

**REGULAR MEETING OF THE BOARD OF DIRECTORS
KAUA'I ISLAND UTILITY COOPERATIVE**

Held Via Zoom Webinar

On May 26, 2022

MINUTES

Called to order at 1:00 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, James Mayfield, Teofilo Tacbian, Janet Kass; and David Bissell (CEO). A quorum of directors was present

- 1.2. Others present: Karissa Jonas (CFO), Beth Tokioka (Communications Mgr.), Maile Alfiler (Member Services Mgr.), Lisa Ubay (HR Mgr.), Cameron Kruse (Engineering & Technology Mgr.), Shelley Paik (Public Affairs Specialist), John Cox (T&D Mgr.), Brandee Holt (Regulatory Affairs Mgr.), Chris Yuh (Finance Mgr.), Laurel Loo (General Counsel), and Teresa Amoy (Executive Administrator); Members of the press (0) and Members of the public (1)

2. Approval of the Agenda

- 2.1. Two additions to the agenda were added by Chair Smith; 1) Appointments to NRECA Region 9 Resolutions and Nominating Committees, and 2) Approval of Charitable Foundation Committee Member Nominee Kyle Cremer, KIUC Energy Services. The Board of Directors' Agenda of May 26, 2022, was approved as circulated with the two new additions

3. Approval of Minutes

- 3.1. Motion to approve the minutes of March 29, 2022 Continued Recessed Regular Meeting and the April 28, 2022 Regular Meeting

[Motion: TenBruggencate] [Second: Murashige]

Motion approved unanimously

4. President's Report – David Bissell (CEO)

- 4.1. CEO discussed April's Safety report, KIUC's Availability and Reliability regarding outages, Efficiency regarding Net Plant Heat Rate, and Residential Rates on slide 2 of the Presidents Report

- 4.2. One (1) small outage for the month was due to contact with a utility line; a reminder to the public to be careful around utility lines, it can be very dangerous if not treated with respect and distance

- 4.3. KIUC had the lowest rates in the state in May for the first time ever since formed as a cooperative. KIUC's rates were 71-72% higher than O'ahu's when the cooperative was first formed
- 4.4. Renewables are trending down a little because sales are trending way up from where they've been from year-to-date; sales are up about 13%
- 4.5. Two (2) new hires will be starting in the accounting department in June; on-island CFO interviews scheduled in June
- 4.6. Rate case work continues; staff is working hard on getting Test Year Budgets together to be used for potential filings
- 4.7. The Governor sent out a message regarding COVID-19 cases going up; over 5000 cases a day now in the state. KIUC reinstated a mask mandate within the buildings for the next two (2) weeks anticipating that the numbers will be spiking up after graduation
- 4.8. Currently tracking SB2510 on the Legislative front
- 4.9. West Kaua'i Energy Project's revised draft of the Environmental Assessment will be published for comments in July
- 4.10. EIS Scoping meeting for Habitat Conservation Plan is scheduled to be held virtually on June 28th
- 4.11. Photos of trees down in Kilauea and Wainiha due to the storm weather from the Kona winds were provided in the President's Report (attached)

5. Financial Report – Karissa Jonas (CFO) - Finance & Accounting Update

- 5.1. CoBank Reporting – CoBank renewed the \$15M unsecured line of credit (LOC) for another 364 days. The new term expiration date is 5/21/23
- 5.2. Department Process Improvements – investigate and if it makes financial sense, refinance the KRS2 NCSC loan; loan balance approximately at \$13M
 - 5.2.1. On 4/8/22, completed research and determined it does not make financial sense to refinance the KRS2 NCSC loan for the following reasons:
 - The current interest rate available (4.82%) for a loan of the same maturity is higher than the KRS2 NCSC loan's interest rate (4.65%)
 - A refinance would require a prepayment fee which is cost prohibitive
- 5.3. Financial Scorecard – YTD April 2022 - Financial Scorecard discussed by CFO Jonas (attached)

6. NRECA Hawaii Director Report – Director David Iha

- 6.1. NRECA hosted a legislative conference for the first time in three (3) years; attendance of 883 registrants, representing 45 states; three main issues that were discussed at the conference were 1) flexible financing, 2) infrastructure bill, and 3) direct incentives for cooperatives who are working on renewables

7. Charitable Foundation Board – Director Teofilo Tacbian

- 7.1. Committee met, no action taken or activities reported for the previous month; the Makana Program has increased its membership by 13, currently up to 300 members; Debbie Santiago, KIUC Energy Services Supervisor, director for the Board will be retiring, wished her well on her retirement
- 7.2. Director Iha thanked Maile Alfiler, Member Services Manager, for improving the homepage for the Makana Program making it easier for people to apply online and to be part of the Makana Program

8. Public Testimony – Teresa Amoy (Executive Administrator)

- 8.1. Testimony must be in written form and received via email at testimony@kiuc.coop no later than Wednesday, May 25, 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
- 8.2. One (1) written testimony submitted via email by Marj Dente and read to the Board of Directors (testimony attached)

9. New Business

- 9.1. Approval of the KPS OTSG Upgrade
 - 9.1.1. F&A Committee Chair Yukimura presented this F&A Action Item
 - 9.1.2. Motion to approve the KPS OTSG Upgrade

[Motion: Yukimura] [Second: Mayfield]

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

Motion carried

- 9.2. BP 8, Director and Committee Member Compensation and Expense Reimbursement
 - 9.2.1. Policy Committee Chair Kass presented this Policy Action Item to the board; discussed the edits to the exiting policy and the two (2) primary changes, 1) added a new section I. Management of the Boards Compensation Expenses and 2) changed the language relating to attendance stipends for attending NRECA Legislative Conference Government Relations/Legislative Committee to include all members of the Board instead of just the committee members (see attached)
 - 9.2.2. Motion to approve changes to Board Policy No. 8

[Motion: Kass] [Second: Murashige]

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

Motion carried

- 9.3. Appointment to NRECA Region 9 Resolutions and Nominating Committees
 - 9.3.1. Director Iha asked if Director Crowell and Director Mayfield would be willing to serve again
 - 9.3.2. Motion to approve Director Crowell to serve on the Resolutions Committee and Director Mayfield to serve on the Nominating Committee

[Motion: Kass] [Second: Murashige]

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

Motion carried

- 9.4. Approval of Charitable Foundation Committee Member Nominee, Kyle Cremer, KIUC Energy Services
 - 9.4.1. Director Tacbian stated Debbie Santiago will be retiring from KIUC and will be leaving the Charitable Foundation Committee, recommending Kyle Cremer as her replacement
 - 9.4.2. Motion to approve Kyle Cremer as the new member on the Charitable Foundation Committee

[Motion: Tacbian] [Second: Yukimura]

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

Motion carried

- 9.5. Strategic Plan discussion
 - 9.5.1. Director Kass provided background for the request of the discussion and stated the present strategic plan from 2016 is six (6) years old. In the last six (6) years KIUC accomplished a lot. When preparing KIUC's business plan, at the time KIUC got 22% of power from renewable energy, last year it was 60% which is a huge accomplishment of the goals. Some of the guidelines in the plan for dealing with fossil fuels are irrelevant now that they are not purchasing as much fossil fuel. The

Board decided last year it was time to prepare a new strategic plan and held four (4) monthly workshops from September – December. February was the first in-person meeting which was very productive. Since the last meeting in February, nothing has happened. Director Kass asked for feedback from the Board whether they believe that the strategic plan should be a priority for this year

- 9.5.2. Director Iha was called upon to hear his thoughts and stated that at the last meeting they charged Committee Chair Mayfield to work with the CEO to work on the next steps; so, until they hear from the Chair of the Strategic Planning Committee, he's willing to wait
- 9.5.3. Director Yukimura was called upon for his thoughts and stated KIUC is on the right track; he doesn't think that the strategic plan is a top priority; although he is not on the committee, he would like to hear more discussion and input from the rest of the committee
- 9.5.4. Director Mayfield, Strategic Plan Committee Chair shared his thoughts on the discussion; noted the preliminary proposal has been circulated to all the committee members. Director Mayfield stated he wants the members to understand that this is a draft proposal and not the final proposal that will be presented to the membership within the next two (2) months. September 2022 is an estimate on the final draft and would like to bring it back to the members once it's ready
- 9.5.5. Director Kass suggested taking existing meetings that are already calendared – June and August – Board finalizes draft in June; members are consulted in July – annual membership meeting; finalization in August; asked if any other board member would like to weigh in on whether they would like to finish this or prefer to put aside given other priorities
- 9.5.6. Director TenBruggencate stated he was uncomfortable with the concept of developing a draft and then presenting it at the end of the process to the public, he thinks it's the wrong approach. He does think that member involvement in the strategic plan is critical and that means they're involved after a first draft, not near the final draft. He would like members to give the Board direction; he's hesitant to start putting an end date on the strategic planning process before it's actually gone out and had the conversation with the membership. Director TenBruggencate noted the next big step is the membership and addressed that they need to have a voice in this process
- 9.5.7. Director Mayfield, Chair of Strategic Planning Committee stated the idea was to dedicate a substantial portion of the June 9th committee meeting to update the strategic plan goals; also noted he would like to solicit, not once but twice, membership input
- 9.5.8. Discussion ensued regarding directors' schedules noting that a few directors may not be able to make the next committee meeting; Board Chair asked the executive administrator to query the board and staff on dates and time they may be available to meet for a special strategic planning committee meeting before the June 9th meeting

10. Calendar

- 10.1. **June 9, 2022** – Board Committee Meeting (9:00am, MCR)
- 10.2. **June 10, 2022** – HOLIDAY, King Kamehameha Day (KIUC Offices Closed)
- 10.3. **June 20-22, 2022** – CFC Forum/Annual Membership Meeting (Boston, MA)
- 10.4. **June 28, 2022** – Regular Board Meeting (1:00pm, via Zoom)

11. **Executive Session** – At 1:44 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.

11.1. Decision Making – The open session of the Regular meeting was reconvened at 2:12 p.m.

11.2. Motion to ratify the following decision made in Executive Session
[Motion: TenBruggencate] [Second: Murashige]

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

Motion carried

12. Adjournment

12.1. Meeting adjourned at 2:12 p.m.



[Calvin Murashige \(Jun 28, 2022 16:05 HST\)](#)

Calvin Murashige
Board Secretary



President's Report

May 26, 2022

David Bissell, President and CEO

President's Report

David Bissell, President and CEO
May 26, 2022

Safety (April)

	<u>Month</u>	<u>2022 YTD</u>	<u>2021 YTD</u>
Recordable Incidents	0	1	2
Days Away/Restricted	30	67	0

Availability and Reliability:

	<u>Month</u>	<u>2022 YTD</u>	<u>2021 YTD</u>
Reportable Outages	1	9	19
Average Outage Hours Per Customer	0.02	0.34	0.90

Efficiency

	<u>Month</u>	<u>2022 YTD</u>
Net Plant Heat Rate	9,026	9,183
Peak Demand (MW)	72.5	72.5

Residential Rates:

May 2022	\$0.373/kwh down \$0.01 from April
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Update Items:

- **KIUC for the first time has the lowest rates in the state this month.**
- KIUC controlled renewable energy percentage YTD is 62.3% down 1.5% from prior year due to increased sales.
- Two new finance/accounting managers starting in June.
- CFO in-person interviews scheduled in June.
- Rate Case prep work continues.
- COVID-19: Two week indoor mask requirement beginning Monday, May 23.
- Monitoring Senate Bill 2510 to see if it becomes law.
- West Kauai Energy Project – Revised Draft Environment Assessment likely to be published in July.
- Endangered Species- EIS scoping meeting is scheduled to be held virtually on June 28.





 **Kauai Island
Utility Cooperative**
Your Touchstone Energy® Cooperative 

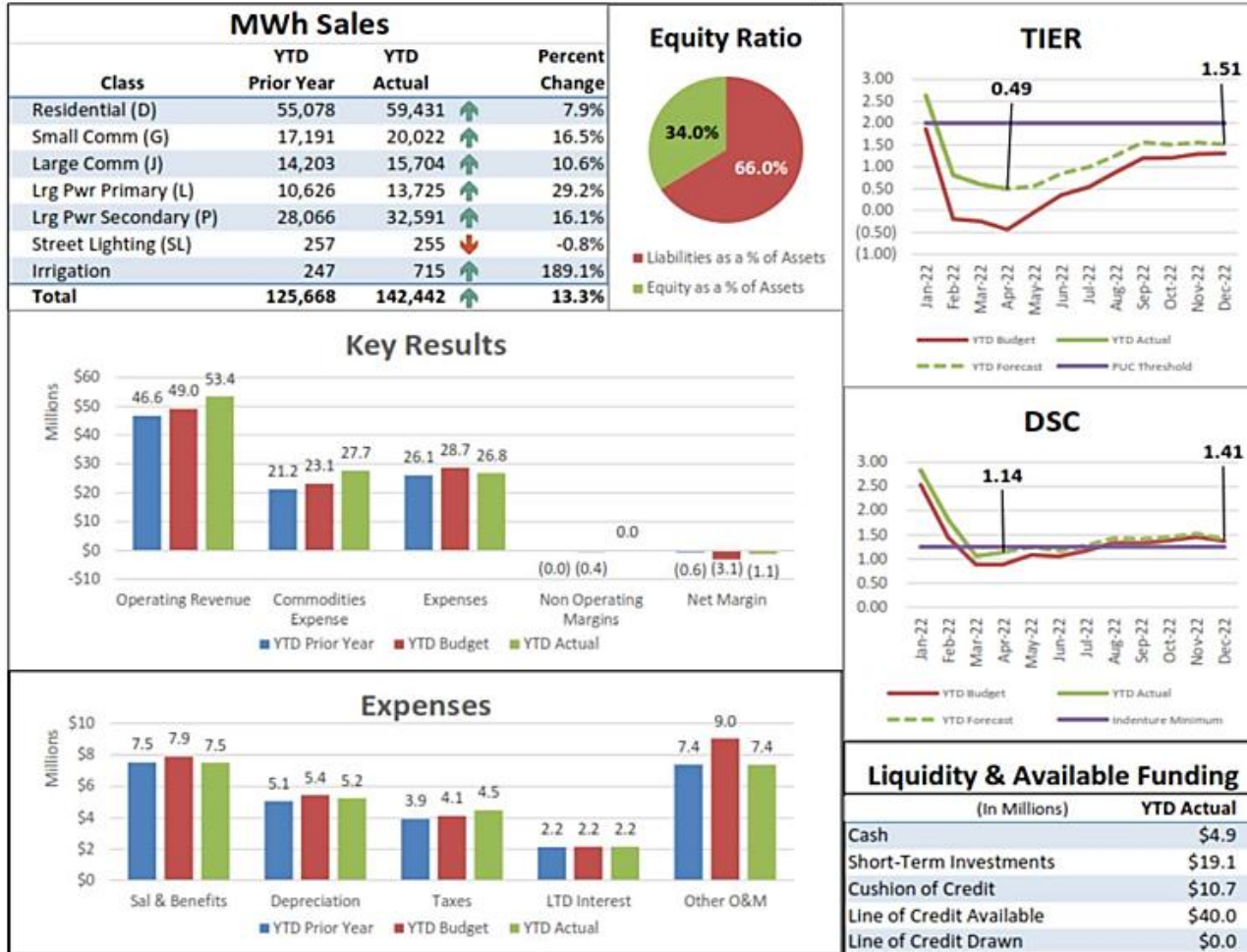


Mahalo!

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Financial Scorecard - YTD April 2022

Draft for Discussion Only



-----Original Message-----

From: Marj Dente <marj.dente1936@icloud.com>

Sent: Monday, May 23, 2022 12:25 PM

To: KIUC Board <kiucbod@hawaii.rr.com>

Cc: Tokioka, Beth <btokioka@kiuc.coop>

Subject: PROPOSED PMRF RADAR PROJECT

CAUTION: This email originated outside of the KIUC organization. Do not click links, open attachments or respond unless you recognize the sender and know the content is safe. Contact IT for help.

Aloha Board Members,

I am aware that the proposed PMRF Radar facility no longer has the support of any Hawaii State or Federal elected Representatives or Senators, I am none the less insisting that KIUC never approve servicing this installation in case the situation changes. I understand that even though KIUC, as a monopoly must provide power to any applicant, there is in fact a caveat, stating that if in doing so creates a situation that seriously affects the membership in a negative manner, that the services be denied.

As you no doubt recall, I as a member, have repeatably asked you to deny services to this project because it will require enormous amounts of diesel fuel to run the EleEle Power plant, completely increasing our negative footprint, totally against the goals of the Strategic Plan, plus substantially increasing every member's monthly bills. Seniors, like me with limited income will particulary be impacted.

It is not too late to officially 'weigh in' against this project.

Thank you for your consideration.

Marj Dente

(Still a KIUC member but living in Washington State)






2022 05-26 Reg BoD Mtg Min - APPROVED

Final Audit Report

2022-06-29

Created:	2022-06-29
By:	Teresa Amoy (tamoy@kiuc.coop)
Status:	Signed
Transaction ID:	CBJCHBCAABAAhJeoC7QWXO9wvdjQr_Zs9WiOZkNE6EIk

"2022 05-26 Reg BoD Mtg Min - APPROVED" History

-  Document created by Teresa Amoy (tamoy@kiuc.coop)
2022-06-29 - 1:46:35 AM GMT
-  Document emailed to hamcol67@gmail.com for signature
2022-06-29 - 1:47:49 AM GMT
-  Email viewed by hamcol67@gmail.com
2022-06-29 - 2:04:14 AM GMT
-  Document e-signed by Calvin Murashige (hamcol67@gmail.com)
Signature Date: 2022-06-29 - 2:05:12 AM GMT - Time Source: server
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