

REGULAR MEETING OF THE BOARD OF DIRECTORS
KAUA'I ISLAND UTILITY COOPERATIVE
via Video Conference Call
On August 29, 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; 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), 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), Bryanna Pacleb (Real Property & Regulatory Admin); Members of the press (0) and Member of the public (1)
- 1.3. **Absent/Excused:** None

2. Approval of the Agenda

- 2.1. The Board of Directors' agenda of August 29, 2024, was approved as circulated.

3. Approval of Minutes

- 3.1. The minutes of July 25, 2024, Regular Board meeting were approved as circulated.

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

- 4.1. CEO discussed August's President's Report as presented to the board (report attached).
 - Questions regarding financial implications on red flag warnings were discussed.

5. Financial Report – Stacie Dellamano (CFO)

- 5.1. CFO provided an update on the July 2024 Financial Report (report attached).
 - Financial Results for July:
 - Year-to-date actual megawatt hour sales
 - Performance of different customer segments (residential, small commercial, large commercial, large power customers, streetlights, irrigation)
 - Equity Ratio:

- Currently at 34% equity as a percentage of assets and 65% liabilities
- Improvement from the initial 0% equity when the Co-op started
- Discussion on LNP (likely net position) and year-end projections
- Key Results:
 - Revenue, commodities, gas prices, and expenditures
 - Details on revenues, expenses (salaries, depreciation, taxes, interest, O and M), and cash investments
- Balance Sheet Walkthrough:
 - Assets (utility plant assets, investments, cash funds, regulatory assets)
 - Liabilities (patronage capital, loans, accounts payable, consumer deposits, accrued liabilities)
- Loan Schedule and Income Statement Analysis:
 - Highlighting margins and revenue budget versus actual figures
- Graphical Representations:
 - Net margins, DSC (debt service coverage), AR (accounts receivable) aging
 - Total kilowatt hour sold and Treasury management details (available funds, interest rates)

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

- 6.1. July and August NRECA Board reports were provided to the Board (attached).
- 6.2. Appreciation for hosting a reception for Jim Matheson and his family, allowing them to connect with co-op people, especially since his family resides in Salt Lake City and he is in DC.
- 6.3. Mention of the increase in registrations for the NRECA Regional meetings this year, indicating an anticipated good turnout at the regionals.
- 6.4. Remote NRECA Board meeting scheduled for 2 days in September.
 - Setting a limit of 4 hours for Zoom Meetings, ensuring they are not all-day meetings.

7. Charitable Foundation Board – Director Tacbian update:

- 7.1. Director Tacbian provided the board report for its last meeting on August 20, 2024 (attached).
 - The board approved an application from the Kauai Robotics Alliance.
 - Planning continues for the upcoming golf tournament in November.

8. Public Testimony

- 8.1. No public testimony received.

9. New Business

9.1. Board Approval Request – TD Pole Replacements

- Director Yukimura introduced a Board Approval Request for TD Pole replacements noting the request is for continued wildfire mitigation efforts. The request is asking for an additional \$1.5M to continue to address pole

replacement efforts. The F&A committee approved the request at its last meeting for full board approval.

- **MOTION:** to approve the BAR for TD Pole Replacements.

[Motion: Yukimura] [Second: Mayfield]

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

9.2. Board Approval Request – 2024 HCP Minimization

- Director Yukimura introduced a Board Approval Request for 2024 HCP Minimization capital plan for an additional \$1.9M due to timing issues. The F&A committee approved the request at its last meeting for full board approval.

- **MOTION:** to approve the BAR for 2024 HCP Minimization.

[Motion: Yukimura] [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

9.3. Policy 18 – Qualifications and Eligibility for Directors

- Director Yamane introduced Board Policy 18 with minor formatting changes and no substantive revisions. The policy committee approved the proposed revisions at its last meeting for full board approval.

- **MOTION:** to approve Board Policy 18.

[Motion: Yamane] [Second: Murashige]

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

9.4. Selection of the KIUC Nominating Committee Chair for the 2025 Board Elections

- Director Crowell was selected by unanimous consent to chair the KIUC Nominating Committee for another year.

10. Calendar

- 10.1. **September 2, 2024** – HOLIDAY – Labor Day (KIUC Offices Closed)
- 10.2. **September 11 – 13, 2024** – HCPO 2024 (Hapuna Beach, HI)
- 10.3. **September 12, 2024** – Board Committee Meetings (9:00am, MCR)
- 10.4. **September 17 – 20, 2024** – 2024 HSAC Conference (Honolulu, HI)
- 10.5. **September 19, 2024** – Regular Board Meeting (1:00pm, Zoom)
- 10.6. **September 24 – 27, 2024** – NRECA Region 7&9 Meeting (Sacramento, CA)
- 10.7. **September 26, 2024** – LBA Meeting (7:30am, Duke's Kauai)

11. Executive Session

At 1:24 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 1:35 p.m.

- A motion to ratify actions taken in Executive Session by Director TenBruggencate and seconded by Director Murashige was approved unanimously.
 - The Executive Session minutes of July 25, 2024, were approved as circulated in executive session.
 - Kilohana Switchyard Lease
 - Renewable Project Development Costs

12. Adjournment

12.1. The meeting was adjourned at 1:36 p.m.

Calvin Murashige
Calvin Murashige (Sep 23, 2024 1:46 HST)

Calvin Murashige
Board Secretary

August 29, 2024

David Bissell, CEO

PRESIDENT'S REPORT

PRESIDENT'S REPORT

Safety (July)	Month	2024 YTD	2023 YTD
Recordable Incidents	0	2	3
Availability and Reliability	Month	2024 YTD	2023 YTD
Reportable Outages	7	22	24
Average Outage Hours Per Customer	2.77	4.94	2.21
Efficiency	Month	2024 YTD	
Net Plant Heat Rate	8,970	9,072	
Peak Demand (MW)	77.58	77.58	
Residential Rates			
August 2024	\$0.403/kwh decrease \$0.027 from July		

UPDATE ITEMS

- Tropical storm activity
 - Multiple storms in Eastern/Central Pacific
 - Hone, Gilma, Hector
 - Hone's approach resulted in KIUC moving to Phase 1b: Elevated Threat of Storm for Kaua'i under our Hurricane Playbook
 - Good review of hurricane preparation procedures and communications
- Wildfire
 - Red Flag warning was issued on Saturday, August 24
 - KIUC responded consistent with our Wildfire Mitigation Plan operating protocols
 - No power shutoffs or alternative control settings ("one shot") were necessary
 - Communication of potential wildfire protection measures was handled by Member Services

UPDATE - CONTINUED

- Replaced 8 fire damaged poles in Koke'e
- Līhu'e Business Association presentation on KIUC Wildfire Mitigation Plan
- Governor's luncheon was held on August 27 at Kaua'i Beach Resort
- Continue to review renewable RFP responses for PV/BESS

MAHALO!



Kaua'i Island Utility Cooperative

Your Touchstone Energy® Cooperative



Board Financial Report

August 2024

Finance, Accounting, Regulatory and Warehouse Monthly Summary

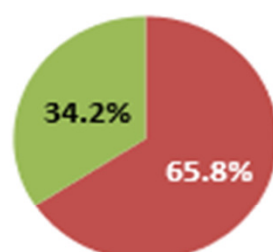
Finance and Accounting Update

- Financial Results
 - Key Performance Indicators
 - Balance Sheet
 - Outstanding Loan Detail Report
 - Income Statement
 - Results of Operation Summary Page
 - Graphs with Comparative Forecasts
- A/R Reports
- Sales Reports – Annual kWh Sales Comparison
- Treasury Management Monthly Discussion

MWh Sales

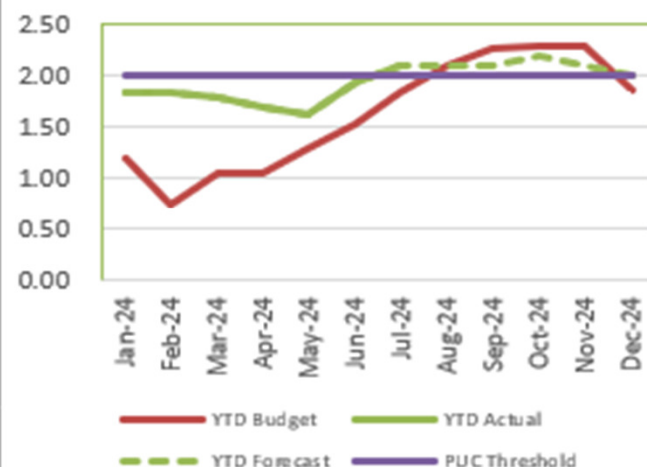
Class	YTD Prior Year	YTD Actual		Percent Change
Residential (D)	109,019	108,597	↓	-0.4%
Small Comm (G)	36,980	36,947	↓	-0.1%
Large Comm (J)	29,448	28,884	↓	-1.9%
Lrg Pwr Primary (L)	27,372	28,925	↑	5.7%
Lrg Pwr Secondary (P)	58,687	60,602	↑	3.3%
Street Lighting (SL)	405	406	↑	0.3%
Irrigation	655	250	↓	-61.8%
Total	262,566	264,610	↑	0.8%

Equity Ratio

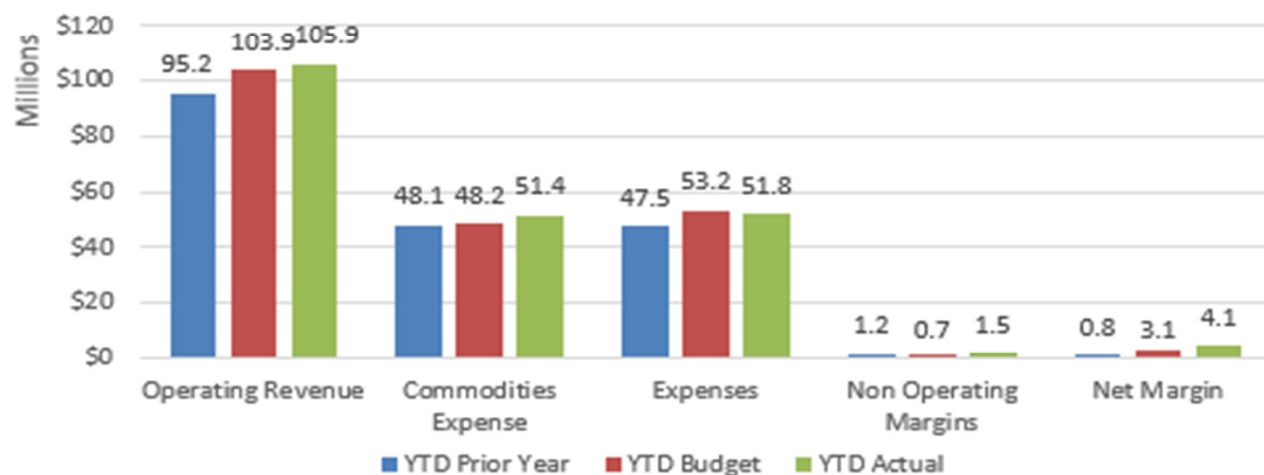


■ Liabilities as a % of Assets
■ Equity as a % of Assets

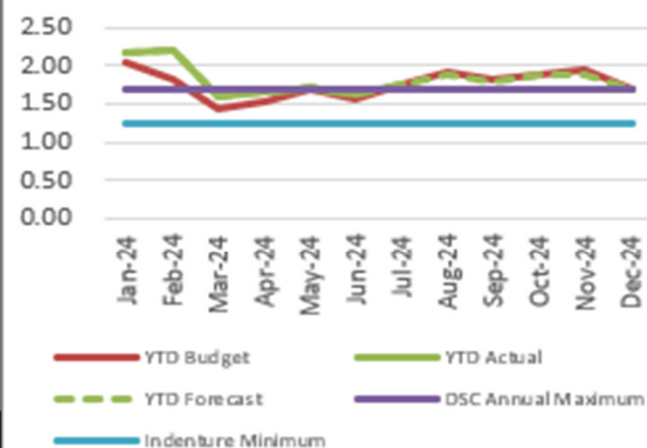
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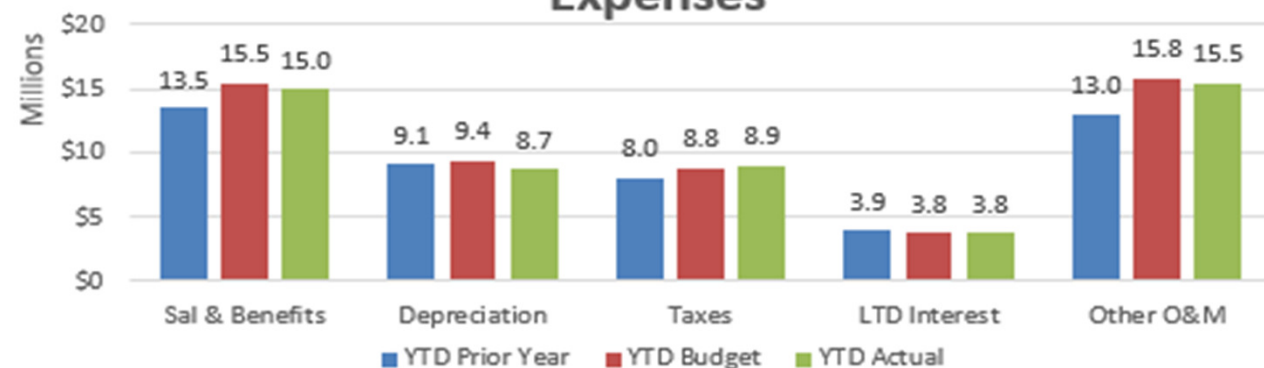
Key Results



DSC



Expenses



(In Millions)	YTD Actual
Cash	\$0.0
Short-Term Investments	\$33.1
Cushion of Credit	\$0.0
Total Cash & Investments	\$33.1
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 JUL 2024

	Last Year	This Year	Variance
ASSETS AND OTHER DEBITS			
1. Total Utility Plant in Service	606,135,114.45	598,206,958.83	-7,928,155.62
2. Construction Work in Progress	7,141,854.77	12,951,915.04	5,810,060.27
3. Total Utility Plant (1 + 2)	613,276,969.22	611,158,873.87	-2,118,095.35
4. Accum. Provision for Depreciation and Amort.	342,494,898.65	338,050,667.60	-4,444,231.05
5. Net Utility Plant (3 - 4)	270,782,070.57	273,108,206.27	2,326,135.70
6. Non-Utility Property (Net)	0.00	0.00	0.00
7. Invest. in Subsidiary Companies	22,983,078.78	21,634,186.56	-1,348,892.22
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	1,030,485.65	1,063,496.65	33,011.00
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)	26,014,304.70	24,632,807.94	-1,381,496.76
15. Cash - General Funds	1,032,106.42	1,169,995.94	137,889.52
16. Cash - Construction Funds - Trustee	0.00	0.00	0.00
17. Special Deposits	-8,813.56	-24,555.17	-15,741.61
18. Temporary Investments	41,328,417.98	33,349,801.82	-7,978,616.16
19. Notes Receivable (Net)	0.00	0.00	0.00
20. Accounts Receivable - Sales of Energy (Net)	10,466,153.83	13,967,668.52	3,501,514.69
21. Accounts Receivable - Other (Net)	523,089.11	317,743.74	-205,345.37
22. Renewable Energy Credits	0.00	0.00	0.00
23. Material and Supplies - Electric & Other	22,559,458.72	21,563,802.04	-995,656.68
24. Prepayments	2,839,169.14	3,430,784.13	591,614.99
25. Other Current and Accrued Assets	8,089,706.38	9,619,676.26	1,529,969.88
26. Total Current and Accrued Assets (15 thru 25)	86,829,288.02	83,394,917.28	-3,434,370.74
27. Regulatory Assets	34,954,473.80	36,208,085.41	1,253,611.61
28. Other Deferred Debits	115,430.89	222,085.90	106,655.01
29. Total Assets and Other Debits (5 + 14 + 26 thru 28)	418,695,567.98	417,566,102.80	-1,129,465.18

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General Ledger Financial And Operating Report Electric Distribution

BALANCE SHEET FOR JUL 2024

	Last Year	This Year	Variance
LIABILITIES AND OTHER CREDITS			
30. Memberships	604.73	617.82	13.09
31. Patronage Capital	134,503,302.68	138,471,685.44	3,968,382.76
32. Operating Margins - Prior Years	0.00	0.00	0.00
33. Operating Margins - Current Year	772,039.27	4,139,059.26	3,367,019.99
34. Non-Operating Margins	0.00	0.00	0.00
35. Other Margins and Equities	129,640.42	353,070.92	223,430.50
36. Total Margins & Equities (30 thru 35)	135,405,587.10	142,964,433.44	7,558,846.34
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)	121,635,846.12	114,755,928.40	-6,879,917.72
41. Long-Term Debt - RUS Econ. Devel. (Net)	0.00	0.00	0.00
42. Payments - Unapplied	-1,552,315.97	0.00	1,552,315.97
43. Total Long-Term Debt (37 thru 41 - 42)	240,372,759.77	230,030,728.36	-10,342,031.41
44. Obligations Under Capital Leases - Noncurrent	13,583,205.15	13,003,196.24	-580,008.91
45. Accumulated Operating Provisions	114,730.91	17,291.06	-97,439.85
46. Total Other Noncurrent Liabilities (44 + 45)	13,697,936.06	13,020,487.30	-677,448.76
47. Notes Payable	0.00	0.00	0.00
48. Accounts Payable	5,379,785.14	6,171,995.50	792,210.36
49. Consumers Deposits	1,487,192.45	1,582,956.11	95,763.66
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	9,941,402.74	10,222,180.59	280,777.85
54. Total Current & Accrued Liabilities (47 thru 53)	16,808,380.33	17,977,132.20	1,168,751.87
55. Regulatory Liabilities	0.00	0.00	0.00
56. Other Deferred Credits	12,410,904.72	13,573,321.50	1,162,416.78
57. Total Liab. & Other Credits (36+43+46+54 thru 56)	418,695,567.98	417,566,102.80	-1,129,465.18
Current Assets To Current Liabilities	5.17 to 1	4.64 to 1	
Margins and Equities To Total Assets	32.34 %	34.24 %	
Long-Term Debt To Total Utility Plant	39.19 %	37.64 %	

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>

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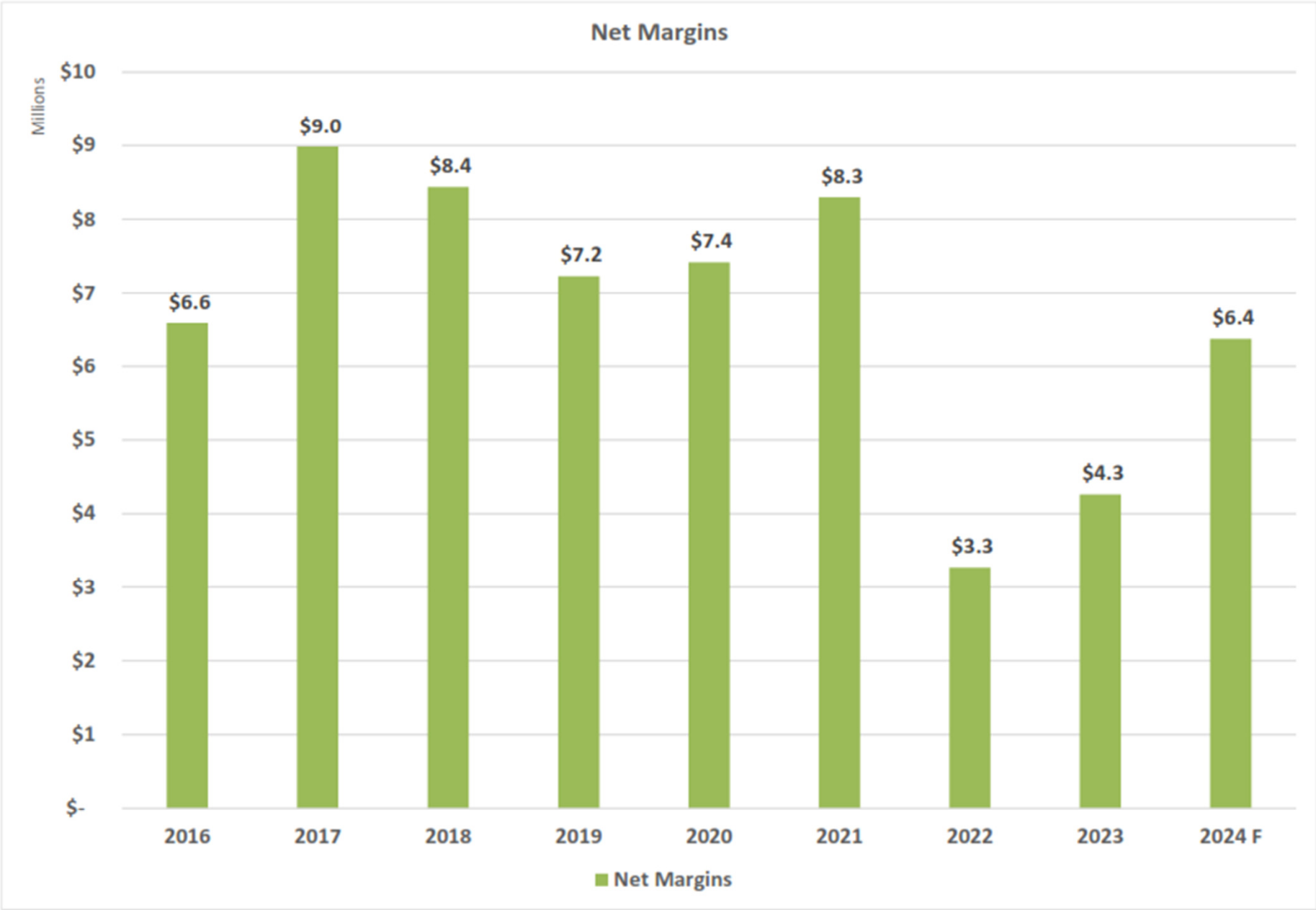
General Ledger Financial And Operating Report Electric Distribution

INCOME STATEMENT FOR JUL 2024

Item	Year - To - Date			Period - To - Date	
	Last Year	This Year	Budget	Current	Budget
1. Operating Revenue and Patronage Capital	95,211,285.73	105,921,963.15	103,879,675.00	16,952,326.75	16,430,023.00
2. Power Production Expense	28,938,761.05	36,334,557.76	28,802,959.00	6,181,669.30	4,274,692.00
3. Cost of Purchased Power	26,725,586.31	24,099,379.17	28,020,099.00	3,212,557.52	4,317,654.00
4. Transmission Expense	670,598.76	911,852.95	887,303.00	140,194.82	166,137.00
5. Regional Market Expense	0.00	0.00	0.00	0.00	0.00
6. Distribution Expense - Operation	998,895.68	1,019,307.65	971,975.00	164,094.60	137,685.00
7. Distribution Expense - Maintenance	2,904,757.83	3,250,786.53	3,148,682.00	528,563.97	456,408.00
8. Customer Accounts Expense	1,346,621.10	1,382,021.55	1,750,623.00	197,332.42	259,533.00
9. Customer Service and Informational Expense	189,345.72	162,807.63	332,693.00	19,844.71	76,299.00
10. Sales Expense	0.00	0.00	0.00	0.00	0.00
11. Administrative and General Expense	12,801,552.96	14,688,579.66	15,590,033.00	2,386,355.37	2,169,809.00
12. Total Operation & Maintenance Expense (2 thru 11)	74,576,119.41	81,849,292.90	79,504,367.00	12,830,612.71	11,858,217.00
13. Depreciation & Amortization Expense	9,067,437.86	8,689,225.60	9,360,550.00	1,244,365.27	1,337,221.00
14. Tax Expense - Property & Gross Receipts	2,378,553.05	2,646,205.40	2,596,994.00	424,110.63	410,751.00
15. Tax Expense - Other	5,661,183.19	6,298,765.15	6,178,619.00	1,006,118.47	970,807.00
16. Interest on Long-Term Debt	3,945,764.74	3,750,513.65	3,768,000.00	531,456.14	536,000.00
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	14,052.27	44,229.65	75,710.00	1,000.00	4,580.00
20. Total Cost of Electric Service (12 thru 19)	95,643,110.52	103,278,232.35	101,484,240.00	16,037,663.22	15,117,576.00
21. Patronage Capital & Operating Margins (1 minus 20)	-431,824.79	2,643,730.80	2,395,435.00	914,663.53	1,312,447.00
22. Non Operating Margins - Interest	1,686,153.97	1,605,228.88	1,190,264.00	213,470.90	126,430.00
23. Allowance for Funds Used During Construction	0.00	0.00	0.00	0.00	0.00
24. Income (Loss) from Equity Investments	-605,669.39	-304,908.30	-546,807.00	-32,696.38	-10,170.00
25. Non Operating Margins - Other	123,379.48	195,007.88	84,840.00	17,028.35	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)	772,039.27	4,139,059.26	3,123,732.00	1,112,466.40	1,440,827.00
Operating - Margin	772,039.27	4,139,059.26	3,123,732.00	1,112,466.40	1,440,827.00
Non Operating - Margin	0.00	0.00	0.00	0.00	0.00
Times Interest Earned Ratio - Operating	0.89	1.70			
Times Interest Earned Ratio - Net	1.20	2.10			
Times Interest Earned Ratio - Modified	1.20	2.10			

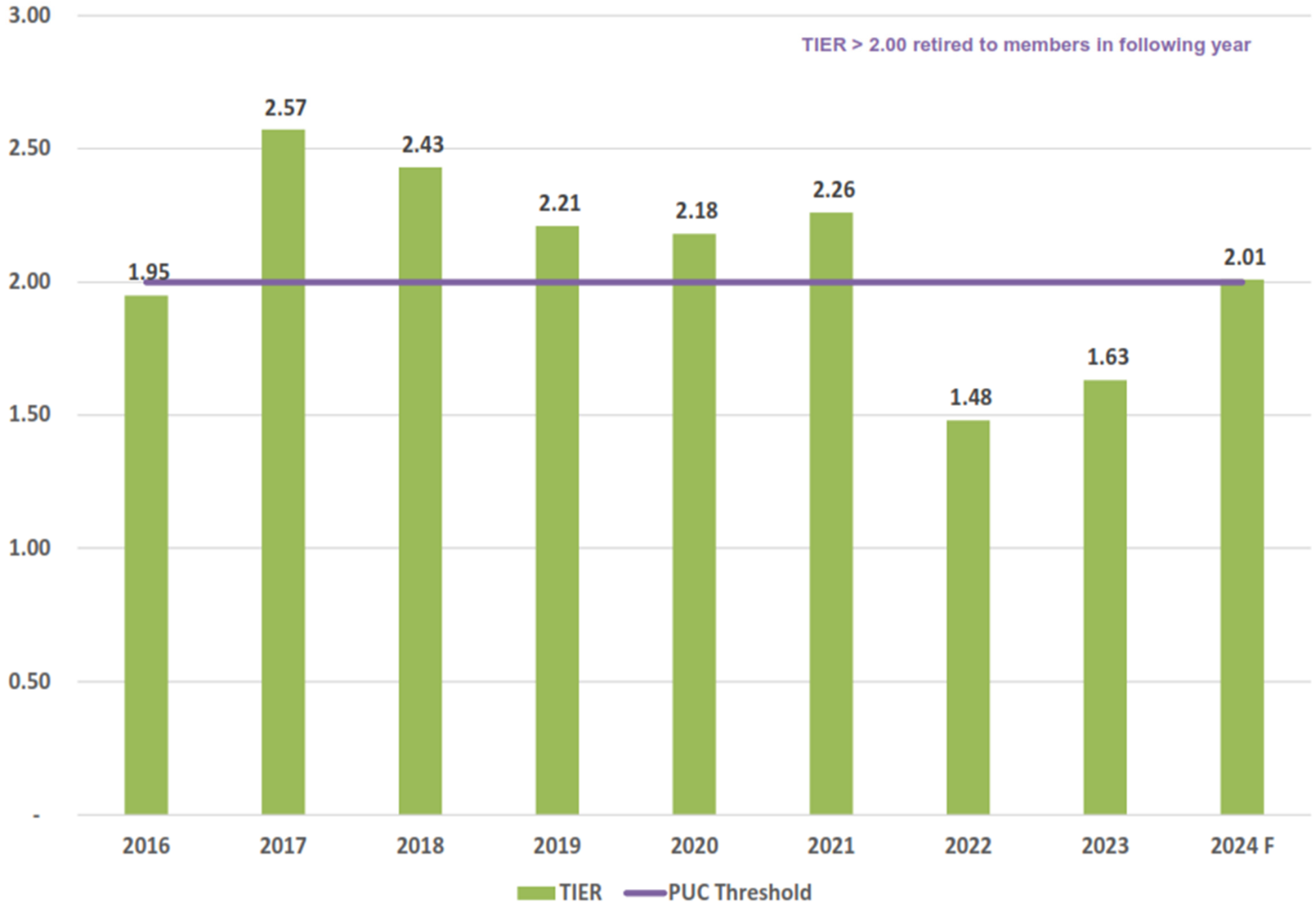
**Kauai Island Utility Cooperative
2024 ROO ACTUAL TO BUDGET
JULY - 2024**

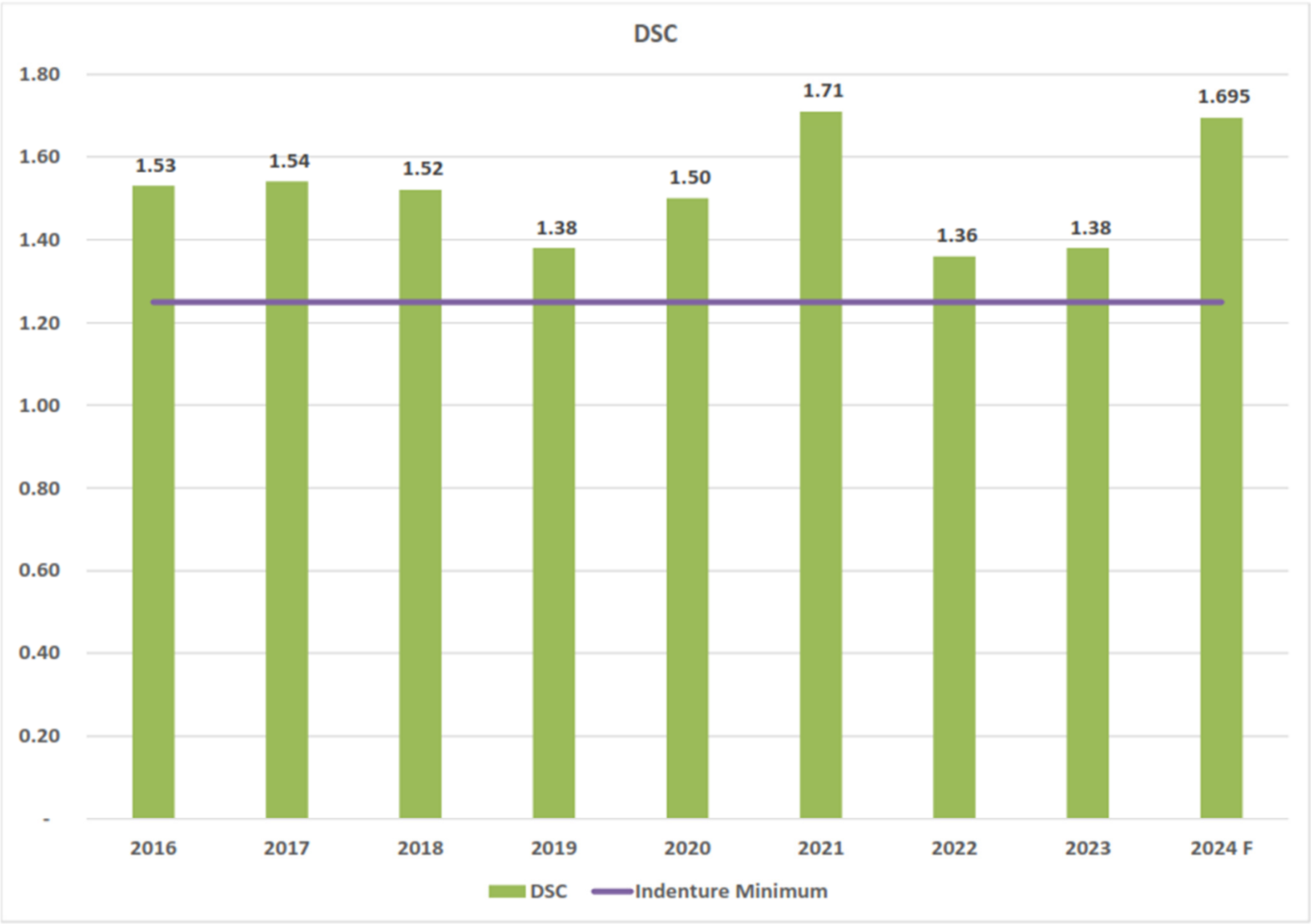
RESULTS OF OPERATIONS	MONTH				YEAR-TO-DATE				Budget (+/-) YTD Variance	Annual Budget	YTD Forecast
	Budget	Actual	Variance	% Variance	Budget	Actual	Variance	% Variance			
Electric Revenue	16,462,432	16,984,156	521,724	3%	104,106,538	106,148,221	2,041,683	2%	184,194,826	182,153,143	184,194,826
Other Revenue	(32,409)	(31,830)	579	-2%	(226,863)	(226,258)	605	0%	(3,194,553)	(3,195,158)	(3,665,815)
TOTAL REVENUE	16,430,023	16,952,327	522,304	3%	103,879,675	105,921,963	2,042,288	2%	181,000,273	178,957,985	180,529,011
COMMODITIES	7,370,939	8,291,388	920,449	12%	48,210,672	51,436,068	3,225,396	7%	87,265,691	84,040,295	87,265,691
GROSS MARGIN	9,059,084	8,660,939	(398,145)	-4%	55,669,003	54,485,896	(1,183,107)	-2%	93,734,583	94,917,690	93,263,320
Power Supply	1,281,409	1,186,577	(94,832)	-7%	9,020,852	9,457,908	437,056	5%	15,702,685	15,265,629	15,702,685
Transmission & Distribution	857,982	946,446	88,464	10%	5,680,070	5,805,937	125,867	2%	9,837,438	9,711,571	9,737,438
Member Services	315,563	281,381	(34,182)	-11%	2,147,107	1,848,127	(298,980)	-14%	3,348,277	3,647,257	3,248,277
Communications	106,430	53,834	(52,596)	-49%	614,426	475,467	(138,959)	-23%	856,586	995,545	852,586
Energy Services	80,946	68,066	(12,880)	-16%	537,978	483,726	(54,252)	-10%	843,858	898,110	843,858
Human Resources	108,669	123,396	14,727	14%	704,389	651,408	(52,981)	-8%	1,158,824	1,211,805	1,158,824
Executive	104,391	83,974	(20,417)	-20%	774,701	745,588	(29,113)	-4%	1,257,566	1,286,679	1,257,566
Board of Directors	36,294	118,083	81,789	225%	531,092	440,918	(90,174)	-17%	636,886	727,060	636,886
Safety & Facilities	314,833	355,070	40,237	13%	2,155,567	2,118,079	(37,489)	-2%	3,686,131	3,723,619	3,686,131
SOS Shearwater Program	27,600	29,413	1,813	7%	193,500	202,872	9,372	5%	357,172	347,800	357,172
Regulatory Affairs	130,017	116,843	(13,174)	-10%	916,315	817,658	(98,657)	-11%	1,473,235	1,571,892	1,468,235
Engineering	131,261	98,321	(32,940)	-25%	910,750	613,205	(297,545)	-33%	1,233,787	1,531,332	1,093,787
Habitat Conservation Program	429,433	396,263	(33,170)	-8%	3,051,632	3,007,979	(43,653)	-1%	5,200,747	5,244,400	5,193,247
Financial & Corporate Services	297,110	312,362	15,252	5%	1,986,657	1,995,905	9,248	0%	3,378,408	3,369,160	3,378,408
Information Technology	265,339	369,195	103,856	39%	2,068,653	1,748,451	(320,202)	-15%	3,022,118	3,342,320	3,022,118
TOTAL O&M LESS COMMODITIES	4,487,277	4,539,225	51,948	1%	31,293,689	30,413,225	(880,464)	-3%	51,993,715	52,874,179	51,637,215
TOTAL O&M INCLUDING COMMODITIES	11,858,216	12,830,613	972,397	8%	79,504,361	81,849,293	2,344,932	3%	139,259,406	136,914,474	138,902,906
Depreciation & Amortization	1,337,221	1,244,365	(92,856)	-7%	9,360,550	8,689,226	(671,324)	-7%	15,375,334	16,046,658	15,375,334
Taxes Other Than Income	1,381,558	1,430,229	48,671	4%	8,775,613	8,944,971	169,358	2%	15,269,687	15,100,329	15,269,687
TOTAL EXPENSES	14,576,995	15,505,207	928,212	6%	97,640,524	99,483,489	1,842,965	2%	169,904,426	168,061,461	169,547,926
OPERATING INCOME	1,853,028	1,447,120	(405,908)	-22%	6,239,151	6,438,474	199,323	3%	11,095,847	10,896,524	10,981,085
Interest & Dividend Income	126,430	213,471	87,041	69%	1,190,264	1,605,229	414,965	35%	2,193,364	1,778,399	2,193,364
Other Income (Jobbing)	4,000	7,119	3,119	78%	28,000	134,863	106,863	382%	154,863	48,000	154,863
Income (Loss) from KRS1	(32,557)	(7,181)	25,376	-78%	(556,169)	(218,046)	338,123	-61%	(561,203)	(899,326)	(561,203)
Income (Loss) from KRS2H	22,387	(25,515)	(47,902)	-214%	9,362	(86,862)	(96,224)	-1028%	(161,219)	(64,995)	(161,219)
Non-Operating Income	8,120	9,910	1,790	22%	56,840	60,145	3,305	6%	100,745	97,440	100,745
Liquidated Damages	-	-	-	0%	-	-	-	0%	-	-	-
Gain on Disposition of Property	-	-	-	0%	-	-	-	0%	-	-	-
Capital Credits & Patronage Allocation	-	-	-	0%	-	-	-	0%	205,000	205,000	205,000
Sponsorships & Contributions	(4,580)	(1,000)	3,580	-78%	(75,710)	(44,230)	31,480	-42%	(58,920)	(90,400)	(58,920)
Other Deductions-Abandoned PSI	-	-	-	0%	-	-	-	0%	-	-	-
Interest Expense-LTD	(536,000)	(531,456)	4,544	-1%	(3,768,000)	(3,750,514)	17,486	0%	(6,408,514)	(6,426,000)	(6,408,514)
Interest Expense-STD	-	-	-	0%	-	-	-	0%	-	-	-
NET MARGINS	1,440,828	1,112,466	(328,362)	-23%	3,123,738	4,139,059	1,015,321	33%	6,559,963	5,544,642	6,445,201
TIMES INTEREST EARNED RATIO (TIER)	3.69	3.09	-0.59	-16%	1.83	2.10	0.27	15%	2.02	1.86	2.01
DSC					1.75	1.54	-0.21	-12%		1.695	1.695
EQUITY RATIO						34.24%					



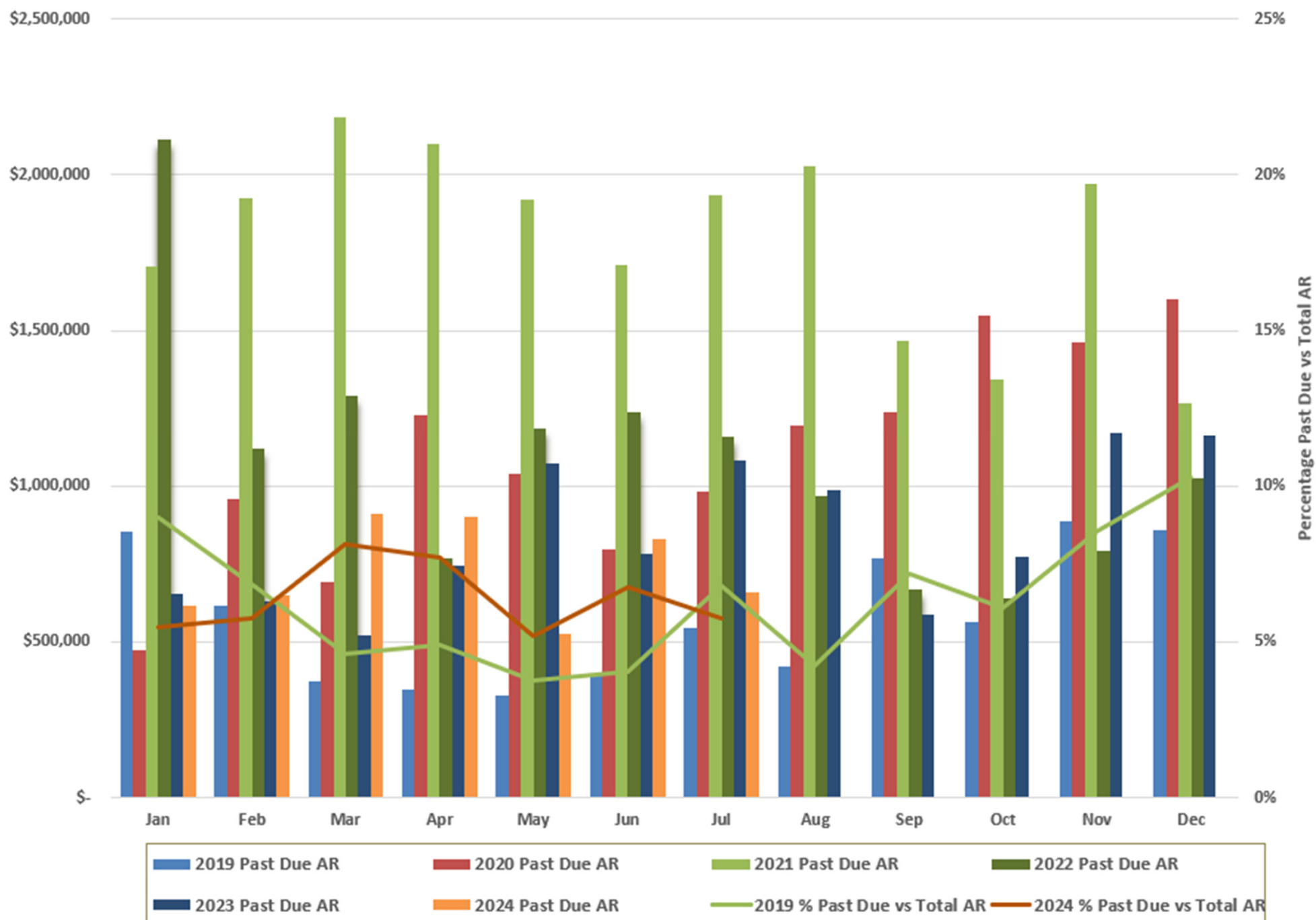
TIER

TIER > 2.00 retired to members in following year

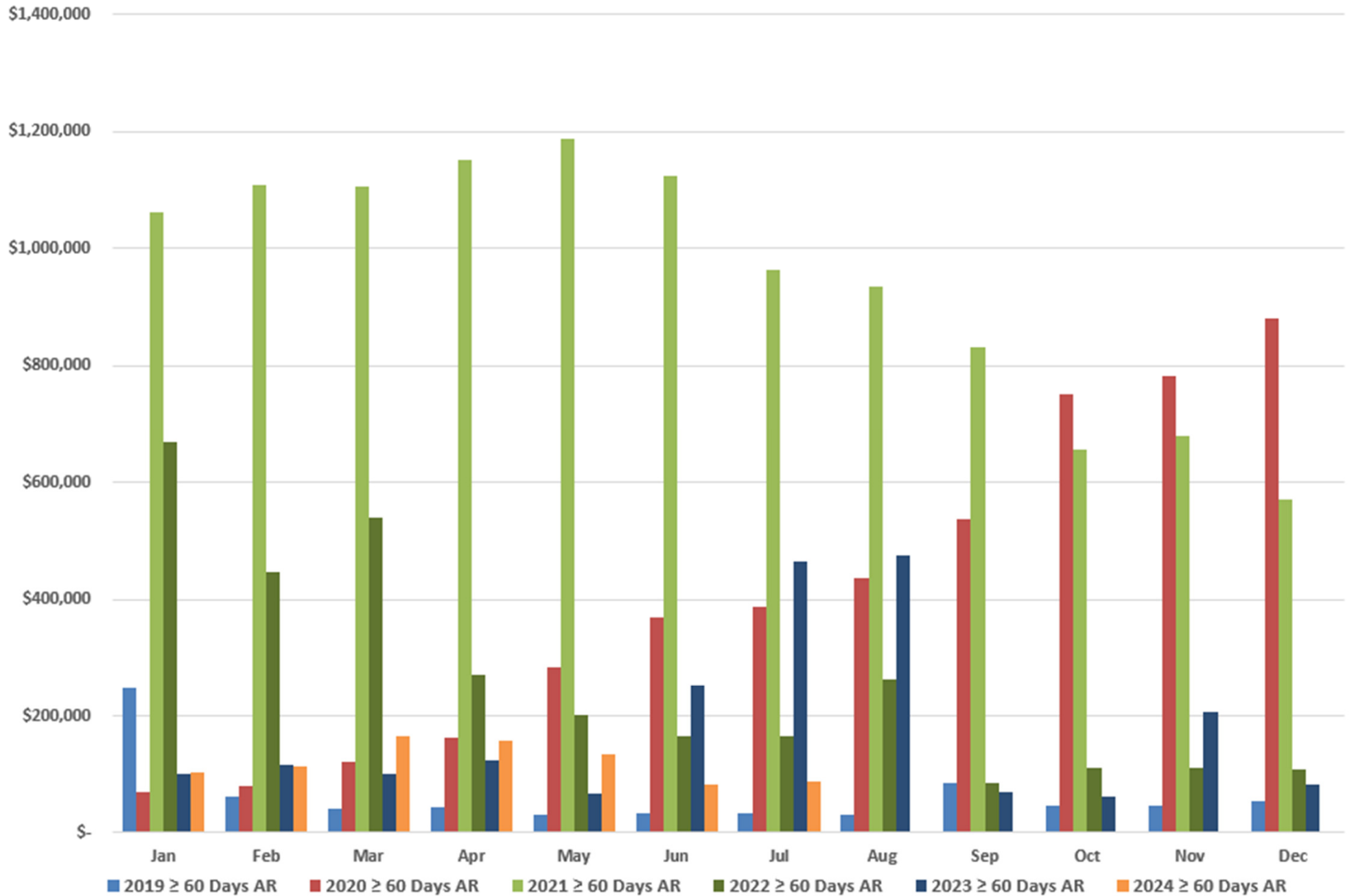




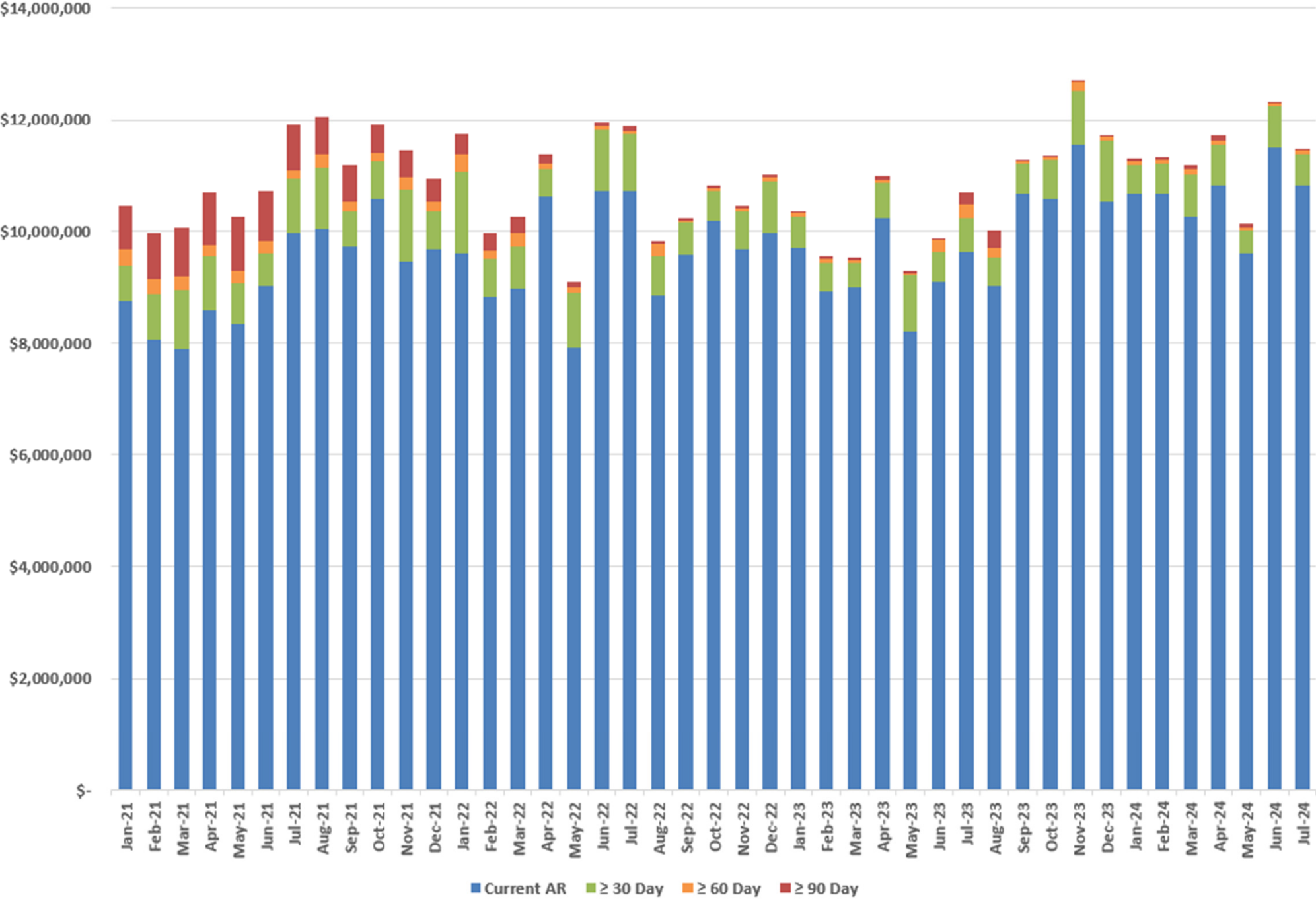
YOY > 30 days vs Total AR



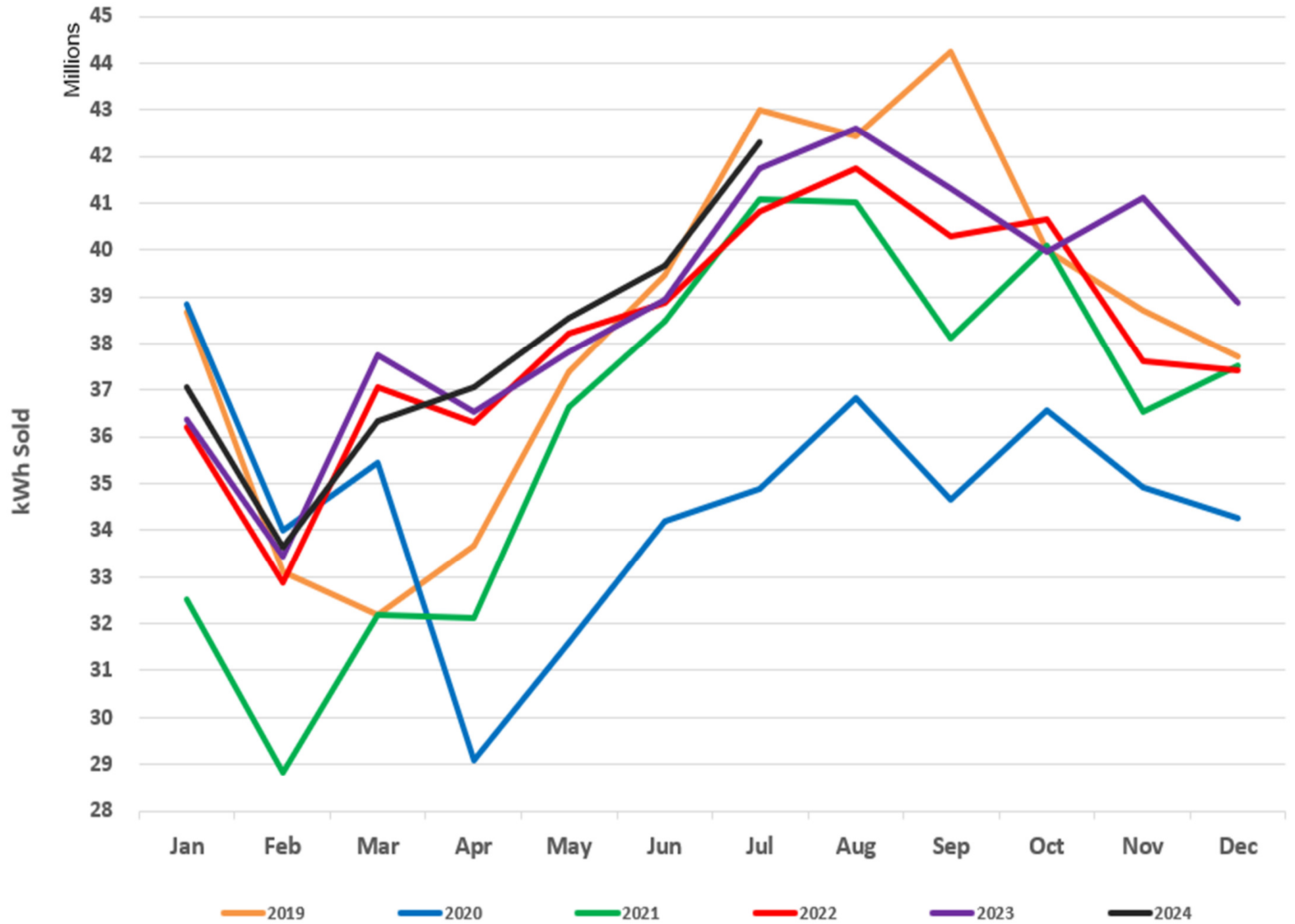
YOY ≥ 60 Days



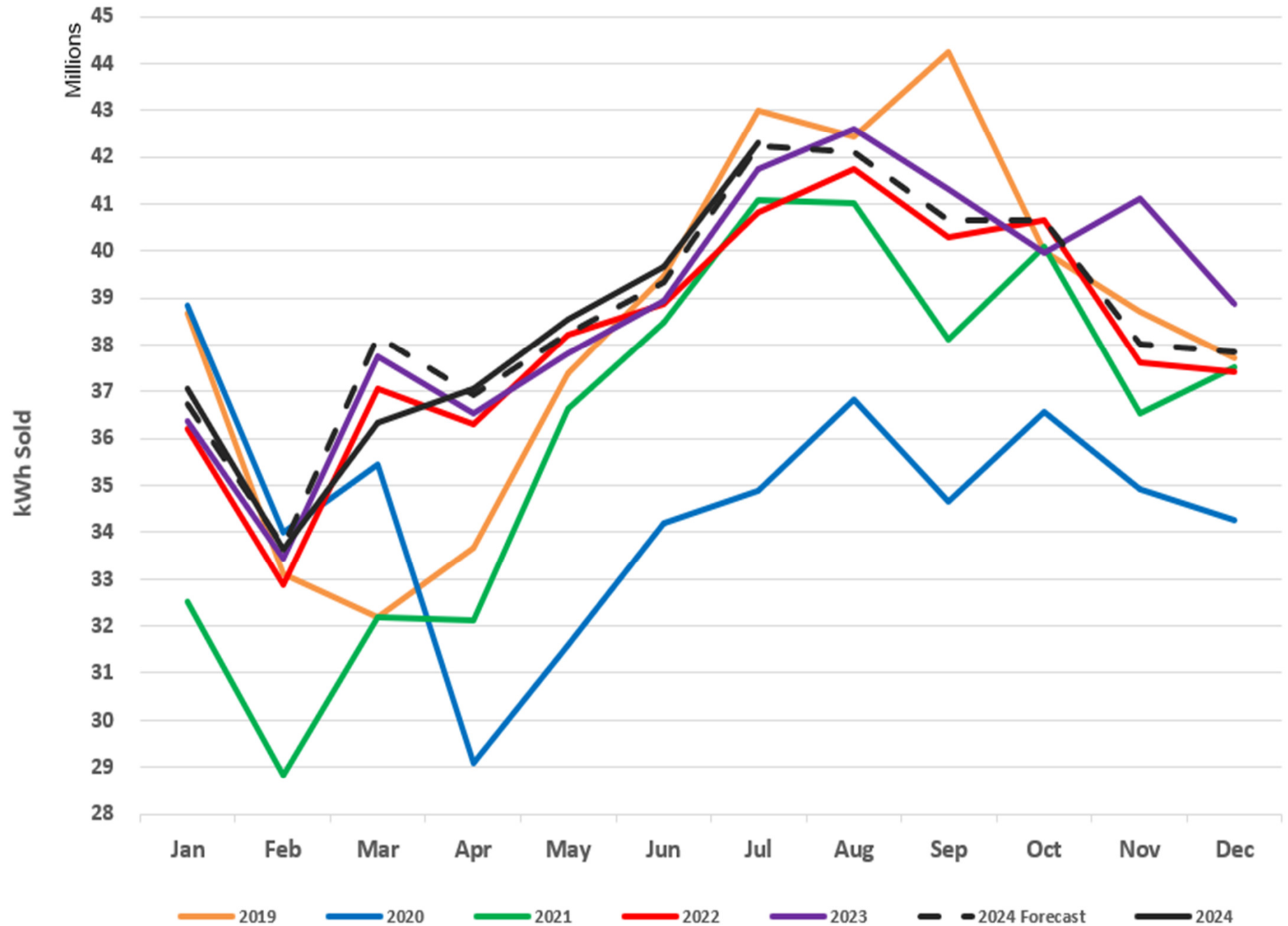
Total AR Balances



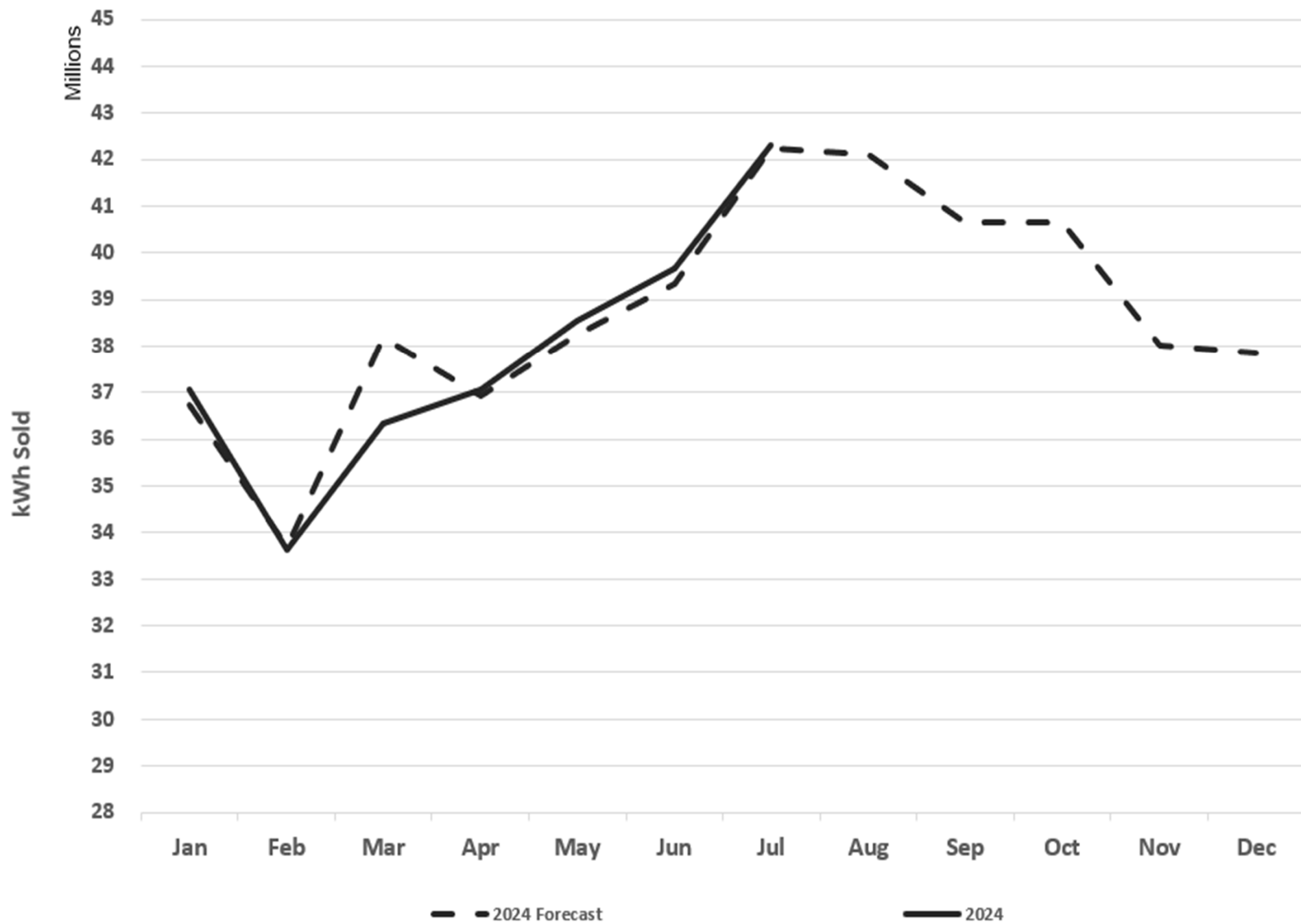
Total kWh Sold



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:
- **\$23.1M** 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)
 - **4.95%** Interest Rate
- **\$4.86M** CFC Daily and Monthly Commercial Paper – ST to Medium Term Investment – Daily to Monthly A2 Moody and S&P A-
 - Daily Fund 4.60%
- **\$4.81M** CoBank Commercial Paper Investment – AA- Moody and S&P
 - 60-day Investment – **4.27%**
- **\$262,953** Central Pacific Bank – Backup Checking in NISC if needed
 - Backup for Checking in Money Market (unlimited) account
 - 4.08%

Questions?

Board Update

July 2024



◆ EPA Power Plant Rule

- NRECA filed a lawsuit against the EPA over its “unlawful, unrealistic and unachievable” power plant rule.
- [Attorneys general from 27 states](#) also filed suit, as did various other industry stakeholders.
- [NRECA also requested a stay](#) from the courts to temporarily halt the rule from taking effect.
- On July 19, the D.C. Circuit Court rejected the stay request.
- On July 23, NRECA [asked the U.S. Supreme Court to stay the rule](#) to prevent “immediate harm to the nation’s electric grid and the American economy.”
- NRECA members can learn more about the EPA rule and NRECA’s actions at www.cooperative.com/EPA111

◆ Congressional August Recess

- NRECA encourages all co-ops to invite their member of Congress to visit during the Congressional August recess.
- At this year’s [Legislative Conference](#), more than 1,600 co-op advocates came to Washington, D.C., to meet with policymakers.
- The Congressional August recess provides a great opportunity to follow up on our advocacy.
- Co-op visits help elected officials better understand what it takes to keep the lights on.
- And they also help build relationships, which can have an incredible impact as lawmakers return to Washington after August recess.
- To help support these visits, NRECA has created a Cooperative Congressional Engagement Toolkit, which is available at www.cooperative.com/augustrecess.
- The Toolkit outlines the steps to take to engage with policymakers and host a successful Congressional visit, along with talking points and fact sheets on reliability and other resources.

◆ Cybersecurity

- The [CrowdStrike/Microsoft outage](#) provided a reminder of the importance of information technology and cybersecurity.
- To that end, NRECA has launched a [convenient event portal](#) that shares partner and federal training opportunities for IT and cybersecurity professionals.
- The portal allows members to search for subject areas they are interested in as well as an option to be notified when new training opportunities are added.
- You can find the new portal on Cooperative.com at <https://www.cooperative.com/programs-services/it/Pages/Secure/calendar.aspx>

NRECA Board of Directors

NRECA Update

July 2024

EPA Power Plant Rule

- NRECA filed lawsuit against EPA over power plant rule and requested a stay to halt rule.
- Stay was denied by the D.C. Circuit; appeal filed with Supreme Court.
- Learn more at **www.cooperative.com/EPA111**



Congressional August Recess

- NRECA encourages all co-ops to invite their member of Congress to visit during the August recess.
- Relationships built during co-op visits can have a big impact when lawmakers return to Washington.
- Find a Cooperative Congressional Engagement Toolkit at **www.cooperative.com/augustrecess**



Cybersecurity

- NRECA has launched an event portal that shares training opportunities for IT and cybersecurity professionals.
- The portal allows members to be notified when new training opportunities are added.
- Find the new portal at **www.cooperative.com/programs-services/it/Pages/Secure/calendar.aspx**





Board Update

August 2024



◆ NRECA Regional Meetings

- NRECA Regional Meetings begin Sept. 4-6, with [Regions 1&4](#) in Grand Rapids, Mich.
- Registration is strong, with most regions seeing an increase compared to last year. We're also seeing an increase in the number of directors attending.
- Main stage content focuses on artificial intelligence, the CEO-board relationship, cybersecurity and co-op innovation.
- NRECA members can register and access schedules for each Regional Meeting at [this link](#).

◆ New ERA Awards

- The Biden administration will announce [New ERA awards](#) totaling over \$7 Billion for 15 electric cooperatives September 5th. NRECA will amplify and share the news of this announcement.
- NRECA and our members played a leading role in shaping the New ERA program.
- This is a terrific opportunity to showcase co-ops as energy innovation leaders that are embracing local solutions, strengthening America's electric grid and meeting the needs of their members.

◆ NRECA Broadband

- Back to school season is an important reminder of the need for high-quality internet in every community and how America's electric co-ops are making this goal a reality.
- This month's RE Magazine tells the story of how [JCE Co-op's](#) high-speed internet is improving the quality of life in their part of rural Illinois.
- NRECA Broadband offers specific resources to help co-ops succeed. Visit [NRECA Broadband](#) for information on how to join the 120 co-ops who are already participating.

◆ Increasing Demand

- As demand for electricity keeps rising, co-op leaders are encouraged to highlight the importance of meeting growing needs while ensuring reliability.
- ERCOT demand hit an all-time high this month, and [demand could nearly double](#) in the next six years in part due to data centers and the rise of artificial intelligence.
- Analysis by Energy & Environmental Economics, a San Francisco energy research firm, projects that [data center growth](#) alone could require the addition of up to 100,000 MW of new capacity by 2030 – only six years from now.
- 100,000 MW of new capacity is roughly equivalent to the generation capacity of all 94 American nuclear reactors.
- NRECA is continuing to press for energy policies that keep the lights on. See NRECA's [Reliability & Security Resources](#) for more information.

NRECA Board of Directors

NRECA Update

August 2024

NRECA Regional Meetings

Regions 1&4:	Grand Rapids, MI	Sept. 4-6
Regions 5&6:	Minneapolis, MN	Sept. 16-18
Regions 7&9:	Sacramento, CA	Sept. 24-26
Regions 2&3:	Columbia, SC	Oct. 7-9
Regions 8&10:	Kansas City, MO	Oct. 21-23

Register at www.cooperative.com/conferences-education/meetings

New ERA Awards

- New ERA awards totaling \$7 billion for 15 co-ops announced September 5th .
- NRECA played a leading role in shaping the New ERA program.
- This is a terrific opportunity to show how co-ops are embracing local solutions, strengthening our electric grid and meeting the needs of their members.



NRECA Broadband

- America's electric co-ops are making the goal of high-quality internet in every community a reality.
- This month's RE Magazine tells the story of how JCE Co-op's broadband is improving life in rural Illinois.
- Visit NRECA Broadband at **www.cooperative.com** to join 120 participating co-ops.



Increasing Demand

- Co-ops are encouraged to highlight the importance of meeting growing needs while ensuring reliability.
- Data center growth could require up to 100,000 MW of new capacity over the next six years.
- NRECA is pressing for energy policies that keep the lights on. See www.cooperative.com/topics/reliability-security.





Report of KIUC Charitable Foundation

To KIUC Board of Directors

8/20/2024

The Charitable Foundation Board met on 8/20/24

The following reports were received:

Treasurer reported an ending balance of \$56,075.41

Application approved:

- Kauai Robotics Alliance \$2,500

Golf Tournament- working on forms, next meeting September 15.

T. Phil Tacbian, President

BOARD APPROVAL REQUEST FORM

Requestor

Department **T&D**

Date **8/20/2024**

Name John Cox

Title: T&D Mgr

Program/Project Name **240606A Pole Replacements - Wildfire Mitigation**

Project Dates (if any) _____

Deadline(s) _____

Description of Request (attach documentation if needed)

Wildfire Mitigation Efforts: KIUC Line Crews along with Premium Line Contractors continue to address Pole Replacements generated from Polehawk Drone and Thor Inspections. Over 150 poles have been replaced in 2024. Expended \$1,254,000 Ytd.

Financial Impact

Fiscal Year: 2024

Budgeted? ☒ Unbudgeted? _____

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

Original Budget Amt \$1,200,000

Additional/Change **\$1,500,000**

Revised Budget Amt \$ 2,700,000

Required (Initials)

CEO Review: DB

Committee Referral/Action

Committee F&A

Meeting Date: 8/20/2024

Committee Recommendations: _____

Cmte Chairperson Presiding: Peter Yukimura

Board Action

Board Workshop _____

Wrkshp Date: _____

Board Meeting Date 8/29/2024

Action Taken: _____

1st/2nd: _____

Other Info: _____

Res No. _____

File Date & Location _____

BOARD APPROVAL REQUEST FORM

Requestor

Department **Other**

Date **8/20/2024**

Name Chris Yuh

Title: Manager

Program/Project Name **HCP minimization**

Project Dates (if any) _____

Deadline(s) _____

Description of Request (attach documentation if needed)

It is requested of the Board to approve a budget variance request of \$1,900,000 for the completion of KIUC's HCP minimization capital plan in 2024. Variance is due to timing where the work and funds were budgeted for in 2023, however due to delays with weather and logistics with our 3rd party vendors, work could not get completed until 2024.

Financial Impact

Fiscal Year: 2024

Budgeted? _____ Unbudgeted? X

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

Original Budget Amt _____

Additional/Change **\$ 1,900,000**

Required (Initials)

Revised Budget Amt **\$ 1,900,000**

CEO Review: DB

Committee Referral/Action

Committee F&A

Meeting Date: 8/20/2024

Committee Recommendations: _____

Cmte Chairperson Presiding: Peter Yukimura

Board Action

Board Workshop _____

Wrkshp Date: _____

Board Meeting Date _____

Action Taken: _____

1st/2nd: _____

Other Info: _____

Res No. _____

File Date & Location _____

08/09/2024 4:02:56 pm

Page: 1

WORK ORDER
LOAN INFORMATION

Loan: 2024 2024 CAPITAL BUDGET
Approved Date: 01/01/2024 Work Plan:
Status: Active

Loan Project	Description	Loan Amount	Inventory	Work Order/SE Invoice	Work Order Costs	Amt Subject To RUS Adv	Loan Amount Remaining	WO Difference From Estimate
241109	DIVERTER REPLACEMENTS	560,000.00						
				EN84	515,232.49	515,232.49		-452,731.37
				EN87	418,486.82	418,486.82		-1,251,932.00
				G693	0.00	0.00		-29,300.00
				J2350	79,726.84	79,726.84		54,146.87
			202402	J2213	18,594.81	18,594.81		18,594.81
			202403	J2260	5,505.50	5,505.50		-261,889.85
				J2268	9,327.52	9,327.52		-184,321.90
Total For Extension - :		560,000.00			1,046,873.98	1,046,873.98	-486,873.98	-2,107,433.44
Total For Loan Project - 241109:		560,000.00			1,046,873.98	1,046,873.98	-486,873.98	-2,107,433.44
Total For Loan - 2024:		560,000.00			1,046,873.98	1,046,873.98	-486,873.98	-2,107,433.44
Grand Totals:		560,000.00			1,046,873.98	1,046,873.98	-486,873.98	-2,107,433.44

AUG24 EN87 \$283,070.50
AUG24 EN87 \$566,141.00

Signature: 
Email: dbissell@kiuc.coop

EN84	\$ 515,232.49	Kapaa to Anahola ADSS/Static removal
EN87	\$ 1,267,698.32	Port Allen to Koloa ADSS/Static removal
J2350	\$ 79,726.84	Port Allen to AEPO Static removal
J2213	\$ 18,594.81	Powerline Trail 1000 LED Diverters
J2268	\$ 9,327.52	Trans Line Removal - 29 spans Mana -> WKEP
	\$ 1,890,579.98	