

MINUTES
BOARD OF WATER SUPPLY
Thursday, December 23, 2021

The Board of Water Supply, County of Kaua‘i, met in a regular meeting **via remote** in Līhu'e on Thursday, December 23, 2021. Chairman Gregory Kamm called the meeting to order at 10:15 a.m. The following Board members were present:

BOARD: Mr. Gregory Kamm, *Chair*
Mr. Lawrence Dill
Ms. Julie Simonton
Mr. Troy Tanigawa

EXCUSED: Mr. Kurt Akamine, *Vice Chair*
Mr. Lester Calipjo
Mr. Kaaina Hull

Quorum was achieved with **4** members present at Roll Call.

STAFF: Manager & Chief Engineer Joseph Tait
Deputy Manager & Engineer Judith Hayducsko
Mrs. Mary-jane Akuna
Ms. Christine Erorita
Mr. Jaspreet Banwait
Mr. Michael Hinazumi
Mrs. Jonell Kaohelaulii
Mr. Mark Knoff
Mr. Valentino Reyna
Mr. Rayjerry Silva
Mrs. Marites Yano
Ms. Cherisse Zaima
Deputy County Attorney Mahealani M. Krafft

GUESTS: Mr. Matthew Oda, Accuity LLP Consultant
Mr. Donn Nakamura, Accuity LLP Consultant

ANNOUNCEMENTS

Next Scheduled Meeting: Thursday, January 20, 2021 – 10:00 a.m. via Tele-Conference

APPROVAL OF AGENDA

Board member Simonton moved to approve the agenda, seconded by Mr. Tanigawa; with no objections, motion carried with 4 Ayes.

APPROVAL OF MEETING MINUTES

1. Regular Board Meeting – November 18, 2021

Board Member Simonton moved to approve the Regular Board Meeting minutes for November 18, 2021, seconded by Mr. Tanigawa; with no objections, motion carried with 4 Ayes.

PUBLIC TESTIMONY

The department received no public testimony prior to the meeting, and there were no registered speakers.

There were five (5) callers from the public who joined in the meeting.

CONSENT CALENDAR:

There were no consent calendar items.

NEW BUSINESS:

1. Manager's Report No. 22-44 Discussion and Adoption of Resolution No. 22-06, Farewell to Clyde M. Kojiri (Retiree), Maintenance Worker II, Operations Division
2. Manager's Report No. 22-45 Discussion and Adoption of Resolution No. 22-07, Farewell to Lance Nakata (Retiree), Water Plant Operator, Operations Division
3. Manager's Report No. 22-46 Discussion and Adoption of Resolution No. 22-08, Farewell to David E. Okamoto (Retiree), Water Plant Operator II, Operations Division
4. Manager's Report No. 22-47 Discussion and Adoption of Resolution No. 22-09, Farewell to Raymond A. F. Chow, Jr., Lead Pipefitter, Operations Division
5. Manager's Report No. 22-48 Discussion and Adoption of Resolution No. 22-10, Farewell to Carl S. Arume (Retiree), Water Microbiologist V, Engineering Division

Chair Kamm waived the reading of Resolution Nos. 22-06 through 22-10.

Chair Kamm read Resolution No. 22-11 Mahalo and Aloha to Elesther Calipjo, Board of Water Supply member into the record.

Board member Dill moved to approve Manager's Report Nos. MR 22-44 through MR 22-49, seconded by Julie Simonton; with no objections, motion carried with 4 Ayes.

6. Manager's Report No. 22-50 Discussion and Receipt of the Department of Water's Draft Audit Financial Statements and Independent Auditor's Report for Fiscal Years July 1, 2020 – June 30, 2021

Consultants for Accuity LLP, Matthew Oda and Donn Nakamura provided an overview of the Draft Financial Audit report provided.

Regarding the change in depreciation methodology on Page 18 of the Financial Statements Notes (Page 62 of the agenda packet), Board member Dill asked what prompted the change to the methodology. Waterworks Controller Marites Yano explained that because they were doing a group life calculation, the newer acquired assets were mingled with the older assets which resulted in the depreciation calculations were over the total costs of the recorded assets. After discussion with the auditors and staff, an assessment of the existing depreciation was done by the consultants. Mr. Dill asked what the impact will this restatement have on rates. Mrs. Yano explained it would not have much of an impact on rates since the department looks at the unrestricted funds available when doing the rate study; this is just valuing the worth of DOW's existing fixed assets.

Mr. Oda provided a summary of the audit findings as well as the department's corrective action plans. Board member Simonton commented that she understands why these are significant issues,

though most of them seem fairly straightforward to resolve, and asked which are the most significant ones.

IT Manager Jaspreet Banwait explained that the two biggest findings are within the CC&B application which is about 5 years old, and the Great Plains accounting software which is about 10 years old. They are currently going through the procurement process for both of those applications. The RFP for the CC&B replacement will be going out in the beginning of next year. IT has been working diligently with Fiscal staff in evaluating the accounting system as well.

Board member Dill expressed his gratitude to the department for the progress made so far, and requested a presentation at the next meeting specifically addressing a plan of action for each individual deadline.

Consultant Donn Nakamura provided an overview of the general scope of services they are engaged in to perform a financial statement audit of the Department of Water as outlined in the audit document provided.

Board member Dill wished to commend the Fiscal team for what appears to be a clean audit.

Board member Tanigawa moved to approve Manager's Report No. 22-50, seconded by Ms. Simonton; with no objections, motion carried with 4 Ayes.

7. Manager's Report No. 22-51 Discussion and Possible Action for Approval of Additional Funds for Purchase of the Replacement of the Gasboy Fuel Management System in the amount of \$85,000.00

Chief of Water Operations, Val Reyna, explained that the current fuel management system is broken and obsolete, and parts can no longer be replaced because they are no longer manufactured. Currently, everything is being recorded manually using paper forms based on an "honor system". The systems they are looking into will allow them to obtain information about the vehicle or equipment being fueled such as odometer, engine hours, trouble codes, and fuel economy. The system that stands out is a newer version of the same system County of Kaua'i is currently using. Mr. Reyna pointed out that on numerous occasions, the Gasboy malfunctioned resulting in the need for DOW to reach out to COK Public Works to allow DOW's fleet to be fueled.

Board member Simonton asked how many fueling stations the department has and where they are located to which Mr. Reyna stated there is only one station located at the DOW baseyard. Ms. Simonton asked rather than spend money on an entirely new system, could DOW potentially tie-in to the County's system and have it coded specifically to our department instead of having two master systems. She added that without having accurate tracking of fuel and fleet maintenance, she feels this is a priority item, and would be more cost effective and would cut down on time to tie-in to the County's system.

Chair Kamm asked how many locations the County has to which Manager Tait replied there are several. He added that this Gasboy system currently being used by DOW was pointed out by the County Auditor back in 2012 as being problematic. Even if it was in good shape, using this current system is like having a 1960's dashboard on a vehicle today. He agrees with Board member Simonton that it makes sense to share services. Mr. Reyna stated they will look into that option, and that it would be doable.

Board member Tanigawa commented that it is great that the department is finally moving forward with replacing this system, but questioned how the current “honor system” is working. Mr. Reyna explained that the paperwork submitted by the employees are also reviewed by the Administrative Support Staff to ensure the fuel usage makes sense. Board member Simonton suggested contacting the County’s fuel systems account manager to see if they are able to assist with some of the legwork.

Board Member Dill moved to defer Manager’s Report No. 22-51 to the January 20, 2022 meeting, seconded by Mr. Tanigawa; with no objections, motion carried with 4 Ayes.

8. Manager’s Report No. 22-52 Discussion and Possible Action on transfer of funds for purchase of SCADA Operator Interface Terminals (OIT) and services to update the programming in the amount of \$125,000.00

Chief of Operations Val Reyna provided a brief summary of the current SCADA system and how the units are functioning. He explained that they currently have OIT’s that are operating at various version levels; the goal is to get all of them updated island-wide. Currently, they have \$125,000 budgeted for this; however, the cost of the equipment has now increased to close to \$200,000. Rather than purchasing new equipment, it was determined that upgrading the OIT’s was more important, and the replacement equipment could be budgeted for next year. Board member Simonton stated for clarification that they would be keeping the current SCADA operating system, but the terminals at each station would be upgraded at all locations.

Board member Simonton moved to approve Manager’s Report No. 22-52, seconded by Mr. Tanigawa; with no objections, motion carried with 4 Ayes.

9. Manager’s Report No. 22-53 Discussion and Possible Action to Request Board Approval for Indemnification and Liability Waiver for Lease of a Storage Unit, authorizing potential future unknown amount cleaning fees. Contract between Board of Water Supply, County of Kaua’i and Extra Space Management, Inc.

Board member Dill expressed concern at authorizing future unknown amounts, noting it as a red flag. He wished to clarify what “temporary” means and asked if it was for storage of things that need to be digitized and archived electronically. Deputy Manager Judith Hayducsko explained that the first lease is going to be for Public Relations materials needed for Project WET and other events, which is expected to be for two years. However, until the department can do an overhaul of the record retention/disposal and electronic archiving, there is a need to move those things out to proceed with the demolition. The request is for \$5,000/year or less, which is a little high, but because there may be a need for additional storage for the documents needing to be digitized, it would prevent the department from having to come back to the board for the same thing.

Deputy County Attorney Mahea Krafft explained that though she doesn’t have authority to approve the indemnification as it is under the Board’s purview, she has reviewed it. She clarified that this Manager’s Report is not to request the funds – they already have the funds – it is for the indemnification and Liability Waiver. She added that if the Board moves to for approval of the indemnification, that the motion include all subsequent lease agreements so the department does not have to come back before the board each and every time they intend to lease.

Board member Dill moved to approve Manager's Report No. 22-53 to include future storage leases as appropriate, seconded by Mr. Tanigawa; with no objections, motion carried with 4 Ayes.

10. Manager's Report No. 22-54 Discussion and Possible Action on transfer of unrestricted funds for the purchase of additional water meters and polymer meter box covers in the amount of \$450,000.00

In response to Chair Kamm's question, Chief of Operations Val Reyna explained these funds will be used to purchase approximately 1,200 meters and Polymer Meter Box Covers; maybe more. Deputy Manager Judith Hayducsko added that the funds allocated are for 2,400 meters, which adds a buffer to the 1,200 so the department would not have to come back before the Board if additional funds were needed. The intent is that this would eventually be funded with CIP monies, and the money being requested now will be repaid with SRF funds. This request is for a transfer of funds so they can start the CIP before they finalize an agreement with the State on the funding.

Chair Kamm asked the board if they are comfortable with the idea of buffering for costs, rather than having the department come back to the board with real numbers. Board member Dill acknowledged that there needs to be a stock on hand and asked if the department could elaborate on how much of an inventory is planned to be kept on hand.

Manager Tait commented that much like the Gasboy unit, this is part of a much bigger holistic change than what is being asked for today; this is a stopgap. He noted that the number of meters that continue to fail is on the rise.

Ms. Hayducsko provided a Power Point presentation. (Slides on file)

She explained that the customer meter program is interdivisional involving Engineering, Finance and Billing, and Operations. Some of the leadership gaps have made it difficult to see a single vision. Moving forward the department is trying to develop a comprehensive meter management program which includes replacement policies and staging for the future. Ms. Hayducsko explained how the current AMR (Automatic Meter Reading) system works using a signal that downloads the data onto a laptop. The batteries in these signals are failing resulting in having to revert to manual meter reads. There is not enough staff and time to do these manual reads. Additionally, the technology for these systems have transitioned from AMR to AMI (Advanced Metering Infrastructure) which will utilize cell towers to transfer the data. Board Member Simonton commented that if they get signals several times a day, there is potential to detect waters leaks on a real-time basis. Ms. Hayducsko stated the batteries are failing a little faster than expected. The meters are still functioning, but the meter readers need to go out and do manual reads. Cargo backups during this COVID period have caused even more delays, so even they wanted to replace the batteries they would have to wait approximately 12 weeks. Board member Dill asked to clarify whether the plan was to replace the whole meter, noting that in the earlier part of the presentation, it wasn't the actual meter itself that was failing. Ms. Hayducsko explained that the register and the signal, which are integral parts of the meter, are what is being replaced. In some cases, when a whole new meter is being installed it may not have the same base, which would then need to be installed as well.

Ms. Hayducsko explained that starting in August there were many more meter failures; about 160 meters that could not be read when the readers drove by resulting in more challenges with getting the meter reads as well as more complaints from customers. This island-wide meter replacement

will require approximately 22,000 meters at a cost of approximately \$200,000, but rather than having to come back before the Board in 2 months, being unable to place any orders until they receive Board approval, the department is requesting that \$450,000 be transferred from the unrestricted Water Utility Fund account to an account designated for this specific purchase.

Ms. Hayducsko explained that the specific polymer meter box covers being suggested would provide the best battery life, and has a screw-in for the antenna, which would provide the best signal. Those covers are difficult to get so it would be beneficial to buy them in bulk at a good discount and have them delivered on a regular schedule. She reiterated the challenges the department is currently facing in having to do manual readings on the meters that are currently failing in 160 locations requiring the meter readers to get out of their car, remove the lid and take the reading, then doing the data entry into the system; that's over 3 days added to one person's schedule.

Board member Dill commented that he foresees a lot of cellular expenses as part of this new system. He would like to see some sort of cost analysis between a cellular based system versus a fixed station tower-based system. Ms. Hayducsko stated that because there will be a monthly fee per meter, it would be less than one dollar per meter because of the volume. Mr. Dill then asked what would the cost be of leasing space at an existing tower and using radio waves? Ms. Hayducsko replied that O'ahu documented that it was very difficult to do that because of leasing issues that arose. Civil Engineer VII Michael Hinazumi clarified that an analysis has not been done on DOW putting up its own towers versus leasing space at existing towers to use radio waves. Mr. Dill commented that we have reservoirs which are by nature in very high locations that would be an option to place towers there. He acknowledges that the department will be getting a good bulk deal, but that would forever leave them at the mercy of the cellular providers, and he wants to make sure the board has a good basis for the decision to be made. Ms. Hayducsko explained that DOW will not be contracting with the cellular provider, the meter manufacturer will be doing that. Mr. Dill pointed out that we will still be paying for it.

Board member Simonton asked that since the meter company is providing the contract for the cellular service, if the department decided down the road to put in our own towers and receivers, would that be an option available to the department. Mr. Reyna replied that has not been discussed yet. He noted it could be possible, though it may be expensive. The AMI system allows them to use existing cellular infrastructure which is already established. For the department to put in their own towers, locations, acquisition of property, tower construction and maintenance of cellular towers by the department all have to be considered. Ms. Simonton stated that the department currently has a lot on its plate, and a lot of projects that need to be tackled which requires efficiency. Using existing cellular technology means the department won't have to focus on getting towers and maintaining them – there are people that know how to do that – and the department can start implementing solutions more quickly.

Mr. Dill asked whether the communications for SCADA are cellular or radio based to which Mr. Reyna replied it's mainly cellular, but for areas where there is no cell signal it's radio. In response to Mr. Dill's questions, Ms. Hayducsko stated there are currently four meter readers currently on staff, and about 22,464 meters to be read once a month.

Ms. Hayducsko explained ultrasonic meters, which is a new technology they are exploring to see what will work best with their system and what will be successful; other islands have been using these with great success. The current meters use positive displacement which consist of rotating

parts within the meter box. Chair Kamm expressed concern about sinking money into an older technology if eventually we will be moving to ultrasonic. Ms. Hayduckso replied that she believes the ultrasonic meters are the wave of the future. She added that the current positive displacement system is an old, robust system that has shortfalls in that if there is a lot of water usage, it tends to under-register. As the meter ages, and as parts get older and more worn, it may not catch 100 percent of the water passing through.

Board member Tanigawa asked if there were figures to compare replacing the entire water meter versus just the top portion. Ms. Hayducsko replied that when the top part is replaced, the “guts” that are actually moving it are not tested; typically you would want to bench test them before they are deployed. She feels a bit nervous about just replacing the top portion, and her preference would be to replace the whole thing because of the man hours that would be involved with pulling, testing and redeploying, and paperwork. They want to ensure they have as accurate a reading as possible.

Board member Simonton stated for clarification that the meters have 20 years of useful life, but if those were installed in 2006 – 2009, they are between 75% and 50 % of their useful life and very likely to be under-reading; it’s not as if they are only 2 years old. Ms. Hayducsko agreed and added that meter technology is the heart and soul of the department, and if they are unable to accurately track where water is going, that unaccounted water loss is critical and is a basis for their budget.

Chair Kamm asked, with regard to the numbers, if it would make more sense to hire additional meter readers while waiting for the ultrasonic meters to arrive and be tested. Ms. Hayducsko replied that she would prefer to have the meter readers in as safe a situation as possible, and does not like the idea of them having to get out along the side of the road reading meters as often as they would have to. The decision was made to have automatic drive-by meter reads, so doing manual reads would be going backwards. They do have staff and will authorize overtime as necessary to get the information they need. The issue is that the money budgeted for meter replacements is not keeping up with the department’s needs.

Board member Dill stated that the \$40,000 is for the initial purchase of the meters and covers and asked what the total investment in this cellular based system will be. Ms. Hayducsko stated that they made estimates between \$10 million and \$20 million depending on the competitiveness. Mr. Dill stated for clarification that this initial investment is assuming they will be going with the cellular based system and commented that it’s a hefty monetary commitment to make. He would like to see at least a cursory investigation by the department on what a radio-based system would cost versus a cellular system. He is convinced that we will be getting good rates with the cellular system, but he still does not feel comfortable with not having something to compare it to from a life-cycle cost analysis perspective. Chair Kamm asked how quickly something like that could be accomplished. Board member Simonton asked whether there is a trend on a national level that show people are going to these cellular based AMIs versus the AMRs. Ms. Hayducsko replied that it depends on the community, noting that in a city you can put towers at a wastewater treatment distribution site and then build your own tower; however, we are very rural so there are not a lot of options other than manual reads or cellular. Ms. Hayducsko stated she has not been out with the meter readers yet, so she has not seen where the meters are, but there has to be consideration for the distances between meters and how to place towers for that. Mr. Dill stated that is an excellent point and he acknowledges that it may be more challenging here than in a larger, denser cities; however, no analysis has been done to confirm or deny whether that’s the case here. Mr.

Dill would like some kind of assessment before the board makes the commitment to this ten to twenty million dollar project.

Manager Tait asked staff for clarification on whether what was estimated in the CIP was based on different types of systems, or one system only and how long the funding was stretched out. Civil Engineer VII Michael Hinazumi explained that when they looked at the CIP, it was spread over four years, and though Engineering wasn't deeply involved, the determination was to utilize the cellular endpoints. Mr. Hinazumi stated that they can go back and relook at it to see if they are able to provide life cycle costs on their losses, and clarified that the cost was \$22 million because it required replacing the meter boxes with polymer covers as well as polymer lids. Ms. Hayducsko added that the people who made the determination are no longer with the department, but they will relook at it.

Chair Kamm asked to clarify that both the boxes and lids needed replacing to which Mr. Hinazumi explained that a lot of current boxes are packed concrete boxes similar to CMU blocks, which over time as they age they deteriorate and crack. Most of the covers are cast iron lids, but some are concrete as well. The intent of the project was to rehab the boxes with lighter weight and sturdier polymer cement boxes and covers that allows the signal to go through and also, in theory, is supposed to last much longer than the concrete boxes.

Board member Simonton stated for clarification that our current water sales for 2021 is \$25 million. She asked if the implementation of a new meter program would improve our accuracy to, say, 5%? She noted that if the current meters are reporting at 95% accuracy, that 5% would be \$1.2 million per year in additional revenue which would show a payback on this program and would be well worth it. Manager Tait stated that having gone out in the field, he's observed boxes that are 30 to 40 years old that look as if they are 100 years old so there are definitely field improvements that need to be made in order to capture what they should be. He agrees with Ms. Simonton that there will be a significant return on investment.

Board member Dill asked whether or not the department has a program to do regular bench tests to see how accurate or inaccurate the readings may be. Chief of Operations Val Reyna stated that the meter mechanics check and test the meters regularly. If a customer complains that a meter is malfunctioning, while the crew is testing that meter, they will test other meters in that vicinity; most of them are at 99% to 100%. Manager Tait clarified there is no meter replacement program in place, and meters are mainly tested when a customer complains of a high bill, or notices a leak. The meter readers then report back, which prompts a bench test that is then reported to the customer. Mr. Dill stated he respects what the department is working toward, and if he could see today that our meters were under registering 5%, he would agree to this in a heartbeat; he is trying to see if there is any data to support it. Ms. Hayduckso stated she will look into the historic records and work with the meter mechanics and try to get some data for next month's meeting. Ms. Simonton suggested obtaining some information from AWWA as well.

Ms. Hayducsko stated that because we have a tier system for charges, its difficult to capture revenue because it's not as closely tied to a straight percentage. As an example, Ms. Simonton stated that a 5% under representation of water flow could actually be an 8% under representation of revenue because they are being charged at a low tier, and their actually using a multi window higher tier, which is a higher wage growth. Ms. Hayducsko added that would also include the service fee and water usage fee, all of which will be looked at in the rate study Fiscal is working on.

Board member Simonton stated it seems that the board has more questions before authorizing the \$450,000, so in addition to answering those questions, she asked how much of an effect will deferring this item to the next meeting have. Is there a certain portion of this that the department would like to proceed with? Ms. Hayducsko stated if the board proceeds with \$200,000 today and defer the additional until they provide more information, it would allow the department to place an order on Monday, which is what they are trying to do. Ms. Simonton stated that in a sense that would be a pilot program of about 600 meters which they could then obtain real data from to which Ms. Hayducsko replied it is hard to see a 5% increase.

Chief of Operations Val Reyna explained that once they go out and replace what needs to be replaced, they will be wiped out of stock and there is already a back log of those awaiting replacement. He stated that the \$200,000 will be enough for the meters, but not for the polymer covers. He estimates needing at least half of the total requested amount to purchase what they need now.

Board Member Dill reiterated that he is quite concerned about making a monetary commitment to what is a \$10 or 20 million dollar investment without having an understanding of what the alternatives are from a life cycle perspective. He asked that the department provide at least some cursory information within the next week to show where the industry is going in rural communities like ours factoring in implementing cellular versus an antenna system, and if possible some kind of life cycle analysis. Mr. Reyna stated that Maui has moved to the AMI system about 4 or 5 years ago, and DOW has been communicating with them on what works and doesn't work; so far they are happy with the system. Manager Tait added that Maui likely did a deep cost analysis on how they made that decision, so if we can obtain that, the department can see some of the AWWA and manufacturer industry studies.

Board member Simonton stated while \$225,000 is quite a bit of money, it's 1% of the total cost of the program. She feels they are going down the right path but they are not committing to a huge amount of money at this point. Manager Tait stated that the \$225,000 would only be to replace the current meters that need replacing, and to have enough stock on hand.

Board member Simonton moved to approved Manager's Report No. 22-54 with the modification that the amount of the transfer of unrestricted funds be reduced to \$225,000, and a report addressing questions raised at today's meeting will be provided to the Board at the January 20, 2022 meeting, seconded by Mr. Dill; with no objections, motion carried with 4 Ayes.

The meeting recessed at 12:06 p.m.

The meeting reconvened at 12:13 p.m.

Manager's Report No. 22-55 Manager and Chief Engineer's Goals

Manager Tait provided a summary of his proposed goals and objectives, stating that understanding that there were long-standing issues, he avoided doing any research on the department so he could come in with an unbiased outlook on the situation. Mr. Tait pointed out discrepancies in a report from 2019 on the goals and objectives of the Manager at the time. In that report statements were made indicating the manager at the time was aware of and concerned about the morale issues, and that they had been addressed. It led Mr. Tait to believe that morale was not an issue, however, after discussion with employees, he found that it was THE issue. Mr. Tait stated that most of the

comments in his report presented here came from employees, board members, past board members including past Chairs. His understanding is that the last time this type of assessment was done was back in 2014 and that the board had a discussion in 2017 about conducting a performance audit. Mr. Tait assured the board that he would be digging much deeper than a performance audit. He commended Chair Kamm for not kicking the can to next chair before he transitioned out of his position and asked for these issues to be brought before the board immediately.

Mr. Tait stated besides what is shown in his report, there are about 131 items that he and former interim manager Mark Knoff have identified; of those only about 30 are listed. He provided a summary on his Short-Term goals, major benchmark objectives both tangible and intangible, noting that those intangible items are the feedback he's received from staff and board members that are things like camaraderie and teamwork.

Chair Kamm stated that this is a significant departure from how DOW has been doing business, and hopes the board recognizes that. Board Member Dill expressed his appreciation for the effort going into this process, offered the full support of the board, and requested updates on the progress. Manager Tait stated his plan is to provide quarterly reports and updates on the status. Civil Engineer Michael Hinazumi stated that he started work at DOW over 26 years ago and was here during 2004 when a similar report was provided to the board. He appreciates that Manager Tait has provided what he feels is a very thorough and accurate assessment. The Engineering division is there to support the manager as well as the board, and to provide the best quality service as they can.

Manager Tait stated that as part of the restructuring in the organizational assessment, Mr. Hinazumi has been diligent in restocking the talent in the Engineering department, and has a couple of people coming in. Judy and Val are also replacing retired staff. Things are moving forward and not waiting for any report.

Chair Kamm asked what the most important pieces are to which Manager Tait explained that what is listed is not in any particular order, and many things will happen concurrently. One of the things mentioned by both board members, staff and division heads is turn-around time for the public and wondering where their projects are or the status. Because there were no benchmarks, there was no way to measure what that should look like. Similarly, the department does not have a pipe replacement program, yet Mr. Reyna's team is out on a daily basis fixing pipes, but again there were no benchmarks for this.

Board member Dill mentioned this will be a very handy tool when it's time for the Manager's annual evaluation.

Board member Dill moved to approve Manager's Report No. 22-55, seconded by Ms. Simonton; with no objections, motion carried with 4 Ayes.

STAFF REPORTS

1. Statement of Revenues and Expenditures
 - a. November Monthly Summary Budget
 - b. Accounts Receivable Aging Summary

Assistant Waterworks Controller Marcelino Soliz provided a summary of the Fiscal report.

2. Public Relations Activities

Information and Educational Specialist Jonell Kaohelaulii provided a summary of the Public Relations report.

3. Operational Activities

Chief of Water Operations Val Reyna provided a summary of the Operations report submitted.

4. Manager and Chief Engineer

Manager Mark Knoff provided a summary of the Manager's Update submitted.

Due to time constraints and the importance of addressing the executive session items, Chair Kamm opted to forego the Staff Reports.

TOPICS FOR NEXT BOARD OF WATER SUPPLY MEETING: (January)

1. 2022 Appointment of Committee Members for the Rules Committee and the Finance Committee

TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETINGS:

2. Manager's Report No. 17-29 - Discussion and Possible Action on the Financial Management Planning and Water Rate Study for the Department of Water for Fiscal Year 2022 through Fiscal Year 2026
3. Department of Water Performance Audit
4. Baseyard Master Plan Workshop
5. Employee of the Year Resolution (February)
6. Proposed Budget for FY2022-2023 (March)

EXECUTIVE SESSION:

Pursuant to Hawai'i Revised Statutes (HRS) §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 HRS §92-4 and shall be limited to those items described in HRS §92-5(a).

1. Pursuant to Hawai'i Revised Statutes § 92-4 and § 92-5(a)(4), the purpose of this Executive Session is for the Board to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as it relates to:
 - a. Manager's Report No. 20-53 Discussion and Possible Action on correspondence from Grove Farm regarding Grove Farm's Request for Revenue Requirement Shortfall.
 - b. Goodfellow Bros.' Request for Reimbursements, Job No. 15-07, Reorganize Water System: Kaumuali'i Highway 16-Inch Main and Emergency Pump Connection, Hanapēpē Road 6-Inch Main Replacement, Job No. 15-07, Water Plan Project No. HE-01, HE-10, Hanapēpē, Kaua'i, Hawai'i.

Board member Simonton moved to go into executive session, and to invite the Manager and Chief Engineer and Special Projects Engineer Mark Knoff to participate as a resource, and to adjourn the meeting upon closing of the executive session, seconded by Mr. Tanigawa; with no objections, motion carried with 4 Ayes.

The Board entered into executive session at 12:34 p.m.

The board resumed in open session at 1:03 p.m.

ADJOURNMENT

The meeting was adjourned at 1:03 p.m.

Respectfully submitted,

Cherisse Zaima

Cherisse Zaima
Commission Support Clerk

Approved,

Julie Simonton
Julie Simonton (Jan 24, 2022 11:29 HST)

Julie Simonton
Secretary, Board of Water Supply

RBM (12-23-21) pending signature

Final Audit Report

2022-01-24

Created:	2022-01-24
By:	Cherisse Zaima (czaima@kauaiwater.org)
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