

MEETING MINUTES  
BOARD OF WATER SUPPLY  
December 28, 2018

The Board of Water Supply, County of Kaua'i, met in regular meeting at the Board Conference Room in Lihu'e on Friday, December 28, 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*  
Ms. Laurie Ho  
Mr. Thomas Canute  
Mr. Ka`aina Hull (*sworn in as Ex-Officio Planning Department before the meeting*)  
Mr. Lawrence Dill (*entered approx. 10:05 a.m.*)

EXCUSED: Mr. Sherman Shiraishi, *Vice Chair*

Quorum was achieved with 4 members present at Roll Call.

STAFF:

Mr. Valentino Reyna	Mr. Carl Arume
Mr. Dustin Moises	Mr. Keith Aoki
Mr. Michael Hinazumi	Mrs. Sandi Nadatani-Mendez
Mr. Marcelino Soliz	Mr. Dustin Moises
Mr. Jason Fujinaka	Mrs. Mary-jane Akuna
DCA Peter Morimoto	Mr. Eric Fujikawa

GUESTS: Councilwoman Felicia Cowden  
Mr. Hall Parrott, Private Citizen

**C. ACCEPTANCE OF AGENDA**

Mr. Canute moved to approve and reorder the amended Agenda to move up Item E No. 1 Correspondence following Acceptance of the Agenda; seconded by Ms. Ho; with no objections, motion carried with 4 Ayes.

**E. CORRESPONDENCE/ANNOUNCEMENTS**

1. Correspondence from Manager & Chief Engineer Bryan Wienand to Honorable Mayor Bernard Carvalho Jr., Mahalo and Aloha, dated December 20, 2018

**BACKGROUND:**

Chair Tokioka mentioned that at the Annual Meeting, the staff acknowledged Mayor Carvalho's amazing service to Kaua'i.

**DISCUSSION:**

Mayor Carvalho was glad to see the Department of Water (DOW) staff at this meeting. He has been spending his spare time at local businesses and has been very appreciative. Mayor Carvalho will be involved in the community in the future and is concentrating time with family.

Ms. Ho has served Mayor Carvalho on her fifth year with the Board until 2019 and has learned a lot. Mr. Canute appreciated the opportunity on his appointment which has been rewarding. Chair Tokioka has been with the Mayor from the beginning of his journey. Chair remembers working with Mayor Carvalho when they collaborated with the DOW. His collaborative style is to find a common ground; he has made an amazing impact on the island and County government. She appreciated the sacrifice his family made to let him be of service to our community.

Private Secretary Mrs. Mary-jane Akuna presented Mayor Carvalho with a beautiful water clock that Operations made and a special poster signed by the DOW staff and the Mayor responded by saying “this was so nice.”

*At approx. 10:05 a.m. Mr. Dill entered the meeting.*

Information Specialist Mr. Jason Fujinaka read Manager Wienand’s special message to Mayor Carvalho. A photo op followed with the Board and staff.

**D. MEETING MINUTES**

**Review and approval of:**

Regular Board Meeting – November 21, 2018

**BACKGROUND:**

Chair Tokioka reviewed Mr. David Penn’s written testimony on his proposed revisions to the draft November 21<sup>st</sup> minutes (“Received for the Record). She indicated these were not substantive changes but clarified a few words to make the sentence clearer.

Mr. Canute moved to approve the Regular Board Meeting minutes of November 21, 2018; seconded by Ms. Ho, with no objections, motion carried with 5 ayes.

**DISCUSSION:**

Chair Tokioka was not going to make any changes using Mr. Penn’s suggestion to the “Third sentence beginning “Mr. Heacock said...” under part 3) of this sentence, it is not clear which system Mr. Heacock said “he will maintain” – “a private system” or “the DOW’s water system.” Chair Tokioka said the Commission Support Clerk listened to the verbatim on the tape. Mr. Penn’s comments were not clear other than just saying “the system” and the verbatim on the tape did not give any clarity.

Revision #1, 4<sup>th</sup> sentence: “Mr. Penn indicated that the Manager’s Report states that the pros for Mr. Heacock’s request...”

Revision #2, 4<sup>th</sup> sentence: “He reviewed ... this policy, and including previous “thoughts of” Board members ...”

Chair Tokioka added: “thoughts of”

Revision #3, 1<sup>st</sup> sentence: “The public notice... was confusing that was address to stated “*The prior...*”

Ms. Ho referred to Page 6, 4<sup>th</sup> para. - change “exception” to “extension.”

Ms. Ho moved to approve the amended Regular Board minutes of November 21, 2018; seconded by Mr. Canute; with no objections, motion carried with 5 ayes.

**Review and approval of:**

Executive Session – November 21, 2018

Mr. Hull moved to approve the Executive Session minutes of November 21, 2018; seconded by Mr. Canute; with no objections, motion carried with 5 Ayes.

**E. CORRESPONDENCE/ANNOUNCEMENTS (cont’d)**

2. Committee Appointments by 2019 Incoming Chair Thomas Canute for Rules Committee, Finance Committee, Audit Committee, Committee of the Whole

**DISCUSSION:**

Chair Tokioka mentioned there are three (3) open seats on the Board. Mr. Canute added there are five (5) open committee positions. Ms. Ho questioned if Board member Shiraishi is willing to be held over (90 days) until his replacement is appointed and approved.

DCA Morimoto clarified that the Mayor does not approve the hold overs because it is done by Charter with an automatic hold over. The Charter states: "All members of all Boards or Commissions shall serve for staggered terms of three years until their successors are appointed, however, no hold over term shall extend beyond 90 days. All members currently serving shall serve the term as set when they were appointed." DCA clarified if a name is submitted by the Administration to the Council, it is done at a Council meeting. Chair Tokioka said once the next Council meeting is posted, names will be listed for Boards and Commissions. Appointees are interviewed which may take two to three weeks.

Incoming Chair Canute agreed that this agenda item should be deferred and will ask Mr. Shiraishi on Monday if he would be willing to be held over up to 90 days.

Mr. Hull moved to defer the Committee Appointments by 2019 Incoming Chair Thomas Canute for Rules Committee, Finance Committee, Audit Committee, Committee of the Whole to the January Board Meeting; seconded by Ms. Ho, with no objections, motion carried with 5 Ayes.

**F. BOARD COMMITTEE & PERMITTED INTERACTION GROUP REPORTS**

None.

**G. OLD BUSINESS**

1. Manager's Report No. 18-82 - Department of Water's Capital Improvement Projects for 2019-2020 (*Update*)

**BACKGROUND:**

Civil Engineer Michael Hmazumi reported for the Chief of Water Resources & Planning Mr. Edward Doi and gave an update on the legislative liaison. The Department is in discussion with the legislative liaison regarding amendments and changes to the contract which will be communicated to Manager Wienand for comment.

**H. NEW BUSINESS**

1. Resolution 19-07 - Farewell to Warren Rita (Retiree), Lead Pipefitter, Operations Division

**BACKGROUND:**

Chief of Water Operations Mr. Val Reyna shared some facts about retiree Warren Rita (30 yrs.) and Galen Shigeta's (23 yrs.) on their DOW service. Warren and Galen came in as Laborers and rose from the ranks. Warren was the 2012 Co-Employee of the Year based on his ability to be available for call outs 90% of the time. Galen was the Water Plant Operator on standby duty to handle call outs from the Supervisory Control & Data Acquisition (SCADA) system alarms. Mr. Reyna added that they are good men and will be hard to replace.

**DISCUSSION:**

Ms. Ho added to promote from within DOW for position replacements. Mr. Reyna agreed and is interviewing for potential replacements; the hiring process will be fast. Chair Tokioka mentioned that the Board appreciated their service and wished Warren and Galen well.

*At approx. 10:35 a.m., Chair acknowledged Councilmember Felicia Cowden who entered the meeting.*

The Board adopted Resolution 19-07 - Farewell to Warren Rita (Retiree), Lead Pipefitter, Operations Division with no objections.

2. Resolution 19-08 – Farewell to Galen Shigeta (Retiree), Water Plant Operator I, Operations Division

(Note: Refer to Background and Discussion covered & included under Agenda Item H No. 1.)

The Board adopted Resolution 19-08 – Farewell to Galen Shigeta (Retiree), Water Plant Operator I, Operations Division with no objections.

3. Manager's Report No. 19-30 - Resolution 19-09 (12/18) Mahalo and Aloha Board Member, Sherman Shiraishi

**BACKGROUND:**

Chair Tokioka acknowledged Mr. Shiraishi who served the Board since 2012 with a DOW clock and Resolution. Mr. Shiraishi was here when the Facilities Reserve Charge (FRC) was revised, always been a wise legal counselor, generous in sharing his expertise and will be missed on the Board. Mr. Canute shared Mr. Shiraishi is a great west side person. Ms. Ho appreciated when he always reminded the Board of all of the policies and had interim manager Mr. Steve Kyono's phone number handy during a previous meeting.

The Board adopted and approved Manager's Report No. 19-30 - Resolution 19-09 (12/18) Mahalo and Aloha Board Member, Sherman Shiraishi with no objections.

4. Manager's Report No. 19- 31 – Discussion and Possible Action for Board Approval to enter into a Land Exchange Agreement between the Director of Finance, County of Kaua'i, the Board of Water Supply, County of Kaua'i, and Bank of Hawai'i, a Hawai'i corporation, by its division Pacific Century Trust, successor by merger to Hawaiian Trust Company, Limited, as Trustee under that certain indenture made between Walter D. McBryde and said Hawaiian Trust Company, Limited, dated August 20, 1918, recorded in the Bureau of Conveyances of the State of Hawai'i in Liber 498 at Page 488, as amended from time to time, to enter into a Land Exchange Agreement affecting:
  - a. County of Kaua'i, TMK: 2-3-005:006 and
  - b. Bank of Hawai'i, a Hawai'i corporation, TMK: 2-3-005:025

**BACKGROUND:**

Civil Engineer Aoki mentioned that this is the continuation of the Kukuiolono water tank project that the DOW is currently renting from the land owners. The Land Exchange Agreement is to document where the water tank, County lot and golf course is located; the golf course wants the tank removed. There is an agreement with the land owner that the Department would remove the above ground tank and underground storage tank. After this is done, Mr. Aoki said the agreement on the exchange of land is to swap the County parcel on the golf course. Based on the agreement, there would be an assessment and if one is assessed a higher value, the party will pay the difference (even exchange).

Mr. Canute moved to approve Manager's Report No. 19- 31 – Discussion and Possible Action for Board Approval to enter into a Land Exchange Agreement between the Director of Finance, County of Kaua'i, the Board of Water Supply, County of Kaua'i, and Bank of Hawai'i, a Hawai'i corporation, by its division Pacific Century Trust, successor by merger to Hawaiian Trust Company, Limited, as Trustee under that certain indenture made between Walter D. McBryde and said Hawaiian Trust Company, Limited, dated August 20, 1918, recorded in the Bureau of Conveyances of the State of Hawai'i in Liber 498 at Page 488, as amended from time to time, to enter into a Land Exchange Agreement affecting: a. County of Kaua'i, TMK: 2-3-005:006 and b. Bank of Hawai'i, a Hawai'i corporation, TMK: 2-3-005:025; seconded by Mr. Dill; with no objections, motion carried with 5 Ayes.

5. Manager's Report No. 19-32 – Discussion and Possible Action to procure a Hearing Officer for the First Amended Petition for a Contested Case Hearing: Petitioner Donald E. Heacock Regarding Water Meter Service Request for one 5/8-inch Water Meter for Domestic Use, TMK: 3-02-003:016, Niumalu, Kaua'i, dated November 29, 2018

Mr. Dill moved to approve to procure a Hearing Officer for Manager's Report No. 19-32 – Discussion and Possible Action to procure a Hearing Officer for the First Amended Petition for a Contested Case Hearing: Petitioner Donald E. Heacock Regarding Water Meter Service Request for one 5/8-inch Water Meter for Domestic Use, TMK: 3-02-003:016, Niumalu, Kaua'i, dated November 29, 2018; seconded by Mr. Canute; with no objections, motion carried with 5 Ayes.

6. Manager's Report No. 19-33 - Discussion and Possible Action to Request Board Approval for Indemnification, Attorney's Fees, and Governing Law for use of First Hawaiian Bank Online Purchase Card ("P-Card") & Centre Suite Access between the Board of Water Supply, County of Kaua'i and First Hawaiian Bank

### **DISCUSSION:**

Mr. Canute recused himself from this agenda item.

Mr. Dill moved to approve Manager's Report No. 19-33 - Discussion and Possible Action to Request Board Approval for Indemnification, Attorney's Fees, and Governing Law for use of First Hawaiian Bank Online Purchase Card ("P-Card") & Centre Suite Access between the Board of Water Supply, County of Kaua'i and First Hawaiian Bank; seconded by Ms. Ho; with no objections, motion carried with 4 Ayes, Mr. Canute Recused himself.

7. Manager's Report No. 19-34 - Discussion and Possible Action to Request Board Approval for Indemnification, Attorney's Fees, and Governing Law for use of Symantec Corporation software between the Board of Water Supply, County of Kaua'i and Symantec Corporation

Ms. Ho moved to approve Manager's Report No. 19-34 - Discussion and Possible Action to Request Board Approval for Indemnification, Attorney's Fees, and Governing Law for use of Symantec Corporation software between the Board of Water Supply, County of Kaua'i and Symantec Corporation; seconded by Mr. Canute; with no objections, motion carried with 5 Ayes.

### **I. CONSENT CALENDAR**

1. Manager's Report No. 19-35 - Discussion and Possible Action to approve a Grant of Easement Agreement for the Water Meter Plan for Parcel 2 Omao Homesteads, affecting the following:
  - a. Jennifer Susan Riddall, TMK: (4) 2-7-004:002, Omao, Kaua'i, Hawai'i

Ms. Ho moved to receive Manager's Report No. 19-35 - Discussion and Possible Action to approve a Grant of Easement Agreement for the Water Meter Plan for Parcel 2 Omao Homesteads, affecting the following: a. Jennifer Susan Riddall, TMK: (4) 2-7-004:002, Omao, Kaua'i, Hawai'i; seconded by Mr. Dill; with no objections, motion carried with 5 Ayes.

2. Manager's Report No. 19-36 - Discussion and Possible Action to approve a Grant of Easement Agreement for the Kīlauea Elementary School, Building A-Replace Waterline, affecting the following:
  - a. County of Kaua'i, TMK: (4) 5-2-009:006, Kīlauea, Kaua'i, Hawai'i

Ms. Ho moved to receive Manager's Report No. 19-36 - Discussion and Possible Action to approve a Grant of Easement Agreement for the Kīlauea Elementary School, Building A-Replace Waterline,

affecting the following: a. County of Kaua'i, TMK: (4) 5-2-009:006, Kīlauea, Kaua'i, Hawai'i; seconded by Mr. Dill; with no objections, motion carried with 5 Ayes.

**J. 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
  - b. Accounts Receivable Aging Summary

**BACKGROUND:**

Accountant, Mr. Marcelino Soliz reported for Waterworks Controller Ms. Tess Yano. He mentioned that the water sales continue to decline and had not pinpointed the reason for the decline.

Water Revenue Receipts - down

Capital Contributions – down

Miscellaneous Revenues – down as of 11/30/18

Non-Operating Proceeds and Disbursement – none

Annual payments on loans – will be reflected in the December books

FRC – should be leveling off since deadline passed.

Capital Projects YTD - \$2.4M

Water Utility Fund - \$1.5M

Capital Projects - \$58K

Build America Bond – \$881,000

Certificate of Funds - \$856K

Water Utility Fund – none; BAB – none; FRC – none

Water Meter Consumptions – 36M gallons (still declining)

Comparative Balance Sheet have not been produced – there were issues past 3 mos. with County Finance Department on late and unreliable numbers that didn't match, missed postings on interest or no posts at all. He added that based on the days late, Fiscal has to calculate the daily interests. They may be transition issues from new staff on board, a backlog in catching up and technical errors. Another meeting is scheduled with Finance Department to get a better view of what funds are available.

**DISCUSSION:**

Ms. Ho commented that the Board would like to be informed if the meeting does not work out. Mr. Dill asked how long has the decline in water consumption been going on? Mr. Soliz said in the last four (4) months water consumptions has gone down 5% - 6% mostly on irrigation and water conservation in the community. Mr. Dill referred to Manager's Report No. 18-82 regarding the Capital Improvement Projects and noticed that water consumption was based on the 2011 water consumption data. He suggested to update the data.

Chair Tokioka referred to a variance of 40% on Expenditures and if it will catch up. Mr. Soliz said there are some vacancies that have not been filled.

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

**BACKGROUND:**

Information Specialist Mr. Fujinaka reported for Mrs. Jonell Kaohelaulii and highlighted the following:

1. In 2018, the DOW public relations goals were to strength the community and presence to build customer loyalty and education. This was achieved through strategic planning, events, various platforms, 22 educational outreach presentations, facilitated two community meetings, increased

interactive relations through social media; more than 125 Facebook announcements and 31 direct messages that were answered, 63 news releases, coordinated two signature annual events, posting of a media event and increased customer participation of the DOW's Fix-a-Leak event by 204%. DOW's outreach was expanded to home schools, public charter schools, and private school programs, and the Visitor Industry Charity Walk. This was successful and measured by fewer customer complaints during service shutdowns, voice and written customer appreciation compliments, supported media recognition, increased education requests from the community and improvement in customer knowledge, understanding of the Department's services and notification methods.

### **DISCUSSION:**

Mr. Hull mentioned the Planning Department is having community Westside Update meetings which have been pretentious. He recognized Chief of Water Resources & Planning Edward Doi and Michael Hinazumi who participated in these meetings. There were no issues of water that came up.

Chair Tokioka added that Public Relations is doing a great job.

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. Water Loss on leaks – went up over 1%; yearly was 11.2% (10% - 15% is industry standard). Operations goal is 10% or below. This goal may not be reached because leaks pop up any time. Response time can be controlled which Operations has accomplished.

### **DISCUSSION:**

Mr. Dill inquired if there were any proactive leak programs that use sound detection? Mr. Reyna said there is only one person that is doing leak detection for the whole island. This person is also assisting with Hawai'i One Calls to mark main lines for contractors which Mr. Reyna considers proactive. Mr. Reyna requested for another Water Service Investigator position at the November meeting.

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

### **BACKGROUND:**

Mr. Aoki reported for Manager Wienand and highlighted the following:

1. **CONTRACTS AWARDED/EXTENSION/AMENDMENTS:**  
Five (5) Contracts were awarded (see Board packet).
2. CC&B - The contract execution for CC&B is still pending.
3. IT Strategic Plan – to be presented at the January Board meeting; implementation 1<sup>st</sup> Qtr. next year.

The Manager's Update included his well wishes for this holiday season to the Board of Water Supply & Mahalo for their support and hard work throughout a very challenging and successful year in 2018!

### **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 (January 2019)**

1. IT Strategic Plan Presentation
2. Manager's Report No. 17-29 (Update) - Discussion and Possible Action on the Financial Management Planning and Water Rate Analysis for the Department of Water for July 2019 through June 2023 and submit an Impact Statement to the Small Business Regulatory Review Board \*Water Rate Study – SBRRB Results; Recommend Public Hearing
3. Committee Appointments by 2019 Incoming Chair Thomas Canute for Rules Committee, Finance Committee, Audit Committee, Committee of the Whole

**M. TOPICS FOR FUTURE WATER BOARD MEETINGS**

1. Workshop presentation regarding the Table of Organization
  2. Department of Water Performance Audit (Update)
  3. 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
  4. Workshop presentation regarding the Master Plan of the Department of Water's former Administration Building, Baseyard, Micro Lab, Information Technology (2019)
  5. Request Board Approval of Resolution for Employee of the Year (February 2019)
  6. Manager's Report No. 18-82 - Department of Water's Capital Improvement Projects for 2019-2020 (Update)
- Mr. Hull and former Board member Mr. Michael Dahilig will meet to discuss the continuity on Planning's position and the Water Board (re: needs & wants, what are the priorities).

**N. UPCOMING EVENTS**

1. AWWA HWWA & HWEA 6<sup>th</sup> Annual Joint Conference (February 19-21, 2019)
2. AWWA ACE 20<sup>th</sup> Conference, Denver, Colorado (June 9-12, 2019)
3. HWWA/HRWA Conference, Honolulu, Hawai'i (TBA)
4. Make a Splash, Project Wet (September 20, 2019)

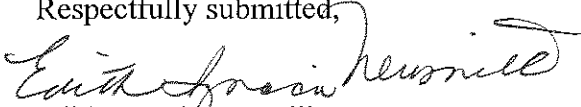
**O. NEXT WATER BOARD MEETING**

1. Friday, January 25, 2019, 10:00 a.m. (Excused - Chair Tokioka)
2. Friday, February 22, 2019, 10:00 a.m.
3. Friday, March 22, 2019, 10:00 a.m.
4. Friday, April 26, 2019, 10:00 a.m.

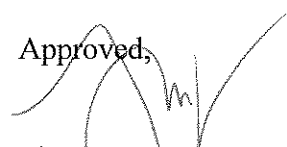
**P. ADJOURNMENT**

Ms. Ho moved to Adjourn the Regular Meeting at 11:02 a.m.; seconded by Mr. Dill; with no objections, motion carried with 5 Ayes.

Respectfully submitted,

  
Edith Ignacio Neumiller  
Commission Support Clerk

Approved,

  
Thomas Canute  
Secretary - Board of Water Supply