

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

Held Via Zoom Webinar

On March 24, 2022

MINUTES

Called to order at 1:03 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; and David Bissell (CEO). A quorum of directors was present

- 1.2. Others present: Karissa Jonas (CFO), Brad Rockwell (COO), Beth Tokioka (Communications Mgr.), Maile Alfiler (Member Services Mgr.), Lisa Ubay (HR Mgr.), Shelly 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 (0)

- 1.3. Excused: Director Janet Kass

2. Approval of the Agenda

- 2.1. The Board of Directors' Agenda of March 24, 2022 was approved as circulated

3. Approval of Minutes

- 3.1. Motion to approve the minutes of February 24, 2022 Regular Meeting of the Board of Directors was made

[Motion: Yukimura] [Second: Murashige]

Motion approved unanimously

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

- 4.1. Safety (February)
 - 4.1.1. Recordable Incidents – Month = 1; 2022 YTD = 1; 2021 YTD = 2
 - 4.1.2. Days Away/Restricted – Month = 16; 2022 YTD = 16; 2021 YTD = 0

- 4.2. Availability and Reliability
 - 4.2.1. Reportable Outages – Month = 4; 2022 YTD = 6; 2021 YTD = 10
 - 4.2.2. Average Outage Hours per Customer – Month = 0.30; 2022 YTD = 0.31; 2021 YTD = 0.19

- 4.3. Efficiency
 - 4.3.1. Net Plant Heat Rate – Month = 9,286; 2022 YTD = 9,223
 - 4.3.2. Peak Demand (MW) – Month = 70.76; 2022 YTD – 70.76

- 4.4. Residential Rates
 - 4.4.1. March 2022 = \$0.362/kwh up \$0.001 from January

5. Financial Report – Karissa Jonas (CFO)

- 5.1. Finance & Accounting Update
 - 5.1.1. Annual Financial Audit
 - 5.1.1.1. Moss Adams has completed their fieldwork and is now in the review stage of the audit
 - 5.1.1.2. Moss Adams is planning to issue the KIUC Consolidated Audited Financial Statements by 3/31/22
 - 5.1.2. RUS Reporting
 - 5.1.2.1. Borrower’s Environmental Report (BER) update:
 - 5.1.2.1.1. On 3/2/22, RUS approved the BER for the one 2021-2024 CWP project that is categorically excluded under §1970.54
 - 5.1.3. CFC Short-Term Investments
 - 5.1.3.1. KIUC invested cash in the following short-term investments:
 - 5.1.3.1.1. On 2/25/22, \$5M in CFC Select Notes for 150 days @ 0.87% interest, 7/25/22 maturity
 - 5.1.3.1.2. On 2/25/22, \$5M in CFC Select Notes for 90 days @ 0.67% interest, 5/26/22 maturity
 - 5.1.3.1.3. On 2/25/22, \$5M in CFC Daily Fund with a current interest rate of 0.08%
 - 5.1.4. Financial Scorecard – YTD February 2022
 - 5.1.4.1. Financial Scorecard discussed by CFO Jonas (Attached)

6. NRECA Hawaii Director Report – Director David Iha

- 6.1. Director Iha provided NRECA CEO’s report and noted discussion regarding Broadband fee-for-service
- 6.2. NRECA is engaging members on infrastructure projects, providing resources at cooperative.com/infrastructure
 - 6.2.1. 27 co-op funding opportunities
 - 6.2.2. NRECA working to define programs at federal agencies that best support co-ops
 - 6.2.3. Developing consortia to support groups of members who want to work together on projects

- 6.3. PowerXchange and TechAdvantage Experience were held in Nashville, TN, with over 6,000 registrants
- 6.4. NRECA Business Meeting adopted 2 new resolutions; 2022 resolutions will be available on cooperative.com in the coming weeks
- 6.5. NRECA Year-End Financial Report
 - 6.5.1. Total Revenue = \$259.1M
 - 6.5.2. Net Operative Margin before the RS Plan Voluntary Contribution Acceleration Program payment = \$4.8M
 - 6.5.3. Payment for RS Plan Voluntary Contribution Acceleration Program = \$4.7M
 - 6.5.4. Net Margin = \$102,000
- 6.6. NRECA CEO Announced the hiring of three (3) Senior Level Positions, 1) Chief Financial Officer, Digna Louis; 2) Senior Vice President of Business and Technology Strategies, Angela Strickland; and 3) Senior Vice President and General Counsel, Scott Barash
- 6.7. NRECA 2022 Legislative Conference, May 1 – 5, 2022, Washington, DC; the House of Representatives will be in recess but the Senate will be in session

7. Charitable Foundation Board – Director Teofilo Tacbian

- 7.1. Treasurer reported no activity for the month of February. Balance remains at \$82,884.38
- 7.2. KEO continues to support people in need; supported 2 households for a total of \$664.86. Remaining contribution balance of \$1,873.08. At the federal level, through the LIHEAP program, they approved seven (7) applications for a total of \$5,200.84
- 7.3. Makana Program has a total of 277 members; YTD \$491.29 contributed to the program
- 7.4. Golf committee reserved tentative date Nov. 19th @ Pua Kea golf course for this year's fundraiser and golf tournament

8. Public Testimony – Teresa Amoy (Executive Administrator)

- 8.1. Testimony must be in written form and received via email at connections@kiuc.coop no later than Wednesday, March 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
- 8.2. No public testimony

9. New Business

9.1. Recommendation for the KIUC Request for Proposal for Professional Insurance Brokerage Services (2022 Insurance Broker RFP BAR Form) (F&A Action Item)

9.1.1. Committee Chair Yukimura presented this F&A Action Item

9.1.2. Motion to approve the recommendation for the three (3) year contract term with Marsh

[Motion: Yukimura] [Second: Mayfield]

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

Motion carried

9.1.3. Motion to approve the BAR form for 2022 Insurance Broker RFP and the 3 (three) year contract term with Marsh

[Motion: Yukimura] [Second: Mayfield]

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

Motion carried

9.2. Board Policy 33, Member Called Meetings of KIUC Member (Policy Action Item)

9.2.1. Director Murashige presented this Policy Action Item for Director Kass

9.2.2. Motion to approve Board Policy 33 with its slight modifications; Director TenBruggencate noted the modifications bring the language of BP 33 into conformance with the bylaws

[Motion: Murashige] [Second: TenBruggencate]

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

Motion carried

10. Calendar

- 10.1. April **2-5, 2022** – 2022 NRECA Director’s Conference (online & Austin, TX)
- 10.2. April **15, 2022** – HOLIDAY, KIUC Offices Closed
- 10.3. April **19, 2022** – Board Committee Meeting (9:00am, TBD)
- 10.4. April **21, 2022** – CFC Director Webinar Series (7:00am)
- 10.5. April **28, 2022** – Regular Board Meeting (1:00pm, TBD)

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:

- Hiring, evaluating, dismissing or disciplining an officer or employee;
- Labor negotiations;
- Legal consultation, including issues pertaining to the powers, duties, privileges, immunities and liabilities of the Board of Directors;
- Matters related to the safety and security of KIUC;
- Matters of a proprietary or financial nature, public disclosure of which would affect ongoing or potential negotiations or legal or administrative proceedings.

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 recessed at 1:43 p.m. before the Executive Session.

Calvin Murashige

Calvin Murashige (Apr 29, 2022 10:45 HST)

Calvin Murashige
Board Secretary



President's Report

March 24, 2022

David Bissell, President and CEO

President's Report

David Bissell, President and CEO
March 24, 2022

Safety (February)

	<u>Month</u>	<u>2022 YTD</u>	<u>2021 YTD</u>
Recordable Incidents	1	1	2
Days Away/Restricted	16	16	0

Availability and Reliability:

	<u>Month</u>	<u>2022 YTD</u>	<u>2021 YTD</u>
Reportable Outages	4	6	10
Average Outage Hours Per Customer	0.30	0.31	0.19

Efficiency

	<u>Month</u>	<u>2022 YTD</u>
Net Plant Heat Rate	9,286	9,223
Peak Demand (MW)	70.76	70.76

Residential Rates:

March 2022	\$0.362/kwh Up \$0.001 from February
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Mahalo!

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Financial Scorecard - YTD February 2022



TIER

— YTD Budget: 1.47
— YTD Actual: 1.41
— PUC Threshold: 0.81

DSC

— YTD Budget: 1.41
— YTD Actual: 1.41
— Indenture Minimum: 1.00

Liquidity & Available Funding

(in Millions)	YTD Actual
Cash	\$6.4
Short-Term Investments	\$19.1
Cushion of Credit	\$12.9
Line of Credit Available	\$40.0
Line of Credit Drawn	\$0.0