of all policies are available for review by ~~the~~ members of the Association.
- D. The Chief Executive Officer, in consultation with the Association's Counsel, shall ensure that all proposed policies or revisions meet the requirements of lenders, the Indenture, the RCA and other lending, regulatory and administrative agencies as well as all state and federal legal requirements.

Date Approved: \_\_\_\_\_

Attested: \_\_\_\_\_  
Secretary of the Board

**CHUGACH ELECTRIC ASSOCIATION, INC.**

**BOARD POLICY: 104**

**DATE:** \_\_\_\_\_

**BOARD CORRESPONDENCE**

**I. OBJECTIVE**

To define a policy governing correspondence to or from the Association's Board of Directors.

**II. CONTENT**

- A. Correspondence provided to the Board in executive session or in a confidential communications section of Board meeting packets shall not be disclosed except in accordance with the confidential document release policies and procedures provided for in Board Policies 120 and 128.
- B. Correspondence from the Board shall be approved by the Board or the Chairman of the Board. Except for reports that are legally required to be sent out over the Secretary or Treasurer of the Board's name, all correspondence from the Board shall be over the Chairman of the Board's name. All correspondence from the Board shall be written on Association stationery.

**III. RESPONSIBILITY**

The Board of Directors shall be responsible for administration of this policy.

Date Approved: \_\_\_\_\_

Attested: \_\_\_\_\_

Alex Gimarc  
Secretary of the Board

**CHUGACH ELECTRIC ASSOCIATION, INC.**

**BOARD POLICY: 104**

**DATE:**

**BOARD CORRESPONDENCE**

**I. OBJECTIVE**

To define a policy governing correspondence to or from the Association's Board of Directors.

**II. CONTENT**

A. ~~No material or information disclosed in executive sessions of the Board shall be released to any unauthorized person.~~ Correspondence provided to the Board in executive session or in a confidential communications section of Board meeting packets shall not be disclosed except in accordance with the confidential document release policies and procedures provided for in Board Policies 120 and 128.

B. Correspondence from the Board shall be approved by the Board or the Chairman of the Board. Except for reports that are legally required to be sent out over the Secretary ~~of the Board~~ or Treasurer of the Board's name, all correspondence from the Board shall be over the Chairman of the Board's name. All correspondence from the Board shall be written on Association stationery ~~and shall be prepared by the office of the Chief Executive Officer.~~

**III. RESPONSIBILITY**

The Board of Directors shall be responsible for administration of this policy.

Date Approved: \_\_\_\_\_

Attested: \_\_\_\_\_  
Secretary of the Board

**CHUGACH ELECTRIC ASSOCIATION, INC.**

**BOARD POLICY: 105**

**DATE:** \_\_\_\_\_

**DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

**I. OBJECTIVE**

To describe the major duties and responsibilities of the Board of Directors (“Board”).

**II. CONTENT**

A. The Board of Directors’ duties and responsibilities are as follows:

1. Ensuring that the legal requirements, as set forth in the Articles of Incorporation, the Bylaws, and regulations applying to the Association, are complied with including, but not necessarily limited to:
  - a. All federal, state and local statutes, ordinances and regulations.
  - b. The Indenture of Trust and other loan covenants, loan agreements and financing agreements.
  - c. Requirements of federal and state regulatory agencies and commissions with jurisdiction over the Association’s activities.
2. Selection and appointment of Board Counsel, as required.
3. Reviewing and approving major contracts as required.
4. Ensuring that complete and accurate minutes of the Board and annual and special membership meetings are prepared and maintained. Minutes of all Board committee meetings will be kept and maintained at the Association headquarters and distributed to all Board members;
5. To act as representatives of the members with respect to:
  - a. Fiscal soundness of the organization.
  - b. Protecting the assets of the Association through appropriate risk management policies and coverages.

- c. Protecting the assets of the Association by ensuring that the requirements of lending agencies are complied with.
- d. Selecting and appointing independent financial auditors in conformance with BP 127, Audit Committee Charter.
- e. Ensuring that Board Officers, the Chief Executive Officer, and other employees are bonded in accordance with bonding requirements for the amount of authority delegated to these positions.
- f. Approving depositories for funds of the Association and those authorized to sign checks, drafts, notes, contracts, deeds, mortgages and other instruments on behalf of the Association.
- g. Establishing policies governing the investment of funds of the Association.
- h. Establishing policies governing the payment of travel, out-of-pocket and other expenses of Directors.
- i. Developing basic policies to ensure that major purchases are done competitively, where appropriate.
- j. Holding well-planned and effectively conducted Board Meetings in a timely manner sufficiently often to stay well-informed about Association matters, to provide policy guidance and to take action on Association business as necessary and appropriate. The preliminary agenda for such meetings shall be developed by the Chairman of the Board in consultation with the Chief Executive Officer. The agenda should be mailed or delivered to Board Members in advance of the Board Meeting with sufficient supporting information to facilitate the decision-making process.
- k. Ensuring open discussion and information exchange about all matters that come before the Board.
- l. Keeping the members informed about issues affecting the Association. Every reasonable effort shall be made to keep the members advised of the long-range outlook on power costs, and as far in advance as possible, on the need for adjustments in rates.
- m. Ensuring that a continuous program of member, public, and governmental relations is carried out to obtain understanding and support for Association objectives.

- n. Endeavoring to improve the quality of the environment through supporting the implementation of business decisions and practices that reduce or eliminate waste and encourage the recycling and environmentally sound disposal of waste products.
  - o. Encouraging the active participation of the members through committees.
  - p. Conducting annual membership meetings to adequately inform the members and to obtain their ideas and suggestions.
  - q. Keeping well informed about changing member needs and how the Association might meet these needs.
  - r. Informing members about the activities of the Association through the Association website, newsletters and other publications, annual reports and membership meetings.
  - s. Complying with Board policies and the Bylaws of the Association.
  - t. Keeping informed, increasing knowledge and understanding of the Association's business and operations, participating in conferences, workshops, seminars, and other professional activities deemed advantageous to the Association.
  - u. Arranging periodically for an appraisal of Board performance and for a systematic program to keep the Board informed and educated about the Association's business and operations.
  - v. Assisting new Board members to develop a greater understanding of the Association and their basic responsibilities and duties, including arranging for training of new Board members about the Association's objectives, plans, policies, operations and programs.
6. Consider and adopt short-range and long-range plans with respect to:
- a. Determining objectives and major goals for the Association that are in conformance with the Articles of Incorporation and the Bylaws as well as all applicable federal and state laws.
  - b. Reviewing and approving operating programs, services, and activities developed and recommended by the Chief Executive Officer.

- c. Reviewing and approving the annual work plans and budgets.
- 7. To provide operating requirements with respect to:
  - a. Authorizing the funds, facilities, equipment, and human resources necessary to carry out the mission and objectives of the Association.
  - b. Establishing committees when necessary, receiving reports from those committees and taking appropriate action as a result of such reports.
  - c. Selecting and employing a competent Chief Executive Officer and delegating to him or her, the complete responsibility and authority to select and direct the employed personnel and terminate employment if such action becomes necessary, within the limitations of Association policy, procedures and collective bargaining agreements.
- 8. To ensure that controls are established which can be used in appraising the effectiveness of Association operations by:
  - a. Reviewing periodic reports from the Chief Executive Officer to ensure conformity to the Board's approved objectives, policies, major goals, plans and programs. These reports should be of sufficient scope to enable the Board of Directors to:
    - i. Prevent unauthorized action.
    - ii. Determine how operations in key performance areas are progressing.
    - iii. Predict trends and forecast results.
    - iv. Determine where remedial or corrective action may be required.
    - v. Measure results against annual work plans and budgets.
    - vi. Measure performance against plans and policies.
  - b. Reviewing the independent management audit if such an audit is undertaken, and ensuring that Board-approved recommendations are carried out. Receiving and reviewing regular progress reports from the Chief Executive Officer.

**III. RESPONSIBILITIES**

- A. The Board may delegate any or all of these responsibilities to a committee of the Board or Chief Executive Officer as long as such action is not inconsistent with the Association's Bylaws or other legal requirements.
  
- B. It shall be the responsibility of the Chairman of the Board to see that the foregoing functions are effectively carried out.

Date Approved: \_\_\_\_\_

Attested: \_\_\_\_\_

Alex Gimarc  
Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 105

DATE:

**FUNCTIONS DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

**I. OBJECTIVE**

To describe the major ~~functions~~duties and responsibilities of the Board of Directors (“Board”). ~~to develop an increased understanding of these responsibilities and authorities, and to define the Board's accountability.~~

**II. CONTENT**

A. ~~To establish and maintain a legal entity with respect to:~~ The Board of Directors’ duties and responsibilities are as follows:

1. Ensuring that the legal requirements, as set forth in the Articles of Incorporation, the Bylaws, and ~~other~~ regulations applying to the Association, are complied with including, but not necessarily limited to:
  - a. All federal, state and local statutes, ordinances and regulations.
  - b. The Indenture of Trust and other loan covenants, loan agreements and financing agreements.
  - c. Requirements of Ffederal and state regulatory agencies and commissions with jurisdiction over the Association’s activities.
2. Selection and appointment of ~~Special~~Board Counsel, as required.
3. Reviewing and approving major contracts as required.
4. Ensuring that complete and accurate minutes of the Board and annual and special membership meetings are prepared and, maintained, ~~and distributed to the Directors.~~ Minutes ~~or a report~~ of all Board committee meetings will be kept and maintained at the Association headquarters and distributed to all Board members:-

B5. To act as representatives of ~~membership interests~~the members with respect to:

- 1a. Fiscal soundness of the organization.
- 2b. Protecting the assets of the Association through appropriate risk management policies and coverages.
- 3c. Protecting the assets of the Association by ensuring that the requirements of lending agencies are complied with.
- 4d. Selecting and appointing independent financial auditors ~~based on a recommendation of management and a Board Committee and determining the scope of the independent financial audit, in conformance with BP 127, Audit Committee Charter.~~
- 5e. Ensuring that ~~the Board~~ Officers, the Chief Executive Officer, and other employees are bonded in accordance with bonding requirements for ~~similar corporations and~~ the amount of authority delegated to these positions.
- 6f. Approving depositories for funds of the Association and those authorized to sign checks, drafts, notes, contracts, deeds, mortgages and other instruments on behalf of the Association.
- 7g. Establishing policies governing the investment of funds of the Association.
- 8h. Establishing policies governing the payment of travel, out-of-pocket and other expenses of Directors.
- 9i. Developing basic policies to ensure that major purchases are done competitively, where appropriate.
- 10j. Holding well-planned and effectively conducted Board Meetings in a timely manner sufficiently often to ~~keep~~ stay well-informed ~~of~~ about Association matters, ~~and~~ to provide policy guidance; and to take action on Association business as necessary and appropriate. The preliminary agenda for such meetings shall be developed by the Chairman of the Board in consultation with the Chief Executive Officer. The agenda should be mailed or delivered to Board Members in advance of the Board Meeting with sufficient supporting information to facilitate the decision-making process.
- 11k. Ensuring open discussion and information exchange ~~through the use of work sessions as appropriate~~ about all matters that come before the Board.

- 12l. Keeping the members informed ~~of~~about issues affecting the Association. Every reasonable effort shall be made to keep the members advised of the long-range outlook on power costs, and as far in advance as possible, on the need for adjustments in rates.
- 13m. Ensuring that a continuous program of member, public, and governmental relations is carried out to obtain understanding and support for ~~the~~ Association objectives.
- 14 n. Endeavoring to improve the quality of the environment through supporting the implementation of business decisions and practices that reduce or eliminate waste and encourage the recycling and environmentally sound disposal of waste products.
- 15o. Encouraging the active participation of the members through committees.
- 16p. Conducting annual ~~and other~~ membership meetings to adequately inform the members; and to obtain their ideas and suggestions.
- 17q. Keeping well informed about changing member needs and how the Association might meet these needs.
- 18r. ~~Ensuring that the members are informed~~Informing members of~~about~~ the activities of the Association through the Association website, newsletters and other publications, annual reports; ~~and~~ membership meetings.
- 19s. Complying with Board policies and the Bylaws of the Association.
- 20t. Keeping informed, ~~and growing in their own skills and increasing knowledge and~~ understanding of the Association's business and operations~~as Board members, and participation~~participating in conferences, workshops, seminars, and other professional activities deemed advantageous to the Association.
- 21u. Arranging periodically for an appraisal of Board performance and for a systematic program to keep the Board ~~growing in its abilities~~informed and educated about the Association's business and operations.
- 22 v. Assisting new Board members to develop a greater understanding of

the Association and their basic responsibilities and duties, including arranging for ~~orientation~~training of new Board members ~~of~~about the Association's objectives, plans, policies, operations; and programs.

~~E~~ 6. ~~To~~Consider and adopt short-range and long-range plans with respect to:

~~1.~~ a1. ~~Determining~~ Determining the ~~o~~objectives and major goals for the Association that are in ~~con~~conformance with the Articles of Incorporation and the Bylaws as well as all applicable federal and state laws.

~~2.~~ 2b. ~~Considering, in consultation with the Chief Executive Officer, and adopting Board policies and ensuring that these policies are periodically reviewed.~~

~~3.~~ 3. Reviewing and approving ~~bro~~ad operating programs, services, and activities developed and recommended by the Chief Executive Officer.

~~4.~~ 4c. Reviewing and approving the annual work plans and budgets.

~~D~~ 7. To provide operating requirements with respect to:

~~1.~~ 1a. Authorizing the funds, facilities, equipment, and human resources necessary to carry out the mission and objectives of the Association.

~~2.~~ 2b. Establishing committees when necessary, receiving reports from those committees and taking appropriate action as a result of such reports.

~~3.~~ 3c. Selecting and employing a competent Chief Executive Officer and delegating to him or her, the complete responsibility and authority to select and direct the employed personnel and terminate ~~their~~ employment if such action becomes necessary, within the limitations of Association policy, ~~and~~ procedures and collective bargaining agreements.

~~E~~ 8. To ensure that controls are established which can be used in appraising the effectiveness of ~~the~~Association operations by:

~~1.~~ 1a. Reviewing periodic reports from the Chief Executive Officer to ensure conformity to the Board's approved objectives, policies, major goals, plans and programs. These reports should be of sufficient scope to enable the Board of Directors to:

- a      i. Prevent unauthorized action.
- ~~b~~ii. Determine how operations in key performance areas are progressing.
- ~~c~~iii. Predict trends and forecast results.
- ~~d~~iv. Determine where remedial or corrective action may be required.
- ~~e~~v. Measure results against annual work plans and budgets.
- ~~f~~vi. Measure performance against plans and policies.
  - ~~g. Determine that policies, procedures, and regulations of lending institutions and regulatory and administrative agencies are being complied with.~~

~~2. Reviewing the annual financial audit and the management letter, with the auditor present, and ensuring that any necessary action is taken. The audit and the management letter shall be sent to the Directors prior to the meeting at which they are to review it.~~

~~3b. Reviewing the independent management audit if such an audit is undertaken, and ensuring that Board-approved recommendations are carried out. Receiving and reviewing regular progress reports from the Chief Executive Officer.~~

~~4. Insuring that a performance appraisal of the Chief Executive Officer is performed annually, with or without outside consulting assistance, and reviewing the results of the appraisal with the Chief Executive Officer. The appraisal, including a recommendation on a salary adjustment and any other remuneration when appropriate, shall be conducted by the Operations Committee and a written report, including said appraisal and any recommendations on compensation, shall be provided to and discussed by the full Board on or before the February regular Board meeting. After review and approval by the full the Board, a written report, including the appraisal and any recommendations on compensation, shall be provided to and discussed with the Chief Executive Officer no later than April 1 of each year.~~

**III. RESPONSIBILITIES**

- A. The Board may delegate any or all of these responsibilities to a committee of the Board or Chief Executive Officer as long as such action is not inconsistent with the Association's Bylaws or other legal requirements.
- B. It shall be the responsibility of the Chairman of the Board to see that the foregoing functions are effectively carried out.

Date Approved: \_\_\_\_\_

Attested: \_\_\_\_\_  
Secretary of the Board