

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

Held at the KIUC Main Conference Room  
4463 Pahee Street, Lihue, HI 96766  
And via Video Conference Call  
On March 26, 2024

**MINUTES**

Meeting called to order by Chair Smith at 1:20 p.m.

**1. Roll Call**

- 1.1. **Directors present:** Allan Smith (Chair), Jan TenBruggencate (Vice-Chair), Calvin Murashige (Secretary), Peter Yukimura (Treasurer), Dee Crowell, David Iha, James Mayfield, Teofilo Tacbian, Michael Yamane; and David Bissell (CEO)
- 1.2. **Others present:** Stacie Dellamano (CFO), Brad Rockwell (COO), Laurel Loo (Co-General Counsel), Mike Scarbo (Co-General Counsel), Teresa Amoy (Executive Administrator), Beth Amaro (Member Services & Communications Mgr.), Cameron Kruse (Engineering and Technology Mgr.), 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), Allison Young (Communications & PR Specialist), Shelley Paik (PA Specialist), Shelsey Francisco (Financial Analyst), Tane Oriol (HR Specialist), Jonah Knapp (Staff Engineer); Members of the press (0) and Member of the public (2)
- 1.3. **Absent/Excused:** None

**2. Approval of the Agenda**

- 2.1. The Board of Directors' Agenda of March 26, 2024, was approved as circulated.

**3. Approval of Minutes**

- 3.1. The minutes of February 27, 2024, Regular Board meeting were approved as circulated.

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

- 4.1. CEO discussed March's President's Report (report attached). Brief discussion with staff and directors. 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 reported that at the NRECA Annual Meeting (PowerXchange) in San Antonio, there were close to 10,000 registrants which included representatives and vendors. Next year's PowerXchange will be held in Atlanta, GA.

6.2. NRECA is focusing on legislation involving regulatory, EPA testimony, reliability, and broadband.

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

7.1. The Charitable foundation met on March 25<sup>th</sup>. Director Tacbian provided a brief update (report attached).

7.2. 2024 Charitable Foundation Golf Tournament will be held on November 16<sup>th</sup>, at Puakea Golf Course.

**8. Public Testimony**

8.1. Received one written public testimony from Steve Parsons (attached).

- Director TenBruggencate thanked Mr. Parsons for his testimony.
- MOTION: to receive the testimony and refer to staff.

[Motion: TenBruggencate] [Second: Murashige]

IN FAVOR:	Smith, TenBruggencate, Murashige, Yukimura, Mayfield, Tacbian, Iha, Crowell, Yamane	Total – 9
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OPPOSED:	None	Total – 0
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EXCUSED:	None	Total – 0
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**Motion carried**

**9. New Business**

**9.1. Board Policy 10 Legal Representation and Use of Attorneys**

- CEO Bissell introduced policy 10 which the Policy Committee recommend for Board approval with non-substantive changes.
- **MOTION:** to approve policy 10 as submitted.

[Motion: TenBruggencate] [Second: Murashige]

IN FAVOR:	Smith, TenBruggencate, Murashige, Yukimura, Mayfield, Tacbian, Iha, Crowell, Yamane	Total – 9
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OPPOSED:	None	Total – 0
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EXCUSED:	None	Total – 0
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**Motion carried**

**9.2. Board Policy 30 Electric Rates and Rate Design**

- CEO Bissell introduced policy 30, which the Policy Committee recommends reapproval with no changes.

- **MOTION:** to reapprove policy 30.  
[Motion: TenBruggencate] [Second: Murashige]  
IN FAVOR: Smith, TenBruggencate, Murashige, Yukimura,  
Mayfield, Tacbian, Iha, Crowell, Yamane Total – 9  
OPPOSED: None Total – 0  
EXCUSED: None Total – 0  
**Motion carried**

9.3. **Board Approval Request (BAR) – S1 Exciter**

- Director Yukimura introduced the Board Approval Request for the S1 Exciter. The F&A committee approved this request for Board approval (BAR Form attached).
- **MOTION:** to approve the Board Approval Request.  
[Motion: Mayfield] [Second: Murashige]  
IN FAVOR: Smith, TenBruggencate, Murashige, Yukimura,  
Mayfield, Tacbian, Iha, Crowell, Yamane Total – 9  
OPPOSED: None Total – 0  
EXCUSED: None Total – 0  
**Motion carried**

9.4. **Board Approval Request (BAR) – PAGS Synchronous Condenser Conv**

- Director Yukimura introduced the Board Approval Request for the PAGS Synchronous Condenser Conv. The F&A committee approved this request for Board approval (BAR Form attached).
- **MOTION:** to approve the Board Approval Request as presented.  
[Motion: Mayfield] [Second: Murashige]  
IN FAVOR: Smith, TenBruggencate, Murashige, Yukimura,  
Mayfield, Tacbian, Iha, Crowell, Yamane Total – 9  
OPPOSED: None Total – 0  
EXCUSED: None Total – 0  
**Motion carried**

10. **Calendar**

- 10.1. **April 2-6, 2024** – 2024 NRECA Director’s Conference (Nashville, TN)
- 10.2. **April 16, 2024** – Board Committee Meetings (9:00am, MCR)
- 10.3. **April 21-23, 2024** – 2024 NRECA Legislative Conference (Washington, DC)
- 10.4. **April 30, 2024** – Regular Board Meeting (1:00pm, TBD)
- 10.5. The Board Chair announced that there is a Lihue Business Association meeting on Thursday, March 28<sup>th</sup>.

11. **Executive Session** – No Executive Session held.

- 11.1. Executive Session Minutes of February 27, 2024, was deferred to the next meeting.

## 12. Adjournment

12.1. The meeting was adjourned at 1:36 p.m.

*Calvin Murashige*

Calvin Murashige (May 2, 2024 04:04 GMT+9)

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Calvin Murashige  
Board Secretary

March 26, 2024

David Bissell, President & CEO

# PRESIDENT'S REPORT

# PRESIDENT'S REPORT

Safety (February)	Month	2024 YTD	2023 YTD
Recordable Incidents	0	0	3
Availability and Reliability	Month	2024 YTD	2023 YTD
Reportable Outages	2	7	7
Average Outage Hours Per Customer	0.11	1.34	0.76
Efficiency	Month	2024 YTD	
Net Plant Heat Rate	9,032	9,027	
Peak Demand (MW)	70.3	73.7	
Residential Rates			
March 2024	\$0.381/kwh decrease \$0.007 from February		

MAHALO!



# Kaua'i Island Utility Cooperative

Your Touchstone Energy® Cooperative



## **Board Financial Report**

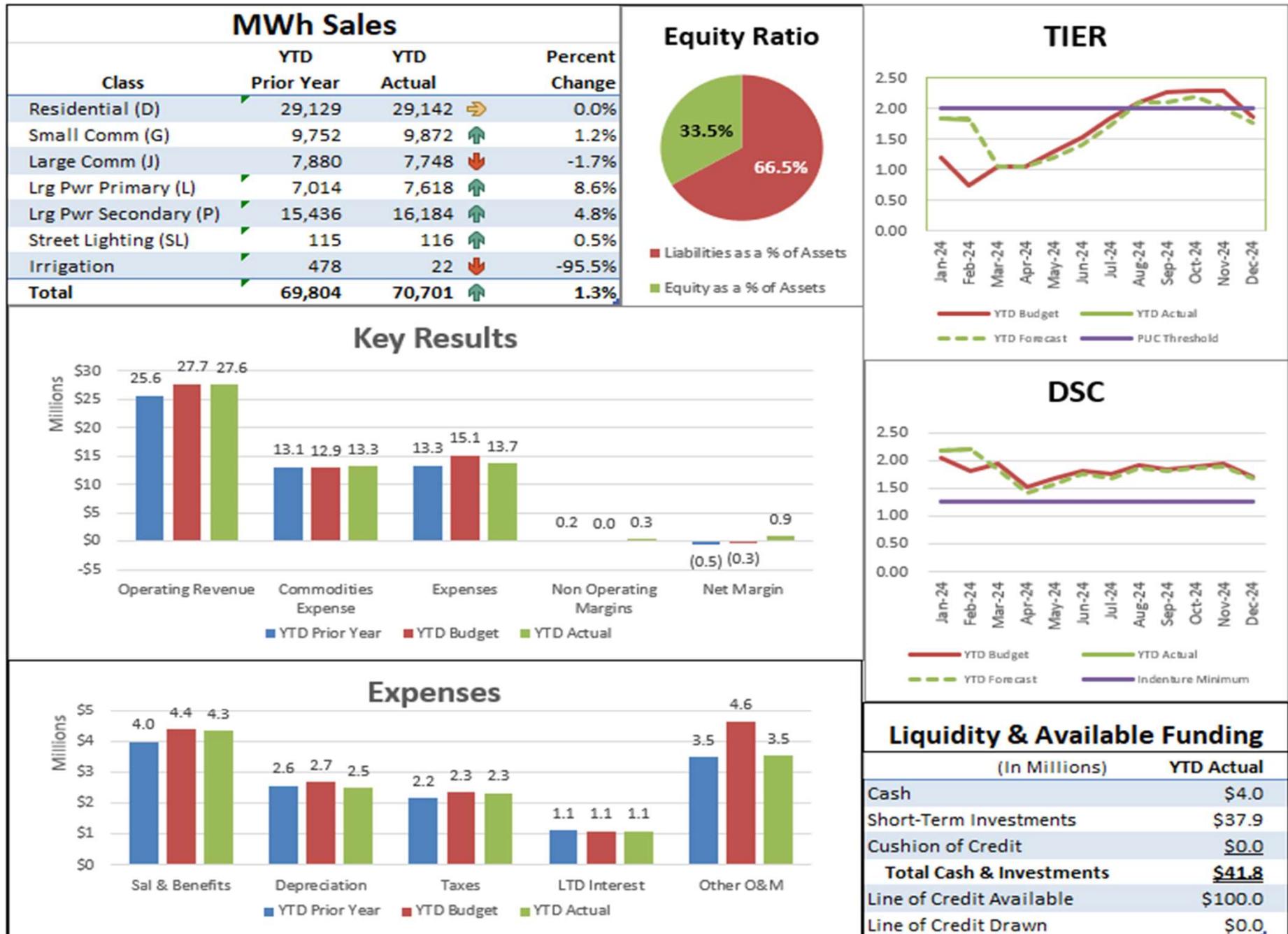
**March 2024**

# Finance, Accounting, Regulatory and Warehouse Monthly Summary

## Finance and Accounting Update

- Key Results Year to Date Through February
- Financial Results
  - Balance Sheet – Preliminary (prior year equity not rolled yet in NISC – waiting on auditor final)
  - Income Statement
- Outstanding Loan Detail Report
- A/R Reports
- Sales Reports – Annual kWh Sales Comparison
- Treasury Management Monthly Discussion
- Finance and Accounting Updates

# Snapshot of Financial Results for YTD through February



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## General Ledger Financial And Operating Report Electric Distribution

### INCOME STATEMENT FOR FEB 2024

Item	-----Year - To - Date-----			-----Period - To - Date-----	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	25,608,190.42	27,552,358.24	27,706,414.00	13,622,012.62	13,296,221.00
2. Power Production Expense	8,378,105.02	8,375,147.69	7,998,389.00	3,726,745.88	3,782,310.00
3. Cost of Purchased Power	6,873,006.70	7,000,522.52	7,455,968.00	3,541,530.10	3,704,579.00
4. Transmission Expense	192,219.51	247,428.06	238,384.00	171,367.77	119,631.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	240,653.32	234,518.46	277,789.00	127,282.73	140,227.00
7. Distribution Expense - Maintenance	903,699.10	934,493.02	897,297.00	511,798.06	441,272.00
8. Customer Accounts Expense	356,530.53	383,425.44	500,237.00	191,230.32	244,062.00
9. Customer Service and Informational Expense	35,652.78	42,774.15	57,048.00	16,646.66	37,049.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	3,552,511.34	3,903,392.00	4,484,343.00	2,080,539.43	2,248,617.00
12. Total Operation & Maintenance Expense (2 thru 11)	20,532,378.30	21,121,701.34	21,909,455.00	10,367,140.95	10,717,747.00
13. Depreciation & Amortization Expense	2,569,172.57	2,486,594.44	2,674,443.00	1,244,396.03	1,337,222.00
14. Tax Expense - Property & Gross Receipts	639,506.18	688,091.99	692,661.00	340,290.04	332,406.00
15. Tax Expense - Other	1,515,556.62	1,630,104.38	1,649,723.00	811,378.60	789,083.00
16. Interest on Long-Term Debt	1,119,291.64	1,075,786.92	1,078,000.00	535,542.42	536,000.00
17. Interest Charged to Construction - Credit	0.00	0.00	0.00	0.00	0.00
18. Interest Expense - Other	0.00	0.00	0.00	0.00	0.00
19. Other Deductions	2,492.31	35,613.00	48,160.00	27,013.00	2,830.00
20. Total Cost of Electric Service (12 thru 19)	26,378,397.62	27,037,892.07	28,052,442.00	13,325,761.04	13,715,288.00
21. Patronage Capital & Operating Margins (1 minus 20)	-770,207.20	514,466.17	-346,028.00	296,251.58	-419,067.00
22. Non Operating Margins - Interest	453,737.29	479,391.52	375,860.00	231,404.40	187,430.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-254,300.19	-153,203.85	-339,232.00	-112,482.44	-171,577.00
25. Non Operating Margins - Other	37,083.27	52,572.25	24,240.00	23,656.43	12,120.00
26. Generation and Transmission Capital Credits	0.00	0.00	0.00	0.00	0.00
27. Other Capital Credits and Patronage Dividends	0.00	0.00	0.00	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)	-533,686.83	893,226.09	-285,160.00	438,829.97	-391,094.00
Operating - Margin	-533,686.83	893,226.09	-285,160.00	438,829.97	-391,094.00
Non Operating - Margin	0.00	0.00	0.00	0.00	0.00
Times Interest Earned Ratio - Operating	0.31	1.48			
Times Interest Earned Ratio - Net	0.52	1.83			
Times Interest Earned Ratio - Modified	0.52	1.83			

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**General Ledger**  
**Financial And Operating Report Electric Distribution**

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*Preliminary***BALANCE SHEET FOR FEB 2024**

	<u>Last Year</u>	<u>This Year</u>	<u>Variance</u>
<b>ASSETS AND OTHER DEBITS</b>			
1. Total Utility Plant in Service	596,671,554.34	595,708,414.19	-963,140.15
2. Construction Work in Progress	12,832,747.90	12,871,016.75	38,268.85
3. Total Utility Plant (1 + 2)	609,504,302.24	608,579,430.94	-924,871.30
4. Accum. Provision for Depreciation and Amort.	337,897,530.39	335,489,617.04	-2,407,913.35
5. Net Utility Plant (3 - 4)	271,606,771.85	273,089,813.90	1,483,042.05
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	23,854,207.24	21,802,382.15	-2,051,825.09
8. Invest. in Assoc. Org. - Patronage Capital	1,171,785.68	1,268,624.73	96,839.05
9. Invest. in Assoc. Org. - Other - General Funds	831,300.00	666,500.00	-164,800.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	0.00	0.00
11. Invest. in Economic Development Projects	946,443.77	948,638.01	2,194.24
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)	26,803,736.69	24,686,144.89	-2,117,591.80
15. Cash - General Funds	1,176,183.23	1,598,444.87	422,261.64
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	-24,101.66	-22,548.42	1,553.24
18. Temporary Investments	41,849,768.04	37,178,962.34	-4,670,805.70
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	9,343,779.29	11,129,306.34	1,785,527.05
21. Accounts Receivable - Other (Net)	564,592.55	982,125.96	417,533.41
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	22,964,234.11	22,364,889.41	-599,344.70
24. Prepayments	1,750,453.44	1,828,019.90	77,566.46
25. Other Current and Accrued Assets	8,169,770.77	8,208,360.19	38,589.42
26. Total Current and Accrued Assets (15 thru 25)	85,794,679.77	83,267,560.59	-2,527,119.18
27. Regulatory Assets	33,410,788.17	36,708,402.75	3,297,614.58
28. Other Deferred Debits	214,792.69	84,235.38	-130,557.31
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	417,830,769.17	417,836,157.51	5,388.34

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**General Ledger**  
**Financial And Operating Report Electric Distribution**

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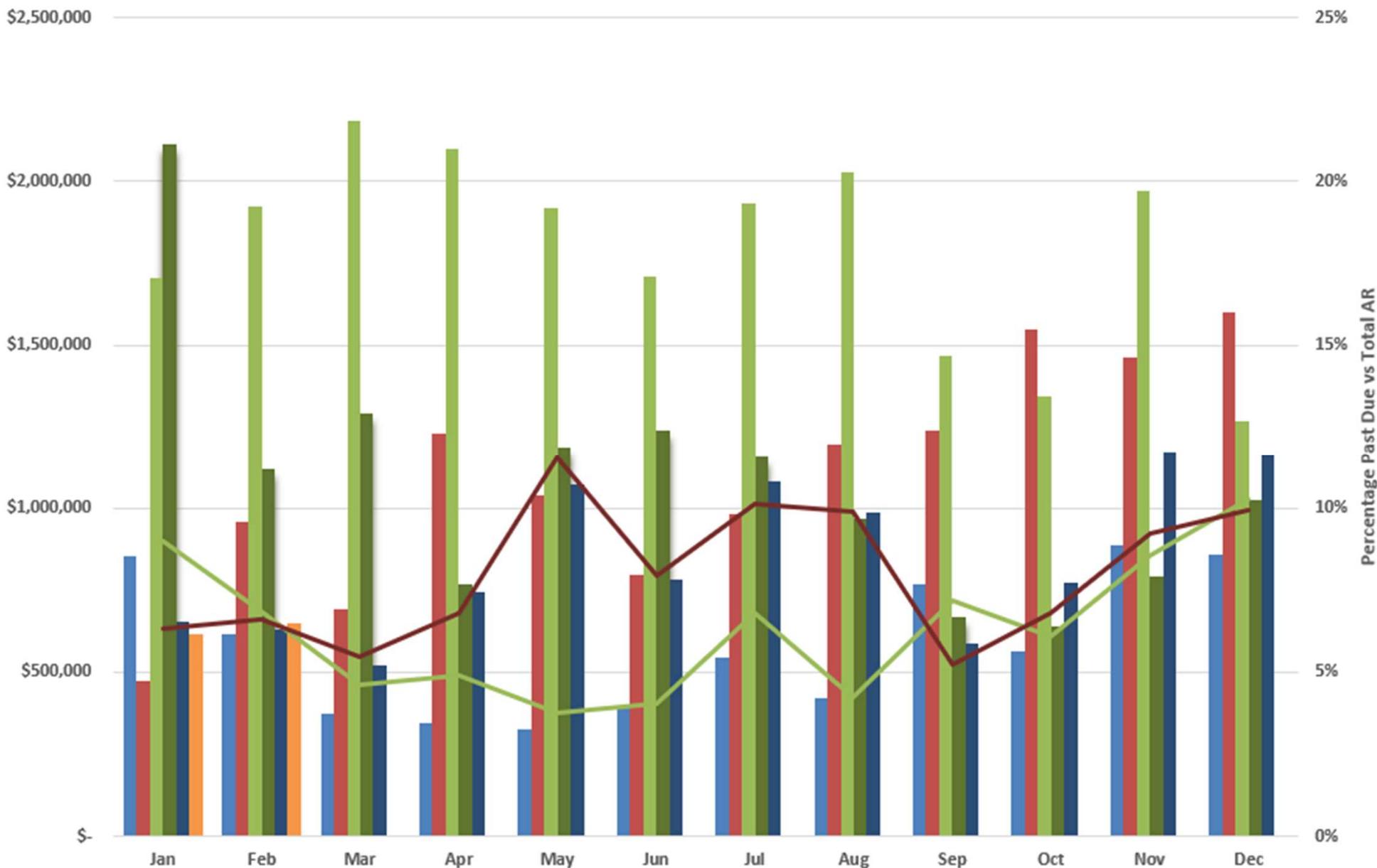
*Preliminary***BALANCE SHEET FOR FEB 2024**

	<u>Last Year</u>	<u>This Year</u>	<u>Variance</u>
<b>LIABILITIES AND OTHER CREDITS</b>			
30. Memberships	599.91	612.41	12.50
31. Patronage Capital	134,703,279.15	134,459,375.86	-243,903.29
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	-533,686.83	893,226.09	1,426,912.92
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	66,032.80	274,918.89	208,886.09
36. Total Margins & Equities (30 thru 35)	134,236,225.03	135,628,133.25	1,391,908.22
37. Long-Term Debt - RUS (Net)	0.00	0.00	0.00
38. Long-Term Debt - FFB - RUS Guaranteed	123,405,779.67	117,199,374.53	-6,206,405.14
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	124,721,494.62	117,641,597.70	-7,079,896.92
41. Long-Term Debt - RUS Econ. Devel. (Net)	0.00	0.00	0.00
42. Payments - Unapplied	-6,315,941.61	-477.04	6,315,464.57
43. Total Long-Term Debt (37 thru 41 - 42)	241,811,332.68	234,840,495.19	-6,970,837.49
44. Obligations Under Capital Leases - Noncurrent	13,583,205.15	13,003,196.24	-580,008.91
45. Accumulated Operating Provisions	-64,505.68	-116,310.33	-51,804.65
46. Total Other Noncurrent Liabilities (44 + 45)	13,518,699.47	12,886,885.91	-631,813.56
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	5,983,727.98	5,597,625.74	-386,102.24
49. Consumers Deposits	1,378,810.95	1,712,695.02	333,884.07
50. Current Maturities Long-Term Debt	0.00	0.00	0.00
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	9,693,664.23	9,607,289.19	-86,375.04
54. Total Current & Accrued Liabilities (47 thru 53)	17,056,203.16	16,917,609.95	-138,593.21
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	11,208,308.83	13,302,367.81	2,094,058.98
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	417,830,769.17	413,575,492.11	-4,255,277.06
Current Assets To Current Liabilities	5.03 to 1	4.92 to 1	
Margins and Equities To Total Assets	32.13 %	32.46 %	
Long-Term Debt To Total Utility Plant	39.67 %	38.59 %	

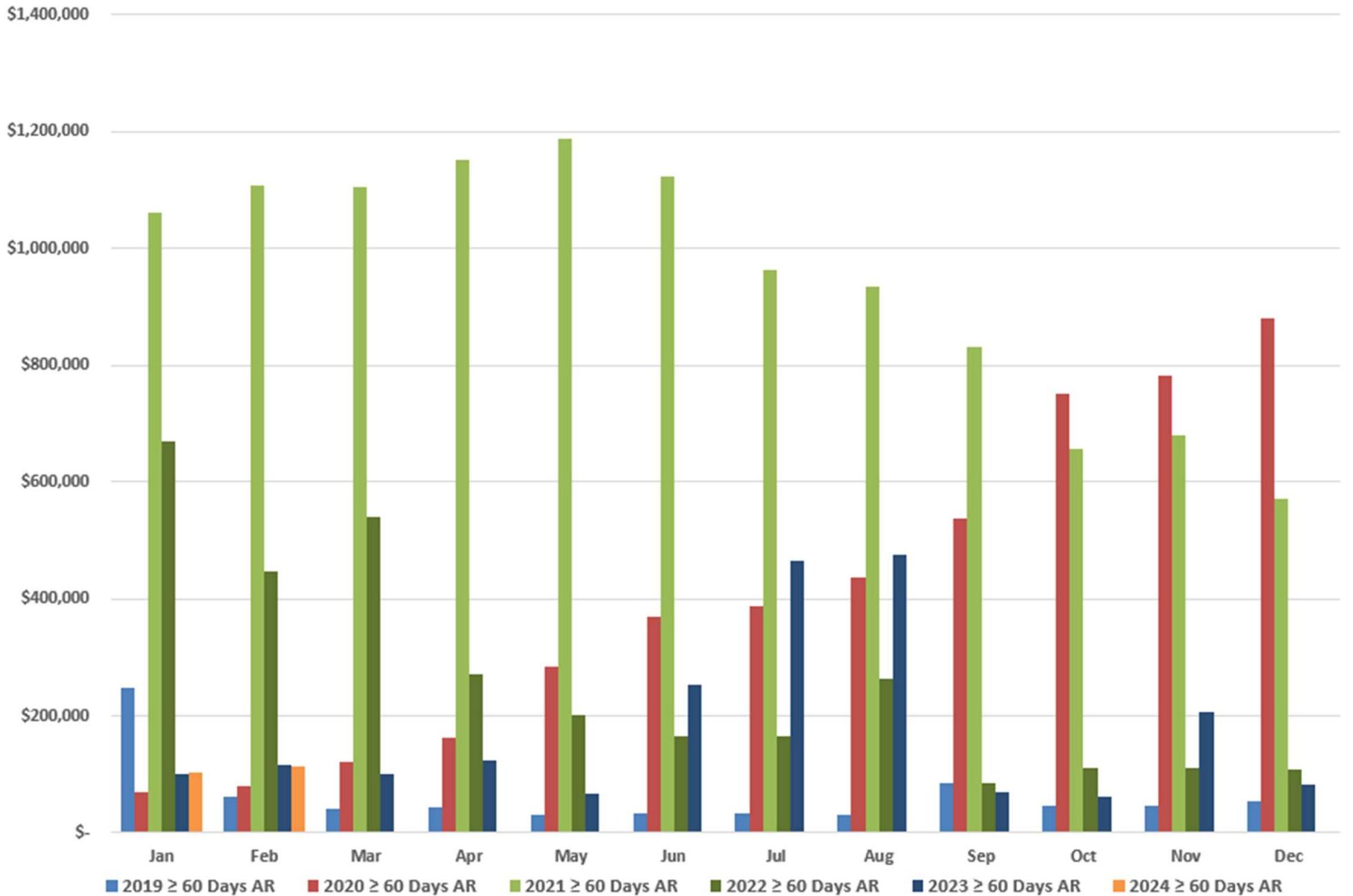
KAUAI ISLAND UTILITY COOPERATIVE  
NOTES, BONDS, AND OTHER INDEBTEDNESS  
YEARS ENDED DECEMBER 31, 2023 AND 2024

LINE NO.	LENDER	DATE OF NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	LOAN #	ORIGINAL AMOUNT	BALANCE AT 12/31/2023	2023 INTEREST EXPENSE	PROJECTED BALANCE AT 12/31/2024	PROJECTED 2024 INTEREST EXPENSE
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
1	CFC	12/17/03	12/18/03	09/30/23	3.690%	HI001-9005	\$ 8,240,000	\$ -	\$ 7,612	\$ -	\$ -
2	CFC	04/30/19	04/30/19	03/31/35	2.550%	HI001-9014-001	103,133,717	72,704,840	1,930,366	67,052,336	1,788,214
3	CFC	02/06/20	02/25/20	12/31/49	2.760%	HI001-9019B	26,500,000	24,226,770	679,552	23,579,920	662,002
4							<u>137,873,717</u>	<u>96,931,610</u>	<u>2,617,529</u>	<u>90,632,257</u>	<u>2,450,216</u>
5	FFB	06/01/04	10/19/04	12/31/23	2.837%	B8 - 1-1	8,240,000	-	10,185	-	-
6	FFB	06/01/04	10/19/04	12/31/23	2.574%	B8 - 1-2	8,240,000	-	9,234	-	-
7	FFB	06/01/04	10/19/04	12/31/23	4.430%	B8 - 1-3	16,480,000	-	35,673	-	-
8							<u>32,960,000</u>	<u>-</u>	<u>55,092</u>	<u>-</u>	<u>-</u>
9	FFB	07/01/11	06/07/12	12/31/42	2.424%	C8#1 - 2-1	8,716,000	6,262,788	155,277	5,995,975	148,560
10	FFB	07/01/11	10/23/12	12/31/42	2.604%	C8#1 - 2-2	1,606,000	1,162,799	30,956	1,114,101	29,639
11	FFB	07/01/01	06/24/13	12/31/42	3.259%	C8#1 - 2-3	9,100,000	6,770,327	225,194	6,504,071	216,192
12	FFB	07/01/11	11/25/13	12/31/42	2.662%	C8#1 - 2-4	2,689,000	1,928,409	52,473	1,848,092	50,254
13	FFB	07/01/11	03/18/14	12/31/42	3.334%	C8#1 - 2-6	5,198,000	3,941,994	134,111	3,788,091	128,788
14	FFB	07/01/11	08/07/14	12/31/42	3.023%	C8#1 - 2-7	5,731,000	4,340,285	133,992	4,165,662	128,514
15	FFB	07/01/11	05/08/15	12/31/42	2.665%	C8#1 - 2-8	4,213,000	3,208,446	87,402	3,074,855	83,705
16	FFB	07/01/11	09/18/15	12/31/42	2.715%	C8#1 - 2-9	748,000	574,669	15,946	550,855	15,275
17	FFB	01/15/15	10/29/15	12/31/42	2.558%	C8#2 - 3-1	6,000,000	4,611,482	120,612	4,417,504	115,460
18	FFB	01/15/15	01/12/16	12/31/42	2.636%	C8#2 - 3-2	35,586,552	27,600,650	743,748	26,448,249	712,208
19							<u>79,587,552</u>	<u>60,401,849</u>	<u>1,699,711</u>	<u>57,907,457</u>	<u>1,628,596</u>
20	FFB	12/01/17	04/24/18	12/31/51	3.199%	D8 - 4-1	22,192,000	20,365,770	658,583	19,895,814	642,298
21	FFB	12/01/17	10/22/18	12/31/51	3.437%	D8 - 4-2	5,707,000	5,255,619	182,503	5,138,616	178,139
22	FFB	12/01/17	06/06/19	12/31/51	2.578%	D8 - 4-3	4,776,000	4,341,053	113,293	4,231,193	110,239
23	FFB	12/01/17	06/22/20	12/31/51	1.326%	D8 - 4-4	3,992,000	3,620,494	48,759	3,510,802	47,200
24	FFB	12/01/17	10/08/21	12/31/51	2.087%	D8 - 4-5	7,889,000	7,494,384	158,532	7,290,648	153,959
25	FFB	12/01/17	05/19/22	12/31/51	3.236%	D8 - 4-6	3,450,000	3,341,179	109,287	3,264,506	106,598
26	FFB	12/01/17	08/29/22	12/31/51	3.422%	D8 - 4-7	12,706,000	12,379,027	428,003	12,102,814	417,747
27							<u>60,712,000</u>	<u>56,797,525</u>	<u>1,698,961</u>	<u>55,434,394</u>	<u>1,656,180</u>
28	COBANK	02/06/20	02/22/21	02/20/51	2.900%	00102606 T01	18,119,000	17,004,406	506,035	16,590,382	495,406
29	COBANK	02/06/20	02/10/22	02/10/52	3.330%	3455702 T01-DS	4,900,000	4,720,774	161,090	4,618,994	158,147
30							<u>23,019,000</u>	<u>21,725,180</u>	<u>667,125</u>	<u>21,209,376</u>	<u>653,553</u>
31	<b>Total Long Term Debt</b>						<b>\$ 334,152,269</b>	<b>\$ 235,856,165</b>	<b>\$ 6,738,418</b>	<b>\$ 225,183,483</b>	<b>\$ 6,388,545</b>

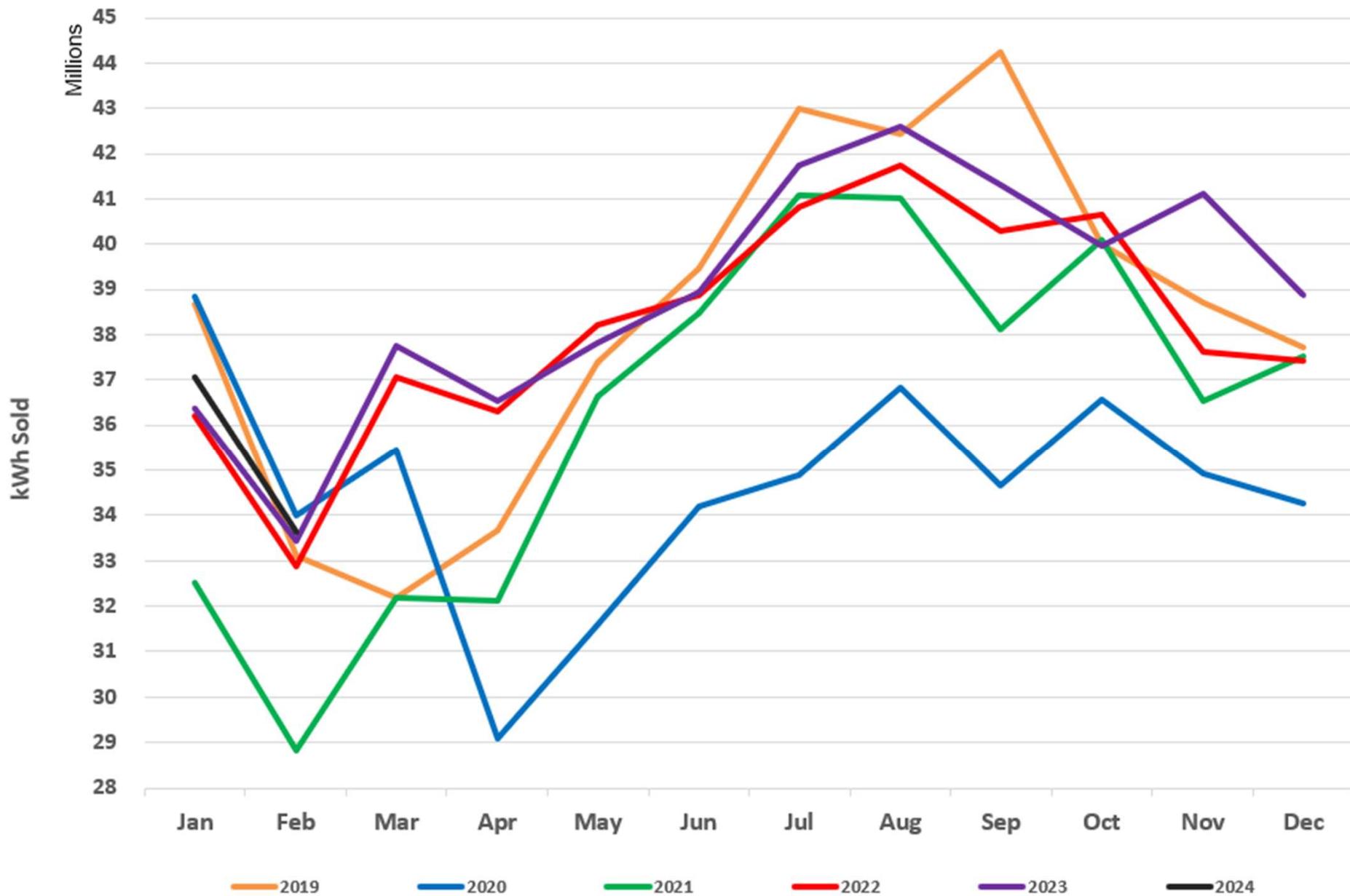
### YOY > 30 days vs Total AR



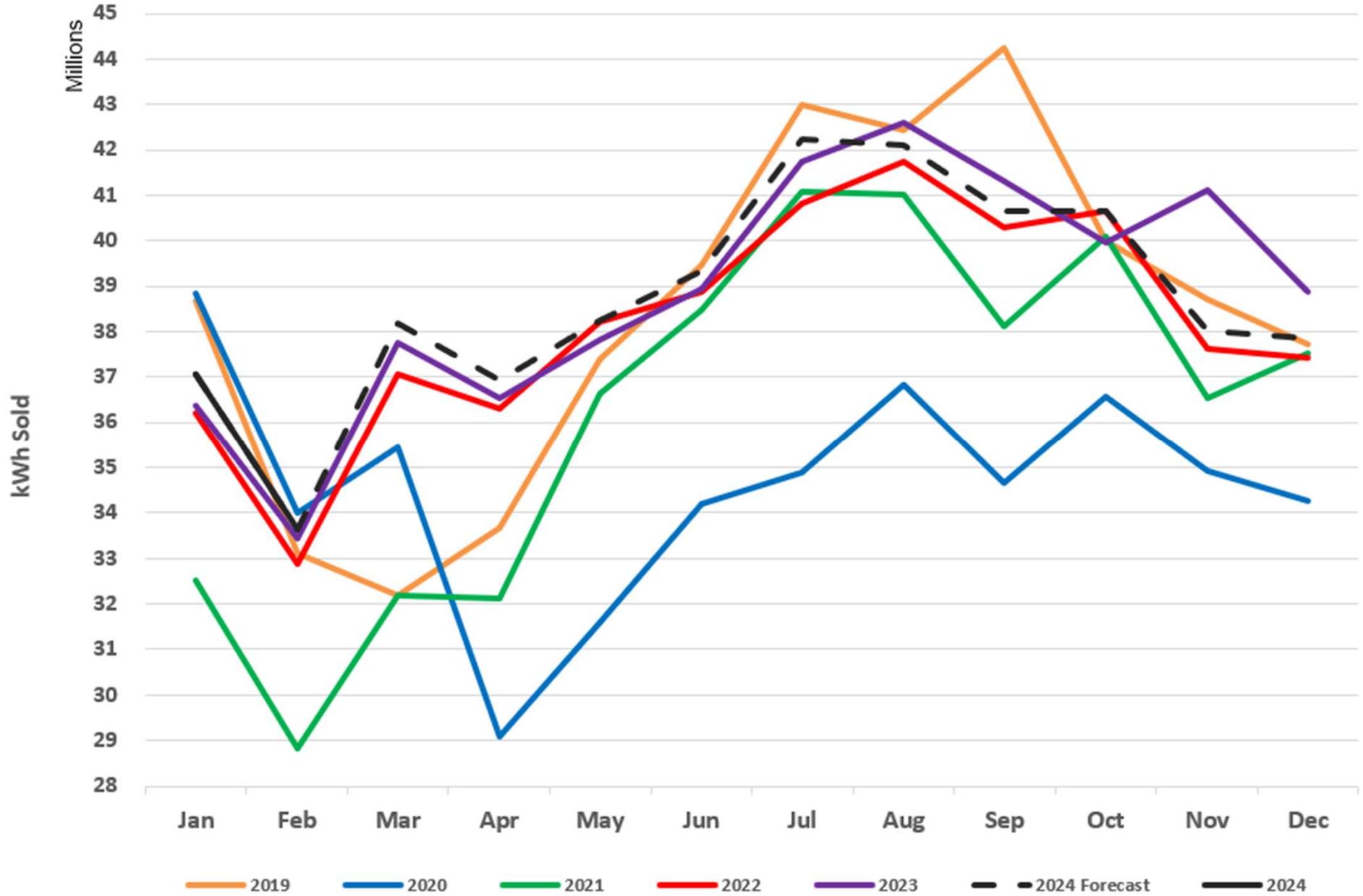
# YOY $\geq$ 60 Days



### Total kWh Sold



### Total kWh Sold



# Treasury Management – Monthly Discussion

- Ratings:
  - 2/8 BOH Meeting and confirmed no changes in Money Market Fund Rating
- Current Summary Of Investments:
- **\$31.8M** 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)
  - **4.96%** Interest Rate
- **\$4.77M** CFC Daily and Monthly Commercial Paper – ST to Medium Term Investment – Daily to Monthly A2 Moody and S&P A-
  - Daily Fund 4.60%
- **\$4.98M** CoBank Commercial Paper Investment – AA- Moody and S&P
  - 60-day Investment – **4.17%**
- **\$258,593** Central Pacific Bank – Backup Checking in NISC if needed
  - Backup for Checking in Money Market (unlimited) account
  - 4.08%

**Questions?**

# NRECA Board Update

February 2024



- ◆ Ahead of the House Small Business Committee's [hearing](#) on the impact of Environmental Protection Agency regulations on small businesses, NRECA CEO Jim Matheson sent a [letter](#) to committee leaders underscoring that numerous EPA rules will further burden American power generation, as well as electric cooperatives as utility sector small businesses.
- ◆ In partnership with its members, NRECA is studying ways to convey the value of the cooperative business model. As part of this effort, a survey has been sent to all member CEOs by the consulting company ScottMadden. Surveys should be completed by March 7 for G&T cooperatives and March 21 for distribution cooperatives. Specifics about the study will be discussed during the [PowerXchange](#) session "Enhancing Synergy: Navigating the Dynamics Between the G&T and Distribution Co-ops."
- ◆ Matheson sent a [letter](#) to several key members of Congress to express support for the Federal Communications Commission's Affordable Connectivity Program (ACP), which offers eligible households a discount for internet service. Matheson's letter encouraged enactment of the Affordable Connectivity Program Extension Act to provide short-term clarity and certainty while Congress works to address questions around the future of the program.
- ◆ NRECA submitted [comments](#) to the U.S. Forest Service on their Notice of Intent to prioritize the conservation of "old growth" and "mature" forests. In its comments, NRECA raised concerns about the directive's potential impacts on vegetation management operations, right-of-way access, grid hardening and expansion, USFS staffing, permitting processes and wildfire risk. NRECA encouraged USFS to use this opportunity to ease these processes and provide opportunity for stakeholder involvement.
- ◆ More than 6,200 members are registered for 2024 PowerXchange and TechAdvantage combined, in San Antonio, March 1-6. Among the featured speakers are poker champion Liv Boree, legendary baseball player Cal Ripken, Jr., and futurist Mike Walsh. Voting delegates from each NRECA voting member system will have the opportunity to vote on the NRECA Proposed Member [Resolutions](#) at the March 5 business meeting.

NRECA Board of Directors

# NRECA Update

February 2024



# Advocacy for Reliability & Affordability

- CEO Jim Matheson sent a letter to House Small Business Committee members ahead of a hearing on the impact of EPA regulations on small businesses.
- NRECA submitted comments to the U.S. Forest Service on their Notice of Intent to prioritize the conservation of “old growth” and “mature” forests, with concerns of potential impacts on vegetation management operations.

# Broadband Advocacy

Matheson sent a letter to express support for the FCC's Affordable Connectivity Program and enactment of the Extension Act to provide short-term clarity and certainty while Congress works to address questions around the future of the program.



**Jim Matheson**  
Chief Executive Officer

February 5, 2024

The Honorable Maria Cantwell  
Chairwoman  
Senate Commerce Committee  
254 Russell Senate Office Building  
Washington, D.C. 20515

The Honorable Ted Cruz  
Ranking Member  
Senate Commerce Committee  
512 Dirksen Senate Office Building  
Washington, D.C. 20515

The Honorable Cathy McMorris Rogers  
Chairwoman  
House Energy and Commerce Committee  
2125 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Frank Pallone  
Ranking Member  
House Energy and Commerce Committee  
2322A Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairwoman Cantwell, Ranking Member Cruz, Chairwoman McMorris Rogers, and Ranking Member Pallone,

On behalf of America's electric cooperatives, I am writing today to express support for the FCC's Affordable Connectivity Program (ACP) and to request that you provide additional funding to this critical program before funding runs out this spring.

The National Rural Electric Cooperative Association (NRECA) is the national service organization for more than 900 not-for-profit rural electric cooperatives operating across the country. America's electric cooperatives power 56% of the nation's landmass and serve 42 million people across the United States with reliable and affordable electric service, including 92% of America's persistent poverty counties. In many instances, those same co-ops are also deploying robust broadband networks and enabling internet service to some of the hardest-to-reach areas of the country. NRECA and its members are deeply committed to bridging the digital divide and connecting rural families and businesses with reliable and affordable high-speed internet, and the majority of NRECA members offering broadband participate in ACP.

Created by the Infrastructure Investment and Jobs Act, the FCC's Affordable Connectivity Program provides a \$30 monthly benefit to help low-income households afford broadband internet service. Since the program's launch in December 2021, the FCC has reported that more than 22 million households have enrolled in the program, supporting new ways for those families and individuals to live, learn, and earn online. However, given the significant demand for the program and current enrollment rate, the FCC is now projecting that ACP will run out of funding in April 2024.

# PowerXchange & TechAdvantage



- 6,200+ registrants
- 115 New vendors, totaling 469 exhibitors
- 30+ Pre-conference workshops
- 150+ Sessions
- Business Meeting, March 5



Report of KIUC Charitable Foundation

To KIUC Board of Directors

3/25/2024

The Charitable Foundation Board met on 3/25/24

The following reports were received:

Treasurer reported an ending balance of \$66,218.54

The Board approved \$5,000 to KEO.

In the Makana program we had 452 participating and year-to-date total contributions were \$592.80.

Two applicants, pending submission of financial information.

Golf Tournament- date reserved November 16.

Election of officers:

- President T. Phil Tacbian
- Vice President Kyle Cremer
- Treasurer Dee Crowell
- Secretary Shelley Paik

T. Phil Tacbian, President

**From:** [Steve Parsons](#)  
**To:** [testimony@kiuc.coop](mailto:testimony@kiuc.coop)  
**Subject:** for March 26 BOD Mtg.  
**Date:** Monday, March 25, 2024 11:59:51 AM

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CAUTION: This email originated outside of the KIUC organization. Do not click links, open attachments or respond unless you recognize the sender and know the content is safe. Contact IT for help.

Greetings KIUC's BOD and CEO Bissell,

It's been a while since I've dropped testimony, so there's a lot.

1. We would like to join in the creation and implementation of a #ElectrifyKauai campaign. We are also asking Kauai County to be a part of this too. This idea has been presented to Chip Fletcher of UH and he thought it a good idea, since that is what needs to be done to accelerate us off Fossil Fuel, <https://cleantechnica.com/2023/10/05/why-electrifying-everything-is-not-just-for-elites/>

2. Heat Pumps Heat Pumps, Heat Pumps!!! Please promote them! Promote them over Solar hot water heaters, as they are about 1/3 to 1/6 the cost of SHWH (Solar Hot water heaters) and they are now in a 110v version that makes replaced of Gas easy!!! Also, when the sun is not shining, SHWH act like regular super inefficient and draw a crazy amount of power EXACTLY at the wrong time!!! PLEASE, increase your rebate to equal the solar rebate, better yet. make the rebate HPHWH more than the Solar. AND, immediately enact at \$750 rebate for HPD (Heat pump Dryers). Lastly, Promote the heck out heat pumps, Many states including Hawaii has pleaded to quadruple the number of heatpumps in the state. <https://cleantechnica.com/2023/09/23/25-states-agree-to-quadruple-number-of-heat-pumps-in-america/> Also, understand and promote that since EVs are SUPER efficient and HPHWH are also SUPER efficient, If you switch out a reg.electric HWH with a HPHWH, you will save enough power to power you car NO joke: <https://cleantechnica.com/2023/10/06/a-heat-pump-water-heater-will-save-all-the-electricity-youll-need-to-power-your-electric-vehicle/>

3, Moving into EVs, by embracing a TOD (Time of Day Use) to shift behavior coupled with V2G (vehicle to grid) Vehicle to home you could potential harness all the Q-schedule members that have there powe rcurtailed ALL THE TIME!!! I asked you before on how much power you are "Shredding" and you responded with "not much". I don't believe that. I think it's pretty simple math. What time do you typically curtail Schedule Q members.and what time you turn them back on and multiply the amount of power generated per hour multiplied by the number of hours they are curtailed.

4. While i commend you on the launch of your EV charger team. However, it's been very tough for us to get information on the cost of upgrading transformers etc. We'd like to install 4 chargers on the southside sportscenter. 3@ 48 amp. pulls and 1 at 80 amp. So, we can install the fastest chargers in the area. While, I'm hunting for money for that, PLEASE lobby for money for this ASAP! I assume this could also help with the bidirectional charging to help power the grid at night. This actually can be good for EV battery. Again, I invited you to do some simple math on this. If the westside, pumped storage project is not proceeding can we ask the question. Could using EV's for night time battery backup match or beat what the projections were for the Pumped <https://cleantechnica.com/2023/10/13/electric-vehicles-play-a-surprising-role-in-supporting-grid-resiliency/>  
<https://cleantechnica.com/2023/11/04/ev-charging-and-the-grid-the-truth-is-out-there/>

<https://cleantechnica.com/2023/10/12/tesla-model-3-model-y-now-cost-less-than-gasoline-powered-equivalents/>

Mahalo,  
Steve Parsons, Kauai Climate Action Coalition. Kauai EV-Lead  
Hanapepe Kauai  
808-651-3232c  
REALTOR® Broker, RB-22077  
kwBig Island | RB-23793



KIUC BOARD POLICY NO. 10  
**LEGAL REPRESENTATION AND USE OF ATTORNEYS**

**PURPOSE OF POLICY:**

Although attorneys retained or employed by KIUC ~~are~~ and the attorneys' representation of KIUC, ~~are is~~ governed by rules of professional conduct and other local, state, and federal laws, the objective of this policy is to provide additional guidance for the representation of all attorneys who represent KIUC, and KIUC's use of attorneys. To the extent this policy is inconsistent with rules of professional conduct or similar requirements governing attorneys, the rules or requirements govern.

**POLICY CONTENT:**

**I. Retention of Counsel**

- A. General Counsel.** The Board shall retain or employ an attorney on behalf of KIUC to continually provide general legal services to KIUC ("General Counsel"). General legal services include, but are not limited to: (1) attending and drafting or reviewing the minutes of all meetings of the Board, and all annual and special meetings of KIUC members; (2) negotiating, drafting, and reviewing contracts; (3) providing legal services for the disposition or acquisition of real property and interests in real property; (4) providing legal services for the borrowing or lending of money; and (5) providing legal services regarding general business, cooperative, tax, and electric utility law.
- B. Special Counsel.** As reasonably necessary, and following consultation with the General Counsel, KIUC may retain or employ attorneys to provide special legal services to KIUC ("Special Counsel"). Special legal services require competence in a particular field of law. The General Counsel may also provide special legal services to KIUC in areas of the General Counsel's competency.
- C. Board Counsel.** As determined by the Board, the Board may retain, employ, direct, and discharge an attorney other than the General Counsel, or Special Counsel, or their law firms, to periodically provide legal services directly to the Board ("Board Counsel"), with the Board Counsel representing the Board as client. To the extent practical, a Board Counsel's representation of the Board must be governed in a manner similar to the manner in which an attorney's representation of KIUC is governed under this policy.

## **II. Competent Legal Representation and Conflicts of Interest**

An attorney shall provide competent legal representation to KIUC, and shall have or acquire the appropriate knowledge, skills, time, and qualifications necessary to provide competent legal representation. No attorney, however, guarantees, promises, or warrants a successful or favorable outcome regarding legal services provided to KIUC. An attorney shall inform the CEO, or person authorized by the CEO in writing of any other entity engaged in generating, transmitting, distributing, marketing, or selling electric energy to which the attorney provides legal services.

## **III. Retaining, Employing, and Discharging Attorneys**

The Board shall make decisions regarding retaining, employing, and discharging the General Counsel and shall annually evaluate the performance of the General Counsel. Following consultation with the General Counsel, the CEO shall make decisions regarding retaining, employing, and discharging any other attorney.

## **IV. Directing Attorneys**

Only the Board, the Board Chair, or the CEO may request an attorney provide legal services to KIUC; provided, however, if [the KIUC's](#) General Counsel is requested to perform services that are thought by the General Counsel to be outside the scope of the General Counsel's general retainer, the [g](#)General Counsel shall so advise the requestor, and, if the requestor is not the Board, Board Chair, or CEO, have the requestor obtain the necessary approval from the Board, Board Chair, or CEO, as applicable, pursuant to this policy prior to undertaking the requested services. The CEO and attorney shall keep the Board reasonably informed regarding any matter for which an attorney is providing legal services to KIUC. In consultation with the Board or as directed by the Board, the CEO shall direct an attorney. In providing legal services to KIUC, and subject to the Board or CEO's direction, an attorney may act on KIUC's behalf in any manner reasonably believed to be in KIUC's best interest. Unless the CEO gives his or her prior consent, an attorney may not make a statement outside of a tribunal regarding the attorney's provision of legal services to KIUC, which statement the attorney knows or reasonably should know will be disseminated by means of public communication. No KIUC director, officer, employee, consultant, agent, or representative may interfere with the attorney's ability to exercise independent professional judgment and render candid advice.

## **V. Attorney Fees and Expenses**

KIUC shall pay its attorneys a reasonable fee and reasonable expenses. All attorneys shall provide legal services to KIUC in a cost-effective and efficient manner. The fees and expenses for attorneys retained by KIUC must be specified in an appropriate attorney engagement agreement. KIUC shall indemnify its attorneys for liability and expenses, including reasonable attorney fees, to which KIUC has exposed the attorney without the attorney's fault. The CEO shall cause KIUC's attorneys to be paid appropriate monthly

fees and expenses in accordance with their respective engagement agreements, and within budgeted and delegated authority.

## **VI. KIUC as Client**

In providing legal services to KIUC, an attorney represents KIUC as client, acting through its authorized directors, officers, employees, and members. In representing KIUC, an attorney does not represent KIUC's directors, officers, employees, or members. If the Board gives its informed, written, and prior consent, and if an attorney complies with applicable conflict of interest requirements, then the attorney may represent individual KIUC directors, officers, employees, and members in matters related to the attorney's representation of KIUC.

## **VII. Attorney-Client Privilege**

Confidential communications between KIUC, or its agent or representative, and the attorney, or the attorney's agent or representative, made to facilitate the attorney's provision of legal services to KIUC are protected by the attorney-client privilege. KIUC directors, officers, employees, consultants, agents, and representatives shall not disclose these communications to third parties, other than those to whom disclosure is made in furtherance of this provision of legal services, or those reasonably necessary for transmitting the communications. To the extent these communications are disclosed to KIUC employees, consultants, agents, or representatives, they must only be disclosed to individuals who reasonably need to know of the communications.

## **VIII. Attorney's Duty to Inform and Consult**

An attorney shall keep the Board and the CEO reasonably informed regarding a matter for which the attorney is providing legal services to KIUC. For decisions regarding the matter to be made by KIUC, the attorney shall explain the matter to the Board and the CEO to the extent reasonably necessary to permit KIUC to make an informed decision. An attorney shall promptly comply with KIUC's reasonable request for information.

## **IX. Reliance**

In providing legal services to KIUC, an attorney may rely upon information provided by KIUC, unless the attorney knows that the reliance is unwarranted. In performing his or her duties, a KIUC director, officer, or employee may rely upon information, opinions, reports, and statements prepared or presented by an attorney. A director, officer, or employee's reliance, however, is only permitted regarding matters involving skills or expertise that he or she reasonably believes are within the attorney's professional or expert competence. Further, this reliance is only permitted if the director, officer, or employee acts in good faith and reasonably believes that the reliance is warranted and that the attorney merits confidence.

**X. Evidence of Violation of Law or Breach of Duty**

If an attorney, other than the General Counsel, knows or reasonably should know of any evidence of an actual or intended material violation of law or material breach of duty, or evidence of an actual or intended violation of law or breach of duty likely to result in substantial injury to KIUC, by KIUC or by any KIUC director, officer, employee, consultant, agent, or representative then the attorney shall report the evidence to the General Counsel. If the General Counsel knows or reasonably should know of any evidence, then the General Counsel shall report the evidence to the CEO.

Within thirty (30) days of evidence being first reported, the General Counsel or the CEO, as determined by the CEO, shall investigate the evidence, respond appropriately to the evidence, and inform the reporting attorney regarding the investigation and the response. If an attorney, other than the General Counsel, reasonably believes neither the General Counsel nor the CEO has investigated or responded appropriately to the evidence, or if the attorney believes it is reasonably necessary in the best interest of KIUC, then the attorney shall report the evidence to the Board in person and without the presence of any other person, except a person invited by the attorney. If the General Counsel reasonably believes the CEO has not investigated or responded appropriately to the evidence, or if the General Counsel believes it is reasonably necessary in the best interest of KIUC, then the General Counsel shall report the evidence to the Board in person and without the presence of any other person, except a person invited by the General Counsel.

**XI. Legal Programs, Publications, and Memberships**

KIUC shall encourage the General Counsel to: (1) attend legal programs sponsored by, and to subscribe to legal publications published by, the National Rural Electric Cooperative Association and any association of electric cooperatives located within the state; and (2) be a member of, and attend programs sponsored by, the Electric Cooperative Bar Association and any association of attorneys representing electric cooperatives located within the state.

Adopted on this 23<sup>rd</sup> day of November, 2021.

~~Revised~~Reviewed: ~~11/03/2021~~  
Revised: 11/23/2021  
Reviewed: 06/26/2018  
Reviewed: 10/25/2016  
Reviewed: 10/28/2014  
Revised: 12/20/2011  
Revised: 04/22/2008  
Original Adoption: 06/30/2004

\_\_\_\_\_  
Calvin Murashige  
Secretary

KIUC POLICY NO. 30  
**ELECTRIC RATES AND RATE DESIGN**

**PURPOSE OF POLICY:**

This policy describes the principles for the development and implementation of electric rates.

**POLICY CONTENT:**

**I. Commitment to Rate Design**

It is the policy of the Board to develop and design electric rates in a manner that will allow KIUC to accomplish its Strategic Plan while providing electricity that is reliable, considerate of the environment, and that will continue to build and maintain KIUC's financial strength and integrity, at the lowest reasonable cost to its members.

**II. Fundamentals**

- A. KIUC will prepare revenue requirement and cost-of-service studies as required to have information needed to develop and design electric rates.
- B. KIUC will endeavor to develop rates that are clear and understandable and will undertake proactive steps to communicate information concerning rates to its members.
- C. KIUC will endeavor to develop and design electric rates that:
  - 1. Allocate costs across rate classes in an equitable manner.
  - 2. Reflect KIUC's fixed costs of service in rates and charges.
  - 3. Minimize subsidies between customer classes.
  - 4. Generate sufficient revenues and margins to meet lender requirements within regulatory limits, ensure the provision of safe and reliable electric service, and meet the financial objectives and policies in KIUC's Strategic Plan.

**III. Monitoring**

Management shall be responsible for implementing rates as approved by the Board, as allowed by the Hawaii Public Utility Commission. Management shall routinely report to the Board any rate adjustments recommended or needed to better assist KIUC in carrying out the objectives, fundamentals, and commitments set forth above.

Adopted on this ~~23<sup>rd</sup>~~26<sup>rd</sup> day of ~~September,~~  
~~2021~~March, 2024.

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Calvin Murashige  
Secretary

~~Revised~~Reviewed: ~~09/23/2021~~03/26/2024

Revised: 09/23/2021

Reviewed: 11/27/2018

Reviewed: 12/13/2016

Reviewed: 01/27/2015

Original Adoption: 06/26/2012

# BOARD APPROVAL REQUEST FORM

## Requestor

Department **Production**

Date **3/6/2024**

Name Richard Vetter

Title: Port Allen Manager

Program/Project Name **S1 EXCITER (241202NU)**

Project Dates (if any) Planned installation in first half of 2025

Deadline(s) 5/31/2024

## Description of Request (attach documentation if needed)

This project is budgeted for \$500K in 2025. Due to lead times being longer than anticipated, PO's will need to be issued in 2024 for a timely project completion in 2025. This project is required to be completed in order to use the S1 generator for the synchronous condenser conversion, project 241202P.

## Financial Impact

Fiscal Year: 2024

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

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

Original Budget Amt \$ \_\_\_\_\_ -

Additional/Change **\$ 250,000**

Revised Budget Amt \$ 250,000

Required (Initials)

CEO Review: DB

## Committee Referral/Action

Committee F&A

Meeting Date: 3/19/2024

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

Cmte Chairperson Presiding: Peter Yukimura

## Board Action

Board Workshop \_\_\_\_\_

Wrkshp Date: \_\_\_\_\_

Board Meeting Date 3/26/2024

Action Taken: \_\_\_\_\_

1st/2nd: \_\_\_\_\_

Other Info: \_\_\_\_\_

Res No. \_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_

# BOARD APPROVAL REQUEST FORM

## Requestor

Department **Production**

Date **3/6/2024**

Name Richard Vetter

Title: Port Allen Manager

Program/Project Name **PAGS SYNCHRONOUS CONDENSER CONV (241202P)**

Project Dates (if any) Planned installation in first half of 2025

Deadline(s) 3/31/2024 for current quotations

## Description of Request (attach documentation if needed)

This project has been approved for a total \$2250K over years 2024 and 2025. The total project cost estimate has not changed, however lead times to get this project comfortably installed in 2025 will force additional milestone payments in 2024 versus 2025. No dollars, other than preliminary engineering have been committed or spent so far. The budget for this project is contingent upon receiving GRIP funding of \$1500K.

## Financial Impact

Fiscal Year: 2024

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

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

Original Budget Amt \$ 250,000

Additional/Change \$ **850,000**

Revised Budget Amt \$ 1,100,000

Required (Initials)

CEO Review: DB

## Committee Referral/Action

Committee F&A

Meeting Date: 3/19/2024

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

Cmte Chairperson Presiding: Peter Yukimura

## Board Action

Board Workshop \_\_\_\_\_

Wrkshp Date: \_\_\_\_\_

Board Meeting Date 3/26/2024

Action Taken: \_\_\_\_\_

1st/2nd: \_\_\_\_\_

Other Info: \_\_\_\_\_

Res No. \_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_