

REGULAR MEETING OF THE BOARD OF DIRECTORS
KAUA'I ISLAND UTILITY COOPERATIVE
via Video Conference Call
On June 27, 2024

MINUTES

Meeting called to order by Chair Smith at 1:04 p.m.

1. Roll Call

- 1.1. **Directors present:** Allan Smith (Chair), Jan TenBruggencate (Vice-Chair), Peter Yukimura (Treasurer), Calvin Murashige (Secretary), 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.), Lisa Ubay (Mgr. of HR and Safety), Cameron Kruse (Engineering & Tech Mgr.), Chris Yuh (Mgr. of Finance, Risk & Analytics), Daurice Arruda (Accounting Mgr.), Erin Tsuda (Finance Mgr.), Corinne Cuaresma (Controller), Scott Sato (Energy Services Supervisor), Shelley Paik (PA Specialist), Shelsey Francisco (Financial Analyst), Allison Young (Communications & PR Specialist), Jonah Knapp (Staff Engineer), Bryanna Pacleb (Real Property & Regulatory Admin); Members of the press (0) and Member of the public (0)
- 1.3. **Absent/Excused:** None

2. Approval of the Agenda

- 2.1. The Board of Directors' agenda of June 27, 2024, was approved as circulated.

3. Approval of Minutes

- 3.1. The minutes of May 30, 2024, Regular Board meeting were approved as circulated.

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

- 4.1. CEO discussed June's President's Report as presented to the board (report attached).
 - CEO gave an overview of where to find the 2024 Wildfire Mitigation Plan located on [KIUC's website](#). No action taken.

5. **Financial Report – Stacie Dellamano (CFO)**

- 5.1. CFO provided a brief update on the May 2024 Financial Report (report attached).
- Changes are noted in red on the Treasury Management monthly discussion.
 - Brief discussion ensued. No action taken.

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

- 6.1. The NRECA Board just completed their summer board meeting (update and presentation attached).
- NRECA continues to focus on the *EPA Power Plant Rule* lawsuits that were filed to overturn the rule. The rule is scheduled to go into effect on July 1st.
 - Other topics of discussion were the Sake River dams, issues on renewables in the Northwest, cyber security, and federal funding.
 - NRECA received a grant in the amount of \$4 million for Project Guardian in which KIUC and 400 other co-ops are part of a consortium on cyber security.
 - No increase in membership dues for NRECA for 2025.
 - 1700 participants for Youth Tour this year.

7. **Charitable Foundation Board – Director Teofilo Tacbian update:**

- 7.1. The Charitable Foundation Board met on June 26, 2024. Board report was circulated to the board for review (attached). Charitable Foundation Chair Tacbian provided a brief recap.

8. **Public Testimony**

- 8.1. No public testimony received.

9. **New Business**

9.1. **Policy 14 – KIUC Policy, Procedure and Practice Formulation, Review and Approval**

- Director Yamane introduced Board Policy 14 and provided a recap of the proposed revisions to note that revisions were made to be consistent with existing practices regarding the administrative policies. The policy committee approved the proposed revision for full board approval.

- **MOTION:** to approve Board Policy 14.

[Motion: Yamane] [Second: TenBruggencate]

No discussion.

IN FAVOR: Smith, TenBruggencate, Yukimura, Murashige
Mayfield, Tacbian, Iha, Crowell, Yamane

Total – 9

OPPOSED: None

Total – 0

EXCUSED: None

Total – 0

Motion carried

10. Calendar

- 10.1. **July 4, 2024** – HOLIDAY – Independence Day (KIUC Offices Closed)
- 10.2. **July 16, 2024** – Board Committee Meetings (9:00am, MCR)
- 10.3. **July 18, 2024** – Kauai Chamber Mayor’s Luncheon (11:30am, Koloa Landing)
- 10.4. **July 25, 2024** – Lihue Business Association Meeting (7:30am, Duke’s Kauai) – *Director Mayfield noted that there will be no LBA meeting in July.*
- 10.5. **July 25, 2024** – Regular Board Meeting (1:00pm, Zoom)
- 10.6. **July 31, 2024** – KIUC Annual Membership Meeting (6:00pm, Kauai Philippine Cultural Center)

11. Executive Session

At 1:37 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 1:47 p.m.
 - Vice Chair TenBruggencate moved, and Director Murashige seconded, to ratify the two items approved in Executive Session.
 - Approve an extension on a construction requirement at a solar farm.
 - Authorize staff to settle a potential lawsuit.
 - The Executive Session minutes of May 30, 2024, were approved as circulated in executive session.

12. Adjournment

- 12.1. The meeting was adjourned at 1:48 p.m.

Calvin Murashige
Calvin Murashige (Jul 25, 2024 17:00 HST)

Calvin Murashige
Board Secretary

June 27, 2024

David Bissell, President & CEO

PRESIDENT'S REPORT

PRESIDENT'S REPORT

Safety (May)	Month	2024 YTD	2023 YTD
Recordable Incidents	0	1	3
Availability and Reliability	Month	2024 YTD	2023 YTD
Reportable Outages	3	12	20
Average Outage Hours Per Customer	0.21	2.01	1.77
Efficiency	Month	2024 YTD	
Net Plant Heat Rate	9,145	9,114	
Peak Demand (MW)	72.83	73.71	
Residential Rates			
June 2024	\$0.377/kwh increase \$0.003 from May		

UPDATE ITEMS

- KIUC rates remain lowest in state (over 2 years)
- KIUC renewable generation leads state at 58%
- Wildfire mitigation
 - Public outreach
 - County Council Committee of the Whole
 - KKCR
 - KHON
 - Pole changeouts – 70
 - Drone inspections South/West complete 5,200 poles
 - Awaiting findings from contractor



UPDATE ITEMS-CONTINUED

- KIUC website has wildfire preparedness and mitigation section
 - Wildfire Mitigation Plan and Kauai weather station information accessible
- KIUC Annual Member Meeting –July 31 at 5:30 pm (Philippine Cultural Center)
- Congressionally Directed Spending- \$1.3 million Synchronous Condenser
 - Received Department of Energy approval to use on Port Allen control house improvements
 - \$1.675 million GRIP grant will used for generator modifications
- Electric Vehicle – KIUC Member Service department new KIA EV6
- Lobby phone changed out for better customer service
- New Port Allen warehouse container office to arrive September



MAHALO!



Kaua'i Island Utility Cooperative

Your Touchstone Energy® Cooperative



Board Financial Report

June 2024

Finance and Accounting Monthly Summary

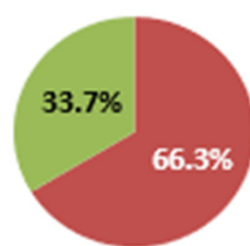
Finance and Accounting Update

- Key Performance Indicators
- Financial Results
 - Balance Sheet
 - Income Statement
- Outstanding Loan Detail Report
- A/R Reports
- Sales Reports – Annual kWh Sales Comparison
- Treasury Management Monthly Discussion

MWh Sales

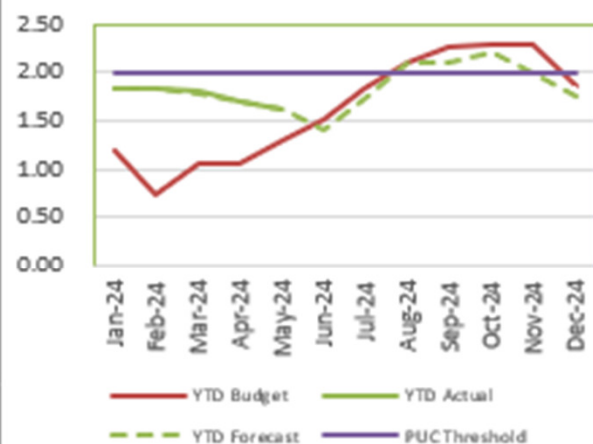
Class	YTD Prior Year	YTD Actual		Percent Change
Residential (D)	75,398	74,997	↓	-0.5%
Small Comm (G)	25,740	25,659	↓	-0.3%
Large Comm (J)	20,489	20,022	↓	-2.3%
Lrg Pwr Primary (L)	18,840	20,005	↑	6.2%
Lrg Pwr Secondary (P)	40,615	41,595	↑	2.4%
Street Lighting (SL)	289	290	↑	0.3%
Irrigation	517	81	↓	-84.3%
Total	181,888	182,648	↑	0.4%

Equity Ratio

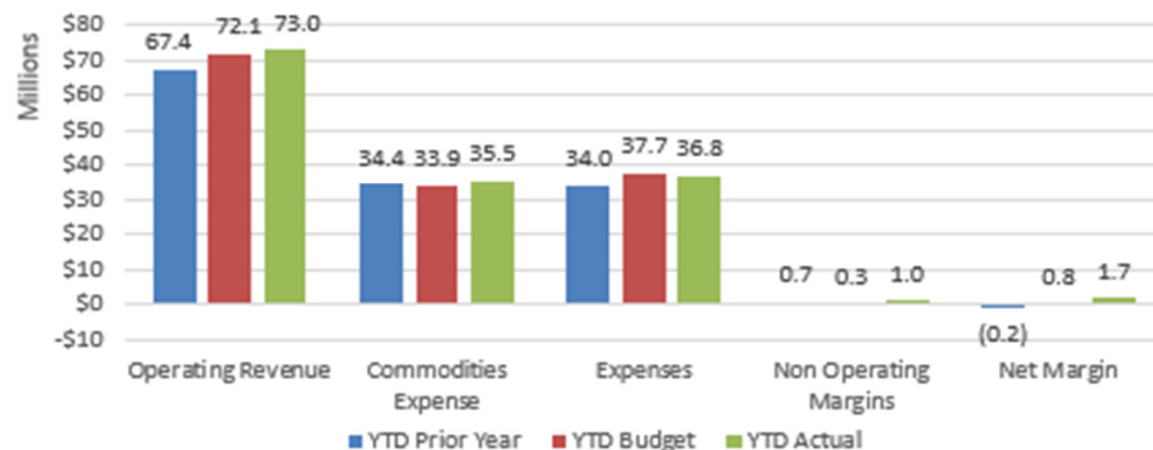


■ Liabilities as a % of Assets
■ Equity as a % of Assets

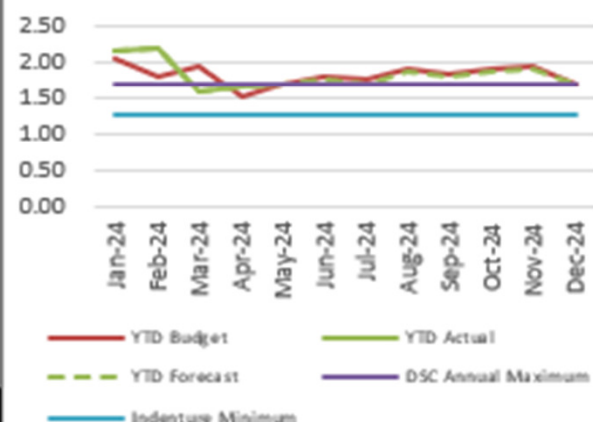
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Key Results



DSC



Expenses



(In Millions)	YTD Actual
Cash	\$0.1
Short-Term Investments	\$38.6
Cushion of Credit	\$0.0
Total Cash & Investments	\$38.7
Line of Credit Available	\$100.0
Line of Credit Drawn	\$0.0

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General Ledger

Financial And Operating Report Electric Distribution

BALANCE SHEET FOR MAY 2024

	Last Year	This Year	Variance
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	606,165,850.34	596,708,615.89	-9,457,234.45
2. Construction Work in Progress	5,268,318.55	11,945,374.45	6,677,055.90
3. Total Utility Plant (1 + 2)	611,434,168.89	608,653,990.34	-2,780,178.55
4. Accum. Provision for Depreciation and Amort.	340,829,741.86	336,763,525.55	-4,066,216.31
5. Net Utility Plant (3 - 4)	270,604,427.03	271,890,464.79	1,286,037.76
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	23,353,406.46	21,664,655.30	-1,688,751.16
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	1,053,784.19	913,414.92	-140,369.27
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)	26,407,930.92	24,513,194.95	-1,894,735.97
15. Cash - General Funds	1,653,940.19	1,490,439.09	-163,501.10
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	-33,238.71	-30,339.47	2,899.24
18. Temporary Investments	43,657,526.69	38,805,880.53	-4,851,646.16
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	9,055,242.59	11,099,314.95	2,044,072.36
21. Accounts Receivable - Other (Net)	364,499.59	217,818.54	-146,681.05
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	23,244,417.51	21,509,829.40	-1,734,588.11
24. Prepayments	972,490.95	2,357,230.66	1,384,739.71
25. Other Current and Accrued Assets	8,535,642.57	9,466,531.54	930,888.97
26. Total Current and Accrued Assets (15 thru 25)	87,450,521.38	84,916,705.24	-2,533,816.14
27. Regulatory Assets	34,123,139.84	36,373,182.94	2,250,043.10
28. Other Deferred Debits	99,625.76	162,352.87	62,727.11
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	418,685,644.93	417,855,900.79	-829,744.14

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General Ledger

Financial And Operating Report Electric Distribution

BALANCE SHEET FOR MAY 2024

	Last Year	This Year	Variance
LIABILITIES AND OTHER CREDITS			
30. Memberships	602.66	615.80	13.14
31. Patronage Capital	134,694,149.18	138,699,998.29	4,005,849.11
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	-167,530.71	1,693,560.28	1,861,090.99
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	69,293.56	281,019.12	211,725.56
36. Total Margins & Equities (30 thru 35)	134,596,514.69	140,675,193.49	6,078,678.80
37. Long-Term Debt - RUS (Net)	0.00	0.00	0.00
38. Long-Term Debt - FFB - RUS Guaranteed	121,834,825.29	116,235,924.96	-5,598,900.33
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	122,930,640.31	115,945,106.31	-6,985,534.00
41. Long-Term Debt - RUS Econ. Devel. (Net)	0.00	0.00	0.00
42. Payments - Unapplied	-3,949,168.58	0.00	3,949,168.58
43. Total Long-Term Debt (37 thru 41 - 42)	240,816,297.02	232,181,031.27	-8,635,265.75
44. Obligations Under Capital Leases - Noncurrent	13,583,205.15	13,003,196.24	-580,008.91
45. Accumulated Operating Provisions	166,100.10	67,336.50	-98,763.60
46. Total Other Noncurrent Liabilities (44 + 45)	13,749,305.25	13,070,532.74	-678,772.51
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	5,496,644.67	6,702,638.41	1,205,993.74
49. Consumers Deposits	1,458,364.51	1,571,278.79	112,914.28
50. Current Maturities Long-Term Debt	0.00	0.00	0.00
51. Current Maturities Long-Term Debt - Econ. Devel.	0.00	0.00	0.00
52. Current Maturities Capital Leases	0.00	0.00	0.00
53. Other Current and Accrued Liabilities	9,750,828.47	9,296,304.25	-454,524.22
54. Total Current & Accrued Liabilities (47 thru 53)	16,705,837.65	17,570,221.45	864,383.80
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	12,817,690.32	14,358,921.84	1,541,231.52
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	418,685,644.93	417,855,900.79	-829,744.14
Current Assets To Current Liabilities	5.23 to 1	4.83 to 1	
Margins and Equities To Total Assets	32.15 %	33.67 %	
Long-Term Debt To Total Utility Plant	39.39 %	38.15 %	

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General Ledger

Financial And Operating Report Electric Distribution

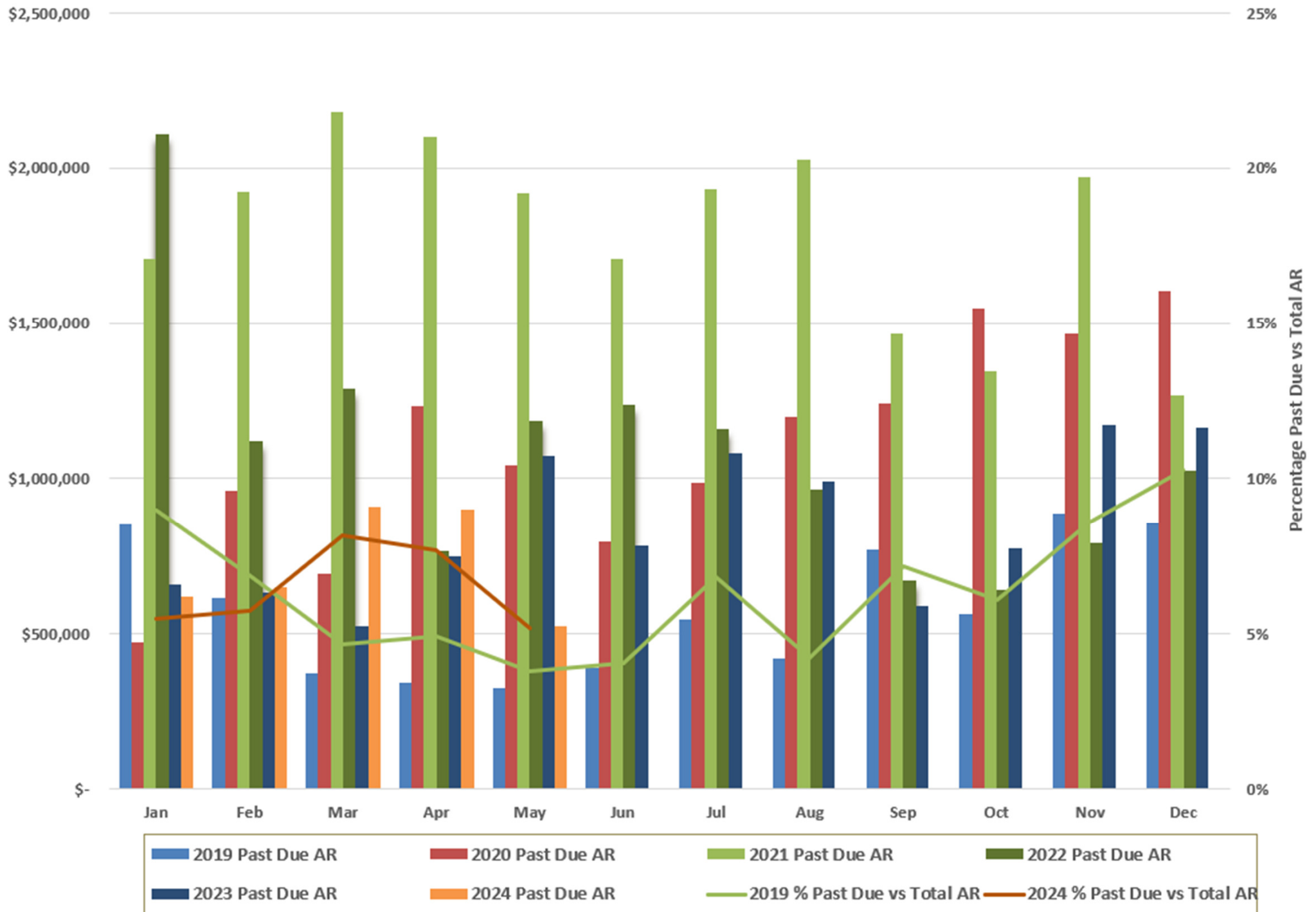
INCOME STATEMENT FOR MAY 2024

Item	Year - To - Date			Period - To - Date	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	67,420,944.33	73,013,935.54	72,086,143.00	16,072,513.51	14,951,183.00
2. Power Production Expense	21,432,976.27	24,771,592.08	20,582,494.00	6,335,611.04	3,743,633.00
3. Cost of Purchased Power	18,372,819.78	17,415,510.78	19,448,168.00	3,521,153.65	4,243,416.00
4. Transmission Expense	466,594.54	590,052.20	604,428.00	107,261.72	123,522.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	600,558.31	703,565.15	701,794.00	196,271.30	146,854.00
7. Distribution Expense - Maintenance	2,183,802.75	2,248,031.20	2,252,494.00	462,368.14	459,191.00
8. Customer Accounts Expense	970,823.22	1,004,413.92	1,250,137.00	192,852.63	253,783.00
9. Customer Service and Informational Expense	102,287.58	100,886.72	193,445.00	25,584.67	33,299.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	9,227,184.35	10,419,387.34	11,110,572.00	2,110,420.31	2,248,349.00
12. Total Operation & Maintenance Expense (2 thru 11)	53,357,046.80	57,253,439.39	56,143,532.00	12,951,523.46	11,252,047.00
13. Depreciation & Amortization Expense	6,464,359.60	6,205,587.08	6,686,107.00	1,243,261.66	1,337,221.00
14. Tax Expense - Property & Gross Receipts	1,683,793.93	1,823,578.19	1,802,155.00	401,464.27	373,780.00
15. Tax Expense - Other	4,006,624.19	4,342,357.27	4,288,969.00	955,909.69	885,577.00
16. Interest on Long-Term Debt	2,812,769.40	2,685,682.85	2,697,000.00	536,268.41	539,000.00
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	12,952.27	42,585.65	67,900.00	677.31	7,830.00
20. Total Cost of Electric Service (12 thru 19)	68,337,546.19	72,353,230.43	71,685,663.00	16,089,104.80	14,395,455.00
21. Patronage Capital & Operating Margins (1 minus 20)	-916,601.86	660,705.11	400,480.00	-16,591.29	555,728.00
22. Non Operating Margins - Interest	1,143,211.22	1,167,520.64	897,653.00	232,219.82	167,182.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-496,692.67	-261,768.21	-545,846.00	-55,537.94	-56,201.00
25. Non Operating Margins - Other	102,552.60	127,102.74	60,600.00	19,625.59	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)	-167,530.71	1,693,560.28	812,887.00	179,716.18	678,829.00
Operating - Margin	-167,530.71	1,693,560.28	812,887.00	179,716.18	678,829.00
Non Operating - Margin	0.00	0.00	0.00	0.00	0.00
Times Interest Earned Ratio - Operating	0.67	1.25			
Times Interest Earned Ratio - Non Operating	0.94	1.63			
Times Interest Earned Ratio - Modified	0.94	1.63			

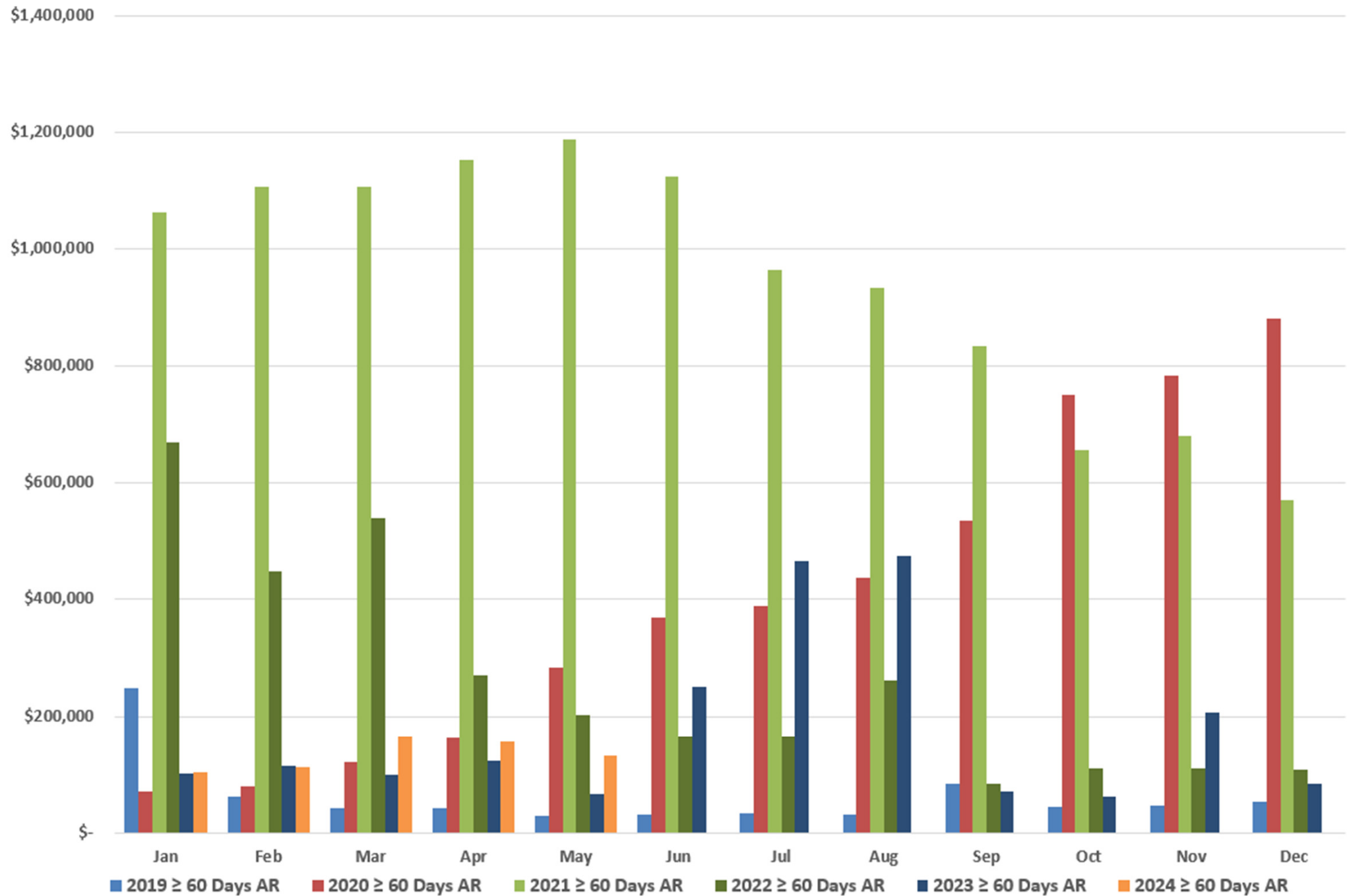
KAUAI ISLAND UTILITY COOPERATIVE
NOTES, BONDS, AND OTHER INDEBTEDNESS
YEARS ENDED DECEMBER 31, 2023 AND 2024

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	07/01/01	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>

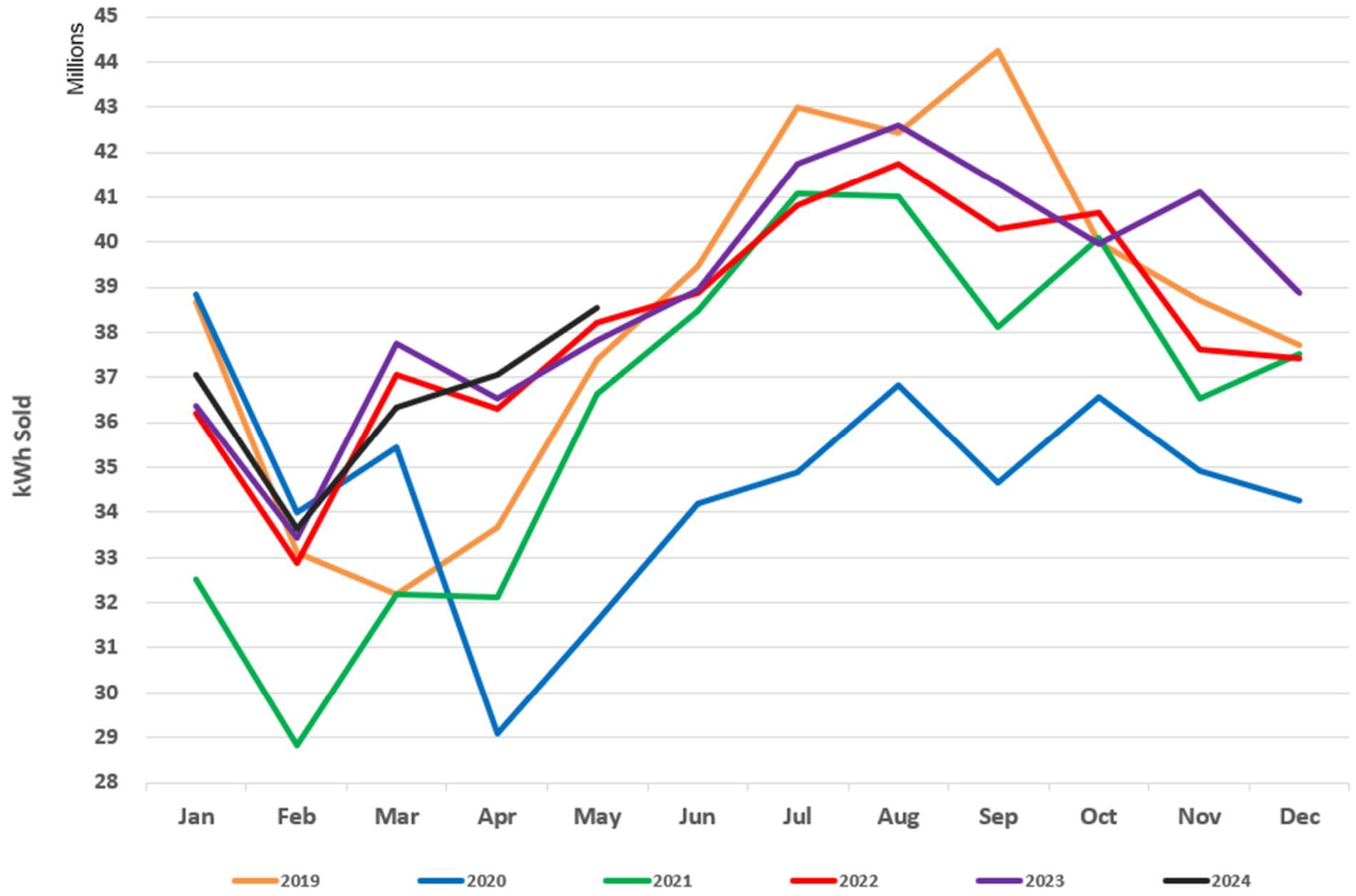
YOY > 30 days vs Total AR



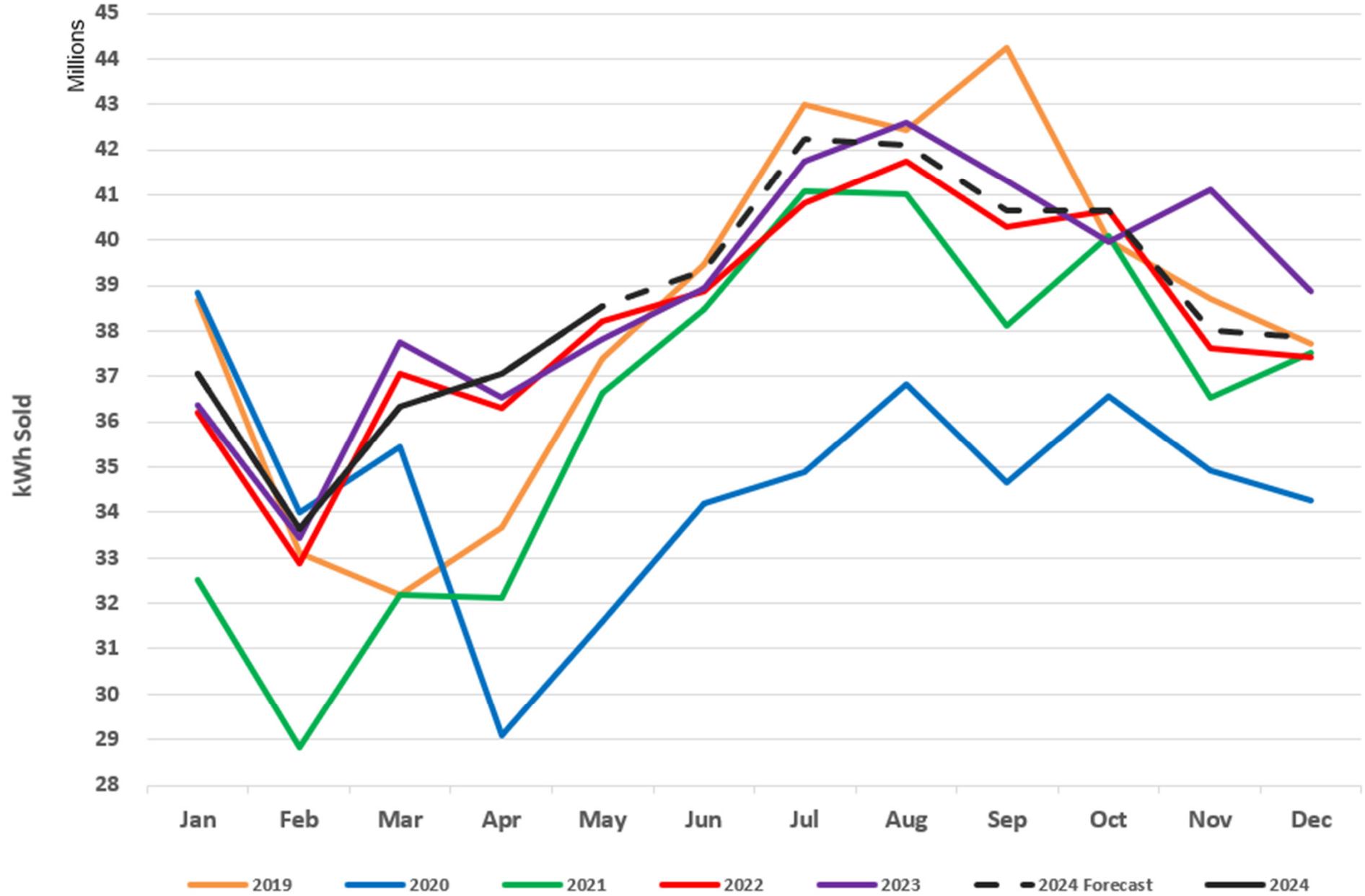
YOY ≥ 60 Days



Total kWh Sold



Total kWh Sold



Treasury Management – Monthly Discussion

- Ratings:
 - 2/8 BOH Meeting and confirmed no changes in Money Market Fund Rating
- Current Summary Of Investments:
- **\$28.9M** 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)
 - **4.95%** Interest Rate
- **\$4.83M** CFC Daily and Monthly Commercial Paper – ST to Medium Term Investment – Daily to Monthly A2 Moody and S&P A-
 - Daily Fund 4.60%
- **\$4.78M** CoBank Commercial Paper Investment – AA- Moody and S&P
 - 60-day Investment – 4.17%
- **\$261,206** Central Pacific Bank – Backup Checking in NISC if needed
 - Backup for Checking in Money Market (unlimited) account
 - 4.08%

Questions?

NRECA Board Update

May 2024



- ◆ NRECA filed a lawsuit against the Environmental Protection Agency (EPA) over its unlawful power plant rule. The Association also requested a stay from the courts, which would temporarily halt the rule from taking effect. The court has not yet ruled on the lawsuit or the stay request. NRECA's perspective on the EPA power plant rule has appeared in more 150 media outlets. Those appearances were driven by aggressive outreach and a media teleconference featuring NRECA CEO Jim Matheson, Mac McLennan (CEO, Minnkota Power Cooperative) and Tony Campbell (CEO, East Kentucky Power Cooperative). In support of NRECA's stay request, 10 generation and transmission cooperatives submitted declarations of harm that highlight the immediate and irreparable challenges posed by the rule. NRECA members can learn more about the EPA rule and NRECA's actions at www.cooperative.com/EPA111.
- ◆ The Department of Energy [awarded](#) NRECA Research \$4 million to launch Project Guardian, an initiative that provides electric co-ops with new tools to detect, respond to and recover from cyber threats and attacks. Learn more about Project Guardian by registering for a June 25 [webinar](#).
- ◆ NRECA Research signed an [agreement](#) with NERC's Electricity Information Sharing and Analysis Center (E-ISAC) to enhance electric sector cybersecurity through increased collaboration. The agreement prioritizes the sharing of intelligence about security threats, vulnerabilities and cyber incidents through heightened coordination between the E-ISAC and NRECA's Threat Analysis Center.
- ◆ NRECA sent a letter to the House Transportation and Infrastructure Committee emphasizing co-op priorities in the Water Resources Development Act (WRDA)—the biennial legislation that authorizes projects and studies for the Army Corps of Engineers. Key points included protecting the lower Snake River dams, preserving the Power Marketing Administrations' rate-making authority, applying Dam Safety Assurance Authority and identifying a compromise for the Stockton Lake multi-use capabilities. House markup on the bill is expected in late June.
- ◆ To date, 60 co-ops in 26 states were selected for over \$1 billion in federal funding via NRECA's Infrastructure Initiative. All NRECA voting members are encouraged to register for the Federal Funding Opportunities Webinar [Series](#), which provides an overview of NRECA research initiatives, real-time updates on various funding opportunities, and information on the federal funding application and post-award processes. The next webinar, June 18, will include a review of specialty forms in the application process.

NRECA Board of Directors

NRECA Update

May 2024

Action on New EPA Rules for Power Plants

- NRECA filed suit and is seeking emergency stay of final rule.
- 10 G&Ts submitted declarations of harm.
- NRECA has appeared in more 150 media outlets.
- Visit cooperative.com/EPA111

Lawsuits mount against Biden power plant rule

By Niina H. Farah, Lesley Clark | 05/13/2024 01:38 PM EDT

An electric utility and two more states have joined the legal fray over EPA requirements to curb carbon emissions from the power sector.



Action on Water Resources Development Act

NRECA sent a letter to the House Transportation and Infrastructure Committee emphasizing co-op priorities:

- Protect the lower Snake River dams.
- Preserve Power Marketing Administrations' rate-making authority.
- Apply Dam Safety Assurance Authority.
- Identify a compromise for Stockton Lake multi-use capabilities.

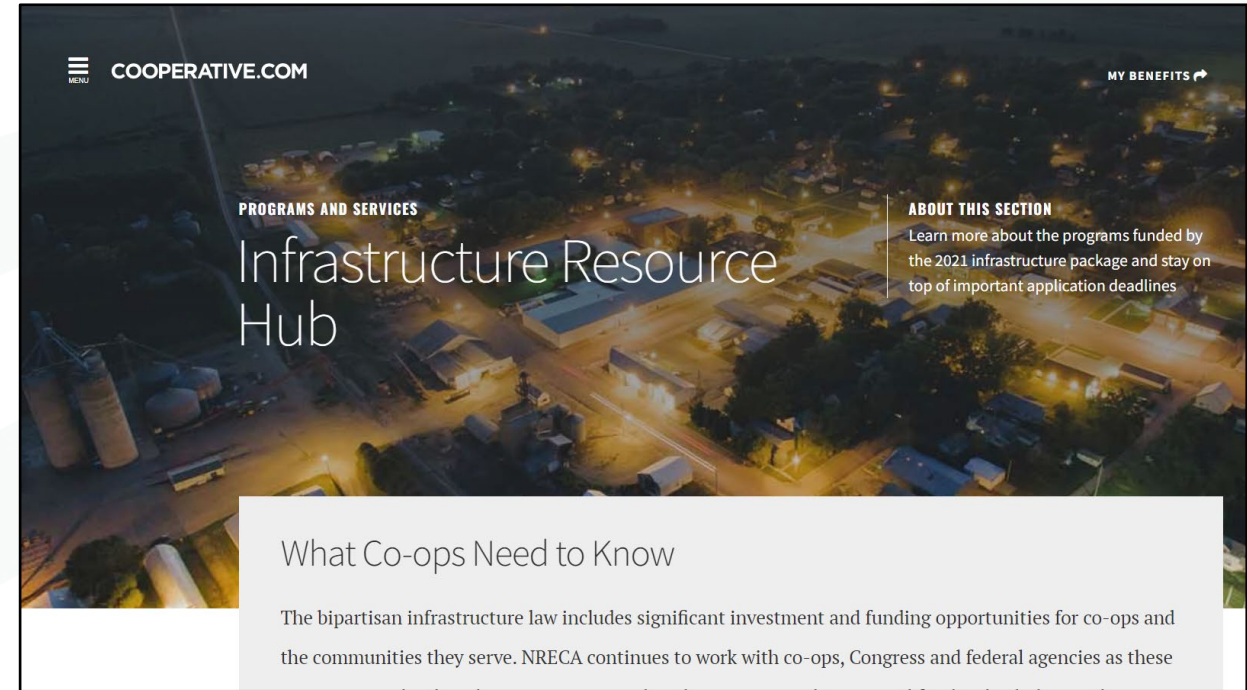
Cybersecurity

- NRECA Research received \$4 million from DOE to launch Project Guardian, an initiative to advance the cybersecurity posture of electric co-ops.
- NRECA Research signed an agreement with E-ISAC to enhance electric sector cybersecurity through increased collaboration.



Federal Funding

- To date, 60 co-ops in 26 states were selected for over \$1 billion in federal funding via NRECA's Infrastructure Initiative.



- Next installment of Federal Funding Opportunities Webinar Series for NRECA voting members is June 18.



Report of KIUC Charitable Foundation

To KIUC Board of Directors

6/25/2024

The Charitable Foundation Board met on 6/25/24

The following reports were received:

Treasurer reported an ending balance of \$59,338.08

Checks cut to:

- UH Foundation for KCC Scholarship for \$3,157.89
- Hawaii State Tax Collector for \$104.78

In the Makana program we had 460 participating and year-to-date total contributions were \$1,497.16.

Golf Tournament- committee meeting scheduled for July 23.

T. Phil Tacbian, President

~~KAUAI ISLAND UTILITY COOPERATIVE~~ KIUC
BOARD POLICY NO. 14
(Revised: 06/30/2021)
KIUC POLICY, PROCEDURE AND PRACTICE
FORMULATION, REVIEW AND APPROVAL

PURPOSE OF POLICY:

To establish the basis for the development, distribution, and periodic review of KIUC Board Policies, KIUC Administrative Policies, KIUC Procedures and KIUC Practices.

POLICY CONTENT:

I. A. DEFINITIONS Definitions:

A. 1. Policy: A document that establishes and/or transfers authority or guides decision making. A policy, where applicable, must be consistent with federal and state law, the KIUC Articles of Incorporation and the KIUC Bylaws. KIUC shall have two types of policies.

1. a. Board Policies. Board Policies relate to the governance of the Cooperative.

1.

2. b. Administrative Policies. Administrative Policies relate to the management of KIUC and its employees.

A. 2. Procedure: A document that establishes the actions all employees will follow when carrying out their duties and responsibilities. Not all Board or Administrative Policies will necessarily require the development of a Procedure. Procedures, where applicable, must be consistent with federal and state law, the KIUC Articles of Incorporation, KIUC Bylaws, Board and Administrative Policies.

B.

B. 3. Practice: A document that establishes specific steps employees will perform when implementing Procedures or other actions employees are required to take in order to perform their duties and responsibilities.

C.

D. 4. Board Oversight: Board Oversight means the Board Policy Committee and the Board shall have the opportunity to review Administrative Policies prior to their implementation to ensure they are correct (not in conflict with law, the Articles of Incorporation, By-laws or Board Policy) and fair (no appearance of being inequitable).

II. B. — BOARD POLICIES

÷ — Board Policies shall express the Board's expectations and standards regarding board, director, management and organizational performance. Such policies shall have one or more of the following purposes:

1. Guide the Board of Directors
2. Provide for the adherence to KIUC's mission
3. Define and transfer authority and responsibility
4. Direct management and staff
5. Protect the Cooperative and the Board of Directors
- ~~1.~~ Avoid ambiguity
- ~~6.~~
- ~~6.7.~~ Other appropriate purpose

Board Policies shall be developed by the Board Policy ~~Committee, or~~ Committee or developed by other Board Committees and reviewed by the Board Policy Committee for consistency with other KIUC Board policies, and then submitted to the Board of Directors for review and approval. KIUC's President and CEO may also develop Board Policy recommendations for presentation to and processing by the Board Policy Committee.

III. C. — ADMINISTRATIVE POLICIES

÷

A. 1. — Content. ÷ — Administrative Policies shall express Management's expectations and standards regarding employee and organizational performance. Such policies shall have one or more of the following purposes:

1. ~~a.~~ Guide Management
2. ~~b.~~ Provide for the adherence to KIUC's mission
3. ~~c.~~ Define and transfer management authority and responsibility
4. ~~d.~~ Direct staff and other employees
5. ~~e.~~ Protect the Cooperative
6. ~~f.~~ Avoid ambiguity
7. ~~g.~~ Other appropriate purpose

B. 2. — Development. ÷ — Administrative Policies shall be developed by, or delegated for development by, KIUC's President and CEO, and under his supervision. After development, but before adoption, such Administrative Policies will be presented to the Board of Directors ~~through the Board's Policy Committee~~ by the President and CEO for Board oversight.

1. ~~a.~~ — Procedure. — All Administrative Policies, or substantive changes thereto, shall be emailed to all current Directors by the President and CEO prior to their implementation to ensure they are correct (not in conflict with law, articles of incorporation, Bylaws, or Board policy), and fair (no appearance of being

inequitable). If any Director takes exception to the content of any Administrative Policy so transmitted, such Director shall report such exception to the Chair of the Board Policy Committee and the President and CEO within 10 working days of the policy's receipt from staff. Upon receipt of any such exception the Chair of the Board Policy Committee shall place the matter on the agenda of the next Policy Committee meeting whereupon the Policy Committee shall make its report to the Board.

2. ~~b.~~—Certification. ~~—Submission of an Administrative Policy to the Board of Directors Policy Committee~~ acts as a certification by the submitting party that the submitted policy has been reviewed and approved by appropriate staff personnel and, if appropriate, by counsel or other appropriate expert with knowledge of the subject matter of the policy.

IV. ~~D.~~—PROCEDURES AND PRACTICES.

- ~~A.~~—KIUC Procedures and Practices shall be documented as appropriate by, and/or delegated for documentation by, KIUC's President and CEO, and under his supervision.

~~I.~~ ~~E.~~—MAINTENANCE AND REVIEW. V.

- ~~A.~~ ~~1.~~—Maintenance. ~~—All Board and Administrative Policies shall be maintained by KIUC's President and CEO, or the President and CEO's designee.~~

~~B.~~ ~~, in appropriate up-to-date Policy Manuals. Review. All documented KIUC Procedures and Practices shall be maintained by KIUC's President and CEO, or the President and CEO's designee, in appropriate up-to-date Procedure and Practice Manuals.~~

~~2.~~—Review:

1. ~~a.~~—Board Policies. The Policy Committee shall ~~review, or review or~~ cause to be reviewed by the appropriate Board Committee, each Board Policy at least every three years, or as required by change in law or otherwise, and recommend revisions or changes as appropriate.

2. ~~b.~~—Administrative Policies. The President and CEO shall review, or cause to be reviewed, each Administrative Policy at least every three years, or as required by change in law or otherwise, and recommend revisions or changes as appropriate.

~~e.~~—Procedures and Practices. ~~—The President and CEO shall review, or cause to be reviewed, each KIUC Procedure or Practice as required by change in law, change in the Practice or Procedure or otherwise, and make revisions or changes to the Procedure or Practice documentation as appropriate.~~

C. 3.—Dating: Each Policy, ~~Procedure or Practice~~ shall identify its initial date of approval and the date of approval of the most recent revision.

VI. F.—CONFLICTS:

In the event there is a conflict between any Policy, Procedure or Practice, ~~and~~ the law, the KIUC Bylaws, the KIUC Articles of Incorporation, or the rules and regulations of a lending or regulatory agency, the law, Bylaws, Articles of Incorporation, or such rules and regulations will prevail over the Policy, Procedure or Practice.

VII. RESPONSIBILITIES:

~~A. A.~~ The Chairman of the Board shall ensure this policy is adhered to.

~~A.~~

~~B. B.~~ The President and CEO will make available to all Directors copies of all Board and Administrative Policies, ~~y Manuals and all KIUC Procedure and Practice Manuals.~~

~~B.~~

~~C. C.~~ The President and CEO, in consultation with the general counsel, shall ensure all proposed Policies or revisions to existing Policies, and, if requested by the President and CEO, ~~all KIUC Procedures and Practices,~~ meet all necessary legal requirements.

Adopted on this xxrd day of xxxx xxxx.

Calvin Murashige
Secretary

Revised: 06/30/2021
Reviewed: 06/25/2019
Reviewed: 06/27/2017
Reviewed: 08/25/2015
Reviewed: 12/17/2013
Revised: 08/30/2011
Original Adoption: 12/22/2004

Adopted on this 30th day of June, 2021.

Calvin Murashige
Secretary

Revised: 06/30/2021
Reviewed: 06/25/2019
Reviewed: 06/27/2017
Reviewed (no change): 08/25/2015
Reviewed (no change): 12/17/2013

Revised: 08/30/2011
~~Original Adoption: 12/22/2004~~