

HAWAII GREEN INFRASTRUCTURE AUTHORITY

State of Hawai'i

December 18, 2020 – 3:00 p.m.

Video Conference

ATTENDANCE

Members Present: Mike McCartney, Scott Glenn, Dennis Wong, Craig Hirai, and Jeff Mikulina.

Members Absent: None

Staff Present: Gwen Yamamoto Lau, Merissa Sakuda, Cindy Nawilis, Ryan Hamadon, and Nathan Akamu.

Others Present: Gregg Kinkley (Deputy Attorney General).

Members of the Public: Dwayne Takeno, Sarah Brown, and Riley Fujisaki.

I. ROLL CALL

Vice Chair Scott Glenn called the virtual meeting of the Hawaii Green Infrastructure Authority (HGIA) to order at 3:05 p.m.

Chair McCartney	Absent (joined at 3:12 p.m.)
Vice Chair Glenn	Present
Secretary Wong	Present
Member Hirai	Absent (joined at 3:13 p.m.)
Member Mikulina	Present

MATERIALS DISTRIBUTED

1. Agenda for December 18, 2020 Meeting.
2. Minutes of the Regular Meeting October 28, 2020.
3. 2020 Report to Legislature.
4. HGIA Loan Fund Audit.
5. GEMS Bond Fund Audit.

II. REVIEW OF AUDIT REPORTS

As required by the Governor's seventeenth emergency proclamation regarding the Sunshine Law, Vice Chair Glenn announced the names of all members present.

Vice Chair Glenn announced that the first item on the agenda is the review of the HGIA Loan Fund Audit and the GEMS Bond Fund Audit for the fiscal year ended June 30, 2020. Vice Chair Glenn welcomed Dwayne Takeno and Sarah Brown from N&K CPAs and called on Dwayne Takeno as engagement partner to provide an overview. After an introductory overview, Takeno called on Brown to present as engagement manager.

Upon joining the meeting, Chair McCartney requested Vice Chair Glenn to continue leading the meeting and asked Brown to resume the presentation of the audit reports.

Following the audit presentations, Vice Chair Glenn asked if there were questions from the Members or any member of the public. Hearing none, he thanked HGIA staff for completing another successful audit with unqualified opinion for the Loan and the Bond Funds. He also thanked Takeno and Brown and stated that the board will accept the Audits later in the Discussion and/or Decision Making portion of the Agenda.

III. APPROVAL OF MINUTES

Vice Chair Glenn stated that the next item on the agenda is the approval of the minutes of the October 28, 2020 regular meeting.

Secretary Wong moved and Member Mikulina seconded the motion. Vice Chair Glenn asked if there were comments or discussion from any Member. Hearing none, he asked if there were any questions from the general public. Hearing none, called for the vote via roll call.

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

Nays: None.

The motion carried unanimously, 5 to 0.

IV. PROGRAM UPDATES

Vice Chair Glenn stated that program updates are next on the agenda and called on Merissa Sakuda to provide the Residential Portfolio update.

1. Sakuda stated that since the last board meeting on October 28, 2020, HGIA received 31 residential loan applications, of which 90% were for HGIA's homeowner On-Bill program, and one each for the Direct program, the Tenant/Landlord On-Bill program, and the Consumer Lease program.

Sakuda also reported that there are 6 delinquent loans aggregating \$200,408.69 for a delinquency rate of 2.90%. One delinquent loan is from the Direct program while the remaining five delinquent loans are from the On-Bill program. Jointly with HECO, HGIA will work to assist our joint customers, as may be required,.

2. Cindy Nawilis provided updates on the Commercial Portfolio and reported that four new loans were approved totaling \$3.6 million to facilitate some \$4.7 million in clean energy investments.

Nawilis also reported that all commercial loans were being repaid as agreed.

3. Yamamoto Lau provided miscellaneous updates and informed the board that due to a number of factors that arose in 2020 and in anticipation of foreseeable changes, HGIA is strategizing program changes. Some factors include: (1) The economic downturn brought on by the pandemic has lowered consumer confidence in making major investments in solar despite an even more critical need to lower energy costs; (2) When disconnection moratorium terminates on December 31, 2020, many ratepayers will receive a disconnection notice, disqualifying them from being eligible for HGIA's financing, and; (3) The federal investment tax credit (ITC) will be reduced from 26% to 22% on January 1, 2021, falling to 0% for Residential Solar PV and 10% for Commercial Solar PV on January 1, 2022

Members had clarifying questions, which were addressed by Yamamoto Lau.

NOTE: Subsequent to the meeting, on December 23, 2020, HECO extended its moratorium on disconnections to March 31, 2021; and on December 27, 2020 the Relief Act was signed into law extending the ITC by two years.

V. DISCUSSION AND/OR DECISION MAKING

5.a. Acceptance of HGIA's Audit

Vice Chair Glenn announced that the next item on the agenda is the acceptance of HGIA's Loan Fund Audit and the GEMS Bond Fund Annual Audit for the fiscal year ended June 30, 2020 as presented. Vice Chair Glenn asked if there was any additional comment from the Members. Seeing none, he asked for public comments. Hearing none, he asked to have a motion to first accept HGIA's Annual Audit. Member Mikulina moved and Secretary Wong seconded the motion. The votes were called via roll call.

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

Nays: None.

The motion carried unanimously, 5 to 0.

Vice Chair Glenn then asked to have a motion to accept the GEMS Bond Fund Audit. Secretary Wong moved and Member Mikulina seconded the motion. The votes were called via roll call.

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

Nays: None.

The motion carried unanimously, 5 to 0.

5.b. Approval of HGIA's 2020 Report to the Legislature

Vice Chair Glenn announced that the final item on the agenda is the approval of HGIA's 2020 Report to Legislature. He called on Gwen Yamamoto Lau to present the report. Yamamoto Lau shared the following highlights of the report with the Board:

- Dashboard of economic and environmental impacts that HGIA has generated as of September 30, 2020;
- HGIA's COVID-19 response during the year included offering loan payment deferrals to borrowers for up to 6 months; assisting DBEDT with outreach and technical assistance on the SBA Paycheck Protection Program; and serving as project lead for the Hawaii Restaurant Card (HRC) program. Yamamoto Lau informed the board that she will update the report with the most current HRC data prior to submitting the final report to the Legislature;
- The impacts of HGIA's lending activities as of September 30, 2020, which was reported on HGIA's Quarterly Report to the PUC; and
- HGIA's goals for 2021 include sourcing additional loan capital with the passage of a bill being re-introduced in the upcoming legislative session which, if passed, will enable HGIA to access federal funds that may help with Hawaii's recovery phase.

Chair McCartney and Vice Chair Glenn thanked HGIA staff for their efforts with the Restaurant Card program in addition to their regular workload. Members then asked clarifying questions regarding some of the report highlights, which Yamamoto Lau addressed.

Vice Chair Glenn asked if there were any comments or questions from members of the public. Hearing none, he asked for a motion to approve HGIA's 2020 Report to the Legislature. Secretary Wong moved to approve the report with the addition of updated HRC data prior to submission and Member Mikulina seconded the motion. Vice Chair Glenn called for the vote via roll call.

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

Nays: None.

The motion carried unanimously, 5 to 0.

V. ADJOURNMENT

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

Chair McCartney moved and Secretary Wong seconded the motion. The votes were called via roll call.

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

Nays: None.

The motion carried unanimously, 5 to 0.

Vice Chair Glenn adjourned the meeting at 3:54 p.m.

Respectfully Submitted By:



Dennis Wong
Secretary