

REGULAR MEETING OF THE BOARD OF DIRECTORS
KAUA'I ISLAND UTILITY COOPERATIVE
Held at KIUC Main Conference Room and Video Conference Call
September 25, 2025

MINUTES

Meeting called to order by Chair Smith at 1:03 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:** Laurel Loo (General Counsel), Teresa Amoy (Executive Administrator), Erin Tsuda (CFO), Brad Rockwell (COO)
- 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), Shelley Paik (PA Specialist), Shelsey Francisco (Sr. Financial Analyst), Allison Young (Comm. & PR Specialist); Members of the press (0) and Members of the public (1)
- 1.4. **Absent/Excused:** None

2. Approval of the Agenda

- 2.1. The Board of Directors' agenda of September 25, 2025, was approved as circulated.

3. Approval of Minutes

- 3.1. The minutes of August 26, 2025, Regular Board meeting were approved as circulated.

4. Director Safety Moment

The Director's Safety Moment revolved around the importance of emphasizing safety in meetings and operations. The Board attended a community meeting by AES, where they began with a safety moment, highlighting exits and safety protocols.

Director Yamane expressed gratitude to the staff for providing safety metrics, which offer insights into the organization's safety and training performance and noted that this practice underscores the commitment to ensuring employee and public safety during operations.

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

5.1. The President's report was circulated to the board for the month of September.

- **Safety and Outages:** No recordable safety incidents occurred during the month. There was one reportable outage lasting 0.2 hours per customer due to a tree branch on the Anahola circuit.
- **Efficiency and Rates:** The heat rate for the month was 9,004 BTUs per kilowatt-hour, indicating good efficiency. Residential rates slightly decreased to 33.9 cents per kilowatt-hour, remaining the lowest in the state.
- **Habitat Conservation Plan (HCP):** Updates were provided on scheduling public meetings for the HCP and Environmental Impact Statement (EIS). Virtual meetings are planned for October, and a site visit is scheduled for October 22nd.
- **Fledgling Season:** A reminder was issued about the fledgling season (September 15 – December 15).
- **Call Center Transition:** Starting October 1st, after-hours calls will be handled by a Cooperative Response Center (CRC) instead of the power plant control room.
- **Wildfire Mitigation Plan:** The plan saw significant activity, including public hearings, technical meetings, and feedback from the Consumer Advocate.
- **Enterprise Risk Management:** Consultants visited to assist with identifying and mitigating risks, with updates to be shared as the process progresses.
- **Renewable Projects:** A community meeting for the Kaawanui project was held, receiving positive feedback. The PUC docket for this and other projects continues.
- **Hurricane Drill:** A "Day One After a Hurricane" drill was conducted to assess disaster response and identify areas for improvement.
- **Stanford Visit:** A group of Stanford students studying energy policy and sustainability visited, engaging in discussions about the organization's operations.

6. Financial Report – Erin Tsuda (CFO)

6.1. The CFO provided a recap for the August 2025 Financial Report and provided financial highlights on the following:

- Sales and revenues, operating expenses, net margin, balance sheet, recap on the kWh sold, and Account Receivable balances. Financial presentation attached.

7. NRECA Hawai'i Director Report – Director David Iha

7.1. Director Iha noted that activities were quiet at the national level as NRECA was focused on regional meetings throughout September.

- Upcoming election for the Hawaii State Director to the NRECA board is scheduled for next month's Board meeting.

8. Charitable Foundation Board Report – Director Phil Tachian. No report.

9. Public Testimony. No public testimony was received.

10. New Business

10.1. Resolution 05-25, CoBank Line of Credit Amendment

The Resolution focuses on amending the \$15 million line of credit with CFC. The resolution proposed splitting the line of credit into two sections; \$5M guaranteed immediately, and \$10M subject to CFC approval. The F&A Committee recommended Board approval of Resolution 05-25.

MOTION: to approve Resolution 05-25.

[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

10.2. BAR Form – Production Reliability

Director Yukimura introduced Board Approval Request (BAR) form as it relates to Production Reliability. The request was made to increase the production budget by \$290,000. Noted in the request where some expenses were budgeted for 2024 but arrived in 2025 and unforeseen equipment failures required replacements. The Production department noted that the overall expenses would remain within their total budget.

MOTION: Approve the budget request.

[Motion: Yukimura] [Second: TenBruggencate]

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

Motion carried

10.3. Policy 33 – Member Called Special Meetings of KIUC Members

Director Acoba introduced Policy 33, Member Called Special Meetings of KIUC Members policy.

MOTION: to amend KIUC Board Policy No. 33, policy content paragraph 1, subsection B., subsection 3., the first sentence to be amended, “Notice shall be given by the Board causing a Notice of Meeting to be posted prominently at all KIUC locations where KIUC employees are permanently assigned and the publishing of the Notice of Meeting at least two separate days in a newspaper of general circulation on Kauai or on at least two social media platforms,” and the remaining language will remain the same.

[Motion: Acoba] [Second: TenBruggencate]

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

11. Calendar

- 11.1. **October 6-7, 2025** – 2025 NRECA Region 7 & 9 Meeting (Bellevue, WA)
- 11.2. **October 13, 2025** – HOLIDAY – Discoverers’ Day (KIUC Offices Closed)
- 11.3. **October 21, 2025** – Board Committee Meetings (9:00am, MCR)
- 11.4. **October 30, 2025** – Regular Board Meeting (1:00pm, MCR/Zoom)

12. Executive Session

At 1:29 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.

- 12.1. The open session of the Regular meeting was reconvened at 2:24 p.m. The Board ratified the following actions taken in Executive Session.
 - August 26, 2025, ES Minutes were approved in executive session.
 - Approval of Regulatory Oversight

13. Adjournment

- 13.1. The meeting was adjourned at 2:24 p.m.

Calvin Murashige

Calvin Murashige (Oct 30, 2025 16:22:59 HST)

Calvin Murashige
Board Secretary

President's Report

September 25, 2025

David Bissell

President & CEO

President's Report

Safety (August)	Month	2025 YTD	2024 YTD
Recordable Incidents	0	2	3
Availability and Reliability	Month	2025 YTD	2024 YTD
Reportable Outages	1	35	27
Average Outage Hours Per Customer	0.22	4.36	5.43
Efficiency	Month	2025 YTD	
Net Plant Heat Rate	9,004	9,290	
Peak Demand (MW)	85.42		
Residential Rates			
September 2025	\$0.339/kwh decrease \$0.002 from August		

Update Items

- Habitat Conservation Plan and EIS
 - USF&W Virtual Meeting-10/5
 - ESRC Virtual Meeting 10/28
 - Site visit- 10/22
 - DLNR Public Hearing to be scheduled after ESRC meeting
- Fledgling season- 9/15-12/15
- Cooperative Response Center – Starting 10/1

Update Items

- Wildfire Mitigation Plan
 - PUC public hearing held- Tuesday, 9/23
 - PUC technical meetings held Monday and Tuesday, 9/22 & 9/23
 - Docket IRs ongoing
- Enterprise Risk Management
 - CFC staff held on-site workshop Wednesday, 9/24

Update Items

- Renewable Projects
 - Kaawanui Community Meeting held Wednesday, 9/25
 - PUC dockets – ongoing
- Day one post hurricane tabletop drill 9/9
- Hurricane Kiko in Central Pacific early Sept.
- Stanford student visit 9/8



Mahalo!



Kaua'i Island Utility Cooperative

Your Touchstone Energy® Cooperative



Board Financial Report

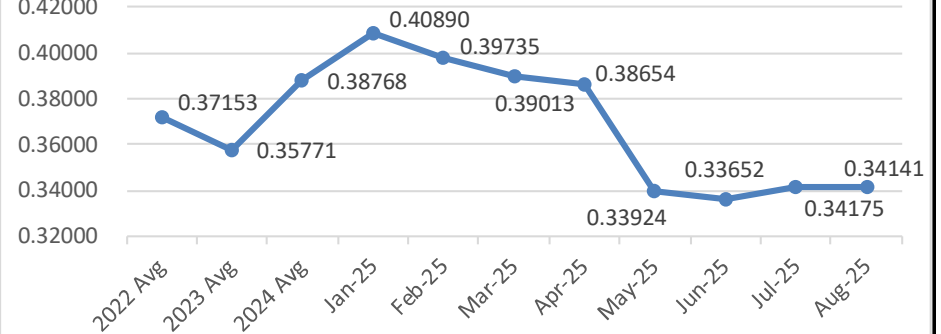
September 2025

Financial Scorecard – YTD August 2025

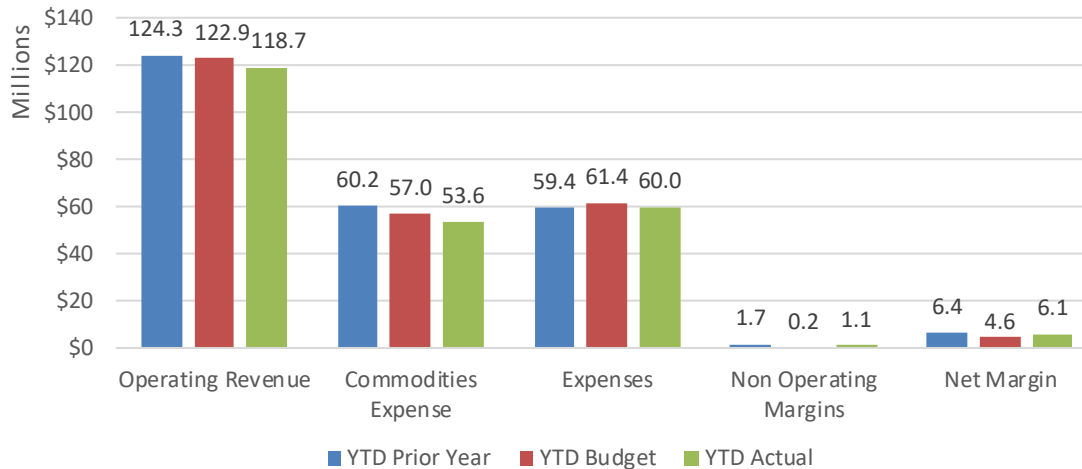
MWh Sales

Class	YTD Prior Year	YTD Actual		Percent Change
Residential (D)	126,897	132,047	↑	4.1%
Small Comm (G)	43,231	46,023	↑	6.5%
Large Comm (J)	33,669	33,859	↑	0.6%
Lrg Pwr Primary (LP)	104,278	107,304	↑	2.9%
Street Lighting (SL)	464	525	↑	13.3%
Irrigation	437	1,053	↑	141.1%
Total	308,975	320,811	↑	3.8%

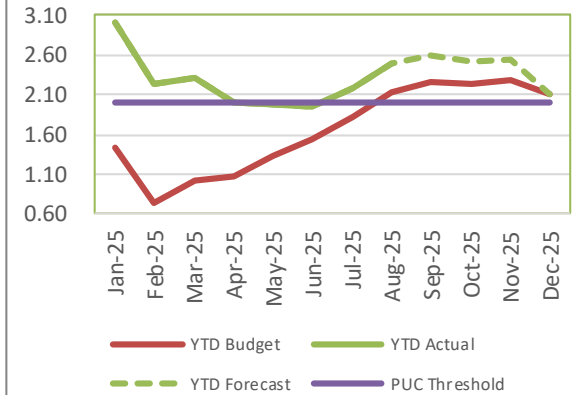
Residential Rates



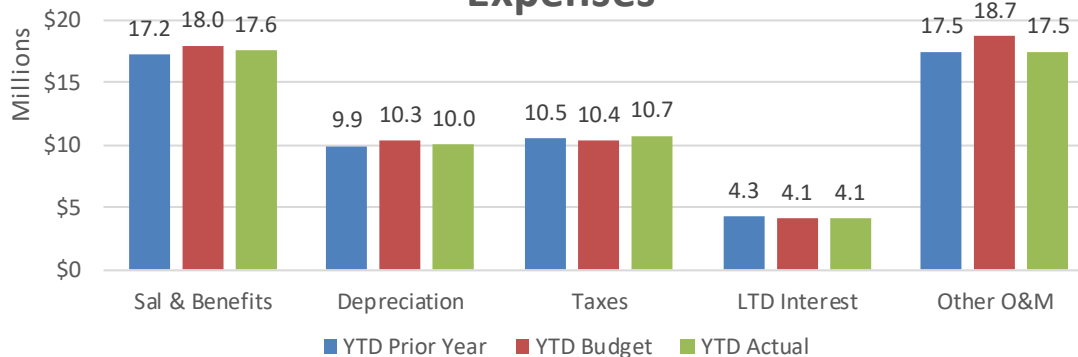
Key Results



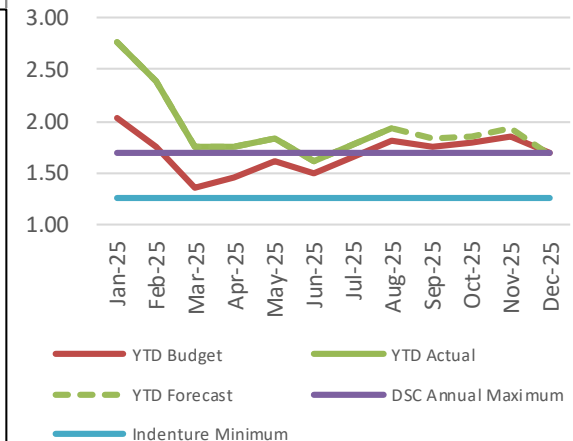
TIER



Expenses



DSC



Financial Highlights

Income Statement (YTD)

MWh Sales

275,375

- 3.8% higher than PY
- 5.4% higher than Budget

Residential Rate

\$0.34141/kWh

- 0.09% or \$0.00034/kWh lower than July 2025
- 15.3% or \$0.06165/kWh lower than PY
- 12.3% or \$0.04775/kWh lower than Budget

Revenues

\$118.7M

- 4.5% or \$5.7M lower than PY
 - Higher volume of sales offset by lower rates
- 3.4% or \$4.2M lower than Budget
 - Higher volume of sales offset by lower rates

Operating Expenses

\$35.1M

- 1.1% or \$384K higher than PY
- 4.2% or \$1.6M lower than Budget

Financial Highlights

Income Statement (YTD)

Net Margin \$6.1M	TIER 2.50	DSC 1.955
• 4.6% or \$297K lower than PY ○ \$867K higher Gross Margin (Revenues – Commodities) ○ (\$384K) higher O&M ○ (\$66K) higher Depreciation ○ (\$248K) higher Taxes ○ (\$334K) lower Interest & Dividend Income ○ (\$101K) lower Jobbing Income ○ (\$212K) higher Loss from KRS1/2 ○ \$181K lower LTD Interest Expense • 32.3% or \$1.5M higher than Budget	• (Net Margins + LTD Interest) / LTD Interest • Measures ability to meet debt obligations based on current income	• Adjusted Margins / Total Debt Service ○ Adjusted Margins = Net Margins – Income(Loss) from Subsidiaries + LTD Interest + Depreciation & Amortization Expense ○ Total Debt Service = LTD Principal + LTD Interest • Measures cash flow available to pay current obligations

Financial Highlights

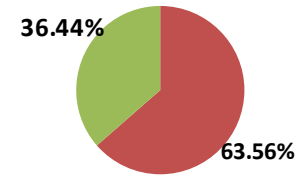
Income Statement (Month)

MWh Sales 45,436	Revenues \$17.0M	Operating Expenses \$4.7M	Net Margin of \$1.9M for the month
• 2.4% higher than PY • 5.4% higher than Budget	• 7.7% or \$1.4M lower than PY • 0.3% or \$59K lower than Budget	• 5.3% or \$235K higher than PY • 1.6% or \$75K lower than Budget	• 8.2% or \$399K lower than PY ○ Higher O&M Expenses (\$353K) • 12.3% or \$207K higher than Budget ○ Lower Commodities (\$507K) offset by higher O&M Expenses (\$235K)

Financial Scorecard – YTD August 2025

(In Millions)	YTD Actual	Current Assets	
Cash	\$ 0.50	78.8M	
Short-Term Investments	\$ 29.27	-7.3%	-6.2M ΔPY
Cushion of Credit	\$ -	Current Liabilities	
Total Cash & Investments	\$ 29.77	22M	
Line of Credit Available	\$ 40.00	13.6%	2.6M ΔPY
Line of Credit Drawn	\$ 0.00		

Equity Ratio



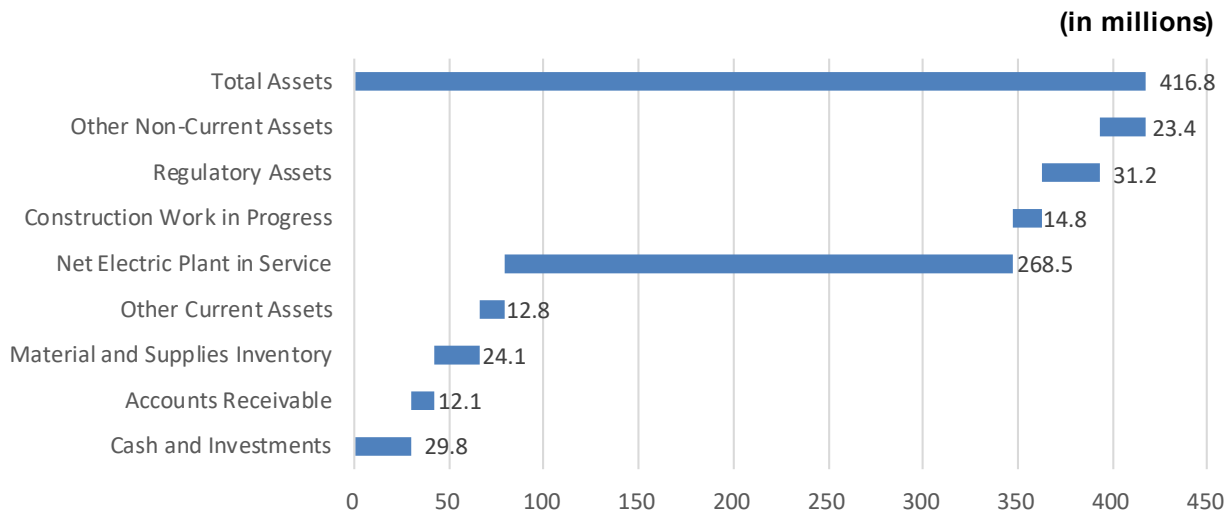
■ Liabilities as a % of Assets
■ Equity as a % of Assets

Indenture Equity Ratio

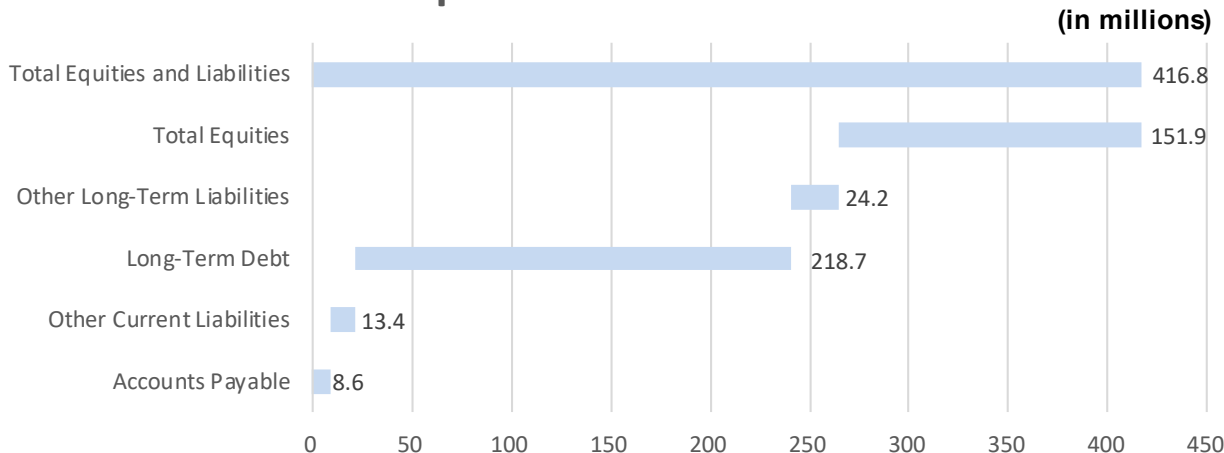
0.42

Minimum = 0.20

Assets



Equities and Liabilities



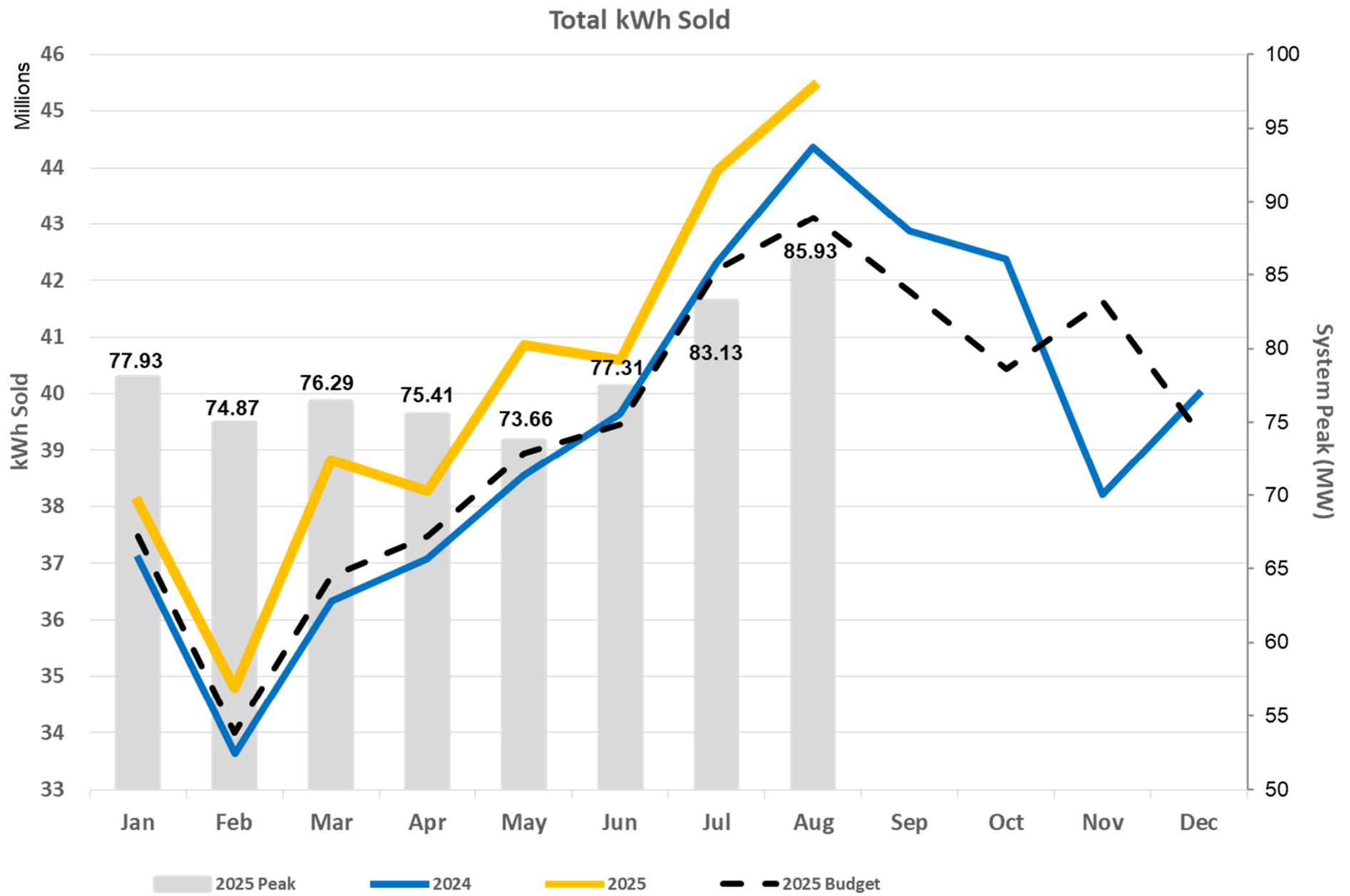
Financial Highlights

Balance Sheet

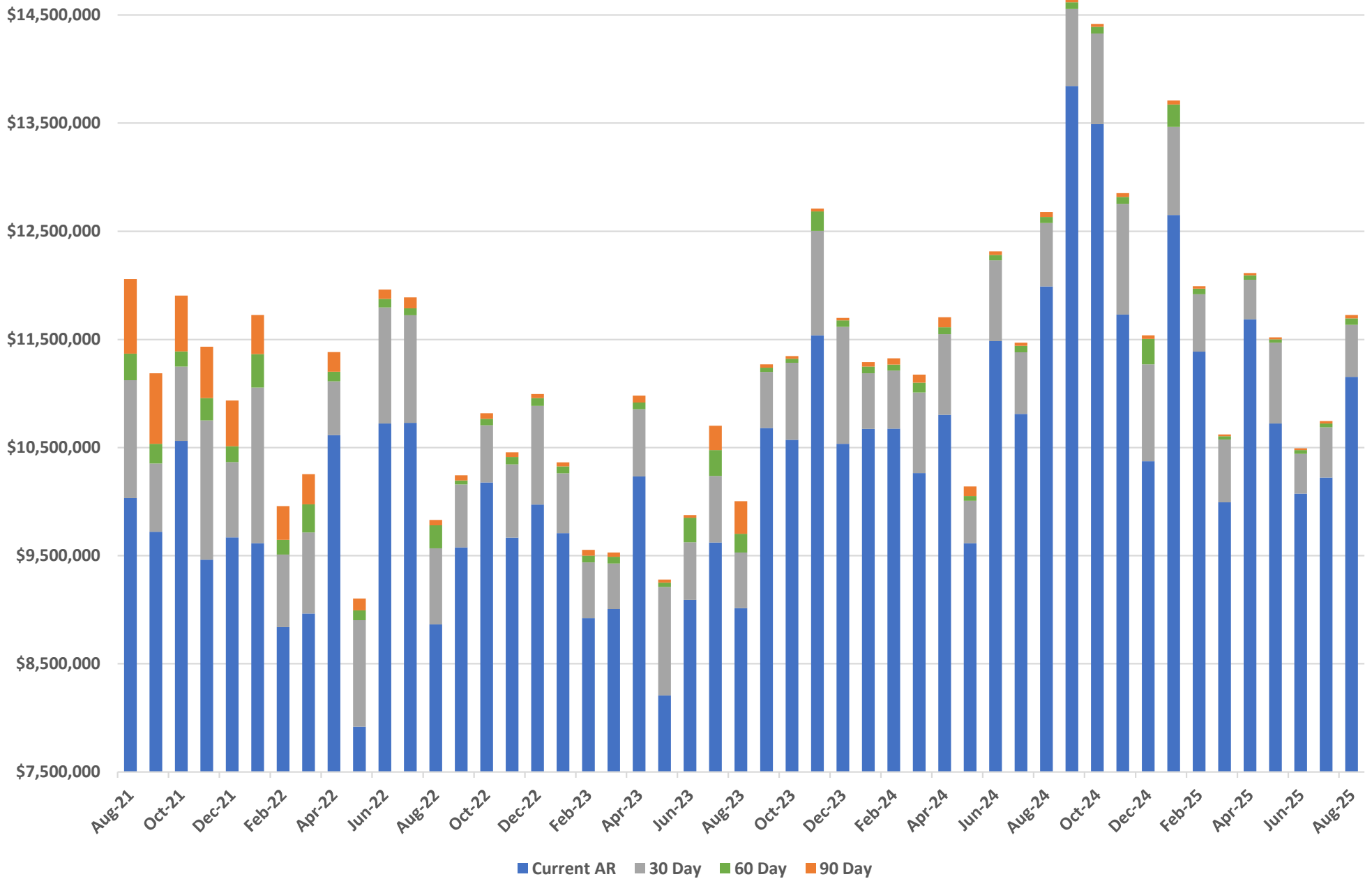
Cash

\$29.8M

- \$1.2M higher than July (\$28.6M)
 - \$1.9M from Net Margin
 - \$2.2M from Net Adj. for Cash Payments of Expenses
 - (\$2.4M) from Capital Expenditures
 - (\$0.5M) from Long-Term Debt



Total AR Balances



Questions?

Financial And Operating Report Electric Distribution

BALANCE SHEET FOR SEP 2025

	Last Year	This Year	Variance
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	599,304,287.66	604,089,259.84	4,784,972.18
2. Construction Work in Progress	11,992,509.23	15,295,840.45	3,303,331.22
3. Total Utility Plant (1 + 2)	611,296,796.89	619,385,100.29	8,088,303.40
4. Accum. Provision for Depreciation and Amort.	337,744,327.99	335,562,336.88	-2,181,991.11
5. Net Utility Plant (3 - 4)	273,552,468.90	283,822,763.41	10,270,294.51
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	21,304,094.81	19,365,473.22	-1,938,621.59
8. Invest. in Assoc. Org. - Patronage Capital	1,304,320.64	1,319,025.65	14,705.01
9. Invest. in Assoc. Org. - Other - General Funds	666,500.00	676,500.00	10,000.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	0.00	0.00
11. Invest. in Economic Development Projects	2,029,221.22	1,938,991.48	-90,229.74
12. Other Investments	0.00	0.00	0.00
13. Special Funds	0.00	0.00	0.00
14. Total Other Property & Investments (6 thru 13)	25,304,136.67	23,299,990.35	-2,004,146.32
15. Cash - General Funds	210,372.87	-1,719,367.40	-1,929,740.27
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	-28,160.67	-28,113.67	47.00
18. Temporary Investments	33,637,033.41	29,272,770.28	-4,364,263.13
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	16,591,694.40	7,237,405.80	-9,354,288.60
21. Accounts Receivable - Other (Net)	205,997.79	745,881.24	539,883.45
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	20,365,296.61	23,845,793.28	3,480,496.67
24. Prepayments	2,859,074.66	3,153,216.24	294,141.58
25. Other Current and Accrued Assets	10,187,859.06	9,875,334.39	-312,524.67
26. Total Current and Accrued Assets (15 thru 25)	84,029,168.13	72,382,920.16	-11,646,247.97
27. Regulatory Assets	36,068,717.19	31,255,651.49	-4,813,065.70
28. Other Deferred Debits	171,113.44	172,790.63	1,677.19
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	419,125,604.33	410,934,116.04	-8,191,488.29

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Page: 1

Financial And Operating Report Electric Distribution

BALANCE SHEET FOR SEP 2025

LIABILITIES AND OTHER CREDITS

30. Memberships	619.98	633.57	13.59
31. Patronage Capital	138,464,675.29	144,557,489.51	6,092,814.22
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	8,142,559.92	8,933,308.07	790,748.15
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	355,133.47	1,173,096.91	817,963.44
36. Total Margins & Equities (30 thru 35)	146,962,988.66	154,664,528.06	7,701,539.40
37. Long-Term Debt - RUS (Net)	0.00	0.00	0.00
38. Long-Term Debt - FFB - RUS Guaranteed	114,307,281.73	111,370,248.24	-2,937,033.49
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	113,562,973.31	107,307,906.35	-6,255,066.96
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)	227,870,255.04	218,678,154.59	-9,192,100.45
44. Obligations Under Capital Leases - Noncurrent	13,003,196.24	12,398,292.22	-604,904.02
45. Accumulated Operating Provisions	-26,080.56	-717,819.18	-691,738.62
46. Total Other Noncurrent Liabilities (44 + 45)	12,977,115.68	11,680,473.04	-1,296,642.64
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	5,860,729.53	1,013,107.59	-4,847,621.94
49. Consumers Deposits	1,633,579.77	1,576,158.94	-57,420.83
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	11,036,333.36	10,799,776.21	-236,557.15
54. Total Current & Accrued Liabilities (47 thru 53)	18,530,642.66	13,389,042.74	-5,141,599.92
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	12,784,602.29	12,521,917.61	-262,684.68
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	419,125,604.33	410,934,116.04	-8,191,488.29

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Page: 1

Financial And Operating Report Electric Distribution

INCOME STATEMENT FOR SEP 2025

Item	-----Year - To - Date-----		-----Period - To - Date-----		
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	140,891,227.50	123,097,451.51	139,455,047.00	4,443,179.45	16,562,315.00
2. Power Production Expense	48,956,841.10	40,502,620.06	39,443,486.00	1,369,468.95	5,016,518.00
3. Cost of Purchased Power	30,238,338.79	24,688,201.44	36,863,767.00	-37,745.53	3,900,943.00
4. Transmission Expense	1,195,760.22	1,162,461.97	1,372,269.00	41,755.87	147,988.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	1,308,885.72	906,235.75	1,265,254.00	14,898.52	141,693.00
7. Distribution Expense - Maintenance	4,101,446.79	3,995,341.99	4,610,496.00	50,708.58	515,172.00
8. Customer Accounts Expense	1,799,849.44	1,658,904.87	2,085,313.00	-1.12	230,547.00
9. Customer Service and Informational Expense	222,419.89	257,654.14	422,500.00	23,661.18	57,650.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	18,960,308.87	17,176,665.66	19,869,634.00	163,862.48	2,230,647.00
12. Total Operation & Maintenance Expense (2 thru 11)	106,783,850.82	90,348,085.88	105,932,719.00	1,626,608.93	12,241,158.00
13. Depreciation & Amortization Expense	11,181,666.52	10,008,072.44	11,613,127.00	0.00	1,290,347.00
14. Tax Expense - Property & Gross Receipts	3,519,564.59	2,964,138.68	3,486,376.00	0.00	414,058.00
15. Tax Expense - Other	8,411,470.97	7,799,298.82	8,276,129.00	20,000.00	987,592.00
16. Interest on Long-Term Debt	4,808,297.41	4,099,628.84	4,651,500.00	0.00	560,500.00
17. Interest Charged to Construction - Credit	0.00	0.00	0.00	0.00	0.00
18. Interest Expense - Other	0.00	0.00	685,761.00	0.00	112,420.00
19. Other Deductions	50,445.63	46,757.59	72,000.00	0.00	3,000.00
20. Total Cost of Electric Service (12 thru 19)	134,755,295.94	115,265,982.25	134,717,612.00	1,646,608.93	15,609,075.00
21. Patronage Capital & Operating Margins (1 minus 20)	6,135,931.56	7,831,469.26	4,737,435.00	2,796,570.52	953,240.00
22. Non Operating Margins - Interest	2,025,008.38	1,481,530.38	1,133,108.00	0.00	125,453.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-290,478.81	-490,442.47	-280,882.00	0.00	-7,462.00
25. Non Operating Margins - Other	192,462.39	106,455.12	135,990.00	-1,449.24	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	79,636.40	4,295.78	177,500.00	0.00	177,500.00
28. Extraordinary Items	0.00	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	8,142,559.92	8,933,308.07	5,903,151.00	2,795,121.28	1,263,841.00

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							<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	<u>35,586,552</u>	<u>26,448,249</u>	<u>712,208</u>	<u>25,270,386</u>	<u>685,478</u>
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	<u>12,706,000</u>	<u>12,102,814</u>	<u>417,747</u>	<u>11,819,612</u>	<u>410,493</u>
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	<u>4,900,000</u>	<u>4,618,994</u>	<u>158,147</u>	<u>4,513,277</u>	<u>154,206</u>
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						<u>\$ 292,952,269</u>	<u>\$ 225,183,483</u>	<u>\$ 6,388,545</u>	<u>\$ 214,242,350</u>	<u>\$ 6,116,003</u>

Treasury Management – Monthly Discussion

- Ratings:
 - No changes in Money Market Fund Rating - AAA
- Current Summary Of Investments:
- **\$18.9M** 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)
 - **3.89%** 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%**
- **\$5.0M** CoBank Commercial Paper Investment – AA- Moody and S&P
 - 60-day Investment – **3.18%**
- **\$272,336** Central Pacific Bank – Backup Checking in NISC if needed
 - Backup for Checking in Money Market (unlimited) account
 - **3.05%**

**RESOLUTION 05-25 OF THE
BOARD OF DIRECTORS OF
KAUA'I ISLAND UTILITY COOPERATIVE ("KIUC")**

WHEREAS, the Board of Directors previously authorized KIUC to enter into an unsecured revolving credit facility from CoBank, ACB ("CoBank") in an aggregate principal amount not to exceed \$25,000,000 (the "Line of Credit") on March 30, 2016 (the "Prior Resolution");

WHEREAS, pursuant to the Prior Resolution, KIUC entered into that certain Amended and Restated Credit Agreement, dated as of February 6, 2020, by and between KIUC and CoBank (as amended, the "Loan Agreement") providing for a revolving credit facility in the amount of \$15,000,000 and pursuant to which KIUC entered into a promissory note in favor of CoBank evidencing the Line of Credit (the "CoBank Committed Note");

WHEREAS, the staff of KIUC now recommends that it is in the best interest of KIUC to amend the Loan Agreement to provide for (i) a committed revolving line of credit in the principal amount of **\$5,000,000** and (ii) an uncommitted revolving line of credit in the principal amount of **\$10,000,000** (together, the "Amended Line of Credit");

WHEREAS, in connection with the Amended Line of Credit, KIUC will be required to enter into a new promissory note in favor of CoBank evidencing the \$10,000,000 uncommitted revolving line of credit (the "CoBank Uncommitted Note") and to execute and deliver amendments to the Loan Agreement, the CoBank Committed Note (as so amended, the "Amended CoBank Committed Note"), any loan supplements thereto and such other agreements, documents, instruments, certificates and notices as may be necessary or desirable to effectuate the foregoing (collectively, the "Loan Documents");

NOW, THEREFORE, be it resolved by the Board of Directors of KIUC, that KIUC is hereby authorized and empowered to enter into, and to perform its obligations under the Loan Documents, and subsequent amendments thereto or extensions thereof (provided such amendments do not increase the aggregate principal amount of the Amended Line of Credit or extend the then-applicable maturity date of the Amended Line of Credit, as it may previously been extended, by more than one (1) year), setting forth, among other things, the terms and conditions of the Amended Line of Credit, including advances of the Amended Line of Credit and applicable interest rates or methods of determining interest rates, with such terms and conditions to be as either the President and CEO or Financial VP & CFO of KIUC (each, an “Authorized Officer”) or any individual designated in writing by an Authorized Officer (each, a “Designee”) shall determine to be necessary or appropriate and in the interest of KIUC.

RESOLVED, that the Board of Directors of KIUC hereby authorizes and empowers KIUC to enter into, and to perform its obligations under the Amended CoBank Committed Note and the CoBank Uncommitted Note, each to be in such form as any Authorized Officer or Designee shall determine to be necessary or appropriate and in the interest of KIUC and each of which will be unsecured except for the statutory pledge of any equity KIUC may purchase or earn in CoBank.

RESOLVED, that any Authorized Officer or Designee is hereby authorized to: (1) obligate KIUC to make such investments in CoBank as required by CoBank; (2) execute and deliver to CoBank any agreements, addenda, authorization forms and other documents or instruments as may be required by CoBank in the event that KIUC elects to use any services or products related to the Amended Line of Credit that are offered now or in the future, including, without limitation, an automated clearing house (ACH) service and CoBank’s electronic banking system; (3) direct and/or delegate to designated employees of KIUC the authority to direct, by written or telephonic

instructions or electronically, if KIUC has agreed to use CoBank's electronic banking system (the "System") for such purpose, the disposition of the proceeds of the Amended Line of Credit; and (4) request and/or delegate to designated employees of KIUC the authority to request by telephonic or written means or electronically (if KIUC has agreed to use the System for such purpose) Amended Line of Credit advances and/or other related financial accommodations.

RESOLVED FURTHER, that the Secretary or any Assistant Secretary of KIUC shall file with CoBank a list of persons holding authorized offices of KIUC together with specimen signatures thereof, and CoBank shall be entitled to conclusively presume that the persons so certified as holding such offices continue to hold such offices, and that such specimen signatures are the genuine signatures of such officers, until such time as CoBank shall receive a certificate of the Secretary or Assistant Secretary of KIUC to the contrary.

RESOLVED FURTHER, that any Authorized Officer or Designee is hereby authorized and directed to cast the ballot of KIUC in any and all proceedings in which KIUC is entitled to vote for the selection of a member of CoBank's Board of Directors or for any other purpose.

RESOLVED that the Board of Directors of KIUC hereby authorizes and empowers any Authorized Officer or Designee to execute and deliver, for and on behalf of KIUC (with or without attestation of the Secretary or Assistant Secretary of KIUC), the Loan Documents, together with any and all other agreements, documents, instruments, certificates and other papers relating thereto or necessary or convenient in connection with the transactions approved in this Resolution, and to take such other actions and to do or cause to be done any and all other acts and things, including, without limitation, the expenditures of such funds, the request of advances under the Amended Line of Credit, the selection of applicable interest rate options under the Amended Line of Credit and the prepayment of the Amended Line of Credit, as in the judgment of any Authorized Officer

or Designee may be necessary or appropriate in connection with the transactions approved in this Resolution.

RESOLVED FURTHER, that the final determination and approval of the form, terms and provisions of the Loan Documents and any other agreement, document, instrument, certificate and other paper as provided in this Resolution to be executed on behalf of KIUC pursuant to this Resolution may be conclusively evidenced by the execution of such document by any Authorized Officer or Designee, and the final determination that the taking of any action or the causing of any action is in the interest of KIUC or is necessary or appropriate shall be conclusively evidenced by the taking of such action or the causing of such action by any Authorized Officer or Designee.

SECRETARY'S CERTIFICATE

The undersigned Secretary of KIUC hereby certifies that the foregoing Resolution of the Board of Directors of KIUC was duly adopted at the Regular Meeting of the Board of Directors held on September ____, 2025, at Līhu'e, Kaua'i, Hawai'i.

Dated this ____ day of September, 2025, at Līhu'e, Kaua'i, Hawai'i.

Calvin Murashige
Secretary

BOARD APPROVAL REQUEST FORM

Requestor

Department **Production**

Date **8/31/2025**

Name Richard Vetter

Title: Port Allen Manager

Program/Project Name **Reliability (251202)**

Project Dates (if any) 01/01/25 - 12/31/25

Deadline(s) _____

Description of Request (attach documentation if needed)

The Power Supply recurring reliability budget is forecast to exceed the approved budget for 2025. Major items that will cause the overage include \$55K (C1263) in equipment that should have arrived and been paid for in 2024, \$67K (C1300) in equipment ordered due to C1263 not arriving and an unplanned failure of the SCADA UPS at Port Allen \$78K (C1304). The 2025 approved Power Supply budget taken as a whole is still forecast to be under budget.

Financial Impact

Fiscal Year: 2025

Budgeted? X Unbudgeted? _____

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

Original Budget Amt \$ 100,000

Additional/Change \$ **290,000**

Revised Budget Amt \$ 390,000

Required (Initials)

CEO Review: DB

Committee Referral/Action

Committee F&A

Meeting Date: 9/16/2025

Committee Recommendations: _____

Cmte Chairperson Presiding: Peter Yukimura

Board Action

Board Workshop _____

Wrkshp Date: _____

Board Meeting Date 9/25/2025

Action Taken: _____

1st/2nd: _____

Other Info: _____

Res No. _____

File Date & Location _____

KIUC BOARD POLICY NO. 33
MEMBER CALLED SPECIAL MEETINGS OF KIUC MEMBERS

PURPOSE OF POLICY:

To set out certain requirements and procedures to be used by KIUC Members to properly notice a Member-called Special Meeting of KIUC Members pursuant to Sections 2 and 3 of Article II of the Seventh Revised and Restated KIUC Bylaws or its successor (the "Bylaws").

POLICY CONTENT:

I. General

Sections 2 and 3 of Article II of the Bylaws allow active members of KIUC, who or which have not been transferred to Inactive Status (hereinafter "Active Members" or "Members" or singularly "Member") to submit a Notice of Demand for a Special Meeting of the Members of KIUC for a specific purpose or purposes (a "Notice of Demand") to the Secretary of the KIUC Board of Directors (the "Board"). This Policy sets out the requirements and procedures to be followed to successfully call such a meeting.

A. Member Requirements. The following are the requirements of KIUC's Bylaws for the KIUC Members to call a Special Meeting of the KIUC Members for a particular purpose or purposes (a "Member-Called Meeting of Members"):

1. The Notice of Demand must state the specific purpose or purposes for which the Member-Called Meeting of Members has been called.

B. Board Requirements. Once such a Notice of Demand is received and validated as set out in Paragraph E below:

1. The Board shall cause such a Member-Called Meeting of Members to be held within 30 days of the receipt of the Notice of Demand.
2. The Member-Called Meeting of Members shall be noticed to all Active Members by the Board in writing at least 15 business days before the date set for said meeting.
3. Notice shall be given by the Board causing a Notice of Meeting to be posted prominently at all KIUC locations where KIUC employees are permanently assigned and the publishing of the Notice of Meeting at least two separate days in a newspaper of general circulation on Kauai or on at least two social media platforms. Additional notice of Member-Called meetings may also be given by such other reasonable means (e.g. media advertising and posting on KIUC's website) as the Board may determine is appropriate.
4. The Notice of Meeting shall contain the time and place of the meeting and the purpose or purposes for the meeting specified in the Notice of Demand.
5. No other business except the purpose or purposes specified in the Notice of Demand may be conducted at the Member-Called Meeting of Members.

C. Procedure for Policy Implementation. This Policy shall be implemented as follows:

1. Copies of this Policy and the forms necessary to comply with it shall be available for printing on KIUC's website, www.kiuc.coop and from the KIUC Member Services Department.
2. For each Notice of Demand there shall be a sponsor (the "Sponsor") representing all of the signers of the Notice of Demand, who shall be a Member of KIUC and a signer of the Notice of Demand and whose name shall be shown on the Notice of Demand. The Sponsor shall be responsible for circulation of the Notice of Demand for signature by the Members and for assembling and filing the Notice of Demand in proper form.
3. Each signature of the Members signing the Notice of Demand must be verified to be the genuine signature of the person it purports to be by the checking of the Member's identification or otherwise by the Sponsor or a Circulator (as hereinafter defined) circulating the copy or copies of the Notice of Demand in question.
4. For a Notice of Demand to be accepted for certification it shall:
 - a. Have had all pages of the completed Notice of Demand delivered by the Sponsor to the Secretary on copies of the form attached to this Policy as Exhibit "A" (for the first page of the Notice of Demand) or Exhibit "B" (Continuation pages of the Notice of Demand) with the information called for on the form substantially completed for each name and signature on the form. In determining such substantiality the information in at least one of the information categories provided for each name and signature on Exhibits "A" and "B", i.e. the Member's Service Address, Telephone Number, or Account Number must match the information for that Member contained in KIUC's data.
 - b. Be submitted under cover of the Notice of Demand Transmittal Letter and Declaration in the form attached to this Policy as Exhibit "C" with all spaces properly filled in.
 - c. If individuals other than the Sponsor are engaged by the Sponsor to obtain Member signatures on copies of the Notice of Demand ("Circulator[s]"), each set of Notice of Demand pages collected by such Circulator or Circulators shall have attached to such set of Notice of Demand pages at the time of submittal of the Notice of Demand to the Secretary, a declaration in the form attached to this Policy as Exhibit "D" (the "Declaration") attesting each Circulator personally circulated the set of Notice of Demand pages attached to the Declaration; the set of Notice of Demand pages bears a stated number of signatures; each signature on such Notice of Demand pages was affixed in the Circulator's presence; and each signature is the genuine signature of the person it purports to be.

D. Procedure After Notice of Demand Submittal.

1. Within seven (7) business days after the submittal of a Petition, KIUC shall determine the sufficiency of the Notice of Demand as to form and the number of valid Member signatures affixed to the Notice of Demand, and certify the Notice of Demand to be either:

(1) "Insufficient" so no further action is required; or (2) Sufficient to qualify the Notice of Demand as "Sufficient" which is defined as a Notice of Demand sufficient as to form and has at least 250 valid Member signatures affixed on the date of the Notice of Demand's submittal to the Secretary by the Sponsor.

2. As soon as convenient after KIUC has made its determination as to the category of the Notice of Demand it shall certify to the Secretary, CEO and the Sponsor the category the Notice of Demand has received and shall issue a public announcement of such category. If the certification made is "Insufficient", KIUC will provide to the Sponsor the following information with regard to the certification:
 - a) The total number of signatures on the Petition timely received; and
 - b) The total number of signatures received were determined insufficient; and
 - c) The specific categories for disqualification of all signatures disqualified; and
 - d) The number of disqualified signatures in each category.

E. Procedure After Certification.

1. If the Notice of Demand was deemed "Insufficient", no further action on KIUC's part is required except the notification of the Sponsor required by Policy Content Paragraph D. 2) above.
2. If the Notice of Demand was deemed "Sufficient", the KIUC Board will proceed as set out in Policy Content Paragraph C above.

II. Responsibilities

1. The CEO is responsible for implementing and enforcing the portion of this Policy to be performed by Staff.
2. The Board shall be responsible for the enforcement of this Policy

Adopted on this 25th day of September 2025.

Calvin Murashige
Secretary

Reviewed: 09/25/2025
Revised: 03/24/2022
Reviewed: 08/28/2018
Revised: 10/25/2016
Revised: 08/26/2014
Original Adoption: 10/25/2011

**KIUC NOTICE OF DEMAND FOR
MEMBER CALLED SPECIAL MEETINGS OF KIUC MEMBERS**

NOTE: By signing this Notice of Demand I, one of the undersigned, certify I am an Active Member of KIUC or the authorized representative of an Active entity Member of KIUC, and this is the only copy of this Notice of Demand I have or will sign in that capacity; and the information given as to Name, Service Address, Telephone Number and Account Number will match the information on my Active Account at KIUC. I understand _____, is the Sponsor of this Notice of Demand and as such consent to the said Sponsor being designated as such for this Notice of Demand pursuant to KIUC Board Policy No. 33 to act for me as a signer of the Demand in the manner he or she deems appropriate. I also agree and consent to the disclosure of all information concerning me on this Petition to the general public, thereby waiving any applicable claim to privacy with regard to that information.

REMINDERS: Although a Member may have multiple sub-accounts, no matter how many sub-accounts you may have a Member may sign this Notice of Demand only once. KIUC does not allow joint accounts so only the spouse who is the Member may sign the Notice of Demand.

PURPOSE OF NOTICE OF DEMAND: The purpose of this Notice of Demand is to call a Special Meeting of the Members of KIUC for the following purpose or purposes: _____

<u>NAME</u> (Please Print)	<u>SIGNATURE</u>	<u>SERVICE ADDRESS</u>	<u>TELEPHONE</u> <u>NUMBER</u>	<u>ACCOUNT NO.</u>
1. (Sponsor)				
2.				
3.				
4.				
5.				
6.				

EXHIBIT "B"
(Continuation page(s) of Notice of Demand)

**KIUC NOTICE OF DEMAND FOR
MEMBER CALLED SPECIAL MEETINGS OF KIUC MEMBERS**

NOTE: By signing this Notice of Demand I, one of the undersigned, certify I am an Active Member of KIUC or the authorized representative of an Active entity Member of KIUC, and this is the only copy of this Notice of Demand I have or will sign in that capacity; and the information given as to Name, Service Address, Telephone Number and Account Number will match the information on my Active Account at KIUC. I understand _____, is the Sponsor of this Notice of Demand and as such consent to the said Sponsor being designated as such for this Notice of Demand pursuant to KIUC Board Policy No. 33 to act for me as a signer of the Demand in the manner he or she deems appropriate. I also agree and consent to the disclosure of all information concerning me on this Petition to the general public, thereby waiving any applicable claim to privacy with regard to that information.

REMINDERS: Although a Member may have multiple sub-accounts, no matter how many sub-accounts you may have a Member may sign this Notice of Demand only once. KIUC does not allow joint accounts so only the spouse who is the Member may sign the Notice of Demand.

PURPOSE OF NOTICE OF DEMAND: The purpose of this Notice of Demand is to call a Special Meeting of the Members of KIUC for the following purpose or purposes: _____.

<u>NAME</u> (Print)	<u>SIGNATURE</u>	<u>SERVICE ADDRESS</u>	<u>TELEPHONE</u> <u>NUMBER</u>	<u>ACCOUNT NO.</u>
1.				
2.				
3.				
4.				
5.				
6.				

EXHIBIT "C"

**KIUC NOTICE OF DEMAND FOR
SPECIAL MEETING OF KIUC MEMBERS TRANSMITTAL LETTER AND DECLARATION**

Date: _____

To: _____, Secretary, KIUC Board

From: _____ (Sponsor)

_____ (Address)

Email.: _____

Telephone: _____

Re: Transmittal and Declaration for KIUC Notice of Demand for Special Meeting of KIUC
Members

Dear KIUC Secretary:

Attached hereto pursuant to KIUC Board Policy No. 33 ("Policy 33") is the initial page and _____ continuation pages of a Notice of Demand for Special Meeting of KIUC Members for the purpose or purposes indicated therein.

The undersigned is the Sponsor responsible for this Notice of Demand under Policy 33. I declare under penalty of perjury I personally circulated the attached set of Notice of Demand pages; the set of Notice of Demand pages attached hereto bear _____ signatures; each signature on such Notice of Demand pages was affixed in my presence; and each signature is the genuine signature of the person it purports to be verified in accordance with Policy 33.

Signature

EXHIBIT "D"

**KIUC CIRCULATOR TRANSMITTAL AND DECLARATION FOR
MEMBER NOTICE OF DEMAND**

Date: _____

To: _____, Secretary, KIUC Board

From: _____ (Circulator)

_____ (Address)

Email.: _____

Telephone: _____

Re: Circulator Transmittal and Declaration for Notice of Demand for Special Meeting of KIUC
Members

Dear KIUC Secretary:

Attached hereto pursuant to KIUC Board Policy No. 33 ("Policy 33") are _____ continuation pages of a Notice of Demand (the "Notice of Demand") calling for the noticing of a Special Meeting of KIUC Members for the purpose or purposes indicated therein.

I, the undersigned, was duly appointed a Circulator of this Notice of Demand under Policy 33 by the Sponsor of the Notice of Demand under Policy 33. I declare under penalty of perjury I personally circulated the set of Notice of Demand pages attached hereto; the set of Notice of Demand pages attached hereto bear _____ signatures; each signature on such Notice of Demand pages was affixed in my presence; and each signature is the genuine signature of the person it purports to be verified in accordance with Policy 33.

Signature