

MEETING MINUTES
BOARD OF WATER SUPPLY
August 31, 2018
(Rescheduled from August 24, 2018)

The Board of Water Supply, County of Kaua'i, met in regular meeting at the Board Conference Room in Lihu'e on Friday, August 31, 2018. Chair Beth Tokioka called the meeting to order at 10:02 a.m. The following Board members were present:

BOARD: Ms. Beth Tokioka, *Chair*
Mr. Sherman Shiraishi, *Vice Chair*
Mr. Lyle Tabata
Mr. Michael Dahilig

EXCUSED: Mr. Lawrence Dill
Ms. Laurie Ho
Mr. Thomas Canute

Quorum was achieved with 4 members present at Roll Call.

STAFF:

| | |
|-------------------------------------|----------------------------|
| Mr. Bryan Wienand | Mr. Dustin Moises |
| Mr. Keith Aoki | Mr. Jeff Mendez |
| Mr. Valentino Reyna | Mrs. Sandi Nadatani-Mendez |
| Mr. Edward Doi | Mr. Ryan Smith |
| Mrs. Marites Yano | Mrs. Jonell Kaohelaulii |
| Mr. Carl Arume | Mr. Marcelino Soliz |
| Deputy County Attorney Mark Ishmael | Mr. Chris Nakamura |

GUESTS: Mr. Allan Rietow, The Nature Conservancy/Kaua'i Watershed Alliance
Ms. Melissa Fisher, The Nature Conservancy/Kaua'i Watershed Alliance
Mr. Brad Suizu, Princeville Utilities
Mr. Arryl Kaneshiro, Grove Farm Company/Kaua'i Watershed Alliance
Ms. Sheri Mann, Division of Forestry and Wildlife
Mr. Hall Parrott, Private Citizen

C. ACCEPTANCE OF AGENDA

Mr. Tabata moved to approve the Agenda as amended to move up New Business Item H. No. 2 The Kaua'i Watershed Alliance FY17-18 Progress Report presented by the Nature Conservancy Coordinator of the Kaua'i Watershed Alliance before Old Business; seconded by Mr. Shiraishi; with no objections; motion carried with 4 ayes.

D. MEETING MINUTES

Review and approval of:

Regular Board Meeting – July 27, 2018

Mr. Tabata moved to approve the Regular Board Meeting minutes of July 27, 2018; seconded by Mr. Shiraishi; with no objections, motion carried with 4 ayes.

E. CORRESPONDENCE/ANNOUNCEMENTS

None.

F. BOARD COMMITTEE & PERMITTED INTERACTION GROUP REPORTS

None.

H. NEW BUSINESS

2. The Kaua'i Watershed Alliance FY17-18 Progress Report presented by the Nature Conservancy Coordinator of the Kaua'i Watershed Alliance

BACKGROUND:

Mr. Allan Rietow, Ms. Melissa Fisher and the Kaua'i Watershed Alliance (KWA) stakeholders Mr. Brad Suizu, Princeville Utilities; Mr. Arryl Kaneshiro, Grove Farm/Kaua'i Watershed Alliance; Ms. Sheri Mann, Division of Forestry and Wildlife attended this meeting to present the progress of the KWA.

Ms. Melissa Fisher, Director of The Nature Conservancy and KWA Coordinator presented a KWA PowerPoint.

Ms. Fisher mentioned this past year, there have been weather changes around the world that included Kaua'i. Since 2001, there were an abundant of wildfires on the Big Island of Hawai'i, O'ahu and brush fires on Kaua'i.

The rain gauges on the top of Mount Waialeale received from January to early August was 340 inches of rain compared to last year, January to December normal rain that averaged 310 inches. After 50 inches of rain (within 24 hours) on Kaua'i, KWA was prepared to check the fence lines which were all intact. There are four (4) areas of concern: 1) Halehaha Fence Stream crossing, 2) the East Alakai Fence Stream crossing, 3) an antenna fell from a radio transmitter at a site, and 4) damage on the camera monitoring site in in Wainiha. KWA Post-Storm Damage estimate cost \$48,000 for repairs (Page 39).

Rapid Ohī`a Tree Death (native tree) anchors the forest has occurred since 2013. A fungus is entered through wounds in the branches that cuts off water supply (Pages 41 – 46). KWA mobilized their partners and Ms. Mann's team to lead and help Kaua'i island with the infestation; they are not sure how wide the infection is but have done drone inspections on how large it is, and if the DNA sample is different or the same as Hawai'i island. Ms. Fisher mentioned that a healthy forest is the best preventative measure to mitigate the unknowns and to prevent the fungus from entering the trees.

Sixty percent of Island Recharge Management Units (Page 48) – KWA works in the highest recharge areas and builds fences to keep the animals out and to suppress weeds. The Kanaele Bog (swamp) is the lowest level bog left in the state.

Annual budget is \$1 million a year (Page 49) – Public funding is 60% from the State of Hawai'i and the Department of Water; 40% is from private fundraising. Conservation work is not being funded by the current administration for forest work. More funding may come from the Federal government for forests on Kaua'i a couple of years.

Ms. Fisher and the KWA partners thanked the Department for the funding received over the years.

DISCUSSION:

Mr. Tabata inquired if the fungus have only been found in Ohī`a trees? Ms. Fisher said the fungus has been found in sweet potatoes but hopes that the faster moving fungus is not found on Kaua'i. Information on what Ohī`a tree death is will be released to the public soon.

Chair Tokioka asked what are the impacts of losing Ohī`a trees? Ms. Fisher said forest birds go to certain trees plus the trees captures water.

Mr. Suizu, Princeville Utilities, provided his testimony.

Mr. Suizu mentioned the mission of the Kaua'i Watershed Alliance is to protect, preserve and manage the valuable water resources for the benefit of the residents, communities and future generations through a concerted efforts of the members on the projects. KWA fully supports the The Nature Conservancy Coordinator. Mr. Suizu thanked the Board for their continued support.

***Ms. Sheri Mann, District Manager for the
Division of Forestry and Wildlife (DOFAW), provided her testimony.***

Ms. Mann manages one third of the island of Kaua'i and the watershed partnerships. The funding is important that KWA brings to the various funding sources that projects the watershed. A lot of the work is done at the top of the island as well as watershed protection in many locations, partnered lands and land owner assistance.

Because of the heavy April floods, Līhu'e/Kōloa Forestry Reserve (Wailua) has been reopened but Loop Road is currently closed due to hazardous conditions. Kaihua Bridge is open for now which has been an impact for users. Ms. Mann is working with KIUC, FEMA and HIEMA for repair funds to reopen the road.

The state is engaging in the water lease process because stakeholders are interested in leasing water. Some funds will go back into watershed protection. Plans are being updated for the 1) watershed 2) forestry, 3) other land designation plans targeting restoration, and 4) conservation where water will be leased from. This process is ongoing that could be completed by next year. Another item is water quality studies across the island regarding what land management scenarios and practices affect water quality from a vegetation position.

There are a lot of invasive tree damage to rivers such as Albizia trees in the Wainiha River that float down Kailua River. Mitigation needs to be done on the large trees along rivers and streams. Ms. Mann also thanked the Board for their support.

***Mr. Arryl Kaneshiro, Grove Farm Company/KWA
provided his testimony.***

Mr. Kaneshiro appreciated the Board's funding and support for KWA. He is the current past chair of KWA for nine years and has seen priority projects materialize with the Department of Water's funding.

The Board and the Manager also acknowledged and thanked the KWA and partners. The Manager added that the true field work that is done by TNC is very rugged and challenging, and it's impressive to see what they have accomplished. He commended them for their efforts and highlighted the importance of what they do as it has a domino effect in protecting the evasive species on the environment mauka to makai on Kaua'i. Chair Tokioka added the KWA is a model regarding public and private partnerships in the community.

G. OLD BUSINESS

1. Discussion and Receipt of the American Water Works Association, Annual Conference Exposition Report *(June 11-14, 2018)*
 - a. Report from Kaua'i Board of Water Supply Member, Michael Dahilig

Mr. Dahilig's AWWA report was "Received for the Record" and distributed to the Board.

Mr. Tabata moved to receive the Receipt of the American Water Works Association, Annual Conference Exposition Report (*June 11-14, 2018*), a. Report from Kaua'i Board of Water Supply Member, Michael Dahilig; seconded by Mr. Shiraishi; with no objections, motion carried with 4 ayes.

2. Manager's Report No. 18-106 - Discussion and Possible Action on the Manager and Chief Engineer's Goals for FY 2018-2019 (*Update*)

BACKGROUND:

Manager Wienand clarified that updates from last month's version were incorporated in the current goals. Refer to column "Success Measurements" which provides the objectives to be met by the Manager. The Manager thanked Chair Tokioka and Mr. Tabata in particular, who were instrumental in creating these goals.

DISCUSSION:

Mr. Shiraishi was impressed with all the work that went into the Manager's goals. Chair Tokioka thanked the Manager for his ambitious goals to be accomplished.

Mr. Shiraishi moved to approve Manager's Report No. 18-106 - Discussion and Possible Action on the Manager and Chief Engineer's Goals for FY 2018-2019 (*Update*); seconded by Mr. Tabata; with no objections, motion carried with 4 ayes.

H. NEW BUSINESS (cont'd)

1. Resolution No. 19-02 – Farewell to Fay Tateishi (Retiree), Accountant IV, Fiscal Division

BACKGROUND:

Manager Wienand mentioned that Ms. Tateishi's last day was yesterday and the Department gave her an Aloha Retirement party in which her Resolution was read to the staff. He added that Ms. Tateishi was a tremendous, hard-working employee who will be dearly missed and will be hard to replace. She worked until 8 p.m. on her last day with the Department on the ongoing financial audit, which was very fitting with her commitment to the Department.

Mr. Tabata moved to receive and adopt Resolution No. 19-02 – Farewell to Fay Tateishi (Retiree), Accountant IV, Fiscal Division; seconded by Mr. Shiraishi; with no objections, motion carried with 4 ayes.

3. Manager's Report No. 19-05 – Discussion and Possible Action on the Approval of the Department of Water's Supplemental Budget for Fiscal Year 2018-2019

BACKGROUND:

Waterworks Controller Mrs. Yano recommended the Board approve the rollover of the budget of Outstanding Purchase Orders (PO) to Fiscal Year (FY) 2018-2019 in the amount of \$24,733,213. \$22.2M is for capital projects; \$18.5M for construction.

DISCUSSION:

Mr. Dahilig inquired if outstanding PO's and contract balances are the same. Mrs. Yano answered yes and that Fiscal creates a PO for each contract. Mr. Dahilig asked why this an accounting issue and wouldn't these be encumbered into the next FY? Mrs. Yano indicated this is a formality for the Board and which the Board approved the new budget for FY 2018-2019. The rollover budget was not spent which affects FY 2018-2018 budget which increases the previous approved budget by \$24.7M. The

year end 2017-2018 is being closed. This procedure has been done the past three years. The whole budget would have been approved in August but was always delayed but has been approved earlier than usual.

Manager Wienand noted that three ongoing Capital Improvement Projects (CIP), Hanapēpē waterline project, Kapaia water main, and the Kapa'a well project were approved in FY 2017-2018 and are rolled over and because they are significant amounts the total rollover amount for this fiscal year is significantly greater than years past.

Mr. Dahilig asked the following questions:

1. What if something is billed but not closed out of a contract? What is included in this amount? Mrs. Yano said no but if something has been billed, it would be part of the expense amount from the previous year.
2. If a contract has not been billed out yet, would this be a roll over amount in this budget? Based on the language which says "we are encumbered but not expended." Mrs. Yano commented that the obligation is the remainder of the contract.
3. If there was a three year contract and billed for year 1, is year 2 and year 3 included in this calculation? Or construction that hasn't started yet? Manager Wienand indicated the funds for the CIP were encumbered for construction but not expended because the projects are moving into construction and will expended this year.
4. What does this reflect in a balance sheet? Mrs. Yano said if the job has been performed and is not billed, it is part of the expense from the previous year. Any roll over is a remainder of the contract that has not been completed.

Mr. Dahilig was not in support of endorsing the \$24M to the balance sheet.

Mrs. Yano referred to Page 54 which showed large contract amounts of State Grants encumbered which were going to expire by June 30, 2018: Water Utility Fund (Capital Outlay-R&R) in the amount of \$1,144,500, \$5,729,600 and Water Utility Fund (Capital Outlay-Expansion) in the amount of \$750,000 and \$3,214,400. The Department is anticipating reimbursement from the State.

Mr. Dahilig added that the \$24M is another appropriation into the budget and was already appropriated. Mrs. Yano explained that new funds are not being roll over. Chair Tokioka asked if the \$24M was included in the close out of FY 2018? Mrs. Yano clarified what was actually spent was at the close out of FY 2018 and not the budget. The encumbrance was not spent in the previous year but budgeted and was used the prior year. The unused encumbered funds will be rolled over to this FY. Mr. Dahilig commented that at the end of every FY, the Department would have to meet the obligation from the previous year's PO and could go through the budget process. Ms. Yano added there was \$2.5M of Operating Expenses. When the budget was approved for this FY, PO's were estimated because the exact amount of unspent contract balances were unknown.

Mrs. Yano commented that accounting records are actual expenditures which are closed every year. Mr. Dahilig mentioned this may be a cash flow issue if whatever is not spent in the previous year is rolled over and spent in the next FY. This would normally show as a liability on the reconciliation statements versus something that is budgeted. Mrs. Yano said this is not a liability until the funds are spent.

Mr. Dahilig asked if this would be a balance sheet discussion versus a budgetary item? If actions have to be taken to amend the budget after June 30th to pay obligations, what would happen between July 2018 and now? Fund Balance Projections (Page 56) – Does this require a budgetary action on behalf of

the Board? The Fund Balance Projections are cash flow going in and out. Mr. Dahilig wants to make sure that bills that have not been rolled over from June 30th will be paid.

Mr. Shiraishi asked Mr. Dahilig what would be the appropriate action? Mr. Dahilig asked if this roll over is needed?

Mrs. Yano suggested this report be incorporated in the Report to the Manager for information to the Board in the next FY. Mr. Tabata suggested to research the process, then get back to Board but Mr. Shiraishi finds the report useful.

Chair Tokioka asked what is the risk? Is this a redundant action?

Mrs. Yano recommended to approve the supplemental budget but then discuss it later. She added that it is a redundant procedure. Mr. Shiraishi agreed but also understands Mr. Dahilig's concern. Mr. Shiraishi commented if the report is not approved, would the Department be hampered on the payment of the bills for the roll over items when they are due?

Manager Wienand added that these funds need to get into the current fiscal year budget and stated that should the rollover not be approved today, it's not known at this time whether funds would be available in the budget to pay current contracts. He recommended approval and could explore the legality with the Finance Committee or preferably during the budget process.

Mr. Dahilig referred to the revenue side and asked where the corresponding increase is on the \$24M? Where does it say the Department has money to cover this? Mrs. Yano responded by saying the \$24M is not coming from the current projected revenue but is rolled over from unspent funds. Beginning Fund Balance (Unadjusted, Page 56) – has \$25.6M; Water Utility General Fund is where the roll over is coming from.

Chair Tokioka suggested the Finance Committee review the process of the DOW's Supplemental Budget for next year.

Mr. Tabata moved to approve Manager's Report No. 19-05 – Discussion and Possible Action on the Approval of the Department of Water's Supplemental Budget for Fiscal Year 2018-2019; seconded by Mr. Shiraishi; with no objections, motion carried with 3 ayes, 1 silent (MD).

4. Manager's Report No. 19-06 – Discussion and Possible Action for Job No. 18-9, Makaleha Tunnel Water Line Repairs, for design funding in the amount of \$350,000.00

BACKGROUND:

Manager Wienand recommended approval by the Board for the design funding of the water line repairs. If the repairs are completed, the Department could get FEMA reimbursement for eligible funds. The project is necessary to protect a critical water main that services the DOW's upper Kapa'a tank.

Mr. Tabata moved to approve Manager's Report No. 19-06 – Discussion and Possible Action for Job No. 18-9, Makaleha Tunnel Water Line Repairs, for design funding in the amount of \$350,000.00; seconded by Mr. Shiraishi; with no objections; motion carried with 4 ayes.

5. Manager's Report No. 19-07 - Discussion and Possible Action on Board approval of the First Amendment to Contract No. 636 with Brown and Caldwell for Job No. 16-4 WP2020 WKK-

03, Chlorination, MCC, Kīlauea Wells No. 1 & 2, Kīlauea, Kaua'i, Hawai'i for the expenditure of additional funds to the design budget in the amount of \$64,023.00 and a contract time extension for an additional 180 days

BACKGROUND:

Manager Wienand recommended Board approval on the revisions of the allowed reimbursable items and time extension for the Chlorination, MCC, Kīlauea Wells No. 1 & 2, Kīlauea. This work is critical in providing resiliency to the Kīlauea MCC to protect against a major hurricane in the future as this well site is the only source for the entire Kīlauea water system.

Mr. Shiraishi moved to approve *Manager's Report No. 19-07* - Discussion and Possible Action on Board approval of the First Amendment to Contract No. 636 with Brown and Caldwell for Job No. 16-4 WP2020 WKK-03, Chlorination, MCC, Kīlauea Wells No. 1 & 2, Kīlauea, Kaua'i, Hawai'i for the expenditure of additional funds to the design budget in the amount of \$64,023.00 and a contract time extension for an additional 180 days; seconded by Mr. Tabata; with no objections, motion carried with 4 ayes.

6. *Manager's Report No. 19-08* – Discussion and Possible Action for As-Needed Construction Management Services for the Department of Water, First Amendment, Contract No. 637, Job No. 15-07, WP2020 Project No. HE-01 Reorganize Water System: Kaumuali'i Highway 16-Inch Main and Emergency Booster Pump Connection and WP2020 Project No. HE-10 Hanapēpē Road 6-Inch Main Replacement for revisions to allowable reimbursable items language for a revised contract end date of December 31, 2019 and time extension of 189 calendar days

“Received for the Record” R. M. Towill Corporation’s final fee proposal dated August 30, 2018 was distributed to the Board.

BACKGROUND:

Chief of Construction Management Mr. Moises mentioned the original contract was executed for additional funding. Prior to getting the Board’s approval for daily travel (\$80K), Mr. Moises wanted the contractor to find accommodations on Kaua'i before construction, which they did. The accommodations language was not legally covered in the contract correctly. The original language in the contract was amended from “hotel” to “accommodations” as well as updating the current approved funding amount to \$619,069.00.

R. M. Towell Corporation emailed the final fee with two (2) options:

- Option 1 – Find a condo without furnishings
- Option 2 – Find a condo with furnishings (which was secured)
- Reduced airfare was \$27,000.00
- Housing increased was \$35,000
- Vehicles would be shipped to Kaua'i vs. renting a car
- Saved \$19K for the duration of the project
- Contract pay out by December 31, 2018

Mr. Dahilig moved to approve *Manager's Report No. 19-08* – Discussion and Possible Action for As-Needed Construction Management Services for the Department of Water, First Amendment, Contract No. 637, Job No. 15-07, WP2020 Project No. HE-01 Reorganize Water System: Kaumuali'i Highway 16-Inch Main and Emergency Booster Pump Connection and WP2020 Project No. HE-10 Hanapēpē Road 6-Inch Main Replacement for revisions to allowable reimbursable items language for a revised contract end date

of December 31, 2019 and time extension of 189 calendar days; seconded by Mr. Tabata; with no objections, motion carried with 4 ayes.

I. CONSENT CALENDAR

1. Manager's Report No. 19-09 – Discussion and Possible Action to approve a Grant of Easement Agreement for the Offsite Construction Plans for the County of Kaua'i Adolescent Treatment and Healing Center, affecting the following:
 - a. County of Kaua'i, TMK: (4) 3-8-018:012, Hanamā'ulu, Līhu'e, Kaua'i, Hawai'i

Mr. Dahilig moved to receive Manager's Report No. 19-09 – Discussion and Possible Action to approve a Grant of Easement Agreement for the Offsite Construction Plans for the County of Kaua'i Adolescent Treatment and Healing Center, affecting the following: a. County of Kaua'i, TMK: (4) 3-8-018:012, Hanamā'ulu, Līhu'e, Kaua'i, Hawai'i; seconded by Mr. Shiraishi; with no objections; motion carried with 4 ayes.

2. Manager's Report No. 19-10 – Discussion and Possible Action to approve a Grant of Easement Agreement for the Construction Plans for Eleele Iluna Phase 2 Subdivision Increment 2, affecting the following:
 - a. Kaua'i Habitat for Humanity, TMK: (4) 2-1-012:036, Eleele, Kaua'i, Hawai'i

Mr. Dahilig moved to receive Manager's Report No. 19-10 – Discussion and Possible Action to approve a Grant of Easement Agreement for the Construction Plans for Eleele Iluna Phase 2 Subdivision Increment 2, affecting the following: a. Kaua'i Habitat for Humanity, TMK: (4) 2-1-012:036, Eleele, Kaua'i, Hawai'i; seconded by Mr. Shiraishi; with no objections, motion carried with 4 ayes.

3. Manager's Report No. 19-11 – Discussion and Possible Action to approve a Grant of Easement Agreement for the Construction Plans for Eleele Iluna Phase 2 Subdivision Increment 2, affecting the following:
 - a. Kaua'i Habitat for Humanity, TMK: (4) 2-1-012:053, Eleele, Kaua'i, Hawai'i

Mr. Dahilig moved to receive Manager's Report No. 19-11 – Discussion and Possible Action to approve a Grant of Easement Agreement for the Construction Plans for Eleele Iluna Phase 2 Subdivision Increment 2, affecting the following: a. Kaua'i Habitat for Humanity, TMK: (4) 2-1-012:053, Eleele, Kaua'i, Hawai'i; seconded by Mr. Shiraishi; with no objections, motion carried with 4 ayes.

4. Manager's Report No. 19-12 – Discussion and Possible Action to approve multiple Right of Entry Agreements with private owners that will allow the Department of Water to relocate and reconnect water meters for Job No. 09-01 WP2020 Project No. K-01, K-12: Kalāheo 1111' and 1222' Water System Improvements, affecting the following:
 - a. Valeria J. Camara, Trustee of the Valerie J. Camara Revocable Trust, TMK: (4) 2-4-005:127, Kalāheo, Kaua'i, Hawai'i
 - b. Yvonne A. Carveiro, Trustee of the Edward W. Carveiro and Yvonne A. Carveiro Revocable Living Trust Agreement and Duane E. Carveiro, TMK: (4) 2-4-005:128, Kalāheo, Kaua'i, Hawai'i
 - c. Jonathan K. Akita and Audrey C.C. Akita, TMK: (4) 2-4-005:129, Kalāheo, Kaua'i, Hawai'i

Mr. Dahilig moved to receive Manager's Report No. 19-12 – Discussion and Possible Action to approve multiple Right of Entry Agreements with private owners that will allow the Department of Water to relocate and reconnect water meters for Job No. 09-01 WP2020 Project No. K-01, K-12:

Kalāheo 1111'and 1222' Water System Improvements, affecting the following: a. Valeria J. Camara, Trustee of the Valerie J. Camara Revocable Trust, TMK: (4) 2-4-005:127, Kalāheo, Kaua'i, Hawai'i, b. Yvonne A. Carveiro, Trustee of the Edward W. Carveiro and Yvonne A. Carveiro Revocable Living Trust Agreement and Duane E. Carveiro, TMK: (4)2-4-005:128, Kalāheo, Kaua'i, Hawai'i, c. Jonathan K. Akita and Audrey C.C. Akita, TMK: (4) 2-4-005:129, Kalāheo, Kaua'i, Hawai'i; seconded by Mr. Shiraishi; with no objections, motion carried with 4 ayes.

J. STAFF REPORTS
MONTHLY

1. Discussion and Receipt of the Kaua'i County Water Department's Statement of Revenues and Expenditures
 - a. July Monthly Summary Budget
 - b. Accounts Receivable Aging Summary

BACKGROUND:

Ms. Yano referred to the Encumbrance report format she changed to two sections of the chart on projects approved in the budget (Page 125).

Billed Revenues Comparative Chart (Page 126) – Billed revenues are down from the April rains. Water went down to -39,467 million gallons.

Received – 4 members

Mr. Hall Parrott, Private Citizen provided his testimony.

Mr. Parrott commented that this discussion includes the roll over previously approved. He suggested that in the future, something that was just approved to be included at this meeting was confusing. Tracking could be better and less confusing.

At 11:35 a.m., Mr. Shiraishi exited the meeting.

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

BACKGROUND:

Information & Education Specialist Ms. Kaohelaulii highlighted the following:

1. Department of Water (DOW) announced an office closure on August 22nd for the Active Threat Training but was cancelled on August 20th for the staff to concentrate on their emergency preparedness due to Hurricane Lane.
2. Coordinated the blessing ceremony for the Kapa'a Homesteads Well No. 4 on July 31st.
3. On August 10th PR Team certified and trained new Project Wet facilitators in Hilo. New contacts were made with the Hawai'i County DOW, certified a new Project Wet facilitator and an employee at the Safe Drinking Water Branch in Hilo and Information Specialist Jason Fujinaka. The Project Wet network has expanded can rely on the Hilo facilitators to take care of the program on their island.

At 11:37 a.m., Mr. Shiraishi re-entered the meeting.

Received – 4 members

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

BACKGROUND:

Chief of Operations, Mr. Reyna highlighted the following:

1. DOW Janitor was promoted to Pipefitter Helper and Water Service Investigator was promoted to Water Service Supervisor for the west side.
2. Monthly Produced and Water Loss Comparison for FY2018 was a 10.8% water loss. FY 2018 the water loss was 12%. The goal last year was to reduce the water loss 1%. This FY there may result in a higher water loss due to the April flooding.

Chair Tokioka thanked Operations and the entire team for preparing and responding to the recent floods.

Received – 4 members

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

BACKGROUND:

Manager Wienand highlighted;

1. Personnel Matters (Page 149) – Two staff are being promoted from Customer Service Representative to Customer Relations Assistant effective September 1st. Two pending actions for Construction Management (CM) Inspectors are within the next week.
2. Hanapēpē Waterline Blessing Ceremony was well organized. The Manager thanked Ms. Kaohelaulii and the PR team and Mr. Moises and the CM Team which represented the Department.

Manager Wienand was impressed and proud of the staff and their eagerness to respond to Hurricane Lane last week to get service back up quickly.

Received – 4 members

K. 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).

L. TOPICS FOR NEXT WATER BOARD MEETING (September 2018)

1. *Manager's Report No. 18-82* – Discussion and Possible Action on the Status Update on Water Plan 2020
 - The Department is preparing to get all the report information for September agenda.
2. Capital Improvement Project suggestions for 2019-2020
3. Resolution Adoption – Make A Splash Volunteers (*move to October 2018*)
4. Water Rate Study – SBRRB Results; Recommend Public Hearing
5. Discussion and Possible Action on a request from Kukui'ula regarding the Facility Reserve Charge grace period

M. TOPICS FOR FUTURE WATER BOARD MEETINGS

1. Resolution Adoption – Make A Splash Volunteers (*October 2018*)
2. Discussion and Receipt of the Department of Water's Draft Audit Financial Statements and Independent Auditor's Report by Accuity, Inc. for FY 2017-18 (*November 2018*)
3. Workshop presentation regarding the Table of Organization
4. Department of Water Performance Audit (*Update*)

5. Discussion and Possible Action to hire a consultant to provide a Policy in the Development of Priorities for the Current Rate Study & 2018-2019 Budget Process for:
 - a. Capital Budget
 - b. Operating Budget
 - c. Reserves
 - d. Debt
6. Update for HWWA Conference, Līhu'e, Hawai'i (November 7-9, 2018), Kōloa Landing
7. Workshop presentation regarding the Master Plan of the Department of Water's former Administration Building, Baseyard, Micro Lab, Information Technology (2019)

N. UPCOMING EVENTS

1. Make a Splash, Project Wet (September 20, 2018)
2. HWWA Conference, Līhu'e, Hawaii (November 7 – 9, 2018), Kōloa Landing
3. Annual Employee Meeting (December 7, 2018)

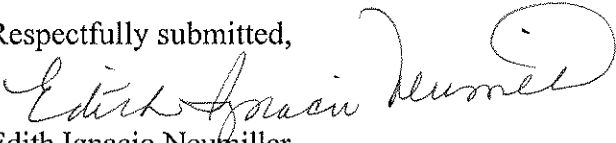
O. NEXT WATER BOARD MEETING

1. Friday, September 28, 2018, 10:00 a.m.
2. Friday, October 26, 2018, 10:00 a.m.
3. **Wednesday**, November 21, 2018, 10:00 a.m.
4. Friday, December 28, 2018, 10:00 a.m.

P. ADJOURNMENT

Mr. Dahilig moved to adjourn the Regular Board Meeting at 11:44 a.m.; seconded by Mr. Tabata; with no objections, motion carried with 4 ayes.

Respectfully submitted,


Edith Ignacio Neumiller
Commission Support Clerk

Approved,


Thomas Canute
Secretary – Board of Water Supply