

**REGULAR MEETING OF THE BOARD OF DIRECTORS
KAUAI ISLAND UTILITY COOPERATIVE**

Held via Conference Call

On August 27, 2020

MINUTES

Call to order at 1:00 p.m.

1. Roll Call

1.1 **Directors present via Conference Call:** Directors Allan Smith (Chair), Jan TenBruggencate (Vice Chair.), Dee Crowell, David Iha, Janet Kass, James Mayfield, Calvin Murashige (Secretary), Teofilo Tacbian, and Peter Yukimura (Treasurer); and David Bissell (President and CEO). A quorum of directors were present.

1.2 **Others present via Conference Call:** Laurel Loo (General Counsel), Karissa Jonas (CFO), Maile Alfiler (Member Services Mgr.), Carey Koide (Executive Mgr. Safety & Technology), Brad Rockwell (Executive Mgr., Operations.), Beth Tokioka (Communications Mgr.), Lisa Ubay (HR Mgr.), and Nadine Tipps (Executive Administrator); Members of the press (0) and Members of the public (0).

2. **Invocation** – Director TenBruggencate asked all to take a moment of silence for those folks that are suffering due to the wildfires in California, the hurricane that is hitting the southeast, the pandemic sweeping across the country, unprecedented economic upheaval, and more people unemployed than have ever been.

3. **Approval of Agenda** - The agenda was approved as circulated.

4. Approval of Minutes

4.1 The 07/30/2020 Regular meeting minutes were approved unanimously.

5. President's Report. David Bissell, President and CEO

5.1 The current Cooperative statistics were reported. (report attached)

5.2 Questions were asked and brief discussion ensued.

6. Financial Report: Karissa Jonas, CFO reported.

6.1 The July 2020 preliminary financials were reviewed. (scorecard attached)

6.2 COVID-19 Lost Gross Margins -

6.2.1 CEO Bissell already discussed that the PUC approved our Lost Gross Margin treatment, and the offset will go into a Regulatory Asset account to be dealt with in future years when the economy is back stable again.

6.2.2 KIUC recorded April, May, June, and July's LGM entries in July's books.

6.3 Questions were asked.

7. **NRECA Hawaii Director Report – Director David Iha**

- 7.1 Director Iha circulated the July NRECA Board meeting Presentation and Notes.
- 7.2 At the National level -
 - 7.2.1 NRECA is still trying to position coops for relief with RUS financing and also possible additional federal aid for loss income due to delinquencies and payments.
 - (a) They are just waiting to see what will happen with COVID-19 relief.
 - (b) They were able to introduce some Legislative bills to bring attention to Congress.
 - 7.2.2 Director Iha received an email from NRECA CEO Jim Matheson outlining what they are doing at the National level to coordinate the response to Hurricane Laura. In Texas and Louisiana there were about 140,000 coop members that lost power. Mutual aid is a little more complicated because of COVID-19 restrictions. They are working on mutual assistance with Hurricane relief.
 - 7.2.3 The NRECA Annual Meeting will be virtual in February 2021. They had to make a decision on this by August 13. Their penalties would have been about a million dollars if they cancelled after that date.
 - 7.2.4 At the International front, they are still doing a lot of work in Africa. They are system planning for entire nations like New Guinea and Zimbabwe providing system wide support primarily through AID funds.
 - 7.2.5 The NRECA Regional Meetings are coming up in October.

8. **Committee Reports**

- 8.1 **Executive – Committee Chair, Jan TenBruggencate**
 - 8.1.1 The committee met virtually on August 18th.
 - 8.1.2 All items were discussed under Executive Session.
- 8.2 **Finance & Audit – Committee Chair, Peter Yukimura**
 - 8.2.1 The committee met virtually on August 18th.
 - 8.2.2 Thank you to CFO Jonas for her report.
 - 8.2.3 Reviewed the 2021 Board Budget which reduced airfare and hotel reservations due to no travel to various meetings and conferences due to COVID-19.
 - 8.2.4 Discussed our accounts receivable and that the PUC ordered not to cut off non-payment for electrical service until the end of the year.
 - 8.2.5 One (1) action item under New Business.
- 8.3 **Government Relations/Legislative – Committee Chair, Phil Tacbian**
 - 8.3.1 The committee met virtually on August 18th.
 - 8.3.2 Received a Legislative update where it was announced that Senator Kouchi has been re-elected to the Senate for another four years. The three

State House members were nominated to go on to the general election and will have something coming up for their election under New Business.

8.4 International – Committee Chair, David Iha

8.4.1 None.

8.5 Member Relations – Committee Chair, Dee Crowell

8.5.1 The committee met virtually on August 18th.

8.5.2 Written and oral reports were received from staff.

8.5.3 Director TenBruggencate reported that the County had been talking about doing COVID hotels, where a hotel could open up and serve as a place where people could serve out their quarantine staying on the hotel property the entire time and wearing devices that would alert the County and the police department if they left the property. If this were to happen, we would pick up some load.

8.6 Policy – Committee Chair, Janet Kass

8.6.1 The committee met virtually on August 18th.

8.6.2 There were two items on the agenda.

(a) The first item was to consider a policy that has to do with Committees.

1. At least eight Charters were circulated for Committees. One or two of those was new. We succeeded in talking through two of the Charters, and did not get to the rest of them.

(b) We were going to discuss Policy No. 1 on Directors, but we did not start that. An all new Policy No. 1 has been circulated for consideration, along with a mark-up of five or six policies that deal with roles of Directors.

8.6.3 It was suggested to have a separate meeting from the traditional Committee meetings, which has been arranged. All Directors have been invited to attend.

8.6.4 No action at this time.

8.7 Strategic Planning – Committee Chair, James Mayfield

8.7.1 The committee met virtually on August 18th.

8.7.2 The discussion was about should we, and if so, at what point should we work on an update of our Strategic Plan. This has traditionally been done every five years, and to keep with that, we would need to start the process fairly soon. After discussion, the thought was to postpone this for a few months. With all the complications right now, it makes planning difficult.

9. Charitable Foundation (CF) Board – Teofilo Tachian, President

9.1 The Charitable Foundation met virtually.

9.2 The CF written report is attached.

10. Public Testimony – None.

11. **New Business –**

11.1 **Budget Variance Request for HCP CAPEX – Transmission**

11.1.1 F&A Committee Chair Yukimura reported the Committee recommends approval of a budget variance request of \$520k for the Habitat Conservation Plan (HCP) capital expenditure to reconfigure the lines to protect our endangered birds.

11.1.2 The recommendation carried unanimously.

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

11.2 **Political Action Committee (PAC) Contributions**

11.2.1 GRLA Committee Chair Tacbian stated that in the past the PAC has made contributions to political candidates.

11.2.2 It was noted that the Political Action Committee is not member's money.

11.2.3 This item did not need to go to the Board for approval, therefore no vote is required.

12. **Calendar:**

12.1 **September 7, 2020** – HOLIDAY, KIUC Offices Closed

12.2 **September 15, 2020** – Board Committee Meetings (9:00am, via conference call)

12.3 **September 25, 2020** – Regular Board Meeting (1:00pm., via conference call)

13. **Executive Session.** At 1:45 p.m. the Board recessed the meeting to enter into an Executive Session closed to the public on matters limited to those specified in Section II. A. 2. of Board Policy No. 16. The items to be discussed in the Executive Session are matters of a proprietary or financial nature, public disclosure of which could affect on-going or potential negotiations or legal or administrative proceedings and human resource issues related to the hiring, evaluating, dismissing or disciplining an officer or employee and a matter requiring legal consultation on issues pertaining to the powers, duties, privileges, immunities and liabilities of the Board of Directors.

14. **Adjournment.** The meeting was adjourned by consensus at 2:13. p.m.



Calvin Murashige
Secretary



President's Report

August 27, 2020

David Bissell, President and CEO

President's Report

David Bissell, President and CEO
August 27, 2020

Safety (July)

	<u>Month</u>	<u>2020 YTD</u>	<u>2019 YTD</u>
Recordable Incidents	1	2	3
Days Away/Restricted	31	177	218

Availability and Reliability:

	<u>Month</u>	<u>2020 YTD</u>	<u>2019 YTD</u>
Reportable Outages	5	16	27
Average Outage Hours Per Customer	0.21	0.64	3.79

Efficiency

	<u>Month</u>	<u>2020 YTD</u>
Net Plant Heat Rate	9,390	9,278
Peak Demand (MW)	63.87	73.2

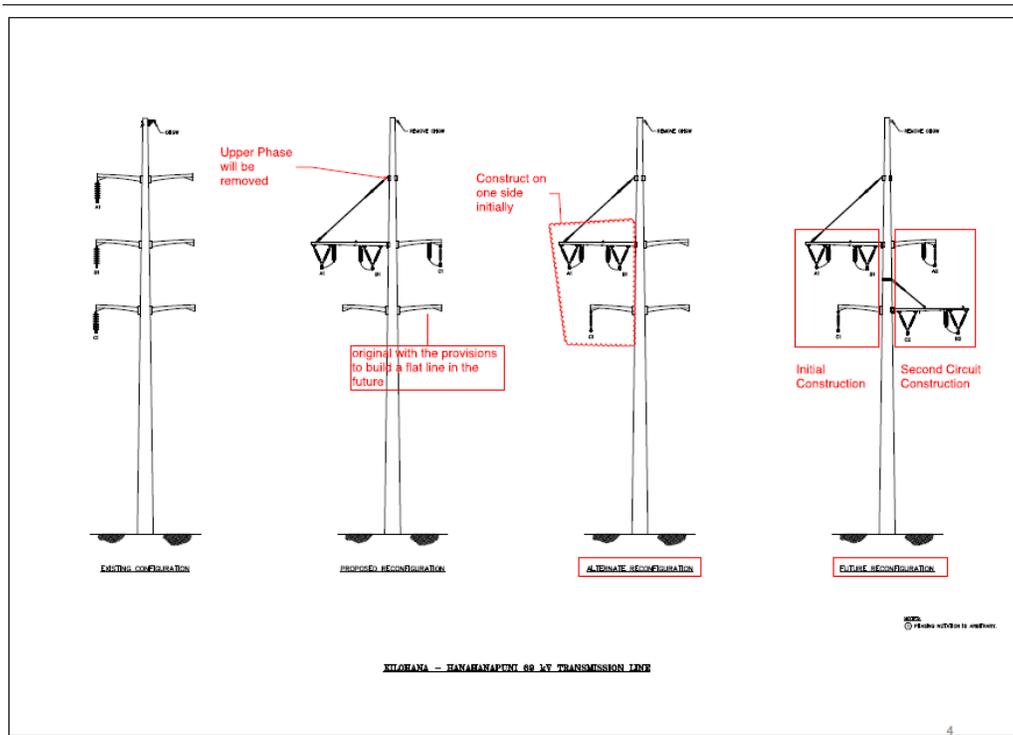
Residential Rates:

August 2020	\$0.316/kwh Up \$0.009 from July
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2

Update Items

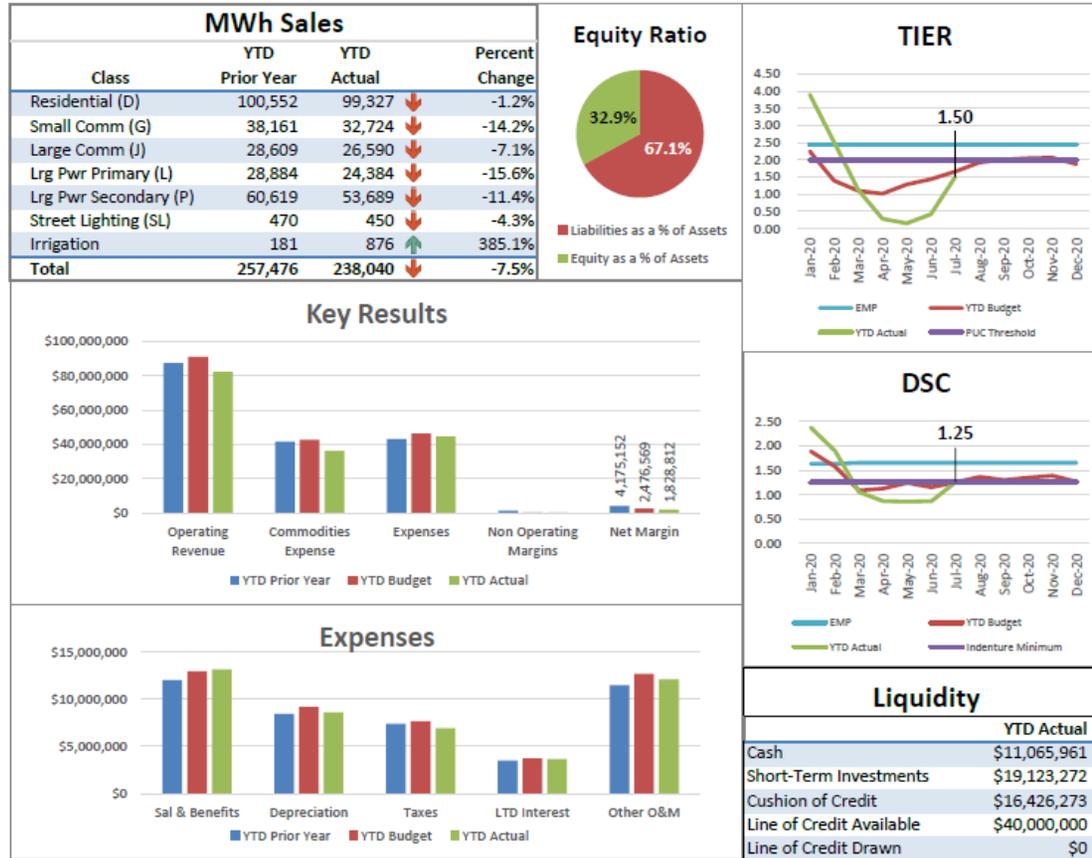
- PUC approved deferred accounting treatment for Lost Gross Margins related to Covid-19
 - Impact is reflected in August financial results
- PUC ordered no service disconnections for non-payment through December
- Central line reconfiguration work for endangered species “take minimization” is underway
- Kilauea diverter installations ongoing
- AES PMRF substation and transmission line (hwy to substation) construction continues, as well as reconductoring on PMRF – Kekaha transmission line
- Anahola Service Center- waiting final permits to begin construction. Community outreach completed



Mahalo!

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Financial Scorecard



Report of the
KIUC Charitable Foundation

Your Charitable Foundation met on Monday August 25, 2020.

No activities on the financial front.

The KEO assisted 7 families in April totaling \$1,905. The balance of our contributions to them is \$18,315.00.

We received 3 Grant applications and approve 2 as follows:

1. Waimea Canyon Middle School PTSA - \$3,500.00 to purchase material to build 10 additional tables for students lunch to comply with CDC's requirement for safe distancing. Cafeteria cannot accommodate all students with the distancing requirement. Their members will build the tables.
2. Kumu Cupboard- \$2,000.00 Special supplies requested by teachers to assist with teaching during COVID-19 pandemic. These include both dry erase lapboards or clipboards for both classroom and virtual. Communication masks so students can see Educator's lips when talking.
3. Kauai Animal Education Center- no action, Sharing of Aloha already contributed to them.

The Makana program is still growing each month, we now have 128 members compared to 103 last month, the contribution of \$342 last month grew to \$527.96 year to date.

The Golf Tournament is still on hold,

Respectfully,

T. P. Tacbian, President