

## POLICIES AND PROCEDURES

### TABLE OF CONTENTS

ESTABLISHED /REVISION DATE	POLICY NO.	POLICY TITLE
03/25/21(Rev) 05/29/18(Rev) 08/30/16(Rev) 10/28/14(Rev) 11/29/11(Rev) 07/27/10(Rev) 07/25/06(Rev) 10/24/02(Rev) 04/12/00	1	Authority and Responsibility of the Board of Directors
07/30/20(Rev) 05/28/19(Rev) 06/27/17(Rev) 07/28/15(Rev) 02/26/13(Rev) 11/27/12(Rev) 12/21/10(Rev) 04/12/00	2	Authority and Responsibility of the Chief Executive Officer ("CEO")
06/30/21(Deleted) 06/26/18(Rev) 10/25/16(Rev) 10/28/14(Rev) 10/25/11(Rev) 06/30/09(Rev) 07/29/08(Rev) 10/31/06(Rev) 07/25/06(Rev) 04/12/00	3	Intentionally Left Blank
01/27/22(Rev) 01/28/21(Rev) 11/23/20(Rev) 10/30/18(Rev) 12/13/16(Rev) 01/27/15(Rev) 6/26/12(Rev) 7/27/10(Rev) 08/29/06(Rev) 04/12/00	4	Board Committees

# POLICIES AND PROCEDURES

## TABLE OF CONTENTS PAGE 2

ESTABLISHED /REVISION DATE	POLICY NO.	POLICY TITLE
01/30/20(Rev) 01/30/18(Rev) 01/26/16(Rev) 02/25/14(Rev) 05/31/11(Rev) 02/22/11(Rev) 02/19/08(Rev) 04/12/00	5	Conflicts of Interest and Conduct of Interested Persons
07/27/21(Rev) 05/29/18(Rev) 09/27/16(Rev) 10/28/14(Rev) 01/25/11(Rev) 04/12/00	6	Employment of Related Persons
07/30/20 (Deleted) 02/26/19 (Rev) 02/21/17(Rev) 05/26/15(Rev) 11/27/12(Rev) 02/22/11(Rev) 10/24/02	7	Policy 7 was combined with Policy 2 on July 30, 2020.
05/26/22(Rev) 01/29/19(Rev) 01/31/17(Rev) 03/24/15(Rev) 08/28/12(Rev) 7/27/10(Rev) 06/29/10(Rev) 02/24/09(Rev) 11/26/05(Rev) 08/25/04(Rev) 2003 (Copy)	8	Director and Committee Member Compensation and Expense Reimbursement
11/22/22 (Rev) 01/29/19(Rev) 01/31/17(Rev) 03/24/15(Rev) 02/25/14(Rev) 02/22/11(Rev) 12/18/03	9	Investment of General Funds
11/23/21(Rev) 06/26/18(Rev) 10/25/16(Rev) 10/28/14(Rev) 12/20/11(Rev) 04/22/08(Rev) 06/30/04	10	Legal Representation and Use of Attorneys

# POLICIES AND PROCEDURES

## TABLE OF CONTENTS PAGE 3

ESTABLISHED /REVISION DATE	POLICY NO.	POLICY TITLE
11/22/22 (Rev) 10/29/19(Rev) 02/22/18(Rev) 02/23/16(Rev) 03/18/14(Rev) 06/28/11(Rev) 08/31/05(Rev) 2003	11	Patronage Capital Credit Assignment and Retirement Management
02/24/22(Rev) 03/26/19(Rev) 02/21/17(Rev) 05/26/15(Rev) 08/28/12(Rev) 01/26/10(Rev) 11/28/06(Rev) 07/28/04	12	Code of Ethics: Development and Management
02/27/20(Rev) 02/22/18(Rev) 03/22/16(Rev) 04/29/14(Rev) 10/25/11(Rev) 05/27/08(Rev) 07/28/04	13	Community and Economic Development
06/30/21(Rev) 06/25/19(Rev) 06/27/17(Rev) 08/25/15(Rev) 12/17/13(Rev) 08/30/11(Rev) 12/22/04(Rev)	14	KIUC Policy, Procedure and Practice Formulation, Review and Approval
05/25/21(Rev) 02/27/20(Rev) 03/20/18(Rev) 03/22/16(Rev) 04/29/14(Rev) 10/25/11(Rev) 10/27/04	15	Strategic Planning
08/25/22(Rev) 04/23/19(Rev) 02/21/17(Rev) 05/26/15(Rev) 11/27/12(Rev) 03/27/12(Rev) 08/30/11(Rev) 07/29/08(Rev) 09/04/07(Rev) 01/31/06(Rev) 12/22/04	16	Access to Board Meetings and Bulk Mailing Lists (Formerly Access to Cooperative Information) (Formerly Disclosure of Cooperative Information)+
	17	<b>Vacant</b>

# POLICIES AND PROCEDURES

## TABLE OF CONTENTS PAGE 4

ESTABLISHED /REVISION DATE	POLICY NO.	POLICY TITLE
06/30/21(Rev) 08/28/18(Rev) 11/29/16(Rev) 11/25/14(Rev) 05/22/12(Rev) 05/31/11(Rev) 04/27/10(Rev) 12/22/09(Rev) 07/12/07(Rev) 02/16/05	18	Board Member Qualifications and Eligibility
01/30/20(REV) 01/30/18(REV) 02/23/16(REV) 03/18/14(REV) 07/26/11(REV) 01/26/05	19	Anti Retaliation and Whistleblowing
11/23/20(Rev) 07/31/18(Rev) 10/25/16(Rev) 10/28/14(Rev) 10/25/11(Rev) 05/19/05	20	Fiduciary Duty and Appointments to Fill Board Vacancies
03/24/20(Rev) 04/24/18(Rev) 05/31/16(Rev) 06/24/14(Rev) 09/27/11(Rev) 08/31/05	21	Financial Fraud Detection and Deterrence
09/25/20(Rev) 04/23/19(Rev) 02/21/17(Rev) 05/26/15(Rev) 12/18/12(Rev) 01/25/11(Rev) 01/30/07	22	Providing Information to Directors
09/23/21(Rev) 04/24/18(Rev) 07/26/16(Rev) 07/29/14(Rev) 09/27/11(Rev) 10/31/06	23	Electioneering
12/16/21(Rev) 12/19/18(Rev) 03/28/17(Rev) 05/26/15(Rev) 11/27/12(Rev) 08/26/08(Rev) 12/19/06	24	Funding the KIUC Charitable Foundation



# POLICIES AND PROCEDURES

## TABLE OF CONTENTS PAGE 5

ESTABLISHED /REVISION DATE	POLICY NO.	POLICY TITLE
01/27/22(Rev) 11/27/18(Rev) 11/29/16(Rev) 12/16/14(Rev) 02/28/12	25	KIUC Charitable / Non Profit Giving
11/23/21(Rev) 10/30/18(Rev) 11/29/16(Rev) 12/16/14(Rev) 12/20/11(Rev) 09/29/09	26	Records Management
09/25/20(Rev) 11/27/18(Rev) 12/13/16(Rev) 01/27/15(Rev) 06/26/12(Rev) 08/30/11(Rev) 05/25/2010	27	Communications by Directors to the Public
08/26/21(Rev) 05/28/19(Rev) 04/18/17(Rev) 6/30/15(Rev) 11/26/13	28	Offer to Acquire Cooperative's Assets
09/23/21(Rev) 02/26/19(Rev) 01/31/17(Rev) 03/24/15(Rev) 09/25/2012	29	Equity Management Plan
09/23/21(Rev) 11/27/18(Rev) 12/13/16(Rev) 01/27/15(Rev) 06/26/2012	30	Electric Rates and Rate Design
03/24/20(Rev) 03/20/18(Rev) 03/22/16(Rev) 04/29/14(Rev) 09/27/11	31	Safety Policy
06/28/22(Rev) 07/31/18(Rev) 10/25/16(Rev) 08/26/14(Rev) 10/04/11	32	Member Petitions
3/24/22(Rev) 08/28/18(Rev) 10/25/16(Rev) 08/26/14(Rev) 10/25/11	33	Member Called Special Meetings of KIUC Members

**KIUC BOARD POLICY NO. 1**  
**AUTHORITY AND RESPONSIBILITY OF THE BOARD OF DIRECTORS**

**PURPOSE OF POLICY:**

This policy describes the authority and responsibility of the KIUC Board as well as the authority and responsibility of individual Directors and officers of the Board.

**POLICY CONTENT:**

**I. General Responsibilities of the Board of Directors**

The business and affairs of KIUC shall be governed by its Board of Directors which shall exercise all powers of the Cooperative except those which are by law, by the Articles of Incorporation, or by the Bylaws conferred upon or reserved to the members. Generally, the Board is concerned with the broad courses of action to be followed by the Cooperative, rather than the means used to carry out the courses of action, which means are normally delegated to the CEO.

The general responsibility of each Director is to exercise their business judgment to act in what they reasonably believe to be the best interests of KIUC and its members.

**II. Key Responsibilities of the Board of Directors**

The key responsibilities of the Board include:

**A. Selecting certain key employees and contractors**

1. Selecting, evaluating, and compensating the CEO.
2. Selecting the General Counsel.
3. Selecting the external auditing firm for KIUC.

**B. Approving major plans and expenditures**

1. Approving annual operating budgets.
2. Approving capital expenditure budgets.
3. Approving changes in rates charged to members.
4. Approving retirements of patronage capital.
5. Approving KIUC's Strategic Plan.
6. Approving Board policies.

**C. Overseeing management's performance**

1. Monitoring and reviewing KIUC's performance in meeting strategic, financial, and operational goals and targets.
2. Providing insight, advice, and support to the CEO on key decisions.

### **III. Meeting Attendance, Preparation and Participation**

Directors are expected to prepare for, attend, and contribute meaningfully to all meetings of the Board and Board committees of which they are a member.

### **IV. Board Officers**

Each year at the Annual Board Meeting, the Board shall elect the following officers. The duties of these officers shall include, but are not limited to, the duties described below.

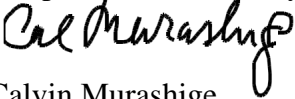
- A. Board Chair.** The Board Chair shall preside at all Board and member meetings and may sign on KIUC's behalf any document properly authorized by the Board or members. The Board Chair shall approve the expenses of the Treasurer.
- B. Vice Chair.** The Vice Chair shall perform the duties of the Board Chair in his/her absence.
- C. Secretary.** The regular duties of the Secretary are to oversee the minutes of Board meetings and the minutes of member meetings and to authenticate KIUC's records as needed.

In the absence of both the Board Chair and the Vice Chair, the Secretary shall serve as the chair of the Board.

- D. Treasurer.** The Treasurer shall approve the expenses of all other Directors, the CEO, and the General Counsel. In the absence of the Board Chair, the Vice Chair, and the Secretary, the Treasurer shall serve as the chair of the Board.
- E. Assistant Secretary.** The Assistant Secretary shall perform the regular duties of the Secretary in his/her absence. In the absence of the Board Chair, the Vice Chair, the Secretary, and the Treasurer, the Assistant Secretary shall perform the duties of the Board Chair. The Board may choose to elect a First Assistant Secretary and a Second Assistant Secretary, in which case the First Assistant Secretary shall serve in the absence of the Secretary and the Second Assistant Secretary shall serve in the absence of both the Secretary and the First Assistant Secretary.
- F. Assistant Treasurer.** The Assistant Treasurer shall perform the duties of the Treasurer in his/her absence. The Board may choose to elect a First Assistant Treasurer and a Second Assistant Treasurer, in which case the First Assistant Treasurer shall serve in the absence of the Treasurer and the Second Assistant Treasurer shall serve in the absence of both the Treasurer and the First Assistant Treasurer.

Revised: 03/25/2021  
Reviewed: 05/29/2018  
Reviewed: 08/30/2016  
Reviewed: 10/28/2014

Adopted on this 25<sup>th</sup> day of March, 2021.



Calvin Murashige  
Secretary

Revised: 11/29/2011

Revised: 07/27/2010

Revised: 07/25/2006

Revised: 10/24/2002

Original Adoption: 04/12/2000

**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 and/or consulting assistance, 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 that 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 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.
  - g. The CEO, however, may not 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 CoBank, ACB ("CoBank"), or advance requests from any previously approved loans from the Federal Financing Bank ("FFB"), CFC, or CoBank without board approval.
- 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 30<sup>th</sup> day of July, 2020.



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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

## KIUC BOARD POLICY NO. 3

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## **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

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**

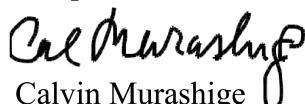
- A. Voting.** All committee members except those who are KIUC employees shall have a vote on committee business.

- 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 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, such as subject matter experts, 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 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.

**IV. Confidentiality Requirement for NonDirector Committee Members**

Committee members who are not Directors shall refrain from disclosing non-public, confidential, or proprietary information concerning KIUC to individuals outside of KIUC. Before they become a member of a KIUC committee, each non-Director member shall sign an appropriate nondisclosure and confidentiality agreement in substantially the same form as is signed by new Directors.

Adopted on this 28<sup>th</sup> day of January, 2021.

  
Calvin Murashige  
Secretary

Revised: 01/28/2021  
 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 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 Board. The Committee may only act between meetings of the Board. Its actions must be communicated to the 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 Board.

The Committee may receive reports to the Board that do not fit neatly into another single committee, and reports that are delivered between 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 Board in executive session as well.

Adopted on this 23<sup>rd</sup> 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 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 23<sup>rd</sup> 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**

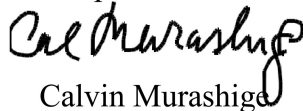
The Government Relations / Legislative Affairs Committee (“Committee”) shall be comprised of:

- 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 23<sup>rd</sup> 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 23<sup>rd</sup> 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.

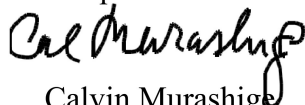
**II. RESPONSIBILITIES**

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 23<sup>rd</sup> 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 also has the primary responsibility for reviewing and recommending to the Board revisions of the Bylaws.

Adopted on this 27<sup>th</sup> day of January, 2022.

Revised: 01/27/2022

Revised: 11/23/2020

Revised: 02/18/2014

Original Adoption: 07/28/2004 in

Resolution 06-04

Calvin Murashige  
Calvin Murashige (Mar 2, 2022 12:05 HST)

Calvin Murashige  
Secretary

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 23<sup>rd</sup> 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

**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 23<sup>rd</sup> 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
- Four 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 responsibilities of the Committee are to nominate at least one individual to run for election for each Director to be elected at the next KIUC Board election and to verify candidates for the Board comply with the requirements of the Bylaws and Board policies.

Adopted on this 28<sup>th</sup> day of January, 2021.

  
Calvin Murashige  
Secretary

Revised: 01/28/2021  
Original Adoption: 11/23/2020

**KAUAI ISLAND UTILITY COOPERATIVE  
BOARD POLICY NO. 5  
Reviewed 01/30/2020**

**CONFLICTS OF INTEREST  
AND CONDUCT OF INTERESTED PERSONS**

**PURPOSE OF POLICY:**

Kauai Island Utility Cooperative (KIUC) has confidence in the loyalty and integrity of all members of its Board of Directors and staff. However, because of the importance of the subjects of conflicts of interest, improper corporate political activity and internal accounting controls of corporations, the Board of Directors considers it desirable to emphasize the policy of KIUC on these subjects and to publish this statement as a guide for all persons, including directors, officers and other management personnel, who might, by reason of their corporate duties, find themselves in a position where a conflict of interest may exist. This policy applies to the individuals identified in the policy and to any other individual who is provided and required by the Board of Directors to fill out an annual disclosure statement pursuant to this policy and is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and cooperative corporations.

**POLICY CONTENT:**

A. Definitions

1. Interested Person. Any director, officer or member of a committee with board-delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

2. Family. The family of any individual shall include his/her spouse, partners in a civil union, domestic partners, reciprocal beneficiaries, children, siblings (whether of the



whole or half blood), grandparents, grandchildren, great grandchildren, and spouses of the same. Adopted children shall be considered the same as children by blood.

3. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment or Family:

a. an ownership or investment interest in any entity with which KIUC has a business transaction or arrangement, or;

b. a compensation arrangement with the Corporation or with any entity or individual with which KIUC has a business transaction or arrangement, or;

c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which KIUC is negotiating a business transaction or arrangement.

Compensation includes direct or indirect remuneration as well as gifts or favors that are substantial in nature.

B. Procedures

1. Duty to Disclose. In connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence and nature of his/her financial interest to the directors and members of committees with board-delegated powers considering the proposed business transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after discussion with the Interested Person, the Interested Person shall leave the Board or committee meeting at which the financial interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest.

a. An Interested Person may make a presentation at the Board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.

b. The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the Board or committee shall determine whether KIUC can obtain a more advantageous business transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous business transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in KIUC's best interest and for its own benefit and whether the transaction is fair and reasonable to KIUC and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Conflicts of Interest Policy.

a. If the Board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board or committee determines that

the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary or corrective action.

5. General Conduct of Interested Persons

a. Confidential Information. Confidential information pertaining to KIUC must be held in strictest confidence and may not be used as a basis for personal gain or advantage by an Interested Person, the Interested Person's Family, or others. Financial or other corporate information is not to be released to any person unless it has been published or otherwise made generally available to the public in accordance with applicable disclosure regulations, except as specifically approved by the Board of Directors.

b. Real Estate/Security Interests. Each Interested Person shall refrain from knowingly buying or selling, for his or her own account or the account of a member of his or her Family, any real estate, chattel, security or other interest which KIUC may be considering buying or selling, or has decided to buy or sell, until the decision by KIUC has been completely executed. Each Interested Person will also refrain from transmitting any knowledge of such consideration or decision or any other information which might be prejudicial to the interest of KIUC to any person other than in connection with the discharge of his/her corporate responsibilities.

c. Third Parties. Each Interested Person shall refrain from knowingly entering into any contract, agreement or transaction with a third party on behalf of KIUC which involves an improper or illegal advantage or disadvantage to such third party or to any competitor of such third party.

d. Gratuities. Each Interested Person must avoid placing himself or herself under actual or apparent obligation to anyone by accepting, or permitting his/her Family to

accept gifts or other favors where it might appear that they were given for the purpose of improperly influencing the Interested Person in the performance of his or her corporate duties. Interested Persons shall not accept any items of nominal or minor value, including but not limited to, any singular gift meal, entertainment or service, in excess of a \$100 value or repeated gifts of lesser value, except where there is a business reason and prior approval is granted by the Board of Directors.

e. Outside Activities. Each Interested Person shall avoid outside employment or activities which take away time and attention required by his or her corporate duties, or involve obligations which may in any way compete or conflict with the interest of KIUC, unless approved in advance by the Board of Directors.

C. Records of Proceedings

The minutes of the Board of Directors and all committees with board-delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest existed; and

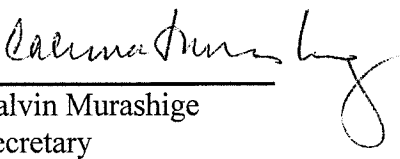
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

D. Annual Statements

Every year at the Annual Meeting of KIUC's Board of Directors as specified in Article III, Section 6, of the KIUC Bylaws (or the Bylaws' successor provision), each director, officer and member of a committee with board-delegated powers shall sign a statement, in the form attached hereto and incorporated herein as Exhibit "A", which affirms that such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy, and;
3. Has agreed to comply with the policy.

Reviewed on this 30<sup>th</sup> day of January, 2020

  
\_\_\_\_\_  
Calvin Murashige  
Secretary

Reviewed: 01/30/2020  
Reviewed: 01/30/2018  
Reviewed: 01/26/2016  
Reviewed: 02/25/2014  
Revised: 05/31/2011  
Revised: 02/22/2011  
Reviewed: 02/19/2008  
Original Adoption: 04/12/2000

**EXHIBIT "A"**

**CONFLICTS OF INTEREST STATEMENT**

I, \_\_\_\_\_, do hereby affirm as follows:  
PRINT NAME

1. I am an officer or a member of the Board of Directors or of a committee with board-delegated powers for Kauai Island Utility Co-op ("KIUC");
2. I have received a copy of KIUC's Board Policy No. 5 on Conflicts of Interest and Conduct of Interested Persons (the "Policy");
3. I have read and understood the Policy;
4. Unless otherwise indicated below and to the best of my knowledge, I am in full compliance with the Policy as of the latest date indicated below and agree to continue to comply with the Policy;
5. The following is a list of my business interest(s) and other organization(s) with which either I or my Family (as such term is defined in the Policy) is financially involved in any manner:

<u>Name of Organization</u>	<u>Name of Interested Person or Family Member</u>	<u>Nature of Involvement</u>

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Name:  
Title:  
  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

KIUC POLICY NO. 6  
**EMPLOYMENT OF RELATED PERSONS**

**PURPOSE OF POLICY:**


This policy describes the circumstances and conditions under which related persons may or may not be concurrently employed by KIUC.

**POLICY CONTENT:**

The Board recognizes that under certain circumstances and conditions, related persons may work for KIUC in order to obtain and retain a qualified local workforce. The Board also recognizes the sensitivity of such employment and has determined the following rules shall apply:

1. For purposes of this policy, related persons include spouses, partners in a civil union, domestic partners, or reciprocal beneficiaries, children, siblings (whether of the whole or half blood), grandparents, grandchildren, great grandchildren, and the spouses of same. Adopted children shall be considered the same as children by blood.
2. Related persons with the requisite qualifications may be employed concurrently, provided there is no direct reporting relationship between such employees.

Adopted on this 27<sup>th</sup> day of July, 2021.



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Calvin Murashige  
Secretary

Revised: 07/27/2021  
Reviewed: 09/27/2016  
Reviewed: 10/28/2014

Revised: 01/25/2011  
Original Adoption: 04/12/2000

**KAUA`I ISLAND UTILITY COOPERATIVE  
BOARD POLICY NO. 7  
(Deleted 07/30/2020)**

**(The content of Policy 7 was moved into Policy 2 and it was proposed to eliminate Policy 7)**

Deleted: 07/30/2020  
Reviewed: 02/26/2019  
Reviewed: 02/21/2017  
Reviewed: 05/26/2015  
Revised: 11/27/2012  
Revised: 02/22/2011  
Original Adoption: 10/24/2002



KIUC BOARD POLICY NO. 8  
**DIRECTOR AND COMMITTEE MEMBER**  
**COMPENSATION AND EXPENSE REIMBURSEMENT**

**PURPOSE OF POLICY:**

This policy describes the compensation and expense reimbursement for Directors, Board Committee members who are not Directors or employees, and the CEO.

**POLICY CONTENT:**

**I. Management of the Board's Compensation and Expenses**

Each year, as part of the approval of the annual budget, a budget for Board compensation and expenses is approved. The Board Chair shall manage this department budget. The Board Chair may establish a rule of thumb each year, such as "each Director may attend up to three qualifying events on the mainland and one event on another Hawaiian island", if such a practice is likely to result in Board expenses being less than or equal to that year's budget for Board compensation and travel expenditures. If expenditures are likely to exceed the budget, the Board Chair shall revise the rule of thumb or the board shall authorize an increase in this budget item.

**II. Stipends**

**A. Days Qualifying for Stipends.** The Bylaws provide for a stipend to be paid for each day, or portion thereof, that voting Directors or Committee members actually spend on KIUC business. Voting Directors and Committee members that are not Directors or employees shall be paid a stipend:

1. When attending regular or special Board meetings,
2. When attending Committee meetings as a member of the Committee;
3. When attending Committee meetings at the specific request of the Committee Chair for good cause;
4. When attending regular or special meetings of KIUC members; and
5. When otherwise representing KIUC in an official capacity as approved in advance by the Board Chair for Directors or Committee members other than the Chair; approved in advance by the Executive Committee of the Chair; or as otherwise approved in advance by the Board.

In addition, voting Directors shall be paid a stipend when attending NRECA Director courses or NRECA regional, annual, or legislative conferences, as long as the event

either is authorized explicitly by the Board Chair as being eligible for a stipend or it complies with the Board Chair's rule of thumb for the year.

**B. Travel Days.** A maximum of four (4) days of stipends will be paid for the combined travel time spent traveling to and from events on the mainland.

**C. Approval Process.** To receive stipends, the individual entitled to a stipend shall report all stipend entitlements to the KIUC employee who manages Board activities, who shall cause the Board Chair or Treasurer to verify entitlement, and, upon such verification by the Board Chair or Treasurer, submit a payment request to the accounting department for processing.

### **III. Travel Expenses**

Directors and Committee members shall be reimbursed for all reasonable travel expenses incurred on KIUC business in accordance with the then-current KIUC business travel and expense policy, upon submission of a report and appropriate receipts to the Treasurer, approval of the expenses by the Treasurer (except that such expenses for the Treasurer, which shall be approved by the Board Chair), and submission of the approved reimbursement form for the expenses to KIUC's accounting department in accordance with current procedures.

The CEO shall be reimbursed for all reasonable travel expenses incurred on KIUC business in accordance with the then current KIUC business travel and expense policy, upon approval of the expenses by the Treasurer and submission of the approved reimbursement form for the expenses to KIUC's Accounting Department in accordance with current procedures.

### **IV. Entertainment Expenses**

From time to time it may be appropriate for Directors, Committee members, or the CEO to make reasonable expenditures for entertainment or meals for others during the conduct of KIUC business. No specific limitations have been placed on such expenditures, other than they be necessary, reasonable, correct, and meet applicable Internal Revenue Service requirements. Requests for reimbursement of entertainment expenses shall be submitted and approved in the same manner as described above for travel expenses.

Adopted on this 26<sup>th</sup> day of May, 2022.

Revised: 05/26/2022  
Reviewed: 01/29/2019  
Reviewed: 01/31/2017  
Reviewed: 03/24/2015  
Reviewed: 08/28/2012  
Revised: 07/27/2010  
Revised: 06/29/2010

*Calvin Murashige*

Calvin Murashige (May 27, 2022 11:15 HST)

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Calvin Murashige  
Secretary

Revised: 02/24/2009

Revised: 11/26/2005

Revised: 08/25/2004

Original Adoption: 2003

KIUC POLICY NO. 9  
**INVESTMENT OF GENERAL FUNDS**

**PURPOSE OF POLICY:**

This policy describes the guidance of the Board of Directors to the KIUC staff and Chief Financial Officer (CFO) with regard to the investment of KIUC's cash or other general funds.

**POLICY CONTENT:**

The Rural Utilities Service (RUS) policies have long provided parameters for co-op investment of general funds. Approved investments include RUS ('cushion of credit,') National Rural Utilities Cooperative Finance Corporation (CFC), CoBank, certain Treasury securities and bank deposits (FDIC insured).

The KIUC Board of Directors wants our invested cash to achieve maximum returns consistent with prudent and fiscally conservative instruments in our investments.

The KIUC Board of Directors recognizes the KIUC CFO and staff have the cash management responsibilities and will supervise investment and allocation of general funds using sound business and investment practices. The Board expects short and long-term investments of KIUC general funds in the following fixed- income fiscally conservative instruments:

- A. RUS Cushion of Credit
- B. CFC Daily Fund, Select Notes, Commercial Paper and Medium-term Notes
- C. CoBank Cash Investment Service certificates
- D. U.S. Treasury short-term securities
- E. Bank accounts (FDIC insured)
- F. Money market accounts and money market funds

The Board of Directors shall be notified should the CFO and/or staff need to invest cash using a different instrument than those listed.

From time to time it may be in the best interest of KIUC to employ our cash for debt repayment. If this utilization of cash is employed, the CFO is to notify the Board of Directors prior to execution.

The Board requests information on all KIUC investments be reported monthly to the Finance & Audit Committee.

Adopted on this 22<sup>nd</sup> day of November, 2022.

  
Calvin Murashige (Nov 30, 2022 12:34 HST)

Calvin Murashige  
Secretary

Revised: 11/22/2022  
Reviewed: 01/29/2019  
Reviewed: 01/31/2017  
Revised: 03/24/2015  
Reviewed: 02/25/2014  
Revised: 02/22/2011  
Revised: 12/18/2003  
Original Adoption: 2002

KIUC BOARD POLICY NO. 10  
**LEGAL REPRESENTATION AND USE OF ATTORNEYS**

**PURPOSE OF POLICY:**

Although attorneys retained or employed by KIUC and the attorneys' representation of KIUC, are governed by rules of professional conduct and other local, state, and federal law, the objective of this policy is to provide additional guidance for the representation of all attorneys who represent KIUC, and KIUC's use of attorneys. To the extent this policy is inconsistent with rules of professional conduct or similar requirements governing attorneys, the rules or requirements govern.

**POLICY CONTENT:**

**I. Retention of Counsel**

- A. General Counsel.** The Board shall retain or employ an attorney on behalf of KIUC to continually provide general legal services to KIUC ("General Counsel"). General legal services include, but are not limited to: (1) attending and drafting or reviewing the minutes of all meetings of the Board, and all annual and special meetings of KIUC members; (2) negotiating, drafting, and reviewing contracts; (3) providing legal services for the disposition or acquisition of real property and interests in real property; (4) providing legal services for the borrowing or lending of money; and (5) providing legal services regarding general business, cooperative, tax, and electric utility law.
- B. Special Counsel.** As reasonably necessary, and following consultation with the General Counsel, KIUC may retain or employ attorneys to provide special legal services to KIUC ("Special Counsel"). Special legal services require competence in a particular field of law. The General Counsel may also provide special legal services to KIUC in areas of the General Counsel's competency.
- C. Board Counsel.** As determined by the Board, the Board may retain, employ, direct, and discharge an attorney other than the General Counsel, or Special Counsel, or their law firms, to periodically provide legal services directly to the Board ("Board Counsel"), with the Board Counsel representing the Board as client. To the extent practical, a Board Counsel's representation of the Board must be governed in a manner similar to the manner in which an attorney's representation of KIUC is governed under this policy.

**II. Competent Legal Representation and Conflicts of Interest**

An attorney shall provide competent legal representation to KIUC, and shall have or acquire the appropriate knowledge, skills, time, and qualifications necessary to provide competent

legal representation. No attorney, however, guarantees, promises, or warrants a successful or favorable outcome regarding legal services provided to KIUC. An attorney shall inform the CEO, or person authorized by the CEO in writing of any other entity engaged in generating, transmitting, distributing, marketing, or selling electric energy to which the attorney provides legal services.

### **III. Retaining, Employing, and Discharging Attorneys**

The Board shall make decisions regarding retaining, employing, and discharging the General Counsel and shall annually evaluate the performance of the General Counsel. Following consultation with the General Counsel, the CEO shall make decisions regarding retaining, employing, and discharging any other attorney.

### **IV. Directing Attorneys**

Only the Board, the Board Chair, or the CEO may request an attorney provide legal services to KIUC; provided, however, if KIUC's General Counsel is requested to perform services that are thought by the General Counsel to be outside the scope of the General Counsel's general retainer, the general Counsel shall so advise the requestor, and, if the requestor is not the Board, Board Chair, or CEO, have the requestor obtain the necessary approval from the Board, Board Chair, or CEO, as applicable, pursuant to this policy prior to undertaking the requested services. The CEO and attorney shall keep the Board reasonably informed regarding any matter for which an attorney is providing legal services to KIUC. In consultation with the Board or as directed by the Board, the CEO shall direct an attorney. In providing legal services to KIUC, and subject to the Board or CEO's direction, an attorney may act on KIUC's behalf in any manner reasonably believed to be in KIUC's best interest. Unless the CEO gives his or her prior consent, an attorney may not make a statement outside of a tribunal regarding the attorney's provision of legal services to KIUC, which statement the attorney knows or reasonably should know will be disseminated by means of public communication. No KIUC director, officer, employee, consultant, agent, or representative may interfere with the attorney's ability to exercise independent professional judgment and render candid advice.

### **V. Attorney Fees and Expenses**

KIUC shall pay its attorneys a reasonable fee and reasonable expenses. All attorneys shall provide legal services to KIUC in a cost-effective and efficient manner. The fees and expenses for attorneys retained by KIUC must be specified in an appropriate attorney engagement agreement. KIUC shall indemnify its attorneys for liability and expenses, including reasonable attorney fees, to which KIUC has exposed the attorney without the attorney's fault. The CEO shall cause KIUC's attorneys to be paid appropriate monthly fees and expenses in accordance with their respective engagement agreements, and within budgeted and delegated authority.

## **VI. KIUC as Client**

In providing legal services to KIUC, an attorney represents KIUC as client, acting through its authorized directors, officers, employees, and members. In representing KIUC, an attorney does not represent KIUC's directors, officers, employees, or members. If the Board gives its informed, written, and prior consent, and if an attorney complies with applicable conflict of interest requirements, then the attorney may represent individual KIUC directors, officers, employees, and members in matters related to the attorney's representation of KIUC.

## **VII. Attorney-Client Privilege**

Confidential communications between KIUC, or its agent or representative, and the attorney, or the attorney's agent or representative, made to facilitate the attorney's provision of legal services to KIUC are protected by the attorney-client privilege. KIUC directors, officers, employees, consultants, agents, and representatives shall not disclose these communications to third parties, other than those to whom disclosure is made in furtherance of this provision of legal services, or those reasonably necessary for transmitting the communications. To the extent these communications are disclosed to KIUC employees, consultants, agents, or representatives, they must only be disclosed to individuals who reasonably need to know of the communications.

## **VIII. Attorney's Duty to Inform and Consult**

An attorney shall keep the Board and the CEO reasonably informed regarding a matter for which the attorney is providing legal services to KIUC. For decisions regarding the matter to be made by KIUC, the attorney shall explain the matter to the Board and the CEO to the extent reasonably necessary to permit KIUC to make an informed decision. An attorney shall promptly comply with KIUC's reasonable request for information.

## **IX. Reliance**

In providing legal services to KIUC, an attorney may rely upon information provided by KIUC, unless the attorney knows that the reliance is unwarranted. In performing his or her duties, a KIUC director, officer, or employee may rely upon information, opinions, reports, and statements prepared or presented by an attorney. A director, officer, or employee's reliance, however, is only permitted regarding matters involving skills or expertise that he or she reasonably believes are within the attorney's professional or expert competence. Further, this reliance is only permitted if the director, officer, or employee acts in good faith and reasonably believes that the reliance is warranted and that the attorney merits confidence.

## **X. Evidence of Violation of Law or Breach of Duty**

If an attorney, other than the General Counsel, knows or reasonably should know of any evidence of an actual or intended material violation of law or material breach of duty, or



evidence of an actual or intended violation of law or breach of duty likely to result in substantial injury to KIUC, by KIUC or by any KIUC director, officer, employee, consultant, agent, or representative then the attorney shall report the evidence to the General Counsel. If the General Counsel knows or reasonably should know of any evidence, then the General Counsel shall report the evidence to the CEO.

Within thirty (30) days of evidence being first reported, the General Counsel or the CEO, as determined by the CEO, shall investigate the evidence, respond appropriately to the evidence, and inform the reporting attorney regarding the investigation and the response. If an attorney, other than the General Counsel, reasonably believes neither the General Counsel nor the CEO has investigated or responded appropriately to the evidence, or if the attorney believes it is reasonably necessary in the best interest of KIUC, then the attorney shall report the evidence to the Board in person and without the presence of any other person, except a person invited by the attorney. If the General Counsel reasonably believes the CEO has not investigated or responded appropriately to the evidence, or if the General Counsel believes it is reasonably necessary in the best interest of KIUC, then the General Counsel shall report the evidence to the Board in person and without the presence of any other person, except a person invited by the General Counsel.

## **XI. Legal Programs, Publications, and Memberships**

KIUC shall encourage the General Counsel to: (1) attend legal programs sponsored by, and to subscribe to legal publications published by, the National Rural Electric Cooperative Association and any association of electric cooperatives located within the state; and (2) be a member of, and attend programs sponsored by, the Electric Cooperative Bar Association and any association of attorneys representing electric cooperatives located within the state.

Adopted on this 23<sup>rd</sup> day of November, 2021.

  
Calvin Murashige (Dec 17, 2021 11:48 HST)

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Calvin Murashige  
Secretary

Revised: 11/23/2021  
Reviewed: 06/26/2018  
Reviewed: 10/25/2016  
Reviewed: 10/28/2014  
Revised: 12/20/2011  
Revised: 04/22/2008  
Original Adoption: 06/30/2004

KIUC BOARD POLICY NO. 11  
**PATRONAGE CAPITAL ALLOCATION AND RETIREMENT POLICY**

**I. PURPOSE OF POLICY:**

It is the goal of the Board of Directors of Kaua'i Island Utility Cooperative ("KIUC") to allocate and retire capital credits annually. This Patronage Capital Allocation and Retirement Policy is intended to allow all allocations and retirements of KIUC Capital Credits to be made in accordance with Article VII of the Seventh Revised and Restated By-laws of KIUC or the successor to said Article VII, and consistent with KIUC's current Equity Management Plan (EMP) as approved by the Board.

**II. POLICY CONTENT:**

KIUC is an electric cooperative organized under the provisions of the Chapter 421C of the Hawaii Revised Statutes. It is exempt from federal income taxes under the provisions of Section 501 of the Internal Revenue Code of 1954 as amended. Article VII of KIUC's Bylaws establishes certain requirements concerning the accounting for patronage capital furnished by member-owners. KIUC's policy concerning the allocation and retirement of patronage capital provided by member-owners is as follows:

- A. Allocation of Margins as Patronage Capital Credits: No later than August 15 of each year, KIUC shall mail to the last known address of each member-owner from whom patronage was received in the preceding year, a statement showing the amount of patronage received and the amount of patronage capital credited to each member's account as a result of such patronage, provided that such statements shall not be required for years in which:

1. KIUC fails to earn assignable margins as defined in Article VII of the Bylaws; or
  2. The amount of assignable margins earned is determined to be insufficient to warrant the assignment of patronage capital credits and issuance of statements.
- B. Carry Forward of Unassigned Patronage Capital: If, pursuant to Section A.2 above, no assignable margins for a given year are assigned to the patronage capital credit accounts of KIUC's active member-owners during that year, said margins will be combined with those of the following year for assignment to member-owners providing patronage to the KIUC in the following year in proportion to that patronage.
- C. Retirement of Patronage Capital Credits: On an annual basis, the Board of Directors will authorize the retirement amount and method to be used for any capital credit allocations for the prior year. Such retirement amount and method will be consistent with KIUC's EMP.
- D. Compliance with Mortgage Requirements: KIUC shall at all times seek to fully comply with the various provisions of its long-term debt instruments with regard to the retirement of patronage capital.
- E. Payments to Estates: To the extent such action does not conflict with the provisions of KIUC's Bylaws or long-term debt instruments, KIUC will pay capital credits to the estates of deceased member-owners under the following conditions:
1. The deceased member-owner must have been a natural person;

2. The deceased member-owner must have been the sole owner of the capital credits to be retired. Patronage capital credits will not be paid to estates of deceased member-owners when the account was owned jointly with a surviving member-owner.
3. Requests for payment of a deceased member-owner's patronage capital credits must be submitted in writing by the personal representative of the deceased member-owner's estate, and must be accompanied by appropriate documentation as required by KIUC;
4. Any discounted patronage capital credits issued to estates as aforesaid shall be discounted using the following assumptions:
  - a. For purposes of discounting only, KIUC will assume that payments of patronage capital credits would have been made in equal installments over a period of years to be determined annually by the Board after issuance of its annual audit report.
  - b. KIUC will use a discount rate to be determined annually by the Board after issuance of its annual audit report at the same time as determining item II. E. 4. a. above using the Goodwin Formula previously approved by the Board by motion on May 30, 2006.
5. To the extent it can be determined, discounted patronage capital credits paid to estates will be for the decedent's residence only. No patronage capital credits earned on commercial meters and discounted as set out above will be paid to a deceased member-owner's estate.

6. The portion of any deceased member-owner's patronage capital account retained by KIUC after any discounted patronage capital refund is made to a deceased member-owner's estate as aforesaid shall become permanent capital of KIUC.
  7. The Board will not approve the retirement of more than four hundred thousand dollars (\$400,000.00) in discounted patronage capital credits to the estates of deceased patrons in a given year. In the event a request for payment is denied or only partially paid due to the four hundred thousand dollars (\$400,000.00) limitation, the portion of such amount not paid in full that year will be paid during the following year prior to acting upon any later received requests for payment to the extent the Board deems commercially reasonable.
- F. Patronage Capital Credits from Associated Organizations: Except insofar as KIUC's Bylaws may require the application of such items to offset losses incurred in the current or prior fiscal years, patronage capital credits received by KIUC from associated organizations will not be segregated or otherwise treated differently from the remaining assignable margins of KIUC.
- G. Method of Payment: Patronage capital credits may be retired by the issuance of checks, credit to member accounts, or by application to current outstanding balances due KIUC as determined by the Board.
- H. Collection of Delinquent Accounts: No payment in retirement of a member-owner's or deceased member-owner's capital credits shall be made unless KIUC's records shall have first been reviewed to determine whether such member-owner or

deceased member-owner owes any outstanding sums to KIUC. To the extent such member-owner owes any outstanding sums to KIUC, any patronage capital credits to be retired shall be applied by way of set-off to such sums, and no check shall be issued to the member-owner or deceased member-owner's estate until the amount owing KIUC shall have been paid in full.

**III. RESPONSIBILITY**

- A. KIUC's President/CEO shall be responsible for the implementation of this policy.
- B. KIUC's Board is responsible for the annual determinations required of the Board by this Policy.

Adopted on this 22nd day of November, 2022.

Reviewed: 11/22/2022  
 Revised: 10/29/2019  
 Reviewed: 02/22/2018  
 Reviewed: 02/23/2016  
 Reviewed: 03/18/2014  
 Revised: 06/28/2011  
 Revised: 08/31/2005  
 Original Adoption: 2003

*Calvin Murashige*

Calvin Murashige (Nov 30, 2022 12:35 HST)

Calvin Murashige  
Secretary

**KIUC BOARD POLICY NO. 12**  
**CODE OF ETHICS DEVELOPMENT AND MANAGEMENT**

**PURPOSE OF POLICY:**

The purpose of this policy is to set forth the policy of KIUC regarding development and management of its code of ethics and to guide the ethical behavior of Directors, management, and staff.

**POLICY CONTENT:**

**I. Commitment to Ethical Behavior**

It is the policy of the Board to expect the highest level of ethical behavior of its Directors, management, and staff, and to periodically update and restate its standards in a published code of ethics.

**II. Objectives of KIUC's Code of Ethics**

KIUC's standards of ethical behavior will be defined and communicated to deter wrongdoing and to promote:

- A. Honest conduct, including the ethical handling of actual or apparent conflicts of interest between personal and cooperative business relationships.
- B. Full, fair, accurate, timely, and understandable disclosure of the cooperative's periodic external reports.
- C. Compliance with applicable governmental rules and regulations.
- D. Prompt internal reporting of code violations to persons identified in the code.
- E. Accountability for adherence to the code of ethics.

**III. Matters to be Addressed in the Code of Ethics**

KIUC's code of ethics will address the following matters:

- A. A general statement of KIUC's business philosophy and position on respect, trust, integrity, honesty, and other core ethical issues.
- B. Legal requirements imposed by state or other regulatory agencies.
- C. Compliance with applicable law, including whistleblower protection and records retention.
- D. Conflicts of interest including contractual relations involving KIUC, gifts to Directors or employees in consideration of business opportunities with KIUC, outside activities which

might impair KIUC's business, use of KIUC's property for personal purposes, or use of KIUC's confidential information.

- E. Preparation of KIUC's annual report, press releases, and other public disclosures to ensure they are accurate, complete, and understandable.
- F. Reporting of violations of KIUC's code of ethics will be facilitated by multiple alternative reporting procedures, timely and fair processes by which management will investigate reports, and protection for those employees or others who report apparent violations in good faith.
- G. The mechanisms for holding Directors and employees accountable for compliance with the code of ethics.

#### **IV. Code of Ethics Implementation**

Management shall be held accountable for development of a code of ethics for approval by the Board, and for its enforcement, as well as periodic reporting to the Board regarding ethics-related matters and opportunities to improve the code and this policy.

A copy of KIUC's code of ethics developed pursuant to this Policy and as embodied in the current version of KIUC Administrative Policy No. 400-06-001 or its successor shall be considered incorporated herein and attached hereto.

Adopted on this 24<sup>th</sup> day of February, 2022.

*Calvin Murashige*  
Calvin Murashige (Mar 1, 2022 16:48 HST)

Calvin Murashige  
Secretary

Revised: 02/24/2022  
Reviewed: 03/26/2019  
Reviewed: 02/21/2017  
Reviewed: 05/26/2015  
Reviewed: 08/28/2012  
Revised: 01/26/2010  
Revised: 11/28/2006  
Original Adoption: 07/28/2004





Section:	<b>EXECUTIVE</b>		
<b>Administrative</b> Policy No.:	<b>400-06-001</b>	Effective Date:	<b>(Rev) May 20, 2015</b> <b>(Rev) October 26, 2010</b> <b>November 11, 2006</b>
Title:	<b>CODE OF ETHICS</b>		

## INTRODUCTION

This Code of Ethics (the "Code") has been developed and adopted pursuant to the requirements of Board Policy No. 12 "Code of Ethics Development and Enforcement" of Kaua'i Island Utility Cooperative ("KIUC" or "Cooperative"), which Policy should also be consulted. It is intended to provide guidance to the directors, officers and employees of KIUC so they may perform their duties in a manner that fosters the confidence and respect of the membership and community.

## PURPOSE

The Code is intended to be a decision-making tool that should be kept in mind anytime a decision is made or a new task is begun, and is intended as an overview of KIUC's guiding principles and not as a restatement of KIUC policies and procedures. The Code cannot and is not intended to cover every applicable situation or provide answers to all questions that might arise. KIUC must ultimately rely on each person's good sense of what is ethical, moral and right, including a sense of when it is proper to seek guidance from others on the appropriate course of conduct. Because KIUC's reputation depends on the integrity and principled business conduct of its directors, officers and employees, in many instances the Code goes beyond the minimum requirements of the law.

## GENERAL

It is the foundation of KIUC'S culture of trust that ethical behavior is an important and critical part of how business is conducted. KIUC expects its directors, officers and employees will maintain the highest level of integrity in their dealings with each other and with the public on behalf of the Cooperative. KIUC also expects its directors, officers and employees will conduct themselves in accordance with The 7 Cooperative Principles.

## CODE OF ETHICS

### A. Conflicts

1. The directors, officers and employees of KIUC must conduct themselves so as to avoid conflicts of interest, or the appearance of conflicts of interest, in their relations with KIUC, including, but not limited to, taking personal advantage of business opportunities which are discovered through the use of KIUC property, information or position, and engaging in business with, becoming employees of, becoming materially affiliated with or retaining a material financial interest in any competing enterprise or business selling electric energy, services or supplies to KIUC. Such relations include not only dealings between a director, officer or employee, and KIUC, but also dealings between a related party and KIUC.

2. All Interested Persons as defined in KIUC Board Policy No. 5: Conflicts of Interest and Conduct of Interested Persons shall comply with Board Policy No. 5.

### B. Confidential Information

1. Customer Information - All information relating to customers (members and non-members) or potential customers of KIUC that directors, officers and employees receive in the ordinary course of performing their duties should be treated as private, and not public, and should be held in the strictest of confidence. Customer information should be used solely for corporate purposes, and not for the purposes of personal gain. Within KIUC, information concerning customers should be communicated only to those individuals who need the information to discharge their duties. Without prior written consent of the customer, information concerning customers should never be provided to anyone outside of KIUC, including other customers of KIUC.

2. Personnel Files – All information relating to employment matters (e.g., performance approvals, salary, and benefits) shall be treated as private, and not public, and shall be held in the strictest of confidence, unless required by law. Information concerning employment matters should be communicated only to those individuals who need the information to discharge their duties. All requests for personnel file information shall be made through the respective department manager in charge of employee matters or through a KIUC officer.

### C. Gifts and Other Offers

1. Directors, officers or employees of KIUC should not provide, directly or indirectly, any gift to any individual or company (including, but not limited to, customers, suppliers and vendors) in consideration for doing business with KIUC.

2. Directors, officers or employees of KIUC should not accept any gift from any individual or company (including, but not limited to customers, suppliers or vendors) of a value that a reasonable person under the circumstances would believe was meant to influence that director, officer or employee in the performance of his or her duty or responsibilities to KIUC. No gift should be accepted if there is a possibility that it would jeopardize KIUC's reputation.

3. Directors, officers or employees of KIUC should not accept any bonus, commission or other fee from any KIUC customer, supplier or vendor, in the performance of their KIUC fiduciary responsibilities.

4. Any director, officer or employee who receives an offer of employment, bonus, a commission or other fee or receives an offer of any gift from any individual or company (including, but not limited to, customers, suppliers and vendors) in consideration of doing business with KIUC should report the same to the appropriate parties. Directors should report any such offer to KIUC's General Counsel. Officers and employees should report any such offer to his or her supervisor, to the President and CEO, or to KIUC's General Counsel as appropriate.

5. The acceptance or giving of normal and reasonable business entertainment does not violate this prohibition concerning gifts and offers.

#### D. Outside Activities

Directors, officers and employees of KIUC should not have outside interests that: (i) materially and adversely affect their ability to effectively perform their duties, (ii) compete with the business of KIUC, (iii) involve significant use of the equipment, supplies or facilities of KIUC not authorized by KIUC, (iv) imply sponsorship or support by KIUC, if such sponsorship or support is not authorized by KIUC, or (v) adversely affect the reputation of KIUC. Directors, officers and employees are encouraged to seek the advice of the President and CEO or KIUC's General Counsel, as appropriate if there is any question as to whether participation in specific outside activities is appropriate.

#### E. Post Employment and Director Term Contact

As a matter of law, directors, officers and employees continue to have a fiduciary duty to KIUC after they leave the company. This duty prohibits former directors, officers and employees from using or disclosing to others KIUC's trade secrets or confidential information in order to compete with KIUC for business. The type of information that falls within this category includes, but is not limited to, lists of customers, business strategies, alliances, and other confidential information concerning KIUC and its customers.

#### F. Compliance with Laws

KIUC will comply with the letter and the spirit of all applicable federal, state and local laws, rules and regulations. If any director, officer or employee is unclear as to whether they are complying with applicable law in the course of performing their duties, they should seek the advice of KIUC's General Counsel.

#### G. Public Communications

Directors, officers and employees of KIUC should always be conscious of the fact that what they communicate to the public, whether in writing or orally, may be viewed as a communication from KIUC and a direct reflection on KIUC, and may have a significant impact on KIUC's reputation. Accordingly, except for oral and written communications to the public made by employees of KIUC in the ordinary course of performing their job obligations and responsibilities at KIUC, all oral and written communications by such employees to the public concerning KIUC, or communications that may be construed as statements made on behalf of KIUC, should be reviewed and approved by the employee's department manager(s), who may seek guidance from the President and CEO if deemed necessary by the employee's manager. All oral and written communications by directors shall be in accordance with Board Policy No. 27. Directors, officers and employees are encouraged to seek the advice of KIUC management if there is any question as to whether any oral or written communication to the public is appropriate.

## H. Financial Integrity

1. Directors, officers and employees of KIUC should be prudent in their expenditures on behalf of KIUC. They should record all business transactions in accordance with accepted accounting principles; maintain appropriate internal controls designed to prevent or detect fraud and ensure every accounting or financial record and supporting data describes the transaction accurately without omission, concealment or falsification; and maintain and retain all business records accurately and in compliance with applicable laws and KIUC policies.

2. Directors, officers and employees of KIUC should be committed to building a culture of trust, not only among themselves but also with members and vendors. KIUC seeks to always maintain the highest standards of integrity and objectivity in our working relationships and will not conduct business with anyone who does not operate with integrity or who compromises KIUC's values and ethical standards.

3. Directors, officers and employees of KIUC should require honest and accurate recording and reporting of information in order to make responsible business decisions. This includes such data as quantity, quality, safety, time and personnel records as well as all financial records.

4. Directors, officers and employees of KIUC recognize the need for a truly independent audit. KIUC's directors will select a competent independent financial auditor and maintain a finance and audit committee comprised of board members to oversee the audit.

## I. Cooperative Assets

Directors, officers and employees of KIUC have a responsibility to protect the KIUC assets entrusted to them from loss, damage, misuse or theft. KIUC assets, such as cash, funds, vehicles, equipment, products, or computers, may only be used for business and other purposes as approved by management. KIUC assets may never be used for illegal purposes.

## **ENFORCEMENT AND ACCOUNTABILITY**

1. Individuals who reasonably believe they have information regarding a violation of this Code of Ethics should bring their concerns to the attention of the President and CEO or KIUC's General Counsel as appropriate.

2. Any report of a violation of this Ethics Policy will be investigated promptly. If required, appropriate action for infractions will be taken: (1) for Bargaining Unit employees in accordance with the current KIUC Collective Bargaining Agreement; (2) for non-Bargaining Unit employees by a KIUC management disciplinary committee that consists of four department managers appointed by the President and CEO, provided, however, that in the event the alleged violation relates to the President and CEO such violation shall be promptly reported to the Chairperson of the KIUC Board of Directors or to KIUC's General Counsel; and (3) in the event the alleged violation relates to a KIUC director such violation shall be promptly reported to the Chairperson of the KIUC Board of Directors or to KIUC's General Counsel, provided, however, that in the event that the alleged violation relates to said Chairperson such violation shall be promptly reported to KIUC's General Counsel. Violations of this policy by KIUC employees shall be subject to appropriate disciplinary actions, up to and including immediate termination of employment. Directors who violate this policy will be subject to censure by the Board and/or removal in accordance with KIUC's Bylaws.

3. Confidentiality will be maintained throughout the investigatory process to the extent possible consistent with thorough investigation.

4. Each year KIUC will require all directors, officers and employees to certify that they have complied with the Code and are not aware of any unreported violations of the Code that may have occurred by executing a copy of the certification form attached hereto during the month of January each year and submitting it to KIUC Human Resources in the case of employees, or to the Executive Administrator to the Board in the case of directors. The President and CEO shall be responsible for ensuring that certifications are executed annually in accordance with this provision.

5. Individuals who reasonably believe they have information regarding a violation of this Code of Ethics may also make their concerns known by logging onto KIUC's Hotline Program, [reportlineweb.com/KIUC](http://reportlineweb.com/KIUC) or calling toll-free (855) 312-8521. The report line is an independent reporting service that can receive anonymous complaints, which will be documented and relayed to KIUC.

## **DEFINITIONS**

"Related Party" means:

1. Any cooperative, corporation, partnership, limited liability company or other organization, other than KIUC, of which a KIUC director, officer or employee is an officer, director or employee;

2. Any cooperative, corporation, partnership, limited liability company or other organization which is "controlled" by a KIUC director, officer, or employee;

3. Any trust or other estate in which a KIUC director, officer or employee has a substantial beneficial interest, or for which a KIUC director, officer or employee serves in a fiduciary capacity; and

4. Any close relative, or the spouse of a KIUC director, officer or employee.

"Control" means:

1. Control of the election of a majority of the directors of the organization;

2. Having the power to exercise a controlling influence over the management or policies of the organization; or

3. Having the power to vote ten percent (10%) of the shares or other Membership interests of the organization.



## CONCLUSION

Most of the guidelines set forth in this Code are common sense requirements. The good judgment and continuing concern of directors, officers and employees of KIUC for their own integrity and the trust and confidence of the community in KIUC will always be the most important guideline when dealing with questions of ethics and appropriate conduct. Directors and elected officers of KIUC should address any questions or concerns about this Code to the Executive Committee of the Board of Directors or KIUC's General Counsel. Appointed officers and employees should address any questions or concerns about this Code to their supervisor, department manager, or the President and CEO.

Approved: /s/ David J. Bissell  
DAVID J. BISSELL  
President and CEO

Date: May 26, 2015

Board Oversight: /s/ Karen Baldwin  
KAREN BALDWIN  
Board Secretary

Date: May 26, 2015



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## **CODE OF ETHICS FORM OF ANNUAL CERTIFICATION**

Kaua'i Island Utility Cooperative ("KIUC") requires that each employee, officer and director must certify on the following form at least annually or at such other times as requested to do so by KIUC management.

I, \_\_\_\_\_,  
*First Name                      Middle Name                      Last Name*  
(PLEASE PRINT)

As an employee of KIUC, I do hereby acknowledge that I have received a copy of the KIUC Code of Ethics and that I have read and reviewed the Code of Ethics and understand its contents and understand that I am subject to all of its provisions. I further certify that I am not aware of any violations of the Code of Ethics that have not been duly reported pursuant to the provisions of the Code of Ethics as of the date of this certification.

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

\_\_\_\_\_  
Title

\_\_\_\_\_  
Department

**KAUA`I ISLAND UTILITY COOPERATIVE  
BOARD POLICY NO. 13  
(Reviewed 02/27/2020)**

**COMMUNITY AND ECONOMIC DEVELOPMENT**

**PURPOSE OF POLICY:**

It shall be the policy of Kaua`i Island Utility Cooperative ("KIUC") to foster and participate in the community and economic development of the County of Kaua`i. To further that policy, it is necessary to provide consistent guidelines for application of KIUC's community and economic development programs.

**POLICY CONTENT:**

**A. Objectives**

The objectives of KIUC's Community and Economic Development Policy are:

1. To participate in community and economic development efforts by:
  - a. Creating and retaining jobs
  - b. Diversification of the economy
  - c. Improving the skills of the workforce
  - d. Upgrading the public infrastructure
2. To keep members, employees and the general public informed about the Cooperative's community and economic development activities.
3. To encourage local community involvement in community and economic development activities.
4. To enhance the quality of life in KIUC's service areas through community development.
5. To enlist the partnership of federal, state, local, public and private organizations in KIUC's community and economic development efforts. These organizations include: the USDA Rural Utility Services (RUS) and Rural Development, National Rural Electric Cooperative Association (NRECA), National Rural Economic Development Association (NREDA), and other federal, state, local, public and private organizations.

**B. Policy**

It is the Community and Economic Development Policy of KIUC to:

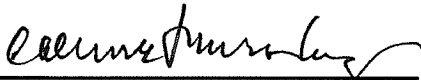


1. Provide loans via the Rural Economic Development Loan and Grant Program (REDLG) to promote rural economic development and/or job creation projects, including, but not limited to, project feasibility studies, start-up costs, business incubator projects, and other reasonable expenses for the purpose of fostering rural economic development.
2. Use the following criteria for its participation in community and economic development projects:
  - a. Be the provider of electric service to all of its economic development projects and community development projects requiring electric service within its service area.
  - b. Require sufficient supporting documentation to determine the overall feasibility of a particular community development or economic development project.
  - c. Require all projects to have the support of the local community. KIUC's financial participation should not exceed that of the local community.

**RESPONSIBILITIES:**

- A. The Board of Directors is responsible for the approval and periodic review of this policy. The Board of Directors shall approve the financial participation of KIUC in any of the economic development programs.
- B. The President and CEO is responsible for the administration of this policy and for recommending to the Board of Directors any changes or additions to this policy. The policy is meant to provide guidelines for management to use when negotiating KIUC's participation in community and economic development projects prior to bringing the proposed project to the Board for its approval.

Adopted on this 27th day of February, 2020.

  
\_\_\_\_\_  
Calvin Murashige, Secretary

Reviewed: 02/27/2020  
Reviewed: 02/20/2018  
Reviewed: 03/22/2016  
Reviewed: 04/29/2014  
Revised: 10/25/2011  
Revised: 05/27/2008  
Original Adoption: 07/28/2004

**KAUA`I ISLAND UTILITY COOPERATIVE  
BOARD POLICY NO. 14  
(Revised: 06/30/2021)**

**KIUC POLICY, PROCEDURE AND PRACTICE  
FORMULATION, REVIEW AND APPROVAL**

**PURPOSE OF POLICY:**

To establish the basis for the development, distribution, and periodic review of KIUC Board Policies, KIUC Administrative Policies, KIUC Procedures and KIUC Practices.

**POLICY CONTENT:**

**A. DEFINITIONS:**

1. **Policy:** A document that establishes and/or transfers authority or guides decision making. A policy, where applicable, must be consistent with federal and state law, the KIUC Articles of Incorporation and the KIUC Bylaws. KIUC shall have two types of policies.

a. **Board Policies.** Board Policies relate to the governance of the Cooperative.

b. **Administrative Policies.** Administrative Policies relate to the management of KIUC and its employees.

2. **Procedure:** A document that establishes the actions all employees will follow when carrying out their duties and responsibilities. Not all Board or Administrative Policies will necessarily require the development of a Procedure. Procedures, where

applicable, must be consistent with federal and state law, the KIUC Articles of Incorporation, KIUC Bylaws, Board and Administrative Policies.

3. **Practice:** A document that establishes specific steps employees will perform when implementing Procedures or other actions employees are required to take in order to perform their duties and responsibilities.

4. **Board Oversight:** Board Oversight means the Board Policy Committee and the Board shall have the opportunity to review Administrative Policies prior to their implementation to ensure they are correct (not in conflict with law, the Articles of Incorporation, By-laws or Board Policy) and fair (no appearance of being inequitable).

**B. BOARD POLICIES:** Board Policies shall 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:

1. Guide the Board of Directors
2. Provide for the adherence to KIUC's mission
3. Define and transfer authority and responsibility
4. Direct management and staff
5. Protect the Cooperative and the Board of Directors
6. Avoid ambiguity
7. Other appropriate purpose

Board Policies shall be developed by the Board Policy Committee, or developed by other Board Committees and reviewed by the Board Policy Committee for consistency with other KIUC Board policies, and then submitted to the Board of Directors for review and

approval. KIUC's President and CEO may also develop Board Policy recommendations for presentation to and processing by the Board Policy Committee.

**C. ADMINISTRATIVE POLICIES:**

1. **Content:** Administrative Policies shall express Management's expectations and standards regarding employee and organizational performance. Such policies shall have one or more of the following purposes:

- a. Guide Management
- b. Provide for the adherence to KIUC's mission
- c. Define and transfer management authority and responsibility
- d. Direct staff and other employees
- e. Protect the Cooperative
- f. Avoid ambiguity
- g. Other appropriate purpose

2. **Development:** Administrative Policies shall be developed by, or delegated for development by, KIUC's President and CEO, and under his supervision. After development, but before adoption, such Administrative Policies will be presented to the Board of Directors through the Board's Policy Committee for Board oversight.

- a. **Procedure.** All Administrative Policies, or substantive changes thereto, shall be emailed to all current Directors by the President and CEO 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). If any Director takes exception to the content of any Administrative Policy so transmitted, such Director shall report such exception to the Chair of the

Board Policy Committee and the President and CEO within 10 working days of the policy's receipt from staff. Upon receipt of any such exception the Chair of the Board Policy Committee shall place the matter on the agenda of the next Policy Committee meeting whereupon the Policy Committee shall make its report to the Board.

b. Certification. Submission of an Administrative Policy to the Policy Committee acts as a certification by the submitting party that the submitted policy has been reviewed and approved by appropriate staff personnel and, if appropriate, by counsel or other appropriate expert with knowledge of the subject matter of the policy.

**D. PROCEDURES AND PRACTICES.** KIUC Procedures and Practices shall be documented as appropriate by, and/or delegated for documentation by, KIUC's President and CEO, and under his supervision.

**E. MAINTENANCE AND REVIEW.**

1. **Maintenance:** All Board and Administrative Policies shall be maintained by KIUC's President and CEO, or the President and CEO's designee, in appropriate up-to-date Policy Manuals. All documented KIUC Procedures and Practices shall be maintained by KIUC's President and CEO, or the President and CEO's designee, in appropriate up-to-date Procedure and Practice Manuals.

2. **Review:**

a. Board Policies. The Policy Committee shall review, or cause to be reviewed by the appropriate Board Committee, each Board Policy at least every

three years, or as required by change in law or otherwise, and recommend revisions or changes as appropriate.

b. **Administrative Policies.** The President and CEO shall review, or cause to be reviewed, each Administrative Policy at least every three years, or as required by change in law or otherwise, and recommend revisions or changes as appropriate.

c. **Procedures and Practices.** The President and CEO shall review, or cause to be reviewed, each KIUC Procedure or Practice as required by change in law, change in the Practice or Procedure or otherwise, and make revisions or changes to the Procedure or Practice documentation as appropriate.

3. **Dating:** Each Policy, Procedure or Practice shall identify its initial date of approval and the date of approval of the most recent revision.

**F. CONFLICTS:** In the event there is a conflict between any Policy, Procedure or Practice and the law, the KIUC Bylaws, the KIUC Articles of Incorporation, or the rules and regulations of a lending or regulatory agency, the law, Bylaws, Articles of Incorporation, or such rules and regulations will prevail over the Policy, Procedure or Practice.


**RESPONSIBILITIES:**

A. The Chairman of the Board shall ensure this policy is adhered to.

B. The President and CEO will make available to all Directors copies of all Board and Administrative Policy Manuals and all KIUC Procedure and Practice Manuals.

C. The President and CEO, in consultation with the general counsel, shall ensure all proposed Policies or revisions to existing Policies, and, if requested by the President and CEO, all KIUC Procedures and Practices, meet all necessary legal requirements.

Adopted on this 30<sup>th</sup> day of June, 2021.



\_\_\_\_\_  
Calvin Murashige  
Secretary

Revised: 06/30/2021  
Reviewed: 06/25/2019  
Reviewed: 06/27/2017  
Reviewed (no change): 08/25/2015  
Reviewed (no change): 12/17/2013  
Revised: 08/30/2011  
Original Adoption: 12/22/2004

KIUC BOARD POLICY NO. 15  
**STRATEGIC PLANNING**

**PURPOSE OF POLICY:**

This policy describes the responsibility and process for the Cooperative's strategic planning.

**POLICY CONTENT:**

**I. Commitment to Strategic Planning**

It is the policy of this Board to guide the direction and conduct of the Cooperative through periodic, fact-based, thoughtful, and collaborative strategic planning. The Cooperative's Strategic Plan will be updated periodically and may be amended between updates if warranted.

**II. What Is Considered Strategic?**

Strategic issues almost always have a long-term impact on the cooperative. Some decisions required to operate the Cooperative will rise to the level of strategic importance. These strategic issues are typically identifiable by their real or perceived impacts.

- Issues that substantially impact the cost structure of the Cooperative are strategic.
- Issues that have a significant impact on Cooperative employees as a group are strategic.
- Issues that have a significant real or even perceived impact on members (as a group) are strategic.

Guidance from other cooperatives suggests that cost savings initiatives; major construction; locating generation, transmission, and distribution assets; member interfaces; and some financial transactions are strategic.

**III. Outputs of the Strategic Planning Process**

- A. Mission.** The Cooperative's mission is a statement describing the general purpose for the Cooperative's existence, its responsibility for fulfilling its role as a provider of utility service to its members, and its community service role. KIUC's mission was developed early in its life. It is re-evaluated periodically, and revised when warranted.
- B. Values.** The Cooperative's values are a statement of the behaviors that the Board of Directors and employees of KIUC are to demonstrate as these individuals fulfill their respective duties and responsibilities.
- C. Strategic Plan.** The Strategic Plan is a document outlining the Cooperative's goals for the next few years. It is revised from time to time as old goals are accomplished or discarded and new goals are adopted.



#### **IV. Objectives**

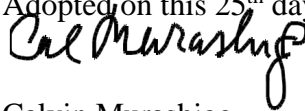
The Cooperative's strategic planning process shall achieve the following objectives:

- A.** To capitalize on the collective knowledge, experience and wisdom of the Directors, CEO and staff, and members.
- B.** To affirm or amend the Cooperative's mission.
- C.** To affirm or amend the Cooperative's values.
- D.** To approve a Strategic Plan every few years that sets forth strategic goals.
- E.** To track progress towards the implementation of strategic goals.

#### **V. Responsibilities**

The Board is responsible for initially developing the Cooperative's mission and values, and then afterwards for affirming or amending them. The Board is responsible for developing the Strategic Plan, with the advice of the CEO, staff, and members. The CEO is responsible for taking actions and requesting funding (in operating and capital expenditure budgets) to accomplish the Cooperative's mission, values, and Strategic Plan and is responsible for reporting periodically on the status of the Strategic Plan.

Adopted on this 25<sup>th</sup> day of May, 2021.



Calvin Murashige  
Secretary

Revised: 05/25/2021  
Reviewed: 02/27/2020  
Reviewed: 03/20/2018  
Reviewed: 03/22/2016  
Reviewed: 04/29/2014  
Reviewed: 10/25/2011  
Original Adoption: 10/27/2004

KIUC BOARD POLICY NO. 16  
**ACCESS TO BOARD MEETINGS AND BULK MAILING LISTS**

**PURPOSE OF POLICY:**

This policy explains which meetings of the Board are open to the public. It also provides guidance on when KIUC will undertake a bulk mailing to its members on behalf of another member.

**POLICY CONTENT:**

**I. Public Access to Meetings of the Board**

**A. Open Meetings**

1. **Regular and Special Meetings of the Board.** The Board conducts its business during formal meetings that are described in the Bylaws as regular and special meetings. Both regular and special meetings of the Board are open to the public.
2. **Executive Sessions.** As described in Robert's Rules of Order, the Board may conduct part of its meetings in executive session. Executive sessions are closed to the public. KIUC limits the topics discussed during executive sessions to human resources issues related to evaluating, dismissing, or disciplining an employee; labor negotiations; legal matters; topics pertaining to the safety and security of KIUC; and matters of a proprietary or financial nature where public disclosure could affect ongoing or potential negotiations or legal or administrative proceedings.

**B. Closed Meetings**

1. **Board Committee Meetings.** Meetings of Board committees are closed to the public.
2. **Other Meetings of Directors.** Members of the KIUC Board attend a wide variety of meetings at which no formal KIUC business is conducted, such as field trips and educational training sessions. These meetings are not open to the public.

**C. Rules Governing Open Meetings of the Board**

1. **Rules of Conduct.** Open meetings of the Board shall be conducted in an orderly manner. The Board may adopt rules of conduct for meeting participants. Any person who, in the sole discretion of the Board Chair, willfully disrupts a meeting so as to prevent and compromise the conduct of the meeting, shall be removed from the meeting.
2. **Meeting Agendas.** A tentative agenda for each regular meeting of the Board shall be posted on KIUC's website at least five (5) days prior to the meeting.

KIUC BOARD POLICY NO. 16

**ACCESS TO BOARD MEETINGS AND BULK MAILING LISTS**

3. **Meeting Minutes.** Minutes of regular and special meetings of the Board will be posted to KIUC's website as soon after the conclusion of the meeting as is convenient, with an indication as to whether such minutes have or have not been approved by the Board.
4. **Written Testimony Encouraged.** The submission of written testimony is encouraged up to the conclusion of each Board meeting. Such testimony will be accepted with regard to any item whether or not on the agenda. All such testimony will be attached to the original of the minutes of the meeting.
5. **Photography and/or Video Reproduction Prohibited.** No photography or video recording or other pictorial reproduction of meetings, other than by KIUC staff, will be allowed without prior written approval of the Board.
6. **Oral Testimony.** One opportunity to present oral testimony will be given to persons desiring to give oral public testimony at a Board meeting. Such individuals shall register by adding their name to the public testimony sign-in sheet. Oral testimony by anyone not so registered will not be allowed. No more than a total of sixty (60) minutes of oral testimony in the aggregate will be allowed for such testimony at any single Board meeting. Oral testimony by registered members of the public up to the maximum time allowed each such individual will be taken immediately following the committee reports agenda item for the meeting, in the order of registration. Testimony may be on any topic or topics relevant to KIUC, shall be limited to three (3) minutes in length, and shall be civil, and devoid of personal attacks, all as determined by the Board Chair. No individual will be allowed to testify more than once at any Board meeting. The Chair shall set the maximum time for individuals to testify subject to suspension of this rule by the Board.

**II. Requests for Bulk Mailings to Members**

To protect the privacy of KIUC members, KIUC will not provide a list of its members and their addresses to anyone. KIUC will, however, mail materials to all or a subset of its members, when it is requested to do so by a member, for one of the following three purposes: (1) to send election materials on behalf of a validly nominated candidate for election to the Board, (2) to notify members of a member petition, and (3) to contact members concerning a request to call a special meeting of the members. The member who requests this service from KIUC must pay the cost for mailing these materials, which includes the cost for the materials plus \$70 per hour for the labor associated with this effort.

Adopted on this 25<sup>th</sup> day of August, 2022

Revised: 08/25/2022  
Revised: 04/23/2019  
Revised: 02/21/2017  
Revised: 05/26/2015  
Revised: 11/27/2012  
Revised: 03/27/2012

KIUC BOARD POLICY NO. 16  
**ACCESS TO BOARD MEETINGS AND BULK MAILING LISTS**

*Calvin Murashige*

Calvin Murashige (Aug 26, 2022 16:43 HST)

Calvin Murashige  
Secretary

Revised: 08/30/2011  
Revised: 07/29/2008  
Revised: 09/04/2007  
Revised: 01/31/2006  
Original Adoption: 12/22/2004

This Board Policy #17 holder is intentionally left empty.

KIUC BOARD POLICY NO. 18  
**QUALIFICATIONS AND ELIGIBILITY FOR DIRECTORS**

**PURPOSE OF POLICY:**

The purpose of this policy is to describe the qualifications for election to, appointment to, and service as a Director.

**POLICY CONTENT:**

**I. General**

Certain minimal qualifications are required by Hawaii law and KIUC's Bylaws for one to be eligible to be elected to, appointed to, and serve on the Board. It is the ultimate legal responsibility of the Board to ensure these requirements are met and complied with. If the Board determines an incumbent, nominee, or potential appointee lacks or has lost any of the necessary legal qualifications, it is the duty of the Board to remove such incumbent or to declare such nominee or potential appointee ineligible for election. By adopting, publishing, and appropriately disseminating this policy and the related Affirmation of Director Qualification, a copy of which is attached hereto as Attachment A, it is the Board's hope that incumbent Directors, nominees, and potential appointees will not only be fully apprised of these requirements, but mindful of their importance in deciding whether to continue or commence service on the Board.

**II. Requirements**

**A. General Legal Requirements.** To be eligible to be elected to, appointed to, or serve on the Board, Hawaii law provides a person shall:

1. Adhere to all applicable requirements of law, KIUC's articles of incorporation and Bylaws, and KIUC's duly made decisions;
2. Be loyal to KIUC, acting at all times in good faith for its best interests;
3. Have no continuing and substantial interests that are in conflict with the best interests of KIUC;
4. Be possessed of the minimum knowledge and skills necessary to govern the affairs of KIUC; and
5. Be willing to devote such time and effort to his or her duties as a Director as may be necessary to govern KIUC's business and affairs.

**B. Bylaw Requirements.** To be eligible to be elected to, appointed to, or to serve on the Board, the Bylaws provide a person shall:

1. Be an individual member of KIUC (a natural person) or a designated representative of a member of KIUC, if the member is a partnership, joint venture, corporation, limited liability company, political entity, or other legal entity;
2. Not be a paid KIUC employee;

3. Have the reasonable skills, experience, and background requirements established by the Board for being eligible to serve or continuing to serve as a Director.

**C. Board Requirements.** To be eligible to be elected to, appointed to, or to serve on the Board, an individual must meet the following additional requirements.

1. The individual must have the capacity to enter into a legally binding contract.
2. The membership which the individual has indicated is the basis of his or her candidacy must be an active membership.
3. Educational requirements
  - a. If the candidate has not been a Director before, he or she must attend an orientation provided by KIUC for Board candidates.
  - b. If the candidate is or has been a Director before, the candidate must either:
    - i. Have obtained a Credentialed Cooperative Director designation or similar certification from the National Rural Electric Cooperative Association within two years of becoming a Director or
    - ii. Be excused by the Board from this requirement for good cause.
4. Each Director must attend at least two-thirds of all Board meetings during any twelve (12) month period, unless excused for good cause by the Board.
5. Avoidance of potential conflicts of interest
  - a. The candidate shall not have been an employee of KIUC within three (3) years of the date of the individual's prospective election to the Board.
  - b. The candidate or Director shall not be a close relative (spouse, partner in a civil union, domestic partner, reciprocal beneficiary, child [including adoptive and step children], parent [including step parents and/or adoptive parents], sibling [including step siblings and/or adoptive siblings], or an in-law of said child, parent, or sibling) of a KIUC employee, or have had such a close relative employed at KIUC within three (3) years of the date of the individual's prospective election to the Board.
  - c. The candidate or Director shall not be a contractor, supplier, sub-contractor, or employee thereof, which contractor, supplier, or sub-contractor earned more than 40% of its gross revenue from KIUC currently or within any of the three (3) years immediately preceding the individual's prospective election to the Board.
  - d. The candidate or Director shall not be a close relative (as defined in C.5.b above) of a contractor, supplier, sub-contractor, or employee thereof, which contractor, supplier, or sub-contractor earned more than 40% of its gross revenue from KIUC currently or within any of the three (3) years immediately preceding the individual's prospective election to the Board.
  - e. All officials elected to federal, state, or county office are prohibited from running for election to the Board.
6. Ethical requirements
  - a. The candidate or Director shall never have been convicted of a felony or any crime involving dishonesty or theft (unless pardoned or granted clemency by the appropriate authority).
  - b. The candidate or Director shall comply with KIUC's policies for non-disclosure of non-public, confidential, and proprietary information. In keeping with this

obligation, each individual elected or appointed as a Director shall, prior to taking office, sign an appropriate confidentiality and nondisclosure agreement in the form substantially identical to Attachment B to this policy.

### **III. Procedure for Policy Implementation**

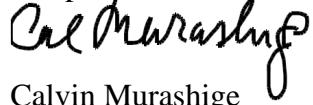
- A. Candidates for election to the Board either (1) shall be nominated by KIUC's Nominating Committee or (2) shall nominate themselves by petition by collecting the requisite number of signatures from KIUC members, as described in KIUC's Bylaws.
- B. Candidates for appointment to the Board shall either be nominated by the Board or by the KIUC Nominating Committee.
- C. All candidates for election or appointment to the Board must complete, sign, and submit the following documents to KIUC before they may run for election or be appointed to the Board. If a candidate refuses to sign any of these documents or qualifies his or her signature in any manner the Board considers to be unfavorable to the best interests of KIUC, the candidate shall not be appointed to or allowed to run for election to the Board.
  - 1. Affirmation of Director Qualification (Attachment A)
  - 2. Authority to Release Information (Attachment C)
  - 3. Prospective Director Candidate Application (Attachment D)
- D. This policy shall be explained periodically in KIUC's publications (newsletter, magazine, or such publication).
- E. This policy shall be disseminated and explained to KIUC's Nominating Committee each year, prior to their making nominations. The Nominating Committee shall screen all persons considered for nomination as Directors, to ensure they are qualified in accordance with this policy.
- F. Immediately after receipt of any nomination by petition, KIUC shall furnish the nominee with a copy of this policy to ensure he or she is qualified in accordance with it and agrees to attend or has attended the required orientation for prospective Directors.
- G. When the Board fills vacancies on the Board, it shall ensure any appointee is fully apprised of this policy and is qualified in accordance with it.
- H. The Board shall not allow the members to vote for any candidate who is determined by the Board to be ineligible under this policy. That Board shall remove from office any incumbent Director or any candidate elected to the Board who is determined by the Board to have lost or never had eligibility under this policy.

Revised: 06/30/2021

Revised: 08/28/2018



Adopted on this 30th day of June, 2021.



Calvin Murashige  
Secretary

Revised: 11/29/2016  
Revised: 11/25/2014  
Revised: 05/22/2012  
Revised: 05/31/2011  
Revised: 04/27/2010  
Revised: 02/24/2009  
Revised: 11/26/2005  
Revised: 08/25/2004  
Original Adoption: 2003

**ATTACHMENT A TO KIUC BOARD POLICY NO. 18**  
**AFFIRMATION OF DIRECTOR QUALIFICATION**

I, the undersigned, hereby affirm I have read KIUC Policy No. 18 Board Member Qualifications and Eligibility, and I am qualified in accordance with the Policy to be nominated and elected or appointed as a KIUC Director, as the case may be.

I have accordingly signed my name hereto this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Signed: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone No.: \_\_\_\_\_

ATTACHMENT B TO KIUC BOARD POLICY 18  
**CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT**  
(For Directors and Non-Director Members of Board Committees)

In connection with the undersigned individual ("Recipient") agreeing to serve or being elected or appointed as a Director of Kauai Island Utility Cooperative ("KIUC") or being appointed as non-Director member of a KIUC Board Committee (the "Committee"), KIUC or its representatives may provide to Recipient certain non-public, confidential, or proprietary information concerning KIUC, or concerning future transactions involving KIUC (the "Material"). Material may consist of written or oral information provided by KIUC, including, without limitation, any written or electronic documents marked "Confidential", any information conveyed to the Recipient where the individual conveying the information requests it be held confidential or under circumstances where the confidentiality of the information is obvious, financial statements, projections, cost and expense data, and other business or trade information. Material also includes all analyses, compilations, forecasts, studies or other material prepared by Recipient containing, based on or reflecting any confidential non-public information furnished by KIUC. Material does not include information that (i) the Recipient can show was known to the public, or in the published literature prior to KIUC's disclosure of such Material to the Recipient under the terms of this Agreement; (ii) subsequent to the time of KIUC's disclosure to the Recipient, becomes known to the public or appears in the published literature through no fault of the Recipient; or (iii) is lawfully acquired by the Recipient from a third party (specifically not including any employee or agent of KIUC) who is not in breach of any confidentiality agreement with KIUC.

In consideration of being furnished with the Material, the Recipient agrees that:

1. The Material will be kept confidential and will not, without the prior written consent of an authorized agent of KIUC, be disclosed by the Recipient in any manner whatsoever, in whole or in part, and will not be used by the Recipient directly or indirectly, for any purpose other than in connection with Recipient's service as a Director of KIUC and/or on the Committee.
2. The Recipient will not, without prior written consent of an authorized agent of KIUC, make any statement, any public announcement, any release to trade publications or to the press, or make any statement to any competitor, customer, employee, or other third party, regarding Material, except as may be necessary, in the opinion of counsel, to comply with the requirements of any law, governmental order, or regulation.
3. The Recipient will keep records of each location where the Material is kept. If the Recipient is no longer a Director of KIUC and/or a member of the Committee, Recipient will, in that case, and at any time upon the request of KIUC, destroy or return all copies of the Material immediately, without retaining any copies and confirm such destruction in writing to KIUC. Any oral information covered by this Agreement will continue to be subject to the terms of the Agreement.
4. In the event the Recipient is requested or becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand,

or any similar process) to disclose all or any part of the Material, the Recipient will (i) promptly notify KIUC of the existence, terms and circumstances surrounding such request; (ii) consult with KIUC on the advisability of taking legally available steps to resist or narrow such request; (iii) only disclose the information requested after complying with clauses (i) and (ii); and (iv) exercise reasonable effort (if so requested by KIUC) to obtain, to the extent practicable, a protective order or other reliable assurance that confidential treatment will be accorded to such portion of any disclosed information as the requestor may designate. In the event a protective order or other remedy is not obtained or that the requestor waives compliance with the provisions of this Agreement, the Recipient will furnish only that portion of the Material that is legally required and will exercise his or her best efforts to obtain reliable assurance that confidential treatment will be accorded the Material.

5. It is understood and agreed no failure or delay by KIUC in exercising any right, power, or privilege under this Agreement will operate as a waiver. It is further understood that no single or partial waiver of any right, power, or privilege will preclude any other or further exercise of any right, power, or privilege under this Agreement.
6. The Recipient agrees money damages would not be a sufficient remedy for any breach of this Agreement, and, in addition to all other remedies, KIUC will be entitled to specific performance of Recipient's obligations relating to this Agreement and to injunctive or other equitable relief as a remedy for any such breach. For purposes of seeking equitable relief, the Recipient stipulates and agrees any breach of the provisions of this Agreement may subject KIUC to irreparable harm and injury.
7. This Agreement is the entire agreement between Recipient and KIUC regarding the nondisclosure of Material and supersedes all prior agreements and understanding regarding this subject. This Agreement may be amended only by written agreement executed by both Recipient and KIUC.
8. This Agreement is not assignable or transferable by Recipient without the prior written consent of KIUC.
9. This Agreement is governed and will be construed in accordance with the laws of the State of Hawaii. If any term or provision of this Agreement is found to be invalid or unenforceable, the remaining terms will remain in full force and effect.

IN WITNESS WHEREOF, this Agreement is executed by the Recipient indicated below, intending to be bound by its terms, and is effective as of the date indicated:

**RECIPIENT**

Signature: \_\_\_\_\_ Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTACHMENT C TO KIUC BOARD POLICY 18**  
**AUTHORITY TO RELEASE INFORMATION**

I understand that in verifying my application to be considered as a potential candidate for the Board of Directors of the Kauai Island Utility Cooperative (KIUC), a background check may be required. I hereby authorize KIUC to perform a background check regarding criminal records and other information provided on this form and on my application. I authorize the appropriate individuals, companies, institutions or agencies to release information, and I release them from any liability as a result of such inquires or disclosures. A report may be generated summarizing this information.

I further understand and waive my right to privacy regarding the background check and release and hold harmless KIUC and its agents from any liability.

I have a right to obtain a copy of the background check by directing a written request to KIUC.

I certify that all statements and answers on my application are true and complete to the best of my knowledge. I understand that if any statements are found to be false or misleading or that if information has been omitted, this will be cause for disqualification.

Last Name	First Name	Middle Name
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Previous Name/Maiden Name/ A.K.A.'s	Date of Change
-------------------------------------	----------------

Street Address
----------------

City	State	Zip Code
------	-------	----------

Please list the cities and states you have lived in, if the above address does not encompass seven (7) years.

Social Security No.	Date of Birth
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Driver's License Number
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**I understand that a photocopy of this authorization would be accepted with the same authority as the original. This release will expire one year after the date of origination.**

Signature	Date
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**ATTACHMENT D TO KIUC BOARD POLICY 18**  
**PROSPECTIVE DIRECTOR CANDIDATE APPLICATION**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

Mobile: \_\_\_\_\_

E-Mail: \_\_\_\_\_

Contact phone and/or email for media/members:

\_\_\_\_\_

1. Are you a member of KIUC as defined in Article I of the Bylaws?

Yes \_\_\_\_\_ No \_\_\_\_\_

2. Are you an officer, director or employee of any entity which earned more than 40% of its gross revenue from KIUC currently or within any of the 3 years immediately preceding the date of the current Director election for which you are running?

Yes \_\_\_\_\_ No \_\_\_\_\_

3. Do you have any conflict of interest that would affect your ability to fulfill your duties as a member of the KIUC Board? (A “conflict of interest” is any activity that is inconsistent with KIUC’s best interests, or that gives the appearance of impropriety or divided loyalty, or interferes with the director’s ability to fulfill the duties of care and loyalty. For example, if you supply goods or services to KIUC, there is a potential conflict of interest.)

Yes \_\_\_\_\_ No \_\_\_\_\_

If you answered “Yes”, please provide details:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Please describe why you are interested in being considered as a candidate for the KIUC Board of Directors:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. What experience do you possess that you feel will help you to fulfill the duties as a member of the KIUC Board? Please include any community and professional organizations.

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6. Education:

School Name	Location	Degree Title	Major	Year

7. Are you legally able to enter into a legally binding contract?

Yes \_\_\_\_\_ No \_\_\_\_\_

8. Are you related by marriage, blood, adoption or other legal relationship with any director or employee of KIUC?

Yes \_\_\_\_\_ No \_\_\_\_\_

If you answered "Yes", please provide details:

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9. Have you ever been convicted (but not pardoned) of a felony or are you a named subject of a pending felony proceeding?

Yes \_\_\_\_\_ No \_\_\_\_\_

If you answered "Yes", please provide details:

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10. Please provide any further information or comments that you feel are important to the consideration of your application, and attach any additional information that you feel is relevant to the consideration of your application.

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Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_  
(Please print)



**KAUA'I ISLAND UTILITY COOPERATIVE  
BOARD POLICY NO. 19  
(Revised 01/30/2020)**

**ANTI-RETALIATION AND WHISTLEBLOWING**

**PURPOSE OF POLICY:**

The purpose of this policy is to confirm Kaua'i Island Utility Cooperative's commitment to a work and learning environment free of retaliation.

**POLICY CONTENT:**

A. **General.** It is the policy of Kaua'i Island Utility Cooperative ("KIUC") to ensure that individuals who in good faith believe there is or may be an improper activity occurring at KIUC (a "Whistle Blower") may report such improper activity, cooperate with authorities, and take legal action without the fear of retaliation.

B. **Scope and Terms.**

1. KIUC strictly prohibits any Director, employee or agent of KIUC from engaging in any form of intimidating, detrimental (i.e. negative or uncooperative) or retaliatory action toward any Whistle Blower (including but not limited to a KIUC employee or KIUC member) who reports in good faith an improper activity or who at any time:

- a. provides information about such improper activity to KIUC's General Counsel, a KIUC Director, Department Head or Human Resources;
- b. makes a complaint of discrimination or harassment or a threat of and/or an act of violence (a "Complaint");
- c. cooperates with the investigation of a Complaint;
- d. acts as a witness or investigator during the investigation of a Complaint;

- e. reports or is about to report to an appropriate government body, orally or in writing, a violation or a suspected violation of a law or rule adopted pursuant to the law of Hawai`i, a political subdivision of Hawaii or the government of the United States, unless such person knows the report is false (a “Violation”);
- f. is requested by the government body to participate in an investigation, hearing, or inquiry held by that government body, or a court action, concerning a Violation.

2. Any Complaint brought in good faith to the attention of KIUC will be investigated promptly and, if required, corrective actions will be taken promptly. Confidentiality will be maintained throughout the investigatory process to the extent consistent with an adequate investigation, however, complete confidentiality and anonymity should not be expected during investigations.

3. Any person who engages in any form of intimidating, detrimental or retaliatory conduct shall be subject to appropriate disciplinary action, including termination of employment with respect to Staff.

4. Any KIUC Director, staff or agent having knowledge of a violation of the policy set out in item 1 above, or any other form of improper retaliation, shall immediately report the violation or retaliation to KIUC’s General Counsel who shall report same to other necessary parties as required by law or court order. Retaliation for such reports of retaliation is likewise prohibited.

5. Based on the nature and circumstances of the reported alleged intimidating, detrimental or retaliatory actions, the General Counsel will perform an independent investigation as warranted or report the violations for investigation and appropriate actions as follows:

- a. to the Manager of Human Resources, for all employees below the Department Head level;
- b. to the CEO for Department Heads; and
- c. to the Board of Directors for the CEO

6. The KIUC's General Counsel shall investigate any reports of alleged intimidating, detrimental or retaliatory actions and submit the results of any investigation to the KIUC Finance and Audit Committee, which shall submit a recommendation to the Board of Directors.

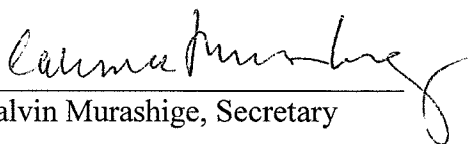
7. The Board of Directors does not delegate the authority to act on any form of intimidating, detrimental or retaliatory actions by or concerning the CEO.

8. The CEO shall report on actions associated with this policy to the Board of Directors on an as-needed basis.

**RESPONSIBILITIES:**

The CEO is delegated responsibility and authority for the administration and implementation of this policy.

Adopted on this 30<sup>th</sup> day of January, 2020.

  
\_\_\_\_\_  
Calvin Murashige, Secretary

Reviewed: 01/30/2020  
Reviewed: 01/30/2018  
Reviewed: 02/23/2016  
Revised: 03/18/2014  
Reviewed: 07/26/2011  
Original Adoption: 01/26/2005

**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**

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.

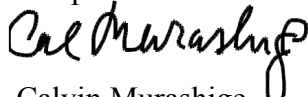
**II. Appointment of Existing Directors to Fill Board**

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 23<sup>rd</sup> 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

**KAUA`I ISLAND UTILITY COOPERATIVE  
BOARD POLICY NO. 21  
(Reviewed 03/24/2020)**

**FINANCIAL FRAUD DETECTION AND DETERRENCE**

**PURPOSE OF POLICY:**

To set forth the policy of Kaua`i Island Utility Cooperative ("KIUC") regarding the detection and deterrence of all types of fraud involving KIUC.

**POLICY CONTENT:**

A. Policy Statement:

It is the Policy of KIUC to manage the detection, deterrence, investigation and consequences of all types of suspected fraud at KIUC.

B. Scope:

This policy applies to any fraudulent activity involving not only employees but also directors, vendors, outside agencies, and/or unknown parties. Investigations will be performed without regard to length of service, title/position or relationship.

C. Actions Constituting Fraud:

The terms fraud, misappropriation and irregularities refer to, but are not limited to the following:

1. Any dishonest or fraudulent act
2. Forgery or alteration of documents
3. Misapplication of funds or assets
4. Impropriety in reporting transactions
5. Profiting on insiders knowledge
6. Gifts from vendors (if it can be reasonably inferred the gift is intended to influence the receiving party in the performance of the receiving party's official duties, or is intended as a reward for any official action on the part of the receiving party)
7. Destruction of records or assets without authority
8. Unexplained disappearance or records or assets
9. Improper disclosure of confidential information
10. Any similar or related irregularity

D. Non-Fraud Irregularities:

Identification or allegations of personal improprieties or irregularities whether moral, ethical, or behavioral should be resolved by departmental management and the Human Resources Department in accordance with their normal procedures and/or law, not by the financial audit staff or agencies.

E. Detection:

KIUC's management is responsible for detecting fraud of any type. Each member of the management team should be familiar with the types of fraud that might occur within his or her area of responsibility and should be alert for any indication of fraud. Any detected or suspected fraud must be immediately reported using the procedures set out herein.

F. Procedures:

1. Reporting Procedures: All instances of fraud or suspected fraud shall be immediately reported in writing to the Chair of KIUC's Finance and Audit Committee or other Director committee member; provided, however, that if the fraud or suspected fraud involves a member of the Finance and Audit Committee it shall be reported in writing to the Chair of the Board of Directors or another member of the Board's Executive Committee. Care must be exercised in the reporting and subsequent investigation of all allegations under this policy to avoid mistaken accusations. Reports may also be made to KIUC's anonymous 24 hour Reportline via online access or toll free number.

The reporting individual must not contact the suspected individual for information, but shall limit the individual's involvement with the matter to a prompt report under this policy. No facts of the case may be discussed with anyone inside or outside

KIUC, except those individuals conducting the investigation. Face- to- face interviews of the suspected individual should be performed under the supervision of an attorney or other qualified investigator under the supervision of counsel.

All members of KIUC's Board are receptive to receiving information on a confidential basis from an employee, or anyone who has information of misconduct and who suspects that a fraudulent activity has occurred. That employee should contact the appropriate Board member indicated above, another Director or KIUC's General Counsel immediately and should not attempt to confront the accused or conduct his/her own investigation.

2. Investigation Responsibilities: Prompt investigation of potential fraudulent matters reported to KIUC's Finance and Audit Committee shall be the responsibility of that committee and conducted under its direction. Prompt investigation of potential fraudulent matters reported to KIUC's Executive Committee shall be the responsibility of that committee and conducted under its direction. The appropriate committee shall cause an investigation to be performed utilizing available internal and/or external resources. Information regarding potential fraudulent activities involving criminal activity shall be forwarded to appropriate authorities for action.

3. Authorization for Investigation: Those individuals or agencies assigned the responsibility for investigation may take control of and gain full access to the organization's records and premises without prior consent of any individual who may have custody of any such records or facilities.

4. Confidentiality: The result of the investigations will be held confidential, and will not be disclosed or discussed with anyone other than those persons associated with the organization who have a legitimate need to know in order to perform their duties and

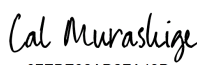
responsibilities. This does not preclude the disclosure of the results of any investigation as required by proper legal authority.

5. Suspension/Termination: During an investigation, the suspected individual may be suspended. Based upon the results of the investigation, the individual will either be reinstated or terminated, based upon a legal review by KIUC's General Counsel. Fraudulent activities will be prosecuted to the fullest extent of the law.

#### **RESPONSIBILITIES:**

- A. KIUC's President/CEO shall be responsible to work with his leadership team to establish the necessary Administrative Policies, Practices and Procedures to implement requirements of this policy, including all necessary training.
- B. The Board through its Finance and Audit Committee and KIUC's general counsel shall be responsible for compliance with this policy.

Adopted on this 24th day of March, 2020

DocuSigned by:  
  
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\_\_\_\_\_  
Calvin Murashige  
Secretary

Reviewed: 03/24/2020  
Revised: 04/24/2018  
Reviewed: 05/31/2016  
Reviewed: 06/24/2014  
Reviewed: 09/27/2011  
Original Adoption: 08/31/2005



**KIUC BOARD POLICY NO. 22**  
**PROVIDING INFORMATION TO DIRECTORS**

**PURPOSE OF POLICY:**

The purpose of this policy is to describe information provided routinely to the Board, and the process for a Director to request additional information.

**POLICY CONTENT:**

**I. Information to Be Provided to Board Without Request**

The flow of authority for the management of KIUC normally passes through the CEO, who is the link between the Board and the employees. The Board requires full, complete, and voluntary disclosure of information from the CEO concerning all matters in connection with the management of KIUC as set forth in Board policies, including but not limited to:

- A. All substantive reports and
- B. Any information to be released to the press, media, public, or members. Staff shall make a good faith attempt to provide all Directors with the information prior to its release.

**II. Director Access to KIUC Information Not Provided by Management**

Any Director is entitled to have access to all Cooperative data or information, at reasonable times during the business hours, for a proper purpose germane to his or her standing as a member and Director.

Except as set out below, all requests for information shall be made to and through the CEO, with a copy of the request given to the Board Chair. The following information may be sought through other appropriate employees, agents, or independent contractors in the circumstances indicated:


- A. After consultation with and being advised by KIUC's General Counsel, information which is necessary because of actual or potential criminal or tortious activity in which the CEO may be involved; or
- B. In the context of a Board-appointed committee meeting, assigned staff may respond to relevant inquiries about matters being considered by the committee and directed to them by a Director. If the information is deemed to be confidential by the staff member, the Committee Chair, any Director, General

Counsel, or the CEO, the Committee Chair shall ensure persons who are not authorized to receive the information are not present before the information is released; or

- C. In the context of a regular or special meeting of the KIUC Board where the Directors may deem it necessary to confer with personnel other than the CEO.

In any instance in which a Director has sought access to information not generally made available or reported to the entire Board, the CEO shall report to all Directors the information provided, at least by the next meeting of the Board.

Adopted on this 27<sup>th</sup> day of March, 2023.

  
Calvin Murashige (Mar 27, 2023 19:57 HST)  
Calvin Murashige  
Secretary

Reviewed: 03/27/2023  
Revised: 09/25/2020  
Reviewed: 04/23/2019  
Reviewed: 02/21/2017  
Reviewed: 05/26/2015  
Revised: 12/18/2012  
Reviewed: 01/25/2011  
Original Adoption: 01/30/2007

KIUC BOARD POLICY NO. 23  
**ELECTIONEERING**

**PURPOSE OF POLICY:**

This policy prohibits electioneering with KIUC resources.

**POLICY CONTENT:**

KIUC respects the right of its members and employees and other individuals to both free speech and the right to participate in the political process as private citizens. It does not, however, support the use of KIUC owned or leased property or KIUC-controlled information, such as employee or member information, to promote the election of a particular candidate for any government or KIUC elective office or the interests of a particular political party. It is the policy of KIUC that electioneering, which means working actively for any candidate or political party, shall not be permitted, either on KIUC property or using KIUC information.

Adopted on this 23<sup>rd</sup> day of September, 2021.

*Calvin Murashige*  
[Calvin Murashige \(Sep 24, 2021 15:34 HST\)](#)

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Calvin Murashige  
Secretary

Revised: 09/23/2021  
Reviewed: 04/24/2018  
Reviewed: 07/26/2016  
Reviewed: 07/29/2014  
Revised: 09/27/2011  
Original Adoption: 10/31/2006

KAUAI ISLAND UTILITY COOPERATIVE ("KIUC")  
BOARD POLICY NO. 24  
**FUNDING THE KIUC CHARITABLE FOUNDATION**

**PURPOSE OF POLICY:**

The purpose of this policy is to govern the funding of the KIUC Charitable Foundation (the "Foundation").

**POLICY CONTENT:**

**I. Objectives**

The Foundation is organized exclusively to benefit charitable, scientific, educational, and public purposes and entities. Examples include, but are not limited to:

- Assisting local non-profit and other community organizations which contribute to Kaua'i's quality of life.
- Supporting and encouraging KIUC employees and directors to assume active roles in the community via local non-profit and other community organizations which contribute to Kaua'i's quality of life.
- Making grants and/or loans to non-profit entities or needy individuals in furtherance of the purposes of the organizations.
- Applying for private and public grants and funding to accomplish the purposes of the corporation.
- Transacting any or all lawful activities for which nonprofit corporations may be incorporated under Chapter 414D, Hawaii Revised Statutes.

**II. Foundation Funding**

It is the policy of this Board of Directors to fund the charitable activities of the Foundation from:

- A. Unclaimed patronage capital refunds, as those funds are reported annually to State of Hawaii Director of Finance in accordance with the requirements of the Hawaii Revised Statutes HRS §421C-41 that exempts KIUC from the provisions of HRS Chapter 523A dealing with "Unclaimed Property". In the event KIUC successfully issues any refunds more than five years after they become unclaimed, that amount will be deducted from the next annual set of unclaimed funds paid to the Foundation in accordance with this policy.
- B. The Makana Program, a community support program which enables members to donate to local charities and service organizations by allowing KIUC to round up electric bills to the next highest dollar. All monthly contributions are transferred to the Foundation.

### III. Guidance

- A. Patronage capital refunds will be deemed unclaimed when a refund check is not cashed and/or is returned to KIUC as unclaimed or undeliverable; provided that even after such funds are deemed unclaimed KIUC will continue such reasonable efforts as it believes are appropriate to locate the owners of such funds.
- B. The Makana Program is a voluntary program where participants opt-in by authorizing KIUC to include a round-up charge to the next dollar on their monthly electric bill until such time the customer chooses to be removed from the program. The participant will also have the option to make a one-time donation or add an additional monthly amount to the program.

#### RESPONSIBILITY:

The responsibility for implementing this policy is assigned as follows:

- A. The CEO has the responsibility for accounting for Foundation funding.
- B. The CEO has the responsibility to transfer funds to the Foundation in accordance with this policy.
- C. The CEO has the responsibility to report annually to the Board of Directors the amount of Foundation funds including the amounts transferred to the Foundation in the period covered by the report.
- D. The Board of Directors, with the advice of CEO, has the responsibility for reviewing the Foundation funds and transfers to the Foundation for compliance with this policy.

Adopted on this 16<sup>th</sup> day of December, 2021.

  
Calvin Murashige (Dec 17, 2021 11:47 HST)

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Calvin Murashige  
Secretary

Revised: 12/16/2021  
Reviewed: 12/19/2018  
Reviewed: 03/28/2017  
Reviewed: 05/26/2015  
Revised: 11/27/2012  
Revised: 08/26/2008  
Original Adoption: 12/19/2006

KIUC BOARD POLICY NO. 25  
**KIUC CHARITABLE/NON-PROFIT GIVING**

**PURPOSE OF POLICY:**

The purpose of this policy is to govern KIUC's gifts to charitable and non-profit entities using funds acquired from KIUC margins.

**POLICY CONTENT:**

**I. The KIUC Giving Program**

- A. **Basis.** One of the seven cooperative principles is Concern for Community:  
"While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members."
- B. **Programs.** In carrying out this principle KIUC gives money from corporate funds to various Kauai charitable and/or non-profit entities. This giving has been accomplished using three separate programs/accounts:
  - 1. **Sharing of Aloha.** The Sharing of Aloha fund is a fund intended to assist various local non-profit organizations that contribute to Kauai's quality of living. It is administered by a committee of rank-and-file employees with appropriate representation of various KIUC.
  - 2. **President's Fund.** The President's Fund is a fund intended to support IRS 501(c)(3) qualified entities on Kauai or national organizations in servicing Kauai through direct donations to such entities selected by KIUC's CEO (including attendance by staff and directors at fundraising events).
  - 3. **Corporate Fund.** The Corporate Fund is a fund, separate from the President's Fund, that also supports Kauai 501(c)(3) entities through direct donations to them by:
    - a. Matching (or partial matching) of KIUC employee contributions to appropriate Kauai 501(c)(3) entities or
    - b. Contributions to qualified Kauai 501(c)(3) entities which have been previously vetted, and where contributions are appropriate to continue from year to year.

**II. Recipients**

- A. **Organizations Supported.** The benefits or services provided by the requesting organization or potential recipient organization must be perceived as providing benefits or services on Kauai: i.e., there must be a benefit or service provided to the people of Kauai or KIUC's members. Examples of organizations are:
  - 1. Kauai Non-Profits:
    - a. Youth sport teams and leagues

- b. Amateur adult sports teams and leagues
  - c. Chambers of commerce
  - d. Community service organizations
  - e. State of Hawaii Department of Education schools and organizations
  - f. Veterans organizations
  - g. Others as appropriate
2. Kauai 501(c)(3) Entities:
- a. Human Social Services Organizations:
    - Senior citizens groups
    - Emergency service organizations (food, clothing, shelter, disaster relief etc.)
    - Youth care organizations
    - Family counseling organizations
  - b. Educational Organizations:
    - Private primary and secondary schools
    - Early education schools
    - Public Charter Schools or their sponsoring organizations
  - c. Health organizations
  - d. Culture and Arts organizations
  - e. Community Development organizations:
    - Environmental and ecological programs
    - Housing and urban renewal projects
    - Economic development organizations
  - f. Others as appropriate

**B. Ineligible Organizations/Gifts:**

1. Organizations that seek to primarily benefit one individual or an individual's family
2. Political organizations
3. Organizations engaged in illegal discrimination
4. Religious groups seeking funds primarily for religious purposes
5. Funds for parties, trophies, gift checks, cash, and electric bill discounts or expenses, etc.

**III. Guidance**

- A. **Funding Level.** Where the use of funds is for a fundraising function of a 501(c)(3) organization that provides its benefits or services wholly or partially on Kauai, the level of contribution should usually be at an appropriate level.
- B. **Attendance.** Attendance at functions should generally be shared between directors, management, and rank-and-file employees as appropriate.

- C. **Budget.** Except in unusual circumstances, funding must have been budgeted in the current year's budget.
- D. **Disclosure.** The total dollar amount of all KIUC gifts or grants to Kauai non-profits or Kauai 501(c)(3) entities shall be disclosed each year in the annual report to the membership.

Adopted on this 27<sup>th</sup> day of January, 2022.

Revised: 01/27/2022  
Reviewed: 11/27/2018  
Revised: 11/29/2016  
Reviewed: 12/16/2014  
Original Adoption: 02/28/2012

Calvin Murashige  
Calvin Murashige (Mar 2, 2022 12:12 HST)

Calvin Murashige  
Secretary



**KAUA'I ISLAND UTILITY COOPERATIVE ("KIUC")  
BOARD POLICY NO. 26  
(Reviewed 10/30/2018)**

**KIUC RECORDS MANAGEMENT POLICY**

**PURPOSE OF POLICY:**

The purpose of this policy is to ensure the reasonable and good-faith retention of all records created by or under the control of KIUC, whether paper or electronic, necessary or advisable to retain for: business operations; historical value; accounting, audit, tax and financial purposes; compliance with applicable law; possible future use in litigation involving KIUC; and possible future use in an official proceeding or governmental investigation, audit or other matter. Other records, which are not necessary to retain for these reasons, shall be destroyed in accordance with the guidelines set forth in this policy. All other information which is not a record should be discarded after it has fulfilled its purpose to avoid the unnecessary expense and effort required to preserve it. A legal hold notice shall be issued when it becomes necessary to preserve a record or other information otherwise scheduled or due for ordinary and appropriate destruction in accordance with this policy.

**POLICY CONTENT:**

A. **Policy:** Records of KIUC, which may be in electronic or paper form, shall be retained in accordance with these guidelines. Records that do not need to be retained shall be destroyed after the requisite retention period, if any, has passed. A log or other documentation of records destruction may be created to track compliance and assist in evaluating the effectiveness of this policy. Pending or potential litigation, governmental investigation and other circumstances may require a "hold" or suspension of regularly scheduled destruction of records or other information. Employees will be promptly notified of any such hold by one of KIUC's CEO, General Counsel, or Special Litigation Counsel for a particular matter. The format of the hold notification is shown in Appendix III to this policy.

B. **Definitions:** Unless otherwise indicated in this policy, the following terms will have the meanings provided in this section.

Active Data/Records – electronic or paper records and information presently in use or are immediately accessible to users.

Archival Data/Records – electronic or paper records and information not directly accessible to users, but which are maintained long term and accessible with some effort.

Backup Data/Records – electronic or paper records and information not presently in use and which are routinely stored on portable media (e.g. disks, magnetic tape) and/or off-site and are a source for disaster recovery.

Distributed Data/Records – data living on portable media or “non-local” devices (e.g. PDAs, BlackBerrys, employee home computer, application service provider, ISPs). Most is probably “active” data.

ESI – “Electronically Stored Information” – any file, document, data, image, database, etc. stored on a computing device or electronic media, including but not limited to servers, computer desktops and laptops, cell phones, hard drives, flash drives, PDAs or BlackBerrys, CDs or DVDs, floppy disks, and magnetic tapes.

Legacy Data – information which has retained some importance or usefulness to KIUC for a period of time but has been created or stored by the use of software and/or hardware which has subsequently become obsolete or been replaced (“legacy systems”).

Record – A “record” is any information (paper or electronic) recorded in a tangible form created or received by KIUC and documents some aspect of its operations. A record has some enduring value to KIUC which merits its retention for some period of time. Records include original and copies of contracts and other legal documents, memos, reports, forms, checks, accounting journals and ledgers, work orders, drawings, maps, images, photographs, and may be found in various electronic or machine-readable formats, including without limitation, CD-ROMs, DVDs, tape recordings, voice mail messages, e-mails, microfiche, web pages, computer and other electronic files.

Other Information/Data – “Other information” or “data” is any other material of a transitory nature, which after serving its limited purpose or being transferred to a more permanent form, or being incorporated with other record material, KIUC has no need to retain such information except in the event of a legal hold. Some examples are: notes, drafts, routine correspondence, informational or courtesy copies, extra copies of filed or preserved records, and emails containing non-record information (such as scheduling or logistics information, thank you notes, etc.).

C. **Retention of Records:** Records shall be indexed and retained in a manner that ensures their easy accessibility. Records shall be maintained for as long as the period stated in the schedule set out in Appendix II to this policy, which schedule is based on the minimum periods required by applicable state or federal law and necessity for ongoing business purposes. The retention schedule will be reviewed periodically and amended as needed to reflect changing legal requirements, business needs or evolving practices. The CFO shall be deemed the Records Custodian for all KIUC records and responsible for supervising all of KIUC’s retention practices and procedures and ensuring that appropriate internal controls are implemented. Each KIUC Department Head shall designate a Records Coordinator for their Department who shall assist the Records Custodian in carrying out his or her duties. Paper and electronic records and other information shall be maintained in the formats and/or media and at the locations provided in the master index, which media shall ensure a life expectancy which, at a minimum, preserves the records for as long as specified in the schedule. Records that require transfer to storage media different from the media in which the document was originally created or is being maintained requires documentation of the transfer and verification for accuracy.

D. **Destruction of Records & Other Information:** Unless a legal hold is in effect, destruction of records shall occur within three (3) months after the time period stated in the schedule has been met. Other information should be discarded as soon practicable after it has served its purpose unless subject to a legal hold.

Destruction may occur by the following acceptable methods:

(Paper)

- Recycling or trash if no sensitive, personally identifiable or confidential information is included
- Shredding, burning, or pulverizing if sensitive, personally identifiable or confidential information is included

(Electronic)

- Deletion of records and data on shared network files, computer desktop and laptop hard drives, including personal copies
- Deletion of distributed data/records on peripheral devices and portable storage media (e.g. PDAs, memory sticks, CDs, floppy disks, etc.)
- Erasing or recycling of magnetic tapes

E. **Suspension of Destruction/“Legal Hold”:** A legal hold is the process for suspending the destruction of records and other information that becomes necessary for KIUC to preserve. A legal hold may need to be issued for various reasons, such as:

- A complaint is filed against KIUC
- A credible threat of litigation has been received by KIUC
- A discovery request is received
- A records preservation order has been issued
- A subpoena has been served on KIUC
- A governmental, regulatory or law enforcement agency has instituted an investigation
- An event has occurred resulting in death or serious bodily injury
- A circumstance has arisen which is likely to cause KIUC to file a lawsuit against someone or some entity
- An employee has made a complaint/allegation/report regarding a violation of law, KIUC policy, or other improper conduct prompting an internal investigation

If a staff member of KIUC receives any such complaint, request, subpoena or inquiry, he or she should immediately submit it to the CEO. Following consultation with KIUC's General Counsel (or assigned Special Litigation Counsel, if one has been assigned) a determination will be made regarding the need to preserve records. If such a need is determined to exist, then KIUC's General Counsel (or assigned Special Litigation Counsel, if one has been assigned) may issue a legal hold notification in the form substantially similar as set out as Appendix III to this policy.

The legal hold requires the preservation of all records and other information detailed in the legal hold notice. With regard to electronic records and information, all such active,

distributed and archived materials must be preserved. Back-up tapes containing records or other information redundant to those maintained as active or archived data, will be recycled or destroyed in accordance with KIUC's regular back-up tape policy/practice.

If a computer or peripheral device (e.g. BlackBerry, external disk drive, etc.) has stored on it records or other information subject to the legal hold, then any scheduled replacement of that computer or device must be suspended until the stored materials on such computer or device are copied to a secure medium before the computer or device is taken out of service. Such steps must be documented in an IT log noting the dates of such copying and the equipment replacement, the person responsible for the copying and replacement, and the location of the copied materials.

F. **Compliance & Questions:** Every employee, director and agent of KIUC is required to comply with this policy. Training will be provided to ensure everyone subject to the policy is familiar with its provisions and understands the specific responsibilities and tasks associated with carrying out the policy. Every person subject to the policy shall sign a copy of the acknowledgement set out in Appendix I to this policy. Periodic compliance audits and testing of retention, legal hold, and destruction procedures will be undertaken at the direction and supervision of the CEO with assistance from KIUC's General Counsel and the Records Custodian and Coordinators. The CEO shall make periodic reports to the Board of Directors regarding overall compliance.

Questions about this policy should be directed to the Records Custodian.

G. **Reporting of Suspected Noncompliance:** Should any employee, director or agent KIUC become aware of information indicating a person responsible for the retention or destruction of records is not in compliance with this policy, such information shall be promptly reported to the Records Custodian, direct supervisor, department head or CEO.

#### **RESPONSIBILITY:**

The responsibility for implementing this policy is as follows:

- A. The CEO has the responsibility to cause appropriate training to be conducted.
- B. The CEO has the responsibility of causing periodic compliance audits and testing of retention, legal hold, and destruction procedures to be conducted.

C. The Records Custodian, with the assistance of the Records Coordinators, has the responsibility to ensure the procedures required by this Policy are complied with.

Adopted on this 23<sup>rd</sup> day of November, 2021.

*Calvin Murashige*

Calvin Murashige (Dec 17, 2021 11:48 HST)

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Calvin Murashige  
Secretary

Reviewed: 11/23/2021

Reviewed: 10/30/2018

Reviewed: 11/29/2016

Reviewed: 12/16/2014

Revised: 12/20/2011

Original Adoption: 09/29/2009

# Appendix I

## Acknowledgment

I acknowledge I have received, read, and will abide by this Records Management Policy distributed to me on \_\_\_\_\_ (*date*). I understand I am expected to and agree to bring any questions regarding this policy to the identified contact person(s). I further understand and agree I am required to complete periodic training on records procedures as a part of this policy.

\_\_\_\_\_  
(*Signature*)

\_\_\_\_\_  
(*Print Name*)

Date: \_\_\_\_\_

## Appendix II

### Retention Schedule

*(Note: Rural Utilities Service borrowers should refer to Subpart D of 7 C.F.R. § 1767 and FERC's regulations at 18 C.F.R. § 125. As noted in the sample policy, RUS issued records preservation rules in May 2008 that codify the FERC requirements and RUS Bulletin 180.2. The retention periods specified here are largely based on FERC's retention schedule for basic books of account found at 18 C.F.R. § 125.3, with deviations and suggested additions noted in Arial font and italicized. RUS regulations note that RUS reserves "the right to add records, or lengthen retention periods upon finding that retention periods may be insufficient for its purposes." 7 C.F.R. § 1767.69(a). Also, please note that the RUS regulatory text states that: "Records of [ ] a kind not listed in the FERC regulations should be governed by those applicable to the closest similar records." § 1767.71(a).)*

<b>Record Description</b> <i>(Include any identification numbers, etc.)</i>	<b>Retention Period</b>
<b><u>Corporate &amp; General:</u></b> 1. Reports to stockholders: Annual reports or statements to stockholders.	5 years <i>[State enabling statutes that track the Model Business Corporation Act or Model Nonprofit Corporation Act would likely have a requirement to maintain copies of all communications to shareholders or members for 3 years.]</i>
2. Organizational documents: (a) Minute books of member, board and board committee meetings; <i>Record of all actions taken by the shareholders or board without a meeting; all actions taken by a committee of the board in place of the board on behalf of the corporation</i> (b) (1) Titles, (2) franchises, and (3) licenses: (4) Copies of formal orders of regulatory commissions served upon the utility, if applicable. <i>(c) Articles and amendments in effect; Bylaws and amendments in effect; Board resolutions regarding member classes or rights</i>	(a) Permanently <i>[Many states require minutes to be preserved permanently. FERC: 5 years or termination of the corporation's existence, whichever occurs first]</i>  (b)(1) 6 years after disposal of property (b)(2) Permanently (b)(3) 10 years after plant is retired or expiration of license, whichever is shorter (b)(4) 6 years after final non-appealable order  (c) <i>Indefinitely</i>

<p>3. Contracts, including amendments and agreements (except contracts provided for elsewhere):</p> <p>(a) Service contracts, such as for management, accounting, and financial services. (All contracts, related memoranda, and revisions.)</p> <p>(b) Contracts with others for transmission or the purchase, sale or interchange of product. (All contracts, related memoranda, and revisions)</p> <p>(c) Memoranda essential to clarifying or explaining provisions of contracts listed above, including requests for discounts.</p> <p>(d) Card or book records of contracts, leases, and agreements made, showing dates of expirations and of renewals, memoranda of receipts, and payments under such contracts.</p>	<p>(a) 6 years after expiration or until the conclusion of any contract disputes pertaining to such contracts, whichever is later</p> <p>(b) 6 years after expiration or until the conclusion of any contract disputes or governmental proceedings pertaining to such contracts, whichever is later <i>[KIUC should consider keeping FEMA mutual aid agreements indefinitely, though NRECA maintains a centralized database of all such agreements that it receives.]</i></p> <p>(c) &amp; (d) 6 years after expiration or cancellation</p>
<p>4. Accountants' and auditors' reports:</p> <p>(a) Reports of examinations and audits by accountants and auditors not in the regular employ of the utility.</p> <p>(b) Internal audit reports and working papers</p>	<p>(a) &amp; (b) 5 years after the date of the report</p>
<p><b><u>Information Technology Management:</u></b></p> <p>5. Automatic data processing records (retain original source data used as input for data processing and data processing report printouts for the applicable periods prescribed elsewhere in the schedule): Software program documentation and revisions thereto.</p>	<p>Retain as long as it represents an active viable program or for periods prescribed for related output data, whichever is shorter.</p>
<p><b><u>General Accounting Records:</u></b></p> <p>6. General and subsidiary ledgers:</p> <p>(a) Ledgers:</p> <p>(1) General ledgers</p> <p>(2) Ledgers subsidiary or auxiliary to general ledgers except ledgers provided for elsewhere.</p> <p>(b) Indexes:</p> <p>(1) Indexes to general ledgers</p> <p>(2) Indexes to subsidiary ledgers except ledgers provided for elsewhere.</p> <p>(c) Trial balance sheets of general and subsidiary ledgers</p>	<p>(a)(1) &amp; (2) 20 years</p> <p>(b)(1) &amp; (2) 20 years</p> <p>(c) 20 years</p>
<p>7. Journals: General and subsidiary</p>	<p>20 years</p>



<p>8. Journal vouchers and journal entries including supporting detail:</p> <p>(a) Journal vouchers and journal entries</p> <p>(b) Analyses, summarization, distributions, and other computations which support journal vouchers and journal entries:</p> <p>(1) Charging plant accounts</p> <p>(2) Charging all other accounts</p>	<p>(a) 20 years</p> <p>(b)(1) 25 years or 6 years after plant is retired or sold, whichever is longer. See § 125.2(g).</p> <p>(b)(2) 6 years</p>
<p>9. Cash books: General and subsidiary or auxiliary books</p>	<p>6 years after close of fiscal year.</p>
<p>10. Voucher registers: Voucher registers or similar records when used as a source document.</p>	<p>5 years. See § 125.2(g)</p>
<p>11. Vouchers:</p> <p>(a) Paid and canceled vouchers (one copy-analysis sheets showing detailed distribution of charges on individual vouchers and other supporting papers).</p> <p>(b) Original bills and invoices for materials, services, etc., paid by vouchers.</p> <p>(c) Paid checks and receipts for payments of specific vouchers.</p> <p>(d) Authorization for the payment of specific vouchers</p> <p>(e) Lists of unaudited bills (accounts payable), list of vouchers transmitted, and memoranda regarding changes in audited bills.</p> <p>(f) Voucher indexes</p>	<p>(a), (b) &amp; (d) 6 years for non-plant and 6 years after plant is retired or sold. See § 125.2(g). <i>[KIUC may wish to hold these records for a longer period as historical evidence of the "reasonable cost" for work and services performed in response to a disaster that is the subject of FEMA reimbursement. FEMA regulations require records related to claims to be kept for 3 years, unless any litigation, claim, negotiation or other audit is ongoing. See 44 C.F.R. § 13.42(b) and FEMA Publication 322, "Public Assistance Guide" available at <a href="http://www.fema.gov/government/grant/pa/pag07_t.shtm">www.fema.gov/government/grant/pa/pag07_t.shtm</a>.]</i></p> <p>(c) 6 years.</p> <p>(e) 6 years</p> <p>(f) 6 years</p>
<p><i>11a. Financial requirement and expenditure statements, which are not otherwise reflected in this schedule</i></p>	<p><i>1 year after the "as of date" of RUS' loan fund and accounting review [RUS rule. Typically, RUS field accountants audit a borrower every 2 or 3 years, in tandem with a review of financed construction. So, 1 year after the audit is completed and accepted.]</i></p>
<p><b><u>Insurance:</u></b></p> <p>12. Insurance records:</p> <p>(a) Records of insurance policies in force, showing coverage, premiums paid, and expiration dates.</p> <p>(b) Records of amounts recovered from insurance companies in connection with losses and of claims against insurance companies, including reports of losses, and supporting papers.</p> <p>(c) <i>Applications for insurance policies in force.</i></p>	<p>(a) Destroy 6 years after expiration of such policies <i>[Before destroying any policy, KIUC should determine whether the policy is a "claims made" or "occurrence" policy. Under the latter, the policy that is in force on the date of the event that caused the loss is the policy that will cover that loss. Because claims can arise years after a policy has expired, expiration may not always be the appropriate time to destroy.]</i></p> <p>(b) 6 years for non-plant and 6 years after plant is retired or sold. See § 125.2(g).</p> <p>(c) <i>Destroy at option after expiration of such policies' coverage period. [This is an additional recommendation and not required by FERC regulations or RUS' proposed rule as insurers could seek to cancel or void a policy to avoid liability on the grounds that an application contained materially false or omitted materially significant information.]</i></p>

<p><b><u>Operations and Maintenance:</u></b>  13.1. Production (less Nuclear):  (a) Boiler-tube failure report  (b) Generation and output logs with supporting data  (c) Station and system generation reports and clearance logs:  (1) Hydro-electric  (2) Steam and others  (d) Generating high-tension and low-tension load records  (e) Load curves, temperature logs, coal, and water logs  (f) Gauge-reading reports  (g) Recording instrumentation charts</p>	<p>(a) &amp; (b) 6 years.   (c)(1) 25 years. See § 125.2(g).  (c)(2) 6 years. See § 125.2(g).   (d) &amp; (e) 6 years.   (f) 6 years, except river flow data collected in connection with hydro operation must be retained for life of corporation.  (g) 6 years, except where the basic chart information is transferred to another record, the charts need only be retained 6 months provided the record containing the basic data is retained 6 years.</p>
<p>13.2. Production – Nuclear  For informational purposes, refer to the document retention requirements of the Nuclear Regulatory commission.</p>	
<p>14. Transmission and distribution:  (a) Substation and transmission line logs  (b) System operator’s daily logs and reports of operation  (c) Transformer history records  (d) Records of transformer inspections, oil tests, etc.  (e) Records of other inspections, assessments, tests of component parts of the utility system, and Emergency Restoration Plan exercises</p>	<p>(a) &amp; (b) 6 years   (c) Life of transformer  (d) Life of corporation  (e) At least until the next applicable inspection, test, etc. is conducted [This is a suggested addition for RUS borrowers pursuant to 7 C.F.R. Part 1730.] but no less than 6 years</p>
<p>15. Maintenance work orders and job orders:  (a) Authorizations for expenditures for maintenance work to be covered by work orders, including memoranda showing the estimates of costs to be incurred.  (b) Work order sheets to which are posted in detail the entries for labor, material, and other charges in connection with maintenance, and other work pertaining to utility operations.  (c) Summaries of expenditures on maintenance and job orders and clearances to operating other accounts (exclusive of plant accounts).</p>	<p>(a) – (c) 6 years</p>

<p><b><u>Plant and Depreciation:</u></b></p> <p>16. Plant ledgers:</p> <p>(a) Ledgers of utility plant accounts including land and other detailed ledgers showing the cost of utility plant by classes.</p> <p>(b) Continuing plant inventory ledger, book or card records showing description, location, quantities, cost, etc., of physical units (or items) of utility plant owned.</p> <p>(c) Life &amp; mortality study data for depreciation purposes</p>	<p>(a) &amp; (b) 25 years or 6 years after plant is retired or sold, whichever is longer. See § 125.2(g). <i>[Per RUS rule, "...records related to plant in service must be retained until the facilities are permanently removed from utility service, all removal and restoration activities are completed, and all costs are retired from the accounting records unless accounting adjustments resulting from reclassification and original costs studies have been approved by [RUS] or other regulatory body having jurisdiction."]</i></p> <p>(c) 25 years or for 10 years after plant is retired, whichever is longer. <i>[Per RUS rule. This is relevant for those borrowers that do not use RUS' standard depreciation rates.]</i></p>
<p>17. Construction work in progress ledgers, work orders, and supplemental records:</p> <p>(a) Construction work in progress ledgers</p> <p>(b) Work orders sheets to which are posted in summary form or in detail the entries for labor, materials, and other charges for utility plant additions and the entries closing the work orders to utility plant in service at completion.</p> <p>(c) Authorizations for expenditures for additions to utility plant, including memoranda showing the detailed estimates of cost, and the bases therefor (including original and revised or subsequent authorizations).</p> <p>(d) Requisitions and registers of authorizations for utility plant expenditures.</p> <p>(e) Completion or performance reports showing comparison between authorized estimates and actual expenditures for utility plant additions.</p> <p>(f) Analysis or cost reports showing quantities of materials used, unit costs, number of man-hours etc., in connection with completed construction project.</p> <p>(g) Records and reports pertaining to progress of construction work, the order in which jobs are to be completed, and similar records which do not form a basis of entries to the accounts.</p>	<p>(a) &amp; (b) 5 years after clearance to plant account, provided continuing plant inventory records are maintained; otherwise 6 years after plant is retired.</p> <p>(c) – (f) 5 years after clearance to plant account except where there are ongoing regulatory commission proceedings</p> <p>(g) Destroy at option</p>
<p>18. Retirement work in progress ledgers, work orders, and supplemental records:</p> <p>(a) Work order sheets to which are posted the entries for removal costs, materials recovered, and credits to utility plant accounts for cost of plant retirement.</p> <p>(b) Authorizations for retirement of utility plant, including memoranda showing the basis for determination to be retired and estimates of salvage and removal costs.</p> <p>(c) Registers of retirement work</p>	<p>(a) &amp; (b) 6 years after plant is retired or sold</p> <p>(c) 6 years</p>

<p>19. Summary sheets, distribution sheets, reports, statements, and papers directly supporting debits and credits to utility plant accounts not covered by construction or retirement work orders and their supporting records.</p>	<p>5 years [<i>Per RUS rule, records supporting construction financed by RUS “shall be retained until audited and approved” by RUS.</i>]</p>
<p>20. Appraisals and valuations:  (a) Appraisals and valuations made by the company of its properties or investments or of the properties or investments of any associated companies. (Includes all records essential thereto.)  (b) Determinations of amounts by which properties or investments of the company or any of its associated companies will be either written up or written down as a result of:  (1) Mergers or acquisitions  (2) Asset impairments  (3) Other bases</p>	<p>(a) 3 years after disposal of property   (b)(1) 10 years after completion of transaction or as ordered by regulatory commission, if applicable  (b)(2) 10 years after recognition of asset impairment.  (b)(3) 10 years after the asset was written up or down</p>
<p>21. The original or reproduction of engineering records, drawings, and other supporting data for proposed or as-constructed utility facilities: Maps, diagrams, profiles, photographs, field survey notes, plot plan, detail drawings, records of engineering studies, and similar records showing the location of proposed or as-constructed facilities.</p>	<p>Retain until 6 years after retired or sold</p>
<p>22. Contracts relating to utility plant:  (a) Contracts relating to acquisition or sale of plant  (b) Contracts and other agreements relating to services performed in connection with construction of utility plant (including contracts for the construction of plant by others for the utility and for supervision and engineering relating to construction work).</p>	<p>(a) &amp; (b) 6 years after plant is retired or sold</p>
<p>23. Records pertaining to reclassification of utility plant accounts to conform to prescribed systems of accounts including supporting papers showing the bases for such reclassifications.</p>	<p>6 years</p>

<p>24. Records of accumulated provisions for depreciation and depletion of utility plant and supporting computation of expense:</p> <p>(a) Detailed records or analysis sheets segregating the accumulated depreciation according to functional classification of plant.</p> <p>(b) Records reflecting the service life of property and the percentage of salvage and cost of removal for property retired from each account for depreciable utility plant.</p>	<p>(a) &amp; (b) 25 years or 6 years after plant is retired or sold, whichever is longer.</p>
<p><b><u>Purchase and Stores:</u></b></p> <p>25. Procurement:</p> <p>(a) Agreements entered into for the acquisition of goods or the performance of services. Includes all forms of agreements not specifically set forth in Subsection 7 such as but not limited to: Letters of intent, exchange of correspondence, master agreements, term contracts, rental agreements, and the various types of purchase orders:</p> <p>(1) For goods or services relating to plant construction</p> <p>(2) For other goods or services</p> <p>(b) Supporting documents including accepted and unaccepted bids or proposals (summaries of unaccepted bids or proposals may be kept in lieu of originals) evidencing all relevant elements of the procurement.</p>	<p>(a)(1) 6 years after plant is retired or sold. See § 125.2(g).</p> <p>(a)(2) 6 years</p> <p>(b) 6 years. See § 125.2(g).</p>
<p>26. Material ledgers: Ledger sheets of materials and supplies received, issued, and on hand</p>	<p>6 years after the date the records/ledgers were created</p>
<p>27. Materials and supplies received and issued: Records showing the detailed distribution of materials and supplies issued during accounting periods</p>	<p>6 years for non-plant and 6 years after plant is retired or sold. See § 125.2(g).</p>
<p>28. Records of sales of scrap and materials and supplies:</p> <p>(a) Authorization for sale of scrap and materials and supplies.</p> <p>(b) Contracts for sale of scrap materials and supplies</p>	<p>(a) &amp; (b) permanently</p>
<p><b><u>Revenue Accounting and Collecting:</u></b></p> <p>29. Customers' service applications and contracts: Contracts, including amendments for extensions of service, for which contributions are made by customers and others</p>	<p>6 years after expiration</p>

30. Rate schedules: General files of <i>[FERC: published]</i> rate sheets and schedules of utility service. Including schedules suspended or superseded.	permanently
31. Maximum demand, and demand meter record cards	21 years, except where the basic chart information is transferred to another record the charts need only be retained 6 months, provided the basic data is retained 2 years.
32. Miscellaneous billing data: Billing department's copies of contracts with customers (other than contracts in general files) (a) "Consumer accounts' records"	Destroy at option  (a) "Kept for those years for which patronage capital has not been allocated" <i>[This is language in RUS' new rule. Typically, such allocations are done annually. It probably makes sense, to retain records indicating the last known address for members and patrons with their annual patronage totals for at least as long as KIUC's capital credit rotation cycle or preferably permanently. Permanent retention is probably needed for a few reasons. One reason is that if KIUC is making early capital credit retirements at a discount, then the co-op will need to keep such records permanently or until after liquidation of KIUC. Further, see Rev. Ruling 72-36, which requires the allocation of the appreciated value of real property to patrons. See also, applicable state dissolution statutes that may require allocation at dissolution based on historical patronage.]</i>
33. Revenue summaries: Summaries of monthly operating revenues according to classes of service. Including summaries of forfeited discounts and penalties	5 years

<p><b><u>Tax:</u></b>  34. Tax records:  (a) Copies of tax returns and supporting schedules filed with taxing authorities, supporting working papers, records of appeals of tax bills, and receipts for payment. See Subsection 11(b) for vouchers evidencing disbursements:  (1) Income tax returns (e.g. IRS Form 990s, including amended returns)  (2) Property tax returns  (3) Sales and other use taxes.  (4) Other taxes  (5) Agreements between associate companies as to allocation of consolidated income taxes.  (6) Schedule of allocation of consolidated Federal income taxes among associate companies.  (b) Filings with taxing authorities to qualify employee benefit plans.  (c) Information returns and reports to taxing authorities.  (d) Tax exemption application and determination letter (e.g. currently, Form 1024, and all accompanying documentation) and any IRS rulings (e.g. private letter ruling)</p>	<p>(a)(1), (5) - (6) 5 years after settlement. <i>[Forms 990 should be retained for at least 3 years after the due date or filing date of the return, whichever is later to meet public inspection requirements. See I.R.C. § 301.6104(d)-1.]</i>  (a)(2) &amp; (4) 2 years after final tax liability is determined.  (a)(3) 2 years  (b) 5 years after discontinuance of plan.  (c) 3 years after final tax liability is determined  (d) Permanently</p>
<p><b><u>Treasury:</u></b>  35. Statements of funds and deposits  (a) Statements of periodic deposits with fund administrators or trustees.  (b) Statements of periodic withdrawals from fund  (c) Statements prepared by fund administrator or trustees of fund activity including:  (1) Beginning of the year balance of fund;  (2) Deposits with the fund;  (3) Acquisition of investments held by the fund;  (4) Disposition of investments held by the fund;  (5) Disbursements from the fund, including party to whom disbursement was made;  (6) End of year balance of fund.</p>	<p><i>[FERC: For nuclear decommissioning funds, retain records for all items listed for 3 years after final decommissioning is completed. If amortization reserve funds related to licensed projects are maintained, retain until the FERC makes a final determination of the disposition of amortization reserves.]</i>  (a) &amp; (b) Retain records for the most recent 3 years  (c) Retain records until the fund is dissolved or terminated</p>

<p>36. Records of deposits with banks and others:  (a) Statements from depositories showing the details of funds received, disbursed, transferred, and balances on deposit.  (b) Check stubs, registers, or other records of checks issued.</p> <p>36A. Records of financial commitments with lenders  (a) loan applications, approval letters &amp; loan contracts  (b) mortgages, other security instruments associated with loans  (c) release of lien  (d) notification from lender to borrower of satisfaction of financial commitment</p>	<p>(a) 2 years or after completion of audit by independent accountants, whichever is longer.  (b) 6 years</p> <p>(a) &amp; (b) Once a loan or mortgage has been fully paid, these documents, along with receipts or other proof of payment, may be destroyed at a borrower's option. However, retained copies of the executed loan contract and mortgage would be helpful evidence of the requirements to which the borrower was subject during the loan period.  (c) Permanently  (d) Permanently</p>
<p><b><u>Miscellaneous:</u></b>  37. [FERC: Reserved]</p>	
<p>38. Statistics: Financial, operating and statistical reports used for internal administrative or operating purposes.</p>	6 years
<p>39. Budgets and other forecasts (prepared for internal administrative or operating purposes) of estimated future income, receipts and expenditures in connection with financing, construction and operations, including acquisitions and disposals of properties or investments.</p>	3 years
<p>40. Records of predecessor companies</p>	Retain consistent with the requirements for the same types of records of the utility
<p>41. Reports to Federal and State regulatory commissions including annual financial, operating and statistical reports. [Form EIA-861 "Annual Electric Power Industry Report", RUS Form 7, etc.]</p>	15 years
<p>42. Advertising: Copies of advertisements by or for the company on behalf of itself or any associate company in newspapers, magazines, and other publications, including costs and other records relevant thereto (excluding advertising of appliances, employment opportunities, routine notices, and invitations for bids all of which may be destroyed at option).</p>	3 years



<p><b><u>Employment Related:</u></b></p> <p>43. Safety</p> <p>(a) Motor vehicle inspection, repair &amp; maintenance records</p> <p>(b) CDL driver qualification files</p> <p>(c) CDL driver drug &amp; alcohol tests &amp; results</p> <p>(d) OSHA 300 Log &amp; OSHA 301 incident reports</p> <p>(e) Workers compensation records</p>	<p>(a) 1 year and for 6 months after the motor vehicle leaves the motor carrier's control [See 49 C.F.R. § 396.3(c)]</p> <p>(b) for 3 years after termination of employment [See 49 C.F.R. § 391.51]</p> <p>(c) 5 years [See 49 C.F.R. § 382.401]</p> <p>(d) 5 years [See 29 C.F.R. § 1904.33 &amp; -.37]</p> <p>(f) 12 years after injury or death or date last compensation paid.</p>
<p>44. Personnel</p> <p>(a) Payroll records, collective bargaining agreements</p> <p>(b) Performance reviews &amp; other documentation about treatment on the job, job applications and resumes, etc.</p> <p>(c) Benefits plan information (ERISA)</p> <p>(d) I-9 Forms for all employees hired after 11/6/1986</p> <p>(e) Payroll &amp; unemployment taxes</p> <p>(f) Wage/earnings records (e.g. time cards, wage rate tables, etc.)</p> <p>(g) Dates of FMLA leave, notices to or from employees re FMLA, records of any disputes, etc.</p>	<p>(a) 6 years [See 29 C.F.R. § 516.5]</p> <p>(b) 3 years for records related to <u>age</u> [See 29 C.F.R. § 1627.3], but 1 year for records related to Title VII &amp; ADA: race, ethnicity, national origin &amp; disability [See 29 C.F.R. § 1602.14]</p> <p>(c) At least 6 years after the filing date of the documents [See 29 U.S.C. § 1027]</p> <p>(d) for 3 years after the date of hire or 1 year after the date employment is terminated, whichever is later [See 8 C.F.R. § 274a.2]</p> <p>(e) 4 years [See IRS Publication 15, Employer's Tax Guide]</p> <p>(f) 2 years [See 29 C.F.R. § 516.6]</p> <p>(g) 3 years [See 29 C.F.R. § 825.500]</p>
<p><b><u>Environmental:</u></b></p> <p>45. Hazardous Waste/Toxic Chemicals (reports, inspection logs, training records, waste shipment manifests or records, sampling and monitoring data)</p> <p>(a) Community Right to Know/TRI reports &amp; supporting documentation</p> <p>(b) PCB equipment inspection and maintenance history</p> <p>(c) PCB spills</p> <p>(d) Used Oil: Spill Prevention Protection &amp; Control plans, procedures and record of tests &amp; inspections</p> <p>(e) Haz mat incident reports</p> <p>(f) Employee exposures to certain substances (e.g. asbestos, benzene, etc.), including medical evaluations</p> <p>(g) Hazardous waste records (shipping manifests, filed reports, test results, etc.)</p> <p>(h) Records related to underground storage tanks for fuel (tests results, monitoring, calibration, maintenance or repair records, spills)</p>	<p>(a) 3 years from submission of the report [See 40 C.F.R. § 372.10]</p> <p>(b) 3 years after disposal [See 40 C.F.R. § 761.30]</p> <p>(c) 5 years after clean-up [See 40 C.F.R. § 761.125(a)]</p> <p>(d) 3 years [See 40 C.F.R. § 112.7(e)]</p> <p>(e) 2 years [See 40 C.F.R. § 171.16]</p> <p>(f) 30 years [See, e.g., 29 C.F.R. §§ 1910.1001(m), 1910.20, 1910.1028(k)] or life of the corporation whichever is longer.</p> <p>(g) 3 years [See 40 C.F.R. § 262.40]</p> <p>(h) 1 year or for another reasonable time period determined by State EPA [See 40 C.F.R. §§ 280.34 &amp; .45]</p>

<p>46. Water</p> <p>(a) NPDES Permits &amp; related documentation (including storm water prevention plans, reports, certifications, data used for the notice of intent, etc.)</p> <p>(b) Section 404 wetlands permits &amp; related documentation (e.g. related to dredge &amp; fill activities during utility line construction)</p>	<p>(a) at least 3 years from the date the permit expires or is terminated [See 40 C.F.R. §122.41(j)(2)]</p> <p>(b) varies by state [For example, Virginia requires 3 years from permit expiration. 9 Va. Admin. Code 25-220-80.]</p>
<p><b><u>Miscellaneous Licenses, Permits &amp; Other Requirements:</u></b></p>	
<p>47. FCC –</p> <p>(a) radio frequency spectrum licenses</p> <p>(b) private land mobile radio and microwave station records</p> <p>(c) correspondence with the FCC</p>	<p>(a) permanently, or until KIUC no longer holds an FCC license</p> <p>(b) 1 year [See 47 C.F.R. §§ 90.437 – 90.447 for Private Land Mobile Radio &amp; § 101.217 for Microwave]</p> <p>(c) permanently, or until KIUC no longer holds an FCC license</p>
<p>48. NERC Reliability Standards – (can include audit records, system testing, personnel training, etc.)</p>	<p>[Varies. Most common is 3 years. But some are less and others are longer. Other standards have no specified retention period but should be maintained to demonstrate compliance in the event of an audit or investigation.]</p>
<p><b><u>Service Related:</u></b></p>	
<p>49. Records kept in relation to service-related events</p> <p>(a) Consumer complaints (including correspondence, voice recordings, investigation reports, etc.)</p> <p>(b) Outages (investigation reports, operational records, etc.)</p> <p>(c) Accidents (investigation reports, photographs, operational records, etc.)</p>	<p>(a) – (c) Until the applicable statute of limitations has passed or litigation is finally decided or settled but no less than 6 years</p>

*(Note: “See § 125.2(g)” references are found in the FERC regulations, which section states: “(g) Schedule of records and periods of retention. (1) Records related to plant in service must be retained until the facilities are permanently removed from utility service, all removal and restoration activities are completed, and all costs are retired from the accounting records unless accounting adjustments resulting from reclassification and original costs studies have been approved by the regulatory commission having jurisdiction. If the plant is sold, the associated records or copies thereof, must be transferred to the new owners....” Also, § 125.2 (h) addresses those retention periods designated “**Destroy at option**,” which FERC explains “constitutes authorization for destruction of records at managements’ discretion if it does not conflict with other legal retention requirements or usefulness of such records in satisfying pending regulatory actions or directives.”)*

## Appendix III

### Sample Legal Hold Notification

To ensure that every employee, director and agent of KIUC will recognize and respond appropriately to a notification that certain records are now potentially relevant and necessary for litigation or a governmental investigation, this appendix provides a sample legal hold notification.

#### URGENT NOTICE

TO: *(Name all persons identified as likely to have relevant records including the designated Records Custodian or Coordinator)*

FROM: \_\_\_\_\_

DATE: \_\_\_\_\_

RE: *Your Obligation to Preserve Records & Other Information*

The event/circumstance described below has triggered an obligation to preserve records and other information. Your assistance is necessary and required for the preservation of KIUC's records and other information to fulfill KIUC's legal obligations and/or preserve KIUC's rights. Failure to fully comply with this directive could result in harm or penalties against KIUC; therefore, employees could be subject to discipline, up to and including termination of employment, for failure to follow the directives in this notice.

Event or Circumstance Triggering the Need to Preserve Records *(Description of lawsuit, investigation, occurrence, etc. If litigation, describe specific claims involved.)*

#### Types of Records & Other Information to be Preserved

All paper and electronic records and other information that could be relevant to the above described event or circumstance must be preserved – that is, retained and not deleted – including, without limitation: *(Tailor description as needed to specific trigger event – such as, documents (including drafts & revisions), spreadsheets (including drafts and revisions), emails (sent & received), databases, calendars, presentations, image files, maps, voice messages, data generated based on Internet activity (cookies, cache, history files), computer usage logs, etc.)*

When potentially relevant records or other information exist on multiple platforms or media, for example: a file on a desktop computer, on a laptop computer, on a mobile device, on a portable storage medium such as a CD-ROM, and a paper copy, every copy must be preserved.

Any routine or planned destruction of these types of records or data that you are aware of and can control (e.g. a user's personal email setting to automatically delete messages older than a certain date) must be suspended for the period of this hold.

Time Period

All of the above described records and other information currently in your possession or under your control must be preserved from this point forward until you are notified that this hold is lifted.

Verification of Preservation

*(Describe the actual steps that a recipient of this notice must take to verify preservation. Different types of records or information may require different preservation methods, e.g. certain electronic files may be subject to automatic purging that requires an override or programming change.)*

Contact Person(s)

If you have questions regarding this notice, or are aware of any other persons not listed as recipients of this notice –including retired employees, contractors, consultants or others– who should receive this notice, please direct all such questions and information to KIUC's General Counsel, assigned Special Litigation Counsel, or other author of this memo.

Reminders

Reminders will be sent to you periodically during the course of this *(litigation, investigation, audit, matter)* to ensure that you continue to preserve relevant information and to inform you of any change as the matter progresses that would affect your preservation obligations. Such a change could include a change in scope that could add additional categories of records or other information for preservation or may require you to take additional preservation or verification steps.

## Appendix IV

### Sample Records Retention Master Index

<b>Record Category/Type</b> <i>(Match with Records Schedule to the extent possible, if desired.)</i>	<b>Retention Period</b>	<b>Storage Media</b> <i>(If stored in a different media from that in which the record was created or being maintained, note the date of the transfer and the date that verification of accuracy was tested.)</i>	<b>Location(s)</b> <i>(e.g. headquarters file room, off-site storage, network server, vendor's network storage, etc.)</i>	<b>Designated Responsible Person/Records Custodian/Records Coordinator</b>

**Certification of Untimely Destruction  
or Loss of Records**

\_\_\_\_\_ certifies that the below identified records were lost/destroyed prior to the expiration of the applicable retention period.

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Name*

\_\_\_\_\_  
*Title*

*Records Lost or Destroyed Prior to the Expiration of the Retention Period:*

<b>Record Description</b>	<b>Applicable Retention Period</b>	<b>Loss or Destruction</b> <i>(Describe event or circumstances)</i>	<b>Date &amp; Time Loss or Destruction Occurred</b> <i>(If not known, it seems to make sense to note when the loss or destruction was discovered.)</i>

**KIUC BOARD POLICY NO. 27**  
**COMMUNICATIONS BY DIRECTORS TO THE PUBLIC**

**PURPOSE OF POLICY:**

The purpose of this policy is to establish guidelines for Directors communicating about KIUC matters to the public.

**POLICY CONTENT:**

The Board Chair is the primary spokesperson for the Board. Directors may participate in outreach to the public and members as long as they comply with the principles listed below.

1. Any KIUC authorized communications must represent the official position of the Board and Cooperative, where such a position has been taken.
2. Directors must not release privileged, confidential, or proprietary financial and strategic information about KIUC to anyone in any format.
3. Directors should make every effort to ensure any communications about KIUC are accurate.
4. Directors shall not publicly debate issues under active consideration by the Board. Such discussions should be reserved for board meetings.
5. Directors speaking on their own behalf on topics of interest to KIUC and not delivering an authorized KIUC communication or speaking officially for the Board should state that fact.

Adopted on this 27<sup>th</sup> day of March, 2023.

*Calvin Murashige*  
Calvin Murashige (Mar 27, 2023 19:57 HST)

Calvin Murashige  
Secretary

Reviewed: 03/27/2023  
Revised: 09/25/2020  
Reviewed: 11/27/2018  
Reviewed: 12/13/2016  
Reviewed: 01/27/2015  
Revised: 06/26/2012  
Reviewed: 08/25/2011  
Original Adoption: 05/25/2010

KIUC BOARD POLICY NO. 28  
**OFFERS TO ACQUIRE THE COOPERATIVE'S ASSETS**

**PURPOSE OF POLICY:**

The Cooperative could receive an offer to acquire all or a substantial portion of its assets, whether by purchase, merger, lease or otherwise. This policy defines the minimum requirements for an offer that the Board will consider, and it establishes funding for the evaluation of such an offer. The Board shall act in the best interests of the Cooperative and its membership and establish the procedures within this policy to govern the Cooperative's receipt, consideration, and final action on an offer to purchase all or a substantial portion of the Cooperative's assets.

**POLICY CONTENT:**

**I. Definitions**

An **Inquiry** is an offer to acquire all or a substantial portion of the Cooperative's assets that does not meet the requirements of a Qualifying Offer.

An **Interested Party** is the person, corporation, or other entity submitting the offer to acquire all or a substantial portion of the Cooperative's assets.

A **Qualifying Offer** is an offer to acquire all or a substantial portion of the Cooperative's assets that meets all the requirements set forth in section III. of this policy.

**II. Process for Dealing with Offers**

The recipient of any Inquiry shall notify the person, corporation, or entity submitting the inquiry that, under the terms of this policy, the Board shall not consider an offer unless it is a Qualifying Offer.

The CEO shall notify the Board of any Inquiry or Qualifying Offer immediately upon notice thereof.

The Board shall consider only Qualifying Offers. If at any time it is determined that an offer is not a Qualifying Offer, it shall be rejected by the Board, and the Interested Party shall be notified of the rejection.

After the Board has determined that it has received a Qualifying Offer, the Board may pursue continued due diligence in entertaining the Qualifying Offer in consultation with the NRECA, consultants, its banks, and counsel, as it may deem fit.



If the offer is withdrawn or rejected, any remaining balance in the escrow account shall be paid to the Interested Party when the Board certifies that all costs set forth in this policy have been paid in full.

### III. Requirements of a Qualifying Offer

- A. A Qualifying Offer must be a written offer, containing the acquisition price and all other material terms, which is binding upon the Interested Party until a specified date or until rejected.
- B. A Qualifying Offer must specify the date on which it will expire if not accepted by the Cooperative.
- C. A Qualifying Offer must contain the names, physical and email addresses, and telephone numbers of persons representing the Interested Party with whom the Board may communicate and from whom it may secure authoritative answers regarding the Qualifying Offer.
- D. A Qualifying Offer must contain an agreement by the Interested Party not to issue press releases or discuss the Qualifying Offer with the media without prior written consent from KIUC, and to refrain from issuing misleading statements or advertising.
- E. In light of the expense in responding to a Qualifying Offer, a Qualifying Offer must be accompanied by an escrow agreement acceptable to the Cooperative, which agreement shall require the Interested Party to deposit an amount equal to at least 2% of the Cooperative's Total Utility Plant in an escrow account. The terms of the escrow agreement shall provide that the principal amount of the deposit may be drawn on by the Cooperative to:
  - 1. Pay for all costs (including accounting, engineering and legal) of studies, reviews, analyses, and appraisals by and for the Cooperative in its evaluation of the Qualifying Offer and
  - 2. Pay costs incurred by the Cooperative in seeking regulatory approvals.

Adopted on this 26<sup>th</sup> day of August, 2021.

Revised: 08/26/2021

Revised: 05/28/2019

Reviewed: 04/18/2017

Reviewed: 06/30/2015

Original Adoption: 11/26/2013

  
Calvin K. Murashige (Sep 12, 2021 17:39 HST)

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Calvin Murashige  
Secretary

**KAUAI ISLAND UTILITY COOPERATIVE ("KIUC")  
BOARD POLICY NO. 29  
(Reviewed 02/26/2019)**

**EQUITY MANAGEMENT PLANNING**

**PURPOSE OF POLICY:**

To develop and keep current a plan for optimizing the members' equity in KIUC that facilitates providing electricity to its members at the lowest reasonable cost, while maintaining KIUC's financial strength (the "Equity Management Plan" or "EMP").

**POLICY CONTENT:**

**A. Objectives of KIUC's Equity Management Plan**

The development and implementation of KIUC's EMP will take into account relevant financial, economic, strategic, regulatory and other considerations including:

1. KIUC's growth prospects and need for utility plant financing and its expected debt service coverage capacity.
2. Its rate competitiveness, including factors such as the need to accumulate equity or reduce consumer's effective costs by returning their capital as patronage dividends.
3. Legal, tax and other regulations, and accounting principles.

**B. Matters to be Addressed in the EMP**

KIUC's Equity Management Plan will address the following matters:

1. A range of forecasted growth rates in total capitalization of KIUC based upon expected changes in the level of membership and electricity sales.
2. Construction of needed additions to KIUC's plant and facilities using a combination of long-term debt and general funds.
3. Maintenance of the facilities of KIUC in a safe and reliable operating condition.
4. Estimated debt financing requirements and the blended costs of debt.
5. Goals for minimum debt service coverage from margins.
6. Goals for total equity to total assets.
7. Maintaining adequate working capital and cash reserves.
8. Establishing a capital credit rotation program on an appropriate cycle, complying with all applicable loan requirements of the lending institutions, and subject to any binding direction from the Hawaii Public Utility Commission (HPUC).

**C. Equity Management Planning Implementation**

KIUC's equity management planning shall be implemented as follows:

1. Management shall be accountable for development of KIUC's Equity Management Plan for approval by KIUC's Board.
2. Management shall strive to update EMP at least once every three years in keeping with the members' overall best interests.
3. The current KIUC Equity Management Plan shall be deemed incorporated herein and a copy shall be attached to the version of this policy posted on KIUC's website, [www.kiuc.coop](http://www.kiuc.coop), as Exhibit "A" thereto.

**RESPONSIBILITY:**

The KIUC Board and President & CEO are jointly responsible for compliance with this policy.

Adopted on this 23<sup>rd</sup> day of September, 2021.

*Calvin Murashige*

[Calvin Murashige \(Sep 24, 2021 15:23 HST\)](#)

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Calvin Murashige  
Secretary

Reviewed: 09/23/2021

Reviewed: 02/26/2019

Reviewed: 01/31/2017

Reviewed: 03/27/2015

Original Adoption: 09/25/2012

KIUC POLICY NO. 30  
**ELECTRIC RATES AND RATE DESIGN**

**PURPOSE OF POLICY:**

This policy describes the principles for the development and implementation of electric rates.

**POLICY CONTENT:**

**I. Commitment to Rate Design**

It is the policy of the Board to develop and design electric rates in a manner that will allow KIUC to accomplish its Strategic Plan while providing electricity that is reliable, considerate of the environment, and that will continue to build and maintain KIUC's financial strength and integrity, at the lowest reasonable cost to its members.

**II. Fundamentals**

- A. KIUC will prepare revenue requirement and cost-of-service studies as required to have information needed to develop and design electric rates.
- B. KIUC will endeavor to develop rates that are clear and understandable and will undertake proactive steps to communicate information concerning rates to its members.
- C. KIUC will endeavor to develop and design electric rates that:
  - 1. Allocate costs across rate classes in an equitable manner.
  - 2. Reflect KIUC's fixed costs of service in rates and charges.
  - 3. Minimize subsidies between customer classes.
  - 4. Generate sufficient revenues and margins to meet lender requirements within regulatory limits, ensure the provision of safe and reliable electric service, and meet the financial objectives and policies in KIUC's Strategic Plan.

**III. Monitoring**

Management shall be responsible for implementing rates as approved by the Board, as allowed by the Hawaii Public Utility Commission. Management shall routinely report to the Board any rate adjustments recommended or needed to better assist KIUC in carrying out the objectives, fundamentals, and commitments set forth above.

Adopted on this 23<sup>rd</sup> day of September, 2021.

  
Calvin Murashige (Sep 24, 2021 15:35 HST)

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Calvin Murashige  
Secretary

Revised: 09/23/2021  
Reviewed: 11/27/2018  
Reviewed: 12/13/2016  
Reviewed: 01/27/2015  
Original Adoption: 06/26/2012

**KAUAI ISLAND UTILITY COOPERATIVE ("KIUC")**  
**BOARD POLICY NO. 31**  
(Reviewed 03/24/2020)

**SAFETY POLICY**

**PURPOSE OF POLICY:**

To set forth the policy of Kauai Island Utility Cooperative ("KIUC") regarding development and management of its Safety Program, and to guide the behavior of management and staff.

**POLICY CONTENT:**

**A. Commitment to Safety**

KIUC is committed to the safety of its employees, members and the general public. This commitment is supported by KIUC's Board of Directors and management. Safety at KIUC is the individual and collective responsibility of all KIUC employees.

**B. Achievement of Commitment to Safety**

KIUC will achieve its Safety commitment through its safety program, and will strive for continued improvement by:

1. Educating and training to inspire a safety culture throughout KIUC and our community;
2. Setting and monitoring safety goals and objectives to safeguard our employees, members and the general public;
3. Raising safety awareness of all employees and members and stressing personal accountability;
4. Following safe work practices and procedures and adhering to all KIUC safety rules.
5. Developing a company-wide safety culture such that the need to complete a job efficiently never takes priority over the need to perform it safely.

**C. Safety Program Implementation**

Management shall be accountable for development of a company-wide Safety Program and for its enforcement and implementation, as well as periodic reporting to the Board.

**RESPONSIBILITY:**

The Board is responsible for overseeing compliance with this policy.

Adopted on this 24th day of March, 2020

DocuSigned by:  
  
07EBE98AD2FA49D...

Calvin Murashige  
Secretary

Reviewed: 03/24/2020  
Reviewed: 03/20/2018  
Reviewed: 03/22/2016  
Reviewed: 04/29/2014  
Original Adoption: 09/27/2011

KIUC BOARD POLICY NO. 32  
**MEMBER PETITIONS**

**PURPOSE OF POLICY:**

To clarify certain requirements and procedures to be used by KIUC members to prepare and submit a member petition pursuant to the Bylaws.

**POLICY CONTENT:**

**I. General**

Section 6 of Article II of the Bylaws allows KIUC members to petition the Board to challenge any action taken by the Board within 20 business days of public posting of the minutes on the KIUC website. 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.

The Bylaws define a KIUC member as one whose membership has not been inactivated.

**II. Legal Requirements**

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.

**III. Procedure for Policy Implementation**

This policy shall be implemented as follows:

- A. Copies of this policy and the forms necessary to comply with it shall be available for printing on KIUC's website and from the KIUC Member Services Department.
- B. For each petition there shall be a petitioners' committee (the "Petitioners Committee") representing all of the petitioners, which Petitioners Committee shall be composed of three (3) 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 Petitioners Committee shall be responsible for circulation of the petition and for assembling and filing the petition in proper form.

- C. 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 member's identification or otherwise by the Committee Member or Circulator (as hereinafter defined) circulating the copy of the petition in question.
- D. For a petition to be accepted for certification it shall:
1. 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 disclosing the challenged action.
  2. Have had all pages of the completed petition delivered by the Petitioners Committee to the Board Chair, 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 database.
  3. Be submitted under cover of the Member Petition Transmittal Letter and Declaration in the form attached to this Policy as Exhibit C with all of the spaces properly filled in.
  4. 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 Committee Members as listed on the Member Petition Transmittal Letter and Declaration accompanying the petition.
  5. If more than the three (3) Committee Members are engaged by the Petitioners 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 Board Chair by the Petitioners 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.



#### **IV. Procedure After Petition Submittal**

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 Board Chair.

- 1) As soon as convenient after KIUC has made its determination as to the category of the petition, it shall certify to the Board Chair, CEO, and the Petitioners Committee the category the petition has received. If the petition is insufficient, KIUC will provide to the Petitioners 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.

#### **V. Procedure After Certification**

If the petition was deemed insufficient, no further action on KIUC's part is required except the notification of the Petitioners Committee required above.

If the petition was deemed a qualified petition, the Board will proceed as mandated by 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 Petitioners Committee as set out in the following paragraph.

The 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 Petitioners 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.

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 whether the member approves or disapproves of the challenged action.

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 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.

Adopted on this 28th day of June, 2022.

*Calvin Murashige*  
Calvin Murashige (Jun 29, 2022 15:53 HST)  
Calvin Murashige  
Secretary

Revised: 06/28/2022  
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, certify I am an active member of KIUC or the authorized representative of an active entity member of KIUC; this is the only copy of this petition I have signed or will sign; and the information given as to name, service address, telephone number, and account number will match the information on my active account. I understand \_\_\_\_\_, \_\_\_\_\_, 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 may sign the petition only once. Also, KIUC does not allow joint accounts, so only the spouse 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, on \_\_\_\_\_, 20\_\_\_\_, which action is described as: \_\_\_\_\_.

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

**EXHIBIT B (continuation page of petition)  
KAUA'I ISLAND UTILITY COOPERATIVE ("KIUC")  
MEMBER PETITION TO CHALLENGE BOARD ACTION**

**NOTE:** By signing this petition, I, one of the undersigned certify I am an active member of KIUC or the authorized representative of an active entity member of KIUC, this is the only copy of this petition I have signed or will sign; and the information given as to name, service address, telephone number, and account number will match the information on my active account. I understand \_\_\_\_\_, \_\_\_\_\_, 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 may sign the petition only once. Also, KIUC does not allow joint accounts so only the spouse 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, on \_\_\_\_\_, 20\_\_\_\_, which action is described as: \_\_\_\_\_.

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

EXHIBIT C  
**KIUC MEMBER PETITION TRANSMITTAL LETTER AND DECLARATION**

Date: \_\_\_\_\_

To: \_\_\_\_\_, KIUC Board Chair

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 Board Chair:

Attached hereto pursuant to KIUC Board Policy No. 32 is the initial page and \_\_\_\_\_ continuation pages of a member 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 one of us personally circulated the set of petition pages; the set of petition pages attached hereto bear \_\_\_\_\_ signatures; 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: \_\_\_\_\_, KIUC Board Chair

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

Re:    KIUC Member Petition Transmittal and Declaration

Dear Board Chair:

Attached hereto pursuant to KIUC Board Policy No. 32 are \_\_\_\_\_ continuation pages of a member petition challenging the KIUC board action indicated thereon.

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

\_\_\_\_\_  
Signature

**KIUC BOARD POLICY NO. 33**  
**MEMBER CALLED SPECIAL MEETINGS OF KIUC MEMBERS**

**PURPOSE OF POLICY:**

To set out certain requirements and procedures to be used by KIUC Members to properly notice a Member-called Special Meeting of KIUC Members pursuant to Sections 2 and 3 of Article II of the Seventh Revised and Restated KIUC Bylaws or its successor (the "Bylaws").

**POLICY CONTENT:**

- A. General.** Sections 2 and 3 of Article II of the Bylaws allow active members of KIUC, i.e. members of KIUC who or which have not been transferred to Inactive Status (hereinafter "Active Members" or "Members" or singularly "Member") to submit a Notice of Demand for a Special Meeting of the Members of KIUC for a specific purpose or purposes (a "Notice of Demand") to the Secretary of the KIUC Board of Directors (the "Board"). This Policy sets out the requirements and procedures to be followed to successfully call such a meeting.
- B. Member Requirements.** The following are the requirements of KIUC's Bylaws for the KIUC Members to call a Special Meeting of the KIUC Members for a particular purpose or purposes (a "Member-Called Meeting of Members"):
- 1) The Notice of Demand must state the specific purpose or purposes for which the Member-Called Meeting of Members has been called.
- C. Board Requirements.** Once such a Notice of Demand is received and validated as set out in Paragraph E below:
- 1) The Board shall cause such a Member-Called Meeting of Members to be held within 30 days of the receipt of the Notice of Demand.
  - 2) The Member-Called Meeting of Members shall be noticed to all Active Members by the Board in writing at least 15 business days before the date set for said meeting.
  - 3) Notice shall be given by the Board causing a Notice of Meeting to be posted prominently at all KIUC locations where KIUC employees are permanently assigned and the publishing of the Notice of Meeting at least two separate days in a newspaper of general circulation on Kauai. Additional notice of Member-Called meetings may also be given by such other reasonable means (e.g. media advertising and posting on KIUC's website) as the Board may determine is appropriate.
  - 4) The Notice of Meeting shall contain the time and place of the meeting and the purpose or purposes for the meeting specified in the Notice of Demand.
  - 5) No other business except the purpose or purposes specified in the Notice of Demand may be conducted at the Member-Called Meeting of Members.

**D. 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 Notice of Demand there shall be a sponsor (the "Sponsor") representing all of the signers of the Notice of Demand, who shall be a Member of KIUC and a signer of the Notice of Demand and whose name shall be shown on the Notice of Demand. The Sponsor shall be responsible for circulation of the Notice of Demand for signature by the Members and for assembling and filing the Notice of Demand in proper form.
- 3) Each signature of the Members signing the Notice of Demand must be verified to be the genuine signature of the person it purports to be by the checking of the Member's identification or otherwise by the Sponsor or a Circulator (as hereinafter defined) circulating the copy or copies of the Notice of Demand in question.
- 4) For a Notice of Demand to be accepted for certification it shall:
  - a. Have had all pages of the completed Notice of Demand delivered by the Sponsor to the Secretary on copies of the form attached to this Policy as Exhibit "A" (for the first page of the Notice of Demand) or Exhibit "B" (Continuation pages of the Notice of Demand) 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.
  - b. Be submitted under cover of the Notice of Demand Transmittal Letter and Declaration in the form attached to this Policy as Exhibit "C" with all spaces properly filled in.
  - c. If individuals other than the Sponsor are engaged by the Sponsor to obtain Member signatures on copies of the Notice of Demand ("Circulator[s]"), each set of Notice of Demand pages collected by such Circulator or Circulators shall have attached to such set of Notice of Demand pages at the time of submittal of the Notice of Demand to the Secretary, a declaration in the form attached to this Policy as Exhibit "D" (the "Declaration") attesting each Circulator personally circulated the set of Notice of Demand pages attached to the Declaration; the set of Notice of Demand pages bears a stated number of signatures; each signature on such Notice of Demand pages was affixed in the Circulator's presence; and each signature is the genuine signature of the person it purports to be.

**E. Procedure After Notice of Demand Submittal.**

- 1) Within seven (7) business days after the submittal of a Petition, KIUC shall determine the sufficiency of the Notice of Demand as to form and the number of valid Member signatures affixed to the Notice of Demand, and certify the Notice of Demand to be either: (1)



"Insufficient" so no further action is required; or (2) Sufficient to qualify the Notice of Demand as "Sufficient" which is defined as a Notice of Demand sufficient as to form and has at least 250 valid Member signatures affixed on the date of the Notice of Demand's submittal to the Secretary by the Sponsor.

- 2) As soon as convenient after KIUC has made its determination as to the category of the Notice of Demand it shall certify to the Secretary, CEO and the Sponsor the category the Notice of Demand has received, and shall issue a public announcement of such category. If the certification made is "Insufficient", KIUC will provide to the Sponsor 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 were determined insufficient; and
  - c) The specific categories for disqualification of all signatures disqualified; and
  - d) The number of disqualified signatures in each category.

**F. Procedure After Certification.**

- 1) If the Notice of Demand was deemed "Insufficient", no further action on KIUC's part is required except the notification of the Sponsor required by Policy Content Paragraph E. 2) above.
- 2) If the Notice of Demand was deemed "Sufficient", the KIUC Board will proceed as set out in Policy Content Paragraph C above.

**RESPONSIBILITIES:**

1. The CEO is responsible for implementing and enforcing the portion of this Policy to be performed by Staff.
2. The Board shall be responsible for the enforcement of this Policy

Adopted on this day 24<sup>th</sup> of **March**, 2022

*Calvin Murashige*  
Calvin Murashige (Mar 28, 2022 15:33 HST)  
Calvin Murashige  
Secretary

Revised: 03/24/2022  
Reviewed: 08/28/2018  
Revised: 10/25/2016  
Revised: 08/26/2014  
Original Adoption: 10/25/2011

**KAUA'I ISLAND UTILITY COOPERATIVE ("KIUC")  
NOTICE OF DEMAND FOR  
MEMBER CALLED SPECIAL MEETINGS OF KIUC MEMBERS**

**NOTE:** By signing this Notice of Demand I, one of the undersigned, certify I am an Active Member of KIUC or the authorized representative of an Active entity Member of KIUC, and this is the only copy of this Notice of Demand I have or will sign in that capacity; and the information given as to Name, Service Address, Telephone Number and Account Number will match the information on my Active Account at KIUC. I understand \_\_\_\_\_, is the Sponsor of this Notice of Demand and as such consent to the said Sponsor being designated as such for this Notice of Demand pursuant to KIUC Board Policy No. 33 to act for me as a signer of the Demand in the manner he or she deems 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 may sign this Notice of Demand only once. KIUC does not allow joint accounts so only the spouse who is the Member may sign the Notice of Demand.

**PURPOSE OF NOTICE OF DEMAND:** The purpose of this Notice of Demand is to call a Special Meeting of the Members of KIUC for the following purpose or purposes: \_\_\_\_\_.

NAME (Please Print)	SIGNATURE	SERVICE ADDRESS	TELEPHONE NUMBER	ACCOUNT NO.
1. (Sponsor)				
2.				
3.				
4.				
5.				
6.				

**EXHIBIT "B"**  
(Continuation page(s) of Notice of Demand)

**KAUA'I ISLAND UTILITY COOPERATIVE ("KIUC")  
NOTICE OF DEMAND FOR  
MEMBER CALLED SPECIAL MEETINGS OF KIUC MEMBERS**

**NOTE:** By signing this Notice of Demand I, one of the undersigned, certify I am an Active Member of KIUC or the authorized representative of an Active entity Member of KIUC, and this is the only copy of this Notice of Demand I have or will sign in that capacity; and the information given as to Name, Service Address, Telephone Number and Account Number will match the information on my Active Account at KIUC. I understand \_\_\_\_\_, is the Sponsor of this Notice of Demand and as such consent to the said Sponsor being designated as such for this Notice of Demand pursuant to KIUC Board Policy No. 33 to act for me as a signer of the Demand in the manner he or she deems 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 may sign this Notice of Demand only once. KIUC does not allow joint accounts so only the spouse who is the Member may sign the Notice of Demand.

**PURPOSE OF NOTICE OF DEMAND:** The purpose of this Notice of Demand is to call a Special Meeting of the Members of KIUC for the following purpose or purposes: \_\_\_\_\_

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

**EXHIBIT "C"**

**KIUC NOTICE OF DEMAND FOR SPECIAL MEETING OF KIUC MEMBERS**  
**TRANSMITTAL LETTER AND DECLARATION**

Date: \_\_\_\_\_

To: \_\_\_\_\_, Secretary, KIUC Board

From: \_\_\_\_\_ (Sponsor)

\_\_\_\_\_ (Address)

\_\_\_\_\_

\_\_\_\_\_

Email.: \_\_\_\_\_

Telephone: \_\_\_\_\_

Re: Transmittal and Declaration for KIUC Notice of Demand for Special Meeting of KIUC  
Members

Dear KIUC Secretary:

Attached hereto pursuant to KIUC Board Policy No. 33 ("Policy 33") is the initial page and \_\_\_\_\_ continuation pages of a Notice of Demand for Special Meeting of KIUC Members for the purpose or purposes indicated therein.

The undersigned is the Sponsor responsible for this Notice of Demand under Policy 33. I declare under penalty of perjury I personally circulated the attached set of Notice of Demand pages; the set of Notice of Demand pages attached hereto bear \_\_\_\_\_ signatures; each signature on such Notice of Demand pages was affixed in my presence; and each signature is the genuine signature of the person it purports to be verified in accordance with Policy 33.

\_\_\_\_\_  
Signature

**EXHIBIT "D"**

**CIRCULATOR TRANSMITTAL AND DECLARATION**  
**FOR**  
**MEMBER NOTICE OF DEMAND**

Date: \_\_\_\_\_

To: \_\_\_\_\_, Secretary, KIUC Board

From: \_\_\_\_\_ (Circulator)

\_\_\_\_\_ (Address)

\_\_\_\_\_  
\_\_\_\_\_

Email.: \_\_\_\_\_

Telephone: \_\_\_\_\_

Re: Circulator Transmittal and Declaration for Notice of Demand for Special Meeting of KIUC Members

Dear KIUC Secretary:

Attached hereto pursuant to KIUC Board Policy No. 33 ("Policy 33") are \_\_\_\_\_ continuation pages of a Notice of Demand (the "Notice of Demand") calling for the noticing of a Special Meeting of KIUC Members for the purpose or purposes indicated therein.

I, the undersigned, was duly appointed a Circulator of this Notice of Demand under Policy 33 by the Sponsor of the Notice of Demand under Policy 33. I declare under penalty of perjury I personally circulated the set of Notice of Demand pages attached hereto; the set of Notice of Demand pages attached hereto bear \_\_\_\_\_ signatures; each signature on such Notice of Demand pages was affixed in my presence; and each signature is the genuine signature of the person it purports to be verified in accordance with Policy 33.

\_\_\_\_\_  
Signature