

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

Held at KIUC Main Conference Room and Video Conference Call
May 29, 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, James Mayfield, Calvin Murashige (Secretary), Teofilo Tacbian, Michael Yamane, and Peter Yukimura (Treasurer); David Bissell (CEO)
- 1.2. **Others present:** Michael Scarbo (General Counsel), Teresa Amoy (Executive Administrator), Erin Tsuda (Interim CFO/Finance Mgr.), Brad Rockwell (COO)
- 1.3. **Others present via Video Conference Call:** Beth Amaro (Member Services & Communications Mgr.), Lisa Ubay (Mgr. of HR and Safety), 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), Allison Young (Comm. & PR Specialist), John Cox (T&D Mgr.); 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 May 29, 2025, was approved as amended adding agenda item "Director Safety Moment" prior to the President's Report.

3. Approval of Minutes

- 3.1. The minutes of April 24, 2025, Regular Board meeting were approved as circulated.
- 3.2. **Director Safety Moment – Director Michael Yamane (COO)**
The Director's Safety Moment, introduced by Director Yamane, aimed to emphasize the importance of safety and keeping it at the forefront of the directors' minds. Director Yamane shared his personal experience as a commercial pilot and highlighted the significance of appreciating the efforts and systems in place to ensure safe air travel. He referenced the January incident at Reagan National Airport involving a collision between an American Eagle jet and an Army helicopter, which was one of the first national disasters in the past quarter century. Director Yamane stressed the importance of trust in people doing the right thing, adherence to rules and regulations, and the maintenance of aircraft to ensure safety. The Safety

Moment was intended to foster a culture of safety and reflect on the measures that prevent accidents.

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

4.1. The CEO provided an overview of May'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 April 2025 Financial Report and highlighted the following key points:

- **Revenue and Expenses:** No significant changes from the previous month. Operating revenue and expenses are trending below last year and budget, primarily due to lower commodity expenses resulting from the recognition of the Mahipapa EAF credit in 2025.
- **Residential Rates:** Residential rates have declined to 33.9 cents per kWh in May, marking a positive trend.
- **Financial Ratios:**
 - TIER (Times Interest Earned Ratio) is at 2.0, meeting the PUC threshold for mandatory patronage capital retirement.
 - DSC (Debt Service Coverage) is at 1.76, well above the indenture minimum of 1.25.
- **Balance Sheet:**
 - Cash and investments remain stable at \$36 million.
 - Current ratio is above 2.0, indicating strong liquidity.
 - Equity ratio is at 35.7%, with an adjusted indenture equity ratio of 0.42.
- **Debt:** Total debt is projected to remain at \$214 million by year-end, with no new debt incurred so far.
- **Accounts Receivable:** Total AR is over \$12 million, but the percentage of overdue accounts has decreased, indicating improved collections.
- **Short-Term Investments:** Investments are diversified across Dreyfus funds (3.97%), CFC daily funds (3.75%), CoBank commercial paper (3.2%), and a backup checking account (3.05%).

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

6.1. David Iha provided a brief update on NRECA (National Rural Electric Cooperative Association) matters:

- **Employee Benefits Website:** NRECA has updated its website for employee benefits, offering a new platform for employees to access retirement and other benefits information.
- **Legislative Update:** He discussed the "One Big Beautiful Bill Act," which is currently moving through Congress. The Senate is expected to make changes, but the outcome remains uncertain.

- **Debt Ceiling:** He noted that Congress needs to address raising the debt ceiling sometime this summer.

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). Director Tacbian provided a brief update from their last meeting.

8. Public Testimony

8.1. No public testimony was received.

9. New Business

9.1. BAR Form – PAGES GT2 Overhaul

- The Board Approval Request for PAGES GT2 overhaul was introduced by Director Yukimura.

MOTION: Director Yukimura moved to approve the request.

[Motion: Yukimura] [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. BAR Form – T&D Pole Replacements – Wildfire Mitigation

- Director Yukimura introduced the Board Approval Request for T&D Pole Replacements for wildfire mitigation. The request is for an additional \$3.5 million to continue pole replacement work through December 2025.

MOTION: Director Yukimura moved to approve the request.

Discussion: The poles need to be replaced. Pole costs have gone up approximately 80% over the last few years, that includes the labor cost as well. KIUC is using both wood poles and composite poles with an average cost to replace of \$15,000 per pole.

[Motion: Yukimura] [Second: Murashige]

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 8 – Director and Committee Member Compensation Expense Reimbursement**

- Director Acoba introduced Policy 8, Director and Committee Member Compensation Expense Reimbursement. The policy committee recommends Section II. be amended to clarify reimbursement for *each event on the mainland*.

MOTION: Director Acoba moved to approve Policy 8 as amended.

[Motion: Acoba] [Second: Murashige]

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

Motion carried

9.4. **Appointment for NRECA Resolutions Committee**

- Director Iha introduced agenda item.
MOTION: Director TenBruggencate moved to nominate Director Edmund Acoba.
Discussion: Director Iha explained there is one representative from each state on this Resolutions Committee and members can propose resolutions to be covered by the whole region.

[Motion: TenBruggencate] [Second: Tacbian]

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

Motion carried

9.5. **Appointment for NRECA Region 9 Nominating Committee**

- Director Iha introduced the agenda item noting that the Nominating Committee nominates people to serve on the NRECA standing committee and regulatory government relations full committee. If there is a vacancy, then the committee recommends one person from their region to serve on this NRECA Committee.

MOTION: Chair Smith requested to reaffirm Michael Yamane as the Region 9 Nominating Committee representative.

[Motion: Smith]

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

Motion carried

9.6. Appointment for NRECA Hawaii Voting Delegate (Region IX and Annual Meeting)

- Director Iha introduced the agenda item noting that the representative will be voting at the annual meeting.

MOTION: Director TenBruggencate moved to nominate Director Peter Yukimura.
[Motion: TenBruggencate] [Second: Murashige]

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. **June 4, 2025** – KIUC Top 100 Breakfast (Sheraton Kauai Coconut Beach)
- 10.2. **June 11, 2025** – HOLIDAY – King Kamehameha Day (KIUC Offices Closed)
- 10.3. **June 17, 2025** – Board Committee Meetings (9:00am, MCR)
- 10.4. **June 26, 2025** – Regular Board Meeting (1:00pm, MCR/Zoom)
- 10.5. **June 30-July 2, 2025** – CFC Forum 2025 (New York, NY)

11. Executive Session

At 1:49 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 2:50 p.m.
 - A motion to ratify actions taken in Executive Session was approved by consensus: The Executive Session minutes of April 24, 2025 & DHHL GL No. 299, Road Fund Anahola, One-year Extension Request.

12. Adjournment

- 12.1. The meeting was adjourned at 2:53 p.m.

Calvin Murashige
Calvin Murashige (Jun 27, 2025 14:02 HST)
 Calvin Murashige
 Board Secretary

President's Report

May 29, 2025

David Bissell, CEO

President's Report

Safety (April)	Month	2025 YTD	2024 YTD
Recordable Incidents	0	1	3
Availability and Reliability	Month	2025 YTD	2024 YTD
Reportable Outages	1	25	9
Average Outage Hours Per Customer	0.31	3.25	1.79
Efficiency	Month	2025 YTD	
Net Plant Heat Rate	8,899	9,213	
Peak Demand (MW)	74.75	76.14	
Residential Rates			
May 2025	\$0.339/kwh decrease \$0.048 from April		

Update Items

- Legislative session complete
 - Senate Bill 897 passed. Allows KIUC to recover wildfire mitigation costs via a tariff rider, provides for liability limits which will be established by PUC, 50 structure requirement for KIUC vs. 500 for HECO
- Closely monitoring federal tax bill, tariffs, and grants for impact on ongoing projects
- KIUC's 2022 rate case received final PUC approval
- PUC docket for KIUC's Wildfire Mitigation Plan opened
- Pole changeouts continue
- NRECA Legislative Conference held in Washington, DC
- Board workshop held on Habitat Conservation Plan; Summer filing in Federal Register on track
- Jim Mayfield has earned NRECA's Director Gold credential





GOLD

Director Gold Credential



This Certificate of Achievement is awarded to

James Davis Mayfield

in recognition of having successfully completed the Director Gold Program.

Your hard work, dedication, and commitment to learning have enabled you to achieve this milestone, and we are proud to recognize your accomplishment.



CEO, NRECA





Mahalo!



Kaua'i Island Utility Cooperative

Your Touchstone Energy[®] Cooperative



Board Financial Report

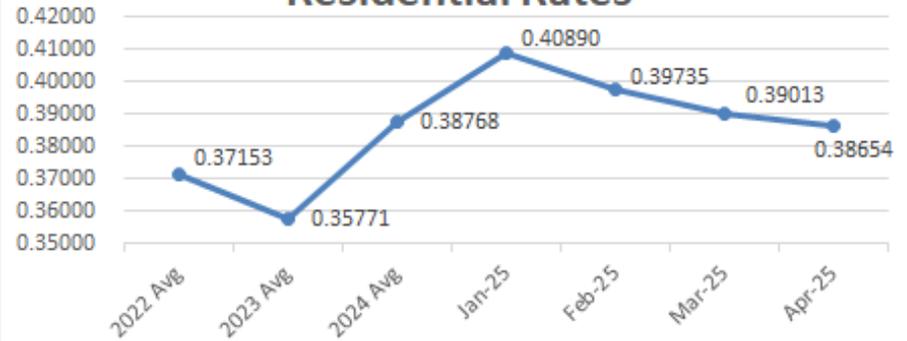
May 2025

Financial Scorecard – YTD April 2025

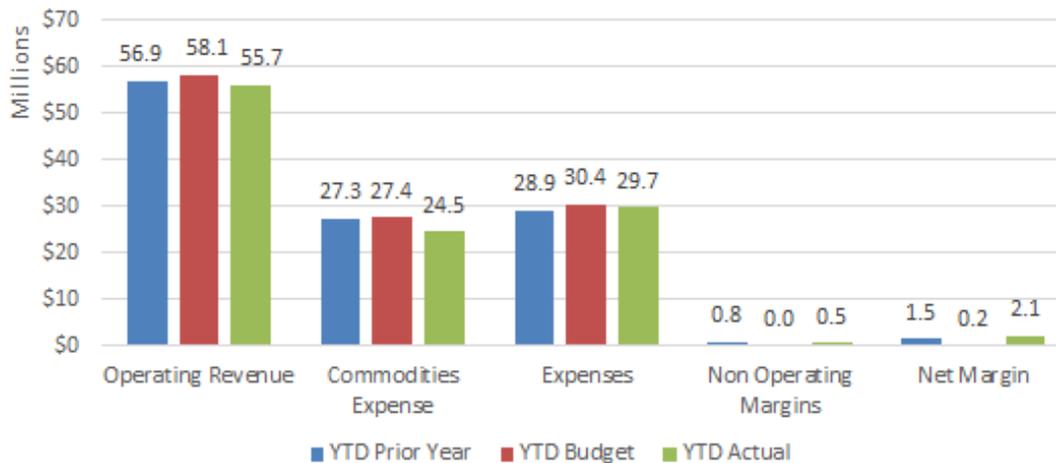
MWh Sales

Class	YTD Prior Year	YTD Actual		Percent Change
Residential (D)	59,311	61,281	↑	3.3%
Small Comm (G)	20,326	21,419	↑	5.4%
Large Comm (J)	15,772	15,914	↑	0.9%
Lrg Pwr Primary (LP)	48,384	50,648	↑	4.7%
Street Lighting (SL)	232	292	↑	25.9%
Irrigation	80	417	↑	418.3%
Total	144,105	149,971	↑	4.1%

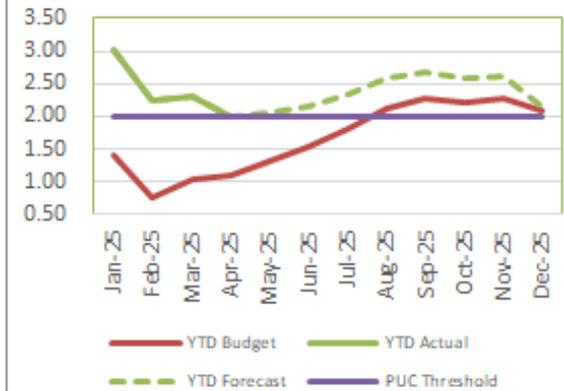
Residential Rates



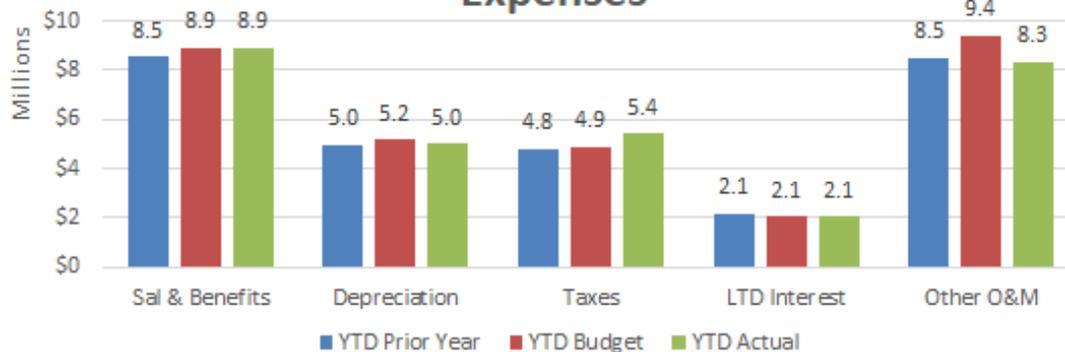
Key Results



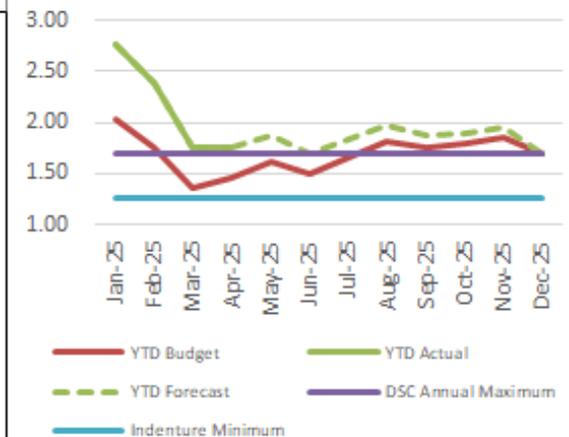
TIER



Expenses



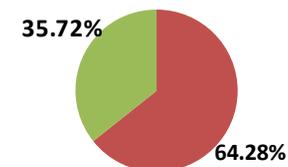
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Financial Scorecard – YTD April 2025

(In Millions)	YTD Actual	Current Assets	
Cash	\$ 0.19	82.7M	
Short-Term Investments	\$ 36.32		
Cushion of Credit	\$ -	Current Liabilities	
Total Cash & Investments	\$ 36.51	21M	
Line of Credit Available	\$ 40.00	44.3%	6.4M ΔPY
Line of Credit Drawn	\$ 0.00		

Equity Ratio



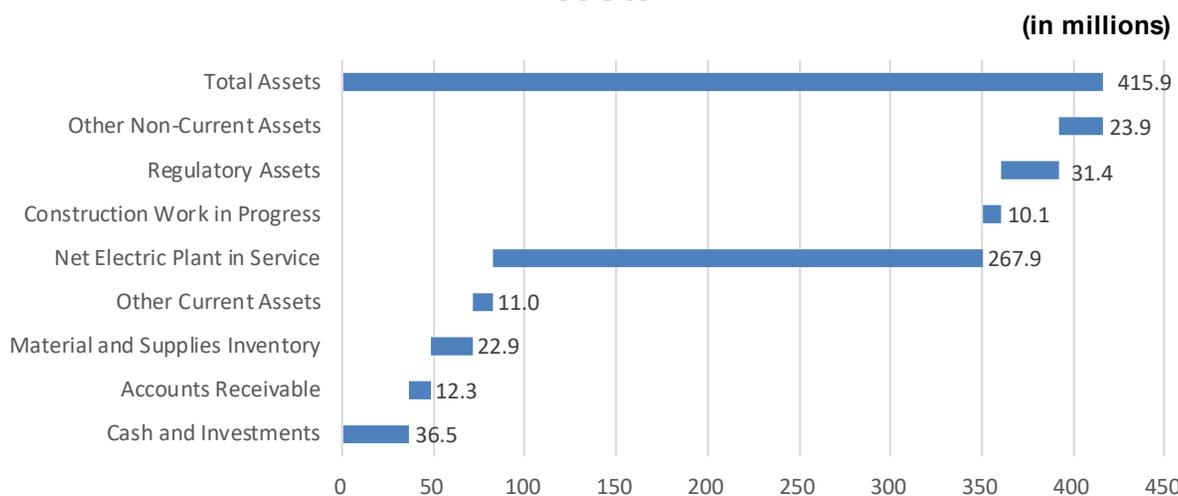
■ Liabilities as a % of Assets
■ Equity as a % of Assets

Indenture Equity Ratio

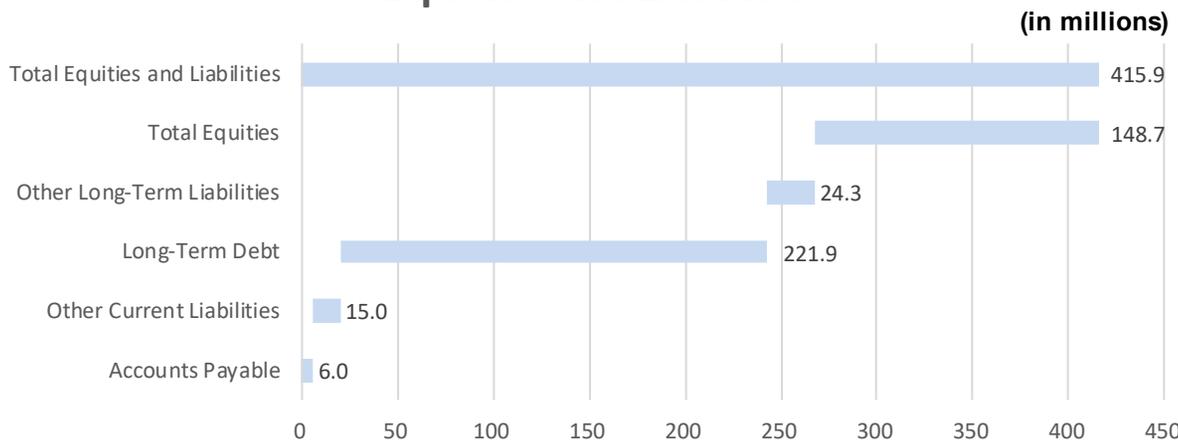
0.42

Minimum = 0.20

Assets



Equities and Liabilities



General Ledger Financial And Operating Report Electric Distribution

INCOME STATEMENT FOR APR 2025

Item	-----Year - To - Date -----			-----Period - To - Date -----	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	56,941,422.03	55,749,487.08	58,060,089.00	14,553,051.66	14,924,496.00
2. Power Production Expense	18,435,981.04	18,162,757.57	16,719,828.00	4,274,775.01	4,197,883.00
3. Cost of Purchased Power	13,894,357.13	11,082,229.91	15,961,452.00	3,305,413.91	4,233,442.00
4. Transmission Expense	482,790.48	508,275.70	591,300.00	123,209.81	150,803.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	507,293.85	570,749.73	561,689.00	168,827.46	139,643.00
7. Distribution Expense - Maintenance	1,785,663.06	1,935,669.22	2,042,353.00	501,013.90	515,172.00
8. Customer Accounts Expense	811,561.29	821,829.33	922,404.00	208,317.04	234,609.00
9. Customer Service and Informational Expense	75,302.05	91,301.23	154,550.00	15,783.01	31,950.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	8,308,967.03	8,556,680.67	8,824,627.00	2,278,691.53	2,208,241.00
12. Total Operation & Maintenance Expense (2 thru 11)	44,301,915.93	41,729,493.36	45,778,203.00	10,876,031.67	11,711,743.00
13. Depreciation & Amortization Expense	4,962,325.42	5,005,527.56	5,161,390.00	1,253,028.33	1,290,348.00
14. Tax Expense - Property & Gross Receipts	1,422,113.92	1,392,185.78	1,451,502.00	363,431.74	373,112.00
15. Tax Expense - Other	3,386,447.58	4,028,057.95	3,447,736.00	1,593,807.16	892,107.00
16. Interest on Long-Term Debt	2,149,414.44	2,055,617.97	2,052,000.00	512,419.26	512,000.00
17. Interest Charged to Construction - Credit	0.00	0.00	0.00	0.00	0.00
18. Interest Expense - Other	0.00	0.00	112,420.00	0.00	112,420.00
19. Other Deductions	41,908.34	41,023.60	51,000.00	1,410.60	4,000.00
20. Total Cost of Electric Service (12 thru 19)	56,264,125.63	54,251,906.22	58,054,251.00	14,600,128.76	14,895,730.00
21. Patronage Capital & Operating Margins (1 minus 20)	677,296.40	1,497,580.86	5,838.00	-47,077.10	28,766.00
22. Non Operating Margins - Interest	935,300.82	766,732.41	490,664.00	189,326.76	133,042.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-206,230.27	-235,706.99	-378,323.00	-94,205.79	-46,438.00
25. Non Operating Margins - Other	107,477.15	18,863.25	60,440.00	-14,468.06	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)	1,513,844.10	2,051,591.82	178,619.00	33,575.81	130,480.00
Operating - Margin	1,513,844.10	2,051,591.82	178,619.00	33,575.81	130,480.00
Non Operating - Margin	0.00	0.00	0.00	0.00	0.00
Times Interest Earned Ratio - Operating	1.32	1.73			
Times Interest Earned Ratio - Net	1.70	2.00			
Times Interest Earned Ratio - Modified	1.70	2.00			

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Page: 1

General Ledger Financial And Operating Report Electric Distribution

BALANCE SHEET FOR APR 2025

	Last Year	This Year	Variance
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	596,625,532.87	608,481,785.41	11,856,252.54
2. Construction Work in Progress	11,073,708.01	10,144,226.31	-929,481.70
3. Total Utility Plant (1 + 2)	607,699,240.88	618,626,011.72	10,926,770.84
4. Accum. Provision for Depreciation and Amort.	335,771,082.79	340,628,918.32	4,857,835.53
5. Net Utility Plant (3 - 4)	271,928,158.09	277,997,093.40	6,068,935.31
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	21,720,927.27	19,758,781.41	-1,962,145.86
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	925,165.72	2,055,178.16	1,130,012.44
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)	24,581,217.72	23,799,311.73	-781,905.99
15. Cash - General Funds	1,718,256.91	185,191.75	-1,533,065.16
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	-28,379.82	-28,873.17	-493.35
18. Temporary Investments	35,121,976.96	36,323,372.36	1,201,395.40
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	11,513,193.80	11,731,730.16	218,536.36
21. Accounts Receivable - Other (Net)	413,486.16	590,912.43	177,426.27
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	22,160,298.65	22,908,775.50	748,476.85
24. Prepayments	1,577,171.38	2,006,627.02	429,455.64
25. Other Current and Accrued Assets	8,571,094.66	8,976,135.92	405,041.26
26. Total Current and Accrued Assets (15 thru 25)	81,047,098.70	82,693,871.97	1,646,773.27
27. Regulatory Assets	36,458,448.71	31,378,265.30	-5,080,183.41
28. Other Deferred Debits	183,526.33	51,520.58	-132,005.75
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	414,198,449.55	415,920,062.98	1,721,613.43

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Page: 2

General Ledger Financial And Operating Report Electric Distribution

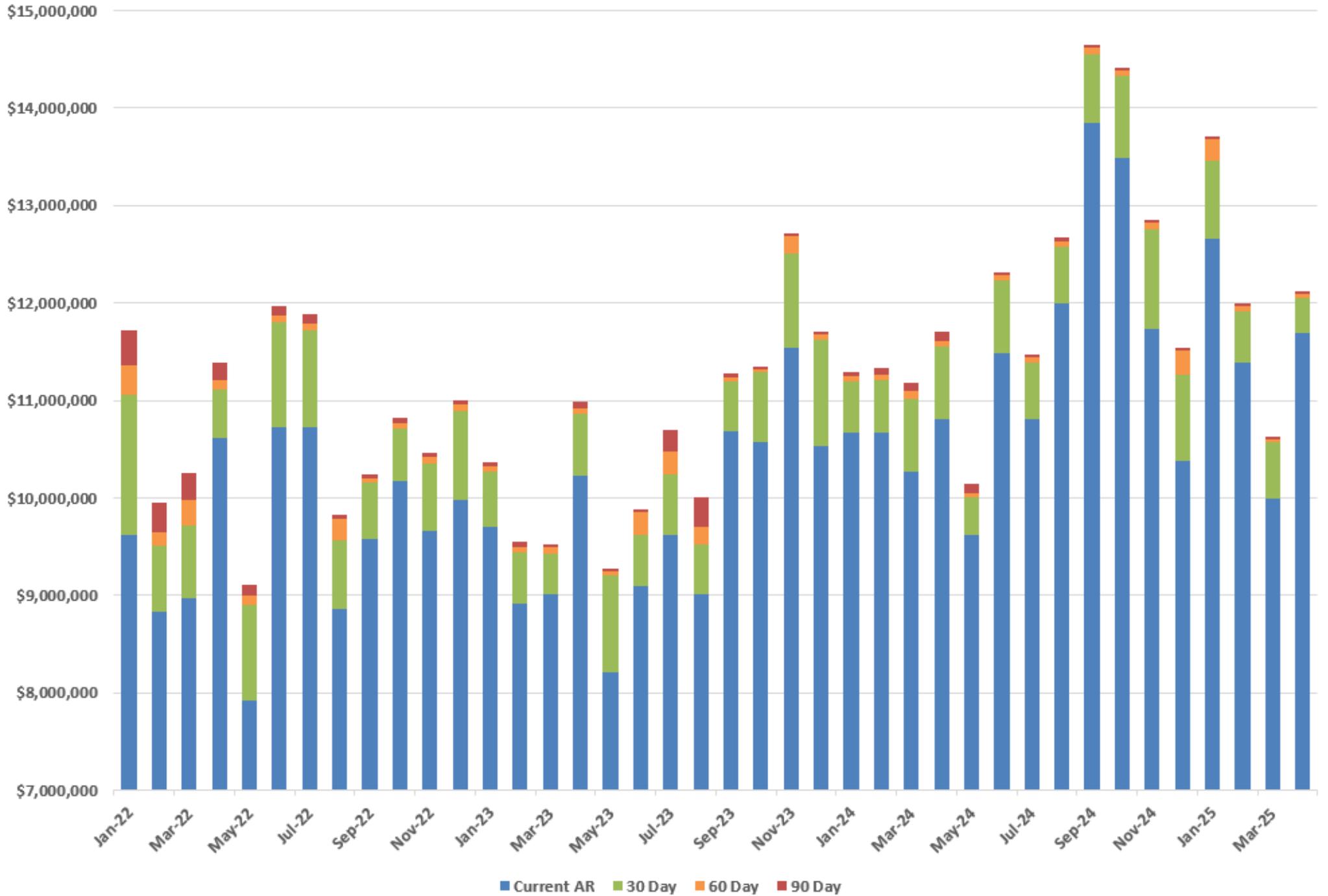
BALANCE SHEET FOR APR 2025

	Last Year	This Year	Variance
LIABILITIES AND OTHER CREDITS			
30. Memberships	614.43	627.94	13.51
31. Patronage Capital	138,715,733.36	145,512,635.16	6,796,901.80
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	1,513,844.10	2,051,591.82	537,747.72
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	276,443.78	1,088,122.81	811,679.03
36. Total Margins & Equities (30 thru 35)	140,506,635.67	148,652,977.73	8,146,342.06
37. Long-Term Debt - RUS (Net)	0.00	0.00	0.00
38. Long-Term Debt - FFB - RUS Guaranteed	116,235,924.96	112,355,104.85	-3,880,820.11
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	116,458,354.58	109,583,534.89	-6,874,819.69
41. Long-Term Debt - RUS Econ. Devel. (Net)	0.00	0.00	0.00
42. Payments - Unapplied	0.00	0.00	0.00
43. Total Long-Term Debt (37 thru 41 - 42)	232,694,279.54	221,938,639.74	-10,755,639.80
44. Obligations Under Capital Leases - Noncurrent	13,003,196.24	12,398,292.22	-604,904.02
45. Accumulated Operating Provisions	90,786.80	-630,011.93	-720,798.73
46. Total Other Noncurrent Liabilities (44 + 45)	13,093,983.04	11,768,280.29	-1,325,702.75
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	4,784,167.42	5,971,621.11	1,187,453.69
49. Consumers Deposits	1,564,157.06	1,580,431.21	16,274.15
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	8,189,560.61	13,427,708.86	5,238,148.25
54. Total Current & Accrued Liabilities (47 thru 53)	14,537,885.09	20,979,761.18	6,441,876.09
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	13,365,666.21	12,580,404.04	-785,262.17
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	414,198,449.55	415,920,062.98	1,721,613.43
Current Assets To Current Liabilities	5.57 to 1	3.94 to 1	
Margins and Equities To Total Assets	33.92 %	35.74 %	
Long-Term Debt To Total Utility Plant	38.29 %	35.88 %	

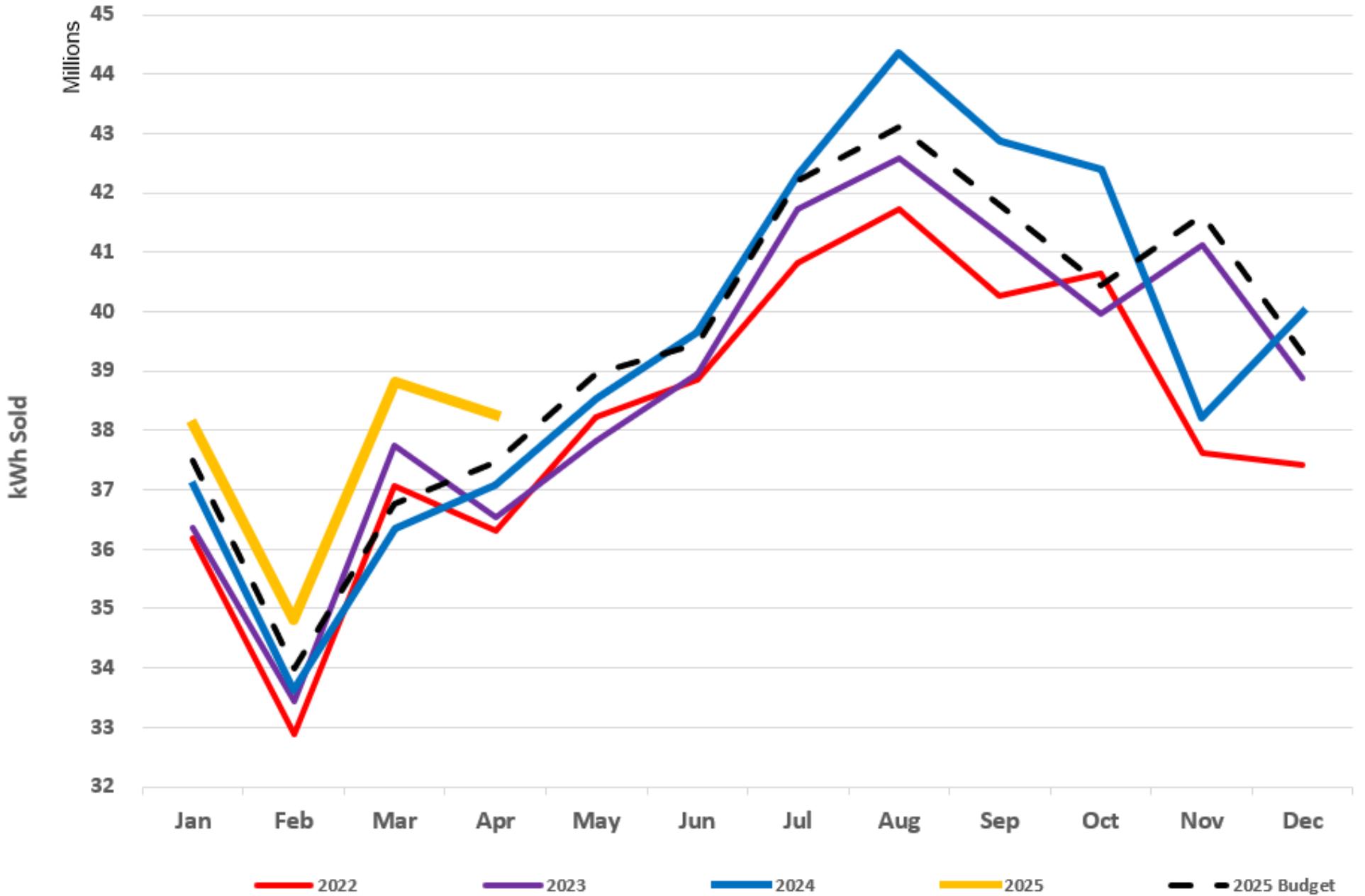
KAUAI ISLAND UTILITY COOPERATIVE
NOTES, BONDS, AND OTHER INDEBTEDNESS
YEARS ENDED DECEMBER 31, 2024 AND 2025

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:
- **\$26.1M** Dreyfus Funds – AAA Rating Money Market Fund very ST
 - Government MM Fund – Treasury Only
 - Stable Value type of money market (heavily regulated and makes it difficult to break the dollar)
 - **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 – **3.20%**
- **\$269,597** Central Pacific Bank – Backup Checking in NISC if needed
 - Backup for Checking in Money Market (unlimited) account
 - **3.05%**

Questions?

◆ NRECA Benefits Website Redesign

- This month, NRECA launched an updated version of the Employee Benefits website, accessed through cooperative.com.
- The redesign combines member feedback with industry best practices, resulting in a better online experience.
 - Improved navigation makes it easier to find information.
 - A Retirement Snapshot gives instant access to account balances, and employees can learn more about saving for the future through videos, webinars and planning calculators.
 - The Care Options area includes links to find medical providers and care, and recent medical claims are listed on the homepage.

◆ House Spending Bill

- The House of Representatives last week passed H.R. 1, the “One Big Beautiful Bill Act.”
- This is only the beginning of a much longer process.
 - The Senate will next draft its own proposal, which might be substantially different from the House’s version.
 - Those differences must be negotiated before the compromise legislation could come before the House and Senate for a final vote later this year.
- The House-passed proposal would not affect elective pay tax credits but would significantly reduce access to clean energy tax credits codified by the Inflation Reduction Act.
- NRECA continues to track this legislation and engage with policymakers on our priority issues.

◆ NERC Report

- The North American Electric Reliability Corp. released its Summer Reliability Assessment this month.
- In its report, NERC found that an additional 10 gigawatts of electricity will be needed to meet peak demand—that’s more than double the previous year-to-year increase.
- While new solar plants and battery energy storage systems are helping to reduce energy shortfalls, these additions are offset by the loss of generation, most of it always-available natural gas and coal fired plants.
- Areas at highest risk of energy shortfalls this summer include:
 - **Midcontinent Independent System Operator**, due to generator retirements.
 - More than 100,000 Louisiana residents recently lost power as MISO was forced to institute rolling blackouts.
 - **Southwest Power Pool**, due to heat events that increase demand for electricity while forcing wind generation offline.

- **ERCOT**, due to growth in demand and solar resources, leading to shortfalls when solar generation drops off.
- **NPCC New England**, due to loss of resources and higher demand.
- **PJM Interconnection** has independently warned of potential reliability issues this summer in the event of extreme demand.

◆ **FEMA Feedback**

- NRECA explained the importance of Federal Emergency Management Agency disaster relief funding in comments submitted this month to the recently convened FEMA Review Council.
 - FEMA's Public Assistance program is critical to supporting American communities served by electric cooperatives before, during and after disasters and ensuring reliable, affordable energy.
 - Proposals that remove access to these resources would undermine power restoration, negatively affect reliability and ultimately increase the cost of electricity.
 - While states play a vital role in disaster response, they cannot replace FEMA's essential function in delivering federal assistance.
 - NRECA views these comments as the first of many opportunities to engage with the Trump administration on FEMA.
- In its comments, NRECA made several recommendations to streamline and improve FEMA's disaster relief process based on input from co-ops:
 - Reduce delays in receiving funds once Public Assistance is approved.
 - Make loan interest a reimbursable disaster expense.
 - Extend protections against the unreasonable clawing back of funds.
 - Lower the per capita threshold in rural America to better reflect the unique challenges faced by electric cooperatives.
 - Give Stafford Act eligible private nonprofit entities such as electric cooperatives direct access to FEMA resiliency funding programs.

Report of KIUC Charitable Foundation

To KIUC Board of Directors

5/27/2025

The Charitable Foundation Board met on 5/27/25

The following reports were received:

Treasurer report ending balance of \$101,670.78.

Makana Program:

- 497 registered, YTD contribution \$1,170.98

Applications:

- Approved grant for \$1,000 to Kauai North Shore Food Pantry

Golf Tournament

- First golf committee meeting on June 24

Released funds for KIUC Charitable Foundation Scholarship Fund to UH Foundation

T. Phil Tacbian, President

BOARD APPROVAL REQUEST FORM

Requestor

Department **Production**

Date **4/25/2025**

Name Richard Vetter

Title: Port Allen Manager

Program/Project Name **PAGS GT2 Overhaul**

Project Dates (if any) 10/27/2025

Deadline(s) 5/30/2025

Description of Request (attach documentation if needed)

This project was budgeted and approved for \$1M in 2024, however only \$464k was spent in 2024 due to vendor delivery issues. The remaining \$536k was not carried over into the 2025 budget, so there is no budget allowance the remaining parts needed to perform the overhaul, which is scheduled for later this year. Only \$300k is required (not \$536k), so if this request is approved, the project will come in at \$764k, which is \$236k under the original 2024 budget amount of \$1M.

Financial Impact

Fiscal Year: 2025

Budgeted? _____ Unbudgeted? X

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

Original Budget Amt \$ _____ -

Additional/Change **\$ 300,000**

Revised Budget Amt \$ 300,000

Required (Initials)

CEO Review: DB
David Bissell

Committee Referral/Action

Committee F&A

Meeting Date: 05/20/2025

Committee Recommendations: _____

Cmte Chairperson Presiding: _____

Board Action

Board Workshop _____

Wrkshp Date: _____

Board Meeting Date 05/29/2025

Action Taken: _____

1st/2nd: _____

Other Info: _____

Res No. _____

File Date & Location _____

BOARD APPROVAL REQUEST FORM

Requestor

Department **T&D** Date **5/8/2025**
Name John Cox Title: T&D Manager

Program/Project Name **250606A Pole Replacements - Wildfire Mitigation**
Project Dates (if any) Complete by December 2025 (or when budget is expended)
Deadline(s) Dec-25

Description of Request (attach documentation if needed)

As of May 2025

- Expended \$2,300,000 of \$3,000,000 budget
- 160 poles replaced
- Premium Contractors: averaging \$15,000 per pole replacement

Request

- Additional \$3,500,000 to continue Premium Contractor work

Financial Impact

Fiscal Year: 2025

Budgeted? _____ Unbudgeted? X

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

Original Budget Amt \$ 3,000,000
Additional/Change \$ **3,500,000**
Revised Budget Amt \$ 6,500,000

Required (Initials)

CEO Review: DB
David Bissell

Committee Referral/Action

Committee F&A Meeting Date: 5/20/2025

Committee Recommendations: _____

Cmte Chairperson Presiding: Peter Yukimura

Board Action

Board Workshop _____ Wrkshp Date: _____

Board Meeting Date 5/29/2025

Action Taken: _____ 1st/2nd: _____

Other Info: _____ Res No. _____

File Date & Location _____

KIUC BOARD POLICY NO. 8
DIRECTOR AND COMMITTEE MEMBER
COMPENSATION AND EXPENSE REIMBURSEMENT

PURPOSE OF POLICY:

This policy describes the compensation and expense reimbursement for Directors, Board Committee members who are not Directors or employees, and the CEO.

POLICY CONTENT:

I. Management of the Board's Compensation and Expenses

Each year, as part of the approval of the annual budget, a budget for Board compensation and expenses is approved. The Board Chair shall manage this department budget. The Board Chair may establish a rule of thumb each year, such as "each Director may attend up to three qualifying events on the mainland and one event on another Hawaiian island", if such a practice is likely to result in Board expenses being less than or equal to that year's budget for Board compensation and travel expenditures. If expenditures are likely to exceed the budget, the Board Chair shall revise the rule of thumb or the board shall authorize an increase in this budget item.

II. Stipends

A. Days Qualifying for Stipends. The Bylaws provide for a stipend to be paid for each day, or portion thereof, that voting Directors or Committee members actually spend on KIUC business. Voting Directors and Committee members that are not Directors or employees shall be paid a stipend:

1. When attending regular or special Board meetings,
2. When attending Committee meetings as a member of the Committee;
3. When attending Committee meetings at the specific request of the Committee Chair for good cause;
4. When attending regular or special meetings of KIUC members; and
5. When otherwise representing KIUC in an official capacity as approved in advance by the Board Chair for Directors or Committee members other than the Chair; approved in advance by the Executive Committee of the Chair; or as otherwise approved in advance by the Board.

In addition, voting Directors shall be paid a stipend when attending NRECA Director courses or NRECA regional, annual, or legislative conferences, as long as the event

either is authorized explicitly by the Board Chair as being eligible for a stipend or it complies with the Board Chair's rule of thumb for the year.

B. Travel Days. A maximum of four (4) days of stipends will be paid for the combined travel time spent traveling to and from each events on the mainland.

C. Approval Process. To receive stipends, the individual entitled to a stipend shall report all stipend entitlements to the KIUC employee who manages Board activities, who shall cause the Board Chair or Treasurer to verify entitlement, and, upon such verification by the Board Chair or Treasurer, submit a payment request to the accounting department for processing.

III. Travel Expenses

Directors and Committee members shall be reimbursed for all reasonable travel expenses incurred on KIUC business in accordance with the then-current KIUC business travel and expense policy, upon submission of a report and appropriate receipts to the Treasurer, approval of the expenses by the Treasurer (except that such expenses for the Treasurer, which shall be approved by the Board Chair), and submission of the approved reimbursement form for the expenses to KIUC's accounting department in accordance with current procedures.

The CEO shall be reimbursed for all reasonable travel expenses incurred on KIUC business in accordance with the then current KIUC business travel and expense policy, upon approval of the expenses by the Treasurer and submission of the approved reimbursement form for the expenses to KIUC's Accounting Department in accordance with current procedures.

IV. Entertainment Expenses

From time to time it may be appropriate for Directors, Committee members, or the CEO to make reasonable expenditures for entertainment or meals for others during the conduct of KIUC business. No specific limitations have been placed on such expenditures, other than they be necessary, reasonable, correct, and meet applicable Internal Revenue Service requirements. Requests for reimbursement of entertainment expenses shall be submitted and approved in the same manner as described above for travel expenses.

Adopted on this 29th day of May 2025.

Revised: 05/29/2025
Revised: 05/26/2022
Reviewed: 01/29/2019
Reviewed: 01/31/2017
Reviewed: 03/24/2015
Reviewed: 08/28/2012
Revised: 07/27/2010

Calvin Murashige
Secretary

Revised: 06/29/2010
Revised: 02/24/2009
Revised: 11/26/2005
Revised: 08/25/2004
Original Adoption: 2003