



# Valley Electric Association, Inc.

A Touchstone Energy® Cooperative 

## BOARD POLICY NO. 101

### RELATIONSHIP BETWEEN ARTICLES OF INCORPORATION, BYLAWS, POLICIES AND PROCEDURES

#### **PURPOSE OF POLICY:**

To describe the relationship and hierarchy of the various sources of rules governing how Valley Electric Association, Inc. (Valley Electric), and its subsidiaries operates.

#### **POLICY CONTENT:**

##### **Articles of Incorporation**

The articles of incorporation were prepared and filed with the Nevada Secretary of State when Valley Electric was originally formed and can only be amended by the members. The articles have been modified from time to time by filing amended articles of incorporation with the state. The articles of incorporation are the most authoritative in the hierarchy of rules.

##### **Bylaws**

The bylaws must be approved by the membership and complement the articles of incorporation by describing the general terms and conditions by which Valley Electric operates. They are part of the contract between Valley Electric and the members and are considered the primary source of operating rules.

##### **Board Policies**

The board establishes policies to provide direction for the operation of Valley Electric. Policies are intended to complement the bylaws. Policies are the major source of information used to develop procedures.

##### **Procedures**

Procedures are developed by management to give guidance for the staff on the day-to-day operation of the utility. Procedures provide the details necessary to implement board policies and operate the utility.

##### **Terms Used in Policies and Procedures**

For the purpose of policies and procedures Valley Electric Association, Inc. will be referred to as Valley Electric.



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## **Job Titles Used in Policies and Procedures**

Over time, certain job titles referenced in policies or procedures may change. In order to minimize the administrative burden associated with reissuing policies and procedures, the responsibility for carrying out the function described in such documents shall reside with the person whose job most closely matches the job title so referenced if such job title is no longer used.

## **RESPONSIBILITY FOR IMPLEMENTATION:**

The board of directors is responsible for developing and maintaining the articles of incorporation, bylaws and policies. Changes to the articles of incorporation and bylaws must be approved by the membership.

The CEO is responsible for implementing policies and for ensuring staff compliance with the articles of incorporation and bylaws. The CEO is authorized to develop procedures necessary to implement board policies and is responsible for compliance with procedures.

**POLICY APPROVAL DATE** 8/22/2019

**POLICY EFFECTIVE DATE** 8/22/2019



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Dave Hall, President  
Board of Directors