

MINUTES
BOARD OF WATER SUPPLY
January 21, 2021

The Board of Water Supply, County of Kaua'i, met in regular meeting **via remote** in Lihue on Thursday, January 21, 2021. Chair Gregory Kamm called the meeting to order at 10:03 a.m. The following Board members were present:

BOARD: Mr. Gregory Kamm, *Chair*
Mr. Kurt Akamine, *Vice Chair*
Ms. Julie Simonton
Mr. Troy Tanigawa
Mr. Ka'aina Hull

EXCUSED: Mr. Lawrence Dill
UNEXCUSED: Mr. Elesther Calipjo

Quorum was achieved with 5 members present at Roll Call.

<u>STAFF:</u>	Manager & Chief Engineer Mark Knoff	Mr. Carl Arume
<i>(via remote)</i>	Mr. Steve Kyono, Board Advisor	Mr. Val Reyna
	Mr. Michael Hinazumi	Mrs. Mary-jane Akuna
	Mrs. Marites Yano	Mrs. Jonell Kaohelaulii
	Deputy County Attorney Mahealani Krafft	Mr. Jas Banwait

GUEST: DCA Laura Barzilai, County Attorney's Office

ANNOUNCEMENTS

Next Scheduled Meeting: Thursday, February 25, 2021 – 10:00 a.m. via Tele-Conference

APPROVAL OF AGENDA

Mr. Akamine moved to approve the Agenda as distributed; seconded by Ms. Simonton; with no objections, motion carried with 5 ayes.

APPROVAL OF MEETING MINUTES

a) Regular Board Meeting – December 17, 2020

Ms. Simonton moved to approve the Regular Board Meeting minutes of December 17, 2020; seconded Mr. Akamine; with objections, motion carried with 5 ayes.

b) Executive Session – December 17, 2020

Ms. Simonton moved to approve the Executive Session minutes of December 17, 2020; seconded Mr. Akamine; with objections, motion carried with 5 ayes.

PUBLIC TESTIMONY

Private Secretary Mary-jane Akuna reported that two public callers joined and did not testify on agenda items. No registered testimonies received.

CORRESPONDENCE

1. Chairperson's Appointments for 2021 Rules Committee, Finance Committee, Committee of the Whole

Chair appointed Committee members with no objections:

Rules Committee: Ka'aina Hull (Chair) & members Julie Simonton and Gregory Kamm

Finance Committee: Lawrence Dill (Chair) & members Ka'aina Hull and Elesther Calipjo

2. Correspondence from Shawn L. Shimabukuro, Grove Farm regarding Request for Revenue Requirement Shortfall per Water Treatment and Delivery Agreement dated December 17, 2020
Received / Discussed in Executive Session.

3. Correspondence from Corey Yamashita, Goodfellow Bros. regarding Request for Equitable Adjustment, 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 dated December 18, 2020

Received / Discussed in Executive Session.

OLD BUSINESS

1. Manager's Report No. 20-41 - Waiahi Surface Water Treatment Plant Renovation Construction Cost Progress Report (*Update*)

Received / No update

DISCUSSION:

Mr. Hull questioned if there would be a Grove Farm represented at today's meeting? Chair Kamm was not aware of a Grove Farm representative. Mr. Hull mentioned that the correspondence from Grove Farm stated proposals and to consider arbitration. More discussion was done in Executive Session.

NEW BUSINESS

1. Manager's Report No. 21-18 – Discussion and Possible Action to transfer from the Water Utility funds to the Construction Management Professional Services funding in the amount of \$217,815.00

BACKGROUND:

Manager Mark Knoff explained the proposed Fourth Amendment to Contract No. 637, Hanapēpē Waterline Project was for additional funds on travel restrictions, increased time and project delays. When contract Amendment #4 is fully executed, the DOW would issue and execute a Project Assignment Order #3 to complete the project management through June 30, 2021. Department recommended approval on Option 1: DOW can manage construction of existing and new projects such as Hanapēpē Waterlines (Job 15-07) and pay RMTTC as required for the Project Assignment Orders issued within an active contract end date per the approved scope of work fees. They have managed the project from the beginning of construction so continuity would be maintained through completion. Details on Amendments 1, 2, 3, 4, 5 are on Pages 32 – 34.

DISCUSSION:

Chair Kamm inquired on what the petroleum problem was but would take this up at a later time.

Mr. Hull moved to approve Manager's Report No. 21-18 – Discussion and Possible Action to transfer from the Water Utility funds to the Construction Management Professional Services funding in the amount of \$217,815.00; seconded by Ms. Simonton; with no objections, motion carried with 5 ayes.

2. Discussion and Possible Action on Creating a Permitted Interaction Group for the Recruitment and Recommendation of a Manager and Chief Engineer

DCA Krafft recommended the Board defer this item to after Executive Session.

At 12:03 p.m., the Regular Board meeting was called back to order.

After Executive Session, the Board deferred this agenda item to schedule a Special Board Meeting to establish a Permitted Interaction Group.

Mr. Akamine deferred Discussion and Possible Action on Creating a Permitted Interaction Group for the Recruitment and Recommendation of a Manager and Chief Engineer; seconded by Ms. Simonton; with no objections, motion carried with 5 ayes.

STAFF REPORTS

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

BACKGROUND:

Waterworks Controller Mrs. Marites Yano gave a brief explanation on Fiscal report:

- Water Sales – Up 15% than expected
- Operating Expenses – 61% burn rate or 39% underbudget
- Fiscal working with Manager on the new chart reporting on:
 - Page 48 – YTD Cumulative Water Consumption – 1.5 billion gallons down from previous year
 - Page 49 – Monthly Consumption – down 2M gallons
 - Page 50 – Water Utility Cumulative Cash Receipts – collected YTD \$13M; down \$3.9M. Last year collected \$2.9M from State Appropriations; water sales down \$1.7M
 - Page 51 – Cumulative Billed Revenues – YTD billed \$13.2M; down \$1.2M
 - Page 52 – Accounts Receivable Aging Summary – See scale 0-30 days diminished & 121 days & over increased up to 20%
 - Page 53 – Statement of Net Position - showed Assets & Deferred Outflows
 - Page 54 – Total Liabilities and New Position

Received

2. Public Relations Activities

BACKGROUND:

Information & Education Specialist Mrs. Jonell Kaohelaulii highlighted the following:

1. Wise Water Wednesdays – This public campaign included print ad and radio advertising on Facebook, two radio stations (FM97 & KONG Radio Group) and newspaper. The campaign promotes the Department's services and conservation.

Received

3. Operational Activities

BACKGROUND:

Chief of Operations Mr. Valentino Reyna pointed out the new format to Operation's charts:

- Page 61 – Monthly Water Audit
- Page 62 – Water Loss by District
- Page 63 – Operations Personnel Hours
- Page 64 is not part of the report

DISCUSSION:

Chair Kamm asked what are the water loss elements on Page 62? Mr. Reyna said the calculation is based on what is produced and what the meter readers billed that is deducted (Billed minus water produced = Number of gallons lost). Mr. Reyna said water loss from leaks, tank overflow, flushing lines after leak repair in subdivisions due to slow construction and unreported water leaks or fire trucks being filled.

Ms. Simonton asked about hooking up a temporary meter at Kukui'ula from the hydrants when flushing, then charge for usage? Hydrant meters are installed during flushing according to Mr. Reyna. He did not know if Kukui'ula could be charged. With small leak repairs, Operations records estimates. Ms. Simonton mentioned the charge could reflect real water lost in certain districts.

Received

4. Manager and Chief Engineer

BACKGROUND:

Manager Knoff highlighted the following items:

1. FOURTH AMENDMENT TO CONTRACT NO. 637, JOB NO. 15-07, HANAPĒPĒ WATERLINE PROJECT FOR AS NEEDED CONSTRUCTION MANAGEMENT SERVICES WITH R.M. TOWILL CORPORATIONS IN THE AMOUNT OF \$217,815.00 AND A TIME EXTENSION OF 122 CALENDAR DAYS - Contract will be executed.
2. THIRD AMENDMENT TO CONTRACT NO. 627, ANNUAL LICENSE AND MAINTENANCE SUPPORT FOR COMPUTERIZED MAINTENANCE MANAGEMENT INFORMATION SYSTEM (M-PET@MMIS) WITH FOUR WINDS GROUP, INC. FOR AN ADDITIONAL \$20,000 AND A CONTRACT TIME EXTENSION TO FEBRUARY 11, 2022 – Contract was executed.
3. TENTH AMENDMENT TO CONTRACT NO. 427, JOB NO. 02-14, WP2020 #WK-08, KAPA‘A HOMESTEADS 0.5 MG STORAGE TANK AND KAPA‘A HOMESTEADS 325’ TANKS – TWO 0.5 MG TANKS AND CONNECTING PIPELINES, WAILUA-KAPA‘A, WATER SYSTEM, KAPA‘A, KAUA‘I, HAWAI‘I WITH BELT COLLINS HAWAI‘I, LLC. FOR AN ADDITIONAL \$37,125.00 AND A CONTRACT TIME EXTENSION FOR AN ADDITIONAL 60 DAYS – This was how to address the drainage issues on the Esaki property.
4. Personnel Matters – New chart on (Pages 70,71) provided the Board transparency on positions to be filled, total authorized positions, number of vacancies and number of pending vacancies being worked on.

Received

QUARTERLY (October – December 2020)

1. Build America Bond – There are projects remaining with about \$10.5M remaining to spend by the fiscal year ends according to the Manager.

Received

2. Water Quality – Manager summarized the following:
 - The microbial analysis certification was completed; next inspection will be in April 2022.
 - Water Quality report will be revised to a dashboard format with highlighted bullet points.
 - There were no violations on samplings and all requirements were met.

Received

3. Claims Settled by Department of Water – The settlement on a claim was denied with no corrective action. DCA Krafft added that the claim was unsubstantiated. Waterworks Controller Mrs. Yano said the customer claimed he did not use the water. County Attorney’s Office concurred with the Department’s recommendation for denial. Under the Rules, DOW appeals process has a deadline if pursued. There has been no response back from the customer.

Received

At 10:34 a.m., Mr. Akamine exited the meeting.

4. Engineering – Civil Engineer Mr. Michael Hinazumi reported Engineering has consolidated sections under Engineering: Water Resources and Planning Section, Engineering Services Section and Construction Management Section (See Page 79 for details). Mr. Hinazumi summarized Water Restriction Areas, Accomplishments, Water Plan 2020 Construction Project Status, Indefinite Delivery/Indefinite Quantity (IDIQ) Services (Pages 80-83). The average time to process a water building permit is 30 to 45 days that includes the electrical plan review.

Received

5. Information Technology Division – Civil Engineer Mr. Michael Hinazumi outlined the Technology matters listed (Page 86), Business Process Improvements (Page 87), and Contract 666 with Brio Consulting which are still being used. IT support Jas Banwait has been instrumented in many improvements. The Department is preparing to execute an 8th Amendment to carry Jas to the end of March 2021.

Received

TOPICS FOR FUTURE BOAD OF WATER SUPPLY MEETINGS

1. Department of Water Performance Audit (Update)
2. Table of Organization Workshop
3. Discussion and Possible Action to establish Fiscal Policies and Procedures
4. Baseyard Master Plan Workshop
5. Employee of the Year Resolutions (*February 2021*)

At 10:50 a.m., Mr. Hull read the Executive Session language.

Mr. Hull moved to go into Executive Session; seconded by Ms. Simonton.

Mr. Hull amended his motion to go into Executive Session; seconded by Ms. Simonton; to include as resources Manager Knoff and Mr. Robert O'Brien for Executive Session items No. 1 & No. 3; with no objections, motion carried with 4 ayes.

DCA Krafft added that the Board would return to the Regular Board meeting in 45 minutes after Executive Session to address New Business Item No. 2 Creating a Permitted Interaction Group.

EXECUTIVE SESSION

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 this agenda item:

Correspondence from Shawn L. Shimabukuro, Grove Farm regarding Request for Revenue Requirement Shortfall per Water Treatment and Delivery Agreement dated December 17, 2020

2. Pursuant to Hawai'i Revised Statutes §94-4 and §92-5(a)(2) and (4), the purpose of this executive session is for the Board to consider the hiring of the Manager and Chief Engineer, where consideration of matters affecting privacy will be involved; provided that if the individual concerned requests an open meeting, an open meeting shall be held; and 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 this agenda item:

Discussion and Possible Action on Creating a Permitted Interaction Group for the Recruitment and Recommendation of a Manager and Chief Engineer

After Executive Session, the Board deferred this agenda item to schedule a Special Board Meeting to establish a PIG.

At 11:45 a.m., Mr. Akamine re-joined the meeting.

3. 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 this agenda item:

Correspondence from Corey Yamashita, Goodfellow Bros. regarding Request for Equitable Adjustment, 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 dated December 18, 2020

No action

At 12:03 p.m., Chair Kamm called the Regular Board meeting back to order.

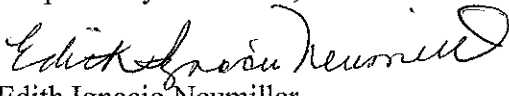
NEW BUSINESS

After Executive Session, the Board deferred to schedule a Special Board meeting to establish a Permitted Action Group regarding New Business Item No. 2 Discussion and Possible Action of Creating a Permitted Interaction Group for the Recruitment and Recommendation of a Manager and Chief Engineer.

ADJOURNMENT

Mr. Hull moved to adjourn the Regular Board meeting at 12:05 p.m.; seconded by Mr. Akamine; with no objections, motion carried with 5 ayes.

Respectfully submitted,


Edith Ignacio Neumiller
Commission Support Clerk

Approved,



Julie Simonton
Secretary, Board of Water Supply