Board of Directors Policy Book

Updated & Effective October 16, 2026

Board of Directors Policies Index

Policy	No.	Date
Section 1 – Board Governance and Manager Functions		
Board and Employee Policies	1-1	Janurary 16, 2026
Board Meetings	1-2	January 16, 2026
Board of Directors-General Manager Relations	1-3	January 16, 2026
Board Committees	1-4	January 16, 2026
Tenure of Officers	1-5	February 20, 2026
Attendance of National, Regional, State and Other Meetings	1-6	February 20, 2026
Recognition of Former Board Directors	1-7	Februaru 20, 2026
Director Conduct	1-8	March 20, 2026
Board of Director Candidate Biographical Information	1-9	March 20, 2026
Nominating Committee	1-10	March 20, 2026
Director Elections and Voting	1-11	March 20, 2026
Preservation of Records	1-12	April 17, 2026
Section 2 – Financial		
Financial Goals	2-1	April 17, 2026
Director Compensation and Indemnification	2-2	May 22, 2026
Authorization to Process Accounts Payable	2-3	May 22, 2026
Authorized Check Signatures	2-4	May 22, 2026
Petty Cash Fund	2-5	June 26, 2026
Annual Audit	2-6	June 26, 2026
Estate Capital Credits	2-7	June 26, 2026
Financing for Energy Efficiency and Beneficial Electrification	2-8	April 17, 2026
Section 3 – Planning		
System Facilities Planning	3-1	July 17, 2026
Purchase Right-of-Way for Distribution	3-2	July 17, 2026
Purchasing Procedure	3-3	July 17, 2026
Section 4 – Membership Relations		
Requests for Association Information	4-1	August 24, 2026
Member/Consumer Privacy	4-2	August 24, 2026
Attachments to Association Poles	4-3	August 24, 2026
Identity Theft Prevention (Red Flags Rule)	4-4	September 28, 2026
Assistance to Other Power Suppliers and Public Utilities	4-5	September 28, 2026
Community Relations	4-6	September 28, 2026
Use of Association Facilities	4-7	October 16, 2026
Disposal of Association's Poles	4-8	October 16, 2026
Cash Rewards for Information on Theft or Vandalism to Association Property	4-9	October 16, 2026
Donations and Contributions	4-10	November 17, 2025
Scholarship Program	4-11	December 19, 2025
External Communications	4-12	November 17, 2025
Energy Conservation	4-13	November 17, 2025

Reserved for Future Policy	4-14	
Renewable Energy	4-15	December 19, 2025
Interconnection of Distributed Resources	4-16	December 19, 2025

Board Policy 1-1

Board and Employee Policies

Objective

A. To establish the operating policies of the Association in writing so that the Board, General Manager, and all employees can become familiar with and use them in the management of the Association.

B. To define the duties, functions, and areas of authority as related to Board and Employee Policies.

Policy

A. The Board of Directors establishes Board and Employee Policies, subject to change from time to time, all of which are in the interest of the Association. The General Manager, who has been selected by the Board of Directors, has the specific authority to carry out these Policies and of managing the business of the Association under the direction of established Board and Employee Policies, unless otherwise specified in individual policy.

ATTEST: DATE:

Board President

Original Issue: September 16, 1958
Last Revised: January 20, 2023
Last Reviewed: January 16, 2026

Board Policy 1-2

Board Meetings

Objective

A. To establish the meeting dates of regular monthly meetings of the Board of Directors.

B. To provide for attendance at regular Board meetings by Members of the Association.

C. To keep Members informed of the business activities of the Association.

Policy

A. Effective on and after this date, the regular meetings of the Board of Directors shall be held on the third Friday of each calendar month. The regular meeting date may be changed by a poll of the Board of Directors, in advance, when the majority agrees to change. All special meetings of the Board of Directors shall be called in accordance with the Bylaws of the Association.

B. The General Manager or designee shall send out notices and an agenda for each meeting.

C. The agenda and the minutes will be posted in accordance with the Bylaws of the Association and current state requirements.

D. The Members of the Association shall have the right to attend any Board meeting and to observe the Board of Directors transact the business of the Association. If a Member wishes to address the Board, such communication shall be presented at the appropriate time in the agenda under Member Comments and in such a manner as to not disrupt the orderly process of Board business. It is the Policy of the Board that an informed Membership is essential for the success and progress of the Association.

E. To make a presentation to the Board, the Member shall be listed on the agenda. To be on the agenda, the Association must receive a written request at least ten (10) days prior to the Board meeting requesting time on the agenda.

ATTEST: DATE:

Board President

Original Issue: September 16, 1958
Last Revised: December 16, 2022
Last Reviewed: January 16, 2026

Board Policy 1-3

Board of Directors-General Manager Relations

Objective

A. To establish an understanding between the Board and the General Manager that will allow each the freedom to act in their individual areas of authority.

Policy

A. The Board of Directors' primary authorities and functions are to study and approve the objectives, policies, and other basic controls governing the administration of the Association and to select a General Manager to manage such affairs.

B. The responsibilities of the General Manager, subject to Board Policy, are to manage the entire Association and, without limiting the generality of the foregoing, to supervise and direct credit, personnel, public relations, servicing, directing the maintenance and improvement of the Association's electric system, and in assuring Members of the Association that they are receiving the highest quality service at the most reasonable rate possible. The General Manager shall do all and everything necessary to and incidental required to achieve the objectives of operating a successful electric cooperative association.

C. The General Manager is given the full authority to carry out Policies of the Board. It is understood that the Board of Directors acts collectively and under an approved order of business. All directions, orders, and communications to the General Manager shall be given through the President of the Board, or in the President's absence, the Vice President of the Board, with the full knowledge of the Board, except in written communications authorized by action of the Board. In such cases, the Secretary of the Board of Directors will transmit Board orders.

D. The Board shall systematically appraise the performance of the General Manger at least annually.

E. The General Manger is responsible for creating the Association's succession plan. The Board will be informed of the succession plan at least annually.

ATTEST: DATE:

Board President

Original Issue: September 16, 1958
Last Revised: January 20, 2023
Last Reviewed: January 16, 2026

Board Policy 1-4

Board Committees

Objective

A. To establish Board Committees to advise and assist the Board in special functions, as necessary.

B. To assist the General Manager in special problem areas as the need arises.

Policy

A. Committees of Board of Directors may be used for the preliminary study of policies, budgets, plans, etc.
    1. There shall be six (6) standing committees of the Board which are as follows:
        a. Executive Committee – The Executive Committee shall consist of the officers of the Board, i.e., President, Vice President, Secretary and Treasurer.
        b. Member Interaction Committee – The committee shall consist of the Vice President and such other Board Directors as may be appointed by the President.
        c. Reliability Committee – The committee shall consist of the Secretary and such other Board Directors as may be appointed by the President.
        d. Finance Committee – The committee shall consist of the Treasurer and such other Board Directors as may be appointed by the President.
        e. Rate Committee – The committee shall consist of the Board, as a whole.
        f. Scholarship Selection Committee – The committee shall consist of the Board, as a whole.

B. Committee appointments shall be made by the President of the Board, with the approval of the Board, at the first regular Board meeting following the Annual Meeting of the Association.

C. Committees shall meet on an "as needed" basis.

D. A report shall be given by any committee that meets to the Board at the first Board meeting following the committee meeting(s).

E. Committee members shall be paid per diem and mileage for attendance at committee meetings in accordance with Board Policy 2-2.

ATTEST: DATE:

_____ _____

Board President

Original Issue: September 16, 1958
Last Revised: February 19, 2021
Last Reviewed: January 16, 2026

Board Policy 1-5

Tenure of Officers

Objective

A. To establish the tenure of all officers of the Executive Committee of the Board of Directors.

B. The Board of Directors of the Association feels that it is desirable to develop the leadership potential of each Director. To accomplish this end, a systematic rotation of all offices should be accomplished.

Policy

A. No Director may occupy any office more than three (3) consecutive years, unless extended by Board approval.

ATTEST: DATE:

Board President

Original Issue: November 19, 1971
Last Revised: February 20, 2023
Last Reviewed: February 20, 2026

Board Policy 1-6

Attendance of National, Regional, State, and Other Meetings

Objective

A. To establish a Policy governing Director, management, and other personnel's participation in national, regional, state, and other meetings.

B. To facilitate the successful operation of the Association, it is recognized that representatives of the Board of Directors, management, and other personnel attend meetings which are of value to the Association.

Policy

A. The President of the Board may attend national, regional, and state meetings. In the President's absence, the Vice President may attend. If neither the President or Vice President can attend, either the Secretary or the Treasure may attend, as determined by the Board.

B. Each Board Director shall be allowed to attend up to three (3) out of State meetings annually. Any deviation from this will be considered on a case by case basis by the Board of Directors.

C. Other Director educational courses may be attended by Directors at the discretion of the Board.

D. The General Manager is encouraged to attend all meetings considering economic feasibility, purpose of meetings, etc.

E. It shall be the responsibility of the President of the Board, with the consent of the Board, to determine the delegate and alternate as voting members to all organizations when applicable.

F. It is the goal that each Board Director becomes certified and updated periodically through the NRECA Director Certificate Programs within three (3) years of becoming a Director.

G. The Board of Directors of the Association shall elect Directors and alternate Directors, when appropriate, to represent the Association as voting Board Directors to all organizations where applicable. These elections will be held at the time of each organization's annual meeting.

ATTEST: DATE:

Board President

Original Issue: June 27, 1973
Last Revised: February 20, 2026
Last Reviewed: February 20, 2026

Board Policy 1-7

Recognition of Former Board Directors

Objective

A. To establish a Policy of giving plaques in recognition and appreciation for service of Board Directors whose terms of office have expired or upon termination.

Policy

A. The plaques shall be approximately 9" X 12" with a bronze plate and shall have the Association emblem on them.

B. The plaques shall be engraved with the Director's name and dates of service.

C. The plaque shall contain the following wording, "In recognition of and appreciation for your loyal and dedicated service as a member of the Board of Directors, San Isabel Electric Association, Inc."

D. These plaques shall be presented at the Annual Meeting of Members.

ATTEST: DATE:

Board President

Original Issue: August 16, 1977
Last Revised: June 17, 2022
Last Reviewed: February 20, 2026

Board Policy 1-8

Director Conduct

Objective

A. To state the fiduciary duties of Directors and to clarify the standards of conduct for which they will be held accountable when serving on the Board.

B. The powers of the Association are conferred upon and may be exercised by the Board of Directors, except as reserved to or conferred upon the Members by law, the Articles of Incorporation, or the Bylaws. It is the purpose of this Policy to identify or establish standards that such power may be exercised in the best interests of the Association.

Policy

A. Directors are subject to legal standards of fiduciary responsibility. These include the duties of care and loyalty.
    1. Under the duty of care, directors are required to:
        a. Exercise that degree of care that an ordinarily prudent person would exercise under similar circumstances.
        b. Have or acquire the minimum knowledge and skills necessary to direct the affairs of the Association.
        c. Make every effort to attend all meetings of the Board and to study materials sent prior to each Board meeting.
        d. Study and adhere to all obligations imposed by the Articles of Incorporation, the Bylaws, contractual agreements, and Board Policies.
    2. Under the duty of loyalty, Directors are required to:
        a. Act only in the best long-term interest of the Association.
        b. Not have any financial interest in a directly competing business.
        c. Report to the General Manager and the other Board Members and refuse any remuneration from any entity proposing to purchase all or substantially all of the assets of the Association.
        d. Represent and support the interests of the Association to elected and public officials.
        e. Publicly support decisions of the Board except in extraordinary circumstances where the Director believes that there is a clear and present threat to the survival of the Association. This standard applies to informal and formal communications.

B. Regardless of any personal differences, Directors should:
    1. Demonstrate mutual respect.
    2. Allow opportunity for the other Directors to speak and be heard on matters being considered by the Board and listen carefully to the opinions and factual observations of other Directors.
    3. This standard does not prohibit fair and accurate publication of such differences to the Association's Members in relation to contests for Director elections or other matters to be voted upon by the Members.

4. Act collectively as the Board of Directors under an approved order of business. Each Director shall recognize that they have no authority to speak for the entire Board or for the General Manager except and unless they are specifically authorized or assigned such authority by the full Board of Directors.

C. Any Director is entitled to have access to the Association's data or information, at reasonable times during the business hours for a proper purpose that is germane to their standing as a Director.

D. All requests for information shall be made through the General Manager. In no case shall such information be sought through other employees, agents, or independent contractors, unless after consultation with and being advised by the Association's attorney, because an actual or potential criminal activity of the General Manager is involved.
   1. In any instance in which a Director has sought access to information not generally made available or reported to the Board, the General Manager shall report on this at the next meeting of the Board.
   2. Information received by a Director pursuant to this Policy shall not be revealed by them to any other persons except to the other Directors, General Manager and Association attorney unless they are sincerely convinced that they are compelled to do so by legal considerations.
   3. In no case should a Director reveal to the others information or data they receive if the actual or potential effect of such revelation is to damage the Association, including its image, or to enable them and/or others to personally profit there from.
   4. All complaints, problems, and other matters should be communicated when they concern the Association, its employees, or Members through the General Manager. When an individual Director receives a complaint from the membership or general public, the Director shall refer the complaint to the General Manager and may request a full report to the Board of Directors of action taken. The General Manager is expected to periodically inform the Board regarding evidence of Members' satisfaction or dissatisfaction and the type and number of complaints.
   5. Regarding outage communications, all information will be provided in accordance with Employee Internal Communications Procedure.

E. Good Faith and Fair Dealing
   1. Every Director shall deal in good faith and fair dealing with the other Directors and the General Manager in expressing their views, questions and concerns relating to the Association's policies, rates, and programs. Good faith and fair dealing require:
      a. All Directors shall reveal all information or interests that they have that may bear upon action being considered by the Association.
      b. Those Directors will not pursue a position, inquiry, or motion as to unduly perturb the other Directors, the General Manager, employees, or independent contractors.

F. Conflict of Interest
   1. A conflict of interest exists when a Director has a personal interest in a matter of such a nature and magnitude that a conflict exists between the personal interest of the Director and the Association's interest that could potentially cause an inability to exercise independent and objective judgement on the matter. Personal interests may not technically involve the Director, but may involve relatives, business associates, or other individuals or organizations which the Director is closely associated.

2. The following statements will guide Directors in the management of affairs of the Association:
    a. Directors shall not use their position or office for private gain for themselves or for other individuals or organizations with which they are associated. Directors shall not use the Association's name or their position in the Association unless it has been expressly authorized by the Board of Directors.
    b. Directors shall not use inside information for private gain, either by direct action or by counsel, recommendations, or suggestions to other individuals or organizations with which they are associated.
    c. Directors shall not receive or solicit from beneficiary organizations, related organizations, or other individuals having business with the Association, anything of value as a gift, loan, favor, or gratuity for themselves or any other individuals or organizations with which they are associated. De minimis gifts of less than fifty dollars ($50.00) per year, per entity shall not violate this Policy.
    d. Directors shall make a full disclosure to the Board of any facts indicating a conflict of interest. They shall disqualify themselves from participating in decisions posing a conflict of interest or the appearance of a conflict of interest. They may request an opinion of the Association's General Counsel before taking such action. Directors should keep in mind the opinion of the General Counsel is from the Association's Counsel, and they should seek an opinion from their own personal counsel, if necessary.
    e. Directors may not disclose information obtained by virtue of their position as a Director before such information is made available to all members at the direction of the Board, nor provide such information to selected persons under circumstances giving business or other advantage to the Director or other persons.
    f. The Association shall not extend credit to any Director or the Director's affiliated company on any terms or in any amounts not available to any other member of the Association. Directors or their affiliated companies will receive no price or service advantage over that available to other members.
    g. Directors shall not receive the personal use of any Association property except as may be approved by the members or approved by the Board of Directors. Association smart devices, logos, service marks, products, intellectual property, trademarks, and letter head are Association property subject to this Policy.

G. The Board of Directors is responsible for ensuring that the Association's affairs are conducted in compliance with this Policy and that each Director accepts their responsibility as set forth herein. Directors will be requested to submit an acknowledgement to the Board President on an annual basis affirming a knowledge and specific understanding of this Policy.

H. Director communications with employees other than the General Manager shall be casual and conducted on a courteous basis, but not for the purpose of influencing an employee's position or attitude concerning Association-related activities.

I. The President of the Board shall ensure that this Policy is followed.

ATTEST: DATE:

Board President

Original Issue: March 30, 2011
Last Revised: March 20, 2026
Last Reviewed: March 20, 2026

Board Policy 1-9

Board of Director Candidate Biographical Information

Objective

A. To state the Policy of the Association regarding the submittal to the membership of the biographical information and qualifications regarding the Board of Directors candidates.

Policy

A. Candidates for seats on the Association Board of Directors shall submit their biographical information and qualifications to the membership as part of the annual meeting packet mailing. The biographical information and qualifications shall not include any direct solicitation of votes from the membership.

B. The candidate shall limit their comments at the annual membership meeting to no more than five (5) minutes.

ATTEST: DATE:

Board President

Original Issue: October 30, 1991
Last Revised: March 13, 2020
Last Reviewed: March 20, 2026

Board Policy 1-10

Nominating Committee

Objective

A. To establish compensation for the Nominating Committee for the Board of Directors.

Policy

A. The Association will encourage active participation by the Nominating Committee for the Board of Directors in the Nominating Committee meeting.

B. Pay each officially appointed Member of the Nominating Committee a $100.00 attendance fee for attending the meeting. No fee will be paid if the Member does not attend.

C. Reimburse mileage for each officially appointed Member at the current IRS allowance.

ATTEST: DATE:

Board President

Original Issue: August 16, 1977
Last Revised: November 20, 2015
Last Reviewed: March 20, 2026

Board Policy 1-11

Director Elections and Voting

Objective

A. To create general guidelines governing the voting process primarily for the election of Directors and for other matters established by the Association's Articles of Incorporation and Bylaws. These guidelines are intended to ensure the fairness, impartiality, confidentiality, transparency, and integrity of the voting process.

Policy

A. General: Neither the Board of Directors nor the Association shall take a position of support or opposition for any individual candidate for a Board election. Resources of the Association shall not be used to support or oppose a candidate for election. Board Directors are prohibited from sending individual newsletters using Association resources. Each Member of the Association shall be entitled to one (1) vote upon each matter submitted to a vote at any meeting of the Members. At all meetings of the Members at which a quorum is present, all questions shall be decided by a vote of a majority of the Members voting in person and, for the election of Directors and where authorized by resolution of the Board, by mail or by electronic means, except as otherwise provided by law, the Articles of Incorporation or Bylaws.

B. Election Supervisor: The Board may utilize the services of a third-party provider to receive, prepare, and secure the return envelopes containing ballots, and at the appropriate time, tabulate ballots and report noting results to the Board.

C. Nomination, Election, and Voting Requirements: Elections for members of the Board of Directors will be held at the annual meeting of the Association. The date, time, and location for the annual meeting will be posted on the Association's website no less than six (6) months prior to the meeting.
    1. Any Member in good standing of the Association is eligible to submit a nomination petition to become a candidate for the Board of Directors. Nominating petitions must be signed by at least fifteen (15) qualified Members of the Association and submitted to the Board no less than sixty (60) days prior to the election.
    2. Ballots and the "Notice of Annual Meeting" shall be mailed to all Members of the Association at the Member's billing address approximately thirty (30) days prior to the annual meeting.
    3. All mail in ballots shall contain a return envelope which must be signed by the Member. Return Envelopes should conceal the markings on the ballot. The address on the return envelopes will be specified by the independent third party. Members who vote by mail are not allowed to vote at the annual meeting.
    4. The deadline for casting ballots shall be posted on the Association's website at least three (3) months prior to the deadline. Information on how to become a candidate and the schedule of election shall be mailed to each Member and posted on the Association's website no less than two (2) months prior to the date nominating petitions are due. The ballot position of qualified Director candidate will be determined on a random basis.

5. The ballot that is mailed to Members shall contain voting instructions and biographical information about each qualified Director candidate. Candidates will be identified by name, hometown, and length of membership. A candidate may submit a two hundred fifty (250) word, or less, summary of the candidate's qualifications and biography for inclusion in the biographical information. This information shall comply with Board Policy 1-9.
6. If a Member requests a replacement ballot. The Member will be advised that they may vote in person a the annual meeting or by electronic means. Should that be unsatisfactory, a ballot packet will be reissued to them. Should the Association receive more than one (1) ballot from any one (1) Member, then all ballots from said Member will be declared invalid.
7. The independent third party will receive the return envelopes and maintain care, custody, and control of the return envelopes until the tabulation process is completed. The tabulation process shall be completed by the independent third party within a reasonable time agreed upon; candidates shall be given the opportunity to be present during the ballot tabulation.

D. Voting Qualifications: Only Members of the Association may sign a nomination petition and only Members may vote at regular and special meetings of Members. As a practical matter, the Association asks Members to certify their membership by the Member's signature on petition forms and return envelopes containing ballots. The Association verifies membership based upon that Member's record and application for service. From time to time, such signatures may vary from the Association's records requiring a determination of validity. Specific membership types and acceptable signatures for each include, but are not limited to, the following:
    1. Individual Membership: The Member of record's signature. In the case of a joint membership, one (1) signature from any joint Member is acceptable on a return envelope, and one (1) signature is acceptable on a nomination petition. A Member's spouse or civil union partner cannot sign the return envelope unless it is a joint membership.
    2. Corporation Membership: The signature of an officer or assistant officer of the corporation such as President, Vice President, Secretary, or Treasurer.
    3. Unincorporated Entity Membership: The signature of an authorized representative.
    4. Unsigned return envelopes will invalidate any ballot contained therein. More than one (1) return envelope from any Member will invalidate all ballots from the Member.

E. Ballot Procedures: For each election, a printed ballot, together with a return envelope containing a signature line by the voting Member shall be mailed to each Member. Each Member shall be instructed that if the Member wishes to vote, the ballot shall be marked in accordance with instruction to be placed on each ballot, the ballot shall then be mailed to the designated independent third party in a return envelope, which must be signed by the Member. Return envelopes not signed by a Member shall not be counted. Generally, the process of receiving, preparing, and securing the return envelopes will be in the care, custody, and control of the selected independent third party. Ballots may also be cast by electronic means through the independent third party.

    1. Return envelopes shall be addressed to the independent third party selected. The independent third party will keep them unopened and secure until the tabulation process begins at the designated time and location prior to the business portion of the annual meeting of Members.

2. The return envelope shall have affixed a Member name and address label generated from membership records of the Association. The envelope shall have a signature block for the Member's signature, printed name, and title. Other appropriate information and directions will also be provided. Any ballots delivered to the Association in person or by mail shall be delivered by secure means to the independent third party prior to the annual meeting.

3. The independent third party and the Association's employees, while under the supervision of the independent third party, shall:
    a. Maintain a count of the number of return envelopes.
    b. Sort envelopes into groups after comparing the Member's label to the signature block. The groups include:
        i. Envelopes signed by the Member, officer, or authorized representative.
        ii. Envelopes unsigned.

F. Tabulation: Once voting has been closed, the independent third party shall supervise the transport and be in control of all return envelopes and any ballots cast in person to a secure site to begin the ballot counting process.
    1. A qualified Director candidate may have one (1) representative observe the tabulation process. The candidate's representative shall not interfere with the counting process or make challenges until the final count is tabulated. The candidate's representative shall not be in the area where the ballots are located so that such representative can touch or otherwise be in proximity to the ballots. Such challenges are to be made to the Association in writing.
    2. The independent third party shall develop the party's own methods of counting, crosschecking, recording, and report the results. Handling questionable or irregular ballots will be determined by the independent third party's representative, in consultation with the Association's attorney.

ATTEST: DATE:

Board President

Original Issue: May 4, 2018
Last Revised: March 20, 2026
Last Reviewed: March 20, 2026

Board Policy 1-12

Preservation of Records

Objective

A. The purpose of this Policy is to ensure the reasonable and good faith retention of all records created by or under the control of the Association, whether paper or electronic, that are necessary or advisable to retain for: business operations; historical value; accounting, audit, tax and financial purposes; compliance with applicable law; possible future use in litigation involving the Association; and possible future use in an official proceeding or governmental investigation, audit or other matter. Other records, which are not necessary to retain for these reasons, shall be destroyed in accordance with the guidelines set forth in this Policy. All other information that is not a record should be discarded after it has fulfilled its purpose to avoid the unnecessary expense and effort that would be required to preserve it. A legal hold notice shall be issued when it becomes necessary to preserve a record or other information otherwise scheduled or due for ordinary and appropriate destruction in accordance with this Policy.

Policy

A. Records of the Association, which may be in electronic or paper form, shall be retained in accordance with this Policy. Records that do not need to be retained shall be destroyed after the requisite retention period, if any, has passed. A log or other documentation of records destruction may be created to track compliance and assist in evaluating the effectiveness of this Policy. Pending or potential litigation, governmental investigation and other circumstances may require a "hold" or suspension of regularly scheduled destruction of records or other information. Employees will be promptly notified of any such hold by the Association's attorney. The format of the hold notification is shown in Appendix II of this Policy.

B. Definitions: Unless otherwise indicated in this Policy, the following terms will have the meaning provided in this section.

1. Active Data/Records – Electronic or paper records and information that are presently in use or are immediately accessible to users.
2. Archival Data/Records – Electronic or paper records and information that are not directly accessible to users, but which are maintained long term and accessible with some effort.
3. Backup Data/Records – Electronic or paper records and information that are not presently in use and which are routinely stored on portable media (e.g., disks, magnetic tape) and /or off-site and are a source for disaster recovery.
4. Distributed Data/Records – Data living on portable media or "non-local" devices (e.g., tablets, smart phones, employee home computer, application service provider, ISPs). Most is probably "active" data.
5. ESI – "Electronically Stored Information" – Any file, document, data, image, database, etc. that is stored on a computing device or electronic media, including but not limited to servers, computer desktops and laptops, cell phones, hard drives, flash drives, tablets or smart phones, CDs or DVDs, floppy disks, and magnetic tapes.

6. Legacy Data – Information which has retained some importance or usefulness to the Association for a period of time but has been created or stored by the use of software and/or hardware that subsequently become obsolete or been replaced ("legacy systems").
7. Record – Any information (paper or electronic) recorded in a tangible form that is created or received by the Association and documents some aspect of its operations. A record has some enduring value to the Association that merits its retention for some period of time. Records include original and copies of contracts and other legal documents. Memos, reports, forms, checks, accounting journals and ledgers, work orders, drawings, maps, images, photographs, and may be found in various electronic or machine-readable formats, including without limitation, CD-ROMs, DVDs, tape recordings, voice mail messages, e-mails, microfiche, web pages, computer, and other electronic files.
8. Other Information/Data – Any other material that is of a transitory nature, that after serving its limited purpose or being transferred to a more permanent form, or being incorporated with other record material, Association has no need to retain such information except in the event of a legal hold. Some examples are notes, drafts, routine correspondence, informational or courtesy copies, extra copies of filed or preserved records, and emails containing non-record information (such as scheduling or logistics information, thank you notes, etc.).

C. Retention of Records: Records shall be indexed and retained in a manner that ensures their easy accessibility. Records shall be maintained for as long as the period stated in the schedule appended to this Policy, which schedule is based on the minimum periods required by applicable state or federal law and necessity for ongoing business purposes. The retention schedule will be reviewed periodically and amended as needed to reflect changing legal requirements, business needs or evolving practices. The Chief Officers, Operations Manager, and Engineering Manager shall be deemed the Records Custodian/Records Coordinator for the departments they supervise and shall be responsible for supervising all the Association's retention practices and procedures and ensuring that appropriate internal controls are implemented. Paper and electronic records and other information shall be maintained in the formats and/or media and at the locations provided in the master index, which media shall ensure a life expectancy that, at a minimum, preserves the records for as long as specified in the schedule. All records that require transfer to storage media that is different from the media in which the document was originally created or is being maintained requires documentation of the transfer and verification for accuracy.

D. Destruction of Records & Other Information: Unless a legal hold is in effect, destruction of records shall occur within three (3) months after the time period stated in the schedule has been met. Other information should be discarded as soon practical after it has served its purpose unless subject to a legal hold. Destruction may occur by the following acceptable methods:

1. Paper
    a. Recycling or trash if no sensitive, personally identifiable, or confidential information is included.
    b. Shredding, burning, or pulverizing if sensitive, personally identifiable, or confidential information is included.

2. Electronic
    a. Deletion of records and data on shared network files, computer desktop and laptop hard drives, including personal copies.
    b. Deletion of distributed data/records on peripheral devices and portable storage media (e.g., tablets, memory sticks, CDs, floppy disks, etc.).
    c. Erasing or recycling of magnetic tapes.

E. Suspension of Destruction/"Legal Hold": A legal hold is the process for suspending the destruction of records and other information that becomes necessary for the Association to preserve. A legal hold may need to be issued for various reasons, such as:

1. A complaint is filed against the Association.
2. A credible threat of litigation has been received by the Association.
3. A discovery request is received.
4. A records preservation order has been issued.
5. A subpoena has been served on the Association.
6. A governmental, regulatory or law enforcement agency has instituted an investigation.
7. An event has occurred that resulted in death or serious bodily injury.
8. A circumstance has arisen that is likely to cause the Association to file a lawsuit against someone or some entity.
9. An employee has made a complaint/allegation/report regarding a violation of law, Association Policy, or other improper conduct prompting an internal investigation.

If a staff member of Association receives any such complaint, request, subpoena, or inquiry, they should immediately submit it to the General Manager. Following consultation with legal counsel, a determination will be made regarding the need to preserve records. If such a need is determined to exist, then the Association's attorney will issue a legal hold notification in the form appended to this Policy.

The legal hold requires the preservation of all records and other information detailed in the legal hold notice. With regard to the electronic records and information, all such active, distributed, and archived materials must be preserved. Back-up tapes that only contain records or other information redundant to that which is being maintained as active or archived data, will be recycled, or destroyed in accordance with the Association's regular back-up tape practice.

If a computer or peripheral device (e.g., smart phone, external disk drive, etc.) has stored on it records or other information subject to the legal hold, then any scheduled replacement of that computer or device must be suspended until the stored materials on such computer or device are copied to a secure medium before the computer or device is taken out of service. Such steps must be documented in a hardware replacement, IT maintenance, or other log noting the dates of such copying and the equipment replacement, the person responsible for the copying and replacement, and the location of the copied materials.

F. Compliance & Questions: Every employee, Director, and agent of the Association is required to comply with this Policy. Training will be provided as needed to ensure that everyone subject to the Policy is familiar with its provisions and understands the specific

responsibilities and tasks associated with carrying out the policy. Periodic compliance audits and testing of retention, legal hold, and destruction procedures will be undertaken at the direction and supervision of the Chief Officers, Operations Manager, and Engineering Manager for the department.

G. Reporting of Suspected Noncompliance: Should any employee, Director, or agent of the Association become aware of information indicating that a person responsible for the retention or destruction of records is not in compliance with this Policy, such information shall be promptly reported to the General Manager.

ATTEST: DATE:

Board President

Original Issue: February 2, 1978
Last Revised: April 17, 2025
Last Reviewed: April 17, 2026

Appendix I

Retention Schedule

Record Description *(Include any identification number, etc.)*	Retention Period
Corporate & General 1. Reports to stockholders: Annual reports or statements to stockholders.	Life of Corporation
2. Organizational documents: (a) Minute books of Member, board and board committee meetings; Record of all actions taken by the shareholders or Board without a meeting; all actions taken by a committee of the Board in place of the Board on behalf of the corporation (b) Titles, franchises, and licenses: Copies of formal orders of regulatory commissions served upon the utility, if applicable. (c) Articles and amendments in effect; Bylaws and amendments in effect; Board resolutions regarding Member classes or rights	Life of Corporation
3. Contracts, including amendments and agreements (except contracts provided for elsewhere): (a) Service contracts, such as for management, accounting, and financial services. (All contracts, related memoranda, and revisions.) (b) Contracts with others for transmission or the purchase, sale or interchange of product. (All contracts, related memoranda, and revisions) (c) Memoranda essential to clarifying or explaining provisions of contracts listed above, including requests for discounts. (d) Card or book records of contracts, leases, and agreements made, showing dates of expirations and of renewals, memoranda of receipts, and payments under such contracts. (e) Easements	(a) 4 years after expiration or until the conclusion of any contract disputes pertaining to such contracts, whichever is later (b) 4 years after expiration or until the conclusion of any contract disputes or governmental proceedings pertaining to such contracts, whichever is later (c) & (d) For the same periods as contracts to which they relate (e) Life of Corporation
4. Accountants' and auditors' reports: (a) Reports of examinations and audits by accountants and auditors not in the regular employ of the utility. (b) Internal audit reports and working papers	(a) & (b) 5 years after the date of the report
Information Technology Management: 5. Automatic data processing records (retain original source data used as input for data processing and data processing report printouts for the applicable periods prescribed elsewhere in the schedule): Software program documentation and revisions thereto.	Retain as long as it represents an active viable program or for periods prescribed for related output data, whichever is shorter.
General Accounting Records: 6. General and subsidiary ledgers: (a) Ledgers: (1) General ledgers (2) Ledgers subsidiary or auxiliary to general ledgers except ledgers provided for elsewhere. (b) Indexes: (1) Indexes to general ledgers (2) Indexes to subsidiary ledgers except ledgers provided for elsewhere. (c) Trial balance sheets of general and subsidiary ledgers	(a)(1) & (2) 10 years (b)(1) & (2) 10 years (c) 10 years

7. Journals: General and subsidiary	10 years
8. Journal vouchers and journal entries including supporting detail: (a) Journal vouchers and journal entries (b) Analyses, summarization, distributions, and other computations which support journal vouchers and journal entries: (1) Charging plant accounts (2) Charging all other accounts	(a) 10 years (b)(1) 25 years. See § 125.2(g). (b)(2) 6 years
9. Cash books: General and subsidiary or auxiliary books	5 years after close of fiscal year.
10. Voucher registers: Voucher registers or similar records when used as a source document.	5 years. See § 125.2(g)
11. Vouchers: (a) Paid and canceled vouchers (one copy-analysis sheets showing detailed distribution of charges on individual vouchers and other supporting papers). (b) Original bills and invoices for materials, services, etc., paid by vouchers. (c) Paid checks and receipts for payments of specific vouchers. (d) Authorization for the payment of specific vouchers (e) Lists of unaudited bills (accounts payable), list of vouchers transmitted, and memoranda regarding changes in audited bills. (f) Voucher indexes	(a), (b) & (d) 5 years or after RUS audit whichever is longer. See § 125.2(g). (c) 5 years or after RUS audit whichever is longer. (e) & (f) 1 year
11a. Financial requirement and expenditure statements, which are not otherwise reflected in this schedule	1 year after the "as of date" of RUS' loan fund and accounting
Insurance: 12. Insurance records: (a) Records of insurance policies in force, showing coverage, premiums paid, and expiration dates. (b) Records of amounts recovered from insurance companies in connection with losses and of claims against insurance companies, including reports of losses, and supporting papers. (c) Applications for insurance policies in force.	6 years after expiration of policy
Operations and Maintenance: 14. Transmission and distribution: (a) Substation and transmission line logs (b) System operator's daily logs and reports of operation (c) Transformer history records (d) Records of transformer inspections, oil tests, etc. (e) Records of other inspections, assessments, tests of component parts of the utility system, and Emergency Restoration Plan exercises	(a) & (b) 4 years (c) Life of transformer (d) & (e) At least until the next applicable inspection, test, etc. is conducted

15. Maintenance work orders and job orders: (a) Authorizations for expenditures for maintenance work to be covered by work orders, including memoranda showing the estimates of costs to be incurred. (b) Work order sheets to which are posted in detail the entries for labor, material, and other charges in connection with maintenance, and other work pertaining to utility operations. (c) Summaries of expenditures on maintenance and job orders and clearances to operating other accounts (exclusive of plant accounts).	(a) – (c) 5 years
Plant and Depreciation: 16. Plant ledgers: (a) Ledgers of utility plant accounts including land and other detailed ledgers showing the cost of utility plant by classes. (b) Continuing plant inventory ledger, book or card records showing description, location, quantities, cost, etc., of physical units (or items) of utility plant owned. (c) Life & mortality study data for depreciation purposes	(a) & (b) 25 years. See § 125.2(g). (c) 25 years or for 10 years after plant is retired, whichever is longer.
17. Construction work in progress ledgers, work orders, and supplemental records: (a) Construction work in progress ledgers (b) Work orders sheets to which are posted in summary form or in detail the entries for labor, materials, and other charges for utility plant additions and the entries closing the work orders to utility plant in service at completion. (c) Authorizations for expenditures for additions to utility plant, including memoranda showing the detailed estimates of cost, and the bases therefor (including original and revised or subsequent authorizations). (d) Requisitions and registers of authorizations for utility plant expenditures. (e) Completion or performance reports showing comparison between authorized estimates and actual expenditures for utility plant additions. (f) Analysis or cost reports showing quantities of materials used, unit costs, number of man-hours etc., in connection with completed construction project. (g) Records and reports pertaining to progress of construction work, the order in which jobs are to be completed, and similar records which do not form a basis of entries to the accounts.	(a) & (b) 5 years after clearance to plant account, provided continuing plant inventory records are maintained or after RUS audit whichever is longer; otherwise 5 years after plant is retired. (c) – (f) 5 years after clearance to plant account except where there are ongoing regulatory commission proceedings (g) Destroy at option

18. Retirement work in progress ledgers, work orders, and supplemental records: (a) Work order sheets to which are posted the entries for removal costs, materials recovered, and credits to utility plant accounts for cost of plant retirement. (b) Authorizations for retirement of utility plant, including memoranda showing the basis for determination to be retired and estimates of salvage and removal costs. (c) Registers of retirement work	(a) & (b) 5 years after plant is retired or after RUS audit whichever is longer (c) 5 years or after RUS audit whichever is longer
19. Summary sheets, distribution sheets, reports, statements, and papers directly supporting debits and credits to utility plant accounts not covered by construction or retirement work orders and their supporting records.	5 years
20. Appraisals and valuations: (a) Appraisals and valuations made by the Association of its properties or investments or of the properties or investments of any associated companies. (Includes all records essential thereto.). (b) Determinations of amounts by which properties or investments of the Association or any of its associated companies will be either written up or written down as a result of: (1) Mergers or acquisitions (2) Asset impairments (3) Other bases	(a) 3 years after appraisal (b)(1) 10 years after completion of transaction or as ordered by regulatory commission, if applicable (b)(2) 10 years after recognition of asset impairment. (b)(3) 10 years after the asset was written up or down
21. The original or reproduction of engineering records, drawings, and other supporting data for proposed or as-constructed utility facilities: Maps, diagrams, profiles, photographs, field survey notes, plot plan, detail drawings, records of engineering studies, and similar records showing the location of proposed or as-constructed facilities.	Retain until retired
22. Contracts relating to utility plant: (a) Contracts relating to acquisition or sale of plant (b) Contracts and other agreements relating to services performed in connection with construction of utility plant (including contracts for the construction of plant by others for the utility and for supervision and engineering relating to construction work).	(a) & (b) 6 years after plant is retired or sold
23. Records pertaining to reclassification of utility plant accounts to conform to prescribed systems of accounts including supporting papers showing the bases for such reclassifications.	6 years

32. Miscellaneous billing data: Billing department's copies of contracts with Members (other than contracts in general files) (a) "Member accounts' records"	Destroy at option (a) "Kept for those years for which patronage capital has not been allocated"
33. Revenue summaries: Summaries of monthly operating revenues according to classes of service. Including summaries of forfeited discounts and penalties	5 years
Tax: 34. Tax records: (a) Copies of tax returns and supporting schedules filed with taxing authorities, supporting working papers, records of appeals of tax bills, and receipts for payment. See Subsection 11(b) for vouchers evidencing disbursements: (1) Income tax returns (e.g. IRS Form 990s, including amended returns) (2) Property tax returns (3) Sales and other use taxes. (4) Other taxes (5) Agreements between associate companies as to allocation of consolidated income taxes. (6) Schedule of allocation of consolidated Federal income taxes among associate companies. (b) Filings with taxing authorities to qualify employee benefit plans. (c) Information returns and reports to taxing authorities. (d) Tax exemption application and determination letter (e.g. currently, Form 1024, and all accompanying documentation) and any IRS rulings (e.g. private letter ruling)	Life of Corporation
Treasury: 35. Statements of funds and deposits (a) Statements of periodic deposits with fund administrators or trustees. (b) Statements of periodic withdrawals from fund (c) Statements prepared by fund administrator or trustees of fund activity including: (1) Beginning of the year balance of fund; (2) Deposits with the fund; (3) Acquisition of investments held by the fund; (4) Disposition of investments held by the fund; (5) Disbursements from the fund, including party to whom disbursement was made; (6) End of year balance of fund.	(a) & (b) Retain records for the most recent 3 years (c) Retain records until the fund is dissolved or terminated

36. Records of deposits with banks and others: (a) Statements from depositories showing the details of funds received, disbursed, transferred, and balances on deposit. (b) Check stubs, registers, or other records of checks issued. 36A. Records of financial commitments with lenders (a) Loan applications, approval letters & loan contracts (b) mortgages, other security instruments associated with loans (c) Release of lien (d) notification from lender to borrower of satisfaction of financial commitment	(a) Destroy at option after completion of audit by independent accountants and RUS Review (b) 3 years or after RUS Review (a) & (b) Once a loan or mortgage has been fully paid, these documents, along with receipts or other proof of payment, may be destroyed at a borrower's option. However, retained copies of the executed loan contract and mortgage would be helpful evidence of the requirements to which the borrower was subject during the loan period. (c) Permanently (d) Permanently
Miscellaneous: 37. [FERC: Reserved]	
38. Statistics: Financial, operating and statistical reports used for internal administrative or operating purposes.	5 years
39. Budgets and other forecasts (prepared for internal administrative or operating purposes) of estimated future income, receipts and expenditures in connection with financing, construction and operations, including acquisitions and disposals of properties or investments.	3 years
40. Records of predecessor companies	Retain consistent with the requirements for the same types of records of the utility
41. Reports to Federal and State regulatory commissions including annual financial, operating and statistical reports. [Form EIA-861" Annual Electric Power Industry Report", RUS Form 7, etc.]	5 years
42. Advertising: Copies of advertisements by or for the Association on behalf of itself or any associate company in newspapers, magazines, and other publications, including costs and other records relevant thereto (excluding advertising of appliances, employment opportunities, routine notices, and invitations for bids all of which may be destroyed at option).	2 years
Employment Related: 43. Safety (a) Motor vehicle inspection, repair & maintenance records (b) CDL driver qualification files (c) CDL driver drug & alcohol tests & results (d) OSHA 300 Log & OSHA 301 incident reports	(a) 1 year and for 6 months after the motor vehicle leaves the motor carrier's control [See 49 C.F.R. § 396.3(c)] (b) for 3 years after termination of employment [See 49 C.F.R. § 391.51] (c) years [See 49 C.F.R. § 382.401] (d) 5 years [See 29 C.F.R. § 1904.33 & -.37]

44. Personnel (a) Payroll records, collective bargaining agreements (b) Performance reviews & other documentation about treatment on the job, job applications and resumes, etc. (c) Benefits plan information (ERISA) (d) I-9 Forms for all employees hired after 11/6/1986 (e) Payroll & unemployment taxes (f) Wage/earnings records (e.g. time cards, wage rate tables, etc.) (g) Dates of FMLA leave, notices to or from employees re FMLA, records of any disputes, etc.	(a) 3 years [See 29 C.F.R. § 516.5] (b) 3 years for records related to age [See 29 C.F.R. § 1627.3], but 1 year for records related to Title VII & ADA: race, ethnicity, national origin & disability [See 29 C.F.R. § 1602.14] (c) At least 6 years after the filing date of the documents [See 29 U.S.C. § 1027] (d) for 3 years after the date of hire or 1 year after the date employment is terminated, whichever is later [See 8 C.F.R. § 274a.2] (e) 4 years [See IRS Publication 15, Employer's Tax Guide] (f) 2 years [See 29 C.F.R. § 516.6] (g) 3 years [See 29 C.F.R. § 825.500]
Environmental: 45. Hazardous Waste/Toxic Chemicals (reports, inspection logs, training records, waste shipment manifests or records, sampling and monitoring data) (a) Community Right to Know/TRI reports & supporting documentation (b) PCB equipment inspection and maintenance history (c) PCB spills (d) Used Oil: Spill Prevention Protection & Control plans, procedures and record of tests & inspections (e) Haz mat incident reports (f) Employee exposures to certain substances (e.g. asbestos, benzene, etc.), including medical evaluations (g) Hazardous waste records (shipping manifests, filed reports, test results, etc.) (h) Records related to underground storage tanks for fuel (tests results, monitoring, calibration, maintenance or repair records, spills)	(a) 3 years from submission of the report [See 40 C.F.R. § 372.10] (b) 3 years after disposal [See 40 C.F.R. § 761.30] (c) 5 years after clean-up [See 40 C.F.R. § 761.125(a)] (d) 3 years [See 40 C.F.R. § 112.7(e)] (e) 2 years [See 40 C.F.R. § 171.16] (f) 30 years [See, e.g., 29 C.F.R.§§ 1910.1001(m), 1910.20, 1910.1028(k)] (g) 3 years [See 40 C.F.R. § 262.40] (h) 1 year or for another reasonable time period determined by State EPA [See 40 C.F.R. §§ 280.34 &.45]
46. Water (a) NPDES Permits & related documentation (including storm water prevention plans, reports, certifications, data used for the notice of intent, etc.) (b) Section 404 wetlands permits & related documentation (e.g. related to dredge & fill activities during utility line construction)	(a) at least 3 years from the date the permit expires or is terminated [See 40 C.F.R. §122.41(j)(2)] (b) varies by state [For example, Virginia requires 3 years from permit expiration. 9 Va. Admin. Code 25-220-80.]
Miscellaneous Licenses, Permits & Other Requirements: 47. FCC – (a) Radio frequency spectrum licenses (b) private land mobile radio and microwave station records (c) correspondence with the FCC	(a) permanently, or until cooperative no longer holds an FCC license (b) 1 year [See 47 C.F.R. §§ 90.437 - 90.447 for Private Land Mobile Radio & § 101.217 for Microwave] (c) permanently, or until Association no longer holds an FCC license
48. NERC Reliability Standards – (can include audit records, system testing, personnel training, etc.)	Life of Corporation

Service Related: 49.Records kept in relation to service-related events (a) Member complaints (including correspondence, voice recordings, investigation reports, etc.) (b) Outages (investigation reports, operational records, etc.) (c) Accidents (investigation reports, photographs, operational records, etc.)	(a) – (c) Until the applicable statute of limitations has passed or litigation is finally decided or settled.

Appendix II
Sample Legal Hold Notification

To ensure that every employee, Director and agent of the Association will recognize and respond appropriately to a notification that certain records are now potentially relevant and necessary for litigation or a governmental investigation, this appendix provides a sample legal hold notification.

URGENT NOTICE

To: *Name all persons identified as likely to have relevant records including the designated records Custodian or Coordinator*
From: *CEO/Cooperative Attorney/Litigation Attorney*
Date:
RE: *Your Obligation to Preserve Records & Other Information*

The event/circumstance described below has triggered an obligation to preserve records and other information. Your assistance is necessary and required for the preservation of Association's records and other information to fulfill Association's legal obligations and/or preserve Association's rights. Failure to fully comply with this directive could result in harm or penalties against Association; therefore, employees could be subject to discipline, up to and including termination of employment, for failure to follow the directives in this notice.

Event or Circumstance Triggering the Need to Preserve Records
(Description of lawsuit, investigation, occurrence, etc. If litigation, describe specific claims involved.)

Types of Records & Other Information to be Preserved
All paper and electronic records and other information that could be relevant to the above described event or circumstance must be preserved – that is, retained and not deleted – including, without limitation: *(Tailor description as needed to specific trigger event – such as, documents (including drafts & revisions), spreadsheets (including drafts and revisions), emails (sent & received), databases, calendars, presentations, image files, maps, voice messages, data generated based on Internet activity (cookies, cache, history files), computer usage logs, etc.)*

When potentially relevant records or other information exist on multiple platforms or media, for example: a file on a desktop computer, on a laptop computer, on a mobile device, on a portable storage medium such as a CD-ROM, and a paper copy, every copy must be preserved.

Any routine or planned destruction of these types of records or data that you are aware of and can control (e.g. a user's personal email setting to automatically delete messages older than a certain date) must be suspended for the period of this hold.

Time Period
All of the above described records and other information currently in your possession or under your control must be preserved *(from this point forward until you are notified that this hold is lifted, or state specific time period if known).*

Verification of Preservation
(Describe the actual steps that a recipient of this notice must take to verify preservation. Different types of records or information may require different preservation methods, e.g. certain electronic files may be subject to automatic purging that requires an override or programming change.)

Contact Person(s)
If you have questions regarding this notice, or are aware of any other persons not listed as recipients of this notice – including retired employees, contractors, consultants or others– who should receive this notice, please direct all such questions and information to _____ *(Provide name and contact details of the person overseeing the matter triggering the legal hold, such as the Association's attorney or litigation counsel).*

Reminders
Reminders will be sent to you periodically during the course of this *(litigation, investigation, audit, matter)* to ensure that you continue to preserve relevant information and to inform you of any change as the matter progresses that would affect your preservation obligations. Such a change could include a change in scope that could add additional categories of records or other information for preservation or may require you to take additional preservation or verification steps.

(Note: For helpful guidelines on designing legal hold practices and procedures, see, The Sedona Conference Commentary on Legal Holds: The Trigger & The Process (Aug. 2007 public comment version), available at: http://www.thesedonaconference.org/content/miscFiles/Legal_holds.pdf.

Regarding form & content of the legal hold notification: See also, the Sedona Principles at Comment 5.d: "While the form and content of the notice may vary widely depending upon the circumstances, the notice need not provide a detailed list of all information to retain. Instead, it should describe the types of information that must be preserved, with enough detail to allow the recipient to implement the hold. The notice should state that electronically stored information, as well as paper, is subject to the need for preservation. Additionally, the notice should: (i) describe the subject matter of the litigation and the subject matter, dates, and other criteria defining the information to be preserved; (ii) include a statement that relevant electronically stored information and paper documents must be preserved; (iii) identify likely locations of relevant information (e.g., network, workstation, laptop or other devices); (iv) provide steps that can be followed for preserving the information as may be appropriate; and (v) convey the significance of the obligation to the recipients. The notice need not demand preservation of all documents, only those affected by the preservation obligation. Additionally, the preservation obligation, except in extreme circumstances, should not require the complete suspension of normal document management policies, including the routine destruction and deletion of records. Communications should be accomplished in a manner reasonably designed to provide prominent notice to the recipients."

Regarding time period for the hold: In litigation, the hold should remain in effect until the litigation has been finally resolved, either settled or a final judgment issued and the time for all appeals has run. Similarly, in a governmental investigation or audit, the hold should remain in effect until the investigation has been finally concluded, but only if the conclusion of the investigation forecloses the possibility of future prosecution or enforcement actions, check-up audits or inspections, etc.)

Appendix III

Sample Records Retention Master Index

Record Category/Type *(Match with Records Schedule to the extent possible, if desired.)*	**Retention Period**	**Storage Media** *(If stored in a different media from that in which the record was created or being maintained, note the date of the transfer and the date that verification of accuracy was tested.)*	**Location(s)** *(e.g. headquarters file room, offsite storage, network server, vendor's network storage, etc.)*	**Designated Responsible Person/Records Custodian/Records Coordinator**

Appendix IV

Certification of Untimely Destruction or Loss of Records

_____ *Certifies that the below identified records were lost/destroyed prior to the expiration of the applicable retention period.*

_____ _____

Signature *Date*

_____ _____

Name *Title*

Records Lost or Destroyed Prior to the Expiration of the Retention Period:

Record Description	**Applicable Retention Period**	**Loss or Destruction** *(Describe event or circumstances)*	**Date & Time Loss or Destruction Occurred** *(If not known, it seems to make sense to note when the loss or destruction was discovered.)*

(Note: The RUS rule does not identify any specific format for this certification. This sample contemplates that each destruction or loss event would be noted on a separate statement. Another possible format would be to include a signature and date column in the table of the master index to essentially maintain a running log of untimely destructions or losses.)

Board Policy 2-1

Financial Goals

Objective

A. The purpose of this Policy is to provide guidelines and direction to maintain a sound financial position and provide for the security of the financial resources of the Association.

B. The Association is organized under the laws of the State of Colorado and will always be operated on a not-for-profit basis for the mutual benefit of its Members. In addition to these legal requirements, the Association is guided in its operations by regulations and operational practices prescribed by various regulatory bodies and/or lender(s). Beyond these legal, regulatory, and lending requirements, the Association has an obligation to its Members to ensure the financial integrity of the Association so that it can provide high quality electric service at the lowest possible long-term cost consistent with prudent business practices.

Policy

A. Periodic Reporting and Board Controls

1. It shall be the Policy of the Board of Directors to review the operating reports monthly in relation to authorized programs and effect any remedial action necessary through the General Manager. In order for the Board to perform their basic function of control, the following strategic points of control shall be included in management's periodic report:

Report Description	Frequency
Statistical Report	Monthly
Operating Statement (Month and YTD)	Monthly
Balance Sheet	Monthly
Sales Report (Form 7 Power Requirements	Monthly
Check Register	Monthly
Loan Fund Status (as applicable)	Monthly
Manager's Expense Report	Monthly
Donation Request Items	Monthly
Outage Report	Monthly
Summary of Write-Offs	Quarterly
Investment Analysis	Quarterly
Revenue Comparison	Quarterly

B. Planning Documents

1. In order to maintain a sound financial position and provide for the most effective management and security of the financial resources of the Association, the Board directs the General Manager or designee to create and/or update or see to the creation and/or updating of the following planning reports and documents (hereinafter "reports"). These reports shall be created/updated on a regular basis with frequencies no less than the timeframes in the table below. All reports shall be reviewed and approved by the Board. Note that from time to time there may be other planning reports not included below that may be necessary to meet this Policy's intent.

Planning Report Description	To Be Created and/or Updated with Frequencies No Less Than the Following
Long Range Construction Plan	10 Years
Construction Work Plan	4 Years
Association Strategic Plan	Annually
10 Year Financial Forecast	Annually
Capital Budget	Annually
Operating Budget	Annually

2. The Association shall use all resources at its disposal to assist in preparing the aforementioned planning reports. These resources shall include but are not limited to annual independent audit; and cost of service study.

C. Financial Goals and Parameters

1. The Board directs Management to operate the Association so that its financial operating results are within the following goals and parameters at the end of the fiscal year as established by the Board. Management shall review these financial goals and parameters annually and recommend changes to the Board, if necessary.

D. Major Capital Additions

1. The Association will finance additions primarily with debt capital, using sources of capital and financing arrangements that produce the lowest cost in conjunction with the prudent management of the Association's operations, debt service, and cash reserves. Major capital additions generally will include major additions of generation, transmission, distribution, general plant facilities, and major extensions and replacements of plant that significantly extend the life or increase productivity of the plant. These additions will also include supply inventories that are associated with major plant additions.

E. Minor Capital Additions

1. Minor capital additions will be financed with cash operating reserves which are generated primarily from operating revenues resulting from sales of electricity by the Association. Minor capital additions will consist of minor general plant additions, such as office and transportation equipment, annual extensions, and replacements of plant facilities, required investments, fuel, material and supply inventories, and working capital requirements.

F. Equity Ratio

1. In order to minimize the risks associated with insolvency and maintain an optimal cost of capital, management shall strive to achieve the following equity ratio(s):
2. The Association will maintain an equity ratio between 30% and 60%. Equity ratio is defined as Total Margins & Equity divided by Total Assets & Other Debits.
3. The Association, through its operations, will strive, consistent with prudent business practices, to maintain a distribution equity level no less than 15%. The distribution equity ratio is defined as Total Margins & Equity less Generation & Transmission Patronage Capital Credits and divided by Total Assets & Other Debits.

G. Patronage Capital

1. The Association shall allocate and retire patronage capital dividends in a manner that is:
    a. consistent with all legal and regulatory requirements;
    b. consistent with operating on a non-profit basis under federal tax law;
    c. fair and reasonable to the Association's Members and former Members;
    d. provides the Association with sufficient equity and capital to operate effectively and efficiently;
    e. in compliance with debt covenants; and
    f. protects the Association's financial integrity.

2. The Association shall not retire any patronage dividends until the Board first determines that the retirement will not adversely impact the Association's financial condition. Subject to applicable law, the Association's Articles of Incorporation, and the Association's Bylaws, the retirement of patronage dividends is at the sole discretion of the Association's Board. The Board of Directors has set a goal to retire capital credits on a twenty-five (25) year cycle with a minimum amount of $ 250,000.00 retired each year. Before a patronage refund is made, such account shall be verified to determine if:
    a. any delinquent account exists with a Member currently receiving electric service;
    b. any accounts receivable are due from a Member or former Member whose electric service has been discontinued; and
    c. any receivables have been written off as uncollectible from the Member or former Member.

3. The records of the Association shall be maintained in such a manner as to determine those Members who have amounts due the Association that are either delinquent or have been written off. All or part of the Member's patronage refund shall be used to reimburse the Association for the amount due.

H. Rate of Return

1. The rate of return, rate base, and margins requirements shall be determined by the Board. Appropriate rates will be charged to maintain at least the minimum mortgage requirements and to attain the overall objectives of the Association. The Association will design rates for sales of electricity to its Members that will produce revenues over a projected annual period to pay all legal and other necessary expenses incident to the operation of the Association, not covered by other revenues. These revenue requirements include maintenance costs, operating charges, depreciation, upkeep, repairs, interest charges on bonds or other obligations, to provide a sinking fund to service principal indebtedness, to provide adequate funds to be used as working capital, as well as funds for making extensions and replacements and payment of any taxes that may be assessed against the Association or its property. To provide adequate funds for margins necessary to meet the Association's indenture requirements, estimates for business variables, and the equity level and general funds cash balance targets provided for by this Policy. The revenue requirements of the Association will be determined and approved as required by the Board based upon the Association's planning, budgeting, and forecasting process.

I. Coverage Ratios

1. In order to minimize liquidity and insolvency risk and maintain compliance with mortgage covenants, management shall strive to achieve the following coverage ratio(s):
    a. OTIER, 1.10 to 2.0
    b. OTIER, (2 of 3-year high average), 1.10 to 2.0
    c. Modified DSC (MDSC), 1.35 to 2.0
    d. MDSC (2 of 3-year high average), 1.35 to 2.0
    e. Current ratio, 0.5 to 2.0
        i. In periods of significant short-term borrowing, this ratio may not comply with Policy requirements.

J. Short-Term Debt

1. The Association shall maintain a line-of-credit for short-term operating purposes in an amount not to exceed $ 30,000,000.00.
2. The General Manager is authorized to establish emergency lines-of-credit as necessary to support the capital and operating needs of storm recovery efforts.

K. Long-Term Debt – Variable and Fixed

1. The aggregate amount of all loans drawn and available to be drawn by the Association shall not exceed the maximum debt limit established by the Board as contained in the Association's mortgage documents at $150,000,000.00.

L. Cost of Service Study

1. Management and Board shall strive to maintain a fair, equitable and risk rated balance between the collection of revenue and incurring of expenses between all revenue classes. This balance shall be determined through completion of an industry accepted cost-of-service study, completed on a regular basis.

M. Cash and Cash Equivalents (General Funds)

1. Management shall strive to maintain a cash and cash equivalents (General Funds) average daily balance of no less than 2% of the Association's Total Operating Revenues.

N. Investment of Cash Reserve

1. It shall be the Policy of the Board of Directors to invest cash reserves not required for immediate operating or capital expenditures in U.S. Treasury obligations and/or federally insured financial institutions where said investment, together with all other deposits of the Association in said institution, do not exceed 10% of the equity capital assets of said institution or in Tri-State G&T's investment program in an amount not to exceed $1,000,000 at any one time. This Policy shall not apply to deposits for operating or short-term capital expenditures. The General Manager is directed to exercise care in scrutinizing the financial stability of any said depository and to endeavor to utilize multiple accounts to maximize federal insurance wherever feasible. Working Capital Funds: Investments may be made in any of the following securities having a maturity of less than one (1) year:
    a. Direct obligations of the U.S. Government (Treasury Securities)
    b. Any agency or instrumentality of the U.S. Government (agencies)
    c. Deposit accounts, Federal Funds, and banker's acceptances with domestic commercial banks having short-term certificates of deposit rated A-1, P-1 or better.
    d. Commercial paper with a rating of A-1, P-1 or better.
    e. Investments in money market funds rated "AAAm" or "AAAm-G" or better.
    f. Certificates of deposit as permitted by the Association.
    g. Obligations offered by cooperative lending sources (CFC, CoBank, etc.)

O. Financial Forecasting

1. Management shall create financial forecasts including: an Annual Budget and a 10-year financial forecast, further described below. The forecasts shall use the planning documents and incorporate the financial goals as identified in this Policy.

P. Annual Budget

1. Based on the planning documents and the financial goals identified in this Policy, management shall prepare or cause to be prepared an annual financial budget. The budget shall be prepared for the ensuing calendar year and shall be presented to the Board for their approval no later than December each year. The budget shall include, at a minimum, the following sections:
    a. Assumptions used to prepare the budget.
    b. Description of the primary changes and projects contemplated for the coming year.
    c. Statement of operations.
    d. Balance sheet.
    e. Statement of changes in cash flow, detailing cash from operations, investing and financing.
    f. Capital Expenditures.

Q. 10-Year Financial Forecast

1. Based on the planning documents and the financial goals identified in this Policy, management shall prepare, or cause to be prepared, a 10-year financial forecast. The first forecast year will contain the financial data from the annual budget above. A summary of the financial forecast shall be reported to the Board no later than December at its regular or special Board meeting each year. The financial forecast shall include and comply with all the financial goals and parameters identified by the Board in this Policy plus include significant assumptions utilized in its preparation. In order to comply with typical lender requirements, the 10-year financial forecast shall, at a minimum, contain the following sections:
    a. Ratios
    b. Balance sheet
    c. Statement of operations
    d. General funds
    e. Load projections
    f. Determination of operating revenue
    g. Plant investment
    h. Determination of debt and debt service
    i. Cash flow

R. Conflicts with Financial Goals

1. If the financial goals in this Policy conflict with each other to such a degree that the financial forecast cannot reasonably achieve all of them at the same time, management shall communicate the conflict(s) to the Board. The Board shall, with management's guidance, discuss and resolve these conflicts.

ATTEST: DATE:

Board President

Original Issue: August 1, 2015
Last Revised: April 21, 2023
Last Reviewed: April 17, 2026

Board Policy 2-2

Director Compensation and Indemnification

Objective

A. To ensure that any Director, officer, former Director, or former officer of the Association, is indemnified against expenses incurred which result from actions taken against them while acting in good faith on behalf of the Association.

B. To establish the Association's responsibility for payment of per diem and expenses in a fair and equitable manner for Board Directors while conducting Association business.

Policy

A. Per Diem
   1. General Guidelines
      a. Directors shall be responsible for continually monitoring their individual expenses and are responsible for ensuring that the benefits of the membership are kept in mind as the business of the Association is undertaken.
      b. Directors shall be personally responsible for all expenses incurred by their spouses and/or guests.
      c. Directors shall complete and submit the appropriate expense form(s) designated by the Association at least five (5) business days prior to the monthly Board meeting.
         i. Approval of Director expenses shall be conducted at the monthly Board meeting after review of the Board.
         ii. Reimbursement will be made within five (5) business days after Board approval.
         iii. Reimbursement for expenses, as outlined, shall be paid only based on submitted, itemized expense accounts, supported by receipts.
      d. A Director may defer Director per diem in accordance with IRS Rules and Regulations; however, at the conclusion of the Director's tenure on the Board, the money will be due and payable.
      e. All registrations shall be conducted through the General Manager or designee.
      f. The Board President shall approve any per diem or travel that has not been placed in the budget.
   2. Monthly Director Per Diem
      a. A monthly Director per diem shall be paid to a Director for fulfilling their monthly obligations such as, but not limited to, regularly scheduled monthly Board meetings, review of Board packet materials, member interaction, phone calls, literature review, and email review.
      b. The monthly Director per diem is $350.00.
      c. In the event a Director is absent from the regularly scheduled Board meeting, the $350.00 Director fee may be paid at the discretion of the Board.
      d. A monthly insurance allowance of $200.00 will be paid to each Director.

3. Meeting and Conference Per Diem
    a. Meetings and conferences shall be reimbursed at the following rates:
        i. Less than two (2) hours - $125.00
        ii. Between two (2) and four (4) hours - $200.00
        iii. Over four (4) hours - $350.00
    b. For each day the Director is required to be absent overnight, other than the actual meeting day(s), they shall receive a $350.00 Director per diem for each day so necessarily absent, as approved by the Board.
    c. No more than one (1) day's Director per diem of $350.00, each way, shall be allowed for travel to attend a meeting.
    d. An individual Director may represent the Association at various functions or community meetings with Board approval. Reimbursement shall occur with approval by the Board.
4. Reimbursable Expenses
    a. Transportation
        i. Air Travel
            1. The transportation allowance shall be economy airfare.
            2. The Association shall reimburse baggage fees for one (1) checked bag unless the baggage fees are included in the airfare.
            3. The Association may reimburse for travel insurance purchased in conjunction with airfare.
            4. Directors shall be responsible for booking their economy airfare.
        ii. Personal Vehicle
            1. Reimbursement shall be in accordance with the current IRS allowance per mile.
            2. If personal transportation is used, the reimbursement shall not exceed that of coach class air transportation available at the time.
            3. If one (1) or more Directors travel together in a personal vehicle, only the Director driving shall claim milage per diem.
        iii. Rental Vehicle
            1. If renting a car, all damage and accident waivers will be declined as they are covered under existing plans.
            2. The Association shall reimburse Directors for costs associated with the rental of the vehicle.
            3. Directors shall be responsible for booking vehicle rentals.
        iv. Lodging
            1. Lodging deposits may be paid by the Association when registering Directors for a conference. Directors shall be responsible for the remaining lodging expenses.
    b. Meals and Incidental Expenses
        i. The Association shall reimburse Directors for meals and incidental expenses, while Directors are attending meetings and conferences, at the following rates:
            1. First and last day of travel $50.00
            2. Full days of travel $70.00

5. Non-Reimbursable Expenses
    a. The following shall not be reimbursed to Directors:
        i. The Director per diem and actual expenses paid from any other source.
        ii. First Class Airfare.
        iii. Entertainment unless included as part of registration.
        iv. Any expense for the Director's spouse and/or guest(s) accompanying the Director during travel.

B. To assist the Board in tracking hours spent on behalf of the Association, a form will be provided to comply with IRS Form 990, "Return of Organization Exempt from Income Tax."

C. Indemnification
    1. The Association shall indemnify any Director, officer, former Director or former officer of the Association, against expenses actually and necessarily incurred by them in connection with the defense of any action, suit or proceeding in which said person is made a party by reason of being or having been such a Director, officer or employee, except in relation to matters as to which said person shall be adjudged in such action, suit or proceeding to be liable for misconduct in the performance of duties.
    2. Indemnification shall be made against judgements, penalties, fines, settlements and compromises, cost, and expenses, including attorney's fees, reasonably incurred by or on behalf of the person in connection with the defense of such proceeding.
    3. Each Director or officer shall in the performance of their duties be fully protected in relying in good faith upon the books of account or reports made to the Association by any of its other employees or by an independent accountant, or by an appraiser selected with reasonable care by the Association.

ATTEST: DATE:

Board President

Original Issue: November 17, 1958
Last Revised: July 16, 2021
Last Reviewed: May 22, 2026

Board Policy 2-3

Authorization to Process Accounts Payable

Objective

A. To give authorization to the General Manager to handle accounts payable without prior approval of the Board of Directors.

B. To establish that all goods and services purchased by authorized staff on the Association's behalf will be paid for upon receipt of properly coded and approved invoices, check requests, or travel expense reports.

Policy

A. The General Manager is hereby authorized and directed to pay all bills and items when due and payable, and that the countersigners designated and empowered to sign such checks are authorized to countersign the same, provided the debt was incurred in accordance with the Association's Policy.

B. All invoices or billings received from outside vendors or professionals should be approved by the appropriate individuals having financial authority for the charge.

C. All check requests must be supported by the original vendor invoice. If the original cannot be located, a duplicate invoice should be requested from the vendor. No payments will be made from the vendor statements.

D. Ten (10) business days should be allowed for the processing of a check. Invoices which have discounts or that are late and require special attention should be hand delivered to Accounts Payable or emailed to ap-invoices@siea.com and all efforts will be made to pay these as soon as reasonably possible.

E. Unless otherwise approved by the General Manager or designee, all checks issued will be mailed directly to the payee. All enclosures must be included with the Check Request form and noted in the remittance instructions.

ATTEST: DATE:

Board President

Original Issue: November 17, 1958
Last Revised: May 22, 2026
Last Reviewed: May 22, 2026

Board Policy 2-4

Authorized Check Signatures

Objective

A. To establish adequate internal controls with respect to the disbursement of Association funds by means of the signing of checks and electronic transfer of funds.

B. To set forth proper methods for authentication of fund disbursement in the conduct of Association business transactions.

Policy

A. Individuals holding the following positions shall be authorized for the signing of Association checks on the various funds held by the Association:
   1. President
   2. Vice President
   3. Treasurer
   4. General Manager
   5. Chief Business Officer

B. The Boad of Directors may authorize the use of one (1) or more facsimile signatures on one (1) or more accounts. No checks shall be made payable to cash or bearer, and blank checks are not authorized to be signed or countersigned by manual or facsimile signature.

C. The General Manager is authorized to designate the appropriate Association staff positions authorized to utilize facsimile signatures and initiate electronic transfers of funds from an Association account.

D. The General Manager shall implement procedures for electronic transfer of funds, as well as procedures for the signing of checks and use of facsimile signature(s). Such procedures shall be consistent with internal control safeguards and other prudent business practices.

ATTEST: DATE:

Board President

Original Issue: May 23, 1979
Last Revised: April 21, 2023
Last Reviewed: May 22, 2026

Board Policy 2-5

Petty Cash Fund

Objective

A. To establish a petty cash fund for payment of miscellaneous bills, emergency situations and small dollar disbursements.

Policy

A. There shall be established, a petty cash fund to be under the control of the Chief Business Officer and shall be used for the payment of small miscellaneous bills which might arise from time to time and are of such nature that the person performing the service or selling the small miscellaneous needed items, would not wish to wait for the payment thereof and it would be to the interest of the Association that these bills be paid on delivery.
    1. All payments are subject to Travel and Business Expense Guidelines.
    2. Payments will be made for amounts under $100.00 upon submission of a petty cash voucher. Payments over $100.00 will be made with approval of the direct supervisor and submission of a petty cash voucher.
    3. The voucher must be approved by someone with financial delegation and may not be the recipient.
    4. Individuals who routinely incur a large volume of petty cash expenditures will be required to file monthly expense reports.

ATTEST: DATE:

Board President

Original Issue: November 17, 1958
Last Revised: April 21, 2023
Last Reviewed: June 26, 2026

Board Policy 2-6

Annual Audit

Objective

A. To set forth the Policy of the Association with respect to the audit of its accounts and records; to outline procedures for selection of independent certified public accountants to perform such audits and to establish the Association's auditing and reporting requirements.

Policy

A. It shall be the Policy of the Board of Directors to cause a full and complete audit of the Association's accounts and records to be made annually by independent certified public accountants (CPA's), selected by the Board, and completely independent of management.
    1. Selection and Approval of CPA
        a. The CPA selected to perform the audit will be independent. No CPA will be recognized as independent who is not in fact entirely independent. For example, an accountant will not be considered independent who has, or had during the period covered by the audit report, any financial interest, director or indirect, in the Association, or was, during such period, connected with the Association as a promoter, underwriter, trustee, Director, officer or employee.
        b. Consideration will be given to the qualifications of the accountants or accounting firms available to do the work, with particular regard to experience in performing audits of utilities and the ability to complete the audit and submit the reports within three months of the "As of" date of the audit.
    2. Auditing and Reporting Requirements
        a. A written Audit Agreement will be obtained prior to the commencement of each audit which will include all provisions covering the engagement.
        b. The annual audit will be performed, audit reports and supplemental letter prepared in accordance with mortgage requirements, generally accepted auditing standards consistently applied and the Audit Agreement.
        c. As soon as possible after completion of the audit, but not later than the date stated in the Audit Agreement, the auditor shall deliver the completed audit report and supplemental letter with copies of all audit adjusting and reclassification entries included therein to the Association no later than two (2) business days prior to the auditor’s review of the final audit with the Board. The Association shall deliver an electronic copy of the audit report to RUS and other lenders as required by individual mortgage agreements. The auditor will schedule a review of the final audit with the Board at the first regularly scheduled meeting following the completion of the audit.

3. Compensation
    a. The auditor will be compensated for their services upon the presentation of an invoice prepared in accordance with the fee schedule shown in the Audit Agreement.

ATTEST: DATE:

Board President

Original Issue: May 15, 1959
Last Revised: June 26, 2026
Last Reviewed: June 26, 2026

Board Policy 2-7

Estate Capital Credits

Objective

A. To establish guidelines for the administration of patronage capital credits of deceased natural person Members.

Policy

A. It is the intent of the Board of Directors to consider early retirements of patronage capital belonging to estates of deceased natural persons. Since such retirements will occur prior to when patronage capital would generally be retired, early retirements will be on a discounted basis at estimated net present value.

B. Capital credits of deceased members may be assigned to their heirs after receipt of the deceased member's death certificate, appropriate Association form(s), and Letters Testamentary or Letters Administration, if applicable. A written request for early retirement and payment of such capital credits may be made at such time.

C. Since such retirements of capital credits occur prior to when capital credits would generally be retired, early retirements to the estate or heirs of the deceased member will be on a discounted, net present value basis. The Association's discount rate shall be six percent (6%). The Association's target retirement period shall be established at twenty-five (25) years for Distribution capital credits and forty (40) years for Generation & Transmission capital credits. The cash payment portion of the retirement is the sum of the net present value for each year of unretired capital credits.

D. In the event payment is made to other than the executor or administrator of the estate of the deceased, or pursuant to the order of a court of competent jurisdiction, the Association may require, prior to payment, such bond, warranties, assurances, guaranties, and/or hold harmless agreements as it deems appropriate.

E. The discount, which is the difference between the face amount of the unretired capital credits balance and the cash amount approved for early retirement, shall be irrevocably assigned, and contributed to the net assets of the Association.

F. All such retirements shall be retired and paid in order of presentment to the Association. However, no special retirement and subsequent payment will be made for a deceased member earlier than when capital credits have been allocated for each calendar year, including the year of death, to which the deceased member is entitled.

G. The Association shall offset the cash payment portion of the early retirement of capital credits against any amounts owing from patrons in accordance with the Association's Bylaws.

H. Early retirements of capital credits shall not be made for:

1. Deceased persons who are survived by a widow or widower that continues to be a patron of the Association as survivor of a joint membership.
2. Business and other legal entities, including but not limited to, entities undergoing a reorganization or cessation of existence by dissolution, liquidation, merger, or consolidation.
3. Members undergoing bankruptcy proceedings.
4. Members reaching a certain age.
5. Members failing to pay an amount owed to the Association.

ATTEST: DATE:

Board President

Original Issue: August 25, 1971
Last Revised: June 17, 2022
Last Reviewed: June 26, 2026

Board Policy 2-8

Financing for Energy Efficiency and Beneficial Electrification

Objective

A. To support and encourage energy efficiency and beneficial electrification by offering financing for products and services sold to members by the Association.

B. To provide Policy and procedure guidelines to staff and personnel in the processing of loans.

Policy

A. The Association will establish a program that offers financing for the purchase and installation of eligible energy efficient, demand side management, and beneficial electrification products and projects to its members.

B. It is the intent of the Association to grant loans to members regardless of race, color, religion, national origin, sex, marital status, or age (provided the applicant is old enough and otherwise has the legal authority to enter into a binding contract). The loan Policy is to ensure that no preferential treatment shall be given. All loan applications will be based on credit worthiness and the likelihood of repayment.

C. This Policy is a working guideline for staff and is not all-inclusive. This Policy will not fit every situation and there may be valid reasons to deviate from Policy.

D. In all cases, the Association will comply with Federal, State, and all other applicable laws and regulations.

E. LOAN TYPES: The Association will establish the processes for taking loan applications and approving loans which shall include the following loan types:

1. Residential Projects: Conventional loan
    a. Staff reviews credit and payment history.
    b. Chief Business Officer reviews applicable credit information.
    c. General Manager or Chief Business Officer approval.

2. Commercial and Industrial Projects with acceptable credit reviews under $100,000: Conventional Loan, Operating Lease, or Capital Lease.
    a. Staff reviews credit and payment history.
    b. Chief Business Officer reviews at least two-years of financial statements and applicable credit review.
    c. On new construction projects, budgeted financial projections will be reviewed.
    d. General Manager or Chief Business Officer approval.

3. Commercial and Industrial Projects in the amount of $100,000 or greater with acceptable credit reviews or where unique conditions exist: Conventional Loan, Operating Lease, or Capital Lease
    a. Staff reviews credit and payment history.
    b. Chief Business Officer reviews at least two-years of financial statements and applicable credit review.
    c. On new construction projects, budgeted financial projections will be reviewed.
    d. General Manager or Chief Business Officer approval.
    e. Board of Directors for final approval.

F. INTEREST RATES: The General Manager of designee shall be responsible for setting the interest rates. The interest rate and other fees applicable to any loan shall be based on the internal rate sheet.

G. LOAN TERMS: The Association will establish loan repayment terms based on the following parameters:

1. Projects under $3,500.00 not more than two (2) years.
2. Projects under $7,000 not more than five (5) years.
3. Projects under $10,000 not more than seven (7) years.
4. The minimum monthly payment shall be $50.00 per month.

H. DOWN PAYMENT AND LOAN LIMITS: Down payment may be collected depending upon credit rating and/or payment history. Where required, the minimum down payment shall be no less than:

1. Residential projects: Five percent (5%)
2. Commercial and Industrial projects: Ten percent (10%)

I. BILLING, PAYMENT, AND COLLECTIONS: The Association will establish the process for billing, payment, and collections consistent with its Bylaws, Policies, Tariffs, and Procedures.

J. ELIGIBLE ITEMS: Examples of items eligible for financing include, but are not limited to, air sealing, water heaters and other heating and cooling systems which reduce energy consumption or peak demand, insulation, storm or thermal windows, storm or thermal doors, LED lighting, electric vehicle chargers, battery energy storage systems, generators, generator plugs, whole house fans, high velocity low speed fans, combined heat and power systems, other beneficial electrification equipment, and costs to install the various eligible items.

1. Where a member performs or contracts for installation themselves and does not utilize installation services provided by the Association, financing will be limited to the total cost of all products provided by the Association.

K. INELIGIBLE ITEMS: Items not eligible for financing may include, but not limited to, new home construction and renovation projects that do not contain energy efficiency or beneficial electrification measures. The Association shall review projects on a case-by-case basis to determine eligibility.

L. CREDIT REPORT: The Association will require a credit report on each applicant to help determine a member consumer's credit worthiness. Strict attention is paid to all credit report data to ensure that all the available information is utilized in the credit decision process. The FICO score will be used to help in determining credit worthiness; however, at no time will the FICO score be used as the sole determining factor of credit worthiness.

In general, a FICO score above 740 would be considered to indicate a very good repayment history on historical debt, with better than average loan repayment probability. FICO scores from 650 to 739 would indicate an average to fair repayment history on historical debt with an average loan repayment probability. FICO scores below 649 will be considered on a case-by-case basis.

In the event of limited or no credit history, the Association will consider secondary sources of credit experience (i.e.: rent, utility payments, or insurance premium payments). Also, in the event credit is not reported to a credit reporting agency, a twelve (12)-month history will need to be verified.

M. FINANCIAL STATEMENTS/TAX RETURNS: Self-employed applicants must submit the previous two (2) years of tax returns or prepared financial statements combined with the most current financial statement.

N. BANKRUPTCY: Generally, the Association does not extend credit to anyone who has declared bankruptcy; however, mitigating circumstances will be considered, such as a bankruptcy discharged more than two (2) years or when the borrower has re-established credit. When a bankruptcy is noted on a credit report, the Association will investigate the situation and request the borrower(s) provide a written explanation.

O. HAZARD INSURANCE: The Association will require hazard insurance on all loans within ten (10) days prior to disbursement of loan proceeds. If a borrower fails to keep the insurance in force throughout the loan period, the Association may force place insurance to protect the Association's interest in the collateral.

P. CO-SIGNERS/GUARANTORS: For residential loans, the Association may, at times, require a co-signer; however, the Association cannot dictate who the co-signer must be. Co-signers or guarantors, are required to meet all credit requirements as well. Any entity, such as an LLC or partnership, that applies for a loan will be required to have all principal owners of the entity sign individual as guarantors for the loan. Principal owners will be determined through Corporate Resolutions and Corporate Tax Returns.

Q. SECURITY: All loans shall be required to be secured with collateral. The following are types of collateral that the Association will utilize:

1. Real Estate Mortgage/Deed of Trust, along with Title Insurance
2. Personal Property
3. Equipment, Inventory, Machinery, Accounts Receivable, Rents, Pledges
4. Irrevocable Letters of Credit
5. Any other type of collateral that may be utilized as collateral.

ATTEST: DATE:

Board President

Original Issue: July 10, 2020
Last Revised: April 17, 2026
Last Reviewed: April 17, 2026

Board Policy 3-1

System Facilities Planning

Objective

A. To establish planning guides in system facility requirements.

B. To establish an integrated plan for facilities development capable of serving system conditions within limits of good utility standards and interpret into financial requirements necessary to carry out the plan.

Policy

A. A four (4) year work plan, complete with estimated capital expenditures will be prepared and reviewed with the Board of Directors at the end of each fourth fiscal year, or more often, if necessary. In addition, a twenty (20) year long-range system plan shall be prepared, updated and reviewed with the Board at the same time as the Work Plan or as necessary. The work plan shall include, but not be limited to:
    1. System Study
    2. 2. Load Forecasts
    3. 3. Construction Requirements
    4. 4. System Improvements
    5. 5. Estimated Capital Expenditures

ATTEST: DATE:

Board President

Original Issue: December 15, 1958
Last Revised: June 8, 2018
Last Reviewed: July 17, 2026

Board Policy 3-2

Purchase Right-of-Way for Distribution

Objective

A. To establish Policy to clarify purchase of right of way for line extensions.

Policy

A. Since its inception, the Association has not purchased rights of way for distribution line extensions.

B. The Association should not purchase rights of way for distribution line extensions except in the event of a court order or with the approval of the General Manager.

ATTEST: DATE:

Board President

Original Issue: June 27, 1990
Last Revised: June 8, 2018
Last Reviewed: July 17, 2026

Board Policy 3-3

Purchasing Procedure

Objective

A. To initiate purchase of goods and services by the Association.

B. To assure proper control of purchasing activity.

C. To ensure the Association's compliance with all applicable State, Federal, and RUS requirements.

D. Ensure that the maximum value is obtained for dollars spent.

E. Ensure that suppliers have financial and organizational capabilities to provide the products or perform the services required by the Association.

F. Implement new commodities in the requisition and purchase order system, providing training and instruction to system users as appropriate.

Policy

A. Budgeted Items
   1. As needs and goals may have changed from the time the budget was prepared and approved, it remains necessary for employees to follow the procedures and complete the paperwork to obtain items.
   2. Credit cards are available to employees. The Chief Business Officer or designee maintains the credit card limits and assigns cards for use. Common uses include:
      a. Internet orders.
      b. Items costing less than $1,000.00, or approved by the General Manager or designee.
      c. Emergencies.
      d. One-time purchase from vendors whom the Association does not have an established account.
      e. Approved travel arrangements and expenses.
   3. When requesting a purchase order for budgeting items, the appropriate GL code, Department code, and Activity code for the purchase must be provided to the Purchasing Manager.

B. Office Supplies
   1. Day-to-day office supplies are available on a "self-serve" basis. Any items not found in supply or when a large quantity of an item is needed, contact the Purchasing Manager to request items.
   2. Employees at field offices may purchase items totaling up to $250.00 if authorized by their direct supervisor or Purchasing Manager. Other employees with emergency needs may make purchases up to $250.00 by paying with the assigned Association credit card or with cash and submitting receipts. Small amounts can be reimbursed by petty cash.

C. Purchases over $1,000.00 and Capital Purchases
    1. A purchase order is required for all goods and services in this range, for accounting and the Association to be aware of financial obligations, as well as being able to track, reference, and communicate the terms and conditions to the vendor.
    2. An employee can initiate the purchase order process by completing a requisition in iVUE or by contacting the Purchasing Manager. Provide the Purchasing Manager with the Work Order number or Asset Location the item(s) will be charged to in addition to all detailed information about the purchase. Purchasing generates the purchase order after receiving the proper approvals. A copy of the purchase order will be emailed to the employee for their records and to the vendor.
    3. For items that are not part of the approved budget or construction work plan, a minimum of staff level approval, other than the requester, is required in all cases for purchases of $1,000.00 to $5,000.00. A Chief level approval is required in all cases for purchases greater than $5,000.00.
    4. On any purchase any purchase exceeding $20,000.00 (except to maintain normal minimum inventory stock) a bid procedure shall be followed for:
        a. Purchases contained in the work plan; the responsible staff member will obtain multiple quotes where feasible and consult with the Purchasing Manager regarding the proper bid procedure.
        b. Purchases outside the work plan; the Purchasing Manager will follow the bid procedure. The Purchasing Manager shall conduct this bid opening and report the results in a regularly convened Board of Directors meeting. The Board of Directors may then take Board action in approving the purchase and executing the appropriate contracts, if required.

D. Receiving
    1. An employee who receives items directly, notifies the Purchasing Manager and forwards the packing slip and/or receipts to the Purchasing Manager, marked with the date received. The Purchasing Department receives the item(s) in iVUE, scans the documentation into electronic storage, and provides the information electronically to accounts payable for payment.

E. Responsibility
    1. All employees of the Association are responsible for compliance with this Policy and the procedures that support it. The Chief Business Officer is responsible for day-to-day administration of this Policy. The General Manager is responsible for the overall administration of this Policy.

ATTEST: DATE:

Board President

Original Issue: March 22, 1978
Last Revised: July 24, 2024
Last Reviewed: July 17, 2026

Board Policy 4-1

Requests for Association Information

Objective

A. To establish the procedures to be followed in responding to requests for Association information.

B. To establish the cost of reproduction to be charged.

C. To provide a procedure for rejecting improper requests.

D. To provide a procedure for appealing rejected requests.

Policy

A. Requests or current Articles of Incorporation, Bylaws, Board of Director Policies, standard Board packet information, annual reports, and newsletters of the Association shall be provided to the requesting Member, paper copy or electronic copy, at no charge and such requests shall not be required to be accompanied by a completed Request for Information Form.

B. Each candidate for a position on the Board of Directors is entitled to receive a membership list in an electronic format upon receipt and verification of a valid petition and upon completion of a Request for Information Form.
   1. The membership list must include the names and addresses of all members, including joint members, as they appear in the Association's records.
   2. Candidates shall use such lists only for the purposes of the election and shall return or destroy the lists immediately after the election.

C. The following information shall be provided to a Member upon completion of a Request for Information Form and payment of actual incremental cost of producing the information as provided in paragraph J below:
   1. Collective Bargaining Agreements to which the Association is a party.
   2. Published information which shall include documents provided to any regulatory authority including, but not limited to, the Public Utility Commission, Federal Energy Regulatory Commission (FERC) and Securities and Exchange Commission (SEC) filings.

D. The General Manager or designee will determine whether the requested document or publication falls within Policy.

E. All requests for documents or information which do not fall under paragraphs A or B shall be accompanied by a Request for Information Form which has been completed and signed by the requestor. The completed form shall be submitted to the General Manager or designee who shall determine if the request is being made for a proper purpose. For the purposes of this Policy, a proper purpose is one that is necessary for the Member to protect or carry out their Membership interest in the Association.

F. Requests from non-Members or deemed to be for an improper purpose shall be denied. Any denial of a request for information shall be accompanied by an appropriate explanation. Any request that has been denied may be appealed to the Board of Directors and they shall make the final decision whether the request is for a proper purpose.

G. Some information, because of its sensitive nature, will not be made available. Requests for information that the General Manager or designee determines to be in this category shall be referred to the Board of Directors for a decision. The types of information contemplated by this Section are:
    1. Matters the knowledge of which would clearly have an adverse effect on the Association's finances.
    2. Personnel matters including, but not limited to, the hourly wages or salaries and fringe benefits of specific employees, and any current or former employee's personnel file or records (including the General Manager's), and any other person's file or record, unless such request is made by:
        a. A federal, state, or local administrative agency pursuant to a properly noticed and adopted statute, ordinance, rule or regulation.
        b. Court order.
        c. Disclosure is permitted by the employee in writing.
    3. Subjects that tend to prejudice the reputation and character of a person.
    4. Matters discussed with an attorney for the Association, the knowledge of which could have an adverse effect on the Association's legal position.
    5. Matters protected by the attorney-client privilege and/or subject to the attorney work product doctrine.
    6. Matters subject to the privacy laws of state and federal governments.
    7. Matters considered confidential under copyright or patent laws.
    8. Matters discussed in executive session of the Board of Directors and/or Committees and materials not otherwise disclosed which are distributed in executive session of the Board of Directors and/or Committees.
    9. Trade secrets.
    10. Items that are by agreement confidential.
    11. Proprietary information, the release of which would adversely affect the finances of the Association.
    12. Matters subject to the self-evaluative privilege.

H. Except as provided in paragraph H below, information contained within a Member's file is confidential and will not be provided to anyone except that individual Member or their spouse upon receipt of proper identification. Presentation of a Release of Information Form signed by an authorized agent is also acceptable. Information will not be released to law enforcement personnel or other individuals or agencies without a subpoena or search warrant, or other appropriate court order. However, the Association may disclose to law enforcement personnel without a subpoena or search warrant information from Member's files relating to crimes committed against the Association by that Member.

I. The Association has the right and the duty to safeguard the disclosure of the Association's membership list against such list's use for improper purposes. If the General Manager or designee has reason to believe that the use of the membership list may be for improper purposes, the General Manager may deny the request. Said denial may be appealed to the Board of Directors. The Association may also seek judicial protection of court-imposed conditions on the use of the membership list, if necessary.

J. The charge for copies shall be $2.00 for the first page, twenty-five (25) cents per each additional page, and $40.00 per hour for labor for researching and making copies of the documents if the time spent exceeds one-half (1/2) hour. If the copies are provided in an electronic version, the charge for copies shall be $25.00 and $40.00 per hour for labor for researching and creating electronic copies of the documents if the time spent exceeds one-half (1/2) hour. An estimate of reproduction costs may be requested prior to copying. Members may review the documents requested prior to copying to determine what pages they want copied but must still pay the cost of researching those documents.

K. The Association recognizes that the cost of reproducing voluminous studies and reports may place a financial burden on the resources of many individuals. Therefore, the Association shall, whenever possible, make available at least one (1) copy of major studies and reports not covered under paragraph F 1 - 12 to interested parties for inspection. These copies shall be available for inspection at the Association's headquarters. Members can review and designate what portion or pages of those reports, if any, they wish copied.

L. All proper and completed requests will be handled as expeditiously as possible, given the operating needs of the Association.

M. It shall be the ultimate responsibility of the Board of Directors to ensure the Association complies with proper requests for information.

N. It shall be the responsibility of the General Manager to implement this Policy by promptly providing documents when properly requested and by promptly denying improper requests with an appropriate explanation.

ATTEST: DATE:

Board President

Original Issue: April 25, 1990
Last Revised: August 24, 2026
Last Reviewed: August 24, 2026

San Isabel Electric Association, Inc.
Request for Information

To allow it to efficiently comply with Requests for Information, San Isabel Electric Association, Inc. requires that you complete and sign this form when requesting such information. You will be asked to pay actual reproduction costs of $2.00 for the first page, $0.25 per each additional page, and $40.00 per hour for labor in researching and making copies if it exceeds one-half (1/2) hour. You will be asked to pay electronic version reproduction costs of $25.00 for electronic copies, and $40.00 per hour for labor for researching and creating electronic copies if the time spent exceeds one-half (1/2) hour.

For documents that do not fall under Paragraph A of Board Policy 4-1, you will need to state the purpose for requesting the information. Such requests which do not state a proper purpose will be denied. If your request is denied, you will be provided with an appropriate explanation of the reason for the denial and you can appeal the denial to the Board of Directors of San Isabel Electric Association, Inc.

Any use of information provided for purposes other than as stated on this Request for Information form or used in violation of any state, local or federal laws could cause San Isabel Electric Association, Inc. to seek legal action against the persons who requested and/or misused such information.

NAME: _____ DAYTIME PHONE: _____

ADDRESS: _____

INFORMATION REQUESTED

DOCUMENT	PURPOSE
1.	
2.	
3.	

Do you wish to be informed of estimated reproduction costs before the documents are reproduced? Yes___ No___ Are you a San Isabel Electric Member? Yes___ No___
Do you represent an organization? Yes___ No___
If yes, which organization? _____

I agree that I will only use the information requested for the purpose(s) slated above. I also agree that I will not sell the information, and that I will only duplicate it for the stated purpose. I further agree to indemnify and hold San Isabel Electric Association, Inc. harmless against any claims or damages that may result from use of this information for other than the stated purpose.

Signature _____ DATE: _____

For Use by San Isabel Electric Association, Inc.

Date	By	Action
		Request Received
		Member status verified. Member since _____
		Denied. No proper purpose state (Explain) _____
		Reproduction costs estimated and reported to requestor.
		Estimated cost $ _____
		Requestor declined to pay costs.
		Requestor informed copies ready. Actual cost $ _____
		Documents delivered. Payment Received.

State of Colorado
County of _____

This record was acknowledged before me
on _____, 20_____

by _____ (name of individual).

_____
Notary's official signature

(STAMP)

_____
Title of office

Board Policy 4-2

Member/Consumer Privacy

Objective

A. To establish the rules regarding protecting Member/consumer privacy.

Policy

A. Information Collected by the Association
   1. The Association receives and retains information about our Members/consumers through:
      a. Applications and other forms, whether written, verbal, or electronic
      b. Transactions by the Members with the Association or other related organizations
      c. Consumer-reporting agencies

B. Association Uses of Member/Consumer Information
   1. The Association limits the use and collection of nonpublic personal information to that which is necessary to maintain and administer financial services. Member/consumer information is not shared with third parties unless:
      a. The information is provided to help complete a transaction, such as credit reporting agencies or document processing companies.
      b. The Member/consumer has requested it.
      c. The disclosure is required by law, i.e., subpoena, investigation of fraudulent activity, etc.
      d. The disclosure is required by banking regulations, i.e., Fair Lending Reporting Act, Home Mortgage Disclosure Act, etc.
      e. When Member/consumer information is provided to any third party mentioned above, that third party shall agree to adhere to privacy principles that provide for keeping such information confidential.

C. Confidential Information
   1. The Association expects employees to keep confidential any information which may reflect things of a personal nature regarding Members/consumers or business associates.
   2. All information relating to activities of subsidiaries shall be considered as confidential information.

D. Privacy of Member/Consumer Information
   1. Personally identifiable information about Members/consumers shall be collected only by fair and lawful means and for appropriate purposes. This information shall be maintained in an accurate, complete, timely manner as necessary for the purpose for which the information is to be used and shall be maintained with reasonable and appropriate technical, administrative, and physical safeguards to Page 2 of 3 protect against foreseeable hazards such as loss, unauthorized access, destruction, misuse, modification, and improper disclosure.
   2. The Association shall not sell, rent, loan, exchange, or otherwise release Member information.

E. Notwithstanding paragraph A., no Member/consumer's business shall be discussed with a second party by employees of the Association unless the Member/consumer has provided a Release of Information form to the Association for a second party. If necessary due to extenuating circumstances, limited information may be released with verbal permission for the Member/consumer.

F. Any deviation from this Policy shall be made only with the written approval of the General Manager.

ATTEST: DATE:

Board President

Original Issue: October 28, 2002
Last Revised: August 24, 2026
Last Reviewed: August 24, 2026

Board Policy 4-3

Attachments to Association Poles

Objective

A. To establish an understanding with the general public concerning attachments to the Association's poles.

Policy

A. Safety is the major concern of the Association.

B. Signs, nails, bolts or any other such objects present a safety hazard to line persons climbing such poles.

C. Poles are private property of the Association.

D. No signs, nails, bolts or any other such objects shall be attached to the Association's poles without express consent of the General Manager or designee, and those presently attached shall be removed.

ATTEST: DATE:

Board President

Original Issue: October 27, 2004
Last Revised: July 22, 2016
Last Reviewed: August 24, 2026

Board Policy 4-4

Identity Theft Prevention (Red Flags Rule)

Objective

A. To establish the procedures to be followed in responding to requests for Association information.

B. To comply with the requirements of the Federal Trade Commission "Red Flags" Rule (16 C.F.R. § 681)

Policy

A. All employees with access to Member information will follow this program's guidelines to identify and respond appropriately to the occurrence of risk factors.

B. Definitions
   1. Red Flag – A pattern, practice or specific activity that indicates the possible existence of Identity Theft.
   2. Identity Theft – A fraud committed or attempted using the Identifying Information of another person or entity without authority.
   3. Identifying Information – Any name or number that may be used, alone or in conjunction with any other information to identify a specific person, including name, Social Security number, date of birth, any government issued driver's license or identification number, government and passport number, employer or tax identification number, or address.
   4. Government Issued Photo ID – Any form of identification that is accepted by the Transportation Security Administration.

C. Examples of Red Flags – The following are examples of potential Red Flags that may indicate identity theft in connection with member accounts:
   1. Suspicious Documents
      a. Identification documents that appear altered, forged, or inconsistent.
      b. A photo or physical description that does not match the person presenting the ID.
   2. Suspicious Personal Identifying Information
      a. Information provided is inconsistent with the information obtained from a credit report, prior applications, or other sources.
      b. A Social Security number or phone number that is fictitious or invalid.
   3. Suspicious Account Activity
      a. A sudden change of address followed by requests for refunds, capital credit checks, or deposit returns.
      b. Member reports that they did not authorize account changes or transactions.
   4. Alerts from External Sources
      a. Notice from law enforcement, a credit bureau, or another member that identity theft has occurred in relation to an account.
      b. Alerts or warnings received from the credit check process.

D. Preventing and Mitigating Identity Theft
    1. Any employee who becomes aware of a Red Flag or potential Identity Theft related to a Member will immediately inform a Supervisor for further review and inquiry The Supervisor will take, or direct, appropriate steps to verify the existence of a Red Flag and will report the incident and the steps taken to remove the Red Flag or mitigate the impact of Identity Theft to the Chief Administrative Officer.
    2. If the Association discovers an incident of Identity Theft, appropriate steps will be taken to mitigate the impact of the theft. These steps may include, but are not limited to:
        a. Monitoring an account for evidence.
        b. Contacting the Member and/or requiring the Member to appear at an Association office in person.
        c. Closing an existing account.
        d. Reopening the account with a new account number.
        e. Putting a stop payment or hold on capital credit or deposit refund checks.
        f. Notifying law enforcement.
        g. Determining that no response is warranted under the particular circumstances.
    3. The Chief Administrative Officer will maintain a log of reported incidents.

E. General Practices
    1. An applicant for service must agree to an Online Utility Exchange credit check and ID verification. If the applicant declines or does not have a Social Security Number, the applicant must pay a security deposit of no less than $300.00 unless otherwise stated in the Association Tariffs, supply two (2) forms of Government Issued Photo ID, and complete a membership application form.

F. It is the Policy of the Association to not provide a Member's Identifying Information to any person, either verbally or in writing, except in accordance with Board of Directors Policies 4-1 and 4-2.

G. The Association has a business relationship with third party vendors for providing software and support to manage the Association's Member information, taking Member information and payments, and maintaining a secure website. Under these business relationships, the third-party vendor has access to Member Identifying Information. Ongoing oversight of third-party vendors will be established to assure that Member Identity Information is secure and utilized properly.

H. The Association is not aware of any unauthorized access to Member Identifying Information as of the initial adoption of this Policy.

I. This Policy will be reviewed at least annually to determine if Red Flags have been detected or experienced, whether changes need to be made to aid in the detection of Identity Theft, and whether the Policy needs to be revised to address any future risks. This Policy will also be re-evaluated when new methods of Identity Theft are discovered.

J. To ensure that employees are familiar with the provisions of this Policy, including updates to the Policy, the Association will provide employee awareness training at least annually for employees with access to Members' personal information.

ATTEST: DATE:

Board President

Original Issue: September 24, 2008
Last Revised: September 28, 2026
Last Reviewed: September 28, 2026

Board Policy 4-5

Assistance to Other Power Suppliers and Public Utilities

Objective

A. To establish guidelines to be used in assisting other power suppliers and public utilities in emergencies.

Policy

A. To give assistance to other power suppliers and public utilities in the immediate area, which have reciprocal policies, in cases of an emergency when, in the opinion of the General Manager, the assistance so given will not jeopardize the continued operations of the Association; it being the Policy of this Association that assistance be given whenever possible, and in accordance with the Emergency Restoration Plan.

ATTEST: DATE:

Board President

Original Issue: December 15, 1958
Last Revised: August 2, 2019
Last Reviewed: September 28, 2026

Board Policy 4-6

Community Relations

Objective

A. To participate in projects designed to improve the economic welfare of the communities in which the Association operates.

B. To remain sensitive to the changing needs of the communities and be prepared to provide electric service consistent with the Association's objectives.

C. To fulfill the Association's obligations and responsibilities as a local enterprise to the community so that it shall benefit from the Association's existence.

Policy

A. To take an interest in the affairs of the communities in which the Association operates, to participate and cooperate in projects that will improve the economic welfare and make the community a better place to live and work through the use of electricity.

ATTEST: DATE:

Board President

Original Issue: December 15, 1958
Last Revised: October 2, 2020
Last Reviewed: September 28, 2026

Board Policy 4-7

Community Relations

Objective

A. To make the Association facilities available on a basis consistent with security and business requirements for personal use by a Board Director.

Policy

A. The facilities of the Association will be made available only for business related activities to the Association or with written approval from the General Manager or designee of the Association.

B. Use of Association facilities is intended only for personal use by the Board Director during off-duty times.

C. Facility Use
   1. Association facilities may only be used by a current or former Board Director with approval from the General Manager or designee of the Association.
   2. Facilities may only be used during non-business hours.
   3. Board Directors shall be present at the event or function for the entire time.
   4. Board Directors shall be responsible for cleaning the area used, taking out the trash, keeping any non-employees in the area requested for use, and locking up the facility after the event or function is complete.
   5. Facilities shall only be used for the approved time that is included on the "Personal Use of Facilities Agreement."
   6. Board Directors shall be responsible for any damage to the facility.
   7. Injuries to the Board Director or others while using Association facilities shall be the liability of the Board Director.

D. Board Directors must sign and record use of facilities on the "Personal Use of Facilities Agreement" each time the facility is used.

E. This Policy is intended for use by current or former Board of Directors and does not extend to the membership. Members may not utilize Association facilities under the provisions of this Policy.

ATTEST: DATE:

Board President

Original Issue: August 21, 2023
Last Revised: October 18, 2023
Last Reviewed: October 16, 2026

Personal Use of Association Facilities Agreement

I, the undersigned current or former Board Director of San Isabel Electric Association, Inc., agree that the below described facility will be checked out by me for personal use and benefit, and not by or for another person(s) or organization.

I agree that I am responsible for the facility and agree to pay for any damages to the facility upon receipt of the invoice for such damages due to San Isabel Electric Association, Inc.

I Agree that I am liable for any injury to other persons while utilizing Association facilities.

I agree to save, indemnify, and hold harmless San Isabel Electric Association, Inc., its officers, officials, employees, and Board Directors from any and all claims, injuries, damages, losses, or suits including attorney fees, arising out of or in connection with the performance of this agreement.

Approved Date(s) of Use

Start Date and Time_____ End Date and Time_____

Check Out

Signature: _____ Date: _____

Signature of GM or Designee: _____ Date: _____

Facility: Below to be completed by GM or Designee.

Facility: _____

Condition After Use: _____

Board Policy 4-8

Disposal of Association's Poles

Objective

A. To establish the rules and conditions under which the Association's poles will be disposed.

Policy

A. When the life of a wood pole is near its end either because it has become obsolete with new development or because it has fulfilled its life expectancy it will be disposed of by the Association. The Association may dispose of the wood pole in one of the following ways:
    1. Recycling
    2. Burned in commercial or industrial incinerators or boilers in accordance with state and federal regulations.
    3. Landfills
    4. Donated or sold to third parties for use consistent with the wood pole's intended use.

B. If the wood pole is donated or sold to third parties the following requirements must be met:
    1. The donee or buyer will be required to review and sign the Release that is attached to this policy.
    2. At the time of the execution of the release the donee or buyer will be provided a copy of the Material Safety Data Sheet that is attached to this policy.

ATTEST: DATE:

Board President

Original Issue: May 19, 2025
Last Revised: May 19, 2025
Last Reviewed: October 16, 2026

EXHIBIT I
EPA-APPROVED CONSUMER INFORMATION SHEET

I. INORGANIC ARSENICAL PRESSURE-TREATED WOOD

This wood may have been preserved by pressure treatment with an EPA-registered pesticide containing inorganic arsenic to protect it from insect attack and decay. Wood treated with inorganic arsenic should be used only where such protection is important.

Inorganic arsenic penetrates deeply into and remains in the pressure-treated wood for a long time. Exposure to inorganic arsenic may present certain hazards. Therefore, the following precautions should be taken both when handling the treated wood and in determining where to use or dispose of the treated wood.

Use Site Precautions for Inorganic Arsenical Pressure-Treated Wood

Wood pressure-treated with waterborne arsenical preservatives may be used inside residences as long as all sawdust and construction debris are cleaned up and disposed of after construction.

Do not use treated wood under circumstances where the preservative may become a component of food or animal feed. Examples of such sites would be structures or containers for storing silage or food.

Do not use treated wood for cutting-boards or counter-tops.

Only treated wood that is visibly clean and free of surface residue should be used for patios, decks and walkways.

Do not use treated wood for construction of those portions of beehives which may come into contact with the honey.

Treated wood should not be used where it may come into direct or indirect contact with public drinking water, except for uses involving incidental contact such as docks and bridges.

Handling Precautions for Inorganic Arsenical Pressure-Treated Wood

Dispose of treated wood by ordinary trash collection or burial. Treated wood should not be burned in open fires or in stoves, fireplaces, or residential boilers because toxic chemicals may be produced as part of the smoke and ashes. Treated wood from commercial or industrial use (e.g., construction sites) may be burned only in commercial or industrial incinerators or boilers in accordance with state and federal regulations.

Avoid frequent or prolonged inhalation of sawdust from treated wood. When sawing and machining treated wood, wear a dust mask. Whenever possible, these operations should be performed outdoors to avoid indoor accumulations of airborne sawdust from treated wood.

When power-sawing and machining, wear goggles to protect eyes from flying particles.

After working with the wood, and before eating, drinking, and use of tobacco products, wash exposed areas thoroughly.

If preservatives or sawdust accumulate on clothes, launder before reuse. Wash work clothes separately from other household clothing.

II. CREOSOTE PRESSURE-TREATED WOOD

This wood may have been preserved by pressure treatment with an EPA-registered pesticide containing creosote to protect it from insect attack and decay. Wood treated with creosote should be used only where such protection is important.

Creosote penetrates deeply into and remains in the pressure-treated wood for a long time. Exposure to creosote may present certain hazards. Therefore, the following precautions should be taken both when handling the treated wood and in determining where to use the treated wood.

Use Site Precautions for Creosote Pressure-Treated Wood

Wood treated with creosote should not be used where it will be in frequent or prolonged contact with bare skin (for example, chairs and other outdoor furniture) unless an effective sealer has been applied.

Creosote-treated wood should not be used in residential interiors. Creosote-treated wood in interiors of industrial buildings should be used only for industrial building components which are in good contact and are subject to decay or insect infestation and wood block flooring. For such uses, two coats of an appropriate sealer must be applied. Sealers may be applied at the installation site.

Wood treated with creosote should not be used in the interiors of farm buildings where there may be direct contact with domestic animals or livestock which may crib (bite) or lick the wood.

In interiors of farm buildings where domestic animals or livestock are unlikely to crib (bite) or lick the wood, creosote-treated wood may be used for building components which are in ground contact and are subject to decay or insect infestation if two coats of an effective sealer are applied. Sealers may be applied at the installation site.

Do not use creosote treated wood for farrowing or brooding facilities.

Do not use treated wood under circumstances where the preservative may become a component of food or animal feed. Examples of such use would be structures or containers for storing silage or food.

Do not use treated wood for cutting-boards or counter-tops.

Only treated wood that is visibly clean and free of surface residues should be used for patios, decks and walk-ways.

Do not use treated wood for construction of those portions of beehives which may come into contact with the honey.

Creosote-treated wood should not be used where it may come into direct or indirect contact with public drinking water, except for uses involving incidental contact such as docks and bridges.

Do not use creosote-treated wood where it may come into direct or indirect contact with drinking water for domestic animals or livestock, except for uses involving incidental contact such as docks and bridges.

HANDLING PRECAUTIONS FOR CREOSOTE PRESSURE-TREATED WOOD

Dispose of treated wood by ordinary trash collection or burial. Treated wood should not be burned in open fires or in stoves, fireplaces, or residential boilers, because toxic chemicals may be produced as part of the smoke and ashes. Treated wood for commercial or industrial use (e.g., construction sites) may be burned only in commercial or industrial incinerators or boilers in accordance with state and Federal regulations.

Avoid frequent or prolonged inhalation of sawdust from treated wood. When sawing and machining treated wood, wear a dust mask. Whenever possible, these operations should be performed outdoors to avoid indoor accumulations of airborne sawdust from treated wood.

Avoid frequent or prolonged skin contact with creosote-treated wood; when handling the treated wood, wear long-sleeved shirts and long pants and use gloves impervious to the chemicals (for example, gloves that are vinyJ.coated).

When power-sawing and machining, wear goggles to protect eyes from flying particles.

After working with the wood, and before eating, drinking, and use of tobacco products, wash exposed areas thoroughly.

If oily preservative or sawdust accumulate on clothes, launder before reuse. Wash work clothes separately from other household clothing.

Coal tar pitch and coal tar pitch emulsion are effective sealers for creosote-treated wood-block flooring. Urethane, epoxy, and shellac are acceptable sealers for all creosote-treated wood.

III. PENTACHLOROPHENOL PRESSURE TREATED WOOD

This wood may have been preserved by pressure-treatment with an EPA-registered pesticide containing pentachlorophenol to protect it from insect attack and decay. Wood treated with pentachlorophenol should be used only where such protection is important.

Pentachlorophenol penetrates deeply into and remains in the pressure-treated wood for a long time. Exposure to pentachlorophenol may present certain hazards. Therefore, the following precautions should be taken both when handling the treated wood and in determining where to use and dispose of the treated wood.

Use Site Precautions for Pentachlorophenol Pressure-Treated Wood

Logs treated with pentachlorophenol should not be used for log homes.

Wood treated with pentachlorophenol should not be used where it will be in frequent or prolonged contact with bare skin (for example, chairs and other outdoor furniture), unless an effective sealer has been applied.

Pentachlorophenol-treated wood should not be used in residential, industrial, or commercial interiors except for laminated beams or building components which are in ground contact and are subject to decay or insect infestation and where two coats of an appropriate sealer are applied. Sealers may be applied at the installation site.

Wood treated with pentachlorophenol should not be used in the interiors of farm buildings where there may be direct contact with domestic animals or livestock which may crib (bite) or lick the wood.

In interiors of farm building where domestic animals or livestock are unlikely to crib (bite) or lick the wood, pentachlorophenol-treated wood may be used for building components which are in ground contact and are subject to decay or insect infestation and where two coats of an appropriate sealer are applied. Sealers may be applied at the installation site.

Do not use pentachlorophenol-treated wood for farrowing or brooding facilities.

Do not use treated wood under circumstances where the preservative may become a component of food or animal feed. Examples of such sites would be structures or containers for storing silage or food.

Do not use treated wood for cutting-boards or counter-tops.

Only treated wood that is visibly clean and free of surface residue should be used for patios, decks and walkways.

Do not use treated wood for construction of those portions of beehives which niay come into contact with the honey.

Pentachlorophenol-treated wood should not be used where it may come into direct or indirect contact with public drinking water, except for uses involving incidental contact such as docks and bridges.

Do not use pentachlorophenol-treated wood where ii may come into direct or indirect contact with drinking water for domestic animals or livestock, except for uses involving incidental contact such as docks and bridges.

Handling Precautions for Pentachlorophenol Pressure-treated Wood

Dispose of treated wood by ordinary trash collection or burial. Treated wood should not be burned in open fires or in stoves, fireplaces, or residential boilers because toxic chemicals may be produced as part of the smoke and ashes. Treated wood from commercial or industrial use (e.g., construction sites) may be burned only in commercial or industrial incinerators or boilers rated at 20 million BTU/hour or greater heat input or its equivalent in accordance with state and Federal regulations.

Avoid frequent or prolonged inhalation of sawdust from treated wood. When sawing and machining treated wood, wear a dust mask. Whenever possible, these operations should be performed outdoors to avoid indoor accumulations of airborne sawdust from treated wood.

Avoid frequent or prolonged skin contact with penta-chlorophenol-treated wood; when handling the treated wood, wear long-sleeved shirts and long pants and use gloves impervious to the chemicals (for examples, gloves that are vinyl-coated).

When power-sawing and machining, wear goggles to protect eyes from flying particles.

After working with the wood, and before eating, drinking, and use of tobacco products, wash exposed areas thoroughly.

If oily preservatives or sawdust accumulate on clothes, launder before reuse. Wash work clothes separately from other household clothing.

Urethane, shellac, latex epoxy enamel and varnish are acceptable sealers for pentachlorophenol-treated wood.

RELEASE

I,_____, hereby acknowledge receipt of and accept full ownership of _____ used electric poles from San Isabel Electric Association, Inc. (the "Cooperative") upon the following terms and conditions:

1. The used poles delivered hereunder consist of the following quantity and size:

   _____ _____

   _____ _____

2. The handling fee for said poles is $_____ in hand paid, receipt of which is hereby acknowledged by the Cooperative.

3. All poles obtained hereunder are "as is," without any warranties or merchantability or fitness for any general or particular use or purposes. I assume responsibility, at any expense, to have these poles inspected by an independent expert engaged in such testing to determine the suitability or fitness of the poles for any desired use.

4. I acknowledge that the Cooperative has advised me that the poles have been treated with preservatives and other chemicals that are subject to control by the Environmental Protection Agency ("EPA"), and I have been advised that these poles may contain chemicals and materials that are potentially hazardous to me and any other person or thing coming in contact with these poles. I assume responsibility, at my expense, to have these poles tested to determine the existence of any such hazardous chemicals or materials. I acknowledge that the Cooperative has provided me with a copy of the EPA-approved Consumer Information Sheet relating to creosote, pentachlorophenol and arsenic, attached as Exhibit I to this release. I further acknowledge that I have read and understand the information set forth in Exhibit I.

5. I specifically agree to hold the Cooperative harmless from any and all liability from any cause whatsoever arising out of the use of these poles subsequent to the removal thereof from the Cooperative premises, and agree to indemnify the Cooperative from any liability in any way arising from and after their removal from the Cooperative's premises. I further agree that in the event any legal action is brought against the Cooperative arising out of the use of these pole (s) by me, any subsequent owner, or any person, claiming damages by virtue of Page 1 of 5 or in any manner arising out of the use of the pole (s), or damages therefrom, that I agree to hold the Cooperative harmless from any and all costs, charges, expenses, attorney's fees and judgements which may be imposed upon or incurred by the Cooperative in any manner arising out of such claim or such litigation.

Printed Name

Signature

Dated

ACKNOWLEGED:

San Isabel Electric Association, Inc.

By: _____

Date: _____

Board Policy 4-9

Cash Rewards for Information on Theft or Vandalism to Association Property

Objective

A. To establish a Policy for the payment of rewards for information leading to the arrest and conviction of persons responsible for theft or destruction of Association property.

Policy

A. Encourage persons with knowledge of an act of vandalism or theft of Association property to report all facts to the Association.

B. Keep the source of information confidential, except when required by law enforcement.

C. Set the maximum value of the rewards as follows:
   1. $200.00 – Damage or theft of residential equipment, meters, streetlights, and related equipment.
   2. $1,000 – Damage or theft to general equipment or plant.
   3. $2,500 – Damage or theft to distribution lines, transmission lines, substations and/or related equipment.

D. Pay all rewards, upon request, after the arrest and conviction of the responsible person(s) and base the value upon information supplied.

E. Law enforcement officers, Directors, and employees of the Association shall not be eligible for rewards.

ATTEST: DATE:

Board President

Original Issue: December 27, 1972
Last Revised: November 19, 2021
Last Reviewed: October 16, 2026

Board Policy 4-10

Donations and Contributions

Objective

A. To establish a coordinated and uniform procedure for processing of requests by individuals, groups, or organizations for donations or contributions from the Association from general funds.

B. To establish a coordinated and uniform procedure for processing of requests by individuals, groups, or organizations for educational or charitable purposes for donations or contributions from the Association from unclaimed capital credits.

Policy

A. Donation or contribution requests by national organizations without a local affiliation, political organizations, and individual requests will not be considered.

B. All requests for donations or contributions shall be presented in writing on an approved Association form, or by completion of an online request, with adequate supporting documentation of the request, to the General Manager or designee.

C. Donation and contribution priorities include increased human and animal welfare, youth causes, self-sufficiency-enhancing programs, community cultural and awareness events and environmentally friendly programs/projects.

D. All contributions or donations shall be made for a purpose that will benefit the Association, or towns, counties, and communities served by the Association.
   1. Fund requests which will be redistributed to subsequent organizations will not be considered.
   2. Scholarship programs will not be eligible for donations as the Association has a very detailed scholarship program and will preserve those funds for the Association's discretion.

E. All donation or contribution requests shall be brought before the Board for approval. The Board will be advised of specific donations or contributions that will be made from unclaimed capital credits.

F. A quarterly and twelve (12)-month report will be presented to the Board summarizing donations or contributions that will include the name of the recipient and amount of donation.

G. Donations/Community Sponsorship publicity: Upon receiving a $2,500.00 or more

donation/sponsorship approval from the Board, the Association will issue a check request, and when possible, set up time with the Board and receiving organization for publicity and check delivery. Articles should accompany photos and be submitted to area newspapers as soon as practical. Also, information suitable for radio broadcast shall be sent to area radio stations for release. When space is available, articles will be submitted to Colorado Country Life on an ongoing basis throughout the year. The Board may request publicity be submitted on any donation/sponsorship.

H. Marketing and promotional items which have already been approved during annual budget approval shall be excluded.

I. All entities approved for donations or contributions will be required to complete an Association approved Donation Report Form. Entities that have not submitted a Donation Report Form after being funded will not be considered for future donations until such time that the Donation Report Form is completed.

ATTEST: DATE:

Board President

Original Issue: July 27, 1994
Last Revised: November 17, 2025
Last Reviewed: November 17, 2025

Board Policy 4-11

Scholarship Program

Objective

A. To establish a Policy for defining the procedure, eligibility, and application requirements for awarding scholarships to students who reside in the Association's service territory or whose parent(s) or legal guardian(s) are Members of the Association who are dedicated, determined, and showcase active leadership and service.

Policy

A. Scholarships
   1. The Association will award $1,000 scholarships in the following categories:
      a. San Isabel Electric
      b. At-Large
      c. Vocational
      d. First to Attend
      e. Continuing Education
   2. Brendon Beach Memorial – full tuition to line school

B. Eligibility Requirements
   1. All scholarship applicants must:
      a. Be planning to attend an accredited college and/or university, vocational school, technical school, community college, or junior college.
      b. Be currently receiving electric service from the Association.
   2. San Isabel Electric, Vocational, First to Attend, Continuing Education, and Brendon Beach Memorial scholarship recipients' primary address must be in the Association's service territory.
   3. At-Large scholarship recipients' primary address shall not be in the Association's service territory but within the state of Colorado.
   4. San Isabel Electric, At-Large, and First to Attend scholarship recipients must enroll in higher education the same year they graduate from high school.
   5. Continuing Education scholarship recipients must be out of school for a minimum of two (2) years and have either completed high school or earned their GED equivalent certificate.
   6. Recipients of the Brendon Beach Memorial Scholarship must enroll in an Association approved Colorado line school the same year they graduate from high school.
C. Cumulative Grade Point Average must be as follows:

a. At least 3.0 for the San Isabel Electric and At-Large scholarships.
b. At least 2.0 for the Vocational and First to Attend, and Brendon Beach Memorial scholarships.

D. Application Process
   1. All scholarship applicants must:
      a. Complete the appropriate Association application form.
      b. Provide a copy of their most recent transcript or official general equivalency diploma (GED) test score.
      c. Provide a copy of their resume, not to exceed two (2) pages.
      d. Provide two (2) letters of recommendation.
      e. Provide a 750-word or less essay on the designated topic.
   2. Applications must be completed in full before the deadline to be considered for a scholarship.

E. Selection of Applicants
   1. Applications will be received by the General Manager or designee to verify eligibility requirements and application completion.
   2. Applicants' essay, resume, and letters of recommendation will be reviewed by the Board of Directors and be graded using a rubric.
   3. The Board of Directors will award two (2) scholarships to the highest scoring students from each of the San Isabel Electric, At-Large, Vocational, and First to Attend categories and one (1) Continuing Education scholarship to the highest scoring adult categories. Among the scholarships awarded, at least two scholarships will be granted to students from each high school within SIEA's territory, provided at least two eligible students have completed eligible applications.
   4. The Brendon Beach Memorial scholarship is a full-tuition scholarship. It will cover all costs and fees associated with attending line school and obtaining a CDL (commercial driver license) only if it is offered as a concurrent program through the school. The scholarship does not cover meals, travel, transportation, apparel, and lodging expenses.

F. The Powered-Up scholarship in the amount of an additional $4,000 will be available to all scholarship recipients excluding the At-Large and Continuing Education scholarships.
   1. Eligibility Requirements
      a. In addition to the Eligibility Requirements listed in paragraph B., students must have a cumulative grade point average of at least 3.5.
   2. Application Process
      a. No additional information is necessary to apply for the Powered-Up scholarship.
      b. Applications will automatically be reviewed if the minimum grade point average is met, and the applications are graded by the Board of Directors for the top scoring applicants.

3. Selection of Applicants
    a. Top student(s) as determined through the rubric grading will be selected to participate in an interview with the Board of Directors.
    b. Top student(s) as determined through the interview process will be awarded the Powered-Up scholarship.
    c. The Powered-Up scholarship recipient(s) will be announced at the annual scholarship banquet.

G. Administration
    1. Scholarship recipients are required to complete the Scholarship Check Request by the end of June each year.
    2. Checks will be issued to the institution on behalf of the recipient prior to the start of school each year.
    3. All scholarships are a one time award.

H. The Board of Directors has the ability to amend program requirements and awards at the Board's sole discretion.

ATTEST: DATE:

Board President

Original Issue: May 26, 2004
Last Revised: December 19, 2025
Last Reviewed: December 19, 2025

Board Policy 4-12

External Communications

Objective

A. To provide a continuing program for informing Members concerning their rights and responsibilities as Members of the Association.

B. To keep the Members and general public fully informed of the Association's viewpoints, objectives, policies, and procedures.

C. To keep the Members and general public fully and currently informed regarding plans, programs, and achievements of the Association; to obtain their understanding, acceptance, and support.

D. To keep the Members and general public fully and currently informed on engagement with distributed energy and the impact of distributed energy on the Association's future.

Policy

A. It shall be the Policy of the Association to develop and carry out a continuing and comprehensive Member education and public relations program which will:
   1. Provide sufficient information and communication to enable Association Members and the general public to fully understand the principles and philosophies of Association enterprises and the Policies and procedures of the Association.
   2. Encourage Members to exercise their right and responsibility to participate fully in the affairs of the Association.
   3. Keep the Members and general public fully and currently informed regarding plans, programs, and achievements of the Association, including financial status and operating problems; to obtain increased understanding, acceptance, and support.
   4. Provide information on services available by the Association and other organizations which relate to the improvement of rural family and community living.
   5. Render advice, assistance, and counsel to Members in making full and effective use of electric energy.
   6. Use available means to inform the general public of the values of the Association in contributing to the local economy and a better life for rural and urban people.
   7. Provide for Association assistance and participation in community and civic activities within limitations of Board Policy.
   8. Provide a continuing training program for all employees on the essentials of giving prompt, courteous, and efficient service to everyone we serve; endeavoring to

settle complaints amicably; keeping Members informed on the Association's viewpoints, objectives, Policies, and activities.

9. Provide sufficient media to carry out these activities effectively as a regular part of the Association's operations.
10. Become the Members information resource center and trusted energy advisor on all aspects of distributed energy.

B. It shall be the responsibility of the General Manager or designee to administer this Policy and to develop such controls as is necessary for keeping the Board of Directors informed.

C. It shall also be the responsibility of the General Manager or designee to make recommendations from year to year regarding improvements or changes as necessary for the most effective program.

ATTEST: DATE:

Board President

Original Issue: March 30, 2011
Last Revised: November 18, 2022
Last Reviewed: November 17, 2025

Board Policy 4-13

Energy Conservation

Objective

A. To establish a Policy concerning use of energy by the Association and its Members, particularly regarding effectiveness, efficiency, and conservation of energy. This objective is consistent with the utility responsibilities of an electric cooperative and its prime concern for Members' needs.

Policy

A. Regularly examine the Association's own use of energy. This includes, but is not limited to, engineering design and construction, in-house lighting and climate control, and use of vehicles.

B. Develop and carry out a system-wide program of energy management, including promoting energy conservation, adequate home insulation, weatherization, efficient irrigation and other farm and business uses, and effective and efficient use of energy in the home.

C. Develop and carry out an information program so that the need for energy management is understood along with understanding of what each Member can do to meet energy use needs most effectively.

D. It shall be the responsibility of the General Manager or designee to develop work plans and budget recommendations to carry out this Policy and to develop appropriate control reports to assess results.

ATTEST: DATE:

Board President

Original Issue: October 26, 1977
Last Revised: November 18, 2022
Last Reviewed: November 17, 2025

Board Policy 4-14

Reserved for Future Policy

Board Policy 4-15

Renewable Energy

Objective

A. To define the Association's position regarding renewable energy resources.

Policy

A. The Association has a long term, all requirements contract with Tri-State G&T, which limits participation in the development of renewable energy projects.

B. The Association recognizes the importance of considering renewable energy for the Members.

C. Any renewable resource must be evaluated carefully to balance costs and benefits.

ATTEST: DATE:

Board President

Original Issue: February 27, 2006
Last Revised: December 11, 2020
Last Reviewed: December 19, 2025

Board Policy 4-16

Interconnection of Distributed Resources

Objective

A. To establish the rules and conditions under which Member-owned generation may be connected to the Association's distribution system.

Policy

A. Members may self-generate by separating themselves from the Association's distribution system or may generate in parallel with the Association distribution system under the following conditions:
   1. Parallel Generation: A Member of the Association shall only be permitted to generate electricity by connecting Member-owned generation in parallel with the Association's electrical system under the following conditions:
      a. The Member shall abide by the laws. If the generator is larger than maximums covered by law or the Association's contractual obligations, the Member shall obtain an agreement with the Association and other entity required to purchase the output of the generator unless specific provisions are made by the Association and Tri-State.
      b. The Member shall submit to the Association plans of their proposed installation and must obtain approval for the installation. This approval process will include a review by the Association of the effect of the proposed generation on the Association's distribution system, including its protective scheme. The Association reserves the right to refuse to connect parallel generation to its distribution system based on this review. The Member requesting inter-connection shall pay the cost of this review. No installation shall be permitted that reduces reliability to other Members or causes voltage conditions on the system to be outside of the limits of ANSI C84.1 Range A. No installation shall be permitted that is expected to produce objectionable harmonics on the system. Any mitigation required to resolve harmonic problems created by a Member-owned generator shall be completed and paid for by the Member.
      c. The Member shall be responsible for the cost of any alterations to the Association's distribution system to interconnect the proposed generation to the Association's distribution system, including upgrade of conductor size or installation of transformers to accommodate the output of the unit.
      d. The Member shall pay for the cost of the metering, specified, and installed, necessary to measure the output of the unit. At a minimum, the metering data shall be time differentiated and shall be capable of measuring energy flow in both directions.
      e. For any Member choosing to self-generate, the Member shall be served under provisions of a rate schedule that recovers the Association's cost of service.

f. The installation shall meet the requirements of the Institute of Electrical and Electronics Engineers (IEEE) 1547 "Standard for Interconnecting Distributed Resources with Electric Power Systems," requirements of the National Electrical Code (ANSI/NFPA 70) latest edition, requirements of the National Electrical Safety Code (IEEE C2) latest edition, requirements of the State of Colorado, requirements of the local municipality and the requirements of the Association's engineering department. The Member shall certify that these requirements have been met and shall provide an electrical inspection by an inspector from the Association's list of inspection agencies.
g. The Member making the installation shall indemnify and hold harmless the Association from the operation, non-operation, or interconnection of Member-owned generation equipment. In addition, the Member shall carry liability insurance in an amount acceptable to the Association to cover potential claims with the Association named as an additional insured.
h. The Member shall agree to periodic testing of the protective equipment installed with the generator as required by the Association's engineering department with the cost of testing borne by the Member.
i. If the Association is to supply standby service or synchronization service, the Member shall pay to the Association a monthly bill as specified in the Association's Tariffs to reserve capacity.
j. The Member shall provide a lockable disconnect and a visible open, that are always readily accessible to and operable by authorized Association personnel.
k. The Member shall provide the Association access to the Distributed Resources facility during normal business hours and all emergency situations.

ATTEST: DATE:

Board President

Original Issue: December 18, 2015
Last Revised: December 16, 2022
Last Reviewed: December 19, 2025