



IOWA
ASSOCIATION OF MUNICIPAL
UTILITIES

Iowa Association of Municipal Utilities

Governance Handbook

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Governance Principles

1. The Board governs the organization with the best interests of all Iowa municipal utilities as its first priority.
2. The Board conducts its business according to the highest ethical, legal, and fiduciary standards.
3. The Board treats all members and individuals with courtesy and respect.
4. The Board understands that diversity of opinion is inevitable in a statewide organization and respects the opinions of all members and individuals.
5. The Board ensures that all member communities, regardless of size, have equal rights and opportunities, and that all members are welcome to express opinions.
6. Meetings and deliberations of the Board are open and accessible to the membership.
7. The Board governs the organization; the Board does not manage it. Management of the organization is the role of the Executive Director and staff that serve in a management or supervisory role.

Role of the IAMU Board

1. The board engages in ongoing planning activities as necessary to determine the mission and strategic direction of IAMU, to define specific goals and objectives related to the mission, and to evaluate the success of the organization's efforts toward achieving the mission.
2. The board approves the policies for the effective, efficient, and cost-effective operation of IAMU.
3. The board approves IAMU annual budget and assesses the organization's financial performance in relation to the budget on a regular basis.
4. The board hires, sets the compensation for, and provides for an annual evaluation of the performance of the executive director/CEO.
5. The board approves written policies and procedures governing the work and actions of employees and committees.
6. The board ensures that an internal review of IAMU's compliance with known existing legal, regulatory, and financial reporting requirements is conducted annually and that a summary of the results of the review is provided to the entire board.
7. The board develops, monitors, and strengthens IAMU's programs and services.
8. The board creates and eliminates committees and task forces as appropriate.
9. The board recruits new board members as needed and provides for leadership continuity.
10. The board assesses the board's performance.

Role of an Individual IAMU Board Member

1. Make every effort to attend all IAMU board and committee meetings.
2. Stay informed about IAMU's mission, services, policies and programs. Participate in IAMU events, programs and services as often as possible.
3. Endeavor to keep up-to-date on developments in the industry and provide the benefit of that knowledge and insight in Board discussions and deliberations.
4. Assist the board in carrying out its fiduciary responsibilities by reviewing the organization's interim and annual financial statements.
5. Review the agenda and supporting materials prior to board and committee meetings.
6. Be actively involved in board discussions, express one's opinion, and make an effort to see an issue from the perspective of others who may have other views of the issue.
7. Endeavor to make decisions based upon the common interests of all municipal utilities rather than the interests of the particular organization represented by the board member.
8. Serve the organization as a whole rather than any particular interest group or constituency.
9. Serve on committees or task forces and offer to take on special assignments.
10. Inform others about IAMU and its programs and services.
11. Seek feedback from members regarding IAMU's priorities, activities, programs, and services.
12. Suggest possible nominees to the board who can make significant contributions to the work of the board and the organization.
13. Avoid conflicts of interest and maintain confidentiality of information when appropriate.
14. Refrain from attempting to direct the activities of staff or making special requests of the staff.

Role of the IAMU President

1. Ensure that the Board and individual Board members fulfill their responsibilities for the governance of IAMU and adhere to the Board's Governance Principles.
2. Ensure that Board actions are effectively communicated.
3. Serve as a lead spokesperson for IAMU and serve as appropriate as the organization's representative to government, media, other industry organizations, and the general public.
4. Support the efforts of the Executive Director to achieve IAMU's mission.
5. Facilitate an annual review of the Executive Director's performance and compensation in coordination with the Executive Committee.
6. Facilitate productive and mutually respectful relationships among the Board, the membership, and the staff.
7. Chair meetings of the Board, ensuring that the Board functions effectively and fulfills all of its duties. Encourage all board members to participate in discussion and ensure that all

points of view are fully expressed before a vote is taken. Work with the Executive Director regarding development of the agenda for Board meetings.

8. Chair the Executive Committee and report to the Board on Executive Committee actions and activities.
9. Ensure that a well-functioning nominations and elections process is in place for new Board members.
10. Ensure that appropriate processes are in place to review and evaluate the mission, direction, strategy and performance of the organization.
11. Appoint members to committees and task forces.
12. Preside at the annual business meeting and all other meetings of the organization. The President may designate others to preside instead.
13. Fulfill such other roles as the President and Executive Director agree are appropriate and desirable for the President to perform, consistent with Board policy or direction.

Role of the First Vice President

1. Fulfill any delegable roles and responsibilities of the President as requested by the President.
2. Act as President in the absence of the President.
3. Assume the office of President if the President leaves office prior to the expiration of the President's term of office.
4. Commit significant effort to becoming familiar with IAMU programs, services and activities in preparation for succession to the office of President.
5. Fulfill all roles and responsibilities of individual board members in an exemplary manner.
6. Be willing to serve in a leadership role in IAMU and serve as a spokesperson for the organization.
7. Serve as a member of and Vice-Chair of the Executive Committee.
8. Serve as Chair of the IAMU Awards Committee.

Role of the IAMU Secretary-Treasurer

1. Ensure that records of board actions are maintained, including minutes of all board meetings. Review minutes before distribution to Board members.
2. Assure that corporate records are maintained.
3. Monitor the organization's performance relative to the budget.
4. Ensure that the Board's financial policies are being followed.
5. Report to the Board of Directors and general membership on finances.
6. Review financial transactions.
7. Performance of the duties set out above may be delegated to a member of the staff.
8. Fulfill all roles and responsibilities of individual board members in an exemplary manner.
9. Serve as a member of the Executive Committee.
10. Commit significant effort to becoming familiar with IAMU programs, services and activities.

Role of the Past President

1. Fulfill all roles and responsibilities of individual board members in an exemplary manner.
2. Serve as an advisor to the President and the Board.
3. Fulfill any delegable roles and responsibilities as requested by the President.
4. Serve as a member of the Executive Committee.
5. Serve as Chair of the IAMU Awards Committee.

Role of the Executive Committee

1. The Executive Committee consists of the President, the First Vice President, the Secretary/Treasurer, and the most immediate past President.
2. The Executive Committee may act in the place of the Board of Directors in the interval between meetings of the Board.
3. The Executive Committee is subject to the control and direction of the Board.
4. The Executive Committee keeps regular minutes of its proceedings and a written report of its actions shall be made to the Board not later than the next meeting of the Board.
5. The Executive Committee conducts an annual evaluation of the performance of the Executive Director (and, under current circumstances, the Director of Energy Services), with input from the members of the Board, and develops an executive director compensation proposal for the approval of the Board.
6. The Executive Committee serves as the Audit Committee

Role of the Audit Committee

The Executive Committee serves as the audit committee and is responsible for helping the board to maintain the organization's overall integrity and financial credibility. The committee has the authority to investigate any matter or activity involving financial accounting and financial reporting, as well as the organization's internal controls. Specific duties of the Audit Committee include:

1. Recommend an independent audit firm.
2. Approve the external auditors' fees.
3. Review and approve the proposed scope and work plan for the independent audit.
4. Review the annual financial statements and related footnotes and assess whether they reflect appropriate accounting principles.
5. Review with the executive director and outside auditors the organization's accounting and financial reporting controls.
6. Review the results of the external audit.
7. Review the management letter and monitor the organization's compliance with its recommendations.
8. Review the performance of the auditors and recommend their retention or discharge.
9. Resolve disagreements between the external auditors and management.
10. Facilitate clear and appropriate communication of financial information to the board.
11. Receive communication from the outside auditors concerning their judgment about the quality of the staff's accounting practices.
12. Review the IRS Form 990 and all of its disclosures, especially those regarding executive compensation, fees paid to vendors, activities unrelated to the organization's exempt purpose, and transactions with related entities.
13. Review and approve any agreement for any non-audit or consulting services to be provided by the audit firm.
14. Report to the board as necessary appropriate recommendations regarding the audit committee's activities and any key organizational issues.
15. Assist IAMU staff with establishing governance policies regarding conflicts of interest, whistleblower policies, and document retention/destruction.
16. Periodically review and update the role of the audit committee.

Role of the Nominating Committee

The Nominating Committee is comprised of the President, who serves as Chair, the First Vice President, Secretary-Treasurer, and Past President. The President may appoint additional member representatives. The Nominating Committee shall bring to the membership at its annual meeting a "slate" of nominees for any and all vacant positions on the Board of Directors and place the names of those persons into nomination. Nominees shall be chosen in accordance with the terms of the By Laws. Discrimination against or preference for any person in recruitment, examination, appointment, advancement or any other aspect of the administration of this section because of race, color, sex, age, national origin, marital status, physical handicap, religion, or other non-merit factors is prohibited.

Candidates, to the extent possible, shall be chosen to reflect the following:

1. The committee shall choose candidates who have demonstrated personal integrity, independence, and knowledge of the industry.
2. The committee shall attempt through the choice of candidates, all else being equal, to provide a broad geographical balance on the Board.
3. The committee shall attempt through the choice of candidates to provide representation reflecting all sizes and types of municipal utility operations.
4. The committee shall choose candidates who accept the organization's philosophy, are committed to the promotion of municipal utilities, and are willing to commit the time and energy necessary to the organization and the office.
5. The committee shall choose candidates, to the extent possible, who have demonstrated their interest in the affairs of the members and the Association through active participation on committees, task forces and attendance at Association activities in furtherance of the goals and purposes of the organization.

Board Self-Evaluation

The Board shall annually conduct a self-evaluation. The board may wish to consider the following questions:

1. What is the board doing well?
2. What could the board do better?
3. Are there things the board needs to have to improve its effectiveness?
4. Is the board reasonably reflective of the membership in terms of size and geography?
5. Is the board receiving the information from staff that it needs to carry out its responsibilities effectively?
6. Is the board appropriately carrying out the “Role of the Board” set out in the Governance Manual?
7. Are there other issues, concerns, or questions the board wishes to discuss?