

Aloha Island Team



5622 ILEINA LANE, KAPAA

5,000 sf starter lot in Kapaa. County standard roadway must be put in by purchaser prior to receiving building permit from county to build. Buyer to conduct due diligence with appropriate county agencies. \$100,000(fs). Call: Karen Agudong, REALTOR(B) 652-0677 or email:

Karen@Alohaisland.com.



4568 KULI RD, KALAHEO

3 Bedrooms, 2.5 baths located on a quaint country road. Master Bedroom and bath with oversized jacuzzi tub. Oak hardwood floors and crown molding. Property has a BONUS WW II Bunker in

the Hillside! \$549,900(fs). Call: Karen Agudong, REALTOR(B) 652-0677 or email: Karen@Alohaisland.com.



4381 OLALI STREET, ELEELE ROAD

3 bedrooms, 2 full bathrooms and a fenced yard with tons of fruit trees. Recently painted exterior for a beautiful, fresh and clean look. Appliances included! SOLD ~ \$521,000(fs). Call: Karen Agudong, REALTOR(B) 652-0677 or email: Karen@Alohaisland.com.



Main home is 4 bed / 2 bath with laminate flooring, solar and photovoltaic panels. Additional 1 bedroom, 1 bath home is located on the rim with gorgeous valley views; laminate flooring, split AC system; photovoltaic panels and solar. SOLD \sim \$700,000(fs).

Call: Karen Agudong, REALTOR(B) 652-0677 or email: Karen@Alohaisland.com.



4145 KOAKI PLACE, LIHUE (PUAKO SUBDIVISION)

Dynamic in your face mountain views with this single story home in the beautiful Puako subdivision in Lihue. There are 3 bedrooms and an additional den space with closed doors which can be used as a 4th bedroom or private office. With over 15,000 sf of land, this large spacious lot gives a feel of ample space and privacy in your back yard. Beautiful circle driveway located off of a short cul de sac. If you have been waiting for views, this home has is it!

S997,000(fs). Call: Karen Agudong, REALTOR(B) 652-0677 or email: Karen@Alohaisland.com.



YOUR PROPERTY HERE!

Looking to sell your home? Inventory is low and buyers are looking to purchase property before the interest rates go up. Please contact Karen for a FREE comparative market analysis of your property.



KAREN L. AGUDONG REALTOR(B) RB-17447

EXP REALTY • KAREN L. AGUDONG • MAILING ADDRESS: PO Box 3255, Lihue, HI 96766 808-652-0677 • www.alohaisland.com • email: karen@alohaisland.com KAREN L. AGUDONG, REALTOR(B) "ALOHA ISLAND TEAM" EXP REALTY (808) 652-0677.

urrents









Save postage, get your Currents online

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

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

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

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EDITOR

Beth Tokioka

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On the Cover

2018 Youth Tour Delegates Kaleigh Ramil of Kapa'a High School, Lily Stokes from Hawai'i Technology Academy, Sara Funtanilla of Waimea High School and Kelli Okayama of Kauaʻi High School pose in front of the King Kamemeha statue in the Capitol Rotunda. Photo credit Shelley Paik.



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

KIUC is an equal opportunity provider and employer.

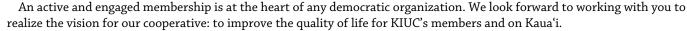


From the Chairman

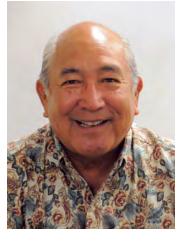
We had a very successful 2018 annual meeting and appreciate the support of the hundreds of members who joined us for an update on the activities of your cooperative.

The KIUC Board of Directors is proud to serve our membership. KIUC gets its strength from its member-owners, and we encourage you to engage with us throughout the year. Here are just a few of the ways you can stay in touch with KIUC:

- Enroll for the Smart Hub service so you can track and manage your electricity use, pay bills online and report outages. Enrollment is easy at www.kiuc.coop.
- Attend monthly board of directors meetings at the KIUC offices at the Hana Kukui Building on Pahe'e Street. Check the KIUC website for meeting dates and times.
- Sign up for email updates at the KIUC website.
- Review your quarterly issue of Currents magazine for news and informational updates.
- Follow our activities on KIUC's Facebook page and Twitter account.
- Have a question? Call 246.4300 or email info@kiuc.coop at any time.



Aloha pumehana, Allan Smith Chairman of the Board





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Go to www.connections.coop and sign up today! Download the free mobile app to take the savings with you and redeem savings at point of sale.







KIUC is an equal opportunity employer and provider.



Board Actions

Below is a summary of some of the actions taken by the KIUC Board of Directors in May, June and July 2018.

May 29, 2018 Board Meeting

Motion carried Operation Roundup, approve the development of a KIUC Roundup program.

Motion carried Board Policy No. 1, authority and responsibility of the board of directors; reviewed, no substantive changes.

Motion carried Board Policy No. 6, employment of related persons; reviewed, no substantive changes.

Motion carried appointment of James Mayfield as assistant board treasurer.

Motion carried purchase of replacement troubleshooter bucket truck for \$170,000.

June 26, 2018 Board Meeting

Motion carried appointment of Dee Crowell as Hawai'i representative on NRECA Resolutions Committee (2018).

Motion carried appointment of Jan TenBruggencate to NRECA Region 9 Nominating Committee.

Motion carried Board Policy No. 3, rules governing board meetings, revised.

Motion carried Board Policy No. 10, legal representation and use of attorneys, reviewed.

Motion carried revolving loan fund loan, Island School 2018 for \$140,000; Haole Girl Island Sweets 2018 for \$55,000.

Motion carried rectify the executive committee approval for the Port Allen D9 turbo repair at an amended decrease amount of \$510,000.

Motion carried ratification of Maile Alfiler as a member to the Charitable Foundation Board.

July 31, 2018 Board Meeting

Motion carried 2018 accounts receivable write-off for \$111,042.13.

Motion carried Board Policy No. 20, appointments to fill board vacancies, reviewed.

Motion carried Board Policy No. 32, member petitions, non-substantive revisions.

Motion carried West Kaua'i Hydro/Pumped Storage Project. The board authorizes the CEO to enter into a phased design build agreement through an RFP process with an engineering construction firm, and board authorizes the CEO to authorize necessary amounts to complete that development work subject to details in a resolution to be taken up in executive session.

Motion carried authorize the CEO to negotiate with third parties for the design and construction of a pumped storage hydroelectric project on the west side, Resolution 04-18.



KIUC is Different

By Janet Kass

I'm the new kid on the block here—both new to Kaua'i and new to the board of Kaua'i Island Utility Cooperative. I used to work for an electric cooperative in Michigan. In my position as chief financial officer there, I interacted with about 70 other electric co-ops on the mainland. Some of them were distribution co-ops that provide power to the end customer. Most of them were generation and transmission co-ops (G&Ts) that own and operate generation plants and transmission systems. All of the G&Ts routinely buy power from and sell power to other electric utilities and regional power markets.

Allow me to share my personal observations about KIUC after six months on the job.

KIUC is different from other electric co-ops in four ways that I consider to be quite significant.

First, KIUC is young. It is only 15 years old, while most of the electric co-ops on the mainland are more than 75 years old. KIUC's youth results in an intangible difference in mindset at KIUC—a fresher outlook on electric issues and a willingness to be the first to try something new. KIUC also benefits from all of the lessons older co-ops on the mainland have already learned. It doesn't have to reinvent the wheel. It can just tap into existing knowledge.

Next, KIUC is more open and transparent than many other electric cooperatives. For example, KIUC's board meetings are open to the public. Since all electric cooperatives are private companies, they are not obliged to have open board meetings. Nor does Hawai'i law require that. This is a choice that KIUC has made. KIUC also chooses to publish all of its board resolutions, its strategic plan and its policies on its website.

Third, KIUC bears some significant costs that most electric co-ops on the mainland don't incur. This is because KIUC is regulated by the Hawai'i Public Utilities Commission. Few electric co-ops on the mainland are regulated by their state. Instead, other state governments-and the Federal Energy Regulatory Commission—recognize co-ops are different from investor-owned utilities. At a co-op, the customer is also the owner of the company. At investor-owned utilities, there's a conflict of interest between the shareholders of the company (who want to earn higher profits, generally by charging higher rates) and the customers of the company (who want lower rates). Public utility commissions exist to protect the interests of the customers. But for co-ops, regulation results in additional costs-primarily for legal costs and staff time-and delays in decision making, since action on new projects must be deferred until the Public Utilities Commission approves them.

Fourth, KIUC's board has created a useful strategic plan. I haven't seen such a document at other electric cooperatives. The core of KIUC's strategic plan is a goal of 70 percent renewable energy by 2030. While other electric utilities may

adopt a plan for their generation facilities, KIUC's strategic plan is broader than just that topic.

For example, one of the goals is focused on stabilizing future rates—obtain fixed pricing, three years in advance, for at least 25 percent of our fossil fuel requirements—while another deals with protecting endangered species. The fact that the strategic plan exists, is updated regularly and is developed with input from the community sets KIUC apart from its peers.

I appreciate the confidence placed in me by the members of KIUC and look forward to making a contribution to the success of our member-owned cooperative.



Janet Kass, left, attends a regularly scheduled board meeting.

What is Grid Resiliency?



By Dee Crowell

Resiliency of the grid is one of the most popular concepts talked about in the electric industry. This concept made headlines in the wake of Hurricanes Irma and Maria, which caused extraordinary damage to Puerto Rico's electric grid and resulted in the longest sustained outage in U.S. history. Lack of resilience became the go-to phrase to describe Puerto Rico's grid. Here on Kaua'i, what does grid resiliency mean for you?

Resiliency is many things. It's reliability in your electric service, it's our ability to efficiently restore your power, it's being able to meet the demands of new technology and it's how we serve you with various generation sources without skipping a beat. Ultimately, resilience is how we deliver on our promise to improve the quality of life for our member-owners.

A resilient electric grid begins with a system that is designed and built to withstand high winds, powerful storms, cybersecurity threats and other disruptions that could result in outages. A resilient grid is also flexible and adaptable by allowing different types of generation—such as solar, hydro and diesel—to seamlessly work together to provide you with safe and reliable power. The way our systems react to advancements in technology—from demand response investments to serving the needs of electric vehicles—all factor into the resilience of our grid.

Resiliency is a 24/7, 365-days-a-year task. Whether it's the power lines, substations or generation facilities on our grid,

it takes proactive maintenance and investment to keep them running smoothly.

Similar to how we maintain our vehicles with regular oil changes, inspections and tire rotations, a grid must also be properly maintained. Throughout the year, we regularly conduct pole and line inspections. Our goal is to find a problem before it becomes one. For example, if we find a weak pole that has damage from termites, we replace that pole. Doing so ensures that pole is as strong—or as resilient—as it can be.

Living on Kaua'i, we know power outages can occur. Whether we're at the mercy of floods, hurricanes or high surf and winds, we have worked diligently to strengthen the ability of our system to recover from any situation with as little disruption as possible.

Since Hurricane Iniki, we have been installing stronger transmission and distribution lines. We have also been working on moving our facilities out of flood and hurricane inundation zones. One of the benefits of having our generation facilities spread throughout the island is, we hope, not all will be impacted by one event.

In the dictionary, resilience is defined as "the ability to bounce back, recover quickly and go back into shape or position after being stretched." When it comes to providing our member-owners with resilient service, this is what we work toward—day in and day out!

Annual Meeting Shines the Spotlight on Renewable Energy



Seated at the dais from the left are Board Attorney Laurel Loo, board members Jim Mayfield, Janet Kass, Peter Yukimura and Teofilo Phil Tacbian, Board Secretary Calvin Murashige, board members Dee Crowell and David Iha, Vice Chairman Jan Tenbruggencate, Board President Allan Smith and President and Chief Executive Officer David Bissell.

A year of making headlines around the world while taking significant strides toward a renewable energy future was spotlighted at KIUC's 16th annual meeting July 25 at the Kaua'i Veterans Center. KIUC board members presented highlights from 2017, distributed the cooperative's annual report and mingled with the more than 200 members who attended at the Kaua'i Veterans Center.

Some of the highlights from the board presentation include: **Renewable progress**: KIUC closed 2017 with 44 percent of its energy mix coming from renewable sources. Utility-scale solar was the largest portion of the renewable portfolio at nearly 50 percent, with distributed (rooftop solar) comprising one-third of Kaua'i's renewable power. The remainder was supplied by hydropower and biomass.

The Tesla project—the world's first utility-scale solar-plusbattery storage facility—garnered worldwide attention when it opened in March 2017. When operating at peak efficiency, Tesla's 13 megawatt battery storage system moves 52 megawatt hours of solar power to Kaua'i's evening peak usage period. KIUC estimates that by the end of 2019, when two additional solar-plus-battery storage facilities are expected to be operational, roughly 65 percent of the island's peak nighttime demand will be met by stored solar energy.

Path to 70 percent renewable and beyond: Three projects in various stages of development are expected to bring KIUC well beyond its strategic goal of reaching 70 percent renewable by 2030:

❖ AES Distributed Energy, Inc. (Lāwa'i)—This facility, which will be roughly twice the size of the Tesla plant, is under construction and is expected to be operational by the end of 2018. The AES Lwa'i facility will boast 20 MW of storage with a five-hour dispatch capability. KIUC secured

a 25-year power purchase agreement with AES for this project at a cost of 11 cents per kilowatt hour, which is well below the cost of oil.

- ❖ AES Distributed Energy, Inc. (PMRF) In late 2017, KIUC was awarded a lease by the Department of Defense to develop a 14 MW solar-plus-battery storage facility at the Pacific Missile Range Facility at Barking Sands. The project recently received approval from the Hawai'i Public Utilities Commission, and should be operational by the end of 2019. The PPA for this project was signed with AES at 10.85 cents per kWh.
- ❖ West Kaua'i Energy Project (Waimea) A landmark mediation agreement reached in April 2017 between KIUC and four other parties has laid the groundwork to develop a pumped storage hydroelectric facility that could provide a full 15 percent of our energy needs. The agreement set stream flow standards for the Waimea River, and allows diversion of water within limits for the renewable energy project, agricultural irrigation and uses that conform with long-range plans on property owned by the Department of Hawaiian Homelands. Aside from renewable power, the project will provide valuable infrastructure for DHHL and allow it to open up more of its lands on the westside.

Rate stability: As KIUC continues to replace diesel and its volatile pricing with lower-priced long term PPA's, rates are expected to become more stable. KIUC has not had a rate increase since 2009, and does not anticipate filing for a rate increase in the near future. It was noted during the presentation

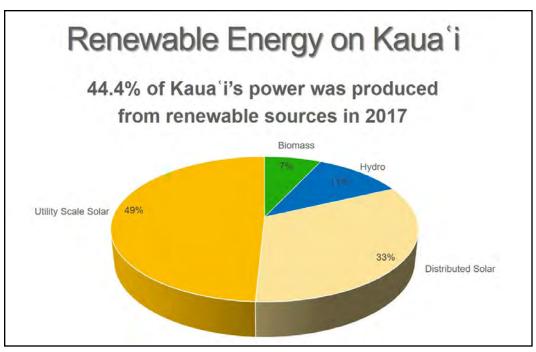
that during the past 16 years since becoming a cooperative, the rate differential between KIUC's rates and those on the other islands has decreased significantly. For example, in 2003, KIUC's rates were 68.8 percent higher than Hawaiian Electric Co.'s rates on Oahu. As of 2017, that gap had closed to about 17 percent. The differences between KIUC rates and those on Maui and Hawai'i Island have also compressed. As of 2017, rates on Kaua'i and Maui were roughly even (versus

Kaua'i being 35 percent higher in 2003), and Kaua'i rates were lower than those paid by customers on Hawai'i Island, as compared to being 10 percent higher in 2003.

Member service enhancements: More KIUC members are paying their bills, tracking their use, and reporting outages online by using Smart Hub and other online services offered by KIUC. In fact, the proportion of payments made either online or via the new customer service kiosk was up more than 44 percent in 2017 versus the previous year. KIUC issued roughly 2,600 rebates for energy-efficient appliances and 71 rebates for new solar water heater installation. Our Energy Services staff conducted 41 home visits for efficiency consultations, and worked with 80 large customers on commercial retrofit programs throughout 2017.

Solid financial results: By the end of 2017, KIUC had reached 33 percent equity—a significant accomplishment given that, when the cooperative was formed in 2002, it was 100 percent debt financed. Another notable achievement is that the weighted average cost of debt has dropped from more than 4 percent in 2002 to 2.67 percent today. Implementation of various cost-saving measures, along with robust sales in 2017, led to a year-end margin of \$3.2 million, which was recently returned to members in the form of patronage capital retirements.

"We appreciate our members coming out to the annual meeting, giving us a chance to have a productive dialogue," Board Chair Allan Smith said. "KIUCs board members are elected by our member-owners, and we take that accountability to the membership very seriously."





opens new 52 awatt-hour solar farm

UE - Kaual is now home to rgest integrated solar and ry facility in the world.

Bissell at a blessing held for the so lar farm on Wednesday.

KIUC landed on the Idea of the solar farm as a way to expand its renewable energy focus according to Jan TenBruggencate, president of the KIUC Board of Directors.

"In 2014 KIUC sought to balance its expanding renewable energy olio with dispatchable renew-

and KIUC purchase power agreement for a 13-megawatt solar project, coupled with a 52-megawatt power battery system.

Tesla came on board in February 2016 when Solar City selected the company to supply the 52-megawatt power pack lithium ion battery system.



It's the first step of many to come in the realm of solar power and battery storage systems, and experts believe the technology will evolve rapidly over the next few

"This is new technology and it's very exciting," said JB Straubel, chief technical officer of Tesla.

The concept has the ability to be scaled to fit multiple needs, Straubel said, and could be used in both small and industrial-scale business to have battery storage on site for things like backup later,

In the Spotlight

KIUC Makes Headlines Around the World

2017 Annual Report

KIUC: 70 percent r

MMEA — After more than 100 water is being returned to the

Tuesday, the Hawaii Commission ater Resource Management apd a mediated settlement reached omplaint that "will immediately

e continuous flows in the ea River, as well as provide the tunity for a renewable energy t, water for Hawalian homeng, and farming," according to a from the state Department of nd Natural Resources.

ture Association, claiming too much water was being diverted from Walmea

"Today's agreement ensures, that for the first time in over 100 years, life-giving water will once again flow continuously in Walmea River, from mauka (mountain) to makai (sea) which is vital for the health of the river and our community," said Galen Kaohi, president of Po'al Wai Ola.

Under the agreement, tens of millions of gallons of water will be restored to the river dally, water that is currently being diverted through a system of ditches built in the early

collabor lishes a I ers can b on the We Nakatami, ADC

The Kau was also or tlement, and pose project renewable e. ter, accordin

"We are ple step has been

Board outlines strategic goals

THE GARDEN ISLAND

LIHUE — The Kauai Island Utility Cooperative Board of Directors set a goal of 70 percent renewable energy by 2030 in a new strategic plan adopted yesterday.

"We are fully confident,



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dental f

power of the sun decision is in regards ** made by Po'al Wai Ola, Watershed in 2013 agai

KIUC unveils energy project r farm set to open this year

UHUE — Kauai Island Utility Cooperative and AES Distributed Energy Inc. announced. power-purchase agreement for a plant that will provide solar energy with the benefits of pattery-based energy storage that will be lo-cated on former sugar land between Lawal

if win be the targest sorar-puls-utili-scale-battery system in Hawaii and one of e biggest battery systems in the world. The olect consists of 28 megawatt solar phototale and a 20 MW, five-hour duration, ener-

Energy from the project will provide 11 per-'s renewable sourced generation to more

nt cost of oil-fired power and should help it goal of 50 permembers," said David Bissell, KIUC's nt and chief executive officer.

fossil-fuel usage by more than 3.7 mil-

solar farm .o generate nt of the Isis set to

ly this year, acpresentatives ial Island Utility

e Solar City/Tesla s online in early bring us very vable, well ahead et year of 2023, d Bissell, KIUC and CEO, "We've

to using 10 million gallons of diesel less than we were using in 2008.

The Solar City solar farm, which consists of 55,000 solar panels, will have the capacity to generate up to 22,000 MWh of power to ratepayers, sald KIUC spokesperson Beth Toktoka. That's about 5 percent of the Island's total energy consumption.

The farm, located next to KIUC's Kapaia power plant, will also bring increased rehability via battery storage that will be used to help stabilize the grid and provide backup when other genera-

solar and battery storage project, power would be produced during the day and stored in batteries to be used during KIUC's peak in the evening hours, when there is no sunlight." Bissell

"KIUC strongly believes that dispatchable solar projects such as this and pump storage hydro are ways for Kauai to cost effectively meet o

biomass and 17 percent so-

Kaua'i Island **Utility Cooperative** sources: 8 percent from Touchstone Energy Cooperative dropower, 11 percent from

SolarCity was the contractor for KIUC's 12-meg solar array in Koloa, which went into operation mbor 2014. A SolarCity/Tesla solar farm

Chairman & CEO



"In 2017 our Board of Directors set an aggressive goal of reaching 70 percent renewable generation by the year 2030. By forging strategic partnerships and pursuing cutting edge technology, we expect to reach that goal nearly a decade early. KIUC is now recognized globally as an industry leader in energy transformation and climate change adaptation."

David Bissell
 President and Chief Executive Officer

"KIUC's incredible journey to success over its first 15 years is attributable to a complete team effort. Your elected board has confidence adopting bold strategic goals because we know we are supported by highly capable and committed staff, along with our memberowners who take pride in our collective work as a responsible steward of our natural resources and our community."

Allan Smith
 Chairman of the Board

2018 BOARD OF DIRECTORS



2018 Executive Board

Chairman: Allan Smith

Vice Chair: Jan TenBruggencate

Treasurer: Peter Yukimura

Secretary: Calvin K. Murashige

Board: Dee Crowell, David Iha,

Janet Kass, Jim Mayfield,

Teofilo Phil Tacbian

2018 Board Committees

Executive

Chairman: Jan TenBruggencate

Members: Calvin K. Murashige, Allan

Smith, Peter Yukimura

Finance & Audit

Chairman: Peter Yukimura

Members: Janet Kass,

Jim Mayfield

Government Relations/Legislative

Affairs

Chairman: Teofilo Phil Tacbian Members: Dee Crowell, David Iha

International

Chairman: David Iha

Members: Teofilo Phil Tacbian,

Jan TenBruggencate

Member Relations

Chairman: Calvin K. Murashige

Members: Janet Kass,

Jan TenBruggencate

Policy

Chairman: Dee Crowell

Members: Jim Mayfield,

Calvin K. Murashige

Strategic Planning

Chairman: Jim Mayfield

Members: Dee Crowell,

Janet Kass

KIUC IN THE NEWS



"First in the World" was the headline emblazoned on the front page of The Garden Island newspaper on March 9, 2017. So began a year that would be marked by local, national and international acclaim for a relatively small electric cooperative located on a tiny island in one of the most geographically isolated locations on the planet.

Kaua'i Island Utility
Cooperative's historic partnership
with Tesla resulted in a huge step
forward in what is believed to be
the future of renewable energy
around the globe: batteries and
energy storage.



Taiwan Public Television interviews David Bissell at the Kapaia Power Station.





Tesla facility blessing March 2017.

Chief of Operations Mike Yamane with Engadget News.

The Tesla solar-plus-battery storage facility, located on 50 acres of land leased from Grove Farm in Kapaia, consists of 55,000 solar PV panels that feed energy into 272 Tesla Powerpack batteries. That energy is stored and dispatched during KIUC's evening peak, releasing up to 13 megawatts of solar power over four hours after the sun sets.

All eyes were on Kaua'i for the project blessing, which was held on March 8 and was covered by a CNBC news crew throughout the morning. In the weeks and months that followed, the KIUC-Tesla

partnership would be covered by numerous major news outlets, including CNN, HBO Vice News, the Grist and Taiwan Public Television.

Others took notice of KIUC's groundbreaking work as well. A United Nations affiliated organization, the Small Island **Developing States Sustainable Energy Initiative (SIDS** DOCK), requested a partnership renewables starting in 2010 with KIUC on behalf of their 30-plus member countries. The SIDS DOCK collaboration allows KIUC to share information with island nations around the world to promote the goals of sustainable economic

development and adaptation to climate change.

Following the devastation of Hurricane Maria in September 2017, KIUC's President and CEO David Bissell was one of 11 industry leaders invited to participate in Puerto Rico's long-term energy transformation efforts.

KIUC's move toward

has been nothing short of remarkable. The transition from being 92 percent dependent on oil in 2010 to operating on a diverse portfolio of hydropower, biomass and solar totaling 44 percent of our energy mix by 2017, proved to be newsworthy and inspirational not just on Kaua'i, but throughout the world.



KIUC's Ed Nakaya comments on the 25th Anniversary of Hurricane 'Iniki with Hawai'i News Now reporter Ashley Nagaoka.



HBO Vice News covered the Tesla opening in April 2017.

KIUC LEADING THE WAY

Streetlight Retrofit Saves Money and Energy

The New Year got off to a bright start when Kaua'i became the first county in the state to convert all of its streetlights to LED technology in January 2017.

The project, a partnership between KIUC and the County of Kaua'i, involved the retrofit of the county's 2,900 streetlights and the state's 582 streetlights and is expected to save the county approximately \$400,000

annually. The new lights also have a much longer lifespan, require less maintenance, and can be monitored and controlled remotely.

The project is one of several that have resulted from a memorandum of understanding (MOU) that was signed in 2013 by the Mayor and KIUC's President and CEO David Bissell, affirming a commitment to collaborate on sustainable

projects that benefit the people of Kaua'i and Ni'ihau. Senator Ron Kouchi was an early champion of the retrofit.

"We are pleased to collaborate with KIUC on this important project," said Mayor Bernard Carvalho, Jr. "It's part of our commitment to work closely with our local utility to reduce Kaua'i's dependence on fossil fuels and lower the cost of energy for our residents."

Pumped Storage Hydro



A groundbreaking agreement signed in April by KIUC and a number of other parties was widely lauded for immediately restoring continuous flows in the Waimea River, as well as enabling a significant renewable energy project, and providing water for Hawaiian homesteading and farming.

The agreement between the State Department of Hawaiian Homelands, the Agribusiness Development Corporation, the Kekaha Agriculture Association, the community group Pōʻai Wai Ola hui and KIUC is now considered a model for a

holistic approach in dealing with complex water issues.

KIUC is taking initial exploratory steps in developing at 25 megawatt (MW) pumped storage hydro project that involves the rehabilitation of three reservoirs in Waimea, along with infrastructure upgrades that will benefit DHHL and ADC as well.

"Historically, Hawai'i's highly contentious water disputes have taken many years, if not decades to settle. Due to the incredible work by all parties involved, this settlement was reached and finalized a little more than a year after mediation began," said Suzanne Case, Chair of the State Department of Land and Natural Resources.

When complete, the pumped storage hydro facility is expected to meet a full 15 percent of Kaua'i's energy needs.

AES x2

KIUC's groundbreaking work on solar plus storage continued in 2017, with two new purchase power agreements (PPA) for utility scale facilities negotiated with industry leader AES Distributed Energy. In Lāwa'i, AES is constructing a 20 MW storage system that will discharge for up to five hours during evening peak for a total of 100 megawatt hours of power. That system is expected to be operational by the end of 2018.

A second PPA was negotiated with AES for a 14 MW solar facility in conjunction with a 70 megawatt hours (MWh) battery energy storage system to be housed on-base at Pacific Missile Range Facility – Barking Sands.

The PPA price for both systems is roughly 11 cents per kilowatt hour (kWh), which is well below the current price of oil, and is locked in for a 25-year period.

"By the end of 2019, KIUC will be able to supply roughly 65 percent of Kaua'i's night time peak load with stored solar generated energy. To be able to accomplish this in a cost effective manner was just a dream a few years ago," stated Bissell. "The partnerships between KIUC's engineers and those of some of the best renewable energy companies in the world is making the impossible a reality."

RUS Loan Approved

In November the good news arrived that KIUC would receive a \$60 million loan from the U.S. Department of Agriculture Rural Utilities Service to help pay for capital improvement projects that will be ongoing for the next two to three years.

"Low-cost funding for our system enhancements helps keep our rates as low as possible," said KIUC's President and CEO David Bissell. "Electric utilities are very capital-intensive, and we've been able to continue to upgrade our electrical grid without a base rate increase since 2010 because of this access to low-cost capital. That's one of the significant benefits of being a memberowned cooperative."

Some of the projects the loan will fund are: relocating the Kapa'a baseyard to a higher elevation in Anahola as a climate mitigation measure, upgrading and replacing battery systems

at Kōloa and Port Allen solar facilities to enhance reliability, grid hardening by selectively replacing and undergrounding lines, transformers and poles throughout the island, and IT upgrades to improve operability and functionality of the smart grid system.







AWARDS AND MEMBER BENEFITS

KIUC Wins Big

KIUC was recognized by the Smart Electric Power Alliance for having more energy storage watts per customer than any utility in the nation in 2017, and was ranked fifth in the nation in total annual megawatts of storage.

2018 TOP 10	UTILITY ENERGY STORAGE RA	
1	Kauai Island Utility Cooperative	415.3 W/C
2	Tucson Electric Power	50.0 W/C
3	Maui Electric	36.5 W/C
4	San Diego Gas & Electric	31.7 W/C
5	Glendale Water & Power	22.9 W/C
6	American Samoa Power Authority	20.4 W/C
7	Hawaii Electric Light Company	16.4 W/C
8	Southern California Edison	11.1 W/C
9	Green Mountain Power	10.6 W/C
10	City Utilities of Springfield, MO	8.8 W/C



Saving Members Time and Money

More and more KIUC members are paying their bills, tracking their usage, and reporting outages online by using the Smart Hub and other online services offered by KIUC. In fact, the proportion of payments made either online or via the new customer service kiosk was up 44.5 percent in 2017 versus the previous year. By the end of 2017, nearly 5,500 KIUC

members were signed up for Smart Hub.

KIUC issued roughly 2,600 rebates for energy efficient appliances and 71 rebates for new solar water heater installation. Our Energy Services staff conducted 41 home visits for efficiency consultations, and worked with 80 large customers on commercial retrofit programs throughout 2017.

Board Approves Patronage Capital Retirements

Excellent financial results in 2017 led to the Board of Directors deciding to return \$3.2 million in patronage capital retirements to its members.

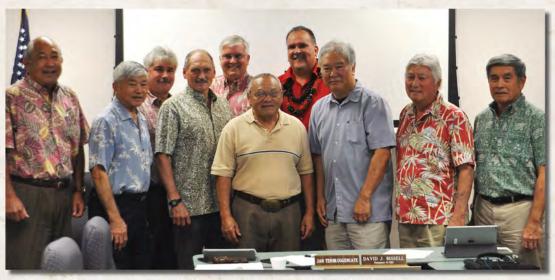
Patronage capital is money that the cooperative has left over after paying all of its expenses and meeting its lenders' expectations for financial stability. At the end of the year, money is credited to each member's patronage capital account according to the amount the member paid for electricity. This is the member's equity in KIUC.

"A rural electric cooperative exists solely to provide its members with electricity," Board Chair Allan Smith explained. "In a co-op, margins don't belong to the company; they belong to the individual members who paid money on their monthly bills."

The amount of each individual member's retirement is based on the amount paid for energy used. For 2017, the average amount to be returned is about \$44, based on usage of 500 kWh per month.

Strategic Plan

The KIUC Board of Directors started the year by setting a new aggressive renewable energy goal of 70 percent generation by 2030, replacing the previous goal of 50 percent by 2023. The Strategic Plan Update 2016-2030 also includes goals such as holding controllable cost increases at or below the cost of inflation, maintaining system reliability of 99.96 or better and addressing the strategic implications of climate change.



KIUC's 2017 Board of Directors with David Bissell and Mayor Bernard P. Carvalho, Jr.



Habitat for Humanity workday July 2017.

Caring for Our Community

KIUC's Sharing of Aloha program provided \$24,000 in grants to Kaua'i non-profit groups in 2017. Recipients included numerous preschools, public and private schools, sports teams, community events and scholarship programs. KIUC employees also took part in a workday at Habitat for Humanity's 'Ele'ele project in July.

In keeping with decades of tradition, the Board of Directors provided matching funds for donations raised from KIUC employees for Kaua'i United Way. The total for 2017 was \$56,421, which placed KIUC in the #2 slot for corporate giving for KUW's annual campaign. KUW provides vital funding for 26 social service agencies, and all money raised stays on Kaua'i.



KIUC funds the Save our Shearwaters program in partnership with the Kaua'i Humane Society.



Cop on Top/Special Olympics August 2017.

SUMMARY OF OPERATIONS

For the period 01/01/2017 through 12/31/2017



CNN reporter Stephanie Elam interviews KIUC Chairman David Bissell in March 2017.

A slight jump in energy use during 2017 was met by KIUC's month period ending December newest renewable power source: 31, 2017. the Tesla solar storage project. Fluctuations in diesel pricing are increasingly buffered by KIUC's expanding portfolio of longterm renewable energy purchase power agreements, which are being negotiated at well below the current cost of oil. By the end of 2017, KIUC had shifted approximately 3,411 megawatt hours of generation from fossil fuel to renewable energy compared to 2016.

The cooperative is working hard to reduce costs, operate efficiently and effectively, and preserve a strong financial position, while maintaining safety and reliability. Revenues, expenses, and net margins totaled \$147.8 million, \$138.8 million, and \$9.0 million,

respectively, for the twelve-

As is the case for all electric utilities, the cost of power generation is KIUC's largest expense, totaling \$76.0 million or 51.4 percent of revenues. Commodities, which are fuel and purchased power costs, are the largest component of power generation totaling \$60.6 million. Currently, fossil fuel is the largest component of commodities, followed by biomass, solar and hydropower. The remaining \$15.4 million represents the cost of operating and maintaining the generating units.

Expenses related to operating and maintaining the electric lines totaled \$6.1 million, while the cost of servicing our members was approximately \$2.5 million. Administrative and general costs,

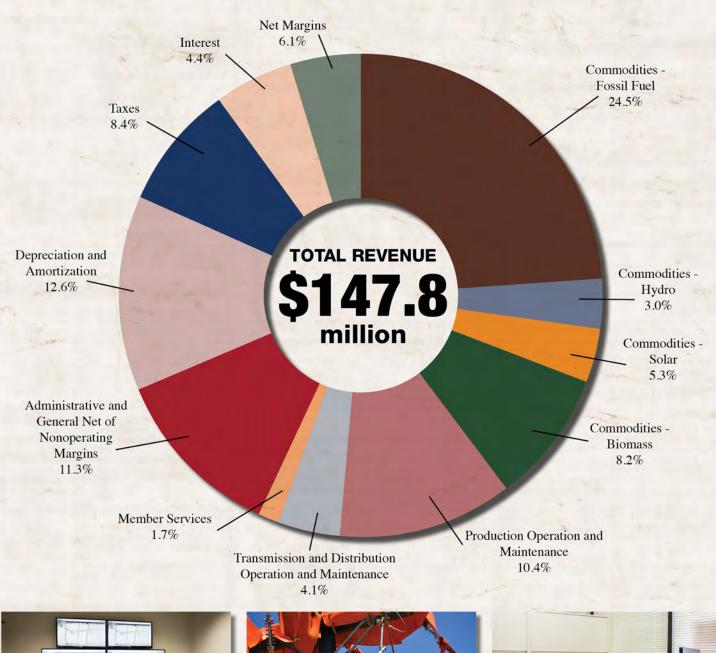
which include legislative and regulatory expenses, engineering, executive, human resources, communications, safety and facilities, information services, financial and corporate services, and board of director expenses, ended the year at \$17.5 million.

The utility business is extremely capital intensive. KIUC's depreciation and amortization of the utility plant totaled \$18.6 million in 2017. Although not subject to federal income taxes, state and local taxes amounted to \$12.4 million last year. Interest on long-term debt, at a very favorable sub-5 percent interest rate, totals \$6.4 million. Non-operating net margins added \$0.7 million to overall net margins. Revenues less total expenses equal margins of \$9.0 million or 6.1 percent of total revenue. Margins are

allocated to consumer members and paid when appropriate.

The direct and non-direct financial benefits of our cooperative structure to KIUC members is significant. Since 2002, KIUC has returned \$37.3 million to members in the form of Patronage Capital Retirements and billing credits. In addition, KIUC contributed \$71,586 to local nonprofits and community organizations in 2017.

Furthermore, the indirect financial benefits (i.e., ownership) include patronage capital that is held by KIUC on behalf of its members to potentially be distributed at future dates as determined by the KIUC Board of Directors. This amounts to \$111.4 million in indirect financial benefits to KIUC members as of December 31, 2017.















Balance Sheet

December 31, 2017 and 2016

	December 31,	
X	2017	2016
ASSETS		
UTILITY PLANT AT COST		
Electric Plant in Service	\$ 541,587,292	\$ 531,571,236
Electric Plant Acquisition Cost	54,852,453	54,852,453
Accumulated Depreciation and Amortization	(290,182,705)	(277,043,994)
Net Electric Plant in Service	306,257,040	309,379,695
Construction Work in Progress	4,779,354	10,497,169
Net Utility Plant	311,036,394	319,876,864
OTHER INVESTMENTS		
Investments in Associated Organizations	1,336,331	1,035,816
Rural Economic Development Loans	960,426	1,162,866
Total Other Invesments	2,296,757	2,198,682
CURRENT ASSETS		The same of
Cash & Cash Equivalents	11,376,600	11,059,315
Restricted Cash & Cash Equivalents	2,484,517	2,267,151
Accounts and Notes Receivable (Less allowance for doubtful		
accounts of \$225,000 in 2017 and \$225,000 in 2016)	9,846,528	10,066,400
Accrued Unbilled Revenue	7,954,977	7,560,590
Inventories	14,379,607	13,796,978
Other Current Assets	1,354,861	1,340,101
Total Current Assets	47,397,090	46,090,535
POST-RETIREMENT BENEFIT ASSET		864,300
DEFERRED DEBITS	11,799,858	11,436,894
	\$ 372,530,099	\$ 380,467,275
EQUITIES AND LIABILITIES		
EQUITIES		
Memberships	\$ 515	\$ 499
Patronage Capital	111,417,571	102,596,914
Other Equity	646,973	577,525
Post-retirement Benefit Obligation Gain (Loss)	(1,515,500)	(194,000)
Controlling Equity Interest	110,549,559	102,980,938
Capital Account - A&B KRS II LLC	20,400,187	21,517,825
Non-Controlling Equity Interest	20,400,187	21,517,825
Total Equities	130,949,746	124,498,763
LONG -TERM DEBT, Less Current Maturities	192,756,653	208,649,723
POSTRETIREMENT BENEFITS OBLIGATION	596,600	-
ASSET RETIREMENT OBLIGATIONS	2,450,209	2,362,254
CURRENT LIABILITIES	**	
Current Maturities of Long-Term Debt	15,194,997	14,802,318
Line of Credit	3,000,000	5,308,600
Accounts Payable	5,176,835	5,276,775
Energy Rate Adjustment Clause	4,588	355,924
Consumer Deposits	1,481,759	1,674,548
Accrued Employee Compensation	1,976,448	1,839,328
Accrued Taxes	6,525,850	6,185,140
Other Current and Accrued Liabilities	622,477	611,585
Total Current Liabilities	33,982,954	36,054,218
DEFERRED CREDITS	11,793,937	8,902,317
Total Liabilities and Equities	\$ 372,530,099	\$ 380,467,275

Statement of Income and Patronage Capital

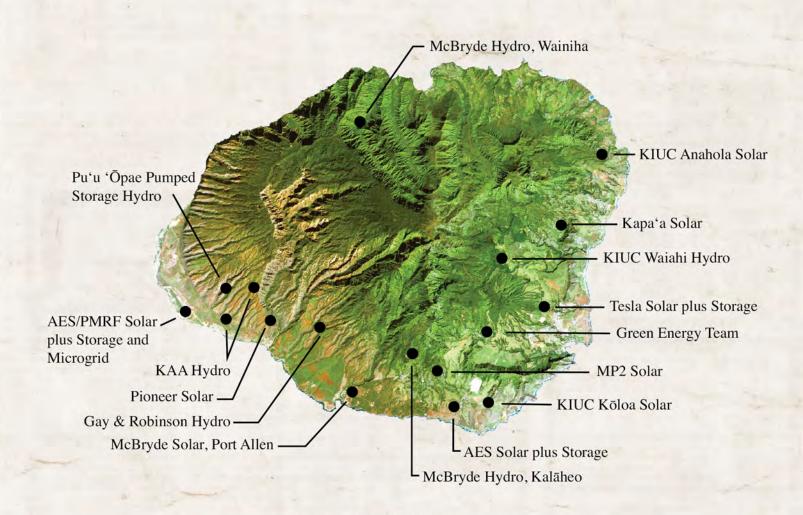
For the years ended December 31, 2017 and 2016

		Year Ended	Decemb	er 31,
	18	2017	1000	2016
OPERATING REVENUES	- Tore		-	
Residential	\$	58,459,375	\$	55,787,616
Irrigation		143,182		16,264
Commercial and Industrial		88,065,085		85,934,227
Public Street and Highway Lighting		708,102		1,268,893
Other Operating Revenues		474,044		491,563
Total Operating Revenues	7	147,849,788	3.	143,498,563
OPERATING EXPENSES		14 14 14		
Power Cost		76,031,389		74,024,340
Transmission - Operation		380,737		383,830
Transmission - Maintenance		595,295		776,727
Distribution - Operation		1,370,681		1,380,267
Distribution - Maintenance		3,723,289		3,389,191
Customer Accounts		2,031,531		1,555,263
Customer Service and Information		434,316		442,917
Administrative and General		17,513,329		16,927,136
Depreciation and Amortization		18,589,648		18,472,511
Taxes		12,456,979		12,060,249
Accretion Expense		87,955		84,005
Other Interest Expense		115,851		533,276
Total Operating Expenses	1-10	133,331,000	1 2	130,029,712
OPERATING MARGINS - Before Interest		14,518,788	-	13,468,851
INTEREST ON LONG-TERM DEBT		6,451,639	7	7,657,491
OPERATING MARGINS		8,067,149		5,811,360
NONOPERATING MARGINS				
Interest Income		752,621		683,733
Capital Credits		318,974		143,430
Other Nonoperating Income (Expense)		(152,751)		36,996
Total Nonoperating Margins	-	918,844	10.1	864,159
NET MARGINS		8,985,993		6,675,519
Net Loss (Margins) Attributable to Non-controlling Interest		(2,083)		(78,602)
NET MARGINS - COOPERATIVE	\$	8,983,910	\$	6,596,917
PATRONAGE CAPITAL - BEGINNING OF YEAR	\$	102,596,914	\$	96,389,604
Allocation of Net Margins	1 4 18	8,983,910		6,596,917
Patronage Capital Retired		(163,253)		(389,607)
PATRONAGE CAPITAL - END OF YEAR	\$	111,417,571	\$	102,596,914
4	and the same of th			

Statement of Cash Flows

For the years ended December 31, 2017 and 2016

		December 31,	
	- 1 - 13	2017	2016
OPERATING ACTIVITIES			
Net Margins	\$	8,983,910	\$ 6,596,917
Adjustments to Reconcile Net Margins to Net Cash from			
Operating Activities			
Depreciation and Amortization		19,112,913	19,004,772
Accretion of Asset Retirement Obligation		87,955	84,005
Interest Earned on Cushion of Credit		(700,416)	(666,463)
Capital Credit Allocations		(318,974)	(143,430)
Net Margins Attributable to Non-controlling Equity Interest		2,083	78,602
Change in Assets and Liabiliaties:			
Accounts Receivable and Unbilled Revenue		(174,515)	(1,604,363)
Energy Rate Adjustment Clause		(351,336)	(903,685)
Inventories and Other Current Assets		(597,389)	832,858
Deferred Debits		(362,964)	(927,092)
Post Retirement Benefit Obligation		139,400	453,100
Payables and Accrued Expenses	Tomas .	(252,803)	(1,114,250)
Deferred Credits	_	2,891,620	(2,164,067)
Net Cash from Operating Activities	_	28,459,484	19,526,904
INVESTING ACTIVITIES	The same of the sa		
Additions to Utility Plant, net	-	(12,151,941)	(12,855,132)
Grant Funds and Tax Credit Applied to Utility Plant		2,328,294	18,691,400
Rural Economic Development Loans		202,440	(289,116)
Other Investments		18,459	(2,606)
Net Cash from (used for) Investing Activities		(9,602,748)	5,544,546
FINANCING ACTIVITIES			
Borrowings from Long-Term Debt			166,082,640
Principal Payments on Long-Term Debt		(14,799,975)	(143,736,500)
Net Activity on Line of Credit		(2,308,600)	(54,191,400)
Distribution to Non-controlling Equity Interest		(1,119,721)	(1,263,744)
Memberships		16	16
Other Equities		69,448	180,084
Retirement of Patronage Capital		(163,253)	(389,607)
Net Cash (used for) Financing Activities		(18,322,085)	(33,318,511)
CHANGE IN CASH AND CASH EQUIVALENTS		534,651	(8,247,061)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		13,326,466	21,573,527
CASH AND CASH EQUIVALENTS - END OF YEAR	\$	13,861,117	\$ 13,326,466
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		X STORY	
Cash Paid During the Year for:			-
Interest		6,567,490	8,190,767
Income Taxes	19	4,079	25,500
Noncash Investing Activities:			
Liabilities Incurred for Utility Plant Additions		448,796	495,599
Ensured to only have Additions	_	110,770	475,577



	Type	MW	% of Sales
ACTIVE IN USE			
KIUC, Kōloa	Solar	12.0	4.6
KIUC, Anahola	Solar	12.0	4.6
Green Energy Team	Biomass	6.7	10.4
McBryde, Port Allen	Solar	6.0	2.4
McBryde, Wainiha	Hydro	4.0	3.3
KIUC, Waiahi	Hydro	1.5	1.5
McBryde, Kalāheo	Hydro	2.0	1.0
Gay & Robinson, Olokele	Hydro	1.3	0.8
KAA, Waimea/Kekaha	Hydro	1.5	0.4
Pioneer, Waimea	Solar	0.3	0.1
Kapa'a Solar	Solar	1.0	0.4
Tesla Solar Storage	Solar	13.0	3.3
MP2, 'Ōma'o	Solar	0.3	0.1
Customer Solar	Solar	29.9	11.5
UNDER CONSTRUCTION	V/PERMIT	TING	
Gay & Robinson, Olokele	Hydro	6.0	4.2
AES Lāwa'i Solar Storage	Solar	20.0	11.0
AES PMRF	Solar	14.0	7.0
UNDER CONSIDERATIO	N		17.1
Westside Pumped Hydro Storage	Hydro	25.0	14.0

Total Renewable Energy in Service 2017 91.5 MW/44.4%

Potential Renewable Energy in Service 2025 156.5 MW/80%

Vision, Mission and Culture

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

Mission — Be an energy solutions leader by:

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

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

7 Cooperative Principles

Voluntary and Open Membership

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

Democratic Member Control

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

Members' Economic Participation

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

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

Autonomy and Independence

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

Education, Training and Information

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

Cooperation Among Cooperatives

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

Concern for Community

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





Four Bright Kaua'i Youth Represent KIUC in Washington, D.C.

Each June, four Kaua'i students attend the National Rural Electric Cooperative Association Youth Tour to Washington, D.C. The 2018 students were Sara Funtanilla of Waimea High School, Kelli Okayama of Kaua'i High School, Kaleigh Ramil of Kapa'a High School and Lily Stokes from Hawai'i Technology Academy. The students were accompanied by KIUC staff member Shelley Paik.

On the following pages are the impressions of our delegates and a speech that Sara wrote and presented as the Youth Leadership Council delegate from Hawai'i.

By Kelli Okayama



Those that are willing to shape the future, understand the history of the past.

Upon traveling 4,882 miles from Kaua'i to Washington, D.C., I would never have dreamed that this trip would be a once-in-a-lifetime experience. Being in D.C. means being surrounded by history. While I was there, I would sometimes ponder the fact that the walls

I was touching were built to memorialize those who have come before me, those who have sacrificed their lives for this country. Just thinking about the fact that at some point, President Abraham Lincoln once stood in the exact same building as me, in Ford Theater.

A trip of influence. A small slice of my experience that left me in awe was on the first day in D.C., the Newseum. Through the double doors, I saw worldwide coverage of events that have occurred in history. My experience was surreal. It was wars that I have only read in textbooks, images I have only seen on the news, photographs only published in newspapers. Learning about events from history textbooks, while sitting in a hard plastic chair, versus listening to the life story of a photographer who lost his life taking photos of the 9/11 bombing, or personally seeing the top of the twin tower, bent out of shape due to the aftermath of the attack. I believe the emotions I felt and the knowledge I gained could never come close to just being taught just in a classroom.

A trip of knowledge. In Baltimore, at Ft. McHenry, we were able to physically interact, learn and listen to history. A veteran who was an expert on the history of Ft. McHenry talked to us about the flag: stars, stripes and all. He also spoke to us about

the location that Francis Scott Key stood when he saw the flagmarked with holes but still standing tall. This was where he wrote The Star Spangled Banner, the United States national anthem. It was an experience I will truly never forget. There I was, a small Kalaheo girl, standing on the actual grounds where history took place. I was able to unroll the exact replica of the flag that swayed in the air centuries ago-the same flag Francis Scott Key saw. There we stood, all 39 of us delegates, holding the sign that all who were there in 1814 saw as the sign of a new day. Hope.

Fun fact: Do you know why the National Anthem is called "The Star-Spangled Banner"? I learned that it is because the flag that flew over the fort had been "spangled" with stars, 15 stars to be exact. In addition, this flag is the only one which had 15 stars and 15 stripes instead of the "known" 13 stripes to represent 13 colonies. Did you know that the stars on the flag, both original and the replica, do not have stars pointing straight up and down (point facing upward)? In fact, the stars on the flags are slightly tilted. Learning new facts, one step in history at a time.

A trip of inspiration. At the Youth Leadership Conference, motivational speaker Mike Schlappi spoke to us about the importance of never giving up. His best friend shot him in the chest, punctured his right lung, missed his heart and hit his spine. He said that although he was paralyzed from the waist down, he wouldn't change a thing. "If you've seen what I've seen, if you've been where I've been, and most importantly if you've felt what I've felt, I thank god for pain."

Something he said that stayed with me was, "Only when we feel pain, do we change and only when we change, do we grow. Only when we grow do we begin to understand the beauty that lies within each other." It was motivational to be able to hear him share with each and every one of us, the pain and hardship he had to overcome to get where he is today. The message taken from his story was to be the change. Don't let a misfortune today define who



Youth Tour delegates meet with motivational speaker Mike Schlappi.

you are tomorrow. "Whether you can or you can't stand up, we all have the ability to make a difference and stand out."

I was fortunate to have been given the opportunity to experience history first hand there, present in all its glory. On top of being in D.C., I was able to walk this experience with others who share the same interests or even the same future career field.

During the trip, we came to realize that our ways of living may be a little different. In Hawai'i, we don't all grow crops, and in Kansas, they don't always get to go to the beach as much as we do. But despite our small differences, we had many similarities. I bonded with many Kansas delegates. Exchanging cultures, foods and trinkets made for lifelong friendships.

As a delegate from Kaua'i, Sen. Mazie Hirono and Sen. Brian Schatz took the time to meet us and listen to the goals that we aspire to achieve.

It truly was a trip to remember. I am so grateful have been given this amazing opportunity by KIUC to venture out of my comfort zone on a trip of influence, knowledge and inspiration. After all, history is a storybook of the past, but only we, the youth, can shape the future.

By Kaleigh Ramil



During the KIUC Youth Tour, I experienced a lot of new things that I never imagined I would get to do. I also got the opportunity to meet people from around the country.

Being with the Kansas electric cooperative delegates showed me that the world is bigger than I could have ever imagined. I realized that the

students from Kansas were not any different than us four from Kaua'i, and there were many things we could relate to. We were only together for a week, but I feel as though I have known them for longer.

It sounds so cliche, but the bonds I have been able to create with everyone else was amazing. I will never forget anyone I went on this trip with, they all will forever be a friend of mine. We shared laughs, memories, stories and plenty of naps on this trip. I cannot wait to have a reunion and to meet them once again, they have impacted my life so greatly and I am unsure if they are aware of that. They made me realize that there are other people off this island, and that it isn't too hard to connect and make friendships that will last a lifetime. I keep in touch with all of them still, and I plan to for a very long time.

While in Kansas, I also got to learn more about electric cooperatives and how they work, specifically one in Kansas. It was interesting to learn about how that particular one differentiates from the one on Kaua'i, which isn't by a lot. We also got to learn about the different job positions they have and how each one works. That was really informational and I learned a lot. It definitely got me more interested in the electric cooperative field, and I am considering looking more into it.

Now, going to D.C. was of course the best part, especially with all my new Kansas friends. We visited monuments, historical museums and memorials. All of which was inspiring and informational. I have wanted to visit so many of the places we went to, and then we went to visit more. It was really a dream come true, and it was something I would have never been able to do without this trip.



Kaleigh and Kelli pose with an officer before the Marine Corps Sunset Parade at the Lincoln Memorial.



Hawaiʻi delegates got a chance to meet with Sen. Mazie Hirono and discuss their future plans beyond high school.

My father is in the military, and my grandpa served in the Vietnam War. Seeing these memorials was sentimental and meant a lot to me. My grandfather survived the war and is still alive today-I am forever grateful that his name is not on the Vietnam Memorial wall-but to see all the fallen soldiers' names was heartbreaking.

Another place that was really touching was the Holocaust Museum. I've heard it was a must see—I also did a project on it for school which really got me interested—but being there was really life changing. Seeing pictures and being physically there are completely different, and you can really feel it the moment you walk inside. It is so quiet, and the only thing you can hear speaking are the prerecorded voice memos of the short films or stories that are being told. Reading the history, diaries and seeing the pictures children of the Holocaust had drawn was devastating. It is

a reminder of history and to prevent at all costs a mass genocide as such, but it was heartbreaking to see that so many lives were lost.

The coolest thing we did on this D.C. trip was going to see Sens. Mazie Hirono and Brian Schatz. We got to sit down and personally speak to Sen. Hirono, and that was honestly amazing. We spoke about what we want to be, some bills she's currently trying to pass and what are some things we are actively doing in school. It was a once-in-a-lifetime experience that was indescribable.

Later that day, we were invited to Taste of Hawai'i on the Hill. There we saw Sen. Bernie Sanders and that was utterly astonishing. I never could imagine that I would be in the same room as him, what a sight to see!

Although our trip was a week long, it felt like it was short and it quickly came to an end. When we departed from our fellow Kansas friends, I may have shed some tears. The thought of never seeing these friends that I've made so quickly was too much to handle, and the amazing once-in-a-lifetime memories I made with them was only more heartbreaking. Sadly, we did have to eventually leave, and although it was slow and hard, we did it and I miss them every day.

I'd like to thank KIUC for giving me and the other three Hawai'i delegates the opportunity to go on this once-in-alifetime trip. I am forever grateful, and there is no way to ever thank you for such an experience. The sites I got to see, the people I got to meet, the leadership skills I learned and the memories I made are unbelievable. I will hold onto everything I have learned on this trip with me forever.

By Lily Stokes



My adventure began on the evening of June 5. My four other companions and I embarked on our journey off the island of Kaua'i toward the other side of the country.

My expectations for this trip were a mystery to even myself, and nerves were beginning to accumulate, anxious to find what would be waiting for me in D.C. Yet before arriving at

our country's capitol, we had a few stops on the way.

First, stopping in Colorado for a short layover then hopping onto Kansas to complete our group for the Youth Tour trip. Here we stayed in Topeka, Kansas, to wait for the other delegates traveling in from around the state. The night of everyone's arrival, the Kansas cooperative held a getacquainted banquet. This gave all 39 of us delegates a chance to get to know one another before all being sent off to D.C. After

the banquet, we were able to tour the Kansas capitol building and learn a bit about Kansas' history.

The following day was more of a blur to me than anything. We spent most of the day traveling through Kansas then to D.C., not arriving till late that night. Each day we were to wear a different color shirt that had a design that represented a particular adventure planned for that day.



The delegates were also able to meet with Sen. Brian Schatz.

One of the days I can distinctly remember was the day we wore our blue polo shirts—the day we visited the Capitol building! We were not only able to take a general tour of the building, but a private one as well. Not to mention we also had the privilege of meeting a few of our state senators and representatives of Hawai'i. We were even given a chance to voice our opinions and concerns on problems we are facing on our islands and even the country. Later that day, we had plans to attend a parade at the Lincoln memorial put on by the Marine Corps. It was a spectacular day to remember.

Though all the monuments, museums and sites we visited were breathtaking, the people that surrounded me were what made this Youth Tour so unforgettable. I would never have thought that just a week of spending time with a person you could grow so close. It was tough to leave the capital of our country, yet the hardest challenge I faced was having to leave the friends I grew to love so much. We began the trip not knowing a single person's name, divided, nervous to meet each other and left united as one. That, I believe, is what Youth Tour was created for. To meet new people and become so close to them that you're able to openly share with one another the problems we face as a country and work together to find a better solution. I am truly honored to have been given this opportunity.

Youth Leadership Council Speech

By Sara Funtanilla



Being born and raised in the islands, you pick up most of the different meanings of the word Aloha: hello, goodbye, I love you, and a couple others which aren't highlighted as much, such as to express gratitude, kindness and sometimes grief.

The deeper meaning behind this word, besides those literal definitions, is summed up extremely well in this excerpt

from The Deeper Meaning of Aloha written by Curby Rule. The name of this piece is very fitting, and it goes like this, "Aloha is being a part of all, and all being a part of me. When there is pain—it is my pain. When there is joy—it is also mine. I respect all that is as part of the Creator and part of me. I will not willfully harm anyone or anything. When food is needed, I will take only my need and explain why it is being taken. The earth, the sky, the sea are mine to care for, to cherish and to protect. This is Hawaiian—this is Aloha!"

See, Aloha in its truest form isn't just a greeting, it's a style of living. Before we go on, I want to thank the NRECA and my sponsoring co-op, KIUC, not only for allowing students like me to go on a tour of a lifetime, but for a lifetime of care and understanding of our island and our community, and for truly bringing the Aloha spirit to every home.

But Hawaiians aren't the only people who know about this. In fact, it took an entire week's worth of touring to realize that aloha is everywhere. It might look different in your town than in mine, but we all know what it looks like. Our own county's motto, e pluribus unum—out of many, one—is one in the same. Back when our founding fathers were laying the foundation of this great nation, we struggled and at times life looked pretty bleak. But we tended to our nation and persevered through opposition. As a people we mended it when it was in shambles; when we fought, we fought with unity; and when we broke apart we found a way to stick ourselves back together. From a diverse population, with different plans, different dreams, different strengths and weaknesses, we became one people.

I like to believe that my own delegation is a definite example of this. Thousands of miles away from anywhere familiar, running on two hours of power naps, we were smack dab in the middle of our nation's capital. You have to imagine that this is a first time deal for many of us. Running with people we didn't know, or didn't really know if we were going to remember.

At first I wondered. Kansas, really? But over the course of a week, those strangers became some of my closest friends. From many divided and confused, we formed a tightknit group in the end.

I asked one of our directors, Aunty Shana, and she told me that the year Hawai'i joined, there were only four of them, so to make it feel like an actual tour they were placed with Kansas, and they clicked. It's been that way ever since.

This Aloha lifestyle started showing itself when we were altogether. Although we were thrusted together, we could have chosen to stay in our cliques. Sure we could've been forced, but that Aloha connection, the family connection never would have been made. Just like America now separated from England, the people were afraid, but ready for a new beginning. Just like the Kansas/ Hawai'i delegation, they began to depend on one another.

I believe in this growing society, it's getting harder and harder to find this Aloha connection. This is where young leaders step up, so this connection continues for generations. We spend so much time fighting each other when we should be taking care of one another. Pretty soon it will be every high schoolers' responsibility to take up the reins from their mentors. In Hawai'i, we call that kuleanayour duty to your people. Young leaders need to stand up and stand together in this time now, when we are divided on so many different things, at war, and trying to heal from past hurt that we are committing on our own country.



Sara and the delegates signed each others shirts while waiting for their flights home.

These past five months, we've had more than 23 school shootings where someone was either hurt or killed. It's scary because now threats have reached my state too. Paradise? No, I don't think so.

The fight on sexuality and gender, defining the character of a human based on his or her gender, is like deciding whether a flower is beautiful by the water that feeds it. And the battle with race and the jokes about ethnicities—I'm sorry, but who you are is not a joke!

The different ideals and perspectives that come from who you are is the fuel that powers the American ingenuity. With that comes conflict, but it's our job as future leaders to find a compromise so these ideals build upon each other rather than belittle the people behind them. Every person deserves to be heard, and deserves love, whether or not we choose to believe it. If the meaning behind aloha is true, and if the emotion behind e pluribus unum is true, then what is the cause for constant strife between one people? Does this mean

we are no longer one people? No, we've been broken up before. In fact we were probably broken up worse before.

But as President Lincoln states this in speech at Gettysburg, "It is rather for us to be here dedicated to the great task remaining before us-that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion—that we here highly resolve that these dead shall not have died in vain-that this nation, under God, shall have a new birth of freedom-and that government of the people, by the people, for the people shall not perish from the earth."

Not completely directing his motives to the North but not condoning the South, he dedicates the field to all who died fighting. He gathered his thoughts and understood both sides, not to take a side, but to come to a place where the American people had the potential to be one, once more.

When I took my first steps in D.C., I could feel America's past saturating the buildings both new and old, from the very top of the Washington monument, to depths of the Potomac River. Even with the continuous song of decades old playing in my heart, the spirit that emerged was one that called for an ever-changing and accepting people, I can only describe it as the flowing tides of future, coursing through the city for our generation. D.C. is truly a place where the hopes and dreams of our forefathers collide with the confidence and advancement of our eventual children. What is the legacy that they will be left with, well that's our kuleana, it's for the young leaders now to decide the America, we want to live in, and looking around the room I'm certain it's gonna be brought about by all of you, living aloha, shining a light for all to see.

Embrace people even if you disagree with their ideals.











Hey, Do We Have Your Money?

Every year, KIUC publishes a list of members to whom we owe a patronage capital refund. Patronage capital is the money KIUC has left after paying all of its expenses in a given year. At the end of the year, that money is credited to each member's patronage capital account, according to the amount paid for electricity used.

In past years, KIUC issued checks to members, so it's possible some of those on the list simply forgot to cash the check or accidentally threw it away.

If your name appears on the list, you must apply for a refund. Please complete the refund form below and provide a copy of picture ID as proof the person requesting the refund is the same as the account holder.

You can mail in the form or bring it in to our office. If you need additional forms, download one from our website at www.kiuc.coop. If you have questions about patronage capital, please call 246.4300.

Please allow 45 business days for us to process your request.

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Sat., October 13, 2018 2:00 pm to 6:00 pm Poipu Beach Athletic Club

\$75 Advance Ticket/\$85 At the Door www.hammersnales.eventbrite.com

Come have fun and support affordable housing on Kaua`i at the ultimate island style Oktoberfest!

Hammers N' Ales will feature great food, cold drinks, music, and fun. All food and drink is included in the ticket price along with a logo tasting glass.

This is a 21 and over event.



DON'T BE AN ACCIDENT ON THE HORIZON

MOST KAUAI DROWNINGS OCCUR AT UNGUARDED BEACHES



KNOW BEFORE YOU GO:

Kauai's 11 lifeguard towers are a beacon of information Kauai's lifeguards perform hundreds of rescues annually. Kauai's lifeguards offer you advice on where to swim, snorkel, surf, or even place your umbrella.

Kauai's lifeguards perform
over
160,00 preventative measures,
and
250,000 personal contacts
annually...

KauaiLifeguards.org

WHEN IN DOUBT DO NOT GO OUT!

5 STEPS FOR SAFE DIGGING

Working on an outdoor project? Careless digging poses a threat to people, pipelines and underground facilities. Always call 8-1-1 first. Here are five easy steps for safe digging.



1. NOTIFY

Call 8-1-1 or make a request online two to three days before your work begins. The operator will notify the utilities affected by your project.

2. WAIT

Wait two to three days for affected utilities to respond to your request. They will send a locator to mark any underground utility lines.



3. CONFIRM

Confirm that all affected utilities have responded to your request by comparing the marks to the list of utilities the 8-1-1 call center notified.





4. RESPECT

Respect the markers provided by the affected utilities. The markers are your guide for the duration of your project.

5. DIG CAREFULLY

If you can't avoid digging near the markers (within 18-24 inches on all sides, depending on state laws), consider moving your project location.





Source: call811.com

Statement of Operations

For the period January 1, 2018, to June 30, 2018

We are pleased to report that the KIUC results **PERCENTAGE** of operations through June 30, 2018, are favorable. The year-to-date electricity usage on the island is 2 percent higher than in the OF TOTAL REVENUE prior year. Even with the increase in sales volume, KIUC is still doing everything Net Margins 3.6% we can, while maintaining safety and reliability, to reduce costs in various Interest 3.7% areas in order to operate efficiently and effectively, and continue Taxes 8.4% Commodities to maintain a strong financial Fossil Fuel position. Revenues, expenses, 28.3% and net margins totaled \$77.2 million, \$74.4 million, and \$2.8 million, respectively, Depreciation and for the six-month period Amortization ending June 30, 2018. 10.3% As is the case for all electric utilities, the cost of power generation is the Commodities largest expense, Administrative and Hydro totaling \$44.5 General Net of 2.7% Nonoperating Margins million or 57.6 9.9% percent of revenues. Commodities — Commodities, which are Solar Communications fuel and purchased power 8.2% 0.4% costs, are the largest component Member Services of power generation totaling \$37.0 Commodities -2.1% million or 47.9 percent of revenues. Transmission and Biomass Currently, fossil fuel is the largest Distribution Operation 8.7% **Production Operation** component of commodities totaling \$21.8 and Maintenance and Maintenance million or 28.3 percent of revenues. Other 4.0% commodities include hydro power totaling \$2.1

The cost of operating and maintaining the electric lines totaled \$3 million or 4 percent of total revenues. The cost of servicing our members totaled \$1.6 million or 2.1 percent of revenues. The cost of keeping our members informed totaled \$0.3 million or 0.4 percent of revenues. Administrative and general costs, which include legislative and regulatory expenses, engineering, executive, human resources, safety and facilities, information services, financial and corporate

million or 2.7 percent of revenues, solar power totaling \$6.4 million or 8.2 percent of revenues,

generating units.

and biomass power totaling \$6.7 million or 8.7 percent

of revenues. The remaining \$7.5 million or 9.7 percent of

revenues represents the cost of operating and maintaining the

services, and board of director expenses, totaled \$8 million or 10.3 percent of revenues.

Being very capital intensive, depreciation and amortization of the utility plant costs \$8 million or 10.3 percent of revenues. Although not subject to federal income taxes, state and local taxes amounted to \$6.5 million or 8.4 percent of revenues. Interest on long-term debt, at a very favorable sub-5 percent interest rate, totals \$2.8 million or 3.7 percent of revenues. Non-operating net margins added \$0.3 million to overall net margins. Revenues less total expenses equal margins of \$2.8 million or 3.6 percent of revenues. Margins are allocated to consumer members and paid when appropriate.



Blonde Brownies

2 cups sifted all-purpose flour

1 teaspoon baking powder

¼ teaspoon baking soda

1 teaspoon salt

²/₃ cup butter, melted

1½ cup packed brown sugar

2 tablespoon vanilla extract

1 cup semisweet chocolate chips

Heat oven to 350 F. Grease a 9-by-13-inch baking pan. Sift together flour, baking powder, baking soda and salt. Combine the brown sugar and butter. Cool, then mix egg and vanilla into the brown sugar mixture. Add flour mixture, a little at a time, mixing just until combined. Add half of the chocolate chips to the batter. Spread the batter into the greased pan. Sprinkle remainder of chocolate chips on top. Bake until a toothpick inserted in the center comes out clean, about 20 to 25 minutes.

Ground Turkey Lettuce Wraps with Spicy Crema

1 pound ground turkey

1 small onion, chopped

1 package low-sodium taco seasoning

1 garlic clove

1 small jalapeno, seeds removed

1 teaspoon cumin

Juice from a lime

Lime zest

½ cup cilantro

½ cup Greek yogurt

1 cup sour cream

1 head butter lettuce, washed

1 cup cherry or grape tomatoes, halved

1 avocado, diced

1 cup shredded Mexican cheese

1 can sliced olives, drained

Cilantro for garnish

Cook ground turkey, onion and taco seasoning in a skillet until the meat is well done. Set aside.

To make crema sauce: In a blender, blend garlic, jalapeno, lime, lime zest, cilantro, cumin and yogurt until smooth. Add sour cream and mix thoroughly.

Place your lettuce leaf on a plate and fill with your favorite toppings: turkey, tomatoes, avocado, olives, cheese and cilantro.



Spicy Quinoa with Black Beans and Veggies

- 1 teaspoon oil
- 1 onion, chopped
- 3 cloves garlic, chopped
- 2 cups quinoa
- 4 cups vegetable broth
- 1 can diced tomato
- 1 teaspoon ground cumin
- ¼ teaspoon cayenne pepper
- 1 cup frozen corn kernels
- 2 cans black beans, rinsed and drained
- 1 zucchini, chopped
- Salt and pepper to taste



Sautee onion and garlic in olive oil on medium heat. Add quinoa and diced tomatoes and cover with broth. Season with cumin, cayenne, salt and pepper. Bring to a boil. Cover, reduce heat and simmer until broth is absorbed. Add corn, black beans and zucchini until heated through.



Date Bars

16 ounces chopped pitted dates

1½ cups water

1/3 cup brown sugar

1 cup turbinado/raw sugar

1 cup butter, softened at room temperature

1¾ cups all-purpose flour

1½ cups oats

½ teaspoon baking soda

½ teaspoon salt

Cook dates, water and brown sugar in a saucepan. Stir constantly for approximately 10 minutes or until thickened. Cool for at least 5 minutes before spreading over crust.

Heat oven to 350 F. Grease a 9-by-13-inch pan. Mix turbinado sugar and butter. Sift together flour, baking soda and salt. Slowly stir in flour mixture and oats to the sugar and butter mixture. Press half of the mixture evenly in bottom of the pan. Spread date filling. Top with the remaining crumb mixture. Bake for 30 to 40 minutes, until light brown. Cool and cut while warm.

Ground Beef Stroganoff

1 pound ground beef

1 onion, diced

3 cloves garlic, minced

2 tablespoons olive oil

½ teaspoon Himalayan pink salt

1 teaspoon black pepper

1 tray mushrooms, sliced

3 tablespoons flour

2 cups beef broth

2 teaspoons Worcestershire sauce

1 cup sour cream

1 package egg noodles

Boil egg noodles for about 7 to 9 minutes. Drain and set aside. In a large pot, sautee ground beef, onion and garlic in olive oil. Add salt and pepper. Once ground beef is browned, add mushrooms, Worcestershire sauce and 1½ cups of the broth. Combine flour with the remaining ½ cup of broth until lumps disappear. Add to the pot and bring to a boil. Simmer for 5 to 10 minutes. Remove from heat, and stir in sour cream. Add egg noodles.



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David Bissell

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Board: Dee Crowell, David Iha, Janet Kass,
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Members: Calvin K. Murashige, Allan Smith,

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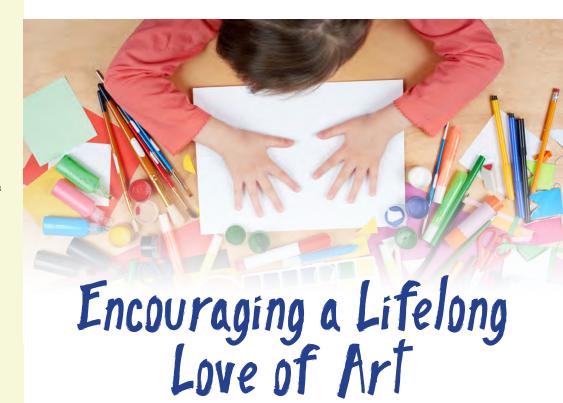
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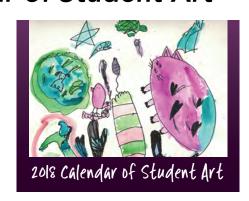


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KIUC is accepting submissions for the 2019 Calendar of Student Art

Deadline is October 16, 2018



Calendar rules can be found at www.kiuc.coop.

