

REGULAR MEETING OF THE BOARD OF DIRECTORS
KAUA'I ISLAND UTILITY COOPERATIVE
Held Via Zoom Webinar
On October 28, 2021

MINUTES

Call to order at 1:02 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:** Karissa Jonas (CFO), 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 October 28, 2021 was approved as circulated.

3. Approval of Minutes

- 3.1. Motion to approve the September 23, 2021 Regular Meeting of the Board of Directors.

[Motion: Murashige] [Second: TenBruggencate]
- 3.2. The minutes of the September 23, 2021 Regular Meeting of the Board of Directors were approved unanimously.

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

- 4.1. **Safety (September)**
 - 4.1.1 No recordable incidents
- 4.2. **Availability and Reliability (September)**
 - 4.2.1 1 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 (September)**

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

4.5 **West Kauai Energy Project (Update)**

4.5.1 **PUC Docket**

- Rebuttal to SOP filed 9-30-21
- No docket activity since
- Order requested by 12-01-21

4.5.3 **Talk Story Tuesday**

- Held on 10-12-21

4.6 **Endangered Species**

4.6.1 Annual meeting with agencies held October 26, 2021. Meeting went well and was relatively short.

4.6.2 HCP draft process continues. Goal is to have the draft filed toward the end of the year or early next year.

4.7 **Anahola Service Center**

4.7.1 Road work underway, road widening and a center left turn lane without disrupting traffic

4.8 **Kapaia Power Station Power Turbine**

4.8.1 Picture of the turbine with a hole shared with the Board which is probably the turbine blade liberating itself.

4.8.2 A replacement turbine is on Oahu and might be on island now and hopefully it'll be replaced soon.

Questions were asked and answered regarding the turbine.

Questions were asked and answered regarding the West Kauai Energy Project.

5. Financial Report – Karissa Jonas (CFO)

5.1 Financial Report September 2021

5.2 Tax Reporting – 2020 State and Federal tax returns have been filed

5.3 RUS Reporting – \$7,889,000 was borrowed under the D8 loan at 2.087% interest fixed for 30 years

- 5.4 CFC Reporting – unsecured line of credit (LOC) was renewed for a 5 year term with a new maturity date of 9/30/26
- 5.5 2022 Budget – Board budget workshop scheduled for Wed, 11/17/21
- 5.6 Annual Audit – Moss Adams will be conducting
- 5.7 Financial Scorecard – YTD September 2021 discussed (scorecard attached)

Questions were asked and answered.

6. NRECA Hawaii Director Report – David Iha

- 6.1 Discussed NRECA Board report in Call to Order.

7. Election of Hawaii Director to NRECA 2022

- 7.1 Each director to submit secret ballot votes to laurel.loo.kiuc@hawaiiintel.net
 - David Iha – Candidate
 - Janet Kass – would be interested in the future

- 7.2 Directors to email Laurel at the address listed on the agenda or call her cell phone and register vote.

[10 minute break.]

- 7.3 Vote counted and a total of 7 in favor and two directors did not vote
- 7.4 Congratulations to David Iha
- 7.5 David Iha will get the form to Allan Smith for his signature for submittal to NRECA of the election results

8. Charitable Foundation Board – Teofilo Tacbian

- 8.1 Catholic charities assisted 1 household for \$300.00
- 8.2 KEO didn't use any KIUC charitable fund last month. All of the money spent was from LIHEAP. 7 applicants for a total of \$4,686.00
- 8.3 Makana Program
 - Membership was increased by six. Now there are a total of 248 members now in the program.
 - The funds were increased by \$215 for a total of \$1,873 for this year

- 8.4 Ohana Reader’s Program (Dolly Parton) Friends of the Library of Hawaii.
 - Helped children in the Kekaha area
 - Expanding to the Northshore from Haena to Anahola.
 - Haena to Princeville are funded by the Friends of the Northshore Library and they funded 90 children.
 - Kamehameha Schools funded 100 families for 5 years in the Anahola area
 - KIUC Charitable Foundation contributed \$5,443 and assisted 80 children in the Kilauea area for 5 years.
 - Program expected to expand to the other parts of the island in the near future.

8.5 Renewed the Director’s and Officer’s liability

8.6 Golf Tournament still on hold

9. Public Testimony – Beth Tokioka

- None

10. New Business – Peter Yukimura

10.1 2022 Budget Request – Distribution Transformer Overhead-New Customer (F&A Action Item)

- Long lead time to order and receive; therefore, want to pre-approve the 2022 budget for \$750,000.00
- The F&A Committee requests approval

[Motion: Yukimura] [Second: Mayfield]

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

10.2 2022 Budget Request – Distribution Transformer Underground-New Customer (F&A Action Item)

- Long lead time to order and receive; therefore, want to pre-approve the 2022 budget for \$1,210,000.00
- The F&A Committee requests approval

[Motion: Yukimura] [Second: Mayfield]

IN FAVOR: Smith, TenBruggencate, Murashige, Yukimura

	Crowell, Iha, Kass, Mayfield, Tacbian,	Total – 9
OPPOSED:	None	Total – 0
EXCUSED:	None	Total – 0

Questions were asked and answered.

10.3 Attorney Invoices over CEO limit (F&A Action Item)

- 2 after the fact invoices over the CEO limit which was an oversight was presented by Chairman Yukimura
- The F&A Committee requests approval

[Motion: Yukimura] [Second: Kass]

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

11. Calendar

- 11.1 November 2, 2021 – HCP Status Update Meeting #3 (1:00 p.m. via Zoom)
- 11.2 November 8, 2021 – Strategic Planning Meeting #3 (11:00 p.m. via Zoom)
- 11.3 November 11, 2021 – HOLIDAY, KIUC Offices Closed
- 11.4 November 16, 2021 – Board Committee Meetings (9:00 a.m. via Zoom)
- 11.5 November 17, 2021 – 2022 Board Budget Workshop (9:00 a.m. via Zoom)
- 11.6 November 23, 2021 – Regular Board Meeting (1:00 p.m. via Zoom)
- 11.7 November 25, 2021 – HOLIDAY, KIUC Offices closed

12. Executive Session

No Executive Session was held

13. Adjournment

The meeting adjourned at 1:47 p.m.

Calvin Murashige
Calvin Murashige (Dec 9, 2021 14:17 HST)

Calvin Murashige
 Secretary



President's Report

October 28, 2021

David Bissell, President and CEO

President's Report

David Bissell, President and CEO
October 28, 2021

Safety (September)

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

Availability and Reliability:

	<u>Month</u>	<u>2021 YTD</u>	<u>2020 YTD</u>
Reportable Outages	1	26	22
Average Outage Hours Per Customer	0.03	1.14	0.80

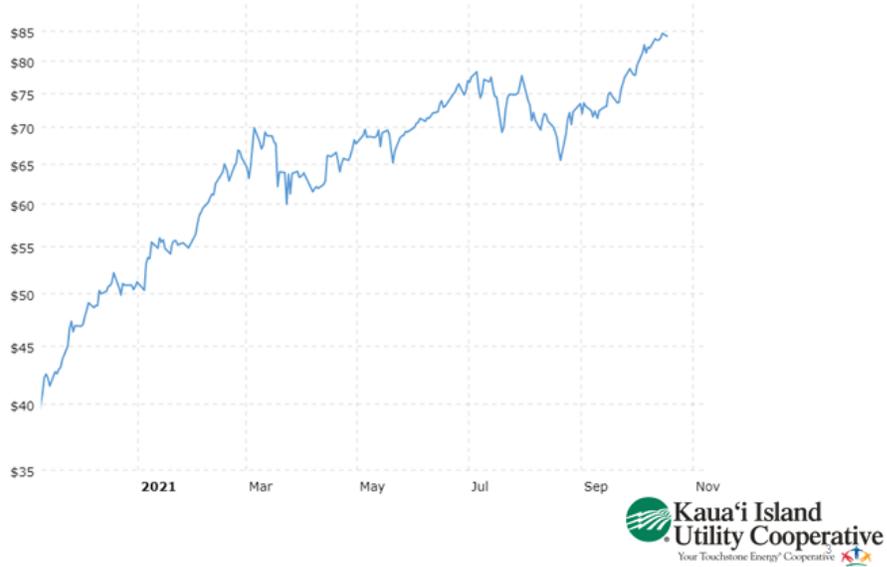
Efficiency

	<u>Month</u>	<u>2021 YTD</u>
Net Plant Heat Rate	9,067	9,329
Peak Demand (MW)	72.4	72.4

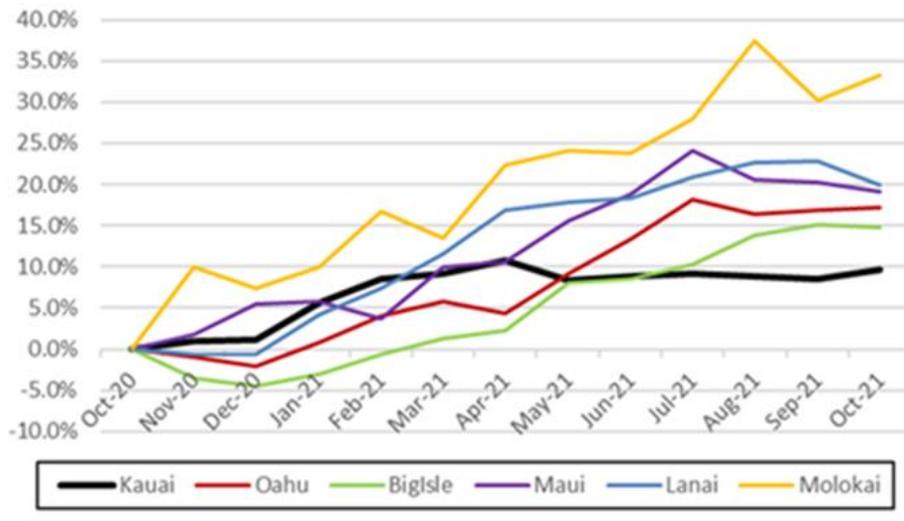
Residential Rates:

October 2021	\$0.345/kwh Up \$0.004 from September
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Brent Crude Price Last 12 months



One Year 500 kWh Cost % Change



Other items:

- West Kauai Energy Project
 - PUC-
 - Rebuttal to SOP filed 9-30-21
 - No docket activity since
 - Order requested by 12-01-21
 - Talk Story Tuesday- held 10-12-21
 - Environmental Review
 - Comment evaluation underway
- Endangered Species
 - Annual meeting with agencies held 10-26-21
 - HCP draft process continues
- Anahola Service Center
 - Road work underway



Kapaia Power Station Power Turbine

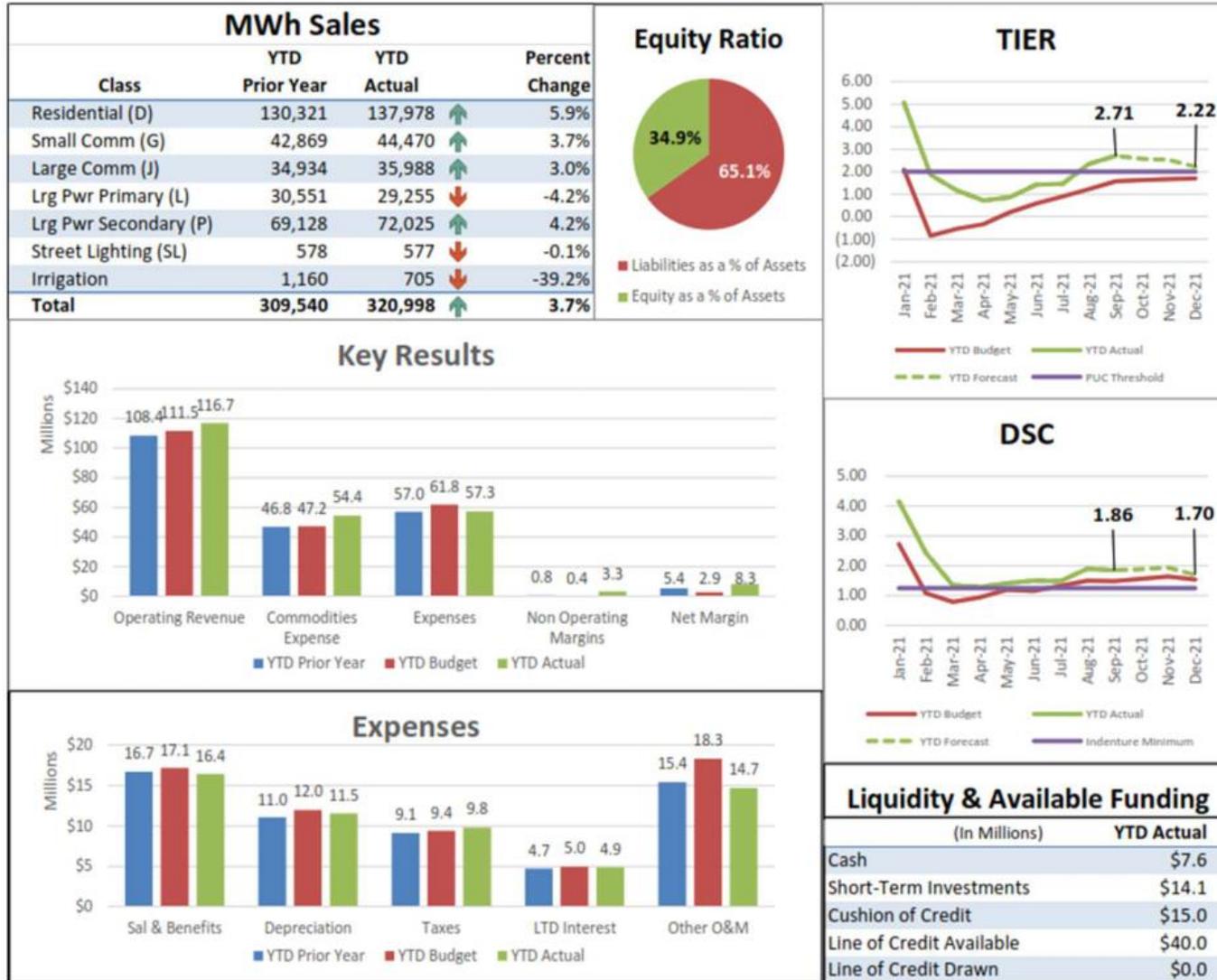


Mahalo!

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Financial Scorecard - YTD September 2021

Draft for Discussion Only



2021 10-28 Reg BoD Mtg Min - APPROVED

Final Audit Report

2021-12-10

Created:	2021-12-09
By:	Brandee Holt (bholt@kiuc.coop)
Status:	Signed
Transaction ID:	CBJCHBCAABAAAwWak5jOAPAJHn_FhqNtgDgfcSgehCsR

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