

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

Via Video Conference Call

December 18, 2025

MINUTES

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

1. Roll Call

- **Directors present:** Directors Allan Smith (Chair), Jan TenBruggencate (Vice Chair), Edmund Acoba, David Iha, James Mayfield, Calvin Murashige (Secretary), Teofilo Tachian, Michael Yamane, Peter Yukimura (Treasurer); and David Bissell (CEO)
- **Others present:** Laurel Loo & Matthew Bracken (General Counsel), Teresa Amoy (Executive Administrator), Erin Tsuda (CFO), and Brad Rockwell (COO)
- **Others present via Video Conference Call:** Beth Amaro (Member Services & Communications Mgr.), Lisa Ubay (Mgr. of HR and Safety), Cameron Kruse (Engineering & Technology Mgr.), Daurice Arruda (Accounting Mgr.), Scott Sato (Gov't Affairs & Energy Services Mgr.), Shelley Paik (PA Specialist), Allison Young (Comm. & PR Specialist), and Melanie Cierras (Finance Mgr.); Members of the press (0) and Members of the public (3)
- **Absent/Excused:** None

2. Approval of the Agenda

- The Board of Directors' agenda of December 18, 2025, was approved as presented.

3. Approval of Minutes

- The following minutes were approved without objections.
November 25, 2025, Regular Board meeting

4. Director Safety Moment

During the Director Safety Moment, the importance of cautious driving during heavy rain was emphasized. The dangers of reduced visibility and the potential for tires to lose grip on wet roads were emphasized, urging everyone to drive slower and more carefully in such conditions.

Another safety moment was shared about an experience at a golf tournament supporting scholarships for families of fallen or disabled military veterans and first responders. A man who had survived a severe accident involving a boiler explosion on a ship, which exposed

him to 700-degree steam, leaving him badly burned. Despite his injuries, the man had adjusted well and shared his story. The story emphasizes the importance of speaking up about known hazardous conditions to prevent avoidable accidents. The need for awareness and proactive measures to ensure safety in the workplace was highlighted.

5. Carbon Cashback Presentation – Guest speakers, JoAnn Yukimura, Helen Cox, and Tom Graham (Presentation attached)

JoAnn Yukimura, Helen Cox, and Tom Graham presented the "Carbon Cashback" policy, aimed at reducing greenhouse gas emissions in Hawaii in a cost-effective and equitable way. The policy involves two key components:

- Carbon Fee: A gradually increasing fee on fossil fuels at the point of import, using the existing barrel tax. The fee would create a price signal to encourage businesses and consumers to shift to cleaner energy alternatives.
- Climate Rebates: The revenue collected from the carbon fee would be redistributed equally to all residents as annual cashback payments, with half shares for dependents. These rebates would offset the increased costs of fossil fuel products, benefiting low- and moderate-income families the most.
 - The expected outcomes include:
 - Accelerated transition to clean energy.
 - Reduction in greenhouse gas emissions by 13% over 10 years.
 - Financial benefits for families, especially those with lower incomes.
 - Increased price stability for energy products.

The presenters emphasized that the policy complements KIUC's clean energy goals and would reward Kauai residents due to the island's advanced renewable energy efforts. The policy requires approval from the state legislature, and a bill will be introduced in the next legislative session.

- Questions were posed to the presenters:
 - **How does it work that you give back more than it costs?**
 - The question sought clarification on how the rebates could exceed the costs incurred by residents. The presenters explained that visitors to Hawaii would pay the carbon fee but would not receive rebates, which contributes to the surplus distributed to residents.
 - **Which fuels would be impacted, specifically hydrogen and biodiesel?**
 - The presenters clarified that the carbon fee would apply to fossil fuel products, including petroleum and propane. Pure biodiesel would not be impacted, but blends would be affected proportionally.
 - **Do the rebates go only to families, not farms or businesses?**
 - The presenters confirmed that rebates would go to individual taxpayers and their dependents, not to businesses or corporations. However, farm families would receive rebates as individuals.
 - **What are the next steps for implementing the policy?**

- The presenters explained that the policy requires approval by the state legislature, and they plan to introduce a bill in the next legislative session.
- **Who determines the fee and its escalation?**
 - The presenters stated that the fee and its escalation are based on calculations by UHERO (University of Hawaii Economic Research Organization), which drew on national studies to determine the societal costs of fossil fuels. The fee would start at 5 cents per gallon and increase to 90 cents per gallon over 10 years.

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

The President's report was circulated to the board for the month of December (presentation attached). Brief highlights of the presentation below.

- **Wildfire Mitigation Efforts:** KIUC replaced over 518 poles and 352 insulators this year as part of its wildfire mitigation plan. Additionally, all open wire secondary bare copper wires have been replaced. The PUC docket for the wildfire mitigation plan is still awaiting a decision.
- **Recognition:** KIUC was named Business Climate Champion for 2025 by Climate Hawaii for its leadership in clean energy initiatives.
- **Renewable Projects:** Amendments to the Ka'awanui and Mana projects were executed and will be filed with the PUC soon.
- **Endangered Species Recovery Committee:** The committee is meeting to discuss KIUC matters, with a follow-up meeting scheduled for January 16.
- **Employee Achievements:**
 - Brandon Simpliciano completed the NRECA Supervisory and Management Development Program.
 - Thad Fuji at Port Allen became a certified professional electrical engineer.
 - Mark Nakamura completed his linemanship apprenticeship and is now a fully qualified journeyman lineman.

7. Financial Report – Erin Tsuda (CFO)

The CFO provided a financial presentation for the November 2025 Financial Report (presentation attached). A brief recap of the presentation provided below:

- **Sales and Rates:** Year-to-date megawatt-hour sales increased by 3.3% compared to the prior year. Residential rates were 37.6 cents per kWh in November, slightly increasing to 37.9 cents in December.
- **Net Margin:** The year-to-date net margin was \$9.7 million, slightly lower than last year by \$96,000 but above budget expectations.
- **Operating Expenses:** Operating expenses were consistent with the prior year and slightly lower than budget projections.
- **Revenue:** November revenue was \$15.4 million, impacted by lower rates and sales volume compared to the prior year and budget.
- **Balance Sheet:** Cash and investments totaled \$28 million. The current ratio remained healthy at over 2.0. Equity ratio increased to 37.26%.

- **Accounts Receivable:** Total AR balances rose to \$11.5 million, with slight increases in aging buckets (30, 60, and 90 days). This trend is consistent with the time of year, and the team will monitor it closely.

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

- **December Board Meeting:** The meeting included 16 out of 48 new incoming directors. The board adopted the budget for the upcoming year with no dues increase for 2026.
- **Dues Structure:** NRECA imposes dues on the anniversary date of each member, and KIUC's dues are scheduled for September. Any dues increase passed next year will apply in 2027.
- **CEO Evaluation:** The board conducted a survey and discussed the evaluation of CEO Jim Matheson's performance.
- **Meeting with U.S. Representative Jill Tokuda:** Director Iha and Board Chair Smith met with Representative Tokuda at the NRECA office near Hyatt Capitol Hill to present a check from America's Electric Political Action Committee and discussed legislative priorities.
- **Dinner with CFC Board of Directors:** NRECA hosted a dinner with the CFC Board of Directors at its headquarters.
- **Advocacy Effectiveness:** A consultant's report highlighted NRECA as the highest-rated organization for accessing both Republican and Democratic lawmakers in Washington, demonstrating strong advocacy efforts.
- **Upcoming Events:** The next board meeting will be held at the TechAdvantage conference in March, marking the end of Director Iha's term as NRECA Hawaii Director, with Board Chair Smith taking over.

9. Charitable Foundation Board Report – Director Phil Tacbian

- **Makana Program:** Participation in the program increased to 523 members. Total contributions for the year-to-date exceeded \$3,000.
- **Golf Fundraiser:** The event grossed \$82,000, with a profit of \$46,000, marking the best performance to date. Director Tacbian acknowledged Kyle Cremer, the chairman of the committee, co-chair Director Acoba, and all volunteers for their efforts in making the event a success.
- **Scholarship Program:** The foundation discussed the lineman scholarship for Northwest schools in California, with more details to be shared in the next meeting.

10. Loan Review Committee Report – Director Phil Tacbian

- **Outstanding Loans:**
 - **RED Grant Loans:** Two loans remain outstanding, including NTBG and Island School.
 - **Revolving Loan Fund:** Five loans are currently outstanding, with a total of \$1.9 million in loans.
 - **Available Funds:** The committee has \$421,755 in reserve available for new loans.

11. Public Testimony. No public testimony was received.

12. New Business

12.1. Resolution 06-25 – 2026 KIUC Results of Operation (ROO) Budget

Resolution 06-25 was introduced by F&A Committee Chair Yukimura. The resolution pertains to the adoption of the Results of Operations Budget for 2026. The resolution was discussed during the Finance and Audit committee meeting, and the details were attached to the resolution.

MOTION: to approve.

[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

12.2. Resolution 07-25 – 2026 KIUC Capital Budget

Resolution 07-25 was introduced by F&A Committee Chair Yukimura which involves the approval of the 2026 Capital Budget. The resolution was discussed during the Finance and Audit committee meeting.

MOTION: to approve.

[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

12.3. Resolution 08-25 – Authorizing Amendment Executive Comp 457(b) Plan

Resolution 08-25 pertains to the adoption of changes to the Executive Compensation Plan. These changes were primarily technical provisions recommended by HR and NRECA to align with legal requirements. The updates include clarification on fund distribution upon the participant’s passing and withdrawal timing based on age.

MOTION: to approve.

[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

12.4. BAR Form – STRAT Professional Services

The BAR form request was for an increase of \$150,000 in the 2025 budget because of additional work that had to be done.

MOTION: to approve.

[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

12.5. Preliminary Survey and Investigation Expenditures

The preliminary survey and investigation expenditures focused on authorizing staff to begin preparatory work for potential environmental and permitting investigations related to future generation projects.

MOTION: to approve.

Discussion: The expenditure, estimated at \$1 million, was clarified as a balance sheet item rather than a budget item. It was explained that the costs would be accounted for through cash forecasting and long-term project financing. If the project proceeds, the expenses will be capitalized; if not, they will be written off as an expense, requiring board approval at that time.

[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

13. Calendar

- 13.1. **January 1, 2026** – HOLIDAY – New Year’s Day (KIUC Offices Closed)
- 13.2. **January 20, 2026** – Board Committee Meetings (9:00 am, MCR/Zoom)
- 13.3. **January 21, 2026** – Hawaii State Legislature Opening Day (Honolulu, HI)
- 13.4. **January 25-28, 2026** – 2026 Directors Conference (Palm Springs, CA)
- 13.5. **January 29, 2026** – Regular Board Meeting (1:00 pm, MCR/Zoom)

14. 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.

- 14.1. The open session of the Regular meeting was reconvened at 1:59 p.m. The Board ratified November 25, 2025, ES Minutes that were approved in executive session.

15. Adjournment

- 15.1. The meeting was adjourned at 2:00 p.m.

Cal Murashige

Cal Murashige (Jan 30, 2026 12:21:16 HST)

Calvin Murashige
Board Secretary



Carbon Cashback Hawaii 'i

Carbon Cashback's Role in Hawaii 'i's Clean Energy Transition

presented to
Kaua'i Island Utility Cooperative
December 18, 2025

Later is Too late



Carbon Cashback: An Effective and Equitable Solution for Reducing GHGs

- Imposes a gradually increasing fee on fossil fuels
- Distributes the revenues back to families

Outcomes of Carbon Cashback

- Reduces spending by consumers and businesses on imported fossil fuel-related goods and services
- Accelerates shift to clean energy
- Increases price stability
- Reduces carbon emissions rate by 13%

Outcomes of Carbon Cashback

- Supplemental income to households
 - more than covers cost increases due to carbon fee for most low and moderate income families
- Minimally affect economic growth

Advantages of Carbon Cashback

- Economy wide effect
- Unlike mandates, businesses free to choose how to best reduce their emissions
- Revenue-neutral: does not take from state/county budgets
- Easy to implement
- Complements other policies

Effects on Electric Utilities

- Carbon cashback overlaps with the RPS
- Supports compliance with RPS

Effects on Electricity Ratepayers

- Electric bill increase will depend on amount of fossil fuels in the energy mix
- Cashback will more than offset the increase, especially on Kaua'i

Summary

- Carbon cashback will accelerate the shift to clean energy and reduce climate pollution while financially benefiting families

Mahalo



Carbon Cashback

carboncashbackhawaii.org

carboncashbackhawaii@gmail.com

STATE, NATIONAL, AND GLOBAL ORGANIZATIONS, INDIVIDUALS, AND KEY STUDIES THAT RECOMMEND OR SUPPORT CARBON PRICING

State of Hawai'i

- **2020-2022 Hawaii State Tax Commission** put carbon cashback at the top of [its list](#), recommending that the State: *“Impose a carbon tax to incentivize moving away from carbon-based fuels and adopting clean energy. We recommend that the majority of the proceeds be rebated as a cashback to the residents of Hawai'i, with a disproportionate distribution to low-income households.”*
- **Hawai'i State Energy Office**, in its [2023 Hawai'i Pathways to Decarbonization plan](#), includes among its 23 recommendations a “carbon surcharge,” with dividends paid to residents (aka carbon cashback).
- **Hawai'i's Climate Change Mitigation and Adaptation Commission**, in its [Hawai'i Climate Action Pathways 2025](#) plan, called for a carbon price increasing from the current \$8 per ton carbon dioxide equivalent to \$150 per ton in 2045 “to address the social cost of carbon and shift fossil fuel consumption,” and further, to provide for “equity distributions for [low- and moderate-income] communities.”
- **University of Hawaii Economic Research Group (UHERO)**

United States

- **The Climate Leadership Council**, a Republican think tank (founded by former Republican Secretaries of State, George Schultz and James Baker, among others) first floated the idea of a carbon dividend in a 2017 paper, [The Conservative Case for a Carbon Dividend](#). It is a climate solution proposed by Republicans as a business solution.
- **The Business Roundtable** in its 2020 Report [Addressing Climate Change: Principles and Policies](#)
- **3,649 U.S. economists**, including 28 U. S. Nobel Laureate economists, 4 former chairs of the Federal Reserve (including Janet Yellen and Ben Bernanke) and 15 former chairs of the Council of Economic Advisors signed [“The Economists’ Statement on the Carbon Dividend,”](#) which was published in the Wall Street Journal on January 19, 2019.

- **The National Academies of Sciences, Engineering, and Medicine** are nongovernmental institutions operating under congressional charter to advise the nation on some of the most compelling issues of the day. In a [consensus study report](#), the three collectively recognized carbon pricing to be the key ingredient to achieve cost-effectiveness in decarbonization of the nation's energy system. They have proposed a gradually increasing economy-wide price on carbon, combined with rebates to promote a fair and just transition to a carbon-free energy system.

International

- **The Intergovernmental Panel on Climate Change** in its [latest report](#) said, *"Pricing of greenhouse gases, including carbon, is a crucial tool in any cost-effective climate change mitigation strategy, as it provides a mechanism for linking climate action to economic development."*
- **Pope Francis** in his [2015 Encyclical Laudato si](#) on "care for our common home," says: *'Yet only when the economic and social costs of using up shared environmental resources are recognized with transparency and fully borne by those who incur them, not by other peoples or future generations,' can those [economic] actions be considered ethical"* Section 195
See <https://www.countercurrents.org/polya290715.htm>
- A [study of 1,500 policies in 41 countries](#), [showed](#) that one of the most effective policies was a tax on carbon, especially when paired with programs to "ensure the burden doesn't fall on those least able to shoulder it."

SHORT BIOS
for Carbon Cashback Hawai'i's Presentation
before the Kaua'i Island Utility Cooperative Board of Directors
December 18, 2025

Helen Cox (helencox.kcc@gmail.com) serves as Chair of the Kauai Climate Action Coalition and co-leads the Kaua'i Chapter of the Citizens Climate Lobby. Prior to retirement, she served as the Chancellor of KCC where she established the Wai'ale'ale scholarship program for students (often Native Hawaiians) not likely to go to college. Born and raised in Honolulu, she received her BA from Harvard and Masters and Ph.D in American History for the University of Utah. She also served as a Fulbright Scholar in Russia and Czechoslovakia. She presently serves on Kaua'i County's Planning Commission.

Tom Graham (thomasgraham@aol.com) is a marine resources manager. He spent most of his career with NOAA Fisheries working on international fisheries in the Pacific. Now semi-retired, he works with groups like Carbon Cashback Hawaii to promote energy and climate policies that are cost-effective and equitable.

JoAnn Yukimura (jyukimura@gmail.com) served in elected office on Kaua'i for 6 years as mayor and 22 years as a council member. Among the many programs she helped to establish on Kaua'i are the public bus system and the Kaua'i Island Utility Cooperative. She was a member of the KIUC Organizing Board which successfully purchased Kauai Electric and turned it into a utility cooperative owned by its ratepayers.

President's Report

December 18, 2025

David Bissell

President & CEO



President's Report

Safety (November)	Month	2025 YTD	2024 YTD
Recordable Incidents	0	3	3
Availability and Reliability	Month	2025 YTD	2024 YTD
Reportable Outages	2	40	37
Average Outage Hours Per Customer	0.19	5.11	6.21
Efficiency	Month	2025 YTD	
Net Plant Heat Rate	8,898	9,187	
Peak Demand (MW)	80.65		
Residential Rates			
December 2025	\$0.379/kwh increase \$0.003 from November		

Update Items

- Wildfire Mitigation
 - 2025 pole changeouts have passed 518
 - Insulator changeouts 352
 - Open wire secondary (bare copper) all remediated
 - PUC docket remains open pending D&O
- KIUC named Business Climate Champion for 2025 by Climate Hawaii
- Renewable projects – PPA amendments finalized this week

Update Items

- Endangered Species Recovery Committee
 - Meets today and January 16th on KIUC Habitat Conservation Plan
- Brandon Simpliciano
 - Completed NRECA Supervisory and Management Development program



Update Items

- Thad Fuji
 - Professional Engineer Certification— Electrical
- Mark Nakamura
 - Completed lineman apprenticeship





Mahalo!



Kaua'i Island Utility Cooperative

Your Touchstone Energy® Cooperative

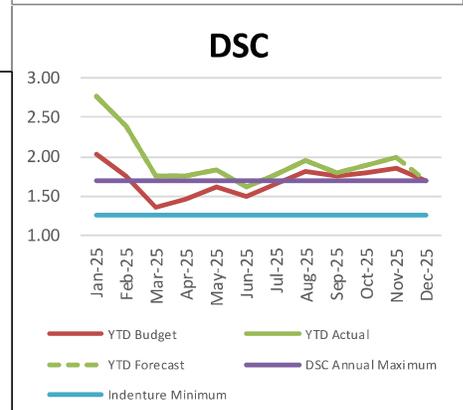
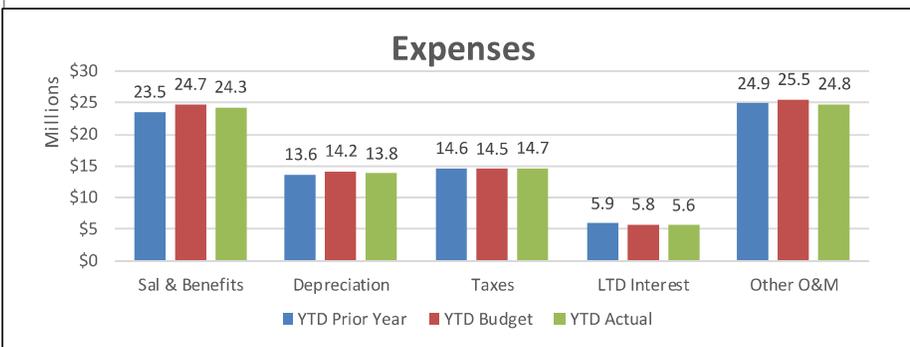
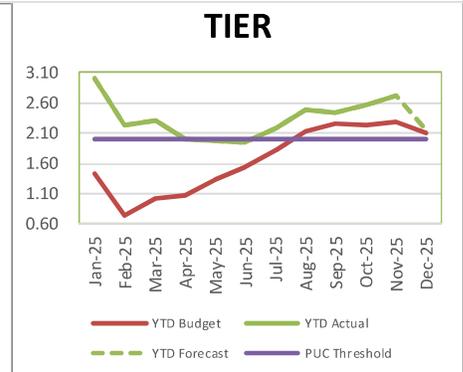
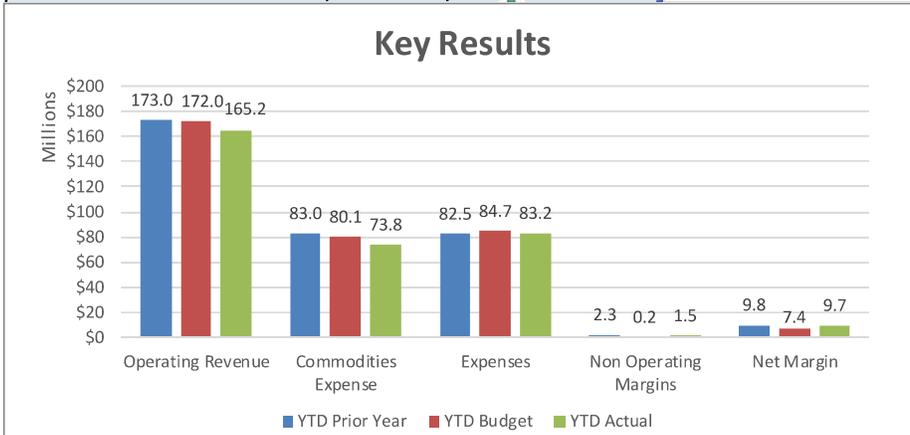
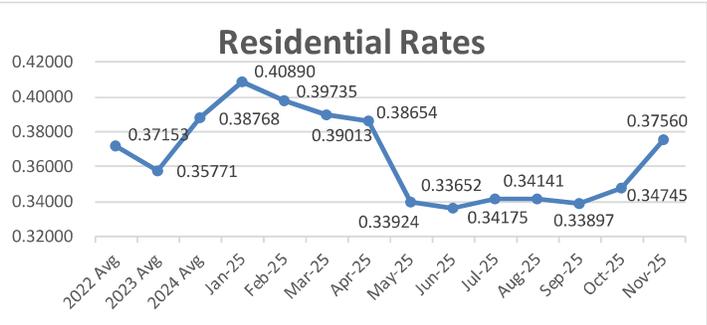


Board Financial Report

December 2025

Financial Scorecard – YTD November 2025

MWh Sales				
Class	YTD Prior Year	YTD Actual		Percent Change
Residential (D)	177,129	184,206	↑	4.0%
Small Comm (G)	60,816	63,666	↑	4.7%
Large Comm (J)	46,952	47,032	↑	0.2%
Lrg Pwr Primary (LP)	146,039	149,471	↑	2.3%
Street Lighting (SL)	638	700	↑	9.8%
Irrigation	882	1,649	↑	87.0%
Total	432,457	446,725	↑	3.3%



Financial Highlights

Income Statement (YTD)

MWh Sales 446,725	Residential Rate \$0.37560/kWh	Revenues \$165.2M	Operating Expenses \$49.1M
<ul style="list-style-type: none"> • 3.3% higher than PY • 3.1% higher than Budget 	<ul style="list-style-type: none"> • 8.1% or \$0.028150/kWh higher than October 2025 • 8.38% or \$0.034352/kWh lower than PY • 3.57% or \$0.013919/kWh lower than Budget 	<ul style="list-style-type: none"> • 4.5% or \$7.8M lower than PY <ul style="list-style-type: none"> ○ Higher sales volume offset by lower rates • 4.0% or \$6.8M lower than Budget <ul style="list-style-type: none"> ○ Higher sales volume offset by lower rates 	<ul style="list-style-type: none"> • 1.5% or \$0.7M higher than PY • 2.2% or \$1.1M lower than Budget

Financial Highlights

Income Statement (YTD)

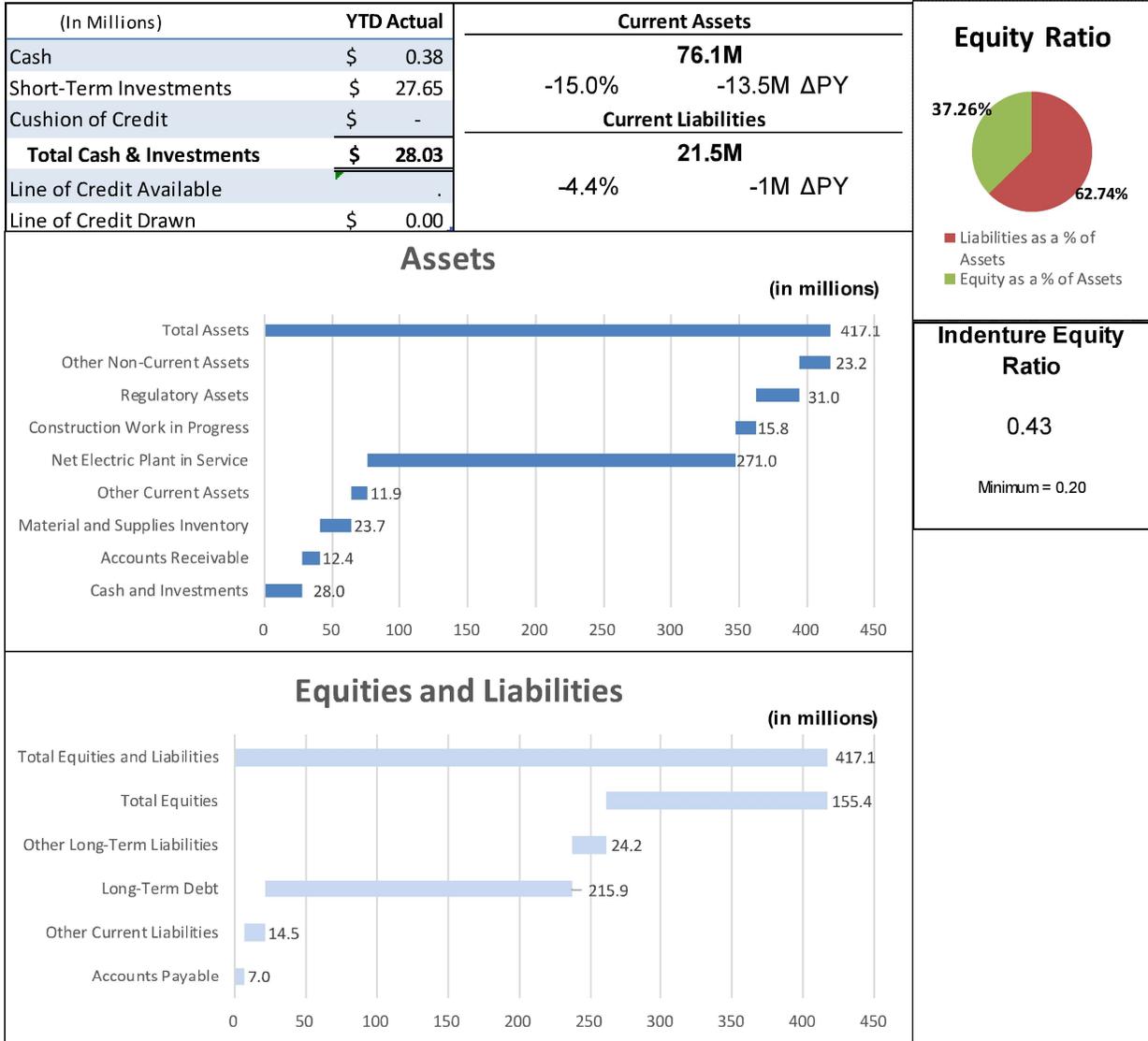
Net Margin \$9.7M	TIER 2.73	DSC 1.998
<ul style="list-style-type: none"> • 1.0% or \$96K lower than PY <ul style="list-style-type: none"> ○ \$1.3M higher Gross Margin (Revenues – Commodities) ○ (\$721K) higher O&M ○ (\$113K) higher Depreciation ○ (\$50K) higher Taxes ○ (\$488K) lower Interest & Dividend Income ○ (\$235K) higher Loss from KRS1/2 ○ \$249K lower LTD Interest Expense • 30.7% or \$2.3M higher than Budget 	<ul style="list-style-type: none"> • (Net Margins + LTD Interest) / LTD Interest • Measures ability to meet debt obligations based on current income 	<ul style="list-style-type: none"> • Adjusted Margins / Total Debt Service <ul style="list-style-type: none"> ○ 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 40,092	Revenues \$15.4M	Operating Expenses \$4.5M
<ul style="list-style-type: none">• 4.9% higher than PY• 3.7% lower than Budget	<ul style="list-style-type: none">• 2.0% or \$315K lower than PY<ul style="list-style-type: none">• Higher sales volume offset by lower rates• 6.7% or \$1.1M lower than Budget<ul style="list-style-type: none">• Lower sales volume plus lower rates	<ul style="list-style-type: none">• 14.4% or \$749K lower than PY• 1.9% or \$83K higher than Budget

Financial Scorecard – YTD November 2025



Financial Highlights

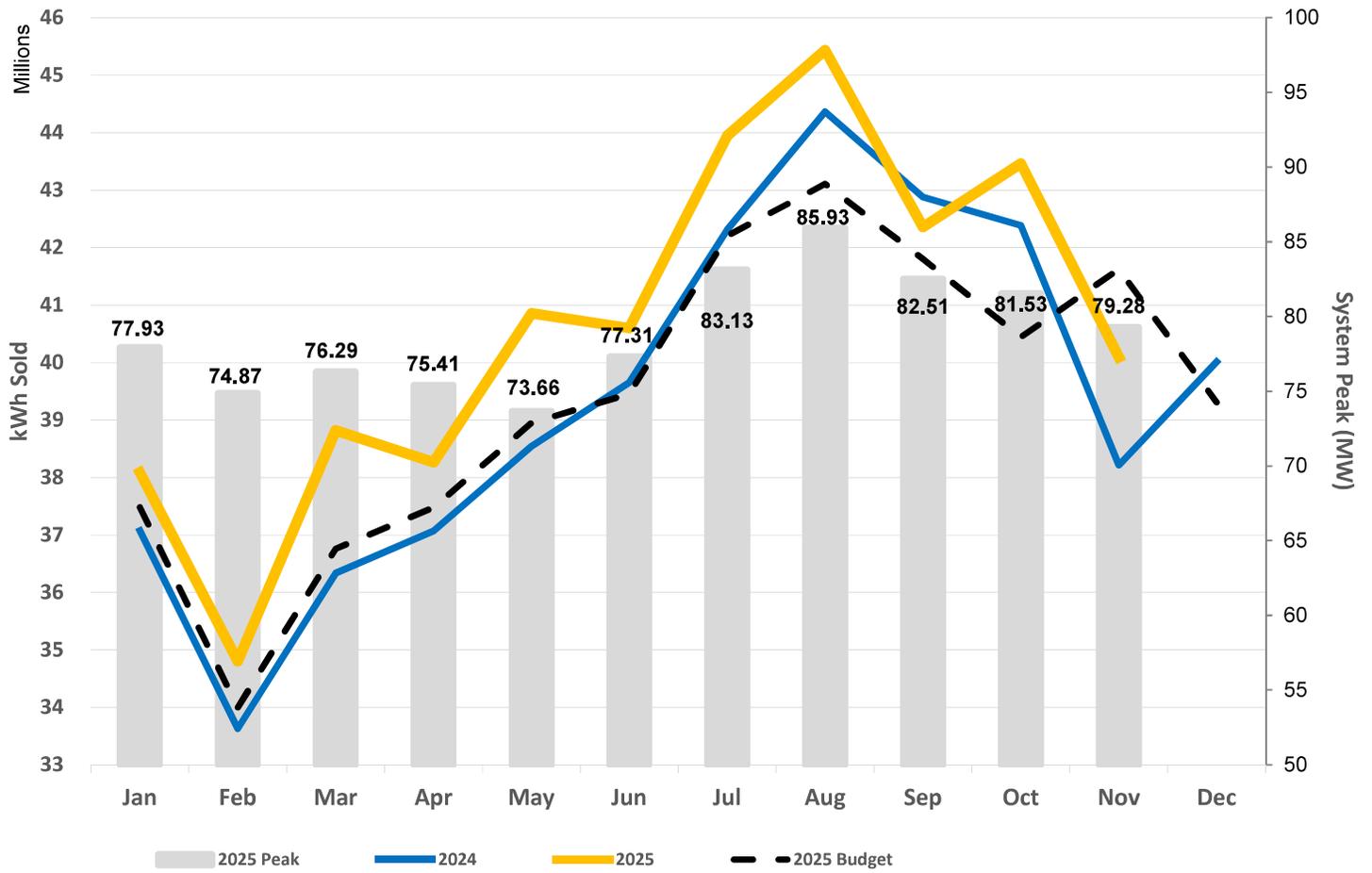
Balance Sheet

Cash

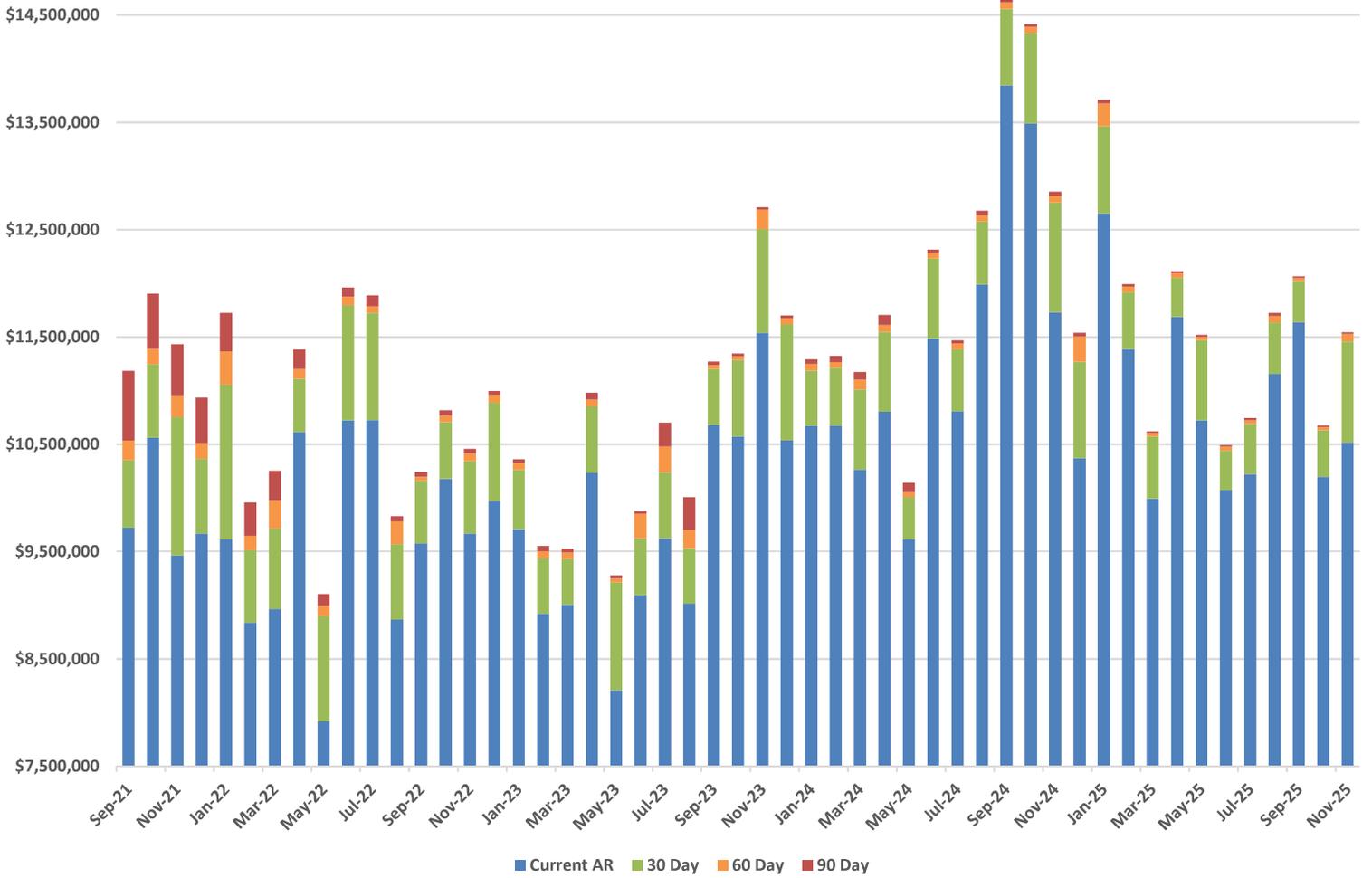
\$28.0M

- \$0.6M lower than October (\$28.6M)
 - \$1.6M from Net Margin
 - \$1.5M Net Adj. for Non-Cash Activity (Overhauls, Prepaid Expenses, Accrued Expenses)
 - (\$3.6M) for Capital Expenditures
 - (\$0.5M) for Long-Term Debt Payments

Total kWh Sold



Total AR Balances



Questions?

General Ledger
Financial And Operating Report Electric Distribution
BALANCE SHEET FOR NOV 2025

	<u>Last Year</u>	<u>This Year</u>	<u>Variance</u>
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	601,096,889.03	607,107,824.63	6,010,935.60
2. Construction Work in Progress	12,399,923.64	15,802,832.48	3,402,908.84
3. Total Utility Plant (1 + 2)	613,496,812.67	622,910,657.11	9,413,844.44
4. Accum. Provision for Depreciation and Amort.	339,210,504.25	336,143,791.49	-3,066,712.76
5. Net Utility Plant (3 - 4)	274,286,308.42	286,766,865.62	12,480,557.20
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	20,910,769.37	19,050,085.13	-1,860,684.24
8. Invest. in Assoc. Org - Patronage Capital	1,304,320.64	1,356,471.61	52,150.97
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	1,986,954.69	1,892,356.65	-94,598.04
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)	24,868,544.70	22,975,413.39	-1,893,131.31
15. Cash - General Funds	545,394.69	383,413.85	-161,980.84
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	-29,314.12	-29,680.27	-366.15
18. Temporary Investments	40,397,548.77	27,645,791.30	-12,751,757.47
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	13,830,211.77	11,480,318.92	-2,349,892.85
21. Accounts Receivable - Other (Net)	405,196.96	968,138.44	562,941.48
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	22,401,495.52	23,736,047.28	1,334,551.76
24. Prepayments	1,978,504.10	1,766,631.35	-211,872.75
25. Other Current and Accrued Assets	10,078,736.60	10,186,123.43	107,386.83
26. Total Current and Accrued Assets (15 thru 25)	89,607,774.29	76,136,784.30	-13,470,989.99
27. Regulatory Assets	34,747,851.84	30,956,725.77	-3,791,126.07
28. Other Deferred Debits	242,397.43	244,653.00	2,255.57
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	423,752,876.68	417,080,442.08	-6,672,434.60

General Ledger
Financial And Operating Report Electric Distribution
BALANCE SHEET FOR NOV 2025

	<u>Last Year</u>	<u>This Year</u>	<u>Variance</u>
LIABILITIES AND OTHER CREDITS			
30. Memberships	622.43	636.46	14.03
31. Patronage Capital	138,463,040.39	144,556,160.19	6,093,119.80
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	9,785,046.29	9,688,670.58	-96,375.71
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	355,717.02	1,173,500.03	817,783.01
36. Total Margins & Equities (30 thru 35)	<u>148,604,426.13</u>	<u>155,418,967.26</u>	<u>6,814,541.13</u>
37. Long-Term Debt - RUS (Net)	0.00	0.00	0.00
38. Long-Term Debt - FFB - RUS Guaranteed	114,307,281.73	110,387,149.93	-3,920,131.80
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	112,526,043.07	105,547,515.94	-6,978,527.13
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)	<u>226,833,324.80</u>	<u>215,934,665.87</u>	<u>-10,898,658.93</u>
44. Obligations Under Capital Leases - Noncurrent	13,003,196.24	12,398,292.22	-604,904.02
45. Accumulated Operating Provisions	-68,968.78	-765,182.37	-696,213.59
46. Total Other Noncurrent Liabilities (44 + 45)	<u>12,934,227.46</u>	<u>11,633,109.85</u>	<u>-1,301,117.61</u>
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	7,574,993.25	7,005,428.97	-569,564.28
49. Consumers Deposits	1,644,358.90	1,601,932.83	-42,426.07
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	13,298,950.52	12,912,402.70	-386,547.82
54. Total Current & Accrued Liabilities (47 thru 53)	<u>22,518,302.67</u>	<u>21,519,764.50</u>	<u>-998,538.17</u>
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	12,862,595.62	12,573,934.60	-288,661.02
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	<u>423,752,876.68</u>	<u>417,080,442.08</u>	<u>-6,672,434.60</u>

Financial And Operating Report Electric Distribution

INCOME STATEMENT FOR NOV 2025

Item	Year - To - Date		Period - To - Date		
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	172,997,865.87	165,152,906.63	171,985,911.00	15,413,186.47	16,512,016.00
2. Power Production Expense	61,499,221.70	55,417,973.15	50,374,987.00	5,247,018.90	5,493,616.00
3. Cost of Purchased Power	35,842,160.74	32,765,887.15	43,947,275.00	2,346,216.70	3,503,337.00
4. Transmission Expense	1,837,476.48	1,600,444.05	1,661,811.00	164,907.95	143,210.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	1,577,725.01	1,274,339.79	1,540,840.00	129,974.81	134,191.00
7. Distribution Expense - Maintenance	5,030,896.55	5,510,601.04	5,633,127.00	492,559.28	499,750.00
8. Customer Accounts Expense	2,197,729.14	2,248,422.25	2,547,909.00	177,538.61	227,793.00
9. Customer Service and Informational Expense	308,373.77	340,486.93	490,550.00	60,036.94	37,550.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	23,045,043.81	23,763,384.09	24,100,742.00	2,215,775.45	2,106,976.00
12. Total Operation & Maintenance Expense (2 thru 11)	131,338,627.20	122,921,538.45	130,297,241.00	10,834,028.64	12,146,423.00
13. Depreciation & Amortization Expense	13,648,612.07	13,762,098.60	14,193,822.00	1,258,583.20	1,290,347.00
14. Tax Expense - Property & Gross Receipts	4,321,411.69	4,125,489.36	4,299,647.00	384,974.83	412,800.00
15. Tax Expense - Other	10,308,487.56	10,554,753.30	10,195,970.00	916,126.96	974,432.00
16. Interest on Long-Term Debt	5,862,329.10	5,613,441.62	5,778,500.00	501,981.95	562,000.00
17. Interest Charged to Construction - Credit	0.00	0.00	0.00	0.00	0.00
18. Interest Expense - Other	0.00	0.00	914,348.00	0.00	112,420.00
19. Other Deductions	57,368.63	52,357.59	78,500.00	1,000.00	3,500.00
20. Total Cost of Electric Service (12 thru 19)	165,536,836.25	157,029,678.92	165,758,028.00	13,896,695.58	15,501,922.00
21. Patronage Capital & Operating Margins (1 minus 20)	7,461,029.62	8,123,227.71	6,227,883.00	1,516,490.89	1,010,094.00
22. Non Operating Margins - Interest	2,436,349.10	1,947,922.93	1,327,926.00	149,716.17	97,409.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-401,604.39	-636,459.33	-488,217.00	-63,247.87	-119,986.00
25. Non Operating Margins - Other	209,635.56	174,163.79	166,210.00	18,883.80	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	79,815.48	177,500.00	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)	9,785,046.29	9,688,670.58	7,411,302.00	1,621,842.99	1,002,627.00
Operating - Margin	9,785,046.29	9,688,670.58	7,411,302.00	1,621,842.99	1,002,627.00

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	35,586,552	26,448,249	712,208	25,270,386	685,478
14							<u>79,587,552</u>	<u>57,907,457</u>	<u>1,628,596</u>	<u>55,355,614</u>	<u>1,568,406</u>
15	FFB	12/01/17	04/24/18	12/31/51	3.199%	D8 - 4-1	22,192,000	19,895,814	642,298	19,414,663	630,649
16	FFB	12/01/17	10/22/18	12/31/51	3.437%	D8 - 4-2	5,707,000	5,138,616	178,139	5,018,642	175,055
17	FFB	12/01/17	06/06/19	12/31/51	2.578%	D8 - 4-3	4,776,000	4,231,193	110,239	4,119,193	107,990
18	FFB	12/01/17	06/22/20	12/31/51	1.326%	D8 - 4-4	3,992,000	3,510,802	47,200	3,400,023	45,999
19	FFB	12/01/17	10/08/21	12/31/51	2.087%	D8 - 4-5	7,889,000	7,290,648	153,959	7,083,684	150,525
20	FFB	12/01/17	05/19/22	12/31/51	3.236%	D8 - 4-6	3,450,000	3,264,506	106,598	3,185,988	104,679
21	FFB	12/01/17	08/29/22	12/31/51	3.422%	D8 - 4-7	12,706,000	12,102,814	417,747	11,819,612	410,493
22							<u>60,712,000</u>	<u>55,434,394</u>	<u>1,656,180</u>	<u>54,041,806</u>	<u>1,625,389</u>
23	COBANK	02/06/20	02/22/21	02/20/51	2.900%	00102606 T01	18,119,000	16,590,382	495,406	16,162,624	481,660
24	COBANK	02/06/20	02/10/22	02/10/52	3.330%	3455702 T01-DS	4,900,000	4,618,994	158,147	4,513,277	154,206
25							<u>23,019,000</u>	<u>21,209,376</u>	<u>653,553</u>	<u>20,675,901</u>	<u>635,866</u>
26	Total Long Term Debt						\$ 292,952,269	\$ 225,183,483	\$ 6,388,545	\$ 214,242,350	\$ 6,116,003

Treasury Management – Monthly Discussion

- Ratings:
 - No changes in Money Market Fund Rating - **AAA**
- Current Summary Of Investments:
 - **\$17.2M** Dreyfus Funds – AAA Rating Money Market Fund very ST
 - Government MM Fund – Treasury Only
 - Stable Value type of money market (heavily regulated and makes it difficult to break the dollar)
 - **3.61%** Interest Rate
 - **\$5.1M** CFC Daily and Monthly Commercial Paper – ST to Medium Term Investment – Daily to Monthly A2 Moody and S&P A-
 - Daily Fund – **3.25%**
 - **\$5.0M** CoBank Commercial Paper Investment – AA- Moody and S&P
 - 60-day Investment – **2.85%**
 - **\$274,185** Central Pacific Bank – Backup Checking in NISC if needed
 - Backup for Checking in Money Market (unlimited) account
 - **2.53%**

Report of KIUC Charitable Foundation

To KIUC Board of Directors

12/01/2025

The Charitable Foundation Board met on 12/01/25

The following reports were received:

Treasurer report ending balance of \$156,262.47 as of October 31.

Makana Program:

- 523 registered, YTD contribution \$3,003.13

Applications:

- Deferred grants for additional financial information.

Golf Tournament

- 2025 net profit approximately \$46,000, gross \$82,000
- Mahalo event for volunteers

Other business

- Discussion about Lineman scholarship

T. Phil Tacbian, President

**RESOLUTION 06-25 OF THE
BOARD OF DIRECTORS OF
KAUA'I ISLAND UTILITY COOPERATIVE ("KIUC")**

WHEREAS, review of the KIUC Results of Operations (ROO) Budget for Calendar Year 2026 by the KIUC Board of Directors and Staff occurred at a workshop on December 10, 2025; and

WHEREAS, said ROO Budget is reflected in the KIUC 2026 ROO Budget summary attached to this resolution as Exhibit "A"; and

WHEREAS, the Board has determined that approval of said ROO Budget is appropriate.

NOW, THEREFORE, be it hereby RESOLVED by the Board of Directors of KIUC that the KIUC ROO Budget for Calendar Year 2026 as reflected in the KIUC 2025 ROO Budget summary attached to this resolution as Exhibit "A" is hereby approved.

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 December 18, 2025, at Līhu`e, Kaua`i, Hawai`i.

Dated this 18th day of December, 2025, at Līhu`e, Kaua`i, Hawai`i.

Calvin Murashige
Secretary

Kauai Island Utility Cooperative
ROO Budget

SUMMARY													2026
	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Total-2026
Electric Revenue	\$ 15,001,476	\$ 13,809,535	\$ 15,267,157	\$ 15,065,723	\$ 16,077,102	\$ 15,944,214	\$ 17,164,940	\$ 17,743,386	\$ 16,583,297	\$ 16,554,011	\$ 15,027,463	\$ 15,772,214	\$ 190,010,518
Other Revenue	(30,744)	(30,744)	(30,569)	(30,569)	(30,569)	(30,569)	(30,569)	(30,569)	(30,569)	(30,569)	(30,569)	(30,569)	(367,178)
TOTAL REVENUE	\$ 14,970,732	\$ 13,778,791	\$ 15,236,588	\$ 15,035,154	\$ 16,046,533	\$ 15,913,645	\$ 17,134,371	\$ 17,712,817	\$ 16,552,728	\$ 16,523,442	\$ 14,996,894	\$ 15,741,645	\$ 189,643,340
COMMODITIES	\$ 7,364,086	\$ 6,719,129	\$ 6,881,779	\$ 7,157,881	\$ 7,196,174	\$ 7,387,340	\$ 7,616,821	\$ 7,761,577	\$ 7,726,064	\$ 7,795,963	\$ 7,345,414	\$ 7,199,605	\$ 88,151,833
GROSS MARGIN	\$ 7,606,646	\$ 7,059,662	\$ 8,354,809	\$ 7,877,273	\$ 8,850,359	\$ 8,526,305	\$ 9,517,550	\$ 9,951,240	\$ 8,826,664	\$ 8,727,479	\$ 7,651,480	\$ 8,542,040	\$ 101,491,507
Power Supply	\$ 1,411,267	\$ 1,441,168	\$ 1,443,459	\$ 1,421,101	\$ 1,368,932	\$ 1,451,504	\$ 1,436,980	\$ 1,383,020	\$ 1,417,236	\$ 1,494,928	\$ 1,379,722	\$ 1,398,057	\$ 17,047,374
Transmission & Distribution	953,606	923,173	946,777	949,081	954,259	956,471	972,699	941,909	961,081	955,805	940,105	978,140	11,433,106
Member Services	310,870	306,739	305,413	310,711	311,166	340,419	328,121	312,161	306,258	309,028	309,945	311,806	3,760,637
Communications	65,927	98,927	79,988	105,588	63,588	86,988	89,268	50,948	59,488	90,088	63,588	117,482	971,868
Energy Services	71,323	90,373	115,247	83,547	80,847	106,597	92,847	86,397	107,747	87,097	84,147	79,251	1,085,420
Human Resources	113,131	103,939	111,693	119,485	104,143	112,643	124,865	114,203	104,943	115,685	101,143	120,847	1,346,520
Executive	100,500	116,700	106,575	104,575	170,875	101,075	110,075	99,775	101,575	102,575	100,775	138,769	1,353,844
Board of Directors	55,650	102,150	94,050	99,500	76,650	62,050	44,050	34,450	63,650	25,700	32,250	41,150	731,300
Safety & Facilities	321,855	316,215	320,849	316,959	328,590	326,450	328,590	326,450	328,590	326,450	329,390	326,446	3,896,834
SOS Shearwater Program	29,533	29,533	29,534	29,533	29,533	29,533	29,533	33,784	33,784	32,783	32,783	32,784	368,400
Regulatory Affairs	117,267	117,267	117,735	117,694	118,143	124,806	117,694	117,694	117,735	117,694	117,694	123,233	1,424,654
Engineering	108,433	105,906	116,270	158,321	108,058	109,320	116,294	113,538	129,607	119,408	111,145	118,741	1,415,041
Habitat Conservation Program	472,843	472,843	472,842	472,843	472,843	472,842	472,843	472,843	472,843	472,843	472,843	472,845	5,674,115
Financial & Corporate Services	247,116	258,074	258,876	256,645	270,707	264,836	268,447	271,566	268,032	274,281	267,693	274,854	3,181,127
Information Technology	291,373	363,896	249,528	227,728	251,458	276,905	320,811	243,871	276,584	222,204	237,638	222,643	3,184,639
TOTAL O&M LESS COMMODITIES	\$ 4,670,694	\$ 4,846,903	\$ 4,768,836	\$ 4,773,311	\$ 4,709,792	\$ 4,822,440	\$ 4,850,917	\$ 4,598,358	\$ 4,749,152	\$ 4,746,569	\$ 4,580,861	\$ 4,757,048	\$ 56,874,879
TOTAL O&M INCL COMMODITIES	\$ 12,034,780	\$ 11,566,032	\$ 11,650,615	\$ 11,931,192	\$ 11,905,966	\$ 12,209,780	\$ 12,467,738	\$ 12,359,935	\$ 12,475,216	\$ 12,542,532	\$ 11,926,275	\$ 11,956,653	\$ 145,026,712
Depreciation & Amortization	\$ 1,391,124	\$ 1,391,125	\$ 1,391,124	\$ 1,391,125	\$ 1,391,124	\$ 1,391,125	\$ 1,391,124	\$ 1,391,125	\$ 1,391,124	\$ 1,391,125	\$ 1,391,124	\$ 1,391,125	16,693,494
Taxes Other Than Income	1,265,496	1,159,552	1,281,788	1,273,998	1,349,301	1,347,159	1,439,417	1,487,919	1,399,646	1,389,891	1,261,889	1,327,337	15,983,393
TOTAL EXPENSES	\$ 14,691,400	\$ 14,116,709	\$ 14,323,527	\$ 14,596,315	\$ 14,646,391	\$ 14,948,064	\$ 15,298,279	\$ 15,238,979	\$ 15,265,986	\$ 15,323,548	\$ 14,579,288	\$ 14,675,115	\$ 177,703,599
OPERATING INCOME	\$ 279,332	\$ (337,918)	\$ 913,061	\$ 438,839	\$ 1,400,142	\$ 965,581	\$ 1,836,092	\$ 2,473,838	\$ 1,286,742	\$ 1,199,894	\$ 417,606	\$ 1,066,530	\$ 11,939,741
Interest & Dividend Income	\$ 125,985	\$ 123,985	\$ 125,984	\$ 116,791	\$ 117,791	\$ 116,790	\$ 92,672	\$ 92,672	\$ 91,671	\$ 130,023	\$ 129,023	\$ 130,039	1,393,426
Other Income (Jobbing)	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	84,000
Income (Loss) from KRS1	(52,560)	(125,852)	(22,925)	(34,764)	(53,485)	1,739	(4,240)	20,973	(16,536)	(37,688)	(72,281)	(59,294)	(456,913)
Income (Loss) from KRS2H	(33,220)	(61,973)	(3,443)	(2,219)	25,836	27,321	14,826	39,403	2,453	(55,635)	(51,294)	(38,351)	(136,296)
Non-Operating Income	8,110	8,110	8,110	8,110	8,110	8,110	8,110	8,110	8,110	8,110	8,110	8,110	97,320
Capital Credits & Patronage Allocation	-	-	-	-	-	-	-	-	79,700	-	-	-	14,000
Sponsorships & Contributions	(40,000)	(3,000)	(9,000)	(4,000)	(8,000)	(3,000)	(4,000)	(3,000)	(3,000)	(3,000)	(3,500)	(3,400)	(86,900)
Interest Expense-LTD	(516,000)	(510,000)	(594,000)	(590,000)	(590,000)	(627,000)	(626,000)	(625,000)	(663,000)	(663,000)	(660,000)	(660,000)	(7,324,000)
Interest Expense-STD	-	-	-	-	-	-	-	-	-	-	-	-	(74,762)
NET MARGINS	\$ (221,353)	\$ (899,648)	\$ 424,787	\$ (60,243)	\$ 907,394	\$ 496,541	\$ 1,324,460	\$ 2,013,996	\$ 793,140	\$ 585,704	\$ (225,336)	\$ 389,872	\$ 5,529,316
TIMES INTEREST EARNED RATIO (TIER)	0.57	-0.76	1.72	0.90	2.54	1.79	3.12	4.22	2.20	1.88	0.66	1.59	1.75
													Amount needed for 2.00 TIER
													1,794,684
DSC	1.69	1.14	1.05	1.74	2.58	1.06	2.85	3.40	1.20	2.26	1.62	0.99	1.610

**RESOLUTION 07-25 OF THE
BOARD OF DIRECTORS OF
KAUA'I ISLAND UTILITY COOPERATIVE ("KIUC")**

WHEREAS a review of the KIUC Capital Budget for Calendar Year 2026 by the KIUC Board of Directors and Staff occurred at a workshop on December 10, 2025; and

WHEREAS, said Capital Budget is reflected in the KIUC 2026 Capital Budget summary attached to this resolution as Exhibit "A"; and

WHEREAS, the Board has determined that approval of said Capital Budget is appropriate.

NOW, THEREFORE, be it hereby RESOLVED by the Board of Directors of KIUC that the KIUC Capital Budget for Calendar Year 2026, as reflected in the KIUC 2026 Capital Budget summary attached to this resolution as Exhibit "A" is hereby approved.

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 December 18, 2025, at Līhu'e, Kaua'i, Hawai'i.

Dated this **18th** day of **December 2025**, at Līhu'e, Kaua'i, Hawai'i.

Calvin Murashige
Secretary

740c
Code

(in 000s)
2026

PROJECTS

NORMAL AND RECURRING

PRODUCTION

xx1201	SAFETY	50.0
xx1202	RELIABILITY	250.0
xx1203	ENVIRONMENTAL	50.0
xx1204	EFFICIENCY	25.0
xx1205	HYDRO IMPROVEMENTS	50.0
xx1206	DIESEL OVERHAULS	100.0
xx1208	BUILDING & GROUNDS	250.0
	TOTAL-PRODUCTION	775.0

TRANSMISSION & DISTRIBUTION

xx0101B	LINE EXTENSIONS - UG	100.0
xx0102B	LINE EXTENSIONS - OH	150.0
xx0301B	LINE REPLACEMENTS - UG	800.0
xx0302B	LINE REPLACEMENTS - OH	500.0
xx0101C	NEW SERVICES - UG	70.0
xx0102C	NEW SERVICES - OH	30.0
xx0101D	DEVELOPER WORK - UG	6,200.0
xx0102D	DEVELOPER WORK - OH	50.0
xx0301D	SYSTEM RELIABILITY & INSPECTION-UG	20.0
xx1001	TRANSMISSION INSULATOR REPLACE	1,500.0
xx0606A	POLE REPLACEMENTS	7,500.0
xx03011	UG SYSTEM IMPROVEMENTS	80.0
xx0501	SUBSTATION REPL/UPGRADES - DIST	120.0
xx1002	SUBSTATION REPL/UPGRADES - TR	120.0
xx1004	SYSTEM PROTECTION UPGR/REPL-TR	150.0
xx0503	SYSTEM PROTECTION UPGR/REPL-DIST	120.0

xx0615A	COMMUNICATION SYSTEM UPGR/REPL	50.0
xx0601A	DISTRIBUTION XFMR-UG-NEW CUST	500.0
xx0601C	DISTRIBUTION XFMR-OH NEW CUST	500.0
xx0601E	TRANSFORMER OIL DISPOSAL - UG	40.0
xx0601F	TRANSFORMER OIL DISPOSAL - OH	120.0
xx0601G	METERS - NEW CONSUMERS	80.0
xx0601H	METERS - REPLACEMENTS	175.0
xx0607A	STREET & AREA LIGHTS - REPL	80.0
xx0702A	STREET & AREA LIGHTS - NEW	30.0
xx1511	BUILDING & FACILITY REPL/UPGRADES	70.0
xx0704B	SCADA SYSTEM UPGRADES/REPL	50.0
	TOTAL-TRANSMISSION & DISTRIBUTION	19,205.0
	HCP	
xx1109	DIVERTER REPLACEMENTS	50.0
	TOTAL-HCP	50.0
	SAFETY & FACILITIES	
xx1504	SAFETY EQUIPMENT	30.0
xx1505	SECURITY SYSTEM/FACILITIES UPGRADES	112.5
	TOTAL-SAFETY & FACILITIES	142.5
	INFORMATION SERVICES	
xx1506	SYSTEM REPLACEMENTS	268.0
xx1507	SYSTEM IMPROVEMENTS	20.0
	TOTAL-INFORMATION SERVICES	288.0
	GENERAL PLANT	
xx1508	VEHICLES	610.0
xx1509	OFFICE FURNITURE AND EQUIPMENT	28.0
xx1510	TOOLS AND EQUIPMENT	196.0
	TOTAL-GENERAL PLANT	834.0

TOTAL-NORMAL AND RECURRING**21,294.5****NON-RECURRING****PRODUCTION**

261202V	EMD BREAKERS	200.0
261202W	DELTA V VERSION 16 UPGRADE	200.0
261202X	KPS AIR INTAKE PLENUM	250.0
261202Y	GT1 SILENCER	350.0
261202Z	GT2 EXHAUST PLENUM	500.0
261203E	D9 CO CATALYST CASSETTES	200.0
261205B	UPPER WAIIAHI HYDRO CONTROLLER	150.0
261205C	LOWER WAIIAHI HYDRO CONTROLLER	150.0
261206F	SWD CYLINDER LINERS	300.0
261206G	SWD PISTONS	300.0
261208G	PAGS BACKFLOW PREVENTION SYSTEM	100.0
261282	PAGS CONTROL CENTER	150.0
281203D	D6 & D7 CO CATALYST CASSETTES	-
291202A	KPS E-CELL STACKS REPLACEMENT	-
291297	NEW DIESEL PLANTS	-
	TOTAL-PRODUCTION	2,850.0

TRANSMISSION & DISTRIBUTION

260607C-WFM	SPARKLESS ARRESTER & CUTOUT REPLACEMENTS	1,610.0
261110	KPS GSU PAD & SPILL CONTAINMENT	100.0
261327	KAPAIA POLE YARD EXPANSION	400.0
270615H	MOTOROLA RADIO SYSTEM UPGRADE	-
281032	RECONDUCTOR TRANSMISSION KAPAIA-LIHUE	-
281033	RECONDUCTOR TRANSMISSION KAPAIA-LYDGATE	-
281034	RECONDUCTOR TRANSMISSION LYDGATE-KAPAA	-
281512	REPLACE ELEELE WAREHOUSE & GARAGE	-
290202B	KAUMAKANI HANAPEPE 12KV LINE EXTENSION	-

2903014	PUHI SUBDIVISION 12.47KV UPGRADE	-
	TOTAL-TRANSMISSION & DISTRIBUTION	2,110.0

HCP

271540	HCP INCIDENTAL TAKE PERMIT	-
	TOTAL-HCP	-

SAFETY & FACILITIES

261570	HANA KUKUI GENERATOR UPGRADE	500.0
	TOTAL-SAFETY & FACILITIES	500.0

ENGINEERING

261031	PORT ALLEN TO KEKAHA RECONDUCTORING	6,800.0
270804	MANA NEW OVERHEAD CIRCUIT-TR	-
271028	HANAIEI TAP-PRINCEVILLE TRANSMISSION LINE	-
	TOTAL-ENGINEERING	6,800.0

FINANCIAL & CORPORATE SERVICES

261401	HANA KUKUI BUILDING PURCHASE	10,000.0
261572	ANAHOLA A-FRAME CONTAINER COVERS	40.0
	TOTAL-FINANCIAL & CORPORATE SERVICES	10,040.0

INFORMATION SERVICES

261506A	NETWORK FIREWALL REPLACEMENTS	120.0
	TOTAL-INFORMATION SERVICES	120.0

	TOTAL-NON-RECURRING	22,420.0
--	----------------------------	-----------------

CARRYOVER PROJECTS-PRIOR YEARS

221202J-CO4	KPS FUEL NOZZLES FOR GT	443.0
241202N-CO2	S1 EXCITER	150.0

241202P-CO2	PAGS SYNCHRONOUS CONDENSER CONV	1,900.0
251208F-CO1	GT1 & GT2 GENERATOR CAB DOORS	291.0
220801B-CO4	SEABIRD MITIGATION	350.0
240620-CO3	BATTERY STORAGE & GFI-GRIP	0.0
241235-CO2	SUBSTATION T-51 TRANSFORMER REPL-GSU	1,300.0
240901-CO2	KILOHANA SWITCHYARD	13,000.0
TOTAL-CARRYOVER PROJECTS		17,434.0
TOTAL-ANNUAL CAPITAL EXPENDITURE		61,148.5
CUSTOMER ADVANCES		
xx0101B	LINE EXTENSIONS - UG	(20.0)
xx0102B	LINE EXTENSIONS - OH	(30.0)
xx0101D	DEVELOPER WORK - UG	(5,580.0)
xx0102D	DEVELOPER WORK - OH	(45.0)
TOTAL CUSTOMER ADVANCES		(5,675.0)
CONTRIBUTION IN AID OF CONSTRUCTION		
xx0101C	NEW SERVICES - UG	(7.0)
xx0102C	NEW SERVICES - OH	(3.0)
TOTAL CONTRIBUTION IN AID OF CONSTRUCTION		(10.0)
GRANT FUNDING		
241202P-CO2	PAGS SYNCHRONOUS CONDENSER CONV	(1,285.7)
261282	PAGS CONTROL CENTER-GRANT FUNDING	(75.0)
240620-CO3	BATTERY STORAGE & GFI - ITC	-
240620-CO3	BATTERY STORAGE & GFI - GRIP	-
240620-CO3	BATTERY STORAGE & GFI - PACE LOAN FORGIVENESS	-
TOTAL GRANT FUNDING		(1,360.7)
TOTAL-CAPEX CASH REQUIREMENTS		54,102.8

**RESOLUTION 08-25 OF THE
BOARD OF DIRECTORS
KAUAI ISLAND UTILITY COOPERATIVE**

**AUTHORIZING the
ADOPTION OF THE SECURE ACT and SECURE 2.0 ACT AMENDMENT
for the
EXECUTIVE COMPENSATION 457(b) Plan
For *Kauai Island Utility Cooperative***

WHEREAS the Board of Directors of *Kauai Island Utility Cooperative* is aware that the Executive Compensation 457(b) Plan (the Plan) must be amended to comply changes made to the Internal Revenue Code by the SECURE Act and SECURE 2.0 Act and that this amendment is required for purposes of compliance with the recently modified required minimum distribution rules.

THEREFORE BE IT RESOLVED that this Board authorizes the amendment as of the adoption date, and authorizes any compliance clarifications needed to conform plan operations with the required law changes; and

BE IT FURTHER RESOLVED, in the event that the timing of the amendment does not correspond with regularly scheduled meetings of the Board of Directors, the Board does hereby authorize and direct the cooperative's authorized representative to execute all necessary documents and to take any and all further actions necessary to carry out the amendment to the Plan.

SIGNATURE OF THE SECRETARY: I *Calvin Murashige*, certify that I am the Secretary of the *Kauai Island Utility Cooperative* Board of Directors. I further certify that the above is a true excerpt from the minutes of a board meeting of this Board of Directors on the *18th* day of *December* 2025, at which a quorum was present and that the above portion of the minutes has not been modified or rescinded.

Signature of the Secretary

Date

SEAL of the PARTICIPATING SYSTEM: *Place corporate seal of Participating System in the box below:*

OR

Check this box to indicate that the Participating System does not have a corporate seal:



KAUAI ISLAND UTILITY COOPERATIVE
Executive Compensation Plan Amendment

WHEREAS, KAUAI ISLAND UTILITY COOPERATIVE (the “Co-op”) has adopted the **Executive Compensation Plan** (the “Plan”), for the purpose of providing deferred compensation for a select group of management or highly compensated employees of the Co-op;

WHEREAS, the Co-op reserved the right to amend or terminate the Plan;

WHEREAS, the Co-op has determined that certain amendments to the Plan are required or appropriate in light of changes made to the Internal Revenue Code under the SECURE Act of 2019 and the SECURE 2.0 Act of 2022:

NOW THEREFORE, the Plan is amended as follows:

1. Required Beginning Date.

Notwithstanding any other provision of the Plan, distributions under the plan must commence no later than April 1 of the year following the later of the year in which the Participant retires from the Co-op or the year the Participant attains the “applicable age.” For this purpose, (a) for individuals born before July 1, 1949, the applicable age is 70 ½; (b) for individuals born on or after July 1, 1949, but before January 1, 1951, the applicable age is 72; (c) for individuals born on or after January 1, 1951, but before January 1, 1960, the applicable age is 73; and (d) for individuals born on or after January 1, 1960, the applicable age is 75.

2. Beneficiary Payments Options.

Beneficiaries will always receive a lump sum of the Participant’s remaining account upon the death of the Beneficiary.

Effective for Participants who die on or after date of adoption of this amendment, the following will apply in the case of distributions following the death of a Participant: (Any beneficiaries currently receiving installments when this amendment is adopted will continue to receive them, subject to reduction and recalculation as necessary to comply with Code sections 401(a)(9) and 457(d)(2) and Treas. Reg. Section 1.401(a)(9)-5.)

Distributions Following the Death of a Participant. Upon the death of a Participant before the full amount of the Participant’s account has been distributed to the Participant, any remaining amounts will be paid in a single cash lump sum to the Participant’s Beneficiary upon the death of the Participant or, if later, as soon as administratively feasible after the Administrator is informed in writing of the Participant’s death.

IN WITNESS WHEREOF, Co-op has caused this document to be executed effective as of _____, 2025.

KAUAI ISLAND UTILITY COOPERATIVE

Date: _____

By Name: _____

Signature: _____

Title: _____

BOARD APPROVAL REQUEST FORM

Requestor

Department **Other**

Date **11/25/2025**

Name Scott Sato

Title: Government Affairs and Energy Services Manager

Program/Project Name **Professional Services -Legal**

Project Dates (if any) January-December 2025

Deadline(s) _____

Description of Request (attach documentation if needed)

Request budget amendment due to Regulatory legal expenditures exceeding the original budget. Regulatory work is often dictated by external agencies. Current dockets include Disconnections Docket, Kaawanui Solar Project, Mana Solar Project, and the Wildfire Mitigation Plan. Projected review and filings for the Annual Modification and Evaluation Report (AMER), Resource Cost Adjustment Surcharge (RCAS), and other Regulatory year-end reports are anticipated.

Financial Impact

Fiscal Year: 2025

Budgeted? _____ Unbudgeted? (Additional/Change)

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

Original Budget Amt \$ 459,000

Additional/Change \$ **150,000**

Revised Budget Amt \$ 609,000

Required (Initials)

CEO Review: DB

Committee Referral/Action

Committee F&A

Meeting Date: 12/11/2025

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 _____

THE DATE & LOCATION

Signature: David Bissell

David Bissell (Dec 2, 2025 18:03:33 HST)

Email: dbissell@kiuc.coop