

**POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.  
BOARD POLICIES**

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<b>EFFECTIVE DATE:</b> <b>July 29, 2008</b>	
<b>REVISED DATE: June 29, 2021</b>	

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# POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.

## BOARD POLICIES

<b>SUBJECT:</b> <b>DEVELOPMENT OF BOARD POLICIES</b>	<b>POLICY NUMBER:</b> <b>1.01</b>
<b>EFFECTIVE DATE:</b> <b>July 29, 2008</b>	
<b>REVISED/REAFFIRMED DATE:</b> <b>May 25, 2021</b>	

### I.      OBJECTIVE

To establish the basis for the development, distribution, and periodic review of board policies (“Board Policy” or “Policy”).

### II.     POLICY

1.0     The Board of Directors of the Association (“Board”) shall formally consider and approve policies that express the board’s expectations and standards regarding Board, director, and management conduct and organizational performance.

1.01    The President and Chief Executive Officer may in consultation with the cooperative attorney, develop recommendations for new and amended Board Policies to be presented to the Board.

1.02    All Policies shall be maintained in an electronic format that may be accessed by each Board member.

1.03    Each Policy shall be reviewed at least once every other year by the Board.

1.04    Each Policy shall specify the person or persons responsible for carrying out the Policy.

1.05    Each Policy shall identify the date of approval and the date of the most recent revision.

1.06    Any Board member may propose a new Policy or amendment to a current Policy to the Board Chair.

1.07    In the event there is a conflict between any Board Policy and state, federal or local law, the Articles of Incorporation, the Bylaws, and any applicable rules, regulations or other requirements, then such other law, the Bylaws, the Articles of Incorporation, rules, regulations or other requirements shall prevail over the policy. The Board Policies shall prevail over any inconsistent Administrative Policy.

### III.    RESPONSIBILITY

1.0     The President and Chief Executive Officer shall ensure compliance with this policy.

# POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC. BOARD POLICIES

<b>SUBJECT:</b> <b>ACCESS TO THE ASSOCIATION'S MEMBERSHIP LIST</b>	<b>POLICY NUMBER:</b> <b>2.01</b>
<b>EFFECTIVE DATE:</b> <b>July 29, 2008</b>	
<b>REVISED/REAFFIRMED DATE:</b> <b>May 25, 2021</b>	

## I.        OBJECTIVE

The membership list is private information of the Association. Neither it nor portions thereof will be distributed or sold to any individual or organization for any purpose unless approved for a proper use by the Board.

## II.       POLICY

- 1.0       Literature or information relevant and germane to the business of the Association and endorsed by the Association may be mailed to the members by the Association. Other literature or information may be mailed to members of the Association by the Association for purposes approved by the Board. The Board of Directors has reviewed and approved the following uses of the Membership List.
  - 1.01     Auditors hired by the Association
  - 1.02     Colorado Country Life Magazine
  - 1.03     Colorado Energy Assistance Foundation's annual billing insert
  - 1.04     Consultants hired by the Association
  - 1.05     Distribution of information for a Board candidate
  - 1.06     Distribution of product and energy information incorporated with an energy efficiency program of the Association
  - 1.07     Tri-State Generation and Transmission Association's End-Use Survey
  - 1.08     Other organizations as approved by the Board of Directors
  
- 2.0       The party seeking to disseminate literature or information to the membership may make use of the complaint procedure to seek review of the President and Chief Executive Officer's decision as to whether or not such literature or information conforms to the above criteria.

- 3.0 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 by signing an agreement and request for such list on the form attached to this policy. The cost for such membership list must be paid to the Association in advance.
- 4.0 The Association retains the right to refuse or deny to any party the effective use of the Association's membership list or portions thereof to disseminate literature or information not approved by the Board. The Association may require the prepayment of any expenses associated with such mailing to be paid in advance of the mailing.

### III. RESPONSIBILITY

- 1.0 The Board will be responsible for the administration and compliance of this policy
- 2.0 The President and Chief Executive Officer shall ensure this Policy is adhered to.

## AGREEMENT AND REQUEST FOR DISCLOSURE OF MEMBERSHIP LIST BY CANDIDATE FOR BOARD OF DIRECTORS

The undersigned hereby certifies that the undersigned is a bona fide candidate for election to the Board of Directors of Poudre Valley Rural Electric Association, Inc. (the "Association") for the \_\_\_\_\_ [insert date of election] election and has been certified as a qualified candidate under the Articles of Incorporation and Bylaws of the Association on the date of this Agreement And Request.

The undersigned desires to obtain the membership list with addresses of the members of the Association for the sole purpose of effectuating the candidacy of the board candidate by mailing of campaign materials to the membership and for no other purpose. The undersigned desires to have the membership list with addresses in electronic format / written format [strike one]. The undersigned hereby agrees as follows concerning the use and distribution of the membership list of the Association:

1. The undersigned agrees that the above statements are true and correct on the date of this Agreement and Request; and that all of the above statements shall continue to be true in the future.

2. The undersigned does not intend to, and the undersigned shall not use the membership list except for the purpose of effectuating the candidacy of the undersigned for the board of directors of the Association.

3. The undersigned shall not transfer the membership list in any format to any other person. The undersigned may use the membership list in sending campaign materials to members of the Association. The undersigned may employ the use of contractors that would send campaign materials to members provided that any contract or other agreement between the undersigned and any contractor used by the undersigned to effectuate mailing of the undersigned's campaign materials shall agree that the membership list shall be purged and deleted from the contractor's electronic and documentary storage at the conclusion of the campaign (or the date of the election, whichever first occurs) and that the undersigned's contractor shall be subject to the provisions of this Agreement and Request regarding default.

4. The undersigned agrees that the members of the Association have an expectation that the membership list shall not be used by the undersigned for any purpose other than to effectuate the candidacy of the undersigned for election to the board of directors of the Association and that if that expectation is violated that the Association and the members of the Association will be damaged. The undersigned, for the undersigned person and the undersigned's employees, contractors, successors and assigns, agrees that if the membership list is used for any purpose other than to effectuate the candidacy of the undersigned that the Association or any of its members are entitled to injunctive relief. The undersigned, for the undersigned person and the undersigned's employees, contractors, successors and assigns, agrees that the Association shall not be required to give any bond for any temporary injunctive relief obtained from a court of competent jurisdiction whether in the nature of a temporary restraining order or a temporary injunction. All of the foregoing remedies are in addition to any other remedies available to the Association or its members under law.

5. The undersigned agrees that the covenants and agreements contained in this Agreement and Request are of the essence of this Agreement; that each of such covenants is reasonable and necessary to protect and preserve the interest and properties of the Association and the interests of the undersigned; that each of such covenants and agreements is separate,

distinct and severable not only from the other of such covenants and agreements but also from the other and remaining provisions of this Agreement and Request; and that the unenforceability of any other such covenants or agreements or the unenforceability of any other provision or provisions of this Agreement and Request shall not affect the enforceability of the remainder of the Agreement and Request. This Agreement and Request and the rights and obligations of the parties hereto shall be construed and controlled by applicable law of the State of Colorado. Venue for all actions shall be proper in Larimer County, Colorado. This Agreement and Request shall be binding upon and inure to the benefit of the respective parties hereto, their heirs, successors, personal representatives and assigns. This Agreement and Request sets forth the entire understanding of the parties; there are no oral representations relied upon by any party hereto, which are not specifically set forth herein; and this Agreement and Request may be modified only in writing, executed by the necessary parties hereto.

BOARD CANDIDATE

\_\_\_\_\_ [print name of candidate]

\_\_\_\_\_  
Signature of Board Candidate

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

STATE OF COLORADO                    )  
  )     ss.

COUNTY OF \_\_\_\_\_)

The foregoing Agreement and Request were signed and acknowledged before me this \_\_ day of \_\_\_\_\_, 2\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_

SEAL

Acknowledged by Poudre Valley Rural Electric Association, Inc.

\_\_\_\_\_  
Authorized Person                    (Date)

# POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC. BOARD POLICIES

<b>SUBJECT:</b> <b>ACCESS TO THE ASSOCIATION'S          BOOKS, RECORDS, BUSINESS FILES,          MINUTES, DATA BASES, OR          PERSONNEL FILES</b>	<b>POLICY NUMBER:        2.02</b>
<b>EFFECTIVE DATE:</b> <b>July 29, 2008</b>	
<b>REVISED/REAFFIRMED DATE:</b> <b>May 25, 2021</b>	

## I. OBJECTIVE

Release of information contained in the books, records, business files, minutes, data bases, or personnel files of the Association is generally private and should be controlled.

## II. POLICY

1.0 General Public. The following information of a general or routine nature regarding the Association shall be available to persons via the Association's website or by written or oral request:

- 1.01 The Association's Articles of Incorporation, Bylaws, charges, Tariffs and service Rules and Regulations;
- 1.02 Formal audit reports rendered periodically by independent auditors;
- 1.03 Any publications the Association may have for general distribution; and
- 1.04 Publications subscribed to or otherwise obtained by the Association bearing on one or more aspects of the organization and operation.

2.0 Members. In addition to the above information available to the general public, the following information shall be available to a member of the Association by formal written request on the attached form.

- 2.01 The operating and other financial reports that are regularly made to the National Rural Utilities Cooperative Finance Corporation and/or CoBank;
- 2.02 Monthly periodic or special operating and financial reports submitted by management to the Board of Directors;
- 2.03 Adopted budgets for current and future operations and capital improvements;

- 2.04 Adopted work plans for the Association's future construction, operation and maintenance of its general plant and electric system; and
  - 2.05 The minutes of any prior member or Board meeting.
  - 2.06 Information required to be disclosed by state or federal statute.
  - 2.07 Information that is germane to the requesting member's interest as a member of the Association; and
  - 2.08 Other information specifically approved by the Board of Directors.
- 3.0 Directory Information. Information of a directory nature may be released at the direction of the President and Chief Executive Officer of the Association or the President and Chief Executive Officer's designee to (a) governmental authorities; (b) electric utilities; (c) auditing firms; (d) real estate and rental agencies; and (e) licensed credit agencies, for a proper purpose. A "proper purpose" may include:
- 3.01 A request pursuant to an investigation of a civil or criminal matter;
  - 3.02 A request by an electric utility regarding a member or a former member of the Association;
  - 3.03 A request by auditing firms to confirm balances;
  - 3.04 A request by a real estate or rental agency regarding information for a particular location needed to assist in the sale or rental of that property; or
  - 3.05 A request by a licensed credit agency working with the Association to collect delinquent debts.
- 4.0 Information Not To Be Released. The following information is confidential and will not be released:
- 4.01 Information in relation to any pending lawsuit against the Association, or any director or employee of the Association without a court order, the Association's Board approval or advice of counsel;
  - 4.02 Information that will or may invade the privacy of any person, employee or director of the Association, or violate their rights;
  - 4.03 Information that would violate an agreement or contract with third parties with respect to trade secrets;
  - 4.04 Information that might result in an adverse action against the Association, its Board or employees;



- 4.05 Information that may be used to adversely affect the Association with third-party negotiations;
  - 4.06 Information contained in confidential communications between the Association and its legal counsel; or
  - 4.07 Information contained in Association's personnel files without first giving notice to the employee, except for verification of employment or by court order.
- 5.0 Information for Financial Institutions and Regulatory Agencies. Information may be released to financial institutions and to regulatory agencies as necessary or required to carry on the affairs of the Association.
- 6.0 Release of Information. Upon compliance with the above requirements and authorizations, information shall be released as promptly as possible during regular business hours. At the sole discretion of the Association the requesting person shall prepay the charge for multiple copies of information or prepay the cost to produce the requested information that exceeds a minimal cost.
- 7.0 Information Not Specifically Covered. Any information requested by a person or a member not specifically covered above must receive approval of the President and Chief Executive Officer and the Association's legal counsel. If the President and Chief Executive Officer initially determines that the request for information should not be granted, the President and Chief Executive Officer may withhold disclosure of such information pending consideration by the Board.

### III. RESPONSIBILITY:

- 1.0 The Board will be responsible for the administration and compliance of this policy.
- 2.0 The President and Chief Executive Officer shall ensure this Policy is adhered to.

[Request form for information concerning the Association]  
POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.  
Request for Information

Member's Name: Address: \_\_\_\_\_

Specific nature and details of the information requested: \_\_\_\_\_  
\_\_\_\_\_

Specific purpose or purposes for which this information is desired: \_\_\_\_\_  
\_\_\_\_\_

Names, addresses and relationship to the Association of all persons or organizations for whom this information is desired or to whom the applicant proposes to show or share such information:  
\_\_\_\_\_  
\_\_\_\_\_

What additional information or access to records and personnel will be requested if the above information is supplied as requested? \_\_\_\_\_  
\_\_\_\_\_

Dates and times the applicant desires access to the Association's books, records, minutes and personnel: \_\_\_\_\_

I hereby state that I am a member of the Association. The information I hereby have requested is for no one's use other than those as specified above. I also hereby covenant that I will not share this information with anyone other than those specified above or allow this information to be used in any other way or for any other purpose other than as set forth above.

\_\_\_\_\_  
Signature

STATE OF COLORADO )

) ss.

COUNTY OF LARIMER )

Subscribed and sworn to before me by \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_, 2\_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:

(SEAL)

**POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.  
BOARD POLICIES**

<b>SUBJECT:</b> <b>MEMBER PRIVACY AND CONFIDENTIALITY</b>	<b>POLICY NUMBER:</b> <b>2.03</b>
<b>EFFECTIVE DATE:</b> <b>July 29, 2008</b>	
<b>REVISED/REAFFIRMED DATE:</b> <b>May 25, 2021</b>	

I.       OBJECTIVE

To establish fair information principles for the Association in carrying out its responsibility to respect the privacy and confidentiality of member’s information.

II.       POLICY

1.0       The Board recognizes its responsibility and obligation to respect and protect the private information of the members of the Association and by this Policy directs the President and Chief Executive Officer to undertake procedures and precautions to safeguard that information.

1.01     Notice

1.01.01   The Association discloses to its members its policies and practices for the collection, maintenance, use, and disclosure of identifiable information about its members.

1.01.02   The Association collects and maintains appropriate information about its members as a routine part of its operations.

1.01.03   When providing electricity and related services the Association collects information from members, including name, address, telephone number, social security number, credit information, and payment and usage history. Usage history may include information on a member’s property and appliances, health information for lifeline service, service history, and information maintained for Association facility maintenance purposes (e.g., warning about a dog in the yard).

1.01.04   Membership and governance activities may result in the maintenance of capital and patronage account information for members and former members, and contact information for former members. The Association shall use proper disposal methods for member and former member information in compliance with the Fair and Accurate Credit Transaction Act of 2003.

- 1.01.05 Occasionally the Association may survey a sample of its members to collect information to identify needs or improve service.
- 1.01.06 Other activities by the Association or its affiliates will result in the collection of additional information about a member's property, appliances, and activities. This information will be collected and maintained only when and to the extent appropriate to provide the services.
- 1.01.07 This notice describes generally the Association's privacy and confidentiality policies. The policy is not a formal limitation on the ability of the Association to use, manage, and disclose its records as the Association determines to be necessary, appropriate, or as required by law. It is subject to change without notice.
- 1.02 Trust
  - 1.02.01 1.02.01 General Practices: The Association maintains information about members for purposes that are suitable to its operations and management. Information is collected only through lawful and fair means and for appropriate purposes. The Association is committed to maintaining accurate, complete, timely, relevant, and appropriate information about members as necessary for the purpose for which the information is to be used.
  - 1.02.02 1.02.02 Access and Correction: The Association generally permits its members to access and seek correction of records about themselves that are used by the Association to provide service, for billing, and to manage capital accounts. Any person who wants to identify personal records maintained by the Association, access the records, or correct the records should contact the Chief Financial Officer.
- 1.03 Security
  - 1.03.01 The Association maintains member information with technical, administrative, and physical safeguards to protect against loss, unauthorized access, destruction, misuse, modification, and improper disclosure. No record or computer system can ever be fully protected against every possible hazard. The Association provides reasonable and appropriate security to protect against foreseeable hazards.
  - 1.03.02 The Association requires its employees and, when practicable, its affiliates and contractors who have access to identifiable member information to sign a statement acknowledging that they have read this privacy and confidentiality policy and agree to comply with it. Any employee or contractor who fails to comply with these rules may be subject to disciplinary action up to and including dismissal.

## 1.04 Use and Disclosure

- 1.04.01 The Association uses and discloses identifiable information about members in defined and responsible ways in order to carry out its operations. This section describes how identifiable information about members may be used and disclosed.
- 1.04.02 Records may be disclosed to affiliates or contractors hired by the Association to assist in carrying out operations, such as service, billing, and management functions including legal, audit, and collection services.
- 1.04.03 Member information may be disclosed to and shared with commercial and consumer credit reporting agencies for credit-related activities (e.g., the reporting of bad debts).
- 1.04.04 Records may be disclosed to government regulators and other government agencies when authorized or required by law.
- 1.04.05 Records may also be compiled in aggregate form for the Association management activities.
- 1.04.06 Records may be disclosed when required by law, such as in response to a search warrant, subpoena, or court order. The Association may use and disclose records for investigations into employee misconduct or for law enforcement investigations related to our business. Disclosures may also be made when appropriate to protect the Association's legal rights or during emergencies if physical safety is believed to be at risk. These events are unlikely, but they are possible. The Association will take reasonable steps to limit the scope and consequences of any of these disclosures.
- 1.04.07 Records may be shared with other utilities under shared service agreements or to meet operational requirements.
- 1.04.08 Records about a member may be disclosed at the request of or with the permission of the member.
- 1.04.09 In addition, member information may be shared with affiliates and partners of the Association that offer products and services to members.
- 1.04.010 Membership lists of the Association may be disclosed to a member of the Association for a proper purpose, such as in connection with Association's election activities. In some instances, lists may be made available for appropriate uses without disclosing the list to a third party. For example, the Association may undertake a mailing on behalf of and at the expense of a third party. Disclosures of membership lists will only be made following a policy adopted by the board and further uses of any lists so disclosed will be subject to that policy.

1.04.011 The Association does not sell, rent, loan, exchange, or otherwise release mailing lists, telephone lists or e-mail lists of members for marketing purposes. The Association does not disclose any information about a member to nonaffiliated third parties without the prior, written consent of the member.

1.04.012 Members may request that their information not be shared with affiliates for the offering of new products and services. The Chief Financial Officer is the proper person to contact regarding opt-out procedures.

1.05 Questions and Disputes

1.05.01 This policy is maintained and supervised by the Chief Financial Officer of the Association. Questions about the Policy may be directed to that office. Any disputes over access, correction, or other matters may also be directed to that office. The Association will do its best to resolve any questions or problems that arise regarding the use of member information.

III. RESPONSIBILITY:

1.0 The Board shall ensure that this procedure reflects current practices for personal information about member-owners.

2.0 The President and Chief Executive Officer shall ensure that this Policy is adhered to.

# POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC. BOARD POLICIES

<b>SUBJECT:</b> <b>IDENTITY THEFT PREVENTION</b>	<b>POLICY NUMBER: 2.04</b>
<b>EFFECTIVE DATE:</b> <b>APRIL 1, 2009</b>	
<b>REVISED/REAFFIRMED DATE:</b> <b>May 25, 2021</b>	

## I. OBJECTIVE

The objective of this policy is to protect members of Poudre Valley Rural Electric Association (here in referred to as PVREA) from identity theft related to that member's personal, family or household account.

## II. POLICY

### 1.0 DEFINITIONS

- 1.01 Consumer Report is a communication of any information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics or mode of living which will be used at least partly to determine the consumer's eligibility to receive and pay for electric service.
- 1.02 Consumer Reporting Agency (CRA) is any agency/person which regularly engages in assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties.
- 1.03 Covered Account means an electric utility account maintained by PVREA primarily for personal, family or household purposes.
- 1.04 Customer, consumer or member means a person that has a covered account with PVREA.
- 1.05 Identity Theft means a fraud committed or attempted using the identifying information of another person without authority.
- 1.06 Personally Identifiable Information (PII) means information including, consisting of, or containing a social security number, personal identification number, password, pass code, a state or government-issued driver's license or identification card number, a government passport number, any sort of biometric data, an employer, student, or military identification number, or any financial

transaction device such as a bank account number, credit or debit card number, or similar.

1.07 Red Flags as used herein are patterns, practices or specific activities that indicate the possible occurrence of identity theft, including the following:

1.07.01 Alerts, notifications, or other warnings received from CRA's which may include but are not limited to: frauds, a credit freeze, address discrepancy, or inconsistent pattern of account activity.

1.07.02 The presentation of suspicious documents, such as: forged or altered documents, inconsistencies between consumer appearance and consumer's photograph or physical description, or other inconsistent identification information provided by the consumer.

1.07.03 The presentation of suspicious PII, such as: address change, failure by consumer to provide required personal information, or the information provided by customer is not consistent with information on file.

1.07.04 The unusual use of, or other suspicious activity related to, a Covered Account such as: consumer fails to make first payment, non-typical usage activity which is either extremely high or low, or bills sent to consumer are returned as undeliverable although electricity is still being consumed at meter location.

1.07.05 Notice from consumer, victims of identity theft, law enforcement authorities, or other persons regarding possible identity theft in connection with Covered Accounts held by PVREA.

1.08 The Privacy Officer shall be the Chief Financial Officer. The Privacy Officer shall oversee the overall application of this policy.

## 2.0 DUTIES TO PREVENT, DETECT AND MITIGATE

### 2.01 General

2.01.01 All employees that have access to information in a Covered Account shall be trained to detect, and respond to, Red Flags.

2.01.02 Means of consumer identity verification may include:

2.01.02.1 Full Name

2.01.02.2 Billing Address

2.01.02.3 Location/service Address

2.01.02.4 Phone Number;



2.01.02.5 For a U.S. person, one or more unexpired government-issued photo identification; such as a driver's license, government issued ID card, etc.

2.01.02.6 Social Security Number;

2.01.02.7 Passwords, security codes or other security devices (whether assigned by PVREA or user-defined)

2.01.02.8 Date of Birth;

2.01.02.9 For a non-U.S. person, one or more of the following:

2.01.02.9.1 Taxpayer identification number; passport number and country of issuance;

2.01.02.9.2 Alien identification ("Green Card") card number;

2.01.02.9.3 Number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

### 3.0 EMPLOYEE USE OF DATA

3.01 Information requested about a member-consumer's account by an individual, whether in person at the office or by telephone or other electronic means, is not to be divulged until the identity of the person inquiring is confirmed to be the member-consumer of record. However, nothing in this policy shall prevent PVREA from transmitting information about the business and affairs of PVREA, including, but not limited to, its books and records, to any federal, state, or local law enforcement agency, administrative agency, or court as required or allowed by Colorado or federal law, rule or regulation.

### 4.0 ACCOUNT MANAGEMENT

#### 4.01 New Accounts

4.01.01 When opening new Covered Accounts, and performing other functions regarding Covered Accounts including, but not limited to; address and billing changes, the identity of the applicant or consumer shall be verified to the extent reasonable and practicable under the circumstances.

4.01.02 PVREA should not open a new Covered Account if there is a fraud alert, active duty alert, or credit freeze for the applicant or consumer

unless PVREA gathers additional information sufficient to form a reasonable belief that the employee knows the identity of the applicant or consumer making the request.

- 4.01.03 If one or more Red Flags are detected during the application process for a Covered Account or otherwise, the employee shall notify their supervisor, designated manager or the Privacy Officer for PVREA.

#### 4.02 Existing Accounts

- 4.02.01 When servicing existing Covered Accounts, including, but not limited to, change of address requests, employees shall authenticate the identity of the consumer as well as verify the change of address or other information on the account.
- 4.02.02 PVREA should not open a new Covered Account or make material changes to an existing Covered Account if there is a fraud alert, active duty alert, or credit freeze for the consumer unless the employee gathers additional information sufficient to form a reasonable belief that the user knows the identity of the customer making the request.
- 4.02.03 If one or more Red Flags are detected while servicing a Covered Account, or otherwise, the employee shall notify their supervisor, designated manager or the Privacy Officer for PVREA.
- 4.02.04 PVREA will flag or mark Covered Accounts that are to be monitored so that any employee servicing the account can be aware of the previous Red Flags to prevent and mitigate Identity Theft.

#### 4.03 Closed Accounts

- 4.03.01 When closing a Covered Account or when accessing a closed Covered Account, PVREA shall ensure that any PII is secure or remains secure and PVREA shall not disclose any PII except as otherwise provided herein or as allowed by other PVREA policies, tariffs, rules or regulations.
- 4.03.02 If one or more Red Flags are detected when closing a Covered Account or when accessing a closed Covered Account, the employee shall notify their supervisor, designated manager or the Privacy Officer for PVREA.

### 5.0 CONSUMER REPORT

- 5.01 Use of Consumer Reports. Consumer Reports shall be used only in connection with the extension of credit, the extension of or provision of electric service to a

consumer, to review an account to determine if the consumer meets the terms of the account, collection of an account and for such other legitimate association purposes as may be allowed by law and approved by the President and Chief Executive Officer.

## 6.0 PAPER FLOW AND ELECTRONIC ARCHIVING

6.01 Consumer Reports, PII or other paper records containing Personal Information are not to be left on top of desks or files or other visible areas in offices or employee work areas outside of office hours.

6.01.01 Service orders and other documents dispatched to the field should not contain printed information on banking, social security, driver's license numbers, or other confidential information.

6.01.02 Other personal information dispatched to the field should be limited to names, addresses and telephone numbers and non PII where possible.

6.02 After the records are archived, all original documents and paper copies thereof are to be destroyed to prevent and mitigate Identity Theft.

## 7.0 COMPUTER ACCESS TO RECORDS

7.01 All persons or business affiliates (including all third party entities and vendors hired, retained or contracted with PVREA) with access to records containing PII of member-consumers shall be responsible for keeping their own computer information secure and inaccessible to others.

7.01.01 Employees are not to divulge personal log-in information for any of PVREA's systems or equipment to anyone unless otherwise provided herein or as otherwise may be allowed by other PVREA policies, tariffs, rules or regulations.

7.01.02 Employees will lock or otherwise secure their computers any time they are away from their desk as reasonably practical, and after work hours.

7.01.03 PVREA owned laptop computers or any other electronic device containing information about PVREA, its employees or member-consumers are to be secured and protected while in the employee's possession. Such computers and electronic devices are not intended for non-company business or for use by anyone other than PVREA employees.

## 8.0 BREACH OF SECURITY

8.01 When any breach of security is discovered by an employee, or communicated to an employee by a member-consumer; it should be reported immediately to the

employee's direct supervisor or the Privacy Officer for PVREA. This report should be made in person if possible. If direct contact is not possible, the employee should report by telephone or electronic mail to all designated contacts, and follow up in person, if possible, to confirm receipt of the report.

- 8.02 The Privacy Officer, or his/her designee shall immediately begin a good faith prompt investigation to discover the likelihood of any PII having been breached. Law enforcement may be involved if deemed necessary. As soon as possible and not more than thirty (30) days after a breach is discovered, notice must be provided to affected Colorado residents that the breach occurred. The only exception to this timeframe requirement is if an involved law enforcement agency claims that such notice would impede the ongoing investigation. In that case, notice must be provided within 30 days of that investigation ending.
- 8.03 If notice of a breach must be provided to the public, it must include the following information in all cases:
  - 8.03.01 An estimated date or date range of the breach
  - 8.03.02 A description of the PII that is believed to have been acquired
  - 8.03.03 Information that Colorado residents can use to contact PVREA to inquire about the breach
  - 8.03.04 The toll-free numbers, addresses, and websites for the consumer credit reporting agencies
  - 8.03.05 The toll-free number, address, and website for the Federal Trade Commission
  - 8.03.06 A statement that the resident can obtain information from the Federal Trade Commission and the credit reporting agencies about fraud alerts and security freezes

## 9.0 EMPLOYEE

- 9.01 All employees are responsible for protecting PII in any form that is collected and maintained by PVREA; for detecting, preventing and mitigating identity theft; and for promptly reporting any breach of security that becomes known to them.
- 9.02 If an employee finds he/she has breached data security, he/she is to report it promptly to his/her direct supervisor and/or the Privacy Officer. The Privacy Officer is responsible for investigating the security breach. If an employee fails to report his/her own actions resulting in a breach of security, the employee may be subject to discipline, up to and including termination of employment.

9.03 If an employee becomes aware of another employee's breach of security, he/she is to report it to his/her direct supervisor and/or the Privacy Officer. The Privacy Officer will inform the CEO of any and all security breaches.

## 10.0 INTERNAL AND AWARENESS TRAINING

10.01 Training on the detection, prevention and mitigation of Identity Theft, privacy and security procedures, incident response and reporting procedures is necessary for all employees.

10.01.01 Initial training on the foregoing items will be provided to all employees by the Privacy Officer, and/or members of the Privacy Committee.

10.01.02 Additional training will be provided to all employees as necessary.

## 11.0 SERVICE PROVIDERS

11.01 If PVREA engages a service provider to perform an activity in connection with one or more Covered Accounts, PVREA shall take steps to ensure that such activity is conducted according to reasonable policies and procedures designed to detect, prevent and mitigate the risk of Identity Theft.

11.02 Where appropriate, PVREA shall require by contract that service providers have policies and procedures to detect relevant Red Flags that may arise during performance of the services, and to either report the occurrence of the Red Flags to PVREA or to take appropriate steps to prevent or mitigate Identity Theft.

11.03 Where appropriate, PVREA shall also require by contract that service providers take reasonable cyber security precautions to protect any and all PVREA data that may be accessed or provided.

## 12.0 UPDATE AND COMPLIANCE REPORTS

12.01 This policy and the duties regarding the detection, prevention and mitigation of Identity Theft should be reviewed and updated periodically based upon the following:

12.02 Experiences with Identity Theft;

12.03 Changes in methods of Identity Theft;

12.04 Changes in methods to detect, prevent, and mitigate Identity Theft;

12.05 Changes in the types of accounts that PVREA offers or maintains;

- 12.06 Changes in PVREA business arrangements which would impact this policy and the detection, prevention and mitigation of Identity Theft, such as service provider arrangements.
- 12.07 The Privacy Officer shall be responsible for implementation and administration of this policy. The President and CEO shall provide compliance reports at least annually to the Board of Directors regarding PVREA's compliance with applicable law.
- 12.08 The Board of Directors, President and CEO, or Privacy Officer shall review the compliance reports and take appropriate action, if required.
- 12.09 Compliance reports should address material matters related to this policy and evaluate issues such as:
  - 12.010 The effectiveness of PVREA's policies and procedures;
  - 12.011 Service provider arrangements;
  - 12.012 Significant incidents involving Identity Theft and management's response; and
  - 12.013 Recommendations for material changes to this policy and the detection, prevention and mitigation of Identity Theft.

### III. RESPONSIBILITIES

#### 1.0 BOARD OF DIRECTORS

- 1.01 The Board of Directors is responsible for approval of this policy as well as changes and revisions to this policy.

#### 2.0 PRESIDENT AND CHIEF EXECUTIVE OFFICER

- 2.01 The President and Chief Executive Officer will keep the Board of Directors informed and provide them with the annual report.

**POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.  
BOARD POLICIES**

<b>SUBJECT:</b> <b>COMMUNICATIONS</b>	<b>POLICY NUMBER:</b> <b>2.05</b>
<b>EFFECTIVE DATE:</b> <b>July 29, 2008</b>	
<b>REVISED/REAFFIRMED DATE:</b> <b>May 25, 2021</b>	

I.       **OBJECTIVE**

To reaffirm the Association’s obligation to continually communicate with its members about the plans, operation, activities and progress of their Association and to set forth the Board’s support and expectations in all aspects of Association communications.

II.       **POLICY**

1.0       It shall be the policy of the Association to foster extensive communications programs, activities, publications, and reports that will inform and educate members about the Association’s plans, operations, programs, financial condition and activities in an ongoing commitment to attain the memberships’ understanding, acceptance, support and involvement in the Association’s business. The Board shall commit appropriate resources and support for a broad Association communication plan that provides:

1.01      Quality and timely communications programs that are responsive to member needs and concerns.

1.02      Member understanding and support of the Association and industry-related issues.

1.03      Association employees that are appropriately trained to ensure that each of them respect the value of the members to the Association and to assure that they are equipped to respond to every member’s concern in a professional, consumer-focused and friendly manner.

1.04      Public understanding, acceptance and support for the Association’s mission, goals, plans and programs and ensures that the media is kept informed about the Association’s goals, objectives plans, programs and issues.

1.05      Leadership for and support for projects and activities dedicated to the betterment of the community and state with particular emphasis on youth programs and rural and community development, and to secure favorable public opinion and understanding of such activities and programs.

- 1.06 Association needs and issues are communicated effectively to local, state and national officials in a concerted effort to secure their support of the Association and the members and communities they serve.
- 1.07 Support for effective communication programs developed by cooperative statewide, regional and national organizations and cooperative power suppliers and other affiliates in an effort to coordinate communications programs and avoid duplication of services and costs and ensures a united message on electric cooperatives' issues.
- 1.08 Development of a crisis communication management plan for communicating openly and consistently to employees, consumers, media and the public about any Association crisis or emergency.
- 1.09 Designated qualified spokesperson, and in the spokesperson's absence, an alternate, to respond to all issues on behalf of the Association before members, the public, and media.

### III. RESPONSIBILITY

- 2.0 The Board will be responsible for the administration and compliance of this policy.
  - 2.01 The President and Chief Executive Officer shall be responsible for overseeing the development, implementation, staffing and evaluation of the Association's communications plan to ensure its effectiveness.
  - 2.02 It shall be the responsibility of the President and Chief Executive Officer to designate a spokesperson to respond to all issues and inquiries on behalf of the Association before the media, public officials and the general public.



# POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC. BOARD POLICIES

<b>SUBJECT:</b> ENERGY CONSERVATION	<b>POLICY NUMBER:</b> 2.06
<b>EFFECTIVE DATE:</b> July 29, 2008	
<b>REVISED/REAFFIRMED DATE:</b> May 25, 2021	

I.     OBJECTIVE

To establish policy concerning use of energy by the Association and its members, particularly in regard to effectiveness, efficiency and conservation of energy. This objective is consistent with utility responsibilities and its prime concern for members' needs.

II.    POLICY

1.01   It shall be the policy of the Association to:

1.01.01   Constantly examine its own use of energy. This includes but is not limited to plant engineering design and construction, lighting and climate control, and use of vehicles.

1.01.02   Provide a system-wide program to assist the member to make the most efficient use of energy and promote energy management, including energy conservation, adequate home insulation, weatherization, efficient irrigation and other farm and business uses, and effective and efficient use of energy in the home. Alternate energy sources will be appropriately considered.

1.01.03   Provide an information program so that the need for energy management is understood, along with understanding of what each consumer can do to meet energy use needs most effectively.

1.01.04   Participate, as deemed appropriate by the President and Chief Executive Officer in informational and educational program with major groups involved in housing, including the building industry and local government organizations, to assure understanding and coordination in methods of energy management.

1.01.05   Provide training as appropriate for all employees.

1.01.06   Provide an adequate program to promote the weatherization of members' homes, including advising the consumers on obtaining financing of the improvements.

### III. RESPONSIBILITY

- 1.01 Responsibility. It shall be the responsibility of the President and Chief Executive Officer to develop work plans and budget recommendations to carry out this policy and to develop appropriate control reports to assess results.

**POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.  
BOARD POLICIES**

<b>SUBJECT:</b> <b>ANNUAL OPERATING AND CAPITAL EXPENDITURE BUDGET</b>	<b>POLICY NUMBER:</b> <b>3.01</b>
<b>REVISED/Reaffirmed Date: 5/31/2022</b>	

**I.       OBJECTIVE**

Recognizing that creation, adoption and administration of an Annual Operating and Capital Expenditure Budget is a valuable tool in forecasting, planning and setting of goals for the coming year, it is the policy of the Association to follow the procedure listed below.

**II.       POLICY**

1.01   Preparation of Budget. The President and CEO shall prepare an operating [meaning a projection of income and expenditures] and a capital expenditure [meaning a request for approval of purchase of capitalized assets] budget (“Budget”) for the year following the year in which the budget is prepared. The Budget shall take into consideration the expansion and growth of the Association, the orderly and economic operation of the Association, and the needs of the members of the Association.

1.02   Review and Approval. The directors shall be given a draft of the proposed calendar year Budget on or before the regular scheduled November Board Meeting prior to the beginning of the ensuing year. The draft of the budget may be discussed by the directors at any meeting after delivery of the Budget; and the directors or the President and CEO may take action to alter the Budget at any time prior to final action on the Budget by the Board. It is the intent of this Policy for the directors to adopt the Budget prior to the end of the calendar year prior to the effective date of the Budget. If the Budget is not adopted by the directors prior to the end of the calendar year prior to the effective date of the Budget, then no capital expenditures may be made by the President and CEO until after adoption of the Budget. The approval of the capital expenditure portion of the Budget shall represent the authority for the President and CEO to purchase the capital assets in the approved Budget and to use the approved Budget as the guide for financial planning and expenditures for the calendar year of the Budget.

1.03   Changes in the Approved Budget. If unforeseen events occur within the calendar year of the approved Budget year that cannot be financially addressed under the amounts approved in the Budget (such as storm damage), then the President and CEO may request a revision of the Budget by the directors. The President and CEO may request the Board to grant approval of a change in the capital expenditure portion of the Budget for good cause at any time. The request for any change in the Budget shall be placed on the agenda of any meeting of the directors.

### III. RESPONSIBILITY

1.01 Recommendations to the Board. The President and CEO is responsible for recommending revisions to this Policy to the Board as circumstances warrant.

1.02 Approval and Compliance with Policy. The Board is responsible for assuring compliance with this Policy.

# POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC. BOARD POLICIES

<b>SUBJECT:</b> <b>FINANCIAL</b>	<b>POLICY NUMBER:</b> <b>3.02</b>
<b>REVISED/Reaffirmed Date:</b> 5/31/2022	

## I. OBJECTIVE

The objective of this Financial Policy is to provide guidelines and direction from the Board to Management in order to maintain a sound financial position and provide for the security of the financial resources of the Association.

The Association is organized under the laws of the State of Colorado and will at all times be operated on a cooperative not-for-profit basis for the mutual benefit of its members and patrons. 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 and patrons 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 not only for today, but long into the future.

## II. POLICY

### 1.01 Planning Documents

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 President and CEO to create and update or see to the creation and updating of the following planning reports and documents (hereinafter “reports”). These reports shall be created and updated on a regular basis with frequencies not more 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.

<u>Planning Report Description</u>	<u>Update frequency not more than</u>
Wholesale Power Contract	As Necessary
Cooperative Strategic Map	3 Years
Long-Term Financial Forecast	Yearly
Construction Work Plan	Yearly

### 1.02 Financial Goals and Parameters

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

### Equity Ratio

In order to minimize the risks associated with insolvency and maintain an optimal cost of capital, the Association will maintain an equity ratio between 35% and 50%. Equity ratio is defined as Total Margins & Equity divided by Total Assets & Other Debits.

### Distribution Equity Ratio (Excludes equity in Associated Organization's Patronage Capital)

In order to minimize the risks associated with insolvency and maintain an optimal cost of capital, the Association will maintain a distribution equity ratio between 15% and 30%. Distribution Equity ratio is defined as Total Margins & Equity less Investment in Associated Organizations Patronage Capital divided by Total Assets & Other Debits less Investment in Associated Organizations Patronage Capital. Maintaining a distribution equity ratio within parameters is considered to be higher priority than maintaining the equity ratio within parameters.

### Patronage Capital

The Association shall allocate and retire capital credits in a manner that: (1) is consistent with state and federal law; (2) is consistent with operating on a cooperative basis under federal tax law; (3) is fair and reasonable to the Association's patrons and former patrons; (4) provides the Association with sufficient equity and capital to operate effectively and efficiently; and (5) protects the Association's financial condition. Subject to law, the Association's articles of incorporation, and the Association's bylaws, the allocation and retirement of capital credits are at the sole discretion of the Association's Board.

[Refer to Board Policy 3.03 regarding specific allocation and retirement guidelines for patronage capital dividends.]

### Coverage ratios

In order to minimize liquidity and insolvency risk, management shall strive to achieve the following coverage ratio(s):

#### MDSC (Modified Debt Service Coverage)

A measurement of the Association's ability to generate sufficient operating funds to cover its cash requirements, but adjusted to eliminate non-cash amounts that are included in margins, for the true cash impact of non-operating margins of its long-term total debt on an annual basis. MDSC (2 of 3 year high average) is defined as the average of the high two MDSC ratios of the last three years. The Association's Financial Policy objective is to achieve and maintain a MDSC of 1.40.

#### MODIFIED CURRENT RATIO

A measurement of short-term solvency. The Association's Financial Policy objective is to achieve and maintain a modified current ratio of 1.00. The ratio shall include the amount of unused line-of-credit available along with CFC's Power Vision Credit availability.

### Efficient Management of Inventory Levels

Management shall strive to maintain an inventory balance of no more than 2% of the Association's Total Utility Plant (TUP).

### Investment Policy - General Funds and Other Liquid Assets

Optimal management of electric associations includes the fiduciary responsibility of selecting appropriate investments for general funds and other liquid assets.

Listed below are the approved investment opportunities for general funds that meet the Board's expectations concerning balancing Risk Tolerance, Liquidities, Laws and Regulations, Taxes and Time Horizons.

- CFC Daily Fund
- CFC Member Commercial Paper
- CFC Member Capital Securities
- CFC Medium Term Notes
- CoBank InvestLine
- Tri-State Prepaid Power Bill Program
- Bank Certificates of Deposit

- 1.03 Long-Term Financial Forecasting. Based on the planning documents and the financial goals identified in this Policy, Management shall prepare, or cause to be prepared, a long-term financial forecast. 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.

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.

#### 1.04 Responsibilities

- 1.01. Review and Approval by the Board. The Board is responsible for: (1) reviewing, discussing, and evaluating the President and CEO's recommendations for the implementation of the Financial Policy; (2) approving the implementation of the Financial Policy as presented or amended; (3) reviewing and evaluating this Policy every other year; (4) revising this Policy as circumstances warrant.
- 1.02. Implementation of the Policy. The President and CEO is responsible for implementing this Policy and for overseeing development of the practices and procedures necessary to maintain the financial integrity of the Association.
- 1.03. Recommendations to the Board. The President and CEO is responsible for recommending revisions to this Policy to the Board as circumstances warrant.
- 1.04. Compliance with the Policy. The Board, President and CEO are responsible for assuring compliance with this Policy.

**POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.  
BOARD POLICIES**

<b>SUBJECT:</b> <b>CAPITAL CREDIT POLICY</b>	<b>POLICY NUMBER:</b> <b>3.03</b>
<b>REVISED/Reaffirmed Date:</b> 5/31/2022	

I.       OBJECTIVE

The objective of this Capital Credit Policy (“Policy”) is to state the general policy of the Association for allocating and retiring capital credits.

II.      POLICY

The Association shall allocate and retire capital credits in a manner that: (1) is consistent with state and federal law; (2) is consistent with operating on a cooperative basis under federal tax law; (3) is fair and reasonable to the Association’s patrons and former patrons; (4) provides the Association with sufficient equity and capital to operate effectively and efficiently; and (5) protects the Association’s financial condition. Subject to law, the Association’s articles of incorporation, and the Association’s bylaws, the allocation and retirement of capital credits are at the sole discretion of the Association’s Board of directors (“Board”).

1.01    Board Approval

The Association shall allocate and retire capital credits according to the manner, method, timing, and amount approved by the Board.

1.02    Patronage Earning Allocations

For each good or service provided by the Association on a cooperative basis during a fiscal year, the Association shall equitably allocate to each patron, in proportion to the value of the good or service purchased by the patron during the fiscal year, the Association’s patronage earnings from providing the good or service during the fiscal year. The Association shall allocate patronage earnings on the basis of value of the electric energy provided to the patron less power cost.

1.03    Patronage Loss Allocations

For each good or service provided by the Association on a cooperative basis during a fiscal year, the Association shall equitably allocate to each patron, in proportion to the value of the good or service purchased by the patron during the fiscal year, the Association’s patronage losses with the Association’s patronage earnings from providing the good or service during the next succeeding future fiscal year(s). The Association shall allocate patronage losses on the basis of value of the electric energy provided to the patron less power cost.



#### 1.04 General Capital Credit Retirements

The Association shall generally retire capital credits with the goals of: (1) maintaining a distribution equity level between 15% and 30% of the Association's total assets less investment in associated organization's patronage capital; (2) retiring some capital credits every year; (3) retiring the Association's capital credits on a last-in, first-out and first-in, first-out hybrid basis; (4) communicating and promoting the Association principles; (5) fostering loyalty and support among patrons and former patrons; and (6) maximizing public relations and political goodwill; and (7) may not retire capital credits to any patron who voluntarily discontinues the purchase of all electric energy from the Association in order to purchase electric energy at the same premises from another public or private electric utility; and capital credits retired and payable to such a patron shall be treated as unclaimed capital credits; and capital credit payments shall resume prospectively if the former patron thereafter becomes a patron of the Association and purchases all of the patron's electric energy at the same premises from the Association.

#### 1.05 Special Capital Credit Retirements

The Association: (1) may specially retire capital credits upon the death of an individual patron or former patron as provided in section 1.07; (2) may not specially retire capital credits upon the dissolution, liquidation, or cessation of existence of an entity patron or former patron; (3) may not specially retire capital credits upon the reorganization, merger, or consolidation of an entity patron or former patron; (4) may not specially retire capital credits upon a patron or former patron reaching a certain age; (5) may not specially retire capital credits upon a patron becoming a former patron; (6) may not specially retire capital credits upon a patron failing to pay an amount owed to the Association; (7) may specially retire capital credits, discounted, upon a former patron failing to pay an amount owed to the Association.

#### 1.06 Discounted General Capital Credit Retirements

The Association may not generally retire capital credits before the time the Association anticipates normally retiring the capital credits and pay the discounted, net present value of the capital credits of the Association.

#### 1.07 Discounted Special Capital Credit Retirements

For capital credits specially retired upon the death of an individual patron or former patron and before the time the Association anticipated normally retiring the capital credits, as approved by the Board, the Association may pay the discounted, net present value of the capital credits of the Association.

#### 1.08 Recoupment

After retiring, and before paying, capital credits allocated to a patron or former patron, the Association shall recoup, offset, or setoff any amount owed to the Association by

the patron or former patron by reducing the amount of retired capital credits paid to the patron or former patron by the amount owed.

#### 1.09 Forfeiture of Capital Credits

The Association shall not enter contracts through which a patron or former patron forfeits the right to the allocation or retirement of capital credits. The Association shall not require any patron or former patron to forfeit the right to the allocation or retirement of capital credits.

#### 1.10 Patron Classes

As reasonable and fair, and as approved by the Board, the Association may allocate or retire capital credits to classes of similarly situated patrons or former patrons under different manners, methods, timing, and amounts, provided the Association allocates and retires capital credits to similarly situated patrons and former patrons under the same manner, method, timing, and amount.

#### 1.11 Separate Allocations and Retirements

The Association shall separately identify and allocate to the Association's patrons capital credits and similar amounts allocated to the Association by the power supply cooperative entity in which the Association is a member, patron, or owner. The Association may retire these separately identified and allocated capital credits only after the entity retires and pays the amounts to the Association. The Association shall not separately identify and allocate to the Association's patrons capital credits and similar amounts allocated to the Association by any other cooperative entity in which the Association is a member, patron, or owner, but will include these amounts with the Association's allocation and retirement of capital credits.

#### 1.12 Notice of Allocation

Within 8 ½ months following a fiscal year, the Association shall notify each patron in writing of the amount of capital credits allocated to the patron for the preceding fiscal year through a written notice stating the dollar amount allocated.

#### 1.13 Adverse Financial Impact

The Association shall not retire any capital credits unless the Board first determines that the retirement will not adversely impact the Association's financial condition.

#### 1.14 Request and Agreement for Special Retirement

The Association may specially retire capital credits upon the death of an individual patron or former patron or upon a patron becoming a former patron only upon receiving a written request from the appropriate legal representative, and only under terms and conditions agreed upon by the Association and the appropriate legal representative.

1.15 Discount Rate

If the Association retires capital credits before the time the Association anticipates normally retiring the capital credits and pays the discounted, net present value of the capital credits, then the Association shall use a discount rate equaling the National Rural Utilities Cooperative Finance Corporation's 15-year long term interest rate for borrowing plus one percent on the first working day of the year in which the retirement request is made.

1.16 Payment and Notice of Retirement

After the Association retires capital credits allocated to a current patron, the Association shall pay the retired amount by crediting the patron's electric account or at management's discretion, by sending a check to the patron's most current address listed on the Association's records. After the Association retires capital credits allocated to a former patron, the Association shall pay the retired amount by sending a check for the amount to the former patron's most current address listed on the Association's records.

1.17 Unclaimed Capital Credits

In accordance with the Bylaws of the Association, if a patron or former patron fails to claim a retired capital credit amount within nine months after the date such amount is declared payable or the date such amount is paid by the Association by negotiable instrument whichever first occurs, then the Association shall first give notice to such Member or Patron by notification on the Association's website and by publication of such notice in a newspaper of general circulation within the service area of the Association. If a Patron or former Patron fails to claim the retired amount within three years, then the Association may use the amount for educational, charitable or ratemaking purposes.

III. RESPONSIBILITY

1.01 Implementation of Policy

The President and CEO is responsible for implementing this Policy and for developing the practices and procedures necessary to allocate and retire capital credits according to this Policy.

1.02 Recommendations to Board

The Association's President and CEO is responsible for: (1) recommending to the Board the manner, method, timing, and amount for allocating and retiring capital credits; and (2) when in the best interest of the Association and its patrons and former patrons, recommending to the Board revisions to this Policy.

1.03 Review and Approval by Board

The Board is responsible for: (1) reviewing, discussing, and evaluating the President and CEO's recommendations regarding the manner, method, timing, and amount for allocating and retiring capital credits; (2) approving the manner, method, timing, and amount for allocating and retiring capital credits; (3) reviewing, discussing, and evaluating this Policy every other year; (4) reviewing, discussing, and evaluating the President and CEO's recommendations for revising this Policy; and (5) revising this Policy.

1.04 Compliance with Policy

The Board is responsible for the Association's compliance with this Policy.

**POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.  
BOARD POLICIES**

<b>SUBJECT:</b> Depository, Check Signatures & Cash Control	<b>POLICY NUMBER:</b> 3.04
<b>REVISED/Reaffirmed Date:</b> 5/31/2022	

I.        OBJECTIVE

Recognizing that good business practice dictates certain safeguards for the handling of corporate funds, it shall be the policy of the Association to designate depositories and authorized signatures as stated in this policy.

II.       POLICY

1.01    Depository & Signature Requirements. Signatures will be required as follows:

1. All Financial Instruments. The President and CEO and one of the following persons shall sign any instrument: the Vice President/Chief Financial Officer, Controller, Board Chair or Board Vice Chair. If the President and CEO is unavailable, then any two of the foregoing persons must sign the instrument.

2. Instruments [Checks] over \$100,000. A report listing all instruments over \$100,000 will be provided to the Board of Directors on a monthly basis.

1.02    Cash Control. No employee or officer of the Association has the right or authority to cash any instrument, cashiers check or money order with the Association as the payee. All such instruments, cashiers checks and money orders must be endorsed "For Deposit Only" and deposited to the credit of the Association in an established account at the bank designated as the proper depository of the funds of the Association.

1.03    ACH/Wire Transfer Authorization. ACH/Wire transfers must contain dual authorization by the President and CEO, Vice President/Chief Financial Officer or Controller.

III.      RESPONSIBILITIES

1.01    Recommendations to the Board. The President and CEO is responsible for recommending revisions to this Policy to the Board as circumstances warrant.

1.02    Compliance with the Policy. The Board is responsible for assuring compliance with this Policy.

# POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC. BOARD POLICIES

<b>SUBJECT:</b> <b>DIRECTOR DUTIES,          RESPONSIBILITIES, STANDARDS OF          CONDUCT AND PROFESSIONAL          DEVELOPMENT</b>	<b>POLICY NUMBER:        4.01</b>
<b>REVISED/Reaffirmed Date: 06/28/2022</b>	

## I.        OBJECTIVE

To describe the duties and responsibilities of the Board as well as the standard of conduct and professional development expected of individual Board members.

## II.       POLICY

1.0        The Board shall direct the affairs of the Association. All of the powers of this Association are held solely by the Board except such powers that have been conferred upon or reserved for the member-owners by statute or by the Association’s Articles of Incorporation or Bylaws. Ultimate responsibility for the Association’s performance resides in the Board. Herein is a listing of these duties and responsibilities. In addition, this Policy will establish standards whereby these powers may be exercised in the best interests of the Association. Further, it shall be the policy of the Association to expect its directors to gain and maintain the knowledge and skills necessary to function actively and effectively as members of the Board of Directors.

1.01      Fiduciary Duty: The Board of Directors has a fiduciary duty to the Association and its member-owners. This duty is described as follows: A director of the Association shall discharge the director’s duties as a director, including the director’s duties as a member of a committee:

1.01.01    In good faith;

1.01.02    With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and

1.01.03    In a manner the director reasonably believes to be in the best interests of the Association and in accordance with the law.

1.02      Key Responsibilities and Functions of the Board:

1.02.01    Set the Association’s mission, purpose(s), and engage, on a regular basis, in strategic planning;

1.02.02    Select, regularly evaluate the performance of, and fix the compensation of the President and CEO;

- 1.02.03 Review, monitor and report to the membership regarding the critical operating and financial performance of the Association;
  - 1.02.04 Select, regularly evaluate the performance of, and agree upon the compensation of general legal counsel for the Association;
  - 1.02.05 Ensure effective planning and adequacy of resources;
  - 1.02.06 Contract for and approve an annual independent financial audit;
  - 1.02.07 Provide program oversight and support, including the adoption of policies and monitoring for compliance with legal and regulatory requirements as well as the adequacy of internal controls.
- 1.03 Access to Association Management and Information and the Duty to Maintain Confidentiality: Directors are entitled to reasonable access to the Association's management, data or other information. A director shall keep confidential all matters involving the Association that have not been disclosed to the general public.
- 1.03.01 Requests for access to information or staff should normally be made to and through the President and CEO. In some instances however, it may be appropriate for directors to seek information directly from other employees or outside consultants or experts. For example, members of the Board's audit committee should have a meeting with the auditor without the President and CEO present, in conformance with current auditing practices. A director must consult with the Chair or the Association's general counsel if the director is uncertain whether it is appropriate to direct a specific request to someone other than the President and CEO.
  - 1.03.02 When a director has sought access to information not generally available to the public or reported to the Board, the President and CEO shall report on the inquiry and the response of the President and CEO at the next meeting of the Board to ensure that all Board members have equal access to the information.
  - 1.03.03 Information received by a director shall not be disclosed to any other persons unless the director reasonably believes that the director must do so in order to fulfill the director's fiduciary duty. A director is encouraged to consult with the director's personal attorney in determining whether fiduciary duty obligates the director to make such a disclosure.
- 1.04 Conduct with Respect to Fellow Directors: Regardless of any personal differences, directors should at all times:
- 1.04.01 Demonstrate mutual respect.
  - 1.04.02 Allow opportunity for every other director to be heard on any matter being considered by the Board.

- 1.04.03 Refrain from revealing to persons other than directors, the President and CEO or the Association's general counsel any differences of opinion among directors on matters considered and acted upon by the Board. (This standard does not preclude 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. Nor does it impinge upon a director's right to dissent and to have the director's dissenting vote recorded in the minutes.)
- 1.04.04 Recognize that the Chair has the responsibility and authority to enforce these standards of behavior, through reminders of the standards and expectations, and the issuance of a reprimand to the director who has breached these standards.
- 1.04.05 Publicly support decisions of the Board except in extraordinary circumstances where the director can demonstrate that a decision or action or both a decision and action will bring harm to the Association or threaten the Association's survival.
- 1.05 The Right to Rely on Others: In the discharge of the director's duties a director is entitled to rely on management and on Board committees of which the director is not a member, to perform their respective responsibilities. A director is entitled to rely upon reports, opinions, information and statements presented by the Association's management, employees and outside advisors whom the director reasonably believes to be competent and reliable in the matters being presented.
- 1.06 Board Self-Evaluation: The Board shall regularly engage in a self-evaluation of its performance and accomplishments in relation to the goals and mission of the Association.
- 1.07 Board Orientation: Upon election to the Board a new director will receive a thorough orientation into the responsibilities of the director's position, conducted by the Chair, the President and CEO, the Association's general counsel, and the management staff.
- 1.08 Board Training and Development: Training and educational programs in the areas of governance responsibilities, utility operations and management oversight are desirable and necessary for a director to function most effectively in the director's responsibilities.
  - 1.08.01 Each director is encouraged to become credentialed under the Credentialed Cooperative Director program of the National Rural Electric Cooperative Association. To achieve this credential, each director is encouraged to attend at least one board training program each year.
  - 1.08.02 In addition to formal Board training programs, directors are encouraged to attend conferences and other activities designed to improve the skills and knowledge of Board members. The expenses of enrollment and attendance at board training programs are paid by the Association in accordance with Board Policy.



1.08.03 The Board training programs shall be conducted within the confines of an annual budget established by the Board for this purpose.

1.09 Responsibility

1.09.01 Directors serving on and, candidates, nominees or appointees to the Board shall receive a copy of this Policy and attest by their signatures to having received the Policy. Upon submission of a valid petition for candidacy, each candidate for the Board shall attest to the qualifications of the candidate to become a Board member in the event of election of the candidate to the Board of Directors and submit to an independent background check for any qualifications that cannot be determined from the records of the Association.

1.09.02 The Association's general legal counsel shall inform all candidates, nominees or appointees to the Board regarding the terms and conditions of this Policy and the personal liability implications resulting from Policy violations in person or by a writing.

1.09.03 The Association's general legal counsel shall review this Policy with the Board on a bi-annual basis and discuss any personal liability implications resulting from violations.

1.09.04 The Chair shall endeavor to see that this Policy is followed.

# POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC. BOARD POLICIES

<b>SUBJECT:</b> <b>ROLES AND RESPONSIBILITIES OF THE PRESIDENT AND CEO</b>	<b>POLICY NUMBER:</b> <b>4.02</b>
<b>REVISED/Reaffirmed Date: 06/28/2022</b>	

## I.        OBJECTIVE

The objective is to delegate authority to the President and CEO and to express the Board's expectations regarding managerial performance and to define the relationship between the Board and the President and CEO.

## II.       POLICY

1.0       The President and CEO is the chief executive officer of the Association, capable of binding it legally and responsible for day-to-day operations. To enable the Association to achieve its mission, the President and CEO shall have the authority the President and CEO needs to carry out those responsibilities. In addition, the principles and guidelines set out below shall set the boundaries of their relationship.

The President and CEO has the following responsibilities:

### 1.01     Planning

- 1.01.01    Identify the mission, objectives, and strategic priorities of the Association, periodically engaging in a planning process with the Board.
- 1.01.02    Develop policies to be recommended to the Board for its consideration. The President and CEO shall review such policies at least once every other year with recommendations regarding revisions.
- 1.01.03    Conduct studies and market research, utilize staff, and develop proposed action plans and reports in such areas as load forecasts, power requirements, financial plans, energy management and marketing plans, and engineering requirements.
- 1.01.04    Arrange for member satisfaction surveys and other techniques to measure consumer satisfaction, and also on a periodic basis conduct needs assessment to determine consumer interest in additional products or services that might be offered by the cooperative.
- 1.01.05    Develop plans for annual and other member meetings of the Association and make appropriate recommendations to the Board regarding the conduct of such meetings.

- 1.01.06 Develop long-range financial plans, cash management plans, and work plans and budgets for recommendation to the Board, and provide periodic reports on revenue, expenses and other results compared to such plans.
  - 1.01.07 Analyze and determine, in coordination with the statewide and the National Rural Electric Cooperative Association, state and federal legislative and regulatory matters to be proposed, supported, or opposed.
  - 1.01.08 Periodically analyzes the Association's rates and service rules and regulations to make sure they meet operating requirements and make appropriate recommendations to the Board.
- 1.02 Organization and Human Resources Management
- 1.02.01 Review activities of the Association and determine the organization structure best suited to carry out its objectives within the limitations of the budget, including recommending the need for additional positions.
  - 1.02.02 Insure that written position descriptions and job specifications are prepared and reviewed as necessary for all personnel. Such completed descriptions will not require Board approval.
  - 1.02.03 Develop or approve standards and qualifications for use in recruitment, transfer and promotion of personnel, and select, appoint, transfer, promote and terminate personnel.
  - 1.02.04 Ensure that staff members are trained in accordance with the qualifications and requirements of their positions.
  - 1.02.05 Appraise, at least annually, the performance of immediate staff members, and ensure that a performance appraisal program is established and carried out for all personnel.
  - 1.02.06 Develop and administer a compensation plan.
  - 1.02.07 Determine all salary adjustments, except the President and CEO's, within the compensation plan and policy within the limitations of the budget. The Board shall determine salary adjustments for the President and CEO.
  - 1.02.08 Negotiate, with or without consulting assistance, labor contracts and make recommendations to the Board. Administer the approved labor contract and see that the appropriate managers and supervisors understand the provisions of the contract and its administration.
  - 1.02.09 Authorize and approve travel expenses of personnel (except the President and CEO's) on company business within the limitations of the budget and within established policy. Such expenses shall be supported by itemized

expense accounts with receipts attached, as appropriate. The Board will review expenses of the President and CEO.

- 1.02.010 Select and appoint consultants to provide advice and assistance within the limitations of the work plan and budget, and advise the Board of actions taken. The selection of consultants working in areas that affect the functions of the Board requires Board approval. Report to the Board periodically on services provided and the fees received by consultants.

### 1.03 Operations

- 1.03.01 Direct day-to-day operations of the Association except as specified otherwise by the Bylaws or the Board; delegate authority to immediate staff; authorize further delegation of authority to any level of management with full recognition that the President and CEO cannot be relieved of overall accountability.
- 1.03.02 Designate an appropriate person to serve as acting manager in an extended absence of the President and CEO. In case the President and CEO becomes incapacitated, the Vice President, Chief Financial Officer (CFO) shall serve temporarily as acting President and CEO until the Board takes appropriate action at a meeting to be convened as soon as possible.
- 1.03.03 Participate in national, regional, state, and local meetings that further the best interests of the Association, within the limitations of Board Policy and the approved budget. Participation by the President and CEO in such activities that require considerable time over a sustained period requires the approval of the Board. The President and CEO serving on the board of other organizations shall be reported to the Board.
- 1.03.04 Serve as the authorized spokesperson for the Association.
- 1.03.05 Administer the approved budget, including approval of non-budgeted items up to \$50,000 or all non-budgeted items which in the President and CEO's judgment are vital to affect unanticipated emergency maintenance or repairs. Non-budgeted items exceeding \$50,000 which are not items vital to affect unanticipated emergency maintenance or repairs must be presented to the Board for approval.
- 1.03.06 Determine insurance coverage required for effective risk management and negotiate purchase of such coverage within the limitations of the budget and Board Policy.
- 1.03.07 Authorize memberships in civic clubs and organizations and Association memberships in local organizations in which membership would be beneficial to the Association.

- 1.04 Reporting to and Working with the Board
- 1.04.01 Develop with the Chair a schedule of topics to be discussed and reports to be presented to the Board to ensure that adequate attention can be devoted to strategic issues and challenges.
- 1.04.02 Develop with the Chair an agenda for each Board meeting to ensure that issues are discussed in a timely fashion. Ensure that the agenda reflects the distinction between Board reports that address past actions and decisional issues that involve future issues that must be addressed.
- 1.04.03 Report to the Board on conformity of operations with approved policies, plans and budgets, and recommends revisions requiring Board approval. Periodic and special reports include:
- 1.04.03.1 Status of the long-range financial plan, including capital credits, equity management and rate competitiveness
  - 1.04.03.2 Reports on electric service reliability
  - 1.04.03.3 Reports on consumer satisfaction
  - 1.04.03.4 A review of the Bylaws, Board Policies, or legal issues
  - 1.04.03.5 Loss control and safety
  - 1.04.03.6 Update of Strategic Plan
  - 1.04.03.7 Report on Budget updates
  - 1.04.03.8 Others as appropriate
- 1.05 The Board will maintain the following principles and guidelines in its relationship with the President and CEO:
- 1.05.01 The Board is responsible for directing the affairs of the Association. The Board reserves authority to establish policies, approve plans and programs, exercise fiduciary oversight, employ a President and CEO, engage corporate legal counsel, hire a professional firm to conduct the financial audit, and act as trustees of member interests.
- 1.05.02 The Board recognizes that good management is the most important factor in the success of the cooperative. The President and CEO must be delegated sufficient authority to manage the operations of the Association on a day-to-day basis. Although delegated, these powers are expansive in nature and substantial in depth. The President and CEO is expected to make decisions that bind the Association legally and that impact its ongoing viability. The Board further recognizes that management can be effective only if there is mutual understanding and joint cooperation. The President and CEO is expected to produce results and give an account to the Board. The best results cannot be achieved unless the President and CEO is given latitude to perform within the confines of Board Policy. It is the Board's responsibility to clearly identify any limits on management discretionary decision making.

- 1.05.03 The Board has delegated to the President and CEO a significant level of power and authority and named the President and CEO as a corporate officer, therefore the President and CEO serves as the chief executive officer of the Association, in contrast with the Chair who is the principal executive officer of the board.
- 1.05.04 The Board delegates to the President and CEO the authority to execute and carry out plans, programs, and policies. In addition to the powers delegated above the President and CEO is expected to provide advice and counsel to the Board, and to take the lead in ensuring that important issues are presented and explained to the Board in a timely fashion.
- 1.05.05 The flow of authority shall be from the Board as a whole to the President and CEO to employees. It is the policy of the Board to refrain, as individuals, from discussing management and personnel issues with personnel of the Association. The Board in consultation with the President and CEO may confer with key personnel at regular or special meetings of the Board.
- 1.05.06 The Board recognizes that if any director undertakes private conversations with others to make commitments for the Board or the Association unless directed officially by the Board, then the director commits a serious breach of policy and may be subject to reprimand by the full Board.
- 1.05.07 The Board is responsible for ensuring that the President and CEO knows and understands its expectations and any limitations it has placed on discretionary decision making. These expectations and limitations should be identified in approved policies or plans. Such policies and plans should be used as the foundation for an annual appraisal of the President and CEO's performance.
- 1.06 The Chair should be responsible for ensuring adherence to this Policy. The President and CEO shall report to the Board on how these delegations are being carried out. The President and CEO may delegate any of the foregoing authorities to the acting President and CEO. The Board is responsible for seeing that the performance of the President and CEO is appraised each year by the Board including a recommendation on a salary adjustment when appropriate and that the results of such appraisal are discussed with the President and CEO.

**POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.  
BOARD POLICIES**

<b>SUBJECT: STATEMENT OF FUNCTIONS FOR ASSOCIATION'S CORPORATE COUNSEL</b>	<b>POLICY NUMBER:        4.03</b>
<b>REVISED/Reaffirmed Date: 06/28/2022</b>	

**I.        OBJECTIVE**

To recognize the value of continuing legal guidance and counsel in the various activities of the Association, and to ensure that the legal rights of the Association are protected and the Association is in compliance with all legal requirements.

**II.       POLICY**

1.0       The Association shall engage the services of an attorney who is duly licensed to practice law in the state of Colorado. Such attorney shall be deemed the Association's Corporate Counsel. Said Counsel shall coordinate all legal services for the Association and shall be responsible for the performance of all legal matters assigned to it by the President and CEO or by the Board. Said legal matters shall include, but shall not be limited to:

- 1.01      Review of the Association's Articles of Incorporation and Bylaws and the rendering of opinions on current and potential legal matters that may relate to them when necessary or appropriate, or when requested to do so.
- 1.02      Issuance of oral or written legal opinions and advice on contemplated actions of the Board or the Chair, when necessary or appropriate, or when requested to do so.
- 1.03      Attending Board meetings and committee meetings, when requested to do so, and serve as legal advisor on matters for which they are responsible.
- 1.04      Serve as a legal liaison and provision of advice to the Association on all substantive matters that materially affect the Association's legal status and relationship with federal, state, and local administrative or regulatory agencies.
- 1.05      Assistance to the Association in the preparation of necessary documents and issuance of legal opinions and certificates, when requested to do so, to assist the Association in obtaining loan funds.
- 1.06      Either representation or active coordination of the legal representation of the Association in all court and administrative proceedings in which the Association may become involved, when requested to do so.

- 1.07 Assistance to any special counsel in those matters that are deemed necessary and advisable, when requested to do so.
  - 1.08 Coordination and administration of all legal services performed on behalf of the Association, except in those instances where special counsel shall have the primary responsibility.
  - 1.09 Periodic provision to the Board and to the President and CEO, when requested to do so, of oral or written summary reports on all major legal matters involving the Association.
  - 1.10 Assistance to the President and CEO or the Board in the review of proposed or pending legislation, and in the development and implementation of legislative objectives.
  - 1.11 Preparation of a verbal or written monthly legal report for the Board, for the purpose of updating the status of cases pending at the Colorado Public Utilities Commission, and litigation matters directly affecting the Association.
- 2.0 The Board, in consultation with the President and CEO, will annually review the manner in which the Association's Corporate Counsel performs its legal services, in accordance with the provisions of this Policy, as well as the fees charged by said Counsel. The Association's Corporate Counsel will, if requested to do so, meet with the Board and/or the President and CEO, concerning such review.
  - 3.0 Special counsel should be used sparingly and generally only when the Association's Corporate Counsel is not available or not qualified to handle a particular matter.
  - 4.0 The Board of Directors is responsible for any changes in this Policy. Any special counsel shall, as appropriate, keep the Board, the President and CEO, and the Corporate Counsel informed as to matters being handled by such special counsel. The Association's Corporate Counsel shall be reasonably familiar with all major matters pertaining to the Association, and any special counsel shall be reasonably familiar with any matter entrusted to such counsel, and how such matters may affect the Association and its Members.



**POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.  
BOARD POLICIES**

<b>SUBJECT: FINANCIAL OVERSIGHT AND REPORTING</b>	<b>POLICY NUMBER:       4.04</b>
<b>REVISED/Reaffirmed Date: 06/28/2022</b>	

I.       OBJECTIVE

To set forth the policy of the Association regarding standards for both the Board and management in performing their respective responsibilities for key finance and accounting functions.

II.      POLICY

1.0      Consistent with its oversight responsibilities, the Board in this Policy sets clear guidelines and expectations for management in the performance of its duties with relation to financial management of the Association.

1.01     Accounting Standards:

The Association shall follow Generally Accepted Auditing Standards or “GAAS.” The Audit Committee of the Board shall request that the auditor provide information regarding changes to accounting and auditing standards and practices.

1.02     Internal Controls:

The President and CEO is responsible for maintaining a system of internal controls, which include guidelines and procedures related to protecting the Association’s assets, helping to ensure compliance with the law and applicable regulations, and keeping the Association’s books and records in reasonable detail to ensure their reliability and accuracy and for proper recording of all transactions involving the Association. Internal controls include the separation of personnel duties between the handling of assets and maintaining of the related accounting records, with enforcement of all such guidelines and procedures by the President and CEO. At least annually the President and CEO shall make reports to the Board regarding the effectiveness of the Association’s internal control systems. The Board shall work with the outside auditor to advise the President and CEO regarding any areas for improvement in internal controls that are identified by the auditor and suggestions for improvements.

1.03     Annual Financial Audit:

1.03.01   The Board shall be responsible for: selecting and retaining the independent auditor. The President and CEO will assist the Board in identifying qualified audit firms.

- 1.03.02 The Audit Committee of the Board shall be responsible for: approving work done by the auditing firm, deciding issues regarding the scope and timing of and compensation for the audit, and determining how issues discovered during the audit will be resolved.
  - 1.03.03 The Board shall discuss with the President and CEO and the outside auditor the annual audited financial statements and review the Association's reporting and accounting standards and principles, significant changes in such standards or principles or in their application, and the key accounting decisions that could affect the Association's financial statements, including alternatives to, and the rationale for, the decisions made.
- 1.04 Financial Reporting
- 1.04.1 The President and CEO is responsible for ensuring that all transactions and other pertinent financial data are maintained in a manner permitting the preparation of financial statements, reports and data for use internally, including by the Board, and for reporting to regulatory authorities, lenders, and the members. All such statements, reports and data shall be prepared and presented in a manner that accurately and fairly reflects the financial health of the Association.
  - 1.04.2 The Board shall review the Association's financial statements in detail with the President and CEO and set aside adequate time during its meetings to provide for sufficient review of these statements prior to the Board's acceptance of such statements.
- 1.05 Board Sets Policy: The Board must balance its overall responsibility for the operation of the Association with the President and CEO's responsibility for day-to-day operations. The Chair shall ensure that this Policy is implemented.

**POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.  
BOARD POLICIES**

<b>SUBJECT: RECORDS MANAGEMENT</b>	<b>POLICY NUMBER:       4.05</b>
<b>REVISED/Reaffirmed Date: 06/28/2022</b>	

I.       OBJECTIVE

The Board has the responsibility to oversee the Association and ensure that it complies with applicable laws and regulations, including laws and regulations concerning records retention.

II.       POLICY

1.0       The Board requires the President and Chief Executive Officer to oversee the development of a records retention policy for the Association that provides for retention of all records created by or for the Association, whether paper or electronic, that are necessary or advisable to retain for: business operations; 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 or other matter. Such policy shall also provide that other records that are not necessary to retain for these reasons shall be destroyed in accordance with the guidelines set forth in the Association’s records retention policy.

1.01      The Board shall receive a report from the President and Chief Executive Officer at such time as the records retention policy has been drafted, reviewed by general legal counsel, and implemented.

1.02      Thereafter, the Board shall receive regular reports on the application of the records retention policy of the Association.

1.03      There are no limitations on the Board’s monitoring responsibilities regarding this policy.

1.04      The President and Chief Executive Officer and Chair shall jointly ensure that this Policy is implemented.

# POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC. BOARD POLICIES

<b>SUBJECT:</b> <b>CONFLICT OF INTEREST</b>	<b>POLICY NUMBER:</b> <b>4.06</b>
<b>REVISED/Reaffirmed Date: 06/28/2022</b>	

## I.        OBJECTIVE

This Policy describes the situations and conditions that can create a conflict of interest so that directors can recognize potential conflicts of interest, seek to avoid them, and when unavoidable, understand their obligation to and the procedure for disclosing the potential conflict.

## II.       POLICY

1.0       Members of the Board of Directors of the Association are expected to uphold the highest ethical standards in performing their duties to the Association. When a director has a private interest - a financial or other personal interest - that may be at odds with the best interests of the Association, this is a conflict of interest. Such a conflict may also be expressed as a division of loyalties, which makes it difficult for the director to be completely objective about a decision. Directors should avoid any private interest that influences their ability to act in the best interests of the Association or that creates the appearance of conflict of interest. The Bylaws of the Association contain specific provisions regarding Qualifications to become and remain as a Director of the Association, and also, contain specific provisions regarding Conflicts of Interest of a Director. Each Director shall become familiar with the provisions of the Bylaws in this regard. This Policy supplements and explains the provisions of the Bylaws.

### 1.01     Service on Other Boards

1.01.01    Board members of the Association may from time to time serve on a board of directors of a generation and transmission cooperative, a statewide electric cooperative organization or a national organization as a representative of the Association. Further, Board members of the Association may also be sought after to serve on other boards, including without limitation, other corporations, local civic organizations, hospitals, charities, and business leagues. Each director must be aware of the potential for a conflict of interest arising when simultaneously serving on the boards of two or more organizations.

1.01.02    In the case of service on a G&T or statewide board, it is understood that the nature of our federated system of cooperatives creates a situation where the distribution cooperative will be conducting business with the G&T and/or statewide. This business relationship creates an inherent conflict of interest that is unavoidable. However, the Director owes fiduciary duties to each association and shall not be required to give priority to the fiduciary duty the Director owes to one association over the duties

the Director owes to another association. When a specific business issue arises between the G&T (or statewide) and the Association, including any dispute about rates, money owed, etc., the director of the Association must ensure that the director does not request or insist on any treatment for the Association that is different from the other members of the G&T (or statewide).

- 1.01.03 In the case of service on a board other than a statewide, G&T or national cooperative organization, then the directors of the Association must consider whether they have sufficient time and energy necessary to fulfill their duties and responsibilities to multiple organizations. If a director believes that the director can fulfill multiple roles and no inherent conflict exists in terms of such other entity doing business or competing with the Association, then the director shall disclose the director's intention to serve the other entity to the Board prior to election or appointment to the other board. If a director is not certain that the director can fully serve the Association and fulfill the director's duties to the other organization, then the director should decline to serve the other entity.

## 1.02 Confidentiality of Cooperative Information

The complete confidentiality of business information must be respected at all times. Directors are prohibited from knowingly disclosing such information to those who do not have the need to know, or whose interest may be adverse to the Association both inside or outside the organization; or in any way using such information for personal gain or advancement; or to the detriment of the Association; or to individually conduct negotiations or make contacts or inquiries on behalf of the Association unless officially designated to do so.

## 1.03 Avoid Conflicts of Interest

Every director of the Association is expected to avoid situations which might be construed as conflicts of interest since it is not feasible in a policy statement such as this to describe all the circumstances and conditions that might be or have the potential of being considered conflicts of interest. At a minimum the Director must disclose in writing when a decision before the Board could provide directly and as a proximate result of the decision a financial or other material benefit to:

- 1.03.01 The Director, if the benefit is unique to that director and not shared by similarly situated Association Members;
- 1.03.02 A parent, grandparent, spouse, partner in a civil union, child, or sibling of the Director, if the benefit is unique to that person and not shared by similarly situated Association Members; or
- 1.03.03 An entity in which the Director is an officer or director or has a financial interest unique to that Director.

1.04 Disclosure of a Conflict or Potential Conflict

Every director of the Association is expected to disclose any situation, which, in the director's opinion, violates, may violate, or could appear to violate the intent of this Policy. Annually, each Board member shall complete the attached Conflict of Interest Certification & Disclosure Form.

1.05 Adherence to the Cooperative's Code of Ethics

In order to maintain the highest ethical standards in the conduct of the Association's affairs and in its relationships with consumers, suppliers, employees, advisors, and the communities in which we serve, the Board shall as a body and as individuals adhere to the corporate Code of Ethics.

1.06 Gifts and Other Payments or Offers

Directors are prohibited from receiving gifts, fees, loans, or favors from suppliers, contractors, consultants, or financial houses, which obligate or induce them to compromise their responsibilities to negotiate, obligate, inspect or audit, or award contracts, solely in the best interests of the Association. This does not prohibit receiving gifts or favors of nominal value or casual entertainment that meet all standards of ethical business conduct, and involves no element of concealment.

1.07 Actions considered inconsistent with these Policies are to be reported to the entire Board. Any such report shall be discussed at the next scheduled Board meeting, where all sides of the issue will be heard. If a question remains, the Association's general counsel shall investigate the matter and report back to the Board.

**CONFLICT OF INTEREST CERTIFICATION & DISCLOSURE FORM**

**Poudre Valley Rural Electric Association, Inc.**

The undersigned member of the Board of Directors of Poudre Valley Rural Electric Association:

- 1. Affirms that he/she has received, read, and understands the most current version of Poudre Valley Rural Electric Association’s Conflict of Interest Policy (“Policy”).
- 2. Agrees to comply with the Policy.
- 3. Based upon a good faith belief, to the best of the director’s knowledge, and except for the material facts disclosed below, certifies that the director currently complies with the Policy.
- 4. Discloses the following material facts known to the director regarding any actual or potential conflict of interest that could impact the director’s compliance with the Policy (if none, then so indicate):
- 5. Agrees to disclose to the Board immediately any material facts that become known to the director regarding any actual or potential conflict of interest that could impact the director’s compliance with the Policy.
- 6. Agrees that, if, pursuant to the Policy, the board determines that the director fails to comply with the Policy, then, except as provided otherwise in the Policy, the board shall disqualify the director and the individual is no longer a director.

I, the undersigned, have received, read, understand and support Poudre Valley Rural Electric Association’s Board Policy on Conflict of Interest. By my signature below, I affirm that I do not have any undisclosed conflicts of interest.

Signed: \_\_\_\_\_

Dated: \_\_\_\_\_

**POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.  
BOARD POLICIES**

<b>SUBJECT: COMMITTEES OF THE BOARD OF DIRECTORS</b>	<b>POLICY NUMBER:       4.07</b>
<b>REVISED/Reaffirmed Date: 06/28/2022</b>	

I.     OBJECTIVE

- A. To establish standing committees of the Board.
- B. To establish a process for the formation of committees other than standing committees.
- C. To establish a process by which directors may be appointed to committees.

II.    POLICY

1.0    Committees of members of the Board may be used for the preliminary study of policies, budgets, plans, etc.

1.01    There shall be two standing committees of the Board which are as follows:

1.01.01    Audit Committee.

1.01.02    Bylaw Committee.

1.02    Committee appointments shall be made by the Chair.

1.03    Other committees may be formed by resolution of the Board. Appointments to such committees shall be made by the Chair.

1.04    Committees shall present reports to the full Board of all matters discussed by them together with any recommendation for action.

1.05    A committee cannot take official action on any matter unless specifically authorized by the full Board.



**POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.  
BOARD POLICIES**

<b>SUBJECT:</b> <b>MEETINGS OF THE BOARD OF DIRECTORS</b>	<b>POLICY NUMBER:</b> <b>4.08</b>
<b>REVISED/Reaffirmed Date:</b> 06/28/2022	

I.       OBJECTIVE

To state the policy of the Board regarding the scheduling and conduct of Board and other meetings of the Association.

II.      POLICY

1.0      Regularly Scheduled Board Meetings.

1.01     In accordance with the Association’s Bylaws, regular meetings of the Board shall be held at such time and place in Weld, Larimer, or Boulder counties as the Board may provide, unless all directors consent to it being held elsewhere. Such regular meetings shall be held without notice to the Board individually other than by resolution fixing the time and place thereof, which resolution shall be in the unapproved minutes transmitted electronically or mailed to each director prior to the meeting. The Board shall endeavor to have monthly meetings; however, the Board may have more or less than twelve regular meetings in each calendar year.

1.02     Notice of the time and place of a meeting of the Board and a copy of the agenda for which such meeting shall be posted for the public in every office maintained by the Association and on the Association’s website at least ten days before the meeting. The agenda shall specifically designate the issues or questions to be discussed, or the actions to be taken, at the meeting. If a regular meeting is postponed or cancelled, notice of the postponement or cancellation shall immediately be posted on the website.

2.0      Annual Meeting of the Board of Directors.

2.01     In accordance with the Association’s Bylaws, a meeting of the Board shall be held immediately after, and at the same place as, the annual meeting of the members. The agenda for such meeting shall include the election of officers, designation of representatives to various affiliated organizations and such other business deemed proper and necessary.

3.0      Special Meetings of the Board of Directors.

3.01     Special meetings of the Board of Directors may be called by the Chair or any three Directors. The Person or Persons authorized to call special meetings of the Board of Directors may fix the time and place for such special meeting. Unless waived, notice

of the time and place of any special meeting of the Board and a copy of the agenda for such meeting shall be posted by the Association at least ten days before the meeting as outlined in section 1.02. If a special meeting is postponed or cancelled, notice of the postponement or cancellation shall immediately be posted on the website.

3.02 Unless waived, notice of time, place and purpose of any special meeting of the Board of Directors shall be given by written notice, delivered personally or by mail, to each Director at the Director's last known address on not less than two days' notice. Notice of a special Board meeting may be given by electronic notification. If notice of a special meeting is mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except in case a Director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

#### 4.0 Public Participation in regularly scheduled Board Meetings and special Board meetings.

4.01 All meetings of the Board are declared to be open meetings and open to the members, consumers, and news media at all times; but the Board, by a two-thirds affirmative vote of the directors present, may go into executive session for consideration of documents or testimony given in confidence, but the Board shall not make final policy decisions or adopt or approve any resolution, rule, regulation, or formal action on any contract, or any action calling for the payment of money at any session which is closed to the members, consumers, and news media.

4.02 At any regular Board meeting, members of the public will be given a reasonable amount of time to speak to any item either specifically on the agenda or other issue relevant to the business of the Association. The presiding officer of the meeting shall have the power to limit the length of time a member may address an issue or take other reasonable actions to ensure all sides of an issue are aired and that proper meeting decorum is maintained. Members of the public shall be recognized by the chairperson before addressing the Board.

4.03 At any special meeting of the Board, members of the public may attend; however, members of the public may not be given an opportunity to address the Board. Members of the public desiring to make a presentation or distribute information to the Board at a special meeting shall provide the presentation in writing to all members of the Board prior to the meeting.

4.04 The Board has established Guidelines for Public Participation in any regular Board meeting and incorporates those Guidelines in this Policy.

## PVREA Monthly Board of Directors Meetings

### Guidelines for Public Participation

Poudre Valley REA Board of Directors meetings are held regularly and, unless otherwise noticed, they are held at our headquarters building. The meeting location, date, and commencement time are posted in the front office lobby and on PVREA's website ([www.pvrea.coop](http://www.pvrea.coop)).

Our meetings are public meetings and any members of the Association or general public are welcome to attend and observe. Attendees will be given an opportunity to address the Board with the following guidelines:

1. A "Public Comment" agenda item will be at the beginning of each meeting. The Board normally has a full agenda and asks that public comments and presentations be brief and non-repetitive. The Board Chairperson shall have the right to limit comments as necessary to move the meeting along. The Public Comment period is normally limited to ten minutes.
2. Anyone who wishes to address the Board on any item on the agenda requiring Board action may do so if and when the chairperson calls for public comment. Speakers will be limited to three minutes unless the chairperson decides the information being presented is repetitive.
3. Each individual wishing to address the Board shall first be introduced along with the individual's address. If the individual needs to use the Association's audio/visual/computer equipment or plans to provide their own equipment, then the individual shall make prior arrangements with the Association's staff.
4. The Board breaks for lunch around noon and normally reconvenes in about 45 minutes. Attendees need to plan accordingly to provide for their own meals.

PVREA is a member-owned cooperative association committed to providing economical, reliable, and safe electric service to all member-owners. We value members' input about how the Board of Directors can guide the Association to accomplish these goals.

**POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.  
BOARD POLICIES**

<b>SUBJECT: OFFICERS ELECTION</b>	<b>POLICY NUMBER:       4.09</b>
<b>REVISED/Reaffirmed Date: 06/28/2022</b>	

I.       OBJECTIVE

To establish a procedure for the conduct of election of officers of the Association as provided in the Bylaws of the Association.

II.      POLICY

1.0      In order to effectuate a standardized process for the conduct of the election, the following procedure shall be used by the Chair of the Board meeting [the Chair shall designate the Association’s general legal counsel as temporary Chair of the meeting for the purposes of the elections] in the conduct of each election of officers:

1.01     Each Board Member present at the first meeting of the Board of Directors held after each annual meeting of the Members at which a quorum is present shall be entitled to nominate by secret written nomination for each office any Board Member for any office. No second of any nomination shall be necessary.

2.0      The written nominations shall be tallied by the Association’s general corporate legal counsel. All persons who receive a nomination for an office shall be placed on the ballot for the office. If only one person receives nomination for an office, then that person shall be declared elected to that office.

3.0      The order of election of officers shall be:

1. Chair
2. Vice Chair
3. Secretary
4. Treasurer

\* The offices of Secretary and Treasurer may be held by a non-board member.

4.0      Election of each office will be conducted by a secret written ballot. Each officer shall be elected by a majority [not plurality] vote of the Board of Directors. If the candidate who receives the most votes in the first election does not have a majority of the votes of the Board of Directors, then a new ballot will be taken. The ballot will be repeated for that office as many times as necessary to obtain a majority vote for a single candidate. For the second and for each subsequent ballot the name of the nominee who received the least number of votes shall be removed from the next ballot.

- 5.0 Nothing in this Policy shall be construed to eliminate the opportunity for any proper motion by a Board Member for election of any officer by unanimous vote of the Board. Any such motion must receive unanimous approval of the Board of Directors present at the meeting.
- 6.0 As soon as one of the nominees receives a majority vote, the Chair declares the nominee elected. The elected officer takes the officer position immediately upon the conclusion of the election if the person does not immediately decline to serve.
- 7.0 The Board of Directors is responsible for implementing this Policy.

# POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC. BOARD POLICIES

<b>SUBJECT:</b> <b>VOTING AND ELECTIONS</b>	<b>POLICY NUMBER:</b> <b>4.10</b>
<b>REVISED/Reaffirmed Date: 06/28/2022</b>	

## I.       OBJECTIVE

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

## II.       POLICY

1.0       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 members are prohibited from sending individual newsletters using cooperative resources. Each Member of the Association shall be entitled to one 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; except as otherwise provided by law, the Articles of Incorporation or Bylaws.

2.0       Election Supervision. As necessary, and not less than ninety days prior to any meeting of Members where an election may occur, the Board of Directors shall appoint an independent third party (such as a Certified Public Accounting firm or professional election firm) to receive, prepare and secure the return envelopes containing ballots, and tabulate ballots and report voting results to the Board.

The Board shall also appoint an Election Supervisory Committee consisting of the Association’s general corporate legal counsel, a representative of the selected independent third party and a Member of the Association’s management staff to oversee the election and voting process. The committee’s responsibilities include, but are not limited to, resolving all issues or questions that may arise with respect to the election and voting process, the validity of Members’ signatures on nominating petitions and return envelopes, the registration of Members, the tabulation of ballots and any challenges to the election and voting process.

3.0       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 months prior to the meeting.

- 3.01 Any Member in good standing of the Association is eligible to submit a nominating petition to become a candidate for the Board of Directors. Nominating petitions must be signed by at least 15 qualified Members of the Association and submitted to the Board no less than 60 days prior to the election. Each candidate must qualify under the Bylaws.
- 3.02 Ballots and the “Notice of Annual Meeting” shall be mailed to all Members of the Association at the Member’s billing address approximately 30 days prior to the Annual Meeting.
- 3.03 All mail ballots shall contain a return envelope which must be signed by the Member. Return envelopes should include a secrecy sleeve or inner envelope to 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.
- 3.04 The deadline for mailing ballots shall be posted on the Association website at least 2 months prior to the deadline and remain until after the election. Information on how to become a candidate and the schedule of elections shall be published in the Association newsletter and posted on the Association website no less than 2 months prior to the date nominating petitions are due. The ballot position of a qualified Director candidate will be determined on a random basis, by pulling a name out of a container, prior to the publication of the ballot.
- 3.05 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 up to a 250-word summary of the candidate’s qualifications and views for inclusion in the biographical information.
- 3.06 From time to time, a Member may request a replacement mail ballot. The Member will be advised that the Member may vote in person at the Annual Meeting. Should that be unsatisfactory, a ballot and attendant information will be reissued to them. Should the Association receive more than one ballot from any one Member, then all ballots from said Member will be declared invalid.
- 3.07 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 and supervised by the Election Supervisory Committee; candidates shall be given the opportunity to be present during the ballot tabulation. The independent third party may collect and count any ballots received prior to the date of the election. In such case, the independent third party must deliver the ballots to the Association under seal promptly after the count and, upon the request of any candidate, make available to the candidate for inspection.

4.0 Voting Qualifications. Only Members of the Association may sign a nominating petition and only Members may vote at regular and special meetings of Members. As a practical matter, the Association asks Members to certify the Member's 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 necessarily limited to, the following:

4.01 Individual or Joint Membership: The Member of record's signature. In the case of a joint Membership, one signature from any joint Member is acceptable on a return envelope, and one signature is acceptable on a nominating petition. A Member's spouse or civil union partner cannot sign the return envelope unless the Membership is registered as a joint Membership.

4.02 Entity Membership: The signature of an authorized representative of the entity.

The Election Supervisory Committee will determine signature and Membership validity including but not limited to clear evidence of a signature by someone other than the Member. Unsigned return envelopes will invalidate any ballot contained therein. More than one return envelope from any Member will invalidate all ballots from that Member.

5.0 Ballot Procedures. For each election a printed ballot and a secrecy sleeve or inner envelope for the concealing of such ballot by each Member who votes, 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 instructions to be placed on each ballot, such ballot should then be placed in the secrecy sleeve or inner envelope, and the secrecy sleeve or inner envelope containing the ballot shall then be mailed to the designated third party in the return envelope, which must be signed by the Member. In the case of a joint Membership, the ballot envelope must include the name of each eligible voter. The joint Member who casts the ballot shall sign and return the envelope. 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 under the supervision of the Election Supervisory Committee.

5.01 Return envelopes shall be addressed to the independent third party selected and the independent third party may collect and count any ballots received prior to the date of the election as provided in Section 3.07 of this Policy.

5.02 The return envelopes shall have affixed to them a Member name generated from the Membership records of the Association. The envelopes 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.



- 5.03 The independent third party, with assistance from the Election Supervisory Committee and the Association's staff while under the supervision of the Independent third party, shall 1) maintain an accounting of the number of return envelopes; and 2) sort the envelopes into groups after comparing the Member label to the signature block. The groups include: i) envelopes signed by the Member or authorized representative, ii) envelopes unsigned, iii) envelopes to be reviewed by the Election Supervisory Committee for the Committee's determination of validity.
- 5.04 Questions or concerns raised by the candidate regarding the handling of return envelopes should be directed immediately to the Election Supervisory Committee for the Committee's immediate review and determination.
- 5.05 The independent third party will transport all return envelopes and ballots to the site of the Annual Meeting of Members and maintain custody and control during meeting registration and tabulation. The independent third party will also supervise the in-person voting process.
- 5.06 The independent third party shall supervise the transport and be in control of all ballots cast in person to a secure site to begin the ballot counting process.
- 6.0 Registration. An important part of the Annual Meeting of Members is registration of Members to determine the presence of a quorum and, if required, to verify Membership for voting purposes. The registration process is handled by the Association's staff and employees prior to the start of the business portion of the meeting. In the event there is an election of Directors or a vote on any other issue, the registration process would continue to be carried out by the Association's employees; and the voting process would be supervised by the selected independent third party under the general oversight of the Election Supervisory Committee.
- 6.01 In person balloting will be available to Members prior to the business portion of the Annual Meeting of Members for a specific period of time. The "Notice of Annual Meeting" of Members shall specify the hours of balloting and the specific time when balloting will cease. In person balloting is not allowed for Members who have voted by mail prior to the annual meeting.
- 6.02 A qualified Director candidate may have a representative observe the registration and in-person voting process. Questions or concerns, raised by the candidate's representative, regarding the registration and/or voting process should be directed immediately to the Election Supervisory Committee for the Committee's immediate review and determination.
- 6.03 No person shall be allowed to electioneer, photograph, videotape or tape record any activity in the registration and voting area while an election is in progress. Nor shall unauthorized persons congregate within the registration and voting area. Such area shall include the interior of the building where registration and voting is taking place.
- 6.04 Any question, concern, dispute or inquiry regarding any election or voting issue that might arise during the registration and voting process will be submitted in writing to

the Election Supervisory Committee for the Committee's immediate review and determination. Any form of written submittal to any member of the Committee shall be sufficient. The Committee may respond to unwritten questions but such an unwritten question shall not be considered a legal form of inquiry.

- 7.0 Tabulation. The independent third party shall be in control of all return envelopes. The independent third party will open the return envelopes, remove and open the secrecy sleeve or inner ballot envelope, remove the ballots and count the ballots. The independent third party shall also supervise and count any ballots cast in person.
- 7.01 A qualified Director candidate may have one representative observe the tabulation process of any ballots cast in person. The representative must be presented to the Election Supervisory Committee in advance. 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 cannot touch or otherwise be in proximity to the ballots. Such challenges are to be made to the Election Supervisory Committee in writing.
- 7.02 The independent third party shall develop the party's own methods of counting, cross-checking, recording and reporting the result. Handling questionable or irregular ballots will be determined by the independent third party's representative, in consultation with the Election Supervisory Committee, if necessary.
- 7.03 In the event that an election contest is won by a margin of 0.5% or less of total votes cast for that Director District position or that particular question, the independent third party will automatically recount all ballots appropriate to that Director District position or particular question.
- 7.04 In the event of a tie vote in a Director election, the outcome of the election shall be decided by the flip of a coin conducted by the Election Supervisory Committee in the presence of the Board of Directors and the candidates. In the event of an election tie on any other issue, the election outcome shall be decided by a vote of the Board of Directors at the next regular meeting of the Board.
- 7.05 The independent third party's representative will certify the results of the election and provide written certification to the Board of Directors as soon as the results are available.
- 7.06 All return envelopes, ballots and any materials used in conducting the count shall be preserved and turned over to the Election Supervisory Committee for safekeeping. These envelopes, ballots and materials will be preserved by the Election Supervisory Committee for a period of not less than ninety days.
- 8.0 Challenges. Any qualified Director candidate may challenge the correctness of any announced result of a Director election in which the person was a candidate. Should a challenge be presented it shall be made in writing, specifically asking for a recount, addressed to the Election Supervisory Committee, and presented within ten calendar days from the

close of balloting. The Committee will authorize a recount at the requesting candidate's expense; to be performed in the same manner as, and by the same independent third party, that performed the original vote count.

In regard to election issues other than the election of a Director, should 25 or more Members who voted in the election submit a signed, written request for a recount to the Election Supervisory Committee within 10 calendar days from the close of balloting, the Committee will authorize a recount at the requesting Member's expense; to be performed in the same manner as, and by the same independent third party, that performed the original vote count.

Due to the nature of the balloting by mail process as required by state law, any challenge by a qualified Director candidate of the balloting by mail process, method of handling return envelopes, validation of Members' signatures, acceptance or rejection of return envelopes and/or other issues relating to balloting by mail must be made prior to the close of balloting at the Annual Meeting of Members. Any challenge so raised must be directed in writing to the Election Supervisory Committee for the Committee's immediate review and determination. Once balloting closes, the return envelopes are opened, the secrecy sleeve or inner ballot envelope containing the Member's ballot will be removed, eliminating any method of identifying any ballot from any other. Once balloting is closed, challenges to the ballot by mail process will be denied.

- 9.0 Dispute Resolution. The Election Supervisory Committee shall have the authority to rule on all questions that may arise with respect to the validity of nominating petitions, validity of Member signatures, the registration of Members, counting of ballots cast in any election, determination of the validity of any ballot irregularly marked or cast, rulings upon all other questions that may arise relating to the ballot by mail process, Member voting and the election of Directors, and decisions upon any challenge, protest or objection made with respect to any election or conduct that may affect the results of any election. The Committee's decision on all such matters shall be final.

In the event any clause or provision of these guidelines shall be adjudged to be invalid or void, or determined to be in conflict with the Association's Articles of Incorporation, Bylaws, existing laws, rules and regulations of the United States of America, State of Colorado, or any governing body having jurisdiction over the Association, then and in that event, such laws, rules, and regulations shall take precedence over the particular guideline and the fact that any such clause or provision may be invalid or void shall not serve to invalidate the remaining guidelines, clauses and provisions contained herein.

- 10.0 Responsibility. It shall be the responsibility of the Board of Directors and the Election Supervisory Committee to carry out the terms of this policy.

**POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.  
BOARD POLICIES**

<b>SUBJECT:</b> <b>DIRECTOR FEES AND EXPENSES</b>	<b>POLICY NUMBER:</b> 4.11
<b>REVISED/Reaffirmed Date: 06/28/2022</b>	

I.        OBJECTIVE.

To define the terms and conditions whereby directors will be provided with a fixed fee and directly incurred travel expenses for attendance at Board and committee meetings and for performing other official duties as approved by the Board.

II.       POLICY.

The following payments and benefits will be paid by the Association to any person who lawfully serves on the Board of Directors of the Association.

1.0      Director Fees

- 1.01      Per Diem Payment. A per diem of \$400, as established by the Board for meetings attended will be paid to the director.
  
- 1.02      The directors shall attend the following meetings [and receive the per diem payment and expense reimbursement] unless excused by the Board:
  - 1.02.01    PVREA regular board meetings
  - 1.02.02    Appointed committee meetings
  - 1.02.03    PVREA Annual Membership Meeting
  - 1.02.04    CREA Annual and Fall Meetings
  - 1.02.05    Tri-State Annual Member Meeting
  - 1.02.06    Educational and training classes necessary to complete certification by NRECA as a Credentialed Director or Board Leadership.
  
- 1.03      A director may attend a maximum of three industry related meetings [and receive the per diem payment and expense reimbursement]. As a substitute of an approved industry related meeting a director may attend another industry related meeting not listed as approved by the Board. A list of approved industry related meetings includes:

- 1.03.01 NRECA Annual Meeting
- 1.03.02 NRECA Directors Conference
- 1.03.03 CFC Forum
- 1.03.04 CoBank Energy Directors Conference
- 1.03.05 NRECA Region 7 & 9 Meeting
- 1.03.06 NRECA Legislative Conference
- 1.03.07 Basin Electric Power Cooperative Annual Member Meeting
- 1.03.08 Midwest Electric Consumers Association Annual Meeting
- 1.03.09 Educational and training classes necessary to complete certification by NRECA as a Director Gold.

Any director appointed by the Board or the Chair to attend any other meeting not listed above shall be paid the per diem payment and shall be reimbursed for expenses as provided in this Policy. Such appointment shall not be counted toward the limit of the number of meetings that may be attended.

If a director is paid a per diem or other compensation by any of the organizations listed in this Policy for attendance at any meeting, then such director shall not receive payment of any per diem from the Association for the same meeting. If a director is reimbursed for expenses by any of the organizations listed in this Policy for attendance at any meeting, then such director shall not be reimbursed by the Association for the same expenses under this Policy.

1.04 Each member of the Board shall be offered the following benefits:

- 1.04.01 Association pays a monthly retainer of \$1,200, as determined by the Board, by direct deposit or by check on the first Friday of each month.
- 1.04.02 Director's AD&D
- 1.04.03 Business travel insurance for director
- 1.04.04 Federated Rural Electric Insurance Exchange management Liability Insurance for directors

1.04.05 Subscriptions to:

1.04.05.1 Rural Electric Magazine

2.0 Director Expenses

It is recognized that various local, state and national activities require the personal attendance at and travel to the activities that generate expense to members of the Board of Directors. Attendance at such activities assists the Board member in carrying out the objectives of the Association. The members of the Board are encouraged to take advantage of the benefits to be derived from such activities and meetings, and members of the Board are urged to serve on various committees, participate in various meetings and make personal contacts on behalf of the Association.

2.01 Travel Expenses: Directors shall be reimbursed for all reasonable and legitimate expenses for attendance at such meetings upon submission of a detailed expense account, with receipts attached as appropriate. No expenses will be paid for spouses of directors accompanying them to meetings. Travel shall be reimbursed on the following basis:

2.01.1 If commercial air travel is available, then regardless of the method of travel used, reimbursement shall be for the expenses actually incurred, but shall not exceed round trip airfare by the most economical means.

2.01.2 First-class air travel shall not be approved for payment.

2.01.3 If a director elects to travel by personal automobile, mileage reimbursement shall be at the current rate established by the Internal Revenue Service and shall not exceed the cost of round-trip airfare and associated costs by the most economical means.

2.01.4 Directors are encouraged to pool vehicles whenever possible.

2.01.5 If two board members travel together, mileage expense shall be paid to only one board member.

2.01.6 Travel shall be reimbursed only to places authorized by the board.

The directors shall take reasonable precautions when making air travel arrangements so as to avoid unnecessary risks to the governance and management of the Association. To this end, when practicable, the directors shall limit their collective travel on a single aircraft to no more than a minority of the total directors.

2.02 Reimbursement of Expenses Related to Lodging, Meals and Other Expenses: The Board hereby establishes the following reimbursements for expenses related to lodging, meals and other expenses of a member of the Board of the Association.

- 2.02.1 The board of directors shall receive an amount equal to the actual out-of-pocket expenses, including hotel, motel or other sleeping accommodations, taxi or bus fares to and from the place of business, parking fees, etc., incurred as a result of engagement on the above activities and any other legitimate expense necessary to carry out the assignment other than those included in meal and incidental per diem. Incidental expenses included in the per diem: business telephone, faxes, tips. Receipts shall be attached to the expense report to cover the major items of expense.
- 2.02.2 Per Diem meal and incidental expenses will be reimbursed at the maximum allowable rates under the current IRS Publication 1542, Per Diem Rates for overnight travel within the continental United States, for the locality of the business activity.
- 2.02.3 Travel days, that is, the day to travel to the overnight destination and the day to travel home from the overnight destination will be paid three-fourths (3/4) of amount paid under IRS Publication 1542 for the destination locality. Maximum travel time of one day to and one day from a meeting will be allowed. Directors receive a per diem allowance to help defray the expense of being away from their own business responsibilities on Association necessities.
- 2.02.4 When overnight travel is not required, meals and incidentals will be reimbursed to the director for what the director actually spent. Receipts will be required.
- 2.03 Reimbursement of Expenses Related to Personal Expenses. Any personal expenses incurred for entertainment or purchased foods and services not related to business activities shall not be eligible for reimbursement.
- 2.04 General. All expenses incurred under this Policy shall be paid by the director engaged upon the activity and shall be reimbursed upon return and upon submission of an itemized report and receipts. For good cause a director may receive a cash advance from the Association in an amount not greater than the reasonable estimate of the reimbursable expenses of the director for a meeting.

# POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.

## BOARD POLICIES

<b>SUBJECT:</b> <b>DIRECTOR EMERITUS</b>	<b>POLICY NUMBER:</b> 4.12
<b>REVISED/Reaffirmed Date: 06/28/2022</b>	

### I.        OBJECTIVE

To state the Association’s policy regarding retired board members who have served the Association for a long period of time.

### II.       POLICY

1.0       In accordance with the Bylaws of the Association and to recognize past service of retired members of the Board, and to utilize their experience and knowledge, the status of “Director Emeritus” may be conferred under the following terms and conditions.

1.01      Such status may be conferred by the Board only to past directors who have served for fifteen years.

1.02      Such status may be conferred only for the period(s) of time described as follows:

1.02.01   During the period from the date of resignation of a Director until the end of the Director’s elected term, and

1.02.02   During the period from the date of termination of such Director’s elected term of office for the number of years elected or served by such director, whichever is greater, divided by three (*i.e.*, one year for each three years or number years as a board member divided by 3 = number of years as Director Emeritus status).

1.02.03   The Board shall from time to time determine the duties, rights and privileges of the position of Director Emeritus.

1.03      The Board hereby establishes the following rights and duties of the position of Director Emeritus:

1.03.01   Any retired Director conferred the status of Director Emeritus who was first elected on or before March 31, 2012 shall receive a payment of \$400.00 per month. Any Director who has terminated service on the Board of Directors who was conferred the status of Director Emeritus and who was first elected after March 31, 2012 will not receive any payment from the Association.

1.03.02   Guest of Honor at Annual Meetings of the members and other official functions of the Association.



- 1.03.03 Participation at all regular meetings of the Board, provided that no voting privileges shall be granted.
  - 1.03.04 Attendance at the following meetings:
    - 1.03.04.1 Annual meeting of members of Colorado Rural Electric Association;
    - 1.03.04.2 Annual meetings and regional (area) meetings of members of Tri-State Generation and Transmission Association, Inc.; and
    - 1.03.04.3 Other meetings specifically designated and approved by the Board.
  - 1.03.05 Duties shall be designated from time to time by the Board.
  - 1.03.06 Reimbursement will be made for actual cash expenses borne by such Director Emeritus for such expenses incurred for participation in Association designated activities, but no per diem allowance or other compensation shall be paid.
- 1.04 The provisions of this Policy shall not be applied retroactively and the provisions of this section may be interpreted from time to time by Resolution of the Board.

**POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.  
BOARD POLICIES**

<b>SUBJECT:</b> <b>TABLETS</b>	<b>POLICY NUMBER:</b> 4.13
<b>REVISED/Reaffirmed Date:</b> 06/28/2022	

I.     OBJECTIVE

To establish responsibilities for tablets.

II.    POLICY

- 1.0    Each member of the Board of Directors will be issued an Association provided electronic tablet to receive Association communications and materials related to Board responsibilities.
  - 1.01   Each board member shall be responsible for the safekeeping of their tablet. Board members will immediately notify the Association if the tablet is lost or stolen.
  - 1.02   Board members are provided a wireless plan, paid for by the Association, included with their tablet and shall be responsible for all usage charges incurred over the purchased allotment, unless additional charges were for Association business. The wireless plan will terminate at the expiration of the board member’s service.
  - 1.03   Board members may download applications and data for personal use. Data includes, but is not limited to, documents, photos, videos, and music files. Personal applications and personal data stored on the tablet are not stored on Association managed servers. Syncing or maintaining a backup of personal data is the board member’s own responsibility. Board members shall not download any materials that are considered illegal under the laws of Colorado or the United States. Board members will use best judgment as to whether an application or data is appropriate.
  - 1.04   Board members shall not allow third party access to the tablet or Association designated applications, or to any other non-publicly available Association documents or materials.
  - 1.05   Association shall service the tablets and assist the board members in resolving issues related to the operation of the tablet, other than personal app specific issues.
  - 1.06   The Association shall not be held liable for any personal information the board member may store on their tablet and reserves the right to remotely erase/wipe the tablet to maintain security policies and practices. Wiping erases all content and returns the tablet to factory default settings. Erased content includes, but is not

limited to, all Association designated applications, any personal applications, emails, contacts, documents, photos, or other data on the tablet.

1.07 Board members agree they will not use the tablet in an unsafe manner, and specifically not while operating a vehicle.

2.0 Responsibility:

2.01 The Board will be responsible for the administration and compliance of this policy.

2.02 The President and Chief Executive Officer shall ensure this policy is adhered to.