

Board of Directors Meeting

1:00 p.m., July 30, 2020

Via Conference Call

(808)451-3671

Conference ID: 876 664 310#

AGENDA

1. Roll Call
2. Invocation – Teofilo Tacbian
3. Approval of Agenda
4. Approval of Minutes
 - 06-25-2020 Regular Meeting
5. President’s Report – David Bissell, President and CEO
6. Financial Report – Karissa Jonas, CFO
7. NRECA Hawaii Director Report (David Iha)
8. Committee Reports
 - Executive Committee (Committee Chair, Jan TenBruggencate)
 - Finance & Audit (Committee Chair, Peter Yukimura)
 - Government Relations/Legislative Affairs (Committee Chair, Teofilo Tacbian)
 - International (Committee Chair, David Iha)
 - Member Relations (Committee Chair, Dee Crowell)
 - Policy (Committee Chair, Janet Kass)
 - Strategic Planning (Committee Chair, James Mayfield)
9. Charitable Foundation Board
10. Public Testimony - Testimony must be in written form and received via email at boardchair@hawaii.rr.com no later than Wednesday, July 29, 2020 at 12:00 noon.
11. New Business
 - BP#2, Authority and Responsibility of the Chief Executive Officer (“CEO”) **(Policy, Action Item)**
12. Calendar
 - **August 18, 2020** – Board Committee Meetings (9:00am, [via conference call](#))
 - **August 21, 2020** – HOLIDAY, KIUC Offices Closed

- **August 27, 2020** – Regular Board Meeting (1:00pm, **via conference call**)

13. Executive Session - Pursuant to Board Policy No. 16 the Board may, when deemed necessary, hold an executive session closed to the public on matters limited to those specified in Policy No. 16.

- Legal consultation with regard to ongoing litigation.
- Matters which could affect ongoing or potential negotiations in legal or administrative proceedings
- Hiring, evaluating, dismissing or disciplining an officer or employee.

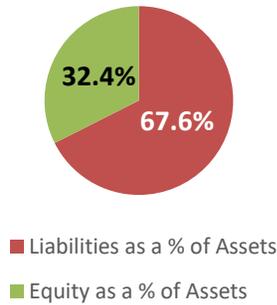
In addition other matters may come before the Board within the parameters of Board Policy No. 16 which need to be discussed in Executive Session.

14. Adjournment – Adjournment scheduled for 3:30 p.m. or before if all business has been concluded by that time. If not, at that time, the Directors may decide by majority vote to adjourn the meeting to a date and time to be determined in order to conclude the business.

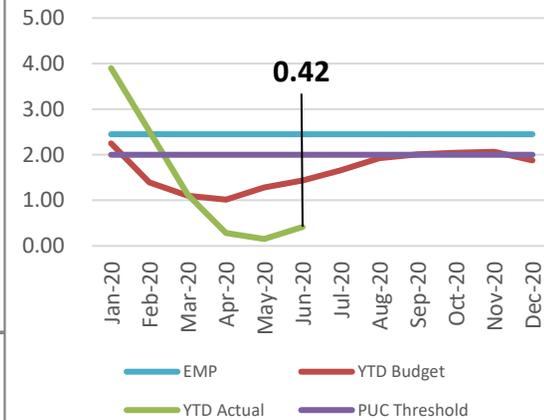
Financial Scorecard

MWh Sales				
Class	YTD Prior Year	YTD Actual		Percent Change
Residential (D)	83,848	84,996	↑	1.4%
Small Comm (G)	32,025	27,547	↓	-14.0%
Large Comm (J)	24,026	22,522	↓	-6.3%
Lrg Pwr Primary (L)	24,025	21,154	↓	-11.9%
Lrg Pwr Secondary (P)	50,003	45,765	↓	-8.5%
Street Lighting (SL)	406	385	↓	-5.0%
Irrigation	150	781	↑	421.0%
Total	214,482	203,150	↓	-5.3%

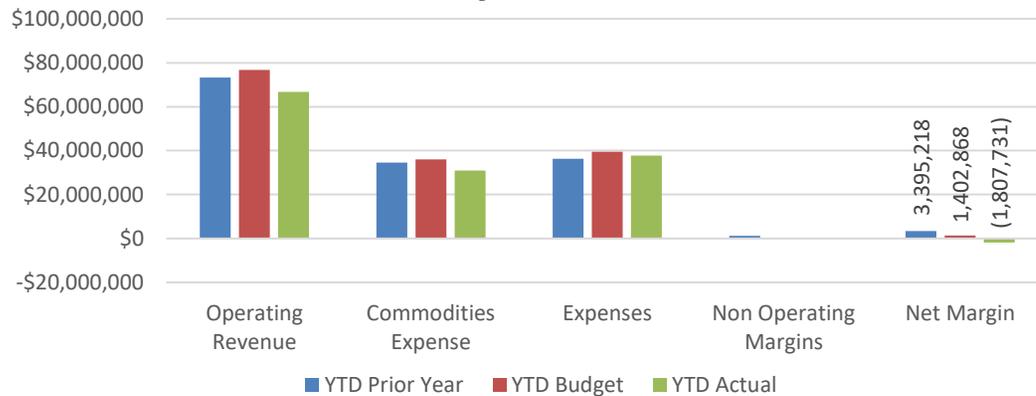
Equity Ratio



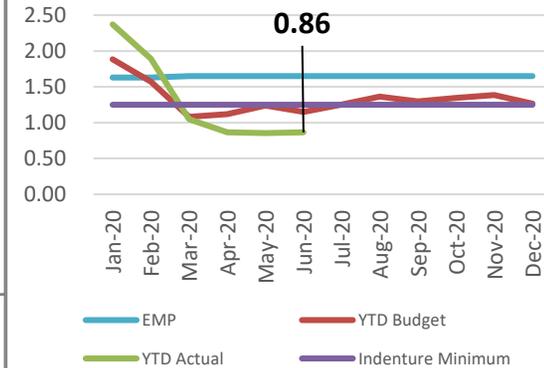
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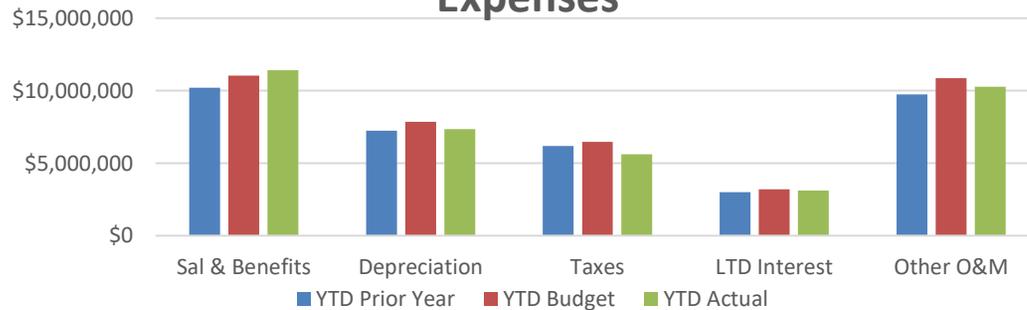
Key Results



DSC



Expenses



Liquidity

	YTD Actual
Cash	\$12,258,871
Short-Term Investments	\$19,121,303
Cushion of Credit	\$16,357,743
Line of Credit Available	\$40,000,000
Line of Credit Drawn	\$0

KAUA'I ISLAND UTILITY COOPERATIVE ("KIUC")
BOARD POLICY NO. 2
Revised 07/30/2020

AUTHORITY AND RESPONSIBILITY OF
THE CHIEF EXECUTIVE OFFICER ("CEO")

PURPOSE OF POLICY:
TO DESCRIBE THE CEO'S AUTHORITY

POLICY CONTENT:

The Board of Directors and the CEO form a team united to serve the best interests of the membership. The need for them to work effectively and efficiently together is critical to the success of the Cooperative. The "flow" of authority for the management of the Cooperative shall pass through the CEO. The CEO shall be the link between the Board and cooperative personnel. However, the Board is entitled to and shall receive full and complete information from the CEO concerning all matters in connection with the management of the Cooperative as set forth in Board policies.

The CEO is the senior employee and manager of KIUC, capable of binding it legally and responsible for its day-to-day operations. Both the Board and the CEO recognize efficient management of the Cooperative can exist only through mutual understanding and complete trust and cooperation between themselves. The CEO is expected to produce results, faithfully carry out all of the policies of the Board, and account to the Board for its stewardship. Correspondingly, the CEO shall be allowed to exercise independent judgment in executing policies of the Board. To enable KIUC to achieve its mission, the CEO is delegated the following authority, responsibilities and duties:

A. **Planning**

- 1) Assist in identifying the mission, objectives, and strategic priorities of KIUC by periodically engaging in a planning process with the Board.
- 2) Develop policies to be recommended to the Board for its consideration. The CEO shall review such policies as appropriate with recommendations regarding revisions.
- 3) Develop with the Board Chairman a schedule of topics to be discussed and reports to be presented to the Board to ensure adequate attention can be devoted to

strategic issues and challenges.

- 4) Conduct studies and market research, utilizing staff, to develop proposed action plans and reports in such areas as load forecasts, power requirements, financial plans, energy management and marketing plans, and engineering requirements.
- 5) Arrange for member satisfaction surveys and other techniques to measure consumer satisfaction, and conduct needs assessments to determine consumer interest in additional products or services that might be offered by KIUC.
- 6) Develop plans for annual and other member meetings of KIUC and make appropriate recommendations to the Board regarding the conduct of such meetings.
- 7) Develop long-range financial plans, cash management plans, work plans and budgets for recommendation to the Board, and provide periodic reports on revenue, expenses, and other results compared to such plans.
- 8) In coordination with the Board and the National Rural Electric Cooperative Association, analyze and determine county, state and federal legislative and regulatory matters to be proposed, supported, or opposed.
- 8) Periodically analyze the system's rates and service rules and regulations to make sure they meet operating requirements and make appropriate recommendations to the Board.

B. Organization and Human Resource Management

- 1) Determine and establish the organizational structure best suited to carry out its objectives within the limitations of the budget.
- 2) Ensure written position descriptions and job specifications are prepared in accordance with all laws and regulations and reviewed as necessary for all personnel.
- 3) Develop or approve standards and qualifications for use in recruitment, transfer, and promotion of personnel, and select, appoint, transfer, promote and terminate personnel as appropriate for non-bargaining unit personnel, and consistent with the requirements of the collective bargaining agreement for bargaining unit personnel.
- 4) Ensure staff members are trained in accordance with the qualifications and requirements of their positions.
- 5) Appraise, at least annually, the performance of immediate subordinates, and

ensure a performance appraisal program is established and carried out for all personnel.

- 6) Determine all salary adjustments, except the CEO's, within the limitations of the budget. (The Board shall determine salary adjustments for the CEO.)
- 7) Negotiate, with or without consulting assistance, labor contracts and make recommendations to the Board. Administer the approved labor contract and ensure the appropriate managers and supervisors understand the provisions of the contract and its administration.
- 8) Authorize and approve travel expenses of personnel (except the CEO's) on company business within the limitations of the budget and within established policy. The policy on Directors states who will review the travel expenses of the CEO.
- 9) Select and appoint consultants to provide advice and assistance within the limitations of the work plan and budget, and advise the Board of actions taken. The selection of consultants working in areas that affect the functions of the Board requires Board approval.

C. **Operations**

- 1) Direct day-to-day operations of KIUC except as otherwise specified by the bylaws or the Board of Directors. Delegate authority to immediate subordinates; authorize further delegation of authority to any level of management with full recognition the CEO cannot be relieved of overall accountability.
- 2) Designate an appropriate person to serve as acting CEO in an extended absence of the CEO. If there is no formal delegation of authority in effect and the CEO becomes incapacitated, the Chief Financial Officer shall serve as acting CEO until the Board takes action.
- 3) Participate in national, regional, state, and local meetings that further the best interests of KIUC, within the limitations of Board policy and the approved budget. Participation by the CEO in such activities that require considerable time over a sustained period requires the prior approval of the Board. The CEO's serving on the board of other organizations shall require prior approval of the Board.
- 4) Serve as the authorized spokesperson for KIUC.
- 5) Administer the approved budget, by taking the following actions:
 - a. Make or approve any single non-budgeted expenditure in an amount up to \$100,000.

- b. Execute or cause or allow the execution of any check, draft or electronic transfer of funds in or out of the normal course of business, whether solely or with co-signatures, in an amount up to \$2,500,000; provided, however, the CEO may, without further authority of the Board;
 - i) make electronic fund transfers up to \$10,000,000 for the purpose of making contractual fuel payments; and provided, further with the concurrence of the chair of the Board's Finance and Audit Committee or the Board's chair, such electronic fund transfers in excess of \$10,000,000 may be made in the normal course of business;
 - ii) pay the annual KIUC franchise tax and;
 - iii) make payments on any previously approved credit lines or long-term debt loan payments.
 - c. Pay any attorney invoice for an amount in up to \$100,000, whether or not budgeted. All attorney invoices will be reviewed by General Counsel prior to being paid.
 - d. Enter into any multi-year contract where the total expected contract amount will not exceed \$500,000.
 - e. Enter into any extension of an existing contract where the total expected additional contract amount will not exceed \$150,000.
 - f. Borrow any funds in the name of KIUC excluding draws from any previously approved credits lines from National Rural Utilities Cooperative Finance Corporation ("CFC") or advance requests from any previously approved loans from the Federal Financing Bank ("FFB"). Any credit line draws or advance requests will be reported to the board at the next scheduled regular board meeting.
 - g. Borrow any funds in the name of KIUC or based upon its credit in an amount up to \$10,000,000 from the previously approved "Disaster" line of credit from CFC. Provided, further, however, under emergency circumstances, the CEO may take action in contravention of such limits as is reasonable and necessary to protect the assets of KIUC or the safety of its personnel or members in such an emergency, so long as such action is immediately reported to the Board.
- 6) Determine insurance coverage required for effective risk management and negotiate purchase of such coverage within the limitations of the budget and Board policy.
 - 7) Authorize memberships in civic clubs and organizations and company memberships in local organizations in which membership would be beneficial to KIUC.
 - 8) Report to the Board any non-adherence to this policy.

Authority in a Cooperative flows from the Board to the CEO. The CEO then delegates authority to individual staff members. It is the policy of the Board to refrain, as individuals, from directing

the activities of cooperative staff members. Exceptions to this normal flow of authority must be authorized in advance by an approved Board resolution and/or approval of the CEO.

Adopted this 30th day of July, 2020.

Calvin Murashige
Secretary

Revised: 07/30/2020
Reviewed: 05/28/2019
Revised: 06/27/2017
Revised: 07/28/2015
Revised: 02/26/2013
Revised: 11/27/2012
Revised: 12/21/2010
Original Adoption: 04/12/2000