

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

Held at 4463 Pahe`e Street

Lihu`e, Kaua`i, Hawai`i

On May 30, 2017

MINUTES

Call to order at 1:00 pm.

1. Roll Call

1.1 **Present:** Directors Allan Smith (Chairman), Dee Crowell, Patrick Gegen, David Iha, James Mayfield, Calvin Murashige (Secretary), Teofilo Tacbian, Jan TenBruggencate (Vice Chair), and Peter Yukimura (Treasurer); and Mike Yamane (COO). A quorum of directors was present.

1.2 **In attendance:** Laurel Loo (General Counsel), Karissa Jonas (CFO and Financial VP), Maile Alfiler (Member Services Mgr.), H. Rick Eckert (Financial Planning & Strategy Mgr.), Carey Koide (T&D Mgr.), Beth Tokioka (Communications Mgr.), Richard Vetter (PAGS Plant Mgr.), Pua Chin (Executive Administrator); Members of the public (1), and Members of the Press (0).

1.3 **Excused:** David Bissell (President and CEO)

2. Invocation – Director Mayfield opened the meeting with prayer.

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

4. Approval of Minutes

4.1 The 04/18/17 Regular Meeting and Executive Session meeting minutes were unanimously approved as circulated. [Motion: TenBruggencate]

5. Chairman’s Report. None.

6. President’s Report. Mike Yamane, COO, reported.

6.1 The April 2017 Cooperative statistics were reported (report attached).

7. Financial Report: CFO Karissa Jonas reported.

7.1 The April 2017 preliminary financial results were reported.

8. **NRECA Hawaii Director Report** – Director David Iha reported.
 - 8.1 The main focus at the national level is a response to President Trump’s proposed budget changes eliminating funding for programs like Cushion of Credit and LIHEAP. NRECA is working on strategies to get these funded. The NRECA Board will receive an update at the June board meeting.

9. **Director Travel Reports**
 - 9.1 Director Tachian reported on the NRECA 2017 Legislative Conference.
 - 9.1.1 All members of the Government Relations and Legislative Affairs committee, Directors Smith, Crowell, Iha and Tachian), were in attendance at the Legislative Conference along with KIUC staff members CEO Bissell, Mike Yamane and Carey Koide.
 - 9.1.2 The conference subject topics included the RUS electric loan program (Rural Economic Development Loan & Grant REDLG), reform of the Endangered Species Act, LIHEAP, and tax priorities and credits for geothermal. KIUC specific issues were discussed at length with Hawaii Congressional delegates.

10. **Committee Reports**
 - 10.1 **Executive – Committee Chair, Jan TenBruggencate**
 - 10.1.1 The committee discussed the PUC view on Community Based Solar and also discussed the progress on KIUC’s long term water license.
 - 10.1.2 Several directors attended the Westside hydro/pumped storage project update meeting held with the Kekaha Hawaiian Homes Association. It appeared the project had overall support from members of the KHHA.
 - 10.1.3 There is a KIUC Community outreach meeting scheduled for 6:00pm, June 6th at the Waimea Theatre.

 - 10.2 **Finance & Audit – Committee Chair, Peter Yukimura Reported**
 - 10.2.1 The committee received a report from Mr. Eric Hansen of Eide Bailly regarding the internal controls audit. There were discussions on the time of use pilot program results, reviewed the resolution for the CoBank unsecured line of credit.
 - 10.2.2 Resolution 02-17, Amendment of the Construction Work Plan will be taken up under New Business.

 - 10.3 **Government Relations/Legislative – Committee Chair, Phil Tachian**
 - 10.3.1 The committee report was taken under Director Travel Reports.

 - 10.4 **International - Committee Chair, David Iha**
 - 10.4.1 No report.

 - 10.5 **Member Relations – Committee Chair, Patrick Gegen**
 - 10.5.1 A thorough update was received from Communications.
 - 10.5.2 There is an energy efficiency workshop for the public this evening.
 - 10.5.3 AC and Fan rebates are available again this summer.

10.5.4 KIUC employees and directors will be volunteering with Habitat for Humanity workday on July 22nd.

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

10.6.1 No report.

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

10.7.1 There was a brief discussion on KIUC projects from previous months. A brief history and ownership structure was provided on Sandwich Isles Communications (SIC).

11. **Charitable Foundation (CF) Board**

11.1 CF Board President Phil Tacbian reported the board met but no actions were taken.

12. **Public Testimony.** Susan Kelsey provided oral testimony.

A short recess was taken at 1:41 pm. The meeting reconvened at 1:49 pm.

13. **Unfinished Business.** None

14. **New Business.**

14.1 **Board Resolution 02-17, Construction Work Plan (CWP) Amendment 3 (Peter Yukimura, F&A Committee Chair)**

14.1.1 Due to the delay in approval of the BER (Borrowers Environmental Report) an extension of the end date of the 2016-2019 CWP from December 31, 2019 to December 31, 2020 is recommended.

14.1.2 A motion to approve the resolution carried unanimously.

IN FAVOR:	Crowell, Gegen, Iha, Mayfield, Murashige, Smith Tacbian, TenBruggencate & Yukimura	Total – 9
OPPOSED:	None	Total – 0
EXCUSED:	None	Total – 0

14.2 **NRECA Region 9 Resolutions Committee Appointment (NRECA Director, David Iha)**

14.2.1 The delegate meets before the general assembly, attends conference calls and carries KIUC's vote on proposed resolutions at the NRECA Region 9 and Annual meetings.

14.2.2 Director Dee Crowell was nominated to represent KIUC on the Region 9 Resolutions Committee for 2017. He accepted. Director Iha will appoint Director Crowell as KIUC's delegate.

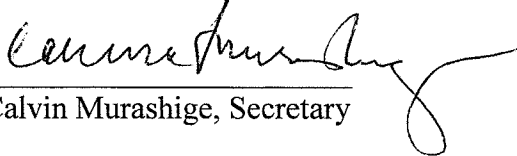
15. **Calendar:**

- **June 1, 2017** – Governor's Luncheon, Koloa Landing (11:30am)

- **June 6, 2017** – Community Meeting (5:00pm, Waimea Theatre)
- **June 11-14, 2017** – CFC Forum, San Antonio
- **June 16, 2017** - Board Committee Meetings (9:00am)
- **June 19, 2017** – Kauai Energy Conference, Kauai Marriott
- **June 20, 2017** – HSAC, Koloa Landing
- **June 20-22, 2017** – VERGE Conference, Oahu
- **June 27, 2017** – Regular Board Meeting (1:00pm., KIUC Main Conf Rm)
- **June 28, 2017** – Top 100 Meeting (8:00am, Hyatt)

16. **Executive Session.** None.

17. **Adjournment.** There being no further business the meeting was adjourned at 2:01 p.m.


Calvin Murashige, Secretary



President's Report

April 18, 2017



President's Report

Mike Yamane, COO
May 30, 2017

Safety (April)

	<u>Month</u>	<u>2017 YTD</u>	<u>2016 YTD</u>
Recordable Incidents	2	2	8
Days Away/Restricted	0	0	72

STATISTICS

Availability and Reliability (April):

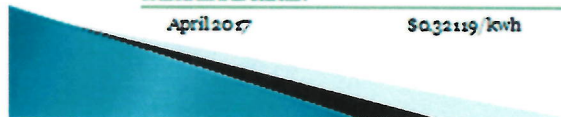
	<u>Month</u>	<u>2017 YTD</u>	<u>2016 YTD</u>
Reportable Outages	2	11	9
Average Outage Hours Per Customer	0.03	0.53	0.58

Efficiency (April):

	<u>Month</u>
Net Plant Heat Rate	8,761
Peak Demand (MW)	71.2

Residential Rates:

April 2017	\$0.32119 /kwh	Down \$0.0003 from Apr
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Mahalo.

