

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

Held via Conference Call

On January 28, 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.), 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:** 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 (0).

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

3. Approval of Agenda –

- 3.1 The agenda was approved as circulated.

4. Approval of Minutes

- 4.1 The 12/18/2020 Regular meeting minutes were approved unanimously, including a correction made by Director Yukimura in section 8.7 Strategic Planning, 8.7.3 to change from CCD to Director Gold Certificate.

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

- 5.1 The current Cooperative statistics was reported by CEO Bissell. (report attached)
- 5.2 Congratulations to Director Murashige and Director Yukimura on receiving their Director Gold Certificates.

6. Financial Report: Karissa Jonas, CFO reported.

- 6.1 The December 2020 preliminary financials were reviewed. (scorecard attached) These 2020 financial results are just preliminary. A few additional entries will still be made.
 - 6.1.1 Annual Audit
 - (a) Our auditors, Moss Adams, will be conducting the audit virtually this year.
 - (b) Year-end fieldwork will be performed during the week of 2/22/21 – 2/26/21.
 - (c) KRS2 fieldwork is being done remotely the first week of February.

- (d) The KRS2 Audit report is required by the end of February according to our Limited Liability Agreement with the Equity partner.
- (e) We are in the process of preparing the audit schedules.

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

- 7.1 Director Iha reported that since our last meeting Congress passed and the President signed a large package of legislation to fund the Federal Government for the fiscal year 2021, and to provide another round of COVID-19 relief. Some of the items that affect us are:
 - 7.1.1 They funded the Rural Economic Development Loan Grants (REDLG) program. Funds are available at the National level.
 - 7.1.2 They funded USAID, which is the International programs that NRECA receives funding to do major national projects, especially in Africa.
 - 7.1.3 They funded the Low Income Home Energy Assistance Program (LIHEAP) \$3.75B. Those funds are allocated to the State, and then the State allocates to the Counties through KEO and our Charitable Foundation assists funding to KEO.
 - 7.1.4 Other sources that may help with our Accounts Receivable at the National Level was \$25B appropriated for rental assistance, which the funds can be used to pay utility bills.
 - 7.1.5 One of the things that affects us is the extension for solar energy projects for two years, which affects our West Kauai Energy Project.
 - 7.1.6 There are a lot of items regarding broadband.
- 7.2 Director TenBruggencate asked given the LIHEAP money and the Charitable Foundation money that is going into KEO, and the high number of unpaid bills, can we get a report on how many people are taking advantage of the assistance that is being offered? Are unpaid bills at some point going to be covered by the LIHEAP and other assistance that is being made available through KEO?
 - 7.2.1 CEO Bissell stated that we can give a report on that later. By no means do we have assurance that all those bills will be paid by those sources.
 - 7.2.2 Discussion ensued.
- 7.3 Director TenBruggencate asked if we can get an indication if it is that people are not applying, or are they using up all the available money and there is not anymore?
 - 7.3.1 Director Iha stated that this was all discussed in the Charitable Foundation Meeting. Maile has been counseling people and referring them to KEO. Their maximum amount is \$1k, which should cover at least three months. They are getting more people signing up for LIHEAP.

8. **Committee Reports**

- 8.1 **Executive – Committee Chair, Jan TenBruggencate**
 - 8.1.1 The committee met virtually on January 19th.

- 8.1.2 We received an extensive report on bird minimization efforts from John Cox. There were some questions about that.
 - 8.1.3 We will deal with Executive Session items in Executive Session.
- 8.2 **Finance & Audit – Committee Chair, Peter Yukimura**
- 8.2.1 The committee met virtually on January 19th.
 - 8.2.2 Thank you to CFO Jonas for her report.
 - 8.2.3 We have action items under New Business.
- 8.3 **Government Relations/Legislative – Committee Chair, Phil Tacbian**
- 8.3.1 The committee met virtually on January 19th.
 - 8.3.2 We had a short meeting with no action required.
 - 8.3.3 We had reports of the changes that are being made in the Legislature on the method of operation.
 - (a) They did not have an Opening this year, not even virtual.
 - (b) Our staff reported attending workshops going over changes that are affecting our Legislature, and how we are to deal with them.
 - (c) Staff also reported about attending briefings with the Hawaii State Energy Office on tax credits.
 - 8.3.4 In the area of Congress, Director Iha already reported on this in his report.
 - 8.3.5 The Chamber of Commerce had their Annual Meeting. We were all invited, and we had a chance to meet with our Legislators again. Fortunately, a lot of discussion of KIUC came up on behalf of the AES member that was there, who discussed the Westside Project and their role in it.
 - 8.3.6 Senate President Kouchi stated that when he goes out to speak, he always talks about KIUC and our play in renewable energy and how far ahead we are.
 - 8.3.7 ACRE – The ACRE Annual Meeting will be on February 22nd, which Committee Chair Tacbian has already registered to attend.
 - (a) The Annual Report will be presented.
 - (b) Director Kass had previously asked about ACRE contributing funds to the Congressional people that objected to the Electoral College results. Committee Chair Tacbian has looked into this, and will report more on this later.
 - (c) Last year the Board had 100% participation with ACRE.
- 8.4 **International – Committee Chair, David Iha**
- 8.4.1 The Committee do not meet. No report.
 - 8.4.2 Director Iha received an email from Rudy Sina stating that we have about 30-35 boxes of library books from Kauai High School to ship to the Philippines. We are organizing a Zoom meeting with our International Committee to work out the logistics of that.
 - 8.4.3 Kapaa High School might be ready to get rid of their books also.
 - 8.4.4 We did not utilize any funds for International last year.

- 8.5 **Member Relations – Committee Chair, Dee Crowell**
 - 8.5.1 The committee met virtually on January 19th.
 - 8.5.2 Written and oral reports were received from staff.
 - 8.5.3 No action items.
 - 8.5.4 Discussed the attached Nominating Committee Meeting report.
 - 8.5.5 Committee Chair Crowell made a motion to review Board Policy 18 to review the application requirements and the timelines, and also to start the Nominating Committee process started in September each year, with a second by Director TenBruggencate, which passed unanimously.

- 8.6 **Policy – Committee Chair, Janet Kass**
 - 8.6.1 The committee met virtually on January 19th.
 - 8.6.2 The Policy Committee considered two different policies.
 - (a) Policy 4 was discussed. The Committee had some very strong discussions on this policy. This policy will be later discussed in New Business.
 - (b) Policy 18 was discussed. We are deferring this policy, and we may add in some documents and possibly timing to this policy.

- 8.7 **Strategic Planning –Committee Chair, James Mayfield**
 - 8.7.1 The committee met virtually on January 19th.
 - 8.7.2 While the numbers are still modest, the number of Electric Vehicles (EVs) registered on the island of Kauai, has doubled from about four per month to about seven or eight per month.
 - 8.7.3 We had a brief discussion about starting a new Strategic Plan. We are still working on when to start this.
 - 8.7.4 We had brief discussion of EVs on the market.
 - (a) Ford Mustang EV has started production.
 - (b) There are four EV trucks that will be coming on line this year including the Hummer, Ford F150, TESLA Cyber truck and Rivian.
 - (c) Brief discussion ensued.
 - (d) CEO Bissell stated that the GM CEO said that in 2025, GM is going EV on trucks.
 - 8.7.5 Director TenBruggencate stated that the new President and his new Transportation Secretary are talking about a nation-wide rollout of EVs and charging stations.

- 9. **Charitable Foundation (CF) Board – Teofilo Tachian, President**
 - 9.1 The Charitable Foundation met virtually on January 26th.
 - 9.2 No action was taken.
 - 9.3 KEO only had six members apply for assistance. The total amount that was given to them was \$682.00. Our Member Services department have been very aggressive about letting our members know that these funds are available, and where to go to apply.

- 9.4 The Makana Program has 205 members that have signed up, with a total of \$1,383.00.
- 9.5 Director Mayfield asked about LIHEAP money and KEO, if someone applies for money, does that money go directly to KIUC, or to the applicant with the expectation it will go to KIUC?
 - 9.5.1 The money goes directly to KIUC.

10. **Public Testimony** – Member Steve Parsons submitted written testimony to the Board of Directors, which was read aloud by Beth Tokioka.

11. **New Business** –

11.1 **Revolving Loan Fund Loan – Kauai Brewers**

- 11.1.1 Kymi Sakai reviewed the circulated Board Approval Request Form and application summary.
- 11.1.2 We are asking for this second loan, which is a 10-year loan. The conditions of the loan have not been met yet. The first loan has been completely paid off.
- 11.1.3 Questions were asked.
- 11.1.4 Director Tacbian moved to approve the request of the Loan Review Committee for the Revolving Loan Fund Loan for Kauai Brewers. Director TenBruggencate seconded to the motion subject to the conditions being met. [Motion: Tacbian/TenBruggencate]
- 11.1.5 The recommendation carried unanimously.

IN FAVOR:	Crowell, Iha, Kass, Murashige, Smith, Tacbian, TenBruggencate & Yukimura	Total – 8
OPPOSED:	None	Total – 0
ABSTAINED:	Mayfield	Total – 1

11.2 **Budget Variance Request for 2020 HCP OPEX**

- 11.2.1 F&A Committee Chair Yukimura moved to approve the Budget Variance Request for 2020 for the Habitat Conservation Plan, which was discussed at the F&A Committee Meeting. [Motion: Yukimura/Mayfield]
- 11.2.2 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

11.3 **Budget Variance Request for 2021 HCP OPEX**

- 11.3.1 F&A Committee Chair Yukimura stated that additional requirements were brought up at the end of 2020, which included additional funds. After long discussion, the F&A Committee voted to approve this and bring this to the full Board.

11.3.2 F&A Committee Chair Yukimura moved to approve the Budget Variance Request for 2021 for the Habitat Conservation Plan. [Motion: Yukimura/Mayfield]

11.3.3 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

11.4 **Board Policy No. 4, Board Committees**

11.4.1 Policy Committee Chair Kass reported that the Policy Committee reviewed Board Policy No. 4, and proposed several changes.

11.4.2 After much discussion, it was concluded by majority, but not unanimous vote that the Nominating Committee is an ad hoc committee, not a standing committee.

11.4.3 We are proposing to remove the Nominating Committee from the Standing Committees.

11.4.4 Policy Committee Chair Kass discussed all of the suggested changes.

11.4.5 Policy Committee Chair Kass moved to adopt the proposed changes that were presented. [Motion: Kass/TenBruggencate]

11.4.6 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 **February 15, 2021** – HOLIDAY(President’s Day), KIUC Offices Closed

12.2 **February 16, 2021** – Board Committee Meetings (9:00am, via conference call)

12.3 **February 23-26, 2021** – 2021 NRECA PowerXchange & TechAdvantage (online)

12.4 **February 25, 2021** – Regular Board Meeting (1:00pm., via conference call)

12.5 **March 2-4, 2021** – 2021 NRECA PowerXchange & TechAdvantage (online)

13. **Executive Session.** At 1:56 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. **Decision Making.** The open session of the Meeting was reconvened at 2:50 p.m.

Dir. TenBruggencate moved to ratify the following decision made in executive session; Dir. Murashige seconded the motion. All directors presented voted in favor and the action was ratified by unanimous consent:

- 14.1 The decision to approve executive session minutes of December 18, 2020.
- 14.2 The decision to refund Ulupono's investment of \$100,000 for the West Kauai Energy Project.

15. **Adjournment.** The meeting was adjourned by consensus at 2:50 p.m.



Calvin Murashige
Secretary



President's Report

January 28, 2021

David Bissell, President and CEO

President's Report

David Bissell, President and CEO
January 28, 2021

Safety (December)

	Month	2020 YTD	2019 YTD
Recordable Incidents	0	3	3
Days Away/Restricted	0	177	218

Availability and Reliability:

	Month	2020 YTD	2019 YTD
Reportable Outages	3	29	53
Average Outage Hours Per Customer	0.04	0.96	5.91

Efficiency

	Month	2020 YTD
Net Plant Heat Rate	9,180	9,426
Peak Demand (MW)	67.4	73.2

Residential Rates:

January 2021	\$0.331/kwh Up \$0.014 from December
--------------	--------------------------------------

Update Items:

- WKEP- PPA, Joint Development, Interconnection Agreement and PUC application completed
- HCP/Endangered Species- Static wire removal and diverter installation continues in multiple areas of island



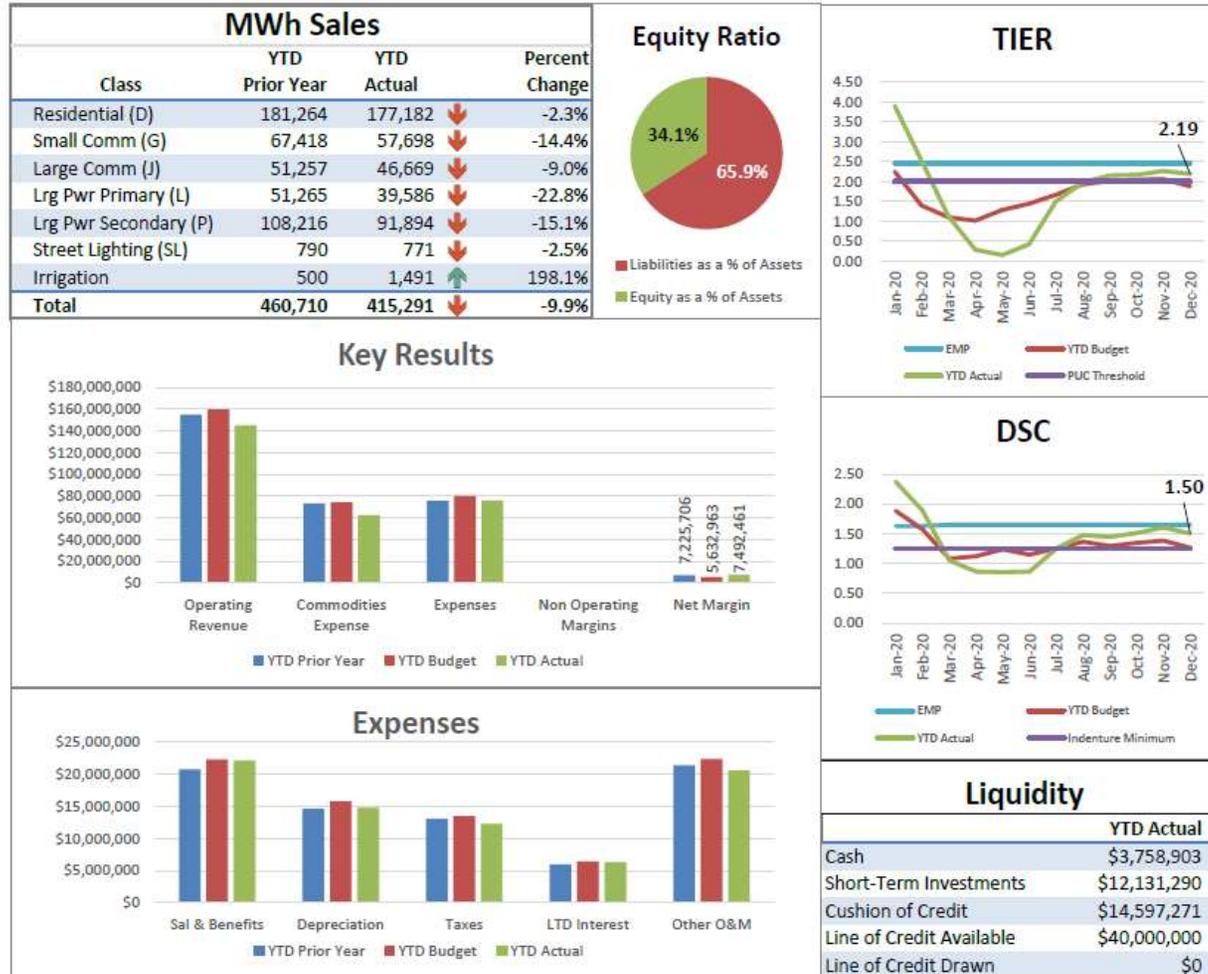
NRECA Director Gold – Renewal Certificates



Mahalo!

5

Financial Scorecard



KIUC 2021 Nominating Committee
Zoom Meeting Report
08 Jan 21 3:30pm

From: Dee Crowell, Nominating Committee Chair

Present: Kelli Barsness, Member
Julie Morioka, Member
Randy Nishimura, Member
Eddie Topenio, Member
Dee Crowell, Chair
Shelley Paik, Staff and Zoom Moderator

I. Petition Candidate

- A. One petition was submitted on the afternoon of the deadline, 12/30/20. No other documents were submitted.
- B. Other documents that are necessary for processing any application for nomination, but were not submitted by this applicant are:
 - 1. Authority to Release Information Form
 - 2. Prospective KIUC Board Candidate Application
 - 3. Board Policy 18 - Board Member Qualifications and Eligibility
 - a. Attachment "A" - AFFIRMATION CERTIFICATE FORM
 - b. Attachment "B" - CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT

II. Review of Petition for Nomination by Nominating Committee

- A. The petition contained 39 signatures. The signatures were verified by Member Services and found only 30 were members. The applicant did not provide the required amount of 35 member signatures.
- B. Questions asked by the Committee
 - 1. If an extension were to be considered, would that affect the election schedule?

Answer: Any delay would set back the timeline. Many things have to take place before Election Day, like creating candidate profiles, printing ballots and profiles, mailing out ballots, and receiving ballots. A delay would set back Election Day past the month of March as prescribed in the Bylaws.

2. Is there anything that can be done to “help” the petition applicant?

Answer: The Bylaws do not allow for any variances or exceptions.

III. Action

- A. After some discussion, R. Nishimura moved to reject the petition application. Second by E. Topenio.
- B. Motion passed 4-0.

IV. Next Steps

- A. The board should review the Board election process and timelines. Our website and Policy 18 are silent about when the items in I.B.1 thru 3 of this report, are required.
 - 1. Sufficient time must be allowed for staff to complete the vetting process.
- B. Also, it is not clear when the candidate orientation should occur.
- C. The Bylaws, Policy 18, our website and our ads should have all of the information.

KIUC BOARD POLICY NO. 4
BOARD COMMITTEES

PURPOSE OF POLICY:

The purpose of this policy is to describe and establish procedures for the management of the committees of the Board.

POLICY CONTENT:

I. Standing Committees

The Board has the following standing committees. Charters for each committee are attachments to this policy.

1. Executive
2. Finance and Audit
3. Government Relations / Legislative Affairs
4. International
5. Member Relations
6. Policy
7. Strategic Planning
8. Loan Review
9. ~~Nominating~~

The Board Chair shall be an *ex officio* member of each standing committee, with the right to vote on matters considered by each committee.

II. Ad Hoc Committees

The Bylaws provide for the annual establishment of one ad hoc committee, the Nominating Committee. A charter for that ad hoc committee is attached to this policy.

The Board may establish additional ad hoc committees to investigate, report, and propose recommendations to the Board for a specific purpose. Upon fulfillment of its purpose, that ad hoc committee shall be dissolved.

The Board shall establish each ad hoc committee, appoint its members, and appoint a Director as its chair. Typically, the Board Chair shall provide a proposed slate of members for the Board's vote.

III. Procedures for Standing Committees

- A. Voting.** All committee members except those who are KIUC employees shall have a vote on committee business.

- B. **Minutes.** Minutes of each meeting shall be taken and distributed promptly after each meeting to all committee members. Typically a KIUC employee will take the minutes. However, if there is no employee to do so, the Committee Chair shall appoint another individual to take and distribute minutes.
- C. **Reports to the Board.** After each meeting of a committee, that Committee Chair shall report to the Board, usually at the next Board meeting, to recount that committee's activities, findings, and recommendations.
- D. **Attendance.** Committee Chairs may allow non-members of their committee, such as subject matter experts, to attend, including Directors. The attendance of any non-member Director shall not entitle the non-member to be paid a stipend for such attendance, except as otherwise provided in the relevant KIUC policy. When possible, to ensure there are adequate materials and space available at all meetings of committees where non-member Directors will be in attendance, at least 24 hour's notice of such attendance will be given to the Committee Chair by the non-committee member Director desiring to attend. Otherwise, materials or seats may not be available to non-members.
- E. **Timing of Appointments to Committees.** While membership in Board committees may be changed at any time, membership in the standing committees are typically reconsidered once a year during the annual meeting of the Board. During that meeting, the Board Chair typically proposes a full slate of members for each standing committee, for consideration by the Board. The Board then votes to appoint members to the standing committees. Members of the Nominating Committee are typically appointed during the third or fourth quarter of the year.

IV. Confidentiality Requirement for NonDirector Committee Members

Committee members who are not Directors shall refrain from disclosing non-public, confidential, or proprietary information concerning KIUC to individuals outside of KIUC. Before they become a member of a KIUC committee, each non-Director member shall sign an appropriate nondisclosure and confidentiality agreement in substantially the same form as is signed by new Directors.

Revised: ~~01/28/2021~~
 Revised: 11/23/2020
 Reviewed: 10/30/2018
 Reviewed: 12/13/2016
 Reviewed: 01/27/2015
 Reviewed: 06/26/2012
 Revised: 05/31/2011
 Revised: 04/27/2010
 Revised: 02/24/2009
 Revised: 11/26/2005
 Revised: 08/25/2004
 Original Adoption: 2003

Adopted on this 28th day of January, 2021~~4~~.

Calvin Murashige
 Secretary

ATTACHMENT 9 TO KIUC BOARD POLICY NO. 4
CHARTER FOR THE NOMINATING COMMITTEE

I. MEMBERSHIP

The Nominating Committee ("Committee") shall be comprised of:

- A Committee Chair who is a Director who will not be a candidate in the next KIUC Board election, appointed by and serving at the pleasure of the Board and
- ~~At least four~~ Four people who are not Directors or KIUC employees, appointed by and serving at the pleasure of the Board.

II. RESPONSIBILITIES

The Bylaws state requirements for and responsibilities of the Nominating Committee, and these are not all reiterated in this charter. The primary ~~responsibility~~ responsibilities of the Committee ~~are~~ to nominate at least one individual to run for election for each Director to be elected at the next KIUC Board election and to verify candidates for the Board comply with the requirements of the Bylaws and Board policies.

Adopted on this 28th day of January, 2021.

Calvin Murashige
Secretary

Revised: 01/28/2021
Original Adoption: 11/23/2020