

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

Held at 4463 Pahe'e Street
Līhu'e, Kaua'i, Hawai'i
August 27, 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) via Zoom, 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 August 27, 2026, was approved as presented.

3. Approval of Minutes

- The following minutes were approved without objections.
 - July 30, 2026, Regular Board meeting

4. Director Safety Moment

The Director's Safety Moment began with a lighthearted comment about the risks of aging, then shifted to more serious safety topics. One director shared a personal experience with a VA counselor assessing their home for accessibility improvements, highlighting the importance of making living spaces safer as we age.

Another moment recounted was a bicycle accident where the rider was not wearing a helmet, using this as a reminder of the importance of personal protective equipment (PPE) not just at work, but also during everyday activities like biking or yard work. The key message was to avoid complacency about safety outside the workplace and to consistently use appropriate protective gear to prevent injuries.

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

- **Safety and Operations**

- The team successfully managed recent storm response, restoring power to most of the island within two days after tropical storm Lala. Credit was given to T&D management for proactive infrastructure upgrades, such as replacing 12-14 transmission poles, circuits, and insulators, for minimizing storm impacts.
- Emphasis was placed on continued storm preparedness, encouraging everyone to address any gaps before the next event.

- **Employee Achievements**

- John Cox completed the Certified Loss Control Professional program, receiving high praise for his project work.
- Allison Young completed the Certified Cooperative Communications Communicators Program, reflecting well on staff development.

6. Financial Report – Erin Tsuda (CFO)

The CFO provided a financial presentation for the July 2026 Financial Report (attached). Highlights of the attached presentation provided below:

- **Sales and Revenue**

- Megawatt-hour sales were nearly flat compared to last year (down 0.2% year-to-date).
- July's average rate was 39 cents per kWh, increasing to 40 cents in August.
- Year-to-date revenues reached \$112.8 million, higher than both budget and prior year, mainly due to an energy rate adjustment.

- **Margins and Ratios**

- Net margin year-to-date was \$4.6 million, \$407,000 higher than last year and well above budget.
- Key financial ratios (TIER and DSC) remained strong and above targets, with plans to adjust amortization to meet year-end goals.

- **Expenses**

- Operating expenses were \$31.3 million, higher than last year but below budget.
- Some expenses may be deferred depending on wildfire cost recovery decisions, which could impact year-end results.

- **Balance Sheet and Cash Position**

- The organization held \$27.43 million in cash and investments, with a full \$40 million line of credit available.
- No significant changes in equity ratios.
- **Accounts Receivable**
 - AR stood at \$13 million, higher due to increased rates, but 96% of balances were current, showing no deterioration in aging.
- **Further discussion with staff and directors:**
 - Construction projects, such as a switchyard, are delayed due to geotechnical issues, which may affect timing of expenses and borrowing.

7. NRECA Hawai'i Director Report – Allan Smith (Board Chair)

- Notice was circulated to the directors in Call to Order. Dwight Miller was introduced as the new safety person for NRECA.
- Regional meetings are scheduled to begin in the coming weeks, with the local region's meeting set for October.
- Congress is in session, with the Senate starting soon. The main item of interest is the Farm Bill, which is still under debate and has significant implications for grants and borrowing relevant to the cooperative sector.

8. Charitable Foundation Board Report – Director Phil Tacbian

The Charitable Foundation board met but no action was taken at the meeting with nothing to report to the Board of Directors at this time.

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

10. New Business

10.1. Resolution 04-26 Condolences for David W. Proudfoot

Director TenBruggencate introduced Resolution 04-26, Condolences for David Proudfoot and thanked the General Counsel for drafting the resolution.

MOTION: approval of Resolution 04-26.

[Motion: TenBruggencate] [Seconded: Tacbian]

IN FAVOR: Mayfield, Smith, TenBruggencate, Ponce, Yukimura

Iha, Tacbian, Acoba, and Yamane

Total – 9

OPPOSED: None

Total – 0

EXCUSED: None

Total – 0

Motion carried

10.2. Board Approval Request for Delta V Version Upgrade

The COO was asked to introduce the board approval request for the Delta V Version upgrade. The request for additional funding to complete a critical control system upgrade. The original budget was set about a year ago, but due to increased costs—mainly driven by high demand for memory and servers in the tech sector—the actual quotes came in higher than expected. The upgrade is essential for the control

system that manages nearly all generation at Port Allen and also covers two solar farms. The board discussed and approved the increased funding to ensure this industrial control system upgrade could proceed without delay.

MOTION: approval of BAR forms for Delta V Version Upgrade

[Motion: Yukimura] [Seconded: TenBruggencate]

IN FAVOR: Mayfield, Smith, TenBruggencate, Ponce, Yukimura

Iha, Tacbian, Acoba, and Yamane Total – 9

OPPOSED: None Total – 0

EXCUSED: None Total – 0

Motion carried

10.3. Board Approval Request for D9 Capital Expenditure

10.4. Board Approval Request for D9 O&M Expenses

The BAR form for the D9 capital and O&M expenses addressed funding for repairs following a catastrophic failure of the D9 equipment. Two forms were submitted, covering both capital expenditures and operations & maintenance (O&M) costs, with a combined total of about \$2 million for the same piece of equipment. The approval ensures that both immediate repairs and any necessary upgrades or replacements can proceed without delay.

MOTION: approval of BAR forms for 1) D9 Capital Expenditure and 2) O&M Expenses.

[Motion: Yukimura] [Seconded: TenBruggencate]

IN FAVOR: Mayfield, Smith, TenBruggencate, Ponce, Yukimura

Iha, Tacbian, Acoba, and Yamane Total – 9

OPPOSED: None Total – 0

EXCUSED: None Total – 0

Motion carried

10.5. Policy 13 – Community and Economic Development

Director Ponce introduced Policy 13 that was discussed at the committee meeting. The discussion focused on the reconfirmation of the Community and Economic Development Policy. Director TenBruggencate proposed a minor grammatical change to item 1A2, suggesting the wording be changed from "diversification of" to "diversifying" the economy, to maintain consistency with the other items in the list (all using gerunds).

MOTION: to reconfirm Policy 13 with the amendment in I.A.2. replacing "diversification of" with "diversifying".

[Motion: Ponce] [Seconded: TenBruggencate]

IN FAVOR: TenBruggencate, Ponce, Yukimura, Smith

Acoba, Yamane, Iha, Tacbian, and Mayfield Total – 9

OPPOSED: None Total – 0

EXCUSED: None Total – 0

Motion carried

11. Calendar

- 11.1. **September 7, 2026** – HOLIDAY – Labor Day (KIUC Offices Closed)
- 11.2. **September 15, 2026** – Board Committee Meetings (9:00 a.m., MCR)
- 11.3. **September 24, 2026** – Regular Board Meeting (1:00pm, MCR/Zoom)

12. Executive Session

At 1:28 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:
 - July 30, 2026, Regular Board meeting ES minutes
 - RLF Loan Approval to the Hawaii Beauty College

13. Adjournment

The meeting was adjourned at 2:23 p.m.



Edmund Acoba (Sep 24, 2026 21:54:05 HST)

Edmund Acoba
Board Secretary

President's Report

August 27, 2026

David Bissell

President & CEO



President's Report

Safety (July)	Month	2026 YTD	2025 YTD
Recordable Incidents	0	1	4
Availability and Reliability	Month	2026 YTD	2025 YTD
Reportable Outages	1	25	34
Average Outage Hours Per Customer	0.11	1.89	4.15
Efficiency	Month	2026 YTD	
Net Plant Heat Rate	8,960	9,170	
Peak Demand (MW)	79.79		
Residential Rates			
August 2026	\$0.401/kwh increase \$0.01 from July		



Update Items

- KIUC rates remain the lowest in state
- Hurricane/Tropical Storm Lala
 - Passed south of Kauai on Sunday, August 16
 - Tropical storm level gusts caused multiple outages
 - Highest outage level was around 8,000 members
 - Most of island restored by end of day
 - Fully restored by August 18
 - Mahalo to KIUC staff for storm related efforts!
- Tropical weather expected to remain active in Central Pacific



Kaua'i Island
Utility Cooperative

Lala





Kaua'i Island Utility Cooperative

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Board Financial Report

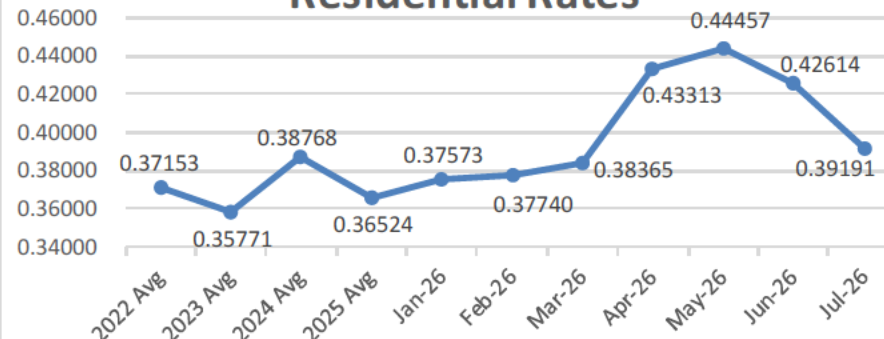
August 2026

Financial Scorecard – YTD July 2026

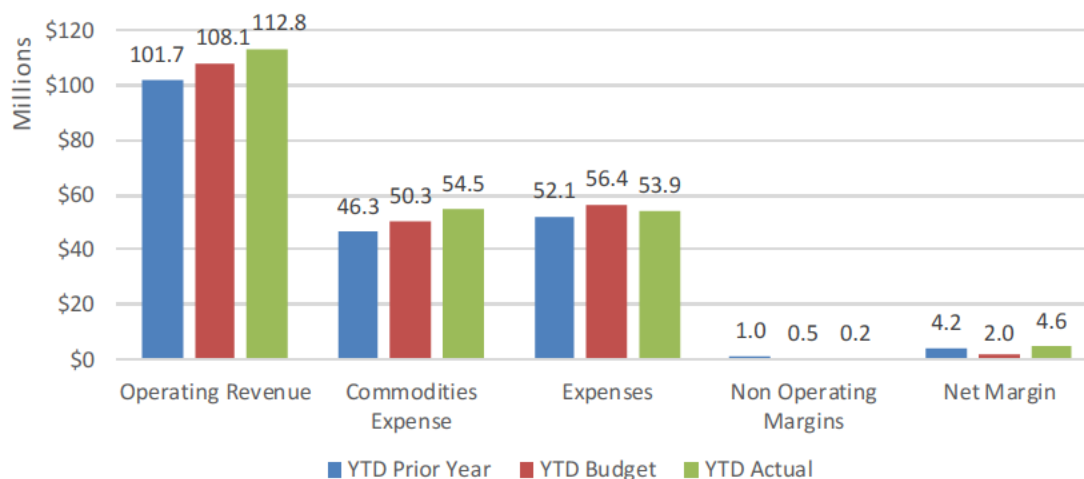
MWh Sales

Class	YTD Prior Year	YTD Actual		Percent Change
Residential (D)	113,165	114,868	↑	1.5%
Small Comm (G)	39,341	38,591	↓	-1.9%
Large Comm (J)	29,084	28,587	↓	-1.7%
Lrg Pwr Primary (LP)	92,578	91,807	↓	-0.8%
Street Lighting (SL)	467	411	↓	-11.9%
Irrigation	740	592	↓	-20.0%
Total	275,375	274,856	↓	-0.2%

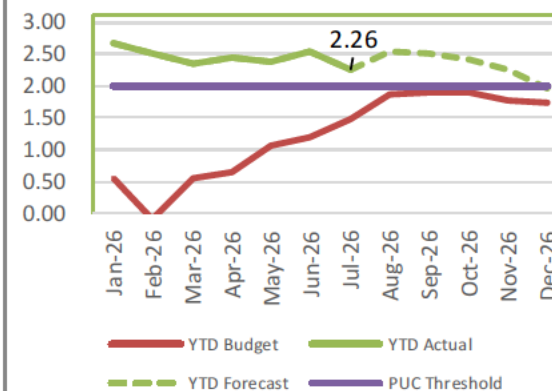
Residential Rates



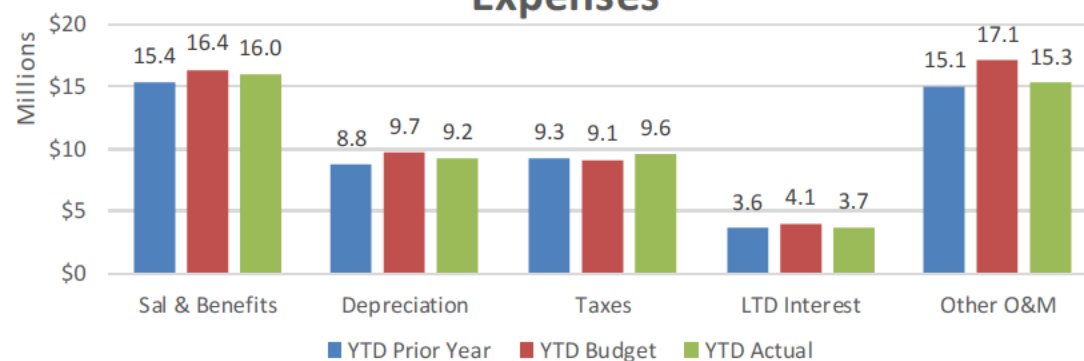
Key Results



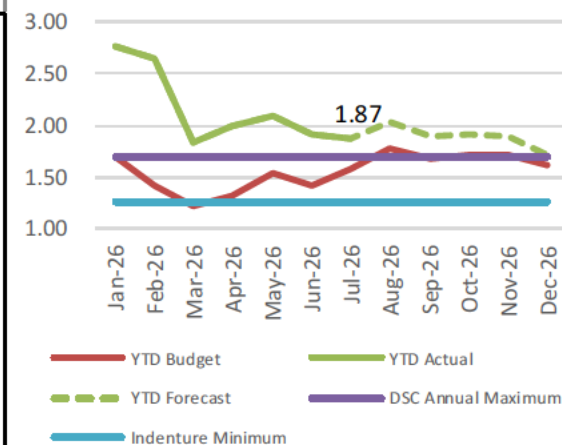
TIER



Expenses



DSC



Financial Highlights

Income Statement (YTD)

MWh Sales 274,856	Residential Rate \$0.39191/kWh	Revenues \$112.8M
• 0.2% lower than PY • 1.0% lower than Budget	• 8.0% or \$0.03423/kWh lower than June 2026 • 14.7% or \$0.05016/kWh higher than PY • 3.3% or \$0.01258/kWh higher than Budget	• 11.0% or \$11.2M higher than PY • 4.4% or \$4.7M higher than Budget

Financial Highlights

Income Statement (YTD)

Commodities

\$54.5M

- 17.7% or \$8.2M higher than PY
- 8.3% or \$4.2M higher than Budget
- Higher KIUC generated at higher average cost than purchased power

Operating Expenses

\$31.3M

- 2.9% or \$874K higher than PY
- 6.4% or \$2.1M lower than Budget

Net Margin

\$4.6M

- 9.6% or \$407K higher than PY
 - \$3.0M higher Gross Margin (Revenues – Commodities)
 - (\$874K) higher O&M
 - (\$476K) higher Depreciation
 - (\$324K) higher Taxes
 - (\$340K) lower Interest & Dividend Income
 - (\$529K) higher Loss from KRS1/2
- 135.8% or \$2.7M higher than Budget
 - \$556K higher Gross Margin
 - \$2.1M lower O&M
 - \$499K lower Depreciation
 - (\$516K) higher Taxes
 - (\$545K) higher Loss from KRS1/2
 - \$356K lower LTD Interest Expense

Financial Highlights

Income Statement (YTD)

TIER

2.26

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

DSC

1.87

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

Financial Highlights

Income Statement (Month)

MWh Sales
43,552

- 0.9% lower than PY
- 1.7% lower than Budget

Revenues
\$16.8M

- 4.7% or \$780K higher than PY
- 2.0% or \$335K lower than Budget

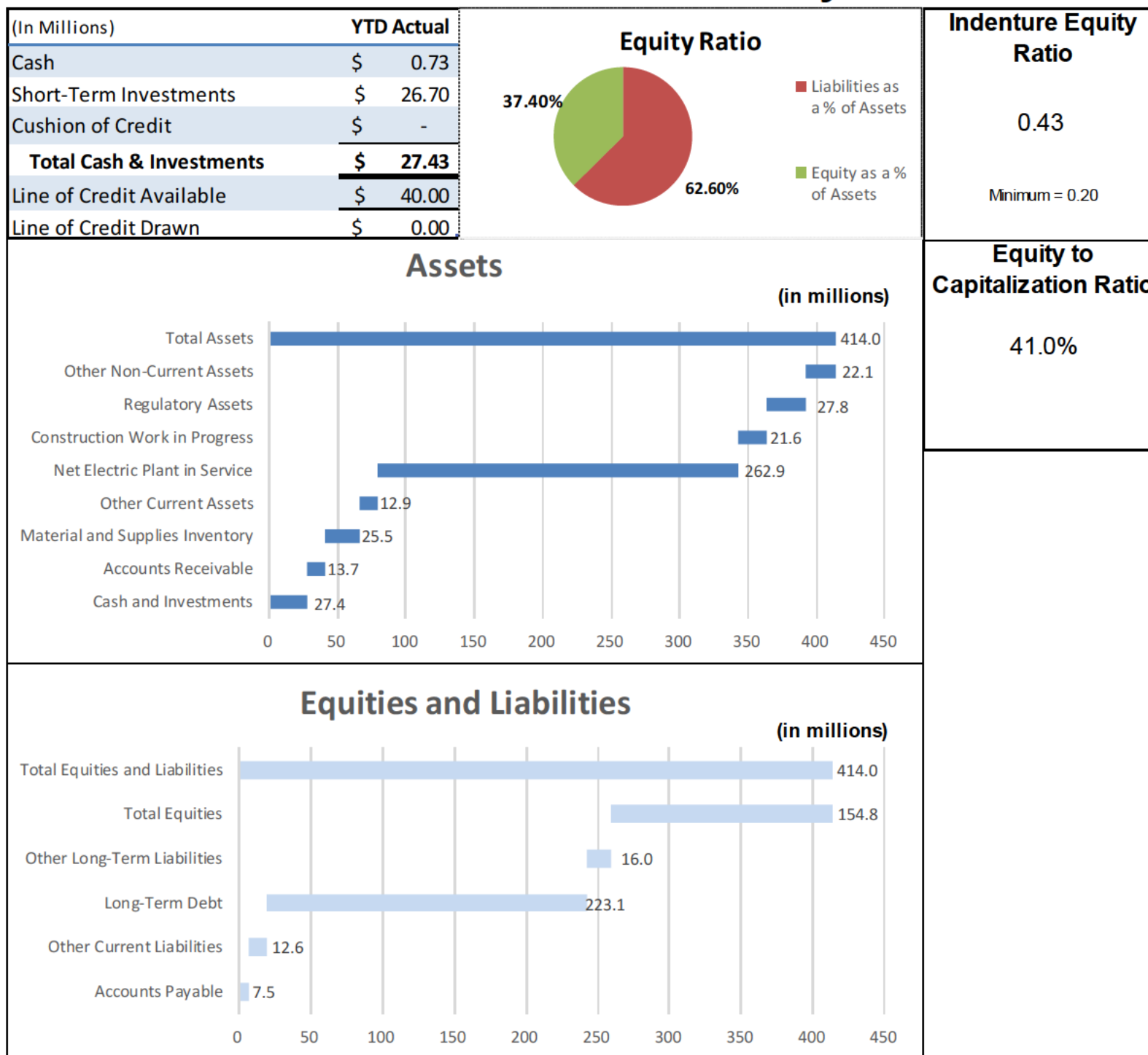
Commodities
\$8.6M

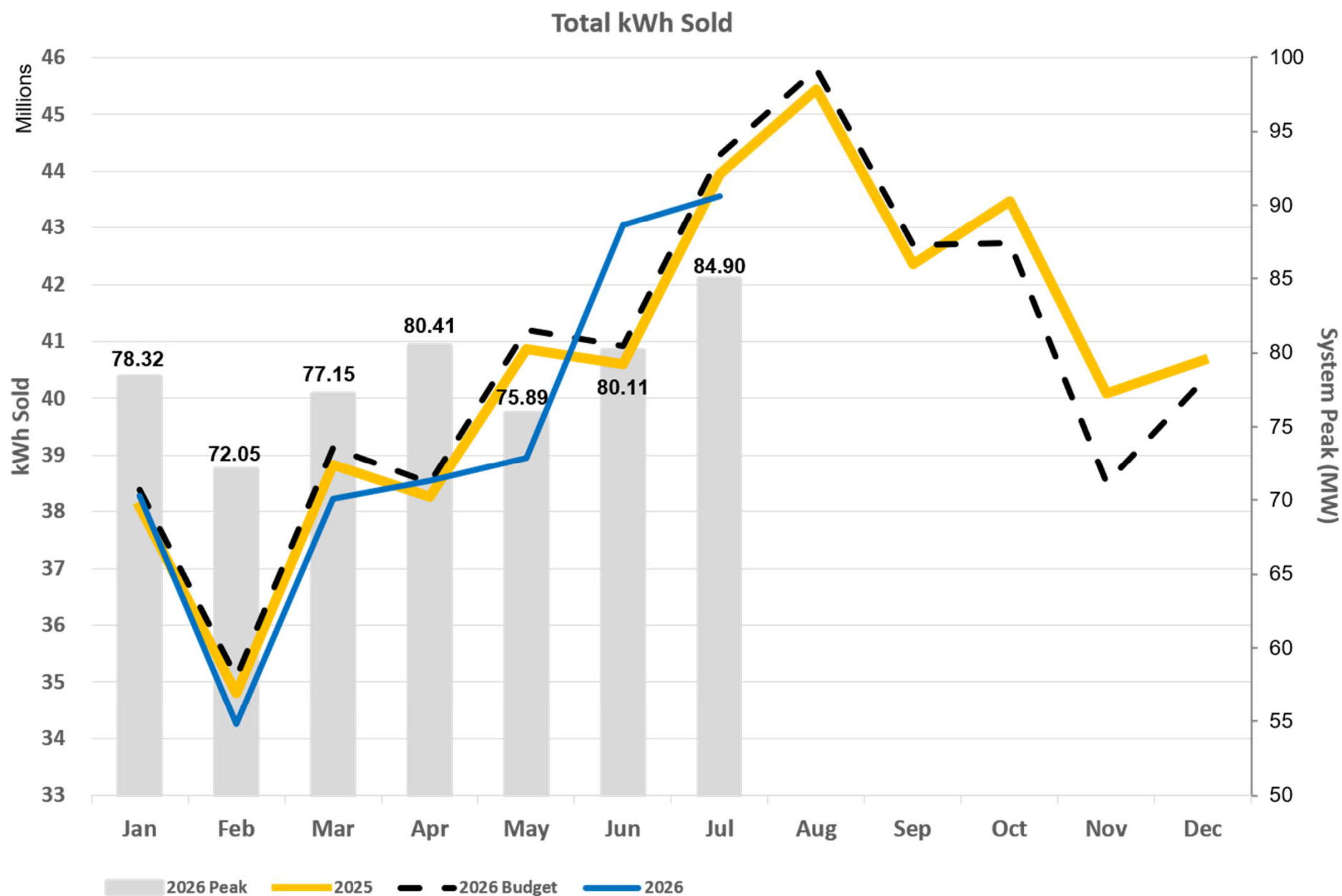
- 20.9% or \$1.5M higher than PY
- 13.1% or \$997K higher than Budget

Operating Expenses
\$5.1M

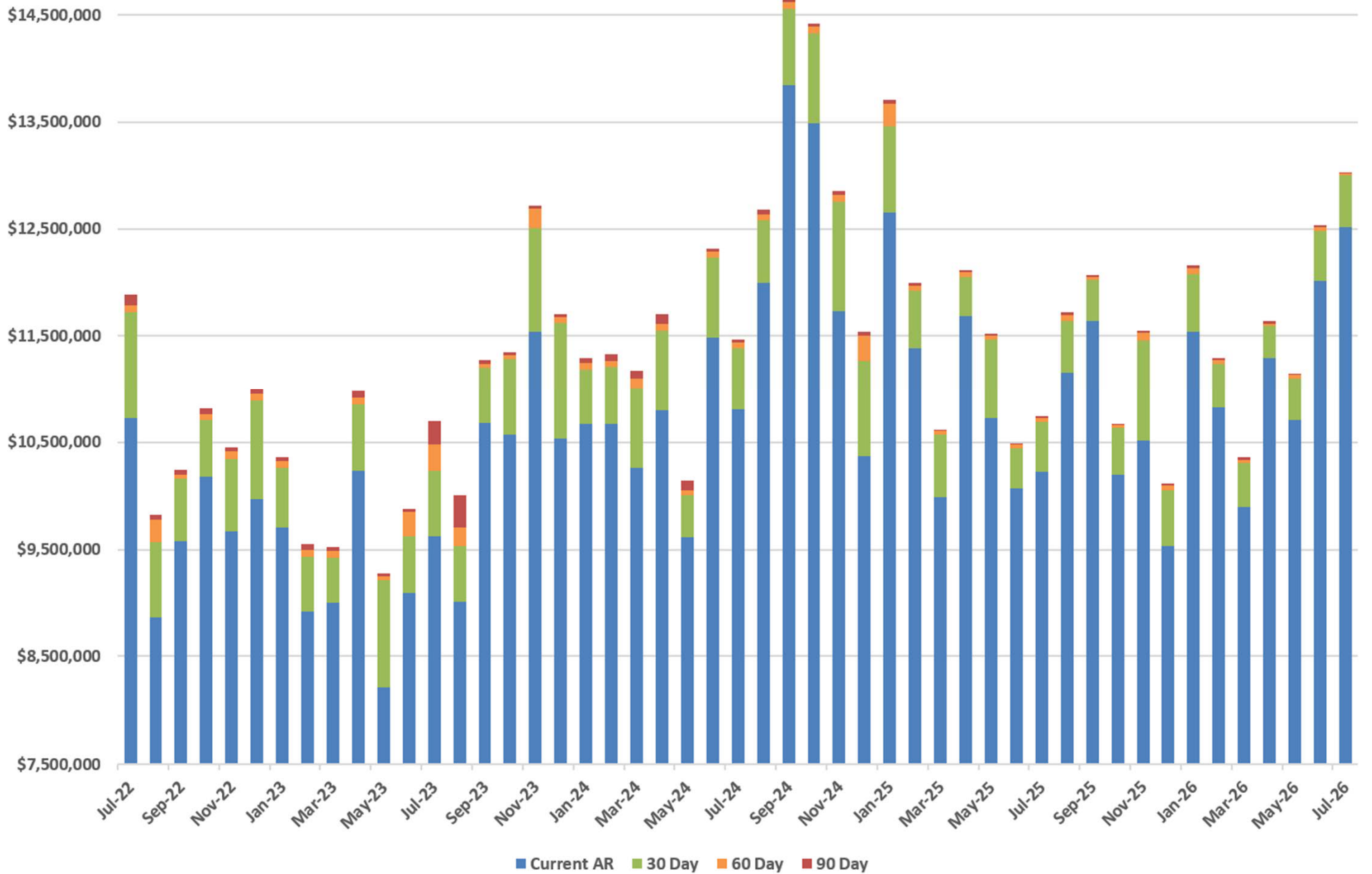
- 11.1% or \$515K higher than PY
- 6.1% or \$297K higher than Budget

Financial Scorecard – YTD July 2026





Total AR Balances



Questions?

Financial And Operating Report Electric Distribution

BALANCE SHEET FOR JUL 2026

	Last Year	This Year	Variance
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	603,113,711.15	602,890,963.56	-222,747.59
2. Construction Work in Progress	14,329,837.05	21,592,836.04	7,262,998.99
3. Total Utility Plant (1 + 2)	617,443,548.20	624,483,799.60	7,040,251.40
4. Accum. Provision for Depreciation and Amort.	335,252,404.69	340,007,281.72	4,754,877.03
5. Net Utility Plant (3 - 4)	282,191,143.51	284,476,517.88	2,285,374.37
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	19,363,030.18	18,231,207.52	-1,131,822.66
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	1,985,534.62	1,742,419.71	-243,114.91
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)	23,343,916.96	22,012,813.27	-1,331,103.69
15. Cash - General Funds	112,977.39	728,618.06	615,640.67
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	-24,597.82	-1,337,688.55	-1,313,090.73
18. Temporary Investments	28,487,112.28	26,700,791.21	-1,786,321.07
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	10,300,858.52	12,764,860.32	2,464,001.80
21. Accounts Receivable - Other (Net)	714,573.00	947,270.41	232,697.41
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	24,088,721.60	25,486,916.73	1,398,195.13
24. Prepayments	3,710,372.04	3,891,338.52	180,966.48
25. Other Current and Accrued Assets	8,940,698.98	10,384,954.43	1,444,255.45
26. Total Current and Accrued Assets (15 thru 25)	76,330,715.99	79,567,061.13	3,236,345.14
27. Regulatory Assets	31,321,204.56	27,788,269.76	-3,532,934.80
28. Other Deferred Debits	57,468.58	127,852.24	70,383.66
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	413,244,449.60	413,972,514.28	728,064.68

Financial And Operating Report Electric Distribution

BALANCE SHEET FOR JUL 2026

	Last Year	This Year	Variance
LIABILITIES AND OTHER CREDITS			
30. Memberships	631.74	644.92	13.18
31. Patronage Capital	144,564,991.62	148,596,831.53	4,031,839.91
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	4,241,852.30	4,649,077.49	407,225.19
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	1,189,296.11	1,562,207.88	372,911.77
36. Total Margins & Equities (30 thru 35)	149,996,771.77	154,808,761.82	4,811,990.05
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)	107,836,240.63	100,734,079.41	-7,102,161.22
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)	219,206,488.87	223,091,650.44	3,885,161.57
44. Obligations Under Capital Leases - Noncurrent	12,398,292.22	3,947,125.47	-8,451,166.75
45. Accumulated Operating Provisions	-696,825.66	-993,508.39	-296,682.73
46. Total Other Noncurrent Liabilities (44 + 45)	11,701,466.56	2,953,617.08	-8,747,849.48
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	6,199,709.99	7,497,600.11	1,297,890.12
49. Consumers Deposits	1,572,958.74	1,576,720.73	3,761.99
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	12,293,228.96	11,011,152.93	-1,282,076.03
54. Total Current & Accrued Liabilities (47 thru 53)	20,065,897.69	20,085,473.77	19,576.08
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	12,273,824.71	13,033,011.17	759,186.46
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	413,244,449.60	413,972,514.28	728,064.68

General Ledger

08/14/2026

6:26:53 PM

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Financial And Operating Report Electric Distribution

INCOME STATEMENT FOR JUL 2026

Item	-----Year - To - Date-----			-----Period - To - Date-----	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	101,654,381.33	112,847,590.96	108,115,814.00	16,798,917.40	17,134,371.00
2. Power Production Expense	33,799,260.28	39,710,987.13	34,436,161.00	6,720,259.89	5,183,997.00
3. Cost of Purchased Power	21,491,506.84	23,719,861.65	25,389,722.00	3,397,413.95	3,798,959.00
4. Transmission Expense	930,046.08	1,182,248.61	1,090,984.00	212,714.19	157,130.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	738,178.08	848,758.20	1,010,130.00	192,587.27	145,616.00
7. Distribution Expense - Maintenance	3,331,103.09	3,939,698.37	3,763,839.00	691,429.13	552,758.00
8. Customer Accounts Expense	1,444,024.79	1,504,204.76	1,579,031.00	242,308.18	235,107.00
9. Customer Service and Informational Expense	160,869.60	141,886.31	304,029.00	9,183.54	58,347.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	14,870,385.74	14,770,033.95	16,192,209.00	2,296,581.92	2,335,825.00
12. Total Operation & Maintenance Expense (2 thru 11)	76,765,374.50	85,817,678.98	83,766,105.00	13,762,478.07	12,467,739.00
13. Depreciation & Amortization Expense	8,762,942.86	9,238,866.79	9,737,871.00	1,324,725.75	1,391,124.00
14. Tax Expense - Property & Gross Receipts	2,539,519.75	2,819,183.31	2,702,895.00	420,355.21	428,359.00
15. Tax Expense - Other	6,769,293.15	6,813,882.02	6,413,816.00	995,055.09	1,011,058.00
16. Interest on Long-Term Debt	3,589,787.46	3,697,000.19	4,053,000.00	546,954.08	626,000.00
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	43,547.59	49,687.25	71,000.00	300.00	4,000.00
20. Total Cost of Electric Service (12 thru 19)	98,470,465.31	108,436,298.54	106,744,687.00	17,049,868.20	15,928,280.00
21. Patronage Capital & Operating Margins (1 minus 20)	3,183,916.02	4,411,292.42	1,371,127.00	-250,950.80	1,206,091.00
22. Non Operating Margins - Interest	1,317,302.56	977,348.49	819,998.00	141,188.40	92,672.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-341,072.72	-869,604.26	-324,959.00	-97,584.53	10,586.00
25. Non Operating Margins - Other	77,584.15	130,040.84	105,770.00	5,649.68	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)	4,241,852.30	4,649,077.49	1,971,936.00	-201,697.25	1,324,459.00

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							<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	<u>35,586,552</u>	<u>25,270,386</u>	<u>685,478</u>	<u>24,062,666</u>	<u>654,136</u>
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	<u>12,706,000</u>	<u>11,819,612</u>	<u>410,493</u>	<u>11,526,958</u>	<u>400,682</u>
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	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	<u>6,990,806</u>	<u>-</u>	<u>-</u>	<u>6,953,601</u>	<u>269,735</u>
28							<u>15,000,000</u>	<u>-</u>	<u>-</u>	<u>14,920,169</u>	<u>578,764</u>
29	Total Long Term Debt						<u>\$ 307,952,269</u>	<u>\$ 214,242,350</u>	<u>\$ 6,116,003</u>	<u>\$ 217,931,248</u>	<u>\$ 6,399,745</u>

Treasury Management – Monthly Discussion

- Ratings:
 - No changes in Money Market Fund Rating - AAA
- Current Summary Of Investments:
- **\$16.6M** 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 – **2.56%**
- **\$278,344** Central Pacific Bank – Backup Checking in NISC if needed
 - Backup for Checking in Money Market (unlimited) account
 - **2.28%**

Subject:
Date:

FW: Dwight Miller Named Director of Safety Programs
Tuesday, August 25, 2026 5:11:04 PM

① External email >

Subject: Dwight Miller Named Director of Safety Programs

NRECA Board, RESMA, Member CEOs/General Managers:

I'm pleased to announce [that Dwight Miller has been named NRECA's Director of Safety Programs](#). He will assume his new role on Sept. 8.

Dwight has more than 40 years of electrical utility experience, beginning his career as an apprentice lineman. Most recently, he served as Senior Director of Safety Training and Loss Prevention for Ohio's Electric Cooperatives, providing statewide safety leadership and support to 24 electric cooperatives and more than 400 field employees.

I look forward to working with Dwight and to continue our close and productive relationship with Federated on our coordinated safety programs. In his new role, Dwight will lead NRECA's Rural Electric Safety Achievement Program (RESAP) and related safety initiatives, working closely with cooperative leaders, statewide associations, safety professionals and industry partners to support continuous improvement in safety performance throughout the cooperative network.

The safety of electric cooperative employees is always the top priority, and Dwight has spent his entire career helping co-ops create safer workplaces and stronger safety cultures. Please join me in welcoming Dwight to NRECA and congratulating him on his new role.

Jim

Jim Matheson

Chief Executive Officer (CEO)

National Rural Electric Cooperative Association



**RESOLUTION 04-26 OF
THE BOARD OF DIRECTORS
OF KAUA‘I ISLAND UTILITY COOPERATIVE**

WHEREAS, the community-motivated initiative of converting the Kaua‘i Electric Division of Citizens Communications Company (“KE”) to a member-owned cooperative began on November 15, 1999, with the formation of the Kaua‘i Island Utility Cooperative (“KIUC”) and ended on November 1, 2002, with the closing of the purchase of KE to KIUC, thereby completing the process of vesting ownership of Kaua‘i’s electric system to its people; and

WHEREAS KIUC recognizes that DAVID W. PROUDFOOT played an integral part in serving as General Counsel for KIUC from its formation until his retirement as General Counsel in 2012; and

WHEREAS it is with sadness that DAVID W. PROUDFOOT’s former colleagues at KIUC have learned of his passing; and

WHEREAS KIUC would like to recognize how DAVID W. PROUDFOOT has over the years gone beyond the call in advising KIUC and its Directors on many important legal issues; and

WHEREAS the Board of Directors would like to recognize the legal talents of DAVID W. PROUDFOOT, a 1973 graduate of Harvard Law School and a managing partner of the Kaua‘i law firm of Belles Graham Proudfoot & Wilson for many years; and

WHEREAS DAVID W. PROUDFOOT was an active member in the community, having served on the Wilcox Hospital Board, the Island School Board; and

WHEREAS DAVID W. PROUDFOOT also proudly served his country, having retired from the U.S. Coast Guard in 1968 as a Lieutenant, Senior Grade; and

WHEREAS DAVID W. PROUDFOOT was a loving husband to Darney Lau Proudfoot and father to Kimo, Kekoa and Jennifer;

NOW THEREFORE, be it hereby resolved by the Board of Directors of KIUC as follows:

1. The Board of Directors of KIUC hereby honors and recognizes DAVID W. PROUDFOOT for the faithful, competent and diligent discharge of his duties as General Counsel from 2002 to 2012, always having the best interests of KIUC and its Directors and Staff while at the same time serving as informal historian to those who have come after him.
2. The Board of Directors of KIUC hereby requests that its President and Chief Executive Officer cause an appropriately framed copy of this Resolution to be prepared and presented to the family of DAVID W. PROUDFOOT in recognition of his efforts and achievement.

SECRETARY’S CERTIFICATE

The undersigned Secretary of KIUC hereby certifies the foregoing Resolution of the Board of Directors of KIUC was duly adopted at the meeting of the Board of Directors held on August 27, 2026, at Līhu‘e, Kaua‘i, Hawai‘i.

Dated this 27th day of August 2026 at Līhu‘e, Kaua‘i, Hawai‘i.

Edmund Acoba, Secretary

BOARD APPROVAL REQUEST FORM

Requestor

Department **Production**

Date **7/27/2026**

Name Byron Blanchard

Title: IC&E Superintendent

Program/Project Name **Delta V Version 16 Upgrade (261202W)**

Project Dates (if any) 12/01/2026 through 6/30/2027

Deadline(s) 9/1/2026

Description of Request (attach documentation if needed)

The quote for the Delta-V upgrade came in significantly higher than expected due to massive cost increases for the Dell computer hardware because of ongoing component shortages and high demand. Delta-V utilizes unique Dell servers that have increased in cost by 400% in the last six months.

Financial Impact

Fiscal Year: 2026

Budgeted? X

Unbudgeted? _____

O&M _____

Capital _____

X (if NEW, attach Capital Justification Sht)

Original Budget Amt \$ 200,000

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

Revised Budget Amt \$ 350,000

Required (Initials)

CEO Review: DB

Committee Referral/Action

Committee F&A

Meeting Date: 8/18/2026

Committee Recommendations: _____

Cmte Chairperson Presiding: Peter Yukimura

Board Action

Board Workshop _____

Wrkshp Date: _____

Board Meeting Date 8/27/2026

Action Taken: _____

1st/2nd: _____

Other Info: _____

Res No. _____

File Date & Location _____

BOARD APPROVAL REQUEST FORM

Requestor

Department **Production**

Date **8/14/2026**

Name Richard Vetter

Title: Port Allen Mgr.

Program/Project Name **D9 Failure Capital Expenditures**

Project Dates (if any) _____

Deadline(s) Place orders by end of September to have unit by summer 2027.

Description of Request (attach documentation if needed)

Port Allen unit D9 catastrophically failed on 4/18/26. This request will fund all new gear components to replace the gears and shafts that were destroyed. It will additionally fund life extensions for all cylinder rocker arm assemblies. There is a six month minimum lead time for most of these parts, so although authorization is requested now in 2026, actual spending is not forecast until Q2 2027.

Financial Impact

Fiscal Year: 2027

Budgeted? _____ Unbudgeted? XXX

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

Original Budget Amt \$ -

Additional/Change **\$ 700,000**

Revised Budget Amt \$ 700,000

Required (Initials)

CEO Review: DB

Committee Referral/Action

Committee F&A

Meeting Date: _____

Committee Recommendations: _____

Cmte Chairperson Presiding: _____

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 **Production**

Date **8/14/2026**

Name Richard Vetter

Title: Port Allen Mgr.

Program/Project Name **D9 Failure O&M Expenses**

Project Dates (if any) _____

Deadline(s) Place orders by end of September to have unit by summer 2027.

Description of Request (attach documentation if needed)

Port Allen unit D9 catastrophically failed on 4/18/26. This request will fund a complete unit overhaul, both labor and materials, as well as about \$300K in additional expense parts not normally changed in a typical overhaul. The next overhaul was scheduled for year 2030 at \$1.3M. Insurance is expected to refund approximately \$1.87M of these costs. Lastly the balance of the D9 overhaul accrual account is currently \$481K as of 7/31/26 and will be \$596K on 12/31/26. This request is in addition to the accrual balance.

Financial Impact

Fiscal Year: 2027

Budgeted? _____ Unbudgeted? XXX

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

Original Budget Amt \$ -

Additional/Change \$ 1,400,000

Revised Budget Amt \$ 1,400,000

Required (Initials)

CEO Review: DB

Committee Referral/Action

Committee F&A

Meeting Date: _____

Committee Recommendations: _____

Cmte Chairperson Presiding: _____

Board Action

Board Workshop _____

Wrkshp Date: _____

Board Meeting Date _____

Action Taken: _____

1st/2nd: _____

Other Info: _____

Res No. _____

File Date & Location _____

KIUC POLICY NO. 13
COMMUNITY AND ECONOMIC DEVELOPMENT

PURPOSE OF POLICY:

It shall be the policy of KIUC to foster and participate in the community and economic development of the County of Kaua‘i. To further that policy, it is necessary to provide consistent guidelines for application of KIUC's community and economic development programs.

POLICY CONTENT:

I. Objectives

The objectives of KIUC's community and economic development policy are:

- A. To participate in community and economic development efforts by:
 - 1. Creating and retaining jobs
 - 2. Diversification of the economy
 - 3. Improving the skills of the workforce
 - 4. Upgrading the public infrastructure
- B. To keep members, employees, and the general public informed about KIUC's community and economic development activities.
- C. To encourage local community involvement in community and economic development activities.
- D. To enhance the quality of life in KIUC's service areas through community development.
- E. To enlist the partnership of federal, state, local, public and private organizations in KIUC's community and economic development efforts. These organizations include: the USDA Rural Utility Services (RUS) and Rural Development; National Rural Electric Cooperative Association (NRECA); National Rural Economic Development Association (NREDA); and other federal, state, local, public and private organizations.

II. Policy

It is the community and economic development policy of KIUC to:

- A. Provide loans via the Rural Economic Development Loan and Grant Program (REDLG) to promote rural economic development and/or job creation projects,

including, but not limited to, project feasibility studies, start-up costs, business incubator projects, and other reasonable expenses for the purpose of fostering rural economic development.

- B. Use the following criteria for its participation in community and economic development projects:
 - 1. Be the provider of electric service to all of its economic development projects and community development projects requiring electric service within its service area.
 - 2. Require sufficient supporting documentation to determine the overall feasibility of a particular community development or economic development project.
 - 3. Require all projects to have the support of the local community. KIUC's financial participation should not exceed that of the local community.
- C. The Board of Directors shall approve the financial participation of KIUC in any of the economic development programs.

Adopted on this 27th day of August 2026.

Edmund Acoba
Secretary

Reviewed: 08/27/2026
Reviewed: 04/27/2023
Reviewed: 02/27/2020
Reviewed: 02/20/2018
Reviewed: 03/22/2016
Reviewed: 04/29/2014
Revised: 10/25/2011
Revised: 05/27/2008
Original Adoption: 07/28/2004