

MEETING MINUTES  
BOARD OF WATER SUPPLY  
February 23, 2018

The Board of Water Supply, County of Kaua'i, met in regular meeting at the Board Conference Room in Līhu'e on Friday, February 23, 2018. Chair Beth Tokioka called the meeting to order at 10:04 a.m. The following Board members were present:

**BOARD:** Ms. Beth Tokioka, *Chair*  
Mr. Sherman Shiraishi  
Mr. Michael Dahilig  
Mr. Thomas Canute  
Mr. Lawrence Dill

**EXCUSED:** Ms. Laurie Ho  
Mr. Lyle Tabata

Quorum was achieved with 5 members present at Roll Call.

*At 10:04 a.m., Mr. Dill exited the meeting.*

**STAFF:** Mr. Steven Kyono Mr. Carl Arume  
Mr. Bryan Wienand Mrs. Marites Yano  
Mr. Valentino Reyna Mrs. Sandi Nadatani-Mendez  
Mr. Edward Doi Mr. Michael Hinazumi  
Mrs. Jonell Kaohelaulii Mr. Keith Aoki  
Mr. Dustin Moises Mrs. Mj Akuna  
Deputy County Attorney Mahealani Krafft

**GUEST(s)** Mr. Eric Agena, District Engineer Department of Accounting & General Services  
Mr. Hall Parrott, Private Citizen

**C. ACCEPTANCE OF AGENDA**

Mr. Dahilig moved to reorder the Agenda and deferred Manager's Report 18-91 to the March Agenda and to move up Consent Calendar Item I, No. 3, Manager's Report No. 18-96; seconded by Mr. Shiraishi; with no objections; motion carried with 4 ayes.

**D. MEETING MINUTES**

**Review and approval of:**

Regular Board Meeting – January 26, 2018

Mr. Dahilig moved to approve the Regular Board Meeting minutes of January 26, 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.

**G. OLD BUSINESS**

None.

## H. NEW BUSINESS

2. Manager's Report No. 18-92 - Request Board Approval of Resolution No. 18-04, (2/18), Employee of the Year, Bryan Wienand, Civil Engineer V, Engineering Division

Mr. Aoki read Employee of the Year, Mr. Wienand's Resolution. Photos were taken with the Board members.

Board approved Manager's Report No. 18-92 - Request Board Approval of Resolution No. 18-04, (2/18), Employee of the Year, Bryan Wienand, Civil Engineer V, Engineering Division with no objections.

*At 10:08 a.m., Mr. Dill re-entered the meeting.*

3. Manager's Report No. 18-93 - Discussion and Possible Action for Board Approval to enter a Memorandum of Understanding No. 2294 between the Hawai'i Department of Transportation and the Board of Water Supply, County of Kaua'i for the Hawai'i Department of Transportation's Maalo Road Resurfacing, Mile Post 1.0 to Mile Post 2.0, Project No. 583A-01-18M

Mr. Shiraishi moved to approve Manager's Report No. 18-93 - Discussion and Possible Action for Board Approval to enter a Memorandum of Understanding No. 2294 between the Hawai'i Department of Transportation and the Board of Water Supply, County of Kaua'i for the Hawai'i Department of Transportation's Maalo Road Resurfacing, Mile Post 1.0 to Mile Post 2.0, Project No. 583A-01-18M; seconded by Mr. Canute; with no objections, motion carried 4 Ayes, 1 Recused (LD).

## H. NEW BUSINESS

1. Manager's Report No. 18-91 - Request Board Approval of Resolution No. 18-03, (2/18), Employee of the Year, Reynold Abigania, Groundskeeper, Operations Division

Board deferred Manager's Report No. 18-91 Request Board Approval of Resolution No. 18-03, (2/18), Employee of the Year, Reynold Abigania, Groundskeeper, Operations Division to the March meeting with no objections.

Chair Tokioka welcomed *Acting* Manager and Chief Engineer Mr. Steven Kyono to his first meeting.

## I. CONSENT CALENDAR

3. Manager's Report No. 18-96 - Discussion and Possible Action to approve a Grant of Easement for the former Lihu'e Courthouse Renovations with the County of Kaua'i Board of Water Supply affecting the following Landowner:
  - a. State of Hawai'i, Department of Accounting and General Services, TMK: (4)3-6-005:001, Lihu'e, Kaua'i, Hawai'i

### BACKGROUND:

Chair Tokioka mentioned there are tenants ready to move into the former Lihu'e Courthouse and to get the water turned on. All agencies including the Department of Water (DOW) need to work together.

Chief of Construction Management Mr. Moises outlined the remaining process to this project as follows:

- Certificate of Completion was drafted and emailed to Admin.; once finalized Mr. Moises will sign.
- Application of the meter installation and fee was received.
- Fiscal will create the Field Activity and Work Order to drop the meter.
- Once Mr. Moises signs off on the documents today, water could be turned on by next Friday.

**Mr. Eric Agena, District Engineer**  
**Department of Accounting and General Services (DAGS) provided his testimony.**

Mr. Agena expressed appreciation to those who worked closely with DOW. Within DAGS and DOW's control they kept this project moving. Private entities have been impacted on how long the project has taken.

Chair Tokioka thanked the staff in also getting this project done.

Mr. Shiraishi moved to approve Manager's Report No. 18-96 - Discussion and Possible Action to approve a Grant of Easement for the former Lihu'e Courthouse Renovations with the County of Kaua'i Board of Water Supply affecting the following Landowner: a) State of Hawai'i, Department of Accounting and General Services, TMK: (4)3-6-005:001, Lihu'e, Kaua'i, Hawai'i; seconded by Mr. Dill; with no objections, motion carried with 5 ayes.

1. Manager's Report No. 18-94 - Discussion and Possible Action for the Board to approve a Right of Entry letter from Grove Farm Company, Inc. for Job No. 18-01, that will allow the Department to abandon Hanamā'ulu Well No. 1 and Hanamā'ulu Well No. 2, affecting the following:
  - a. Grove Farm Company, Inc., TMK: (4) 3-8-018:001 Hanamā'ulu, Kaua'i, Hawai'i

**DISCUSSION:**

Mr. Dill referred to line item Hanamā'ulu Well No.1 & No. 2 on page 73 regarding \$200,000. Mr. Aoki clarified the \$200,000 was on a previous Manager's Report to abandon the two wells.

Mr. Shiraishi approved Manager's Report No. 18-94 - Discussion and Possible Action for the Board to approve a Right of Entry letter from Grove Farm Company, Inc. for Job No. 18-01, that will allow the Department to abandon Hanamā'ulu Well No. 1 and Hanamā'ulu Well No. 2, affecting the following: a) Grove Farm Company, Inc., TMK: (4) 3-8-018:001 Hanamā'ulu, Kaua'i, Hawai'i; seconded by Mr. Dill; with no objections, motion carried with 5 ayes.

2. Manager's Report No. 18-95 – Discussion and Possible Action to approve multiple Right of Entry Agreements with private owners that will allow the Department of Water to relocate and/or reconnect water meters for Job No. 15-07 WP2020 Project No. HE-10 (Reorganize Water System: Hanapēpē Road 6-Inch Main Replacement) affecting the following:
  - a. Paul Y. Nozaki and Sue Kajihara-Nozaki, Co-trustees of the Paul Y. Nozaki Trust, Lyle N. Nozaki, Nancy A. Nozaki, and Sidney M. Nozaki and Suzanne E. Nozaki, Co-trustees of the Sidney M. Nozaki Trust and the Suzanne E. Nozaki Trust, TMK: (4) 1-8-08:051, Hanapēpē, Kaua'i, Hawai'i

Mr. Shiraishi moved to approve Manager's Report No. 18-95 – Discussion and Possible Action to approve multiple Right of Entry Agreements with private owners that will allow the Department of Water to relocate and/or reconnect water meters for Job No. 15-07 WP2020 Project No. HE-10 (Reorganize Water System: Hanapēpē Road 6-Inch Main Replacement) affecting the following: a. Paul Y. Nozaki and Sue Kajihara-Nozaki, Co-trustees of the Paul Y. Nozaki Trust, Lyle N. Nozaki, Nancy A. Nozaki, and Sidney M. Nozaki and Suzanne E. Nozaki, Co-trustees of the Sidney M. Nozaki Trust and the Suzanne E. Nozaki Trust, TMK: (4) 1-8-08:051, Hanapēpē, Kaua'i, Hawai'i; seconded by Mr. Dill; with no objections, motion carried with 5 Ayes.

4. Manager's Report No. 18-97 – Discussion and Possible Action on Grant of Easement for Reduced Pressure Detector Assembly and Water Meter Plan for Lot 8-A, TMK: (4) 4-5-

010:001,Kapa‘a, Kaua‘i, Hawai‘i affecting the following Landowner: a) Aloiau, Inc. affecting TMK: (4) 4-5-010:001, Kapa‘a, Kaua‘i, Hawai‘i

Mr. Shiraiishi approved Manager’s Report No. 18-97 – Discussion and Possible Action on Grant of Easement for Reduced Pressure Detector Assembly and Water Meter Plan for Lot 8-A, TMK: (4) 4-5-010:001, Kapa‘a, Kaua‘i, Hawai‘i affecting the following Landowner: a) Aloiau, Inc. affecting TMK: (4) 4-5-010:001, Kapa‘a, Kaua‘i, Hawai‘i; seconded by Mr. Dill; with no objections, motion carried with 5 ayes.

The Commission Support Clerk will correct the missing number in the TMK (4) 4-5-010:001 on the Manager’s Report. The TMK in the GOE was correct.

**J. STAFF REPORTS**  
**MONTHLY**

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

**BACKGROUND:**

Waterworks Controller highlighted water sales is 5% up due to the increase of water consumption as shown on Page 83, YTD cumulative increase at 113 MG.

Received – 5 members

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

**DISCUSSION:**

The Board will be notified on the Mayor’s Proclamation for Fix a Leak Week scheduled on March 16<sup>th</sup>, 11:00 am – 11:30 am at DOW front lobby. This is in conjunction with the Environmental Protection Agency’s Water Sense Program a national wide campaign to support water conservation. This will be the DOW’s first opportunity to introduce the media partners in a proactive role.

Received – 5 members

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

**DISCUSSION:**

Operations goal is to maintain a number lower than 100 gallons per connection/loss per day. According to the Water Auditor the standard in California is 100 and 120 on the high side.

After discussion with the Board, Mr. Reyna agreed to update the Water Loss Chart (water losses per connection) to reflect sequential 12 months (oldest month to the current month) from March 2017 to February 2018.

Received – 5 members

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

**DISCUSSION:**

Mr. Shiraiishi questioned Professional Services Contract with Ashford and Wriston for Special Counsel to provide Environmental Land Use, and Regulatory Compliance Litigation and Related Legal Services

in the amount of \$25,000.00, asking if they were retained. Deputy County Attorney Krafft mentioned the contract was sent for Ashford's execution.

Received – 5 members

- a. Report of the BAB pay down as of January 2018

Received – 5 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 (March 2018)**

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

Finance Committee meetings on the Budget will be scheduled in *April*.

- A draft rate study proposal is to start a new rate increase in September 2018 or January 2019 or the next FY 2019 – 2020 which will be proposed in the budget.
- If there is no rate increase, the DOW could pay their bills.
- Construction Management will only have two projects this FY.
- Mr. Dill requested to see 1) The next billing with no rate increase for next year & 2) If there is no rate increase, projects need to be deferred.
- Mr. Dill expects a preliminary recommendation from staff to consider a rate increase with next year's FY budget and to be approved by the Finance Committee.
- Tess will provide a copy of the draft budget for the Finance Committee.

Deputy Manager Wienand clarified the draft budget which will be more involved in the Finance Committee meeting. It was not the staff's intent to put a proposed rate increase in the budget without being addressed. The recommendation will be a rate increase for next fiscal year and not July 2018 due to timing.

3. 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 2018 to June 2021 and submit an Impact Statement to the Small Business Regulatory Review Board

Finance Committee meetings on the Finance Management Planning and Water Rate Analysis will be scheduled in *March*.

- Rate Study to be completed by September 2018.
- Rate increase recommended for next FY due to timing.
- Chair Tokioka requested the rate increase steps and process and to look at a realistic timing.
- Mr. Dahilig's inquired if the State had a study or a prerequisite if rates are raised. Deputy Attorney Krafft was not sure whether or not a study is required prior to increasing rates; she would look into it.

4. 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

5. Discussion and Possible Action on Utility Agreement No. 2257 between the State of Hawai'i Department of Transportation and the Board of Water Supply, County of Kaua'i for the upcoming Hanapēpē River Bridge, Kaumuali'i Highway, Route 50, HI STP SR50 (1) Project, Hanapēpē, Kaua'i Hawai'i Water System Improvements

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

1. Workshop presentation regarding the Long Range Plan of the Department of Water's former Administration Building
2. Audit Committee Meeting
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

➤ Hiring a consultant will be added to next year's budget.

Chair Tokioka mentioned, if deferred, the DOW needs the guidance on the scope of work for the next budget and procurement could be done early in the fiscal year. It would take three months to hire a consultant.

**N. UPCOMING EVENTS**

1. Fix a Leak Week (*March 18 – 24, 2018*); Proclamation (*March 16, 2018*)
2. AWWA Conference, Las Vegas, Nevada (*June 11 – 14, 2018*)
3. Make a Splash, Project Wet (*September 20, 2018*)
4. HWWA & HRWA Conference, Lihu'e, HI (*November 7 – 9, 2018*)

**O. NEXT WATER BOARD MEETING**

1. Friday, March 23, 2018, 10:00 a.m.
2. Friday, April 27, 2018, 10:00 a.m.
3. Friday, May 25, 2018, 10:00 a.m.
4. Friday, June 22, 2018, 10:00 a.m.

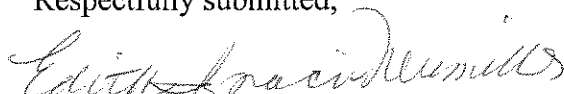
Deputy Manager Wienand expressed his gratitude on behalf of the staff for Mr. Kyono who has been great to work with in this short time.

Commission Support Clerk announced that Information and Education Specialist Jonell Kaohelaulii was promoted recently effective February 1<sup>st</sup>.

**P. ADJOURNMENT**

Mr. Dahilig moved to adjourn the Regular Board meeting at 10:58 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