

MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday, July 24, 2014

The Board of Water Supply, County of Kaua'i, met in regular meeting at the Board Conference Room in Līhu'e on Thursday, July 24, 2014. Chairperson Clyde Nakaya called the meeting to order at 10:02 a.m. The following Board members were present:

BOARD: Mr. Clyde Nakaya, *Chairperson*
Mr. Sherman Shiraishi, *Vice Chair*
Mr. Hugh Strom
Mr. Raymond McCormick
Mr. Larry Dill
Ms. Laurie Ho *(10:06 a.m. entered meeting)*

EXCUSED/ABSENT: Mr. Michael Dahilig

Quorum was achieved with 5 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. Mary-jane Akuna

GUESTS: Deputy County Attorney, Steve Hall
Mr. Hall Parrot, Private Citizen
Mr. Justine Duarte, Private Citizen
Mr. Chris Singleton, Managing Member, Makalea Garden Subdivision

ACCEPTANCE OF AGENDA

Mr. Dill moved to accept the agenda; seconded by Mr. Shiraishi; with no objections, motion was carried with 5 ayes.

MEETING MINUTES

Review and approval of Executive Session:

Executive Session – June 26, 2014 – minutes were reviewed in Executive Session.

E. CORRESPONDENCE/ANNOUNCEMENTS

None

F. BOARD COMMITTEE REPORTS

None

G. OLD BUSINESS

1. Manager's Report No. 14-54 – Proposed Revised Board Policy No. 26, Emergency Reserve Fund and Proposed Board Policy No. 27, Debt Service Reserve Fund (DSRF)

BACKGROUND:

Waterworks Controller, Marites Yano went over out the changes in Draft #2 of the Proposed Revised Board Policy No. 26.

Mr. Shiraishi moved to Receive for the Record the Proposed Revised Board Policy No. 26, Emergency Reserve Fund; seconded by Mr. Dill; with no objections, motion carried with 5 ayes.

RECEIVED FOR THE RECORD

7-24-14

BOARD OF WATER SUPPLY POLICY NO. 26

Re: Emergency Reserve Fund (ERF)

The Board of Water Supply (BOW) deems it prudent to establish an Emergency Reserve Fund (ERF).

Purpose: The purpose of this policy is to set aside funds that may be used in emergencies, disasters, or other severe crises during which times the Department of Water (DOW) may be unable to collect sufficient revenues to pay necessary expenditures. The establishment of the ERF provides a separate fund for the DOW to use that is not to be used for normal and ordinary business purposes.

Establishment of the Emergency Reserve Fund (ERF): The DOW shall establish and maintain the ERF in an amount equal to the lesser of \$6M or 25% of the DOW's Total Operating Expenses budget, excluding Debt Interest Payments expenses, Depreciation Expenses and any other non-cash expenditure in the budget. The amount in the ERF shall be reviewed and approved annually during the preparation of the DOW annual operating and capital budget.

ERF Requirements:

1. The ERF shall be funded from the DOW's general operating account.
2. A separate general ledger fund account shall be established and maintained.
3. At the beginning of each fiscal year, the ERF shall be adjusted to equal 25% of the fiscal year's total operating budget, excluding debt interest payments, depreciation expenses and any other non-cash expenditure in the budget. An accounting entry to "transfer in" or "transfer out" funds in the ERF shall be done in accordance with the approved annual operating budget to record the adjustment.
4. No disbursements from the ERF shall be allowed unless and until the BOW determines that an emergency, disaster, or severe crisis exists and that the DOW's anticipated revenues are or will be insufficient to pay necessary expenditures.

Operating Procedures:

1. The DOW shall procure or maintain emergency standby contracts for materials, services and equipment not to exceed \$300,000 in the aggregate, which may be increased by 1% each year. The DOW shall periodically (but not less than annually) report to the BOW of the emergency standby contracts entered into by the DOW.
2. Labor is to be furnished from DOW staff. If necessary, emergency labor may be utilized up to a maximum of \$225,000, which may be increased by 1% each year.
3. After BOW authorization of expenditures from the ERF, the DOW shall provide the BOW with monthly (or more frequently if required by the BOW) reports of expenses and reimbursements from the emergency standby contracts, amounts invoiced and labor expenditures.
4. BOW approval shall be required for the following:
 - a. Contract amendment for any contract in danger of running short of funds; and,
 - b. Labor costs in excess of \$225,000.

APPROVED BY:

Date:

Chairperson, Board of Water Supply

RE: EMERGENCY RESERVE FUND (ERF)

Effective date: _____

At 10:06 a.m. LH entered the meeting.

DISCUSSION:

The revisions were done by Mr. Shiraiishi from the existing Board Policy No. 26.

Based on a comment previously made by Chief of Operations, Mr. Reyna under **Operating Procedures**, (bottom of Page 1) – No. 1 – “The Department shall procure or maintain emergency standby contracts for materials, services and equipment not to exceed \$300,000 in the aggregate...” The Kalāheo Well emergency amount exceeded \$300,000. This should could be capped or at the discretion of the Board because the dollar amount is not as important as having the contract in place. The Emergency standby

contract would allow getting the contractor on the site as soon as possible, then the money would be assessed before coming to the Board. If services are needed, the Department would pay for time and materials. Mr. Shiraishi suggested deleting the dollar requirement.

Mr. Dill referred to Establishment of the Emergency Reserve Fund (ERF), Page 1, Paragraph 3 - ... *"maintain the ERF in an amount equal to the lesser of \$6M or 25% of the DOW's Total Expenses budget..."* The Department could operate for three (3) months if unable to collect revenues for a major hurricane. Mr. Dill inquired why this sentence stated "lesser" instead of "greater."

Based on the Water Rate Study, this was capped at \$6M due to yearly increased operating expenses. Fiscal will provide reasons why the Water Rate Study made this recommendation.

Also, before the Emergency Reserve Fund could be used, all other funds need to be expended.

Mr. Shiraishi moved to defer Manager's Report No. 14-54 to the August Board meeting to consult with Fiscal and Operations; seconded by Mr. McCormick to:

- 1) Clean up the language in the Operating Procedures No. 1
- 2) Discuss the issues and reasons regarding the \$6M based on the Water Rate Study recommendation.
- 3) Check the other county's Board of Water Supply policy items.

Mr. Shiraishi withdrew his motion; Mr. McCormick withdrew his 2nd.

Mr. Shiraishi moved to defer only Proposed Revised Board Policy No. 26 to the August Board meeting; seconded by Mr. McCormick; with no objections, motion carried with 6 ayes.

Mr. Shiraishi moved to approve the Proposed Revised Board Policy No. 27 Debt Service Reserve Fund (DSRF); seconded by Mr. Dill; with no objections, motion was carried with 6 ayes.

H. NEW BUSINESS

1. Manager's Report 15 – 02 – Discussion and Approval of Proposed Amendments to Kapa'a Homesteads Meter Restriction Policy Established on August 14, 2002

BACKGROUND:

Acting Manager and Chief Engineer, Mr. Saiki recommended that the existing Restriction Storage Policy for Kapa'a Homestead Water System which was approved on August 14, 2002 be amended. When the \$4M tank was constructed, the restriction switched from storage to source.

Recommended changes and concerns were discussed:

Paragraph 3, 2nd line – *"The Department of Water will not approve requests for water service beyond the first five single family dwelling units and/or first five- 5/8-inch water meters per existing lot of record."*

Paragraph 4, 1st line – "This interim policy shall be in effect for three [~~five~~] years until the construction of either the new..."

Deputy County Attorney, Mr. Hall will check if Board action is required or not on the recommendations.

*Mr. Chris Singleton, Managing Member, Makalea Garden Subdivision,
Kapa'a, Kawaihau District provided his testimony.*

Mr. Singleton commented on an August 29, 2013 letter requesting six (6) water meters for his subdivision and noted that millions of dollars were spent to get the project started. He expected the Department of Water (DOW) to deliver the requested meters. The August 29th letter did not mention he had to get more source and storage. He felt that the DOW was in violation of its own 2002 policy.

In January, Mr. Singleton paid the FRC changes for six (6) meters. This upset him and appealed to the Board to provide the six (6) meters previously requested. If the policy is approved, this would bankrupt Mr. Singleton's project. Mr. Singleton is striving to create more housing for the community.

Refer to Recommended Interim Source Policy for Kapa'a Homesteads, Page 3 of 5, Paragraph 4 - was confusing in the proposal - *"The recommendation also proposes to not apply the proposed Interim Source Policy for Kapa'a Homesteads to water service and subdivision requests previously approved by the DOW, prior to the date of adoption of this policy."* Mr. Singleton noted this applies to his project and requested clarification and if he going to get water for his project?

A June 2014 letter from DOW stated there was "no source" at this time and did not indicate if it was for new meters or existing meters. A September 2013 letter mentioned there "was source in the Kawaihau District." Mr. Singleton felt the letters were ambiguous.

DISCUSSION:

Chair Nakaya accepted Mr. Singleton's comments on the proposal but the agenda item were not about his subdivision.

Currently, Mr. Singleton's subdivision is not approved.

Mr. Doi explained the meaning of the last paragraph - *"Shall not apply to previous subdivision..."* When the storage restriction was done, some subdivisions were approved however only five water meters could be taken. When the storage was built, the intent is not to go back in time and say "now you are hit with source restriction so you are still limited to five water meters." For subdivisions that was approved and conditioned based on the storage restriction and not source, DOW would not say "the storage is built and now there is source restriction." Any claims can be submitted to the Department for review.

Mr. Doi also clarified that the five water meter restriction would apply to big and small lots up to the density of the lot.

In a previous Board meeting, there were issues brought up in the Planning Department but this issue was not for today's Board meeting to discuss.

Mr. Shiraishi moved to approve Manager's Report 15-02 – Discussion and Approval of Proposed Amendments to Kapa'a Homesteads Meter Restriction Policy Established on August 14, 2002 - Failed for a 2nd.

Clarification was requested from Mr. Dill regarding Page 1, Paragraph 3, last sentence *"This Interim Policy shall not apply to water service and subdivision request previously approved by the DOW, prior to the date of adoption of this policy."* If final approval of the subdivision is granted, this would also constitute DOW approval of the subdivision.

Mr. McCormick expressed that not all of the information has been provided and the policy is confusing. The Planning Department may need to approve portions of the policy.

Acting Manager and Chief Engineer, Mr. Saiki inquired if the Planning Department has input on source restriction. If the use exceeds the capacity of the source – this would establish the source restriction.

The Board requested legal review of the report by Deputy County Attorney, Andrea Suzuki.

Mr. Shiraishi pointed out that Manager's Report No. 15-02 was provided prior to the meeting and that it was the responsibility of the Board to review reports prior to the meeting.

Mr. McCormick moved to defer Manager's Report No. 15-02 - Discussion and Approval of Proposed Amendments to Kapa'a Homesteads Meter Restriction Policy Established on August 14, 2002 for more information from Mike Dahilig, Planning Director and for the Board to review the report thoroughly; seconded by Mr. Dill; with no objections; motion was carried with 5 ayes and 1 nay (SS).

2. Manager's Report 15 - 03 – Discussion and Approval to Negotiate Proposed Agreement with the Honolulu Board of Water Supply (HBWS) to furnish Computer Services for the use of the Customer Care & Billing (CC&B) Program

BACKGROUND:

Acting Manager and Chief Engineer, Mr. Saiki recommended that the Board authorize the DOW to enter into negotiation with Honolulu Board of Water Supply (HBWS) regarding the proposed Cost Allocation of the DOW use of the HBWS CC&B Program. The contract will expire September 30, 2014.

DISCUSSION:

Fiscal will begin negotiations with HBWS on the following:

- a) A three (3) year temporary agreement.
- b) A one (1) year extension at current rate.
- c) Within three (3) years, explore alternative options.

At the 2nd and 3rd year there would be fee charges. Based on the contract, the Department can bail out at any time.

Mr. Shiraishi moved to approve Manager's Report 15 - 03 – Discussion and Approval to Negotiate Proposed Agreement with the Honolulu Board of Water Supply (HBWS) to furnish Computer Services for the use of the Customer Care & Billing (CC&B) Program; seconded by Mr. McCormick; with no objections, motion carried with 6 ayes.

3. Manager's Report 15 - 04 – Discussion and Receipt of the DOW's update on the Kalāheo Water Emergency (Report 2)

BACKGROUND:

Acting Manager and Chief Engineer, Mr. Saiki reported the Kalāheo pump in Well 2 is repaired. The pump repair and installation in Well 1 is being worked on. The contractor is also fixing the well pump in Kilauea which should be done by next week, then the contractor will continue repairs in Kalāheo Well pump 1.

Refer to Page 1 of report (last section) - The following is a summary of the significant events that may have extended the time to execute the contract for repairs of the Kalāheo Well 1 pump:

Events due to loss of time:

- *Approximately two months was lost waiting to be included on Board Meeting Agendas for contract funding approval and contract approval.*

The Department could have called Special Board meetings but based on a 4 year old pump, the Department did not anticipate the 2nd pump to be out of service.

- *Approximately one month was lost due to the confusion about the requirement for a labor and materials payment bond.*

It was determined that a bond was required.

The lessons learned by the Department through this process:

- How to write appropriate language for an Emergency Procurement request.
- To show health and safety is an issue.

If the contractor was procured faster (not an Emergency Procurement) the pump would probably have been installed the same time (without air freight materials and expediting the manufacture pump holes which would take 8 to 16 weeks longer).

The cause of the premature failures was due to a broken shaft 20' from the bottom of a 900' pump in Well 1. It appeared that the pump in Well 1 was not in that long. The shaft in Well 2 was broken at 700'. According to Chief of Operations, Mr. Reyna, pump 2 looked okay. There were two (2) different size shafts in both pumps. The Department suspects that the drill was set off plumbed.

Supervision Control & Data Acquisition (SCADA) systems are on/off and amperage/voltage could be seen.

Acting Manager and Chief Engineer, Mr. Saiki will follow up these items:

- a) Contact the contractor on what caused the well to shear.
- b) The fail safe mechanism to prevent this from happening again.
- c) Check amperage.
- d) The one (1) year loss of SCADA history data and how is it being addressed.
(The server was replaced and backup is being done monthly.)
- e) Prevent SCADA system from going down (this was previously reported to the Board).

Mr. Strom requested more investigation from the Department and to report back to the Board:

What caused the shaft to shear in both situations?

What is the Department going to do to prevent this situation again?

How was the system and controls configured?

Were there power spikes in the Kalāheo area?

Mr. Dill moved to receive Manager's Report 15 – 04 – Discussion and Receipt of the DOW's update on the Kalāheo Water Emergency (Report 2); seconded by Mr. Strom; with no objections, motion carried with 6 ayes.

Mr. Shiraishi questioned an article in The Garden Island where a co-owner of Birdie's Café stated that the County Attorney's office wanted to pay a claim which Birdie's made related to the water shortage/well issue in Kalāheo.

Deputy County Attorney, Mr. Hall was aware that a claim was filed and that the DOW was not responsible for the claims which he would follow up on the details.

Mr. Shiraishi also expressed concern that another co-owner of Birdie's worked for the County Attorney's office, and what would be the Board of Water's responsibility if the claim gets paid.

All precautions were made with appropriate disclosures for all parties.

(Note: Later in the meeting, Deputy County Attorney, Mr. Hall followed up with First Deputy Trask and County Attorney, Al Castillo, and informed the Board that:

- The claim had been submitted and is set to be evaluated by the claims committee.
- That the co-owner of Birdie's who works in the County Attorney's office has been screened from the case.
- That the claim is for \$21,000, therefore, even if the claim is approved by the Claims Committee, it would have to be approved by the County Council. Claim was against the County.
- That First Deputy Trask offered to appear before the Board of Water (BOW) and explain the situation to BOW.

4. Manager's Report 15 – 05 - Discussion and Approval of a Right of Entry Agreement between the Kaua'i Board of Water Supply and Burton W. Stokesbary affecting TMK: (4)-5-1-005:124, Unit 3 - Hanalei, Kaua'i, Hawai'i

BACKGROUND:

Acting Manager and Chief Engineer, Mr. Saiki recommended the Board to approve the Right of Entry from Burton W. Stokesbary. The Department is proposing to demolish a 0.1 mg storage tank and replace it with a 1.0 mg storage tank on the same site.

DISCUSSION:

Mr. Shiraishi commented if the property is going through foreclosure and when the foreclosure sale is confirmed, it would wipe out the Right of Entry. The Department understood they would deal with the new lender and new owner for a new Right of Entry agreement.

Mr. Dill moved to approve the Manager's Report 15 – 05 - Discussion and Approval of a Right of Entry Agreement between the Kaua'i Board of Water Supply and Burton W. Stokesbary affecting TMK: (4)-5-1-005:124, Unit 3 - Hanalei, Kaua'i, Hawai'i; seconded by Mr. McCormick; with no objections, motion carried with 6 ayes.

I. STAFF REPORTS

MONTHLY

1. Statement of Kaua'i County Water Department's Revenues and Expenditures

DISCUSSION:

Ms. Yano noted that the Chart of Revenues year to date was as of June 30, 2014. Billed revenues showed an increased \$597,862, down 500,000 million gallons (metered consumption).

A rate increase of 11% accounted for the increase in billed revenues. Fiscal did not anticipate the revenue increase at the expected level and did not increase the estimated revenues on 11% rate increase. Estimated revenues were not based on the 11% but on other factors (year to date revenues collected in prior years compared to the rate increase).

The decline of water consumption may be due to water conservation the DOW is promoting. More rain could be another reason consumers are using less water.

Ms. Yano will explain in future Fiscal reports:

- a) The source of lower water consumption (i.e. water conservation, raining less).
- b) Show more precipitation.
- c) Provide reasons and why there are discrepancies in the Fiscal report (if any).

Mr. Dill moved to receive the Statement of Kaua'i County Water Department's Revenues and Expenditures; seconded by Mr. McCormick; with no objections, motion carried with 6 ayes.

2. Report by the Public Relations Specialist on Public Relations Activities

BACKGROUND:

Ms. Kim Tamaoka Public Relations Specialist was off island presenting Project Wet teacher training sessions.

DISCUSSION:

The Kalāheo temporary measures were still in place until the second pump is in Well 1.

Mr. Shiraishi moved to receive the Report by the Public Relations Specialist on Public Relations Activities; seconded by Mr. Dill; with no objections, motion carried with 6 ayes.

3. Chief of Operation's Summary Report on Monthly Operational Activities Report

BACKGROUND:

Mr. Reyna noted Overtime (OT) increased due to the Kalāheo emergency from end of May through June. The OT range of 30% to 50% was based on the Kalāheo well repairs.

Mr. Reyna will provide a footnote on the Operations report to show "OT hours increased by X amount of hours due to...." to show man hours.

Ms. Yano will show the OT amount on the Monthly Expense chart.

Non-Revenue Water:

- Operations coordinated with Hawai'i Rural Water Association (HRWA) on the Water System Audits & Water Loss Control.
- There were two occasions in June when HRWA planned to meet with Operations to discuss how the water audit can start. Due to the Kalāheo well repairs, a meeting was not scheduled.
- HRWA trainer road along was done with Field Operations crews to provide training on the use of leak detection equipment.
- HRWA is assisting Operations in procuring new equipment for leak detection which will reduce the non-revenue water.

- Operations plan to meet with other agencies that use DOW for flushing and hydrant use (Fire Department & Department of Public Works).

Mr. Shiraishi moved to receive the Chief of Operation's Summary Report on Monthly Operational Activities Report; seconded by Mr. Dill; with no objections, motion was carried with 6 ayes.

4. Manager's Monthly Update Regarding Activities of Note of the Kaua'i County Water Department

BACKGROUND:

Acting Manager and Chief Engineer, Mr. Saiki highlighted the following:

1. CONTRACTS AWARDED/EXTENSIONS/AMENDMENTS:
Emergency Procurement #EP-2015-1 Job #15-1, Contract No. 587 awarded to Oasis Water Systems, Inc. for the emergency repair for Kīlauea Deepwell No. 1 in the amount of \$75,000.00.
2. Personnel Matters:
Met with DPS regarding recruitment - It was suggested to post salaries with a range rather than the minimum salary to attract applicants (i.e., Engineers). Instead of recruiting CE Vs, the Department would seek entry level CE's which would allow more flexibility.

DISCUSSION:

The Board inquired about whether they could hire a third party to evaluate the Department of Water's need for hiring people, the position types, etc. This interest stems from reports that DPS is taking an extremely long time to approve new positions.

Deputy County Attorney, Mr. Hall would follow up with Deputy County Attorney, Andrea Suzuki regarding a consultant to access and evaluate job positions and salaries for the DOW.

At 11:25 p.m., Mr. Shiraishi exited the meeting.

At 11:27 p.m., Mr. Shiraishi re-entered the meeting.

Ms. Ho moved to receive the Manager's Monthly Update Regarding Activities of Note of the Kaua'i County Water Department; seconded by Mr. McCormick; with no objections, motion was carried with 6 ayes.

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

Ms. Ho moved to receive the Report of the BAB Bond pay down as of June 2014; seconded by Mr. McCormick; with no objections, motion was carried with 6 ayes.

QUARTERLY

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

BACKGROUND:

Construction Project Management Officer, Mr. Moises reported the Līhu'e Baseyard Improvements design was completed and an RFP was advertised for construction on April. Proposals were opened the end of June and a contractor was selected based on the RFP on Monday, July 28th. A Board report will be provided at the August Board meeting with several options but with no recommendations. Department of

Health increased the grant funding from \$1.7M to \$2.1M which was the balance from the Kahili Well's grant money to the building. The low bid was the highest score for the RFP at \$10.6M.

Construction (FRC generating projects):

1. Wainiha Tank and Booster Pump Rehabilitation – Contract closed out.
2. Wailua Houselots Main Replacement - Final inspection completed, awaiting DPW road permit sign off before closing contract and grassing.
3. Pipeline Replacement along Waipouli and Olohena Roads - Final inspection completed, awaiting Department of Public Works road permit sign off before closing contract and grassing.

Staffing Update:

1. Difficult to find Engineers or Project Managers without an engineering degree.
2. Started hiring people in the Construction Management series with construction background who can run projects.
3. Recruiting for two (2) Project Managers for Construction Management (CM)

Several positions were created at a higher level for recruitment and submitted to DPS in May 2013 (15 mos. with no formal response from DPS). Mr. Moises agreed with Mr. Strom to hire a third party to re-evaluate the positions who is versed in water utility.

Mr. Moises may need a Capital Improvement Project (CIP) contract and a CM contract.

Contract cost - \$100,000K+ (to run one project)

Permanent Hire - \$50K - \$70K with benefits (to run more than one project).

\$50K – as-needed contract is usually done for night work.

Private Secretary, Ms. Akuna commented that in the past, there was communication from the past Board Chair Oyama to DPS. The Administration Division has pending personnel issues with DPS since 2011.

Chair Nakaya and *Acting* Manager and Chief Engineer, Mr. Saiki will schedule a meeting with DPS regarding the status of reallocations for Construction Manager and the Engineering positions.

Construction projects coming up include: Baseyard Improvements, Kilauea Tank, Weke Road, Kolo Road, and the Pipeline Replacement which would be advertised by December 2014. The Alawai resurfacing will be coordinated with Public Works crew.

Ms. Ho moved to receive the DOW's Quarterly Project Status Update, a. Construction Management Division Status; seconded by Mr. McCormick; with no objections, motion carried with 6 ayes.

b. Engineering Division Design Status

BACKGROUND:

Civil Engineer, Mr. Aoki reported the Kilauea Tank and several pipeline projects will be completed the end of the year. If unexpected issues come up, they could through and resolved.

Ms. Ho moved to receive DOW's Quarterly Project Status Update, b. Engineering Division Design Status; seconded by Mr. McCormick; with no objections, motion carried with 6 ayes.

At 11:55 a.m., Deputy County Attorney read the following Executive Session language.

Mr. Shiraishi moved to go into Executive Session; seconded by Mr. Dill; with no objections; motion carried with 6 ayes at Roll Call (LH, HS, RM, SS, LD, CN).

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 Hawaii Revised Statutes (HRS) Section 92-4, 92-5(a)(4), the purpose of this executive session is to review executive session minutes dated June 26, 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.*

2. *Pursuant to Hawaii Revised Statutes Sections 92-4, 92-5(a)(2 and 4), and County Charter Section 3.07(E), the purpose of this executive session with the Board of Water is to discuss matters pertaining to the job performance evaluation of the Acting Manager and Chief Engineer. This session pertains to the Acting Manager and Chief Engineer's job performance evaluation where consideration of matters affecting privacy will be involved. Furthermore, this briefing and consultation with the Board of Water's legal counsel involves the powers, duties, privileges and/or liabilities of the Board of Water as it relates to this agenda item.*

3. *Pursuant to Hawaii Revised Statutes Sections 92-4, 92-5(a)(4), and County Charter Section 3.07(E), the purpose of this executive session is to provide the Board of Water with a briefing regarding the process of hiring a new Manager and Chief Engineer. Furthermore, this briefing and consultation with the Board of Water's legal counsel involves the powers, duties, privileges and/or liabilities of the Board of Water as it relates to this agenda item.*

Mr. Shiraishi moved to approve and ratify all actions recommended by the Chairperson discussed in Executive Session Item J, #1, #2, & #3; seconded by Mr. Dill; with no objections, motion carried with 6 ayes.

At 1:12 p.m., Chair Nakaya called the Regular Board Meeting back to order.

Mr. Shiraishi moved to approve Agenda Items K, L, M, & N; seconded by Mr. Dill; with no objections; motion carried with 6 ayes.

K. TOPICS FOR NEXT WATER BOARD MEETING (August 2014)

1. *Manager's Report No. 15 – 01* – Discussion and Approval of Proposed FY 2014 – 2015 Capital Outlay Budget
2. Discussion and Receipt of the American Water Works Association Boston, MA Conference Reports (June 8-12 2014)
 - a. Report from Kaua'i Board of Water Supply Member, Larry Dill
 - b. Report from Kaua'i Board of Water Supply Member, Michael Dahilig
3. *Manager's Recommendation* for Reallocation of Water Commitment from Eleele Industrial Park Subdivision TMK: (4) 2-1-001:051 to 28-acre Eleele Urban Residential Development TMK (4) 2-1-001 Por. 3 Eleele, Kōloa, Kaua'i, A&B Properties, Inc.
4. Discussion and Approval of Proposed New Source Limitation Board Policy

L. TOPICS FOR FUTURE WATER BOARD MEETINGS

1. Discussion and Adoption of FY 14-15 Budget Resolution No. 15-1 (*September 2014*)
2. Manager's Report No. 14-24 – Discussion and Receipt of 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. Manager's Report No. 11-28 – Discussion and Receipt of 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)
4. Discussion and Suggestions for Capital Improvement Projects (CIP) for 2015

M. UPCOMING EVENTS

1. Table of Organization Workshop (*Date Pending*)
2. Make a Splash, Water Education for Teachers (WET) (*September 18, 2014*)
3. HWWA 2014 Conference, Kaua'i, HI (*October 15-17, 2014*)
4. DOW Annual Meeting (*December 12, 2014*)
5. AWWA Annual Conference, Anaheim, CA (*June 7-10, 2015*)

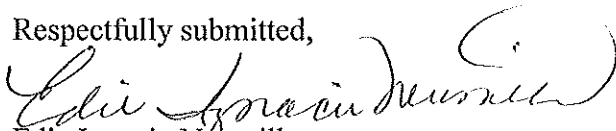
N. NEXT WATER BOARD MEETING

1. Thursday, August 28, 2014, 10:00 a.m.
2. Thursday, September 25, 2014, 10:00 a.m.
3. Thursday, October 23, 2014, 10:00 a.m.
4. Thursday, November 20, 2014, 10:00 a.m.


O. ADJOURNMENT

Mr. Shiraiishi moved to adjourn the meeting at 1:13 p.m.; seconded by Mr. Dill; with no objections, motion carried with 6 ayes.

Respectfully submitted,


Edie Ignacio Neumiller
Commission Support Clerk

Approved,


Hugh A. Strom
Secretary – Board of Water Supply