

MEETING MINUTES
BOARD OF WATER SUPPLY
March 23, 2018

The Board of Water Supply, County of Kaua'i, met in regular meeting at the Board Conference Room in Līhu'e on Friday, March 23, 2018. Chair Beth Tokioka called the meeting to order at 10:05 a.m. The following Board members were present:

BOARD: Ms. Beth Tokioka, *Chair*
Mr. Sherman Shiraishi
Mr. Thomas Canute
Mr. Lawrence Dill
Ms. Laurie Ho
Mr. Michael Dahilig (*entered @ 10:08 a.m.*)

EXCUSED: Mr. Lyle Tabata

Quorum was achieved with 5 members present at Roll Call.

STAFF:

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

GUEST(s) Mr. Hall Parrott, Private Citizen

C. ACCEPTANCE OF AGENDA

Mr. Shiraishi moved to reorder the Agenda to have the Executive Session Items No. K at the end of the Agenda; seconded by Mr. Canute; with no objections, motion carried with 5 ayes.

D. MEETING MINUTES

Review and approval of:

Regular Board Meeting – February 23 2018

Mr. Dill moved to approve the Regular Board Meeting minutes of February 23, 2018, seconded by Mr. Canute; with no objections, motion carried with 5 ayes.

E. CORRESPONDENCE/ANNOUNCEMENTS

None.

F. BOARD COMMITTEE & PERMITTED INTERACTION GROUP REPORTS

None.

At 10:08 a.m., Mr. Dahilig entered the meeting.

G. OLD BUSINESS

1. Manager's Report No. 18-91 - Request Board Approval of Resolution No. 18-03, (3/18), Employee of the Year, Reynold Abigania, Groundskeeper, Operations Division
Chief of Operations Mr. Reyna read Reynold Abigania's Resolution followed by a photo op with the Board members.

The Board unanimously approved and adopted *Manager's Report No. 18-91* - Request Board Approval of Resolution No. 18-03, (3/18), Employee of the Year, Reynold Abigania, Groundskeeper, Operations Division with no objections.

H. NEW BUSINESS

1. *Manager's Report No. 18-98* –Discussion and Possible Action on the Second Amendment to Agreement for Water dated June 1, 1979 between the Board of Water Supply and Princeville Utilities Company, Inc. to add one (1) Additional Dwelling Unit on TMK: 5-3-005:009 for a Total Allocation of 66,500 Gallons Per Day

BACKGROUND:

Chief of Water Resources Mr. Doi commented that Princeville Utilities Company (PUC) would like to add a second amendment to their water agreement to allow a building permit along 'Anini Road to accommodate one homeowner.

DISCUSSION:

Mr. Dill asked the following questions: What is the maximum monthly volume? How is this tracked? How much does it cost? Mr. Doi said PUC's allocations is at their control. The Department of Water (DOW) has 55,000 gallon max and will not allow any more developments per the agreement. The max has gone over in the past but does not have any consequence on the DOW.

Mr. Shiraishi moved to approve *Manager's Report No. 18-98* –Discussion and Possible Action on the Second Amendment to Agreement for Water dated June 1, 1979 between the Board of Water Supply and Princeville Utilities Company, Inc. to add one (1) Additional Dwelling Unit on TMK: 5-3-005:009 for a Total Allocation of 66,500 Gallons Per Day; seconded by Mr. Dill; with no objections, motion carried with 6 ayes.

2. *Manager's Report No. 18-99* – Board Discussion on the Assistant Chief of Operations Participation on the Board of the Hawaii Rural Water Association

BACKGROUND:

Private Secretary Mrs. Akuna explained that the Board and past Manager's required approval because it entailed Department time for meetings which were off island flights to Maui.

DISCUSSION:

There is no Board Policy that allows the Manager to take this as an operational issue according to Mrs. Akuna. *Acting* Manager Kyono mentioned there are budget items for flights that are not identified as a line item that could be done administratively. Mrs. Akuna provides transparency to the Board.

- Mr. Dill recommended that future nominations can be added to the Manager's Update Report.
- Mr. Dahilig mentioned that this item is not reflected to be on the Agenda.

Mr. Dill moved to approve *Manager's Report No. 18-99* – Board Discussion on the Assistant Chief of Operations Participation on the Board of the Hawaii Rural Water Association; seconded by Mr. Dahilig; with no objections, motion carried with 6 ayes.

3. *Manager's Report No. 18-100* - Discussion and Possible Action for the Board of Water Supply to enter into Utility Agreement No. 2257 with the State of Hawai'i in association with the State Department of Transportation's upcoming Hanapēpē River Bridge, Kaunualii

Highway, Route 50, HI STP SR50 (1) Project, Hanapēpē, Kaua'i, Hawai'i in the amount of \$194,070.00

BACKGROUND:

Mr. Aoki, Civil Engineer has been negotiating with the Department of Transportation (DOT) on the cost that the Department would be responsible for. He received a lower estimate that was not stated on the Manager's Report from \$194,070.00 to the new lower amount of \$154,670. An additional amount of \$7,730 is requested to be allowed as contingency for the agreement. The DOT indicated that if the actual cost is higher than the agreement, DOT estimated the Department would be liable to pay the additional amount. If the amount is less, the Department would reimburse the lesser amount.

DISCUSSION:

Mr. Canute understood that the DOT would pay for the line that is being replaced; a redundant line in case the main line fails. Mr. Aoki said both water lines will be in use. Mr. Dill provided clarification that DOT is paying for this but CFL is doing the work for DOT. The DOT's standard UA would be that the first line is funded the first \$10K paid by UA or DOT. Any cost beyond the first line would be split 50/50 between the two agencies. The redundant line betterment is refunded by the UA.

Mr. Dahilig moved to approve *Manager's Report No. 18-100* - Discussion and Possible Action for the Board of Water Supply to enter into Utility Agreement No. 2257 with the State of Hawai'i in association with the State Department of Transportation's upcoming Hanapēpē River Bridge, Kaumuali'i Highway, Route 50, HI STP SR50 (1) Project, Hanapēpē, Kaua'i, Hawai'i in the amount of \$194,070.00; seconded by Mr. Shiraishi; with no objections, motion carried with 5 ayes, Mr. Dill recused himself from the vote.

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

Mr. Dahilig approved to refer the Draft Budget to the Finance Committee for deliberation; seconded by Mr. Dill; with no objections, motion carried with 6 ayes.

I. CONSENT CALENDAR

1. *Manager's Report No. 18-101* – Discussion and Possible Action to approve a Grant of Easement Agreement for the Construction Plans for the Kaua'i Philippine Cultural Center, Affecting the following:
 - a. County of Kaua'i, TMK: (4) 3-3-003:043, Līhu'e, Kaua'i, Hawai'i

Mr. Dahilig disclosed he is an advisor to the Kaua'i Philippine Cultural Center (KPCC) and has a conflict of interest.

Mr. Dahilig moved to approve *Manager's Report No. 18-101* – Discussion and Possible Action to approve a Grant of Easement Agreement for the Construction Plans for the Kaua'i Philippine Cultural Center, Affecting the following: a) County of Kaua'i, TMK: (4) 3-3-003:043, Līhu'e, Kaua'i, Hawai'i; seconded by Mr. Dill; with no objections, motion carried with 6 ayes.

2. *Manager's Report No. 18-102* - Discussion and Possible Action on Grant of Easement for 1" Water Meter and 2-1/2" Reduced Pressure Check Assembly Plan for Lot 1-B, TMK: (4) 3-6-003:066, Līhu'e, Kaua'i, Hawai'i affecting the following Landowner:
 - a. Calipjo Properties, LLC affecting TMK: (4) 3-6-003:066, Līhu'e, Kaua'i, Hawai'i

Mr. Canute disclosed he notarized documents for Calipjo Properties. Mr. Shiraiishi disclosed he does legal work for Calipjo Properties.

Mr. Dahilig moved to approve Manager's Report No. 18-102 - Discussion and Possible Action on Grant of Easement for 1" Water Meter and 2-1/2" Reduced Pressure Check Assembly Plan for Lot 1-B, TMK: (4) 3-6-003:066, Lihue, Kauai, Hawaii affecting the following Landowner: a) Calipjo Properties, LLC affecting TMK: (4) 3-6-003:066, Lihue, Kauai, Hawaii; seconded by Mr. Dill; with no objections, motion carried with 6 ayes.

J. STAFF REPORTS
MONTHLY

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

BACKGROUND:

Waterworks Controller Ms. Yano highlighted the Fiscal Activities:

1. Five Year Water Rate Study is Ongoing – Updated Manager's Report will be submitted at the April Board Meeting; proposing to change for the Rate Study period to from FY 2017-2021 to FY 2019-2023; Target completion date is December 31, 2018.
2. Finance Committee Meetings scheduled - April 3 (Operating Budget), April 12 (Operating Budget), & April 23 (Capital Budget); 1 pm – 4:30 pm
3. Customer Care & Billing (CC&B) – A committee has been formed and working on a Request for Proposal. Discussions include investigating alternative billing software due to CC&B issues.
4. IT Steering Committee meets 1st and 3rd Thursday monthly to identify IT concerns for DOW/
5. Water Audit – will be done the end of fiscal calendar year 2017.
6. Year End Audit – as of June 30, 2018. Kick off meeting is March 28th with the consultants.
7. Financial Policies – being done concurrently with the budget program solution planned for procurement.

DISCUSSION:

Chair Tokioka requested a report on the collections of unpaid bills on an ongoing basis as part of the monthly fiscal report.

- Waterworks Controller Mrs. Yano will provide an Aging Report for the April Board Agenda.

Received – 6 members

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

BACKGROUND:

Information & Education Specialist Ms. Kaohelaulii reported on the following:

1. Fix a Leak Week has been successful with new kits for customer. Chair Tokioka, Mr. Dill and Ms. Ho attended the March 16th Fix a Leak Week Proclamation. Social media was great.
2. There were two Project Wet Workshops on O'ahu; looking at improvement for neighbor island facilitators.

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 the following:

1. Virgil Kapanui was promoted to Field Operations Superintendent.
 2. Interviewed the Plant Operation Superintendent; candidate will start on April 1st.
- Chief of Operations, Mr. Reyna will provide the Produced Bill Chart in the April Agenda.

Received – 6 members

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

BACKGROUND:

Acting Manager Mr. Kyono highlighted the following:

1. Temporary Downgrading Water Plant Operator 1 to Assistant Water Plant Operator – due to the difficulty in recruiting qualified applicants. Three Water Plant Operators are approaching retirement; training needs to be done for certification for future candidates.

DISCUSSION:

Chair Tokioka asked if there are challenges in hiring qualified applicants. *Acting* Manager Kyono said there is a major shortage of engineers nationally but varies by positions. *Acting* Manager Kyono communicated with the Director of Human Resources Ms. Janine Rapozo regarding *direct hire* to be able to recruit with candidates directly.

Received – 6 members

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

Received – 6 members

L. TOPICS FOR NEXT WATER BOARD MEETING (April 2018)

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
2. *Manager's Report No. 17-29 (Update)* - Discussion and Possible Action on the Financial Management Planning and Water Rate Analysis for the Department of Water for July 2018 through June 2023 and submit an Impact Statement to the Small Business Regulatory Review Board
3. **EXECUTIVE SESSION:** *Pursuant to Hawai'i Revised Statutes §92-4 and §92-5 (a)(4), the purpose of this Executive Session is for the Board to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as they relate to the Waiahi Surface Water Treatment Plant*
 - *Discussion on the expiration of the current agreement (2019) and options*
4. **EXECUTIVE SESSION:** Discussion on the Manager and Chief Engineer's Recruitment Progress

M. TOPICS FOR FUTURE WATER BOARD MEETINGS

1. Workshop presentation regarding the Master Plan of the Department of Water's former Administration Building, Operations Shop, Micro Lab and 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. Audit Committee Meeting
5. Budget Presentation and Approval *(May 2018)*

N. UPCOMING EVENTS

1. AWWA Conference, Las Vegas, Nevada *(June 11 – 14, 2018)*
2. Make a Splash, Project Wet *(September 20, 2018)*
3. HWWA Conference, Līhu'e, Hawai'i *(November 7 – 9, 2018)*

Pending contract for host hotel and speakers. Ms. Nadatani-Mendez is the HWWA Chair.

O. NEXT WATER BOARD MEETING

1. Friday, April 27, 2018, 10:00 a.m.
2. Friday, May 25, 2018, 10:00 a.m.
3. Friday, June 22, 2018, 10:00 a.m. (Excused: LD, TC, MD)
4. Friday, July 27, 2018, 10:00 a.m.

Mr. Dahilig moved to go into Executive Session at 10:55 a.m.; seconded by Mr. Shiraishi; with no objections, motion carried with 6 ayes.

Mr. Dahilig moved to go into Executive Session for Items K1, K2, & the addition of K3; seconded by Mr. Canute; with no objections, motion carried with 6 ayes.

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).

1. *Pursuant to Hawai'i Revised Statutes § 92-4 and § 92-5(a)(2), the purpose of this Executive Session is for the Board to consider personnel matters where consideration of matters affecting privacy will be involved.*
2. *Pursuant to Hawai'i Revised Statutes §92-4 and §92-5 (a)(4), the purpose of this Executive Session is for the Board to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as they relate to performing a Water Rate Study.*
3. *Pursuant to Hawai'i Revised Statutes §92-4 and §92-5 (a)(4), the purpose of this Executive Session is for the Board to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as they relate to the Waiahi Surface Water Treatment Plant.*

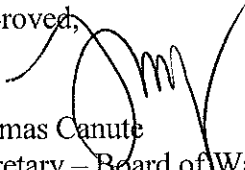
P. ADJOURNMENT

Ms. Ho moved to adjourn the Regular Board Meeting at 12:38 p.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