

MEETING MINUTES  
BOARD OF WATER SUPPLY  
Thursday, January 22, 2015

The Board of Water Supply, County of Kaua'i, met in regular meeting at the Board Conference Room in Līhu'e on Thursday, January 22, 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. Hugh Strom  
Mr. Larry Dill (*entered meeting at 10:06 a.m.*)

EXCUSED: Mr. Raymond McCormick  
Mr. Michael Dahilig

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  
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  
Mr. Klayton Nakaahiki, County Housing Agency

**ACCEPTANCE OF AGENDA**

Mr. Nakaya moved to approve Board Chair Shiraishi's request to reorder the Agenda to move up Item #E1 - Correspondence from Ms. Malia Finazzo-Krueger, Ke Kula Pono LLC, dated December 12, 2014, regarding Class IV Zoning Permit Z-IV-2015-01, Use Permit U-2015-01, Tax Map Key No. 4-2-009-018 as amended; seconded by Ms. Ho; with no objections, motion was carried with 4 ayes.

**E. CORRESPONDENCE/ANNOUNCEMENTS**

1. Correspondence from Ms. Malia Finazzo-Krueger, Ke Kula Pono LLC, dated December 12, 2014, regarding Class IV Zoning Permit Z-IV-2015-01, Use Permit U-2015-01, Tax Map Key No. 4-2-009-018

*Ms. Malia Finazzo-Krueger and Ms. Hannah Finazzo-Krueger,  
Ke Kula Pono provided their testimony.*

Ms. Malia Finazzo-Krueger is the owner/teacher with Ke Kula Pono, an educational Hawaiian cultural group. Ke Kula Pono is a family child care facility and is licensed through the Department of Human

Services for six (6) children. A Public Hearing was held in August 2014 which approved a Use Permit contingent on the Department of Water's (DOW) approval. The Planning Department classified Ke Kula Pono as Residential R4 zoning. If the child care facility has more than six (6) children, Ms. Finazzo-Krueger would apply for the Use Permit. If the Use Permit is granted, she would be allowed to have up to 11 children at her facility.

There is a concern with Ke Kula Pono that complying with the Department's fire flow requirements will be costly and they were not sure if DOW was going to classify the property as commercial which requires more water flow than residential use. Ms. Finazzo-Krueger questioned why the DOW has not approved her request and would like the DOW to waive the condition for a Use Permit.

Chair Shiraishi referenced Ms. Finazzo-Krueger's correspondence packet and did not see a report from the DOW on their recommendations. He referred the correspondence packet to the Department for comments and recommendation.

*At 10:06 a.m., Mr. Dill entered the meeting.*

Mr. Strom commented that this is a permitting issue and not a DOW issue. He asked if Ms. Finazzo-Krueger spoke to the Fire Department.

Ms. Finazzo-Krueger stated the document identified the property as Residential R4. After receiving a table from the DOW, it classified the property as stores, retail stores, shopping centers, hotels and hospitals. This would require the property to flow 2,000 GPM in the fire hydrant. Currently the property is flowing 849 GPM.

Ms. Hannah Finazzo-Krueger mentioned receiving approval from the Fire Department and was told by DOW the Fire Department can override. According to the Fire Department this information was not correct. The Fire Department has already done an entire inspection of the facility.

Chair Shiraishi requested to have a copy of the Planning Department's Tentative Approval, then DOW would know what the other county agencies recommended and what the Department could recommend to the Board.

Mr. Dill stated that he has seen day care centers fall under the school classification. He recommended the applicant hire a Fire Protection Engineer to help them meet the fire protection requirements. Under the Rules for DOW, it does not allow this type of use.

Ms. Finazzo-Krueger has researched the options of providing the fire flow of 2,000 GPM and that would require her to change all the pipelines all the way to Kuamoo Road, which is expensive. A water sprinkler system in the room would cost over \$10,000 and is also not affordable. She has already spoken to the Fire Protection Engineer who is also expensive. She asked if it may be possible to have an addendum that would not put the facility in a large category.

Mr. Nakaya moved to receive the correspondence from Ms. Malia Finazzo-Krueger, Ke Kula Pono LLC, dated December 12, 2014, regarding Class IV Zoning Permit Z-IV-2015-01, Use Permit U-2015-01, Tax Map Key No. 4-2-009-018 and to be referred to the Department for comments and recommendations; seconded by Ms. Ho; with no objections, motion was carried with 5 ayes.

Chair Shiraishi requested background comments and recommendations from the Department and applicant regarding the Ruling. Safety concerns may be the problem with the Department's requirements regarding not deviating usage.

### **MEETING MINUTES**

#### **Review and approval:**

Regular Board Meeting – December 18, 2014

Mr. Dill moved to approve the Regular Board Meeting Minutes of December 18, 2014; seconded by Mr. Nakaya; with no objections, motion was carried with 5 ayes.

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

Executive Minutes – December 18, 2014

Mr. Dill moved to approve the Executive Session Minutes of December 18, 2014; seconded by Mr. Strom; with no objections, motion was carried with 5 ayes.

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

2. Correspondence from Mr. Tom H. Shigemoto, Vice President A&B Properties, Inc., dated January 7, 2015, regarding Reallocation of Water Commitment from Eleele Industrial Park Subdivision, TMK: (4) 2-1-001:051, to 28-acre Eleele Urban Residential Development (4) 2-1-001:Por.3 Eleele, Koloa, Kaua'i, A&B Properties, Inc. – Owner

Mr. Nakaya moved to receive the correspondence from Mr. Tom H. Shigemoto, Vice President A&B Properties, Inc., dated January 7, 2015, regarding Reallocation of Water Commitment from Eleele Industrial Park Subdivision, TMK: (4) 2-1-001:051, to 28-acre Eleele Urban Residential Development (4) 2-1-001:Por.3 Eleele, Koloa, Kaua'i, A&B Properties, Inc. – Owner; seconded by Ms. Ho; with no objections, motion was carried with 5 ayes.

### **F. BOARD COMMITTEE REPORT**

None

### **G. OLD BUSINESS**

1. Manager's Report No. 14-16 - Part 4 Fixing Rates for Water Service, Section VII Facilities Reserve Charge - Update (2)

#### **BACKGROUND:**

Manager Saiki stated the Department developed a method of charging for larger meters for multi-family and resort development. This method has been reviewed and is acceptable to Consultant, Louis Berger. The Department also met with Finance Chair, Mr. Dill and discussed the proposed draft. The draft was modified and is being finalized and being checked for legality.

#### **DISCUSSION:**

The Department is on track for the July 1st deadline and will provide the Board with a final Facilities Reserve Charge (FRC) summary to be reviewed by the Finance Committee.

Mr. Dill moved to receive the Manager's Report No. 14-16 - Part 4 Fixing Rates for Water Service, Section VII Facilities Reserve Charge – Update (2); seconded by Mr. Nakaya; with no objections, motion was carried with 5 ayes.

### **H. NEW BUSINESS**

1. Manager's Report No. 15-20 - Grant of Easement for Rice Camp Senior Housing Offsite Improvements, Lihu'e, Kaua'i, Affecting the Following Landowners

- a) County of Kaua'i., affecting TMK(s): (4) 3-6-04:09, Līhu'e, Kaua'i, Hawai'i
- b) Rice Camp Partners LP, affecting TMK(s): (4) 3-6-04:09, Līhu'e, Kaua'i, Hawai'i

**DISCUSSION:**

Construction Project Management Officer, Mr. Moises commented that common width of a DOW easement is 5 feet to 10 feet on either side of the pipe (which allows for machine access). This easement is 10 feet wide (5 feet on each side of lateral).

Mr. Dill clarified that Hoala Street is a county road which is part of the parcel and suggested to make sure there is no land locked easement.

*Klayton Nakaahiki, County Housing Agency provided his testimony.*

Mr. Nakaahiki clarified that the previous parcel was on two (2) separate TMK's. Now the parcels are consolidated and are under one (1) TMK. Hoala Road falls within the parcel; not a separate county road; the county owns the property.

DOW would follow up with County Housing on the land locked easement issue.

**DISCUSSION:**

Mr. Dill commented that DOW has affected easement rights within the county road right of ways. Hoala Street is not a county road right of way. He did not know if Hoala Street would be dedicated to the county in the future. Mr. Dill recommended the Department check if there are necessary easement rights on Hoala Street and to confirm access.

Mr. Nakaahiki mentioned the county addressed the walkability by putting in sidewalks along Hoala Street.

Mr. Moises questioned the consolidated lot/easement past the lot. Is there a county road way pass Rice Camp on Hoala Road? Mr. Dill stated the map shows Līhu'e Court Townhomes are on the Rice Camp parcel.

Mr. Dill commented to proceed with the Certificate of Completion.

Mr. Dill moved to approve Manager's Report No. 15-20 - Grant of Easement for Rice Camp Senior Housing Offsite Improvements, Līhu'e, Kaua'i, Affecting the Following Landowners, a) County of Kaua'i., affecting TMK(s): (4) 3-6-04:09, Līhu'e, Kaua'i, Hawai'i, b) Rice Camp Partners LP, affecting TMK(s): (4) 3-6-04:09, Līhu'e, Kaua'i, Hawai'i; seconded by Mr. Nakaya, with no objections, motion was carried with 5 ayes.

1. Manager's Report No. 15-21 - Discussion and Possible Action to Transfer Funds for Solicitation GS-2015-2, Furnishing and Delivery of One (1) Supercab Medium Duty Pickup Truck with Utility Body and Accessories, and One (1) 2-Wheel Drive 16,500 GVWR Cab and Chassis with Service Body, Underdeck PTO Air Compressor and Accessories

**BACKGROUND:**

Manager Saiki recommended the Board approve the transfer of funds from the Capital Outlay-Rehabilitation and Replacement/Equipment to the Capital Outlay - Expansion/Equipment.

Chief of Operations, Mr. Val Reyna explained the vehicle to be purchased will be used by the Water Service /Leak Detection investigator. Operations received a bid greater than \$32,000 over the budget at the beginning of the year. The specifications were revised and was re-bid. The re-bid, although lower

by \$12,000, was still \$20,000 over budget. There was only one (1) bid; the first bidder did not bid the second time. Mr. Dill encouraged the Department not be restrictive with the specifications to get multiple bids.

Mr. Reyna informed the Board that there was a savings realized by the Department from the bid of another vehicle purchased this year that will be used to fund this vehicle. The transfer will not affect Rehabilitation and Replacement Project budgets.

Mr. Strom inquired how the initial budget number was developed.

Mr. Reyna stated the budget was based on similar previous purchases.

A CDL is not required which was confirmed with the State Department of Transportation.

Mr. Dill moved to approve Manager's Report No. 15-21 - Discussion and Possible Action to Transfer Funds for Solicitation GS-2015-2, Furnishing and Delivery of One (1) Supercab Medium Duty Pickup Truck with Utility Body and Accessories, and One (1) 2-Wheel Drive 16,500 GVWR Cab and Chassis with Service Body, Underdeck PTO Air Compressor and Accessories; seconded by Mr. Nakaya; with no objections, motion was carried with 5 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

### **DISCUSSION:**

Mr. Dill referenced the Fiscal Report handout for December Monthly Budget Summary Highlights as follows:

*Facilities Reserve Charge (FRC) ~ Collections is down by 61% (2<sup>nd</sup> bullet)* - Mr. Dill asked when the FRC collections are projected for the budget year; did DOW anticipate the FRC increase to be in place? Water Works Controller, Ms. Yano responded and said the FRC revenue estimate was based in part on the anticipated FRC rate increase. Mr. Dill stressed that FRC should be in place by July 1, 2015.

*YTD Capital expenses remains at \$327,000, way below the cumulative capital budget of \$22.5M YTD (last bullet)* - Mr. Dill commented the Department is required to continue to proceed with the capital projects.

Mr. Nakaya moved to receive the Kaua'i County Water Department's Statement of Revenues and Expenditures, a) December Monthly Summary Budget; seconded by Mr. Dill; with no objections, motion was carried with 5 ayes.

Mr. Dill thanked the Department, Ms. Yano and Ms. Sandi Nadatani-Mendez for presenting a clearer presentation of the Budget Summary.

Chair Shiraishi noticed the Board's request to add Compensated Vacation, Sick Leave, and Compensated Comp Time were all added to Salaries & Wages as presented in the Budget Summary.

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

Ms. Ho moved to receive the Report by the Public Relations Specialist on Public Relations Activities; seconded by Mr. Dill; with no objections, motion was carried with 5 ayes.

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

Mr. Dill moved to "Receive for the Record" the Overtime Chart for Operations; seconded by Mr. Nakaya; with no objections, motion was carried with 5 ayes.

**BACKGROUND:**

At the request of Chair Shiraishi and Mr. Dill, Chief of Operations, Val Reyna included in his report the Island-wide Unbilled Water for the period 7-1-2014 to 1-1-2015 which was at 11%. Based on the Standard Operating Procedures (SOP), the Operations Division is below the 15% threshold. Investigations in Anahola showed 39.5% for December of unbilled water and YTD 31% unbilled water. Anahola is a smaller water system but had a large amount of unbilled water. The Operations crew checked for leaks, investigated the Department's source meters and customer meters (at random). Customer meters were 99% to 100% accurate. The source meters were 95% accurate with the help of new strap-on meters that checks accuracy.

The Operations crew also found a leaky hydrant. When repairs were completed, the crew noticed a 17% reduction in unbilled consumption. The trend from the Supervisory Control & Data Acquisition (SCADA) system was compared before and after repair and overnight reservoir levels unbilled water reduced to 17% which equates to approximately 31% unbilled for December. When Operations contacted the Fire Department, there was a fire that used 2 to 4 hours of fire flow which was unbilled.

The Operation crews observed more than one hydrant had pipe wrench marks around the valves, which may indicate illegal use of hydrant water.

**DISCUSSION:**

Mr. Reyna commented that Unbilled Water fiscal YTD in Anahola is 19M gallons of water. Operations also installed correlators on the valves. The investigations are done daily by the leak detection person by checking valve-to-valve and hydrant-to-hydrant listing possible leaks. One (1) small leak and one (1) larger leak was found after a meter that was billed.

The trending graph would show a fire event and could estimate how much water was used. With the SCADA data leaks with major usage could be caught. The graph would not show drastic changes unless there is a specific time of the event that Operations was aware of or if the Fire Department was using a hydrant.

Mr. Reyna mentioned the goal is to remain 11% based on the SOP; island-wide, Kaua'i is at 15%. Chair Shiraishi read an article in the Op Flow Magazine that showed 11% nationwide is a good figure and that there is always room for improvement.

Deputy County Attorney, Andrea Suzuki commented that this was discussed with the Board and the Department on what the figure should be. The former Manager previous showed data for water systems this size should be at 14.8%.

Chair Shiraishi noted that once Anahola's unaccounted water is pinned down, this will improve and lower the percentage. Once the new billing system is in place, it will be able to track unaccounted water.

Ms. Yano shared the dollar value on 19M gallons of water YTD equated to \$75,000.

Mr. Strom suggested to include in the report the accuracy testing of each water system. The goal is for Operations to investigate all the water systems that are over 15%.

Ms. Ho commented if there is an advantage to the Department on using the new meters. Manager Saiki responded by saying the new meters would be for the advantage of the homeowner and it would not be an advantage to the Department.

Chair Shiraishi thanked Mr. Reyna for addressing the Board's concerns on unbilled water.

Mr. Nakaya moved to receive the Chief of Operation's Summary Report on Operational Activities; seconded by Mr. Strom; the Manager and Chief Engineer's Monthly Update Regarding Activities of Note for the DOW; seconded by Mr. Strom; with no objections; motion was carried with 5 ayes.

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

*At 11:02 a.m., Mr. Nakaya exits the meeting.*

**BACKGROUND:**

Manager Saiki highlighted the following:

1) Personnel Matters – Update:

Assistant Water Plant Operator – Position filled effective January 5, 2015.

Clerk Dispatcher II – Filled in January.

Pipefitter Helper – Filled two (2) positions in January.

Engineering - CEV – In the process of scheduling interviews.

Water Resources & Planning Division – Received eligible list.

2) Affordable Housing Plan – Update:

Manager's Recommendation regarding the Reallocation of Water Capacity Approved for Industrial Use from Eleele Industrial Park Subdivision, TMK: 2-1-01:51 to 28-acre Eleele Urban Residential Development, TMK: 2-2-1:Por. 3, A&B Properties, Inc., Eleele, Kaua'i

Manager Saiki met and informed Mr. Tom Shigemoto, A&B that there was sufficient water source, storage and transmission capacity for the affordable housing (0.12 MGD) portion of the project. Mr. Shigemoto also agreed that DOW will not be solely allocating the 0.12 MGD to his project. If A&B came in today with a formal request for water outside the service area, the Department could give A&B the water.

**DISCUSSION:**

Currently there is no SOP regarding service outside the service area. The following questions were posed by the Board members:

Mr. Strom asked - What if someone else comes in and is requesting water outside the service area?

Chair Shiraishi asked – Is there a precedence to use against the Department in the future?

Water outside the service area will be put on the agenda to be discussed with the full Board.

- 3) Legislative - Update: Manager Saiki and Civil Engineer, Eddie Doi went to the opening of the legislature yesterday and spoke to the Kauai representatives about the Department's Capital Improvement Projects (CIP).

*At 11:09 a.m., Mr. Nakaya re-entered the meeting.*

Kauai representatives inquired if the Department should have a consultant/lobbyist which was used two (2) years ago. The representatives are willing to help the Department to move the projects in. The Department's meeting with the Kauai legislators is separate from the county due to different issues. The CIP was submitted to the county.

Mr. Dill added it would be an advantage for the county and the DOW to go together if there was an affordable housing project and water infrastructure to support the project. State CIP projects are prioritized. The cost of the county's lobbyist was \$10K.

Of the projects lobbied for in the past, it is unknown if projects were successfully funded. In 2013, the Department had a lobbyist and received funds for the Kilauea project; no funds were received for 2014. There is no action on the Department's recommendation for this year. Funds are available in Professional Services if the Department decides to request for a lobbyist according to Private Secretary, Mj Akuna.

Mr. Strom was at the legislature also and said there would be a 33-36% budget cut across the board in every department in the state. Some programs may disappear due to positions that cannot be filled.

Vacancy discussion:

Chair Shiraishi asked how vacancies are filled. Does the Department have plans for retirements? How do the employees let the Manager know they plan to retire? Do they give a two (2) week notice?

Manager Saiki said most employees do not give a two (2) week notice. The retired employee's position is the hardest to fill because they get paid out over time. During that time, the Department cannot fill the position which might take up to six (6) months.

Ms. Yano explained the hiring process can begin as soon as the notice of retirement is received. After the employee has been paid their retirement pay, the position can be filled. Sometimes the employee changes their mind and doesn't retire and if the job was posted before the employee retired, there would be two people for one job.

On Mr. Moises quarterly status report, Chair Shiraishi mentioned that 20 months have pass and three (3) vacancies have not been filled. A letter has been drafted to HR earlier this week as a follow up. If the Department does not hear back from HR, the Department will send a letter to the Civil Service Commission. Manager Saiki stated before a letter is sent to the Civil Service Commission, he will meet with the HR Director on the status of the vacancies. The Department has also sent HR follow up memos monthly and made monthly calls.

Mr. Strom suggested at Board meetings we should look at each Department section and to come up with Position Descriptions (PD) and a wage evaluation compared to the industry statewide. Part of the recruitment is not having updated PD's and proper compensation for wages. Based on the current PD's and compensation, the Department would not attract qualified applicants. Improvement on PD's and compensation can also be used across the county.



Manager Saiki commented that there is nothing that can be done about compensation. Applicants for other positions can be found except for Engineering. It would be challenging to adjust an Engineer's CEV pay who has a Professional Engineering (PE) license. The Engineer's PD can be reassessed but their pay may not be any higher. Entry level pay is low when a person is hired and the base pay is even lower. Mr. Strom would like to see equality and fairness across the Department.

Chair Shiraishi understood Mr. Strom's suggestion but the Board would have to deal with the Collective Bargaining Agreement (CBA). Chair Shiraishi will work with Mr. Strom on his suggested study on the needs of the Department, to consider updating Position Descriptions (PD), proper compensation across the Department and a succession plan.

Manager Saiki commented that there is a staffing issue because Engineering is understaffed and can't get the projects out. Chair Shiraishi agreed that the positions need to be filled and that the Department needs to follow up with HR.

Mr. Moises added that historically there has only been three (3) Engineers to do Design but eventually it will be a matter of time when projects go out. Being the only Engineer in Construction Management (CM) will be a challenge. Mr. Moises also mentioned eight (8) years ago the Department discussed goals to attract and attain staff.

Mr. Strom suggested to revisit the Strategic Plan in order to move the Department forward and to update it every three (3) years. An internal champion needs to report on the status every month to adopt a Strategic Plan.

*At 11:30 a.m., Mr. Dill exited the meeting.*

4. Manager's Goals – Update, Item #4 - Mr. Nakaya and Mr. Strom will meet on the State Management Mentoring Grant.

Mr. Nakaya moved to receive the Manager and Chief Engineer's Monthly Update Regarding Activities of Note for the DOW; seconded by Ms. Ho; with no objections, motion was carried with 4 ayes.

- a. Report of the BAB pay down as of December 2014

Mr. Nakaya moved to receive the Report of the BAB pay down as of December 2014; seconded by Ms. Ho; with no objections, motion was carried with 4 ayes.

*At 11:34 a.m., Mr. Dill re-entered the meeting.*

#### **QUARTERLY** (October – December 2014)

1. Discussion and Receipt of the DOW's Quarterly Project Status Update
  - a. Construction Management Division Status

#### **BACKGROUND:**

Mr. Moises is working on the following Construction Management (CM) projects:

- Water line designs with State Department of Transportation.
- Haleko Road – Public Works was commended for working quickly on the design with Mr. Moises and the consultants.
- Construction - The dust screen for the Lihue Baseyard Improvements will be done next week.
- Maka Ridge – Will get the building permit; met with MEI Corporation to finalize payment next week.

Mr. Dill moved to receive the DOW's Quarterly Project Status Update for the Construction Management Division Status; seconded by Mr. Nakaya; with no objections, motion was carried with 5 ayes.

b. Engineering Division Design Status

**BACKGROUND:**

Civil Engineer, Mr. Aoki is currently working on the following Design projects:

- Negotiations on the Hanapēpē Stream project.
- Eight (8) new private projects were submitted this quarter.
- Six (6) design projects to be completed this fiscal year.

**DISCUSSION:**

Mr. Dill wanted to make sure there is coordination on the 'Anini bridge crossing water line #2 replacement. Mr. Aoki stated additional funding will be requested to cross the bridge. The pipe will be placed on the side of the bridge. Mr. Aoki is already working with Public Works.

Chair Shiraishi brought up Exhibit A (in the Manager's Update report) which are Designs that will be completed the end of this fiscal year.

Mr. Moises mentioned that if the design projects go out this fiscal year, within 3 months, the projects would be in construction. It would be a challenge for one person to work on construction projects. An on-call/as needed CM is budgeted at \$50K which will go fast. Mr. Moises would need \$500K to complete projects and it would be beneficial to hire an Engineer to run multiple projects.

Mr. Strom added if projects are State Revolving loan (SRF), it would allow Engineering or CM to be attached to each project to assist the Department with initial issues. This person could help train while the Department is still recruiting. Mr. Moises already met with the Department of Health (DOH) and none of the projects are SRF funded. Only the Līhu'e Baseyard Improvements project is SRF and the Department is trying to spend down the bond funds. The final SRF loan agreement will be signed soon. Mr. Strom suggested to see if the SRF can be modified.

Mr. Nakaya moved to receive the DOW's Quarterly Project Status Update for the Engineer Division Design status; seconded by Ms. Ho; with no objections, motion was carried with 5 ayes.

c. Water Resources & Planning Status

**BACKGROUND:**

Civil Engineer, Mr. Doi summarized the following for Water Resources & Planning (WRP):

- WRP worked on completing the Facility Reserve Charge (FRC) which goes through a process with other entities that takes time. To meet the deadline, completing the FRC will first go through WRP before it goes to the Board and then to the Small Business Regulatory Review Board (SBRRB). If SBRRB has comments, it goes back to the Board, then to Public Hearing. If there are substantive changes, it will go back to SBRRB and then back to the Board. Deputy County Attorney, Andrea Suzuki currently has the FRC for legal review. The FRC would not be ready to go to SBRRB in February. She is reviewing different methods for similar uses. WRP will present a timeline on the FRC process at the next Board meeting.
- A couple of meter restrictions were lifted because they were not restricted by the Board.

Mr. Dill asked what prompted the rescinding of the restrictions?

Mr. Doi stated the previous restriction for Kōloa was imposed by the previous Manager and for lack of action WRP decided to lift the restriction. Līhu'e-Puhi is treated as one (1) system WRP rearranged the

pumps and put a pump on standby and another as primary pump. One (1) standby could be used instead of two (2) standbys for one water system.

The Board requested WRP provide a list of source and storage water restrictions that were Board approved and Department approved.

Mr. Dill moved to receive the DOW's Quarterly Project Status Update for the Water Resources & Planning Status; seconded by Mr. Nakaya; with no objections, motion was carried with 5 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 (HRS) Section 92-4, 92-5(a)(4), the purpose of this executive session is to review executive session minutes dated December 18, 2014. 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)*

At 11:52 a.m., Deputy County Attorney, Andrea Suzuki read the following Executive Session language:

*2. Pursuant to Hawai'i Revised Statutes Sections 92-4 and 92-5(a)(4), the purpose of this executive session is to provide the Board with a briefing regarding a request from the County of Kaua'i Council. This briefing and consultation with the Board counsel involves the consideration of the powers, duties, privileges, immunities and/or liabilities of the Board and the Department as they relate to this request.*

Mr. Nakaya moved to go into Executive Session; seconded by Mr. Dill; with no objections, motion was carried with a show of the Board members hands – 5 ayes.

At 12:22 p.m., Chair Shiraishi called the Regular Board meeting back to order.

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

- 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. 14-16 - Part 4 Fixing Rates for Water Service, Section VII Facilities Reserve Charge – *Update (3)**
- 3. Discussion and Possible Action regarding the New Billing System Proposal*
- 4. Discussion and Possible Action regarding the DOW Strategic Plan, Performance Audit and Succession Planning (include Performance & Goals)*

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

- 1. 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)*
- 2. Discussion and Possible Action of Proposed Delegation of a Meter Restriction Board Policy No. 30*
  - Provide policy for water demands for any project or affordable housing projects outside the service area (include source, storage, and transmission).*
- 3. Employee of the Year Resolution*
- 4. Proposed FY15-16 Budget*

**M. UPCOMING EVENTS**

1. AWWA Annual Conference, Anaheim, CA *(June 7-10, 2015)*
2. HWWA Hawai'i Section Conference, Honolulu, HI *(October 14-16, 2015)*

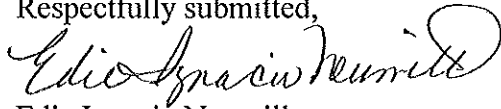
**N. NEXT WATER BOARD MEETING**

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

**O. ADJOURNMENT**

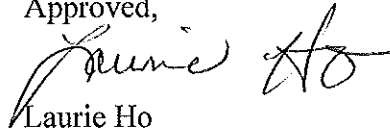
Mr. Dill moved to adjourn the Regular Board Meeting at 12:30 p.m.; seconded by Mr. Strom; with no objections, motion carried with 5 ayes.

Respectfully submitted,



Edie Ignacio Neumiller  
Commission Support Clerk

Approved,



Laurie Ho  
Secretary – Board of Water Supply