

NESPELEM VALLEY ELECTRIC COOPERATIVE, INC.



General Policy Manual

Board of Directors

100 Series

General Policy No. 101 – Preamble & Instructions	2
General Policy No. 102 – Trustees Duties & Standards of Conduct.....	3
General Policy No. 103 – Duties of the President	10
General Policy No. 104 – Duties of the Vice President	11
General Policy No. 105 – Duties of the Secretary/Treasurer	12
General Policy No. 106 – Powers of the President and Secretary/Treasurer	14
General Policy No. 107 – Cooperative Trustee – Description	15
General Policy No. 108 – Trustees and Employees Fees and Mileage	18
General Policy No. 109 – Group Medical Insurance – Active and Retired Trustees	19
General Policy No. 110 – Accounting and Reports.....	20
General Policy No. 111 – Duties of the Manager.....	21
General Policy No. 112 – Delegates to Meetings	23
General Policy No. 113 – Outages and Catastrophes	24
General Policy No. 114 – Nepotism.....	25
General Policy No. 115 – Appointment of Attorney	26
General Policy No. 116 – Appointment of Auditor and Engineer	27
General Policy No. 117 – Member Request for Information	28
General Policy No. 118 – Attendance of Others at Board Meetings.....	31
General Policy No. 119 – Contributions and Donations	33
General Policy No. 120 – NVEC Conflict of Interest.....	34
General Policy No. 121 – Record Retention.....	39
General Policy No. 122 – Whistleblower	44
General Policy No. 123 – Identity Theft Red Flag Prevention Policy.....	47
General Policy No. 124 – Trustees Electronic Communication.....	56
General Policy No. 125 – Safety, Job Training and Loss Control Program.....	58

**Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 101**

SUBJECT: Preamble & Instruction

PREAMBLE :

These policies and procedures have been adopted by the Nespelem Valley Electric Cooperative, Inc. of Okanogan County, Washington for its operations in the distribution of electricity to the Nespelem Valley Electric Cooperative members. They are to serve as a guide to the board, the employees and the representatives of the Cooperative in their contact with the consumers.

INSTRUCTIONS:

It shall be the policy of the Nespelem Valley Electric Cooperative Board of Trustees that the policies adopted later in time by the Board of Trustees, relating to any particular subject, shall supersede and cancel any previous policy pertaining to any such particular subject.

Adopted: 5/25/1993
Effective: 5/25/1993
Amended/Revised: 9/19/1995
Reviewed: 12/2005
Reviewed/Revised: 4/27/2010

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 102

TRUSTEES DUTIES & STANDARDS OF CONDUCT

I. Objective

The Board of Trustees places the utmost importance on adherence to the highest standards of ethical conduct to guide the board in the fulfillment of its duties and to set the example for the organization as a whole. Consequently, this policy establishes operational principles conforming to such standards so as to prohibit conduct inconsistent with such standards and to avoid even the appearance of impropriety. As well, this policy serves to explain the fiduciary duties of Trustees and to clarify the standards of conduct for which they will be held accountable.

II. Preamble

All of the powers of Nespelem Valley Electric Cooperative, Inc. (NVEC) are conferred upon and may be exercised by the Board of Trustees, except as reserved to or conferred upon the members by law, the articles of incorporation, or NVEC's bylaws. It is the purpose of this policy to identify and establish standards whereby such authority may be exercised in the best interests of NVEC.

III. Policy Content:

A. Legal Duties – Trustees are subject to legal standards of fiduciary responsibility. These include the duties of *care* and *loyalty*. Under the duty of *care*, Trustees are required to:

1. Exercise that degree of care that an ordinarily prudent person would exercise under similar circumstances.
2. Have or acquire the minimum knowledge and skills necessary to direct the affairs of NVEC.
3. Make every effort to attend all meetings of the Board and to study materials sent prior to each board meeting, work session, committee meeting, or special meeting.
4. Study and adhere to all obligations imposed by NVEC's articles of incorporation, bylaws and policies adopted by the Board of Directors.

Under the duty of loyalty, Trustees are required to:

1. Act only in the best long-term interest of NVEC and its members.
2. Place the interests of NVEC over any personal interests.
3. Not have any financial interest in a directly competing business.
4. Avoid the appearance of any conflict of interest (refer to Section III.C.)
5. Avoid any future conflict of interest by refusing to receive any remuneration from any entity proposing to purchase all or substantially all of the assets of NVEC (refer to Section III. C.)
6. Represent and support the interests of NVEC to elected and other public officials.
7. Publicly support decisions of the board that are made consistent with this policy.

B. Conduct with Respect to Fellow Directors – Regardless of any personal differences, Trustees should:

1. Demonstrate mutual respect.
2. Allow opportunity for every other Trustee to be heard on any matter being considered by the board.

C. Conflict of Interest

A “conflict of interest” exists when a Trustee has a personal interest in a matter of sufficient nature and magnitude that an antagonism exists between his or her personal interest and that of NVEC, such that he or she may not be able to exercise independent and objective judgment on the matter in the best interests of NVEC. A Trustee’s “own interests” may not directly involve the Trustee, but can involve relatives, business associates or other persons or organizations with whom he or she is closely associated.

The NVEC Board of Trustees has resolved that the statements contained in the following paragraphs will serve as a guide to Trustees in the governance of the affairs of NVEC:

1. Trustees are prohibited from receiving gifts, fees, loans, or favors from suppliers, contractors, consultants or financial houses, which obligates or induces them to compromise their responsibility to negotiate, obligate, inspect or audit, or award contracts, with the best interests of NVEC uppermost in mind. This does not prohibit receiving gifts of nominal value or casual entertainment that meet all standards of ethical business conduct, and involve no element of concealment. However, Trustees are required to submit a disclosure report (Attachment A) if the actual or estimated value of any gifts or

casual entertainment exceeds \$75.00. Disclosure reports will be presented to the President of the Board with copies distributed to each Trustee and filed with NVEC's administrative manager.

2. The complete confidentiality of proprietary 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 NVEC, using such information for personal gain or advancement, or to the detriment of NVEC, or to individually conduct negotiations or make contacts or inquiries on behalf of NVEC unless officially designated to do so.
3. Trustees are prohibited from acquiring or having a financial interest in any property that NVEC acquires or in a supplier, contractor, consultant or other entity with which NVEC does business. This does not prohibit the ownership of securities in publicly-owned companies except where such ownership places the Trustee in a position to materially influence or affect the business relationship between NVEC and such publicly-owned company. Any other interest in or relationship with an outside organization or individual having business dealings with NVEC is prohibited if this interest or relationship might tend to impair the ability of the Trustee to serve the best interests of NVEC.
4. If members of the immediate family of a Trustee have a financial interest as specified above. Such interest shall be fully disclosed to the board. The remaining Trustees shall decide if such interest should prevent NVEC from entering into a particular transaction, purchase or employment of services. The term "immediate family" means children or their spouse, husband, wife, sister, brother, parents, foster or stepparents, grandparents, aunts, uncles, mother or father-in-law, sister or brother-in-law, or any relative residing in a Trustees household.
5. Trustees of NVEC are expected to conduct themselves in a manner that avoids situations that might be construed as conflicts of interest, including actual or potential conflicts not specifically described in this policy.
6. When a conflict of interest exists the Trustee shall declare the nature of the conflict and excuse himself or herself on any official action involving the conflict. The Trustee shall not be present during board discussion or voting on the matter.

D. Director Access to NVEC Information – A Trustee is entitled to have access to proprietary NVEC data or information, at reasonable times during the business hours for a proper purpose that is germane to his

or her standing as a member or Trustee. This principle is subject to the following:

1. All requests for information shall be made to and through the General Manager. In no case shall such information be sought through other employees, agents or independent contractors (unless, after consultation with and being advised by NVEC's attorney, actual or potential criminal activity of the Manager is involved).
2. Where a Trustee has sought access to information not generally made available or reported to the Board, the Manager shall so report to the board at its next meeting.
3. Information received by a Trustee pursuant to this policy shall not be revealed by him or her to any other persons (the remaining trustees, Manager and NVEC's attorney excepted) unless he or she is sincerely convinced that he or she is legally compelled to do so.
4. Unless required by proper legal process, Trustees shall not reveal information they obtain by virtue of their position to third parties if the actual or potential effect of such revelation is to damage NVEC, financially or otherwise, or to enable the Trustee or the Trustee's associates to obtain a financial advantage.

E. Good Faith and Fair Play – Every Trustee shall deal in good faith and fair play with every other Trustee and the General Manager in expressing his or her views, questions and concerns relating to NVEC's policies, rate and programs. Good faith and fair play require:

1. Trustees should reveal all information or interests they may have and that may bear upon action being considered by NVEC.
2. Trustees will not pursue a position, inquiry or motion to unduly harass or annoy other Trustees, the Manager, employees or contractors.
3. Trustees shall not, unless in a board meeting session or committee meeting session, or while acting upon authority delegated by the entire board, exercise special privileges not available to the general membership.
4. Trustees recognize their role in the organization is to set policy. Trustees will refrain, as individuals, from discussing management issues with NVEC personnel other than the General Manager. This prohibition includes, without limitation, communications for the purpose of influencing an employee's position or attitude concerning NVEC related activities, personnel matters, or to obtain information not otherwise available to Trustees.

IV. Policy Implementation and Responsibility

- A.** All candidates, nominees or appointees to the Board shall receive a copy of this policy and affirm by their signature that they understand and will support its provisions. A copy of the affirmation statement appears as Attachment B.
- B.** The General Manager shall inform all candidates, nominees and appointees to the board regarding the terms and conditions of this policy and the personal liability implications resulting from policy violations.
- C.** The Chair of the Board shall ensure that this policy is followed.

Date Adopted: 5/25/2010

Attested: _____

Attachment A: Gift and Entertainment Disclosure Report
Attachment B: Policy Affirmation Statement

Attachment A

Policy 102 Trustees Duties & Standards of Conduct

Gift and Entertainment Disclosure Report

This report is required consistent with Nespelem Valley Electric Cooperative, Inc. Policy 102, Trustee Duties & Standards of Conduct, Section III. C.1. That provision states:

Conflict of Interest

Trustees are prohibited from receiving gifts, fees, loans or favors from suppliers, contractors, consultants, or financial houses, which obligates or induces them to compromise their responsibility to negotiate, obligate, inspect or audit, or award contracts, with the best interests of the Cooperative uppermost in mind. This does not prohibit receiving gifts of nominal value or casual entertainment that meet all standards of ethical business conduct, and involve no element of concealment. However, Trustees are required to submit a disclosure report (Attachment A) if the actual or estimated value of any gifts or casual entertainment exceeds \$75.00. Disclosure reports will be presented to the Chair of the Board with copies distributed to each Trustee and filed with NVEC's administrative manager.

_____	_____
Trustee receiving gift or entertainment	Date Received
_____	_____
Supplier/vendor providing gift or entertainment	Nature of business
_____	\$ _____
Form of gift or entertainment	Value (actual or estimated)

Comments: _____

Trustee's signature

Date

Board Chair's signature

Date

Attachment B

**Policy 102
Trustees Duties & Standards of Conduct**

Policy Affirmation Statement

By my signature below, I certify and affirm that I have received, read and understand Nespelem Valley Electric Cooperative, Inc. Policy 102, Director Duties & Standards of Conduct, and support the provisions therein and agree to abide by them fully.

Trustees, nominee or appointee

Date

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 103

SUBJECT: Duties of the President

- (a) The President shall be the principal executive officer of the Cooperative and shall preside at meetings of the Board of Trustees;
- (b) Shall sign, with the secretary certificates of membership, the issue of which shall have been authorized by resolution of the Board of Trustees, and may sign deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board of Trustees to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Trustees or by the by-laws to some officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed;
- (c) And in general shall perform duties incident to the office of President and such other duties as may be prescribed by the Board of Trustees from time to time

(As stated in the By-Laws)

Adopted: 5/25/1993
Effective: 5/25/1993
Amended/Revised: 9/19/1995
Reviewed: 12/2005
Reviewed: 4/27/2010

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 104

SUBJECT: Duties of the Vice-President

In the absence of the President or in the event of his inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President and shall perform such other duties as from time to time be assigned to him by the Board of Trustees.

(As stated in the By-laws)

Adopted: 5/25/1993
Effective: 5/25/1993
Amended/Revised: 9/19/1995
Reviewed: 12/2005
Reviewed/Revised: 5/25/2010

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 105

SUBJECT: Duties of the Secretary and Treasurer

The Secretary shall:

- (a) See that the minutes of the Board meetings shall be taken by one named for that duty, and then filed by the Secretary in one or more books provided for that purpose;
- (b) See that all notices are duly given in accordance with the by-laws as required by law;
- (c) Be custodian of the corporate records and of the seal of the certificates of membership prior to the issue thereof and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of the by-laws;
- (d) Keep a register of the post office addresses of each member which shall be furnished to the Secretary by each member;
- (e) Sign with the President certificates of membership, the issue of which shall have been authorized by a resolution of the Board of Trustees;
- (f) Have general charge of the books of the Cooperative in which a record of the members is kept;
- (g) Keep on file at all times a complete copy of the by-laws of the Cooperative containing all amendments thereto, which copy shall always be open to the inspection of any member upon request; and
- (h) In general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the Board of Trustees.

The Treasurer shall:

- (a) Have charge and custody of and be responsible for all funds and securities of the Cooperative;
- (b) Receive and give receipts for moneys due and payable to the Cooperative from any source whatsoever and deposit all such in a bank or banks as shall be selected in accordance with the provisions of the by-laws and
- (c) In general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Trustees.(As stated in the By-Laws)

Adopted: 5/25/1993
Effective: 5/25/1993
Amended/Revised: 9/19/1995
Reviewed: 12/2005
Reviewed/Revised: 5/25/2010

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 106

SUBJECT: Powers of the President and Secretary-Treasurer

The President and Secretary-Treasurer of the Cooperative and each of them, with full power to act without others, is authorized at the expense of the Cooperative, to obtain and deliver to the Administrator of the Rural Utilities Service, a bond or bonds insuring the Cooperative and the United States of America from losses arising from fraudulent or dishonest acts of officers, employees or agents of the Cooperative, as shall be designated by such Administrator, with such surety or sureties and in such amount or amounts containing such terms as shall be approved in writing by such Administrator.

The President is also authorized to make such arrangements for the giving to the United States of America of such security for payment of the Note or Notes, as he shall deem advisable. The President and Secretary-Treasurer and each of them, with full power to act without the others, are authorized on behalf of the Cooperative, to sign and deliver any and all contracts, endorsements, assignments and other instruments and make such pledges and generally to do and perform and all acts or things which have been set forth by resolutions, and to perform the terms, covenants and provisions of the Loan Contract to be performed by the Cooperative.

Adopted: 5/25/1993
Effective: 5/25/1993
Amended/Revised: 9/19/1995
Reviewed: 12/2005
Reviewed: 6/22/2010

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 107

SUBJECT: Cooperative Trustee – Position Description

I. Cooperative Trustee:

The position of “Cooperative Trustee” was created by the legal requirements of the “Articles of Incorporation and By-Laws” under which the Cooperative was established and organized. The “Director” shall, as a member of the “board” assist and contribute in formulating policies under which the business affairs of the Cooperative shall be managed. In no way shall the board of Trustees, or any individual Trustee, exercise any power reserved or conferred upon the members.

II. Qualifications:

Must meet all requirements as specified in the Cooperative’s “Articles of Incorporation and By-Laws” as indicated, but not limited to the requirements set forth below:

1. Must be a member of the Cooperative in good standing and a resident of the Cooperative’s service area.
2. May not in any way be employed by or financially interested in a competing enterprise of business primarily engaged in selling electrical appliances, fixtures, or supplies to members of the Cooperative.
3. No person shall take or hold office as a Trustee who is the incumbent, or candidate for, an electric public office in connection with which a salary is paid.
4. When a membership is held jointly by a husband and wife, either one-but not both, may be elected as a director. However, neither shall be eligible to become or remain a director or hold a position of trust in the Cooperative unless both shall meet the qualifications set forth above.
5. Each Trustee shall be elected by written ballot by and from the voting members to serve for a period of three (3) years or until a successor shall have been elected and qualified or appointed by the board to fill an unexpired and vacated position.

III. General Duties:

1. Should be able to attend twelve (12) regular board meetings per year which are generally held on the fourth Tuesday of each month in addition to the Annual Meeting held the first Friday of October.

2. Should be able to attend a special meeting(s) when Cooperative business dictates the need and when proper notice of such meeting is made pursuant to Article/By-Law requirements.
3. Should attend, when so designated to do so by board action, scheduled NRECA, BPA, WRECA and legislative meetings and conventions.
4. Should attend, when so designated to do so by board action, educational seminars for Trustees/Directors.
5. Should attend, when so designated to do so by board action, any power supplier or special topic meetings related to operation or well-being of the Cooperative and its members.

IV. Responsibilities:

1. Together with other members of the board of Trustees approves the time, place and special board meetings.
2. Together with other members of the board of Trustees approves the time, place and date of all regular and special board meetings.
3. Shall assist other members of the board of Trustees in evaluating and selecting a General Manager to manage the day to day affairs, financial and operational functions of the Cooperative. The General Manager is to manage in accordance with the policies and authority established by the Board.
4. Shall assist other members of the board of Trustees in selecting members to fill vacancies on the Board until the next regular annual meeting except in the case where a Trustee is removed by the membership.
5. Shall assist other members of the board of directors in selecting an annual Nominating Committee for the election of Trustees.
6. Shall assist other members of the board of Trustees in setting compensation for subject to the requirements contained in the Articles/By-Laws.
7. Shall assist other members of the board of Trustees in selecting a Certified Public Accountant to prepare an annual financial audit. The selected CPA will report and review with the board the results of the completed annual audit at a regular Board meeting.
8. Shall review from time to time with other members of the board of Trustees electric energy rates, approve any change in rates, and insure that written notice of any change is forwarded to the Administrator of the Rural Utility Service.
9. Shall, with other members of the board of Trustees, assist in developing,

approving and enforcing written policies, rules, regulations and plans governing the conduct of business affairs in providing that service to the Cooperative and its members.

10. Shall, with other members of the board of Trustees, review, evaluate, discuss, criteria, when approval is required, all agenda items provided by management and staff for all regular and special board meetings.

V. Authority and Accountability:

1. A member of the board of Trustees shall have the authority to act in an official capacity at all regular and special board meetings scheduled in accordance with the Cooperative's Articles/By-Laws. Trustees shall be accountable for all such actions to the members of the Cooperative.
2. A board member is required to act with due diligence in dealing with the Cooperatives business. This means that Trustees must conduct the business of the Cooperative in the same manner that a reasonably prudent person would do in a similar position under similar circumstances.

VI. Basic Laws:

A Trustee must adhere to all applicable national and state laws pertaining to the Cooperative and the Trustees relationship to the Cooperative. A Trustee must adhere to the Cooperative's Articles of Incorporation & By-Laws. A Trustee must act in good faith for the Cooperative's best interest notwithstanding any continuing and substantial personal, business or organizational interest that is in conflict with the best interest of the Cooperative. A Trustee must be physically capable and mentally competent to make decisions concerning the affairs of the Cooperative. A Trustee must be willing and capable of devoting such time and effort as is necessary to carry out the duties and obligations as a member of the board.

Trustees must represent the best interests of the membership in their governing of the Cooperative. Election to the Board is neither a privilege to build one's own image nor an occasion to perpetuate one's own interests. Rather, election to the Board is an authorization by the membership to perform in a manner that is in the best interest of the existing Cooperative's membership.

Approved by the board: 7/25/1995

Effective: 8/1/1995

Amended/Revised: 1/24/2006

Reviewed: 6/22/2010

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 108

SUBJECT: Trustees and Employee Fees and Mileage

Any Trustee attending meetings or conferences will be compensated at the following rate:

- Trustees - \$150.00 per day or meeting

The Cooperative shall pay all reasonable travel costs incurred by a Trustee or Employee necessary to attend the meetings or conferences to include the following:

- Lodging
- Meals with the exception of alcoholic beverages.
- Cooperative Vehicle
- Public Transportation
- Parking
- The current Internal Revenue standard mileage rate will be paid for furnishing personal vehicles.

Receipts will be required for reimbursements.

Approved by the board: 01/25/2005

Effective: 12/20/1994

Amended/Revised: 09/19/1995

11/26/2002

02/28/2006

08/31/2010

Amended/Revised: 01/22/2013

Amended/Revised: 01/15/2015

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 109

SUBJECT: Group Medical Insurance – Active & Retired Trustees

To promote the health and welfare of Trustees and their families, the Cooperative maintains a Group Medical Insurance Program.

- This plan is available to all trustees, both active and retired.
- The covered Trustees are required to pay 100% of the premium cost of the medical plan in effect.

Approved by the Board: 2/25/1986

Amended/Revised: 5/25/1986

Reviewed: 08/31/2010

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 110

SUBJECT: Accounting and Reports

The Board of Trustees shall cause to be established and maintained a complete accounting system which, among other things, subject to applicable laws, rules and regulations of any body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America.

All accounts of the Cooperative shall be subject to examination by a committee of the Board of Trustees at any time. Such committee shall render reports to the Board of Trustees at the discretion of the Board.

The Board of Trustees shall also, after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books, and financial conditions of the Cooperative as of the end of such fiscal year. Such Audit Reports shall be available to the members at the following annual meeting. The two copies of such audit shall be forwarded to the Rural Utilities Service in Washington, D.C. along with copies of all adjusting journal entries.

Approved by the Board: 5/25/1993
Amended/Revised: 9/19/1995
Amended/Revised: 10/26/2010

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 111

SUJECT: Duties of the Manager

A. Job Summary

The General Manager works with the Board and staff to achieve the Cooperative's vision for the future. This includes meeting the electrical Transmission and distribution needs, and working regionally and nationally on key resource issues. The General Manager provides leadership and develops/implements strategic plans to ensure the Cooperative is responsive to its customers, employees and the electric utility industry. The General Manager ensures the Cooperative conducts its business in accordance with sound financial management practices, policies and objectives established by the Cooperative Board of Trustees, Articles of Incorporation and Bylaws of the Cooperative.

The General Manager provides direct supervision to the Office Manager and Line Superintendent. The General Manager reports to an elected nine member Board and is responsible for keeping the Board informed of regulatory and political issues affecting the Cooperative, the financial health of the Cooperative, staffing adequacy and system reliability.

B. Essential Functions

1. Overall management of Cooperative departments; Ensures that all departments maintain a high level of expertise. Makes decisions with recommendations from staff in matters relating to electrical power supply, financial policies, the electrical system, procurement, staffing and administrative policies.
2. Responsibility to the Board; Attends regular meetings of the Board. Submits items of business to be considered. Administers policies of the Board and carries out its directives. Educates or arranges for education of Board members on subjects of importance to the Cooperative. Recommends short and long range strategies to maintain financial health, adequate power supply, sufficient physical plant and efficient operation. Administers a wage and salary plan and recommends compensation levels, employee benefits, and training and development programs to the Board for approval.

3. Provides leadership to develop and foster a positive work environment. Encourages staff participation and suggestions. Utilizes appropriate delegation methods. Provides necessary training for staff growth & development, succession planning and safety practices.
4. Responsible for development and management of the annual budget; Assists in all phases of the budget process. Works with department heads for departmental budget planning, with the Office Manager for overall budget planning, monitoring and presentation to the Board. Works with other entities acting as financial advisors to the Cooperative.
5. Labor and employee relations; Participates in contract negotiations, labor/management meetings and the administration of Collective Bargaining Agreements.
6. Meeting attendance; Represents the Cooperative at meetings of WRECA, NRU, General Pacific and other local, regional and national organizations as appropriate.
7. Professional relationships; Maintains positive working relationships with appropriate officials at the local, county, state and federal level to promote the needs and objectives of the Cooperative.
8. Community relations; Ensures the Cooperative effectively communicates, proactively with and is responsive to the needs of the diverse population of member owners. Establishes Cooperative presence in appropriate community service organizations. Encourages utility participation in selected community activities.
9. Responsible for confidential matters; routinely handles information related to personnel records, salaries and labor negotiations. Works in a confidential manner and maintains confidentiality as appropriate.

Approved by the Board: 5/25/1993
 Effective: 5/25/1993
 Amended/Revised: 9/19/1995
 Amended/Revised: 5/18/1999
 Amended/Revised: 10/26/2010
 Amended/Revised: 10/28/2014

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 112

SUBJECT: Delegates to Meetings

1. The Manager and any Trustee or other person associated with the Cooperative, who holds a directorship or committee appointment in an association shall be an automatic delegate to a meeting of such organization.
2. Additional delegates may be selected on a rotating basis from an eligibility list of the Trustees which shall be maintained by the Manager, based upon district members served, beginning with District #1. If an eligible Trustee is unable to attend such meeting on his regular turn, his name shall remain at the head of the eligibility list until such time as he may be able to attend, and the next Trustee on the list shall then become eligible.
3. Delegates to meetings will normally consist of one Director and the Manager. Additional delegates to the meeting may be appointed by the Board if it is deemed that their attendance will be beneficial to the Board and the Cooperative.
4. Spouses or domestic partners of the delegates will be authorized to attend such meetings.
5. Expenses to all such meetings shall be paid in accordance with the policy addressing Trustees fees and mileage.

Approved by the Board: 05/25/1993

Effective: 05/25/1993

Amended/Revised: 09/19/1995

Amended/Revised: 03/28/2006

Amended/Revised: 11/23/2010

**Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 113**

SUBJECT: Outages and Catastrophes

In case of an emergency or catastrophe in regards to the Nespelem Valley Electric Cooperative's system, a major effort shall be made by the General Manager or his/her designee to notify the Board members of the situation immediately.

Approved by the Board: 05/25/1993
Reviewed/Amended: 01/25/2011

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 114

SUBJECT: Nepotism

Objective: The purpose of this policy is to explain the prohibition of hiring relatives of the following:

- Employees (full-time)
- Board of Trustees
- Persons serving on the Board of Trustees
- Any of the above who may be on any type of extended leave of absence

Definition: Relatives of the persons defined above shall be deemed to include the following:

- Husband, Wife, domestic partner or any person having the same legal residence.
- Children (relationship by blood, adoption or guardianship)
- Brothers, half-brothers, sister, half-sisters, parents, grandparents and grandchildren
- Father/mother-in-law, son/daughter-in-law, and brother/sister-in-law, either by blood relationship or by marriage
- Step/brother/sister, stepchild, and step-father/mother if relationship is close enough to be included in one or more of the following criteria
 1. Legal adoption or guardianship has occurred
 2. Considered as a dependent of employee
 3. Living in the same household as employee

Policy: Because of the many implications involved, such as confidentiality, non-productivity, work atmosphere, favoritism, and conflict of interest, it shall be the policy of Nespelem Valley Electric Cooperative that no relative, as defined herein of the persons outlined above shall be hired on a full-time basis.

Approved by the Board: 05/25/1993
Abolished by the Board: 09/15/1995
Approved by the Board: 03/26/2002
Amended/Revised: 03/28/2006
Reviewed/Amended: 01/25/2011

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 115

SUBJECT: Appointment of Attorney

The selection of a borrower's attorney is a matter for determination by the borrower. When selected, such attorney serves at the pleasure of the borrower. Similarly, the matter of the attorney's fees is one for mutual agreement between the borrower and the attorney in accordance with the usual attorney-client relationship. The Rural Utilities Service, however, is charged with the responsibility of protecting the Government's security interests. It is, moreover, directly concerned with the amounts of all expenditures from loan funds. Opinions rendered by the borrower's corporate proceeding, the validity of rights-of-ways, etc., have a direct bearing on the Government's security interests. Similarly, RUS has a direct concern with the maximum amount of legal fees payable from loan funds.

Inasmuch as RUS must place reliance on opinions rendered from time to time by the borrower's attorney, the loan contract shall require that the borrower's selection of attorney shall be subject to approval by RUS.

The legal fees in respect of any RUS loan, payable from loan funds, shall not exceed the maximum fees established for this purpose by RUS. Legal fees, payable by borrowers, from non-loan funds (such as fees payable from general funds or operating revenues for legal services rendered in connection with the borrower's operations) shall not be subject to express RUS approval. Such fees shall not, however, exceed fees which would be normal under such circumstances nor be such as to endanger the Government's security interests.

Approved by the Board: 5/25/1993
Effective: 5/25/1993
Amendend/Revised: 9/19/1995
Reviewed: 2/15/2011

**Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 116**

SUBJECT: Appointment of Auditor and Engineer

It shall be a policy of this Cooperative in the selection of auditing and engineering firms to have them approved by the Rural Utilities Service.

Approved by the Board: 5/25/1993
Effective: 5/25/1993
Amended/Revised: 9/19/1995
Reviewed: 3/28/2006
Reviewed: 2/15/2011

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 117

SUBJECT: Member Request for Information

No information concerning the Cooperative, its members, personnel, trustees, agents, employees or operations shall be made available (except for routine information) unless the requesting member completely fills out and executes the **“Member Information Request Form”**. This form will be reviewed by the manager and Board of Directors. Information will be made available as appropriate and as determined by the Board pending their review. In no event will “non-routine” information or data be released except upon prior consultation and authorization by the Board.

“Routine” information includes: rate schedules; rules; regulations; Articles of Incorporation; By-Laws; published policies; annual reports; newsletters; and that which is available to all members in general.

“Non-routine” information includes: board minutes; names; addresses; telephone numbers of members past and present; hourly wages or salaries & benefits of employees; any employee’s personnel file or records; information which constitutes a trade secret, process, program, trademark or other confidential contractual data; or any correspondence, rates, documents, and files protected by privilege.

Approved by the Board: 7/25/1995

Effective: 8/1/1995

Amended/Revised: 9/19/1995

Reviewed: 3/28/2006

Reviewed: 2/15/2011

MEMBER INFORMATION REQUEST

NOTE: No information concerning the Cooperative, its members, personnel, trustees, agents, employees or operations shall be made available (except for routine information covered in the Cooperative's Policy No. 116 unless the requesting member completely fills out and executes this information form.

REQUESTING MEMBER(S)' NAME(S), ADDRESS(ES) AND TELEPHONE NUMBER(S):

(Attach additional pages, if necessary.)

STATE SPECIFICALLY WHAT INFORMATION IS BEING REQUESTED:

STATE SPECIFICALLY WHY YOU WANT SUCH INFORMATION AND TO WHAT USE YOU WILL OR MAY PUT IT:

IF THE REQUEST IS BEING MADE ON YOUR OWN BEHALF PLUS THAT OF OTHERS, PLEASE STATE THE NAMES, ADDRESSES AND TELEPHONE NUMBERS OF THE OTHERS. (State only names of persons who have authorized you to request this information on their behalf):

(Attach additional pages, if necessary.)

IF YOU ARE REPRESENTED BY AN ATTORNEY IN THIS REQUEST, PLEASE STATE SUCH ATTORNEY'S NAME, BUSINESS ADDRESS AND TELEPHONE NUMBER:

IT IS UNDERSTOOD AND AGREED THAT, BY EXECUTING THIS REQUEST FOR INFORMATION, YOU AGREE THAT YOU WILL NOT YOURSELF PUT, OR PERMIT OTHERS TO PUT, SUCH INFORMATION TO A USE OTHER THAN THAT ABOVE STATED.

Date

Member

The following information shall be completed by the Cooperative. The Member shall not fill in any of the blanks in the area surrounded by the box.

ACTION TAKEN

Date: _____

Signed: _____

Title: _____

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 118

SUBJECT: Attendance of Others at Board Meetings

No cooperative member or other person, including the attorney of a member or other person, may attend a meeting of the board of directors unless the “**Trustee Meeting Attendance Request**” is completed and submitted to the manager to be placed on the agenda. Attendance at a board meeting shall be limited to consideration of the specific matter(s) which the requesting person has set forth in writing. Under no circumstances will physical proximity impair or interfere with the conduct of the meeting. The board reserves the right to exclude persons from the meeting at any time to insure objectivity and freedom from prejudice or coercion. **The specific matter(s) will be heard in total and questions may be asked during the presentation. The board will not discuss, respond, or take action while the person is present.** After due deliberation, the board will inform the person as to their disposition regarding the case.

Approved by the Board: 7/25/1995
Effective: 8/1/1995
Amended/Revised: 9/21/1995
Reviewed: 4/26/2011
Amended/Revised: 4/26/2011

TRUSTEE MEETING ATTENDANCE REQUEST

NOTE: No Cooperative member or other person, including the attorney of a member or other person, may attend a meeting of the Board of Trustees unless this request form is completed and express approval for such attendance is thereafter allowed.

FULL NAME, ADDRESS AND PHONE NUMBER: _____

(If this request is also for and on behalf of others, set forth on a separate sheet their full names, addresses and phone numbers, and attach the same hereto.)

ARE YOU A MEMBER? _____

PURPOSE OR PURPOSES FOR REQUESTING SUCH ATTENDANCE (be specific):

STATE NAMES, ADDRESSES AND PHONE NUMBER OF ANY PERSON(S) YOU DESIRE TO ATTEND THE BOARD MEETING WITH YOU AND DESCRIBE THEIR STATUS, WHETHER THEY ARE A COOPERATIVE MEMBER, YOUR ATTORNEY OR OTHER:

Date this request form executes: _____

Signed: _____

ACTION ON REQUEST*	

Date of Action: _____	Signed: _____
Title: _____	
*To be filled out by the Cooperative	

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 119

SUBJECT: Contributions and Donations

Contributions and donations to local and charitable organizations will be left up to the discretion of the manager up to \$25.00. Any contributions exceeding \$25.00 will be approved by the Board of Trustees.

Adopted: 5/25/1993
Reviewed: 3/28/2006
Reviewed: 4/26/2011

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 120

SUBJECT: Conflict of Interest

Each Trustee, Officer, and Employee of the Nespelem Valley Electric Cooperative, Inc. (NVEC) must comply with this Policy.

- I. Definitions. As used in this Policy, and unless the context requires otherwise:
 - A. Board means the NVEC Board of Trustees.
 - B. Business Opportunity means an opportunity to engage in a business activity, other than an opportunity offered to all similarly situated NVEC members, of which:
 1. An Official becomes aware in connection with performing Official functions; under circumstances reasonably indicating that the opportunity was expected to be offered to NVEC; or through using NVEC information or property if the Official should reasonably expect the opportunity to interest NVEC; or
 2. An Official becomes aware and knows is closely related to a business in which, NVEC is engaged or expects to engage.
 - C. Conflicting Interest Transaction means a transaction or proposed transaction by NVEC, other than the payment of Official compensation or provision of Official benefits, and other than a transaction offered to all similarly situated NVEC members:
 1. To which an Official is a party; or
 2. For which, at the time the Board considers the transaction, or at the time NVEC becomes legally obligated regarding the transaction, an Official had knowledge and a Material Financial Interest known to the Official; or an Official knew that a Related Person was a party or had a Material Financial Interest.
 - D. Control or Controlled means:
 1. Having the direct or indirect power, through ownership of shares or interests, by contract, or otherwise, to elect or remove a majority of an entity's governing body;
 2. Being subject to a majority of the risk of loss from an entity's activities; or
 3. Being entitled to receive a majority of an entity's residual returns.

- E. Trustee means a member of the Board.
- F. Disinterested Trustee means a Trustee who, at the time the Board acts regarding income, employment, competition, a Conflicting Interest Transaction, or a Business Opportunity:
 - 1. Is not associated with the income, employment, or compensation; is not engaged in the Transaction; and is not taking advantage of the Opportunity; and
 - 2. Does not have a relationship with an Official associated with the income, employment, or compensation; engaged in the Transaction; or taking advantage of the Opportunity, which relationship would reasonably be expected to impair the objectivity of the Trustee's judgment regarding the income, employment, competition, Transaction, or Opportunity.
- G. General Manager means the individual with ultimate responsibility for implementing the Board's decisions or supervising NVEC's management, administration, or operation, regardless of job title.
- H. Material Financial Interest means a financial interest in a transaction reasonably expected to impair the objectivity of an Official's judgment regarding the transaction.
- I. Officer means an individual:
 - 1. Appointed by the Board, or by another Officer authorized by the Board or by NVEC's articles of incorporation or bylaws; and
 - 2. Serving as a chief executive, operating, financial, legal, or accounting officer; being in charge of a principal business unit; or performing a major policymaking function.
 - 3. An Officer includes the General Manager and the individual with ultimate responsibility for managing NVEC's finances.
- J. Official means a Trustee, Officer, or Employee.
- K. President means a Trustee who is President of the NVEC Board of Trustees or is Chair of the Board.
- L. Policy means this NVEC Conflict of Interest Policy.
- M. Related Entity means an entity, other than NVEC or an entity of which NVEC is a member:
 - 1. Controlled by an Official or an Official's Related Individual;

2. In which an Official owns more than ten percent of the entity's shares or interests;
3. For which an Official is a general partner or member of the governing body;
4. For which an Official is a trustee, guardian, personal representative, or similar fiduciary;
5. Employing an Official; or
6. Controlled by an entity employing an Official.

N. Related Individual means an individual:

1. Who is the spouse of an Official;
2. Who is, or is the spouse of, a child, stepchild, grandchild, parent, step parent, grandparent, sibling, step sibling, half sibling, aunt, uncle, niece, or nephew of an Official or the Official's spouse;
3. Residing with an Official;
4. For whom an Official is a trustee, guardian, personal representative, or similar fiduciary; or
5. Employing an Official.

O. Related Person means a Related Entity or a Related Individual.

P. Subsidiary means an entity Controlled by NVEC.

II. Employment and Income. A Director may not be employed by NVEC or a Subsidiary. Unless an Official discloses income or employment to the Board and a majority of Disinterested Trustees authorizes or ratifies the income or employment, the Official:

- A. Other than retirement or insurance income from NVEC, and other than Trustee or employment compensation from NVEC, may not directly or indirectly receive more than ten percent of the Official's annual gross income from NVEC, a Subsidiary, or a NVEC or Subsidiary employee;
- B. May not directly or indirectly receive more than twenty-five percent of the Official's annual gross income from another Official; and
- C. May not have a Related Individual employed by NVEC or a Subsidiary.

III. Competition. An Official may not advance the Official's pecuniary interests, or have a Related Person that advances the Related Person's pecuniary interests, by competing with NVEC or a Subsidiary, unless:

- A. There is no reasonably foreseeable harm to NVEC or the Subsidiary from the competition;
- B. Any benefit that NVEC or the Subsidiary may reasonably expect to derive from the competition outweighs any reasonably foreseeable harm to NVEC or the Subsidiary from the competition; or

- C. The Official discloses the competition to the Board and a majority of Disinterested Trustees authorizes or ratifies the competition.
- IV. Conflicting Interest Transaction. An Official may not engage in a Conflicting Interest Transaction unless:
- A. To the extent unknown by Disinterested Trustees, the Official discloses the existence and nature of the Official's conflicting interest and all facts known to the Official regarding the Transaction that a Disinterested Trustee would reasonably believe to be material in acting regarding the Transaction; Disinterested Trustees deliberate and vote regarding the Transaction outside the presence of, and without participation by, the Official; and a majority of Disinterested Trustees, but not less than two, authorizes the Transaction; or
 - B. According to the circumstances at the time the Board considers the Transaction, or at the time NVEC or the Subsidiary becomes legally obligated regarding the Transaction, the Transaction, as a whole, benefits NVEC or the Subsidiary, considering, as appropriate, whether the Transaction was fair in terms of the Official's dealings with NVEC or the Subsidiary.
- V. Business Opportunity. An Official may not directly or indirectly take advantage of a Business Opportunity unless, before the Official becomes legally obligated regarding the Opportunity:
- A. The Official informs NVEC or the Subsidiary of the Opportunity; and
 - B. To the extent unknown by Disinterested Trustees, the Official discloses the existence and nature of the Opportunity and all facts known to the Official regarding the Opportunity that a Disinterested Trustee would reasonably believe to be material in acting regarding the Opportunity; Disinterested Trustees deliberate and vote regarding the Opportunity outside the presence of, and without participation by, the Official; and a majority of Disinterested Trustees, but not less than two, disclaims interest in the Opportunity.
- VI. Insider Pecuniary Benefit. An Official may not use NVEC or Subsidiary property, material, private information, or position to secure pecuniary benefit unless:
- A. Value is given for the use and assuming the use is a Conflicting Interest Transaction, the Official could engage in the Transaction under this Policy;
 - B. The use is payment of compensation or provision of benefits;
 - C. The use is of information only and the use is not connected with trading securities, is not a use of proprietary information, and does not harm NVEC or Subsidiary;
 - D. Assuming the use is a Conflicting Interest Transaction, a majority of Disinterested Trustees authorizes the Transaction under this Policy; or
 - E. The benefit is received as a NVEC member; made available to all other similarly situated NVEC members; and lawful.

VII. Compliance and Enforcement. The Board interprets and enforces this Policy.

- A. The minutes of all Board meetings should record all disclosures, votes, authorizations, and other actions taken under this Policy. If an Official discovers any information or fact that could impact another Official's compliance with this Policy, then the Official must disclose the information or fact to President or Manager immediately.
- B. If Manager or President receives a Form disclosing any information or fact that could impact an Official's compliance with this Policy, then, respectively, Manager must deliver the Form to President and President must distribute the Form to the Board. If Manager or President receives or discovers any other information or fact that could impact any Official's compliance with this Policy, then, respectively, Manager must disclose this information or fact to President and President must disclose this information or fact to the Board.
- C. Upon receiving or discovering any information or fact that could impact a Trustee's compliance with this Policy, the Board must:
 - 1. Provide the Trustee an opportunity to comment orally and in writing regarding the information or fact, and an opportunity to be represented by legal counsel; and
 - 2. Determine whether the Trustee complies with this Policy.
- D. If the Board determines that a Trustee does not comply with this Policy, then:
 - 1. The Board must provide the Trustee an opportunity to comply with this Policy within thirty days; and
 - 2. If the Trustee does not comply with this Policy within thirty days, then, as allowed by law, the Board must sanction, disqualify, and/or remove the Trustee.
- E. Upon receiving or discovering any information or fact that could impact any other Official's compliance with this Policy, the Board must act as appropriate or authorize the Manager to act as appropriate.

Adopted: 12/23/2008

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 121

SUBJECT: Records Retention

OBJECTIVES:

1. To ensure the retention of all records created by or for the Cooperative, whether paper or electronic, that is necessary or advisable to retain for the following purposes:
 - Business operations
 - Accounting, audit, tax, and financial purposes
 - Compliance with applicable law
 - Possible future use in litigation involving the Cooperative
 - Future use in official proceedings or governmental investigation
 - Other matters that Cooperative personnel may be aware of requiring records retention

2. To establish guidelines for retention and for destruction of records including a schedule that Cooperative personnel shall follow for retention of specific classes of records.

POLICY:

1. Record Retention Period

Although the Cooperative does not come under the jurisdiction of the Federal Energy Regulatory Commission (FERC), it shall be the policy of the Cooperative to preserve its records in accordance with FERC regulations set forth in 18 CFR 125 (Preservation of Records of Public Utilities and Licensees). When records retention of a longer period of time than the FERC guidelines is prescribed by Federal, State, or other laws, or for any other reason set forth in the Objectives above, the Cooperative shall retain such records for the longer period of time. For records not specifically covered by FERC regulations, a retention period shall be selected that most closely matches similar records listed by FERC.

2. Records Custodian

The Cooperative's General Manager and Office Manager shall serve as the Records Custodian for the Cooperative.

3. Records Storage Guidelines

Protection and Storage of Records – The Records Custodian shall be responsible for reasonably protecting records from damage. The primary location for retention of records by the Cooperative shall be at the Cooperative's

headquarters office; however, duplicate or back-up copies of records may be stored at other locations for protection of records.

Record Storage Media – The Record Custodian shall select a storage media, whether paper or electronic, such that records are accessible and readable for the duration of the retention period. The Records Custodian shall be responsible for verifying and documenting the accuracy of records transferred from one media to another. The Records Custodian shall establish a procedure to easily access machine-readable records.

Destruction of Records – The Records Custodian shall be responsible for destroying those records scheduled for destruction in accordance with this policy.

Premature Destruction or Loss of Records – In the event records are prematurely destroyed or lost, the Records Custodian shall prepare a written statement describing the circumstances of the destruction. The Manager shall review the statement and the statement shall be made part of the Cooperative's retained records until such time as the records normally would have been destroyed. The Manager shall present a copy of the statement to the Board of Trustees for their review.

4. Records Retention Schedule

The Records Custodian shall prepare and maintain an indexed, easily accessible Records Retention Schedule. A current version of the Cooperative's Records Retention Schedule shall be attached to this policy. In the event the Records Custodian recommends changing the Records Retention Schedule, the Cooperative's Manager shall approve the change, report the change to the Cooperative's Board of Trustees, and provide an updated copy of the Schedule to the Board.

RESPONSIBILITY:

1. The Board of Trustees shall be responsible for periodic review and approval of any changes to this policy.
2. The Manager shall be responsible for administration of this policy and for recommending to the Board revisions to this policy as needed.
3. The General Manager and Office Manager shall serve as the Cooperative's Records Custodian and shall be responsible for storage, retention, and destruction of records.

SOURCE: Board Action, adopted 12/23/2008
Reviewed: 5/19/2011

Retention Schedule

Record Description (Include any identification numbers, etc.)	Retention Period
Organizational documents: (a) Minute books of member, board and board committee meetings. (b) Titles, franchises, and licenses: Copies of formal orders of regulatory commissions served upon the association, if applicable. (c) Articles and amendments in effect; Bylaws and amendments in effect; Board resolutions regarding member classes or rights	(a) Permanently (b) 6 years after final non-appealable order (c) Indefinitely
Contracts, including amendments and agreements (except contracts provided for elsewhere): (a) Service contracts, such as for management, accounting, and financial services. (All contracts, related memoranda, and revisions.) (b) Contracts with others for transmission or the purchase, sale or interchange of product. (All contracts, related memoranda, and revisions) (c) Memoranda essential to clarifying or explaining provisions of contracts listed above, including requests for discounts. (d) Card or book records of contracts, leases, and agreements made, showing dates of expirations and of renewals, memoranda of receipts, and payments under such contracts.	(a) 5 years after expiration or until the conclusion of any contract disputes pertaining to such contracts, whichever is later (b) 5 years after expiration or until the conclusion of any contract disputes or governmental proceedings pertaining to such contracts, whichever is later (c) & (d) For the same periods as contracts to which they relate
Accountants' and auditors' reports: (a) Reports of examinations and audits by accountants and auditors not in the regular employ of the utility. (b) Internal audit reports and working papers	(a) & (b) Permanently
General and subsidiary ledgers: (a) Ledgers (b) Indexes (c) Trial balance sheets of general and subsidiary ledgers	(a) Permanently (b) 10 years (c) Permanently
Journals: General and subsidiary	15 years
Journal vouchers and journal entries including supporting detail: (a) Journal vouchers and journal entries (b) Analyses, summarization, distributions, and other computations which support journal vouchers and journal entries.	(a) Permanently (b) Permanently

Cash books: General and subsidiary or auxiliary books	Permanently
Voucher registers: Voucher registers or similar records when used as a source document.	Permanently
Vouchers: (a) Paid and canceled vouchers. (b) Original bills and invoices for materials, services, etc., paid by vouchers. (c) Paid checks and receipts for payments of specific vouchers. (d) Authorization for the payment of specific vouchers (e) Lists of unaudited bills (accounts payable), list of vouchers transmitted, and memoranda regarding changes in audited bills. (f) Voucher indexes	(a) , (b) (c) & (d) Permanent (e) & (f) Destroy at option
Insurance records: (a) Records of insurance policies in force, showing coverage, premiums paid, and expiration dates. (b) Records of amounts recovered from insurance companies in connection with losses and of claims against insurance companies, including reports of losses, and supporting papers.	(a) Destroy at option after expiration of such policies (b) Permanently
Tax records: (a) Copies of tax returns and supporting schedules filed with taxing authorities, supporting working papers, records of appeals of tax bills, and receipts for payment. (b) Filings with taxing authorities to qualify employee benefit plans. (c) Information returns and reports to taxing authorities. (d) Tax exemption application and determination letter (e.g. currently, Form 1024, and all accompanying documentation) and any IRS rulings (e.g. private letter ruling)	(a) Permanently (b) Permanently (c) Permanently (d) Permanently
Statements of funds and deposits (a) Statements of periodic deposits with fund administrators or trustees. (b) Statements of periodic withdrawals from fund (c) Statements prepared by fund administrator or trustees of fund activity	(a) & (b) Retain records until the fund is dissolved or terminated (c) Retain records until the fund is dissolved or terminated
Records of deposits with banks and others: (a) Statements from depositories showing the details of funds received, disbursed, transferred, and balances on deposit. (b) Check stubs, registers, or other records of checks issued.	(a) Destroy at option after completion of audit by independent accountants. (b) Permanently

<p>Records of financial commitments with lenders</p> <p>(a) loan applications, approval letters & loan contracts</p> <p>(b) mortgages, other security instruments associated with loans</p> <p>(c) release of lien</p> <p>(d) notification from lender to borrower of satisfaction of financial commitment</p>	<p>(a) & (b) Once a loan or mortgage has been fully paid, these documents, along with receipts or other proof of payment, may be destroyed at a borrower's option.</p> <p>(c) Permanently</p> <p>(d) Permanently</p>
<p>Personnel</p> <p>(a) Payroll records</p> <p>(b) Performance reviews & other documentation about treatment on the job, job applications and resumes, etc.</p> <p>(c) Benefits plan information (ERISA)</p> <p>(d) I-9 Forms for all employees hired after 11/6/1986</p> <p>(e) Payroll & unemployment taxes</p> <p>(f) Wage/earnings records</p> <p>(g) Dates of FMLA leave, notices to or from employees re FMLA, records of any disputes, etc.</p>	<p>(a) Permanently</p> <p>(b) Permanently</p> <p>(c) At least 10 years after the filing date of the documents</p> <p>(d) 3 years after the date of hire or 1 year after the date employment is terminated, whichever is later</p> <p>(e) Permanently</p> <p>(f) Permanently</p> <p>(g) Permanently</p>

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 122

SUBJECT: Whistleblower

I. Objectives

To ensure that the Nespelem Valley Electric Cooperative, Inc. (NVEC) maintains an effective, easy-to-use mechanism for employees to raise concerns regarding potentially unlawful or unethical behavior within the organization and that ensures protection against retaliation for the whistleblower.

II. Policy

It is NVEC's policy that no retaliation shall occur against any employee who internally reports a concern about potentially unlawful or unethical conduct ("Whistleblower"). Each employee has an obligation to report in accordance with this Whistleblower Policy: (a) questionable or improper accounting or auditing practices, (b) suspected unlawful conduct, and (c) violations or suspected violations of NVEC policy (collectively referred to as "Concerns" from this point forward).

A. No Retaliation - This policy is intended to encourage and enable employees to raise Concerns for prompt internal investigation and appropriate action. **No employee who in good faith reports a Concern shall be subject to retaliation in any form for making the report.** An employee who retaliates against someone who has made a good faith report about a Concern is subject to discipline up to and including termination of employment.

B. Whistleblower Complaint Procedure and Anti-Retaliation

NVEC is committed to full compliance with applicable state and federal laws in all aspects of its operations. NVEC encourages reporting (following Complaint Procedures below) of truthful information regarding violations or potential violations of federal or state laws, NVEC bylaws or policies. All complaints brought in good faith will be investigated and all non-compliance will be corrected promptly. NVEC prohibits retaliation against any person who utilizes this Complaint Procedure or who participates in an investigation pursuant to this policy. NVEC also complies fully with all state and federal laws that protect employees from retaliation for reporting truthful information to state or federal law enforcement or from testifying, participating in or otherwise assisting with investigations or enforcement against NVEC.

C. Reporting Information Regarding Violations

1. Individuals who reasonably believe they have information regarding a violation of federal or state law, NVEC's bylaws and/or policies, shall bring their complaint as follows:

Employee: Allegations relative to employee activities are to be made to the General Manager.

General Manager: Allegations relative to the GM shall be made to the Chair of the Board of Trustees.

Board of Trustees: Allegations relative to the activities of the Trustees, other than the Chair of the Board, shall be made to the Chair.

Chair of the Board of Trustees: Allegations relative to the activities of the chair of the board shall be made to NVEC's retained attorney. The retained attorney shall make adequate inquiry into the allegations and advise the proper person or entity as to the appropriate procedure to be taken.

Nespelem Valley Electric Cooperative, Inc.: Allegations relative to the activities of NVEC shall be made to the appropriate entity having jurisdiction over the subject matter of the complaint.

2. Any complaint brought in good faith will be investigated promptly and, if required, corrective action will be taken promptly. Confidentiality will be maintained through the investigatory process to the extent consistent with adequate investigation.

3. Retaliation against an individual who reports violations or potential violations that the individual reasonably believed to be true and accurate is a serious violation of this policy and will be subject to disciplinary action. This whistleblower protection against retaliation extends to any individual who makes internal reports that the individual reasonably believed to be true and accurate, who makes such reports external to state or federal law enforcement, or who testifies, participates in or otherwise assists with any such internal or external investigation or enforcement activities against NVEC.

4. Acts of retaliation should be reported immediately to anyone in management and such acts will be promptly investigated and addressed.

5. Individuals who make false and malicious complaints under this policy (as opposed to complaints which, even if erroneous, are made in good faith based on a reasonable belief in truth and accuracy of such

information) may be subject to appropriate disciplinary action, including termination of employment.

6. Any allegation of a whistleblower must be in writing and signed by the whistleblower. The designated person to whom the allegation is made shall furnish a copy of the allegation to each of the Trustees within three (3) business days.

7. The recipient of the allegation shall make an investigation and report to the board of Trustees the results of that investigation and the proposed action to be taken, if any, at the next regular or special board meeting occurring after the filing of the allegation.

D. Board review

The Board of Trustees shall have full review and final decision authority in matters related to whistleblower and retaliation situations except where the allegation is against the Board entity.

E. Responsibility - The General Manager shall ensure that this policy is implemented. It is the responsibility of all Trustees, officers and employees to comply with this policy and report Concerns in accordance with this policy. The Board shall review this policy periodically.

Approved: 12/23/2008
Reviewed: 5/19/2011

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 123

SUBJECT: Identity Theft Red Flag Prevention

I. Policy Summary

It shall be the policy of Nespelem Valley Electric Cooperative, Inc. (NVEC) to take all reasonable steps to identify, detect, and prevent the theft of its members' personal information – commonly known as Identity Theft. In order to carry out that policy, NVEC hereby adopts the following policy for identifying, and detecting Red Flags that should raise concerns for NVEC that a member's information is potentially misused or stolen.

II. Definitions:

The term "Red Flag" means a pattern, practice or specific activity that indicates the possible existence of Identity Theft.

The term "Identity Theft" means a fraud committed or attempted using the identifying information of another person without authority.

The term "identifying information" means any name or number that may be used, alone or in conjunction with any other information, to identify a specific person, including name, Social Security Number, date of birth, official State or Government issued driver's license or identification number, alien registration number, government passport number, employer or taxpayer identification number or address.

III. Policy Rationale:

Under federal law and regulations, NVEC is required to adopt an Identity Theft Red Flag Prevention policy. This is required under the Federal Trade Commission ("FTC") regulations at 16 C.F.R. § 681.2 et seq.

IV. Identification of Accounts Subject to Red Flag Policy:

NVEC maintains accounts for its members that allows the members to pay for service after it has been rendered. Bills are sent and payments are due on a monthly basis. These accounts are covered by this Red Flag policy.

V. Identification of Potential Red Flags:

- A. Risk Factors.** In identifying potential Red Flags associated with the accounts that NVEC maintains, NVEC's Board of Trustees and management have considered the following Identity Theft risk factors:
 - 1. Types of Covered Accounts.** NVEC is an electric cooperative serving rural Washington, providing its members with electric utility service. NVEC serves approximately 1500 members. NVEC's turnover in members is low, as is the number of address change requests received from members. Payments from members for services rendered are due on the 25th of the month. NVEC does not provide credit to its members

beyond this revolving, monthly account for utility service. Such service is rendered at a fixed physical location known to NVEC.

2. **Methods for Opening Accounts.** NVEC requires that prospective members who wish to receive utility service submit a membership application with the following information: (1) name and date of birth of adult household members on the account; (2) address location where service shall be provided; (3) contact and billing information; and (4) Social Security Number or Tax Identification Number. The applicant must also present to the Member Service Representative a valid Government issued photo identification as proof of identity.
3. **Methods for Accessing Accounts.** NVEC allows members to access information related to their accounts using the following methods, or plans to allow such access in the near future:
 - (a) in person at NVEC's offices with a picture identification;
 - (b) over the telephone after providing NVEC's Member Service Representative with certain identifying information, such as the caller's date of birth and/or the address and telephone number of the service location and the last four digits of the member's Social Security Number or Tax Identification Number.
4. **Previous Experience with Identity Theft.** NVEC is not aware of any security breach of or unauthorized access to its systems that are used to store members' personal identifying information. Given the limited amount and types of services and credit provided to its members, the small size of the population it serves, and the relatively low rate of change in membership, coupled with the utility's policies for securing members' personal information, NVEC believes the risk of its members being the subject of Identity Theft through the information collected by NVEC to be low.

- B. Sources of Red Flags.** In identifying potential Red Flags associated with the accounts that NVEC maintains, NVEC's Board of Trustees and management have considered the following sources of Red Flags for Identity Theft:
1. **Past Incidents of Identity Theft.** NVEC is not aware of any security breach of or unauthorized access to its systems that are used to store members' personal identifying information collected by the utility. In the event of incidents of Identity Theft in the future, such incidents shall be used to identify additional Red Flags and added to this policy.
 2. **Identified Changes in Identity Theft Risk.** As provided in Section VIII below, NVEC will at least annually review this policy, the utility's operations and the utility's experience with Identity Theft for changes in Identity Theft risk.
 3. **Applicable Supervisory Guidance.** In addition to considering the guidelines initially published with the FTC's Red Flag regulations, as a part of its annual review, NVEC will review additional regulatory guidance from the FTC and other consumer protection authorities.

C. Categories of Red Flags. In identifying potential Red Flags associated with the accounts that NVEC maintains, NVEC Board of Trustees and management has considered the following categories of Red Flags for Identity Theft:

1. **Alerts, Notifications, and Warnings.** Alerts, notifications, or other warnings received from consumer reporting agencies or service providers, such as fraud detection services can be Red Flags for Identity Theft. Such alerts, notifications and warnings include:
 - (a) A fraud or active duty alert is included in a consumer report.
 - (b) A consumer reporting agency provides a notice of credit freeze in response to a request for a consumer report.
 - (c) A consumer reporting agency provides a notice of address discrepancy.
 - (d) A consumer report indicates a pattern of activity that is inconsistent with the history and usual pattern of activity of an applicant or member, such as:
 - (1) A recent and significant increase in the volume of inquiries;
 - (2) An unusual number of recently established credit relationships;
 - (3) A material change in the use of credit, especially with respect to recently established credit relationships; or
 - (4) An account that was closed for cause or identified for abuse of account privileges.

Required Response. NVEC does not generally apply for or receive consumer reports related to its members. For this reason, NVEC does not anticipate receiving any consumer reports that might alert it to potential Identity Theft related to a member. However, if NVEC does receive such a report, it will be considered to be a Red Flag.

2. **Suspicious Documents.** The presentation of suspicious documents can be a Red Flag for Identity Theft. Suspicious documents include:
 - (a) Documents provided for identification that appears to have been altered or forged.
 - (b) The photograph or physical description on the identification is not consistent with the appearance of the applicant or member presenting the identification.
 - (c) Other information on the identification is not consistent with information provided by the person opening a new account or member presenting the identification.
 - (d) Other information on the identification is not consistent with readily accessible information that is on file with NVEC, such as a membership application card.
 - (e) An application appears to have been altered or forged, or gives the appearance of having been destroyed and reassembled.

Required Response. Member Service Representatives and other personnel of NVEC shall report to management when it appears that account documents have been

altered or forged when compared to other documents in a member's file. It shall also be brought to management's attention immediately if any member presents an invalid identification, or identification that appears forged for the purpose of obtaining access to account information.

- 3. Suspicious Personal Identifying Information.** The presentation of suspicious personal identifying information, such as a suspicious address change, can be a Red Flag for Identity Theft. Presentation of suspicious information occurs when:
 - (a)** Personal identifying information provided is inconsistent when compared against external information sources used by NVEC. For example:
 - (1)** The address does not match any address in the consumer report; or
 - (2)** The Social Security Number has not been issued, or is listed on the Social Security Administration's Death Master File.
 - (b)** Personal identifying information provided by the member is not consistent with other personal identifying information provided by the member. For example, there is a lack of correlation between the Social Security Number range and date of birth.
 - (c)** Personal identifying information provided is associated with known fraudulent activity as indicated by internal or third-party sources used by NVEC for example:
 - (1)** The address on an application is the same as the address provided on a fraudulent application; or
 - (2)** The phone number on an application is the same as the number provided on a fraudulent application.
 - (d)** Personal identifying information provided is of a type commonly associated with fraudulent activity as indicated by internal or third-party sources used by NVEC For example:
 - (1)** The address on an application is fictitious, a mail drop, or a prison; or
 - (2)** The phone number is invalid, or is associated with a pager or answering service.
 - (e)** The Social Security Number provided is the same as that submitted by other persons opening an account or other members.
 - (f)** The address or telephone number provided is the same as or similar to the account number or telephone number submitted by an unusually large number of other persons opening accounts or other members.
 - (g)** The person opening the covered account or the member fails to provide all required personal identifying information on an application or in response to notification that the application is incomplete.

- (h) Personal identifying information provided is not consistent with personal identifying information that is on file with NVEC.

Required Response. NVEC shall provide members access to their account information in person at the utility's offices only after verifying the member's identity through photo identification. Access to member account information via telephone or internet shall require the member to verify his or her identity using information that would only be known to the member as reflected in the member's account. Member Service Representatives shall be trained to make note in a member's file when there is a lack of correlation between information provided by a member and information contained in a file for the purposes of gaining access to account information. NVEC is not to provide account information without first clearing any discrepancies in the information provided.

- 4. **Suspicious Activity.** The unusual use of, or other suspicious activity related to, a member account is also a Red Flag for potential Identity Theft. Suspicious activities include:
 - (a) Shortly following the notice of a change of address for a member account, NVEC receives a request for the addition of authorized users on the account.
 - (b) Mail sent to the member is returned repeatedly as undeliverable although transactions continue to be conducted in connection with the member's covered account.
 - (c) NVEC is notified that the member is not receiving paper account statements.
 - (g) NVEC is notified of unauthorized charges or transactions in connection with the member's account.

Required Response. Member Service Representatives shall be trained to note unusual use of accounts, or suspicious activities related to accounts. It shall further be the policy of NVEC to never provide Social Security Numbers or Tax Identification Numbers to members, either verbally or in writing, even where a member is asking for their own information. Member Service Representatives shall immediately notify management, who will conduct further reasonable inquiry, when a member requests such information. It shall be the policy of NVEC to train its Member Service Representatives to look for unusual activity when reviewing member accounts for service. Member Service Representatives shall also notify management when there are an unusually high number of inquiries on an account, coupled with a lack of correlation in the information provided by the member.

- 5. **Notices.** Notice from members, victims of Identity Theft, law enforcement authorities, or other persons regarding possible Identity Theft in connection with member accounts can also be a Red Flag for Identity Theft.

Required Response: Upon notice from a member, law enforcement authority, or other persons that one of its members may be a victim of Identity Theft, NVEC contact the member directly in order to determine what steps may be necessary to protect any member

information in the possession of NVEC. Such steps may include, but not be limited to, setting up a new account for the member with additional identifying information that may be identified only by the member, in order to protect the integrity of the member's account.

VI. Detecting Red Flags:

- A.** It shall be the policy of NVEC to obtain identifying information about, and verify the identity of, a person opening an account. NVEC will obtain the member's name, date of birth, address for service location, and Social Security Number or Tax Identification Number to open a new account. It shall be the policy of NVEC to never provide Social Security Numbers or Tax Identification Numbers to members, either verbally or in writing, even where a member is asking for their own information.

- B.** It shall be the policy of NVEC to authenticate members and customers, monitor transactions and verify the validity of change of address requests, in the case of existing accounts.

VII. Preventing and Mitigating Identity Theft

- A.** If NVEC discovers that any of its members have become a victim of Identity Theft through personal information used by the utility in opening or maintaining a member's account, management shall take appropriate steps that it deems necessary to mitigate the impacts of such Identity Theft. These steps may include, but are not limited to:
 - 1.** Monitoring an account for evidence of Identity Theft;
 - 2.** Contacting the member;
 - 3.** Changing any passwords, security codes, or other security devices that permit access to an account;
 - 4.** Reopening an account with a new account number;
 - 5.** Closing an existing account;
 - 6.** Not attempting to collect on an account;
 - 7.** Notifying the member;
 - 8.** Notifying law enforcement; or
 - 9.** Determining that no response is warranted under the particular circumstances.

VIII. Updating and Administering the Policy

- A.** NVEC shall consider updates at least annually to determine whether it has experienced any Identity Theft of its members' accounts, whether changes in the methods of Identity Theft require updating to this Policy, or whether changes are necessary to detect, prevent, and mitigate Identity Theft. NVEC's management will continue to monitor changes in methods of Identity Theft, and re-evaluate this Policy in light of those changes. Management believes that review of such changes on no more than an annual basis is necessary.

- B.** Administration of the Policy shall be as follows:
1. The Board of Trustees has adopted this Policy and will have ultimate oversight of this Policy, but the Policy shall be managed by General Manager of NVEC. The General Manager shall have authority to delegate oversight and compliance to other individuals at the senior level management level. The General Manager shall be responsible for reviewing staff and management reports regarding compliance with the utility's Policy.
 2. Potential changes to the Policy shall be reviewed at least annually at a meeting of the utility's management. Material changes to the Policy that may be needed prior to the meeting described herein shall be brought to the General Manager's attention, and reviewed by management and the Board of Directors if deemed necessary by the General Manager.
 3. Reports.
 - (a) Management personnel assigned responsibility under this Policy or by delegation from the General Manager shall prepare a report, at least annually, regarding the implementation and progress of the utility's Policy for review by the General Manager. The General Manager may, at his or her discretion, bring any issues related to the Policy to the attention of the Board of Directors for review.
 - (b) The above-described report prepared by management personnel designated with supervising the Policy shall include a discussion of: the progress of implementing and the effectiveness of the Policy; ongoing risk level of Identity Theft of member information; potential changes to the Policy and other operation practices of the utility to further the goal of protecting member's personal information; and, identification and discussion of instances of Identity Theft of the utility's members.
 - (c) The General Manager shall keep records of meeting regarding this Policy showing the dates and topics discussed. The General Manager shall also cause to be maintained a file with copies of the five (5) most recent annual reports prepared under the Policy.

Approved by the Board: 6/28/2011
Effective: 6/28/2011

Nespelem Valley Electric Cooperative, Inc.

Employee/Trustee Confidentiality Certification

As an Employee/Trustee of Nespelem Valley Electric Cooperative, Inc. (NVEC), I hereby certify that I understand I am likely to become privy to and/or gain access to certain confidential Company, Employee and Member information, including, but not limited to disciplinary information, salaries, benefit information, social security numbers, etc. I covenant and agree, and promise to keep confidential and not to disclose any such confidential information to any unauthorized persons in the employ of NVEC. I further covenant and agree, and promise to keep confidential and not to disclose any such confidential information to any person not employed by NVEC unless required to by legal process or approved by my supervisor. Neither will I use any such confidential information in any manner outside of my employment so long as I am employed by NVEC. I also understand that any violation of this confidentiality certification may result in disciplinary action, up to and including termination of employment. If I should disclose such confidential information subsequent to my employment with NVEC, I understand that I may be subjected to legal liability for such disclosure.

Signature

Date

Print Name

CERTIFICATE OF COMPLIANCE
Nespelem Valley Electric Cooperative, Inc.
IDENTITY THEFT PREVENTION PROGRAM

The Third Party Service Provider designated below represents that:

- A. Provider is compliance with all Washington and federal identity theft prevention requirements;
- B. Providers will give timely written notice to NVEC in the event of failure to remain compliance with any Washington or federal identity theft prevention requirements;
- C. Provider will maintain the confidentiality of all NVEC customer information in its possession. This includes but is not limited to highly sensitive information.
- D. Provider will return or destroy all NVEC customer information in its possession upon termination of the business relationship with NVEC;
- E. Provider will give immediate phone, email and written notification of any security breach or possible security breach related to NVEC customer information.

IN WITNESS WHEREOF, Provider's duly authorized representative has executed this document indicating Provider's agreement to comply with items A through E above.

Authorized Representative

Date

Printed Name

Provider

Title

Nespelem Valley Electric Cooperative - General Manager

Date

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 124

SUBJECT: Trustees Electronic Communication

POLICY:

In order to facilitate electronic communications between the Cooperative and the Board of Trustees, Trustees shall be provided with an Apple iPad and required Apps and accessories.

RESPONSIBILITY:

The Board of Trustees, and General Manager.

PROCEDURE:

1. Trustees will be provided, at the Cooperative's expense, an Apple iPad and the required Apps and accessories, as determined by the Cooperative, to facilitate electronic communication. The Trustee agrees to provide a personal iTunes account and personal credit card to setup the iPad. Any additional features, Apps, accessories, etc. will be paid for by the Trustee.
2. The Cooperative shall provide each iPad with AT&T wireless service. Trustees may provide broadband internet access at their expense. Broadband internet access includes DSL, cable, or satellite-based service. A broadband internet connection is defined as at least 450 Kbps download speeds and 256 Kbps upload speeds.
3. The Trustee agrees to use the provided iPad as the method of communication between the Trustee and the Cooperative. Training in the use of the iPad and required Apps will be provided to the Trustee at the Cooperative's expense.
4. In the event the iPad is damaged or stolen it is the responsibility of the Trustee to replace the iPad at their expense.

5. Since the security and confidentiality of electronic communications cannot be guaranteed after it's been downloaded, each Trustee agrees to take the necessary measures to keep all Cooperative electronic information confidential.

SOURCE:

Adopted: 6/24/2013

Reveiwed/Amended: 9/24/2013

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 125

Subject: Safety, Job Training and Loss Control Program

The Manager is responsible for ensuring that an effective Safety, Job Training and Loss Control Program is in place.

The purpose of the Safety, Job Training and Loss Control Program is to protect the safety and health of employees, our members and the public. NVEC desires a safe work area and insists the safe work practices are followed in all aspects of operations. Safety rules and practices are to be followed at all times and immediate corrective action will be taken when hazardous conditions are encountered to reduce or eliminate any danger to personnel and/or the public. Safety meetings are held at least monthly and the minutes are circulated to each employee and also trustees as a part of their monthly board packets for their review and comment. Trustees are encouraged to attend safety meetings and participate in the programs whenever possible. The safety meeting minutes are approved as part of the Consent Agenda at each monthly board meeting.

Adopted: 10/28/2014

Finance and Accounting

200 Series

General Policy No. 201 – Records, Inspection of	60
General Policy No. 202 – Insurance.....	61
General Policy No. 203 – Funds, Renewal, and Replacement.....	62
General Policy No. 204 – Funds, General.....	63
General Policy No. 205 – Funds, Construction.....	64
General Policy No. 206 – Rural Economic Development Fund	65
General Policy No. 207 – Patronage Capital Retirement Process	67

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 201

SUBJECT: Records, Inspection of

The records of this Cooperative are available for inspection by any trustee and any member of the Cooperative. Should a trustee or member of the Cooperative request to inspect the records-said inspection must be done in the presence of the Manager or any employee designated by the Manager.

In no case shall a trustee or a member of the Cooperative handle any of the records of the Cooperative without the presence of the Manager or an employee designated by the Manager.

Adopted: 5/25/1993
Reviewed: 7/26/2011

**Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 202**

SUBJECT: Insurance

It shall be a policy of this Cooperative in that 60 days prior to the due date of any policy, the manager has the authority to put the policies up for competitive bids. This is in compliance with the Rural Utilities Service.

Adopted/Approved: 5/25/1993
Effective: 5/25/1993
Amended/Revised: 11/21/1995
Reviewed: 4/25/2006
Reviewed: 8/23/2011

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 203

SUBJECT: Funds, Renewal, and Replacement

It is deemed advisable as a good business practice to establish a Renewal and Replacement Fund by the Nespelem Valley Electric Cooperative, Inc. Therefore, it shall be a policy of this cooperative to deposit moneys from time to time as the Board of Trustees and the Manager deem appropriate into the Renewal and Replacement Fund but not to let this fund exceed 15% of the total plant. This policy is in accordance with RUS Bulletin #1-7 "General Funds" and supplement dated March 1985.

Banks for deposit of funds will be selected periodically by the Board of Trustees in accordance with RUS Bulletin #180-6 "Selection of Depositories for Funds of REA Borrowers" dated April 1971.

Approved by the Board: 5/25/1993
Effective: 5/25/1993
Amended/Revised: 5/23/2006
Reviewed: 8/23/2011

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 204

SUBJECT: Funds, General

The “General Operating Funds” of the cooperative shall be deposited in a separate account designated “Nespelem Valley Electric Cooperative, Inc., General Funds”, opened in any bank approved by the Administrator of the Rural Utilities Service and the Board of Trustees, and shall be used to pay the current operating expenses.

Checks and orders for the withdrawal of moneys from the “General Fund Account” shall be signed by the Manager, Office Manager, or Trustees who are authorized to sign checks for the cooperative, and shall be issued only for the purpose of paying sums falling due from time to time on account of obligations of the cooperative to the United States of America, the Bonneville Power Administration, National Rural Utilities Cooperative Finance Corporation, and in respect to the cooperative’s payroll and other current expenses, and such items until the next regular meeting of the Board of Trustees. Receipts and such reports shall be submitted to the Secretary-Treasurer as directed so as to justify all disbursements so made, and the Secretary-Treasurer shall include this information in the report at each meeting. Any two of the above mentioned must affix their signature to any above mentioned check.

Approved by the Board: 5/25/1993
Effective: 5/25/1993
Amended/Revised: 5/23/2006
Reviewed: 9/27/2011

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 205

SUBJECT: Funds, Construction

A separate account, hereinafter designated "Nespelem Valley Electric Cooperative, Inc., Special Construction Account-Trustee" shall be opened in any bank approved by the Administrator of the Rural Utilities Service and the Board of Trustees, and all moneys received by the cooperative from the United States of America, pursuant to the loan contract, heretofore at this meeting authorized to be executed, shall be deposited in such account and held in trust in accordance with the provisions of such loan account.

Checks drawn or by electronic transfer on the Special Construction Account-Trustee, for the purpose of reimbursing the General Operating Funds and paying current bills for additional equipment and other items which are definitely described as "Construction Fund Expenditures", shall be signed by the President, Vice-President, Secretary-Treasurer, and/or Manager. At least two of the three aforementioned officers or one officer and the manager must affix their signatures to any special construction fund check.

Approved by the Board: 5/25/1993
Effective: 5/25/1993
Amended/Revised: 5/23/2006
Reviewed: 9/27/2011

**Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 206**

SUBJECT: Rural Economic Development Revolving Fund

1. PURPOSE:

The purpose of this policy is to set forth provisions such that the Nespelem Valley Electric Cooperative, Inc. can participate in economic development as specified in, and offer the benefits defined under, Section IV of the Washington State Engrossed Substitute House Bill (ESHB) 2260 entitled Electric Utilities. The Cooperative recognizes that it must continue to support rural economic growth within the general area of Nespelem Valley Electric Cooperative's service. To this end, and in partnership with the State, the Association shall utilize this program to set-up a RURAL ECONOMIC REVOLVING FUND (REDF) to help establish or assist business.

2. POLICY:

It shall be the policy of the Nespelem Valley Electric Cooperative, Inc. to create and maintain a REDF, pursuant to the terms and conditions as outlined in the ESHB 2260 Part IV (Electric Utilities). The REDF shall be partially funded through a reimbursement of the state public utility tax imposed upon the utility and shall be utilized to assist new or expanding businesses within the rural areas of Okanogan County. The funds used in this program will be a combination of funds from the Cooperative and public utility tax credits earned as per ESHB 2260. In addition, this policy will set forth the general guidelines for the accumulation, as well as the distribution of, the funds provided under this program.

3. RESPONSIBILITY:

The responsibility for implementation of this policy shall be the Board of Trustees and the manager.

4. PROVISIONS:

The following provisions and conditions shall apply to this policy:

- A. The REDF shall be funded in part by an offset of the public utility tax which will be limited to some maximum amount by statute each fiscal year, or the actual tax that would otherwise be due, whichever is less.

- B. In order to qualify for the tax credit, the Nespelem Valley Electric Cooperative will provide commitments for matching funds that will equal twice the amount available in the form of the tax offset available through the State.
- C. The nine member Nespelem Valley Electric Board of Trustees who reside in and represent all qualifying geographic areas served by the utility within Okanogan County shall serve as the Board for the REDF. This local board shall have the authority to determine all criteria and conditions for the expenditure and repayment of all funds from the REDF.
- D. Funds which are repaid to the REDF shall be made available for additional qualifying projects under the direction of, and pursuant to the conditions established, by the REDF Board.
- E. All loans made from the Nespelem Valley Electric Cooperative's REDF shall have appropriate detailed documentation, relative to the project complexity and risk. All loans made from the REDF shall be secured by assets, or a guarantee acceptable to the Board.
- F. If at any time the REDF is dissolved, any moneys claimed as a tax credit from the State shall either be granted to a qualifying project or refunded to the State within 2 years of termination. This provision shall in no way encumber those matching funds provided to the REDF from the Nespelem Valley Cooperative itself.
- G. Qualifying projects under the fund shall not include installation or extension of infrastructure associated with electrical service.
- H. The fund shall be managed in accordance with the requirements as specified under Chapter 311, laws of 1999 ESHB 2260, and as defined in the development documentation provided by DOR.

This policy supersedes any existing policy that may conflict with the provisions of this policy.

Approved by the Board: 11/23/1999
Effective: 11/23/1999
Amended/Revised: 5/23/2006
Reviewed: 11/23/2011

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 207

SUBJECT: Patronage Capital Retirement Process

The Cooperative will retire Patronage Capital in accordance to the Bylaws of Nespelem Valley Electric Cooperative, Inc. (NVEC).

Any patron who has an outstanding write off or has an Accounts Receivable account(s) that is more than 60 days in arrears, NVEC will apply the amount to the write off or the account in arrears prior to issuing a check.

In an effort to reduce expenses, any Patronage Capital retirement (payment) that is less than \$3.00 for an individual patron shall be transferred to account **217.00 Retired Capital Credits – Gain** in accordance to RUS Bulletin 1767B-1.

Accounts with invalid addresses at the time of disbursement will be handled in the same manner as above. If a check is returned for an invalid address, it will be retained for a period of one year, and then transferred to account 217.00. Adequate records will be maintained to enable the cooperative to make payment to the patron if and when a claim has been established by the consumer.

RUS Bulletin 1767B-1
217 Retired Capital Credits – Gain

A. this account shall include credits resulting from the retirement of patronage capital through settlement of individual patrons' capital credits at less than 100 percent of the capital assigned to the patron. The portion of the patronage capital not returned to the patrons, under such settlements, shall be debited to Account 201.1, Patronage Capital Credits, and credited to this account.

B. This account shall also include amounts representing patronage capital authorized to be retired to patrons who cannot be located. Returned checks issued for retirements of patronage capital, after an appropriate waiting period, shall be credited to this account, and a record maintained adequate to enable the cooperative to make payment to the patron if and when a claim has been established by the consumer.

Approved: 11/23/2011

Service, Rates, & Conservation

300 Series

General Policy No. 301 – Application for Service	69
General Policy No. 302 – Applications for Membership and Electric Service	70
General Policy No. 303 – Line Extensions	73
General Policy No. 304 – Easements.....	76
General Policy No. 305 – Right of Way Maintenance	77
General Policy No. 306 – Auxiliary Electric Service	78
General Policy No. 307 – Auxiliary Electric Service – Alternate Energy Production	79
General Policy No. 308 – Idle Services, Vacant Facilities and Low Use Services	81
General Policy No. 309 – Termination of Electric Service	83
General Policy No. 310 – Medical Emergencies.....	85
General Policy No. 311 – Relocation of Power Lines	86
General Policy No. 312 – Planned Outages.....	87
General Policy No. 313 – House Moving.....	88
General Policy No. 314 – Joint Use of Poles.....	89
General Policy No. 315 – Meter Location.....	90
General Policy No. 316 – Meter Reading	91
General Policy No. 317 – Multiple Metering	92
General Policy No. 318 – Meter Testing	93
General Policy No. 319 – Resale of Power.....	95
General Policy No. 320 – Deposits.....	96
General Policy No. 321 – Billing Procedures and Delinquent Accounts	97
General Policy No. 322 – Bill Complaints and Disputes	100
General Policy No. 323 – Collection of Delinquent Balance on Disconnected Accounts	101
General Policy No. 324 – Dishonored Checks.....	102
General Policy No. 325 – Energy Conservation	103
General Policy No. 326 – Adjustable Speed Drives, Variable Frequency Drives and Power Quality.....	105
General Policy No. 327 – Member Responsibilities for Safe Use of Electricity	106
General Policy No. 328 – Disposal of Material and Equipment	108
General Policy No. 329 – Deceased Active Members.....	109

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 301

SUBJECT: Application for Service

Applicants for membership who have signed applications for membership and electric service, paid the specified fees, executed the proper easements, and who are receiving electric service shall be deemed to be members of the Cooperative subject to approval of the Board of Trustees as provided in the Articles of Incorporation and By-Laws of the Cooperative. Those prospective memberships shall be submitted to the Board of Trustees for approval at the next regular meeting. The taking of electric service by a consumer is agreement to abide by the Articles of Incorporation, By-Laws, and duly adopted rules and regulations of the Cooperative whether or not the consumer has signed an application for service or membership or been approved as a member.

All members are required to have on deposit with the Cooperative a five dollar (\$5.00) membership fee that shall be returned to the member upon termination of his/her membership. Each member shall also pay a refundable security deposit of \$200.00 and a \$20.00 non-refundable service charge as a connect fee to each service requested. The security deposit as to a second or subsequent service for a member may be waived contingent upon review of the member's credit/payment history with the Cooperative. The \$200.00 refundable security deposit fee may be increased if, after review by staff, the applicant's payment records or credit records indicate a history of poor performance. No interest will be paid on the membership fee or security deposits.

Any applicant denied electric service who wishes to have documentation of that denial must submit his request for electric service in written form. The Cooperative will, within forty-eight (48) business hours, provide written explanation for denial of service.

Reference: General Policy #322 "Deposits".

Approved by the Board: 5/21/1993
Effective: 5/21/1993
Amended/Revised: 6/27/2006
Reviewed: 11/23/2011

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 302

SUBJECT: Applications for Service
Applications for Membership and for Electric Service

- The applicant agrees that all electric energy used on applicant's property and other energy related services will be purchased from Nespelem Valley Electric Cooperative, Inc. (NVEC) of Nespelem, Washington, and will be paid therefore monthly at rates to be determined from time to time by NVEC.
- If applicant fails to pay monthly charges, NVEC may discontinue service hereunder from the applicant/member after giving notice to member at the last known address shown on the billing list. The monthly billing is deemed sufficient notice of due date of bill.
- No service will be reconnected until the disconnected member's accounts are paid in full along with all disconnect-reconnect fees & any other fees due.
- Applicant agrees to comply with and be bound by the Articles of Incorporation of the Cooperative and any amendments thereto, the By-Laws, and such Rules, Regulations & Policies as may be adopted from time to time by NVEC.
- Applicant agrees to make payment of membership, deposit and service fees upon becoming a member as per General Policy#301. The deposit is non-interest bearing and may be applied to the payment of bills due NVEC, deducted from the Patronage Capital account if there are due bills, or refunded to the applicant upon termination of service if the applicant has fulfilled applicant's part of the contract.
- Applicant agrees to make payment of any and all other fees as designated in the Rules, Regulations & Policies that are incidental to providing electric service for the member.
- Easement: The applicant/grantor/member hereby grants to NVEC and its assigns, perpetual easement with full power of authority of ingress and egress to construct operate and maintain an electric transmission and/or distribution line or system on applicant/grantor/member property and/or in, upon or under all streets, roads or highways abutting thereto; to inspect and make such repairs, changes, alterations, improvements, removals from, substitutions and additions to its facilities as NVEC may from time to time deem advisable; to cut, trim and control the growth by chemical means, machinery, or otherwise, of trees and shrubbery located within twenty feet of the center line of said line or system; to keep said easement clear of all buildings, structures or other obstructions; and to license, permit or otherwise agree to joint use or occupancy of the lines, system or, if any said system is placed underground, of the trench and related

underground facilities, by any other person, association or corporation. In no case shall NVEC make monetary compensation for an easement (ROW).

- Hold Harmless: The applicant/grantor/member agrees to hold harmless NVEC from any legal action, except its negligent acts, arising out of the location, construction, operation, repair, maintenance, or servicing all poles, wires and other facilities whether constructed above or below applicant/grantor/member site, including physical interruption of any crops or other surface materials placed under or above such facilities.
- Member Equipment, Buildings, or Facilities: To be solely responsible for providing suitable devices adequate to protect applicant/grantor/member's equipment, buildings or facilities at all times from high or low voltage, phase failure or any power system disturbances or problems arising from NVEC ingress/egress when at the site.
- Power Supply: Cooperative shall use reasonable diligence to provide constant and uninterrupted supply of electric power and energy, but if such supply shall fail or be interrupted, or become defective through an act of God, or public enemy, or by accident, strikes, labor troubles, or by action of the elements, or inability to secure right of ways or other permits needed, NVEC shall not be liable therefore.
- Succession: This agreement shall be binding upon an inure to the benefit of the successors, personal representatives, and assigns of the respective parties.
- Applicant agrees to pay the monthly subscription price for the Ruralite magazine.
- The acceptance of the membership application by NVEC shall constitute a contract for electric service between the applicant/grantor/member and NVEC which shall continue in force until cancelled by at least thirty days written notice by either party to the other; shall constitute an acceptance of applicant/grantor/member to membership in NVEC with such rights and liabilities as are specified in the Articles and By-Laws, Rules, Regulations, & Policies of NVEC, provided, however, that membership shall terminate when applicant ceases to purchase energy from NVEC at the members designated service site.
- Applicant, if accepted as a member of NVEC, hereby authorizes NVEC, upon termination of membership in any manner, to cancel said membership.
- Applicant, by becoming a member, assumes no personal liability or responsibility for any debts or liabilities of NVEC, and it is expressly understood that under law the applicant's private property cannot be attached for any such debts or liabilities.
- The effective date of this agreement shall be on the date that service is applied for and shall remain in effect until terminated by either party giving the other thirty days notice.

Approved by the Board: 1977
Effective: 1977
Amended/Revised: 6/27/2006
Reviewed: 12/27/2011

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 303

SUBJECT: Line Extensions

Nespelem Valley Electric Cooperative, Inc. will provide electric service to all members/applicants within the boundaries of its service area who desire electric service. In general, the membership application form shall be completed with all pertinent information provided as requested, all membership fees and deposit requirements shall have been paid previously, a State of Washington electrical inspection certificate shall have been completed and available, approved service entrance equipment/meter pole or equivalent meter mount/secondary service drop attachment shall be provided at the members/applicants cost. All Right-of-Way easement agreements and all required permits by any agency shall be executed and obtained by the member/applicant. Estimates of the cost of any extension will be made only after the member requesting the new extension has their request reviewed at the site by the cooperative's staff with the requesting member present. In addition, electric service will be provided under the following terms and conditions.

1. Residential:

In order to qualify for permanent residential electric service, the home must be occupied full time and be provided with Health Department approved water and sewer systems. Mobile homes must rest on permanent foundations and have the wheels and towing hitches removed to be considered permanent residences. The Cooperative will extend electric service to any qualifying single family residence at no cost to the member provided that the total construction investment excluding the transformer does not exceed \$1,500.00. If additional investment is required, the consumer shall pay that additional amount in full to the Cooperative prior to the construction of any facilities.

2. Platted Developments:

Platted developments being subdivided for future potential residential home sites will require a construction contribution prior to the construction to cover the full cost of the electric system additions and upgrades required to serve the new load. Individual residential extensions will be installed under the provisions of the above residential extension policy.

3. Large Loads:

Large loads involving special construction circumstances will require individual analysis for feasibility. All costs associated with new facilities and upgrades to existing facilities required to serve a large load will be paid in full by the member prior to construction. Large loads are those with expected demand equal to or exceeding 300 kWh, the connected horsepower equal to or exceeding 250 HP, or the required transformer capacity equal to or exceeding 225 KVA.

4. General Service:

All extensions not covered under any of the above shall be considered general service extensions. These include, but are not limited to, seasonal, commercial and irrigation services and may be single or multi-phase loads.

The member will pay in full all costs for new facilities required to serve the load prior to construction.

5. Underground:

Certain installations require underground facilities and, where feasible, underground service may be provided at the consumer's request under the conditions of Policy No. 303. When primary and/or secondary underground is installed in a trench, the member will bear the cost of and will be required to provide the trench, approved bedding, backfill material, and conduit as determined by the Cooperative. Member will backfill trench after inspection by NVEC. Existing Cooperative owned URD direct buried secondary services that require replacement for failure or age will be trenched and installed in conduit at no cost to the member.

6. Temporary (non-permanent) Service:

A temporary or non-permanent service is an electrical service that has an anticipated useful life of three (3) years or less and where a permanent service will not be required in the long term. The consumer will be required to contribute in advance a non-refundable estimated cost of non-recoverable costs to construct and to remove the line extension. .

7. Construction Services:

A temporary construction service is an electrical service that serves the electrical needs for the construction phases of a permanent site which will require permanent electrical service in the future. The permanent parts of the line extension will be covered by the Cooperative's line extension policies and shall be paid for in advance by the member. The costs of the temporary parts of the

electrical installation shall be estimated in advance and the member charged only for the value of what is considered unrecoverable and unusable materials plus restock fees.

8. General:

In addition to the line extension contributions which may be required under this policy, additional charges may be made for extraordinary construction costs such as Right-Of-Way clearing, blasting, special equipment rental, highway crossing permits, etc. All member contributions required under this policy shall be payable in full prior to the construction of any facilities. In all above policies NVEC will provide the service transformer and meter at no cost to the member. NVEC retains ownership of all materials and equipment supplied to serve new loads and as such is responsible for regular maintenance.

Approved by the Board: 7/25/1995

Effective: 8/01/1995

Amended/Revised: 6/27/2006

Amended/Revised: 2/28/2012

Amended/Revised: 1/15/2015

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 304

SUBJECT: Easements

Employees of the cooperative shall be instructed that they shall not obtain application for electric service requiring new line extensions from prospective members unless at the same time the prospective member executes and delivers to the cooperative an easement on the properties where such applicant makes application for service and such other properties as shall be necessary to extend the lines for electric service to the applicant. Every effort will be made by the cooperative to assist the prospective consumer in obtaining right-of-way (ROW) easements but in no case shall the cooperative make a monetary compensation for right-of-way easement except in the case of transmission line right-of-way, in which case monetary compensation may be in accordance with REA Bulletin #20-3 "Obtaining Adequate Right-of-Way and Submission of Title Evidence by Electric Borrowers"*. Easements, franchises or permits shall be signed by the party who has the legal right to grant the cooperative the use of the property and shall be acknowledged by that party before a notary public. Such assessments shall be filed with the appropriate government agency as necessary to preserve the easement.

Easements shall convey and grant to the cooperative the right, privilege, and authority to install, reinstall, construct, erect, alter, rephase, repair, energize, operate and maintain electric transmission and distribution facilities. Facilities will include poles, cables, wires and all other accessories necessary to make said facilities a functioning part of the electric system. The cooperative shall have the right to maintain the ROW provided by the easement, including the right to cut and trim trees and shrubbery. Additionally, the cooperative may cut down dead, weak, leaning or other dangerous trees outside the ROW that are tall enough to strike the wires to the extent necessary to install and maintain NVEC's electric system.

* Requires borrowers to have title insurance where the investment in land, and in improvements considered part of the real estate, exceeds \$250,000.

Reference: Policy #303 Line Extensions

Approved by the Board: 5/25/1993

Effective: 5/25/1993

Amended/Revised: 7/25/2006

Reviewed: 4/24/2012

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 305

SUBJECT: Right of Way Maintenance

Property easements provide Nespelem Valley Electric Cooperative (NVEC) with the right to ingress, egress and clear Right of Way (ROW) used for electric system facilities in such a manner as to provide for public safety, system reliability, and good member/public relations. Clearing ROW involves, among other activities, trimming and/or removing trees, shrubs, bushes, etc. when it is necessary to maintain proper clearances for, and access to, electric distribution lines either existing or under construction.

NVEC will provide prior notification to members and property owners in the vicinity (when practical) of plans for ROW maintenance activities such as tree trimming except when emergency situations occur (demands immediate corrective actions). Notification can be made in written form, by telephone, or in person as documented by NVEC. NVEC records, local agency records, BIA records, and County records will serve as reference sources to determine ownership in the affected property areas. Situations that demand radical action regarding ROW maintenance will be handled with utmost care with respect to the property owner's reasonable demands.

When clearing and/or trimming trees, work will be performed to: 1. assure that trees and other objects will not contact NVEC electrical lines and equipment. 2. Maintain access route for vehicles and equipment. 3. To maintain proper NESC clearance for a minimum of 5 years. 4. Result in the least amount of property damage or disfigurement. 5. Properly dispose of debris.

NVEC will respond to member/property owner's reasonable special requests whenever possible such as: consideration for landscaping; crop damage; relocating or rebuilding the line underground if the owner/member is willing to pay all applicable fees; reasonable alternative debris removal; etc.

It shall be the responsibility of the employee in charge of the ROW maintenance project to insure implementation of this policy.

Reference: Policy #303: Line Extensions & Policy #304: Easements

Approved by the Board: 7/21/1998

Reviewed: 3/27/2012

Effective: 7/21/1998

Amended/Revised: 7/25/2006

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 306

SUBJECT: Auxiliary Electric Service

Any consumer installing auxiliary electric service shall, before connecting any such auxiliary service to the consumer's electric lines, cause the same to be inspected and certified by a State of Washington electrical inspector and the installation approved by the cooperative before actually using such auxiliary service.

If the auxiliary electrical service is associated with a stand-by generator which could back-feed electrical power into the cooperative's lines, a double-throw type switch must be provided by the consumer for stand-by generator use when the generator is connected into the consumer's electrical system that is normally served by the cooperative to protect line workers, the consumer, and the general public. The double-throw switch must totally prevent any back feeding of electrical power into the cooperative's system during the consumer's operation of the stand-by generator. Joint or parallel electrical power supply from the cooperative and the stand-by generator shall never occur for even a moment.

Approved by the Board: 11/21/1995
Effective: 8/1/1995
Amended/Revised: 7/25/2006
Reviewed: 5/22/2012

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 306

SUBJECT: AUXILIARY ELECTRIC SERVICE-ALTERNATE ENERGY PRODUCTION

Any power producer (or member) with qualifying alternate energy production or a qualifying hydro facility (either single or multi-phase) shall have service accepted by the cooperative pursuant to state, federal and industry standards, regulations and laws, and subject to the following specific conditions:

1. A producer (or member) with electric generation equipment shall not connect it in parallel with the Cooperative's System without the written consent of the Cooperative. Failure to comply with the Cooperative's requirements for parallel generation shall be justification for discontinuance of such parallel operation in such a manner as to least inconvenience the Cooperative until such time as full compliance has been accomplished. While operating in parallel with the Cooperative's system, the alternate energy production will at all times be maintained at not less than 95% power factor.
2. The alternate electric energy generation system equipment shall be designed, operated and maintained so that:
 - a. It can be automatically synchronized with the Cooperative's system.
 - b. In the event that the Cooperative's system connected to such generation is de-energized, the alternate energy generation system equipment will automatically stop generating and will not feed back into the Cooperative's system.
 - c. A pad lockable switch is installed between the alternate energy generation system equipment and the Cooperative's system. All synchronizing and protective devices to accomplish this mode of operation will be provided and maintained by the alternate energy producer.
3. The alternate energy production facility shall be designed, operated and maintained in such a manner as to comply with all applicable state, federal and industry standards, regulations, and laws. In the event that a facility is of such design as not to be subject to such requirements, the producer shall submit all pertinent engineering data including but not limited to such items as the manufacturer nameplate data, type of device, and output current and wave forms (at no load and at full load) to the Cooperative's approval. Any costs of evaluation which may be incurred because of the need for an independent consultant shall be paid by the alternate energy producer. The Cooperative shall inform the producer of approval or disapproval within a reasonable time, including time for an independent consultant if necessary.
4. The Alternate energy producer shall permit the Cooperative employees to enter upon their properties at any reasonable time for the purpose of inspecting or testing alternate energy production equipment facilities, or apparatus to ensure

continued safe operation, the accuracy of the Cooperative's metering equipment, and service output power factor; such inspections shall not relieve them of the obligation to maintain the facilities in satisfactory operating conditions. The Cooperative will charge the direct expense of such inspection or testing of the producers equipment, facilities or apparatus to the alternate energy producer.

5. The alternate energy producer shall sign a "Hold Harmless Agreement" whereby the producer agrees to insure and indemnify the Cooperative, its employees and representatives against liability for any injuries or damages caused by the operation of the producer's equipment or by any failure of them to maintain such equipment in satisfactory or safe operating condition. A "Certificate of Insurance" naming the Cooperative as an additional insured for contractual liability insurance in an amount not less than the Cooperative's Total Utility Plant or (other proof of financial responsibility) will be required by the Cooperative and must be approved by the Cooperative prior to interconnection. Failure to maintain required insurance or proof of financial responsibility shall be cause for disconnection.
6. The operator of the qualifying alternate energy producer or qualifying small hydro facility shall adopt a program for the regular inspection, maintenance and servicing of the interconnecting equipment to maintain such equipment in a safe and reliable operating condition. Records of inspections, maintenance and repairs shall be logged and such records shall be available to the Cooperative upon request. If requested by the Cooperative, the producer shall submit a maintenance schedule each year prior to October 1.
7. The alternate energy producer shall pay for the cost, net of system betterment, of rebuilding any Cooperative facilities to provide adequate capacity for their generation system including the additional facilities required by the Cooperative to complete the interconnection along with any special metering requirements (sockets, in-out special detent meters, safety devices, etc.). The Cooperative will routinely test and will maintain ownership of all special meters and metering equipment. All materials installed on the producer's side of the metered point of delivery shall be subject to the approval of the Cooperative; the Cooperative may provide materials upon request at the producer's expense.
8. The alternate energy producer shall be responsible for the cost of installation and maintenance of power factor correction equipment including capacitors required to maintain power factor between 95% lagging and 95% leading.
9. Monthly Rate: The purchase rate paid shall be avoided costs of electricity purchased by the Cooperative from the Cooperative's power supplier (BPA) and shall be based upon 100% of the wholesale monthly energy component charge. The credit for such purchases will be reflected on the monthly bill.

Approved : 8/20/1996
Effective: 8/20/1996
Reviewed: 10/24/2006
Reviewed: 5/22/2012

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 307

SUBJECT: IDLE SERVICES, VACANT FACILITIES AND LOW USE SERVICES

PURPOSE OF POLICY:

To provide guidance for the handling of idle, vacant and low use facilities pertaining to the billing, removal and restoration of these services. It is the intent of this policy to take a proactive approach in the management of these facilities and to reduce the cost, expenses and liability of maintaining non or low revenue generating facilities in a consistent and equitable manner.

POLICY CONTENT:

Definitions

An idle service is generally defined as distribution facilities constructed by Nespelem Valley Electric Cooperative, Inc. (the Cooperative) to provide electric service and use of that service has been discontinued. However, the service availability charge is still being paid.

Vacant facilities are unused distribution facilities where the service availability charge has not been paid for six months or an idle service that has reached its five year time limit.

Low use services generally are accounts with infrequent or insignificant electric use.

Idle Services - General Guidance

Many of the costs associated with maintaining service to individual customers such as insurance, taxes, maintenance, and depreciation are unrelated to energy use. Because of this, the Cooperative will charge members that want to continue the availability of electric service, the facilities charge for the rate schedule applicable to their service.

Payment of the facilities charge continues the right of the member to obtain electric service from the Cooperative.

Removal of Lines

The Cooperative understands that property owners may not have the need for continued electric service, however, may want to keep the facilities for future needs and the value it adds to the property. When the property owner chooses not to pay the facilities charge, the Cooperative reserves the right to remove the distribution facilities.

The decision to remove these vacant facilities will be based on safety considerations, the potential for future revenue, costs to maintain the facilities, and the cost of removal and salvage. Prior to removal of the lines, Nespelem Valley Electric Cooperative, Inc. will take reasonable action to provide public notification of its intended plans.

Vacant facilities that are located on Public Right of Way will be removed at the discretion of

the Cooperative and adjacent property owners may or may not be notified.

Restoration of Service and Applications for New Service on Vacant Facilities

Vacant facilities (where the facilities charge has not been paid for more than six months) will not be reconnected until the Cooperative verifies that the line in question has not been identified or scheduled for removal or is in need of significant maintenance and/or rebuilding. If, in fact, the line is scheduled for removal or is in need of major work, the party seeking reconnection may be required to pay the cost of bringing the line to NESC specifications and the party's need. Such situations will be handled in a manner consistent with the Cooperative's Line Extension Policy.

Time Limitations

All idle accounts, whether existing or new, from the date of this policy, will be placed on a five year time limit with the understanding that the service will need to be reconnected or the line will be considered vacant and may be removed.

Responsibility for Implementation

The General Manager is responsible for developing the necessary procedures for implementing this policy.

Revised: 03/25/2014

Adopted: 04/22/2014

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 311

**SUBJECT: TERMINATION OF ELECTRIC SERVICE
ENERGY DIVERSION, METER TAMPERING AND VANDALISM**

From time to time it may become necessary to the Cooperative to discontinue providing electric service to various members without the member's approval. This policy is intended to clarify the conditions under which such actions may take place.

With Written Notice:

- Non-payment of delinquent account.
- Misrepresentation of identity for the purpose of obtaining electric service.
- Refusal to grant Cooperative Personnel access to equipment on the premises at reasonable times for any Cooperative purpose.

Without Written Notice:

- For a condition immediately dangerous or hazardous to life, physical safety, or property. Upon order by any court or other duly authorized public authority.
- If service is obtained fraudulently or without authorization of the Cooperative.
- Upon insurance of a dishonored check when it is issued in order to have power restored after disconnection due to non-payment.

Nothing in this policy shall prevent the Cooperative from denying service to a prospective member upon payment history at the service location and the prospective members' previous connection to it as an electric utility user contingent upon payment of past due amounts at the previous service.

It shall be the policy of the Cooperative to recover all losses incurred including loss of revenue, cost of damaged equipment, labor to make repairs, and all costs associated with legal prosecution if it becomes necessary. The Cooperative shall retain the option of prosecuting offenders.

Some common conditions that may cause suspicion of energy diversion, meter tampering and/or vandalism are as follows:

- Broken or missing meter seal
- Damaged meters or metering equipment
- Unauthorized service wire connections
- Meter found upside down or a substitute meter installed
- Unauthorized reconnection of any disconnected account
- Unexplained high/low monthly usage patterns

- Employee finds evidence of tampering while on premises for another purpose
- Results of periodic field testing, meter reading or inspection of meters
- Neighboring consumer reports suspicious activities

Nothing is to be discussed with the member or anything altered until an investigation is completed. Following the investigation, the member will be duly notified and the proper authorities notified.

A determination will be made of the lost revenue and other charges, including legal, transportation, labor and material for which the member will be billed. In the event the meter seal is broken without approval of the Cooperative, the individual responsible for the broken seal will be subject to a charge of \$125.00

Approved: 04/25/1995

Effective: 06/1/1995

Amended: 01/26/1999

Reviewed: 09/26/2006

Reviewed: 07/24/2012

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 312

SUBJECT: MEDICAL EMERGENCIES

Termination of electric service to a residential customer for non-payment may be postponed up to thirty (30) days upon receipt by the Cooperative of a certificate by a licensed physician or local board of health which states that the termination of electric service will exaggerate an existing medical condition or create a medical emergency. This certificate of medical emergency must be in writing and presented to the Cooperative in written form and must show clearly the name and address of the person whose medical emergency would be adversely affected by termination, the nature of the medical emergency, and the name, title and signature, office address and telephone number of the person certifying the medical emergency. The receipt of such certificate does not relieve the member of the responsibility for the payment of their electric bill. This delay is only issued to give the member a chance to make other arrangements. It is not intended to continue for more than thirty (30) days. In order to avoid the burden of a substantial arrearage at the end of the medical emergency, the member or guarantor for the member, shall negotiate an equitable payment plan with the Cooperative.

Approved: 04/25/1995

Effective: 04/25/1995

Reviewed: 10/24/2006

Reviewed: 07/24/2012

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 313

SUBJECT: RELOCATION OF POWER LINES

It shall be a policy of the Cooperative that any relocation of line at the member's request, which will not benefit the Cooperative, will be done at the member's expense.

Any relocation of line at the request or convenience of the Cooperative will be done at the Cooperatives expense.

Adopted: 05/25/1993
Reviewed: 10/24/2006
Reviewed: 08/28/2012

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 314

SUBJECT: PLANNED OUTAGES

It shall be a policy of the Cooperative to make every effort to notify the members of a planned outage by whatever means is available at the time whether it be by phone call, house visit, personal contact, an official mailed notice, local radio station announcement, or local newspaper advertisement.

In cases where the planned outage will affect a large number of members and a definite future time and date can be established and arranged, each individual consumer account will be contacted by mail in advance.

Adopted: 05/25/1993
Effective: 05/25/1993
Amended/Revised: 12/19/1995
Reviewed: 10/24/2006
Reviewed: 08/28/2012

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 315

SUBJECT: HOUSE MOVING

Within the service area of the Cooperative, it shall be the policy to demand that two employees of the Cooperative work with the house moving contractor in cases where the building is located to the extent that moving it will interfere with Cooperative power lines. The contractor, before moving said building, must make a cash deposit in advance with the Cooperative in the amount of \$450. The contractor will be responsible for all costs of employee's time and mileage. Any unused portion of the deposit will be refunded. The Cooperative shall have at least five business days notice prior to the moving of the said building.

Adopted: 12/21/1995
Effective 11/21/1995
Amended/Revised: 11/28/2006
Reviewed: 09/25/2012

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 316

SUBJECT: JOINT USE OF POLES (ATTACHMENTS)

It shall be the policy of the Cooperative to rent space on its poles to any corporation or any individual. However, any such agreement will be covered by a pole rental contract. Contracts describing terms and conditions for joint use of the Cooperative's poles by other entities shall be negotiated by the manager or the designee and shall be subject to Board Approval.

Any individual or firm entering into a joint use agreement with this Cooperative must have their attachments comply with all applicable State Of Washington and National Electrical Safety codes, the owner of the attachments shall bear the full cost of the construction required as a result of that attachment.

Adopted: 05/25/1993
Effective: 05/25/1993
Amended/Revised: 12/19/1995
Reviewed: 10/24/2006
Reviewed: 09/25/2012

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 317

SUBJECT: METER LOCATION

It shall be the policy of this Cooperative that the member/consumer shall install the service entrance and equipment including the meter socket, and that such meter socket shall be located not more than six feet above the ground and not less than five feet and on an outside wall (exclusive of all porches) so that the meter will be accessible to the Cooperative at all times. The meter and the property of the Cooperative and must be sealed with the Cooperative meter seal. This seal must not be broken by any one other than a Cooperative employee or by special permission of the Cooperative manager. Any acts contrary to this policy may be punishable by law.

If a meter pole is required or desired the meter pole and all equipment on it (with exception of the Cooperative's meter and service drop extension) is the property and responsibility of the member. The meter pole must be at least 25 feet in length, treated, and located not more than 30 feet from the building or equipment.

Before any connection to the Cooperatives system can be made by way of a service extension to a member's meter pole or pedestal equivalent attachment to a building/structure, pump or equipment service, the member's service equipment and system must be inspected and approved by the Washington State Department of Labor and Industries electrical inspector.

Connection of a member's service to the Cooperatives electrical system assumes all the prior requirements for connecting such service have been satisfied.

Adopted: 11/21/1995
Effective: 11/21/1995
Amended/Revised: 12/19/2006
Reviewed: 10/23/2012

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 318

SUBJECT: METER READING

In an effort to reduce the overall costs of providing electric service, NVEC electric meters are read remotely by radio frequency on the first two business days of the month. The Cooperative may periodically read such meters manually, and if meter reading errors are found, the necessary billing adjustments will be made at that time

Estimated readings may be used to calculate individual bills any time Actual meter readings are not available. Bills computed from estimated meter readings shall be due and payable just as though they were computed from actual meter readings. Adjustments for under or over-billing will be made in the month in which actual readings are available. The Cooperative will make every effort to read every meter monthly.

Adopted: 04/25/1995
Effective: 06/01/1995
Amended/Revised: 01/27/1998
Reviewed: 11/24/2006
Reviewed: 10/23/2012

**Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 319**

SUBJECT: MULTIPLE METERING

Each dwelling being served by the Cooperative must be separately metered. A dwelling is defined as a structure in which a person resides, subsists, or inhabits. Special cases will be reviewed by the Board of Trustees.

Adopted: 05/25/1993
Effective: 05/25/1993
Amended/Revised: 01/30/1996
Reviewed: 11/24/2006
Reviewed: 11/27/2012

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 320

SUBJECT: METER TESTING

OBJECTIVE:

To determine an acceptable testing program to provide a level of assurance of NVEC's meter accuracy.

1. Routine Testing

The Cooperative shall test all watt-hour meters periodically for accuracy and mechanical condition. Polyphase watt-hour meters will be tested approximately every four years by an outside company. Meters and associated devices shall be tested within 180 days after they are removed from service.

1. New Meters

The Cooperative will only sample test new meters to ascertain if they meet the required accuracy limits.

2. Limits

All watt-hour meters must be accurate to within plus or minus 2% at full and light load. Demand meters shall be accurate to within 1.5%.

3. Request Test

(a) The Cooperative upon request of a member-consumer and an advance payment of \$40.00, will test the accuracy of the meter, provided that such test are not made more frequently than once in twelve months. Whenever, a meter creeps, or whenever a metering installation is found upon any test to have an average error of more than 2% for watt-hour metering; or a demand metering error of more than 1.5% in addition to the errors allowed under accuracy of demand metering; an adjustment of bills for service for the period of inaccuracy shall be made in the case of over-registration and under registration the amount of the adjustment shall be calculated on the basis that the

metering equipment should be 100% accurate with respect to the testing equipment used to make the test.

- (b) If the meter is found to be accurate within the above limits, the Cooperative will retain the \$40.00 advance payment.
- (c) If the meter is found to be registering more than 2% fast, the member-consumer will be reimbursed for the \$40.00 advance and the members bill shall be adjusted for the period of inaccuracy.
- (d) A report of the results of the test shall be made to the member-consumer within a reasonable time after completion of the test, and a record of each test shall be kept on file at the office of the Cooperative.

Adopted: 05/25/1993
Effective: 05/25/1993
Amended/Revised: 01/30/1995
Amended: 12/19/2006

**Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 321**

SUBJECT: Resale of Power by Consumers

It shall be a policy of this cooperative that no consumer will be allowed to purchase electrical energy from the Cooperative for resale to other persons. Any action contrary to this policy will result in the immediate disconnection of electric service to such violator.

Adopted: 05/25/1993
Reviewed: 01/22/2013

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 322

SUBJECT: Deposits

Members requesting service to accounts other than large commercial, irrigation, and wind machines shall pay a \$200 deposit at the time of application. This \$200 refundable security deposit fee may be increased if, after review by staff, the applicant's payment records or credit records indicate a history of poor performance. The deposit of any member whose account for electric service has been timely paid for a period of twelve consecutive months will be refunded upon request. No interest will be paid on the deposit. Any member whose account becomes in arrears subsequent to receiving a deposit refund may be required to provide a new deposit under the above stated conditions. The deposit of any member who terminates service prior to the expiration of twelve continuous months of service will be refunded or applied to the final billing for electric service.

Wind machine accounts will be accepted only if the wind machine in the present location has been previously served by the Cooperative, or upon special arrangements to provide adequate security for payment of accounts. To protect the financial integrity of the Cooperative, members connecting large commercial or irrigation accounts or those with existing accounts already have served wind machines may be required to annually provide one or more of the following:

- Deposit equal to 1.5 times estimated annual billings;
- Irrevocable letter of Credit or Sight Draft to cover 1.5 times estimated annual billings;
- Other payments security as may be approved by the Board of Trustees

Balance owing to the Cooperative by an applicant, due to the applicant's previously receiving electric service from the Cooperative or for any other reason, must be paid in full prior to the applicant's receiving electric service.

Approved: 05/21/1996
Effective: 05/21/1996
Revised: 02/20/2001
Reviewed/Amended: 01/22/2013

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 323

SUBJECT: Billing Procedures and Delinquent Accounts

On at least a monthly basis, meters will be read by either staff or the member receiving service on the first two business days of the month, as provided by agreement at the time of application or at such times as may be deemed necessary by the staff. Staff will upload meter readings from the automated meter reading device into the Cooperative's records upon receipt of readings. Estimated meter readings may also be used to generate billings. Bills based upon estimated readings will be adjusted at actual readings as soon as these are received. See Policy No. 318 Meter Reading.

On or about the seventh (7th) day of each month, staff will generate and mail a billing for each member account to the member's last address provided to the Cooperative by the member. It shall be the responsibility of the member to notify the Cooperative of any change of address.

The member shall pay each account on or before the twenty-fifth (25th) day of the month. If the due date falls on a Saturday, Sunday, or legal holiday, the end of the next business day is the due date. If any account remains unpaid after the due date, the member shall be considered delinquent and shall be subject to a forfeited discount equal to ten (10%) percent of the previous month's bill.

If any member's account in excess of one hundred dollars (\$100.00) remains unpaid by the twenty-sixth (26th) day of the month, he shall be mailed a Past Due Notice indicating the member's account is past due. The member shall be required to pay the delinquent amount on or before the due date indicated in order to avoid a disconnection of electrical service to the delinquent account.

At any time prior to the due date set forth indicated in the Past Due Notice, the member is encouraged to contact the Cooperative's office if unable to pay the "total due" in full prior to the Due Date. If an arrangement can be agreed upon whereby installment payments can be made on the delinquent accounts, any such arrangement shall be binding upon the member. A monthly payment arrangement will not be allowed if (1) the member has been the recipient of three (3) or more Past Due Notices within the past twelve (12) months and (2) in the staff's judgments, the member's past payment record and/or other credit history is considered unworthy. Special attention will be given to previous payment arrangements made with the member and the member's performance on such previous arrangements.

The Past Due Notice shall be in substantially the attached form:

If you have any questions about the amount of past due or are not able to pay that amount in full by Due Date indicated on your Past Due Notice, you may contact our office and request that other payment arrangements be approved. Any such arrangements are binding. Failure to comply, as agreed, with any installment, deferred payment, or other arrangement may result in disconnection of your electric service without further notice. If you dispute this bill and our staff cannot resolve the dispute, you have the right to appeal to a hearing officer (directly to the board of Trustees at their regular monthly board meeting). An appeal to a hearing officer must be made prior to the disconnect date and not more than 48 hours after attempting to resolve the dispute with our office staff. Such hearings shall be scheduled within five (5) working days of the date of the appeal. A list of potential hearing officers is available at our office.

- Should it become necessary to dispatch a service man to the member's residence or place of business to collect a delinquent bill, an additional charge will be assessed. This charge will apply whether or not payment for the bill is actually received during the visit. In the event no contact is made during the visit to the residence, service may be terminated at that time.
- Reconnection of a meter previously disconnected for non-payment will result in an assessment of a re-connect fee. Every effort will be made to reduce the number of disconnects actually completed on Fridays and the days preceding holidays. However, accounts may be disconnected because of false information, rendering non-sufficient fund checks, or particularly, if the member is habitually delinquent after such notice as is required in NVEC policies has have been rendered.
- In the event a member has currently, or in the past, had more than one account, any delinquent amount owed on any one account may cause any current account of that member to be subject to collection or disconnection. Disconnect & Reconnect will be set by the Board of Trustees and administered as directed. The fee will be fifty dollars (\$50.00) for collection visit. One Hundred dollars (\$100.00) for disconnects/re-connects completed during regular business hours and two hundred dollars (\$200.00) for a reconnect requested during times other than regular business hours or at times causing Cooperative employees to work overtime.

Approved by the board: 04/25/1995

Effective: 06/01/1995

Revised: 08/24/1999 & 02/07/2001 (reflect BPA meter reading change from the 20th to the 1st of each month)

Revision Approved: 08/24/1999

Reviewed: 02/20/2001

Reviewed: 01/23/2006

Reviewed: 03/23/2010

Reviewed/Amended: 02/26/2013

Reviewed/Amended: 10/22/2013

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 324

SUBJECT: Bill Complaints and Disputes

Disputed bills and bill complaints that cannot be resolved between members and the staff may be brought before a hearing officer. Such appeals must be made prior to the disconnect date if they are for delinquent balances and submitted to the Cooperative in writing not more than 48 hours after attempting to resolve the dispute with the staff. Such hearings shall be scheduled within five (5) working days of receipt of the appeal. Failure of a member to attend a scheduled hearing may result in termination of their electric service in accordance with the original disconnect notice. A list of potential hearing officers will be maintained at the Cooperative's office. Although these hearings are authorized by the Cooperative, the Board of Trustees, having ultimate responsibility, shall also have the ultimate authority in such matters.

Potential Hearing Officer List:

Current Board of Trustees at the time of Hearing requested.

Approved: 04/25/1995

Effective: 06/01/1995

Reviewed: 02/27/2007

Reviewed/Amended: 02/26/2013

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 325

SUBJECT: Collection of Delinquent Balance on Disconnected Accounts

The Cooperative may use any and all legal avenues available for collection of delinquent balances. These may include by are not limited to the use of collection agencies, promissory notes, small claims court, Colville Tribal Court, superior court, and property liens. Members with indebtedness to the Cooperative agree to reimburse the Cooperative for any and all costs of collection including but not limited to collection agency fees, attorney fees, court costs, etc. Members and former members will be required to pay outstanding balances on former accounts before receiving service at a new location.

Approved: 04/25/1995
Effective: 06/01/1995
Reviewed: 02/27/2007
Reviewed: 03/26/2013

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 326

SUBJECT: Dishonored Checks

Any account that has been paid with a dishonored check will be assessed a twenty-five \$25.00 handling fee. The member will be notified in writing of the dishonored check and of the redemption procedure. The check must be redeemed at the Cooperative's office in cash or with a money order within fifteen (15) days. Upon redemption, the dishonored check will be returned to the member or issuing party. If the check is not redeemed within fifteen (15) days, the payment will be charged back to the member's account and the account will be treated as though the payment was never received. This could result in termination of service. (See policy on Termination of Electric Service).

Approved: 04/25/1995
Effective: 06/01/1995
Revised: 02/27/2007
Reviewed: 03/26/2013

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 327

SUBJECT: Energy Conservation

The Cooperative will conduct an Energy Conservation Program in accordance with the National Energy Conservation Policy Act and as required by the Rural Utilities Service. It will provide information and assistance to inform and educate consumers, employees and the general public about energy conservation, weatherization and energy saving techniques to be used in homes, office buildings, schools and the Cooperative's facilities.

The purpose of the program is to promote the wise and efficient use of energy through consumer and employee education and weatherization information.

NVEC may do all or any of the following:

1. Monitor and record energy use in the Cooperative's facilities.
2. Encourage and promote more efficient use of energy and assist consumers by reviewing their use of energy billing records.
3. Support insulation standards such as those adopted by Federal, State and local agencies.
4. Direct qualifying consumers to appropriate agencies for assistance in financing and installing conservation measures on their premises.
5. Seek assistance and coordinate conservation efforts with RUS, NRECA, BPA, Federal State and local agencies & utilities in conservation programs affecting NVEC;s consumers.
6. Cooperate with the Bureau of Indian Affairs and the Colville Confederated Tribes in their weatherization programs for the low-income and elderly as funding and availability of resources permits.
7. Provide training for employees in energy conservation techniques.
8. Coordinate energy audit requests from consumers with county, state or other agencies.
9. Provide information on alternate energy sources.

10. Provide estimates of the long range cost of electric energy.
11. Make available to consumers printed material and tips on conserving energy.
12. Use the Ruralite magazine to convey conservation tips on how to save energy and money.
13. Place special emphasis on safety in all conservation projects.

Approved: 04/25/1995
Effective: 06/01/1995
Reviewed: 02/27/2007
Reviewed: 04/23/2013

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 328

SUBJECT: Adjustable Speed Drives, Variable Frequency Drives and Power Quality

Nespelem Valley Electric Cooperative (NVEC) delivers and maintains quality electric service to all members. Without appropriate safeguards, devices such as adjustable speed drives (ASD) and variable frequency drives (VFD) can distort the voltage and current waveforms to create interference for other electronic and electric devices such as radios, televisions, computers, etc. To safeguard electric and radio service in our service area, all ASD's and other such devices installed in NVEC's service territory must meet IEE (Institute of Electrical and Electronic Engineers) Standard #519-1992 for "IEEE Recommended Practices and Requirements of Harmonic Control in Electrical Power Systems" and the Federal Communications Commission (FCC) radio quality standards for the full range of operation. The point of common coupling (ppc) is defined to be primary side of the distribution service transformer to which the customer and equipment is connected. Where IEE Standard # 519-1992 does not apply, the member must meet with a NVEC representative to determine the appropriate guidelines for the individual applications. Any user whose devices degrade the power quality of NVEC's system will be responsible for restoring the power quality to an acceptable level as determined by NVEC's engineering requirements. No "grandfather" clause applies to this policy.

If devices that affect the power quality on NVEC's system do not meet IEE standards or NVEC's guidelines/engineering requirements in instances where the IEEE standards do not apply, the member with the device is required to take appropriate action or add corrective equipment filters, etc. to the device to meet the guidelines and engineering requirements so noted or required by NVEC at their own cost and to the satisfaction of NVEC.

All consumers as part of the agreement to be served by NVEC shall maintain an average total harmonic distortion (thd) level of the load current that is consistent with the IEE standards for distribution system customers as noted. If NVEC determines that the consumer's load is contributing to excess thd on the distribution system, the consumer will install the necessary filtering or compensation equipment to reduce and maintain thd at or below the level required. Failure to install the necessary preventative equipment will result in disconnection of the service.

Approved: 07/21/1997
Reviewed: 03/28/2007
Reviewed: 04/23/2013

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 329

SUBJECT: Member Responsibilities for Safe Use of Electricity

- Members are responsible for protecting themselves, life and property from the use, misuse, consequences and/or availability of electrical power on their premises.
- Members are responsible for determining the need for, installing, properly using, inspecting and maintaining suitable devices to protect lives and property from the consequences of any defect or failure in any electrical wiring, currently consuming devices or any other equipment which they may own. The state inspector shall inspect all wiring. NVEC is not responsible for actions of the state inspector or any other private or governmental entity or individual.
- Members are also solely responsible for providing protective devices as necessary to protect their own electrical equipment from service quality variations beyond the reasonable control of NVEC. It shall be the member's responsibility to provide suitable protective devices and equipment such as fuses, circuit breakers, surge protectors, relays, etc. to adequately protect its electrical load.
- Furthermore, if the member uses three-phase power, the member is responsible for protecting its electrical equipment from phase failure, under or over voltage, phase rotation reversal, single phasing, harmonics, loss of power, etc. NVEC cannot guarantee against such conditions due to circumstances beyond NVEC's control.
- NVEC reserves the right to refuse or discontinue service whenever, at the sole discretion of NVEC, the member's facilities present a safety risk or is not in conformity with all applicable codes, regulations and manufacturer's recommendations.
- The member shall be solely responsible for the maintenance, operation and safety of its own wiring and equipment. NVEC shall not in any way be liable for an accident or resulting damage (s) occurring to the member or the third parties because of contact with or failure of any portion of the member's installation.

- If the member's use of electric equipment results in damage or interference with NVEC or neighboring member's electrical systems, or the member requires unusual service limits, NVEC shall require the member, at the member's expense, to provide such special or additional devices as is necessary. This may apply to cases of extreme phase unbalance, current or voltage harmonics, poor power factor, or special voltage requirements.
- Members are responsible for taking proper precautions to prevent damage to NVEC Property and equipment on the member's premises. This shall include removal, reinstallation or bypassing of meters, meter seals, instruments, transformers, service, wires, connections and any other equipment installed by and remaining NVEC's property. The member shall not attach by any means items to NVEC owned property or facilities such as poles, signs, lights, fences, buildings, wiring, vehicles, etc. In the event that NVEC property is damaged due to a member's negligence or actions taken by him or others on his premises, NVEC may collect the cost of repairs or replacements from the members.

Approved: 05/24/2003
Reviewed/Revised: 03/27/2007
Reviewed/Revised: 05/28/2013

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 330

SUBJECT: Disposal of Material and Equipment

- A. It shall be the policy of the Cooperative to declare material and equipment salvage from time to time.
- B. The sale of or disposal of salvage equipment or material shall be made available to trustees, employees or members of the Cooperative on a first come basis as approved by management.
- C. All salvage equipment or material with a fair market value of \$500 or more will be advertised.

Approved: 02/22/2005
Effective: 02/22/2005
Amended/Revised: 03/27/2007
Reviewed/Revised: 05/28/2013

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 331

SUBJECT: Deceased Active Members

In an effort to reduce NVEC's financial liability and in accordance to General Policy No. 123 – Identity Theft Red Flag Prevention, accounts may not be maintained in the name of a deceased individual.

After thirty days from the decedent's date of death, a form letter will be sent notifying the family (or resident at location) of the requirement to have a valid Application of Membership for Electrical Service in the same name of the person desiring to receive electric service.

Said individual(s) will be given fourteen days from the date of the letter to maintain responsibility for electric service at the location in question in order to avoid interruption of service. All reasonable efforts to assist said individual(s) will be made in good faith.

Adopted: 2/28/2012
Reviewed: 6/25/2013

Date

Name

Address

City, State Zip

Regarding: *Location*

I apologize for having to send this letter during your families' time of grief. Unfortunately, this matter does need to be addressed and I hope to be able to work with you during the transfer.

In accordance with our **Red Flags Policy #123**, a valid Application of Membership for Electrical Service must be in the same name of the person desiring to receive electric service. Memberships may not be maintained in the name of a deceased individual.

In an effort to eliminate the need for interruption of service, we respectfully request that the individual(s) now responsible for the electric service at this location sign up for service in their own name no later than DATE. We require a signed application for Membership and a \$225 deposit for service.

Fees:

Membership	\$5.00
Service Fee	\$20.00
Deposit*	\$200.00

**Applied to your account after 12 months of payments made on time in full each month.*

If you have any questions, please feel free to contact me.

Sincerely,

x

Nespelem Valley Electric Co-op, Inc.

Enclosure(s)

Procurement

400 Series

General Policy No. 401 – Awarding of Bids.....114

Nespelem Valley Electric Cooperative, Inc.
General Policy Manual
Policy No. 401

SUBJECT: Awarding of Bids

With respect to construction of distribution, transmission, generation, or headquarters facilities, and the purchase of material and equipment by the Cooperative with RUS loan funds or general funds, the Cooperative will borrow the guidelines prescribed in REA Bulletin # 40-6 "Construction Methods and services, Data processing services, engineering Services, Operation and Management of the System, Substation Erection, and System Planning. Transmission Facilities, Wholesale Power, etc.), the Cooperative will follow other applicable guidelines as outlined in various RUS Bulletins and/or Code of Federal Regulations. In addition, the Cooperative shall be in full compliance with the Colville Tribal government Code Title 84 "Tribal Employment Rights Ordinance" dated May 5, 1996 and Title 88 Certified Indian Owned Contractors as updated annually.

For actions involving an expenditure of \$100,000 or greater, competitive bidding shall be used in the construction of facilities and in the purchase of materials and equipment. Where competitive bids are taken, the contract must be awarded to the lowest responsible bidder on the basis of the lowest bid unless all bids are rejected or unless the Cooperative can show RUS that the award of the contract on the basis of other than the low bid is in the Cooperatives' best interest. The contractor must provide both a bid bond and a performance bond along with having adequate insurance coverage on personnel, equipment, or materials. RUS for 790 "Distribution Line Construction Contract (Labor and Materials), from 792 "Distribution Line Extension Construction Contract (Labor Only)", and from 830 "Electric System Construction Contract (Labor & Material) are the most commonly used contracts by distribution cooperatives.

For actions involving an expenditure of less than \$100,000, contracts and purchases of materials and equipment may be purchased by formal completeive bids, informal quotations, or negotiations (all written recorded) which are not subject to RUS approval.

The Board of Trustees of the Cooperative reserves the right to reject any and all contracts, bids, quotations, or negotiated arrangements. In the event that a completeive bid cannot be approved, all bids are to be rejected and the Cooperative may either advertise for new bids or make other arrangements for construction or purchase of materials or equipment.

Approved: 05/25/1993
Effective: 05/25/1993
Amended/Revised: 01/30/1996
Reviewed: 03/27/2007
Reviewed: 08/27/2013