

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

Held at 4463 Pahe`e Street

Līhu`e, Kaua`i, Hawai`i

On September 19, 2019

**MINUTES**

**Call to order at 1:00 p.m.**

**1. Roll Call**

- 1.1 **Present:** Directors Allan Smith (Chair), Dee Crowell, Janet Kass, James Mayfield, Calvin Murashige (Secretary), Teofilo Tacbian, Jan TenBruggencate (Vice Chair), and Peter Yukimura (Treasurer); and David Bissell (President and CEO). A quorum of directors were present.
- 1.2 **In attendance:** Laurel Loo (General Counsel), Karissa Jonas (CFO), Maile Alfiler (Member Services Mgr.), Rick Eckert (Financial Planning & Strategy Mgr.), Carey Koide (T&D Mgr.), Brad Rockwell (Power Supply Mgr.), Beth Tokioka (Communications Mgr.), Lisa Ubay (HR Mgr.), Michael Yamane (COO & Technology) and Nadine Tipps (Executive Administrator); and one (1) member of the public.
- 1.3 **Excused:** Director David Iha

**2. Invocation** – Chair Smith opened the meeting with prayer.

**3. Approval of Agenda** - The agenda was approved as circulated.

**4. Approval of Minutes**

- 4.1 The 8/27/2019 meeting minutes were approved unanimously. [Motion: TenBruggencate/Murashige]

**5. President's Report.** David Bissell, President and CEO

- 5.1 The current Cooperative statistics were reported. (report attached)
- 5.2 Chair Smith reported that Public Utilities Commissioner Leo Asuncion is very interested in the West Kauai Project.
  - 5.2.1 KIUC will give a briefing to the PUC about the project before we file an application.

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

- 6.1 Department Process Improvements –
  - 6.1.1 Automate P-card and expense reporting process.
    - (a) Chose SAP Concur to provide cloud based P-card and expense reporting using a mobile app and/or computer login.
    - (b) Currently configuring KIUC's Concur site.
    - (c) Estimate testing pilot group in November 2019.

- (d) Estimate full deployment in December 2019.
  - 6.1.2 Automate AP invoice approvals and electronically attach supporting documents.
    - (a) Currently testing AP Workflow and DocuVault on Accounting and IT non-PO invoices.
    - (b) Next will conduct testing on Accounting and IT PO invoices.
  - 6.1.3 Evaluate/implement barcoding process for inventory.
    - (a) Currently evaluating various barcoding vendors.
  - 6.1.4 Implement monthly Unbilled Revenue entry using AMI month-end data.
    - (a) Tested NISC existing unbilled revenue reports that use AMI month-end data and found that the reports only provide billed kWh, not actual kWh used, for L & P classes.
    - (b) Requested NISC create a custom report to provide the actual kWh used for the L & P classes.
- 6.2 Warehouse – Physical Inventory Count
  - 6.2.1 Once the bar coding is in place, we plan to move to cycle counts. Working with our Auditors on this.
  - 6.2.2 Brief discussion about cycle counts, and concerns about preventing fraud or theft.
- 6.3 The August 2019 preliminary financials were reviewed. (scorecard attached)

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

- 7.1 Director Iha was excused. The NRECA August 2019 Board Notes and Presentation were circulated.

## 8. **Committee Reports**

- 8.1 **Executive – Committee Chair, Jan TenBruggencate**
  - 8.1.1 The committee met on September 16<sup>th</sup>.
  - 8.1.2 No significant business.
- 8.2 **Finance & Audit –Committee Chair, Peter Yukimura**
  - 8.2.1 The committee met on September 16<sup>th</sup>.
  - 8.2.2 CFO Jonas reported the financials.
  - 8.2.3 The Hana Kukui Building Lease is coming up in a little over a year. In 2025, KIUC has an option to purchase the building. Will look into all of the options in the near future.
- 8.3 **Government Relations/Legislative – Committee Chair, Phil Tacbian**
  - 8.3.1 The committee met on September 16<sup>th</sup>.
  - 8.3.2 Chair Tacbian read his report of the HCPO (Hawaii Congress of Planning Officials) Conference, which he, Chair Smith and Director Yukimura attended. (report attached)
- 8.4 **Member Relations –Committee Chair, Calvin Murashige**
  - 8.4.1 Met on September 16<sup>th</sup>.
  - 8.4.2 Received reports from Member Services and Communications.

8.4.3 Received a presentation by Makani Taniguchi, the KIUC Coordinator for the Kauai United Way, asking that the Board direct KIUC to match the contributions to Kauai United Way by KIUC employees and the Board of Directors. This item will be under New Business.

8.5 **Policy – Committee Chair, Dee Crowell**

8.5.1 Met on September 16<sup>th</sup>.

8.5.2 Reviewed Board Policy No. 11, Patronage Capital Allocation and Retirement Policy. After discussion, this policy was referred back to staff for some changes and will be re-reviewed next month.

8.6 **Strategic Planning –Committee Chair, James Mayfield**

8.6.1 Met on September 16<sup>th</sup>.

8.6.2 Discussed Electrical Vehicles (EVs) on Kauai.

(a) Requested management to circulate the five survey questions from the 2019 KIUC Member Satisfaction questionnaire relating to EVs, which will be reviewed at next month's committee meeting.

(b) The committee directed staff to review the EV information that NRECA has on their website, and then bring back what they have found to the Board.

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

9.1 The CF Board met on September 17<sup>th</sup>. (report attached)

9.2 The Golf Tournament Committee is getting everything ready for the November 16<sup>th</sup> Tournament. Participation is needed.

10. **Public Testimony.** Member Steve Parsons provided oral testimony to the Board of Directors.

11. **New Business**

11.1 **2020 Kauai United Way – KIUC Matching Donation**

11.1.1 Member Relations Committee Chair Murashige reported the committee recommends approval of the request to match funds of the contributions made by KIUC employees and Board of Directors to Kauai United Way. [Motion: Murashige/TenBruggencate]

11.1.2 This does not include matching the CoBank contribution.

11.1.3 The recommendation carried unanimously.

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

11.2 **Aepo Substation**

11.2.1 F&A Committee Chair Yukimura reported the committee discussed and recommended approval of the additional \$2.2M for the Aepo Substation. [Motion: Yukimura/Kass]

11.2.2 Cost overages were primarily from substation construction costs. Bids came in higher than originally budgeted.

11.2.3 Director TenBruggencate requested Administration to consider alerting the Board of Directors sooner when these kinds of overruns at these kinds of levels start showing up in the future.

11.2.4 The recommendation carried unanimously.

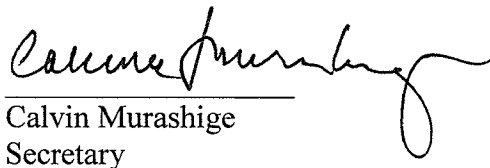
IN FAVOR:	Crowell, Kass, Mayfield, Murashige, Smith, Taubian, TenBruggencate & Yukimura	Total – 8
OPPOSED:	None	Total – 0
EXCUSED:	Iha	Total – 1

12. **Calendar:**

- 12.1 **October 14, 2019** – HOLIDAY, KIUC Offices Closed
- 12.2 **October 18, 2019** – Board Committee Meetings (9:00am., MCR)
- 12.3 **October 29, 2019** – Board Meeting (1:00pm., KIUC Main Conf Rm)

13. **Executive Session.** At 1:34 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.

14. **Adjournment.** The open session of the meeting reconvened at 1:55 p.m. Director TenBruggencate moved to adjourn the meeting; the motion was seconded by Director Murashige. All directors present voted in favor of the motion and it passed unanimously.



---

Calvin Murashige  
Secretary



# President's Report

September 19, 2019

*David Bissell, President and CEO*

## *President's Report*

David Bissell, President and CEO  
September 19, 2019

### Safety (August)

	Month	2019 YTD	2018 YTD
Recordable Incidents	0	1	1
Days Away/Restricted	0	0	133

### Availability and Reliability:

	Month	2019 YTD	2018 YTD
Reportable Outages	7	34	30
Average Outage Hours Per Customer	0.24	4.03	0.66

### Efficiency

	Month	2019 YTD
Net Plant Heat Rate	9,157	9,291
Peak Demand (MW)	79.70	79.70

### Residential Rates:

September 2019	\$0.325/kwh	Down \$0.006 from August
----------------	-------------	--------------------------





## Items of note

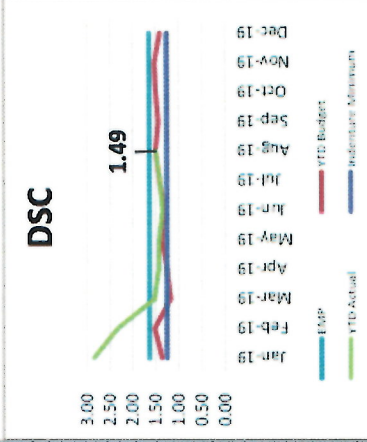
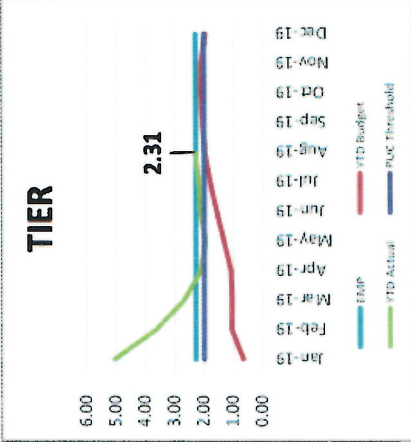
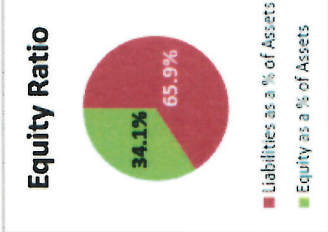
- Annual safety day held 9-6 for all employees
  - KIUC Academy topic was power generation
- Waiahi Hydro EA
  - Awaiting DLNR feedback for transmittal to OEQC
- New system peak set on 8-7 at 79.69 MW
- Met with USF&W and DOFAW on Habitat Conservation Plan
  - Agency and KIUC staff and consultants to coordinate on finalizing modeling projections
- West Kauai Energy Project
  - EIS progressing – public scoping meeting to be held in fall
  - Phase 2 engineering progressing
    - 30% drawings and production model under review
  - PUC application in progress and will be filed by year end
- PMRF PV Project
  - 60% substation plans approved by Navy and full notice to proceed issued
  - AES construction well underway and should be generating energy to grid by year end with full output available upon substation completion



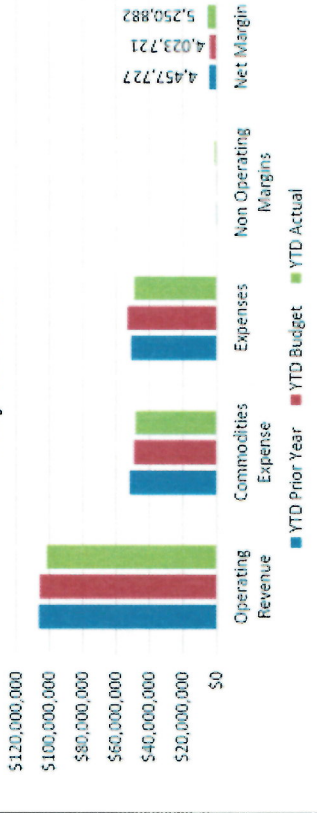
Mahalo!

# Financial Scorecard

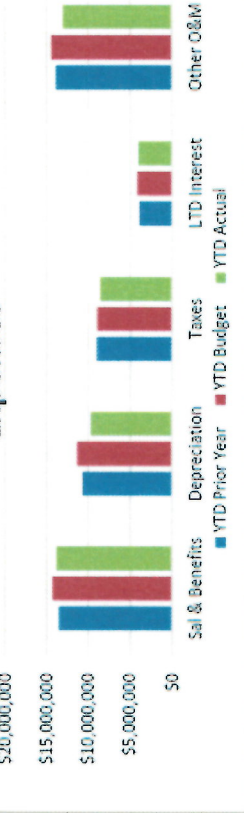
Class	YTD		Percent Change
	Prior Year	Actual	
Residential (D)	115,955	117,750	1.5%
Small Comm (G)	42,256	44,438	5.2%
Large Comm (J)	32,780	33,199	1.3%
Lrg Pwr Primary (L)	34,475	33,340	-3.3%
Lrg Pwr Secondary (P)	70,751	70,344	-0.6%
Street Lighting (SL)	568	534	-6.0%
Irrigation	1,554	311	-80.0%
<b>Total</b>	<b>298,338</b>	<b>299,915</b>	<b>0.5%</b>



### Key Results



### Expenses



### Liquidity

	YTD Actual
Cash	\$5,752,245
Short-Term Investments	\$11,066,400
Cushion of Credit	\$15,694,495
Line of Credit Available	\$40,000,000
Line of Credit Drawn	\$0



Report of the  
Government Relations and Legislative Affairs Committee  
On the Hawaii Congress of Planning Officials Conference  
On Maui Sept. 11 to Sept. 13, 2019

On Sept. 11<sup>th</sup> we took the Mobile Workshop on Lanai: Endangered Species and Watershed Management. On this workshop, Chairman Smith and myself were joined by Public Utilities Commissioner Leo Asuncion. A site visit to a Feral Cat Farm was included. A very interesting presentation of Lanai's efforts to mitigate their endangered bird issues and preservation of their watershed.

The rest of the program included Sea level rise and its impact on different communities in Hawaii were discussed in several sessions. The session on Paradigm Shift on Kauai's North Shore was very well presented by State Representative Nadine Nakamura, State Highway Engineer Larry Dill, NTBG President Chipper Wickman & Hanalei Community President Joel Guy. The impact of the storm last April changed the lifestyle of the people living in the area, for the better. New rules were put into place limiting the number of people using the area is a great improvement to the quality of life for the residents. This rule does not apply to local Kauai residents.

Other topics included Water use and Development, Homelessness, Disaster Recovery Preparedness, pathway to Affordable Housing.

It was nice to meet informally with other officials including Kauai Council members Mason Chock, Felicia Cowden & Luke Evslin. Maui Mayor Mike Victorino, members of the Maui County Council, to name a few. We were part of Kauai's contingent which include the Board of Water Supply and the Planning Dept. headed by Planning Director Kaaina Hull.

Teofilo Phil Tacbian, Chairman  
Government Relations & Legislative Affairs Committee

**Report of the  
KIUC Charitable Foundation**

**Your Charitable Foundation met on Sept. 17, 2019. There were no changes to the Treasurer's & KEO Assistance from last month.**

**On the Makana Program (Roundup) we received a presentation from Darcie Yukimura, Director of Community Philanthropy of the Hawaii Community Foundation. She discussed their programs and how they could be of assistance to us in administering the proceeds of the Makana program. The Board is taking their proposal under advisement.**

**On the scholarship program with KCC, it was suggested that we split our contribution between scholarship and their sustainability program. We are inviting Rose Ramos Benzel of KCC to give the Board an incite of their sustainability program at our next Board meeting in October.**

**We did not receive any request for support from any organization this month.**

**The Golf Committee is well on it's way preparing for the upcoming Tournament. Sat. 11/16/19**

**Teofilo Phil Tacbian, President  
KIUC Charitable Foundation**