

MINUTES
BOARD OF WATER SUPPLY
May 20, 2021

The Board of Water Supply, County of Kaua‘i, met in regular meeting **via remote** in Lihu'e on Thursday, May 20, 2021. Vice Chair Kurt Akamine called the meeting to order at 10:08 a.m. The following Board members were present:

BOARD: Mr. Kurt Akamine, *Vice Chair*
Mr. Ka'aina Hull
Mr. Lawrence Dill
Mr. Troy Tanigawa
Mr. Elesther Calipjo

EXCUSED: Mr. Gregory Kamm, *Chair*
Ms. Julie Simonton

Quorum was achieved with **5** members present at Roll Call.

STAFF: Manager & Chief Engineer Mark Knoff
Mr. Carl Arume
Mr. Steven Kyono, Board Advisor
Mr. Valentino Reyna
Mrs. Jonell Kaohelaulii
Mrs. Mary-jane Akuna
Mrs. Marites Yano
Mr. Jaspreet Banwait
Deputy County Attorney Mahealani M. Krafft

ANNOUNCEMENTS

Next Scheduled Meeting: Thursday, June 24, 2021 – 10:00 a.m. via Tele-Conference

There were five (5) attendees who joined from the public.

APPROVAL OF AGENDA

Board Member Tanigawa moved to approve the Agenda; seconded by Mr. Hull; with no objections, motion carried with 5 Ayes.

APPROVAL OF MEETING MINUTES

a) Regular Board Meeting – April 22, 2021

Board Member Hull moved to approve the Regular Board Meeting minutes of April 22, seconded by Mr. Tanigawa; with no objections, motion carried with 5 Ayes.

b) Finance Committee Meeting – April 15, 2021 and April 20, 2021

Board Member Tanigawa moved to approve the Finance Committee Meeting minutes of April 15, 2021 and April 20, 2021 seconded by Mr. Hull; with no objections, motion carried with 5 Ayes.

PUBLIC TESTIMONY

There were no registered testimonies received by email or by phone.
2 callers, one Silent and the other was Judith Hayducsko.

CORRESPONDENCE

1. There was no correspondence received by email or by phone.

BOARD COMMITTEE & PERMITTED INTERACTION GROUP REPORTS

1. Report of the Finance Committee of the Board of Water Supply, County of Kauai Draft Budget for Fiscal Year 2021-2022
 - a. Fiscal Year 2021-2022 – Draft Operating Budget
 - b. Fiscal Year 2021-2022 – Draft Capital Outlay Budget

Finance Committee Chair Dill along with the members of the Finance committee have met a couple times and has recommended approval of the Department of Water's FY2021-2022 Operating and Capital Outlay budgets.

OLD BUSINESS

1. Draft Budget for Fiscal Year 2021-2022
 - a. Fiscal Year 2021-2022 – Draft Operating Budget
 - b. Fiscal Year 2021-2022 – Draft Capital Outlay Budget

The DOW's Waterworks Controller, Mrs. Marites Yano gave a brief overview of the DOW's proposed budget.

Mrs. Yano explained that the DOW added \$60K in capital outlay because we received the final numbers for capital projects.

There are three (3) parts of the budget. The operating, capital outlay and purchase order rollover for outstanding purchase orders. The purchase order report will be submitted during the August board meeting.

On page 220 of the board packet, Mrs. Yano went over the different funding sources that are maintained separately.

Page 221 – has the comparative water usage which is the main usage. She explained that the year-to-date usage has been declining. The decline started in 2020 and continued in 2021. Presumably, as of the result from the pandemic. To project the water sales, the Department used the same data to add the 1% increase as a gradual increase in water consumption.

Page 222 – The pie chart of Water Utility Fund shows the Department's resources including a reserve of \$9M of the reserve fund. The projected revenue is \$25M in water sales. A non-cash expenditure of \$0.3M is from other water revenue (insurance claims and other revenue), a receipt of \$14M grant funds, \$1.9 in other capital contracts, \$0.2M is from investments. The DOW projects \$78.9M in projects.

Page 224 – The pie chart shows the allocation of projected resources. Right side is the operation exp which is about 49% of the resources. This pie chart includes short term debt, capital outlays by the state appropriations and capital outlays.

Page 227 – The pie chart of the new capital outlay shows a total of \$48.2M which includes grants, water utility, Bond, Facilities Reserve Charge (FRC) and SRF.

Page 230 – Shows the summary of fund balance projections which shows \$44.9M to start with and \$9.3M as the last audited operating revenues.

\$25.4 and \$9.3M projects the estimated available resources for the budget beginning July 1, 2021. Which now gives the adjustment balance of \$15.9M less the operating expenses, short term debt and

miscellaneous capital purchases. This gives the projection balance of \$12.9M at the end of June 30, 2022 and \$9M in reserve funds.

Looking at the Finance Committee's packet page 54 presented during their April 20th committee meeting shows the 10% contingency the Satellite base yard project.

Manager Mark Knoff explained that the DOW entered a memorandum of understanding (MOU) cooperative agreement with the Kauai County at the Hanalei base station. This agreement enables the DOW to improve response time to preposition supplies/vehicles in an event of an emergency.

Board member Dill moved to approve the draft budget for FY2021-2022 report seconded by Mr. Tanigawa; with no objections, motion carried with 5 Ayes. A roll call vote was conducted with five board members present with 5 Ayes.

NEW BUSINESS

1. Manager's Report No. 21-24 - Discussion and Possible Adoption of the Budget Resolution No. 21-05 (05/21), of the Department of Water's Operating and Capital Outlay Budgets for Fiscal Year 2022, effective July 1, 2021 – June 30, 2022

Board member Dill moved to approve the adoption of the Budget Resolution No. 21-05 (05/21), of the Department of Water's Operating and Capital Outlay Budgets for Fiscal Year 2022, effective July 1, 2021 – June 30, 2022 seconded by Mr. Tanigawa; with no objections, motion carried with 5 Ayes. A roll call vote was conducted with five board members present with 5 Ayes.

STAFF REPORTS:

1. Statement of Revenues and Expenditures
 - a. March Monthly Summary Budget
 - b. Accounts Receivable Aging Summary
2. Public Relations Activities
3. Operational Activities

Kurt - With not as much vacation – will there be a lot of requests?
Val- a lot after travel restrictions have been open.
4. Manager and Chief Engineer

All reports received.

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

1. Purchase of a new battery for the Nissan Leaf
2. Table of Organization Recommendations
3. List of assets of change outs and dispositions vehicles and equipment
4. Board Policy – Delegation to the Manager for Legislative Actions
5. Budget Resolution for the acceptance and expenditure of grant monies from the State of Hawaii Appropriations Act of 2019 – ACT 40, SLH 2019 in the amount of \$ 4,500,000.00 for the following projects:
 - Kalaheo-Lawai-Omao Water System
 - Kilauea Water System
 - Waimea-Kekaha Water System
6. Budget Resolution for the acceptance and expenditure of grant monies from the State of Hawaii Appropriations Act of 2020 – ACT 6, SLH 2020 in the amount of \$ 9,500,000.00 for the following projects:

- Kalaheo-Lawai-Omao Water System
- Kilauea Water System
- Waimea-Kekaha Water System

TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETINGS:

1. Department of Water's Supplemental Budget for Fiscal Year 2022 (*August*)
2. Discussion and Possible Action to establish Fiscal Policies and Procedures
3. 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
4. Department of Water Performance Audit
5. Baseyard Master Plan Workshop

EXECUTIVE SESSION:

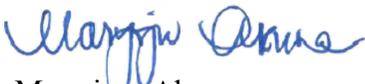
Pursuant to Hawai'i Revised Statutes (HRS) §92-7(a), the Board may, when deemed necessary, hold an executive session on any agenda item without written public notice if the Executive Session was not anticipated in advance. Any such executive session shall be held pursuant to HRS §92-4 and shall be limited to those items described in HRS §92-5(a).

There was no executive session held during this meeting.

ADJOURNMENT

Troy moved to Adjourn the Regular Board meeting at 11:03 a.m., seconded by Mr. Dill, with no objections, motion carried with 5 Ayes.

Respectfully submitted,



Mary-jane Akuna
Private Secretary

Approved,


Julie Simonton (Jun 29, 2021 10:03 HST)

Julie Simonton
Secretary, Board of Water Supply

RBM 05-20-21 Final

Final Audit Report

2021-06-29

Created:	2021-06-25
By:	Mary-Jane Akuna (makuna@kauaiwater.org)
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