

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

Held at the KIUC Main Conference Room

4463 Pahee Street, Lihue, HI 96766

And via Video Conference Call

On April 30, 2024

MINUTES

Meeting called to order by Chair Smith at 1:00 p.m.

1. Roll Call

- 1.1. **Directors present:** Allan Smith (Chair), Jan TenBruggencate (Vice-Chair), Peter Yukimura (Treasurer), Dee Crowell, David Iha, James Mayfield, Teofilo Tacbian, Michael Yamane; and David Bissell (CEO)
- 1.2. **Others present:** Stacie Dellamano (CFO), Brad Rockwell (COO), Laurel Loo (General Counsel), Teresa Amoy (Executive Administrator), Beth Amaro (Member Services & Communications Mgr.), Chris Yuh (Mgr. of Finance, Risk & Analytics), Daurice Arruda (Accounting Mgr.), Erin Tsuda (Finance Mgr.), Corinne Cuaresma (Controller), Scott Sato (Energy Services Supervisor), Allison Young (Communications & PR Specialist), Shelley Paik (PA Specialist), Shelsey Francisco (Financial Analyst), Tane Orial (HR Specialist), Jonah Knapp (Staff Engineer), Fred Pascual (Distribution Planning Coordinator); Members of the press (0) and Member of the public (1)
- 1.3. **Absent/Excused:** Calvin Murashige

2. Approval of the Agenda

- 2.1. The Board of Directors' Agenda of April 30, 2024, was approved as circulated.

3. Approval of Minutes

- 3.1. The minutes of March 26, 2024, Annual Board meeting and March 26, 2024, Regular Board meeting were approved as circulated.

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

- 4.1. CEO discussed April's President's Report (report attached).
 - The Vice Chair asked the CEO to characterize how the legislature responded to KIUC's wildfire initiative in reference to the legislative hearing KIUC and HECO attended two weeks ago. In response, CEO reported that the legislature was favorable to KIUC's efforts.

5. Financial Report – Stacie Dellamano (CFO)

- 5.1. CFO discussed finance and accounting updates and summarized the Board Financial Report submitted to the Board of Directors (report attached).
- 5.2. CFO discussed capital credits and reported there will be no capital credit retirement or refund to its members this year based on the 2023 results. A letter to KIUC members went out with the explanation.
- 5.3. CFO provided a brief update on the Final Audit Report for 2023. Moss Adams provided their Final Audit Report for KIUC at the F&A Committee meeting on April 16, 2024 (report attached).

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

- 6.1. Director Iha reported that the NRECA is taking the lead on focusing on reliability and whether there will be sufficient supplies on the mainland during peak hours during the summer and winter.
- 6.2. Jim Matheson, NRECA CEO has appeared on Fox News and other news articles to discuss the issue of energy reliability.
- 6.3. Every year NRECA has a polling company that assesses how well NRECA interacts with and is viewed by the Senate, congressional people, staff of the major committees, as well as the White House, as compared to all the other advocacy groups. NRECA normally comes out on top in which the NRECA CEO noted that electricity is nonpartisan, so both parties can support NRECA's efforts.
- 6.4. The NRECA is opposed to the EPA's Clean Air Act in which they are seeking to close coal plants. The NRECA is taking the lead to challenge administration on the premature closing of coal plants.
- 6.5. During the NRECA Legislative Conference last week, there were republican and democrat staff members who were part of a panelist and both parties emphasized the relationships that the members and directors have with the congressional staff.
- 6.6. Last Tuesday, the KIUC directors spent the day meeting with staff of Congresswoman Tokuda, Senators Hirono, and Schatz's, and all are aware of what KIUC is doing. Director Iha thanked them for their support.
- 6.7. Director Tacbian thanked Beth Amaro, Member Services & Communications Manager for establishing a relationship with Senator Schatz office and keeping them up to date on what KIUC is up to.

7. Charitable Foundation Board – Director Teofilo Tacbian update:

- 7.1. The Charitable foundation met on April 29th. The Charitable Foundation approved \$3500 to the Kauai Search and Rescue Organization. Kauai Search and Rescue has a program to train dogs to recover cadavers as well as live people. Director Tacbian provided a brief update on the report (report attached).
- 7.2. 2024 Charitable Foundation Golf Tournament will be held on November 16th, at Puakea Golf Course. Next Golf Committee meeting will be held on May 14th.

8. Public Testimony

- 8.1. Received one written public testimony from Marj Dente (attached).

9. New Business

9.1. Board Approval Request (BAR) – Ililiula 36" Siphon Replacement Write-off

- Director Yukimura introduced the Board Approval Request for Ililiula 36" Siphon Replacement write-off. The F&A committee approved this request for Board approval (BAR Form attached).
- **MOTION:** to approve the Board Approval Request as presented.
[Motion: Yukimura] [Second: Crowell]

No discussion.

IN FAVOR:	Smith, TenBruggencate, Yukimura, Mayfield, Tacbian, Iha, Crowell, Yamane	Total – 8
OPPOSED:	None	Total – 0
EXCUSED:	Murashige	Total – 1

Motion carried

10. Calendar

- 10.1. **May 21, 2024** – Board Committee Meetings (9:00am, MCR)
10.2. **May 22 – 23, 2024** – 2024 Hawaii Energy Conference (Maui, HI)
10.3. **May 23, 2024** – Lihue Business Association Meeting (7:30am, Duke's Kauai)
10.4. **May 27, 2024** – HOLIDAY – Memorial Day (KIUC Offices Closed)
10.5. **May 30, 2024** – Regular Board Meeting (1:00pm, Zoom)

11. Executive Session

At 1:28 p.m. the Board recessed the meeting to enter Executive Session closed to the public on matters limited to those specified in Section II. A. 2. of Board Policy No. 16. The items to be discussed in the Executive Session are matters of a proprietary or financial nature, public disclosure of which could affect on-going or potential negotiations, or legal or administrative proceedings and human resource issues related to the hiring, evaluating, dismissing, or disciplining an officer or employee and a matter requiring legal consultation on issues pertaining to the powers, duties, privileges, immunities, and liabilities of the Board of Directors.

- 11.1. The open session of the Regular meeting was reconvened at 2:29 p.m.
11.2. Director TenBruggencate moved to ratify the following decision made in executive session; Director Tacbian seconded the motion. All directors present voted in favor and the actions were ratified by unanimous consent:
- Approval of the Executive Session minutes of February 27, 2024.
 - KVMH Loan Application
 - NTBG Loan Application

12. Adjournment

12.1. The meeting was adjourned at 2:32 p.m.

Laurel Loo

Laurel Loo (Jun 3, 2024 10:16 HST)

for Calvin Murashige
Board Secretary

April 30, 2024

David Bissell, President & CEO

PRESIDENT'S REPORT



PRESIDENT'S REPORT

Safety (March)	Month	2024 YTD	2023 YTD
Recordable Incidents	1	1	3
Availability and Reliability	Month	2024 YTD	2023 YTD
Reportable Outages	0	7	12
Average Outage Hours Per Customer	0.12	1.46	1.29
Efficiency	Month	2024 YTD	
Net Plant Heat Rate	9,132	9,063	
Peak Demand (MW)	70.48	73.71	
Residential Rates			
April 2024	\$0.38/kwh decrease \$0.009 from March		

UPDATE ITEMS

- KIUC rates remain lowest in state
- Legislative Session
 - KIUC participated in hearing on wildfire risk mitigation
 - Still tracking several bills with session ending on May 3rd
- NRECA Legislative Conference
- Wiggins Tech will be conducting drone-based inspections of powerlines and poles during May and June in areas of south and west Kauai

OTHER

KIUC Summer intern opportunities positions posted on our website

MAHALO!



Kaua'i Island Utility Cooperative

Your Touchstone Energy® Cooperative



Board Financial Report

April 2024

Finance, Accounting, Regulatory and Warehouse Monthly Summary

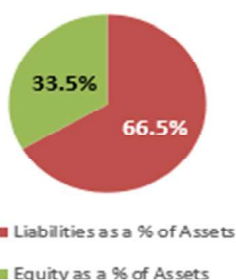
Finance and Accounting Update

- Snapshot of Results
- Financial Results
 - Balance Sheet
 - Income Statement
- Outstanding Loan Detail Report
- A/R Reports
- Sales Reports – Annual kWh Sales Comparison
- Treasury Management Monthly Discussion
- Final 2023 Audit Presentation in F&A Committee
 - Audited Financial Report on website
- 2024 Capital Credit Retirement
- Finance and Accounting Updates

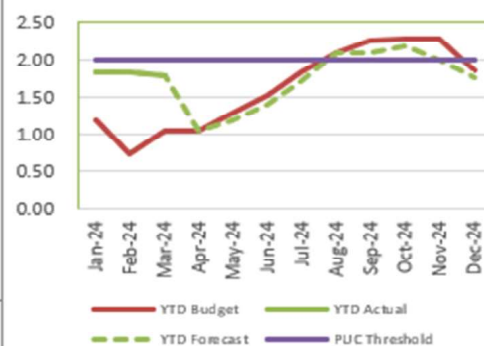
MWh Sales

Class	YTD Prior Year	YTD Actual	Percent Change
Residential (D)	44,851	43,874	-2.2%
Small Comm (G)	15,081	14,952	-0.9%
Large Comm (J)	12,136	11,812	-2.7%
Lrg Pwr Primary (L)	10,951	11,688	6.7%
Lrg Pwr Secondary (P)	23,871	24,467	2.5%
Street Lighting (SL)	173	174	0.4%
Irrigation	482	70	-85.4%
Total	107,545	107,036	-0.5%

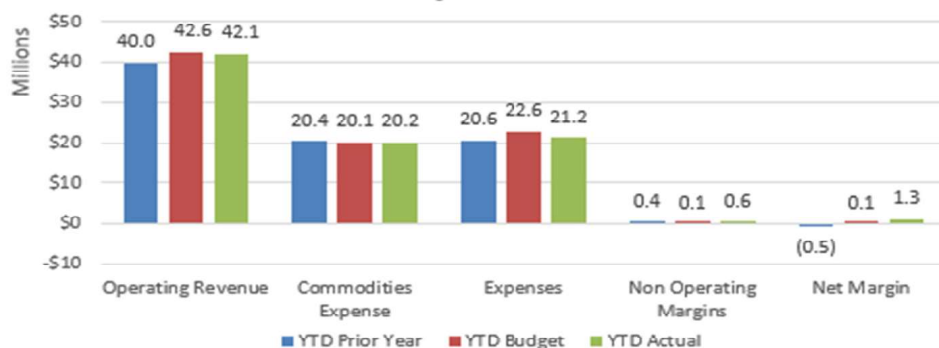
Equity Ratio



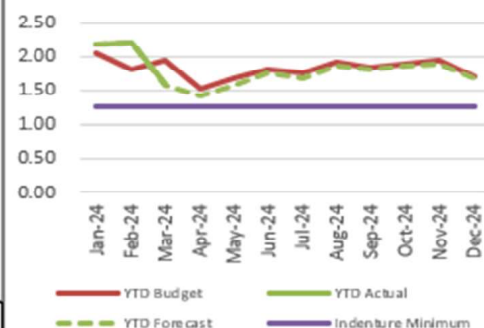
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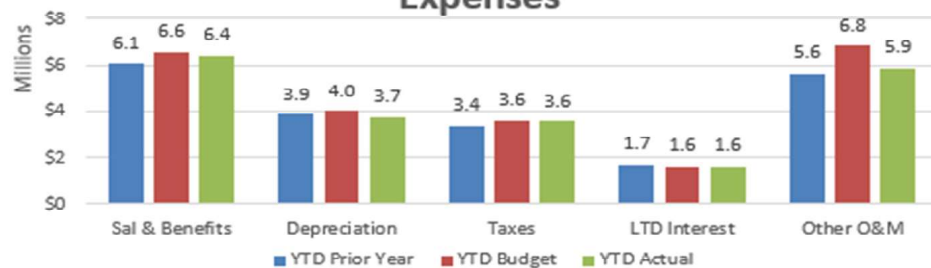
Key Results



DSC



Expenses



(In Millions)	YTD Actual
Cash	-\$0.2
Short-Term Investments	\$37.0
Cushion of Credit	\$0.0
Total Cash & Investments	\$36.8
Line of Credit Available	\$100.0
Line of Credit Drawn	\$0.0

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Page: 1

General Ledger

Financial And Operating Report Electric Distribution

INCOME STATEMENT FOR MAR 2024

Item	Year - To - Date			Period - To - Date	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	40,038,848.07	42,086,814.98	42,640,237.00	14,534,456.74	14,933,823.00
2. Power Production Expense	13,181,405.89	13,205,608.92	12,673,686.00	4,830,461.23	4,675,297.00
3. Cost of Purchased Power	10,490,862.33	10,448,376.19	11,121,923.00	3,447,853.67	3,665,955.00
4. Transmission Expense	293,029.38	363,432.43	360,469.00	116,004.37	122,085.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	391,436.80	330,498.41	416,049.00	95,979.95	138,260.00
7. Distribution Expense - Maintenance	1,370,149.30	1,388,706.97	1,344,404.00	454,213.95	447,107.00
8. Customer Accounts Expense	589,756.65	607,908.87	744,076.00	224,483.43	243,839.00
9. Customer Service and Informational Expense	63,713.85	61,770.84	124,147.00	18,996.69	67,099.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	5,680,882.29	6,051,790.65	6,666,010.00	2,148,398.65	2,181,667.00
12. Total Operation & Maintenance Expense (2 thru 11)	32,061,236.49	32,458,093.28	33,450,764.00	11,336,391.94	11,541,309.00
13. Depreciation & Amortization Expense	3,857,002.21	3,727,109.37	4,011,664.00	1,240,514.93	1,337,221.00
14. Tax Expense - Property & Gross Receipts	999,932.57	1,051,121.61	1,066,007.00	363,029.62	373,346.00
15. Tax Expense - Other	2,378,132.44	2,505,529.55	2,535,178.00	875,425.17	885,455.00
16. Interest on Long-Term Debt	1,680,088.39	1,613,826.47	1,620,000.00	538,039.55	542,000.00
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	4,591.31	39,908.34	56,240.00	4,295.34	8,080.00
20. Total Cost of Electric Service (12 thru 19)	40,980,983.41	41,395,588.62	42,739,853.00	14,357,696.55	14,687,411.00
21. Patronage Capital & Operating Margins (1 minus 20)	-942,135.34	691,226.36	-99,616.00	176,760.19	246,412.00
22. Non Operating Margins - Interest	692,310.42	713,278.87	563,289.00	233,887.35	187,429.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-338,587.41	-162,262.44	-408,887.00	-9,058.59	-69,655.00
25. Non Operating Margins - Other	51,737.50	38,917.66	36,360.00	-13,654.59	12,120.00
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	0.00	0.00	0.00	0.00
28. Extraordinary Items	0.00	0.00	0.00	0.00	0.00
29. Patronage Capital or Margins (21 thru 28)	-536,674.83	1,281,160.45	91,146.00	387,934.36	376,306.00
Operating - Margin	-536,674.83	1,281,160.45	91,146.00	387,934.36	376,306.00
Non Operating - Margin	0.00	0.00	0.00	0.00	0.00
Times Interest Earned Ratio - Operating	0.44	1.43			
Times Interest Earned Ratio - Net	0.68	1.79			
Times Interest Earned Ratio - Modified	0.68	1.79			

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Page: 1

General Ledger Financial And Operating Report Electric Distribution

BALANCE SHEET FOR MAR 2024

	Last Year	This Year	Variance
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	597,451,415.76	596,604,631.16	-846,784.60
2. Construction Work in Progress	13,041,195.32	11,980,670.15	-1,060,525.17
3. Total Utility Plant (1 + 2)	610,492,611.08	608,585,301.31	-1,907,309.77
4. Accum. Provision for Depreciation and Amort.	338,981,723.25	336,297,386.76	-2,684,336.49
5. Net Utility Plant (3 - 4)	271,510,887.83	272,287,914.55	777,026.72
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	23,526,072.16	21,744,213.65	-1,781,858.51
8. Invest. in Assoc. Org. - Patronage Capital	1,169,440.27	1,268,624.73	99,184.46
9. Invest. in Assoc. Org. - Other - General Funds	831,300.00	666,500.00	-164,800.00
10. Invest. in Assoc. Org. - Other - Nongeneral Funds	0.00	0.00	0.00
11. Invest. in Economic Development Projects	1,075,935.74	936,906.74	-139,029.00
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)	26,602,748.17	24,616,245.12	-1,986,503.05
15. Cash - General Funds	1,151,741.06	1,402,473.99	250,732.93
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	-10,397.76	-15,236.12	-4,838.36
18. Temporary Investments	40,947,535.52	36,988,855.31	-3,958,680.21
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	9,349,891.14	11,001,555.25	1,651,664.11
21. Accounts Receivable - Other (Net)	392,299.89	566,221.90	173,922.01
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	23,236,280.08	22,138,434.28	-1,097,845.80
24. Prepayments	1,283,314.79	1,478,576.62	195,261.83
25. Other Current and Accrued Assets	8,900,461.15	9,080,381.93	179,920.78
26. Total Current and Accrued Assets (15 thru 25)	85,251,125.87	82,641,263.16	-2,609,862.71
27. Regulatory Assets	33,620,145.77	36,654,799.72	3,034,653.95
28. Other Deferred Debits	141,535.17	165,143.56	23,608.39
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	417,126,442.81	416,365,366.11	-761,076.70

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Page: 2

General Ledger Financial And Operating Report Electric Distribution

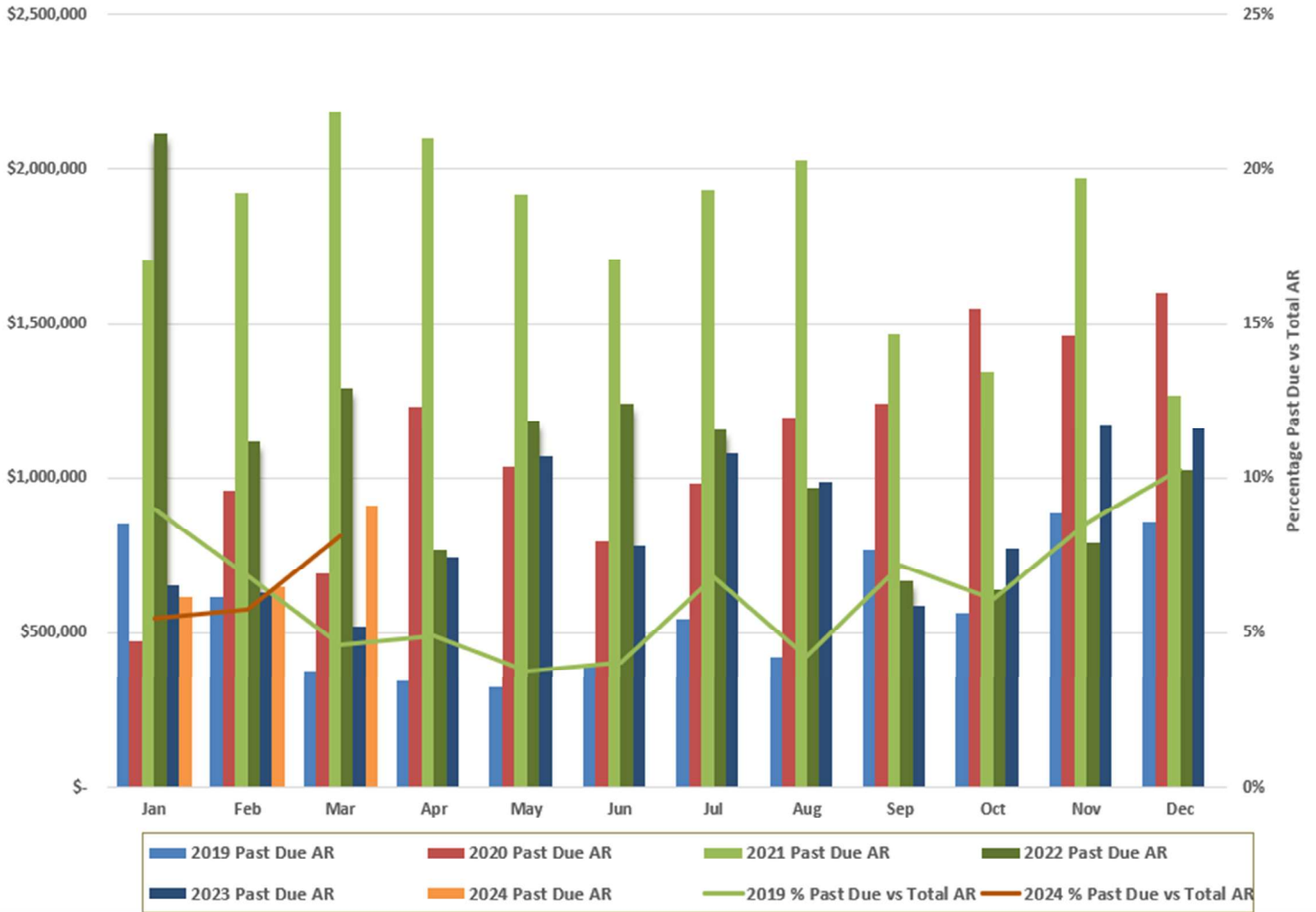
BALANCE SHEET FOR MAR 2024

	Last Year	This Year	Variance
LIABILITIES AND OTHER CREDITS			
30. Memberships	600.90	613.53	12.63
31. Patronage Capital	134,698,703.26	138,719,222.65	4,020,519.39
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	-536,674.83	1,281,160.45	1,817,835.28
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	67,748.15	275,155.15	207,407.00
36. Total Margins & Equities (30 thru 35)	134,230,377.48	140,276,151.78	6,045,774.30
37. Long-Term Debt - RUS (Net)	0.00	0.00	0.00
38. Long-Term Debt - FFB - RUS Guaranteed	121,834,825.29	117,199,374.53	-4,635,450.76
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	123,928,094.72	116,968,707.37	-6,959,387.35
41. Long-Term Debt - RUS Econ. Devel. (Net)	0.00	0.00	0.00
42. Payments - Unapplied	-3,922,735.34	-480.29	3,922,255.05
43. Total Long-Term Debt (37 thru 41 - 42)	241,840,184.67	234,167,601.61	-7,672,583.06
44. Obligations Under Capital Leases - Noncurrent	13,583,205.15	13,003,196.24	-580,008.91
45. Accumulated Operating Provisions	-78,278.01	-135,162.67	-56,884.66
46. Total Other Noncurrent Liabilities (44 + 45)	13,504,927.14	12,868,033.57	-636,893.57
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	6,746,638.42	5,786,400.04	-960,238.38
49. Consumers Deposits	1,406,409.37	1,560,622.97	154,213.60
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	8,078,481.12	8,540,655.34	462,174.22
54. Total Current & Accrued Liabilities (47 thru 53)	16,231,528.91	15,887,678.35	-343,850.56
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	11,319,424.61	13,165,900.80	1,846,476.19
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	417,126,442.81	416,365,366.11	-761,076.70
Current Assets To Current Liabilities	5.25 to 1	5.20 to 1	
Margins and Equities To Total Assets	32.18 %	33.69 %	
Long-Term Debt To Total Utility Plant	39.61 %	38.48 %	

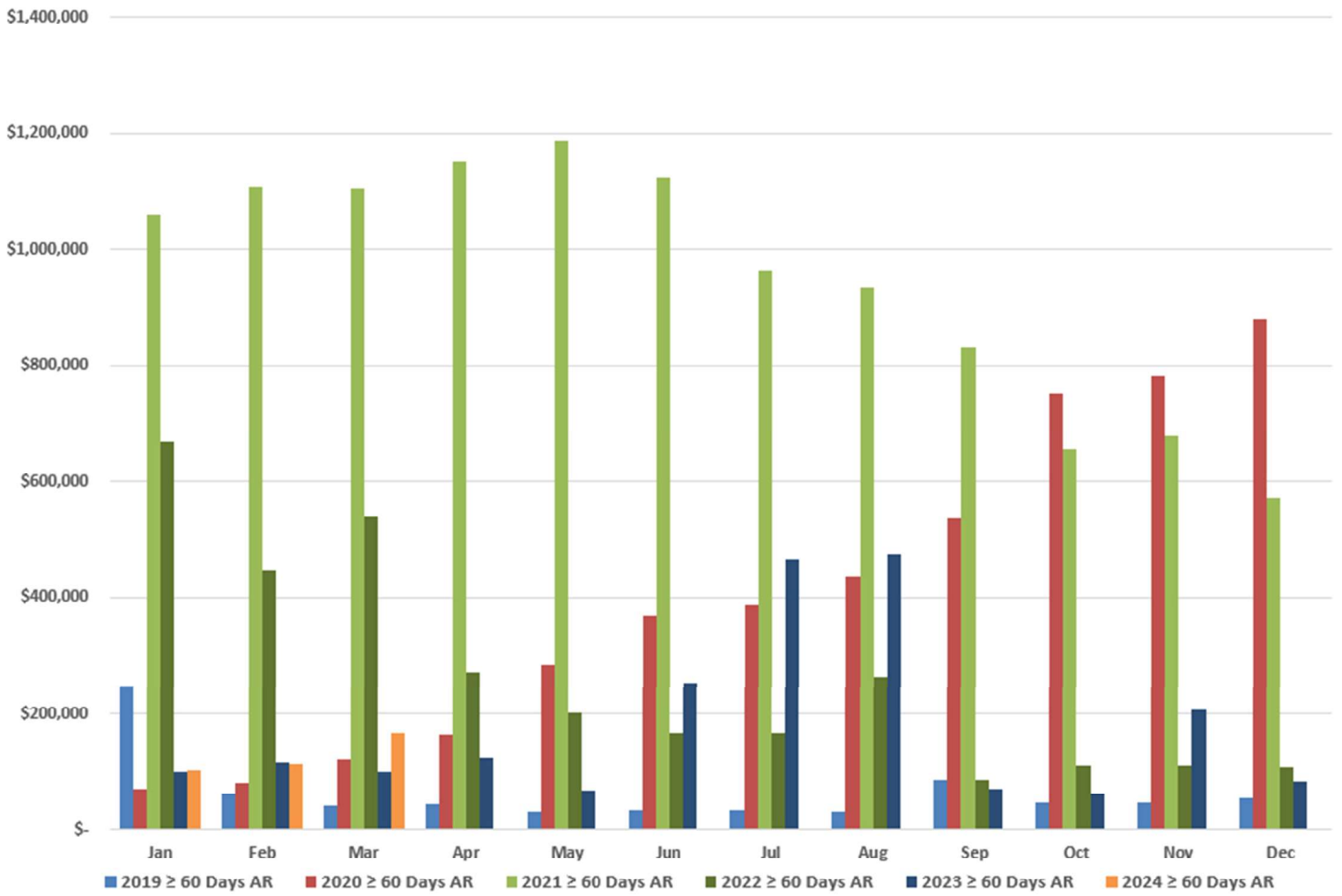
KAUAI ISLAND UTILITY COOPERATIVE
NOTES, BONDS, AND OTHER INDEBTEDNESS
YEARS ENDED DECEMBER 31, 2023 AND 2024

LINE NO.	LENDER	DATE OF NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	LOAN #	ORIGINAL AMOUNT	BALANCE AT 12/31/2023	2023 INTEREST EXPENSE	PROJECTED BALANCE AT 12/31/2024	PROJECTED 2024 INTEREST EXPENSE
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
1	CFC	12/17/03	12/18/03	09/30/23	3.690%	HI001-9005	\$ 8,240,000	\$ -	\$ 7,612	\$ -	\$ -
2	CFC	04/30/19	04/30/19	03/31/35	2.550%	HI001-9014-001	103,133,717	72,704,840	1,930,366	67,052,336	1,788,214
3	CFC	02/06/20	02/25/20	12/31/49	2.760%	HI001-9019B	26,500,000	24,226,770	679,552	23,579,920	662,002
4							<u>137,873,717</u>	<u>96,931,610</u>	<u>2,617,529</u>	<u>90,632,257</u>	<u>2,450,216</u>
5	FFB	06/01/04	10/19/04	12/31/23	2.837%	B8 - 1-1	8,240,000	-	10,185	-	-
6	FFB	06/01/04	10/19/04	12/31/23	2.574%	B8 - 1-2	8,240,000	-	9,234	-	-
7	FFB	06/01/04	10/19/04	12/31/23	4.430%	B8 - 1-3	16,480,000	-	35,673	-	-
8							<u>32,960,000</u>	<u>-</u>	<u>55,092</u>	<u>-</u>	<u>-</u>
9	FFB	07/01/11	06/07/12	12/31/42	2.424%	C8#1 - 2-1	8,716,000	6,262,788	155,277	5,995,975	148,560
10	FFB	07/01/11	10/23/12	12/31/42	2.604%	C8#1 - 2-2	1,606,000	1,162,799	30,956	1,114,101	29,639
11	FFB	07/01/11	06/24/13	12/31/42	3.259%	C8#1 - 2-3	9,100,000	6,770,327	225,194	6,504,071	216,192
12	FFB	07/01/11	11/25/13	12/31/42	2.662%	C8#1 - 2-4	2,689,000	1,928,409	52,473	1,848,092	50,254
13	FFB	07/01/11	03/18/14	12/31/42	3.334%	C8#1 - 2-6	5,198,000	3,941,994	134,111	3,788,091	128,788
14	FFB	07/01/11	08/07/14	12/31/42	3.023%	C8#1 - 2-7	5,731,000	4,340,285	133,992	4,165,662	128,514
15	FFB	07/01/11	05/08/15	12/31/42	2.665%	C8#1 - 2-8	4,213,000	3,208,446	87,402	3,074,855	83,705
16	FFB	07/01/11	09/18/15	12/31/42	2.715%	C8#1 - 2-9	748,000	574,669	15,946	550,855	15,275
17	FFB	01/15/15	10/29/15	12/31/42	2.558%	C8#2 - 3-1	6,000,000	4,611,482	120,612	4,417,504	115,460
18	FFB	01/15/15	01/12/16	12/31/42	2.636%	C8#2 - 3-2	35,586,552	27,600,650	743,748	26,448,249	712,208
19							<u>79,587,552</u>	<u>60,401,849</u>	<u>1,699,711</u>	<u>57,907,457</u>	<u>1,628,596</u>
20	FFB	12/01/17	04/24/18	12/31/51	3.199%	D8 - 4-1	22,192,000	20,365,770	658,583	19,895,814	642,298
21	FFB	12/01/17	10/22/18	12/31/51	3.437%	D8 - 4-2	5,707,000	5,255,619	182,503	5,138,616	178,139
22	FFB	12/01/17	06/06/19	12/31/51	2.578%	D8 - 4-3	4,776,000	4,341,053	113,293	4,231,193	110,239
23	FFB	12/01/17	06/22/20	12/31/51	1.326%	D8 - 4-4	3,992,000	3,620,494	48,759	3,510,802	47,200
24	FFB	12/01/17	10/08/21	12/31/51	2.087%	D8 - 4-5	7,889,000	7,494,384	158,532	7,290,648	153,959
25	FFB	12/01/17	05/19/22	12/31/51	3.236%	D8 - 4-6	3,450,000	3,341,179	109,287	3,264,506	106,598
26	FFB	12/01/17	08/29/22	12/31/51	3.422%	D8 - 4-7	12,706,000	12,379,027	428,003	12,102,814	417,747
27							<u>60,712,000</u>	<u>56,797,525</u>	<u>1,698,961</u>	<u>55,434,394</u>	<u>1,656,180</u>
28	COBANK	02/06/20	02/22/21	02/20/51	2.900%	00102606 T01	18,119,000	17,004,406	506,035	16,590,382	495,406
29	COBANK	02/06/20	02/10/22	02/10/52	3.330%	3455702 T01-DS	4,900,000	4,720,774	161,090	4,618,994	158,147
30							<u>23,019,000</u>	<u>21,725,180</u>	<u>667,125</u>	<u>21,209,376</u>	<u>653,553</u>
31	Total Long Term Debt						<u>\$ 334,152,269</u>	<u>\$ 235,856,165</u>	<u>\$ 6,738,418</u>	<u>\$ 225,183,483</u>	<u>\$ 6,388,545</u>

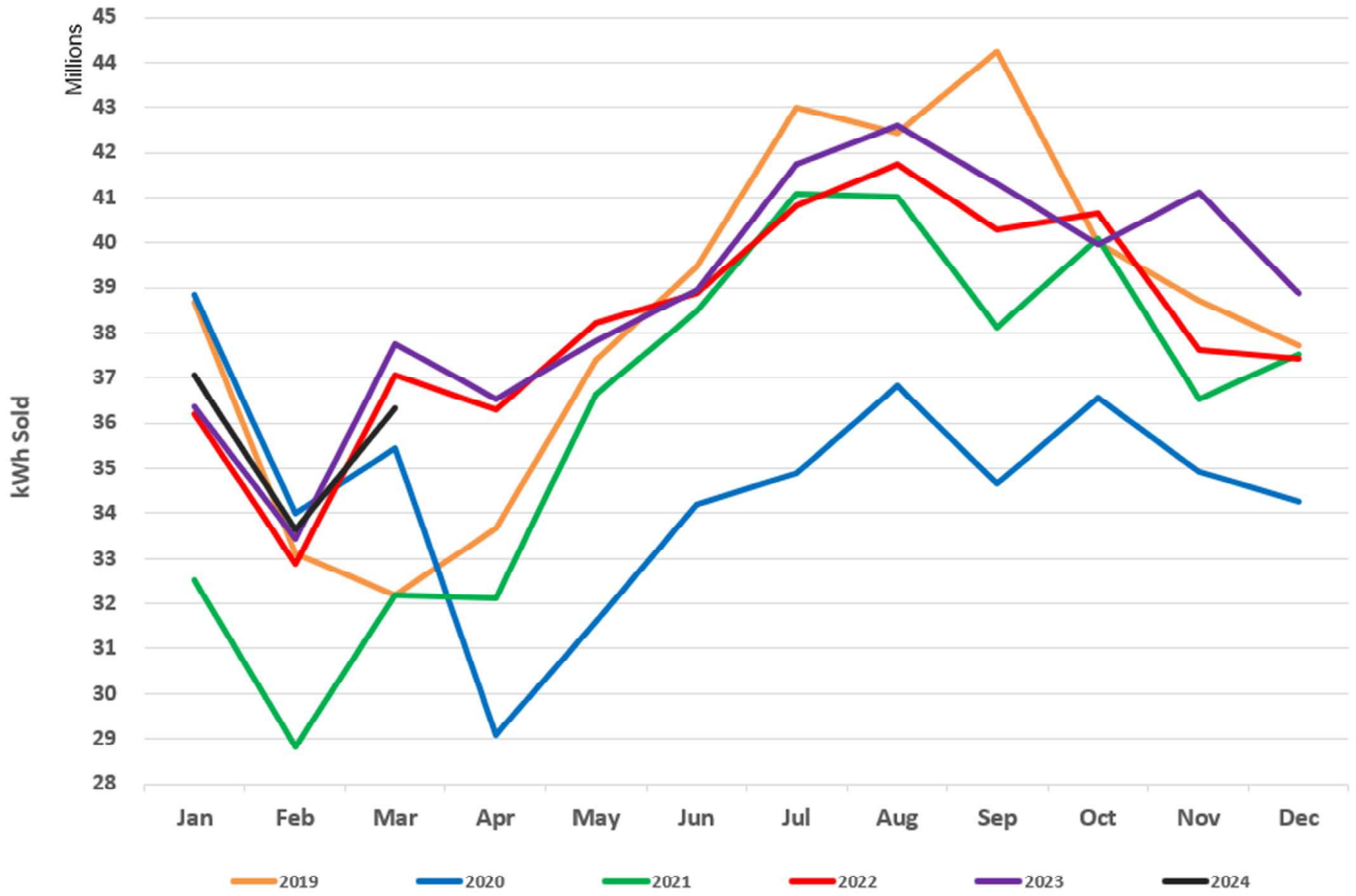
YOY > 30 days vs Total AR



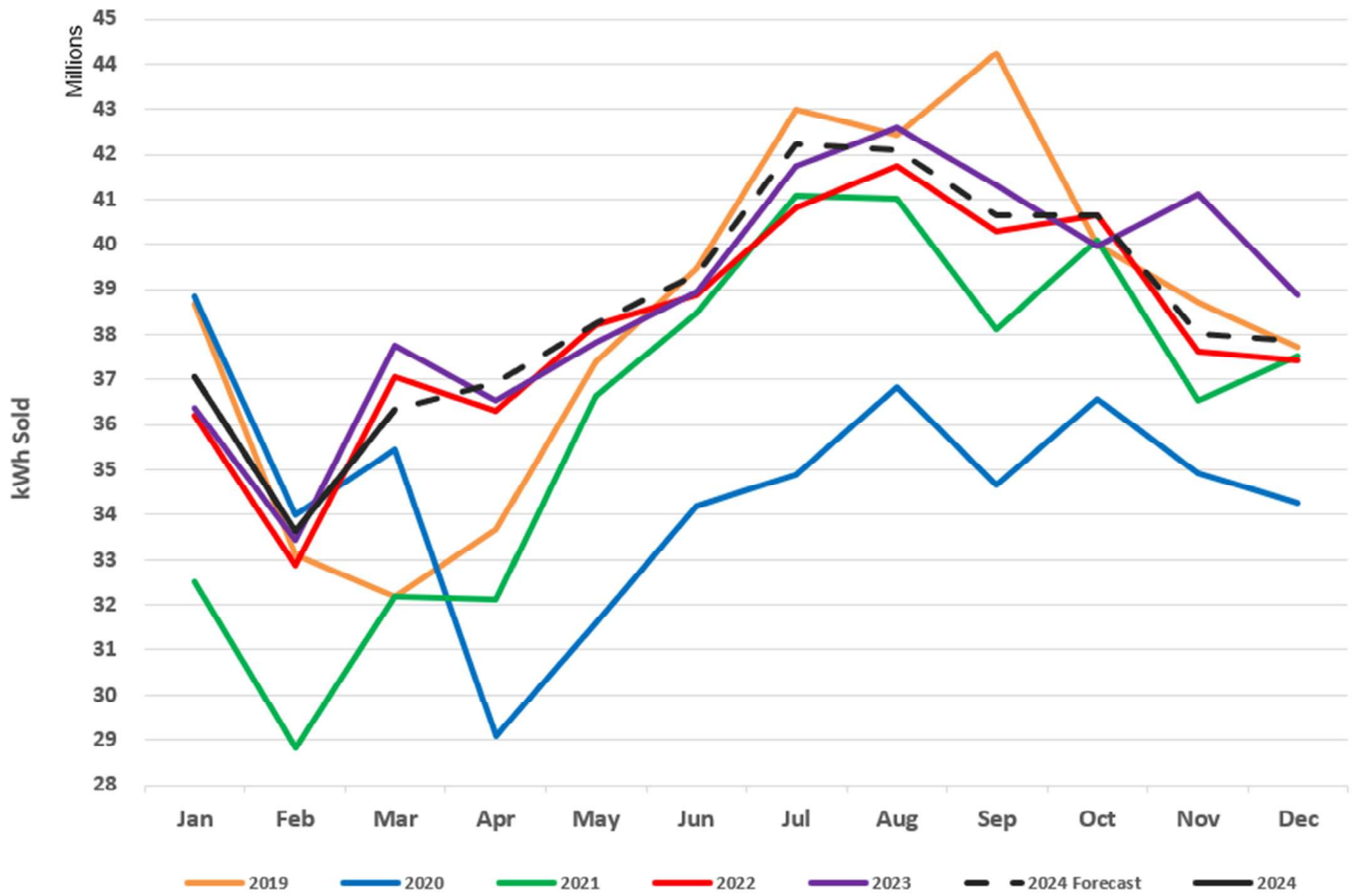
YOY ≥ 60 Days



Total kWh Sold



Total kWh Sold



Capital Credit Retirements – Refunds to Members

- No Capital Credit Refunds being sent based on 2023 Results
- Refunds historically have been given when TIER is above 2.0 (per PUC D&O)
- TIER for 2023 was 1.63
- 2024 Budget had Capital Credit Retirement projected from 2023 results for estate retirements only.
- From the Bylaws: *(B) Allocations and distribution of net margins shall be made as soon as practicable after the close of each fiscal year and written notice shall be sent to each member showing the total amount of distribution made and the manner of such distribution, showing the exact amount distributed in cash and in credits to the member's patronage capital account. Said notice shall be given not more than eight and one-half months after the close of the fiscal year*
- Letter to Members explaining no capital credit retirement needed for notification similar to last year.

Treasury Management – Monthly Discussion

- Ratings:
 - 2/8 BOH Meeting and confirmed no changes in Money Market Fund Rating
- Current Summary Of Investments:
 - **\$27.1M** Dreyfus Funds – AAA Rating Money Market Fund very ST
 - Government MM Fund – Treasury Only
 - Stable Value type of money market (heavily regulated and makes it difficult to break the dollar)
 - 4.96% Interest Rate
 - **\$4.79M** CFC Daily and Monthly Commercial Paper – ST to Medium Term Investment – Daily to Monthly A2 Moody and S&P A-
 - Daily Fund 4.60%
 - **\$4.74M** CoBank Commercial Paper Investment – AA- Moody and S&P
 - 60-day Investment – 4.17%
 - **\$259,471** Central Pacific Bank – Backup Checking in NISC if needed
 - Backup for Checking in Money Market (unlimited) account
 - 4.08%

Questions?



MOSSADAMS

Kaua'i Island Utility Cooperative

2023 AUDIT RESULTS

Discussion with the Governing Body





Agenda

01 AUDITOR REPORTS ISSUED

02 AREAS OF AUDIT EMPHASIS

03 MATTERS REQUIRED TO BE COMMUNICATED TO
THOSE CHARGED WITH GOVERNANCE

04 OTHER COMMUNICATIONS



Areas of Audit Emphasis

- Revenue and accounts receivable
- Regulatory assets and liabilities
- Disbursements and purchasing contracts
- Payroll
- Work Orders
- IT general controls



Scope of Services & Auditor Reports

We have performed the following services:

Annual Audit



- Annual financial statement audit for the year ended December 31, 2023.

Reports Issued



Unmodified Opinions
on KIUC's financial statements

Audit and report on internal control and compliance over financial reporting in accordance with *Government Auditing Standards (required by RUS)*



Required Communications (continued)



Audit was performed according to the planned scope and timing



Significant accounting policies are summarized in Note 2 to the financial statements



Financial statement disclosures were consistent, clear, and understandable



Representations were requested and received from management



Audit Adjustments



Corrected Misstatements - There were no corrected adjustments identified during the audit.

Uncorrected Misstatements - There were no uncorrected adjustments identified during the audit.



Required Communications (continued)



There were no disagreements with management or difficulties encountered during the audit



Illegal acts (none noted)



Ability to continue as a going concern (no disclosure necessary)

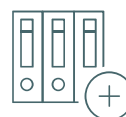


Consideration of fraud in a financial statement audit

Procedures performed included journal entry testing, third-party confirmations, and interviews of personnel



Upcoming New Standards



ASU	Standard & Related Article	Reporting Periods Beginning After
		All Other Entities (not PBEs)**
2020-06	<i>Accounting for Convertible Instruments and Contracts in an Entity's Own Equity</i> Accounting for Convertible Instruments – Refresher for Private Companies	Fiscal years beginning after December 15, 2023, including interim periods
2023-01	<i>Leases (Topic 842) Common Control Arrangements</i> FASB Finalizes Common Control Lease Relief	Fiscal years beginning after December 15, 2023*



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**THANK
YOU**



NRECA Board Update

March 2024



- ◆ At NRECA's PowerXchange in San Antonio, Agriculture Secretary Tom Vilsack [announced](#) more than half a billion dollars in funding for electric cooperatives to build new clean energy infrastructure, stating that "co-ops are the backbone of American power delivery." He said that four co-op applications were among the first selected to advance in the USDA's \$1 billion Powering Affordable Clean Energy (PACE) program, created under the Inflation Reduction Act. Vilsack also announced that USDA identified seven generation and transmission co-ops to proceed with full applications under the \$9.7 billion New ERA program, and the USDA will invest \$2.2 billion in 39 rural renewable energy, smart grid and infrastructure projects in 21 states.
- ◆ As part of an NRECA-led consortium, seven electric cooperatives will join a nearly \$58 million cost-share [program](#) with the Department of Energy to build microgrids under the Energy Improvements in Rural or Remote Areas (ERA) Program. DOE also selected United Power for \$6 million in funding from the ERA program to build a microgrid to replace an aging diesel generator at a Fort Lupton, Colorado, water treatment plant.
- ◆ At PowerXchange, the NRECA board of directors elected its first female officer, J. Ingrid Kessler (Oregon), as Secretary-Treasurer. Eight new board members were installed: June Anibas (Wisconsin), Jason Bronec (Washington), Tyler Carlson (Arizona), Crystal Enkvist (Alaska), Nathaniel Johnson (Utah), Madeline McElaney (New Hampshire), Jennifer Meason (Oklahoma), Gene Morris (Georgia).
- ◆ In continuing efforts to address how our national energy policy is threatening reliable and affordable electricity, Jim Matheson penned an [op-ed](#), published in the New York Times, and participated in an interview with CNBC reporter Diana Olick to air in the coming weeks.
- ◆ The Treasury Department published the final rule for the direct-pay legislation enacted by Congress. This gives electric cooperatives first-time [access](#) to energy innovation tax credits, which it calls "elective pay" credits. This is a significant win for electric cooperatives, and the underlying law and the final regulation directly reflect input from NRECA and its member co-ops.
- ◆ NRECA's 2024 PowerXchange & TechAdvantage held March 3-6 in San Antonio, Texas, hosted more than 9,600 attendees and a record 469 exhibitors, which includes 115 new exhibitors. The 2025 PowerXchange and TechAdvantage Expo pre-sales kicked off in March and are currently at 288 booths covering 83,500 square feet, totaling 78% of the available space.

NRECA Board of Directors

NRECA Update

March 2024



Funding For Electric Cooperatives

- At PowerXchange, Agriculture Secretary Tom Vilsack announced more than half a billion dollars in funding for electric co-ops to build new clean energy infrastructure.
- Four co-op applications were among the first selected to advance in the USDA's \$1 billion PACE program, created under the Inflation Reduction Act.



Advocacy Wins

- As part of NRECA-led consortium, 7 electric co-ops will join a nearly \$58 million cost-share program with the DOE to build microgrids.
- The Treasury Department published the final rule for the direct-pay legislation enacted by Congress.
 - Gives electric co-ops first-time access to tax credits.
 - Directly reflects input from NRECA and its member co-ops.
 - Learn more at cooperative.com/directpay.

Advocating for Reliability

- Jim Matheson penned an op-ed, published in the *New York Times*.
- Matheson participated in an interview with CNBC reporter Diana Olick.

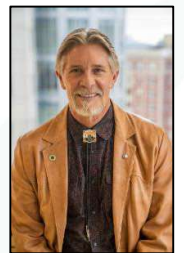
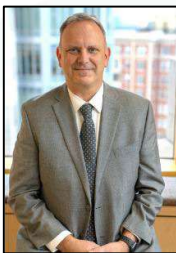


NRECA Board of Directors

- Officer update.
 - J. Ingrid Kessler, Oregon, elected Secretary-Treasurer at March board meeting.



- 8 new board members installed at PowerXchange.



2024 PowerXchange & TechAdvantage Recap

- 9,600+ attendees
- 469 exhibitors – new record!
- 115 new exhibitors
- 2025 Expo pre-sales launched in March - currently 78% full.
- Record 1,214 enrollments in preconference Director Education programming.



Report of KIUC Charitable Foundation

To KIUC Board of Directors

4/29/2024

The Charitable Foundation Board met on 4/29/24

The following reports were received:

Treasurer reported an ending balance of \$66,203.38

The Board approved \$3,500 to Kauai Search and Rescue.

In the Makana program we had 459 participating and year-to-date total contributions were \$1,166.66.

Two applicants, pending submission of financial information.

Golf Tournament- date reserved November 16.

T. Phil Tacbian, President

From: [Marj Dente](#)
To: testimony@kiuc.coop
Cc: [Bissell, David](#)
Subject: TESTIMONY FOR APRIL 30, 2024 KIUC BOARD MEETING
Date: Monday, April 29, 2024 10:23:24 AM

CAUTION: This email originated outside of the KIUC organization. Do not click links, open attachments or respond unless you recognize the sender and know the content is safe. Contact IT for help.

Aloha KIUC Board Members and CEO David Bissell:

At the January 25, 2024 Board Meeting, the CEO reported that the COOP had started a temporary program to determine if a Drone surveillance study of utility poles in the Kapaa / Wailua areas would possibly be productive and affordable for the entire Island. I have not heard or seen any further information. Please advise.

I am also asking to hear an update on any Wildfire Mitigation Plan that reputedly is being determined by the State Legislature. Please advise.

At the March 26, 2024 meeting, it was reported that testimony was received from Steve Parsons and that Board members had received a copy. The Chair thanked him for his suggestions and the Board would consider them.

Question: Why was Mr.Parson's letter not read aloud at the meeting so that I and any other Zoom attendees could be aware of his suggestions? Time did not seem to be an issue, as it was a very short meeting.

I would appreciate your consideration of my concerns.

Thank you, Marj Dente

BOARD APPROVAL REQUEST FORM

Requestor

Department **Production**

Date **3/28/2024**

Name Richard Vetter

Title: _____

Program/Project Name **ILIILIULA 36" SIPHON REPLACEMENT (191295) - WRITE OFF**

Project Dates (if any) _____

Deadline(s) _____

Description of Request (attach documentation if needed)

A 36" diameter siphon that was installed in 2004 after a storm, and was destroyed in a landslide in 2019. This siphon had allowed water diverted from Blue Hole to flow eventually to the Waiahi hydro system. Costs incurred were for earth movement, surveying, and preliminary engineering to develop a hard quote and plan to repair. Plans were never implemented due to uncertainty of water access.

Financial Impact

Fiscal Year: 2024

Budgeted? _____ Unbudgeted? X

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

Original Budget Amt \$ -

Additional/Change \$ **269,000**

Revised Budget Amt \$ 269,000

Required (Initials)

CEO Review: DB

Committee Referral/Action

Committee F&A

Meeting Date: 4/16/2024

Committee Recommendations: _____

Cmte Chairperson Presiding: Peter Yukimura

Board Action

Board Workshop _____

Wrkshp Date: _____

Board Meeting Date 4/30/2024

Action Taken: _____

1st/2nd: _____

Other Info: _____

Res No. _____

File Date & Location _____