

MEETING MINUTES  
BOARD OF WATER SUPPLY  
June 22, 2018

The Board of Water Supply, County of Kaua'i, met in regular meeting at the Board Conference Room in Līhu'e on Friday, June 22, 2018. Vice Chair Sherman Shiraishi called the meeting to order at 10:04 a.m. The following Board members were present:

BOARD: Ms. Beth Tokioka, *Chair*  
Mr. Sherman Shiraishi, *Vice Chair*  
Mr. Lyle Tabata  
Ms. Laurie Ho

EXCUSED: Mr. Lawrence Dill  
Mr. Michael Dahilig  
Mr. Thomas Canute

Quorum was achieved with 4 members present at Roll Call.

STAFF:

Mr. Bryan Wienand	Mr. Dustin Moises
Mrs. Marites Yano	Mr. Jeff Mendez
Mr. Valentino Reyna	Mrs. Sandi Nadatani-Mendez
Mr. Edward Doi	Mr. Michael Hinazumi
Mr. Keith Aoki	Mr. Eric Fujikawa
Mr. Ryan Smith	Ms. Elaine Ruiz
Deputy County Attorney Mahealani Krafft	Ms. Jenny Paleracio, Intern

**C. ACCEPTANCE OF AGENDA**

The Agenda was approved by the Board with no objections.

**D. MEETING MINUTES**

**Review and approval of:**

Regular Board Meeting – May 25, 2018

Mr. Tabata moved to approve the Regular Board Meeting minutes of May 25, 2018; seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

Special Board Meeting – May 17, 2018

Mr. Tabata moved to approve the Special Board Meeting minutes of May 17, 2018; seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

Special Board Meeting – May 30, 2018

Mr. Tabata moved to approve the Special Board Meeting minutes of May 30, 2018; seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

**Review and approval of:**

Executive Session – May 17, 2018, Special Board Meeting

Mr. Tabata moved to approve the Executive Session minutes of May 17, 2018; seconded by Ms. Ho; 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**

1. Manager's Report No. 18-118 – Discussion and Possible Adoption of the Budget Resolution No. 18-05 (06/18), Budget for Fiscal Year 2018-2019

**DISCUSSION:**

Mr. Tabata commented that the budget is sound and the Finance Committee approved the Budget Resolution 18-05, Fiscal Year 2018-2019.

Ms. Ho questioned if the Department had an emergency fund for disasters and how much needs to be saved? Manager Wienand clarified that the Department has a Debt Reserve Fund of 25%.

Chair Tokioka thanked the Finance Committee for their hard work on the budget.

Mr. Shiraishi moved to approve the Manager's Report No. 18-118 – Discussion and Possible Adoption of the Budget Resolution No. 18-05 (06/18), Budget for Fiscal Year 2018-2019; seconded by Mr. Tabata; with no objections, motion carried with 4 ayes.

2. Manager's Report No. 18-119 - Discussion and Possible Action on the correspondence from Patrick J. Childs, Esq. on behalf of his client Mr. Sandy Saemann dated March 27, 2018, regarding high water bill

This agenda item was later covered when Mr. Saemann arrived at the meeting.

3. Manager's Report No. 18-120 - 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

**BACKGROUND:**

Manager Wienand explained that a Right of Entry (ROE) is temporary and allows temporary access on private lands (on water line replacements to reconnect water services). He proposed that the Department's policy be approved a template that an owner signs without the language for indemnification. This would streamline the process without having the ROE go through the Board for approval. In the monthly Manager's Update, ROE's would be approved. If the indemnification is included in the template, the ROE would continue to be on the Consent Calendar in the Board Agenda.

Mr. Shiraishi moved to approve Manager's Report No. 18-120 - 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; seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

4. Manager's Report No. 18-121 - Discussion and Possible Action to Request Board Approval for Indemnification for Help Desk software between the Board of Water Supply, County of Kaua'i and Cayzu

**BACKGROUND:**

The Help Desk software requests would assist I.T. in tracking that includes indemnification language.

**DISCUSSION:**

Mr. Shiraishi commented that the indemnification language with software providers are difficult to negotiate out of this type of language.

Mr. Shiraishi moved to approve Manager's Report No. 18-121 - Discussion and Possible Action to Request Board Approval for Indemnification for Help Desk software between the Board of Water Supply, County of Kaua'i and Cayzu; seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

5. Manager's Report No. 18-122 – Discussion and Possible Action to Request Board Approval for Indemnification Regarding Adobe Products and Software between the Board of Water Supply, County of Kaua'i and Adobe

**BACKGROUND:**

Manager Wienand recommended to move forward with the Adobe products and software for I.T. that requires approval of the indemnification language.

Mr. Tabata moved to approve Manager's Report No. 18-122 – Discussion and Possible Action to Request Board Approval for Indemnification Regarding Adobe Products and Software between the Board of Water Supply, County of Kaua'i and Adobe; seconded by Mr. Shiraishi; with no objections, motion carried with 4 ayes.

6. Manager's Report No. 18-123 – Discussion and Possible Action for Board Approval to transfer \$86,370.00 from the project's Operations Budget to the Capital Outlay Budget and the approval of additional funds to execute a new design contract for Job No. 18-03, WP2020 #PLH-27, Kūhi'ō Highway (Hardy-Oxford) 16" Main Replacement, Līhu'e, Kaua'i, Hawai'i in the amount of \$63,338.00

**BACKGROUND:**

Manager Wienand mentioned this project has enough funds but three of the funds budgeted need to be reallocated to another source to match the project components. Expansion replacement projects was budgeted for \$300,000 and the total amount was \$270,608 that came in under budget. Funds are coming from Operations to the Capital Outlay/Water Utility (WU).

Mr. Tabata moved to approve Manager's Report No. 18-123 – Discussion and Possible Action for Board Approval to transfer \$86,370.00 from the project's Operations Budget to the Capital Outlay Budget and the approval of additional funds to execute a new design contract for Job No. 18-03, WP2020 #PLH-27, Kūhi'ō Highway (Hardy-Oxford) 16" Main Replacement, Līhu'e, Kaua'i, Hawai'i in the amount of \$63,338.00; seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

7. Manager's Report No. 18-124 – Discussion and Possible Action for As-Needed Construction Management Services for the Department of Water, Project Assignment Order No. 1, Contract No. 637 for additional funding in the amount of \$419,069.00

**BACKGROUND:**

Manager Wienand recommended the As-Needed Construction Manager Services contract based on the staffing challenges in Construction Management (CM) and to move forward with the Hanapēpē Waterline System Reorganization project. The Department reviewed R.M. Towill's reasonable price.

See clarification in the report Background, paragraph 1 in the sentence that reads: “*The division has been short-staffed and recently lost another staff members due to a promotion/transfer opportunity.*” Manager Wienand clarified that there were two (2) staff members, one staff member took a transfer opportunity to another department and the other staff member was promoted to another division.

Mr. Tabata moved to approve Manager's Report No. 18-124 – Discussion and Possible Action for As-Needed Construction Management Services for the Department of Water, Project Assignment Order No. 1, Contract No. 637 for additional funding in the amount of \$419,069.00; seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

**I. CONSENT CALENDAR**

1. Manager's Report No. 18-125 - Discussion and Possible Action to approve a Right of Entry Agreement with State of Hawai'i, Department of Land and Natural Resources for Job No. 15-07 WP2020 Project No. HE-1 Reorganize Water System: Kaumuali'i Highway 16 Inch Main and Emergency Booster Pump Connection, affecting the following:
  - a. State of Hawai'i, Department of Land and Natural Resources, TMK: (4) 1-9-007:007, Hanapēpē, Kaua'i, Hawai'i

Mr. Shiraiishi moved to approve Manager's Report No. 18-125 - Discussion and Possible Action to approve a Right of Entry Agreement with State of Hawai'i, Department of Land and Natural Resources for Job No. 15-07 WP2020 Project No. HE-1 Reorganize Water System: Kaumuali'i Highway 16 Inch Main and Emergency Booster Pump Connection, affecting the following: a. State of Hawai'i, Department of Land and Natural Resources, TMK: (4) 1-9-007:007, Hanapēpē, Kaua'i, Hawai'i; seconded by Mr. Tabata; with no objections, motion carried with 4 ayes.

**J. STAFF REPORTS  
MONTHLY**

1. Discussion and Receipt of the Kaua'i County Water Department's Statement of Revenues and Expenditures
  - a. May Monthly Summary Budget
  - b. Accounts Receivable Aging Summary

**BACKGROUND:**

Waterworks Controller Mrs. Yano highlighted the following:

1. Water Audit is due July 1<sup>st</sup>. Staff will be working with the consultants on validating data that has been submitted.
2. Year End closing of the financials for the fiscal year is as of June 30, 2018.

Received – 4 members

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

Manager Wienand introduced the Public Relations Intern Ms. Jenny Paleracio to the Board.

Received – 4 members

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

## **BACKGROUND:**

Chief of Operations Mr. Reyna highlighted the following:

1. Water Service Investigator was promoted to Water Service Supervisor.
2. April's 16.4% Water Loss was the highest the past two years related to the mainline that was washed away in Hanalei. The tank ran continuously to prevent it from running empty by providing water to customers. Operations waited until the flood waters receded before valves were shut off. Overtime in April was due to the storm repairs.

Received – 4 members

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

## **BACKGROUND:**

Manager Wienand highlighted the following:

1. Annual Water Audit will be completed soon that will be submitted to the State for the first time. Manager Wienand commended the staff who were involved with the Water Audit. Consultants submitted a proposal to do a pilot study on follow up results of the Water Audit. The pilot study will be presented next month as a potential award. Three (3) problem areas of water loss will be looked at to improve the Department's water loss to save customer's money.
2. Contract Awards #5 regarding I.T. Strategic Plan – will create a new I.T. Strategic Plan that includes new updates and needs to be identified. This contract has been awarded to Brio. The contract scope includes Brio coming to the Department for one continuous week to conduct staff interviews and to gather information.
3. Personnel Matters – Vacancies are being filled.
4. Update on Customer Care & Billing – Correction on page 6 of 8 should read: "Department of Water Supply, County of *Maui* (not *Kaua'i*)." County of Maui gave notice that they elected to go out of the procurement on a cloud billing solution. The Department will also move towards the cloud hosted solution to provide better customer service and to reduce over time.
5. Refunds from the April flood related damages (page 122) – Manager Wienand provided information to customers on the Department's Rules & Regulations: "*The Department will reduce high water bills caused by undetected underground leaks in the customer's supply pipe provided, that no reduction in a water bill shall be allowed where the underground leak resulted from storm damage, flood, explosion, fire, or act of nature.*" Other resources were provided to customers for flood assistance with the National Flood Program General Adjuster.

## **DISCUSSION:**

Mr. Shiraishi asked if there was other insurance to cover high water usage? Chair Tokioka mentioned resources with Malama Kaua'i, Kaua'i Economic Opportunity and Catholic Charities. She asked if other non-profits step up to assist? Payment plans are provided by the Department.

Received – 4 members

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

The Board agreed to have the BAB presented quarterly instead of monthly (July, October, January, April).

Received – 4 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 (July 2018)**

1. Discussion and Receipt of the American Water Works Association, Annual Conference Exposition Report *(June 11-14, 2018)*
  - a. Report from Kaua'i Board of Water Supply Member, Michael Dahilig
  - b. Report from Kaua'i Board of Water Supply Member, Lyle Tabata
  - c. Report from Kaua'i Board of Water Supply Member, Thomas Canute
2. Quarterly Reports *(April – June 2018)*

Discussion and Receipt of the DOW's Quarterly Project Status Update

  - a. Construction Management Division Status
  - b. Engineering Division Design Status
  - c. Water Resources & Planning Division Status
3. Manager's Report No. 18-106 - Discussion and Possible Action on the Manager and Chief Engineer's Goals for FY 2018-2019 *(Update)*
4. Resolution Adoption – Farewell to Mona Yamauchi (Retiree), Customer Relations Assistant, Fiscal Division

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

1. Workshop presentation regarding the Master Plan of the Department of Water's former Administration Building, Baseyard, Micro Lab, Information Technology
2. 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
3. Workshop presentation regarding the Table of Organization
4. Department of Water Performance Audit
5. Status Update on Water Plan 2020
6. Budget Rollovers *(August 2018)*
7. Manager's Report No. 17-29 - Discussion and Possible Action on the Financial Management Planning and Water Rate Analysis for the Department of Water for July 2017 to June 2021 and submit an Impact Statement to the Small Business Regulatory Review *(Update)* SBRRB Results; Recommend Public Hearing *(August 2018)*
8. Resolution Adoption – Farewell to Fay Tateishi (Retiree), Accountant IV, Fiscal Division *(August 2018)*
9. Capital Improvement Project Suggestions for 2019-2020 *(September 2018)*
10. Update for HWWA Conference, Līhu'e, Hawai'i (November 7-9, 2018) Kōloa Landing

**N. UPCOMING EVENTS**

1. Make a Splash, Project Wet *(September 20, 2018)*
2. HWWA Conference, Līhu'e, Hawaii *(November 7 – 9, 2018) Kōloa Landing*

**O. NEXT WATER BOARD MEETING**

1. Friday, July 27, 2018, 10:00 a.m.
2. Friday, August 24, 2018, 10:00 a.m.
3. Friday, September 28, 2018, 10:00 a.m.
4. Friday, October 26, 2018, 10:00 a.m.

At 10:43 a.m. Mr. Shiraishi moved to recess the Regular Board meeting 10 minutes for Mr. Saemann's arrival; seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

Chair Tokioka reconvened the Regular Board meeting at 10:57 a.m.

2. Manager's Report No. 18-119 - Discussion and Possible Action on the correspondence from Patrick J. Childs, Esq. on behalf of his client Mr. Sandy Saemann dated March 27, 2018, regarding high water bill

**BACKGROUND:**

Manager Wienand informed the Board correspondence from Mr. Saemann was received after the posting date on June 15<sup>th</sup> which was "Received for the Record." The Department's response to the June 15<sup>th</sup> letter was also "Received for the Record."

*Mr. Sandy Saemann and Mr. Patrick J. Childs provided their testimony.*

Mr. Childs explained there is a long history with Mr. Saemann's high water bill. Recently Manager Wienand provided Mr. Childs and Mr. Saemann a plan to resolve the high water bill if there is a problem in the reporting system (not meter) or if the problem is on the property. Final testing on the property was pending if it is at fault for the large spike. Mr. Childs was informed by Manager Wienand that the Department does not pay for the sub meters (only to be used during the Department's testing period).

**DISCUSSION:**

Manager Wienand clarified his recommendation on the sub meters on private plumbing located on the property. Once hourly data is captured compared with the current meter reading, it could give a clear picture of where consumption is occurring. The sub meters would be at the owner's expense to install.

Mr. Childs asked if the Department would pay to install and remove the sub meters at the end of the testing and to return the sub meters back in the Department's inventory.

Mr. Saemann said if the private pipe is opened with no meter movement, sub meters would prove that the system is closed; then isolate each one of the pieces. If the meter turns, then he is encouraged to put the sub meters in which would indicate a leak that needs to be fixed.

Manager Wienand referred to his June 22<sup>nd</sup> letter which indicated three (3) key results should be noted over the last six months. First, hourly consumption from a three week period in January shows spikes. The high spikes could indicate that a fixture was left wide open. Example: a hose bib left wide open & if it was a 1 inch fixture, it would be consistent with the volume of water through the meter. 1,100 gallons per hour as "Unattended" was mentioned in the Manager's letter. Three weeks later, the data read 0 and possibly someone made a change on the property or turned something off. Every morning around 2:30 am and 3:30 am, 430 gallons per hour is used possibly on a timer or an irrigation sprinkler system. The second key observation to be made from the data is that during the three (3) week time period in January, a consistent hourly usage between 40 to 60 gallons per hour occurred, indicating a leak. Hourly consumption data that

is consistent overnight is indicative of a leak. Lastly, as of this week, the data still shows a consistent 40 to 60 gallons per hour usage, indicating a leak is still ongoing.

Mr. Saemann mentioned that if he was notified of the 40 gallon per hour leak last year, he would shut the system down and would get a specialist to find the problem. His water bill would have been \$60.00, not \$800.00 or \$3,000.00. Mr. Saemann's issue is that the Department knew of the spikes and leaks with no communication to him of the leaks. The billing records indicated an incorrect area code for his phone number. He also said his property does not have irrigation on eight (8) acres and only services the guest house and main facility. The irrigation system has rain sensors interruption that stop the sprinkler system. Mr. Saemann's engineer told him a crack in a water pipe would surface on a pipe 18 to 24 inches in the ground.

Mr. Childs asked if the spike coincides with the irrigation system? Manager Wienand would have to look at Mr. Saemann's property. Mr. Saemann still questioned if there was a leak and if you turned on a private water line and the needle was not turning, why is the sub meter needed? Manager Wienand said it depends on the nature of the problem without having data because sub meters would indicate where the spikes are occurring.

No action was taken by the Board.

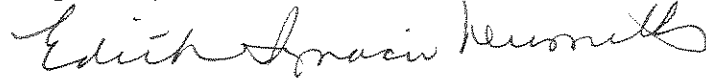
Chair Tokioka thanked Manager Wienand for trying to revolve Mr. Saemann's water spikes.

Mr. Shiraishi received Manager's Report No. 18-119 - Discussion and Possible Action on the correspondence from Patrick J. Childs, Esq. on behalf of his client Mr. Sandy Saemann dated March 27, 2018, regarding high water bill and accepted the Manager's recommendation to work with Mr. Saemann to identify potential locations of the sub-meters on his property that will provide data of where the consumption is occurring seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

**P. ADJOURNMENT**

Mr. Shiraishi moved to adjourn the Regular Board meeting at 11:20 a.m., seconded by Ms. Ho; with no objections.

Respectfully submitted,



Edith Ignacio Neumiller  
Commission Support Clerk

Approved,



Thomas Canute  
Secretary – Board of Water Supply