

MEETING MINUTES
BOARD OF WATER SUPPLY
January 26, 2018

The Board of Water Supply, County of Kaua'i, met in regular meeting at the Board Conference Room in Līhu'e on Friday, January 26, 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
Ms. Laurie Ho
Mr. Lyle Tabata
Mr. Thomas Canute
Mr. Lawrence Dill

EXCUSED: Mr. Michael Dahilig

Quorum was achieved with 6 members present at Roll Call.

STAFF:

Mr. Kirk Saiki	Mr. Bryan Wienand
Mr. Valentino Reyna	Mrs. Sandi Nadatani-Mendez
Mr. Edward Doi	Mr. Michael Hinazumi
Mrs. Jonell Kaohelaulii	Mrs. Marites Yano
Mr. Dustin Moises	Mr. Ryan Smith
Mr. Carl Arume	Mr. Eric Fujikawa
Deputy County Attorney Mahealani Krafft	Ms. Christine Erorita

GUEST(s) Mr. Hall Parrott, Private Citizen
Ms. Maren Ansmendez, Esaki Surveying & Mapping

C. ACCEPTANCE OF AGENDA

Mr. Dill moved to reorder the Agenda to move up New Business No. 1, Manager's Report 18-89; seconded by Mr. Canute; with no objections, motion carried with 6 ayes.

H. NEW BUSINESS

1. Manager's Report No. 18-89 - Discussion and Possible Action on the Grant of Easement for the 8-Inch Waterline along Puu Road, Kōloa, Kaua'i, Hawai'i Affecting the Following Landowner:
 - a. Walter D. McBryde Trust affecting TMK: (4) 2-3-005:021

BACKGROUND:

Manager Saiki mentioned that the Department recommended the approval of the Grant of Easement for the 8-Inch Waterline along Puu Road, Kōloa.

DISCUSSION:

Mr. Dill questioned if there was a water meter installed that was not being used? Chief of Construction Management Mr. Moises explained this was related to the Phillips project, the old water line that is being conveyed and closing out the Certificate of Completion (COC).

Ms. Maren Ansmendez, Esaki Surveying & Mapping provided her testimony.

Ms. Ansmendez thanked the Department of Water (DOW) and Mr. Dustin Moises in assisting Esaki Surveying & Mapping in finalizing the last housekeeping issues on the water line and getting the COC.

Mr. Shiraishi moved to approve Manager's Report No. 18-89 - Discussion and Possible Action on the Grant of Easement for 8-Inch Waterline along Puu Road, Kōloa, Kaua'i, Hawai'i Affecting the Following Landowner: a. Walter D. McBryde Trust affecting TMK: (4) 2-3-005:021; seconded by Mr. Canute; with no objections, motion carried with 6 ayes.

D. MEETING MINUTES

Review and approval of:

Regular Board Meeting – December 22, 2017

Mr. Canute moved to approve the Regular Board Meeting minutes of December 22, 2017; seconded by Mr. Tabata; with no objections, motion carried with 6 ayes.

Special Board Meeting – December 8, 2017

Mr. Canute moved to approve the Special Board meeting minutes of December 8, 2017; seconded by Mr. Tabata; with no objections, motion carried with 6 ayes.

Review and approval of:

Executive Session – December 22, 2017

Mr. Tabata moved to approve the Executive Session minutes of December 22, 2017; seconded by Mr. Shiraishi; with no objections, motion carried with 6 ayes.

E. CORRESPONDENCE/ANNOUNCEMENTS

1. Selection of an Acting Manager and Chief Engineer

Chair Tokioka announced the Board selected Mr. Steve Kyono as the Acting Manager and Chief Engineer effective February 12th for three months during the transition for a permanent Manager and Chief Engineer. The Board is excited to have Mr. Kyono provide stability for the DOW.

F. BOARD COMMITTEE & PERMITTED INTERACTION GROUP REPORTS

1. Discussion and Receipt of the Permitted Interaction Group Report for the Recruitment and Recommendation of a Manager and Chief Engineer

Chair Tokioka mentioned the recruitment of a Manager and Chief Engineer will be posted two (2) times in media outlets and on line starting Sunday, January 28th, in the Honolulu Star Advertiser and The Garden Island (County website, DOW website, AWWA & HWWA websites and Midweek O'ahu and Midweek Kaua'i publications). Recruitment Deadline: March 16th but may be extended pending Professional Engineer (P.E.) certification for Hawai'i. The Permitted Interaction Group will reconvene before March 16th to consider extending the recruitment deadline if needed.

G. OLD BUSINESS

1. Manager's Report No. 18-65 (Update) - Discussion and Possible Action on Part 2 Rules and Regulation for Water Service Connections to address Landlord and/or Property Managers and Tenant issues
 - a. Section I – Definitions
 - b. Section III – Conservation Measures and Interruption of Water Supply
 - c. Section IV – Elevation Agreement, Pressure Controls
 - d. Section V – Application for Water Service and Service Connection

BACKGROUND:

Manager Saiki mentioned at previous Board meetings, there was a discussion regarding protecting the Department against tenants who leave town with unpaid water bills. Without doing a Rule change, the Board suggested to review and increase the deposit amount. The Department looked at the island as whole with an average water bill of \$210.00 (all meter sizes). If 6 inch meter owners are paying \$210.00, this would not cover a portion of water. The Department recommended Option 1, a tiered structure of a 5/8 inch meter = \$210.00.

DISCUSSION:

Waterworks Controller Mrs. Yano indicated that the current deposit is \$90.00 for all delinquent 5/8" water meter users who are easier to collect from compared to commercial users. Based on the computer system, termination of service is 90 days; Fiscal then prepares for meter cuts. Larger delinquencies occur when there are leaks on the property (exemptions).

Comments from:

Mr. Canute – There are hardships with deposits for rent and utilities.

Mr. Dill – New hook up users with Kaua'i Island Utility Coop get their (\$200) deposit back after one year with a good billing history.

Mr. Shiraishi – Refunding \$210.00 after one year will not cure an initial hardship.

Mr. Tabata - opposed Option 1 or any increases.

Chair Tokioka said if the Department deviates from Part 2, the Department would be in violation. Mrs. Yano said the Department only collects for three months. Chair commented the Rules could be revised to make sure the Department is compliant. (Refer to Page 25 No. 5 on current Rules).

Option 2: Increase tenant's deposit to \$210.00 for all meter sizes, using the 5/8" meter average water bill as the basis for the amount.

Mr. Shiraishi moved to approve *Option 2* in Manager's Report No. 18-65 (Update) - Discussion and Possible Action on Part 2 Rules and Regulation for Water Service Connections to address Landlord and/or Property Managers and Tenant issues; seconded by Ms. Ho; with no objections, motion carried with 5 ayes and 1 nay (LT).

H. NEW BUSINESS (Cont'd)

2. Manager's Report No. 18-90 - Discussion and Possible Action to Begin the Design Procurement Solicitation for Job No. 18-2, Island-Wide Rehabilitation of Department of Water's Storage Tanks in the amount of \$650,000.00

- a. Puhi 5 Tank: 0.5 MG, within the Puhi-Līhu'e-Hanamā'ulu Water System
- b. Paanau #1: 0.25 MG, within the Koloa-Po'ipū Water System
- c. Maha'uilepu Tank #1: 1.5 MG, within the Koloa-Po'ipū Water System
- d. Makaleha Tank: 1.0 MG, within the Wailua-Kapa'a Water System
- e. Kaua'i Inn Tank: 0.25 MG, within the Puhi-Lihue-Hanamā'ulu Water System
- f. Nonou Tank: 2.0 MG, within the Wailua-Kapa'a Water System

BACKGROUND:

Deputy Manager Mr. Wienand commented on the discovery of Polychlorinated Biphenyls (PCB) in the Paua Valley Tank led the Department to look at concrete tanks around the island prior to 1980. Staff inspected and tested 16 tanks with no visual indication of PCB. The 16 tanks have been prioritized by Civil Engineer Mr. Aoki and Mr. Fujikawa according to Operational needs and Water Resources & Planning.

Funding for the first six (6) tanks is needed to test for PCB with additional funding for design & research to rehab the tanks (to avoid an impact to the system if taken off line). Funding does not include the cost of rehab, relining or coating of the tank. If PCB is detected, it would require a cost and subsequent testing by the Environmental Protection Agency (EPA).

The scope has been identified and solicitation of funds is approved. Completion for procurement and a consultant would be in four months. An option is to test all six tanks at the same time since PCB is not anticipated to be found. If three tanks are tested with PCB, all three tanks would be taken off line which would be an operational hardship.

Water Microbiologist Mr. Arume took samples of tanks built around the same time that had no PCB. One tank had a leak with a black lining that had an oily scum layer. As a precaution, consultants tested the tank which came up positive with PCB.

EPA is a mandated testing has started for Phase 2 and Phase 5 every three years to run different contaminants at all sources. Paua Valley Tank had visual flacking and oily sheen. Mr. Dill applauded the Department for being proactive in the testing.

Mr. Dill moved to approve Manager's Report No. 18-90 - Discussion and Possible Action to Begin the Design Procurement Solicitation for Job No. 18-2, Island-Wide Rehabilitation of Department of Water's Storage Tanks in the amount of \$650,000.00; seconded by Ms. Ho; with no objections, motion carried with 6 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

BACKGROUND:

Waterworks Controller Mrs. Yano reported the Department is ahead of revenue collections due to the increase of water consumption and more customers. Refer to Page 44, Item V for Ongoing Fiscal projects.

Received – 6 members

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

BACKGROUND:

Information Specialist Mrs. Kaohelaulii explained that the Kaua'i Family Magazine is a quarterly publication that goes to the schools and other locations.

Received – 6 members

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

BACKGROUND:

Chief of Operations Mr. Reyna highlighted two charts on the Monthly Water Consumption charts for 2016 & 2017. Water loss for 2016 = 12.5% water loss; water loss for 2017 = 10.4% water loss, and saved \$118,000 for the year. Operations was aggressive with leak repairs and leak detection.

DISCUSSION:

A single digit percentage is the standard industry goal. Manager Saiki mentioned that the numbers do not reflect the water loss in the system; numbers monitor water loss. Mr. Reyna will prepare a graph on the last 12 months data average of water loss for future reports.

Received – 6 members

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:

Water Quality Report (Page 73) reflected information from Mr. Arume's Water Quality report.

Update on Kapaia 18" water line:

Deputy Manager Wienand reported on:

- Draft Environmental Assessment (DEA) was completed and mailed yesterday to the Environmental Quality Control before the January 29th deadline.
- DEA to be published February 8th of the Environmental Notice. There will be a 30 day public comment period. Design will be completed in a few weeks. After the public comment period on the second week of March, the design could be signed off. If there are public comments, the drawings will not be signed off.
- This is a low bid solicitation
- Project should be out before the June 30th deadline for State funds. Chair Tokioka thanked the Deputy Manager, Deputy Attorney Krafft and other staff who worked on meeting the deadlines for this process.

Use and Occupancy Agreement:

The UOA is with the State for abandoning existing pipe in the highway.

- Agreement is pending approval with the State requesting a waiver for abandoning existing pipe with DOT. Approval letter was signed July 2017.
- Deputy Manager Wienand will send a copy of the letter requesting a waiver to Mr. Dill who agreed to follow up.

Claims Report:

Deputy County Attorney Krafft said the Claims Report was missing in the Manager's Update.

- Two Claims for vehicle damages will be *amended* on the February report in the amount of: \$2,274.02 and \$2,698.05.

Received – 6 members

- a. Report of the BAB pay down as of December 2017

Received – 6 members

QUARTERLY (October – December 2017)

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

BACKGROUND:

Chief of Construction Management Mr. Moises highlighted the following in the Executive Summary:

1. Mr. Moises continues to assist Engineering Division with design review.
2. Procurement process is changing to low bid to meet the June 30th encumbrances; Request for Proposal (RFP) is lengthy. Kapaia water line, Hanapēpē water line, and Kapa'a Well No. 4 will go to low bid. Mr. Moises acknowledged Deputy Manager Wienand and Mr. Keith Aoki for a good job on providing good EA comments for Kapaia project.
3. Line Item – Project Management Software (Page 81) – A pilot project will be rolled out on the Eleele Booster Replacement project early 2018; Notice To Proceed (NTP) will be given out later this month; fully implemented the end of this fiscal year. Mr. Moises thanked Information Technology Officer Mr. Jeff Mendez and Information Technology Specialist, Mrs. Sandi Nadatani-Mendez for the PM software.

DISCUSSION:

Kapaia Haul Cane Road 18" Water Main (Page 87) - **Optimistic estimate at this time – DOW Construction Management (CM) will procure no more than six projects per year or have more than 6 active project due to staffing capabilities.* Mr. Shiraishi questioned if this would affect the efforts in encumbering funds? Mr. Moises mentioned optimistic and efforts are to try and to wait for the results from the EA. Mr. Moises said it is an option to hire a consultant for other projects could be done in house. CM is hiring a CE III to be reallocated to a CE V and an Inspector. Mr. Moises will continue to use a supplement CM and two "as needed" CM open contracts that could be pulled. The June 2018 anticipated NTP has items that might be beyond internal controls. If the EA is challenged in court, then the funds may not be encumbered but should be covered.

Received – 6 members

- b. Engineering Division Design Status

BACKGROUND:

Deputy Manager Wienand highlighted the following State funded projects;

1. Kapaia Cane Haul Road – (covered earlier).
2. Hanapēpē Eleele Connecting Pipeline is on track to be completed; drawings were mailed for signatures. Engineering sent a request to waive the requirement (UOA) for execution of construction; a low bid will expedite solicitation.
3. Kapa'a Homesteads 325' Two (2) 0.5 MB Tanks – drain line to be finalized in two weeks; the well is complete; template for the low bid is being updated for procurement.

Other Updates:

1. Kalāheo Water System Improvements – Civil Engineer Mr. Eric Fujikawa pushed this project along. Design is 95% completed; ready for construction this summer. Projects will be staggered during solicitation.
2. Hanalei Water Line Improvements – The archeological monitoring plan is complete; ready for construction.
3. Hā'ena 0.2 MG Storage Tank – To be completed in May 2018.
4. Kīlauea Wells, Monitoring Control Center (MCC) – To be completed May 2018.
5. Rehab Paua Valley Tank – is moving along.

6. Kukuioolono 0.5 MG Tank – progress with land agreement.
7. Kīlauea Storage Tank – need use permits, approved last month; contract should be executed soon.

DISCUSSION:

Mr. Shiraishi inquired about WK-8 Kapa‘a Homestead 325’ Tanks and Two 0.5MG Tanks (Page 107). Package A/drain line and Package B/tank design. He asked why is Packet B going to finish the 3rd Quarter when it has been in design for a long time? Deputy Manager Wienand explained the prioritizing of the drain line to make sure it can be finished effective February. Kapa‘a Well No. 4 has State funds appropriated. Package A/drain line is necessary to package together for construction. In August, the consultant was asked to prioritize the drain line. The well and the drain line will be done first. There was a six month gap for the consultant to focus on the drain line to be done within 180 days which is on track. The next 180 days to August to finish design of the tanks is at the 90% to 95% level.

Mr. Shiraishi was familiar with this before he came on the Board and has clients who are adjacent to the project lot. He thought the tank design would have been completed by now. Deputy Manager Wienand said State funding for the well could be encumbered this year.

Chair Tokioka appreciated Deputy Manager Wienand stepping into this position and to work together with Mr. Steve Kyono during the transition. The Board is working quickly to fill the Manager and Chief Engineer position.

Received – 6 members

c. Water Resources & Planning Division Status

BACKGROUND:

Chief of Water Resources and Planning (WRP) Mr. Doi highlighted that building permits are picking up based on the economy. WRP has gotten used to the new electronic filing system and mentioned that better equipment may be needed. February 1st the new electronic building permit software begins County wide.

DISCUSSION:

Mr. Tabata mentioned public and agency software trainings have already begun. The Board would like to know if there is any hardware or software needed to improve the permit processing with WRP.

Updating Water Zone Codes (Page 116) – Water zones are the pressure areas. WR&P are cross checking and correcting the water zone codes that are tied to the meter. Water zone code updates will be conveyed to the Billing Section. The zones are being identified for source, storage tracking to determine the capacity of the tank.

Received – 6 members

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).

K. TOPICS FOR NEXT WATER BOARD MEETING (February 2018)

1. Request Board Approval of Resolution No. 18-03, (2/18), Employee of the Year, Reynold Abigania, Groundskeeper, Operations Division
2. Request Board Approval of Resolution No. 18-04, (2/18), Employee of the Year, Bryan Wienand, Deputy Manager, Department of Water

L. TOPICS FOR FUTURE WATER BOARD MEETINGS

1. 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
 - Will be worked on and to possibly move up for *February* Board meeting.
2. Workshop presentation regarding the Long Range Plan of the Department of Water's former Administration Building
3. 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, Kaunualii Highway, Route 50, HI STP SR50 (1) Project, Hanapēpē, Kaua'i Hawai'i Water System Improvements
 - Move up to Topics for *February* if report is ready.
 - Mr. Dill will follow up if there are any delays on this project. (CFL Federal lands project). Traffic to be open by March. Utility agreement has not been received yet.
4. Draft Budget for Fiscal Year 2018-2019 (March 2018)
 - a. Fiscal Year 2018 - 2019 – Draft Operating Budget
 - b. Fiscal Year 2018 - 2019 – Draft Capital Outlay Budget
5. 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: (March 2018)
 - a. Capital Budget
 - b. Operating Budget
 - c. Reserves
 - d. Debt
 - Waterworks Controller, Ms. Yano will prepare information in Fiscal's February Monthly Staff report.
 - Prepare full presentation at the March Regular Board Meeting on the adoption of Fiscal policies.
6. Audit Committee Report (Update) on the Performance Audit
 - Schedule Audit Committee meeting

M. UPCOMING EVENTS

1. AWWA, HWWA, HWEA Joint Conference, Honolulu, Hawaii (February 6 – 8, 2018)
2. AWWA Conference, Las Vegas, Nevada (June 11 – 14, 2018) M. Dahilig, L. Tabata & T. Canute to attend
3. Make a Splash, Project Wet (September 20, 2018)
4. HWWA & HRWA Conference, Līhu'e, Hawaii (November 7 – 9, 2018)

N. NEXT WATER BOARD MEETING

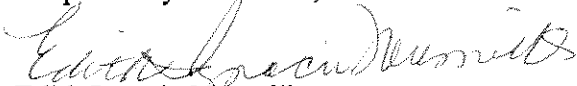
1. Friday, February 23, 2018, 10:00 a.m.
2. Friday, March 23, 2018, 10:00 a.m.
3. Friday, April 27, 2018, 10:00 a.m.
4. Friday, May 25, 2018, 10:00 a.m.
5. Audit Committee Meeting on the Status of the Performance Audit (Pending)

As past Chairperson, Mr. Shiraiishi acknowledged Manager Saiki's last meeting and thanked him for his service to the Board.

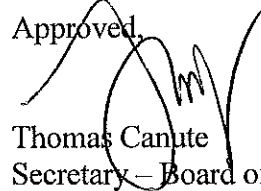
O. ADJOURNMENT

Ms. Ho moved to adjourn the Regular Board meeting at 11:19 a.m.; seconded by Mr. Canute; with no objections, motion carried with 6 ayes.

Respectfully submitted,


Edith Ignacio Neumiller
Commission Support Clerk

Approved,


Thomas Canute
Secretary – Board of Water Supply