

REGULAR MEETING OF THE BOARD OF DIRECTORS
KAUAI ISLAND UTILITY COOPERATIVE

Held at 4463 Pahe`e Street

Līhu`e, Kaua`i, Hawai`i

On April 23, 2019

MINUTES

Call to order at 1:01 p.m.

1. **Roll Call**

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

1.2 **In attendance:** Galen Nakamura (Attny) for Laurel Loo (General Counsel), Karissa Jonas (CFO), Maile Alfiler (Member Services Mgr.), Rick Eckert (Financial Planning & Strategy Mgr.), Beth Tokioka (Communications Mgr.), Lisa Ubay (HR Mgr.), and Nadine Tipps (Executive Administrator); and three (1) member of the public.

2. **Invocation** – Director Crowell opened the meeting with prayer.

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

4. **Approval of Minutes**

4.1 The 3/26/2019 Annual and Regular meeting minutes were approved unanimously. [Motion: Kass/Murashige]

4.2 The 3/26/2019 Executive meeting minutes were approved unanimously. [Motion: TenBruggencate/Yukimura]

5. **Auditor’s Final 2018 Audit Report (Moss Adams)**

5.1 Julie Desimone of Moss Adams presented their final 2018 audit report to the Board. An unmodified (clean) opinion was received. There were no financial reporting findings for GAGAS and a clean opinion for the RUS Report. A motion to accept the audit report carried unanimously. [Motion: Yukimura/TenBruggencate]

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

6. **President’s Report.** David Bissell, President and CEO

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

- 6.2 Dawn Huff of Joule Group provided a progress update on environmental studies on various projects.
 - 6.2.1 West Side – Field studies and consultations have all been completed. They are in the process of receiving reports. Once everything is received, they will be incorporated into the EIS draft. The notice that the EIS is coming is with Land Division. Should be received in the next month or so.
 - 6.2.2 East Side – Still waiting on a couple final reports, which should be coming in soon. The EA is well along in the drafting process. Once the final reports are received, they will be able to incorporate them, and then submit to Land Division.

- 7. **Financial Report:** Karissa Jonas, CFO reported.
 - 7.1 RUS Reporting – The FFB C8 H0040 term loan interest rate was re-priced from 1.574% to 2.662% for the remainder of the term to maturity, 12/31/2042. The current outstanding balance is \$2.3M.
 - 7.2 CFC Short Term Investments - The \$5M invested in the CFC Medium Term Notes for 10 months at 2.56% interest matured on April 15th. This investment earned \$112k in interest income. The initial \$5M investment was deposited into the CFC daily liquidity fund, which is at 2.25% interest.
 - 7.3 Indenture – RUS expects to be ready to close on April 30th. KIUC has executed the signature pages. RUS will be there on April 30th for an in-person closing. The Indenture will also be recorded on the same date.
 - 7.4 FEMA Storm Damage - have received two checks for two of the three projects from the April storms. The actual damage was \$60k, KIUC received \$33,4k, which was 56% of our total cost.
 - 7.5 The March 2019 preliminary financials were reviewed. (scorecard attached)

- 8. **NRECA Hawaii Director Report – Director David Iha**
 - 8.1 Director Iha circulated the 2019 NRECA Annual Board Meeting Summary Presentation as well as played a video of the 2019 NRECA Annual Board Meeting highlights.

- 9. **Committee Reports**
 - 9.1 **Executive – Committee Chair, Jan TenBruggencate**
 - 9.1.1 The committee met on April 18th. They approved the minutes of the previous meeting. Had a series of discussions on operational issues, but nothing that generated any action items.

 - 9.2 **Finance & Audit – Committee Chair, Peter Yukimura**
 - 9.2.1 The committee met on April 18th.
 - 9.2.2 Director Yukimura thanked CFO Jonas for her report.
 - 9.2.3 Patronage Capital Resolution will be discussed later in New Business.

 - 9.3 **Government Relations/Legislative – Committee Chair, Phil Tacbian**
 - 9.3.1 The committee met on April 18th.

- 9.3.2 Discussed the upcoming Legislative Conference, where all of the coops throughout the country will be convening at Capitol Hill in Washington, D.C.
 - (a) One of the issues that NRECA is asking us to bring to our Congressional delegation is the tax law change, which we discussed. Senator Schatz has responded and is against this bill in order to keep our tax exempt status.

9.4 International – Committee Chair, David Iha

- 9.4.1 The committee met on April 18th.
- 9.4.2 Shared a couple of photos, which were taken in Orlando, FL at the Annual Meeting. They included the General Managers of Ilocos Norte Electric Cooperative (INEC) and Ilocos Sur Electric Cooperative (ISECO) and our CEO, and the other is of their Board members along with our Board members.
 - (a) We reported last month that NRECA recognized our sister relationship with both of those coops.
- 9.4.3 Director Tacbian received an invitation from Ilocos Norte Electric Cooperative (INEC) inviting our participation in the 50th Anniversary of the Philippines Rural Electric Association and INEC.

9.5 Member Relations – Committee Chair, Calvin Murashige

- 9.5.1 The committee met on April 18th and received written and verbal updates from Member Services Manager and Communication Manager. There were no action items for the board today.

9.6 Policy – Committee Chair, Dee Crowell

- 9.6.1 The committee met on April 18th and voted to send two (2) policies to the full board for action. More discussion under New Business.

9.7 Strategic Planning – Committee Chair, James Mayfield

- 9.7.1 The committee met on April 18th to request management to set up a date to review the KIUC Strategic Plan.

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

- 10.1 The CF Board met on April 8th. They have \$74.5k left in their account.
- 10.2 KEO assisted four families totalling \$426. The balance in their account is \$9,606.
- 10.3 The golf tournament is set for Saturday, November 16th at the Pua Kea Golf Course. Need all the help they can get. Director Crowell is heading this monumental event.
- 10.4 Held their Annual Election of Officers. After a very hard fought campaign, with no outside interference, the following emerged to lead their foundation: Director Tacbian – President, Maile Alfiler – Vice President, Shelley Paik – Secretary, and Director Crowell – Treasurer.
- 10.5 Discussed the Makana Program, and it is the same criteria as the Foundation.

11. **Public Testimony.** Marj Dente provided oral testimony to the Board of Directors.

At 1:52pm Galen Nakamura left the meeting and Laurel Loo (General Counsel) joined the meeting.

12. **New Business**

12.1 **Resolution 01-19, 2018 Patronage Capital Retirement**

12.1.1 Finance and Audit Committee Chair Yukimura reported the committee discussed the 2018 Patronage Capital Retirement. After lengthy discussion, a motion was made to amend the Resolution to state ‘WHEREAS the Board has determined that KIUC will make such patronage capital cash retirement to its members’, which carried unanimously. [Motion: TenBruggencate/Murashige]

12.1.2 Board Workshop on patronage capital has been scheduled for Monday, May 13th at 2:00pm in the Board Conference Room.

12.1.3 Finance and Audit Committee recommended approval of Resolution 01-19 in the amount of \$2,534,014 in patronage capital as amended. The recommendation carried unanimously.

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

12.2 **Board Policy No. 16, Access to Cooperative Information**

12.2.1 Policy Committee Chair Crowell reported the committee discussed and recommended approval with the amended provision of cost of copies. The recommendation carried unanimously.

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

12.3 **Board Policy No. 22, Information Flow to Directors**

12.3.1 Policy Committee Chair Crowell reported the committee discussed and recommended approval with no substantive changes. The recommendation carried unanimously.

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

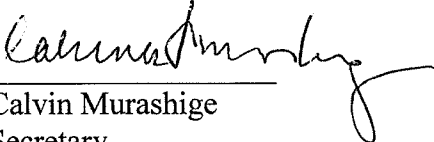
13. **Calendar:**

13.1 **May 17, 2019** – Board Committee Meetings (9:00am, MCR)

13.2 **May 27, 2019** – HOLIDAY, KIUC Offices Closed

13.3 **May 28, 2019** – Board Meeting (1:00pm., KIUC Main Conf Rm)

14. **Executive Session.** At 2:22 p.m. the Board recessed the meeting to enter into an Executive Session closed to the public on matters limited to those specified in Section II. A. 2. of Board Policy No. 16. The items to be discussed in the Executive Session are matters of a proprietary or financial nature, public disclosure of which could affect on-going or potential negotiations or legal or administrative proceedings and human resource issues related to the hiring, evaluating, dismissing or disciplining an officer or employee and a matter requiring legal consultation on issues pertaining to the powers, duties, privileges, immunities and liabilities of the Board of Directors.
15. **Adjournment.** The open session of the meeting reconvened at 3:15 p.m. Director Murashige moved to adjourn the meeting; the motion was seconded by Director TenBruggencate. All directors present voted in favor of the motion and it passed unanimously.



Calvin Murashige
Secretary



PRESIDENT'S REPORT

APRIL 23, 2019

DAVID BISSELL, PRESIDENT AND CEO

President's Report

David Bissell, President and CEO
April 23, 2019

Safety (Mar)

	Month	2019 YTD	2018 YTD
Recordable Incidents	0	0	1
Days Away/Restricted	0	0	133

STATISTICS

Availability and Reliability:

	Month	2019 YTD	2018 YTD
Reportable Outages	3	21	9
Average Outage Hours Per Customer	0.26	1.41	0.37

Efficiency

	Month	2019 YTD
Net Plant Heat Rate	9.233	9.233
Peak Demand (MW)	67.2	

Residential Rates:

April 2019	\$0.331/kwh	Up \$0.004 from March
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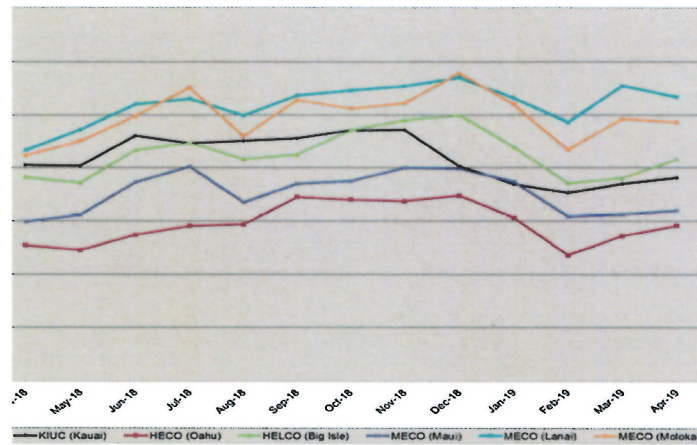
KIUC'S RELIABILITY 2018

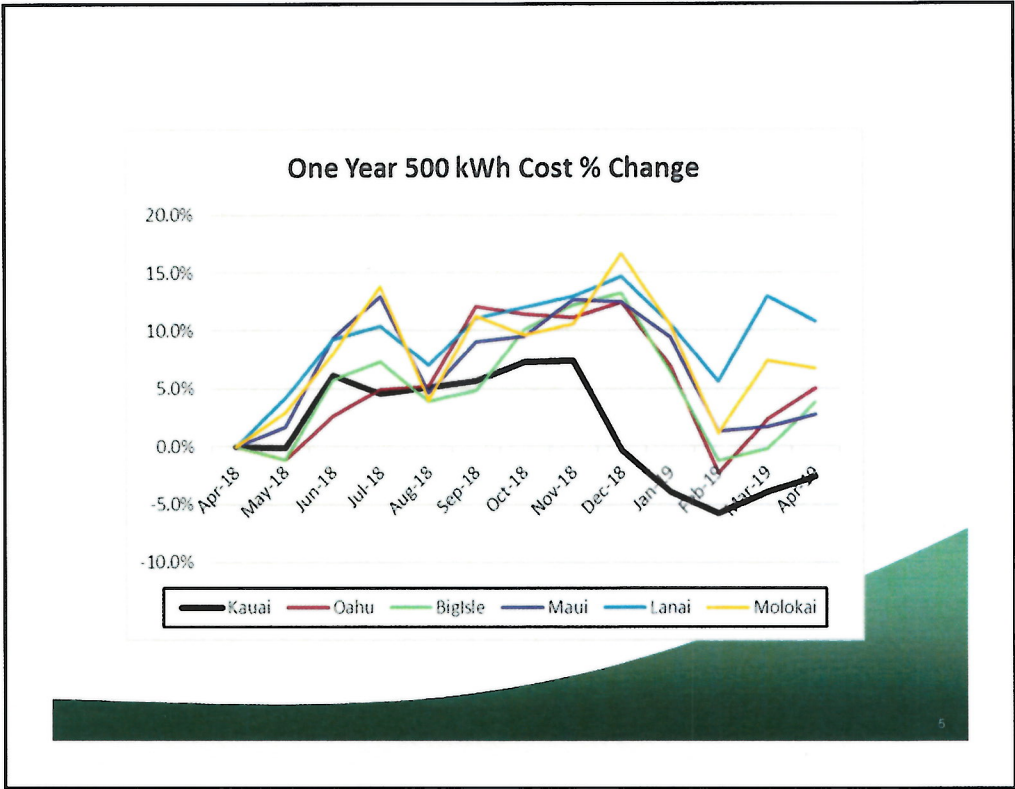
- Average outage hours per customer

Year	KIUC	HECO	HELCO	MECO
2018	1.83	2.06	3.85	7.94
2017	3.81	2.31	3.10	13.85
2016	1.04	1.83	2.98	3.12




Hawaii Average Residential Monthly 500 kWh Cost





SYSTEM PEAK

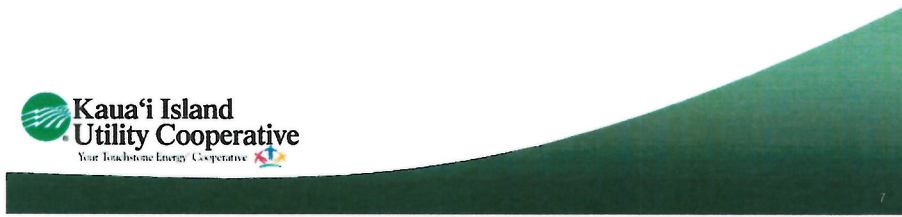
- Last night's peak demand was 69 MW at 7:39 pm
- 46% of peak served by renewables
- 38% from PV via batteries



Kauai Island Utility Cooperative
Your Teahstone Energy Cooperative

RENEWABLE GENERATION

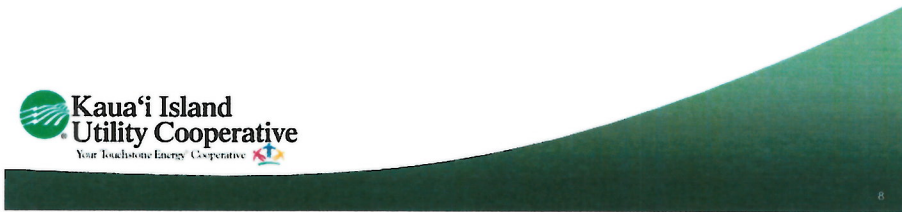
- 2018 43.5% RPS
- 2019 CM 55.9%. YTD 53.3%
- 2021 Projected RPS 65%
 - AES Lawai and PMRF with full year output



OVER 100 MW OF PV ON GRID

- Utility Scale 64 MW
- Residential 19.5 MW
- Commercial 17 MW

- Total PV 100.5 MW



PATRONAGE RETIREMENT

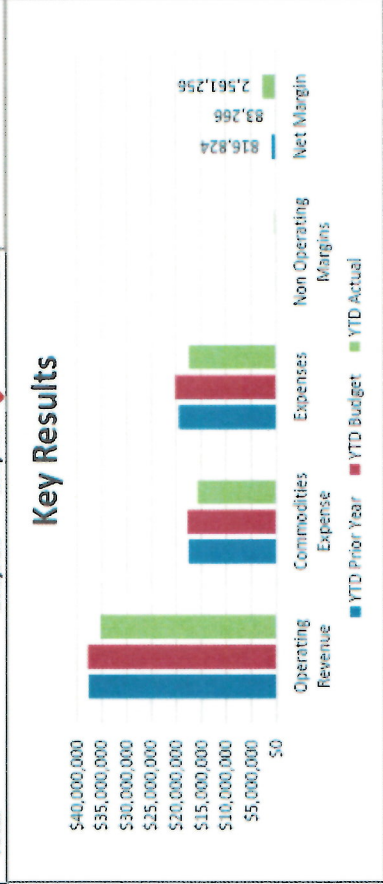
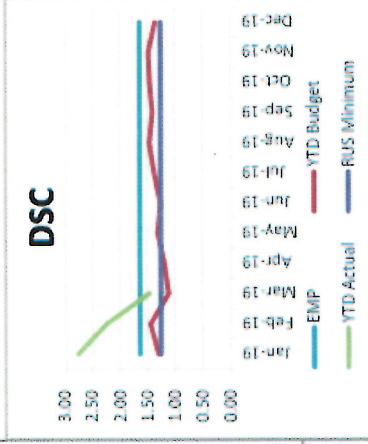
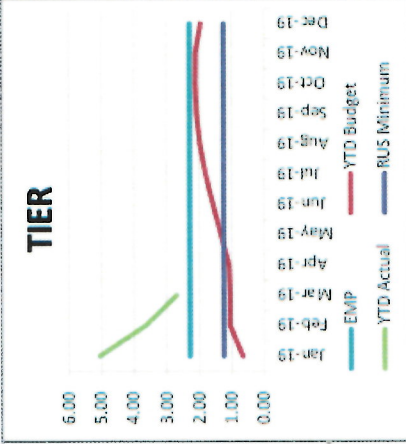
- \$2.5 million in patronage capital to be retired from 2018 financial results
- \$29.8 million retired since formation
- 21% of KIUC's margins earned since formation have been refunded to members



MAHALO!

Financial Scorecard

Class	YTD Prior Year	YTD Actual	Percent Change
Residential (D)	42,038	41,604	-1.0%
Small Comm (G)	14,558	15,472	6.3%
Large Comm (J)	11,676	11,557	-1.0%
Lrg Pwr Primary (L)	12,171	11,432	-6.1%
Lrg Pwr Secondary (P)	25,144	23,633	-6.0%
Street Lighting (SL)	213	213	0.3%
Irrigation	1,113	46	-95.8%
Total	106,913	103,957	-2.8%



Liquidity

	YTD Actual
Cash	\$6,890,817
Short-Term Investments	\$12,021,542
Cushion of Credit	\$15,372,106
Line of Credit Available	\$40,000,000
Line of Credit Drawn	\$0

**RESOLUTION 01-19 OF THE
BOARD OF DIRECTORS OF
KAUA'I ISLAND UTILITY COOPERATIVE ("KIUC")**

WHEREAS, by Decision and Order No. 19658, filed on September 17, 2002, in Docket No. 02-0060, as modified by Order Incorporating the Modification to the Annual Patronage Capital Refund Condition, filed on September 9, 2010, in Docket No. 02-0060 and by Decision and Order filed on September 9, 2010, in Docket No. 2009-0050, the Public Utilities Commission of the State of Hawaii ("PUC") required that on or before April 30 of each year commencing in 2011, KIUC must prepare and submit to the Rural Utilities Service of the United States Department of Agriculture ("RUS") and the National Rural Utilities Cooperative Finance Corporation ("CFC") a calculation of its achieved operating margin dollars for the prior reporting period, and based upon this calculation, KIUC must propose and strongly recommend to the RUS and CFC, to the extent required, for payment of patronage capital cash retirements to its members in a minimum total amount equal to the amount by which KIUC has exceeded a reported RUS TIER of 2.0 for that prior reporting period; and

WHEREAS, in Calendar Year 2018 KIUC exceeded a reported RUS TIER of 2.0 by the amount of \$2,534,014; and

WHEREAS, because KIUC's Equity Ratio is in excess of twenty percent (20%) both before and after refunding the amount of \$2,534,014 in patronage capital to its Members pursuant to the PUC's Order, no approval from the RUS or CFC to make said retirement is necessary; and

WHEREAS the Board has determined that KIUC will make such patronage capital cash retirement to the members who generated those 2018 net margins.

NOW, THEREFORE, be it hereby resolved by the Board of Directors of KIUC as follows:

1. Patronage capital cash retirements to KIUC's members in a total amount of approximately \$2,534,014 which is the amount by which KIUC exceeded a reported RUS TIER of 2.0 for the period January 1, 2018, through December 31, 2018 (the "2018 PatCap Retirement"), is hereby authorized; and
2. All 2018 PatCap Retirements shall be made to the applicable accounts, with the ten (10) members receiving the largest retirements being presented a letter detailing the amount of their retirement and thanking them for their membership.

SECRETARY'S CERTIFICATE

The undersigned Secretary of KIUC hereby certifies that the foregoing Resolution of the Board of Directors of KIUC was duly adopted at the Meeting of the Board of Directors held on April 23, 2019 at Līhu'e, Kaua'i, Hawai'i.

Dated this 23th day of April, 2019 at Līhu'e, Kaua'i, Hawai'i.

Calvin Murashige
Secretary

**KAUA'I ISLAND UTILITY COOPERATIVE
BOARD POLICY NO. 16
(Revised 02/21/2017 / 2019)**

**ACCESS TO
COOPERATIVE INFORMATION**

I. PURPOSE OF POLICY:

To allow members of Kaua'i Island Utility Cooperative ("KIUC") ("Member" or "Members") to have access to as much information as possible about their Cooperative while at the same time establishing the procedures to be followed in allowing access to this information.

II. POLICY CONTENT:

A. Attendance at meetings of KIUC's Board of Directors.

1. Open Meetings. Subject to such reasonable rules and regulations as may be adopted by the Board of Directors, all meetings except Executive Sessions of the Board of Directors, as set in Section 2 below, and all meetings of the Members, shall be open to the public; provided, however, that the removal of any person who, in the sole discretion of the Chairman, willfully disrupts any such meeting so as to prevent or compromise the conduct of the meeting, shall not be prohibited.

2. Executive Sessions. The Board of Directors may hold Executive Sessions closed to the public upon an affirmative vote, taken at an open meeting, of a majority of the voting Directors present at a regularly called Board meeting where a quorum is present. Such Executive Sessions closed to the public shall be limited to matters specified below. The reason for holding such a meeting shall be publicly announced.

- a. Human Resource issues related to:
 - (1) Hiring, evaluating, dismissing or disciplining an officer or employee.
 - (2) Labor negotiations.
- b. Legal consultation, including issues pertaining to the powers, duties, privileges, immunities and liabilities of the Board of Directors.
- c. Matters related to the safety and security of KIUC.
- d. Matters of a proprietary or financial nature, public disclosure of which could affect ongoing or potential negotiations or legal or administrative proceedings.

3. Notice of Regular Meetings. The date, time and location of all Regular meetings of KIUC's Board of Directors to the Members shall be by posting of prominent signs at all Association locations where Association employees are permanently assigned and may be: (1) posted on KIUC's website, www.kiuc.coop, and/or (2) at such other places as appropriate and

feasible, and/or (3) published in a newspaper in general circulation on the Island of Kaua'i, all as far in advance of each meeting as is convenient.

4. Notice of Special Meetings. The date, time and location of all Special meetings of KIUC's Board of Directors to the Members will be posted on KIUC's website, www.kiuc.coop, and broadcast on radio if time allows, in advance of each meeting.

5. Posting of Minutes. Minutes of Board of Directors meetings will be posted on KIUC's website, www.kiuc.coop, as soon after the conclusion of the meetings as is convenient, with an indication as to whether such minutes have or have not been approved by the Board.

6. Posting of Agendas. The tentative Agenda for the next ensuing Board of Directors meeting will be posted on KIUC's website, www.kiuc.coop, as soon as convenient, but not later than five (5) days prior to Regular meetings, which Agenda will be updated as necessary prior to the meeting, and will be finalized just prior to accepting public testimony at such meeting.

7. Written Testimony Encouraged. The submission of written testimony is encouraged up to the conclusion of all Board of Directors meeting. Such testimony will be accepted with regard to any item whether or not on the Agenda, and for items on the Agenda of a particular Board meeting. All such testimony will be attached to the original of the minutes of the meeting.

8. Audio Recording. Audio recording of non Executive Sessions by properly credentialed members of the media shall be allowed unless otherwise prohibited by the Board. The Board of Directors will also arrange for audio recording of non Executive Sessions in order to have an official record of those meetings until the minutes of the meeting are approved. The audio recordings of each meeting shall be sealed and stored after the minutes are drafted until one week after the end of the month following the month in which the minutes are approved, at which time the recordings of a particular meeting shall be destroyed.

9. 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 of Directors.

10. 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 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. The Chair may recognize a Member or member of the public at a different point in the agenda should it become necessary to conduct KIUC business..

11. **Removal of Disruptive Individuals.** Any person who, in the sole discretion of the Chairman, willfully disrupts any such meeting so as to prevent and compromise the conduct of the meeting, shall be removed from the meeting.

B. Attendance at meetings of KIUC Committees. Attendance at meetings of the various Standing and Ad Hoc Committees of KIUC and its Board by individuals other than the members of each such Committee shall be by invitation of the Committee Chair unless otherwise provided by regulations or policy of the Board.

C. Disclosure of written or electronically recorded information.

1. Member requests for copies of the following routine documents or publications of KIUC shall be provided to the requesting party in return for the advance payment of a non-refundable deposit of some or all of the estimated charges, and such requests need not be accompanied by a completed Request for Information form:

- a. rate schedules;
- b. rules and regulations;
- c. Articles or restated Articles of Incorporation and all amendments to them currently in effect;
- d. Bylaws or restated Bylaws and all amendments to them currently in effect;
- e. Policies, Resolutions and Actions by Unanimous Consent adopted by KIUC's Board of Directors;
- f. minutes of all non-Executive Session meetings of KIUC's Board of Directors for the past three years;
- g. minutes of all meetings of KIUC Members for the past three years;
- h. records of all actions approved by the Members for the past three years;
- i. annual financial statements for KIUC's past three fiscal years, including a balance sheet as of the end of the fiscal year, a statement of operations for the fiscal year and the relevant public accountant's report thereon;
- j. a list of the names and business or home addresses of KIUC's current directors and officers;
- k. KIUC's most recent annual report filed with the Department of Commerce and Consumer Affairs; and
- l. KIUC's IRS Form 990 for the last three (3) years.

Copies of these documents will be available for review prior to a member having to provide an advance payment.

2. All Member requests for documents or publications which are not classified as routine shall be disclosed only upon the showing the requester has a proper purpose for review or production of the requested documents, and when the request is accompanied by a Request for Information form, a copy of which is attached hereto, which form must be completed and signed by the requester. The completed form shall be submitted to the Chief Executive Officer, or his

designee, who shall determine if the request is being made for a proper purpose. The following types of requests, without limitation, may be requested using the Request for Information form:

- a. Provided the Member executes a Confidentiality Agreement in the form attached hereto, a list of all KIUC Members dated no earlier than the date of the request, including the Members' names and addresses in alphabetical order, or excerpt or excerpts from such a list. If the purpose of such request is to: 1) allow a candidate properly nominated for election to the KIUC Board of Directors to solicit the votes of KIUC Members, or to 2) obtain signatures on a written notice of a Special Meeting of the Members called for a proper purpose or purposes as provided in Article II, Section 2 of the KIUC Bylaws, or to 3) obtain signatures on a petition for Member approval of certain actions as provided in Article II, Section 6 of the KIUC Bylaws, such shall be deemed proper purposes and the list may be provided printed on mailing labels and sorted in any manner reasonably allowed by the software in use by KIUC to maintain said list, e.g. by zip code.
 - b. Public information provided to any regulatory authority including, but not limited to, the Hawaii Public Utilities Commission (PUC), the Federal Energy Regulatory Commission (FERC) and/or the Internal Revenue Service (IRS).
 - c. KIUC Accounting Records.
3. In general, a "proper purpose" for inspecting a corporation's books and records includes but is not limited to those purposes that are:
- a. Reasonably related and germane to a person's interest as a Member, proper and lawful, and made in good faith;
 - b. Not adverse, inimical, or hostile to KIUC;
 - c. Not intended to gratify curiosity or for a speculative purpose;
 - d. Not intended to harass, annoy, or embarrass KIUC;
 - e. Not in aid of a competitor;
 - f. Intended to determine whether KIUC's business has been properly conducted;
 - g. Intended to communicate with other members for cooperative purposes;
 - h. Intended to determine KIUC's financial condition; and
 - i. Not related to actual or potential litigation.
4. Requests which are not determined to be for a proper purpose shall be denied. Any denial of a Request for Information shall be accompanied by an appropriate explanation. Any request which has been denied may be appealed to the Board of Directors, and the Board shall make a final decision as to the properness of the request at its next regular Board meeting.
5. Some information, because of its sensitive nature, will not be made available. Requests for information which the Chief Executive Officer determines to be in this

category shall be referred directly to the Board of Directors. The types of information contemplated by this subsection are:

- a. Matters, the knowledge of which would clearly have an adverse effect on KIUC's finances;
- b. Personnel matters, including, but not limited to, the hourly wages or salaries and fringe benefits of specific employees, and any employee's personnel file or records, and any other person's file or record if and to the extent such disclosure would violate subparagraph 1, above, or would otherwise be an invasion of such employee's or other person's privacy;
- c. Subjects that tend to prejudice the reputation and character of a person;
- d. Communication from the KIUC's attorneys, the knowledge of which could have an adverse effect on the KIUC's legal position;
- e. Matters protected by the attorney-client privilege and matters subject to the attorney work-product doctrine;
- f. Matters subject to the privacy laws of the State of Hawaii or federal government;
- g. Matters considered confidential under copyright or patent laws;
- h. Trade secrets or items which are by contract confidential;
- i. Information, the release of which would tend to destroy the integrity of the bidding process; and
- j. Information distributed to and discussed with the Board of Directors in Executive Session.

6. KIUC has the right and the duty to safeguard the disclosure of KIUC's Membership list against such list's use for improper purposes. Therefore, KIUC's Membership list will not be revealed, distributed, or released except as provided in Paragraph II. C. 2. above. If the Chief Executive Officer has reason to believe that the Membership list may be used for an improper purpose, the Chief Executive Officer should recommend to the Board of Directors that the request be denied. Said denial may be appealed to the Board of Directors. KIUC may also seek judicial protection or court imposed conditions on the use of the Cooperative's membership list.

7. If a request is made for routine documents available on the KIUC website, www.kiuc.coop, the Member shall be directed to the location of the documents on the website and informed of the publicly available access to the website available at all ~~Public~~~~public~~ ~~Libraries~~~~libraries~~. If, despite the availability of routine documents on KIUC's website, www.kiuc.coop, the Member desires to obtain a hard copy of the document from KIUC, the charge for such copies, and for all routine documents not available on KIUC's website, www.kiuc.coop, and for all non-routine information requests shall be \$0.10 (10 cents) per page for each page requested plus ~~\$41-60~~ per hour for labor, researching, and making copies; provided, however, if the Member requests the printing of the Membership List on mailing label stock the price per page shall be the actual out-of-pocket cost of KIUC for such stock. KIUC shall produce requested and approved copies in return for the advance payment of a non-refundable deposit of some or all of the estimated charges. The full amount of the actual charges, less the amount of any deposit, shall be due and payable prior to the receipt of the information requested. If the deposit exceeds the actual charges the excess shall be refunded to the requesting party,

8. All proper and completed Requests for Information will be handled as expeditiously as possible, given the availability of personnel and operating needs of KIUC. A response to all Requests for Information will be given to the Member within 10 business days of its receipt by KIUC; provided, however, the requests for copies of the Membership List by properly nominated candidates to KIUC's Board of Directors shall be responded to within 5 business days of the receipt by KIUC of the request. If a substantive response to the request cannot be made within said 10 business days, the Member will be advised in writing of the reason for the delay and the estimated time for providing the substantive response.

D. Member information.

1. KIUC collects and maintains appropriate information about its Member/customers, including:

- a. Contact information, including a Member/customer's name, address, telephone number, e-mail address and a user name and password for online access to KIUC's bill-paying website.
 - b. Billing information, including the last four digits of a Social Security number, credit information, financial account information, and payment history
 - c. Electric usage data gathered by KIUC's metering systems and a Member/customer's service history, which may include information on a Member/customer's property and appliances and information maintained for meter reading purposes (e.g., warning about a dog in the yard) or information on home construction.
 - d. Capital and patronage account information for Member/customers and inactive Member/customers and contact information for inactive Member/customers resulting from membership and governance activities.
 - e. Responses to Member/customer survey(s) conducted by KIUC to identify needs or improve service, or other information provided by the Member/customer.
 - f. Additional information about a Member/customer or a Member/customer's property, appliances, and activities obtained through services offered by KIUC or its affiliates, such as security, home health equipment, or other medical or health information provided by the Member/customer for emergency, notification issues or service issues.
2. KIUC collects Member/customer information through the following methods:
- a. When Member/customers create an account and interact with KIUC regarding their account, utility service, or participation in KIUC programs.
 - b. When Member/customers use electricity service and metering systems including smart meters.

- c. When Member/customers interact with KIUC through its website www.kiuc.coop.
- d. When KIUC interacts with third parties, such as credit agencies.

3. Security:

- a. KIUC maintains Member/customer information with reasonable and appropriate technical, administrative, physical and cyber safeguards to protect against loss, unauthorized access, destruction, misuse, modification, and improper disclosure of Member/customer information. When KIUC transmits information electronically, information is encrypted and only sent to a secure file transfer protocol site.
- b. Member/customers are warned, however, that no system can ever be fully protected against every possible hazard.
- c. KIUC requires its employees, affiliates and contractors who have access to Member/customer information to agree in writing to comply with a privacy and confidentiality policy. Any employee or contractor who fails to comply with these rules may be subject to disciplinary action up to and including termination.
- d. Member/customer information that Member/customers may access through KIUC's website is protected using cyber security protocols designed to prevent unauthorized third parties from accessing such information. Members/customers use a user name and password of their own choosing, which are encrypted.

4. Disclosure:

Information contained within a Member's file, whether in electronic form or otherwise, including information collected by any Advanced Metering Infrastructure (AMI) system (Smart Meters) where the source of particular data can be attributed to an individual Member, is for legitimate internal KIUC use and is confidential. Such information will not be provided to anyone except the individual Member, the Member's spouse on receipt of proper identification, or upon presentation of a Release of Information form signed by the Member. Information will not be released to law enforcement personnel or other individuals or agencies without a subpoena or search warrant. KIUC may, however, disclose to law enforcement personnel without a subpoena or search warrant information from a customer's file relating to crimes committed or reasonably believed to have been committed against KIUC by that customer.

III. RESPONSIBILITY:

The Board shall be responsible for the implementation of Policy Content Sections A and B set out above. The Chief Executive Officer shall be responsible for the implementation of Policy

Content Sections C and D set out above by promptly providing appropriate documents when properly requested; by promptly denying improper requests with an appropriate explanation; and by handling Member information as specified.

Adopted on this 21st-xx day of ~~February~~April, 2017~~2019~~.

~~Teofilo Taebian~~Calvin Murashige
Secretary

Revised: 04-xx/2019
Revised: 02/21/2017
Revised: 05/26/2015
Revised: 11/27/2012
Revised: 03/27/2012
Revised: 08/30/2011
Revised: 07/29/2008
Revised: 09/04/2007
Revised: 01/31/2006
Original Adoption: 12/22/2004

**KAUAI ISLAND UTILITY COOPERATIVE
REQUEST FOR INFORMATION
(WRITTEN OR ELECTRONICALLY RECORDED)**

To allow it to efficiently comply with Member Requests for Information, Kauai Island Utility Cooperative ("KIUC") requires that you complete and sign this form when requesting written or electronically recorded information. You will be asked to pay reproduction costs of \$0.10 per page, and \$41 per hour for labor in researching and making copies. It is important that you state the purpose for requesting the information since requests that do not state a proper purpose will be denied. If your request is denied, you will be provided with an appropriate explanation of the reason for the denial and you can appeal the denial to the Board of Directors of KIUC. Any use of information provided for purposes other than as stated on this Request for Information form or used in violation of any Hawaii or federal laws could cause KIUC to seek legal action against the person(s) who requested and/or misused such information.

NAME: _____ DAY PHONE _____
NAME OF ORGANIZATION: _____
ADDRESS: _____
DATE OF REQUEST: _____

INFORMATION REQUESTED

DOCUMENT(S):

PURPOSE:

PAYMENT INFORMATION

Are you a KIUC Member? Yes _____ No _____

Is your KIUC Membership active? Yes _____ No _____

An estimate of the reproduction costs will be made of the charges involved which will be provided to you. If you decide to proceed with the request you will be asked to acknowledge this in writing, and KIUC will require a deposit of some or all of the estimated charges before proceeding with the research and/or reproduction.

AGREEMENT

I agree that I will use the requested information only for the purpose(s) stated above. I agree to pay all applicable charges. I also agree that I will not sell the information and that I will duplicate it only for use for the stated purpose. I further agree to indemnify and hold KIUC harmless against any claims or damages that may result from use of this information for other than the stated purpose(s).

Signature: _____ Date: _____

Signature of Witness: _____ Address of Witness: _____

Witness Phone No.: _____ _____

For Use by KIUC Staff

Date:	By:	ACTION:
___	___	Request received
___	___	Member Status Verified: Member since: ___
___	___	Denied: No Proper Purpose Stated (Explain)
___	___	Denied. No documents or records in existence
___	___	Reproduction costs estimated/reported to requestor
		ESTIMATED COSTS: \$ _____
___	___	Requestor declined to pay costs
___	___	Deposit of \$ _____ requested and made
___	___	Requestor informed copies ready: ACTUAL COST: \$ _____
___	___	Documents delivered. Final payment received or refund made

**Kaua'i Island Utility Cooperative
CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT**

By this Agreement _____ ("Recipient"), whose address is _____, a Member of KIUC, has requested be provided certain non-public, confidential, or proprietary information by Kaua'i Island Utility Cooperative ("KIUC"), specifically a copy of the Membership List of KIUC with a corresponding list of the Members' mailing addresses (the "Membership List"). This request was made by Recipient in a KIUC Request for Information Form dated _____, pursuant to KIUC Board Policy No. 16 (the "Request"). As indicated the Membership List is considered confidential non-public and/or proprietary information of KIUC which is appropriate for special protection. As a consequence the Membership List shall not be used by Recipient in violation of this Agreement without the express written consent of KIUC.

In consideration of being furnished with the Membership List and this Agreement, the Recipient agrees that:

1. The Membership List will be kept confidential and will not, without the prior written consent 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 as stated in the Request, i.e. for _____

Any use shall also comply with the requirements of the Request.

2. The Recipient will not, without prior written consent of KIUC, release to anyone or make any statement to any third party, regarding the Membership List, except as may be necessary, in the opinion of counsel, to comply with the requirements of any law, governmental order, or regulation.

3. If the Membership List is further copied by Recipient for any purpose, the Recipient will keep records of each location where the Membership List is kept. Recipient will at any time upon the request of KIUC destroy or return all copies of the Membership List immediately, without retaining any copies and confirm such destruction in writing to KIUC. Any of the Membership List retained by Recipient in any manner will continue to be subject to the terms of this Agreement.

4. In the event that 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 Membership List, 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 that 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 Membership List that is legally required and will exercise his or her best efforts to obtain reliable assurance that confidential treatment will be accorded the Membership List.

5. It is understood and agreed that 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 that money damages would not be a sufficient remedy for any breach of this Agreement, and that, 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 that any breach of the provisions of this Agreement may subject KIUC to irreparable harm and injury.

7. Recipient agrees to redeliver the Membership List promptly to KIUC upon request and not to retain any copies, extracts or other reproductions, in whole or in part, of the Membership List.

8. This Agreement is the entire agreement between the parties regarding the nondisclosure of Membership List and supersedes all prior agreements and understanding regarding this subject. This Agreement may be amended only by written agreement executed by both parties.

9. This Agreement is not assignable or transferable by either party without the prior written consent of the other party.

10. For their convenience, the parties may execute any number of counterparts of this Agreement. Each such counterpart will be considered an original instrument, but all counterparts taken together will constitute one and the same document.

11. This Agreement is governed and will be construed in accordance with the laws of the State of Hawaii. If any terms 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 following authorized representatives and is effective as of the last date written below:

KIUC

RECIPIENT

Signature: _____

Signature: _____

Title: _____

Title: _____

Date: _____

Date: _____

**KAUAI ISLAND UTILITY COOPERATIVE
BOARD POLICY NO. 22
(Reviewed 04/ /2019)**

INFORMATION FLOW TO DIRECTORS

PURPOSE OF POLICY:

To set forth the policy of Kauai Island Utility Cooperative ("KIUC") regarding the flow of KIUC information from KIUC's staff to its Directors.

POLICY CONTENT:

A. Information to Be Provided to Board Without Request

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

1. All substantive reports;
2. Any information to be released to the press/media (for which a good faith attempt shall be made to provide all Directors with the information prior to its release to the press/media); and
3. Any information to be released to the members/public (for which a good faith attempt shall be made to provide all Directors with the information prior to its release to the members/public).

B. 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.

C. Procedures

1. Except as set out below, all requests for information shall be made to and through the President and CEO; provided, however, 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 President and 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 by the staff member to be confidential, the staff member 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 President and CEO.
2. In any instance in which a Director has sought access to information not generally made available or reported to the entire Board, the President and CEO shall report the information provided at the next meeting of the Board.

RESPONSIBILITIES:

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

Adopted on this 21st-xx day of ~~February~~April, 2017~~2019~~.

~~Teofilo Taebian~~Calvin Murashige
Secretary

Reviewed: 04/xx/2019
 Reviewed: 02/21/2017
 Reviewed: 05/26/2015
 Revised: 12/18/2012
 Reviewed: 01/25/2011
 Original Adoption: 01/30/2007