

# Finance Committee Meeting

May 15, 2017  
1:30 p.m.

Committee Members Present: Chair Larry Dill called the Finance Committee meeting to order at 1:32 p.m. Beth Tokioka, and Thomas Canute were present. Also present were Chair Sherman Shiraishi, Lyle Tabata, and Laurie Ho (*entered at 2:16 p.m.*)

Staff Present: Kirk Saiki, Marites Yano, Sandi Nadatani-Mendez, Keith Aoki, Val Reyna, Eddie Doi, Carl Arume, Christine Erorita, Mike Hinazumi, Anne Parrott, Keith Aoki, Deputy County Attorney Mahealani Krafft

Guest: Hall Parrott, Private Citizen

## AGENDA

Chair Dill accepted the Agenda on the Finance Committee meeting which was reconvened from the May 9, 2017; with no objections.

### E. NEW BUSINESS

1. Draft Budget for Fiscal Year 2017-2018
  - a. Fiscal Year 2017 - 2018 – Draft Operating Budget
  - b. Fiscal Year 2017 - 2018 – Draft Capital Outlay Budget

### DISCUSSION:

The Finance Committee continued discussions on the draft budgets for Fiscal Year 2017-2018.

#### Water Resources and Planning (WR&P) (Page 132)

Chief of Water Resources & Planning Mr. Doi reviewed and prioritized the equipment requirements which would assist the Department to update Water Plan 2040 at \$1.35M. This budget amount included contingency and change orders. Completion target date would be in 1-1/2 years. The scope for Water Plan 2040 is similar to Water Plan 2020 that had a budget of \$614,000.

Hydraulic model status - Mr. Doi mentioned the Department switched to a new hydraulic model, Info Water. Most systems were converted to Geographic Information System (GIS). WR&P will need to get familiar with the Info Water program.

Water Use and Development Plan (WUDP) status – A draft plan was submitted on the Hanamā'ulu sector. There are two (2) sustainable yields: 1) an existing sustainable yield and 2) proposed sustainable yield out for public comment which will be finalized soon. The sustainable yield for the entire island is being reevaluated.

Chair Dill asked how does WUDP relate to Water Plan 2040? Do we need to complete the WUDP before getting the Water Plan 2040 out? Mr. Doi replied it can be done concurrently. The General Plan needs to be finished also.

Chair Dill supported the budget amount of \$1.35M but added the Department could come back to the Board during the year with an estimate of the scope and cost.

## Finance Committee Meeting May 15, 2017

### Action Items:

- Add new line item under Professional Services Water Plan 2040 \$1.35M @ 4% inflation rate a year based on 20 years ago.
- Provide more details to Water Plan 2040 & get refined estimate into scope and cost.

### Engineering (Page 88 & 89)

Civil Engineer, Mr. Aoki proposed \$475,000 for Professional Services and \$380,000 for the capital budget totaling \$855,000 with a net 34% decrease from last year's budget. The 34% decrease is due to less projects by proposing two (2) new design projects this year. Engineering continues to work on existing projects from previous years.

One new project, the Hanapēpē Stream Crossing, needs repair that leads to the wells in Hanapēpē Valley (a replacement project). Second new project is the repair replacement of a 12 inch main to a 16 inch main due to leaks starting from Hardy Street intersection along Kūhi'ō Highway to Oxford Street in Līhu'e; budgeted at \$120,000 for Professional Services (Water Utility (WU) and Facilities Reserve Charge (FRC). This is a replacement and expansion component which increases the main line.

Projects budgeted last year, Kīlauea Well No. 3 and Paua Valley Tank repair, are in negotiations with the consultants. If negotiations take longer to encumber the funds this year, Mr. Aoki will come back to the Board with a Manager's Report. The contracts should be encumbered by June.

Site assessment for hazardous materials, demolition of tank for the Kukuilono site exchange - Budget amount of \$50,000 will be carried over to the new fiscal year budget. The Department is waiting on the County's decision on the site. The underground storage tank needs to be removed. Manager Saiki mentioned if diesel was stored in the tank, it may have leaked. There is an agreement with the County and the Department is waiting for information or guidance on how to remove the tank. The purchase of insurance is pending

Deputy County Attorney Krafft provided an update on the County which is obtaining quotes from different providers. Pricing is indicated on the environmental and liability insurance policy package with the County. Some issues may or may not cover pre-existing conditions and there is no timeframe on the results. Discussions have been going on for 1-1/2 years. Mr. Canute asked if the tank had leaks and if the Department digs down and does find a leak and extracts the contaminated material, he questioned if the insurance may or may not cover this issue. Deputy County Attorney said it may open up to statutory provisions. The liability may be shared by the County.

Proposed University of Hawai'i (UH) Experimental Site Tank – The Department has this project on hold until it is known if the Department will be allowed to build on the UH site; possibly the beginning of the fiscal year next year. The existing tank needs to be replaced and the Department cannot put a new tank on the existing site because the tank site is on a hill. The service area is under a storage restriction. The Department would be able to repair and replace the existing Puupilo tank which services the upper Homesteads. Existing Puupilo tank size is 125,000 gallons of water and the proposed tank size is approximately 100,000 gallons of water. There is an Executive Order from the State to put a tank on the UH site. The Department will wait to hear from UH and may need the State's approval.

Chief of Operations Mr. Reyna added without the UH Experimental Extension tank, the Department cannot rehabilitate Puupilo tank.

As Needed Services and Kīlauea Wells MCC – Funds have been encumbered this year and no budgeted funds for the current year.

Meeting Expenses \$450,000 - will be kept for the next fiscal year.

## Finance Committee Meeting May 15, 2017

Paua Valley Tank repair is still in negotiations.

Waterworks Controller Ms. Yano clarified capital projects can be funded from WU and/or FRC; an expansion project is funded from FRC.

Hanalei Well No. 2 – will not encumber the \$75,000 this year; the Department will come back to the Board with a Manager's Report with a definite number.

Wainiha Well No. 4 – will not encumber the \$80,000 this year; The Department will come back to the Board with a Manager's Report with a definite number.

Hardy Street to Oxford Street project - \$79,000 budgeted for next year.

Kīlauea Well No. 3 – will not encumber \$300,000 this year; the Department will come back to the Board with a Manager's Report with a definite number based on negotiations.

Kōloa Well F land acquisition – The owner wants the Department to lease the site. Grove Farm is the landlord and there are no legal issues. Funds were taken out to purchase the site.

### Action Items:

- Update Meeting Supplies to \$450 (p. 94)
- Update NTP columns (p. 95)
- Paua Valley Tank Repair – Anticipated NTP in June (p. 95)
- Carry forward “Hanalei Well No. 2”, “Kīlauea Well No. 3”, “Wainiha Well No. 4” (p. 96)
- Provide justification for leasing versus owning Koloa Well F site (p. 97)

### Construction Management (CM)

Chief of Construction Management Mr. Moises highlighted that CM has been short staffed several years. CM does all of the design review and manage all construction for private and Water Plan 2020 projects.

Engineer positions have been moved to the Civil Engineer (CE) series to attract a bigger pool of candidates. There were candidates on the eligible list but all declined to be interviewed. Short staffed on the engineering side. There may be an Inspector position open in a few months.

Was hesitant to use an “As Needed” contract but from a previous Board meeting, we needed that skill set and multiple contracts will be needed. At this time, no money has been spent due to Capital Improvement Projects (CIP) not being able to go out the next couple of years.

Professional Services FY 2015-2016 for \$290,000 (Page 103) - has been encumbered with a two year contract and will be active this month and executed by June 30<sup>th</sup>.

\$490,000 will be used to do the project engineering if the Department cannot do in house. The “As Needed” CM is not sustainable. “As Needed” CM will watch two (2) projects. Salaries for CM Division is \$485,000 for nine (9) staff members (includes Mr. Moises & vacancies). The consultants cost \$1,000 a day to watch the projects vs. the CM staff less than \$1,000 a day to do multiple projects and gain internal knowledge throughout the process. In the long term, if “As Needed” contracts cost too much and for the rate payers, there would need to be a restructure or to add positions. Next year, Mr. Moises may have better construction numbers to report.

An “As Needed” Structural Engineer budgeted for \$50,000 (Page 103) – The new building needed a licensed Structural Engineer Inspector also for the wells, areas on the construction and design review of the tanks when Mr. Moises worked on the budget. A lot of the tanks are being changed, even though reinforced

## Finance Committee Meeting May 15, 2017

concrete was used, now seismic cables are being used and if the Department does pre-stress or standard reinforced concrete tanks. He would like to get the Structural Engineering opinion regarding managing projects. Depending on the tank projects coming out the next two (2) years, it could be put on hold and leave the \$50,000 in the budget so the contracts could be procured in the RFQ process.

Operational Supplies Budget (\$4,500) (Page 103) - A new tablet will be purchased for a new staff member to be hired.

Books, Publications, Membership Budget \$1,850.00 (Page 103) – Increased for Contractor Association Kaua'i (CAK) membership and training for the CM Division.

Training & Development Budget \$9,250 was increased (Page 103) – The extra \$3,000 was to hire a hazardous materials consultant to give proper training on asbestos for the CM staff.

Travel, Per Diem, & Meeting Expenses Budget \$3,250 (Page 103) –Underutilized the last two (2) years because Mr. Moises did not have the staff to attend trainings. FY 2014-2015 Actuals was \$1,087 was for one person to attend a soils class in San Jose, California. The new budget would be for two new people to send to a similar class.

Refer to original Budget Summary for CM - Total CIP construction projects is \$31.7M, but was readjusted to take out GF tank, Kalāheo packages and the 'Anini pipeline; replaced them with Kapaia, Kapa'a Tank and Kapa'a Well No. 4, and reduced down to \$12.7M.

From the initial budget, Mr. Moises' goal was to spend down the bond fund in three (3) years from 2013. Currently in 2017, the bond fund has not been spent down and there is \$7.1M left and unallocated this year. This may have financial implications in WU.

The CM software is not in the CM budget and should be implemented in 12 months to better manager design and construction. Committee members included Civil Engineer Mr. Keith Aoki, Waterworks Information Technology Officer Mr. Jeff Mendez and Information Technology Specialist Ms. Nadatani-Mendez. The funds should be encumbered by the end of July.

Professional Services (Page 103) - Ms. Tokioka questioned \$290,000 to be encumbered as a liability is not in the budget. Mr. Moises explained until the amount is paid out, it does not show up as an actual. The new CIP construction budget has not been used since everything was done in house. If the funds are used, it will show up in FY 2016-2017. \$290,000 in 2015-2016 will lapse in 2018 and \$200,000 will be encumbered this month which lapse two (2) years from execution. These are two (2) separate two (2) year contracts with different consultants. These on-call contracts were overlapped to be available any time.

### Projects

As Needed Structural Engineer \$50,000 (Page 105).

Equipment & Supplies (Page 107) – supplies has been ordered already.

Reference Materials (Page 109)

CAK Workshops for CM Staff (Page 111)

Conference Travel (Page 113)

Conference Registrations (Page 115) – mainland trips

CK 1769 Replacement 2002 Ford Escape (Page 118) – Will need a new SUV; met 10 year milestone & 100,000 mileage.

Initial Building Fees (Page 120) – Plan review fees are paid. Rehab & Replacement projects (Eleele Booster building permit). \$10,000 is for expansion projects. Grove Farm Tank was routed and if this tank is done, the building permit requirements would be met at \$1,000.

## Finance Committee Meeting May 15, 2017

WU, Rehab & Replacement (Page 121):

Kōloa Well A & B is bond funded

Eleele Booster – WU funded

Hanapēpē Water Lines – WU funded but actually grant funded.

Kapaia 18" Water Line – Bond funded

Kapa'a Well No. 4 – Bond funded

Reorganize Water System Pipeline - Rehab & Replacement is \$1,653,600. \$2.2M may not cover this project and Mr. Moises may come back to the Board during the fiscal year for the difference.

18" Cane Haul Road – \$0 bond

Three projects are being re-evaluated:

1) Yamada Tank – dollar funded FY 2018 with associated piping. The contract amendment for design is being negotiated. Finished design should be done February/March 2018. Funds may be encumbered by May/June 2018. If the project moves forward, it may get funded according to Chair Dill.

2) Clear well – with associated piping; will be resized

3) Pipeline

4) Yamada Well

18" Cane Haul received State Legislature appropriation of \$3M is available this year. Kapa'a Well 4 also received \$750M from the State as revenue.

Hanapēpē project got \$4M two (2) years ago – Design should be done by June 2017; add NTP's.

Reorganize Water System Pipeline (Page 121) - Mr. Aoki explained the reorganization is to connect the Hanapēpē lower system with the Port Allen area. The reorganization will eliminate the need to pump water up to the higher tanks then it would be dropped back down to the Pressure Reducing Valve (PRV).

FRC (Page 123)

Hanapēpē River Bridge \$315,000 –The design is putting in an extra 16 inch water line under the bridge which the Department has to pay

Kōloa Well A & B - \$1.7M – Advertise construction this month, NTP is September

Kapaia Cane Haul Road 18" Main \$45,675 - Expansion

'Anini Pipeline – Shelved

Grove Farm Tank – Shelved; Department looked at what drove the project initially and where we are today.

Puu Pane Well 3 – Not funded; design will not get completed this FY

Weke, Anae, He'e Roads – Not funded; design will not get completed this FY

BAB Expansion (Page 125)

Kapa'a Homesteads Well 4, \$1.6M - Received \$750M from State legislature

'Anini Grove Farm, Kīlauea Tank, & Weke Road - If these projects are ready for construction, bond fund would be gone. Next year, funding could come from WU

Kalāheo reconfiguration is dollar funded – Packages A & C will use up the bond

Kapaia Cane Haul Road – The draft Environmental Assessment (EA) needs to be redone but per Mr. Moises' opinion, the EA will not be done next year. Consultation is being done now. The draft EA should be submitted in 2-3 months. The UOA will need to be completed with the State. At the June Board meeting, the Department will be requesting Board approval on the conditional letter.

Action Items:

- Remove ground breakings (goes to PR budget) (p. 120)
- Kapaia Cane Haul Road 18" Main - Keep Chair Dill posted regarding Environment Assessment (EA). (p. 124)

## Finance Committee Meeting May 15, 2017

- Move Kapaia 18" Waterline and Kapa'a Well No. 4 into Water Utility from Bond fund - will increase approx. \$5M

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### Operations (Page 179, 180)

Proposed Budget for FY 2018 - \$6.7M; \$1.3M lower from last FY year's budget.

Spend down based on February expenses - \$3.7M; as of May 15<sup>th</sup> - 68% of expenditures

### Professional Services (Page 180)

Electrical consumption is lower due to lower electric bills, lower gas & fuel expenses and the installation of premium efficiency motors.

Reduced cost for water purchases - Bulk water purchases are lowered which use to be \$1.9M; now asking for \$1.8M.

Preliminary Engineering Report and Assessment (Page 180) - Additional funding is being asked for the base yard renovation at \$200,000.

Medical Practitioner \$50,000 - A medical practitioner will be hired to inspect employees who are abusing Sick Leave.

Generator Housing Structures at \$75,000 - Negotiations are not finalized. This amount will be carried over to the next fiscal year.

Design Services for the old Admin. Building renovation \$125,000 - This amount will be carried over to the next fiscal year. Different consultants may be needed on the renovation for Operations office space, warehouse, vehicle storage, equipment storage, and/or roll up doors.

Hawai'i One Call Center (Page 181) - \$2K is paid by the Department

Construction Equipment rentals (Page 183) - \$50,000 same as last year. Operations used a lot of rentals and equipment they did not have that exceeded the FY 2015-2016 budget. Since February, Operations had to transfer funds. There were equipment failures especially when an excavator submerged into a sink hole in Mahaulepu. The excavator is being maintained on property. Daily equipment pre and post check are done by the equipment operators.

Chair Dill thanked Operations for the high efficiency pump program (Page 184) - Usage is being monitored. Based on the tank level, Operations look to see if the usage and pump are still running and monitor the run time. Chair Dill asked if most of the pumps are set on daily run time on the SCADA? Mr. Reyna said the SCADA is based on tank levels but 3 or 4 pumps are not on 100%. They are on run time and pumps are set on timers and function properly. When the run time was not established, the pumps would overflow. Chair Dill mentioned to get the SCADA fixed.

Pump Replacement Program \$100,000 (Page 185) - Reduced to \$300,000 and transferred to Expansion equipment. \$400,000 FY 2016 total for pump replacement; \$200,000 FY 2017 is on the Expansion budget.

If the Department takes over the Surface Water Treatment Plant (SWTP) it will be for a future budget.

Outside Contractual Services \$20,000 (Page 186) - Chair Dill asked staff to justify the numbers being requested for FY 2015. Mr. Reyna said for FY 2016-2017, there were no contracts executed the past two (2) years for the SCADA system integrator. The contract was suspended since there was no work and the contract was extended to three (3) years. \$150,000 is still in the budget in case all of the tasks were completed. This fiscal year, all tasks were completed and the contract is being executed at this time. Chair

## Finance Committee Meeting

May 15, 2017

Dill suggested to keep an on call contract separate from the project and to remove the \$150,000 for FY 2017-2018. If Operations needs more funds, they can come back to the Board if needed.

Annual lease agreement for booster pump station in Wailapa is \$1,000 (Page 186).

Repairs & Maintenance Other than Water System (Page 187) – Requested less funds to repair County and State roads. More funds are requested for debris and hazmat disposal.

Miscellaneous Rehab Projects (Page 188) – Maintenance is done in house and less funds are requested. FY 2016-2017 spent more than \$115,000. Mr. Reyna can come back to the Board if more funds are needed.

Purification Chemicals (Page 189) – FY 2016 did not convert chlorine gas to sodium hypochlorite. Hanapēpē has chlorine gas. It did not convert the chlorine gas from Hanapēpē wells because it takes longer to access the site which has limited stream crossing.

Electrical Parts & Materials (Page 190) – Inventory is included in the budget for \$25,000.

Variable Frequency Drives (VFD) (Page 190) – VFD is only viable for the Makaleha site.

Chair Dill requested Ms. Yano to work on the coding of each line item actuals this year. Ms. Yano explained why the actuals were not listed because on the implementation of the Chart of Accounts, Fiscal gave up details from the financial accounting system by streamlining over 2,000 Chart of Accounts. Fiscal now has 400 Chart of Accounts. This made the closing of Chart of Accounts easier every month.

Mr. Tabata asked how much was saved? Someone has to be inputting the information in the Chart of Accounts. Chair Dill inquired if the Division Heads keep track of their line item breakdown manually? He asked Mr. Reyna how much time is he spending keeping track of each line item? Mr. Reyna commented on the encumbrance report: the general account numbers are shown which are not broken down. Expenditures on safety equipment are not shown up on the encumbrance report. Mr. Moises said the Division Heads need to ask Ms. Yano to show them the line item expenditures on the computer because the details are not shown when the report is printed.

Accountant Ms. Parrott clarified as a result of the financial audits, there were too many Chart of Accounts. Refinements will need to happen due to the compression of the Chart of Accounts. She suggested having an account for fleet and building maintenance because the expenditures are unknown. Mr. Canute suggested to list one budget item. There is no cost to add accounts. Chair Dill gave another option to just show the Board the line item. Ms. Tokioka commented to add detailed notes at the bottom of the page. Manager Saiki suggested to simplify it further and present one account line in the budget.

Electrical Parts / Stock (Page 192) – Supplies and inventory were split.

Operating Supplies / Inventory Stock (Page 193) – Budget went down for FY 2016-2017 at \$646,000 to FY 2017-2018 at \$396,000. The AMI Meter Pilot tests (cell reads) were not purchased for \$250,000 in FY 2016-2017. Manager Saiki mentioned Big Island tested the AMI meters and found a high failure rate. Honolulu will test the meters with a bigger sample. The cost for the subscription is \$1 per meter (21,000 meters x \$1 = \$21,000 a month).

Fuel Costs (Page 194) – Fuel costs are lower but if the costs changes, Operations will come back to the Board for more funds.

Bulk Water Purchase (Page 195) – The biggest expense is with Grove Farm for the SWTP; \$2.5M gallons per day are from Grove Farm.

Finance Committee Meeting  
May 15, 2017

Training & Development (Page 196) – Asbestos training, recertification training and Rural Water training.

Travel Per Diem (Page 197) – Conferences.

Tapping Team (Page 198) – No budget; may come back to the Board for funds.

Rehab & Rehabilitation (Page 199) - \$300,000 for pump replacement.

Replace Dump Truck (Page 199) – Age of the 2007 truck is 10 years with 140,000 miles; purchase is being made but the contract has not been executed.

Two (2) pick-up trucks/medium duty (\$220,000) – was advertised and bids will be opened this month.

Moloa'a tank – purchased and replacement will be installed.

Leak detection equipment – was advertised and bids will be opened this month.

Skid Steer loader (\$65,000) – requesting to purchase next FY 2017-2018; to be carried over.

Expansion equipment to be purchased:

Brake equipment for auto mechanics to work on in house.

Motor attachment can be used in house.

Older fleet - will be scheduled to be auctioned.

Action Items (Page 139):

- Carry over Preliminary Engineering Report and Assessment, Baseyard renovations \$200,000
- Carry over Preliminary Engineering Report and Assessment \$125,000
- Fix SCADA; related to the discussion of 3-4 tanks on timers (p. 184)
- Delete line items for “Contractual cost to operate SWTP”, “Contingency”, and “Supplemental budget” (p. 185)
- Provide justification on the amount of the request for line item “Outside contractual services” (p. 186)
- Delete \$150,000 from proposed budget FY 2017-18 for SCADA System. Integration Consulting & Maintenance Contract (p. 186)  
Keep a separate on-call contract.
- Delete 5,000 gallon tank for Moloa'a (p. 186)
- Provide justification on why more is being spent than requested (p. 188)
- Provide justification for changes FY to FY or provide in detail the actual expenditures (code by line item) (p. 191)
- Provide follow-up to the Board on status of BWS' purchase of AMIs (p. 193)
- Delete line item “Contingency” (p. 195)
- Encourage participation in Tapping Team (p. 198)
- Carry forward line items that are to be purchased but unlikely to be encumbered by end of current FY, i.e. Skid Steer for \$65,000 (p. 199)
- Request from the Board as a whole the possibility of expanding the current fleet size. (p. 200)
- Manager & Mr. Reyna to discuss whether to carry forward the line items “Tanker Truck”, “2-4x4 P/U Truck with Utility Body”, “New 2-way and handheld radios”, and “6 tablets or laptops.” (p. 200)
  - Finance Committee members questioned the request to retain replaced trucks, due to a concern about fleet expansion.
  - Ms. Yano suggested adding these items on a Supplemental Budget for next year if not purchased this year.
- Finance Committee concerned about excessive overtime
- Provide an analysis proposal for staffing for Accounting; possible new positions:  
1 Clerk for Billing & 1 Clerk for Accounting



## Finance Committee Meeting May 15, 2017

- Carry forward \$20,000 for line item “Water Rate Study”(p. 150)
- Delete line item “on call janitorial services” (p. 152)
- Delete line item “Dual Monitors” (p. 154)
- Follow up on whether or not to delete line item “dual monitors” (p. 154)
- Correct note – take out “plus one other” (p. 155)
- Confirm that the line items for conferences and trainings are the same for both billing and accounting (p. 158)
- Provide periodic updates to the Board on the timely submission of documents from all divisions to Fiscal - Manager and Ms. Yano to work on getting the Divisions’ reports to Accounting on time, so as to reduce the need for overtime

### Fiscal (Page 139)

The Billing budget is the same as last year. There are 10 staff in Billing; 3 staff are Customer Service Reps.; 3 Meter Readers, 1 Meter Reader Supervisor, 1 Accountant, 1 Customer Service Assistant, 1 Accounting Supervisor. The Customer Care & Billing (CC&B) went live on October 2016.

Professional Services (Page 140) - The Operating budget is also the same. A \$50,000 budget was requested this year because billing is not complete; waiting for Oracle software upgrade and to explore credit card payment.

Armored Car Services (Page 141) - Requesting \$1,000 increase totaling \$11,100.

Lock box service (Page 141) - is zero

Billing Costs / Postage (Page 142) - Requesting \$117,418.

Bill Processing Fees (Page 142) - Mail provider mails the water bills \$87,640.

Lock Box/PO Box Rental (Page 142) - Paid to the Post Office \$1,600.

Operating Supplies (Page 143) - Requesting \$2,500.

Government Finance Officers Association (GFOA) (Page 144) - \$350 for one staff to attend annual accounting trainings.

Training and Development (Page 145) - Requesting \$1,000.

Travel & Per Diem (Page 146) - GFOA \$3,765

No additional new capital purchases will be request this fiscal year (Page 147).

Chair Dill noticed significant OT and Ms. Yano explained the high OT in Billing was due to staff working hard to implement CC&B. No additional positions were added to the 10 existing staff in Accounting.

### Accounting (Page 149)

WU YTD Actual FY 2016-2017 was \$117,678 and the Proposed FY 2017-2018 is \$217,775

New Water Rate Study for FY 2017-2022 (Page 150) - Requesting to put back \$20,000 which may be needed later.

Bond Counsel (Page 150) - Requesting \$15,000

### Accounting & Auditing (Page 151)

The auditing services will be done this fiscal year. In the future, audit services will be budgeted one year at a time; FY 2017-2018 will be \$100,000.

Finance Committee Meeting  
May 15, 2017

On Call janitorial services (Page 152) - Delete line item.

Office Supplies (Page 153) - \$22,000

Operating Supplies (Page 154) - for Accounting.

Dual Monitors (Page 154) - Delete line item.

GFOA (Page 155) - Membership for controller. Delete "plus one" in the description.

Training & Development (Page 156)

Travel & Per Diem (Page 156) - Staff training

Admin/Meeting Expense (Page 158) - Conference registrations

Salaries & Wages/OT (Pages 17) - 3.5% salary increase across the board

Billing - OT - Chair Dill asked if the majority of the \$74,000 was going to 1 or 2 individuals? Ms. Yano explained one accountant position was vacant for two (2) years which was not funded in FY 2016. This fiscal year it was funded and one accountant was hired in January 2017 billing. Staff is asking to hire more people in Billing due to no back up. Some of the billing was pushed back to the accountants. Two accountants have stepped up to do back up the billing reconciliation. Accountants work on a deadline and count on documents from all divisions to submit reports monthly in time for the board meeting packet. Chair Dill requested Ms. Yano to work with the manager and divisions to submit reports on a timely basis to eliminate OT.

Chair Dill noted that the same amount of overtime is budgeted for FY 2016-2017 and FY 2017-2018. He did not understand if anything is being done to reduce OT and asked why wasn't the budget number lowered? Ms. Yano said there are unattended projects to be completed such as scanning of old documents which are still in the old Admin. building. Manager Saiki added Fiscal needs to add two positions (one clerk for Accounting and one clerk for Billing). The work has doubled and increased since billing is now once a month instead of once every two months. Fiscal is also now running their own billing system. Work increased 50% or doubled. Currently Kaua'i has 15 staff with no back up compared to the Big Island with 26 staff and Maui's staff of 33. Chair Dill requested an analysis and proposal for additional staff in Fiscal for next year's budget.

Action Items:

- Finance Committee concerned about excessive overtime. (BT)
- Provide an analysis proposal for staffing for Accounting; possible new positions:  
1 Clerk for Billing & 1 Clerk for Accounting
- Carry forward \$20,000 for line item "Water Rate Study" (p. 150)
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Finance Committee Meeting  
May 15, 2017

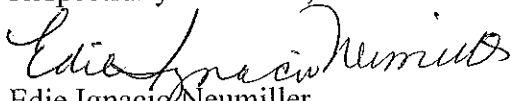
CM Comments: Mr. Moises stated bond money and grant cannot fund a project, it has to be funded in WU. The Kapaia 18" water line and Kapa'a Well No. 4 will be funded from WU. The bond fund will increase by a total of \$12M. He explained the legislative grant cannot be used with the bond to front the money. Ms. Yano will make the change before the next Finance meeting.

Chair Dill requested all the follow up questions need to be addressed at the next Finance Committee meeting.

**F. ADJOURNED**

Chair Dill adjourned the Finance Committee meeting at 4:35 p.m. with no objections. The Finance Committee Meeting will continue on Wednesday, May 24, 2017 at 1:30 p.m.

Respectfully submitted,



Edie Ignacio Neumiller  
Commission Support Clerk

Approved,



Beth Tokioka  
Secretary – Board of Water Supply