

Kaua'i Island Utility Cooperative

CURRENTS

Mask and a
✓

Service With a Smile



Visitor Guide

SANITIZE YOUR HANDS BEFORE AND AFTER YOUR VISIT.

If you have a fever, cough, sore throat, or other flu-like symptoms, please do not visit. You are advised to seek medical care. For more information, please call KEO at (808)245-4077 to inquire about services.

In the event of an emergency, please call the Bell for Assistance. If you have documents for staff, please place it in the tray.

6 feet between you and other people.

KEO KAUAI ECONOMIC OPPORTUNITY

To protect me...

Please use hand sanitizer before entering the office. Cover all surfaces of your hands and rub them together until they feel dry.

KEO staff has been trained to avoid close contact with clients, attendees and...

2020 LIHEAP APPLICATION INSTRUCTIONS

The Kauai Island Utility Cooperative (KEO) is pleased to announce that the 2020 LIHEAP program is now open for applications. The program is designed to help low-income households pay their utility bills. For more information, please call (808) 245-4077.

Eligibility Requirements:

- All applicants must be a U.S. Citizen or a Qualified Permanent Resident.
- All applicants must be at least 18 years old and have a valid Hawaii driver's license.
- All households must have a total gross annual income of less than \$15,000.
- You must be responsible for an account of the utility service.
- Your household must be in the State of Hawaii.
- Households with a 1st or 2nd child are eligible for an additional exemption.

Applications should be submitted to: **Kauai Economic Opportunity (KEO), 2804 White Road, Lihou, Hawaii 96766, PH: 808-245-4077**

Programs of Income: If you are a head of household or a single parent, you are eligible for the LIHEAP program. If you are a member of a household with a child, you are eligible for the LIHEAP program.

Once the application is approved, you will receive a letter from the KEO office to schedule an appointment. The appointment is for the purpose of reviewing your application and providing you with a copy of the LIHEAP program rules. You must bring a copy of your application and a copy of your utility bill to the appointment.

LIHEAP PROGRAM RULES:

- LIHEAP is a program of the State of Hawaii.
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Inside:
2019 KIUC Annual Report
KIUC's Energy Wise Guys

Aloha Island Team



KAREN L. AGUDONG, REALTOR(B)

RB-17447

808-652-0677 • email: karen@alohaisland.com



PRICE REDUCED!

PIKAKE SUBDIVISION LOT #1714, LIHUE
STUNNING MOUNTAIN and GOLF COURSE VIEWS. Excellent location toward the end of the cul de sac. Flag lot enhances privacy. May qualify for an additional Guest Cottage. Close to Kukui Grove Shopping Center, Kauai Community College, Schools and Beaches. \$459,000(fs) Call: Karen L. Agudong, REALTOR(B) 652-0677 or email: Karen@AlohaIsland.com.



SUN VILLAGE #C-311
Don't miss out on this 1 bedroom / 1 bath condominium located on the 3rd floor with a beautiful view overlooking a gorgeous shower tree! Located in the Desirable C Building right next to the Swimming pool and recreation hall. Sun Village has many extra amenities. One resident must be 55 years of age or older. Leasehold property. \$164,000(lh). Call: Karen L. Agudong, REALTOR BROKER (808) 652-0677.



1139 MOANAKAI #B, KAPAA NEAR FUJI BEACH
Great opportunity to build a home located across the street from Fuji Beach (Baby Beach) in Kapaa! Located by the Kapaa Bike path and downtown Kapaa. House plans included with the sale. \$498K(fs). Call: Karen L. Agudong, REALTOR BROKER (808) 652-0677 with exp Realty.



LIHUE TOWNHOUSE #107 GROUND FLOOR WITH YARD!
Beautifully renovated ground floor condominium at Lihue Townhouse with small fenced yard. Seller has completed beautiful renovations that reflect owner pride. This is a must see if you are looking for a great price for a Lihue condo that is ready to move in. \$286K(fs) Call: Karen L. Agudong, REALTOR BROKER with exp Realty (808) 652-0677.



YOUR PROPERTY HERE!
Looking to sell your home? Inventory is low and buyers are looking to purchase property. Please contact Karen for a FREE comparative market analysis of your property.

EXP REALTY • KAREN L. AGUDONG • MAILING ADDRESS: PO BOX 3255, LIHUE, HI 96766

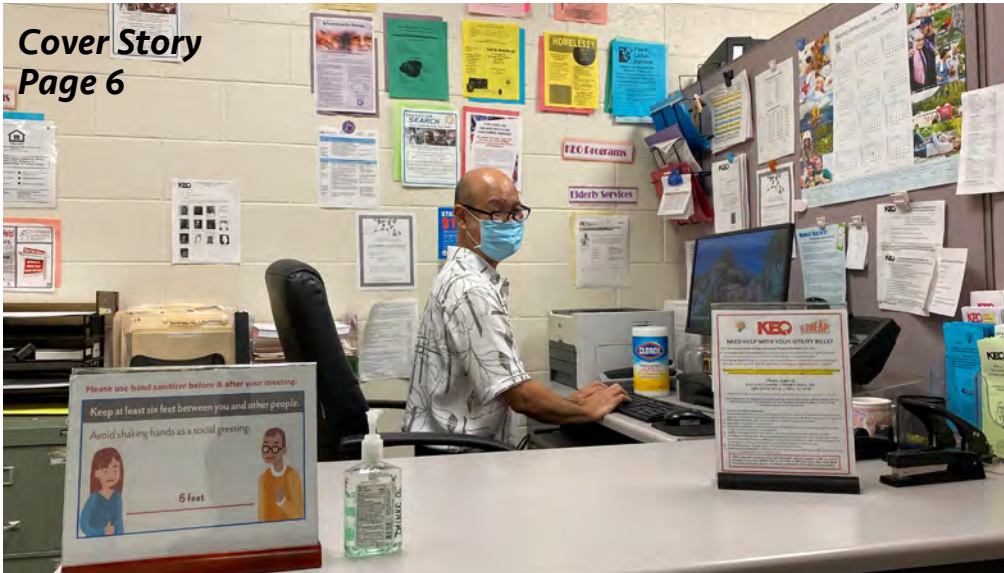
808-652-0677 • WWW.ALOHAISLAND.COM • EMAIL: KAREN@ALOH AISLAND.COM

KAREN L. AGUDONG, REALTOR(B) "ALOHA ISLAND TEAM" EXP REALTY (808) 652-0677.

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Kaua'i Island Utility Cooperative *Currents*

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EDITOR

Beth Tokioka

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ON THE COVER

Loribeth Giminz greets clients at Kaua'i Economic Opportunity offices in Lihu'e.

Save postage, get your Currents online

Currents is mailed quarterly to members of Kaua'i Island Utility Cooperative. This issue and back issues also are available online at www.kiuc.coop.

If you would like to help the cooperative save paper and postage, you can receive Currents via email or simply read it on our website. Just send a note to currents@kiuc.coop and we will take you off the mailing list.

We're also open to story ideas, letters and suggestions. And we're always looking for new recipes. Thank you for reading Currents.



Only active KIUC members will be mailed KIUC Currents. KIUC Currents can be found online at www.kiuc.coop under News and Currents.

KIUC is an equal opportunity provider and employer.

Chairman's Message

Aloha!

We hope you take the time to read the 2019 annual report included in this issue. It was a groundbreaking year in many respects, and we should all be proud of how far our cooperative has come since its inception in 2002.

When we sit down to write the story of 2020, it will certainly be a year like no other. No doubt, continuing to measure progress on our renewable transition will be important. System reliability and rate stability are also critical targets we watch closely every year. However, these measurements of success cannot fully capture the less-tangible efforts we've focused on in 2020.

For example, we are working with hundreds of members experiencing personal financial difficulties by offering payment plans and other options to keep their accounts current. Our member services representatives strive to maintain that personal touch with our customers even though they're communicating from a distance. The energy services team has stepped up efforts to work with commercial and residential members to improve energy efficiency. Our human resources and safety teams are helping employees address COVID challenges to maintain a safe and productive workplace. Linemen are committed to addressing outages and restoring power as quickly as possible, while observing additional COVID-related safety protocols.

I could go on and on, but you get the picture. Numbers certainly tell a story, but to measure the success of our efforts in 2020 we'll have to look far beyond the numbers.

KIUC's board and staff will continue to work with our members to meet these challenges head on, in the spirit of the Seven Cooperative Principles you will find on page 30. It's what we do in good times and bad, and it's what will bring us out of this crisis stronger and more connected than ever.

Mahalo nui loa,
Allan A. Smith



Board Actions

Below is a summary of some of the actions taken by the KIUC Board of Directors in May, June and July 2020.

July 30, 2020 Board Meeting

Motion carried, Board Policy No. 2, authority and responsibility of the CEO, approved proposed amendment to revised Policy No. 2, which was a combined Policy No. 2 and Policy No. 7. Policy No. 7 was deleted.

June 25, 2020 Board Meeting

Motion carried, appointment of Dee Crowell to National Rural Electric Cooperative Association Region 9 Resolutions Committee, and Jim Mayfield to NRECA Region 9 Nominating Committee.

Motion carried, Loan Review Committee nominations of Sara Miura and Robin Pratt.

Motion carried, adopt the format for the 2020 KIUC annual meeting.

Motion carried 2020, diesel overhauls, additional \$250,000.

Motion carried, additional funds for HCP drafting, additional \$300,000.

May 28, 2020 Board Meeting

Motion carried, 2020 annual meeting date: July 22, 2020, 5 p.m.

Motion carried, GT exhaust system for an additional \$250,000.

Motion carried, Hana Kukui lease exercise option to extend term.

Motion carried, Resolution 04-20.

Motion carried, nomination for Director Janet Kass to run for Cooperative Finance Corporation director.

Ratified by consent, Resolution 03-20.



Find a charitable cause that speaks to you and write them a check today.

- ❖ Consider donating to the Kaua'i United Way, which conducts a rigorous vetting process to make sure your contribution goes to a credible organization fulfilling a vital community need.
- ❖ If a cash donation is difficult, consider a stock donation to your preferred charity, or volunteer at a food bank or soup kitchen.
- ❖ Sign up for KIUC's Makana program. Your monthly electric bill will be rounded up to the nearest dollar. Those pennies go to the KIUC Charitable Foundation and are granted to worthy charitable causes. Better yet, add a monthly pledge in addition to the round-up amount to make a greater impact.

Charitable giving is more important than ever in this era of COVID-19. If you're not feeling it directly, no doubt someone close to you is. There's nothing more healing for the heart and soul than reaching out to others and reminding ourselves that no matter how tough we have it, there's always something we can do to help.

Mahalo nui loa! 🌺

We all know how blessed we are to live on Kaua'i. In my opinion, it's the most special place on Earth. Like many of you, I've spent decades working on Kaua'i and looking for ways to give back to our beautiful island home. I've been active in Rotary, Kaua'i United Way, Blood Bank of Hawai'i and many other service and charitable organizations. Still, especially today, it doesn't feel like nearly enough.

More than any time that I can recall, people in our community are hurting and in need of assistance—so many more than ever before, and their needs are greater than at any time in recent memory. Perhaps most concerning is that as the COVID-19 crisis evolves, there appears to be no end in sight.

That is why it's more important than ever before for those who can give, to give generously. Our island community knows how to band together and lift

each other up. Here are a few things we can do:

- ❖ Feed the hungry and help people with mental illnesses, persons with disabilities or victims of domestic violence. There are so many needs in our community.



HawaiiUSA Federal Credit Union donates to Kaua'i United Way.



KEO Helps Meet the Need

By Beth Tokioka

After more than 40 years leading one of Kaua'i's most impactful social service agencies, MaBel Fujiuchi thought she had seen it all.

"We had to rethink everything," MaBel says. "When COVID happened, we realized we can't shut down, so we had to figure out how to do things in a new way."

MaBel is CEO of Kaua'i Economic Opportunity. Founded in 1965, KEO delivers hundreds of meals every day to vulnerable populations, operates the island's only homeless shelter and runs programs ranging from peer mediation to

weatherization assistance. More than 5,000 residents receive support from KEO every year.

"So much of what we do is face to face," MaBel explains. "We created a system of leaving meals in coolers outside of clients' homes and calling them after the delivery was made."

She says the homeless shelter and related transitional housing facility were reconfigured to allow for social distancing. Policies were adopted to maintain a safe and healthy workplace.

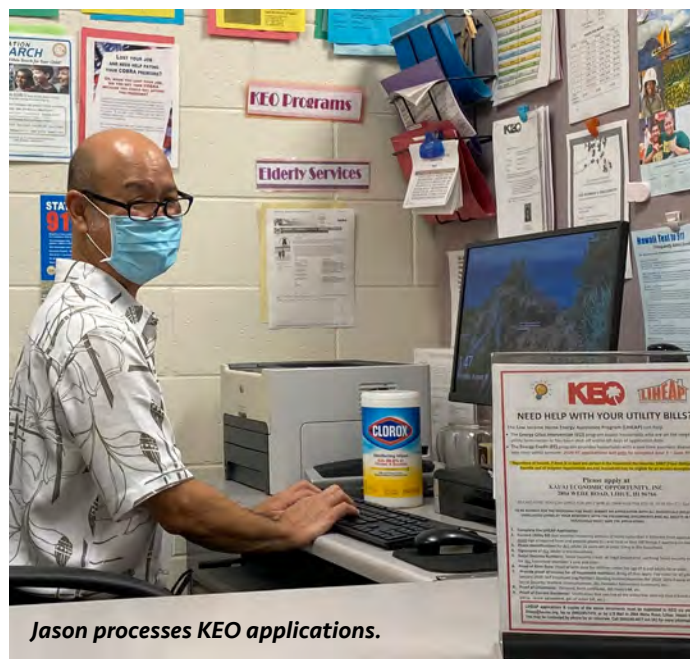


From left, Bernie Tangalin, Jason Honjiyo, MaBel Fujiuchi and Loribeth Giminiz.

Of the 20 or so programs operated by KEO, a handful help with rent and utility payments for qualified low-income households.

"Helping our clients better manage their energy use and providing direct bill or rent-payment assistance is at the core of these programs," explains Jason Honjiyo, KEO's weatherization assistance program and LIHEAP director.

The federal Low Income Home Energy Assistance Program is operated annually in partnership with KIUC. Jason says when unemployment spiked in March and April due to the



Jason processes KEO applications.

COVID-19 "stay at home" order, the need for utility and rental assistance multiplied. LIHEAP received additional money from the KIUC Charitable Foundation and the COVID-19 Rent & Utility Assistance Program, funded by the Aloha United Way in partnership with Kaua'i United Way.

Maximum benefit amounts were increased for many assistance programs due to the acute need created by the pandemic. Roughly 157 residents directly impacted by COVID-19 have been helped so far. With the fate of enhanced unemployment benefits and moratoriums on evictions in limbo, Jason believes the demand for assistance will only grow in coming months.

Applications can be processed within two days and are accepted online via email for those uncomfortable coming to the office. Clients are qualified based on the requirements of the various funders.

"Income, assets, citizenship and Social Security verifications are all taken into consideration to determine eligibility," Jason says.

A family financial plan is developed with the client to help them become more self-sufficient.

A graduate of Waimea High School and the University of Oregon, Jason worked for KEO as its childcare program director in the early 1990s before moving to the mainland. He returned to Kaua'i six years ago and again joined the team at KEO.

"It's a great organization providing so many vital services," Jason says. "Working for KEO has been a rewarding experience in helping people and the community of Kaua'i."

For more information about KEO programs, contact Jason at 245-4077 or jhonjiyo@keoinc.org.

Hurricane Preparedness

By Janet Kass

Hurricane Douglas came a bit too close for comfort in July. But it did give me the opportunity for a full dress rehearsal for our hurricane preparation plans. For those of you who plan to ride out the storm at your house, here is a suggested list of preparatory actions. These preparations assume I will be out of electric and water service for at least four days.

Two to five days in advance

- ❖ Get gas for your car and lawn mower as soon as possible. If you wait until the hurricane is almost here, you will be stuck in a very long line at the gas station.

- ❖ Clean up the yard. Mow the grass. Cut down plants that may go flying—including excess coconuts, otherwise known as cannonballs during a hurricane—and take them to a green waste disposal facility. Move anything that can blow away into the garage. Harvest fruit that is sufficiently ripe.

One to two days in advance

- ❖ Charge your rechargeable batteries.

- ❖ Install window protection. We found this to be the most exhausting task, using ladders, hammers, nails and screws. If you don't own any external window coverings, you may want to put a piece of plywood or plastic tarp inside your house, along with the appropriate tools, so you can cover up a window that breaks during the storm.

- ❖ Prepare your freezer and refrigerator for an extended electrical outage, with the goal of saving as much food as possible and having some refrigerated food to eat in the first few days after the storm.

- ❖ Three days before the storm, make big chunks of ice in large empty plastic containers. Leave a fair amount of air at the top because the ice takes up 9% more space than water does. You will leave some of this ice in your freezer to extend the time your frozen food can survive without electricity. Some containers of ice will go in your cooler.

- ❖ As the storm approaches, finish any food in your refrigerator. Consume all of your ice cream; you don't want to clean up a messy glob of melted ice cream in your freezer.

- ❖ Choose the food in your refrigerator and freezer that you will put in your cooler after the hurricane. Put it on a separate shelf so you can move it into your cooler quickly.

- ❖ Empty the ice cubes. It isn't fun to try to remove an uncovered bucket or tray of water from the freezer, days later.

Shortly before you think your electricity may go out:

- ❖ Remove food that does not require constant refrigeration, such as vegetables, fruit, breads and nuts.

- ❖ Load your cooler with containers of ice and the food you selected earlier. Don't open your refrigerator or freezer after the electricity goes out, until you will empty it three to four days later.

- ❖ On the day of the storm—if it is expected to be a dangerous storm—stock your safe room with supplies, such as water, food, flashlights, pet supplies, bedding, ebooks, etc. 🌪

Be prepared and be safe!



KIUC documents delivery of rice to Kaua'i's two food banks ahead of its annual meeting via Zoom.

KIUC Annual Meeting

By Beth Tokioka

There was no chili and rice, but more than 150 Kaua'i Island Utility Cooperative members tuned in anyway for the utility's 18th annual membership meeting.

"We're so pleased with the number of people who connected with us via Zoom or watched on Hō'ike Community Television's government access channel," stated KIUC's Board Chair Allan Smith. "We prefer to connect with members face-to-face, but the most important thing is to report to our members on the state of their cooperative."

The meeting, held July 22, included a summary of KIUC's 2019 annual report, along with project updates and information on how KIUC is reacting to the challenges of COVID-19.

Since its first annual membership meeting in 2003, KIUC has gifted attendees with a 5-pound bag of rice. This year, the cooperative donated 750 pounds of rice to each of Kaua'i's two foodbanks. In addition, gift cards to local grocery stores were awarded to eight KIUC members in a random drawing.

"We know food insecurity is a major concern on our island, and this is one way we felt we could help, while still holding to the traditions of our annual gathering," Smith said.

KIUC's President and CEO David Bissell provided an informational presentation that included the following:

Renewable progress. KIUC led the state in renewable generation in 2019, with 56.6% of Kaua'i's electricity coming from renewable resources. With the deployment of the new AES solar-plus-battery facility at the Pacific Missile Range Facility later this year, and successful development of the hybrid solar/pumped storage hydro project on the west side over the next four years, KIUC may achieve 80% renewable generation well ahead of its own strategic goals and the State of Hawai'i renewable mandate.

Solar generation leads the way. KIUC's renewable mix consists of solar, biomass and hydro. Solar makes up nearly two-thirds of that mix, and rooftop systems contribute one-third of the solar piece.

KIUC's utility-scale solar facilities, replacing higher-cost diesel generation, saved members \$3.8 million in 2019. This amounts to roughly \$50 per average residential member throughout the year.

Renewable milestone. KIUC began running the grid on 100% renewables during midday in November 2019. Between January and June 2020, KIUC's grid has run 857 hours on 147 different days at 100% renewable. That amounts to 20% of the total hours and 80% of the total days during that period.

Strong 2019 financials. KIUC's members used 2.1% more energy in 2019 than in 2018, and revenues decreased by 4.8%. Use of fossil fuel was reduced by 20%. Due to successful fiscal management, KIUC's Board of Directors was able to retire \$1.24 million in patronage capital credits to members.

COVID-19 impact. Revenues are down 8% year-to-date through June, and KIUC is projecting a 10% decrease in sales for 2020. Measures taken to mitigate financial losses include reducing expenditures, restructuring debt, receiving a Paycheck Protection Program loan and filing for financial relief with the Hawai'i Public Utilities Commission.

Following the presentation, Bissell addressed numerous questions emailed by members prior to the meeting. Topics included an update on progress relative to KIUC's strategic plan, support for adoption of electric vehicles and charging infrastructure, curtailment, broadband opportunities and reimbursement rates to KIUC's "Schedule Q" customers.

To view a recording of the annual meeting, look for the link on KIUC's home page, www.kiuc.coop. 🌱

Save Our Shearwaters

Kaua'i Humane Society

SEPT. 15-DEC. 15



This time of year, seabirds leave their nests at night and they are guided by the light of the moon out to sea.

Unfortunately, light from urbanization on Kaua'i results in fallout. This is when birds are attracted to artificial lights by mistake and fall to the ground. Once grounded, these birds have difficulty taking flight on their own. This makes them susceptible to predators or being hit by vehicles.

Save Our Shearwaters is located within the Kaua'i Humane Society and rehabilitates all native Hawaiian birds and the Hawaiian Hoary Bat. If you find a grounded bird, please drop the bird off at the nearest aid station (listed below).



**CALL (808) 635-5117 OR GO TO
SAVEOURSHEARWATERS.ORG FOR ASSISTANCE**

AID STATION LOCATIONS

CENTRAL-EAST

KAIĀKEA FIRE STATION
KAPA'A FIRE STATION
LĪHU'E FIRE STATION
KAUAI HUMANE SOCIETY

NORTH

KĪLAUEA MEDICAL GROUP
HANALEI FIRE STATION
HANALEI LIQUOR STORE

SOUTH

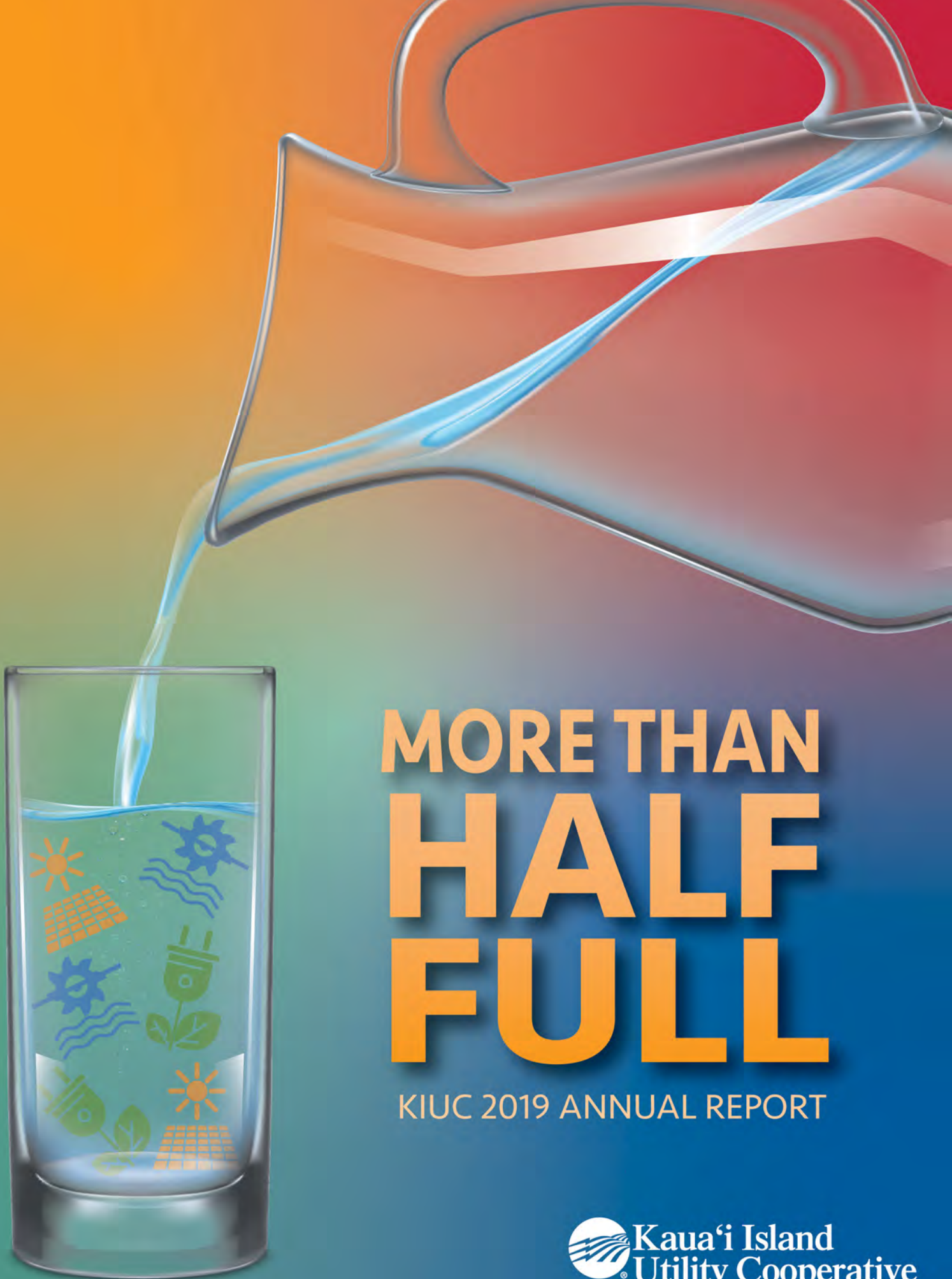
KŌLOA FIRE STATION

WEST

WAIMEA FIRE STATION
HANAPĒPĒ FIRE STATION
KALĀHEO FIRE STATION

  @SAVEOURSHEARWATERS





MORE THAN HALF FULL

KIUC 2019 ANNUAL REPORT

Overflowing with Gratitude



KIUC hit a significant milestone in 2019 by reaching 56% renewable production: marking the first time we've topped 50% and leading the state in this important metric. Our glass is officially more than half full!

The transformation from being more than 90% dependent on fossil fuel a decade ago to operating one of the most advanced and cleanest grids in the nation didn't happen by accident. Bold strategic planning by the Board of Directors beginning in 2008 continues to define a roadmap that has us on a path to reach 70% renewable as early as 2023.

2019 was a busy year indeed. Our partnership with AES Distributed Energy bore fruit with the completion of the AES Lāwa'i solar plus storage facility, the largest of its type in the world, while construction commenced on a second AES project at the Pacific Missile Range Facility mid-year.

Members' energy use increased by 2.1% last year, however, KIUC used 20% less fossil fuels to meet that need. Perhaps most meaningful for our members, residential rates were lower last year than in 2018, partly due to cost savings from large solar facilities.

We present this Annual Report with gratitude to our membership for your participation, feedback and support over the past 18 years. KIUC belongs to you and is a reflection of the amazing community in which we live. We hope you are as proud of your efforts as are your KIUC Board of Directors and staff.

Mahalo nui loa,

Allan A. Smith
Chairman

David J. Bissell
President and Chief Executive Officer

KIUC At a Glance

Generation Capacity

235.9 megawatts (MW)

117 MW

Oil-fired
Generation
Capacity

118.9 MW

Renewable
Generation
Capacity

460,709

Megawatt
Hours Sold
in 2019

Miles of Line

171 miles transmission
1,342 miles distribution

38,059

Number of Meters

77%

Residential

\$154.9

million

Total Revenue 2019

79.6 MW

2019 Peak Demand

Empowering our Members

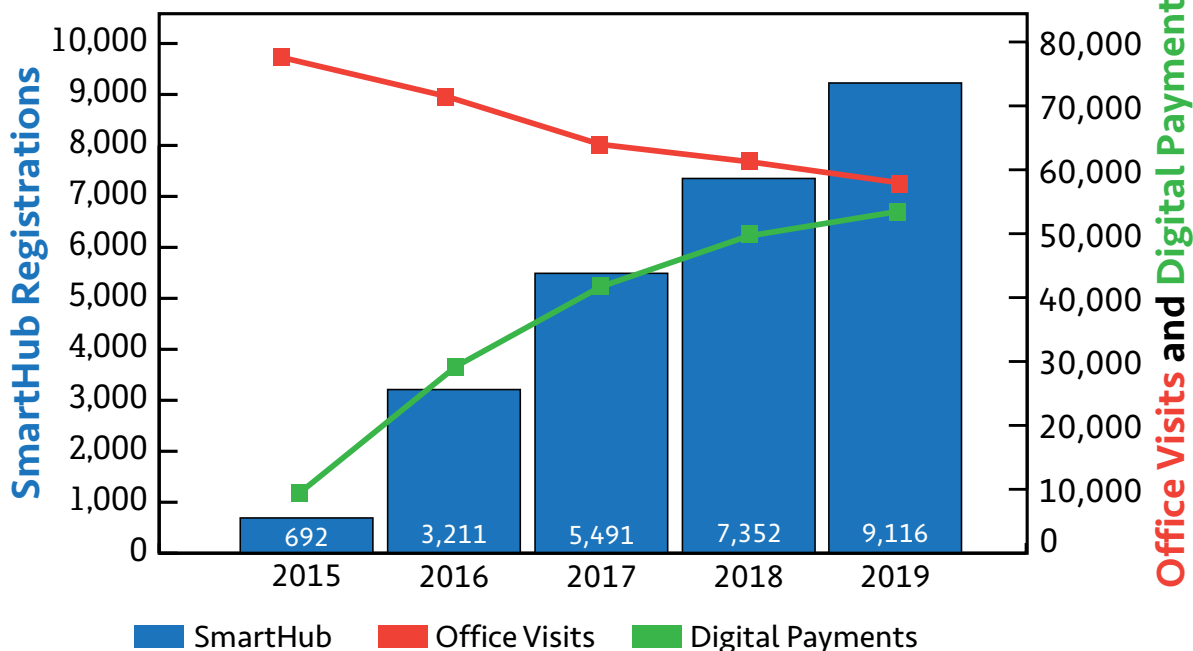


As a not-for-profit cooperative, we are owned by the members we serve. KIUC leadership and staff work hard throughout the year to provide a variety of tools and programs that allow you to better communicate with us, as well as manage your account and your energy use.

We encourage you to explore the options available with our Member Services and Energy Services staff. Members serving members is what makes our cooperative special.

*Sincerely,
Maile Alfiler, Member Services Manager*

SmartHub Registrations



SmartHub is a great tool offered by KIUC to track and manage your energy use, monitor bill payments and report outages.

The number of KIUC members registered for SmartHub has increased more than tenfold over the past five years. In 2019, registrations increased

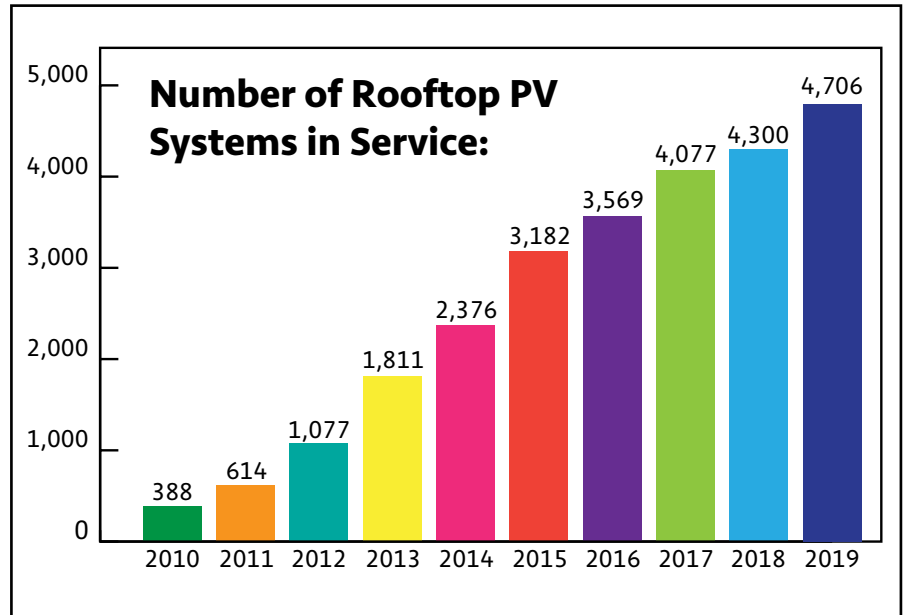
by 24%. The trend of recent years continues with an increase in the number of online payments and a decrease in visits to KIUC offices.

We place a priority on making your interactions with KIUC as convenient, pleasant and efficient as possible.

Number of Rooftop Photovoltaic Systems Installed



32.2 MW in 2019
12% of Sales in 2019
16.85% Residential Rooftops
7.76% Commercial Rooftops



Energy Services

The KIUC Energy Services team provides members with tools for managing their energy use. Services offered include: home and business energy audits, lighting retrofits, information on appliance rebate programs and much more. For businesses, KIUC offers a Commercial Retrofit Program with incentives for adopting cost-effective energy-saving technologies. Small commercial accounts can qualify for FREE LED bulbs, and construction rebates are available.

Residential member assists (includes rebates, loans, LED lighting and home visits)

Year	Number of Assists
2019	~11,000
2018	~6,500

KIUC's Energy Wise Guys Kyle Cremer and Makani Taniguchi can help you manage your energy use.

Staying Connected



Keeping members informed and finding new ways to make an impact in our community is a high priority for us at KIUC. We've increased our use of social media, created a web-based outage map, and provided important updates to members via news releases and emails to keep our members powered with information.

One of the Seven Cooperative Principles is "Concern for Community." KIUC offers support for schools, nonprofit organizations and charitable causes throughout the year in a variety of ways.

We will continue to find new ways to stay connected to our members and encourage you to let us know how we can better support the needs of our community.

Warmest regards,

Beth Tokioka, Communications Manager

KIUC Charitable Foundation

The KIUC Charitable Foundation is a nonprofit organization, separate from KIUC, that started in 2002. The Foundation raises money and grants funds to worthy causes throughout the island. A volunteer committee of members oversees the application review process. Decisions are made by this committee based on funds available and the community impact of requests made.

◆ **Funds granted in 2019: \$20,000**

◆ **Organizations receiving grants in 2019:**

- ✧ Kaua'i Economic Opportunity
- ✧ Leadership Kaua'i
- ✧ Kumu's Cupboard
- ✧ Kaua'i Academy of Creative Arts
- ✧ Kaulana Kīlauea
- ✧ Friends of the Children's Justice Center
- ✧ University of Hawai'i Foundation, Kaua'i Community College Scholarship



Makana Program

The Makana program was established in 2019 and is the gift of giving to organizations in our community. The concept is easy. Participating members agree to have their electric bill rounded up to the next highest dollar, and that money is collected for the program. The rounded amount is shown on your monthly electric statement. For less than a \$1 a month, members can make a difference.

Funds raised through the program will be administered by the KIUC Charitable Foundation.

◆ **Number of members signed up for Makana in 2019: 55**

◆ **Amount donated to Makana: \$72.39**

To sign up for Makana, visit the KIUC website under the "Community" tab

Community Support

KIUC has a number of programs through which community groups can seek funding. The "Sharing of Aloha" program invites applications from groups who seek to improve the quality of life for people of all walks of life on Kaua'i. The cooperative also provides sponsorships for events such as American Cancer Society's "Relay for Life," Kaua'i Hospice's "Concert in the Sky," Waimea Town Celebration, Kōloa Plantation Days and the Kaua'i Lifeguard Association.

Total contribution to community support in 2019: \$71,294

WARRIORS ATHLETIC CLUB CHIEFESS KAMAKAHELEI MIDDLE SCHOOL **KUKUI GROVE CENTER INVESTMENT**
RETRO FARMS **KALĀHEO SCHOOL PTSA** **WEST KAUA'I BUSINESS & PROFESSIONAL ASSOCIATION**
KAUA'I PERFORMING ARTS CENTER **WAIMEA CANYON MIDDLE SCHOOL** **WESTSIDE ROYALTY BASKETBALL**
KŌLOA POP WARNER ORGANIZATION **THE STORYBOOK THEATRE OF HAWA'I**
NFB HAWA'I KAUA'I CHAPTER **THE NATIONAL ASSOCIATION OF STATE**
ST THERESA SCHOOL **HĀ LOALAUNUIĀKEA EARLY LEARNING CENTER**
KAUA'I POP WARNER FOOTBALL LEAGUE **KAPA'A HIGH SCHOOL-PROJECT GRAD**
FRIENDSHIP CLUB **KAUA'I FUTSAL**
HAWA'I TECHNOLOGY ACADEMY
YWCA OF KAUA'I **AHA HUI E KALA**
ROOM TO GROW PRESCHOOL **KAUA'I LIFEGUARD ASSOCIATION**



MOKIHANA CLUB OF KAUA'I
KAPA'A WARRIORS ATHLETIC CLUB
MALAMA PONO HEALTH SERVICES
KAUA'I HIGH SCHOOL ATHLETICS
CYBERHAWAII **KAUA'I RODEO CLUB**
ROTARY CLUB OF POIPU BEACH
IWIKUA **KAUA'I UNITED WAY**
KAUA'I HIGH SCHOOL PROJECT GRAD
KEKAHA SCHOOL **ISLAND SCHOOL**
THE BRIDGE-KAUA'I TO COLLEGE
FRIENDS OF THE KAPA'A PUBLIC LIBRARY **KŌLOA PLANTATION DAYS INC** **WAIMEA HIGH SCHOOL**
'ELE'ELE SCHOOL **KAUA'I PHILIPPINE CULTURAL CENTER** **KAPA'A MIDDLE SCHOOL CHOIR BOOSTER'S CLUB**
ALL SAINTS EPISCOPAL CHURCH **KAUA'I CHAMBER OF COMMERCE**
KAUA'I ASSOCIATION FOR MUSIC FOUNDATION **LEADERSHIP KAUA'I**
KAUA'I FILIPINO COMMUNITY
KAUA'I VETERANS CENTER
WAIMEA PROJECT GRADUATION
ST CATHERINE SCHOOL
E OLA MAU NA LEO O KEKAHA
'ELE'ELE BAPTIST CHURCH **WAIMEA SOFTBALL BOOSTER CLUB**
HAWA'I FOODBANK INC **KAUA'I FILIPINO CHAMBER OF COMMERCE**



KAUA'I HIGH SCHOOL AMERICAN RED CROSS
BIG BROTHERS BIG SISTERS OF KAUA'I
KAUA'I HOSPICE **CHILD & FAMILY SERVICES**
'ELE'ELE SCHOOL PTSA **NA LEI WILI AHEC**
DEPT OF EDUCATION - KAUA'I DISTRICT
ALAKA'I O KAUA'I **KAUA'I MARKERSPACE**



Watching the Pocketbook

Our cooperative has been in existence for 18 years, and reaching the current level of financial stability is one of our greatest achievements. Each year, our goal is to minimize expenses and budget appropriately so that our financial needs are met. We have made tremendous strides in building our equity and managing debt service levels over the years, and our positive financial results speak to that success.

As a not-for-profit entity, any excess earnings at the end of the year are returned to our member-owners via patronage capital: either by a credit to your individual equity account, or in the form of a check or bill credit when our board of directors chooses to “retire” patronage capital. This is one of the greatest benefits of being a cooperative: The bulk of our financial assets remains here on the island in our members’ equity accounts.

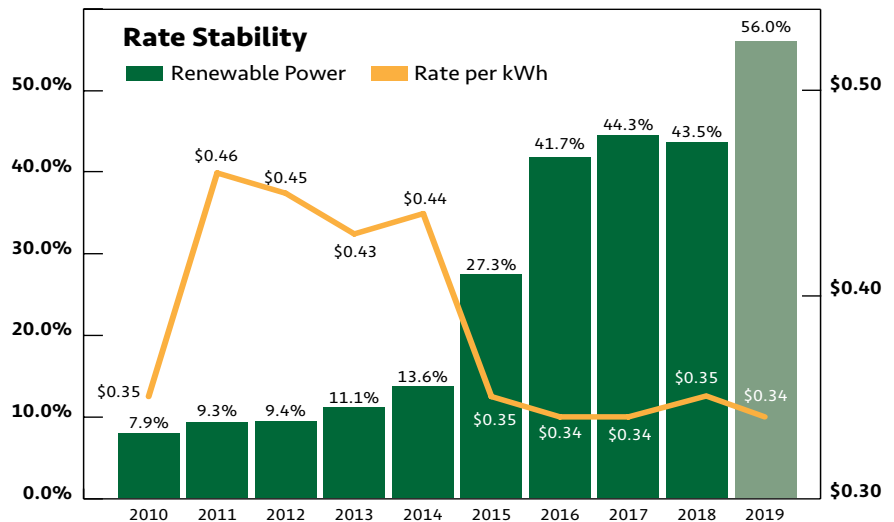
A strong cooperative contributes to a strong community. We are delighted to serve our members and support our island home.



Aloha,
 Karissa Jonas
 Chief Financial Officer
 Lisa Ubay
 Human Resources
 Manager
 Rick Eckert
 Financial Planning and
 Strategy Manager

Stabilizing Rates

Volatility in the crude oil market has historically caused significant fluctuations in KIUC’s rate per kWh. Since 2015, rates have stabilized, and decreased by 7% in 2019 versus 2018. The stabilization is due in part to the increasing percentage of the cooperative’s power being supplied by lower-cost renewables with favorable long-term pricing.



The Solar Bonus

KIUC’s large-scale solar facilities aren’t just good for the environment; they also benefit the bottom line. In 2019, power generated by utility-scale solar and solar+storage facilities that displaced fossil fuel saved KIUC members **\$3.8 million**. That’s roughly **\$50** over the course of the year for the average residential member.



Patronage Capital Retirements

Patronage capital credits come from the money a cooperative has left over, called margins, after paying all of its expenses in a given year. At the end of the year, the margins are allocated and credited to each member's patronage capital account according to the amount paid for energy used. When KIUC's finances permit, that money is returned to members in the form of patronage capital retirements.

\$1.24 million

Amount retired to members based on 2019 financial results

\$33 million

Total amount of patronage capital retirements through 2019

How Your Dollar Is Spent

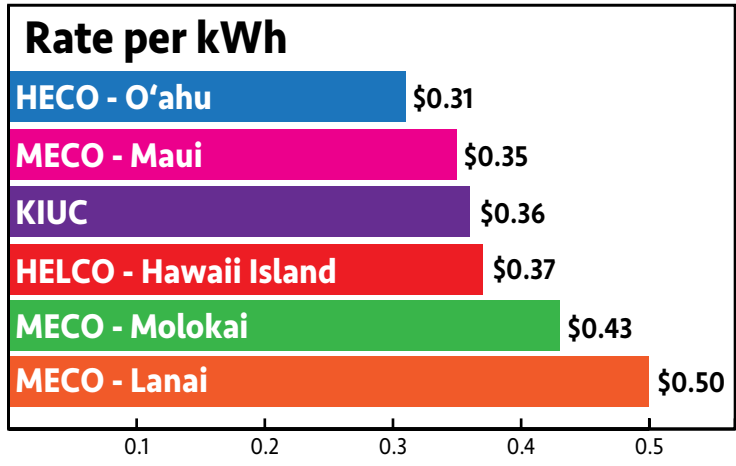


Purchase of Fossil Fuel	\$0.22
Purchase of Renewables	\$0.23
Operations	\$0.26
Debt Service	\$0.16
Taxes	\$0.08
Your Margin	\$0.05
TOTAL	\$1.00

Equity

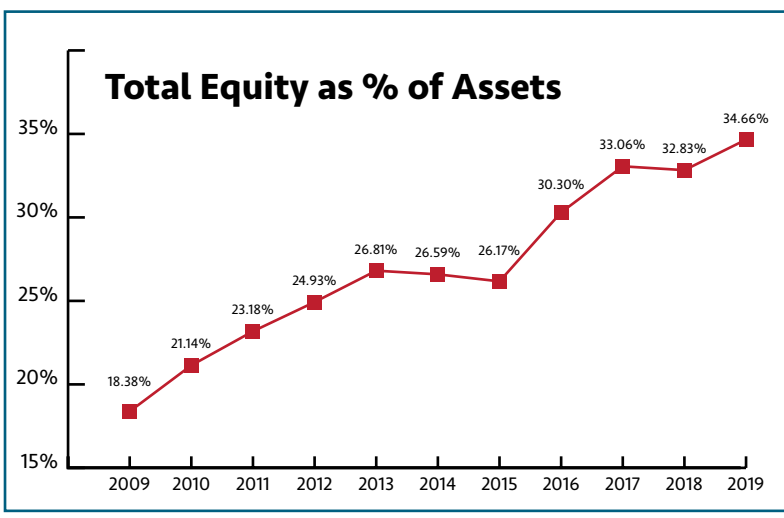
Equity is the portion of the utility that KIUC members own outright and free of debt. When KIUC purchased Kaua'i Electric 17 years ago, the cooperative was 100% debt financed with zero equity.

Today, our equity ratio is more than 34%, and has nearly doubled over the past 10 years.



Source: Hawai'i Public Utilities Commission FY19 Annual Report

Note: O'ahu's customer base is eight times greater than Kaua'i, and HECO uses low-cost coal as a fuel source.



Keeping You Powered

At the core of KIUC's mission is to provide safe, reliable power to our members. Our operations, power generation and transmission & distribution teams work around the clock to ensure you have electricity when you need it. When outages occur, we stand ready to respond and take pride in restoring you as quickly as possible.

KIUC's grid includes a wide variety of power inputs: from conventional generators to solar, biomass and hydro-powered renewable facilities. Each has its own unique characteristics, strengths and vulnerabilities. Keeping these moving parts working in sync while seamlessly delivering power to our members is not an easy task.

Our staff has risen to the challenge: Facility improvements, information technology enhancements and focus on cybersecurity help us significantly improve our ability to provide you with uninterrupted power 24 hours a day. It's a continual process that is embraced by each of our dedicated team members to save money for our member-owners.



Mahalo,

Carey Koide
Executive Manager,
Safety and Technical
Services

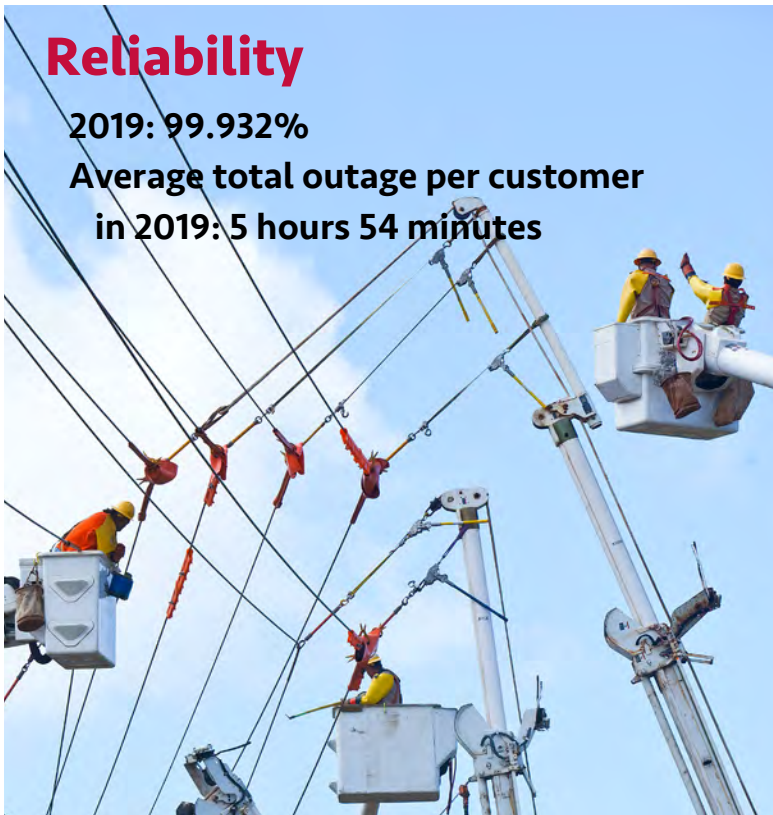
Cameron Kruse
Engineering Manager

John Cox
Transmission and
Distribution Manager

Reliability

2019: 99.932%

Average total outage per customer
in 2019: 5 hours 54 minutes



Tree Trimming

Since 2010, KIUC has spent

\$14 million
on tree-trimming

25%
of tree-trimming budget
spent on transmission line clearing

75%
of tree-trimming budget
spent on distribution line clearing

Synchronous Condenser

As KIUC transitions to a 100% renewable-powered grid, our engineers are always looking for beneficial and innovative uses for our conventional generation facilities. In 2019, KIUC's largest diesel generator, located at the Kapaia Power Station, was upgraded to run as a synchronous condenser. That means the engine can run and provide inertia, fault current, voltage support and frequency stabilization to the grid without using a drop of fossil fuel. This is especially important given the intermittent nature of solar and hydro power sources. If the Kapaia generator is needed for power, the turbine can be restarted within five minutes. This collaborative effort was the first of its kind for equipment manufacturer General Electric, which will likely replicate the adaptation around the globe.



Aepo Substation

When KIUC entered into an agreement with AES Distributed Energy to build the world's largest solar-plus-storage facility in Lāwa'i, system improvements were necessary to deliver power generated by the facility to the grid. The interconnection challenge was solved by co-locating a new substation on the project site. While Aepo Substation interconnects the AES project directly to the 57.1kV bulk transmission grid, it also functions as a backup to all Kōloa Substation loads via four additional 12.47kV distribution feeders. Southside loads of Kōloa, Po'ipū, and Lāwa'i may now be served from either Aepo or Kōloa Substations. "The interconnections at Aepo Substation simultaneously improve grid stability and system reliability," says John Cox, Transmission and Distribution Manager.

Leading the Way



The strategic direction forged by our board of directors beginning in 2008 has launched us to more than 50% renewable today, meeting those initial goals four years ahead of schedule. KIUC is recognized nationally and internationally as an innovative trailblazer in renewable technology.

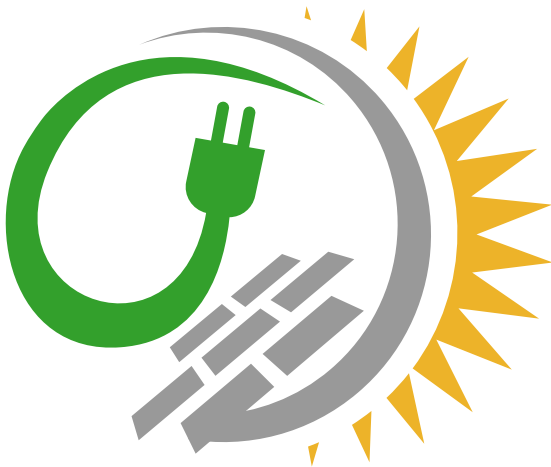
For the first time in 2019, KIUC led the state in the use of renewable energy. Completion of the AES Lāwa'i solar storage facility and expansion of Gay and Robinson's hydroelectric facilities were key in pushing KIUC beyond the 50% mark.

Moving closer to our strategic goal of 70% renewable by 2030 and the State of Hawai'i mandate of 100% renewable by 2045 is good for our members and for the environment. We can all take pride in the fact that the strides we're making are paving the way for other utilities around the globe.

Aloha,

Brad Rockwell, Executive Manager, Operations

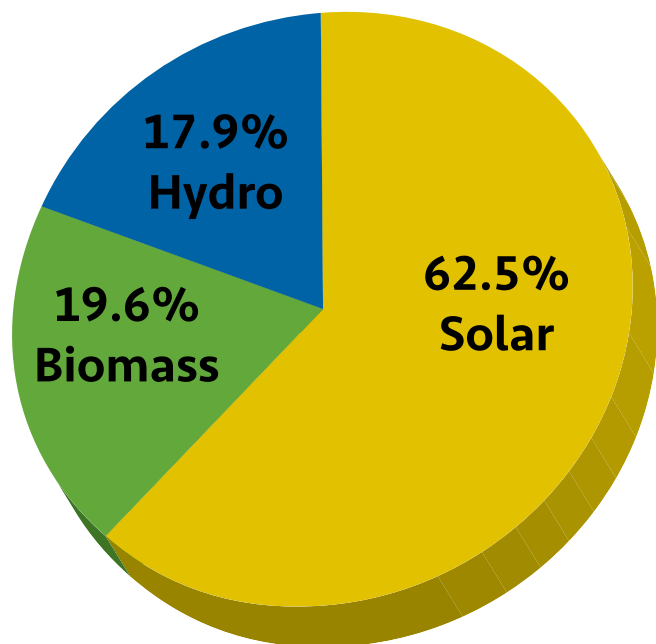
Renewable Portfolio



12.7 million
Gallons of Diesel Avoided

100%
Highest Achieved
Renewable Generation

Renewables by Type*



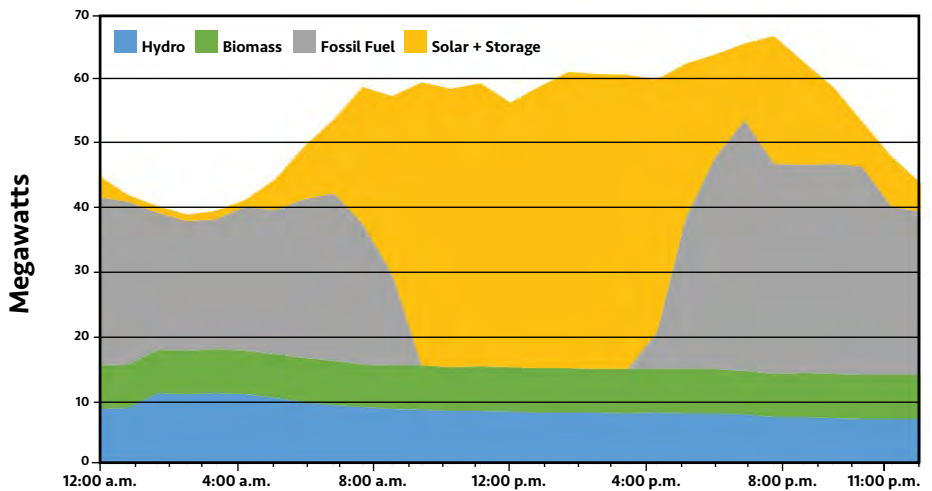
**Based on percentage of sales*

Achieving 100%

For most of 2018 and 2019, KIUC was achieved 90% or more renewable generation during the midday on sunny days. In November 2019, KIUC took steps to fully deploy renewable capabilities. Between November 22 and December 10, 2019, KIUC ran on 100% renewable power for a cumulative total of 32 hours. This is now a routine occurrence.

Utility-scale battery storage systems at both the Tesla and AES Distributed Energy facilities, along with the ability to run the Kapaia generator in synchronous condenser mode, are major contributing factors in this transition to running a 100% renewable grid on Kaua'i.

This chart shows energy dispatch by type of fuel on December 7, 2019. For nearly five hours between 10 a.m. to 3 p.m., Kaua'i was powered entirely by solar, biomass and hydro resources.



Accolades



Highest percentage of per customer battery storage in the nation

Second to Southern California Edison in total megawatts of storage capacity

Eighth in nation for solar watts-per-customer installed



Edison Electric INSTITUTE Edison Award

AES Lāwa'i project



ESIG Innovation Award

2019 Board of Directors

Executive Board



Allan A. Smith
Chairman



Jan TenBruggencate
Vice Chair



Peter Yukimura
Treasurer



Cal Murashige
Secretary

Board of Directors



Dee Crowell



David Iha



Janet Kass



Jim Mayfield



Phil Tacbian

2019 Executive Board

Chairman: Allan A. Smith

Vice Chairman: Jan TenBruggencate

Treasurer: Peter Yukimura

1st Assistant Treasurer: Jim Mayfield

2nd Assistant Treasurer: Janet Kass

Secretary: Cal Murashige

1st Assistant Secretary: Phil Tacbian

2nd Assistant Secretary: Dee Crowell

3rd Assistant Secretary: David Iha

**88 years
and 9 months**

*Total years of collective experience on
KIUC board.*

2019 Board Committees

Executive

Chairman: Jan TenBruggencate

Members: David Bissell, Cal Murashige,
Allan A. Smith, Peter Yukimura

Finance & Audit

Chairman: Peter Yukimura

Members: Janet Kass, Karissa Jonas, Jim
Mayfield, Cal Murashige, Allan A. Smith

International

Chairman: David Iha

Members: Dee Crowell, Allan A. Smith,
Phil Tacbian, Peter Yukimura

Member Relations

Chairman: Dee Crowell

Members: David Bissell, Cal Murashige,
Allan A. Smith, Phil Tacbian (or designees)

Government Relations/Legislative Affairs

Chairman: Phil Tacbian

Members: David Bissell, David Iha, Jan
TenBruggencate, Peter Yukimura
(and designees)

Policy

Chairman: Janet Kass

Members: Dee Crowell, Laurel Loo,
Cal Murashige, Phil Tacbian, Jan
TenBruggencate

Strategic Planning

Chairman: Jim Mayfield

Members: David Bissell, Dee Crowell,
David Iha, Janet Kass, Allan A. Smith (or
designees)

Summary of Operations

For the period 01/01/2019 through 12/31/2019

KIUC achieved favorable financial results in 2019. There was a 2.1% increase in electricity usage, while revenues decreased 4.8% from the prior year. This was primarily due to lower fossil fuel prices and favorable purchase power pricing from the AES Lāwa'i solar plus storage facility.

In 2019, KIUC shifted approximately 54,715 MWh of generation from fossil fuel to renewable energy as compared to the prior year, leading the state with more than 56% renewable production. KIUC continues to pursue more renewable energy with the AES PMRF dispatchable solar project, which will come online in late 2020.

KIUC is working hard to reduce costs, operate efficiently and effectively, and preserve a strong financial position, while maintaining safety and reliability. Revenues, expenses, and net margins totaled \$154.9 million, \$147.7 million, and \$7.2 million, respectively, for the 12-month period.

Power generation costs are KIUC's largest expense, totaling \$85.0 million or 54.9% of revenues. Commodities, which are fuel and purchased power costs, are the largest component of power generation totaling \$68.8 million. Currently, fossil fuel is the largest component of commodities, followed by biomass, solar and hydropower. The remaining \$16.2 million represents the cost of operating and maintaining the generating units.

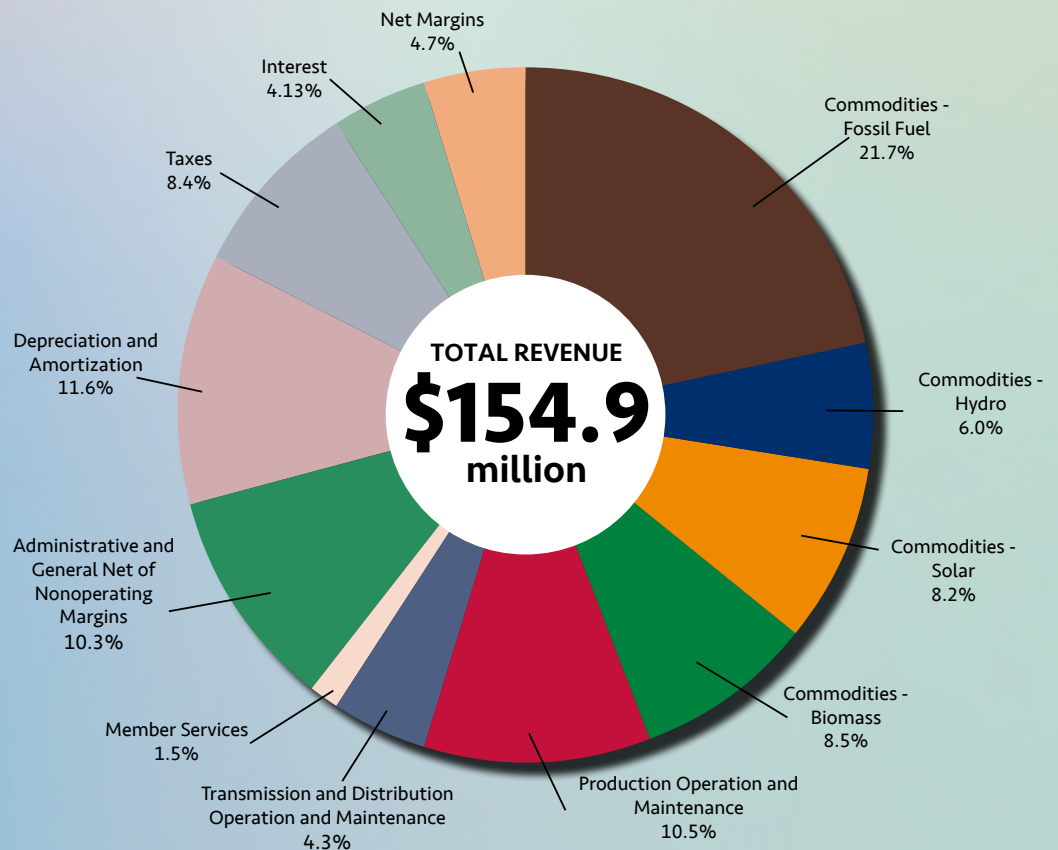
Expenses related to operating and maintaining the electric lines totaled \$6.7 million, while the cost of servicing our members totaled \$2.3 million. Administrative and general costs, which include legislative and regulatory expenses, engineering, executive, human resources, communications, safety and facilities, information services, financial and corporate services, and board of director expenses, totaled \$18.6 million.

The utility business is extremely capital intensive. KIUC's depreciation and amortization of the utility plant

totaled \$17.9 million in 2019. Although not subject to federal income taxes, state and local taxes amounted to \$13.1 million last year. Interest on long-term debt, at a very favorable sub-5% interest rate, totaled \$6.7 million. Nonoperating net margins added \$2.6 million to overall net margins. Revenues less total expenses equal margins of \$7.2 million or 4.7% of total revenue. Margins are allocated to consumer members and paid when appropriate.

Direct and non-direct financial benefits of our cooperative structure to KIUC members is significant. Since 2002, KIUC has returned \$40.4 million to members in the form of patronage capital retirements and billing credits. In 2020, KIUC will return an additional \$1.2 million in patronal capital retirements. KIUC also contributed \$71,294 to local nonprofits and community organizations in 2019.

Indirect financial benefits of \$120.7 million to KIUC members, include patronage capital that is held by KIUC on behalf of its members to meet lender covenants, for investment in the utility's infrastructure and in renewable energy. Some may potentially be distributed at future dates as determined by the KIUC board.



Balance Sheet

December 31, 2019 and 2018

	December 31	
	2019	2018
Assets		
UTILITY PLANT AT COST		
Electric Plant in Service	\$ 564,460,743	\$ 547,695,291
Electric Plant Acquisition Cost	54,852,453	54,852,453
Accumulated Depreciation and Amortization	(320,418,964)	(306,950,384)
Net Electric Plant in Service	298,894,232	295,597,360
Construction Work in Progress	11,514,072	15,598,523
Net Utility Plant	310,408,304	311,195,883
OTHER INVESTMENTS		
Investments in Associated Organizations	1,685,096	1,515,565
Rural Economic Development Loans	533,624	832,479
Total Other Investments	2,218,720	2,348,044
CURRENT ASSETS		
Cash & Cash Equivalents	14,965,696	17,821,710
Restricted Cash & Cash Equivalents	1,420,871	2,623,304
Other Investments	-	5,000,000
Accounts and Notes Receivable (Less allowance for doubtful accounts of \$90,000 in 2019 and \$225,000 in 2018)	10,731,858	10,804,057
Accrued Unbilled Revenue	8,186,977	8,620,834
Inventories	15,175,032	15,051,310
Other Current Assets	2,033,572	1,643,155
Total Current Assets	52,514,006	61,564,370
DEFERRED DEBITS		
Total Assets	\$ 382,909,555	\$ 389,082,596
Equities and Liabilities		
EQUITIES		
Memberships	\$ 550	\$ 533
Patronage Capital	120,656,689	116,290,932
Other Equity	887,665	766,937
Post-Retirement Benefit Obligation Gain (Loss)	(1,274,950)	(1,399,334)
Controlling Equity Interest	120,269,954	115,659,068
Capital Account - A&B KRS II LLC	18,229,782	19,304,898
Non-Controlling Equity Interest	18,229,782	19,304,898
Total Equities	138,499,736	134,963,966
LONG-TERM DEBT, Less Current Maturities	191,547,700	204,211,945
POSTRETIREMENT BENEFITS OBLIGATION	341,773	452,257
ASSET RETIREMENT OBLIGATIONS	2,638,910	2,542,345
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	16,638,186	15,710,813
Line of Credit	-	-
Accounts Payable	9,979,444	6,098,780
Energy Rate Adjustment Clause	239,490	756,880
Consumer Deposits	1,413,870	1,898,031
Accrued Employee Compensation	2,297,599	2,068,306
Accrued Taxes	7,192,948	7,832,897
Other Current and Accrued Liabilities	803,328	566,234
Total Current Liabilities	38,564,865	34,931,941
DEFERRED CREDITS		
Total Liabilities and Equities	\$ 382,909,555	\$ 389,082,596

Statement of Income and Patronage Capital

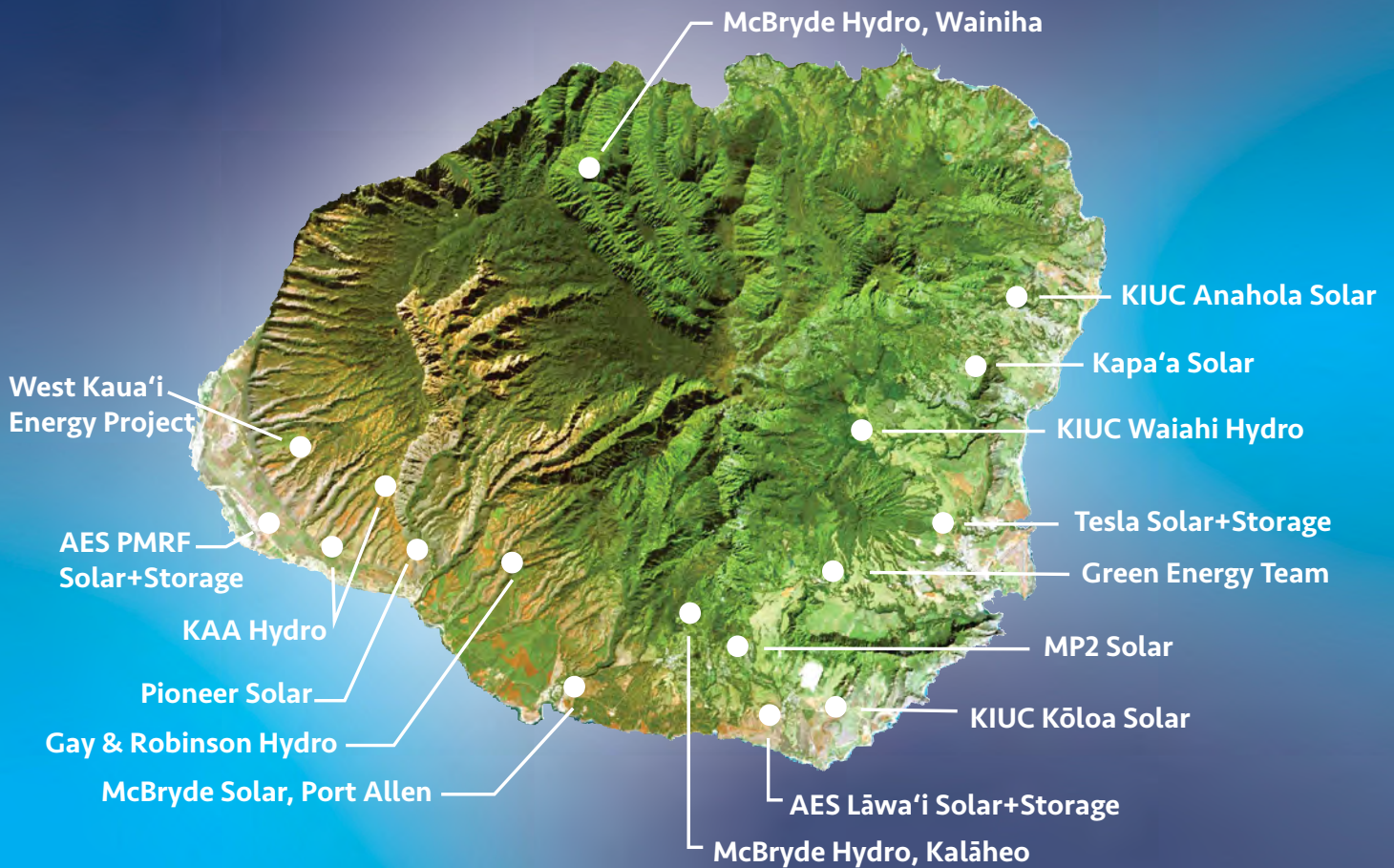
For the years ended December 31, 2019 and 2018

	Year Ended December 31	
	2019	2018
OPERATING REVENUES		
Residential	\$ 63,200,462	\$ 65,170,080
Irrigation	95,379	361,634
Commercial and Industrial	90,488,809	95,941,559
Public Street and Highway Lighting	681,986	719,376
Other Operating Revenues	450,840	466,989
Total Operating Revenues	154,917,476	162,659,638
OPERATING EXPENSES		
Power Cost	85,048,216	90,182,164
Transmission - Operation	467,105	414,004
Transmission - Maintenance	662,743	572,903
Distribution - Operation	1,412,194	1,208,431
Distribution - Maintenance	4,173,054	3,733,766
Customer Accounts	2,006,102	1,976,634
Customer Service and Information	288,952	347,423
Administrative and General	18,577,720	17,857,110
Depreciation and Amortization	17,913,329	19,343,605
Taxes	13,096,209	13,780,073
Accretion Expense	96,565	92,136
Other Interest Expense	-	114,013
Total Operating Expenses	143,742,189	149,622,262
OPERATING MARGINS - Before Interest	11,175,287	13,037,376
INTEREST ON LONG-TERM DEBT	6,668,594	6,602,071
OPERATING MARGINS	4,506,693	6,435,305
NONOPERATING MARGINS		
Interest Income	1,061,091	986,367
Capital Credits	314,351	349,740
Other Nonoperating Income (Expense)	648,778	154,552
Total Nonoperating Margins	2,024,220	1,490,659
EXTRAORDINARY INCOME	262	94,892
NET MARGINS	6,531,175	8,020,856
Net Loss (Margins) Attributable to Non-controlling Interest	694,531	411,672
NET MARGINS - COOPERATIVE	\$ 7,225,706	\$ 8,432,528
PATRONAGE CAPITAL - BEGINNING OF YEAR	\$ 116,290,932	\$ 111,417,571
Allocation of Net Margins	7,225,706	8,432,528
Patronage Capital Retired	(2,859,949)	(3,559,167)
PATRONAGE CAPITAL - END OF YEAR	\$ 120,656,689	\$ 116,290,932

Statement of Cash Flows

For the years ended December 31, 2019 and 2018

	December 31	
	2019	2018
OPERATING ACTIVITIES		
Net Margins	\$ 7,225,706	\$ 8,432,528
Adjustments to Reconcile Net Margins to Net Cash from		
Operating Activities		
Depreciation and Amortization	18,382,189	19,813,713
Accretion of Asset Retirement Obligation	96,565	92,136
Interest Earned on Cushion of Credit	(773,599)	(736,098)
Capital Credit Allocations	(314,351)	(349,740)
Net Margins Attributable to Non-controlling Equity Interest	(694,531)	(411,672)
Change in Assets and Liabilities:		
Accounts Receivable and Unbilled Revenue	506,056	(1,623,386)
Energy Rate Adjustment Clause	(517,390)	752,292
Inventories and Other Current Assets	(514,139)	(959,997)
Deferred Debits	(3,794,226)	(2,174,441)
Post Retirement Benefit Obligation	13,900	(28,177)
Payables and Accrued Expenses	355,828	2,242,763
Deferred Credits	(663,571)	186,205
Net Cash from Operating Activities	<u>19,308,437</u>	<u>25,236,126</u>
INVESTING ACTIVITIES		
Additions to Utility Plant, net	(14,727,497)	(19,535,086)
Rural Economic Development Loans	298,855	127,947
Other Investments	5,144,820	(4,829,494)
Net Cash used for Investing Activities	<u>(9,283,822)</u>	<u>(24,236,633)</u>
FINANCING ACTIVITIES		
Borrowings from Long-Term Debt	4,776,000	27,899,000
Principal Payments on Long-Term Debt	(15,739,273)	(15,191,794)
Net Activity on Line of Credit	-	(3,000,000)
Distribution to Non-controlling Equity Interest	(380,585)	(683,617)
Memberships	17	18
Other Equities	120,728	119,964
Retirement of Patronage Capital	(2,859,949)	(3,559,167)
Net Cash from (used for) Financing Activities	<u>(14,083,062)</u>	<u>5,584,404</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(4,058,447)	6,583,897
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>20,445,014</u>	<u>13,861,117</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ <u>16,386,567</u>	\$ <u>20,445,014</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Interest	<u>6,668,594</u>	<u>6,716,084</u>
Income Taxes	<u>12,826</u>	<u>6,015</u>
Noncash Investing Activities:		
Liabilities Incurred for Utility Plant Additions	<u>2,867,113</u>	<u>438,116</u>



	Type	MW	% of Sales
Active In Use			
KIUC, Kōloa	Solar	12.0	3.7
KIUC, Anahola	Solar	12.0	3.8
Green Energy Team	Biomass	6.7	10.6
McBryde, Port Allen	Solar	6.0	2.3
McBryde, Wainiha/Kalaheo	Hydro	6.0	3.9
KIUC, Waiahi	Hydro	1.5	0.8
Gay & Robinson, Olokele	Hydro	7.3	6.2
KAA, Waimea/Kekaha	Hydro	1.5	0.3
Pioneer, Waimea	Solar	0.3	0.1
Kapa'a Solar	Solar	1.0	0.4
Tesla Solar+Storage	Solar	13.0	4.6
AES Lāwa'i Solar+Storage	Solar	20.0	7.7
MP2, 'Ōma'ō	Solar	0.3	0.1
Customer Solar	Solar	32.2	12.0
Under Construction/Permitting			
AES PMRF Solar+Storage	Solar	14.0	7.8
Under Development			
West Kaua'i Energy Project	Hydro	24.0	23.2

Total Renewable Energy in Service 2019
119.8 MW/56.5%

Potential Renewable Energy in Service 2025
157.8 MW/87.5%

Vision, Mission and Culture

Vision — Improve the quality of life for KIUC's members and Kaua'i

Mission — Be an energy solutions leader by:

- ☉ Safely providing reliable power that is fairly and competitively priced
- ☉ Encourage conservation and efficient use of energy resources
- ☉ Increasing sustainable power supply and environmental stewardship

Culture — The culture is shaped by several elements, all critical to KIUC's success. KIUC embraces the Seven Cooperative Principles and a Hawaiian-based values system, derived from an employee-adopted set of shared values called Ho'oka'ana Waiwai.

7 Cooperative Principles

Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership.

Members' Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership.

Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

Education, Training and Information

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.

Cooperation Among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

Concern for Community

While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.



4463 Pahe'e Street, Suite 1, Līhu'e, HI 96766-2000
808.246.4300 • www.kiuc.coop



Printed on Kaua'i
using recycled paper.

Hawai'i Votes by Mail

Five Things to Know About Voting by Mail

By: Office of Elections

As the 2020 General Election approaches, there are a few things voters should know about casting their ballot by mail for the November 3 election.

- 1) There will be no traditional polling places established. Do not go to your polling place on Election Day. As a registered voter, you will automatically receive your ballot in the mail.
- 2) Verify your voter registration record. To ensure you receive your ballot in the mail, check your voter registration status online at elections.hawaii.gov by logging in with your Hawai'i driver's license or Hawai'i State ID, or by calling your County Elections Division. By law, ballots cannot be forwarded through the mail, so if you have moved or changed your mailing address or name, you must update your voter registration. This can also be done online or by submitting a paper voter registration application.

- 3) Voting your ballot. Be on the lookout for your ballot starting October 16 for the General Election. Your ballot packet will include a personalized postage-paid return envelope, ballot secrecy sleeve, and ballot. Read the instructions, mark your ballot with a blue or black pen, seal it in your return envelope, and sign the envelope. Your voted ballot must be received by 7 p.m. on Election Day.
- 4) Returning your ballot. You can return your ballot by mail or drop it off at a place of deposit. All voted ballots must be received by 7 p.m. on Election Day, November 3. For a list of places of deposit for the County of Kauai, visit elections.hawaii.gov.
- 5) Track your ballot. You may check the status of your ballot, whether it has been created, received and validated by visiting ballotstatus.hawaii.gov or by calling your County Elections Division.



During these uncertain times, we encourage everyone to vote safe. Your mailbox is your ballot box. To learn more about voting by mail, or to check your voter registration, visit elections.hawaii.gov or contact the Office of Elections at 1-800-442-VOTE (8683) or your County of Kauai Elections Division at 808-241-4800. 🗳️

Important Dates for General Election

October 5

Last day to register to vote to receive your mail ballot packet for the General Election.

October 16

Look for your General Election mail ballot packet to be delivered.


October 20

Voter Service Centers are open through Election Day. Services include in-person voting and same-day registration.

November 3

Ballots must be received by 7 p.m.

**National Voter
Registration Day
September 22, 2020**



CO-OPS

Make your voice count

Take the pledge to vote this election year.

Visit vote.coop to take the pledge.

Co-ops across the nation are dedicated to making our voices heard at the polls. Collectively we can make a difference.

VOTE

A PROGRAM OF AMERICA'S ELECTRIC COOPERATIVES
WWW.VOTE.COOP

CO-OPS VOTE
A PROGRAM OF AMERICA'S ELECTRIC COOPERATIVES

COVID - 19

CORONAVIRUS PRECAUTIONS



WEAR MASKS



WEAR GLOVES



WASH
HANDS OFTEN



DISINFECT
SURFACES



AVOID CROWDS

IF YOU ARE INFECTED



STAY AT HOME



CALL THE DOCTOR



AVOID CONTACT
WITH PEOPLE

CORONAVIRUS RESOURCES

Centers for Disease Control and Prevention

<https://www.cdc.gov/coronavirus/2019-ncov>

Hawaii State Department of Health COVID-19

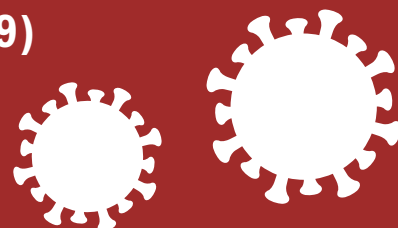
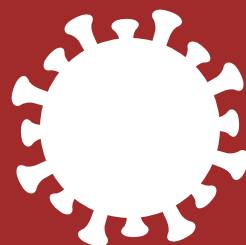
<https://hawaiiicovid19.com/>

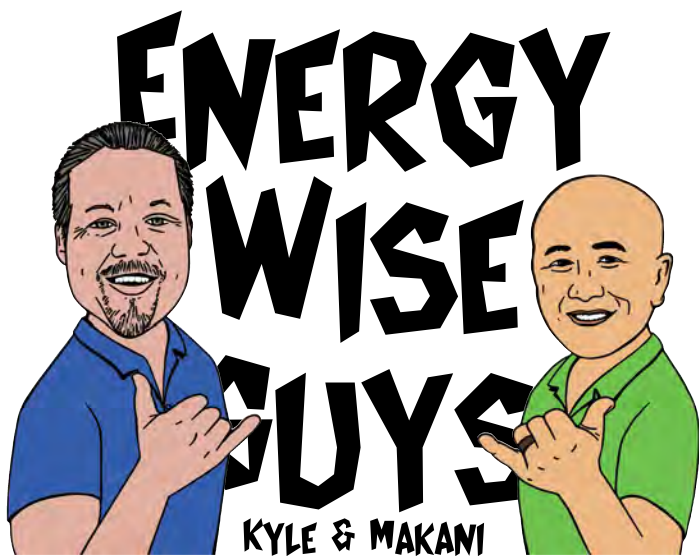
County of Kaua'i Coronavirus Disease 2019 (COVID-19)

<https://www.kauai.gov/COVID-19>

Kūpa'a Kaua'i

<https://kauaiforward.com/>





Importance of SmartHub

By Shelley Paik

Helping members understand their energy use is something Makani Taniguchi, KIUC’s residential energy services specialist, does daily. He uses an important tool called SmartHub.

“One of the things we offer is SmartHub education,” Makani says. “It helps us by looking at people’s usage, all the way down to 15-minute intervals. Most people don’t know how, when or why their usage comes on. When we can find the usage and have them remember what they were doing at that time, they can familiarize themselves with what’s happening and why their bill is high.”

SmartHub is especially beneficial for those who have photovoltaic systems on their homes. The tool helps members see how much energy is exported from their system and learn to adjust how they use their energy.

Makani says he gets a lot of calls from people with PV systems who say their system isn’t working. With SmartHub, Makani can determine why and suggest how the member can remedy the situation.

SmartHub Features

- ❖ Pay your bill and manage how you pay, including recurring payments.
- ❖ Sign up for paperless billing.
- ❖ View your billing and payment history online.
- ❖ Report service issues.
- ❖ Receive notifications when payments are made on your account.
- ❖ Set up payment extension.
- ❖ View energy use trends and take steps to lower your bill.
- ❖ Transfer or disconnect service.
- ❖ Update and manage contact information.
- ❖ Access KIUC social media updates.
- ❖ Sign up for text or email notifications, such as outage alerts, payment reminders and bill availability.
- ❖ Sign up for the Makana program.

With SmartHub, members also can see how much their bill is on any given day. It’s a great tool to help them estimate their monthly bill.

Access SmartHub by visiting www.kiuc.coop or by downloading the free app on a mobile device through the Apple app store for iOS devices or Google Play Marketplace for Android devices. Some SmartHub features only work with a smart meter. 📶

Kaua’i’s Kids Need Us Right Now

The Covid crisis continues to bring great uncertainty and anxiety to our young people. More than ever, they need us to help them feel safe and supported, and to know everything will be OK. One strong relationship with a trusted adult can help guide them through this storm and come out of it stronger and more resilient. **You can be their lighthouse.**

Supporting young people can be as simple as listening and asking if they are OK. As simple as explaining that challenges are normal, and reassuring them that they are not alone. As simple as reaching out to let them know you are thinking about them. To let them know that they matter.

Kauai’s kids are your kids. You can be that special person who makes all the difference.

For more of our list of 10 Tips to Build Youth Resilience, visit the Kauai Resilience Project at <https://keikitocareer.org/call-to-action/kauai-resilience>

There is **HOPE AND** there is **HELP**. The Prevent Suicide Kaua’i Task Force and Keiki to Career want you to know that if you or a loved one is struggling and need to talk to someone, you are not alone. The Crisis Line is available to help, 24/7 by phone or text. Call 1-800-273-TALK (8255), or Text ALOHA to 741741. **Together, we can save lives.**

THE Kaua’i Resilience Project

The Kaua’i Resilience Project is a partnership of 30 organizations and businesses that are working together to build youth resilience and to combat youth suicide. For more tips on helping kids thrive, visit www.kauaikidsareyourkids.org.



Students Lead the Way

By Sarah Styan and Marisa Chelius,
Kaua'i Community Science Center



Kaua'i Community Science Center's mission is to showcase science and technology driven by student interests, supported by professionals and shared with the community.

One of KCSC's goals is to foster student interests through the lens of science. No matter the subject, there is science in it, and a potential career pathway, as well. KCSC provides students a creative environment to develop their ideas and innovate. As a result—and by design—KCSC content is largely student generated.



KCSC tested this model with its Students Sharing Science project in the 2019-2020 school year. The project was supported by a County of Kaua'i Office of Economic Development grant and was a collaboration among KCSC, Waimea Canyon Middle School, The Sciencenter in Ithaca, New York, and professionals on Kaua'i and beyond. Fifty-two students teamed up to create more than 20 prototype hands-on science exhibits based on their interests, ranging from art to video games. Students had support from a photographer, a geoscientist, a former NFL player and a public health professional, among other collaborators.

KCSC does not want to influence students' interests; however, KCSC promotes awareness to climate change by encouraging students to think about how their interests, choices and actions matter. KCSC's Climate Connect initiative promotes awareness of climate change. Each exhibit KCSC shares with the community will have a Climate Connect that connects the subject matter to climate change.



In this same spirit of student-generated content, KCSC ran a Climate Connect logo design contest for students in grades 6 to 12 this spring. KCSC received some amazing entries. Brynn Lee Hirata, now a 7th grader at WCMS, created the winning design. Brynn Lee's logo is not only beautiful, but informative and thoughtful. It will help us all to think of ways that we can connect to make a difference every day.



Thanks to KIUC, every resident on Kaua'i is making a difference by being part of the most renewable utility in the nation, but we can always do more. KCSC knows students can promote and drive this change, and we appreciate the leading role students have in building KCSC.

Learn more about our internships and other programs at: <https://kauaicsc.org> 🌍

Statement of Operations

For the period 01/01/2020 – 07/31/2020

Like many organizations on Kaua'i, KIUC has been impacted by the loss of sales due to the coronavirus pandemic. For July, sales volume decreased 19% from the prior year. Year-to-date electricity use on the island is 8% lower than in 2019. In addition, as of the end of July, payment delinquencies that would have resulted in service limitations or disconnections were four times higher than average. KIUC has suspended service limitations and disconnections through December 31, 2020, in response to COVID-19 financial impacts to members.

We are reducing costs where possible, and working closely with our lenders and regulators to mitigate the financial effects of the coronavirus pandemic. KIUC received a \$2.8 million loan through a Paycheck Protection Program, which may be forgivable. The Small Business Administration's PPP was established pursuant to Section 1102 of the Coronavirus Aid, Relief and Economic Security Act.

Our revenues, expenses and net margins totaled \$82.2 million, \$80.4 million and \$1.8 million, respectively, for the seven-month period ending July 31, 2020.

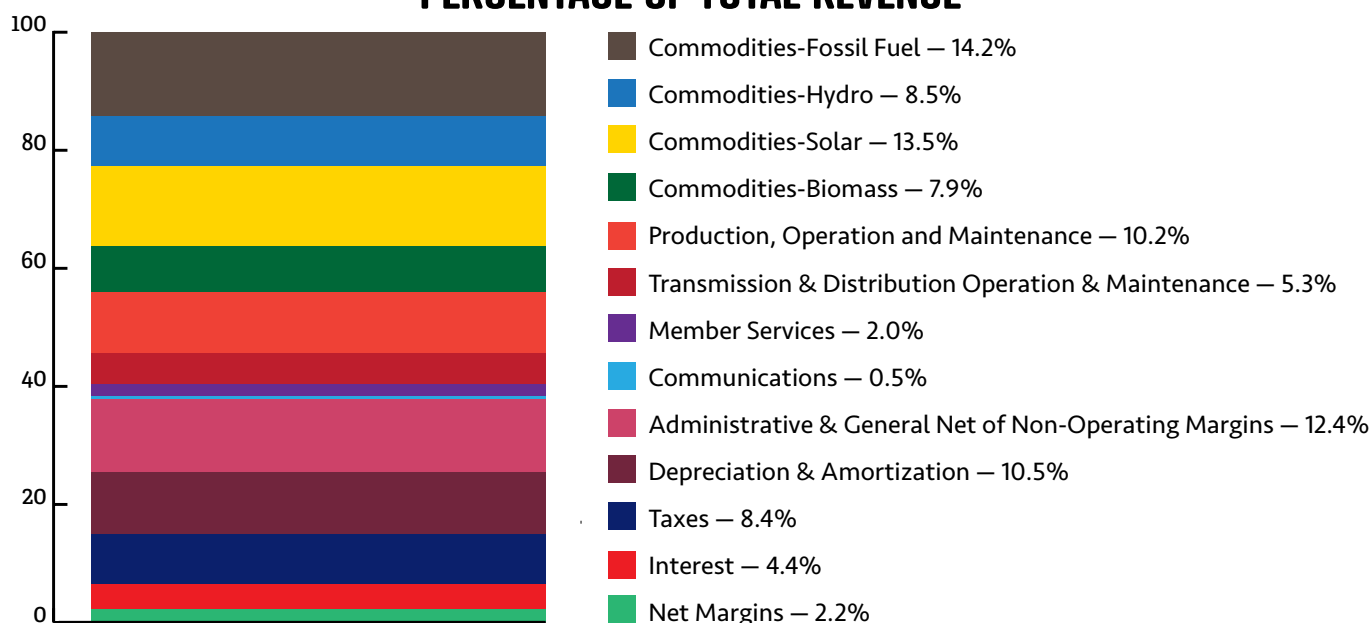
As is the case for all electric utilities, the cost of power generation is the largest expense, totaling \$44.7 million or 54.3% of revenues. Commodities, which are fuel and purchased power costs, are the largest component of power generation, totaling \$36.3 million or 44.1% of revenues. Fossil fuel is the largest component of commodities, totaling \$11.7

million or 14.2% of revenues. Other commodities include hydropower, totaling \$7.0 million or 8.5% of revenues; solar power, totaling \$11.1 million or 13.5% of revenues; and biomass power, totaling \$6.5 million or 7.9% of revenues. The remaining \$8.4 million or 10.2% of revenues represents the cost of operating and maintaining the generating units.

The cost of operating and maintaining the electric lines totaled \$4.3 million or 5.3% of total revenues. The cost of servicing our members totaled \$1.6 million or 2% of revenues. The cost of keeping our members informed totaled \$0.4 million or 0.5% of revenues. Administrative and general costs, which include legislative and regulatory expenses, engineering, executive, human resources, safety and facilities, information services, financial and corporate services, and board of director expenses, totaled \$10.5 million or 12.8% of revenues.

Being capital intensive, depreciation and amortization of the utility plant costs \$8.6 million or 10.5% of revenues. Although not subject to federal income taxes, state and local taxes amounted to \$6.9 million or 8.4% of revenues. Interest on long-term debt, at a favorable sub-5% interest rate, totals \$3.7 million or 4.4% of revenues. Nonoperating net margins added \$0.4 million to overall net margins. Revenues less total expenses equal margins of \$1.8 million or 2.2% of revenues. Margins are allocated to consumer members and paid when appropriate. ☺

PERCENTAGE OF TOTAL REVENUE



FALL FLAVORS



NACHOS WITH MEAT and cheese sauce

Bag of your favorite chips

Meat sauce

- | | |
|---------------------------|------------------------------|
| 1 tray ground turkey | 1 cup salsa |
| 1 can black refried beans | 4 tablespoons chili powder |
| 1 zucchini, chopped | 3 tablespoons taco seasoning |
| 1 onion, chopped | 1 tablespoon salt |
| 2 cloves garlic | |

In a saucepan, brown turkey with zucchini, onions, garlic, salt, chili powder and taco seasoning. Add refried beans and salsa to pan and bring to a boil.

Note: To camouflage the vegetables, place sauce in a blender and blend before serving.

Cheese sauce

- | | |
|----------------------|------------------------------------|
| 2 tablespoons butter | 1 cup pepper jack cheese, shredded |
| 1 tablespoon flour | 1 cup cheddar cheese, shredded |
| ¼ cup heavy cream | |

In a saucepan, melt butter. Add flour to form a paste. On low heat, slowly add heavy cream. Keep stirring until it bubbles. Reduce the heat and slowly add cheeses. Keep stirring until mixture becomes creamy.

Serve with chips and meat sauce.

Chopped STEAK WITH vegetables

- | | |
|-----------------------------|---------------------------|
| 1 steak, sliced into pieces | 5 cloves garlic, chopped |
| 5 mushrooms, sliced | 1 teaspoon shoyu |
| 1 small onion, chopped | 1 tablespoon black pepper |
| 1 green bell pepper, sliced | 1 teaspoon sea salt |
| 2 stalks celery, sliced | 1 tablespoon olive oil |

In a pan, sauté olive oil and garlic on medium heat. After about a minute, raise it to high heat. Add steak and remaining vegetables. Toss in heated pan. Add shoyu, salt and pepper. Cook until meat is cooked to your preference.



GARLIC CHOI SUM



- | |
|--|
| 2 bunches choy sum, washed and chopped |
| 4 cloves garlic, minced |
| 2 tablespoons oyster sauce |
| 1 teaspoon olive oil |
| Pepper |
| Sea salt |

Add olive oil and garlic to a skillet on medium-high heat. Add the choy sum and oyster sauce. Keep tossing mixture until greens are limp. Add pepper and salt to taste. If the pan gets dry and starts to burn, add some water to deglaze pan.



STIR FRIED WING BEANS WITH BACON

- 1 bundle wing beans, tips cleaned, sliced
- 2 slices of bacon, diced
- 1 teaspoon sea salt
- 1 teaspoon pepper

Cook bacon in pan on medium heat for about 3-4 minutes, until browned. Add wing beans and sauté for another 5 minutes. Sprinkle with salt and pepper.



TACO ROLL

- 1 pound ground beef
- 1 can black beans, drained
- 1 can sliced olives, drained
- 1 package taco seasoning
- 1 package Mexican cheese
- 1 can Pillsbury croissant dough
- 1 clove garlic, chopped
- ½ onion, diced
- 1 tablespoon olive oil
- ½ teaspoon sea salt

In a pan, brown beef in olive oil with taco seasoning, onion and garlic. Remove from heat. Add black beans and olives. Cool mixture. Roll out croissant dough on a pan lined with parchment paper. Spread beef mixture down the middle of the dough, leaving about 1 inch of dough at the ends. Sprinkle the cheese on the meat. Fold the dough over and crimp the edges. Bake at 325 F for approximately 15 minutes or until dough is golden brown. Cool before slicing.

CHICKEN WILD RICE SOUP

- 1 whole chicken
- 1 carrot, chopped
- 3 stalks celery, chopped
- 1 onion, chopped
- ½ block butter
- Mushrooms
- Wild rice
- 1 pint heavy cream
- 1 tablespoon rosemary, chopped
- 2 bay leaves
- Salt
- Pepper

In a large pot, sauté butter, carrots, onion and celery. After 2 minutes, add rosemary and bay leaves. Sprinkle chicken with salt and pepper. Place chicken in pot and brown. Flip and brown the other side. Add water to pot until chicken is covered. Bring to a boil, reduce heat and simmer for 1 hour. Remove chicken and bones from pot and debone. Reserve chicken pieces. Add mushrooms and rice to pot. Bring to a boil and reduce heat. Boil for 40 minutes, then add chicken and heavy cream. Bring to a boil until soup thickens.





The 2007 Youth Tour delegation poses for a photo with Sen. Mazie Hirono.

Where Are They Now?

Kim Mayfield, Youth Tour 2007

By Beth Tokioka

Tell us about your background, where you went to school/college and how you got involved in Youth Tour.

KM: Born and raised on Kaua'i, I attended Island School for K-12, with the only exception being my year abroad in Moriyama, Japan, my junior year of high school. I interviewed for Youth Tour from Japan via Skype, and it seemed like an extravagant event to call somebody in another country. After returning to Hawai'i that summer of 2007, I departed for Washington, D.C., for Youth Tour with my cohort: Michael Julian, Alyssa Nishihira and Ian Ramos. After high school, I attended UC Davis for one year before transferring to University of Hawai'i Mānoa, where I completed my B.S. in global environmental science. I recently earned my Ph.D. in ocean sciences at UC Santa Cruz, with a research specialty in water chemistry.

What do you remember most about Youth Tour? Did it meet your expectations?

KM: I remember beginning Youth Tour focused more on the Washington, D.C., part of the trip, without realizing what an experience Kansas would be. By combining our small Hawai'i team with the larger Kansas team, we got to make so many more friends, be exposed to a new culture and feel a larger sense of community. We ate barbecue with them, toured a nuclear power plant (I remember Ian was one of the first to volunteer to put on the hazmat suit), and sat next to several Kansas students who were riding a plane for the first time. On the surface, Kansas and Hawai'i don't seem like they'd have much in common, but Youth Tour showed me people can find common ground and form lasting friendships regardless of their backgrounds. Since Youth Tour, I have continued to keep that openness to forming friendships

You spent a number of years living and working elsewhere. What were the big takeaways from experiencing the world beyond Kaua'i's shores?

KM: I have lived and worked in more countries and states these past 13 years than I can even count. The culmination of these travels has taught me that I am responsible for my own happiness. Whether I am running between offices to minimize heat exposure in an Israeli desert or slipping on black ice in Prague in January on my way to the lab, there is always something to be happy about and there are always people to form friendships and bond with. That said, I also feel confident when I say that I can live happily many places in the world, but Kaua'i is where I'm happiest.

A fun anecdote from graduate school travels is from a recent conference I went to in Italy. I flew over a couple of days early to get adjusted to the time zone and see some sights, when I saw Alyssa, my friend from Youth Tour, post a



Florence, Italy, was an unlikely reunion spot for Kim and fellow 2007 Youth Tour alum Alyssa Nishihara.

photo with #Firenze and realized we were both in Florence at the same time! Of all the people and places in the world that September, so many years later, we met up half a world away from Kaua'i and watched a sunset over cathedrals together.

How did you end up back on Kaua'i?

KM: Throughout my Ph.D., I always knew I wanted to return to Kaua'i and pursue a STEM career. The timing just worked out perfectly when I was offered a job as a scientist for Global Algae Innovations shortly after defending my Ph.D. at the end of 2019. I moved home and began my new career at the end of February and have been thrilled and grateful to be back working on Kaua'i since.

What is most satisfying about the work you're doing now?

KM: I think that it is everybody's hope that, when they finish their Ph.D., they get to work in an industry where they can apply their skills and continue to build upon them. At GAI, that is exactly what I get to do and it's for a company whose mission I strongly support: to harness algae as a source of sustainable food and fuel for the world.

Now that you're an adult and a KIUC member, what are your feelings about the cooperative and its value to Kaua'i?

KM: I tell all my friends on the mainland and abroad how proud I am to be a part of KIUC, which is leading the nation in utility-scale renewable energy and energy storage incorporation.

Any other thoughts you'd like to share, especially for young people on Kaua'i?

KM: I highly recommend that high school students apply to Youth Tour because of what an exceptional experience it is



Kim conducts lab analysis for Global Algae.

to travel and learn about other people, cultures, and what a unique resource our utility cooperative is. Not all students can go on Youth Tour. However, it's a really large world out there, and there are countless opportunities to travel for learning. In fact, if any young STEM students on island ever need any guidance, I'm only an email away and would be happy to be a resource in any way I can. 🌍

SIGN UP FOR SMARTHUB TODAY

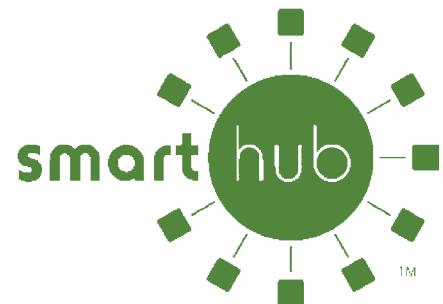
Account Management at Your Fingertips

Register for Online Access

Visit www.kiuc.coop and enroll in SmartHub on the web. To get started, click on the blue SmartHub icon. Click on the "NEW USER? Sign up to use our self-service site" button. You will then be prompted to enter the last four digits of your Social Security Number or Federal Identification Number (businesses), mailing address zip code as stated on your electric bill and select a security question. Your temporary password will then be emailed to you.

Sign Up for Mobile Access

Download the free mobile app for your Apple or Android smartphone or tablet. Once you've downloaded the application, you'll be prompted to search by location or name. Click on name and search for your service provider, Kaua'i Island Utility Cooperative. Press the search key on your phone. Click on Kaua'i Island Utility Cooperative and select confirm. You will be prompted to create an account if you haven't already registered for SmartHub. If you already signed up, enter your email address and password.



Fall 2020
Volume 17, Number 3

David Bissell
President and CEO

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THE KIUC
CALENDAR OF
STUDENT ART
IS GOING
VIRTUAL!

In light of the COVID-19 pandemic and the distance learning environment in our schools, KIUC will be accepting artwork submissions for the 2021 calendar electronically. No physical submissions will be accepted, but most of our traditional rules apply.

For more information, please visit the Calendar of Student Art page on KIUC's website under the "Community" tab.

**The deadline is
Wednesday, October 14, 2020.**

