

REGULAR MEETING OF THE BOARD OF DIRECTORS
KAUA’I ISLAND UTILITY COOPERATIVE
via Video Conference Call
January 30, 2025

MINUTES

Meeting called to order by Chair Smith at 1:06 p.m.

1. Roll Call

- 1.1. **Directors present:** Allan Smith (Chair), Jan TenBruggencate (Vice-Chair) entered at 1:13 p.m., Peter Yukimura (Treasurer), Calvin Murashige (Secretary), David Iha, James Mayfield, Teofilo Tacbian; David Bissell (CEO)
- 1.2. **Others present:** Stacie Dellamano (CFO), Laurel Loo (Co-General Counsel), Teresa Amoy (Executive Administrator), Beth Amaro (Member Services & Communications Mgr.), Lisa Ubay (Mgr. of HR & Safety), Cameron Kruse (Engineering & Technology Mgr.), Erin Tsuda (Finance Mgr.), Corinne Cuaresma (Controller), Scott Sato (Energy Services Supervisor), Chris Yuh (Mgr. of Finance, Risk & Analytics), Shelsey Francisco (Sr. Financial Analyst), Jonah Knapp (Staff Engineer); Members of the press (0) and Member of the public (1)
- 1.3. **Absent/Excused:** Michael Yamane

2. Approval of the Agenda

- 2.1. The Board of Directors’ agenda of January 30, 2025, was approved as circulated.

3. Approval of Minutes

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

4. President’s Report – David Bissell (CEO)

- 4.1. The CEO provided a brief overview of January’s President’s Report as circulated to the board (report attached).
 - An update on the current storm situation was provided to the board regarding localized outages around the island. Significant issues in the Wainiha and Haena areas were due to a broken insulator on a transmission tower. Lightning and winds of 30-35 mph caused delays in repair work as crews must stand down for safety reasons. No safety incidents or near misses were reported. Communication efforts were coordinated with the county to alert affected members regarding the prolonged outages.

5. Financial Report – Stacie Dellamano (CFO)

5.1. The CFO provided an update on the December 2024 Financial Report (report attached). Key financial metrics reviewed:

- **Sales Performance:** For the year, there was a 1.3% increase in sales compared to the prior year. Residential sales were down, small commercial sales were up, large commercial sales were down, and large power sales were significantly up.
- **Financial Metrics:** The year ended with a tier of 2.1 (unaudited), which is above the target of 2. The Debt Service Coverage (DSC) ended at 1.695.
- **Investments and Liabilities:** The organization reinvested \$1.9 million in community projects and paid down \$5.6 million in regulatory assets. They ended the year with \$39 million in cash and paid down \$10.9 million in principal without taking any new loans.
- **Accounts Receivable:** There was an increase in accounts receivable in December, particularly over 30-60 days, but strides have been made in collections.
- **Net Margins and Kilowatt Hours Sold:** The net margins for 2024 were \$7.1 million, showing an improvement over previous years. The total kilowatt hours sold in 2024 reached a new high of 472 million, with residential and large power being the highest contributors.

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:

- **Transition Planning:** NRECA has been preparing for a new administration since last summer, regardless of the political party.
- **Town Hall Meetings:** Jim Matheson held two Town Hall meetings in January to discuss the transition and key issues.
- **Key Issues:** Out of the seven items highlighted in a letter to President Trump, two were particularly relevant: continued funding of infrastructure funds and maintaining direct pay.
- **Legislative Engagement:** NRECA is engaging with 60 new Congressional members to educate them about the cooperative business model through a program called Co-Op 100.
- **Grassroots and Grasstops Lobbying:** NRECA is focusing on both grassroots lobbying through the "Voices for Cooperative Power" initiative, which has 1.4 million participants, and grasstops lobbying during the legislative conference.
- **Federal Funding:** Commitment for some federal funds has been signed, hoping for continued funding in the coming months.

7. Charitable Foundation Board Report – Director Phil Tacbian

- 7.1. Director Tacbian circulated the Charitable Foundation report for the month of January to the Board of Directors (report attached). Due to technical difficulties and power outage in the area, Director Tacbian was not able to provide an oral report.

8. Public Testimony

- 8.1. No public testimony was received.

9. Calendar

- 9.1. **February 17, 2025** – HOLIDAY – Presidents’ Day (KIUC Offices Closed)
- 9.2. **February 18, 2025** – Board Committee Meetings (9:00am, MCR)
- 9.3. **February 21, 2025** – Special F&A Committee Meeting (10:00am, MCR)
- 9.4. **February 27, 2025** – Lihue Business Association Meeting (7:30am, Duke’s Kauai)
- 9.5. **February 27, 2025** – Regular Board Meeting (1:00pm, Zoom)

10. Executive Session

At 1:27 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.

- 10.1. The open session of the Regular meeting was reconvened at 1:30 p.m.
 - A motion to ratify actions taken in Executive Session by Director TenBruggencate and seconded by Director Murashige was approved unanimously.
 - The Executive Session minutes of December 19, 2024, were approved as circulated in executive session.
 - Approved asset acquisition.

11. Adjournment

- 11.1. The meeting was adjourned at 1:32 p.m.

Calvin Murashige

Calvin Murashige (Feb 27, 2025 16:20 HST)

Calvin Murashige
Board Secretary

President's Report

January 30, 2025

David Bissell, CEO

President's Report

Safety (December)	Month	2024 YTD	2023 YTD
Recordable Incidents	0	3	3
Availability and Reliability	Month	2024 YTD	2023 YTD
Reportable Outages	1	38	38
Average Outage Hours Per Customer	0.17	6.38	4.15
Efficiency	Month	2024 YTD	
Net Plant Heat Rate	9,024	9,061	
Peak Demand (MW)	76.93	82.21	
Residential Rates			
January 2025	\$0.409/kwh increase \$0.004 from December		

Update Items

- Closed on \$24 million RUS PACE loan
- PPA signed for two new renewable energy projects
 - Details will be forthcoming
- Hawaii legislative session opened last week
 - KIUC will be closely monitoring bills particularly relating to wildfires
- Kapaia's scheduled outage complete (pictures following)
- Mahipapa biomass plant is back in service
- Wildfire Mitigation Plan to be filed with PUC next week
- Anahola pole rack storage upgrades in place
- Kapaa Baseyard demolition complete

2024 Highlights

- Strong financial results
- Record peak demand of 82.2 MW and sales of 472 GWh achieved
- Renewable energy – 2 new PPAs signed
- Wildfire Mitigation
 - Mitigation plan prepared and filed with PUC
 - Vegetation management plan completed
 - Pole inspection and replacement (7,700+ poles inspected 245 replaced)
 - Operational protocols for dangerous fire weather conditions developed and implemented
- Equity Management Plan and Policy updated
- RUS \$153 million workplan and \$24 million PACE loans closed

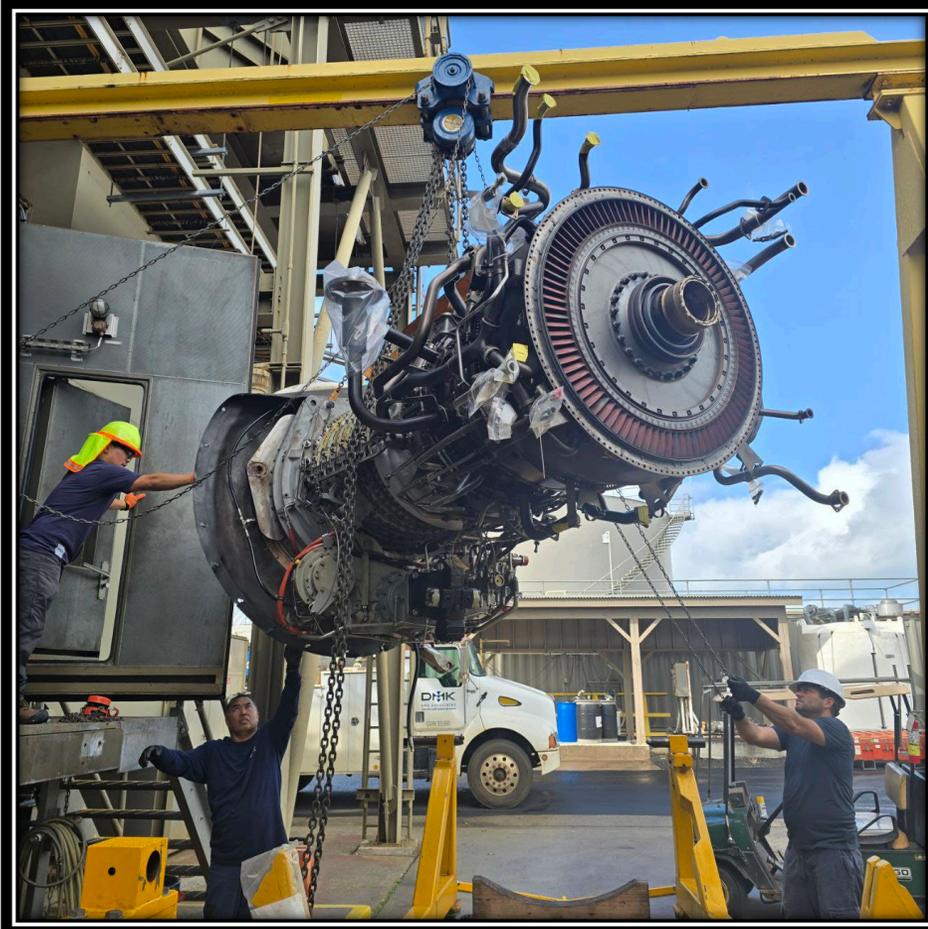
2024 Highlights - continued

- Ended involvement in Waimea Mediation Agreement and West Kauai Energy Project
- Received final approvals for \$16.5 million grant for batteries and a \$1.7 million grant for a synchronous condenser at Port Allen
- KIUC had lowest rates in the state for over half of 2024
- Demolished Kapaa Service Center

2025 Goal Preview

- Receive PUC approval for two renewable projects
- Publish EIS and Habitat Conservation Plan in Federal Register
- Obtain an investment grade credit rating from a major rating agency
- Continue to implement and improve on wildfire mitigation efforts
- Increase resilience and security of system
- Invest in staff training and development to improve safety, productivity, and satisfaction of KIUC employees
- Complete NRECA's Rural Electric Safety Achievement Program
- Obtain best reliability and offer lowest rates in Hawaii









Mahalo!



Kaua'i Island Utility Cooperative

Your Touchstone Energy® Cooperative



Board Financial Report

January 2025

Finance, Accounting, Regulatory and Warehouse Monthly Summary

Finance and Accounting Update

- Financial Results
 - Balance Sheet
 - Income Statement
- Outstanding Loan Detail Report
- A/R Reports
- Sales Reports – Annual kWh Sales Comparison
- Treasury Management Monthly Discussion
- Financial YE Summary Graphs

General Ledger Financial And Operating Report Electric Distribution

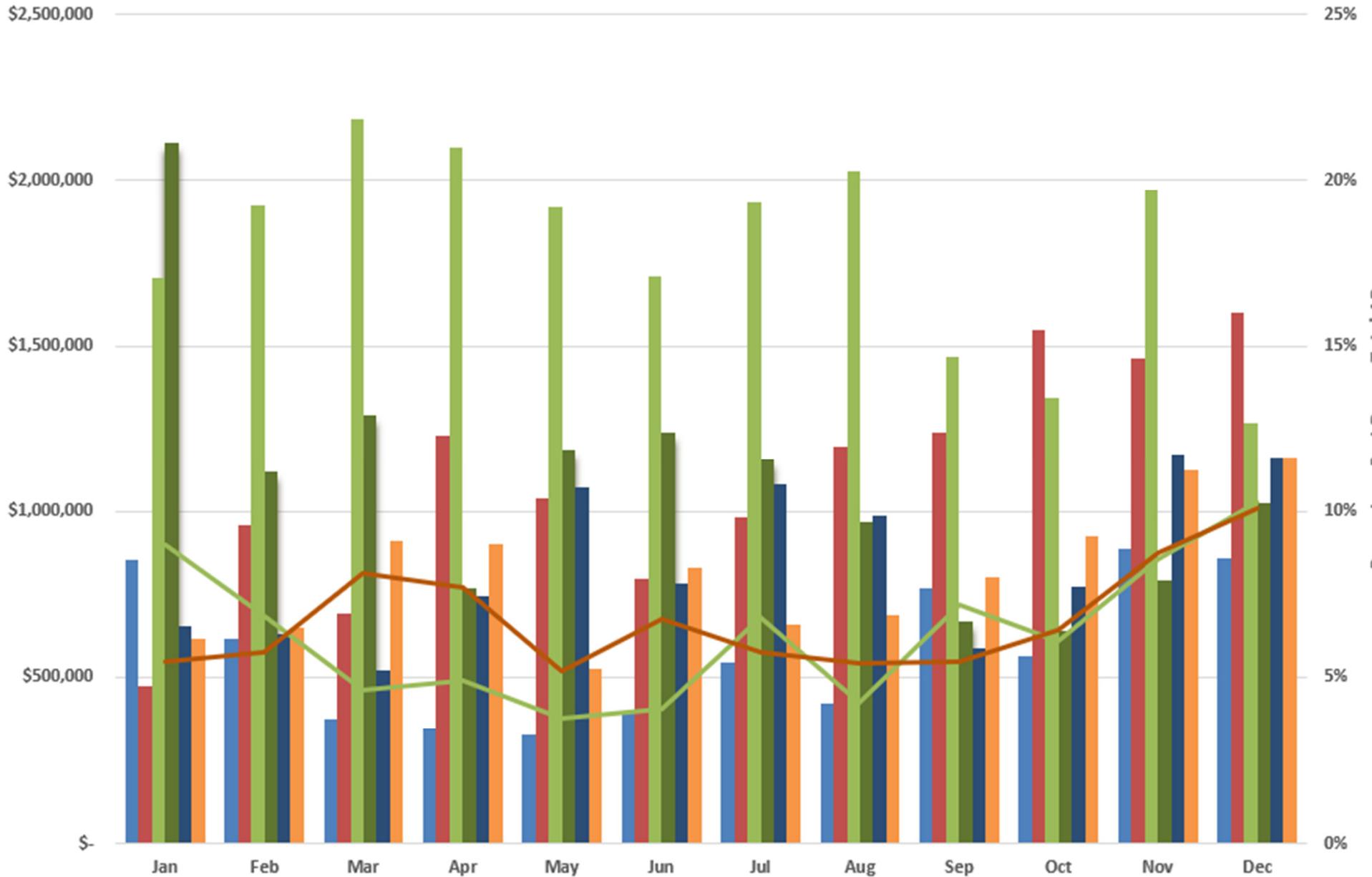
BALANCE SHEET FOR DEC 2024

	Last Year	This Year	Variance
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	602,102,810.93	603,357,122.04	1,254,311.11
2. Construction Work in Progress	11,164,048.46	10,277,336.12	-886,712.34
3. Total Utility Plant (1 + 2)	613,266,859.39	613,634,458.16	367,598.77
4. Accum. Provision for Depreciation and Amort.	340,292,812.05	337,853,841.53	-2,438,970.52
5. Net Utility Plant (3 - 4)	272,974,047.34	275,780,616.63	2,806,569.29
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	21,935,988.00	20,343,005.61	-1,592,982.39
8. Invest. in Assoc. Org. - Patronage Capital	1,272,549.07	1,319,190.97	46,641.90
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	972,071.36	1,965,794.86	993,723.50
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)	25,011,908.43	24,294,491.44	-717,416.99
15. Cash - General Funds	1,098,162.59	527,801.94	-570,360.65
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	10,099.18	7,599.18	-2,500.00
18. Temporary Investments	40,205,895.78	38,715,524.24	-1,490,371.54
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	12,248,461.78	12,397,778.66	149,316.88
21. Accounts Receivable - Other (Net)	1,650,313.61	383,338.28	-1,266,975.33
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	22,282,718.38	22,265,340.39	-17,377.99
24. Prepayments	1,238,990.53	1,510,208.25	271,217.72
25. Other Current and Accrued Assets	8,898,368.67	10,682,745.11	1,784,376.44
26. Total Current and Accrued Assets (15 thru 25)	87,633,010.52	86,490,336.05	-1,142,674.47
27. Regulatory Assets	37,390,503.61	31,788,764.25	-5,601,739.36
28. Other Deferred Debits	61,161.88	222,013.84	160,851.96
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	423,070,631.78	418,576,222.21	-4,494,409.57

Treasury Management – Monthly Discussion

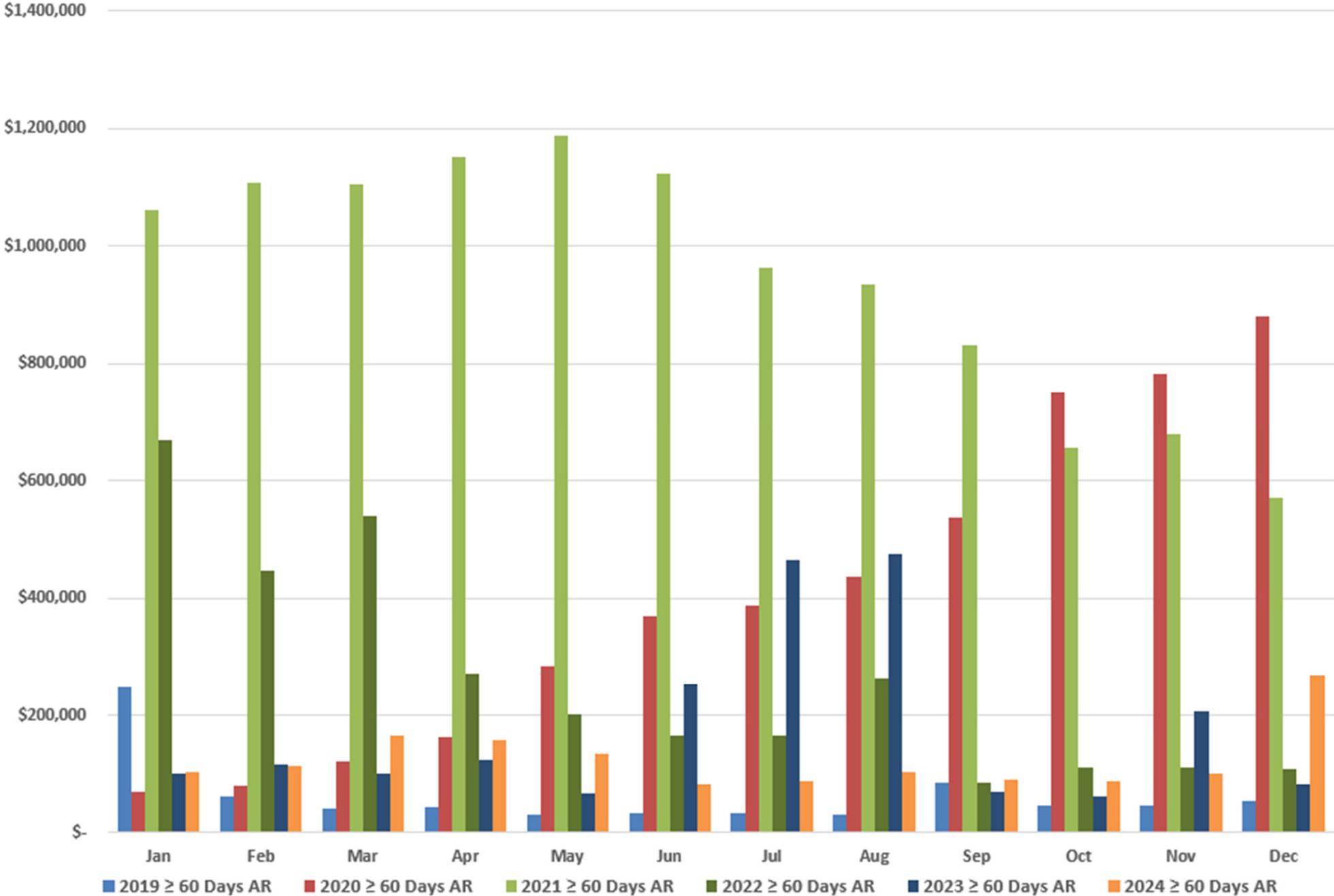
- Ratings:
 - 12/10 BOH confirmed no changes in Money Market Fund Rating - AAA
- Current Summary Of Investments:
- **\$29.1M** Dreyfus Funds – AAA Rating Money Market Fund very ST
 - Government MM Fund – Treasury Only
 - Stable Value type of money market (heavily regulated and makes it difficult to break the dollar)
 - 4.58% Interest Rate
- **\$4.95M** CFC Daily and Monthly Commercial Paper – ST to Medium Term Investment – Daily to Monthly A2 Moody and S&P A-
 - Daily Fund - 4.20%
- **\$4.89M** CoBank Commercial Paper Investment – AA- Moody and S&P
 - 60-day Investment – 3.57%
- **\$266,951** Central Pacific Bank – Backup Checking in NISC if needed
 - Backup for Checking in Money Market (unlimited) account
 - 4.05%

YOY > 30 days vs Total AR

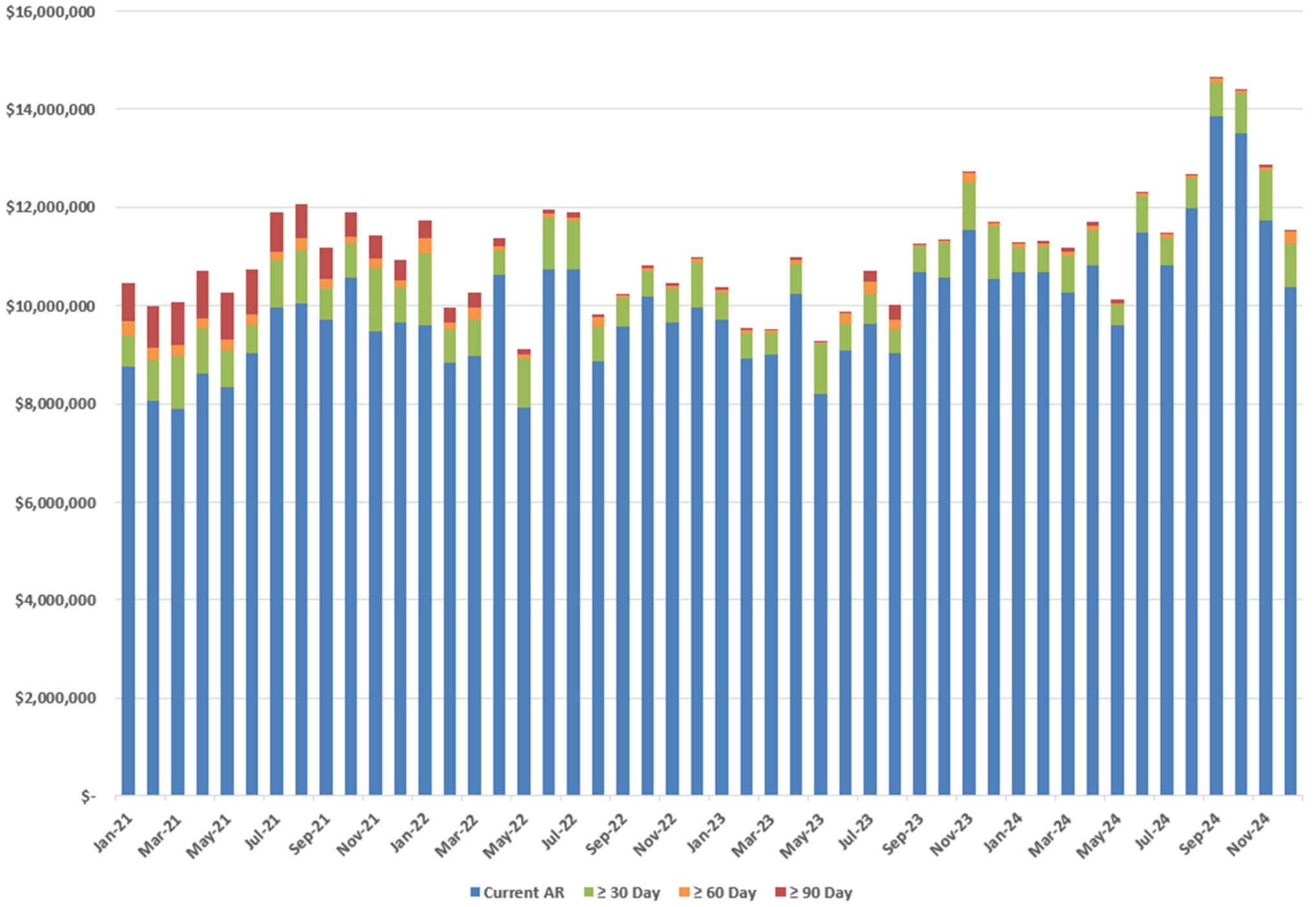


■ 2019 Past Due AR
 ■ 2020 Past Due AR
 ■ 2021 Past Due AR
 ■ 2022 Past Due AR
■ 2023 Past Due AR
 ■ 2024 Past Due AR
— 2019 % Past Due vs Total AR
— 2024 % Past Due vs Total AR

YOY ≥ 60 Days



Total AR Balances



General Ledger Financial And Operating Report Electric Distribution

BALANCE SHEET FOR DEC 2024

	Last Year	This Year	Variance
LIABILITIES AND OTHER CREDITS			
30. Memberships	610.44	623.35	12.91
31. Patronage Capital	134,466,784.38	138,462,417.95	3,995,633.57
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	4,260,665.40	7,052,711.55	2,792,046.15
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	272,823.70	1,087,480.53	814,656.83
36. Total Margins & Equities (30 thru 35)	139,000,883.92	146,603,233.38	7,602,349.46
37. Long-Term Debt - RUS (Net)	0.00	0.00	0.00
38. Long-Term Debt - FFB - RUS Guaranteed	113,341,850.13	109,397,419.69	-3,944,430.44
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	111,841,632.54	104,844,929.95	-6,996,702.59
41. Long-Term Debt - RUS Econ. Devel. (Net)	0.00	0.00	0.00
42. Payments - Unapplied	-473.86	0.00	473.86
43. Total Long-Term Debt (37 thru 41 - 42)	225,183,008.81	214,242,349.64	-10,940,659.17
44. Obligations Under Capital Leases - Noncurrent	13,003,196.24	12,398,292.22	-604,904.02
45. Accumulated Operating Provisions	-63,548.40	-805,750.37	-742,201.97
46. Total Other Noncurrent Liabilities (44 + 45)	12,939,647.84	11,592,541.85	-1,347,105.99
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	8,249,951.18	7,142,387.22	-1,107,563.96
49. Consumers Deposits	1,516,713.48	1,653,308.82	136,595.34
50. Current Maturities Long-Term Debt	10,672,682.60	10,941,133.03	268,450.43
51. Current Maturities Long-Term Debt - Econ. Devel.	0.00	0.00	0.00
52. Current Maturities Capital Leases	0.00	0.00	0.00
53. Other Current and Accrued Liabilities	12,443,915.19	13,628,963.64	1,185,048.45
54. Total Current & Accrued Liabilities (47 thru 53)	32,883,262.45	33,365,792.71	482,530.26
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	13,063,828.76	12,772,304.63	-291,524.13
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	423,070,631.78	418,576,222.21	-4,494,409.57
Current Assets To Current Liabilities	2.66 to 1	2.59 to 1	
Margins and Equities To Total Assets	32.86 %	35.02 %	
Long-Term Debt To Total Utility Plant	36.72 %	34.91 %	

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

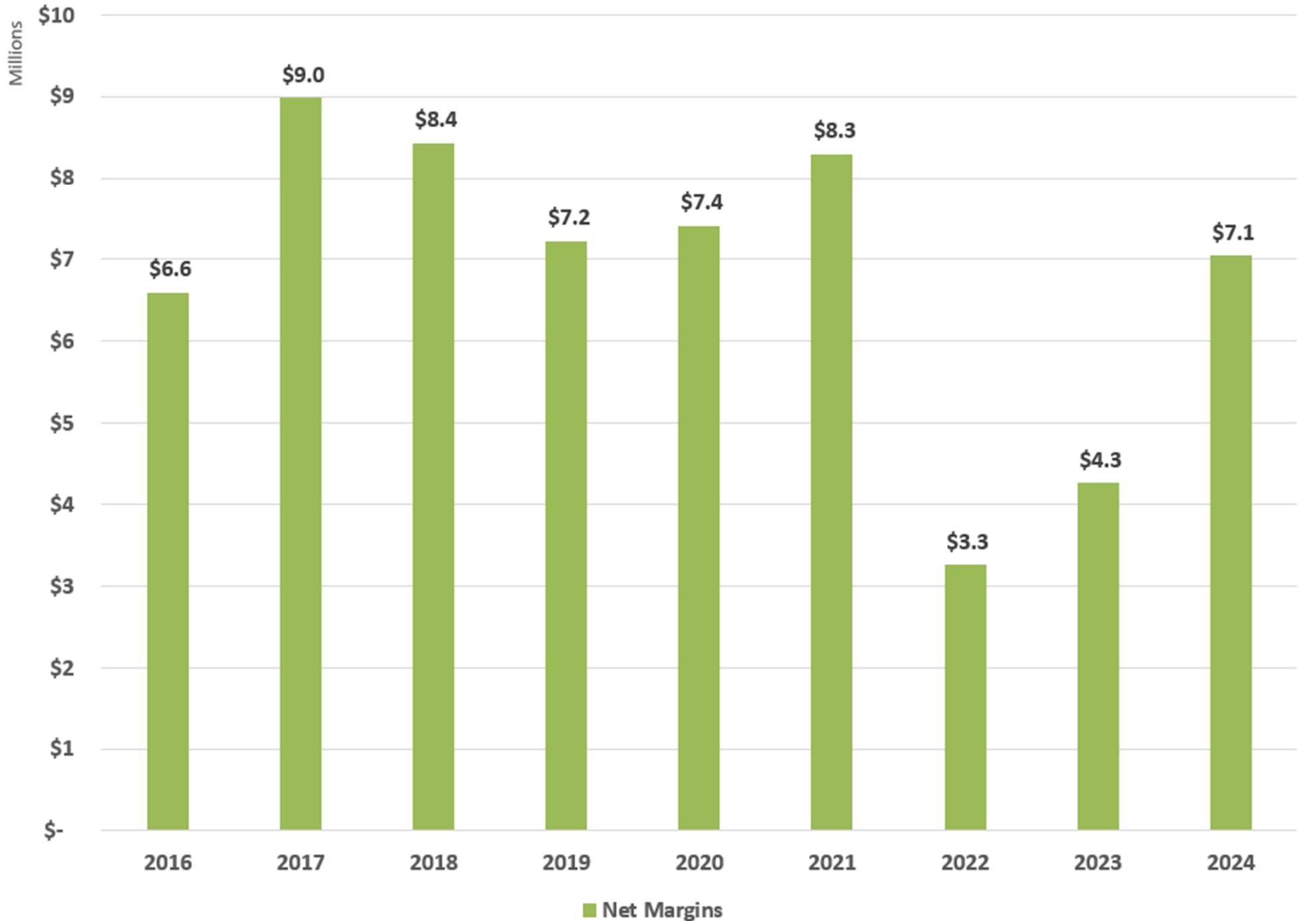
LINE NO.	LENDER	DATE OF NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	LOAN #	ORIGINAL AMOUNT	BALANCE AT 12/31/2023	2023 INTEREST EXPENSE	PROJECTED BALANCE AT 12/31/2024	PROJECTED 2024 INTEREST EXPENSE
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
1	CFC	12/17/03	12/18/03	09/30/23	3.690%	HI001-9005	\$ 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	Total Long Term Debt						\$ 334,152,269	\$ 235,856,165	\$ 6,738,418	\$ 225,183,483	\$ 6,388,545

General Ledger Financial And Operating Report Electric Distribution

INCOME STATEMENT FOR DEC 2024

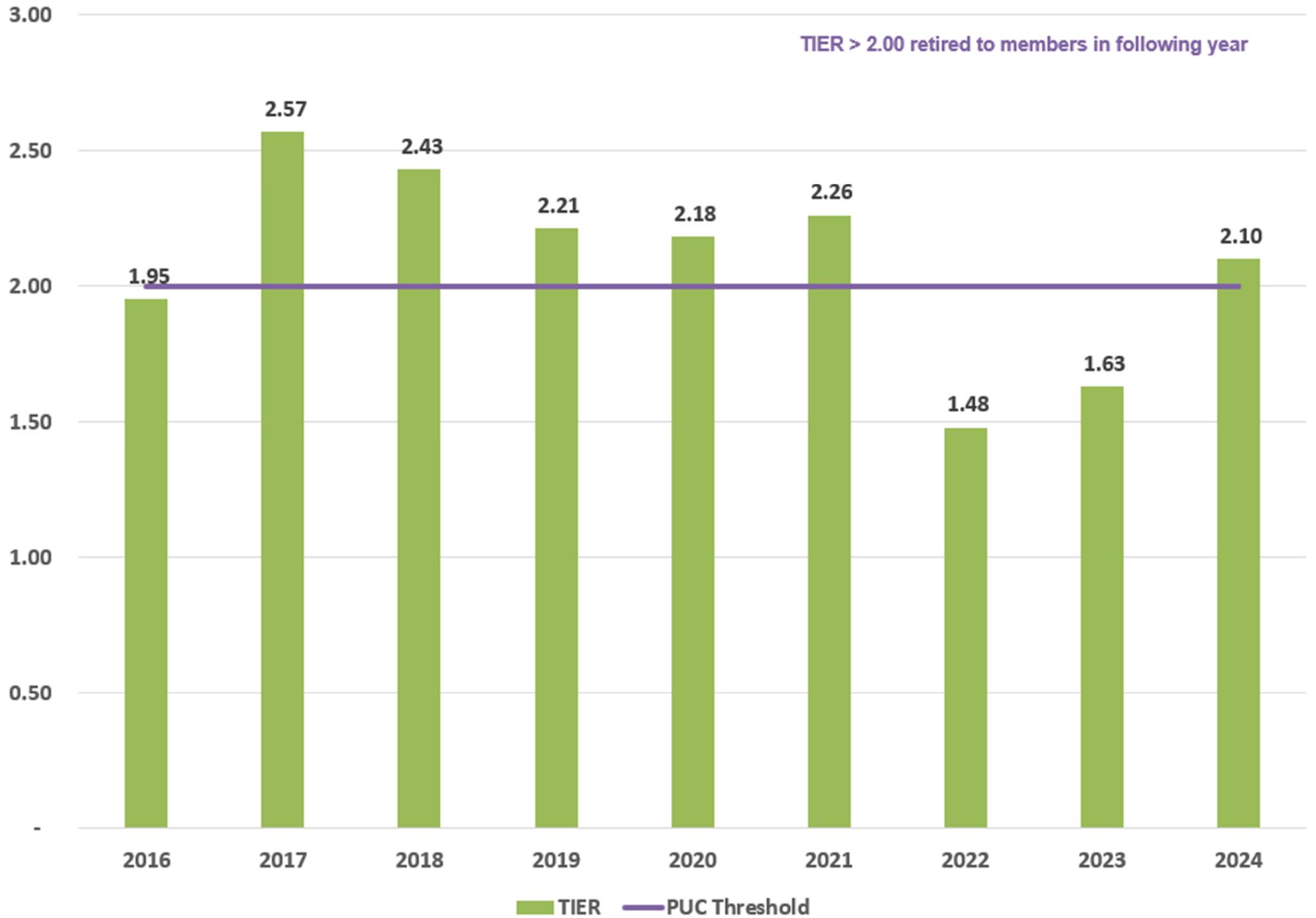
Item	Year - To - Date			Period - To - Date	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	170,097,866.97	185,406,783.00	178,957,985.00	12,408,917.13	12,025,319.00
2. Power Production Expense	55,105,917.03	67,020,242.48	51,945,134.00	5,521,020.78	4,236,732.00
3. Cost of Purchased Power	43,527,740.37	38,665,763.58	46,658,151.00	2,823,602.84	3,718,475.00
4. Transmission Expense	1,331,555.92	2,053,860.11	1,491,002.00	216,383.63	127,217.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	1,666,937.28	1,706,970.98	1,657,147.00	129,245.97	139,318.00
7. Distribution Expense - Maintenance	4,922,495.36	5,481,962.62	5,408,457.00	451,066.07	458,282.00
8. Customer Accounts Expense	2,127,747.88	2,461,480.62	2,995,197.00	263,751.48	247,770.00
9. Customer Service and Informational Expense	299,154.19	346,099.04	521,388.00	37,725.27	28,099.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	22,344,135.86	25,985,022.78	26,237,998.00	2,939,978.97	2,195,945.00
12. Total Operation & Maintenance Expense (2 thru 11)	131,325,683.89	143,721,402.21	136,914,474.00	12,382,775.01	11,151,838.00
13. Depreciation & Amortization Expense	15,421,498.44	14,881,364.99	16,046,658.00	1,232,752.92	1,337,222.00
14. Tax Expense - Property & Gross Receipts	4,252,701.90	4,630,259.43	4,473,952.00	308,847.74	300,633.00
15. Tax Expense - Other	10,180,601.58	11,050,692.43	10,626,377.00	742,204.87	713,890.00
16. Interest on Long-Term Debt	6,738,418.40	6,388,544.71	6,426,000.00	526,215.61	529,000.00
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	31,267.60	60,816.63	90,400.00	3,448.00	2,870.00
20. Total Cost of Electric Service (12 thru 19)	167,950,171.81	180,733,080.40	174,577,861.00	15,196,244.15	14,035,453.00
21. Patronage Capital & Operating Margins (1 minus 20)	2,147,695.16	4,673,702.60	4,380,124.00	-2,787,327.02	-2,010,134.00
22. Non Operating Margins - Interest	2,956,045.02	2,648,122.63	1,778,399.00	211,773.53	111,758.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-1,272,477.50	-596,159.04	-964,321.00	-194,554.65	-142,192.00
25. Non Operating Margins - Other	233,821.95	232,538.63	145,440.00	22,903.07	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	195,580.77	94,506.73	205,000.00	14,870.33	10,000.00
28. Extraordinary Items	0.00	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	4,260,665.40	7,052,711.55	5,544,642.00	-2,732,334.74	-2,018,448.00
Operating - Margin	4,260,665.40	7,052,711.55	5,544,642.00	-2,732,334.74	-2,018,448.00
Non Operating - Margin	0.00	0.00	0.00	0.00	0.00
Times Interest Earned Ratio - Operating	1.32	1.73			
Times Interest Earned Ratio - Net	1.63	2.10			
Times Interest Earned Ratio - Modified	1.60	2.09			

Net Margins

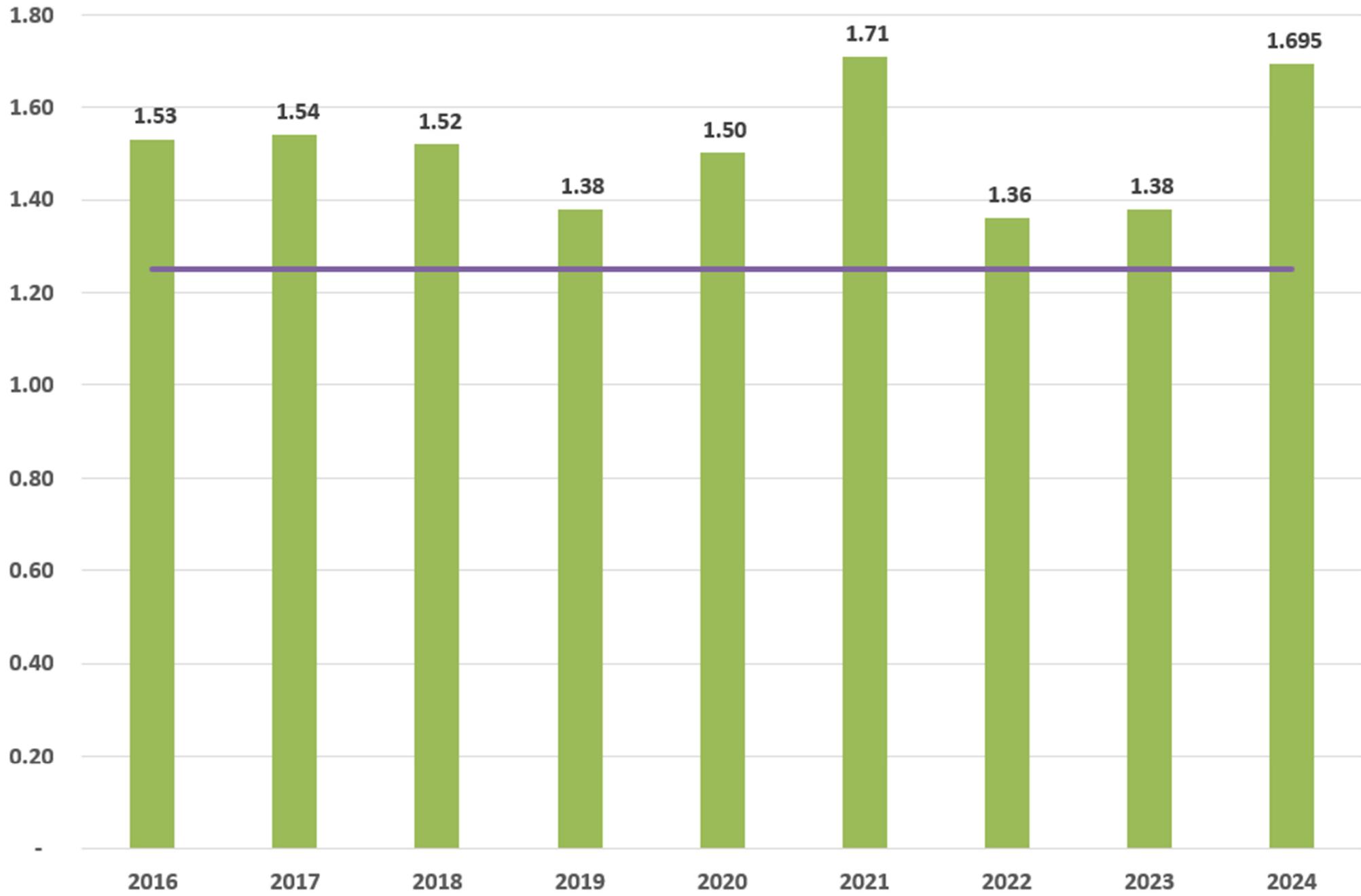


TIER

TIER > 2.00 retired to members in following year

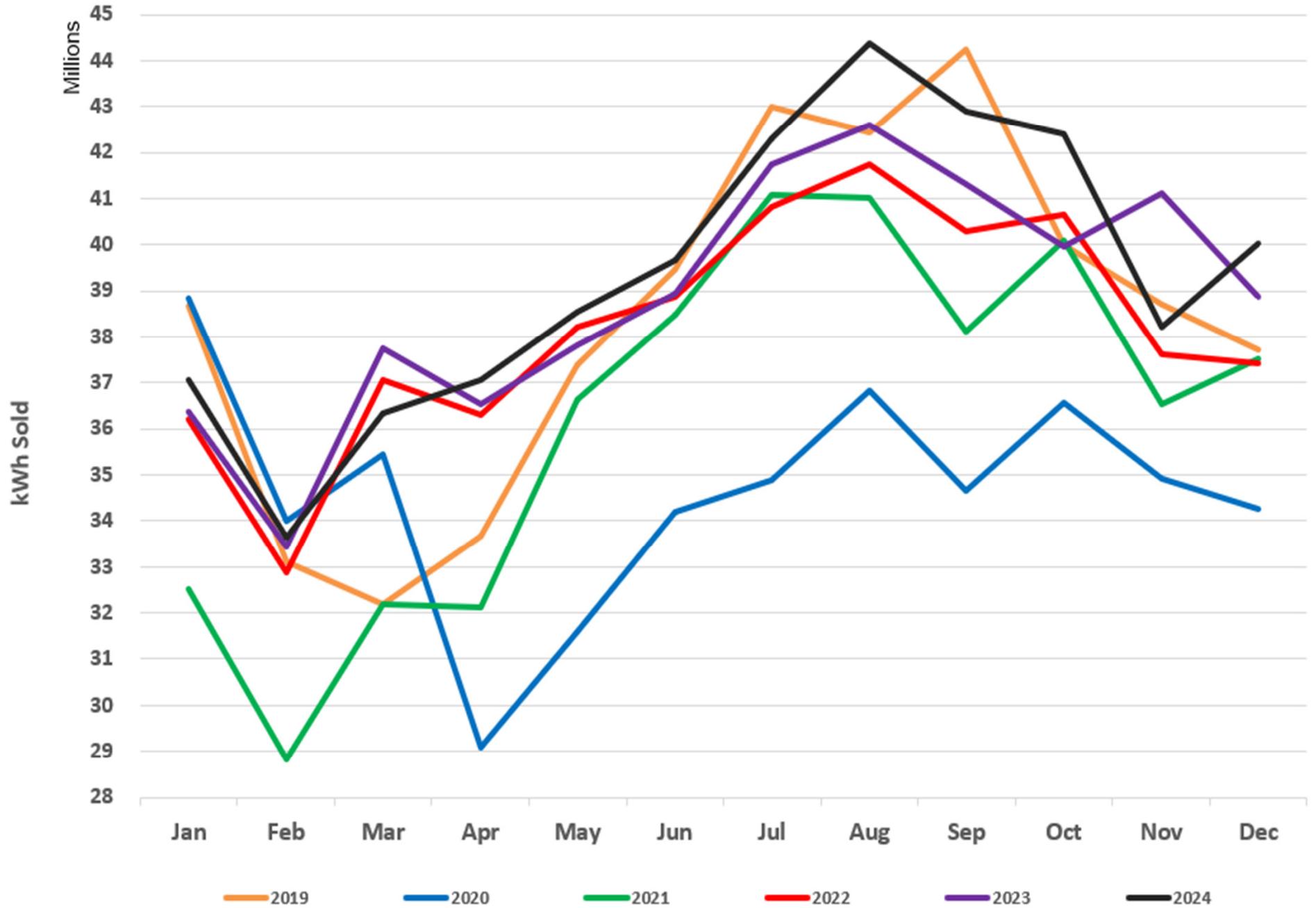


DSC

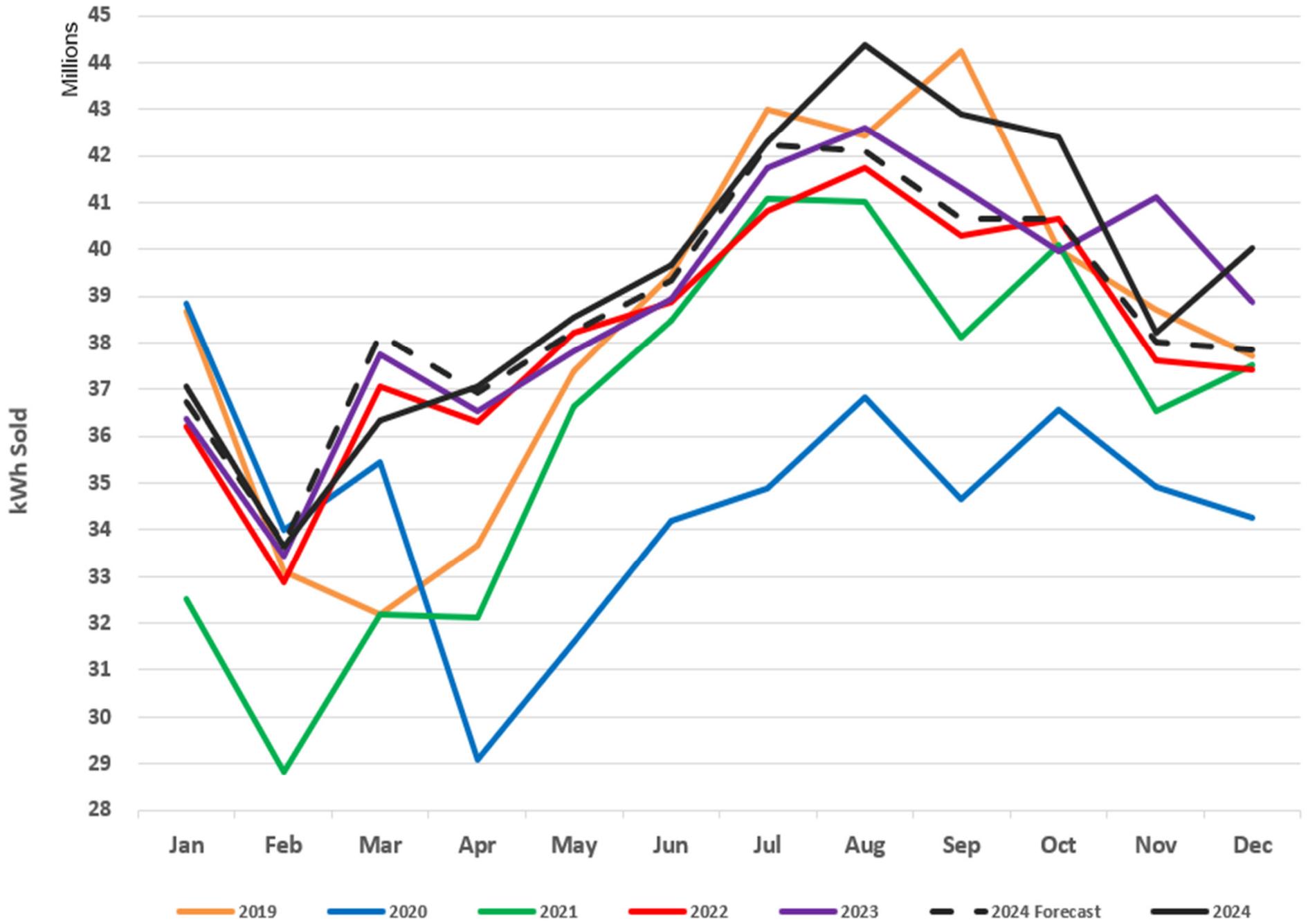


DSC Indenture Minimum

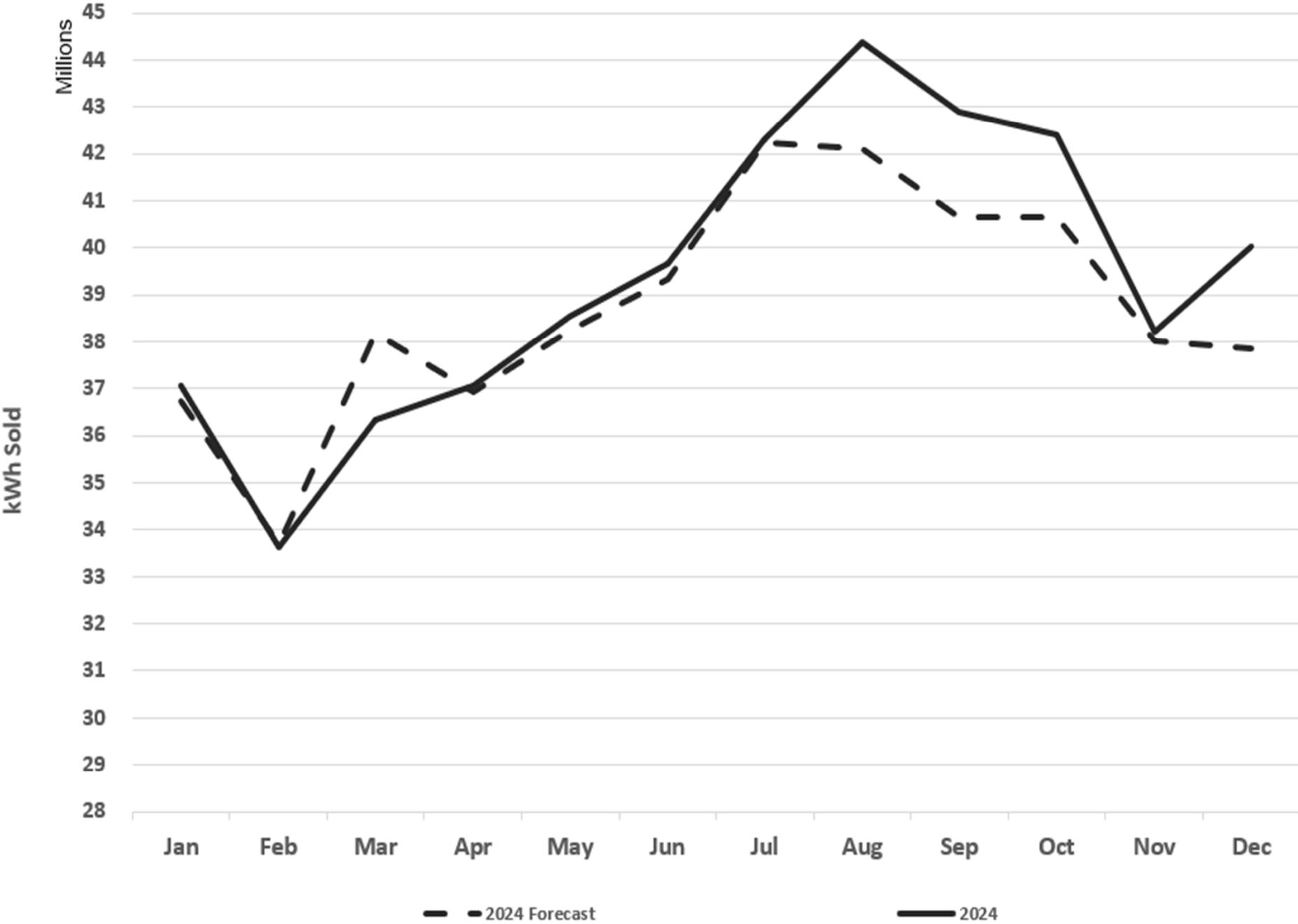
Total kWh Sold



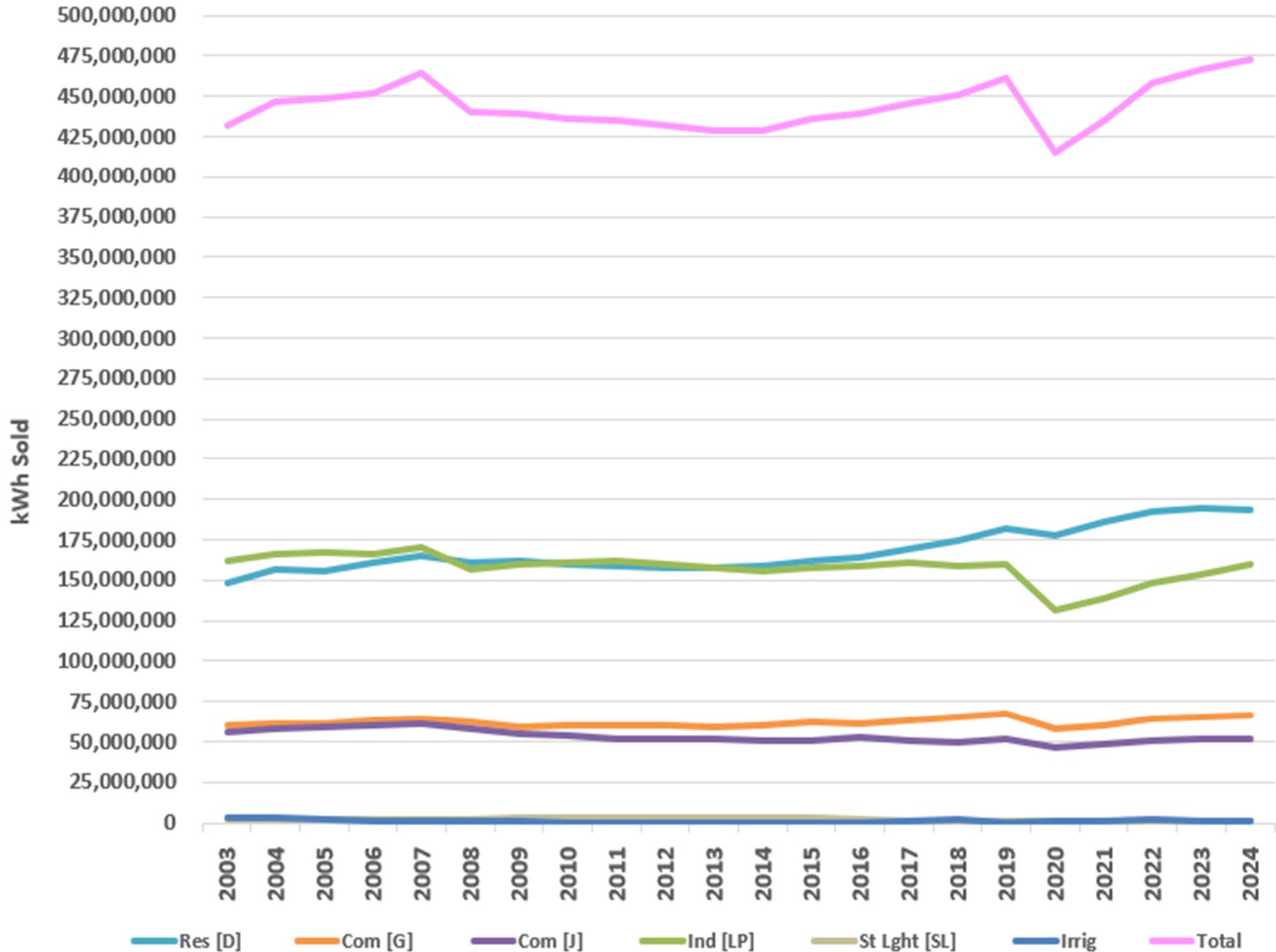
Total kWh Sold



Total kWh Sold



Total kWh Sold by Class



Total kWh Sold by Class



Questions?

◆ EPA Power Plant Rule Update

- The D.C. Circuit Court of Appeals on Dec. 6 heard oral arguments on the lawsuits challenging the Environmental Protection Agency's power plant rule.
- NRECA counsel Scott Keller argued the critical issue in the case—that the rule violates the Clean Air Act by requiring that 90% of annual carbon dioxide emissions from existing coal and baseload new natural gas plants be captured and permanently stored.
 - The Clean Air Act requires this rule to be based on adequately demonstrated technology, but no power plant has ever captured and stored 90% of its annual carbon dioxide emissions.
 - Additionally, the timeline for building necessary pipelines and underground storage wells is unachievable due to permitting challenges and other obstacles.
- The three-judge panel that heard the case will decide whether the rule stands. Timing of the decision is uncertain.

◆ NRECA CEO Pens Letter to Trump

- NRECA CEO Jim Matheson [sent a letter](#) to President-elect Donald Trump early this month urging the incoming administration to help co-ops deliver affordable, reliable and safe electricity to their members.
- The letter requested that the Trump administration:
 - Repeal the EPA's power plant rule and other EPA rules that threaten reliability.
 - Streamline and accelerate project reviews.
 - Repeal conservation rules that make it difficult to maintain power lines and mitigate wildfire risks on federal lands.
 - Halt the plan to remove the Lower Snake River dams.
 - Make effective and efficient use of the remaining funding appropriated by Congress in the Infrastructure Investment and Jobs Act to invest in electric infrastructure.
 - Ensure co-op access to federal programs used by co-ops across the country to harden, upgrade and modernize their systems and to deploy broadband to unserved rural communities.
 - Support direct-pay tax credits that allow co-ops to use tax credits available to the rest of the energy sector.

◆ NERC Long-Term Reliability Assessment

- The North American Electric Reliability Corp. released its 2024 [Long-Term Reliability Assessment](#) on Dec. 17.
- NERC's latest report finds that much of the country faces an increasing risk of energy shortfalls over the next 10 years under both normal and extreme conditions.

- The report echoes findings from [NERC's 2023 Assessment](#).
- In a [separate report](#) last year, NERC for the first time identified U.S. energy policy itself a top threat to electric reliability.
- “NERC’s latest assessment continues painting a grim picture of our nation’s energy future and growing threats to reliable electricity. This report points directly to the need for a pro-energy policy agenda that prioritizes reliability and affordability for American families and businesses.” —**NRECA CEO Jim Matheson**

◆ **December Board Meeting**

- The NRECA Board of Directors met Dec. 9-11 in Arlington.
- The Board approved the budget with no dues increase for 2025.
 - The budget includes \$108.4 million in additional infrastructure grant funding.
 - NRECA staff Group Health rate increasing 6%, No RS Plan rate increase.
 - The budget includes additional investments in the NRECA buildings to attract and retain tenants in a tough commercial real estate climate.
- Board members also heard a presentation from Penta, which found that for the second year in a row, NRECA is the most effective association in Washington.
 - 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.

Report of KIUC Charitable Foundation

To KIUC Board of Directors

1/7/2025

The Charitable Foundation Board met on 1/7/245

The following reports were received:

Treasurer report ending balance of \$102,939.95

Makana Program:

- 477 registered, YTD contribution \$3,507.51 through December 2024

Application approved:

- Kekahu Foundation \$1,000 to fund backup power units

Golf Tournament

- 2025 tournament scheduled for November 15, 2025

T. Phil Tacbian, President