

LA PLATA ELECTRIC ASSOCIATION, INC.
DURANGO, COLORADO

Board of Directors Policy

Subject: Board of Directors-Chief Executive Officer Relationship			Policy No: 104
Original Issue: 3/17/93	Last Revised: 1/15/20	Last Reviewed: 1/15/20	Page 1 of 3

I. OBJECTIVE

To establish the policy governing the basic relationship between the Board of Directors (Board), who are elected by the members of La Plata Electric Association, Inc. (Cooperative) and the Chief Executive Officer (CEO), who is employed by the Board.

II. POLICY

- A. The Board recognizes that efficient management of the Cooperative can exist only through mutual understanding and cooperation between the Board and the CEO. The CEO is expected to produce results and give an account to the Board for his/her stewardship.
- B. The Board reserves its authority to establish policy, approve plans and programs and delegate authority to its CEO, except those that are by law, the Articles of Incorporation and Bylaws of the Cooperative conferred upon or reserved to its members.
- C. The CEO shall be given complete authority for managing the operations of the Cooperative in accordance with the objectives and policies set forth by the Board, including the authority to hire capable personnel within the approved wage and salary plan and policy, to train, supervise and replace them if necessary.
- D. The CEO shall be accountable to the Board for providing complete reports regarding strategic areas of operations in a manner that will allow full opportunity for the Board to measure results of management and operations. The CEO may use, at CEO's discretion, individual members of the general staff to present special reports for him/her to the Board.
- E. In addition to the establishment of policies, the Board shall be responsible for approval of the overall plans involving major operations and construction, and basic requirements such as financial forecasts, budgets, other resources, facilities, investments and the control reports necessary to measure results. The Board may also direct the CEO to take corrective action to conform to Board objectives, policies and plans.
- F. Directors shall act collectively, as the Board, under an approved order of business. Each director shall recognize that he/she has no authority outside of the Board meeting, except and unless specifically authorized or assigned a project with authority to act or speak for the Board. No director may individually make commitments for either the Board or the Cooperative.

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- G. The CEO shall take direction from the Board as a whole and will not take direction from individual members of the Board.
- H. Directors of the Board shall not, as individuals, discuss management problems with the employees of the Cooperative. Such matters will be heard by the Board at regular or special meetings of the Board.
- I. It shall be distinctly understood that the “flow” of authority for the management of the Cooperative shall pass through the CEO and the CEO shall be the connecting link between the Board and the Cooperative’s employees. The Board shall require full and complete information from the CEO concerning all matters in connection with the management of the Cooperative as set forth in Board policies.
- J. No employee shall at any time receive or be required to take instructions from any member of the Board.
- K. Employees who have a complaint or suggestion shall follow a complaint escalation procedure in accordance with applicable policies and directives. After following the complaint escalation procedure, employees who have a complaint or suggestion that remains unresolved by the CEO may make a written request to the Board. The CEO shall establish adequate employee policies to provide employees a path to bring complaints and suggestions first to the CEO by following an established employee complaint escalation policy and then as a last resort to the Board for official action. It shall be clearly understood that the Board, as the governing body of the organization, establishes and approves the general policies and should not handle individual personnel matters.
- L. When an individual Board member receives a complaint from the membership or the public, the Director shall refer the complaint to the CEO and may request a full report to the Board of the action taken. The CEO is expected to periodically inform the Board regarding evidence of members’ satisfaction and the type and number of complaints.
- M. The CEO will provide leadership in the overall Board and management function and will advise and assist the Board with regard to goals, objectives, policies, plans, and programs.
- N. The Board recognizes its responsibility for the employment of a CEO, and further the additional responsibility for a systematic appraisal of the CEO’s performance in order that growth, development and effective improvements are encouraged.

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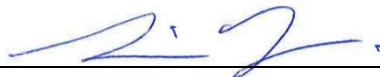
1. The Board will conduct periodic appraisals, no less frequently than annually, in the manner set forth in the CEO's employment contract. The CEO, Human Resources, and the Board will work together to establish an appraisal process that evaluates the CEO's performance, considers his/her goals from the previous year, establishes goals for the coming year, and otherwise ensures a complete and useful CEO's evaluation for both the CEO and the Board.
2. The CEO's terms of employment, including salary and bonuses shall be set forth in a separate employment contract. The Board will consider the NRECA salary survey in setting the wage.

III. RESPONSIBILITY

The President of the Board shall be responsible for the administration of this policy.

1/15/2020

Date



Secretary