

Policy 2.4

BOARD MEETINGS ~~& WORKSHOPS~~

I. OBJECTIVE

To establish a regular meeting date for the Board and to set forth the guidelines for conduct of the meeting.

II. POLICY

- A. Board meetings shall be open to members. A member comment period shall be provided for on the agenda for members desiring to address the Board on matters of business appropriate to a board meeting. Generally, a member's comment shall be limited to three minutes, but may be extended by a majority vote of the Board.
- B. The Association's Attorney shall be present at all Board meetings.
- C. Active participation in Board meetings shall be limited to Directors, members of the staff, the Association Attorney, those persons named in the agenda for the meeting and those invited to participate at the meeting.
- D. The Board may go into executive session only in those instances specified in Policy 2.5.
- E. Board meetings shall be conducted in accordance with the Rules of Order specified ~~in REA Bulletin 101-2.~~ **in the Bylaws.**
- F. Board meetings may be extended by the Chairman for one-half hour. Extensions beyond one-half hour shall be approved by a unanimous vote of the Board members present.
- G. The Board may reschedule regular monthly meetings or schedule additional **regular or special** meetings.
- H. **Board meeting m**Minutes shall be entered in the minute's book after approval at the following **regular monthly** meeting:
 - ~~I.~~ The approved **Board meeting** minutes shall be posted in the lobby area of the Association's main office [b1] and on the GVEA web page (www.gvea.com).

I.

J. Regular Meeting:

- ~~A.1.~~ A regular meeting of the Board is set for the fourth Monday of each month beginning at 6:00 p.m. for a period not to exceed three and one-half hours.
- 2. Notice of a regular meeting shall be posted on the GVEA web page (www.gvea.com) and on the doors of the Association's main office not less than two days before the date on which the meeting is to be held.**
- ~~2.~~ Board meetings shall be open to members. A members' comments period shall be provided for on the agenda for members desiring to address the Board on matters of business appropriate to a board meeting. Generally, members' comments shall be limited to three minutes, but may be extended by a majority vote of the Board.
- ~~3.~~ The Association's Attorney shall be present at all Board meetings.
- ~~4.~~ Active participation in Board meetings shall be limited to Directors, members of the staff, the Association Attorney, those persons named in the agenda for the meeting and those invited to participate at the meeting.

- 5. ~~The Board may go into executive session only in those instances specified in Policy 2.5.~~
- 6. ~~Board meetings shall be conducted in accordance with the Rules of Order specified in REA Bulletin 101-2.~~
- 7. ~~Board meetings may be extended by the Chairman for one-half hour. Extensions beyond one-half hour shall be approved by a unanimous vote of the Board members present.~~
- 8. ~~The Board may reschedule regular monthly meetings or schedule additional meetings.~~
- 9. ~~Minutes shall be entered in the minutes book after approval at the following meeting.~~

G.K. ~~The approved minutes shall be posted in the lobby area of the Association's main office [b2] and on the GVEA web page (-).~~ **Special Meeting:**

- 1. **A special meeting of the Board may be called by the Chairman of the Board or by any three directors, per Association Bylaws.**
- 2. **Notice of a special meeting shall be posted on the GVEA web page (www.gvea.com) and on the doors of the Association's main office not less than twenty-four days before the date on which the meeting is to be held.**

~~Workshops:~~

~~**A workshop of the Board may be called by the Chairman of the Board. Workshops are not Board meetings, but shall be held for Board education and training and no action shall be taken by the Board. The Board shall not enter into executive sessions at workshops and the meetings shall be open to members. Minutes from workshops shall not be official minutes, but may be used to document the Board's due diligence in a decision-making process.**~~

III. RESPONSIBILITY

- A. It shall be the responsibility of the Chairman of the Board or, in his absence, the Vice Chairman, to conduct the meetings **by the Rules of** ~~in the manner specified in REA Bulletin 101-2.~~ **Order as specified in the Association's Bylaws.**
- B. The Chairman of the Board shall be responsible for preparation of the agenda, in coordination with the President & CEO.

Adopted:

April 15, 1987

Last Amended:

January 29, 2007

Policy 2.6

DIRECTORS' FEES, EXPENSES AND TRANSPORTATION

I. OBJECTIVE

To provide for fair equitable payments to Directors for attendance at Board, committee, member and other approved meetings and conferences.

II. POLICY

A. *Attendance Fees:*

1. Each Director shall receive \$450 per day for attendance at regular Board meetings under four hours and \$600 for regular Board meetings in excess of four hours. Each director shall receive \$250 for special meetings, Committee meetings, or other meetings of the Board under four hours and \$350 per day for attendance at meetings of the Board or committees of the Board or other meetings which exceed four hours in length **and \$450 for those meetings in excess of six hours.** Payment for attendance at committee meetings may be made only to those persons assigned to the committee unless otherwise decided by the Board. The Chairman is authorized to receive two additional meeting fees per month.

When two or more meetings are held on the same day, or multiple meetings add up to more than four hours, the Director shall be paid only one meeting fee at the higher rate.

2. While attending other meetings and conferences as specifically authorized by the Board which shall automatically include election to related other organizations, Boards or selection as members of related Board committees, either standing or special, each Director attending shall receive attendance fees as in #1 above for activities within the Association's service area and \$350 per day when traveling and attending meetings or conferences outside the service area unless reimbursed by the other organization.
3. Directors traveling in their own vehicles or aircraft will be reimbursed only for those travel days that would normally be required if the Director had traveled via commercial airfare.

B. *Transportation:*

1. If a Director furnishes his own transportation, he shall be compensated for the expenses of transportation at the federal standard mileage rate in effect. Payment will be calculated from his home to the meeting place and return, within the State of Alaska only. At the option of a Director, he may be paid the actual expense of such transportation if the transportation is by means other than automobile, at the rate described above. Transportation compensation shall not exceed the cost of full coach airfare.

A Director, providing he has at least 500 hours Alaska flight time, a current medical certificate, a current biannual flight review and is rated for and current to perform the type of flight anticipated, may fly his own aircraft, provided it has a current annual inspection, to attend meetings or while on Association business within the State of Alaska. Reimbursement for travel shall be at the same rate as for vehicle travel for each road mile between destinations, but in no case shall exceed the cost of full coach airfare.

No more than two Directors and no more than two key staff may travel aboard an aircraft provided by a Director.

2. Directors shall be compensated for travel to and from the State of Alaska in an amount equivalent to the cost of commercial airfare. Necessary taxi, limousine and car rental expenses are reimbursable. Normally, reimbursement for travel by air shall be at coach fare unless the Board approves first-class fare for special circumstances.

C. *Expenses:*

1. Directors shall receive reimbursement for actual expenses incurred, as supported by an expense voucher which shall be submitted on a timely basis.
2. A quarterly report of expenses incurred by Directors shall be submitted to the ~~Treasurer Board~~ for review **and the Board for approval**.
3. Directors and the President & Chief Executive Officer are encouraged to bring their spouses to annual and regional meetings of the National Rural Electrification Cooperative Association (NRECA) and Alaska Power Association (APA) so that they may participate in official activities of such meetings. The Association shall not reimburse Directors or the President & CEO for travel expenses incurred by their spouses in connection with such meetings.
4. Directors shall receive reimbursement for the actual monthly recurring expenses for high speed internet access from AC Wireless, if available, to their residence. If AC Wireless is not available, the director shall be reimbursed the actual cost from another provider, the expense of which shall be reported on the monthly expense vouchers with a receipt.

D. *Health Insurance:*

1. Each Board of Director shall be entitled to be covered under the Association's health insurance plan as it is provided to all Association regular employees. The Director shall be responsible to reimburse the Association for 25 percent of the health insurance premium incurred by the Association for the Director, and 100 percent of the health insurance premium ~~and~~ incurred by the Association for the Director's spouse and/or family.

E. Directors not submitting their expense reports by the end of the following month will be docked 10% of the total of the expense report for being tardy.

E.F. *Gifts to Directors:*

1. At the discretion of the Board, each retiring Director may be given a gift in appreciation for past services. The value of the gift shall not exceed \$50 for each year served.

III. RESPONSIBILITY

- A. It is the responsibility of each Director to comply with the provisions of this policy.
- B. It is the responsibility of the President & CEO to ensure quarterly reporting of Directors' expenses.

Adopted:

April 15, 1987

Last Amended:

June 23, 2008

Policy 2.9

COMMITTEES OF THE BOARD OF DIRECTORS

I. OBJECTIVE

To provide for the establishment of committees and to ensure that their functions are clearly defined and reviewed periodically.

II. POLICY

- A. The Board may establish or abolish such standing or special committees as it deems desirable.
- B. Each committee shall have such powers and duties as may be delegated to it by the Board. Functions of the committees shall be defined in policies that shall be reviewed periodically by the Board to determine if revisions are needed or if the committee is still needed.
- C. The Chairman of the Board shall appoint the members of committees, taking into consideration the preference of the Directors and their experience and expertise.
- D. The Chairman is an ex-officio member of all Board committees, but may vote only on a committee to which he is appointed.
- E. The President & Chief Executive Officer, or his designee, shall, unless otherwise requested by the Board, attend each committee meeting to provide staff advice and assistance.
- F. The chairman of each committee shall be appointed by the Chairman of the Board. A vice chairman may be elected by the committee members.
- G. The Board committees shall meet as needed. The President & CEO, in consultation with the committee chairman, or the committee chairman, in consultation with the President & CEO, may convene a meeting of the committee. Dates of all committee meetings shall be coordinated with the President & CEO, or his designee, to avoid conflict and to assure completion of any required staff study. A majority of the committee may call a meeting of the committee.
- H. The President & CEO or his designee shall prepare an agenda for each committee meeting in consultation with the chairman of the committee.
- I. Reports and recommendations from each committee meeting shall be provided to the Board **for action, if necessary, regular monthly** ~~The committee chairman shall report to the Board~~ at its next meeting.

III. RESPONSIBILITY

- A. It shall be the responsibility of the Board to establish or abolish committees, approve changes in committee functions and receive and act upon committee reports and recommendations.
- B. The Chairman of the Board shall be responsible for the administration of this policy.

Adopted:

April 15, 1987

Last Amended:

December 16, 2002

Policy 3.13

EMPLOYEE CONFLICT OF INTEREST

I. OBJECTIVE

To ensure that employees conduct themselves in a manner which avoids conflicts of interest which may result in embarrassment, decreased productivity or inappropriate use of the Association's name or property.

II. POLICY

- A. The Association shall be non-partisan in political matters. Employees shall not engage, either directly or indirectly, in partisan political activities as representatives of the Association.
- B. The Association shall be non-partisan, but shall promote and support the enactment and enforcement of federal and state legislative, regulatory and administrative rules, laws and regulations which encourage the lowest cost electric service to members consistent with sound management and wise use of resources.
- C. Employees shall not sell, distribute or provide electricity, **except for net-metering and/or a GVEA sponsored alternative energy program**, electrical supplies or related services to Golden Valley, other employees or the general public outside of their employment. ~~In order to avoid the appearance of a conflict of interest, this precludes an employee and their spouse from selling power to the Association under a GVEA sponsored alternative energy program.~~
- D. An employee may have another job in addition to the job he holds with the Association as long as the "second" job does not create a conflict of interest in his Association position. The employee must notify his Division Vice President prior to accepting the "second" job. An employee must recognize that a "second" job cannot interfere in any way with his employment with the Association. The "second" job shall not adversely affect the employee's performance, hours of work, ability to meet overtime requirements or the reputation of the Association.
- E. Any product, procedure, invention or process developed by an employee on the Association's premises or during the employee's work time shall be the sole and exclusive property of the Association.
- F. Employees are prohibited from acquiring or having a significant financial interest in any business or property which the Association acquires or a direct or indirect financial interest in, including being employed by, a supplier, contractor, consultant or other entity with which the Association does business, or a competing enterprise, except as provided in the Bylaws of the Association.

Employees shall not engage in any outside activity which creates, has the potential of creating, or has the appearance of creating a conflict of interest with the employee's duties or which is contrary to the interests of the Association.

- G. No employee shall knowingly use Association property, funds or position for personal gain. Confidential information obtained in the course of an employee's duties may not be used for financial gain to the employee.

Every employee of the Association is expected to avoid situations which might be construed as conflicts of interest since it is not feasible in a policy statement such as this to describe all of the circumstances and conditions that might be or have the potential of being a conflict of interest.

- H. The **President and CEO and all Association VPs shall sign a conflict of interest statement each year, which shall be kept on file at the Association's attorney's office.**

III. RESPONSIBILITY

The President & Chief Executive Officer shall be responsible for ensuring employee compliance with this policy.

Adopted:

April 15, 1987

Last Amended:

November 29, 2007

Policy 5.1.1

~~DELEGATION OF~~ TREASURER'S DUTIES AND DELEGATION

I. OBJECTIVE

To ~~permit~~ **define the Treasurer's duties and permit** the delegation by the Treasurer of certain duties.

II. POLICY

- A. According to the Bylaws, the Association Treasurer is responsible for the custody of the Association's funds and securities. That duty is hereby delegated to the Board.
- B. According to the Bylaws, the Association Treasurer is responsible for the receipt of and the issuance of receipts for all monies paid to the Association, and is also responsible for the deposit of all such monies in the name of the Association in such financial institutions as shall be selected by the Board. Those duties are hereby delegated to the President & Chief Executive Officer, or his designee.
- C. **The Association Treasurer shall be responsible for reviewing the expense reports submitted by the directors and CEO on a quarterly basis prior to submission to the full board for approval.**

III. RESPONSIBILITY

- A. The Board is responsible for the custody of the Association's funds and securities, but may delegate that responsibility to the President & CEO.
- B. The President & CEO is responsible for receiving, giving receipts for and depositing funds of the Association.

Adopted:

April 15, 1987

Last Amended:

June 27, 2005

Policy 6.9

LEGAL REPRESENTATION BY LOCAL GENERAL COUNSEL

I. Objective

- A. To ensure the effective use of competent general legal counsel for the Association.

II. Policy

- A. The Association shall retain or employ an Attorney to continually provide general legal services to the Association. General legal services include, but are not limited to:
 - 1. acting in the role of general counsel whose duty is to the Association to participate and be a contribution to corporate governance
 - 2. preparing for and attending all meetings of the Board and its committees, if invited,
 - 3. drafting and reviewing contracts;
 - 4. representing the Association in legal and administrative proceedings and providing legal services regarding general business and Association issues
- B. The Attorney shall provide competent legal representation to the Association, and shall have or acquire the appropriate knowledge, skills, time, and qualifications necessary to provide competent legal representation. The Attorney shall comply with conflict of interest requirements prescribed in applicable local, state, and federal law and rules of professional conduct and the policies of the Association for both directors and employees. The Attorney may provide legal services to an entity in which the Association owns an interest ('Affiliated Entity') only if the Attorney complies with these conflict of interest requirements. The Attorney shall inform the Association's President & CEO in writing of any other entity engaged in generating, transmitting, distributing, marketing, or selling electric energy for which the Attorney provides legal services.
- C. The Board shall make decisions regarding retaining, employing, and discharging the Local General Counsel and shall annually evaluate the performance of the General Counsel. By providing written notice to the Attorney, the Association may discharge the Attorney, and terminate any attorney engagement agreement, at any time for any reason. By providing written notice to the Association, and as required or allowed by applicable law and rules of professional conduct, the Attorney may withdraw from representing the Association and terminate any attorney engagement agreement.
- D. The attorney shall, in consultation with the President and CEO, coordinate with outside attorneys. The Attorney shall review outside attorney's monthly billing statements. As part of providing legal services to the Association, and with the President & CEO's prior consent, the Attorney may retain another attorney or may use an attorney or paraprofessional associated with the Attorney's law firm. As reasonably necessary or helpful in providing legal services to the Association, and subject to any limitations stated in an attorney engagement agreement, an Attorney may contract for a non-attorney and non-paraprofessional third party to provide goods or services
- E. Only the Chairman of the Board or the President & CEO or his designee's may request that an Attorney provide legal services to the Association. As requested by the Attorney, and as reasonably necessary or helpful in providing legal services to the Association, the Association shall provide the Attorney reasonable access to its directors, officers,

employees, consultants, agents, representatives, records, and documents. The President & CEO and the Attorney shall keep the Board reasonably informed regarding any matter for which the Attorney is providing legal services to the Association. In consultation with the Board or as directed by the Board, the President & CEO shall direct the Attorney. In providing legal services to the Association, and subject to the Board or President & CEO's direction, the Attorney may act on the Association's behalf in any manner reasonably believed to be in the Association's best interest.

- F. The Association shall pay the Attorney a reasonable fee and reasonable expenses. The Attorney shall provide legal services to the Association in a cost-effective and efficient manner. The fees and expenses for the Attorney retained by the Association must be specified in an attorney engagement **letter which could contain retainer provisions and costs.**
- G. The Attorney shall keep the Board and the President & CEO reasonably informed regarding a matter for which the Attorney is providing legal services to the Association. For decisions regarding the matter to be made by the Association, the Attorney shall explain the matter to the Board and the President & CEO to the extent reasonably necessary to permit the Association to make an informed decision. The Attorney shall promptly comply with the Association's reasonable request for information.
- H. The Association shall encourage the General Counsel to:
 - 1. attend legal programs sponsored by, and to subscribe to legal publications published by, the National Rural Electric Cooperative Association and Alaska Power Association and
 - 2. be a member of, and attend programs sponsored by, the Electric Cooperative Bar Association and any association of attorneys representing Associations located within the state. The payment of any fees and expenses related to a Local General Counsel retained by the Association attending these legal programs, subscribing to these legal publications, or being a member of these associations must be specified in an attorney engagement agreement.

III. Responsibility

- A. The Board is responsible for compliance with this policy.
- B. The President & CEO is responsible for communicating with the Attorney regarding the Attorney's provision of legal services to the Association.

Adopted:

January 23, 2006

Last Amended:

November 29, 2007

Policy 7.3

MEETINGS OF MEMBERS

I. OBJECTIVE

The Board recognizes the need to provide for the timing, format and procedures for calling, scheduling and conducting meetings of the Association's members.

II. POLICY

A. Meetings of the Association's members shall be called, scheduled, **held and conducted by the Rules of Order** ~~and held~~ as specified in the Association's Bylaws.

~~B. Meetings of the Association's members shall be conducted in the manner specified by the Rules of Order contained in REA Bulletin 101-2.~~

~~C.~~ B. The Board shall review and accept the minutes of annual and special meetings of the members at a regular Board meeting so that they may be included in proper order in the official minute's book. The minutes will be scheduled for approval at the next meeting of the members. After the Board's acceptance, the minutes shall be posted on Golden Valley's external website.

C. — Member comments of three minutes or less will be taken from members **physically present**. Questions may be responded to directly at the meeting **by the CEO**, or referred to staff or the Board for further consideration. Responses made at the meeting should be kept succinct.

C.

D. **Members serving as Sergeant at Arms** ~~are~~ **should refrained** from speaking in favor or in opposition to a motion on the floor as it may be viewed as a conflict of interest should they be called upon to count member votes. **Sergeant at Arms desiring to speak on a motion shall resign their position prior to speaking.**

III. RESPONSIBILITY

The Chairman of the Board or a Director designated by the Chairman shall be responsible for calling, scheduling and conducting meetings of the Association's members.

Adopted:

April 15, 1987

Last Amended:

November 29, 2007

Policy 7.6

RENEWABLE ENERGY ~~PORTFOLIO STANDARD~~ GOAL ~~POLICY~~

I. OBJECTIVE

Recognizing the importance to the environment and the need to provide **energy from renewable sources** ~~power for sustainable growth~~, the Association is committed to the continued development of renewable energy sources.

II. POLICY

It is the policy of the Association to meet a renewable **energy** ~~portfolio standard goal~~, - **set as Name Plate capacity of renewable sources equal to a percentage** of its annual peak load, of 10 percent by the end of 2007 and 20 percent by the end of 2014.

- A. Included in the definition of renewable **energy**s is our share of hydroelectric projects, conservation~~s~~ efforts, **waste-heat recovery**, recovered heat excluding generation facilities, ~~SNAP-GVEA sponsored alternative energy~~ programs, wind, solar, geothermal, waste-to-energy and other recognized **renewable sources**~~methods~~.
- B. The Power Supply **and Member Service** Divisions will determine the amount of capacity generated **and energy displaced** by each of these defined methods and report its determination to the Board annually. In addition, the Power Supply Division shall annually make recommendations to the Board regarding methods the Association may take to **economically** rectify any shortage in obtaining its Renewable **Energy** ~~Portfolio Standard~~ goal.

III. RESPONSIBILITY

The President & CEO is responsible for implementation of this policy.

Adopted:

January 23, 2006

Last Amended:

New Policy

ASSOCIATION DEBT LIMIT

I. OBJECTIVE

To establish the Association's debt limit and to set forth the guidelines for determining the Association's debt for the purposes of this policy.

II. POLICY

To the extent that the Rural Utility Service (RUS) determines the outstanding indebtedness of the Association for the purposes of determining compliance with the Association's established debt limit as the face amount of any outstanding long-term note secured under the Association's Mortgage and Security Agreement with RUS and any other supplemental lenders, the Association's maximum debt limit shall be \$960 million.

Otherwise, the Association's debt limit, including remaining balances due on any mortgage, loan, line of credit, or account payable, shall be \$600 million.

III. RESPONSIBILITY

The Board is responsible for approving any changes to the debt limit for the Association and the President & CEO shall keep the Board informed as to the Association's debt.

Adopted:

Last Amended: