

**REGULAR MEETING OF THE BOARD OF DIRECTORS**  
**KAUA'I ISLAND UTILITY COOPERATIVE**  
via Video Conference Call  
On October 31, 2024

**MINUTES**

Meeting called to order by Chair Smith at 1:02 p.m.

**1. Roll Call**

- 1.1. **Directors present:** Allan Smith (Chair), Jan TenBruggencate (Vice-Chair), Peter Yukimura (Treasurer), Calvin Murashige (Secretary), David Iha, James Mayfield, Teofilo Tacbian, Michael Yamane; David Bissell (CEO)
- 1.2. **Others present:** Stacie Dellamano (CFO), Brad Rockwell (COO), Laurel Loo (General Counsel), Teresa Amoy (Executive Administrator), Beth Amaro (Member Services & Communications Mgr.), Chris Yuh (Mgr. of Finance, Risk & Analytics), Cameron Kruse (Engineering & Technology Mgr.), Daurice Arruda (Accounting Mgr.), Erin Tsuda (Finance Mgr.), Corinne Cuaresma (Controller), Scott Sato (Energy Services Supervisor), Shelley Paik (PA Specialist), Allison Young (Communications & PR Specialist), Shelsey Francisco (Financial Analyst), Jonah Knapp (Staff Engineer); Members of the press (0) and Member of the public (1)
- 1.3. **Absent/Excused:** None

**2. Approval of the Agenda**

- 2.1. The Board of Directors' agenda of October 31, 2024, was approved as circulated.

**3. Approval of Minutes**

- 3.1. The minutes of September 19, 2024, Regular Board meeting were approved as circulated.

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

- 4.1. CEO discussed October's President's Report as presented to the board (report attached).
  - Brief presentation on disconnection policies as part of the ongoing PUC Equity Docket; highlighted the effectiveness of service limiting before full disconnection. Also discussed financial assistance programs and additional proactive member communication as it relates to disconnections.
  - Brief presentation on utility pole inventory. Update on pole inventory levels and replacement activities (presentation attached).

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

- 5.1. CFO provided an update on the September 2024 Financial Report (report attached).
- Key financial metrics reviewed.
  - Operating revenue and expenses tracking close to budget with no significant deviations.
  - Cash flow and balance sheet details provided. The cooperative had \$33 million in cash and short-term investments, earning roughly 4.5% to 5% interest.
  - Balance Sheet: Total utility plant value was just under \$600 million, with \$12 million in construction work in progress. 50% of the plant was depreciated, indicating the need for ongoing replacement projects. Total assets and liabilities were balanced at \$419 million each.
  - Debt details and repayment schedules discussed. The cooperative's debt was detailed showing a reduction from \$334 million to \$225 million, with favorable interest rates under 4%.
  - Income Statement: The cooperative reported \$8.1 million in margins at the end of September.
  - There was a slight uptick in accounts receivable in September, attributed to larger outstanding balances and bills. A correlation was observed between cooling degree days and electricity sales, particularly in the residential class.
  - Treasury Management: The cooperative's cash was invested in various funds and banks, with interest rates ranging from 4.05% to 4.9%.
  - Overall, the financial report indicated a stable financial position with healthy revenue, controlled expenses, and strategic management of cash and debt.

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

- 6.1. The NRECA Director's report, presented by Director Iha, covered the following key points:
- NRECA announced significant grants, including a \$7.5 billion rollout primarily in the Midwest and another round of grants totaling \$3.5 billion for G&T (Generation & Transmission) cooperatives.
  - NRECA continues to be highly respected among lobbying organizations in Washington, D.C. According to a survey by Penta Research, NRECA is the highest-rated advocacy organization, trusted and respected by both political parties.
  - NRECA is proactively engaging with transition teams of both presidential candidates to ensure that the issues and policies important to electric cooperatives are well understood and represented.
  - NRECA's advocacy efforts emphasize the cooperative business model and the importance of community ownership, which resonates well with elected officials across the political spectrum.

## 7. Charitable Foundation Board Report – Director Phil Tacbian

7.1. Director Tacbian provided the board report for its last meeting on October 22, 2024, highlighting the foundation’s active community support, successful fundraising efforts, and the upcoming sold-out golf tournament dedicated to Dee Crowell (report attached).

- Peter Yukimura was appointed as the new treasurer for the foundation.
- The upcoming golf tournament is scheduled for November 16, 2024, with a tee-off time at 8AM. The tournament is dedicated to Dee Crowell, who has been the perennial chairman for many years. The tournament is sold out, with a waitlist of people still wanting to participate.

## 8. Public Testimony

8.1. No public testimony was received.

## 9. New Business

### 9.1. Resolution 01-24 Condolences for Dee Crowell

- Director TenBruggencate introduced the resolution for the late director Dee Crowell that was presented at his memorial service.

- **MOTION:** to approve Resolution 01-24.

[Motion: Tacbian] [Second: Murashige]

**Discussion:** The resolution that was distributed to the directors was the first draft and did not have the updated dates for Director Crowell. Director TenBruggencate noted that the correct version was presented at the service and is the version that they are approving today.

IN FAVOR: Smith, TenBruggencate, Yukimura, Mayfield,  
Murashige, Tacbian, Iha, Yamane

Total – 8

OPPOSED: None

Total – 0

EXCUSED: None

Total – 0

**Motion carried**

### 9.2. Resolution 02-24 DOE/State of Hawaii Funding Match for the Synchronous Condenser Conversion Technology (SCCT) Contract

- Director Yukimura introduced Resolution 02-24. The F&A committee approved the resolution at its last meeting for full board approval.

- **MOTION:** to approve Resolution 02-24.

[Motion: Mayfield] [Second: Murashige]

**No discussion.**

IN FAVOR: Smith, TenBruggencate, Yukimura, Mayfield,  
Murashige, Tacbian, Iha, Yamane

Total – 8

OPPOSED: None

Total – 0

EXCUSED: None

Total – 0

**Motion carried**

9.3. **Resolution 05-24 DOE/State of Hawaii Funding Match for the Utility Solar Grid Forming Technology (USGFT) Contract**

- Director Yukimura introduced Resolution 05-24. The F&A committee approved the resolution at its last meeting for full board approval.

- **MOTION:** to approve Resolution 05-24.

[Motion: Yukimura] [Second: Mayfield]

**No discussion.**

IN FAVOR: Smith, TenBruggencate, Yukimura, Mayfield,  
Murashige, Tacbian, Iha, Yamane Total – 8

OPPOSED: None Total – 0

EXCUSED: None Total – 0

**Motion carried**

9.4. **Resolution 03-24 2025 KIUC Results of Operations (ROO) Budget**

- Director Yukimura introduced Resolution 03-24 as presented to the F&A Committee at its last meeting. With no further questions or discussion, Director Yukimura asked for the adoption of the resolution.

- **MOTION:** to approve Resolution 03-24.

[Motion: Yukimura] [Second: Mayfield]

**No discussion.**

IN FAVOR: Smith, TenBruggencate, Yukimura, Mayfield,  
Murashige, Tacbian, Iha, Yamane Total – 8

OPPOSED: None Total – 0

EXCUSED: None Total – 0

**Motion carried**

9.5. **Resolution 04-24 2025 KIUC Capital Budget**

- Director Yukimura introduced Resolution 04-24 as presented to the F&A Committee at its last meeting. With no further questions or discussion, Director Yukimura asked for the adoption of the resolution.

- [Motion: Yukimura] [Second: Mayfield]

**No discussion.**

IN FAVOR: Smith, TenBruggencate, Yukimura, Mayfield,  
Murashige, Tacbian, Iha, Yamane Total – 8

OPPOSED: None Total – 0

EXCUSED: None Total – 0

**Motion carried**

9.6. **Proposed 2025 Board Elections Nominating Committee Slate**

- Director Murashige introduced the 2025 Board Elections Nominating Committee Slate: Arryl Kaneshiro, Todd Ozaki, Marissa Sandblom, and Stacy Waikoloa. The Member Relations Committee recommends the approval of the committee for full board approval.

- **MOTION:** to approve the 2025 Board Elections Nominating Committee Slate [Motion: Murashige] [Second: Mayfield]

**No discussion.**

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

**Motion carried**

9.7. **Policy 28 – Offers to Acquire the Cooperative Assets**

- Director Yamane introduced Board Policy 28 as presented to the Board.
- **MOTION:** to approve Board Policy 28 with no significant changes. [Motion: Yamane] [Second: Murashige]

**No discussion.**

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

**Motion carried**

**10. Calendar**

- 10.1. **November 11, 2024** – HOLIDAY – Veteran’s Day (KIUC Offices Closed)
- 10.2. **November 14, 2024** – Board Committee Meetings (9:00am, MCR)
- 10.3. **November 16, 2024** – KIUC Charitable Foundation Golf Tournament (Puakea Golf Course)
- 10.4. **November 18, 2024** – Board Regulatory Workshop (1:00pm, MCR)
- 10.5. **November 21, 2024** – Regular Board Meeting (1:00pm, Zoom)
- 10.6. **November 28, 2024** – HOLIDAY – Thanksgiving (KIUC Offices Closed)

**11. Executive Session**

At 1:54 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 2:07 p.m.
- A motion to ratify actions taken in Executive Session by Director Murashige and seconded by Director Tacbian was approved unanimously.
  - The Executive Session minutes of September 19, 2024, were approved as circulated in executive session.
  - RLF Application Summary and Recommendation – Komohana Charters, LLC.

## **12. Adjournment**

- 12.1. The meeting was adjourned at 2:07 p.m.

*Calvin Murashige*

Calvin Murashige (Nov 21, 2024 17:01 HST)

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Calvin Murashige  
Board Secretary



**October 31, 2024**

David Bissell, CEO

# **PRESIDENT'S REPORT**





## PRESIDENT'S REPORT

Safety (September)	Month	2024 YTD	2023 YTD
Recordable Incidents	0	2	3
Availability and Reliability	Month	2024 YTD	2023 YTD
Reportable Outages	6	33	30
Average Outage Hours Per Customer	0.28	5.71	3.02
Efficiency	Month	2024 YTD	
Net Plant Heat Rate	8,986	9,102	
Peak Demand (MW)	81.15	81.15	
Residential Rates			
October 2024	\$0.399/kwh increase \$0.01 from September		

## UPDATE ITEMS

- Mahipapa remains offline. Estimated to resume operations soon.
- HCP- Agency and KIUC “page turn review” of draft HCP conducted this week. Remains on schedule for May 2025 federal publication.
- Waimea Watershed Mediation agreement regarding KIUC Phase One obligations for diversion modifications has been executed by all parties. CWRM action expected as early as today.
- Board workshop on regulatory items on November 18.



## UPDATE ITEMS - CONTINUED

- Grants
  - Princeville Underground Improvements - GRIP Round 2 with NRECA was not approved.
  - Battery and Synchronous Condenser \$18.2 million:
    - GRIP Round 1 with State Energy Office. State procurement related negotiations ongoing.
    - PACE Loan with RUS with up to \$5.3 million. Loan documentation with RUS is being negotiated.
  - Congressionally Directed Funds:
    - Port Allen Control Room Upgrade \$1.7 million
    - North Shore Resilience \$1 million. Ongoing meetings with Idaho National Lab
- Renewable RFP ongoing with target for completion of PPA by year end (if applicable). Should have term sheets completed within next week.



## UPDATE ITEMS - CONTINUED

- Equity Management Plan: Workshop with board was held on October 16<sup>th</sup>. Policy Committee reviewing recommended modifications.
- KIUC presentation on disconnection policies as part of the ongoing PUC Equity Docket (Amaro).
- Utility pole inventory (Yuh).





**MAHALO!**



# Update: Pole inventory levels

Board Meeting  
October 31, 2024

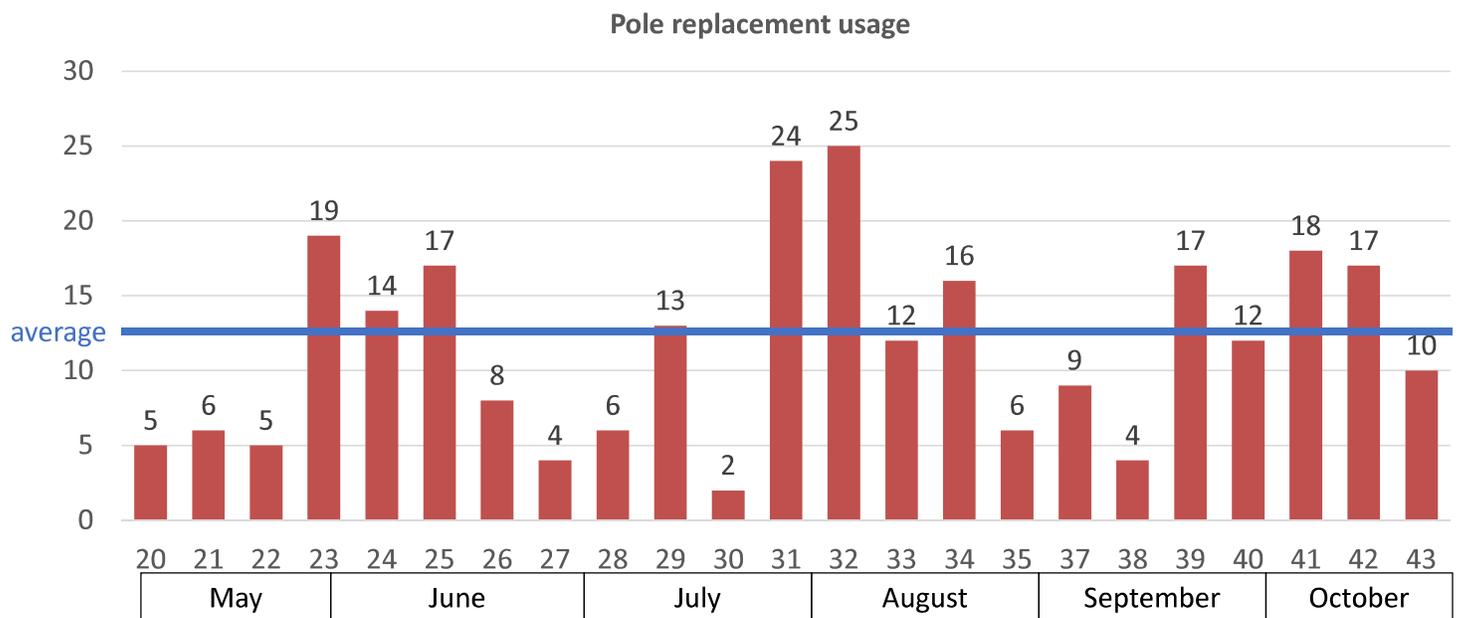
## Background

- April 2024 – KIUC updates storm inventory levels based on current in-use system, data from recent US storms, and other deciding factors
  - Old pole inventory levels were created with Hurricane Iniki data from 1992
  - Board approves \$1.5M additional spend on pole inventory to strengthen system resiliency
- May 2024 – KIUC finalizes Wildfire Preparedness and Mitigation Plan
  - Includes pole management program (Thor Poletest)
- May 2024 – KIUC awards RFP to a third-party contractor to assist with pole replacements

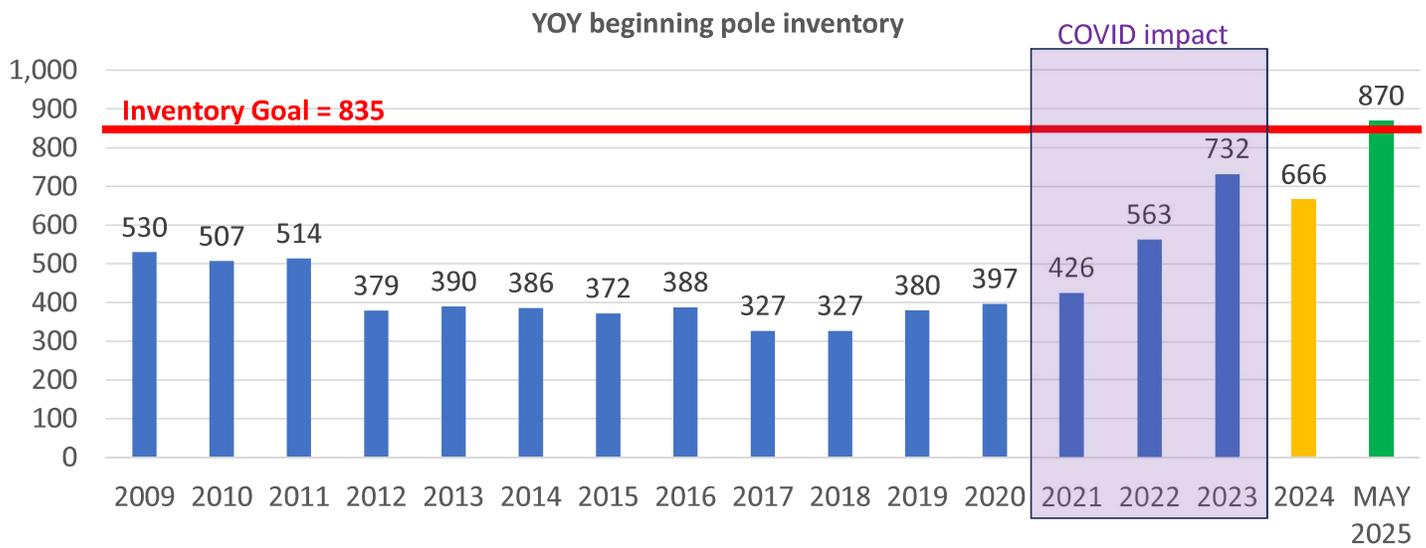
## Other deciding factors for new storm levels

- Target one (1) month worth of material for crews to work during recovery (5% of in-use system)
  - $16,700 \text{ poles in-use} * 5\% = 835 \text{ poles on-hand target}$
- Cost
- Storage space available
- Turnover / Burn rates
- Normal lead times obtaining material
- Emergency accessibility after a storm

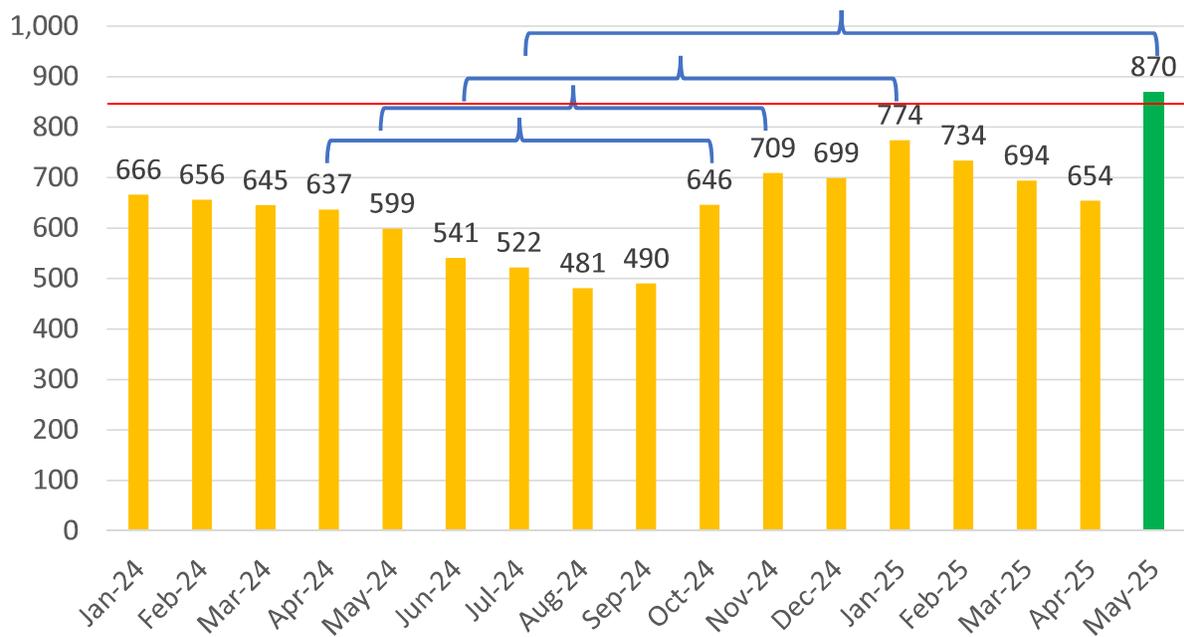
~12 poles per week are being replaced



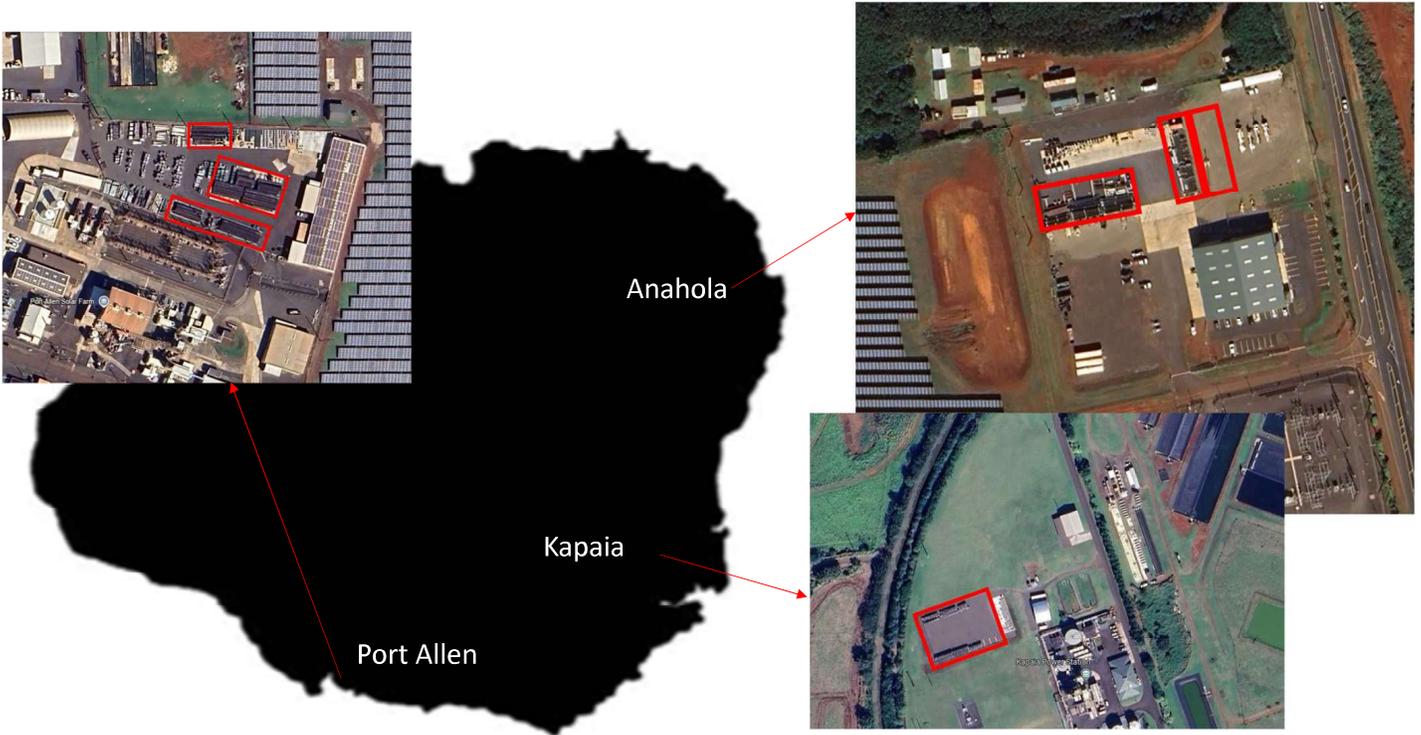
Inventory Goal = 835 (5% of in-use system)



Slowly building up inventory while timing burn rates/lead times



# Pole storage split between 3 locations



Questions?



# Kaua'i Island Utility Cooperative

Your Touchstone Energy® Cooperative



## **Board of Directors Financial Report**

**October 2024**

# **Finance, Accounting, Regulatory and Warehouse Monthly Summary**

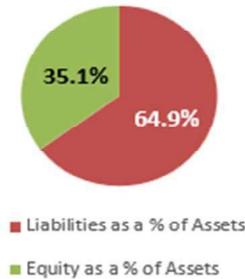
## Finance and Accounting Update

- Key Performance Indicators
- Financial Results
  - Balance Sheet
  - Income Statement
  - Results of Operations Summary Page
- Outstanding Loan Detail Report
- A/R Reports
- Sales Reports – Annual kWh Sales Comparison
- Treasury Management Monthly Discussion
- Monthly Updates

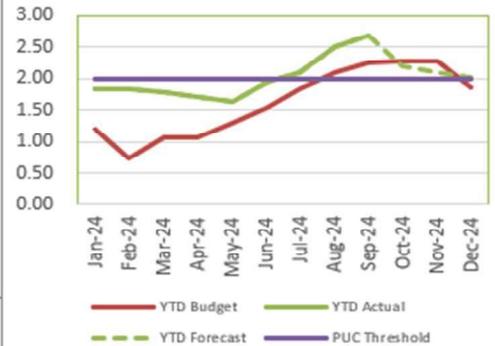
## MWh Sales

Class	YTD Prior Year	YTD Actual		Percent Change
Residential (D)	144,001	144,840	↑	0.6%
Small Comm (G)	48,933	49,231	↑	0.6%
Large Comm (J)	38,831	38,222	↓	-1.6%
Lrg Pwr Primary (L)	36,127	38,111	↑	5.5%
Lrg Pwr Secondary (P)	77,258	80,310	↑	4.0%
Street Lighting (SL)	520	522	↑	0.3%
Irrigation	788	617	↓	-21.7%
<b>Total</b>	<b>346,458</b>	<b>351,854</b>	<b>↑</b>	<b>1.6%</b>

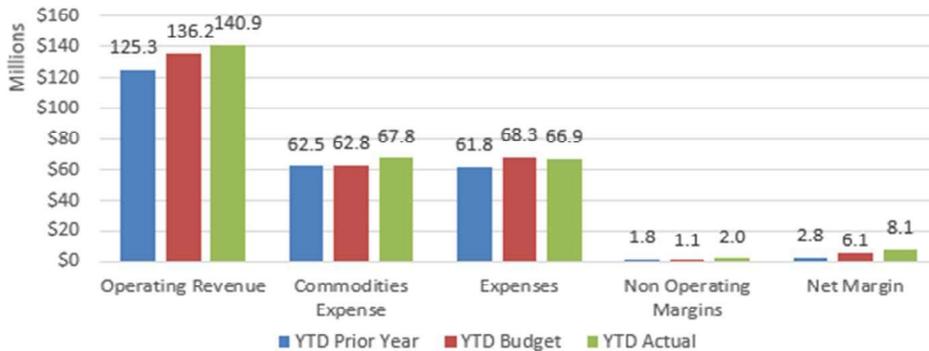
## Equity Ratio



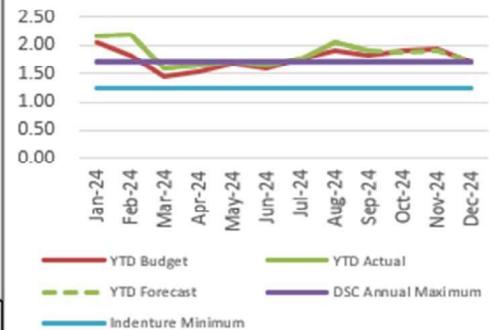
## TIER



## Key Results



## DSC



## Expenses



(In Millions)	YTD Actual
Cash	\$0.0
Short-Term Investments	\$33.6
Cushion of Credit	\$0.0
<b>Total Cash &amp; Investments</b>	<b>\$33.6</b>
Line of Credit Available	\$100.0
Line of Credit Drawn	\$0.0

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Page: 1

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

**BALANCE SHEET FOR SEP 2024**

	Last Year	This Year	Variance
<b>ASSETS AND OTHER DEBITS</b>			
1. Total Utility Plant in Service	600,683,426.87	599,304,287.66	-1,379,139.21
2. Construction Work in Progress	10,395,038.00	11,992,509.23	1,597,471.23
3. Total Utility Plant (1 + 2)	611,078,464.87	611,296,796.89	218,332.02
4. Accum. Provision for Depreciation and Amort.	338,251,695.39	337,744,327.99	-507,367.40
5. Net Utility Plant (3 - 4)	272,826,769.48	273,552,468.90	725,699.42
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	22,482,821.12	21,304,094.81	-1,178,726.31
8. Invest. in Assoc. Org. - Patronage Capital	1,263,969.31	1,304,320.64	40,351.33
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	1,007,148.81	2,029,221.22	1,022,072.41
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)	25,585,239.24	25,304,136.67	-281,102.57
15. Cash - General Funds	1,931,725.83	210,372.87	-1,721,352.96
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	-14,781.87	-28,160.67	-13,378.80
18. Temporary Investments	41,087,431.73	33,637,033.41	-7,450,398.32
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	11,043,266.68	16,591,694.40	5,548,427.72
21. Accounts Receivable - Other (Net)	604,214.30	205,997.79	-398,216.51
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	22,731,122.71	20,365,296.61	-2,365,826.10
24. Prepayments	1,914,912.86	2,859,074.66	944,161.80
25. Other Current and Accrued Assets	9,233,335.38	10,187,859.06	954,523.68
26. Total Current and Accrued Assets (15 thru 25)	88,531,227.62	84,029,168.13	-4,502,059.49
27. Regulatory Assets	34,831,910.98	36,068,717.19	1,236,806.21
28. Other Deferred Debits	163,819.06	171,113.44	7,294.38
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	421,938,966.38	419,125,604.33	-2,813,362.05

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Page: 2

General Ledger  
Financial And Operating Report Electric Distribution

**BALANCE SHEET FOR SEP 2024**

	Last Year	This Year	Variance
<b>LIABILITIES AND OTHER CREDITS</b>			
30. Memberships	607.16	619.98	12.82
31. Patronage Capital	134,487,860.52	138,464,675.29	3,976,814.77
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	2,849,037.64	8,142,559.92	5,293,522.28
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	134,234.19	355,133.47	220,899.28
36. Total Margins & Equities (30 thru 35)	137,471,739.51	146,962,988.66	9,491,249.15
37. Long-Term Debt - RUS (Net)	0.00	0.00	0.00
38. Long-Term Debt - FFB - RUS Guaranteed	118,759,126.23	114,307,281.73	-4,451,844.50
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	120,333,944.55	113,562,973.31	-6,770,971.24
41. Long-Term Debt - RUS Econ. Devel. (Net)	0.00	0.00	0.00
42. Payments - Unapplied	0.00	0.00	0.00
43. Total Long-Term Debt (37 thru 41 - 42)	239,093,070.78	227,870,255.04	-11,222,815.74
44. Obligations Under Capital Leases - Noncurrent	13,583,205.15	13,003,196.24	-580,008.91
45. Accumulated Operating Provisions	53,759.21	-26,080.56	-79,839.77
46. Total Other Noncurrent Liabilities (44 + 45)	13,636,964.36	12,977,115.68	-659,848.68
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	7,225,004.25	5,860,729.53	-1,364,274.72
49. Consumers Deposits	1,500,043.42	1,633,579.77	133,536.35
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	9,903,698.20	11,036,333.36	1,132,635.16
54. Total Current & Accrued Liabilities (47 thru 53)	18,628,745.87	18,530,642.66	-98,103.21
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	13,108,445.86	12,784,602.29	-323,843.57
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	421,938,966.38	419,125,604.33	-2,813,362.05
Current Assets To Current Liabilities	4.75 to 1	4.53 to 1	
Margins and Equities To Total Assets	32.58 %	35.06 %	
Long-Term Debt To Total Utility Plant	39.13 %	37.28 %	

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>1,099,711</u>	<u>57,907,457</u>	<u>1,028,596</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>

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

**INCOME STATEMENT FOR SEP 2024**

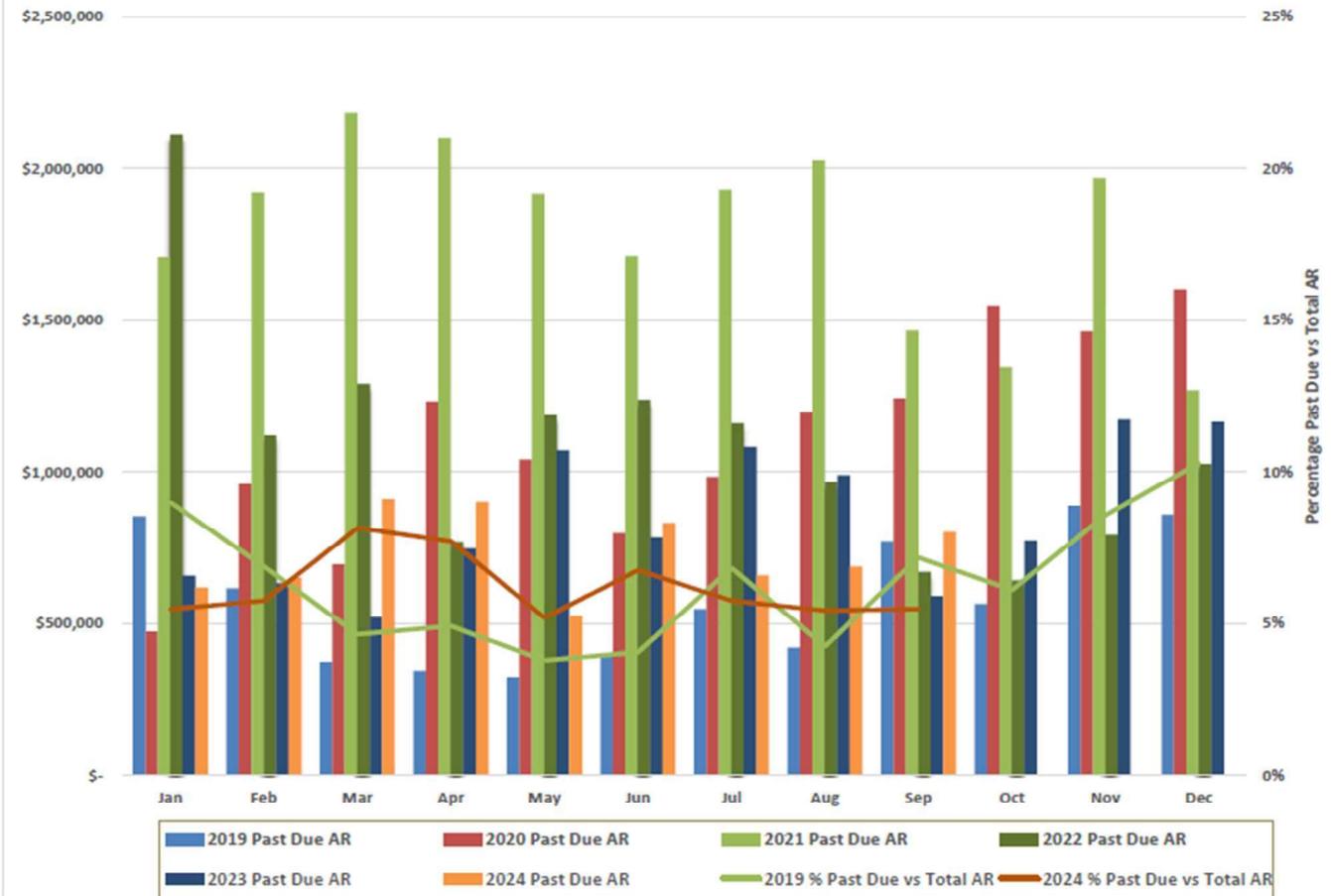
Item	Year - To - Date			Period - To - Date	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	125,344,367.79	140,891,227.50	136,151,830.00	16,555,673.07	15,865,305.00
2. Power Production Expense	38,299,832.34	48,956,841.10	37,995,145.00	5,807,905.41	4,603,092.00
3. Cost of Purchased Power	34,430,576.13	30,238,338.79	35,822,949.00	2,957,938.75	3,792,167.00
4. Transmission Expense	889,761.98	1,195,760.22	1,127,207.00	165,779.43	120,048.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	1,216,992.06	1,308,885.72	1,245,342.00	179,537.34	136,656.00
7. Distribution Expense - Maintenance	3,600,136.06	4,101,446.79	4,046,427.00	407,934.06	444,459.00
8. Customer Accounts Expense	1,708,838.31	1,799,849.44	2,247,270.00	213,745.67	244,686.00
9. Customer Service and Informational Expense	236,852.18	222,419.89	427,141.00	37,633.49	56,599.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	16,583,848.37	18,960,308.87	19,905,097.00	2,127,795.42	2,217,665.00
12. Total Operation & Maintenance Expense (2 thru 11)	96,966,837.43	106,783,850.82	102,816,578.00	11,898,269.57	11,615,372.00
13. Depreciation & Amortization Expense	11,639,641.52	11,181,666.52	12,034,993.00	1,240,054.53	1,337,221.00
14. Tax Expense - Property & Gross Receipts	3,131,164.59	3,519,564.59	3,403,798.00	413,434.97	396,633.00
15. Tax Expense - Other	7,503,774.51	8,411,470.97	8,094,635.00	1,021,963.14	946,573.00
16. Interest on Long-Term Debt	5,079,066.53	4,808,297.41	4,835,000.00	527,448.15	532,000.00
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	18,952.27	50,445.63	81,370.00	3,275.00	2,830.00
20. Total Cost of Electric Service (12 thru 19)	124,339,436.85	134,755,295.94	131,266,374.00	15,104,445.36	14,830,629.00
21. Patronage Capital & Operating Margins (1 minus 20)	1,004,930.94	6,135,931.56	4,885,456.00	1,451,227.71	1,034,676.00
22. Non Operating Margins - Interest	2,199,189.06	2,025,008.38	1,443,123.00	209,294.78	126,429.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-737,786.40	-290,478.81	-545,581.00	-12,014.93	-40,796.00
25. Non Operating Margins - Other	200,204.41	192,462.39	109,080.00	-20,631.18	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	182,499.63	79,636.40	195,000.00	79,636.40	195,000.00
28. Extraordinary Items	0.00	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	2,849,037.64	8,142,559.92	6,087,078.00	1,707,512.78	1,327,429.00
Operating - Margin	2,849,037.64	8,142,559.92	6,087,078.00	1,707,512.78	1,327,429.00
Non Operating - Margin	0.00	0.00	0.00	0.00	0.00
Times Interest Earned Ratio - Operating	1.20	2.28			
Times Interest Earned Ratio - Net	1.56	2.69			
Times Interest Earned Ratio - Modified	1.53	2.68			

**Kauai Island Utility Cooperative Results of Operations (ROO)**

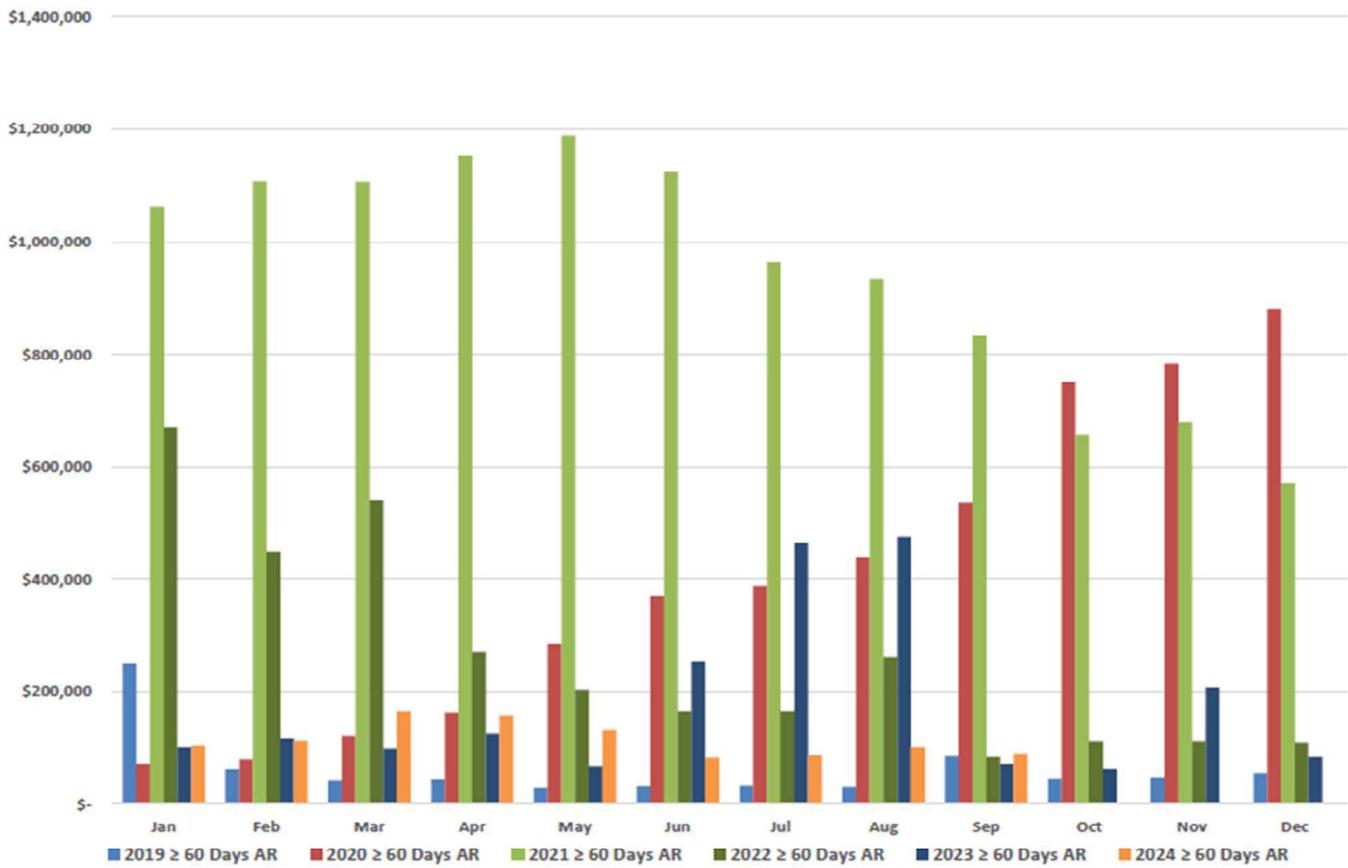
September-24

	Month				Year-To-Date				Budget (+/-) YTD Variance	2024 Annual Budget	YTD Forecast
	September-24	Budget	Variance	Variance	This Year	Budget	Variance	Variance			
<b>Irrigation Revenue Total</b>	39,346	45,365	(6,019)	-13%	147,382	221,193	(73,811)	-33%	217,912	291,723	217,912
<b>Residential Revenue Total</b>	7,148,205	6,879,258	268,947	4%	60,024,897	58,475,595	1,549,302	3%	79,841,388	78,292,086	79,841,388
<b>Commercial Revenue Total</b>	9,329,478	8,910,826	418,652	5%	80,398,146	77,186,971	3,211,175	4%	106,032,835	102,821,660	106,032,835
<b>Street Light Revenue Total</b>	66,787	62,265	4,522	7%	604,313	559,752	44,561	8%	792,235	747,674	792,235
<b>Other/Rental Revenue Total</b>	(28,143)	(32,409)	4,266	-13%	(283,511)	(291,681)	8,170	-3%	(3,186,988)	(3,195,158)	(4,577,176)
<b>Total Revenues</b>	<b>16,555,673</b>	<b>15,865,305</b>	<b>690,368</b>	<b>4%</b>	<b>140,891,228</b>	<b>136,151,830</b>	<b>4,739,398</b>	<b>3%</b>	<b>183,697,383</b>	<b>178,957,985</b>	<b>182,307,195</b>
<b>Commodities Total</b>	<b>7,634,038</b>	<b>7,225,795</b>	<b>408,243</b>	<b>6%</b>	<b>67,789,689</b>	<b>62,839,061</b>	<b>4,950,628</b>	<b>8%</b>	<b>88,990,922</b>	<b>84,040,294</b>	<b>88,990,922</b>
<b>Gross Margin</b>	<b>8,921,635</b>	<b>8,639,510</b>	<b>282,125</b>	<b>3%</b>	<b>73,101,538</b>	<b>73,312,769</b>	<b>(211,231)</b>	<b>0%</b>	<b>94,706,460</b>	<b>94,917,691</b>	<b>93,316,273</b>
<b>Power Supply Total</b>	1,202,341	1,226,807	(24,468)	-2%	12,009,506	11,504,454	505,054	4%	15,770,680	15,265,628	15,770,680
<b>Transmission &amp; Distribution Expense Total</b>	830,442	795,771	34,671	4%	7,439,659	7,282,625	157,034	2%	9,868,604	9,711,570	9,905,689
<b>Member Services Total</b>	279,138	293,045	(13,907)	-5%	2,399,631	2,745,126	(345,495)	-13%	3,301,764	3,647,259	3,205,030
<b>Communications Total</b>	95,795	54,150	41,645	77%	639,398	724,946	(85,548)	-12%	909,997	995,545	909,997
<b>Energy Services Total</b>	67,703	90,846	(23,143)	-25%	622,644	698,320	(75,676)	-11%	822,434	898,110	845,593
<b>Human Resources Total</b>	94,466	105,239	(10,773)	-10%	849,257	913,537	(64,280)	-7%	1,147,525	1,211,805	1,136,754
<b>Executive Total</b>	89,779	95,756	(5,977)	-6%	930,376	975,213	(44,837)	-5%	1,241,842	1,286,679	1,247,946
<b>Board of Directors Total</b>	25,773	63,289	(37,516)	-59%	503,528	628,634	(125,106)	-20%	601,954	727,060	601,954
<b>Safety &amp; Facilities Total</b>	339,537	314,833	24,704	8%	2,727,023	2,783,093	(56,070)	-2%	3,667,549	3,723,619	3,636,030
<b>SOS Shearwater Program Total</b>	29,689	28,750	939	3%	260,061	261,250	(1,189)	0%	346,611	347,800	343,908
<b>Regulatory Total</b>	178,396	130,017	48,379	37%	1,098,885	1,176,349	(77,464)	-7%	1,494,431	1,571,895	1,477,367
<b>Engineering Total</b>	114,179	121,352	(7,173)	-6%	812,233	1,156,812	(344,579)	-30%	1,186,753	1,531,332	1,148,918
<b>Habitat Conservation Program Total</b>	408,667	465,833	(57,166)	-12%	3,809,465	3,937,465	(128,000)	-3%	5,116,400	5,244,400	5,116,400
<b>Financial &amp; Corporate Services Total</b>	308,453	278,158	30,295	11%	2,631,675	2,549,744	81,931	3%	3,451,089	3,369,158	3,464,423
<b>Information Technology Total</b>	199,874	325,731	(125,857)	-39%	2,260,820	2,639,949	(379,129)	-14%	2,963,191	3,342,320	3,014,427
<b>Total O&amp;M Less Commodities</b>	<b>4,264,232</b>	<b>4,389,577</b>	<b>(125,345)</b>	<b>-3%</b>	<b>38,994,162</b>	<b>39,977,517</b>	<b>(983,355)</b>	<b>-2%</b>	<b>51,890,825</b>	<b>52,874,180</b>	<b>51,825,117</b>
<b>Total O&amp;M Including Commodities</b>	<b>11,898,270</b>	<b>11,615,372</b>	<b>282,898</b>	<b>2%</b>	<b>106,783,851</b>	<b>102,816,578</b>	<b>3,967,273</b>	<b>4%</b>	<b>140,881,747</b>	<b>136,914,474</b>	<b>140,816,039</b>
<b>Depreciation &amp; Amortization Total</b>	1,240,055	1,337,221	(97,166)	-7%	11,181,667	12,034,993	(853,326)	-7%	15,193,332	16,046,658	15,193,332
<b>Taxes Other Than Income Total</b>	1,435,398	1,343,206	92,192	7%	11,931,036	11,498,433	432,603	4%	15,532,932	15,100,329	15,532,932
<b>Total Expenses</b>	<b>14,573,722</b>	<b>14,295,799</b>	<b>277,923</b>	<b>2%</b>	<b>129,896,553</b>	<b>126,350,004</b>	<b>3,546,549</b>	<b>3%</b>	<b>171,608,010</b>	<b>168,061,461</b>	<b>171,542,302</b>
<b>Operating Income</b>	<b>1,981,951</b>	<b>1,569,506</b>	<b>412,445</b>	<b>26%</b>	<b>10,994,675</b>	<b>9,801,826</b>	<b>1,192,849</b>	<b>12%</b>	<b>12,089,373</b>	<b>10,896,524</b>	<b>10,764,893</b>
<b>Interest &amp; Dividend Income Total</b>	209,295	126,429	82,866	66%	2,025,008	1,443,123	581,885	40%	2,360,284	1,778,399	2,698,314
<b>Other Income (Jobbing) Total</b>	(28,175)	4,000	(32,175)	-804%	101,614	36,000	65,614	182%	113,614	48,000	135,485
<b>Income (Loss) from KRS1/KRS2H Total</b>	(12,015)	(40,796)	28,781	-71%	(290,479)	(545,581)	255,102	-47%	(709,219)	(964,321)	(709,269)
<b>Non-Operating Income Total</b>	7,544	8,120	(576)	-7%	85,849	73,080	12,769	17%	110,209	97,440	110,209
<b>Liquidated Damages Total</b>	-	-	-	0%	-	-	-	0%	-	-	-
<b>Gain on Disposition of Property Total</b>	-	-	-	0%	5,000	-	5,000	0%	5,000	-	5,000
<b>Capital Credits &amp; Patronage Allocation Total</b>	79,636	195,000	(115,364)	-59%	79,636	195,000	(115,364)	-59%	89,636	205,000	89,636
<b>Sponsorships &amp; Contributions Total</b>	(3,275)	(2,830)	(445)	16%	(50,446)	(81,370)	30,924	-38%	(59,476)	(90,400)	(59,476)
<b>Other Deductions-Abandoned PSI Total</b>	-	-	-	0%	-	-	-	0%	-	-	-
<b>Interest Expense - LTD Total</b>	(527,448)	(532,000)	4,552	-1%	(4,808,297)	(4,835,000)	26,703	-1%	(6,399,297)	(6,426,000)	(6,399,297)
<b>Interest Expense - STD Total</b>	-	-	-	0%	-	-	-	0%	-	-	-
<b>Net Margins</b>	<b>1,707,513</b>	<b>1,327,429</b>	<b>380,084</b>	<b>29%</b>	<b>8,142,560</b>	<b>6,087,078</b>	<b>2,055,482</b>	<b>34%</b>	<b>7,600,124</b>	<b>5,544,642</b>	<b>6,635,494</b>
<b>Times Interest Earned Ratio (TIER)</b>	<b>4.24</b>	<b>3.50</b>	<b>0.74</b>	<b>21%</b>	<b>2.69</b>	<b>2.26</b>	<b>0.43</b>	<b>19%</b>	<b>2.19</b>	<b>1.86</b>	<b>2.04</b>
<b>Indenture DSC</b>					<b>1.909</b>	<b>1.516</b>	<b>0.393</b>	<b>26%</b>	<b>1.751</b>	<b>1.695</b>	<b>1.695</b>
<b>EQUITY RATIO</b>						<b>35.06%</b>					

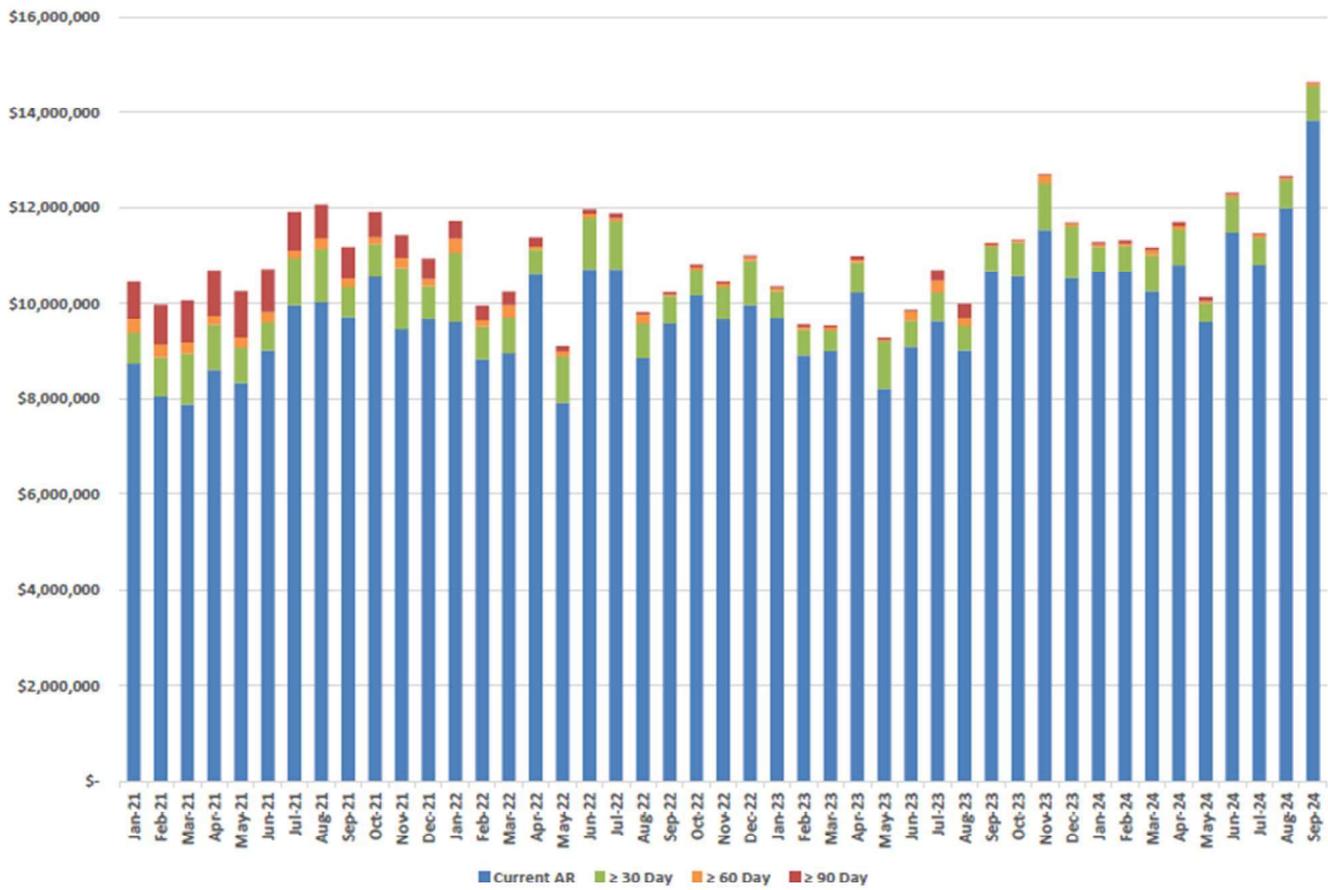
YOY > 30 days vs Total AR

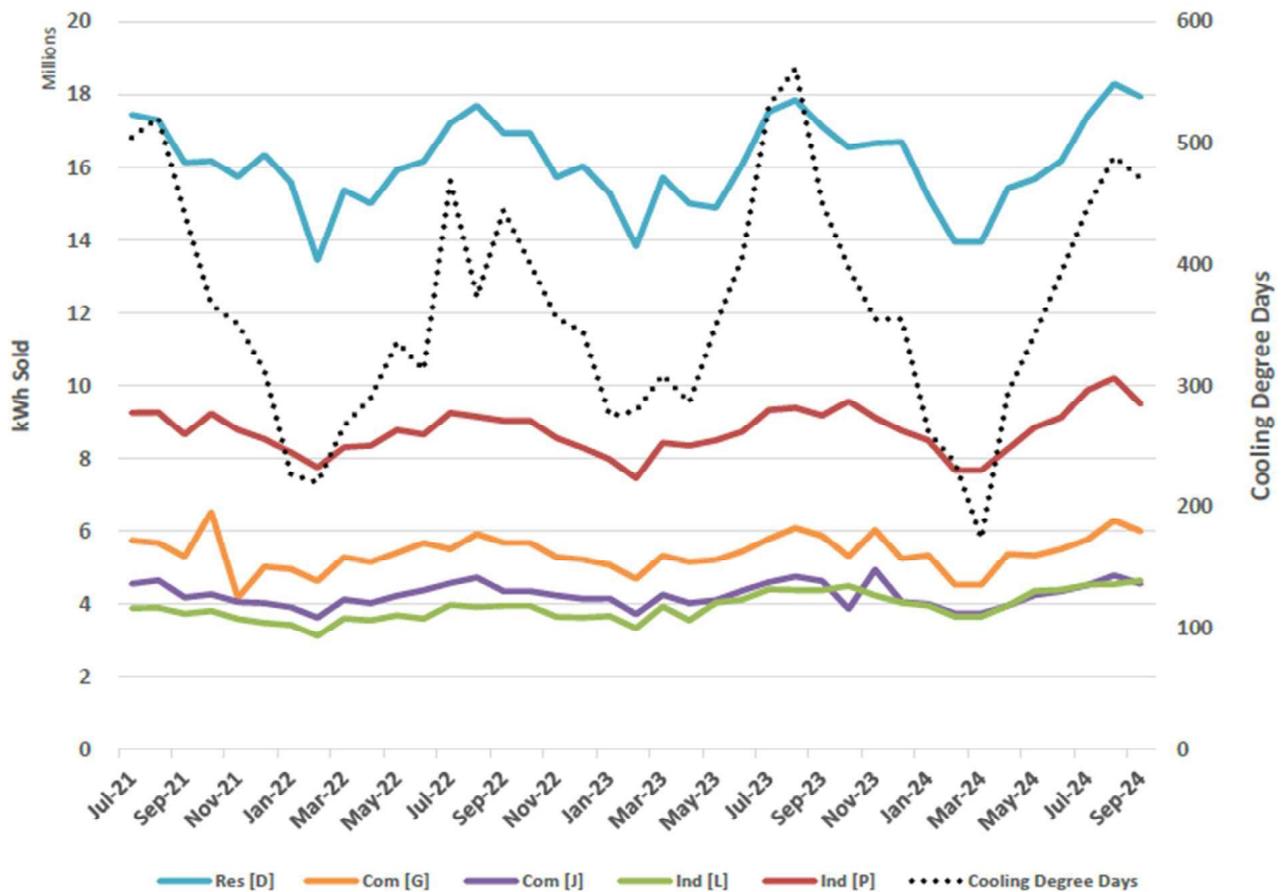


### YOY ≥ 60 Days

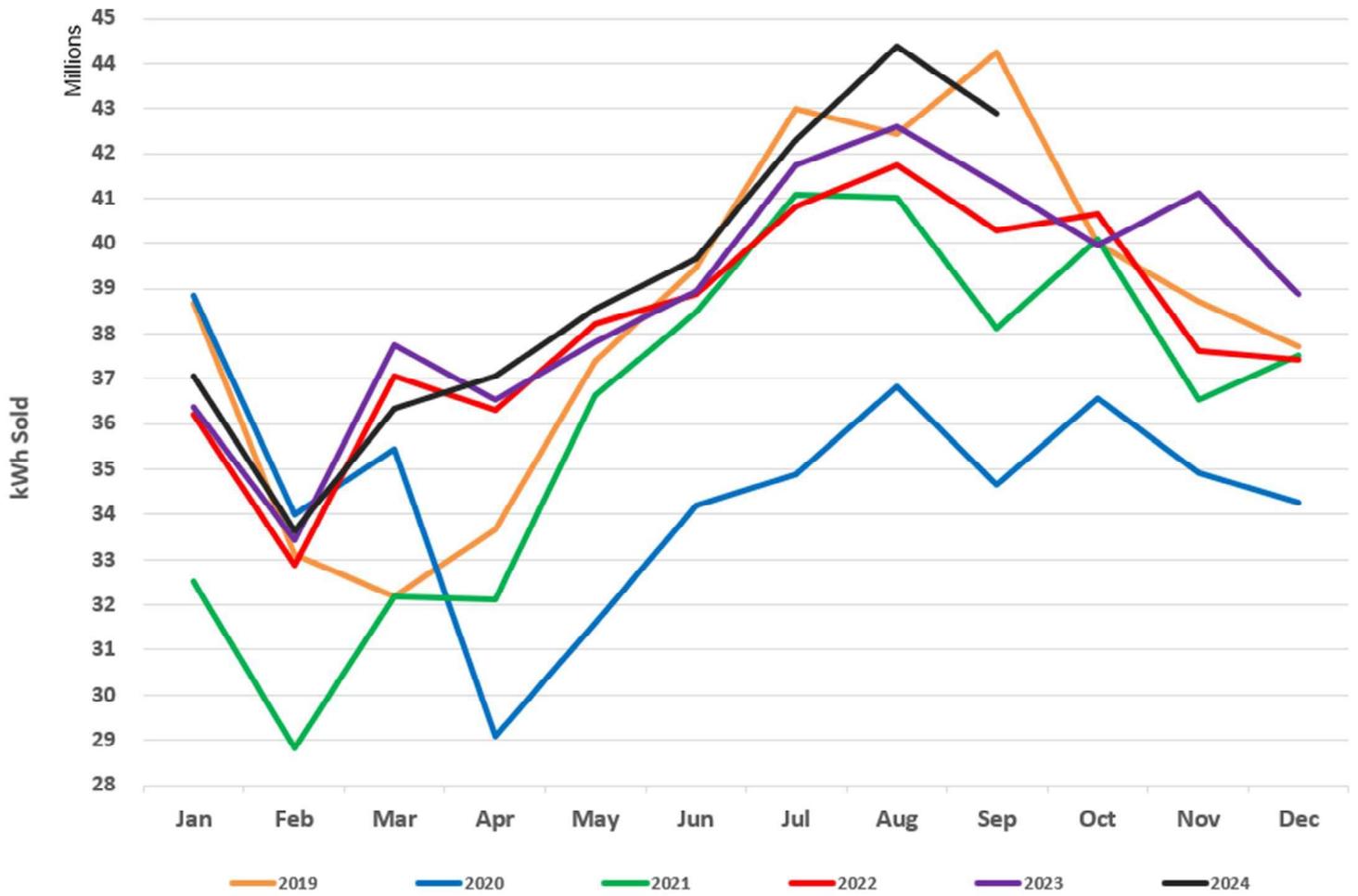


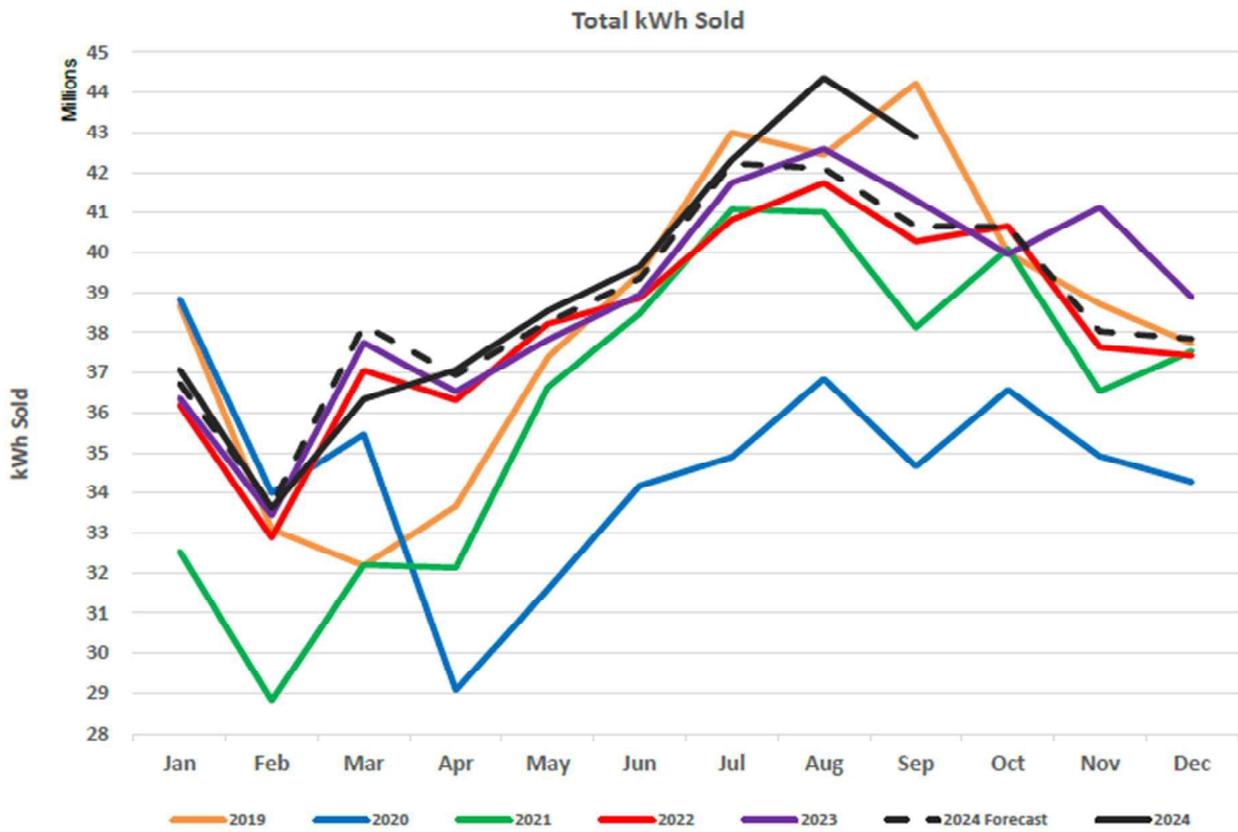
### Total AR Balances



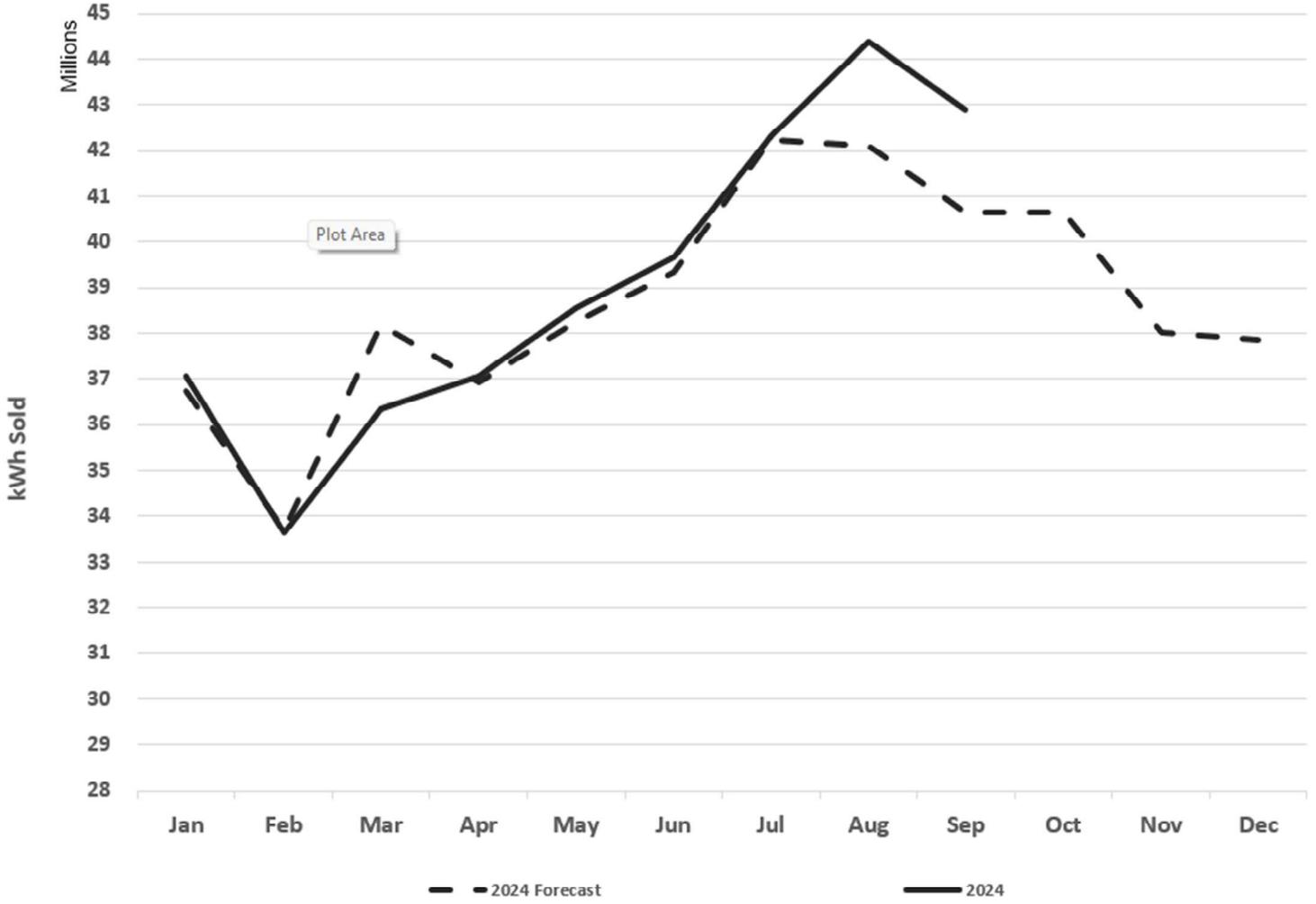


Total kWh Sold





### Total kWh Sold



# Treasury Management – Monthly Discussion

- Ratings:
  - 10/15 BOH confirmed no changes in Money Market Fund Rating - AAA
- Current Summary Of Investments:
  - \$23.6M 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)
    - 4.58% Interest Rate
  - \$4.90M CFC Daily and Monthly Commercial Paper – ST to Medium Term Investment – Daily to Monthly A2 Moody and S&P A-
    - Daily Fund - 4.20%
  - \$4.85M CoBank Commercial Paper Investment – AA- Moody and S&P
    - 60-day Investment – 3.57%
  - \$264,705 Central Pacific Bank – Backup Checking in NISC if needed
    - Backup for Checking in Money Market (unlimited) account
    - 4.05%

**Questions?**

NRECA Board of Directors

# NRECA Update

September 2024



## New ERA Awards

- First New ERA program awards were announced on Sept. 5.
- It's the largest standalone federal financial commitment to electric co-ops in our history.
- NRECA played a leading role in shaping the program to ensure that it supports a wide variety of co-op projects.



# Lower Snake River Dams

- DOE quietly launched a study to explore how to replace the power and services provided by the four Lower Snake River Dams.
- NRECA will continue to aggressively protect dams and hydroelectric power.

**Press Release**  **NRECA**  
America's Electric Cooperatives

FOR IMMEDIATE RELEASE  
September 20, 2024

Contact: Dan Riedinger | 202-403-7517  
electric.coop | @NRECAnews

**NRECA: DOE Study Another Dangerous Step Towards Breaching Lower Snake River Dams**

ARLINGTON, Va. – National Rural Electric Cooperative Association (NRECA) CEO Jim Matheson today issued the following statement in response to a [DOE announcement](#) that the agency would launch a study to explore how to “replace the power and services provided by the four Lower Snake River Dams.”

“This is yet another step down the dangerous path towards dam breaching, which would jeopardize reliable electricity for millions of Americans in the Pacific Northwest,” Matheson said. “Not only does this expose a severe lack of understanding about the importance of keeping the lights on, it also reveals a misplaced desire to undermine our nation’s essential portfolio of carbon-free hydroelectric resources without considering the cost. Families and businesses in the Pacific Northwest deserve better from their government. The Lower Snake River Dams produce enough electricity to power 2.4 million homes and are essential to keeping the lights on – especially as demand for electricity skyrockets across the nation.”



# Fix Our Forests Act

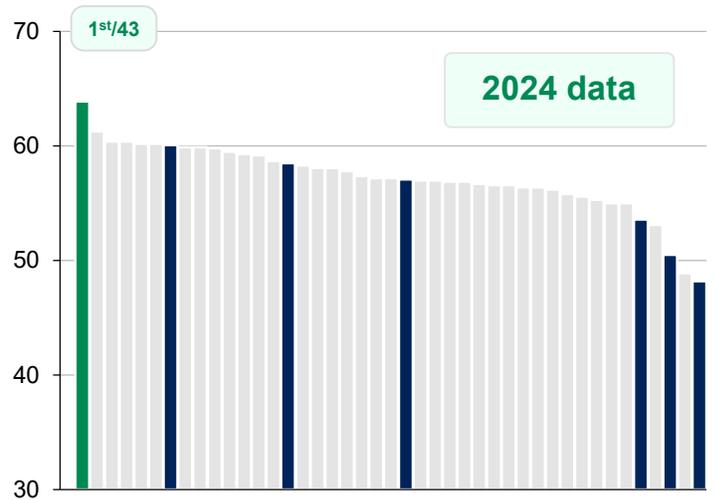
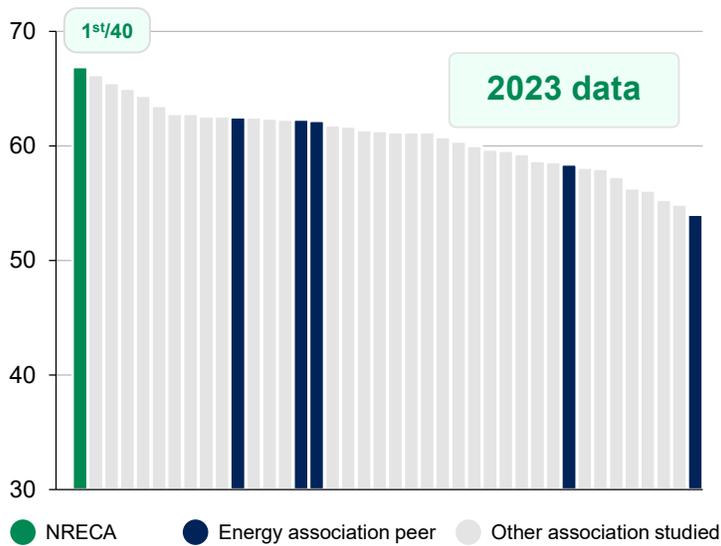
- Passed House after strong push from NRECA:
  - Expedites vegetation management/grid hardening approvals
  - Reduces frivolous litigation
  - Restores forest health while protecting communities
  - Empowers Forest Service, BLM to prioritize wildfire mitigation and reduce hazards in high-risk areas



Photo by: Poudre Valley Electric Association

# Penta Research Results

## Overall policymaker reputation across all associations studied



## Value of the Co-op Model Project Goals

- Better understanding of the value of cooperation among co-ops.
- Deploying research-based resources to promote cooperatives.
- Developing messages to leverage value of the electric cooperative business model.
- Implementing a new approach for NRECA to support co-ops with education, legal resources and communications.

# Infrastructure Program Updates

NRECA Research\* is:

- Applying learnings from federal funding wins; exploring how to scale them.
- Taking on risk alongside members.
- Adding capacity to ensure that we can continue to support this work in the future.



\*NRECA Research is a separate legal entity.



## ◆ New ERA

- The first awards from the New ERA program were announced Sept. 5 by President Biden at an event hosted by Dairyland Power Cooperative in Wisconsin.
  - 16 electric cooperatives were selected to receive more than \$7.3 billion in grants and loans.
- This is the largest standalone federal financial commitment to electric co-ops in our history.
  - It is a significant accomplishment for NRECA and our members.
- The New ERA program is the successful culmination of a tremendous amount of work by the association over the past several years.
  - NRECA worked directly with the White House, USDA and Congress to shape the program to ensure that it supports a wide variety of co-op projects.
- The New ERA program shows what is possible when the government prioritizes voluntary, flexible decision-making and lets co-ops take a tailored approach to respond to local needs.
- We expect USDA to continue rolling out additional New ERA awards in the coming months.

## ◆ Lower Snake River Dams

- Last week, the Department of Energy launched a study to explore how to replace the power and services provided by the four Lower Snake River Dams.
- After the DOE previously denied that its Dec. 14, 2023, Memorandum of Understanding was for breaching the dams, the DOE is now moving forward with a study on breaching the dams.
  - The Lower Snake River Dams produce enough carbon-free electricity to power 2.4 million homes.
  - This move exposes a severe lack of understanding about the importance of keeping the lights on.
  - It also reveals a misplaced desire to undermine our nation's essential portfolio of hydroelectric resources without considering the cost.
- Earlier this year, NRECA CEO Jim Matheson testified before the House Energy and Commerce Committee against breaching the dams.
- NRECA will continue to aggressively protect dams and hydroelectric power.

## ◆ Fix Our Forests Act

- NRECA is working to ensure that co-ops have the support they need to prevent and mitigate wildfire damage and to help communities recover.
- After a strong push from NRECA, this week, the House passed the bipartisan Fix Our Forests Act, sponsored by Rep. Bruce Westerman, R-Ark., and Scott Peters, D-Calif.  
The legislation would:
  - Expedite vegetation management and grid hardening approvals.

- Reduce frivolous litigation.
- Restore forest health.
- Help protect vulnerable communities.
- Empower federal land managers, including the U.S. Forest Service and Bureau of Land Management, to prioritize wildfire mitigation and reduce hazards in high-risk areas.

#### ◆ PENTA Research Results

- For the second year in a row, research shows that NRECA is the most effective association in Washington.
  - The research is conducted annually by Penta, a widely regarded research firm.
  - Penta gauged NRECA’s 2024 reputation against 42 other trade associations in Washington.
  - Importantly, this back-to-back top ranking comes amid NRECA’s full-court press on the importance of reliability and our vocal opposition to the EPA power plant rule.
- NRECA’s reputation remains uniquely strong with policymakers on both sides of the aisle.
  - NRECA is respected because we tell the truth with a singular focus on the communities we serve.

#### ◆ Value of the Co-op Model

- NRECA’s project on the Value of the Cooperative Model is progressing well.
- The association will begin reporting out findings from research to the G&T CEOs at their October meeting.
- The goals of the project include:
  - Better understanding of the value of cooperation among cooperatives.
  - Deploying research-based, third-party-tested resources to promote cooperatives.
  - Developing messages to leverage value of the electric cooperative business model.
  - Implementing a new approach for NRECA to support “cooperation among cooperatives” with education, legal resources and communications.

#### ◆ Infrastructure Update

- New federal infrastructure programs have created many opportunities and obligations for NRECA Research\* and electric co-ops.
- Federal funding programs include long-term compliance requirements.
- NRECA Research is:
  - Applying learnings from federal funding wins and exploring how to scale them.
  - Taking on risk alongside members as the association provides a wide variety of assistance to co-ops.
  - Adding capacity to ensure that we can continue to support this work in the future.

\*NRECA Research is a separate legal entity.

## ◆ EPA Power Plant Rule Stay Denied

- On Oct. 16, the U.S. Supreme Court denied NRECA's request for a stay of the Environmental Protection Agency's power plant rule.
  - The stay would have temporarily halted the rule from taking effect.
- NRECA's stay request was part of a multi-pronged strategy to challenge the EPA's rule. In May, NRECA filed a [separate lawsuit](#) against the EPA over its "unlawful, unrealistic and unachievable" rule, which will prematurely close power plants and harm grid reliability.
- The lawsuit against the rule is moving on an expedited schedule, and a decision by the D.C. Court of Appeals is expected by the middle of next year.
- Some Supreme Court justices issued a statement that said that they believe NRECA has a strong likelihood of success with its lawsuit.

## ◆ More Electric Cooperatives Selected for New ERA Awards

- On Oct. 25, the U.S. Department of Agriculture announced [the second round of awards for electric cooperatives](#) under its Empowering Rural America Program.
  - Five NRECA members were selected to move forward in the awards process.
  - Additionally, USDA announced that Tri-State Generation and Transmission Association will receive nearly \$2.5 billion in grants and loans.
    - The funding will finance the purchase of renewable energy and energy storage, reduce emissions, create jobs and save consumers money.
- The first round of New ERA selections was [announced by President Biden in September](#).
- NRECA was heavily involved in shaping the \$9.7 billion New ERA Program, which was created specifically to help electric co-ops purchase or build new energy systems.
- The wide range of eligible projects – including carbon capture, renewable energy, storage, nuclear, and generation and transmission efficiency improvements – allows each cooperative to pursue projects that benefit their community.

## ◆ Co-ops Respond to Hurricanes Helene and Milton

- Hurricanes Helene and Milton heavily impacted electric cooperatives across the southeast in October. In unprecedented circumstances, co-ops demonstrated strength and resolve.
  - Both hurricanes came ashore in Florida before affecting other states in the region, knocking out power to hundreds of thousands of NRECA-member co-op households.
  - [Thousands of lineworkers](#) from across the country responded to restore power.
  - Many co-ops face the enormous task of [rebuilding their systems](#).
- NRECA has been laser-focused on supporting affected members by making connections with government agencies, coordinating with other associations, ensuring that resources go where they're needed and resolving challenges that arise.

- On Nov. 1 and Nov. 8, NRECA is hosting a free two-part webinar series on the Federal Emergency Management Agency's Public Assistance program. Sign up at this [link](#).
- NRECA's hurricane recovery fund, in partnership with the Cooperative Development Foundation, has raised more than \$141,000 to help affected cooperatives, families and communities.
  - Donations can continue to be made in the coming weeks at this [link](#).

◆ **Cybersecurity Funding to Benefit Co-ops**

- The Department of Energy has awarded NRECA Research [\\$5 million in new funding](#) to strengthen electric cooperatives' cyber defenses.
  - NRECA Research is NRECA's affiliated research and development entity.
- The funding will help increase access to grid security training and improve peer-to-peer information sharing among rural utilities.
- These new programs will engage over 400 cooperatives from across the country.

Report of KIUC Charitable Foundation

To KIUC Board of Directors

10/22/2024

The Charitable Foundation Board met on 10/22/24

The following reports were received:

Peter Yukimura appointed to replace Dee Crowell's position as Treasurer

Treasurer report ending balance of \$56,076.08

Makana Program:

- 469 registered, YTD contribution \$2,654.20

Application approved:

- Kumu's Cupboard \$4,000

Golf Tournament- dedicated to Dee Crowell, sold out, have a waitlist.

T. Phil Tacbian, President

**RESOLUTION 01-24 OF THE  
BOARD OF DIRECTORS OF  
KAUA‘I ISLAND UTILITY COOPERATIVE**

WHEREAS DEE MILTON CROWELL was a member of the Board of Directors of Kaua‘i Island Utility Cooperative (“KIUC”) ; and

WHEREAS DEE CROWELL was elected to the Board first in 2003, and then again in 2017, 2020 and 2023 and throughout the years served at varying times in many capacities, including as chairman of the Member Relations Committee, the Policy Committee, the Nominating Committee and Treasurer of the KIUC Charitable Foundation;

WHEREAS, DEE CROWELL was known to be a man of few words – but when he spoke, he spoke with authority and competency -- and as a steadfast advocate for the members of KIUC; and

WHEREAS, DEE CROWELL volunteered countless hours to promoting KIUC and has exemplified the Ho‘oka‘ana Waiwai (Shared Values) of KIUC – Aloha, Ho‘ohiki, Ho‘okela, Ho‘omau, Kuleana, Kupono, Laulima and ‘Ohana; and

WHEREAS, DEE CROWELL passed away on September 1, 2024; and

WHEREAS, the Board of Directors desires to honor DEE CROWELL for his tireless efforts and foresight in governing and nurturing KIUC during his long tenure as a Director.

NOW THEREFORE, it is hereby resolved by the Board of Directors of KIUC:

1. The Board of Directors of Kaua‘i Island Utility Cooperative -- Chairman Allan Smith, Vice Chairman Jan TenBruggencate, Treasurer Peter Yukimura, Secretary Cal Murashige, and Directors David Iha, Phil Tacbian, Jim Mayfield and Mike Yamane – hereby honors DEE CROWELL for the faithful, competent and diligent discharge of his duties as a Director and chairman and member of several KIUC Committees during his tenure, always showing conviction, passion, and extreme competence, and for his tireless efforts in governing and nurturing KIUC and its members.
2. The Board of Directors of Kaua‘i Island Utility Cooperative hereby requests its President and Chief Executive Officer cause an appropriately framed copy of this Resolution be prepared and presented to DEE CROWELL’S wife Kathy Crowell in recognition of his efforts and achievements.

**SECRETARY’S CERTIFICATE**

The undersigned Secretary of KIUC hereby certifies the foregoing Resolution 01-24 of the Board of Directors of KIUC was duly adopted at the meeting of the Board held October 31, 2024, at Līhu‘e, Kaua‘i, Hawai‘i.

Dated this 31<sup>st</sup> day of October 2024

\_\_\_\_\_  
CALVIN MURASHIGE, Secretary

**RESOLUTION 02-24 OF THE  
BOARD OF DIRECTORS OF  
KAUAI ISLAND UTILITY COOPERATIVE**

**Authorization of the Synchronous Condenser Conversion Technology (SCCT) Contract**

**October 31, 2024**

**WHEREAS**, pursuant to KIUC Board Policy No. 2, Authority and Responsibility of the CEO, adopted on April 12, 2000, and as subsequently revised, including as most recently revised on September 21, 2023 (collectively, “Board Policy No. 2”), the CEO of Kauai Island Utility Cooperative (“KIUC”) is authorized without further Board authorization to (i) make or approve any single non-budgeted expenditure in an amount up to \$100,000, and (i) enter into any multi-year contract where the total expected contract amount will not exceed \$500,000;

**WHEREAS** staff and the Board of Directors of KIUC have determined that it is in the best interest of KIUC to enter into that certain SCCT Contract, to be entered into between KIUC and Hawaii State Energy Office (the “SCCT Contract”); and

**WHEREAS** the SCCT Contract **obligates KIUC in an amount to exceed \$100,000 and is a multi-year contract where the total contract amount will exceed \$500,000**, and therefore Board Policy No. 2 requires the Board of Directors to authorize the CEO to execute such SCCT Contract.

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Directors hereby authorizes, empowers and directs the CEO, for and on behalf of KIUC and in its name, to enter into, execute and deliver, and authorizes KIUC to perform its obligations under, the SCCT Contract and any subsequent amendments and restatements of the same, together with any other applications, certificates, agreements and other documents related and necessary to the SCCT Contract, in each case with such terms and conditions as the CEO determines necessary or appropriate and in the interest of KIUC.

**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 KIUC pursuant to this Resolution may be conclusively evidenced by the execution of such document by the CEO, and the final determination that the taking of any action or the causing of any action is in the interest of KIUC or is necessary or appropriate shall be conclusively evidenced by the taking of such action or the causing of such action by the CEO.

**BE IT FURTHER RESOLVED** that the Board of Directors of KIUC hereby ratifies and confirms all actions taken and documents, instruments, certificates, letters, or other papers executed or delivered by the CEO prior to the date hereof in connection with the SCCT Contract 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 October 31, 2024, at Lihue, Kauai, Hawaii.

Dated this 31<sup>st</sup> day of October 2024, at Lihue, Kauai, Hawaii.

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Calvin Murashige  
Secretary

**RESOLUTION 03-24 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 2025 by the KIUC Board of Directors and Staff occurred at a workshop on October 21, 2024; and

WHEREAS, said ROO Budget is reflected in the KIUC 2025 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 2025 as reflected in the KIUC 2025 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 October 31, 2024, at Līhu`e, Kaua`i, Hawai`i.

Dated this 31<sup>st</sup> day of October, 2024, at Līhu`e, Kaua`i, Hawai`i.

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Calvin Murashige  
Secretary



**RESOLUTION 04-24 OF THE  
BOARD OF DIRECTORS OF  
KAUA'I ISLAND UTILITY COOPERATIVE ("KIUC")**

WHEREAS a review of the KIUC Capital Budget for Calendar Year 2025 by the KIUC Board of Directors and Staff occurred at a workshop on October 21, 2024; and

WHEREAS, said Capital Budget is reflected in the KIUC 2025 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 2025, as reflected in the KIUC 2025 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 October 31, 2024, at Līhu`e, Kaua`i, Hawai`i.

Dated this 31<sup>st</sup> day of October 2024, at Līhu`e, Kaua`i, Hawai`i.

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Calvin Murashige  
Secretary

**Exhibit A**  
**KAUAI ISLAND UTILITY COOPERATIVE**  
**2025 5-YEAR CONSTRUCTION PLAN**  
**( in \$000's )**

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**PROJECTS**

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**NORMAL AND RECURRING**

**PRODUCTION**

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**TRANSMISSION & DISTRIBUTION**

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## PROJECTS

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## HUMAN RESOURCES

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## HCP

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## SAFETY & FACILITIES

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**KAUAI ISLAND UTILITY COOPERATIVE  
2025 5-YEAR CONSTRUCTION PLAN  
( in \$000's )**

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**PROJECTS**

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**INFORMATION SERVICES**

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**GENERAL PLANT**

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**TOTAL-NORMAL AND RECURRING**

**7,772.0**

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**PROJECTS**

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**NON-RECURRING**

**PRODUCTION**

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**TRANSMISSION & DISTRIBUTION**

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**ENGINEERING**

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**FINANCIAL & CORPORATE SERVICES**

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**TOTAL-NON-RECURRING**

**14,838.0**

**KAUAI ISLAND UTILITY COOPERATIVE  
2025 5-YEAR CONSTRUCTION PLAN  
( in \$000's )**

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**PROJECTS**

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**CARRYOVER PROJECTS-PRIOR YEARS**

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<b>TOTAL-CARRYOVER PROJECTS</b>	<b>45,998.0</b>

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**PROJECTS**

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**TOTAL-ANNUAL CAPITAL EXPENDITURE**

**68,608.0**

**CUSTOMER ADVANCES**

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xx0000B	00E EXTE000000 00H	000000
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xx0000D	DE0E000ER 0 0R0 00H	000000

**TOTAL CUSTOMER ADVANCES**

**(746.0)**

**CONTRIBUTION IN AID OF CONSTRUCTION**

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xx00000	0E0 0ER00E0 00H	00000

**TOTAL CONTRIBUTION IN AID OF CONSTRUCTION**

**(10.0)**

**GRANT FUNDING**

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**TOTAL GRANT FUNDING**

**(1,675.0)**

**TOTAL-CAPEX CASH REQTS BEFORE LOAN FUNDING**

**66,177.0**

**RESOLUTION 05-24 OF THE  
BOARD OF DIRECTORS OF  
KAUAI ISLAND UTILITY COOPERATIVE**

**Authorization of the Utility Solar Grid Forming Technology (USGFT) Contract**

**October 31, 2024**

**WHEREAS**, pursuant to KIUC Board Policy No. 2, Authority and Responsibility of the CEO, adopted on April 12, 2000, and as subsequently revised, including as most recently revised on September 21, 2023 (collectively, “Board Policy No. 2”), the CEO of Kauai Island Utility Cooperative (“KIUC”) is authorized without further Board authorization to (i) make or approve any single non-budgeted expenditure in an amount up to \$100,000, and (i) enter into any multi-year contract where the total expected contract amount will not exceed \$500,000;

**WHEREAS** staff and the Board of Directors of KIUC have determined that it is in the best interest of KIUC to enter into that certain USGFT, to be entered into between KIUC and Hawaii State Energy Office (the “USGFT Contract”); and

**WHEREAS** the USGFT Contract **obligates KIUC in an amount to exceed \$100,000 and is a multi-year contract where the total contract amount will exceed \$500,000**, and therefore Board Policy No. 2 requires the Board of Directors to authorize the CEO to execute such USGFT Contract.

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Directors hereby authorizes, empowers and directs the CEO, for and on behalf of KIUC and in its name, to enter into, execute and deliver, and authorizes KIUC to perform its obligations under, the USGFT Contract and any subsequent amendments and restatements of the same, together with any other applications, certificates, agreements and other documents related and necessary to the USGFT Contract, in each case with such terms and conditions as the CEO determines necessary or appropriate and in the interest of KIUC.

**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 KIUC pursuant to this Resolution may be conclusively evidenced by the execution of such document by the CEO, and the final determination that the taking of any action or the causing of any action is in the interest of KIUC or is necessary or appropriate shall be conclusively evidenced by the taking of such action or the causing of such action by the CEO.

**BE IT FURTHER RESOLVED**, that the Board of Directors of KIUC hereby ratifies and confirms all actions taken and documents, instruments, certificates, letters or other papers executed or delivered by the CEO prior to the date hereof in connection with the USGFT Contract 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 October 31, 2024, at Lihue, Kauai, Hawaii.

Dated this 31<sup>st</sup> day of October 2024 at Lihue, Kauai, Hawaii.

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Calvin Murashige  
Secretary

KIUC BOARD POLICY NO. 28  
**OFFERS TO ACQUIRE THE COOPERATIVE'S ASSETS**

**PURPOSE OF POLICY:**

The Cooperative could receive an offer to acquire all or a substantial portion of its assets, whether by purchase, merger, lease or otherwise. This policy defines the minimum requirements for an offer that the Board will consider, and it establishes funding for the evaluation of such an offer. The Board shall act in the best interests of the Cooperative and its membership and establish the procedures within this policy to govern the Cooperative's receipt, consideration, and final action on an offer to purchase all or a substantial portion of the Cooperative's assets.

**POLICY CONTENT:**

**I. Definitions**

- A. Inquiry** is an offer to acquire all or a substantial portion of the Cooperative's assets that does not meet the requirements of a Qualifying Offer.
- B. Interested Party** is the person, corporation, or other entity submitting the offer to acquire all or a substantial portion of the Cooperative's assets.
- C. Qualifying Offer** is an offer to acquire all or a substantial portion of the Cooperative's assets that meet all the requirements set forth in section III of this policy.

**II. Process for Dealing with Offers**

The recipient of any Inquiry shall notify the person, corporation, or entity submitting the inquiry that, under the terms of this policy, the Board shall not consider an offer unless it is a Qualifying Offer.

The CEO shall notify the Board of any Inquiry or Qualifying Offer immediately upon notice thereof.

The Board shall consider only Qualifying Offers. If at any time it is determined that an offer is not a Qualifying Offer, it shall be rejected by the Board, and the Interested Party shall be notified of the rejection.

After the Board has determined that it has received a Qualifying Offer, the Board may pursue continued due diligence in entertaining the Qualifying Offer in consultation with the NRECA, consultants, its banks, and counsel, as it may deem fit.

If the offer is withdrawn or rejected, any remaining balance in the escrow account shall be paid to the Interested Party when the Board certifies that all costs set forth in this policy have

been paid in full.

### III. Requirements of a Qualifying Offer

- A. A Qualifying Offer must be a written offer, containing the acquisition price and all other material terms, which is binding upon the Interested Party until a specified date or until rejected.
- B. A Qualifying Offer must specify the date on which it will expire if not accepted by the Cooperative.
- C. A Qualifying Offer must contain the names, physical and email addresses, and telephone numbers of persons representing the Interested Party with whom the Board may communicate and from whom it may secure authoritative answers regarding the Qualifying Offer.
- D. A Qualifying Offer must contain an agreement by the Interested Party not to issue press releases or discuss the Qualifying Offer with the media without prior written consent from KIUC, and to refrain from issuing misleading statements or advertising.
- E. In light of the expense in responding to a Qualifying Offer, a Qualifying Offer must be accompanied by an escrow agreement acceptable to the Cooperative, which agreement shall require the Interested Party to deposit an amount equal to at least 2% of the Cooperative's Total Utility Plant in an escrow account. The terms of the escrow agreement shall provide that the principal amount of the deposit may be drawn on by the Cooperative to:
  - 1. Pay for all costs (including accounting, engineering and legal) of studies, reviews, analyses, and appraisals by and for the Cooperative in its evaluation of the Qualifying Offer and
  - 2. Pay costs incurred by the Cooperative in seeking regulatory approvals.

Adopted on this xx<sup>th</sup> day of xxxxxxx 20xx.

Revised: xx/xx/xxxx  
Revised: 08/26/2021  
Revised: 05/28/2019  
Reviewed: 04/18/2017  
Reviewed: 06/30/2015  
Original Adoption: 11/26/2013

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Calvin Murashige  
Secretary