

KAUA'I ISLAND UTILITY COOPERATIVE ("KIUC")
BOARD POLICY NO. 32
(Revised 07/31/2018)

MEMBER PETITIONS

PURPOSE OF POLICY:

To clarify certain requirements and procedures to be used by Active KIUC Members to prepare and submit a Member Petition pursuant to Section 6 of Article II of the Seventh Revised and Restated KIUC Bylaws or its successor (the "Bylaws").

POLICY CONTENT:

A. General.

Section 6 of Article II of the Bylaws allow KIUC Members (Members of KIUC who or which have not been transferred to Inactive Status, hereafter "Active Members" or "Members") to petition the KIUC Board of Directors (the "Board") to challenge any action taken by the Board (a "Challenged Action") within 20 business days of public posting of the minutes on the KIUC website, www.kiuc.coop. 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.

B. Legal Requirements.

- 1) 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.

C. 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 Petition there shall be a petitioners' committee (the "Committee") representing all of the petitioners, which Committee shall be composed of three (3) Active 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

Committee shall be responsible for circulation of the Petition and for assembling and filing the Petition in proper form.

- 3) 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 Members' identification or otherwise by the Committee Member or Circulator (as hereinafter defined) circulating the copy of the Petition in question.
- 4) For a Petition to be accepted for certification it shall:
 - a) 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, www.kiuc.coop, disclosing the Challenged Action).
 - b) Have had all pages of the completed Petition delivered by the Committee to the Chairman or Secretary of the KIUC Board, or the Chair's designee, 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 data base.
 - c) Be submitted under cover of the Member Petition Transmittal Letter and Declarations in the form attached to this Policy as Exhibit "C" with all of the spaces properly filled in.
 - d) 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 Members of the Committee as listed on the Member Petition Transmittal Letter and Declarations accompanying the Petition.
 - e) If more than the three (3) Committee Members are engaged by the 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 KIUC Board Chair by the 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.

D. Procedure After Petition Submittal.

- 1) 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 KIUC Board Chair, Board Secretary, or Chair's designee by the Committee.
- 2) As soon as convenient after KIUC has made its determination as to the category of the Petition it shall certify to the KIUC Board Chair, KIUC's CEO and the Committee the category the Petition has received. If the certification made is "Insufficient", KIUC will provide to the 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.

E. Procedure After Certification.

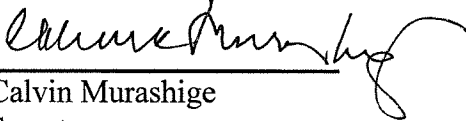
- 1) If the Petition was deemed "Insufficient" no further action on KIUC's part is required except the notification of the Committee required by Policy Content paragraph D.2) above.
- 2) If the Petition was deemed a "Qualified Petition" the KIUC Board will proceed as mandated by Section 6 of Article II of 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 Committee as set out in the following sub-paragraph.
- 3) The KIUC 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 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.

- 4) 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.
- 5) 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 in Policy Content subparagraph E. 3) 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.

RESPONSIBILITIES:

- A. KIUC's President and CEO is responsible for implementing and enforcing the portion of this Policy to be performed by Staff.
- B. The Board shall be responsible for the enforcement of this Policy.

Adopted on this 31st day of July, 2018



Calvin Murashige
Secretary

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, www.kiuc.coop, 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.				

Page _____ of _____

**EXHIBIT "B" (continuation page(s) 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.

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	<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

VIA HAND DELIVERY

Date: _____

To: _____, Chair, KIUC Board

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 Chair:

Attached hereto pursuant to KIUC Board Policy No. 32 ("Policy 32") is the initial page and _____ continuation pages of a Member Petition (the "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: _____, Chair, KIUC Board

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

Re: KIUC Member Petition Transmittal and Declaration

Dear Chair:

Attached hereto pursuant to KIUC Board Policy No. 32 ("Policy 32") are _____ continuation pages of a Member Petition (the "Petition") challenging the KIUC Board Action indicated thereon.

I, the undersigned, was duly appointed Circulator of this Petition under Policy 32 by the 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 the my presence; and each signature is the genuine signature of the person it purports to be verified in accordance with Policy 32.

Signature