

MEETING MINUTES  
BOARD OF WATER SUPPLY  
May 25, 2018

The Board of Water Supply, County of Kaua'i, met in regular meeting at the Board Conference Room in Lihu'e on Friday, May 25, 2018. Vice Chair Sherman Shiraishi called the meeting to order at 10:21 a.m. The following Board members were present:

BOARD: Mr. Sherman Shiraishi, *Vice Chair*  
Mr. Lawrence Dill  
Mr. Michael Dahilig  
Ms. Laurie Ho

EXCUSED: Ms. Beth Tokioka, *Chair*  
Mr. Lyle Tabata  
Mr. Thomas Canute

Quorum was achieved with 4 members present at Roll Call.

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

**C. ACCEPTANCE OF AGENDA**

Mr. Dill moved to approve the Agenda; seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

**D. MEETING MINUTES**

**Review and approval of:**

Regular Board Meeting – April 27, 2018

Mr. Dahilig moved to approve the Regular Board Meeting minutes of April 27, 2018; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

Special Board Meeting – April 10, 2018

Mr. Dahilig moved to approve the Special Board Meeting minutes of April 10, 2018; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

Finance Committee Meeting – April 23, 2018

Mr. Dahilig moved to approve the Finance Committee Meeting minutes of April 23, 2018; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

Finance Committee Meeting – April 27, 2018

Mr. Dahilig moved to approve the Finance Committee Meeting minutes of April 27, 2018; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

Finance Committee Meeting – May 11, 2018

Mr. Dahilig moved to approve the Finance Committee Meeting minutes of May 11, 2018; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

**Review and approval of:**

Executive Session – April 27, 2018

Mr. Dahilig moved to approve the Executive Session minutes of April 27, 2018; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

**E. CORRESPONDENCE/ANNOUNCEMENTS**

None.

**F. BOARD COMMITTEE & PERMITTED INTERACTION GROUP REPORTS**

1. Report of the Finance Committee of the Kaua'i County Board of Water Supply  
Draft Budget for Fiscal Year 2018-2019
  - a. Fiscal Year 2018 - 2019 – Draft Operating Budget
  - b. Fiscal Year 2018 - 2019 – Draft Capital Outlay Budget

**BACKGROUND:**

Finance Chair Dill reported that the Finance Committee met on April 3<sup>rd</sup>, April 12<sup>th</sup>, April 23<sup>rd</sup> and April 27<sup>th</sup> and discussed the draft Operating Budget and on May 11<sup>th</sup> discussed the draft Capital Outlay Budget for Fiscal Year 2018-2019. The Finance Committee recommended approval on the budget summary to be presented at this meeting.

Received – 4 members

**G. OLD BUSINESS**

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

**BACKGROUND:**

Waterworks Controller Mrs. Yano covered three recommendations: 1) Operating Budget, 2) New Capital Outlay & 3) Rollover of Outstanding Purchaser Orders for 2017-2018. Recommended Board approvals were for the Operating Budget and Capital Outlay.

Mrs. Yano highlighted the Water Utility Fund (WUF) with a breakdown of resources and summary of the unrestricted fund (Page 28, 29, 30).

Operating Expenses \$29,484,540.00

Capital Outlay / WUF \$7,295,500.00 (Page 33)

Capital Outlay – Furniture, Fixtures & Equipment (FFE) & Technology \$1,9M

Capital Outlay – Capital Improvement Projects (CIP): R&R \$5,325,000.00. Two priority projects for construction are for Paua Valley tank repair \$1.4M and Kīlauea 1&2 MCC repair \$3.76M.

Total proposed resources \$1.8M (Page 34)

Proposed Operating and Capital Outlay - \$49M

Estimate Ending Balance - \$51,891,073

Mr. Dahilig thanked Manager Wienand and staff for their hard work on the proposed budget. Manager Wienand also thanked the staff and the Finance Committee for their time.

Mr. Dahilig moved to approve the Draft Budget for Fiscal Year 2018-2019, a) Fiscal Year 2018 - 2019 – Draft Operating Budget and b) Fiscal Year 2018 - 2019 – Draft Capital Outlay Budget; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

**H. NEW BUSINESS**

1. Manager's Report No. 18-114 - Discussion and Possible Action to Request Board Approval for Indemnification and Limitation of Liability for e-Procurement software between the Board of Water Supply, County of Kaua'i and Public Purchase

**BACKGROUND:**

Manager Wienand recommended Board approval on Option 1 that allows the Department to implement an e-Procurement System and to comply with HAR § 3-122-78.

**DISCUSSION:**

Mr. Dill inquired of Deputy County Attorney Krafft whether there was any risk attached to the Board's approval of the indemnification. Deputy County Attorney Krafft mentioned that the indemnification risk liability is low.

Mr. Dill moved to approve Manager's Report No. 18-114 - Discussion and Possible Action to Request Board Approval for Indemnification and Limitation of Liability for e-Procurement software between the Board of Water Supply, County of Kaua'i and Public Purchase; seconded by Ms. Ho; with no objections; motion carried with 4 ayes.

2. Manager's Report No. 18 – 115 - Discussion and Possible Action for Job No. 18-01 on the Construction Abandonment of Hanamā'ulu Well #1 and Hanamā'ulu Well #2 for the additional funding in the amount of \$61,975.00

**BACKGROUND:**

Manager Wienand recommended Board approval on additional funds of \$61,975.00 for the construction to abandon Hanamā'ulu Wells #1 & #2.

Mr. Dill moved to approve Manager's Report No. 18 – 115 - Discussion and Possible Action for Job No. 18-01 on the Construction Abandonment of Hanamā'ulu Well #1 and Hanamā'ulu Well #2 for the additional funding in the amount of \$61,975.00; seconded by Ms. Ho; with no objections; motion carried with 4 ayes.

**I. CONSENT CALENDAR**

1. Manager's Report No. 18-116 - Discussion and Possible Action to approve multiple Right of Entry Agreements with private owners that will allow the Department of Water to relocate and/or reconnect water meters for Job No. 15-07 WP2020 Project No. HE-10 (Reorganize Water System: Hanapēpē Road 6-Inch Main Replacement) and install grouted riprap 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. Wolf Von Falkenburg, Trustee of the Wolf Von Falkenburg Revocable Trust, TMK: (4) 1-9-004:013, Hanapēpē, Kaua'i, Hawai'i
  - b. State of Hawai'i, Department of Land and Natural Resources, TMK: (4) 1-9-005:049 and Lessee Bank of Hawai'i, Hanapēpē, Kaua'i, Hawai'i

Mr. Dill moved to approve Manager's Report No. 18-116 - Discussion and Possible Action to approve multiple Right of Entry Agreements with private owners that will allow the Department of Water to relocate and/or reconnect water meters for Job No. 15-07 WP2020 Project No. HE-10 (Reorganize Water System: Hanapēpē Road 6-Inch Main Replacement) and install grouted riprap 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) Wolf Von Falkenburg, Trustee of the Wolf Von Falkenburg Revocable Trust, TMK: (4) 1-9-004:013, Hanapēpē, Kaua'i, Hawai'i, b) State of Hawai'i, Department of Land and Natural Resources, TMK: (4) 1-9-005:049 and Lessee Bank of Hawai'i, Hanapēpē, Kaua'i, Hawai'i; 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
  - b. Accounts Receivable Aging Summary

**BACKGROUND:**

Waterworks Controller Mrs. Yano commented on the April 27<sup>th</sup> testimony made by private citizen Mr. Hall Parrott that Meter-cuts (M-cuts/close delinquent meters) are not done during the holidays in November and December. Chair Tokioka had questioned why M-cuts are not during those months. Mrs. Yano clarified that M-cuts are done every month but in November and December, Fiscal was testing the new Cloud services for Customer Care & Billing (CC&B) during those months.

Received – 4 members

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

Ms. Ho commented thanked Mrs. Kaohelaulii, Carl Arume and Andy Canavan for attending the 22<sup>nd</sup> Annual Ag Environmental Awareness Day yesterday.

Mr. Dill commended the Department for getting the system up and running after the storm and the communication to the public.

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. Overtime increased during the rain and flood event in April.
2. Operations are working on permanent lines.
3. An emergency bypass installation will need to be done on the pipe that is exposed on Kahiliholo Road. Two tanks services about 80+ homes. A Special Board meeting is planned for May 30<sup>th</sup>.

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 referred to the first two Contract Awards which closes out the design projects but will not move forward with construction due to the current backlog (Pages 280 & 281). Permits would need to be procured and consultants may need to be available for construction.

**DISCUSSION:**

Mr. Dill questioned if the Board approved funding for construction on these two projects. Chief of Construction Management Mr. Moises clarified that the Grove Farm tank was budgeted last year for construction but shelved. The Hanapēpē waterline was budgeted one year prior and had to get redesigned but it was not a priority and was re-budgeted.

Personnel Matters – Vacancies are being filled Department wide (Page 285).

Standard Operating Procedures – Update (Page 287)

SOP5a is for Operations and Fiscal Division guidelines for the removal of meters upon discontinued service. This addressed water meters that are installed, deactivated and left dormant. This cost is passed back to the applicant.

Received – 4 members

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

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 (June 2018)**

1. Discussion and Possible Adoption of the Budget Resolution No. 18-XX (06/18), Budget for Fiscal Year 2018-2019
2. 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
3. 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
  - A response letter from the Department was mail to Mr. Patrick J. Childs.
4. Manager's Report No. 18-106 - Discussion and Possible Action on the Manager and Chief Engineer's Goals for FY 2018-2019

**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. Audit Committee Meeting
5. Finance Committee Meeting - Water Rate Study (July 2018)
6. Purchase Order Rollovers (August 2018)
7. Status on Water Plan 2020 Update

**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) Kōloa Landing*

**O. NEXT WATER BOARD MEETING**

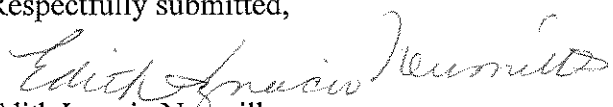
1. Wednesday, May 30, 2018, 3:30 p.m. – *Special Board Meeting (SS, LT, LD, LH)*
2. Friday, June 22, 2018, 10:00 a.m.
3. Friday, July 27, 2018, 10:00 a.m.
4. Friday, August 24, 2018, 10:00 a.m.
5. Friday, September 24 28, 2018, 10:00 a.m.

Mrs. Yano requested a Water Rate Study meeting with the Finance Committee (July).

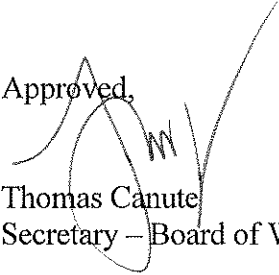
**P. ADJOURNMENT**

Ms. Ho moved to adjourn the Regular Board Meeting at 11:05 a.m.; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

Respectfully submitted,

  
Edith Ignacio Neumiller  
Commission Support Clerk

Approved,

  
Thomas Canute  
Secretary – Board of Water Supply