

DELEGATION OF AUTHORITY BY THE BOARD OF DIRECTORS
TO THE PRESIDENT & CEO

I. OBJECTIVE

To delegate authority to the President & CEO thereby enabling the President & CEO to direct the operations of GVEA and specifying reporting requirements of the President & CEO to the Board.

II. POLICY

Authority for accomplishing the following is hereby delegated by the Board to the President & CEO:

A. Planning

1. Policies

To review, revise and formulate policies to be recommended to the Board for consideration. Policies will be reviewed by the President & CEO at least every three years.

2. Objectives and Goals

To develop the objectives and goals of GVEA and to annually review those objectives and goals, as well as the results achieved, with the Board or a Board committee.

3. Long and Short Range Plans

To develop short-term and long-range plans, including system studies, work plans, power requirements and power supply, financial forecasts, energy management, member and public relations, construction and facilities, and to update and make recommendations to the Board.

4. Membership Meetings

To develop plans for annual and other meetings of GVEA and to make appropriate recommendations to the Board or a Board committee.

5. Work Plans and Budgets

To formulate and recommend annual work plans and budgets to the Board or a Board committee for their consideration, and provide detailed monthly reports of revenue, expenses and other results compared to such budgets.

6. Legislation

To analyze and determine, in coordination with organizations such as the Alaska Power Association (APA), Northwest Public Power Association

(NWPPA) and the National Rural Electric Cooperative Association (NRECA), state and federal legislative and regulatory matters to be proposed, supported or opposed.

B. Organization

1. Organization Structure

- a. To periodically review activities of GVEA and to determine the organizational structure best suited to carry out the overall objectives of GVEA within budget limitations.
- b. To determine the need for additional positions, the transfer, reassignment or elimination of positions, and implement changes, provided they are within the limitation of the personnel costs of the approved budget.

2. Selection of Personnel

- a. To develop and approve standards and qualifications for use in the recruitment, transfer and promotion of personnel. Such standards and qualifications will meet all applicable federal and state legal requirements.
- b. To select, appoint, transfer, promote and terminate personnel.

3. Training

- a. To ensure that staff members are trained in accordance with the qualifications and requirements of their positions.
- b. To initiate and promote training programs for all personnel within the limitations of the approved budget, including sending personnel to training programs outside the organization.

4. Performance Appraisals

- a. To appraise, at least annually, the performance of staff who report directly to the President & CEO and to counsel with them and assist them to develop and improve their job skills.
- b. To ensure that an annual performance appraisal program is established and carried out for all personnel and that compensation adjustment for those outside the bargaining units is based primarily on appropriate market comparators and performance.

5. Position Descriptions

To ensure that written job descriptions are prepared and reviewed as necessary for all personnel.

6. Employee Benefits
To administer or approve activities and actions with respect to annual leave, holidays, and other employee benefit programs within established policies and within limitations of the budget; to annually present to the Board a report describing employee benefits, the cost of such benefits to employees and GVEA, and a comparison of direct and indirect payroll costs.
7. Consultants
 - a. To select and appoint consultants and to negotiate contracts or agreements within the limits of his authority or the work plan and budget.
 - b. Consultants performing feasibility studies, including power supply studies and studies involving proposed capital additions, will not be eligible to participate in the design and engineering management of the project in question.
 - c. Consultants will be retained on an as-needed basis.
8. Wage and Benefit Administration
 - a. To develop a systematic wage and benefit plan and present it to the appropriate Board committee for review and recommendation to the Board.
 - b. To determine all salary adjustments, except the President & CEO's, within the Board-approved wage and benefit plan and policy and within budget limitations. A report is to be provided to the Board annually on the administration of the wage and benefit plan.
 - c. To evaluate new positions and reevaluate existing positions if their responsibilities and authority change substantially and, as a result of such evaluation or reevaluation, appropriately place these positions in the wage and benefit plan.
9. Labor Relations
 - a. To negotiate labor contracts, with or without consulting assistance, and make recommendations to the Board.
 - b. To administer approved labor contracts and confirm that supervisors understand the provisions of the contracts and their administration.

C. Operations

1. Overall Administration

- a. To direct the day-to-day operations and activities of GVEA; to delegate authority to supervisory staff; and to authorize further delegations of authority to other levels of management with full recognition that the President & CEO cannot be relieved of overall responsibility.
- b. To manage operations of GVEA in accordance with the policies of the Board and in accordance with applicable policies and procedures of the Rural Utilities Service (RUS) and other lending institutions, and in compliance with applicable federal, state and local laws.
- c. To designate an appropriate person to serve as Acting President & CEO in the absence of the President & CEO. If the President & CEO dies, resigns, is terminated or becomes incapacitated, this person will serve as Acting President & CEO until the Board takes appropriate action at a meeting to be convened as soon as possible.
- d. To ensure that staff advice and assistance is provided to the Board and its committees, and to participate in the activities of these committees as requested or required.
- e. To accept or respond to invitations to participate in or designate other staff members to participate in national, regional, state and local meetings which further the interests of GVEA, within the limitations of Board policy and the approved budget. If participation by the President & CEO in such activities requires substantial time over a sustained period, such participation is subject to Board approval.
- f. To serve as the authorized spokesperson for GVEA and to keep the Board up to date and well informed.

2. Membership Services

To direct membership services in such areas as, but not necessarily confined to, public and member relations, load management, energy conservation, communications and research.

3. Legislation

- a. To develop and carry out a legislative program that is consistent with Board policy and that furthers GVEA's mission and strategic initiatives. Such a program will include, but not be limited to, research, preparation

and the presentation of testimony to appropriate committees, and consultation with members of Congress, the State Legislature and state, federal and local administrative and regulatory agencies.

- b. To participate with groups for the purpose of enhancing their understanding and support of GVEA's legislative and regulatory objectives and programs.

4. Financial

- a. To ensure that expenditures are made in accordance with the approved budget and policies.
- b. The President & CEO may execute contracts that are budgeted for \$5,000,000 or less. All budgeted contracts in excess of \$2,000,000 will be reported to the Board.
- c. The President & CEO may approve unbudgeted expenditures and contracts which are \$500,000 or less. Any unbudgeted expenditure or contract in excess of \$100,000 will be reported to the Board.
- d. The President & CEO may approve unbudgeted expenditures which exceed \$500,000, which, in his judgment, are necessary in order to cope with emergencies. Such expenditures will be reported to the Board.
- e. To invest and reinvest funds as provided by policy.
- f. To authorize and approve travel expenses of personnel on GVEA business within budget limitations and within established policy; to see that such expenses are supported by itemized expense accounts with receipts attached, as appropriate. The President & CEO's expenses will be reviewed by the Board at least quarterly.
- g. To approve accounting systems, procedures, statistics and reports necessary for sound financial management, required by lending and regulatory agencies and useful to the Board for control purposes.
- h. To purchase or lease all required equipment, vehicles, hardware, furniture, real property, materials and supplies, within the guidelines of the budget. All purchases will comply with RUS policies and procedures. All purchases of major equipment or large quantities of materials for transmission or distribution lines, substations and associated facilities will be accomplished, if required, through competitive bidding.

- i. To negotiate contracts for construction in accordance with RUS procedures and to submit such contracts for Board approval when required by Board policy. Once approved, to ensure the contracts are awarded in strict accordance with RUS procedures so that completed construction may be reimbursed from loan funds without delay.
- j. To execute and deliver, in a timely manner, purchase orders or contracts for projects approved by the Board.
- k. To approve and sign changes of contracts previously approved by the Board and RUS as specified in Board policy.
- l. To authorize and execute on behalf of GVEA contractual agreements with customers, members, contractors, municipal bodies or governmental agencies or departments for the sale of electricity and related use of electrical facilities.
- m. After authorization of bond issuance by the Board, to see that the documentation necessary for the issuance of bonds is prepared and necessary approvals are obtained, and to negotiate with financing institutions for the sale of such bonds with the goal of achieving the lowest possible financing costs.
- n. To determine the type and extent of insurance coverage required for effective risk management, to negotiate purchase of such coverage and to annually report to the Board.
- o. To authorize individual memberships in civic clubs and organizations and GVEA memberships in local organizations in which their membership or the membership of staff members would be beneficial and to authorize payment of dues by GVEA within budget limitations.
- p. To execute and deliver on behalf of GVEA agreements essential to the management of GVEA, such as affidavits, agreements and leases.
- q. To negotiate franchises and execute all petitions and documents in relation thereto; to acquire easements and substation sites and execute, deliver and accept documents relating thereto; to execute and deliver environmental studies and reports; to apply for permits relating to the operations of GVEA; and to design, route and determine the site of the facilities.
- r. To perform all acts necessary or incidental to the management of the operations of GVEA, unless such acts are specifically reserved to the Board pursuant to law, the Articles of Incorporation, the Bylaws or Board policies.

5. Controls

a. Operations

To report to the Board concerning conformity of operations with approved policies and programs, to recommend any revisions requiring Board approval and to direct any remedial action required.

b. Finances

To keep the Board informed of GVEA's financial position and its progress in relation to financial plans and forecasts; and to see that all persons who have access to cash or are responsible for purchasing materials are bonded or covered by insurance procured by GVEA in accordance with requirements imposed by the lending agencies and the Board.

c. Budgets

To report monthly to the Board on revenues and expenditures compared to budget; to recommend revisions as necessary, and to direct any necessary remedial action.

d. Annual Financial Audit

To participate with the Board and the auditor in the review of the annual financial audit and management letter and to direct any remedial action required; and to ensure that the management letter and audit report are provided to each Board member prior to the meeting at which they are to be discussed.

e. Materials Management

1. To determine the required amount of and to establish proper control of all physical inventories for the purpose of minimizing investments in inventories for operating and construction needs.
2. To ensure that a system is established to accurately account for all materials used.

f. Member Concerns

To keep the Board informed of member concerns and to take any corrective action required or to recommend appropriate revisions in Board policy.

g. Reliability of Service

To annually submit to the Board a report on service reliability and any remedial action taken.

h. Bylaws

To report to the Board or a Board committee, following review with the Vice President & General Counsel, recommendations for amendment of the Bylaws, if any. Such reports will be made as required, but a complete review will be made at least once every three years.

i. Availability of Power Supply

To keep the Board informed regarding load growth compared to the power requirements studies and to recommend plans to meet anticipated growth to ensure an adequate and reliable power supply for the members at the best value consistent with sound business practices.

j. Rates

To study power and other costs compared to projections and to recommend to the Board, as far in advance as possible, any changes in retail electric rates necessary to maintain financial strength and stability, to meet capital credit retirement objectives, to establish a competitive position and to meet all requirements of lending and regulatory agencies.

k. Construction

To review construction practices with staff to make sure projects are being constructed in accordance with RUS policies and prudent utility practices and procedures so that reimbursement for completed construction can be obtained promptly.

l. Internal Auditing

To assess the adequacy, effectiveness and efficiency of the systems of control within the organization and the quality of ongoing operations against policies and procedures established by management and the Board, and rules and regulations of RUS and other lending institutions, as well as applicable federal, state and local laws.

6. Corporate Goodwill and Donations

a. The President & CEO may approve donations of not more than \$500 per donation, not to exceed \$5,000 per calendar year; all other donations must be approved by the Board.

b. All approved donations will be made by check, with no allowance for energy bill credits.

c. Subject to Board approval through the annual budget process, GVEA's match of employee contributions to the United Way may not exceed \$2,000 per year for any one employee. GVEA's match will be allocated on the same basis as the employee designation.

III. RESPONSIBILITY

- A. The President & CEO will keep the Board informed as to the manner in which he has performed these delegated responsibilities. The President & CEO may make further delegation of responsibilities to his staff as required.
- B. The Board is responsible for approving any changes in the delegation of responsibility to the President & CEO.
- C. The Chair of the Board will be responsible for seeing that the performance of the President & CEO is appraised at least once each year by the Board as a Committee of the Whole, with a report made at the next regular Board meeting and the results discussed with the President & CEO.

ADOPTED: April 15, 1987
AMENDED: March 27, 2017