

Implementation: 08/14/1990
Revised: 6/10/03; 6/9/09;8911/18; 3/16/2026
Reviewed: 9/11/2000; 6/9/2020

Policy: #1020 – Duties and Responsibilities of the Board of Directors

SCOPE OF POLICY: Board of Directors

RESPONSIBILITY: Board of Directors

I. Policy

The Board of Directors is responsible for directing the affairs of Elkhorn Rural Public Power District (ERPPD) and holds all powers of ERPPD. The Board exercises its powers by acting in duly convened meetings. Ultimate responsibility for the legal, financial, and operational health of ERPPD resides in the Board.

II. Procedure

In fulfillment of these duties and responsibilities, the Board of Directors shall:

A. Establish and maintain a legal entity by:

1. Ensuring that all legal requirements, as set forth in Nebraska law, the Petition for Creation, as amended, the by-laws, or other regulations, rules, or contracts applying to ERPPD are complied with.
2. Selecting and appointing the general counsel.
3. Studying and approving (or recommending) revisions and other changes in the by-laws.
4. Reviewing and approving major contracts including, but not limited to loan agreements, wholesale power contracts, and construction contracts, as well as all sales and purchases of real estate.
5. Ensuring that accurate minutes of board, committee, and membership meetings are prepared, maintained, and approved.
6. Authorizing eminent domain proceedings as required.

B. Promote and develop interest in ERPPD customers by:

1. Holding board meetings monthly, or more often if required, in accordance with the Open Meeting Act of the State of Nebraska. The preliminary agenda for such meetings shall be developed by the General Manager on consultation with the president, and agenda will be mailed in advance of the meeting with appropriate supporting information. The agenda and all meetings shall comply with Nebraska law.

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2. Ensuring that customers of ERPPD are informed by conducting meetings as may be necessary to hear their views, and to promote understanding of ERPPD’s objective, policies, and programs and through periodic newsletters and other publications, annual reports, and meetings.
3. Keeping informed about changing customer needs.
4. Assisting new board members to understand their responsibilities and duties. An orientation will be arranged for new board members.
5. Selecting an independent financial auditor.
6. Establishing investment policies and approving depositories for funds of ERPPD and designating those authorized to sign checks, drafts, notes, contracts, deeds, mortgages, and other instruments on behalf of ERPPD.
7. Establishing policies governing the payment of travel, out-of-pocket, and other expenses of directors.
8. Filling vacancies on the board for any unexpired term of office in accordance with the bylaws.
9. Keeping informed about changes in the electric utility industry.

C. Plan for the long-term health and survival of ERPPD by:

1. Establishing and approving the mission, vision, and strategic plans of ERPPD.
2. Approving power supply strategies and monitoring the adequacy, reliability, and competitive pricing of ERPPD's electric energy supply.
3. Reviewing and adopting proposed policies or policy revisions.
4. Ensuring the ongoing compliance with all applicable federal, state and local regulations, including by not limited to environmental, safety and labor regulations.

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D. Provide operating requirements by:

1. Interviewing candidates (with the advice and assistance of a professional consultant) and selecting and employing a competent General Manager.
2. Adopting financial plans and policies essential to maintaining a sound financial structure for ERPPD.
3. Authorizing the monies and expenditures of such monies through the adoption of budgets necessary to carry out the objectives of ERPPD.
4. Establishing committees, when necessary, and receiving reports and recommendations from special or standing committees and taking appropriate action as a result of such reports. The functions of such committees should be in writing and reviewed annually by the Board of Directors to determine if any revisions should be made.
5. Ensuring that adequate insurance coverage and risk management programs are in place to protect ERPPD's assets and operations, including cybersecurity and physical security for critical infrastructure.
6. Determining major state, regional, or national organizations in which ERPPD shall become a member.
7. Authorizing the construction of major facilities necessary for the efficient operation of ERPPD.

E. Establish controls to appraise the effectiveness of operations by:

1. Reviewing periodic reports from the General Manager including monthly financial statements, operational performance reports, safety and compliance reports, and such other reports as the Board may require to ensure conformity to approved plans and programs and to enable the board to have sufficient knowledge and understanding to make prudent decisions regarding future plans and programs.
2. Review the annual financial and audit report, with the auditor present or by conference call and ensuring that any necessary action is taken.

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The audit report shall be sent to the directors prior to the meeting when they are to review it.

3. Reviewing any independent management audit if such an audit is undertaken and ensuring that board-approved recommendations are carried out by receiving and reviewing regular progress reports from the General Manager.
4. Conducting an annual performance appraisal of the General Manager and determining his or her compensation and having a succession plan for the General Manager position.
5. Conducting an annual self-evaluation of the Board's own performance and effectiveness.