HAWAII GREEN INFRASTRUCTURE AUTHORITY
State of Hawai'i
October 23, 2019 –3:00 p.m.

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

ATTENDANCE

Members Present:	Mike McCartney, Scott Glenn, and Dennis Wong.
Members Absent:	Jeff Mikulina and Neal Miyahira.
Staff Present:	Gwen Yamamoto Lau, Ryan Hamadon, Nathan Akamu, and Aleena Montano.
Others Present:	Gregg Kinkley (Deputy Attorney General).
Members of the Public:	Iris Ikeda and Cindy Nawilis.

I. ROLL CALL

Chair McCartney called the meeting of the Hawaii Green Infrastructure Authority (HGIA) to order at 3:08 p.m.

Chair McCartney	Present
Vice Chair Mikulina	Excused
Secretary Glenn	Present
Member Miyahira	Excused
Member Wong	Present

MATERIALS DISTRIBUTED

1. Agenda for October 23, 2019 Meeting.
2. Minutes of the Regular Meeting on August 15, 2019.
3. HGIA's Quarterly Report for the period ended September 30, 2019.

II. APPROVAL OF MINUTES

Chair McCartney announced that before addressing the first item on the agenda, he would like to welcome Scott Glenn, the new Chief Energy Officer of the State Energy Office, replacing Carilyn Shon as Board Secretary.

Moving on to the agenda was the approval of the minutes of the August 15, 2019 regular meeting. Secretary Glenn stated that he will be abstaining from decision making as he was not present at this meeting. Due to lack of quorum for this action item, the approval of the August 15, 2019 minutes was deferred and tabled for the next board meeting.

Chair McCartney asked if there were comments from any members of the public. Hearing none, he proceeded to the next item.

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 Residential Loan updates.

1. Hamadon stated that since the last board meeting update on July 29, 2019, the flow of residential applications dipped a little with HGIA receiving 129 consumer loan applications. Of the 129 applications, 118 were for On-Bill Homeowners, 5 for On-Bill Tenants, and 6 for Direct Loans.

   As of October 23, 2019, two loans are past due. One loan, while over 61 days delinquent, has a nominal balance of $145.99. HGIA has contacted the borrower to pay off the remaining outstanding balance. The other loan is over 31 days delinquent through the On-Bill program, with a balance of $38,184.79, respectively. HGIA is in contact with HECO on the status of this loan.

2. Nathan Akamu, Program Officer, provided an update on the Commercial Portfolio. Due to the temporary moratorium on accepting commercial loan applications, HGIA is currently re-building its commercial loan pipeline.

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

3. Yamamoto Lau provided miscellaneous updates, sharing that while HGIA is re-building its pipeline, we have had recent inquiries on a number of projects, including a request to replace an old, decrepit HVAC system which is currently being "MacGyvered" to keep it running; solar for a farm's processing plant; solar for a low-income housing project on the Big Island; and energy efficiency retrofits for a state agency, to name a few.

   Additionally, the GEM$ on-bill program continues to garner interest and inquiries from organizations nationwide with requests for conference calls, publications and webinars.

Members had clarifying questions on the commercial loan programs and miscellaneous updated which were addressed by staff.

IV. DISCUSSION AND/OR DECISION MAKING

1. Chair McCartney emphasized the Authority's desire to continuously improve itself. In this regard, HGIA is seeking feedback from the Division of Financial Institution ("DFI") to review and evaluate its processes and provide feedback and recommendations for improvement.. Chair McCartney welcomed Iris Ikeda, Commissioner of the DFI and called on Ikeda to provide an overview of a limited scope review.

   After providing an overview of the function of DFI and who they examine, Ikeda proposed to examine HGIA's operations as it does the lending operations of banks, including reviewing policies and procedures, control and management practices, and compliance.

   Commissioner Ikeda addressed questions from the Members. Chair McCartney thanked Commissioner Ikeda for her presentation and her work with HGIA.

A Memorandum of Understanding between the Authority and DFI will be brought to the Authority's December board meeting for approval.

2. Chair McCartney announced that with the addition of new members to the Authority, the next item on the agenda is a resolution to approve superceding authorized signers for HGIA's accounts.

   Chair McCartney asked if there were any questions. Seeing none, he asked for public comments. Hearing none, he asked for a motion to approve the Resolution authorizing signers for HGIA's accounts.

   Secretary Glenn moved and Member Wong seconded the motion. Chair McCartney called for the vote.

   Ayes: McCartney, Glenn, and Wong.
   Nays: None.
   The motion carried unanimously, 3-0.

3. Chair McCartney proceeded to the final item on the agenda, which is the approval of HGIA's September 30, 2019 Quarterly Report and called on Yamamoto Lau to provide an overview of this action item.

   Yamamoto Lau provided an overview of the Quarterly Report:

   - As of September 30th, over $90.0 million in GEMS funds were committed.
   - The program continues to be financially viable posting excess operational revenues over expenditures of $667,000 for the 3-month period. This excess is prior to the transfer of loan repayments to the PUC of $504,000.
   - Based on the recommendations of the Permitted Interaction Group, the Board approved changes to the GEMS program, effective September 1st to utilize the remaining funds for underserved and hard to reach ratepayers, as follows:
     - Low and Moderate Income Single Family Residential Homeowners and Renters – 20%
     - Small businesses – 15%
     - Multi-family rental projects – 35%, and
     - Nonprofits – 30%

     Additionally, in order to provide the board with visibility on how much funds are available, per segment, the pie chart was added to the Quarterly Report and will be updated on an ongoing basis.
   - HGIA had previously approved a $3.0 million commitment for a borrower to finance consumer leases. This commitment expired on June 30, 2019 with $1.1 million unused. These unused funds were made available to any eligible applicant.
   - Over the last quarter, there were seven (7) GEMS related articles published locally and nationally; HGIA made 6 presentations and participated in 1 tradeshow.

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 September 30, 2019 Quarterly Report.

Member Wong moved and Secretary Glenn seconded the motion to approve HGIA's Quarterly Report for the period ending September 30, 2019. Chair McCartney then called for the vote.

Ayes: McCartney, Glenn, and Wong.
Nays: None.
The motion carried unanimously, 3-0.

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 Secretary Glenn seconded the motion. Chair McCartney then called for the vote.

Ayes: McCartney, Glenn, and Wong.
Nays: None.
The motion carried unanimously, 3 to 0.

Chair McCartney adjourned the meeting at 3:54 p.m.

Respectfully Submitted By:

Scott Glenn
Secretary