

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

Held via Conference Call

On February 25, 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 Murashige opened the meeting with prayer.

3. Approval of Agenda –

- 3.1 The agenda was approved as circulated.

4. Approval of Minutes

- 4.1 The 1/28/2021 Regular meeting minutes were approved unanimously.

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

- 5.1 The current Cooperative statistics was reported by CEO Bissell. (report attached)
- 5.2 Discussion about the Anahola Project and about advising the public of what we are going to attempt to do about the trees.

6. Financial Report: Karissa Jonas, CFO reported.

- 6.1 The January 2021 preliminary financials were reviewed. (scorecard attached).
 - 6.1.1 CWP Loan -
 - (a) On 2/8/21, KIUC issued an Invitation for Competitive Bid Quote, with the Bids due on 2/17/21.
 - (b) Received a draw this past Monday.
 - 6.1.2 Annual Audit -
 - (a) Our auditors, Moss Adams, are conducting the audit virtually this year.
 - (b) Year-end fieldwork is being performed during this week of 2/22/21 – 2/26/21.

- (c) An F&A Committee Meeting with the auditors is scheduled for tomorrow, February 26th to review the status of the audit at that time.
- 6.2 Discussion ensued about the COVID-19 relief package from the Federal Government and how this can be used on electric bills.

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

- 7.1 Director Iha reported that we are in the midst of the NRECA Annual Conference, which has been retitled PowerXchange. It was supposed to be held in person in San Diego, but it is virtual this year.
 - 7.1.1 There were about 9,000 participants in person at last year’s Annual Meeting. This year, there are about 3,000 registrants on the virtual conference.
- 7.2 The NRECA National Board met primarily to elect officers.
 - 7.2.1 The incoming President is Chris Christianson, Director from Montana, the Vice President is Tony Anderson from Michigan, and the Secretary/Treasurer is Joe Martin from Colorado.
- 7.3 They heard a report from NRECA CEO Jim Matheson.
 - 7.3.1 The Legislative Conference has been cancelled in person. They were able to negotiate a \$1M cancellation fee from the Hyatt. They are working on the virtual Legislative Conference.
 - 7.3.2 At the National level, their time was devoted to disaster all across the country with weather related issues, with an emphasis on mutual aid provisions in the states coops.
 - 7.3.3 He mentioned that vaccines are a state level decision to determine priority. They are trying to get the National Governors Association and the National Legislative Association to work with the states so that utility and coops employees can get priority. He mentioned in Hawaii we are a priority.
 - 7.3.4 One of the issues that affects us is the reprising of the RUS debt. There is bipartisan support in the House and Senate to have RUS reprice our debt. Our repricing is not in the COVID \$1.9T Bill because the Bill is for rescue. They felt the RUS debt is a long term recovery plan. Hopefully they will be able to do this in future Legislative actions.
- 7.4 Questions were asked and answered.
- 7.5 The April NRECA Board Meeting will be virtual and focused on climate change.
- 7.6 NRECA has cancelled in person meeting up until July.
- 7.7 The Regional Meeting is scheduled to be in Sacramento this year.

8. **Committee Reports**

- 8.1 **Executive – Committee Chair, Jan TenBruggencate**
 - 8.1.1 The committee met virtually on February 16th.
 - 8.1.2 We received updates on cyber security and HCP work from Cameron Kruse, along with a presentation on Google Earth.
 - 8.1.3 All other items were discussed in Executive Session.

- 8.2 **Finance & Audit – Committee Chair, Peter Yukimura**
 - 8.2.1 The committee met virtually on February 16th.
 - 8.2.2 Thank you to CFO Jonas for her report.
 - 8.2.3 We have three action items under New Business.

- 8.3 **Government Relations/Legislative – Committee Chair, Phil Tacbian**
 - 8.3.1 The committee met virtually on February 16th with no action required.
 - 8.3.2 Beth Tokioka gave briefings on Bills that we are tracking.
 - 8.3.3 ACRE is not making any contributions to any candidates.
 - 8.3.4 Director Iha already reported on the Legislative side.

- 8.4 **International – Committee Chair, David Iha**
 - 8.4.1 The Committee met virtually on February 19th.
 - 8.4.2 The Committee met following an email from our Volunteer Book Coordinator, Rudy Sina to discuss the status of our book collection efforts to send to our two sister cooperatives in the Philippines. We received a message from Kauai High School that they are getting ready to get rid of their library books. The Committee decided where to send them to.
 - 8.4.3 Thank you to Pia Gregorio and Rudy Sina for all their efforts.

- 8.5 **Member Relations – Committee Chair, Dee Crowell**
 - 8.5.1 The committee met virtually on February 16th.
 - 8.5.2 Written and oral reports were received from staff.
 - 8.5.3 Reminder that Board Election Ballots mailed out and March 13th is Ballot opening day.
 - 8.5.4 Discussion ensued about the voting process and the Board Election.

- 8.6 **Policy – Committee Chair, Janet Kass**
 - 8.6.1 The committee met virtually on February 16th.
 - 8.6.2 The Policy Committee discussed Policy No. 1 on Directors.
 - (a) We had a good discussion, and this policy will be go back to the Policy Committee meeting next month.

- 8.7 **Strategic Planning –Committee Chair, James Mayfield**
 - 8.7.1 The committee met virtually on February 16th.
 - 8.7.2 We had a lengthy discussion dealing with the Strategic Plan and inquiry from outside members.
 - (a) Discussion about how long the Strategic Plan process should be, and whether it should be out in the community or virtually. Directors discussed their views on this process. After discussion, it was decided to start the Strategic Plan process in July this year.
 - 8.7.3 Discussion about an inquiry from outside members.
 - (a) Discussed information that member, Steve Parsons sent to the Board requesting that we join ZETA.

- (b) Committee Chair Mayfield went onto this site to see what it is, and he does not feel that it is for KIUC. The organization is completely oriented to Washington/Congress/The President.
- (c) Committee Chair Mayfield responded to Steve Parson's emails.
- 8.7.4 Discussion about KIUC's role on meeting demand as it comes in for our members.
- 8.7.5 Discussion on EVs, and if rental cars are going to convert to EVs.

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

- 9.1 The Charitable Foundation met virtually.
- 9.2 KEO supported three families for a total of \$1,113 for their electric bills. That leaves a balance of \$12,961.
- 9.3 Makana Program – In January, the total number of participants went up by 6, so we now have a total of 211 participants. For the month of January, we received \$199.76. The total amount of 2020 was transferred over to the Charitable Foundation.
- 9.4 The Ohana Reader's Program (Dolly Parton's Program) began. Pilot program started in Kekaha. Children from the age of 0-4½ receive a book every month, which is delivered by the United States Postal Service, and they will continue to receive a book until they are 5 years old. First lady Ige will be at one of the meetings and will read to the children and Mayor Kawakami will also be at another meeting to read to the children. This program is in partnership with First Lady Ige, the Department of Human Services, Public Libraries, Friends of the Libraries, Read to Me International and KIUC Charitable Foundation.
- 9.5 Director TenBruggencate asked if we have thousands of our members that are several months behind on their bills, is there something we can do to get them to take advantage of what is available.
 - 9.5.1 Director Tachian stated that staff has been doing what they can to let people know how they can get assistance.
 - 9.5.2 Maile Alfiler stated that we have sent out mailers directed to members that are 60 days or more past due, letting them know the different organizations who have utility assistance available. We also sent out a COVID resource listing that is posted on the Kauai County website. Every month we have reached out to KEO asking how we can help. Last mailer we sent out was in December. They had more applications come through. Part of the intake process, they look at the median household income, and they take into account all of the household members income. We are hoping they can loosen up the restrictions. They do have Federal funds, and they get audited, so they have a strict process that they have to go through.
 - 9.5.3 A question was asked about CARES Act if they go through the same process. Maile believes they will be looking at different organizations to disperse the monies. Beth sent out a press release. Maile is reaching out to the different organizations to see how we can help and get this out to our members.

9.5.4 Director TenBruggencate stated that anything we can take advantage of to help those in need now is better than later.

10. **Public Testimony** – Member Steve Parsons submitted written testimony to the Board of Directors, which was received by all.

11. **New Business** –

11.1 **Donation by KIUC**

11.1.1 CEO Bissell stated that we were asked for a KIUC utility pole for the North Shore Police Station.

11.1.2 He would like to recommend making this donation for emergency situations for Police and Fire on the North Shore, which would be for them to install.

11.1.3 Questions were asked.

11.1.4 Director TenBruggencate moved to approve the donation of a KIUC utility pole to the County of Kauai for the North Shore Police Station for them to install. [Motion: TenBruggencate/Murashige]

11.1.5 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 **2020 Corporate Performance Results**

11.2.1 F&A Committee Chair Yukimura moved to approve the 2020 Corporate Performance Results, which were discussed at the F&A Committee Meeting. [Motion: Yukimura/Kass]

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 **2021 Corporate Performance Targets**

11.3.1 F&A Committee Chair Yukimura moved to approve the 2021 Corporate Performance Targets, which were discussed at the F&A Committee Meeting. [Motion: Yukimura/Kass]

11.3.2 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

11.4 **2021 69kV Transmission Insulator Replacements**

11.4.1 F&A Committee Chair Yukimura reported that the F&A Committee reviewed the 2021 69kV Transmission Insulator Replacements.

11.4.2 This is an addition to the budget because a lot of our bird diverters we are installing.

11.4.3 F&A Committee Chair Yukimura moved approve the 2021 69kV Transmission Insulator Replacements for an additional \$400k. [Motion: Yukimura/Mayfield]

11.4.4 The recommendation carried unanimously.

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

12. **Calendar:**

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

12.2 **March 13, 2021** – KIUC Board Election

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

12.4 **March 18, 2021** – Annual Board Meeting (1:00pm., via conference call)

12.5 **March 23-24, 2021** – NRECA Directors Conference (online)

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

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 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 2:31 p.m.



Calvin Murashige
Secretary



President's Report

February 25, 2021

David Bissell, President and CEO

President's Report

David Bissell, President and CEO
February 25, 2021

Safety (January)

	<u>Month</u>	<u>2021 YTD</u>	<u>2020 YTD</u>
Recordable Incidents	0	0	3
Days Away/Restricted	0	0	117

Availability and Reliability:

	<u>Month</u>	<u>2021 YTD</u>	<u>2020 YTD</u>
Reportable Outages	3	3	2
Average Outage Hours Per Customer	0.05	0.05	0.05

Efficiency

	<u>Month</u>	<u>2021 YTD</u>
Net Plant Heat Rate	9,486	9,486
Peak Demand (MW)	63.4	63.4

Residential Rates:

February 2021	\$0.341/kwh Up \$0.01 from January
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Update Items:

- Bird minimization efforts continue
 - Static wire removal and diverter placement
 - Insulator replacement
- West Kauai Energy Project
 - Community outreach
 - Kauai Rotary Club, Lihue Business Association
 - PUC docket awaiting intervention decisions
 - Environmental compliance ongoing
- Electric Vehicles
 - Internal EV projection model in process
 - Daymark ratemaking workshop scheduled
- Legislative Session



Mahalo!

Financial Scorecard



