

**BANDERA ELECTRIC COOPERATIVE, INC.**

**POLICY NO. C06-1**

**REVISED Sheet No. 1**

**SUBJECT: Privacy Policy**

**EFFECTIVE: April 18, 2007**

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**I. OBJECTIVE**

1. To establish a written policy regarding protection of Members' personal information.

**II. POLICY**

1. At Bandera Electric Cooperative, Inc. (BEC), we believe that protecting the privacy of the confidential information of our members is an integral part of the service we provide. This privacy policy describes how we handle this confidential information. BEC defines confidential information as:
  - Member's Name
  - Member's Drivers License Number
  - Member's Social Security Number
  - Member's Telephone Numbers
  - Member's Address
  - Member's E-mail Address
  - Member's Banking/Credit Card Information
  - Other Personal Information (e.g. Gate Combinations)
2. We collect personal information, including the social security number of an individual, through our account application process and also through the servicing of a member's account(s) with us. Confidential information is also sometimes collected through other companies, such as credit bureaus.
3. Personal information is used for the purpose of personal identity and credit verification at the time of service application, only to identify members for their protection and for future collection purposes. We do not sell personal information to third parties nor provide personal information to third parties for the purpose of marketing their products.
4. In order to maintain the security of personal information, all personal information in electronic form is stored in password-protected data files within the BEC computerized system. Also, we maintain employee policies and procedures to protect the confidentiality of personal information, and we use technology (such as network firewalls and anti-virus applications) intended to protect against unauthorized access by third parties.

BEC will verify a member's identity by obtaining the last four digits of a member's social security number before releasing member account information.

5. Only BEC employees are authorized to access this information. We also may provide confidential information to third parties acting on BEC's behalf. BEC may disclose confidential information as permitted or required by law, including, for example:
  - to credit reporting agencies
  - to local, state, and federal law enforcement officials in response to requests from regulatory authorities, subpoenas and other legal processes.
  - to collect any outstanding debt for utility services.

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- only the name and mailing address of other members to requesting Members for a Proper Purpose, upon execution of a Non-Disclosure Agreement and pursuant to any other conditions established by the BEC board of directors in its sole discretion. “Proper Purpose” means any of the following: (i) a purpose related to matters to be considered and voted on by members or directors during an upcoming scheduled meeting, (ii) investigation of alleged financial irregularities or mismanagement; or (iii) any purpose deemed a Proper Purpose by the BEC board of directors.
6. Documents containing confidential information will be destroyed in accordance with BEC’s Document Retention Policy.

**III. DISCIPLINARY ACTION**

1. Failure to comply with this Privacy Policy may result in punitive action against the employee, including suspension or termination. Any director violating this policy is subject to immediate discipline. Questions about this policy should be referred to the Finance and Administration Manager or the CEO/General Manager.

**IV. PROVISIONS FOR ENFORCEMENT**

1. The board, CEO/General Manager and department heads shall be responsible for the overall administration and enforcement of this policy.