

REGULAR MEETING OF THE BOARD OF DIRECTORS  
KAUA'I ISLAND UTILITY COOPERATIVE  
Held Via Zoom Webinar  
On February 24, 2022

**MINUTES**

Call to order at 1:01 p.m.

**1. Roll Call**

- 1.1 **Directors present:** Allan Smith (Board Chair), Jan TenBruggencate (Vice Chair), Calvin Murashige (Secretary), Peter Yukimura (Treasurer), Dee Crowell, David Iha, Janet Kass, James Mayfield, Teofilo Tacbian; and David Bissell (President & CEO). A quorum of directors was present.
- 1.2 **Others present:** Karissa Jonas (CFO), Beth Tokioka (Communications Mgr.), Shelly Paik (Public Affairs Specialist), Laurel Loo (General Counsel), and Vera Tabe (Legal Assistant to General Counsel); Members of the press (0) and Members of the public (0).

**2. Approval of the Agenda**

- 2.1 The Board of Director's Agenda of February 24, 2022 was approved as circulated.

**3. Approval of Minutes**

- 3.1 The Minutes of the January 27, 2022 Regular Meeting of the Board of Directors were approved unanimously.
- 3.2 Motion to approve the minutes of January 27, 2022 Regular Meeting of the Board of Directors was made.  
  
[Motion: Kass] [Second: TenBruggencate]

**4. President's Report – David Bissell, President & CEO**

- 4.1 **Safety (January)**
  - 4.1.1 Recordable Incidents – Month = 0; 2022 YTD = 0; 2021 YTD = 2
  - 4.1.2 Days Away/Restricted – Month = 0; 2022 YTD = 0; 2021 YTD = 0
- 4.2 **Availability and Reliability**
  - 4.2.1 Reportable Outages – Month = 2; 2022 YTD = 2; 2021 YTD = 3
  - 4.2.2 Average Outage Hours per Customer – Month = 0.01; 2022 YTD = 0.01; 2021 YTD = 0.05
- 4.3 **Efficiency**
  - 4.3.1 Net Plant Heat Rate – Month = 9,171; 2022 YTD = 9,171

4.3.2 Peak Demand (MW) – Month = 70.6; 2021 YTD – 70.6

#### 4.4 Residential Rates

4.4.1 February 2022 = \$0.361/kwh up \$0.01 from January

#### 4.5 West Kauai Energy Project

##### 4.5.1 PUC

- Received PUC Decision and Order reconfirming project approval after considering motion for reconsideration.

##### 4.5.2 Environmental Assessment

- Internal response to comments completed
- Supplemental studies underway
- Draft revised EA completion scheduled by May 1, 2022

#### 4.6 Endangered Species

- Minimization – Strike reduction
- 2022 Year to Date 1.4%, HCP Life to Date 36.7%

#### 4.7 COVID 19

- Return to office scheduled for Monday, February 28, 2022
- No significant operational impact to date

#### 4.8 Financial

- Close monitoring of sales and expense levels continues
- Lower than forecast sales and inflationary pressures on costs could lead to filing of rate case in second half of year with rate adjustments taking effect in 2023

#### 4.9 Other

- Brief World Bank staff on WKEP technology by Bissell, Tokioka and Rockwell
- Board strategic planning all day workshop held February 4, 2022
- Legislative session continues-KIUC testimony submitted on multiple bills
- Oil prices continue to hover around \$100 per barrel

### 5. Financial Report – Karissa Jonas (CFO)

#### 5.1 Finance & Accounting Update

##### 5.1.1 CWP Loan

- On 2/10/21, KIUC received \$4.9M from CoBank for the 3<sup>rd</sup> and final draw on the \$49.519M CWP loan.
- The interest rate for this advance is 3.33% fixed through the maturity date of 2/10/2052.

##### 5.1.2 Annual Financial Audits

- Moss Adams will be conducting the audits virtually this year due to COVID-19.
- Year-end fieldwork will be performed during the weeks of:
  - 1/31/22 – 2/4/22 for the KRS 2 audit
  - 2/21/22 – 2/5/22 for the KIUC consolidated audit
- KRS2 Audited Financial Statements were issued on 2/14/22

### 5.1.3 Financial Scorecard – YTD January 2022

- Financial Scorecard discussed by CFO Jonas (Attached)

## 6. NRECA Hawaii Director Report (David Iha)

- 6.1 Director Iha stated it's been really slow and there's nothing much to report
- 6.2 They are preparing for the Annual PowerXchange in Nashville, Tennessee
- 6.3 Our investments consultants are doing work on the retirement system funds for employees

## 7. Charitable Foundation Board (Teofilo Tacbian)

- 7.1 Currently there's \$82,000 in our treasury which was reported by Director Crowell being the PATCAP and Makana Program
- 7.2 Catholic Charities and KEO continues to support the people in need with their utilities
- 7.3 Makana Program has a total of 267 members
- 7.4 Ohana Program – available for children up to age 5 has been extended out to the Northshore to Hanalei, Wainiha, Haena, Princeville and Kilauea. First Lady Ige continues to head this program through the Dolly Parton Imagination Library
- 7.5 Pua Kea golf course is now open and our golf committee begun planning for our fundraiser and golf tournament. Further report on this will be made in the future

## 8. Public Testimony – Beth Tokioka

Testimony must be in written form and received via email at [boardchair@hawaii.rr.com](mailto:boardchair@hawaii.rr.com) no later than Wednesday, February 23, 2022 at 12:00 noon in order to be received in time for distribution. Oral testimony will also be allowed, subject to time and technology restraints.

- 8.1 No public testimony

## 9. New Business

### 9.1 2022 NRECA Annual Meeting Voting Delegate and Alternate (Executive, Action Item)

- Committee Chair TenBruggencate presented this action item to the Board
- Motion to approve the 2022 NRECA Annual Meeting Voting Delegate and Alternate made with Director Peter Yukimura as the Delegate and Director Teofilo Tacbian as the Alternate.

[Motion: TenBruggencate] [Second: Murashige]

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

- Motion carried

#### 9.2 **2021 Corporate Performance Results (F&A, Action Item)**

- Committee Chair Yukimura presented this action item to the Board
- Motion to approve the 2021 Corporate Performance Results

[Motion: Yukimura] [Second: Mayfield]

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

- Motion carried

#### 9.3 **2022 Corporate Performance Results (F&A, Action Item)**

- Committee Chair Yukimura presented this action item to the Board
- Motion to approve the 2022 Corporate Performance Results

[Motion: Yukimura] [Second: Mayfield]

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

- Motion carried

#### 9.4 **T&D System Protection Budgets (F&A, Action Item)**

- Committee Chair Yukimura presented this action item to the Board
- Motion to approve the T&D System Protection Budgets

[Motion: Yukimura] [Second: Kass]

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

- Motion carried

**9.5 IT Outside/Professional Services (F&A, Action Item)**

- Committee Chair Yukimura presented this action item to the Board.
- Motion to approve the IT Outside/Professional Services.

[Motion: Yukimura] [Second: Mayfield]

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

- Motion carried

**9.6 Production Diesel Overhauls (F&A, Action Item)**

- Committee Chair Yukimura presented this action item to the Board
- Motion to approve the Production Diesel Overhauls

[Motion: Yukimura] [Second: Mayfield]

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

- Motion carried

**9.7 KPS GT Filter Inlet Hood (F&A, Action Item)**

- Committee Chair Yukimura presented this action item to the Board
- Motion to approve the KPS GT Filter Inlet Hood

[Motion: Yukimura] [Second: Iha]

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

- Motion carried

**9.8 KPS Fuel Nozzles (F&A, Action Item)**

- Committee Chair Yukimura presented this action item to the Board
- Motion to approve the KPS Fuel Nozzles

[Motion: Yukimura] [Second: Mayfield]

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

➤ Motion carried

9.9 **BP 12, Code of Ethics: Development and Management (Policy, Action Item)**

- Committee Chair Kass presented this action item to the Board
- Motion to approve BP 12, Code of Ethics: Development and Management

[Motion: Kass] [Second: TenBruggencate]

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

➤ Motion carried

**10. Calendar**

- 10.1 March 4-9, 2022 – 2022 NRECA PowerXchange (online & Nashville, TN)
- 10.2 March 15, 2022 – Board Committee Meetings (9:00 a.m. via Zoom)
- 10.3 March 19, 2022 – KIUC Board Elections
- 10.4 March 24, 2022 – Annual Board Meeting (12:30 p.m. via Zoom or in person)
- 10.5 March 24, 2022 – Regular Board Meeting (1:00 p.m. via Zoom or in person)

**11. Executive Session – Pursuant to Board Policy No. 16, the Board may, when deemed necessary, hold an executive session closed to the public on matters limited to those specified in Policy No. 16:**

- Legal consultation with regard to ongoing litigation.
- Matters which could affect ongoing or potential negotiations in legal or administrative proceedings.
- Hiring, evaluating, dismissing or disciplining an officer or employee.

In addition, other matters may come before the Board within the parameters of Board Policy No. 16 which need to be discussed in Executive Session.

**12. Adjournment – Adjournment scheduled for 3:30 p.m. or before if all business has been concluded by that time. If not, at that time, the Directors may decide by majority vote to adjourn the meeting to a date to be determined in order to conclude the business.**

12.1 The meeting adjourned at 1:24 p.m. before the Executive Session.

*Calvin Murashige*

[Calvin Murashige \(Mar 28, 2022 15:34 HST\)](#)

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Calvin Murashige  
Board Secretary



# President's Report

February 24, 2022

*David Bissell, President and CEO*

## *President's Report*

David Bissell, President and CEO  
February 24, 2022

### **Safety (January)**

	<u>Month</u>	<u>2022 YTD</u>	<u>2021 YTD</u>
Recordable Incidents	0	0	2
Days Away/Restricted	0	0	0

### **Availability and Reliability:**

	<u>Month</u>	<u>2022 YTD</u>	<u>2021 YTD</u>
Reportable Outages	2	2	3
Average Outage Hours Per Customer	0.01	0.01	0.05

### **Efficiency**

	<u>Month</u>	<u>2021 YTD</u>
Net Plant Heat Rate	9,171	9,171
Peak Demand (MW)	70.6	70.6

### **Residential Rates:**

February 2022	\$0.361/kwh Up \$0.01 from January
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## Updates

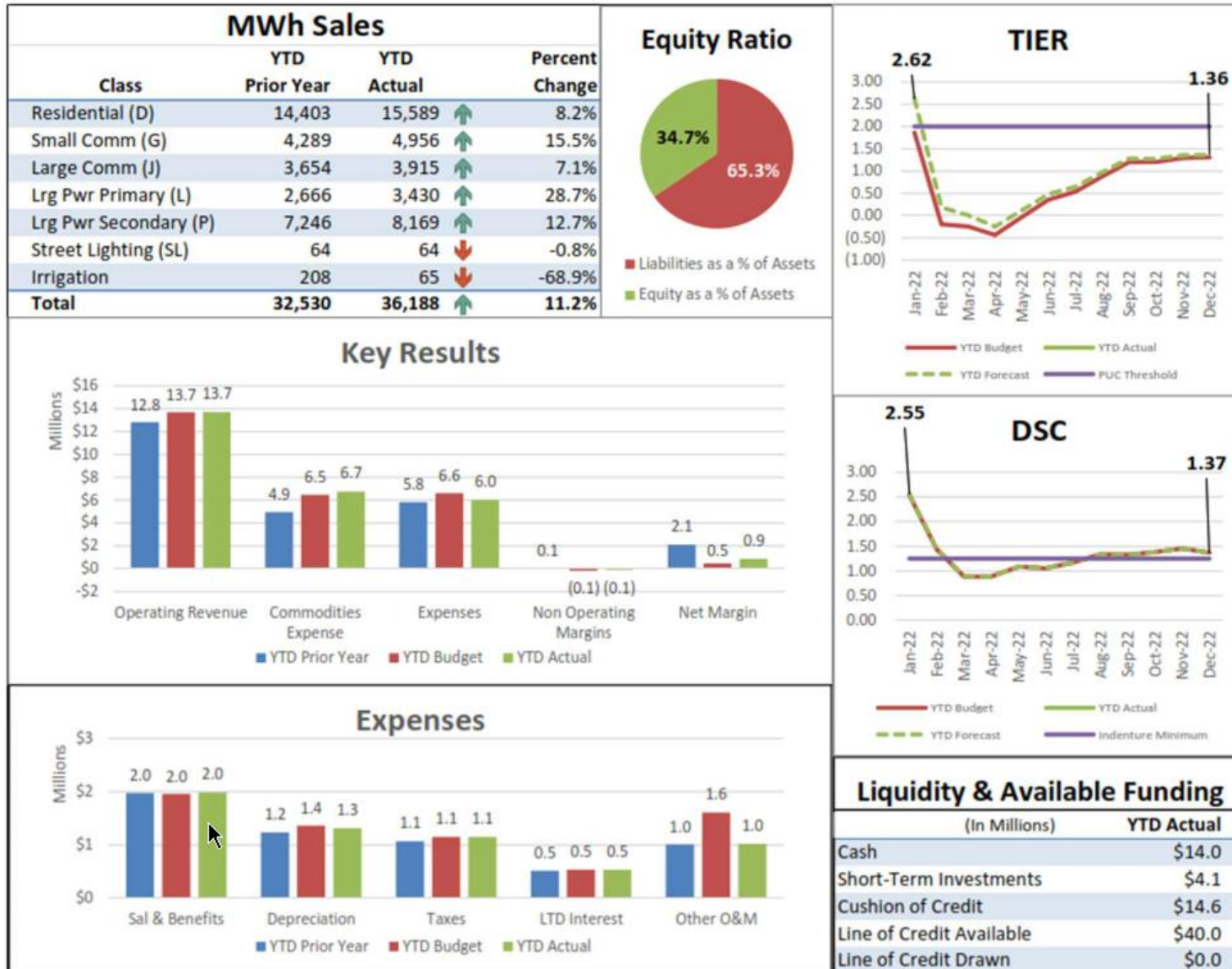
- West Kauai Energy Project
  - PUC
    - Received PUC Decision and Order reconfirming project approval after considering motion for reconsideration
  - EA
    - Internal response to comments complete
    - Supplemental studies underway
    - Draft revised EA completion scheduled by May 1
- Endangered Species
  - Minimization –Strike Reduction
    - 2022 Year to Date 1.4%, HCP Life to Date 36.7%
- COVID-19
  - Return to office scheduled for Monday February 28<sup>th</sup>.
  - No significant operational impact to date
- Financial
  - Close monitoring of sales and expense levels continues
  - Lower than forecast sales and inflationary pressures on costs could lead to filing of rate case in second half of year with rate adjustments taking effect in 2023
- Other
  - Briefed World Bank staff on WKEP technology
  - Board strategic planning all day workshop held February 4<sup>th</sup>
  - Legislative session continues-KIUC testimony submitted on multiple bills
  - Oil prices continue to hover around \$100 per barrel



Mahalo!

# Financial Scorecard - YTD January 2022

Draft for Discussion Only








# 2022 02-24 Reg BoD Mtg Min - APPROVED

Final Audit Report

2022-03-29

Created:	2022-03-29
By:	Teresa Amoy (tamoy@kiuc.coop)
Status:	Signed
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## "2022 02-24 Reg BoD Mtg Min - APPROVED" History

-  Document created by Teresa Amoy (tamoy@kiuc.coop)  
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-  Document emailed to Calvin Murashige (hamcol67@gmail.com) for signature  
2022-03-29 - 0:04:45 AM GMT
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-  Document e-signed by Calvin Murashige (hamcol67@gmail.com)  
Signature Date: 2022-03-29 - 1:34:02 AM GMT - Time Source: server- IP address: 66.91.95.60
-  Agreement completed.  
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