



Electric Cooperative, Inc.

BOARD OF TRUSTEES POLICIES

Subject: Board of Trustees Committees Policy			Policy No.: 106
Original Issue: 09.09.1999	Last Revised: 08.26.16	Last Reviewed: 08.26.16	Page: 1 of 4
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Article IV, Section 7: The trustees shall receive compensation for their services to the Cooperative in such reasonable amounts as the board of trustees prescribes; provided, however, that no trustee shall receive compensation for any services or expenses not authorized by the board of trustees.

PURPOSE

The purpose of this policy is to provide for the establishment of committees to expedite actions by the Board of Trustees of Jemez Mountains Electric Cooperative, Inc. (JMEC).

ACCOUNTABILITY

The Board of Trustees (BOT) of JMEC is accountable for ensuring implementation of and adherence to this policy.

SCOPE

To establish Ad HOC Committees, with the exception of the following standing committees:

1. Executive Committee;
2. Finance Committee;
3. Audit Committee;
4. Policy Committee;
5. School Committee

Definition of standing committee: a permanent committee that meets regularly.

Definition of ad hoc committee: Committee formed for a specific task or objective, and dissolved after the completion of the task or achievement of the objective.

The President of the Board may appoint special committees as necessary to assist the Board in carrying out its responsibilities.

POLICY

Each Committee Chair will be appointed by the President of the Board, with reassignments to be effective the first regular board meeting following the annual meeting and election of officers each year.

The President of the board will appoint committee members for each committee with input from the committee chair, which means that the President of the board will have the final say. The chairman of each committee will establish the date, time, and location of the committee meetings.

The President of the Board will serve as ex-officio member of each committee. Each committee will be responsible for keeping a record of all its meetings and will file a copy with the Administrative Professional as a permanent record.

Each committee will have reasonable latitude in the exercise of its authority so long as it acts within its defined duties and authority as prescribed by the Board. The President may, as required, assign and reassign responsibilities to committees as necessary, but the general scope of matters to be considered by the respective committees will be as described below:

1. The **Executive Committee** will consist of the President, Vice President, Secretary, Treasurer and Assistant Secretary-Treasurer with the President as Chairman. The duties and responsibilities of the Executive Committee are as follows:
 - a. To review the operations of the Cooperative and report to the Board as necessary;
 - b. To act on behalf of the Board on matters requiring Board action during interims between board meetings;



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- c. To provide for representation of the Board before governmental agencies or other bodies where the interests of the Cooperative are at issue and to report to the Board as necessary;
 - d. To perform all other functions usually performed by an Executive Committee of a Board or as assigned.
2. The **Finance Committee** will consist of not more than four (4) members of the Board which includes the Treasurer, who shall serve as Chairman. Employees can participate, at the discretion of the Chair, but not as voting members of the Committee. Its duties and responsibilities are:
- a. In general, to review the fiscal operations of the Cooperative and will also periodically review Board and Officers' expenses and advise the Board on such matters;
 - b. To make recommendations on Management requests for the purchases of all vehicles and line equipment and all other expenditures that exceed \$20,000 with the exception of all power bills, property taxes, possessory taxes, annual dues, health and dental premiums, service contracts, easements and equipment and material items included in the Rural Utility Service (RUS) approved four (4) year work plan;
 - c. At the discretion of the Treasurer or at the request of the General Manager, the Committee may meet prior to any regular or special meeting of the Board to review the Cooperative's fiscal operations and/or requests from Management and report to the Board for action or as information;
 - d. Annually, in November or December, the Committee will review Management's proposed operating and capital budgets, along with revenue and load projections for the ensuing year. The Committee may propose adjustments to these projections based on its review of the underlying data. These projections shall be presented to the Board for adoption or further amendment. Upon acceptance by the Board, these projections will become the operating and maintenance, capital, and revenue budgets for the ensuing year.
3. The **Audit Committee** will consist of not more than four (4) members of the Board, (which includes the President who acts as an ex-officio member). Employees can participate, at the discretion of the Chair, but not as voting members of the Committee. Its duties and responsibilities are:
- a. Recommend to the Board one or more external audit firm(s) from which the Board shall select the external audit firm and enter into an engagement agreement each year, review and recommend for advance approval by the Board all non-audit activities performed by the external auditor and monitor all audit and non-audit activities performed by the external auditor;
 - b. A pre-audit planning meeting of the Audit Committee and the external auditor will be scheduled and held to discuss the scope of the audit, and to allow Committee members to provide input into the audit process and express any concerns;
 - c. The Audit Committee shall replace the audit firm every seven (7) years or at the discretion of the Audit Committee.

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A closing conference of management and the external auditor will be held to discuss issues that may have arisen during the audit. The Chairman of the Audit Committee and President of the Board shall be notified in advance of such conference and shall be requested to attend the same. No officer, Trustee of the Board, or Management shall take any action to improperly influence, coerce, manipulate, or mislead the external auditors engaged in preparing an audit report.

A copy of the preliminary audit will be sent to each member of the Board of Trustees at least one week prior to the March board meeting.

Results of the audit will be presented by the external auditor to the Audit Committee before the March board meeting, with Management present. The external auditor shall provide the following to the Audit Committee:

- a. All critical accounting policies and practices used;
- b. All alternative treatments of financial information that have been discussed with any officer, Trustee of the Board, or Management and the ramification of these alternatives, any accounting disagreements between the external auditor and any officer, Trustee of the Board, or Management and any other material written communications between the auditor and any officer, Trustee of the Board, or Management; such as, any Management letter or schedule of unadjusted differences.
- c. If the Board has not accepted the Audit, then it's not considered an official document.
 - Unless the Board accepts the Audit, the Board will release payment.

The Audit Committee shall then meet with the external auditor in Executive Session without the presence of any employee of the Cooperative.

Results of the audit will be presented by the external auditor to the Board of Directors at the March board meeting, with Management present.


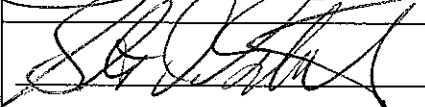
4. The **Policy Committee** will consist of not more than four (4) members of the Board (which includes the President who acts as an ex-officio member). Employees can participate, at the discretion of the Chair, but not as voting members of the Committee. Its duties and responsibilities are:

Provide recommendations pertaining to Board policies for ratification by the full Board.

5. The **School Committee** will consist of not more than four (4) members of the Board (which includes the President who acts as an ex-officio member). The purpose of the School Committee is to promote goodwill and establish good public relations with member-service-area school districts, schools, and the JMEC membership at large through the following:
 - a. Scholarship programs,
 - b. The Junior Board of Trustees Program;
 - c. English and Spanish Spelling Bee Contests;
 - d. Safety Program; Coloring Contest; and,
 - e. Participation in other primary, secondary, and post-secondary schools' programs as appropriate and with the consent of the Executive Committee.

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(Signature Page Only)

	Chairman of the Board	Date: <u>8/26/16</u>
	Policy Committee Chairman	Date: <u>8/26/16</u>