

**REGULAR MEETING OF THE BOARD OF DIRECTORS  
KAUA'I ISLAND UTILITY COOPERATIVE**

Via Video Conference Call

On December 14, 2023

**MINUTES**

Meeting called to order by Vice Chair TenBruggencate at 1:01 p.m.

**1. Roll Call**

- 1.1. **Directors present:** Jan TenBruggencate (Vice-Chair), Calvin Murashige (Secretary), Peter Yukimura (Treasurer), Dee Crowell, David Iha, Janet Kass, James Mayfield, Teofilo Tacbian; and David Bissell (CEO)
- 1.2. **Others present:** Stacie Dellamano (CFO), Laurel Loo (Co-General Counsel), Mike Scarbo (Co-General Counsel), Teresa Amoy (Executive Administrator), Beth Amaro (Member Services & Communications Mgr.), Brad Rockwell (COO); Lisa Ubay (Mgr. of HR and Safety), Chris Yuh (Mgr. of Finance, Risk & Analytics), Daurice Arruda (Accounting Mgr.), Erin Tsuda (Finance Mgr.), Corinne Cuaresma (Controller), Scott Sato (Energy Services Supervisor), Shelley Paik (PA Specialist), Shelsey Francisco (Financial Analyst); Members of the press (0) and Member of the public (0)
- 1.3. **Absent/Excused:** Director Allan Smith (Chair)

**2. Approval of the Agenda**

- 2.1. The Board of Directors' Agenda of December 14, 2023, was approved as circulated with no adjustments made.

**3. Approval of Minutes**

- 3.1. The minutes of November 13, 2023, Special Board meeting and November 21, 2023, Regular Board meeting were approved as circulated.

**4. President's Report – David Bissell (CEO)**

- 4.1. CEO discussed December's President's Report (report attached). No action taken.

**5. Financial Report – Stacie Dellamano (CFO)**

- 5.1. CFO discussed finance and accounting updates and summarized the Board Financial Report submitted to the Board of Directors (report attached). No action taken.

**6. NRECA Hawai'i Director Report – Director David Iha update:**

- 6.1. Director Iha summarized NRECA’s Winter Board meeting held last Wednesday. Issues at the national level – reliability is a concern in the mainland – sufficient resources to serve their members. Preparing to take on the EPA regarding the emissions; will be filing a lawsuit when they do the final rule. Recruiting new members to join NRECA Broadband network; approximately 90 members currently. Currently gathering grass roots support to oppose the taking down of the dams in the Northwest. Removal of the dams will affect their hydro production. Eight new directors were introduced during the December board meeting. The Vice President from Colorado is stepping down because of health issues. The NRECA Board approved their \$293 million budget for 2024. Director Iha met with Representative Jill Tokuda with a representative from NRECA to discuss the Farm Bill and different issues affecting local co-ops as well as the national co-ops. Completed the annual evaluation of NRECA’s CEO. The next meeting will be at the Annual Meeting in March in San Antonio, TX.
- 6.2. NRECA’s November 2023 Board update and the December 2023 update (attached).

**7. Charitable Foundation Board – Director Teofilo Tacbian update:**

- 7.1. Director Tacbian provided a brief update (report attached).

**8. Public Testimony**

- 8.1. No public testimony.

**9. New Business**

**9.1. Board Approval Request for Attorney Invoices over the CEO Approval Limit**

- Board Approval Request form to approve attorney invoice which exceeds the CEO’s expenditure limits of \$100,000. Request to approve October’s invoice in the amount of \$167,197.84 for the services of the law firm Schneider, Tanaka, Radovich, Andrew, & Tanaka (STRAT) for the Rate Case. The F&A Committee approved taking the request to the board.

- **MOTION:** to approve the request.

[Motion: Yukimura] [Second: Mayfield]

IN FAVOR:	TenBruggencate, Murashige, Yukimura, Mayfield, Tacbian, Iha, Crowell, Kass	Total – 8
OPPOSED:	None	Total – 0
EXCUSED:	Smith	Total – 1

**Motion carried**

**9.2. Resolution No. 06-23 – 2024 Results of Operations Budget**

- The 2024 Results of Operations Budget was discussed at the Board Budget meeting held on December 6, 2023. On December 7, 2023, the F&A Committee voted to accept the 2024 ROO Budget and forward it to the Board for approval.

- **MOTION** to approve Resolution No. 06-23 budget request.  
[Motion: Yukimura] [Second: Mayfield]  
IN FAVOR: TenBruggencate, Murashige, Yukimura,  
Mayfield, Kass, Tacbian, Iha, Crowell Total – 8  
OPPOSED: None Total – 0  
EXCUSED: Smith Total – 1  
**Motion carried**

9.3. **Resolution No. 07-23 – 2024 Capital Budget**

- The 2024 Capital Budget was discussed at the Board Budget meeting held on December 6, 2023. On December 7, 2023, the F&A Committee voted to accept the 2024 Capital Budget and forward it to the Board for approval.
- **MOTION** to approve Resolution No. 07-23
- **Discussion:** Director Kass noted that she heartily supports this request and the proposed projects which will do a lot of good.  
[Motion: Yukimura] [Second: Mayfield]  
IN FAVOR: TenBruggencate, Murashige, Yukimura,  
Mayfield, Kass, Tacbian, Iha, Crowell Total – 8  
OPPOSED: None Total – 0  
EXCUSED: Smith Total – 1  
**Motion carried**

9.4. **Resolution No. 08-23 – Authorizing PACE Loan**

- Resolution No. 08-23 is for authorization to pursue the RUS PACE (Powering Affordable Clean Energy) loan and approval of the application and documentation for the loan under the Inflation Reduction Act.
- **MOTION** to approve Resolution No. 08-23.  
[Motion: Yukimura] [Second: Kass]  
IN FAVOR: TenBruggencate, Murashige, Yukimura,  
Mayfield, Kass, Tacbian, Iha, Crowell Total – 8  
OPPOSED: None Total – 0  
EXCUSED: Smith Total – 1  
**Motion carried**

9.5. **Revolving Loan Fund (RLF) Loan – Applicant Anaina Hou Community Park**

- Discussion held in Executive Session.

9.6. **2023 Loan Review Committee Annual Report**

- **MOTION** to accept the 2023 Annual Report  
[Motion: Tacbian] [Second: Kass]  
IN FAVOR: TenBruggencate, Murashige, Yukimura,  
Mayfield, Kass, Tacbian, Iha, Crowell Total – 8

OPPOSED: None  
EXCUSED: Smith  
**Motion carried**

Total – 0  
Total – 1

## 10. Calendar

- 10.1. **January 1, 2024** – HOLIDAY – New Year’s Day (KIUC Offices Closed)
- 10.2. **January 16, 2024** – Board Committee Meetings (9:00am, MCR)
- 10.3. **January 25, 2024** – Regular Board Meeting (1:00pm, via Zoom)

**Discussion:** Director Kass expressed her conflicts with the changes to the March 2024 meeting dates. The Vice Chair recommended that the request be determined by the Board Chair.

**11. Executive Session** – At 1:33 p.m. the Board recessed the meeting to enter 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.

11.1. The open session of the Regular meeting was reconvened at 1:57 p.m.

11.2. Director Murashige moved to ratify the following decision made in executive session; Director Tacbian seconded the motion. All directors present voted in favor and the actions were ratified by unanimous consent:

- Approval of the Executive Session minutes of October 26, 2023, and November 13, 2023.
- Accept the RLF Committee’s recommendation to deny application.
- Recommendation to decline offer of land proposal.

## 12. Adjournment

12.1. The meeting was adjourned at 1:58 p.m.

*Calvin Murashige*  
Calvin Murashige (Jan 25, 2024 1:11 HST)

Calvin Murashige  
Board Secretary

December 14, 2023

David Bissell, President & CEO

# PRESIDENT'S REPORT

# PRESIDENT'S REPORT

Safety (November)	Month	2023 YTD	2022 YTD
Recordable Incidents	1	4	3
Availability and Reliability	Month	2023 YTD	2022 YTD
Reportable Outages	3	37	23
Average Outage Hours Per Customer	0.35	3.92	1.43
Efficiency	Month	2023 YTD	
Net Plant Heat Rate	9,199	9,050	
Peak Demand (MW)	78.7	80.3	
Residential Rates			
December 2023	\$0.359/kwh down \$0.006 from November		

# UPDATE ITEMS

- KIUC rates continue to be lowest in state
- Rate case
  - November 27- Interim Rate Decision and Order (7.95% increase)
  - Awaiting order from PUC on effective date of new tariffs
- Wildfire Mitigation Plan
  - Plan development continues
  - Pilot technology implementation (weather stations, pole sensors, LiDAR scans, pole condition)
  - Change out of “bare copper” secondary wire (250+ spans)

MAHALO!



# Kaua'i Island Utility Cooperative

Your Touchstone Energy<sup>®</sup> Cooperative



## **Board Meeting Financial Report**

**December 2023**

# Finance, Accounting, Regulatory and Warehouse Monthly Summary

## Finance and Accounting Update

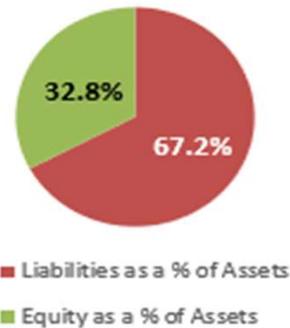
- Financial Results
  - Scorecard – Key Performance Indicators
  - Balance Sheet
  - Income Statement
- Outstanding Loan Detail Report
- A/R Reports
- Sales Reports
- Treasury Management Monthly Discussion
- BAR Form – STRAT – Attorney over \$100,000
- Finance and Accounting Updates
- PACE Loan Paperwork – 12/22 due date
- Budget Resolutions

# Scorecard November Results

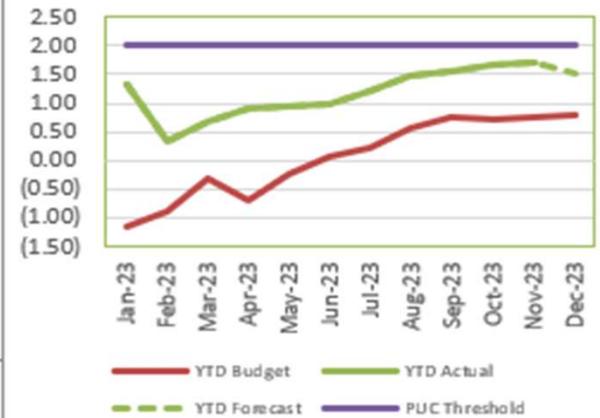
## MWh Sales

Class	YTD Prior Year	YTD Actual		Percent Change
Residential (D)	175,925	177,243	↑	0.7%
Small Comm (G)	59,283	60,271	↑	1.7%
Large Comm (J)	46,821	47,638	↑	1.7%
Lrg Pwr Primary (L)	40,508	44,858	↑	10.7%
Lrg Pwr Secondary (P)	95,286	95,950	↑	0.7%
Street Lighting (SL)	676	636	↓	-5.9%
Irrigation	2,131	946	↓	-55.6%
<b>Total</b>	<b>420,630</b>	<b>427,541</b>	<b>↑</b>	<b>1.6%</b>

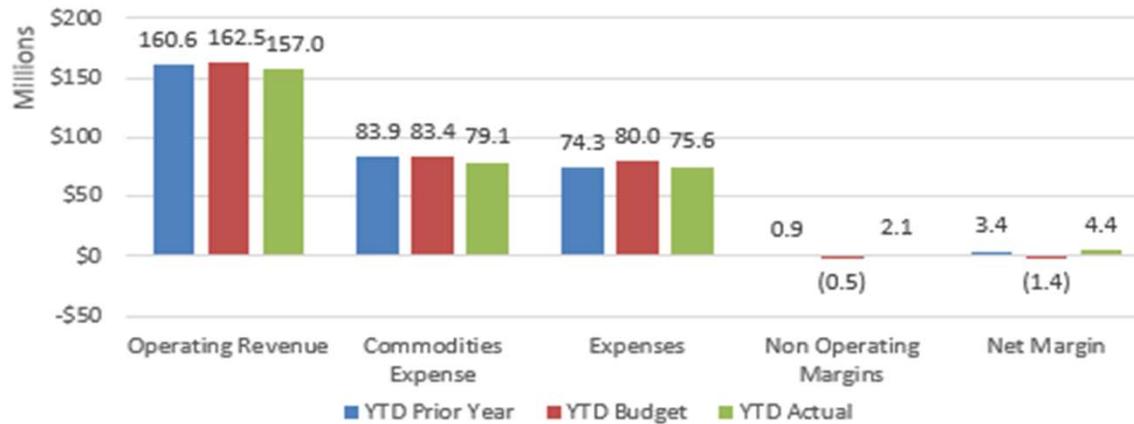
## Equity Ratio



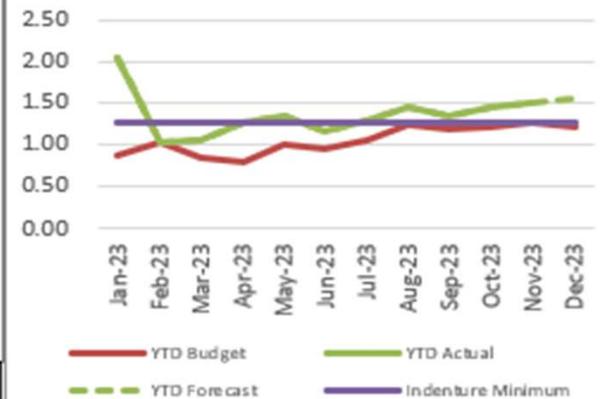
## TIER



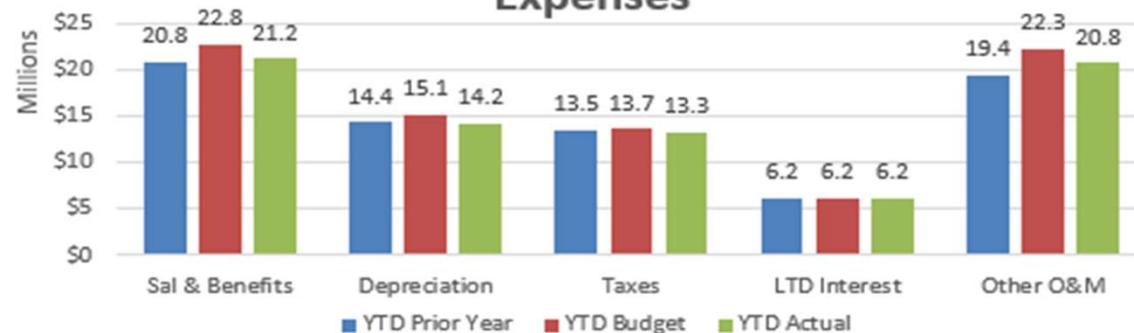
## Key Results



## DSC



## Expenses



## Liquidity & Available Funding

(In Millions)	YTD Actual
Cash	\$0.2
Short-Term Investments	\$41.2
Cushion of Credit	\$0.0
<b>Total Cash &amp; Investments</b>	<b>\$41.4</b>
Line of Credit Available	\$100.0
Line of Credit Drawn	\$0.0

## General Ledger Financial And Operating Report Electric Distribution

### BALANCE SHEET FOR NOV 2023

	Last Year	This Year	Variance
<b>ASSETS AND OTHER DEBITS</b>			
1. Total Utility Plant in Service	581,991,432.12	601,561,978.92	19,570,546.80
2. Construction Work in Progress	13,053,319.25	11,065,272.05	-1,988,047.20
3. Total Utility Plant (1 + 2)	595,044,751.37	612,627,250.97	17,582,499.60
4. Accum. Provision for Depreciation and Amort.	335,229,667.03	339,690,885.30	4,461,218.27
5. Net Utility Plant (3 - 4)	259,815,084.34	272,936,365.67	13,121,281.33
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	24,888,054.82	22,245,352.14	-2,642,702.68
8. Invest. in Assoc. Org. - Patronage Capital	1,158,794.30	1,263,969.31	105,175.01
9. Invest. in Assoc. Org. - Other - General Funds	831,300.00	831,300.00	0.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	0.00	0.00
11. Invest. in Economic Development Projects	977,916.70	983,773.50	5,856.80
12. Other Investments	0.00	0.00	0.00
13. Special Funds	0.00	0.00	0.00
14. Total Other Property & Investments (6 thru 13)	27,856,065.82	25,324,394.95	-2,531,670.87
15. Cash - General Funds	1,286,909.47	1,565,475.10	278,565.63
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	-17,784.71	-15,137.37	2,647.34
18. Temporary Investments	44,943,143.95	41,691,479.58	-3,251,664.37
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	10,758,312.25	12,973,879.79	2,215,567.54
21. Accounts Receivable - Other (Net)	345,906.28	523,741.64	177,835.36
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	21,537,776.99	22,500,656.50	962,879.51
24. Prepayments	1,137,157.20	1,672,545.91	535,388.71
25. Other Current and Accrued Assets	9,193,397.32	8,690,028.89	-503,368.43
26. Total Current and Accrued Assets (15 thru 25)	89,184,818.75	89,602,670.04	417,851.29
27. Regulatory Assets	32,421,774.23	35,851,654.53	3,429,880.30
28. Other Deferred Debits	52,424.18	56,534.53	4,110.35
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	409,330,167.32	423,771,619.72	14,441,452.40

## General Ledger Financial And Operating Report Electric Distribution

### BALANCE SHEET FOR NOV 2023

	Last Year	This Year	Variance
<b>LIABILITIES AND OTHER CREDITS</b>			
30. Memberships	596.80	609.27	12.47
31. Patronage Capital	131,548,981.84	134,471,485.66	2,922,503.82
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	3,398,076.05	4,393,488.90	995,412.85
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	271,701.78	139,807.28	-131,894.50
36. Total Margins & Equities (30 thru 35)	135,219,356.47	139,005,391.11	3,786,034.64
37. Long-Term Debt - RUS (Net)	0.00	0.00	0.00
38. Long-Term Debt - FFB - RUS Guaranteed	117,886,218.07	118,759,126.23	872,908.16
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	119,588,291.53	119,323,502.70	-264,788.83
41. Long-Term Debt - RUS Econ. Devel. (Net)	0.00	0.00	0.00
42. Payments - Unapplied	-6,211,710.01	0.00	6,211,710.01
43. Total Long-Term Debt (37 thru 41 - 42)	231,262,799.59	238,082,628.93	6,819,829.34
44. Obligations Under Capital Leases - Noncurrent	0.00	13,583,205.15	13,583,205.15
45. Accumulated Operating Provisions	-228,559.74	27,830.49	256,390.23
46. Total Other Noncurrent Liabilities (44 + 45)	-228,559.74	13,611,035.64	13,839,595.38
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	5,506,499.00	6,424,007.25	917,508.25
49. Consumers Deposits	1,271,599.47	1,507,801.36	236,201.89
50. Current Maturities Long-Term Debt	13,911,272.96	0.00	-13,911,272.96
51. Current Maturities Long-Term Debt - Econ. Devel.	0.00	0.00	0.00
52. Current Maturities Capital Leases	0.00	0.00	0.00
53. Other Current and Accrued Liabilities	12,169,198.63	11,949,274.62	-219,924.01
54. Total Current & Accrued Liabilities (47 thru 53)	32,858,570.06	19,881,083.23	-12,977,486.83
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	10,218,000.94	13,191,480.81	2,973,479.87
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	409,330,167.32	423,771,619.72	14,441,452.40
Current Assets To Current Liabilities	2.71 to 1	4.51 to 1	
Margins and Equities To Total Assets	33.03 %	32.80 %	
Long-Term Debt To Total Utility Plant	38.86 %	38.86 %	

12/11/2023 3:47:25 pm

## General Ledger Financial And Operating Report Electric Distribution

Page: 1

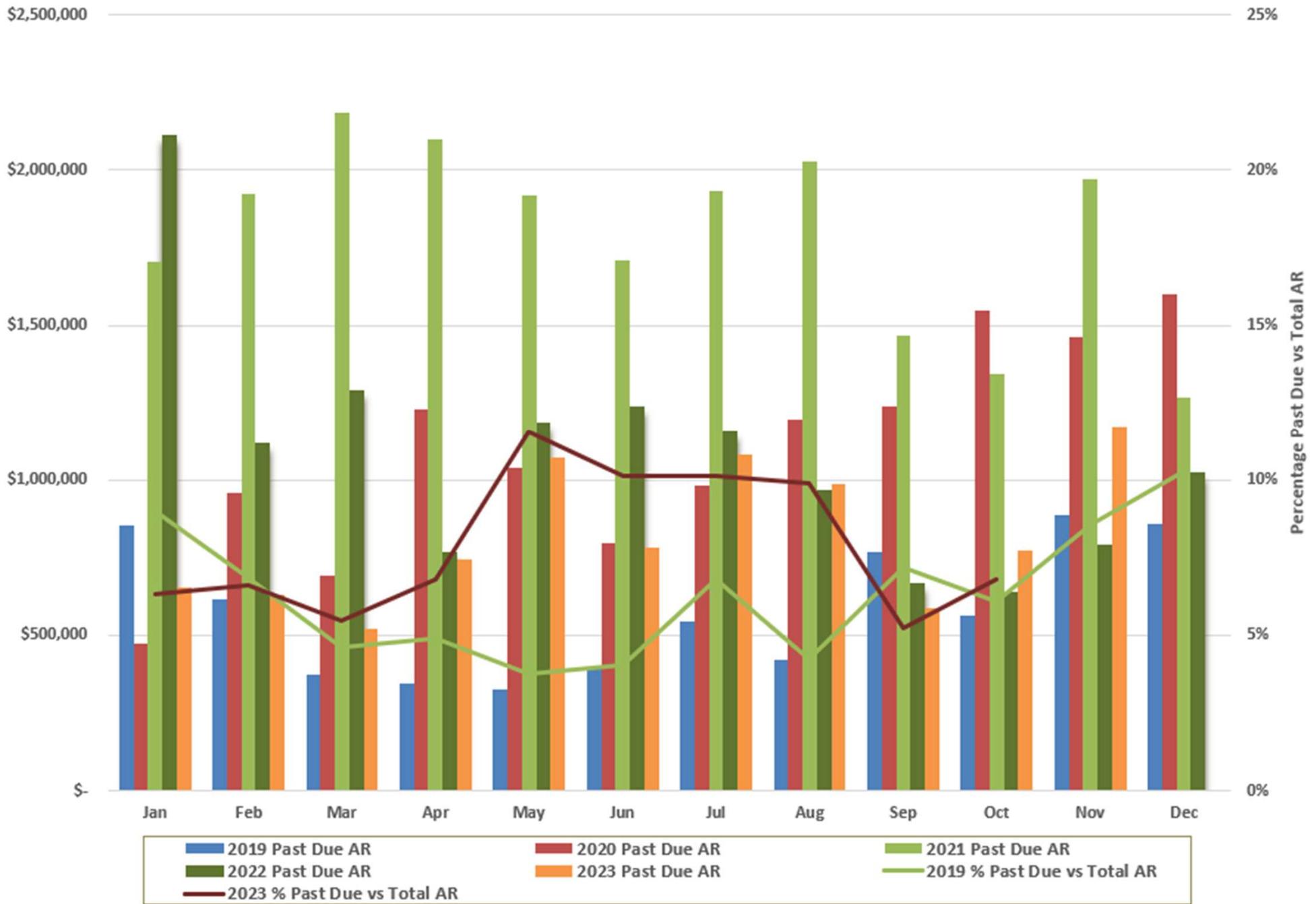
### INCOME STATEMENT FOR NOV 2023

Item	Year - To - Date			Period - To - Date	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	160,634,893.42	157,004,040.70	162,489,073.00	15,740,625.32	14,574,119.00
2. Power Production Expense	52,514,013.69	50,396,314.16	52,456,164.00	6,193,075.65	5,195,513.00
3. Cost of Purchased Power	43,145,728.60	41,249,556.95	43,866,520.00	3,509,688.01	3,488,503.00
4. Transmission Expense	1,038,531.46	1,126,370.85	1,308,147.00	71,672.71	113,344.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	1,593,380.51	1,467,847.94	1,249,902.00	111,728.90	112,212.00
7. Distribution Expense - Maintenance	3,962,556.83	4,400,110.42	4,653,480.00	422,447.27	425,513.00
8. Customer Accounts Expense	2,105,427.57	2,052,071.53	2,523,865.00	162,721.74	230,461.00
9. Customer Service and Informational Expense	250,579.97	275,080.40	438,204.00	6,812.40	36,664.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	19,511,396.83	20,075,273.56	21,937,950.00	1,683,882.40	1,520,917.00
12. Total Operation & Maintenance Expense (2 thru 11)	124,121,615.46	121,042,625.81	128,434,232.00	12,162,029.08	11,123,127.00
13. Depreciation & Amortization Expense	14,377,053.92	14,169,104.64	15,149,755.00	1,253,219.01	1,377,250.00
14. Tax Expense - Property & Gross Receipts	4,012,750.12	3,921,869.65	4,062,226.00	393,126.58	364,353.00
15. Tax Expense - Other	9,486,953.44	9,382,479.61	9,595,482.00	933,609.43	859,687.00
16. Interest on Long-Term Debt	6,186,052.06	6,185,807.08	6,173,300.00	551,919.35	550,600.00
17. Interest Charged to Construction - Credit	0.00	0.00	0.00	0.00	0.00
18. Interest Expense - Other	0.00	0.00	390,000.00	0.00	64,000.00
19. Other Deductions	65,181.99	23,102.27	74,705.00	0.00	3,330.00
20. Total Cost of Electric Service (12 thru 19)	158,249,606.99	154,724,989.06	163,879,700.00	15,293,903.45	14,342,347.00
21. Patronage Capital & Operating Margins (1 minus 20)	2,385,286.43	2,279,051.64	-1,390,627.00	446,721.87	231,772.00
22. Non Operating Margins - Interest	1,238,477.41	2,701,436.45	876,259.00	249,404.51	79,342.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-558,982.97	-994,030.73	-1,298,508.00	-155,891.08	-176,649.00
25. Non Operating Margins - Other	150,025.50	224,531.91	175,681.00	25,757.53	15,971.00
26. Generation and Transmission Capital Credits	0.00	0.00	0.00	0.00	0.00
27. Other Capital Credits and Patronage Dividends	183,269.68	182,499.63	205,000.00	0.00	0.00
28. Extraordinary Items	0.00	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	3,398,076.05	4,393,488.90	-1,432,195.00	565,992.83	150,436.00
Operating - Margin	3,398,076.05	4,393,488.90	-1,432,195.00	565,992.83	150,436.00
Non Operating - Margin	0.00	0.00	0.00	0.00	0.00
Times Interest Earned Ratio - Operating	1.39	1.37			
Times Interest Earned Ratio - Net	1.55	1.71			
Times Interest Earned Ratio - Modified	1.52	1.68			

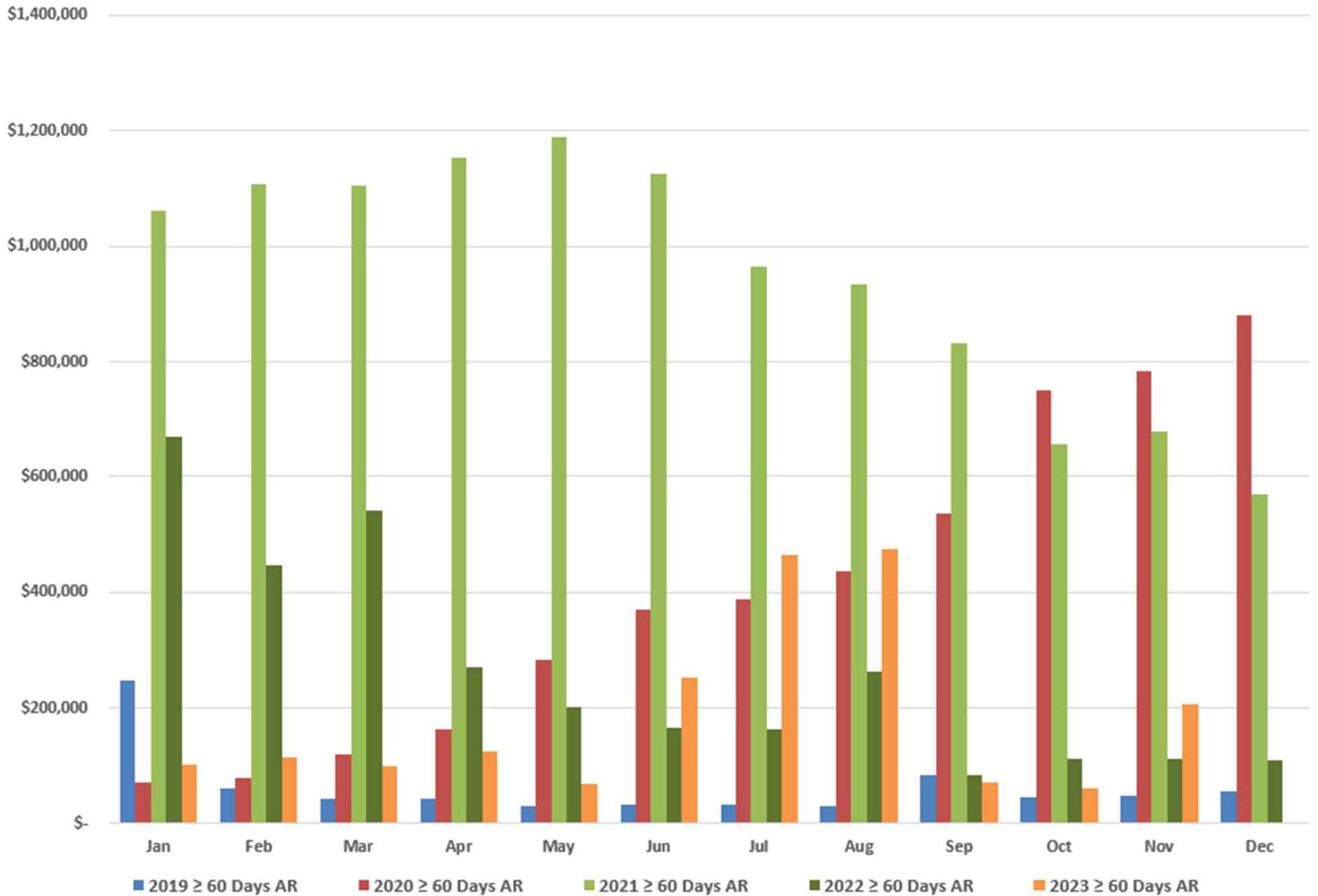
KAUAI ISLAND UTILITY COOPERATIVE  
NOTES, BONDS, AND OTHER INDEBTEDNESS  
TEST YEAR ENDED DECEMBER 31, 2023  
(IN THOUSANDS, EXCEPT PERCENTAGES)

LINE NO.	LENDER	DATE OF NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	LOAN #	ORIGINAL AMOUNT	BALANCE AT 12/31/2022	BALANCE AT 12/31/2023	TY 2023
										INTEREST EXPENSE
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
1	CFC	12/17/03	12/18/03	09/30/23	3.69%	HI001-9005	\$8,240	\$412	\$-	\$8
2	CFC	04/30/19	04/30/19	03/31/35	2.55%	HI001-9014-001	103,134	78,215	72,705	1,930
3	CFC	02/06/20	02/25/20	12/31/49	2.76%	HI001-9019B	26,500	24,856	24,227	680
4							<u>137,874</u>	<u>103,483</u>	<u>96,932</u>	<u>2,618</u>
5	FFB	06/01/04	10/19/04	12/31/23	2.84%	B8 - 1-1	8,240	580	-	10
6	FFB	06/01/04	10/19/04	12/31/23	2.57%	B8 - 1-2	8,240	580	-	9
7	FFB	06/01/04	10/19/04	12/31/23	4.43%	B8 - 1-3	16,480	1,298	-	36
8							<u>32,960</u>	<u>2,458</u>	-	<u>55</u>
9	FFB	07/01/11	06/07/12	12/31/42	2.42%	C8#1 - 2-1	8,716	6,523	6,263	155
10	FFB	07/01/11	10/23/12	12/31/42	2.60%	C8#1 - 2-2	1,606	1,210	1,163	31
11	FFB	07/01/01	06/24/13	12/31/42	3.26%	C8#1 - 2-3	9,100	7,028	6,770	225
12	FFB	07/01/11	11/25/13	12/31/42	2.66%	C8#1 - 2-4	2,689	2,007	1,928	52
13	FFB	07/01/11	03/18/14	12/31/42	3.33%	C8#1 - 2-6	5,198	4,091	3,942	134
14	FFB	07/01/11	08/07/14	12/31/42	3.02%	C8#1 - 2-7	5,731	4,510	4,340	134
15	FFB	07/01/11	05/08/15	12/31/42	2.67%	C8#1 - 2-8	4,213	3,339	3,208	87
16	FFB	07/01/11	09/18/15	12/31/42	2.72%	C8#1 - 2-9	748	598	575	16
17	FFB	01/15/15	10/29/15	12/31/42	2.56%	C8#2 - 3-1	6,000	4,801	4,611	121
18	FFB	01/15/15	01/12/16	12/31/42	2.64%	C8#2 - 3-2	35,587	28,723	27,601	744
19							<u>79,588</u>	<u>62,830</u>	<u>60,401</u>	<u>1,699</u>
20	FFB	12/01/17	04/24/18	12/31/51	3.20%	D8 - 4-1	22,192	20,820	20,366	659
21	FFB	12/01/17	10/22/18	12/31/51	3.44%	D8 - 4-2	5,707	5,368	5,256	183
22	FFB	12/01/17	06/06/19	12/31/51	2.58%	D8 - 4-3	4,776	4,448	4,341	113
23	FFB	12/01/17	06/22/20	12/31/51	1.33%	D8 - 4-4	3,992	3,729	3,620	49
24	FFB	12/01/17	10/08/21	12/31/51	2.09%	D8 - 4-5	7,889	7,694	7,494	159
25	FFB	12/01/17	05/19/22	12/31/51	3.24%	D8 - 4-6	3,450	3,415	3,341	109
26	FFB	12/01/17	08/29/22	12/31/51	3.42%	D8 - 4-7	12,706	12,645	12,379	428
27							<u>60,712</u>	<u>58,119</u>	<u>56,797</u>	<u>1,700</u>
28	COBANK	02/06/20	02/22/21	02/20/51	2.90%	00102606 T01	18,119	17,408	17,004	506
29	COBANK	02/06/20	02/10/22	02/10/52	3.33%	00102606 T01-DS	4,900	4,812	4,713	161
30							<u>23,019</u>	<u>22,220</u>	<u>21,717</u>	<u>667</u>
31	<b>TOTAL</b>						<b>\$334,153</b>	<b>\$249,110</b>	<b>\$235,847</b>	<b>\$6,739</b>
32	Adjustment due to Rounding						-	-	-	-9
33	<b>ADJUSTED TOTAL</b>						<b>\$334,153</b>	<b>\$249,110</b>	<b>\$235,847</b>	<b>\$6,730</b>
	CWP Loan Funds Needed (with Add of Hana Kukui Purchase (\$25M) and Remodel (\$15M) for a total \$40M)						\$ 203,400	\$ 203,400	\$ 203,400	
	LOC Available (60M Disaster, CFC \$20, CFC \$5M CoBank \$15M)						\$ 100,000	\$ 100,000	\$ 100,000	
	<b>Outstanding Total Loan Balances</b>						<b>\$637,553</b>	<b>\$552,510</b>	<b>\$539,247</b>	
	LOC Available Deduct out of Ceiling (60M Disaster, CFC \$20, CFC \$5M CoBank \$15M)						\$ (100,000)	\$ (100,000)	\$ (100,000)	
							<b>\$537,553</b>	<b>\$452,510</b>	<b>\$439,247</b>	

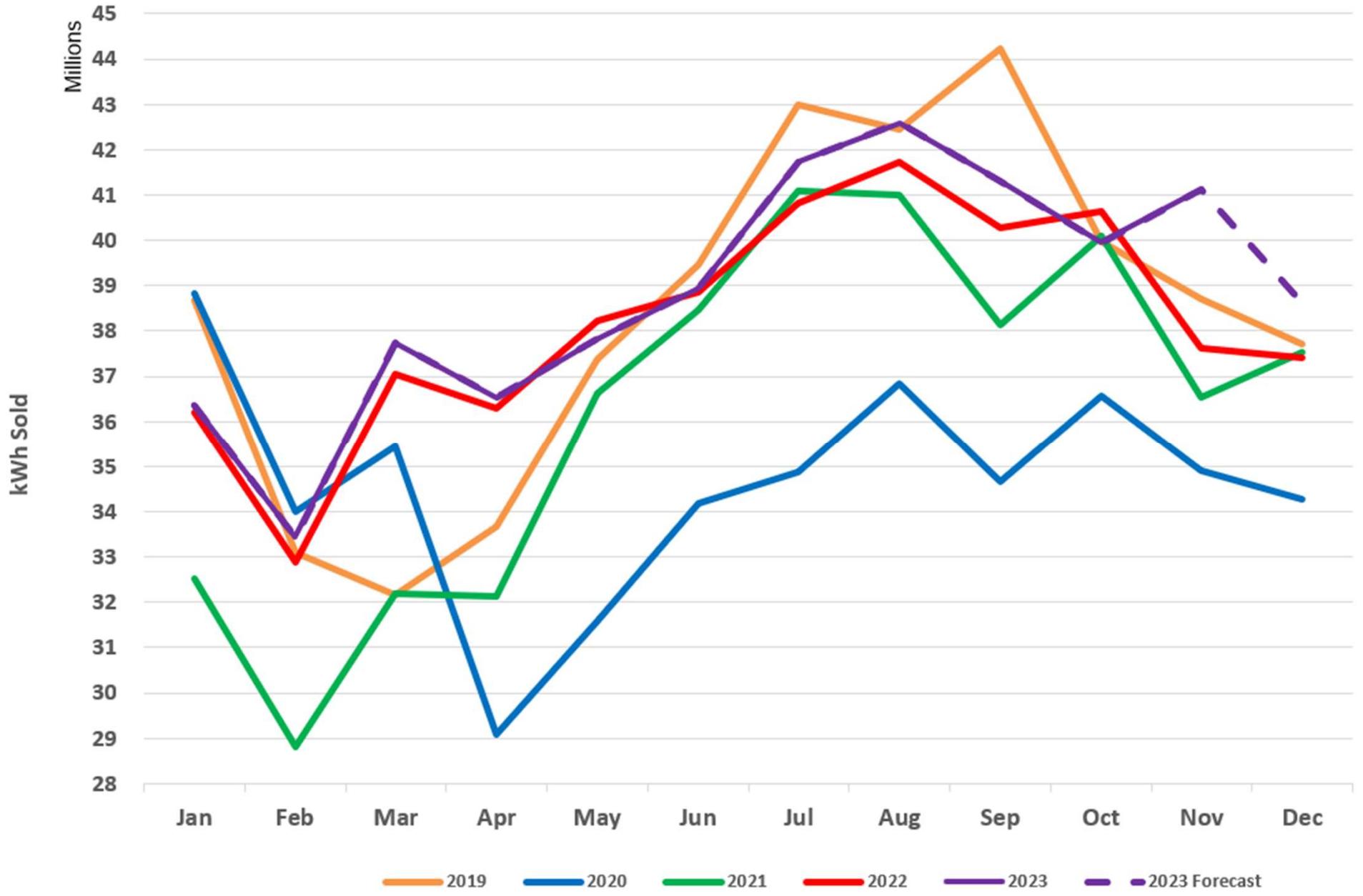
### YOY > 30 days vs Total AR



### YOY $\geq 60$ Days vs Total AR



# Total kWh Sold



# Treasury Management – Monthly Discussion

- Ratings:
  - No changes in Money Market Fund Rating even with the downgrade of US Government Credit Ratings for Treasury.
- Current Summary Of Investments:
- \$31.3M Dreyfus Funds – AAA Rating Money Market Fund very ST
  - Government MM Fund – Treasury Only
  - Stable Value type of money market (heavily regulated and makes it difficult to break the dollar)
  - 4.97% Interest Rate
- \$4.95M CFC Daily and Monthly Commercial Paper – ST to Medium Term Investment – Daily to Monthly A2 Moody and S&P A-
  - Daily Fund \$4.9M 4.60%
- \$4.92M CoBank Commercial Paper Investment – AA- Moody and S&P
  - 60-day Investment – 4.20%
- \$255,800 Central Pacific Bank – Backup Checking in NISC if needed
  - Backup for Checking in Money Market (unlimited) account
  - 4.08%

**Questions?**

# NRECA Board Update

November 2023



- ◆ In response to the North American Electric Reliability Corporation's (NERC) Winter Reliability Assessment that warns of "insufficient electricity supplies during peak winter conditions," Jim Matheson spoke with more than 30 television outlets and other media to share the co-op perspective, including [The Washington Post](#), [Fox Business](#) and [CBS](#).
- ◆ NRECA continues to engage decision-makers regarding the EPA's proposed rules and their impacts on affordability and reliability. Recent highlights include:
  - ◇ NRECA submitted supplemental [comments](#) to EPA, highlighting the recent cancellation and delay of two carbon transport pipelines as an issue that underscores NRECA's position on unrealistic infrastructure development.
  - ◇ Director of North Dakota's Department of Environmental Quality David Glatt echoed NRECA's concerns at a House Energy and Commerce Subcommittee on Environment meeting.
  - ◇ House Energy and Commerce Committee Chairwoman Cathy McMorris Rodgers (R-Wash.) and committee members Reps. Bill Johnson (R-Ohio) and Morgan Griffith (R-Va.) sent a letter to EPA expressing concerns similar to NRECA's about the status of carbon capture and storage infrastructure.
  - ◇ At the urging of NRECA, members of Congress, and other key stakeholders, the Federal Energy Regulatory Commission held a Reliability Technical Conference focused on the EPA's proposed emissions regulations. President and CEO of East Kentucky Power Cooperative Tony Campbell testified at the conference.
- ◆ NRECA Broadband participants discussed deploying broadband with federal decision-makers and got a peek at what lies ahead in regulation, funding and legislation at the second annual NRECA Broadband Leadership [Summit](#) in Washington, D.C. Attendees engaged with Rural Utilities Service Administrator Andy Berke, and Deputy Associate Administrator for the Broadband Equity, Access and Deployment Program Evan Feinman, and experts in leasing dark fiber, workforce development, disaster funding from the Federal Emergency Management Agency and middle-mile development.

NRECA Board of Directors

# NRECA Update

December 2023

# Amplifying Co-op Perspective

- NERC's Winter Reliability Assessment warns "insufficient electricity supplies during peak winter conditions."
- Jim Matheson spoke with more than 30 TV outlets and other media to share the co-op perspective.



# Drumbeat of Reliability & Affordability

- NRECA continues to engage policymakers regarding EPA's proposed rules.
  - NRECA submitted supplemental comments.
  - House Energy & Commerce Committee chairwoman and two members sent EPA letter expressing concerns similar to NRECA's.
  - FERC held Reliability Technical Conference focused on EPA's proposed regulations. President and CEO of East Kentucky Power Cooperative Tony Campbell testified.

# NRECA Broadband Leadership Summit

- Second annual NRECA Broadband Leadership Summit held in Washington, D.C.
- Exclusive event for 103 NRECA Broadband participants.
- Attendees engaged with decision-makers and industry leaders.



Deputy Associate Administrator of the Broadband Equity, Access and Deployment (BEAD) program Evan Feinman was the first morning speaker.



Report of KIUC Charitable Foundation

To KIUC Board of Directors

12/14/2023

The Charitable Foundation Board met on 12/5/23

The following reports were received:

Treasurer reported an ending balance of \$61,515.74.

KEO no assist for the mo.

In the Makana program we have 439 participating and YTD contributed \$3,233.33.

Actions taken: Catholic Charities \$5,000.

Hui O Laka - \$1,000.

Kauai Robotics Alliance \$2,500.

T. Phil Tacbian, President

# BOARD APPROVAL REQUEST FORM

## Requestor

Department Accounting Date 11/28/2023

Name Stacie Dellamano Title: Financial VP & CFO

Program/Project Name Attorney Invoices Over CEO Limit / Rate Case Expense

Project Dates (if any) \_\_\_\_\_

Deadline(s) \_\_\_\_\_

## Description of Request (attach documentation if needed)

Requesting approval to pay the following invoice, which exceeds the CEO's expenditure limit of \$100,000 per attorney invoice:

- Schneider Tanaka Radovich Andrew & Tanaka (STRAT) invoice #17-9001-205M dated 11/08/2023, in the amount of \$167,197.84.

## Financial Impact

Fiscal Year: 2023

Budgeted? X Unbudgeted? \_\_\_\_\_

O&M \_\_\_\_\_ Capital X (if NEW, attach Capital Justification Sht)

Original Budget Amt \_\_\_\_\_

Additional/Change \_\_\_\_\_

Revised Budget Amt \$ \_\_\_\_\_ -

Required (Initials)

CEO Review: DB

## Committee Referral/Action

Committee F&A

Meeting Date: 12/7/2023

Committee Recommendations: \_\_\_\_\_

Cmte Chairperson Presiding: Peter Yukimura

## Board Action

Board Workshop \_\_\_\_\_ Wrkshp Date: \_\_\_\_\_

Board Meeting Date 12/14/2023

Action Taken: Approved 1st/2nd: \_\_\_\_\_

Other Info: \_\_\_\_\_ Res No. \_\_\_\_\_

File Date & Location \_\_\_\_\_

**RESOLUTION 06-23 OF THE  
BOARD OF DIRECTORS OF  
KAUA'I ISLAND UTILITY COOPERATIVE ("KIUC")**

WHEREAS, review of the KIUC Results of Operations (ROO) Budget for Calendar Year 2024 by the KIUC Board of Directors and Staff occurred at a workshop on December 6, 2023; and

WHEREAS, said ROO Budget is reflected in the KIUC 2024 ROO Budget summary attached to this resolution as Exhibit "A"; and

WHEREAS, the Board has determined that approval of said ROO Budget is appropriate.

NOW, THEREFORE, be it hereby RESOLVED by the Board of Directors of KIUC that the KIUC ROO Budget for Calendar Year 2024 as reflected in the KIUC 2024 ROO Budget summary attached to this resolution as Exhibit "A" is hereby approved.

**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 Regular Meeting of the Board of Directors held on December 14, 2023, at Līhu`e, Kaua`i, Hawai`i.

Dated this 14<sup>th</sup> day of December, 2023, at Līhu`e, Kaua`i, Hawai`i.

---

Calvin Murashige  
Secretary

**Exhibit A**  
**Kauai Island Utility Cooperative**  
**2023 TY ROO Budget**

<b>SUMMARY</b>	<u>Jan-24</u>	<u>Feb-24</u>	<u>Mar-24</u>	<u>Apr-24</u>	<u>May-24</u>	<u>Jun-24</u>	<u>Jul-24</u>	<u>Aug-24</u>	<u>Sep-24</u>	<u>Oct-24</u>	<u>Nov-24</u>	<u>Dec-24</u>	<u>Total-2024</u>
Electric Revenue	\$ 14,442,602	\$ 13,328,630	\$ 14,966,232	\$ 14,527,132	\$ 14,983,592	\$ 15,395,918	\$ 16,462,432	\$ 16,439,259	\$ 15,897,714	\$ 15,904,271	\$ 14,941,383	\$ 14,863,978	\$ 182,153,143
Other Revenue	(32,409)	(32,409)	(32,409)	(32,409)	(32,409)	(32,409)	(32,409)	(32,409)	(32,409)	(32,409)	(32,409)	(2,838,659)	(3,195,158)
<b>TOTAL REVENUE</b>	<b>\$ 14,410,193</b>	<b>\$ 13,296,221</b>	<b>\$ 14,933,823</b>	<b>\$ 14,494,723</b>	<b>\$ 14,951,183</b>	<b>\$ 15,363,509</b>	<b>\$ 16,430,023</b>	<b>\$ 16,406,850</b>	<b>\$ 15,865,305</b>	<b>\$ 15,871,862</b>	<b>\$ 14,908,974</b>	<b>\$ 12,025,319</b>	<b>\$ 178,957,985</b>
<b>COMMODITIES</b>	<b>\$ 6,748,488</b>	<b>\$ 6,146,409</b>	<b>\$ 7,161,607</b>	<b>\$ 7,039,767</b>	<b>\$ 6,787,449</b>	<b>\$ 6,956,013</b>	<b>\$ 7,370,939</b>	<b>\$ 7,402,594</b>	<b>\$ 7,225,795</b>	<b>\$ 7,566,600</b>	<b>\$ 6,867,282</b>	<b>\$ 6,767,352</b>	<b>\$ 84,040,295</b>
<b>GROSS MARGIN</b>	<b>\$ 7,661,705</b>	<b>\$ 7,149,812</b>	<b>\$ 7,772,216</b>	<b>\$ 7,454,956</b>	<b>\$ 8,163,734</b>	<b>\$ 8,407,496</b>	<b>\$ 9,059,084</b>	<b>\$ 9,004,256</b>	<b>\$ 8,639,510</b>	<b>\$ 8,305,262</b>	<b>\$ 8,041,692</b>	<b>\$ 5,257,967</b>	<b>\$ 94,917,690</b>
Power Supply	\$ 1,278,220	\$ 1,396,997	\$ 1,237,633	\$ 1,266,264	\$ 1,259,657	\$ 1,300,672	\$ 1,281,409	\$ 1,256,791	\$ 1,226,807	\$ 1,282,336	\$ 1,231,181	\$ 1,247,662	\$ 15,265,629
Transmission & Distribution	809,989	794,896	802,757	804,001	828,055	782,390	857,982	806,782	795,771	813,256	792,680	823,012	9,711,571
Member Services	305,545	294,270	292,990	301,764	308,430	328,545	315,563	304,972	293,044	303,656	301,008	297,470	3,647,257
Communications	82,862	103,056	82,160	108,018	68,750	63,150	106,430	56,370	54,150	80,484	68,750	121,365	995,545
Energy Services	54,674	76,224	100,846	71,646	63,946	89,696	80,946	69,496	90,846	70,196	67,246	62,348	898,110
Human Resources	97,132	93,482	106,739	103,489	93,689	101,189	108,669	103,909	105,239	99,689	91,689	106,890	1,211,805
Executive	97,225	112,145	101,152	98,976	165,456	95,356	104,391	104,756	95,756	96,451	94,456	120,559	1,286,679
Board of Directors	71,113	96,898	88,743	94,318	72,703	71,023	36,294	34,253	63,289	25,003	27,044	46,379	727,060
Safety & Facilities	303,985	301,845	304,759	302,619	314,833	312,693	314,833	312,693	314,833	312,693	314,833	313,000	3,723,619
SOS Shearwater Program	27,600	27,750	27,600	27,600	27,600	27,750	27,600	39,000	28,750	28,600	28,600	29,350	347,800
Regulatory Affairs	129,540	129,540	130,017	130,017	130,017	137,167	130,017	130,017	130,017	130,017	130,017	135,509	1,571,892
Engineering	122,284	120,348	121,368	166,301	123,287	125,901	131,261	124,710	121,352	123,279	121,362	129,879	1,531,332
Habitat Conservation Program	429,433	420,000	465,833	421,100	428,333	457,500	429,433	420,000	465,833	421,100	428,335	457,500	5,244,400
Financial & Corporate Services	276,841	297,582	283,740	269,361	283,177	278,846	297,110	284,929	278,158	277,410	280,996	261,010	3,369,160
Information Technology	356,776	306,305	233,365	235,477	296,665	374,726	265,339	245,565	325,731	232,465	237,349	232,557	3,342,320
<b>TOTAL O&amp;M LESS COMMODITIES</b>	<b>\$ 4,443,219</b>	<b>\$ 4,571,338</b>	<b>\$ 4,379,702</b>	<b>\$ 4,400,951</b>	<b>\$ 4,464,598</b>	<b>\$ 4,546,604</b>	<b>\$ 4,487,277</b>	<b>\$ 4,294,243</b>	<b>\$ 4,389,576</b>	<b>\$ 4,296,635</b>	<b>\$ 4,215,546</b>	<b>\$ 4,384,490</b>	<b>\$ 52,874,179</b>
<b>TOTAL O&amp;M INCL COMMODITIES</b>	<b>\$ 11,191,707</b>	<b>\$ 10,717,747</b>	<b>\$ 11,541,309</b>	<b>\$ 11,440,718</b>	<b>\$ 11,252,047</b>	<b>\$ 11,502,617</b>	<b>\$ 11,858,216</b>	<b>\$ 11,696,837</b>	<b>\$ 11,615,371</b>	<b>\$ 11,863,235</b>	<b>\$ 11,082,828</b>	<b>\$ 11,151,842</b>	<b>\$ 136,914,474</b>
Depreciation & Amortization	\$ 1,337,221	\$ 1,337,222	\$ 1,337,221	\$ 1,337,222	\$ 1,337,221	\$ 1,337,222	\$ 1,337,221	\$ 1,337,222	\$ 1,337,221	\$ 1,337,222	\$ 1,337,221	\$ 1,337,222	16,046,658
Taxes Other Than Income	1,220,895	1,121,489	1,258,801	1,230,582	1,259,357	1,302,931	1,381,558	1,379,614	1,343,206	1,334,056	1,253,317	1,014,523	15,100,329
<b>TOTAL EXPENSES</b>	<b>\$ 13,749,823</b>	<b>\$ 13,176,458</b>	<b>\$ 14,137,331</b>	<b>\$ 14,008,522</b>	<b>\$ 13,848,625</b>	<b>\$ 14,142,770</b>	<b>\$ 14,576,995</b>	<b>\$ 14,413,673</b>	<b>\$ 14,295,798</b>	<b>\$ 14,534,513</b>	<b>\$ 13,673,366</b>	<b>\$ 13,503,587</b>	<b>\$ 168,061,461</b>
<b>OPERATING INCOME</b>	<b>\$ 660,370</b>	<b>\$ 119,763</b>	<b>\$ 796,492</b>	<b>\$ 486,201</b>	<b>\$ 1,102,558</b>	<b>\$ 1,220,739</b>	<b>\$ 1,853,028</b>	<b>\$ 1,993,177</b>	<b>\$ 1,569,507</b>	<b>\$ 1,337,349</b>	<b>\$ 1,235,608</b>	<b>\$ (1,478,268)</b>	<b>\$ 10,896,524</b>
Interest & Dividend Income	\$ 188,430	\$ 187,430	\$ 187,429	\$ 167,182	\$ 167,182	\$ 166,181	\$ 126,430	\$ 126,430	\$ 126,429	\$ 111,759	\$ 111,759	\$ 111,758	1,778,399
Other Income (Jobbing)	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
Income (Loss) from KRS1	(138,583)	(120,888)	(59,898)	(86,921)	(94,198)	(23,124)	(32,557)	(4,890)	(48,646)	(70,030)	(112,545)	(107,046)	(899,326)
Income (Loss) from KRS2H	(29,072)	(50,689)	(9,757)	6,163	37,997	32,333	22,387	46,912	7,850	(47,539)	(46,434)	(35,146)	(64,995)
Non-Operating Income	8,120	8,120	8,120	8,120	8,120	8,120	8,120	8,120	8,120	8,120	8,120	8,120	97,440
Capital Credits & Patronage Allocation	-	-	-	-	-	-	-	-	195,000	-	-	10,000	205,000
Sponsorships & Contributions	(45,330)	(2,830)	(8,080)	(3,830)	(7,830)	(3,230)	(4,580)	(2,830)	(2,830)	(2,830)	(3,330)	(2,870)	(90,400)
Interest Expense-LTD	(542,000)	(536,000)	(542,000)	(538,000)	(539,000)	(535,000)	(536,000)	(535,000)	(532,000)	(533,000)	(529,000)	(529,000)	(6,426,000)
Interest Expense-STD	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>NET MARGINS</b>	<b>\$ 105,935</b>	<b>\$ (391,094)</b>	<b>\$ 376,306</b>	<b>\$ 42,915</b>	<b>\$ 678,829</b>	<b>\$ 870,019</b>	<b>\$ 1,440,828</b>	<b>\$ 1,635,919</b>	<b>\$ 1,327,430</b>	<b>\$ 807,829</b>	<b>\$ 668,178</b>	<b>\$ (2,018,452)</b>	<b>\$ 5,544,642</b>
<b>TIMES INTEREST EARNED RATIO (TIER)</b>	1.20	0.27	1.69	1.08	2.26	2.63	3.69	4.06	3.50	2.52	2.26	-2.82	1.86

**RESOLUTION 07-23 OF THE  
BOARD OF DIRECTORS OF  
KAUA`I ISLAND UTILITY COOPERATIVE ("KIUC")**

WHEREAS a review of the KIUC Capital Budget for Calendar Year 2024 by the KIUC Board of Directors and Staff occurred at a workshop on December 6, 2023; and

WHEREAS, said Capital Budget is reflected in the KIUC 2024 Capital Budget summary attached to this resolution as Exhibit "A"; and

WHEREAS, the Board has determined that approval of said Capital Budget is appropriate.

NOW, THEREFORE, be it hereby RESOLVED by the Board of Directors of KIUC that the KIUC Capital Budget for Calendar Year 2024, as reflected in the KIUC 2024 Capital Budget summary attached to this resolution as Exhibit "A" is hereby approved.

**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 Regular Meeting of the Board of Directors held on December 14, 2023, at Līhu`e, Kaua`i, Hawai`i.

Dated this 14<sup>th</sup> day of December 2023, at Līhu`e, Kaua`i, Hawai`i.

---

Calvin Murashige  
Secretary

**Exhibit "A"**  
**KAUAI ISLAND UTILITY COOPERATIVE**  
**2024 CAPITAL BUDGET**

740c  
Code

**PROJECTS**

(In 000's)

**NORMAL AND RECURRING**

**PRODUCTION**

xx1201	SAFETY	25.0
xx1202	RELIABILITY	200.0
xx1203	ENVIRONMENTAL	50.0
xx1204	EFFICIENCY	75.0
xx1205	HYDRO IMPROVEMENTS	75.0
xx1206	DIESEL OVERHAULS	100.0
xx1207	GAS TURBINE OVERHAULS	1,000.0
xx1208	BUILDING & GROUNDS	250.0
	TOTAL-PRODUCTION	1,775.0

**TRANSMISSION & DISTRIBUTION**

xx0101B	LINE EXTENSIONS - UG	200.0
xx0102B	LINE EXTENSIONS - OH	200.0
xx0301B	LINE REPLACEMENTS - UG	240.0
xx0302B	LINE REPLACEMENTS - OH	480.0
xx0101C	NEW SERVICES - UG	60.0
xx0102C	NEW SERVICES - OH	40.0
xx0101D	DEVELOPER WORK - UG	640.0
xx0102D	DEVELOPER WORK - OH	80.0
xx0301D	SYSTEM RELIABILITY & INSPECTION-UG	40.0
xx1001	TRANSMISSION INSULATOR REPLACE	480.0
xx0606A	POLE REPLACEMENTS	1,200.0
xx03011	UG SYSTEM IMPROVEMENTS	200.0
xx0501	SUBSTATION REPL/UPGRADES - DIST	160.0
xx1002	SUBSTATION REPL/UPGRADES - TR	240.0
xx1235	SUBSTATION TRANSFORMER REPL-GSU	1,200.0

**Exhibit "A"**  
**KAUAI ISLAND UTILITY COOPERATIVE**  
**2024 CAPITAL BUDGET**

740c Code	<u><b>PROJECTS</b></u>	<u>(In 000's)</u>
xx1004	SYSTEM PROTECTION UPGR/REPL-TR	200.0
xx0503	SYSTEM PROTECTION UPGR/REPL-DIST	80.0
xx0615A	COMMUNICATION SYSTEM UPGR/REPL	100.0
xx0601A	DISTRIBUTION XFMR-UG-NEW CUST	1,200.0
xx0601C	DISTRIBUTION XFMR-OH NEW CUST	800.0
xx0601E	TRANSFORMER OIL DISPOSAL - UG	80.0
xx0601F	TRANSFORMER OIL DISPOSAL - OH	100.0
xx0601G	METERS - NEW CONSUMERS	100.0
xx0601H	METERS - REPLACEMENTS	280.0
xx0607A	STREET & AREA LIGHTS - REPL	32.0
xx0702A	STREET & AREA LIGHTS - NEW	12.0
xx1511	BUILDING & FACILITY REPL/UPGRADES	80.0
xx0704B	SCADA SYSTEM UPGRADES/REPL	100.0
	TOTAL-TRANSMISSION & DISTRIBUTION	8,624.0
	<b>HUMAN RESOURCES</b>	
xx1515	HR CUSTOMIZATIONS	10.0
	TOTAL-HUMAN RESOURCES	10.0
	<b>HCP</b>	
xx1109	DIVERTER REPLACEMENTS	560.0
	TOTAL-HCP	560.0
	<b>SAFETY &amp; FACILITIES</b>	
xx1504	SAFETY EQUIPMENT	60.0
xx1505	SECURITY SYSTEM/FACILITIES UPGRADES	225.0
	TOTAL-SAFETY & FACILITIES	285.0

**Exhibit "A"**  
**KAUAI ISLAND UTILITY COOPERATIVE**  
**2024 CAPITAL BUDGET**

740c Code	<u><b>PROJECTS</b></u>	<u>(In 000's)</u>
	<b>INFORMATION SERVICES</b>	
xx1506	SYSTEM REPLACEMENTS	515.0
xx1507	SYSTEM IMPROVEMENTS	565.0
	TOTAL-INFORMATION SERVICES	1,080.0
	<b>GENERAL PLANT</b>	
xx1508	VEHICLES	250.0
xx1509	OFFICE FURNITURE AND EQUIPMENT	35.0
xx1510	TOOLS AND EQUIPMENT	165.0
	TOTAL-GENERAL PLANT	450.0
	<b>TOTAL-NORMAL AND RECURRING</b>	<b>12,784.0</b>

**Exhibit "A"**  
**KAUAI ISLAND UTILITY COOPERATIVE**  
**2024 CAPITAL BUDGET**

740c Code	<b><u>PROJECTS</u></b>	<u>(In 000's)</u>
	<b><u>NON-RECURRING</u></b>	
	<b>PRODUCTION</b>	
241202M	PAGS OIL & WATER SEPERATOR	500.0
241202P	PAGS SYNCHRONOUS CONDENSER CONV	250.0
	TOTAL-PRODUCTION	750.0
	<b>TRANSMISSION &amp; DISTRIBUTION</b>	
2403014	PUHI SUBDIVISION 12.47KV UPGRADE	2,000.0
240620	BATTERY STORAGE & GFI - GRIP	8,000.0
241568	DECOMMISSION KAPAA BASEYARD	400.0
	TOTAL-TRANSMISSION & DISTRIBUTION	10,400.0
	<b>MEMBER SERVICES</b>	
241571	CALL CENTER RECONFIGURATION	25.0
	TOTAL-MEMBER SERVICES	25.0
	<b>HCP</b>	
241540	HCP INCIDENTAL TAKE PERMIT	4,430.3
	TOTAL-HCP	4,430.3
	<b>ENGINEERING</b>	
240803	KILOHANA/HANAHANAPUNI 69KV LINE	1,500.0
240901	KILOHANA SWITCHYARD	4,875.0
241028	HANALEI TAP-PRINCEVILLE TRANSMISSION LINE	1,550.0
	TOTAL-ENGINEERING	7,925.0

**Exhibit "A"**  
**KAUAI ISLAND UTILITY COOPERATIVE**  
**2024 CAPITAL BUDGET**

740c Code	<u><b>PROJECTS</b></u>	<u>(In 000's)</u>
	<b>FINANCIAL &amp; CORPORATE SERVICES</b>	
241325	ANAHOLA SERVICE CENTER WAREHOUSE	500.0
	TOTAL-FINANCIAL & CORPORATE SERVICES	<u>500.0</u>
	<b>TOTAL-NON-RECURRING</b>	<u><b>24,030.3</b></u>

**Exhibit "A"**  
**KAUAI ISLAND UTILITY COOPERATIVE**  
**2024 CAPITAL BUDGET**

740c Code	<u><b>PROJECTS</b></u>	<u>(In 000's)</u>
<b><u>CARRYOVER PROJECTS-PRIOR YEARS</u></b>		
221202J-CO2	KPS FUEL NOZZLES FOR GT	449.0
231202R-CO1	KPS OTSG TUBE REPLACEMENT	510.0
220801B-CO2	SEABIRD MITIGATION	2,929.4
231570-CO1	HANA KUKUI GENERATOR	100.0
231567-CO1	ELEELE MATLS WHSE IMPROVEMENTS-PHASE 3	200.0
<b>TOTAL-CARRYOVER PROJECTS</b>		<b><u>4,188.4</u></b>

**Exhibit "A"**  
**KAUAI ISLAND UTILITY COOPERATIVE**  
**2024 CAPITAL BUDGET**

740c Code	<u><b>PROJECTS</b></u>	<u>(In 000's)</u>
	<b>TOTAL-ANNUAL CAPITAL EXPENDITURE</b>	<b>41,002.8</b>
	<b>CUSTOMER ADVANCES</b>	
xx0101B	LINE EXTENSIONS - UG	(40.0)
xx0102B	LINE EXTENSIONS - OH	(40.0)
xx0101D	DEVELOPER WORK - UG	(576.0)
xx0102D	DEVELOPER WORK - OH	(72.0)
	<b>TOTAL CUSTOMER ADVANCES</b>	<b>(728.0)</b>
	<b>CONTRIBUTION IN AID OF CONSTRUCTION</b>	
xx0101C	NEW SERVICES - UG	(6.0)
xx0102C	NEW SERVICES - OH	(4.0)
	<b>TOTAL CONTRIBUTION IN AID OF CONSTRUCTION</b>	<b>(10.0)</b>
	<b>GRANT FUNDING</b>	
240620	BATTERY STORAGE & GFI - GRIP	-
240620	BATTERY STORAGE & GFI - PACE LOAN FORGIVENESS	-
250547	NORTH SHORE ENERGY RESILIENCY PROJECT-GRANT FUND	-
	<b>TOTAL GRANT FUNDING</b>	<b>-</b>
	<b>TOTAL-CAPEX CASH REQTS BEFORE LOAN FUNDING</b>	<b>40,264.8</b>

**RESOLUTION 08-23 OF THE  
BOARD OF DIRECTORS OF  
KAUAI ISLAND UTILITY COOPERATIVE**

**Loan Application and Documentation for a New RUS Loan**

**December 14, 2023**

**WHEREAS**, the Board of Directors of Kauai Island Utility Cooperative (the “Company”) has determined that financing is being sought from RUS in response to the Invitation to Apply for Funding under Section 22001 of the Inflation Reduction Act for the Projects referred to as Energy Storage System with Solar Grid Forming Inverter;

**WHEREAS**, the Board of Directors of the Company has determined that it is in the interest of the Company to submit an application for funding under the Powering Affordable Clean Energy (PACE) Program to the Rural Utilities Service (“RUS”) requesting a loan from the RUS to finance certain electric facilities and system improvements described in such application; and

**WHEREAS**, management and staff recommend approval of the Loan Application (as defined below) and the Indenture and loan documentation associated with the RUS Loan (as defined below).

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Company hereby authorizes, empowers and directs the Company to make application to RUS, pursuant to Section 7 C.F.R., part 1710 or other applicable regulations (as may be amended or supplemented from time to time, the “Loan Application”), for, and to obtain, a loan from the RUS (the “RUS Loan”) in an amount not to exceed **\$32,500,000** with a term not to exceed **20 years** from the date of advance and with a method of amortization with respect to each advance as selected by either the Company's chief executive officer or the Company's chief financial officer (an "Authorized Person") at the time such advance is requested, and the proceeds of the RUS Loan will be used to finance certain electric facilities and system improvements described in the Loan Application or otherwise as approved by RUS.

**BE IT FURTHER RESOLVED**, that the Board of Directors of the Company hereby authorizes an Authorized Person or designee of any Authorized Person (each, a “Designee”), for and on behalf of the Company and in its name, to enter into, execute and deliver, and authorizes the Company to perform its obligations under, an amendment of, or an amendment and restatement of, the then existing loan contract between the Company and RUS, setting forth, among other things, the terms and conditions of the RUS Loan, including advances of the RUS Loan, and incorporating certain amendments to the existing loan contract requested by an Authorized Person and agreed to by RUS, with such terms and conditions as any Authorized Person or Designee determines necessary or appropriate and in the interest of the Company.

**BE IT FURTHER RESOLVED**, that the Board of Directors of the Company hereby authorizes the Authorized Person or Designee, for and on behalf of the Company and in its name, to enter into, execute and deliver, and authorizes the Company to perform its obligations under, a

promissory note payable to the RUS, in a face principal amount not to exceed the amount of the RUS Loan (the “RUS Note”), with the RUS Note to be in the form as may be required by the RUS.

**BE IT FURTHER RESOLVED**, that the Board of Directors of the Company hereby authorizes the Authorized Person or Designee, for and on behalf of the Company and in its name, to enter into, execute and deliver, pursuant to Article XII of the Indenture (as defined below), a supplemental indenture (the “Supplemental Indenture”) with U.S. Bank Trust Company, National Association, as trustee (the “Trustee”) under the Indenture of Mortgage, Security Agreement and Financing Statement, dated as of April 30, 2019, between the Company and the Trustee, as it has been and may be further supplemented from time to time (the “Indenture”), that, among other things, (i) creates the RUS Note as an “Additional Obligation” under the Indenture and provides for the terms and conditions of the RUS Note and (ii) confirms the lien of the Indenture unto the Trustee, all with such terms and conditions as any Authorized Person or Designee determines necessary or appropriate and in the interest of the Company.

**BE IT FURTHER RESOLVED**, that, pursuant to Section 4.1A of the Indenture, the Board of Directors of the Company hereby authorizes and requests that the Trustee authenticate and deliver the RUS Note pursuant to Sections 4.1 or 4.2 of the Indenture, or such other Section or Sections of the Indenture as any Authorized Person or Designee may determine appropriate, and the RUS Note shall have the series designation provided in the Supplemental Indenture or the Officers’ Certificate pursuant to Section 2.1 of the Indenture.

**BE IT FURTHER RESOLVED**, that the Board of Directors of the Company hereby authorizes each Authorized Person or Designee, on behalf of the Company, (a) to execute and deliver from time to time advance requests, maturity extension election notices, prepayment election notices and refinancing election notices, and (b) to specify information and select options as provided in the RUS Note or such requests or notices.

**BE IT FURTHER RESOLVED**, that that the Board of Directors of the Company hereby authorizes each Authorized Person or Designee to sign, execute, certify to, verify, acknowledge, deliver, accept, file, record and do or cause to be done all such acts and things, to pay or cause to be paid all such costs and expenses, to obtain all such consents from third parties and to execute and deliver for and on behalf of the Company and in its name, with or without attestation of the Secretary or an Assistant Secretary of the Company, the foregoing documents and all other documents, instruments, certificates and agreements (and to make any changes, amendments, modifications or waivers thereto), all as may be determined to be necessary or appropriate by any Authorized Person or Designee to carry out and comply with the purposes and intent of this Resolution in all respects, including, without limitation, those requests and certificates required under the Indenture in connection with the authentication of the Notes or advances thereunder.

**BE IT FURTHER RESOLVED**, that the Secretary or Assistant Secretary of the Company is authorized to attest to any documents authorized by this Resolution, affix the corporate seal as appropriate, and execute any other document that may be necessary or appropriate to be executed by the Secretary or Assistant Secretary of the Company, such as a certificate certifying to the incumbency of the Authorized Persons.

**BE IT FURTHER RESOLVED**, that the final determination and approval of the form, terms and provisions of any document as provided in this Resolution to be executed on behalf of the Company pursuant to this Resolution may be conclusively evidenced by the execution of such document by any Authorized Person or Designee, and the final determination that the taking of any action or the causing of any action is in the interest of the Company or is necessary or appropriate shall be conclusively evidenced by the taking of such action or the causing of such action by any Authorized Person or Designee.

**BE IT FURTHER RESOLVED**, that the Board of Directors of the Company hereby ratifies and confirms all actions taken and documents, instruments, certificates, letters and other papers executed or delivered by the Company prior to the date hereof in connection with the transactions approved in this Resolution.

\* \* \* \* \*

### **SECRETARY'S CERTIFICATE**

The undersigned Secretary of Kauai Island Utility Cooperative ("KIUC") hereby certifies that the foregoing resolution of the Board of Directors of KIUC was duly adopted at the Regular Meeting of the Board of Directors held on December 14, 2023, at Lihue, Kauai, Hawaii.

Dated this 14th day of December 2023, at Lihue, Kauai, Hawaii.

---

Calvin Murashige  
Secretary

## Economic Development Report

as of November 30, 2023

<b>RED Grant Loans</b>	<b>Loan Start</b>	<b>Original Loan Amount</b>	<b>Interest</b>	<b>Loan Balance</b>	<b>Monthly Payment</b>	<b>Loan End</b>	<b>Payment Status</b>
NTBG Visitor Center	Oct 2018	\$360,000.00	0.0%	\$131,250.00	\$3,750.00	Nov 2026	Current
Island School 2	Feb 2022	\$360,000.00	0.0%	\$286,666.74	\$3,333.33	Mar 2031	Current
<b>TOTAL</b>		<b>\$720,000.00</b>		<b>\$417,916.74</b>	<b>\$7,083.33</b>		

<b>Revolving Loan Fund Loans</b>							
Napali Brewing Company	Dec 2022	\$475,000.00	3.00%	\$433,644.76	\$3,493.79	Nov 2032	Current
Island School	Apr 2023	\$140,000.00	1.00%	\$132,212.00	\$1,115.35	Mar 2033	Current
<b>TOTAL</b>				<b>\$565,856.76</b>	<b>\$4,609.14</b>		

Account Balance	\$ 1,273,197.19
Pending RLF	
Available for Relending	<u>\$ 1,273,197.19</u>

### Reporting Requirements:

- 6.1(1)a: There were no loans closed, modified or extended through the internal approval process.
- 6.1(1)b: There were no exceptions made to the policies and procedures contained in the Revolving Loan Fund Plan.
- 6.1(1)c: There were no loans charged off.
- 6.1(2)a: There were no loans closed during the year.
- 6.1(2)b: There were no delinquent loans during the year.
- 6.1(2)c: There were no loans charged off during the year.
- 6.1(2)d: There were no loans converted to non-accrual status during the year.
- 6.1(2)e: There were no exceptions made to the policies and procedures contained in the Revolving Loan Fund Plan.