

SULLIVAN COUNTY RURAL ELECTRIC COOPERATIVE, INC.  
FORKSVILLE, PA

## **Board Policy No. 101**

### **SUBJECT: Functions of the Board of Directors**

---

#### **I. PURPOSE**

To set forth the functions of the Board of Directors so that it can fulfill the responsibilities it bears with respect to legal requirements, trusteeship of membership interests, short and long range planning, providing operating requirements and measuring and controlling the effectiveness of cooperative operations.

#### **II. POLICY CONTENT AND PROVISIONS**

The Board of Directors of Sullivan County Rural Electric Cooperative, Inc., hereby recognizes its responsibility to fulfill the following functions as the Board of Directors of this corporation.

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

1. Seeing that the legal requirements as set forth in the Articles of Incorporation and Bylaws of the cooperative are complied with.
2. Seeing that the cooperative will comply with:
  - a. All federal, state and local statutes and ordinances.
  - b. Federal Energy Regulatory Commission and National Electric Reliability Council regulations.
  - c. Federal Communications Commission regulations.
  - d. National Rural Utilities Cooperative Finance Corporation policies and regulations.
3. Studying and determining the bylaws to be amended or repealed as required, and keeping the members informed of such changes in bylaws.
4. Executing legal contracts such as loan agreements, engineering service agreements and contracts, and wholesale power contracts.
5. Approving applications for membership.

B. To act as Trustee of Memberships' interests with respect to:

1. Holding and protecting the assets of the cooperative.

2. Being familiar with and complying with the Board policies and Bylaws of the cooperative as amended from time to time.
3. Seeing that a continuous program of member and public relations is carried out to obtain understanding and acceptance of the cooperative's objectives, viewpoints, policies, plans and programs.
4. Keeping informed and maintaining growth in their skills and understanding as Board members by:
  - a. Attending regular and special meetings of the Board. Board attendance shall be reviewed by the Board annually.
  - b. Serving on special and/or standing committees as assigned.
5. Board members shall be encouraged to develop their skills by:
  - a. Participating in one or two-day local orientation programs for new Board members as provided by the Chief Executive Officer.
  - b. Participating in Board approved training courses.
  - c. Attending NRECA Regional and/or National Director Conference meetings, with reports to the Board after such meetings.
  - d. Attending at least one PREA and/or Allegheny Electric Cooperative statewide meeting or PREA Director Update each year.
  - e. Visiting PREA/Allegheny headquarters and attending a new Board member orientation program put on by PREA/Allegheny and/or NRECA.
6. Attendance at the NRECA Annual Meeting shall be limited to three directors, the Chief Executive Officer, and, at the discretion of the Chief Executive Officer, one staff employee. The opportunity for directors to attend shall be on a rotating basis. When a board member attends an annual meeting the director's name shall be placed at the bottom of the rotation list. See "Appendix A" attached to this policy.
7. Informing the members through regular communications and membership meetings.

8. Participating in such outside activities deemed necessary to enhance the prestige of the cooperative, broaden the scope of the cooperative's operation, and fulfill the public obligations of the cooperative as a member of the community and the rural electrification program.
  9. Seeing that neat, accurate, and legible minutes are prepared and maintained.
- C. To consider and adopt short and long range plans with respect to:
1. Reviewing and approving broad operating programs of service and activities as planned and recommended by the Chief Executive Officer.
  2. Reviewing and adopting the annual operating and capital budgets.
  3. Considering and adopting, in consultation with the Chief Executive Officer, the financial plans and policies, including rates.
  4. Considering and adopting, in consultation with the Chief Executive Officer, the required Board Policies and personnel programs essential to provide satisfaction to the employees.
  5. Providing policies and authorizing programs for maintaining good member relations, public relations, and energy management and utilization.
  6. Encouraging input from the members to be considered in planning and carrying out programs that affect them.
- D. To provide operating requirements with respect to:
1. Authorizing the monies for facilities and equipment necessary to carry out the objectives of the cooperative.
  2. Receiving reports and recommendations from special or standing committees and taking action as a result of such reports.
  3. Selecting and employing a competent Chief Executive Officer. To the Chief Executive Officer is delegated the responsibility and authority to select the employed personnel and terminate their employment if such becomes necessary.

4. Delegating to the Chief Executive Officer the authorities and responsibilities as described in the appropriate Board Policy.
  5. Advising the Chief Executive Officer, upon his request, in regard to specific managerial decisions which are his delegated responsibility to make and for which results he is held accountable.
- E. To establish measures and controls which can be used in appraising the effectiveness of the operations to be accomplished by:
1. Reviewing periodic reports from the Chief Executive Officer and checking conformity to approved viewpoints, objectives, major goals, plans and programs. These reports should be of sufficient scope to enable the Board to:
    - a. Prevent unauthorized actions.
    - b. Determine how operations in key performance areas are progressing.
    - c. Predict trends and forecast results on the basis of trends.
    - d. Determine where changes or remedies are needed to prevent serious deviations.
    - e. Establish source of material for planning.
    - f. Measure performance against budget.
    - g. Measure performance against plans.
  2. Reviewing the annual financial audit and seeing that such remedial action as necessary is taken.
  3. The Board of Directors is responsible for seeing that the performance of the Chief Executive Officer is appraised each year by the Board, including a salary adjustment when appropriate, and that the results of such appraisal are discussed with the Chief Executive Officer.
  4. Approving the selection of the cooperative's attorneys, auditors, and consulting engineers.
  5. Conducting well planned membership meetings to adequately inform the members, obtain their ideas and suggestions, and as a means of obtaining their understanding and acceptance of the cooperative's objectives, goals, policies, and plans.
- F. To measure one's own ability to serve and agreeing that:

1. In case personal health, vitality and time availability are not maintained, a director should honor the obligation to step down and permit another member to serve. It is understood that such resignation may be requested by the Chairman.

### **III. RESPONSIBILITY**

- A. The Chairman is responsible for seeing that the Board reviews these functions at least once annually to insure their currency and to evaluate whether the Board is fulfilling its functions with respect hereto.
- B. The Chief Executive Officer is responsible for providing the Board with such information as may be necessary to determine whether the Board is fulfilling its functions with respect hereto.

- IV. This policy supersedes and cancels all other policies which relate to the subject matter herein and which may be in conflict herewith.

Date adopted:	October 17, 1978	Attest: Lynn Roles, Secretary
Revised:	January 17, 1980	Josiah P. Alford, Secretary
	February 19, 1981	Wayne E. Gavitt, Secretary
	January 20, 1983	Josiah P. Alford, Secretary
	January 31, 1984	Josiah P. Alford, Secretary
	February 21, 1985	Josiah P. Alford, Secretary
	March 20, 1986	Kathy A. Robbins, Secretary
	March 19, 1987	Kathy A. Robbins, Secretary
Revised:	January 19, 1989	Kathy A. Robbins, Secretary
	April 25, 1990	Lynn Roles, Secretary
	March 25, 1997	Josiah P. Alford, Secretary
Reformatted	August 20, 1998	Lynn Roles, Secretary
	January 21, 1999	Walter E. Botsford, Secretary
	March 30, 2000	Walter E. Botsford, Secretary
	March 21, 2002	Walter E. Botsford, Secretary

February 15, 2007

Walter E. Botsford, Secretary

May 10, 2007

Walter E. Botsford, Secretary

February 21, 2008

Walter E. Botsford, Secretary

February 6, 2014

Walter E. Botsford, Secretary

February 19, 2018

Kathy A. Robbins, Secretary

February 21, 2019

---

Kathy A. Robbins, Secretary