

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

Held via Conference Call

On October 29, 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.), John Cox (T&D Mgr.), Cameron Kruse (Engineering and Technology Mgr.), Brad Rockwell (COO), Beth Tokioka (Communications Mgr.), Lisa Ubay (HR Mgr.), and Nadine Tipps (Executive Administrator); Members of the press (0) and Members of the public (1).

2. Invocation – Director Crowell opened the meeting with prayer.

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

4. Approval of Minutes

4.1 The 09/25/2020 Regular meeting minutes were approved unanimously.

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

5.1 The current Cooperative statistics were reported by both CEO Bissell and Brad Rockwell. (report attached)

5.2 Brad discussed the press release that we put out last Tuesday, October 20th. We were having tight generation and put out a call for conservation. It happened to coincide with some very cloudy and rainy weather. The cause for us being tight was not because of cloudy and rainy weather, it was because our firm generation capacity had a sequence of events, which he explained. Luckily, we were able to make it though and not have any rolling outages.

5.3 Many questions were asked and lengthy discussion ensued.

6. Financial Report: Karissa Jonas, CFO reported.

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

6.2 Tax Reporting –

(a) The 2019 HI N30 tax return was filed prior to its due date of 10/20/20.

- (b) The 2019 990T tax return was filed prior to its due date of 11/15/20.
 - (c) The 2019 IRS 990 tax return was filed prior to its due date of 11/15/20.
- 6.3 CFC LOC #1505 Renewal –
 - 6.3.1 Received the electronic copies today, but it was effective as of September 23, 2020.
- 6.4 Annual Audit –
 - 6.4.1 Our auditors, Moss Adams, will be conducting preliminary fieldwork virtually 10/19/20 – 10/23/20.

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

- 7.1 Director Iha circulated the September NRECA Board meeting Presentation and Notes.
- 7.2 At the National level -
 - 7.2.1 NRECA provides a supporting role in helping coops respond to national disasters, both fires and hurricanes.
 - 7.2.2 NRECA will not be increasing our dues for 2021. They are taking a look at the revenues to offset member dues.
 - 7.2.3 NRECA CEO Jim Matheson announced that he is doing reorganization and reduction of staff. In the IT area, he eliminated 19 positions. Some will be transferred to other positions. There has been a decrease of 13 positions, and in Government Relations, they eliminated 5 current positions, plus one open.
 - 7.2.4 Last year, the NRECA Board took a look at our relationship with Touchstone Energy, which has a separate Board of Directors. The employees that support Touchstone are NRECA employees, so we have resolved the coordination between two entities because they have their separate Board. They hired a new Executive Director for Touchstone Energy, which KIUC is part of.
 - 7.2.5 At the September Board meeting, they adopted a Resolution to establish the Diversity Champion award. During the Regional meetings, there was a Resolution regarding inclusion of equity and diversity. At the national level, they are establishing an incentive for coops to tell their stories about diversity.
 - 7.2.6 Grassroots is trying to redo their efforts and engage members, and will not be sending out postcards anymore.
 - 7.2.7 The Post-Election Political Meeting is scheduled for November 14th. Director Iha will send out the email to all Board members.

8. **Committee Reports**

- 8.1 **Executive – Committee Chair, Jan TenBruggencate**
 - 8.1.1 The committee met virtually on October 20th.
 - 8.1.2 Received a report on how KIUC is responding to COVID-19. It is a difficult time for us, but we have increased some of our restrictions to protect both our customers and employees.

- 8.1.3 Received an HCP update. There was discussion on line configuration and what to do about the difficulty to access sections of the Power line Trail. The HCP is continuing on, and its approval is once again being pushed back.
- 8.1.4 Received Cyber Security and other updates in Executive Session.
- 8.2 **Finance & Audit – Committee Chair, Peter Yukimura**
 - 8.2.1 The committee met virtually on October 20th.
 - 8.2.2 Thank you to CFO Jonas for her report.
 - 8.2.3 No action items.
 - 8.2.4 Reminder that the Board Budget Workshop will be held virtually on November 19th.
- 8.3 **Government Relations/Legislative – Committee Chair, Phil Tacbian**
 - 8.3.1 The committee met virtually on October 20th.
 - 8.3.2 Received Legislative updates. Staff is supporting NRECA by sending a letter to our Congressional members in regards to getting support on doing away with penalties on repricing, not only with our Senate, but with Representatives Case and Gabbard also.
 - 8.3.3 Discussed meeting with our Legislators, which we do at the ending of the year, each year. We are planning on meeting with all four of our Representatives virtually this year, unless times change drastically where we can all meet in person.
- 8.4 **International – Committee Chair, David Iha**
 - 8.4.1 The Committee do not meet, but we received a call from Rudy Sina, who has been a volunteer to collect library books from our public schools. He received a call from Kauai High School that they have some books to donate to KIUC to send to the Philippines. Rudy was advised to go ahead with the book collection. We have not spent any funds this year on anything for International programs.
 - 8.4.2 Director Iha wanted to check to make sure that KIUC made contributions to NRECA in 2019, as we have done in the past. Karissa or Nadine were asked to check on this.
- 8.5 **Member Relations – Committee Chair, Dee Crowell**
 - 8.5.1 The committee met virtually on October 20th.
 - 8.5.2 Written and oral reports were received from staff.
 - 8.5.3 There is one item that will be under New Business, which is approval of the Nominating Committee Members.
- 8.6 **Policy – Committee Chair, Janet Kass**
 - 8.6.1 The Policy Committee has been discussing an Index for Board Policies. Have thought of three different ways or meanings for Index. Reviewed an organization by category for the Policies. No action was taken to adopt this at this time.

- 8.6.2 There was discussion on a searchable pdf book of Board policies, which Beth Tokioka is working on.
- 8.6.3 We considered a set of Defined Terms for all policies, which will be up for action under New Business.
- 8.6.4 Discussed Policy 4, Committees of the Board. The existing policy names Committees of the Board, however, there are some Committees that are not named in that, so we have been adding them. We are also working on a Charter for each Committee as an attachment to this policy. There are 9 Committees.

8.7 **Strategic Planning –Committee Chair, James Mayfield**

- 8.7.1 The committee met virtually on October 20th.
- 8.7.2 Discussed about 7 different topics.
 - (a) Reviewed a listing of Electric Vehicles (EVs) which are expected to be available to the public in the next 18 – 24 months.
 - (b) Discussion about should the number of Electric Vehicles on Kauai rise in the future, does KIUC have the existing transmission and distribution capacity to accommodate the power needs that would be associated with that. It was discussed that as long as EVs stay on the same path as discussed in the past, it would not be an issue, but we would need to more research should there be more EVs.
 - (c) Discussed Hawaii Energy’s purchase of the A&B Eleele project. Discussion on what would be the consequences to KIUC. Initially, there would not be any. Discussion that getting active on Kauai about putting up recharging facilities.
 - (d) There is money out there available for the State for facilities that want to put in charging facilities. Discussion about if KIUC has gone out to their members who might have a need for these charging systems, and made them aware of the opportunities to apply for these funds. Management is going to look into this.
 - (e) Question about if there was any discussion about any purchase of Wainiha and Kalaheo hydro projects.
 - (f) Discussion about comparison of rebates to HEI customers versus KIUC members.
 - (g) Discussion about the member survey, and perhaps there should questions in there about certain subjects. Management stated that at this time, there is no plan to do a customer survey in the near future.

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

- 9.1 The Charitable Foundation met virtually on September 22nd.
- 9.2 The balance is \$40,414.92.
- 9.3 Last month we sent out checks to the Kumu’s Cupboard and Waimea Canyon Middle School Parents, Teachers and Students Association.
- 9.4 KEO assisted 6 households in September totalling \$1,143.00. They have a balance of \$15,956.00.

- 9.5 Received acknowledgement from Hoomana Thrift Store and before and after pictures of damage that they had by a previous flood in Wailua.
- 9.6 The Makana program now has 176 participating members who contributed \$753.00.
- 9.7 We renewed our insurance policy and Director’s liability, as well as our general liability policy.
- 9.8 Discussed the Charitable Golf Tournament and decided to defer it to the Spring.

10. **Public Testimony** – None.

11. **New Business** –

11.1 **Appointment of Nominating Committee**

11.1.1 Member Relation’s Committee Chair Crowell moved to recommend Kelli Barsness, Julie Morioka, Randy Nishimura and Eddie Topenio for the 2021 Nominating Committee. [Motion: Crowell/TenBruggencate]

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 **Defined Terms for all Policies**

11.2.1 Policy Committee Chair Kass reported the Directors reviewed and discussed the Defined Terms.

11.2.2 Policy Committee Chair Kass proposed an amendment to insert the Word “Vice” under the “Vice Chair” section.

11.2.3 Policy Committee Chair Kass moved to approve the Defined Terms with the proposed amendment. [Motion: Kass/TenBruggencate]

11.2.4 The recommendation carried unanimously.

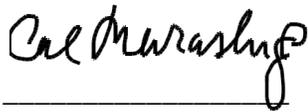
IN FAVOR:	Crowell, Iha, Kass, Mayfield, Murashige, Smith, Tacbian, TenBruggencate & Yukimura	Total – 9
OPPOSED:	None	Total – 0
EXCUSED:	None	Total – 0

12. **Calendar:**

- 12.1 **November 3, 2020** – HOLIDAY (General Election Day), KIUC Offices Closed
- 12.2 **November 11, 2020** – HOLIDAY(Veteran’s Day), KIUC Offices Closed
- 12.3 **November 17, 2020** – Board Committee Meetings (9:00am, via conference call)
- 12.4 **November 19, 2020** – Board Budget Workshop (9:00am, via conference call)
- 12.5 **November 23, 2020** – Regular Board Meeting (1:00pm., via conference call)
- 12.6 **November 26, 2020** – HOLIDAY(Thanksgiving Day), KIUC Offices Closed

13. **Executive Session.** No Executive Session was needed.

14. **Adjournment.** The meeting was adjourned by consensus at 2:07. p.m.



Calvin Murashige
Secretary



President's Report

October 29, 2020

David Bissell, President and CEO

President's Report

David Bissell, President and CEO
October 29, 2020

Safety (September)

	<u>Month</u>	<u>2020 YTD</u>	<u>2019 YTD</u>
Recordable Incidents	0	2	3
Days Away/Restricted	0	177	218

Availability and Reliability:

	<u>Month</u>	<u>2020 YTD</u>	<u>2019 YTD</u>
Reportable Outages	2	22	35
Average Outage Hours Per Customer	0.10	0.80	4.03

Efficiency

	<u>Month</u>	<u>2020 YTD</u>
Net Plant Heat Rate	9,481	9,303
Peak Demand (MW)	66.62	73.2

Residential Rates:

October 2020	\$0.313/kwh Down \$0.001 from September
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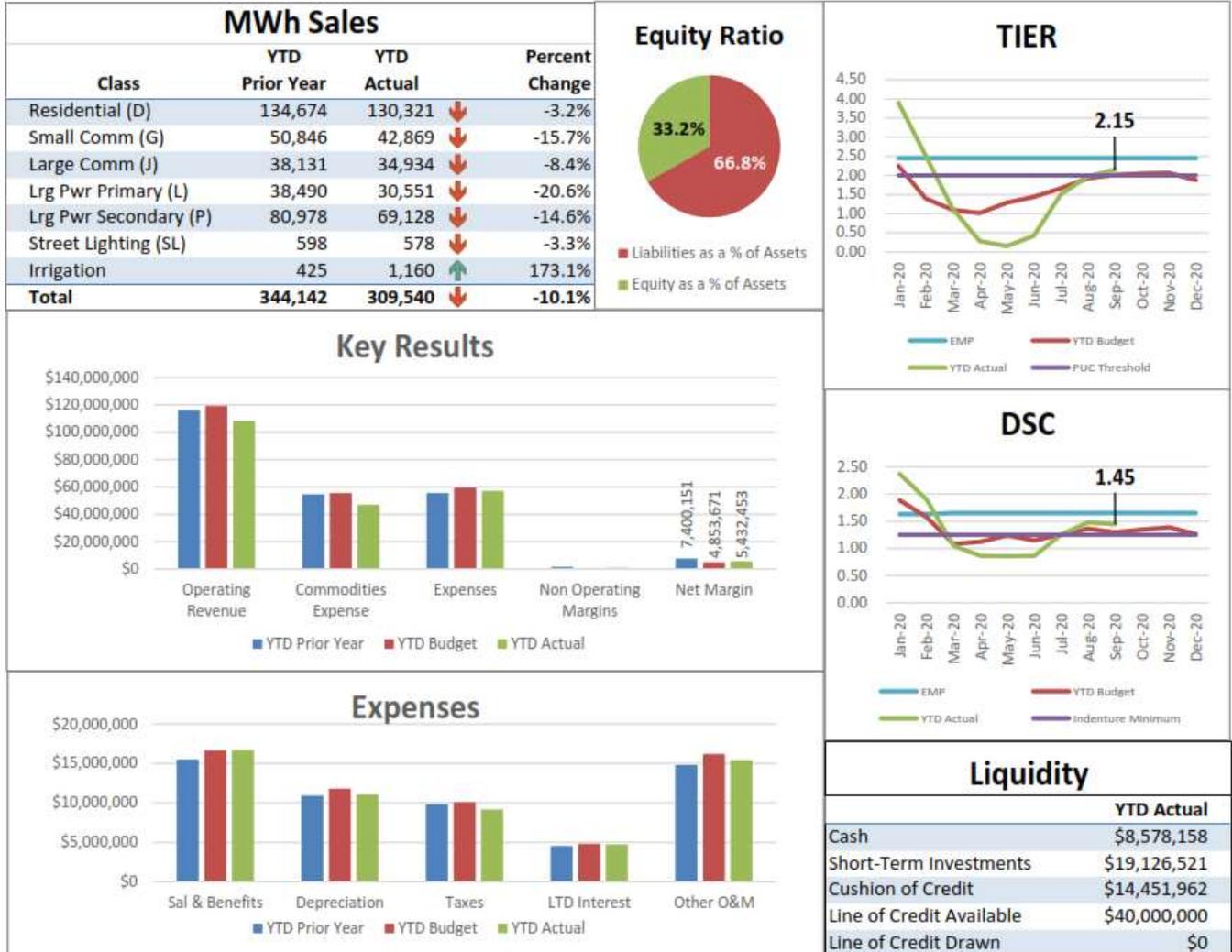
Update items

- HCP Annual Meeting with agencies, contractors, and consultants held Tuesday and Wednesday
- Waihi EA Final Draft to be submitted to DLNR soon
- West Kauai Energy Project Draft EA nearing completion
 - Virtual public meeting on draft to be scheduled in near future
- Power line reconfiguration and diverter installation efforts continue on central power line, Kilauea area, and Mana
- Generation availability and diesel fuel usage increase – Brad Rockwell, Chief of Operations



Mahalo!

Financial Scorecard



Kauai Island Utility Cooperative
Defined Terms Used in Policies

The capitalized terms listed below shall have the following definitions, when used in the policies of KIUC.

<u>Defined Term</u>	<u>Definition</u>
Articles of Incorporation	The most recent version of the articles of incorporation of KIUC
Association	Kauai Island Utility Cooperative
Board	The board of directors of KIUC
Board Chair	The chairman of the board of directors of KIUC. The title for this person in the Bylaws is Chairman.
Board of Directors	The board of directors of KIUC
Bylaws	The most recent version of the bylaws of KIUC
CEO	KIUC's President and CEO; this person typically is an employee of KIUC
CFO	Chief Financial Officer
Chief Financial Officer	The highest-ranking person at KIUC that deals primarily with financial matters. The title used for this person in the Bylaws is Financial Vice President. This person typically is an employee of KIUC.
Committee	A committee established by the board of directors of KIUC
Committee Chair	The chair of a committee of the board of directors of KIUC; this person must be a Director
Cooperative	Kauai Island Utility Cooperative
Director	A member of the board of directors of KIUC
General Counsel	The attorney hired by the Board to advise it on most legal matters. This person typically is not an employee of KIUC and is not Special Counsel.
KIUC	Kauai Island Utility Cooperative
President	KIUC's President and CEO. This person typically is an employee of KIUC.
Secretary	The secretary of the board of directors of KIUC; this person typically is a Director
Special Counsel	An attorney hired by KIUC or the Board to handle specific cases or projects
Staff	One or more employees of KIUC
Treasurer	The treasurer of the board of directors of KIUC; this person typically is a Director
Vice Chair	The vice chair of the board of directors of KIUC. The title used for this person in the Bylaws is Chairman. This person must be a Director.