

MEETING MINUTES
BOARD OF WATER SUPPLY
Friday, December 23, 2016

The Board of Water Supply, County of Kaua'i, met in regular meeting at the Board Conference Room in Lihu'e on Friday, December 23, 2016. Chair Laurie Ho called the meeting to order at 10:01 a.m. The following Board members were present:

BOARD: Ms. Laurie Ho, *Chair*
Mr. Clyde Nakaya, *Vice Chair*
Mr. Lyle Tabata
Mr. Sherman Shiraishi
Ms. Beth Tokioka
Mr. Larry Dill
Mr. Michael Dahilig (*entered meeting at 10:02 a.m.*)

Quorum was achieved with 6 members present at the time of roll call.

STAFF: Mr. Kirk Saiki Mr. Dustin Moises
Mr. Eddie Doi Mr. Chris Nakamura
Mr. Val Reyna Ms. Regina Flores
Ms. Ann Parrott Mr. Carl Arume
Mr. Keith Aoki Ms. Kim Tamaoka
Deputy County Attorney Mahealani Krafft Ms. MJ Akuna

GUEST(s): Mr. Keith Perry, County Housing
Mr. Hall Parrott, Private Citizen

At 10:02 a.m. Mr. Dahilig entered the meeting.

ACCEPTANCE OF AGENDA

Mr. Dill moved to accept the Agenda as distributed; seconded by Ms. Tokioka; with no objections, motion carried with 7 ayes.

Chair Ho ordered to move the Executive Session before Adjournment.

Mr. Tabata moved to approve the reorder of the Agenda by Chair Ho to move the Item J. Executive Session before Adjournment; seconded by Ms. Tokioka; with no objections, motion carried with 7 ayes.

D. MEETING MINUTES

Review and approval of:

Regular Board Meeting – November 23, 2016

Mr. Tabata moved to approve as amended the Regular Board Meeting minutes of November 23, 2016; seconded by Mr. Dill; with no objections, motion carried with 7 ayes.

Review and approval of Executive Session:

Executive Session – December 9, 2016

Mr. Shiraishi and Mr. Dill withdrew their motions and the minutes were reviewed in Executive Session.

E. CORRESPONDENCE/ANNOUNCEMENTS

1. Correspondence from KMH LLP regarding the Audits of the Financial Statement of the Department of Water dated November 23, 2016

BACKGROUND:

Accountant Ms. Ann Parrott explained the correspondence from KMH LLP was to report the auditing standards which was a clean audit with no findings. The correspondence mentioned the implementation of new government accounting Standards Board for insecure statements (Page 18 & 19) regarding pensions and how notes are disclosed for investments. The reason for the insecure statements was that the Standards Board has not decided on how pensions should be disclosed.

DISCUSSION:

Mr. Dill congratulated the Department and the financial books for a clean report. He requested that the Fiscal Division keep the Board posted on the insecure statements.

Mr. Nakaya moved to receive the Correspondence from KMH LLP regarding the Audits of the Financial Statement of the Department of Water dated November 23, 2016; seconded by Mr. Dill; with no objections, motion carried with 7 ayes.

F. BOARD COMMITTEE REPORTS

None.

G. OLD BUSINESS

1. *Manager's Report No. 16-58* - Discussion and Possible Action on the Department of Water's proposed Part 2 Rules and Regulations for Water Service Connections, Section II General Conditions, subsection 1. Rule amendment relating to the DOW's Standard Operating Procedure for Providing Water Service Outside of the Water Zone

BACKGROUND:

Manager Saiki presented the Department's interpretation of the proposed rule changes:

Part	Section	Paragraph	Existing Rule	Rule Change
5	III	3.c.	None	The Facilities Reserve Charge for conversion of legally existing single-family units to a multi-family two dwelling unit structure, as provided by law, will be assessed at 50% of the Facilities Reserve Charge for multi-family units, per unit.
5	III	3.d.	None	For projects developed by the County of Kaua'i Housing Agency or in partnership with the County of Kaua'i Housing Agency, and certified by the County of Kaua'i Housing Agency as affordable housing (defined by Kaua'i County Ordinance 7 A-1.3), the Facilities Reserve Charge shall be \$4,940.00 per unit.

1. Paragraph 3.c.:

Conversion of Single-Family Dwelling to Two-Unit Multi-Family Dwelling			
Existing Rule		Proposed Rule	
Unit 1 FRC	\$9,880	Unit 1 FRC	\$4,940
Unit 2 FRC	\$9,880	Unit 2 FRC	\$4,940
Subtotal	\$19,760	Subtotal	\$9,880
FRC Credit	\$14,115	FRC Credit	\$14,115
Total FRC	\$5,645	Total FRC	\$0

2. Paragraph 3.d.:

County Certified Affordable Housing FRC			
Existing Rule		Proposed Rule	
Single-Family	\$14,115	Single-Family	\$4,940
Multi-Family	\$9,880/Unit or Meter Cost	Multi-Family	\$4,940/ Unit

Manager Saiki reviewed the financial impact changes and found that there was no way of knowing how many people would take advantage of conversion. The difference of \$5,645 per unit would be \$85,000 to \$254,000. Paragraph 3d's example is Lima Ola, a county certified affordable housing FRC, which has 4 different phases. At the end of the 4 phases, the total lost FRC revenue would be \$3.5M over a 15-20 year period.

Rate payers would be subsidized the lost revenue through water rates. Since the lost revenue is unknown, Manager Saiki suggested the Board to set a limit on the allowance. The rules can be modified to allow the Board to set the subsidized limit by resolution. This would allow the evaluation of subsidies and determine its impact on the water rates.

DISCUSSION:

Mr. Dill referred to Paragraph 3c – FRC Credit of \$14,115 is the value of the meter which is a policy and is not shown in the rules. He provided the Needs Assessment Study of September 2015 by Louis Berger that was “Received for the Record” and read “the purpose of the FRC is intended to recover a proportional share of the cost of facilities (source, storage and transmission) necessary to provide water system capacity to new development in Kaua’i” (Page 12). By adopting the proposal, he said the FRC will not recover a proportional share of the cost of facilities. “The incremental cost approach is appropriate because there are existing source and storage capacity deficiencies in the majority of DOW water systems” (Page 13). The Department would decrease ability to catch up on the deficiencies because we would add demand on source and storage but recover less of what is identified on the proportional share.

On Table 4-5 - Updated FRC Calculations per 5/8-inch Water Meter (Page 39), Mr. Dill indicated that the credit on some of the costs are paid through water rates which is the total FRC cost of \$14,115. The Impact Fee calculation methodology is provided in the Impact Fee Statutes in Item No. 1. HRS Section 46-143, Impact Fee Calculation (Page 19) which Mr. Dill mentioned has not been done by the Department: (a) “A county council or board considering the enactment or adoption of impact fees shall first approve a needs assessment study that shall identify the kinds of public facilities for which the fees shall be imposed. The study shall be prepared by an engineer, architect, or other qualified professional and shall identify service standard levels, project public facility capital improvement needs and differentiate between existing and future needs.”

Item No. 2 - “The availability of other funding for public facility capital improvements, including but not limited to user charges, taxes, bond, intergovernmental transfers, and special taxation or assessments.” Intragovernmental transfers (Page 20) – Mr. Dill noted that discussions were previously held at the county for subsidizing the discount being proposed, and that this would be the appropriate venue for the Department to be whole in terms of a needs assessment for FRC. It is his belief that this proposal is not consistent with the HRS and could be illegal.

FRC Implementation (Page 42) – Mr. Dill noted the 1st bullet is a significant increase from the previous one. “Impacts to customers must be weighed before rates are implemented.” The 2nd bullet indicated phasing in the full increase of the FRC which was previously discussed with the Board. The 3rd bullet

mentioned the credit portion of the calculation. Mr. Dill said phasing would be a way to mitigate to some degree. He added that it is not fiscally responsible of the Department.

Manager Saiki understood the FRC could be lowered but could not charge more than the Needs Assessment Study stated. By making up the cost through water rates for some people may be considered a regressive tax and low income customers would have a higher water rate.

Mr. Dahilig read a portion from the 1st bullet (Page 42) - "Impacts to customers must be weighed before rates are implemented. Significant increase in FRC rates can have a material impact on business expansion and community development plans." The phrase "materials impact" did not come from the Department, it came from consultants. He also read an editorial from The Garden Island paper about planning that indicated there are more people moving from Hawai'i than coming to Hawai'i. Growth is coming from growing families and visitors. Rapid growth increases the cost of housing and pushes locals out of the market. Mr. Dahilig is concerned that there are less than 300 units for owner occupied housing and a 95% drop in housing. There are no housing opportunities for the local kids to purchase a home and reside on Kaua'i; they end up moving to the mainland.

The Board is fiscally responsible to look at the numbers, Mr. Dahilig said, and encouraged the Board to look at the human context and material impact of community expansion and businesses. County Housing previously told the Board there was a problem. The Board did not look at the social impact on the rule changes a year ago. He was one of the Board members who rushed to the judgment who voted.

Mr. Dahilig moved to approve and adopt *Manager's Report No. 16-58* - Discussion and Possible Action on the Department of Water's proposed Part 2 Rules and Regulations for Water Service Connections, Section II General Conditions, subsection 1. Rule amendment relating to the DOW's Standard Operating Procedure for Providing Water Service Outside of the Water Zone; seconded by Ms. Tokioka.

Mr. Tabata proposed to amend the rule if the property is sold at market value. The Department could recover the discount. He added that affordable housing development has a limitation on the years of sales. When the limitation changes, then the Department could recover the FRC affordable housing discount. Chair Ho asked how would the Department recover? Mr. Shiraishi said it could be done by putting a lien on the property.

Mr. Shiraishi was not comfortable in adopting the rule change as is because there needs to be more discussion on how to recover lost revenue. If there is not enough resources to develop source and storage, there may not be any funds and would look at the rate study to subsidize.

Mr. Tabata referenced the Monthly Performance report which indicated that the Capital Improvement Projects (CIP) has \$14M and the Department only spent \$1.4M. He asked how pressed is the Department going to develop when projects are not moving? Is this money needed for improvements? The summary did not recommend to raising the FRC and 10% of the CIP money has been spent.

The Board had no objections to the following testimony.

Mr. Hall Parrott, Private Citizen from Kapa'a provided his testimony.

Mr. Parrott said sometimes the Department has a problem when collecting more money than is spent. He reflected back when the last rate study was done and said he would be happy to see a rate that reflected what the Department is actually doing and to see what would happen when the Department's projects are

out. This is another opportunity to start collecting funds because the community would have difficulty adjusting.

He agreed with the statements being made today and understood the problems of predicting who is going to end up in the house that will be built. He did not know how this is going to flush out. Right now there isn't a cash crunch but the Board needs to look at the problem and to understand it better before pulling out additional money from the community for something that has not been established yet.

DISCUSSION:

Mr. Dill referred to "The incremental cost approach is appropriate because there are existing source and storage capacity deficiencies in the majority of DOW water systems" (Page 13). He added that the Department has to do a better job in getting the CIP jobs out to address those deficiencies and to catch up. The Department identified things to get done previously but they have not been done. While the Department has collected funds, the balance of funds are not serving the customers. This is not the basis to stop collecting funds when the Department has identified problems that need to be addressed by serving all customers for affordable housing, non-affordable housing and future customers. Personally he does not foresee his grown children owning a home on Kaua'i in the future. He would not serve his duty on the Board by saying to start discounting affordable housing. It would not necessarily end up with existing residents or other people who come to Hawai'i to buy homes.

Ms. Tokioka commented the Board had an additional duty, to assist as a partner, to reach out to the community. The recent rate study presentation had resources to be discussed which could help subsidize. People who bought a home in 2006 did not pay their full share through the existing impact fee and didn't cover that cost so they were also subsidized. Is it fair to put the burden for past subsidies on everyone else going forward? In February, the Board could look at the rate study again in detail on how much can be done for full recovery.

Mr. Nakaya is in support of affordable housing and how the numbers were selected. He agreed with the Manager on putting a cap on how the program works and then fine tune from there.

Mr. Shiraishi asked if the Board agrees if the relief is given for the FRC to make up by increasing rates? How would the Department keep up? Manager Saiki replied that the Department would not have to make it up but would do less projects. The other alternative is not to raise rates to subsidize. Ms. Tokioka said there needs to be a balance by looking at the reserves. Mr. Shiraishi added since the Board is in the process of discussing a new rate study, the Board should also discuss if a portion of the rates should fund the FRC.

Manager Saiki said in the rate study dash board, a limit could be set for \$1M that would show what the affect would be to the rates. Mr. Dill commented to properly do this is through a Needs Assessment Study. The Finance Committee worked hard but was unsuccessful on the FRC to establish through a Needs Assessment to discount customers that would use less water or have a smaller demand identified through fixture units to be charged less. Mr. Dill suggested that the 2015 Needs Assessment Study be updated so that the discount could be justified.

Mr. Tabata moved to defer Manager's Report No. 16-58 for further discussion on what it would take to do a Needs Assessment Study. Mr. Dahilig supported the deferral but asked what is the reason for more studies? He was not convinced, based on the study, that the proposed scenarios have not been directly addressed. The study needs to see if it supports or is consistent with the HRS for rate readjustments. The Board needs to look at the 1) type of unit and 2) how much the unit costs.

Those numbers would not adjust with what is affordable or non-affordable housing. To do another study on classing the home is inadequate; it would have the same impact on the home and on the system which is a policy call. The only thing that would change are the numbers that are added to the system.

Mr. Tabata modified his deferral to have the Deputy County Attorney research the legality of HRS 46-143 to reduce the amount set on the FRC; seconded by Mr. Dahilig.

Mr. Dill agreed with Mr. Dahilig's comments but respectfully disagreed on the way the 2015 Needs Assessment Study was done. He did not oppose what is proposed on the conversion of the single family housing to a multi-family unit. The demand will approximate when the Needs Assessment was done. Paragraph 3d is an arbitrary discount without a user needs test to support it which needs to be done. Demands on the system, fewer fixture units would be a justification for a user needs study for a lower FRC. As HRS 46-143 states: "A board considering the enactment or adoption of impact fees shall first approve a needs assessment ..."

At 11:02 a.m., Chair Ho called for a 5 minute recess.

At 11:11 a.m., Chair Ho called the Regular Meeting back to order.

Mr. Tabata withdrew his deferral.

Mr. Dahilig amended his motion to approve Paragraph 3c and to defer discussion on Paragraph 3d to the January meeting for more clarification from the Deputy County Attorney; seconded by Ms. Tokioka.

Mr. Dill did not realize in Paragraph 3c that the Board was still on the proposed rule of \$4,940 and is still not charging \$9,800 per unit justified for FRC for multi-family and could not support this. For Unit 2 he calculated pay at $2 \times \$9,880 \text{ minus } \$14,115 = \$5,645$.

Mr. Dahilig withdrew his deferral of Paragraph 3d but approved Paragraph 3c; seconded by Ms. Tokioka; with no objections, motion carried with 6 ayes, 1 nay (LD).

Mr. Dahilig moved to defer Paragraph 3d to the January Board meeting pending more information from the Deputy County Attorney and to schedule an Executive Session at the discretion of the DCA; seconded by Mr. Tabata; with no objections, motion carried with 7 ayes.

Mr. Shiraishi asked what is the justification for the FRC credit? The rule says a single family pays \$4,940, which is why he voted in favor.

H. NEW BUSINESS

1. Manager's Report No. 17-18 - Resolution 17-05 (12/16) Mahalo and Aloha Board Member, Clyde Nakaya

Mr. Shiraishi read Resolution 17-05 and a photo op with the Board members followed. Mr. Nakaya thanked everyone and said he gained a wonderful experience and appreciated making new friends.

By acclamation, the Board approved Manager's Report No. 17-18 with no objections.

2. Manager's Report No. 17-19 - Discussion and Possible Action for Board Approval on the transferring of funds for Job No. 17-05 – Puhi Well 5A Repair in the amount of \$89,250.00

Mr. Dahilig moved to approve Manager's Report No. 17-19 - Discussion and Possible Action for Board Approval on the transferring of funds for Job No. 17-05 – Puhi Well 5A Repair in the amount of \$89,250.00; seconded by Mr. Shiraishi; with no objections, motion carried with 7 ayes.

3. Manager's Report No. 17-20 - Discussion and Possible Action on Grant of Easement for 6-Inch Reduced Pressure Detector Assembly for North Shore Christian Church, TMK: 5-2-04:102, Kilauea, Kauai, affecting the following landowners:
 - a. James D. White, Trustee of the Henry A. Fredricks Separate Property Trust
 - b. Running J. Junior Farms, LLC
 - c. Second Adam Corporation
 - d. Kauai Christian Academy, Inc.

Mr. Dahilig moved to approve Manager's Report No. 17-20 - Discussion and Possible Action on Grant of Easement for 6-Inch Reduced Pressure Detector Assembly for North Shore Christian Church, TMK: 5-2-04:102, Kilauea, Kauai, affecting the following landowners: a) James D. White, Trustee of the Henry A. Fredricks Separate Property Trust, b) Running J. Junior Farms, LLC, c) Second Adam Corporation, d) Kauai Christian Academy, Inc.; seconded by Mr. Shiraishi, with no objections, motion carried with 7 ayes.

4. Manager's Report No. 17-21 – Discussion and Possible Action on Grant of Easement for Rice Camp Senior Housing Phase II Offsite Improvements, TMK: 3-6-04:20, Līhu'e, Kauai, Hawai'i affecting the following landowners:
 - a. County of Kaua'i
 - b. Rice Hoala Partners LP

Mr. Dahilig moved to approve Manager's Report No. 17-21 – Discussion and Possible Action on Grant of Easement for Rice Camp Senior Housing Phase II Offsite Improvements, TMK: 3-6-04:20, Līhu'e, Kauai, Hawai'i affecting the following landowners: a) County of Kaua'i, b) Rice Hoala Partners LP; seconded by Mr. Shiraishi; with no objections, motion carried with 7 ayes.

5. Manager's Report No. 17-22 – Discussion and Possible Action to enter into a Memorandum of Agreement between the Department of Water County of Kaua'i and the County of Maui, Department of Water Supply regarding Customer Care & Billing

Mr. Dahilig moved to approve Manager's Report No. 17-22 – Discussion and Possible Action to enter into a Memorandum of Agreement between the Department of Water County of Kaua'i and the County of Maui, Department of Water Supply regarding Customer Care & Billing; seconded by Mr. Shiraishi; with no objections, motion carried with 7 ayes.

I. STAFF REPORTS

MONTHLY

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

BACKGROUND:

Ms. Parrott provided an overview of the following:

- Revenue - under budget from last year due to no power rate adjustment
- Variances – State grant of \$1.8M a negative variance for the Hanapēpē/Eleele pipeline project
- Interest Income & Net Increase Fair Market - \$128,000 / .6%
- Build America Bond (BAB) subsidy (Federal grant) – negative; DOW remains healthy
- Expenses - spent more in labor / less on contracts & services
- Fuel and Utilities – down due to no power rate adjustment this year
- Capital spending – still low; bulk is for the new building, new vehicles and new billing system
- Balance Sheet: Previously Ms. Parrott mentioned this was on a budgetary basis. The balance sheet is now accurate

- \$6.6M more in unrestricted cash & investments
- \$48M in unrestricted cash & investments
- Restrictive cash & investments – down due to the cost of the new building

At the last Board meeting, Mr. Nakaya wanted to know the allowance for doubtful accounts. \$250,000 was high because Fiscal does not have a policy to do a final write offs for doubtful accounts. Fiscal has seven (7) years of doubtful accounts. Bad debt is only .1% which is excellent. Fiscal continues to collect money that is owed to the Department.

DISCUSSION:

Mr. Dill asked if Fiscal has an accounting policy for final write offs. Ms. Parrott said there are other policies that need to be worked on first.

- Manager will provide all of the accounting policy re-descriptions that the Department should have (i.e., what does it entail and what is needed) by the next Board meeting.

Mr. Dill pointed out that the Capital Projects has a 92% variance from the budget (Page 78). The Department needs to find a way to get the CIP money spent.

Mr. Dill moved to receive the Receipt of the Kaua‘i County Water Department’s Statement of Revenues and Expenditures, b) November Monthly Summary Budget; seconded by Mr. Nakaya; with no objections; motion carried with 7 ayes.

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

Mr. Dahilig moved to receive the Report by the Information and Education Specialist on Public Relations Activities; seconded by Mr. Dill; with no objections, motion carried with 7 ayes.

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. Maintenance Worker I was hired and already started.
2. Michael Mack was acknowledged for passing the Distribution System Operation II exam.
3. Monthly Water Loss Tabulation – January 2016 thru November 2016 was below 15%, the industry standard.
4. Water Service Supervisor Chris Nakamura was commended for the coordination of the recent night shutdown with Construction Management.

DISCUSSION:

Mr. Dill asked what is the certification to operate the water service treatment plant? If this becomes a DOW water facility will staff have to operate that facility? Mr. Reyna said the facility will be operated by the Water Treatment Plant Operator II. There are two (2) employees who have that certification (Chief of Operations and one Electrician).

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 7 ayes.

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

BACKGROUND:

Manager Saiki provided the following highlights:

1. **CONTRACTS AWARDED/EXTENTIONS/AMENDMENTS:**

Contract No. 628 Awarded to Oasis Water Systems, Inc. for Job No. 17-08, Wainiha Well No. 2 Replacement in the amount of \$35,645.00

4th Amendment to Contract No. 560, to Brio, Inc. for a contract time extension ending on June 30, 2017 for the DOW's IT Strategic Planning and Implementation with no additional funding
New Billing system – Manager thanked the Board for approving the Memorandum of Agreement to proceed. "Received for the Record" was an additional handout (Page 99).

2. **RECRUITMENT AND POSITION ACTIONS:**

Admin. - lost the Clerk Typist; DHR is currently reviewing the position duties.
CM – Now has an Engineering Program Assistant (formerly the Clerk Typist).
Accountant I – Interviews are completed and candidate has been hired.

Chair Ho asked the Manager to provide a recap of his Manager's Goals and to add "Training" under Admin. and to update his achievements over the past 6 months for the January meeting. Manager agreed to the Chair's request.

Ms. Tokioka 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 7 ayes.

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

Ms. Tokioka moved to receive the Report of the BAB pay down as of November 2016; seconded by Mr. Shiraishi; with no objections, motion carried with 7 ayes.

K. TOPICS FOR NEXT WATER BOARD MEETING (January 2017)

1. Manager's Report No. 16-38 – Discussion and Possible Action on the Proposed Rule Amendments to Part 5, Facilities Reserve Charge Section III, Applicability relating to Multi-Family Dwelling Units

L. TOPICS FOR FUTURE WATER BOARD MEETINGS

1. Discussion and Possible Action on a Right of Entry Agreement for a portion of the Department of Water's Koloa 1.0 MG Tank site, TMK: (4) 2 7-003:008, Lot 426, Affecting the following:
 - a. Kauai Island Utility Cooperative (KIUC), TMK: (4) 2-7-003:008, Koloa, Kaua'i, Hawai'i
2. Discussion and Possible Action on Financial Management Planning and Water Rate Analysis for the Department of Water, an update by Raftelis Financial (February 2017)
3. Employees of the Year Resolution (February 2017)
4. Draft Budget for Fiscal Year 2017-2018 (March 2017) (Correction made to year 2018)
 - a. Fiscal Year 2017 - 2018 – Draft Operating Budget
 - b. Fiscal Year 2017 - 2018 – Draft Capital Outlay Budget
5. Discussion and Possible Action on Board Policy regarding Proposed Delegation of a Meter Restriction
6. Workshop presentation regarding the Long Range Plan of the Department of Water's former Administration Building

7. Discussion and Possible Action on Proposed Board Policy for Delegating Routine Actions from the Water Board to the Department of Water's Manager and Chief Engineer regarding Right of Entry

M. UPCOMING EVENTS

1. HWWA & HWEA Pacific Water Conference, Honolulu, HI (February 14 – 16, 2017) - Lyle will attend.
2. AWWA Annual Conference, Philadelphia, PA (June 11 - 14, 2017) - Extended to staff for CEU's.
3. HWWA & HRWA Conference, Hawai'i, HI (November 1 – 3, 2017)

N. NEXT WATER BOARD MEETING

1. Friday, January 27, 2017, 10:00 a.m.
2. Friday, February 24, 2017, 10:00 a.m.
3. Friday, March 24, 2017, 10:00 a.m.
4. Friday, April 28, 2017, 10:00 a.m.

At 11:48 a.m., Mr. Dahilig read the Executive Session language.

Mr. Dahilig moved to go into Executives Session; seconded by Mr. Shiraishi; with no objections, motion carried with 7 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 Hawai'i Revised Statutes §92-4 and §92-5 (a)(4), the purpose of this Executive Session is for the Board to consult with its attorney on issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as they may relate to this agenda item

- a. *Manager's Report No. 17-14* - Discussion and Possible Action on Amendment No. 3 to the February 19, 2004 Water Treatment and Delivery Agreement between Grove Farm Properties, Inc./Visionary LLC and the Board of Water Supply, County of Kaua'i to Increase the Treatment and Delivery Sales Fee to \$1.90 per 1,000 gallons for the Waiahi Surface Water Treatment Plant

O. ADJOURNMENT

The Regular Meeting was adjourned at 12:04 p.m. after Executive Session, with no objections.

Respectfully submitted,


Edie Ignacio Neumiller
Commission Support Clerk

Approved,


Sherman Shiraishi
Secretary – Board of Water Supply