

MEETING MINUTES  
BOARD OF WATER SUPPLY  
August 23, 2019

The Board of Water Supply, County of Kaua'i, met in regular meeting at the Board Conference Room in Lihu'e on Friday, August 23, 2019. Chair Thomas Canute called the meeting to order at 10:02 a.m. The following Board members were present:

BOARD: Mr. Thomas Canute, *Chair*  
Ms. Laurie Ho  
Mr. Ka'aina Hull  
Mr. Lawrence Dill  
Mr. Kurt Akamine

EXCUSED: Mr. Elesther Calipjo

Quorum was achieved with 5 members present at Roll Call.

|               |                         |                      |
|---------------|-------------------------|----------------------|
| <u>STAFF:</u> | Mr. Bryan Wienand       | Mrs. Marites Yano    |
|               | Mr. Valentino Reyna     | Mr. Dustin Moises    |
|               | Mr. Eddie Doi           | Mr. Ryan Smith       |
|               | Mr. Carl Arume          | Mr. Keith Aoki       |
|               | Mrs. Jonell Kaohelaulii | Mr. Darrell Acob     |
|               | DCA Mahealani Krafft    | Mrs. Mary-jane Akuna |

GUESTS: Mr. Hall Parrott, Private Citizen

**C. ACCEPTANCE OF AGENDA**

Mr. Akamine moved to approve the Agenda; seconded by Mr. Dill; with no objections, motion carried with 5 ayes.

**D. MEETING MINUTES**

**Review and approval of:**

Regular Board Meeting – July 26, 2019

Mr. Dill moved to approve the Regular Board Meeting minutes of July 26, 2019; seconded by Ms. Ho; with no objections, motion carried with 5 ayes.

**Review and approval of:**

Executive Session – July 26, 2019

Mr. Akamine moved to approve the Executive Session minutes of July 26, 2019, seconded by Mr. Dill; with no objections, motion carried with 5 ayes.

**E. CORRESPONDENCE/ANNOUNCEMENTS/PUBLIC TESTIMONY**

None.

**F. BOARD COMMITTEE & PERMITTED INTERACTION GROUP REPORTS**

None.

**G. OLD BUSINESS**

None.

## **H. NEW BUSINESS**

1. *Manager's Report No. 20-05* – Discussion and Possible Action on Contract No. 656, Water Plan 2020 Project No. WK-39 Drill & Develop Kapa'a Homesteads Well No. 4 & Package A-Well and Drainage Package of Water Plan 2020 Project No. WK-08, Job No. 02-14, Kapa'a Homesteads 325' Tanks, Two 0.5 MG Tanks Projects, Kapa'a, Kaua'i, Hawai'i for a construction change order no. 6 and additional contingency in the amount of \$51,870.99

### **BACKGROUND:**

Chief of Construction Management Mr. Moises commented on Change Order No. 6 that related to the pond issue. A new drain is being installed at the tank site that had a conflict on the SCADA conduit where the existing RTU was in the middle of the drain line. Operations asked the contractor to replace the conduit that goes under the eaves of the old Ornellas Tank site. In addition, he said the conduit work cost \$27,601.64 and the Department is requesting \$30,000 contingency for an extra month for any delays. Mr. Moises added the area will be demobilized to grass then re-grass the area; there will be a cost to mobilize and demobilize.

### **DISCUSSION:**

Mr. Dill said the cost is a large amount and inquired on the size of the conduit? Mr. Moises said the cable is \$4K and about 200 feet that would take four weeks to order the cable. The cost does not include the cable within the conduit. Operations has requested to replace the cable.

Mr. Dill moved to approve *Manager's Report No. 20-05* – Discussion and Possible Action on Contract No. 656, Water Plan 2020 Project No. WK-39 Drill & Develop Kapa'a Homesteads Well No. 4 & Package A-Well and Drainage Package of Water Plan 2020 Project No. WK-08, Job No. 02-14, Kapa'a Homesteads 325' Tanks, Two 0.5 MG Tanks Projects, Kapa'a, Kaua'i, Hawai'i for a construction change order no. 6 and additional contingency in the amount of \$51,870.99; seconded by Ms. Ho; with no objections, motion carried with 5 ayes.

2. *Manager's Report No. 20-06* - Discussion and Possible Action on the Approval of the Department of Water's Supplemental Budget for Fiscal Year 2020

Manager's Report No. 20-06 and attachment was "Received for the Record" as distributed to the Board.

### **BACKGROUND:**

Waterworks Controller Ms. Yano explained that the Supplemental Budget contains unexpended 2019 Purchase Orders. She requested that the Board approve the roll overs to the 2020 budget in the amount of \$17,941,378.16. (See Supplemental Budget and Fund Balance Projections (Revised) attachment.) The main projects are: 1) Hanapepe 16 inch Main Booster (\$7.3M), 2) Kapaia Cane Haul Road (\$3.2) from Water Utility Fund; \$1M from Build America Bond. Operating Expenses/Professional Services Roll Overs is \$2.4M with existing contracts. Water Utility Fund New Capital Outlay R&R is \$7.3M.

### **DISCUSSION:**

Mr. Dill pointed out that on the Fund Balance Projections table that the Fiscal 2019 encumbrances and Ending Fund Balances were the only changes, which Ms. Yano replied yes.

Ms. Ho moved to approve *Manager's Report No. 20-06* - Discussion and Possible Action on the Approval of the Department of Water's Supplemental Budget for Fiscal Year 2020; seconded by Mr. Akamine; with no objections; motion carried with 5 ayes.

3. *Manager's Report No. 20-07* - Discussion and Possible Action on the Second Amendment to Contract No. 639, Job No. 17-10, WP2020 Project No. KW-07 Rehabilitate Paua Valley Tank #1, 0.5MG Concrete, with KAI Hawai'i Inc. for a time extension of 150 days and for additional design funding in the amount of \$11,636.00

### **BACKGROUND:**

Manager Wienand said the tank repair design is complete and this is the next project with construction to start this fall. The scope of the project was to assess which repairs needed to be performed to address a leak at the base of the tank. During the course of the project, a Hazardous Survey was done on how to dispose hazardous materials that

resulted in the Department discovering Polychlorinated Biphenyl (PCBs). The requested funds are related to the project but not to the tank construction. The soil tested is where the water is drained to and PCBs in the soil were discovered which triggered a soil removal plan. The Department of Health Hazard Evaluation and Emergency Response Office and the Environmental Protection Agency will provide directions on the proper removal and disposal of the PCB's with no delays to construction.

**DISCUSSION:**

Mr. Dill asked about the cost to remove the soil? Civil Engineer Mr. Aoki said the cost is not available because soil removal is unknown and the Department has not decided who will do the work. This work may be done in house which is cheaper.

Mr. Akamine moved to approve *Manager's Report No. 20-07* - Discussion and Possible Action on the Second Amendment to Contract No. 639, Job No. 17-10, WP2020 Project No. KW-07 Rehabilitate Paua Valley Tank #1, 0.5MG Concrete, with KAI Hawai'i Inc. for a time extension of 150 days and for additional design funding in the amount of \$11,636.00; seconded by Mr. Dill; with no objections, motion carried with 5 ayes.

4. *Manager's Report No. 20-08* - Discussion and Possible Action on the Fourth Amendment to Contract No. 533, Job No. 09-01 WP2020 #K-01, K-12, Phase II – Kalāheo 1111' and 1222' Water System Improvements, Kalāheo, Kaua'i, Hawai'i with Belt Collins Hawai'i LLC for a time extension of 220 days and for additional design funding in the amount of \$101,583.00

**BACKGROUND:**

Manager Wienand indicated there are four projects in one contract for Packages A, B & C on two tanks with two miles of water main in Kalāheo. Construction will start next summer (July–September). The Department received \$10.2 State funds from the Hawai'i Legislature representing the 80% Department match. The overall construction is over \$18M with \$10.2 is from State funds and \$7.2M is the remainder of the Build America Bond to be used. The Department is determined to use the Department of Health Drinking Water State Revolving Fund loan program based on their lower rates. Federal requirements need to be met with appropriate specs based on the \$70K being requested out of the \$101K. The Department has not decided on the amount to borrow but loan options may be based on a 3.35% loan vs. a 2.15% loan. The savings would be \$285K to \$570K minus the amount being invested in updating the specs, which will not be known until we open the bids. The project sequence would be Paua Valley, Kukuiolono Tank Demo, Kīlauea Wells Motor Control Center, and this project next summer. Permit and re-certification renewals will cost about \$30K.

Mr. Dill moved to approve *Manager's Report No. 20-08* - Discussion and Possible Action on the Fourth Amendment to Contract No. 533, Job No. 09-01 WP2020 #K-01, K-12, Phase II – Kalāheo 1111' and 1222' Water System Improvements, Kalāheo, Kaua'i, Hawai'i with Belt Collins Hawai'i LLC for a time extension of 220 days and for additional design funding in the amount of \$101,583.00; seconded by Ms. Ho; with no objections, motion carried with 5 ayes.

5. *Manager's Report No. 20-09* - Discussion and Possible Action to accept a perpetual non-exclusive Grant of Easement for water line and related purposes on TMK: (4) 2-8-017:009, Lot 1-B from the property owners, Po'ipū, Kōloa District, Kaua'i, Hawai'i

**BACKGROUND:**

Manager Wienand reported that this project relates to water line improvements within a private property at the Kiahuna Plantation development. When the line was previously installed, an easement for the water line was not granted to the Department. The Department later made improvements along the property line on Po'ipū Road but the line was never activated at Kiahuna Plantation. The owners, the Department and Fire Department are concerned because the line is not connected to the Department's main line with no adequate fire protection. The owners agreed to the perpetual easement shown on the agreement. With Board approval, the Operations Division would activate the line for hydrant service.

**DISCUSSION:**

Mr. Dill inquired if the line was conveyed to the Department and if we own the line? How did the Department acquire the line within the property without the easement? Mr. Aoki answered that the line was installed in the 1980's (A/C line). The hydrant line was part of the project when the main line was put in on Poipu Road. He was not sure why a Grant of Easement was not granted to the Department. Mr. Dill asked if the intent, when the line was installed, was to be owned by the Department of Water (DOW)? Mr. Aoki said yes. Mr. Dill also asked if domestic service was off of the line? Mr. Aoki indicated it was for protection on two hydrants. Backflow prevention is not required for a hydrant. Mr. Aoki suggested moving forward hydrants should not be installed on private properties. The owners would run their own private hydrant lines. There is adequate access to maintain the line and the easement agreement states that the Department is not responsible to make repairs to A/C pavement or concrete sidewalks.

Mr. Dill moved to approve *Manager's Report No. 20-09* - Discussion and Possible Action to accept a perpetual non-exclusive Grant of Easement for water line and related purposes on TMK: (4) 2-8-017:009, Lot 1-B from the property owners, Po'ipū, Kōloa District, Kaua'i, Hawai'i; seconded by Mr. Akamine; with no objections, motion carried with 5 ayes.

6. *Manager's Report No. 20-10* – Discussion and Possible Action on Board Approval for Indemnification in Licensing Agreement with Apple Developer Programs between the Board of Water Supply, County of Kaua'i and Apple

**BACKGROUND:**

Manager Wienand, DCA Krafft and staff reviewed the agreements thoroughly. The Department is requesting approval for three Manager's Reports No. 20-10, 20-11, & 20-12 from Apple to implement the new customer service payment app. The Android app is ready but the Apple app has been delayed for several months on the terms and conditions.

Manager's Report No. 20-10 Apple Developer Agreement is for the Application Agreement App

Manager's Report No. 20-11 Agreement is for the Upgrade IOS12

Manager's Report No. 20-12 Agreement is for the Apple Media Software

Mr. Dill wanted to make sure the DOW customer's data is protected. DCA Krafft was not sure if the Department gives up ownership of the Department's rights but the security is okay. None of the customer's data is being given to Apple. Mr. Dill applauded the Department for providing improved service to the customers. Manager Wienand and Ms. Ho thanked Information Technology Specialist Ms. Sandi Nadatani and DCA Krafft for their work on the agreements.

Mr. Dill moved to approve *Manager's Report No. 20-10* – Discussion and Possible Action on Board Approval for Indemnification in Licensing Agreement with Apple Developer Programs between the Board of Water Supply, County of Kaua'i and Apple; seconded by Mr. Hull; with no objections, motion carried with 5 ayes.

7. *Manager's Report No. 20-11* – Discussion and Possible Action on Board Approval for Indemnification, Attorney's Fees, and Governing Law for use of Apple IOS12 between the Board of Water Supply, County of Kaua'i and Apple

Mr. Dill moved to approve *Manager's Report No. 20-11* – Discussion and Possible Action on Board Approval for Indemnification, Attorney's Fees, and Governing Law for use of Apple IOS12 between the Board of Water Supply, County of Kaua'i and Apple; seconded by Mr. Hull; with no objections, motion carried with 5 ayes.

8. *Manager's Report No. 20-12* - Discussion and Possible Action on Board Approval for Indemnification, Attorney's Fees, and Governing Law for use of Apple Media software between the Board of Water Supply, County of Kaua'i and Apple

Mr. Dill moved to approve *Manager's Report No. 20-12* - Discussion and Possible Action on Board Approval for Indemnification, Attorney's Fees, and Governing Law for use of Apple Media software between the Board of Water Supply, County of Kaua'i and Apple; seconded by Mr. Hull; with no objections, motion carried with 5 ayes.

9. Manager's Report No. 20-13 - Discussion and Possible Action to Establish and Approve the Manager and Chief Engineer's Goals for August, 2019 through March, 2020

**BACKGROUND:**

Manager Wienand mentioned that at the June 28<sup>th</sup> Board meeting, the Board agreed to make two changes to establish goals that linked the performance evaluation process: 1) Change the format of the goals to be consistent with the evaluation templates that the Department of Human Resources (DHR) uses (8 criteria, template & format on page 201 & 203) and 2) Update the timeline for the evaluation that aligns with the Manager's annual appointment date, which is May 1, 2020. Goals are reviewed by the Board in March and the evaluation is done by the Board in April.

**DISCUSSION:**

Mr. Hull asked Manager Wienand what the status was on the Five Year Rate Study? Manager Wienand said the priority project list was completed two weeks ago on design, construction and new projects with updated scores. Cost estimates are being reviewed and compared with the actual projected spending time line and the funding source. A final estimate should be given to the financial consultant next week. The consultant will update the model and it's estimated that the study will be presented to the Board in September then referred to the Finance Committee. Water Plan 2020 projects and emergency projects are also being reviewed and included.

Manager Wienand went over the main goal tactics on pages 204 – 209. Mr. Akamine commented on Goals #5 & #6, Tactic 5.1 and asked if the measurement is a process measurement and not an outcome? If staff participates in leadership training, would it lead to increased leadership ability? Manager Wienand said Goal #5 is to improve leadership through training but measuring leadership ability is subjective. Depending on how many staff can attend the Leadership Kaua'i program and establishing a reason for qualifying for this program, he would need funding approval by the Board.

Mr. Akamine asked how would the Manager know that this process would improve communication? Goal #6, Tactic 6.2 Desired Outcome Column states: "Significant improvement in communications skills and professionalism for all DOW staff." The Success Measurement Column states: "At least one full day communication training shall be provided to at least 40 DOW staff in 2019 by an industry..." Mr. Akamine inquired if increased training/teaching would increase communication? Would training change behavior? Manager Wienand is shifting the focus from technical based goals to improved performance with all staff with this year's goals.

The Manager mentioned there are other key items that have not been identified as goals because the timelines associated with them do not align within the next six months; for example, implementing the entire IT Strategic Plan is not a goal. However, the initiatives related to implement a training and a proficiency program for different staff has not been established as a metric for the next six months, but it is a priority for next year.

Goal #6 – Improve Internal Communications, Improve Morale, and Build Unity: Mr. Hull suggested the Manager continue to keep the Board updated on building unity within the Department's morale by reporting back to the Board.

Mr. Akamine moved to approve Manager's Report No. 20-13 - Discussion and Possible Action to Establish and Approve the Manager and Chief Engineer's Goals for August, 2019 through March, 2020; 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. July Monthly Summary Budget
  - b. Accounts Receivable Aging Summary

**BACKGROUND:**

Waterworks Controller Mrs. Yano highlighted the following:

1. On-going Fiscal activities: DOW received \$2.3M from a State Appropriation Grant for the month of July.

2. Received three notice of funding share obligation approved from FEMA.
3. IT Strategic Plan targeted for September: A Finance Committee schedule was requested for the presentation before the September Board meeting.
4. Customer Account Portal as of July: Registered Users = 330 with the use of credit card or debit card on line for bill payments.

**DISCUSSION:**

Mr. Dill referred to Summary of Meter Cuts (MCuts) (page 226) and asked how does DOW define delinquency? According to Ms. Yano, beyond 60 days, a bill is delinquent when collections are initiated. She explained that the number "69" in the July Column are delinquent accounts Fiscal contacts for collection.

Received for the Record

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

**BACKGROUND:**

Information & Education Specialist Mrs. Kaohelaulii highlighted the following:

1. Make A Splash is scheduled for September 20<sup>th</sup> with 690 students to attend at the new location the Vidinha Soccer Field.

Received for the Record

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

**BACKGROUND:**

Chief of Operations Mr. Reyna provided highlights:

1. Personnel - Field and Plant Section personnel obtained American Traffic Safety Services Association Flagger Certification.
2. Field personnel attended the Fundamentals of Meter Selection and Service Configuration training.
3. Interviews done on current vacancies that are in line with the Manager's goals.

Received for the Record

4. Discussion and Receipt of the Manager and Chief Engineer's Monthly Update Regarding Activities of Note of the DOW

**BACKGROUND:**

Manager Wienand highlighted the following:

1. Personnel Matters – Continues filling vacancies; internships are ending end of August.
2. Customer, Care & Billing (CC&B) – Total number of registered users are almost 1,000. The Department continues to promote CC&B to encourage customers to sign up.
3. Notices were sent to customers that stated the electronic billing system will be discontinued the end of August.
4. Starting in September, bill payments will be through the Customer Account Portal (CAP).
5. Smart Phone apps will be available soon through Android and Apple.
6. Kiosk payment terminals will be next to be implemented in the lobby.
7. IT staff was acknowledged by the Manager who have been addressing IT Tickets and working closely with CC&B consultant on updates to the portal.
8. The Manager thanked the Board for funding attendance at the Global Leadership Summit which was valuable and recommended the Board attend next year.

Received for the Record

**J. 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).

**K. TOPICS FOR NEXT WATER BOARD MEETING (September 2019)**

1. Discussion and Suggestions of the Department of Water's Capital Improvement Projects for 2020-2021

**L. TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETINGS**

1. Resolution Adoption – Make A Splash Volunteers (October 2019)
2. Department of Water Performance Audit (Update)
3. Table of Organization Workshop
4. Workshop presentation regarding the Master Plan of the Department of Water's former Administration Building, Baseyard, Micro Lab, Information Technology (October/November 2019)  
This workshop may be presented with a lighter Agenda since it may take a longer time to present to the Board (which may include a field trip).
5. Election of Officers for 2020 (November 2019)
6. Board Meeting Dates for 2020 (November 2019)
7. Discussion and Possible Action to establish Fiscal Policies and Procedures (January 2020)
8. Discussion and Possible Action on the Manager and Chief Engineer's Goals (March 2020)
9. Evaluation of the Department of Water's Manager and Chief Engineer from May 1, 2019 to May 1, 2020 (April 2020)

**M. UPCOMING EVENTS**

1. Make a Splash, Project WET (September 20, 2019), Vidinha Soccer Field
2. HWWA/HRWA Conference (October 9-11, 2019), Honolulu, Hawai'i
3. DOW's Annual Meeting (December 13, 2019)

**N. NEXT WATER BOARD MEETING**

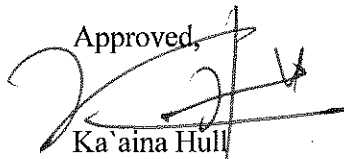
1. Friday, September 27, 2019, 10:00 a.m.
2. Friday, October 25, 2019, 10:00 a.m.
3. Friday, November 22, 2019, 10:00 a.m.
4. Friday, December 20, 2019, 10:00 a.m.

**O. ADJOURNMENT**

Mr. Dill moved to Adjourn the Regular Board Meeting at 11:15 a.m.; seconded by Ms. Ho; with no objections, motion carried with 5 ayes.

Respectfully submitted,

  
Edith Ignacio Neumiller  
Commission Support Clerk

Approved,  
  
Ka'aina Hull  
Secretary, Board of Water Supply