

**Electric Cooperatives of Arkansas
Vice President & Chief Financial Officer
Little Rock, Arkansas**

Electric Cooperatives of Arkansas

The 17 electric distribution cooperatives that serve more than 500,000 customers in Arkansas and surrounding states own Arkansas Electric Cooperative Corporation (AECC) and Arkansas Electric Cooperatives, Inc. (AECI), known collectively as the Electric Cooperatives of Arkansas. The distribution cooperatives serve 31% of Arkansas' consumers and 62% of Arkansas' land mass. Industrial customers account for approximately 34% of retail energy sales and residential customers make up approximately 51%.

AECC is a statewide wholesale supplier of electricity contracted through 2042 to be the all-requirements provider to the state's 17 distribution cooperatives. AECI is the statewide association for the 17 distribution cooperatives.

AECC was incorporated in 1949 and has grown to nearly 3,500 MW of installed generation capacity. AECC generates over \$1 billion in annual revenue, has over \$1.9 billion in assets and \$822 million in long term debt. AECC's strategic plan includes adding generating capacity by 2030 with associated long-term debt. AECC's load is in two different balancing authorities: the Southwest Power Pool and the Midcontinent Independent System Operator. AECC has 330 employees.

AECI is the nation's largest statewide electric cooperative service organization that generates over \$900 million in annual revenue and employs 295 personnel. AECI provides equipment sales, warehouse management, line and substation construction, right-of-way clearing, high-voltage testing in Arkansas and surrounding states, Arkansas Living magazine with statewide circulation of 400,000, government relations, lobbying, safety training, public relations, and director training. AECI also has 3 for-profit subsidiaries: ERMCO, Today's Power (TPI), and Arkansas Fiber Network (AFN). AECI profits defray dues from the 17-member distribution cooperatives.

ERMCO is a top-three transformer manufacturer with 1,700 employees that produced 450,000 transformers in 2021. GridBridge, a power electronics R&D company, was acquired by ERMCO in 2015 to develop products to serve the emerging smart grid market.

TPI, a developer of utility-scale solar, battery storage, and electric vehicle infrastructure, was formed in 2014 to hedge against revenue lost to solar providers and assist member cooperatives in providing distributed generation resources to their members.

AFN was formed to provide middle-mile support for the 17 distribution cooperatives.

Vice President & Chief Financial Officer (CFO)

The CFO reports to AECC's – CI's President & CEO and is responsible for all AECC and AECI accounting and finance activities. The functions under the CFO are illustrated on the

attached organization charts. This currently includes about 35 staff. Anticipated organization changes may expand the CFO's staff and responsibilities.

The CFO also coordinates with the CFOs of AECE's subsidiaries, attends their board meetings, and produces AECE's consolidated tax return.

Requirements

The CFO's duties, responsibilities, and requirements are best described on the attached job description.

The most desirable candidates will have experience that includes diverse and progressively responsible supervisory and management assignments culminating in executive leadership of an organization in the electric utility industry an organization of comparable size and complexity.

Industry expertise should include knowledge of electric generation and transmission, wholesale power supply, a proven track record of maintaining financial integrity, strategic planning that includes future resources.

AECC and the 17 distribution cooperatives are regulated by the Arkansas Public Service Commission. AECC offers wholesale rates, which are among the very lowest in the nation. The CFO ideally will have meaningful exposure to state and federal regulation and regulatory agencies.

AECC and AECE have been a leading force on proposed state and federal legislation and regulation. The CFO should be able to further that success.

AECE has proven to be an effective statewide and provider of for-profit electric industry related services and products. Candidates for CFO ideally will have some for-profit experience.

The Electric Cooperatives of Arkansas operate in a collegial and collaborative manner. The CFO is expected to contribute to this culture by providing strong leadership to capable AECC and AECE staff with the goal of exemplary member satisfaction.

Candidates for CFO must be consensus builders, possess strong leadership and management skills, and have excellent oral and written communication skills, including an ability to articulate industry issues to various experts, legislators, regulators, and lay individuals. He or she must have the executive presence to comfortably represent AECC and AECE with all internal and external stakeholders.

Little Rock, Arkansas

Arkansas has mix of business, agriculture, education, community, and natural beauty. Little Rock is the capital and the largest city in Arkansas with a metropolitan population of more than 700,000.

In 2019, Little Rock's cost of living was about 85% of the national average, and the median detached home sold for \$240,000.

Arkansas is home to seven Fortune 500 companies, including, at the top of the list, Wal-Mart. Dillard's Department Stores, Windstream Communications, Simmons Bank, Bank OZK, Rose Law Firm, Central Flying Service and Stephens Inc. are headquartered in Little Rock.

Large companies headquartered in other cities but with a large presence in Little Rock are Dassault Falcon Jet near Little Rock National Airport in the eastern part of the city, Fidelity National Information Services in northwestern Little Rock, and Welspun Corp in Southeast Little Rock.

Little Rock and its surroundings are the headquarters for some of the largest non-profit organizations in the world including the Clinton School of Public Service and the William J. Clinton Presidential Library and Museum. One of the largest public employers in the state with more than 10,552 employees, the University of Arkansas for Medical Sciences, and its healthcare partners—Arkansas Children's Hospital and the Central Arkansas Veterans Healthcare System—have a total economic impact in Arkansas of about \$5 billion per year and are located in Little Rock.

Compensation & Relocation

Compensation is competitive with a full complement of fringe benefits.

Recruitment and Selection Process

Report on search, list of candidates, and resumes submitted: October 21, 2022

Candidate interviews (first round): November 14- 18, 2022

Candidate Interviews (final round): November 29 – December 2, 2022

Employment negotiations completed: December 16, 2022

CFO begins employment: January 16, 2023

Contact

Joyce Gallo

Mycoff Fry Partners LLC

Conifer, CO 80433

(800) 525 9082

jgallo@mfpllc.us

Vice President & Chief Financial Officer

Exempt: Yes

Division: Finance & Administration

Reports To: President/CEO

Location: Little Rock, Arkansas

GENERAL DESCRIPTION OF POSITION

The Vice President and Chief Financial Officer (CFO) is responsible for providing sound financial information and analytics. The CFO will have primary day-to-day responsibility for planning, implementing, managing and controlling all financial-related activities of the company and directly assists the President/CEO on all strategic and tactical matters as they relate to management. The CFO provides general consultation and support to certain of AECE's subsidiaries (Cooperatives). The CFO provides leadership for all financial-related matters, including complex financing transactions, business accounting and analytics, treasury services, cooperative and corporate taxation, financial forecasting, procurement, economic analysis, general liability insurance coverage and investment matters. The CFO is also responsible for overseeing campus services and administrative services for the corporate headquarters location. The CFO position is an Officer position for both AECC and AECE, reports directly to the President/CEO and is a member of the Senior Staff.

ESSENTIAL DUTIES AND RESPONSIBILITIES

1. Accounting and Administration

- Develop processes and implement user-friendly and accessible systems that provide critical financial and operational information and analytics to the President/CEO and other members of the Cooperatives' Executive Leadership Team.
- Lead all accounting, fiscal, statistical and record system processes to comply with Generally Accepted Accounting Principles, legal and regulatory requirements, and loan/debt covenants. Enhance and/or develop internal controls to safeguard Cooperatives' assets and enforce policies and procedures that will improve overall operations, financial integrity and efficiency.

2. Financial Strategy

- Recommend strategies and options to address financial and fiscal gaps within AECC, AECE and subsidiaries of each cooperative.
- Manage the Cooperatives' capital structure for the maintenance and creation of long-term financial strength and maximize value for Member-Owners.
- Develop long range financial management plan that support integrated resource planning, utility rate design and business strategic planning.
- Attend all board meetings for AECC, AECE and subsidiaries of each company and present financial presentations to the Board to assist the Board with discharging its duties.

3. Budget

- Lead the annual budget planning process, cost management and cash flow forecasts, and prepare the annual operating and capital budgets, and long-term financial forecasts.
- Prepare cash flow and related financial projections and reports to support the Cooperatives' solvency requirements and to ensure open lines of credit are maintained.

4. Finance

- Develop and evaluate, long term debt, debt restructuring, and financing opportunities.
- Direct and monitor cooperative lending activities.
- Direct the preparation, negotiation and finalization of credit instruments and loan documents, as an aggressive advocate for the Cooperatives and their Member-Owners' investments.
- Comply with all financial agreement requirements, including debt covenants and regulatory oversight requirements.

5. Cash Management

- Direct investment decisions and cash management and implement investment policies within Board-approved guidelines and policies. Initiate appropriate strategies to enhance the Cooperatives' equity and overall cash positions, as well as long-term financial solvency.

6. Financial Reporting

- Oversee and direct all financial and related operational reporting activities for the organization, with a strategic and long-term focus, including:
 1. Board of Directors' Reports, long-term business and financial strategies;
 2. Profit and loss statements, balance sheet reports, budgetary analysis; and
 3. Credit and solvency metrics reporting, and relevant agency interactions, including lending institutions, rating agencies, governmental bodies, and relevant risk mitigation providers.

7. Team Player

- Establish, and maintain, strong relationships with Executive Leadership to identify and support their business needs and negotiate a full range of sound, long-term and viable business solutions.
- Provide financial review, advice and consultation regarding financial terms, covenants, liability coverage and other conditions included in various agreements (e.g. power purchase agreements, fuel purchase agreements).
- Provide detailed analysis of financial reports and advise senior staff and the President/CEO on strategic and tactical financial recommendations.

8. Audit and Annual Report

- Be accountable and responsive to the oversight of the Cooperatives' independent auditors and ensure the Cooperatives' financial statements are prepared in accordance with U.S. GAAP and federal, state, and other required supplementary schedules and information.
- Create and sustain strong internal controls and other ethical and financial integrity safeguards that will be necessary for ensuring positive outcomes resulting from audit review.

9. Cooperative Relations

- Establish and maintain strong professional relationships with key accounting, tax, auditor, insurance, banks, investment community and other service providers.
- Maintain and foster healthy and productive working relationships with lending institutions including Rural Utilities Service, CoBank, and CFC as well as all relevant credit rating agencies.
- Positively, and accurately, represent the Cooperatives' business and strategic activities, including operational financing and fiscal planning, with the various financing institutions having a need for such visibility and information.

10. Tax and Insurance

- Direct the preparation and filing of accurate and timely tax returns, projection of future liabilities and the resolution of tax issues affecting the Cooperatives to ensure compliance with all relevant Internal Revenue Services (IRS), and federal and state regulations.
- Direct the maintenance of general liability coverage for AECC and AECI and ensure the proper and timely handling of relevant insurance claims.

11. Campus Support

- Direct the delivery of administrative and campus services to include landscaping, building repairs, remodeling activities, office moves and set-ups, cleaning services, mail delivery, pool car coordination, car maintenance support, and meeting catering and support.

12. Team Management

- Mentor and direct the team of direct reports building an effective team dynamic that works collaboratively and cohesively with other departments.
- Manage the team and communicate goals and objectives with clear expectations for achievement; recruit talent; provide development opportunities; appraise performance, rewarding and disciplining employees; address employee concerns and resolve employment related issues in accordance with management guidelines and cooperative practices and

procedures.

13. Procurement

- Ensure that all procurement activities comply with corporate policies and management guidelines.
- Manage the procurement process in collaboration with other departments in developing requests for proposal, competitive bid packages, and contract award ensuring that the procurement process is value added to the cooperative.

14. All other duties as assigned.

EDUCATION, SKILLS, AND EXPERIENCE

1. Bachelor's Degree in business, accounting, finance or related field; at least fifteen (15) years of progressively responsible experience in finance, tax, accounting, risk management, and financial/resource planning.
2. At least ten (10) years in progressively responsible financial leadership roles in a management capacity (managing a team of direct reports), preferably in the electric utility industry.
3. Working knowledge of regulated utility oversight, including public utility rate making, and complex business structures.
4. Experience providing analysis and sound financial analytics to a Board of Directors
5. Strong strategic acumen: high intellect, superior analytical/problem solving capability and ability to develop and articulate a vision.
6. Specific strengths in analytical analysis, planning, forecasting, budgeting, and finance.
7. A team player, effective collaboration skills and calm, confident and steady under pressure.
8. Ability to operate in the regulated utility space as well as the entrepreneurial competitive business space to encompass the breadth and depth of the Arkansas Cooperative Enterprise.

DESIRED EDUCATION

Certified Public Account and/or Certified Financial Analyst.
MBA, JD, or a relevant graduate level degree.

DESIRED EXPERIENCE

Specific experience working with lending institutions, investment banking firms and rating agencies, finance companies.