

NORTHERN WASCO COUNTY PEOPLE'S UTILITY DISTRICT
WORK SESSION
November 15, 2017

PRESENT: Howard Gonser, President
Dan Williams, Vice President
Connie Karp, Secretary
Roger Howe, Treasurer
Clay Smith, Director

President Gonser called the Work Session to order at 1:00 p.m.

The following individuals were present during the Work Session:

Attorney: James Foster

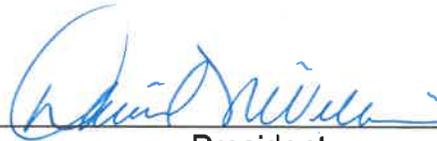
Board Effectiveness Checklist

The Board of Directors had a vibrant discussion regarding modifying the Board Effectiveness Checklist. A copy of the Board Performance and Review Checklist, that Directors Howe and Karp received while at a Board of Directors training in October, was used by the Board to modify their Board of Effectiveness Checklist. A copy of the Board Performance and Review Checklist is hereto attached and marked as Exhibit 1.

Some changes to the Board Performance and Review Checklist were suggested by members of the Board. A copy of the Checklist, as suggested for amendment, is hereto attached and marked as Exhibit 2.

The Board will review the Board Performance and Review Checklist at a future Board meeting.

The Work Session adjourned at 2:12 p.m.



President

ATTEST:



Secretary VP

BOARD PERFORMANCE AND REVIEW

The Board of Directors has authority and responsibility to manage and direct the affairs of the Cooperative. With this comes the responsibility to determine whether the Board is acting prudently, efficiently, and with care and due diligence in carrying out its responsibility for governing the business in accordance with State and Federal laws, the Articles of Incorporation, and the Cooperative's Bylaws. The Board's primary governance responsibilities include planning, ensuring that the Cooperative operates within all applicable laws and regulations, serving in the capacity of trusteeship on behalf of the membership, and evaluating the Board's and management's performance.

An effective way to evaluate the Board's performance is through an annual board performance review. This is a process through which the Board assesses and evaluates its performance in key areas of responsibility. By undertaking an evaluation of itself, the Board is demonstrating a commitment to fulfilling its legal obligations and fiduciary responsibilities to the membership as effectively as possible.

Instructions

Please respond to each of the performance factor statements as they apply to the full Board of Directors using the following rating scale:

Not Met	The Board is not currently meeting expectations
Sometimes	The Board is only sometimes meeting expectations
Mostly	The Board is meeting expectations most of the time
Fully Met	The Board meets expectations virtually all of the time

For each of the six major performance factors, please circle one or two factors that you believe should be reviewed and discussed in more detail by the entire Board.

The value of this Board Performance Review requires your honest response to each of the performance factors and through an open and honest discussion of the results. All responses will be kept strictly confidential and anonymous and each Director will receive a summary of the results.

PERFORMANCE FACTORS

Statement	Not Met	Sometimes	Mostly	Fully Met	Don't Know
Board Leadership and Planning					
1. The Cooperative has developed written vision and mission statements.					
2. The Cooperative has adopted long term goals and objectives that support the vision and mission statements.					
3. Directors can effectively communicate the Cooperative's vision and mission.					
4. The Board monitors the progress toward achievement of strategic goals and operating budgets on a regular basis.					
5. The Board has directed management to develop a personnel development plan for the Cooperative.					
6. The Cooperative schedules annual strategic planning sessions for the Board and management staff.					
7. The Board makes adjustments in plans when conditions indicate that prior plans are no longer appropriate.					
Oversight and Control					
8. The Board makes decisions and establishes policies that conform to the Cooperative's Articles of Incorporation and Bylaws as well as Federal, State, and local laws.					
9. The Bylaws are periodically reviewed and updated as needed.					
10. The Cooperative's policies are reviewed annually and updated as needed.					
11. The Board abides by all policies.					
12. The Board and CEO responsibilities are clearly and specifically outlined and followed.					
13. The Board avoids interfering with the execution of responsibilities delegated to the CEO, including personnel management.					
14. Individual Directors refrain from acting on Cooperatives matters without full Board approval.					
15. The Board accepts its role as a policy making body that provides oversight and control rather than making operational decisions.					
16. The Board has identified and understands its key areas of responsibility and control including, monthly financial statements and financial audits, selection of the auditor, and selection of legal counsel.					

Statement	Not Met	Sometimes	Mostly	Fully Met	Don't Know
17. Confidential cooperative information is maintained by all Directors.					
18. The Board has a policy of what constitutes a potential conflict of interest and has a shared understanding of the proper and accepted standards of conduct for all Directors.					
19. The Board has policies and provides for programs and services to ensure the membership is continually served, educated, and informed about the cooperative's activities and issues.					
CEO Oversight					
20. Appropriate authority to accomplish the Cooperative's goals and objectives have been delegated to the CEO along with adequate resources for the CEO to perform their job.					
21. The Board utilizes a formal process to evaluate the CEO's performance on an annual basis.					
22. The CEO's performance is measured against performance factors and goals and objectives that have been agreed upon by the Board and CEO.					
23. The Board has a succession plan for the CEO to allow for the continued operation of the Cooperative.					
24. A compensation plan for the CEO is approved and reviewed annually.					
25. The Board has in place and understands the CEO selection process should it be necessary to hire a new CEO.					
26. The Board provides the CEO with ongoing performance feedback.					
Financial					
27. The Board reviews and approves the annual budget.					
28. Goals for important financial ratios are established and reviewed by the Board at least annually.					
29. The Board receives adequate financial reports and information in advance of each board meeting.					
30. A review of the annual audit report is presented annually by the Cooperative's auditor.					
31. The Board is given the opportunity to ask questions during the presentation of the annual audit report without management being present.					

Statement	Not Met	Sometimes	Mostly	Fully Met	Don't Know
32. The Board reviews the Cooperative's insurance coverage on at least an annual basis and approves changes in coverage as appropriate.					
33. The Board reviews the Cooperative's equity position annually and determines whether capital credits should be retired.					
34. The Board and management reviews the annual budget and assures that adequate resources are available to meet the Cooperative's work plan and budget.					
Communication					
35. Directors communicate the Cooperative's vision and mission and policies to cooperative members and the general public.					
36. There is clear communications between the Board of Directors and the CEO about what the Board expects from the CEO.					
37. An atmosphere exists at board meetings where all Directors feel they have the freedom to express their thoughts and opinions and they regularly exercise that freedom.					
38. Outside professionals such as auditors, attorneys, lenders, and other consultants are brought into board meetings when professional advice is required.					
39. The Board reviews and approves a communication plan for the Cooperative annually.					
Governance and Procedures					
40. The duties and responsibilities of the Board of Directors and board committees have been defined in writing.					
41. There is a procedure in place for recruiting director candidates.					
42. There is a formal orientation program for new Directors.					
43. The Board has a formal policy regarding Director training.					
44. The Board holds an organizational meeting as required by the Cooperative's bylaws.					
45. The Board has a formal process for the election of Board officers.					
46. The meeting agenda and supporting materials are available to each Director a sufficient amount of time prior to board and committee meetings.					
47. Director compensation is adequate to attract and retain qualified directors.					

Statement	Not Met	Sometimes	Mostly	Fully Met	Don't Know
48. Directors are asked to resign if they no longer meet the director qualifications per the Cooperative's bylaws.					
49. Directors voting in the minority support decisions approved by a majority of the Board.					
50. Directors take advantage of educational and training opportunities to increase their knowledge and governance skills.					
51. Each director has a copy of the Cooperative's policies and bylaws.					

Summary

What areas of the Board's responsibilities have been performed most effectively?

In what areas can the Board strengthen their performance?

What should the Board's priorities be for the coming year?

How can the CEO be more supportive of the Board's efforts to improve their performance?

How can the Board be more supportive of the CEO's efforts in managing and directing the operations of the Cooperative?

BOARD PERFORMANCE AND REVIEW

The Board of Directors has authority and responsibility to manage and direct the affairs of the Utility. With this comes the responsibility to determine whether the Board is acting prudently, efficiently, and with care and due diligence in carrying out its responsibility for governing the business in accordance with State and Federal laws. The Board's primary governance responsibilities include planning, ensuring that the Utility operates within all applicable laws and regulations, serving in the capacity of trusteeship on behalf of the ratepayers, and evaluating the Board's and management's performance.

An effective way to evaluate the Board's performance is through an annual board performance review. This is a process through which the Board assesses and evaluates its performance in key areas of responsibility. By undertaking an evaluation of itself, the Board is demonstrating a commitment to fulfilling its legal obligations and fiduciary responsibilities to the ratepayers as effectively as possible.

Instructions

Please respond to each of the performance factor statements as they apply to the full Board of Directors using the following rating scale:

Not Met	The Board is not currently meeting expectations
Sometimes	The Board is only sometimes meeting expectations
Mostly	The Board is meeting expectations most of the time
Fully Met	The Board meets expectations virtually all of the time

For each of the six major performance factors, please circle one or two factors that you believe should be reviewed and discussed in more detail by the entire Board.

The value of this Board Performance Review requires your honest response to each of the performance factors and through an open and honest discussion of the results. All responses will be kept strictly confidential and anonymous and each Director will receive a summary of the results.

PERFORMANCE FACTORS

Statement	Not Met	Sometimes	Mostly	Fully Met	Don't Know
Board Leadership and Planning					
1. The Utility has developed written vision and mission statements.					
2. The Utility has adopted long term goals and objectives that support the vision and mission statements.					
3. Directors can effectively communicate the Utility's vision and mission.					
4. The Board monitors the progress toward achievement of strategic goals and operating budgets on a regular basis.					
5. The Board makes adjustments in plans when conditions indicate that prior plans are no longer appropriate.					
Oversight and Control					
6. The Board makes decisions and establishes policies that conform to ORS Chapter 261 and applicable Oregon laws.					
7. The Utility's policies are reviewed as needed.					
8. The Board and General Manager (GM) responsibilities are clearly and specifically outlined and followed.					
9. The Board avoids interfering with the execution of responsibilities delegated to the GM, including personnel management.					
10. Individual Directors refrain from acting on Utility matters without full Board approval.					
11. The Board accepts its role as a policy making body that provides oversight and control rather than making operational decisions.					

12. The Board has identified and understands its key areas of responsibility and control including, monthly financial statements and financial audits, selection of the auditor, and selection of legal counsel.					
Statement	Not Met	Sometimes	Mostly	Fully Met	Don't Know
13. Confidential Utility information is maintained by all Directors.					
14. The Board has a shared understanding of the proper and accepted standards of conduct for all Directors.					
15. The Board has policies and provides for programs and services to ensure the ratepayers are continually served, educated, and informed about the Utility's activities and issues.					
GM Oversight					
16. Appropriate authority to accomplish the Utility's goals and objectives have been delegated to the GM along with adequate resources for the GM to perform his/her job.					
17. The Board utilizes a formal process to evaluate the GM's performance on an annual basis.					
18. The GM's performance is measured against performance factors and goals and objectives that have been agreed upon by the Board and GM.					
19. A compensation plan for the GM is approved and reviewed annually.					
20. The Board provides the GM with ongoing performance feedback.					
Financial					
21. The Board reviews and approves the annual budget.					
22. The Board receives adequate financial reports					

and information in advance of each board meeting.					
23. A review of the annual audit report is presented annually by the Utility's auditor.					
24. The Board is given the opportunity to ask questions during the presentation of the annual audit report.					
Statement	Not Met	Sometimes	Mostly	Fully Met	Don't Know
25. The Board reviews the Utility's insurance coverage on at least an annual basis and approves changes in coverage as appropriate.					
26. The Board and management reviews the annual budget and assures that adequate resources are available to meet the Utility's budget.					
Communication					
27. There is clear communications between the Board of Directors and the GM about what the Board expects from the GM.					
28. An atmosphere exists at board meetings where all Directors feel they have the freedom to express their thoughts and opinions and they regularly exercise that freedom.					
29. Outside professionals such as auditors, attorneys, lenders, and other consultants are brought into board meetings when professional advice is required.					
30. The Board reviews and approves a communication plan for the Utility.					
Governance and Procedures					
31. There is a formal orientation program for new Directors.					

32. The Board has a formal policy regarding Director training.					
33. The Board has a process for the yearly rotation of Board officers.					
34. Director compensation is adequate to attract and retain qualified directors.					
Statement	Not Met	Sometimes	Mostly	Fully Met	Don't Know
35. Directors voting in the minority support decisions approved by a majority of the Board.					
36. Directors take advantage of educational and training opportunities to increase their knowledge and governance skills.					
37. Each director has a copy of the Utility's policies.					

Summary

What areas of the Board's responsibilities have been performed most effectively?

In what areas can the Board strengthen their performance?

What should the Board's priorities be for the coming year?

How can the GM be more supportive of the Board's efforts to improve their performance?

How can the Board be more supportive of the GM's efforts in managing and directing the operations of the Utility?

Other Comments