



Valley Electric Association, Inc.

A Touchstone Energy® Cooperative 

BOARD POLICY NO. 102

AUTHORITY AND RESPONSIBILITY OF THE BOARD OF DIRECTORS

PURPOSE OF POLICY:

This policy describes the authority and responsibility of the Board of Directors as well as the authority and responsibility of individual Board of Directors and officers.

POLICY CONTENT:

Authority and Responsibility of the Board of Directors

The business and affairs of the cooperative shall be managed under the direction of the Board of Directors which will exercise all powers of the cooperative except those which as are by law, by the articles of incorporation, or by the bylaws conferred upon or reserved to the members. Generally the board is concerned with the broad courses of action to be followed by the cooperative, rather than the means used to carry out the courses of action. The board is also a symbol of strength and leadership motivating people toward achieving the cooperative's goals.

The functions and responsibilities of the Board of Directors include, but are not limited to, the following areas of responsibility:

1. TO PROVIDE LEGAL ENTITY:

- a. Regularly review and comply with the legal requirements, as set forth in the articles of incorporation, bylaws, and rules and regulations applying to the cooperative including:
 1. All federal, state, local statutes and ordinances.
 2. The Federal Energy Regulatory Commission.
 3. Federal and state tax commissions.
- b. Hold and protect the assets of the cooperative.
- c. Effectively conduct regular meetings to stay informed of issues and to provide or improve needed policies, facilities and financing.
- d. Select and retain an attorney as needed.
- e. Select the cooperative's auditor and engage them for the annual financial audit.
- f. Study, consider and adopt revisions or other changes to the bylaws as necessary or required.
- g. Execute legal contracts such as loan agreements, engineering service agreements and contracts and wholesale power contracts where execution is not delegated to the CEO.
- h. Authorize individuals to execute various financial transactions such as signing checks and borrowing funds.
- i. Maintain accurate minutes of board and membership meetings.



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2. TO PROVIDE BOARD OF DIRECTORSHIP:

- a. Conduct meetings to inform the membership of cooperative news and information, using such meetings to obtain their understanding and acceptance of the cooperative's objectives, goals, policies, plans and programs.
- b. Comply with the policies and bylaws of the cooperative as amended from time to time.
- c. Attend board and various other industry-related meetings and seminars designed to improve skills and knowledge.
- d. Develop plans for the perpetuation of the cooperative in the best interests of the members including proper planning of elections, new trustee orientation and board performance reviews.
- e. Participate in such outside activities as deemed advantageous to enhance the prestige of the cooperative, broaden the scope of its operation and fulfill the public obligations as a member of the community. Ensure a continuous program of good member and public relations is carried out.
- f. Keep the membership informed of problems faced by the cooperative which require their support.

3. TO CONSIDER AND ADOPT SHORT AND LONG RANGE PLANS:

- a. In consultation with the CEO, determine the guiding principles, goals and policies of the cooperative.
- b. Approve annual operating budgets, construction work plans and capital expenditure budgets.
- c. Develop plans for a long-term source of electricity at a reasonable cost.
- d. Develop plans for a long-term source of operating capital.
- e. Approve plans for the management of member equity.
- f. Approve all changes in rates charged by the cooperative.
- g. Consider and adopt, in consultation with the CEO, financial plans and policies essential to maintaining a sound financial structure.

4. TO PROVIDE OPERATING REQUIREMENTS:

- a. Authorize the monies, facilities and equipment necessary to carry out the objectives of the cooperative.
- b. Appoint committees, when necessary, and review reports and recommendations from special committees. Take appropriate action as a result of such reports.
- c. Recruit and select a competent CEO for the cooperative, assign responsibility and regularly appraise his/her performance.
- d. Advise the CEO, upon his/her request, in regard to specific managerial decisions which are his/her delegated responsibility and for which results he/she is held accountable.



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5. TO ESTABLISH CONTROLS WHICH CAN BE USED IN APPRAISING THE EFFECTIVENESS OF THE OPERATIONS:

- a. Review periodic reports from the CEO and check for conformity to the approved policies, major goals, plans and programs.
- b. Determine how operations in key performance areas are progressing and measure performance against the annual budget and work plan.
- c. Predict trends and forecast results on the basis of trends.
- d. Review monthly financial reports and noting any deviations.
- e. Review annual financial audits.

AUTHORITY AND RESPONSIBILITY OF INDIVIDUAL BOARD OF DIRECTORS AND OFFICERS:

- 1. President** – The president will preside or designate another director or corporate counsel to preside at all board and member meetings, may sign on the cooperative's behalf any document properly authorized by the board or members, will be an ex-officio non-voting member of each committee and will have all other responsibilities and may exercise all other authority properly authorized by the board or members.
- 2. Vice President** – The vice president performs the duties of the president in his/her absence and will have other responsibilities and may exercise all other authority prescribed by the board or members.
- 3. Secretary** – The secretary is generally responsible for the minutes of board and member meetings, for authenticating the cooperative's records and will have other responsibilities and may exercise other authorities prescribed by the board or members.
- 4. Treasurer** – The treasurer will perform all duties, have all responsibilities and may exercise all authority prescribed by the board or members.
- 5. All Board of Directors** – During an official board meeting, the board collectively has the authority to direct how the cooperative is to be run as described more fully in this policy book and the bylaws. Additionally, each trustee is responsible for maintaining an understanding of the articles of incorporation, bylaws, board policies, and other rules and guidelines for the cooperative. They should also maintain an understanding of the needs of the membership and an understanding of the major economic and political issues affecting the cooperative. Attendance at board meetings is a critical part of fulfilling the responsibilities of a trustee. Board of Directors should make every effort to attend meetings.

Board of Directors understand that the membership has placed the utmost trust and confidence in them to manage and protect the cooperative.



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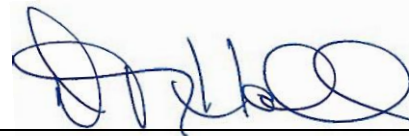
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RESPONSIBILITY FOR IMPLEMENTATION:

The board and/or officers are generally responsible for implementing this policy. However, specific areas are or can be delegated to the CEO.

POLICY APPROVAL DATE 8/22/2019

POLICY EFFECTIVE DATE 8/22/2019



Dave Hall, President
Board of Directors