

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

Held via Conference Call

On November 23, 2020

MINUTES

Call to order at 1:00 p.m.

1. Roll Call

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

1.2 **Others present via Conference Call:** Laurel Loo (General Counsel), Karissa Jonas (CFO), Maile Alfiler (Member Services Mgr.), John Cox (T&D Mgr.), Cameron Kruse (Engineering and Technology Mgr.), Brad Rockwell (COO), Beth Tokioka (Communications Mgr.), Lisa Ubay (HR Mgr.), and Nadine Tipps (Executive Administrator); Members of the press (0) and Members of the public (1).

2. Invocation – Director Iha opened the meeting with prayer.

3. Approval of Agenda –

3.1 Director Kass proposed adding Approval of the Construction Work Plan under New Business.

3.2 The agenda was approved as circulated with the addition of action on the Construction Work Plan.

4. Approval of Minutes

4.1 The 10/29/2020 Regular meeting minutes were approved unanimously.

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

5.1 The current Cooperative statistics were reported by both CEO Bissell and Brad Rockwell. (report attached)

6. Financial Report: Karissa Jonas, CFO reported.

6.1 The October 2020 preliminary financials were reviewed. (scorecard attached)

7. NRECA Hawaii Director Report – Director David Iha

7.1 Director Iha circulated the October NRECA Board meeting Presentation and Notes.

7.2 NRECA is waiting to see what will happen during the Lame Duck session if there will be any move on Stimulus.

- 7.2.1 The three things they are advocating on the Stimulus are the LIHEAP Program, where funds go to help utility bills, Assistance for utility payments, and the RUS interest reduction to tie into current Treasury rates.
- 7.3 At the National level -
 - 7.3.1 NRECA is working on their budgets for next year. The CEO has reduced some staffing both in IT and Government Relations, to make sure they come within the budget.
 - 7.3.2 Have not heard any reports whether we will be meeting in person after the Annual Meeting.
 - 7.3.3 The next NRECA Board meeting will be held virtually in December.

8. **Committee Reports**

- 8.1 **Executive – Committee Chair, Jan TenBruggencate**
 - 8.1.1 The committee met virtually on November 17th.
 - 8.1.2 Discussed and settled on our Board Calendar for the coming year.
 - 8.1.3 Discussed a number of items in Executive Session.
- 8.2 **Finance & Audit – Committee Chair, Peter Yukimura**
 - 8.2.1 The committee met virtually on November 17th.
 - 8.2.2 Thank you to CFO Jonas for her report.
 - 8.2.3 We have several action items under New Business, including the Construction Work Plan, the Sale of Isenberg Lot, and Kauai United Way Matching Request.
 - 8.2.4 We met virtually with our Auditors for the Audit Planning.
- 8.3 **Government Relations/Legislative – Committee Chair, Phil Tachian**
 - 8.3.1 The committee met virtually on November 17th.
 - 8.3.2 We made contact with our Congressional Delegation, both newly elected and re-elected members of Congress, which were both congratulated.
 - (a) Both of these Representatives received contributions from ACRE, our National Political Action Committee.
 - 8.3.3 At the local level, we see that the key committees of the State Legislature are being chaired by old friends that we have met with before.
 - 8.3.4 Members of the Committee attended a Post-Election Political meeting with NRECA on November 14th.
 - 8.3.5 Planning a meeting with our State Legislators on December 3rd at 2:00p.m. All four of our State Legislators are able to attend this virtual meeting, and all Directors are invited to attend. Staff members will be taking the lead on this meeting.
- 8.4 **International – Committee Chair, David Iha**
 - 8.4.1 The Committee do not meet. No report.
- 8.5 **Member Relations – Committee Chair, Dee Crowell**
 - 8.5.1 The committee met virtually on November 17th.

8.5.2 Written and oral reports were received from staff.

8.5.3 No matters up for action.

8.6 **Policy – Committee Chair, Janet Kass**

8.6.1 The Policy Committee considered two policies, along with the Defined Terms. These will all be brought up under New Business.

8.7 **Strategic Planning –Committee Chair, James Mayfield**

8.7.1 The committee met virtually on November 17th.

8.7.2 It was noted that the number of Electric Vehicles on Kauai increased by 7 in each the last two months, which is a small number, but double what it has been.

8.7.3 It was decided that we will discuss when to start the update of the Strategic Plan at the December Committee Meeting, with the assistance of the Chairman of the Board.

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

9.1 The Charitable Foundation met virtually on November 18th.

9.2 The CF written report is attached.

10. **Public Testimony** – None.

11. **New Business** –

11.1 **2021 Board Committee and Monthly Meeting dates**

11.1.1 Executive Committee Chair TenBruggencate reported that a number of changes were made to the original schedule.

11.1.2 Chair Smith noted that depending on circumstances next year, we will still have the flexibility to move dates if and when necessary.

11.1.3 Executive Committee Chair TenBruggencate also noted that things could also be changed due to COVID-19 next year, including the ability of our Auditors to be able to come here, and virtual meetings, etc.

11.1.4 Director TenBruggencate moved to approve the 2021 Board Committee and Monthly Meeting Dates. [Motion: TenBruggencate/Murashige]

11.1.5 The recommendation carried unanimously.

IN FAVOR: Crowell, Iha, Kass, Mayfield, Murashige, Smith,
Tacbian, TenBruggencate & Yukimura Total – 9

OPPOSED: None Total – 0

EXCUSED: None Total – 0

11.2 **Resolution 05-20 – Sale of Isenberg Lot**

11.2.1 F&A Committee Chair Yukimura reported that the Committee reviewed and moved to approve Resolution 05-20, the Sale of Isenberg Lot.
[Motion: Yukimura/Mayfield]

11.2.2 The recommendation carried unanimously.

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

11.3 2021 Kauai United Way Matching Funds Request

11.3.1 F&A Committee Chair Yukimura moved to approve KIUC to match employee/director donations for Kauai United Way Campaign for \$32K. [Motion: Yukimura/Mayfield]

11.3.2 The recommendation carried unanimously.

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

11.4 Board Policy No. 4, Committees

11.4.1 Policy Committee Chair Kass reported the Directors reviewed and revised Board Policy No. 4.

11.4.2 Listed all 9 committees that are regularly used by KIUC.

11.4.3 Attached a charter for each of the 9 committees. Most already had a formal charter that generally was adopted many years ago in a written Board Resolution, but these charters were stored in the corporate records of KIUC and weren't available for anyone to read. By moving these charters into Policy 4, we make them easily available to Directors, employees, and members.

11.4.4 As a result of re-reading these charters, the Policy Committee is recommending some updates, to accomplish these goals:

- (a) To establish consistent practices across all board committees. For example, all committees now have an obligation to report back to the Board. And Policy 4 now says that no KIUC employees will have a vote, on committee matters even though employees may be members of a committee.
- (b) To simplify the description of the duties of each committee – some very detailed descriptions of duties have been eliminated, in favor of adopting a high-level description of the duties.

11.4.5 Policy Committee Chair Kass moved to approve Board Policy No. 4 with the proposed changes. [Motion: Kass/Murashige]

11.4.6 The recommendation carried unanimously.

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

11.5 Board Policy No. 20, Appointments to Fill Board Vacancies

- 11.5.1 Policy Committee Chair Kass reported the Directors reviewed and revised Board Policy No. 20.
- 11.5.2 Adopting the use of defined terms, a new formatting style for all policies, and eliminating repetition or summarization of the contents of Bylaws in our policies.
- 11.5.3 Simplification, with a new focus on the rules that this particular policy establishes, which is to:
 - (a) Establish the fiduciary duty of Directors,
 - (b) Limit the number of times that a sitting Director can be appointed to fill a vacancy on the Board, and
 - (c) Limit the number of vacancies on the Board that the Board can leave unfilled.
- 11.5.4 Policy Committee Chair Kass moved to approve the revised Board Policy No. 20. [Motion: Kass/TenBruggencate]
- 11.5.5 Director Murashige noted that the section two says that no sitting Director may be appointed to fill more than one unexpired term without standing for election thereafter.
- 11.5.6 The recommendation carried unanimously.

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

11.6 Defined Terms for all Policies

- 11.6.1 Policy Committee Chair moved to approve the Defined Terms with the term Strategic Plan added. [Motion: Kass/Murashige]
- 11.6.2 The recommendation carried unanimously.

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

11.7 Resolution 06-20 – Judge Laureta

- 11.7.1 Director Murashige read the circulated Resolution 06-20, Judge Laureta aloud.
- 11.7.2 Judge Laureta’s Remembrance along with pictures of him with his children were circulated.
- 11.7.3 Director Tacbian noted that when Judge Laureta resigned from the KIUC Board, it was due to medical reasons.
- 11.7.4 Director Yukimura moved to approve Resolution 06-20. [Motion: Yukimura/TenBruggencate]
- 11.7.5 The recommendation carried unanimously.

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

11.8 Construction Work Plan

- 11.8.1 Director Kass reported that at the F&A Committee meeting, it was reported that KIUC had completed the Construction Work Plan, and is planning to send it to RUS.
- 11.8.2 RUS is no longer requiring that the Board approve the Construction Work Plan.
- 11.8.3 The Directors reviewed the Construction Work Plan.
- 11.8.4 Director Kass noted that Board Policy No. 1 states that the Board approves the Construction Work Plan.
- 11.8.5 Director Kass moved that the Board approve the Construction Work Plan. [Motion: Kass/Mayfield]
- 11.8.6 The recommendation carried unanimously.

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

12. Calendar:

- 12.1 **December 1, 2020** - Board Regulatory/Ratemaking Workshop (9:00am, via conference call)
- 12.2 **December 11, 2020** – Board Committee Meetings (9:00am, via conference call)
- 12.3 **December 18, 2020** – Regular Board Meeting (1:00pm., via conference call)
- 12.4 **December 24, 2020** – ½ Day HOLIDAY(Christmas Eve), KIUC Offices Closed
- 12.5 **December 25, 2020** – HOLIDAY(Christmas Day), KIUC Offices Closed
- 12.6 **December 31, 2020** – ½ Day HOLIDAY(New Year’s Eve), KIUC Offices Closed
- 12.7 **January 1, 2021** – HOLIDAY(New Year’s Day), KIUC Offices Closed

13. **Executive Session.** No Executive Session was needed.

14. **Adjournment.** The meeting was adjourned by consensus at 1:52. p.m.



Calvin Murashige
Secretary



President's Report

November 23, 2020

David Bissell, President and CEO

President's Report

David Bissell, President and CEO
November 23, 2020

Safety (October)

	<u>Month</u>	<u>2020 YTD</u>	<u>2019 YTD</u>
Recordable Incidents	0	3	3
Days Away/Restricted	0	177	218

Availability and Reliability:

	<u>Month</u>	<u>2020 YTD</u>	<u>2019 YTD</u>
Reportable Outages	2	24	38
Average Outage Hours Per Customer	0.02	0.81	4.20

Efficiency

	<u>Month</u>	<u>2020 YTD</u>
Net Plant Heat Rate	10,590	9,471
Peak Demand (MW)	70.40	73.2

Residential Rates:

November 2020	\$0.316/kwh Up \$0.003 from October
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Update Items

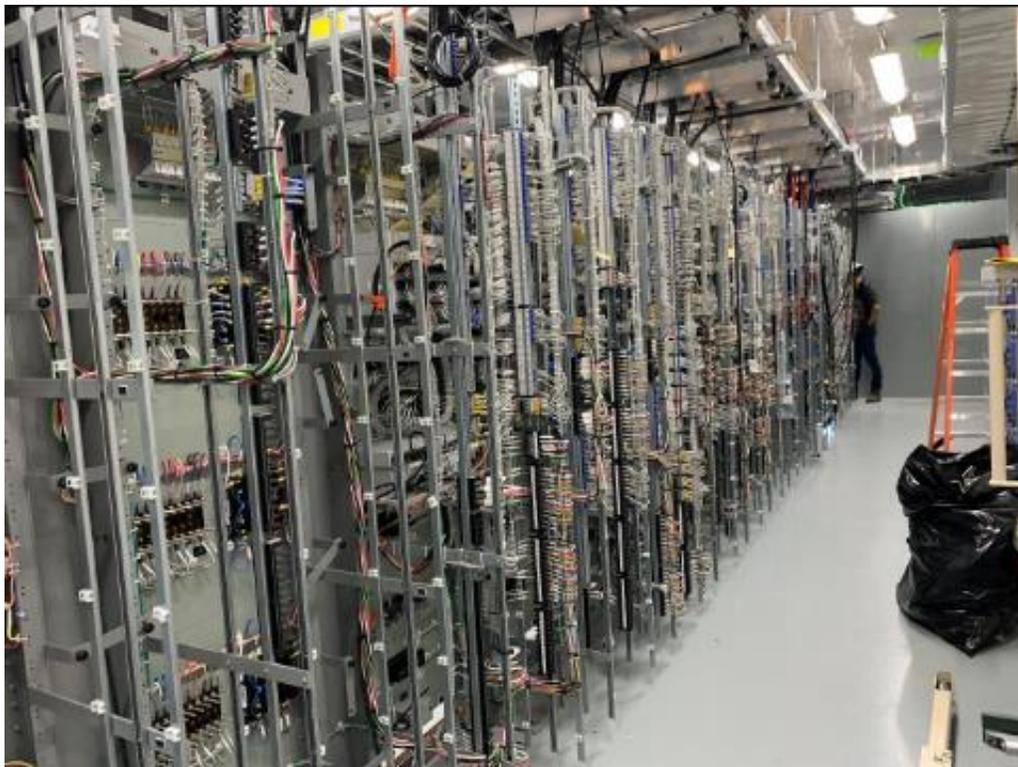
- Waiahi Hydro- Final Draft Environmental Assessment has been submitted to DLNR for decision making
- PMRF Substation- Construction about complete, commissioning to start
- Anahola Service Center- Construction to start in December, blessing to be held first week of December (very limited attendance).
- West Kauai Energy Project- Development work continues to progress
- KIUC renewable sourced energy is at 60% for the year

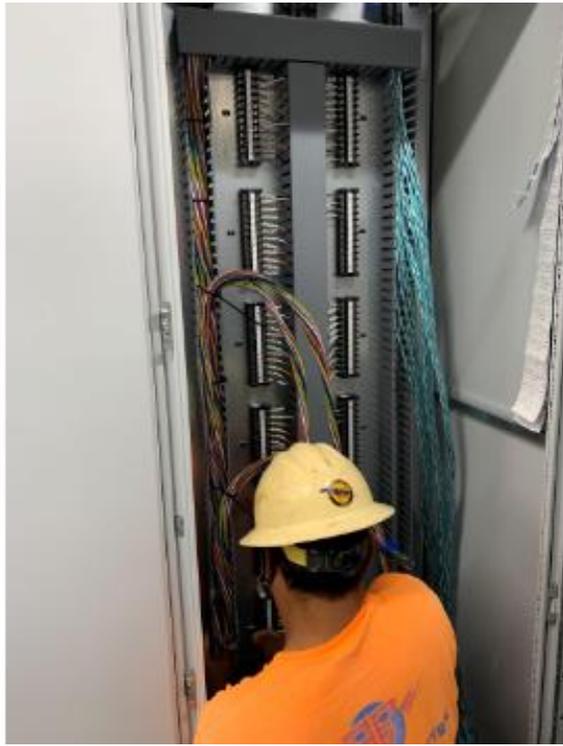


PMRF Sub Pictures



PMRF Sub Pictures



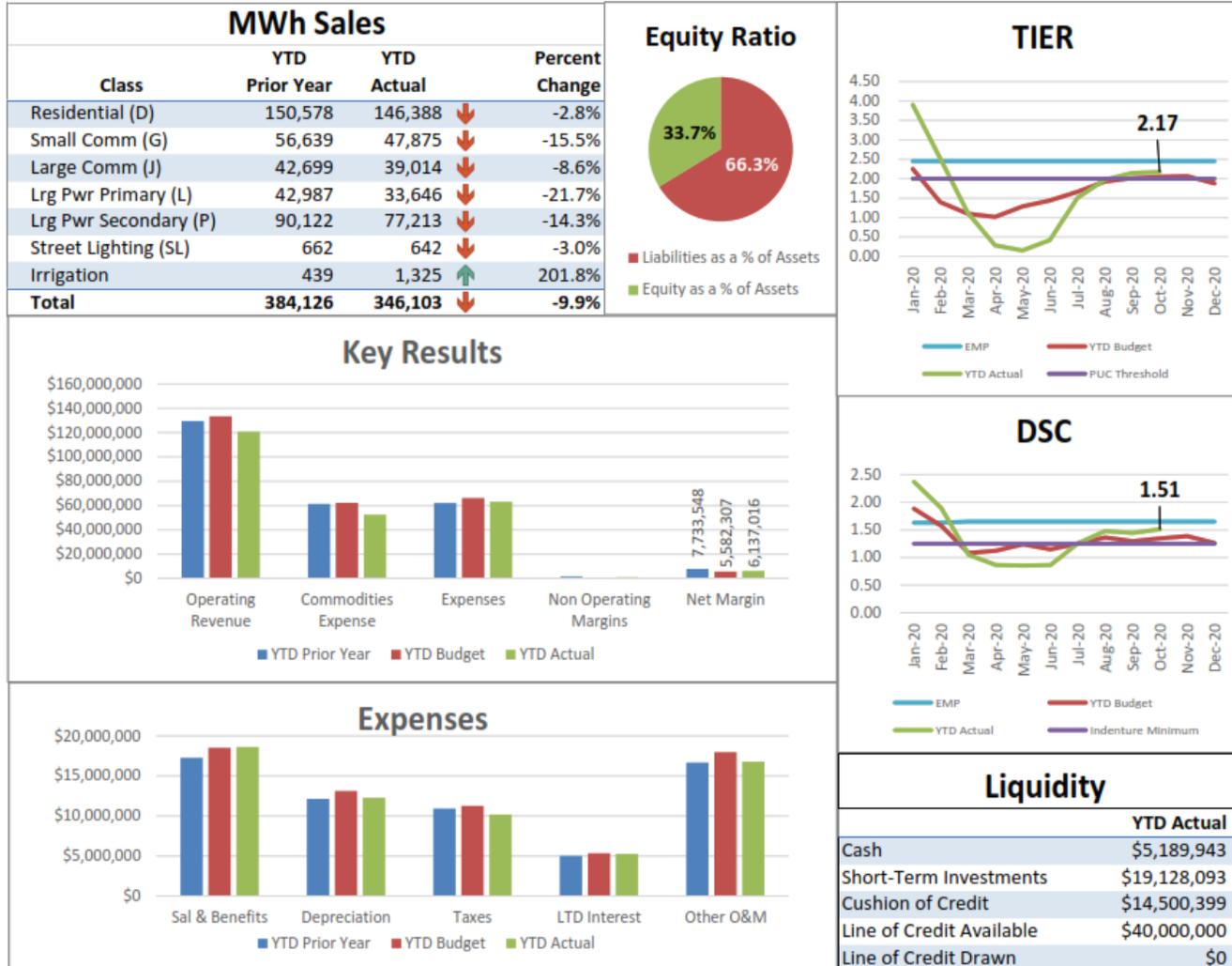




Mahalo!

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Financial Scorecard



Report of the
KIUC Charitable Foundation

Your Charitable Foundation met on Nov. 18, 2020.

Treasurer reported receiving \$24,403.26 from KIUC Escheat (unclaimed funds) for past 2 years. \$5,000.00 was paid to Hoomana Kauai, leaving a balance of \$58,818.22.

In Oct. KEO assisted 2 families for \$400.00, with 6 applications pending, they now have a balance of \$15,556.00.

On the Makana Program (Roundup) we now have over 200 members and contributions year to date of over \$1,000.00. We will receive these funds from KIUC after year's end.

We received one request for support from Malama Kauai, which was deferred for additional information needed.

Teofilo Phil Tacbian, President

KIUC Charitable Foundation

KIUC BOARD POLICY NO. 4
BOARD COMMITTEES

PURPOSE OF POLICY:

The purpose of this policy is to describe and establish procedures for the management of the committees of the Board.

POLICY CONTENT:

I. Standing Committees

The Board has the following standing committees. Charters for each committee are attachments to this policy.

1. Executive
2. Finance and Audit
3. Government Relations / Legislative Affairs
4. International
5. Member Relations
6. Policy
7. Strategic Planning
8. Loan Review
9. Nominating

The Board Chair shall be an *ex officio* member of each standing committee, with the right to vote on matters considered by each committee.

II. Ad Hoc Committees

The Bylaws provide for the annual establishment of one ad hoc committee, the Nominating Committee. A charter for that ad hoc committee is attached to this policy.

The Board may establish additional ad hoc committees to investigate, report, and propose recommendations to the Board for a specific purpose. Upon fulfillment of its purpose, that ad hoc committee shall be dissolved.

The Board shall establish each ad hoc committee, appoint its members, and appoint a Director as its chair. Typically, the Board Chair shall provide a proposed slate of members for the Board's vote.

III. Procedures for Standing Committees

- A. Voting.** All committee members except those who are KIUC employees shall have a vote on committee business.

- B. Minutes.** Minutes of each meeting shall be taken and distributed promptly after each meeting to all committee members. Typically a KIUC employee will take the minutes. However, if there is no employee to do so, the Committee Chair shall appoint another individual to take and distribute minutes.
- C. Reports to the Board.** After each meeting of a committee, that Committee Chair shall report to the ~~full~~-Board, usually at the next Board meeting, to recount that committee's activities, findings, and recommendations.
- D. Attendance.** Committee Chairs may allow non-members of their committee to attend, including Directors. The attendance of any non-member Director shall not entitle the non-member to be paid a stipend for such attendance, except as otherwise provided in the relevant KIUC policy. When possible, to ensure there are adequate materials and space available at all meetings of committees where non-member Directors will be in attendance, at least 24 hour's notice of such attendance will be given to the Committee Chair by the non-committee member Director desiring to attend. Otherwise, materials or seats may not be available to non-members.
- E. Timing of Appointments to Committees.** While membership in Board committees may be changed at any time, membership in the standing committees are typically reconsidered once a year during the annual meeting of the Board. During that meeting, the Board Chair typically proposes a full slate of members for each standing committee, for consideration by the ~~full~~-Board. The Board then votes to appoint members to the standing committees. Members of the Nominating Committee are typically appointed during the third or fourth quarter of the year.

Adopted on this 23rd day of November, 2020.

Calvin Murashige
Secretary

Revised: 11/23/2020
 Reviewed: 10/30/2018
 Reviewed: 12/13/2016
 Reviewed: 01/27/2015
 Reviewed: 06/26/2012
 Revised: 05/31/2011
 Revised: 04/27/2010
 Revised: 02/24/2009
 Revised: 11/26/2005
 Revised: 08/25/2004
 Original Adoption: 2003

ATTACHMENT 1 TO KIUC BOARD POLICY NO. 4
CHARTER FOR THE EXECUTIVE COMMITTEE

I. MEMBERSHIP

The Executive Committee (“Committee”) shall be comprised of:

- The Board Chair,
- The Board Vice Chair,
- The Board Secretary, and
- The Board Treasurer.

The Committee Chair shall be the Board Chair or the designee of the Board Chair.

II. RESPONSIBILITIES

The purpose of the Committee is to act for the Board in emergencies, to oversee performance of the CEO, to take confidential reports from legal counsel, and to consider such other issues as the Board or the Committee Chair may direct. The powers of the Committee are those granted it by the Board, subject to limitations on its authority listed in KIUC’s Bylaws.

One function of the Committee is to act on behalf of the Board in public health, financial, regulatory, weather or other emergencies, and to facilitate KIUC decisions between ~~full~~-Board meetings -- that is, to advise the CEO and to authorize actions of KIUC and its leadership during periods when it is not possible or practical to convene the ~~full~~-Board. The Committee may only act between meetings of the ~~full~~-Board. Its actions must be communicated to the ~~full~~-Board within seven (7) days of any action, and ratified at the next meeting of the Board following the Committee meeting at which those actions were taken. The Committee’s emergency actions shall be binding unless reversed by the ~~full~~-Board.

The Committee may receive reports to the Board that do not fit neatly into another single committee, and reports that are delivered between ~~full~~-Board meetings. All Directors are to be included in these sessions.

III. PARTICIPATION

The Committee may invite other Directors and, at its discretion, KIUC employees, contractors, or members of the public, to attend its meetings. There are circumstances in which the Committee may exclude non-Committee members. These might include personnel matters, sessions involving confidential business issues, and other matters. The CEO generally is invited to Committee meetings, unless the meeting specifically involves Board oversight of the CEO, such as salary discussions and performance reviews of the CEO.

If any member of the Committee does not attend a meeting of the Committee, and if a successor to that Board officer has been named, that member's successor may attend and act in the place of the absent member.

IV. EXECUTIVE SESSIONS

The Committee may convene in executive session for sensitive matters. Non-Directors may be excluded from these meetings, but subject-matter resource individuals may be included. Minutes of these meetings shall be taken by the General Counsel, Secretary, or other Committee designee. Reports from these executive session meetings may need to be reported to the ~~full~~ Board in executive session as well.

Adopted on this 23rd day of November, 2020.

Calvin Murashige
Secretary

Revised: 11/23/2020
Original Adoption: 04/05/2000 in
Resolution 08-00

ATTACHMENT 2 TO KIUC BOARD POLICY NO. 4
CHARTER FOR THE FINANCE AND AUDIT COMMITTEE

I. MEMBERSHIP

The Finance and Audit Committee (“Committee”) shall be comprised of:

- A Committee Chair who is a Director appointed by and serving at the pleasure of the Board,
- At least two other Directors appointed by and serving at the pleasure of the Board,
- KIUC’s Chief Financial Officer, and
- Any other KIUC staff members appointed by and serving at the pleasure of the CEO.

II. RESPONSIBILITIES

A. Budget

The Committee oversees KIUC's finances and KIUC's budget preparation, submission, and approval processes. The Committee shall recommend action (approval, modification, or rejection) on KIUC’s budget to the ~~full~~ Board.

B. Financial Risk Management

The Committee shall review and discuss with management KIUC's major financial risk exposures and the steps management has taken to monitor and control those exposures, including KIUC's risk assessment and risk management policies.

C. Annual External Audit

1. The Committee shall recommend to the Board a firm to be KIUC’s external auditor.
2. The Committee shall recommend to the Board audit and non-audit services to be provided by the external auditor.
3. The Committee shall meet with the external auditor to discuss the audit, at least once a year. The Committee may meet with the external auditor three times per year: before the start of the audit, during the onsite audit work, and after the conclusion of the audit. The external auditor shall report their findings to the Committee, including any problems or difficulties encountered in the course of the audit work and any significant disagreements with management.
4. If there are significant disagreements between management and the external auditor, the Committee shall report on such disagreements to the Board and shall recommend a course of action to be taken by the Board.
5. Upon the completion of the external audit, the Committee shall report to the Board on the findings of the external auditor and make a recommendation on the approval of the external auditor’s report.

D. Patronage Capital Retirements

The Committee shall make a recommendation to the Board at least once each year concerning whether or not to retire patronage capital to members. When the Committee recommends a retirement, it shall also recommend an amount to be retired and the allocation year or years from which that amount of patronage capital shall be retired.

E. Other Financial Matters

The Committee shall also consider any other financial matters referred to it by the Board or the Board Chair.

III. ATTENDANCE AND VOTING

All meetings of the Committee shall be open to other interested Directors and the CEO. The Committee Chair may invite other staff and guests to attend. The Committee Chair may designate part of any meeting to be conducted with only the Committee members that are Directors and the external auditor.

Adopted on this 23rd day of November, 2020.

Calvin Murashige
Secretary

Revised: 11/23/2020
Original Adoption: 01/26/2005 in
Resolution 01-05

ATTACHMENT 3 TO KIUC BOARD POLICY NO. 4
CHARTER FOR THE GOVERNMENT RELATIONS /
LEGISLATIVE AFFAIRS COMMITTEE

I. MEMBERSHIP

The Government Relations / Legislative Affairs Committee (“Committee”) shall be comprised of:

- A Committee Chair who is a Director appointed by and serving at the pleasure of the Board,
- At least one other Director appointed by and serving at the pleasure of the Board, and
- At least one KIUC staff member appointed by and serving at the pleasure of the CEO.

II. RESPONSIBILITIES

The Committee’s responsibility is to provide assistance to the CEO and Staff regarding legislative and lobbying efforts with various governmental elected bodies and representatives (federal, state, and local). When needed, it shall support KIUC efforts at various governmental agencies, and shall provide testimony in support of KIUC’s long-range goals.

Adopted on this 23rd day of November, 2020.

Calvin Murashige
Secretary

Revised: 11/23/2020
Original Adoption: 08/29/2006
in Policy 4

ATTACHMENT 4 TO KIUC BOARD POLICY NO. 4
CHARTER FOR THE INTERNATIONAL COMMITTEE

I. MEMBERSHIP

The International Committee (“Committee”) shall be comprised of:

- A Committee Chair who is a Director appointed by and serving at the pleasure of the Board,
- At least one other Director appointed by and serving at the pleasure of the Board, and
- At least one KIUC staff member appointed by and serving at the pleasure of the CEO.

II. RESPONSIBILITIES

The Committee shall promote and enhance human well-being through the advancement and development of rural electrification as well as support education and training to our sister cooperatives.

The Committee shall oversee projects which benefit international relationships, such as:

- Book drives,
- Donations of used equipment,
- Emergency and/or disaster assistance, and
- Participation in international conferences.

Travel to international destinations shall require approval of the Board and must be in accordance with the relevant Board policy.

The Committee shall support relationships between KIUC and its sister cooperatives and shall provide assistance as needed through its “Cooperative-to-Cooperative”, “Lineperson-to-Lineperson”, and “Community Outreach” programs.

Adopted on this 23rd day of November, 2020.

Calvin Murashige
Secretary

Revised: 11/23/2020
Original Adoption: 10/09/2005 in
Resolution 10-09

ATTACHMENT 5 TO KIUC BOARD POLICY NO. 4
CHARTER FOR THE MEMBER RELATIONS COMMITTEE

I. MEMBERSHIP

The Member Relations Committee (“Committee”) shall be comprised of:

- A Committee Chair who is a Director appointed by and serving at the pleasure of the Board,
- At least two other Directors appointed by and serving at the pleasure of the Board,
- Any KIUC staff members appointed by and serving at the pleasure of the CEO.

II. RESPONSIBILITIES

The Committee shall be responsible for providing Board input to KIUC staff on the following areas:

- Annual election of new Directors
- The annual meeting of the membership
- Marketing and member communications/education pertaining to:
 - The Touchstone Energy brand
 - Patronage capital refunds
 - Member surveys
 - KIUC website
 - Speakers bureau
- Youth Tour participation
- Member services
- Board policy development relating to communications and member services

Prior to any strategic planning workshop, the Committee shall discuss future needs of the members and develop suggested strategic initiatives to present to the participants at the workshop. The Committee may, from time to time, recommend to the Board actions that it believes should be taken by the Board on behalf of the members. Likewise, the Board may refer to the Committee for investigation and review any activities that may be suggested by the public or any Director.

Adopted on this 23rd day of November, 2020.

Calvin Murashige
Secretary

Revised: 11/23/2020
Original Adoption: 08/29/2006 in
Resolution 12-06

ATTACHMENT 6 TO KIUC BOARD POLICY NO. 4
CHARTER FOR THE POLICY COMMITTEE

I. MEMBERSHIP

The Policy Committee (“Committee”) shall be comprised of:

- A Committee Chair who is a Director appointed by and serving at the pleasure of the Board,
- At least two other Directors appointed by and serving at the pleasure of the Board,
- The General Counsel, and
- Any KIUC staff members appointed by and serving at the pleasure of the CEO.

II. RESPONSIBILITIES

The Committee has the primary responsibility for developing and recommending Board policies. Other committees of the Board, either on their own initiative or at the request of the Policy Committee, may develop policies for the Policy Committee’s review; provided that, regardless of original authorship, all Board policies will progress through the Policy Committee for a review for consistency with other Board policies, and then to the Board for review and approval.

~~The Committee shall consider and approve policies that express the Board's expectations and standards regarding Board, Director, management and organizational performance. Such policies shall have one or more of the following purposes:~~

- ~~• Guide the Board~~
- ~~• Define and transfer authority and responsibility~~
- ~~• Direct management and staff~~
- ~~• Protect the Board~~
- ~~• Avoid ambiguity~~
- ~~• Other appropriate purpose~~

~~Typically, the Committee shall review, or cause to be reviewed by the appropriate Board committee, each Board policy every [redacted] years, or as otherwise required by change in law or otherwise, and recommend revisions or changes as appropriate.~~

~~—The Committee has the primary responsibility for the initial oversight responsibilities of the Board for review of KIUC Administrative Policies developed by management. In this context, oversight means that the Committee shall have the opportunity to review Administrative Policies prior to their implementation to ensure they are correct (not in conflict with law, articles of incorporation, Bylaws or Board policy) and fair (no appearance of being inequitable). The Committee shall receive Administrative Policies 50 days prior to their desired implementation. Any questions or concerns about an employee policy will be submitted to the CEO at least 10 days prior to the next Committee meeting to allow time for investigation. At its next meeting,~~

~~the Committee will refer the matter to the Board with its recommendations.~~

Adopted on this 23rd day of November, 2020.

Calvin Murashige
Secretary

Revised: 11/23/2020
Revised: 02/18/2014
Original Adoption: 07/28/2004 in
Resolution 06-04

ATTACHMENT 7 TO KIUC BOARD POLICY NO. 4
CHARTER FOR THE STRATEGIC PLANNING COMMITTEE

I. MEMBERSHIP

The Strategic Planning Committee (“Committee”) shall be comprised of:

- A Committee Chair who is a Director appointed by and serving at the pleasure of the Board,
- At least one other Director appointed by and serving at the pleasure of the Board, and
- At least one KIUC staff member appointed by and serving at the pleasure of the CEO.

II. RESPONSIBILITIES

The Committee facilitates the execution of the strategic planning responsibilities by the Board. Specifically, the Committee:

- Oversees the development of a formal Strategic Plan for KIUC from time to time,
- Recommends the need for one or more strategic planning workshops to help develop or revise a Strategic Plan, and organizes such workshops,
- Reviews progress toward the implementation of strategic initiatives,
- Monitors strategic developments in the electric utility industry and their impact on KIUC, and
- Recommends additions, deletions, and other changes to the present Strategic Plan in between the formal development of such Strategic Plans, especially changes resulting from the identification of new initiatives.

Generally, and unless authority is granted elsewhere, the Committee has no authority, including authority to amend the Strategic Plan. Such authority is reserved for the Board.

Adopted on this 23rd day of November, 2020.

Calvin Murashige
Secretary

Revised: 11/23/2020
Original Adoption: 01/26/2005 in
Resolution 02-05

ATTACHMENT 8 TO KIUC BOARD POLICY NO. 4
CHARTER FOR THE LOAN REVIEW COMMITTEE

I. MEMBERSHIP

The Loan Review Committee (“Committee”) shall be comprised of at least five (5) members, all appointed by the Board:

- A Committee Chair who is a Director,
- At least two members with a financial background,
- At least one member from the non-profit sector, and
- At least one other member.

The Committee Chair shall be appointed by the Board and shall serve at the pleasure of the Board. The Committee members will be chosen, in part, because of their experience with lending and/or economic and community development projects.

The members of the committee will serve three-year terms. There is no limit to the number of terms. However, the Board has the right to replace Committee members in the event of resignation or other necessary circumstances.

II. RESPONSIBILITIES

The Committee will review all applications to KIUC’s Revolving Loan Fund. The Committee will provide necessary credit analysis and due diligence in order to make a written recommendation to the Board. If a Committee member has a financial interest in the project being reviewed, he/she will abstain from the loan review and recommendation to the Board. ~~In addition to the review of loan applications, Committee members are encouraged to assist Staff in the marketing of this loan program to potential borrowers and/or refer potential borrowers to Staff.~~

III. CONSISTENCY WITH REDL&G PROGRAM GUIDELINES

The United States Department of Agriculture offers Rural Economic Development Loan and Grant (“REDL&G”) programs. KIUC’s Loan Review Committee has adopted policies and procedures that allow it to participate in these programs. To the extent this charter differs from or conflicts with the REDL&G program guidelines, the REDL&G guidelines shall control.

Adopted on this 23rd day of November, 2020.

Calvin Murashige
Secretary

Revised: 11/23/2020

Revised: 04/22/2008 in
Resolution 04-08

Original Adoption: 01/26/2005 in
Resolution 04-05

ATTACHMENT 9 TO KIUC BOARD POLICY NO. 4
CHARTER FOR THE NOMINATING COMMITTEE

I. MEMBERSHIP

The Nominating Committee (“Committee”) shall be comprised of:

- A Committee Chair who is a Director who will not be a candidate in the next KIUC Board election, appointed by and serving at the pleasure of the Board and
- At least ~~four~~^{two} people who are not Directors or KIUC employees, appointed by and serving at the pleasure of the Board.

II. RESPONSIBILITIES

The Bylaws state requirements for and responsibilities of the Nominating Committee, and these are not all reiterated in this charter. The primary responsibility of the Committee is to nominate at least one individual to run for election for each Director to be elected at shall ensure there are at least three (3) candidates for the next KIUC Board election.

Adopted on this 23rd day of November, 2020.

Calvin Murashige
Secretary

Original Adoption: 11/23/2020

KIUC BOARD POLICY NO. 20
FIDUCIARY DUTY AND APPOINTMENTS TO FILL BOARD VACANCIES

PURPOSE OF POLICY:

The purpose of this policy is to state the fiduciary duty of directors, and to make it clear that the Board may fill vacancies on the Board with existing Directors or leave the vacancies unfilled.

POLICY CONTENT:

I. Fiduciary Duty of Directors

~~Option 1 (retain existing words):~~ All Directors are 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.

~~Option 2 (adopt new words about fiduciary duty):~~ The Board has a fiduciary duty to the Cooperative and its members. Each Director shall discharge his or her duties as a Director, including his or her duties as a member of a committee:

- ~~• in good faith,~~
- ~~• with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and~~
- ~~• in a manner the Director reasonably believes to be in the best interests of the Cooperative.~~

II. Appointment of Existing Directors to Fill Board

The Bylaws allow the Board to fill vacancies on the Board. A vacancy may be filled with a sitting Director. However, no sitting Director may be appointed to fill more than one unexpired term without standing for election thereafter.

III. Leaving Vacancies Unfilled

The Board may also elect not to fill an unexpired term provided there remain at least seven (7) sitting Directors without such an appointment.

Adopted on this 23rd day of November, 2020.

Calvin Murashige
Secretary

Revised: 11/23/2020
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

Kauai Island Utility Cooperative
Defined Terms Used in Policies
 (As of November 23, 2020)

The capitalized terms listed below shall have the following definitions, when used in the policies of KIUC.

<u>Defined Term</u>	<u>Definition</u>
Articles of Incorporation	The most recent version of the articles of incorporation of KIUC
Association	Kauai Island Utility Cooperative
Board	The board of directors of KIUC
Board Chair	The chairman of the board of directors of KIUC. The title for this person in the Bylaws is Chairman.
Board of Directors	The board of directors of KIUC
Bylaws	The most recent version of the bylaws of KIUC
CEO	KIUC's President and CEO; this person typically is an employee of KIUC
CFO	Chief Financial Officer
Chief Financial Officer	The highest-ranking person at KIUC that deals primarily with financial matters. The title used for this person in the Bylaws is Financial Vice President. This person typically is an employee of KIUC.
Committee	A committee established by the board of directors of KIUC
Committee Chair	The chair of a committee of the board of directors of KIUC; this person must be a
Cooperative	Kauai Island Utility Cooperative
Director	A member of the board of directors of KIUC
General Counsel	The attorney hired by the Board to advise it on most legal matters. This person typically is not an employee of KIUC and is not Special Counsel.
KIUC	Kauai Island Utility Cooperative
President	KIUC's President and CEO. This person typically is an employee of KIUC.
Secretary	The secretary of the board of directors of KIUC; this person typically is a Director
Special Counsel	An attorney hired by KIUC or the Board to handle specific cases or projects
Staff	One or more employees of KIUC
Strategic Plan	A document outlining KIUC goals for the next few years. It is adopted by the Board and revised from time to time.
Treasurer	The treasurer of the board of directors of KIUC; this person typically is a Director
Vice Chair	The vice chair of the board of directors of KIUC. The title used for this person in the Bylaws is Vice Chairman. This person must be a Director.