

REGULAR MEETING OF THE BOARD OF DIRECTORS
KAUA'I ISLAND UTILITY COOPERATIVE
via Video Conference Call
February 27, 2025

MINUTES

Meeting called to order by Chair Smith at 1:00 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:** Cameron Kruse (Engineering & Technology Mgr.), Corinne Cuaresma (Controller), Laurel Loo & Mike Scarbo (Co-General Counsel), Teresa Amoy (Executive Administrator), Beth Amaro (Member Services & Communications Mgr.), Lisa Ubay (Mgr. of HR & Safety), Erin Tsuda (Finance Mgr.), Daurice Arruda (Accounting Mgr.), 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:** None

2. Approval of the Agenda

- 2.1. The Board of Directors' agenda of February 27, 2025, was approved as circulated.

3. Approval of Minutes

- 3.1. The minutes of January 30, 2025, Regular Board meeting were approved as circulated.

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

- 4.1. The CEO provided a brief overview of February's President's Report as circulated to the board (report attached).
 - The Wildfire Mitigation Plan Presentation was introduced by Engineer and Technology Manager (presentation attached).
 - **Service Area Map Changes:** The updated map now includes five new wildfire zones marked in red, with existing GIS systems of distribution and transmission lines, and substations marked in teal.

- **Wildfire Risk Map:** Developed with input from the Hawaii Wildfire Management Organization, Kauai Fire Department, and DLNR, this map considers 36 different inputs to assess hazards, focusing on areas where people live and identifying high-risk zones like Waimea.
- **Mitigation Program Activities:** These are categorized into design and construction, inspection and maintenance, operational practices, situational awareness, and response and recovery. Specific activities include the use of non-expulsion fuses, cameras, and other technologies to detect and respond to wildfires.
- **Non-Expulsion Fuses:** These fuses reduce the risk of molten metal and sparks, improving reliability and safety and potentially clearing faults faster.
- **Camera Technologies:** Cameras with AI detection capabilities are being used to monitor for flames or smoke, sending alerts to personnel for quick response.
- **Performance Metrics:** Metrics include tracking red flag warnings, the number of times distribution breakers are placed in fire-safe mode, fire ignitions caused by KIUC equipment, power isolation events, and outage durations.
- **Costs and Timelines:** Estimated costs for 2025 include \$20,000 to \$50,000 for development, \$5.6 to \$9 million for implementation, and \$750,000 for administration. Implementation costs could reach up to \$20 million by 2027, primarily due to expensive fuse change-outs.
- **Response Protocols:** In the event of a power isolation, the protocol involves patrolling and repairing lines before re-energizing, which may result in longer outages.

5. Financial Report – Corinne Cuaresma (Controller)

5.1. The Controller provided an update on the January 2025 Financial Report (report attached). Key financial metrics reviewed:

- **Sales and Generation:**
 - January sales were 38,085 megawatt hours, a 3% increase from the previous year.
 - Renewable generation was 17,740 megawatt hours, accounting for 44% of the total energy generated, down from 49% the previous year due to a decrease in hydro generation.
- **Oil Prices:**
 - The price of oil was \$69 per barrel, compared to \$72 per barrel in January of the previous year.
- **Membership Growth:**
 - KIUC had 295 more members than the previous year, with increases in both residential (101 more) and small commercial (174 more) members.
- **Employee Numbers:**

- There were 135 employees with 8 vacancies, compared to 136 employees and 7 vacancies the previous year.
- **FEMA Funds and Storm Costs:**
 - Received \$70,000 in FEMA funds related to April 2024 storms.
 - Incurred \$122,000 in costs so far through January due to the 1/29/25-1/31/25 SW Winds/Severe Thunderstorm event, with additional costs expected to be reported next month.
- **Net Income:**
 - January net income was \$1 million. Timing differences with some expenses are expected to catch up in February.
- **Balance Sheet:**
 - The balance sheet remains preliminary and will be finalized after the audit is complete and the audited financial statements are issued in the next 3 to 4 weeks.
 - Equity ratio is 35.7%.
- **Loans and Cash:**
 - The cooperative has access to \$153 million in RUS loan funds approved in 2024 for eligible construction work plan projects, with no amounts drawn yet.
 - \$32 million available in cash and investments. No amounts drawn on lines of credit with CFC and Cobank.

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

- 6.1. Director Iha provided a brief NRECA update on the national level:
- NRECA has been significantly affected by the shutdown of USAID, which funds 70% of its international budget. They have enough reserves to manage a 90-day pause.
 - NRECA CEO reported that RUS is still accepting and processing loan applications, indicating stability in that area.
 - NRECA CEO has been meeting with the key executives, including Lee Zelden from the Environmental Protection Agency and Brooks Rollins, the Secretary of Agriculture, to build relationships and understand the impact of executive orders on their operations.

7. Charitable Foundation Board Report – Director Phil Tacbian

- 7.1. Director Tacbian provided a brief update on the circulated Charitable Foundation report for the month of February to the Board of Directors (report attached).

8. Public Testimony

- 8.1. No public testimony was received.

9. New Business

9.1. BAR Form – T51 – 37.5 MVA GSU Transformer

- Director Yukimura introduced BAR Form request. The request is not a change in the total amount, it is only a timing issue.
- **MOTION:** to approve BAR Form presented to the Board.
[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

9.2. 2024 Final Goal Review

- Director Yukimura introduced the 2024 Final Goal Review noting that there were no questions raised during the F&A Committee meeting. The CEO added that there was a modification to one item, which resulted in the final goal achievement level moving from 99.5% to 103.6%.
- **MOTION:** A motion to approve as amended.
[Motion: TenBruggencate] [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. 2025 Proposed Goals

- Director Yukimura introduced the 2025 Proposed Goals noted that there were no changes made to the Proposed Goals at the F&A Committee meeting.
- **MOTION:** A motion to approve the proposed goals for 2025.
[Motion: Yukimura] [Second: TenBruggencate]
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. **Policy 25 KIUC Charitable/Non-Profit Giving**

- Director Yamane introduced Policy 25 which pertains to the KIUC Charitable/Non-Profit Giving. The Policy committee met on February 18th and found no changes or updates necessary.
- **MOTION:** A motion to approve the policy.
[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

9.5. **Loan Review Committee Member - Sonia Topenio, Financial Background**

- **MOTION:** Director Tacbian moved to approve Sonia Topenio to fill the spot for the financial background on the Loan Review Committee.

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. **March 7 - 12, 2025** – 2025 NRECA PowerXchange (Atlanta, GA)
- 10.2. **March 18, 2025** – Board Committee Meetings (9:00am, MCR)
- 10.3. **March 22, 2025** – KIUC Board Election
- 10.4. **March 27, 2025** – Lihue Business Association Meeting (7:30am, Duke’s Kauai)
- 10.5. **March 27, 2025** – Annual and Regular Board Meeting (1:00pm, MCR)

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 2:34 p.m.
- A motion to ratify actions taken in Executive Session was approved by consensus.
 - The Executive Session minutes of January 30, 2025
 - Resolution 01-25 Update Bank and Financial Institution Signatories and Contacts
 - Resolution 02-25 Update KIUC Retiree Welfare Benefit Plan Trustees

12. Adjournment

- 12.1. The meeting was adjourned at 2:34 p.m.

Calvin Murashige
Calvin Murashige (Mar 28, 2025 15:03 HST)

Calvin Murashige
Board Secretary

President's Report

February 27, 2025

David Bissell, CEO

President's Report

Safety (January)	Month	2025 YTD	2024 YTD
Recordable Incidents	0	0	3
Availability and Reliability	Month	2025 YTD	2024 YTD
Reportable Outages	21	21	5
Average Outage Hours Per Customer	0.17	6.38	4.15
Efficiency	Month	2025 YTD	
Net Plant Heat Rate	9,520	9,520	
Peak Demand (MW)	76.14	76.14	
Residential Rates			
February 2025	\$0.397/kwh decrease \$0.012 from January		

Update Items

- Mass member messaging emergency notification system
- Legislative session continues with KIUC monitoring and testifying as necessary
- Considerable uncertainty remains around awarded federal grant realization
- 75 pole changeouts 2025 YTD
- 2024 financial audit on-site fieldwork 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

Wildfire Mitigation Plan

- Cameron Kruse update



Mahalo!



Kaua'i Island Utility Cooperative

Your Touchstone Energy[®] Cooperative



Board Financial Report

February 2025

Finance, Accounting, Regulatory and Warehouse Monthly Summary

Finance and Accounting Update

- Financial Results
 - Income Statement - Preliminary
 - Balance Sheet - Preliminary
- Outstanding Loan Detail Report
- Treasury Management Monthly Discussion
- Finance and Accounting Updates

General Ledger
Financial And Operating Report Electric Distribution

Preliminary

INCOME STATEMENT FOR JAN 2025

Item	-----Year - To - Date-----			-----Period - To - Date-----	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	13,930,345.62	14,019,793.77	14,909,279.00	14,019,793.77	14,909,279.00
2. Power Production Expense	4,648,401.81	5,197,018.49	4,570,956.00	5,197,018.49	4,570,956.00
3. Cost of Purchased Power	3,458,992.42	2,219,458.97	3,845,640.00	2,219,458.97	3,845,640.00
4. Transmission Expense	76,060.29	53,864.17	146,140.00	53,864.17	146,140.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	107,235.73	47,082.81	140,953.00	47,082.81	140,953.00
7. Distribution Expense - Maintenance	422,694.96	351,777.99	521,427.00	351,777.99	521,427.00
8. Customer Accounts Expense	192,195.12	199,322.87	238,550.00	199,322.87	238,550.00
9. Customer Service and Informational Expense	26,127.49	16,908.66	21,450.00	16,908.66	21,450.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	1,822,852.57	2,058,588.51	2,150,842.00	2,058,588.51	2,150,842.00
12. Total Operation & Maintenance Expense (2 thru 11)	10,754,560.39	10,144,022.47	11,635,958.00	10,144,022.47	11,635,958.00
13. Depreciation & Amortization Expense	1,242,198.41	1,243,215.76	1,290,347.00	1,243,215.76	1,290,347.00
14. Tax Expense - Property & Gross Receipts	347,801.95	350,064.48	372,732.00	350,064.48	372,732.00
15. Tax Expense - Other	818,725.78	824,051.79	887,111.00	824,051.79	887,111.00
16. Interest on Long-Term Debt	540,244.50	525,414.75	516,000.00	525,414.75	516,000.00
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	8,600.00	33,868.00	35,000.00	33,868.00	35,000.00
20. Total Cost of Electric Service (12 thru 19)	13,712,131.03	13,120,637.25	14,737,148.00	13,120,637.25	14,737,148.00
21. Patronage Capital & Operating Margins (1 minus 20)	218,214.59	899,156.52	172,131.00	899,156.52	172,131.00
22. Non Operating Margins - Interest	247,987.12	200,246.90	119,541.00	200,246.90	119,541.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-40,721.41	-58,691.84	-87,700.00	-58,691.84	-87,700.00
25. Non Operating Margins - Other	28,915.82	12,435.46	15,110.00	12,435.46	15,110.00
26. Generation and Transmission Capital Credits	0.00	0.00	0.00	0.00	0.00
27. Other Capital Credits and Patronage Dividends	0.00	4,122.29	0.00	4,122.29	0.00
28. Extraordinary Items	0.00	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	454,396.12	1,057,269.33	219,082.00	1,057,269.33	219,082.00
Operating - Margin	454,396.12	1,057,269.33	219,082.00	1,057,269.33	219,082.00
Non Operating - Margin	0.00	0.00	0.00	0.00	0.00
Times Interest Earned Ratio - Operating	1.40	2.71			
Times Interest Earned Ratio - Net	1.84	3.01			
Times Interest Earned Ratio - Modified	1.84	3.00			

02/12/2025 3:47:21 pm

General Ledger
Financial And Operating Report Electric Distribution

Page: 1

*Preliminary***BALANCE SHEET FOR JAN 2025**

	<u>Last Year</u>	<u>This Year</u>	<u>Variance</u>
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	595,636,675.80	604,740,966.95	9,104,291.15
2. Construction Work in Progress	10,788,276.47	9,906,808.11	-881,468.36
3. Total Utility Plant (1 + 2)	606,424,952.27	614,647,775.06	8,222,822.79
4. Accum. Provision for Depreciation and Amort.	334,378,936.89	338,846,150.70	4,467,213.81
5. Net Utility Plant (3 - 4)	272,046,015.38	275,801,624.36	3,755,608.98
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	21,852,572.70	20,269,611.91	-1,582,960.79
8. Invest. in Assoc. Org. - Patronage Capital	1,272,549.07	1,323,313.26	50,764.19
9. Invest. in Assoc. Org. - Other - General Funds	666,500.00	666,500.00	0.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	0.00	0.00
11. Invest. in Economic Development Projects	960,359.54	2,124,617.29	1,164,257.75
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)	24,751,981.31	24,384,042.46	-367,938.85
15. Cash - General Funds	-2,366,868.61	-4,456,213.08	-2,089,344.47
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	-16,535.67	-30,436.47	-13,900.80
18. Temporary Investments	40,919,677.25	37,043,368.56	-3,876,308.69
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	11,118,098.83	13,394,670.10	2,276,571.27
21. Accounts Receivable - Other (Net)	1,201,087.92	467,160.09	-733,927.83
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	22,462,881.00	22,866,165.21	403,284.21
24. Prepayments	558,246.73	3,254,004.15	2,695,757.42
25. Other Current and Accrued Assets	8,640,315.82	9,236,770.84	596,455.02
26. Total Current and Accrued Assets (15 thru 25)	82,516,903.27	81,775,489.40	-741,413.87
27. Regulatory Assets	36,408,128.09	31,650,337.19	-4,757,790.90
28. Other Deferred Debits	84,157.65	54,164.50	-29,993.15
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	415,807,185.70	413,665,657.91	-2,141,527.79

02/12/2025 3:47:21 pm

General Ledger
Financial And Operating Report Electric Distribution

Page: 2

*Preliminary***BALANCE SHEET FOR JAN 2025**

	<u>Last Year</u>	<u>This Year</u>	<u>Variance</u>
LIABILITIES AND OTHER CREDITS			
30. Memberships	611.58	624.51	12.93
31. Patronage Capital	138,722,540.10	138,462,417.95	-260,122.15
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	454,396.12	1,057,269.33	602,873.21
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	274,043.19	1,087,480.53	813,437.34
36. Total Margins & Equities (30 thru 35)	139,451,590.99	140,607,792.32	1,156,201.33
37. Long-Term Debt - RUS (Net)	0.00	0.00	0.00
38. Long-Term Debt - FFB - RUS Guaranteed	117,199,374.53	113,341,850.13	-3,857,524.40
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	118,149,742.19	111,321,246.63	-6,828,495.56
41. Long-Term Debt - RUS Econ. Devel. (Net)	0.00	0.00	0.00
42. Payments - Unapplied	-475.45	0.00	475.45
43. Total Long-Term Debt (37 thru 41 - 42)	235,348,641.27	224,663,096.76	-10,685,544.51
44. Obligations Under Capital Leases - Noncurrent	13,003,196.24	12,398,292.22	-604,904.02
45. Accumulated Operating Provisions	-93,167.92	-826,684.32	-733,516.40
46. Total Other Noncurrent Liabilities (44 + 45)	12,910,028.32	11,571,607.90	-1,338,420.42
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	4,403,231.60	5,456,352.43	1,053,120.83
49. Consumers Deposits	1,546,703.07	1,675,606.79	128,903.72
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	8,985,262.08	10,096,257.16	1,110,995.08
54. Total Current & Accrued Liabilities (47 thru 53)	14,935,196.75	17,228,216.38	2,293,019.63
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	13,161,728.37	12,542,233.00	-619,495.37
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	415,807,185.70	406,612,946.36	-9,194,239.34
Current Assets To Current Liabilities	5.52 to 1	4.75 to 1	
Margins and Equities To Total Assets	33.54 %	33.99 %	
Long-Term Debt To Total Utility Plant	38.81 %	36.55 %	

KAUAI ISLAND UTILITY COOPERATIVE
NOTES, BONDS, AND OTHER INDEBTEDNESS
YEARS ENDED DECEMBER 31, 2024 AND 2025

LINE NO.	LENDER	DATE OF NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	LOAN #	ORIGINAL AMOUNT	PROJECTED	2024	PROJECTED	PROJECTED	
								BALANCE AT 12/31/2024	INTEREST EXPENSE	BALANCE AT 12/31/2025	INTEREST EXPENSE	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	
1	CFC	04/30/19	04/30/19	03/31/35	2.550%	HI001-9014-001	103,133,717	67,052,336	1,788,214	61,253,997	1,642,378	
2	CFC	02/06/20	02/25/20	12/31/49	2.760%	HI001-9019B	26,500,000	23,579,920	662,002	22,915,032	643,964	
3							129,633,717	90,632,257	2,450,216	84,169,029	2,286,342	
4	FFB	07/01/11	06/07/12	12/31/42	2.424%	C8#1 - 2-1	8,716,000	5,995,975	148,560	5,723,754	142,856	
5	FFB	07/01/11	10/23/12	12/31/42	2.604%	C8#1 - 2-2	1,606,000	1,114,101	29,639	1,064,340	28,523	
6	FFB	07/01/01	06/24/13	12/31/42	3.259%	C8#1 - 2-3	9,100,000	6,504,071	216,192	6,230,523	208,609	
7	FFB	07/01/11	11/25/13	12/31/42	2.662%	C8#1 - 2-4	2,689,000	1,848,092	50,254	1,765,983	48,373	
8	FFB	07/01/11	03/18/14	12/31/42	3.334%	C8#1 - 2-6	5,198,000	3,788,091	128,788	3,629,875	124,308	
9	FFB	07/01/11	08/07/14	12/31/42	3.023%	C8#1 - 2-7	5,731,000	4,165,662	128,514	3,986,605	123,889	
10	FFB	07/01/11	05/08/15	12/31/42	2.665%	C8#1 - 2-8	4,213,000	3,074,855	83,705	2,938,279	80,574	
11	FFB	07/01/11	09/18/15	12/31/42	2.715%	C8#1 - 2-9	748,000	550,855	15,275	526,499	14,707	
12	FFB	01/15/15	10/29/15	12/31/42	2.558%	C8#2 - 3-1	6,000,000	4,417,504	115,460	4,219,371	111,090	
13	FFB	01/15/15	01/12/16	12/31/42	2.636%	C8#2 - 3-2	35,586,552	26,448,249	712,208	25,270,386	685,478	
14							79,587,552	57,907,457	1,628,596	55,355,614	1,568,406	
15	FFB	12/01/17	04/24/18	12/31/51	3.199%	D8 - 4-1	22,192,000	19,895,814	642,298	19,414,663	630,649	
16	FFB	12/01/17	10/22/18	12/31/51	3.437%	D8 - 4-2	5,707,000	5,138,616	178,139	5,018,642	175,055	
17	FFB	12/01/17	06/06/19	12/31/51	2.578%	D8 - 4-3	4,776,000	4,231,193	110,239	4,119,193	107,990	
18	FFB	12/01/17	06/22/20	12/31/51	1.326%	D8 - 4-4	3,992,000	3,510,802	47,200	3,400,023	45,999	
19	FFB	12/01/17	10/08/21	12/31/51	2.087%	D8 - 4-5	7,889,000	7,290,648	153,959	7,083,684	150,525	
20	FFB	12/01/17	05/19/22	12/31/51	3.236%	D8 - 4-6	3,450,000	3,264,506	106,598	3,185,988	104,679	
21	FFB	12/01/17	08/29/22	12/31/51	3.422%	D8 - 4-7	12,706,000	12,102,814	417,747	11,819,612	410,493	
22							60,712,000	55,434,394	1,656,180	54,041,806	1,625,389	
23	COBANK	02/06/20	02/22/21	02/20/51	2.900%	00102606 T01	18,119,000	16,590,382	495,406	16,162,624	481,660	
24	COBANK	02/06/20	02/10/22	02/10/52	3.330%	3455702 T01-DS	4,900,000	4,618,994	158,147	4,513,277	154,206	
25							23,019,000	21,209,376	653,553	20,675,901	635,866	
26	Total Long Term Debt							\$ 292,952,269	\$ 225,183,483	\$ 6,388,545	\$ 214,242,350	\$ 6,116,003

Treasury Management – Monthly Discussion

- Ratings:
 - 12/10 BOH confirmed no changes in Money Market Fund Rating - AAA
- Current Summary Of Investments:
- **\$23.4M** 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%

Questions?

Report of KIUC Charitable Foundation

To KIUC Board of Directors

2/11/2025

The Charitable Foundation Board met on 1/11/25

The following reports were received:

Treasurer report ending balance of \$99,163.28

Makana Program:

- 482 registered, YTD contribution \$291.94 through January 2025

Golf Tournament

- 2025 tournament scheduled for November 15, 2025

T. Phil Tacbian, President

BOARD APPROVAL REQUEST FORM

Requestor

Department **T&D** Date **2/4/2025**

Name Royce Ramos Title: Substation Operations Supervisor

Program/Project Name **T51 - 37.5 MVA GSU TRANSFORMER (241235)**

Project Dates (if any) 1/1/2024 - 12/31/2026

Deadline(s) _____

Description of Request (attach documentation if needed)

In the 2024 budget, the MVA GSU Transformer was an approved capital budget item as an imperative backup transformer out at KPS. The total project budget was originally for 2 years, but is now being requested to be spread out over 3 years(2024/25/26). The main issue of this project is the timing of the payments. Total project cost is \$2.4M(w/OH) in 25% milestone payments. In 2024 we anticipated 2 milestone payments, but due to the late submittal of drawings from OTC, we only paid 25% in 2024 rather than the anticipated 50%. In 2025, we now have 50% of the payment due and we did not have anything budgeted. This will result in about \$1.1M hitting the books in 2025 that was unaccounted for. Again, total project cost remains the same over the 3 years, but the timing of the payments is causing this budget ammendment.

Financial Impact

Fiscal Year: 2025

Budgeted? _____ Unbudgeted? X

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

Original Budget Amt \$ _____ -

Additional/Change \$ **1,100,000**

Revised Budget Amt \$ 1,100,000

Required (Initials)

CEO Review: DB
David Bissell

Committee Referral/Action

Committee F&A

Meeting Date: 2/18/2025

Committee Recommendations: _____

Cmte Chairperson Presiding: Peter Yukimura

Board Action

Board Workshop _____ Wrkshp Date: _____

Board Meeting Date 2/27/2025

Action Taken: _____ 1st/2nd: _____

Other Info: _____ Res No. _____

File Date & Location _____

2024 Corporate Performance Targets

%	Strategic Goal	%	Project Description	YTD Actual	Level [Payout]				Projected Level	Weighted Level
					0 [0%]	1 [75%]	2 [100%]	3 [125%]		
25%	Carbon Footprint	12.5%	DSM & Efficiency Measures <i>(Corrected to Actual Results)</i>	1923	1,066 MWh	1,341 MWh	1,591 MWh	1,841 MWh	3.00	0.094
		12.5%	KRS1 & KRS2 Curtailment	181	> 1,250 MWh	1,000 MWh	750 MWh	500 MWh	3.00	0.094
		12.5%	Electrification Support	5.0	Less than 4	Complete 4	Complete 5	Complete 6	2.00	0.063
		62.5%	Renewable Projects	2.0	No new PPA	New Executed PPA	New Executed PPA and WKEP PPA Amended Executed or 3 improvements	New Executed PPA and WKEP PPA Amended Executed and 3 improvements	3.00	0.469
		0%	New Generation Review and Recommendation <i>(Removed and Reallocated to other Carbon targets)</i>	0.0	Less than 2	Complete 2	Complete 3	Complete 4	0.00	0.000
25%	Resiliency and Reliability	25%	Average Service Availability (ASA) - based on sustained outages	99.927	< 99.93	99.94	99.95	99.96	0.00	0.000
		25%	Wildfire Mitigation	4.0	Less than 2	Complete 2 including #1	Complete 3 including #1	Complete 4 including #1	3.00	0.188
		25%	Construction Work Plan Extension and New Long Range Plan	3.0	Less than 3	Complete 3	Complete 3	Complete 4	2.00	0.125
		25%	IT, Cyber Security & Improvement of System Practices to prevent/mitigate the impacts of cyber-attacks	9.0	Less than 9	Complete 9	Complete 11	Complete 12	1.00	0.063
25%	Environmental & Safety	25%	Habitat Conservation Plan & HCP improvements	1.0	None Completed	Complete 1	Complete 2	Complete 3	1.00	0.063
		25%	Implement Safety Strategic Plan /Complete other improvements safety corporate goals	4.0	Less than 4	Complete 4 including #5	Complete 5 including #5	Complete 6 including #5	3.00	0.188
		25%	Total Case Incident Rate (TCIR) Safety Metrics	2.35	> 4	4	2	0	1.83	0.114
		25%	Lost Time Rate (LTR) Safety Metrics <i>(Allocation between levels adjusted was 1.47)</i>	1.57	> 2	2	1	0	1.43	0.089
25%	Cost of Electricity	20%	Regulatory Strategy and Goals Completed with BOD Approval	1.0	None Completed	Complete 1	Complete 2	Complete 3	1.00	0.050
		20%	RUS Loan Fund Application Process Complete	4.0	Less than 2 Completed	Complete 2	Complete 3	Complete 4	3.00	0.150
		20%	Sales Heat Rate	9507	> 9750	9750	9600	9500	2.93	0.147
		20%	Equity Management Plan Process Complete	6.0	Less than 4 Completed	Complete 4	Complete 5	Complete 6	3.00	0.150
		20%	Hana Kukui Building Acquisition	3.0	Less than 2 Completed	Complete 2	Complete 3	Complete 4	2.00	0.100
100%				Projected Total Weighted Level					2.14	
				Projected Payout					103.6%	

red = complete

Detailed Requirements:

**No Payout if KIUC in default on loan contracts or indenture loan targets not met
Community Service Requirements Must Be Met at Individual Level for Payout:**

- 3 KIUC Events including 1 Parade or
- 1 KIUC Parade & 1 Seat on Community Organization Board (e.g. KEDB, Rotary, Humane Society etc.)

Carbon Footprint	<p><u>DSM & Efficiency Measures</u></p> <p>Commercial DSM</p> <p>Residential Energy Efficiency Programs</p> <p>Total</p>	<p><u>in MWh</u></p> <p>807.8</p> <p>783.6</p> <hr/> <p>1591.4 updated through 12/2024</p>	<p>Targets</p> <p>807.8</p> <p>783.6</p> <hr/> <p>1591.4</p>
Carbon Footprint	<p><u>KRS1 & KRS2 Curtailment (in MWh)</u></p> <p>2024 YTD MWh Curtailment- KRS1</p> <p>2024 YTD MWh Curtailment- KRS2</p> <p>Total YTD MWh Curtailment</p>	<p><u>YTD MWh</u></p> <p>67.06</p> <p>113.60</p> <hr/> <p>180.66 updated through 12/2024</p>	
Carbon Footprint	<p><u>Electrification Support</u></p> <p>1. Implement a residential EV Charger Rebate Program - on KIUC website/promotion/ready to distribute</p> <p>2. Load Forecast Updated with EV Vehicle Sales and Capital Requirements</p> <p>3. Participate in Drive Electric Hawaii quarterly meetings - all 4 attended</p> <p>4. Support Community-based electric vehicle outreach/education at a minimum of 4 events</p> <p>5. Develop a KIUC Equipment Electrification Plan</p> <p>6. In 2025 Budget Implement Part of the Equipment Electrification Plan</p>	<p>2025</p>	
Carbon Footprint	<p><u>Renewable Projects - Improvements</u></p> <p>1. Revised and Implement new Plan for awarded CDS \$1M</p> <p>2. BESS Awarded from DOE</p> <p>3. PUC Submission of G07 Project for BESS</p>		
Carbon Footprint	<p><u>New Generation Review and Recommendation</u></p> <p>1. Production Model & Engineering and Cost Study Complete</p> <p>2. Site Layout Plan Completed and Approved by DB</p> <p>3. Financial Analysis Completed and integrated into New CWP</p> <p>4. CEO and BOD presentation and go/no go decision to move forward with air permit modeling</p>	<p><u>not this year. 2025?</u></p>	
Resiliency and Reliability	<p><u>Average Service Availability (ASA) - based on sustained outages</u></p> <p>Statistical Targets Above</p>		
Resiliency and Reliability	<p><u>Wildfire Mitigation</u></p> <p>1. BKI Wildfire Mitigation Plan Process Complete for Current Work Plan</p> <p>2. Pole Inspection and Pole Change Out Program Drafted (including all pole assemblies)</p> <p>3. Weather Stations Installed and Circuit DE energization Protocol Done</p> <p>4. Tracking of Wildfire Mitigation Expenses Implemented and Automated in NISC</p>		
Resiliency and Reliability	<p><u>Construction Work Plan Extension and New Long Range Plan</u></p> <p>1. Written 1 Year Extension of 2021-2024 Construction Work Plan</p> <p>2. Update Load Forecast for 2024 based on 2023 Sales Numbers</p> <p>3. Update New Long Range Plan and Present to Board</p> <p>4. Implement 1 Year CWP Extension into Capital Budget for 2025</p>	<p>2025</p>	
Resiliency and Reliability	<p><u>IT Cyber Security & Improvement of System Practices to prevent/mitigate the impacts of cyber-attacks</u></p> <p>1. Complete CIS Control 2.6-2.7: Inventory and Control of Software Assets</p> <p>2. Complete CIS Control 3.1-3.6: Data Protection</p> <p>3. Complete CIS Control 5.1-5.6: Account Management</p> <p>4. Complete CIS Control 6.6-6.7: Access Control Management</p> <p>5. Complete CIS Control 9: Email and Web Browser Protections</p> <p>6. Complete CIS Control 10: Malware Defenses</p> <p>7. Complete CIS Control 11: Data Recovery (replace legacy end of life system - cohesity/nexsan)</p> <p>8. Complete CIS Control 12.1 - 12.3, 12.5-12.8: Network Infrastructure Management</p> <p>9. Implement Phishing Campaigns</p>		

- 10. Commission SDWAN technology to provide seamless ISP failover of Internet Services
- 11. Implement IoT Gateway and Gridstream Integration Suite to enable T&D distribution automation devices, i.e. IED's, to communicate over AMI RF network
- 12. Implement NISC Operations Analytics with primary focus for initial implementation of MDM Measurements and OA Dashboards

Environmental & Safety

Habitat Conservation Plan & HCP Improvements

- 1. Finalize Terms for Upper Manoa Valley (UMV) or new Fencing Site
- 2. Begin Construction of Fencing at UMV or new site Not in 2024
- 3. Have HCP Published in the Federal Register or State Register Not in 2024

Environmental & Safety

Implement Safety Strategic Plan /Complete other improvements safety corporate goals

- 1. Explore chain lock replacements to remove the need for physical keys and convert to electronic system
- 2. Implement Hearing Conservation Program - Power Plants including updating policy, hearing testing, procuring PPEs, training and T&D Noise exposure assessment.
- 3. Safety to take over FR Clothing Program - Review and implement position specific groups and allowances
- 4. Update Fire Escape Program - update and post maps, integrate with KFD mapping system, communicate to all employees
- 5. Upgrade employee mass notification system to have access to advanced features
- 6. Create log of safety training and programs and delivery requirements for KIUC functional areas.

Environmental & Safety

Total Case Incident Rate (TCIR) Safety Metrics

see measures above updated through 12/2024

Environmental & Safety

Lost Time Rate (LTR) Safety Metrics

see measures above updated through 12/2024

Cost of Electricity

Regulatory Strategy and Goals Completed with BOD Approval

- 1. Comprehensive board workshop held (1/2 to full day, with outside experts) on regulatory strategies
- 2. Regulatory Strategy Plan approved by board
- 3. At least one significant item from Regulatory Strategy Plan implemented or pursued via PUC filing

Cost of Electricity

RUS Loan Fund Application Process Complete

- 1. PUC Waiver of Approval Completed
- 2. RUS Loan Review Process Q&A Completed
- 3. RUS Loan Closing Completed
- 4. 219s Submitted to RUS and 605 Updated Ready for Loan Reimbursement

Cost of Electricity

Sales Heat Rate

see measures above

Cost of Electricity

Equity Management Plan Process

- 1. Update 10 Year Financial Forecast for 2025-2035
- 2. Update Necessary Financial Ratios for Comparison to like Cooperatives
- 3. Equity Management Plan goals established by BOD - Capital Credits, Equity %, Cash Reserves
- 4. Simplified EMP Plan Approved by Senior Staff
- 5. Presentation and EMP Plan presented to BOD and Approved
- 6. Update Board Policy to Reflect Changes as a result of new EMP

Cost of Electricity

Hana Kukui Building Acquisition

- 1. Appraisal Completed for Land and Building
- 2. Negotiations Started with G&I Watumull LP
- 3. Real Estate Contract for Purchase of Hana Kukui Land and Building Presented to Watumull LP
- 4. Real Estate Contract signed for Hana Kukui Land and Building

% Strategic Goal	% Project Description	YTD Actual / Forecast	Level [Payout]				Projected Level	Weighted Level
			0 [0%]	1 [75%]	2 [100%]	3 [125%]		
20% Carbon Footprint	25% DSM & Efficiency Measures		1,066 MWh	1,341 MWh	1,591 MWh	1,841 MWh	2.00	0.100
	25% KRS1 & KRS2 Curtailment		> 750 MWh	750 MWh	600 MWh	300 MWh	2.00	0.100
	50% Renewable Projects - PUC Approval		No PPA HPUC Approvals or App Submission	Application to PUC Submitted	PUC Approval Received on one PPA	PUC Approval on two PPAs	2.00	0.200
25% Resiliency and Reliability	10% Average Service Availability (ASA) - based on sustained outages		< 99.93	99.94	99.95	99.96	2.00	0.050
	20% Kilohana SY/Kilohana Hanahanpuni Transmission Line/Hanalei to Princeville Transmission Line		Less than 2	Complete 2	Complete 3	Complete 4	2.00	0.100
	20% Natural Hazard Minimization		Less than 4	Complete 4	Complete 5	Complete 6	2.00	0.100
	20% New Generation Review and Recommendation		Less than 2	Complete 2	Complete 3	Complete 4	2.00	0.100
	10% Joint Pole Attachment Renegotiation and Tracking Improvements		Less than 2	Complete 2	Complete 3	Complete 4	2.00	0.050
	20% IT, Cyber Security & Improvement of System Practices to prevent/mitigate the impacts of cyber-attacks		Less than 5	Complete 5	Complete 6	Complete 7	2.00	0.100
25% Environmental & Safety	30% Habitat Conservation Plan & HCP improvements		Less than 4	Complete 4	Complete 5	Complete 6	2.00	0.150
	30% Safety Improvements and Enhancements		Less than 7	Complete 7	Complete 8	Complete 9	2.00	0.150
	20% Total Case Incident Rate (TCIR) Safety Metrics		> 4	4	2	0	2.00	0.100
	20% Lost Time Rate (LTR) Safety Metrics		> 2	2	1	0	2.00	0.100
30% Cost of Electricity	10% Develop and Implement a Fleet Replacement Plan inclusive of a maintenance plan		Less than 4	Complete 4	Complete 5	Complete 6	2.00	0.060
	15% Obtain an Investment Grade Rating from an established rating agency		Less than 3	Complete 3	Complete 4	Complete 5	2.00	0.090
	10% Sales Heat Rate		> 9750	9750	9600	9500	2.00	0.060
	20% Pace Loan Closed, HSEO Project SCCT construction started AND 3 Site Civil Work Completed for BESS		Less than 3	Complete 3	Complete 4	Complete 5	2.00	0.120
	15% Regulatory Board Committee Meetings and Goals		Less than 3	Complete 3	Complete 4	Complete 5	2.00	0.090
	20% Develop a New Integrated Wage and Salary Continuation Plan		Less than 7	Complete 7	Complete 8	Complete 9	2.00	0.120
	10% Develop a Risk Management Program		Less than 2	Complete 2	Complete 3	Complete 4	2.00	0.060

100%

Projected Total Weighted Level

2.00

Projected Payout

100.00%

Detailed Requirements:

**No Payout if KIUC in default on loan contracts or indenture loan targets not met
Community Service Requirements Must Be Met at Individual Level for Payout:**

4 KIUC Events from official list on WattsUp

Parade counts as two events & 1 Seat on Community Organization Board (e.g. KEDB, Rotary, Humane Society etc.) counts as two events

Carbon Footprint	<u>DSM & Efficiency Measures</u>	<u>in MWh</u>	<u>Targets</u>
	Commercial DSM	0.0	807.8
	Residential Energy Efficiency Programs	0.0	783.6
	Total	0.0	1591.4

Carbon Footprint	<u>KRS1 & KRS2 Curtailment (in MWh)</u>	<u>YTD MWh</u>
	2024 YTD MWh Curtailment- KRS1	-
	2024 YTD MWh Curtailment- KRS2	-
	Total YTD MWh Curtailment	-

Carbon Footprint **Renewable Projects**
see measures above

Resiliency and Reliability **Average Service Availability (ASA) - based on sustained outages**
Statistical Targets Above

Resiliency and Reliability **Kilohana SY/Kilohana Hanahanapuni Transmission Line/Hanalei to Princeville Transmission Line Progress**

1. Finalize Construction of Transmission Line - Kilohana to Hanahanapuni
2. Finalize Civil Plans and Road Improvements from Highway to Kilohana SY
3. Submit PUC Application for Hanalei Tap - Princeville Transmission Lines
4. Receive D&O for Hanalei Tap - Princeville Transmission Lines

Resiliency and Reliability **Natural Hazard Minimization**

1. Submit Revised Wildfire Mitigation Plan (WFMP) to PUC
2. Complete 7,000 new pole inspections (wooden utility poles)
3. Change out at least 300 rotten poles
4. Execute on vegetation management plan = 25,000 labor hours for the year
5. Complete Study of wildfire-safe overcurrent devices
6. Multi Department Disaster Exercise for Post Disaster - Day 1 Post Hurricane

Resiliency and Reliability **New Generation Review and Recommendation**

1. Production Model & Engineering and Cost Study Complete
2. Site Layout Plan Completed and Approved by DB
3. Financial Analysis Completed and integrated into New CWP
4. CEO and BOD presentation and go/no go decision to move forward with air permit modeling

Resiliency and Reliability **Joint Pole Attachment Renegotiation and Tracking Improvements**

1. Understand all current pole agreements and setup flow chart of the different agreements
2. Work toward a procedure/plan/method that could help us map all poles that have attachments
3. Research joint pole agreements on transmission lines we need to reconductor for Mana/Kaawanui
4. Update Cost approval procedure, tracking and billing with all parties to bring billing of joint owned poles current

Resiliency and Reliability **IT Cyber Security & Improvement of System Practices to prevent/mitigate the impacts of cyber-attacks**

1. Complete CIS Control 3.1-3.6: Data Protection
2. Commission SDWAN technology to provide seamless ISP failover of Internet Services
3. Implement NISC Operations Analytics with primary focus for initial implementation of MDM Measurements and OA Dashboards
4. Commission OT network monitoring and detection solution
5. Complete integration of mobile device management for device setup, inventory, cybersecurity, and self-service
6. Integrate Security Information and Event Monitoring (SIEM) solution for IT/OT network and devices
7. Complete Incident Response and Disaster Recovery table top exercise

Environmental & Safety **Habitat Conservation Plan & HCP improvements**

1. Complete fences and weather ports at Upper Limahuli
2. Complete RFP for predator control and vegetation management at Upper Limahuli Preserve (ULP)
3. Complete Agreements for 2026 services in accordance with RFP results
4. Complete draft EIS and publish EIS and HCP in Federal Register and The Environmental Notice
5. Hold individual briefings on HCP with all (willing) member of Endangered Species Recover Committee
6. File final HCP (after comments)

Environmental & Safety

Implement Improvements and Enhancements

1. Create Safety Training Plan for the year - Publish full schedule for the entire year and what trainings are in-person versus online by end of January 2025 (with 1 EAP Training)
2. Conduct NRECA RESAP assessment
3. Conduct an employee survey of safety perceptions with goal of it being standardized and conducted yearly with NRECA
4. Anahola gates fully functional
5. Complete and implement Warehouse Safety Training Program
6. Conduct monthly safety audits by location - written audit reports compiled with Vector Data for sr staff quarterly review
7. Integrate Hana Kukui fire alarm system with 911 emergency services. (note: next step from 2024 goals)
8. Implement software to manage DOT safety sensitive driver files to assure compliance with FMCSA and other State and Federal regulations.
9. Pilot padlock electronic key system to replace physical keys. (note: next step from 2024 goals)

Environmental & Safety

Total Case Incident Rate (TCIR) Safety Metrics

see measures above

Environmental & Safety

Lost Time Rate (LTR) Safety Metrics

see measures above

Cost of Electricity

Develop and Implement a Fleet Replacement Plan inclusive of a Maintenance Plan

1. Inventory and Assess the Current Fleet
2. Establish Replacement Criteria
3. Develop Replacement Plan
4. Develop a Maintenance Plan and Vendor Account Setup
5. Staff Training and Communication
6. Execute the Plans

Cost of Electricity

Obtain an Investment Grade Rating from an established rating agency

1. Preliminary Preparation and Decision to Seek a Rating
2. Selecting the Rating Agency
3. Submission of Information to Rating Agency
4. Rating Committee preliminary analysis and committee Discussion
5. Issuance of Rating

Cost of Electricity

Sales Heat Rate

see measures above

Cost of Electricity

Grant HSEO Funded and Pace Loan Closed AND Civil Work Completed

1. Close Pace Loan and Receive PUC Approval
2. Begin Construction on SCCT and Submit for Payment
3. Civil Work Completed at Koloa Site
4. Civil Work Completed at Anahola Site
5. Civil Work Completed at Port Allen Site

Cost of Electricity

Regulatory Board Committee Meetings and Goals

1. Hold at least 5 Committee Meetings in 2025
2. Meet with PUC, CA and Kauai legislative delegation on regulated related items
3. Conduct Member focus groups on regulatory initiatives
4. Develop recommendations for key regulatory initiatives
5. As applicable, initiate proceedings within PUC or prepare draft legislation in support of desired regulatory initiatives

Cost of Electricity

Develop a New Integrated/Wage Salary Continuation Plan

1. Change Name of Policy
2. Establish a committee of members with NBU,BU and IBEW BA's
3. Timeline -schedule reoccurring meetings
4. Prep- gather data, reports, resources, etc.
5. Present last proposal, review, develop, amend, agree
6. Submit committee recommendation to CEO for approval
7. Submit to Union for Approval
8. Submit and receive approval from the DOL to change our plan
9. Implement new policy

Cost of Electricity

Develop a Risk Management Program

1. Conduct a Risk Management Assessment
2. Identify Minimization Opportunities
3. Put together a draft risk management Plan
4. Implement Plan

KIUC BOARD POLICY NO. 25
KIUC CHARITABLE/NON-PROFIT GIVING

PURPOSE OF POLICY:

The purpose of this policy is to govern KIUC's gifts to charitable and non-profit entities using funds acquired from KIUC margins.

POLICY CONTENT:

I. The KIUC Giving Program

- A. Basis.** One of the seven cooperative principles is Concern for Community: "While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members."
- B. Programs.** In carrying out this principle KIUC gives money from corporate funds to various Kauai charitable and/or non-profit entities. This giving has been accomplished using three separate programs/accounts:
- 1. Sharing of Aloha.** The Sharing of Aloha fund is a fund intended to assist various local non-profit organizations that contribute to Kauai's quality of living. It is administered by a committee of rank-and-file employees with appropriate representation of various KIUC.
 - 2. President's Fund.** The President's Fund is a fund intended to support IRS 501(c)(3) qualified entities on Kauai or national organizations in servicing Kauai through direct donations to such entities selected by KIUC's CEO (including attendance by staff and directors at fundraising events).
 - 3. Corporate Fund.** The Corporate Fund is a fund, separate from the President's Fund, that also supports Kauai 501(c)(3) entities through direct donations to them by:
 - a. Matching (or partial matching) of KIUC employee contributions to appropriate Kauai 501(c)(3) entities or
 - b. Contributions to qualified Kauai 501(c)(3) entities which have been previously vetted, and where contributions are appropriate to continue from year to year.

II. Recipients

- A. Organizations Supported.** The benefits or services provided by the requesting organization or potential recipient organization must be perceived as providing benefits or services on Kauai: i.e., there must be a benefit or service provided to the people of Kauai or KIUC's members. Examples of organizations are:

1. Kauai Non-Profits:

- a. Youth sport teams and leagues
 - b. Amateur adult sports teams and leagues
 - c. Chambers of commerce
 - d. Community service organizations
 - e. State of Hawaii Department of Education schools and organizations
 - f. Veterans organizations
 - g. Others as appropriate
2. Kauai 501(c)(3) Entities:
- a. Human Social Services Organizations:
 - Senior citizens groups
 - Emergency service organizations (food, clothing, shelter, disaster relief etc.)
 - Youth care organizations
 - Family counseling organizations
 - b. Educational Organizations:
 - Private primary and secondary schools
 - Early education schools
 - Public Charter Schools or their sponsoring organizations
 - c. Health organizations
 - d. Culture and Arts organizations
 - e. Community Development organizations:
 - Environmental and ecological programs
 - Housing and urban renewal projects
 - Economic development organizations
 - f. Others as appropriate

B. Ineligible Organizations/Gifts:

- 1. Organizations that seek to primarily benefit one individual or an individual's family
- 2. Political organizations
- 3. Organizations engaged in illegal discrimination
- 4. Religious groups seeking funds primarily for religious purposes
- 5. Funds for parties, trophies, gift checks, cash, and electric bill discounts or expenses, etc.

III. Guidance

A. Funding Level. Where the use of funds is for a fundraising function of a 501(c)(3) organization that provides its benefits or services wholly or partially on Kauai, the level of contribution should usually be at an appropriate level.

B. Attendance. Attendance at functions should generally be shared between directors, management, and rank-and-file employees as appropriate.

C. Budget. Except in unusual circumstances, funding must have been budgeted in the current year's budget.

D. Disclosure. The total dollar amount of all KIUC gifts or grants to Kauai non-profits or Kauai 501(c)(3) entities shall be disclosed each year in the annual report to the membership.

Adopted on this XXth day of XXXX, 20XX.

Reviewed: xx/xx/xxxx

Revised: 01/27/2022

Reviewed: 11/27/2018

Revised: 11/29/2016

Reviewed: 12/16/2014

Original Adoption: 02/28/2012

Calvin Murashige
Secretary

Exhibit 1

Loan Review Committee Members

Representation	Name	Company	Term Expires
Financial Background	Clyde Nakaya	First Hawaiian Bank	April 24, 2026
Financial Background	Sonia Topenio	Bank of Hawaii	April 24, 2028
Government	Nalani Kaauwai Brun	County of Kauai, Office of Economic Development	March 27, 2026
Non-Profit Sector	Lori Almarza	Kauai United Way	March 27, 2026
Non-Profit Sector	Robin Pratt	Hawaii Community Foundation	June 25, 2026
Community Member	Sara Miura	Déjà vu Surf	June 25, 2026
Board Member	Teofilo "Phil" Tacbian	Board of Directors	Board Representative
Board Member	Peter Yukimura	Board of Directors	Board Representative