

MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday, November 19, 2015

The Board of Water Supply, County of Kaua'i, met in regular meeting at the Board Conference Room in Līhu'e on Thursday, November 19, 2015. Chair Sherman Shiraishi called the meeting to order at 10:05 a.m. The following Board members were present:

BOARD: Mr. Sherman Shiraishi, *Chair*
Mr. Clyde Nakaya, *Vice Chair*
Mr. Larry Dill
Mr. Michael Dahilig
Ms. Laurie Ho
Mr. Wally Rezentes, Jr.

Quorum was achieved with 6 members present at the time of roll call.

STAFF: Mr. Kirk Saiki
Ms. Marites Yano
Mr. Dustin Moises
Mr. Keith Aoki
Ms. Kim Tamaoka
Ms. Sandi Nadatani-Mendez
Mr. Ryan Smith
Mr. Eddie Doi
Mr. Carl Arume
Mr. Joel Bautista
Mr. Chris Nakamura
Ms. Mj Akuna
Deputy County Attorney, Andrea Suzuki

GUESTS: Mr. James Nakayama, KMH, LLP
Mr. Clyde Kodani, Kodani & Associates
Mr. Hall Parrott, Private Citizen
Mr. Marcus Eshtiaghy, DOW Customer
Mr. Matthew Bernabe, Private Citizen
Mr. Jan Tenbrugencate, Private Citizen

ACCEPTANCE OF AGENDA

Mr. Dill moved to approve the reorder and amended Agenda by Chair Shiraishi Agenda Item I#4 Manager and Chief Engineer's Monthly Update after Agenda Item E#1 Correspondence from Mr. Marcus Eshtiaghy, then New Business Agenda Item H#1 Manager's Report No. 16-19 - DOW's Draft Financial Statement and Independent Auditor's Report and Agenda Item H#5 Manager's Report No. 16-22 - Discussion and Adoption of DOW Rule Amendments; seconded by Ms. Ho; with no objections, motion carried with 6 ayes.

D. MEETING MINUTES

Review and approval of:

Regular Board Meeting – October 29, 2015

Mr. Dahilig moved to approve the Regular Board Meeting minutes of October 29, 2015; seconded by Ms. Ho; with no objections, motion carried with 6 ayes.

Review and approval of:

Executive Session - October 29, 2015

Mr. Dahilig moved to approve the Executive Session minutes of October 29, 2015; seconded by Ms. Ho; with no objections, motion carried with 6 ayes.

Review and Receipt of Meeting Minutes from Transcripts:

Regular Board Meeting – November 23, 2011

Mr. Dahilig moved to receive the Regular Board Meeting minutes of November 23, 2011; seconded by Ms. Ho; with no objections, motion carried with 6 ayes.

Regular Board Meeting – December 22, 2011

Mr. Dahilig moved to receive the Regular Board Meeting minutes of December 22, 2011; seconded by Ms. Ho; with no objections, motion carried with 6 ayes.

E. CORRESPONDENCE/ANNOUNCEMENTS

1. Correspondence from Mr. Marcus Eshtiaghy, dated October 6, 2015 regarding customer service

Chair Shiraishi recused himself from this agenda item and before public testimony started regarding a customer service complaint from Mr. Eshtiaghy because it involved Chair Shiraishi. The Chairmanship was given to Vice Chair, Mr. Nakaya.

After Mr. Eshtiaghy refused sit down to give his testimony, Mr. Dahilig motioned that Mr. Eshtiaghy was out of order. Vice Chair, Mr. Nakaya convinced Mr. Eshtiaghy to sit down to give his testimony.

Mr. Marcus Eshtiaghy provided his testimony.

Mr. Eshtiaghy has been a customer two (2) years and pays his bills ahead of time. The day he came in to pay a bill ahead of time, the cashier didn't know how to correctly record this payment and did not give a receipt. Instead, the cashier wrote on the bill the wrong amount of \$200.00. The correct amount paid should have been \$230.62 (credit was \$30.62). The cashier disagreed with the written amount and argued with him. None of the supervisors were available to assist Mr. Eshtiaghy but another person behind the counter assured-the correction would be made.

Still unsatisfied on how his payment was handled he requested to speak to a manager. He was not satisfied with the customer service he received and expected the Manager to approach a customer to shake hands first, with a smile on his face with a business card in his hand.

Mr. Dahilig mentioned that the role of the Board was to receive the correspondence or if there was action on this matter.

Vice-Chair, Nakaya understood Mr. Eshtiaghy's complaint and explained that the Board needed to hear him out about his complaint. Vice-Chair Nakaya commented that customer service is No. 1 and appreciated Mr. Eshtiaghy's input. Acknowledging this was a learning experience and would move forward from here.

Mr. Dahilig motioned that Mr. Eshtiaghy angrily made inappropriate comments to Mr. Dahilig about not wearing shoes.

Mr. Dahilig motioned that Mr. Eshtiaghy was Out of Order and asked that Mr. Eshtiaghy be removed from the room; seconded by Mr. Dill; with no objections, motion carried with 6 ayes.

Mr. Dill asked Manager Saiki if the correct balance on this matter had been resolved with the cashier? Manager Saiki replied "yes." Chair Shiraishi added that the computers were down at that time of the complaint which was not mentioned during Mr. Eshtiaghy's testimony.

Also, Mr. Eshtiaghy's previous letter indicated he checked the www.avvo.com web site (a rating scale for lawyers; Associazione Volontari Visitatori Ospedalieri) claiming there were complaints lodged against Chair Shiraishi. Mr. Shiraishi checked the website and there were no complaints posted. Mr. Eshtiaghy had "incorrect" information. Chair Shiraishi apologized for being abrupt during a phone call which may have made Mr. Eshtiaghy more upset.

Mr. Dill moved to receive the correspondence from Mr. Marcus Eshtiaghy, dated October 6, 2015 regarding customer service; seconded by Mr. Dahilig; with no objections, motion carried with 6 ayes.

I. STAFF REPORTS
MONTHLY

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

BACKGROUND:

Manager Saiki highlighted the following:

1. Personnel Matters – CE I – interviews were held and candidate selection is pending.
2. Modification of Subdivision Requirement for Ho'oluana at Kohea Loa, S-2006-24 (106 lot subdivision), TMK 3-7-003:020, D.R. Horton/Schuler Homes, Hanamā'ulu, Kaua'i, Hawaii

Action - This Modification of the original subdivision has been approved by the Manager Saiki pursuant to requirements outlines in Part 3, Section XII of the DOW's Rules and Regulations.

The Department modified the subdivision to allow the applicant 9,000 feet of waterline along Ma'alo Road, cane haul road and Ehiku Street for Phase I for the Kohea Loa project. This line is not required to do Phase I work, in terms of water supply. The Department is working on an agreement with Grove Farm on the waterline.

Chair Shiraishi referred to the 3rd bullet - Grove Farm has indicated that they may be willing to pay the entire cost for the design of the 18" water line from Ma'alo Road to Kūhi'ō Highway. Manager Saiki said according to the contract on the surface water plant it includes the 18-inch waterline. The Board needs to agree on the cost before it is paid. Since Grove Farm started design and the Department was not involved with the procurement, it would be hard for the Department to pay for the design. Grove Farm would pay for the design which is part of the agreement negotiation. It was Manager Saiki's understanding, Grove Farm may be willing to pay for the design at the signing of the contract vs. *Grove Farm is willing to pay for design (which Mr. Dill pointed out).*

Last bullet - A written agreement between the DOW, the applicant and Grove Farm that acknowledges that the 18" waterline is being deferred (not differed) for Subdivision S-2006-24 and that the installation of the 18" waterline will be required for further development of projects as identified in the LH-WMP.

Mr. Clyde Kodani, Kodani & Associates provided his testimony.

Mr. Kodani referenced the 3rd bullet and could not speak for Grove Farm (who was not present at this meeting). Negotiation are in discussion between DOW & Grove Farm which is part of the cost sharing.

He understood that Grove Farm is not willing to pay for design because previously it was a 2/3, 1/3 share.

Based on the report, Chair Shiraishi was relying on paying the entire cost. Construction is the big cost and did not want to hold up the project. Manager Saiki will be meeting with Grove Farm today.

Mr. Kodani was representing Grove Farm and D. R. Horton. Mr. Dill asked if both companies are in support of what is being proposed today? D. R. Horton has nothing to do with this matter. Under the purchase agreement, D. R. Horton bought land from Grove Farm who was responsible for all offsite improvements. D. R. Horton has agreed on a deferral of the 18-inch waterline and has nothing to do with the subdivision.

Deputy County Attorney, Andrea Suzuki mentioned that this report was brought on by Part 3, Section VII which is a rule that the Board amended recently that allowed the Manager to make modifications on subdivision requirements on finding three (3) elements. Once a decision is made, pursuant to the rules, the Manager has to submit it to the Board. The Board could receive, accept, or overturn, nullify or modify which is required under the rules with options.

Mr. Dill referred to the contract extensions and asked why are projects dragging on? Manager Saiki explained the consultants are making progress but it is taking longer to complete. Part of the issues are the Department staffing and the consultant's staffing. Mr. Dill encouraged the Department to fill vacancies and to make sure the consultant can perform.

Chair Shiraishi commented on the Manager's Goals No. 7 – Fill all funded vacant positions for FY 15-16 and conduct Annual Occupational Safety & Health Administration (OSHA) type inspections. Manager Saiki clarified that the Department of Human Resources (DHR) may have someone on staff or available to take care of the safety issues for the Department.

Mr. Dahilig moved to receive the Manager and Chief Engineer's Monthly Update Regarding Activities of Note of the DOW; seconded by Ms. Ho; with no objections, motion carried with 6 ayes.

- a. Report of the BAB pay down as of October 2015

Mr. Dahilig moved to receive Report of the BAB pay down as of October 2015; seconded by Ms. Ho; with no objections, motion carried with 6 ayes.

F. BOARD COMMITTEE REPORTS

None.

G. OLD BUSINESS

None.

H. NEW BUSINESS

1. Manager's Report No. 16-19 - Discussion and Receipt of the Department of Water (DOW)'s Draft Financial Statements and Independent Auditor's Report

Mr. James Nakayama, Agent Manager, KMH, LLP for the Department of Water provided his testimony.

Mr. Nakayama distributed the following agenda on the Board/Finance Audit Committee Presentation:

- I. Financial Audit of the Department's Basic Financial Statements
 - a. Audit Scope
 - b. Financial Statement Highlights:
 - i. Unqualified (clean) opinion
 - ii. Basic Financial Statements
 - iii. Footnote Disclosures
- II. Other Reports
 - a. Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
 - b. Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
 - c. Summary of Findings
 - i. Current year findings
 - ii. Status of prior year findings
- III. Required Communication with Board – Summary
 - a. Adoption of, or change in, accounting policies
 - b. Audit adjustments
 - c. Uncorrected misstatement
 - d. Disagreements or significant issues discussed with management
 - e. Significant difficulties encountered in performing the audit
- IV. Open Discussion, Questions, or Comments

Finance Statement Highlights – Clean opinion for FY 15 Audit.

Emphasis of Matter – The Department adopted Government Accounting Standards Board (GASB) 68/71 and did not change the auditor's opinion. Management determined the restatement of the basic financial statements for the year ended June 30, 2014 is not practical. The Department elected to restate beginning net position for fiscal year ended June 30, 2015.

The major change was the auditing of pensions at the employer level Employee Retirement System, (ERS) with State of Hawaii.

DISCUSSION:

Mr. Rezentes inquired the auditors testing on the amount the Department contributed to ERS and asked is there sufficient information on ERS level that allows differentiation with County of Kaua'i (COK) contributions vs. the DOW contributions? If the COK opts to choose to pay in a different manner than the DOW, do they have a system at the ERS level to distinguish the contributions DOW makes vs COK? Mr. Nakayama said the DOW was separated during the initial planning stages. The following sections were also discussed.

Other Matters, Required Supplementary Information

Assets and Deferred Outflows – Statement of Net Position - Deferred Outflows and Deferred Inflows Categories – Government accounting created in last year's statement.

Deferred Outflow of Resources - \$1,242,296 was relegated to the adoption of GASB 68.

Pension plan accounting standards are allowed to use measurement dates one (1) year back to June 30, 2014 which means 2015's expenses. All contributions made in FY 2015 become Deferred Outflow and an expense for 2016.

Liabilities and Net Position / Deferred Inflows - \$1,147,956

Net Pension Liability - \$9,317,991 - The Department's share difference between on what the obligation is minus the net pensions assets as of June 30, 2014 of ERS and allocated to the DOW. Allocations are done on their share of the total employer contributions of allocations in the black.

Statement of Revenues, Expenses and Changes in Net Position – equivalent to a company's income statement.

Operating Revenues - Increased \$3.4M in net revenues related to the water rate increase effective July 1, 2014.

Change in net position - \$9.6M compared to \$3.2M included asset contributions by developers to the Department.

Operations results - \$4.6M

Income before contributions - \$4.6M compared to the \$385,526 in FY 2014

Total operating expenses – decreased approx. \$1M over a year.

Impacts related to GASB 68 – there was little change to pension expenses for the year.

Prior period adjustment – (-\$9.4M) restates the beginning net position for FY 2015 (June 30, 2014).

Mr. Dahilig referred to the Net Pension liability - \$9.3M had a small discrepancy between the charges at the beginning of 2015. \$9,317.99 is the ending the liability. The \$9,378 (high) was prior to adjustment and the (\$60,056) is the difference on the pension expense through 2015.

Revised Notes related to the Pension Plans, ERS – Last year the description was long which used to be summarized following the state disclosure.

GASB 68 - includes the 1) Single Employer Plan, 2) Agent Multi-Employer Plan, and 3) Cost Multi-Sharing Plan. The ERS falls under the Cost Multi-Sharing Plan. Cost sharing money is co-mingled in one trust instead of having individual trusts with employers.

Mr. Dahilig inquired if the ERS cap comes out qualified in a financial standing with the chronic underfunding over time, does this have a trickledown effect on the financial ability to stand behind a qualified opinion? If the Department goes for another bond, would that rely on the ability to pay out more into the ERS? Mr. Nakayama commented that putting a large liability affects the net position of the Department or County. A lot of money has been put into pensions.

Mr. Dahilig asked if there is a potential that EUTF would up the open charges due to falling behind? Does the Department take their financial standing at face value calculations based on the qualified opinion? Should the Department be anticipating more liability? Mr. Nakayama said the liability would be picked up by the government. When the OPEB was implemented years ago, there was a change in funding the trust. The Department and County are putting in what the tax law requires. The state has to meet 100% of law by 2019. At this time, the DOW's standing is okay and meets the requirements.

Pension Footnote Disclosures – relate to the contacts and what assumptions of the new standards and rate of returns on how they are developed.

New Pronouncements for Financial Reporting – Next year, GASB 72 will change some disclosures on fair value. This will show how items are used in fair value.

Purpose of this Report – There are no current findings in internal control and the financial reporting. This is not an opinion.

Report on Compliance for Each Major Federal Program – This is the single audit report. The big change was a previous circular A133 issued by OMB as a guidance to auditors. The Uniform Guidance, a year ago, changed auditing requirements for those who spend federal funds. The Uniform Guidance did not have any impact on the single audit this year.

Single Audit Report – Auditor's provided a clean opinion. Audited was the Department's federal and State Department of Health Safe Drinking Water Treatment – provided a clean unqualified opinion on compliance/clean report. The two (2) findings reported in FY 2014 last year were resolved.

There will be a formal letter sent to the Board once the financial statements are issued to the Board. The letter will include the adoption of GASB 68 and a listing of the audited adjustments related to GASB 68 implementation. There were no uncorrected misstatements and no Disagreements or significant issues discussed with management. Significant difficulties – there was improvement on timing of the audit and to earlier start. The Department is doing a good job in using the system and will push to start the audit sooner to avoid timing issues.

The Special Board meeting on November 24th was cancelled because the KPMG report is pending in order for the auditors to complete their report. It is anticipated that the numbers should not change. Chair Shiraishi prefers to discuss and receive the final report at the December 17th Regular Board meeting which depends on the Department.

Mr. Dahilig asked Deputy County Attorney, Andrea Suzuki if the Board could authorize the Chair to receive the auditor's report based on this draft? She said it was the preference of the Board to have a formal meeting to accept the final report which does not change from the date it was completed upon receipt by the Board.

Manager Saiki also asked if the Board could give Department direction if there are no significant changes to the final report? Mr. Nakayama clarified that the Department could sign off on the letter to the auditors and to sign off on the auditor's opinion. If there are significant changes, it needs to be raised with the Board and that the Board approves the final draft before it is issued. Once the final report is dated, it is sent to the County.

Mr. Dahilig moved to approve the Draft Financial Statements and Independent Auditor's Report and to approve the forwarding of the Final report after receipt of the KPMG report. The Final report will be forwarded to the County if there are no significant changes as approved; seconded by Mr. Rezentes, Jr.; with no objections, motion carried with 6 ayes.

Mr. Dahilig congratulated Manager Saiki, Ms. Yano and staff for having a clean audit this year.

5. Manager's Report No. 16-22 – Board Discussion and Adoption of Department of Water Rule Amendments to:

- Part 3, Establishing Standards for Subdivision Water Systems within the County of Kaua'i, Section III, Facilities Reserve Charge
- ~~Part 4, Fixing Rates for the Furnishing of Water Service in the County of Kaua'i, Section I, General Use Rates (NOTE: This section was pulled out.)~~
- Part 4, Fixing Rates for the Furnishing of Water Service in the County of Kaua'i, Section VII, Facilities Reserve Charge
- Part 5, Facilities Reserve Charge

Chair Shiraishi recognized the Department on the great job they did with the Public Hearing on the FRC, in setting it up the hearing, the Frequently Asked Questions (FAQs), and the informational slide show.

BACKGROUND:

Chief of Water Resources and Planning, Eddie Doi provided the recommendation that the Board adopt the DOW Rule Amendments:

- Part 4, Fixing Rates for the Furnishing of Water Service in the County of Kaua'i, Section VII, Facilities Reserve Charge
- Part 5, Facilities Reserve Charge
- Changing any reference to Part 4, Section VII in the rules to now accurately reflect the new Part 5.

The proposed Rule Amendments were previously reviewed and approved by the Board of Water Supply. And sent to the Small Business Regulatory Review Board (SBRRB). A Public Hearing was held on November 10th at the Kaua'i County Council Chambers.

Mr. Doi addressed parts of the changes to Part 4, Fixing Rates for the Furnishing of Water Service in the County of Kaua'i, Section VII, Facilities Reserve Charge (FRC). The Department proposed assessing the FRC based on the level of service. The FRC study determined the cost per gallon was \$18.82. The Department proposed calculating the impact fee based on the level of service. Another change proposed in Part 4 was to reapportion the source, storage and transmission facilities from 30%, 30%, 50% apportionment that will now be 22%, 41%, 37%. This accurately describes the apportionment of these facilities identified in the Needs Assessment Study.

Other changes previously approved included:

- a) To move the definitions section up to the front of the Section VII.
- b) Consider allowing the applicant to provide the source or storage or transmission to offset the entire percentage if they provided all the facilities required for the development.

Highlights on Part 5, FRC that was established to address in more detail:

- a) The Purpose and Authority for the Department's Facilities Reserve Charge.
- b) Applicability of the Facilities Reserve Charge.
- c) Collection and Expenditure of FRC (guidelines and procedures dealing with the FRC collected).

The Board referred Part 5 rule to the SBRRB at the July 23, 2015 Board meeting. SBRRB met on September 16, 2015 and unanimously agreed to support the proposed changes and to proceed to Public Hearing.

Pursuant to the DOW Rules and Regulations Part 1 – Rules of Administrative Practice & Procedure, Section VI, Procedures for Adoption, Amendment or Repeal of Rules, the DOW proceeded with the required Public Hearing on November 10, 2015.

Included in this report are the Department's answers to the questions raised at the Public Hearing.

Chair Shiraishi opened up testimony from the public.

Mr. Matt Bernabe, Private Citizen from Kapa'a provided his testimony.

Mr. Bernabe wanted to understand and to get clarification on Part 4. He asked if this was geared to get people off the Departments water system and to relocate their own source? He asked if this is a shift to build DOW revenues to incorporate more service? His issue is if the Department denies a source and then says that an individual can wait until they find and locate their own source at your own cost.

Chair Shiraishi answered that this is not a change because if a person develops their own source, the Department would give credit. The percentages are being changed and possibly providing 100% credit if a source, storage and transmission is developed. Manager Saiki added if a person finds their own source, they do not have to turn it over for the Department's control. If a person has their own well in

their backyard, it can be conveyed over to the Department. The Department can look at the well and evaluate if they want to take it or a person can keep it as a private well.

Because a lot of people are not in favor of this rule, Mr. Bernabe would like to defend the rule but needed to hear the Department and Board's position on maintaining control of private water sources. If this is to maintain that, he would be willing to support this publicly to say "this is a good thing." He is not quite sold and learning about this rule.

Deputy County Attorney, Andrea Suzuki explained that the rule is a rate increase to provide the Department with the actual cost to start developing service. Mr. Bernabe could support this rule and asked if this a long term attempt to gain control with the Department providing water vs. letting people dictate their own water. Manager Saiki noted this allows the Department to build the facility which Mr. Bernabe understood. Chair Shiraishi does not want people to get off their own water if they are satisfied with their existing service.

Mr. Bernabe added that some of the wells are starting to suck up salt water and sludge. There are repercussions if the state and Water Commission are claiming there is no water or resources. Deputy County Attorney, Andrea Suzuki added private wells that are developed is because the DOW can't service to them. Chair Shiraishi added that 100% of the FRC fees are used for expansion.

Mr. Dahilig moved to approve *Manager's Report No. 16-22* – Board Discussion and Adoption of Department of Water Rule Amendments to:

- Part 4, Fixing Rates for the Furnishing of Water Service in the County of Kaua'i, Section VII, Facilities Reserve Charge
- Part 5, Facilities Reserve Charge
- Changing any reference to Part 4, Section VII in the rules to now accurately reflect the new Part 5.

seconded by Mr. Dill; with no objections, motion carried with 5 ayes, 1 nay (WR).

2. Discussion and Receipt of the Department of Water's Capital Improvement Projects (CIP) for the 2016 Legislative Session

BACKGROUND:

Manager Saiki commented the 5 legislative priorities for the DOW's CIP were discussed at the last Board meeting. The Department will go to the legislature and is considering getting a Lobbyist which is in the budget. Some of the projects are from last year (Kapa'a homesteads Tank and Kapaia Cane Haul Road). The projects are currently in Design.

The Department does not rely on state funds for CIP projects. Based on the Departments needs and the budget projects, determine what goes to the Legislature. It is a benefit if the state grant can help the Department.

Mr. Nakaya moved to receive the Department of Water's Capital Improvement Projects (CIP) for the 2016 Legislative Session; seconded by Ms. Ho; with no objections, motion carried with 6 ayes.

3. *Manager's Report No. 16-20* – Board Discussion and Approval on County of Kaua'i Department of Water Submittal to Legislature for Changes to HRS46-146 Regarding Impact Fee

BACKGROUND:

The Department requested Board approval allowing the Department to submit HRS changes to the State Legislature regarding Impact Fees. Two years ago, this was approved by the Board and was brought to the Legislature. The current statute allows the Department to collect impact fees prior to the issuance of grading or building permits.

Mr. Dahilig moved to approve *Manager's Report No. 16-20* – Board Discussion and Approval on County of Kaua'i Department of Water Submittal to Legislature for Changes to HRS46-146 Regarding Impact Fee; seconded by Mr. Dill; with no objections, motion carried with 6 ayes.

4. *Manager's Report No. 16-21* - Board Discussion and Approval on County of Kaua'i, Department of Water Submittal to Legislature for Changes to HRS46-43 regarding the County Records

BACKGROUND:

The Department recommended Board approval to have the following State law language changed regarding County records. If the Department wanted to dispose documents, County Council's approval is needed. The Department would like to make the change to come to the Board instead of County Council.

Mr. Dill moved to approve *Manager's Report No. 16-21* - Board Discussion and Approval on County of Kaua'i, Department of Water Submittal to Legislature for Changes to HRS46-43 regarding the County Records; seconded by Mr. Dahilig; with no objections, motion carried with 6 ayes.

At 11:50 a.m., Mr. Dahilig and Mr. Dill exited the meeting.

II. STAFF REPORTS

MONTHLY

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

DISCUSSION:

Chair Shiraishi asked Waterworks Controller, Ms. Yano if a budget column was missing on Page 64 of her report? Ms. Yano will make the correction and add a Budget Summary column.

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

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

BACKGROUND:

Public Relations Specialist, Ms. Tamaoka highlighted the Water Use and Development Plan Update Meetings held in October and the KKCR Radio show that would be archived. The KKCR recording would be provided to the Board by request.

Chair Shiraishi thanked Ms. Tamaoka for doing a good job in getting community messages out to education the public and the Department.

Ms. Ho moved to receive the Report by the Public Relations Specialist on Public Relations Activities; seconded by Mr. Rezentes, Jr.; with no objections, motion carried with 4 ayes.

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

DISCUSSION:

Assistant Chief of Water Operations, Mr. Ryan Smith made a correction to the October 29, 2015 Regular Board minutes (Page 9) stated by Chief of Water Operations, Mr. Val Reyna. Mr. Reyna had said he was the Safety Officer for Operations and baseyard. The correction is "*the Department does not have a Safety Officer.*" Chair Shiraishi added that Mr. Reyna felt he was responsible as a Safety Officer for Operations and the Baseyard (part of his duties).

Mr. Matt Bernabe, Private Citizen from Kapa'a provided his testimony.

Mr. Bernabe discussed the scope of operational activities. If operations are on private property, the Department and Board are the stewards of the subdivisions of the state. The Kaua'i Springs ruling states for the safe guarding of the entire water system. He asked if the Operations crew have access to private remote facilities in repairing water? Mr. Bernabe hopes this area, in the future, is broaden and would like to see the domestic potable water sources as the DOW's Kuleana (responsibility) because it has not been.

At a recent meeting, someone testified that the DOW can't repair water for farming. Mr. Bernabe questioned the scope that the Feds require individuals have to use this water which should be under the DOW's operational activities? He would like to see the operations mission of all bodies of water.

The written OSHA report has not been received yet and will be reported at the December or January Board meeting.

Mr. Nakaya moved to receive Discussion and Receipt of the Chief of Operation's Summary Report on Operational Activities; seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

J. 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 (HRS) Section 92-4, 92-5(a)(4), the purpose of this executive session is to review executive session minutes dated October 29, 2015. This consultation involves the consideration of the powers, duties, privileges, immunities, and/or liabilities of the Board and the Department as they relate to this agenda item. (Approved)*

K. TOPICS FOR NEXT WATER BOARD MEETING (December 2015)

1. Discussion and Possible Action on Board Policy No. 30 - Proposed Delegation of a Meter Restriction
2. Discussion and Possible Action on Board Policy No. 20 – Facilities Reserve Charge Credits for Developers of Affordable Housing
3. Resolution No. 16-05 – Farewell to Russell Coyaso (Retiree) Maintenance Worker II, Operations Division.

L. TOPICS FOR FUTURE WATER BOARD MEETINGS

1. Discussion and Possible Action relating to Providing Water Service Outside of the Water Zone
2. Discussion and Possible Action on the Petition for Subdivision, Designation of Restriction of Access Rights on Cancellations of Portions of Easements and Easement document for Kaunualii Highway Widening Lihu'e to West of Maluhia Road Phase 1 Lihu'e to West of

Kīpū Road at Līhu'e, Puna, Kaua'i, Hawai'i Federal Aid Project No. STP-050-1 (267) TMK
(4)3-4-007:003 (January 2016)

3. Draft Budget for Fiscal Year 2016-2017 (March 2016)
 - a. Fiscal Year 2016 - 2017 – Draft Operating Budget
 - b. Fiscal Year 2016 - 2017 – Draft Capital Outlay Budget
4. Employee of the Year Resolution (April 2016)

Ms. Ho announced the 2016 appointed members for the following committees:

Rules Committee

Michael Dahilig, Chair
Sherman Shiraishi
(Pending DOT designee)

Finance Committee

Larry Dill, Chair
Wallace Rezendes, Jr.
Clyde Nakaya

M. UPCOMING EVENTS

1. Annual Meeting (December 11, 2015)
2. AWWA/Hawai'i Section Hawai'i Water Environment Association
2016 Pacific Water Conference, Honolulu, HI (February 2-6, 2016)
3. AWWA, Chicago, IL (June 9-12 2016)

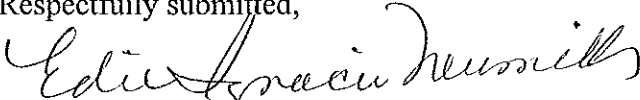
N. NEXT WATER BOARD MEETING

1. Thursday, December 17, 2015, 10:00 a.m.
2. Thursday, January 28, 2016, 10:00 a.m.
3. Thursday, February 25, 2016, 10:00 a.m.
4. Thursday, March 31, 2016, 10:00 a.m.

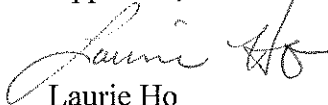
O. ADJOURNMENT

Mr. Rezendes, Jr. moved to adjourn the Regular Board Meeting at 12:04 a.m.; seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

Respectfully submitted,


Edie Ignacio Neumiller
Commission Support Clerk

Approved,


Laurie Ho
Secretary – Board of Water Supply