

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

Held via Conference Call

On April 29, 2021

**MINUTES**

**Call to order at 1:03 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. Approval of Agenda –**

- 2.1 Chair Smith added, Naming a Resolutions Committee Member, under New Business.
- 2.2 The agenda was approved as circulated, with the one addition.

**3. Approval of Minutes**

- 3.1 The 3/18/2021 Annual and 3/25/2021 Regular meeting minutes were approved unanimously. [Motion: Murashige/Kass]

**4. Auditor's Final 2020 Audit Report (Moss Adams)**

- 4.1 Julie Desimone of Moss Adams presented their final 2020 audit report to the Board. An unmodified (clean) opinion was received.
- 4.2 There were no financial reporting findings for GAGAS and a clean opinion for the RUS Report.

**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 TenBruggencate on receiving his Director Gold Certificate.

**6. Financial Report:** Karissa Jonas, CFO reported.

- 6.1 The March 2021 preliminary financials were reviewed. (scorecard attached).
- 6.2 Questions were asked and answered.
- 6.3 Brief discussion ensued.

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

- 7.1 Director Iha circulated the March NRECA Board meeting Presentation and Notes.
- 7.2 Director Iha reported that this past month was the Legislative Conference.
  - 7.2.1 There were 1,500 registrants for the Legislative Conference. The State by associations for the respective States set up 360 virtual meetings to meet with their representatives.
  - 7.2.2 He logged onto different presentations from different individuals regarding some of the issues that will affect us, such as the RUS repricing. Representative Kai Kahele signed as a co-sponsor, and both of our Senators also did.
- 7.3 There was an NRECA Board meeting prior to the Legislative Conference.
  - 7.3.1 They had two guests, who were political consultants from NRECA. One from a Democratic perspective, and one from the Republican side.
    - (a) The Democratic side said the issues that would be coming up are COVID, the economy and global participation.
    - (b) The Republican side's concern was on the environment, and whether some of the initiatives would be pushed back by the Biden administration.
  - 7.3.2 One of the new things this year was that NRECA CEO Jim Matheson invited the CEO of the Edison Electric Institute, who came to speak about what their issues are regarding the environment. The other speaker was representing the American Public Power Association. All three, with Jim Matheson's initiative, are collaborating on Electric Issues.
- 7.4 All received an email that on May 4<sup>th</sup> they are going to start a new Grassroots Initiative focusing on social media, and using up to date technology. They will also launch a new website.
- 7.5 At the National level, they have not decided whether to resume in person meetings yet.
- 7.6 The next NRECA Board meeting is in June. They have not decided if it will be in person.
- 7.7 Discussion ensued.

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

- 8.1 The Charitable Foundation met yesterday.
- 8.2 Kumu's Cupboard was given \$3k for their cause.
- 8.3 The Ohana Reader's Program (association with Dolly Parton's Program and First Lady Ige) started on the west side. One of our KIUC employees had their child receive one of the books that they were passing out.
- 8.4 KEO assisted four families for a total of \$3,000 in the LIHEAP fund, and one family for \$219 from our Charitable Foundation fund. That leaves a balance from our Charitable Foundation of \$11,676.
- 8.5 Makana Program – We now have a total of 220 participants. Year to date, we have a total of \$595 that has been contributed.
- 8.6 The Foundation Treasurer reported a balance of \$57,247.

8.7 There has been concern about letting people know about the availability of assistance with utility bills. Our staff has done a tremendous job in that area. They have reached out to our membership to let them know where aid is available through the news media, email, bill inserts, Currents magazines, post cards, social media, and through special media posts. Since March of 2020 through April 2021, they have done this 26 times. They continue to step it up. In March 2021, they reached out four times, in April 2021, they reached out five times. In May it is going to go up more. This information is available and can be sent out to any Board members that would like it.

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

10. **New Business** –

10.1 **Give the Gift of Energy**

10.1.1 Member Relations Committee Chair Crowell thanked Maile for the information, and stated that the Member Relations Committee discussed and moved to approve the Give the Gift of Energy. [Motion: Crowell/Mayfield]

10.1.2 Policy Committee Chair Crowell was asked to review the circulated information.

10.1.3 Discussion ensued.

10.1.4 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

The meeting ended abruptly at 1:40 p.m. due to a power outage.  
The meeting reconvened at 3:34 p.m.

10.2 **Naming a Resolutions Committee Member**

10.2.1 Chair Smith stated that we need to select the NRECA Resolutions Committee voting member for Region 9. He stated that Director Crowell has served in this roll for three years and asked if anyone else is interested in this position.

10.2.2 Chair Smith reappointed Director Crowell to continue on the NRECA Region 9 Resolutions Committee.

10.3 **2020 Patronage Capital Retirement**

10.3.1 F&A Committee Chair Yukimura moved to approve the 2020 Patronage Capital Retirement of \$1,112,466, which was discussed at the F&A Committee Meeting. [Motion: Yukimura/Mayfield]

10.3.2 Discussion ensued.

10.3.3 The recommendation carried.

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

11. **Calendar:**

- 11.1 **May 18, 2021** – Board Committee Meetings (9:00pm, via conference call)
- 11.2 **May 25, 2021** – Regular Board Meeting (1:00pm., via conference call)
- 11.3 **May 31, 2021** – HOLIDAY, KIUC Offices Closed

12. **Adjournment.** Whereupon, there being no further business the meeting was adjourned at 3:41 p.m. by unanimous consent.



---

Calvin Murashige  
Secretary



# President's Report

April 29, 2021

David Bissell, President and CEO

---

## President's Report

---

David Bissell, President and CEO  
April 29, 2021

### Safety (March)

	<u>Month</u>	<u>2021 YTD</u>	<u>2020 YTD</u>
Recordable Incidents	0	1	3
Days Away/Restricted	0	0	117

### Availability and Reliability:

	<u>Month</u>	<u>2021 YTD</u>	<u>2020 YTD</u>
Reportable Outages	6	16	7
Average Outage Hours Per Customer	0.11	0.30	0.16

### Efficiency

	<u>Month</u>	<u>2021 YTD</u>
Net Plant Heat Rate	9,434	9,504
Peak Demand (MW)	62.1	63.4

### Residential Rates:

April 2021	\$0.349/kwh Up \$0.006 from March
------------	-----------------------------------

**Renewable Gen.**  
61% CM

**Curtailement**  
-Sch Q (hrs) 50 CM, 105 YTD  
-Other (MWh) 227 CM, 554 YTD

**Sch Q**  
-4,665 systems  
-884 curtailable (3.8 MW)

**Strike Reduction**  
-18.5% YTD  
-30.4% LTD

**PV Systems -new**  
-54 CM, 109 YTD

**Building Permits (3/21)**  
-Residential 76  
-Commercial 109

**Electric Vehicles**  
-428, 355 PY

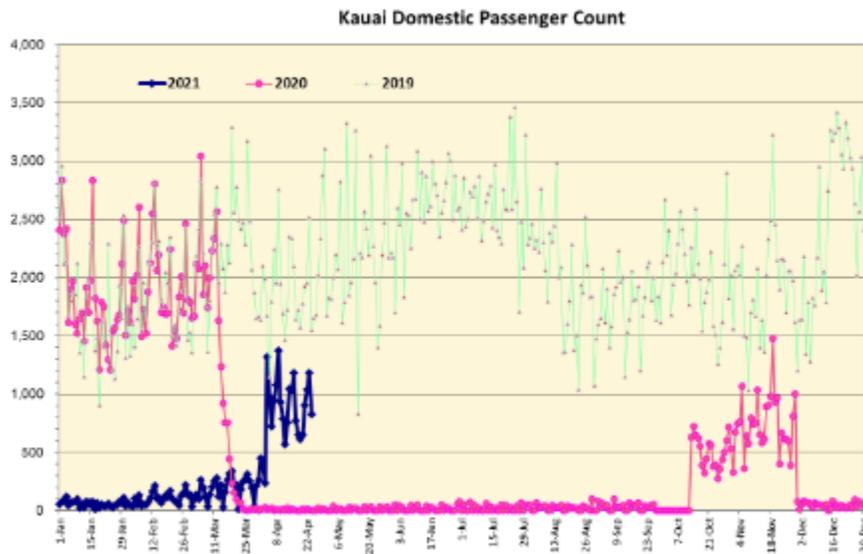
**Naphtha (\$/Gal)**  
-3/21 \$1.87  
-3/20 \$1.67

**New Service**  
-23 CM, 63 YTD

**Past Due Accounts**

> 60 Days	>30 Days
-\$1.1 million	-\$2.2 million
-1,937 accts, 1,626 res	-4,487 accts, 3,781 res

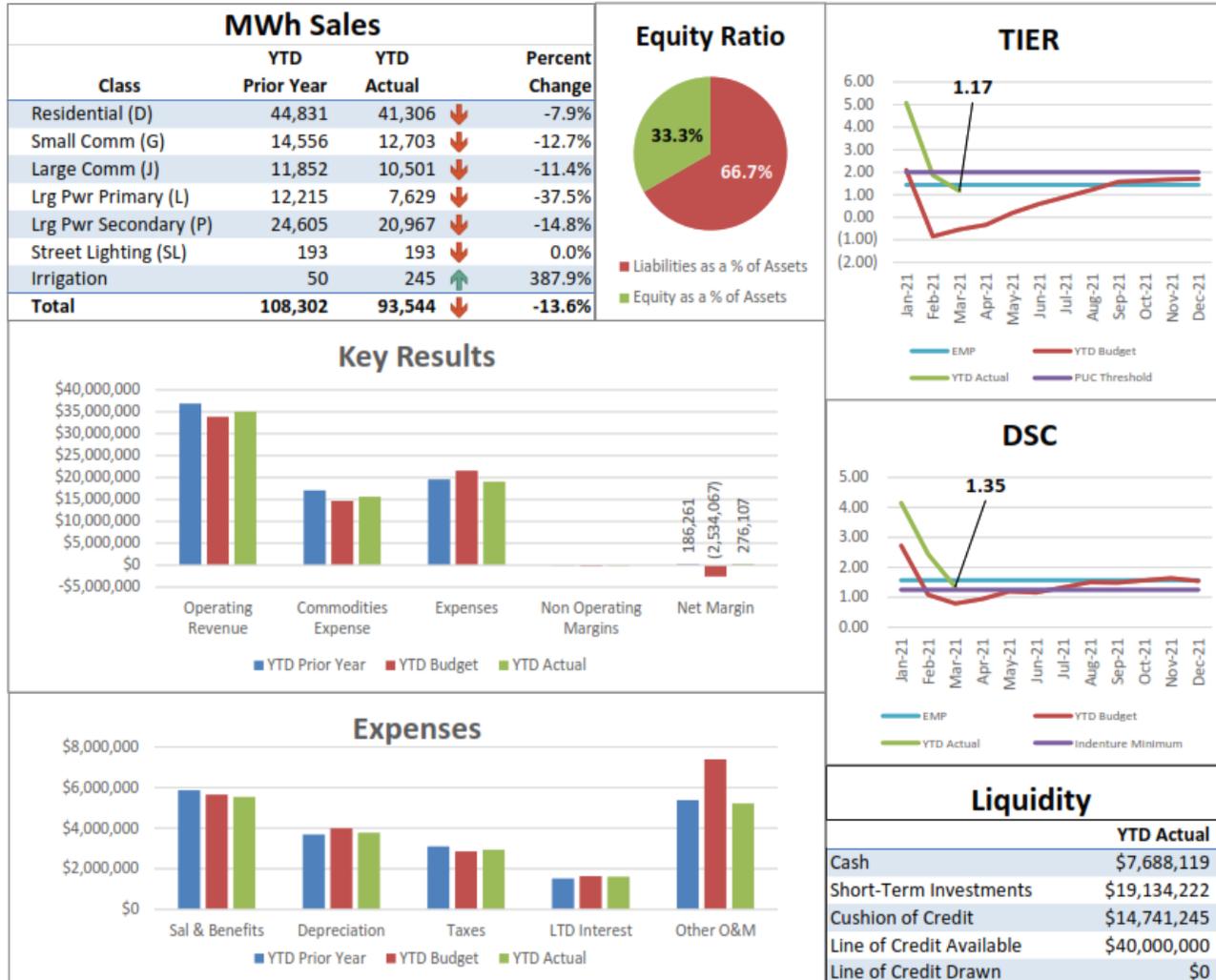
**Employees**  
-136, 5 vacancies





Mahalo!

# Financial Scorecard



**RESOLUTION 01-21 OF THE  
BOARD OF DIRECTORS OF  
KAUA'I ISLAND UTILITY COOPERATIVE ("KIUC")**

WHEREAS, by Decision and Order No. 19658, filed on September 17, 2002, in Docket No. 02-0060, as modified by Order Incorporating the Modification to the Annual Patronage Capital Refund Condition, filed on September 9, 2010, in Docket No. 02-0060 and by Decision and Order filed on September 9, 2010, in Docket No. 2009-0050, the Public Utilities Commission of the State of Hawaii ("PUC") required that on or before April 30 of each year commencing in 2011, KIUC must prepare and submit to the Rural Utilities Service of the United States Department of Agriculture ("RUS") and the National Rural Utilities Cooperative Finance Corporation ("CFC") a calculation of its achieved operating margin dollars for the prior reporting period, and based upon this calculation, KIUC must propose and strongly recommend to the RUS and CFC, to the extent required, for payment of patronage capital cash retirements to its members in a minimum total amount equal to the amount by which KIUC has exceeded a reported RUS TIER of 2.0 for that prior reporting period; and

WHEREAS, in Calendar Year 2020 KIUC exceeded a reported RUS TIER of 2.0 by the amount of \$1,112,466; and

WHEREAS, because 1) no Event of Default exists, 2) KIUC's Indenture equity ratio is in excess of thirty percent (30%) as of the most recent fiscal quarter end, and 3) the patronage capital cash retirement amount of \$1,112,466 does not exceed 25% of the prior fiscal year's net margins, the patronage capital cash retirement is allowable under the terms of the Indenture; and

WHEREAS the Board has determined that KIUC will make such patronage capital cash retirement to the members who generated those 2020 net margins.

NOW, THEREFORE, be it hereby resolved by the Board of Directors of KIUC as follows:

1. Patronage capital cash retirements to KIUC's members in a total amount of approximately \$1,112,466 which is the amount by which KIUC exceeded a reported RUS TIER of 2.0 for the period January 1, 2020, through December 31, 2020 (the "2020 PatCap Retirement"), is hereby authorized; and
2. All 2020 PatCap Retirements shall be made to the applicable accounts, with the ten (10) members receiving the largest retirements being presented a letter detailing the amount of their retirement and thanking them for their membership.

#### SECRETARY'S CERTIFICATE

The undersigned Secretary of KIUC hereby certifies that the foregoing Resolution of the Board of Directors of KIUC was duly adopted at the Meeting of the Board of Directors held on April 29, 2021 at Līhu'e, Kaua'i, Hawai'i.

Dated this 29<sup>th</sup> day of April, 2021 at Līhu'e, Kaua'i, Hawai'i.

---

Calvin Murashige  
Secretary