

MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday, October 17, 2013

The Board of Water Supply, County of Kaua'i, met in regular meeting at the Board Conference Room in Līhu'e on Thursday, October 17, 2013. Chairperson Randall Nishimura called the meeting to order at 8:06 a.m. The following Board members were present:

BOARD: Mr. Randall Nishimura, Chairperson
Mr. Clyde Nakaya
Mr. Raymond McCormick
Mr. Sherman Shiraishi
Mr. Michael Dahilig
Mr. Hugh Strom
Mr. Larry Dill

Quorum was achieved with 7 members present at the time of roll call.

STAFF: Mr. David Craddick
Mr. Kirk Saiki
Mr. Val Reyna
Ms. Fay Tateishi
Mr. Eddie Doi
Mr. Dustin Moises
Mr. Roman Silvestre
Ms. Kim Tamaoka
Ms. Mary-jane Garasi
Deputy County Attorney, Andrea Suzuki

GUESTS: Mr. Kamuela Cobb-Adams, Director Housing Agency
Ms. Barbara Pendragon, Housing Agency

ACCEPTANCE OF AGENDA:

Chair Nishimura ordered to rearrange the agenda to move up New Business, Item H No. 1 *Resolution 14-4* – Mahalo DOW Participants of the Make A Splash Festival after Correspondence and Announcements, with no objections.

MEETING MINUTES:

Review and approval of:

Regular Board Meeting – September 19, 2013

Mr. Dahilig moved to approve the Regular Board Meeting minutes of September 19, 2013 as circulated; seconded by Mr. Dill; with no objections, motion was carried with 7 ayes.

Review and approval of Executive Session:

Executive Session – September 19, 2013

Chair Nishimura ordered the approval of the Executive Session minutes will be done during Executive Session; with no objections.

E. CORRESPONDENCE/ANNOUNCEMENTS

None

F. BOARD COMMITTEE REPORTS

Report of the Rules Committee of the Kaua'i County Board of Water Supply

1. Manager's Report No. 13-7- Board Discussion and Possible Action on Part 2 Section IX of the Rules: Adjustment of Bills for Undetected Leaks and Unforeseen Damages
 - i. DOW Revised Proposed Changes on Part 2 Section IX of the Rules

2. Manager's Report No. 14-13 -- Discussion and Possible Action on correspondence received from the Kaua'i Board of Water Finance Committee to the Rules Committee (5-16-13)

Mr. Dahilig reported that the Rules Committee met Thursday, October 10th and thanked Mr. Shiraishi for writing the Rules Committee Report to the Board. The Rules Committee reviewed the leak rebate and the limitation rules for the Facility Reserve Charges (FRC) which passed out of committee. Mr. Dahilig also thanked Deputy County Attorney, Andrea Suzuki for providing the wrap up for final amendments that were memorialized and distributed to the Board members.

Based on the Part 5 elements, the Rules Committee was aware that the FRC fees need to be implemented in a timely manner but the Committee was concerned about a domino effect that the implementation of Part 5 Rules would have on other rules. Other parts of the rule could cause a delay.

The Rules Committee prepared a mini Part 5 of the rules and laid the ground work for future possible increases that were recommended by the Finance Committee. The rules will incorporate a limit to meter squatting, thus making the allocation of water available to others. There was an insertion recommended by Housing Director, Kamuela Cobb-Adams to provide some relief for on affordable housing projects.

Mr. Dahilig recommended to the full Board to approve the Rules for referral to the Small Business Regulatory Review Board (SBRRB) and to receive comments. The Board could then decide where to go after comments are reviewed.

Chair Nishimura thanked the Rules Committee for working through all the rules.

DEPARTMENT OF WATER RECEIVED FOR THE RECORD
County of Kaua'i

"Water has no Substitute – Conserve It!"

RULES COMMITTEE REPORT TO THE BOARD

October 17, 2013

- Re: 1. Manager's Report No. 13-7 - Board Discussion and Possible Action on Part 2 Section IX of the Rules: Adjustment of Bills for Undetected Leaks and Unforeseen Damages
i. DOW Revised Proposed Changes on Part 2 Section IX of the Rules

The Rules Committee has reviewed Part 2 Section IX rules regarding leak rebates and recommends referral back to the full Board for final action.

The rule is simplified and cross subsidies eliminated for customers that have deficient service lines after the meter. Customers will now have to pay for the full amount of water lost at the first block rate. Previously the effort involved cutting half the water bill above average use from the bill that showed the high consumption. Doing this resulted in water delivered not being accounted for, confounding the water loss picture. The ability to come in as often as a person wanted is also eliminated and the leak rebate is allowed only once in every two year period. Other provisions of the rule although reworded remain similar in intent.

With the proposed rules all the water is paid for at the first block. The dollar impact to the Board will still be in the \$400,000 per year range but water delivered is not dropped to adjust the bill. The previous version had some discussion of a payment plan but that was dropped to encourage full payment as early as possible. Staff still has as part of its procedure to allow payment plans without codifying it.

- Re: 2. Manager's Report No. 14-13 – Discussion and Possible Action on correspondence received from the Kaua'i Board of Water Finance Committee to the Rules Committee
(5-16-13)

The Rules Committee has also received and discussed the report transmitted from the Finance Committee regarding their recommendation on Part 4 schedule for the Rules Committee to clarify the methodology that they are recommending.

The Rules Committee is proposing no changes to Parts 2 and 3 of the DOW's Rules and Regulations, instead Part 5, Facilities Reserve Charge has been considerably modified to incorporate HRS reference.

County Housing Director, Mr. Kamuela Cobb-Adams along with Ms. Barbara Pendragon attended the Rules Committee meetings and provided suggestive language to be added to the Part 5 Rules to include Facilities Reserve Charges for Affordable and Work Housing Projects.

The Rules Committee recommends Deputy County Attorney Andrea Suzuki's draft recommendation on Part 5 to the full board, subject to amending Section 5b. to allow prior applicants to have a twelve (12) month "grace period" instead of six (6). This was recommended to include consideration from the DOW's recommendation to include language for grant funding for the County Housing Agency subject to legal review.

Respectfully submitted,

Sherman Shiraiichi

for

Michael Dahilig
Rules Committee Chairperson

MD:cin

Mr. Dahilig moved to receive the Rules Committee Report, dated October 17, 2013 to the full Board; seconded by Mr. McCormick; with no objections, motion was carried with 7 ayes.

Report of the Finance Committee of the Kaua'i County Board of Water Supply

1. Manager's Report No. 14-16 – Part 4 Fixing Rates for Water Service, Section VII
Facilities Reserve Charge

No Report – Finance Committee meeting was cancelled

H. **NEW BUSINESS**

1. Resolution 14-4 – Mahalo DOW Participants of the Make A Splash Festival

At 8:15 a.m., Chair Nishimura recessed the meeting to allow for a photo op with the staff.

At 8:20 a.m., Chair Nishimura reconvened the meeting.

Ms. Tamaoka read Resolution 14-4 to the Board and staff.

Mr. Shiraishi mentioned that Mr. Ed Kawamura, Jr. was a volunteer at the MAS but not mentioned in the Resolution.

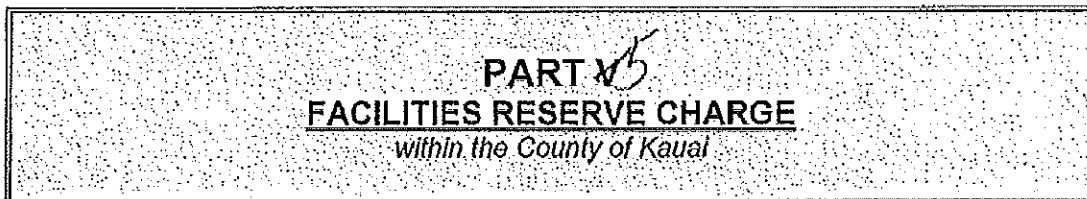
Mr. Shiraishi moved to approve Resolution 14-4 – Mahalo DOW Participants of the Make A Splash Festival with the addition of Mr. Ed Kawamura, Jr.; seconded by Mr. Dill; with no objections, motion was carried with 7 ayes.

G. **OLD BUSINESS**

1. Manager's Report No. 11-28 – Part 5 Water System Development Fee (WSDF) and FRC Proposed Rules
 - i. Part 5 WSDF

Mr. Dahilig moved to Receive for the Record the *revised draft* for Part 5 Facilities Reserve Charge (FRC) within the County of Kauai; seconded by Mr. Strom; with no objections, motion was carried with 7 ayes.

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1. Purpose and Authority
 - a. Capital water facilities expansion is needed in order to accommodate increased demands on existing source, storage, and transmission pipeline capacity due to new development and/or additional demand of existing users. New development and/or additional demand shall be assessed a Facilities Reserve Charge in proportion to its impact and demand on capital water facilities. The Facilities Reserve Charge shall be expended for public capital water facilities projects. These rules were enacted pursuant to Hawaii Revised Statutes (H.R.S.) §46-141 *et seq.* and other applicable State law.

2. Findings

- a. In the review of the impact of growth relative to the existing and planned capital water system facilities capacity available to the water system, the Board hereby finds that the recent and anticipated population growth rates and corresponding water demands would place additional burdens on the existing water system. The Board further finds that such growth and increased demand would necessitate increased expenditures of public funds in order to create adequate facilities and to promote and protect the public health, safety, and welfare. The Board also finds that it is fair and reasonable to impose additional fees to accommodate such development. *Finally, the Board finds that establishing benefit zones as identified in Hawaii Revised Statutes (H.R.S.) §46-14* is not necessary as a reasonable benefit can otherwise be derived.*
- b. The Facilities Reserve Charge, shall be set forth in the Facilities Reserve Charge Schedule in Part 4 of the Department of Water, County of Kauai, Rules and Regulations. The water system Facilities Reserve Charge, as laid out in Part 4, was adopted in accordance with a report prepared by an independent consultant retained by the Board to assess and study water facilities. The report calculated the costs associated with water development needs as laid out in the Board approved Department of Water facilities needs assessment study entitled "Water Plan 2020" as amended.

3. Definitions

- a. Affordable or Workforce Housing Project – any project confirmed or sponsored by the County Housing Agency as a residential development where the majority of housing lots, single-family dwelling units, or multiple-family dwelling units are affordable housing or workforce housing as defined in Chapter 7A of the Kauai County Code 1987, as amended.
- b. Grant Funds – a contribution, gift, or subsidy bestowed to the Board
- c. Grantor – the person or entity that makes a grant of funds
- d. Recoupment – the proportionate share of the public facility capital improvement costs of excess capacity in existing capital facilities where excess capacity has been provided in anticipation of the needs of development.

RECEIVED FOR THE RECORD 10/17/13
DCA AS REVISION

4. Collection and Expenditure of Facilities Reserve Charge

- a. Upon collection of the Facilities Reserve Charge, the Facilities Reserve Charge shall be deposited in a special trust fund or interest-bearing account. The portion that constitutes recoupment may be transferred to any appropriate fund.
- b. If the Facilities Reserve Charge is not expended or encumbered within six years from the date of collection, it shall be refunded to the property owner or the property owner's successor in title, together with accrued interest (if any).
 - i. An application for a refund shall be submitted to the Board within one year of the date upon which the refund right arises;
 - ii. Amounts unclaimed within one year of the date the right to refund arises shall be retained in a special trust fund or interest bearing account and shall be expended for capital facilities improvement projects
- c. If the Board terminates the Facilities Reserve Charge (or analogous) requirement, all unexpended or unencumbered funds shall be refunded to the developer or the developer's successor in title, together with accrued interest (if any).

- i. Public notices of termination and availability of refunds shall be given by the Board at least two times in a manner approved by the Board. All funds available for refund shall be retained for a period of one year and at the end of said one year period, any remaining funds may be transferred to the Board's general fund and expended for any public purposes involving water supply or service as determined by the Board.
 - d. Recoupment shall be exempt from subsections (b) and (c).
- 5. Facilities Reserve Charge Paid Prior to Enactment of Part 5 Rules
 - a. This Section applies to those Applicants that have paid a "Facilities Reserve Charge" prior to enactment of these Part 5 Rules and have failed to install a water meter on the subject property for which the Facilities Reserve Charge was paid, hereinafter referred to as "Prior Applicants".
 - b. Prior Applicants shall have one (1) year from the date of enactment of these Part 5 Rules, hereinafter referred to as the "Grace Period", to install a water meter, at no additional Facilities Reserve Charge cost.
 - c. After expiration of the Grace Period, Prior Applicants must pay the difference of the original Facilities Reserve Charge paid and the Facilities Reserve Charge in effect at the time the meter is installed.
 - d. DOW decision to return the prior paid money if facilities are not adequate.
- 6. Facility Reserve Charges for Affordable and Work Force Housing Projects
 - a. The Manager may defer collection of Facility Reserve Charges for Affordable or Workforce Housing Projects applicable Facility Reserve Charges are collected before installation of applicable meters.
 - b. Administrative fees related to the Facility Reserve Charge shall be waived for Affordable or Workforce Housing Projects.
- 7. Credits
 - a. Credits against the Facilities Reserve Charge imposed are available for any Grant Funds received by the Board for system expansion on a dollar for dollar basis as it relates to:
 - i. Source development
 - ii. Storage development
 - iii. Transmission pipeline construction
 - The Manager shall determine which improvements are system improvements eligible for credits.
 - b. Credits shall be afforded only to those Applicants that are beneficiaries of the Grantor, so long as the Applicants' premises can be served by a system adequate in source, storage or transmission pipeline capacity.
 - c. Any approved credit activity will be recorded and deducted from the amount of the grant funds until the original dollar basis of the grant is zero, at which point no further credits will be allowed.
- 8. Appeal of Facilities Reserve Charge
 - a. Any person assessed a Facilities Reserve Charge under these rules may contest the amount of the Facilities Reserve Charge assessed by following the requirements in Part 1 of these Rules and Regulations.

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PART 4⁵
WATER SYSTEM DEVELOPMENT FEE/FACILITIES RESERVE
CHARGE
within the County of Kauai

1. Purpose and Authority

- a. ~~C~~Expansion of capital water facilities expansion is needed in order to accommodate increased demands on existing the source, storage, and transmission pipeline capacity due to new development and/or additional demand of existing users. New development and/or additional demand shall be assessed a ~~facilities reserve charge~~ Facilities Reserve Charge in proportion to its impact and demand on capital water facilities. ~~T~~ and the ~~facilities reserve charge~~ Facilities Reserve Charge shall be expended for public capital water facilities projects. These rules were enacted pursuant to Hawaii Revised Statutes (H.R.S.) §46-141 *et seq.* and other applicable State law.

2. Findings

- a. In the review of the impact of growth relative to the existing and planned capital water system facilities capacity available to the water system, the Board hereby finds that the recent and anticipated population growth rates and corresponding water demands would place additional burdens on the existing water system. The Board further finds that such growth and increased demand would necessitate ~~increased an excessive expenditures~~ of public funds in order to create adequate facilities and to promote and protect the public health, safety, and welfare. The Board also finds that it is fair and reasonable to impose additional fees ~~require new costs necessary~~ to accommodate such development. *Finally, the Board finds that establishing benefit zones as identified in Hawaii Revised Statutes (H.R.S.) §46-14* is not necessary as a reasonable benefit can otherwise be derived.*
- b. ~~The Facilities Reserve Charge shall be set forth in the Facilities Reserve Charge Schedule in Part 4 of the Department of Water, County of Kauai, Rules and Regulations. The water system facilities reserve charge~~ Facilities Reserve Charge, as laid out in Part 4, ~~was adopted~~ created in accordance with a report prepared by an independent consultant ~~retained~~ as adopted by the Board to assess and study water for the purposes of ~~facilities assessment~~. The report calculated the costs associated with water development needs as laid out in the Board approved Department of Water facilities needs assessment study entitled "Water Plan 2020" as amended.

3. Definitions

- a. Affordable or Workforce Housing Project – any project confirmed or sponsored by the County Housing Agency as a residential development where the majority of housing lots, single-family dwelling units, or multiple-family dwelling units are affordable housing or workforce housing as defined in Chapter 7A of the Kauai County Code 1987, as amended.
- b. Grant Funds – a contribution, gift, or subsidy bestowed to the Board.

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c. Grantor -- the person or entity that makes a grant of funds

a.d. Recoupment -- the proportionate share of the public facility capital improvement costs of excess capacity in existing capital facilities where excess capacity has been provided in anticipation of the needs of development.

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4. Collection and Expenditure of Facilities Reserve Charge

a. Upon collection of the facilities reserve charge Facilities Reserve Charge, the facilities reserve charge Facilities Reserve Charge shall be deposited in a special trust fund or interest-bearing account. The portion that constitutes recoupment may be transferred to any appropriate fund.

b. If the facilities reserve charge Facilities Reserve Charge is not expended or encumbered within six years from the date of collection, it shall be refunded to the property owner or the property owner's successor in title, together with plus any accrued interest (if any).

i. An application for a refund shall be submitted to the Board within one year of the date upon which the refund right to claim arises;

ii. Amounts unclaimed within one year of the date the right to refund arises shall be retained in the special trust fund or interest bearing account and shall be expended for capital facilities improvement projects

c. If the Board terminates the facilities reserve charge Facilities Reserve Charge (or analogous) requirement, all unexpended or unencumbered funds shall be refunded to the developer or the developer's successor in title, together with plus any accrued interest (if any).

i. The Board shall give public notices of termination and availability of refunds shall be given by the Board at least two times in a manner approved by the Board. All funds available for refund shall be retained for a period of one year and at the end of said one year period, which any remaining funds may be transferred to the Board's general fund and expended for any public purposes involving water supply or service as determined by the Board.

d. Recoupment shall be exempt from subsections (b) and (c).

5. Facilities Reserve Charge Facilities Reserve Charge Paid Prior to Enactment of Part 5 Rules

a. This Section applies to those Applicants that have paid a "Facilities Reserve Charge Facilities Reserve Charge" prior to enactment of these Part 5 Rules and have failed to install a water meter on the subject property for which the Facilities Reserve Charge Facilities Reserve Charge was paid, hereinafter referred to as "Prior Applicants".

b. Prior Applicants shall have six (6) months one (1) year from the date of enactment of these Part 5 Rules, hereinafter referred to as the "Grace Period", to install a water meter, at no additional Facilities Reserve Charge Facilities Reserve Charge cost.

c. After expiration of the Grace Period, Prior Applicants must pay the difference of the original Facilities Reserve Charge Facilities Reserve Charge paid and the Facilities Reserve Charge Facilities Reserve Charge in effect at the time the meter is installed.

e.6. Facility Reserve Charges for Affordable and Work Force Housing Projects

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e.a. The Manager may defer collection of Facility Reserve Charges for Affordable or Workforce Housing Projects applicable Facility Reserve Charges are collected before installation of applicable meters.

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e.b. Administrative fees related to the Facility Reserve Charge shall be waived for Affordable or Workforce Housing Projects

e.7. Credits

e.a. Credits against the Facilities Reserve Charge imposed are available for any Grant Funds received by the Board for system expansion on a dollar for dollar basis as it relates to:

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- e.i. Source development
- e.ii. Storage development
- e.iii. Transmission pipeline construction

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e. The Manager shall determine which improvements are system improvements eligible for credits

e.b. Credits shall be afforded only to those Applicants that are beneficiaries of the Grantor, so long as the Applicants' premises can be served by a system adequate in source, storage or transmission pipeline capacity.

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e.c. Any approved credit activity will be recorded and deducted from the amount of the grant funds until the original dollar basis of the grant is zero, at which point no further credits will be allowed.

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e.8. Appeal of Facilities Reserve Charge

e.a. Any person assessed a Facilities Reserve Charge under these rules may contest the amount of the Facilities Reserve Charge assessed by following the requirements in Part 1 of these Rules and Regulations.

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Mr. McCormick moved to Receive for the Record Mr. Shiraishi's revised minor redlined changes for Part 5 Facilities Reserve Charge (FRC) within the County of Kauai; seconded by Mr. Nakaya; with no objections, motion was carried with 7 ayes.

4. Collection and Expenditure of Facilities Reserve Charge

a. Upon collection of the Facilities Reserve Charge, the Facilities Reserve Charge shall be deposited in a special trust fund or interest-bearing account. The portion that constitutes recoupment may be transferred to any appropriate fund.

b. If the Facilities Reserve Charge is not expended or encumbered within six years from the date of collection, it shall be refunded to the property owner or the property owner's successor in title, together with accrued interest (if any).

i. An application for a refund shall be submitted to the Board within one year of the date upon which the refund right arises;

ii. Amounts unclaimed within one year of the date the right to refund arises shall be retained in a special trust fund or interest bearing account and shall be expended for capital facilities improvement projects

c. If the Board terminates the Facilities Reserve Charge (or analogous) requirement, all unexpended or unencumbered funds shall be refunded to the developer or the developer's successor in title, together with accrued interest (if any).

i. Public notices of termination and availability of refunds shall be given by the Board at least two times in a manner approved by the Board. All funds available for refund shall be retained for a period of one year and at the end of said one year period, any remaining funds may be transferred to the Board's general fund and expended for any public purposes involving water supply or service as determined by the Board.

d. Recoupment shall be exempt from subsections (b) and (c).

5. Facilities Reserve Charge Paid Prior to Enactment of Part 5 Rules

a. This Section applies to those Applicants that have paid a "Facilities Reserve Charge" prior to enactment of these Part 5 Rules and have failed to install a water meter on the subject property for which the Facilities Reserve Charge was paid, hereinafter referred to as "Prior Applicants".

b. Prior Applicants shall have one (1) year from the date of enactment of these Part 5 Rules, hereinafter referred to as the "Grace Period", to install a water meter, at no additional Facilities Reserve Charge cost.

c. After expiration of the Grace Period, Prior Applicants must pay the difference of the original Facilities Reserve Charge paid and the Facilities Reserve Charge in effect at the time the meter is installed.

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COUNTY OF KAUAI

7. Credits

a. Grant Funds allocated to Affordable and Work Force Housing Projects shall be used by the Manager to offset Facilities Reserve Charges assessed to AWFHPs on a dollar for dollar basis as it relates to:

The Manager shall determine which improvements are system improvements eligible for credits

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b. Credits shall be afforded only to those Applicants that are beneficiaries of the Grantor, so long as the Applicants' premises can be served by a system adequate in source, storage or transmission pipeline capacity.

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c. Any approved credit activity will be recorded and deducted from the amount of the grant funds until the original dollar basis of the grant is zero, at which point no further credits will be allowed.

8. Appeal of Facilities Reserve Charge

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a. Any person assessed a Facilities Reserve Charge under these rules may contest the amount of the Facilities Reserve Charge assessed by following the requirements in Part 1 of these Rules and Regulations.

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DISCUSSION:

Mr. Shiraishi commented on the language in Part 5 submitted by the County Housing Agency:

Section 6 – Changed “Facility” Reserve Charge to “Facilities” Reserve Charge

Section 7a – Credits – paragraph was reworded.

Deputy County Attorney, Andrea Suzuki changed the title to Part “5” (not Part “V”) and agreed with Mr. Shiraishi’s language changes which she was ready to go with it.

At 8:29 a.m., Chair Nishimura recessed the meeting.

At 8:40 a.m., Chair Nishimura reconvened the meeting.

Mr. Shiraishi discussed additional changes:

Section 6 - Changed “Facility” to “Facilities”

Section 6a – “The Manager may defer collection of Facilities Reserve Charges for Affordable or Workforce Housing Projects (AWFHP) provided however that applicable Facilities Reserve Charges shall be collected before installation of applicable meters.”

Section 7a - Replace 1st sentence with – “Grant Funds allocated to AWFHP shall be used by the Manager to offset FRC assessed to AWFHP on a dollar-for dollar bases as it relates to:”

Deputy County Attorney, Andrea Suzuki mentioned this would only be for affordable housing. The Department sometimes gets state money and the state may want those credits to go toward Hawaiian Homelands projects. Affordable Housing would like all grant funds to go towards their projects and was not sure if this can be done by the Department. This applies to who gives the grant fund because it would be hard to receive state money but to give the credit to someone else that the state is not aware of. The County Housing Agency could lobby the legislature for grant funds.

Mr. Shiraishi's said it was not his intent to limit this to affordable housing since this was proposed to the County Affordable Housing Agency.

Chair Nishimura's commented that this may limit acquiring grants to only affordable housing.

Mr. Shiraishi suggested other language changes for 7a:

"Grant Funds shall be used by the Manager pursuant to the directions of the grantor."

Chair Nishimura suggested changing "*grant funds allocated*" to "*grantees.*"

Deputy County Attorney, Andrea Suzuki explained that the Board will always be the grantee of the grant fund. It is who the beneficiary is of the grantor. Section 7b says "Credits shall be afforded only to those Applicants that are beneficiaries..." The language does not have to go back to committee.

Mr. Shiraishi mentioned the credits were for affordable housing as a defined term.

Mr. Shiraishi suggested other language changes for 7b:

"Grants Funds allocated to projects shall be used by the Manager to offset credit FRC charges assessed to said projects on a dollar-for-dollar bases as it relates to:"

Deputy County Attorney, Andrea Suzuki suggested doing this as a working order if the language does not work out with the rest of the clause and would check other drafts of Part 5. The Board already knows what the intent is.

Chair Nishimura indicated the language is not final approval on the rule because this will come back from the SBRRB.

Mr. Shiraishi moved to modify the language in Part 5 and refer to the Small Business Regulatory Review Board for review. No second was made

Manager Craddick added changes to read:

Section 7c – Changed to - *"Any approved credit activity will be recorded and deducted from the amount of the grant funds until exhausted or expended."*

The following sections should be consistent with each other.

Section 4b – *"If the Facilities Reserve Charge is not expended or encumbered within six years from the date of collection, it shall be refunded to the property owner or the property owner's successor in title, together with accrued interest (if any)."*

Section 4c – “If the Board terminates the Facilities Reserve Charge (or analogous) requirement, all unexpended or unencumbered funds *shall be refunded to the property owner or the property owner’s successor in title*, together with accrued interest (if any).”

Mr. Shiraishi moved to amend the language changes in Section 4 to be consistent and change “developer or the developer’s successor” to *the property owner’s or the property owner’s successor*”; seconded by Mr. Dahilig; with no objections, motion carried with 7 ayes.

Mr. Shiraishi moved to modify the language in Part 5 and refer to the Small Business Regulatory Review Board (SBRRB) for review including the language changes in Sections 4c, wording in Section 6 & Section 7; seconded by Mr. Dahilig; with no objections, motion carried with 7 ayes.

2. Manager’s Report No. 13-7- Board Discussion and Possible Action on Part 2 Section IX of the Rules: Adjustment of Bills for Undetected Leaks and Unforeseen Damages
i. DOW Revised Proposed Changes on Part 2 Section IX of the Rules

Manager Craddick recommended that the Board adopt Part 2 Section IX of the DOW’s Rules & Regulations as recommended by the Rules Committee and to forward the recommendation to the SBRRB for comments. As additional information it was mentioned farmers already pay a reduced rate (50%) in Block 1. If farmer’s applied for a leak rebate, their bill would go up. (Refer to Example in Page 2 of report.)

Mr. Dill read paragraph 7 on Page 1 – *“The Rules Committee has revised the Rules to limit the number of adjustments for the consumer and have narrowed the allowable justification to strictly undetected underground leaks.”*

If somebody goes on a one year vacation and returns to find out most of the leaks are inside their house that would justify for a leak rebate request because the customer did not know of the leak. This is driving the limitation to undetected underground leaks.

Manager Craddick commented that the leak rebate has never been allowed inside the house. He suggested that if a person leaves for an extended time, they should shut their water off.

Mr. Dahilig added if a person was on vacation for a year, that person is responsible for paying their monthly bill and no credit should be given.

Deputy County Attorney, Andrea Suzuki questioned if the leak is undetected, how is it detected?

Mr. Dill commented that the water bill will determine a leak but it does not indicate where the leak is. The Department should be responding to leak requests.

Mr. Dahilig agreed with Mr. Dill and commented that the water bill is one gauge that indicates if there is a leak. The owner could notice a sink hole or a wet spot outside the home. Sufficient notice should be given to the customer if they receive a high bill. If customers are not paying into the system, they should not be rewarded.

Mr. Dill noted there should be considerations for the customer. If a customer is on a two week vacation and finds out a pipe broke (per the rules), there would be no opportunity to request for a leak rebate. But if a customer is gone on a two week vacation and has an underground leak, they could apply for a leak rebate. There is no equity in that situation.

Manager Craddick commented that 90% of the leaks are from toilets and the norm would be to shut off the toilet water when customers are away.

Mr. Strom added that to shut off toilets when a customer is away should not be assumed the norm. This would be a challenge for the entire community to follow the norm. He asked if the Department flags customers who are having large water usage in monthly billings. Are they notified three times? If leak notices are ignored, they should not be entitled to the leak rebate.

Deputy County Attorney, Andrea Suzuki explained when the rule change started several years ago, it was due to the financial management of the Board and the rate payers. Whenever there was a leak a discount was given which meant all other rate payers are paying for the leak on that person's private side that the Department cannot monitor.

Mr. Dill commented that a rebate program should motivate a customer to reply promptly. If the Department responds to the leaks, it would be a better to conserve the water supply. He suggested a requirement in the leak rebate that could include a customer responding properly when they become aware of the leak.

In response to Manager Craddick's norm of the freezing pipes, Mr. Dill felt it did not apply and was not justified.

Manager Craddick indicated there are no justifications for leaks. The Department has 7 of 10 leaks that are indoors. The rebates could double from \$400,000 to \$800,000 that are given away every year if indoor leaks were allowed. An ad program was suggested to inform people to change the norm and to not wait until they get a high bill before they react to leaks in their home.

Mr. Dahilig cannot support a policy if a person cannot maintain their house; the other rate payers should be subsidizing the inability of that customer to maintain their house. He does not like the leak rebate because once you pass the meter it is the owner's responsibility to repair.

Mr. Dill questioned if there should be a leak rebate at all? His point was that the leak rebate should be consistent in the application.

Mr. Strom agreed with Mr. Dahilig in that maintenance repairs and upkeep of a leaking toilet should be the home owner's cost. If there was a break in the line and the homeowner acts accordingly, they should qualify. Maintenance on a pipeline from the meter is not done on a regular basis and breaks are accidental. Mr. Strom questioned what qualifies for the rebate? Any transmission or broken lines should qualify.

Manager Craddick provided a compromise to increase substantially the number of years a person can request for a rebate. If there is a break in the line, the customer should be replacing the line to avoid coming back in two years with another rebate request. Previously the rules stated once in ten years which forces people to be diligent in their maintenance. The Department now sees a lot of repeat leak customers.

Mr. Shiraishi mentioned that the rules do state once every two years.

Construction Project Management Officer, Mr. Dustin Moises commented if you go underground, how are backflow leaks dealt with? He sees a lot of backflow dripping which is above ground.

Manager Craddick said it is an above ground leak and is sure how to deal with that situation.

Mr. Dill inquired on the proposed calculation how the rebate would be less for the customer.

Manager Craddick said Block 4 usage is moved to Block 1 usage the customer would still be paying for the Departments cost.

Mr. Dahilig moved to approve Part 2 Section IX of the Rules: Adjustment of Bills for Undetected Leaks and Unforeseen Damages, i. DOW Revised Proposed Changes on Part 2 Section IX of the Rules to forward to SBRRB for review and comment; seconded by Mr. McCormick; with no objections, motion was carried with 7 ayes.

2. Manager's Report No. 14-14 – Grant of Easement for Reduced Pressure Detector Assembly and Backflow Preventer for Parcel 64, Kōloa Missionary Church, Hawai'i District, Kōloa, Kaua'i, affecting the following Landowner:
 - a. Missionary Church, Hawai'i District, affecting TMK(s): (4) 2-8-010-064, Kōloa, Kaua'i Hawai'i

Mr. Shiraishi moved to approve Manager's Report No. 14-14 – Grant of Easement for Reduced Pressure Detector Assembly and Backflow Preventer for Parcel 64, Kōloa Missionary Church, Hawai'i District, Kōloa, Kaua'i, affecting the following Landowner: a. Missionary Church, Hawai'i District, affecting TMK(s): (4) 2-8-010-064, Kōloa, Kaua'i; seconded by Mr. Dill; with no objections, motion was carried with 7 ayes.

3. Manager's Report No. 14-15 – Additional Funds for Job. No. 05-02 (HW-12), Drill and Test Wainiha Well No. 4

Manager Craddick recommended approval for additional funds subject to negotiating a lower well price. The contractor may have to disassemble and assemble the equipment on the other side of the small bridges which would increase the price. Manager Craddick added the project is to drill, case and test.

Chair Nishimura said there was only one bidder for this project.

Mr. Moises indicated \$750,000 was the budget. The engineer's estimate was \$625,000. The total bid is \$921,000. He explained the scope of work is not traditional which requires more testing. From the last two drill and test projects in the last year the estimate were above the budget. The DOW has not drilled a well in nine years. Estimates have been out dated. The wells are made with stainless casing. Based on the materials and location, efforts will be to negotiate down.

Mr. Strom asked if there were any Value Engineering efforts.

Mr. Moises stated the VE comes from the contractor.

Mr. Moises commented that the area is not developed to fit the well. The well distance below ground is 550' with a 12" diameter casing. The previous scope, per the Manager was an option during construction to do a pilot hole for a pump test. It was noted that Princeville did a pilot hole and pump test on Well #5.

Manager Craddick mentioned that the cable to a rig is cheaper for this job, but the bidder would not have the ability to a pilot hole. The cable tool method drills the entire hole at one time. If the bidder gets off alignment, they cannot use dynamite to blow a hole and to straighten the hole. This may be the reason a cable tool rig was not cheaper.

Mr. Moises added that there was one bidder that could use a cable tool rig but did not want to bid as a general contractor. The time of the contract was extended from 180 days to 270 days to allow a cable tool rig. The bidder in this case is new and has not worked with the DOW.

Manager Craddick remarked that there is a risk but the new bidder submitted a very good drilling plan. They have done jobs with Maui and tried to come in with change orders. Manager Craddick did not know if anyone gave them any change orders.

Based on the contractor's references Mr. Moises stated that the bidder is capable in their proposal on drilling and believes the price is high.

Mr. Shiraishi added why would a sole bidder negotiate a lower price?

Mr. Moises answered that the DOW could not award the contract. The project is good to have but not necessary. There are three wells in Wainiha at 50 gpm, 100 gpm, and 200 gpm. If any of those wells goes down that part of the island would be stuck and a backup would be needed. The pump test would be 350 gpm – 750 gpm but the anticipated yield of 200 gpm could help operations. Mr. Moises will meet the bidder at the end of the month to discuss every line item. He recommends the Board approve additional funds to negotiate with the bidder. At the next Board meeting, Mr. Moises' Board report would indicate the contract was awarded.

Mr. Strom suggested to revisit the scope and to rebid because the project is not urgent with only one bidder.

Mr. Moises said reducing the scope would not get more bidders. It would be changing the location to get other bidders on the other side of the bridge. The DOT would not change their requirements.

Manager Craddick suggested preparing the road first ahead of the contract but a temporary road would be washed out before the project started.

Mr. Dill asked if the well could be moved on the other side of the bridge.

Manager Craddick mentioned that some wells could be by bigger tanks on the other side but if there was an issue, the wells were separate from the tank.

Mr. Moises commented that the Hā'ena tank was renovated with no well nearby and the bridge was the issue. For a 500' standard well the cost estimate is over \$750,000. Kapa'a Homesteads was less than \$750,000 which got cancelled because it was too high with drainage issues. Puupani's bid was \$700,000 but got cancelled due to location (by not going over bridges and disassembling the well equipment). The consultant can gauge the temperature based on their well designs.

Mr. Dahilig moved to approve Manager's Report No. 14-15 – Additional Funds for Job. No. 05-02 (HW-12) Drill and Test Wainiha Well No. 4; seconded by Mr. McCormick; no objections, motion was carried with 7 ayes.

4. Manager's Report No. 14-16 – Part 4 Fixing Rates for Water Service, Section VII Facilities Reserve Charge

No Report - Manager Craddick *withdrew* Manager's Report No. 14-16 – Part 4 Fixing Rates for Water Service, Section VII Facilities Reserve Charge. The Finance Committee meeting was rescheduled to October 21, 2013.

5. Tentative Board Meeting Dates for 2014

Mr. Shiraishi moved to approve Board Meeting Dates for 2014; seconded by Mr. Dill; with no objections; motion was carried with 7 ayes.

At 9:35 a.m., Chair Nishimura recessed the meeting.

At 9:42 a.m., Chair Nishimura reconvened the meeting.

STAFF REPORTS

Re: The Statement of Kana'i County Water Department's Revenues and Expenditures

PRESENTATION:

Accountant IV, Ms. Fay Tateishi presented the Kaua'i County Water Department's Revenues and Expenditures to the Board.

Mr. Dahilig moved to receive the Statement of Kaua'i County Water Department's Revenues and Expenditures; seconded by Mr. Nakaya; with no objections, motion was carried with 7 ayes.

Re: Report by the Public Relations Specialist on Public Relations Activities

PRESENTATION:

Ms. Tamaoka reported on the Press Releases from The Garden Island (TGI) articles.

Press Releases:

September 19th – DOW issues a scheduled water conservation request for the Wainiha community to accommodate system transfer.

September 24th – DOW announced partial closure of Pua Loke Street during 10th Annual Make a Splash Water Festival for fifth grade students.

September 26th – DOW announced the retirement of employees Mr. Gregg Fujikawa and Mr. Mel Yamase after a combined 71 years of service.

October 2nd – DOW issued a water conservation request for the Hanalei community due to a system malfunction.

October 3rd – DOW announced a dedication to commemorate the completion of the Waipouli Pipeline Replacement Project along Kūhi'ō Highway.

October 4th – DOW announced partial closure of Kūhi'ō Highway to allow the DOW to repaving of a section of the road where a water main break occurred in September.

TGI Articles Published:

September 18th – “Drilling project creeps ahead – Board calls for economic feasibility study” by Chris D'Angelo

September 30th – “Pipeline project comes in under budget, deadline” by Dennis Fujimoto

September 30th – “5th grade students get WET in morning rains” by Dennis Fujimoto

September 30th – “Happy Camper for Monday, September 30, 2013” by Dennis Fujimoto
October 2nd (online) – “Breaking News: Water conservation request in Hanalei” by TGI staff
October 2nd – Letters to Editor “Concerns remain about drilling project” by Bonnie Bator, Anahola

KHON2 Online Articles:

October 2nd – “Kauai: Water conservation request lifted for Hanalei residents” by Web Staff
October 3rd – “Dedication held for Kauai pipeline replacement project” by Web Staff
Fun Committee held the “Octoberfest Fun Friday” event on October 4th in the Operations Division kitchen. Pupus and hot dogs were served to the staff.

Miscellaneous: Intern, Bryanna Pacleb completed her PR internship on September 27th.

Mr. Dill commented on the TGI article regarding the water conservation in Hanalei. As an ex-manager of Princeville Utilities Company (PUC) for 13 years, the PUC assisted the DOW when water was out in Hanalei. In the 13 years, the PUC responded and helped each time. It was after he left Princeville that the PUC had issues with the water system and that the paper had no acknowledgement for PUC. Mr. Dill felt happy that PUC helped Hanalei citizens with water in the recent TGI article.

Chair Nishimura thanked Mr. Dill for his kind comment.

Mr. Dahilig moved to receive the Report by the Public Relations Specialist on Public Relations Activities; seconded by Mr. Shiraishi; with no objections, motion carried with 7 ayes.

Re: Chief of Operation’s Summary Report on Monthly Operational Maintenance

PRESENTATION:

Mr. Reyna reported the SCADA system upgrade was completed and the historian server is back.

The Operations Division continues to have a good working relationship with PUC. Mr. Dill confirmed that the operations crews have supported the PUC.

Mr. Nakaya moved to receive the Chief of Operation’s Summary Report on Monthly Operational Activities Report; seconded by Mr. McCormick; with no objections, motion was carried with 7 ayes.

Re: Manager’s Monthly Update Regarding Activities of Note of the Kaua’i County Water Department

PRESENTATION:

Manager Craddick reported on the following:

1. CONTRACTS AWARDED/EXTENSION/AMENDMENTS:

(1) RE: PROFESSIONAL SERVICES CONTRACT NO. 568 AWARDED TO OKAHARA & ASSOCIATES, INC. FOR JOB NO. 12-4, WP2020 PROJECT NO. HE-14 HANAPĒPĒ-ELEELE BOOSTER PUMP REPLACEMENTS IN THE AMOUNT OF \$92,000.00

(2) RE: TIME EXTENSION FOR CONTRACT NO. 564 AWARDED TO R. ELECTRIC, INC. FOR AN ADDITIONAL FIFTY-EIGHT (58) CALENDAR DAYS WITH NO ADDITIONAL FUNDING

(3) RE: FIRST AMENDMENT TO CONTRACT NO. 533 AWARDED TO BELT COLLINS. FOR JOB NO. 09-01 WATER PLAN 2020 #K-01, #K-12 KALĀHEO 1111' AND 1222' WATER SYSTEM IMPROVEMENTS IN THE AMOUNT OF \$37,900.00

(4) RE: FIRST AMENDMENT FOR CONTRACT NO. 555 TO LYON ASSOCIATES, INC. FOR JOB NO. 11-10 WP2020 #K-18, 8-INCH WATER MAIN REPLACEMENT HALEWILI ROAD (KAUMUALII HIGHWAY TO HAKU HALE STREET) KALĀHEO TO BE EXTENDED TO MARCH 21, 2014

(5) RE: SECOND AMENDMENT TO SCOPE OF WORK FOR CONTRACT NO. 539 WITH MEARS GROUP, INC. FOR KAHILI DIRECTIONALLY DRILLED HORIZONTAL WELL, JOB. PLH-03

Manager Craddick pointed out no additional funds were requested. Mears had part of the \$60,000 as a contingency in their bid.

Deputy County Attorney Andrea Suzuki commented that the Traffic, Noise and Air Studies are from the EIS contingency to be no cost.

Chair Nishimura inquired if the DOW does the air study; does the DOW would pay for it?

Manager Craddick answered if the DOW has to add something from what was deleted then yes the DOW would pay.

Chair Nishimura commented that Mears was going to do the EIS in lieu of the Traffic Study. Mears did not indicate the change to the Board and that they were taking out of the EIS study.

Mr. Dill inquired on the Mears contract line item of the contingency scope, if Mears is free to bill that line item?

Deputy County Attorney, Andrea Suzuki mentioned Mears padded one of their line items. There is no line item in the Mears contract that says contingency.

Deputy Manager, Kirk Saiki clarified that Mears built in an EIS contingency in their line item.

2. Personnel Matters Update – Refer to report for details.
3. Warrant Vouchers were paid in the amount of – \$2,958,476.65
4. Conveyance of Water Facility – \$87,760.77 for five (5) conveyances.
5. CC&B Billing System Update – A staff member was been Temporary Assigned (TA) in the Billing Supervisor's position.
6. IT Strategic Plan Update – A former employee form EMA provided a bond. The insurance company needs to be from Hawai'i.
7. No claims settled.
8. Water Committee Quarterly Report (formerly known as the Rewards Committee) - presented 2nd Quarter WaterBucks winners to Russell Yonohara and Raymond Chow, 3rd Quarter WaterBucks winner Kevin Pongasi.

9. Summary of Warrant Vouchers Paid – Refer to report for details.

Manager Craddick stated interviews will be conducted next week to fill the vacancy issue in the Billing Section. The TA is focusing on the accounts that have meters with no customer signed up for the meter instead of doing leak rebates.

Mr. Dill moved to receive the Manager's Monthly Update Regarding Activities of Note of the Kaua'i County Water Department; seconded by Mr. McCormick; with no objections, motion was carried with 7 ayes.

a. **Report of the BAB Bond pay down as of September 2013**

Mr. Dahilig moved to receive the Manager's Monthly Update Regarding Activities of Note of the Kaua'i County Water Department; seconded by Mr. Dill; with no objections, motion was carried with 7 ayes.

QUARTERLY

1. Quarterly Update on Project Status

a. Construction Management Division Status

Mr. Moises presented the following:

- Construction - The new building construction RFP will be advertised in December 2013 with opening proposals in February 2014. The cost will be presented to the Board. Two Construction projects completed: Waipouli Main Replacement along Kūhi'ō Highway and Eleele Tanks.

Mr. McCormick and his Department of Transportation staff was acknowledged and thanked by Mr. Moises for being patient with the crew in assisting with the water line and paving the Kapa'a Town section that saved \$60,000 from the BAB water rates.

Two projects will be completed next quarter: Wailua Houselots and Olohena pipeline.

Mr. Dahilig moved to receive the Quarterly Update on the Construction Management Division Status; seconded by Mr. Dill; motion was carried with 7 ayes.

b. Engineering Division Design Status

- Design of new building - The first week of November plans will be routed for signature to various agencies.

Mr. Dahilig moved to receive the Quarterly Update on the Engineering Division Design Status; seconded by Mr. Dill; motion was carried with 7 ayes.

TOPICS FOR NEXT WATER BOARD MEETING (November 2013)

1. Draft Annual Audit – Chair Nishimura explained to the newer members that the Board is required to produce an annual DOW audit. The auditors are from an outside firm. The Board would have an opportunity to review the draft audit at a Special Meeting. The DOW audit is part of the county's over all audit. The findings are transmitted to the County Finance Department. The final audit is then reported to the County Council. In the past, the deadline was at the end for November. At this time, the auditor's work is still in process and is not completed. The final audit date has caught the Board by surprise again.

Ms. Tateishi was not aware of when the draft audit is due to the county. The auditors have been sent all the information they requested.

Manager Craddick mentioned Kokolau and Akulikuli could be considered impaired assets (GASB section). Impaired assets require the auditor to write it off. The Department does not believe Kokolau is ground water under the influence. The Department can treat the source and up to standard but would not be an impaired asset. The Department does not want to write off the million dollars and would keep depreciating off what was spent so far. The decision on Kokolau and our management letter could be done by this Friday.

Ms. Tateishi commented that Waterworks Controller, Ms. Yano will meet the auditor on this issue. Ms. Tateishi also mentioned that Accountant III, Ms. Anne Parrott brought up the paragraph on GASB 42 if it is immaterial, then the Department would not have to do anything.

Mr. Strom stated that Manager Craddick should know the draft dates from the auditors and if auditors are slow, the Department needs to monitor the time frame because it has a ripple effect through the county.

Deputy County Attorney, Andrea Suzuki suggested for Ms. Garasi and the Commission Support Clerk informing the Board of the auditor's deadline date.

According to Manager Craddick, the final audit date to be submitted to the county is November 1st but would have to double check on the date.

Ms. Garasi provided dates from the September 19th Board packet:

- **September 3rd to September 20th - Audit Field Work**
- **October 17th to October 24th - Draft packet submittal**
- **October 31st - Final packet submittal**

The Board requested the draft audit to be furnished by October 24th. A Special Meeting on the audit would be scheduled on October 31, 2013 at 2:00 p.m.

2. Discussion on New Board Policy – Inter-fund Borrowing
3. *Manager's Report No. 14-12* - Board Policy No. 28 – Replacement or Refurbishment of Existing Water Systems and Mobile Equipment
4. *Manager's Report No. 14-17* - Review of Board Policy No. 3 – Expenditure of Water Utility Funds Proposed New Language
5. Agreement between Princeville Utilities & the DOW dated June 1, 1979
6. *Manager's Report No. 14-16* – Part 4 Fixing Rates for Water Service, Section VII Facilities Reserve Charge (Finance Committee Report)
7. Proposed CIP Projects

TOPICS FOR FUTURE WATER BOARD MEETINGS

1. Election of Officers for 2014 (*December 2013*)
2. Resolution 14-5, Mahalo and Aloha Kaua'i Board of Water Chair, Mr. Randall Nishimura (*December 2013*)

UPCOMING EVENTS

1. HWWA Hawai'i Section Maui, HI (*October 23-25, 2013*)
2. DOW Annual Meeting (*December 13, 2013*)
3. AWWA 2014 Hawai'i Section Committee Conference, O'ahu, HI (*May 6-9, 2014*)

4. AWWA 2014 National Conference, Boston, MA *(June 8-14, 2014)*
5. HWWA 2014 Kaua'i, HI *(October 15-17, 2014)*

NEXT WATER BOARD MEETING

1. Thursday, November 21, 2013, 10:00 a.m.
2. Thursday, December 19, 2013, 10:00 a.m.
3. Thursday, January 23, 2014, 10:00 a.m.

Mr. Dahilig moved to adjourn the Regular Board meeting at the end of the Executive Session; seconded by Mr. Nakaya; with no objections, motion was carried with 7 ayes.

Mr. Dahilig read the Executive Session languages for Items #1 and #2.

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 Hawaii Revised Statutes (HRS) Section 92-4, 92-5(a)(4), the Office of the County Attorney requests an Executive Session with the Board to provide the Board with a briefing on Jennings Pacific, LLC, vs. Board of Water Supply of the County of Kauai, David R. Craddick in his official capacity as Manager and Chief Engineer of the County of Kauai Department of Water et. al., Civil No. 12-1-0284 (Fifth Circuit Court) and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Board and the Department as they relate to this agenda item.*
2. *HRS92-5a (2) & (4) To consider the hire, evaluation, dismissal, or discipline of an officer or employee or of charges brought against the officer or employee, where consideration of matters affecting privacy will be involved, provided that if the individual concerned requests an open meeting, an open meeting shall be held; and to consult with the Board's attorney in questions and issues pertaining to the Board's and County's powers, duties, privileges, immunities, and liabilities as it relates to this agenda item, and to deliberate on the item as deemed necessary.*

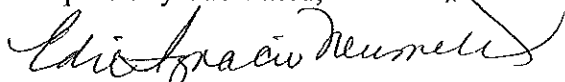
Mr. Shiraishi moved to approve the Executive Session Meeting minutes of September 19, 2013; seconded by Mr. McCormick; with no objections, motion was carried with 6 ayes.

At 12:30 p.m., Chair Nishimura reconvened the Regular Board Meeting.

ADJOURNMENT

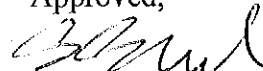
Chair Nishimura ordered to adjourn the Regular Board meeting at 12:10 p.m.; with no objections.

Respectfully Submitted,



Edie Ignacio Neumiller
Commission Support Clerk

Approved,



Sherman Shiraishi
Secretary – Board of Water Supply