

October 2016

WEST OREGON ELECTRIC COOPERATIVE, INC.
VERNONIA, OREGON

POLICY NO. 105

BOARD OF DIRECTORS - CONSULTANT RELATIONSHIP

I. Objectives

- A. To provide for the functions of consultants employed by the cooperative on a contract or as-needed basis.
- B. To recognize the basis of need for continuing guidance in the ordinary and special activities of the cooperative to insure maximum protection of the cooperative and to maintain operations within the limits of law, and state or national rules and regulations.

II. Reporting Relationships

Reports to:

- A. Board of directors on issues of policy or strategic importance. Attendance at regular and special meetings of the board of directors may be requested, where the consultant will be called upon to render their professional opinion on issues within their field of expertise.
- B. General manager on issues affecting operating management.

III. Functions

- A. Engineering

The cooperative engineer shall advise the board of directors and management on issues pertaining to compliance with engineering and construction standards. These standards shall include, without limitation, the National Electric Safety Code, state or local codes and the Rural Utilities Service specifications. Included in these functions is the responsibility for providing engineering services to comply with the above standards including the development of construction work plans, work order inspections and other projects as directed by the general manager.

- B. Other

Special projects or circumstances may require the board to hire a consultant on a one-time or limited basis.

IV. Review Date

The provisions of this policy should be reviewed at the first board of directors meeting two years after last revision or review.

Date Adopted: 07/15/97

Attested: s/ Sam Hearing, Secretary

Date Revised: 07/20/99

Attested: s/ Sam Hearing, Secretary

Date Reviewed: 07/17/01

Attested: s/ Sam Hearing, Secretary

Date Revised: 07/17/03

Attested: s/Dixie London, President

Date Revised: 10/19/04

Attested: s/Randall Aultman, Secretary

Date Revised: 07/19/05

Attested: s/Randall Aultman, Secretary

Date Reviewed: 10/17/06

Attested: s/Randall Aultman, Secretary

Date Reviewed: 10/21/08

Attested: s/Dixie London, Secretary

Date Revised: 10/19/10

Attested: s/Bob Paleck, Secretary

Date Reviewed: 10/16/12

Attested: s/ Mary Van Dyken, Secretary

Date Reviewed: 10/21/14

Attested: s/ Larry Averitt, Secretary

Date Reviewed: 10/25/16

Attested: _____

Larry Averitt, Secretary

WEST OREGON ELECTRIC COOPERATIVE, INC.
VERNONIA, OREGON

POLICY 110

Director Duties & Standards of Conduct

I. Objective

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

II. Preamble

All of the powers of the Cooperative 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 Cooperative's bylaws. It is the purpose of this policy to identify and establish standards whereby such authority may be exercised in the best interests of the Cooperative.

III. Policy Content:

A. Legal Duties – Directors are subject to legal standards of fiduciary responsibility. These include the duties of care, loyalty and obedience. 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, work session, committee meeting, or special meeting.
4. Study and adhere to all obligations imposed by the Cooperative's articles of incorporation, bylaws and policies adopted by the board of directors.

Under the duty of loyalty, directors are required to:

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

Under the duty of obedience, directors are required to:

1. Obey the law, the articles of incorporation, the bylaws and their own board policies.
2. Not make any decisions that are either themselves illegal or that will cause the Cooperative to do something illegal.
3. Mandate necessary records and record keeping, internal procedures, policies and compliance programs.

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.

C. Conflict of Interest

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

The board of the Cooperative has resolved that the statements contained in the following paragraphs will serve as a guide to directors in the governance of the affairs of the Cooperative:

1. Directors are prohibited from receiving gifts, fees, loans, or favors from suppliers, contractors, consultants or financial houses, which obligates or induces them to compromise their responsibility to negotiate, obligate, inspect or audit, or award contracts, with the best interests of the Cooperative uppermost in mind. This does not prohibit receiving gifts of nominal value or casual entertainment that meet all standards of ethical business conduct, and involve no element of concealment. However, directors are required to submit a disclosure report (Attachment A) if the actual or estimated value of any gifts or casual entertainment exceeds \$75.00. Disclosure reports will be presented to the President of the board with copies distributed to each director and filed with the Cooperative's controller.
2. The complete confidentiality of proprietary business information must be respected at all times
3. Directors are prohibited from acquiring or having a financial interest in any property that the Cooperative acquires or in a supplier, contractor, consultant or other entity with which the Cooperative does business. This does not prohibit the ownership of securities in publicly-owned companies except where such ownership places the director in a position to materially influence or affect the business relationship between the Cooperative and such publicly-owned company. Any other interest in or relationship with an outside organization or individual having business dealings with the Cooperative is prohibited if this interest or relationship might tend to impair the ability of the director to serve the best interests of the Cooperative.
4. If members of the immediate family of a director have a financial interest as specified above, such interest shall be fully disclosed to the board. The remaining directors shall decide if such interest should prevent the Cooperative from entering into a particular transaction, purchase or employment of services. The term "immediate family" means children or their spouse, husband, wife, domestic partner, sister, brother, parents, foster or stepparents, grandparents, aunts, uncles, mother or father-in-law, sister or brother-in-law, or any relative residing in a director's household.
5. Directors of the Cooperative are expected to conduct themselves in a manner that avoids situations that might be construed as conflicts of interest, including actual or potential conflicts not specifically described in this policy.
6. When a conflict of interest exists the director shall declare the nature of the conflict and recuse him or herself on any official action involving the conflict. The director shall not be present during board discussion or voting on the matter.

D. Director Access to Cooperative Information -In fulfillment of their duties, Directors will often be provided information that is proprietary to the Cooperative

or its contractors, affiliates and other business partners, and information that is personal to Cooperative members, personnel and other entities. Further, any director is entitled to have access to proprietary Cooperative data or information, at reasonable times during the business hours for a proper purpose that is germane to the directors standing as a member or director. For these purposes, all such information listed in the preceding paragraph shall be collectively referred to as "Confidential Information." "Director access to Confidential Information is subject to the following

1. All requests for information, and access to Cooperative resources such as personnel and services, shall be made to and through the General Manager orally or in writing and, if orally confirmed in writing as soon as reasonably practicable. In any event, such request shall be promptly disclosed to all other board members in writing by fax, e-mail or other means of prompt disclosure. In no case shall such information be sought through other employees, agents or independent contractors (unless after consultation with, and being advised in writing by, the Cooperative's attorney that actual or potential criminal activity of the General Manager is involved).
2. Confidential Information received by a director pursuant to this policy shall not be revealed by him or her to any other persons (except to the remaining directors, General Manager and Cooperative attorney).
3. In the event that Confidential Information received by a director is sought by any governmental entity, authority or instrumentality, or is subject to future disclosure in litigation or by court order, the affected director shall, as soon as practicable, promptly notify the Cooperative General Manager of such situation. The Cooperative Manager may, under circumstances where consultation of the board would be impracticable, cause a motion for protective order to be filed with the applicable court pending disclosure to the board.
4. Directors shall not be required to maintain confidentiality of Confidential Information that (1) is known to any affected director without any restriction on disclosure or use at the time it is furnished, (2) is or becomes generally known to the public without a breach of the director's obligations to Cooperative, or (3) is received from a third party without any limitation on disclosure at the time such disclosure has occurred.
5. In no case should a director reveal to others information or data he or she receives if the actual or potential effect of such revelation is to damage the Cooperative, including its reputation and image, or to enable him or her and/or others to personally profit or benefit in any way therefrom.

E. 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 or her views, questions and concerns relating to the Cooperative’s policies, rate and programs. Good faith and fair play require:

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

IV. Compliance with Policies and Bylaws

All members of the Board shall at all times honor and comply with the Policies of the Board and shall comply with the Bylaws of the Cooperative. If a director violates any Policies or the Bylaws, such director may be subject to sanctions by the Board, including a private or public censure, a written admonition, removal from any Board office, removal as representative from other entities such as ORECA and PNGC, being prohibited from participating in executive sessions and being prohibited from attending regular or special meetings of the Board. Before imposing any of the foregoing sanctions, the Board shall consider the severity of the offense, whether the violation was intentional or unintentional, the number of violations, the willingness of the offending member to come into compliance with the Policies and Bylaws and the potential harm to the Cooperative as a result of the violations.

V. Policy Implementation and Responsibility

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

VI. Review Date:

The Cooperative's attorney shall review this policy with the board of directors on an annual basis and discuss any personal liability and conflict of interest implications resulting from violations.

Date Adopted: 10/19/04
 Date Reviewed: 10/17/06
 Date Reviewed: 10/21/08
 Date Reviewed: 10/19/10
 Date Revised: 10/16/12
 Date Revised: 05/20/14
 Date Reviewed: 10/21/14

Attested: s/ Randall Aultman, Secretary
 Attested: s/ Randall Aultman, Secretary
 Attested: s/ Dixie London, Secretary
 Attested: s/ Bob Paleck, Secretary
 Attested: s/ Marty Van Dyke, Secretary
 Attested: s/ Larry Averitt, Secretary
 Attested: s/ Larry Averitt, Secretary

Date Revised: 10/25/16

Attested: _____
 Larry Averitt, Secretary

Attachment A

Policy 110 Director Duties & Standards of Conduct

Gift and Entertainment Disclosure Report

This report is required consistent with West Oregon Electric Cooperative's Policy 110, Director Duties & Standards of Conduct, Section III. C.1. That provision states:

Conflict of Interest

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

Director receiving gift or entertainment

Date Received

Supplier/vendor providing gift or entertainment

Nature of business

\$ _____

Form of gift or entertainment

Value (actual or estimated)

Comments: _____

Director's signature Date

President's signature Date

Attachment B

**Policy 110
Director Duties & Standards of Conduct**

Policy Affirmation Statement

By my signature below, I certify and affirm that I have received, read and understand West Oregon Electric Cooperative Policy 110, Director Duties & Standards of Conduct, and support the provisions therein and agree to abide by them fully.

Director, nominee or appointee

Date

WEST OREGON ELECTRIC COOPERATIVE, INC.
VERNONIA, OREGON

POLICY NO. 111

Legal Representation and Use of Attorneys

I. Objective

The Board of Directors of West Oregon Electric Cooperative, Inc. (“Board”) recognizes that competent legal representation and effective use of attorneys are critical to the successful operation of West Oregon Electric Cooperative (“WOEC”). Although an attorney or law firm retained or employed by WOEC (“Attorney”), and the Attorney’s representation of WOEC, are governed by the 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 WOEC and WOEC’s use of the Attorney.

II. Policy

A. General Counsel WOEC shall retain or employ an Attorney to continually provide general legal services to WOEC (“General Counsel”). General legal services, may include, but are not limited to: (1) attending, and drafting or reviewing minutes of all meetings of the Board and all annual and special meetings of WOEC 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; and (5) providing legal services regarding general business, cooperative, tax and electric utility law.

B. Special Counsel As reasonably necessary, and following consultation with the General Counsel, WOEC may retain or employ an Attorney to provide special legal services to WOEC (“Special Counsel”). Special legal services require competence in a particular field of law and include, but are not limited to: (1) representing WOEC 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.

C. Competent Legal Representation and Conflicts of Interest An Attorney shall provide competent legal representation to WOEC, and shall have or acquire the appropriate knowledge, skills, time and qualifications necessary to provide competent legal representation. 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 WOEC owns an interest (“Affiliated Entity”) only if the Attorney complies with these conflict of interest requirements. An Attorney shall inform WOEC’s general manager (“Manager”) in writing of any other entity engaged in generating, transmitting, distributing, marketing or selling electric energy to which the Attorney provides legal services.

D. Retaining, Employing and Discharging Attorney The Board shall make decisions regarding retaining, employing and discharging 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, WOEC may discharge the Attorney.

E. Directing Attorney Only the Board, the Board President or the Manager may request that an Attorney provide legal services to WOEC. As requested by an Attorney, and as reasonably necessary or helpful in providing legal services to WOEC, WOEC 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 WOEC. In consultation with the Board or as directed by the Board, the Manager shall direct an Attorney. In providing legal services to WOEC, and subject to the Board or Manager’s direction, an Attorney may act on WOEC’s behalf in any manner reasonably believed to be in WOEC’s best interest. No WOEC director, officer employee, consultant, agent or representative may interfere with the Attorney’s ability to exercise independent professional judgment and render candid advice.

F. Attorney fee and Expenses WOEC shall pay an Attorney a reasonable fee and reasonable expenses. An Attorney shall provide legal services for WOEC in a cost-effective and efficient manner. The Manager may pay an Attorney monthly fees and expenses as approved by the board.

G. WOEC as Client In providing legal services to WOEC, an Attorney Represents WOEC as client, acting through its authorized directors, officers, employees and members. In representing WOEC, an Attorney does not represent WOEC’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 represents an Affiliated Entity and the Attorney may represent individual WOEC directors, officers, employees and members in matters related to the Attorney’s representation of WOEC.

H. Attorney/Client Privilege Confidential communications between WOEC, 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 WOEC are protected by the attorney-client privilege. WOEC’s directors, officers, employees, consultants, agents and representatives shall not disclose these communications to third parties, other than those to whom disclosure is

made in furtherance of the provision of legal services, or those reasonably necessary for transmitting the communications. To the extent these communications are disclosed to WOEC employees, consultants, agents or representatives, they must only be disclosed to individuals who reasonably need to know of the communications.

I. 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 WOEC. For decisions regarding the matter to be made by WOEC, the Attorney shall explain the matter to the Board and the Manager to the extent reasonably necessary to permit WOEC to make an informed decision.

J. Reliance In providing legal services to WOEC, an Attorney may rely upon information provided by WOEC, unless the Attorney knows that the reliance is unwarranted. In performing his or her duties, a WOEC director, officer or employee 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.

K. 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 or material breach of duty, or evidence of an actual or intended violation of law or breach of duty likely to result in substantial injury to WOEC, by WOEC or by any WOEC director, officer, employee, consultant, agent or representative ("Evidence"), then the Attorney shall report the Evidence to the General Manager. 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 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 WOEC, 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 to the Evidence or if the General Counsel believes it is reasonably necessary in the best interest of WOEC, 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 of the Attorney-reported Evidence, then the Attorney shall inform the Board or the Audit Committee of this belief.

III. Responsibility

The Board is responsible for compliance with this policy. The Manager is responsible for communicating with an Attorney regarding the Attorney's provision of legal services to WOEC.

Date Adopted 10/19/04
Date Reviewed: 10/17/06
Date Reviewed: 10/21/08
Date Revised: 10/19/10
Date Reviewed: 10/16/12
Date Reviewed: 10/21/14

Attested: s/Randall Aultman, Secretary
Attested: s/Randall Aultman, Secretary
Attested: s/Dixie London, Secretary
Attested: s/Bob Paleck, Secretary
Attested: s/Marty Van Dyken, Secretary
Attested: s/Larry Averitt, Secretary

Date Reviewed: 10/25/16

Attested: _____
Larry Averitt, Secretary

WEST OREGON ELECTRIC COOPERATIVE, INC.
VERNONIA, OREGON

POLICY NO. 312

IDENTITY THEFT PREVENTION & RED FLAG ALERTS

I. Objectives

- A. To take all reasonable steps to detect, prevent, and mitigate the theft of West Oregon Electric members' personal information – commonly known as Identity Theft.
- B. To comply with all applicable laws and regulations.

II. Definitions

Red Flag - A pattern, practice or specific activity that indicates the possible existence of Identity Theft.

Identity Theft - A fraud committed or attempted using the identifying information of another person without authority.

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

III. Determining Identity of Members

- A. West Oregon Electric shall obtain identifying information and make a good faith attempt to verify the identity of a person opening an account. Prospective members who wish to receive electric service must submit a membership application with the following information:
 - 1. Name and date of birth of adult household members on the account;
 - 2. Address location where service shall be provided;
 - 3. Previous address;
 - 4. Contact and billing information; and
 - 5. The applicant may also be asked to present to the Customer Service Representative a valid Government issued photo identification as proof of identity.
- B. West Oregon Electric will authenticate members and customers, monitor transactions and verify the validity of change of address requests, in the case of existing accounts.

IV. Preventing and Mitigating Identity Theft

- A.** West Oregon Electric will never provide Social Security Numbers or Tax Identification Numbers to members, either verbally or in writing, even where a member is asking for their own information.

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

- C.** West Oregon Electric has various business relationships with third party contractors. Under these business relationships, the third party contractor has access to member information covered under this Policy. The General Manager shall ensure that the third party contractor's work for the utility is consistent with this policy by:
 - 1. Amending the contract to incorporate these requirements; or
 - 2. By determining that the third party contractor has reasonable alternative safeguards that provide the same or a greater level of protection for member information as provided by the utility

V. Protecting Information

- A.** Methods for Accessing Accounts - Members may access information related to their accounts using the following methods:
 - 1. In person at West Oregon Electric with a picture identification;
 - 2. Over the telephone after providing a Customer Service Representative with certain identifying information, such as the caller's date of birth and/or the address and telephone number of the service location.

VI. Red Flags

- A.** Alerts, notifications, and warnings - Alerts, notifications, or other warnings received from consumer reporting agencies or service providers, such as fraud detection services can be Red Flags for Identity Theft. Such alerts, notifications and warnings include:
 - 1. A fraud or active duty alert is included in a consumer report;

2. A consumer reporting agency provides a notice of credit freeze in response to a request for a consumer report;
3. A consumer reporting agency provides a notice of address discrepancy;
4. A consumer report indicates a pattern of activity that is inconsistent with the history and usual pattern of activity of an applicant or member, such as:
 - a) A recent and significant increase in the volume of inquiries;
 - b) An unusual number of recently established credit relationships;
 - c) A material change in the use of credit, especially with respect to recently established credit relationships; or
 - d) An account that was closed for cause or identified for abuse of account privileges.

Required Response: In the event a consumer report indicates an information discrepancy, it will be reported to management for further review and verification of the potential member's information, including verifying identification in person at the cooperative's offices.

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

Required Response: Customer Service Representatives and other personnel of West Oregon Electric shall report to management when it appears that account documents have been altered or forged when compared to other documents in a member's file. It shall also be brought to management's attention immediately if any member presents an invalid identification, or identification that appears forged for the purpose of obtaining access to account information.

- C. Suspicious Personal Identifying Information** - Presentation of suspicious information occurs when:
1. Personal identifying information provided is inconsistent when compared against external information sources. For example:
 - a) The address does not match any address in the consumer report; or
 - b) The Social Security Number has not been issued, or is listed on the Social Security Administration's Death Master File.

2. Personal identifying information provided by the member is not consistent with other personal identifying information provided by the member. For example, there is a lack of correlation between the Social Security Number range and date of birth.
3. Personal identifying information provided is associated with known fraudulent activity as indicated by internal or third-party sources, for example:
 - a) The address on an application is the same as the address provided on a fraudulent application; or
 - b) The phone number on an application is the same as the number provided on a fraudulent application.
4. Personal identifying information provided is of a type commonly associated with fraudulent activity as indicated by internal or third-party sources , for example:
 - a) The address on an application is fictitious, a mail drop, or a prison; or
 - b) The phone number is invalid, or is associated with a pager or answering service.
5. The Social Security Number provided is the same as that submitted by other persons opening an account or other members.
6. The address or telephone number provided is the same as or similar to the account number or telephone number submitted by an unusually large number of other persons opening accounts or other members.
7. The person opening the account fails to provide all required personal identifying information on an application or in response to notification that the application is incomplete.
8. Personal identifying information provided is not consistent with information that is on file with West Oregon Electric.
9. The person opening the account or the member cannot provide authenticating information beyond that which generally would be available from a wallet or consumer report in response to a challenge question.

Required Response: Access to account information will be permitted in person at West Oregon Electric only after verifying the member's identity through photo identification. Access to member account information via telephone or internet shall require the member to verify his or her identity using information that would only be known to the member as reflected in the member's account. Customer Service Representatives will make note in a member's file when there is a lack of correlation between information provided by a member and information contained in a file for the purposes of gaining access to account information. Information will not be given without first clearing any discrepancies in the information provided.

- D. Unusual or Suspicious Activity** – Unusual or suspicious activities include:
1. Shortly following the notice of a change of address for a member account, the Cooperative receives a request for the addition of authorized users on the account.
 2. Mail sent to the member is returned repeatedly as undeliverable although transactions continue to be conducted in connection with the member's covered account.
 3. The Cooperative is notified that the member is not receiving their bill.
 4. The Cooperative is notified of unauthorized charges or transactions in connection with the member's account.
 5. Payments are made in a manner associated with fraud. For example, deposit or initial payment is made and no payments are made thereafter.
 6. An existing account with a stable history shows irregularities.

Required Response: Customer Service Representatives will note unusual use of accounts, or suspicious activities related to accounts. Customer Service Representatives shall also notify management when there are an unusually high number of inquiries on an account, coupled with a lack of correlation in the information provided by the member.

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

Required Response: Upon notice from a member, law enforcement authority, or other persons that one of its members may be a victim of Identity Theft, West Oregon Electric will contact the member directly in order to determine what steps may be necessary to protect any member information in the possession of the Cooperative. Such steps may include, but not limited to, setting up a new account for the member with additional identifying information that may be identified only by the member, in order to protect the integrity of the member's account.

VII. Updating and Administering the Policy

- A.** West Oregon Electric will review and update this policy annually to determine whether it has experienced any Identity Theft of its members' accounts, whether changes in the methods of Identity Theft require updating, or whether changes are necessary to detect, prevent, and mitigate Identity Theft.
- B.** Oversight of the Policy will be as follows:
1. This Policy will be managed by the General Manager of the Cooperative. The General Manager has authority to delegate oversight and compliance to other individuals at the senior management level. The General Manager is responsible for reviewing staff and management reports regarding compliance with this Policy.
 2. Reports.
 - a) Management personnel assigned responsibility under this Policy will prepare a report, at least annually, regarding the

implementation and progress of this Policy for review by the General Manager. The General Manager may, at his or her discretion, bring any issues related to the Policy to the attention of the Board of Directors for review.

- b) The report will include a discussion of the progress of the implementation and effectiveness of the Policy; ongoing risk level of Identity Theft of member information; potential changes to the Policy and other operation practices of the utility to further the goal of protecting member's personal information; and, identification and discussion of instances of Identity Theft of the utility's members.
- c) The Cooperative will retain copies of the five (5) most recent annual reports prepared under this Policy.

VIII. Review

The provisions of this policy should be reviewed at the first board of directors meeting each year after last revision or review.

Date Adopted: 10/21/08

Attested: s/ Dixie London, Secretary

Date Reviewed: 10/20/09

Attested: s/ Bob Paleck, Secretary

Date Revised: 10/19/10

Attested: s/ Bob Paleck, Secretary

Date Reviewed: 10/25/11

Attested: s/ Bob Paleck, Secretary

Date Reviewed: 10/16/12

Attested: s/ Marty Van Dyken, Secretary

Date Reviewed: 10/15/13

Attested: s/ Marty Van Dyken, Secretary

Date Reviewed: 10/21/14

Attested: s/ Larry Averitt, Secretary

Date Reviewed: 10/27/15

Attested: s/ Larry Averitt, Secretary

Date Reviewed: 10/25/16

Attested: _____
Larry Averitt, Secretary

WEST OREGON ELECTRIC COOPERATIVE, INC.
VERNONIA, OREGON

POLICY NO. 504

DAMAGE TO MEMBER PROPERTY

I. Objective

To establish a policy in regards to the payment of damage claims submitted by members, for damage to their property resulting from small localized occurrences.

II. Policy Content

- A. The cooperative will at all times maintain liability insurance that will pay for damage to property caused by negligence or improper acts on the part of the cooperative. It will be the responsibility of the member to submit a written damage claim to the cooperative.
- B. If damage occurs to electric or electronic equipment through the cooperative's electrical system due to natural events ("Acts of God") and the cooperative is not negligent or otherwise responsible, there will be no reimbursement.
- C. The cooperative will not pay for claims where the cooperative has no record of an occurrence that may have caused the damage or for damage resulting from actions of the public, other utilities, or power suppliers.
- D. Any payment or payments under this policy shall be at the cooperative's sole discretion.
- E. The cooperative will not pay for claims to repair concrete walks, concrete patios, asphalt driveways, etc. that were necessarily damaged while repairing the cooperative's electrical facilities.

III. Responsibility

The board of directors will be responsible for any changes or revisions to this policy. The general manager will be responsible for carrying out this policy.

IV. Review Date

The provisions of this policy will be reviewed at the first Board of Directors meeting two years after last revision or review.

Date Adopted: 09/23/97

Attested: s/ Sam Hearing, Secretary

Date Reviewed: 09/15/98

Attested: s/ Sam Hearing, Secretary

Date Reviewed: 09/19/00

Attested: s/ Sam Hearing, Secretary

Date Revised: 09/17/02

Attested: s/ Sam Hearing, Secretary

Date Reviewed: 09/21/04

Attested: s/ Randall Aultman, Secretary

Date Reviewed: 09/26/06

Attested: s/ Randall Aultman, Secretary

Date Reviewed: 09/23/08

Attested: s/ Dixie London, Secretary

Date Reviewed: 09/28/10

Attested: s/ Bob Paleck, Secretary

Date Reviewed: 09/18/12

Attested: s/ Bob Paleck, Secretary

Date Reviewed: 09/16/14

Attested: s/ Larry Averitt, Secretary

Date Revised: 10/25/16

Attested: _____

Larry Averitt, Secretary