

LOAN COMMITTEE MEETING
HAWAII GREEN INFRASTRUCTURE AUTHORITY
State of Hawaii

June 26, 2017, 3:00 p.m.

250 South Hotel Street, Conference Room 436
Honolulu, Hawaii 96813

ATTENDANCE

Members Present: Ryan Hamadon, Gabe Lee, Wesley Machida and Kalbert Young

Members Absent: Heather Piper

Staff Present: Bill McKillop and Gwen Yamamoto Lau

Others Present: Deputy Attorney General Gregg Kinkley

Members of the Public: None

I. ROLL CALL

Chair Young called the Loan Committee (LC) meeting of the Hawaii Green Infrastructure Authority (HGIA) to order at 3:03 p.m.

Chairperson Young	Present
Vice Chair Machida	Present
Member Hamadon	Present
Member Lee	Present (arrived at 3:05 p.m.)
Member Piper	Excused

MATERIALS DISTRIBUTED

1. Agenda for the June 26, 2017 Meeting
2. Loan Committee Minutes – May 30, 2017
3. Loan Request for \$46.4 million loan to Department of Education

Chair Young reported that staff has withdrawn the modification request and would like to defer action to a later date to provide time to incorporate additional program-level changes.

II. APPROVAL OF MINUTES

Chair Young asked for a motion to approve the minutes of the May 30, 2017, Loan Committee meeting. Member Hamadon moved to approve the minutes. Chair Young seconded the motion. There was no discussion from the Members. Chair Young then called for a vote and also noted that there were no members of the public in attendance.

Ayes: Members Hamadon, Lee, Machida and Young.

Nays: None.

The motion carried unanimously, 4 to 0.

III. LOAN APPROVAL

Chair Young noted the next item on the Agenda is the approval of a \$46.4 million loan to the Department of Education. He asked Gwen Yamamoto Lau to present the action item.

Yamamoto Lau reviewed the details of the requested loan including background information on HB957 H.D.1, S.D.2, C.D.1., the requested loan amount, eligible equipment to be financed, loan terms, required payments, source of repayment and loan advances.

During the discussion, while the Committee members understood that Act 057 required that the loan be extended interest free, the Committee inquired on the mechanism available for HGIA to recover a portion of the upfront and ongoing administrative expenses related to the loan being requested. Yamamoto Lau explained that as with all of HGIA's loans, a standard 50 basis point origination fee is assessed to recover a portion of the agency's loan related administrative costs. While Act 057 requires HGIA to make an exception to the interest rate, it does not require HGIA to make exceptions on its standard origination fee or default penalty, as such, both will apply.

Chair Young asked if there was further discussion, hearing none, he asked for a motion. Member Lee moved to approve an interest free, \$46.4 million loan to the Department of Education, subject to HGIA's standard origination fee and default penalty, as requested. Member Hamadon seconded the motion and Chair Young called for the vote.

Ayes: Members Hamadon, Lee, Machida and Young.

Nays: None.

The motion carried unanimously, 4 to 0.

For the record, both Chair Young and Vice Chair Machida voted with reservations due to this request being an interest free loan and also due to the lack of secondary/tertiary sources of repayment and/or clear mechanisms for recourse against the Department of Education.

III. EXECUTIVE SESSION

Chair Young stated that the next item on the agenda is in regards to a loan approval. As there will be personal and confidential information discussed, the Loan Committee will convene in executive session pursuant to Section 92-5(a)(8) to deliberate and make a decision upon a matter that requires the consideration of information that must be kept confidential pursuant to a state (HRS Section 92F-14(a)(b)(6)) law.

Chair Young asked for a motion to enter into Executive Session. Vice Chair Machida moved and Member Hamadon seconded. Chair Young called for the vote.

Ayes: Members Hamadon, Lee, Machida and Young.
Nays: None.
The motion carried unanimously, 4 to 0.

Chair Young asked all non-board members to vacate the room with the exception of Gwen Yamamoto Lau, Bill McKillop and Gregg Kinkley.

The meeting entered Executive Session at 3:44 p.m.

EXECUTIVE SESSION

The meeting reconvened at 4:00 p.m.

Chair Young summed up the Executive Session by stating that the Loan Committee approved a loan up to \$307,282.50 loan to install a solar system up to 85.75 kW for a small business in Hilo.

III. ADJOURNMENT

There being no further business, Chair Young entertained a motion to adjourn. Vice Chair Machida moved and Member Hamadon seconded the motion. Chair Young then called for the vote.

Ayes: Members Hamadon, Lee, Machida and Young.
Nays: None.
The motion carried unanimously, 4 to 0.

Chair Young adjourned the meeting at 4:01 p.m.

Respectfully Submitted,



Kalbert Young
Chair