

SPECIAL BOARD MEETING MINUTES
BOARD OF WATER SUPPLY
Friday, September 25, 2015

The Board of Water, County of Kaua'i, met in a special meeting at its office in Lihu'e on Friday, September 25, 2015. Chair Sherman Shiraishi called the meeting to order at 8:04 a.m. Roll call, the following answered present:

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

Quorum was achieved with 5 members present.

STAFF: Mr. Kirk Saiki
Mr. Dustin Moises
Mr. Keith Aoki
Mr. Val Reyna
Mr. Regina Flores
Ms. Marites Yano
Ms. Sandi Nadatani-Mendez
Ms. Kim Tamaoka
Ms. Christine Erorita

GUESTS: Mr. Ed Nakaya, KIUC
Mr. Gregg Kamm, Consultant
Mr. Dennis Esaki, Esaki Survey & Mapping
Mr. Karen Ono, Kaua'i Board of Realtors
Ms. Mia Shiraishi, Sherman Shiraishi, Esq. Law Firm
Mr. Hall Parrott, Private Citizen

C. ACCEPTANCE OF THE AGENDA

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

D. NEW BUSINESS

1. Discussion and Approval of *Manager's Report No. 11-28* - Discussion and Approval of Final Draft of Needs Assessment Study & Facility Reserve Charge Update, as authored by Louis Berger

BACKGROUND:

Manager Saiki recommended the Board approve the Final "Needs Assessment Study and Facility Reserve Charge Update" dated September 2015.

Chair Shiraishi allowed for public testimony at this time.

Mr. Dennis Esaki, Esaki Surveying & Mapping provided his testimony.

Mr. Esaki commented on the proposed Facilities Reserve Charge (FRC) charges mentioned at the recent Contractor's Association of Kaua'i (CAK) meeting for all new customers. He said the wording is wrong

because not all new customers are affected (i.e. if they have a meter connection already, the Department would charge them). The FRC rate for a 5/8" meter is equivalent to the 5/8" meter which should work either way, but it should be 1/5 of the 1 inch-meter rate.

The Department did away with the proportionate share refund, which is preventing people from putting in line extensions. In the past, if a line extension is put in and someone hooked up to it, they would not get a refund, within so many years.

He felt that some of the extensions are not being put in because people are waiting for the next person to put it in or feel they don't want the next person to have a free ride (on the extension). Mr. Esaki said the Department should reconsider the proportionate share refund.

Ms. Karen Ono, Kaua'i Board of Realtors provided her testimony.

Ms. Ono mentioned a couple of questions that were not answered at the recent CAK meeting.

First question: With the up zoning of properties in Līhu'e and South Shore areas, has the Department of Water (DOW) released their entitlement to allow more housing? Manager Saiki said he would provide the answer to the up zoning question when they meet again.

Second question: With the large increase in the FRC rate from \$4,600 to \$14,000, was there any communication to work with affordable housing developers, (i.e. Kaua'i Habitat, Self-Help Housing or other developers) to try to bring the rate lower or to give them credits?

DISCUSSION:

Chair Shiraishi answered that there were previous discussions with other affordable housing groups to work with them to provide different tier FRC pricing. Under the new rule, the Board gives the Manager the discretion to negotiate arrangements with affordable housing groups.

Manager Saiki said this would be in terms of the fees (not the FRC) associated with the water rates.

Ms. Ono commented the last median house price Mr. Saiki received from Mr. Kamuela Cobb-Adams, County Housing Director was \$625,000. The housing prices are provided to Mr. Cobb-Adams by Ms. Ono. She offered to provide the various housing reports to the Department. The housing reports also include other attributed information such as million dollar properties that skew the median price off.

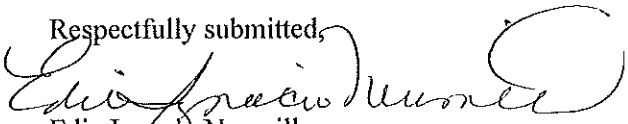
Chair Shiraishi announced to the public the purpose of the meeting was to accept the final FRC study that justifies the new FRC rates. A Public Hearing is scheduled for Tuesday, November 10th. Public testimony will be welcomed at that meeting.

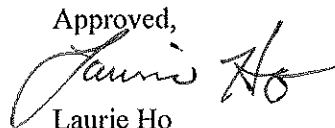
Mr. Dahilig moved to receive and approve the Final Needs Assessment Study & Facility Reserve Charge Update, as authored by Louis Berger for public information; seconded by Mr. Dill; with no objections, motion carried with 5 ayes.

E. ADJOURNMENT

Ms. Ho moved to adjourn the Special Board Meeting at 8:15 a.m.; seconded by Mr. Dill; with no objections, motion carried with 5 ayes.

Respectfully submitted,


Edie Ignacio Neumiller
Commission Support Clerk

Approved,

Laurie Ho
Secretary – Board of Water Supply