

ORCAS POWER AND LIGHT COOPERATIVE

OPALCO POLICY 2

DELEGATIONS FROM THE BOARD OF DIRECTORS TO THE GENERAL MANAGER

2.1 GOALS AND OBJECTIVES

To clearly define the delegations from the board of directors to the general manager to give the authority to adequately direct the operations of the cooperative.

2.2. PLANNING

2.2.1. Viewpoints, Objectives and Policies

Formulate, with staff, viewpoints, objectives and policies of the cooperative to be recommended by the general manager to the board of directors for approval.

2.2.2 Long and Short Range Plans

Formulate, with staff, and recommend to the board of directors short and long range plans including plans in such areas as engineering, quality of service, finance, public and member relations, etc.

2.2.3 Annual Work Programs and Budgets

Formulate, with staff, an annual work program and budget to be recommended by the general manager to the board of directors for approval.

2.2.4 Membership Meetings

Develop, with staff, plans for the cooperative's annual meeting and other official membership meetings as directed by the board of directors.

2.2.5 Legislation

Analyze and recommend to the board of directors state and federal legislative and administrative matters to be supported by the cooperative consistent with established cooperative policy.

2.2.6 Rates

Periodically study and analyze the cooperative's rates and billing and collecting regulations to make sure they meet current operating requirements and to make appropriate recommendations to the board of directors.

2.2.7 Travel

Approve travel of staff and other employees subject to the limitations of the approved budget. Prior board approval will be required for travel outside the Northwest region, which includes Washington, Oregon, Nevada, Idaho, Montana, Wyoming and British Columbia. The general manager shall keep the board informed of the purpose and accomplishment of all travel through trip reports submitted to the board.

2.3 ORGANIZATION

2.3.1 Organization Structure

- 2.3.1.1 Periodically review all activities of the cooperative and determine, with staff, the organization structure best suited to carry out the overall cooperative objectives.
- 2.3.1.2 Recommend an organization structure to the board of directors. The approved organization structure shall authorize full and part time positions within the cooperative. These positions may then be filled by the general manager without further board approval subject to the limitations on personnel costs in the approved budget.
- 2.3.1.3 Establish and abolish temporary positions lasting six months or less, subject to limitations on personnel costs in the approved budget.

2.3.2 Selection of Personnel

- 2.3.2.1 Develop or approve standards and qualifications for use in recruiting, transfer and promotion of the cooperative's employed personnel. Such standards and qualifications shall be consistent with all federal and state fair employment legislation.
- 2.3.2.2 Select, appoint, transfer, promote and release all employed personnel.

2.3.3 Wage and Salary Administration

- 2.3.3.1 Develop, with staff, a systematic wage and salary plan for employees and present it to the board of directors for comment prior to union negotiations.
- 2.3.3.2 Salary and benefit adjustments for the general manager shall be decided by the board of directors.

2.3.4 Training

- 2.3.4.1 See that staff is trained in accordance with the qualifications and requirements of their positions.
- 2.3.4.2 Initiate and promote, through staff, appropriate management, professional and technical training programs for all personnel within the limitations of the budget, including sending personnel to appropriate training programs outside the cooperative.
- 2.3.4.3 See that an effective job training and safety program is carried out and that employees are kept informed of the requirements of the federal OSHA and its compliances.

2.4 OPERATIONS

2.4.1 Overall Administration

- 2.4.1.1 Direct day-to-day operations and activities of the cooperative except as specified otherwise by the bylaws or the board of directors; delegate

appropriate authority to immediate staff; authorize further delegation of authority to any level of management with full recognition that overall responsibility or any portion of accountability cannot be relieved.

- 2.4.1.2. Manage the operations of the cooperative in accordance with the viewpoints, objectives and policies of the board of directors.
 - 2.4.1.3. Designate a staff member to serve as acting general manager, with the board's approval, during the absence of the general manager for any prolonged period.
 - 2.4.1.4. Direct appropriate and efficient membership services in such areas as, but not necessarily confined to, provision of electric service, member education and research, as authorized by the board of directors.
 - 2.4.1.5. Accept invitations to participate, or designate another staff member to participate in national, state and local meetings which further the interests of the cooperative, within limitations of the budget.
 - 2.4.1.6. Direct the provision of system improvements and improvements in service as required by the board.
 - 2.4.1.7. Design, plan and direct a preventive maintenance program that will ensure economical operation of the electric system, extend service life of physical property to its maximum and bring about maximum continuity of service to the members.
- 2.4.2. Public and Member Relations
- 2.4.2.1. See that authorized cooperative publications are prepared, edited and distributed.
 - 2.4.2.2. Determine and approve cooperative participation in community and civic activities within the limitations of board policy and the approved budget.
 - 2.4.2.3. Investigate and authorize membership in clubs and associations in which membership by general manager and/or staff members would be helpful and authorize the dues for such membership to be paid by the cooperative within the limitations of the budget.
 - 2.4.2.4. Develop and carry out within board policy a comprehensive public relations program including, but not necessarily limited to, the issuance of press releases concerning the cooperative's operations and the use of radio and television to obtain increased understanding and acceptance of the cooperative's viewpoints, objectives, policies and programs.
- 2.4.3. Financial
- 2.4.3.1. Administer the day to day financial affairs of the cooperative within the limitations of the approved budget.
 - 2.4.3.2. Invest or reinvest cooperative funds and cash investments when due, in accordance with board policy.

- 2.4.3.3. Authorize and approve the travel and expenses of cooperative personnel on cooperative business within the approved budget.
- 2.4.3.4. Approve accounting systems, procedures, statistics and types of reports necessary for sound financial management of the cooperative and for necessary control information required by the board of directors and the membership.
- 2.4.3.5. Purchase all cooperative equipment, hardware, furniture materials and supplies within the approved budget and in accordance with board policy.
- 2.4.3.6. Prepare loan applications to be recommended to the board for approval.
- 2.4.3.7. Sign checks for payment of approved bills, salaries and other expenditures.
- 2.4.3.8. Submit to the board for approval and sign requisitions for funds set up in loan budgets.
- 2.4.4. Controls
 - 2.4.4.1. Operations

Submit periodic and special reports to the board of directors on conformity of operations with approved objectives, policies and programs; recommend any revisions requiring board approval and direct any remedial action.
 - 2.4.4.2. Finances

Submit periodic and special reports to the board on receipt, disbursements and cash balances to keep them informed of cooperative's financial position and conformance to financial plans and forecasts.
 - 2.4.4.3. Budgets

Report periodically to the board on revenues and expenditures compared to budget, recommend any revisions required and direct any necessary remedial action.
 - 2.4.4.4. Annual Financial Audit

Review with the board the annual financial audit and direct any remedial action required. Such review may be with the auditor present at the board meeting.
 - 2.4.4.5. Physical Inventories

Determine the amount of and establish proper control of all physical inventories of the cooperative, including disposition of surplus or obsolete stocks of supplies.
 - 2.4.4.6. Power Supply

Review periodically the cost and adequacy of power available to the cooperative and make appropriate recommendations to the board.
 - 2.4.4.7. Member Complaints

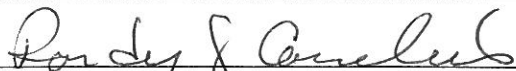
Submit periodically to the board an analysis of member complaints, take any corrective action required, or recommend appropriate revisions in board policy.

2.4.4.8 Quality of Service

Submit periodically to the board a report on quality of service and any remedial action taken.

2.5 RESPONSIBILITY

- 2.5.1 The general manager shall periodically report to the board on how these delegations are being carried out; further delegations to the staff may be made as required.
- 2.5.2 The board of directors is responsible for approving any changes in the delegations to the general manager.


Randy J. Cornelius, General Manager

Effective Date: June 16, 2005