

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

Held at 4463 Pahe`e Street

Līhu`e, Kaua`i, Hawai`i

On November 26, 2019

MINUTES

Call to order at 9:01 a.m.

1. Roll Call

1.1 **Present:** Directors Allan Smith (Chair), Dee Crowell, David Iha, 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 no (0) members of the public.

2. Invocation – None.

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

4. Approval of Minutes

4.1 The 10/29/2019 meeting minutes were approved unanimously. [Motion: Murashige/Kass]

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

5.1 The current Cooperative statistics were reported. (report attached)

5.2 Twice this week, KIUC went 100% renewable energy for a couple of hours each day.

6. Financial Report: Karissa Jonas, CFO reported.

6.1 The October 2019 preliminary financials were reviewed. (scorecard attached)

6.2 CWP Financing -

6.2.1 Recommendations have been made to CoBank and CFC on the loan documents. Working on the bidding process to get them to be consistent with each other.

6.2.2 Hopeful to get this loan closed before the end of the year.

6.2.3 When we do the loan closing and request our first draw, we will see what is presented regarding Pat Cap. Some of the loan options will have Pat Cap, and some will not.

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

- 7.1 At the National level, they are pushing the Rural Act, which changes the tax laws. This has been a major push in legislation.
- 7.2 Congress pushed their funding bill until December 20th. They are trying to position themselves if there are last minutes bills, then they can add some of these things.
- 7.3 The NRECA Board meeting is scheduled for the first week in December.
- 7.4 Jim Matheson sent out the Board Notes to all the NRECA Board Members, which included CEO Bissell speaking at the National Conference of State Legislature meeting in Hawaii regarding the renewable efforts of KIUC.
- 7.5 Director Mayfield reported that one of the bills with Congress is extending the full federal tax credit for PV. The next two years would remain at the current amount.

8. **Committee Reports**

8.1 **Executive – Acting Committee Chair, Calvin Murashige**

- 8.1.1 The committee met on November 15th.
- 8.1.2 We are working on new Board meeting dates for next year, which will be discussed at the December committee meeting.

8.2 **Finance & Audit –Committee Chair, Peter Yukimura**

- 8.2.1 The committee met on November 15th.
- 8.2.2 Thank you to CFO Jonas for reporting the financials.
- 8.2.3 No new business.

8.3 **Government Relations/Legislative – Committee Chair, Phil Tacbian**

- 8.3.1 The committee met on November 15th.
- 8.3.2 No actions to report.

8.4 **International – Committee Chair, David Iha**

- 8.4.1 Nothing to report.

8.5 **Member Relations – Committee Chair, Calvin Murashige**

- 8.5.1 The committee met on November 15th.
- 8.5.2 Hopeful all Directors have had a chance to sign up for the Makana Program. Check with staff if you need help signing up.

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

- 8.6.1 The committee met on November 15th.
- 8.6.2 Nothing to report.

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

- 8.7.1 The committee met on November 15th.
- 8.7.2 Nothing to report.

9. **Charitable Foundation (CF) Board** – Teofilo Tacbian, President
 - 9.1 The CF Board met.
 - 9.2 A very preliminary report on the Golf Tournament is a gross total of around \$25k, but will have firmer numbers at the next meeting.

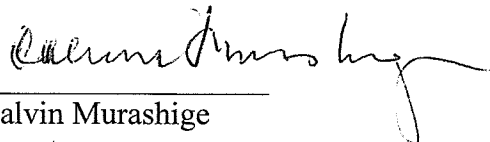
10. **Public Testimony** - None.

11. **New Business** – None.

12. **Calendar:**
 - 12.1 **December 13, 2019** – Board Committee Meetings (9:00am, MCR)
 - 12.2 **December 17, 2019** – Regular Board Meeting (1:00pm., KIUC Main Conf Rm)
 - 12.3 **December 24, 2019** – ½ day HOLIDAY, KIUC Offices Close at 11:30 a.m.
 - 12.4 **December 25, 2019** – HOLIDAY, KIUC Offices Closed
 - 12.5 **December 31, 2019** – ½ day HOLIDAY, KIUC Offices Close at 11:30 a.m.
 - 12.6 **January 1, 2020** – HOLIDAY, KIUC Offices Closed

13. **Executive Session.** At 9:17 a.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 9:40 a.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

November 26, 2019

David Bissell, President and CEO

President's Report

David Bissell, President and CEO
November 26, 2019

Safety (October)

	Month	2019 YTD	2018 YTD
Recordable Incidents	0	2	1
Days Away/Restricted	18	18	133

Availability and Reliability:

	Month	2019 YTD	2018 YTD
Reportable Outages	3	38	34
Average Outage Hours Per Customer	0.17	4.20	0.98

Efficiency

	Month	2019 YTD
Net Plant Heat Rate	9,454	9,300
Peak Demand (MW)	77.9	79.70

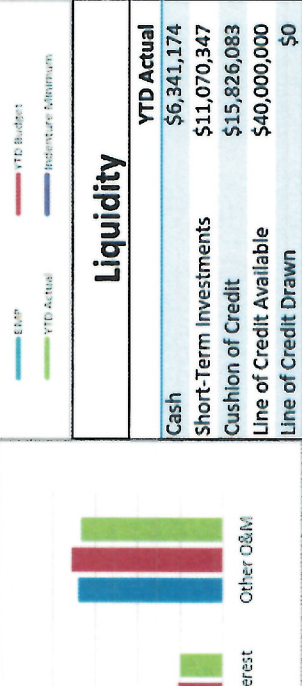
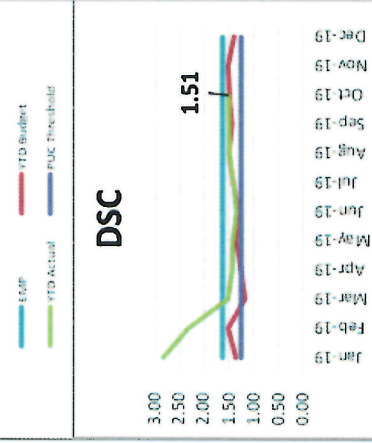
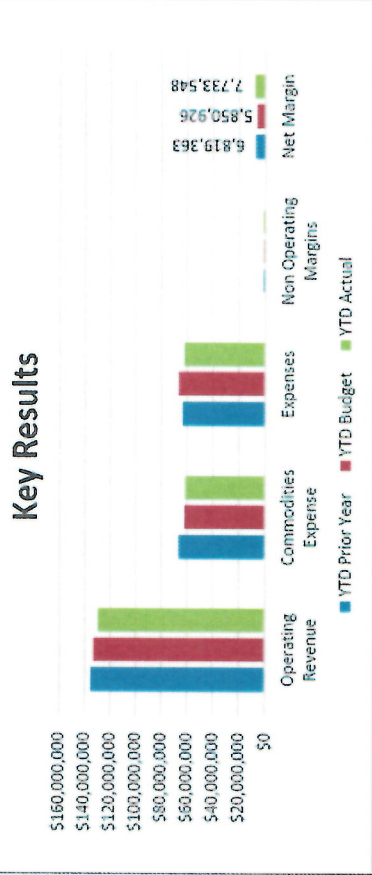
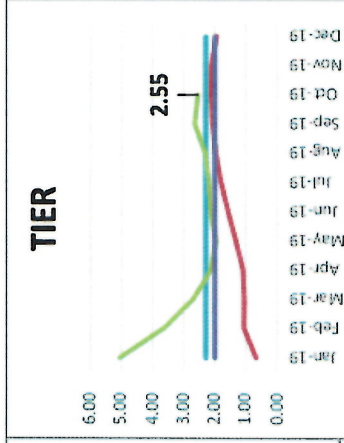
Residential Rates:

November 2019	\$0.333/kwh Up \$0.065 from October
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Mahalo!

Financial Scorecard

Class	YTD		Percent Change
	Prior Year	Actual	
Residential (D)	146,101	150,578	3.1%
Small Comm (G)	54,012	56,639	4.9%
Large Comm (J)	41,528	42,699	2.8%
Lrg Pwr Primary (L)	43,716	42,987	-1.7%
Lrg Pwr Secondary (P)	89,722	90,122	0.4%
Street Lighting (SL)	710	662	-6.8%
Irrigation	1,679	439	-73.9%
Total	377,468	384,126	1.8%



Liquidity

Category	YTD Actual
Cash	\$6,341,174
Short-Term Investments	\$11,070,347
Cushion of Credit	\$15,826,083
Line of Credit Available	\$40,000,000
Line of Credit Drawn	\$0