REGULAR MEETING OF THE BOARD OF DIRECTORS
KAUAʻI ISLAND UTILITY COOPERATIVE
Held at 4463 Paheʻe Street
Līhuʻe, Kauaʻi, Hawaiʻi
On July 30, 2026

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 (Secretary), Peter Yukimura (Treasurer), David Iha, James Mayfield, Bryson Ponce, Teofilo Tacbian, Michael Yamane; 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.), 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), Jonah Knapp (Staff Engineer), 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 July 30, 2026, was approved as presented.

3. **Approval of Minutes**
   - The following minutes were approved without objections.
     June 25, 2026, Regular Board meeting and July 13, 2026, Special Board Meeting

4. **Director Safety Moment**
   The director safety moment focused on a comparison between two recent traffic control situations to highlight the importance of safety, professionalism, and public communication.

   A few nights earlier, Director Ponce encountered a traffic accident scene near Opaekaʻa Falls around 2:00 a.m. He observed that police officers were not wearing traffic safety vests, did not have flashlights, and had positioned vehicles in a way that made it difficult for motorists to navigate or turn around. The resulting confusion caused frustration for both drivers and officers, and Director Ponce overheard officers raising their voices at motorists. Director Ponce spoke directly with the supervising sergeant, whom he knew from his previous law enforcement career, and provided constructive feedback regarding:

- Proper use of traffic safety equipment (PPE and visibility gear)
- Better vehicle placement for traffic management
- More professional and respectful communication with the public

The following day, Director Ponce observed KIUC crews conducting utility work at the Kuamo'o Road/Opaekaʻa Road junction. He praised the KIUC crew for:

- Wearing proper PPE and safety vests
- Maintaining appropriate work-zone spacing
- Demonstrating professionalism and effective communication with the public
- Managing traffic safely and efficiently

Director Ponce was so impressed by the crew that he purchased food (spam musubi) for them as a gesture of appreciation.

5. **President's Report – David Bissell (CEO).** The President's report was circulated to the board for the month of July. Brief highlights of the attached presentation:
   - Operational update covering safety, reliability, rates, wildfire mitigation, emergency preparedness, and recent member engagement activities.
   - Electricity rates continued to decline and were approximately 39 cents per kWh.
   - KIUC remained the lowest-cost electric utility in Hawaii, maintaining that position for roughly the past four to five months.
   - KIUC filed its wildfire cost recovery mechanism with the Public Utilities Commission (PUC), covering approximately $55 million in anticipated mitigation costs.
   - The cooperative hired a consulting firm to assist with updating its Wildfire Mitigation Plan, which is due in December. Staff are working to address areas for continuous improvement identified by the PUC during the review of the previous plan.
   - Hurricane Fausto ultimately posed no threat to Kauaʻi, but it served as a useful exercise for hurricane preparedness planning.
   - Board members recently completed a field tour of several KIUC facilities, providing an opportunity to see new projects and interact with employees.
     - The synchronous condenser project reached a major milestone and was successfully brought online. The project is expected to improve grid stability, reducing the need to operate other generating units in synchronous condense mode. Staff are evaluating whether the new equipment should operate continuously or only during periods when additional grid support is needed.
   - The recent member meeting was considered highly successful, attracting more than 80 attendees, one of the largest turnouts in recent years. Feedback from members was

overwhelmingly positive, and staff are preparing responses to questions submitted during the meeting, including questions related to wildfire mitigation and utility costs.

6. **Financial Report – Erin Tsuda (CFO)**
   The CFO provided a financial presentation for the June 2026 Financial Report (attached). Highlights of the attached presentation provided below:
   - **Income Statement YTD**
     - MWh Sales (231,300); Residential Rate ($0.42614/kWh); Revenues ($96.0M); Commodities ($45.9M); Operating Expenses ($26.1M); Net Margin ($4.9M); TIER (2.54); DSC (1.91)
   - **Income Statement MTD**
     - MWh Sales (43,039); Revenues ($18.5M); Commodities ($9.1M); Operating Expenses ($4.7M)
   - **Financial Scorecard – YTD June 2026**
     - $26.1 million in cash and short-term investments
     - $40 million of available credit capacity
     - Equity ratio: 37.38%, indicating strong capitalization
     - Indenture equity ratio: 0.42, comfortably above the required minimum.
     - Equity-to-capital ratio: 40.9%, remaining within targets established under the equity management plan.
   - **Accounts Receivable**
     - Accounts receivable increased to $12.5 million, compared with $11.1 million in May, primarily due to higher customer bills during the period of elevated rates.
     - Collection performance remains strong, with 95.8% of receivables current and no significant deterioration in aging balances.

7. **NRECA Hawaiʻi Director Report – Allan Smith (Board Chair)**
   - NRECA virtual meeting in September for NRECA Directors.
   - NRECA Region 7&9 Meeting in October in Salt Lake City, UT.

8. **Charitable Foundation Board Report – Director Phil Tacbian**
   The Charitable Foundation board met on 7/27/2026 (report attached).
   - Treasurer's report on the ending balance is $123,942.
   - Makana program ended with 566 registrants and a little over $2000.
   - The Charitable Foundation Board approved $5000 to Kumu's Cupboard.
   - Reminder for the Charitable Foundation Golf Tournament, November 14, 2026.

9. **PAC Meeting Minutes – Director Phil Tacbian**
   - The Political Action Committee (PAC) met and established contribution amounts. Minutes of the meeting were circulated to the full board (attached).
   - Further discussion on transferring duties to the new treasurer Director Yamane from retired Director Murashige.

10. Public Testimony. Received no (0) public testimony.

11. New Business

11.1. Board Approval Request for Battery Storage Project

11.2. Board Approval Request for Kilohana Switchyard

11.3. Board Approval Request for Additional Regulatory-Legal Fees

Director Yukimura introduced all three BAR forms and noted that as discussed thoroughly at the committee meeting, he would like to move forward and seek board approval for all three.

MOTION: approval of BAR forms for 1) Battery Storage project, 2) Kilohana Switchyard, and 3) Additional Regulatory-Legal fees.

[Motion: Yukimura] [Seconded: Mayfield]

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

Motion carried

11.4. Policy 21 - Fraud

Director Ponce introduced Policy 21 that was discussed at the committee meeting.

MOTION: to approve the policy committee's recommendation to reaffirm Policy 21.

[Motion: Acoba] [Seconded: Iha]

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

Motion carried

12. Calendar

12.1. **August 18, 2026** – Board Committee Meetings (9:00 a.m., MCR)

12.2. **August 21, 2026** – HOLIDAY – Statehood Day (KIUC Offices Closed)

12.3. August 27, 2026 – Regular Board Meeting (1:00pm, MCR/Zoom)

13. Executive Session

At 1:33 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 Board ratified the following items that were approved in executive session: June 25, 2026, Regular Board meeting and July 13, 2026, Special Board Meeting

14. **Adjournment**

The meeting was adjourned at 1:40 p.m.

Edmund Acoba (Aug 29, 2026 06:16:15 GMT+8)

Edmund Acoba
Board Secretary

President's Report

July 30, 2026

David Bissell

President & CEO

Kaua'i Island Utility Cooperative

President's Report

Safety (June)	Month	2026 YTD	2025 YTD
Recordable Incidents	1	1	4
Availability and Reliability	**Month**	**2026 YTD**	**2025 YTD**
Reportable Outages	3	24	34
Average Outage Hours Per Customer	0.19	1.78	4.06
Efficiency	**Month**	**2026 YTD**	
Net Plant Heat Rate	8,939	9,212	
Peak Demand (MW)	79.79		
Residential Rates			
July 2026	$0.391/kwh decrease $0.035 from June		

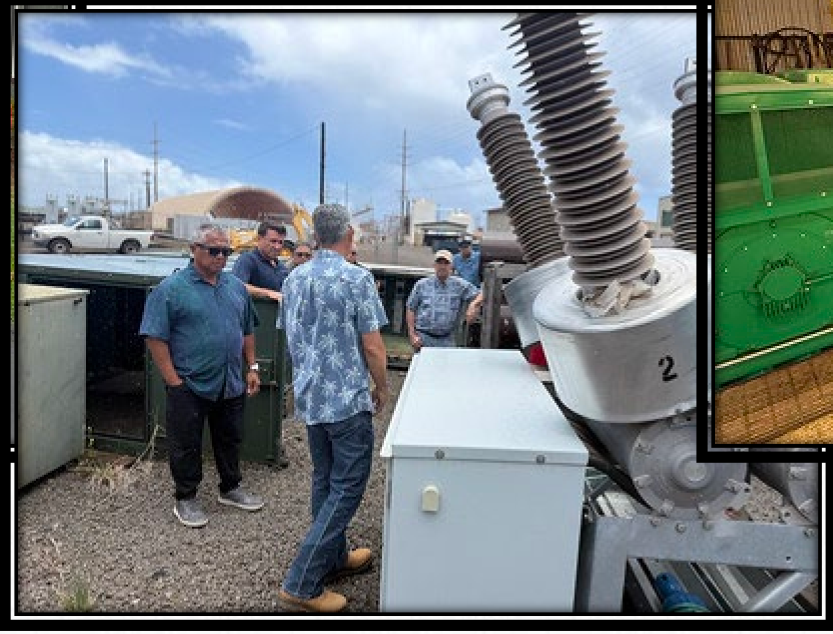
Kaua'i Island Utility Cooperative

Update Items

- KIUC rates remain the lowest in state
- Wildfire mitigation
  - -Filed Wildfire Cost Recovery Mechanism with PUC
  - -$12.87 per month estimated cost for residential
  - -$55 million in cost of mitigation
  - -Consulting firm retained to assist with updated WMP
- Hurricane Fausto reached central pacific which provided opportunity to review/activate our hurricane preparation plans

Kaua'i Island Utility Cooperative

Board Facilities Tour



Kaua'i Island Utility Cooperative

Your Touchstone Energy® Cooperative

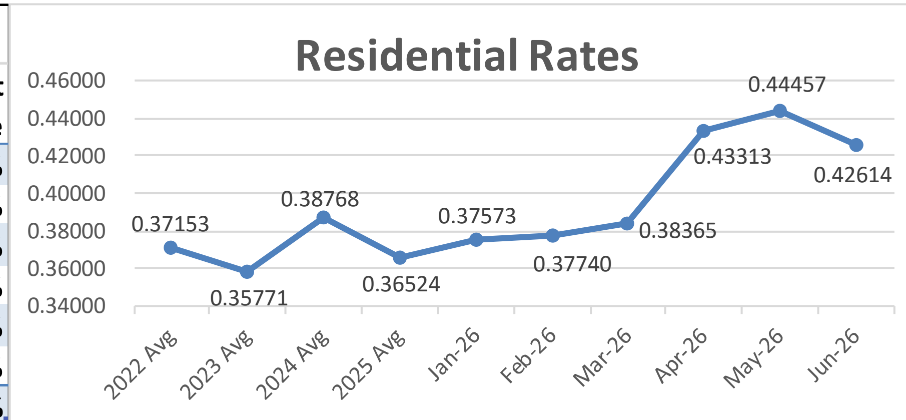
Board Financial Report

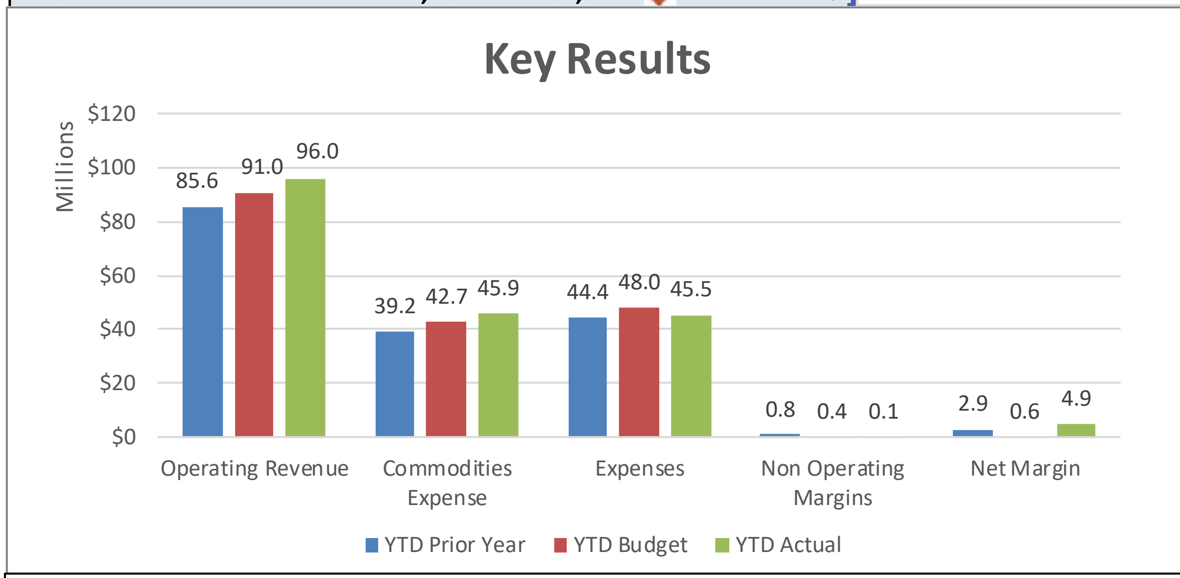
July 2026

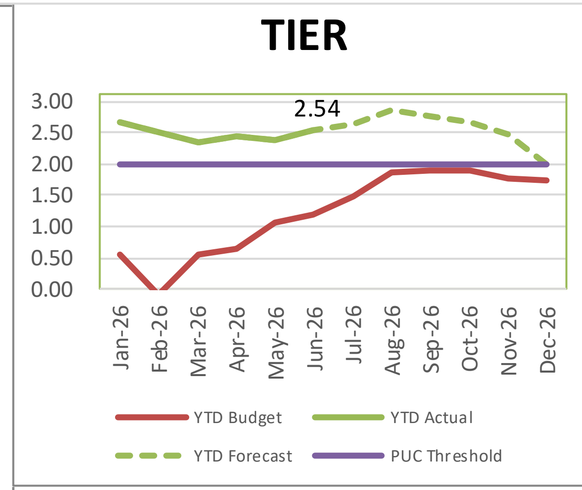
Financial Scorecard – YTD June 2026

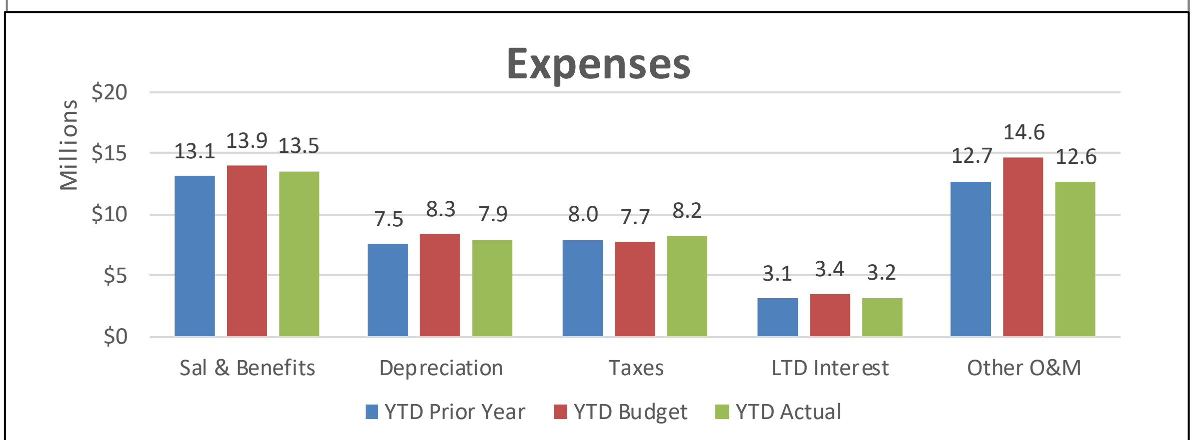
MWh Sales

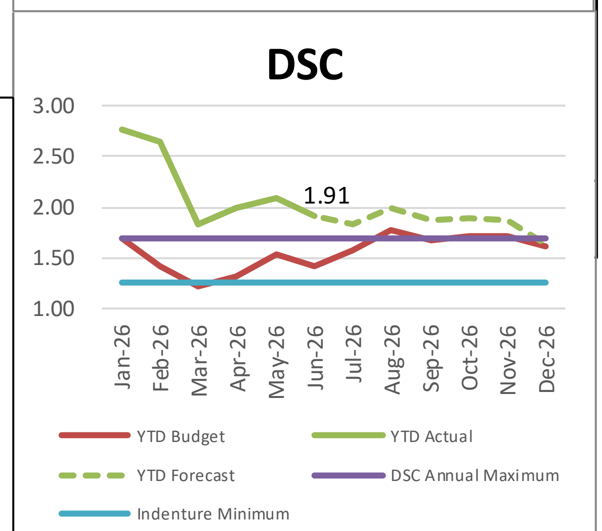
Class	YTD Prior Year	YTD Actual	Percent Change
Residential (D)	94,862	97,550	2.8%
Small Comm (G)	33,096	32,364	-2.2%
Large Comm (J)	24,498	23,972	-2.1%
Lrg Pwr Primary (LP)	78,036	76,515	-1.9%
Street Lighting (SL)	408	352	-13.7%
Irrigation	531	550	3.7%
Total	**231,430**	**231,303**	**-0.1%**











Financial Highlights
Income Statement (YTD)

MWh Sales 231,303	Residential Rate $0.42614/kWh	Revenues $96.0M
• 0.1% lower than PY • 0.8% lower than Budget	• 4.1% or $0.01843/kWh lower than May 2026 • 26.6% or $0.08962/kWh higher than PY • 12.3% or $0.04659/kWh higher than Budget	• 12.2% or $10.4M higher than PY • 5.6% or $5.1M higher than Budget

Financial Highlights
Income Statement (YTD)

Commodities

$45.9M

- 17.1% or $6.7M higher than PY
- 7.4% or $3.2M higher than Budget

- Higher KIUC generated at higher average cost than purchased power

Operating Expenses

$26.1M

- 1.4% or $359K higher than PY
- 8.5% or $2.4M lower than Budget

Net Margin

$4.9M

- 67.2% or $1.9M higher than PY
  - $3.7M higher Gross Margin (Revenues – Commodities)
  - ($359K) higher O&M
  - ($404K) higher Depreciation
  - ($267K) higher Taxes
  - ($308K) lower Interest & Dividend Income
  - ($453K) higher Loss from KRS1/2
- 649.2% or $4.2M higher than Budget
  - $1.9M higher Gross Margin
  - $2.4M lower O&M
  - $433K lower Depreciation
  - ($540K) higher Taxes
  - ($436K) higher Loss from KRS1/2
  - $277K lower LTD Interest Expense

Financial Highlights
Income Statement (YTD)

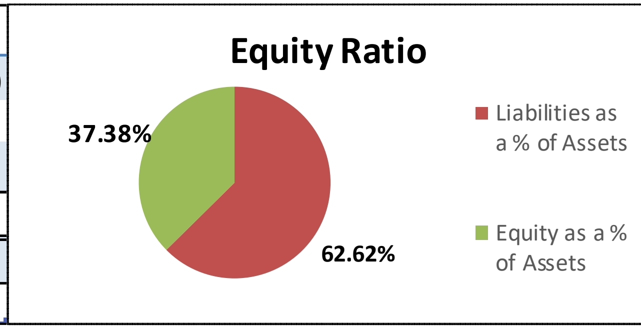
TIER 2.54	DSC 1.91
• (Net Margins + LTD Interest) / LTD Interest • Measures ability to meet debt obligations based on current income	• Adjusted Margins / Total Debt Service ○ Adjusted Margins = Net Margins – Income(Loss) from Subsidiaries + LTD Interest + Depreciation & Amortization Expense ○ Total Debt Service = LTD Principal + LTD Interest • Measures cash flow available to pay current obligations

Financial Highlights
Income Statement (Month)

MWh Sales 43,039	Revenues $18.5M	Commodities $9.1M	Operating Expenses $4.7M
• 6.0% higher than PY • 5.2% higher than Budget	• 21.2% or $3.2M higher than PY • 16.1% or $2.6M higher than Budget • Higher sales volume coupled with higher rates	• 17.8% or $1.4M higher than PY • 23.0% or $1.7M higher than Budget	• 11.4% or $485K higher than PY • 2.1% or $102K lower than Budget

Financial Scorecard – YTD June 2026

(In Millions)	YTD Actual
Cash	$ (0.06)
Short-Term Investments	$ 26.17
Cushion of Credit	$ -
Total Cash & Investments	**$ 26.10**
Line of Credit Available	$ 40.00
Line of Credit Drawn	$ 0.00



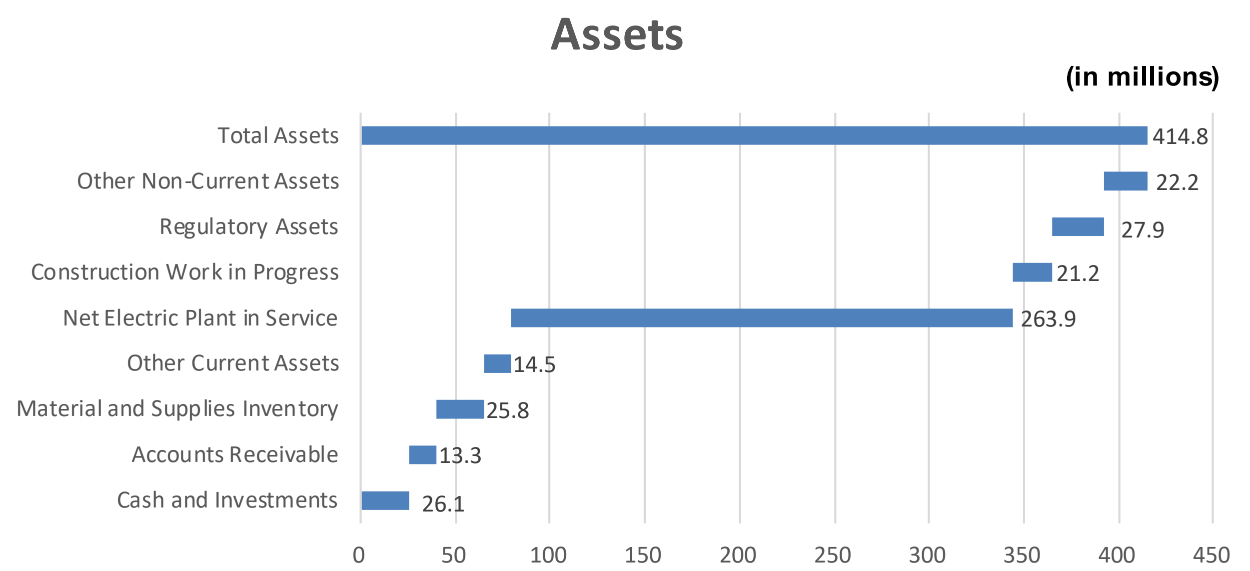
Indenture Equity Ratio

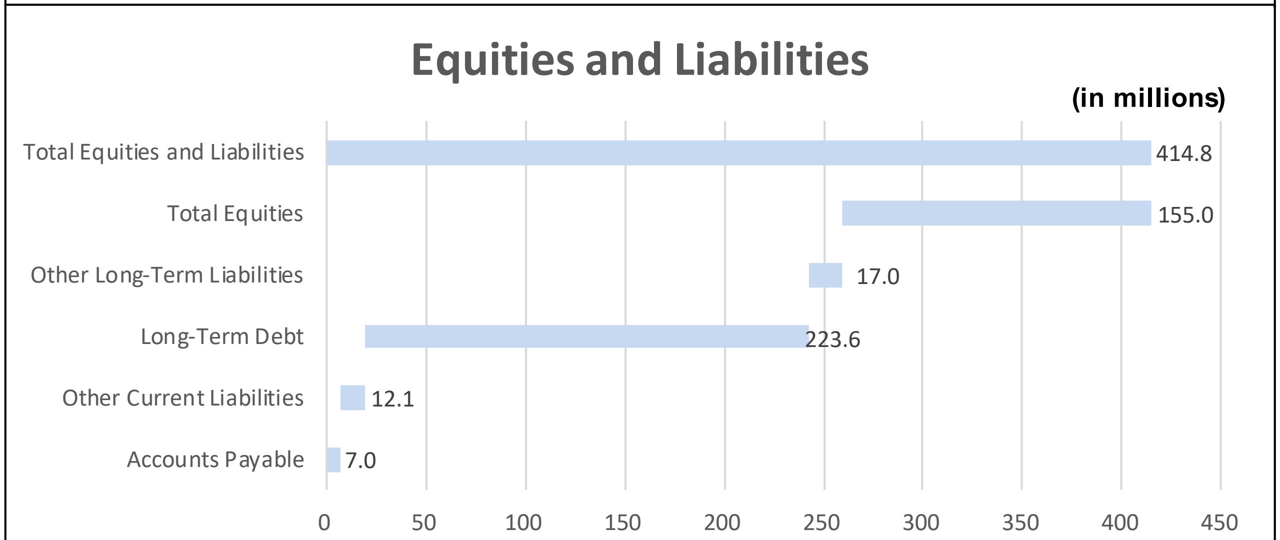
0.42

Minimum = 0.20

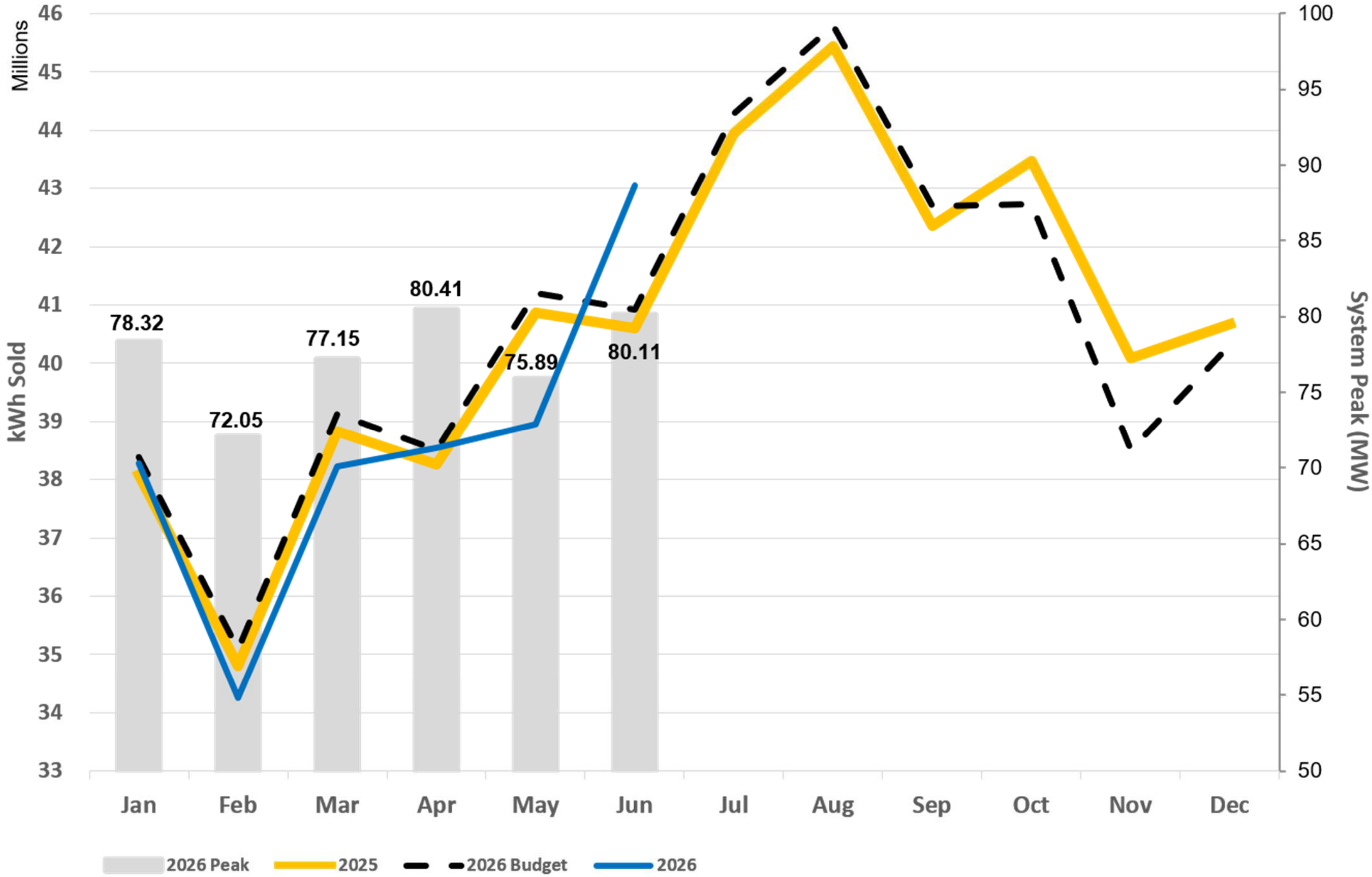
Equity to Capitalization Ratio

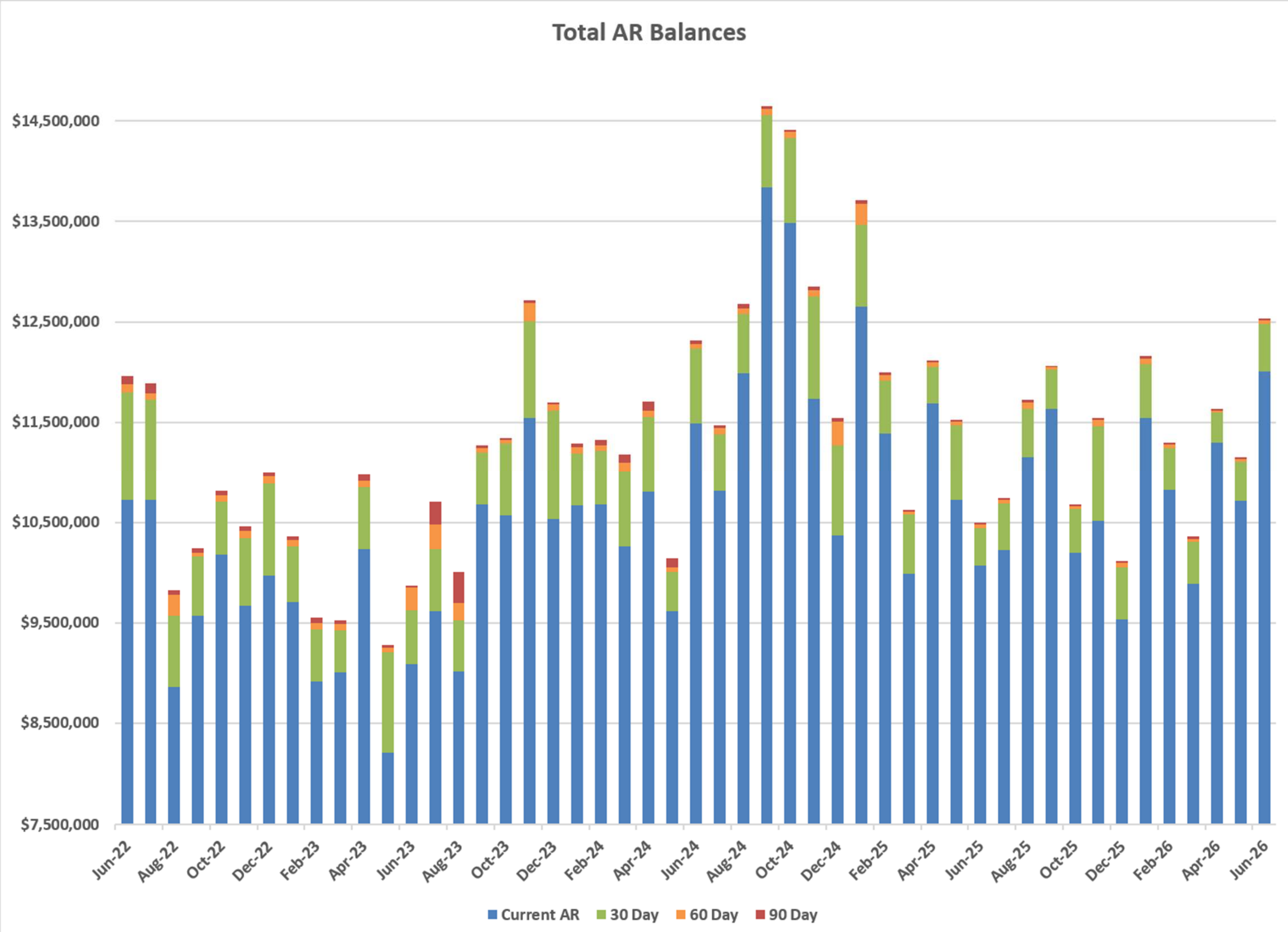
40.9%





Total kWh Sold




Total AR Balances
$14,500,000
$13,500,000
$12,500,000
$11,500,000
$10,500,000
$9,500,000
$8,500,000
$7,500,000
Jun-22
Aug-22
Oct-22
Dec-22
Feb-23
Apr-23
Jun-23
Aug-23
Oct-23
Dec-23
Feb-24
Apr-24
Jun-24
Aug-24
Oct-24
Dec-24
Feb-25
Apr-25
Jun-25
Aug-25
Oct-25
Dec-25
Feb-26
Apr-26
Jun-26
Current AR
30 Day
60 Day
90 Day

Questions?

General Ledger

Financial And Operating Report Electric Distribution

BALANCE SHEET FOR JUN 2026

	Last Year	This Year	Variance
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	608,433,329.88	603,234,050.85	-5,199,279.03
2. Construction Work in Progress	11,860,961.17	21,168,210.97	9,307,249.80
3. Total Utility Plant (1 + 2)	620,294,291.05	624,402,261.82	4,107,970.77
4. Accum. Provision for Depreciation and Amort.	340,080,634.51	339,336,803.08	-743,831.43
5. Net Utility Plant (3 - 4)	280,213,656.54	285,065,458.74	4,851,802.20
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	19,394,752.26	18,280,810.23	-1,113,942.03
8. Invest. in Assoc. Org. - Patronage Capital	1,318,852.16	1,362,686.04	43,833.88
9. Invest. in Assoc. Org. - Other - General Funds	676,500.00	676,500.00	0.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	0.00	0.00
11. Invest. in Economic Development Projects	2,008,771.91	1,766,995.96	-241,775.95
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)	23,398,876.33	22,086,992.23	-1,311,884.10
15. Cash - General Funds	268,563.71	-64,094.97	-332,658.68
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	-26,045.37	-35,587.67	-9,542.30
18. Temporary Investments	31,292,690.82	26,167,489.24	-5,125,201.58
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	10,075,692.47	12,256,785.66	2,181,093.19
21. Accounts Receivable - Other (Net)	557,093.71	1,021,592.81	464,499.10
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	24,035,888.41	25,787,875.77	1,751,987.36
24. Prepayments	3,510,019.69	3,072,753.87	-437,265.82
25. Other Current and Accrued Assets	8,390,954.07	11,420,661.04	3,029,706.97
26. Total Current and Accrued Assets (15 thru 25)	78,104,857.51	79,627,475.75	1,522,618.24
27. Regulatory Assets	31,198,234.56	27,920,532.37	-3,277,702.19
28. Other Deferred Debits	129,735.82	116,330.59	-13,405.23
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	413,045,360.76	414,816,789.68	1,771,428.92

General Ledger

Financial And Operating Report Electric Distribution

BALANCE SHEET FOR JUN 2026

	Last Year	This Year	Variance
LIABILITIES AND OTHER CREDITS			
30. Memberships	630.47	643.86	13.39
31. Patronage Capital	145,503,314.85	148,645,172.45	3,141,857.60
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	2,900,437.98	4,850,774.74	1,950,336.76
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	1,090,697.01	1,552,581.10	461,884.09
36. Total Margins & Equities (30 thru 35)	149,495,080.31	155,049,172.15	5,554,091.84
37. Long-Term Debt - RUS (Net)	0.00	14,984,294.60	14,984,294.60
38. Long-Term Debt - FFB - RUS Guaranteed	111,370,248.24	107,373,276.43	-3,996,971.81
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	108,365,172.45	101,276,837.97	-7,088,334.48
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)	219,735,420.69	223,634,409.00	3,898,988.31
44. Obligations Under Capital Leases - Noncurrent	12,398,292.22	3,947,125.47	-8,451,166.75
45. Accumulated Operating Provisions	-674,511.58	-971,240.74	-296,729.16
46. Total Other Noncurrent Liabilities (44 + 45)	11,723,780.64	2,975,884.73	-8,747,895.91
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	5,158,753.34	7,038,677.73	1,879,924.39
49. Consumers Deposits	1,587,441.57	1,580,683.05	-6,758.52
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	12,442,799.23	10,509,504.29	-1,933,294.94
54. Total Current & Accrued Liabilities (47 thru 53)	19,188,994.14	19,128,865.07	-60,129.07
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	12,902,084.98	14,028,458.73	1,126,373.75
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	413,045,360.76	414,816,789.68	1,771,428.92

Financial And Operating Report Electric Distribution

INCOME STATEMENT FOR JUN 2026

	Year - To - Date			Period - To - Date	
Item	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	85,615,001.75	96,048,673.56	90,981,443.00	18,467,857.14	15,913,645.00
2. Power Production Expense	28,041,334.51	32,990,727.24	29,252,164.00	6,352,888.41	4,886,627.00
3. Cost of Purchased Power	18,572,891.42	20,322,447.70	21,590,763.00	4,022,333.36	3,884,460.00
4. Transmission Expense	792,108.11	969,534.42	933,854.00	205,607.73	153,206.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	632,872.94	656,170.93	864,514.00	93,192.31	143,238.00
7. Distribution Expense - Maintenance	2,833,213.24	3,248,269.24	3,211,081.00	659,159.57	544,591.00
8. Customer Accounts Expense	1,230,791.46	1,261,896.58	1,343,924.00	234,692.77	223,025.00
9. Customer Service and Informational Expense	142,620.06	132,702.77	245,682.00	15,745.36	68,497.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	12,760,222.17	12,473,452.03	13,856,384.00	2,222,289.37	2,306,138.00
12. Total Operation & Maintenance Expense (2 thru 11)	65,006,053.91	72,055,200.91	71,298,366.00	13,805,908.88	12,209,782.00
13. Depreciation & Amortization Expense	7,510,330.12	7,914,141.04	8,346,747.00	1,324,054.29	1,391,125.00
14. Tax Expense - Property & Gross Receipts	2,138,107.28	2,398,828.10	2,274,536.00	461,240.46	397,841.00
15. Tax Expense - Other	5,812,764.81	5,818,826.93	5,402,758.00	1,221,910.44	949,318.00
16. Interest on Long-Term Debt	3,078,799.83	3,150,046.11	3,427,000.00	544,417.67	627,000.00
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	43,447.59	49,387.25	67,000.00	2,300.00	3,000.00
20. Total Cost of Electric Service (12 thru 19)	83,589,503.54	91,386,430.34	90,816,407.00	17,359,831.74	15,578,066.00
21. Patronage Capital & Operating Margins (1 minus 20)	2,025,498.21	4,662,243.22	165,036.00	1,108,025.40	335,579.00
22. Non Operating Margins - Interest	1,144,134.57	836,160.09	727,326.00	146,006.33	116,790.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-319,351.49	-772,019.73	-335,545.00	-5,333.83	29,060.00
25. Non Operating Margins - Other	46,034.40	124,391.16	90,660.00	26,326.57	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)	2,900,437.98	4,850,774.74	647,477.00	1,275,024.47	496,539.00

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 INTEREST EXPENSE	PROJECTED BALANCE AT 12/31/2026	PROJECTED 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							129,633,717	84,169,029	2,286,342	77,538,725	2,119,265
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							79,587,552	55,355,614	1,568,406	52,736,192	1,497,605
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							60,712,000	54,041,806	1,625,389	52,610,109	1,584,521
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							23,019,000	20,675,901	635,866	20,126,053	619,590
26	TREASURY	09/13/24	03/11/26	09/13/55	4.778%	E45 2-3	8,009,194	-	-	7,966,569	309,029
27	TREASURY	09/13/24	03/11/26	09/13/55	4.778%	E45 2-4	6,990,806	-	-	6,953,601	269,735
28							15,000,000	-	-	14,920,169	578,764
29	**Total Long Term Debt**						**$ 307,952,269**	**$ 214,242,350**	**$ 6,116,003**	**$ 217,931,248**	**$ 6,399,745**

Treasury Management – Monthly Discussion

- Ratings:
  - No changes in Money Market Fund Rating - AAA
- Current Summary Of Investments:
- $16.1M Dreyfus Funds – AAA Rating Money Market Fund very ST
  - Government MM Fund – Treasury Only
  - Stable Value type of money market (heavily regulated and makes it difficult to break the dollar)
  - 3.29% 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 – 2.45%
- $277,813 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

7/27/2026

The Charitable Foundation Board met on 7/27/26

The following reports were received:

Treasurer report ending balance of $123,942.01 as of June 30.

Makana Program:

- 566 registered, YTD contribution $2,019.38

Approved applications:

- Kumu’s Cupboard - $5,000

KEO Energy Assistance

- $5,000 to replenish account

Golf Tournament

- Finalizing registration paperwork

Next meeting August 18, 2026, 2 p.m.

T. Phil Tacbian, President

BOARD APPROVAL REQUEST FORM

Requestor

Department Other **Date** 7/15/2026

Name Scott Sato Title: Government Affairs and Energy Services Manager

Program/Project Name Professional Services -Legal

Project Dates (if any) January-December 2026

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. Additional legal expenses related to Hana Kukui Building purchase, financing waiver application, and 2027-2028 Wildfire Mitigation Plan are anticipated. Projected review and filings for the Annual Modification and Evaluation Report (AMER), Resource Cost Adjustment Surcharge (RCAS), and other Regulatory year-end reports are

Financial Impact

Fiscal Year: 2026

Budgeted? ______ **Unbudgeted?** X (Additional/Change)

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

Original Budget Amt	$	480,000
Additional/Change	**$**	**300,000**
Revised Budget Amt	$	780,000

Required (Initials)

CEO Review: DB

Committee Referral/Action

Committee F&A **Meeting Date:** 7/21/2026

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

BOARD APPROVAL REQUEST FORM

Requestor

Department **T&D** | **Date** **7/7/2026**

Name John Cox | Title: T&D Mgr

Program/Project Name **BESS & GFI-GRIP**

Project Dates (if any) 2024-2027

Deadline(s) N/A

Description of Request (attach documentation if needed)

This project will install Tesla Megapack BESS units at Anahola and Koloa, and KIUC has secured Federal GRIP Grant to pay for 50% of the total cost. The project also qualifies for 40% Federal ITC. The 2026 Capital budget for this project was zeroed-out, as a result of information that the Grant may have been canceled, and $29.75 million was moved to 2027 in the 5-Year Plan. The Grant has not been canceled and KIUC has received all reimbursements submitted to date (approx $1.6 million received for $3.2 million spent). Tesla will be ending production of the specific BESS units that we designed the project for, in mid-2027. As a result, we need to issue Notice to Proceed to Tesla and commit to certain milestone payments in 2026, potentially up to $13.5 million.

Financial Impact

Fiscal Year: 2026

Budgeted? ______ **Unbudgeted?** No (in 2027)

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

Original Budget Amt $0

Additional/Change **$13,500,000**

Revised Budget Amt $ 13,500,000

Required (Initials)

CEO Review: DB DB

Committee Referral/Action

Committee **F&A** | **Meeting Date:** **7/21/2026**

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 ______

BOARD APPROVAL REQUEST FORM

Requestor

Department T&D | **Date** 7/21/2026

Name John Cox | Title: Manager, T&D

Program/Project Name Kilohana Switchyard

Project Dates (if any) To be completed in 2027

Deadline(s)

Description of Request (attach documentation if needed)

Project spans multiple years and is expected to total $26,762,000 - $4,122,000 over previous estimate included in most recent 5-Year CWP (2024 Estimate). Primary reason for increase in estimate due to inflation resulting from extended permitting delays.

No additional funds requested for 2026 Budget, however, KIUC has identified a contractor and would like to issue a PO for the site work. We are requesting Board acknowledgement of the increase in estimated project costs prior to issuing the PO.

See attached 'Kilohana Switchyard Budget Updates' for additional information.

Financial Impact

Fiscal Year: 2026

Budgeted? ____ **Unbudgeted?** X

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

Original Budget Amt $ 22,650,000

Additional/Change **$ 4,122,000**

Revised Budget Amt $ 26,772,000

Required (Initials)

CEO Review: DB DB

Committee Referral/Action

Committee F&A **Meeting Date:**

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

Kilohana Switchyard Budget Updates

Initial S/Y Budget: $22,650k

- **2024 $ Expenditures: $705k**
  - EPS – Design: $474k

- **2025 $ Expenditures: $8,146k**
  - ETI – Control house: $2,201k
  - Pacific Steel – Substation Steel: $1,548
  - 14 Xmission Bkr's: $1,356k
  - Cushnie Road: $1,070
  - Pascor Switches: $512k
  - Trench – CCVT's: $470k
  - Trenwa – Concrete trenches: $261k
  - EPS – Design: $176k
  - Onesource – Copper/Gnd: $127k
  - Wesco – Arresters: $101k

- **2026 $ Expenditures: $1,539k (As of 7/13/2026)**
  - Western – Station Piles: 686k
  - ETI - Control House + Freight/Cali: $275k + $125k
  - EPS – Design: $110k
  - Hitachi – SSVT: $73k
  - NGK – Insulators: $59k
  - Shoo-Fly: $48k

- ***Life to Date $ Expenditures: $10,400k (As of 7/13/2026)***

Kilohana Construction RFP

- Engineering Estimate: $8,234k (May 2024)
- HMS – Low Bid - $11,700k (June 2026)
- ***Delta: - $3,466k overbudget***
- Major Deficiency in Engineering Estimate
  - Foundations
    - Estimate: $1,450k
    - Bid: $3,946k
    - Delta: $2,496k overbudget

<u>Overall Kilohana S/Y Budget Outlook/Impact</u>

- HMS Construction: $11,700k

- Remaining KIUC OFM/RFP's: $3,372k
  - Cushnie Site Grading/Compaction: $1,655k (2026)
    - Up to $714k additional if outside fill needed for compaction
  - ETI Control House/Shipping: $617k (2026)
  - Contingency: $400k (2027)
  - S/Y Construction Management: $330k (50%/$165k in 2026)
  - EPS Services: $160k (50%/80k in 2026)
  - KIUC Interconnection/Commissioning: $120k (2027)
  - Fiber Interconnection: $50k (2027)
  - SCS Archeological: $40k (2026)

- Overheads (8% of remaining $16,272 to be spent): $1,300k (50% 2026)

- ***Remaining $ in 2026/2027: $16,372***
  - ***Estimated 2026 $ remaining: $9,127k (in addition to $1,539k spent 2026 YTD)***
    - 50% HMS Contract $: 0.5 X $11,700k = $5,850
    - Other KIUC OFM/RFP: $2,557k
    - Overheads: $720k
  - ***Estimated 2027 $: $7,245k***
    - 50% HMS Contract $: 0.5 X $11,700k = $5,850
    - Other KIUC OFM/RFP: $815k
    - Overheads: $580k

- ***Revised S/Y Budget: $26,772k***

- ***Overbudget $: $26,772k - $22,650k = $4,122***

Signature: David Bissell
David Bissell (Jul 17, 2026 13:47:32 HST)

Email: dbissell@kiuc.coop

KIUC POLICY NO. 21

FRAUD

PURPOSE OF POLICY:

The purpose of this policy is to set forth KIUC's policy concerning fraud.

POLICY CONTENT:

KIUC supports the identification, detection, investigation, and elimination of all types of fraud. Any person may report actual or suspected fraud to KIUC's General Counsel, any Director, or any member of management. Employees may also report actual or suspected fraud to the external company KIUC has hired to accept anonymous reports of fraud. All such reports shall be provided to KIUC's General Counsel, who shall handle allegations of fraud in the same manner as is described in KIUC's policy on whistleblowing.

Adopted on this 30 day of July 2026.

Edmund Acoba
Secretary

Reviewed: 07/30/2026
Revised: 10/26/2023
Reviewed: 03/24/2020
Reviewed: 04/24/2018
Reviewed: 05/31/2016
Revised: 06/24/2014
Reviewed: 09/27/2011
Original Adoption: 08/31/2005