

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

Held via Conference Call

On May 25, 2021

MINUTES

Call to order at 1:01 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 Minutes

- 2.1 The 4/29/2021 Regular meeting minutes were approved unanimously. [Motion: Mayfield/Kass]

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

- 3.1 The current Cooperative statistics was reported by CEO Bissell. (report attached)
- 3.2 Questions were asked and answered.

4. Financial Report: Karissa Jonas, CFO reported.

- 4.1 The April 2021 preliminary financials were reviewed. (scorecard attached).
- 4.2 CoBank –
 - 4.2.1 The unsecured line of credit (LOC) was renewed for another 364 days. The new term expiration date is 5/22/22.
- 4.3 CFC Line of Credit -
 - 4.3.1 On 4/15/21, KIUC filed an application with the PUC requesting approval to enter into the LOC amendment extending the term of the LOC 5 years.

5. NRECA Hawaii Director Report – Director David Iha

- 5.1 Director Iha reported that NRECA has been pretty quiet at the National level.
 - 5.1.1 They have decided to have the next NRECA Board meeting in June in Washington D.C. with protocols set up.
 - 5.1.2 NRECA CEO Jim Matheson sent out a note stating that the Regional 7 and 9 Meetings will be in person.
 - 5.1.3 Region 9 location has been changed from Sacramento to Las Vegas. The same dates still hold.

(a) This has not been finalized, so please do not make any reservations yet.

5.1.4 Regions 8 and 10 location has been changed from Albuquerque to Dallas, with different dates.

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

6.1 Director Tacbian reviewed the attached CF written report and brochure.

7. **Public Testimony** – None.

8. **New Business** –

8.1 **Nominating Committee Recommendations**

8.1.1 Nominating Committee Chair Crowell moved to approve allowing lengthening out the Nomination process by moving up the deadline for the Nominating Committee nominations from late November to early November, and also to place the affirmation form and non-disclosure agreement (that are currently on the website) into Board Policy No. 18. [Motion: Crowell/Kass]

8.1.2 Nominating Committee Chair Crowell stated that the Board election date will be discussed at next month’s Committee meeting.

8.1.3 The recommendation carried.

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

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

8.2.1 Policy Committee Chair Kass stated that the Policy Committee had a fairly unique discussion, where we should make sure we are following the Board Policies. One of these consisted of every existing Director signing a couple of documents in Policy No. 18. Those items were sent out and all have signed these forms.

8.2.2 Another item that was discussed was Board Policy No. 4, which we had revamped last year, and then when we had our Annual Board meeting, we assigned Board officer positions and Committee memberships. The Policy Committee moves to approve removing the CEO as a member of the Executive Committee. [Motion: Kass/Crowell]

8.2.3 The recommendation carried.

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

8.3 **Board Policy No. 15, Strategic Planning**

- 8.3.1 Policy Committee Chair Kass described Board Policy No. 15, and stated that we revised the wording to reflect the way we talk about the Strategic Plan now. The most important thing we changed was to include the Strategic Plan. She discussed the substantive changes.
- 8.3.2 Policy Committee Chair Kass stated that the Policy Committee moves to approve Board Policy No. 15 with the proposed changes. [Motion: Kass/Murashige]
- 8.3.3 Director Crowell stated that while a SWOT Analysis (Strengths, Weaknesses, Opportunities, Threat), which was deleted, is not required, a Strategic Plan should include some analysis of where the Coop is at present. That way when we figure out where we want to be, we will know which direction to go.
- 8.3.4 Director Mayfield stated that given we will be starting the Strategic Plan, he has written in his notes where the coop is now.
- 8.3.5 The recommendation carried.

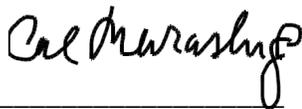
IN FAVOR:	Crowell, Iha, Kass, Mayfield, Murashige, Smith, Taubian & Yukimura	Total – 8
OPPOSED:	None	Total – 0
EXCUSED:	TenBruggencate	Total – 1

9. **Calendar:**

- 9.1 **June 11, 2021** – HOLIDAY, KIUC Offices Closed
- 9.2 **June 14-16, 2021** – CFC Summer Summit (San Antonio, TX)
- 9.3 **June 21, 2021** – Board Committee Meetings (1:30pm, via conference call)
- 9.4 **June 30, 2021** – Regular Board Meeting (1:00pm., via conference call)

10. **Executive Session.** At 1:30 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.

11. **Adjournment.** The meeting was adjourned by consensus at 1:31 p.m.



Calvin Murashige
Secretary



President's Report

May 25, 2021

David Bissell, President and CEO

President's Report

David Bissell, President and CEO
May 25, 2021

Safety (April)

	<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	3	19	9
Average Outage Hours Per Customer	0.60	0.90	0.32

Efficiency

	<u>Month</u>	<u>2021 YTD</u>
Net Plant Heat Rate	9,536	9,511
Peak Demand (MW)	65.5	65.5

Residential Rates:

May 2021	\$0.340/kwh Down \$0.009 from April
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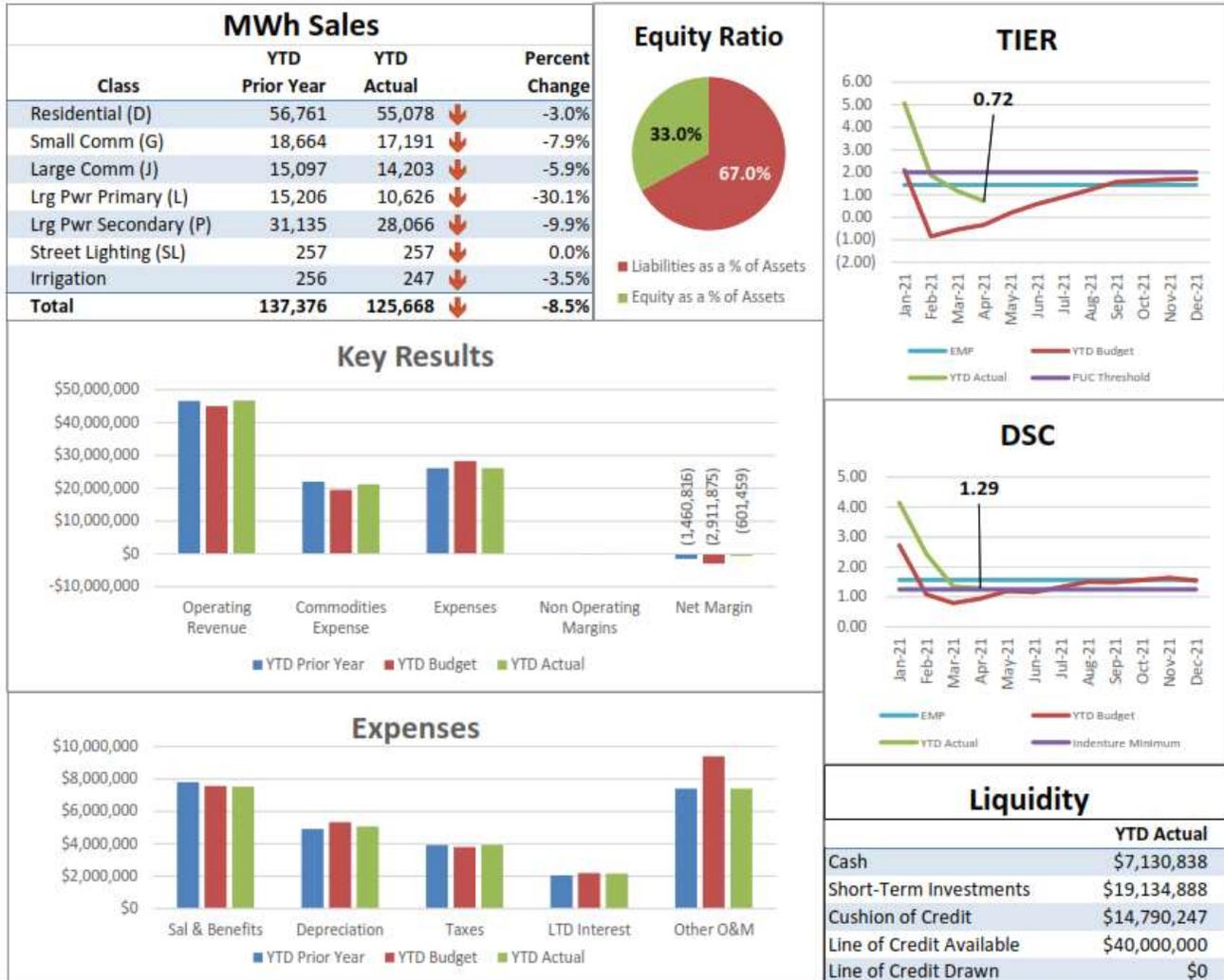
Update items

- PUC disconnect moratorium ends May 31
- Central Pacific hurricane season begins June 1
- West Kauai Energy Project
 - PUC Docket- Information Request response process ongoing
 - Environmental Assessment
- FERC Commissioner Chatterjee tour of PMRF PV/Storage project
- Island-wide outage April 29
 - PUC briefing upcoming



Mahalo!

Financial Scorecard



KIUC Charitable Foundation

Meeting of May 24, 2021

In the month of April our Assistance program administered by KEO assisted 7 people in 2 households in the amount of \$788.00.

In the LIHEAP program, they assisted 2 applicants for \$1,360.00.

The Makana Program added 9 more members for a total of 229, and YTD we have \$803.72.

We approved a contribution of \$1,000 to Kauai Planning and Action Alliance to support the Kekaha Early Literacy Project to promote reading and comprehension among students at Kekaha Elementary School Title 1 program.

The Ohana Readers has extended their program to include Waimea. Their brochure is attached.

Teofilo Phil Tacbian, President

KIUC Charitable Foundation

~~KAUAI ISLAND UTILITY COOPERATIVE~~

BOARD POLICY NO. 15

~~(Reviewed 02/27/2020)~~

STRATEGIC PLANNING

PURPOSE OF POLICY:

~~The purpose of~~ This policy describes is to establish the authority and responsibility and process for the Cooperative's strategic planning.

POLICY CONTENT:

I. Commitment to Strategic Planning

It is the policy of this Board ~~of Directors~~ to guide the direction and conduct of the Cooperative through periodic, fact-based, thoughtful, and collaborative strategic planning. The Cooperative's ~~strategic~~ Strategic pPlan will be updated periodically and may be amended between updates if warranted.

~~{Guidance: Repeating the entire SWOT strategic planning workshop every year may be unnecessary since strategic goals tend to be long term. Some years it may be sufficient to simply review and affirm the strategic plan. Directors are encouraged to take courses offered by NRECA and attend national conferences featuring current strategic planning discussions and presentations on topics of concern to many/most cooperatives.}~~

II. What Is Considered Strategic? Foundation

Strategic issues almost always have a long-term impact on the cooperative. Some decisions required to operate the ~~e~~Cooperative will rise to the level of strategic importance. These strategic issues are typically identifiable by their real or perceived impacts.

- Issues that substantially impact the cost structure of the ~~C~~ooperative are strategic.
- Issues that have a significant impact on ~~C~~ooperative employees as a group are strategic.
- Issues that have a significant real or even perceived impact on members (as a group) are strategic.

~~{Guidance from other cooperatives suggests that cost savings initiatives; major construction; locating generation, transmission, and distribution assets; member interfaces; almost any ultra wires activities; and some financial transactions are all strategic.}~~

III. Outputs of the Strategic Planning Process

~~— The Cooperative's strategic planning shall be based upon careful consideration of its:~~

~~1. **Mission.** The Cooperative's mission is a statement describing the general purpose for the Cooperative's existence, its responsibility for fulfilling its role as a provider of utility service to its members, and its community service role. KIUC's mission was developed early in its life of the Cooperative. It is re-evaluated periodically, and is revised when warranted.~~

~~A.~~

~~2. **Values.** The Cooperative's values are a statement of the behaviors that the Board of Directors and employees of KIUC are to demonstrate as these individuals fulfill their respective duties and responsibilities.~~

~~B.~~

~~3. **Strategic Plan.** The Strategic Plan is a document outlining the Cooperative's goals for the next few years. It is revised from time to time as old goals are accomplished or discarded and new goals are adopted.~~

~~C.~~

~~III. **Strengths, Weaknesses, Opportunities, Threats:** An assessment of the internal capabilities and shortcomings, and external market, regulatory and other trends, events and other developments.~~

Objectives

~~III.~~

The Cooperative's strategic planning process shall achieve the following objectives:

~~1. **A.** To capitalize on the collective knowledge, experience and wisdom of the Directors, CEO and staff, and members.~~

~~2. **B.** To affirm or amend the Cooperative's mission statement.~~

~~3. **C.** To affirm or amend the Cooperative's values statements.~~

~~• To develop approve a Strategic Plan every few years that sets forth clear strategic goals/initiatives identifying the areas of greatest significance to the Cooperative. These initiatives will serve as the primary directives to guide the development of goals and actions.~~

~~4. To develop clear goal statements that serve to further define the identification of appropriate actions to accomplish strategic initiatives.~~

~~5. To identify and prioritize action items which will accomplish strategic initiatives.~~

~~**D.**~~

~~[Guidance: Action items will have appropriate specificity, will include resource requirements, and will appear in the appropriate annual budget(s) for consideration and approval of the Board of Directors.]~~

6. ~~To track changes to adopted strategic initiatives, goals, and action items.~~
- 7.E. ~~And to track progress towards the implementation of strategic goals~~ action items, goals, and strategic initiatives.

IV. Authority

The Board of Director's assumes the authority for ensuring adherence to this policy.

IV. RESPONSIBILITIES

The Board is responsible for initially developing the Cooperative's mission and values, and then afterwards for affirming or amending them. The Board is responsible for developing the Strategic Plan, with the advice of the CEO, staff, and members. The CEO is responsible for taking actions and requesting funding (in operating and capital expenditure budgets) to accomplish the Cooperative's mission, values, and Strategic Plan and is responsible for reporting periodically on the status of the Strategic Plan.

The responsibility for developing and implementing the Cooperative's strategic planning shall be assigned as follows:

1. ~~The Board of Directors, with the advice of CEO and staff, has the responsibility for developing, affirming and / or amending the mission statement.~~
2. ~~The Board of Directors, with the advice of CEO and staff, has the responsibility for developing, affirming and / or amending the values statements.~~
3. ~~The Board of Directors, with the advice of CEO and staff, has the responsibility for developing, affirming and / or amending the strategic initiatives and goal statements.~~
4. ~~The identification and prioritization of actions items during the strategic planning process shall be a shared responsibility between the Board of Directors, CEO and staff.~~
5. ~~The development of the detail aspects of each action item and the inclusion of the resources necessary to implement each action item in the Cooperative's annual budget shall be the responsibility of the CEO.~~
6. ~~The identification of strategic issues arising for cooperative operations will be the responsibility of the CEO.~~

[Guidance: For example, during normal operations of the cooperative, need for new transmission lines or substations may be recognized independent of the periodic SWOT-based strategic planning workshop. It is the CEO's responsibility to bring these strategic issues to the Board of Directors in a timely manner for inclusion in the strategic plan.]

7. ~~Providing periodic status to the Board of Directors on the progress towards implementing strategic actions is the responsibility of the CEO.~~

Adopted on this 27th day of February, 2020.

Calvin Murashige
Secretary

Adopted on this xxth day of MONTH, 2021.

Calvin Murashige
Secretary

Reviewed: 02/27/2020
Reviewed: 03/20/2018
Reviewed: 03/22/2016
Reviewed: 04/29/2014
Reviewed: 10/25/2011
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