

## **ColumbiaGrid – “Job Description” of the Board of Directors March 4, 2013**

### **Authority**

The Board of Directors, the elected representative body of the ColumbiaGrid Members, are responsible for the management of the affairs of ColumbiaGrid, including the exercise of all of its powers and the pursuit of its authorized activities, either directly or, if delegated, under the Board’s ultimate direction. The Board is to ensure appropriate organizational performance for the corporation in accordance with its bylaws to accomplish the following corporate purposes:

“3.1 Purposes. This Corporation is formed for the purpose of entering into and carrying out Functional Agreements with its Members and Qualified Non-Member Parties to accomplish the following objectives, in accordance with the Articles of Incorporation, the Bylaws, and the applicable requirements of federal and state law: improve reliability of the transmission grid and efficiency in its use; provide cost-effective transmission planning and expansion; develop and facilitate the implementation of solutions relating to improved use and expansion of the interconnected Northwest transmission system; and support effective market monitoring within the Northwest and within the Western Interconnection. In carrying out this purpose, the Corporation shall endeavor to provide sustainable benefits for its Members, their customers, and the region, consistent with the public interest, which could not be achieved individually by the Members and shall consider environmental concerns, regional interests, and cost-effectiveness.”

### **Specific Responsibilities**

Recognize the directors’ individual and collective fiduciary duties to protect and enhance the corporation as a membership corporation with due diligence using sound business judgment.

Maintain a direct relationship with the ColumbiaGrid Members, independent from the Members’ relationship with the CEO/COO/President and the corporation’s senior management team, to ensure the Board hears the strategic viewpoints and values of the Members.

Identify and define the strategic direction of the corporation; lead the long-range planning and goal setting for the corporation; review and revise, as appropriate, the Mission and Vision statements of the corporation and other guiding policy documents.

Guide the corporation’s implementation of functional agreements.

In consultation with the Members, explore and evaluate the feasibility of mechanisms or activities to provide near-term and long-term services as set out in Section 3.2 of the Bylaws, as may be amended from time to time, through new functional agreements as approved by the Members.

Develop and use outreach mechanisms to non-Members in order to encourage expanded participation in ColumbiaGrid services and activities.

Maintain written policies to ensure a high quality of governance and clear direction and roles in decision-making between the Board and the CEO/COO/President.

Hire the CEO/COO/President to handle the day-to-day operations of ColumbiaGrid and fulfill the duties outlined in a policy to be developed, adopted, and maintained by the Board.

Semi-annually monitor and evaluate the performance of the CEO/COO/President; determine the proper compensation for the CEO/COO/President annually.

The Board's evaluation criteria for the CEO/COO/President will focus on the corporation's strategic objectives and the Board will communicate to the CEO/President any additional goals or objectives at the time of evaluation. Any new goals or objectives will be reviewed at the following evaluation.

Approve ColumbiaGrid's budget on an annual basis, review the budget as appropriate and amend the budget as necessary and appropriate.

Contract with an external independent auditor to audit ColumbiaGrid's finances and procedures. Individual Board members may meet with the external independent auditor upon completion of the audit.

Undertake activities and enter into contracts for administrative purposes associated with the operation of the corporation.

Regularly attend Board meetings.

### **Qualifications**

At least a majority of the Board of Directors in office will be individuals who are knowledgeable about the power system in the Pacific Northwest. Further, a majority of the Board of Directors will have been responsible for, or have supervised individuals responsible for, obtaining or providing transmission or power service on behalf of a utility or federal power marketing agency in the Pacific Northwest or had other relevant, substantial experience with the electric power system in the Pacific Northwest.

In past elections, the Members have used the following criterion to evaluate director candidates: (i) technical knowledge and experience (relevant experience in utilities law, finance, accounting, information technology, engineering, regulation, and public policy, knowledge of economics and risk management related to power and transmission markets, past responsibility for obtaining or providing transmission or power service in ColumbiaGrid footprint, knowledge about or relevant, substantial experience with a power system in ColumbiaGrid footprint); (ii) personal qualities (integrity, leadership, appreciation of broad regional interests, problem-solving, facilitation, consensus-building); (iii) enterprise management experience (setting strategic direction for the enterprise, hiring and giving direction to capable staff, monitoring progress toward strategic objectives, business acumen, cost management, establishing priorities); (iv) Board balance (geographic balance, background balance, diversity, board chemistry); and (v) independence from market participants.

### **Time Commitment**

The time commitment of a director will be dictated by the needs of the company at any given time. As a reference point, however, directors have historically worked between .25 and .30 of an annual FTE. As that level of effort was required when ColumbiaGrid was a start-up company, now that it has reached steady state, the amount of time required of directors may be less.