

Beartooth Electric Cooperative, Inc.

TRUSTEE POLICY NO. 211

1. SUBJECT: COMMITTEES OF THE BOARD OF TRUSTEES

2. OBJECTIVE:

2.1. To state the policy of Beartooth Electric Cooperative, Inc. (BEC) on committees.

3. POLICY:

3.1. This policy hereby establishes the finance committee, the policy committee, and the risk management committee as standing committees of the BEC Board of Trustees (Board). The General Manager and management staff shall assist and advise each committee as needed. Responsibilities, other than those listed, may be assigned by the Board. In all cases the Board president is an ex-officio member of all committees and appoints the committee chairperson. Other Trustees who wish to participate may attend committee meetings.

3.1.1. **Finance Committee:** Composed of a minimum of four (4) committee members including the Board Secretary/Treasurer, a Trustee who shall serve as chair and BEC members with financial expertise. The duties and responsibilities of the finance committee are:

3.1.1.1. In general, to review the fiscal operations of BEC and also periodically review Board expenses and advise the Board on such matters;

3.1.1.2. To make recommendations on management requests for the purchase of all vehicles and line equipment and all other expenditures that exceed \$20,000 with the exception of power bills, property taxes, annual dues, health/dental/vision premiums, service contracts, easements and equipment and material items included in the Rural Utility Service (RUS) approved four- (4) year construction work plan;

3.1.1.3. Advise and assist the Board on rate issues;

3.1.1.4. At the discretion of the chair or at the request of the General Manager, the committee may meet prior to any regular or special meeting of the Board to review BEC's fiscal operations and/or requests from management and report to the Board for action or as information;

- 3.1.1.5. Annually during the fourth quarter, the committee will review management's proposed operating and capital budget, along with revenue and load projections for the ensuing year. The committee may propose adjustments to these projections based on 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 operations, capital and revenue budgets for the ensuing year;
- 3.1.1.6. Recommend to the Board every three years one or more external audit firm(s) from which the Board shall select the audit firm and enter into an engagement agreement for a three(3)-year period;
- 3.1.1.7. A pre-audit planning meeting of the finance 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;
- 3.1.1.8. Results of the audit will be presented to the finance committee at least one week prior to the Board meeting in which the audit is to be presented.
- 3.1.2. **Risk Management Committee:** Composed of a minimum of four (4) committee members with a Trustee acting as chair. The committee shall assist with, report and make recommendations to the Board on matters identified with the Board for analysis and evaluation. The committee will identify access and recommend engagement as needed of independent expertise to assist the Board in research pertaining to its risk management and fiduciary responsibilities.
- 3.1.2.1. Shall meet with the Board annually during the budgeting and planning process to review risk management requirements.
- 3.1.2.2. Members at large will be chosen based on knowledge and experience. The committee chair may select members on approval by the Board.
- 3.1.3. **Policy Committee:** Composed of a minimum of four (4) committee members with a Trustee acting as chair. The committee shall assist, advise and make recommendations to the Board on BEC policy. The committee shall review each policy at least once every three years. The committee will also act on individual policies on an as-needed basis.

4. Ad-hoc Committees: The Board will establish ad-hoc or advisory committees on an as-needed basis to focus on specific objectives such as creating a plan. The ad-hoc committees' duration may be whatever timeframe is appropriate.
5. BEC members will be compensated for travel and other expenses necessary for committee meeting attendance.
6. All committee meetings should have an agenda prior to the meeting and a written report at the next monthly Board meeting.

7. RESPONSIBILITY:

7.1. The Board president shall ensure that the provisions of this policy are followed.

Adopted: 11/25/2014
Review: 01/31/2017
Reference: BEC Policy II-A-6
Review Date: January 2019

Attest:/s/ David Peterson
Board President

Attest: /s/ Julie Lindgren
Secretary/Treasurer