

MEETING MINUTES
BOARD OF WATER SUPPLY
Friday, May 26, 2017

The Board of Water Supply, County of Kaua'i, met in regular meeting at the Board Conference Room in Līhu'e on Friday, May 26, 2017. Vice Chair Laurie Ho called the meeting to order at 10:04 a.m. The following Board members were present:

BOARD: Ms. Laurie Ho, *Vice Chair*
Mr. Michael Dahilig
Mr. Larry Dill
Mr. Lyle Tabata

EXCUSED: Mr. Sherman Shiraishi, *Chair*
Mr. Thomas Canute
Ms. Beth Tokioka

Quorum was achieved with 4 members present at the time of roll call.

STAFF: Mr. Kirk Saiki Ms. Marites Yano
Mr. Eddie Doi Ms. Sandi Nadatani-Mendez
Mr. Val Reyna Ms. MJ Akuna
Mr. Carl Arume Ms. Kim Tamaoka
Mr. Keith Aoki Mr. Michael Hinazumi
Mr. Dustin Moises Mr. Chris Nakamura
Deputy County Attorney Mahealani Krafft

GUEST(s): Mr. Alex Wong, Kaua'i County Planning Department
Mr. Hall Parrott, Private Citizen

ACCEPTANCE OF AGENDA

Mr. Dahilig moved to approve as amended, to reorder the Agenda as follows: Correspondence, New Business, Staff Reports as a whole and Minutes; seconded by Mr. Dill; with no objections; motion carried with 4 ayes.

D. MEETING MINUTES

Review and approval of:

Regular Board Meeting – April 28, 2017

Mr. Dahilig moved to defer the Regular Board Meeting minutes of April 28, 2017, seconded by Mr. Dill; with no objections; motion carried with 4 ayes.

E. CORRESPONDENCE/ANNOUNCEMENTS

1. Correspondence from Mr. Daniel Plunkett and Board of Directors, Kaua'i Christian Academy requesting the Department of Water to revise the rules regarding meter service charges to reduce or eliminate charges for non-profits, dated April 29, 2017

Mr. Dahilig moved to receive the Correspondence from Mr. Daniel Plunkett and Board of Directors, Kaua'i Christian Academy requesting the Department of Water to revise the rules regarding meter service charges to reduce or eliminate charges for non-profits, dated April 29, 2017 and deferred to the Manager's recommendation at the June Board meeting; seconded by Mr. Dill; with no objections; motion carried with 4 ayes.

F. BOARD COMMITTEE REPORTS

None.

G. OLD BUSINESS

None.

H. NEW BUSINESS

1. Manager's Report No. 17-42 - Discussion and Possible Action on Board approval on the Additional Design Funding for the Second Amendment for Belt Collins on Contract No. 533 for Job No. 09-01 WP2020 #K-01, K-12, Phase II – Kalāheo 1111' and 1222' Water System Improvements, Kalāheo, Kaua'i, Hawai'i in the amount of \$197,459.00

BACKGROUND:

Civil Engineer Mr. Aoki recommended that the Board approve a second contract amendment to Contract No. 533 with Belt Collins Hawai'i, LLC for the design project for additional funds in the amount of \$197,459.00. This request will redesign the clear well tank size from 1.5M gallons to a 100,000 gallon capacity size. Originally the 1.5M tank design was done to accommodate potential surface water allotment for a 1.5M tank a day. Kalāheo has enough wells to provide the required demands. This is also a proposal to drill and test a new well to provide additional source. The overall cost savings for construction is estimated to be over \$1M by reducing the size of the tank.

DISCUSSION:

Mr. Tabata asked what is the forecast of volume for this area? By taking 5 to 10 years to up size, it would not make sense to build now for the tank. Mr. Aoki determined a maximum build out would be a max day demand of 93,000 gallons of water Max Day Demand. A new well will be built at the Yamada Well site.

Mr. Dill asked why choose ground water instead of surface water which needs to be demolished? Manager Saiki gave two reasons: 1) the Surface Water Treatment Plant (SWTP) has not been operating for a long time and 2) there is no operator to run the SWTP. In the Kalāheo area, if the Department drills a well you would potentially have a yield. Why treat water when the well can be pumped? Mr. Aoki added Kalāheo is connected to Lāwa'i, Omao, Kōloa and Po'ipū. If surface water is used in the Kalāheo area, water quality testing would have to be done down through Po'ipū. Testing cost would increase approximately \$50,000 to \$100,000 each year.

Mr. Aoki said the contract time extension mentioned in the report is back up information that will be addressed administratively through a Manager's Update report.

Mr. Dahilig moved to approve Manager's Report No. 17-42 - Discussion and Possible Action on Board approval on the Additional Design Funding or the Second Amendment for Belt Collins on Contract No. 533 for Job No. 09-01 WP2020 #K-01, K-12, Phase II – Kalāheo 1111' and 1222' Water System Improvements, Kalāheo, Kaua'i, Hawai'i in the amount of \$197,459.00; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

2. Manager's Report No. 17-43 - Discussion and Possible Action on the Re-establishment of the Water Field Operations Superintendent – Position No. 2491

Mr. Dahilig moved to defer to the June Board meeting Manager's Report No. 17-43 - Discussion and Possible Action on the Re-establishment of the Water Field Operations Superintendent – Position No. 2491; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

3. Manager's Report No. 17-44- Discussion and Possible Action on Board Approval to extend the DOW's Rates set forth in Part 4, Fixing Rates for the Furnishing of Water Service in the County of Kaua'i through FY 2017-2018

Mr. Dahilig moved to approve Manager's Report No. 17-44- Discussion and Possible Action on Board Approval to extend the DOW's Rates set forth in Part 4, Fixing Rates for the Furnishing of Water Service in the County of Kaua'i through FY 2017-2018; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

4. Manager's Report No. 17-45 - Discussion and Possible Action on Board Approval for Indemnification and Limitation of Liability for As-Needed Technical Support and continued Support and Maintenance for the Department of Water's Financial System between the Board of Water Supply, County of Kaua'i and RSM US LLP, Contract No. 634

Mr. Dahilig moved to approve Manager's Report No. 17-45 - Discussion and Possible Action on Board Approval for Indemnification and Limitation of Liability for As-Needed Technical Support and continued Support and Maintenance for the Department of Water's Financial System between the Board of Water Supply, County of Kaua'i and RSM US LLP, Contract No. 634; seconded by Mr. Tabata; with no objections, motion carried with 4 ayes.

5. Manager's Report No. 17-46 - Discussion and Possible Action on Board Approval for the Indemnification and Limitation of Liability, to continue services with Oracle (Customer Care and Billing and Customer Portal) between the Board of Water Supply, County of Kaua'i and Mythics (Reseller for Oracle), Contract No. 633

Mr. Dahilig moved to approve Manager's Report No. 17-46 - Discussion and Possible Action on Board Approval for the Indemnification and Limitation of Liability, to continue services with Oracle (Customer Care and Billing and Customer Portal) between the Board of Water Supply, County of Kaua'i and Mythics (Reseller for Oracle), Contract No. 633; seconded by Mr. Tabata; with no objections, motion carried with 4 ayes.

I. CONSENT CALENDAR

6. Manager's Report No. 17-47 - Discussion and Possible Action on a Request for Board Approval to enter into a Memorandum of Understanding between the State of Hawai'i, Office of the Auditor and the County of Kaua'i, Department of Water to participate in the audit of the schedule of employer allocations of the State of Hawaii Employees Retirement System actuarial information received from Gabriel, Roeder, Smith & Company Actuary

Mr. Dill moved to approve Manager's Report No. 17-47 - Discussion and Possible Action on a Request for Board Approval to enter into a Memorandum of Understanding between the State of Hawai'i, Office of the Auditor and the County of Kaua'i, Department of Water to participate in the audit of the schedule of employer allocations of the State of Hawaii Employees Retirement System actuarial information received from Gabriel, Roeder, Smith & Company Actuary; seconded by Mr. Dahilig; with no objections, motion carried with 4 ayes.

7. Manager's Report No. 17-48 - Discussion and Possible Action to Request Board Approval to enter into Memorandum of Understanding between the State of Hawai'i, Employees Retirement System and the County of Kaua'i, Department of Water to obtain Employees Retirement System Actuarial Information to meet reporting requirements under Governmental

Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions"

Mr. Dill moved to approve *Manager's Report No. 17-48* – Discussion and Possible Action to Request Board Approval to enter into Memorandum of Understanding between the State of Hawai'i, Employees Retirement System and the County of Kaua'i, Department of Water to obtain Employees Retirement System Actuarial Information to meet reporting requirements under Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions;" seconded by Mr. Dahilig; 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. April Monthly Summary Budget

Mr. Dahilig moved to receive the Kaua'i County Water Department's Statement of Revenues and Expenditures, a. April Monthly Summary Budget; seconded by Mr. Tabata; with no objections, motion carried with 4 ayes.

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

Mr. Dahilig moved to receive the Report by the Information and Education Specialist on Public Relations Activities; seconded by Mr. Tabata; with no objections, motion carried with 4 ayes.

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

BACKGROUND:

Chief of Operations Mr. Reyna highlighted the Water Loss Comparison between March and April 2017 showed a 15% water loss in March to a reduction of 10% water loss in April. There were mainline breaks in March with none in April. May's slight water loss increase happened the past weekend because of three (3) fire hydrants were hit by vehicles.

Mr. Dahilig moved to receive the Chief of Operation's Summary Report on Operational Activities; seconded by Mr. Tabata; with no objections, motion carried with 4 ayes.

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

BACKGROUND:

Manager Saiki provided highlights as follows:

1. Personnel:
 - CEV - Interviews completed last Friday.
 - Deputy Manager – No selection will be made.
2. Goals for Water Resources & Planning to be updated:
 - Item 1, Evaluate existing method of determining system capacity and use* – The Manager contacted the Department of Water Supply on the Big Island to determine how they evaluate system capacity and methodology.

Mr. Dahilig moved to receive the Manager and Chief Engineer's Monthly Update Regarding Activities of Note of the DOW; seconded by Mr. Tabata; with no objections, motion carried with 4 ayes.

a. Report of the BAB pay down as of April 2017

Mr. Dahilig moved to receive the Report of the BAB pay down as of April 2017 seconded by Mr. Tabata; with no objections, motion carried with 4 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).

L. TOPICS FOR NEXT WATER BOARD MEETING (June 2017)

1. Discussion and Possible Action on the Manager's Recommendations regarding a communication request from Mr. Daniel Plunkett and the Board of Directors of Kaua'i Christian Academy to revise the rules regarding meter service charges to reduce or eliminate charges for non-profits

Mr. Dahilig added comments on the Draft Budget: As an alternative, the Board does not want the Department without any appropriation authority if the Board does not approve the budget at the next Board meeting. Prepare ahead of time something similar to a flat rate budget approval to allow expenditures to the next year, while the budget is being approved (like a continuation), to ensure the Department does not get into a bind on operational needs and to maintain operations.

M. TOPICS FOR FUTURE WATER BOARD MEETINGS

1. Discussion and Possible Action on Proposed Board Policy for Delegating Routine Actions from the Water Board to the Department of Water's Manager and Chief Engineer regarding Right of Entry
2. Workshop presentation regarding the Long Range Plan of the Department of Water's former Administration Building
3. Discussion and Possible Action on Utility Agreement No. 2257 between the State of Hawai'i Department of Transportation and the Board of Water Supply, County of Kaua'i for the upcoming Hanapēpē River Bridge, Kaumuali'i Highway, Route 50, HI STP SR50 (1) Project, Hanapēpē, Kaua'i Hawai'i Water System Improvements
4. Discussion and Possible Action on the Procurement for a Performance Audit
5. Discussion and Possible Action of Board Policy No. 19 - Travel Allowance Excess Expenditures
6. Discussion and Possible Action on the Department of Water's Standard Operations Procedures as it relates to the Board of Water's Rules and Regulations

N. UPCOMING EVENTS

1. Project Wet – Make A Splash (September 28, 2017)
2. HWWA & HRWA Conference, Hawai'i, HI (November 1 – 3, 2017)

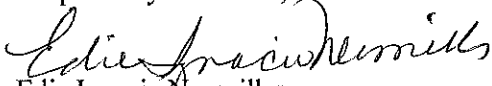
O. NEXT WATER BOARD MEETING

1. Friday, June 23, 2017, 10:00 a.m.
2. Friday, July 28, 2017, 10:00 a.m.
3. Friday, August 25, 2017, 10:00 a.m.
4. Friday, September, 22, 2017, 10:00 a.m.


P. ADJOURNMENT

Mr. Dahilig moved to adjourn the Regular Board meeting at 10:27 a.m.; seconded by Mr. Dill; with no objections; motion carried with 4 ayes.

Respectfully submitted,


Edie Ignacio Neumiller
Commission Support Clerk

Approved,


Beth Tokioka
Secretary – Board of Water Supply