

KAUA'I ISLAND UTILITY COOPERATIVE
BOARD POLICY NO. 15
(Reviewed 03/20/2018)

STRATEGIC PLANNING

PURPOSE OF POLICY:

The purpose of this policy is to establish the authority and responsibility for the Cooperative's strategic planning.

POLICY CONTENT:

A. Commitment to Strategic Planning

It is the policy of this Board of Directors 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.

[Guidance: Repeating the entire SWOT strategic planning workshop every year may be unnecessary since strategic goals tend to be long term. Some years it may be sufficient to simply review and affirm the strategic plan. Directors are encouraged to take courses offered by NRECA and attend national conferences featuring current strategic planning discussions and presentations on topics of concern to many/most cooperatives.]

B. Foundation

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; almost any ultra vires activities, and some financial transactions are all strategic.]

The Cooperative's strategic planning shall be based upon careful consideration of its:

1. **Mission:** 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.
2. **Values:** 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.
3. **Strengths, Weaknesses, Opportunities, Threats:** An assessment of the internal capabilities and shortcomings, and external market, regulatory and other trends, events and other developments.

C. Objectives

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

1. To capitalize on the collective knowledge, experience and wisdom of the Directors, CEO and staff.
2. To affirm or amend the Cooperative's mission statement.
3. To affirm or amend the Cooperative's values statements.
4. To develop clear strategic initiatives identifying the areas of greatest significance to the Cooperative. These initiatives will serve as the primary directives to guide the development of goals and actions.
5. To develop clear goal statements that serve to further define the identification of appropriate actions to accomplish strategic initiatives.
6. To identify and prioritize action items which will accomplish strategic initiatives.

[Guidance: Action items will have appropriate specificity, will include resource requirements, and will appear in the appropriate annual budget(s) for consideration and approval of the Board of Directors.]

7. To track changes to adopted strategic initiatives, goals, and action items.
8. And to track progress towards the implementation of action items, goals, and strategic initiatives.

D. Authority

The Board of Director's assumes the authority for ensuring adherence to this policy.

RESPONSIBILITIES

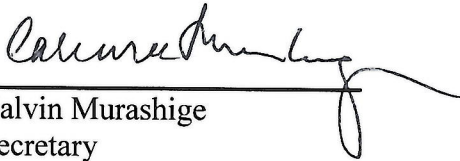
The responsibility for developing and implementing the Cooperative's strategic planning shall be assigned as follows:

1. The Board of Directors, with the advice of CEO and staff, has the responsibility for developing, affirming and / or amending the mission statement.
2. The Board of Directors, with the advice of CEO and staff, has the responsibility for developing, affirming and / or amending the values statements.
3. The Board of Directors, with the advice of CEO and staff, has the responsibility for developing, affirming and / or amending the strategic initiatives and goal statements.
4. The identification and prioritization of actions items during the strategic planning process shall be a shared responsibility between the Board of Directors, CEO and staff.
5. The development of the detail aspects of each action item and the inclusion of the resources necessary to implement each action item in the Cooperative's annual budget shall be the responsibility of the CEO.
6. The identification of strategic issues arising for cooperative operations will be the responsibility of the CEO.

[Guidance: For example, during normal operations of the cooperative, need for new transmission lines or substations may be recognized independent of the periodic SWOT-based strategic planning workshop. It is the CEO's responsibility to bring these strategic issues to the Board of Directors in a timely manner for inclusion in the strategic plan.]

7. Providing periodic status to the Board of Directors on the progress towards implementing strategic actions is the responsibility of the CEO.

Adopted on this 20th day of March, 2018.



Calvin Murashige
Secretary

Reviewed: 03/20/2018
Reviewed: 03/22/2016
Reviewed: 04/29/2014
Reviewed: 10/25/2011
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