Illinois Electric Cooperative

Policy Manual
DISCLAIMER

This Policy Handbook is meant to show the policies and procedures currently employed by Illinois Electric Cooperative and are subject to change by Illinois Electric Cooperative unilaterally and at any time. Illinois Electric Cooperative does not intend that this handbook, whether provided to an employee before commencement of employment or after commencement of employment, constitute part of any offer of employment or be interpreted expressly or by implication to constitute a contract for employment or to evidence the existence of employment between Illinois Electric Cooperative and any employee. Policies concerning Members, Directors, or Officers of Illinois Electric Cooperative may be changed at any time unilaterally by Illinois Electric Cooperative and will become effective upon the date of the change.
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Policy Introduction

Introduction

The policies in this notebook are reviewed annually by the Policy Committee of the Cooperative’s Board of Directors.

While the committee and the board have endeavored to address all of the policy issues which affect the Cooperative, certainly situations will arise in the future which will require additions to these policies and modifications or clarifications of the material in this notebook.

At one level, assuring that the proper policies are in place is intended to meet the board’s governance responsibilities. At another level, these policies are intended to support the Cooperative’s meeting its mission and goals.

The stated mission of Illinois Electric Cooperative was, from the inception of the federal Rural Electrification Administration program, to improve the quality of life in the rural community. That fundamental mission has been repeatedly reaffirmed by the Cooperative’s board and employees.

All these policies are, we believe, important, but they are clearly not equally so. The most important of all of these policies are those which set forth our code of conduct and our understanding of ethical behavior. Those are the goals which support and define our integrity, and it is our unblemished integrity which will best serve our efforts on behalf of the Cooperative’s members and the rural community we serve.

These Policies may be amended at any time by the Board of Directors for the Cooperative to be effective immediately upon execution of the amendments. Notice of any changes will be given to the employees or those other persons affected. These policies are not to be construed as a contract between the Cooperative and the employees or any other persons affected thereby and are only intended to state the position of the Cooperative with regard to each policy at the time it is adopted or amended.

For the Cooperative’s Board of Directors,

Thomas Meehan III Kevin Brannan
President Secretary

9/7/16
POLICY NO. 100

POLICY ORIGIN, DETERMINATION AND EXECUTION

POLICY:

1. It is the aim of the Board of Directors of Illinois Electric Cooperative to initiate and adopt written policies for the conduct of the system’s business and affairs, which will provide a general plan of action for the Cooperative and will serve as a generalized statement to guide the decisions in recurring situations assuring consistent decisions that will move toward the objectives and aims of the Cooperative.

2. Policy formulation is the responsibility of both the Board of Directors and the manager and in this they will cooperate, each bringing their special insight, experience and skill to bear on the problems involved.

3. Policy determination is the responsibility of the Board alone. This derives from its legal status and its relationship to the members. The Board’s action establishes policy.

4. Policy execution is the responsibility of the employed staff, under the directives of the manager. Once the policies have been established by the Board, it is the task of the employed staff to see that they are carried out.

5. It is understood that although these policies are firm in their intent, certain flexibility is required because of unusual and extenuating circumstances. When these unique situations occur, the manager is to interpret the policy for the mutual interests of the Cooperative and membership and is to report any deviation from the policy to the Board.

6. This policy manual is to be an open book and is to be made available to employees and to members who wish to inspect it. This policy manual will thus minimize inconsistency and favoritism and will create a maximum of understanding. The Board reserves the right of final policy interpretation in case of clarity or in case of multiple interpretations.

Adopted: August 2, 2004
Membership
POLICY NO. 200

MEMBERSHIP

POLICY:

Any person, firm, association, corporation or body politic or subdivision thereof, will become a member of Illinois Electric Cooperative upon the purchase of goods or services, provided he or it has first:

a. made written application for membership in the Cooperative;

b. agreed to purchase from the Cooperative goods or services; and

c. agreed to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative and any rules and regulations adopted by the Board of Directors.

Adopted: December 6, 2004

Attested: _______________________

Secretary
POLICY NO. 201
MEMBER RESPONSIBILITY

POLICY:

1. The Cooperative’s undertaking extends only to the supplying of electric service at the point of delivery. The member shall assume full responsibility for the current upon his premises at and beyond the point of delivery, and for the wire, apparatus, devices and appurtenances used in connection with the service. The member shall indemnify and defend the Cooperative against all claims and demands for loss (including reasonable attorney fees), damage, or injury to persons or property in any manner directly arising from, connected with, or growing out of the transmission or use of current by the member as aforesaid at his side of the point of delivery.

2. If prior to the connection of electric service, an employee of the Cooperative observes deficiencies in the member’s wiring up to and including the service entrance equipment, the Cooperative will notify the member and will not connect the service until the deficiencies have been corrected. Adequate and safe wiring beyond the delivery point will be the sole responsibility of the member, however, and in accordance with National Electric Code and applicable laws.

3. All line equipment supplied and installed by the Cooperative for the use of its member has definite capacity. Therefore, it must be the responsibility of the member to notify the Cooperative, in writing, before any change shall be made in the connected load either in location or purpose, or addition of equipment. This particularly applies to the installation of large motors, welders, housing heating, air conditioning, water heaters, and other items requiring heavy power use.

4. The member shall protect the equipment of the Cooperative on his premises, and shall not interfere with nor alter, nor permit interference with, or alteration of the Cooperative’s meters or other property except by duly authorized representatives of the Cooperative. The member shall promptly notify the Cooperative of any damage, malfunction or defect of the Cooperative’s equipment located on his premises, including any malfunction of the meter, or any tampering with the meter, or broken meter seal or other damage thereto.

5. No part of the member's wiring shall be attached to any of the Cooperative’s poles except the meter pole and any poles installed for security lights.

6. Any loss or damage to the property of the Cooperative due to, caused by, or arising from carelessness, neglect, or misuse by a member or other unauthorized persons, the cost of the necessary replacement and repairs shall be paid for by the member or user of the service where the damage occurred including the cost of reasonable attorney fees to collect the damages for the Cooperative.
7. If the meters or other property belonging to the Cooperative are tampered with or interfered with, including the breaking or removal of meter seals by anyone other than an authorized representative of the Cooperative, the member being supplied with such equipment shall pay the amount which the Cooperative shall estimate is due for service rendered but not registered on the Cooperative’s meter and for such replacements and repairs as shall be necessary.

8. Duly authorized representatives of the Cooperative shall have the right of ingress to and egress from the premises of all members at all reasonable times, for the purpose of reading, testing, inspecting, repairing, replacing or removing its meter or other property, or for the purpose of removing property on the termination of its contact, or on discontinuance of service for whatever cause, or for any other necessary reason pertaining to electrical service.

9. Surge Suppression is the members' responsibility.

10. Every member of Illinois Electric Cooperative shall provide the necessary easement, or easements, for the extension of electric service to that member and/or any other member as determined by the Cooperative.

11. Every member of Illinois Electric Cooperative shall pay all bills due including, billings for products and services provided to the member by the Cooperative other than electricity. The billings for products and services other than electricity shall be added to the member’s bill for electric service. The failure to pay any billing for products and services other than electricity will be treated in the same manner as the non-payment of a member’s electric service, including a termination of electric service for non-payment, and payment of reasonable attorney’s fees expended by the Cooperative for collection of all bills.

12. Every member of Illinois Electric Cooperative shall enter into a membership agreement for electric service and shall abide by such agreement.
The Cooperative’s responsibility for an internet signal ends at the outlet of the antenna for fixed wireless service and at the outlet of the ONT for fiber service.

The member is responsible for grounding his equipment and for installing surge suppression or arrestors for his equipment.

The member is responsible for paying all charges.

The member is subject to termination of service if he downloads copyrighted material without the permission of the copyright holder.

The member shall protect the equipment of the Cooperative on his premises, and shall not interfere with nor alter, nor permit interference with, or alteration of the Cooperative’s property. The member shall promptly notify the Cooperative of any damage, malfunction or defect of the Cooperative’s equipment located on his premises.

Every member of Illinois Electric Cooperative shall enter into a membership agreement for internet service and shall abide by such agreement.

Duly authorized representatives of the Cooperative shall have the right of ingress to and egress from the premises of all members’ at all reasonable times, for the purpose of testing, inspecting, repairing, replacing or removing its property, or for the purpose of removing property on the termination service.

Any loss or damage to the property of the Cooperative due to, caused by, or arising from carelessness, neglect, or misuse by a member or other unauthorized persons, shall be the responsibility of the member, including the cost of the necessary replacement and repairs. Member shall also pay any reasonable attorney fees and costs for collection of said amounts.

Adopted: August 2, 2004
Revised: August 13, 2015
POLICY NO. 202

CONTINUITY OF SERVICE

POLICY:

1. The Cooperative will use reasonable diligence to provide and maintain uninterrupted service, but in case of cessation, deficiency, variation in voltage, or any other failure or reversal of the service resulting from acts of God, public enemies, accidents, strikes, riots, wars, repairs, orders of court, or other acts reasonably beyond the control of the Cooperative, it shall not be liable for damages, direct or consequential, resulting from such interruption of service.

2. A member shall immediately give notice at the office of the Cooperative or to an authorized agent or employee of any interruption, irregularity, or unsatisfactory service and any defect known to a member.

3. If the Cooperative deems it necessary, it may suspend the supply of electrical energy to any member or members for the purpose of making repairs, changes, or improvements upon any part of its system. It shall make effort to furnish reasonable notice of such discontinuance to members when practicable.

Adopted: August 2, 2004

Attested: [Signature]
Secretary
POLICY NO. 203

COOPERATIVE’S RIGHT TO DISCONTINUE SERVICE

POLICY:

1. The Cooperative reserves the right to discontinue the supply of electrical energy to any member or members for any of the following reasons:

   a. For fraudulent representation as to the use of electric or internet service.

   b. For the second offense of checks being returned from the bank because of insufficient funds.

   c. For any disapproval of member’s electric system or equipment installation because of defects or hazardous conditions, or conditions which may damage the property of the Cooperative.

   d. For repairs or emergency operations.

   e. For unavoidable shortage or interruptions in the Cooperative’s source of power supply.

   f. For the protection of the Cooperative from fraud or abuse.

   g. For non-payment of bill.

   h. For refusal or obstruction of entry to its meter and other facilities.

   i. For violation of any of the terms and provisions of its rules and regulations, the membership agreement, these policies, the Cooperative’s standard requirements, articles of incorporation, or bylaws of the Cooperative.

   j. For failure to protect Cooperative’s property on member’s premises.

   k. For tampering or damage to meter or other facilities of Cooperative on member’s premises.
2. Before discontinuance of service of any of the causes set forth in paragraphs 1 (a), (b), (c), (f), (h), (i), (j) and (k), the member shall be given written notice of proposed disconnection and afforded an opportunity for hearing before the manager or his representative.

Adopted: August 2, 2004
Revised: September 7, 2016
POLICY NO. 204

METER CHANGES AND TESTS

POLICY:

1. Servicemen and other line crews are authorized to make meter changes due to disconnections and reconnections. Servicemen and other line crews are also authorized to make meter changes whenever in their judgment it is appropriate to do so.

2. Where there is evidence in the member’s consumption record that the meter is fast or slow, for the equipment used, the meter will be tested without charge to the member.

   A member may request a meter test, and the Cooperative will provide one meter test at no charge. If a member desires additional tests, the costs for those tests will be billed to the member if the meter tests satisfactorily, i.e. within 2% plus or minus.

3. In cases where the meter has failed to register, the meter will be replaced and a bill will be prepared on the unbilled service which the member shall be liable to pay as set forth below. This bill will be calculated based upon the account history of average kilowatt usage for the previous three years, or for the entire period of existence of the account if less than three years. The Cooperative alone will determine when the meter stopped based upon a review of the recent history of the account. The bill for unbilled service will be forwarded to the member, together with a letter explaining the calculations made to determine the unbilled service. The member will be given an opportunity to review the bill for the unbilled service with the Cooperative. After any review of the bill for the unbilled service, the Cooperative alone will determine the bill for the unbilled service. The member will be offered an opportunity to make payments on the unbilled service over a period of time mutually agreed upon with the Cooperative. However, the time payments will not exceed the length of time over which the unbilled service occurred.

4. Whenever the meter is tested in the field, the meter department will make every effort to have the member witness the test and shall report the findings to him or her. If the member is not home when the meter is tested, the office will send the member a letter reporting the finding of the meter department.

Adopted: August 2, 2004

Attested: [Signature]
Secretary
POLICY NO. 205

PAYING OF BILLS AND PENALTIES

POLICY:

1. All electric bills of Illinois Electric Cooperative will be sent to the members as close to the first day of the month as is possible. The Cooperative may impose a late penalty on unpaid bills for payments received after the date shown as due on the monthly statements.

2. All electric bills not paid by the member on the disconnect date of the month in which issued shall result in the service being discontinued. Prior to disconnection the Cooperative will give notice of disconnection and afford the member an opportunity for hearing in accordance with the policy on Cooperative’s Right to Discontinue Service, Paragraph 2. Disconnection will be subject to notification procedures as provided in General Order 172 during the months of December, January, February and March. If the Cooperative is forced to send an employee to collect a bill, a collection fee may be added to the bill. All other accounts not paid within thirty days will become delinquent and the members’ service subject to disconnection after hearing as provided in the Policy on Cooperative’s Right to Discontinue Service.

3. If the service is discontinued because of a delinquent account, a reconnection fee shall be added to the account and paid prior to reconnection if to the same member.

Attested: Secretary

Adopted: August 2, 2004
POLICY NO. 206

RECONNECTIONS AND MEMBER DEPOSITS

POLICY:

1. For a reconnection at any location previously served, there will be charged a reconnect fee, payable at the time the service is reconnected. If the property has had a change of ownership, verified by public record, a reconnect fee will not be charged.

2. Any member who has been disconnected because of a delinquent account, or has discontinued service and left a delinquent account, shall be deemed a poor credit risk and shall not be connected with electric service again until the delinquent account has been paid in full, and has made a deposit per the schedule of charges. This deposit is to be returned to the member when service is terminated and final bill settled in full. If the final bill is not settled, then the deposit will be used to pay the final bill, after which any balance will be returned to the member. Such deposit will be returned to the member after 12 consecutive monthly payments have been made without penalty.

3. Any member who has discontinued service and left a delinquent account that has been declared uncollectible and written off the books will not be allowed to take service again until the delinquent account is paid in full, and a deposit made per the schedule of charges. The deposit will be returned in the same manner as above.

4. The Cooperative may require of any member a deposit per the schedule of charges. No such deposit will be required if the Manager determines that said deposit is not necessary.

5. No person shall be permitted to receive the benefits of electric service from Illinois Electric Cooperative, when such person has a delinquent account with the Cooperative, unless an arrangement satisfactory to the Cooperative has been made.

Adopted: August 2, 2004
POLICY NO. 207

SECURITY LIGHTS

POLICY:

1. The light to be offered to the members of Illinois Electric Cooperative will be a 100-175 or 400 watt 120/240 volt security light.

2. The Cooperative will install a light for the member on an existing structure, including a maximum of 100’ of wire to connect the light to the line side of the service and furnish power for the light at a flat charge per month plus fuel adjustment. If more than 100’ of wire is required, the member will pay all expenses of installation beyond 100’.

3. If the member does not have an existing structure to install the light on, the Cooperative will furnish and install a new pole at the member’s expense.

4. The Illinois Electric Cooperative will own all of the facilities furnished, and members will be required to sign an agreement to use the light continuously for a one year period and pay the monthly charge for a minimum of one year.

5. If the member does not have a service at the location or requires a transformer for the security light, a minimum charge will be made per schedule of charges.

Attested: [Signature]
Secretary

Adopted: August 2, 2004
POLICY NO. 208

DEFECTIVE WIRING

POLICY:

1. Whenever the wiring of the premises of a member of Illinois Electric Cooperative is determined by a representative of the Cooperative to be defective to the extent that it creates a hazard to the member's property, or to the Cooperative's equipment, the Manager is authorized and directed to notify, in writing, such member that he must correct the condition within a period of time deemed reasonable by the Cooperative's manager in his sole judgment, but which shall not exceed 30 days.

2. If the condition has not been corrected within that time, the service will remain discontinued until code requirements are met.

Adopted: August 2, 2004
POLICY NO. 209

IDLE OR UNUSED SERVICES

POLICY:

1. Any service which has been disconnected or unused, or from which no revenue has been received for a continuous period of one year shall be considered as a permanently idle service and may be scheduled for retirement.

2. Prior to retiring the service, however, the manager will have a field investigation made of the service scheduled for retirement, taking into consideration the age of the line, condition of poles and hardware, and the probability of future use. A letter, sent by certified mail, will be written to the member asking about the future use of this idle service. If the member does not respond within 60 days of the date the letter is sent of his intention to use the service, the line and service may be retired without further notice.

3. All such services which are left in place will be charged a service charge equal to the current monthly minimum.

Attested:  

Secretary

Adopted: August 2, 2004
POLICY NO. 210

RIGHT-OF-WAY

POLICY:

1. Where Illinois Electric Cooperative has secured a right-of-way easement from a property owner when the lines were first built granting the right to the Cooperative to build future lines on such property without the consent of the property owner, the Cooperative shall first discuss such new lines or location with the property owner before commencing construction.

2. Whenever the Cooperative has the right to build future lines on any property, the Cooperative will secure the consent of all property owners to do so whenever that is possible.

3. When the Cooperative is required to relocate its lines for road widening and the line will be located on the property in the same relationship to the road right-of-way as it was originally, the Cooperative will do so without the consent of the property owner, if the easement for the original line permits it.

4. All new right-of-way easements shall be recorded.

Adopted: August 2, 2004

Attested: [Signature]

Secretary
POLICY NO. 211

RELOCATING LINES

POLICY:

1. Illinois Electric Cooperative will cooperate with the State Highway Department and local county highway departments and road districts in the areas in which the Cooperative operates in the relocation, alteration, or rearranging of its line and facilities for state highway and county road construction shall be on a cost basis and in a manner that will, as much as, possible cause the least amount of interference and delay in their construction programs.

2. When the Cooperative is required to relocate, alter, or rearrange its lines and other facilities, when located on private right-of-way, because of state, state aid, county highway construction, road districts, or any other road construction, then in that event the Cooperative shall be reimbursed for its expenses in doing such work, which shall include all direct and indirect costs.

3. When the Cooperative is required to relocate, alter or rearrange its lines and other facilities for drainage projects, it shall be reimbursed for its expenses in doing such work, which shall include all direct and indirect costs.

4. Whenever Illinois Electric Cooperative is required or called on to relocate, change, alter, or move any of its facilities for the convenience of the member, land owner, or other persons or parties at a location where the Cooperative has a legal right for the location of its facilities, the members will pay all costs.

Adopted: August 2, 2004

Attested: [Signature]
Secretary

9/7/16
POLICY NO. 212

LINE DAMAGE CHARGE

POLICY:

Illinois Electric Cooperative will charge the full replacement costs for all repairs of line damage caused by persons other than those employed by the Cooperative. Such charges shall include all costs, both direct and indirect.

Adopted: August 2, 2004

Attested: 
Secretary
POLICY NO. 215

LINE CLEARANCE FOR MOVING HOUSES AND LARGE EQUIPMENT

POLICY:

The Cooperative will as a courtesy to members move its lines to accommodate the occasional instance of members' moving houses or other exceptionally large buildings or equipment. This is not to be interpreted to mean that when the Cooperative’s facilities are in accordance with the National Electric Safety Code, the Cooperative is in any way required to move lines for the regular (daily, weekly, monthly or annually) use of over-sized equipment.

Adopted: August 2, 2004

Attested: [Signature]
Secretary
POLICY NO. 216

LOCATION OF METERS

POLICY:

1. From the date of the adoption of this policy, it is the Cooperative’s recommendation that all meters for new services shall be located on the outside of the building at which the electricity shall be used or on a transformer pole with underground services to the building(s) at which the electricity is to be used, unless a specific exception has been approved by the manager which shall not be unreasonably withheld when other arrangements are more practical or have a clear economic advantage.

2. Existing “barn yard” wiring may be used for as long as it meets National Electric Code or National Electric Safety Code. If wiring does not meet the Code requirements as determined by the Cooperative, the member shall be required to bring the facilities up to code within a reasonable period of time.

3. All new installations shall have a disconnect below the meter.

Adopted: August 2, 2004
POLICY NO. 217

FURNISHING AND SERVICING METER LOOPS AND DISCONNECTS

POLICY:

1. The Cooperative will not furnish meter loops or disconnects for any type of service.

2. At a location where a meter loop is required, the member shall furnish the loop. The member will have the following options:
   a. Purchase and have installed by the Cooperative at a cost of material and labor which may be revised from time to time, or
   b. The member shall furnish the loop, at the member's cost, which must be built to Cooperative specifications.

3. If it becomes necessary to upgrade an existing meter loop, it shall be at member's expense, regardless of previous ownership and condition, the provisions of paragraph 2 will apply. If the old loop was owned by the Cooperative, it shall recover it. If the old loop was owned by member, it shall be left on premises.

4. A disconnect means (such as breakers, fuses, and solid blade switches) must be installed on all single phase pole metering installations. This will provide a convenient method of disconnecting loads by the member and eliminate service calls for the Cooperative's operating personnel.

5. On three phase installations, the requirement for a disconnecting means is left to the discretion of the Cooperative. Where a disconnect cannot be added at the meter pole, no more than one span (one circuit) will be permitted to come off the meter pole before entering a main disconnect. All other load must come off the load side of the main disconnect.

6. In all instances where on-site electric power generation (temporary or permanent) is installed, a double-pole, double-throw disconnect switch must be added to eliminate any possibility of simultaneous feed of electric energy from the two sources of supply.

Adopted: August 2, 2004

Attested: [Signature]
Secretary
POLICY NO. 218

FURNISHING OF METER POLES BY THE COOPERATIVE

POLICY:

The Cooperative will install meter poles, as requested by members, and the member shall be responsible for the cost of the construction on the same basis as any other construction for members.

Adopted: August 2, 2004
POLICY NO. 219

SERVICE TO SUBDIVISIONS

POLICY:

GENERAL: This policy shall apply to all subdivisions developed within the Cooperative’s service area.

1. A subdivision is any area which is developed for the purpose of selling lots and the construction of residential housing units shall be considered a subdivision. All lots of the subdivision must be contiguous to at least one (1) of the other lots of the subdivision. A development must contain a minimum of four (4) lots to qualify as a subdivision.

2. The developer shall bear the costs of bringing electric service to a take off point at the edge of the lot for each such lot in accordance with the schedule of charges for construction then in effect.

3. The cost of construction within the lot shall be borne by the future member in accordance with the schedule of charges for construction then in effect.

Adopted: August 2, 2004

Attested: 

Secretary
POLICY NO. 220

MEMBERS’ RESPONSIBILITY FOR MINIMUM CHARGES

POLICY:

Since the costs of providing electric service occur every month, allowing certain members to avoid those costs during some months places an undue burden on all members. Therefore, if a member has the service disconnected at a specific meter and has service restored to the same meter within twelve months, then in that event at the time the service is restored, the member shall pay the minimum charge for the months during which the service was disconnected in addition to the trip charges for the disconnection and the restoration.

ADOPTED: March 3, 2008

Attested:  
Secretary

ADOPTED: March 3, 2008
POLICY NO. 221

IRRIGATION

POLICY:

All new irrigation accounts shall be served under the 19 Hour rate, and anyone inquiring about irrigation service shall be so notified so that the equipment can be properly sized and controlled.

Attested:

Secretary

Adopted: August 21, 2014
POLICY NO. 222

CONSUMERS MOVING FROM ONE RATE SCHEDULE TO ANOTHER

POLICY:

Certain consumers could be served under the Large Power Rate or the Interruptible Rate. In a like way, irrigation consumers could receive service under the 19 Hour Rate or the Interruptible Irrigation Rate.

If a consumer elects to move from one rate to another, that consumer must remain on the rate to which the account moved for 12 months.

The consumer will be so notified at the time he makes the request to change rates.

Adopted: August 21, 2014

Attested:  

Secretary
POLICY NO. 230
MEMBER DEPOSIT FOR UTILITY SERVICE

I. OBJECTIVE:

To establish an appropriate procedure for assessing deposit for members.

II. POLICY:

Each new member or former member who is renewing service will be asked to authorize a credit check that the Cooperative will run. OnLine Utility Exchange will be used in determining the amount of deposit needed for each member. A process will be used where the combined bad debt information plus the Experian Credit Bureau information will be juxtaposed together to come up with a percentage of delinquency. The following percentage ranges will determine the following deposits:

1. 0-10% = $0 Deposit
2. 10.1% - 25% = $250 Deposit
3. 25.1% - 100% = $500 Deposit

If a member refuses to give us his Social Security Number for use in the credit check, then he will be charged the maximum $500 deposit. The amounts of deposit and the percentage ranges for deposit determination may be changed from time to time by the Board at its discretion.

Adopted: January 5, 2009
POLICY NO. 250

MEMBER REQUEST FOR COOPERATIVE INFORMATION

1. Information Available to Member:

   The manager shall make available for inspection and review by any member the following information:

   A. Articles of Incorporation
   B. Bylaws
   C. Published Policies
   D. Service Rules and Regulations
   E. Rate Schedules
   F. Approved Minutes of Regular Meeting of the Board of Directors
   G. Form 990
   H. Accepted Operating and Financial Reports
   I. The Request for Member’s Personal Billing History*
      * An individual may only request and be entitled to review his personal billing history.

   The information above shall be available during normal business hours at the Cooperative headquarters upon reasonable notice of a member’s request which shall in no event be less than 24 hours.

2. Limitations:

   Information which is confidential in nature, such as:

   A. Personnel records, salaries, wages, benefits;
   B. Any information which constitutes a trade secret, process, program, trade-mark or other confidential corporate information;
   C. Any reports, minutes or drafts of pending contracts or agreements currently under consideration or negotiations by the board and/or the manager or the board’s representatives;
   D. Any information which is properly the subject of executive sessions of meetings of the board of directors;
3. **Other Provisions:**

   A. Only active members have any right to request and obtain information from the Cooperative under the terms of this policy.

   B. The terms of this policy will be liberally construed in order to keep members fully informed about the Cooperative.

   

   [Signature]

   Attested: [Signature]

   Secretary

   

   Adopted: August 2, 2004
POLICY NUMBER: 255

ATTENDANCE AT BOARD MEETING BY MEMBERS OR OTHER PERSONS

I. OBJECTIVE

To establish appropriate procedures relating to member attendance at Board Meetings.

II. POLICY

This Cooperative is owned by the members it serves. Members of the Cooperative elect the members of the Cooperative’s Board of Directors, who are in turn charged with the exclusive responsibility to manage the Cooperative, subject only to the provisions of the laws of the State of Illinois and the Articles of Incorporations and Bylaws of the Cooperative. The Board oversees and sets policies for the management of the Cooperative. The General Manager is selected by the Board to run the day-to-day business of the Cooperative.

The purpose of this structure is to provide a Board comprised of a small number of members of the Cooperative, who are elected by the member to efficiently and prudently represent all members in conducting the business and affairs of the Cooperative. For the Board to fill this representative function it must be able to consider and deliberate the business and affairs of the Cooperative in an orderly, efficient, and sometimes confidential manner.

Notwithstanding this representative structure, members of the Cooperative may wish to attend a Board Meeting for the purpose of presenting an issue for consideration to the Board, or observing the Board’s deliberation concerning some issue or concern regarding the business and affairs of the Cooperative. The purpose of this policy is to establish procedures which will accommodate members’ desire to attend a Board Meeting, but at the same time establish procedures which will assure that such attendance does not unduly encumber the Board in its statutorily prescribed duty to make prudent, well-considered and fully deliberated decisions in the management of the business and affairs of the Cooperative, as well as to maintain confidentiality when it is required in the best overall interest of the Cooperative.

Accordingly, the following policy and procedures for member attendance at Board Meetings are established:

A. A member desiring to attend a Board Meeting shall complete and sign the attached form of request and shall submit it to the President, General Manager or the Secretary of the Cooperative, not less than five (5) business days prior to the next scheduled meeting of the Board of Directors. Subject to the provisions outlined below, a member may attend a Board Meeting for any lawful purpose that shall include:

1. Presenting a specific request or recommendation or bringing a complaint before the Board, provided the member has made a good faith effort to
resolve the complaint or controversial matter with the Cooperative’s management, and any committee of the Board assigned the responsibility for addressing such matters, and

2. To observe one or more particular items on the agenda.

B. A member may not be allowed if the member’s attendance is for an unlawful purpose or:

1. The member fails or refuses to complete, sign and submit the prescribed Request to Attend Board Meeting Form.

2. If the attendance is to present a request or recommendation to the Board and the member has not previously presented the request or recommendation to the Cooperative’s management and allowed reasonable time for a response.

3. If the attendance is to bring a complaint or controversial matter before the Board and the member has not made a good faith effort to resolve the complaint or controversial matter with the Cooperative’s management, and any committee of the Board assigned the responsibility for addressing such matters, and allowed reasonable time for the matter to be resolved.

4. The attendance is for a purpose which is not reasonably related to the business of the Cooperative.

5. The attendance is for a dishonest purpose, is contrary to the lawful interest of the Cooperative, or is for a purpose not reasonable germane to the interest of the member.

6. If the number of members desiring to attend a Board meeting exceeds the reasonable capacity of the Board Room to accommodate same. (In such event, members sharing one or more common purposes must select a maximum of four representatives to attend a Board Meeting for such common purpose.)

a. When one or more members attend a Board Meeting, the following procedures and protocol will be followed:

i. Such member(s) shall be seated away from the Board conference table so that their physical proximity will not impair or interfere with the Board’s deliberation and conduct of the business affairs of the Cooperative.

ii. If a member’s purpose in attending a Board Meeting is to present a specific matter for consideration by the Board, the Board will hear such presentation including asking questions and discussing the matter as it deems appropriate. But the Board, in order to assure complete open and candid discussion between the Board Members, can decide not to discuss, respond or take action with respect to such matter or inquiry until after such member or person has left the
Board Meeting. In such event, however, the Board shall after deliberating such matter, promptly notify the member or person of any actions taken, or that no action will be taken as the case may be.

b. Notwithstanding the foregoing, no member shall be entitled to attend an Executive Session of the Board. The Board may convene in Executive Session of the Board at any time for any one or more of the following purposes:

i. For consideration of a pending or threatened lawsuit or claim against the Cooperative.

ii. For consideration of personnel issues.

iii. For consideration of matters, which if disclosed to members desiring to attend a Board Meeting would:

1. violate a person’s right to privacy, violate any agreement with third parties with respect to trade secrets, or adversely affect the Cooperative in its negotiations with third parties.

2. adversely affect the Cooperative unduly out of proportion to the possible competing interest of the member attending a Board Meeting.

3. Violate the privilege of confidential communication between the Cooperative and its attorney.

4. For any other lawful reason.

c. Non-members may attend Board Meetings only if specifically invited by the Board of Directors, or if they are legal counsel representing, or another duly authorized representative of, a member who shall speak on behalf of or assist such member

d. Representatives of the news media are not allowed to attend Board Meetings; however, management and the Board shall use their good faith efforts to respond to inquiries from representatives of the news media.

e. Should the Cooperative and a member disagree as to the member’s right to attend the Board Meeting; the Cooperative will invite the member to present their grievance to the Executive Committee, where the member may respond to the reasons given by the Board for denial of the request to attend. The Executive Committee may respond to the member’s comments. After deliberation the Executive Committee shall respond to the member within five (5) days of their decision regarding the member’s request to reconsider their attendance. The Executive Committee’s decision shall be final and binding.
III. RESPONSIBILITY

A. Executive Committee. It shall be the responsibility of the Executive Committee to review member requests and make recommendations as appropriate and call to the attention of the full Board any failure of adherence to this policy.

B. General Manager. It shall be the responsibility of the General Manager to administer this policy and develop appropriate controls therefore.

Attested: 

Secretary

Adopted: January 4, 2010
Illinois Electric Cooperative
REQUEST TO ATTEND BOARD MEETING

Name(s) of Member(s) requesting to attend:

______________________________________________________________________

Reason for request: (Please be specific.)

______________________________________________________________________

Note: Only requests for lawful purposes will be considered as defined under Board Policy 255. Failure to detail the purpose or reason or the request may result in denial.

The number of Members allowed to attend may be limited if it exceeds the reasonable capacity of the Board Room.

Response by the Board to any request for this consideration will be in accordance with Policy 255.
POLICY NO. 275

PAYMENT OF CAPITAL CREDITS TO MEMBERS

POLICY:

1. The board of directors has the authority to make general retirements of capital credits on a first in first out basis and general retirements of capital credits earned in the prior year, and it has the authority to retire estates, capital credit accounts of surviving spouses and émigrés upon request, and it shall do so within budgets established each year on a first come, first served basis. The cooperative will keep lists of such requests showing the order in which the requests have been made.

2. For surviving spouses, once the capital credit account is paid, there must be a new member agreement if there’s a currently active account.

Adopted: December 06, 2004
Revised: August 13, 2015

Attested: [Signature]
Secretary
POLICY NO. 280

CONSTRUCTION TO SERVE NEW MEMBERS AND TO SERVE ADDITIONAL LOAD AT EXISTING MEMBERS

POLICY:

1. In order to ensure the lowest rates to all members, the costs of the construction to serve new members and/or to serve additional uses by existing members shall be borne by the member benefiting from the service according to those fees in the attached schedule of costs.

2. The schedule of costs shall be based upon the rolling average of actual costs incurred by the Cooperative and shall be reviewed annually by the Cooperative’s management to ensure its accuracy.

3. In those instances when it may be desirable for the Cooperative to provide more capacity than is necessary for the individual member, e.g. extension of three phase facilities when the member himself needs only single phase service, only those costs directly attributable to the new member shall be charged to the new member. Additionally, if it is desirable to rebuild certain existing facilities, those costs shall not be charged to the new member.

4. The schedule of costs shall also set out the terms and conditions under which the Cooperative will make financing available to the member for the costs of construction.

5. In those instances when the additional sales from an extension to serve new load would be especially desirable or when the extension would create new jobs, the general manager may, after consulting the president, waive the collection of all or part of the contribution in aid of construction if such collection of costs would jeopardize the project. If such action is taken, it shall be reported in detail to the full board.

Adopted: August 2, 2004
Revised: August 21, 2014

Attested:

Secretary
POLICY NUMBER 285

NET METERING AND COOPERATIVE PURCHASE OF EXCESS MEMBER OWNED GENERATION CAPACITY

I. OBJECTIVE

To encourage member investment in renewable energy resources, comply with Public Utility Regulatory Policies Act (PURPA), enhance the continued diversification of Illinois' energy resource mix and protect the Illinois environment through the use of renewable fuel sources while honoring the Cooperative's obligation to provide electricity to all members on a Cooperative basis as required by the Illinois Not-for-Profit Act and Internal Revenue Code Section 501 (c) (12).

II. DEFINITIONS

Avoided Costs are the avoided variable costs associated with the production of electric energy (kilowatt-hours). These costs represent the cost of purchased energy.

Eligible Cooperative Member means a Cooperative member that owns or operates a solar, wind, or other eligible renewable electrical generating facility with a rated capacity of not more than 2000 kilowatts that is located on the member's premises and is intended primarily to offset the member's own electrical requirements.

Eligible Renewable Electrical Generating Facility (EREGF) means a generator powered by solar electric energy, wind, dedicated crops grown for electricity generation, anaerobic digestion of livestock or food processing waste, fuel cells or microturbines powered by renewable fuels, or hydroelectric energy. For purposes of this policy, an EREGF with a nameplate rating of 10kW or less is governed by the provisions of Article IV (C). An EREGF with a nameplate rating of more than 10 kW up to 2 MW is governed by the provisions of Article IV (D).

Net Electricity Metering (or “net metering”) means the measurement, during the billing period applicable to an eligible member, of the new amount of electricity supplied by the Cooperative to the member’s premises or provided to the Cooperative by the member.

III. APPLICABILITY

The net metering policy applies to eligible Cooperative members that choose to interconnect their eligible renewable electrical generating facilities with the Cooperative’s distribution system and operate same in parallel with the Cooperative system.
IV. PROVISIONS

A. The eligible Cooperative member shall first comply with the provisions of the Cooperative’s Policy – Interconnection and Parallel Operation of Distributed Generation.

B. The Cooperative will install and maintain metering equipment capable of measuring the flow of electricity both into and out of the member’s facility at the same rate and ratio. If member’s existing meter is not capable of meeting this requirement, or if the member requests an additional meter, the cost of installing and maintaining same shall be paid by the member.

C. For EREGFs with a nameplate rating of 10 kilowatts and below, the Cooperative shall measure and charge or credit for the net electricity supplied to eligible Cooperative members or provided by eligible Cooperative members as follows:

1. If the amount of electricity used by the member during the billing period exceeds the amount of electricity produced by the member, the Cooperative shall charge the member for the new electricity supplied to and used by the member at the retail rates the member would be charged if the member was not a net metering member.

2. If the amount of electricity produced by a member during the billing period exceeds the amount of electricity used by the member during that billing period, the Cooperative will apply a credit to the member’s account for each kilowatt hour in excess of the member’s use which credit shall equal the energy cost component of the Cooperative’s wholesale bill.

D. For EREGFs with a nameplate rating above 10 kW, the EREGF may contract with either the Cooperative or Prairie Power, Inc, at the discretion of Prairie Power. If the EREGF contracts with the Cooperative, Prairie Power may exercise its right at any time to enter into a new contract with the EREGF.

E. All renewable energy credits, greenhouse gas emission credits and renewable energy attributes related to any electricity produced by the eligible renewable electrical generating facility and purchased by the Cooperative shall be treated as owned by the eligible member.

F. The Cooperative shall provide net metering to eligible members until the load of its new metering members equals 1% of the total peak demand supplied by the Cooperative during the previous year. The Cooperative may offer net metering beyond the 1% level if it chooses to do so.
G. This policy is subject to all federal, state and local laws, the Cooperative’s articles of incorporation, bylaws and existing policies and the terms and conditions of the Cooperative’s existing power supply contracts and loan agreements. To the extent any provision of this policy conflicts with those obligations, those provisions are deemed null and void.

Adopted: February 4, 2008
POLICY NO. 286

INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION

I. OBJECTIVE

To establish safety, reliability and economic standards for interconnection and parallel operation of distributed generation that encourage the development of member-owned on-site electric generation facilities using renewable fuel sources designed primarily to offset the member’s electrical requirements while honoring the Cooperative’s obligation to provide electricity to all members on a Cooperative basis.

II. DEFINITIONS

**Distributed generation** is defined as any generation built within close proximity to the generating member’s load regardless of generation capacity or energy source of such generation and includes but is not limited to:

A. small scale environmentally friendly generators such as photovoltaic (PV), fuel cells, and small wind turbines;
B. micro turbines or reciprocating engines fueled by renewable fuels such as landfill gas or methane gas from digesters;
C. any qualifying facility (QF) under the Public Utility Regulatory Policies Act of 1978 (PURPA);
D. any on-site generation with less than 10 MW of capacity interconnected with distribution facilities;
E. commercial emergency and standby diesel generators installed, for examples, in hospitals, hotels and farms;
F. residential standby generators;
G. generators installed by a utility at a substation for voltage support or other reliability purposes.


**NAMEPLATE CAPACITY** – The maximum rated output of a generator, prime mover, or other electric power production equipment under specific conditions designated by the manufacturer and is usually indicated on a nameplate physically attached to the power production equipment.
SMALL GENERATOR FACILITY - The equipment used by an interconnection customer to generate, or store electricity that operates in parallel with the electric distribution system with a nameplate capacity of 10 kW or less. A small generator facility typically includes an electric generator, prime mover, and the interconnection equipment required to safely interconnect with the electric distribution system or local electric power system. These facilities have been approved by a nationally recognized testing laboratory or must have been approved by the Cooperative under a study process and qualify for expedited review.


WITNESS TEST – For lab certified or field approved equipment, verification (either by an on-site observation or review of documents) by the Cooperative that the interconnection installation evaluation required by IEEE Standard 1547 Section 5.3 and the commissioning test required by IEEE Standard 1547 Section 5.4 have been adequately performed. For interconnection equipment that has not been lab certified or field approved, the witness test shall also include the verification by the Cooperative of the on-site design tests as required by IEEE Standard 1547 Section 5.1 and verification by the Cooperative of production tests required by IEEE Standard 1547 Section 5.2. All tests verified by the Cooperative are to be performed in accordance with the test procedures specified by IEEE Standard 1547.1.

III. APPLICABILITY

This interconnection policy applies to Cooperative members proposing to install and interconnect small energy facilities that:

A. Have a name plate capacity equal to or less than 10 MW;
B. Are not subject to the interconnection requirements of MISO; and
C. Are designed to operate in parallel with the electric distribution system.

IV. INTERCONNECTION REQUESTS

A. Members seeking to interconnect a generator facility shall submit an interconnection request using the form attached hereto as Attachment A. The request may be eligible for expedited interconnection review if the request is for a small generator facility using lab certified or field approved interconnection equipment.

B. Interconnection equipment shall be deemed to be lab certified if it is evaluated by a nationally recognized testing laboratory (NRTL) and found to be in compliance with IEEE 1547 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1 testing protocols to establish conformity), UL

C. Interconnection equipment shall be deemed to be field approved if within the previous 36 months of the date of the interconnection request, it has been previously approved for use with the proposed small generator facility in a materially identical system application, and the prior approval process included a successful witness test.

D. The member must submit to the Cooperative plans of the proposed installation and must obtain approval for the installation. This approval process will include a review by the Cooperative of the effect of the proposed generation on the Cooperative’s distribution system, including its protective scheme. The member requesting interconnection shall pay the cost of this review. No installation will be permitted that reduces reliability to other members or causes voltage conditions on the system to be outside of the limits of ANSI C84.1 Range A. No installation will be permitted that is expected to produce objectionable harmonics on the system. Any mitigation required to resolve harmonic problems created by a member-owned generator will be completed and paid for by the member.

E. For generating facilities with nameplate ratings greater than 10 kW up to and including 10 MW, the Cooperative shall apply, to the extent practicable and as determined to be in the best interests of the Cooperative, the procedures contained in the Small Generator Interconnection Procedures (SGIP) for generating facilities no larger than 20 MW developed by the Federal Energy Regulatory Commission (FERC) and the Illinois Commerce Commission regulations governing interconnection standards.

V. EXPEDITED REVIEW

A. The Cooperative shall review the application and evaluate the potential for adverse system impacts. Any costs of construction of facilities on the Cooperative’s system to accommodate the small generator facility shall be paid by the member.

B. The Cooperative shall, within 10 business days after receipt of the interconnection request, inform the applicant that the interconnection request is complete or incomplete and if so, what materials are missing.

C. The Cooperative shall, within 15 business days after the end of the 10 business days noted in B, verify that the small generator facility equipment can be interconnected safely and reliably.

D. Unless the Cooperative determines and demonstrates that a small generator facility cannot be interconnected safely or reliably to its system and provides a letter to the applicant explaining its reasons for denying an interconnection request, the
Cooperative shall approve the interconnection request subject to the following conditions:

1. The small generator facility has been approved by local or municipal electric code officials with jurisdiction over the interconnections; and

2. A certificate of completion has been returned to the Cooperative. Completion of local inspections may be designated on inspection forms used by local inspecting authorities; and

3. The test, which may be witnessed by the applicant, has been successfully completed or waived; and

4. The applicant has signed a standard small generator interconnection agreement and provided proof of insurance or otherwise complied with the terms of the agreement. When an applicant does not sign the agreement within 30 business days after receipt from the Cooperative, the interconnection request may be deemed withdrawn unless the applicant requests to have the deadline extended. The request for extension shall not be unreasonable denied by the Cooperative.

E. When a small generator facility is not approved under this expedited review, the applicant may submit a new interconnection request for consideration under the procedures for review of larger capacity generator facilities with a nameplate capacity greater than 10 kW and less than 10 MW.

VI. INSURANCE REQUIREMENTS AND INDEMNIFICATION

A. Throughout the term of this agreement, the Member shall carry a liability insurance policy issued by a licensed insurance carrier with an A.M. Best rating of B+ or better that provides protection against claims for damages resulting from (i) bodily injury, including wrongful death; and (ii) property damage arising out of the member’s ownership and/or operation of the distributed generation facility under this agreement. The limits of such policy shall be at least $1,000,000 per occurrence for those members with small generation facilities. The member shall provide a certificate of insurance containing a minimum 30 day notice of cancellation to the Cooperative prior to connection of the member’s facility to the Cooperative’s system.

B. In the event the member chooses to self-insure, the member shall provide proof of financial responsibility satisfactory to the Cooperative and shall indemnify the Cooperative, its officers, agents, and employees against all loss, damage, expense and liability to any persons, including members, for injury to or death of persons or injury to property, including but not limited to consequential damages, interest, punitive damages, member’s fees, reasonable attorney fees and court costs, proximately caused by the indemnifying party’s construction, ownership,
interconnection, operation, or maintenance of, or failure of, any of such party’s works or facilities used in connection with the operation of the generating facility.

VII. MISCELLANEOUS REQUIREMENTS

A. The Cooperative shall be reimbursed for all costs of interconnection, including all carrying costs, incurred by the Cooperative in connecting the member generation facility to the distribution system. Those costs for small generating facilities shall not exceed $500, unless the facility fails initial testing and additional review is necessary.

B. The Cooperative shall have free access to the member’s small generation facility and interconnection equipment at all times to monitor operation of the member’s equipment, Cooperative-spliced service equipment connected to such system, or to disconnect if the facility is not in compliance with the requirements of IEEE 1547 and the non-compliance adversely affects the safety or reliability of the electric system. The Cooperative shall provide reasonable notice to the member prior to disconnection of the facility if possible.

C. The Cooperative shall have the right to inspect and approve all plans for parallel generation systems and the interconnection systems prior to initial operation or subsequent operation following modifications.

D. The member shall make any necessary changes or adjustments to the additional facilities being operated in parallel to eliminate interference on the Cooperative’s distribution system.

E. The member shall not energize the Cooperative’s system during any period of utility service interruption. The member’s equipment must contain a disconnect device to which the Cooperative has access and which the Cooperative can lock in an open position to disconnect, for safety reasons, the member’s electric generating facility for the Cooperative’s electric delivery system.

F. Electric generation facilities may be disconnected by the Cooperative from its system whenever, in the sole opinion of the Cooperative, such action is required by an emergency, for reasons of safety or due to interference with service to other members. The facility shall also be subject to the Cooperative’s requirements for maintaining voltage standard of output and the production of reactive power.

G. Phase, frequency and voltage of the member’s interconnected generation shall be compatible with that provided by the Cooperative.

H. The members shall pay the cost of interconnection including initial and future transmission, distribution, metering, service and other facilities costs necessary to permit interconnected operations with the Cooperative.
I. Any auxiliary or reserve power service required by the member must be arranged in accordance with the terms of the Cooperative’s applicable policies/rates as modified from time to time.

J. In the event of a dispute, either party shall provide the other Party with a written Notice of Dispute describing in detail the nature of the dispute. If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may request assistance from a reputable dispute resolution service for assistance in resolving the dispute. The service will select an appropriate dispute resolution venue, (e.g., mediation, settlement judge, early neutral evaluation or technical expert) to assist the Parties in resolving their dispute. Each party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties utilized in the attempt to resolve the dispute. If neither party elects to seek assistance from a dispute resolution service, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this policy.

Adopted: February 4, 2008
Revised: August 3, 2015

Attested: [Signature]
Secretary
POLICY NO. 290

DEPOSITS AND PERSONAL GUARANTIES FOR COMMERCIAL ACCOUNTS

POLICY:

The Cooperative will require a deposit equal to two months billings from all new and reconnected commercial accounts. In the case of new commercial accounts, the amount will be estimated based on the connected electrical equipment, and, in the case of reconnected accounts, it will be based upon the account’s historical use. The Cooperative will credit the consumer’s account annually an amount equal to its short-term interest rates times the deposit, but the deposit will not be returned until the account is closed and all amounts due the Cooperative have been paid.

Additionally, the Cooperative will require a personal guaranty from the owners, principals, partners and/or officers of commercial accounts for any debt owed by such account to the Cooperative.

Adopted: February 1, 2010
Director Policies
POLICY NO. 300

QUALIFICATIONS FOR DIRECTORS

POLICY:

1. Only members of the Cooperative who are currently receiving goods and services provided by the Cooperative may serve as a director of the Cooperative.

2. No member may serve as a director who is in any way employed by or financially interested in a competing enterprise.

3. A director shall reside within the director district he or she represents on the board of directors, as required and described in the Bylaws.

4. When a member is a joint member with a spouse (or partner in a same sex marriage) either one but not both may serve as a director at the same time. Both joint members must meet all Bylaw and policy qualifications for either joint member to serve as a director.

Adopted: August 2, 2004
Revised: August 13, 2015
Reviewed: September 7, 2016

Attested: [Signature]
Secretary
POLICY NO. 301

DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

POLICY:

I. Objective

To describe the duties and responsibilities of the Board of Directors.

II. Policy

The Board of Directors exists to direct the affairs of Illinois Electric Cooperative. All of the powers of this corporation are held solely by the Board of Directors, except such powers that have been conferred upon the member-owners by statute or by the corporation’s charter or bylaws. Ordinarily the board may exercise its powers only by acting in a duly convened meeting. The board may delegate certain but not all of its powers to the General Manager. But ultimate responsibility for the Cooperative resides in the Board and certain decisions and actions cannot be delegated. In fulfillment of these duties and responsibilities, the Board of Directors shall:

A. Establish and maintain a legal entity by:

i. Ensuring that all legal requirements, as set forth in the law, the articles of incorporation, the bylaws, or other regulations or contracts applying to Illinois Electric Cooperative are compiled with.

ii. Selecting and appointing the general counsel.

iii. Studying and approving or recommending revisions and other changes in the bylaws.

iv. Reviewing and approving major contracts such as loan agreements, wholesale power contracts, and construction contracts.

v. Ensuring that accurate minutes of board, committee, and of the Annual Meeting of Members are prepared, maintained and approved.

vi. Authorizing legal proceedings as necessary.

B. Act as trustees of membership interests by:
1. Holding board meetings monthly, or more often if required. The general Manager in consultation with the President shall develop the preliminary agenda for such meetings, and the agenda will be mailed or posted electronically in advance of the meeting with appropriate supporting information.

2. Ensuring that members of the Cooperative are informed by conducting membership meetings to hear their views, and to promote understanding of the Cooperative’s objectives, policies, and programs, and through periodic newsletters and other publications, annual reports and meetings.

3. Keeping informed about changing member needs.

4. Assisting new board members to understand their responsibilities and duties. An orientation will be arranged for new board members. The orientation shall, at a minimum, include receiving copies of the Bylaws, policies, recent management reports to the board and the then current member application/agreement, and including meetings with the president, general manager and senior staff members of the Cooperative and its subsidiaries.

5. Selecting an independent financial auditor.

6. Establishing investment policies and approving depositories for funds of the Cooperative and designating those authorized to sign checks, drafts, notes, contracts, deeds, mortgages, and other instruments on behalf of the Cooperative.

7. Establish policies governing the payment of travel, out of pocket, and other expense of directors.

8. Approving the appointment of the Cooperative’s principal consultants and contracts and agreements for their services.

9. Approving purchase, transfer, lease and/or sales of real estate.

10. Filling vacancies on the board for any unexpired term of office in accordance with the bylaws.

C. Plan for the long-term health and survival of the Cooperative by:

1. Working with the manager to develop the mission and plans of Illinois Electric Cooperative.

2. Working with the manager to ensure fair pricing for products and services.

3. Reviewing and adopting proposed policies or policy revisions.
D. Provide operating requirements by:

1. Interviewing candidates (with the advice and assistance of a professional consultant) and selecting and employing a competent General Manager. The General Manager is delegated responsibility and authority to select personnel and terminate their employment. The General Manager is also delegated complete responsibility to direct all employees.

2. Adopting financial plans and policies essential to maintaining a sound financial structure for the Cooperative.

3. Authorizing the monies and expenditures of such monies through the adoption of budgets necessary to carry out the objectives of the Cooperative.

4. Establishing committees, when necessary, and receiving reports and recommendations from special or standing committees, and taking appropriate action as a result of such reports. The functions of such committees shall be in writing and received annually by the Executive Committee to determine if any decisions should be made.

5. Determining major state, regional, or national organizations in which the Cooperative shall become a member.

6. Authorizing the construction of major facilities necessary for the efficient operation of the Cooperative.

E. Establish controls to appraise the effectiveness of operations by:

1. Reviewing periodic reports from the General Manager to either ensure conformity to approved plans and programs or to enable the board to have sufficient knowledge and understanding to make prudent decision regarding future plans and programs.

2. Reviewing the annual financial audit and the management letter, with the auditor present, and ensuring that any necessary action is taken. The audit and the management letter shall be sent to the directors prior to the meeting when they are to review it.

3. Reviewing any independent management audit if such an audit is undertaken, and ensuring that board-approved recommendations are carried out by receiving and reviewing regular progress reports from the General Manager.

4. Conducting an annual performance appraisal of the General Manager, and determining his or her compensation.
5. Conducting periodically a self-appraisal of the Board of Directors to review and improve its effectiveness in fulfilling its duties.

III. Responsibility

A. It shall be the responsibility of the President of the Board of Directors acting in conjunction with the Executive Committee to see that these duties are implemented by the Board of Directors.

Adopted: August 2, 2004
Revised: August 13, 2015

Attested: [Signature]
Secretary
POLICY NO. 302
DIRECTOR DUTIES AND STANDARDS OF CONDUCT

POLICY:

I. Objective

To explain the fiduciary duties of directors and to clarify the standards of conduct for which they will be held accountable when serving on the board.

II. Preamble

All of the powers of the corporation are conferred upon and may be exercised by the Board of Directors, except as reserved to or conferred upon the members by law, the articles of incorporation, or the bylaws. It is the purpose of this policy to identify or establish standards whereby such power may be exercised in the best interests of the system. The Board of Directors and the individual members of the Board commit themselves to ethical, businesslike and lawful conduct, including proper use of authority and appropriate decorum when acting as board members.

III. Policy

A. Legal Duties

Directors are subject to legal standard of fiduciary responsibility. These include the duties of care and loyalty.

Under the duty of care directors 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 the Cooperative.

3. Make every effort to attend all meetings of the board and to study materials sent prior to each board meeting.

4. Study and adhere to all obligations imposed by the Articles of Incorporation, the bylaws, contractual agreements and board policies.

5. Attend educational programs for directors to ensure that each director is reasonably educated as to his or her duties as a board member.
Under the duty of loyalty directors are required to:

1. Act only in the best long-term interests of the Cooperative and its members.

2. Place the interests of the Cooperative over any personal interests.

3. Not have any financial interest of a substantial nature in a directly competing business.

4. Avoid the appearance of any conflict of interest.

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 the Cooperative.

6. Represent and support the interests of the Cooperative to elected and public officials.

7. Publicly support decisions of the board except in extraordinary circumstances where the director believes that there is a clear and present threat to the survival of the Cooperative.

8. When the Board is to decide upon an issue about which a director has an unavoidable conflict of interest, that director shall absent herself or himself from both the deliberation and the vote.

9. Directors or past directors must not use their position to obtain employment for themselves, family members, or associates. Should a director desire employment, he or she must first resign from the Board.

10. Directors will annually disclose their involvement with other organizations, with vendors, or any other associations that might represent a present or possible future conflict of interest.

B. Conduct with Respect to Fellow Directors

Regardless of any personal differences directors should:
1. Demonstrate mutual respect.

2. Allow opportunity for every other director to be heard on any matter being considered by the board.

3. Abstain from revealing to persons, other than directors, the General Manager or the system's attorney, any differences of positions among directors on matters considered and acted upon by the board. (This standard does not preclude fair and accurate publication of such differences to the system's members in relation to contests for director elections or other matters to be voted upon by the members.)

B. Director Access to Cooperative Information

Any director is entitled to have access to Cooperative 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 director. 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 the Cooperative’s attorney because an actual or potential criminal activity of the General Manager is involved).

2. In any instance in which a director has sought access to information not generally made available or reported to the board, the General Manager shall report on this at the next meeting of the board.

3. Information received by a director pursuant to this policy shall not be revealed by him or her to any other person (the remaining directors, General Manager and Cooperative attorney excepted) unless he or she is sincerely convinced that he or she is compelled to do so by legal considerations.

4. In no case should a director reveal to others information and data he or she receives if the actual or potential effect of such revelation is to damage the Cooperative, including its image, or to enable himself or herself and/or others to personally profit there from.
C. Good Faith and Fair Play

Every director shall deal in good faith and fair play with every other director and the General Manager in expressing his views, questions and concerns relating to Cooperative policies, rates and programs. Good faith and fair play require:

1. All directors should reveal all information or interests that they may have and that may bear upon action being considered by the Cooperative.

2. Those directors will not pursue a position, inquiry or motion solely to unduly harass or annoy other directors, the General Manager, employees or independent contractors.

3. That director communications with employees other than the General Manager shall be casual and conducted on a courteous basis, but not for the purpose of influencing an employee’s position or attitude concerning his Cooperative-related activities.

D. Individual Board Member Action

1. Directors’ interaction with the General Manager or with staff must recognize the lack of authority vested in individual directors except when explicitly authorized by the Board.

2. Directors’ interacting with the public, the press or other entities must recognize that they are not authorized to speak for the Board, except to repeat or explicitly state Board decisions.

3. Directors will give no consequence or voice to individual judgments of General Manager or staff performance.

4. Directors will respect the confidentiality appropriate to issues of a sensitive nature.

III. Policy Implementation and Responsibility

1. All candidates, nominees or appointees to the Board shall receive a copy of this policy and attest by their signatures to having received the policy.
2. Illinois Electric Cooperative’s legal counsel shall inform all candidates, nominees or appointees to the board regarding the terms and conditions of this policy and personal liability implications resulting from policy violations.

3. Illinois Electric Cooperative’s legal counsel shall review this policy with the board on an annual basis and discuss any personal liability implications resulting from violations.

4. The President in conjunction with the Executive Committee shall monitor Board compliance with this policy.

Adopted: August 2, 2004

Attested: [Signature]
Secretary
POLICY NO. 303

BOARD COMMITTEES

POLICY:

1. The Board of Directors shall establish such committees as it deems necessary and appropriate. Those committees shall be either standing committees or special committees.

2. All committees of the Board of Directors shall have written instructions defining the function, authority and responsibility of that committee.

3. The General Manager shall assist and make recommendations as appropriate to each committee. The Cooperative’s general counsel will also be available to assist and make recommendations as appropriate to all committees. Committees may request such additional support as a committee deems necessary in addition to the General Manager and general counsel. Prior to any Cooperative funds being expended for such additional support, the Board of Directors shall approve any such expenditure.

4. Each committee shall inform the Board of Directors of its meeting dates and times. All members of the Board of Directors shall be entitled to attend committee meetings.

5. Each committee shall keep minutes of each of its meetings which shall be made available to the members of the committee and to the members of the Board of Directors.

6. Each committee shall make recommendations as the committee deems appropriate to the Board of Directors for its consideration and possible action.

7. The President of the Board of Directors with the consent of the Board shall appoint the members of each committee and the chairperson for each committee. The President shall be ex-officio a member of all committees except the Executive Committee.

8. The duties and responsibilities of the existing standing committees shall be as follows:

A. Executive Committee.

The members of the Executive Committee shall be the President of the Board, the Vice President, the Treasurer, the Secretary and the Chairman of Illinois Rural Telecommunications Co.
The committee shall have the following responsibilities:

(1) Planning the performance review of the General Manager and conducting contract negotiations with the General Manager.

(2) Assuring management’s and counsel’s adherence with the policies adopted by the Board.

(3) Reviewing corporate practices with management and counsel to assure that they are in compliance with the bylaws and recommending any proposed change in the bylaws to the entire board for membership approval.

(4) Overseeing plans for the annual meeting of members and other member meetings.

(5) Performance of other duties deemed necessary by the President.

B. Audit and Finance Committee

(1) In addition to reviewing proposed capital and expense budgets and recommend capital and expense spending authority to the full board, the committee shall oversee the audit process.

(2) The committee shall meet with the auditor prior to the audit to review and discuss in detail the business risks facing the Cooperative and its subsidiaries.

(3) The committee will define the scope of the audit for the approval by the full board. That definition may include tasks in addition to those required by lenders, in particular the federal government, and professional standards.

(4) The committee will review any audit material with the audit prior to its being presented to the full board.

(5) The committee will recommend selection of an auditor to the full board.

(6) It is the board’s expectation that members of the committee will pursue ongoing training so as to be in a position to understand the audit function and understand the material being audited.

(7) The committee shall obtain from the auditor all critical accounting policies and practices used by the Cooperative and its subsidiaries; any alternative treatment of financial information within GAAP to be discussed with management and the recommended treatment
preferred by the auditor; any written communication between management and the auditor; and any journal entries recommended by the auditors and the reasons for such.

C. Economic Development Committee

The committee shall have two principal responsibilities. It shall review the results of economic development plans and goals, and it shall provide advice for further plans and for management and staff’s relationships with the individuals and organizations in the service territory.

D. Policy Committee

The committee shall review this policy manual annually and make recommendations as necessary to the board of directors. It shall, as well, review proposed policy from other committees before action by the board of directors.

E. Technology Committee

The technology committee shall oversee all aspects of the cooperative’s internet services, financial performance versus plan, service offerings including voice and video, relationships with consultants and vendors, staffing, marketing plans and operational issues, as it deems necessary.

The committee shall meet monthly at a time and place determined by the committee. All members of the cooperative’s board of directors are welcome to attend.

The minutes of its meeting shall be included in the monthly report from management to the board of directors. Additionally, the committee chair may provide supplemental information and comments at the regular monthly board meeting.

Special committees shall be appointed by the President with the consent of the board as deemed necessary to carry on the work of the board. The term of a special committee shall automatically end upon the completion of its duties and the making of its final report to the board.

Adopted: August 2, 2004
Revised: August 21, 2014

Attested: [Signature]

Secretary
POLICY NO. 304

BOARD ASSESSMENT

POLICY:

1. The Board of Directors has the responsibility to oversee and direct the affairs of the Corporation and to act with care and in accordance with the law, articles of incorporation, bylaws and the board’s own policies. The need to demonstrate the fulfillment of these duties has grown more intense.

2. Therefore, it is the policy of the Board of Directors of IREC to do no less than bi-annually a board assessment. This assessment will be performed by the board as a means of improving its governance process and performance. The assessment may be done at the Annual Retreat for the Cooperative or at such other meeting as designated by the Board as an alternative.

3. This assessment should assist the Board in improving its performance and enable it to demonstrate a commitment to effective, ethical governance and the implementation of what are considered to be “best practices.”

4. The assessment will be focused on the Board’s performance. The assessment will focus on key governance areas and on identifying where improvement can be made.

5. The process of assessment requires and includes:
   
   i. Resolve by the Board to continuously improve its performance;
   
   ii. Reaching consensus on current practices that need to be improved;
   
   iii. Developing plans to address these practices; and
   
   iv. Implementing these plans and monitoring the results.

Adopted: January 4, 2010

Attested: [Signature]
Secretary
POLICY NO. 308

BOARD OF DIRECTORS-GENERAL MANAGER RELATIONSHIP

POLICY:

I. Objective

To establish the policy governing the relationship between the Board and the General Manager of Illinois Electric Cooperative.

II. Policy

The Board will maintain the following principles and guidelines in its relationship with the General Manager:

A. The Board of Directors is responsible for directing the affairs of the Cooperative. It reserves authority to establish policies, approve plans and programs, exercise fiduciary oversight, employ a General Manager, engage corporate counsel, hire a professional firm to conduct the financial audit, and act as trustees of member interests.

B. The Board recognizes that good management is the most important factor in the success of the Cooperative. The General Manager is delegated sufficient authority to manage the operations of the corporation on a day-to-day basis. The General Manager is expected to make decisions that bind the Cooperative legally and that impact its on-going viability. The Board further recognizes that management can be effective only if there is mutual understanding and joint cooperation. The manager is expected to produce results and give an account to the board. The best results cannot be achieved unless the manager is given latitude to perform within the confines of board policy. It is the board’s responsibility to clearly identify any limits on management’s discretionary decision making.

C. Because the General Manager is delegated a significant level of power and authority, he or she is recognized as a “Corporate Officer” and serves as the Chief Operating Officer of the corporation, in contrast with the board president, who is the principal executive officer of the board.

D. The board delegates to the General Manager the authority to execute and carry out plans, programs and policies. The manager is responsible for hiring personnel, determining compensation within the compensation plan and policy, supervising, and terminating personnel, if necessary. Additionally, the General Manager is expected to provide advice and counsel to the board, taking the lead in ensuring that important issues are presented and explained to the board.
E. The flow of authority shall be from the board as a whole to the General Manager to employees. It is the policy of the board to refrain as individuals from discussing management and personnel issues with personnel of the Cooperative. The board, in consultation with the manager, may confer with key personnel at regular or special meeting of the board.

F. The board is responsible for ensuring that the General Manager knows and understands its expectations and any limitations it has placed on discretionary decision making. These expectations and limitations should be identified in approved policies or plans. Such policies and plans should be used as the foundation for an annual appraisal of the General Manager's performance.

III. Responsibilities

A. The board president in conjunction with the Executive Committee is responsible for monitoring compliance with this policy.

B. The board president in conjunction with the Executive Committee shall be responsible for ensuring that the Board of Directors annually conducts an appraisal of the General Manager’s performance and that the results of that appraisal are discussed with the General Manager.

Adopted: August 2, 2004
Reviewed: August 13, 2015
POLICY NO. 309

ARTICLES OF INCORPORATION/BYLAW AMENDMENTS

POLICY:

1. The Board of Directors shall not recommend to the membership any proposed amendment to the Cooperative’s Articles of Incorporation or Bylaws that has not first been placed on the agenda and discussed by the Board of Directors at two meetings of the Board of Directors.

2. A proposed amendment to the Cooperative’s Articles of Incorporation or Bylaws shall only be recommended to the membership by the Board of Directors upon an affirmative vote of at least two-thirds of the board members present at the meeting when such a proposed amendment is presented to the board for its approval.

Adopted: January 4, 2010

Attested: [Signature]
Secretary
POLICY NO. 310

BOARD REIMBURSEMENT

POLICY:

PURPOSE:

The purpose of this Policy is to provide for a reimbursement to Board Members for time spent on Cooperative business and for expenses incurred on behalf of the Cooperative while performing Cooperative business.

POLICY:

1. Each Director will receive a $200.00 per diem for attendance at meetings. Each Director will receive an additional $100.00 for attendance at a committee meeting on the same day as the board meeting.

2. Each Director will continue to receive reimbursement for mileage for travel to Winchester for meetings in accordance with current Board Policy.

Adopted: January 4, 2010
Revised: August 13, 2015
Revised: September 7, 2016

Attested: [Signature]
Secretary
POLICY NO. 320

POLICY SETTING FORTH GUIDELINES FOR CAMPAIGNING FOR A SEAT ON THE COOPERATIVE’S BOARD OF DIRECTORS

POLICY:

The cooperative has no intention of limiting any person’s rights of free speech. Consistent with those rights, this policy intends to create a framework for an orderly election process which fully and fairly informs the cooperative’s membership before contested elections.

The cooperative will publish and distribute to the membership information about candidates, furnished by the candidates, in the notice of the annual meeting. If a candidate wishes to communicate through the mail in a separate document with the membership, the cooperative will mail the document, which has been supplied by the candidate, to the membership at the expense of the candidate which shall be paid prior to such mailing.

A candidate may use commercial media, newspapers and radio advertisements e.g., to communicate with the membership.

Candidates will be given an opportunity to make brief presentations to the membership at the annual meeting prior to voting.

In order to assure an orderly voting process at the annual meeting, candidates may not distribute campaign material within 100 feet of the registration desk and may not distribute campaign material during the meeting.

Adopted: January 4, 2010

Attested: [Signature]
Secretary

Adopted: January 4, 2010
POLICY NO. 321

ROLE OF THE BOARD OF DIRECTORS IN FILLING VACANT BOARD SEATS AND IN ASSISTING THE NOMINATING COMMITTEE

POLICY:

PURPOSE

The purpose of this policy is to ensure an open, transparent process for there being an ample number of candidates when a vacancy on the board occurs during an incumbent’s term and when the nominating committee needs to find candidates to stand for election.

VACANCIES

When a director leaves the board for any reason during that director's term, Section 5 of Article 4 of the cooperative’s Bylaws requires the board to fill that vacancy.

The president shall appoint an ad hoc search committee. The committee shall identify members who have the leadership and experience to serve on the cooperative’s board, consistent with Section 3 of Article 4.

The cooperative shall also communicate with the membership seeking interest from any member in the district, encouraging members to communicate with the search committee on their own behalf or on the behalf of a member they believe to be qualified to serve.

The search committee will meet with the candidates, and, through a discussion and interview process evaluate the candidates’ abilities to serve the cooperative. All discussions and interviews of potential board members shall cover the same topics so that every candidate has a like opportunity to advance his candidacy and so that every candidate is judged on the same basis.

The search committee shall make a recommendation to the entire board to fill the vacant seat.

The search committee may call on the talents of the cooperative’s members for assistance and consultation concerning potential candidates for the vacancy in any way the committee considers useful.

TECHNICAL ASSISTANCE FOR THE NOMINATING COMMITTEE

Article 4, section 4, of the Bylaws require the board to appoint a nominating committee.
Making nominations is the exclusive duty of the nominating committee, and members of the board of directors shall not participate in that function.

The board will set the date for the next annual meeting at its organizational meeting following the current year annual meeting, and the board shall work to appoint a nominating committee as early as the Bylaws permit so that the nominating committee shall have ample time to search for and evaluate potential candidates.

The president may appoint as many directors to provide technical assistance to the nominating committee as he deems appropriate. Technical assistance shall be provided in any way the nominating committee considers useful.

INCUMBENT DIRECTORS’ PLANS TO SEEK RE-ELECTION

Six months prior to the annual meeting, the president shall ask directors whose terms will expire at the annual meeting if they intend to seek re-election with the understanding that if they do not intend to seek re-election, the board will need to be certain that the nominating committee has sufficient support and resources to identify potential candidates.

COMMUNICATIONS WITH THE MEMBERSHIP

The cooperative shall continue to publish material on the duties and responsibilities of directors, including how members may submit a petition to be on the ballot and including biographies of candidates in the notice of the annual meeting when there are contested elections.

Whenever there is an opening on the board of directors, the cooperative shall communicate with the membership to solicit interest in members submitting their own name or the name of another member for the nominating committee’s or the board’s consideration when either needs to find candidates.

ORIENTATION MATERIAL FOR CANDIDATES

The cooperative will provide candidates with a notebook containing its bylaws and policies; the most recent “center section,” describing time requirements and duties and responsibilities; and a sample monthly board package. The general manager and the president, if appropriate, will meet with candidates to answer any questions about the work of the board.

Adopted: January 4, 2010

Attested: [Signature]
Secretary
POLICY NO. 322

NOMINATING COMMITTEE

POLICY:

The Bylaws require that the Board of Directors name a nominating committee not less than 90 days before the annual meeting and not more than 210 days before the meeting.

There are only two ways in which members can stand for election to the cooperative’s Board of Directors: 1.) By being nominated by the nominating committee, and 2.) by submitting petitions signed by 15 members. The Bylaws require that the nominations be posted in the Cooperative’s office 45 days before the Annual Meeting, so petitions must be submitted and the nominating committee must have completed its work within that time frame.

In order for the nominating committee to most successfully meet its responsibilities, its members should be familiar with

- The duties and responsibilities of directors generally.
- The cooperative’s Bylaws, particularly as they deal with nominations and director qualifications.
- The cooperative’s operations, both electric and internet.
- The cooperative’s financial condition.
- Policies concerning succession and this policy.
- The communities served by the cooperative and
- The powers of the nominating committee.

The cooperative’s management will provide material to committee members concerning the above and will brief the committee to the extent the committee wishes.

The nominating committee has a responsibility to

- Communicate in writing to candidates and the board once a decision has been reached.
- Interview candidates and become familiar with their backgrounds and qualifications.
- Be knowledgeable about each candidate’s characters and
- Reach a decision 60 days before the annual meeting so that an individual not nominated by the committee would have time to submit a petition if he wished to do so.

The cooperative’s management will make arrangements for nominating committee meetings and provide other services reasonably necessary for the committee’s work.

Adopted: September 7, 2010
POLICY NO. 325

REIMBURSEMENT FOR AIRFARE

The Cooperative will use the normal procedure* of reimbursing directors for the cost of airfare for economy class to educational and trade association meetings when the tickets are purchased four or more weeks before the date of travel. If a director wishes to be reimbursed for tickets purchased less than four weeks before the travel, he/she would need to seek to have the matter put on the agenda for consideration at a regular meeting of the board of directors.

*By “normal procedure,” it is understood that a director would use the form provided by the Cooperative for reimbursement and would provide appropriate receipts and documentation.

Adopted: September 4, 2012
Reviewed: September 7, 2016

Attested: [Signature]
Secretary
POLICY NO. 350

CONSOLIDATION CONSIDERATIONS

Since the Cooperative’s Board of Directors’ principal responsibility is to work toward the best possible service levels at the most reasonable costs over the long-term, it will constructively evaluate potential benefits which could result from the consolidation of the Cooperative with another electric cooperative, either when another cooperative suggests discussions which could lead to a consolidation or when the Illinois Electric Cooperative Board of Directors initiates such discussions.

If such discussions occur, it is incumbent upon each director to publically identify a “deal breaker” as soon as he/she reaches such a conclusion, and the President shall poll the members of the Board of Directors at a regular meeting so that each director may affirm his/her commitment to openness and fairness throughout such discussions.

The Board will evaluate pertinent issues such as the following:

- The financial strength of the other cooperative over the past five years.

- The employee demographics of the other cooperative including ages, length of service, and formal and on-the-job training. Additionally, if the other cooperative is unionized, further study of employee relations would need to be undertaken.

- The culture of the other cooperative, both in terms of its traditions and in terms of its willingness to explore new opportunities.

- The physical condition of the other system’s distribution plant.

- Comparables such as those published by CFC and RUS.

- Member satisfaction surveys.

- Governance issues such as board selection process, policies in general and a public commitment to fairness and openness during such consolidation discussions.

- Members’ perceptions of the potential benefits, including members’ view of the value of local control.
• Whether or not the other cooperative’s positions at the G&T are in the best interests of the Cooperative.

It is expected that such discussions would be the responsibility of the Board’s Executive Committee or a specially appointed ad hoc committee. In either case, with the entire Board’s approval, the committee could retain the help of appropriate outside help to evaluate the distribution systems, assist in forecasting future rates or assist with accounting and legal issues.

In any event, the Board would direct its general manager and/or consultants to assemble information on each of the pertinent issues.

In evaluation of those issues, the members of the Board of Directors shall weight the importance of each by a percentage with a total of 100% for these issues and any other that the board may identify at the time. The members would then assign a score of 1 to 10 to each with 10 being fully satisfied. The percentage would then be multiplied by the score, and the scores would be summed. (Exhibit A to this policy illustrates this procedure.) The board would then decide if the total scores were sufficiently high to proceed.

Prior to any formal communications to the membership about a consolidation, there would need to be a plan of consolidation including, at a minimum, location of the headquarters, how rates for the consolidated operation would be implemented, the size of the board of directors and who would manage the consolidated organization.

Adopted: December 2, 2013.

Attested: [Signature]
Secretary

Adopted: December 2, 2013.
Employee Policies

Introduction

The Board of Directors of Illinois Electric Cooperative formally acknowledges the Cooperative’s dependence on its employees and on the employees of its subsidiary to achieve the goals established by the Board.

The Board is fully committed to the proposition that every employee will always be treated with respect and in a fair and equitable way. To the extent that it is able, the Board will make sufficient resources available to management so that employees will receive income and benefits similar to those provided for comparable work. Management shall, on an ongoing basis, ensure that employees have the training, tools and other resources necessary to do their jobs safely and efficiently.

The Board appreciates employees’ providing the Cooperative’s membership with the courtesy the members expect and deserve, and looks forward to continuing improvement in every aspect of the Cooperative’s operation.

The Cooperative’s general manager is responsible for the implementation of the policies in this section, and he shall report to the Board on that implementation at least annually.

Employees of the Cooperative are “at will” and may be terminated at any time for cause or no cause at all. These policies should not be considered a contract for employment of any specific duration, and they may be modified at any time by the employer, becoming effective when employees are notified of the change. These policies shall not be construed to be a contract between the employee and the Cooperative, but shall be used as a general guideline of employee conduct and performance while employed by the Cooperative.
POLICY NO. 400

HARASSMENT POLICY

POLICY:

I. Objective

To establish a policy prohibiting harassment in the workplace and to provide for the investigation of complaints and, if appropriate, disciplinary action, in the event the policy is not followed:

II. Policy

It is the responsibility of each individual employee to refrain from harassment including sexual or gender based harassment, and, it is the right of each individual employee to work in an environment free from harassment.

III. Definition of Sexual Harassment

Sexual harassment is defined as:

Any unwelcomed sexual advances or requests for sexual favors or any conduct of a sexual nature when

- Submissions to such conduct is made either explicitly or implicitly a term or condition of an individual's employee status, or

- Submission to or rejection of such conduct by an individual is used as the basis for employee status decisions affecting such individual, or

- Such conduct has the purpose or effect of substantially interfering with an individual’s work performance or creating an immediate hostile, or offensive, working environment.

The courts have determined that sexual harassment is a form of discrimination under Title VII of the U.S. Civil Rights Act of 1964, as amended in 1991.

One such example is a case where a qualified individual is denied employee opportunities and benefits that are awarded to an individual who submits (voluntarily or under coercion) to sexual advances or sexual favors. Another example is where an individual must submit to unwelcomed sexual conduct in order to receive a job related opportunity.
Other conduct commonly considered to be sexual harassment includes:

**Verbal:** Sexual innuendoes, suggestive comments, insults, humor and jokes about sex, anatomy or gender-specific traits, sexual propositions, threats, repeated requests for dates, or statements about other employees, even outside of their presence, of a sexual nature.

**Non-Verbal:** Suggestive or insulting sounds “whistling”, leering, obscene gestures, sexually suggestive bodily gestures, “catcalls”, “smacking” or “kissing” noises.

**Visual:** Posters, signs, pin-ups, slogans of a sexual nature, or sexually explicit material on computer screens obtained from internal or external software or the internet.

**Physical:** Touching, unwelcomed hugging or kissing, pinching, brushing the body, coerced sexual intercourse, or actual assault.

Sexual harassment most frequently involves a man harassing a woman. However, it can also involve a woman harassing a man or harassment between members of the same gender. It also can involve harassing conduct by non-employees who may be on the employer’s premises.

Specifically, Illinois Electric Cooperative employees must address an observed incident of sexual harassment or complaint, with seriousness, take prompt action to investigate it, report the incident in detail to the Supervisor who along with the General Manager will implement appropriate disciplinary action bring the incident to an end. Confidentiality to the fullest extent allowed by law will be maintained by all persons involved. This action shall also apply when an employee informs a Supervisor or other employee of behavior considered sexual harassment but does not want to make a formal complaint.

Illinois Electric Cooperative will ensure that no retaliation will result against an employee making a sexual harassment complaint.

The General Manager shall be available to consult with any employee on the proper procedures to follow regarding a sexual harassment complaint. (217) 243-8701.
IV. Definition of Gender Harassment

Gender harassment can be different than sexual harassment and consists of belittling remarks against a specific gender, female or male.

V. Race, Religion, Age and Disability Harassment

This policy shall also cover harassment based on religion, age, race, or disability. Any comments or actions made to other employees by either supervisors or coworkers, that is demeaning in nature and based upon the employee’s race, religion, age or disability shall be considered harassing, subject to the procedures of this policy.

VI. Procedures for Filing a Complaint

An employee who either observes or believes he/she to be the object of harassment should deal with the incident as directly and firmly as possible by clearly communicating either orally or in writing his/her position to his/her immediate supervisor and the offending employees. It is not necessary for harassment to be directed at the person making a complaint. The following procedures are generally followed when a harassment complaint is made:

1. Investigation – Upon reporting, the General Manager will begin an investigation which normally lasts around ten (10) working days. After the ten (10) day investigation period, a written response will be given to the employee advising him or her of the results of the investigation and what discipline, if any, is to be issued to the alleged defender. Where there has been injury to the complainant, the complainant will be advised on what action the Employer intends to take. If the employee is unsatisfied with the results taken by the Employer, then he or she may appeal directly to the grievance procedure provided in the Illinois Electric Cooperative Employee Handbook. The decision of the Cooperative will be final and binding.

Investigations will include, but not be limited to, the interviewing of witnesses and taking of written statements detailing the charges made, all of which will be done immediately after the information is received from the complaining employee. It is the policy of this Employer to investigate completely, uniformly and without discrimination in any manner, all complaints involving harassment of the nature described herein. The length and manner of the investigation will be dictated on a case by case basis by the seriousness of the incident. No complaint will go uninvestigated and each situation will be treated and handled as expeditiously as possible.
2. **Counseling** – Where necessary, the Employer will assist employees in locating counseling which may be given on a confidential basis to employees to help them with any problems associated with the harassment.

3. **Retribution or Retaliation** – Illinois Electric Cooperative will not condone nor permit any retaliation or retribution for complaints made by individuals who believe they have been sexually harassed. During follow-up inquiries made by the Employer, specific inquiries will be made with each complaining employee in this regard. If an employee believes that they are being retaliated against for making the complaint of alleged sexual harassment, then they are encouraged to inform their Supervisor, or if uncomfortable informing their Supervisor, informing the General Manager, at the Corporate Offices by calling (217) 243-8700.

**VII. The Process for Making a Harassment Complaint**

1. **Direct Communication** – If there is harassing behavior in the workplace, the harassed employee may directly and clearly express his/her objection that the conduct is unwelcome and request the offending behavior stop immediately. The initial message may be verbal. If subsequent messages are necessary, they should be put in writing either in the form of a note or a memo. When made to a Supervisor, all Supervisors will be required to report the complaint to the General Manager unless he/she is the harasser in which case it should be reported to the President of the Board of Directors.

2. **Contact with Supervisor** – At the same time direct communication is undertaken, or in the event the employee feels threatened or intimidated by the situation, the problem must be promptly reported either orally or in writing to the Supervisor. If the harassment is being caused by the Supervisor or if you are embarrassed to tell the Supervisor, the incident shall be reported either orally or in writing to the General Manager or President of the Board of Directors, at the Corporate Office located at Two S. Main Street, Winchester, IL 62694.

3. **Formal Written Complaint** – An employee may also report incidents of harassment directly to the President of the Board or the attorney for Illinois Electric Cooperative. The General Manager must be notified of this intent unless he or she is the result of the harassment complaint.

4. **Resolution Outside Illinois Electric Cooperative** – It is hoped that harassment issues can be resolved within the Cooperative. However, an employee has the right to contact the Illinois Department of Human Rights or the Equal Employment Opportunity Commission (EEOC) about filing a complaint. An Illinois Department of Human Rights complaint must be
filed within 180 days of the alleged incident unless it is a continuing offense. A complaint with the EEOC must be filed within 300 days.

An employee who is suddenly dismissed or passed over for promotion, after filing a complaint with Illinois Department of Human Rights or EEOC, may file a retaliation charge, also due within 180 days for Illinois Department of Human Rights or 300 days for EEOC of the alleged retaliation.

An employee who has been physically harassed or threatened while on the job may also have grounds for criminal charges of assault and battery.

VIII. False or Frivolous Complaints or Charges

False or frivolous complaints or charges refer to cases where the accuser is using a harassment complaint or charge to accomplish some end other than stopping harassment. It does not refer to charges made in good faith which cannot be proven. Given the seriousness of the consequences for the accused, a false or frivolous charge will be considered a severe offense that will result in disciplinary action up to and including termination.

Adopted: January 4, 2010
POLICY NO. 401
CALLING OUT EMPLOYEES FOR EMERGENCIES

POLICY:

1. Since the Cooperative has service and public safety responsibilities, it may require any employee to work at any time.

2. One of the Cooperative’s foremen and one of its journeyman will be “on call” at all times during which the Cooperative’s office is closed. They will be able to be reached on a designated cell phone at any time, and expected to report to work promptly when called.

3. Area servicemen are expected to be within reach at all times or to have notified the dispatcher, neighboring area servicemen and the operations superintendent of their absence from the area.

4. In widespread emergency situations and during major storms, all employees are required to report to work when asked to do so.

5. The operations superintendent, the manager of engineering and/or any member of management may call employees to report to work.

6. Internet service technicians are also on call at any time.

Adopted: August 2, 2004
Revised: August 13, 2015

Attested: [Signature]
Secretary
POLICY NO. 402

ACCIDENTS WITH VEHICLES

POLICY:

In case of accident with any vehicles used on Illinois Electric Cooperative business, owned or non-owned, employees shall:

1. Call for medical assistance if it appears that someone may have been injured.
2. Obtain name and address of any injured party and owner of damaged property.
3. Obtain names and addresses of witnesses.
4. Inform the injured or owner of damaged property that insurance is carried by Illinois Electric Cooperative.
5. Report the accident to the office as soon as possible.
6. Make no commitments as to liability.
7. Not leave the scene of any accident without receiving full information and also making identification known.
8. Not leave the scene of any accident without receiving full information and also making identification known.

Adopted: August 2, 2004
Revised: August 13, 2015
POLICY NO. 403

COMPLIANCE WITH THE APPLICABLE PROVISIONS OF TITLE VII OF THE CIVIL RIGHTS ACT OF 1964

POLICY:

Illinois Electric Cooperative will comply fully with all of the requirements imposed by or pursuant to such rules and regulations of the applicable provisions of Title VII of the Civil Rights Act of 1964, and to the Rural Utilities Service's 20-19 and 320-19 to effectuate this act to the end that no person shall on the grounds of race, color, or national origin be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination in the conduct of Illinois Electric Cooperative's programs and the operations of its facilities.

Adopted: August 2, 2004

Attested: [Signature]
Secretary
POLICY NO. 404

AFFIRMATIVE ACTION COMPLIANCE PROGRAM OF ILLINOIS ELECTRIC COOPERATIVE

POLICY:

I. Purpose

The purpose of the Affirmative Action Compliance Program is to specify those plans, actions and procedures necessary to accomplish the objectives of the policy of this Cooperative on Equal Employment Opportunity.

II. Policy

The Board of Directors of the Illinois Electric Cooperative has adopted the following policy:

All applicants for employment shall be considered and hired on the basis of merit, without regard to race, color, religion, sex, sexual orientation, disability or national origin. The employment practices shall ensure equal treatment of all employees, without discrimination in rates of pay or other opportunities for advancement because of the employee’s race, color, religion, sex, sexual orientation, disability or national origin.

III. Responsibility

It is the responsibility of the general manager and all supervisory personnel in the Cooperative to adhere to and practice the equal opportunity program of this corporation.

Adopted: August 2, 2004
Revised: August 13, 2015
POLICY NO. 405

SUBSTANCE ABUSE POLICY

PURPOSE:

To provide a safe, drug-free workplace and to promote high standards of health and productivity for all Cooperative employees.

To carry out the Cooperative’s basic responsibility to serve the public safely, economically and without undue interruption.


POLICY:

1. DRUG FREE WORKPLACE REQUIREMENT

   The unlawful manufacture, distribution, dispensation, possession or use of controlled substances is prohibited. Violation of this policy while on the job or on Cooperative’s property will result in disciplinary action up to and including termination. Violation of this policy while off-duty and off Cooperative property may also result in disciplinary action up to and including termination.

2. ALCOHOL ABUSE

   Alcohol use that adversely affects an employee's job performance or the public and/or regulatory perception of the Cooperative is not acceptable.

3. DRUG-FREE AWARENESS PROGRAM

   The Cooperative will periodically inform employees about its substance abuse policy, the effects of controlled substance use on health, safety and work, the behavioral and physical changes that may indicate substance abuse, the availability of an employee assistance program and the penalties imposed for drug abuse violations. Supervisors will also be informed of the policies and procedures for identifying and handling suspected unlawful drug abuse.

4. DISCIPLINARY ACTION FOR DRUG CONVICTION

   Any employee convicted of a criminal drug statute violation occurring in the workplace shall notify the Cooperative manager no later than five (5) days after such conviction. Within thirty (30) days after receiving notice of a conviction for such violation, the Cooperative will:
a. Take appropriate personnel action against the employee up to and including termination; or

b. Require the employee to satisfactorily participate in an approved employee assistance program.

5. EMPLOYEE NOTIFICATION AND ACKNOWLEDGMENT

Compliance with this substance abuse policy is a condition of employment and employees are expected to make a good faith effort to maintain a drug-free workplace. Employees shall be given a copy of this policy and shall be asked to sign a statement acknowledging its receipt and evidencing their willingness to comply with it. A copy of this policy will be posted in a prominent place in the workplace.

6. EMPLOYEE ASSISTANCE PROGRAM

Through an Employee Assistance Program (EAP), the Cooperative will offer confidential assistance to employees with drug, alcohol and other problems that may adversely affect job performance or safety.

7. EAP COORDINATOR

The manager will designate an EAP coordinator who will:

a. Inform employee of EAP services, insurance coverage for treatment and medical leave policies.

b. Provide assistance to self-referred employees seeking counseling or rehabilitation for drug or alcohol problems.

c. Maintain a list of counseling, rehabilitation and/or treatment organizations specializing in substance abuse programs.

d. Document treatment prescribed for employees referred for treatment as a result of substance abuse tests or convictions.

e. Monitor progress of referred employees during and following the rehabilitation process.

f. Maintain confidentiality of employee records and involvement in the EAP as required by applicable laws and regulations.
8. **LEGAL DRUGS**

The use or influence of legally obtained drugs on the job or Cooperative property is prohibited if such use or influence may affect the safety of the employee or others. Such use of a legal drug must be reported to the manager by the drug user. The Cooperative may require the employee to take a leave of absence or comply with other appropriate remedies.

9. **SEARCHES**

The Cooperative may conduct searches on company property when there is reasonable suspicion to suspect that illegal drugs or alcohol are present. Searches may include an employee's personal property, including, but not limited to the employee's automobile, clothing, lunch box, cooler, purse, parcels and similar items. Refusal to consent to a search may result in disciplinary action up to and including termination.

10. **DRUG AND ALCOHOL TESTS FOR REASONABLE CAUSE**

The Cooperative may require a blood rest, breathalyzer test, urinalysis, or other testing when there is reasonable suspicion to suspect an employee of using or being under the influence of illegal drugs or alcohol while on the job or on Cooperative property. Results of the tests will be considered along with other factors to determine drug impairment or influence. Refusal to consent to such tests may result in disciplinary action up to an including termination.

11. **DRUG AND ALCOHOL TESTS DURING AND AFTER REHABILITATION**

The Cooperative may require an employee who is participating in a substance abuse treatment program to undergo periodic drug/alcohol testing and to continue in an after-care program at the sole discretion of the Cooperative’s management. The after-care program and periodic testing shall not continue longer than 60 months following the employee’s return to work.

12. **COMPLIANCE WITH D.O.T. REGULATIONS**

Employees who are drivers of Cooperative vehicles with a gross vehicle weight rating or gross combination weight rating of more than 26,000 pounds shall comply with the Federal and Illinois Department of Transportation regulations concerning controlled substance testing. The Cooperative will implement pre-employment, periodic, random, reasonable suspicion, post-accident and additional testing as required by this legislation.

Adopted: August 2, 2004
POLICY NO. 406

NEPOTISM

POLICY:

I. Objective

To state the policy of the Cooperative with regard to the employment of “close relatives” of members of the Board of Directors and of existing employees of the Cooperative.

To prohibit the possible undesirable consequences of family relationships and to make employment available to as many different families as possible in view of the public service nature of the Cooperative’s business.

II. Policy

1. Definitions:
   a. A close relative is defined as the employee’s spouse, children, mother, father, brother, and sister and those relative’s spouses. This also includes the employee’s grandchild or grandparent and any persons residing with the employee.
   b. An employee is defined as a regular full-time employee. This policy does not apply to temporary or part-time employees.

2. No close relative of a Board member will be employed by the Cooperative.

3. No close relative of an employee will be employed by the Cooperative other than “grandfathered” employees hired prior to the first adoption of this policy.

4. No employee will directly supervise, audit or approve the work of a close relative unless an exception has been approved – see 8 below.

5. No close relative will be employed within the same organization unit.

6. No job relationship will be allowed to exist which may be considered a conflict of interest by either Cooperative management or the Board of Directors.

7. If employees of the Cooperative marry, every reasonable effort will be made to assure none of the above defined work situations result.
8. An exception to this policy must be approved by the General Manager and the Board of Directors.

9. This policy will not affect any employees hired prior to the initial adoption of the nepotism policy.

Adopted: September 5, 2006

Attested: [Signature]
Secretary
POLICY NO. 407

NON-EMPLOYEE PASSENGERS BARRED FROM CERTAIN VEHICLES

POLICY:

Only employees may be passengers in line trucks, service trucks, tree trucks and special equipment such as right-of-way clearing equipment or backhoes. This policy does not apply to pickups and vans.

Adopted: April 4, 2016

Attested: [Signature]
Secretary

Adopted: April 4, 2016
POLICY NO. 410

SAFETY

POLICY:

I. Goals

To provide a formal plan to ensure a safe and healthful working environment for all Illinois Cooperative employees.

II. Objectives

It is recognized that Illinois Electric Cooperative is responsible for the promotion of safety among its employees and the general public. Therefore, the Board of Directors sets forth the following policy.

III. Policy

1. Illinois Electric Cooperative shall participate in the Safety and Training program of and training of the Association of Illinois Electric Cooperatives.

2. The Cooperative shall meet or exceed OSHA and other regulatory standards.

3. The Cooperative shall promote safe practices intended to eliminate on the job personal injury and property damage and occupational disease.

4. The safety manual used by the Cooperative shall be the EMPLOYEES SAFETY MANUAL as adopted by the Board of Directors, as published and maintained by the AIEC.

5. Management shall provide the opportunity for all employees to familiarize themselves with the safety policy, manual, program and procedures of the Cooperative.

6. The Cooperative will purchase and make available to the employees every feasible means of protection involved in carrying out their required responsibilities safely.

7. Safety programs and demonstrations will be available to our membership and general public.

8. The Cooperative shall make appropriate physical examinations available at its cost to all employees.
9. The Cooperative shall continue its return to work program, making suitable work, as defined by the employee’s physician, available to an employee, who has been injured on the job, at the time the physician indicated that the employee may undertake such activities. This program is limited to light duty positions at the Cooperative as determined in the sole discretion of the general manger. The Cooperative shall not be required to create a light duty position to accommodate an employee where none is needed.

10. If there is a violation of and/or disregard for safety rules and safe work practices described in the Employee’s Safety Manual, the Cooperative will take the appropriate remedial action.

11. If any supervisor who knowingly permits the violation of a safety rule or safe work practice or receives notification of a violation and neglects to report it, he/she will be dealt with appropriately.

12. Offenses may be recorded and become a part of the employee’s personnel file.

13. This policy shall be in force continually and shall not be suspended under any conditions.

IV. Responsibility

1. The General Manager is responsible for the administration and enforcement of the safety policy, and his/her appointed staff members shall report monthly activity to the Board of Directors. He is authorized to appoint qualified personnel to assist in developing and implementation of the Safety Program.

2. The General Manager is authorized to adopt such rules, procedures, etc. as are necessary to fully implement and enforce this policy.

V. Reports to the Board of Directors

The Safety Coordinator will furnish to the General Manager a monthly safety report which will be presented to the Board of Directors at its regular monthly meeting by the General Manger. The minutes of board meetings will include any action taken by the Board on safety matters.

Adopted: April 6, 2009
POLICY NO. 411

TRANSITIONAL WORK PROGRAM POLICY

POLICY:

I. Objective

The purpose of this policy is to provide a means of gradually transitioning injured workers back to full duty minimizing rehabilitation time and costs through a safe and structured plan.

II. Reporting

When a work injury occurs it shall be immediately reported regardless of severity.

The injured worker shall be immediately sent for medical treatment and evaluation.

Upon receiving notification of a work injury, the Cooperative manager (or designee) shall immediately make a 3-point contact with the Cooperative Manager (or designee), injured worker and evaluating physician.

III. Doctors Release (To Transitional Assignment)

If the evaluating physician identifies restrictions/limitations that will not allow the employee to return to regular duty, a workers’ comp insurance carrier claims representative will pursue identification of specific restrictions and limitations with the physician. These will be immediately communicated to the Cooperative manager in order that a transitional work assignment may be pursued where one is available.

As soon as a temporary work assignment is determined, the claims representative will obtain a release to limited duty for the injured worker. It is vitally important that the worker on a transitional work assignment be closely monitored to assure he/she does not attempt activities outside his transitional assignments. The temporary assignment will be a steady transition back to full duty. Re-injury will circumvent the effort and require beginning again. The general manager in his sole discretion will determine if there is a transitional work position available at the Cooperative.
IV. Duration of Assignment

Workers shall not stay in a transitional assignment indefinitely. A transitional assignment will be made available only with the express understanding that it is temporary in nature and that upon completion of the term of the assignment the employee will resume full duties if he/she is able to.

V. Pay While Transitioning

Workers shall receive their regular salary while transitioning.

VI. Release To Full Duty

The injured worker’s progress should be closely and carefully monitored. Projected dates for the employee’s full release will be requested from the physician. This release also applies to non-work related injuries and illness.

Attested: [Signature]

Secretary

Adopted: August 2, 2004
POLICY NO. 420

HOURLY RATES FOR RESTORATION OF SERVICE AT ANOTHER ELECTRIC SUPPLIER

POLICY:

The following sets forth the rates at which Cooperative personnel shall be compensated for work at another electric supplier restoring service.

A. Travel to and from the other location:

Up to 10 or 8 hours in a day whichever constitutes a regular work day and less than 40 hours in the work week, straight time.

Over 10 or 8 hours in a day whichever constitutes a regular work day and/or over 40 hours in the work week, time and a half.

Sundays and holidays, double time.

B. Work restoring service, double time.

In addition to wages, the Cooperative will bill the other electric supplier for costs related to wages, FICS, e.g., and for the costs of line trucks and other equipment.

Adopted: December 6, 2004

Attested: [Signature]
Secretary
POLICY NO. 425

TOBACCO FREE WORKPLACE

POLICY:

Since the use of tobacco substantially increases the risks of cancer and other diseases and consequently increases the cooperative’s and its employees' health insurance costs, Illinois Electric Cooperative will maintain a tobacco free workplace. Employees may not use any tobacco product during working hours.

If an employee violates this policy, the Cooperative will take appropriate disciplinary action up to and including termination.

Adopted: January 4, 2010

Attested: __________________________
Secretary
Management Policies
POLICY NO. 500

BUDGETS AND CONTROLS

POLICY:

1. The Cooperative shall be managed in accordance with operating and capital budgets which have been approved by the Board of Directors prior to the beginning of the January-December fiscal year.

2. Those budgets shall be proposed by the Cooperative’s management and financial/accounting staff, and they shall be reviewed by the Board’s Finance Committee which shall make a recommendation to the full Board concerning the proposed budgets.

3. It is not anticipated that actual results will perfectly mirror the approved budgets, but it is anticipated that management and staff will make every effort to maintain service and safety within the budgets and that full explanations for material differences between actual and budget shall be explained to the Board’s satisfaction.

4. The Cooperative’s management will maintain controls to ensure the reliability of financial reporting and preparation of financial statements in accordance with GAAP. Procedures shall assure:

   A. Records including sufficient detail to accurately reflect transactions and the disposition of assets;

   B. Records of transactions being kept to allow financial statements to be prepared and audited;

   C. Proper authorizations for receipts and expenditures; and

   D. Prevention and timely detection of unauthorized use, acquisition or disposition of assets that could materially effect the financial statements.

5. Payroll shall be approved by the manager responsible for the area in which an employee works and by the general manager. Invoices or amounts under $5,000 shall be approved for payment for routine purchases and for items explicitly included in the budgets by a manager. Invoices for amounts in excess of $5,000 shall be approved by the general manager in addition to the approval by the department manager. The general manager shall seek the Board’s approval for material expenditures beyond those included in the budgets.
6. Only the general manager may sign contracts. Contracts that obligate the cooperative to spend $250,000 or more over any time frame shall be approved by the board of directors before being executed. Contracts shall be reviewed by counsel before they are executed.

7. In cases of emergency situations with widespread outages, the manager of operations and the general manager may take whatever steps are prudently necessary to effect restoration of service in the most expeditious way.

8. Checks shall be approved by two of the following: the general manager; the manager of finance; the manager of consumer services; the operations manager; and the manager of engineering. Other than payroll checks, neither of the persons approving the check can be the check’s payee.

9. All enrollments and changes in all benefit plans shall be reviewed and initialed by at least two of the positions identified in paragraph 7. Any change to an employee’s deductions shall be reviewed and initialed by the employee and at least one of the positions identified in paragraph 7.

10. With approval of two of the above, employees may receive advances for approved travel, and they shall provide a statement showing the dispersal of funds along with receipts. They shall return the unneeded portion of an advance with the statement or request reimbursement for expenses in excess of the advance.

11. Employees who have incurred expenses on the job are encouraged to do so with the use of Cooperative provided credit cards in which cases they will provide the backup receipt for verification of the credit card bills. Examples of acceptable employee use of credit cards include purchase of fuel for a Cooperative vehicle, purchase of meals during overtime for storms, and purchase of incidental supplies, small tools and truck parts.

12. All credit card statements are to be reconciled with the receipts by a person other than the person to whom the credit card is assigned. If there is no receipt, the person holding the card will be required to provide a written description of the transaction. If the person holding the card inadvertently used the Cooperative card for a personal purpose rather than using his own card, he will promptly reimburse the Cooperative for the purchase.
13. Employees who have incurred cash expenses on the Cooperative’s behalf shall submit a receipt and request reimbursement for that expense.

Adopted: September 5, 2006
Revised: August 21, 2014

Attested: [Signature]
Secretary
POLICY NO. 501

FINANCIAL REPORTS

POLICY:

1. It is the Cooperative’s policy that its financial reports fairly present the financial
condition to the Board and to Lenders, Members and other stakeholders.

2. Management and staff shall prepare and present monthly financial statements for
the Board’s acceptance, with the exception of the December statements which
shall be presented formally with the annual audited financial statements. Those
statements shall include a balance sheet, an income or operating statement, and
a schedule showing the monthly cash flow. Management and staff shall prepare
any other additional statements or schedules which the Board may deem
necessary to understand a given situation and/or the ongoing condition of the
Cooperative.

3. The statements shall be prepared in accordance with the RUS Chart of Accounts
and with GAAP.

4. If management and staff are aware of any substantial, but still uncertain, risk
which could be of a material nature (a large doubtful account, the filing of a
perhaps meritorious suit against the corporation, e.g.) which is not reflected in
the statements, the potential financial impact of that risk shall be disclosed in the
appropriate setting to the Board.

Attested: [Signature]
Secretary

Adopted: August 2, 2004
Reviewed: August 13, 2015
POLICY NO. 502

RISK MANAGEMENT POLICY

POLICY:

1. Risk management begins with risk assessment, and it is the policy of the Cooperative and its subsidiary companies, that management and the boards will continuously monitor the business risks to the Cooperative and its subsidiary companies, as well as risks of impairment to or loss of assets; potential liability risks from activities undertaken in the normal course of business, e.g. operation of vehicles or equipment; risks of injury to members/customers as a consequence of improper or accidental use of electricity or other energy form; and risks resulting from deliberate, malicious activities such as theft. Additional potential risks include the risk of improper construction and/or operation of the electric system or of fuel storage locations.

2. Furthermore, if the Cooperative and its subsidiaries fail to observe the best practices in workplace and worker safety, there would be the risk of injuries and resultant costs.

3. The Cooperative and its subsidiaries shall carry insurance to protect the value of their physical assets and insurance to protect them from potential liability resulting from accidents and from action undertaken by employees and directors in the normal course of fulfilling their responsibilities through actions taken in good faith. The Cooperative and its subsidiaries shall also insure themselves from losses resulting from theft. Additionally, and as required by statute, workers’ compensation insurance shall always be in force.

4. In cases where financial derivatives can be used to protect operations from the risks of unforeseeable price swings, management may do so under specific hedging policies adopted by the appropriate board of directors.

5. The construction of the Cooperative’s distribution system shall be in accordance with Utility Service specifications and with the National Electric Safety Code. The Cooperative will not knowingly provide service to premises which fail to meet the requirements of the National Electric Code. The system shall be operated consistent with RUS s and with “good utility practices.” Other companies shall meet the standards of the best practices within their industries.

6. The Cooperative will continue to participate in the RE Safety Achievement program.
7. Management will, at least annually, review activities to meet state and federal regulations including those of EPA, OSHA, DOT and IDOT. Management will report to the Board at least annually with respect to the Cooperative’s compliance with these regulations.

8. Finally, it is incumbent upon board members and employees to thoroughly understand the Cooperative’s and subsidiary’s financial statements so as to be in positions to question out-of-the-ordinary entries or other aspects of financial statements which could pose the risk not fairly presenting the position of any of the corporations.

9. The Cooperative’s subsidiaries shall maintain and comply with a risk management policy like this policy.

Attested:

Secretary

Adopted: August 2, 2004
Reviewed: August 13, 2015
POLICY NO. 503

RECORDS RETENTION

POLICY:

1. The Cooperative and its subsidiaries shall keep records in accordance with the attached Federal Energy Regulatory Commission policy and its board approved Handbook on Records Retention. (In certain cases, record filings for public traded companies, e.g., the FERC policy shall naturally not apply.)

2. Moreover, records shall be kept in media which can reasonably be expected to last for a period exceeding the retention period.

Adopted: August 2, 2004
Reviewed: August 13, 2015

Attested: [Signature]

Secretary

9/7/16
POLICY NO. 504

ALLOCATION OF PATRONAGE TO INTERNET CONSUMERS

Since internet service is provided to Class A and Class B members on a cooperative basis, the margins earned from those members will be allocated to those members’ capital credit accounts as described below. The Bylaws require the “Cooperative to pay by credits to a capital account to each member all such amounts in excess of operating costs and expenses.” When allocating capital credits to internet consumers’ capital accounts, there will be allocations only after cumulative revenue exceeds cumulative operative costs and expenses.

Adopted: June 3, 2013.

Attested: [Signature]
Secretary

Adopted: June 3, 2013.
POLICY NO. 505
PROCUREMENT POLICY

No Illinois Electric Cooperative Employee shall participate in the selection, award, or administration of a contract if he or she has a real or apparent Conflict of Interest. In furtherance of this policy, all Employees of the Cooperative shall perform their duties in accord with the following Policy:

1. PURPOSE/GENERAL RULE

The purpose of this Policy is to provide guidance to Employees in identifying and handling potential and actual conflicts of interest that may arise in procurement and contract administration. This Policy specifically addresses those duties related to procurement. The general rule is that Employees of the Cooperative are obligated to avoid and disclose ethical, legal, financial, or other conflicts of interest involving procurement and contract administration for the Cooperative, and remove themselves from a position of decision-making authority with respect to any procurement or contract administration conflict situation. This Policy places special emphasis on protecting against those conflicts that may arise when conducting business with outside vendors and contractors on behalf of Illinois Electric Cooperative.

This Policy establishes the procedure we will use to govern procurement and contract administration conflicts of interest. The Policy further establishes the procedure for the disclosure and monitoring of family and business relationships among Employees that could give rise to procurement and contract administration conflicts of interest with the Cooperative.

2. DEFINITIONS

An “Employee” is any employee of the Cooperative.

A “Conflict of Interest” is a situation that may exist if an activity, gift or trip influences or has the appearance of influencing the ability of an Employee to exercise objectivity or affects that person's ability to perform his or her procurement or contract administration responsibilities in the best interests of Illinois Electric Cooperative. It includes actions, gifts, trips, etc. that do or might lead the Employee to select or favor selection of a particular contractor in procurement or contract administration.

The General Manager is the person so designated to be in charge of ensuring proper compliance with this Policy and acts as the Ethics Officer. “Family Member” means any spouse, domestic partner, parent, grandparent, sibling, and child, and any other relative who resides in the same household.

3. IDENTIFICATION OF CONFLICT OF INTEREST SITUATIONS

An Employee should be particularly careful of a real or apparent Conflict of Interest when the business matter at hand involves:
1. Family Members
2. Personal Gain
3. Outside Business of Employee or Family Member’s Gain
Where any of these factors exist with regard to a business decision, disclosure should occur in accordance with this Policy.

4. PROCUREMENT DISCLOSURES

Particularly where procurement may be funded by the federal government, Employees should immediately disclose any Conflict of Interest or perceived Conflict of Interest to the Ethics Officer and refrain from participating in the selection, award or administration of that contract until a determination has been made by the Ethics Officer as to whether the Employee has a Conflict of Interest that prevents him or her from further participation.

5. Gifts

No employee, director or members of their families may accept any gift, free meal or gratuity, all of any kind whatsoever, from a company, contractor, consultant or any of their employees and agents if such company, contractor or consultant presently or in the past or potentially in the future does any work for the cooperative and/or supplies any material for which the cooperative would seek reimbursement from the federal government following the federal declaration of a natural disaster or in, or resulting from, any other federal action.

6. DECISIONS WHICH POSE A CONFLICT OF INTEREST

If an Employee determines that a decision may create a real or apparent Conflict of Interest, the Employee shall make full disclosure to the Ethics Officer of any facts which may indicate a conflict. The Employee in question shall disqualify himself/herself from the decision-making process regarding any procurement or contract administration decisions which could pose a real or perceived Conflict of Interest. The Employee may request an opinion of the Ethics Officer or Counsel for the Cooperative before such action is taken if the facts are in dispute or the situation is one that presents novel issues.

7. DISCLOSURE AND MANAGEMENT OF CONFLICTS OF INTEREST

All potential Conflicts of Interest must be disclosed to the Ethics Officer. The Employee involved in the conflict situation must work with his/her manager and the Ethics Officer, to achieve a resolution of the conflict issue in the best interests of Illinois Electric Cooperative. Depending upon the nature of the conflict, this may include the Employee being removed from a position of decision-making authority with respect to the specific situation or other actions the Cooperative deems necessary to prevent or address the conflict.

8. DISCLOSURE CERTIFICATE

Employees must complete and sign the Conflict of Interest Certification and Disclosure Form attached to this Policy. The Ethics Officer shall maintain copies of completed Forms for each Employee. Each Employee is responsible for ensuring that this Form is kept current and must immediately submit an updated Form to the Ethics Officer if there is any material change to any of the information contained in the form.

9. DISCLOSURE OF CONTRACTS WITH EMPLOYEES

Illinois Electric Cooperative may enter into contracts with one or more Employees, or entities in which they or a Family Member may have a material financial interest, for the provision of goods or services if the same opportunity to enter into contracts is made available to other Employees.
or contractors who are similarly situated. These contracts are to be procured in accordance with Illinois Electric Cooperative’s standard procedures for the type contract at issue. However, any such contract shall be submitted to and approved by the Ethics Officer [and the Board of Directors]. If an Employee has any duties or responsibilities related to procurement of such contract, he or she shall immediately recuse from those actions, and not be involved in any part of the contract selection or award.

10. FINANCIAL INTEREST

If an Employee has a financial interest in any outside entity that conducts business with the Cooperative, then that Employee must disclose and avoid participating in decisions related to business with that entity.

11. EXCEPTION REGARDING AN AFFILIATED COOPERATIVE

This Policy recognizes that different conflict rules apply to contracts and procurement involving a cooperative (herein, an “Affiliated Cooperative”) in which Illinois Electric Cooperative is a member. Specifically, an Employee is not disqualified from decisions regarding procurement or contract administration involving an Affiliated Cooperative solely because of the Employee’s service as an officer or board member of the Affiliated Cooperative entity, as long as a prohibited Conflict of Interest does not otherwise exist. An Employee who serves as an officer or board member of an Affiliated Cooperative shall disclose his or her role with the Affiliated Cooperative to the Ethics Officer. If a contract administration or procurement decision involving, or potentially involving, federal grant funds arises between Illinois Electric Cooperative and the Affiliated Cooperative in which the Employee is expected to participate, the Employee shall disclose his involvement with the Affiliated Cooperative and the contract administration or procurement decision to the Ethics Officer, and the Ethics Officer shall assure that, the cost analysis required by 2 CFR 200.323 is performed with respect to that contract administration or procurement decision.

Exception Regarding an Affiliated Cooperative.

12. DISQUALIFICATION

If an Employee is determined to have a real or apparent Conflict of Interest Illinois Electric Cooperative will disqualify the Employee from acting on any procurement or contract administration matter or participating in any procurement or contract administration decision(s) that could be impacted by the conflict. If an Employee fails to comply with this Policy the selection and award of the contract is not automatically invalidated. At the point the conflict is made known the Ethics Officer will immediately review all pertinent facts and make a determination as to the best course of action. If it is determined that the action will stand, such determination will be documented in writing and maintained in the files of the Ethics Officer.

13. CONSEQUENCES FOR FAILURE TO COMPLY WITH POLICY

Any Employee that does not comply with this Policy shall be subject to disciplinary action, up to and including termination, if so warranted by the offense.

14. REVIEW OF DISCLOSURE CERTIFICATIONS

The Ethics Officer shall annually review all Conflict of Interest Certification and Disclosure Forms and generally monitor compliance with this Policy.

9/7/16
15. INTERPRETATION

This Policy cannot describe all procurement or contract administration conflict of interest situations that may arise involving the Cooperative. Therefore, Employees must use good judgment to avoid any appearance of impropriety. Appropriate circumstances may also justify exceptions to the application of this Policy. If you have any questions about this Policy or its application, please err on the side of caution and transparency and seek advice from the Ethics Officer.

16. ANNUAL DISTRIBUTION OF POLICY

This Policy shall be distributed by the Ethics Officer to all Employees on an annual basis.

Adopted: April 4, 2016
Revised: September 7, 2016

Attested:

Secretary
APPENDIX A
EXAMPLES OF CONFLICTS OF INTEREST ACTIVITIES AND RELATIONSHIPS

The following activities illustrate types of potential or actual conflicts of interest that should be avoided and disclosed, as applicable, in accordance with this Policy. The list is not all inclusive and is intended only to provide guidance.

Self-benefit: Using your position or relationship within the Cooperative to promote your own interests or those of your family, including use of confidential or privileged information acquired in the course of employment at Illinois Electric Cooperative for benefit or gain of yourself or a Family Member.

Influence peddling: Soliciting benefits for yourself or a Family Member from outside organizations in exchange for using your influence to advance the interests of that organization within the Cooperative.

Other business relationships and dealings: Approving contracts with organizations in which you or a Family Member have a significant financial or other interest or relationship, particularly if you are in a position to influence major decisions, are responsible for review, negotiation and approval of the contracts, or otherwise direct the Cooperative’s business dealings with that business or entity.

Property transactions: Directly or indirectly leasing, renting, trading, or selling real or personal property to or from the Cooperative.

Use of the Cooperative property for personal advantage: Using or taking Cooperative resources, including facilities, equipment, personnel, and supplies, for private use or other unauthorized non-Cooperative activities.

Recording or reporting false information: Misrepresenting, withholding, or falsifying relevant information required to be reported to external parties or used internally for decision-making purposes, in order to derive personal benefits.

Dealings with Vendors or Contractors: Personally accepting anything of value from organizations or individuals that have or will have proposals pending before Illinois Electric Cooperative or do business with the Cooperative.
APPENDIX B
PROCUREMENT CONFLICT OF INTEREST
CERTIFICATION AND DISCLOSURE FORM

As described by Illinois Electric Cooperative's Conflict of Interest Policy, the undersigned Employee states:

1. I affirm that I have received or have access to, have read, and understand the Procurement Conflict of Interest Policy.

2. I agree to comply with the Procurement Conflict of Interest Policy.

3. Based upon my good faith belief, to the best of my knowledge, and except as disclosed below, I certify that I currently comply with the Policy.

4. I disclose the following information or facts regarding any potential Conflict of Interest or any actual Conflict of Interest that could impact my compliance with the Procurement Conflict of Interest Policy:

5. Upon discovering any information or fact regarding any potential or actual Conflict of Interest that could impact my compliance with the Procurement Conflict of Interest Policy, I agree to disclose this information or fact to the Ethics Officer.

6. If I do not comply with the Procurement Conflict of Interest Policy, I agree to any sanction, disqualification, removal or other action taken under the Policy, consistent with law and Cooperative policies and procedures.

Printed Name _______________________________ Signature _______________________________
Title of Employee _______________________________ Date _______________________________
Policies of General Application
POLICY NO. 600

CONFLICT OF INTEREST

POLICY:

I. Objective

To spell out those areas where the directors and employees of Illinois Electric Cooperative should avoid conflicts of interest, or any appearance of conflict of interest.

II. Content

A. Directors and employees are prohibited from receiving gifts, fees, loans, or favors from suppliers, contractors, consultants, or financial houses which obligate or induces them to compromise their responsibilities to negotiate, obligate, inspect or audit, or award contracts, with the best interests of Illinois Electric Cooperative uppermost in mind. This does not prohibit receiving gifts or favors of nominal value or causal entertainment that meet all standards of ethical business conduct, and involves no element of concealment.

B. Business information of a confidential nature must be respected at all times.

C. Directors and employees are prohibited from acquiring or having a financial interest in any property which Illinois Electric Cooperative acquires or a direct or indirect financial interest in a supplier, contractor, consultant, or other entity with which Illinois Electric Cooperative does business. This does not prohibit the ownership of securities in a publicly owned company except in a substantial amount by those in a position to materially influence or affect the business relationship between Illinois Electric Cooperative and such publicly owned company. Any other interest in or relationship with an outside organization or individual having business dealings with Illinois Electric Cooperative is prohibited if this interest or relationship might tend to impair the ability of the directors to serve the best interests of Illinois Electric Cooperative.

D. If members of the immediate family of a director or employee have a financial interest as specified above, such interest shall be fully disclosed to the Board of Directors which shall decide if such interest should prevent Illinois Electric Cooperative from entering into a particular transaction, purchase, or employment of services. The term “immediate family” means children or their spouses, husband, wife, sister, brother, parents, foster, or step-parents, grandparents, aunts, uncles, mother or father-in-law, sister or
brother-in-law or any relative residing in Illinois Electric Cooperative's directors' or employees' households.

E. Every director and employee of Illinois Electric Cooperative is expected to avoid situations that might be construed as conflicts of interest since it is not feasible in a policy statement such as this to describe all the circumstances and conditions that might be or have the potential of being considered conflicts of interest.

F. In the event a Director of Illinois Electric Cooperative has a conflict, said Director will be prohibited from voting on the conflict issue presented for the Board’s consideration.

III. Responsibility

A. The Board President shall not less than annually ensure the Board reviews compliance with this policy.

B. Directors shall sign an annual conflict of interest statement.

C. Each director and employee must disclose any situation, which, in his or her opinion, violates, may violate, or could appear to violate the intent of this policy.

D. Actions considered inconsistent with this policy are to be reported to the entire board.

E. The Cooperative shall fully implement its whistle blower policy for the purpose of insuring the full implementation of this policy.

F. The General Manager shall take the necessary steps to fully disseminate this policy to all employees of the Cooperative and its subsidiaries.

Adopted: August 2, 2004
Reviewed: August 13, 2015
POLICY NO. 601

REPORTING OF UNETHICAL AND ILLEGAL CONDUCT/WHISTLEBLOWER PROTECTION

SCOPE:

This policy applies to all Illinois Electric Cooperative (“Illinois Electric”) employees and directors.

PURPOSE:

Illinois Electric is committed to the highest possible standard of ethical, moral and legal business conduct. Illinois Electric recognizes that the integrity of our financial information in particular, is critical because such information guides the decisions of the Board of Directors and management and is also relied upon by our members, employees and business partners. In line with this commitment to integrity and our commitment to open communication, this policy aims to provide an avenue for employees to raise concerns regarding unethical conduct, questionable accounting, internal accounting controls or auditing matter or the reporting of fraudulent financial information, and to reassure employees that they will be protected from harassment, discrimination, reprisals or victimization for whistleblowing in good faith.

POLICY:

This whistleblowing policy is intended to cover serious concerns that could have a large impact on Illinois Electric. Such actions include but are not limited to:

- Incorrect or fraudulent financial reporting;
- Information that leads to the compromise of the integrity of Illinois Electric’s internal accounting controls and audit matters;
- Information that leads to unlawful conduct by any of the employees or directors at the Cooperative
- Information which violated company policy, including our Conflict of Interest Policy;
- Information that otherwise leads to conduct that is serious and improper for employees or directors of Illinois Electric.

SAFEGUARDS:

Discrimination, Retaliation, Harassment or Victimization

Illinois Electric strictly prohibits any discrimination, retaliation or harassment against any person who makes a report in good faith or participates in any investigation of a
report under this policy. Employees who believe they have been subjected to any discrimination, retaliation or harassment for having submitted a complaint or for participating in an investigation relation to such a complaint should immediately report the concern to either the President of the Board of Directors or the General Manager. Any complaint of such discrimination, retaliation or harassment will be promptly and thoroughly investigated and, if substantiated, appropriate disciplinary action will be taken, up to and including termination.

**Confidentiality**

Every effort will be made to protect the complainant’s identity to the maximum extent permitted by law, rule or regulation.

**Anonymous Allegations**

Illinois Electric encourages employees to attach their names to allegations because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified.

**PROCEDURE:**

**Process for Raising a Concern**

**Reporting:** The whistleblowing procedure is intended to be used for serious and sensitive issues. Serious concerns relating to financial reporting, unethical or illegal conduct, should be reported in one of the following ways:

1. Directly to the President of the Board of Directors
2. Directly to the General Manager
3. Directly to the Counsel for the Cooperative, Amy Jackson, at (217) 245-6177.

**Timing:** It is our policy to encourage our employees to report concerns as soon as possible after discovery so that timely action may be taken.

**How the Complaint Will Be Handled**

All reports made under this policy will be taken seriously. Where appropriate, an independent investigation of the complaint may be undertaken. The action will depend on the nature and gravity of concern. The Cooperative has designated its General Counsel to coordinate all necessary Cooperative action in response to a report. Any report received will be forwarded to the General Counsel and General Manager or his designee.

**Initial Inquiries:** Initial inquiries will be made to determine whether an investigation is appropriate and the form that it should take. Some concerns may be resolved by agreed action without the need of a full investigation.
All employees have a duty to cooperate in any investigation made under this policy.

**Report to Complainant:** When practicable, complainants will be given the opportunity to receive follow-up on their concern within two weeks from the date of the reporting including:

- Acknowledgement that the concern was received;
- Indication on how the matter will be dealt with;
- An estimate of the time it will take for a final response;
- Whether initial inquiries have been made;
- Whether further investigations will follow, and if not, why not.

**Further Information:** The amount of contact between the complainant and the body investigating the concern will depend on the nature of the issue and the clarity of information provided. Further information may be sought from the complainant.

**Information:** Subject to any applicable legal constraints or special circumstances, the complainant will receive information about the outcome of any investigations.

**Retention of Records:** Illinois Electric will maintain a record regarding the reported concern in accordance with its Document Retention Policy.

Adopted: January 4, 2010
Revised: September 7, 2016
POLICY NO. 602

AVIAN PROTECTION AND MANAGEMENT POLICY

POLICY:

STATEMENT OF PURPOSE

Avian interaction with power lines may cause bird injuries and mortalities, which, in turn, may result in outages, violations of bird protection laws, grass and forest fires, or raise concerns by employees, resource agencies and the public. Illinois Electric Cooperative (IEC) is committed to minimizing its impact on migratory birds and complying with bird protection regulations while providing reliable, cost-effective electrical service. To do this, IEC will comply with all necessary permits, monitor and report avian mortality incidents and make reasonable efforts to construct and modify infrastructure to minimize the incidence of avian mortality. Risk assessment tools, including avian risk assessment data provided by the U.S. Fish and Wildlife Service (USFWS) and/or the Illinois Department of Natural Resources (IDNR) along with IEC’s existing system data will be used to determine proactive measures that may be taken to avoid and minimize avian interactions with electric system infrastructure owned by IEC.

This policy is intended to ensure compliance with legal requirements, while improving distribution system reliability. IEC management and employees are responsible for managing bird interactions with power lines and are committed to reducing the detrimental effects of these interactions.

ACTION TO BE TAKEN

To fulfill this commitment, IEC will:

- Implement and comply with its comprehensive Avian Protection Plan (APP).
- Ensure its actions comply with applicable laws, regulations, and permits.
- Conduct a comprehensive risk assessment of the distribution system.
- Document avian mortalities through the USFWS Avian Mortality reporting program when provided authorization by USFWS to do so.
- Modify electric infrastructure at sites where avian mortalities occur when practical. Modifications will be in accordance with the APP and will follow the Avian Power Line Interaction Committee’s (APLIC) Suggested Practices for Avian Protection on Power lines the State of the Art in 2006 and Reducing Avian Collisions with Power Lines: State of the Art in 2012 whenever possible.
- Identify problem poles and lines, and problem nests in consultation with USFWS and the IDNR as necessary and work to minimize avian interactions at problem sites.
- Provide information, resources, and training to improve employee knowledge and awareness of the APP and all of its provisions.
- Construct all new or rebuilt facilities in rural areas (outside city limits or beyond residential/commercial developments) in areas of high avian use, where appropriate, to IEC’s avian-safe standards that meet or exceed the APLIC guidelines.

IEC’s customer service and regulatory compliance will be improved and risk to avian species will be reduced through the proactive and innovative resolutions of bird power line interactions guided by this policy.
IEC’s Management endorses and will support this policy and ensure that all supervisors and employees will be provided guidance and resources to meet the expectations of the policy.

Adopted: April 4, 2016

Attested: [Signature]
Secretary
POLICY NO. 650

DONATIONS AND CONTRIBUTIONS

POLICY:

The General Manager is authorized to make donations to worthy activities and causes up to a maximum of Five Hundred Dollars ($500.00) for each activity or cause without prior approval of the Board of Directors.

Adopted: August 2, 2004
Reviewed: August 13, 2015

Attested: [Signature]
Secretary
POLICY NO. 660

MEMBERSHIP IN OTHER ORGANIZATIONS

POLICY:

1. The Cooperative shall belong to such other organizations as determined by the Board of Directors. The sole criteria of a board decision regarding the Cooperative’s membership in another organization shall be the general benefit to the Cooperative of such membership.

2. Upon approval of the Board of Directors, the Manager is authorized to obtain and maintain membership in organizations approved by the Board of Directors and to pay the membership fees, if any, for such membership. The Manager shall report to the board any increase in membership fees of such organization.

3. The Director, Manager or employee of the Cooperative who represents the Cooperative with respect to its membership in such organizations shall report to the board on the activities of such organization as required and as requested by the Board of Directors.

Adopted: August 2, 2004
Reviewed: August 13, 2015

Attested:

Secretary
POLICY NO. 700

LEGAL REPRESENTATION AND USE OF ATTORNEY

POLICY:

The Board of Directors of Illinois Electric Cooperative ("Board") recognizes that competent legal representation and effective use of attorneys are critical to the successful operation of Illinois Electric Cooperative ("Cooperative"). Although an attorney or law firm retained or employed by the Cooperative ("Attorney"), and the Attorney's representation of the Cooperative, are governed by rules of professional conduct and other local, state and federal law, the objective of this policy is to provide additional guidance for, and emphasize important aspects of, the Attorney's representation of the Cooperative and the Cooperative's use of the Attorney. To the extent this policy is inconsistent with rules of professional conduct or similar requirements governing attorneys, those rules or requirements govern.

A. General Counsel. The Cooperative shall retain or employ an Attorney to continually provide general legal services to the Cooperative ("General Counsel"). General legal services include, but are not limited to: (1) attending, and drafting minutes of, all meetings of the Board and all annual and special meetings of Cooperative members; (2) negotiating, drafting and reviewing contracts; (3) providing legal services for the disposition or acquisition of real property and interests in real property; (4) providing legal services for the borrowing or lending of money; (5) providing legal services regarding general business, Cooperative and electric utility law; (6) providing assistance to the Board and Manager regarding the Cooperative's compliance with its bylaws and policies; and (7) providing assistance to committees of the Board of Directors.

B. Special Counsel. As reasonably necessary, and following consultation with the General Counsel, the Cooperative may retain or employ an Attorney to provide special legal services to the Cooperative ("Special Counsel"). Special legal services require competence in a particular field of law and include, but are not limited to: (1) representing the Cooperative in state or federal court, or before a local, state, or federal agency; and (2) providing legal services regarding labor, employment, tax, antitrust, environmental or intellectual property law. In providing special legal services to the Cooperative, a Special Counsel shall provide to General Counsel copies of all communications, memoranda, briefs, notices, motions and other documents prepared, filed, received or sent by the Special Counsel. As determined by the Board, the General Counsel may provide special legal services to the Cooperative.

C. Cooperative as Client. In providing legal services to the Cooperative, an Attorney represents the Cooperative as his client, acting through its authorized directors, officers, employees and members individually. In representing the
Cooperative, an Attorney does not represent the Cooperative’s directors, officers, employees or members. If the Board gives its informed, written and prior consent, and if an Attorney complies with applicable conflict of interest requirements, then the Attorney may represent an Affiliated Entity and the Attorney may represent individual Cooperative directors, officers, employees and members in matters related to the Attorney’s representation of the Cooperative.

D. Board Counsel. As an exception to paragraph C. set forth above and as determined by the Board, it may retain, employ, direct and discharge an attorney or law firm to continually or periodically provide legal services to the Board ("Board Counsel"), with the Board Counsel representing the Board as client. The Cooperative shall pay Board Counsel a reasonable fee and reasonable expenses. To the extent practical, a Board Counsel’s representation of the Board must be governed in a manner similar to the manner in which an Attorney’s representation of the Cooperative is governed under this policy.

E. Competent Legal Representation and Conflicts of Interest. An Attorney shall provide competent legal representation to the Cooperative, and shall have or acquire the appropriate knowledge, skills, time and qualifications necessary to provide competent legal representation. No Attorney, however, guarantees, promises or warrants a successful or favorable outcome regarding legal services provided to the Cooperative. An Attorney shall comply with conflict of interest requirements prescribed in applicable local, state, and federal law and rules of professional conduct. An Attorney may provide legal services to an entity in which the Cooperative owns an interest ("Affiliated Entity") only if the Attorney complies with these conflict of interest requirements.

F. Retaining, Employing and Discharging Attorney. The Board shall make decisions regarding retaining, employing and discharging the General Counsel and any Board counsel. The Board shall annually evaluate the performance of the General Counsel. Following consultation with the General Counsel, the Manager shall make decisions regarding retaining, employing, and discharging any other Attorney. By providing written notice to an Attorney, the Cooperative may discharge the Attorney and terminate any attorney agreement, at any time for any reason. By providing written notice to the Cooperative, and as required or allowed by applicable law and rules of professional conduct, an Attorney shall or may withdraw from representing the Cooperative and terminate any attorney agreement.

G. Third Party. As part of providing legal services to the Cooperative, and with the Manager’s prior consent, an Attorney may retain another attorney or may use an attorney or paraprofessional associated with the Attorney in a law firm. As reasonably necessary or helpful in providing legal services to the Cooperative, and subject to any limitations stated in an attorney agreement, an Attorney may
contract for a non-attorney and non-paraprofessional third party to provide goods or services.

H. Directing Attorney. Only the Board, the President of the Cooperative or the Manager may request that an Attorney provide legal services to the Cooperative. As requested by an Attorney, and as reasonably necessary or helpful in providing legal services to the Cooperative, the Cooperative shall provide the Attorney reasonable access to its directors, officers, employees, consultants, agents, representatives, records and documents. The Manager and an Attorney shall keep the Board reasonably informed regarding any matter for which the Attorney is providing legal services to the Cooperative. In consultation with the Board or as directed by the Board, the Manager shall direct an Attorney. In providing legal services to the Cooperative, and subject to the Board or Manager’s direction, an Attorney may act on the Cooperative’s behalf in any manner reasonably believed to be in the Cooperative’s best interest. Unless the manager gives his or her prior consent an Attorney may not make a statement outside of a tribunal regarding the Attorney’s provision of legal services to the Cooperative, which statement the Attorney knows or reasonably should know will be disseminated by means of public communication. No Cooperative director, officer, employee, consultant, agent or representative may interfere with the Attorney’s ability to exercise independent professional judgment and render candid advice.

I. Attorney Fees and Expenses. The Cooperative shall pay an Attorney a reasonable fee and reasonable expenses. An Attorney shall provide legal services to the Cooperative in a cost-effective and efficient manner. The fees and expenses for an Attorney retained by the Cooperative must be specified in an attorney agreement. The Cooperatives shall indemnify an Attorney for liability and expenses, including reasonable attorney fees, to which the Cooperative has exposed the Attorney pursuant to the indemnification provisions of the Cooperative bylaws for its directors, officers and employees.

J. Attorney-Client Privilege. Confidential communications between the Cooperative, or its agent or representative, and the Attorney, or the Attorney’s agent or representative, made to facilitate the Attorney’s provision of legal services to the Cooperative are protected by the attorney-client privilege. Cooperative directors, officers, employees, consultants, agents and representative shall not disclose these communications to third parties, other than those to whom disclosure is made in furtherance of this provision of legal services, or those reasonably necessary for transmitting the communications. To the extent these communications are disclosed to Cooperative employees, consultants, agents or representatives, they must only be disclosed to individuals who reasonably need to know of the communications.
K. Attorney’s Duty to Inform and Consult. An Attorney shall keep the Board and the Manager reasonably informed regarding a matter for which the Attorney is providing legal services to the Cooperative. For decisions regarding the matter to be made by the Cooperative, the Attorney shall explain the matter to the Board and the Manager to the extent reasonably necessary to permit the Cooperative to make an informed decision. An Attorney shall promptly comply with the Cooperative’s reasonable request for information.

L. Reliance. In providing legal services to the Cooperative, an Attorney may rely upon information provided by the Cooperative, unless the Attorney knows that the reliance is unwarranted. In performing his or her duties, Cooperative directors, officers, or employees may rely upon information, opinions, reports and statements prepared or presented by an Attorney. A director, officer or employee’s reliance, however, is only permitted regarding matters involving skills or expertise that he or she reasonably believes are within the Attorney’s professional or expert competence. Further, this reliance is only permitted if the director, officer, or employee acts in good faith and reasonably believes that the reliance is warranted and that the Attorney merits confidence.

M. Evidence of Violation of Law or Breach of Duty. If an Attorney, other than the General Counsel, knows or reasonably should know of any evidence of an actual or intended material violation of law of material breach of duty, or evidence of an actual or intended violation or law or breach of duty likely to result in substantial injury to the Cooperative, by the Cooperative or by any Cooperative director, officer, employee, consultant, agent or representative (“Evidence”), then the Attorney shall report the Evidence to the General Counsel. If the General Counsel knows or reasonably should know of any Evidence, then the General Counsel shall report the Evidence to the Manager. Within thirty (30) days of the Evidence being first reported, the General Counsel or the Manager, as determined by the Manager, shall investigate the Evidence, respond appropriately to the Evidence and inform the reporting Attorney regarding the investigation and the response. If an Attorney, other than the General Counsel, reasonably believes that neither the General Counsel nor the Manager has investigated or responded appropriately to the Evidence, or if the Attorney believes it is reasonably necessary in the best interest of the Cooperative, then the Attorney shall report the Evidence to the Board or the audit committee of the Board (“Audit Committee”) in person and without the presence of any other person, except a person invited by the Attorney. If the General Counsel reasonably believes that the Manager has not investigated or responded appropriately, and it is reasonably necessary in the best interest of the Cooperative, then the General Counsel shall report the Evidence to the Board or the Audit Committee in person and without the presence of any other person, except a person invited by the General Counsel. If a reporting Attorney reasonably believes that the Attorney has been discharged because the
Attorney reported Evidence, then the Attorney shall inform the Board or the Audit Committee of this belief.

N. Legal Programs, Publications and Memberships. The Cooperative shall encourage the General Counsel to: (1) attend legal programs sponsored by, and to subscribe to legal publications published by, the National Rural Electric Cooperative Association and any association of electric Cooperatives located within the state; and (2) be a member of, and attend programs sponsored by, the Cooperative Bar association and any association of attorneys representing electric Cooperatives located within the state. The payment of any fees and expenses related to a General Counsel retained by the Cooperative attending these legal programs, subscribing to these legal publications, or being a member of these associations must be specified in an attorney agreement.

The Board is responsible for compliance with this policy. The Manager is responsible for communicating with an Attorney regarding the Attorney providing legal services to the Cooperative.

Adopted: December 6, 2004
Reviewed: August 13, 2015
POLICY NO. 710

EMPLOYEE AND BOARD MEMBER USE OF IPADS OWNED BY THE COOPERATIVE

POLICY:

The Cooperative may issue iPads to employees and members of its board of directors to facilitate communications. Employees and directors should use a credit card of their choosing to set up the iTunes account necessary to download applications.

If an employee or director elects to use a personal credit card, he is entitled to reimbursement for apps which will enhance his ability to communicate with other directors and members of the cooperative’s management. If an employee or director elects to use a cooperative provided credit card, he shall reimburse the cooperative for any apps of a personal nature, entertainment or games e.g., which do not enhance his ability to communicate with the cooperative.

The employee or director should take reasonable care for the protection of the device, and he should download updates on a monthly basis.

The Cooperative will erase, i.e. electronically wipe clean, lost iPads and those retained by employees or directors no longer serving in those roles.

Adopted: August 1, 2011
Revised: August 13, 2015

Attested:

[Signature]
Secretary
POLICY NO: 750

IDENTITY THEFT PREVENTION

POLICY:

I. OBJECTIVE

The purpose of this policy is to:

A. Create an identity theft prevention program (Identity Theft Prevention Program) that ensures the privacy and accuracy of member/member credit report information, reduces the incidence of identity theft and aids victims of identity theft by implementing standards of care and procedures allowing the detection, prevention and mitigation of identity theft when using member/member personal information within the possession of the Cooperative.

B. Establish procedures to identify and respond to risk factors called “Red Flags” to detect, prevent and mitigate identity theft from the Cooperative’s member/member personal information.

C. Implement procedures for responding appropriately to evidence of identity theft and unauthorized use of member/member personal information.

D. Provide for staff training and periodic review and updating of the Identity Theft Prevention Program.

E. Provide for oversight, implementation and administration of the Identity Theft Prevention Program by the Cooperative’s senior management and governing board of directors.

F. Identify the proper purposes for which customer member reports, or credit information obtained from Member Reporting Agencies, may be used by the Cooperative.

II. CONTENT

A. DEFINITIONS

1. “Member Report” is defined as any written, oral or other communication of any information by a member reporting agency bearing on a member’s credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics or mode of living which will be used at least partly to determine the member’s eligibility to receive and pay for services. Member Reports are commonly known as credit reports.

2. “Member Reporting Agency” (CRA) is defined as any person which, for monetary fees, dues or on a Cooperative non-profit basis, regularly engages in whole or part in the practice of assembling or evaluating member credit information or other information on members for the purpose of furnishing member reports to third parties and which uses any means or facility of interstate commerce for the purpose of preparing or furnishing member reports. (Examples include Equifax, TransUnion and Experian).

3. “Covered Account” means (i) an account that a financial institution or creditor offers or maintains, primarily for personal, family or household purposes, that involves or is designated to permit multiple payments or transactions, such as a credit card account, mortgage loan, automobile loan, margin account, cell phone account, utility account, checking account, or savings account; and (ii) any other account that the financial institution or creditor authors or maintains for which there is a reasonably foreseeable risks to members or to the safety and soundness of the financial institution or creditor from identity theft, including financial operational, compliance, reputation or litigation risks.

4. “Red Flags” as used herein are patterns, practices or specific activities that taken together or alone, indicate the possible occurrence of identity theft, including the following:

   a. Alerts, notifications, or other warnings received from CRAs or other service providers, such as fraud detection services, which include:

      i. Fraud or active duty alert;
      ii. Credit freeze or notice; or
iii. Address discrepancy notice informing of a substantial difference between the address provided by the member and the address on file with the CRA.

iv. Inconsistent pattern of activity based on history and pattern of activity, such as a recent and significant increase in volume of inquiries, unusual number of recently established credit relationships, a material change in the use of credit or an account that was closed for cause or abuse.

b. The presentation of suspicious documents. For example:

i. The application or identification documents appear to be altered or forged;

ii. The photograph or physical description on the identification is not consistent with the appearance of the applicant or customer;

iii. The documents are inconsistent with information provided by the customer; or

iv. The documents are inconsistent with readily accessible information on file with the Cooperative.

c. The presentation of suspicious personal identifying information, such as when:

i. The personal identifying information is inconsistent when compared to other information on file with the Cooperative, from the member/member, or from external information sources (e.g., address discrepancies, an un-issued Social Security Number (SSN), or the date of birth does not match the corresponding SSN range).

ii. The member/member fails to provide all required personal information on an application or in response to notification that the application is incomplete.

iii. The personal identifying information matches that of known fraudulent activities.

iv. The personal identifying information is of a type commonly associated with fraudulent activity, such as invalid phone number, mail drop or prison address.

v. The address or telephone number is used by an unusually large number or persons opening accounts.
d. The unusual use of, or other suspicious activity related to, a Covered Account, such as:

i. With a new Covered Account, the member/member fails to make the first payment or makes an initial payment but no subsequent payments.

ii. A member/member with a Covered Account notifies the Cooperative that he or she is not receiving paper account statements.

iii. The Cooperative is notified of unauthorized services in connection with a member/member’s Covered Account.

iv. A Covered Account is used in a manner that is inconsistent with established patterns of activity on the account (e.g. non typical activity in bill payment).

v. A Covered Account that has been inactive for a reasonably long period of time is used (taking into consideration the type of account, the expected pattern of usage and other relevant factors).

vi. Repeated returned mail even though the member/member with a Covered Account continues to receive electric service.

e. Notice from member/members, victims of identity theft, law enforcement authorities, or other persons regarding possibly identity theft in connection with Covered Accounts held by the Cooperative.

5. **Notice of Address Discrepancy** as used herein means a notice sent to a user by a member reporting agency pursuant to 15 U.S.C 1681c (h) (1), that informs the user of a substantial difference between the address for the member and that the user provided to request the member report and the address (es) in the agency’s file for the member.

**B. DUTIES TO DETECT, PREVENT AND MITIGATE**

1. **General**

   a. All employees that have access to information in a Covered Account shall be trained to detect, and respond to, Red Flags.
b. Means of identity verification shall include any one or more of the following:

i. Applicant’s full name
ii. Mailing address;
iii. Street address;
iv. Phone number;
v. Government-issued Photo identification;
vi. Passwords (whether assigned by the Cooperative or user-defined)

vii. For an individual, date of birth;
viii. For a U.S. person, a taxpayer identification number;
ix. For a non-U.S. person, one or more of the following:

1. Taxpayer identification number; passport number and country of issuance
2. Alien identification card number; or
3. Number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

2. New Accounts

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

b. The Cooperative should not open a new Covered Account if there is a fraud or active duty alert for the applicant or member/member unless the Cooperative gathers additional information sufficient to form a reasonable belief that the user knows the identity of the applicant or member/member making the request.

c. If one or more Red Flags are detected during the application process for a Covered Account, while servicing a Covered Account, or otherwise, the staff member shall notify a supervisor or other management level staff of the detection.
3. **Existing Accounts**
   a. When servicing existing Covered Accounts, such as processing change of address requests, staff shall authenticate the identity of the member/member as well as verify the change of address or other information on the account.
   
b. The Cooperative should not open a new Covered Account or make material changes to an existing Covered Account if there is a fraud or active duty alert for the applicant or member/member unless the Cooperative gathers additional information sufficient to form a reasonable belief that the user knows the identity of the applicant or member/member making the request.
   
c. If one or more Red Flags are detected while servicing a Covered Account, or otherwise, the staff member shall notify their supervisor or other management level staff of the detection.
   
d. The Cooperative will flag or mark Covered Accounts that are to be monitored so that any reviewer (e.g. Customer Service Representative, hereinafter “CSR”) servicing the account can be aware of the previous Red Flags or other concerns.

4. **Supervisor Actions**
   a. Employees who are notified of a Red Flag shall evaluate the degree of risk posed by the particular Red Flag(s).
   
b. In determining an appropriate response, any aggravating factors, such as additional known Red Flags increasing the risk of identity theft should be considered.
   
c. Appropriate responses to a Red Flag may include the following:
   
i. Monitoring the Covered Account for evidence of identity theft;
   
   A. The Cooperative will mark accounts in such a manner so as to make it known to the CSR or other employee reviewing
this account of any previous Red Flag concerns.

ii. Contacting the member/member;

iii. Changing any passwords, security codes, or other security devices that permit access to the Covered Account;

iv. Reopening the Covered Account with a new account number;

v. Not opening a new Covered Account;

vi. Closing an existing Covered Account;

vii. Not attempting to collect on a Covered Account or not referring a Covered Account to a debt collector;

viii. Notifying law enforcement; or

ix. Determining that no response is warranted under the particular circumstances.

5. Record Management

a. The Cooperative shall maintain records of the information used to verify the applicant’s identity, including name, address and other identifying information as applicable and used by the Cooperative to verify a person’s identity.

b. If a government agency provides the Cooperative with a list of known or suspected terrorists, the Cooperative shall consult such list to determine whether the applicant appears on such list.

C. SERVICE PROVIDERS

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

2. Where appropriate, the Cooperative shall require by contract that service providers have policies and procedures to detect relevant Red Flags that may arise during performance of the services, and to either report the occurrence of the Red Flags to the Cooperative or to take appropriate steps to prevent or mitigate identity theft.
D. MEMBER REPORTS

1. Use of Member Reports. Member Reports shall be used only in connection with the extension of credit, the extension of or provision of services to a member/member, to review an account to determine if the member/member meets the terms of the account and for such other legitimate Cooperative purposes as may be approved by Cooperative senior management.

2. Notice of Adverse Actions. If the Cooperative takes an adverse action based on a Member Report, then the Corporation shall provide written notice either via U.S. Mail or electronic notice (e.g. email) to the applicant, which shall include notice of the adverse action; the name, address and toll-free telephone number of the CRA that provided such report; a statement that the CRA did not make the decision to take adverse action and is unable to provide the member/member with specific reasons why the action was taken, and notice of the member/member’s right to obtain a free copy of such report from the CRA within 60 days and to dispute the accuracy or completeness of such report, as required by applicable federal Member Credit Protection laws (15 U.S.C.A §§ 1681m and 1681j).

3. Notice of Address Discrepancy

   a. If the Cooperative receives a notice of address discrepancy from a CRA, the Cooperative must reasonably confirm the identity and address of the applicant.

   b. The employee receiving the notice of address discrepancy shall report the notice to a supervisor or other management level staff.

   c. Employees who are notified of the notice of address discrepancy shall take reasonable steps to verify the identity of the applicant by verifying the information provided by the CRA with the member/member or comparing other information maintained by the co-op about the member/member (e.g., change of address notification, account records, service application, etc.).

   d. If the Cooperative obtains adequate confirmation to form a reasonable belief that the applicant is the same person listed in the notice of address discrepancy (Member Report), then the Cooperative shall document how it resolved the address discrepancy and may proceed to open the account or to take the requested action.
e. If the Cooperative is unable to form such a reasonable belief regarding the identity of the applicant, then the Cooperative shall respond appropriately under the circumstances, such as not opening an account for the applicant, closing an existing account, or taking other actions as determined appropriate based on the circumstances.

E. FURNISHING INFORMATION

1. When furnishing information to a CRA, the Cooperative shall: report accurate information; correct and update incomplete or inaccurate information; report accounts closed voluntarily by the member/member; and report delinquent accounts that have been placed for collection, charged to profit or loss or subject to a similar action.

2. The Cooperative shall not furnish information to a CRA if the furnisher has reasonable cause to believe such information is inaccurate.

F. UPDATE AND COMPLIANCE REPORTS

1. The Identity Theft Prevention Program and the defined Red Flags should be reviewed and updated periodically based upon the following:

   a. Experiences of the Cooperative with identity theft;
   b. Changes in methods of identity theft;
   c. Changes in methods to detect, prevent, and mitigate identity theft;
   d. Changes in the types of accounts that the Cooperative offers or maintains; and
   e. Changes in the Cooperative’s business arrangements which would impact the Identity Theft Prevention Program, such as service provider arrangements.

2. Staff responsible for implementation of the Identity Theft Prevention Program shall provide compliance reports at least annually to the General Manager regarding the Cooperative’s compliance with applicable law.

3. The General Manager shall review the compliance reports and take appropriate action, if required.
4. Compliance reports should address material matters related to the Identity Theft Prevention Program and evaluate issues such as:

   a. The effectiveness of the Cooperative’s policies and procedures;
   b. Service provider arrangements;
   c. Significant incidents involving identity theft and management’s response; and
   d. Recommendations for material changes to the Identity Theft Prevention Program.

G. SOCIAL SECURITY NUMBERS

   1. The Cooperative shall not require member/members to transmit a Social Security Number via the internet unless the transmission is secure or encrypted.

   2. The Cooperative shall not require member/members to use a Social Security Number to access its website unless coupled with a Personal Identification Number or other method of identification.

   3. The Cooperative may require a Social Security Number to establish or terminate an account, to contract for services, or to confirm the accuracy of a Social Security Number on file.

   4. The Cooperative may use Social Security Numbers for internal administrative or verification purposes.

III. RESPONSIBILITY

   A. The General Manager shall be responsible for implementation, administration and review of the Identity Theft Prevention Program.

   B. The General Manager may suggest changes to the Identity Theft Prevention Program and guidelines, as necessary to address changing identity theft risks, for the Board’s review and consideration.

   C. The General Manager may assign the specific responsibility of implementation to members of the staff of the Cooperative.
D. The General Manager shall oversee applicable service provider arrangements and staff training as necessary to facilitate effective implementation and oversight of service providers.

Adopted: October 6, 2008
Effective: November 1, 2008

Attested: [Signature]
Secretary
POLICY NO. 775

CONSTRUCTION STANDARDS

POLICY:

All utility plant construction completed for the Cooperative utilizing cooperative construction crews or under contractual agreements shall meet or exceed the requirements of the then current edition(s) of the following:

- National Electrical Safety Code (NESC)
- USDA Rural Utilities Service (RUS) Specifications and Drawings for Underground Electric Distribution
- USDA RUS Specifications and Drawings for 12.5/7.2 kV Line Construction
- Any Other Bulletins, Rules, etc. published by USDA RUS Requiring Borrowers to Utilize specific materials, equipment, configurations, etc. in the construction or utility plant
- Any variances requested by the Cooperative and approved by RUS

The Cooperative shall periodically review the materials and construction specifications and shall designate or standardize on specific equipment and materials to be used in the construction of utility plant. These equipment and materials are identified in the Standardized List of Construction Materials and Equipment. This Standardized List of Construction Materials and Equipment shall be reviewed by staff and updated as necessary annually.

The appropriate Cooperative staff shall review, upon receipt, Publications and recommendations received from RUS. All RUS requirements shall be addressed or incorporated into the Standardized List of Construction Materials and Equipment upon completion of the review and evaluation of the notice. Recommendations received from RUS shall be reviewed by Cooperative staff and acted upon within 60 days of receipt. These requirements shall be reviewed at least annually with Cooperative Construction, Engineering, Construction Observers, Work Order Inspectors and Metering personnel.

The Cooperative staff may review documented theoretical and practical evaluations of procedures or processes regarding line design, construction, equipment and materials and may periodically institute changes which are not in conflict with any of the above requirements. Where the changes are in conflict with the above requirements and Cooperative staff believes that they may be an improvement of the approved line design, construction, equipment or materials the staff may apply to USDA RUS for a variance to utilize the procedure or process.

When construction is undertaken through and under contractual arrangements with an independent entity, the Cooperative shall provide personnel to serve as construction
observers to document and assure that the construction is in accordance with the required
specifications. All construction shall be inspected in accordance with RUS requirements.

It is recommended that Engineering and Construction Supervisory personnel attend
NESC update courses when new codes are published. It is also recommended that
Engineering personnel attend refresher courses on staking and line design at least every
four years.

Adopted: January 4, 2010

Attested:

Secretary
Illinois Electric Cooperative, Inc. has standardized on certain materials to minimize inventory costs. This has also resulted in Illinois REC’s standardization on certain materials and equipment for construction of specific units, etc. The following materials and equipment are stocked for normal use in construction:

Materials
- Poles – Class 6, 5, 4 and 3

- Conductor
  - Primary Conductor
    - Overhead – ACSR #2, 1/0, 4/0 and 336
    - Underground – URD #2 and 4/0.
  - Secondary Conductor
    - Overhead
      - Single Phase – Triplex #2, 1/0 and 4/0
      - Three Phase – Quadruplex 1/0 and 4/0
    - Underground
      - Single Phase – URD Triplex 4/0 and 350mcm
      - Three Phase – URD Quadruplex 1/0

- Miscellaneous Materials
  - Grounds
    - Ground Rods – 10 foot
    - Soft Copper - #6 and #1
  - Jumpers
    - Soft Copper - #4, 3/0, and 2/0
    - Aluminum - ACSR #2, 4/0 and 336
  - Deadend Cross Arms – 10-foot Apitong Arms

- Air Gap Switches
  - All air gap switches shall be properly sized Loadbreak Switch as manufactured by Bridges Electric, Inc.

1. Transformers
   a) Overhead – All transformers shall be CSP
   b) Underground/Padmount includes
      i) Bushing inserts
      ii) Internal fuses
      iii) Loop Feed Capability
      iv) Mounted on fiberglass vaults

Unit Construction

2. Underground Protection
a) Underground circuits shall be protected with lightning arresters on both sides of take-offs from overhead lines

3. Standard Primary Line Construction
   a) Overhead Construction
      i) Single Phase Construction Units
         (1) Poles – 35-foot class 5
         (2) Conductor - #2 ACSR, #1/0
         (3) Grounds - #6 soft copper
         (4) Jumpers - #2 AL or #4 CU
      ii) Three Phase Construction Units
         (1) Poles – 35-foot class 3
         (2) Conductor - #4/0 ACSR
         (3) Grounds - #1 soft copper
         (4) Jumpers - #4/0 AL or #3/0 CU
   b) Underground Construction
      i) Single Phase Construction Units
         (1) Conductor - #2 AL URD
         (2) Grounds - #6 soft copper
         (3) Jumpers - #2 AL or #4 CU
      ii) Three Phase Construction Units
         (1) Conductor - #4/0 AL URD, #336
         (2) Grounds - #1 soft copper
         (3) Jumpers - #4/0 AL or #3/0 CU

   a) Overhead Construction
      i) Single Phase Construction Units
         (1) Poles – 35-foot class 5
         (2) Conductor - #2 AL Triplex
         (3) Grounds - #6 soft copper
      ii) Three Phase Construction Units
         (1) Poles – 35-foot class 3
         (2) Conductor - #4/0 AL Quadruplex
         (3) Grounds - #1 soft copper
   b) Underground Construction
      i) Single Phase Construction Units
         (1) Conductor - #2 AL URD Triplex
         (2) Grounds - #6 soft copper
      ii) Three Phase Construction Units
         (1) Conductor - #4/0 AL URD Quadruplex
         (2) Grounds - #1 soft copper

5. Point of Service
   a) Meter Poles (Where Required)
      i) Single Phase – 30-foot Class 6
      ii) Three Phase
         (1) < 55 kVa – 35-foot Class 5
         (2) => 55kVA – 35 Class 3

General Standards and Requirements
1. Primary three phase conductors shall be sized based upon load (current operating or projected). Existing peak circuit loading shall not exceed 75% of conductor ampacity.
2. Secondary conductors shall be sized based upon connected load.
3. Meter poles shall be installed only where multiple load centers are served from that point of service.
4. Additional height poles shall be installed where equipment or vehicular traffic is likely. Minimum installed pole sizes shall be 40-foot at locations adjacent to field entrances, road crossings, grain bins or similar features. Meter poles at locations serving multiple load centers shall be 35-foot or taller depending on the types of traffic accessing the area of the meter pole.
5. URD conductors insulation shall be:
   a) Primary - 220 mil EPR
   b) Secondary - Supertuff XLP

Other Specific Items
   Regulators
   Reclosers
   Cap Banks
   Controls
POLICY NO. 800

SHARED SERVICES

PURPOSE:

With the changing cost of providing services by stand alone managers or Cooperative subsidiaries or other statewide or national Cooperatives themselves, there may be benefits derived by entering into a Shared Management Agreement from time to time for the benefit of the membership consistent with the Cooperative principles. Illinois Electric Cooperative will work with other Cooperatives and its subsidiaries to enhance service for both the membership and the Cooperatives involved.

POLICY:

1. Arrangements may be made for the management of Cooperative subsidiaries or the subsidiaries of Cooperative sub-subsidiaries to allow for the most efficient means of operating those businesses utilizing our Cooperative’s workforce, knowledge and management staff. Arrangements to manage the subsidiaries of the Cooperative or the subsidiaries of the Cooperative’s sub-subsidiaries must be in writing and must account for a reasonable return on the time expended by Cooperative employees or management staff in managing these subsidiaries. The Illinois Electric Cooperative Board of Directors shall be informed of the arrangements, their intended results and the ways in which success can be measured through these management services. All management agreements with Cooperative subsidiaries shall be approved by the Cooperative Board of Directors.

2. From time to time it will be more efficient and beneficial to the Cooperative and our membership to combine services with another statewide, individual or national Cooperative. The shared services will be identified to the Board of Directors where they will be informed of the arrangements, the intended results and the ways in which success shall be measured through the shared services. Board approval is required prior to entering into any agreement for sharing management services between Cooperatives. All agreements must be in writing to be executed by the Board of their designee.

Adopted: January 5, 2009

Attested: [Signature]
Secretary
POLICY NO. 900

COOPERATIVE SUBSIDIARIES

POLICY:

1. All non-electric entities shall be created and shall exist to achieve the goals of the Cooperative.
2. Each subsidiary shall provide full and complete reporting to the Cooperative Board of Directors. This reporting shall consist of meeting minutes; financial statements by company, by product and consolidated financial statements; and, regular management reports. The members of the Cooperative Board of Directors shall be entitled to attend all subsidiary board meetings. Notice of subsidiary board meetings shall be provided to each member of the Board of Directors of the Cooperative.
3. Each subsidiary shall be managed and operated to reflect the values of the Cooperative and may be managed by a Shared Management Agreement or a standard manager. Each subsidiary shall adopt a Code of Conduct identical to that of the Cooperative. All management and operation personnel of the subsidiary shall act in all instances in accord with the Code of Conduct.
4. Each subsidiary shall develop and adhere to a risk management policy. Each such policy shall address all risk reasonably foreseeable to the subsidiary and its operation.
5. The audit process of each subsidiary shall be integrated into the audit process of the Cooperative. The Cooperative shall select the auditor for each subsidiary. The subsidiary audit shall be a consolidated audit with the Cooperative and other Cooperative subsidiaries. The audit committee for the subsidiary shall be the Cooperative’s audit committee. Each subsidiary shall be required to fully and completely cooperate with the auditor. There shall be an expanded scope of an audit for any subsidiary that is involved in the use of financial derivatives.
6. The Board of Directors of each subsidiary that the Cooperative holds a majority of the stock in shall be elected by the Board of Directors of the Cooperative. A non-Cooperative board member may be elected to the Board of Directors of a subsidiary. However, the majority of the members of the Board of Directors of each subsidiary shall be members of the Cooperative’s Board of Directors.
7. These policies adopted by Illinois Electric shall apply to all subsidiaries unless specifically modified by the directors of the subsidiary.

Adopted: January 4, 2010
POLICY NO. 1001

SECURITY AWARENESS PROGRAM

POLICY:

1. The acceptance of electronic payments including credit cards, debit cards, payment cards, electronic checks and all and any other form of payment are critical for the operations of Illinois Electric Cooperative. The information associated with the acceptance of electronic payments including but not limited to account numbers, expiration dates, names, service codes, security codes, addresses, magnetic data and any and all other forms of information and identification characteristics are subject to regulation and control. No employee regardless of job classification may in any way copy, acquire, transmit or remove from the premises of the company any form of information associated with the credit card information. Each employee must exercise strict adherence to these rules. Failure to strictly adhere to this manual will result in disciplinary action up to and including termination of employment and loss of any and all company benefits as well as prosecution under applicable laws.

2. The Cooperative accepts credit cards and other electronic payments for the payment of goods and services provided to the members of the Cooperative. Electronic payments are any form of payment accepted by the Cooperative and associated with digital information which is used for the identification, acceptance, filing, storage or transmittal of payments. Examples of these types of payments include, but are not limited to, credit cards, debit cards, electronic benefit transfers, payment cards, electronic checks, payment wires, SWIFT transfers, money orders and postal orders.

3. Specific employees as required by their specific job function shall have the authority to have access to electronic payment information. This access is determined by management on a need to know basis. Access is restricted to the least amount of access necessary to complete the functions of each job. All employees who are granted access to electronic payment information shall be subject to background checks including criminal, civil and credit upon hiring, upon yearly review and at any other such time that management deems appropriate. Any employee who is granted access to electronic payment information may not share this information with any other employee or vendor or contractor or any other individual or entity without the express written approval of management. Any employee who is granted access to electronic payment information must handle such information with the greatest of care. Any employee who is granted access to electronic payment information must maintain that information in the strictest of confidence and security. All employees must report immediately to management any suspected compromise of electronic payment information.
4. No employee shall copy electronic payment information in any format outside of the specific and strict duties of their job. No employee at any time shall record or copy security codes associated with the acceptance of electronic payments such as CVC and CVV codes. Security codes may be entered into electronic terminals for authorization purposes only and shall not ever be retained. No employee shall at any time remove any electronic payment information from his or her assigned workstations or work routes. No employee at any time shall transport in any manner electronic payment information accept in the strict performance of his or her authorized duties as described in company procedures. No employee at any time shall leave electronic payment information unattended.

5. All employees shall strictly adhere to all security policies and procedures of the Cooperative. Employees shall attend as required the security awareness program as provided by the Cooperative. All employees shall contact their immediate supervisor with questions related to this policy or they may contact Human Resources. No employee shall be held liable for reporting to the Director of Human Resources or Senior Management suspected violations of this policy. All reports of suspected violations will be held in the strictest confidence.

Adopted: September 4, 2012

Attested: [Signature]
Secretary
POLICY NO. 1002

ACCEPTABLE USE

POLICY:

1. Only authorized employees may use credit card processing software or systems.

2. System and Network Activities – The following activities are strictly prohibited, with no exceptions:

   a. Storage of credit card account numbers (PAN’s) on local computers under ANY circumstances.
   b. Credit processing terminal(s) shall only be used as follows:

      i. Processing sales and credits for our business only.
      ii. Never process a transaction for another business for any reason.
      iii. You must be authorized by management to use the terminal(s)
      iv. Settlement of transactions.
   
   c. Cutting and Pasting PAN’s, as this copies them to your computers clipboard and, as such disables their protection.
   d. Violations of the rights of any person or company protected by copyright, trade secret, patent or other intellectual property, or similar laws or regulations.
   e. Exporting software, technical information, encryption software or technology; in violation of applicable federal and state statutes.
   f. Introduction of malicious programs into the network or server (e.g., viruses, worms, Trojan horses, e-mail bombs, etc.) shall be prevented.
   g. Revealing your account password to others or allowing use of your account by others.
   h. Effecting security breaches or disruptions of network communication.
   i. Port scanning or security scanning except by authorized personnel or contractors.
   j. Executing any form of network monitoring which will intercept data not intended for the employee’s use, unless this activity is a part of the employee’s normal job/duty.
   k. Circumventing user authentication or security of any host, network or account.
   l. Launching attacks on other computers or networks, for example, denial of service attacks.
   m. Using any program/script/command, or sending messages of any kind, with the intent to interfere with, or disable, a user’s terminal session, via any means, locally or via the Internet/Intranet/Extranet.
   n. Providing information about, or lists of, employees to outside parties.
   o. Providing information about the Cooperative’s systems or security precautions to unauthorized parties inside or outside the Cooperative.

3. Email and Communications Activities - The following activities are strictly prohibited, with no exceptions:

   a. Sending unsolicited email messages, including the sending of “junk mail” or other advertising material to individuals who did not specifically request such material (email spam).
   b. Sending unencrypted credit card numbers in e-mail or other communication forms such as instant messaging.
c. Saving e-mail received with credit card number. E-mail with credit card numbers must be printed out and immediately deleted.

Adopted: September 4, 2012

Attested: 
Secretary
POLICY NO. 1003

CREDIT CARD DATA SECURITY-NO NETWORK CONNECTION

POLICY:

1. For all Hardware and Software the password shall be changed from the original vendor
default password to a strong password in accordance with the Cooperative requirements for
administrative passwords.

2. Electronic Data Security
   a. Security Codes
      i. Under no circumstances shall the security code, which is sometimes called
         the CVV or CVC value, be stored – EVEN IF ENCRYPTED. This number is
         found printed on the signature block of the card on MasterCard, Visa and
         Discover or printed on the front of American Express cards.
      ii. Employees may collect this value directly from a card or verbally from the
          cardholder over the phone. It may be entered into a terminal or computer
          where it is erased after authorization.
   b. Cardholder information
      i. CARDHOLDER INFORMATION data shall not be stored. This means no
         storage on workstations, laptops or personal computers is permitted, even
         for brief periods of time.
   c. Under no circumstances are the full contents of the magnetic stripe to be recorded
      or stored.
   d. CARDHOLDER INFORMATION is to be encrypted or truncated to the last four
digits at all times when stored.
   e. When data is displayed in reports or on user screens the Cardholder numbers shall
      be masked so that a maximum of the first six (6) and last four (4) digits of the
      number are printed of displayed.
   f. When credit card data is sent over public networks, such as the internet, it must be
      encrypted.
   g. Access control to CARDHOLDER INFORMATION records shall be on a strict
      need-to-know basis only. All other traffic is to be denied unless specifically
      authorized.
   h. Modems are to be set to automatically disconnect from the host when not in use.
   i. Wireless Networks are to be secured according to the company requirements for
      wireless networks.
3. Record Security

a. Prohibited storage
   i. Under no circumstances shall the security code, which is sometimes called the CVV or CVC value, be written down or collected on paper. This number is found printed on the signature block of the card on MasterCard, Visa and Discover or printed on the front of American Express cards.
   ii. Employees may collect this value directly from a card or verbally from the cardholder over the phone. It may be entered into a terminal or computer where it is erased after authorization.
   iii. The PIN number on debit/ATM cards shall not be stored
   iv. If sensitive authentication is received, it shall be immediately delete and processes shall be in place to securely delete the data and verify that it is unrecoverable. This can be verified by the software vendor.
   v. The contents of any information from the magnetic strip, including the card number, and track data, shall not be stored. This includes local files, such as spreadsheets.

b. Paper records of credit card account numbers (cardholder information) shall be stored in locked files when not in use.

c. CARDHOLDER INFORMATION data shall not be left unattended when in use. Employees who must leave the work area while cardholder information records are outside of the locked file shall secure them in a drawer, a locked room or return them to the file.

d. If Cardholder information is part of a data entry or order form they may be destroyed by shredding after data entry and verification

e. Cardholder information received by fax shall be subject to the following:
   i. The fax machine shall be secured or attended while receiving cardholder information.
   ii. Faxes shall be treated the same as paper records.

f. Record and data backup retention and destruction
   i. Records should be retained for no more than 2 years.
   ii. Orders may be destroyed immediately after the transaction is completed unless they are the only transaction record. In that case, they must be retained for 2 years. The cardholder information may be obliterated leaving no more than the last 4 digits of the card number to increase security.
   iii. Records sent to long-term storage shall be shipped in a sealed and locked container and inventoried as to their location and destruction date.
   iv. Destruction shall be performed securely by either an employee or a secure destruction service.
   v. Destruction must be through shredding, incinerating or pulping. In the case of electronic media degaussing may be used.
g. Each employee who handles or uses credit card information or cardholder information data shall be screened appropriately (background check) before being granted access to this data.
   i. Employees who handle one card at a time, in the customer’s presence may be exempted from this requirement at the discretion of management.

4. Encryption of credit card information sent by email, instant messaging or chat.
   a. Proven, standard algorithms should be used as the basis for encryption technologies.
      i. Only necessary services, protocols, daemons, etc. directly necessary for the function of the system may be enabled. All unnecessary services, protocols, daemons, etc. shall be disabled.
      ii. Software applications must use strong encryption.
      iii. Symmetric cryptosystem key lengths must be at least 128 bits.
      iv. The use of proprietary encryption algorithms is not allowed for any purpose, unless reviewed by qualified experts outside of the vendor in question and approved by management.
      v. Encryption keys shall be split between two individuals and stored under lock and key. No single individual is allowed to manually decrypt sensitive files without the knowledge of the other authorized individual.
      vi. CARDHOLDER INFORMATION data is to be encrypted at all times when stored. When data is displayed in reports or on user screens the card number shall be masked so that only the last four (4) digits of the number are printed or displayed.
      vii. Any employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.
      viii. Keys must be changed as deemed necessary and recommended by the associated application (for example, re-keying), preferably automatically at least annually.
      ix. Old keys must be destroyed.
      x. Unauthorized substitution of keys is prohibited.
      xi. Known or suspected compromised keys must be replaced upon discovery.
      xii. Old or invalid keys must be revoked.

5. Non-Console Administrative Access
   a. All non-console or web based administrative access, if applicable, shall be encrypted using technologies such as SSH, VPN, SSL/TLS as follows:
      i. Access shall be encrypted with strong cryptography and a strong encryption method before an administrative password is requested.
      ii. System services and parameter files shall prevent the use of Telnet and other insecure login commands.
      iii. Administrator access to web based management interfaces shall be encrypted with strong cryptography.
6. For cardholder data transmitted across open public networks

**Note:** for payment applications and vendor supplied software it may be necessary to consult the vendor for answers to these questions

a. This section generally refers to your internet browser, such as: Internet Explorer, FireFox, Safari, Chrome, etc. To meet these requirements perform the following:
   i. Make sure that the latest version of the browser is installed and that it is set to automatically update.
   ii. Check your security settings:
      1. Internet Explorer – Click Tools, Advanced, Scroll down to the section titled Security and make sure that the boxes for SSL 3 and TLS 1 are checked.
      2. Safari – Is permanently set for SSL and TLS
      3. Firefox – Click Preferences (Mac) or tools (windows), click Security, Advanced and ensure the boxes for SSL and TLS are checked.
   iii. After verifying these settings, log on to your payment application and verify that the address in the browser begins with https:// and that there is a little padlock icon in the lower right corner and the padlock is closed.
   iv. With these settings properly set, the browse and the secure site will work together to provide the proper encryption strength.

b. Strong cryptography and security protocols, such as SSL/TLS, SSH or IPSEC, shall be used to safeguard sensitive cardholder data during transmission over open, public networks.

   **Examples of open, public networks that are in scope of the PCI DSS include but are not limited to the internet, wireless technologies, Global System for Mobile communications (GSM), and General Packet Radio Service (GPRS).**

c. Only trusted keys and/or certificates shall be accepted.

d. Security protocols shall be implemented to use only secure configurations, and not support insecure versions or configurations.

e. Proper encryption strength shall be implemented for the encryption methodology in use (check vendor recommendations/best practices).

f. To implement the following requirements:
   i. Ensure that HTTPS appears as part of the browser Universal Record Locator (URL).
   ii. Cardholder data shall only be required when HTTPS appears in the URL.
   iii. Industry best practices (for example, IEEE 802.11i) shall be used to implement strong encryption for authentication and transmission for wireless networks transmitting cardholder data or connected to the cardholder data environment.

   **Note:** The use of WEP as a security control was prohibited as of 30 June, 2010.

7. PANs shall be rendered unreadable or secured with strong cryptography whenever they are sent via end-user messaging technologies (for example, e-mail, instant messaging, or chat).
8. Anti-Virus

a. Anti Virus Software shall be installed on all company owned computers.
   i. Administrative default accounts and passwords shall be changed according to the company requirements for administrative user names and passwords.
   ii. Anti-virus software that is capable of detecting, removing and protecting against all known types of malicious software shall be deployed on all systems that are vulnerable.
      1. The anti-virus software shall be set to automatically update. This feature is to be set so the user cannot bypass the updates.
      2. Regardless of automated updates personnel shall ensure that antivirus definitions are up to date.
      3. Automatic scanning shall be enabled.
      4. Anti-virus software shall generate audit logs and shall be retained in accordance with the Access Control Log Policy.

9. For cardholder information shared with vendors the following controls shall be in place:

a. A list of approved vendors and software.
b. Written acknowledgment by the vendor that they are responsible for credit card information in their possession
   c. Prior to engaging the vendor due diligence shall be performed.
   d. Evidence of PCI compliance shall be obtained annually.

Adopted: September 4, 2012
POLICY NO. 1004

FIREWALL AND SECURITY-NO NETWORK CONNECTION

POLICY:

1. Operating systems software applications and hardware software and firmware shall be updated with the latest vendor security patches within one month of release.

2. Hardware Firewalls
   a. For all internet facing routers:
      i. The password shall be changed from the original vendor default password to a strong password in accordance with the Cooperative’s requirements for administrative passwords.
      ii. The routers' firewall shall be set for:
         1. Network Address Translation (NAT).
         2. Stateful packet inspection.
         3. Domain blocking.
         4. Port Blocking
         5. Intrusion detection and blocking shall be turned ON and notifications shall be turned ON.
         6. Inbound and outbound traffic to the cardholder data environment shall be restricted to only that necessary for the cardholder data environment.
         7. All traffic not specifically authorized shall be denied.
         8. Direct connections between the cardholder data environment and the internet shall be prohibited.
      iii. If the router or gateway is not capable of ALL of these items, it must be replaced with one that is.
   
3. Software Firewalls
   a. Operating systems generally have their own firewalls. These firewalls may not be sufficient to protect PAN Data.
   b. The computer containing or accessing the payment application shall have its own firewall.
   c. Before using any firewall ensure that it is capable of:
      i. Blocking both inbound AND outbound traffic.
      ii. Logging intrusion attempts.
      iii. Notifying administrators of intrusion attempts.
d. Software firewall settings are similar in nature to perimeter firewalls. You must verify the following:
   i. You have changed the password from the vendor default password to a strong password in accordance with the Administrative Username and Password Policy
   ii. There is to be NO direct connection to the internet via this type of firewall all internet connections shall be routed through the perimeter router.

e. Verify that the computer’s firewall is set for:
   i. Network Address Translation (NAT).
   ii. The ‘deny all traffic’ setting it should be turned ON, admitting traffic only from internal network addresses.
   iii. Domain blocking.
   iv. Hiding the computers identity from public view.
   v. Intrusion detection and blocking is turned ON and notifications are turned ON.

4. Mobile/Personal Computers

   a. Mobile computers or employee personal computers that can access credit card information shall have a firewall installed and turned on at all times.

5. Changes to Firewalls

   a. The firewall settings shall be documented.
   b. Firewall configuration shall be documented.
   c. Changes to the Cooperative’s firewalls shall be approved and tested and logged.
   d. Firewall configuration shall be reviewed quarterly and documented.
   e. Firewall configurations shall be synchronized to all routers and firewalls.
   f. Router configuration files shall be accessible only to authorized individuals.

6. Unauthorized wireless connections

   a. Unauthorized wireless connections shall be detected and identified by one of the following methods:
      i. Deployment of Intrusion Detection/Prevention software. Software shall be capable of and set to generate alerts.
      ii. Physical inspection of network components for unauthorized devices.
      iii. Any inspection method shall detect WLAN cards, portable wireless devices connected to system components and/or network ports and network devices.
      iv. Automated detection or prevention software or processes shall run continuously. Physical inspections or manual processes shall be performed quarterly.
7. Internal vulnerability scanning shall be performed quarterly by a qualified individual who has organizational independence from the entity or department that has responsibility for the network. This can be done by using software, such as NESSUS. You may need assistance from a vendor to accomplish this.

a. Vulnerabilities identified shall be resolved until a passing result is obtained. Vulnerabilities scoring 4.0 or above on the Common Vulnerability Scoring system (CVSS), found at http://nvd.nist.gov/cvss shall be resolved.
   i. The final report of a passing scan shall be retained as evidence of meeting this requirement.

b. External vulnerability scanning shall be performed quarterly or at any time a new system or software is installed by an Approved Scan Vendor (ASV) listed by the PCI Security Standards Council at https://www.pcisecuritystandards.org/
   i. Vulnerabilities identified shall be resolved until a passing result is obtained.
   ii. The final report of a passing scan shall be retained as evidence of meeting this requirement.
   iii. A list of ports and services used shall be documented.

Attested: ____________________________  
Secretary

Adopted: September 4, 2012
POLICY NO. 1005

INCIDENT RESPONSE

POLICY:

1. The following items are considered incidents:
   a. Theft or loss of paper records containing credit card information.
   b. Theft or loss of electronic media or devices containing credit card information.
   c. Successful intrusion attempts whether discovered or reported through alerts from monitoring systems.
   d. Discovery of an unauthorized wireless device.

2. If a breach is discovered or suspected, take immediate action as follows:
   a. Remove the affected computer from the network by disconnecting its cable.
   b. Do not turn the machine off, log on to it or modify it in any way.
   c. Notify the Incident Response Team Chairman.
   d. Identify the path of the breach and block it, if possible.
   e. If using wireless – Change the SSID
   f. Preserve all logs and data.
   g. Log all actions taken.

3. Incident Response Team actions.
   a. Determine the extent of the breach.
   b. Notify executive management.
   c. Make required notifications according to local, state and federal laws and your merchant services contract.
      i. You are required to notify your merchant bank within 24 hours of discovering or suspecting a breach.
   e. Follow all instructions received from the merchant bank without delay.

4. Incident response plan must be tested annually.

5. A review of incidents and tests is to be conducted to identify improvement opportunities to this plan.

Attested: [Signature]

Secretary

Adopted: September 4, 2012
POLICY NO. 1006

POLICY MANAGEMENT AND TRAINING

POLICY:

1. Policy Implementation
   a. Policies must be approved by The Policy Committee and The Board of Directors prior to implementation.
   b. Approved versions of all policies will remain in effect until a new version of the policy is approved.

2. Training
   a. All employees must read all policies that apply to their job responsibilities.
   b. A record shall be maintained for each employee indicating that the employee has read and understood each policy they are required to read.
   c. Employees must be made aware of and must read and acknowledge new versions of policies as they become implemented.

3. Third Parties
   a. All third party resources must read all policies that apply to their responsibilities.
   b. A record shall be maintained for each third party resource indicating that they have read and understood each policy they are required to read.
   c. Third parties must be made aware of and must read and acknowledge new versions of policies as they become implemented.
   d. All contracts, statement of works and other agreements with third parties must include requirement for third party to comply with card association security standards.

4. Security Awareness
   a. A security awareness program including information on handling credit cards and credit card information must be conducted annually for all employees and third party system users.

5. Annual Review
   a. All policies must be reviewed annually and updated as required to satisfy then current requirements.

Adopted: September 4, 2012
Revised: September 7, 2016

Attested: [Signature]
Secretary
POLICY NO. 1007

USER ANTI-VIRUS POLICY

POLICY:

1. All employees shall observe the following:
   
a. NEVER open any files or macros attached to an email from an unknown, suspicious or untrustworthy source. Delete these attachments then immediately then empty your Trash Folder.
   
b. Delete spam, chain, and other junk email without forwarding.
   
c. Never download files from unknown or suspicious sources.
   
d. Avoid direct disk sharing with read/write access unless there is a business requirement to do so.
   
e. Always scan a CD, DVD or floppy diskette from an unknown source for viruses before using it.
   
f. Employees are forbidden from using a computer that does not have updated anti-virus software installed.
   
g. Employees are forbidden from disabling anti-virus software in any way.

Adopted: September 4, 2012
POLICY NO. 1008

WIRELESS POLICY

POLICY:

1. For all Hardware and Software- the password shall be changed from the original vendor default password to a strong password in accordance with the Cooperative’s requirements for administrative passwords.

2. Wireless Routers.
   a. Wireless router shall use WPA encryption.
   b. Network name shall not be broadcast by setting Broadcast SSID to OFF or choosing the “private network” setting.
   c. Wireless access must be restricted to authorized devices only by specifying MAC address.
   d. Wireless routers, access points and handheld devices must be secured so that they are accessible only to authorized individuals.
   e. For Wireless devices connected to the cardholder environment or transmitting cardholder data defaults shall be changed as follows:
      i. Encryption keys shall be changed from default at installation and anytime someone with knowledge of the keys leaves the company.
      ii. Simple Network Management Protocol (SNM0) community strings shall be changed on all wireless devices.
      iii. Default passwords/passphrases on access points shall be changed.
      iv. Firmware shall be updated on all wireless devices to support strong encryption for transmission of cardholder data.
      v. Any other applicable security related wireless defaults shall be changed.
   
   f. A wireless network scan shall be performed monthly to detect unauthorized wireless devices.
   
g. There shall be a firewall between the perimeters of the cardholder environment and the wireless network that denies or controls traffic to the cardholder environment to only the traffic necessary for business.

Adopted: September 4, 2012
POLICY NO. 1009

INTERNET AND E-MAIL ACCEPTABLE USE POLICY

PURPOSE:
This Internet and External E-mail Acceptable Use Policy (AUP) was developed to help Illinois Electric Cooperative employees optimize their use of the internet, protect confidential information of the company and others, preserve and enhance the company’s image, and minimize costs associated with internet usage.

SCOPE:
The AUP was developed for all business unit personnel who access, either directly or indirectly, the internet or any public networked or dial-in system. The AUP applies under these circumstances:

- When Illinois Electric Cooperative personnel provide or acquire information through access to any external public computer system using company provided access accounts or company provided equipment.
- When people identify themselves as associated with the company (i.e., officers, employees, and contractors) in their personal use of individually acquired access accounts to public computer systems.

POLICY:
Our electronic mail capabilities have become integral to our internal communications. Increasingly, however, e-mail is becoming a preferred medium for external business communication, either via the internet or other public computer systems. Further, internet access has become increasingly important to many employees conducting business on behalf of the company. While the internet provides tremendous business and learning opportunities, it is important that employees be aware of the risks associated with external e-mail and internet access.

DEFINITIONS:
- **Providing/Transmitting information** - This includes: answering questions; sending e-mail; uploading files; posting information; instant messaging; and creating personal web pages.
- **Acquiring information** - This includes: asking questions and searching for information; receiving e-mail; downloading files; instant messaging; and surfing the World Wide Web (WWW).
- **Public computer systems** – This covers all publicly accessible computer systems and on-line services, including:
  - Internet e-mail;
  - Internet service providers;
  - Bulletin boards;
  - Real-time IRC (chat) sessions;
  - World Wide Web (WWW);
  - File Transfer Protocol (FTP).
- **Spam**: Unsolicited "junk" e-mail sent to large numbers of people to promote products or services. Sexually explicit unsolicited e-mail is called "porn spam." Also refers to inappropriate promotional or commercial postings to discussion groups or bulletin boards.
PROCEDURES:

General Security Policy

PROHIBITED ACTIVITIES

The following activities are prohibited when using company-provided access accounts or equipment, or when identifying yourself as associated with the company when using an individually acquired access account on a public computer system.

- Providing any information that, intentionally or otherwise, violates any applicable local, state, national, or international law, or any rules or regulations promulgated thereunder.
- Harming, or attempting to harm, minors in any way.
- Transmitting any information that threatens or encourages bodily harm or destruction of property.
- Transmitting any information that harasses another person.
- Downloading, transmitting, or possessing pornographic or sexually explicit materials.
- Making fraudulent offers to sell or buy products, items, or services, or to advance any type of financial scam such as pyramid schemes, Ponzi schemes, 419 scams, unregistered sales of securities, securities frauds, or chain letters.
- Transmitting any unsolicited commercial or bulk email (spam), or activities that have the effect of facilitating spam. Collecting, or attempt to collect, personal information about third parties without their knowledge or consent.
- Adding, removing, or modifying identifying network, message, or article header information in an effort to deceive or mislead.
- Attempting to impersonate any person by using forged headers or other identifying information. The use of anonymous remailers or nicknames does not constitute impersonation.
- Accessing, or to attempting to access, the accounts of others, or penetrating or attempting to penetrate security measures of Illinois Electric Cooperative's or another entity's computer software or hardware, electronic communications system, or telecommunications system, except with the expressed permission of the company owning the system being accessed.
- Any activity which adversely affects the ability of other people or systems to use Illinois Electric Cooperative's Services or the internet. This includes excessive consumption of network or system resources whether intentional or unintentional. This also includes "denial of service" (DoS) attacks against another network host or individual user. Interference with or disruption of other network users, network services, or network equipment is prohibited.

PROPRIETARY INFORMATION

Obey all copyright laws. It is prohibited to use Illinois Electric Cooperative services to transmit any information that infringes any copyright, trademark, patent, trade secret, or other proprietary rights of any third party, including, but not limited to, the unauthorized copying of copyrighted material, the digitization and distribution of photographs from magazines, books, or other copyrighted sources, and the unauthorized transmittal of copyrighted software.

Questions concerning copyright compliance should be directed to the legal group in your region. Special note: Although material may be available for "free" on the internet, you do not have the legal right to copy it. Compare the internet to a bookstore - you are free to browse as much as you like, but you are not welcome to make copies. Obtain the copyright holder's written permission before copying from the internet or other public computer system.
Do not transmit proprietary or confidential materials of Illinois Electric Cooperative over any public computer system unless properly encrypted. Electronic communications between people within the company should be made using the company's e-mail system as opposed to individual internet addresses.

No client-related information of any kind and no confidential information pertaining to others (i.e., suppliers, vendors, or alliance partners) is to be sent over any public computer system unless the client or other third party has specifically agreed, in writing and in advance, to the company's use of the public computer system for confidential communications, and then only if the agreed upon procedures are observed (i.e., encryption).

Electronic Mail Policy

When communicating via e-mail or any public computer system, all of the company's existing professional standards for written communications apply.

Accessing the internet and other public computer systems for non-business use is generally not allowed when using either company provided access accounts or company provided equipment. Please contact the Network Administrator of the organization for exceptions.

Ensure that the addressed recipients of your e-mail really are the intended recipients. There is no way to verify users' names or affiliations from their e-mail addresses.

Internet Access Policy

MAILING LISTS
Requests for mailing lists or other similar services should be made for business purposes only. Exercise caution and be very selective when subscribing to any of these services.

Check all internal sources for information before subscribing to any mailing list.

Ensure that you know how to unsubscribe from a mailing list before requesting a subscription.

FORUMS
When participating in a forum, obey all rules and ensure that you read 'Frequently Asked Questions' (FAQ's). Many newsgroups have charters, published guidelines, FAQs, or "community standards" describing what is and is not considered appropriate.

SECURITY
Immediately inform the IT services group of any communication, system problem or other circumstance that you think may indicate a breach of security or other risk to the integrity of the company's system.

The internet is not a secure environment. Do not assume any activities are private.

There is no way to prevent the redistribution of e-mail messages. Never assume that any message is a one-time, one-to-one communication.
Do not enable any program or macro/agent to automatically forward e-mail to or via the internet or any other external system.

If you suspect that your internet password and ID have become compromised, immediately request a new password and ID from your local administrator. (Internet passwords and IDs should be treated with the same precaution as a telephone calling card number or an Automatic Teller Machine personal identification number).

Do not transmit IDs, passwords, internal network configurations or addresses, or system names over the internet.

Do not leave your computer unattended while connected to the internet.

When possible, users should connect to the Internet through the company's internet gateway, not via a modem.

**SYSTEM INTEGRITY**

Verify that the company's current standard antivirus software is installed on your computer. Ensure that you scan all files attached to external e-mail as well as any files downloaded from an external system.

No workstation may maintain a peer-to-peer connection with any other workstation while connected to the internet or any other external system.

Exercise caution when downloading large files (i.e., over 1 MB, including text and multimedia files). Downloading large files can take a long time and therefore degrade network performance for everyone on the network.

The company's computer networks (including all media and data paths facilitated by the company), and the messages and information residing on or exchanged through them, are the property of the company. Management tools are used to track usage and log network activity, which is audited by company personnel.

**Compliance and Guidance**

Company personnel are expected to exercise good judgment and act in a professional manner whenever accessing the internet or any other external system. Please be aware that disciplinary actions, ranging from the revocation of your internet access to dismissal, may result from failure to adhere to any policy contained in the AUP. If there is any doubt or question concerning whether to use the internet or another external system, please ask your Network Administrator.

The AUP is in addition to, and is not meant to supersede, any other policies, procedures, or standards applying to communications between the company and others. The AUP may be modified or replaced as circumstances change and/or as assessments of risks and benefits develop.

**Who to contact:**
Network Administrator
PASSWORD POLICY

PURPOSE
Passwords are a critical part of information and network security. Passwords serve to protect user accounts, but a poorly chosen password, if compromised, could put the entire network at risk. As a result, all employees of Illinois Electric Cooperative are required to take appropriate steps to ensure that they create strong, secure passwords and keep them safeguarded at all times. The purpose of this policy is to set a standard for creating, protecting, and changing passwords such that they are strong, secure, and protected.

SCOPE
This policy applies to all employees of Illinois Electric Cooperative who have or are responsible for a computer account, or any form of access that supports or requires a password, on any system that resides at any Illinois Electric Cooperative facility, has access to the Illinois Electric Cooperative network, or stores any non-public Illinois Electric Cooperative information.

POLICY

General
1. Passwords must be changed every 90 days.

2. Old passwords cannot be re-used for a period of 15 months.

3. Users will be notified 1 week in advance of password expiration date. At this time, users will be prompted to select a new password.

4. All passwords must conform to the guidelines outlined below.

Password Construction Guidelines
Passwords are used to access any number of company systems, including the network, e-mail, the Web, and voicemail. Poor, weak passwords are easily cracked, and put the entire system at risk. Therefore, strong passwords are required. Try to create a password that is also easy to remember.

1. Passwords should not be based on well-known or easily accessible personal information.

2. Passwords must contain at least XX characters.

3. Passwords must contain at least XX numerical character (e.g. 5).

4. Passwords must contain at least XX special character (e.g. $).

5. Passwords must not be based on a users’ personal information or that of his or her friends, family members, or pets. Personal information includes logon ID, name, birthday, address, phone number, social security number, or any permutations thereof.

6. Passwords must not be words that can be found in a standard dictionary (English or foreign) or are publicly known slang or jargon.
7. Passwords must not be based on publicly known fictional characters from books, films, and so on.

8. Passwords must not be based on the company’s name or geographic location.

Password Protection Guidelines

9. Passwords should be treated as confidential information. No employee is to give, tell, or hint at their password to another person, including IT staff, administrators, superiors, other co-workers, friends, or family members, under any circumstances.

10. If someone demands your password, refer them to this policy or have them contact the network administrator.

11. Passwords are not to be transmitted electronically over the unprotected internet, such as via e-mail. However, passwords may be used to gain remote access to company resources via the company’s IPsec-secured Virtual Private Network or SSL-protected Web site.

12. No employee is to keep an unsecured written record of his/her passwords, either on paper or in an electronic file. If it proves necessary to keep a record of a password, then it must be kept in a controlled access safe if in hardcopy form or in an encrypted file if in electronic form.

13. Do not use the “Remember Password” feature of applications.

14. Passwords used to gain access to company systems should not be used as passwords to access non-company accounts or information.

15. If possible, don’t use the same password to access multiple company systems.

16. If an employee either knows or suspects that his/her password has been compromised, it must be reported to the network administrator and the password changed immediately.

17. The network administrator may attempt to crack or guess users’ passwords as part of its ongoing security vulnerability auditing process. If a password is cracked or guessed during one of these audits, the user will be required to change his or her password immediately.

ENFORCEMENT

Any employee who is found to have violated this policy may be subject to disciplinary action, up to and including, termination of employment.
REMOTE ACCESS POLICY AND AGREEMENT

PURPOSE
The purpose of this policy is to define standards, procedures, and restrictions for connecting to Illinois Electric Cooperative's internal network(s) from external hosts via remote access technology, and/or for utilizing the internet for business purposes via third-party wireless internet service providers (a.k.a. "hotspots"). Illinois Electric Cooperative’s resources (i.e. corporate data, computer systems, networks, databases, etc.) must be protected from unauthorized use and/or malicious attack that could result in loss of information, damage to critical applications, loss of revenue, and damage to our public image. Therefore, all remote access and mobile privileges for Illinois Electric Cooperative employees to enterprise resources – and for wireless internet access via hotspots – must employ only company-approved methods.

SCOPE
This policy applies to all Illinois Electric Cooperative employees, including full-time staff, part-time staff, contractors, freelancers, and other agents who utilize company- or personally-owned computers to remotely access the organization’s data and networks. Employment at Illinois Electric Cooperative does not automatically guarantee the granting of remote access privileges. Any and all work performed for Illinois Electric Cooperative on said computers by any and all employees, through a remote access connection of any kind, is covered by this policy. Work can include, but is not limited to, e-mail correspondence, Web browsing, utilizing intranet resources, and any other company application used over the internet. Remote access is defined as any connection to Illinois Electric Cooperative’s network and/or other applications from off-site locations, such as the employee’s home, a hotel room, airports, cafés, satellite office, wireless devices, etc.

SUPPORTED TECHNOLOGY
All remote access will be centrally managed by Illinois Electric Cooperative’s network administrator and will utilize encryption and strong authentication measures. Remote access connections covered by this policy include, but are not limited to, internet dial-up modems, frame relay, ISDN, DSL, VPN, SSH, cable modems, proprietary remote access/control software, etc.

ELIGIBLE USERS
All employees requiring the use of remote access for business purposes must go through an application process that clearly outlines why the access is required and what level of service the employee needs should his/her application be accepted. Application forms must be approved and signed by the employee’s unit manager, supervisor, or department head before submission to the network administrator.
Employees may use privately owned connections (under ‘Supported Technology’) for business purposes. If this is the case, the network administrator must approve the connection as being secure and protected. However, the company’s network administrator cannot and will not technically support a third-party ISP connection or hotspot wireless ISP connection. All expense forms for reimbursement of cost, if any, incurred due to remote access for business purposes (i.e. internet connectivity charges) must be submitted to the appropriate unit or department head. Financial reimbursement for remote access is not the responsibility of the network administrator.
POLICY AND APPROPRIATE USE
It is the responsibility of any employee of Illinois Electric Cooperative with remote access privileges to ensure that their remote access connection remains as secure as his or her network access within the office. It is imperative that any remote access connection used to conduct Illinois Electric Cooperative business be utilized appropriately, responsibly, and ethically. Therefore, the following rules must be observed:

18. Employees will use secure remote access procedures. This will be enforced through public/private key encrypted strong passwords in accordance with Illinois Electric Cooperative’s password policy. Employees agree to never disclose their passwords to anyone, particularly to family members if business work is conducted from home.

19. All remote computer equipment and devices used for business interests, whether personal or company-owned, must display reasonable physical security measures. Computers will have installed whatever antivirus software deemed necessary by the network administrator.

20. Remote users using public hotspots for wireless internet access must employ for their devices a company-approved personal firewall, VPN, and any other security measure deemed necessary by the network administrator. VPNS supplied by the wireless service provider should also be used, but only in conjunction with Illinois Electric Cooperative’s additional security measures.

- Hotspot and remote users must disconnect wireless cards when not in use in order to mitigate attacks by hackers, wardrivers, and eavesdroppers.
- Users must apply new passwords every business/personal trip where company data is being utilized over a hotspot wireless service, or when a company device is used for personal Web browsing.

21. Any remote connection (i.e. hotspot, ISDN, frame relay, etc.) that is configured to access Illinois Electric Cooperative resources must adhere to the authentication requirements of the network administrator. In addition, all hardware security configurations (personal or company owned) must be approved by the network administrator.

22. Employees and contractors will make no modifications of any kind to the remote access connection without the expressed approval of the network administrator. This includes, but is not limited to, split tunneling, dual homing, non-standard hardware or security configurations, etc.

23. Employees and contractors with remote access privileges must ensure that their computers are not connected to any other network while connected to Illinois Electric Cooperative’s network via remote access, with the obvious exception of internet connectivity.

24. In order to avoid confusing official company business with personal communications, employees, and contractors with remote access privileges must never use non-company e-mail accounts (eg. Hotmail, Yahoo, etc.) to conduct Illinois Electric Cooperative business.

25. No employee is to use internet access through company networks via remote connection for the purpose of illegal transactions, harassment, competitor interests, or obscene behavior, in accordance with other existing employee policies.
26. All remote access connections must include a “time-out” system. In accordance with Illinois Electric Cooperative’s security policies, remote access sessions will time out after 15 minutes of inactivity, and will terminate after 4 hours of continuous connection. Both time-outs will require the user to reconnect and re-authenticate in order to re-enter company networks.

27. If a personally- or company-owned computer or related equipment used for remote access is damaged, lost, or stolen, the authorized user will be responsible for notifying their manager and network administrator immediately.

28. The remote access user also agrees to immediately report to their manager and the network administrator of any incident or suspected incidents of unauthorized access and/or disclosure of company resources, databases, networks, etc.

29. The remote access user also agrees to and accepts that his/her access and/or connection to Illinois Electric Cooperative’s networks may be monitored to record dates, times, duration of access, etc., in order to identify unusual usage patterns or other suspicious activity. As with in-house computers, this is done in order to identify accounts/computers that may have been compromised by external parties.

30. If a remote user is not an employee and will be remoting into the network unmonitored by an employee, then that user must have appropriate approval and must use Illinois Electric Cooperative’s VPN service.

31. If a remote user is not an employee but is monitored by an employee, then third party remote access tools may be used other than Illinois Electric Cooperatives VPN service.

POLICY NON-COMPLIANCE
Failure to comply with the Remote Access Policy and Agreement may result in the suspension of remote access privileges, disciplinary action, and possibly termination of employment.
NETWORK USER AGREEMENT

I hereby acknowledge that I have read and understand the Network Acceptable Use Policies of Illinois Electric Cooperative. I agree to abide by these policies and ensure that persons working under my supervision abide by these policies. I understand that if I violate such rules I may face legal or disciplinary action according to applicable laws or departmental policy. I hereby agree to indemnify and hold Illinois Electric Cooperative and its officers, trustees, employees, and agents harmless for any loss, damage, expense or liability resulting from any claim, action or demand arising out of or related to the user’s use of Illinois Electric Cooperative owned computer resources and the network, including reasonable attorney fees. Such claims shall include, without limitation, those based on trademark or service mark infringement, trade name infringement, copyright infringement, unfair competition, defamation, unlawful discrimination or harassment, and invasion of privacy.

Name ______________________________________

Signature ____________________________________

Date _________________________________________