

Policy 205
Functions of the Board of Trustees

SUBJECT:

Functions of the Board of Trustees.

OBJECTIVE:

To describe the major functions of MYEC's board of trustees, develop an increased understanding of their responsibilities and authorities and to define the board's accountability.

POLICY:

A. To establish and maintain a legal entity with respect to:

1. Ensuring that the legal requirements, as set forth in the Articles of Incorporation, the By-laws, and other regulations applying to MYEC are followed, including but not necessarily limited to:
 - a. All federal, state and local statutes and ordinances.
 - b. Cooperative lending agencies.
 - c. Federal and state tax and regulatory agencies.
2. Selecting and appointing the general counsel.
3. Reviewing and approving major contracts such as loan agreements, wholesale power contracts and construction contracts.
4. Ensuring that the board and annual meeting minutes are prepared, approved and maintained.
5. Authorizing eminent domain proceedings by MYEC as required.

B. To act as trustees of membership interest with respect to:

1. Conducting well planned membership meetings to adequately inform the members, obtain ideas and suggestions, and promote understanding of MYEC's objectives, goals, policies, plans and programs.
2. Keeping well informed about member changing needs and how MYEC might assist in meeting these needs.
3. Ensuring that members are informed of operations through periodic newsletters and other publications, annual reports and membership meetings.
4. Complying with board policies and By-laws.
5. Keeping informed and growing in their own skills and understanding as board members.
6. Arranging periodically for an appraisal of board performance and for a systematic program to enhance board growth.
7. Assisting new board members to develop a greater understanding of MYEC and their basic responsibilities and authorities.

8. Keeping the members informed of problems faced by MYEC which require their support.
9. Protecting the assets of MYEC through appropriate insurance policies and coverage's and by making sure that the policies, regulations, and mortgages are complied with.
10. Selecting and appointing independent financial auditors.
11. Ensuring that the officers, the manager and other employees are bonded.
12. Approving depositories for funds of MYEC and designating those authorized to sign checks, drafts, notes, contracts, deeds, mortgages, and other instruments on behalf of MYEC.
13. Establishing policies governing the investment of funds of MYEC.
14. Establishing policies governing the payment of travel, out of pocket, and other expenses of trustees.
15. Approving the appointment of MYEC principal consultants and contracts and agreements for their services.
16. Approving purchase, transfer, lease and/or sales of all real estate.
17. Fills vacancies on the board for any unexpired term of office in accordance with article IV, section 5 of the By-laws.
18. Reviews recommendations of the CEO for the annual membership meeting program, reviews the results of this meeting and makes appropriate recommendations to the CEO on any improvements which might be made to make such meetings more effective.
19. Invite participation of the members in planning and carrying out programs which affect them.

C. To consider and adopt short and long range plans with respect to:

1. Ensuring an adequate and reliable supply of power at the most reasonable cost for the members consistent with sound economics and business practices.
2. Reviewing and approving the ideals, objectives, and major goals of MYEC.
3. Reviewing, in consultation with the CEO, proposed policies and adopting such policies as appropriate, and ensuring that these policies are reviewed periodically.
4. Reviewing and approving the annual work plans and budgets in terms of achieving the desired end results in the operation of MYEC and providing the best possible service to the members.
5. Considering and adopting financial plans and policies essential for maintaining a sound financial structure for MYEC.
6. Adopting, in consultation with the CEO, policies for maintaining good member, public and governmental relations, programs for community and economic development, load management and energy conservation.

D. To provide operating requirements with respect to:

1. Authorizing the monies, and expenditures of such monies through the adoption of the revenue, expense, and capital budgets necessary to carry out the objectives of MYEC.

2. Establishing committees when necessary, and receiving reports and recommendations from special or standing committees and taking appropriate action as a result of such reports.
 3. Interviewing candidates, with or without outside consulting assistance, and selecting and employing a competent CEO. The CEO is delegated the complete responsibility and authority to select the employed personnel and terminate their employment, if such action becomes necessary within the limitations of board policy. The CEO is also delegated the complete responsibility to direct such employees.
 4. Delegating to the CEO the authorities and responsibilities as deemed appropriate by the board in accordance with article VI, section 8 of the By-laws.
 5. Advising the CEO, upon his request, in regard to specific managerial decisions which are his delegated responsibility to make and for which results he/she is to be held responsible. The board of trustees shall avoid making management decisions or giving instructions to the CEO when it is giving advice.
 6. Determining major state, regional or national organizations in which MYEC shall become a member.
 7. Authorizing the construction of major facilities necessary for the efficient operations of the cooperative.
- E. To insure that controls are established which can be used in appraising the effectiveness of the operation by:
1. Reviewing periodic reports from the CEO to ensure conformity to the board's approved viewpoints, objectives, policies, major goals, plans, and programs. These reports should be of sufficient scope to enable the board of trustees to:
 - a. Prevent unauthorized action.
 - b. Predict trends and forecast results.
 - c. Determine where remedial or corrective action may be required.
 - d. Measure results against work plans.
 - e. Measure performance against plans and policies.
 2. Reviewing the annual financial audit and the management letter with the auditor present, and ensuring that any necessary action is taken.
 3. Conducting periodically, an appraisal of the board of trustees, with or without outside consulting assistance, and holding discussions on the growth and development of the board of trustees and how they can more effectively carry out their major functions.

RESPONSIBILITY:

- A. The board may delegate any or all of these responsibilities to a committee of the board or CEO, as long as such action is consistent with the By-laws or other legal requirements.
- B. It shall be the responsibility of the president to see that the foregoing functions are carried out.

PROCEDURE:

As outlined in the above written policy.