

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

Held Via Zoom Webinar

On April 28, 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), Brad Rockwell (COO), 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.), Corinne Cuaresma (Controller), Fran Nadatani (Accounting 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. The Board of Directors' Agenda of April 28, 2022 was approved as circulated

3. Approval of Minutes

- 3.1. Motion to approve the minutes of March 24, 2022 Annual Meeting and March 24, 2022 Regular Meeting of the Board of Directors, and to defer Minutes of the March 29, 2022 Continued Recessed Regular Meeting; update to provide language that the board went into Executive Session

[Motion: TenBruggencate] [Second: Murashige]

Motion approved unanimously

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

- 4.1. Safety (March)
 - 4.1.1. Recordable Incidents – Month = 0; 2022 YTD = 1; 2021 YTD = 2
 - 4.1.2. Days Away/Restricted – Month = 0; 2022 YTD = 44; 2021 YTD = 0
- 4.2. Availability and Reliability
 - 4.2.1. Reportable Outages – Month = 2; 2022 YTD = 8; 2021 YTD = 16
 - 4.2.2. Average Outage Hours per Customer – Month = 0.02; 2022 YTD = 0.33; 2021 YTD = 0.30

- 4.3. Efficiency
 - 4.3.1. Net Plant Heat Rate – Month = 9,263; 2022 YTD = 9,237
 - 4.3.2. Peak Demand (MW) – Month = 72.84; 2022 YTD – 72.84

- 4.4. Residential Rates
 - 4.4.1. April 2022 = \$0.383/kwh up \$0.021 from March

5. Financial Report – Karissa Jonas (CFO)

- 5.1. Finance & Accounting Update
 - 5.1.1. Annual Financial Audit & Compliance Reporting
 - 5.1.1.1. The KIUC Consolidated Audited Financial Statements were issued on 3/30/22
 - 5.1.1.2. All of the annual compliance reporting to KIUC’s lenders and regulators have been filed prior to their respective due dates
 - 5.1.2. RUS Reporting
 - 5.1.2.1. 2021 Load Forecast
 - 5.1.2.1.1. A load forecast and narrative describing the methods and procedures used to develop the load forecast is required by RUS in support of any request of RUS financing assistance
 - 5.1.2.1.2. A new 10-year load forecast was prepared in October 2021
 - 5.1.2.1.3. The Load Forecast Report was issued March 2022
 - 5.1.3. Financial Scorecard – YTD March 2022
 - 5.1.3.1. Financial Scorecard discussed by CFO Jonas (Attached)

6. NRECA Hawaii Director Report – Director David Iha

- 6.1. Highlights of PowerXchange Conference – 9100 people in attendance; 1600 attended the ACRE breakfast; 750 attended the International luncheon; over 2000 attended the entertainment night; voting for the business meeting was the highest since the year 2000 with 688 voters, of that 100 voted online
- 6.2. Three main items for the Legislative conference 1) RUS repricing - trying to get the repricing issue passed in congress, 2) continued support for infrastructure, and 3) direct payment for those cooperatives with direct efforts in renewable energy, the incentives go directly to those co-ops instead of third parties

7. Charitable Foundation Board – Director Teofilo Tacbian

- 7.1. Treasurer reported no new activity for the month of March; balance remains at \$82,884.38
- 7.2. No action with KEO
- 7.3. Makana Program has 11 new members; total of 288 members; YTD \$721.62 contributed to the program
- 7.4. Approved 2 contributions: KEO \$5000.00 and Catholic Charities \$5000.00
- 7.5. Golf committee reserved tentative date Nov. 19th at 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 testimony@kiuc.coop no later than Wednesday, April 27, 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 Steve Parsons and read to the Board of Directors

9. 2021 Audited Financial Statements – Auditor’s Presentation

- 9.1. Moss Adams presented KIUC’s Audit Results
 - 9.1.1. Issued an unmodified opinion – which means the financial statements are presented fairly and in accordance with US GAAP
 - 9.1.2. There were no financial reporting findings for GAGAS and a clean opinion for RUS Report
 - 9.1.3. Director TenBruggencate thanked and congratulated Karissa Jonas (CFO) for a long run of clean audits, unmodified opinions, and her great work

10. New Business

- 10.1. Approval of the 2021 Patronage Capital Retirement
 - 10.1.1. Committee Chair Yukimura presented this F&A Action Item
 - 10.1.2. Motion to distribute the amount in the form of patronage capital

[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

11. Calendar

- 11.1. **May 1-5, 2022** – 2022 NRECA Legislative Conference (Washington, DC)
- 11.2. **May 10, 2022** – 9th Hawaii Energy Conference 2022 (Online)
- 11.3. **May 12, 2022** – 9th Hawaii Energy Conference 2022 (Online)
- 11.4. **May 17, 2022** – CFC Quarterly Industry Update Series (7:00am, Online)
- 11.5. **May 17, 2022** – Board Committee Meeting (9:00am, MCR)
- 11.6. **May 26, 2022** – Regular Board Meeting (1:00pm, via Zoom)
- 11.7. **May 30, 2022** – HOLIDAY, Memorial Day (KIUC Offices Closed)

12. **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.

12.1. Decision Making – The open session of the Regular meeting was reconvened at 1:52 p.m.

12.2. Motion to ratify the following decision made in Executive Session
[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

13. Adjournment

13.1. Meeting adjourned at 1:53 p.m.



Calvin Murashige (May 27, 2022 11:18 HST)

Calvin Murashige
Board Secretary



President's Report

April 28, 2022

David Bissell, President and CEO

President's Report

David Bissell, President and CEO
April 28, 2022

Safety (March)

	Month	2022 YTD	2021 YTD
Recordable Incidents	0	1	2
Days Away/Restricted	0	44	0

Availability and Reliability:

	Month	2022 YTD	2021 YTD
Reportable Outages	2	8	16
Average Outage Hours Per Customer	0.02	0.33	0.30

Efficiency

	Month	2022 YTD
Net Plant Heat Rate	9,263	9,237
Peak Demand (MW)	72.84	72.84

Residential Rates:

April 2022	\$0.383/kwh Up \$0.021 from March
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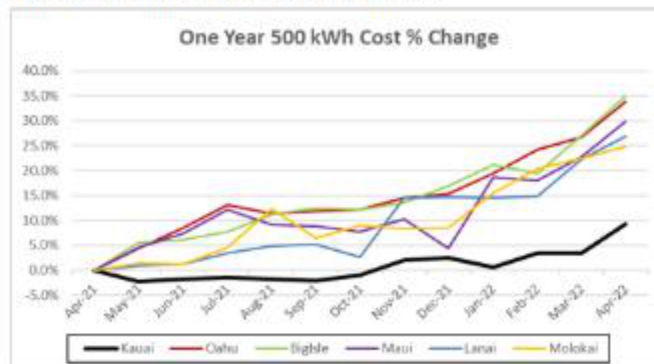
Updates

- Received award of \$1 million federal “earmark” money for north shore battery resiliency project
- KIUC and AES presented on WKEP and our overall renewable progress at Kauai Chamber of Commerce’s membership meeting
- Annual financial audit complete
- Recruiting and interviewing for multiple open positions including CFO
- Continue to adjust to changing COVID-19 conditions
- Almost 20% of residential accounts have PV



Rates

- Crude oil prices averaged over \$100 per barrel in March for first time since August 2014
- Residential rates are up to 38 cents. KIUC rates below all islands other than Oahu where we are within 4%.



Updates- Continued

- **Endangered Species**
 - Agency review of draft Habitat Conservation Plan chapters continuing
 - Public issuance of draft likely in fourth quarter of 2022
- **West Kauai Energy Project**
 - Environmental Assessment draft update nearing completion
 - Draft likely to be issued for public review by June
- **Strategic Planning**
 - Draft of goals based on off-site planning meeting with board has been prepared and will be circulated with board for review and comments
- **Rate Case**
 - Kick off meeting for potential 2022 rate case filing held



Anahola Service Center-Front



Anahola Service Center-Back



Anahola Service Center-Charger Location



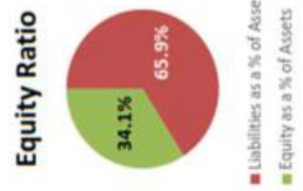


Mahalo!

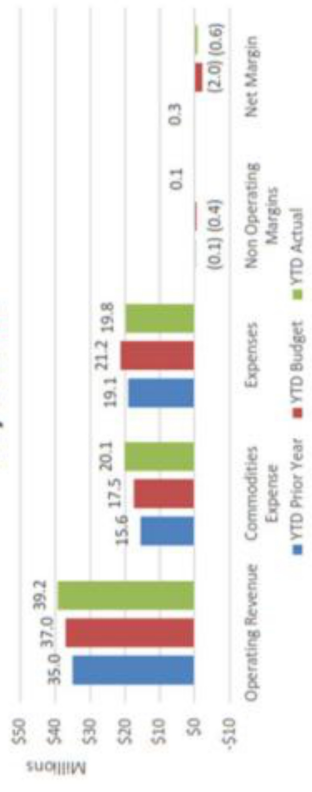
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Financial Scorecard - YTD March 2022

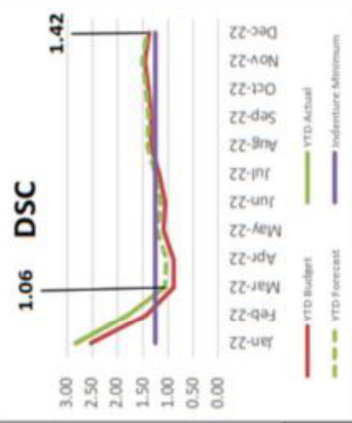
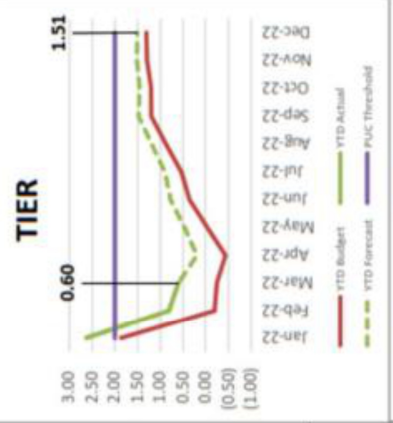
MWh Sales			
Class	YTD Prior Year	YTD Actual	Percent Change
Residential (D)	41,306	44,415	7.5%
Small Comm (G)	12,703	14,869	17.1%
Large Comm (J)	10,501	11,671	11.1%
Lrg Pwr Primary (L)	7,629	10,167	33.3%
Lrg Pwr Secondary (P)	20,967	24,234	15.6%
Street Lighting (SL)	193	191	-0.8%
Irrigation	245	588	140.4%
Total	93,544	106,135	13.5%



Key Results



Expenses



Liquidity & Available Funding

(in Millions)	YTD Actual
Cash	\$6.0
Short-Term Investments	\$19.1
Cushion of Credit	\$10.7
Line of Credit Available	\$40.0
Line of Credit Drawn	\$0.0

Amoy, Teresa

From: Tokioka, Beth
Sent: Monday, April 25, 2022 9:52 AM
To: Steve Parsons
Cc: Amoy, Teresa
Subject: RE: Testimony for next board meeting

Thanks Steve. We'll include this. Please note the new email for submitting testimony is: testimony@kiuc.coop.

Mahalo!

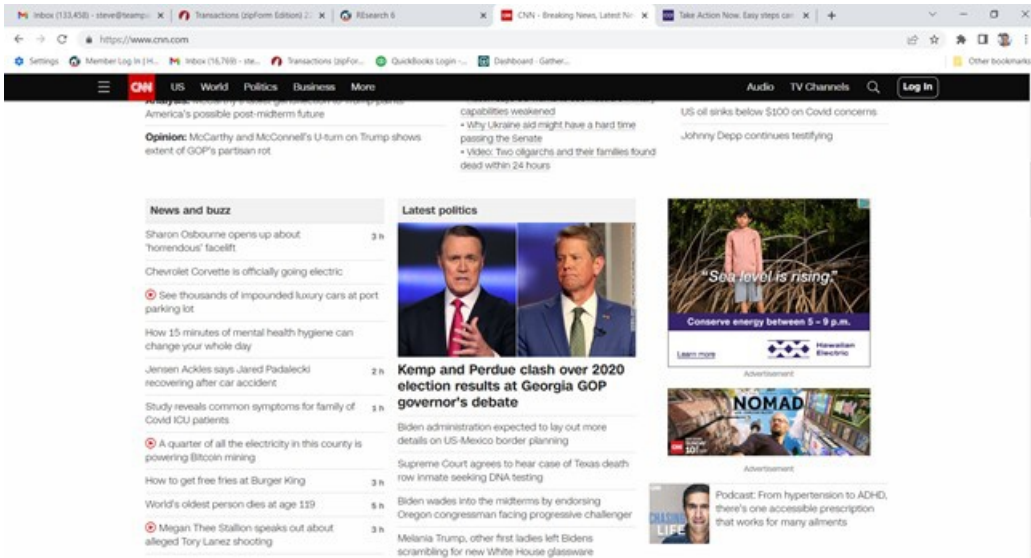
Beth

From: Steve Parsons <steve@teamparsons.com>
Sent: Monday, April 25, 2022 9:49 AM
To: boardchair@hawaii.rr.com
Cc: Tokioka, Beth <btokioka@kiuc.coop>; helen Cox <helencoxkcc@gmail.com>; Laurel Brier <Browerr001@hawaii.rr.com>; Sonja and Andy <sonja_and_andy@yahoo.com>; Jim Mayfield <jim@islandbusinessbrokers.com>
Subject: Testimony for next board meeting

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 Chair & CEO,

Please consider augmenting the KIUC website to raise climate change awareness like HECO is. In fact, I discovered this because HECO is paying for internet advertising. See my Screenshot below. You may be tempted to dismiss this, as KIUC doesn't have the same budget. However, you still could add a section on KIUC's site to mimic theirs: <https://www.hawaiielectric.com/about-us/our-vision-and-commitment/power-to-change> For example when people click here you could push them to your Drive EV page to fight Sea Level Rise. I'm still requesting you announce when you are discontinuing your purchase of FF vehicles. And please revisit the 1000/500/250/100 rebate. 1000 for new EV's 500 for used. 250 for Ebikes 100 for E-skateboards or scooters. I was disappointed as others were too that you you had NO presence at the EV festival. In the future, I request you help sponsor AND more importantly ATTEND PLEASE!!! Talk about the EV buses the county is buying. Be Excited. Check yourselves to make sure you are not ingesting too much Fossil Fuel FUD. PLEASE lead on this and don't continue your "Passive, Eeyore "Oh, Well Pooh, why should we help accelerate EV's when our adoption rate is SO Low VS. What can KIUC do to accelerate EV addition" After all YOU have the POWER", I couldn't resist a pun at the end... IMUA>>>



Mahalo,
Steve Parsons,
Hanapepe Kauai
808-651-3232c
Keller Williams Realty Maui
Hawaii Broker Lic. #RB-22077

