

REGULAR MEETING OF THE BOARD OF DIRECTORS
KAUA’I ISLAND UTILITY COOPERATIVE
Held at KIUC Main Conference Room and Video Conference Call
March 27, 2025

MINUTES

Meeting called to order by Chair Smith at 1:15 p.m.

1. Roll Call

- 1.1. **Directors present:** Directors Allan Smith (Chair), Jan TenBruggencate (Vice Chair), Edmund Acoba, David Iha, James Mayfield, Calvin Murashige (Secretary), Teofilo Tacbian, Michael Yamane, and Peter Yukimura (Treasurer); David Bissell (CEO).
- 1.2. **Others present:** Mike Scarbo (Co-General Counsel), Teresa Amoy (Executive Administrator), Corinne Cuaresma (Controller), Beth Amaro (Member Services & Communications Mgr.), Shelley Paik (PA Specialist).
- 1.3. **Others present via Video Conference Call:** Lisa Ubay (Mgr. of HR & Safety), Chris Yuh (Mgr. of Finance, Risk & Analytics), Erin Tsuda (Finance Mgr.), Cameron Kruse (Engineering & Tech Mgr.), Daurice Arruda (Accounting Mgr.), Scott Sato (Energy Services Supervisor), Shelsey Francisco (Financial Analyst), Allison Young (Communications & PR Specialist), Jonah Knapp (Staff Engineer); Members of the press (0) and Members of the public (1)
- 1.4. **Absent/Excused:** None

2. Approval of the Agenda

- 2.1. The Board of Directors’ agenda of March 27, 2025, was approved as circulated.

3. Approval of Minutes

- 3.1. The minutes of February 27, 2025, Regular Board meeting and March 3, 2025, Special Board meeting were approved as circulated.

4. President’s Report – David Bissell (CEO)

- 4.1. The CEO provided a brief overview of March’s President’s Report as circulated to the board (report attached).

5. Financial Report – Corinne Cuaresma (Controller)

- 5.1. The Controller provided an update on the February 2025 Financial Report (report attached).
 - Key financial metrics reviewed:

- **Net Margins:** Positive net margins of \$211,000 for the month and \$1.2 million year-to-date.
- **Balance Sheet:** With completion of the 2024 independent financial audit, the profit distribution close-out process was finalized, bringing the balance sheet back into balance. Total assets of \$416 million match total liabilities and other credits. The equity ratio was 35.54%.
- **Sales Performance:** Megawatt-hour sales exceeded budget by 2% and prior year by 3%. Year-to-date sales were up 3% compared to the prior year.
- **Renewable Energy:** 53% of total energy generated came from renewable sources, down from 56% in February 2024, primarily due to a decrease in hydro generation.
- **Cash and Investments:** \$36.4 million available in cash and investments, with no amounts drawn on available lines of credit.
- **Customer Growth:** 299 additional customers compared to a year ago, including 192 residential and 86 small commercial.
- **Employee Count:** 136 employees at the end of February, with 7 vacancies.
- **Storm Costs:** Total cost for the southwest winds/severe thunderstorm event in January was just under \$300,000. Of that amount, \$134,000 relates to O&M costs, the remainder relates to capital expenditures for replacement of poles and other capital items.

5.2. Other Updates

- **Audit Completion:** The independent financial audit for 2024 was completed with no adjustments. .
- **Upcoming Audit Presentation:** Auditors Moss Adams will present the audit results at the next Finance and Audit Committee meeting in April.
- **Annual Financial Report Filings:** RUS Forms 7 and 12 were filed today, and the PUC annual financial report will be filed by March 31st.

6. NRECA Hawai'i Director Report – Director David Iha update

6.1. Director Iha provided a brief NRECA update on the national level:

- PowerXchange Conference was held early this month in Atlanta where the Secretary of Agriculture was a keynote speaker. The Secretary mentioned that grant reviews are ongoing, leaving many in limbo regarding their status.
- NRECA CEO has been meeting with cabinet-level officers to advocate for NRECA's positions on various issues.
- Changes to the CFC bylaws were discussed, specifically regarding the election of NRECA directors to the CFC Board. The compromise reached will ensure that one NRECA director will be on the CFC board, with two nominees put forward for election.
- At the board meeting in Atlanta, Marty Litrell from Kentucky was elected the Secretary-Treasurer of the board.

7. Charitable Foundation Board Report – Director Phil Tacbian

- 7.1. Director Tacbian provided a brief update on the circulated Charitable Foundation report to the Board of Directors (report attached).
- 7.2. Volunteer appointment was approved and confirmed for the community member board position to the Charitable Foundation Board.

MOTION: Director Tacbian moved to approve Reina Kurisu to the Charitable Foundation Board. Director Yamane seconded the motion, which carried unanimously.

[Motion: TenBruggencate] [Second: Murashige]

IN FAVOR: Smith, TenBruggencate, Murashige, Yukimura
 Acoba, Yamane, Iha, Mayfield, Tacbian Total – 9

OPPOSED: None Total – 0

EXCUSED: None Total – 0

Motion carried

8. Public Testimony

- 8.1. No public testimony was received.

9. Calendar

- 9.1. **April 15, 2025** – Board Committee Meetings (9:00am, MCR)
- 9.2. **April 18, 2025** – HOLIDAY – Good Friday (KIUC Offices Closed)
- 9.3. **April 24, 2025** – Lihue Business Association Meeting (7:30am, Duke’s Kauai)
- 9.4. **April 24, 2025** – Regular Board Meeting (1:00pm, Zoom)
- 9.5. **April 27 - 30, 2025** – 2025 NRECA Legislative Conference (Washington, DC)

10. Executive Session

At 1:44 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.

- 10.1. The open session of the Regular meeting was reconvened at 3:43 p.m.
 - A motion to ratify actions taken in Executive Session was approved by consensus:
 - The Executive Session minutes of February 27, 2025
 - Appointment of Officer

11. Adjournment

11.1. The meeting was adjourned at 3:44 p.m.

Calvin Murashige
Calvin Murashige (Apr 25, 2025 13:29 PDT)

Calvin Murashige
Board Secretary

President's Report

March 27, 2025

David Bissell, CEO

President's Report

Safety (February)	Month	2025 YTD	2024 YTD
Recordable Incidents	0	0	3
Availability and Reliability	Month	2025 YTD	2024 YTD
Reportable Outages	1	22	7
Average Outage Hours Per Customer	0.15	2.86	1.34
Efficiency	Month	2025 YTD	
Net Plant Heat Rate	9,163	9,366	
Peak Demand (MW)	74.97	76.14	
Residential Rates			
March 2025	\$0.39/kwh decrease \$0.007 from February		

Update Items

- PUC applications for two new renewable projects filed
 - 35-40% of KIUC's annual energy production
 - Renewable increase to close to 80%
 - Projected over \$700 million in savings over life of projects vs. fossil fuel
- Legislative session continues with KIUC monitoring and testifying as necessary
- NRECA has announced that the PACE grant process is continuing
 - RUS may be suggesting changes to applications to comport with executive order on energy
- 131 pole changeouts for 2025 YTD
- 2024 financial audit complete – Unmodified audit opinion received

Update Items- Continued

- Communications group received NRECA Spotlight Gold Awards for: Best External Event (Top 100), Best External Publication (Currents), Best Long Form Video (Ho'oka'ana Waiwai)



Mahalo!



Kaua'i Island Utility Cooperative

Your Touchstone Energy® Cooperative



Board Financial Report

March 2025

Finance, Accounting, Regulatory and Warehouse Monthly Summary

Finance and Accounting Update

- Financial Results
 - Income Statement - Preliminary
 - Balance Sheet – Preliminary
 - Financial Scorecard – YTD February 2025
- Treasury Management Monthly Discussion
- Finance and Accounting Updates

General Ledger

Financial And Operating Report Electric Distribution

INCOME STATEMENT FOR FEB 2025

Item	-----Year - To - Date-----			-----Period - To - Date-----	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	27,552,358.24	26,567,536.48	28,524,544.00	12,547,742.71	13,615,265.00
2. Power Production Expense	8,375,147.69	9,323,875.05	8,630,019.00	4,126,856.56	4,059,063.00
3. Cost of Purchased Power	7,000,522.52	4,505,467.17	7,578,458.00	2,286,008.20	3,732,818.00
4. Transmission Expense	247,428.06	212,821.22	291,858.00	158,957.05	145,718.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	234,518.46	194,249.77	281,974.00	147,166.96	141,021.00
7. Distribution Expense - Maintenance	934,493.02	865,641.55	1,019,722.00	513,863.56	498,295.00
8. Customer Accounts Expense	383,425.44	402,117.97	462,304.00	202,795.10	223,754.00
9. Customer Service and Informational Expense	42,774.15	39,996.79	56,950.00	23,088.13	35,500.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	3,903,392.00	4,233,191.04	4,403,841.00	2,174,602.53	2,252,999.00
12. Total Operation & Maintenance Expense (2 thru 11)	21,121,701.34	19,777,360.56	22,725,126.00	9,633,338.09	11,089,168.00
13. Depreciation & Amortization Expense	2,486,594.44	2,500,712.68	2,580,695.00	1,257,496.92	1,290,348.00
14. Tax Expense - Property & Gross Receipts	688,091.99	663,396.07	713,114.00	313,331.59	340,382.00
15. Tax Expense - Other	1,630,104.38	1,568,910.81	1,692,069.00	744,859.02	804,958.00
16. Interest on Long-Term Debt	1,075,786.92	1,028,173.86	1,026,000.00	502,759.11	510,000.00
17. Interest Charged to Construction - Credit	0.00	0.00	0.00	0.00	0.00
18. Interest Expense - Other	0.00	0.00	0.00	0.00	0.00
19. Other Deductions	35,613.00	36,913.00	38,000.00	3,045.00	3,000.00
20. Total Cost of Electric Service (12 thru 19)	27,037,892.07	25,575,466.98	28,775,004.00	12,454,829.73	14,037,856.00
21. Patronage Capital & Operating Margins (1 minus 20)	514,466.17	992,069.50	-250,460.00	92,912.98	-422,591.00
22. Non Operating Margins - Interest	479,391.52	381,075.32	238,082.00	180,828.42	118,541.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-153,203.85	-132,577.32	-279,111.00	-73,885.48	-191,411.00
25. Non Operating Margins - Other	52,572.25	23,516.60	30,220.00	11,081.14	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	0.00	4,122.29	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)	893,226.09	1,268,206.39	-261,269.00	210,937.06	-480,351.00
Operating - Margin	893,226.09	1,268,206.39	-261,269.00	210,937.06	-480,351.00
Non Operating - Margin	0.00	0.00	0.00	0.00	0.00
Times Interest Earned Ratio - Operating	1.48	1.96			
Times Interest Earned Ratio - Net	1.83	2.23			
Times Interest Earned Ratio - Modified	1.83	2.23			



General Ledger

Financial And Operating Report Electric Distribution

BALANCE SHEET FOR FEB 2025

	Last Year	This Year	Variance
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	595,708,414.19	606,575,504.51	10,867,090.32
2. Construction Work in Progress	12,871,016.75	9,992,293.14	-2,878,723.61
3. Total Utility Plant (1 + 2)	608,579,430.94	616,567,797.65	7,988,366.71
4. Accum. Provision for Depreciation and Amort.	335,489,617.04	339,511,232.04	4,021,615.00
5. Net Utility Plant (3 - 4)	273,089,813.90	277,056,565.61	3,966,751.71
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	21,802,382.15	20,241,065.47	-1,561,316.68
8. Invest. in Assoc. Org. - Patronage Capital	1,268,624.73	1,318,852.16	50,227.43
9. Invest. in Assoc. Org. - Other - General Funds	666,500.00	666,500.00	0.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	0.00	0.00
11. Invest. in Economic Development Projects	948,638.01	2,101,493.55	1,152,855.54
12. Other Investments	0.00	0.00	0.00
13. Special Funds	0.00	0.00	0.00
14. Total Other Property & Investments (6 thru 13)	24,686,144.89	24,327,911.18	-358,233.71
15. Cash - General Funds	1,598,444.87	250,409.47	-1,348,035.40
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	-22,548.42	-28,198.67	-5,650.25
18. Temporary Investments	37,178,962.34	36,601,540.03	-577,422.31
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	11,129,306.34	11,662,143.80	532,837.46
21. Accounts Receivable - Other (Net)	982,125.96	416,114.66	-566,011.30
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	22,364,889.41	22,814,240.02	449,350.61
24. Prepayments	1,828,019.90	2,553,009.66	724,989.76
25. Other Current and Accrued Assets	8,208,360.19	8,809,673.46	601,313.27
26. Total Current and Accrued Assets (15 thru 25)	83,267,560.59	83,078,932.43	-188,628.16
27. Regulatory Assets	36,708,402.75	31,502,110.60	-5,206,292.15
28. Other Deferred Debits	84,235.38	66,896.73	-17,338.65
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	417,836,157.51	416,032,416.55	-1,803,740.96

General Ledger

Financial And Operating Report Electric Distribution

BALANCE SHEET FOR FEB 2025

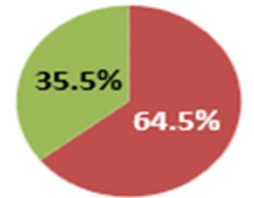
	Last Year	This Year	Variance
LIABILITIES AND OTHER CREDITS			
30. Memberships	612.41	625.42	13.01
31. Patronage Capital	138,720,041.26	145,514,590.50	6,794,549.24
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	893,226.09	1,268,206.39	374,980.30
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	274,918.89	1,087,583.02	812,664.13
36. Total Margins & Equities (30 thru 35)	139,888,798.65	147,871,005.33	7,982,206.68
37. Long-Term Debt - RUS (Net)	0.00	0.00	0.00
38. Long-Term Debt - FFB - RUS Guaranteed	117,199,374.53	113,341,850.13	-3,857,524.40
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	117,641,597.70	110,799,735.86	-6,841,861.84
41. Long-Term Debt - RUS Econ. Devel. (Net)	0.00	0.00	0.00
42. Payments - Unapplied	-477.04	0.00	477.04
43. Total Long-Term Debt (37 thru 41 - 42)	234,840,495.19	224,141,585.99	-10,698,909.20
44. Obligations Under Capital Leases - Noncurrent	13,003,196.24	12,398,292.22	-604,904.02
45. Accumulated Operating Provisions	-116,310.33	-847,984.08	-731,673.75
46. Total Other Noncurrent Liabilities (44 + 45)	12,886,885.91	11,550,308.14	-1,336,577.77
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	5,597,625.74	5,830,105.39	232,479.65
49. Consumers Deposits	1,712,695.02	1,622,111.40	-90,583.62
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	9,607,289.19	12,265,431.53	2,658,142.34
54. Total Current & Accrued Liabilities (47 thru 53)	16,917,609.95	19,717,648.32	2,800,038.37
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	13,302,367.81	12,751,868.77	-550,499.04
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	417,836,157.51	416,032,416.55	-1,803,740.96
Current Assets To Current Liabilities	4.92 to 1	4.21 to 1	
Margins and Equities To Total Assets	33.48 %	35.54 %	
Long-Term Debt To Total Utility Plant	38.59 %	36.35 %	

Financial Scorecard – YTD February 2025

MWh Sales

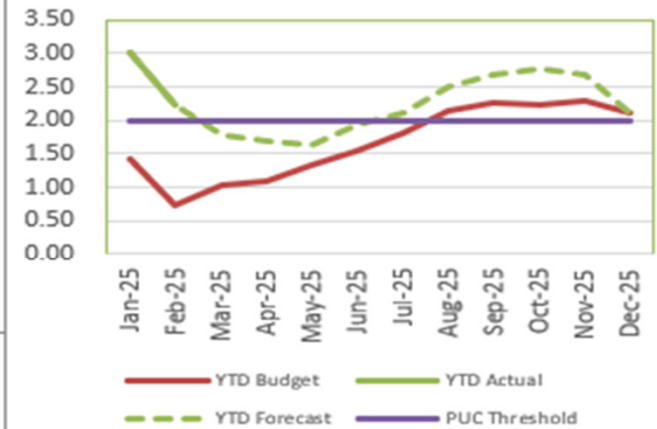
Class	YTD Prior Year	YTD Actual		Percent Change
Residential (D)	29,142	30,315	↑	4.0%
Small Comm (G)	9,872	10,200	↑	3.3%
Large Comm (J)	7,748	7,658	↓	-1.2%
Lrg Pwr Primary (LP)	23,802	24,349	↑	2.3%
Street Lighting (SL)	116	117	↑	0.7%
Irrigation	22	248	↑	1048.6%
Total	70,701	72,887	↑	3.1%

Equity Ratio

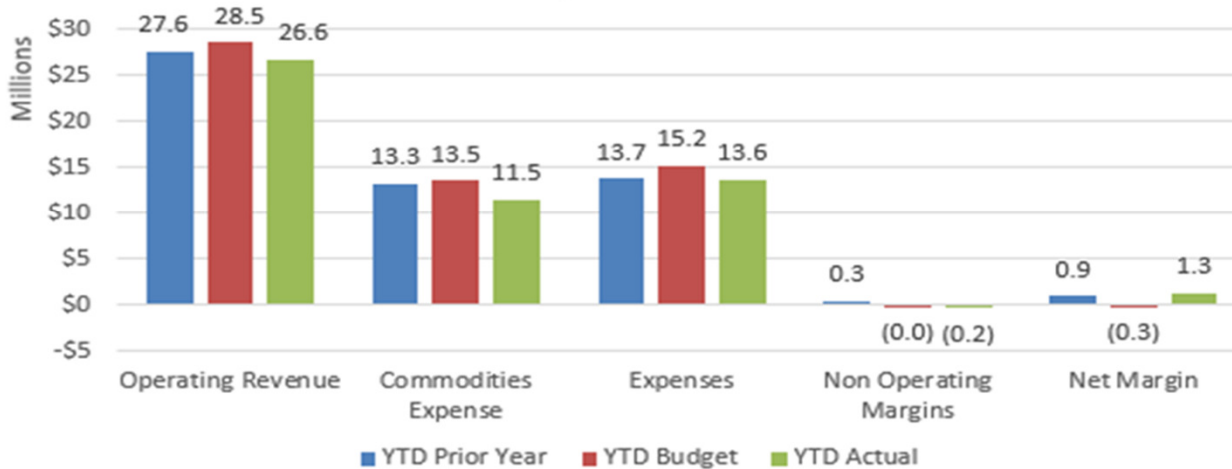


■ Liabilities as a % of Assets

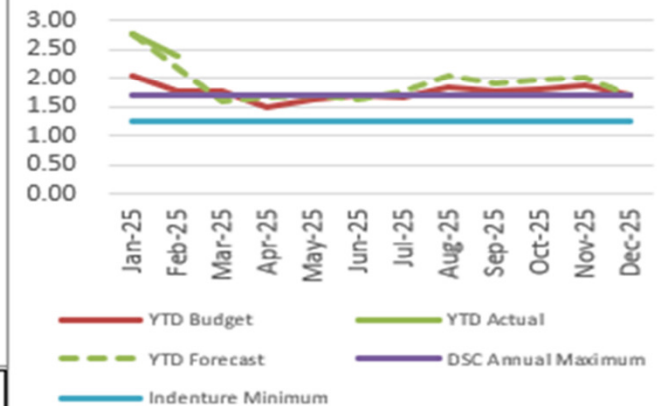
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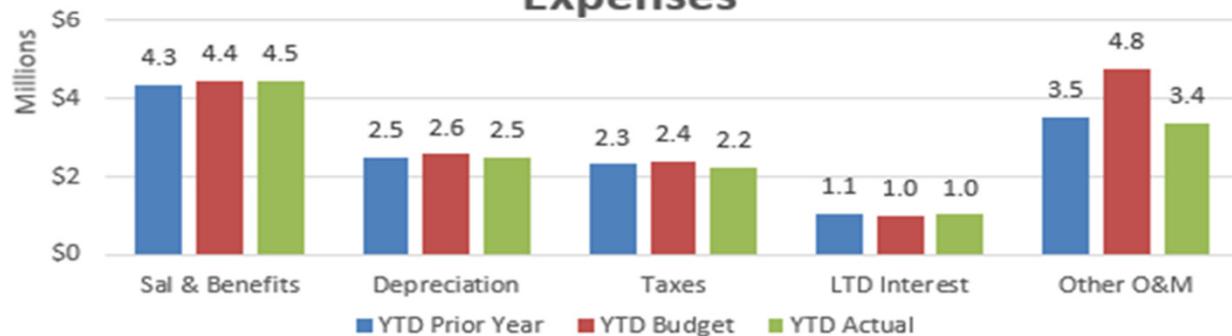
Key Results



DSC



Expenses



(In Millions)	YTD Actual
Cash	-\$0.2
Short-Term Investments	\$36.6
Cushion of Credit	\$0.0
Total Cash & Investments	\$36.4
Line of Credit Available	\$40.0
Line of Credit Drawn	\$0.0

Treasury Management – Monthly Discussion

- Current Summary Of Investments:
- **\$26.4M** Dreyfus Funds – AAA Rating Money Market Fund very ST
 - Government MM Fund – Treasury Only
 - Stable Value type of money market (heavily regulated and makes it difficult to break the dollar)
 - 3.99% Interest Rate
- **\$4.98M** CFC Daily and Monthly Commercial Paper – ST to Medium Term Investment – Daily to Monthly A2 Moody and S&P A-
 - Daily Fund – 3.75%
- **\$4.92M** CoBank Commercial Paper Investment – AA- Moody and S&P
 - 60-day Investment – 3.15%
- **\$268,249** Central Pacific Bank – Backup Checking in NISC if needed
 - Backup for Checking in Money Market (unlimited) account
 - 3.05%

Questions?

Report of KIUC Charitable Foundation

To KIUC Board of Directors

3/25/2025

The Charitable Foundation Board met on 3/25/25

The following reports were received:

Treasurer report ending balance of \$98,163.28, check cashed for KPAA \$1,000

Makana Program:

- 485 registered, YTD contribution \$582.71 through February 2025

Applications:

- Kauai Complex Area, \$1,000 for 200 lunches for the EL Students Multicultural Speech Festival

Golf Tournament:

- Edmund Acoba volunteered to do sound for the golf tournament

Vacancy of Community Member board position recommended to confirm new board member Reina Kurisu

Board positions:

- President Teofilo Phil Tacbian
- Vice President Kyle Cremer
- Treasurer Peter Yukimura
- Secretary Shelley Paik

T. Phil Tacbian, President