

# Finance Committee Meeting

April 3, 2018  
1:00 p.m.

Committee Members Present: Finance Chair Lawrence Dill called the Finance Committee meeting to order at 1:00 p.m. Committee members present: Mr. Thomas Canute and Mr. Lyle Tabata. Also present was Board member Laurie Ho.

Staff Present: *Acting* Manager Steve Kyono, Deputy County Attorney (DCA) Mahea Krafft, Marites Yano, Jonell Kaohelaulii, Keith Aoki, Dustin Moises (*entered 1:04 p.m.*), Sandi Nadatani-Mendez(*entered 1:14 p.m.*).

Guest: Hall Parrott, Private Citizen

## AGENDA

Chair Dill accepted the Agenda with no objections.

### E. NEW BUSINESS

1. Draft Budget for Fiscal Year 2018-2019
  - a. Fiscal Year 2018 - 2019 – Draft Operating Budget
  - b. Fiscal Year 2018 - 2019 – Draft Capital Outlay Budget

### BACKGROUND:

Waterworks Controller Mrs. Yano explained that the Department of Water (DOW) operates as an enterprise fund by generating the DOW's own revenues and expenditures. Chair Dill added the DOW is not supported by property tax or the general fund and that revenues addresses all he expenses. The American Water Works Association guidance states *"the way we charge our customers is based on the cost of service, establish how much it costs on the volume of the service which the user pays for the cost of service."* The DOW is fairly assessing those costs and fairly distributing them among the rate payers during budget time.

### DISCUSSION:

Mrs. Yano presented the new annual Operating and Capital Outlay Budgets that covers the operating and capital spending plan for seven divisions (includes IT section). There are three sources of funds: 1) Water Utility fund (WUF), 2) Facilities Reserve Charge (FRC), & Build America Bond (BAB). The Operating Budget will be funded by the WUF. The main source of the WUF is generated from the water sales. The DOW provided an average of \$4 billion gallons to over 21K customers.

Page 3 (Para. 1) – *"While the water rate study is in the final stage of completion, the Department proposed NO WATER RATE INCREASE as well as NO POWER COST ADJUSTMENT for FY 2018-2019."* Chair Dill would like to see the calculation of the no power cost adjustment. Ms. Yano mentioned a component in the Department's Rules and Regulations Schedule E is a table that was prepared by the consultants in the last rate study (yearly schedules in calculating power cost adjustments). The Department does not have a current water rate study in place, but looking at the finances, the Department could go one year without a power cost adjustment and a water rate increase. The method is not in place and the schedule is a component of the water rate study. Chair Dill asked if the previous water rate study was done on previous years electric costs? Ms. Yano mentioned that the utility cost is included in the rate study. Chair Dill mentioned that a rate study does not have to be done for a power cost adjustment. The formula could be calculated regardless of a new water rate study. When a new rate is established, an automatic power cost adjustment is not needed in the beginning because the rate and utility cost is calculated at the same time to be current. For the following year, if the electric cost increases, the automatic power cost adjustments

allows to you to recover those costs without a rate change. *Acting* Manager Kyono commented if the Department does not do a rate increase the next fiscal year, whether or not a power cost adjustment is needed. Chair Dill was not sure if the revenues would be sufficient to cover the power cost adjustment. He asked if the Department has the discretion to only to a power cost adjustment when the Department feels a financial need or is truly automatic every year with the recalculation of previous year's electric rates? The utility cost budget increase is due to an increase of gas prices. Chair Dill feels an automatic power cost adjustment should happen every year (up/down) to reflect in operating expenses. DCA Krafft mentioned the Board is supposed to implement the cost each year. The deadline is March 31<sup>st</sup> every year.

Mrs. Yano explained how the power cost is calculated to operate the water sites. The actual cost is taken up to March 31<sup>st</sup> and compared with the budgeted power cost. Comparing actuals and the budget, the cost in the proposed budget was compared to last year's actual budget, with a difference of one component. The actual water consumption is also compared; as well as compare the budgeted power cost. The difference is taken from the budgeted and the actual power cost.

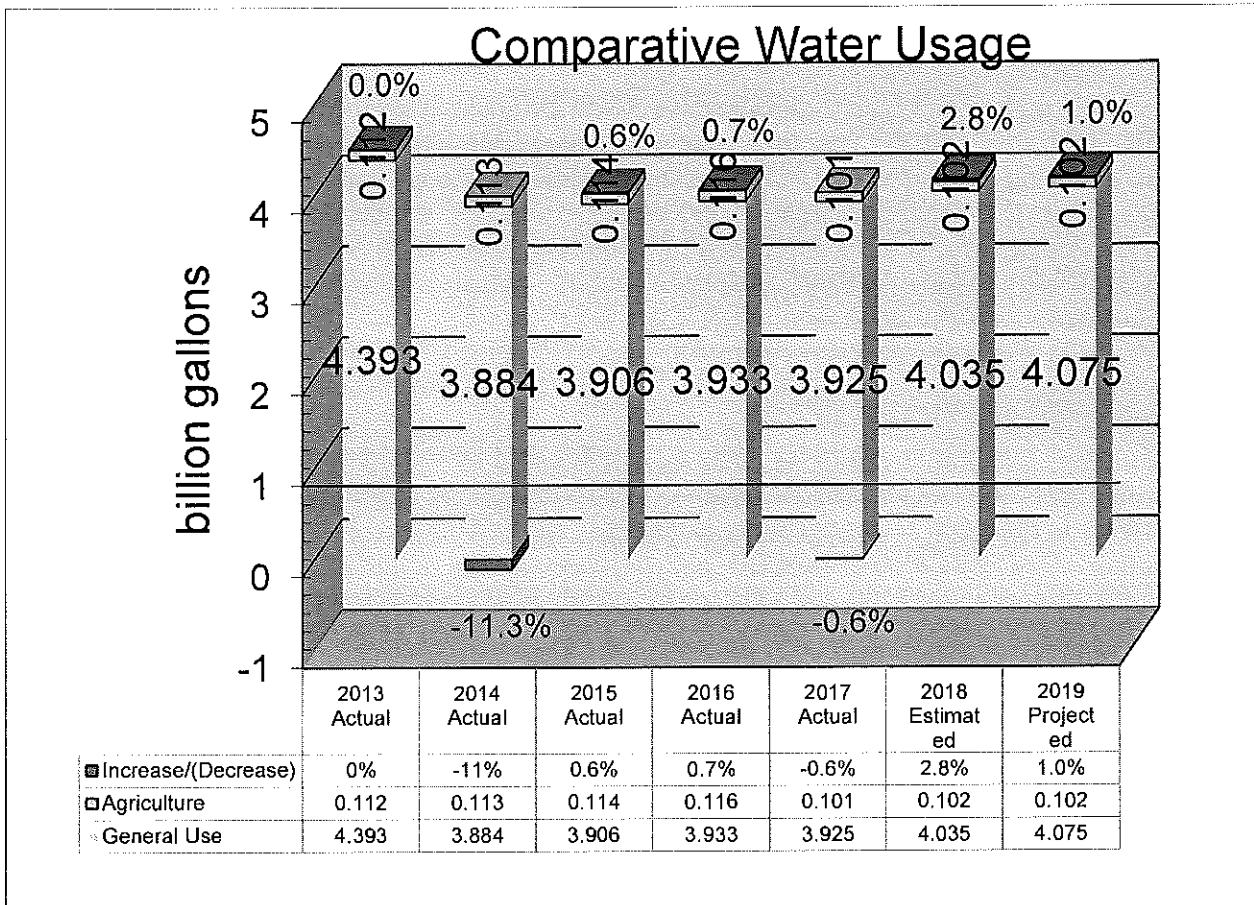
Summary - The power cost adjustment for the fiscal year will be calculated with the sum of the following two components. The difference between the budgeted unit power cost for the upcoming fiscal year and the projected unit cost was projected in the water rate study. By taking the budget minus projected = zero, there is nothing to compare with the unit cost. The second component is the difference of plus or minus between the unit power cost incurred during the 12 month period and the anticipated unit cost during the same 12 month period. Compare the budget and actual first; second compare the projected in the water rate study; the difference of the two is the power cost adjustment. This current analysis was not done for this current budget because there is no projected unit cost (80 cents).

Chair Dill disagreed with Mrs. Yano regarding the 80 cents (baseline cost) an actual cost when the rate study was done. The 92 cents is projected for the upcoming budget year. On the sixth year, the electric cost can be projected with the 80 cents baseline for 2015 but project for 2019 without a rate study analysis. Compare the fiscal year 2019 electric cost with the base line established in 2015. The power cost adjustment is showed on a separate line item on the bill that should be recouped.

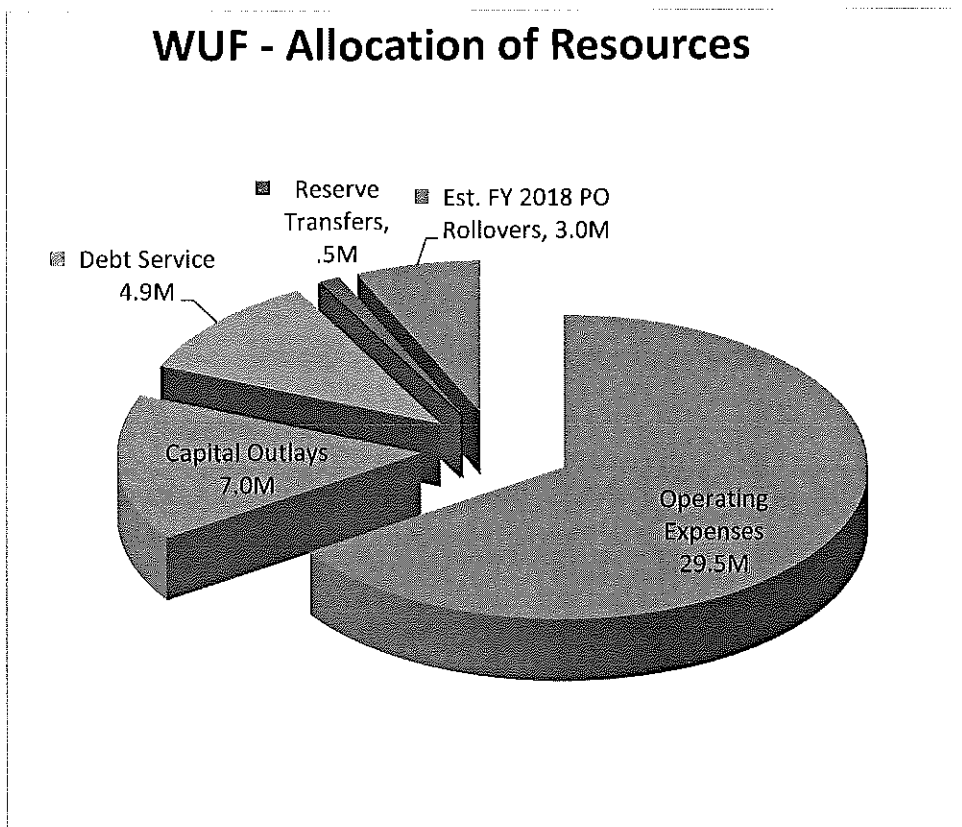
In Paragraph 1, Chair Dill mentioned the difference between power cost in 2018 and projected unit power cost but Mrs. Yano said the Department does not have a projected unit cost. Chair Dill said this does not prevent her from doing the same thing as last year.

- Mrs. Yano will revisit this issue and will report back to the Finance Committee.

See following graph (Page 3) is the Comparative Water Usage from the last five years:



2013 to 2017 are actual water usage consumption. The average of the last five years, .6%, .7%, -.6%; with a 2.8% increase in 2018, conservatively Mrs. Yano used a 1% increase for 2019.



Purchase orders may not be completed in the fiscal year; it is estimated to be \$3.0M.

Page 10, Summary of the Fund Balance Projections - Chair Dill mentioned the Reserve Transfer reserves were buildable with time and last year they were at the goal. Mrs. Yano said the Emergency Reserve Fund will be a moving number which is 25% of the projected operating expenses that will be adjusted plus or minus. Chair Dill noted that the \$600,000 adjustment is 25% and the operating expense changed by \$2.4M. The Emergency Reserve is reduced by \$100,000; principal is being paid off. \*\*FRC fund balance is not sufficient to fund the Proposed Capital Outlay – Expansion Projects. An Interfund transfer through a Manager’s Report will be required in order to proceed with any of the FRC Capital Outlay – Expansion projects. There are no proposed projects under FRC unless something comes up the middle of the year due to not enough funds in the FRC.

Page 12, Summary of Operating Expenses – The County is billed for the fire hydrant maintenance but do not receive cash from the County and also show an equal amount of operating expenses. The County provides services to the DOW under operating expenses.

Other Water Rate Revenue for \$250,000 – charge for private vendors or contractors.

State Grants for \$6.8M - \$330,000 collected from the \$7.5M. When \$1M will be collected from the County, the \$6.8M may go up.

FRC – Estimated \$400,000 in collections; BAB has no activity.

FRC Actuals FY 2017-2018 - \$418,755 YTD as of January 31, 2018.

➤ Correction to be made on the column to read “through January 31, 2018.”

Mrs. Yano works with other divisions on amounts that are comfortable in projecting FRC based on the new water meter applications that Fiscal receives. *Acting* Manager Kyono added if a developer comes in with the large project, the FRC spikes. Mr. Tabata commented that building permit volume is going down, but the value of construction is going up.

Page 13, Summary of the Proposed Operating Expenses –

Line items 510-010 to 530-060 are all employees’ salary wages and benefits.

Professional Services - \$3.8M

Salaries & Wages – Columns FY 2015-2016,

FY 2017-2018 - \$6.1M but only spent \$4.9M

FYTD Actual Exp. As of 1/31/18 – Spent \$3.2M

FY 2018-2019 – From proposed \$6.4M, \$1.2M is for unfilled positions.

Bulk Water Purchase \$1.8M budgeted the same as last year –

➤ Mrs. Yano will check on if Princeville’s agreement initials cost will that be affected.

### Engineering

Page 81 - Mr. Aoki mentioned there are five permanent positions budgeted in the Engineering division for FY 2017-2018. As of March 2018, of the five positions, two positions are filled (CE VI & CE III). Vacant positions are two CE V’s and CE II. One CE V is fully funded in the proposed budget which is Mr. Bryan Wienand’s old position (for return rights). The other CE V is vacant. Mr. Aoki has not recruited for a CE V for two reasons: 1) there not many CE V applicants and 2) he is adhering to the prior Strategic Plan by promoting from within the Department. The CE III is filled by Mr. Eric Fujikawa who will be taking the Professional Engineer (PE) test this month. If Mr. Fujikawa receives his PE license, within the next couple of years, Mr. Aoki Mr. Fujikawa may be an applicant for the open CE V position. CE II is budgeted 75% - if Mr. Fujikawa gets his PE license, Mr. Aoki will reallocate the CE III position to a CE IV which will need funding. CE II will be the next position for recruitment.

Engineering has completed many projects with more projects should be completed in the future. Construction Management (CM) has been barraged with many completed design projects. Engineering is not proposing new projects in the proposed budget except for ongoing projects that need to get funded. One new project, not in the budget, will be proposed to be added. The project is an island-wide water system resiliency project for generators, shelters and MCC protection at the well sites.

Page 85, Title Searches – \$25,000 added for title searches. A single private road may cost \$20,000. Kukuioolono Tank Site exchange – Budgeted \$100,000; met with the County to move forward with the underground storage tank for the Kukuioolono Golf Course. Soil testing is being done to take out the existing tank.

Design services for emergency generators housing structures at remote sites – \$300,000 (moved to Operations budget).

Drill and Develop Kīlauea Well No. 3 – Funds encumbered and in Design.

Each project have a separate General Ledger (GL) account number for tracking purposes.

Page 88, Misc. training cost - \$705 spent YTD. Chair Dill suggested to spend the training funds.

Page 90, Meeting supplies and travel expenses – Projected two round trip tickets for Board meetings on O‘ahu (registration, hotel, air fare).

➤ Description will be corrected “omit travel expense.”

Page 91, Permit Fees – Added \$20,000 for next year.

Page 91, Generator shelters & MCC Protection – Add \$150K to WUF (discuss at the 3<sup>rd</sup> Finance Committee meeting for the Capital Budget).

#### Construction Management (CM) / Staffing

Page 94 - Construction is based on what Engineering designs and reviews Water Plan 2020 designs, private development designs, CIP to final design. CM has been short staffed the four fiscal years. There are eight CM positions in the current fiscal year. Of the eight positions there are CE III & CE V and a Program Assistant (clerk) position and the Chief of Construction Management position Mr. Moises holds. Waterworks (WW) Inspector I - was recently vacated. WW Inspector II – took a position in private industry. WW Inspector III – promoted to the Operations division in April 1<sup>st</sup>; position is now vacant. Currently two WW Inspector II & III positions are vacant and two Inspector positions are vacant in Engineering. The positions are not reflected in the spread sheet. Line 15 – CE III is in open recruitment and Line 16 – CE V is in open recruitment. Goal is to hire all four positions June 2018. WW positions are 100% to be posted in a range.

➤ Add WW I & WW III to the spread sheet.

Not shown in FY 2015-2016 – “As needed” CM was procured to cover one project for \$286,000 on Kōloa Well 16 A/B now in construction. In the April 27<sup>th</sup> Board meeting, \$250,000 is needed for the same contract to watch the Kapa‘a Well project.

Page 100, FY 2016 – 2017 - \$200,000 encumbered to inspect Kapaia Haul Cane Road pipeline.  
FY 2017 – 2018 - \$50,000 encumbered for “As needed” structural engineering services.

Mr. Moises does not see the Department where it wants to be in two years. Based on the five year water rate study and on the amount of projects Engineering completes, CM’s funding would be \$4.5M. It would be hard to attract and maintain an “As needed” CM because the entire salary of the CM division is less than \$536,000K. \$500,000 is the best projection but may have to ask the Board for more funds later.

Admin. (Public Relations, Human Resources, Board Budget)

Page 32, Performance Audit –\$300,000

Page 34, Public Relations –\$50,000 to restock PR supplies and marketing materials, activities supplies, additional marketing tools for the PR program. There is a \$9K increase from last year to restock items that were depleted the past two years and for research on Professional Services for media campaigns.

Pipe Tapping Team – Added \$8,000; team pending.

FY 2015-2016 – used remaining Department of Health, Safe Drinking Water Grant for Project Wet.

Project Wet - \$25,000 for this year; actual cost is estimated to be ½ of the \$25,000. Next year, the contract will be negotiated.

Page 36, Cell Phones – Transferred to the IT budget

Page 37, Postal Box Rental – Will be closed June 30, 2018

Page 39, Insurance and Bonds – Budget \$1,000,000.00

- Mrs. Yano recommended a Board Policy through a Manager’s Report for an Insurance Reserve Fund in the 2018-2019 budget. Provide recommendation on options to address new insurance fund or modify the emergency reserve fund to include insurance deductible. To establish by July 1<sup>st</sup>, but for now Chair Dill requests to leave this in the budget and for DCA to verify if ERF has a qualified addition to the language to include insurance in this Board Policy.

*Acting* Manager Kyono commented on the amount be used in case of an emergency; keep a separate fund.

- Procedures for each option will be followed up. **NOTE:** this was requested last year 6/5/2017.
- Deductibles: delete “General Liability” in description

Page 50, AWWA Hawai’i HWEA Conference row & HWWA Hawai’i Section Conference row

- Delete “all DOW personnel”

Page 52, remove blank line.

IT

Refer to Vacancy sheet – IT is estimating a new Information Technology Specialist I (technical) position.

- Provide justification/narrative.
- Insert “new” under position number.

Page 57, Review & Update IT & Strategic Plan –\$80,000

- Follow-up on CC&B line item; possibly re-describe; per Committee’s direction last budget cycle, this amount was increased from \$450k to \$640k as it reflects the anticipated expenditure related to this line item and the County of Maui portion would be accounted for in Miscellaneous receipts

Page 58, Communications Services – Smart phones were increased based on more inspectors.

Page 62, Repairs & Maintenance – Added Beacon subscription fee \$88,600.00. This replaces the transponder which is available on line; indicates leaks. A trial run with the transponder will be done in Waimea/Kekaha (about 1,000 meters) if approved; cost is approx. 89 cents per meter.

- It was confirmed that the Beacon Subscription fee does not include the hardware which is a line item in the Operations budget – to shut off meters.
- Oracle – will revise number (in red, make sure \$650K is in red too as a negative expense similar to p. 57). Show in red on Misc. Revenue.

Customer, Care & Billing Kaua’i License (CC&B) – \$30,000

Page 63, Operating Supplies – Added Replacement of cell phone equipment

Page 65, IT Training – \$12,000; Includes air fare, registration, per diem

Page 67, Audio Equipment & speakers - \$20,000

Replacement of Websense Appliance (filters viruses) - \$15,000

Implementation of New Project Management Software/IT Strategic Plan – To be used company wide.

Purchase of New/Replacement Computer- \$80,000

- Computer Purchase, 5 replacement computers for WR&P staff - Increase \$20K
- Revisit \$80K for computer purchase and provide justification/more detail of how we came up with this number.

Page 68, Develop Web based GIS viewer & mapping layers –

- IT Strategic Plan add details to explain significant increase to \$190k

County Planning Department has a LIMS system to be able to talk through one system identification off a TMK. Get on Planning's Task Force.

### Fiscal Division

#### Highlights:

- Five Year Water Rate Study – Ongoing; CIP is driving the rate study.
- Fiscal is working with Operations on the Annual Water Audit; eff. July 1<sup>st</sup>.
- Finance Audit is done annually; kick off meeting last week; no major expenditures on the single audit.
- Fiscal is developing new financial policies concurrent with new budget software.
- Credit Card option to be done by next fiscal year.

### Billing

Page 127, Project Management – New budget \$80,000 to implement the credit card payment options (i.e., Pay Pal).

Alternative Billing Software - \$150,000 to help evaluate a better billing system; different provider (Host) for technical & functional support (outsource).

- Provide a better background for CC&B
- Consider staffing

Page 132, GFOA Conference – \$3,765

- Add GFOA Conference amount back into the budget; have staff attend

Page 133, 2W pick-up truck / Meter Reader – \$33,000

- Include documentation for meter reader's truck. Replacement? Get odometer reading.

### Accounting

Page 137, Bond Counsel – \$15,000 paid the County

Consulting Services - \$150,000 to develop Financial Policies

Page 142, GFOA Membership – \$350.00 budgeted for two trips (local training)

Page 152, Interest Expense paid for debt service - \$3,460,087 (included in Operating Expenses)

- SRF loans: provide aging report (suggest doing this for all loans)
- Are the amounts on this page included in operating expenses?

Page 155, Emergency Reserve – \$500,000; increased due to higher operating expenses.

- Description should read “Operating Expenses” not revenues.

Page 158, Transfer to WUF – to pay off some of the FRC rate debt

- Provide a breakdown of how much WUF has been subsidizing FRC.
- Vacancies – Board approval required for reallocations?

Upgrade the CSR 1 to a Customer Relations Assistant I – to handle billing collection accounts


- Provide summary of outstanding delinquent accounts.

At the April 12<sup>th</sup> Finance Committee meeting, Mrs. Yano will update the Finance Committee on the Action Items and will provide back up information on requested line items.

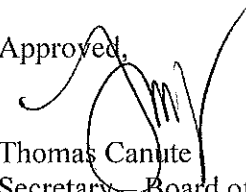
**F. RECESSED**

At 4:20 p.m., Chair Dill Recessed the Finance Committee meeting to Thursday, April 12, 2018.

Respectfully submitted,

  
Mary-jane Akuna  
Private Secretary

Approved,

  
Thomas Canute  
Secretary – Board of Water Supply



# Finance Committee Meeting

April 12, 2018  
1:00 p.m.

Committee Members Present: Finance Committee Member Thomas Canute called the Finance Committee meeting to order at 1:15 p.m. Committee member present Mr. Lyle Tabata. Chair Dill (*entered the meeting @ 1:49 p.m.*)

Staff Present: *Acting* Manager Steve Kyono, Deputy County Attorney (DCA) Mahea Krafft, Marites Yano, Sandi Nadatani-Mendez, Edward Doi, Michael Hinazumi, Valentino Reyna, Carl Arume

Guest: Hall Parrott, Private Citizen

## AGENDA

Chair Dill accepted the Agenda with no objections.

### E. NEW BUSINESS

1. Draft Budget for Fiscal Year 2018-2019
  - a. Fiscal Year 2018 - 2019 – Draft Operating Budget
  - b. Fiscal Year 2018 - 2019 – Draft Capital Outlay Budget

### DISCUSSION:

#### Water Resources & Planning (WRP)

Significant change will be to upgrade the computers (not in the budget WRP by in IT's budget). Many projects are continuous.

Page 119 – Asking renewal of the grant funds for the Kaua'i Water Shed Alliance.

USGS Ground Monitoring Program - of 12 wells with yearly data - \$45,000

Hydraulic Model Upgrade - \$300,000 was carried over from subsequent years; helps with calibration of the system and unforeseen items

GIS consulting services – Pending removal in WRP; IT's budget may include the GIS implementation and if IT could provide a definition in their \$190K budget item. Mr. Tabata mentioned the LIMS software and suggested the Department connect with the County LIMS. Ms. Nadatani-Mendez contact Mr. Michael Dahilig regarding the LIMS committee. Mr. Hinazumi is already working with Mr. Dahilig on the LIMS and will keep the Board updated on the process.

Water Plan 2040 – will be carried over; will not be able to procure this year.

Page 121 – Training & Development – WRP staff are encouraged to attend conferences the following: ESRI User Conference, American Backflow Prevention Association Conference, ArcMAP/GIS – Innovyse InfoWater Training Classes, Miscellaneous – O'ahu trainings in GIS

Page 122 – Travel & Per Diem – for travel expenses for respective conferences.

*At 1:32 p.m., the Finance Committee recessed.*

*At 1:40 p.m., the Finance Committee reconvened the meeting.*

#### Water Quality

Page 73 – Professional Service, Water samples testing services (Contract Lab Services) - \$21,600 for chemical testing at private labs in the mainland. EPA-mandated UCMR4 – Unregulated Contaminant Monitoring – starts early part of the fiscal year; this is the 4<sup>th</sup> of a 5 year monitoring.

Miscellaneous SDWA Test, EPA-mandated compliance monitoring (i.e., Disney testing or PCB's) - \$2,000

Long Term 2 ESWTR - \$2,000; through next year.  
Repaired Well Testing, EPA & DOW mandated – \$10,000 Kōloa Well B & Kekaha Shaft.

Page 74 – Shipping samples – \$3,000; more Fed Ex shipping planned to DOH on O‘ahu.  
Page 76 – Lab Supplies - \$15,000; bacteria testing & small equipment  
Page 78 – Training classes, EPA rules & regulations & lab data management - \$1,500.00  
Page 79 – Lab Vehicle - \$37,000; need new vehicle

*At 1:49 p.m., Chair Dill entered the meeting.*

#### Operations

Page 160 – There were no highlighted differences from last year.

Page 165 – Professional Services – No contracts were executed this fiscal year.

Design services for emergency generators housing structures at remote site - \$0; taken over by Engineering.

Baseyard Renovation, Preliminary Engineer Report & Assessment – Should be \$275,000

➤ Baseyard renovation (combine categories from Ops & IT)

Page 168 - Construction equipment rentals - \$50,000 (over budget) / increase to \$70,000

➤ Per *Acting Manager Kyono*, looking at vehicle replacement policy

Page 170 – Pump replacement program - \$50,000; 2 to 4 planned replacements are done yearly.

Page 171 – SCADA maintenance – \$150,000; 1 yr. contract; contract extensions was extended to 2 years.

Page 172 – Repairs & Maintenance - multiple contracts & purchases

Roadway repairs - \$75,000

Vehicle maintenance and contract services - \$75,000

Page 173 – Miscellaneous Rehab Projects - \$75,000

Page 174 – Disinfection Chemicals - \$75,000; 3 sites are on chlorine gas (by January, gas will not be available). Sodium prices are up by 50% for Hypo. Need to go thru procurement for an on-site generation.

Page 175 – Inventory part & replacement - \$35,000

Page 176 – Inventory – operating supplies for repair materials.

➤ Per Chair Dill, “Aquaphalt” superior material, preferred by HDOT; buy better quality.

Page 178 –AMI Meter Pilot tests - \$250,000; Leak detection system / transponder / can bill meters; customer can get notification of 24 hour usage; can notify the Department remotely.

➤ compare description with IT; be consistent (AMI or Badger)

Page 180 – Princeville Utilities for 'Anini -\$57,600

➤ Princeville Utilities line item needs to be adjusted to reflect amended agreement (\$57,600 for 24mg/yr). Mrs. Yano to check the agreement (5 new accounts were added). \$2.40 budgeted – includes standby by usage per meter

Page 181 – Training, Development, & Per Diem -

➤ Reduce to \$30,000

Page 182 – Operations Certification – reduce to \$3,000

➤ Reduce to \$6,000 (\$3,000 per)

Page 183 – Tapping Team Expenses - \$8,000; 2 teams

- Remove from PR and keep Tapping Team in OPS budget

Page 184 – Medium Duty P/U Truck with Utility Body – 2004 F150 (over 10K miles)  
Pump & Motor Replacement - \$300,000  
Dump Truck - \$165,000 (over 10K miles)

Page 185 – Expansion/Equipment – \$8,000

- Change description of golf cart to “utility cart”

4x4 P/U truck - \$30,000 for the Groundskeeper  
4x4 P/U truck - \$60,000 for Field Superintendent  
Emergency Generators - \$200,000; will purchase 4 generators for the booster pump areas.

Page 186 – Salaries & Wages (summary by division).

Includes vacant position (refer to handout)

Grand total increased to \$32,000

Life & Health Insurance - going down

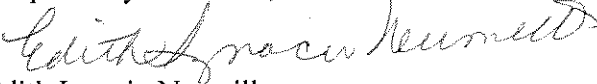
Last year's ERS, 25% was used this year 19% was used for next fiscal year. Biggest drop in the Employee Benefit budget; 3-1/2% increases and step movements for some staff.

(See separate Action Items for 4-12-18 provided to the Board members and Division Heads.)


**F. RECESSED**

At 3:47 p.m., Committee Member Canute Recessed the Finance Committee meeting to Monday, April 23, 2018 to cover the Capital Budget.

Respectfully submitted,

  
Edith Ignacio Neumiller  
Private Secretary

Approved,

  
Thomas Canute  
Secretary – Board of Water Supply

# Finance Committee Meeting

April 23, 2018  
1:00 p.m.

Committee Members Present: Finance Committee Member Lawrence Dill reconvened the Finance Committee meeting at 1:04 p.m. Committee member present Mr. Thomas Canute. Also present was Board member Laurie Ho.

Excused: Mr. Lyle Tabata

Staff Present: *Acting* Manager Steve Kyono, Deputy County Attorney (DCA), Marites Yano, Mj Akuna, Marites Yano, Bryan Wienand, Carl Arume, Valentino Reyno

## **E. NEW BUSINESS**

1. Draft Budget for Fiscal Year 2018-2019
  - a. Fiscal Year 2018 - 2019 – Draft Operating Budget
  - b. Fiscal Year 2018 - 2019 – Draft Capital Outlay Budget


## **DISCUSSION:**

Waterworks Controller Mrs. Yano indicated that the next Finance Committee meeting would cover the Capital Improvement Projects, updates on the Action Items, and a few items added to the Operating Expenses.

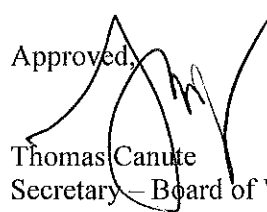
## **F. RECESSED**

Chair Dill recessed the Finance Committee meeting at 1:08 p.m., to reconvene on Friday, April 27<sup>th</sup> at 8:30 a.m.; with no objections, motion carried unanimously.

Respectfully submitted,

  
Mary-Jane Akuna  
Private Secretary

Approved,

  
Thomas Canute  
Secretary – Board of Water Supply

# Finance Committee Meeting

April 27, 2018  
8:30 a.m.

Committee Members Present: Finance Committee Member Lyle Tabata reconvened the Finance Committee meeting at 8:37 a.m. Committee member present Mr. Thomas Canute.

Excused: Chair Lawrence Dill

Staff Present: *Acting* Manager Steve Kyono, Deputy County Attorney (DCA) Mahea Krafft, Marites Yano, Valentino Reyna, Keith Aoki

## AGENDA

Agenda was accepted with no objections.

## E. NEW BUSINESS

1. Draft Budget for Fiscal Year 2018-2019
  - a. Fiscal Year 2018 - 2019 – Draft Operating Budget
  - b. Fiscal Year 2018 - 2019 – Draft Capital Outlay Budget

## DISCUSSION:

*Acting* Manager Kyono commented that the Finance Committee and staff has gone through the Operating budget. A couple of new items will be added:

- 1) 800 Megahertz Mega radio communication system that is critical during an emergency situation island Budgeted at \$120,000.
- 2) Employee Recognition will be brought back as a morale booster. Budgeted at \$6,500.00.
- 3) Capital Improvement Projects (CIP) – To be deliberated by the Finance Committee and to make sure there are 12 months during a fiscal window.
- 4) A Customer Service Rep. will be hired who is currently a State of Hawai'i employee. Ms. Yano said this position is budgeted at Step A and asked if Step A could be included in the revised Operating budget for the next Finance Committee meeting.

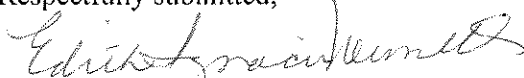
Mr. Tabata said in his discussion with Chair Dill, this Finance Committee meeting will end today. The Finance Committee will push for approval the Finance Operating Budget “as is” and was not sure if the additional items could be added.

Mr. Canute moved to approve the Operating Budget and the additional items presented today and to submit the Operating Budget to the Board for approval when it is on the Agenda; seconded by Mr. Tabata; with no objections, motion carried with 2 ayes.

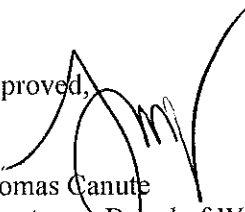
## F. ADJOURNED

Mr. Canute, moved to Adjourn the Finance Committee at 8:46 a.m., and for the Chair to reschedule the Finance Committee Meeting to address the CIP; seconded by Mr. Tabata; with no objections, motion carried with 2 ayes.

Respectfully submitted,

  
Edith Ignacio Neumiller  
Private Secretary

Approved,

  
Thomas Canute  
Secretary – Board of Water Supply