

HAWAII GREEN INFRASTRUCTURE AUTHORITY

State of Hawai'i
January 24, 2020 –3:00 p.m.

250 S. Hotel Street, Conference Room 436
Honolulu, Hawai'i 96813

ATTENDANCE

Members Present:	Mike McCartney, Jeff Mikulina, Scott Glenn, Craig Hirai, and Dennis Wong.
Members Absent:	None.
Staff Present:	Gwen Yamamoto Lau, Ryan Hamadon, and Aleena Montano.
Others Present:	Gregg Kinkley (Deputy Attorney General).
Members of the Public:	None.

I. ROLL CALL

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

Chair McCartney	Present
Vice Chair Mikulina	Present
Secretary Glenn	Absent (Arrived at 3:09 p.m.)
Member Hirai	Present
Member Wong	Absent (Arrived at 3:04 p.m.)

MATERIALS DISTRIBUTED

1. Agenda for January 24, 2020 Meeting.
2. Minutes of the Regular Meeting on August 15, 2019, October 23, 2019, and December 20, 2019.
3. HGIA's Quarterly Report for the period ended December 31, 2019.

II. APPROVAL OF MINUTES

Member Wong joined the meeting at this time.

Chair McCartney announced that the first item on the agenda is the approval of the minutes of the August 15, 2019, October 23, 2019, and December 20, 2019 regular meetings.

Member Wong moved and Vice Chair Mikulina seconded the motion to approve the August 15, 2019 minutes. Chair McCartney asked if there were comments from any members. Hearing none, he called for a vote.

Ayes: McCartney, Mikulina, Hirai, and Wong.
Nays: None.

The motion carried unanimously, 4 to 0.

Due to the absence of Secretary Glenn, Chair McCartney proceeded to the approval of the December 20, 2019 minutes. Vice Chair Mikulina moved and Member Hirai seconded the motion to approve the December 20, 2019 minutes. Chair McCartney asked if there were comments from any members. Hearing none, he called for a vote.

Ayes: McCartney, Mikulina, Hirai, and Wong.

Nays: None.

The motion carried unanimously, 4 to 0.

Secretary Glenn joined the meeting at this time.

Secretary Glenn moved and Member Wong seconded the motion to approve the October 23, 2019 minutes. Chair McCartney asked if there were comments from any members. Hearing none, he called for a vote.

Ayes: McCartney, Mikulina, Glenn, Hirai, and Wong.

Nays: None.

The motion carried unanimously, 5 to 0.

III. **PROGRAM UPDATES**

Chair McCartney stated that the next items on the agenda are Program Updates and called on Ryan Hamadon, Senior Program Officer, to provide the Residential Loan updates.

1. Hamadon stated that since the last board meeting on December 20, 2019, HGIA received 10 consumer loan applications.

As of January 24, 2020, 3 loans are considered seriously delinquent. One loan is over 91 days delinquent with a balance of \$39,484.50 and we will make one final attempt to negotiate an acceptable repayment plan before assigning the account to outside collectors to pursue legal action. The other two loans are over 61 days delinquent with balances of \$28,762.72 and \$21,625.22. HGIA has been in contact with all borrowers to bring these accounts current.

2. Gwen Yamamoto Lau, Executive Director, reported that HGIA is currently processing 11 commercial applications, of which 3 are energy efficiency projects and 8 are solar PV projects. Of the 11 projects, 4 are approved and being documented, 2 are for state agencies, and the remaining 5 are in varying stages of underwriting.

The commercial portfolio does not have any delinquent loans as all loans are being paid as agreed.

3. Yamamoto Lau provided a legislative update on 5 bills that HGIA is tracking:
 - HB1844/SB2564: (which was HB855 last year) to establish the Clean Energy Revolving loan fund;
 - HB1852: to expand the purpose of the existing \$50.0 million State Revolving Loan Fund to be able to finance the option to purchase existing PPAs and

utilize the savings to finance the installation of electric vehicle charging stations and converting existing gas vehicles to EVs;

- HB1694/SB2219: a new version of the Heat Abatement bill to use GEMS funds to finance, interest free, new AC for classrooms;

Members had clarifying questions on the legislative updates, which were addressed by Yamamoto Lau.

IV. DISCUSSION AND/OR DECISION MAKING

Chair McCartney stated that the last item on the agenda is the approval of HGIA's Quarterly Report for the period ended December 31, 2019 and called on Gwen Yamamoto Lau to present the report.

Yamamoto Lau reviewed the following highlights of the Quarterly Report:

- Overview: As of December 31st, 2019, over \$89.0 million in GEMS funds was committed;
- The program posted excess operational revenues over period expenditures of \$1.7 million for the 6-month period. The excess was prior to the transfer of loan repayments to the PUC of \$1.3 million;
- Per the Board's request, the graph on page 6 represents the amount of funds available to lend per segment. Please note that the amount available under Multi-Family rentals increased from last quarter by \$831,000 as additional private capital was invested in the Kahauiki Phase 2 project, thus lowering the GEMS loan amount, making it available to finance other projects;
- Residential Portfolio: HGIA had previously approved a \$10.0 million commitment for a borrower to finance consumer leases. As of December 31, 2019, slightly over \$1.0 million was utilized. To free unused funds, \$3.9 million of the borrower's commitment was extended to June 30, 2020, and on January 1, 2020 HGIA made the remaining \$5.0 million commitment available to any eligible applicant;
- Marketing: During the quarter, two GEMS related articles were published. HGIA made two presentations and participated in one tradeshow;
- Financial: HGIA will be undertaking the following initiatives, which are not included in the current budget, but are necessary to mitigate operational risks and increase efficiencies:
 - Outsource HGIA's accounting and bookkeeping;
 - Automate residential loan underwriting;
 - Engage the Division of Financial Institutions to conduct a 3rd party review; and
 - Further automate HGIA's on-bill servicing processes with Concord.

Yamamoto Lau addressed questions from the Members.

Chair McCartney asked if there were any further questions. Seeing none, he asked for public comments. Hearing none, he asked for a motion to approve HGIA's Quarterly Report for the period ended December 31, 2019.

Member Hirai moved and Vice Chair Mikulina seconded the motion to approve HGIA's Quarterly Report for the period ended December 31, 2019. Chair McCartney then called for the vote.

Ayes: McCartney, Mikulina, Glenn, Hirai, and Wong.

Nays: None.

The motion carried unanimously, 5 to 0.

V. ADJOURNMENT

Chair McCartney asked if there were any other matters that should be discussed. Seeing none, he asked for a motion to adjourn the meeting.

Member Wong moved and Member Hirai seconded the motion. Chair McCartney then called for the vote.

Ayes: McCartney, Mikulina, Glenn, Hirai, and Wong.

Nays: None.

The motion carried unanimously, 5 to 0.

Chair McCartney adjourned the meeting at 3:37 p.m.

Respectfully Submitted By:

Scott J. Glenn
Secretary