

VALLEY ELECTRIC ASSOCIATION, INC.

Board Policy #113

Subject: COMMITTEES OF THE BOARD OF DIRECTORS

Dated: June 1, 2019

Supersedes Date: N/A

Former Corporate Policy #: N/A

I. PURPOSE

- A. To state the policy of Valley Electric Association, Inc. (VEA) on committees.
- B. To provide guidance to individual Directors in the establishment, participation and oversight of committees.

II. POLICY

This policy hereby establishes the finance committee, the policy committee, the member liaison committee, and the VEA Charitable Foundation committee as standing committees of the VEA Board of Directors (Board). Responsibilities, other than those listed herein, shall be assigned by the board. In all cases the Board President is a standing member of all committees and shall appoint a Board Member as the committee chairperson for each Committee. Other Directors who wish to participate may attend committee meetings. The CEO and management staff shall assist and advise each committee as needed.

III. PROVISIONS

The following provisions apply to this policy:

A. Finance Committee

- 1. Composed of a minimum of six (6) committee members including:
 - i. Two (2) VEA Board members (in addition to the President, who is an ex-officio member)
 - 1. Secretary/treasurer serves as committee Chair
 - 2. Other Board member
 - ii. Up to six(6) members with financial expertise, as approved by the Board

iii. VEA Chief Financial Officer (CFO)

2. The purpose of the Finance Committee:

- i. Meet on a quarterly basis on or the day prior to a regularly scheduled Board meeting in order to prepare reports, information, recommendations pertaining to the review of VEA fiscal operations, including but not limited to, monthly financial statements, Board and Chief Executive Officer (CEO) expenses, etc.;
- ii. Review and advise regarding the annual work plan and budget, including any proposed adjustments;
- iii. Advise and assist the Board on rate issues;
- iv. Recommend to the board one or more external audit firm(s) to assist the Board in its selection and engagement of an audit firm for a three (3)-year period to perform annual financial audits;
 1. Meet and plan annual audits with external auditor to discuss and understand the scope of the audit;
 2. Participate in the audit closing meeting with the firm;
 3. Present audit results with the auditor to the Board

B. Policy Committee

1. Composed of up to twelve (12) committee members including:
 - i. Two (2) VEA Board members, one of which will serve as committee chair (in addition to the President, who is an ex-officio member)
 - ii. VEA members with policy and procedure expertise, as approved by the Board
2. Meet on a quarterly basis;
3. Shall review each policy and the Bylaws at least once every three years;
4. Assist, advise, and make recommendations to the Board on VEA policies.

C. Member Liaison Committee

1. Composed of up to twenty-four (24) committee members including:
 - i. Two (2) VEA Board members, one of which will serve as committee chair (in addition to the President, who is an ex-officio member)
 - ii. VEA Member Liaison members with community engagement experience, as approved by the Board
2. Meet on a quarterly basis;
3. Identify and prioritize communication to the membership by acting as a community liaison for VEA in the communities served, sharing news and information, assisting with research pertaining to VEA services, strategies and finances, as well as participating in community involvement;
4. Assist, advise, and make recommendations to the Board on the VEA Bylaws
5. Assist, advise, and make recommendations to the Board on VEA community affairs.

D. Charitable Foundation Committee

1. Composed of up to thirteen (13) committee members including:
 - i. One (1) VEA Board member; serves as committee chair (in addition to the President, who is an ex-officio member)
 - ii. Minimum of one (1) VEA employee from each district, if available
 - iii. Minimum of one (1) Member Liaison member from each district
2. Meet on a quarterly basis;
3. Ensure the communities needs are represented in the foundation's mission;
4. Review the foundation's policies and procedures with a focus on the mission and periodically make recommendations to the Foundation's Board of Trustees;
5. Review operation of the VEA Charitable Foundation, including the annual budget and make recommendations to the Foundation's Board of Trustees;

6. Assist with all fundraising opportunities;
7. Work closely with the Member Liaison Committee, VEA Board of Directors, VEA staff, members and communities served.

E. Ad-hoc Committees

The Board may from time to time establish ad-hoc or advisory committees to focus on specific objectives.

IV. PROCEDURES

- A. Committee members will be compensated for travel and other expenses necessary for committee meeting attendance.
- B. All recommendations made by Board Committees are advisory in nature and do not replace or supplant authority of the Board of Directors or relieve the Board of Directors or the Board of Trustees of the Foundation of their fiduciary duties of loyalty and due care.
- C. All committee meetings should have an agenda prior to the meeting and a written report at the next monthly board meeting.
- D. Board President shall ensure that the provisions of this policy are followed.
- E. If a committee member that is not a member of the Board of Directors misses two (2) consecutive meetings, said committee member will be replaced.