

REGULAR MEETING OF THE BOARD OF DIRECTORS
KAUA'I ISLAND UTILITY COOPERATIVE
Held at KIUC Main Conference Room and Video Conference Call
April 24, 2025

MINUTES

Meeting called to order by Chair Smith at 1:00 p.m.

1. Roll Call

- 1.1. **Directors present:** Directors Allan Smith (Chair), Jan TenBruggencate (Vice Chair), Edmund Acoba, David Iha (via Zoom), James Mayfield, Calvin Murashige (Secretary)(via Zoom), Teofilo Tacbian, Michael Yamane, and Peter Yukimura (Treasurer); David Bissell (CEO).
- 1.2. **Others present:** Laurel Loo (General Counsel), Teresa Amoy (Executive Administrator), Erin Tsuda (Interim CFO/Finance Mgr.).
- 1.3. **Others present via Video Conference Call:** Beth Amaro (Member Services & Communications Mgr.), Cameron Kruse (Engineering & Tech Mgr.), Daurice Arruda (Accounting Mgr.), Corinne Cuaresma (Controller), Scott Sato (Energy Services Supervisor), Shelsey Francisco (Financial Analyst), Shelley Paik (PA Specialist); Members of the press (0) and Members of the public (1)
- 1.4. **Absent/Excused:** None

2. Approval of the Agenda

- 2.1. The Board of Directors' agenda of April 24, 2025, was approved as circulated.

3. Approval of Minutes

- 3.1. The minutes of March 27, 2025, Annual Meeting of the Board of Directors and March 27, 2025, Regular Board meeting were approved as circulated.

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

- 4.1. The CEO provided a brief overview of April's President's Report as circulated to the board (report attached).

5. Financial Report – Erin Tsuda (Interim CFO/Finance Mgr.)

- 5.1. The Interim CFO/Finance Mgr. provided an update on the March 2025 Financial Report (report attached).

Review of the Financial Scorecard and Report.

- Operating revenue was \$41.2 million, slightly below the same period last year.

- Commodities expenses decreased to \$18.1 million from \$20.2 million, attributed to lower oil costs and reduced purchase expenses related to capacity adjustments.
- **Net Margin.** The net margin for the first quarter was \$2 million, compared to \$1.3 million in the same period last year.
- **Financial Ratios.** Times Interest Earned Ratio (TIER): Year-to-date actual was 2.31, with a projection of 2.15 by year-end.
- Debt Service Coverage (DSC): Current DSC was 1.75, with a projection of 1.695 by year-end.
- **Kilowatt Hour Sales.** Year-to-date sales were 111 million kilowatt hours, reflecting a 4.4% increase from the previous year.
- **Review of Treasury Management.** No major changes from month to month.
- Recap of the 2024 Audit Summary that was presented at the F&A Committee meeting by Moss Adams.
- Recap of the Capital Credit Retirements – Refunds to Members.

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

6.1. Director Iha provided a brief NRECA update on the national level:

- **Federal-Level Uncertainty:** NRECA is navigating through uncertainties at the federal level, particularly regarding rules, regulations, and grants. The organization is playing defense to protect existing grants while attempting to take offense on rules and regulations that may not directly affect them but could have long-term implications.
- **Focus Areas:** NRECA is concentrating on issues related to power supply and other mainland-specific concerns, which will be discussed further in the upcoming NRECA Board meeting.

7. Charitable Foundation Board Report – Director Phil Tacbian

7.1. The Charitable Foundation Board report was circulated to KIUC's Board of Directors (report attached). Brief update from their last meeting:

- The treasurer's report remains unchanged, with approximately \$98,000 in the bank.
- The Makana Program has grown, with 489 people registered. Contributions up to the last month totaled \$872.
- KEO has not yet reached out for contributions, as they typically use LIHEAP first before seeking additional funds.
- The planning for the annual golf event is currently on standby.

8. Public Testimony

8.1. No public testimony was received.

9. New Business

9.1. Resolution 03-25 – 2024 Patronage Capital Retirement

- Resolution 03-25 was introduced by Director Yukimura, F&A Committee Chair. According to the PUC rules, any amount exceeding a 2.0 Tier must be distributed to members. For 2024, the amount to be distributed was calculated at \$664,166.

MOTION: Director TenBruggencate moved to approve the resolution.

[Motion: TenBruggencate] [Second: Mayfield]

IN FAVOR:	Smith, TenBruggencate, Murashige, Yukimura	
	Acoba, Yamane, Iha, Mayfield, Tacbian	Total – 9
OPPOSED:	None	Total – 0
EXCUSED:	None	Total – 0

Motion carried

9.2. Resolution 04-25 – RUS Data Collection System (Form 674 & 675)

- Resolution 04-25 pertains to updating the user who can access the RUS (Rural Utilities Service) Data Collection system. Specifically, it involves the following:
 - Form 674:** Updates the certifier and the administrator.
 - Form 675:** Designates individuals authorized to certify Form 595, which allows the organization to draw funds from RUS.
 - The changes require a board resolution to update the authorized users for these forms.

MOTION: Director Yukimura moved to approve the resolution.

[Motion: Yukimura] [Second: TenBruggencate]

IN FAVOR:	Smith, TenBruggencate, Murashige, Yukimura	
	Acoba, Yamane, Iha, Mayfield, Tacbian	Total – 9
OPPOSED:	None	Total – 0
EXCUSED:	None	Total – 0

Motion carried

9.3. Policy 12 – Code of Ethics

- Director Acoba, Policy Committee Chair introduced Policy 12, referred to as the Code of Ethics Policy. No changes or corrections were proposed, and the policy was submitted to the board without modifications.

MOTION: Director TenBruggencate moved to reauthorize Policy 12.

[Motion: TenBruggencate] [Second: Acoba]

IN FAVOR:	Smith, TenBruggencate, Murashige, Yukimura	
	Acoba, Yamane, Iha, Mayfield, Tacbian	Total – 9
OPPOSED:	None	Total – 0
EXCUSED:	None	Total – 0

Motion carried

10. Calendar

10.1. May 8, 2025 – Board HCP Workshop (9:00am, MCR)

- 10.2. **May 20, 2025** – Board Committee Meetings (9:00am, MCR)
- 10.3. **May 21 – 22, 2025** – Hawaii Energy Conference (Kahului, Maui)
- 10.4. **May 26, 2025** – HOLIDAY – Memorial Day (KIUC Offices Closed)
- 10.5. **May 29, 2025** – Regular Board Meeting (1:00pm, Zoom)

11. Executive Session

At 1:34 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 2:22 p.m.
 - A motion to ratify actions taken in Executive Session was approved by consensus:
 - The Executive Session minutes of March 3, 2025
 - The Executive Session minutes of March 27, 2025

12. Adjournment

- 12.1. The meeting was adjourned at 2:22 p.m.

Calvin Murashige

Calvin Murashige (May 30, 2025 11:15 HST)

Calvin Murashige
Board Secretary

President's Report

April 24, 2025

David Bissell, CEO

President's Report

Safety (March)	Month	2025 YTD	2024 YTD
Recordable Incidents	1	1	3
Availability and Reliability	Month	2025 YTD	2024 YTD
Reportable Outages	2	24	7
Average Outage Hours Per Customer	0.08	2.94	1.46
Efficiency	Month	2025 YTD	
Net Plant Heat Rate	9,208	9,315	
Peak Demand (MW)	75.68	76.14	
Residential Rates			
April 2025	\$0.387/kwh decrease \$0.003 from March		

Update Items

- Legislative session wrapping up. Wildfire related legislation is of greatest interest.
- Beginning to see tariff impact on purchases. Will continue to monitor impact and ramification to operations.
- Overall economic outlook is concerning. Tourism and electric sales not showing impact yet.
- Pole changeouts continue.
- NRECA Legislative Conference next week in Washington, DC.
- Mike Yamane has earned NRECA's Credentialed Cooperative Director designation.



Mahalo!



Kaua'i Island Utility Cooperative

Your Touchstone Energy[®] Cooperative



Board Financial Report

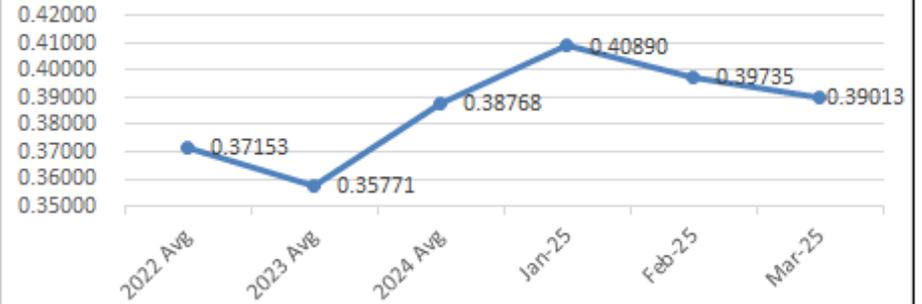
April 2025

Financial Scorecard – YTD March 2025

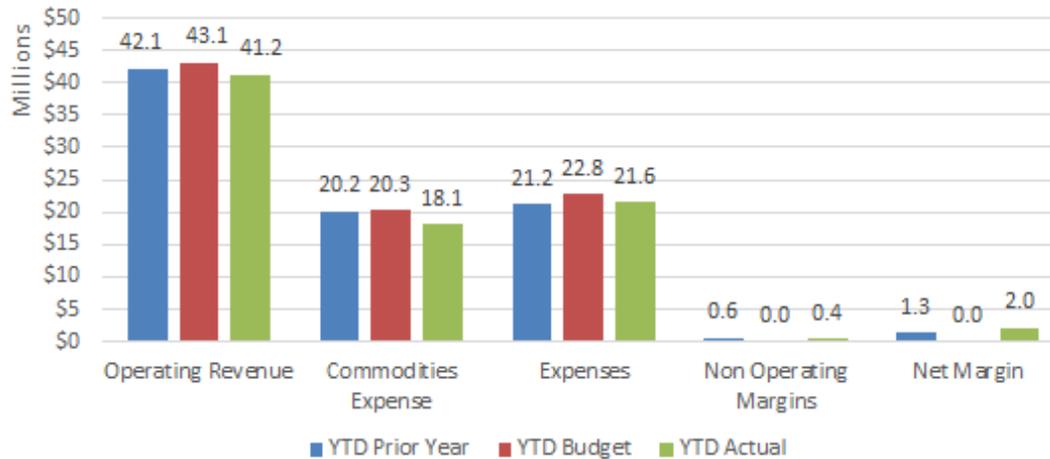
MWh Sales

Class	YTD Prior Year	YTD Actual		Percent Change
Residential (D)	43,874	45,821	↑	4.4%
Small Comm (G)	14,952	15,884	↑	6.2%
Large Comm (J)	11,812	11,870	↑	0.5%
Lrg Pwr Primary (LP)	36,155	37,563	↑	3.9%
Street Lighting (SL)	174	175	↑	0.7%
Irrigation	70	394	↑	461.1%
Total	107,036	111,707	↑	4.4%

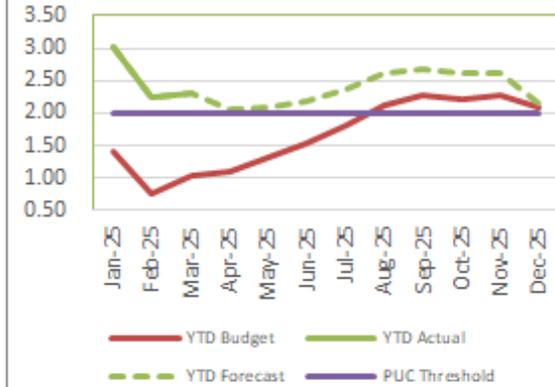
Residential Rates



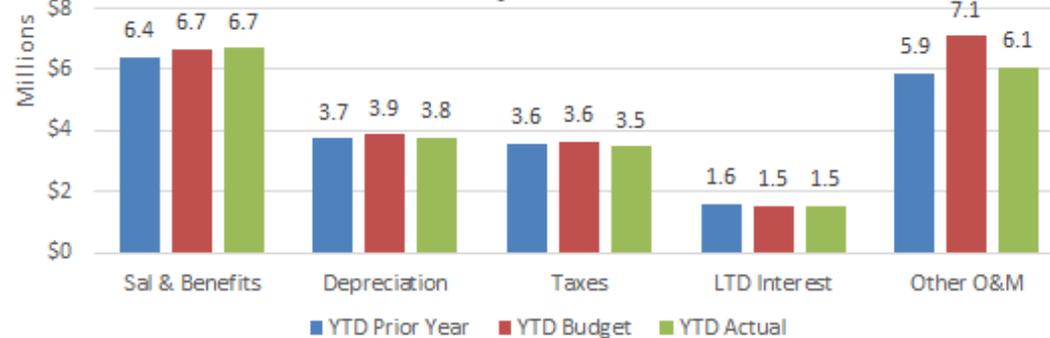
Key Results



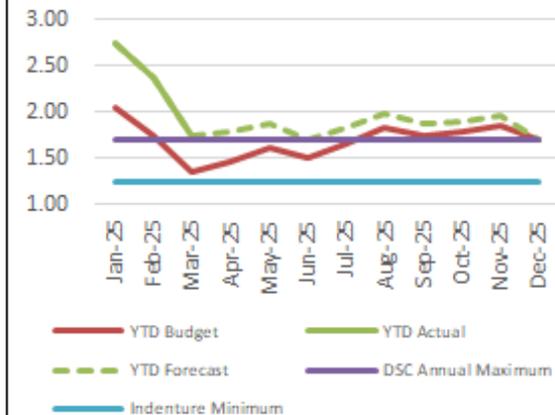
TIER



Expenses



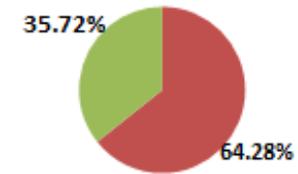
DSC



Financial Scorecard – YTD March 2025

(In Millions)	YTD Actual	Current Assets	
Cash	\$ (0.31)	82.5M	
Short-Term Investments	\$ 37.16	-0.1%	-0.1M ΔPY
Cushion of Credit	\$ -	Current Liabilities	
Total Cash & Investments	\$ 36.85	20.7M	
Line of Credit Available	\$ 40.00	30.1%	4.8M ΔPY
Line of Credit Drawn	\$ 0.00		

Equity Ratio



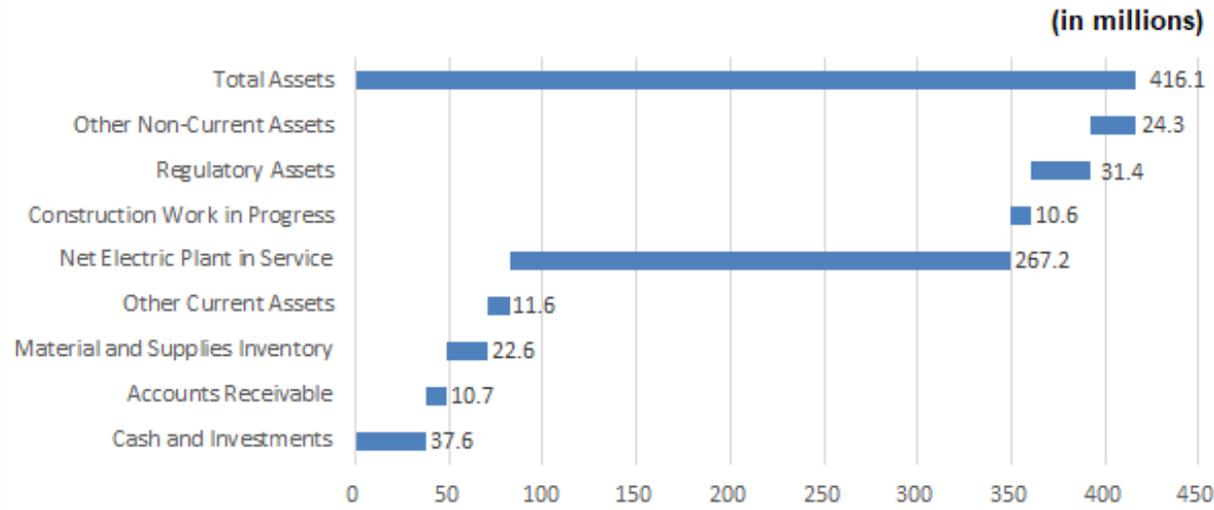
■ Liabilities as a % of Assets
■ Equity as a % of Assets

Indenture Equity Ratio

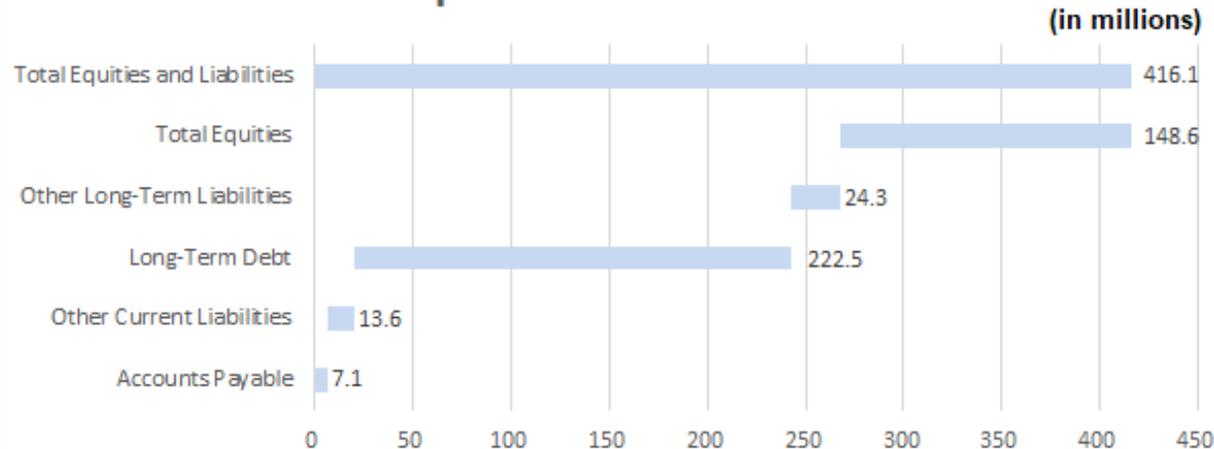
0.42

Minimum = 0.20

Assets



Equities and Liabilities



General Ledger Financial And Operating Report Electric Distribution

INCOME STATEMENT FOR MAR 2025

Item	-----Year - To - Date-----			-----Period - To - Date-----	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	42,086,814.98	41,196,435.42	43,135,593.00	14,628,898.94	14,611,049.00
2. Power Production Expense	13,205,608.92	13,887,982.56	12,521,945.00	4,564,107.51	3,891,926.00
3. Cost of Purchased Power	10,448,376.19	7,776,816.00	11,728,010.00	3,271,348.83	4,149,552.00
4. Transmission Expense	363,432.43	385,065.89	440,497.00	172,244.67	148,639.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	330,498.41	401,922.27	422,046.00	207,672.50	140,072.00
7. Distribution Expense - Maintenance	1,388,706.97	1,434,655.32	1,527,181.00	569,013.77	507,459.00
8. Customer Accounts Expense	607,908.87	613,512.29	687,795.00	211,394.32	225,491.00
9. Customer Service and Informational Expense	61,770.84	75,518.22	122,600.00	35,521.43	65,650.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	6,051,790.65	6,277,989.14	6,616,386.00	2,044,798.10	2,212,545.00
12. Total Operation & Maintenance Expense (2 thru 11)	32,458,093.28	30,853,461.69	34,066,460.00	11,076,101.13	11,341,334.00
13. Depreciation & Amortization Expense	3,727,109.37	3,752,499.23	3,871,042.00	1,251,786.55	1,290,347.00
14. Tax Expense - Property & Gross Receipts	1,051,121.61	1,028,754.04	1,078,390.00	365,357.97	365,276.00
15. Tax Expense - Other	2,505,529.55	2,434,250.79	2,555,629.00	865,339.98	863,560.00
16. Interest on Long-Term Debt	1,613,826.47	1,543,198.71	1,540,000.00	515,024.85	514,000.00
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	39,908.34	39,613.00	47,000.00	2,700.00	9,000.00
20. Total Cost of Electric Service (12 thru 19)	41,395,588.62	39,651,777.46	43,158,521.00	14,076,310.48	14,383,517.00
21. Patronage Capital & Operating Margins (1 minus 20)	691,226.36	1,544,657.96	-22,928.00	552,588.46	227,532.00
22. Non Operating Margins - Interest	713,278.87	577,405.65	357,622.00	196,330.33	119,540.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-162,262.44	-141,501.20	-331,885.00	-8,923.88	-52,774.00
25. Non Operating Margins - Other	38,917.66	33,331.31	45,330.00	9,814.71	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	0.00	0.00
28. Extraordinary Items	0.00	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	1,281,160.45	2,018,016.01	48,139.00	749,809.62	309,408.00
Operating - Margin	1,281,160.45	2,018,016.01	48,139.00	749,809.62	309,408.00
Non Operating - Margin	0.00	0.00	0.00	0.00	0.00
Times Interest Earned Ratio - Operating	1.43	2.00			
Times Interest Earned Ratio - Net	1.79	2.31			
Times Interest Earned Ratio - Modified	1.79	2.31			

General Ledger Financial And Operating Report Electric Distribution

BALANCE SHEET FOR MAR 2025

	Last Year	This Year	Variance
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	596,604,631.16	607,474,754.78	10,870,123.62
2. Construction Work in Progress	11,980,670.15	10,619,918.60	-1,360,751.55
3. Total Utility Plant (1 + 2)	608,585,301.31	618,094,673.38	9,509,372.07
4. Accum. Provision for Depreciation and Amort.	336,297,386.76	340,248,730.47	3,951,343.71
5. Net Utility Plant (3 - 4)	272,287,914.55	277,845,942.91	5,558,028.36
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	21,744,213.65	20,210,450.51	-1,533,763.14
8. Invest. in Assoc. Org. - Patronage Capital	1,268,624.73	1,318,852.16	50,227.43
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	936,906.74	2,078,347.19	1,141,440.45
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)	24,616,245.12	24,274,149.86	-342,095.26
15. Cash - General Funds	1,402,473.99	159,477.70	-1,242,996.29
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	-15,236.12	-29,699.62	-14,463.50
18. Temporary Investments	36,988,855.31	37,473,000.45	484,145.14
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	11,001,555.25	10,254,527.08	-747,028.17
21. Accounts Receivable - Other (Net)	566,221.90	481,866.45	-84,355.45
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	22,138,434.28	22,560,893.21	422,458.93
24. Prepayments	1,478,576.62	1,940,377.17	461,800.55
25. Other Current and Accrued Assets	9,080,381.93	9,679,255.97	598,874.04
26. Total Current and Accrued Assets (15 thru 25)	82,641,263.16	82,519,698.41	-121,564.75
27. Regulatory Assets	36,654,799.72	31,383,586.88	-5,271,212.84
28. Other Deferred Debits	165,143.56	70,546.97	-94,596.59
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	416,365,366.11	416,093,925.03	-271,441.08

General Ledger Financial And Operating Report Electric Distribution

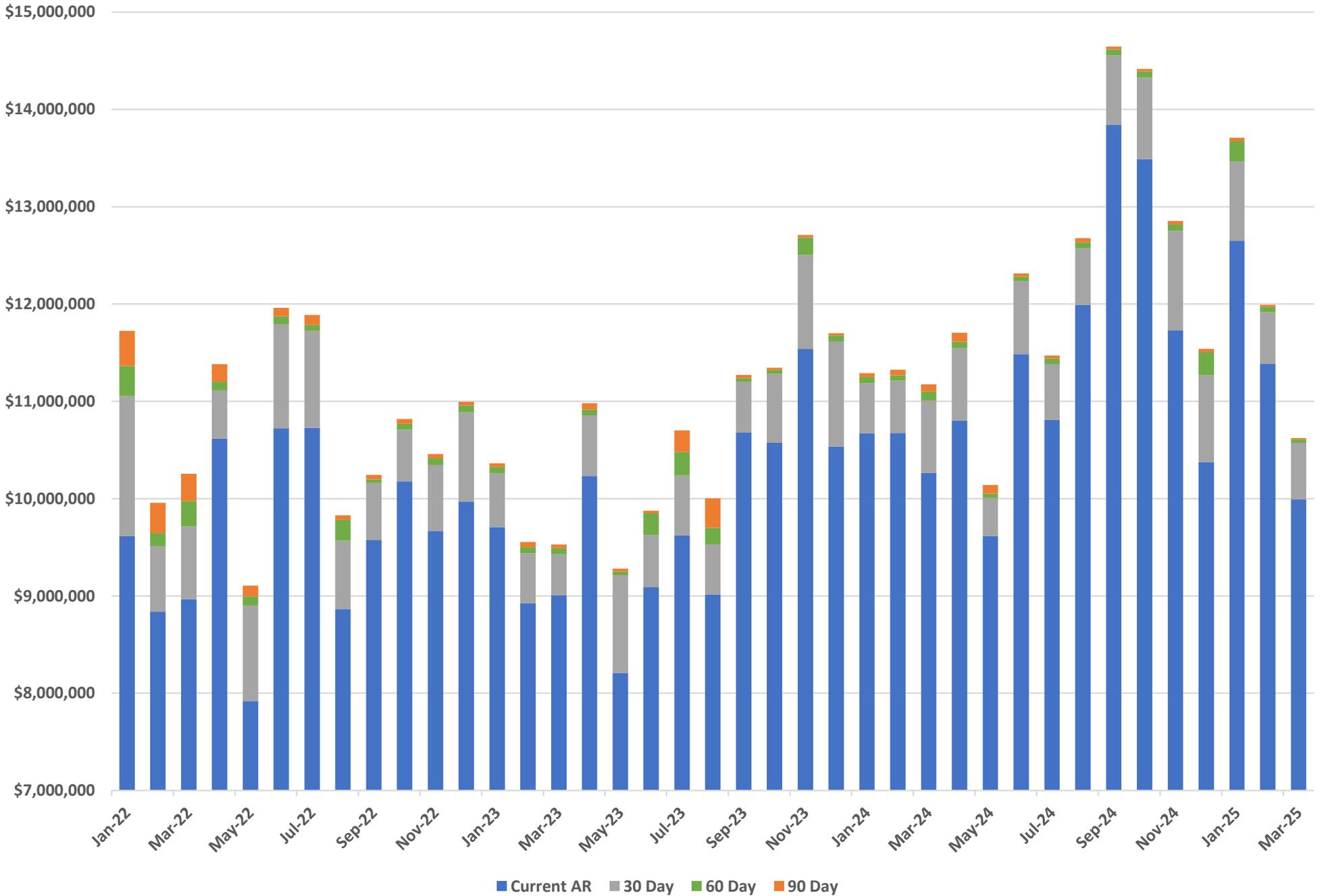
BALANCE SHEET FOR MAR 2025

	Last Year	This Year	Variance
LIABILITIES AND OTHER CREDITS			
30. Memberships	613.53	626.56	13.03
31. Patronage Capital	138,719,222.65	145,512,635.16	6,793,412.51
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	1,281,160.45	2,018,016.01	736,855.56
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	275,155.15	1,088,122.81	812,967.66
36. Total Margins & Equities (30 thru 35)	140,276,151.78	148,619,400.54	8,343,248.76
37. Long-Term Debt - RUS (Net)	0.00	0.00	0.00
38. Long-Term Debt - FFB - RUS Guaranteed	117,199,374.53	112,355,104.85	-4,844,269.68
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	116,968,707.37	110,107,316.37	-6,861,391.00
41. Long-Term Debt - RUS Econ. Devel. (Net)	0.00	0.00	0.00
42. Payments - Unapplied	-480.29	0.00	480.29
43. Total Long-Term Debt (37 thru 41 - 42)	234,167,601.61	222,462,421.22	-11,705,180.39
44. Obligations Under Capital Leases - Noncurrent	13,003,196.24	12,398,292.22	-604,904.02
45. Accumulated Operating Provisions	-135,162.67	-869,459.29	-734,296.62
46. Total Other Noncurrent Liabilities (44 + 45)	12,868,033.57	11,528,832.93	-1,339,200.64
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	5,786,400.04	7,113,160.90	1,326,760.86
49. Consumers Deposits	1,560,622.97	1,582,921.27	22,298.30
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	8,540,655.34	11,976,375.90	3,435,720.56
54. Total Current & Accrued Liabilities (47 thru 53)	15,887,678.35	20,672,458.07	4,784,779.72
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	13,165,900.80	12,810,812.27	-355,088.53
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	416,365,366.11	416,093,925.03	-271,441.08
Current Assets To Current Liabilities	5.20 to 1	3.99 to 1	
Margins and Equities To Total Assets	33.69 %	35.72 %	
Long-Term Debt To Total Utility Plant	38.48 %	35.99 %	

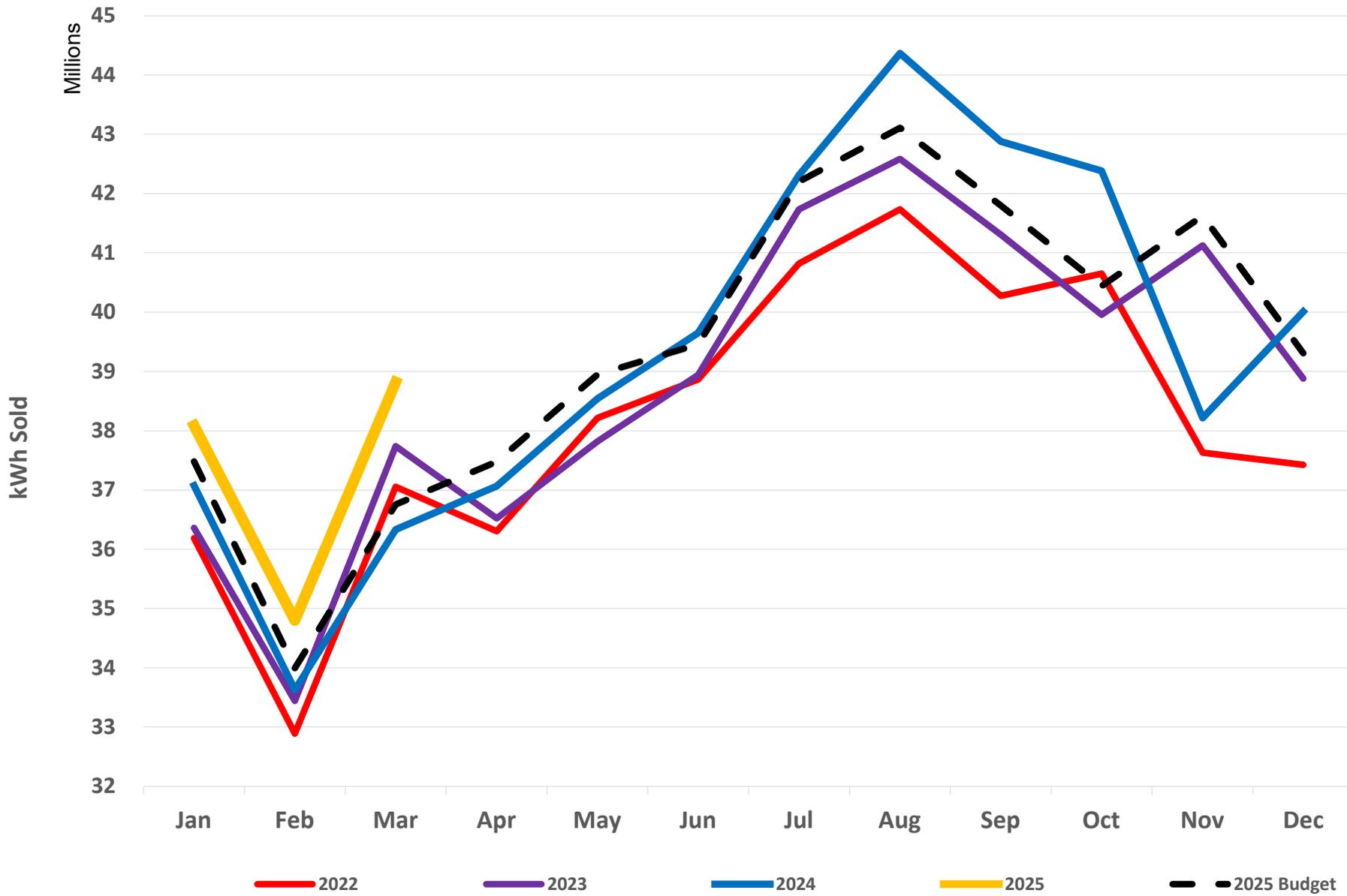
KAUAI ISLAND UTILITY COOPERATIVE
NOTES, BONDS, AND OTHER INDEBTEDNESS
YEARS ENDED DECEMBER 31, 2024 AND 2025

LINE NO.	LENDER	DATE OF NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	LOAN #	ORIGINAL AMOUNT	BALANCE AT 12/31/2024	2024	PROJECTED	PROJECTED
									INTEREST EXPENSE	BALANCE AT 12/31/2025	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							<u>129,633,717</u>	<u>90,632,257</u>	<u>2,450,216</u>	<u>84,169,029</u>	<u>2,286,342</u>
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							<u>79,587,552</u>	<u>57,907,457</u>	<u>1,628,596</u>	<u>55,355,614</u>	<u>1,568,406</u>
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							<u>60,712,000</u>	<u>55,434,394</u>	<u>1,656,180</u>	<u>54,041,806</u>	<u>1,625,389</u>
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							<u>23,019,000</u>	<u>21,209,376</u>	<u>653,553</u>	<u>20,675,901</u>	<u>635,866</u>
26	Total Long Term Debt						\$ 292,952,269	\$ 225,183,483	\$ 6,388,545	\$ 214,242,350	\$ 6,116,003

Total AR Balances



Total kWh Sold



Treasury Management – Monthly Discussion

- Ratings:
 - No changes in Money Market Fund Rating - **AAA**
- Current Summary Of Investments:
- **\$27.2M** 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)
 - **3.97%** Interest Rate
- **\$5.0M** CFC Daily and Monthly Commercial Paper – ST to Medium Term Investment – Daily to Monthly A2 Moody and S&P A-
 - Daily Fund – **3.75%**
- **\$4.9M** CoBank Commercial Paper Investment – AA- Moody and S&P
 - 60-day Investment – **3.10%**
- **\$268,933** Central Pacific Bank – Backup Checking in NISC if needed
 - Backup for Checking in Money Market (unlimited) account
 - **3.05%**

2024 Audit Summary

- Reports issued on March 21, 2025 – will be available on website
- Scope of Services:
 - Annual consolidated financial statement audit for the year ended December 31, 2024
 - CFC Compliance Audit Report
 - Audit and report on internal control and compliance over financial reporting in accordance with *Government Auditing Standards (required by RUS)*
- Unmodified Opinions
- No Audit Adjustments
- Required Communications
 - Audit performed according to planned scope and timing
 - Significant accounting policies are summarized in Note 2 to the consolidated financial statements
 - Consolidated financial statement disclosures were consistent, clear, and understandable
 - Representations were requested and received from management
 - No disagreements with management or difficulties encountered during the audit
 - No illegal acts noted
 - No disclosure necessary on the entity's ability to continue as a going concern
 - Procedures performed in consideration of fraud in a financial statement audit

Capital Credit Retirements – Refunds to Members

- Capital Credit Refunds based on 2024 Results
- Refunds have historically been given when TIER is above 2.0, in accordance with PUC D&O
- TIER for 2024 was 2.10
 - Approved retirement of \$664,166
- From the Bylaws: *(B) Allocations and distribution of net margins shall be made as soon as practicable after the close of each fiscal year and written notice shall be sent to each member showing the total amount of distribution made and the manner of such distribution, showing the exact amount distributed in cash and in credits to the member's patronage capital account. Said notice shall be given not more than eight and one-half months after the close of the fiscal year*

Questions?

Board Update

March 2025



◆ PowerXchange and TechAdvantage

- Thousands of co-op leaders from across the country gathered at the Georgia World Congress Center in Atlanta for PowerXchange, TechAdvantage and the Expo.
- Attendees heard from a number of speakers, including NRECA CEO [Jim Matheson](#) and Agriculture Secretary [Brooke Rollins](#), only four weeks after she was confirmed.
- Members voted on proposed amendments to NRECA Bylaws and elected new NRECA officers:
 - [Mike Partin](#), president and CEO of Sequachee Valley Electric Cooperative in Tennessee, began his two-year term as president.
 - [Ingrid Kessler](#), director at Lane Electric Cooperative in Oregon, was elected vice president.
 - [Marty Littrel](#), president and CEO of Meade County RECC in Kentucky, was elected secretary-treasurer.

◆ Trump Administration Update

- NRECA's early and sustained advocacy work with the Trump administration is paying off.
- In late February, CEO Jim Matheson met with Environmental Protection Agency Administrator Lee Zeldin to discuss risks to reliability, including the EPA's power plant rule.
 - Less than two weeks later, Zeldin announced that the EPA was taking action to [reconsider several unlawful and burdensome rules](#), including the power plant rule.
 - The actions show that EPA is closely listening to the concerns of co-ops.
 - These announcements are a welcome step forward that puts our nation on a path toward a more reliable and resilient electric grid.
 - However, these changes won't happen overnight. It takes time to undo regulations.
- This month, Matheson met with Secretary of Energy Chris Wright.
 - Matheson shared how co-ops are responding to skyrocketing demand for electricity and the important role DOE can play in meeting growing energy needs.
 - He delivered Wright [letters from 75 electric cooperatives](#) describing how infrastructure funding benefits co-op communities and unleashes American energy.
- DOE and the Department of Agriculture have taken steps to release co-op funding that was frozen by President Trump's executive orders.
 - USDA outlined [important next steps](#) to release previously obligated funding for New ERA and PACE projects.
 - USDA is offering co-ops 30 days to review and make voluntary changes to projects so that they better align with the letter of the law and Trump's policy agenda.

◆ Co-op Witnesses at Capitol

- Co-op leaders were invited to share their expertise and perspectives during congressional hearings three times in recent weeks—a sign of strong respect for co-ops on Capitol Hill and the strong reputation NRECA continues to cultivate inside the beltway.
 - **Buddy Hasten**, president and CEO of Arkansas Electric Cooperative Corp./Arkansas Electric Cooperatives Inc., spoke about the need for Congress to streamline [Clean Water Act permitting programs](#) during a House Transportation and Infrastructure subcommittee hearing on Feb. 11.
 - **Chris Jones**, president and CEO of Middle Tennessee Electric, spoke about actions co-ops are taking to [attract and train cybersecurity talent](#) in rural communities during a House Homeland Security Committee hearing on Feb. 5.
 - **Todd Brickhouse**, CEO of Basin Electric Power Cooperative, spoke about the need for [Congress to support a diverse supply of energy resources](#), pass permitting reform, reduce burdensome regulations and continue to invest in co-op energy projects during a House Energy and Commerce Subcommittee on Energy hearing on March 5.

◆ Legislative Conference

- More than 1,760 attendees have registered for NRECA's [2025 Legislative Conference](#), April 27-30 in Washington, D.C.
 - That's on track to feature the largest number of registrants since 2018.
- The annual Legislative Conference is the best opportunity for co-op leaders to engage directly with policymakers and advocate for priorities that benefit co-ops and local communities.
- Attendees will also hear from speakers including Sen. Shelley Moore Capito, R-W.Va., and Chair of the Senate Environment & Public Works Committee.
- Both the House and Senate are scheduled to be in session during this year's conference.

Report of KIUC Charitable Foundation

To KIUC Board of Directors

4/23/2025

The Charitable Foundation Board met on 4/23/25

The following reports were received:

Treasurer report ending balance of \$98,163.28.

Makana Program:

- 489 registered, YTD contribution \$872.54

Applications:

- Deferred Kauai North Shore Food Pantry until we receive supporting documents

T. Phil Tacbian, President

**RESOLUTION 03-25 OF THE
BOARD OF DIRECTORS OF
KAUA‘I ISLAND UTILITY COOPERATIVE (“KIUC”)**

WHEREAS, by Decision and Order No. 19658, filed on September 17, 2002, in Docket No. 02-0060, as modified by Order Incorporating the Modification to the Annual Patronage Capital Refund Condition, filed on September 9, 2010, in Docket No. 02-0060, by Decision and Order filed on September 9, 2010, in Docket No. 2009-0050, and by Decision and Order filed on November 27, 2023, in Docket No. 2022-0208, the Public Utilities Commission of the State of Hawaii (“PUC”) required that on or before April 30 of each year commencing in 2011, KIUC must prepare and submit to the Rural Utilities Service of the United States Department of Agriculture (“RUS”) and the National Rural Utilities Cooperative Finance Corporation (“CFC”) a calculation of its achieved operating margin dollars for the prior reporting period, and based upon this calculation, KIUC must propose and strongly recommend to the RUS and CFC, to the extent required, for payment of patronage capital cash retirements to its members in a minimum total amount equal to the amount by which KIUC has exceeded a reported RUS TIER of 2.0 for that prior reporting period; and

WHEREAS, in Calendar Year 2021 KIUC exceeded a reported RUS TIER of 2.0 by the amount of \$664,166; and

WHEREAS, because 1) no Event of Default exists, 2) KIUC’s Indenture equity ratio is in excess of thirty percent (30%) as of the most recent fiscal quarter end, and 3) the patronage capital cash retirement amount of \$664,166 does not exceed 25% of the prior fiscal year’s net margins, the patronage capital cash retirement is allowable under the terms of the Indenture.

NOW, THEREFORE, be it hereby resolved by the Board of Directors of KIUC as follows:

1. Patronage capital cash retirements to KIUC's members in a total amount of approximately \$664,166 which is the amount by which KIUC exceeded a reported RUS TIER of 2.0 for the period January 1, 2024, through December 31, 2024 (the "2024 PatCap Retirement"), is hereby authorized; and
2. KIUC will make such patronage capital cash retirement to the members who generated those 2024 net margins; and
3. All 2024 PatCap Retirements shall be made to the applicable accounts, with the ten (10) members receiving the largest retirements being presented a letter detailing the amount of their retirement and thanking them for their membership.

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 Meeting of the Board of Directors held on April 24, 2025 at Līhu'e, Kaua'i, Hawai'i.

Dated this 24th day of April, 2025 at Līhu'e, Kaua'i, Hawai'i.

Calvin Murashige
Secretary

**Kauai Island Utility Cooperative
Patronage Capital Retirement
FYE 12/31/24**

	<u>Actual</u>	<u>% of Net Margins</u>
TIER	2.10	
Net Margins [Form 7 line 29 (b)]	\$ 7,052,711	
Interest on Long Term Debt [Form 7 line 16 (b)]	\$ 6,388,545	
Patronage Capital Retirement Amount (non-estate retirement)	<u>\$ 664,166.00</u>	9.42%

For Informational Purposes only:

Total kWh Sold [excluding Irrigation kWh] [Form 7, Part O. Line 11	471,401,454
Patronage Capital Retirement \$ / kWh	\$ 0.0014089180
Average Annual Residential kWh @ 500 kWh / month	6,000
Average Residential Patronage Capital Retirement	<u>\$ 8.45</u>

For Indenture Covenant §13.16 Compliance Verification:

Covenant Met?

Does an event of default exist? (Yes or No) No Yes

	<u>As of 03/31/2025</u>	
Total Margins & Equities	\$ 146,603,233	
Less: Retained Earnings in any Subsidiary of the Company	\$ 12,452,136	
Less: Accumulated Other Comprehensive Income/(Loss)	\$ (213,894)	
Adjusted Total Margins and Equities	<u>\$ 158,841,475</u>	
Total Long-Term Debt	\$ 222,462,421	
Less: Long-Term Debt of any Subsidiary included above	\$ -	
Adjusted Total Long-Term Debt	<u>\$ 222,462,421</u>	
Total Long-Term Debt and Equities	<u>\$ 381,303,896</u>	
Ratio must be ≥ 0.30	<u>0.42</u>	Yes

	<u>As of 12/31/24</u>	
Net Margins	\$ 7,052,711	
25% Maximum IF under a .30 Equity	25%	
Maximum Patronage Capital Retirement	<u>\$ 1,763,178</u>	Yes

**RESOLUTION 04-25 OF THE
BOARD OF DIRECTORS OF
KAUAI ISLAND UTILITY COOPERATIVE (“KIUC”)**

SECRETARY'S CERTIFICATE

I, Calvin Murashige, do hereby certify that: I am the Secretary of Kauai Island Utility Cooperative (hereinafter “KIUC”) that the following are true and correct copies of resolutions duly adopted by the Board of Directors of KIUC at the regular meeting held April 24, 2025, and entered in the minute book of the KIUC; that the meeting was duly and regularly called and held in accordance with the bylaws of KIUC; and that none of the following resolutions has been rescinded or modified:

WHEREAS the United States Department of Agriculture ("USDA") through its Rural Development Utilities Program has established a Data Collection System which will utilize a common USDA security System; and

WHEREAS, in order to implement the USDA's common security system, it is necessary for KIUC to establish a USDA eAuthentication account; and

WHEREAS, in order to establish the necessary USDA eAuthentication account, it is necessary for the Board to formally adopt certain Board Resolutions.

RESOLUTIONS

1. RESOLVED that David Bissell, the President & CEO of KIUC, be the Certifier on behalf of the KIUC, who shall be responsible for submitting and certifying to the Rural Utilities Service, an agency of the United States Department of Agriculture delivering Rural Development Utilities Programs, any and all data required by RUS Form 674;

2. RESOLVED that Erin Tsuda, the Interim Financial VP/CFO of KIUC, replace Stacie Dellamano as the Security Administrator on behalf of KIUC, who shall give access to the Corporation’s data, as appropriate, to other employees, officers, or contractors of the Corporation, for the purpose of complying with RUS Form 674; and

3. RESOLVED that both shall comply with the Instructions for RUS Form 674 in regard to use of the government’s data collection system; and

4. RESOLVED that David Bissell, the President & CEO of KIUC, Erin Tsuda, the Interim Financial VP & CFO of KIUC, and Corinne Cuaresma, the Controller of KIUC, shall be authorized to sign RUS Form No. 595 in connection with requisitioning and accounting for Loan Funds.

I FURTHER CERTIFY THAT each member of the Board of Directors of KIUC was furnished with notice of said meeting in compliance with the bylaws of KIUC.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of KIUC this 24th day of April 2025.

Calvin Murashige
Secretary

(KIUC has no Corporate Seal)

KIUC BOARD POLICY NO. 12
CODE OF ETHICS DEVELOPMENT AND MANAGEMENT

PURPOSE OF POLICY:

The purpose of this policy is to set forth the policy of KIUC regarding development and management of its code of ethics and to guide the ethical behavior of Directors, management, and staff.

POLICY CONTENT:

I. Commitment to Ethical Behavior

It is the policy of the Board to expect the highest level of ethical behavior of its Directors, management, and staff, and to periodically update and restate its standards in a published code of ethics.

II. Objectives of KIUC's Code of Ethics

KIUC's standards of ethical behavior will be defined and communicated to deter wrongdoing and to promote:

- A. Honest conduct, including the ethical handling of actual or apparent conflicts of interest between personal and cooperative business relationships.
- B. Full, fair, accurate, timely, and understandable disclosure of the cooperative's periodic external reports.
- C. Compliance with applicable governmental rules and regulations.
- D. Prompt internal reporting of code violations to persons identified in the code.
- E. Accountability for adherence to the code of ethics.

III. Matters to be Addressed in the Code of Ethics

KIUC's code of ethics will address the following matters:

- A. A general statement of KIUC's business philosophy and position on respect, trust, integrity, honesty, and other core ethical issues.
- B. Legal requirements imposed by state or other regulatory agencies.
- C. Compliance with applicable law, including whistleblower protection and records retention.
- D. Conflicts of interest including contractual relations involving KIUC, gifts to Directors or employees in consideration of business opportunities with KIUC, outside activities which might impair KIUC's business, use of KIUC's property for personal purposes, or use of KIUC's confidential information.

- E. Preparation of KIUC's annual report, press releases, and other public disclosures to ensure they are accurate, complete, and understandable.
- F. Reporting of violations of KIUC's code of ethics will be facilitated by multiple alternative reporting procedures, timely and fair processes by which management will investigate reports, and protection for those employees or others who report apparent violations in good faith.
- G. The mechanisms for holding Directors and employees accountable for compliance with the code of ethics.

IV. Code of Ethics Implementation

Management shall be held accountable for development of a code of ethics for approval by the Board, and for its enforcement, as well as periodic reporting to the Board regarding ethics-related matters and opportunities to improve the code and this policy.

A copy of KIUC's code of ethics developed pursuant to this Policy and as embodied in the current version of KIUC Administrative Policy No. EX-06-001 or its successor shall be considered incorporated herein and attached hereto.

Adopted on this 24th day of April 2025.

Reviewed: 04/24/2025

Revised: 02/24/2022

Reviewed: 03/26/2019

Reviewed: 02/21/2017

Reviewed: 05/26/2015

Reviewed: 08/28/2012

Revised: 01/26/2010

Revised: 11/28/2006

Original Adoption: 07/28/2004

Calvin Murashige
Secretary



Section:	EXECUTIVE		
Administrative Policy No.	EX-06-001	Effective Date:	11/11/2006
		Last Revised Date:	05/20/2024
		Last Review Date:	05/20/2024
		Next Review Date:	05/20/2027
Title:	CODE OF ETHICS		

PURPOSE OF POLICY:

The Code is intended to be a decision-making tool that should be kept in mind anytime a decision is made, or a new task is begun, and is intended as an overview of KIUC’s guiding principles and not as a restatement of KIUC policies and procedures. The Code cannot and is not intended to cover every applicable situation or provide answers to all questions that might arise. KIUC must ultimately rely on each person’s good judgement of what is ethical, moral, and right, including a sense of when it is proper to seek guidance from others on the appropriate course of conduct. Because KIUC’s reputation depends on the integrity and principled business conduct of its directors, officers, and employees, in many instances the Code goes beyond the minimum requirements of the law.

POLICY CONTENT:

This Code of Ethics (the “Code”) has been developed and adopted pursuant to the requirements of Board Policy No. 12 “Code of Ethics Development and Enforcement” of Kaua`i Island Utility Cooperative (“KIUC” or “Cooperative”), which Policy should also be consulted. It is intended to provide guidance to the directors, officers, and employees of KIUC so they may perform their duties in a manner that fosters the confidence and respect of the membership and community.

I. General

It is the foundation of KIUC'S culture of trust that ethical behavior is an important and critical part of how business is conducted. KIUC expects its directors, officers, and employees to maintain the highest level of integrity in their dealings with each other and with the public on behalf of the Cooperative. KIUC also expects its directors, officers, and employees to conduct themselves in accordance with the 7 Cooperative Principles.

II. Code of Ethics

A. Conflicts.

1. The directors, officers, and employees of KIUC must conduct themselves so as to avoid conflicts of interest, or the appearance of conflicts of interest, in their relations with KIUC, including, but not limited to, taking personal advantage of business opportunities which are discovered through the use of KIUC property, information or position, and engaging in business with, becoming employees of, becoming materially affiliated with or retaining a material financial interest in any competing enterprise or business selling electric energy, services or supplies to KIUC. Such relations include not only dealings between a director, officer, or employee, and KIUC, but also dealings between a related party and KIUC.
2. All Interested Persons as defined in KIUC Board Policy No. 5: Conflicts of Interest and Conduct of Interested Persons shall comply with Board Policy No. 5.

B. Confidential Information.

1. Customer Information - All information relating to customers (members and non-members) or potential customers of KIUC that directors, officers, and employees receive in the ordinary course of performing their duties should be treated as private, and not public, and should be held in the strictest of confidence. Customer information should be used solely for corporate purposes, and not for the purposes of personal gain. Within KIUC, information concerning customers should be communicated only to those individuals who need the information to discharge their duties. Without prior written consent of the customer, information concerning customers should never be provided to anyone outside of KIUC, including other customers of KIUC.
2. Personnel Files – All information relating to employment matters (e.g., performance approvals, salary, and benefits) shall be treated as private, and not public, and shall be held in the strictest of confidence, unless required by law. Information concerning employment matters should be communicated only to those individuals who need the information to discharge their duties. All requests for personnel file information shall be made through the respective department manager in charge of employee matters or through a KIUC officer.

C. Gifts and Other Offers.

1. Directors, officers, or employees of KIUC should not provide, directly or indirectly, any gift to any individual or company (including, but not limited to, customers, suppliers, and vendors) in consideration for doing business with KIUC.

2. Directors, officers, or employees of KIUC should not accept any gift from any individual or company (including, but not limited to customers, suppliers, or vendors) of a value that a reasonable person under the circumstances would believe was meant to influence that director, officer or employee in the performance of his or her duty or responsibilities to KIUC. No gift should be accepted if there is a possibility that it would jeopardize KIUC's reputation.
 3. Directors, officers, or employees of KIUC should not accept any bonus, commission, or other fee from any KIUC customer, supplier, or vendor, in the performance of their KIUC fiduciary responsibilities.
 4. Any director, officer or employee who receives an offer of employment, bonus, a commission, or other fee or receives an offer of any gift from any individual or company (including, but not limited to, customers, suppliers, and vendors) in consideration of doing business with KIUC should report the same to the appropriate parties. Directors should report any such offer to KIUC's General Counsel. Officers and employees should report any such offer to his or her supervisor, to the President and CEO, or to KIUC's General Counsel as appropriate.
 5. The acceptance or giving of normal and reasonable business entertainment does not violate this prohibition concerning gifts and offers.
- D. Outside Activities.** Directors, officers and employees of KIUC should not have outside interests that: (i) materially and adversely affect their ability to effectively perform their duties, (ii) compete with the business of KIUC, (iii) involve significant use of the equipment, supplies or facilities of KIUC not authorized by KIUC, (iv) imply sponsorship or support by KIUC, if such sponsorship or support is not authorized by KIUC, or (v) adversely affect the reputation of KIUC. Directors, officers, and employees are encouraged to seek the advice of the President and CEO or KIUC's General Counsel, as appropriate if there is any question as to whether participation in specific outside activities is appropriate.
- E. Post Employment and Director Term Contact.** As a matter of law, directors, officers, and employees continue to have a fiduciary duty to KIUC after they leave the company. This duty prohibits former directors, officers, and employees from using or disclosing to others KIUC's trade secrets or confidential information to compete with KIUC for business. The type of information that falls within this category includes, but is not limited to, lists of customers, business strategies, alliances, and other confidential information concerning KIUC and its customers.
- F. Compliance with Laws.** KIUC will comply with the letter and the spirit of all applicable federal, state, and local laws, rules, and regulations. If any director,

officer, or employee is unclear as to whether they are complying with applicable law while performing their duties, they should seek the advice of KIUC's General Counsel.

G. Public Communications. Directors, officers, and employees of KIUC should always be conscious of the fact that what they communicate to the public, whether in writing or orally, may be viewed as a communication from KIUC and a direct reflection on KIUC, and may have a significant impact on KIUC's reputation. Accordingly, except for oral and written communications to the public made by employees of KIUC in the ordinary course of performing their job obligations and responsibilities at KIUC, all oral and written communications by such employees to the public concerning KIUC, or communications that may be construed as statements made on behalf of KIUC, should be reviewed and approved by the employee's department manager(s), who may seek guidance from the President and CEO if deemed necessary by the employee's manager. All oral and written communications by directors shall be in accordance with Board Policy No. 27. Directors, officers, and employees are encouraged to seek the advice of KIUC management if there is any question as to whether oral or written communication to the public is appropriate.

H. Financial Integrity

1. Directors, officers, and employees of KIUC should be prudent in their expenditures on behalf of KIUC. They should record all business transactions in accordance with accepted accounting principles; maintain appropriate internal controls designed to prevent or detect fraud and ensure every accounting or financial record and supporting data describes the transaction accurately without omission, concealment, or falsification; and maintain and retain all business records accurately and in compliance with applicable laws and KIUC policies.
2. Directors, officers, and employees of KIUC should be committed to building a culture of trust, not only among themselves but also with members and vendors. KIUC seeks to always maintain the highest standards of integrity and objectivity in our working relationships and will not conduct business with anyone who does not operate with integrity or who compromises KIUC's values and ethical standards.
3. Directors, officers, and employees of KIUC should require honest and accurate recording and reporting of information to make responsible business decisions. This includes such data as quantity, quality, safety, time, and personnel records as well as all financial records.
4. Directors, officers, and employees of KIUC recognize the need for a truly independent audit. KIUC's directors will select a competent independent

financial auditor and maintain a finance and audit committee comprised of board members to oversee the audit.

- I. **Cooperative Assets.** Directors, officers, and employees of KIUC have a responsibility to protect the KIUC assets entrusted to them from loss, damage, misuse, or theft. KIUC assets, such as cash, funds, vehicles, equipment, products, or computers, may only be used for business and other purposes as approved by management. KIUC assets may never be used for illegal purposes.

III. **Enforcement and Accountability**

- A. Individuals who reasonably believe they have information regarding a violation of this Code of Ethics should bring their concerns to the attention of the President and CEO or KIUC's General Counsel as appropriate.
- B. Any report of a violation of this Ethics Policy will be investigated promptly. If required, appropriate action for infractions will be taken for Bargaining Unit employees in accordance with the current KIUC Collective Bargaining Agreement. In the event the alleged violation relates to the President and CEO such violation shall be promptly reported to the Chairperson of the KIUC Board of Directors or to KIUC's General Counsel; and in the event the alleged violation relates to a KIUC director such violation shall be promptly reported to the Chairperson of the KIUC Board of Directors or to KIUC's General Counsel, provided, however, that in the event that the alleged violation relates to said Chairperson such violation shall be promptly reported to KIUC's General Counsel. Violations of this policy by KIUC employees shall be subject to appropriate disciplinary actions, up to and including immediate termination of employment. Directors who violate this policy will be subject to censure by the Board and/or removal in accordance with KIUC's Bylaws.
- C. Confidentiality will be maintained throughout the investigatory process to the extent possible consistent with thorough investigation.
- D. Each year KIUC will require all directors, officers, and employees to certify that they have complied with the Code and are not aware of any unreported violations of the Code that may have occurred by executing a copy of the certification form attached hereto during the month of January each year and submitting it to KIUC Human Resources in the case of employees, or to the Executive Administrator to the Board in the case of directors. The President and CEO shall be responsible for ensuring that certifications are executed annually in accordance with this provision.
- E. Individuals who reasonably believe they have information regarding a violation of this Code of Ethics may also make their concerns known by logging onto KIUC's Hotline Program, reportlineweb.com/KIUC or calling toll-free (855) 312-8521.

Report Line is an independent reporting service that can receive anonymous complaints, which will be documented and relayed to KIUC.

IV. DEFINITIONS

A. "Related Party" means:

1. Any cooperative, corporation, partnership, limited liability company or other organization, other than KIUC, of which a KIUC director, officer or employee is an officer, director or employee;
2. Any cooperative, corporation, partnership, limited liability company or other organization which is "controlled" by a KIUC director, officer, or employee;
3. Any trust or other estate in which a KIUC director, officer or employee has a substantial beneficial interest, or for which a KIUC director, officer or employee serves in a fiduciary capacity; and
4. Any close relative, or the spouse of a KIUC director, officer, or employee.

B. "Control" means:

1. Control of the election of a majority of the directors of the organization;
2. Having the power to exercise a controlling influence over the management or policies of the organization; or
3. Having the power to vote ten percent (10%) of the shares or other Membership interests of the organization.

V. CONCLUSION

Most of the guidelines set forth in this Code are common sense requirements. The good judgment and continuing concern of directors, officers, and employees of KIUC for their own integrity and the trust and confidence of the community in KIUC will always be the most important guideline when dealing with questions of ethics and appropriate conduct. Directors and elected officers of KIUC should address any questions or concerns about this Code to the Executive Committee of the Board of Directors or KIUC's General Counsel. Appointed officers and employees should address any questions or concerns about this Code to their supervisor, department manager, or the President and CEO.



**CODE OF ETHICS FORM
OF
ANNUAL CERTIFICATION**

Kaua'i Island Utility Cooperative ("KIUC") requires that each employee, officer, and director must certify on the following form at least annually or at such other times as requested to do so by KIUC management.

(PLEASE PRINT)

I, _____
First Name Middle Name Last Name

As an employee of KIUC, I do hereby acknowledge that I have received a copy of the KIUC Code of Ethics and that I have read and reviewed the Code of Ethics and understand its contents and understand that I am subject to all its provisions. I further certify that I am not aware of any violations of the Code of Ethics that have not been duly reported pursuant to the provisions of the Code of Ethics as of the date of this certification.

Signature

Date: _____

Title

Department