

POLICY NO. 10-020

REVISION DATE: July 27, 2004

**SUBJECT: RELATIONSHIP BETWEEN ARTICLES OF INCORPORATION,
BY-LAWS, POLICIES AND PROCEDURES**

I. PURPOSE

To describe the relationship and hierarchy of the various sources of rules governing how Okanogan County Electric Cooperative operates.

II. POLICY CONTENT

Described below are the basic sources of rules that govern how Okanogan County Electric Cooperative is operated:

Articles of Incorporation:

This document was prepared and filed with the State of Washington when Okanogan County Electric Cooperative was originally formed. It has 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.

By-Laws:

The By-Laws compliment the Articles of Incorporation by describing the general terms and conditions by which Okanogan County Electric Cooperative will operate. They are part of the contract between Okanogan County Electric Cooperative and the members and are considered the primary source of operating rules.

Board Policies:

The Board of Directors establishes policies for the operation of Okanogan County Electric Cooperative. These policies are intended to complement the By-Laws and provide guidance on issues such as authority and responsibility of individuals holding various positions, quality and type of member services provided by Okanogan County Electric Cooperative, employee compensation, equity management,

rate structure, etc. Policies are the major source of information used to develop procedures.

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

III. RESPONSIBILITY

The Board of Directors is responsible for developing and maintaining the Articles of Incorporation, By-Laws and Policies. Changes to the Articles of Incorporation and By-Laws must be approved by the membership or unanimous vote of the Board of Directors.

The General Manager is responsible for implementing policies and for insuring staff compliance with the Articles of Incorporation and By-Laws. The General Manager is authorized to develop procedures necessary to implement board policy and is responsible for compliance with procedures.

ATTESTING:

President

Secretary

Date