

Director Duties

ELECTRIC COOPERATIVES ARE OWNED BY THE MEMBERS who use the electricity sold by the cooperative. As owners, those members have control of the cooperative through the neighbors they elect to serve on the cooperative's board of directors.

Directors' commitment to serving the cooperative goes beyond the 12 regular monthly board meetings most cooperatives hold. New directors are told to expect upwards of 30 days a year to be devoted to cooperative business.

These days are spent on additional training and education, attending state, regional and national meetings on cooperative issues and staying abreast of a variety of issues that affect the day-to-day operations of electric cooperatives.

"I was pretty well pre-warned by management

what the commitment would be. Prior to talking to management, I wasn't aware that there was that much time committed to it," said Michael Meland, who joined the Codington-Clark Electric Cooperative board of directors in the spring of 2006. Meland said he estimates that 30 hours a month is dedicated to cooperative business.

"It's more than just going to the meetings – there is a constant flow of information coming in that you need to look at," said Meland, a Webster-area farmer and agribusinessman.

Nationwide, more than 7,200 people serve as directors at one of America's more than 900 distribution electric cooperatives. An additional 400 individuals serve as directors at generation and transmission cooperatives, service cooperatives and statewide associations.

More than half of those directors have earned their Credential Cooperative Director certificate.

The Credentialed Cooperative Director (CCD) curriculum consists of five courses designed to provide basic knowledge and skills required of cooperative directors. It requires attendance at courses and demonstrated understanding of the basic competencies contained in five core courses:

- Director Duties and Liabilities
- Understanding the Electric Business
- Board Roles and Relationships
- Strategic Planning
- Financial Decision Making

And, those with CCD status can continue to broaden their learning by earning their Board Leadership Certificate.

The NRECA Board Leadership certificate recognizes

Right: Cherry-Todd Electric Cooperative director Claudia Sharkey casts her cooperative's vote on a resolution at a recent National Rural Electric Cooperative Association annual meeting. The meeting is where the nation's more than 900 electric cooperatives come together to establish the association's resolutions which form the foundation for the association's lobbying efforts. Sharkey is one of more than a few dozen women who serve as directors at electric cooperatives in South Dakota and western Minnesota.

Opposite: Northern Electric director Kurt Bindenagel, right, listens to a presentation during a director training workshop.



individuals who continue their professional development after becoming a Credentialed Cooperative Director. Directors who have attained the Board Leadership Certificate have completed 10 credits in advanced, issues-oriented courses.

Nationwide, 15 percent of electric co-op directors have attained their BLC.

Today's electric utility environment imposes new demands on electric cooperative directors, particularly increased knowledge of changes in the electric utility business, new governance skills and a working knowledge of the cooperative principles.

Those demands are felt by Meland's colleague on the Codrington-Clark board, Jerry Wicks. Wicks has been a director on the board for 35 years.

"You spend a lot of time reading trying to keep up and going to meetings. It seems like you've got to go to find out what's going on nationwide," said Wicks.

Cooperative directors are elected locally and the process for electing them is established by each cooperative. For the most part, though, directors are elected to represent a portion of the cooperative and



must be members of the cooperative they serve. This means that the decisions they make at the board table will also impact their own homes and businesses as they use the energy sold by the cooperative just as their neighbors do.

Directors at America's electric cooperatives come from a variety of walks of life. They bring to the board table perspectives they have developed.

Meland draws on the experience of others at the board table.

"When I came on, there were a few that thought I was too young. I told them I was here to learn," said Meland.

While Meland is one of the younger co-op directors in the state, he's not the youngest. That distinction goes to Northern Electric director Kurt Bindenagel who was 25 when he was elected to the cooperative's board of directors in September 2006.

Director Responsibilities

Typically, the directors for each cooperative are elected by the member/owners. Their specific duties are described in each cooperative's bylaws, but their key responsibilities are listed below:

- Define the co-op's mission and long-term objectives
- Represent member/owners and serve as trustees of their interests
- Select and appraise the General Manager/CEO
- Determine policy
- Evaluate the performance of the cooperative

Source: NRECA

The Seven Cooperative Principles

All cooperative businesses adhere to these seven guiding principles:

1 Voluntary and Open Membership — Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

2 Democratic Member Control — Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

3 Members' Economic Participation — Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership.

Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

4 Autonomy and Independence — Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5 Education, Training, and Information — Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.

6 Cooperation Among Cooperatives — Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

7 Concern for Community — While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.