

MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday, April 28, 2016

The Board of Water Supply, County of Kaua'i, met in regular meeting at the Board Conference Room in Lihu'e on Thursday, April 28, 2016. Chair Laurie Ho called the meeting to order at 10:05 a.m. The following Board members were present:

BOARD: Ms. Laurie Ho, *Chair*
Mr. Larry Dill
Mr. Michael Dahilig
Mr. Sherman Shiraishi

EXCUSED: Mr. Clyde Nakaya, *Vice Chair*
Mr. Wallace Rezentes, Jr.

Quorum was achieved with 4 members present at the time of roll call.

STAFF: Mr. Kirk Saiki
Mr. Eddie Doi
Ms. Marites Yano
Mr. Dustin Moises
Mr. Keith Aoki
Ms. Kim Tamaoka
Ms. Sandi Nadatani-Mendez
Mr. Val Reyna
Mr. Ryan Smith
Mr. Chris Nakamura
Mr. Andy Canavan
Mr. Keith Aoki
Ms. Christine Erorita
Deputy County Attorney, Andrea Suzuki

GUEST(s): Mr. Hall Parrott, Private Citizen
Mr. Chance Bukoski, Planner

ACCEPTANCE OF AGENDA

Mr. Shiraishi moved to approve the agenda as circulated; seconded by Mr. Dahilig, with no objections, motion carried with 4 ayes.

D. MEETING MINUTES

Review and approval of:

Regular Board Meeting – March 31, 2016

Mr. Dahilig approved the Regular Board Meeting minutes of March 31, 2016; seconded by Mr. Shiraishi; with no objections, motion carried with 4 ayes.

Rates 101 Workshop – March 31, 2016

Mr. Dahilig approved the Rates 101 Workshop minutes of March 31, 2016; seconded by Mr. Shiraishi; with no objections, motion carried with 4 ayes.

Review and approval of Executive Session:

Executive Session – March 31, 2016

Mr. Dahilig approved the Executive Session minutes of March 31, 2016; seconded by Mr. Shiraishi; with no objections, motion carried with 4 ayes.

E. CORRESPONDENCE/ANNOUNCEMENTS

1. Correspondence from Mr. James Nakayama, KMH, LLP dated, March 22, 2016 regarding the Statement on Auditing Standards No. 114, the Auditor's Communication with those Charged with Governance and the Financial Statement Audit

Mr. Shiraishi moved to receive the correspondence from Mr. James Nakayama, KMH, LLP dated, March 22, 2016 regarding the Statement on Auditing Standards No. 114, the Auditor's Communication with those Charged with Governance and the Financial Statement Audit; seconded by Mr. Dahilig; with no objections, motion carried with 4 ayes.

F. BOARD COMMITTEE REPORTS

Report of the Finance Committee of the Kaua'i County Board of Water Supply

1. Draft Budget for Fiscal Year 2016-2017
 - a. Fiscal Year 2016 – 2017 Draft Operating Budget
 - b. Fiscal Year 2016 – 2017 Draft Capital Outlay Budget

BACKGROUND:

Finance Chair, Mr. Dill informed the Board that the Finance Committee met on April 20th and April 26th to review the Draft Budget for Fiscal Year 2016-2017. The next Finance meeting will be on April 29th. He thanked the Department for their work and Chair Ho for her presence at the meetings. An optimistic recommendation to the Board will be at the next Board meeting.

Mr. Dahilig moved to accept Report of the Finance Committee, 1. Draft Budget for Fiscal Year 2016-2017, a. Fiscal Year 2016 – 2017 Draft Operating Budget, b. Fiscal Year 2016 – 2017 Draft Capital Outlay Budget; seconded by Mr. Shiraishi; with no objections, motion carried with 4 ayes.

G. OLD BUSINESS

1. Manager's Report No. 15-33 - Discussion and Approval to approve agreement between Grove Farm Company, Inc. for Water Plan 2020 Project No. PLH-35b Kapaia Cane Haul Road 18-inch Main for the Puhī/Līhu'e/Hanamā'ulu Water System (*Update*)

DISCUSSION:

Civil Engineer, Mr. Aoki said the agreement confirmed the Department agreed to pay 2/3 share of the cost of certain permit applications and agency fees. Set fees are determined by government agencies which are not negotiable. There will be no design contract; only an agreement. A purchase order is based on the budgeted amount. Reimbursements to Grove Farm would be drawn off of the purchase order.

Mr. Dahilig moved to approve Manager's Report No. 15-33 - Discussion and Approval to approve agreement between Grove Farm Company, Inc. for Water Plan 2020 Project No. PLH-35b Kapaia Cane Haul Road 18-inch Main for the Puhī/Līhu'e/Hanamā'ulu Water System (*Update*); seconded by Mr. Shiraishi; with no objections, motion carried with 4 ayes.

H. NEW BUSINESS

1. Manager's Report No. 16-47 - Discussion and Possible Action on the Third Change Order for Additional Funding for Job No. 11-10, Water Plan 2020 K-18, 8-Inch Water Main Replacement along Halewili Road, Kalāheo Water System, Kalāheo, Kaua'i, Hawai'i

Mr. Dahilig moved to approve Manager's Report No. 16-47 - Discussion and Possible Action on the Third Change Order for Additional Funding for Job No. 11-10, Water Plan 2020 K-18, 8-Inch Water Main Replacement along Halewili Road, Kalāheo Water System, Kalāheo, Kaua'i, Hawai'i; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

2. Manager's Report No. 16-48 - Discussion and Possible Action on the Funding Transfer for the Replacement of the Supervisory Control & Data Acquisition (SCADA) Server Room Air Conditioning in the amount of \$8,500.00

Mr. Dill moved to approve Manager's Report No. 16-48 - Discussion and Possible Action on the Funding Transfer for the Replacement of the Supervisory Control & Data Acquisition (SCADA) Server Room Air Conditioning in the amount of \$8,500.00; seconded by Mr. Dahilig; with no objections, motion carried with 4 ayes.

3. Manager's Report No. 16-49 - Discussion and Possible Action on the Funding Transfer for Job No. 16-3, Koloa Well C Repair in the amount of \$105,210.00

Mr. Dahilig moved to approve Manager's Report No. 16-49 - Discussion and Possible Action on the Funding Transfer for Job No. 16-3, Koloa Well C Repair in the amount of \$105,210.00; seconded by Mr. Shiraishi; with no objections, motion carried with 4 ayes.

4. Manager's Report No. 16-50 - Discussion and Possible Action on the Funding Transfer for Job No. 16-1, Kalāheo Jelly Factory Booster Pump Motor Control Replacement for the furnishing and delivery of new pump and motor assembly in the amount of ~~\$9,500.00~~ (corrected during RBM to \$9,896.00 as stated on report)

DISCUSSION:

Deputy County Attorney, Ms. Suzuki informed the Board the threshold for transfers is \$5,000. To increase the Water Utility Fund expenditure threshold on equipment furniture, fixtures in excess of \$5,000.00, it must be on the agenda for discussion.

Mr. Dill moved to approve Manager's Report No. 16-50 - Discussion and Possible Action on the Funding Transfer for Job No. 16-1, Kalāheo Jelly Factory Booster Pump Motor Control Replacement for the furnishing and delivery of new pump and motor assembly in the amount of ~~\$9,500.00~~ (corrected during RBM to \$9,896.00 as stated on report); seconded by Mr. Dahilig; with no objections, motion carried with 4 ayes.

5. Manager's Report No. 16-51 - Discussion and Possible Action on the Third Change Order for Contract 598, Job No. 15-2, Piwai Well No. 3 Repair, Upper Omao, Kaua'i, Hawai'i

Mr. Dill moved to approve Manager's Report No. 16-51 - Discussion and Possible Action on the Third Change Order for Contract 598, Job No. 15-2, Piwai Well No. 3 Repair, Upper Omao, Kaua'i, Hawai'i; seconded by Mr. Dahilig; with no objections, motion carried with 4 ayes.

Mr. Dill complimented the Department on the report's comprehensive details on what occurred and attempts to address and correct the problems of the well pump.

**I. STAFF REPORTS
MONTHLY**

1. Discussion and Receipt of the Kaua'i County Water Department's Statement of Revenues and Expenditures
 - a. March Monthly Summary Budget

BACKGROUND:

Waterworks Controller, Ms. Yano provided updated results of the Kaua'i Pricing results by the consultants in the Board's packet.

DISCUSSION:

After the FRC rate increase in November 2015, there were three (3) applications. Prior to the rate change, Manager Saiki mentioned the Contractors Association of Kaua'i and the Kaua'i Realtors had concerns. There was one call about the rate change.

- Fiscal will locate the FRC data before the FRC increase.
- Fiscal will provide action items to the consultants to determine the revenue requirements for the rate study.
- Fiscal is working to identify classifications from the old building system listed it as *multi-family residential* and was transferred to CC&B, this was changed to *low rise residential*.
- Consultants will do a presentation when the rate proposal is completed at a later date.

Mr. Dill moved to receive the Kaua'i County Water Department's Statement of Revenues and Expenditures, a. March Monthly Summary Budget; seconded by Mr. Shiraishi; with no objections, motion carried with 4 ayes.

2. Discussion and Receipt of the Report by the Public Relations Specialist on Public Relations Activities

Mr. Shiraishi moved to receive the Report by the Public Relations Specialist on Public Relations Activities; seconded by Mr. Dahilig; with no objections, motion carried with 4 ayes.

3. Discussion and Receipt of the Chief of Operation's Summary Report on Operational Activities

BACKGROUND:

Chief of Operations, Mr. Reyna congratulated Ms. Amy Kiyotsuka on her promotion to Clerk Dispatch.

Overtime Chart for February was 1,900 man hours due to overnighter emergency calls. March hours were back to normal to less than 700 man hours.

Mr. Dahilig moved to receive the Chief of Operation's Summary Report on Operational Activities; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

4. Discussion and Receipt of the Manager and Chief Engineer's Monthly Update Regarding Activities of Note of the DOW

BACKGROUND:

Manager Saiki highlighted the following:

Recruitment and Position Actions

1. Operations Clerk Dispatch II - filled in house.
Maintenance Worker II – Interviews scheduled for 4/25/16.
2. Construction Management Division - Waterworks Inspector I – Interview done.
3. Water Resources & Planning – CE VI – Selected/pending negotiations and CE III – Interviewed.

CC&B Billing System

The Department is working on its own billing system separate from the Honolulu Board of Water Supply (HBWS). Data is expected by the end of this week from HBWS.

DISCUSSION:

Manager Saiki will make a decision on the Deputy Manager position next week.

Mr. Dill moved to receive the Manager and Chief Engineer’s Monthly Update Regarding Activities of Note of the DOW; seconded by Mr. Shiraishi; with no objections, motion carried with 4 ayes.

- a. Report of the BAB pay down as of March 2016

Mr. Dill moved to receive the Report of the BAB pay down as of March 2016; seconded by Mr. Shiraishi; with no objections, motion carried with 4 ayes.

QUARTERLY *(January – March 2016)*

1. Discussion and Receipt of the DOW’s Quarterly Project Status Update
 - a. Construction Management Division Status

BACKGROUND:

Construction Project Management Officer, Mr. Moises highlighted the Executive Summary.

1. New building is progressing. The sewer installation started in the Baseyard this week.
2. Construction - Kolo Road main replacement closed out.
3. Halewili Road water line started in March through this summer.
4. Design reviews done this month for Grove Farm main replacement.
5. Six (6) private projects completed.

DISCUSSION:

Mr. Moises assured the Board the new building will come under budget.

Mr. Moises and Deputy County Attorney Suzuki have been in contact with 808 Urban, a non-profit mural company on O’ahu, to do an art mural on the new building lobby. The budget for the mural project would be \$10,000 (based on .001% of state projects). Murals would be painted by students at different schools and the new building lobby with a story theme related to Kaua’i. Discussions are on-going with Mr. Bill Arakaki, Department of Education Superintendent which includes housing of the 808 Urban representatives who will work with the schools.

Mr. Shiraishi moved to receive the DOW’s Quarterly Project Status Update, a. Construction Management Division Status; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

b. Engineering Division Design Status

BACKGROUND:

Civil Engineer, Mr. Aoki commented design projects are almost completed. The next Quarterly Report will reflect completed projects.

There has been an increase of activities with developers reactivating subdivisions. Construction Management will get busier. The Hanama'ulu Triangle started today.

Mr. Dahilig moved to receive the DOW's Quarterly Project Status Update, b. Engineering Division Design Status; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

c. Water Resources and Planning Division Status

Mr. Dill moved to receive the DOW's Quarterly Project Status Update, c. Water Resources and Planning Division Status; seconded by Mr. Shiraishi; with no objections, motion carried with 4 ayes.

J. EXECUTIVE SESSION

Pursuant to H.R.S. §92-7(a), the Board may, when deemed necessary, hold an executive session on any agenda item without written public notice if the executive session was not anticipated in advance. Any such executive session shall be held pursuant to H.R.S. §92-4 and shall be limited to those items described in H.R.S. §92-5(a).

- 1. Pursuant to Hawaii's Revised Statutes (HRS) Section 92-4, 92-5(a)(4), the purpose of this executive session is to review executive session minutes dated March 31, 2016. This consultation involves the consideration of the powers, duties, privileges, immunities, and/or liabilities of the Board and the Department as they relate to this agenda item. Approved in Open session.*

K. TOPICS FOR NEXT WATER BOARD MEETING (May 2016)

1. Discussion and Possible Action on the Manager and Chief Engineer's goals for July 2016 – June 2017
2. Discussion and Possible Action on Proposed Board Policy No. 4 for Delegating Routine Actions from the Water Board to the Department of Water's Manager and Chief Engineer regarding Right of Entry
3. Discussion and Possible Action on Amendment to Part 5, Section III, Rules of the Board of Water Relating to Multi-Family Dwelling Units
4. Draft Budget for Fiscal Year 2016-2017
 - a. Fiscal Year 2016 – 2017 Draft Operating Budget
 - b. Fiscal Year 2016 – 2017 Draft Capital Outlay Budget

L. TOPICS FOR FUTURE WATER BOARD MEETINGS

1. Discussion and Possible Action on new Board Policy regarding Proposed Delegation of a Meter Restriction
2. Discussion and Possible Action on new Board Policy regarding Providing Water Service Outside of the Water Zone
3. Budget Resolutions No. 17-01 (7/16), Budget for Fiscal Year 2016-17 (June)
4. Board AWWA National Conference Reports (July)
5. Discussion and Possible Action on Board Policy No. 3 to increase the Water Utility Fund expenditure threshold on equipment furniture, fixtures in excess of \$5,000.00

6. Workshop presentation regarding the Long Range Plan of the Department of Water Admin. Building

M. UPCOMING EVENTS

1. AWWA, Chicago, IL *(June 19-22, 2016)*
2. Project Wet - Make a Splash *(September 22, 2016)*
3. HWWA, Hawai'i Section, Maui, HI *(November 2 - 4, 2016)*

Governor Ige's visit to the Grove Farm Surface Water Treatment Plant *(May 26, 2016, 2:00 p.m.)* – Board invited.

Mr. Dill moved to approve travel funds for one Department staff to attend the AWWA Conference in place of Board Member Mr. Rezentes; seconded by Mr. Shiraishi; with no objections, motion carried with 4 ayes.

N. NEXT WATER BOARD MEETING

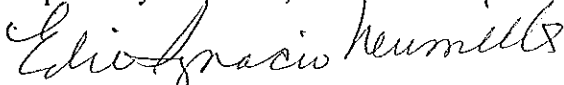
Board discussed possible meeting dates change to the 4th Friday of the month:

1. Tuesday, May 17, 2016, 10:00 a.m., (Ex-Officio Lyle Tabata will be sworn in)
2. Thursday, June 30, 2016, 10:00 a.m. (date remains as listed)
3. Friday, July 22, 2016, 10:00 a.m.
4. Friday, August 26, 2016, 10:00 a.m.

O. ADJOURNMENT

Mr. Shiraishi moved to adjourn at 11:06 a.m.; seconded by Mr. Dahilig; with no objections; motion carried with 4 ayes.

Respectfully submitted,



Edie Ignacio Neumiller
Commission Support Clerk

Approved,



Sherman Shiraishi
Secretary – Board of Water Supply