



Valley Electric Association, Inc.

A Touchstone Energy® Cooperative 

BOARD POLICY NO. 109

BOARD COMMITTEES

PURPOSE OF POLICY:

To provide for the formation of ad-hoc committees of the board of directors or members for special purposes and to establish responsibilities for the executive committee of the board.

POLICY CONTENT:

The bylaws give the board the authority to structure committees of the board or members as needed. The purpose for structuring committees is to delegate preliminary discussion and information gathering on a specific issue so the board, at its meetings, will have more time to focus its attention on larger issues and, therefore, be more productive.

When an issue arises for which the board believes a committee is needed to do preliminary investigation, the president will appoint individuals to that committee subject to entire board approval. The president will serve as an ex-officio member of all such committees.

The bylaws establish an executive committee of the board. The primary responsibility of the executive committee is to work with the CEO to promote communications between the board and staff and to help resolve issues of concern to either group. Other responsibilities may be assigned to the executive committee by the board.

Because the board believes the oversight of the audit of the cooperative is critically important, the entire board, rather than an audit committee, will participate in this process.

Committees do not have authority to take official action on behalf of the cooperative unless specifically authorized to do so by action of the entire board. Committees may not be authorized to exercise board authority for retirement or refund of capital credits, approval of merger, sale, pledge or transfer of all or substantially all of the cooperative's assets, election, appointment or removal of directors or filling any board or committee vacancy. Member committees may act as specified by the board, but may not exercise board authority.



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PROVISIONS:

The following provisions apply to this policy:

A. Finance Committee

1. The purpose of the Finance Committee:

- a. 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.;
- b. Review and advise regarding the annual work plan and budget, including any proposed adjustments;
- c. Advise and assist the Board on rate issues;
- d. 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. The purpose of the Policy Committee:

- a. Meet on a necessary basis;
- b. Shall review each policy and the Bylaws at least once every three years;
- c. Assist, advise, and make recommendations to the Board on VEA policies.

C. Member Liaison Committee

1. The purpose of the Member Liaison Committee:

- a. Meet on a necessary basis;
- b. Shall review the Bylaws, and make recommendations on changes to the board;



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- c. Identify and prioritize communication to the membership by acting as community liaisons for Valley Electric in the communities served, sharing news and information, assisting with research pertaining to Valley Electric services, strategies and finances, as well as participating in community involvement;
 - d. Assist, advise, and make recommendations to the board on community affairs.
 - D. Charitable Foundation Committee
 1. The purpose of the Charitable Foundation Committee:
 - a. Meet on a necessary basis;
 - b. Ensure the community's needs are represented in the foundation's mission.
 - c. Review the foundation's policies and procedures with a focus on the mission and periodically make recommendations to the Foundations Board of Directors.
 - d. Assist with all fundraising opportunities.
 - e. Work closely with the Member Liaison Committee, Valley Electric Board of Directors, Valley Electric 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.

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. If a committee member that is not a member of the Board of Directors misses two (2) consecutive meetings, said committee member can be replaced.



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RESPONSIBILITY FOR IMPLEMENTATION:

The president, along with the board of directors is responsible for structuring, maintaining and using committees as needed.

POLICY APPROVAL DATE 8/22/2019

POLICY EFFECTIVE DATE 8/22/2019

A handwritten signature in blue ink, appearing to read "Dave Hall", is written over a horizontal line.

Dave Hall, President
Board of Directors