

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

Via Video Conference Call

January 29, 2026

MINUTES

Meeting called to order by Chair Smith at 1:01 p.m.

1. Roll Call

- **Directors present:** Directors Allan Smith (Chair), Jan TenBruggencate (Vice Chair) via Zoom, Edmund Acoba via Zoom, David Iha, James Mayfield, Calvin Murashige (Secretary), Teofilo Tacbian, Michael Yamane, Peter Yukimura (Treasurer); and David Bissell (CEO)

- **Others present:** Laurel Loo (General Counsel), Teresa Amoy (Executive Administrator), Erin Tsuda (CFO), John Cox (T&D Mgr.), and Cameron Kruse (Engineering & Technology Mgr.)

- **Others present via Video Conference Call:** Beth Amaro (Member Services & Communications Mgr.), Lisa Ubay (Mgr. of HR and Safety), Daurice Arruda (Accounting Mgr.), Scott Sato (Gov't Affairs & Energy Services Mgr.), Shelley Paik (PA Specialist), Allison Young (Comm. & PR Specialist), Corinne Cuaresma (Controller), Shelsey Francisco (Sr. Financial Analyst), and Melanie Cierras (Finance Mgr.); Members of the press (0) and Members of the public (0)

- **Absent/Excused:** None

2. Approval of the Agenda

- The Board of Directors' agenda of January 29, 2026, was approved as presented.

3. Approval of Minutes

- The following minutes were approved without objections.
December 18, 2025, Regular Board meeting

4. Director Safety Moment

The Director Safety moment recapped on an incident that occurred a year ago involving a helicopter collision with a commuter plane. On the news recently, the Director of the National Transportation Safety Bureau was asked a question whether the FAA should have known about the risks and should they have done something about it. The Director responded that the crash could have been avoided as the data indicating safety issues in the area was available.

This example stressed the importance of collecting data and using that data to assess KIUC's safety culture. Director Yamane expressed the importance of the board's oversight and why the request for safety data helps assess KIUC's safety culture and assist in preventing avoidable incidents.

5. President's Report – David Bissell (CEO). The President's report was circulated to the board for the month of January. Brief highlights of the presentation attached:

- **Safety and Outages:**
 - One recordable safety incident occurred during the month.
 - Three reportable outages were caused by stormy weather, primarily due to vegetation and trees falling on power lines.
- **Achievements from the Previous Year:**
 - The 2022 rate case received final approval without changes.
 - A cooperative response call center was established, improving customer service and after-hours support.
 - A partnership with the Missouri Statewide Association was established for safety training and support.
- **Legislative Updates:**
 - The legislative team is tracking bills and preparing testimony for the upcoming session.
- **Future Plans:**
 - Continued focus on safety training and improving safety culture.
 - Ongoing efforts to finalize wildfire management plan and secure regulatory approval.
 - Monitoring and addressing delays in the Endangered Species Recovery Committee meetings related to the HCP.

6. Financial Report – Erin Tsuda (CFO)

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

- **Sales and Revenue:**
 - Total sales for the year were 487,000 megawatt-hours, 3.2% higher than the previous year and 3.1% above budget.
 - Revenues for the year totaled \$180.9 million, slightly lower than budget and the prior year due to lower rates, despite higher sales volume.
- **Operating Expenses:**
 - Operating expenses for the year were \$54.5 million, higher than the previous year and correction noted, higher than budget.
- **Net Margin:**
 - The net margin for the year was \$6.98 million, \$69,000 lower than the previous year but \$1,000 higher than budget.

- A \$2.7 million adjustment was made to accelerate amortization of lost gross margin to avoid over-earning.
- **Rates:**
 - The residential rate ended the year at slightly over 37 cents, about 2 cents lower than December of the previous year.
- **Balance Sheet:**
 - The year closed with \$23 million in cash and investments, aligning with cash forecasts.
 - The current ratio was 2.1, above the 2.0 threshold for covering liabilities.
 - The equity ratio increased to 37.67%, while the indenture equity ratio remained at 0.43, well above the minimum requirement of 0.2.
- **Debt Draw:**
 - A debt draw is planned for February, which will impact the equity ratio.
- **Accounts Receivable:**
 - Total accounts receivable decreased by nearly \$1.5 million compared to the previous month, showing improvement.

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

- **Federal Government Funding:**
 - The deadline for federal government funding is approaching, with most departments expected to be funded. However, the Department of Homeland Security's budget still requires approval from Democrats.
- **NRECA Activities:**
 - The NRECA is focused on executive decisions regarding rulemaking and permitting reform.
 - Continued advocacy for cybersecurity measures remains a priority.
 - The Lower Snake River Dams issue is still on the agenda.
 - Nothing affecting KIUC at this time.
- **Upcoming Meetings:**
 - The next NRECA meeting is scheduled for March, which will be Director Iha's last meeting and the first meeting for his successor.
 - The NRECA Legislative Conference is scheduled for the last week of April.

8. Charitable Foundation Board Report – Director Phil Tacbian

- Director Tacbian provided a recap of the attached report for January 2026. The report includes the financial update, KEO and Catholic Charities reports, funding approvals and upcoming events.
- **Future Plans.** The foundation is exploring the possibility of supporting a lineman scholarship program to help local individuals receive education and training to become linemen. Further details will be discussed in the next meeting.

9. Public Testimony. No public testimony was received.

10. New Business

10.1. 2025 Corporate Performance Results

The request for approval of the 2025 Corporate Performance Results were introduced by F&A Committee Chair Yukimura. The results were discussed extensively during the committee meeting. After thorough vetting, the committee decided to bring the 2025 Performance Goals to the board for approval.

MOTION: to approve.

[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. Policy 2 – Authority and Responsibility of the CEO

Policy 2 was introduced by Director Acoba, Policy Committee Chair. The policy committee recommend reauthorizing Policy 2 with minor grammatical changes.

MOTION: to reauthorize Policy 2 with the proposed changes.

[Motion: Acoba] [Second: Murashige]

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

Motion carried

11. Calendar

11.1. February 16, 2026 – HOLIDAY – President’s Day (KIUC Offices Closed)

11.2. February 19, 2026 – Board Committee Meetings (9:00 am, MCR/Zoom)

11.3. February 26, 2026 – Regular Board Meeting (1:00 pm, MCR/Zoom)

12. Executive Session

At 1:45 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.

- The open session of the Regular meeting was reconvened at 2:28 p.m. The Board ratified the following items that were approved in executive session:
 - December 18, 2025, ES Minutes
 - Agreements for Habitat Conservation Sites
 - PPA Termination
 - KIUC Real Estate Matter

12. Adjournment

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

Calvin Murashige

Calvin Murashige (Feb 26, 2026 20:44:26 HST)

Calvin Murashige
Board Secretary

President's Report

January 29, 2026

David Bissell

President & CEO

President's Report

Safety (December)	Month	2025 YTD	2024 YTD
Recordable Incidents	1	4	3
Availability and Reliability	Month	2025 YTD	2024 YTD
Reportable Outages	3	43	38
Average Outage Hours Per Customer	0.48	5.59	6.38
Efficiency	Month	2025 YTD	
Net Plant Heat Rate	9,104	9,179	
Peak Demand (MW)	79.62		
Residential Rates			
January 2026	\$0.376/kwh decrease \$0.003 from December		

2025 KIUC Achievements

- Averaged over the 12-month period, KIUC had the lowest rates in the state for 2025
- PPA's with AES renegotiated and refiled with PUC
- Wildfire Management Plan and related activities complete
 - Obtained favorable legislation treatment for wildfire management cost recovery and potential for liability limits
- Member phone, email and text mass emergency notification system implemented
- 2022 rate case received final PUC approval without change
- Cooperative Response call center operational for after hour and emergencies
- Draft HCP and EIS for endangered species published at federal and state levels
- Agreement with Missouri statewide association for safety training and support

Update Items

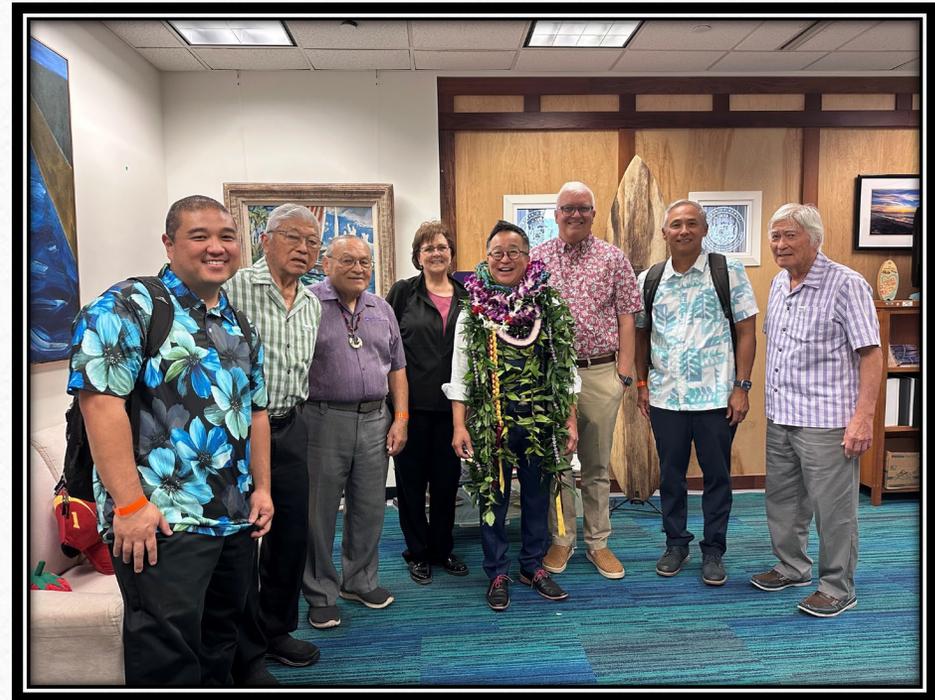
- Wildfire Management Plan (WMP)
 - Working group meeting to develop filing for recovery of costs under G.O. 7 approval process
 - All bare wire secondary wire has been replaced
 - Drone inspections of all circuits and wood pole assessments complete
 - 548 wood poles replaced with 234 remaining
 - Multi-year project to change out all transmission line insulators to silicone complete
 - Awaiting PUC Decision and Order on WMP
- HCP
 - Endangered Species Recovery Committee
 - Meeting held January 16
 - Next meeting February

Update Items - Continued

- HPUC dockets on two PPA's ongoing
 - Kaawanui
 - Received favorable Statement of Position from Consumer Advocate
 - Requested PUC decision date February 27, 2026
 - Mana
 - Statement of Position from Consumer Advocate scheduled for February 13
 - Requested PUC decision date March 31, 2026

Update Items - Continued

- Hawaii Legislative Session began January 21
 - Monitoring bills for potential impact to KIUC
 - Testimony preparation and submittals ongoing





Kaua'i Island Utility Cooperative

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Board Financial Report

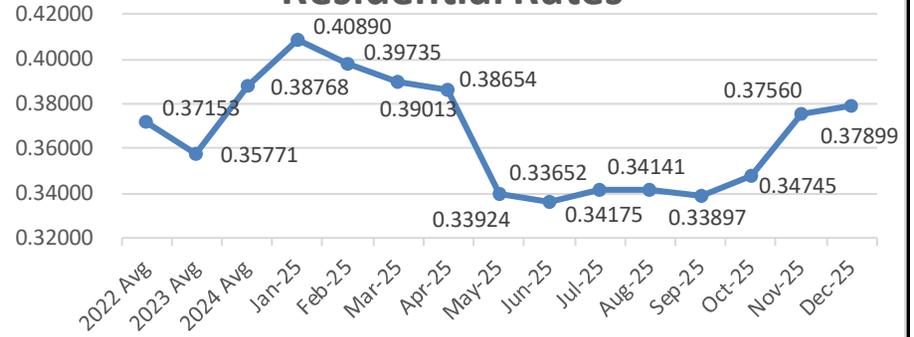
January 2026

Financial Scorecard – YTD December 2025

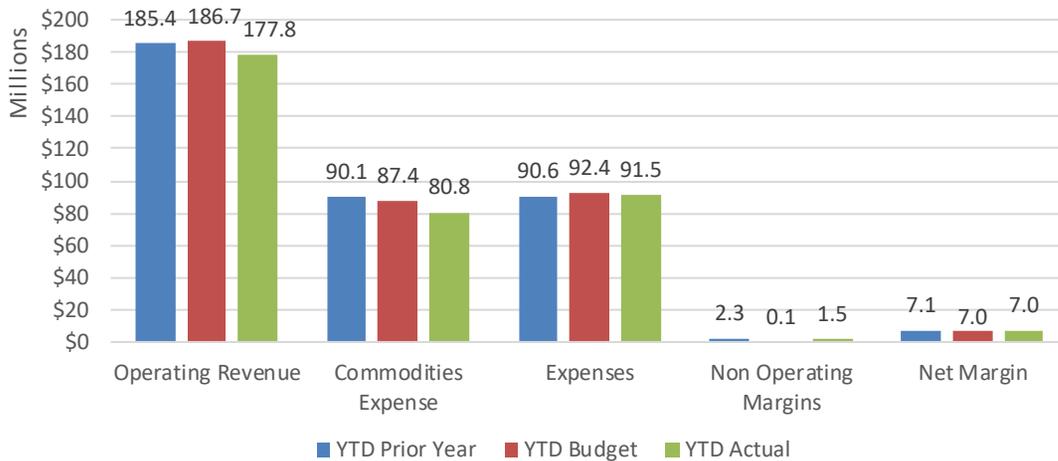
MWh Sales

Class	YTD Prior Year	YTD Actual		Percent Change
Residential (D)	193,728	201,377	↑	3.9%
Small Comm (G)	66,378	69,238	↑	4.3%
Large Comm (J)	51,162	51,152	↓	0.0%
Lrg Pwr Primary (LP)	159,438	163,059	↑	2.3%
Street Lighting (SL)	696	759	↑	9.0%
Irrigation	1,066	1,811	↑	70.0%
Total	472,467	487,396	↑	3.2%

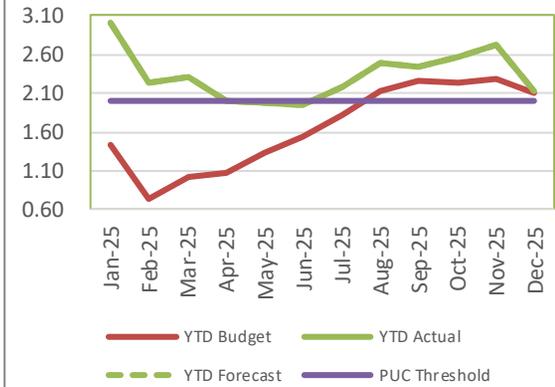
Residential Rates



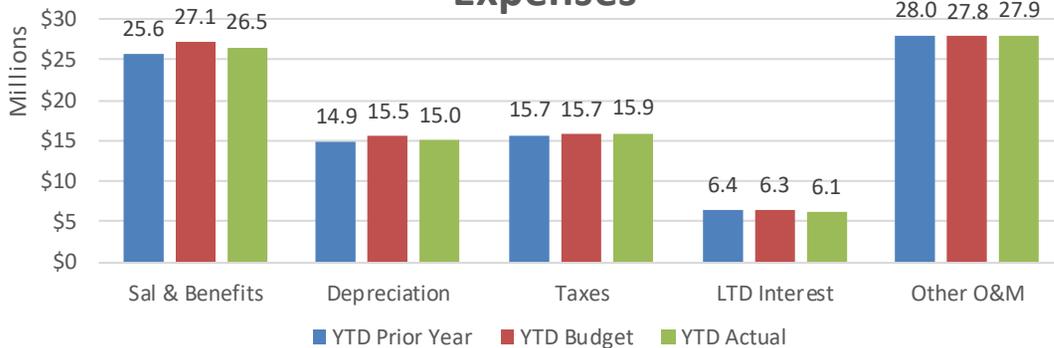
Key Results



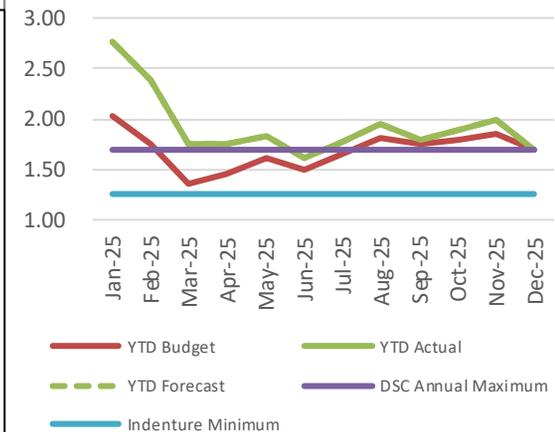
TIER



Expenses



DSC



Financial Highlights

Income Statement (YTD)

MWh Sales

487,396

- 3.2% higher than PY
- 3.1% higher than Budget

Residential Rate

\$0.37899/kWh

- 0.9% or \$0.00338/kWh higher than November 2025
- 6.3% or \$0.02562/kWh lower than PY
- 2.7% or \$0.01043/kWh lower than Budget

Revenues

\$180.9M

- 4.2% or \$7.9M lower than PY
 - Higher sales volume offset by lower rates
- 3.8% or \$7.1M lower than Budget
 - Higher sales volume offset by lower rates

Operating Expenses

\$54.5M

- 1.6% or \$857K higher than PY
- 0.7% or \$366K lower than Budget

Financial Highlights

Income Statement (YTD)

<p>Net Margin</p> <p>\$6.98M</p>	<p>TIER</p> <p>2.14</p>	<p>DSC</p> <p>1.695</p>
<ul style="list-style-type: none"> • 1.0% or \$69K lower than PY <ul style="list-style-type: none"> ○ \$1.7M higher Gross Margin (Revenues – Commodities) ○ (\$857K) higher O&M ○ (\$131K) higher Depreciation ○ (\$218K) higher Taxes ○ (\$553K) lower Interest & Dividend Income ○ (\$204K) higher Loss from KRS1/2 ○ \$272K lower LTD Interest Expense • 0.0% or \$1K 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

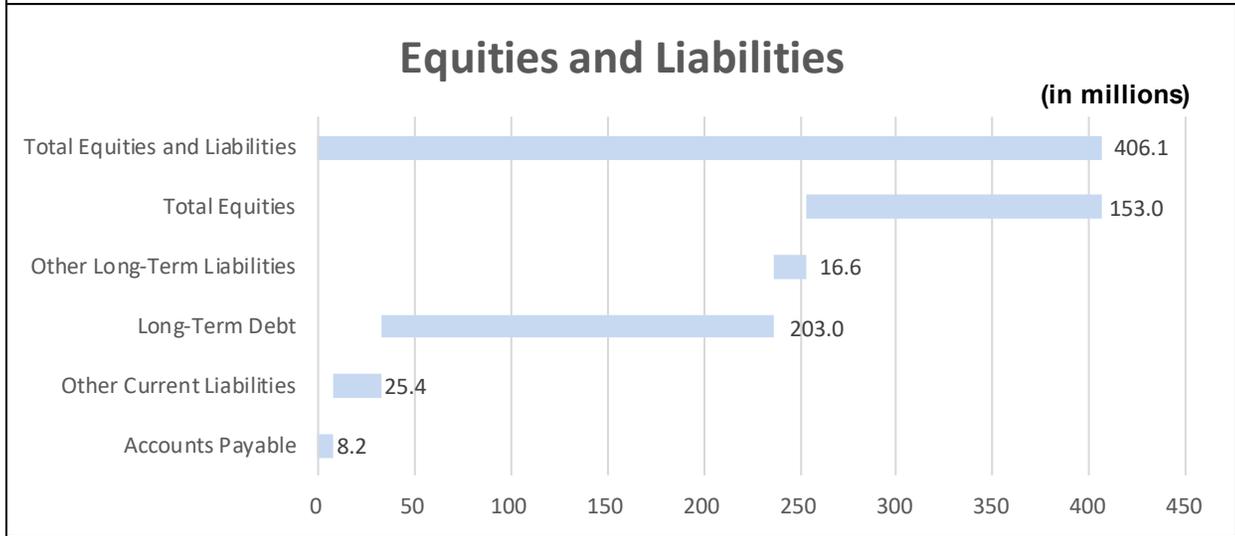
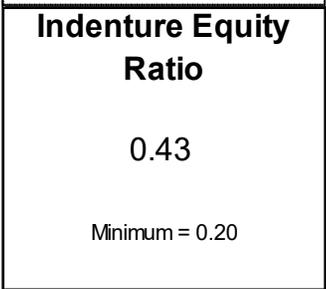
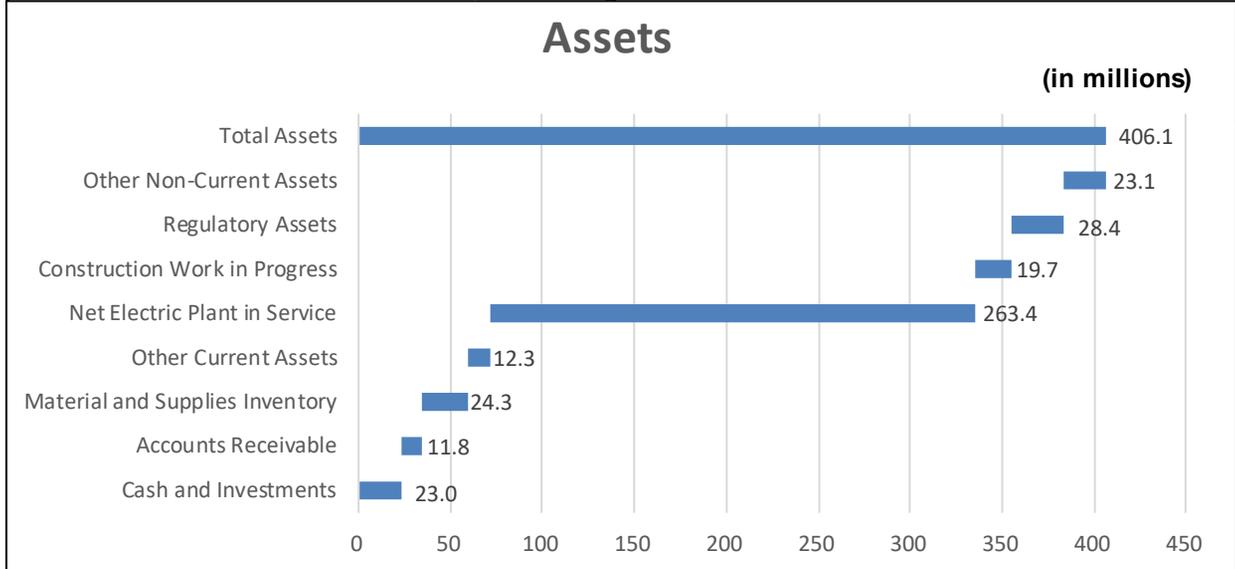
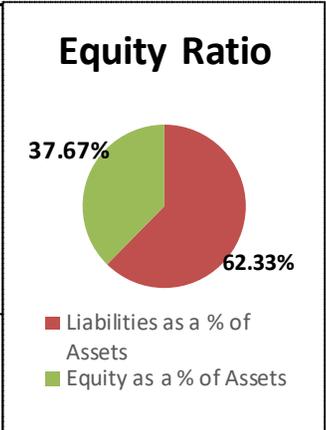
Financial Highlights

Income Statement (Month)

MWh Sales 40,671	Revenues \$15.3M	Operating Expenses \$5.4M
<ul style="list-style-type: none">• 1.7% higher than PY• 3.5% lower than Budget	<ul style="list-style-type: none">• 0.8% or \$120K lower than PY<ul style="list-style-type: none">• Higher sales volume offset by lower rates• 2.1% or \$323K lower than Budget<ul style="list-style-type: none">• Higher sales volume plus lower rates	<ul style="list-style-type: none">• 2.6% or \$137K higher than PY• 16.1% or \$745K higher than Budget

Financial Scorecard – YTD December 2025

(In Millions)	YTD Actual	Current Assets	
Cash	\$ 0.65	71.5M	
Short-Term Investments	\$ 22.38	-17.3%	-15M ΔPY
Cushion of Credit	\$ -	Current Liabilities	
Total Cash & Investments	\$ 23.03	33.6M	
Line of Credit Available	.	0.6%	0.2M ΔPY
Line of Credit Drawn	\$ 0.00		



Financial Highlights

Balance Sheet

Cash \$23.0M

- \$5.0M lower than November (\$28.0M)
 - \$0.2M from Net Margin (excluding LGM amortization)
 - \$2.7M Net Adj. for Non-Cash Activity (Overhauls, Prepaid Expenses, Accrued Expenses)
 - (\$6.1M) for Capital Expenditures
 - (\$1.7M) for Long-Term Debt Payments

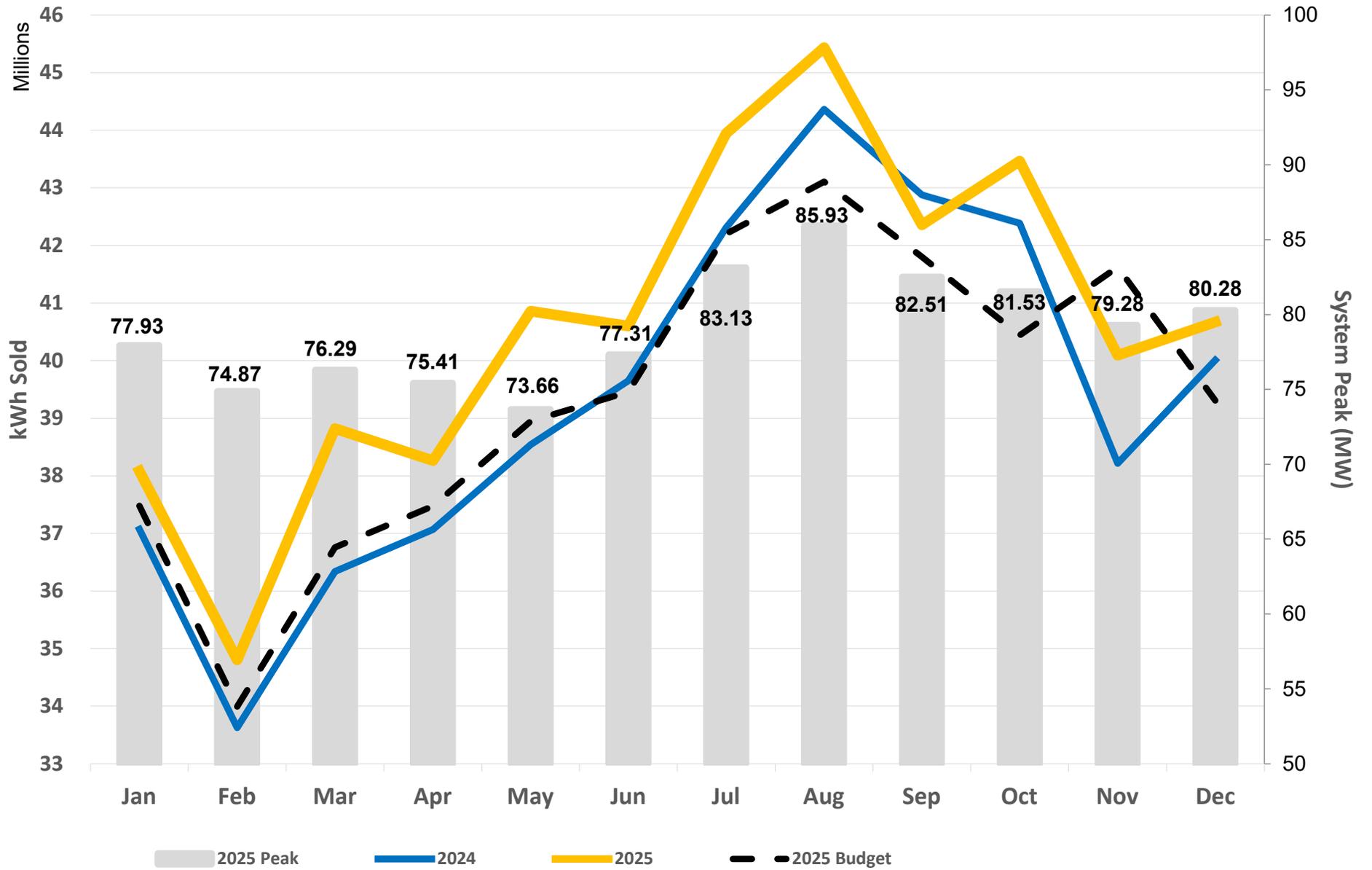
Net Electric Plant in Service \$263.4M

- \$7.5M lower than November (\$271.0M)
 - (\$7.8M) from year-end adjustment of ROU Lease Asset/Liability

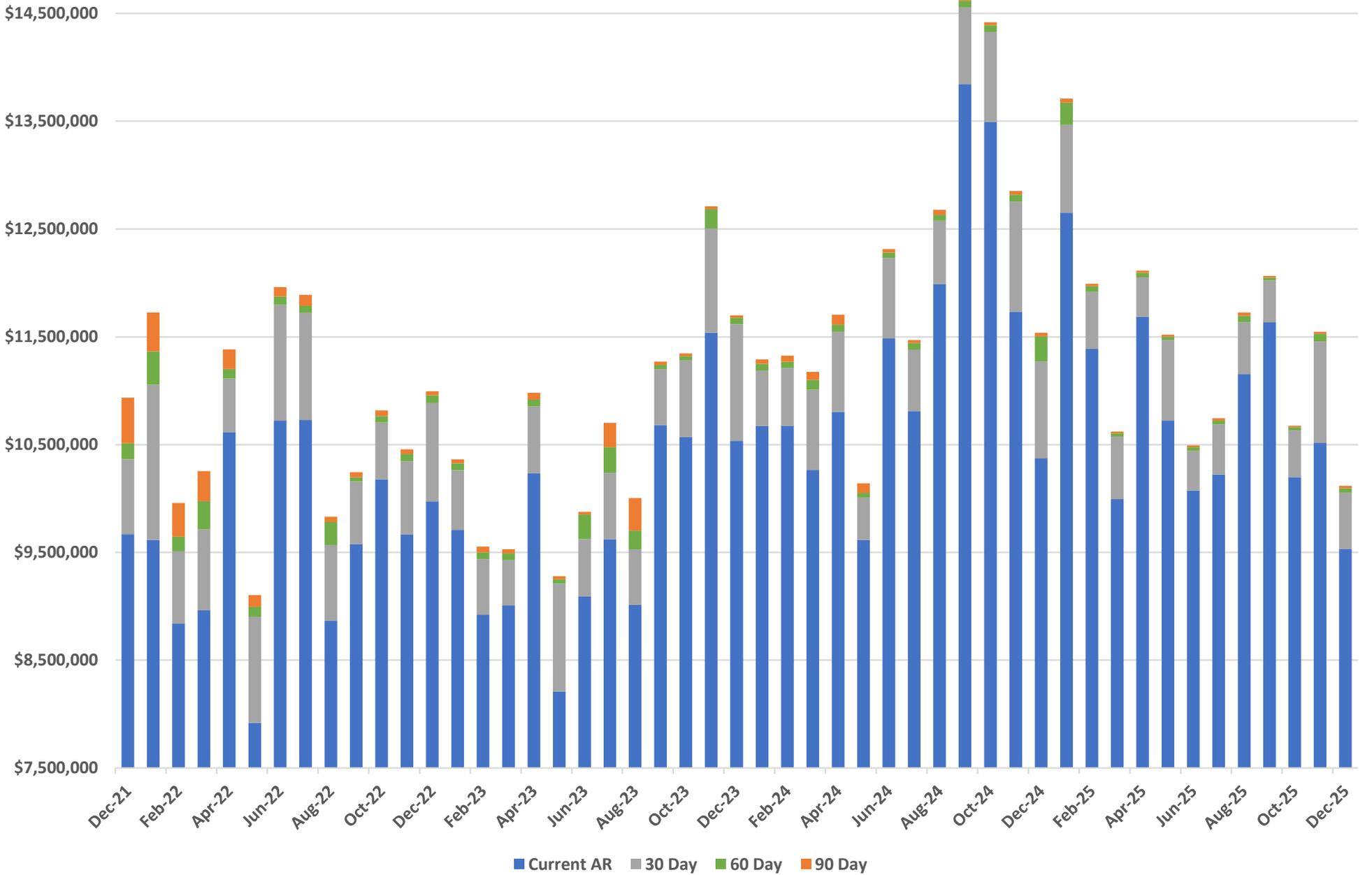
Other Long-Term Liabilities \$16.6M

- \$7.6M lower than November (\$24.2M)
 - (\$7.8M) from year-end adjustment of ROU Lease Asset/Liability

Total kWh Sold



Total AR Balances



Questions?

General Ledger

Financial And Operating Report Electric Distribution

BALANCE SHEET FOR DEC 2025

	<u>Last Year</u>	<u>This Year</u>	<u>Variance</u>
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	603,357,122.04	598,588,222.11	-4,768,899.93
2. Construction Work in Progress	10,277,336.12	19,692,197.78	9,414,861.66
3. Total Utility Plant (1 + 2)	<u>613,634,458.16</u>	<u>618,280,419.89</u>	4,645,961.73
4. Accum. Provision for Depreciation and Amort.	337,853,841.53	335,176,670.65	-2,677,170.88
5. Net Utility Plant (3 - 4)	<u>275,780,616.63</u>	<u>283,103,749.24</u>	7,323,132.61
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	20,343,005.61	19,018,061.00	-1,324,944.61
8. Invest. in Assoc. Org. - Patronage Capital	1,319,190.97	1,365,349.37	46,158.40
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	1,965,794.86	1,869,004.75	-96,790.11
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)	<u>24,294,491.44</u>	<u>22,928,915.12</u>	-1,365,576.32
15. Cash - General Funds	527,801.94	649,430.50	121,628.56
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	7,599.18	7,599.18	0.00
18. Temporary Investments	38,715,524.24	22,384,240.48	-16,331,283.76
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	12,397,778.66	10,779,392.58	-1,618,386.08
21. Accounts Receivable - Other (Net)	383,338.28	1,065,719.66	682,381.38
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	22,265,340.39	24,290,754.86	2,025,414.47
24. Prepayments	1,510,208.25	1,611,600.10	101,391.85
25. Other Current and Accrued Assets	10,682,745.11	10,729,295.09	46,549.98
26. Total Current and Accrued Assets (15 thru 25)	<u>86,490,336.05</u>	<u>71,518,032.45</u>	-14,972,303.60
27. Regulatory Assets	31,788,764.25	28,387,817.77	-3,400,946.48
28. Other Deferred Debits	222,013.84	210,176.09	-11,837.75
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	<u>418,576,222.21</u>	<u>406,148,690.67</u>	-12,427,531.54

General Ledger

Financial And Operating Report Electric Distribution

BALANCE SHEET FOR DEC 2025

	<u>Last Year</u>	<u>This Year</u>	<u>Variance</u>
LIABILITIES AND OTHER CREDITS			
30. Memberships	623.35	637.61	14.26
31. Patronage Capital	138,462,417.95	144,553,186.89	6,090,768.94
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	7,052,711.55	6,983,547.23	-69,164.32
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	1,087,480.53	1,446,801.89	359,321.36
36. Total Margins & Equities (30 thru 35)	<u>146,603,233.38</u>	<u>152,984,173.62</u>	<u>6,380,940.24</u>
37. Long-Term Debt - RUS (Net)	0.00	0.00	0.00
38. Long-Term Debt - FFB - RUS Guaranteed	109,397,419.69	105,346,300.83	-4,051,118.86
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	104,844,929.95	97,663,714.45	-7,181,215.50
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>214,242,349.64</u>	<u>203,010,015.28</u>	<u>-11,232,334.36</u>
44. Obligations Under Capital Leases - Noncurrent	12,398,292.22	3,947,125.47	-8,451,166.75
45. Accumulated Operating Provisions	-805,750.37	-1,085,418.00	-279,667.63
46. Total Other Noncurrent Liabilities (44 + 45)	<u>11,592,541.85</u>	<u>2,861,707.47</u>	<u>-8,730,834.38</u>
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	7,142,387.22	8,156,941.47	1,014,554.25
49. Consumers Deposits	1,653,308.82	1,605,273.15	-48,035.67
50. Current Maturities Long-Term Debt	10,941,133.03	11,232,334.36	291,201.33
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	13,628,963.64	12,569,636.85	-1,059,326.79
54. Total Current & Accrued Liabilities (47 thru 53)	<u>33,365,792.71</u>	<u>33,564,185.83</u>	<u>198,393.12</u>
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	12,772,304.63	13,728,608.47	956,303.84
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	<u>418,576,222.21</u>	<u>406,148,690.67</u>	<u>-12,427,531.54</u>

General Ledger

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Financial And Operating Report Electric Distribution

INCOME STATEMENT FOR DEC 2025

Item	-----Year - To - Date-----			-----Period - To - Date-----	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	185,406,783.00	177,755,879.90	186,677,869.00	12,602,973.27	14,691,958.00
2. Power Production Expense	67,020,242.48	61,197,462.46	55,277,185.00	5,779,489.31	4,902,198.00
3. Cost of Purchased Power	38,665,763.58	35,443,442.42	47,642,338.00	2,677,555.27	3,695,063.00
4. Transmission Expense	2,053,860.11	1,855,331.01	1,817,470.00	254,886.96	155,659.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	1,706,970.98	1,373,937.88	1,686,095.00	99,598.09	145,255.00
7. Distribution Expense - Maintenance	5,481,962.62	6,309,194.58	6,164,873.00	798,593.54	531,746.00
8. Customer Accounts Expense	2,461,480.62	2,098,196.10	2,783,258.00	-150,226.15	235,349.00
9. Customer Service and Informational Expense	346,099.04	422,720.68	519,700.00	82,233.75	29,150.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	25,985,022.78	26,570,204.80	26,348,853.00	2,806,820.71	2,248,111.00
12. Total Operation & Maintenance Expense (2 thru 11)	143,721,402.21	135,270,489.93	142,239,772.00	12,348,951.48	11,942,531.00
13. Depreciation & Amortization Expense	14,881,364.99	15,012,100.34	15,484,170.00	1,250,001.74	1,290,348.00
14. Tax Expense - Property & Gross Receipts	4,630,259.43	4,453,936.33	4,666,946.00	328,446.97	367,299.00
15. Tax Expense - Other	11,050,692.43	11,445,065.05	11,066,292.00	890,311.75	870,322.00
16. Interest on Long-Term Debt	6,388,544.71	6,116,002.94	6,339,500.00	502,561.32	561,000.00
17. Interest Charged to Construction - Credit	0.00	0.00	0.00	0.00	0.00
18. Interest Expense - Other	0.00	0.00	1,030,515.00	0.00	116,167.00
19. Other Deductions	60,816.63	59,440.59	81,900.00	7,083.00	3,400.00
20. Total Cost of Electric Service (12 thru 19)	180,733,080.40	172,357,035.18	180,909,095.00	15,327,356.26	15,151,067.00
21. Patronage Capital & Operating Margins (1 minus 20)	4,673,702.60	5,398,844.72	5,768,774.00	-2,724,382.99	-459,109.00
22. Non Operating Margins - Interest	2,648,122.63	2,095,012.27	1,425,342.00	147,089.34	97,416.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-596,159.04	-800,194.96	-583,545.00	-163,735.63	-95,328.00
25. Non Operating Margins - Other	232,538.63	201,191.96	181,320.00	27,028.17	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	94,506.73	88,693.24	190,500.00	8,877.76	13,000.00
28. Extraordinary Items	0.00	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	7,052,711.55	6,983,547.23	6,982,391.00	-2,705,123.35	-428,911.00
Operating - Margin	7,052,711.55	6,983,547.23	6,982,391.00	-2,705,123.35	-428,911.00

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	PROJECTED	PROJECTED
									INTEREST EXPENSE	BALANCE AT 12/31/2025	2025 INTEREST EXPENSE
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
1	CFC	04/30/19	04/30/19	03/31/35	2.550%	HI001-9014-001	103,133,717	67,052,336	1,788,214	61,253,997	1,642,378
2	CFC	02/06/20	02/25/20	12/31/49	2.760%	HI001-9019B	26,500,000	23,579,920	662,002	22,915,032	643,964
3							<u>129,633,717</u>	<u>90,632,257</u>	<u>2,450,216</u>	<u>84,169,029</u>	<u>2,286,342</u>
4	FFB	07/01/11	06/07/12	12/31/42	2.424%	C8#1 - 2-1	8,716,000	5,995,975	148,560	5,723,754	142,856
5	FFB	07/01/11	10/23/12	12/31/42	2.604%	C8#1 - 2-2	1,606,000	1,114,101	29,639	1,064,340	28,523
6	FFB	07/01/01	06/24/13	12/31/42	3.259%	C8#1 - 2-3	9,100,000	6,504,071	216,192	6,230,523	208,609
7	FFB	07/01/11	11/25/13	12/31/42	2.662%	C8#1 - 2-4	2,689,000	1,848,092	50,254	1,765,983	48,373
8	FFB	07/01/11	03/18/14	12/31/42	3.334%	C8#1 - 2-6	5,198,000	3,788,091	128,788	3,629,875	124,308
9	FFB	07/01/11	08/07/14	12/31/42	3.023%	C8#1 - 2-7	5,731,000	4,165,662	128,514	3,986,605	123,889
10	FFB	07/01/11	05/08/15	12/31/42	2.665%	C8#1 - 2-8	4,213,000	3,074,855	83,705	2,938,279	80,574
11	FFB	07/01/11	09/18/15	12/31/42	2.715%	C8#1 - 2-9	748,000	550,855	15,275	526,499	14,707
12	FFB	01/15/15	10/29/15	12/31/42	2.558%	C8#2 - 3-1	6,000,000	4,417,504	115,460	4,219,371	111,090
13	FFB	01/15/15	01/12/16	12/31/42	2.636%	C8#2 - 3-2	35,586,552	26,448,249	712,208	25,270,386	685,478
14							<u>79,587,552</u>	<u>57,907,457</u>	<u>1,628,596</u>	<u>55,355,614</u>	<u>1,568,406</u>
15	FFB	12/01/17	04/24/18	12/31/51	3.199%	D8 - 4-1	22,192,000	19,895,814	642,298	19,414,663	630,649
16	FFB	12/01/17	10/22/18	12/31/51	3.437%	D8 - 4-2	5,707,000	5,138,616	178,139	5,018,642	175,055
17	FFB	12/01/17	06/06/19	12/31/51	2.578%	D8 - 4-3	4,776,000	4,231,193	110,239	4,119,193	107,990
18	FFB	12/01/17	06/22/20	12/31/51	1.326%	D8 - 4-4	3,992,000	3,510,802	47,200	3,400,023	45,999
19	FFB	12/01/17	10/08/21	12/31/51	2.087%	D8 - 4-5	7,889,000	7,290,648	153,959	7,083,684	150,525
20	FFB	12/01/17	05/19/22	12/31/51	3.236%	D8 - 4-6	3,450,000	3,264,506	106,598	3,185,988	104,679
21	FFB	12/01/17	08/29/22	12/31/51	3.422%	D8 - 4-7	12,706,000	12,102,814	417,747	11,819,612	410,493
22							<u>60,712,000</u>	<u>55,434,394</u>	<u>1,656,180</u>	<u>54,041,806</u>	<u>1,625,389</u>
23	COBANK	02/06/20	02/22/21	02/20/51	2.900%	00102606 T01	18,119,000	16,590,382	495,406	16,162,624	481,660
24	COBANK	02/06/20	02/10/22	02/10/52	3.330%	3455702 T01-DS	4,900,000	4,618,994	158,147	4,513,277	154,206
25							<u>23,019,000</u>	<u>21,209,376</u>	<u>653,553</u>	<u>20,675,901</u>	<u>635,866</u>
26	Total Long Term Debt						\$ 292,952,269	\$ 225,183,483	\$ 6,388,545	\$ 214,242,350	\$ 6,116,003

Treasury Management – Monthly Discussion

- Ratings:
 - No changes in Money Market Fund Rating - **AAA**
- Current Summary Of Investments:
- **\$12.4M** 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)
 - **3.43%** Interest Rate
- **\$4.8M** CFC Daily and Monthly Commercial Paper – ST to Medium Term Investment – Daily to Monthly A2 Moody and S&P A-
 - Daily Fund – **3.00%**
- **\$4.8M** CoBank Commercial Paper Investment – AA- Moody and S&P
 - 60-day Investment – **2.50%**
- **\$274,730** Central Pacific Bank – Backup Checking in NISC if needed
 - Backup for Checking in Money Market (unlimited) account
 - **2.37%**

◆ Permitting Reform

- The House of Representatives took a significant step forward in [permitting reform](#) this month when it passed the [SPEED Act](#), which would modernize federal environmental reviews under the National Environmental Policy Act.
 - “Federal environmental permitting has become increasingly complex, unpredictable, and unworkable over time. It interferes with co-op efforts to maintain the infrastructure ... delays critical projects and can significantly increase costs for electric co-op consumers. The SPEED Act will help remedy those problems while providing important regulatory certainty and ensuring reliable electricity for families and businesses across the nation.”—**Jim Matheson, CEO, NRECA**
- Earlier this month, the House passed the [PERMIT Act](#), which would help ease inefficiencies in the Clean Water Act permitting process.
- The Senate is working on its own permitting package. Both chambers would need to pass the same bill before it could be signed into law by President Donald Trump.

◆ Cyber Hearing

- Tim Lindahl, president and CEO of Kenergy Corp., [testified this month](#) during a House Energy and Commerce Subcommittee on Energy hearing on cybersecurity.
 - Lindahl was the eighth co-op leader to testify in front of Congress this year.
- Lindahl emphasized the importance of smart, targeted federal support—including continued funding, workforce development and improved threat intelligence sharing—to help co-ops keep the grid secure in rural, remote locations.
- He asked lawmakers to reauthorize the Department of Energy’s [Rural and Municipal Utility Cybersecurity Program](#), a program he called “a generational opportunity to improve the cybersecurity posture of electric cooperatives and municipally owned electric utilities.”

◆ FEMA Reform

- NRECA continues to advocate for House passage of the bipartisan [Fixing Emergency Management for Americans Act of 2025](#), which would help disaster-affected co-ops rebuild faster, increase resilience and reduce the financial burden on rural families and businesses.
 - Led by NRECA, seven trade associations across the utility, insurance and homebuilding sectors [sent a letter](#) to House leadership on Dec. 9 urging action on the legislation.
 - NRECA CEO Jim Matheson [spoke with RFD-TV](#) this month about the importance of federal disaster assistance and FEMA reform.
 - Grassroots activists have now sent nearly 67,000 letters to their lawmakers—and co-op leaders have sent more than 1,900—urging the House to pass the bill. [Click here to add your voice.](#)

◆ Lower Snake River Dams

- This month, NRECA filed an amicus, or “friend of the court,” brief in the Federal District of Oregon to support co-op interests in litigation related to the Lower Snake River dams.

- NRECA’s filing provides the cooperative perspective and reinforces the federal government’s efforts to push back against the unreasonable court action brought by environmental groups, tribes and the states of Washington and Oregon.
- The four Lower Snake River dams supply reliable, affordable and carbon-free hydropower to 52 co-ops in eight Western states served by the federal Bonneville Power Administration.
 - NRECA will continue to communicate the importance of the dams to the White House and to the Departments of Energy and Justice.
- Also this month, Energy Secretary Chris Wright [visited Ice Harbor Dam](#) on the Lower Snake River.
 - The need to protect the dams was a top issue NRECA CEO Jim Matheson raised during his first meeting with Wright in March.

◆ **NRECA International**

- This month, volunteers traveled to Jamaica with [NRECA International](#)¹ to help restore ongoing power outages from Hurricane Melissa.
 - The powerful hurricane made landfall in Jamaica on Oct. 28, devastating 75% of the island’s distribution system.
 - Co-op volunteers from Arkansas, Maryland, Minnesota, Missouri, Texas and Virginia have been working to get the power back on.

◆ **2026 CEO Close-Up and Directors Conference**

- Co-op leadership will gather in California next month for the 2026 CEO Close-Up and Directors Conference.
 - [CEO Close-Up](#) is set for Jan. 11-13 in Palm Desert.
 - [Directors Conference](#) is Jan. 25-28 in Palm Springs.
- Both conferences give co-op leaders the chance to sharpen their skills, exchange ideas and set their co-ops up for success in the new year.
- [Click here](#) to learn more or to register.

¹ NRECA International is a separate legal entity.

Report of KIUC Charitable Foundation

To KIUC Board of Directors

1/13/2026

The Charitable Foundation Board met on 1/13/26

The following reports were received:

Treasurer report ending balance of \$135,606.26 as of December 31.

Makana Program:

- 529 registered, YTD contribution \$3,622.34

KEO & CCH Update:

- KEO – 12 applications approved in 2025, totaling \$2,552.92 in assistance.
- CCH – 5 applications approved in 2025, requested additional funding and \$5,000 was approved.

Approved applications:

- Kekahu Foundation – motion approved to fund \$1,444.
- Komohana Westside Girls Basketball Club – motion approved to fund \$1,000 for basketballs & medical bag supplies.
- Declined to fund two applications because it did not fall within grant parameters and past event.

Golf Tournament

- Set date for November 14, 2026

Other business

- Discussion about Lineman scholarship

T. Phil Tacbian, President

KIUC 2025 Corporate Performance Targets

Projected Payout **93.05%**

Highlighted Changes to 2025 Goals

Carbon Footprint

Renewable Projects - PUC Approval **(NEW)**

>> Tasks related to obtaining PUC Decision & Order were expected to be completed in 2025, if not for federal policy and funding changes.

Resiliency and Reliability

Kilohana SY/Kilohana Hanahanpuni Transmission Line/Hanalei to Princeville Transmission Line **(NEW)**

>> Tasks related to PUC Application and Decision & Order for Hanalei Tap to Princeville Transmission Line no longer necessary following increase in GO7 Filing Threshold to \$4.3M

Natural Hazard Mitigation

>> Task related to submitting revised Wildfire Mitigation Plan no longer required, as requirement suspended pending D&O in Docket 2025-0255.

Cost of Electricity

Obtain an Investment Grade Rating from an established rating agency

>> Tasks related to obtaining an Investment Grade Rating no longer deemed necessary following assured continuation of RUS.

Grant HSEO Funded and Pace Loan Closed AND Civil Work Completed **(NEW)**

>> Tasks related to completing Civil Work at BESS Sites were expected to be completed in 2025, if not for federal policy and funding changes.

KIUC 2025 Corporate Performance Targets

% Strategic Goal	% Project Description	YTD Actual	Level [Payout]				Projected Level	Weighted Level
			0 [0%]	1 [75%]	2 [100%]	3 [125%]		
20% Carbon Footprint	25% DSM & Efficiency Measures	3352	1,066 MWh	1,341 MWh	1,591 MWh	1,841 MWh	3.00	0.150
	25% KRS1 & KRS2 Curtailment	136	> 750 MWh	750 MWh	600 MWh	300 MWh	3.00	0.150
	50% Renewable Projects - PUC Approval	3.0	No PPA HPUC Approvals or App Submission	Application to PUC Submitted	PUC Approval Received on one PPA	PUC Approval on two PPAs	3.00	0.300
25% Resiliency and Reliability	10% Average Service Availability (ASA) - based on sustained outages	99.94	< 99.93	99.94	99.95	99.96	1.00	0.025
	20% Kilohana SY/Kilohana Hanahanpuni Transmission Line/Hanalei to Princeville Transmission Line	2.0	Less than 2	Complete 2	Complete 3	Complete 4	2.00	0.100
	20% Natural Hazard Minimization	5.0	Less than 3	Complete 3	Complete 4	Complete 5	3.00	0.150
	20% New Generation Review and Recommendation	2.0	Less than 2	Complete 2	Complete 3	Complete 4	1.00	0.050
	10% Joint Pole Attachment Renegotiation and Tracking Improvements	0.0	Less than 2	Complete 2	Complete 3	Complete 4	0.00	0.000
	20% IT, Cyber Security & Improvement of System Practices to prevent/mitigate the impacts of cyber-attacks	6.0	Less than 5	Complete 5	Complete 6	Complete 7	2.00	0.100
25% Environmental & Safety	30% Habitat Conservation Plan & HCP improvements	2.0	Less than 4	Complete 4	Complete 5	Complete 6	0.00	0.000
	30% Safety Improvements and Enhancements	9.0	Less than 7	Complete 7	Complete 8	Complete 9	3.00	0.225
	20% Total Case Incident Rate (TCIR) Safety Metrics	3.14	> 4	4	2	0	1.50	0.075
	20% Lost Time Rate (LTR) Safety Metrics	2.36	> 2	2	1	0	1.00	0.050
30% Cost of Electricity	16% Develop and Implement a Fleet Replacement Plan inclusive of a maintenance plan	1.0	Less than 4	Complete 4	Complete 5	Complete 6	0.00	0.000
	0% Obtain an Investment Grade Rating from an established rating agency	NA	Less than 3	Complete 3	Complete 4	Complete 5		0.000
	16% Sales Heat Rate	9606	> 9750	9750	9600	9500	2.00	0.093
	0% Pace Loan Closed, HSEO Project SCCT construction started AND 3 Site Civil Work Completed for BESS	NA	Less than 3	Complete 3	Complete 4	Complete 5		0.000
	23% Regulatory Board Committee Meetings and Goals	3.0	Less than 3	Complete 3	Complete 4	Complete 5	1.00	0.070
	30% Develop a New Integrated Wage and Salary Continuation Plan	7.0	Less than 7	Complete 7	Complete 8	Complete 9	1.00	0.090
	16% Develop a Risk Management Program	3.0	Less than 2	Complete 2	Complete 3	Complete 4	2.00	0.093

100%

Projected Total Weighted Level

1.72

Projected Payout

93.05%

Detailed Requirements:

**No Payout if KIUC in default on loan contracts or indenture loan targets not met
Community Service Requirements Must Be Met at Individual Level for Payout:**

4 KIUC Events from official list on WattsUp

Parade counts as two events & 1 Seat on Community Organization Board (e.g. KEDB, Rotary, Humane Society etc.) counts as two events

Carbon Footprint

% Strategic Goal	% Project Description	YTD Actual / Forecast	Level [Payout]				3.00	0.150
			0 [0%]	1 [75%]	2 [100%]	3 [125%]		
20% Carbon Footprint	25% DSM & Efficiency Measures	3352	1,066 MWh	1,341 MWh	1,591 MWh	1,841 MWh	3.00	0.150
	25% KRS1 & KRS2 Curtailment	136	> 750 MWh	750 MWh	600 MWh	300 MWh	3.00	0.150
	50% Renewable Projects - PUC Approval	3.0	No PPA HPUC Approvals or App Submission	Application to PUC Submitted	PUC Approval Received on one PPA	PUC Approval on two PPAs	3.00	0.300

Carbon Footprint	<u>DSM & Efficiency Measures</u>	<u>in MWh</u>	<u>Targets</u>
	Commercial DSM	1018.8	807.8
	Residential Energy Efficiency Programs	2333.7	783.6
	Total	3352.5	1591.4

Carbon Footprint	<u>KRS1 & KRS2 Curtailment (in MWh)</u>	<u>YTD MWh</u>
	2025 YTD MWh Curtailment- KRS1	78.94
	2025 YTD MWh Curtailment- KRS2	57.40
	Total YTD MWh Curtailment	136.34

Carbon Footprint Renewable Projects
see measures above

Resiliency and Reliability

% Strategic Goal	% Project Description	YTD Actual / Forecast	Level [Payout]				1.00	0.025	
			0 [0%]	1 [75%]	2 [100%]	3 [125%]			
25% Resiliency and Reliability	10%	Average Service Availability (ASA) - based on sustained outages	99.94	< 99.93	99.94	99.95	99.96	1.00	0.025
	20%	Kilohana SY/Kilohana Hanahanapuni Transmission Line/Hanalei to Princeville Transmission Line	2.0	Less than 2	Complete 2	Complete 3	Complete 4	2.00	0.100
	20%	Natural Hazard Minimization	5.0	Less than 4	Complete 3	Complete 4	Complete 5	3.00	0.150
	20%	New Generation Review and Recommendation	2.0	Less than 2	Complete 2	Complete 3	Complete 4	1.00	0.050
	10%	Joint Pole Attachment Review and Tracking Improvements	1.0	Less than 2	Complete 2	Complete 3	Complete 4	0.00	0.000
	20%	IT, Cyber Security & Improvement of System Practices to prevent/mitigate the impacts of cyber-attacks	6.0	Less than 5	Complete 5	Complete 6	Complete 7	2.00	0.100

Resiliency and Reliability **Average Service Availability (ASA) - based on sustained**
Statistical Targets Above

Resiliency and Reliability **Kilohana SY/Kilohana Hanahanapuni Transmission**
 1. Finalize Construction of Transmission Line - Kilohana to Hanahanapuni
 2. Finalize Civil Plans and Road Improvements from Highway to Kilohana SY
 3. Submit PUC Application for Hanalei Tap - Princ
 4. Receive D&O for Hanalei Tap - Princeville Transmission Lines

Resiliency and Reliability **Natural Hazard Minimization**
 1. ~~Submit Revised Wildfire Mitigation Plan (WFMP) to PUC~~ N/A - Requirement suspended pending D&O in Docket 2025-0255
 2. Complete 7,000 new pole Inspections (wooden utility poles) 7,227
 3. Change out at least 300 rotten poles 517
 4. Execute on vegetation management plan = 25,000 labor hours for the year 31,366
 5. Complete Study of wildfire-safe overcurrent devices
 6. Multi Department Disaster Exercise for Post Disaster - Day 1 Post Hurricane

Resiliency and Reliability

% Strategic Goal	% Project Description	YTD Actual / Forecast	Level [Payout]				1.00	0.025	
			0 [0%]	1 [75%]	2 [100%]	3 [125%]			
25% Resiliency and Reliability	10%	Average Service Availability (ASA) - based on sustained outages	99.94	< 99.93	99.94	99.95	99.96	1.00	0.025
	20%	Kilohana SY/Kilohana Hanahanpuni Transmission Line/Hanalei to Princeville Transmission Line	2.0	Less than 2	Complete 2	Complete 3	Complete 4	2.00	0.100
	20%	Natural Hazard Minimization	5.0	Less than 4	Complete 3	Complete 4	Complete 5	3.00	0.150
	20%	New Generation Review and Recommendation	2.0	Less than 2	Complete 2	Complete 3	Complete 4	1.00	0.050
	10%	Joint Pole Attachment Review and Tracking Improvements	1.0	Less than 2	Complete 2	Complete 3	Complete 4	0.00	0.000
	20%	IT, Cyber Security & Improvement of System Practices to prevent/mitigate the impacts of cyber-attacks	6.0	Less than 5	Complete 5	Complete 6	Complete 7	2.00	0.100

Resiliency and Reliability

New Generation Review and Recommendation

- 1. Production Model & Engineering and Cost Study Complete
- 2. Site Layout Plan Completed and Approved by DB
- 3. Financial Analysis Completed and integrated into New CWP
- 4. CEO and BOD presentation and go/no go decision to move forward with air permit modeling

Resiliency and Reliability

Joint Pole Attachment Review and Tracking Improvements

- 1. Understand all current pole agreements and setup flow chart of the different agreements
- 2. Work toward a procedure/plan/method that could help us map all poles that have attachments
- 3. Research joint pole agreements on transmission lines we need to reconductor for Mana/Kaawanui
- 4. Update Cost approval procedure, tracking and billing with all parties to bring billing of joint owned poles current

Resiliency and Reliability

IT Cyber Security & Improvement of System Practices to prevent/mitigate the impacts of cyber-attacks

- 1. Complete CIS Control 3.1-3.6: Data Protection
- 2. Commission SDWAN technology to provide seamless ISP failover of Internet Services
- 3. Implement NISC Operations Analytics with primary focus for initial implementation of MDM Measurements and OA Dashboards
- 4. Commission OT network monitoring and detection solution
- 5. Complete integration of mobile device management for device setup, inventory, cybersecurity, and self-service
- 6. Integrate Security Information and Event Monitoring (SIEM) solution for IT/OT network and devices
- 7. Complete Incident Response and Disaster Recovery table top exercise

Environmental and Safety

%	Strategic Goal	%	Project Description	YTD Actual / Forecast	Level [Payout]					
					0 [0%]	1 [75%]	2 [100%]	3 [125%]		
25%	Environmental & Safety	30%	Habitat Conservation Plan & HCP improvements	2.0	Less than 4	Complete 4	Complete 5	Complete 6	0.00	0.000
		30%	Safety Improvements and Enhancements	9.0	Less than 7	Complete 7	Complete 8	Complete 9	3.00	0.225
		20%	Total Case Incident Rate (TCIR) Safety Metrics	3.14	> 4	4	2	0	1.50	0.075
		20%	Lost Time Rate (LTR) Safety Metrics	2.36	> 2	2	1	0	1.00	0.050

Environmental &

Habitat Conservation Plan & HCP improvements

- 1. Complete fences and weather ports at Upper Limahuli
- 2. Complete RFP for predator control and vegetation management at Upper Limahuli Preserve (ULP)
- 3. Complete Agreements for 2026 services in accordance with RFP results
- 4. Complete draft EIS and publish EIS and HCP in Federal Register and The Environmental Notice
- 5. Hold Individual briefings on HCP with all (willing) member of Endangered Species Recover Committee
- 6. File final HCP (after comments)

Environmental & Safety

Implement Improvements and Enhancements

- 1. Create Safety Training Plan for the year - Publish full schedule for the entire year and what trainings are in-person versus online by end of January 2025 (with 1 EAP Training)
- 2. Conduct NRECA RESAP assessment
- 3. Conduct an employee survey of safety perceptions with goal of it being standardized and conducted yearly with NRECA
- 4. Anahola gates fully functional
- 5. Complete and implement Warehouse Safety Training Program
- 6. Conduct monthly safety audits by location - written audit reports compiled with Vector Data for sr staff quarterly review
- 7. Integrate Hana Kukui fire alarm system with 911 emergency services. (note: next step from 2024 goals)
- 8. Implement software to manage DOT safety sensitive driver files to assure compliance with FMCSA and other State and Federal regulations.
- 9. Pilot padlock electronic key system to replace physical keys. (note: next step from 2024 goals)

Environmental & Safety

Total Case Incident Rate (TCIR) Safety Metrics

see measures above

Environmental & Safety

Lost Time Rate (LTR) Safety Metrics

see measures above

Cost of Electricity

% Strategic Goal	% Project Description	YTD Actual / Forecast	Level [Payout]				0.00	0.000	
			0 [0%]	1 [75%]	2 [100%]	3 [125%]			
30% Cost of Electricity	16%	Develop and Implement a Fleet Replacement Plan inclusive of a maintenance plan	1.0	Less than 4	Complete 4	Complete 5	Complete 6	0.00	0.000
	0%	Obtain an Investment Grade Rating from an established rating agency	N/A	Less than 3	Complete 3	Complete 4	Complete 5		0.000
	16%	Sales Heat Rate	9606	> 9750	9750	9600	9500	2.00	0.093
	0%	Pace Loan Closed, HSEO Project SCCT construction started AND 3 Site Civil Work Completed for BESS	N/A	Less than 3	Complete 3	Complete 4	Complete 5		0.000
	23%	Regulatory Board Committee Meetings and Goals	3.0	Less than 3	Complete 3	Complete 4	Complete 5	1.00	0.070
	30%	Develop a New Integrated Wage and Salary Continuation Plan	7.0	Less than 7	Complete 7	Complete 8	Complete 9	1.00	0.090
	16%	Develop a Risk Management Program	3.0	Less than 2	Complete 2	Complete 3	Complete 4	2.00	0.093

Cost of Electricity **Develop and Implement a Fleet Replacement Plan inclusive of a Maintenance Plan**
 1. Inventory and Assess the Current Fleet
 2. Establish Replacement Criteria
 3. Develop Replacement Plan
 4. Develop a Maintenance Plan and Vendor Account Setup
 5. Staff Training and Communication
 6. Execute the Plans

Cost of Electricity **Obtain an Investment Grade Rating from an established rating agency** N/A
 1. Preliminary Preparation and Decision to Seek a
 2. Selecting the Rating Agency
 3. Submission of Information to Rating Agency
 4. Rating Committee preliminary analysis and com
 5. Issuance of Rating

Cost of Electricity **Sales Heat Rate**
 see measures above

Cost of Electricity **Grant HSEO Funded and Pace Loan Closed AND Civil Work Completed**
 1. Close Pace Loan and Receive PUC Approval
 2. Begin Construction on SCCT and Submit for Payment
 3. Civil Work Completed at Koloa Site
 4. Civil Work Completed at Anahola Site
 5. Civil Work Completed at Port Allen Site

Cost of Electricity

% Strategic Goal	% Project Description	YTD Actual / Forecast	Level [Payout]				0.00	0.000	
			0 [0%]	1 [75%]	2 [100%]	3 [125%]			
30% Cost of Electricity	16%	Develop and Implement a Fleet Replacement Plan inclusive of a maintenance plan	1.0	Less than 4	Complete 4	Complete 5	Complete 6	0.00	0.000
	0%	Obtain an Investment Grade Rating from an established rating agency	N/A	Less than 3	Complete 3	Complete 4	Complete 5		0.000
	16%	Sales Heat Rate	9606	> 9750	9750	9600	9500	2.00	0.093
	0%	Pace Loan Closed, HSEO Project SCCT construction started AND 3 Site Civil Work Completed for BESS	N/A	Less than 3	Complete 3	Complete 4	Complete 5		0.000
	23%	Regulatory Board Committee Meetings and Goals	3.0	Less than 3	Complete 3	Complete 4	Complete 5	1.00	0.070
	30%	Develop a New Integrated Wage and Salary Continuation Plan	7.0	Less than 7	Complete 7	Complete 8	Complete 9	1.00	0.090
	16%	Develop a Risk Management Program	3.0	Less than 2	Complete 2	Complete 3	Complete 4	2.00	0.093

Cost of Electricity

Regulatory Board Committee Meetings and Goals

- 1. Hold at least 5 Committee Meetings in 2025
- 2. Meet with PUC, CA and Kauai legislative delegation on regulated related items
- 3. Conduct Member focus groups on regulatory initiatives
- 4. Develop recommendations for key regulatory initiatives
- 5. As applicable, initiate proceedings within PUC or prepare draft legislation in support of desired regulatory initiatives

Cost of Electricity

Develop a New Integrated/Wage Salary Continuation Plan

- 1. Change Name of Policy
- 2. Establish a committee of members with NBU,BU and IBEW BA's
- 3. Timeline -schedule reoccurring meetings
- 4. Prep- gather data, reports, resources, etc.
- 5. Present last proposal, review, develop, amend, agree
- 6. Submit committee recommendation to CEO for approval
- 7. Submit to Union for Approval
- 8. Submit and receive approval from the DOL to change our plan
- 9. Implement new policy

Cost of Electricity

Develop a Risk Management Program

- 1. Conduct a Risk Management Assessment
- 2. Identify Minimization Opportunities
- 3. Put together a draft risk management Plan
- 4. Implement Plan

KIUC BOARD POLICY NO. 2
AUTHORITY AND RESPONSIBILITY OF THE CEO

PURPOSE OF POLICY:

The purpose of this policy is to describe the CEO's authority.

POLICY CONTENT:

The Board and the CEO form a team united to serve the best interests of the membership. The need for them to work effectively and efficiently together is critical to the success of the Cooperative. The "flow" of authority for the management of the Cooperative shall pass through the CEO. The CEO shall be the link between the Board and Cooperative personnel. However, the Board is entitled to and shall receive full and complete information from the CEO concerning all matters in connection with the management of the Cooperative as set forth in Board policies.

The CEO is the senior employee and manager of KIUC, capable of binding it legally and responsible for its day-to-day operations. Both the Board and the CEO recognize efficient management of the Cooperative can exist only through mutual understanding and complete trust and cooperation between themselves. The CEO is expected to produce results, faithfully carry out all of the policies of the Board, and account to the Board for its stewardship. Correspondingly, the CEO shall be allowed to exercise independent judgment in executing policies of the Board. To enable KIUC to achieve its mission, the CEO is delegated the following authority, responsibilities, and duties:

I. Planning

- A. Assist in identifying the mission, objectives, and strategic priorities of KIUC by periodically engaging in a planning process with the Board.
- B. Develop policies to be recommended to the Board for its consideration. The CEO shall review such policies as appropriate with recommendations regarding revisions.
- C. Develop with the Board Chair a schedule of topics to be discussed and reports to be presented to the Board to ensure adequate attention can be devoted to strategic issues and challenges.
- D. Conduct studies and market research, utilizing staff and/or consulting assistance, to develop proposed action plans and reports in such areas as load forecasts, power requirements, financial plans, energy management, and marketing plans, and engineering requirements.

- E. Arrange for member satisfaction surveys and other techniques to measure consumer satisfaction, and conduct needs assessments to determine consumer interest in additional products or services that might be offered by KIUC.
- F. Develop plans for annual and other member meetings of KIUC and make appropriate recommendations to the Board regarding the conduct of such meetings.
- G. Develop long-range financial plans, cash management plans, work plans, and budgets for recommendation to the Board, and provide periodic reports on revenue, expenses, and other results compared to such plans.
- H. In coordination with the Board and the National Rural Electric Cooperative Association, analyze and determine county, state, and federal legislative and regulatory matters to be proposed, supported, or opposed.
- I. Periodically analyze KIUC's rates and service rules and regulations to make sure they meet operating requirements, and make appropriate recommendations to the Board.

II. Organization and Human Resource Management

- A. Determine and establish the organizational structure best suited to carry out its objectives within the limitations of the budget.
- B. Ensure written position descriptions and job specifications are prepared in accordance with all laws and regulations and reviewed as necessary for all personnel.
- C. Develop or approve standards and qualifications for use in recruitment, transfer, and promotion of personnel, and select, appoint, transfer, promote, and terminate personnel as appropriate for non-bargaining unit personnel, and consistent with the requirements of the collective bargaining agreement for bargaining unit personnel.
- D. Ensure staff members are trained in accordance with the qualifications and requirements of their positions.
- E. Appraise, at least annually, the performance of immediate subordinates, and ensure a performance appraisal program is established and carried out for all personnel.
- F. Determine all salary adjustments, except the CEO's, within the limitations of the budget. (The Board shall determine salary adjustments for the CEO.)

- G. Negotiate, with or without consulting assistance, labor contracts and make recommendations to the Board. Administer the approved labor contract and ensure the appropriate managers and supervisors understand the provisions of the contract and its administration.
- H. Authorize and approve travel expenses of personnel (except the CEO's) on company business within the limitations of the budget and within established policy. The policy on Directors states who will review the travel expenses of the CEO.
- I. Select and appoint consultants to provide advice and assistance within the limitations of the work plan and budget, and advise the Board of actions taken. The selection of consultants working in areas that affect the functions of the Board requires Board approval.

III. Operations

- A. Direct day-to-day operations of KIUC except as otherwise specified by the bylaws or the Board. Delegate authority to immediate subordinates; authorize further delegation of authority to any level of management with full recognition that the CEO cannot be relieved of overall accountability.
- B. Designate an appropriate person to serve as acting CEO in an extended absence of the CEO. If there is no formal delegation of authority in effect and the CEO becomes incapacitated, the Chief Financial Officer shall serve as acting CEO until the Board takes action.
- C. Participate in national, regional, state, and local meetings that further the best interests of KIUC, within the limitations of Board policy and the approved budget. Participation by the CEO in such activities that require considerable time over a sustained period requires the prior approval of the Board. The CEO's serving on the board of other organizations shall require prior approval of the Board.
- D. Serve as the authorized spokesperson for KIUC.
- E. Administer the approved budget, by taking the following actions:
 - 1. Make or approve any single non-budgeted expenditure in an amount up to \$100,000.
 - 2. Execute or cause or allow the execution of any check, draft, or electronic transfer of funds in or out of the normal course of business, whether solely or with co-signatures, in an amount up to \$2,500,000; provided, however, the CEO may, without further authority of the Board:

- a. make electronic fund transfers up to \$10,000,000 for the purpose of making contractual fuel payments; and provided, further with the concurrence of the chair of the Board's Finance and Audit Committee or the Board Chair, such electronic fund transfers in excess of \$10,000,000 may be made in the normal course of business;
 - b. pay the annual KIUC franchise tax; and
 - c. make payments on any previously approved credit lines or long-term debt loan payments.
3. Pay any attorney invoice for an amount ~~in~~ up to \$100,000, whether or not budgeted. All attorney invoices will be reviewed by General Counsel prior to being paid.
4. Enter into any multi-year contract where the total expected contract amount will not exceed \$500,000.
5. Enter into any extension of an existing contract where the total expected additional contract amount will not exceed \$150,000.
6. Borrow any funds in the name of KIUC or based upon its credit in an amount up to \$10,000,000 from the previously approved "Disaster" line of credit from CFC. Provided, further, however, under emergency circumstances, the CEO may take action in contravention of such limits as is reasonable and necessary to protect the assets of KIUC or the safety of its personnel or members in such an emergency, so long as such action is immediately reported to the Board.
7. The CEO, however, may not borrow any funds in the name of KIUC excluding draws from any previously approved credits lines from National Rural Utilities Cooperative Finance Corporation ("CFC") or CoBank, ACB ("CoBank"), or advance requests from any previously approved loans from the Federal Financing Bank ("FFB"), CFC, or CoBank without Board approval.
- F. Determine insurance coverage required for effective risk management and negotiate purchase of such coverage within the limitations of the budget and Board policy.
- G. Authorize memberships in civic clubs and organizations and company memberships in local organizations in which membership would be beneficial to KIUC.
- H. Report to the Board any non-adherence to this policy.

Authority in a Cooperative flows from the Board to the CEO. The CEO then delegates authority

to individual staff members. It is the policy of the Board to refrain, as individuals, from directing the activities of Cooperative staff members. Exceptions to this normal flow of authority must be authorized in advance by an approved Board resolution and/or approval of the CEO.

Adopted on this 29th day of January 2026.

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Calvin Murashige
Secretary