

MEETING MINUTES  
BOARD OF WATER SUPPLY  
Thursday, February 19, 2015

The Board of Water Supply, County of Kaua'i, met in regular meeting at the Board Conference Room in Līhu'e on Thursday, February 19, 2015. Chair Shiraishi called the meeting to order at 10:00 a.m. The following Board members were present:

BOARD: Mr. Sherman Shiraishi, *Chair*  
Mr. Clyde Nakaya, *Vice Chair*  
Ms. Laurie Ho  
Mr. Michael Dahilig

EXCUSED: Mr. Hugh Strom  
Mr. Larry Dill  
Mr. Raymond McCormick

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

STAFF: Mr. Kirk Saiki  
Mr. Val Reyna  
Ms. Marites Yano  
Mr. Dustin Moises  
Mr. Keith Aoki  
Mr. Eddie Doi  
Ms. Regina Flores  
Mr. Joel Bautista  
Ms. Kim Tamaoka  
Ms. Sandi-Nadatani Mendez  
Ms. Mary-jane Akuna  
Deputy County Attorney, Andrea Suzuki

GUESTS: Ms. Malia Finazzo-Krueger, Ke Kula Pono  
Ms. Hannah Finazzo-Krueger, Ke Kula Pono  
Ms. Shawn Shimabukuro, Grove Farm Company, Inc.  
Mr. Hal Parrott, Private Citizen

**ACCEPTANCE OF AGENDA**

Mr. Dahilig moved to approve Board Chair Shiraishi's request to reorder the Agenda to move up New Business Items Nos. H3 to 1, H4 to 2, H5 to 3, H6 to 4, H2 to 5, H7 to 6 & H1 to 7; seconded by Mr. Nakaya; with no objections, motion carried with 4 ayes.

**H. NEW BUSINESS - Reordered as follows:**

3. Manager's Report No. 15-24 – Discussion and Approval of the Right of Entry Agreement for S-2009-13, S-2009-14, S-2009-15, Waiola Subdivision Phase I, II and III, Affecting the Following Landowners in Lihu'e, Kaua'i, Hawai'i: Grove Farm Properties, Inc. of TMK: (4) 3-3-003:041, Lihu'e, Kaua'i, Hawai'i
4. Manager's Report No. 15-25 – Discussion and Possible Action on the Grant of Easement for Ala Kukui'ula Phase 2A (S-2004-45), Po'ipū, Kaua'i, Affecting the Following Landowner:

- a. Kukui'ula Development Company (Hawai'i) LLC affecting TMK(s): (4) 2-6-015:001 (por.) and (4) 2-6-15:015 (por.) and (4) 2-6-015:016 (por.)
- 5. Manager's Report No. 15-26 – Discussion and Possible Action on the Grant of Easement for Large Lot 32 – Phase 1 (S-2013-07), Po'ipū, Kaua'i, Affecting the Following Landowner:
  - a. Kukui'ula Development Company (Hawai'i) LLC affecting TMK(s): 2-6-19:048 (por.) and 2-6-19:049 (por.)
  - b. ABP-EWP Development LLC affecting TMK: 2-6-19:047 (por.)
- 6. Manager's Report No. 15-27 - Discussion and Approval of Safe Drinking Water State Revolving Fund (DWTLRF) for DW4- 00-0011, Water Plan 2020 Project PLH-39, Līhu'e Baseyard Improvements (Phase I), Līhu'e Water System, Līhu'e, Kaua'i, Hawai'i
- 2. Manager's Report No. 15-23 – Discussion and Possible Action on the Board's Requests for background comments and recommendations from the Department regarding Class IV Zoning Permit Application Z-IV-2015-1, Use Permit U-2015-1, Group Child Care Center, TMK:4-2-9:18, Ke Kula Pono, LLC. (Maria Finazzo-Krueger, Owner)
- 7. Draft Budget for Fiscal Year 2015-2016
  - a. Fiscal Year 2015 – 2016 Draft Operating Budget
  - b. Fiscal Year 2015 – 2016 Draft Capital Outlay Budget
- 1. Manager's Report No. 15-22 - Discussion and Possible Action to Procure Solicitation of a DOW Owned Customer Information System (CIS) for Billing & Collection

**F. BOARD COMMITTEE REPORT**

None

**G. OLD BUSINESS**

None

**H. NEW BUSINESS**

- 3. Manager's Report No. 15-24 – Discussion and Approval of the Right of Entry Agreement for S-2009-13, S-2009-14, S-2009-15, Waiola Subdivision Phase I, II and III, Affecting the Following Landowners in Līhu'e, Kaua'i, Hawai'i: Grove Farm Properties, Inc. of TMK: (4) 3-3-003:041, Līhu'e, Kaua'i, Hawai'i

**BACKGROUND:**

Manager Saiki recommended that the Board approve the Right of Entry documents.

Mr. Dahilig moved to approve Manager's Report No. 15-24 – Discussion and Approval of the Right of Entry Agreement for S-2009-13, S-2009-14, S-2009-15, Waiola Subdivision Phase I, II and III, Affecting the Following Landowners in Līhu'e, Kaua'i, Hawai'i: Grove Farm Properties, Inc. of TMK: (4) 3-3-003:041, Līhu'e, Kaua'i, Hawai'i; seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

- 4. Manager's Report No. 15-25 – Discussion and Possible Action on the Grant of Easement for Ala Kukui'ula Phase 2A (S-2004-45), Po'ipū, Kaua'i, Affecting the Following Landowner:
  - a. Kukui'ula Development Company (Hawai'i) LLC affecting TMK(s): (4) 2-6-015:001 (por.) and (4) 2-6-15:015 (por.) and (4) 2-6-015:016 (por.)

**BACKGROUND:**

Manager Saiki recommended that the Board approve the Grant of Easement documents.

Mr. Nakaya moved to approve *Manager's Report No. 15-25* – Discussion and Possible Action on the Grant of Easement for Ala Kukui'ula Phase 2A (S-2004-45), Po'ipū, Kaua'i , Affecting the Following Landowner: Kukui'ula Development Company (Hawai'i) LLC affecting TMK(s): (4) 2-6-015:001 (por.) and (4) 2-6-15:015 (por.) and (4) 2-6-015:016 (por.); seconded by Mr. Dahilig; with no objections, motion carried with 4 ayes.

5. *Manager's Report No. 15-26* – Discussion and Possible Action on the Grant of Easement for Large Lot 32 – Phase 1 (S-2013-07), Po'ipū, Kaua'i, Affecting the Following Landowner:
  - a. Kukui'ula Development Company (Hawai'i) LLC affecting TMK(s): 2-6-19:048 (por.) and 2-6-19:049 (por.)
  - b. ABP-EWP Development LLC affecting TMK: 2-6-19:047 (por.)

**BACKGROUND:**

Manager Saiki recommended that the Board approve the Grant of Easement documents.

Mr. Nakaya moved to approve *Manager's Report No. 15-26* – Discussion and Possible Action on the Grant of Easement for Large Lot 32 – Phase 1 (S-2013-07), Po'ipū, Kaua'i, Affecting the Following Landowner: a. Kukui'ula Development Company (Hawai'i) LLC affecting TMK(s): 2-6-19:048 (por.) and 2-6-19:049 (por.) and b. ABP-EWP Development LLC affecting TMK: 2-6-19:047 (por.); seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

6. *Manager's Report No. 15-27* - Discussion and Approval of Safe Drinking Water State Revolving Fund (DWTLRF) for DW4- 00-0011, Water Plan 2020 Project PLH-39, Līhu'e Baseyard Improvements (Phase I), Līhu'e Water System, Līhu'e, Kaua'i, Hawai'i

**DISCUSSION:**

Deputy County Attorney, Andrea Suzuki reviewed the Safe Drinking Water State Revolving Fund (DWTLRF) for DW4- 00-0011, Water Plan 2020 Project PLH-39, Līhu'e Baseyard Improvements (Phase I), Līhu'e Water System, Līhu'e, Kaua'i, Hawai'i.

Mr. Dahilig moved to approve *Manager's Report No. 15-27* - Discussion and Approval of Safe Drinking Water State Revolving Fund (DWTLRF) for DW4- 00-0011, Water Plan 2020 Project PLH-39, Līhu'e Baseyard Improvements (Phase I), Līhu'e Water System, Līhu'e, Kaua'i, Hawai'i; seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

2. *Manager's Report No. 15-23* – Discussion and Possible Action on the Board's Requests for background comments and recommendations from the Department regarding Class IV Zoning Permit Application Z-IV-2015-1, Use Permit U-2015-1, Group Child Care Center, TMK:4-2-9:18, Ke Kula Pono, LLC. (Maria Finazzo-Krueger, Owner)

**BACKGROUND:**

Civil Engineer, Mr. Eddie Doi recommended that the Board support the Department's recommendation as shown in the Department's responses to the Planning Department dated August 8, 2014 and January 9, 2015 (See Exhibit 1).

## DISCUSSION:

Chair Shiraishi requested clarification on the Department's recommendations that an increase in fire flow is needed. Mr. Doi replied yes, until the recommended fire flow is satisfied as shown on the Department's standards. Mr. Doi referenced the 2008 Amendments and cited an alternative method (*Exhibit 2) Item 2 Table 100-19 "FIRE FLOW REQUIEMENTS," (ii) Alternative methodology for satisfying fire protection requirements for non-residential structures.* Mr. Doi added the alternative method could be used by the applicant to satisfy the fire requirements. To clarify, the applicant would hire a qualified fire engineer to say that fire flow is sufficient to take care of the proposed use. The fire engineer's certification would need to be validated. The Department would accept the certification after the Fire Chief notifies the Department.

*Ms. Malia Finazzo-Krueger and Ms. Hannah Finazzo-Krueger provided their testimony.*

Ms. Hannah Finazzo-Krueger was confused if the Fire Chief can approve the fire flow, she asked who is the alternative method? The applicants understood that they would have to fly in a fire engineer from O'ahu which is expensive or if the Fire Chief can approve the fire flow on their project.

Ms. Malia Finazzo-Krueger commented the Fire Chief is unable to make a decision on the hydrant and the flow. It is not their responsibility because it would have been accepted in the Fire Department's report. A Full inspection of the pre-school was done by the Fire Department.

Mr. Doi read from Exhibit 2 Section (II) (B) *"The professional engineer submitting the required certification possesses, at the time the certification is provided, a minimum of three (3) years engineering experience as a licensed professional engineer in responsible charge of fire protection engineering work or has experience, in the Department's judgment, equivalent to such engineering work; and..."* which was discussed at length with the applicant.

A National Fire Protection Company was hired and paid for by Ms. Malia Finazzo-Krueger. A fire flow test was conducted which showed a result of 849 gpm using the Hazen-Williams formula. The fire flow test was adequate and safe for the structure.

Mr. Doi requested that the fire engineer of the National Fire Protection Company submit their qualifications to the Department for review and approval first.

Chair Shiraishi suggested to defer this agenda item and for the applicant to work with Mr. Doi and to coordinate with the National Fire Protection Company to meet the Department's requirements.

Ms. Hannah Finazzo-Krueger is concerned with 1) the expense of hiring of a fire engineer for the fire flow test, 2) The National Fire Protection Company is not up to code, and 3) the applicants are *not in agreement with the recommendation of the Department.*

Chair Shiraishi suggested two (2) options for the applicants:

- 1) To have a private consultant satisfy the Department's requirements or
- 2) The applicant can disagree with the Department's finding and would like the full Board to make a decision. (Note: Today's Board meeting only has four (4) members present.)

Chair Shiraishi's expressed his opinion that if a single family dwelling is not being added to or that there are no changes to the dwelling, why are the requirements different?

The applicants selected to work with the Department on a resolution by the March Board meeting. Mr. Dahilig moved to defer Manager's Report No. 15-23 – Discussion and Possible Action on the Board's Requests for background comments and recommendations from the Department regarding Class IV Zoning Permit Application Z-IV-2015-1, Use Permit U-2015-1, Group Child Care Center, TMK:4-2-9:18, Ke Kula Pono, LLC. (Maria Finazzo-Krueger, Owner) to the March Board meeting with a supplemental Manager's Report to keep the Board abreast of the Department's recommendations and actions with the applicants; seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

#### **E. CORRESPONDENCE/ANNOUNCEMENTS**

1. Correspondence from Ms. Malia Finazzo-Krueger and Ms. Hannah Finazzo-Krueger, dated January 27, 2015 regarding, Ke Kula Pono LLC, Class IV Zoning Permit Z-IV-2015-01, Use Permit, U-2015-01, TMK: 4-2-009-018

Mr. Dahilig moved to receive the correspondence from Ms. Malia Finazzo-Krueger and Ms. Hannah Finazzo-Krueger, dated January 27, 2015 regarding, Ke Kula Pono LLC, Class IV Zoning Permit Z-IV-2015-01, Use Permit, U-2015-01, TMK: 4-2-009-018; seconded by Mr. Nakaya; with no objections; motion carried with 4 ayes.

1. Manager's Report No. 15-22 - Discussion and Possible Action to Procure Solicitation of a DOW Owned Customer Information System (CIS) for Billing & Collection

#### **BACKGROUND:**

Manager Saiki recommended the Board approve the Department of Water's (DOW) request to start the procurement process for an in house billing program in lieu of the existing arrangement with the Honolulu Board of Water Supply. This should enable the Department to accurately and easily track unbilled water.

#### **DISCUSSION:**

Waterworks Controller, Ms. Marites Yano commented that there would be an impact on staff training that may require a half time or full time employee.

Mr. Dahilig inquired if someone would input data into the Finance Information System (FIS) or will a separate system run from the FIS. If financial information will be running on a different system to talk to each other, there would be a loss in the ability to be efficient with data including the loss of the ability to get a total financial picture of the books on revenue and expenditures. Ms. Yano stated it could be integrated into the current FIS system but is not part of the procurement process. Mr. Dahilig stressed this should be considered by the Department.

Manager Saiki added that a presentation was made to the Department that was based on a Microsoft based system which may be able to talk to each other. The Department would come back to the Board for funding which has already been added into the proposed budget.

Mr. Dahilig moved to approve Manager's Report No. 15-22 and to proceed with the procurement process of a DOW Owned Customer Information System (CIS) for Billing & Collection; seconded by Mr. Nakaya; with no objections, motion carried with 4 ayes.

7. Draft Budget for Fiscal Year 2015-2016
  - a. Fiscal Year 2015 – 2016 Draft Operating Budget

b. Fiscal Year 2015 – 2016 Draft Capital Outlay Budget

Final approval for the Operating Budget and Capital Outlay Budget is due by June 2015 Board meeting. Mr. Nakaya moved to Receive for the Record the Manager's Report for the Draft Budget for FY 2015-2016 and to *refer* the Draft Budget for Fiscal Year 2015 – 2016 Draft Operating Budget and Draft Capital Outlay Budget to the Finance Committee; seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

Chair Shiraiishi ordered to discuss the Manager and Chief Engineer's Monthly Update Regarding Activities of Note for the DOW next due to time constraints; with no objections.

**I. STAFF REPORTS**

**MONTHLY**

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

**BACKGROUND:**

Manager Saiki highlighted the following:

1. CONVEYANCE FOR WATER FACILITIES - \$800,025.75
2. Contract No. 587 to Oasis Water Systems, Inc. for the repair of Kīlauea Well #1

Mr. Dahilig moved to receive and accept the Conveyance Section of the Manager and Chief Engineer's Monthly update Regarding Activities of Note of the DOW; and Contract No. 587 to Oasis Water Systems, Inc. for the repair of Kīlauea Well #1; seconded by Mr. Nakaya; with no objections, motion carried with 4 ayes.

- a. Report of the BAB pay down as of January 2015

Mr. Dahilig moved to receive the Report of the BAB pay down as of January 2015; seconded by Mr. Nakaya; with no objections, motion carried with 4 ayes.

Mr. Dahilig moved to go into Executive Session at 10:32 a.m.; seconded by Mr. Nakaya; with no objections, motion was carried with 4 ayes at Roll Call (LH, CN, MD, SS)

Mr. Dahilig read Executive Session Item #J2:

**J. EXECUTIVE SESSION**

1. *Pursuant to Hawai'i Revised Statutes (HRS) Section 92-4, 92-5(a)(4), the purpose of this executive session is to review executive session minutes dated January 22, 2015. This consultation involves the consideration of the powers, duties, privileges, immunities, and/or liabilities of the Board and the Department as they relate to this agenda item. [Approved in open session]*
2. *Pursuant to Hawai'i Revised Statutes Sections 92-4 and 92-5(a)(4), the purpose of this executive session is for the Office of the County Attorney to provide the Board with a briefing and request authority for a possible settlement proposal in a claim filed by Lyle Otsuka obo Banyan Harbor AOA on October 15, 2014 for damages allegedly caused by a water leak. This briefing and consultation involves the consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the Department as they relate to this agenda item.*

3. Pursuant to Hawai'i Revised Statutes Sections 92-4 and 92-5(a)(4), the purpose of this executive session is for the Office of the County Attorney to provide the Board with a briefing regarding liabilities involved policies relating to providing water service outside of the water zone. This briefing and consultation involves the consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the Department as they relate to this agenda item.

[Not entertained]

At 10:42 a.m., Chair Shiraishi reconvened the Regular meeting.

## **MEETING MINUTES**

### **Review and approval:**

Regular Board Meeting – January 19, 2015

Mr. Dahilig moved to approve the Regular Board Meeting Minutes of January 19, 2015; seconded by Mr. Nakaya; with no objections, motion was carried with 4 ayes.

### **Review and approval of Executive Session:**

Executive Minutes – January 19, 2015

Mr. Dahilig moved to approve the Executive Session Minutes of January 19, 2015; seconded by Mr. Nakaya; with no objections, motion was carried with 4 ayes.

Mr. Dahilig moved to *defer* the Staff Reports to the March Meeting; seconded by Mr. Nakaya; with no objections, motion carried with 4 ayes.

## **I. STAFF REPORTS**

### **MONTHLY**

1. Discussion and Receipt of the Kaua'i County Water Department's Statement of Revenues and Expenditures
  - a. December Monthly Summary Budget
2. Discussion and Receipt of the Report by the Public Relations Specialist on Public Relations Activities
3. Discussion and Receipt of the Chief of Operation's Summary Report on Operational Activities

The following Agenda Items were not discussed due to time constraints:

## **K. TOPICS FOR NEXT WATER BOARD MEETING (March 2015)**

1. Employee of the Year Resolution
2. Discussion and Possible Action on Board Policy No. 17, Payment of Telephone Charges

## **L. TOPICS FOR FUTURE WATER BOARD MEETINGS**

1. Manager's Report No. 11-28 – Discussion and Possible Action regarding Part 5 of the Rules, Facilities Reserve Charge – Proposed New Rule, SBRRB Results (awaiting Part 4 Section VII, Facilities Reserve Charge to be submitted together)
2. Manager's Report No. 14-24 – Discussion and Possible Action regarding Part 4 Section I of the Rules, General Use Rates Proposed Amendments, SBRRB Results (awaiting Part 4 Section VII, Facilities Reserve Charge to be submitted together)

3. Discussion and Possible Action of Proposed Delegation of a Meter Restriction Board Policy No. 30

**M. UPCOMING EVENTS**

1. AWWA Annual Conference, Anaheim, CA *(June 7-10, 2015)*
2. DOW Make a Splash Water Festival *(September 24, 2015)*
3. HWWA Hawaii Section, Honolulu, HI *(October 14-16, 2015)*

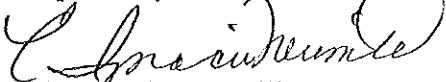
**N. NEXT WATER BOARD MEETING**

1. Thursday, March 19, 2015, 10:00 a.m.
2. Thursday, April 23, 2015, 10:00 a.m.
3. Thursday, May 21, 2015, 10:00 a.m.
4. Thursday, June 18, 2015, 10:00 a.m.


**O. ADJOURNMENT**

Mr. Dahilig moved to adjourn the Regular Board Meeting at 10:45 a.m., seconded by Mr. Nakaya; with no objections, motion carried with 4 ayes.

Respectfully submitted,

  
Edie Ignacio Neumiller  
Commission Support Clerk

Approved,

  
Laurie Ho  
Secretary – Board of Water Supply