

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

Via Video Conference Call

March 24, 2026

MINUTES

Meeting called to order by Chair Smith at 1:10 p.m.

1. Roll Call

- **Directors present:** Directors Allan Smith (Chair), Jan TenBruggencate (Vice Chair), Edmund Acoba (Secretary), David Iha, James Mayfield via Zoom, Bryson Ponce, Teofilo Tacbian, Michael Yamane, Peter Yukimura (Treasurer); and David Bissell (CEO)
- **Others present:** Laurel Loo (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), Corinne Cuaresma (Controller), Shelsey Francisco (Sr. Financial Analyst), and Melanie Cierras (Finance Mgr.); Members of the press (0) and Members of the public (1)
- **Absent/Excused:** None

2. Approval of the Agenda

- The Board of Directors' agenda of March 24, 2026, was approved as presented.

3. Approval of Minutes

- The following minutes were approved without objections.
February 26, 2026, Regular Board meeting

4. Director Safety Moment

Director Acoba shared a picture from the Philippines as an example of unsafe practices, showing a ladder placed against wires with an assistant holding it up. It was emphasized the importance of safety training and proper precautions.

A personal story about reversing into a concrete pole, damaging their truck, and highlighting the importance of being cautious.

Other directors discussed airline safety concerns and the importance of reporting safety issues. The session underscored the need for vigilance and proactive measures to ensure safety in various situations.

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

- **Safety:** No reportable incidents for the month or year-to-date.
- **Outages:** There were five outages, with outage hours per customer at 0.32, which is considered good given the weather conditions.
- **Rates:** Rates were flat for March, but fuel costs increased by 40% month-over-month, leading to an anticipated 15% rate increase in April.
- **Wildfire Mitigation Plan:** Progress is being made on cost recovery approaches for wildfire-related expenses, with legislative approval for co-ops to recover these costs.
- **Power Purchase Agreements (PPA):** The Ka'awanui project received PUC approval and is progressing well, while the Mana project faces challenges due to environmental reviews.
- **Legislative Updates:** No significant bills are expected to impact the cooperative this year.
- **Habitat Conservation Plan (HCP):** Positive updates include the near-finalization of the NTBG agreement and progress on land agreements.
- **Storm Impact:** Recent Kona storms caused limited impact on operations, thanks to preventative measures such as vegetation control, was noted.
- **Joint Pole Attachment Project:** Progress is being made to address shared infrastructure with telecommunications companies, especially considering fire risks highlighted by the Maui wildfires.
- **Youth Leadership:** The cooperative's youth delegate, Brynn Lee Hirata from Waimea, represented Kauai impressively at the NRECA PowerXchange in Nashville.

6. Financial Report – Erin Tsuda (CFO)

The CFO provided a financial presentation for the February 2026 Financial Report. A brief recap of the attached presentation provided below:

- **Sales and Revenue:**
 - Megawatt-hour sales were slightly below last year's and budget projections, with a half-percent decrease across most customer classes except residential and street lighting.
 - Year-to-date revenue was \$27.5 million, slightly above last year but 4.5% lower than budget expectations due to lower sales volume and rates.
- **Operating Expenses:**
 - Year-to-date operating expenses were \$7.8 million, lower than both the prior year and budget. This was partly due to a one-time \$228,000 credit received in February and timing differences in expense recording.

- **Margins:**
 - Year-to-date margins were \$1.5 million, higher than both budget and prior year, driven by lower operating expenses.
- **Debt and Equity:**
 - \$15 million was drawn on the latest loan with RUS in March.
 - The equity ratio was 38.45%, and the indenture equity ratio (adjusted for subsidiary losses) was 0.43.
- **Accounts Receivable:**
 - AR balances decreased from \$12.2 million to \$11.3 million, with an improvement in current balances from 94.9% to 95.8%.

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

- Director Iha noted that there was little activity happening in Washington, D.C., at the moment.
- The upcoming Legislative Conference in April was mentioned, with an emphasis on preparing and aligning the cooperative's priorities to present to legislative staff.

8. Charitable Foundation Board Report – Director Phil Tacbian.

Director Tacbian provided a recap of the attached report for March 2026. The report includes financial status, the Makana Programs report, and recent donations.

- **Financial Status:**
 - The foundation had \$125,625 in its treasury as of the end of February.
- **Makana Program:**
 - The program had 545 participants who contributed \$574 during the reporting period.
- **Recent Contribution:**
 - The foundation donated \$700 to the Kauai Complex Department of Education to support a migrant education workshop, covering expenses such as refreshments that state funds could not cover.
- **Upcoming Event:**
 - The annual golf tournament is scheduled for November 14, with confirmation of the date pending.

9. Public Testimony. No public testimony was received.

10. New Business

10.1. Policy 9 – Investments

Policy 9 was introduced by Director Acoba noting that the policy committee recommends reauthorizing Policy 9.

MOTION: to reauthorize Policy 9.

[Motion: Acoba] [Second: TenBruggencate]

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

Motion carried

11. Calendar

- **April 14, 2026** – Board Committee Meetings (9:00 am, MCR/Zoom)
- **April 23, 2026** – Regular Board Meeting (1:00 pm, MCR/Zoom)
- **April 26 – 29, 2026** – 2026 NRECA Legislative Conference (Washington, D.C.)

12. Executive Session

No executive session.

13. Adjournment

The meeting was adjourned at 1:49 p.m.



[Edmund Acoba \(Apr 24, 2026 09:23:21 HST\)](#)

Edmund Acoba
Board Secretary

President's Report

March 24, 2026

David Bissell

President & CEO

President's Report

Safety (February)	Month	2026 YTD	2025 YTD
Recordable Incidents	0	0	4
Availability and Reliability	Month	2026 YTD	2025 YTD
Reportable Outages	5	8	22
Average Outage Hours Per Customer	0.32	0.65	2.86
Efficiency	Month	2026 YTD	
Net Plant Heat Rate	9,082	9,033	
Peak Demand (MW)	72.05		
Residential Rates			
March 2026	\$0.384/kwh increase \$0.007 from February		

Update Items

- HCP
 - NTBG Agreement – under final review
 - State land use agreements – KIUC non-exclusive land easement tentatively scheduled on June 12th BLNR meeting
- Kona low storms
 - KIUC had limited impact
- Joint pole attachment – consulting agreement with Daymark completed

NRECA - PowerXchange



- KIUC's Youth Leadership delegate, Brynn Lee Hirata, from Waimea High School was selected as national spokesperson and delivered a speech at the conference in Nashville.





Kaua'i Island Utility Cooperative

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Board Financial Report

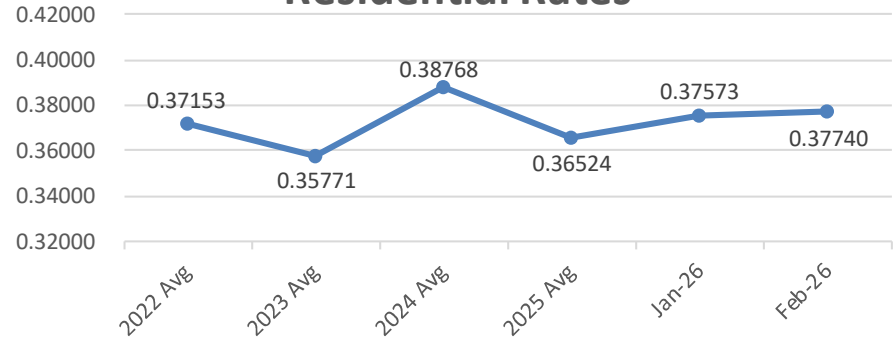
March 2026

Financial Scorecard – YTD February 2026

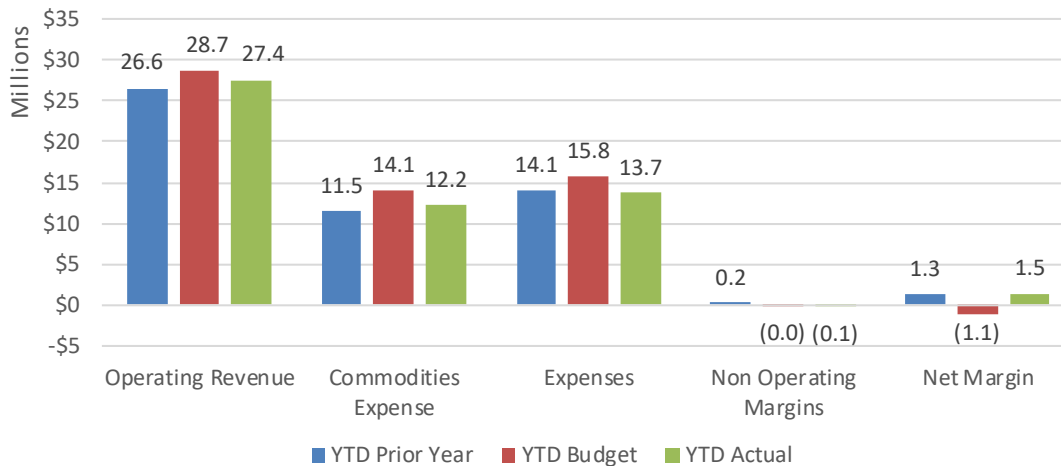
MWh Sales

Class	YTD Prior Year	YTD Actual		Percent Change
Residential (D)	30,315	31,049	↑	2.4%
Small Comm (G)	10,200	10,071	↓	-1.3%
Large Comm (J)	7,658	7,428	↓	-3.0%
Lrg Pwr Primary (LP)	24,349	23,767	↓	-2.4%
Street Lighting (SL)	117	117	↔	0.5%
Irrigation	248	103	↓	-58.6%
Total	72,887	72,535	↓	-0.5%

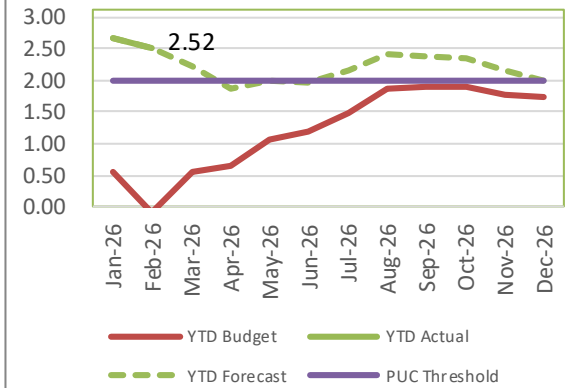
Residential Rates



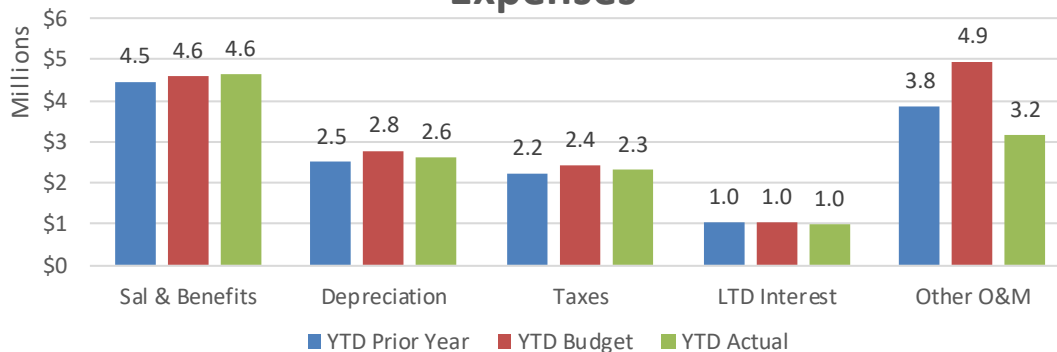
Key Results



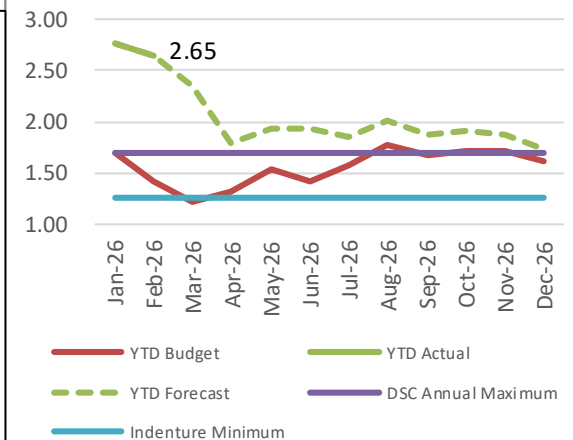
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Expenses



DSC



Financial Highlights

Income Statement (YTD)

MWh Sales

72,535

- 0.5% lower than PY
- -1.3% lower than Budget

Residential Rate

\$0.37740/kWh

- 0.4% or \$0.00167/kWh higher than January 2026
- 5.0% or \$0.01995/kWh lower than PY
- 0.5% or \$0.00173/kWh lower than Budget

Revenues

\$27.5M

- 3.3% or \$879K higher than PY
- 4.5% or \$1.3M lower than Budget

Operating Expenses

\$7.8M

- 6.4% or \$530K lower than PY
 - \$228K credit received in February 2026
- 18.2% or \$1.7M lower than Budget
 - Largely due to timing of expenses – spread evenly for Budget purposes

Financial Highlights

Income Statement (YTD)

Net Margin

\$1.5M

- 17.1% or \$216K higher than PY
 - \$141K higher Gross Margin (Revenues – Commodities)
 - \$530K lower O&M
 - (\$120K) higher Depreciation
 - (\$80K) higher Taxes
 - (\$132K) lower Interest & Dividend Income
 - (\$205K) higher Loss from KRS1/2
 - \$48K lower LTD Interest Expense
 - \$38K higher Other Income
- 232.4% or \$2.6M higher than Budget
 - \$576K higher Gross Margin
 - \$1.7M lower O&M
 - \$161K lower Depreciation
 - \$112K lower Taxes
 - (\$64K) higher Loss from KRS1/2
 - \$46K lower LTD Interest Expense

TIER

2.52

- $(\text{Net Margins} + \text{LTD Interest}) / \text{LTD Interest}$
- Measures ability to meet debt obligations based on current income

DSC

2.65

- Adjusted Margins / Total Debt Service
 - Adjusted Margins = Net Margins – Income(Loss) from Subsidiaries + LTD Interest + Depreciation & Amortization Expense
 - Total Debt Service = LTD Principal + LTD Interest
- Measures cash flow available to pay current obligations

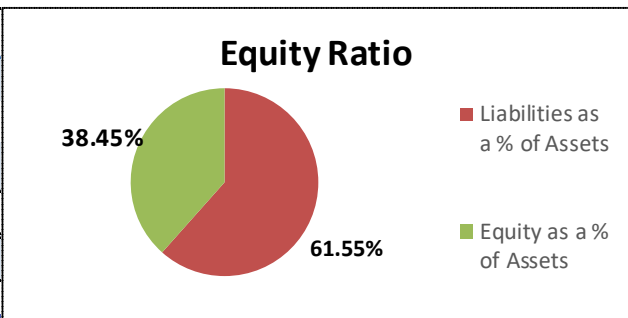
Financial Highlights

Income Statement (Month)

MWh Sales 34,359	Revenues \$13.1M	Operating Expenses \$3.8M
<ul style="list-style-type: none">• 1.6% lower than PY• 2.4% lower than Budget	<ul style="list-style-type: none">• 4.4% or \$546K lower than PY• 5.0% or \$685K lower than Budget• Lower sales volume combined with lower rates resulting from lower Commodities	<ul style="list-style-type: none">• 14.4% or \$552K lower than PY<ul style="list-style-type: none">○ \$228K credit received in February 2026• 21.1% or \$1.0M lower than Budget<ul style="list-style-type: none">○ Largely due to timing of expenses – spread evenly for Budget purposes

Financial Scorecard – YTD February 2026

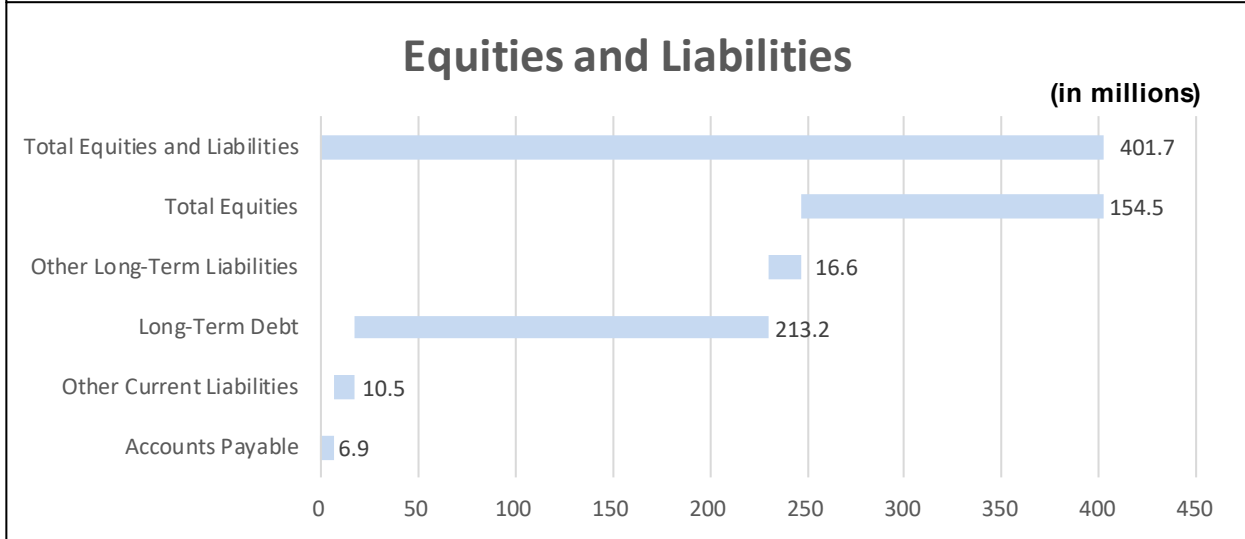
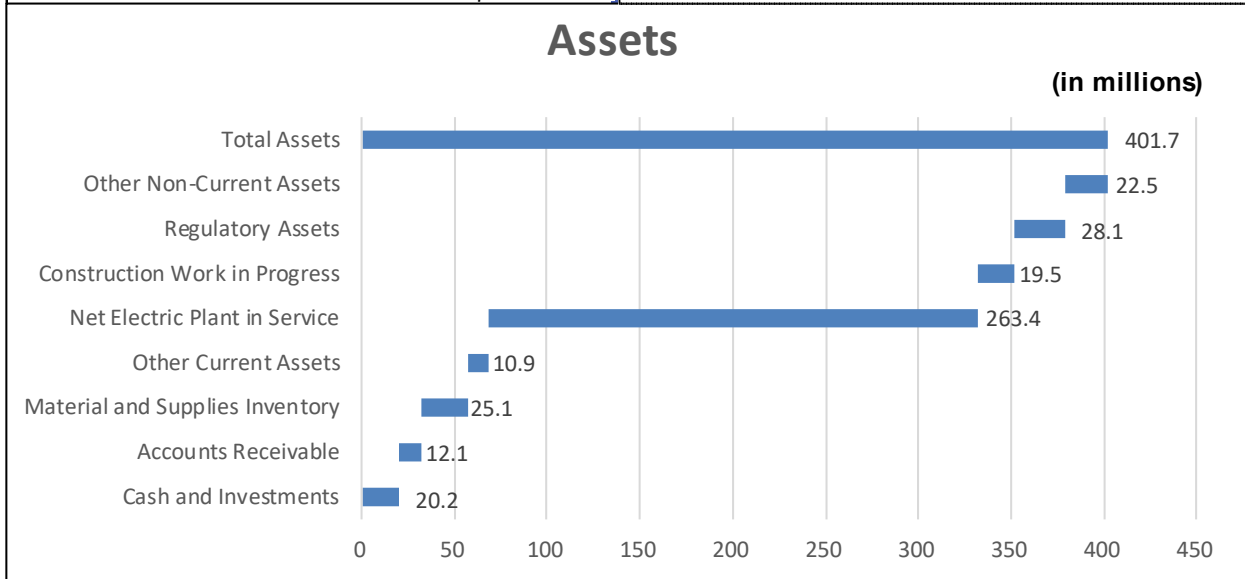
(In Millions)	YTD Actual
Cash	\$ 0.71
Short-Term Investments	\$ 19.49
Cushion of Credit	\$ -
Total Cash & Investments	\$ 20.20
Line of Credit Available	\$ 40.00
Line of Credit Drawn	\$ 0.00



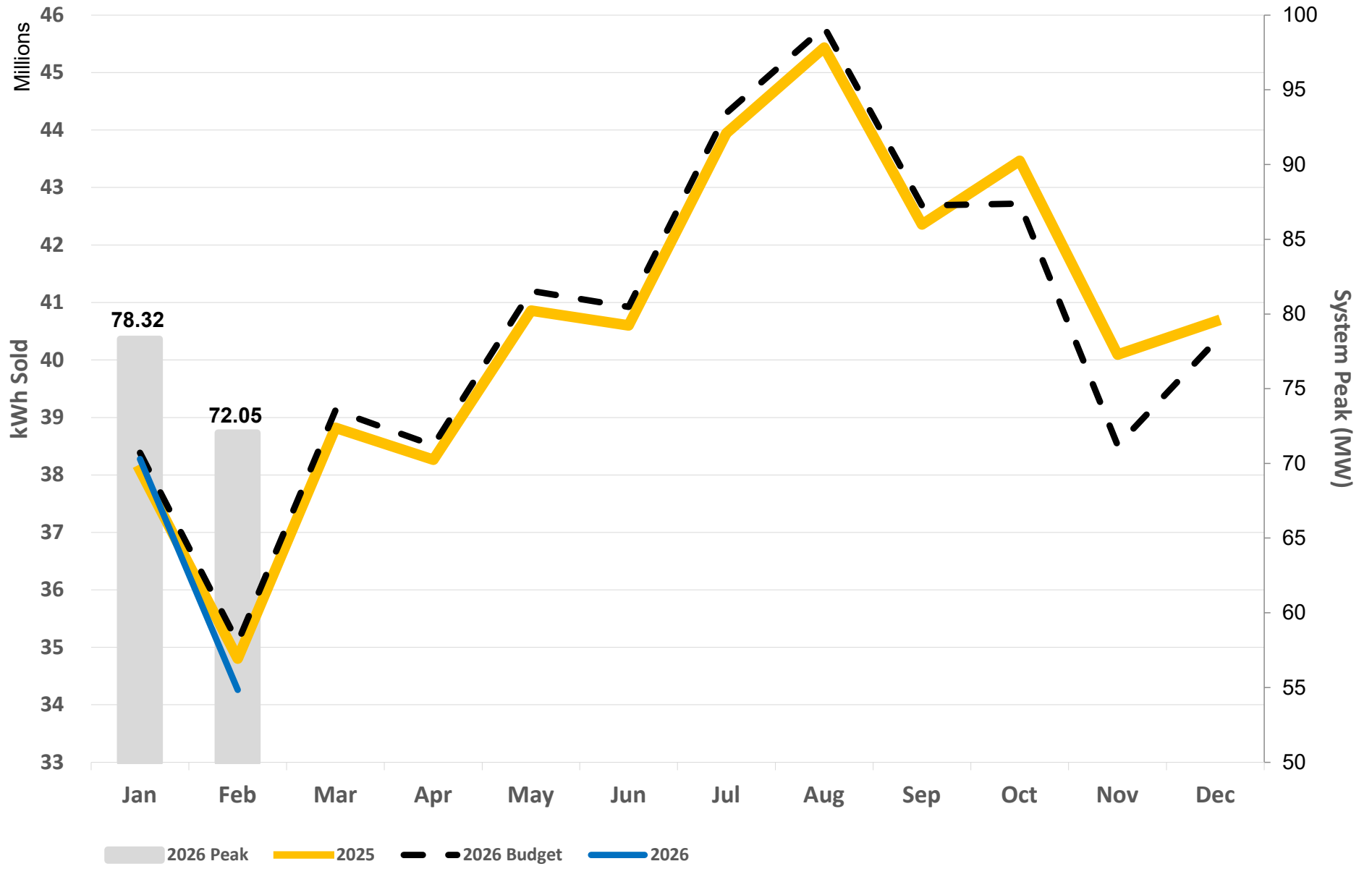
Indenture Equity Ratio

0.43

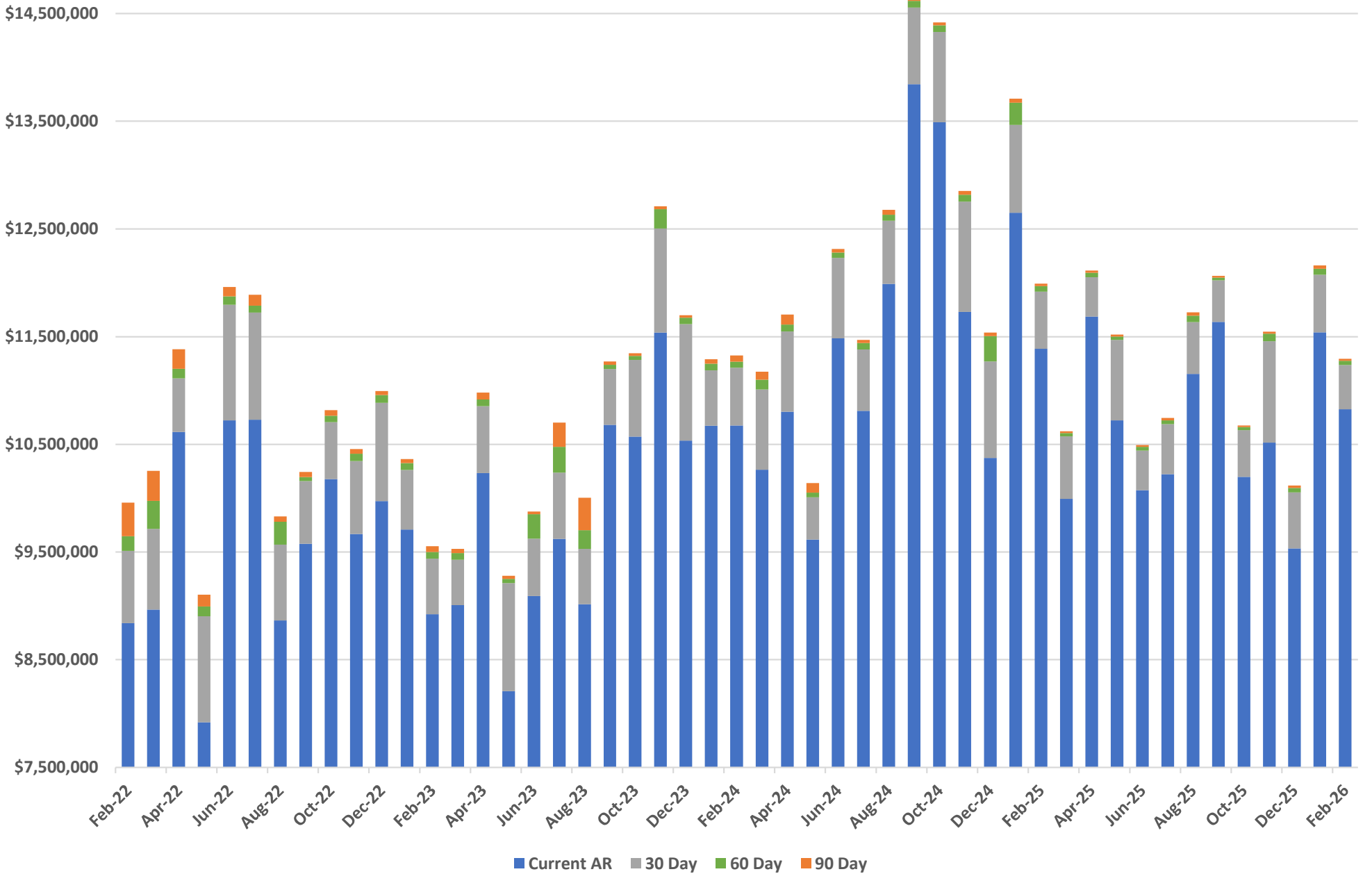
Minimum = 0.20



Total kWh Sold



Total AR Balances



Questions?

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General Ledger

Financial And Operating Report Electric Distribution

BALANCE SHEET FOR FEB 2026

	Last Year	This Year	Variance
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	606,575,504.51	600,714,767.97	-5,860,736.54
2. Construction Work in Progress	9,992,293.14	19,532,058.37	9,539,765.23
3. Total Utility Plant (1 + 2)	616,567,797.65	620,246,826.34	3,679,028.69
4. Accum. Provision for Depreciation and Amort.	339,511,232.04	337,300,054.88	-2,211,177.16
5. Net Utility Plant (3 - 4)	277,056,565.61	282,946,771.46	5,890,205.85
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	20,241,065.47	18,552,843.93	-1,688,221.54
8. Invest. in Assoc. Org. - Patronage Capital	1,318,852.16	1,365,349.37	46,497.21
9. Invest. in Assoc. Org. - Other - General Funds	666,500.00	676,500.00	10,000.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	0.00	0.00
11. Invest. in Economic Development Projects	2,101,493.55	1,822,231.77	-279,261.78
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)	24,327,911.18	22,416,925.07	-1,910,986.11
15. Cash - General Funds	250,409.47	714,320.13	463,910.66
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	-28,198.67	-29,980.52	-1,781.85
18. Temporary Investments	36,601,540.03	19,489,126.14	-17,112,413.89
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	11,662,143.80	11,184,040.05	-478,103.75
21. Accounts Receivable - Other (Net)	416,114.66	873,449.82	457,335.16
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	22,814,240.02	25,089,025.07	2,274,785.05
24. Prepayments	2,553,009.66	2,485,528.69	-67,480.97
25. Other Current and Accrued Assets	8,809,673.46	8,410,800.83	-398,872.63
26. Total Current and Accrued Assets (15 thru 25)	83,078,932.43	68,216,310.21	-14,862,622.22
27. Regulatory Assets	31,502,110.60	28,094,378.58	-3,407,732.02
28. Other Deferred Debits	66,896.73	65,855.56	-1,041.17
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	416,032,416.55	401,740,240.88	-14,292,175.67

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General Ledger

Financial And Operating Report Electric Distribution

BALANCE SHEET FOR FEB 2026

	Last Year	This Year	Variance
LIABILITIES AND OTHER CREDITS			
30. Memberships	625.42	639.60	14.18
31. Patronage Capital	145,514,590.50	144,539,995.22	-974,595.28
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	1,268,206.39	1,484,581.93	216,375.54
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	1,087,583.02	1,450,360.12	362,777.10
36. Total Margins & Equities (30 thru 35)	147,871,005.33	147,475,576.87	-395,428.46
37. Long-Term Debt - RUS (Net)	0.00	0.00	0.00
38. Long-Term Debt - FFB - RUS Guaranteed	113,341,850.13	109,397,419.69	-3,944,430.44
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	110,799,735.86	103,775,617.92	-7,024,117.94
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)	224,141,585.99	213,173,037.61	-10,968,548.38
44. Obligations Under Capital Leases - Noncurrent	12,398,292.22	3,947,125.47	-8,451,166.75
45. Accumulated Operating Provisions	-847,984.08	-1,114,987.72	-267,003.64
46. Total Other Noncurrent Liabilities (44 + 45)	11,550,308.14	2,832,137.75	-8,718,170.39
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	5,830,105.39	6,924,001.48	1,093,896.09
49. Consumers Deposits	1,622,111.40	1,590,806.63	-31,304.77
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	12,265,431.53	8,950,910.23	-3,314,521.30
54. Total Current & Accrued Liabilities (47 thru 53)	19,717,648.32	17,465,718.34	-2,251,929.98
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	12,751,868.77	13,810,223.08	1,058,354.31
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	416,032,416.55	394,756,693.65	-21,275,722.90

General Ledger

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Financial And Operating Report Electric Distribution

INCOME STATEMENT FOR FEB 2026

Item	Year - To - Date			Period - To - Date	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	26,567,536.48	27,446,200.89	28,749,523.00	13,094,013.26	13,778,791.00
2. Power Production Expense	9,323,875.05	8,770,341.90	9,956,221.00	4,071,990.88	4,762,280.00
3. Cost of Purchased Power	4,505,467.17	5,704,329.67	6,847,999.00	2,739,359.28	3,333,869.00
4. Transmission Expense	212,821.22	187,995.69	316,805.00	95,865.12	152,828.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	194,249.77	199,414.80	284,223.00	112,093.83	142,759.00
7. Distribution Expense - Maintenance	865,641.55	824,063.28	1,055,498.00	425,747.40	519,726.00
8. Customer Accounts Expense	402,117.97	387,474.36	446,785.00	202,154.92	217,746.00
9. Customer Service and Informational Expense	39,996.79	30,892.92	51,644.00	11,169.08	33,097.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	4,233,191.04	3,880,434.45	4,641,639.00	1,861,753.55	2,403,726.00
12. Total Operation & Maintenance Expense (2 thru 11)	19,777,360.56	19,984,947.07	23,600,814.00	9,520,134.06	11,566,031.00
13. Depreciation & Amortization Expense	2,500,712.68	2,621,168.29	2,782,249.00	1,306,423.21	1,391,125.00
14. Tax Expense - Property & Gross Receipts	663,396.07	685,400.16	718,738.00	326,998.88	344,470.00
15. Tax Expense - Other	1,568,910.81	1,627,355.04	1,706,310.00	783,678.44	815,082.00
16. Interest on Long-Term Debt	1,028,173.86	979,658.80	1,026,000.00	485,521.32	510,000.00
17. Interest Charged to Construction - Credit	0.00	0.00	0.00	0.00	0.00
18. Interest Expense - Other	0.00	0.00	0.00	0.00	0.00
19. Other Deductions	36,913.00	37,811.00	43,000.00	4,225.00	3,000.00
20. Total Cost of Electric Service (12 thru 19)	25,575,466.98	25,936,340.36	29,877,111.00	12,426,980.91	14,629,708.00
21. Patronage Capital & Operating Margins (1 minus 20)	992,069.50	1,509,860.53	-1,127,588.00	667,032.35	-850,917.00
22. Non Operating Margins - Interest	381,075.32	248,931.38	249,970.00	117,481.77	123,985.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-132,577.32	-338,461.46	-273,605.00	-121,384.46	-187,825.00
25. Non Operating Margins - Other	23,516.60	64,251.48	30,220.00	2,820.96	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	4,122.29	0.00	0.00	0.00	0.00
28. Extraordinary Items	0.00	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	1,268,206.39	1,484,581.93	-1,121,003.00	665,950.62	-899,647.00
Operating - Margin	1,268,206.39	1,484,581.93	-1,121,003.00	665,950.62	-899,647.00
Non Operating - Margin	0.00	0.00	0.00	0.00	0.00

KAUAI ISLAND UTILITY COOPERATIVE
NOTES, BONDS, AND OTHER INDEBTEDNESS
YEARS ENDED DECEMBER 31, 2025 AND 2026

LINE NO.	LENDER	DATE OF NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	LOAN #	ORIGINAL AMOUNT	BALANCE AT 12/31/2025	2025	PROJECTED	PROJECTED
									INTEREST EXPENSE	BALANCE AT 12/31/2026	2026 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	61,253,997	1,642,378	55,307,123	1,493,843
2	CFC	02/06/20	02/25/20	12/31/49	2.760%	HI001-9019B	26,500,000	22,915,032	643,964	22,231,602	625,422
3							<u>129,633,717</u>	<u>84,169,029</u>	<u>2,286,342</u>	<u>77,538,725</u>	<u>2,119,265</u>
4	FFB	07/01/11	06/07/12	12/31/42	2.424%	C8#1 - 2-1	8,716,000	5,723,754	142,856	5,445,220	136,200
5	FFB	07/01/11	10/23/12	12/31/42	2.604%	C8#1 - 2-2	1,606,000	1,064,340	28,523	1,013,334	27,215
6	FFB	07/01/01	06/24/13	12/31/42	3.259%	C8#1 - 2-3	9,100,000	6,230,523	208,609	5,948,301	199,589
7	FFB	07/01/11	11/25/13	12/31/42	2.662%	C8#1 - 2-4	2,689,000	1,765,983	48,373	1,681,770	46,166
8	FFB	07/01/11	03/18/14	12/31/42	3.334%	C8#1 - 2-6	5,198,000	3,629,875	124,308	3,466,521	118,969
9	FFB	07/01/11	08/07/14	12/31/42	3.023%	C8#1 - 2-7	5,731,000	3,986,605	123,889	3,802,301	118,417
10	FFB	07/01/11	05/08/15	12/31/42	2.665%	C8#1 - 2-8	4,213,000	2,938,279	80,574	2,798,200	76,899
11	FFB	07/01/11	09/18/15	12/31/42	2.715%	C8#1 - 2-9	748,000	526,499	14,707	501,506	14,039
12	FFB	01/15/15	10/29/15	12/31/42	2.558%	C8#2 - 3-1	6,000,000	4,219,371	111,090	4,016,373	105,975
13	FFB	01/15/15	01/12/16	12/31/42	2.636%	C8#2 - 3-2	35,586,552	25,270,386	685,478	24,062,666	654,136
14							<u>79,587,552</u>	<u>55,355,614</u>	<u>1,568,406</u>	<u>52,736,192</u>	<u>1,497,605</u>
15	FFB	12/01/17	04/24/18	12/31/51	3.199%	D8 - 4-1	22,192,000	19,414,663	630,649	18,918,551	615,078
16	FFB	12/01/17	10/22/18	12/31/51	3.437%	D8 - 4-2	5,707,000	5,018,642	175,055	4,894,644	170,880
17	FFB	12/01/17	06/06/19	12/31/51	2.578%	D8 - 4-3	4,776,000	4,119,193	107,990	4,004,420	105,076
18	FFB	12/01/17	06/22/20	12/31/51	1.326%	D8 - 4-4	3,992,000	3,400,023	45,999	3,287,907	44,523
19	FFB	12/01/17	10/08/21	12/31/51	2.087%	D8 - 4-5	7,889,000	7,083,684	150,525	6,872,630	146,174
20	FFB	12/01/17	05/19/22	12/31/51	3.236%	D8 - 4-6	3,450,000	3,185,988	104,679	3,104,999	102,108
21	FFB	12/01/17	08/29/22	12/31/51	3.422%	D8 - 4-7	12,706,000	11,819,612	410,493	11,526,958	400,682
22							<u>60,712,000</u>	<u>54,041,806</u>	<u>1,625,389</u>	<u>52,610,109</u>	<u>1,584,521</u>
23	COBANK	02/06/20	02/22/21	02/20/51	2.900%	00102606 T01	18,119,000	16,162,624	481,660	15,722,117	468,988
24	COBANK	02/06/20	02/10/22	02/10/52	3.330%	3455702 T01-DS	4,900,000	4,513,277	154,206	4,403,936	150,602
25							<u>23,019,000</u>	<u>20,675,901</u>	<u>635,866</u>	<u>20,126,053</u>	<u>619,590</u>
26	Total Long Term Debt						\$ 292,952,269	\$ 214,242,350	\$ 6,116,003	\$ 203,011,079	\$ 5,820,981

Treasury Management – Monthly Discussion

- Ratings:
 - No changes in Money Market Fund Rating - **AAA**
- Current Summary Of Investments:
- **\$9.4M** 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)
 - **3.31%** Interest Rate
- **\$4.9M** CFC Daily and Monthly Commercial Paper – ST to Medium Term Investment – Daily to Monthly A2 Moody and S&P A-
 - Daily Fund – **3.00%**
- **\$4.9M** CoBank Commercial Paper Investment – AA- Moody and S&P
 - 60-day Investment – **2.49%**
- **\$275,731** Central Pacific Bank – Backup Checking in NISC if needed
 - Backup for Checking in Money Market (unlimited) account
 - **2.28%**

Report of KIUC Charitable Foundation

To KIUC Board of Directors

3/19/2026

The Charitable Foundation Board met on 3/19/26

The following reports were received:

Treasurer report ending balance of \$125,625.06 as of February 28.

Makana Program:

- 545 registered, YTD contribution \$574.74

Approved applications:

- Kauai Complex Department of Education – \$700

Golf Tournament

- Set date for November 14, 2026, scheduling a meeting in May

T. Phil Tacbian, President

KIUC BOARD POLICY NO. 9
INVESTMENTS

PURPOSE OF POLICY:

The purpose of this policy is to establish rules within which staff will manage KIUC's investments.

POLICY CONTENT:

I. Scope

This policy covers most items on the unconsolidated financial statements of KIUC that are labeled as cash, cash equivalents, and investments. It excludes cash held in KIUC's bank accounts used to handle day-to-day transactions, which are generally checking accounts. These day-to-day operational accounts may have widely-varying amounts of cash from one day to the next, as KIUC pays large bills. This policy does not cover investments made by subsidiaries of KIUC. It does cover investments in both equity and debt.

II. Investment Objectives

Investors typically pursue multiple objectives, some of which compete with each other. The primary goals of the Board for KIUC's investments are preservation of principal and liquidity. Earning income is a secondary goal.

III. Rules for Managing Investment Risks

When KIUC purchases an investment, it must comply with all of the rules stated below. After an investment has been purchased, if the investment ceases to comply with these rules, KIUC staff will use their best efforts to sell the investment promptly, reinvesting the proceeds in a new investment that does comply with the rules.

A. Credit Ratings. There are multiple credit rating agencies in the United States. Each agency uses a different grading system for investments. This policy lists that credit rating agencies that KIUC may use, and states rules for minimum grade that its investments must have.

1. Acceptable credit rating agencies: KIUC shall use the credit ratings from three firms: S&P, Moody's, and Fitch. Some investments are rated by only one of these firms; others are rated by two of them; while some investments have ratings from all three.
2. No rating below investment grade: KIUC investments cannot have a credit rating below investment grade from any of its approved credit rating agencies.
3. Minimum of Single A: KIUC investments must have at least one credit rating of at least the lowest grade level of single A used by an acceptable credit rating agency. (Presently, the lowest grade of single A from S&P and Fitch is "A-",

while the lowest single A rating from Moody's is "A3".)

B. Concentration and Diversification.

1. For securities that are rated AAA by at least one of KIUC's acceptable credit rating agencies: There are no dollar limits on such investments.
2. For securities that are not rated AAA by at least one of KIUC's acceptable credit rating agencies: KIUC shall not invest more than \$5 million in any single security, nor shall KIUC invest more than \$5 million in aggregate in the securities offered by a single issuer.

C. Term. Investments shall have a remaining term of no longer than two years.

D. Liquidity. KIUC must be able to sell any investment within one business day. That is, there should be a secondary market for each investment, or the issuer of the investment must be willing to repurchase the security within one business day.

IV. Equity Investments

A. Equity Investments in Subsidiaries. The Board must authorize KIUC's equity investments in subsidiaries.

B. Equity Investments in Cooperatives. As a condition of doing business, some cooperatives (such as CFC and CoBank) require their customers to invest a certain amount of money in equity securities issued by that cooperative. The KIUC CEO has the authority to invest up to \$100,000 in each such required security without obtaining separate approval from the Board. From time to time, these other cooperatives may offer KIUC the opportunity to invest in additional equity securities, with no obligation for KIUC to make such investments. The Board must approve all investments in such optional equity securities.

Adopted on this 24th day of March 2026

Reviewed: 03/24/2026

Revised: 07/27/2023

Revised: 11/22/2022

Reviewed: 01/29/2019

Reviewed: 01/31/2017

Revised: 03/24/2015

Reviewed: 02/25/2014

Revised: 02/22/2011

Revised: 12/18/2003

Original Adoption: 2002

Secretary