

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017
Open to Public Inspection

A For the 2017 calendar year, or tax year beginning and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization KAUAI ISLAND UTILITY COOPERATIVE Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 4463 PAHEE ST STE 1 City or town, state or province, country, and ZIP or foreign postal code LIHUE, HI 96766-2000 F Name and address of principal officer: DAVID BISSELL SAME AS C ABOVE	D Employer identification number 99-0346113 E Telephone number 808-246-4300 G Gross receipts \$ 149,863,410. H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
I Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c)(12) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ WWW.KIUC.COOP		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1999
M State of legal domicile: HI		

Part I Summary

1	Briefly describe the organization's mission or most significant activities: PROVIDE POWER TO OUR MEMBERS IN A CONSERVATIVE AND SUSTAINABLE MANNER.			
2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.			
3	Number of voting members of the governing body (Part VI, line 1a)	3		9
4	Number of independent voting members of the governing body (Part VI, line 1b)	4		9
5	Total number of individuals employed in calendar year 2017 (Part V, line 2a)	5		156
6	Total number of volunteers (estimate if necessary)	6		0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a		47,582.
7b	Net unrelated business taxable income from Form 990-T, line 34	7b		39,300.
8	Contributions and grants (Part VIII, line 1h)	8		0.
9	Program service revenue (Part VIII, line 2g)	9		143,498,562.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	10		2,127,247.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	11		213,075.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	12		145,838,884.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	13		92,323.
14	Benefits paid to or for members (Part IX, column (A), line 4)	14		6,596,917.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	15		1,825,900.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	16a		0.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶	b		0.
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	17		135,551,387.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	18		144,066,527.
19	Revenue less expenses. Subtract line 18 from line 12	19		1,772,357.
20	Total assets (Part X, line 16)	20		340,756,263.
21	Total liabilities (Part X, line 26)	21		237,775,325.
22	Net assets or fund balances. Subtract line 21 from line 20	22		102,980,938.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer KARISSA JONAS, FINANCIAL VP & CFO Type or print name and title	Date 11/01/2018
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Paid Preparer Use Only	Print/Type preparer's name WENDY CAMPOS	Preparer's signature WENDY CAMPOS	Date 10/30/18	Check if self-employed <input type="checkbox"/>	PTIN P00448102
	Firm's name ▶ MOSS ADAMS LLP	Firm's EIN ▶ 91-0189318			
	Firm's address ▶ 805 SW BROADWAY STE 1200 PORTLAND, OR 97205		Phone no. 503-242-1447		

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission:
SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O.


4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)
GENERATED, TRANSMITTED AND DISTRIBUTED ELECTRICITY TO APPROXIMATELY
37,439 ACTIVE SERVICES AT YEAR END ON THE ISLAND OF KAUAI.

4b (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4c (Code: _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4d Other program services (Describe in Schedule O.)
(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses 

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>		X
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>	X	
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	X	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X

Part IV Checklist of Required Schedules (continued)

		Yes	No
20a	Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	X	
22	Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a	Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
b	If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	X	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Table with columns for question number, description, and Yes/No boxes. Includes rows for backup withholding (1a-1c), employee reporting (2a-2b), unrelated business income (3a-3b), foreign accounts (4a-4b), prohibited tax shelter transactions (5a-5c), annual gross receipts (6a-6b), deductible contributions (7a-7h), sponsoring organizations (8-9), and Section 501(c)(7), (12), (19) organizations (10-14b).

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year; 1b Enter the number of voting members included in line 1a, above, who are independent; 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?; 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?; 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?; 5 Did the organization become aware during the year of a significant diversion of the organization's assets?; 6 Did the organization have members or stockholders?; 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?; 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?; 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? b Each committee with authority to act on behalf of the governing body?; 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates?; 10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?; 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?; 11b Describe in Schedule O the process, if any, used by the organization to review this Form 990.; 12a Did the organization have a written conflict of interest policy? If "No," go to line 13; 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?; 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done; 13 Did the organization have a written whistleblower policy?; 14 Did the organization have a written document retention and destruction policy?; 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?; 15a The organization's CEO, Executive Director, or top management official; 15b Other officers or key employees of the organization; 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?; 16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed HI
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
[X] Own website [] Another's website [X] Upon request [] Other (explain in Schedule O)
19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, address, and telephone number of the person who possesses the organization's books and records:
CORINNE CUARESMA, CONTROLLER - 808-246-8212
4463 PAHEE ST STE 1, LIHUE, HI 96766-2000

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ALLAN SMITH CHAIRMAN	16.00	X		X			18,015.	0.	0.	
(2) JAN TENBRUGGENCATE VICE CHAIR	20.00	X		X			14,683.	0.	0.	
(3) CALVIN MURASHIGE SECRETARY	11.00	X		X			15,116.	0.	0.	
(4) PETER YUKIMURA TREASURER	15.00	X		X			16,458.	0.	0.	
(5) DAVID IHA DIRECTOR	5.00	X					13,559.	0.	0.	
(6) JIM MAYFIELD DIRECTOR	10.00	X					12,268.	0.	0.	
(7) TEOFILO TACBIAN DIRECTOR	10.00	X					22,202.	0.	0.	
(8) PATRICK GEGEN DIRECTOR	17.00	X					16,664.	0.	0.	
(9) DEE CROWELL DIRECTOR	20.00	X					15,137.	0.	0.	
(10) DAVID BISSELL CEO	60.00			X			450,483.	0.	138,375.	
(11) KARISSA JONAS FINANCIAL VP & CFO	55.00			X			240,151.	0.	78,624.	
(12) MICHAEL YAMANE CHIEF OF OPERATIONS	40.00				X		231,859.	0.	186,491.	
(13) CAREY KOIDE T&D MANAGER	50.00				X		211,566.	0.	147,822.	
(14) BRAD ROCKWELL POWER SUPPLY MANAGER	50.00				X		244,613.	0.	52,384.	
(15) HARLEY ECKERT FINANCIAL PLANNING & STRATEGY MANAGE	45.00					X	170,725.	0.	185,010.	
(16) TRAVIS OTTO PRIMARY TROUBLEPERSON	50.50					X	169,793.	0.	38,299.	
(17) ELIZABETH UBAY HUMAN RESOURCES & SAFETY MANAGER	46.00					X	178,653.	0.	55,647.	

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) RICHARD VETTER PORT ALLEN STATION MANAGER	50.00					X		169,243.	0.	55,990.
(19) TOM YAMAMOTO PRIMARY TROUBLEPERSON	50.00					X		178,817.	0.	41,551.
1b Sub-total								2,390,005.	0.	980,193.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								2,390,005.	0.	980,193.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 78

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
WAALANI ENTERPRISES LLC PO BOX 798, LAWAI, HI 96765	GRADING AND EXCAVATING	840,903.
MORIHARA LAU & FONG LLP 841 BISHOP ST STE 400, HONOLULU, HI 96813	LEGAL SERVICES	769,672.
EBBIN MOSER & SKAGGS LLP, 550 MONTGOMERY ST STE 900, SAN FRANCISCO, CA 94111	LEGAL SERVICES	201,959.
COLLETT & ASSOCIATES, LLC, 4770 N BELLEVIEW AVE STE 209, KANSAS CITY, MO	CONSULTING	163,301.
SHIRAMIZU LOO & NAKAMURA 4357 RICE ST STE 102, LIHUE, HI 96766	LEGAL SERVICES	117,419.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization 5

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f					
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f						
Program Service Revenue	2 a ELECTRICITY	Business Code 221000	147,375,744.	147,375,744.			
	b SERVICE FEES	221000	474,044.	474,044.			
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f		147,849,788.				
	Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		1,775,813.			1,775,813.
4 Income from investment of tax-exempt bond proceeds							
5 Royalties							
6 a Gross rents		(i) Real	86,674.				
		(ii) Personal					
		b Less: rental expenses		39,092.			
		c Rental income or (loss)		47,582.			
d Net rental income or (loss)			47,582.		47,582.		
7 a Gross amount from sales of assets other than inventory		(i) Securities					
		(ii) Other					
		b Less: cost or other basis and sales expenses					
		c Gain or (loss)					
d Net gain or (loss)							
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18		a					
		b Less: direct expenses	b				
	c Net income or (loss) from fundraising events						
9 a Gross income from gaming activities. See Part IV, line 19	a						
	b Less: direct expenses	b					
	c Net income or (loss) from gaming activities						
10 a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11 a PATRONAGE ALLOCATIONS		900099	318,974.	318,974.			
	b MISCELLANEOUS SERVICE	900099	-167,839.	-167,839.			
	c						
	d All other revenue						
	e Total. Add lines 11a-11d		151,135.				
12 Total revenue. See instructions.		149,824,318.	148,000,923.	47,582.	1,775,813.		

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...	63,632.			
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members	8,983,910.			
5 Compensation of current officers, directors, trustees, and key employees	1,953,919.			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying	82,092.			
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)				
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	5,844,731.			
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	15,255,826.			
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a UNRELATED BUSINESS TAX	4,079.			
b POWER COST	80,537,714.			
c ADMINISTRATIVE	15,350,207.			
d OTHER TAXES	12,425,816.			
e All other expenses	8,385,104.			
25 Total functional expenses. Add lines 1 through 24e	148,887,030.			
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	12,727,612.	1	13,086,859.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	9,722,339.	4	9,471,169.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	13,796,978.	8	14,379,607.
	9 Prepaid expenses and deferred charges	1,139,228.	9	1,154,460.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 522,506,061.		
	b Less: accumulated depreciation	10b 280,990,188.		
		244,696,045.	10c	241,515,873.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11	39,904,832.	12	36,034,451.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
15 Other assets. See Part IV, line 11	18,769,229.	15	18,705,042.	
16 Total assets. Add lines 1 through 15 (must equal line 34)	340,756,263.	16	334,347,461.	
Liabilities	17 Accounts payable and accrued expenses	13,164,227.	17	13,634,983.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	213,066,724.	23	195,663,558.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	11,544,374.	25	14,499,361.
	26 Total liabilities. Add lines 17 through 25	237,775,325.	26	223,797,902.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds	499.	30	515.
	31 Paid-in or capital surplus, or land, building, or equipment fund	0.	31	0.
	32 Retained earnings, endowment, accumulated income, or other funds	102,980,439.	32	110,549,044.
33 Total net assets or fund balances	102,980,938.	33	110,549,559.	
34 Total liabilities and net assets/fund balances	340,756,263.	34	334,347,461.	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	149,824,318.
2	Total expenses (must equal Part IX, column (A), line 25)	2	148,887,030.
3	Revenue less expenses. Subtract line 2 from line 1	3	937,288.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	102,980,938.
5	Net unrealized gains (losses) on investments	5	-1,321,500.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	7,952,833.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	110,549,559.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

- 1** Accounting method used to prepare the Form 990: Cash Accrual Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant? _____
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant? _____
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits _____

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization: KAUAI ISLAND UTILITY COOPERATIVE
Employer identification number: 99-0346113

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate value of contributions, grants, and end of year, and two yes/no questions about donor property and grant fund usage.

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Conservation Easements section containing multiple questions (1-9) about the purpose, monitoring, and reporting of conservation easements, including a table for held easements at the end of the tax year.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets section containing questions 1a, 1b, 2a, and 2b regarding reporting requirements for art and historical treasures.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment ▶ _____ %
 - b Permanent endowment ▶ _____ %
 - c Temporarily restricted endowment ▶ _____ %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|--|--------|----|
| (i) unrelated organizations | 3a(i) | |
| (ii) related organizations | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		10,183,534.		10,183,534.
b Buildings		40,969,644.	21,399,995.	19,569,649.
c Leasehold improvements				
d Equipment		466,573,529.	259,590,193.	206,983,336.
e Other		4,779,354.		4,779,354.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				241,515,873.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) INVESTMENTS IN SUBSIDIARY COMPANIES	33,737,694.	COST
(B) RURAL ECONOMIC DEVELOPMENT LOANS	960,426.	COST
(C) INVESTMENTS IN ASSOCIATED		
(D) ORGANIZATIONS	1,336,331.	COST
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶	36,034,451.	

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) ACCRUED UNBILLED REVENUE	7,954,977.
(2) SPECIAL DEPOSIT	540.
(3) DEFERRED DEBITS	10,749,525.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	18,705,042.

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DEFERRED CREDITS	11,793,937.
(3) POST RETIREMENT BENEFIT OBLIGATIONS	596,600.
(4) CUSTOMER DEPOSITS	1,481,759.
(5) ENERGY RATE ADJUSTMENT	4,588.
(6) OTHER LIABILITY	622,477.
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	14,499,361.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d		2e
3	Subtract line 2e from line 1		3
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b		4c
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)		5

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d		2e
3	Subtract line 2e from line 1		3
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b		4c
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)		5

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2:

THE COOPERATIVE IS EXEMPT FROM FEDERAL INCOME TAXES UNDER THE PROVISIONS

OF SECTION 501(C)(12) OF THE INTERNAL REVENUE CODE, EXCEPT TO THE EXTENT

OF UNRELATED BUSINESS INCOME, IF ANY. THE COOPERATIVE ADOPTED FINANCIAL

ACCOUNTING STANDARDS BOARD (FASB) ACCOUNTING STANDARDS CODIFICATION (ASC)

740-10, RELATING TO ACCOUNTING FOR UNCERTAIN TAX POSITIONS. AS OF

DECEMBER 31, 2017 AND 2016, THE COOPERATIVE DOES NOT HAVE ANY UNCERTAIN

TAX POSITIONS. THE COOPERATIVE FILES AN EXEMPT ORGANIZATION AND UNRELATED

BUSINESS INCOME TAX RETURN IN THE U.S. FEDERAL JURISDICTION AND THE

CORPORATE SUBSIDIARIES FILE A CORPORATE RETURN IN THE U.S. FEDERAL AND

STATE OF HAWAII JURISDICTIONS.

Part XIII Supplemental Information *(continued)*

THE COOPERATIVE IS NOT EXEMPT UNDER HAWAII REVISED STATUTES FROM STATE

INCOME TAXES; HOWEVER, MARGINS THAT ARE ALLOCATED WITHIN A SPECIFIC TIME

PERIOD ARE CONSIDERED A DEDUCTION FOR STATE INCOME TAX PURPOSES. FOR THE

STATE OF HAWAII, THE COOPERATIVE IS ALSO ASSESSED A 5.885% OF GROSS

REVENUES PUBLIC SERVICE COMPANY TAX IN LIEU OF GENERAL EXCISE TAXES AND

COUNTY REAL PROPERTY TAXES. ALSO, THE COOPERATIVE IS ASSESSED A 0.5% OF

GROSS REVENUES PUBLIC UTILITY COMMISSION FEE. FOR THE COUNTY OF KAUA'I,

HAWAII, THE COOPERATIVE IS ASSESSED A 2.5% FRANCHISE FEE ON GROSS

REVENUES.

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**
Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990.**

▶ **Go to www.irs.gov/Form990 for the latest information.**

OMB No. 1545-0047

2017

**Open to Public
Inspection**

Name of the organization **KAUAI ISLAND UTILITY COOPERATIVE** Employer identification number **99-0346113**

Part I General Information on Grants and Assistance

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? **Yes** **No**
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section (if applicable)	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of noncash assistance	(h) Purpose of grant or assistance
KAUAI UNITED WAY P.O. BOX 1087 LIHUE, HI 96766	99-0146288	501(C)(3)	25,203.	0.	NOT APPLICABLE	NOT APPLICABLE	CHARITABLE GIVING
KIUC CHARITABLE FOUNDATION 4463 PAHEE ST STE 1 LIHUE, HI 96766-2000	51-0592268	501(C)(3)	8,079.	0.	NOT APPLICABLE	NOT APPLICABLE	RELATED EXEMPT OPERATIONS
NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION - 20701 COOPERATIVE WAY - DULLES, VA 20166	52-0891669		7,233.	0.	NOT APPLICABLE	NOT APPLICABLE	COOPERATIVE SYSTEM INTEGRITY FUND

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table 2.

3 Enter total number of other organizations listed in the line 1 table

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2017)

Part III Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance

Part IV Supplemental Information. Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

PART I, LINE 2:

KAUAI UNITED WAY IS A NON-PROFIT, VOLUNTEER-DRIVEN ORGANIZATION, DEDICATED

TO SERVING THE SOCIAL NEEDS OF KAUAI SINCE 1943. PARTICIPATING AGENCIES

ARE MONITORED THROUGHOUT THE YEAR TO MAKE SURE THAT PROGRAMS CONTINUE TO BE

ADMINISTERED EFFICIENTLY AND WITHIN GUIDELINES.

KIUC CHARITABLE FOUNDATION SCHOLARSHIPS ARE SELECTED BY COMMITTEE AND

QUALIFICATIONS ARE REVIEWED. OTHER GRANTS ARE GIVEN TO APPROVED 501(C)(3)

ORGANIZATIONS SELECTED BY COMMITTEE.

Part IV Supplemental Information

THE COOPERATIVE RELIES ON THE DONEE ORGANIZATIONS TO USE THE FUNDS AS

INTENDED BY THE COOPERATIVE.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2017

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.

▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization
KAUAI ISLAND UTILITY COOPERATIVE

Employer identification number
99-0346113

Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (such as, maid, chauffeur, chef)		
b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?	2	
3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee		
4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a Receive a severance payment or change-of-control payment?	4a	X
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X
c Participate in, or receive payment from, an equity-based compensation arrangement?	4c	X
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.		
5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a The organization?	5a	
b Any related organization?	5b	
If "Yes" on line 5a or 5b, describe in Part III.		
6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a The organization?	6a	
b Any related organization?	6b	
If "Yes" on line 6a or 6b, describe in Part III.		
7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III	7	
8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8	
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9	

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2017

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) DAVID BISSELL CEO	(i)	427,444.	0.	23,039.	117,792.	20,583.	588,858.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) KARISSA JONAS FINANCIAL VP & CFO	(i)	239,448.	0.	703.	60,003.	18,621.	318,775.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) MICHAEL YAMANE CHIEF OF OPERATIONS	(i)	189,208.	38,270.	4,381.	166,139.	20,352.	418,350.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) CAREY KOIDE T&D MANAGER	(i)	173,636.	35,029.	2,901.	139,705.	8,117.	359,388.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) BRAD ROCKWELL POWER SUPPLY MANAGER	(i)	168,620.	73,790.	2,203.	33,803.	18,581.	296,997.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(6) HARLEY ECKERT FINANCIAL PLANNING & STRATEGY MANAGE	(i)	143,165.	15,000.	12,560.	169,493.	15,517.	355,735.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(7) TRAVIS OTTO PRIMARY TROUBLEPERSON	(i)	169,529.	0.	264.	18,678.	19,621.	208,092.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(8) ELIZABETH UBAY HUMAN RESOURCES & SAFETY MANAGER	(i)	148,174.	29,778.	701.	34,673.	20,974.	234,300.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(9) RICHARD VETTER PORT ALLEN STATION MANAGER	(i)	145,709.	22,158.	1,376.	37,410.	18,580.	225,233.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(10) TOM YAMAMOTO PRIMARY TROUBLEPERSON	(i)	178,408.	0.	409.	22,971.	18,580.	220,368.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

SCHEDULE J, PART II, COLUMN C

INCLUDED IN PART II, COLUMN C IS THE CHANGE IN ACTUARIAL VALUE FOR THE

DEFINED BENEFIT PLAN RATHER THAN THE ACTUAL EXPENSE OF THE COOPERATIVE

FOR THIS PLAN, AS FOLLOWS:

DAVID BISSELL:

REPORTED CHANGE - \$108,774

ACTUAL EXPENSE - \$65,151

KARISSA JONAS:

REPORTED CHANGE - \$50,985

ACTUAL EXPENSE - \$57,047

MICHAEL YAMANE:

REPORTED CHANGE - \$158,392

ACTUAL EXPENSE - \$73,605

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

BRAD ROCKWELL:

REPORTED CHANGE - \$26,949

ACTUAL EXPENSE - \$41,924

CAREY KOIDE:

REPORTED CHANGE - \$132,665

ACTUAL EXPENSE - \$67,486

TOM YAMAMOTO:

REPORTED CHANGE - \$15,725

ACTUAL EXPENSE - \$19,058

ELIZABETH UBAY:

REPORTED CHANGE - \$28,540

ACTUAL EXPENSE - \$35,996

HARLEY ECKERT JR.:

REPORTED CHANGE - \$169,493

ACTUAL EXPENSE - \$21,063

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

TRAVIS OTTO:

REPORTED CHANGE - \$12,291

ACTUAL EXPENSE - \$19,058

RICHARD VETTER:

REPORTED CHANGE - \$31,472

ACTUAL EXPENSE - \$35,332

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2017

Open to Public
Inspection

Name of the organization

KAUAI ISLAND UTILITY COOPERATIVE

Employer identification number

99-0346113

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

TO PROVIDE RELIABLE POWER SAFELY THAT IS FAIRLY AND COMPETITIVELY

PRICED, PRACTICE CONSERVATION AND EFFICIENT USE OF ENERGY RESOURCES AND

INCREASE SUSTAINABLE POWER SUPPLY AND ENVIRONMENTAL STEWARDSHIP WHILE

IMPROVING THE QUALITY OF LIFE FOR MEMBERS AND KAUA'I.

FORM 990, PART VI, SECTION A, LINE 6:

KIUC HAS APPROXIMATELY 25,703 MEMBERS. THE MEMBERSHIP FEE IS \$.01 PER

MEMBER.

FORM 990, PART VI, SECTION A, LINE 7A:

EACH DIRECTOR IS ELECTED TO A 3 YEAR TERM. THE 9 DIRECTOR'S TERMS ARE

STAGGERED SUCH THAT EACH YEAR 3 DIRECTOR SEATS ARE UP FOR ELECTION. EACH

CURRENT MEMBER IS ENTITLED TO CAST A BALLOT AND VOTE FOR 3 DIRECTORS TO

FILL THE 3 VACANT SEATS, REGARDLESS OF THEIR BILLING AMOUNT.

FORM 990, PART VI, SECTION A, LINE 8B:

THE COOPERATIVE DOES NOT HAVE COMMITTEES WITH BOARD AUTHORITY TO ACT ON

BEHALF OF THE GOVERNING BODY.

FORM 990, PART VI, SECTION B, LINE 11B:

1) AFTER THE COMPLETED FORM 990 IS RECEIVED FROM THE TAX PREPARER, THE

CONTROLLER WILL PERFORM A DETAILED REVIEW OF THE FORM 990, INCLUDING

VERIFYING THE FIGURES TO THE BOOKS OF RECORD.

2) THE CFO WILL PERFORM A MORE GENERAL REVIEW OF THE FORM 990 FOR

REASONABLENESS.

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2017)

Name of the organization KAUAI ISLAND UTILITY COOPERATIVE	Employer identification number 99-0346113
--	--

3) THE FORM 990 WILL BE MADE AVAILABLE TO THE BOARD OF DIRECTORS FOR THEIR INDIVIDUAL REVIEW. IF THE DIRECTORS HAVE ANY QUESTIONS ABOUT THE FORM 990, THE CFO WILL MEET WITH THEM TO ANSWER THEIR QUESTIONS.

4) THE FORM 990 WILL BE FILED WITH THE IRS FOLLOWING THIS PROCESS.

FORM 990, PART VI, SECTION B, LINE 12C:

ANY DIRECTOR, OFFICER OR MEMBER OF A COMMITTEE WITH BOARD-DELEGATED POWERS WHO HAS A DIRECT OR INDIRECT FINANCIAL INTEREST IS COVERED BY THIS POLICY.

- 1) THE BOARD OF DIRECTORS DETERMINES WHETHER A CONFLICT EXISTS.
- 2) THE BOARD OF DIRECTORS REVIEWS ACTUAL CONFLICTS.
- 3) ANY PERSON COVERED BY THIS POLICY WHO IS DEEMED TO HAVE A CONFLICT OF INTEREST IS PROHIBITED FROM PARTICIPATING IN THE BOARD'S DELIBERATIONS AND DECISION IN THE TRANSACTION.

FORM 990, PART VI, SECTION B, LINE 15A:

ALL NON-BARGAINING UNIT [NBU] EMPLOYEES' SALARIES ARE DETERMINED IN ACCORDANCE WITH NRECA'S COMPENSATE SALARY PLAN. IN ADDITION, THE BOARD CONSULTS WITH NRECA COMPENSATION CONSULTANTS REGARDING THE CEO'S COMPENSATION. THIS PROCESS IS UNDERTAKEN ANNUALLY.

FORM 990, PART VI, SECTION C, LINE 18:

THE ORGANIZATION MAKES ITS 990 AVAILABLE TO THE PUBLIC ON ITS WEBSITE AND UPON REQUEST.

FORM 990, PART VI, SECTION C, LINE 19:

THE ORGANIZATION MAKES ITS BYLAWS, CONFLICT OF INTEREST POLICY, AND AUDITED FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC ON THEIR WEBSITE AND UPON REQUEST.

Name of the organization KAUAI ISLAND UTILITY COOPERATIVE	Employer identification number 99-0346113
--	--

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

CHANGE IN OTHER EQUITY	69,448.
CHANGE IN MEMBERSHIPS	16.
RETIREMENT OF CAPITAL CREDITS	-163,253.
PATRONAGE NET MARGIN	8,983,910.
NET LOSS FROM SUBSIDIARY COMPANIES	-937,288.
TOTAL TO FORM 990, PART XI, LINE 9	7,952,833.

FORM 990, PART XII, LINE 2C:

THERE WERE NO CHANGES IN PROCEDURE FROM THE PRIOR YEAR.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization **KAUAI ISLAND UTILITY COOPERATIVE** Employer identification number **99-0346113**

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
KIUC CHARITABLE FOUNDATION - 51-0592268 4463 PAHEE ST STE 1 LIHUE, HI 96766-2000	FOUNDATION	HAWAII	501(C)(3)	LINE 7	KAUAI ISLAND UTILITY COOPERATIVE	X	

Part III Identification of Related Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
KIUC RENEWABLE SOLUTIONS TWO LLC - 46-1502179, 4463 PAHEE ST STE 1, LIHUE, HI 96766-2000	SOLAR POWER GENERATION	DE	N/A	N/A				X	N/A		X	

Part IV Identification of Related Organizations Taxable as a Corporation or Trust. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
KIUC RENEWABLE SOLUTIONS ONE LLC - 45-3822840, 4463 PAHEE ST STE 1, LIHUE, HI 96766-2000	SOLAR POWER GENERATION	DE	KAUAI ISLAND UTILITY COOPERATIVE	C CORP	-10,315,416.	36,889,513.	100%	X	
KIUC RENEWABLE SOLUTIONS TWO HOLDINGS LLC - 46-3410355, 4463 PAHEE ST STE 1, LIHUE, HI 96766-2000	HOLDING COMPANY FOR SOLAR POWER GENERATION	DE	KAUAI ISLAND UTILITY COOPERATIVE	C CORP	-2,359,893.	-1,216,613.	100%	X	

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity	X	
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)	X	
e Loans or loan guarantees by related organization(s)		X
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)	X	
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
o Sharing of paid employees with related organization(s)		X
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses	X	
r Other transfer of cash or property to related organization(s)		X
s Other transfer of cash or property from related organization(s)	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) KIUC RENEWABLE SOLUTIONS ONE LLC	A	1,023,192.	CASH
(2) KIUC RENEWABLE SOLUTIONS ONE LLC	H	2,755,698.	CASH
(3) KIUC RENEWABLE SOLUTIONS ONE LLC	Q	258,311.	CASH
(4) KIUC RENEWABLE SOLUTIONS ONE LLC	S	3,020,896.	CASH
(5) KIUC RENEWABLE SOLUTIONS TWO LLC	H	2,661,054.	CASH
(6) KIUC RENEWABLE SOLUTIONS TWO LLC	D	15,288,092.	CASH

Part VI Unrelated Organizations Taxable as a Partnership. Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners sec. 501(c)(3) orgs.?		(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropor- tionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

