

REGULAR MEETING OF THE BOARD OF DIRECTORS
KAUA'I ISLAND UTILITY COOPERATIVE
Held Via Zoom Webinar
On September 23, 2021

MINUTES

Call to order at 1:00 p.m.

1. Roll Call

- 1.1. **Directors present:** Directors Allan Smith (Chair), Jan TenBruggencate (Vice Chair), Calvin Murashige (Secretary), Peter Yukimura (Treasurer), Dee Crowell, David Iha, Janet Kass, James Mayfield, Teofilo Tacbian; and David Bissell (President & CEO). A quorum of directors was present.
- 1.2. **Others present:** Chris Yuh (Finance Mgr.), Beth Tokioka (Communications Mgr.), Laurel Loo (General Counsel), and Vera Tabe (Legal Assistant to General Counsel); Members of the press (0) and Members of the public (0).

2. Approval of the Agenda

- 2.1. The Board of Directors Agenda of September 23, 2021 was approved as circulated.

3. Approval of Minutes

- 3.1. Motion to approve the minutes of the August 26, 2021 Regular Meeting of the Board of Directors.

[Motion: Kass] [Second: Mayfield]

IN FAVOR:	Smith, TenBruggencate, Murashige, Yukimura Crowell, Iha, Kass, Mayfield, Tacbian,	Total – 9
OPPOSED:	None	Total – 0
EXCUSED:	None	Total – 0

- 3.2. The August 26, 2021, Regular Meeting of the Board of Directors were approved unanimously.

4. President's Report – David Bissell, President & CEO

- 4.1. **Safety (August)**
 - 4.1.1 No Recordable incidents

- 4.2 **Availability and Reliability (August)**
 - 4.2.1 2 reportable outages; 2021 YTD = 25 and 2020 YTD = 20
 - 4.2.2 Average Outage Hours Per Customer is 0.10; 2021 YTD = 1.11 and 2020 YTD = 0.70

- 4.3 **Efficiency (August)**
 - 4.3.1 Net Plant Heat Rate = 9,338; 2021 YTD = 9,373
 - 4.3.2 Peak Demand (MW) = 75.1; 2021 YTD = 75.1

- 4.4 **Residential Rates**
 - 4.4.1 September 2021= \$0.341/kwh Down \$0.001 from August

- 4.6 **West Kauai Energy Project (Update)**
 - 4.6.1 **Community Meetings**
 - 4.6.1.1 September 1, 2021 Westside community members met in person which at Kekaha Neighborhood Center.
 - 4.6.1.2 September 15, 2021, Talk Story held virtually. Good attendance of 62 persons. These meetings will keep on going indefinitely either by zoom or in person, depending on the circumstances as the project continues to move forward.

 - 4.6.2 **PUC Docket**
 - 4.6.2.1 KIUC rebuttal statement due on September 30, 2021. There was a lot of work on the rebuttal statement from a lot of people working on that document. Various meetings were being held with docket participants.

 - 4.6.3 **HRS 343 Environmental**
 - 4.6.3.1 EA comment period ended on September 22, 2021.
 - 4.6.3.2 KIUC will review and consider comments. Dawn will tabulate and circulate to staff.

- 4.7 **Other Items**
 - 4.7.1 **COVID 19**
 - 4.7.1.1 Reached out to staff and 90% of staff has been vaccinated across the company.
 - 4.7.1.2 Awaiting OSHA guidance regarding President Biden's vaccine or test mandate for companies with over 100 employees

4.7.2 **Strategic Planning**

4.7.2.1 Staff and Board participated in the kickoff strategic planning meeting and it went well. Mr. Mayfield lead the charge and will be holding more meetings as we consider strategic planning over the next months.

4.8 **Anahola Service Center**

4.8.1 Small celebration was held with the topping off.

4.8.2 Questions were asked and answered

4.8.3 Building should be completed by the end of the year.

4.8.4 Cushnie started to do work on the road.

5. Financial Report – Chris Yuh (Finance Mgr.)

5.1 Chris discussed the Financial Scorecard August 2021 (scorecard attached)

5.2 No questions asked.

6. NRECA Hawaii Director Report (David Iha)

6.1 Dir. Iha discussed the circulated document to the Board. (post attached)

6.2 New initiatives coming out from NRECA. They will be using a social platform to reach grassroots. They differentiate from grassroots from grass tops. Grass tops they feel are all of the 7000 directors across the county plus 900 CEOs. They want to focus on getting the grassroots member, the employees engaged in Co-op. New platform will be called Voices for Cooperative. A social media platform will be used to get members engaged, interact with the co-op at the local level, and discuss issues that matter to both the local co-op and national issues.

6.3 National level going through a transition in the senior management. These are planned retirements of the Chief Financial Officer, Chief Legal Counsel and Chief Research. Search process is being done to fill those positions.

6.4 Questions were asked and answered.

7. Charitable Foundation Board – Teofilo Tacbian, President

7.1 KEO assisted 6 households for the month of August for a total amount of \$2,100.00. We now have a balance \$6,678.00 for their use.

7.2 KEO using the LIHEAP funds assisted 11 families for a total of \$7,346.00. So between the two combined, we spent \$9,446.00 assisting families with their utility bills.

- 7.3 Makana Foundation got three new members in August for a total of 242 members participating in this program. Up till the end of August, \$1,658.00 to be turned over to the charitable foundation. It's getting better every month.

8. Public Testimony – Beth Tokioka

- 8.1 Three members submitted written public testimony to the Board of Directors, which was read out loud by Beth:
 - 8.1.1 Sam Kneeper
 - 8.1.2 Marge Dente
 - 8.1.3 Michael Goodwin

9. New Business

- 9.1 **Board Policy 18 – Qualifications and Eligibility for Directors**
 - 9.1.1 Dir. Kass presented Board Policy 18 to the Board to delete the requirement in attachment A for a witnesses signature.
 - 9.1.2 Motion to approve attachment A to the policy

[Motion: Kass] [Second: Murashige]
IN FAVOR: Smith, TenBruggencate, Crowell, Iha, Kass, Murashige, Mayfield, Tacbian, Yukimura Total – 9
OPPOSED: None Total – 0
EXCUSED: None Total – 0

Motion passed.

- 9.2 **Board Policy 23 – Electioneering**
 - 9.2.1 Dir. Kass presented Board Policy 23 to the Board. New version is shorter to read and does not utilize formal defined terms.
 - 9.2.2 Motion to approve the proposed changes to Board Policy 23.

[Motion: Kass] [Second: TenBruggencate]
IN FAVOR: Smith, TenBruggencate, Crowell, Iha, Kass, Murashige, Mayfield, Tacbian, Yukimura Total – 9
OPPOSED: None Total – 0
EXCUSED: None Total – 0

Motion passed.

- 9.3 **Board Policy 30 – Electric Rates and Rate Design**
 - 9.3.1 Dir. Kass presented Board Policy 30 to the Board.
 - 9.3.2 Revised to change the format and remove a reference to an equity management plan.
 - 9.3.3 Motion to approve the proposed change to Board Policy 30.

[Motion: Kass] [Second: Murashige]
 IN FAVOR: Smith, TenBruggencate, Crowell, Iha, Kass, Murashige,
 Mayfield, Tacbian, Yukimura Total – 9
 OPPOSED: None Total – 0
 EXCUSED: None Total – 0

9.4 Board Policy 29 – Equity Management

- 9.4.1 Dir. Kass presented Board Policy 29 to the Board.
- 9.4.2 Policy committee considered the possibility of eliminating this policy; however, after substantial discussions in two separate meetings it was decided to leave it intact. Committee recommends it has reviewed and considered the changes; however, it rejected the changes and propose noting the policy was reviewed.
- 9.4.3 Motion to approve that this policy has been reviewed and rejected by the Committee and leave intact and to consider this policy in the future.

[Motion: Kass] [Second: TenBruggencate]
 IN FAVOR: Smith, TenBruggencate, Crowell, Iha, Kass, Murashige,
 Mayfield, Tacbian, Yukimura Total – 9
 OPPOSED: None Total – 0
 EXCUSED: None Total – 0

9.5 Proposed 2022 Elections Nominating Committee Slate

- 9.5.1 Dir. Crowell presented to the Board recommendations to the 2022 Nominating Committee. They are:
 - Kelli Barsness
 - Allison Mizuo Lee
 - Eddie Topenio
 - Milo Spindt
- 9.5.2 Motion to approve the names listed above

[Motion: Crowell] [Second: Tacbian]
 IN FAVOR: Smith, TenBruggencate, Crowell, Iha, Kass, Murashige,
 Mayfield, Tacbian, Yukimura Total – 9
 OPPOSED: None Total – 0
 EXCUSED: None Total – 0

10. Calendar

- 10.1 October 4-8, 2021 – Hawaii Congress of Planning
- 10.2 October 7, 2021 – Strategic Planning Meeting #2 (9:00 am via Zoom)
- 10.3 October 11, 2021 – HOLIDAY, KIUC Offices Closed
- 10.4 October 18, 2021 – HCP Status Update Meeting #2 (9:00 a.m. via Zoom)
- 10.5 October 19, 2021 – Board Committee Meetings (9:00 a.m. via Zoom)
- 10.6 October 28, 2021 – Regular Board Meeting (1:00 p.m. via Zoom)

11. Adjournment

The meeting adjourned at 1:33 p.m. before the Executive Session.

Calvin Murashige

Calvin Murashige (Nov 2, 2021 10:48 HST)

Calvin Murashige
Secretary



President's Report

September 23, 2021

David Bissell, President and CEO

President's Report

David Bissell, President and CEO
September 23, 2021

Safety (August)

	<u>Month</u>	<u>2021 YTD</u>	<u>2020 YTD</u>
Recordable Incidents	0	2	3 (a)
Days Away/Restricted	0	0	177 (f)

Availability and Reliability:

	<u>Month</u>	<u>2021 YTD</u>	<u>2020 YTD</u>
Reportable Outages	2	25	20
Average Outage Hours Per Customer	0.10	1.11	0.70

Efficiency

	<u>Month</u>	<u>2021 YTD</u>
Net Plant Heat Rate	9,338	9,373
Peak Demand (MW)	75.1	75.1

Residential Rates:

September 2021	\$0.341/kwh Down \$0.001 from August
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West Kauai Energy Project

- **Community Meetings**
 - 9/1 Westside community members – in person
 - 9/15 Talk Story- virtual
- **PUC Docket**
 - KIUC rebuttal statement 9/30
 - Various meeting with docket participants held
- **HRS 343 Environmental**
 - EA comment period ended 9/22
 - KIUC will review and consider comments



Other items

- **COVID 19**
 - KIUC staff vaccination rate approx. 90%
 - Awaiting OSHA guidance regarding President Biden's vaccine or test mandate for companies with over 100 employees
- **Strategic Planning**
 - First session held on 9/1

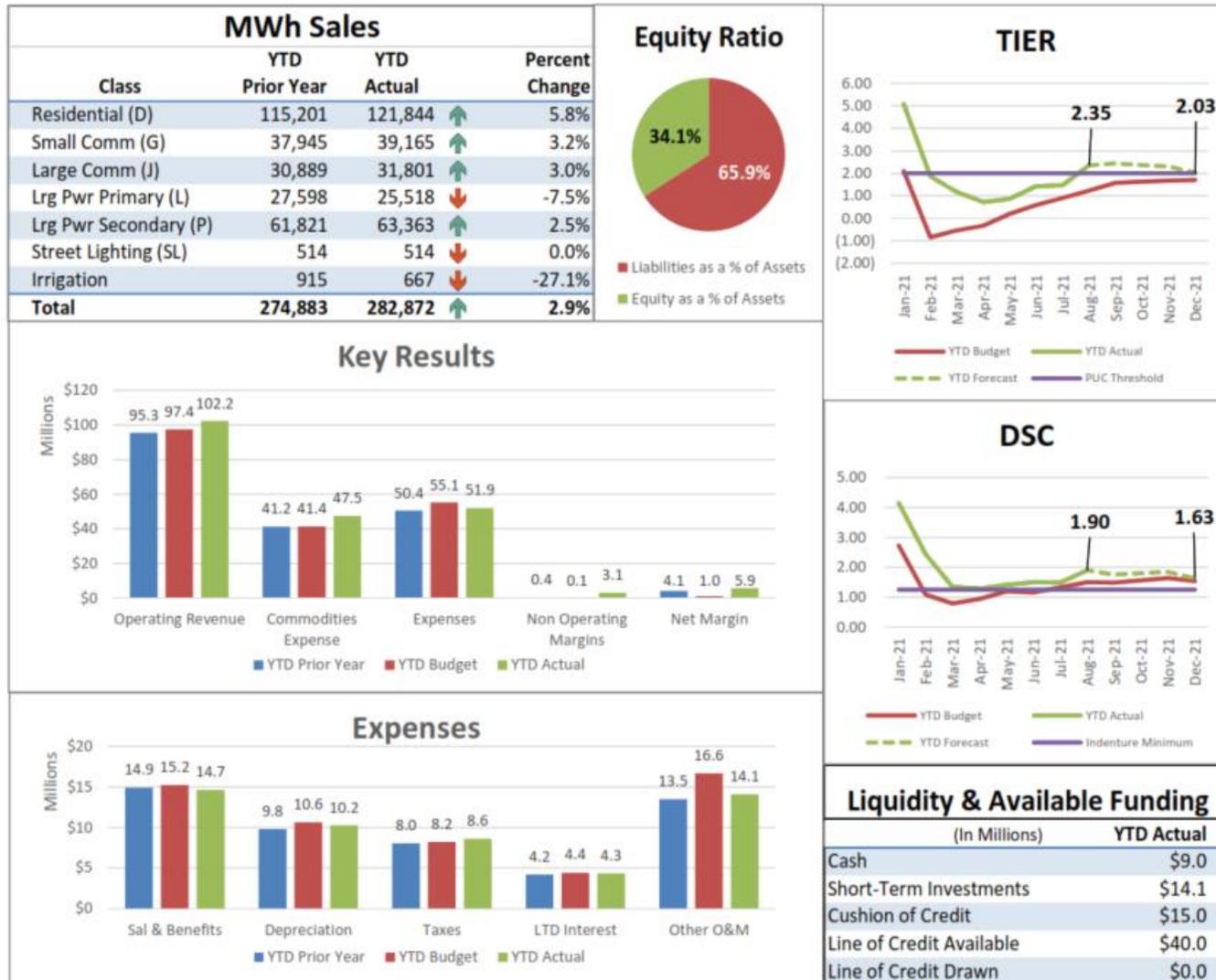






Mahalo!

Financial Scorecard



Florentino Camaquin
 September 2 at 3:41 PM · 🌐

"Gratitude unlocks the fullness of life."

The Florentino Camaquin Integrated School headed by our School Principal, Mr. Arnel C. Sabuco, Jr. would like to extend our sincerest gratitude to the following benevolent donors of reading materials to our humble institution.

Mr. David Iha, Chairman of the International Committee, Kauai Utility Cooperative

Mr. Rudy Sina and the Kauai Utility Cooperative

Mrs. Marissa Borja Johnston

Your presents will be of great help in strenghtening the existing reading programs of our school such as the 'LibVan Caravan', which is a mobile library catering our Grade 7 learners in the different barangays of Vintar, Ilocos Norte.

With our grateful hearts, we say, AGYAMANKAMI iti aglaplapnus kadakayo!

God bless you more in return and continue to be a blessing to others.
 TO GOD BE ALL THE GLORY!

#ParasaBataParasaBayan
 #FCISMoveForward



<https://www.facebook.com/photo/?fbid=376744787242555&set=pcb.835046217067525>

ATTACHMENT A TO KIUC BOARD POLICY NO. 18
AFFIRMATION OF DIRECTOR QUALIFICATION

I, the undersigned, hereby affirm I have read KIUC Policy No. 18 Board Member Qualifications and Eligibility, and I am qualified in accordance with the Policy to be nominated and elected or appointed as a KIUC Director, as the case may be.

I have accordingly signed my name hereto ~~and had the same witnessed~~ this _____ day of _____, 20__.

Signed: _____

Address: _____

Telephone No.: _____

[WITNESS

Name: _____

Address: _____

Telephone No.: _____]

KAUA'I ISLAND UTILITY COOPERATIVE
KIUC BOARD POLICY NO. 23
~~(Reviewed 04/24/2018)~~

ELECTIONEERING

PURPOSE OF POLICY:

~~To set forth the policy of Kaua'i Island Utility Cooperative ("KIUC") regarding Electioneering on KIUC Property or using KIUC Resources or Information.~~

~~This policy prohibits electioneering with KIUC resources.~~

POLICY CONTENT:

~~A. **Definitions:**~~

- ~~1. **Electioneering:** Working actively for a particular Candidate or Political Party.~~
- ~~2. **Candidate:** Includes candidates for Federal, State or County elective office; and candidates for the KIUC Board of Directors.~~
- ~~3. **Political Party:** Includes any organized Political Party registered with the State of Hawaii.~~
- ~~4. **KIUC Property:** Includes any real property owned, leased or rented, or otherwise controlled by KIUC except any housing leased or rented to KIUC employees.~~
- ~~5. **KIUC Resources or Information:** Includes any personal property owned by KIUC, or information, including but not limited to, member or employee lists or personal information, however recorded and whether in hard copy or electronic form.~~

Policy: While

~~B. KIUC respects the right of its members and employees and other individuals to both free speech and the right to participate in the political process as private citizens, ~~it~~ It does not, however, support the use of KIUC ~~Property, Resources~~owned or ~~Information~~leased~~

~~property or KIUC-controlled information, such as employee or member information, to promote the election of a particular candidate for any government or KIUC elective office or the interests of a particular political party. As a result it is the policy of KIUC that there electioneering, which means working actively for any candidate or political party, shall not be no Electioneering permitted, either on any KIUC Property property or using any KIUC Resources or Information, information.~~

~~**RESPONSIBILITIES:**~~

~~The Board and the KIUC President and CEO are mutually responsible for compliance with this policy.~~

~~Adopted on this 24th day of April, 2018~~

~~_____
Calvin Murashige
Secretary~~

~~Adopted on this XXth day of MONTH, 2021.~~

Calvin Murashige
Secretary

Revised: XX/XX/2021
Reviewed: 04/24/2018
Reviewed: 07/26/2016
Reviewed: 07/29/2014
Revised: 09/27/2011
Original Adoption: 10/31/2006

~~KAUAI ISLAND UTILITY COOPERATIVE (“KIUC”)~~
~~BOARD POLICY NO. 30~~
~~(Reviewed 11/27/2018)~~
ELECTRIC RATES AND RATE DESIGN

PURPOSE OF POLICY:

~~To set forth a~~ This policy ~~relating to~~ describes the principles for the development and implementation of electric rates ~~that complement the strategic objectives of the cooperative.~~

POLICY CONTENT:

~~—~~ **A. Commitment to Rate Design**

It is the policy of the Board ~~of Directors of KIUC~~ to develop and design electric rates in a manner that will allow KIUC to accomplish its Strategic Plan while providing electricity that is reliable, considerate of the environment, and that will continue to build and maintain ~~the cooperative's~~ KIUC's financial strength and integrity, at the lowest reasonable cost to its ~~member / consumers~~ members.

~~—~~ **B. Fundamentals**

~~1. The cooperative~~ A. KIUC will prepare revenue requirement and cost-of-service studies as required to have information needed to develop and design electric rates.

~~2. The cooperative~~

B. KIUC will endeavor to develop rates that are clear and understandable and will undertake proactive steps to communicate information concerning rates to its members.

~~3. The cooperative~~

C. KIUC will endeavor to develop and design electric rates that:

a)

1. Allocate costs across rate classes in an equitable manner.

~~b)~~ 2. Reflect ~~KIUC's~~ KIUC's fixed costs of service in rates and charges.

~~c)~~ 3. Minimize subsidies between customer classes.

~~d)~~ 4. Generate sufficient revenues and margins to meet lender requirements within regulatory limits, ensure the provision of safe and reliable electric service, and meet the financial objectives and policies ~~of the cooperative as specified in KIUC's strategic plan and equity management plan, and other related policies in KIUC's Strategic Plan.~~

~~—~~ **C. III. Monitoring**

Management shall be responsible for implementing rates as approved by the Board, as allowed by the Hawaii Public Utility Commission ~~(HPUC), and~~. Management shall routinely report to the Board any rate adjustments recommended or needed to better assist ~~the cooperative~~ KIUC in carrying out the objectives, fundamentals, and commitments set forth above.

RESPONSIBILITIES:

— The KIUC Board and President & CEO are jointly responsible for compliance with this policy.

Adopted on this 27th day of November, 2018.

~~/s/ Calvin Murashige~~
Calvin Murashige
Secretary

Adopted on this XXth day of MONTH, 2021.

Calvin Murashige
Secretary

Revised: XX/XX/2021
Reviewed: 11/27/2018
Reviewed: 12/13/2016
Reviewed: 01/27/2015
Original Adoption: 06/26/2012

**KAUAI ISLAND UTILITY COOPERATIVE ("KIUC")
BOARD POLICY NO. 29
(Reviewed 02/26/2019)**

EQUITY MANAGEMENT PLANNING

PURPOSE OF POLICY:

To develop and keep current a plan for optimizing the members' equity in KIUC that facilitates providing electricity to its members at the lowest reasonable cost, while maintaining KIUC's financial strength (the "Equity Management Plan" or "EMP").

POLICY CONTENT:

A. Objectives of KIUC's Equity Management Plan

The development and implementation of KIUC's EMP will take into account relevant financial, economic, strategic, regulatory and other considerations including:

1. KIUC's growth prospects and need for utility plant financing and its expected debt service coverage capacity.
2. Its rate competitiveness, including factors such as the need to accumulate equity or reduce consumer's effective costs by returning their capital as patronage dividends.
3. Legal, tax and other regulations, and accounting principles.

B. Matters to be Addressed in the EMP

KIUC's Equity Management Plan will address the following matters:

1. A range of forecasted growth rates in total capitalization of KIUC based upon expected changes in the level of membership and electricity sales.
2. Construction of needed additions to KIUC's plant and facilities using a combination of long-term debt and general funds.
3. Maintenance of the facilities of KIUC in a safe and reliable operating condition.
4. Estimated debt financing requirements and the blended costs of debt.
5. Goals for minimum debt service coverage from margins.
6. Goals for total equity to total assets.
7. Maintaining adequate working capital and cash reserves.
8. Establishing a capital credit rotation program on an appropriate cycle, complying with all applicable loan requirements of the lending institutions, and subject to any binding direction from the Hawaii Public Utility Commission (HPUC).

C. Equity Management Planning Implementation

KIUC's equity management planning shall be implemented as follows:

1. Management shall be accountable for development of KIUC's Equity Management Plan for approval by KIUC's Board.
2. Management shall strive to update EMP at least once every three years in keeping with the members' overall best interests.
3. The current KIUC Equity Management Plan shall be deemed incorporated herein and a copy shall be attached to the version of this policy posted on KIUC's website, www.kiuc.coop, as Exhibit "A" thereto.

RESPONSIBILITY:

The KIUC Board and President & CEO are jointly responsible for compliance with this policy.

Adopted on this ~~26th-23rd~~ day of ~~February~~~~September~~, ~~2019~~~~2021~~.

Calvin Murashige
Secretary

Reviewed: 09/23/2021
Reviewed: 02/26/2019
Reviewed: 01/31/2017
Reviewed: 03/27/2015
Original Adoption: 09/25/2012

2021 09-23 Reg BoD Mtg Min - APPROVED

Final Audit Report

2021-11-02

Created:	2021-11-02
By:	Brandee Holt (bholt@kiuc.coop)
Status:	Signed
Transaction ID:	CBJCHBCAABAARd43E6HM_Z24rVTt-GejT1AB-s1Yh_E2

"2021 09-23 Reg BoD Mtg Min - APPROVED" History

-  Document created by Brandee Holt (bholt@kiuc.coop)
2021-11-02 - 6:04:21 PM GMT- IP address: 75.80.71.2
-  Document emailed to Calvin Murashige (hamcol67@gmail.com) for signature
2021-11-02 - 6:04:57 PM GMT
-  Email viewed by Calvin Murashige (hamcol67@gmail.com)
2021-11-02 - 6:11:26 PM GMT- IP address: 72.130.156.236
-  Document e-signed by Calvin Murashige (hamcol67@gmail.com)
Signature Date: 2021-11-02 - 8:48:41 PM GMT - Time Source: server- IP address: 72.130.156.236
-  Agreement completed.
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