

Minutes - MEETING NO. 040
HAWAII GREEN INFRASTRUCTURE AUTHORITY
State of Hawai'i

Tuesday, December 28, 2021 – 3:00 p.m.

Honolulu, Hawai'i 96813

Video Conference

ATTENDANCE

Members Present: Scott Glenn, Richard Wallsgrove, Dennis Wong, Craig Hirai,

Member Absent: Mike McCartney

Staff Present: Gwen Yamamoto Lau, Leatrice Galicinao, Ernest Rogers, Jordan Wong

Others Present: Gregg Kinkley (Deputy Attorney General)

Members of the Public: None.

I. ROLL CALL

Vice Chair Glenn called the virtual meeting of the Hawaii Green Infrastructure Authority to order at 3:11 p.m. As required by the Governor's October 1, 2021 Emergency Proclamation related to the State's COVID-19 Delta Response, Vice Chair Glenn called a proper roll call of all members:

Chairperson McCartney	Excused
Vice Chair Glenn	Present
Secretary Wallsgrove	Present
Member Hirai	Present
Member Wong	Present

Before moving on to the formal agenda, Vice Chair Glenn welcomed Ernest Rogers, an Americorp VISTA who joined the Authority on December 6th as its Climate and Energy Justice Associate.

MATERIALS DISTRIBUTED

1. Agenda for the December 28, 2021 Meeting.
2. Minutes from the October 27, 2021 Meeting.
3. HGIA Loan Fund Audit.
4. GEMS Bond Fund Audit.
5. 2021 Report to the Governor & Legislature.

II. APPROVAL OF MINUTES

Vice Chair Glenn stated that the first item on the agenda is the approval of the minutes of the October 27, 2021 regular meeting.

Member Wong moved and Secretary Wallsgrove seconded the motion to approve the October 27, 2021 minutes. Vice Chair Glenn asked if there were comments or discussion from the Members. Hearing none, he asked if there were any questions from the general public. Hearing none, Vice Chair Glenn called for the vote via roll call.

Ayes: Glenn, Wallsgrove, Hirai and Wong.

Nays: None

The motion carried unanimously, 4 to 0.

III. DISCUSSION AND/OR DECISION MAKING

1. Acceptance of HGIA's Audit

Vice Chair Glenn stated the next item on the agenda is the review and acceptance of HGIA's Annual Loan Fund Audit and the Bond Fund Audit for the fiscal year ended June 30, 2021. Vice Chair Glenn invited Gwen Yamamoto Lau to review HGIA's audit.

Yamamoto Lau reported that N&K CPAs completed its audit of HGIA's financial statements and opines that said statements are presented fairly in all material respects in accordance with generally accepted accounting principles.

Yamamoto Lau reported that exclusive of loan repayment expenditures to the PUC, revenues exceeded expenses by \$204,000 at fiscal year ended June 30, 2021. The \$2.1 million decrease in revenues is directly due to a decrease in investment income as a result of the extremely low interest rate environment caused by the COVID-19 pandemic. Loan repayments collected during the fiscal year aggregated \$3.5 million, all of which were transferred to the PUC and resulted in a \$3.3 million decrease in Net Position.

Yamamoto Lau reported that there was no findings or deficiencies in internal controls.

Vice Chair Glenn asked if there were comments or discussion from the Members. Hearing none, Vice Chair Glenn called for a motion to accept HGIA's Annual Loan Fund Audit.

Member Wong moved and Secretary Wallsgrove seconded the motion. Vice Chair Glenn called for the vote via roll call.

Ayes: Glenn, Wallsgrove, Hirai and Wong.

Nays: None.

The motion carried unanimously, 4 to 0.

2. **Acceptance of HGIA's GEMS Bond Fund Audit**

Vice Chair Glenn stated the next item on the agenda is the review and acceptance of the GEMS Bond Fund Audit for the fiscal year ended June 30, 2021. Vice Chair Glenn invited Gwen Yamamoto Lau to review the GEMS Bond Fund Audit.

Yamamoto Lau reported that Green Infrastructure Fees collected by HECO aggregated almost \$13.3 million, while debt service to repay the GEMS bond totaled \$13.3 million. As of July 1, 2021, there is \$92.4 million in principal and \$13.3 million in interest to be paid until bond maturity on June 30, 2029.

Yamamoto Lau addressed questions from the members. Vice Chair Glenn asked if there were any further comments or questions from the Members. Hearing none, he asked for a motion to accept the GEMS Bond Fund Audit, Member Wong moved and Secretary Wallsgrove seconded this motion. Vice Chair Glenn called for the vote via roll call.

Ayes: Glenn, Wallsgrove, Hirai and Wong.

Nays: None

The motion carried unanimously, 4 to 0.

3. **Approval of HGIA's 2021 Report to Legislature**

Vice Chair Glenn stated the final item on the Agenda is the approval of HGIA's 2021 Report to the Legislature. Vice Chair Glenn invited Gwen Yamamoto Lau to present.

Yamamoto Lau shared the following highlights:

- Act 107 (SLH 2021) established the Clean Energy and Energy Efficiency Revolving Loan Fund, which amongst other things, authorized HGIA to seek additional funding sources and administer loan programs on behalf of other state departments and agencies.
- HGIA assisted policymakers and SBA's Hawaii District Office in planning and implementing a Restaurant Revitalization Fund Hybrid Town Hall in May.
- HGIA submitted a \$20.0 million loan application to the USDA Rural Utilities Service on December 15, 2021.
- The American Rescue Plan Act reauthorized funds for the State Small Business Credit Initiative or SSBCI program. Hawaii expects to receive between \$56.0 to \$60 million. HGIA has been working with sister agency HTDC on designing financing programs and will be launching a Loan Participation Program to facilitate catalytic projects and a Collateral Support Program to increase access to capital for small businesses in the form of credit enhancements to banks.

Yamamoto Lau addressed questions from the members.

Vice Chair Glenn asked if there are any further questions. Hearing no other questions Vice Chair Glenn asked for a motion to approve HGIA's 2021 Report to the Legislature. Member Wong moved and Secretary Wallsgrove seconded the motion.

Ayes: Glenn, Wallsgrove, Hirai and Wong.

Nays: None

The motion carried unanimously, 4 to 0.

VI. ADJOURNMENT

Prior to adjourning, Vice Chair Glenn asked for a discussion on possible applications of Department of Energy revolving loan funds under the Infrastructure and Jobs Act to be added to the January agenda.

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

Secretary Wallsgrove moved, and Member Wong seconded the motion. Vice Chair Glenn called for the vote.

Ayes: Glenn, Wallsgrove, Hirai and Wong.

Nays: None

The motion carried unanimously, 4 to 0.

Vice Chair Glenn adjourned the meeting at 3:39 p.m.

Respectfully Submitted

Richard Wallsgrove

By: _____

Richard Wallsgrove

Its: Secretary