REGULAR MEETING OF THE BOARD OF DIRECTORS
KAUA'I ISLAND UTILITY COOPERATIVE
Held at 4463 Pahee Street
Lihue, Kauai, Hawaii
and via Zoom

October 29, 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 (via Zoom), 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 (Communications Mgr.), Lisa Ubay (Mgr. of HR & Safety), Daurice Arruda (Accounting Mgr.), Scott Sato (Member Services & Gov't Affairs Mgr.), Shelley Paik (PA Specialist), Corinne Cuaresma (Controller), 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 October 29, 2026, was approved as presented.

3. **Approval of Minutes**
   - The minutes of September 24, 2026, Regular Board meeting was approved with no objections.

4. **Director Safety Moment**
   The director's safety moment stressed the value of having another set of eyes during potentially hazardous work. Using a rainy-morning canoe trip as an example, Director TenBruggencate explained that high tides had left logs floating in the water. People seated at the front of the canoe acted as spotters, warning about obstacles ahead. The broader message was to use spotters and maintain shared situational awareness in any activity

where one person may not be able to see all risks.

5. **President's Report – David Bissell (CEO).** The President's Report was circulated to the board for the month of October (presentation attached). The president reported that storm recovery was largely successful, but it drove outages, higher October rates, and continuing financial and infrastructure risks.

   Operations and reliability

   - September included an unusually high number of reportable outages, largely due to two storms. Excluding storm impacts, average outage duration was about 2.5 hours, roughly half of 2025's level.
   - Residential rates heading into October were about 47 cents per kWh, about 4 cents higher than September. The increase was attributed mainly to high diesel prices and greater diesel generation during storm recovery.
   - KIUC filed with the PUC for deferred accounting treatment of storm restoration costs and lost gross-margin recovery. Total costs are still being identified as invoices continue to arrive.
   - A federal disaster declaration made KIUC eligible for FEMA reimbursement of up to 75% of eligible costs. The formal FEMA public-assistance request was filed on October 27.
   - About 260 poles were replaced during September and October, compared with a normal pace of roughly 30–40 per month.
   - The team restored approximately 80% of the island in the first week and returned to normal operations on October 2, just over three weeks after Hurricane Lowell. Remaining work was concentrated in remote areas, including Kōkeʻe and ridge-top radio repeater sites.
   - A continuing vulnerability is the Hanalei–Haʻena/Wainiha transmission route, which still relies on lattice towers and has limited redundancy. Although no towers failed, the report identified this as a longer-term reliability concern.
   - Smart meters and the outage-management system were highlighted as major operational advantages: they enabled real-time restoration tracking, public outage visibility, and reduced administrative burden during the emergency.

6. **Financial Report – Erin Tsuda (CFO).** The CFO provided a financial presentation for the September 2026 Report (attached). Highlights of the attached presentation provided below: The financial report began with storm-driven sales losses but showed that year-to-date financial performance and liquidity remained strong, subject to uncertainty over deferred storm-cost approval.

   Sales volume and customer rates

   - Through August, megawatt-hour sales were essentially flat YOY, up 0.1%; through September, they shifted to a 1% year-to-date decline.
   - September sales alone fell 11% YOY, primarily because of storm-related outages.

- Average residential rates rose from about 44 cents/kWh in September to about 47 cents/kWh for October, versus a historical 2022–25 average near 37 cents/kWh. The increase reflected higher diesel prices and a more diesel-heavy generation mix.

Overall financial position through September

- Despite lower sales volume, year-to-date revenue was 11.6% above last year and 4.9% above budget, driven mainly by higher rates rather than volume.
- Commodity costs were 19.2% above last year and 9.5% above budget.
- Operating expenses totaled $40.8 million, up 1.8% year over year but 4.6% below budget. Some September invoices, including non-storm invoices, arrived late and were expected to catch up in October.
- Year-to-date net margin was $7.5 million. The report attributed results largely to gross margin from revenues less commodity costs, with lower operations/maintenance and depreciation supporting performance versus budget.
- Key financial ratios remained above monitored thresholds: TIER was 2.57 versus a 2.0 target, and DSC was 1.91, above the stated thresholds.

September-only results and storm-cost uncertainty

- September sales were 10.6% below prior year and 11.3% below budget. Revenue nevertheless exceeded prior year and budget because rates were higher.
- Commodity costs for the month were 24.1% above prior year and 10.4% above budget; operating expenses were also above both prior year and budget.
- Storm restoration bills were still arriving. The cooperative had applied to the PUC to defer storm restoration costs and loss gross-margin recovery. If approved, the costs would create cash and operating pressure without directly reducing this year's reported margin; if denied, the costs would be reclassified to operations and directly affect margin.

Liquidity, financing, and equity

- At month-end, KIUC has $25 million in cash and short-term investments and line of credit available is at $25 million.
- $15 million line of credit for bridge financing with RUS and in the process of renewing. What's not shown is the emergency line of credit which would be applicable only to our storm-related expenses. The $60 million emergency line of credit for storm-related costs remained fully available and had not been drawn.
- Equity was 38% of assets, essentially unchanged from the prior month; other equity ratios were also stable.
- Beginning in October, reports were expected to show deferred assets related to wildfire-mitigation costs, separate from storm-cost deferrals.

Receivables

- Total accounts receivable remained about $12.5 million, but the 30–60-day aging bucket had roughly doubled. Management attributed this to storm-related payment and mail disruptions and expected improvement in October.

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

- **NRECA national update:** Chair Smith distributed the latest update from NRECA CEO Jim Matheson, which he said brought directors current on national issues.
- **Georgia power-plant loan:** The update referenced a significant loan associated with a power plant being built in Georgia.
- **Federal outlook:** It was noted that, after the election, both the House and Senate would reconvene in Washington the following week.

8. Charitable Foundation Board Report – Director Phil Tacbian

The Charitable Foundation report was circulated to the board (attached). Highlights of the report:

- Financial position: As of September 30, the foundation balance was $112,703**.**
- Makana program: Enrollment increased to 579 participants, generating current contributions of $2,967.
- Grant request: The foundation received an application from the American Red Cross and deferred a decision pending additional information.
- Administration: The directors and officers liability insurance policy was renewed.
- Emergency assistance: After KEO's emergency-related spending reduced its available funds to nearly zero, the foundation provided an additional $5,000 to replenish it, following a prior $5,000 contribution in August.
- Fundraising event: The upcoming golf tournament was discussed; four additional team spaces had been available, but the tournament was subsequently confirmed as full.

9. Public Testimony. Received one (1) public testimony. The CEO requested that the public testimony be discussed in executive session due to member information.

10. New Business

10.1. Board Approval Request for Line Replacements-OH

The request was introduced by Director Yukimura noting that the item was discussed at length at the F&A committee meeting and to be brought to the board for review and approval.

MOTION: approval of request.

[Motion: TenBruggencate] [Seconded: Acoba]

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 T51-37.5MVA GSU Transformer
The request was introduced by Director Yukimura noting the item was discussed at length at the F&A committee meeting.

MOTION: approval of request.
[Motion: Acoba] [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. Resolution No. 06-26 Emergency Line of Credit with CoBank
The agenda item was introduced by Director Yukimura noting that the resolution had already been discussed extensively in the F&A committee meeting and characterized it as primarily related to financing storm expenses.

MOTION: approval of Resolution 06-26.
[Motion: TenBruggencate] [Seconded: Acoba]
IN FAVOR: Mayfield, Smith, TenBruggencate, Ponce, Yukimura Iha, Tacbian, Acoba, and Yamane Total – 9
OPPOSED: None Total – 0
EXCUSED: None Total – 0
Motion carried

10.4. Policy 20 – Fiduciary Duty and Appointments to Fill Board Vacancies
Director Ponce introduced the agenda item noting that the Policy Committee had previously reviewed the policy and voted to recommend reauthorization.

MOTION: approval of Policy 20.
[Motion: Acoba] [Seconded: Iha]
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. 2027 Board Elections Nominating Committee Slate
Director Ponce as the Chair of the Nominating Committee introduced the agenda item. The volunteers for the 2027 Nominating Committee are Arryl Kaneshiro, Todd

Ozaki, Marissa Sandblom, and Stacy Waikoloa.

MOTION: approval of 2027 Board Elections Nominating Committee Slate.
[Motion: TenBruggencate] [Seconded: Acoba]

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. Calendar

10.1. November 11, 2026 – HOLIDAY – Veterans Day (KIUC Offices Closed)
10.2. November 12, 2026 – Board Committee Meetings (9:00 a.m., MCR)
10.3. November 19, 2026 – Regular Board Meeting (1:00pm, MCR/Zoom)
10.4. November 26, 2026 – HOLIDAY – Thanksgiving Day (KIUC Offices Closed)

11. Executive Session

At 1:56 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:
    - September 24, 2026, Regular Board meeting ES minutes

12. **Adjournment**

The meeting was adjourned at 2:17 p.m.

.Edmund Acoba (Nov 19, 2026 22:33:18 HST)

Edmund Acoba
Board Secretary

President's Report

October 29, 2026

David Bissell

President & CEO

Kaua'i Island Utility Cooperative

President's Report

Safety (September)	Month	2026 YTD	2025 YTD
Recordable Incidents	0	2	4
Availability and Reliability	**Month**	**2026 YTD**	**2025 YTD**
Reportable Outages	59	95	36
Average Outage Hours Per Customer	82.08	85.47 (2.5 exc. storms)	4.69
Efficiency	**Month**	**2026 YTD**	
Net Plant Heat Rate	8,960	9,170	
Peak Demand (MW)	79.79		
Residential Rates			
October 2026	$0.473/kwh increase $0.04 from September Driven by high diesel prices		

Kaua‘i Island Utility Cooperative

Update

- Wildfire Management
  - WMP update efforts continue to support December PUC filing
    - Consultant onsite this week

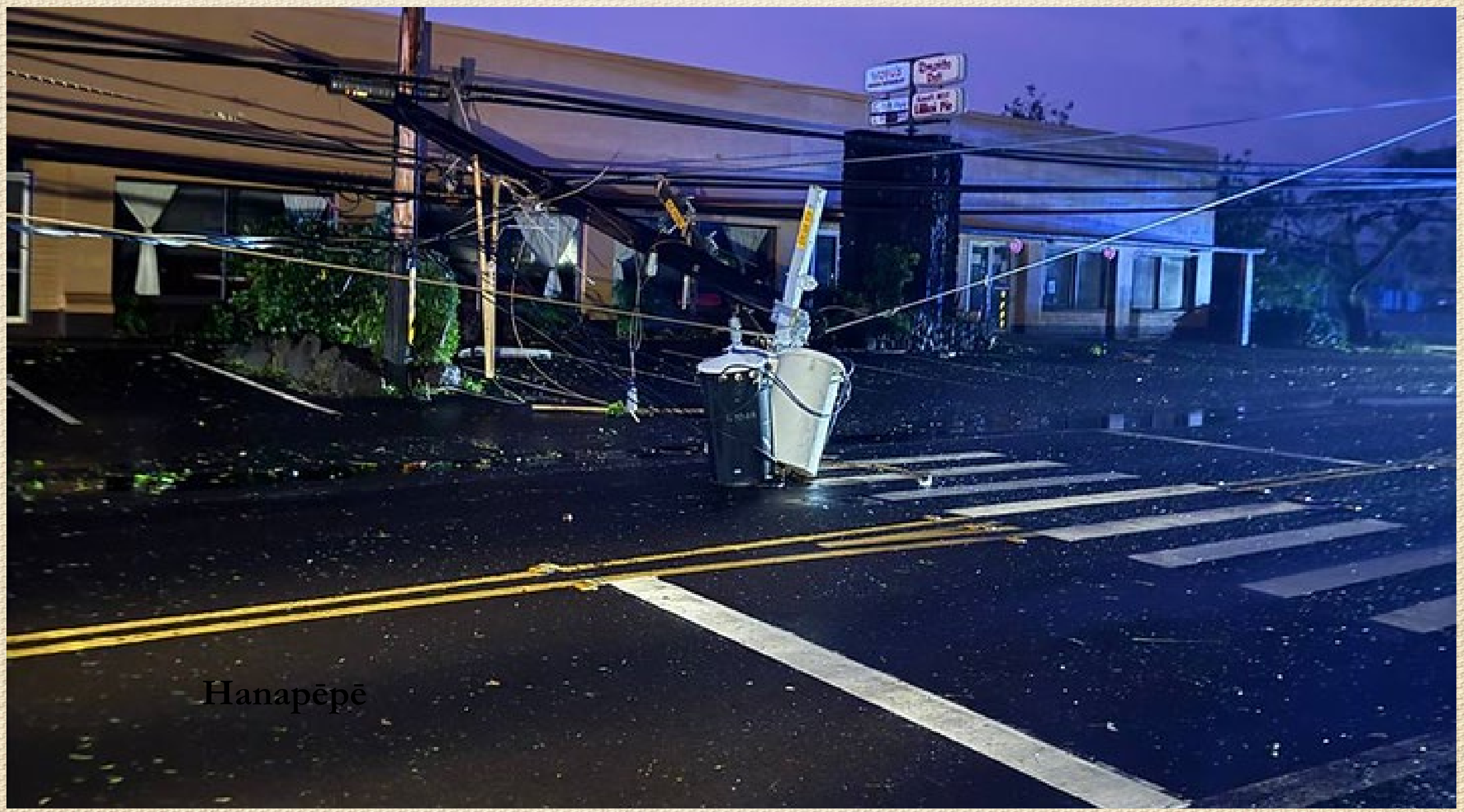
Kaua'i Island Utility Cooperative

Hurricane Lowell

- PUC application for deferred accounting treatment for restoration costs and lost gross margin recovery filed – September 24
- KIUC returned to normal operations - October 2
- Kokee restoration work continues
- Presidential Disaster Declaration issued – October 7
- FEMA request for public assistance submitted by KIUC- October 27
- Total restoration costs are still being identified and quantified


Kaua'i Island
Utility Cooperative
Your Touchstone Energy® Cooperative
LOWELL
RESTORATION CREW
STRONGER TOGETHER


Kekaha



Hanapēpē


Waimiha


Līhuʻe


Kilauea


Hanalei




Poʻipū



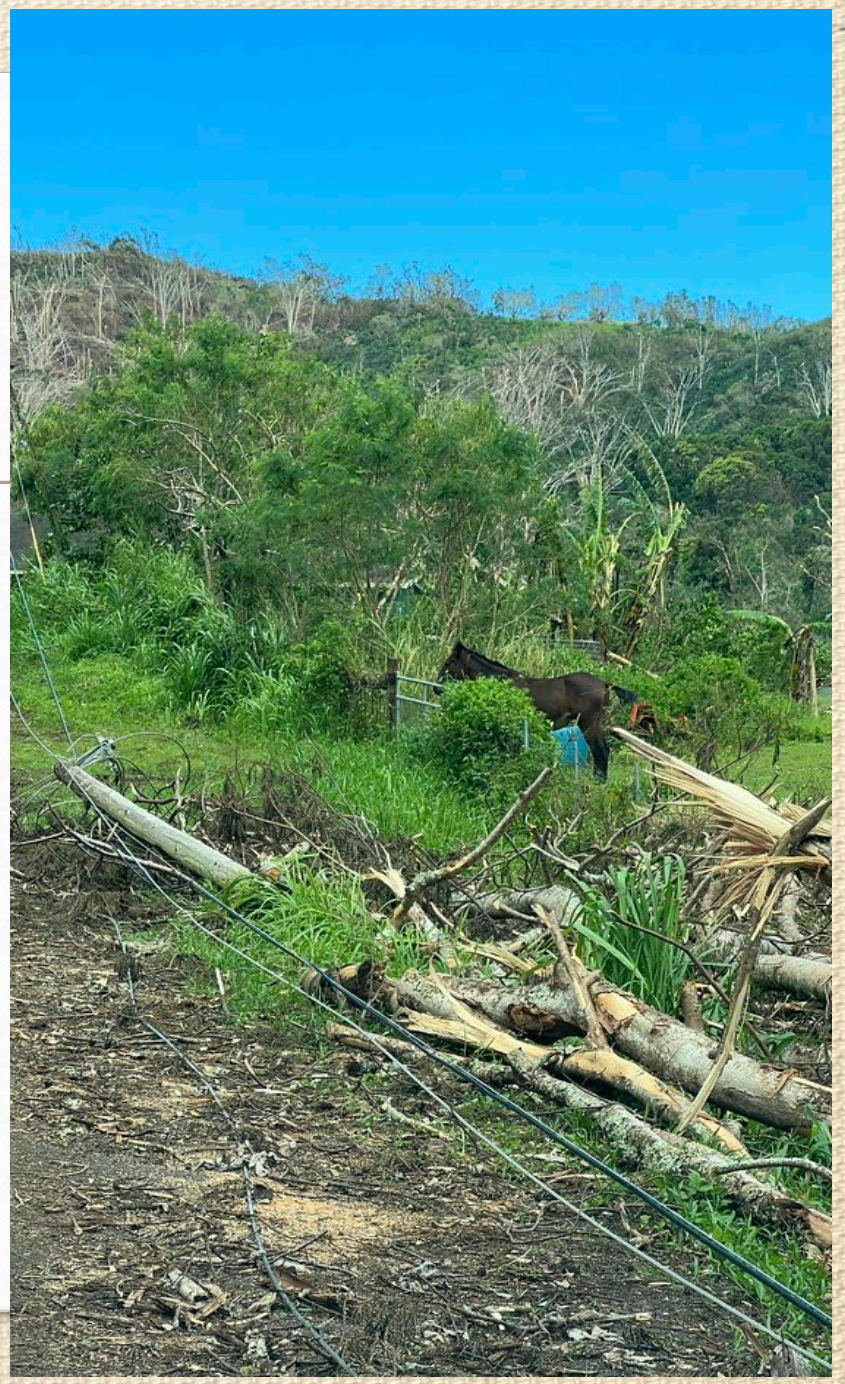


Kahuna Road, Kapa‘a


Wainiha Powerhouse Road



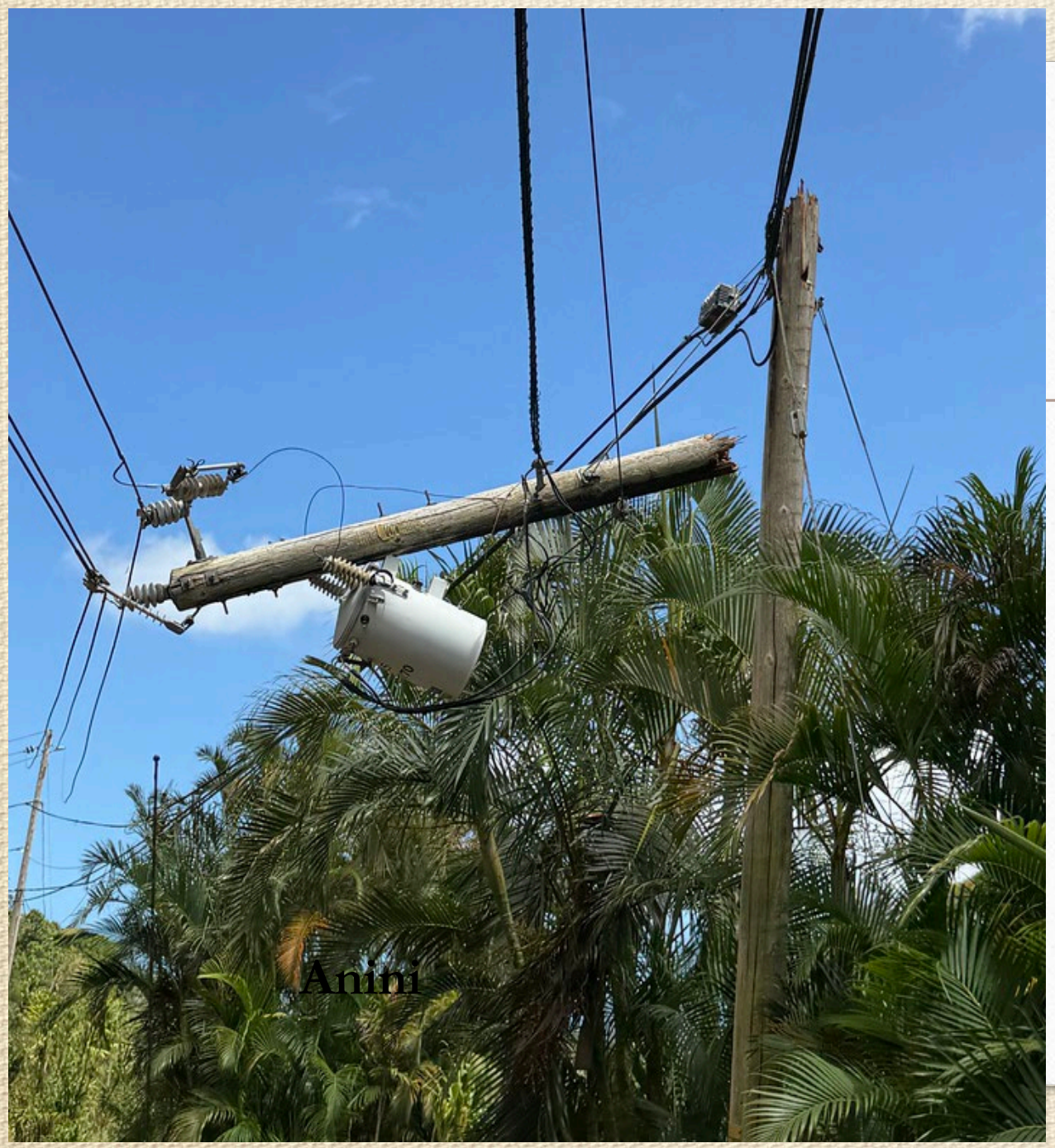
Kalihiwai




Kalihiwai


Kōkeʻe


Wainiha/Haena


Anini




Kīlauea

AES PMRF Solar + Storage




Kōkeʻe


PREMIUM
GVW33000
Kīlauea





Kōkeʻe



Kōkeʻe


STATE OF HAWAII
KOKEE STATE PARK
KOKEE ROAD IMPROVEMENTS
GOVERNOR JOSH GREEN, M.D.



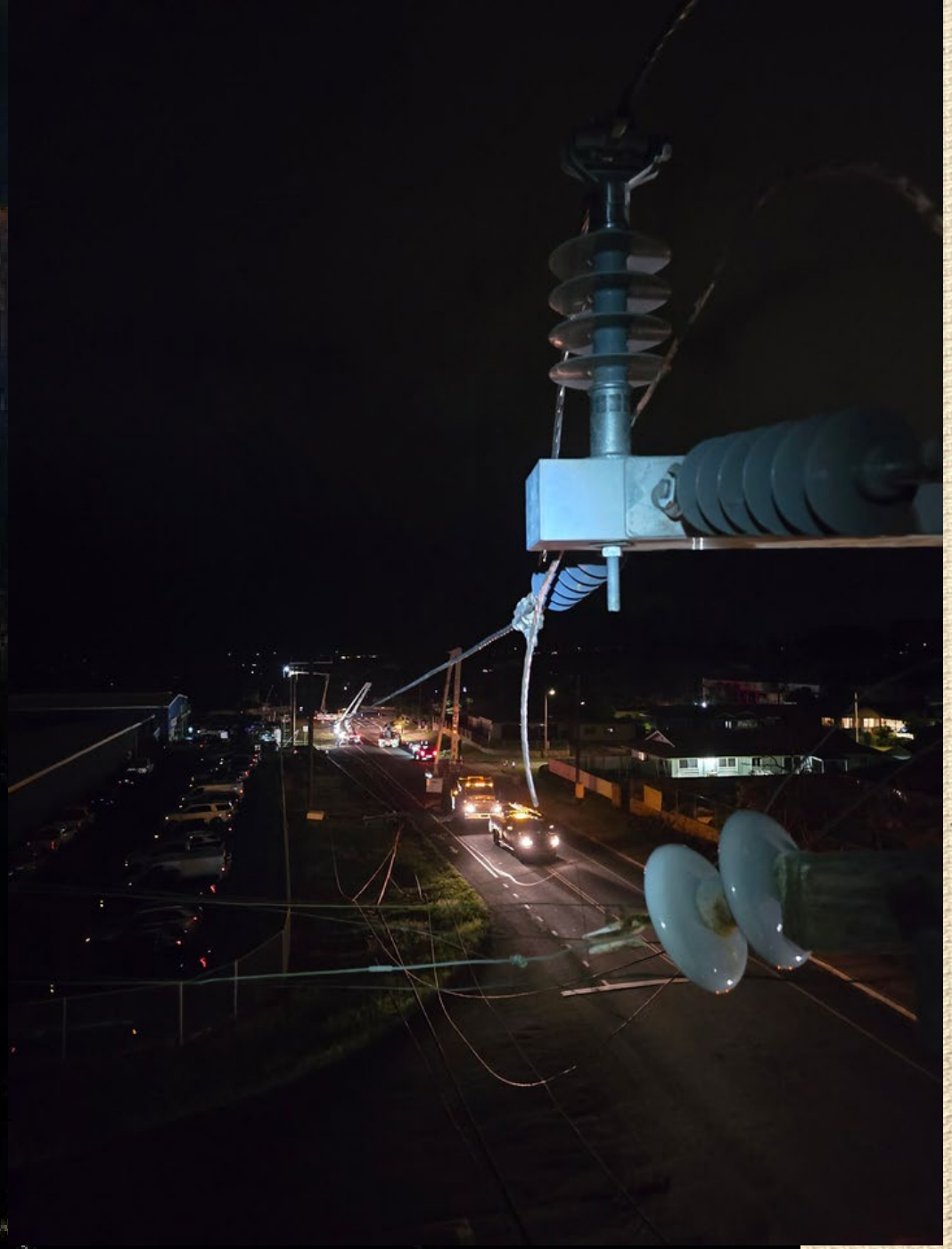


Wainiha Powerhouse Road


Kīlauea


Kīlauea



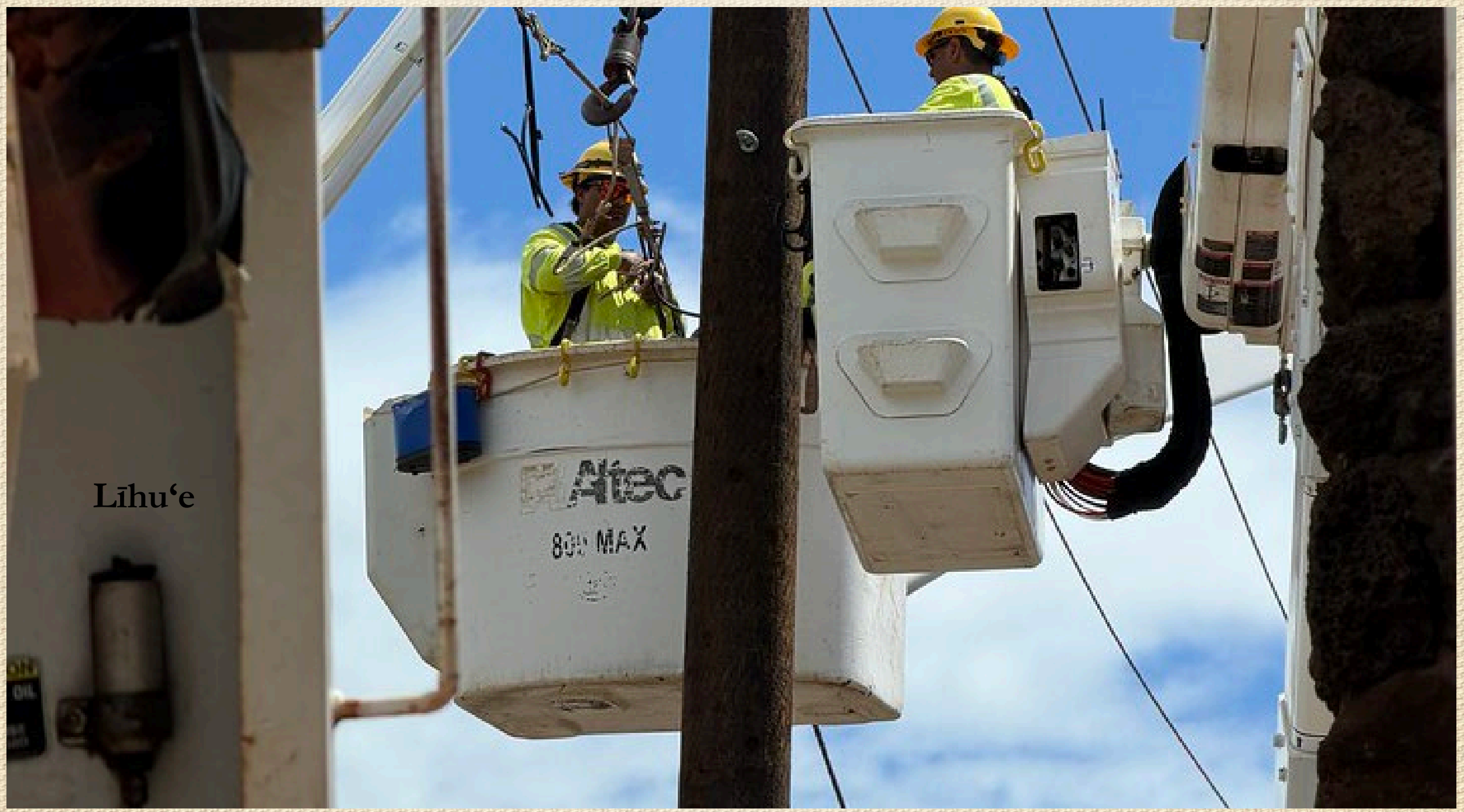




Līhuʻe Airport



Līhu‘e



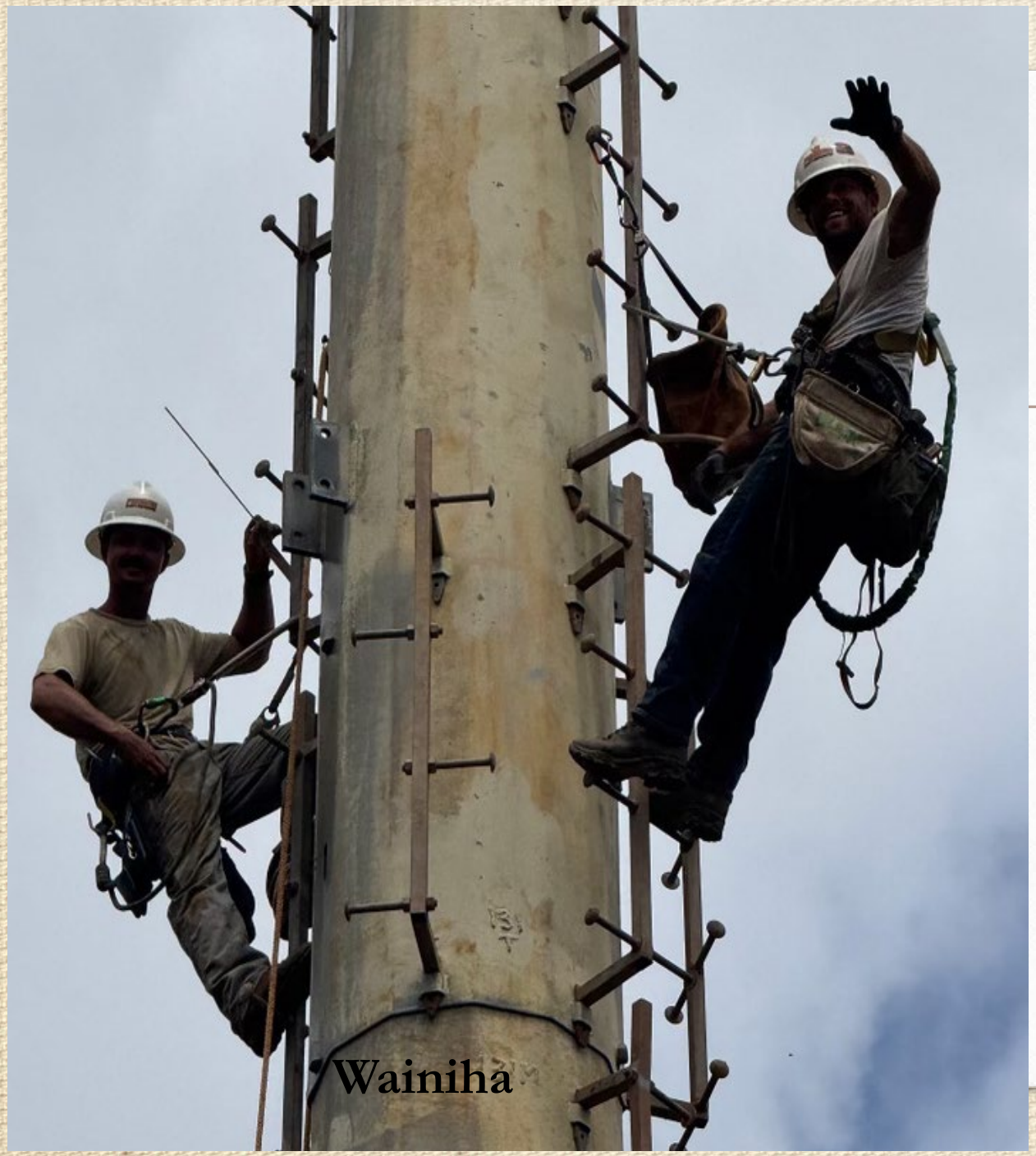
Līhu‘e


Hanapēpē


Līhuʻe


Līhuʻe
Altec
Altec


Princeville
Kaua'i Island Utility Cooperative
KAUAI
T30611


Wainiha


Altec


Wainiha



Anahola


Hanalei

Kīlauea




Kīlauea


Kīlauea



Koke‘e


Līhuʻe Industrial


Waipouli


Hanapēpē

Kaua‘i Island Utility Cooperative

Your Touchstone Energy® Cooperative

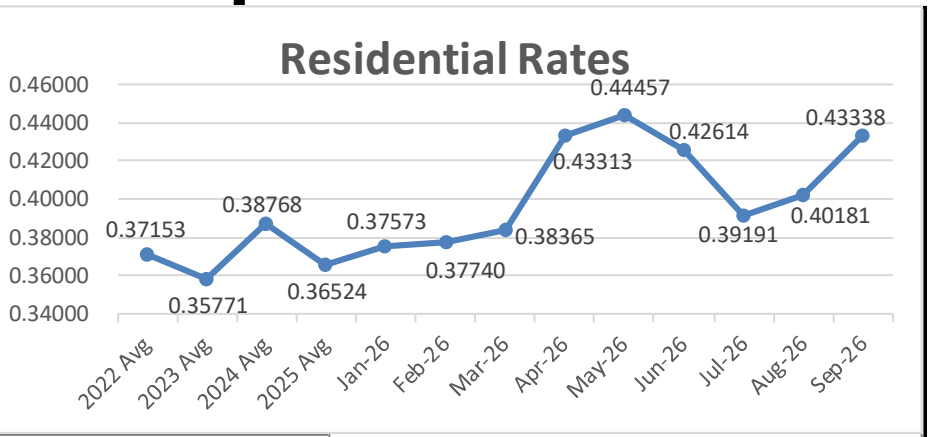
Board Financial Report

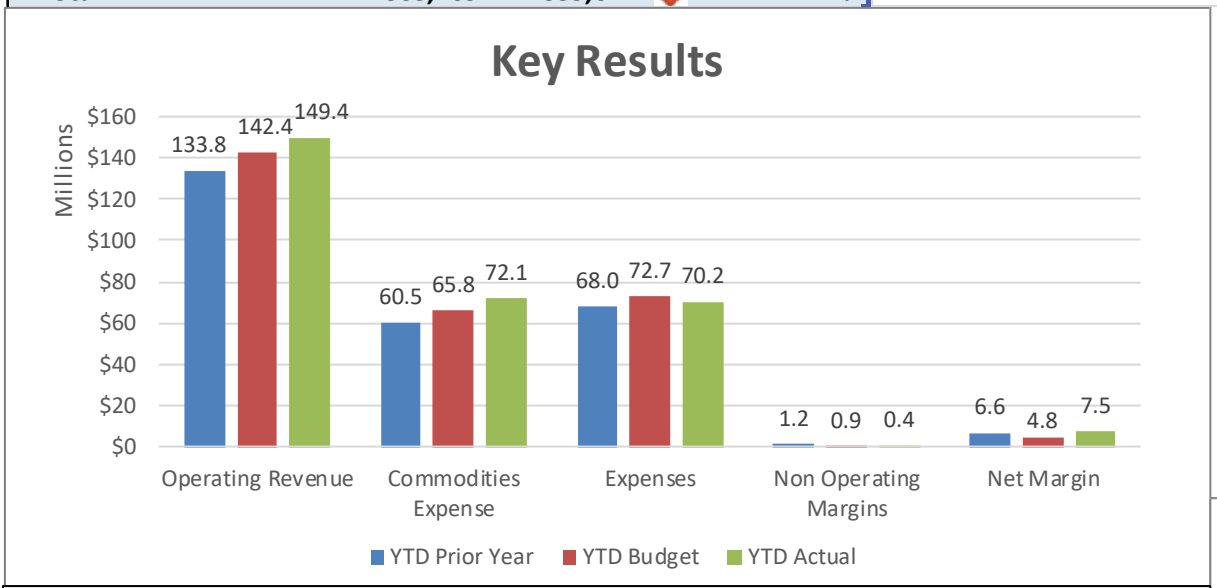
October 2026

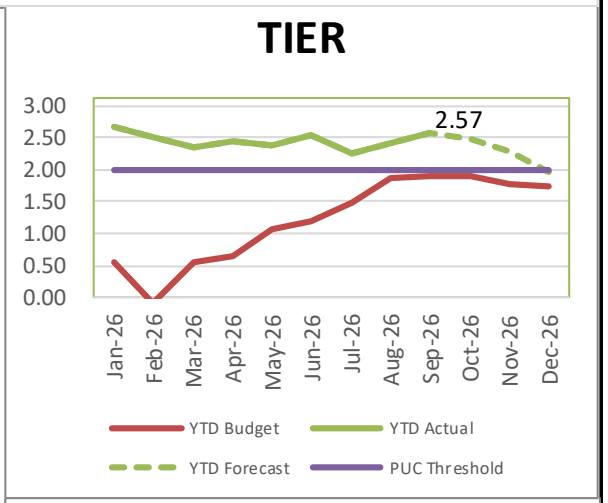
Financial Scorecard – YTD September 2026

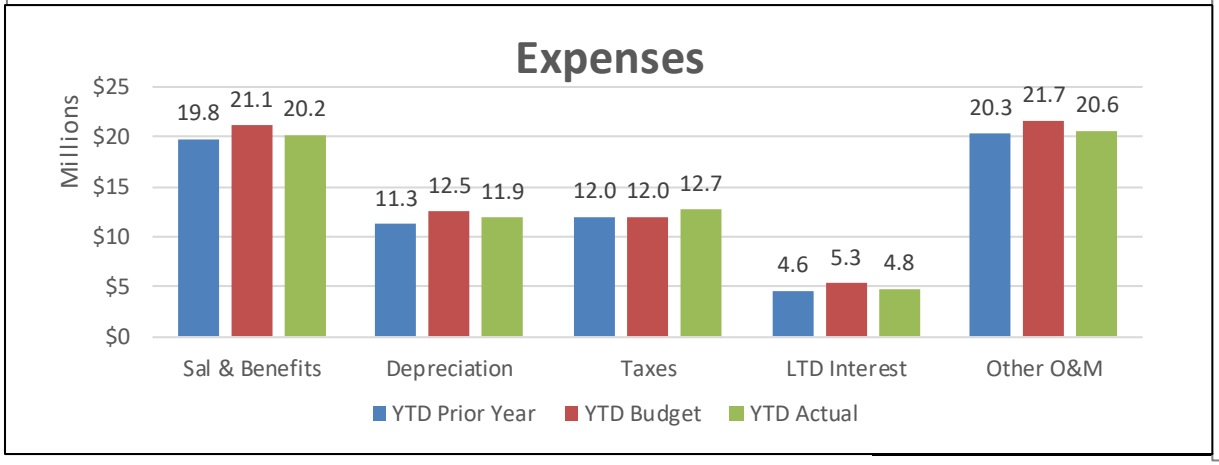
MWh Sales

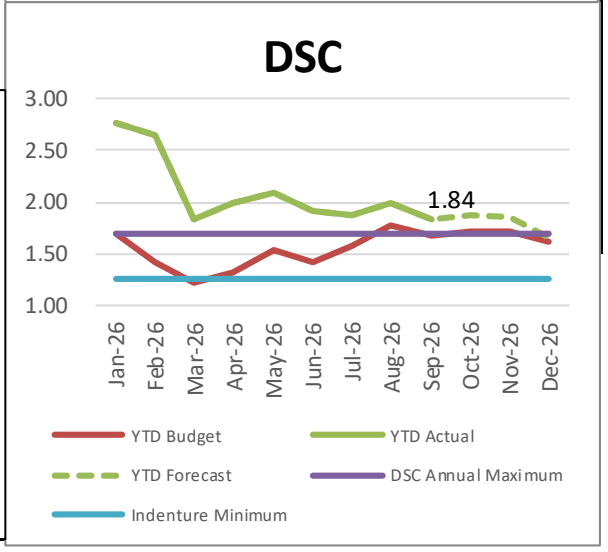
Class	YTD Prior Year	YTD Actual	Percent Change
Residential (D)	149,789	150,554	0.5%
Small Comm (G)	51,910	50,828	-2.1%
Large Comm (J)	38,345	37,260	-2.8%
Lrg Pwr Primary (LP)	121,197	118,898	-1.9%
Street Lighting (SL)	584	529	-9.4%
Irrigation	1,344	955	-28.9%
Total	**363,169**	**359,024**	**-1.1%**











Financial Highlights
Income Statement (YTD)

MWh Sales	Residential Rate	Revenues
359,024	$0.43338/kWh	$112.8M
• 1.1% lower than PY • 1.9% lower than Budget	• 7.9% or $0.03158/kWh lower than August 2026 • 27.9% or $0.09441/kWh higher than PY • 14.4% or $0.0546/kWh higher than Budget	• 11.6% or $15.5M higher than PY • 4.9% or $7.0M higher than Budget

Financial Highlights
Income Statement (YTD)

Commodities
$72.1M

- 19.2% or $11.6M higher than PY
- 9.5% or $6.3M higher than Budget

- Higher KIUC generated at higher average cost than purchased power

Operating Expenses
$40.8M

- 1.8% or $740K higher than PY
- 4.6% or $1.9M lower than Budget

Net Margin
$7.5M

- 13.8% or $909K higher than PY
  - $3.9M higher Gross Margin (Revenues – Commodities)
  - ($740K) higher O&M
  - ($632K) higher Depreciation
  - ($663K) higher Taxes
  - ($373K) lower Interest & Dividend Income
  - ($469K) higher Loss from KRS1/2
- 57.2% or $2.7M higher than Budget
  - $726K higher Gross Margin
  - $1.9M lower O&M
  - $634K lower Depreciation
  - ($702K) higher Taxes
  - ($741K) higher Loss from KRS1/2
  - $557K lower LTD Interest Expense

Financial Highlights
Income Statement (YTD)

TIER	DSC
2.57	1.91

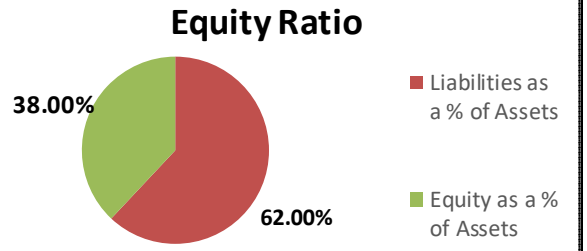
• (Net Margins + LTD Interest) / LTD Interest
• Measures ability to meet debt obligations based on current income
	• Adjusted Margins / Total Debt Service
	  ○ Adjusted Margins = Net Margins – Income(Loss) from Subsidiaries + LTD Interest + Depreciation & Amortization Expense
	  ○ Total Debt Service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

Financial Highlights
Income Statement (Month)

MWh Sales 37,884	Revenues $17.5M	Commodities $8.5M	Operating Expenses $4.2M
• 10.6% lower than PY • 11.3% lower than Budget	• 15.2% or $2.3M higher than PY • 5.7% or $943K higher than Budget	• 24.1% or $1.7M higher than PY • 10.4% or $802K higher than Budget	• 14.9% or $741K higher than PY • 10.8% or $514K higher than Budget

Financial Scorecard – YTD September 2026

(In Millions)	YTD Actual
Cash	$ (0.21)
Short-Term Investments	$ 25.77
Cushion of Credit	$ -
Total Cash & Investments	**$ 25.56**
Line of Credit Available	$ 25.00
Line of Credit Drawn	$ 0.00



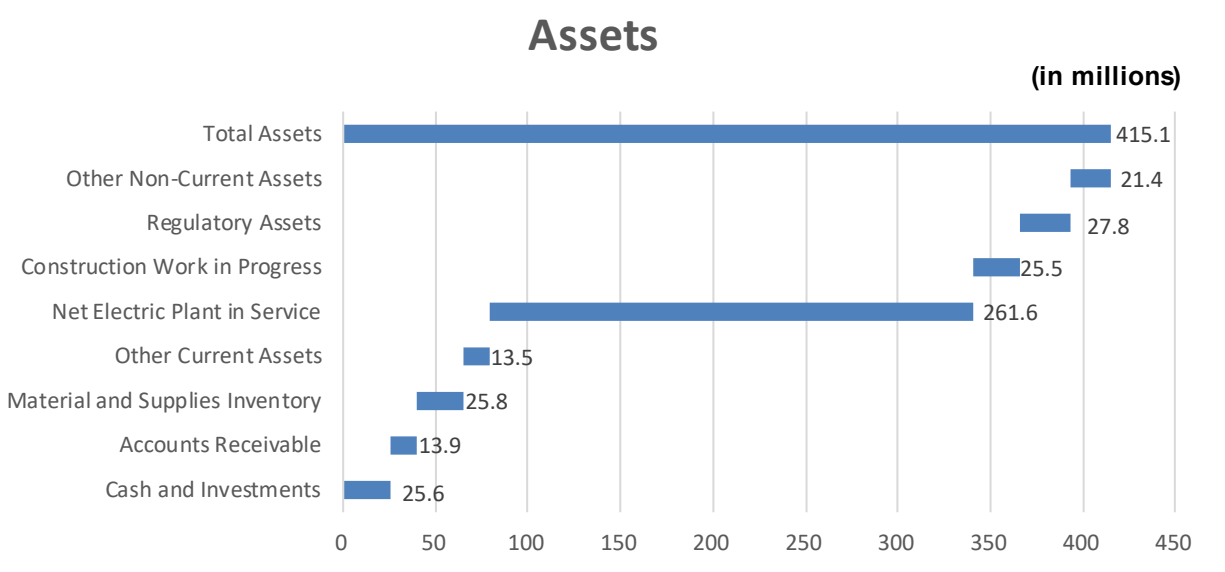
Indenture Equity Ratio

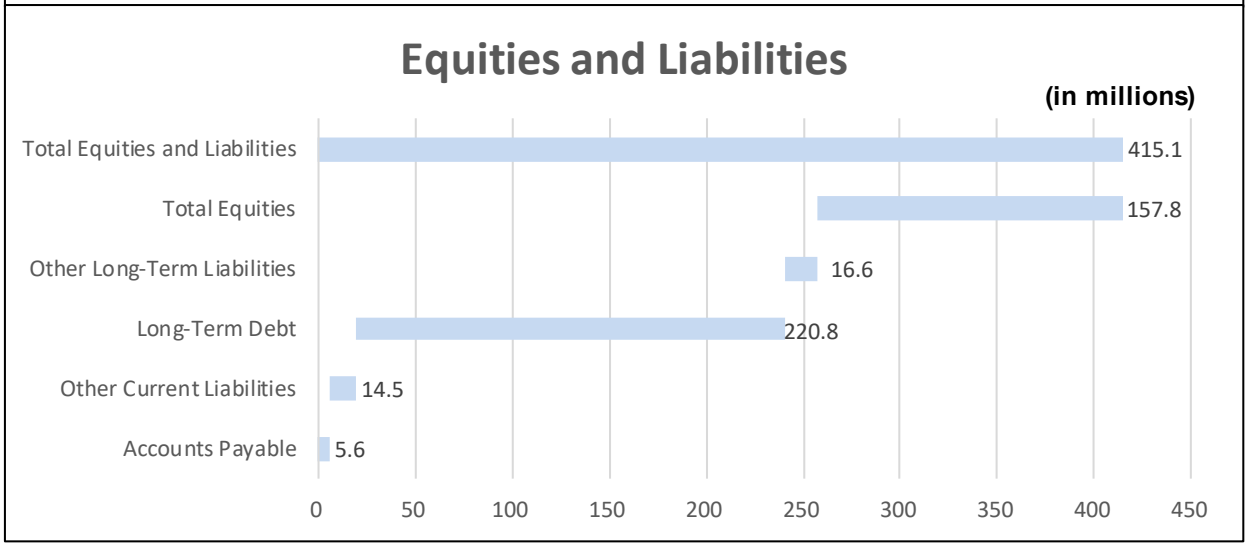
0.43

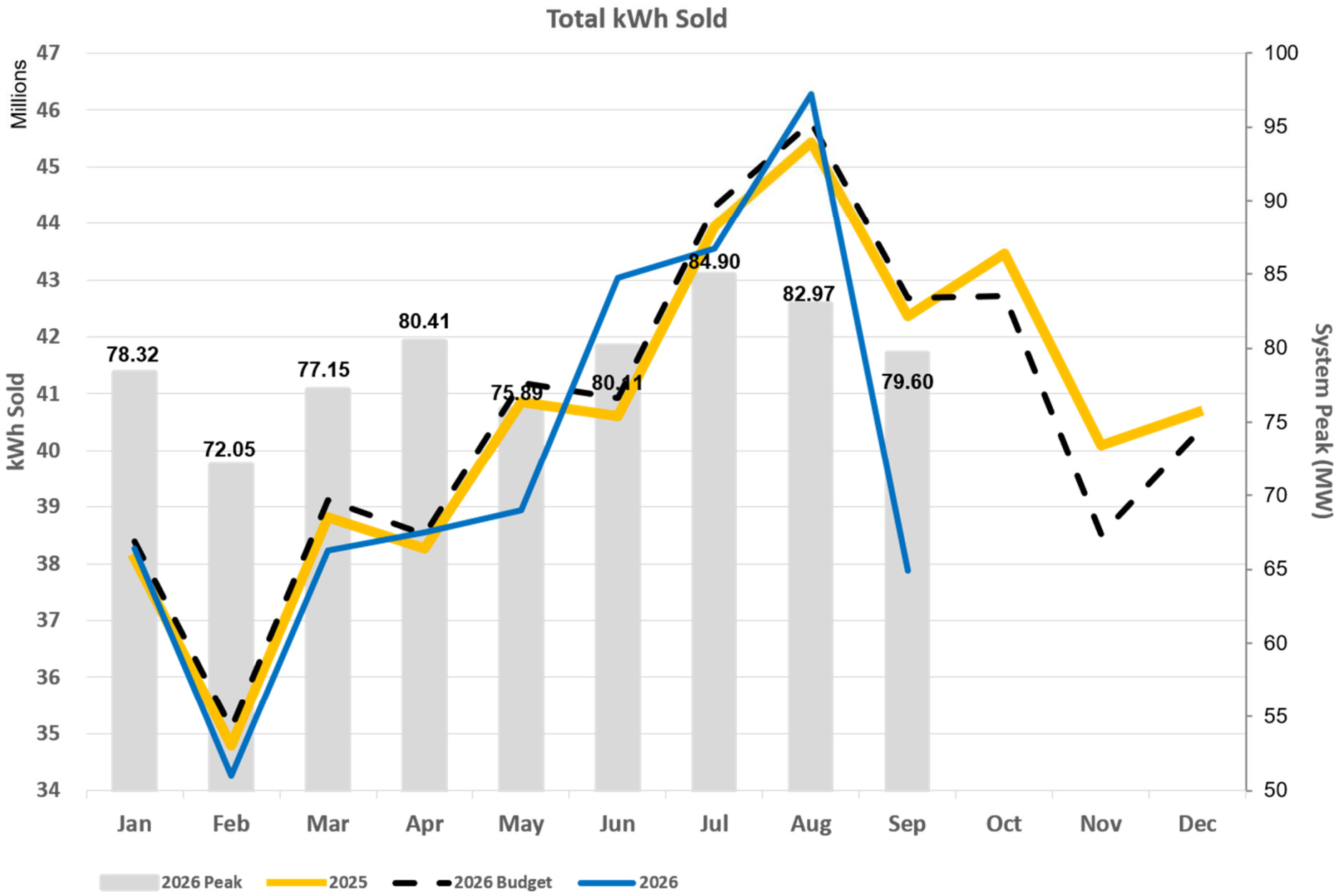
Minimum = 0.20

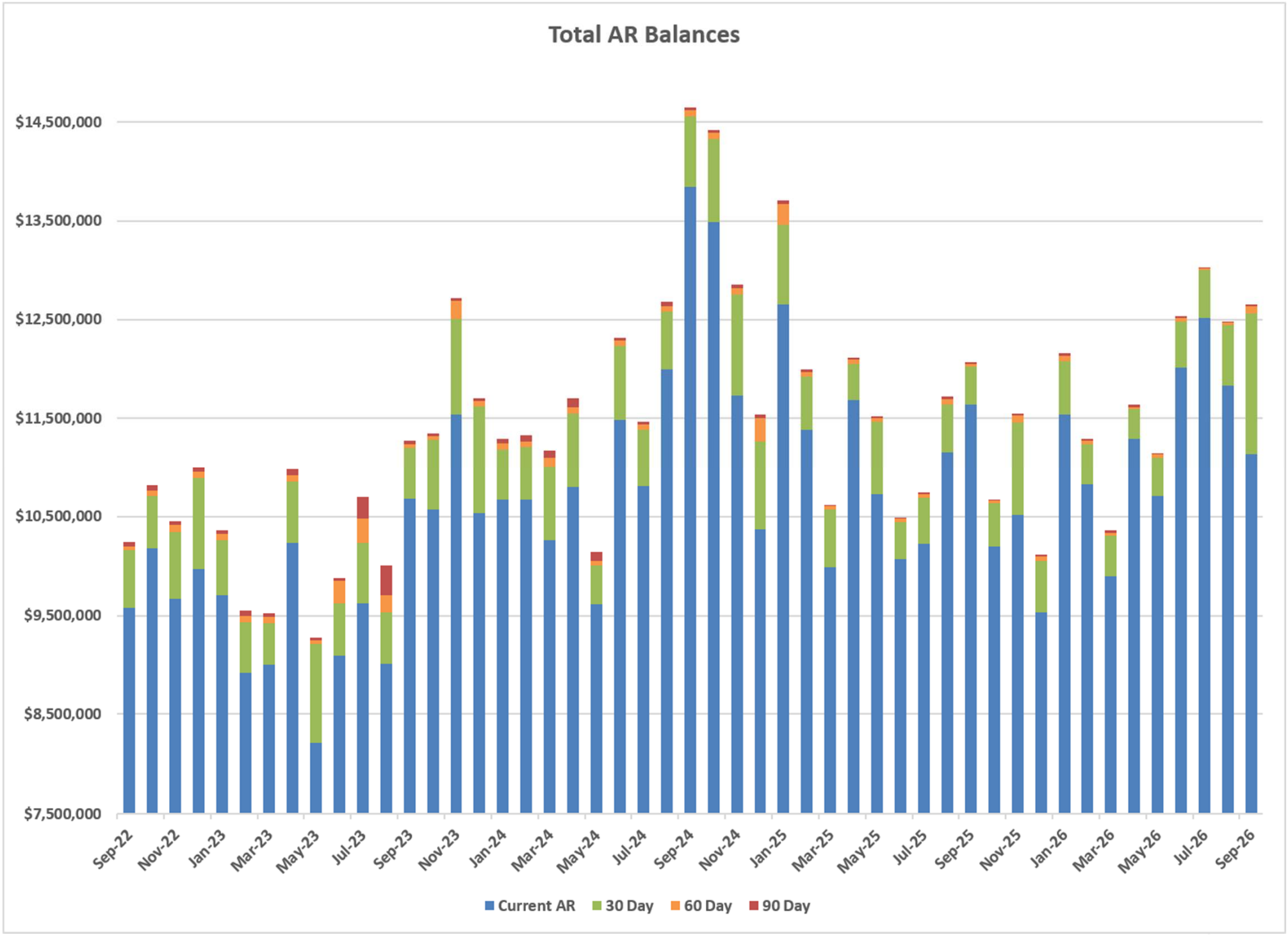
Equity to Capitalization Ratio

41.7%






Total kWh Sold
Millions
kWh Sold
System Peak (MW)
47
46
45
44
43
42
41
40
39
38
37
36
35
34
100
95
90
85
80
75
70
65
60
55
50
78.32
72.05
77.15
80.41
75.89
80.41
84.90
82.97
79.60
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
2026 Peak
2025
2026 Budget
2026


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
Sep-22
Nov-22
Jan-23
Mar-23
May-23
Jul-23
Sep-23
Nov-23
Jan-24
Mar-24
May-24
Jul-24
Sep-24
Nov-24
Jan-25
Mar-25
May-25
Jul-25
Sep-25
Nov-25
Jan-26
Mar-26
May-26
Jul-26
Sep-26
Current AR
30 Day
60 Day
90 Day

Questions?

General Ledger

Financial And Operating Report Electric Distribution

BALANCE SHEET FOR SEP 2026

	Last Year	This Year	Variance
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	604,971,840.83	603,426,452.84	-1,545,387.99
2. Construction Work in Progress	15,064,279.86	25,501,826.92	10,437,547.06
3. Total Utility Plant (1 + 2)	620,036,120.69	628,928,279.76	8,892,159.07
4. Accum. Provision for Depreciation and Amort.	335,985,382.68	341,783,756.15	5,798,373.47
5. Net Utility Plant (3 - 4)	284,050,738.01	287,144,523.61	3,093,785.60
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	19,214,741.84	17,576,396.57	-1,638,345.27
8. Invest. in Assoc. Org. - Patronage Capital	1,356,471.61	1,397,433.93	40,962.32
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	1,938,991.48	1,693,813.86	-245,177.62
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)	23,186,704.93	21,344,144.36	-1,842,560.57
15. Cash - General Funds	626,879.49	-208,058.18	-834,937.67
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	-33,537.87	-1,333,256.55	-1,299,718.68
18. Temporary Investments	24,727,235.48	25,770,269.59	1,043,034.11
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	11,614,420.41	12,639,240.86	1,024,820.45
21. Accounts Receivable - Other (Net)	818,076.72	1,220,431.34	402,354.62
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	23,628,561.97	25,800,871.68	2,172,309.71
24. Prepayments	2,835,699.16	3,126,020.33	290,321.17
25. Other Current and Accrued Assets	8,333,938.31	11,723,579.17	3,389,640.86
26. Total Current and Accrued Assets (15 thru 25)	72,551,273.67	78,739,098.24	6,187,824.57
27. Regulatory Assets	31,195,460.54	27,834,129.35	-3,361,331.19
28. Other Deferred Debits	146,387.05	68,651.92	-77,735.13
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	411,130,564.20	415,130,547.48	3,999,983.28

General Ledger

Financial And Operating Report Electric Distribution

BALANCE SHEET FOR SEP 2026

	Last Year	This Year	Variance
LIABILITIES AND OTHER CREDITS			
30. Memberships	634.21	646.95	12.74
31. Patronage Capital	144,556,160.19	148,597,631.53	4,041,471.34
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	6,602,923.54	7,512,391.42	909,467.88
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	1,208,588.38	1,652,392.95	443,804.57
36. Total Margins & Equities (30 thru 35)	152,368,306.32	157,763,062.85	5,394,756.53
37. Long-Term Debt - RUS (Net)	0.00	14,963,498.72	14,963,498.72
38. Long-Term Debt - FFB - RUS Guaranteed	110,387,149.93	106,363,198.24	-4,023,951.69
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	106,611,640.24	99,476,994.28	-7,134,645.96
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)	216,998,790.17	220,803,691.24	3,804,901.07
44. Obligations Under Capital Leases - Noncurrent	12,398,292.22	3,947,125.47	-8,451,166.75
45. Accumulated Operating Provisions	-738,513.95	-1,027,628.72	-289,114.77
46. Total Other Noncurrent Liabilities (44 + 45)	11,659,778.27	2,919,496.75	-8,740,281.52
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	4,993,580.13	5,553,860.63	560,280.50
49. Consumers Deposits	1,557,152.16	2,060,933.33	503,781.17
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	10,880,149.62	12,389,945.01	1,509,795.39
54. Total Current & Accrued Liabilities (47 thru 53)	17,430,881.91	20,004,738.97	2,573,857.06
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	12,672,807.53	13,639,557.67	966,750.14
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	411,130,564.20	415,130,547.48	3,999,983.28

Rev: 202303040420

General Ledger

10/18/2026 10:22:52 AM

Financial And Operating Report Electric Distribution

INCOME STATEMENT FOR SEP 2026

Item	Year - To - Date Last Year	Year - To - Date This Year	Year - To - Date Budget	Period - To - Date Current	Period - To - Date Budget
1. Operating Revenue and Patronage Capital	133,842,847.78	149,386,333.69	142,381,359.00	17,496,122.43	16,552,728.00
2. Power Production Expense	44,593,916.24	54,568,199.04	45,641,161.00	8,023,916.57	5,728,047.00
3. Cost of Purchased Power	27,607,484.37	29,046,486.13	32,336,440.00	1,845,442.57	3,346,720.00
4. Transmission Expense	1,297,588.42	1,405,910.36	1,398,916.00	111,269.76	155,686.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	1,001,136.16	1,034,650.64	1,296,709.00	81,834.55	145,918.00
7. Distribution Expense - Maintenance	4,591,239.46	4,600,212.60	4,844,852.00	223,598.96	544,591.00
8. Customer Accounts Expense	1,875,151.65	1,904,212.08	2,028,281.00	199,092.00	223,664.00
9. Customer Service and Informational Expense	267,883.98	198,355.73	407,573.00	39,048.99	66,147.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	19,337,222.46	20,162,372.61	20,647,323.00	2,238,271.41	2,264,444.00
12. Total Operation & Maintenance Expense (2 thru 11)	100,571,622.74	112,920,399.19	108,601,255.00	12,762,474.81	12,475,217.00
13. Depreciation & Amortization Expense	11,254,750.02	11,886,414.76	12,520,120.00	1,323,917.80	1,391,124.00
14. Tax Expense - Property & Gross Receipts	3,343,459.22	3,731,780.61	3,559,533.00	436,986.76	413,818.00
15. Tax Expense - Other	8,699,622.17	8,974,090.40	8,444,743.00	1,036,187.44	985,828.00
16. Interest on Long-Term Debt	4,606,604.50	4,783,747.61	5,341,000.00	540,965.90	663,000.00
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	47,857.59	50,837.25	77,000.00	0.00	3,000.00
20. Total Cost of Electric Service (12 thru 19)	128,523,916.24	142,347,269.82	138,543,651.00	16,100,532.71	15,931,987.00
21. Patronage Capital & Operating Margins (1 minus 20)	5,318,931.54	7,039,063.87	3,837,708.00	1,395,589.72	620,741.00
22. Non Operating Margins - Interest	1,641,841.32	1,268,607.71	1,004,341.00	148,194.70	91,671.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-550,575.18	-1,019,467.04	-278,666.00	-143,347.09	-14,083.00
25. Non Operating Margins - Other	112,910.38	153,925.91	135,990.00	8,066.25	15,110.00
26. Generation and Transmission Capital Credits	0.00	0.00	0.00	0.00	0.00
27. Other Capital Credits and Patronage Dividends	79,815.48	70,260.97	79,700.00	70,260.97	79,700.00
28. Extraordinary Items	0.00	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	6,602,923.54	7,512,391.42	4,779,073.00	1,478,764.55	793,139.00

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:
- $15.6M 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)
  - 3.53% 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 – 3.25%
- $4.9M CoBank Commercial Paper Investment – AA- Moody and S&P
  - 60-day Investment – 2.82%
- $279,392 Central Pacific Bank – Backup Checking in NISC if needed
  - Backup for Checking in Money Market (unlimited) account
  - 2.28%

Board Update

October 2026

- **Oglethorpe RD event**
  - The Rural Utilities Service announced a $3.3 billion loan for Oglethorpe Power Corp. to build a 1,425-megawatt natural gas plant in Georgia, the largest loan in RUS history.
    - The new funding from the RUS Electric Loan Program is expected to save member co-ops $25 million annually across the loan's 30-year term.
  - Agriculture Secretary Brooke Rollins, NRECA CEO Jim Matheson, Oglethorpe President and CEO Annalisa Bloodworth and Georgia Transmission Corp. President and CEO Barbara Hampton were on hand for the announcement.
  - The two-unit Smarr combined-cycle project will produce enough electricity to power around 800,000 homes and help the Tucker, Georgia-based generation co-op meet growing demand.

- **Hurricane Isaias recovery**
  - Electric co-ops in the Gulf Coast continue to recover from Hurricane Isaias.
    - Isaias made landfall near Destin, Florida, on Oct. 9 as a Category 2 storm with wind gusts exceeding 115 mph.
    - About a quarter-million co-op members, mostly in Florida, Georgia and Alabama, lost power in the storm.
    - Many outages were in Santa Rosa County, Florida, where Isaias delivered a rare "sting jet" effect—Escambia River Electric Cooperative in Florida had more than 800 broken poles in the area where the sting jet hit.
  - Mutual aid crews from 13 states and as far away as Maryland assisted in the recovery.

- **Cybersecurity Awareness Month**
  - October is Cybersecurity Awareness Month, and NRECA emphasized that cybersecurity is a business resilience issue, not solely an IT issue.
    - Cyber incidents can affect operations, finances, legal obligations, reputation and member trust.
  - Co-ops can take practical steps to help strengthen their cybersecurity, including:
    - Assessing their cybersecurity program using NRECA's Co-op Cyber Goals. 470 co-ops in 44 states are participating in the program.
    - Joining the Electricity Information Sharing and Analysis Center and NRECA Threat Analysis Center to help strengthen threat information sharing.
    - Participating in the Cyber Mutual Assistance program to help strengthen sector-wide preparedness.
    - Practicing response through Project Guardian tabletop exercises. NRECA conducted its second exercise this month, with 136 co-ops participating.
  - These resources are particularly important given the capacity challenges facing many co-ops.

        - NRECA's cybersecurity workforce survey found that 72% of responding cooperatives did not have cybersecurity-specific positions, while 69% relied on IT staff to manage cybersecurity alongside broader responsibilities.
    - NRECA continues to work with government, industry and cooperative partners to strengthen information sharing and help co-ops build sustainable cybersecurity capabilities.
    - For more information, visit cooperative.com/cybersecurity.

- **Upcoming Funding Opportunities**
    - Electric cooperatives will have an opportunity to secure funding through U.S. Department of Agriculture and Department of Energy programs.
    - USDA's Rural Utilities Service will provide $175 million to electric co-ops for nuclear and transmission-efficiency projects through the Affordable Rural Cooperative program.
        - Letters of interest must be submitted before 11:59 a.m. ET on Nov. 20.
        - Co-ops with high-scoring letters of interest will be asked to submit a full application.
    - DOE announced an additional $967 million through its Grid Resilience State and Tribal Formula Grant program.
    - After states and tribes apply for their allocations, states will announce grant opportunities.
        - Many co-ops have received grants from their states under this program.

- **Regional Meetings Wrap-up**
    - The 2026 NRECA Regional Meetings wrapped up this month with solid attendance, strong content and an elevated onsite brand presence.
    - The theme of the meetings was "Leading at the Crossroads of Trust and Technology."
    - Attendance was up slightly over 2025.
    - Attendees proposed, debated and discussed resolutions that will be voted on at the 2027 NRECA PowerXchange.
        - Participation by voting delegates was up slightly over 2025.
    - A special reception at each Regional Meeting celebrated the 60th anniversary of America's Electric Cooperatives PAC.

- **Save the Date: CEO Close Up, Directors Conference, PowerXchange**
    - NRECA's conference schedule will have a rapid start to 2027, with three conferences happening in a five-week window.
    - Registration is now open for NRECA CEO Close-Up, Jan. 10-12 in Marco Island, Florida, where co-op CEOs and general managers will make meaningful connections and share leading practices.
    - Registration is also open for NRECA Directors Conference, set for Jan. 17-20 in Tampa, Florida—the nation's premier event dedicated exclusively to electric cooperative directors.
    - In mid-November, registration will open for the 2027 NRECA PowerXchange, Feb. 12-17, and TechAdvantage, Feb. 14-17, in San Diego, California.

Report of KIUC Charitable Foundation

To KIUC Board of Directors

10/22/2026

The Charitable Foundation Board met on 10/22/26

The following reports were received:

Treasurer report ending balance of $112,703.83 as of September 30.

Makana Program:

- 579 registered, YTD contribution $2,967.68

Grant Applications

- American Red Cross – deferred for more information

Other Business

- Insurance renewal paid
- KEO approved replenishment for energy assistance program for $5,000

Golf Tournament

- Clean fish & ika November 3, committee meeting

Next meeting November 17, 2026, 3:30 p.m.

T. Phil Tacbian, President

BOARD APPROVAL REQUEST FORM

Requestor

Department T&D **Date** 10/14/2026

Name Fred Pascual Title: Dist. Planning Coord.

Program/Project Name Line Replacements-OH (260302B)

Project Dates (if any) 01/01/2026 - 12/31/2026

Deadline(s)

Description of Request (attach documentation if needed)

Refer to attached monthly breakdown sheet. Higher actual cost due to wildfire mitigation work which was not accounted for in original budget.

Financial Impact

Fiscal Year: 2026

Budgeted? X **Unbudgeted?**

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

Original Budget Amt $ 500,000

Additional/Change **$ 680,000** **Required** (Initials)

Revised Budget Amt $ 1,180,000 CEO Review: David Bissell (Oct 15, 2026 12:54:11 HST)

Committee Referral/Action

Committee F&A **Meeting Date:** 10/20/2026

Committee Recommendations:

Cmte Chairperson Presiding: Peter Yukimura

Board Action

Board Workshop Wrkshp Date:

Board Meeting Date 10/29/2026

Action Taken: 1st/2nd:

Other Info: Res No.

File Date & Location

2026 Line Replacements - OH 260302B
10/14/2026

Month	Month to date (actuals)	
January	$119,130.29	
February	$63,440.69	
March	$172,788.21	
April	$106,875.09	
May	$132,571.12	
June	$307,142.89	
July	-$165,105.34	
August	$41,391.50	
Total	$778,234.45	as of 08/31/26
Average/mo	$97,279.31	
Rounded/mo	$100,000	
Total estimated	$1,178,234.45	
2026 Budget	$500,000.00	
Additional/Change	$680,000.00	
Revised Budget Amt.	$1,180,000.00	at year end 2026

BOARD APPROVAL REQUEST FORM

Requestor

Department T&D **Date** 10/8/2026

T&D Sub Station

Name Royce Ramos Title: Ops Supervisor

Program/Project Name T51 - 37.5MVA GSU Transformer (241235)

Project Dates (if any) delivery in late 2026

Deadline(s) delivery deadline of 12/31/2026

Description of Request (attach documentation if needed)

Power XFMR replacement project spanning from 2024 to 2026. XFMR shipping was estimated at $176k in 2024. Actual shipping cost in 2026 is $371k, which is a $195k price difference. KIUC got quotes from a well used shipping vendor for these jobs and the price came back similar. OTC has waived any overheads for the shipping due to its incorrect estimate. Asking for $250k because with overheads, we will be needing close to that for the project. XFMR scheduled for late 2026 delivery.

Financial Impact

Fiscal Year: 2026

Budgeted? X **Unbudgeted?**

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

Original Budget Amt $ 1,300,000

Additional/Change **$ 250,000**

Revised Budget Amt $ 1,550,000

Required (Initials)

CEO Review: DB

Committee Referral/Action

Committee F&A **Meeting Date:** 10/20/2026

Committee Recommendations:

Cmte Chairperson Presiding: Peter Yukimura

Board Action

Board Workshop Wrkshp Date:

Board Meeting Date 10/26/2026

Action Taken: 1st/2nd:

Other Info: Res No.

File Date & Location

RESOLUTION 06-26 OF THE
BOARD OF DIRECTORS OF
KAUA'I ISLAND UTILITY COOPERATIVE ("KIUC")

WHEREAS, the staff of KIUC now recommends that it is in the best interest of KIUC to obtain additional financing for emergency expense purposes caused by natural or manmade disasters through a new Emergency Line of Credit facility from CoBank, ACB ("CoBank") in an aggregate principal amount not to exceed $60,000,000 (the "Emergency Line of Credit");

NOW, **THEREFORE**, be it resolved by the Board of Directors of KIUC, that KIUC is hereby authorized and empowered to obtain the Emergency Line of Credit from CoBank in an aggregate principal amount not to exceed $60 million and with a final maturity date not to exceed 1 year from the date of closing the Emergency Line of Credit, with such amount and maturity and any applicable interest rate provisions for the Emergency Line of Credit to be as either the President and CEO or Financial VP & CFO of KIUC (each, an "Authorized Officer"), or designee of any Authorized Officer (each, a Designee"), may determine to be necessary or appropriate and in the interest of KIUC, the proceeds of which are to be used for emergency expense purposes caused by natural or manmade disasters.

RESOLVED, that the Board of Directors of KIUC hereby authorizes and empowers KIUC to enter into, and to perform its obligations under a loan agreement or contract with CoBank (the "CoBank Loan Agreement"), and subsequent amendments thereto or extensions thereof (provided such amendments do not increase the aggregate principal amount of the Emergency Line of Credit or extend the then-applicable maturity date of the Emergency Line of Credit, as it may previously been extended, by more than one (1) year), setting forth, among other things, the terms and conditions of the Emergency Line of Credit, including advances of the Emergency Line of Credit

and applicable interest rates or methods of determining interest rates, with such terms and conditions to be as either the President and CEO or Financial VP & CFO of KIUC (each, an "Authorized Officer") or any individual designated in writing by an Authorized Officer (each, a "Designee") shall determine to be necessary or appropriate and in the interest of KIUC.

RESOLVED, that the Board of Directors of KIUC hereby authorizes and empowers KIUC to enter into, and to perform its obligations under a promissory note in favor of CoBank evidencing the Emergency Line of Credit (the "CoBank Note"), to be in such form as any Authorized Officer or Designee shall determine to be necessary or appropriate and in the interest of KIUC and each of which will be unsecured except for the statutory pledge of any equity KIUC may purchase or earn in CoBank.

RESOLVED, that any Authorized Officer or Designee is hereby authorized to: (1) obligate KIUC to make such investments in CoBank as required by CoBank; (2) execute and deliver to CoBank any agreements, addenda, authorization forms and other documents or instruments as may be required by CoBank in the event that KIUC elects to use any services or products related to the Emergency Line of Credit that are offered now or in the future, including, without limitation, an automated clearing house (ACH) service and CoBank's electronic banking system; (3) direct and/or delegate to designated employees of KIUC the authority to direct, by written or telephonic instructions or electronically, if KIUC has agreed to use CoBank's electronic banking system (the "System") for such purpose, the disposition of the proceeds of the Emergency Line of Credit; and (4) request and/or delegate to designated employees of KIUC the authority to request by telephonic or written means or electronically (if KIUC has agreed to use the System for such purpose) Emergency Line of Credit advances and/or other related financial accommodations.

RESOLVED FURTHER, that the Secretary or any Assistant Secretary of KIUC shall file with CoBank a list of persons holding authorized offices of KIUC together with specimen signatures thereof, and CoBank shall be entitled to conclusively presume that the persons so certified as holding such offices continue to hold such offices, and that such specimen signatures are the genuine signatures of such officers, until such time as CoBank shall receive a certificate of the Secretary or Assistant Secretary of KIUC to the contrary.

RESOLVED FURTHER, that any Authorized Officer or Designee is hereby authorized and directed to case the ballot of KIUC in any and all proceedings in which KIUC is entitled to vote for the selection of a member of CoBank's Board of Directors or for any other purpose.

RESOLVED that the Board of Directors of KIUC hereby authorizes and empowers any Authorized Officer or Designee to execute and deliver, for and on behalf of KIUC (with or without attestation of the Secretary or Assistant Secretary of KIUC), the CoBank Loan Agreement and the CoBank Note, together with any and all other agreements, documents, instruments, certificates and other papers relating thereto or necessary or convenient in connection with the transactions approved in this Resolution, and to take such other actions and to do or cause to be done any and all other acts and things, including, without limitation, the expenditures of such funds, the request of advances under the Emergency Line of Credit, the selection of applicable interest rate options under the Emergency Line of Credit and the prepayment of the Emergency Line of Credit, as in the judgment of any Authorized Officer or Designee may be necessary or appropriate in connection with the transactions approved in this Resolution.

RESOLVED FURTHER, that the final determination and approval of the form, terms and provisions of the Loan Documents and any other agreement, document, instrument, certificate and other paper as provided in this Resolution to be executed on behalf of KIUC pursuant to this

Resolution may be conclusively evidenced by the execution of such document by any Authorized Officer or Designee, and the final determination that the taking of any action or the causing of any action is in the interest of KIUC or is necessary or appropriate shall be conclusively evidenced by the taking of such action or the causing of such action by any Authorized Officer or Designee.

SECRETARY'S CERTIFICATE

The undersigned Secretary of KIUC hereby certifies that the foregoing Resolution of the Board of Directors of KIUC was duly adopted at the Regular Meeting of the Board of Directors held on October _____, 2026, at Līhu'e, Kaua'i, Hawai'i.

Dated this _____ day of **October**, 2026, at Līhu'e, Kaua'i, Hawai'i.

_____

Edmund Acoba
Secretary

KIUC BOARD POLICY NO. 20

FIDUCIARY DUTY AND APPOINTMENTS TO FILL BOARD VACANCIES

PURPOSE OF POLICY:

The purpose of this policy is to state the fiduciary duty of directors, and to make it clear that the Board may fill vacancies on the Board with existing Directors or leave the vacancies unfilled.

POLICY CONTENT:

I. Fiduciary Duty of Directors

All Directors are fiduciaries of the Cooperative and its members. As fiduciaries, Directors have, among others, four overriding duties to the Cooperative and its members. These are the duties of good faith, due care, loyalty and attention.

II. Appointment of Existing Directors to Fill Board

The Bylaws allow the Board to fill vacancies on the Board. A vacancy may be filled with a sitting Director. However, no sitting Director may be appointed to fill more than one unexpired term without standing for election thereafter.

III. Leaving Vacancies Unfilled

The Board may also elect not to fill an unexpired term provided there remain at least seven (7) sitting Directors without such an appointment.

Adopted on this 29th day of October 2026

Edmund Acoba
Secretary

Reviewed: 10/29/2026
Reviewed: 11/21/2023
Revised: 11/23/2020
Reviewed: 07/31/2018
Reviewed: 10/25/2016
Reviewed: 10/28/2014
Reviewed: 10/25/2011
Reviewed: 09/27/2011
Original Adoption: 05/19/2005