

**REGULAR MEETING OF THE BOARD OF DIRECTORS**  
**KAUA'I ISLAND UTILITY COOPERATIVE**  
via Video Conference Call  
On July 25, 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), Calvin Murashige (Secretary), Dee Crowell, David Iha, James Mayfield, Teofilo Tacbian, Michael Yamane
- 1.2. **Others present:** Stacie Dellamano (CFO), Brad Rockwell (COO), Laurel Loo (General Counsel), Mike Scarbo (General Counsel), Teresa Amoy (Executive Administrator), Beth Amaro (Member Services & Communications Mgr.), Lisa Ubay (Mgr. of HR and Safety), Chris Yuh (Mgr. of Finance, Risk & Analytics), Daurice Arruda (Accounting Mgr.), Erin Tsuda (Finance Mgr.), Corinne Cuaresma (Controller), Scott Sato (Energy Services Supervisor), Fred Pascual (Distribution Planning Coordinator), 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:** David Bissell (CEO)

**2. Approval of the Agenda**

- 2.1. The Board of Directors' agenda of July 25, 2024, was approved as circulated.

**3. Approval of Minutes**

- 3.1. The minutes of June 27, 2024, Regular Board meeting were approved as circulated.

**4. President's Report – Brad Rockwell (COO)**

- 4.1. COO discussed July's President's Report as presented to the board (report attached).
  - COO noted regarding the recent wildfire incidents in the report, neither began near any KIUC infrastructures and the causes were not linked to KIUC.

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

- 5.1. CFO provided a brief update on the June 2024 Financial Report (report attached).
  - CFO focused on the scorecard summary and kWh sold for the month of June.
  - Changes are noted in red on the Treasury Management monthly discussion.

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

6.1. At the NRECA June Board meeting, NRECA CEO noted there would be no increases in the membership dues for 2025.

- Director Iha summarized the June 2024 NRECA update (attached).
- The Board of Directors will be hosting NRECA CEO Jim Matheson and his family on August 5, 2024.

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

7.1. Director Tacbian provided the board report for its last meeting on July 23, 2024 (attached).

- The board approved an application from the Kauai Swim Aquatics.
- The Makana program has 461 members participating with a total contribution to-date of \$1,784.34.
- The golf tournament information will be uploaded to the KIUC website soon. Director Iha noted that the golf tournament is the primary source of income for the Charitable Foundation.

**8. Public Testimony**

8.1. No public testimony received.

**9. New Business**

**9.1. Policy 4 – Board Committees**

- Director Yamane introduced Board Policy 4, noting the revisions were of grammatical corrections and clean up. The policy committee approved the proposed revisions at its last meeting for full board approval.

- **MOTION:** to approve Board Policy 4.  
[Motion: Yamane] [Second: Murashige]

**No discussion.**

IN FAVOR:	Smith, TenBruggencate, Yukimura, Murashige Mayfield, Tacbian, Iha, Crowell, Yamane	Total – 9
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OPPOSED:	None	Total – 0
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EXCUSED:	None	Total – 0
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**Motion carried**

**10. Calendar**

- 10.1. **August 16, 2024** – HOLIDAY – Statehood Day (KIUC Offices Closed)
- 10.2. **August 20, 2024** – Board Committee Meetings (9:00am, MCR)
- 10.3. **August 22, 2024** – LBA Meeting/KIUC Wildfire Mitigation (7:30am, Duke's Kauai)
- 10.4. **August 27, 2024** – 26<sup>th</sup> Annual Governor's Luncheon (11:30am, Outrigger KBR)
- 10.5. **August 29, 2024** – Regular Board Meeting (1:00pm, Zoom)

## 11. Executive Session

At 1:30 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 2:10 p.m.

- A motion to ratify actions taken in Executive Session by Director Murashige and seconded by Director Yukimura we approved unanimously.
  - The Executive Session minutes of June 27, 2024, were approved as circulated in executive session.

## 12. Adjournment

12.1. The meeting was adjourned at 2:11 p.m.

Calvin Murashige  
Calvin Murashige (Aug 29, 2024 17:10 HST)

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Calvin Murashige  
Board Secretary

July 25, 2024

Brad Rockwell, COO

# PRESIDENT'S REPORT

# PRESIDENT'S REPORT

Safety (June)	Month	2024 YTD	2023 YTD
Recordable Incidents	1	2	3
Availability and Reliability	Month	2024 YTD	2023 YTD
Reportable Outages	3	15	21
Average Outage Hours Per Customer	0.16	2.17	1.96
Efficiency	Month	2024 YTD	
Net Plant Heat Rate	9,009	9,095	
Peak Demand (MW)	76.18	76.18	
Residential Rates			
July 2024	\$0.376/kwh decrease \$0.001 from June		

# ISLAND-WIDE OUTAGE JULY 10

- Distribution Fault on Kapaia breaker 3316 at approximately 19:39:06 on July 10, 2024
- Based on findings, middle phase CT in R-Type breaker supported by plastic covering deteriorated and fell, causing arcing in breaker compartment
  - Installed aluminum straps to support CTs on July 11
  - Awaiting technical approval or new solution from R-Type breaker manufacturer
  - Adding additional inspection for all substation R-Type breakers for wear and replacements as-needed

# ISLAND-WIDE OUTAGE JULY 10

- Restoration took longer than usual (3.6 hours)
  - Difficulty starting GT-1
  - GT-2 trip during restoration
  - Fault located at Kapaia which required isolation before closing transmission breakers and getting Tesla BESS re-connected

# RECENT WILDFIRE EFFORTS

- July 15-16: Hanapepe Heights (HH) to Kaumakani
  - Fire reported around 12:00 west of HH on G&R property, and quickly spread down-wind/slope
  - As fire approached highway, transmission lines were de-energized and AES PMRF solar PV + BESS was used to “island” west side loads around 15:00
  - Four transmission poles along Kaumuali‘i Hwy burned
  - Crews replaced poles & re-energized west side loads from Port Allen around 03:00



# RECENT WILDFIRE EFFORTS



# RECENT WILDFIRE EFFORTS



# RECENT WILDFIRE EFFORTS

- July 18-21: Kokee
  - Fire reported around 19:00 off Kokee Rd, approx. 2 miles up
  - Kokee loads de-energized from 12:30 July 19 to 10:30 July 20
  - Two distribution poles slightly damaged; able to re-energize as-is and replace later



# UPDATE ITEMS

- KIUC Annual Membership Meeting
  - Wednesday, July 31, 2024
  - Kauai Philippine Cultural Center
  - Doors open at 5:30PM

MAHALO!



# Kaua'i Island Utility Cooperative

Your Touchstone Energy® Cooperative



## **Board Financial Report**

**July 2024**

# **Finance, Accounting, Regulatory and Warehouse Monthly Summary**

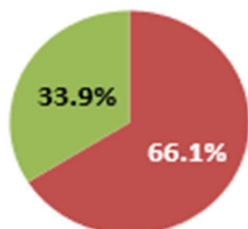
## Finance and Accounting Update

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

## MWh Sales

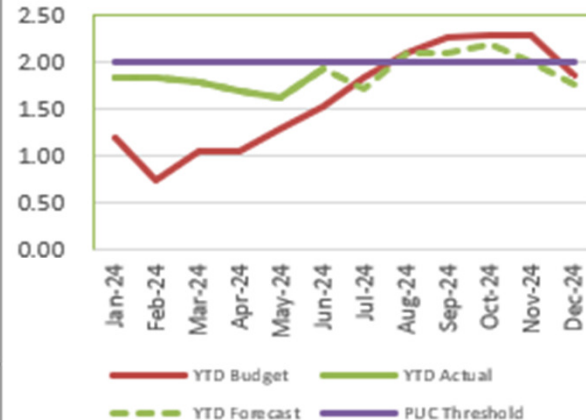
Class	YTD Prior Year	YTD Actual		Percent Change
Residential (D)	91,480	91,178	↓	-0.3%
Small Comm (G)	31,188	31,175	↓	0.0%
Large Comm (J)	24,850	24,369	↓	-1.9%
Lrg Pwr Primary (L)	22,967	24,395	↑	6.2%
Lrg Pwr Secondary (P)	49,358	50,728	↑	2.8%
Street Lighting (SL)	347	348	↑	0.3%
Irrigation	639	109	↓	-83.0%
<b>Total</b>	<b>220,830</b>	<b>222,300</b>	↑	<b>0.7%</b>

## Equity Ratio

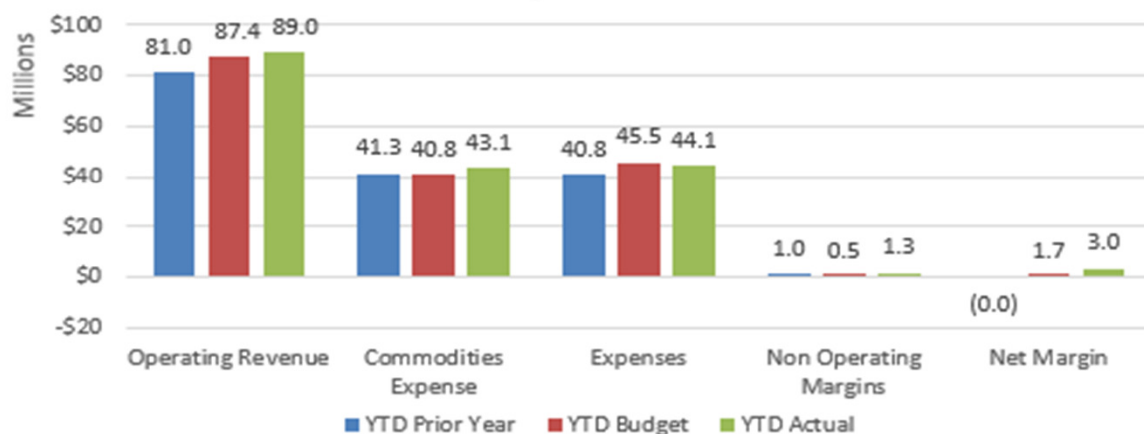


■ Liabilities as a % of Assets  
■ Equity as a % of Assets

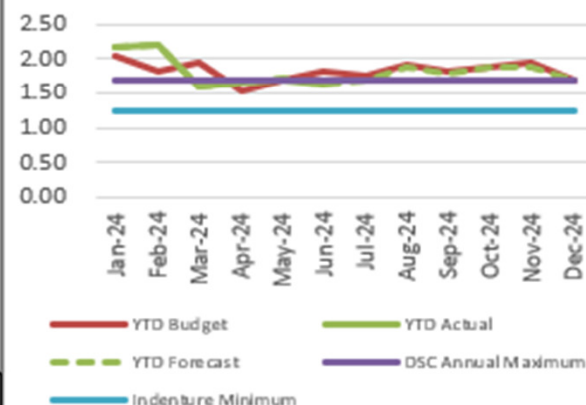
## TIER



## Key Results



## DSC



## Expenses



(In Millions)	YTD Actual
Cash	\$0.1
Short-Term Investments	\$34.7
Cushion of Credit	\$0.0
<b>Total Cash &amp; Investments</b>	<b>\$34.8</b>
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 JUN 2024

	Last Year	This Year	Variance
<b>ASSETS AND OTHER DEBITS</b>			
1. Total Utility Plant in Service	606,050,362.39	597,122,558.39	-8,927,804.00
2. Construction Work in Progress	6,326,148.70	13,110,690.24	6,784,541.54
3. Total Utility Plant (1 + 2)	612,376,511.09	610,233,248.63	-2,143,262.46
4. Accum. Provision for Depreciation and Amort.	341,707,654.75	337,616,650.05	-4,091,004.70
5. Net Utility Plant (3 - 4)	270,668,856.34	272,616,598.58	1,947,742.24
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	23,062,910.25	21,664,381.79	-1,398,528.46
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	1,042,139.69	1,076,654.31	34,514.62
12. Other Investments	0.00	0.00	0.00
13. Special Funds	0.00	0.00	0.00
14. Total Other Property & Investments (6 thru 13)	26,105,790.21	24,676,160.83	-1,429,629.38
15. Cash - General Funds	1,196,077.07	1,390,305.09	194,228.02
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	-7,691.06	-20,873.17	-13,182.11
18. Temporary Investments	45,358,129.94	34,921,013.67	-10,437,116.27
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	9,674,927.56	13,977,742.17	4,302,814.61
21. Accounts Receivable - Other (Net)	461,238.52	277,765.60	-183,472.92
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	22,748,595.14	21,378,138.07	-1,370,457.07
24. Prepayments	2,628,325.36	3,278,081.70	649,756.34
25. Other Current and Accrued Assets	8,098,564.46	9,639,366.14	1,540,801.68
26. Total Current and Accrued Assets (15 thru 25)	90,158,166.99	84,841,539.27	-5,316,627.72
27. Regulatory Assets	34,418,046.36	36,297,720.08	1,879,673.72
28. Other Deferred Debits	108,064.87	172,720.08	64,655.21
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	421,458,924.77	418,604,738.84	-2,854,185.93

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# General Ledger

## Financial And Operating Report Electric Distribution

### BALANCE SHEET FOR JUN 2024

	Last Year	This Year	Variance
<b>LIABILITIES AND OTHER CREDITS</b>			
30. Memberships	604.00	616.77	12.77
31. Patronage Capital	134,678,640.43	138,699,998.29	4,021,357.86
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	-33,380.27	3,026,592.86	3,059,973.13
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	74,057.84	281,019.12	206,961.28
36. Total Margins & Equities (30 thru 35)	134,719,922.00	142,008,227.04	7,288,305.04
37. Long-Term Debt - RUS (Net)	0.00	0.00	0.00
38. Long-Term Debt - FFB - RUS Guaranteed	120,289,229.62	115,274,799.96	-5,014,429.66
39. Long-Term Debt - Other - RUS Guaranteed	0.00	0.00	0.00
40. Long-Term Debt - Other (Net)	122,138,182.12	115,903,069.93	-6,235,112.19
41. Long-Term Debt - RUS Econ. Devel. (Net)	0.00	0.00	0.00
42. Payments - Unapplied	-1,547,092.73	0.00	1,547,092.73
43. Total Long-Term Debt (37 thru 41 - 42)	240,880,319.01	231,177,869.89	-9,702,449.12
44. Obligations Under Capital Leases - Noncurrent	13,583,205.15	13,003,196.24	-580,008.91
45. Accumulated Operating Provisions	141,558.26	41,919.34	-99,638.92
46. Total Other Noncurrent Liabilities (44 + 45)	13,724,763.41	13,045,115.58	-679,647.83
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	8,787,929.37	6,633,766.52	-2,154,162.85
49. Consumers Deposits	1,486,844.15	1,566,973.47	80,129.32
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	9,436,676.91	9,660,728.68	224,051.77
54. Total Current & Accrued Liabilities (47 thru 53)	19,711,450.43	17,861,468.67	-1,849,981.76
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	12,422,469.92	14,512,057.66	2,089,587.74
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	421,458,924.77	418,604,738.84	-2,854,185.93
Current Assets To Current Liabilities	4.57 to 1	4.75 to 1	
Margins and Equities To Total Assets	31.97 %	33.92 %	
Long-Term Debt To Total Utility Plant	39.34 %	37.88 %	

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# General Ledger

## Financial And Operating Report Electric Distribution

### INCOME STATEMENT FOR JUN 2024

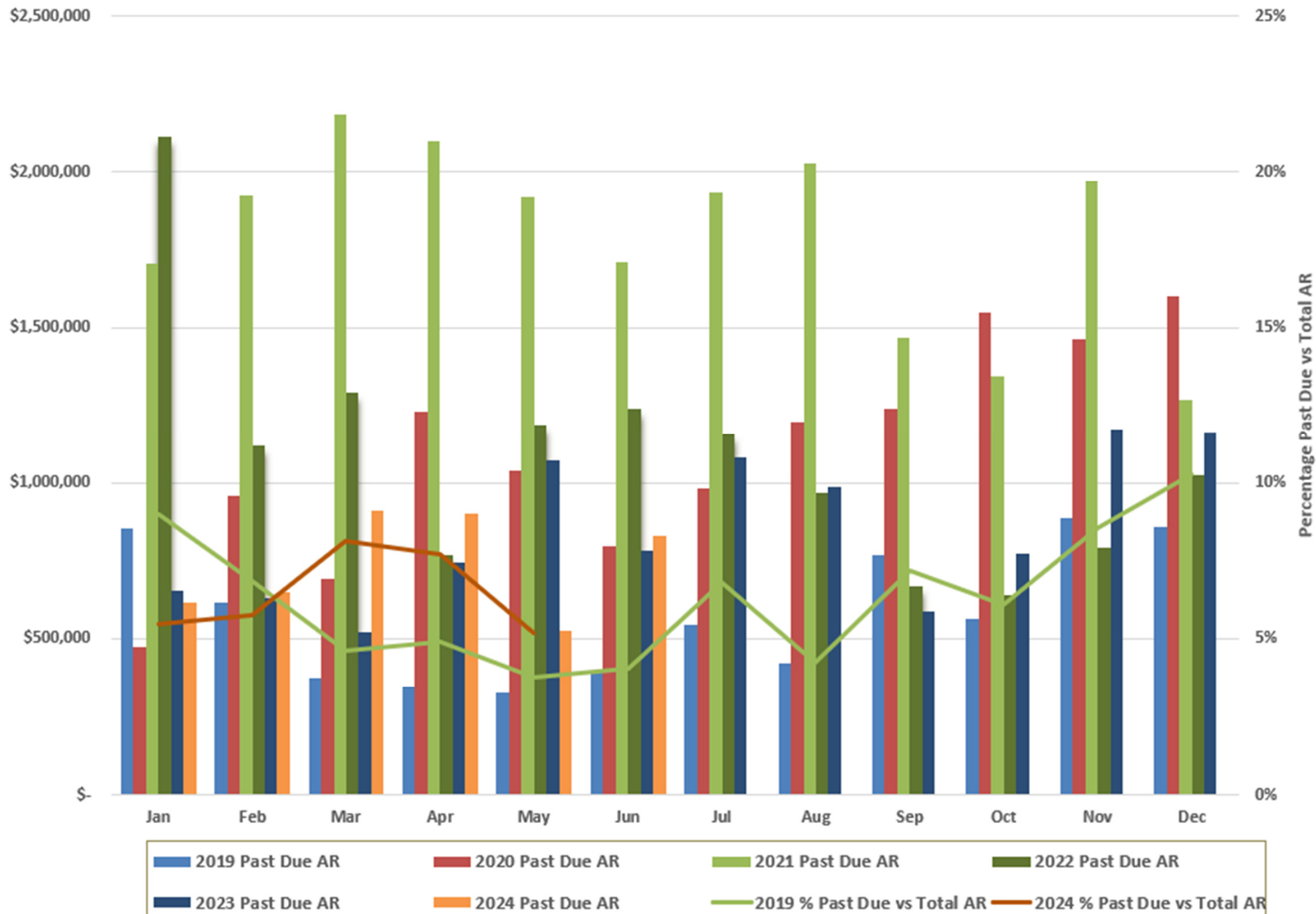
Item	Year - To - Date			Period - To - Date	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	81,045,466.25	88,969,636.40	87,449,652.00	15,955,700.86	15,363,509.00
2. Power Production Expense	25,256,968.02	30,152,888.46	24,528,267.00	5,381,296.38	3,945,773.00
3. Cost of Purchased Power	22,579,362.35	20,886,821.65	23,702,445.00	3,471,310.87	4,254,277.00
4. Transmission Expense	578,529.75	771,658.13	721,166.00	181,605.93	116,738.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	746,584.76	855,213.05	834,290.00	151,647.90	132,496.00
7. Distribution Expense - Maintenance	2,571,819.00	2,722,222.56	2,692,274.00	474,191.36	439,780.00
8. Customer Accounts Expense	1,167,811.19	1,184,689.13	1,491,090.00	180,275.21	240,953.00
9. Customer Service and Informational Expense	145,935.81	142,962.92	256,394.00	42,076.20	62,949.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	11,054,553.05	12,302,224.29	13,420,224.00	1,882,836.95	2,309,652.00
12. Total Operation & Maintenance Expense (2 thru 11)	64,101,563.93	69,018,680.19	67,646,150.00	11,765,240.80	11,502,618.00
13. Depreciation & Amortization Expense	7,766,822.18	7,444,860.33	8,023,329.00	1,239,273.25	1,337,222.00
14. Tax Expense - Property & Gross Receipts	2,024,058.57	2,222,094.77	2,186,243.00	398,516.58	384,088.00
15. Tax Expense - Other	4,817,536.02	5,292,646.68	5,207,812.00	950,289.41	918,843.00
16. Interest on Long-Term Debt	3,376,577.75	3,219,057.51	3,232,000.00	533,374.66	535,000.00
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	13,452.27	43,229.65	71,130.00	644.00	3,230.00
20. Total Cost of Electric Service (12 thru 19)	82,100,010.72	87,240,569.13	86,366,664.00	14,887,338.70	14,681,001.00
21. Patronage Capital & Operating Margins (1 minus 20)	-1,054,544.47	1,729,067.27	1,082,988.00	1,068,362.16	682,508.00
22. Non Operating Margins - Interest	1,433,459.58	1,391,757.98	1,063,834.00	224,237.34	166,181.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-526,684.31	-272,211.92	-536,637.00	-10,443.71	9,209.00
25. Non Operating Margins - Other	114,388.93	177,979.53	72,720.00	50,876.79	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)	-33,380.27	3,026,592.86	1,682,905.00	1,333,032.58	870,018.00
Operating - Margin	-33,380.27	3,026,592.86	1,682,905.00	1,333,032.58	870,018.00
Non Operating - Margin	0.00	0.00	0.00	0.00	0.00
Times Interest Earned Ratio - Operating	0.69	1.54			
Times Interest Earned Ratio - Net	0.99	1.94			
Times Interest Earned Ratio - Modified	0.99	1.94			



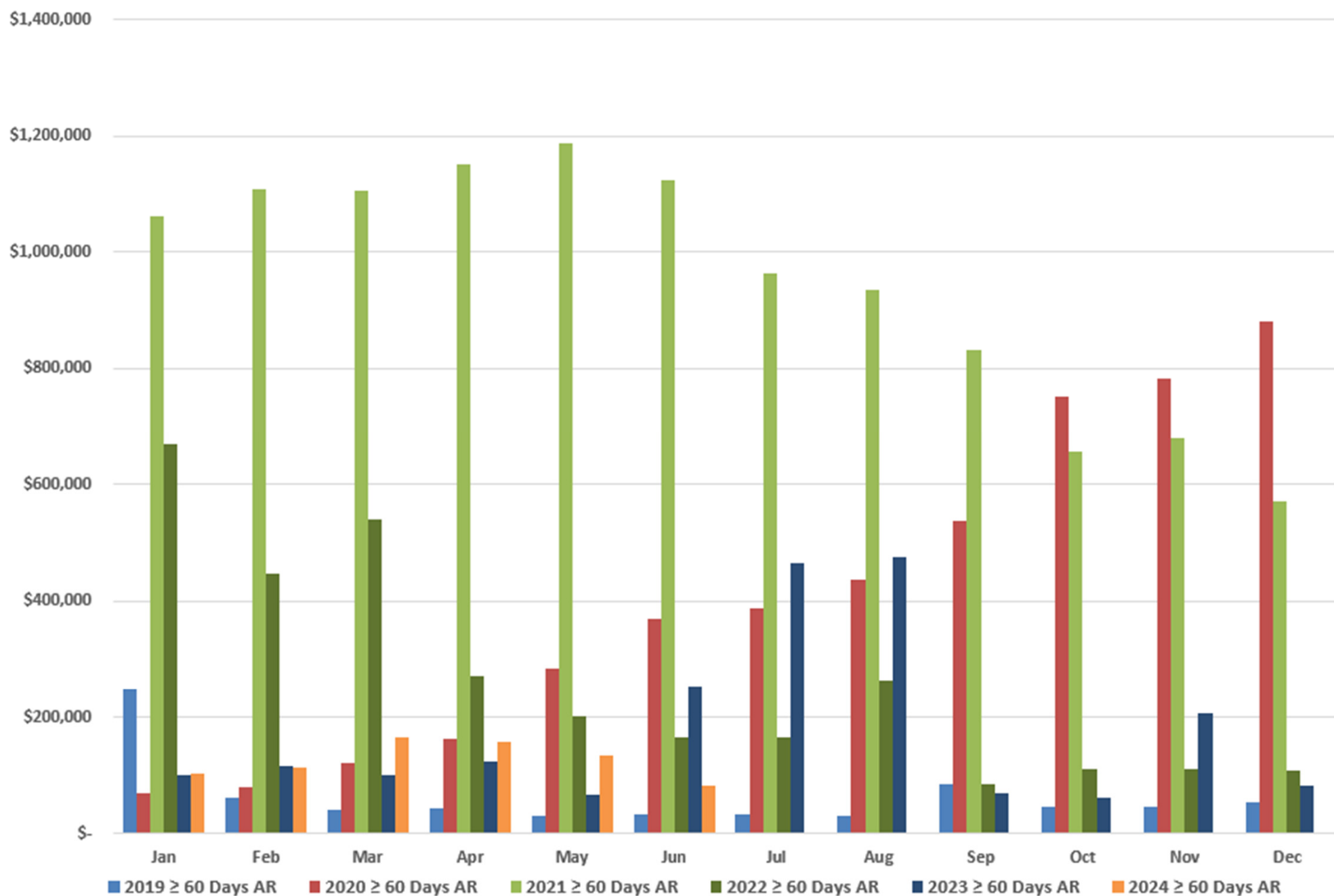
KAUAI ISLAND UTILITY COOPERATIVE  
NOTES, BONDS, AND OTHER INDEBTEDNESS  
YEARS ENDED DECEMBER 31, 2023 AND 2024

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	<b>Total Long Term Debt</b>						<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>

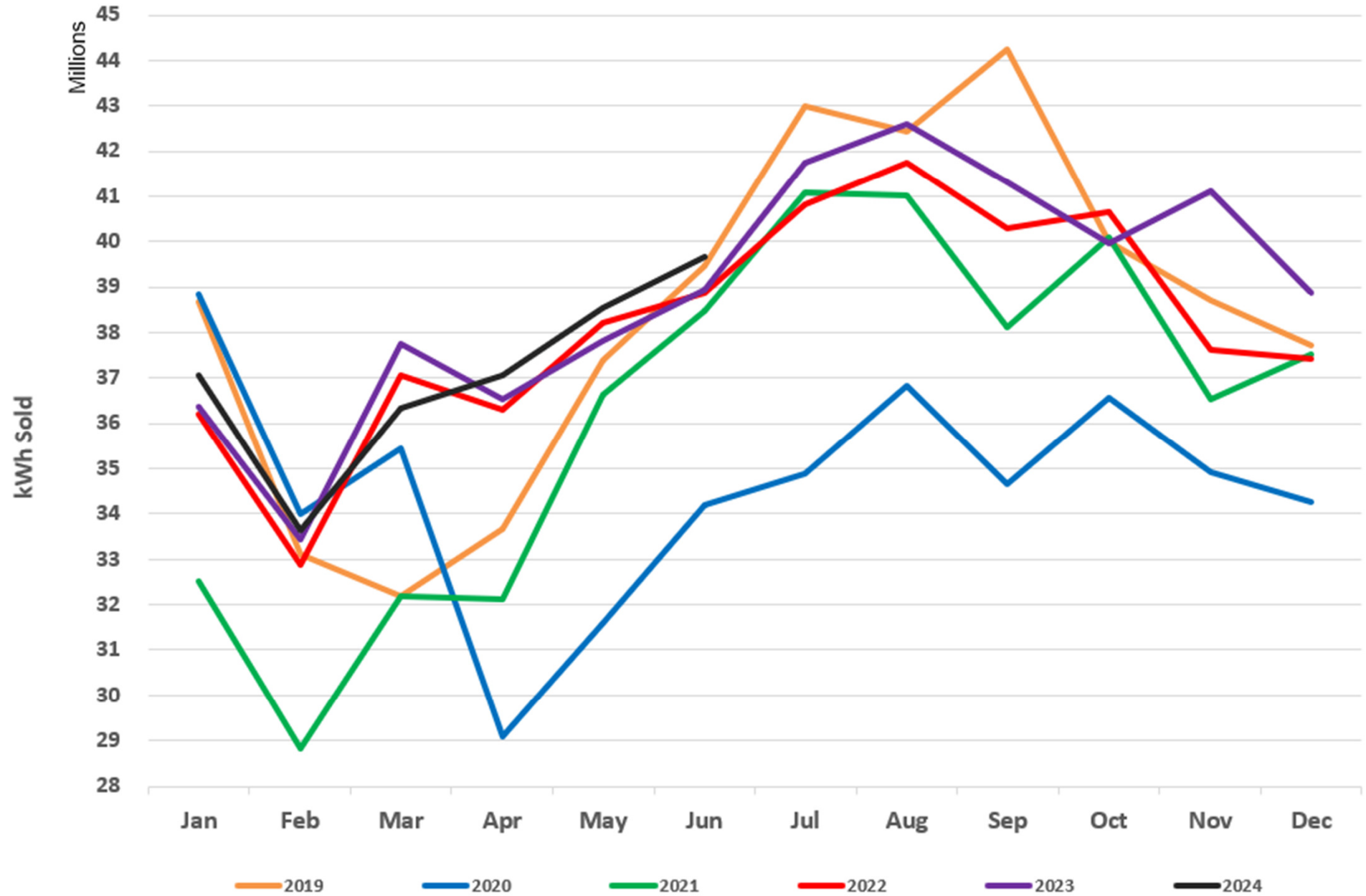
# YOY > 30 days vs Total AR



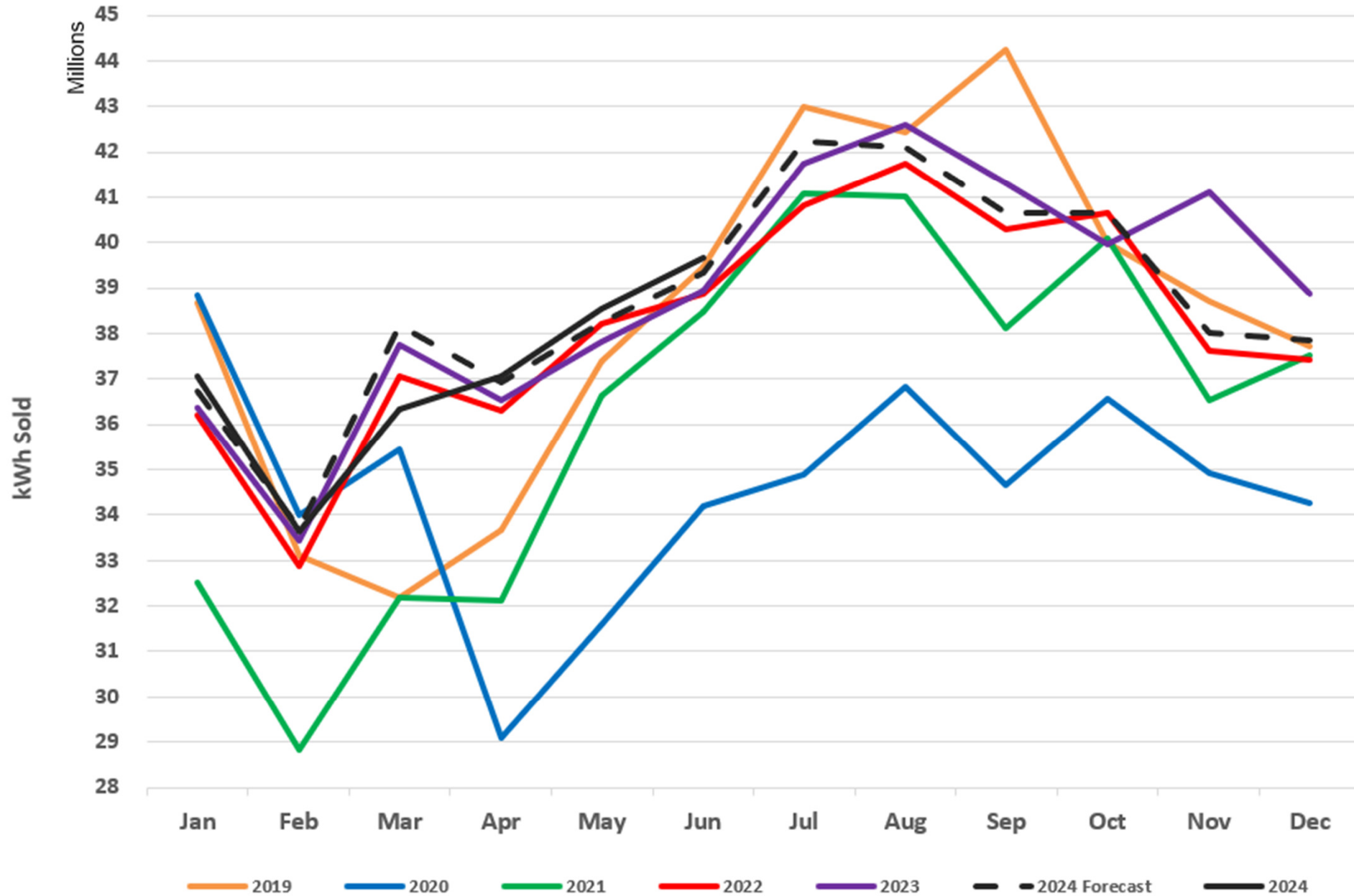
## YOY $\geq 60$ Days



Total kWh Sold

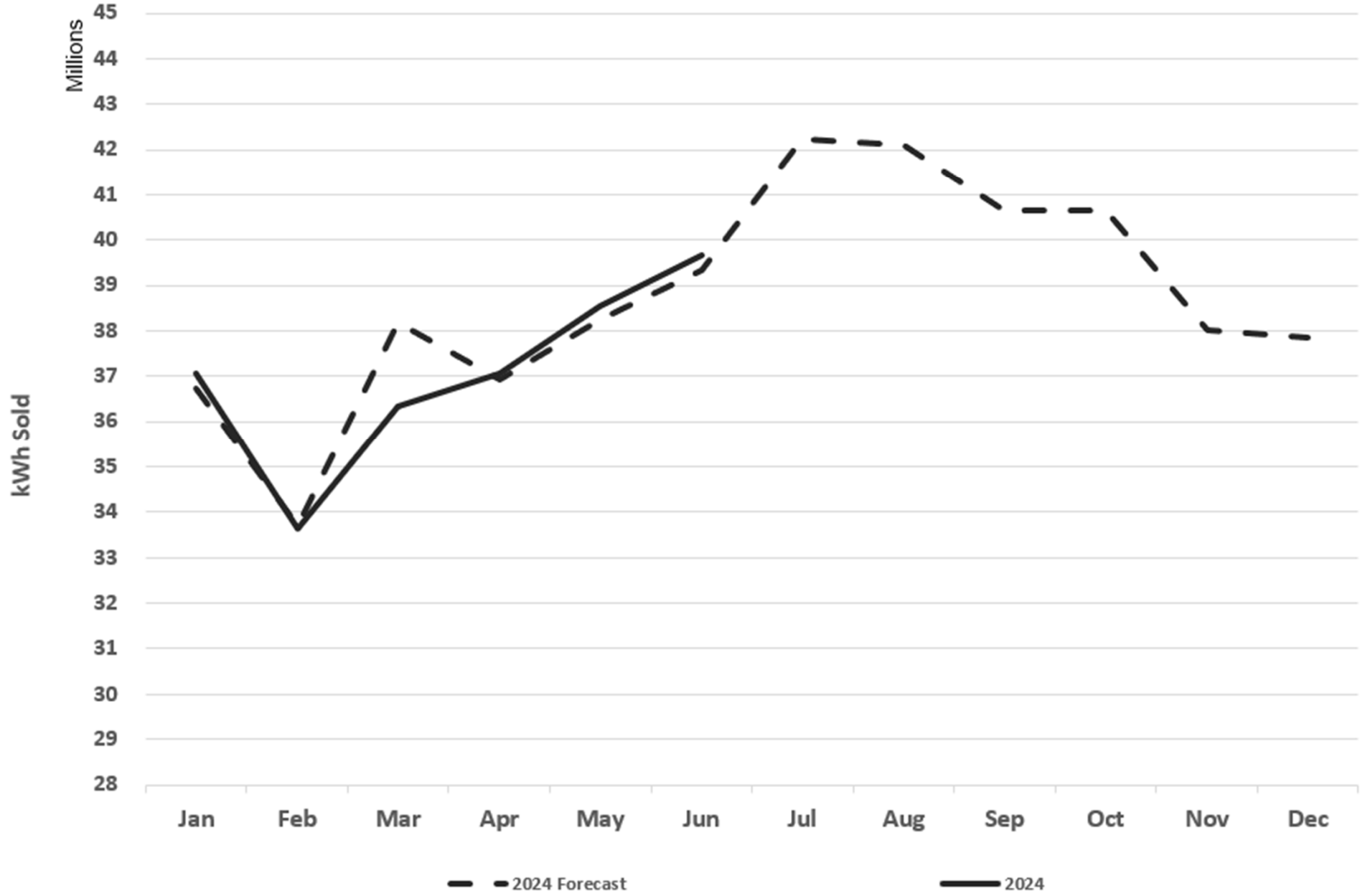


# Total kWh Sold





Total kWh Sold



# Treasury Management – Monthly Discussion

- Ratings:
  - 7/15 BOH confirmed no changes in Money Market Fund Rating - AAA
- Current Summary Of Investments:
  - \$25M 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)
    - 4.93% Interest Rate
  - \$4.84M CFC Daily and Monthly Commercial Paper – ST to Medium Term Investment – Daily to Monthly A2 Moody and S&P A-
    - Daily Fund 4.60%
  - \$4.79M CoBank Commercial Paper Investment – AA- Moody and S&P
    - 60-day Investment – 4.26%
  - \$262,064 Central Pacific Bank – Backup Checking in NISC if needed
    - Backup for Checking in Money Market (unlimited) account
    - 4.08%

**Questions?**

# Board Update

June 2024



## ◆ Dues Discussion

- NRECA CEO Jim Matheson recommended no change to membership dues for 2025.
  - Membership dues are approximately 15% of NRECA's total revenue and cover roughly 75% of the expenses for NRECA's general membership programs.
  - The remainder is offset by the association's fee-for-service programs.
- NRECA's financial forecasts project a strong outlook. Certain risks and strengths should be acknowledged. They include:
  - **Risks:** Volatile inflation pressures, a challenging commercial real estate market, and political instability that may threaten our policy gains.
  - **Strengths:** Confidence in the capacity of the team, the proven financial performance of the organization, and the association's success at navigating change with an unwavering focus on delivering maximum value for co-ops.

## ◆ Courts Still Mulling EPA Power Plant Rule

- NRECA filed a lawsuit against the EPA over its power plant rule, which the association believes is "unlawful, unrealistic and unachievable."
- The [association also requested a stay](#) from the courts to temporarily halt the rule from taking effect.
- [Attorneys general from 27 states](#) also filed suit, as did various other industry stakeholders.
- A decision on NRECA's stay request is still pending.
- NRECA members can learn more about the EPA rule and NRECA's actions at [www.cooperative.com/EPA111](http://www.cooperative.com/EPA111)

## ◆ NRECA Infrastructure Work

- More than 400 co-ops are signed up to participate in cybersecurity training and information-sharing program supported by new infrastructure funding secured by NRECA Research.
- This is just the latest infrastructure funding win for the association and electric co-ops.
- To support this ongoing work and mitigate risks, NRECA is working to:
  - Understand contractual obligations with government and our members.
  - Store any sensitive and restricted data in accordance with government standards.
  - Ensure new obligations and expenses for NRECA are properly tracked and recorded.

## ◆ Touchstone Energy Five-Year Review

- NRECA Board reviews relationship with Touchstone Energy every five years.
- Organizations are collaborating and strategically aligned on programs.
- Touchstone Energy board and NRECA staff work together to add value for members.

NRECA Board of Directors

# NRECA Update

June 2024

# NRECA Financials

- No change in membership dues recommended for 2025.
- Financial forecasts project a strong outlook.
  - **Strengths:** Financial performance, strong team, success at navigating change and delivering maximum value for co-ops.
  - **Risks:** Inflation, commercial real estate market, political instability could threaten policy gains.



# EPA's Power Plant Rule

- NRECA filed lawsuit against EPA over power plant rule and requested a stay to halt rule.
- Attorneys general from 27 states also filed suit.
- Learn more at **[www.cooperative.com/EPA111](http://www.cooperative.com/EPA111)**



Photo by: Denny Gainer



# Infrastructure Funding for Cybersecurity

- 400+ co-ops are taking part in cybersecurity training and information-sharing program.
- Program supported by new infrastructure funding secured by NRECA Research.
- This is just the latest in a growing list of infrastructure funding wins for the association and electric co-ops.





# Touchstone Energy Five-Year Review

- NRECA Board reviews relationship with Touchstone Energy every five years.
- Organizations are collaborating and strategically aligned on programs.
- Touchstone Energy board and NRECA staff work together to add value for members.





Report of KIUC Charitable Foundation

To KIUC Board of Directors

7/23/2024

The Charitable Foundation Board met on 7/23/24

The following reports were received:

Treasurer reported an ending balance of \$59,338.08

Application approved:

- Swim Kauai Aquatics \$1,000

In the Makana program we had 461 participating and year-to-date total contributions were \$1,784.34.

Golf Tournament- committee meeting scheduled for August 15.

T. Phil Tacbian, President

KIUC BOARD POLICY NO. 4  
**BOARD COMMITTEES**

**PURPOSE OF POLICY:**

The purpose of this policy is to describe and establish procedures for the management of the committees of the Board.

**POLICY CONTENT:**

**I. Standing Committees**

The Board has the following standing committees. Charters for each committee are attachments to this policy.

1. Executive
2. Finance and Audit
3. Government Relations / Legislative Affairs
4. International
5. Member Relations
6. Policy
7. Strategic Planning
8. Loan Review

The Board Chair shall be an *ex officio* member of each standing committee, with the right to vote on matters considered by each committee.

**II. Ad Hoc Committees**

The Bylaws provide for the annual establishment of one ad hoc committee, the Nominating Committee. A charter for that ad hoc committee is attached to this policy.

The Board may establish additional ad hoc committees to investigate, report, and propose recommendations to the Board for a specific purpose. Upon fulfillment of its purpose, that ad hoc committee shall be dissolved.

The Board shall establish each ad hoc committee, appoint its members, and appoint a Director as its chair. Typically, the Board Chair shall provide a proposed slate of members for the Board's vote.

**III. Procedures for Standing Committees**

- A. Voting.** All committee members except those who are KIUC employees shall have a vote on committee business.

- B. Minutes.** Minutes of each meeting shall be taken and distributed promptly after each meeting to all committee members. ~~Typically~~Typically, a KIUC employee will take the minutes. However, if there is no employee to do so, the Committee Chair shall appoint another individual to take and distribute minutes.
- C. Reports to the Board.** After each meeting of a committee, that Committee Chair shall report to the Board, usually at the next Board meeting, to recount that committee's activities, findings, and recommendations.
- D. Attendance.** Committee Chairs may allow non-members of their committee, such as subject matter experts, to attend, including Directors. The attendance of any non-member Director shall not entitle the non-member to be paid a stipend for such attendance, except as otherwise provided in the relevant KIUC policy. When possible, to ensure there are adequate materials and space available at all meetings of committees where non-member Directors will be in attendance, at least 24 ~~hour's notice~~hours' notice of such attendance will be given to the Committee Chair by the non-committee member Director desiring to attend. Otherwise, materials or seats may not be available to non-members.
- E. Timing of Appointments to Committees.** While membership ~~in~~of Board committees may be changed at any time, membership in the standing committees are typically reconsidered once a year during the annual meeting of the Board. During that meeting, the Board Chair typically proposes a full slate of members for each standing committee, for consideration by the Board. The Board then votes to appoint members to the standing committees. Members of the Nominating Committee are typically appointed during the third or fourth quarter of the year.

#### IV. Confidentiality Requirement for ~~NonDirector~~Nondirector Committee Members

Committee members who are not Directors shall refrain from disclosing non-public, confidential, or proprietary information concerning KIUC to individuals outside of KIUC. Before they become a member of a KIUC committee, each non-Director member shall sign an appropriate nondisclosure and confidentiality agreement in substantially the same form as is signed by new Directors.

Adopted on this xx<sup>th</sup> day of xxxxxxxx, 20xx.

Adopted on this 28<sup>th</sup> day of January, 2021.

Revised: ~~01/28/2021~~x  
x/xx/xxxx

Revised: 01/28/2021

Revised: 11/23/2020

Reviewed: 10/30/2018

Reviewed: 12/13/2016

Reviewed: 01/27/2015

Reviewed: 06/26/2012

Revised: 05/31/2011

Revised: 04/27/2010

Revised: 02/24/2009

Calvin Murashige  
Secretary

Revised: 11/26/2005  
Revised: 08/25/2004  
Original Adoption: 2003

ATTACHMENT 1 TO KIUC BOARD POLICY NO. 4  
**CHARTER FOR THE EXECUTIVE COMMITTEE**

**I. MEMBERSHIP**

The Executive Committee ("Committee") shall be comprised of:

- The Board Chair,
- The Board Vice Chair,
- The Board Secretary, and
- The Board Treasurer.

The Committee Chair shall be the Board Chair or the designee of the Board Chair.

**II. RESPONSIBILITIES**

The purpose of the Committee is to act for the Board in emergencies, to oversee performance of the CEO, to take confidential reports from legal counsel, and to consider such other issues as the Board or the Committee Chair may direct. The powers of the Committee are those ~~granted~~granted to it by the Board, subject to limitations on its authority listed in KIUC's Bylaws.

One function of the Committee is to act on behalf of the Board in public health, financial, regulatory, ~~weather~~weather, or other emergencies, and to facilitate KIUC decisions between Board meetings -- that is, to advise the CEO and to authorize actions of KIUC and its leadership during periods when it is not possible or practical to convene the Board. The Committee may only act between meetings of the Board. Its actions must be communicated to the Board within seven (7) days of any ~~action~~, ~~and~~action and ratified at the next meeting of the Board following the Committee meeting at which those actions were taken. The Committee's emergency actions shall be binding unless reversed by the Board.

The Committee may receive reports to the Board that do not fit neatly into another single committee, and reports that are delivered between Board meetings. All Directors are to be included in these sessions.

**III. PARTICIPATION**

The Committee may invite other Directors and, at its discretion, KIUC employees, contractors, or members of the public, to attend its meetings. There are circumstances in which the Committee may exclude non-Committee members. These might include personnel matters, sessions involving confidential business issues, and other matters. The CEO generally is invited to Committee meetings, unless the meeting specifically involves Board oversight of the CEO, such as salary discussions and performance reviews of the CEO.

If any member of the Committee does not attend a meeting of the Committee, and if a successor to that Board officer has been named, that member's successor may attend and act in the place of the absent member.

#### IV. EXECUTIVE SESSIONS

The Committee may convene in executive session for sensitive matters. Non-Directors may be excluded from these meetings, but subject-matter resource individuals may be included. Minutes of these meetings shall be taken by the General Counsel, Secretary, or other Committee designee. Reports from these executive session meetings may need to be reported to the Board in executive session as well.

Adopted on this xx day of xxxx 20xx.

Reviewed: xx/xx/xxxx

Revised: 11/23/2020

Original Adoption: 04/05/2000 in  
Resolution 08-00

Calvin Murashige  
Secretary

~~Adopted on this 23<sup>rd</sup> day of November, 2020.~~

  
Calvin Murashige  
~~Secretary~~

~~Revised: 11/23/2020~~

~~Original Adoption: 04/05/2000~~  
~~in~~

~~Resolution 08-00~~





ATTACHMENT 2 TO KIUC BOARD POLICY NO. 4  
**CHARTER FOR THE FINANCE AND AUDIT COMMITTEE**

**I. MEMBERSHIP**

The Finance and Audit Committee ("Committee") shall be comprised of:

- A Committee Chair, who is a ~~Director~~director, appointed by and serving at the pleasure of the Board,
- At least two other Directors appointed by and serving at the pleasure of the Board,
- KIUC's Chief Financial Officer, and
- Any other KIUC staff members appointed by and serving at the pleasure of the CEO.

**II. RESPONSIBILITIES**

**A. Budget**

The Committee oversees KIUC's finances and KIUC's budget preparation, submission, and approval processes. The Committee shall recommend action (approval, modification, or rejection) on KIUC's budget to the Board.

**B. Financial Risk Management**

The Committee shall review and discuss with management KIUC's major financial risk exposures and the steps management has taken to monitor and control those exposures, including KIUC's risk assessment and risk management policies.

**C. Annual External Audit**

1. The Committee shall recommend to the Board a firm to be KIUC's external auditor.
2. The Committee shall recommend to the Board audit and non-audit services to be provided by the external auditor.
3. The Committee shall meet with the external auditor to discuss the audit, at least once a year. The Committee may meet with the external auditor three times per year: before the start of the audit, during the onsite audit work, and after the conclusion of the audit. The external auditor shall report their findings to the Committee, including any problems or difficulties encountered in the course of the audit work and any significant disagreements with management.
4. If there are significant disagreements between management and the external auditor, the Committee shall report on such disagreements to the Board and

- shall recommend a course of action to be taken by the Board.
5. Upon the completion of the external audit, the Committee shall report to the Board on the findings of the external auditor ~~and make a recommendation on the approval of the external auditor's report.~~

**Commented [TA1]:** Removed language to approve. There is no need to approve the report, but the board can receive it.

#### **D. Patronage Capital Retirements**

The Committee shall make a recommendation to the Board at least once each year concerning ~~whether or not~~whether to retire patronage capital to members. When the Committee recommends a retirement, it shall also recommend an amount to be retired and the allocation year or years from which that amount of patronage capital shall be retired.

#### **E. Other Financial Matters**

The Committee shall also consider any other financial matters referred ~~to it~~to by the Board or the Board Chair.

### **III. ATTENDANCE AND VOTING**


All meetings of the Committee shall be open to other interested Directors and the CEO. The Committee Chair may invite other staff and guests to attend. The Committee Chair may designate part of any meeting to be conducted with only the Committee members that are Directors and the external auditor.

Adopted on this xx day of xxxx 20xx.

Reviewed: xx/xx/xxxx  
Revised: 11/23/2020  
Original Adoption: 01/26/200 in  
Resolution 01-05

Calvin Murashige  
Secretary

Adopted on this 23<sup>rd</sup> day of November, 2020.

  
Calvin Murashige  
~~Secretary~~

Revised: ~~11/23/2020~~ Original Adoption: ~~01/26/2005 in~~  
Resolution ~~01-05~~

ATTACHMENT 3 TO KIUC BOARD POLICY NO. 4 ~~CHARTER FOR THE GOVERNMENT  
RELATIONS/LEGISLATIVE AFFAIRS COMMITTEE~~  
CHARTER FOR THE GOVERNMENT RELATIONS/LEGISLATIVE AFFAIRS  
COMMITTEE

**I. MEMBERSHIP**

The Government Relations / Legislative Affairs Committee ("Committee") shall be comprised of:

- A Committee Chair, who is a ~~Director~~director appointed by and serving at the pleasure of the Board,
- At least one other Director appointed by and serving at the pleasure of the Board, and
- At least one KIUC staff member appointed by and serving at the pleasure of the CEO.

**II. RESPONSIBILITIES**

The Committee's responsibility is to provide assistance to the CEO and Staff regarding legislative and lobbying efforts with various governmental elected bodies and representatives (federal, state, and local). When needed, it shall support KIUC efforts at various governmental agencies, and shall provide testimony in support of KIUC's long-range goals.

Adopted on this xx day of xxxx 20xx.

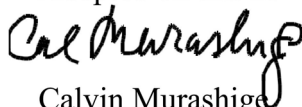
Reviewed: xx/xx/xxxx

Revised: 11/23/2020

Original Adoption: 08/29/2006 in  
Policy 4

Calvin Murashige  
Secretary

~~Adopted on this 23<sup>rd</sup> day of November, 2020.~~

  
Calvin Murashige  
Secretary

~~Revised: 11/23/2020~~

~~Original Adoption: 08/29/2006  
in Policy 4~~

ATTACHMENT 4 TO KIUC BOARD POLICY NO. 4  
**CHARTER FOR THE INTERNATIONAL COMMITTEE**

**I. MEMBERSHIP**

The International Committee ("Committee") shall be comprised of:

- A Committee Chair, who is a ~~Director~~director appointed by and serving at the pleasure of the Board,
- At least one other Director appointed by and serving at the pleasure of the Board, and
- At least one KIUC staff member appointed by and serving at the pleasure of the CEO.

**II. RESPONSIBILITIES**

The Committee shall promote and enhance human well-being through the advancement and development of rural electrification as well as support education and training to our sister cooperatives.

The Committee shall oversee projects which benefit international relationships, such as:

- Book drives,
- Donations of used equipment,
- Emergency and/or disaster assistance, and
- Participation in international conferences.

Travel to international destinations shall require approval of the Board and must be in accordance with the relevant Board policy.

The Committee shall support relationships between KIUC and its sister cooperatives and shall provide assistance as needed through its "Cooperative-to-Cooperative", "Lineperson-to- Lineperson", and "Community Outreach" programs.

Adopted on this xx day of xxxx 20xx.

Reviewed: xx/xx/xxxx

Revised: 11/23/2020

Original Adoption: 10/09/2005 in  
Resolution 10-09

Calvin Murashige  
Secretary

~~Adopted on this 23<sup>rd</sup> day of November, 2020.~~

  
Calvin Murashige

~~Secretary~~

~~Revised:~~

~~11/23/~~

~~Original-~~

~~2020~~

~~Adoption:~~

~~10/09/~~

~~2005 in-~~

Resoluti  
on 10-09



ATTACHMENT 5 TO KIUC BOARD POLICY NO. 4  
**CHARTER FOR THE MEMBER RELATIONS COMMITTEE**

**I. MEMBERSHIP**

The Member Relations Committee ("Committee") shall be comprised of:

- A Committee Chair, who is a ~~Director~~director appointed by and serving at the pleasure of the Board,
- At least two other Directors appointed by and serving at the pleasure of the Board,
- Any KIUC staff members appointed by and serving at the pleasure of the CEO.

**II. RESPONSIBILITIES**

The Committee shall be responsible for providing Board input to KIUC staff on the following areas:

- Annual election of new Directors
- The annual meeting of the membership
- Marketing and member communications/education pertaining to:
  - o The Touchstone Energy brand
  - o Patronage capital refunds
  - o Member surveys
  - o KIUC website
  - o ~~Speakers~~Speakers' bureau
- Youth Tour participation
- Member services
- Board policy development relating to communications and member services

Prior to any strategic planning workshop, the Committee shall discuss future needs of the members and develop suggested strategic initiatives to present to the participants at the workshop. The Committee may, from time to time, recommend to the Board actions that it believes should be taken by the Board on behalf of the members. Likewise, the Board may refer to the Committee for investigation and review any activities that may be suggested by the public or any Director.

Adopted on this xx day of xxxx 20xx.

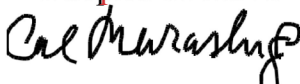
Reviewed: xx/xx/xxxx

Revised: 11/23/2020

Original Adoption: 08/29/2006 in  
Resolution 12-06

Calvin Murashige  
Secretary

~~Adopted on this 23<sup>rd</sup> day of November, 2020.~~

  
Calvin Murashige

§  
Secretary

~~Revised: 11/23/2020~~  
~~Original Adoption: 08/29/2006~~  
~~in~~

~~Resolution 12-06~~

ATTACHMENT 6 TO KIUC BOARD POLICY NO. 4  
**CHARTER FOR THE POLICY COMMITTEE**

**I. MEMBERSHIP**

The Policy Committee (“Committee”) shall be comprised of:

- A Committee Chair who is a Director appointed by and serving at the pleasure of the Board,
- At least two other Directors appointed by and serving at the pleasure of the Board,
- The General Counsel, and
- Any KIUC staff members appointed by and serving at the pleasure of the CEO.

**II. RESPONSIBILITIES**

The Committee has the primary responsibility for developing and recommending Board policies. Other committees of the Board, either on their own initiative or at the request of the Policy Committee, may develop policies for the Policy Committee’s review; provided that, regardless of original authorship, all Board policies will progress through the Policy Committee for a review for consistency with other Board policies, and then to the Board for review and approval.

The Committee also has the primary responsibility for reviewing and recommending to the Board revisions of the Bylaws.

Adopted on this xx27<sup>th</sup> day of Januaryxxxx,  
2022xx.

Revised: 01/27/2022xx/xx/xxxx

Revised: 01/27/2022

Revised: 11/23/2020

Revised: 02/18/2014

Original Adoption: 07/28/2004 in

Resolution 06-04

Calvin Murashige  
Secretary

ATTACHMENT 7 TO KIUC BOARD POLICY NO. 4  
**CHARTER FOR THE STRATEGIC PLANNING COMMITTEE**

**I. MEMBERSHIP**

The Strategic Planning Committee ("Committee") shall be comprised of:

- A Committee Chair, who is a ~~dd~~ Director appointed by and serving at the pleasure of the Board,
- At least one other Director appointed by and serving at the pleasure of the Board, and
- At least one KIUC staff member appointed by and serving at the pleasure of the CEO.

**II. RESPONSIBILITIES**

The Committee facilitates the execution of the strategic planning responsibilities by the Board. Specifically, the Committee:

- Oversees the development of a formal Strategic Plan for KIUC from time to time,
- Recommends the need for one or more strategic planning workshops to help develop or revise a Strategic Plan, and organizes such workshops,
- Reviews progress toward the implementation of strategic initiatives,
- Monitors strategic developments in the electric utility industry and their impact on KIUC, and
- Recommends additions, deletions, and other changes to the present Strategic Plan in between the formal development of such Strategic Plans, especially changes resulting from the identification of new initiatives.

Generally, and unless authority is granted elsewhere, the Committee has no authority, including authority to amend the Strategic Plan. Such authority is reserved for the Board.

Adopted on this xx day of xxxx 20xx.

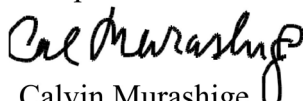
Reviewed: xx/xx/xxxx

Revised: 11/23/2020

Original Adoption: 01/26/2005 in  
Resolution 02-05

Calvin Murashige  
Secretary

~~Adopted on this 23<sup>rd</sup> day of November, 2020.~~

  
Calvin Murashige  
Secretary

~~Revised: 11/23/2020~~

~~Original Adoption: 01/26/2005 in  
Resolution 02-05~~

ATTACHMENT 8 TO KIUC BOARD POLICY NO. 4  
**CHARTER FOR THE LOAN REVIEW COMMITTEE**

**I. MEMBERSHIP**

The Loan Review Committee ("Committee") shall be comprised of at least five (5) members, all appointed by the Board:

- A Committee Chair who is a ~~Director~~director,
- At least two members with a financial background,
- At least one member from the non-profit sector, and
- At least one other member.

The Committee Chair shall be appointed by the Board and shall serve at the pleasure of the Board. The Committee members will be chosen, in part, because of their experience with lending and/or economic and community development projects.

The members of the committee will serve three-year terms. There is no limit to the number of terms. However, the Board has the right to replace Committee members in the event of resignation or other necessary circumstances.

**II. RESPONSIBILITIES**

The Committee will review all applications to KIUC's Revolving Loan Fund. The Committee will provide necessary credit analysis and due diligence in order to make a written recommendation to the Board. If a ~~Committee~~committee member has a financial interest in the project being reviewed, he/she will abstain from the loan review and recommendation to the Board

**III. CONSISTENCY WITH REDL&G PROGRAM GUIDELINES**

The United States Department of Agriculture offers Rural Economic Development Loan and Grant ("REDL&G") programs. KIUC's Loan Review Committee has adopted policies and procedures that allow it to participate in these programs. To the extent this charter differs from or conflicts with the REDL&G program guidelines, the REDL&G guidelines shall control.

Adopted on this xx day of xxxx 20xx.

Reviewed: xx/xx/xxxx

Revised: 11/23/2020

Revised: 04/22/2008 in

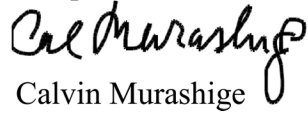
Resolution 04-08

Original Adoption: 01/26/2005 in

Resolution 04-05

Calvin Murashige  
Secretary

~~Adopted on this 23<sup>rd</sup> day of November, 2020.~~



Calvin Murashige

~~Secretary~~

~~Revised: \_\_\_\_\_ 11/23/2020~~

~~Revised: \_\_\_\_\_ 04/22/2008~~

~~in Resolution 04-08 Original~~

~~Adoption: \_\_\_\_\_ 01/26/2005~~

~~in~~

~~Resolution 04-05~~

ATTACHMENT 9 TO KIUC BOARD POLICY NO. 4  
**CHARTER FOR THE NOMINATING COMMITTEE**

**I. MEMBERSHIP**

The Nominating Committee ("Committee") shall be comprised of:

- A Committee Chair, who is a ~~Director~~director who will not be a candidate in the next KIUC Board election, appointed by and serving at the pleasure of the Board and
- Four people who are not Directors or KIUC employees, appointed by and serving at the pleasure of the Board.

**II. RESPONSIBILITIES**

The Bylaws state requirements for and responsibilities of the Nominating Committee, and these are not all reiterated in this charter. The primary responsibilities of the Committee are to nominate at least one individual to run for election for each Director to be elected at the next KIUC Board election and to verify candidates for the Board comply with the requirements of the Bylaws and Board policies.

Adopted on this xx day of xxxx 20xx.

Reviewed: xx/xx/xxxx

Revised: 01/28/2021

Original Adoption: 11/23/2020

Calvin Murashige  
Secretary

~~Adopted on this 28<sup>th</sup> day of January, 2021.~~

  
Calvin Murashige  
Secretary

~~Revised 01/28/2021 Original~~  
~~Adoption: \_\_\_\_\_~~  
~~11/23/2020~~