

POLICY NO. 10-120

REVISION DATE: June 22, 2010

SUBJECT: ACTIVITIES AND CONDUCT OF INDIVIDUAL BOARD MEMBERS

I. PURPOSE

All of the powers of the Cooperative are conferred upon the Board of Directors except as reserved to the members By-Laws, Articles of Incorporation or the By-Laws. It is the purpose of this policy to establish standards so such power will be exercised in the best interest of the Cooperative.

II. POLICY CONTENT

A. GENERAL CONDUCT OF DIRECTORS

Directors should conduct themselves personally and professionally in accordance with the highest moral and ethical standards and avoid the appearance of any conduct inconsistent with such standards.

B LOYALTY OF THE COOPERATIVE

It is the fundamental of corporate law that a director owes a duty to the corporation. The director should, therefore, abide by the decisions made by the board. However, this policy does not preclude a dissenting director from disclosing to member/owners that he or she dissented on a particular decision and why.

C. GOOD FAITH AND FAIR PLAY

It is also a fundamental of corporate law that every director shall deal in good faith and fair play with every other director and the General Manager. Good faith and fair play require:

1. That directors reveal all information or interest, which

they may have that may bear upon action being considered by the board or the General Manager

2. That each director allow ample opportunity for every other director to be heard on any matter being considered by the board, and listen carefully to the judgment and views as well as the factual observations of the other directors.
3. That directors should not pursue a position, inquiry, recommendation or motion to unduly harass or annoy other directors, the General manager, the system employees or independent contractors.
4. That director communications with employees, other than the General Manager, shall be casual and conducted on a friendly and courteous basis. Communications should not be for the purposes of influencing an employee's position or attitude concerning Cooperative related activities, or concerning management, operational and employee relations or personnel issues, or seeking system information or data, which should be requested to discuss their concern with the appropriate manager or supervisor.

III. RESPONSIBILITY

Implementation of this policy shall be the responsibility of the Board of Directors.

President

Secretary

Date