

REGULAR MEETING OF THE BOARD OF DIRECTORS
KAUA'I ISLAND UTILITY COOPERATIVE
Held at KIUC Main Conference Room and Video Conference Call
June 26, 2025

MINUTES

Meeting called to order by Chair Smith at 1:01 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(via Zoom), Calvin Murashige (Secretary), Teofilo Tacbian, Michael Yamane, and Peter Yukimura (Treasurer)
- 1.2. **Others present:** Laurel Loo (General Counsel), Michael Scarbo (General Counsel), Teresa Amoy (Executive Administrator), Erin Tsuda (Interim CFO), Brad Rockwell (COO), Cameron Kruse (Engineering & Technology Mgr.)
- 1.3. **Others present via Video Conference Call:** Beth Amaro (Member Services & Communications Mgr.), Lisa Ubay (Mgr. of HR and Safety), 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), Jonah Knapp (Staff Engineer), Fred Pascual (Distribution Planning Coordinator), Bryanna Pacleb (Real Property and Regulatory Admin.); Members of the press (0) and Members of the public (0)
- 1.4. **Absent/Excused:** David Bissell (CEO)

2. Approval of the Agenda

- 2.1. The Board of Directors' agenda of June 26, 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 May 29, 2025, Regular Board meeting and June 17, 2025, Special Board meeting were approved as circulated.

4. Director Safety Moment

A Director's safety moment was shared by Director Acoba, who recounted an incident where he was helping change batteries in golf carts where he volunteers at Puakea Golf Course. While working on his fifth cart, he crossed the cables, it arced, and the cable caught fire due to a distraction caused by someone talking to him. His partner quickly removed the cable, preventing a potential explosion. The incident emphasized the importance of staying focused when dealing with electrical equipment, as accidents can happen quickly. Director

Acoba shared this story to highlight the need for vigilance and concentration in safety-related tasks.

KIUC's General Counsel shared an anecdote about a rodent incident at their house in Hanalei. Her husband set traps in the house but forgot he had placed one in the shower. Later, when he rushed to take a shower after attending a church meeting, he was surprised to find the trap there. The story served as a humorous reminder to pay attention to details, especially when in a hurry.

5. President's Report – Cameron Kruse (Engineering & Technology Mgr.)

- 5.1. The President's report, delivered by Cameron Kruse, covered several operational and safety updates for the month of June (report attached).

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

- 6.1. The Interim CFO/Finance Mgr. provided a recap on the May 2025 Financial Report and highlighted the following key points (presentation attached):
 - **Sales and Revenue:** Megawatt-hour sales increased by 4.5% compared to the prior year and were 3% above budget expectations.
 - **Residential Rates:** Residential electricity rates continued to decline, averaging 33.9 cents per kilowatt-hour in May and dropping further to 33.7 cents per kilowatt-hour.
 - **Financial Ratios:**
 - The Tier ratio was at 1.98, slightly below the 2.0 required by the Public Utilities Commission (PUC) to retire Pat Cap.
 - The Debt Service Coverage (DSC) ratio was at 1.83, forecasted to reach 1.695 by year-end, above the 1.25 indenture minimum.
 - **Operating Revenue and Expenses:** Both operating revenue and commodity expenses were lower than budgeted and the previous year, primarily due to declining fuel prices and an energy credit recognized earlier in the year.
 - **Taxes:** State tax are a result of higher cash received but lower book-related margins as a result of the loss gross margin.
 - **Balance Sheet:**
 - Cash and investment remained stable at \$36.7 million, mostly held in short-term investments.
 - No changes in current assets and liabilities, with a current ratio of 2.4, well above the target range of 1.5–2.0.
 - Equity as a percentage of assets slightly decreased to 35.61%.
 - **Debt and Treasury Management:** No major changes from the prior period. There was a slight decline in Dreyfus fund interest rates from 3.97% to 3.94%.

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

David Iha provided a brief update on NRECA matters that were discussed at their Summer Board Meeting:

- Reports from CEOs of CoBank and CFC highlighted economic uncertainty due to tariffs and other factors.
- NRECA Membership Dues: There will be no dues increase for the next year, as the organization is financially stable without requiring additional contributions.
- NRECA Building Vacancies: Post-pandemic, NRECA-owned buildings have an 18% vacancy rate, slightly better than the neighborhood average of 20%. Efforts are underway to upgrade spaces to attract tenants and offset membership dues losses.
- Discussions focused on the impact of executive orders, including uphill battles for grant releases and easier processes for coal plant regulations and Snake River Dam policies.
- Budget reconciliation discussions in the Senate are ongoing, with efforts to preserve tax incentives and direct payments for renewable energy projects.
- A new international director will be announced soon, following the retirement of the previous director. USAID provides 40% of the program's budget, and restructuring is underway to enhance international education.
- NRECA administers \$29 billion in retirement funds, which poses a risk due to lawsuits and challenges in managing the system.
- Starting in July, board members will complete self-assessments that will be submitted to a third party, with results discussed in September. Additionally, the NRECA CEO's performance will be evaluated in October, with feedback determining potential salary adjustments. The third party will handle the assessment and the feedback and discussion.

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 – KPS E-Cell Replacement

- The E-cell units are part of the water treatment process at Kapaia Power Station. They are used to deionize water, making it ultra-pure and suitable for injection into turbines to enhance power generation and control emissions. The current E-cell units are deteriorating and need replacement. These units typically last several years, and their degradation was anticipated for next year. However, they will not last until then, necessitating an earlier replacement. The

replacement was not budgeted for this year, as it was initially expected to be required next year. The request is for funding to purchase a new set of E-cell units.

MOTION: Director Yukimura moved to approve the request.
[Motion: Yukimura] [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

9.2. **BAR Form – Warehouse Equipment**

- The request is for new warehouse equipment, specifically work lifts, to support warehouse operations. The equipment was not included in the original budget for the year. However, during the review of warehouse operations, it was determined that the purchase was necessary. Although the cost of the equipment is below the \$100,000 threshold, the request was made preemptively to account for anticipated additional purchases in the tools and equipment category throughout the year.

MOTION: Director Yukimura moved to approve the request.
Discussion: It was clarified that the new fork lift will be for the Eleele Warehouse and the current Eleele Warehouse fork lift will go to the Anahola Warehouse.

[Motion: Yukimura] [Second: Yamane]

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. **BAR Form – DISTRIBUTION XFMR-OH-NEW-CUSTOMER and**

9.4. **BAR Form – DISTRIBUTION-XFMR-UG-NEW-CUSTOMER**

- The BAR form requests are for transformers to support new service requests, upgrades, and developments. These transformers are essential for distributing power to new customers and projects. The transformers were ordered in previous years, but due to long lead times across the nation (previously up to 3 years), their arrival was delayed. They have now arrived, requiring payment and inclusion in the current budget. The expense was not anticipated in this year's budget due to the dynamic lead times for delivery. The request is to account for this unplanned expenditure.

Discussion: The Board of Directors ensued in a lengthy discussion. It was noted that Kauai is experiencing demand growth, with ongoing construction projects such as those near the airport and subdivisions requiring transformers. This growth will likely necessitate more transformers in the future. Board members raised questions about how costs for dedicated transformers, particularly 3-phase pad-mounted units for specific buildings, are handled. It was clarified that these are typically special orders tied to specific projects, and customers often contribute to the cost. However, the timing of these contributions versus the upfront purchase by the utility creates a temporary budget impact.

Transformers are not only needed for new developments but also for replacing aging infrastructure, such as rusted overhead transformers identified during wildfire mitigation efforts.

[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		

- Director Acoba introduced Policy 11, Patronage Capital Allocation and Retirement Policy. The Policy Committee recommended reauthorizing Policy 11 with changes to its format but no changes to its substance.

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

- 9.6. **Appointment for NRECA Nominating Committee Alternate Representative**
- It was confirmed that Director Yamane is the current representative for the Nominating Committee. The need for an alternate representative was emphasized to ensure coverage in case the primary representative is unavailable. Director Murashige volunteered to serve as the alternate representative. **Director Murashige's appointment was unanimously approved by the show of hands.**
- 9.7. **Appointment for NRECA Resolutions Committee Alternate Representative**
- It was confirmed that Director Acoba is the current representative for the Resolutions Committee. Chair Smith volunteered to serve as the alternate representative. **Chair Smith's appointment was unanimously approved by the show of hands.**

10. Calendar

- 10.1. **June 30 – July 2, 2025** – CFC Forum 2025 (New York, NY)
- 10.2. **July 4, 2025** – HOLIDAY – Independence Day (KIUC Offices Closed)
- 10.3. **July 10 – July 16, 2025** – NRECA Summer School for Directors (Colorado Springs, CO)
- 10.4. **July 22, 2025** – Board Committee Meetings (9:00am, MCR)
- 10.5. **July 30, 2025** – KIUC Annual Membership Meeting (6:00pm, KPCC)
- 10.6. **July 31, 2025** – Regular Board Meeting (1:00pm, MCR/Zoom)

11. Executive Session

At 1:57 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 2:01 p.m.

12. Adjournment

- 12.1. The meeting was adjourned at 2:01 p.m.

Calvin Murashige

Calvin Murashige (Jul 31, 2025 16:54:37 HST)

Calvin Murashige
Board Secretary

President's Report

June 26, 2025

Cameron Kruse

Engineering & Technology Mgr.

President's Report

Safety (May)	Month	2025 YTD	2024 YTD
Recordable Incidents	1	2	3
Availability and Reliability	Month	2025 YTD	2024 YTD
Reportable Outages	5	30	12
Average Outage Hours Per Customer	0.58	3.83	2.01
Efficiency	Month	2025 YTD	
Net Plant Heat Rate	9,118	9,195	
Peak Demand (MW)	73.85	76.14	
Residential Rates			
June 2025	\$0.337/kwh decrease \$0.002 from May		

Update Items

- Conventional generation additions and replacements at Kapaia and Port Allen are being researched as we plan for resiliency and reliability of our fleet
- Completed Information Request responses to the Consumer Advocate for both Mana and Kaawanui Projects
- Wildfire Mitigation: 239 pole replacements year to date, PUC docket public meeting tentatively scheduled for August
- 2025 KIUC Annual Breakfast has resulted in 7 consultations thus far
- Federal Incidental Take Permit and State Incidental Take License have been filed. Draft HCP and EIS will be published in The Environmental Notice July 8 and in The Federal Register July 12. A public meeting is tentatively scheduled for August 6.



- KPS is offline and anticipated to be back online this Saturday
- More power is being generated at Port Allen as a result
- Coordinating additional fuel deliveries at Port Allen





Congratulations!

A decorative flourish consisting of three stylized leaf-like shapes arranged horizontally.

Erin Tsuda
Financial Vice President and CFO
*effective July 1st





Mahalo!



Kaua'i Island Utility Cooperative

Your Touchstone Energy® Cooperative



Board Financial Report

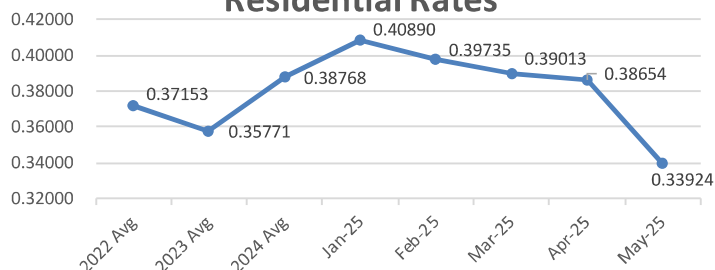
June 2025

Financial Scorecard – YTD May 2025

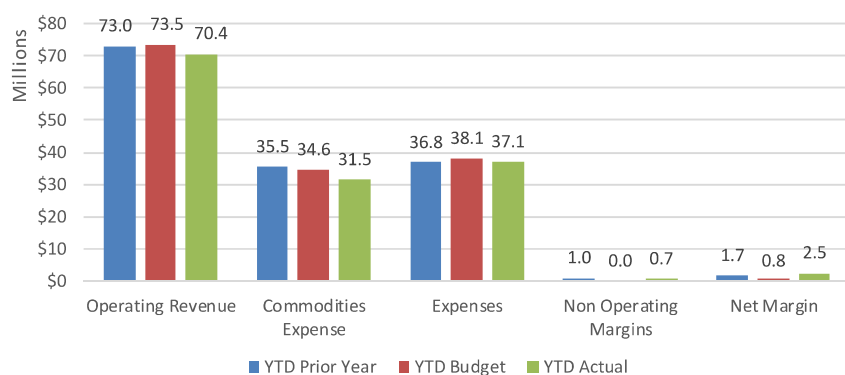
MWh Sales

Class	YTD Prior Year	YTD Actual		Percent Change
Residential (D)	74,997	78,355	↑	4.5%
Small Comm (G)	25,659	27,408	↑	6.8%
Large Comm (J)	20,022	20,162	↑	0.7%
Lrg Pwr Primary (LP)	61,600	64,138	↑	4.1%
Street Lighting (SL)	290	350	↑	20.8%
Irrigation	81	417	↑	415.2%
Total	182,648	190,830	↑	4.5%

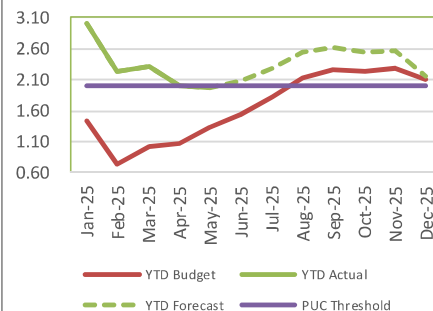
Residential Rates



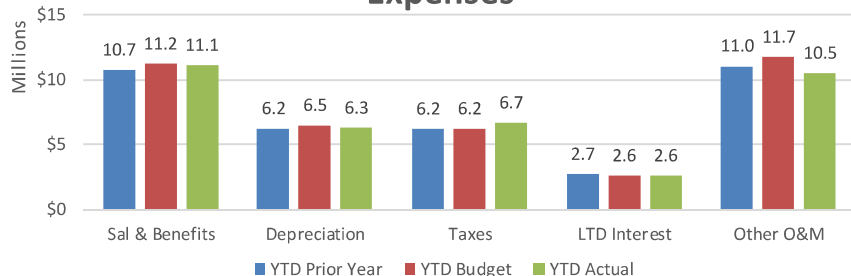
Key Results



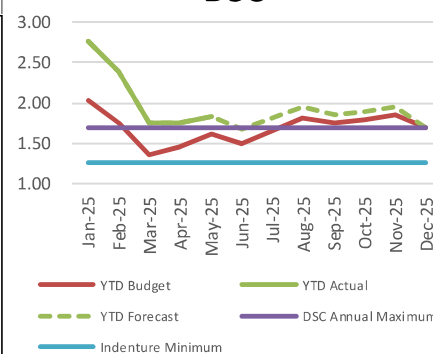
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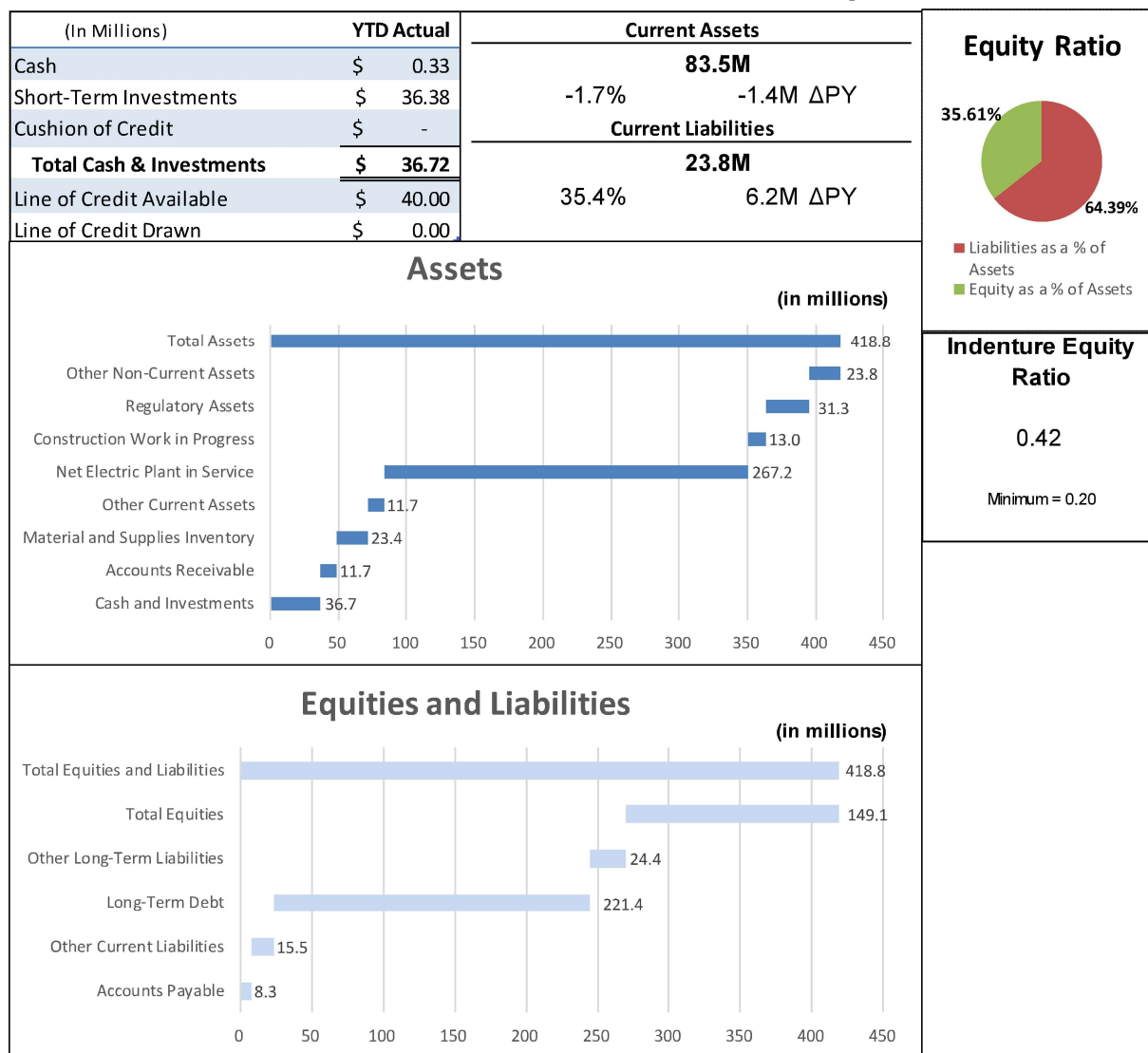
Expenses



DSC



Financial Scorecard – YTD May 2025



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General Ledger Financial And Operating Report Electric Distribution

BALANCE SHEET FOR MAY 2025

	Last Year	This Year	Variance
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	596,708,615.89	608,651,732.39	11,943,116.50
2. Construction Work in Progress	11,945,374.45	12,990,487.12	1,045,112.67
3. Total Utility Plant (1 + 2)	608,653,990.34	621,642,219.51	12,988,229.17
4. Accum. Provision for Depreciation and Amort.	336,763,525.55	341,447,073.42	4,683,547.87
5. Net Utility Plant (3 - 4)	271,890,464.79	280,195,146.09	8,304,681.30
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	21,664,655.30	19,722,164.87	-1,942,490.43
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	913,414.92	2,031,986.42	1,118,571.50
12. Other Investments	0.00	0.00	0.00
13. Special Funds	0.00	0.00	0.00
14. Total Other Property & Investments (6 thru 13)	24,513,194.95	23,739,503.45	-773,691.50
15. Cash - General Funds	1,490,439.09	334,856.34	-1,155,582.75
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	-30,339.47	-28,327.82	2,011.65
18. Temporary Investments	38,805,880.53	36,381,828.62	-2,424,051.91
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	11,099,314.95	11,168,302.17	68,987.22
21. Accounts Receivable - Other (Net)	217,818.54	553,949.61	336,131.07
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	21,509,829.40	23,350,830.24	1,841,000.84
24. Prepayments	2,357,230.66	3,049,764.36	692,533.70
25. Other Current and Accrued Assets	9,466,531.54	8,657,037.17	-809,494.37
26. Total Current and Accrued Assets (15 thru 25)	84,916,705.24	83,468,240.69	-1,448,464.55
27. Regulatory Assets	36,373,182.94	31,282,290.93	-5,090,892.01
28. Other Deferred Debits	162,352.87	75,972.05	-86,380.82
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	417,855,900.79	418,761,153.21	905,252.42

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General Ledger

Financial And Operating Report Electric Distribution

BALANCE SHEET FOR MAY 2025

	Last Year	This Year	Variance
LIABILITIES AND OTHER CREDITS			
30. Memberships	615.80	629.27	13.47
31. Patronage Capital	138,699,998.29	145,508,410.98	6,808,412.69
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	1,693,560.28	2,526,462.08	832,901.80
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	281,019.12	1,089,265.08	808,245.96
36. Total Margins & Equities (30 thru 35)	140,675,193.49	149,124,767.41	8,449,573.92
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)	115,945,106.31	109,056,872.14	-6,888,234.17
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)	232,181,031.27	221,411,976.99	-10,769,054.28
44. Obligations Under Capital Leases - Noncurrent	13,003,196.24	12,398,292.22	-604,904.02
45. Accumulated Operating Provisions	67,336.50	-649,647.50	-716,984.00
46. Total Other Noncurrent Liabilities (44 + 45)	13,070,532.74	11,748,644.72	-1,321,888.02
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	6,702,638.41	8,263,842.21	1,561,203.80
49. Consumers Deposits	1,571,278.79	1,584,536.95	13,258.16
50. Current Maturities Long-Term Debt	0.00	0.00	0.00
51. Current Maturities Long-Term Debt - Econ. Devel.	0.00	0.00	0.00
52. Current Maturities Capital Leases	0.00	0.00	0.00
53. Other Current and Accrued Liabilities	9,296,304.25	13,946,502.75	4,650,198.50
54. Total Current & Accrued Liabilities (47 thru 53)	17,570,221.45	23,794,881.91	6,224,660.46
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	14,358,921.84	12,680,882.18	-1,678,039.66
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	417,855,900.79	418,761,153.21	905,252.42
Current Assets To Current Liabilities	4.83 to 1	3.51 to 1	
Margins and Equities To Total Assets	33.67 %	35.61 %	
Long-Term Debt To Total Utility Plant	38.15 %	35.62 %	

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General Ledger Financial And Operating Report Electric Distribution

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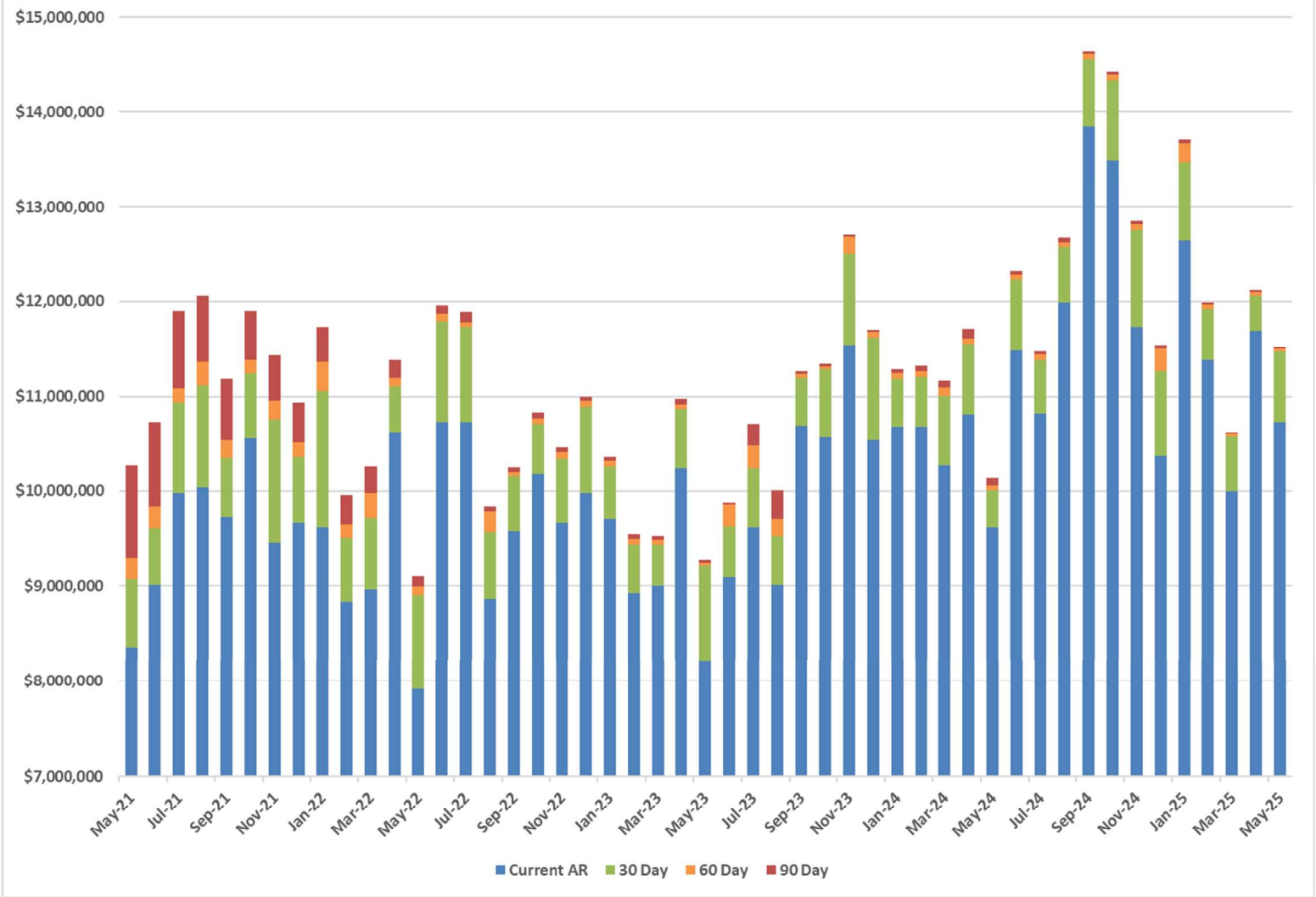
INCOME STATEMENT FOR MAY 2025

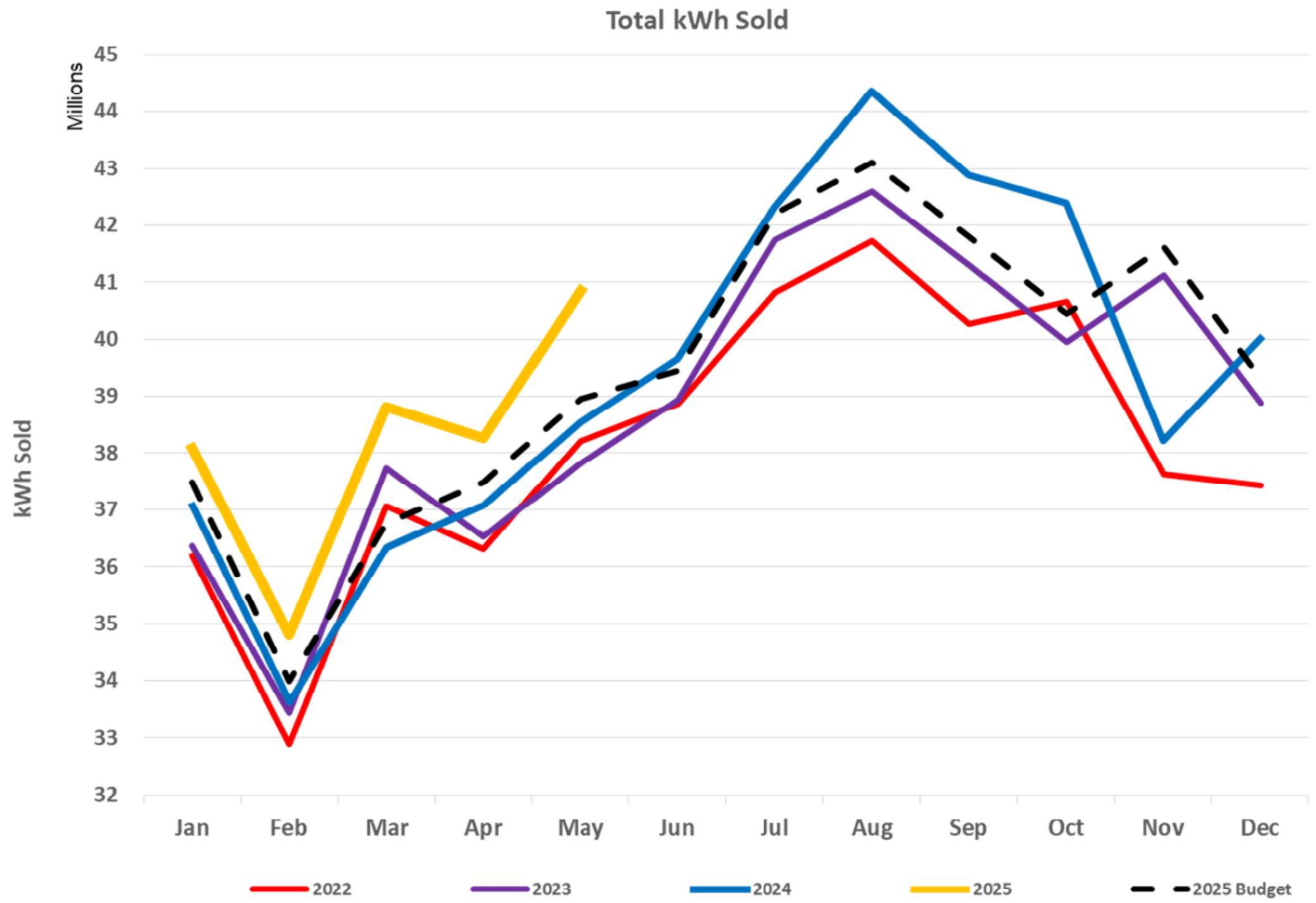
Item	Year - To - Date			Period - To - Date	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	73,013,935.54	70,379,088.09	73,510,761.00	14,629,601.01	15,450,672.00
2. Power Production Expense	24,771,592.08	22,403,124.03	20,714,628.00	4,240,366.46	3,994,800.00
3. Cost of Purchased Power	17,415,510.78	15,147,276.13	20,340,241.00	4,065,046.22	4,378,789.00
4. Transmission Expense	590,052.20	644,454.88	740,843.00	136,179.18	149,543.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	703,565.15	666,125.74	708,982.00	95,376.01	147,293.00
7. Distribution Expense - Maintenance	2,248,031.20	2,404,737.99	2,557,525.00	469,068.77	515,172.00
8. Customer Accounts Expense	1,004,413.92	1,024,032.55	1,155,340.00	202,203.22	232,936.00
9. Customer Service and Informational Expense	100,886.72	117,638.00	189,800.00	26,336.77	35,250.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	10,419,387.34	10,653,781.72	11,064,174.00	2,097,101.05	2,239,547.00
12. Total Operation & Maintenance Expense (2 thru 11)	57,253,439.39	53,061,171.04	57,471,533.00	11,331,677.68	11,693,330.00
13. Depreciation & Amortization Expense	6,205,587.08	6,258,769.57	6,451,737.00	1,253,242.01	1,290,347.00
14. Tax Expense - Property & Gross Receipts	1,823,578.19	1,757,562.08	1,837,769.00	365,376.30	386,267.00
15. Tax Expense - Other	4,342,357.27	4,892,636.97	4,361,308.00	864,579.02	913,572.00
16. Interest on Long-Term Debt	2,685,682.85	2,568,648.53	2,564,000.00	513,030.56	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	228,587.00	0.00	116,167.00
19. Other Deductions	42,585.65	43,447.59	59,000.00	2,423.99	8,000.00
20. Total Cost of Electric Service (12 thru 19)	72,353,230.43	68,582,235.78	72,973,934.00	14,330,329.56	14,919,683.00
21. Patronage Capital & Operating Margins (1 minus 20)	660,705.11	1,796,852.31	536,827.00	299,271.45	530,989.00
22. Non Operating Margins - Interest	1,167,520.64	960,302.79	623,706.00	193,570.38	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	-261,768.21	-258,983.71	-399,766.00	-23,276.72	-21,443.00
25. Non Operating Margins - Other	127,102.74	24,168.40	75,550.00	5,305.15	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)	1,693,560.28	2,526,462.08	836,317.00	474,870.26	657,698.00
Operating - Margin	1,693,560.28	2,526,462.08	836,317.00	474,870.26	657,698.00
Non Operating - Margin	0.00	0.00	0.00	0.00	0.00
Times Interest Earned Ratio - Operating	1.25	1.70			
Times Interest Earned Ratio - Net	1.63	1.98			
Times Interest Earned Ratio - Modified	1.63	1.98			

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 INTEREST EXPENSE	PROJECTED BALANCE AT 12/31/2025	PROJECTED 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

Total AR Balances





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)
 - **3.94%** 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%**
 - **\$270,285** Central Pacific Bank – Backup Checking in NISC if needed
 - Backup for Checking in Money Market (unlimited) account
 - **3.05%**

Questions?

Report of KIUC Charitable Foundation

To KIUC Board of Directors

6/24/2025

The Charitable Foundation Board met on 6/24/25

The following reports were received:

Treasurer report ending balance of \$100,670.78.

Makana Program:

- 505 registered, YTD contribution \$1,465.40

Applications:

- Approved grant for \$5,000 to Anaina Hou Community Park to replace broken playground equipment and maintenance upgrades

Golf Tournament

- First golf committee meeting on June 24
- Golf tournament date November 15
- Working on flyer and registration forms, deadline to register/pay September 26.
- Established sponsorship levels:
 - Platinum \$2,500
 - Gold \$1,500
 - Silver \$1,000
 - Individual \$250
 - Tee sign \$150

T. Phil Tacbian, President

BOARD APPROVAL REQUEST FORM

Requestor

Department **Production**

Date **5/30/2025**

Name **Brooks Braun**

Title: **KPS Plant Manager**

Program/Project Name **Kapaia Power Station - E-Cell Replacement 2025**

Project Dates (if any) **June 1, 2025 - December 31, 2025**

Deadline(s)

Description of Request (attach documentation if needed)

The LM2500 engine at KPS is our most efficient unit with OTSG and steam application. The E-cell stack equipment is vital to water purification and steam production. If the E-cell were to experience further degradation and inefficiency, rendering it unavailable, it would have a critical impact on our ability to operate at full capacity, meet load demand, and comply with emission limits. Equipment availability and supply chain issues are also a concern for timely delivery of replacement equipment.

Financial Impact

Fiscal Year: **2025**

Budgeted? _____ Unbudgeted? X

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

Original Budget Amt \$ -

Additional/Change \$ **180,000**

Revised Budget Amt \$ 180,000

Required (Initials)

CEO Review: DB
David Bissell

Committee Referral/Action

Committee **F&A**

Meeting Date: **6/17/2025**

Committee Recommendations: _____

Cmte Chairperson Presiding: Peter Yukimura

Board Action

Board Workshop _____

Wrkshp Date: _____

Board Meeting Date _____

Action Taken: _____

1st/2nd: _____

Other Info: _____

Res No. _____

File Date & Location _____

Work Order Estimate Form

Title: Ecell

Date: 5/30/2025

Requestor: Jeffrey Garcia

Section: Power Supply

Qty	Item	Vendor
12	Ecell MK3 stacks	Veolia
1	Cleaning Skid	TBD

Location: RODI Building - Kapaia Power Station

(specific area of the plant that item(s) or services will be)

DO NOT USE

171,217.80 ESTIMATED COST

Payroll OH (40)

Stores OH (41)

Trans OH (44)

A&G OH (43)

- - - 44,389.80

Rate: 43% Rate: 21% Rate: 7% Rate: 35%

CHARGE CODE CALC BASE--->

01

02

01

01,02,03,04,05,06,09,40,41,44

Type:

KIUC Labor (01)

(Warehouse Material Only)

Direct Material (02)

Contract Labor (03)

(Material Direct Purchase to WO)

Contract Material (04)

Contract Labor/Mat (05)

Other

105,828.00 20,000.00 1,000.00

(Enter estimate amounts in appropriate boxes. Overheads will be calculated automatically ABOVE in Estimated Cost section.)

KIUC Labor:

None

negligible

yes

(circle one or make BOLD)

Purchase Type:

P-Card

Purchase Order

(circle one or make BOLD; if using P-Card, be sure to mark the capital account & work order on the invoice, e.g. 1.100.107X.CXXX)

Justification:

Critical spare set due to the existng system has lost its flow capapcity by 10gpm. Unknown how much more and time it might degrade to a critical point.

(1-2 sentences)

Record Unit #:

312001710

(\Shared\Construction Reports\Record Unit Catalog.doc)

Retirement:

No

(Is this replacing an item that will be removed from service? how many will be retired?)

Budget #:

251202 Reliability


(\Shared\Construction Reports\Construction Budget\Capital Budget\2017\2017 Capital Budget_template BOD approved 12.13.16.xls)


Budget amount:

\$250,000

* KIUC Labor based on Lineperson Hot Glove Rate \$46.68 per hour effective 12/5/16

*** ATTACH QUOTE OR ANY OTHER SUPPORTING DOCUMENTATION TO THIS FORM

		Veolia WTS Solutions USA, Inc. 5951 CLEARWATER DR. MINNETONKA MN 55343-8995 UNITED STATES FOR ORDER PLACEMENT / CUSTOMER CARE PHONE: 1-866-439-2837 FAX: 866-891-4893		Quotation		
Quote Date		Quotation Exp. Date		Veolia WTS Quote		
28MAY2025		28JUN2025		20666250		
Sales org.		Sales Representative / Contact		Reference		
B701		Anthony Russo		SF 656311		
Sold to : 1000088307 KAUAI ISLAND UTILITY CO OP 4463 PAHEE STREET LIHUE HI 96766-2000 UNITED STATES				Ship to : 1000088307 KAUAI ISLAND UTILITY CO OP 4463 PAHEE STREET LIHUE HI 96766-2000 UNITED STATES		
Bill to : 0000435085 KAUAI ISLAND UTILITY CO-OP ATTN: ACCOUNTS PAYABLE 4463 PAHEE STREET LIHUE HI 96766-2000 UNITED STATES				Payment terms		
				Net 30 Days from Date of Receipt of Invoice		
				Inco terms		
				FOB ORIGIN		
Currency: U.S. Dollar				Freight: Freight PrePaid and Add		
SNo.	Part Number / Item Description	Quantity	Unit	Price	Unit	Amount
10	3018626 EDI,E-CELL STACK MK-3 12 EA ***** REQUEST FOR QUOTATION: Prepared By: Radu Gorgan VEOLIA Commercial Operations - Engineered Solutions - Technologies and Systems, FMROED Email: radu.gorgan@veolia.com PLEASE REFERENCE THIS QUOTATION NUMBER and PROVIDE REQUESTED DELIVERY DATE with your purchase order to ensure correct pricing and on-time delivery. AVAILABILITY / LEAD TIME: At the time of this quotation, product is available from inventory. If no product is available at time of order placement, estimated lead time is 12-14 weeks ARO, and exclusive of freight transit time. Availability is subject to change. SHIPPING POINT: Oakville, ON Canada L6M 4B2	12	EA	8,819.00	EA	105,828.00

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				Net 30 Days from Date of Receipt of Invoice		
				Inco terms		
				FOB ORIGIN		
Currency: U.S. Dollar				Freight: Freight PrePaid and Add		
SNo.	Part Number / Item Description	Quantity	Unit	Price	Unit	Amount
	ORDER PLACEMENT / ORDER STATUS: VEOLIA North America Customer Care Tel: 1-866-439-2837 Email: nam.fulfillment.all@veolia.com *Note: Minimum Order Value is \$100.00 <OR> For SELF-SERVICE, please visit our eStore at: https://www.watertechnologies.com Help with registration or existing order, please email: nam.fulfillment.digital@veolia.com *Note: No minimum order value required if using eStore Given the evolving geopolitical landscape and the potential for changes in tariffs, duties, and trade regulations, Veolia's pricing is based on the current market conditions and applicable foreign and domestic trade policies as of the date of this proposal. Veolia reserves the right to adjust our proposal pricing and schedule accordingly if any changes to tariffs, duties, or other government-imposed costs impact our pricing or time of performance. At Veolia, we remain committed to our customers. We will continue to communicate any impacts as they become known. ***** Thank You! - We Appreciate Your Business! *****					



**Veolia WTS Solutions USA, Inc.
5951 CLEARWATER DR.
MINNETONKA MN 55343-8995
UNITED STATES
FOR ORDER PLACEMENT / CUSTOMER CARE
PHONE: 1-866-439-2837
FAX: 866-891-4893**

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KAUAI ISLAND UTILITY CO OP
4463 PAHEE STREET
LIHUE HI 96766-2000
UNITED STATES

Ship to : 1000088307
KAUAI ISLAND UTILITY CO OP
4463 PAHEE STREET
LIHUE HI 96766-2000
UNITED STATES

Bill to : 0000435085
KAUAI ISLAND UTILITY CO-OP
ATTN: ACCOUNTS PAYABLE
4463 PAHEE STREET
LIHUE HI 96766-2000
UNITED STATES

Payment terms

Net 30 Days from Date of Receipt of Invoice

Inco terms

FOB ORIGIN

Currency: U.S. Dollar

Freight: Freight PrePaid and Add

SNo.	Part Number / Item Description	Quantity	Unit	Price	Unit	Amount

SALES DISCOUNT	USD	0.00
NET PRICE	USD	105,828.00
HI - STATE GENERAL E	4.17%	4,408.80
HI - KAUAI, COUNTY S	0.55%	577.82

TOTAL AMOUNT	110,814.62
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Veolia Water Technologies & Solutions

Terms & Conditions of Sale

1. **Exclusive Terms and Conditions.** Together with any other terms the parties agree to in writing, these Terms and Conditions of Sale from the exclusive terms ("Agreement") where by Buyer agrees to purchase, and sell Goods and provide advice, instruction and other services in connection with the sale of those Goods ("Services"). Notwithstanding any provisions communicated in any way by Buyer to Seller prior to this Agreement including any terms contained in any request for quote by Buyer, Buyer agrees that this Agreement will control the relationship by accepting Goods and Services from Seller, even if Buyer sends to Seller other terms and conditions to which Seller may not respond.

2. **Buyer Obligations.** Seller will not control the actual operation of either Buyer's systems or Goods at the site, and unless otherwise specifically agreed in writing, installation of Goods shall be the responsibility of Buyer. Goods and Services provided hereunder are based upon the information Buyer makes available to Seller, and Seller reserves the right to utilize the most compact and feasible design compatible with sound engineering practices, and to make changes in details of design, construction and arrangement of Goods unless precluded by limitations (including, but not limited to actual space and feedwater/substance quality specifications) specified by Buyer in writing at the time an order is placed. If no such limitations are specified, Seller shall not be held responsible for incompatibility of the Goods and Services due to changes in feedwater/substance quality specifications or site conditions nor for incompatibility with actual space or design limitations, which were not initially disclosed by Buyer and become apparent at a later date. For Services to be accurate and Goods to work as intended, Buyer must fulfill the following obligations ("Obligations"): (a) provide Seller complete and accurate information and data relevant to the scope of work to be provided, such as information related to Buyer's site conditions, systems, related equipment and process, feedwater or other substances to be treated or measured with the Goods, including any hidden, unapparent, or changing conditions that may affect the effectiveness of the Goods; (b) operate all related systems and the Goods within the agreed to control parameters or, if none, within industry customary operating conditions; (c) maintain all related systems and Goods in good operating condition and repair; and (d) maintain and handle Goods in a proper and safe manner. If Buyer fails to fulfill the foregoing Obligations, Seller shall be relieved of any obligations with respect to warranties or any other commitments made to Buyer in writing, and Seller shall have no liability for any loss, damage or injury which Buyer may sustain or for which Buyer may be liable. Buyer is solely responsible for the operation of Buyer's systems, including ensuring that the systems are operated and maintained properly and comply with all laws, rules, regulations, license conditions and orders. Seller will not operate, inspect or maintain Buyer's systems or act as a licensed operator as defined by local regulatory authorities.

3. **Delivery. Title and risk of loss or damage to Goods as well as containers and tanks in which Goods are contained, except as provided for in section 8 of this Agreement, shall pass to Buyer upon delivery to carrier at designated shipping point.** Delivery dates indicated by Seller are only approximate. Quotations and proposal drawings provided by Seller show only general style, arrangement and approximate dimensions and weight.

4. **Payment and Prices.** Unless otherwise specified in writing, payment is due net thirty (30) days from the date of Seller's invoice. If Seller shall have any doubt at any time as to Buyer's ability to pay, Seller may decline to make deliveries except on receipt of satisfactory security. The prices quoted herein do not include taxes. Buyer shall be directly responsible, and reimburse Seller, for the gross amount of any present or future sales, use, excise, value-added, or other similar tax applicable to the price, sale of delivery of any products or services furnished hereunder. Buyer shall furnish Seller with evidence of exemption acceptable to the taxing authorities if applicable. For multi-year agreements, pricing stated shall remain firm for 12 months, after which Seller shall be entitled to adjust pricing upward on an annual basis according to the designated formula used by Seller in Buyer's country and which shall be notified to Buyer. Unless otherwise specified, all prices are FOB point of shipment. Buyer agrees to reimburse Seller for collection costs, including 2% interest per month, should Buyer fail to timely pay. Buyer shall have no rights to any setoffs of any nature relating to any payments due under the Agreement. Notwithstanding the terms set forth herein or of any agreement acceptance of Seller's quotation, Seller reserves the right at any time and from time to time by notice in writing to the Buyer to (a) increase Prices (or impose temporary price adjustments) based on increases in the cost of base components for the Goods or Services provided, where the increase is due to increased global demand, limited supply, temporary product shortages, allocation of supply, or such other similar inflationary pressures; and (b) impose a surcharge equal to any increase in the cost of the Goods or Services as a result of a modification of exchange rates, taxes or other levies imposed by public authorities.

5. **Payment for Excessive Usage; Lost and Damaged Goods.** If payment for Goods is based on some factor other than the actual amount of Goods delivered (e.g., payment is for a fixed amount, or based on usage or production), then Buyer agrees to pay for all Goods (a) consumed as a result of Buyer's failure to comply with Obligations as set forth in Section 2; or (b) lost or damaged after delivery to Buyer. Buyer shall provide Seller all information necessary to calculate amounts due and enable Seller to audit those records.

6. **Consented Goods.** Buyer shall bear all risk of loss and damage to all consigned Goods in Buyer's possession or control, notwithstanding Buyer's exercise of reasonable care. Seller shall have the right to enter Buyer's premises at all reasonable times to inspect such Goods and related records. Upon request, Buyer agrees to return such Goods to Seller pursuant to Seller's shipping instructions.

7. **Limited Warranties.** Seller warrants that the Goods shall conform to published specifications and shall be free from defects in material and workmanship when at all times operated in accordance with Seller's written instructions; and that the Services will be performed with the degree of skill which can reasonably be expected from a seller engaged in a comparable business and providing comparable services under comparable circumstances. Under no circumstances do Services include the operation, inspection or maintenance of Buyer's systems or acting as a licensed operator as defined by local regulatory authorities. Unless otherwise provided in any Warranty Schedule that may be attached hereto, the foregoing warranties are valid: (a) for Chemicals, the earlier of, the shelf-life of the product, or 6 months from their date of delivery or the provision of Services; (b) for Consumables, including Filters and Membranes, 12 months from their date of delivery; (c) for Goods other than Chemicals and Consumables, the earlier of, 15 months from receipt, or 12 months from start-up/first use. Unless expressly agreed in a "Performance Warranty Document" signed between the parties on a separate basis, there is no performance warranty on Goods and Services or warranty on process results. For Goods not manufactured by Seller, the warranty shall be the manufacturer's transferable warranty only. Any claim for breach of these warranties must be promptly notified in writing or the claim will be void. Seller's sole responsibility and Buyer's exclusive remedy arising out of or relating to the Goods or Services or any breach of these warranties is limited to, at Seller's option: (a) replacement of non-conforming Goods or refund of purchase price of the non-conforming Goods; and (b) re-performance of the Services at issue, or a refund of the amount paid for the Services at issue. No allowance will be made for repairs or alterations made by Buyer without Seller's written consent or approval. Goods may not be returned to Seller without Seller's written permission. Seller will provide Buyer with a "Return Material Order" number to use for returned goods. Buyer, as the original purchaser, is not entitled to extend or transfer this warranty to any other party. The foregoing warranties are in lieu of and exclude all other warranties, statutory, express or implied, including any warranty of merchantability or of fitness for a particular purpose.

8. **Use of Equipment, Tanks, and Containers.** Semi-bulk containers (SBCs) owned by Seller shall be used only for the storage of Goods approved by Seller and Buyer shall return to Seller all SBCs owned by the Seller in an "empty" condition, as defined by appropriate transport or environmental regulations. Title to, and risk and ownership of, all equipment, product containers (e.g., pails, drums, recyclable intermediate bulk containers "IBCs"), and tanks supplied to Buyer shall pass to Buyer as provided for in Section 3 of this Agreement, except that returnable SBCs shall remain property of Seller, unless otherwise stated in Seller's documentation.

9. **Compliance With Laws/Permits.** Buyer is responsible for compliance with all laws and regulations applicable to the operations of its systems and to the storage, use, handling, installation, maintenance, removal, registration and labeling of all Goods from and after Buyer's receipt of the Goods, as well as for the proper management and disposal of all waste and residues associated with the Goods (including but not limited to containers, excess or off-spec product, testing wastes (e.g., spent or expired lab reagents and test kits) and signing manifests for waste transport and disposal. Buyer agrees to ensure that all Goods and Services provided to Buyer for export are exported only in compliance with applicable export control laws and regulations. Permits and licenses which are required to operate apparatus or equipment or to use the Goods, shall be procured by Buyer at Buyer's sole expense. Buyer shall be responsible for and procure all permits, licenses, exemptions, authorizations and approvals necessary to the operation of its systems, including but not limited to permits related to liquid and solid waste handling and discharge, air and water emissions, sound, safety, etc. Seller shall not be liable if any such permit, license, exemption, authorization or approval is delayed, denied, revoked, restricted, violated or not renewed and Buyer shall not be relieved thereby of its obligations to pay Seller in accordance with this Agreement.

10. **Force Majeure.** Neither party will be responsible to the other (and no event of default will be deemed to have occurred) if uncontrollable events make it impracticable or commercially unreasonable for either party to perform under the terms of this Agreement, provided no force majeure shall apply to Buyer's obligation to pay in a timely manner for Goods and Services. Scheduled delivery dates are subject to extension when a force majeure event occurs.

11. **Confidentiality and Intellectual Property.** Both parties agree to keep confidential the other party's proprietary non-public information, if any, which may be acquired in connection with this Agreement. Buyer will not, without Seller's advance written consent, subject Goods to testing, analysis, or any type of reverse engineering. Seller retains all intellectual property rights including copyright which it has in all drawings and data or other deliverables supplied or developed under this Agreement subject to Buyer's right to use such drawings and data for its own use without additional cost. Buyer acknowledges that Seller is in the business of selling the Goods subject to this Agreement and agrees that it will not file patent applications on the Goods, or processes and methods of using the Goods, without Seller's express written permission. Buyer further agrees that in any event any such patents will not be asserted against Seller or its customers based upon purchase and use of such Goods. Buyer shall be fully liable for any infringement of patent rights of third parties arising out of the products supplied hereunder where the construction, and other characteristics of such products including modification of the Goods and Services, is prescribed to the Seller, or completed independently by the Buyer or agent(s). Buyer shall fully defend and indemnify the seller in case of such claim(s). Any software Seller owns and provides pursuant to this Agreement shall remain Seller's property. Seller provides to buyer a limited, non-exclusive and terminable license to such software for the term of this Agreement. Buyer agrees not to copy, sub-license, translate, transfer, reverse engineer, or decode the software. Unless otherwise expressly agreed by Seller, this license shall terminate and the software shall be returned to Seller upon termination of this Agreement, or the material breach of the terms in this section. Buyer shall defend and indemnify Seller in respect of any claim or liability suffered by Seller in connection with infringement of any third party rights based on design, specifications or requirements prescribed by Buyer or its agent.

12. **Limitation on Liability.** Except where expressly communicated to Seller, Seller shall have no liability for incompatibility of Goods with Buyer's actual space or design limitations. To the extent permitted by law, the total liability of the Seller for all claims arising out of or relating to the performance or breach of this Agreement or use of any Goods Services shall not exceed the annual contract value of this Agreement. Seller shall not be liable for any advice, instruction, assistance or any services that are not required under this Agreement or for which Seller does not charge Buyer. In no event will either party be liable to the other for lost profits or revenues, cost of capital or replacement or increased operating costs, lost or decreased production, claims of Buyer's customers for such damages or any similar or comparable damages, or for any incidental, special, consequential or indirect damages of any type or kind, irrespective of whether arising from actual or alleged breach of warranty, indemnification, product liability or strict liability, or any other legal theory. If Buyer is supplying Seller's Goods or Services to a third party, Buyer shall require the third party to agree to be bound by this clause. If Buyer does not obtain this agreement for Seller's benefit for any reason, Buyer shall indemnify and hold Seller harmless from all liability arising out of claims made by the third party in excess of the limitations and exclusion of this clause.

13. **Conflicts; Survival, Assignment.** If there is any conflict between this Agreement and any written proposal or quotation provided by Sellers, then the terms and conditions set forth in the proposal or quotation shall prevail. If any term or condition of this Agreement or any accompanying terms and conditions are held invalid or illegal, then such terms and conditions shall be reformed to be made legal or valid, or deleted, but the remaining terms and conditions shall remain in full force and effect, and the Agreement shall be interpreted and implemented in a manner which best fulfills our intended agreement. This Agreement may only be assigned by Seller to any affiliate.

14. **Termination and Cancellation.** This Agreement and any performance pursuant to it may be terminated or suspended by either party if the other party (a) is the subject of bankruptcy or insolvency proceedings; or (b) defaults in its material obligations under this Agreement, and such default is not cured within thirty (30) days. Upon the termination of this Agreement: (a) Buyer agrees to pay for all Goods in Buyer's possession or for which title has passed to Buyer, at current prices or at such other prices as have been agreed to in writing; and (b) all amounts owing, if any, for the equipment or tanks relating to those Goods shall immediately become due and shall be paid within thirty (30) days of receipt of an invoice. In the event of cancellation of an order by Buyer, a cancellation charge will be made

against the Buyer, in proportion to the work completed by Seller, or obligated against the order, plus any cancellation charges assessed against Seller by Seller's suppliers.

15. Governing Law and Dispute Resolution. This Agreement shall be governed by the substantive laws of the State of New York. The UN Convention on the International Sale of Goods shall not apply. In the event of a dispute concerning this Agreement, the complaining party shall notify the other party in writing thereof. Management level representatives of both parties shall meet at an agreed location to attempt to resolve the dispute in good faith. Should the dispute not be resolved within thirty (30) days after such notice, the complaining party shall seek remedies exclusively through arbitration. The seat of arbitration shall be the federal district court in Philadelphia, PA, and the rules of the arbitration will be the Commercial Arbitration Rules of the American Arbitration Association, which are incorporated by reference into this clause.

BOARD APPROVAL REQUEST FORM

Requestor

Department Accounting **Date** 6/12/2025
Name Erin Tsuda **Title:** Interim Financial VP & CFO
Program/Project Name _____
Project Dates (if any) _____
Deadline(s) _____

Description of Request (attach documentation if needed)

Following review of the year-to-date capital expenditures of Tools and Equipment capital, forecasted to exceed budgeted amount of \$165,000. Therefore, requesting a budget modification for the following Warehouse related equipment purchases:

- Toyota Diesel Forklift (\$62,000) to improve safety and efficiency of forklift operations at Eleele Warehouse. New forklift has a larger lift capacity (10,000 lbs) and automated fork positioner.
- Cantilever racks (\$30,000) to hold conduit, moulding, cross arms, etc. at Anahola Base Yard. Cantilever racks are an efficient and safe storage solution, leading to improved organization, increased efficiency, and enhanced safety.

Financial Impact

Fiscal Year: _____

Budgeted? _____ **Unbudgeted?** X
O&M _____ **Capital** X (if NEW, attach Capital Justification Sht)
Original Budget Amt _____
Additional/Change \$ 92,000
Revised Budget Amt \$ 92,000

Required (Initials)

CEO Review: DB
David Bissell

Committee Referral/Action

Committee F&A **Meeting Date:** 6/17/2025

Committee Recommendations: _____

Cmte Chairperson Presiding: _____ Peter Yukimura

Board Action

Board Workshop _____ Wrkshp Date: _____

Board Meeting Date _____

Action Taken: _____ 1st/2nd: _____

Other Info: _____ Res No. _____

File Date & Location _____

Loan: 2025		2025 CAPITAL BUDGET									
Approved Date: 01/01/2025		Work Plan:									
Status: Active											
LoanProject	Description	Loan/Inventory	Work Order/SE Invoice	Work Order	Life	Year	Month	YTD Purchases	Remaining Commitment	Total CapEx	
251510	TOOLS & EQUIPMENT	165,000.00									
	Open	PAGS SWD Diaphragm Pump	C1280	2,220.63	1,644.91	0.00	0.00	0.00	575.72	575.72	
	Open	KPS Ice Machine	C1291	5,929.31	0.00	0.00	0.00	0.00	5,929.31	5,929.31	
	Open	(2) Megger cable fault locator	J2406	120,000.00	52,483.77	52,483.77	0.00	52,483.77	67,516.23	120,000.00	
	Open	Justrite Combination Cylinder Locker	J2435	4,649.21	4,356.01	4,356.01	0.00	4,356.01	293.20	4,649.21	
	Open	Purch (4) 1A" handheld turns ratiometer	J2445	24,925.64	22,853.82	22,853.82	22,853.82	22,853.82	2,071.82	24,925.64	
	Open	Purchase Milwaukee Rocket Twr L1 Chgr	J2454	3,576.07	3,250.97	3,250.97	0.00	3,250.97	325.10	3,576.07	
	Open	Purch (2) Meggar digiPHONE+2 NTRX Sets	J2456	34,785.33	0.00	0.00	0.00	0.00	34,785.33	34,785.33	
	Open	ELEELE MATLS WHSE TOYOTA DIESEL FORK	N091	61,403.12	5,864.00	5,864.00	0.00	5,864.00	55,539.12	61,403.12	
	Capitalized	KPS Hart Communicator	202503 C1293	3,000.00	2,225.67	2,225.67	0.00	2,225.67		2,225.67	
	Capitalized	KPS Guard 1 RFID	202503 C1297	1,911.54	0.00	0.00	0.00	0.00	0.00	0.00	
	Capitalized	Pallet Racks for Eleele T&D Garage	202503 J2455	3,463.35	0.00	0.00	0.00	0.00	0.00	0.00	
	Capitalized	RETIRE AMI DEMAND RESPONSE LM SWITCH	202504 N090	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Capitalized	Purchase tools & Equipment - Line Prsnl	GP J2334	76,494.34	64,195.63	0.00	0.00	0.00	0.00	0.00	
	Capitalized	Purch (4) Megger Cable Identifier (new)	GP J2375	26,299.47	25,658.28	0.00	0.00	0.00	0.00	0.00	
	Capitalized	Purch (3) Greenlee Long Reach Chain Saws	GP J2393	5,440.62	5,505.36	0.00	0.00	0.00	0.00	0.00	
	Capitalized	(3) 2T capacity Chain Hoists	GP J2414	3,100.05	0.00	-2,952.88	0.00	0.00	0.00	0.00	
Total For Loan Project - 251510:		165,000.00		377,198.68	188,038.42	88,081.36	22,853.82	91,034.24	167,035.83	258,070.07	
Total For Loan - 2025:		165,000.00		377,198.68	188,038.42	88,081.36	22,853.82				
Grand Totals:		165,000.00		377,198.68	64,195.63	88,081.36	22,853.82				

PARAMETERS ENTERED:

Loan : All
Loan Project: 2025:251510;
Work Plan: All
Work Order: All
Inventory: All
Status: All
Closed Date:
Capitalized Date:
Include Tracking: No
Special Equipment:

Total Budgeted 165,000.00
Total Unbudgeted 93,070.07

SERVCO FORKLIFT & INDUSTRIAL EQUIPMENT**a division of SERVCO PACIFIC INC.**

2850 Mokumoa Street

Honolulu, HI 96819

Phone: (808) 564-1603 Fax: (808)564-2219

Federal I.D.# 99-0057870

INVOICE**SAWP113217**Prepared by: **Gilbert Diaz**

28-Mar-2025

ACH**SOLD TO:**

Kauai Island Utility Cooperative (KIUC)

4463 Pahee Street, Ste. 1

Lihue, HI 96766

Office: (808) 246-4341

SHIP TO:

Kauai Island Utility Cooperative (KIUC)

261A Akaula Street

ATTN: Eleele Warehouse (808)246-2370

Eleele, HI 96705

Cell: (808) 679-2388 Chris Yuh

QUANTITY	DESCRIPTION	PRICE
1	NEW TAILIFT 10,000LB DIESEL AIR PNU FORKLIFT,3 STG 86/189" MAST,60" FORKS, HANG-ON SIDE SHIFT FORK POSNR CARR, MIRRORS, WORK & STROBE LTS, REV ALARM MODEL #: PFD45 SERIAL #: TBA STOCK #: TBA	\$ 58,640.00

*DELIVERED TO HONOULU PORT OF CHOICE

*LEAD TIME: 14 TO 16 WEEKS FROM DATE OF ORDER

Order # 46066211**Vendor # 1862****GR Date 03/28/25****GR # 49283137****Used for****Route to: DCummings****Acct # 0.700.1071.N091 04****PLEASE PAY \$5,864.00****CREDITS:**

QTY	DESCRIPTION	TOTAL
1	10% BACKORDER DEPOSIT	(\$ 5,864.00)

SUBTOTAL:	\$ 58,640.00
.	\$ 0.00
4.712% TAX:	\$ 2,763.12
DEPOSIT	-\$ 5,864.00
TOTAL:	\$ 55,539.12
Terms: Net Cash	

RECEIVED

By fcastici at 11:54:44 AM, 3/28/2025

Acknowledged & Accepted

By: _____

Buyer Signature

Purchase Order No. 46066211

This is to certify that this is an original invoice.

By: Jeremy Kinsey

Sales Manager

Date: _____

Date: 28-Mar-2025



View my Truck in my Space



MODEL: GP080VX

CUSTOMER DETAILS			
CUSTOMER	Kauai Island Utility Cooperative - Anahola		
ADDRESS	4463 Pahee Street Suite 1 Lihue, Hawaii 96766		
SHIP-TO ADDRESS	4-3625 Kuhio Highway Anahola, Hawaii 96703		
CONTACT NAME	Chris Yuh		
PHONE	+1.808.246.4300		
PROPOSED BY	Jonathan Ching	TITLE	key account manager
PHONE	(562) 463-8000	EMAIL	jching@papehawaiianlift.com
DATE	2024-12-24	QUOTE EXPIRATION	2025-02-28



PAPE MATERIAL HANDLING
91-557 AWAKUMOKU STREET
KAPOLEI, Hawaii 96707
Phone: 808-847-0623



Quoted Model: GP080VX Available Features

Yale® VERACITOR® GP080VX pneumatic tire lift truck. Nominal 8,000 lb. capacity at a 24" load center. Veracitor trucks feature industrial-grade critical components that maximize productive value and economic life of the lift truck. Their rugged powertrains and cooling systems are designed specifically for tough applications. The isolated powertrain design reduces noise and vibration minimizing operator fatigue and increasing operator productivity throughout a shift. Highly reliable electrical systems provide sophisticated control of truck functionality leading to outstanding efficiency. The cowl-to-counterweight access and on-board diagnostics makes servicing fast, easy and convenient, making the Veracitor® VX series the standard in truck serviceability.

Standard Equipment includes: Continuous Stability System, Integrated Dashboard Display, Operator Restraint System, Operator Presence System (OPS), Low Fuel Indicator, Infinitely Adjustable Steering Column and Floor mat.

The Yale Continuous Stability System (CSS) reduces truck leans in turns, improving lateral stability, and the innovative steer axle mounting design allows for superior travel over uneven surfaces. The Yale® CSS™ is 100% maintenance free, with no controllers, no sensors and no extra wiring. It's a reliable system that lets operators feel confident when moving loads of all shapes and sizes. The innovative Yale® Flex Performance Technology™ offers the flexibility to maximize fuel economy or productivity to match application needs. This feature provides operators the ability to achieve a balance of enhanced performance and superior fuel economy, or to maximize productivity during peak business periods when moving more loads is integral to the success of the operation.

Proposal Summary

Included Items	Description	Quantity
Model	Yale® GP080VX lift truck: 8,000 lb. capacity, Class V	1
Construction	Keyswitch Start	
Powertrain	Kubota 3.8L Diesel (74hp/55kW) DOC Engine -- Tier 4 Brakes - Premium Oil-Cooled Wet Disc Brakes Single Pedal Inch/Brake Arrangement Electronically Controlled Powershift 1-Speed Transmission	
Powertrain Options	High Air Intake Counterweight Rear Exhaust Heavy Duty Anti-Clog Radiator with Combi-Cooler UL Label - Classification Type D	
Powertrain Accessories	System Monitoring	
Mast	3 Stage Full Free Lift Mast - Class III - 185" (4716mm) Maximum Lift Height - 90" (2270mm) Overall Lowered Height - 57" (1464mm) Free Lift Height without Load Backrest - 235" (5963mm) Overall Extended Height with Load Backrest Mast Tilt - 6° Forward / 5° Back	
Carriages & Attachments	47.3" Integral Sideshift Carriage with Fork Positioner (SPED) Class III 48" Load Backrest (SPED) Class III	
Forks	60" Long x 2" Thick x 6" Wide (1520mm x 50mm x 150mm) - Class III Hook Type - Standard Taper Forks	
Hydraulics	4 Function (2 Auxiliary) Hydraulic Control Valve Mechanical Lever Hydraulic Controls - Cowl Mounted Engine Driven Cooling System	



PAPE MATERIAL HANDLING
91-557 AWAKUMOKU STREET
KAPOLEI, Hawaii 96707
Phone: 808-847-0623



Included Items	Description	Quantity
	Standard Displacement Hydraulic Pump	
Hoses	2 Auxiliary Function Hose Group - 4 Hoses Internally Mounted	
Wheels & Tires	Drive Tire - 250 X 15-20 - Pneumatic - Standard Tread Width Steer Tires - 7.00 x 12-14 - Pneumatic	
Operator Compartment	89" (2258mm) Overhead Guard - Grid Style Mirrors - Dual Side View - Mounted on the Left and Right Side of Overhead Guard Rear Drive Handle with Horn Button	
Directional Control	Directional Control Lever - Mounted on Left Side of Steering Column Steering Wheel with Spinner Knob	
Seat	Non-Suspension Vinyl Seat Seat Belt - Black - No-Cinch with ELR (Emergency Locking Retractor)	
Chassis Options	Fully Enclosed Hood and Side Panels - Non-Vented	
Telemetry	Yale Vision Wireless Monitoring with Cellular connectivity - GSM 7 Year, Level 1 Telematic Communication and Portal Fees - Monitoring	
Lights & Alarms	Work Lights - LED Plastic Lens - 2 Front and 1 Rear Audible Alarm - Reverse Direction Activated - Self-Adjusting 82-102 dB(A) Amber Strobe Light - Ignition Activated	
Warranty	12 Months / 2,000 Hours Manufacturer's Warranty, 36 Months / 6,000 Hours Powertrain Warranty; please see full Warranty Statement for additional details.	
Literature & Nameplate	English Literature Pack and Labels	
Fees & Surcharges	Freight Fees & Surcharges Destination Charge	

Additional Items or Accessories Included

	Description	Quantity
Freight	Freight To Kauai	1
Prep	Dealer Prep and Delivery	1



PAPE MATERIAL HANDLING
91-557 AWAKUMOKU STREET
KAPOLEI, Hawaii 96707
Phone: 808-847-0623



Total Investment

Price GP080VX	\$88,955.20	Qty: 1
Quoted Quantity	1	TOTAL: \$88,955.20

F.O.B. Factory (factory freight not included). Price is exclusive of any taxes. Due to volatility of supply chain, transportation, lead times etc., we reserve the right to revise our pricing in direct correlation to price surcharges/increases received from the OEM. Lease payment quotes are subject to possible interest rate indexing at time of delivery. This sales order/proposal is subject to Pape' Material Handling's Terms and Conditions of Sale effective on the date hereof, which are incorporated in full by this reference. The Terms and Conditions of Sale are available at www.pape.com/terms, and will also be sent by mail or email to Buyer upon request.

Proposal By:	Jonathan Ching	Accepted By:	
Signature:		Signature:	
Date Signed:		Date Accepted:	
		PO Number:	



Pacific Western LLC

94-155 LEOWAENA STREET

WAIPAHU, HI 96797

PHONE: 808-671-2817 FAX: 808-678-0633

Email: sales@pacwesthi.com

Quotation

Name / Address
KAUAI ISLAND UTILITY CO-OP Attn: Accounts Payable 4463 Pahee Street Suite 1 Lihue, HI 96766-2000 accountspayable@kiuc.coop

Date	Estimate #
5/29/2025	ES-13360

Lead Time	Terms	Rep	FOB	Project
3-4 weeks	Due on receipt	RL	PW Wareho...	Cantilevers

Qty	Item	Description	Cost	Total
12	NCC144	New Cantilever Columns, 144" Height, 10" Depth, Double Sided, Structural, Color Green, each	523.10	6,277.20T
24	NCB60	New Cantilever Bases, 60: Length, Single Sided, Structural, Color: Green, each	256.90	6,165.60T
96	NCA60-475	New Cantilever Arms, 60: Length, 4-3/4" Face, Structural, Color: Orange, each	134.20	12,883.20T
24	NCH048	New Cantilever Horizontals, 48" Width , Color: Orange	40.80	979.20T
16	NCX048	New Cantilever X-Bracing Sets, 48" Width , Color: Orange	47.25	756.00T
100	Anchor	HILTI Anchors, 1/2" x 3-1/2" NOTE: Freight included to YB Lihue port ** Trucking by OTHERS ** Installation by OTHERS	4.50	450.00T

SUBMITTED BY: RAFAEL LI, RME , (808) 671-2817
CONTRACTOR LICENSE # CT-30938

Subtotal \$27,511.20

Sales Tax (4.712%) \$1,296.33

Total \$28,807.53

Accepted By: _____

Date Accepted: _____

BOARD APPROVAL REQUEST FORM

Requestor

Department T&D

Date 6/12/2025

Name FRED PASCUAL

Title: Dist. Planning Coord.

Program/Project Name 250601C-DISTRIBUTION XFMR-OH-NEW CUSTOMER

Project Dates (if any) 2025

Deadline(s) _____

Description of Request (attach documentation if needed)

Request budget amendment due to expenditures exceeding original budget. Transformers orders that were place last year arrived and paid for in this year's budget.

Financial Impact

Fiscal Year: 2025

Budgeted? yes

Unbudgeted? _____

O&M

Capital

(if NEW, attach Capital Justification Sht)

Original Budget Amt \$ 150,000

Additional/Change \$ 285,000

Revised Budget Amt \$ 435,000

Required (Initials)

CEO Review: DS

Committee Referral/Action

Committee _____

Meeting Date: _____

Committee Recommendations: _____

Cmte Chairperson Presiding: _____

Board Action

Board Workshop _____

Wrkshp Date: _____

Board Meeting Date _____

Action Taken: _____

1st/2nd: _____

Other Info: _____

Res No. _____

File Date & Location _____

Loan: 2025		2025 CAPITAL BUDGET					
Approved Date: 01/01/2025		Work Plan:					
Status: Active							
LoanProject	Description	Loan/Inventory	Work Order/SE Invoice	Work Order	Life	Year	Month
250601C	DISTRIBUTION XFMR-OH-NEW CUST	150,000.00					
	Open	PURCH POLE MOUNT XFMRs-APRIL 2022	J2195	49,049.63	36,008.36	0.00	0.00
	Open	PURCH POLE MOUNT XFMRs-NOV 2022	J2243	319,520.78	290,789.43	0.00	0.00
	Open	PURCH POLE MOUNT XFMRs-JAN 2024	J2369	63,912.12	58,420.93	4,179.06	0.00
	Open	Purchase Stepdown XFMR - Molokaa Subd	J2397	8,394.26	0.00	0.00	0.00
	Open	PURCHASE POLE MOUNT XFMRs - October 202	J2416	168,237.00	156,980.04	156,980.04	4,301.57
	Open	PURCH POLE MOUNT XFMRs-March 2025	J2453	155,976.43	0.00	0.00	0.00
	Capitalized	PURCHASE POLE MOUNT XFMRs - May 2024	SE J2389	227,850.93	230,024.94	50,257.48	0.00
Total For Loan Project - 250601C:		150,000.00		992,941.15	772,223.70	211,416.58	4,301.57
Total For Loan - 2025:		150,000.00		992,941.15	772,223.70	211,416.58	4,301.57
Grand Totals:		150,000.00		992,941.15	290,789.43	211,416.58	4,301.57

YTD Purchases	Remaining Commitment	Total CapEx
0.00	13,041.27	13,041.27
0.00	28,731.35	28,731.35
4,179.06	5,491.19	9,670.25
0.00	8,394.26	8,394.26
156,980.04	11,256.96	168,237.00
0.00	155,976.43	155,976.43
50,257.48	0.00	50,257.48
211,416.58	222,891.46	434,308.04

Total Budgeted	150,000.00
Total Unbudgeted	284,308.04

PARAMETERS ENTERED:

Loan : All

Loan Project: 2025;250601C;

Work Plan: All

Work Order: All

Inventory: All

Status: All

Closed Date:

Capitalized Date:

Include Tracking: No

Special Equipment:

14099

/report/14099/rptcustom/acct/WO_14099_LOAN_INFO.xml.rpt

etsuda

Signature: 

Email: dbissell@kiuc.coop

BOARD APPROVAL REQUEST FORM

Requestor

Department T&D

Date 6/16/2025

Name FRED PASCUAL

Title: Dist. Planning Coord.

Program/Project Name 250601A-DISTRIBUTION XFMR-UG-NEW CUSTOMER

Project Dates (if any) 2025

Deadline(s) _____

Description of Request (attach documentation if needed)

Request budget amendment due to expenditures exceeding original budget. Transformers orders that were place last year arrived and paid for in this year's budget.

Financial Impact

Fiscal Year: 2025

Budgeted? yes Unbudgeted? _____

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

Original Budget Amt \$200,000

Additional/Change **\$ 1,445,000**

Revised Budget Amt \$1,645,000

Required (Initials)

CEO Review: DB
David Bissell

Committee Referral/Action

Committee _____

Meeting Date: _____

Committee Recommendations: _____

Cmte Chairperson Presiding: _____

Board Action

Board Workshop _____

Wrkshp Date: _____

Board Meeting Date _____

Action Taken: _____

1st/2nd: _____

Other Info: _____

Res No. _____

File Date & Location _____

250601A	DISTRIBUTION XFMR-UG-NEW-CUST	200,000.00
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DISTRIBUTION XFMR-OC-NEW-COST			200,000.00	Work Order Cost Estimate	Estimated Labor Adjustment	Life to Date	Year to Date	Month to Date	Projected year end totals
Open	PURCH PAD MOUNT XFMR5 - May 2022	J2204	138,164.67	1271.15	122,701.52	46,693.18	46,693.18		63,427.48
Open	PURCH PAD MOUNT XFMR5-NOV 2022	J2242	125,988.07	1234.24	109,238.70	84,431.38	84,431.38		102,414.99
Open	PURCH PAD MOUNT XFMR5-DEC 2022	J2244	172,607.58	1744.68	148,388.42	123,581.10	123,581.10		149,544.94
Open	PURCH PAD MOUNT XFMR5-FEB 2023	J2272	255,613.61	1630.14	212,959.08	212,959.08	212,959.08		257,243.75
Open	PURCH PAD MOUNT XFMR5-MAY 2023	J2288	404,548.81	2217.14	358,770.54	333,723.43	169,327.68		381,718.84
Open	PURCH PAD MOUNT XFMR5- JULY 2023	J2303	136,561.01	849.03	117,383.20	117,383.20	88,439.76		137,410.04
Open	PURCH PAD MOUNT XFMR5- OCT 2023	J2324	195,487.31	1271.15	164,149.67	119,798.90	119,798.90		152,407.69
Open	PURCH PAD MOUNT XFMR5-MAY 2024	J2390	229,525.99	889.8	212,503.58	146,335.02	146,335.02		164,247.23
Open	PURCH PAD MOUNT XFMR5-AUG 2024	J2398	206,753.39	688.8	207,484.74	207,484.74	0.00		207,442.19
Open	PURCH PAD MOUNT XFMR5-OCT 2024	J2417	26,364.97	68.88	25,047.11	25,047.11	25,047.11		26,433.85
250601A:			200,000.00	1,891,615.41	1,678,626.56	1,417,437.14	1,016,613.21		1,642,291.00
									sub-total
									\$200,000.00
									2025 budget
									\$1,442,291.00
									additional change
									\$1,645,000
									Revised budget

Signature: 
Email: dbissell@kiuc.coop

KIUC BOARD POLICY NO. 11
PATRONAGE CAPITAL ALLOCATION AND RETIREMENT POLICY

PURPOSE OF POLICY:

It is the goal of the Board of Directors of Kaua'i Island Utility Cooperative ("KIUC") to allocate and retire capital credits annually. This Patronage Capital Allocation and Retirement Policy is intended to allow all allocations and retirements of KIUC Capital Credits to be made in accordance with Article VII of the Seventh Revised and Restated By-laws of KIUC or the successor to said Article VII, and consistent with KIUC's current Equity Management Plan (EMP) as approved by the Board.

POLICY CONTENT:

- I. KIUC is an electric cooperative organized under the provisions of Chapter 421C of the Hawaii Revised Statutes. It is exempt from federal income taxes under the provisions of Section 501 of the Internal Revenue Code of 1954 as amended. Article VII of KIUC's Bylaws establishes certain requirements concerning the accounting for patronage capital furnished by member-owners. KIUC's policy concerning the allocation and retirement of patronage capital provided by member-owners is as follows:
 - A. **Allocation of Margins as Patronage Capital Credits:** No later than August 15 of each year, KIUC shall mail to the last known address of each member-owner from whom patronage was received in the preceding year, a statement showing the amount of patronage received and the amount of patronage capital credited to each member's account as a result of such patronage, provided that such statements shall not be required for years in which:
 1. KIUC fails to earn assignable margins as defined in Article VII of the Bylaws; or
 2. The amount of assignable margins earned is determined to be insufficient to warrant the assignment of patronage capital credits and issuance of statements.
 - B. **Carry Forward of Unassigned Patronage Capital:** If, pursuant to Section A.2 above, no assignable margins for a given year are assigned to the patronage capital credit accounts of KIUC's active member-owners during that year, said margins will be combined with those of the following year for assignment to member-owners providing patronage to the KIUC in the following year in proportion to that patronage.
 - C. **Retirement of Patronage Capital Credits:** On an annual basis, the Board of Directors will authorize the retirement amount and method to be used for any capital credit allocations for the prior year. Such retirement amount and method will be consistent with KIUC's EMP.

- D. Compliance with Mortgage Requirements:** KIUC shall at all times seek to fully comply with the various provisions of its long-term debt instruments with regard to the retirement of patronage capital.
- E. Payments to Estates:** To the extent such action does not conflict with the provisions of KIUC's Bylaws or long-term debt instruments, KIUC will pay capital credits to the estates of deceased member-owners under the following conditions:
1. The deceased member-owner must have been a natural person;
 2. The deceased member-owner must have been the sole owner of the capital credits to be retired. Patronage capital credits will not be paid to estates of deceased member-owners when the account was owned jointly with a surviving member-owner.
 3. Requests for payment of a deceased member-owner's patronage capital credits must be submitted in writing by the personal representative of the deceased member-owner's estate, and must be accompanied by appropriate documentation as required by KIUC;
 4. Any discounted patronage capital credits issued to estates as aforesaid shall be discounted using the following assumptions:
 - a. For purposes of discounting only, KIUC will assume that payments of patronage capital credits would have been made in equal installments over a period of years to be determined annually by the Board after issuance of its annual audit report.
 - b. KIUC will use a discount rate to be determined annually by the Board after issuance of its annual audit report at the same time as determining item II. E. 4. a. above using the Goodwin Formula previously approved by the Board by motion on May 30, 2006.
 5. To the extent it can be determined, discounted patronage capital credits paid to estates will be for the decedent's residence only. No patronage capital credits earned on commercial meters and discounted as set out above will be paid to a deceased member-owner's estate.
 6. The portion of any deceased member-owner's patronage capital account retained by KIUC after any discounted patronage capital refund is made to a deceased member-owner's estate as aforesaid shall become permanent capital of KIUC.
 7. The Board will not approve the retirement of more than four hundred thousand dollars (\$400,000.00) in discounted patronage capital credits to the estates of deceased patrons in a given year. In the event a request for payment is denied or only partially paid due to the four hundred thousand dollars (\$400,000.00) limitation, the portion of such amount not paid in full that year will be paid during the following year prior to acting upon any later received requests for payment to the extent the Board deems commercially reasonable.
- F. Patronage Capital Credits from Associated Organizations:** Except insofar as KIUC's Bylaws may require the application of such items to offset losses incurred in the current or prior fiscal years, patronage capital credits received by KIUC

from associated organizations will not be segregated or otherwise treated differently from the remaining assignable margins of KIUC.

- G. Method of Payment:** Patronage capital credits may be retired by the issuance of checks, credit to member accounts, or by application to current outstanding balances due KIUC as determined by the Board.
- H. Collection of Delinquent Accounts:** No payment in retirement of a member-owner's or deceased member-owner's capital credits shall be made unless KIUC's records shall have first been reviewed to determine whether such member-owner or deceased member-owner owes any outstanding sums to KIUC. To the extent such member-owner owes any outstanding sums to KIUC, any patronage capital credits to be retired shall be applied by way of set-off to such sums, and no check shall be issued to the member-owner or deceased member-owner's estate until the amount owing KIUC shall have been paid in full.

II. RESPONSIBILITY

- A.** KIUC's President/CEO shall be responsible for the implementation of this policy.
- B.** KIUC's Board is responsible for the annual determinations required of the Board by this Policy.

Adopted on this 26th day of June 2025.

Calvin Murashige
Secretary

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