

**REGULAR MEETING OF THE BOARD OF DIRECTORS
KAUAI ISLAND UTILITY COOPERATIVE**

Held at 4463 Pahe`e Street

Lihu`e, Kaua`i, Hawai`i

On July 31, 2018

MINUTES

Call to order at 1:04 pm.

1. Roll Call

1.1 **Present:** Directors Allan Smith (Chairman), Dee Crowell, David Iha, Janet Kass, James Mayfield, Calvin Murashige (Secretary), Teofilo Tacbian, Jan TenBruggencate (Vice Chair), and Peter Yukimura (Treasurer); and David Bissell (President and CEO). A quorum of directors were present.

1.2 **In attendance:** Michael Scarbo (Attny) for Laurel Loo (General Counsel), Karissa Jonas (CFO and Financial VP), Harley Eckert (Financial Planning & Strategy Mgr.), Carey Koide (T&D Mgr.), Brad Rockwell (Power Supply Mgr.), Beth Tokioka (Communications Mgr.), Mike Yamane (COO), and Pua Chin (Executive Administrator); Dawn Huff and Jason Hines of Joule Group; Members of the public (1); and Members of the Press (0).

2. Invocation – Director Dee Crowell opened the meeting with a prayer.

3. Approval of Agenda - The agenda was approved as circulated.

4. Approval of Minutes

4.1 The 06/26/2018 Regular and Executive Session meeting minutes were approved unanimously. [Motion: Yukimura/Murashige]

5. President’s Report. David Bissell, President and CEO

5.1 The current Cooperative statistics were reported. (Report attached).

6. Financial Report: CFO Karissa Jonas reported.

6.1 \$5M was invested into a short term note with CFC (Cooperative Finance Corporation).

6.2 FEMA storm damage – documentation has been filed and is under review to determine what is eligible for recovery.

6.3 A contractor was selected for the Depreciation Study.

6.4 The June 2018 financials were reviewed.

7. NRECA Hawaii Director Report – Director David Iha

7.1 A video recap of the June NRECA Board Meeting in Arlington, VA was shown.

8. **Committee Reports**

8.1 **Executive – Committee Chair, Jan TenBruggencate**

8.1.1 The committee met July 20th and approved minutes.

8.1.2 The Committee of the Whole met on July 26th in executive session and had a robust discussion on the West Side Pumped Storage Hydro project to be discussed later under New Business.

8.2 **Finance & Audit – Committee Chair, Peter Yukimura**

8.2.1 The committee has one action item for the 2018 Accounts Receivable Write-off that will be discussed under New Business.

(a) Director Kass opened a discussion on the necessity of having the Board of Directors review and approve the annual write-off versus having the staff be able to do this as a normal course of business.

(b) CFO Jonas reported the process of requesting Board approval came at the suggestion of KIUC's auditors several years ago. On inquiry, the current auditors said board review and approval is not required but is a management decision on whether or not to bring to the Board.

(c) After additional discussion on potential thresholds, accounting standards, etc. Committee Chair Yukimura asked to defer the topic to the August F&A committee meeting.

8.2.2 The committee also reviewed the preliminary financial results and financial forecast for the next quarter by Rick Eckert.

8.3 **Government Relations/Legislative – Committee Chair, Phil Tachian**

8.3.1 The committee met and received a request for the Charitable Foundation to fund a generator for the Kauai Museum. The request was presented to the Foundation.

8.3.2 The committee met with Mr. Clyde Kodani the Kauai liaison for US Senator Brian Schatz. Another meeting will be scheduled with the Kauai liaison for US Representative Tulsi Gabbard.

8.4 **International - Committee Chair, David Iha – no report.**

8.5 **Member Relations – Committee Chair, Calvin Murashige**

8.5.1 The committee met on July 20th and received reports from the Member Services and Communications department managers. There were no items for consideration.

8.6 **Policy – Committee Chair, Dee Crowell**

8.6.1 The committee met and reviewed board policies #20 and #32 and is recommending both for approval under New Business.

8.7 **Strategic Planning – Committee Chair, James Mayfield (via conference call)**

8.7.1 The committee met briefly only to approve the minutes of the previous meeting.

9. **Charitable Foundation (CF) Board** – President Teofilo Tacbian

9.1 The CF Board met and discussed the following items:

9.1.1 The proposed KIUC Round-Up Program.

9.1.2 Planning for the Annual CF Golf Tournament November 17th.

9.1.3 An agreement between the CF and Catholic Charities was sent. The agreement is the same as one in place with Kauai Economic Opportunity (KEO) for their low income utility assistance program.

9.1.4 The request from the Kauai Museum was received.

10. **Public Testimony.** Marj Dente provided oral testimony. A copy of her written testimony is attached to the original of these minutes. A letter submitted by Robin Danner, Chairman of the SCHHA (Sovereign Councils of the Hawaiian Homelands Assembly) was received and is attached to the original of these minutes.

11. **New Business**

11.1 **2018 Accounts Receivable Write-off (F&A Chair Peter Yukimura)**

11.1.1 The request is to approve a write-off in the amount of \$111,042.13 for accounts disconnected by 12/31/2017. The committee recommended approval.

11.1.2 The motion to approve passed 8-1-0. [Yukimura/Mayfield]

IN FAVOR:	Crowell, Iha, Mayfield, Murashige, Smith Tacbian, TenBruggencate & Yukimura	Total – 8
OPPOSED:	Kass	Total – 1
EXCUSED:	None	Total – 0

11.2 **Board Policy No. 20, Appointments to Fill Board Vacancies (Policy Chair Dee Crowell)**

11.2.1 There were no substantive changes made to the policy. The committee reviewed and recommended approval.

11.2.2 The motion to approve carried unanimously. [Crowell/Murashige]

IN FAVOR:	Crowell, Iha, Kass, Mayfield, Murashige, Smith Tacbian, TenBruggencate & Yukimura	Total – 9
OPPOSED:	None	Total – 0
EXCUSED:	None	Total – 0

11.4 Board Policy No. 32, Member Petitions (Policy Chair Dee Crowell)

11.4.1 The only change was the addition of persons (Board Secretary and Board Chair’s designee) to receive a petition. The committee reviewed and recommended approval. A motion to approve carried unanimously. [Crowell/Murashige]

IN FAVOR:	Crowell, Iha, Kass, Mayfield, Murashige, Smith Tacblian, TenBruggencate & Yukimura	Total – 9
OPPOSED:	None	Total – 0
EXCUSED:	None	Total – 0

11.5 Authorization to proceed on the West Kauai Hydro/Pumped Storage Project (Executive Chair Jan TenBruggencate)

11.5.1 CEO Bissell provided a PowerPoint presentation on the item (attached).

11.5.2 Director Kass asked the CEO if and how this project would impact KIUC’s resilience in the case of a major disaster. This project is a different technology from solar arrays in that there are powerhouses and reservoirs. The project is located at the end of KIUC’s transmission system so in the event of a major storm and loss of transmission lines the project may not be of much help. But the legacy generators at Port Allen will still be available if needed.

11.5.3 Director Mayfield clarified there are contract “off ramps” during different phases of the project if needed.

11.5.4 Motion: The Board authorize the CEO to enter into a phased design build agreement through an RFP process with an engineering construction firm and the Board authorize the CEO to authorize necessary amounts to complete that development work subject to details in a resolution to be taken up in Executive Session. [TenBruggencate/Murashige]

11.5.5 Director TenBruggencate stated the project seems to be positive on many grounds and for so many members of the community. It supports the farmers of the west side of the island, it allows native Hawaiian homesteaders to get back on the land by providing irrigation water to lands that otherwise don’t have irrigation water, it provides power at a reasonable cost for KIUC members, it help move the community toward the 90% of the 100% state wide goal of renewable energy, and has promoted a historic agreement on the use of surface water systems that may be a model for similar systems around the state. Director Yukimura also noted with the ditch system, irrigation, and agriculture it will greatly benefit the recharging of our aquifer which is the ground water where we get a lot of our drinking water from.

11.5.6 On a call for the question, the motion carried unanimously.

IN FAVOR:	Crowell, Iha, Kass, Mayfield, Murashige, Smith Tacblian, TenBruggencate & Yukimura	Total – 9
OPPOSED:	None	Total – 0
EXCUSED:	None	Total – 0

12. **Calendar:**
 - 12.1 **August 17, 2018** – HOLIDAY (Admissions Day), KIUC Offices Closed
 - 12.2 **August 20, 2018** – Board Committee Meetings (9:00am, MCR)
 - 12.3 **August 28, 2018** – Regular Board Meeting (1:00pm., KIUC Main Conf Rm)

13. **Executive Session.** After a brief recess, at 2:13 p.m. on a motion by Director TenBruggencate and second by Director Murashige, the Board entered into an Executive Session closed to the public on matters limited to those specified in Section II. A. 2. of Board Policy No. 16. The items to be discussed in the Executive Session are matters of a proprietary or financial nature, public disclosure of which could affect on-going or potential negotiations or legal or administrative proceedings and human resource issues related to the hiring, evaluating, dismissing or disciplining an officer or employee and a matter requiring legal consultation on issues pertaining to the powers, duties, privileges, immunities and liabilities of the Board of Directors.

14. **Decision Making.** The open session of the Meeting was reconvened at 2:39 p.m. and upon the motion of Director TenBruggencate and the second of Director Crowell, the following decision made in Executive Session was ratified by all Directors present:
 - 14.1 Authorize the CEO to negotiate with third parties for the design and construction of a pumped storage hydroelectric project on the west side (Resolution 04-18).

15. **Adjournment.** There being no further business the meeting was adjourned at 2:40 p.m.

/s/ Calvin Murashige
Calvin Murashige
Secretary



President's Report

July 31, 2018

David Bissell, President and CEO



President's Report

David Bissell, President and CEO
July 31, 2018

STATISTICS

Safety (June)

	Month	2018 YTD	2017 YTD
Recordable Incidents	0	1	6
Days Away/Restricted	30	55	203

Availability and Reliability:

	Month	2018 YTD	2017 YTD
Reportable Outages	4	28	14
Average Outage Hours Per Customer	0.07	1.01	0.88

Efficiency (June)

	Month	2018 YTD	2017 YTD
Net Plant Heat Rate	9,205	9,256	9,164
Peak Demand (MW)	73.5		

Residential Rates:

July 2018	\$0.357/kwh	Down \$0.005 from June
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Mahalo!

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**KAUA`I ISLAND UTILITY COOPERATIVE
BOARD POLICY NO. 20
(Reviewed ~~10/25/2016~~07/31/2018)**

APPOINTMENTS TO FILL BOARD VACANCIES

PURPOSE OF POLICY:

To publish the criteria and procedures for the discharge of the Board of Directors' responsibilities pursuant to Section 5 of Article III of the Association's By-laws to fill vacancies on the Board.

POLICY CONTENT:

- A. **General.** Section 5 of Article III of the Association's By-laws vests the Board of Directors with the responsibility of filling vacancies on the Board. It provides that such vacancies are to be filled, if at all, by a vote of the majority of the Directors then in office for the unexpired term of the vacancy. The Board of Directors has determined ~~that~~ it is appropriate to establish criteria and procedures to guide the Board in the discharge of this responsibility, and has adopted this Policy in fulfillment of that determination.
- B. **Criteria for appointees.** The position of Director of an electric cooperative is one of utmost importance to the successful governance and operation of the cooperative. As a body the Board of Directors, in keeping with the principles and legal requirements of cooperatives, is vested by the members of the cooperative with the governance of the cooperative. In the discharge of this responsibility all cooperative Directors are deemed to be fiduciaries of the cooperative and its members. As fiduciaries Directors have, among others, four overriding duties to the cooperative and its members. These are the duties of good faith, due care, loyalty and attention. Because Directors deal with millions of dollars of their members' money on an ongoing basis their fiduciary duties require ~~that~~ they be

properly prepared and adequately trained. In keeping with this KIUC has adopted Board Policy No. 18 setting forth the minimum qualifications ~~that are~~ required for one to be eligible to be elected or appointed to, and to serve on, the KIUC Board. Board Policy 18 shall guide the Board in its determination of whom, if any one, to appoint to fill un-expired director terms.

C. **Procedures for Policy Implementation.** This Policy shall be implemented as follows:

1. General. The time and expense of preparing and training individuals to be effective KIUC Directors is substantial. Thus it is efficient in certain circumstances to utilize any existing pool of previously trained KIUC Directors, including presently sitting directors, to fill un-expired director terms when these may arise. Such appointments, however, must also attempt to avoid the impression of favoritism.
2. Sitting Directors. Director vacancies may be filled with a sitting director who otherwise meets the requirements of Board Policy No. 18; provided, however, ~~that~~ no sitting director may be appointed to fill more than one unexpired term without standing for election thereafter. The Board may also elect not to fill an unexpired term provided ~~that~~ there remain at least 7 sitting directors without such an appointment.

RESPONSIBILITIES:

The Board shall be responsible for the implementation of this Policy.

Adopted on this ~~25th~~ 31st day of ~~October~~July, ~~2016~~2018

~~Teofilo Taebian~~Calvin Murashige
Secretary

Reviewed: 07/31/2018
Reviewed: 10/25/2016
Reviewed: 10/28/2014
Reviewed: 10/25/2011
Reviewed: 09/27/2011
Original Adoption: 05/19/2005

KAUA'I ISLAND UTILITY COOPERATIVE ("KIUC")
BOARD POLICY NO. 32
(Revised ~~10/25/2016~~07/31/2018)

MEMBER PETITIONS

PURPOSE OF POLICY:

To clarify certain requirements and procedures to be used by Active KIUC Members to prepare and submit a Member Petition pursuant to Section 6 of Article II of the Seventh Revised and Restated KIUC Bylaws or its successor (the "Bylaws").

POLICY CONTENT:

A. General.

Section 6 of Article II of the Bylaws allow KIUC Members (Members of KIUC who or which have not been transferred to Inactive Status, hereafter "Active Members" or "Members") to petition the KIUC Board of Directors (the "Board") to challenge any action taken by the Board (a "Challenged Action") within 20 business days of public posting of the minutes on the KIUC website, www.kiuc.coop. This Policy sets out the requirements and procedures to be followed to have a successful petition delivered to the Board on a particular Challenged Action, which requirements and procedures may vary depending upon the number of Members supporting a particular Challenged Action by affixing their signature and identifying information to a petition asking for the vote in the form described in this Policy.

B. Legal Requirements.

- 1) Section 6 of Article II of the Bylaws, which was mandated by HRS § 421C-12 (7), provides that 5% of all Members or 250 Members, whichever is less, may cause a Challenged Action to be submitted to the Members for approval in a manner determined by the Board; provided, however, that the rights of third parties which have vested between the time such action was approved by the Board and the disapproval by the Members shall not be impaired.

C. Procedure for Policy Implementation. This Policy shall be implemented as follows:

- 1) Copies of this Policy and the forms necessary to comply with it shall be available for printing on KIUC's website, www.kiuc.coop, and from the KIUC Member Services Department.
- 2) For each Petition there shall be a petitioners' committee (the "Committee") representing all of the petitioners, which Committee shall be composed of three (3) Active Members (the "Committee Members") who shall be Members of KIUC and signers of the Petition and whose names shall be listed in the Petition. The

Committee shall be responsible for circulation of the Petition and for assembling and filing the Petition in proper form.

- 3) Each signature of Members signing the Petition must be verified to be the genuine signature of the person it purports to be by the checking of the Members' identification or otherwise by the Committee Member or Circulator (as hereinafter defined) circulating the copy of the Petition in question.
- 4) For a Petition to be accepted for certification it shall:
 - a) Be submitted (within twenty [20] business days of the Challenged Action's posting in the preliminary draft of the Board's minutes posted on the KIUC website, www.kiuc.coop, disclosing the Challenged Action).
 - b) Have had all pages of the completed Petition delivered by the Committee to the Chairman or Secretary of the KIUC Board, or the Chair's designee, on copies of the form attached to this Policy as Exhibit "A" (for the first page of the Petition) or Exhibit "B" (Continuation pages of the Petition) with the information called for on the form substantially completed for each name and signature on the form. In determining such substantiality, the information in at least one of the information categories provided for each name and signature on Exhibits "A" and "B", i.e. the Member's Service Address, Telephone Number, or Account Number must match the information for that Member contained in KIUC's data base.
 - c) Be submitted under cover of the Member Petition Transmittal Letter and Declarations in the form attached to this Policy as Exhibit "C" with all of the spaces properly filled in.
 - d) Have as the first three (3) Petitioners' names and signatures on the Exhibit "A" (the first page of the Petition) the names and signatures of the initiators and Members of the Committee as listed on the Member Petition Transmittal Letter and Declarations accompanying the Petition.
 - e) If more than the three (3) Committee Members are engaged by the Committee to obtain Member signatures (the "Circulator[s]") on copies of Exhibit "B" (the Continuation pages of the Petition), each set of Petition pages collected by such Circulator or Circulators shall have attached to such set of Petition pages when they are submitted to the KIUC Board Chair by the Committee a declaration of each Circulator in the form attached to this Policy as Exhibit "D" (the "Declaration") attesting that each Circulator personally circulated the set of Petition pages attached to his or her Declaration; that that set of Petition pages bears a stated number of signatures; that each signature on such Petition pages was affixed in the Circulator's presence; and each signature is the genuine signature of the person it purports to be.

D. Procedure After Petition Submittal.

- 1) Within seven (7) business days after the submittal of a Petition, KIUC shall determine the sufficiency of the Petition as to form and the number of valid Member signatures affixed to the Petition, and certify the Petition to be either: (1) “Insufficient” so that no further action is required; or (2) Sufficient to qualify the Petition as a "Qualified Petition" which is defined as a Petition that is sufficient as to form and has at least 250 valid Member signatures affixed on the date of the Petition’s submittal to the KIUC Board Chair, [Board Secretary, or Chair’s designee](#) by the Committee.
- 2) As soon as convenient after KIUC has made its determination as to the category of the Petition it shall certify to the KIUC Board Chair, KIUC's CEO and the Committee the category the Petition has received. If the certification made is “Insufficient”, KIUC will provide to the Committee the following information with regard to the certification:
 - a) The total number of signatures on the Petition timely received; and
 - b) The total number of signatures received that were determined insufficient; and
 - c) The specific categories for disqualification of all signatures disqualified; and
 - d) The number of disqualified signatures in each category.

E. Procedure After Certification.

- 1) If the Petition was deemed "Insufficient" no further action on KIUC's part is required except the notification of the Committee required by Policy Content paragraph D.2) above.
- 2) If the Petition was deemed a "Qualified Petition" the KIUC Board will proceed as mandated by Section 6 of Article II of the Bylaws and submit the Challenged Action to the Members for approval or disapproval in a manner determined by the Board to be appropriate with the participation of the Committee as set out in the following sub-paragraph.
- 3) The KIUC Board (or a Committee thereof) shall, within fifteen business days of the certification of the Petition as Qualified, hold a meeting or meetings with the Committee to discuss, as appropriate, (1) the method to be used to submit the Challenged Action to the Members for approval (e.g., by Member Vote at a Member Meeting attended by a quorum of KIUC’s Members or by written ballot sent to all Members); (2) the wording of the ballot to be used for the vote on the Petition; and (3) the selection of an observer of the count of the ballots received from the Members. If any of these three items cannot be agreed upon by the parties at the meeting or meetings the Board shall make the final decision on that or those items in its sole discretion.

- 4) The ballot for the approval of any Challenged Action shall contain an objective summary of the substance of the Challenged Action and shall have below such summary designated spaces in which to indicate ~~that~~ whether the Member Approves or Disapproves of the Challenged Action.
- 5) Once the wording of the ballot to be used for the vote on the Petition has been determined after consultation with the Committee as set out in Policy Content subparagraph E. 3) above the Board shall approve said ballot wording at a public Special Meeting of the Board at which input from the public shall be considered.

RESPONSIBILITIES:

- A. KIUC's President and CEO is responsible for implementing and enforcing the portion of this Policy to be performed by Staff.
- B. The Board shall be responsible for the enforcement of this Policy.

Adopted on this ~~25th~~ 31st day of ~~October~~ July, ~~2016~~ 2018

~~Teofilo Taebian~~ Calvin Murashige
Secretary

Revised: 07/31/2018
Revised: 10/25/2016
Revised: 08/26/2014
Original Adoption: 10/04/2011

EXHIBIT "A" (First Page only)
KAUA'I ISLAND UTILITY COOPERATIVE ("KIUC")
MEMBER PETITION TO CHALLENGE BOARD ACTION

NOTE: By signing this Petition I, one of the undersigned, ~~certifies that~~ certify that I am an Active Member of KIUC or the authorized representative of an Active entity Member of KIUC, ~~that~~ this is the only copy of this Petition I have signed or will sign; and ~~that~~ the information given as to Name, Service Address, Telephone Number and Account Number will match the information on my Active Account. I understand ~~that~~ _____, _____, and _____ are the initiators of this Petition and as such consent to these Members being designated as the "Committee Members" for this Petition pursuant to KIUC Board Policy No. 32 to act for me as a Petitioner in the manner they deem appropriate. I also agree and consent to the disclosure of all information concerning me on this Petition to the general public, thereby waiving any applicable claim to privacy with regard to that information.

REMINDERS: Although a Member may have multiple sub-accounts, no matter how many sub-accounts you may have, a Member ~~can~~ may sign the Petition only once. Also, ~~remember that~~ KIUC does not allow joint accounts so only the spouse ~~that~~ who is the Member may sign the Petition.

PURPOSE OF PETITION: The purpose of this Petition is to challenge the KIUC Board Action taken at the Board's Meeting held on _____, ___, 20___, which action was contained in the Draft Minutes of that Meeting posted on the KIUC Website, www.kiuc.coop, on _____, ___, 20___, which action is described as: _____

<u>NAME</u> (Please Print)	<u>SIGNATURE</u>	<u>SERVICE ADDRESS</u>	<u>TELEPHONE NUMBER</u>	<u>ACCOUNT NO.</u>
1. (Committee Member #1)				
2. (Committee Member #2)				
3. (Committee Member #3)				
4.				
5.				
6.				

EXHIBIT "B" (~~Continuation~~ continuation page(s) of Petition)
KAUAI ISLAND UTILITY COOPERATIVE ("KIUC")
MEMBER PETITION TO CHALLENGE BOARD ACTION

NOTE: By signing this Petition I, one of the undersigned certify ~~that~~-I am an Active Member of KIUC or the authorized representative of an Active entity Member of KIUC, ~~that~~-this is the only copy of this Petition I have signed or will sign; and ~~that~~-the information given as to Name, Service Address, Telephone Number and Account Number will match the information on my Active Account. I understand ~~that~~ _____, _____, and _____ are the initiators of this Petition and as such consent to these Members being designated as the "Committee Members" for this Petition pursuant to KIUC Board Policy No. 32 to act for me as a Petitioner in the manner they deem appropriate. I also agree and consent to the disclosure of all information concerning me on this Petition to the general public, thereby waiving any applicable claim to privacy with regard to that information.

REMINDERS: Although a Member may have multiple sub-accounts, no matter how many sub-accounts you may have a Member ~~can~~ may sign the Petition only once. Also, ~~remember that~~-KIUC does not allow joint accounts so only the spouse ~~that~~-who is the Member may sign the Petition.

PURPOSE OF PETITION: The purpose of this Petition is to challenge the KIUC Board Action taken at the Board's Meeting held on _____, ___, 20___, which action was contained in the Draft Minutes of that Meeting posted on the KIUC Website, www.kiuc.coop , on _____, ___, 20___, which action is described as: _____

<u>NAME</u> (Print)	<u>SIGNATURE</u>	<u>SERVICE ADDRESS</u>	<u>TELEPHONE NUMBER</u>	<u>ACCOUNT NO.</u>
1.				
2.				
3.				
4.				
5.				
6.				

EXHIBIT "C"

KIUC MEMBER PETITION TRANSMITTAL LETTER AND DECLARATION

VIA HAND DELIVERY

Date: _____

To: _____, Chair, KIUC Board

From: _____ (Committee Member #1) Email.: _____
_____ (Address) Telephone: _____

_____ (Committee Member #2) Email.: _____
_____ (Address) Telephone: _____

_____ (Committee Member #3) Email.: _____
_____ (Address) Telephone: _____

Re: KIUC Member Petition Transmittal and Declaration

Dear Chair:

Attached hereto pursuant to KIUC Board Policy No. 32 ("Policy 32") is the initial page and _____ continuation pages of a Member Petition (the "Petition") challenging the KIUC Board Action indicated thereon.

The undersigned are the three initiators and Committee Members responsible for this Petition under Policy 32. We each declare under penalty of perjury ~~that~~ one of us personally circulated the set of Petition pages; ~~that~~ the set of Petition pages attached hereto bear _____ signatures; ~~that~~ each signature on such Petition pages was affixed in the presence of at least one of us; and each signature is the genuine signature of the person it purports to be verified in accordance with Policy 32.

Signature

Signature

Signature

EXHIBIT "D"

MEMBER PETITION CIRCULATOR DECLARATION

Date: _____

To: _____, Chair, KIUC Board

From: _____ (Committee Member #1) Email.: _____

_____ (Address) Telephone: _____

Re: KIUC Member Petition Transmittal and Declaration

Dear Chair:

Attached hereto pursuant to KIUC Board Policy No. 32 ("Policy 32") are _____ continuation pages of a Member Petition (the "Petition") challenging the KIUC Board Action indicated thereon.

I, the undersigned, was duly appointed Circulator of this Petition under Policy 32 by the Committee established for the Petition under Policy 32. I declare under penalty of perjury ~~that~~ I personally circulated the set of Petition pages attached hereto; ~~that~~ the set of Petition pages attached hereto bear _____ signatures; ~~that~~ each signature on such Petition pages was affixed in the my presence; and each signature is the genuine signature of the person it purports to be verified in accordance with Policy 32.

Signature

West Kauai Energy Project

July 2018



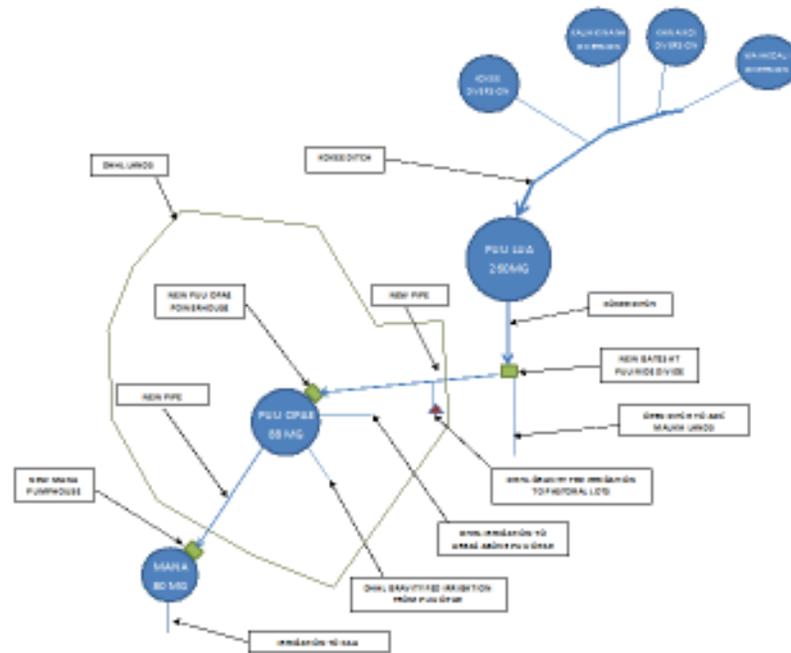
Integrated Energy Project Proposal

- **Renewable energy resource for island of Kauai**
 - 25 MW of pumped storage hydro with dedicated solar generation
 - An average daily storage of over 150 MWh
 - Store and release hydro – up to 30,000 MWh annually
- **Primary project components**
 - Kokee ditch repairs and upgrades
 - Rehabilitation of Puu Lua, Puu Opae, and Mana reservoirs
 - Two new sections of buried pipeline
 - Two new powerhouses
 - New solar capacity
- **KIUC operates and maintains the Kokee Ditch system and Puu Lua, Puu Opae, and Mana Reservoirs**
- **Irrigation water will be delivered through the ditch and project pipeline to DHHL lands and ADC/KAA**

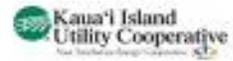
Irrigation Delivery Through Project

- DHHL
 - Reliable and efficient water delivery to DHHL Puu Opae mauka lands
 - Pastoral lots
 - Fields adjacent to Puu Opae Reservoir
- ADC
 - Reliable and efficient water delivery through Mana Reservoir to Mana Plains
 - Mauka lands served through Kokee Ditch
- Back up source for Menehune Ditch

3



Puu Lua Reservoir After Rehabilitation



Puu Opae Reservoir



Mana Reservoir



Community & Agricultural Benefits

- Water is returned to streams
- Rehabilitation and long term maintenance of reservoirs and Kokee ditch system
- Support for agriculture and food sustainability on west side
- Jobs through construction of Project
- Enables DHHL to utilize Puu Opaе mauka lands - water, roads and power
- Improvement and maintenance of access roads – including to Puu Lua Reservoir
- Fire suppression support

Some Interesting Project Numbers

- The combined solar and hydro output will be able to provide over 15 percent of Kauai's annual energy needs
- The Project will make coordinated use of three reservoirs totaling over 425 million gallons
- Between Puu Lua and Puu Opaе Reservoirs there will be up to 800 MWh of energy stored for use when its needed
- The dedicated solar field which will run the project pumps will cover over 200 acres
- On a sunny day, the project pumps will put out 27,000 fluid horsepower
- At full output those pumps will to move five million gallons of water 1,500 feet up Niu Ridge every hour
- There will be over five times more water in Puu Lua Reservoir – so there will be more fishing!

KIUC Benefits

- Member-owned legacy project that will store and generate power cost effectively and reliably
- Makes a significant contribution towards 100% renewable energy goal
- Supports more solar generation
- Provides diversity in portfolio
- Increased electrical grid system stability and reliability

Cost of Energy

- 25 year cost of energy comparable with PV and BESS systems
- \$92-\$111 per MWh depending on ITC levels
- Pricing assumes today's interest rates and tax credits and excludes substation and transmission related costs

Board Considering

- Authorizing entering into a phased design build agreement with an engineering and construction firm selected through RFP process
 - Construction costs will be limited to a "not to exceed price" specified in agreement
- Authorizing expending necessary amounts to complete development work necessary to allow construction to proceed upon completion

Pre Construction Requirements

- All necessary construction, land use, and environmental permits and regulatory approvals obtained.
- Construction and permanent financing commitments obtained.
- All necessary landowner agreements obtained.
- All water lease or water rights agreements obtained.
- Major construction components will be subject to competitive bidding or otherwise comply with KIUC procurement policies

The Volatility of Oil

