

KOOTENAI ELECTRIC COOPERATIVE, INC.

Policy No. 3-16

- I. SUBJECT: Suspension and Expulsion of Members
- II. OBJECTIVE: To set forth specific grounds and the procedure for suspension and expulsion of a member.
- III. POLICY:
 - A. Authority. As provided in the By-Laws, the Board of Directors may, by a two-thirds (2/3) vote, expel any member who has violated or refused to comply with any of the provisions of the Articles of Incorporation, the By-Laws, or rules and regulations adopted from time to time by the Board of Directors.
 - B. Action in Lieu of Expulsion. In its discretion, the Board of Directors may, in lieu of expelling a member, suspend his or her membership rights, or warn the member.
 - C. Specific Acts which Warrant Suspension or Expulsion. The following specific acts are grounds for expelling or suspending a member:
 1. Assault, battery or threat by a member on or to a Cooperative employee which occurs during the course of employment, or which occurs outside the course of employment but which is related to acts taken by the employee during the course of, and within the scope of, employment, and which assault, battery or threat is committed without justification. As used herein:
 - a. Assault occurs when a member commits a nonconsensual act, other than the mere speaking of words, which directly or indirectly puts the employee in apprehension of an immediate harmful or offensive contact if the member intends thereby to inflict a harmful or offensive contact upon the employee, or to put the employee in apprehension of such contact.

- b. Battery occurs when the member directly or indirectly does an act which causes a harmful contact to an employee, if the act is done with the intention of bringing about a harmful or offensive contact, or with the intent of causing apprehension thereof by the employee, and which act is committed without the consent of the employee.
 - c. Threat occurs when a member willfully makes a communication to an employee, threatening to take the life of, or inflict bodily harm upon, the employee when such communication would cause a reasonable person to be placed in apprehension of death or bodily harm. As used herein, “communication” means words (including words which are spoken or written or which appear in an electronic format) or acts, depictions, or gestures directed to an employee by a member.
 - 2. Malicious injury to Cooperative property. “Malicious” means acting intentionally to harm or destroy without justification or excuse.
 - 3. Refusal to allow the Cooperative’s agents and employees access to the Cooperative’s facilities located on the member’s real property for the purpose of, but not limited to, installation, inspection, maintenance and meter reading.
 - 4. Power diversion in an illegal manner as provided in section 18-4621 of the Idaho Code as is currently in effect or as is hereafter amended.
- D. Other Grounds for Expulsion. The grounds for expulsion set forth in III.C. are not intended as the exclusive grounds for suspending or expelling a member. Other acts of sufficiently egregious nature which are a violation of the Articles of Incorporation, By-Laws, or the rules and regulations adopted by the Board of Directors are also grounds for expulsion.

E. Administrative Actions.

1. In the event the General Manager recommends suspension or expulsion of a member, the General Manager shall present specific facts justifying suspension or expulsion to the Board.
2. If the Board of Directors, by a two-thirds (2/3) affirmative vote of the entire Board, makes a preliminary determination that suspension or expulsion appears warranted based upon the facts presented to it, the Cooperative shall send written notice of proposed suspension or expulsion by first-class or certified mail to the member, addressed to the last address of the member as shown on the Cooperative's records, not less than fifteen (15) days prior to the date set for the suspension or expulsion. The notice shall contain the reasons for the proposed suspension or expulsion and advise the member that he or she shall have an opportunity to present relevant facts, orally or in writing, not less than five (5) days prior to the effective date of suspension or expulsion. Failure to appear or to present a written statement shall be considered acceptance of the reasons contained in the Cooperative's notice for suspension or expulsion. If the member elects to have an oral presentation, the member shall appear in person and may not be represented solely by a third party. The Board shall consider any facts presented by the member and any additional facts that may be presented by management and then vote on whether to suspend or expel the member.
3. In the event a member is expelled, he may be reinstated as a member at any annual meeting or special meeting of the members. The action of the members with respect to reinstatement shall be final.

F. Effect of Expulsion.

1. An expelled member shall forfeit all rights and privileges of membership, including the right to receive electric service from the Cooperative, provided that such person shall not forfeit the right to receive a distribution of capital credits held in his name if and when capital credits are declared payable by the Board of Directors.

2. Expulsion shall not relieve a member from any obligations the member may have incurred or contracted with the Cooperative prior to suspension or expulsion.
3. If only one member of a joint membership is expelled, such expulsion shall be effective as to both of the joint members.
4. A person who has been expelled, or the person who was a joint member with the person expelled, shall not be entitled to apply for or become a member in the Cooperative without the expressed consent of the members by a majority vote at a meeting of the members. If the members never voted on the issue of expulsion or reinstatement, a person expelled may apply for and become a member upon a two-thirds (2/3) affirmative vote by the Board of Directors.

G. Actions in Lieu of Expulsion.

1. Suspension. Suspension of membership rights shall not exceed fifteen (15) days. Suspension shall include a termination of the right to receive electric service and a termination of all other rights and privileges of membership, except the right to receive payment for capital credits if and when capital credits are declared payable by the Board of Directors.
2. Suspension shall not relieve a member from any obligations the member may have to the Cooperative as a result of obligations incurred or commitments made prior to suspension.
3. Warning. The Board of Directors may cause a written warning to be sent by certified mail to the member.
4. Reimbursement/Deposit. The Board of Directors may require in connection with suspending or warning a member that the member reimburse the Cooperative for the cost incurred by the Cooperative as a result of the member's actions including, but not limited to, the actual and reasonable costs of repair, electric service, investigation, and legal fees incurred by the Cooperative. The Board may also require that the member

post a security deposit, reasonable in amount and duration, so as to adequately protect the Cooperative if the member commits a similar violation in the future.

5. Procedure. The procedure set forth in III.E. above shall be followed prior to suspension or expulsion of a member.

IV. RESPONSIBILITY:

The General Manager shall be responsible for presenting a recommendation for expelling, suspending, or warning a member and the facts supporting the recommendation to the Board of Directors. The Board of Directors shall be responsible for the administration of this policy.

Attested: _____
Secretary

Adopted: 08/26/96
Effective: 08/26/96
Amended: 03/14/02