

**13TH ANNUAL MEETING OF THE MEMBERS
OF THE
KAUAI ISLAND UTILITY COOPERATIVE**
Held at Kauai Community College, Performing Arts Center
Lihu'e, Kaua'i, Hawai'i
July 23, 2015

MINUTES

1. Call to order and roll call.

1.1 The meeting was called to order at 6:00 p.m.

1.2 **Directors Present:** Jan TenBruggencate (Chair), Carol Bain, Karen Baldwin (Secretary), Dennis Esaki, Patrick Gegen, David Iha, Calvin Murashige (Vice Chair), Teofilo Tacbian and Peter Yukimura (Treasurer).

1.3 **In attendance:** David Bissell (CEO & President); Karissa Jonas (CFO & Financial VP), and General Counsel Laurel Loo); numerous KIUC staff; KIUC Members (282 approximately); and Members of the Press

2. Invocation – Director David Iha

3. Pledge of Allegiance – Director Peter Yukimura

4. Chairman's Report. Chair Jan TenBruggencate.

4.1 Paul Togioka was thanked for his music before the meeting.

4.2 Each member of the Board gave a brief personal introduction. Chair TenBruggencate thanked them for their dedication and making tough choices when needed for the Cooperative.

4.3 2014 was another productive year and the Cooperative is well on its way to achieving the goal of using renewable resources to meet at least half of Kauai's energy needs by 2023. The average Kauai family paid \$214 less for electricity last year than the previous year.

4.4 \$2.1M was returned to members in patronage capital this year. Since 2002, KIUC has returned almost \$33M to its members.

4.5 The strategic plan drives the actions of KIUC. The first goal is to decrease the average bill by at least 10% over the next ten (10) years.

4.6 With the current events around the other electric companies on the other islands, there is new interest in exploring the Cooperative model.

5. Approval of Minutes.

5.1 On a motion by Director Baldwin seconded by Director Gegen the minutes of the July 17, 2014 Annual Meeting of the Members were approved.

6. **President's Report.** CEO, David Bissell reported.
- 6.1 KIUC is proud of its achievements. By the end of 2015, KIUC will be at nearly 40% renewable up from 9% in 2009.
 - 6.2 KIUC rates have been essentially flat over the past six years in comparison to the other island electric companies. This has been achieved by controlling the costs we can.
 - 6.3 The biggest accomplishment of the year was bringing Koloa Solar onto the grid. It is currently the largest solar array operating in the state and provides 20% of the electricity used on Kauai during the day.
 - 6.4 KIUC is very close to bringing the Anahola solar project online. It will replace Koloa in becoming the largest solar array in the state and reduce oil imports by 1.7 million gallons a year and significantly reduce carbon dioxide emissions.
 - 6.5 9% of KIUC members are now generating some of their own electricity with rooftop solar. The average household without rooftop solar is using about the same amount of electricity it used 30 years ago. KIUC has been partnering with its membership to use less by distributing about 25,000 energy-saving LED bulbs last year.
 - 6.6 The operations and maintenance budget has been kept at or below the rate of inflation. This has been accomplished through efficiency and making tough choices.
 - 6.7 Technology is being used to provide greater efficiency in Member Services. A new customer service system will offer more options for bill payments and account information. A kiosk that works like an ATM machine to pay bills will be installed this year.
 - 6.8 One of the fastest growing expense areas is habitat conservation and protecting endangered seabirds. The budget has now reached \$2.5M a year, up 125% over the past three (3) years. It is a large part of your monthly electric bill. KIUC is now the largest funding agency for bird research on Kauai.
 - 6.9 KIUC continues to move forward with engineering and financial analysis on a pumped hydro storage project that would enable the storage of excess solar energy and to use it at night. KIUC is also looking into liquefied natural gas (LNG) that has potential to significantly reduce the cost of electricity. Rate design is also being assessed so fixed costs are fairly distributed and to offer variety to the members. A time of use pilot program will be conducted once approval from the PUC is received.
 - 6.10 KIUC has a total of 150 employees. Utility work demands 24-hour, 365-day commitment and sacrifice and employees are committed to doing right by the members, the coop and the island. After work, KIUC employees give thousands of volunteer hours to schools, churches, sports teams, nonprofits and community organizations.
 - 6.11 A full copy of the President's presentation can be viewed online at www.kiuc.coop.

7. **Financial Report.**

7.1 CFO Jonas reviewed the 2014 financial results published in the Annual Report. (The copy of the 2014 Annual Report, consolidated audited financial statements, and other information can be viewed online at www.kiuc.coop.)

8. **Public Testimony.**

8.1 Written questions were read and answered by the CEO.

8.2 Oral testimony was received from Bill Peterson, Ken Taylor, and Marj Dente.

9. **Adjournment.** At 6:51 p.m., a motion to adjourn the meeting carried unanimously. [Motion: Murashige/Bain]



Teofilo Tacbian
Secretary