

MEETING MINUTES
BOARD OF WATER SUPPLY
Thursday, September 17, 2015

The Board of Water Supply, County of Kaua'i, met in regular meeting at the Board Conference Room in Līhu'e on Thursday, September 17, 2015. Chair Sherman Shiraishi called the meeting to order at 10:00 a.m. The following Board members were present:

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

Quorum was achieved with 5 members present at the time of roll call.

STAFF: Mr. Kirk Saiki
Ms. Marites Yano
Mr. Keith Aoki
Mr. Dustin Moises
Ms. Kim Tamaoka
Ms. Sandi Nadatani-Mendez
Mr. Val Reyna
Ms. Regina Flores
Mr. Eddie Doi
Ms. Debra Peay
Ms. Mj Akuna
Deputy County Attorney, Andrea Suzuki

GUEST(S): Mr. Stewart Matsunaga, Department of Hawaiian Home Lands
Mr. Hall Parrott, Private Citizen

ACCEPTANCE OF AGENDA

Mr. Dahilig approved the Agenda as circulated; seconded by Mr. Dill; with no objections; motion carried with 5 ayes.

MINUTES

Review and approval:

Regular Board Meeting – August 20, 2015

Corrections to be made on Pages 5 & 6: ... Instead of moved to “receive for the record,” it should be move to “receive” on the Committee of the Whole minutes of November 23, 2011; Public Hearing Minutes of November 23, 2011; Public Hearing Minutes of December 8, 2011; Rules Committee Minutes of December 8, 2011 and Rules Committee Minutes of June 28, 2012.

Page 8 – 2nd line should read: Mr. Nakaya withdrew “1st” motion (instead of 2nd)

Page 10 – Add “score” to last paragraph to read: “Goal #8 – To obtain a performance evaluation “score” of at least 3.5 (delete % sign after 3.5).

Review and Receipt of Meeting Minutes from Transcripts:

Rules Committee Workshop – February 9, 2012

Mr. Dahilig moved to receive the Rules Committee Workshop Minutes of February 9, 2012; seconded by Mr. Nakaya; with no objections; motion carried with 5 ayes.

Special Committee Meeting – November 4, 2011

Mr. Dahilig moved to receive the Special Committee Meeting Minutes of November 4, 2011; seconded by Mr. Nakaya; with no objections; motion carried with 5 ayes.

Special Committee Meeting – December 8, 2011

Mr. Dahilig moved to receive the Special Committee Meeting Minutes of December 8, 2011; seconded by Mr. Nakaya; with no objections; motion carried with 5 ayes.

Review and approval of Executive Session:

Executive Session – August 20, 2015

Ms. Ho moved to approve the Executive Session Minutes of August 20, 2015; seconded by Mr. Dahilig; with no objections, motion carried with 5 ayes.

E. CORRESPONDENCE

1. Correspondence from Mr. Peter Tausend, Chairperson, West Kaua'i Soil and Water Conservation District (SWCD) dated August 25, 2015, regarding an award presentation ceremony for the Outstanding Water Conservationist for 2015

Mr. Dahilig move to receive the Correspondence from Mr. Peter Tausend, Chairperson, West Kaua'i Soil and Water Conservation District (SWCD) dated August 25, 2015, regarding an award presentation ceremony for the Outstanding Water Conservationist for 2015; seconded by Ms. Ho; with no objections, motion carried with 5 ayes.

Chair Shiraishi will attend the award presentation on October 20th.

Chair Shiraishi reorganized the agenda and moved up New Business H.3 Manager's Report No. 16-14 and H.4 Manager's Report No. 16-15; with no objections.

H. NEW BUSINESS

3. Manager's Report No. 16-14 – Discussion and Possible Action on License Easement No. 674, Pi'ilani Mai Ke Kai Subdivision, Phase I, Anahola, Kaua'i, Hawai'i

BACKGROUND:

Construction Project Management Officer, Mr. Dustin Moises commented that construction of the subdivision was completed in 2009. Since then, DHHL was not able to find the agreement which was never executed. DHHL requested the DOW to re-execute the License No. 674.

The recommendation is to approve License No. 674, between the State of Hawai'i, Department of Hawaiian Home Lands (DHHL) and the Department of Water (DOW). The agreement would supersede the originally approved license Easement No. 674 agreement by the Board on May 21, 2009.

The License agreement replaces the standard conveyance and easement for DHHL due to HRS, they could not dedicate their improvements to the Department. The License agreement allows the DOW to enter into DHHL's property and to maintain the facilities.

DISCUSSION:

Chair Shiraishi asked if the Department would have a conveyance for the water facility and the Department would own the water facility. Mr. Moises said DHHL would convey to the Department. In a

county roadway, there is no easement. He did not see any negligence to the Department now owning the facilities.

Ms. Ho asked if this situation was new for the Department with DHHL.

Mr. Stewart Matsunaga, Department of Hawaiian Home Lands provided his testimony.

Mr. Stewart Matsunaga said this is DHHL's practice statewide. DHHL is responsible for the construction of the water distribution system for the Pi'ilani Mai Ke Kai Subdivision. All subdivision improvements (water, sewer, and electrical facilities) are conveyed through a License easement. The License allows the Department to repair, maintain, replace and collect user fees. DHHL appreciated the DOW staff's helpful assistance from the planning, design, construction and operations.

Mr. Moises confirmed that all the customers are already DOW customers and subject to the Department's Rules & Regulations.

Mr. Dahilig approved the Manager's Report No. 16-14 – Discussion and Possible Action on License Easement No. 674, Pi'ilani Mai Ke Kai Subdivision, Phase I, Anahola, Kaua'i, Hawai'i; seconded by Mr. Dill; with no objections, motion carried with 5 ayes.

4. Manager's Report No. 16-15 – Discussion and Possible Action on License Easement No. 803, Pi'ilani Mai Ke Kai Subdivision, Phase II, Anahola, Kaua'i, Hawai'i

Mr. Dahilig approved the Manager's Report No. 16-15 – Discussion and Possible Action on License Easement No. 803, Pi'ilani Mai Ke Kai Subdivision, Phase II, Anahola, Kaua'i, Hawai'i; seconded by Mr. Dill; with no objections, motion carried with 5 ayes.

F. BOARD COMMITTEE REPORTS

Investigative Task Force Committee Report

1. Manager's Report 16-10 - Discussion and Possible Action regarding the Department of Water's Understaffing

BACKGROUND:

Chair Shiraishi reported that the Investigative Task Force Committee (Mr. Dill, Mr. Dahilig, Manager Saiki and HR Coordinator, Mr. Debra Peay) met last week with Ms. Janine Rapozo, Director of the Department of Human Resources (DHR) regarding the DOW's understaffing. The consensus from the meeting was there needs to be more communication between the Department and the DHR.

Manager Saiki agreed to the following action items based on the Board's recommendation:

- 1) Add an updated status report regarding DHR meetings the next six (6) months in the Manager's Update Report.
- 2) Work with the Division Heads prior to DHR meetings on expectations.
- 3) Have discussions first and DHR's approval of the Table of Organization (TO) before it is presented to the Board.
- 4) Continue to work on the TO format with DHR. (10 TO's would need to be redesigned)
- 5) Pending – Response from DHR on the standardization on the TO

Ms. Peay indicated the DHR has been helpful in getting the positions filled.

Mr. Dill commented on the 5th paragraph of Chair Shiraishi's report that stated "...there was an extraordinary amount of reallocation requests from the former Manager & Chief Engineer." He said this was not limited to that time frame because it was a carry over into the current Department

leadership. To clarify the paragraph, it should read: *“requests from the Department”* which Chair Shiraishi agreed.

Deputy County Attorney, Andrea Suzuki mentioned there was an internal limit of once a year for reallocation requests. Private Secretary, Mj Akuna mentioned when the former Manager & Chief Engineer left, there was a pending reallocation that took over three (3) years which finally was resolved this year.

Mr. Dahilig moved to receive the Investigative Task Force Committee Report from *Manager’s Report 16-10* - Discussion and Possible Action regarding the Department of Water’s Understaffing; seconded by Ms. Ho; with no objections, motion carried with 5 ayes.

G. OLD BUSINESS

1. *Manager’s Report No. 16-08* – Discussion and Possible Action on the Approval of the DOW’s Supplemental Report on the Supplemental Budget FY 15-16 – *Update*

BACKGROUND:

Manager’s Report No. 16-08 was submitted at the August Board meeting. Waterworks Controller, Ms. Marites Yano commented that the Board approved the net roll over of \$11,520,385.19. The report was resubmitted to add a new 2nd column which described the descriptions of the accounts (Pages 43-45).

From adding the descriptions of the accounting system, an existing contract (Water Use and Development Plan) was found that was *not* included in the net roll over submitted last month in the amount of \$357,606.23 (Page 45). With the addition of \$357,606.23 to the net roll over, it equaled \$11,877,991.42 as the Total Year End Encumbrances as updated. Ms. Yano requested the Board to approve this report as revised.

The existing contract was inactive in 2015. When Fiscal transitioned into the new financial accounting system, a new purchase order was created for existing contracts which missed the Water Use and Development Plan contract.

DISCUSSION:

Ms. Yano explained to Ms. Ho there was no billing activity on this contract in 2015.

Mr. Nakaya inquired about the new accounting system and asked if this would happen again going forward. Ms. Yano pointed out that this was a glitch with the new accounting system that should not reoccur again. All contracts were manually transferred to the new accounting system.

Mr. Dahilig asked if there was an encumbrance that was not caught and if there was a corresponding decrease in an unexpended/unencumbered surplus from last year. If the money is spoken for, it should not be money that the Department can spend. He was concerned that there are no findings and that the books are balanced.

Ms. Yano explained the old accounting system did not record encumbrances in the budget. This would not affect the accounting system because an encumbrance is not a liability. An encumbrance restricts the spending of money and does not change the balance of the account. If there is \$1M in the Fund Balance and \$500,000 is for a contract, the \$500,000 is restricted to the contract.

A liability is something the Department incurred; and if the work was not done, the Department is not obligated to pay. Based on the remainder of the contract, the Department is not obliged to pay because there was no performance at all.

Contracts are not recorded as restricted funds in the accounting system. Ms. Yano explained there are two (2) systems: 1) A financial system and 2) A budget system, which is an estimate of the money that is received and an estimate of what would be spent. Financials were previously done on a cash basis in the budgeting system. Currently the new system is rolling over the encumbrances into the following year.

Mr. Dahilig requested to defer this agenda item to find what the projected Fund Balance is and what are the encumbered surplus and unencumbered surplus (which is not reflected in the Manager's Report). This should equal the Fund Balance as it rolls over to the new fiscal year. Mr. Dahilig's other concern is if this is a generally accepted accounting standard practice.

Chief of Water Resources and Planning, Mr. Eddie Doi asked if this contract was missed earlier and would this show up as a decrease into the next fiscal year? Ms. Yano said no because it was just a budget item. Fund Balances are not separated or categorized as assigned funds or unassigned funds.

Mr. Dahilig commented the unexpended Fund Balance should decrease but it is not reflected in the report. Ms. Yano said \$11,877,991.42 in the report total is part of the Fund Balance rolled over from last year.

Mr. Nakaya did not see the balance sheet which should show all the funds that are broken up. Ms. Yano could prepare an audited balance sheet. The reserve account and the debt service reserve are separated in the accounting system. Mr. Dill added the Fund Balance projection at the end of last year is in the budget.

Mr. Dahilig understood that the Department doesn't account for encumbrances but needs to account for encumbrances. He asked how does this affect the budget based on the line items? Two reports are being generated in the new accounting system which was not in the old accounting system. Ms. Yano noted that this is a supplemental budget because in June the Board approved the current operating budget.

Mr. Dill pointed out these items are related to prior budgets for information purposes as a Supplemental Report to the Board on how the current encumbrances stack up against the surpluses. Ms. Yano is trying to close the prior year's appropriations fiscal budget in 2015 and rolling it over in 2016.

Ms. Ho referred to the Action Items from August Board meeting which stated "*the Board wanted the Department to provide a Supplement Report to clarify the accounting entries*" at this meeting.

Mr. Dill suggested a sentence in the report could have been stated as: "*because of this change, the unencumbrance is reduced by X.*" Board members agreed the report should be clear because it did not reflect balancing. Missing from this report is the estimated Fund Balance at the end of the year which Ms. Yano realized during the discussion. But Mr. Dill said these numbers do not affect the budget for 2016 for expenditures and revenues. There is no balancing that needs to be done.

Deputy County Attorney, Andrea Suzuki read portions from the Governmental Accounting Standards Board (GASB) web site: *The Fund Balance is required to show what is left over after fund assets used to meet its liability. The Fund Balance is required to report in two (2) components -- reserved and*

unreserved. Reserved are for debt service or federal grants. The government can go further to report designations of unreserved Fund Balance which is this project. Encumbered means unreserved money under GASB.

Mr. Dill suggested when the budget is increased in the report on the Fund Balance it should differentiate between the reserved and unreserved. Within the unreserved, show designations for projects.

Ms. Yano understood that she needed to show estimated Fund Balance, unaudited fund balance, estimate of fund balance and encumbrances from Fund Balance to show what is unencumbered at the end of the year.

The Department will follow up to:

- 1) Prepare a Supplemental Report to show how the increase in encumbrances affects the Fund Balance.
- 2) Provide a report on the Unrestricted Fund Balance at the October Board Meeting.
- 3) Ms. Marites Yano to provide a 5 minute presentation on Funds: 1. Reserved, 2. Unreserved, 3. Restricted, 4. Unrestricted & 5. How the budget Items relate to these funds.
- 4) In the future, provide more details to the report for a better understanding by the Board.

Mr. Dabilig still questioned what would the net effect of the motion approve. This is an amendment to the budget for a bill to be paid.

Mr. Dill approved Manager's Report No. 16-08 – Discussion and Possible Action on the Approval of the DOW's Supplemental Report on the Supplemental Budget FY 15-16 – *Update* with a request for the Department to prepare a Supplemental Report to show how the increase in encumbrances affects the Fund Balance; seconded by Ms. Ho; with no objections, motion carried with 4 ayes, 1 nay (MD).

H. NEW BUSINESS (cont'd)

1. Manager's Report No. 16-13- Resolution No. 16-03 Mahalo and Aloha Board Member, Hugh A. Strom

BACKGROUND:

Manager Saiki requested that the Board approve Resolution No. 16-03 Mahalo and Aloha Board Members, Hugh A. Strom.

The Commission Support Clerk informed the Board that Mr. Strom was invited to the meeting to receive his resolution but was not available. Mr. Strom's resolution would be given to him at a later date.

Ms. Ho moved to approve the Manager's Report No. 16-13- Resolution No. 16-03 Mahalo and Aloha Board Member, Hugh A. Strom; seconded by Mr. Dill; with no objections, motion carried with 5 ayes.

2. Discussion and Possible Action on Suggestions for Capital Improvement Projects (CIP) for the 2016 Legislative Session

BACKGROUND:

Manager Saiki commented on the suggested FY 2016 CIP that would go to the next Legislative Session as follows:

- 1) Kapa'a Storage Improvements (Top Priority) – FRC/Allows more development.
- 2) Drill and Develop Kapa'a Homesteads Well No. 4 (2nd Priority) – FRC/Allows more development.
- 3) Kapaia Cane Haul Road 18-inch Main (3 Priority)
- 4) Construct Hā'ena 0.2 MG Storage Tank, 144' (4th Priority) – Additional wording to be added.
- 5) Develop Kīlauea Well No. 3 (5th Priority) – Source & Storage

DISCUSSION:

Regarding the fire protection in Priority #1 for the Kapa‘a Storage Improvements, Ms. Ho asked if the fire protection in Priority #3 could be an issue. For public safety, she suggested it would be a good justification to loop both systems. Chief of Water Resources and Planning, Mr. Eddie Doi agreed and commented that by looping the system, this improves all systems.

As indicated by Ms. Ho for Hā'ena Beach Park, Priority #4, the legislature likes to see the county assist with state priorities and state projects. She asked if this helps with fire protection. Mr. Doi said this would not necessarily help fire because it depends on zoning and that storage is short in Hā'ena. Manager Saiki added the Department also incorporates state needs that are justified. Priority #4 helps the state that would take a larger meter.

Mr. Dill requested in the future, for the Department to include a Manager's Report with Board Action (Pros & Cons).

Mr. Nakaya moved to receive the Suggestions for Capital Improvement Projects (CIP) for the 2016 Legislative Session; second by Ms. Ho; with no objections, motion carried with 5 ayes.

5. *Manager's Report No. 16-16* – Discussion and Possible Action on Kaua'i County Charter Amendments Affecting Article 17, Department of Water

BACKGROUND:

On August 27, 2015, Manager Saiki received correspondence from the County Charter Commission soliciting comments and recommendations regarding specific areas of concern or issues related to the Department for consideration of inclusion on the 2016 General Election Ballot.

In the past, the Department submitted requests for changes in 1) Recommending wording changes describing the Department's role in the development of the Water Use and Development Plan, 2) Various reference updates to Hawai'i Revised Statutes (HRS), and 3) Improvement of the process for establishing the compensation of the manager and deputy manager. In 2004, the Board submitted a proposed amendment to allow ex-officio members to be permitted to serve as chair or vice chair.

DISCUSSION:

The Board did not want to extend the terms of the officers.

A response from the Department to the County Charter Commission is due on September 28, 2015.

Ms. Ho moved to submit a proposal to the Charter Review Commission to delete "the prohibition of Ex-Officio members from serving in Board offices"; seconded by Mr. Nakaya; a verbal vote was 3 Ayes, 2 Nays (MD & LD).

***Noted by the Deputy County Attorney, the motioned died for lack of a quorum of 4 votes to pass.*

6. *Manager's Report No. 16-17* – Discussion and Possible Action regarding Part 2, Water Service Connections, Section VI and Part 3 Standards for Subdivisions Water Systems, Section III affecting Part 5 Facilities Reserve Charge (FRC)

DISCUSSION:

The Board approved the revision in Part 3, Section III – Facilities Reserve Charge as follows below:

The subdivider shall pay to the Department the facilities reserve charge established in Part [4] 5 of the Rules and Regulations of the Department, for each (additional) parcel created by the subdivision, including the first lot, except (as provided below) when facilities reserve charges have already been paid by the developer or subdivider.

Mr. Dahilig moved to approve Manager's Report No. 16-17 – Discussion and Possible Action regarding Part 2, Water Service Connections, Section VI and Part 3 Standards for Subdivisions Water Systems, Section III affecting Part 5 Facilities Reserve Charge (FRC); seconded by Mr. Dill; with no objections, motion carried with 5 ayes.

Chair Shiraishi called for a recess at 11:30 a.m.

Chair Shiraishi called the meeting back to order at 11:38 a.m.

7. Manager's Report No. 16-18 – Discussion and Possible Action on a Request for Board Approval to enter into Memorandum of Understanding (MOU) between the State of Hawai'i, Office of the Auditor and the County of Kaua'i, Department of Water (DOW) to participate in the audit of the schedule of employer allocations of the State of Hawaii Employee Retirement System (ERS) actuarial information received from Gabriel, Roeder, Smith & Company (GRS) Actuary

BACKGROUND:

Ms. Yano commented for Fiscal Year June 2015, the Board approved a MOU between the DOW and the ERS for the same Memorandum of Agreement engaging the services of GRS actuary services to do an actual evaluation of the Department's contributions and corresponding benefits of active and inactive employees. This also includes all county agencies.

The memorandum is with the Hawai'i State Office of the Auditor who engaged KPMG, LLP to do an audit of the actuary services conducted by GRS. The Department has been asked to pay \$3,900 for the State Auditor to audit the ERS report.

DISCUSSION:

Ms. Ho questioned the Cons and asked how much would it cost for a separate auditor. Ms. Yano estimated a separate auditor would cost about \$100,000.

Ms. Ho requested the Department to clearly justify the Pros and Cons for the Board members. Deputy County Attorney, Andrea Suzuki mentioned there probably would not be a Con.

Mr. Dill approved Manager's Report No. 16-18 – Discussion and Possible Action on a Request for Board Approval to enter into Memorandum of Understanding (MOU) between the State of Hawai'i, Office of the Auditor and the County of Kaua'i, Department of Water (DOW) to participate in the audit of the schedule of employer allocations of the State of Hawaii Employee Retirement System (ERS) actuarial information received from Gabriel, Roeder, Smith & Company (GRS) Actuary; seconded by Ms. Ho; with no objections, motion carried with 5 ayes.

I. STAFF REPORTS **MONTHLY**

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

BACKGROUND:

Ms. Yano's handout titled "Explanation of August Report's Inconsistencies" is a clarification from last month's Board meeting. This is a supplemental report from Mr. Dill's inquiry on the inconsistencies from two reports. The Salaries and Wages balanced but the Interest didn't because it was reported in two different places.

DISCUSSION:

A comparison was made on the Monthly Budget Summary in the Fiscal Report and the Warrant Vouchers Report in the Manager's Update Report (Page 110). When Fiscal closes at the end of the month, there is not enough time to process the reports to make the board posting. Fiscal is working on getting the books closed before the reports are generated.

Ms. Yano will remove the "Summary of Monthly Expenditures" in the Manager's Update to eliminate duplicate reports which satisfied Mr. Dill concerns.

Mr. Nakaya questioned the substantial jump in revenue receipts. Ms. Yano said the cumulative increase usage in water is 73,000 million gallons a jump from the prior year. The water usage increase could be from the increased visitor count on Kaua'i as referenced on the visitor industry website. The weather has been the hotter than normal this summer.

With the new accounting system, the Balance Sheet will be developed before the November Board meeting to show how much cash the Department has.

The Draft Audit Report will be presented at the November Board meeting for approval, then it goes to the County in December.

Mr. Nakaya moved to receive Discussion and Receipt of the Kaua'i County Water Department's Statement of Revenues and Expenditures & August Monthly Summary Budget; seconded by Mr. Dill; with no objections, motion carried with 5 ayes.

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

BACKGROUND:

Public Relations Specialist, Ms. Kim Tamaoka looks forward to seeing the Board members at the Make A Splash event on September 24th.

DISCUSSION:

Ms. Ho questioned the press release regarding to stop work on the Kolo Road Main Replacement Project in Kilauea. Ms. Tamaoka said the report was written before the project was stopped. This was a good call by Mr. Moises to stop the work due to Shearwater season. There was no cost for a Time Extension with the contractor for this project.

Mr. Nakaya moved to receive the Report by the Public Relations Specialist on Public Relations Activities; seconded by Ms. Ho; with no objections, motion carried with 5 ayes.

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

BACKGROUND:

Chief of Operations, Mr. Val Reyna provided the Overtime handout as distributed.

Mr. Dill moved to receive the Chief of Operation's Summary Report on Operational Activities; seconded by Mr. Nakaya; with no objections, motion carried with 5 ayes.

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 Update: Manager Saiki, Mr. Moises and Ms. Peay met with Mr. Janine Rapozo, Director of DHR on the downgrading of the construction positions. A determination should be received by the end of September.
2. IT Strategic Plan Update: An RFP was sent out for the Project Management and Document Imaging.
3. Council / Budget & Finance Committee Meeting Update: Responses were provided to the Budget & Finance Committee regarding CIP projects. To date, there have been no additional questions.
4. Manager Saiki, Mr. Eddie Doi and Deputy County Attorney, Andrea Suzuki presented the FRC rules at the Small Business Regulatory Review Board (SBRRB) yesterday on O'ahu. The SBRRB approved the Department to go to Public Hearing with contingencies.
 - The Department will communicate to the Contractors Association of Kaua'i (CAK), Kaua'i Board of Realtors and Mr. Tom Shigemoto of A&B Properties.
 - A Special Board Meeting was scheduled for Friday, September 25, 2015 at 8:00 a.m. to adopt the FRC Final Needs Assessment Study commission by the Board.
 - A Public Hearing was scheduled for Tuesday, November 10, 2015 at 5:00 p.m.
5. Staffing:
 - CE III – To be filled (Engineering)
 - CE V – Filled (Engineering)
 - CE VI – To be filled (Water Resources & Planning)
 - Project Manager (PM) – will be posted after a response from DHR (Construction Management (CM))
 - Inspector - will be posted after a response from DHR (CM)

DISCUSSION:

Mr. Moises mentioned last month's minute's discussion regarding the CM series vs. the Engineering series. The PM series was created because the Department could not hire engineers. The PM position would open up potential candidates with construction experience.

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 5 ayes.

a. Report of the BAB pay down as of August 2015

Mr. Dahilig moved to receive Report of the BAB pay down as of August 2015; seconded by Ms. Ho; with no objections, motion carried with 5 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 Hawaii Revised Statutes (HRS) Section 92-4, 92-5(a)(4), the purpose of this executive session is to review executive session minutes dated August 20, 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 in Open Session)

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

1. Tentative Board Meeting Dates for 2016
2. Manager's Report No. 11-28 – Discussion and Possible Action regarding Part 5 of the Rules, Facilities Reserve Charge – Proposed New Rule, Small Business Regulatory Review Board (SBRRB) Results

L. TOPICS FOR FUTURE WATER BOARD MEETINGS

1. Manager's Report No. 14-24 – Discussion and Possible Action regarding Part 4 Section I of the Rules, General Use Rates Proposed Amendments, Small Business Regulatory Review Board (SBRRB) Results
2. Discussion and Possible Action regarding Part 2, Water Service Connections, Section VI and Part 3 Standards for Subdivisions Water Systems, Section III affecting Part 5 Facilities Reserve Charge (FRC), Small Business Regulatory Review Board (SBRRB) Results
3. Discussion and Possible Action of Proposed Delegation of a Meter Restriction Board Policy No. 30
4. Discussion and Possible Action relating to Providing Water Service Outside of the Water Zone
5. Discussion and Possible Action on Board Policy No. 20 – Facilities Reserve Charge (FRC) Credits for Developers of Affordable Housing
6. Draft Annual Audit (November 2015)
7. Election of Officers for 2016 (November 2015)

M. UPCOMING EVENTS

1. DOW Make a Splash Water Festival (September 24, 2015)
2. HWWA Hawaii Section, Honolulu, HI (October 14-16, 2015)
3. AWWA/Hawai'i Section Hawai'i Water Environment Association 2016 Pacific Water Conference, Honolulu, HI (February 2-6, 2016)

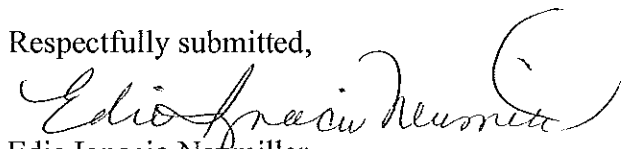
N. NEXT WATER BOARD MEETING

1. Friday, September 25, 2015, 8:00 a.m. – *Special Board Meeting*
2. Thursday, October 22, 2015, 10:00 a.m.
3. Tuesday, November 10, 2015, 5:00 p.m. – *Public Hearing*
4. Thursday, November 19, 2015, 10:00 a.m.
5. Thursday, December 17, 2015, 10:00 a.m.
6. Thursday, January 28, 2016, 10:00 a.m.

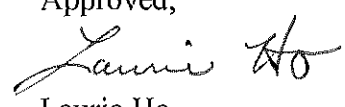
O. ADJOURNMENT

At 12:18 p.m., Mr. Dahilig moved to adjourn the meeting; seconded by Ms. Ho; with no objections, motion carried with 5 ayes.

Respectfully submitted,


Edie Ignacio Neumiller
Commission Support Clerk

Approved,


Laurie Ho
Secretary – Board of Water Supply