

**18TH ANNUAL MEETING OF THE MEMBERS
OF THE
KAUAI ISLAND UTILITY COOPERATIVE**

Held via Zoom
July 22, 2020

MINUTES

1. **Call to order and roll call.**
 - 1.1 The meeting was called to order at 5:00 p.m.
 - 1.2 **Directors Present via Zoom:** Allan Smith (Chair), Dee Crowell, David Iha, Janet Kass, James Mayfield, Calvin Murashige (Secretary), Teofilo Tacbian, Jan TenBruggencate (Vice Chair), and Peter Yukimura (Treasurer).
 - 1.3 **In attendance via Zoom:** David Bissell (CEO & President); Karissa Jonas (CFO & Financial VP), and General Counsel Laurel Loo; KIUC Members and Members of the Public (143 approximately, along with an unknown number viewing on Hoike Channel 53); and numerous KIUC staff

2. **Welcome** – Board Chair Allan Smith welcomed all to the KIUC Annual Membership Meeting and each director of the KIUC Board was introduced. KIUC’s CEO David Bissell, CFO Karissa Jonas and General Counsel Laurel Loo were also introduced.

3. **Pledge of Allegiance** – Led by Chair Smith.

4. CEO Bissell spoke about how COVID-19 has had significant impacts in our community and here at KIUC. We always enjoy the annual meeting when we can spend time with our members face to face, and share a great chili and rice dinner. Unfortunately, this year we had to use Zoom for this meeting in order to keep everyone safe. He also said a big Mahalo for Hoike Community Television and J. Robertson for providing a live simulcast on Hoike Channel 53. CEO Bissell said a few words and mentioned that Hurricane Douglas is approaching our island, and explained how KIUC is preparing for it.

5. **Approval of Minutes.**
 - 5.1 A motion by Director TenBruggencate seconded by Director Kass to approve the minutes of the July 31, 2019 Annual Meeting of the Members carried.

6. **Special Video Presentation.**
 - 6.1 Chair Smith stated that as CEO Bissell mentioned, we normally share a chili and rice dinner with the attendees of our Annual Meeting, along with a bag of rice and other gifts to take home. Unfortunately, we could not do that this year. Instead, on the suggestion of our Vice Chair, Jan TenBruggencate, the Board and staff decide to make a donation of rice to the two Foodbanks on Kauai. A short video regarding this was played.

7. **Annual Report and Financial Report.**

7.1 Chair Smith stated in order to simplify the Zoom presentation, we asked CEO Bissell to record the Annual Presentation this year. A video of the attached presentation was played.

8. **Questions and Answers.**

8.1 Several questions were received from members via email prior to the meeting. A video was played of CEO Bissell addressing the questions with a PowerPoint presentation by the following general topic areas:

8.1.1 What elements of the KIUC Strategic Plan are moving forward?

8.1.2 Broadband – Are there any discussions with KIUC launching high speed internet?

8.1.3 Some questions were received regarding Electric Vehicles. Members were seeking information on the availability for rebates on Electric Vehicle purchases, events that encourage Electric Vehicle ownership, installation of charging stations, and the conversion of KIUC’s fleet to all Electric Vehicles.

8.1.4 Is there any chance of selling green energy tax credits, like Tesla, if the carbon tax is implemented?

8.1.5 How much power are we shedding on a yearly basis? How can KIUC use that power as a resource?

8.1.6 There were several questions about the drop in Schedule Q buyback rates in the past few months compare to those rates in 2019.

8.1.7 Fleet of utility vehicles - Are we tracking how much we spend and use in fuel for our fleet?

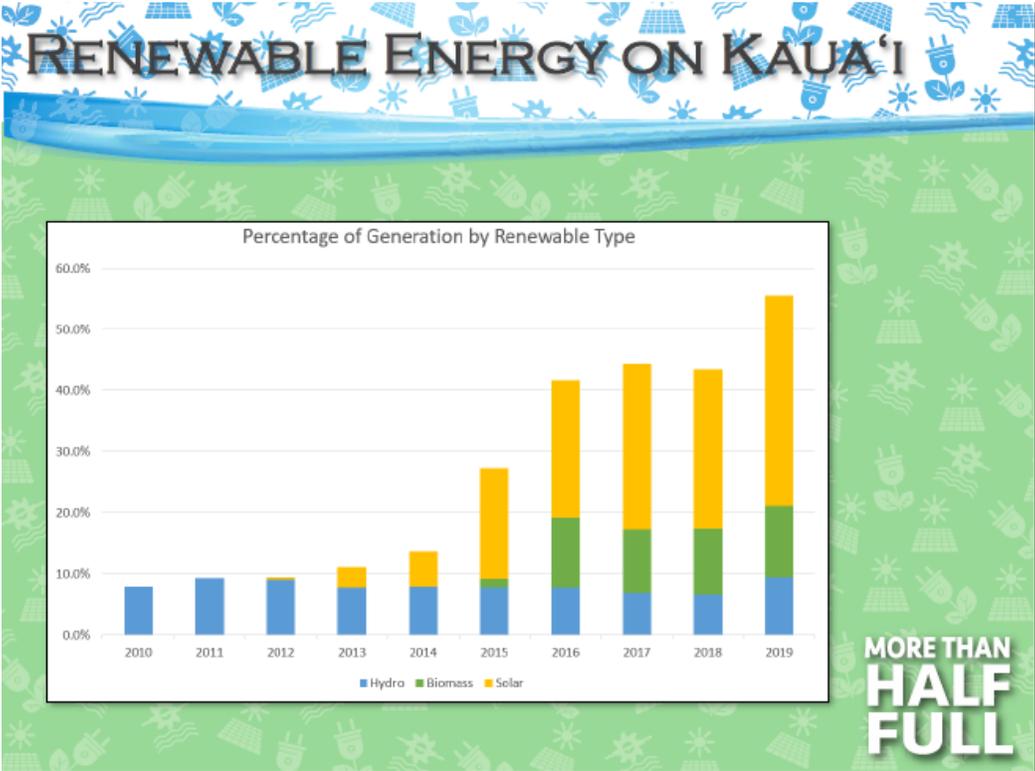
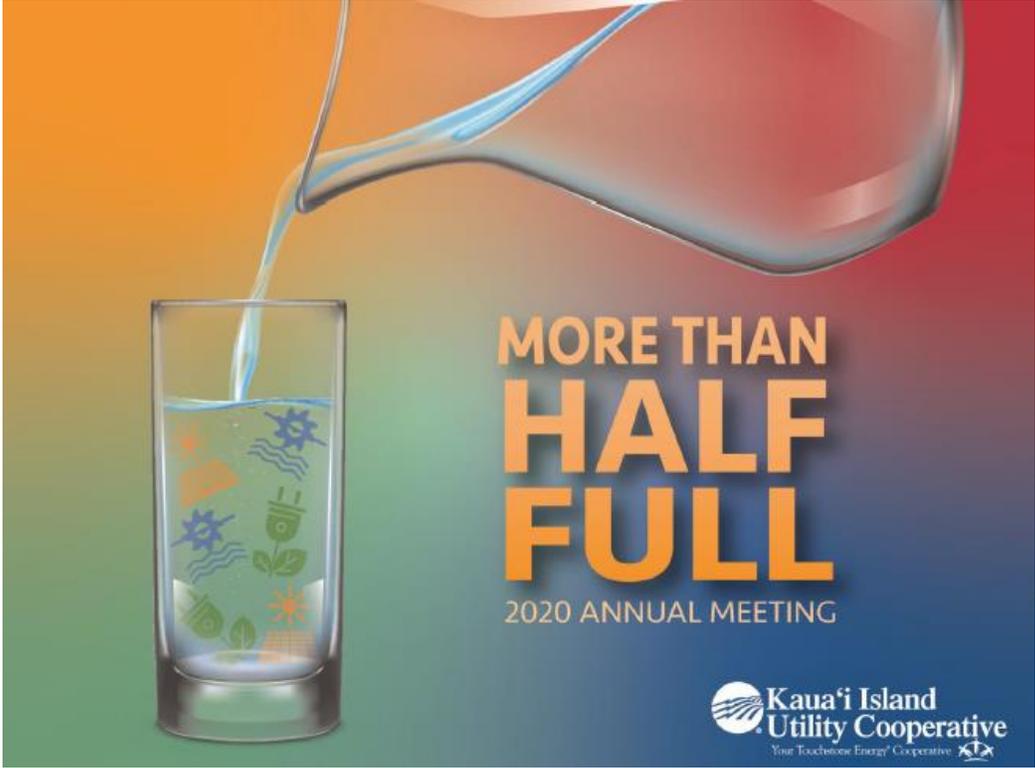
9. **Door Prizes.**

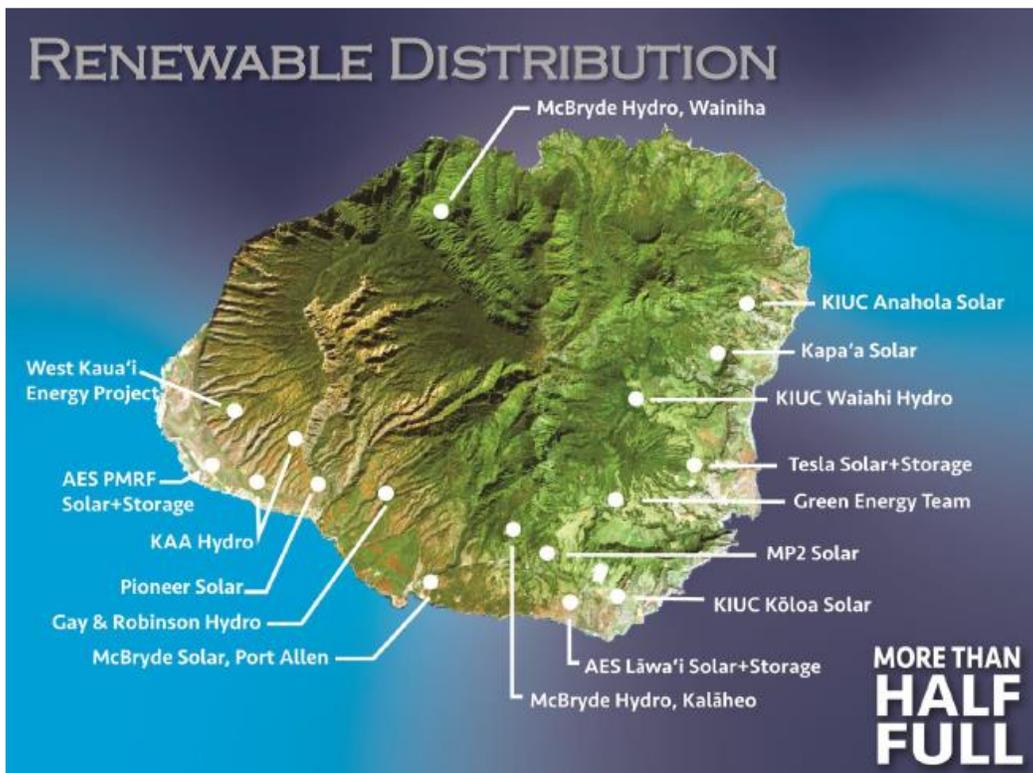
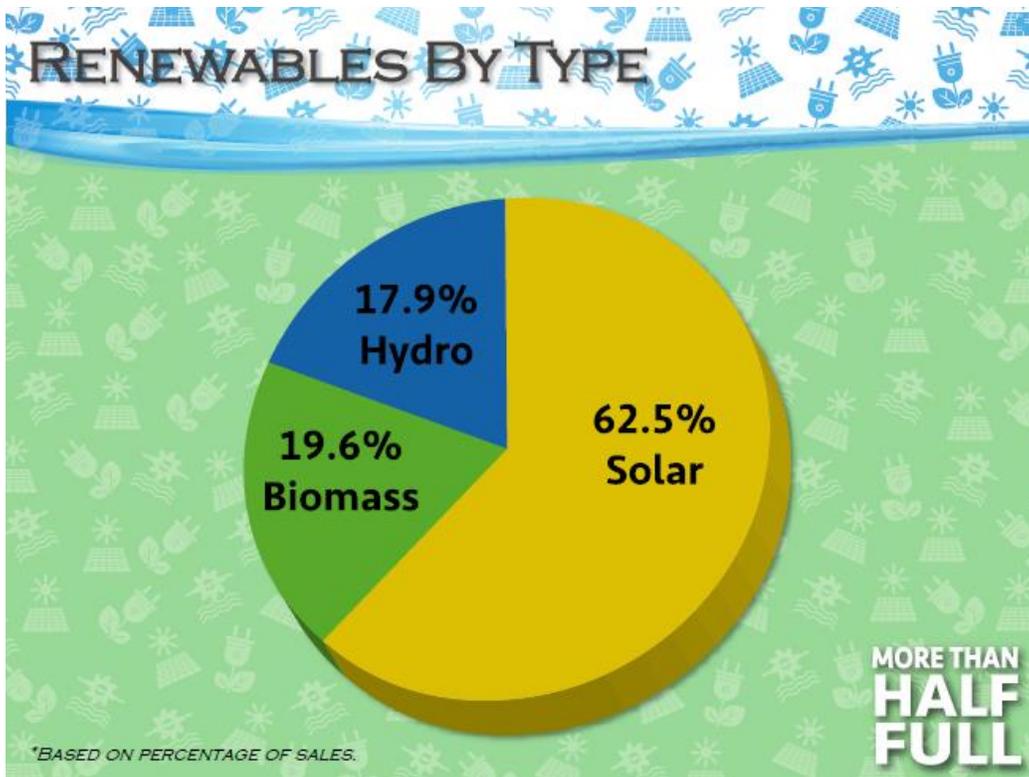
9.1 Member Relation’s Committee Chair Dee Crowell announced the names of the winners of the Door Prizes, which were gift cards to local grocery stores.

10. **Adjournment.** The meeting adjourned at 5:37 p.m.

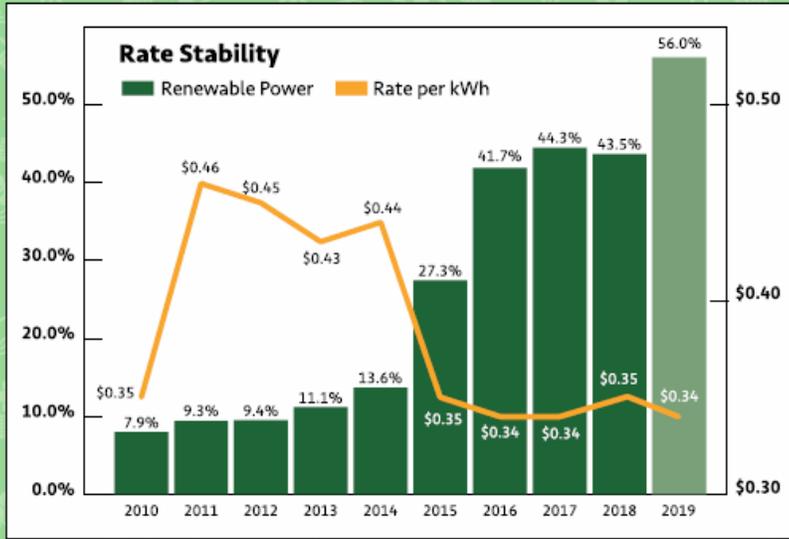


Calvin Murashige
2021 Board Secretary





RENEWABLES AND RATES



**MORE THAN
HALF
FULL**

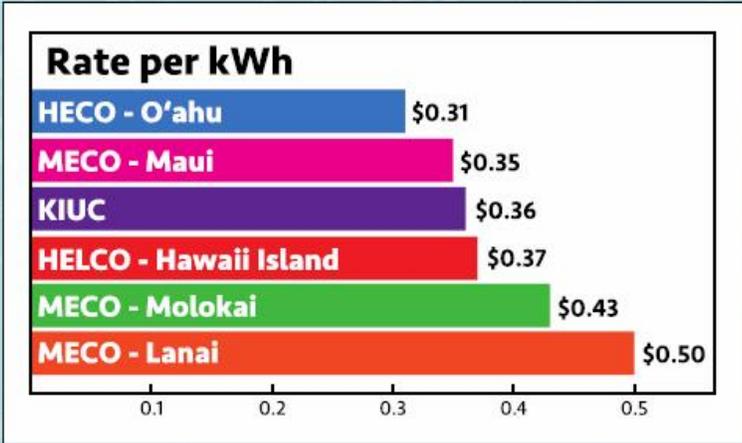
THE "SOLAR" BONUS



**\$3.4
MILLION
SAVINGS**

**MORE THAN
HALF
FULL**

STATEWIDE RATE COMPARISON



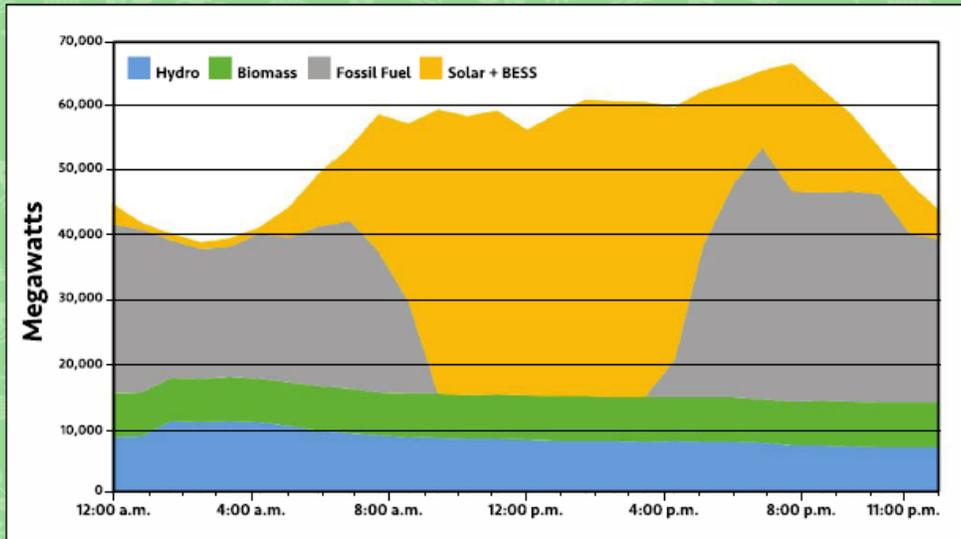
SOURCE: HAWAII PUBLIC UTILITIES COMMISSION FY19 ANNUAL REPORT

NOTE: O'AHU'S CUSTOMER BASE IS EIGHT TIMES GREATER THAN KAUAI, AND HECO USE LOW-COST COAL AS A FUEL SOURCE.

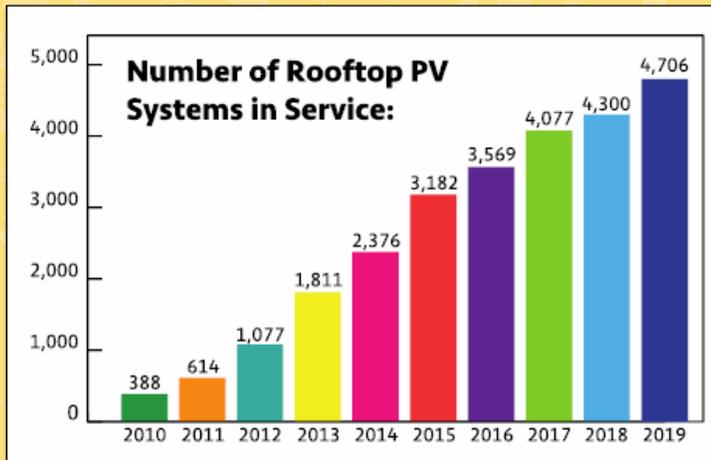
MORE THAN
HALF
FULL

RENEWABLE MILESTONE

DECEMBER 7, 2019



ROOFTOP CONTRIBUTION



MORE THAN
**HALF
FULL**

2019 FINANCIAL RESULTS

KIUC RETURNED STRONG RESULTS IN 2019



- ❖ 2.1% INCREASE IN USAGE
- ❖ 4.8% DECREASE IN REVENUE
- ❖ REDUCED USE OF FOSSIL FUEL BY 20%
- ❖ \$1.24 MILLION IN PATRONAGE CAPITAL RETIREMENTS

MORE THAN
**HALF
FULL**

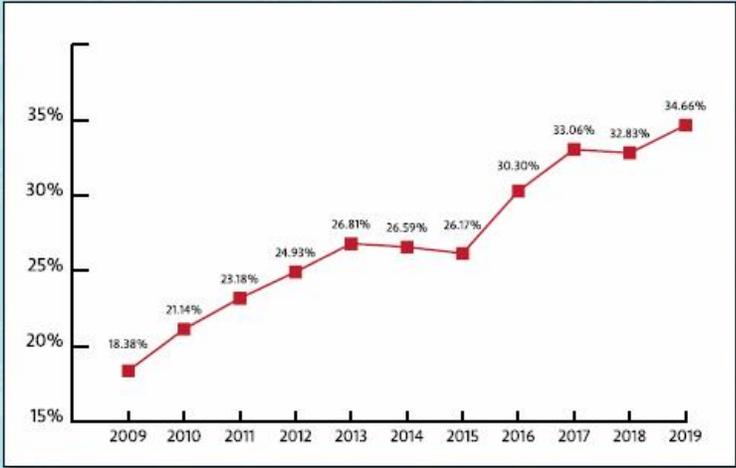
2019 FINANCIAL RESULTS



HOW YOUR DOLLAR IS SPENT



TOTAL EQUITY AS % OF ASSETS



**MORE THAN
HALF
FULL**

PROJECT UPDATES

AES PMRF 14 MW PV - 70 MWh STORAGE



- ❖ SUBSTATION UNDER CONSTRUCTION
- ❖ EXPECTED COMPLETION 3RD QUARTER 2020
- ❖ FACILITY CAN BE "ISLANDED" TO SERVE PMRF IF NEEDED

**MORE THAN
HALF
FULL**

PROJECT UPDATES

WEST KAUA‘I ENERGY PROJECT 24 MW



- ❖ PUMPED STORAGE HYDRO
- ❖ OPENS LAND FOR NEW AGRICULTURAL HOMESTEADS
- ❖ IRRIGATION WATER FOR AGRIBUSINESS DEVELOPMENT CORP AND KEKAHA AG ASSOCIATION TENANTS

**MORE THAN
HALF
FULL**

PROJECT UPDATES

WAIIAHI HYDRO PLANTS



DRAFT ENVIRONMENTAL ASSESSMENT

- ❖ MORE THAN 200 COMMENTS RECEIVED
- ❖ FINAL DRAFT TO BE SUBMITTED TO DLNR THIS SUMMER
- ❖ NOT CURRENTLY DIVERTING DUE TO PENDING SIPHON REPAIR

**MORE THAN
HALF
FULL**

COVID 19 UPDATE

- ❖ MEMBER SERVICES REMAIN CLOSED
- ❖ COMPANY PROTOCOLS IMPLEMENTED TO INSURE HEALTH AND SAFETY OF WORKFORCE
- ❖ KEO AND OTHER AGENCIES PROVIDING ASSISTANCE FOR QUALIFIED MEMBERS
*KIUC CHARITABLE FOUNDATION
DONATED \$20,000*
- ❖ SUSPENSION OF MEMBER DISCONNECTS



**MORE THAN
HALF
FULL**

COVID 19 FINANCIAL IMPACTS

- ❖ REVENUE DOWN 8.8% YEAR TO DATE THROUGH JUNE
 - DOWN 20.9% APRIL THROUGH JUNE VERSUS 2019
- ❖ PROJECTING 10% DECREASE FOR 2020 VERSUS 2019
- ❖ STEPS TAKEN TO MINIMIZE FINANCIAL IMPACT
 - REDUCE NON-ESSENTIAL SPENDING
 - PAYCHECK PROTECTION PROGRAM LOAN RECEIVED
 - RESTRUCTURING DEBT
 - REQUEST TO PUC TO ESTABLISH REGULATORY ASSET TO RECORD AND ACCRUE LOST GROSS MARGINS ASSOCIATED WITH THE COVID-19

**MORE THAN
HALF
FULL**

MAHALO!

