

KAUA'I ISLAND UTILITY COOPERATIVE ("KIUC")
BOARD POLICY NO. 1
(Reviewed 08/30/2016)

AUTHORITY AND RESPONSIBILITY OF THE BOARD OF DIRECTORS

PURPOSE OF POLICY:

This policy describes the authority and responsibility of the KIUC Board of Directors ("Board") as well as the authority and responsibility of individual Directors and Officers.

POLICY CONTENT:

Authority and responsibility of Board of Directors:

The business and affairs of KIUC shall be governed by its Board of Directors which shall exercise all powers of the Association 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 Association, rather than the means used to carry out the courses of action, which means are normally delegated to the President and Chief Executive Officer ("CEO").

- I. The authority and responsibilities of the Board include:
 - A) Establishing and maintaining governance policies and guidelines for the Association, including:
 - 1) The Articles of Incorporation.
 - 2) The Bylaws.
 - 3) Other policies for governing the Association in the best interests of the members.
 - B) Developing plans for perpetuation of the Association in the best interests of the members including proper planning of elections, new Director orientation, continuing Director training, and Board performance reviews.
 - C) Promoting good member relations including conducting well-planned membership meetings, working with the CEO to develop methods to keep the membership informed on important issues and getting feedback from members on how well the Association is meeting their needs and developing policies to make sure members' concerns are addressed promptly and fairly.
 - D) Approving annual operating budgets, construction work plans, compensation plans and capital expenditure budgets.

- E) Ensuring the development of plans for a long-term source of electricity at a reasonable cost.
- F) Ensuring the development of long-term sources of operating capital.
- G) Approving plans for management of member equity.
- H) Approving all proposed changes in rates to be submitted to the Public Utilities Commission.
- I) Recruiting and selecting the Association's CEO and delegating the necessary responsibility and authority to the selected individual to allow that individual to discharge his duties.
- J) Regularly evaluating and appraising the CEO's performance.
- K) Selecting the Association's General Counsel.
- L) Selecting the Association's independent auditors and engaging them for an annual financial audit.
- M) Determining, in consultation with the CEO, short and long range plans for the Association including:
 - 1) Plans to maintain a sound financial structure.
 - 2) Operating plans for providing quality service to members and for maintaining good member and public relations.
- N) Working with the CEO to develop reporting systems to measure performance of the Association, compliance with established policies, and compliance with established internal controls.
- O) Developing and maintaining a positive image and relations with affiliated organizations, other cooperative organizations, and local communities.

II. Authority and responsibility of individual Directors and Officers:

Chair - The chair will preside or designate another individual to preside at all Board and member meetings, may sign on the Association's behalf any document properly authorized by the Board or members, will be an ex-officio member of each committee and will have all other responsibilities and may exercise all other authority properly authorized by the Board or members.

Vice-chair - The Vice-chair shall perform the duties of the chair in his/her absence and will have other responsibilities, and may exercise all other authority prescribed by the Board or

members.

Secretary - The secretary is generally responsible for the minutes of Board and member meetings, for authenticating the Association's records and will have other responsibilities and may exercise other authorities prescribed by the Board or members.

Treasurer - The treasurer will perform all duties, have all responsibilities and may exercise all authority prescribed by the Board or members.

III. Authority and Responsibilities of individual Directors:

Each Director is responsible for maintaining an understanding and complying with the Articles of Incorporation, Bylaws, Board policies, and other rules and guidelines for the Association. Directors should also maintain an understanding of the needs of membership, and an understanding of the major economic and political issues affecting the Association.

Adopted on this 30th day of August, 2016.



Teofilo Tacbian
Secretary

Reviewed: 08/30/2016
Reviewed: 10/28/2014
Revised: 11/29/2011
Revised: 07/27/2010
Revised: 07/25/2006
Revised: 10/24/2002
Original Adoption: 04/12/2000