

BOARD OF WATER SUPPLY of the COUNTY OF KAUA‘I

REGULAR MEETING

Board Room, Second Floor, Department of Water  
4398 Pua Loke Street, Līhu‘e, Kaua‘i, Hawai‘i 96766

Friday, January 24, 2020  
10:00 a.m. or soon thereafter

- A. CALL TO ORDER
- B. ROLL CALL
- C. ACCEPTANCE OF AGENDA
- D. MEETING MINUTES
  - Review and Approval of**  
Regular Board Meeting – December 19, 2019
  - Review and Approval of**  
Executive Session Meeting – December 2, 2019 – *Special Board Meeting*  
Executive Session Meeting – December 19, 2019
- E. CORRESPONDENCE/ANNOUNCEMENTS/PUBLIC TESTIMONY
  - 1. Committee Appointments by 2020 Chair Kurt Akamine for Rules Committee, Finance Committee, Committee of the Whole
  - 2. Correspondence from Mr. Kurt R. Bossard, Attorney at Law, to Board Chair Thomas Canute regarding Manager’s Report 20-24, Memorandum of Agreement (Drainage) Godwin and Janet Esaki/Board of Water supply, County of Kaua’i, TMK: (4) 4-6-011:003 and (4) 4-6-011:125, dated December 16, 2019
  - 3. Correspondence from Mr. Emiliano J. Remigio, Incoming President for Kaua’i Philippine Cultural Center regarding Account No. 4792991523 to waive water balance of \$1,349.79 from April 30, 2018, dated January 7, 2020
- F. BOARD COMMITTEE & PERMITTED INTERACTION GROUP REPORTS
- G. OLD BUSINESS
  - 1. Manager’s Report 18-60 - Discussion and Possible Action to enter into Use and Occupancy Agreement No. 368-A and 368-B between the State of Hawai‘i and the Board of Water Supply, County of Kaua’i for Job No. 15-07, Water Plan 2020 No. HE-1, Reorganize Water System - Pipeline Connecting Hanapēpē and ‘Ele‘ele, Kaua’i, Hawai‘i (Update)

## H. NEW BUSINESS

1. Manager's Report No. 20-39 - Request Board Approval of Resolution No. 20-02, (1/20) Mahalo and Aloha Board Member, Thomas Canute
2. Manager's Report No. 20-40 - Discussion and Possible Action on Proposed Board Policy No. 31 to Fund the Net Pension Liability and the Net Other Post Employment Benefit Liability as determined by the Government Accounting Standards Board
3. Manager's Report No. 20-41 - Discussion and Possible Action to approve funding for the Waiahi Surface Water Treatment Plant per the Water Treatment and Delivery Agreement in the amount of \$2,821,347.00
4. Manager's Report No. 20-42 – Discussion and Possible Action to transfer funds from the Professional Services Budget to the Operating Capital Outlay Budget in the amount of \$62,618.73
5. Manager's Report No. 20-43 - Discussion and Possible Action for Board Approval to enter into a Memorandum of Agreement between the County of Kaua'i, Housing Agency and the Board of Water Supply, County of Kaua'i for the County's Pua Loke Affordable Housing Project

## I. CONSENT CALENDAR

## J. STAFF REPORTS MONTHLY

1. Discussion and Receipt of the Kaua'i County Water Department's Statement of Revenues and Expenditures
  - a. December Monthly Summary Budget
  - b. Accounts Receivable Aging Summary
2. Discussion and Receipt of the Report by the Information & Education Specialist on Public Relations Activities
3. Discussion and Receipt of the Chief of Operation's Summary Report on Operational Activities
4. Discussion and Receipt of the Manager and Chief Engineer's Monthly Update Regarding Activities of Note of the DOW
  - a. BAB Quarterly Report (October - December 2019)

## **QUARTERLY** (October – December 2019)

1. Discussion and Receipt of the DOW's Quarterly Project Status Update
  - a. Construction Management Division Status
  - b. Engineering Division Design Status
  - c. Water Resources & Planning Division Status
  - d. Information Technology Strategic Plan Status

K. 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 meeting 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 those relate to:
2. Correspondence from Mr. Kurt Bossard, Esq. representing Mr. and Mrs. Godwin Esaki and Manager's Report No. 20-24 – Discussion and Possible Action for the Proposed Amendment to the Memorandum of Agreement (Drainage) between Godwin M. Esaki and Janet M. Esaki, individually and as trustees of the Godwin M. Esaki Revocable Living Trust, and the Janet M. Esaki Revocable Living Trust, TMK: (4) 4-6-011:125, Kapa'a, Kaua'i, Hawai'i) and the Board of Water Supply, dated August 21, 2017

L. TOPICS FOR NEXT BOARD OF WATER SUPPLY MEETING (February 2020)

1. Employee of the Year Resolutions

M. TOPICS FOR FUTURE BOARD 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. Report of the Finance Committee of the Kaua'i County Board of Water Supply, Financial Management Planning and Water Rate Analysis for the Department of Water's FY2020 through FY2024 held on November 4, 2019
5. Manager's Report No. 19-60 - Discussion and Possible Action for 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 additional construction funding in the amount of \$140,843.18 (Update)
6. Resolution Mahalo and Aloha Board Member, Laurie Ho (March 2020)
7. Draft Budget for Fiscal Year 2020 -2021 a) Operating; b) Capital (March 2020)

N. UPCOMING EVENTS

1. HWWA & HWEA Pacific Water Conference (February 2-6, 2020)
2. Friday, February, 28, 2020, 5:00 p.m. – Public Hearing for Proposed Amendments to the Rules and Regulations Part 5 related to Facilities Reserve Charge Section III, Applicability for Guest House and Additional Rental Units
3. AWWA ACE 20th Conference (June 14-17, 2020, Orlando, Florida)
4. AWWA HWWA & HWEA 6th Annual Joint Conference (TBA)

O. NEXT WATER BOARD MEETING

1. Friday, February 28, 2020, 10:00 a.m.
2. Friday, March 27, 2020, 10:00 a.m.
3. Friday, April 24, 2020, 10:00 a.m.
4. Friday, May 29, 2020, 10:00 a.m.

P. ADJOURNMENT

PUBLIC TESTIMONY

The Board is required to afford all interested persons an opportunity to present testimony on any agenda item. At each Board meeting, the Board will accept oral and written testimony on any agenda item at item E Correspondence/Announcements/Public Testimony.

If any member of the public wishes to submit written testimony, please submit the written testimony to Edie Ignacio-Neumiller, the Commission Support Clerk via email at [eineumiller@kauaiwater.org](mailto:eineumiller@kauaiwater.org) at least two (2) business days prior to the meeting and the Commission Support Clerk will provide copies to the Board members or bring eight (8) copies with you the day of the meeting.

SPECIAL ASSISTANCE

If you need an auxiliary aid/service, other accommodation due to a disability, or an interpreter for non-English speaking persons, please contact Edie Ignacio-Neumiller at (808) 245-5406 or [eineumiller@kauaiwater.org](mailto:eineumiller@kauaiwater.org) as soon as possible. Requests made as early as possible will allow adequate time to fulfill your request. Upon request, this notice is available in alternate formats such as large print, braille, or electronic copy.

# Draft Minutes

MEETING MINUTES  
BOARD OF WATER SUPPLY  
December 19, 2019

The Board of Water Supply, County of Kaua'i, met in regular meeting at the Board Conference Room in Lihu'e on Friday, December 19, 2019. Chair Thomas Canute called the meeting to order at 10:06 a.m. The following Board members were present:

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

**EXCUSED:** Mr. Ka`aina Hull  
Mr. Elesther Calipjo

Quorum was achieved with 4 members present at Roll Call.

**STAFF:**

Mr. Bryan Wienand	Mr. Michael Hinazumi
Mr. Ryan Smith	Mr. Dustin Moises
Mrs. Marites Yano	Mr. Valentino Reyna
Mrs. Mary-jane Akuna	Mr. Eddie Doi
Mr. Eric Fujikawa	Mr. Marcelino Soliz
Mrs. Jonell Kaohelaulii	Mr. Jas Banwait
Deputy County Attorney Mahealani Krafft	Mr. Daniel Kittredge

**GUESTS:** Councilwomen, Felicia Cowden  
Mr. Hall Parrott, Private Citizen  
Mr. Stephen Gnazzo, Private Citizen

**C. ACCEPTANCE OF AGENDA**

Mr. Akamine moved to accept the Agenda as distributed; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

**D. MEETING MINUTES**

**Review and approval of:**

Special Board Meeting – December 2, 2019

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

1. Correspondence from Accuity, LLP regarding Department of Water, County of Kaua'i Financial Statements June 20, 2019 and 2018

Received for the Record

2. Committee Appointments by 2019 Incoming Chair Kurt Akamine for Rules Committee, Finance Committee, Committee of the Whole

Deferred to the January Board Meeting with no objections.

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

None.

**G. OLD BUSINESS**

1. Manager's Report No. 20-21 - Discussion and Possible Action on the proposed Rule change relating to the assessment of the multi-family Facilities Reserve Charge rate to guest houses

with a kitchen (Discussion and Possible Action to Adopt Board Policy No. 31 for the Application of the Facilities Reserve Charge to Guest Houses (Update))

**BACKGROUND:**

Chief of Water Resources & Planning Mr. Eddie Doi reported that Department prepared a proposed amendment to the Rules and Regulations on Part 5 Section III, Applicability to establish and implement Facilities Reserve Charge (FRC) for guest houses containing a kitchen. See Page 85-86, Section III, e. – added The Facilities Reserve Charge for a Guest House, containing a kitchen, shall be \$9,880.00.

**DISCUSSION:**

Mr. Doi mentioned that guest houses without a kitchen is the current rule with no FRC to be continued as an existing policy.

Mr. Dill moved to approve Option 1 for Manager's Report No. 20-21 - Discussion and Possible Action on the proposed Rule change relating to the assessment of the multi-family Facilities Reserve Charge rate to guest houses with a kitchen (Discussion and Possible Action to Adopt Board Policy No. 31 for the Application of the Facilities Reserve Charge to Guest Houses (Update)); seconded by Mr. Akamine; with no objections, motion carried with 4 ayes.

Option 1: Accept the Rule amendment proposal and direct the Department to proceed with the process to have the Board finalize and adopt the Rule amendment.

**H. NEW BUSINESS**

1. Manager's Report No. 20-35 - Discussion and Possible Action on the proposed Rule change relating to the assessment of the multi-family Facilities Reserve Charge rate to Additional Rental Unit

**BACKGROUND:**

Mr. Doi recommended that the Board receive and discuss Manager's Report No. 20-35 on the proposed rule amendment. There are immediate needs to address Additional Rental Units (ARU) and affordable housing shortage. County Council amended the Charter to include ARU's (a living area, limited in size). Mr. Doi proposed to amend the rules to reflect this is similar to guest houses and multi-family units. Square feet is up to 800 sq. ft. Added to the Rules is Section III: The Facilities Reserve Charge for an Additional Rental Unit (ARU) shall be \$9,880.00.

**DISCUSSION:**

Mr. Dill asked that the guest house and ARUs will be in the Needs Assessment Study to look at the different categories of specific developments and to confirm and establish an actual assessment as an FRC. This would justify the changes on these items. Mr. Doi agreed with Mr. Dill to include other categories and to identify some structures formats such as the ARU and guest houses.

Mr. Dill moved to approve Option 1 for Manager's Report No. 20-35 - Discussion and Possible Action on the proposed Rule change relating to the assessment of the multi-family Facilities Reserve Charge rate to Additional Rental Unit; seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

Option 1: Accept the Rule amendment proposal and direct the Department to proceed with the process to have the Board finalize and adopt the rule amendment.

2. Manager's Report No. 20-36 - Discussion and Possible Action to approve a Grant of Easement Agreement for the Water Meter Plan for Koa'e Workforce Housing, affecting the following:

- a. Koa'e Workforce Housing, L.P, a Hawai'i Limited Partnership. TMK: (4)2-6-004:019, Koloa, Kaua'i, Hawai'i

**BACKGROUND:**

Chief of Construction Management Mr. Dustin Moises said this access is for the Department of Water (DOW) to work and maintain the system for Koa'e Workforce Housing.

Ms. Ho moved to approve *Manager's Report No. 20-36* - Discussion and Possible Action to approve a Grant of Easement Agreement for the Water Meter Plan for Koa'e Workforce Housing, affecting the following: a) Koa'e Workforce Housing, L.P, a Hawai'i Limited Partnership. TMK: (4)2-6-004:019, Koloa, Kaua'i, Hawai'i; seconded by Mr. Akamine; with no objections, motion carried with 4 ayes.

3. *Manager's Report No. 20-37* – Discussion and Possible Action for Job No. 15-07, Water Plan 2020 No. HE-01, HE-10, Reorganize Water System: Kaumuali'i Highway 16-Inch Main and Emergency Pump Connection, Hanapepe Road 6-Inch Main Replacement for additional construction funding in the amount of \$2,360,587.59

**BACKGROUND:**

Mr. Moises mentioned two cost impacts 1) Moi Road water line connection: \$504,126.35 and 2) Contaminated Area \$1,707,017.93 in Hanapēpē Town.

On Moi Road, the original design connection to an a/c water line connection is doable (redesign cost \$504,126.35). During the probing, Mr. Moises indicated that the a/c line was jacketed over 100 feet with concrete. To connect, the Department would have to go under a 10 foot drain line and the water line would be put under the drain line to make the connection on two sides of the existing concrete jacketed a/c water line. Safety requirements support the 10 foot diameter pipe and new system water line.

Contaminated Area cost \$1.7M - Consultants verified the petroleum contaminated soil and Construction Management worked with the Department of Health with a plan on the contaminated soil and contaminated ground water. No funding is available through DOH. The Department would bear all of the cost to complete the water line to dispose the contaminated soil and to treat potential ground water with the installation of a water cable.

Two (2) Options were provided in Mr. Moises report: Option 1) Approve the \$2,360,587.59 additional funds or Option 2) Do not approve additional funds. Delete affected portions of construction contract with current contractor and have the DOW Design Team repackage the Moi Road connection redesign and contaminated soils phase to rebid for potentially more competition.

**DISCUSSION:**

Chair Canute was not in favor of re-bidding the contract and to move forward with the recommendation. DCA Krafft mentioned that it was not clear where the contamination migrated from; possibly from one of the two service stations.

The contractor costs on Page 129 is for Moi Road, Page 144 is for the petroleum base, Page 146 for the contaminated soil and discharge for the contaminated ground water, and Page 154 is the breakdown of the monthly cost/lump sum of \$165,000.00/month. The contractor cannot come back for a change order past 3 months.

Mr. Hall Parrott, private citizen provided the Board a handout that showed the locations on the discussion; Received for the Record. Mr. Dill asked if the Department is going to treat the materials that is trenched?



If ground water is potentially contaminated, the Department will get a separate National Pollutant Discharge System permit to require cleaning of the water before it is discharged back.

After the soil goes to the land fill, Mr. Dill asked what happens to the treated affluent? Mr. Moises said if the water is cleaned back to pristine condition, the NPDS permit would allow water back to go back into the river. Water samples are taken to make sure it is not contaminated Cost is \$60,000 to clean the 120 inch stream line.

Goodfellow Bros. proposal wanted to know the structural condition of the pipe before they support it. The Department would not fix a corroded pipe. Mr. Dill suggested that the Department work with the County to maintain the drain and the cost or reimbursement. Mr. Moises asked if the Department of Transportation could create a 120 foot pipe, width of the roadway which Mr. Dill would have to look at. The pipe is half full of dirt and might be corroded. Rate payers are not responsible for paying the storm drains for the County.

In Option 2/Con: Project completion would be delayed up to a year to procure another low bid contract for the Moi Road and the contaminated area. Lima Ola project would be affected if this project was not constructed timely. Mr. Dill said the County should agree to fund the cleaning of the pipe. Mr. Moises said this water line is important to the Lima Ola development and a backup if the system goes down to serve Eleele.

Mr. Akamine mentioned the \$2.36K that includes the change order cost to complete Moi Road and the contaminated area plus \$300,000 contingency if there is another change order to complete the project. Mr. Moises added if there are no other change orders, the Department would go back to the Water Utility Fund.

If the Department cannot work with Department of Public Works on the drain, there needs to be a way to safely support the pipe and water line. Mr. Dill indicated that a 120 inch drain line with a half full pipe is not incidental. If there is an exposed pipe, the Department will have to fix it.

First Motion without a vote: Mr. Dill moved to approve Option 1 in *Manager's Report 20-37* on the condition that the Department explore with the DPW the 120 inch drain line, request reimbursement of cost and other issues that may become apparent. In the event the DPW declines the indemnification, the project should proceed regardless.....

***Mr. Hall Parrott, Private Citizen provided his testimony.***

Mr. Parrott mentioned there are two (2) sites next to each other. If there was a barrier between the two sites, they could morph into one dealing with ground water. The Department could work on one side of the street but if there was someone on the other side of the street, it could bleed into the other side of the street.

**DISCUSSION:**

Mr. Doi did not want to hold up Lima Ola. The schematic for Lima Ola is to connect the system and to supply Eleele water from Hanapēpē for redundancy. There needs to be a 12 inch connection from Waiala Road that part of this project.

Mr. Moises could order the pipe now while the agreement is worked on and to build out the dirt if the pipe is in good share. Worst case scenario, if the pipe is ordered and during the initial investigation, within 10 feet beyond pipe the invert is gone, work would stop and DPW would replace the pipe. The Department would do the project in a year and a half from now. If the 120 inch pipe is in bad shape, the Department could do a change order to suspend the project.

Mr. Doi asked if a Certificate of Completion could be done in phases for the State? Approval will be in the final scope if the Department add or delete during the change order process.

Based on more discussions, Mr. Dill amended his motion with actions as follows:

Mr. Dill *amended* his motion to Approve Option 1 for \$2,360,587.59 in additional funds for a change order to support the Lima Ola affordable housing development to:

- Direct DOW to seek reimbursement from the County to clean the 120 inch drain line
- DOW to proceed with the project while working with the County to seek reimbursement
- DOW is not to proceed with the drain line cleaning until an agreement is reached with the County whereby the DOW is indemnified for any damage that may occur to the 120 inch drain line as a result of the DOW cleaning operations and the DOW will use reasonable care in its operations
- In pursuing the cleaning work, would be done at the beginning to determine if it is prudent to continue doing so based on the condition of the pipe line; seconded by Ms. Ho; with no objections, motion carried with 4 ayes.

4. Manager's Report No. 20-38 – Discussion and Possible Action on the Fourth Amendment to Contract No. 666 Review and Update the Department's Information Technology Strategic Plan and I.T. Project Implementation and Support with Brio Consulting for a time extension to February 28, 2020 and additional funding in the amount of \$79,860.00

#### **BACKGROUND:**

Civil Engineer Mr. Bryan Wienand recommended the Board to approve a fourth amendment on an existing contract with Brio consulting for Mr. Jas Banwait, the on-site IT staff support through February 28, 2020.

#### **DISCUSSION:**

Mr. Akamine asked if a second IT consultant would be needed. Mr. Wienand said it would be a benefit if another consultant is on site.

- Mr. Wienand will update the Board at the January Board meeting if the divisions are falling behind with IT requests.
- Mr. Wienand will request funding for a possible additional IT consultant and to start the process.

Mr. Akamine moved to approve Manager's Report No. 20-38 – Discussion and Possible Action on the Fourth Amendment to Contract No. 666 Review and Update the Department's Information Technology Strategic Plan and I.T. Project Implementation and Support with Brio Consulting for a time extension to February 28, 2020 and additional funding in the amount of \$79,860.00; seconded by Mr. Dill; with no objections, motion carried with 4 ayes.

#### **I. CONSENT CALENDAR**

None.

#### **J. STAFF REPORTS**

##### **MONTHLY**

1. Discussion and Receipt of the Kaua'i County Water Department's Statement of Revenues and Expenditures
  - a. November Monthly Summary Budget
  - b. Accounts Receivable Aging Summary

**BACKGROUND:**

Waterworks Controller Mrs. Yano mentioned that there are no new projects at this time.

Received for the Record

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

**BACKGROUND:**

Information and Education Specialist Mrs. Jonell Kaohelaulii had no new highlights.

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. Water Service Supervisor Chris Nakamura was recently recognized by a customer for his excellent customer service.
2. Update for Mr. Dill regarding sodium hypo chloride – Approval from DOH equipment was received with the help of Carl Arume, Water Microbiologist. One site is receiving sodium hypo chloride and Operations is looking for a second site. The next budget will have a submittal for funds.

Received for the Record

4. Discussion and Receipt of the Manager and Chief Engineer's Monthly Update Regarding Activities of Note of the DOW
  - a. Build America Bond Quarterly Report (*July – September 2019*)

Received for the Record

Before going into Executive Session, Chair Canute said today was his last meeting after serving one term (three years). Chair's replacement is Julie Simonton with Pacific Concrete, Coring and Cutting which was approved by the County Council. Julie will attend the January 24<sup>th</sup> Board meeting. Ms. Ho will be held over (up to 90 days) for her replacement. Chair commented it has been an honor and privilege to serve on the Board of Water and appreciated everybody's help and appreciates all the work that has been done with the Board and expertise of the staff.

Mr. Dill added on behalf of the Board, Chair's leadership has been key for the Board.

Adjournment of the meeting will be after Executive Session; with no objections.

At 11:47 a.m., Ms. Ho read the Executive Session Language.

**K. 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)(2), the purpose of this executive session is for the Board to consider the hire, evaluation, dismissal, or discipline of an officer or employee or of charges brought against the officer or employee, 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.

**L. TOPICS FOR NEXT BOARD OF WATER SUPPLY MEETING (January 2020)**

1. Committee Appointments by 2019 Incoming Chair Kurt Akamine for Rules Committee, Finance Committee, Committee of the Whole

**M. TOPICS FOR FUTURE BOARD 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. Report of the Finance Committee of the Kaua'i County Board of Water Supply, Financial Management Planning and Water Rate Analysis for the Department of Water's FY2020 through FY2024 held on November 4, 2019
5. Manager's Report No. 19-60 - Discussion and Possible Action for 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 additional construction funding in the amount of \$140,843.18 (*Update*)
6. Manager's Report No. 20-24 – Discussion and Possible Action for the Proposed Amendment to the Memorandum of Agreement (Drainage) between Godwin M. Esaki and Janet M. Esaki, individually and as trustees of the Godwin M. Esaki Revocable Living Trust, and the Janet M. Esaki Revocable Living Trust, TMK: (4) 4-6-011:125, Kapa'a, Kaua'i, Hawai'i) and the Board of Water Supply, dated August 21, 2017
7. Board Orientation (February 2020)
8. Resolution 20-02 (*1/20*) Mahalo and Aloha Board Member Thomas Canute (January 2020)

**N. UPCOMING EVENTS**

1. HWWA & HWEA Pacific Water Conference (February 2-6, 2020)
2. AWWA ACE 20<sup>th</sup> Conference (June 14-17, 2020, Orlando, Florida)
3. AWWA HWWA & HWEA 6<sup>th</sup> Annual Joint Conference (*TBA*)

**O. NEXT WATER BOARD MEETING**

1. Friday, January 24, 2020, 10:00 a.m.
2. Friday, February 28, 2020, 10:00 a.m.
3. Friday, March 27, 2020, 10:00 a.m.
4. Friday, April 24, 2020, 10:00 a.m.

**P. ADJOURNMENT**

Mr. Dill moved to adjourn the Regular Board meeting at 12:22 p.m.; seconded by Ms. Ho; with no objections; motion carried with 4 ayes.

Respectfully submitted,

Approved,

Edith Ignacio Neumiller  
Commission Support Clerk

Ka`aina Hull  
Secretary, Board of Water Supply

# **Correspondence & Announcements**

# DEPARTMENT OF WATER

County of Kaua'i

*"Water has no Substitute – Conserve It!"*

## Board of Water Supply

### Officers and Committee Members for 2020

(Effective January 1, 2020)

#### 2019

#### 2020

Current Officers – Board of Water Supply:

**2020 Officers:**

Chair                      Thomas Canute

Chair:                      Kurt Akamine

Vice-Chair                Laurie Ho

Vice-Chair:                Laurie Ho  
*(held over 90 days)*

Secretary                 Ka`aina Hull

Secretary:                 Elesther Calipjo

Rules Committee:

Chair                      Ka`aina Hull

Chair:                      \_\_\_\_\_

Member                    Kurt Akamine

Member:                    \_\_\_\_\_

Member                    Laurie Ho

Member:                    \_\_\_\_\_

Finance Committee:

Chair                      Larry Dill

Chair:                      \_\_\_\_\_

Member                    Ka`aina Hull

Member:                    \_\_\_\_\_

Member                    Elesther Calipjo

Member:                    \_\_\_\_\_

Committee of the Whole:

All Board Members

Chair:                      Kurt Akamine

**KURT R. BOSSHARD**

ATTORNEY AT LAW  
3144 ELUA STREET  
LIHUE, HAWAII 96766  
TELEPHONE: 808-245-5302  
FAX: 808-245-8929  
EMAIL: [kboss@aloha.net](mailto:kboss@aloha.net)

**RECEIVED**

**2019 DEC 16 PM 12:45**

December 16, 2019

**DEPARTMENT OF WATER  
COUNTY OF KAUAI**

Thomas Canute  
Chairperson  
Department of Water  
Board of Water Supply  
4398 Pua Loke Street  
Lihue, HI 96766

via EMAIL ([makuna@kauaiwater.org](mailto:makuna@kauaiwater.org))

RE: Manager's Report 20-24  
Memorandum of Agreement (Drainage)  
Godwin and Janet Esaki/Board of Water Supply - County of  
Kauai  
TMK (4)4-6-011:003 and (4)4-6-011:125

Dear Chairperson Canute:

I represent Godwin and Janet Esaki as to the above referenced matter.

The purpose of this letter is to communicate to your office that the Esakis are presently unwilling to further negotiate with the Department of Water (DOW) as to the County's use of their property for water spillway/drainage purposes. As a condition precedent to any further discussions with the Water Department as to such system, the Esakis will require a clearly stated recognition that the Memorandum of Agreement (Drainage) executed by the parties and dated 8/21/17 has been cancelled by mutual agreement.

Simply put, representations by the County's agents prior to the execution of the Memorandum of Agreement (Drainage) were misleading. As constructed, the project does not in any way correspond to descriptive statements made by the County's agents prior to the execution of the document. Further, previously testified to, the County/Water Department failed to address any of the pertinent permitting requirements prior to such construction nor disclose to the Esakis that such permits are required. Most alarming, it has also come to the Esaki's attention that certain DOW discharges may contain contaminants. If true, the system would then be designated as the "point source" for any such pollutants. The County/Water Department knew or should have known of such permitting requirements and had a duty to disclose these requirements to the Esakis. The Esakis stated purpose for entering into the agreement was that the discharged water would be consistently and primarily flowing and be suitable for agricultural

Thomas Canute, Chairperson  
December 16, 2019  
Page 2

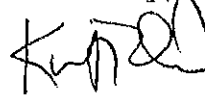
purposes. Following execution the Esakis have learned that the discharged water will only sporadically be available and primarily will be run off rain water. The Esakis now understand that any well water will not be forthcoming for at least four years rather than being imminently available as intimated by DOW staff. As built, the size and location of the work do not match those represented and the durability of the material used to line the structure also have been deemed unfit for the stated purpose.

These matters weigh heavily upon the Esaki family. The family has a history of positive community involvement. Their top priority was to assist the County/Water Department in resolving the mess that was created when the discharge issue was overlooked at the inception of this well project. Their community was in a bind and nobody else was willing to help. Their drive to help out their community and their trust of those at the County/Water Department who advised them as to the project was so strong that they entered into the Memorandum without legal assistance or review. They understand now that the signatory Chairperson of the Board may have counseled their neighbors closer in proximity to the project that under no circumstances should they enter into such a one-sided arrangement. No such disclaimer was made to the Esakis.

We seek your cooperation in rectifying this situation and appreciate your time and kind consideration. Please respond back to us when time allows.

Thank you for your attention to this matter.

Sincerely,



Kurt Bosshard

KB:rsnh

cc: Department of Water  
Manager and Chief Engineer





# KAUA'I PHILIPPINE CULTURAL CENTER

*A Place for All*

2020 JAN -8 PM 1:11

DEPARTMENT OF WATER  
COUNTY OF KAUAI

## Mission

### Statement:

to provide...promote and enhance cultural, economic, educational training and social programs as well as cross cultural exchanges in our multi-ethnic environment.

January 7, 2020

Mr. Kurt Akamine  
Chairman of the Board  
Kauai Department of Water  
Lihue, HI 96766

## CORPORATE OFFICERS

RE: Acct# 4792991523

*President*  
Elesther Calipjo

Dear Mr. Akamine:

*Vice President*  
Dr. Arnulfo Diaz

On behalf of the Kauai Philippine Cultural Center, I would like to request a waiver to the above-mentioned account. Currently the account shows a balance of \$1,349.79.

*Secretary*  
Charlmaine Bulosan

I believe the charges started in April 30, 2018. However, to this day, we have not started using the system and we anticipate opening by February, 2020.

*Treasurer*  
Marynel Valenzuela

In light of this, I request that all prior charges be waived.

## BOARD OF DIRECTORS

*Chairman*  
Elesther Calipjo

Respectfully,

*Vice President*  
Randall Francisco

Emiliano J. Remigio  
Incoming President

*Secretary*  
Liza Cabal Trinidad

*Financial Secretary*  
Emiliano Remigio

Angel Acorda  
Paul Kyno  
Wade Lord  
Bennette Misalucha  
Edwin Navarro  
Eduardo Topenio  
Hannah Timbol

# Old Business

# DEPARTMENT OF WATER

County of Kaua'i

*"Water has no Substitute – Conserve It!"*

## MANAGER'S REPORT No. 18-60 Update

January 24, 2020

Re: Discussion and Possible Action to enter into Use and Occupancy Agreement No. 368-A and 368-B between the State of Hawai'i and the Board of Water Supply, County of Kaua'i for Job No. 15-07, Water Plan 2020 No. HE-1, Reorganize Water System - Pipeline Connecting Hanapēpē and 'Ele'ele, Kaua'i, Hawai'i

### **RECOMMENDATION:**

It is recommended that the Board enter into a Use and Occupancy Agreements (UOAs) No. 368-A and No. 368-B with the State of Hawai'i for Job No. 15-07, Water Plan 2020 No. HE-1, Reorganize Water System - Pipeline Connecting Hanapēpē and 'Ele'ele, Kaua'i, Hawai'i.

Further, Board approval is specifically requested for the indemnification provisions in the UOAs, wherein the Board agrees to the following provisions in connection with Department of Water's use and occupancy within Kaumuali'i Highway:

*"10. Indemnity. The DOWK shall at all times with respect to the Project and the Premises use due care for public safety. It is strictly understood that the STATE shall in no way be held liable for any claims, damages causes of action or suits resulting from any acts or omissions of the DOWK. The DOWK shall hold harmless, indemnify and defend the STATE, its officers, agents, successors and assigns, and employees, from and against all claims, demands, liabilities, suits, actions, judgments, costs and expenses (including attorney's fees) for loss, injury, death or damage, including, without limitation, claims for property damage, personal injury, or loss or death of persons, whenever such loss, injury, death or damage arises out of, is connected with or related to (a) occurrences or incidents on, within, under, over or across the Premises or the Project, as it relates to DOWK's use of the Premises (b) the exercise of the rights and privileges herein granted, (c) any failure on the part of the DOWK to use due care or otherwise perform in accordance with the terms and conditions of this Agreement, (d) any act or omission of the DOWK and/or the DOWK'S use and occupancy of the Premises. This provision shall survive the expiration or earlier termination of this Agreement."*

And:

*"b. 10. Release and Indemnity. In addition to and without limiting the provisions of Paragraph 10 (Indemnity) above, the DOWK hereby agrees to release, indemnify, defend, and hold harmless the STATE, its officers, employees, agents, successors, and assigns from any liability of any kind, including, but not limited to, any liability for any damages, penalties, fines, judgments, or assessments that may be imposed or obtained by any person, agency, or governmental authority by reason of any Hazardous Substance that may be present by or as a result of the DOWK'S use of the Premises or the Project by whatever means on, in or under the Premises including, but not limited to, any fines or penalties assessed against the STATE for the DOWK non-compliance with any Environmental Laws. The DOWK understands and agrees that any claims for damages, penalties, fines, judgments, or assessments that may be assessed against the DOWK or the STATE by any person or governmental authority based on any violation of any Environmental Laws concerning the Premises or the Project shall be paid in full, complied with, and in every way satisfied by the DOWK within the required time, and not by the STATE. In the event both the*

*STATE and the DOWK are liable for any environmental cleanup or remediation of the Premises, the DOWK shall indemnify, defend and hold harmless the STATE in accordance with the terms of this subsection, unless the STATE, or any other entity with an easement or access to the property has been shown to have actually caused the condition complained of. This provision shall survive the expiration or earlier termination of this Agreement.”*

And:

*b. STATE'S option. At the STATE'S sole option and subject to the provisions of Paragraph 14, Abandonment) including, but not limited to, the provisions of the STATE'S Pipeline Removal Policy, and any other terms and conditions, or amendments therein, abandon in place the Project and any improvements, equipment, facilities, components and appurtenances relating thereto; provided, however, that such termination or cancellation shall not relieve the DOWK of its obligations to indemnify, defend and/or hold harmless the STATE pursuant to Paragraphs 10 (Indemnity) and 16 (Hazardous Substances) herein with respect to any such claims, demands, liabilities, suits, actions, judgments, costs and expenses for loss, injury, death or damage arising prior to such termination or cancellation of all or a portion of this Agreement. A Memorandum of Agreement or Memorandum of Understanding must be executed if the Director of Transportation approves abandonment in place.*

**FUNDING:** N/A.

**BACKGROUND:**

The Board previously approved the State of Hawai'i's July 12, 2017 conditional letter and agreed to enter into the Use and Occupancy Agreement at the August 21, 2017 Board meeting. The project is now actively under construction and the State has finalized the language in the UOAs and associated exhibits for approval by the Board. The UOA's require that a certificate of insurance be provided that names the State as additionally insured.

The State is requiring that the Department agree to complete a UOA for the new water facilities being installed in the Kaunualii Highway State Right of Way.

**Potential future financial liabilities:**

Due to not knowing when or the amount of any financial liabilities that may or may not occur in the future associated with the conditions of the UOA, specific funding to address potential financial liabilities is not being requested or budgeted at this time. If special funding is required in the future, the necessary funds will be requested from the Board at that time.

**OPTIONS:**

**Option 1: Agree to enter into Use and Occupancy Agreement No. 368-A and 368-B with the State of Hawai'i.**

Pros: The completion of a UOA will meet the State requirement that a UOA is completed for new facilities installed in the State Highway Right of Way. This will allow the DOW to install the transmission facilities to connect the Hanapēpē 212' system with the 'Ele'ele 190' service zone.

Cons: The UOA will obligate the DOW with unknown financial liabilities and risk; to some extent at the discretion of the State.

**Option 2: Do not agree to enter into Use and Occupancy Agreement No. 368-A and 368-B with the State of Hawai'i.**

**Pros:** The Department will not be bound by an agreement that subjects the Department to unknown financial liabilities and risk.

**Cons:** The Department will not be able to connect the Hanapēpē 212' system with the 'Ele'ele 190' service zone, as intended. The facilities installed for the project may need to be removed.

BW/ein

**Attachment:**

1. Use and Occupancy Agreement No. 368-A and 368-B
2. Approved Exhibits – UOA No. 368-A and 368-B
3. Certificate of Liability Insurance

Mgrrp/January 2020/18-60 *Update*/Discussion and Possible Action to enter into Use and Occupancy Agreement No. 368-A and 368-B between the State of Hawai'i and the Board of Water Supply, County of Kaua'i and for Job No. 15-07, Water Plan 2020 No. HE-1, Reorganize Water System - Pipeline Connecting Hanapēpē and 'Ele'ele, Kaua'i, Hawai'i (1-24-20):ein

USE AND OCCUPANCY AGREEMENT NO. 368-A and 368-B

THIS USE AND OCCUPANCY AGREEMENT NO. 368-A and 368-B is made on \_\_\_\_\_, but effective as of \_\_\_\_\_, by and between the STATE OF HAWAII, by its Director of Transportation, for the Highways Division, (hereinafter referred to as the "STATE") and BOARD OF WATER SUPPLY, COUNTY OF KAUA'I, whose principal place of business and mailing address is 4398 Pua Loke Street, Lihue, Hawaii 96766 (hereinafter referred to as the "DOWK").

RECITALS:

WHEREAS, the STATE is the owner of those certain parcels of land upon which Kaunualii Highway and Waialo Road, situate at Hanapepe, Eleele, Kauai, Hawaii (hereinafter referred to as the "Highway"), which portions contain approximately 61,385 Square Feet and 278 Square Feet, designated as Tax Map Key Numbers (4) 1-9-7: Road (Portion, (4) 2-1-3: Road (Portion), and (4) 2-1-5: Road (Portion), (hereinafter referred to as the "Property"); and

WHEREAS, the DOWK desires to occupy a portion of the Property, as described in Exhibit A and delineated on Exhibit B attached hereto and incorporated herein by reference (hereinafter referred to as the "Premises"), for the construction, operation, maintenance, and repair of a 16 Inch Water Main Replacement (said Water Main project, together with all improvements, equipment, facilities, components and appurtenances related thereto, is hereinafter referred to as the "Project"); and

WHEREAS, the STATE does not object to granting the DOWK use and occupancy rights over the Premises provided the DOWK fully complies with the terms and conditions set forth below,

NOW, THEREFORE, for good and valuable consideration, and other valuable consideration, the receipt whereof is hereby acknowledged, and the mutual covenants and promises herein made,

and pursuant to Section 264-13, Hawaii Revised Statutes ("HRS"), the parties do hereby agree as follows:

AGREEMENT:

1. Grant of Use and Occupancy Rights. The STATE hereby grants to the DOWK the non-exclusive right to use and occupy the Premises for the purpose of constructing, operating, maintaining, and repairing the Project.

2. Right to Construct the Project. The DOWK may construct, maintain and repair the Project on, within, under, over and across the Premises provided that the DOWK obtains the STATE'S prior written approval for the plans and specifications for the Project and any subsequent alterations thereto prior to commencing the construction of any portion of the Project. The DOWK shall be solely responsible for all costs and expenses incurred in connection with the Project and the maintenance of the Premises, in accordance with this Agreement, including but not limited to, all design, planning, engineering, construction, alteration and maintenance costs and expenses.

3. Work Permit. The DOWK shall obtain a permit from the STATE for any construction, installation, maintenance, repair, removal, replacement, reconstruction and upkeep work for or related to the Project on, within, under, over or across the Premises prior to commencing such work. Without limiting the foregoing or any other provision contained herein, the DOWK shall comply with any and all other requirements of the STATE relating to any construction, installation, maintenance, repair, removal, replacement, reconstruction, and upkeep work for or related to the Project.

4. Work Completion. Upon the completion of any work performed in, on, under, over or across the Premises by the DOWK, the DOWK shall remove therefrom within seven (7) days of completion, all equipment and unused or surplus materials, if any,

and shall restore the Premises and any other affected areas to a condition satisfactory to the STATE in its sole discretion. In addition, the DOWK shall provide all as-built drawings of work completed, for the STATE'S acceptance within sixty (60) days of the DOWK'S final acceptance of the DOWK'S contractor's work and the DOWK shall warranty the restoration work for a period of one (1) year from the date of final inspection and acceptance by the STATE. Such warranty shall insure that the DOWK shall be responsible for any failure of the restoration work and any potholes occurring in and along the restoration area for the warranty period.

5. Maintenance. The DOWK shall, at its sole cost and expense, keep the Premises and the Project in a safe, clean, sanitary, and orderly condition, including, but not limited to, making all necessary repairs to the Project.

6. Repair. The DOWK shall not damage, undermine or otherwise destroy any portion of State of Hawaii ("STATE") property, including without limitation, any Highway facilities or improvements or facilities of other Highway tenants or other permitted users of the Highway situated on or near the Premises or any equipment or appurtenances relating thereto, including, but not limited to, sidewalks, storm drains, drainage systems, and underground utility systems. The DOWK shall, at its sole cost and expense, repair, restore and reconstruct that portion of said Property so damaged, undermined or destroyed, including any and all affected facilities, improvements, equipment and appurtenances. All repairs, restoration, and reconstruction shall be completed by the DOWK immediately to the existing, or better, condition and shall be inspected and approved by the STATE in its sole discretion.

7. No Obstruction. The DOWK shall not construct, replace, repair or maintain any improvements or any portion of the



Project on, within, under, over or across the Premises in such a manner as to: (a) unnecessarily obstruct traffic, (b) obstruct, in any way whatsoever, the sight lines and distances and view corridors along the Highway; or (c) otherwise constitute a hazard to users of the Highway, as determined by the STATE in its sole discretion; (d) obstruct Highway operations and or (e) obstruct operations of Highway tenants or other permitted users of the Highway on the Property or near the Premises.

8. Reservation of Rights. The STATE reserves unto itself the full use and enjoyment of the Premises and the right to grant to others rights and privileges for any and all purposes affecting the Premises, all without charge by and without the consent of the DOWK, provided that such use by the STATE and/or third parties does not unreasonably interfere with the DOWK'S rights to use the Premises under this Agreement. The DOWK shall take steps necessary to ensure that the DOWK's exercise of the rights and privileges granted hereunder does not cause any substantial interference with the STATE'S operations in or near the Premises. In addition, the DOWK acknowledges and agrees that this Agreement is for a limited purpose, and that the DOWK shall use the Premises only for the purpose of serving the Project. Any intensification to include modification or expansion of the use of the facilities, from what is approved herein, including but not limited to, connection of additional laterals or extensions that feed or are fed from the Project shall require the written consent of the STATE, which consent may be withheld in the STATE'S sole discretion, and may require a new request and review and consideration by any user not covered by this Agreement.

9. STATE Work Within or Affecting the Premises. If the STATE decides to perform work of any kind on, within, under, over, across, near, or affecting the Premises, the STATE will coordinate such work with the DOWK. The DOWK shall not prevent

the STATE from performing such work, provided, however, that the STATE will take certain protective measures to assure that such work does not unreasonably interfere with the DOWK'S use of the Premises as described herein. At the STATE'S sole option, the DOWK, at the DOWK'S sole cost, except as may otherwise be required by law, shall relocate the Project to the extent the Project conflicts with plans of a STATE project.

10. Indemnity. The DOWK shall at all times with respect to the Project and the Premises use due care for public safety. It is strictly understood that the STATE shall in no way be held liable for any claims, damages, causes of action or suits resulting from any acts or omissions of the DOWK. The DOWK shall hold harmless, indemnify and defend the STATE, its officers, agents, successors and assigns, and employees, from and against all claims, demands, liabilities, suits, actions, judgments, costs and expenses (including attorney's fees) for loss, injury, death or damage, including, without limitation, claims for property damage, personal injury, or loss or death of persons, whenever such loss, injury, death or damage arises out of, is connected with or related to (a) occurrences or incidents on, within, under, over or across the Premises or the Project, as it relates to DOWK'S use of the Premises (b) the exercise of the rights and privileges herein granted, (c) any failure on the part of the DOWK to use due care or otherwise perform in accordance with the terms and conditions of this Agreement, (d) any act or omission of the DOWK and/or the DOWK'S use and occupancy of the Premises. This provision shall survive the expiration or earlier termination of this Agreement.

11. Assignment. The DOWK'S rights under this Agreement shall not be sold, assigned, conveyed, leased, subleased, mortgaged, or otherwise transferred or disposed of, directly or by operation of law, except with the prior written consent of the STATE which consent may be withheld by the STATE in its sole

discretion. In giving any such consent, the STATE need not release the DOWK from any liabilities or obligations hereunder.

12. Insurance. In addition to such insurance requirements, if any, as may be imposed by the STATE in connection with the issuance of work permits pursuant to Paragraph 3 (Work Permit) of this Agreement, the DOWK shall procure, at the DOWK's sole cost and expense, and keep in force during the entirety of this Agreement, with an insurer acceptable to the STATE, a general liability insurance policy with a combined minimum single limit of not less than \$1,000,000.00 for bodily injury and property damage per occurrence, and \$2,000,000 in aggregate, which insurance policy shall cover the Premises and Project. The DOWK shall furnish the STATE with the insurance policy, or other documentation required by the STATE, evidencing that such a policy has been issued and is in force as of the effective date of this Agreement, and without notice or demand, furnish a like policy, or other documentation required by the STATE, upon each renewal thereof. Said policy shall name the STATE as an additional insured and provide the STATE with thirty (30) days prior written notice of any termination, cancellation or material change in the coverage provided by said policy. The minimum limits of insurance recited herein may be increased by the STATE as the STATE deems necessary in the exercise of sound business judgment. The procurement of insurance pursuant to this paragraph shall not relieve or release the DOWK from its responsibilities under this Agreement or limit the amount or degree of the DOWK's liability. It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contribute with, insurance provided by DOWK's policy.

13. Default.

a. Notice of default. If the DOWK defaults on or otherwise fails to perform the DOWK'S obligations under this Agreement, the STATE will issue a written notice of default to the DOWK by hand-delivery or first-class mail.

b. DOWK to cure defaults. Any and all defaults or failures to perform contained in such notice of default must be resolved and remedied to the STATE'S sole satisfaction within thirty (30) days of the date of the STATE'S written notice to the DOWK or such further time as may be authorized by the STATE in writing, unless there is an immediate safety problem, then the STATE has the right to take immediate action and mitigate damages after-the-fact and DOWK will pay for all costs incurred by the STATE. Without limiting the foregoing, the DOWK'S failure to construct the Project in accordance with the plans and specifications approved by the STATE shall be deemed a default of this Agreement.

c. STATE remedies for failure to cure.  
If the DOWK fails to cure said defaults or fails to cure within the required time period, the STATE itself may, but shall not be obligated to, cure or remedy said defaults or failures to perform and charge any costs and expenses incurred in performing said cure or remedy to the DOWK, who shall immediately pay said costs and expenses to the STATE upon receiving notice from the STATE. If the DOWK fails to cure said defaults or fails to perform within the required time period, the STATE may terminate this Agreement and the DOWK'S rights under this Agreement to use the Premises and the Project. Upon such termination and at the STATE'S option, the Project improvements will thereafter belong to the STATE. If the DOWK defaults or fails to perform as required under this Agreement, the STATE shall be entitled to all remedies available under this Agreement and by law, which remedies shall be cumulative and not

exclusive. This provision shall survive the expiration or earlier termination of this Agreement.

14. Abandonment. This Agreement and all of the DOWK'S rights hereunder shall terminate, without any action on the part of the STATE, in the event of non-use or abandonment by the DOWK of the Premises or the Project, or any portion thereof, for a period of one (1) year; provided, however, that the DOWK is subject to the provisions of the STATE'S Pipeline Removal Policy, dated September 24, 2002, as the same may be amended, which may include, but not limited to, the DOWK'S execution of an agreement, in form and substance acceptable to the STATE in its sole discretion.

15. Termination. If not otherwise terminated or cancelled, this Agreement may be cancelled in whole or in part at any time by the mutual written agreement of the parties hereto or by the STATE, in its sole discretion upon the STATE'S giving thirty (30) days' prior written notice to the DOWK by hand delivery or first-class mail, return receipt requested. Any termination or cancellation of this Agreement, in whole or in part, shall not relieve the DOWK of its obligations to indemnify, defend and/or hold harmless the STATE as provided herein and including, but not limited to Paragraphs 10 (Indemnity) and 16 (Hazardous Substances) herein with respect to any such claims, demands, liabilities, suits, actions, judgments, costs and expenses for loss, injury, death or damage arising prior to such termination or cancellation of all or a portion of this Agreement. This provision shall survive the expiration or earlier termination of this Agreement.

16. Hazardous Substances.

a. Definitions. For purposes of this Agreement, the DOWK acknowledges and agrees that the following terms shall have the following meanings:

"Environmental Laws" shall mean all federal, state and local laws of every nature including statutes,

ordinances, rules, regulations, codes, notices, standards, directives of every kind, guidelines, permits, licenses, authorizations, approvals, interpretations of the foregoing by any court, legislative body, agency or official, judicial decisions, judicial and administrative orders, rulings or judgments, or rules of common law which currently are in effect or which may come into effect through enactment, issuance, promulgation, adoption or otherwise, which in any way pertain to, relate to, or have any relevance to the environment, health or safety. These environmental laws include, but are not limited to, regulations and orders of the federal Environmental Protection Agency and the State of Hawaii Department of Health.

"Hazardous Substance" shall include any chemical, substance, radioactive materials, organic or inorganic material, controlled substance, object, condition, waste, living organism, or combination thereof which is, may in the future be, or has been determined by state or federal authority under any Environmental Law to be hazardous to human health or safety or detrimental to the environment. This term shall include, but not be limited to, petroleum hydrocarbons, asbestos, radon, polychlorinated biphenyls, methane, fuels of any kind, and other materials or substances that are, or may in the future be, regulated by the state or federal authorities.

b. DOWK'S Activities and Duties.

b. 1 Compliance with Environmental Laws. The DOWK agrees, at its sole expense and cost, to comply with all Environmental Laws applicable to the Property and the DOWK'S occupancy, activities, operations, and use of the Project and the Premises. This duty shall survive the expiration or earlier termination of this Agreement, which means that the DOWK'S duty to comply with Environmental Laws shall include complying with all Environmental Laws that may in the future apply, or be determined

to apply, to the occupancy and activities of the DOWK on the Premises after the expiration or termination of this Agreement. Failure of the DOWK to comply with any Environmental Law shall constitute a breach of this Agreement for which the STATE may, in its sole discretion, terminate this Agreement, exercise its remedies under this Agreement, including, but not limited to, remediation of any condition on behalf of the DOWK at the DOWK'S expense under subparagraph 16.b.5 below (Environmental Investigations and Assessments), subparagraph 16.b.6 below (Remediation) and subparagraph 16.b.7 below (Restoration and Surrender of Premises), and take any other action at law or in equity that the STATE deems appropriate.

b. 2 Hazardous Substances. The DOWK shall not use, store, treat, dispose, discharge, release, generate, create, or otherwise handle any Hazardous Substances, or allow the same by any of its employees, agents, guests, contractors or third persons, on the Premises without first obtaining the written consent of the STATE (which consent may be withheld by the STATE in its absolute discretion) and shall fully comply with all Environmental Laws, including giving all required notices, reporting to, and obtaining permits from, all appropriate authorities, and shall comply with all provisions of this Agreement.

b. 3 Notice to the STATE. The DOWK shall keep the STATE fully informed at all times regarding all matters related to any Environmental Laws affecting the DOWK, the Project, or the Premises. This duty shall include, but not be limited to, providing the STATE with a current and complete list and accounting of all Hazardous Substances of every kind which are present in, on or about the Premises by or as a result of the DOWK, together with evidence that the DOWK has in effect all required and appropriate permits, licenses, registrations, approvals, and other consents that may be required by any federal, state, or county authority,

under any authority or Environmental Laws. The DOWK shall provide said list and accounting at the commencement of this Agreement and shall update said list and accounting whenever any Hazardous Substance not accounted for on said list is or becomes present in, on, or about the Premises by the DOWK or otherwise. The DOWK shall also provide immediate written notice to the STATE of any spills, releases, and/or discharge of Hazardous Substances investigation, enforcement action, compliance order, or order of any type, or any other legal action, initiated, issued, or any indication of an intent to do so, communicated in any way to the DOWK by any federal, state, or county authority or individual that relates in any way to any Environmental Law or any Hazardous Substance. This written notice to the STATE shall include copies of all written communications from any federal, state, or county agency or authority, including copies of all correspondence, claims, complaints, warnings, reports, technical data, and any other documents received or obtained by the DOWK. At least thirty (30) days prior to termination of this Agreement, or termination of the use and occupancy of the Premises by the DOWK, whichever occurs first, the DOWK shall provide the STATE with written evidence satisfactory to the STATE that the DOWK has fully complied with all Environmental Laws, including any orders issued by any governmental authority that relate to the Premises, and the results of all assessments and investigations that may be ordered by the STATE pursuant to subparagraph 16.b.5 (Environmental Investigations and Assessments) of this provision, or by any governmental agency responsible for enforcement of the Environmental Laws.

b. 4. Disposal/Removal. Except as to the possession and handling of Hazardous Substances for which the DOWK is authorized by law, including those Hazardous Substances for which the DOWK has obtained all currently required permits to store



or use certain Hazardous Substances on the Premises, including written permission from the STATE, the DOWK shall cause any Hazardous Substances resulting from the DOWK'S use to be removed and transported from the Premises for disposal solely by duly licensed hazardous substances transporters to duly licensed facilities for final disposal as required by all applicable Environmental Laws. Within ten (10) days of any such disposal, the DOWK shall provide the STATE with copies of documentary proof which may include manifests, receipts, or bills of lading, which reflect that said Hazardous Substances have been properly removed and disposed of in accordance with all Environmental Laws. This provision shall survive the expiration or earlier termination of this Agreement.

b. 5. Environmental Investigations and Assessments. The DOWK, at its sole cost and expense, shall cause to be conducted such investigations and assessments of the Premises to determine the presence of any Hazardous Substance on, in, or under the Premises as may be reasonably directed from time to time by the STATE, or by any federal or state authority. The extent and number of any environmental investigations and assessments shall be determined by the authority directing said investigations and assessments to be conducted. The DOWK shall retain a competent and qualified person or entity that is satisfactory to the STATE or governmental authority, as the case may be, to conduct said investigations and assessments. The DOWK shall direct said person or entity to provide the STATE or governmental authority, if so requested, with testable portions of all samples of any soils, water, ground water or other material that may be obtained for testing and provide directly to the STATE and the other governmental authority, at the sole expense of the DOWK, written results of all tests on said samples upon completion of said testing. In any event, the DOWK shall have the option to conduct

environmental assessments as aforesaid prior to or at the time of termination of this Agreement in order to determine the condition of the Premises.

b. 6. Remediation. In the event that any Hazardous Substance is used, stored, treated, or disposed on the Premises or any location off the Premises to which it is determined any Hazardous Substance has migrated, by the DOWK, or its duly authorized employees, or handled, discharged, released by the DOWK or determined to be present on the Premises or any location off the Premises to which it is determined any Hazardous Substances has migrated by or as a result of the DOWK'S actions or the actions of its duly authorized employees, agents, contractors, guests, or invitees, the DOWK shall, at its sole expense and cost, remediate the Premises, or any location off the Premises to which it is determined any Hazardous Substance has migrated, of such Hazardous Substance, and dispose/remove said Hazardous Substance in accordance with subparagraph 16.b.4 (Disposal/Removal) of this provision. This duty to remediate includes strict compliance with all Environmental Laws, as well as any directives by the STATE or other governmental authority, to the DOWK to remediate such Hazardous Substance. This duty to remediate shall include replacement of any materials, such as soils, so removed with material that is reasonably satisfactory to the STATE and governmental authority, as the case may be.

b. 7. Restoration and Surrender of Premises.

The DOWK hereby agrees to timely surrender the Premises upon termination of the Agreement and, prior thereto, shall restore the Premises to the same condition as the Premises existed at the commencement of this Agreement, as determined by the STATE in its sole discretion, reasonable wear and tear excepted. Said surrender and restoration shall be at the sole cost and expense of the DOWK. This duty to restore the Premises includes remediation as described

in the previous subsection. Subject to subparagraph 18.b (STATE'S option), this duty also includes, but is not limited to, the removal within seven (7) days of termination or such longer period of time as the STATE may agree to in writing, of all of the DOWK'S improvements, including, without limitation, pipes, pipelines, tanks, containers, equipment, and appurtenances of any kind that the DOWK has installed or erected on the Premises. In the event the DOWK does not timely restore the Premises to a satisfactory condition, as determined by the STATE in its sole discretion, the DOWK understands and agrees that the STATE may exercise its rights under subparagraph 16.b.9 (STATE'S Right to Act), and until such time as the restoration is completed to the satisfaction of the STATE in its sole discretion, the DOWK shall be liable for any damages and costs that the STATE may have incurred, including penalties, fines, and assessments related to the Premises which may be imposed on the STATE or the DOWK by any governmental authority.

b. 8 Tanks, Pipelines; Inspections and Repairs; Protection of Waters. Unless the STATE specifically agrees in writing prior to their installation, all pipes, pipelines, tanks, containers, or conduits of any kind that may at any time have contained, or may have been intended to contain, Hazardous Substances of any type (hereafter referred to as a "facility"), must be installed above ground level in such manner that allows for periodic inspection and maintenance of the facility for purposes of determining the existence of leaks and discharges from, and deterioration of any kind to, and that allows repair of, the facility. The DOWK shall provide the STATE with prior written notice of the DOWK'S intent to install a facility to allow the STATE ample time, as reasonably determined by the STATE, to inspect the plan for installation of such a facility. Said facility shall not be installed unless and until the facility and its manner of

installation are approved, in writing by the STATE. Within ninety (90) days of the commencement of this Agreement, or commencement of possession of the Premises by the DOWK, whichever first occurs, the DOWK shall submit a contingency plan covering the DOWK facilities if any, and as applicable, to control and remedy any spill, discharge, or leak from any DOWK facility on the Premises during the term of this Agreement, which plan shall include the cleanup of all Hazardous Substances that may be spilled, discharged, or leaked, to the satisfaction of the STATE in its sole discretion. The DOWK shall also submit to the STATE a plan for the DOWK to conduct, or have conducted, regular inspections of all facilities, if any, on the Premises for the purpose of prevention of any leak, discharge, or spill from said facilities. Said contingency plan and inspection plan are subject to the prior written approval of the STATE. The DOWK shall timely obtain and maintain in effect all required permits, licenses, and approvals for such facilities from any governmental authority. Failure to submit said plans, to comply with said plans, or obtain and maintain any required permits, licenses, or approvals constitutes a breach of this Agreement, giving the STATE the right to immediately terminate this Agreement, take possession of the Premises, and pursue any other remedy available to the STATE.

The DOWK shall maintain and employ reasonable debris, pollution and contamination control measures, safeguards and techniques on the Premises to prevent debris, pollution or contamination to ocean waters, streams or waterways, groundwater, including any storm drains within and about the Premises, resulting from the activities or operations of the DOWK and the DOWK'S agents on, within, over, through, across, under or connected with the Premises. The DOWK shall take immediate corrective action in the event of an unauthorized release of Hazardous Substances by the DOWK or its agents to immediately remove or correct the cause of

such release, and shall immediately clean the Premises and affected areas and surrounding waters of such Hazardous Substances, pollutants or contaminants to levels satisfactory to the STATE'S and/or other governmental authority in the STATE'S sole discretion, all at the DOWK'S own cost and expense. This section shall not be construed to require the DOWK to cleanup or respond to any Hazardous Substances existing on the Premises prior to the DOWK'S occupancy of the same.

b. 9. STATE'S Right to Act. In the event the DOWK fails for any reason to comply with any of its duties under this Agreement or under any Environmental Laws within the time set for doing so, or within a reasonable time as determined by the STATE, the STATE shall have the right, but not the obligation, in its sole discretion, to perform those duties, or cause them to be performed. The DOWK hereby grants access to the Premises and the Project at all reasonable hours to the STATE, its agents and anyone designated by the STATE, in order to perform said acts and duties. Any cost, expense, or liability of any type that may be incurred by the STATE in performing said acts or duties shall be the sole responsibility of the DOWK and the DOWK hereby agrees to immediately pay to the STATE all of such costs and expenses incurred by the STATE in performing said acts or duties. This obligation shall extend to any costs and expenses incident to enforcement of the STATE'S right to act, including litigation costs, attorney fees, and the costs and fees for collection of said costs, expenses, or liability.

b. 10. Release and Indemnity. In addition to and without limiting the provisions of Paragraph 10 (Indemnity) above, the DOWK hereby agrees to release, indemnify, defend, and hold harmless the STATE, its officers, employees, agents, successors, and assigns from any liability of any kind, including, but not limited to, any liability for any damages, penalties,

finances, judgments, or assessments that may be imposed or obtained by any person, agency, or governmental authority by reason of any Hazardous Substance that may be present by or as a result of the DOWK'S use of the Premises or the Project by whatever means on, in or under the Premises including, but not limited to, any fines or penalties assessed against the STATE for the DOWK non-compliance with any Environmental Laws.

The DOWK understands and agrees that any claims for damages, penalties, fines, judgments, or assessments that may be assessed against the DOWK or the STATE by any person or governmental authority based on any violation of any Environmental Laws concerning the Premises or the Project shall be paid in full, complied with, and in every way satisfied by the DOWK within the required time, and not by the STATE. In the event both the STATE and the DOWK are liable for any environmental cleanup or remediation of the Premises, the DOWK shall indemnify, defend and hold harmless the STATE in accordance with the terms of this subsection, unless the STATE, or any other entity with an easement or access to the property has been shown to have actually caused the condition complained of. This provision shall survive the expiration or earlier termination of this Agreement.

b. 11. Burden of Proof. In all instances covered in this Paragraph 16 (Hazardous Substances), the DOWK accepts the burden of establishing that it is not responsible for the existence of Hazardous Substances in the Premises or in any location or any location off the premises to which Hazardous Substances have migrated. If the DOWK cannot establish that it is not responsible for the existence of Hazardous Substances in the Premises, or any location off the Premises to which Hazardous Substances have migrated, the DOWK shall be deemed responsible for the existence of the Hazardous Substances.

b. 12. Protection of Waters. The DOWK shall maintain and employ reasonable debris, pollution or contamination control measures, safeguards and techniques on the premises to prevent debris, pollution or contamination from reaching ocean waters, streams or waterways, groundwater, including any storm drains within and about the Premises, resulting from the activities or operations of the DOWK and the DOWK'S employees, agents, contractors or third persons on, within, over, through, across, under or connected with the Premises. The DOWK shall take immediate corrective action in the event of an unauthorized release of Hazardous Substances by the DOWK or its employees, agents, contractors or third persons to immediately remove or correct the cause of such release, and shall immediately clean the Premises and affected areas and surrounding waters of such Hazardous Substances, pollutants or contaminants to levels satisfactory to the DOH, EPA and/or any governmental entity with regulatory jurisdiction over the release, in strict compliance with all Environmental Laws, all at the DOWK'S own cost and expense. This subparagraph shall not be construed to require the DOWK to clean up or respond to any Hazardous Substances existing on the Premises prior to the DOWK'S occupancy of the same provided, however, that the DOWK acknowledges and agrees that the date of the DOWK'S occupancy may be a date prior to the Effective Date such that the DOWK shall be responsible for cleanup or to respond to any Hazardous Substances for the DOWK'S occupancy prior to the Effective Date.

17. Removal of Improvements. If the STATE decides to perform work of any kind within, on, over, under, across, near, or affecting the Premises, the DOWK shall be responsible for the removal or relocation of all or any portion of the Project from the Premises deemed necessary by the STATE, without cost and expense to the STATE, within thirty (30) days from the date the

STATE requests such removal or such longer period of time as may be approved in writing by the STATE, except as shall be otherwise required by applicable law. In the event it becomes necessary for the STATE to destroy, remove or alter all or any portion of the Project or improvements, the STATE shall not be obligated to replace or restore those portions of the Project or improvements so destroyed, removed or altered and the DOWK waives any and all right to compensation therefore, except as shall be otherwise required by applicable law.

18. Removal upon Termination. Upon any full or partial termination or cancellation of this Agreement, the DOWK shall, at the DOWK'S sole cost and expense:

a. Remove and restore. Remove any and all portions of the Project installed or constructed on, within, under, over or across the Premises and any improvements, equipment, facilities, components and appurtenances relating thereto and restore the Premises to as good a condition as existed prior to the commencement of this Agreement, satisfactory to the STATE in its sole discretion, and if the DOWK fails to restore the Premises to a condition satisfactory to the STATE, the STATE shall have the right to charge the DOWK, and the DOWK shall be solely responsible for, any and all costs and expenses incurred by the STATE in completing and accomplishing such restoration, including but not limited to, any costs the STATE incurs in removing and disposing of the DOWK'S property; or

b. STATE'S option. At the STATE'S sole option and subject to the provisions of Paragraph 14, (Abandonment) including, but not limited to, the provisions of the STATE'S Pipeline Removal Policy, and any other terms and conditions, or amendments therein, abandon in place the Project and any improvements, equipment, facilities, components and appurtenances relating thereto; provided, however, that such termination or



cancellation shall not relieve the DOWK of its obligations to indemnify, defend and/or hold harmless the STATE pursuant to Paragraphs 10 (Indemnity) and 16 (Hazardous Substances) herein with respect to any such claims, demands, liabilities, suits, actions, judgments, costs and expenses for loss, injury, death or damage arising prior to such termination or cancellation of all or a portion of this Agreement. A Memorandum of Agreement or Memorandum of Understanding must be executed if the Director of Transportation approves abandonment in place.

19. Compliance with Laws. The DOWK, at all times during the term of this Agreement, shall comply with all of the requirements of the federal, state and county authorities and shall observe all federal, state and county laws, statutes, ordinances, rules and regulations, now in force or which may hereafter be in force, including, but not limited to, all laws and regulations applicable to the use of areas within the highway right-of-way and/or federal-aid highways.

20. Binding Effect. All provisions contained in this Agreement shall be binding upon and inure to the benefit of the respective parties, their successors and permitted assigns, and officers, agents, and employees or any person acting for and on their behalf.

21. Singular, Plural. All words used herein the singular number shall extend to and include the plural. All words used in any gender shall extend to and include all genders.

22. Headings. The headings and captions herein are for convenience of reference only and are not intended to fully describe, define or limit the provisions of this Agreement to which they may pertain.

23. Counterparts. This instrument may be executed in two or more counterparts, and when all counterparts have been executed, each counterpart shall be considered an original but

when assembled shall constitute one and the same instrument and shall have the same force and effect as though all the signatories had executed a single instrument. Any unexecuted duplicate pages may be omitted from the assembled original document.

24. No Drafter. The DOWK and the STATE agree that no party shall be deemed to be the drafter of this Agreement and further that in the event that this Agreement is ever construed by a court of law, such court shall not construe this Agreement or any provision of this Agreement against any party as the drafter of this Agreement.

25. Prehistoric and Historic Remains. Any and all prehistoric and historic remains found at, in, on, over, or under the Premises shall be and remain the property of the State of Hawaii, and shall not be disturbed or removed by the DOWK, and/or the DOWK'S successors in interest, assigns, officers, directors, employees, agents, or guests, without the express written approval of the STATE. Upon discovery of any prehistoric or historic remains, the DOWK shall immediately stop and cease any further disturbance of the remains and surrounding portion(s) of the Premises containing the remains, and promptly notify the STATE of such discovery.

26. Severability. In the event that any provision of this Agreement is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Agreement.

27. Waiver. The failure of the STATE to insist upon strict compliance with any term, provision, or condition of this Agreement shall not constitute or be deemed to constitute a waiver or relinquishment of the STATE'S right to enforce the same in accordance with this Agreement.

28. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Hawaii.

29. Nondiscrimination. The use and enjoyment of the Premises shall not be in support of any policy which discriminates upon any basis or in any manner that is prohibited by any applicable federal, state, or county law.

30. Notices. Except as otherwise specifically provided in this Agreement, any notice, consent, request, demand, or other correspondence given under this Agreement shall be in writing and given by delivering the notice in person or by commercial courier, or by sending it by first-class mail, certified mail, return receipt requested, or overnight courier, return receipt requested, with postage prepaid; to: (a) the DOWK at the address as stated on page one herein; or (b) the STATE at the following address: State of Hawaii, Department of Transportation, Highways Division, 869 Punchbowl Street, Honolulu, Hawaii 96813, Attn: Administrator; or (c) such other address as either the DOWK or the STATE may designate, in writing, as its new address for such purpose by notice given to the other in accordance with this section. Any notice hereunder shall be deemed to have been given and received and effective two (2) calendar days after the date when it is mailed, if sent by first-class, certified mail, one (1) calendar day after the date when it is mailed if sent by overnight courier, or upon the date personal delivery is made.

31. Entire Agreement. This instrument constitutes the entire agreement of the parties with respect to the matters set forth in this Agreement, and, except as specifically provided otherwise herein, there are no agreements, understandings, warranties, or representations between the parties except as set forth herein. This Agreement cannot be modified except by an instrument, in writing, signed by each of the parties. Any termination or cancellation of this Agreement, in whole or in part, shall not relieve the DOWK of its obligations to indemnify, defend and/or hold harmless the STATE as provided herein.

32. Amendments. All amendments to this Agreement must be in writing and must be signed by all parties to this Agreement.

33. No Recordation. This instrument shall not be recorded.

34. No Third Party Beneficiaries. No third party beneficiaries are intended by this Agreement, and the terms and provisions of this Agreement shall not give rise to any right in third parties to enforce the provisions of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Use and Occupancy Agreement No. 368-A and 368-B the day and year first above written.

STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Its: \_\_\_\_\_ STATE

\_\_\_\_\_  
DEPUTY ATTORNEY GENERAL  
PRINT NAME: \_\_\_\_\_


BOARD OF WATER SUPPLY  
COUNTY OF KAUA'I

APPROVED:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chairperson \_\_\_\_\_ DOWK

\_\_\_\_\_  
Manager and Chief Engineer  
Department of Water,  
County of Kaua'i

APPROVED AS TO FORM AND  
LEGALITY:

  
Print Name: Mahealani M. Krafft  
Title: Deputy County Attorney

STATE OF HAWAII )  
 ) SS.  
COUNTY OF KAUA'I )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2019, before me appeared ~~SHERMAN SHIBRAISHI~~, to me personally known, who, being by me duly sworn, did say that he is the CHAIRPERSON of the BOARD OF WATER SUPPLY, COUNTY OF KAUA'I, and that the foregoing instrument was signed on behalf of said BOARD, and said officer acknowledged said instrument to be the free act and deed of said BOARD, and that said BOARD has no corporate seal.

\_\_\_\_\_  
Notary Public, State of Hawaii

Mary-jane Akuna  
Name of Notary

My Commission Expires: ~~March 30, 2022~~



Kaunualii Highway  
Project No. 12-J  
UOA No. 368-A

5. 318° 38' 58" 70.95 feet along same;
6. 3° 38' 58" 46.55 feet along the remainders of Kaunualii Highway (formerly Kauai Belt Road, Federal Aid Project No. 12-J) and Kaunualii Highway Safety Improvements, Project No. 50 C-01-76 (C.S.F. No. 18,829);
7. Thence along Kaunualii Highway Safety Improvements, Project No. 50-C-01-76 (C.S.F. No. 18,829 on a curve to the left with a radius of 10.00 feet, the chord azimuth and distance being: 336° 18' 31" 9.19 feet;
8. Thence along same on a curve to the right with a radius of 463.00 feet, the chord azimuth and distance being: 320° 33' 51.5" 186.14 feet;
9. Thence along same on a curve to the left with a radius of 14.00 feet, the chord azimuth and distance being: 288° 57' 49.5" 19.17 feet;
10. 245° 46' 7.68 feet along same;
11. Thence along same on a curve to the right with a radius of 484.00 feet, the chord azimuth and distance being: 335° 46' 32.00 feet;
12. 65° 46' 7.68 feet along same;
13. Thence along same on a curve to the left with a radius of 14.00 feet, the chord azimuth and distance being: 22° 34' 10.5" 19.17 feet;
14. Thence along same on a curve to the right with a radius of 463.00 feet, the chord azimuth and distance being: 353° 17' 32" 222.76 feet;
15. 18° 18' 58" 193.70 feet along same;

Kaumualii Highway  
 Project No. 12-J  
 UOA No. 368-A

- |     |  |        |      |   |
|-----|--|--------|------|---|
| 16. | 358°01' 04"  | 118.46 | feet | along the remainders of Kaumualii Highway (formerly Kauai Belt Road, Federal Aid Project No. 12-J) and Kaumualii Highway Safety Improvements, Project No. 50 C-01-76 (C.S.F. No. 18,829); |
| 17. | 5° 19' 25"   | 59.01  | feet | along the remainder of Kaumualii Highway (formerly Kauai Belt Road, Federal Aid Project No. 12-J);  |
| 18. | 1° 17' 41"   | 52.94  | feet | along same;   |
| 19. | 353° 53' 52"   | 101.84 | feet | along same;   |
| 20. | Thence along same on a curve to the left with a radius of 622.50 feet, the chord azimuth and distance being: 339°31' 50.5"   |        |      | 411.49 feet;  |
| 21. | Thence along the remainder of Waialo Road (formerly Port Allen Spur, Federal Aid Project No. 12-J) on a curve to the right with a radius of 267.27 feet, the chord azimuth and distance being: 357°33' 25.5" |        |      | 324.12 feet;  |
| 22. | 34° 53'  | 294.77 | feet | along same;   |
| 23. | 304° 53'   | 54.39  | feet | along same;   |
| 24. | 214° 53'   | 13.51  | feet | along same;   |
| 25. | 304° 53'   | 15.00  | feet | along same;   |
| 26. | 34° 53'  | 13.51  | feet | along same;   |
| 27. | 304° 53'   | 10.61  | feet | along same;   |
| 28. | 34° 53'  | 20.00  | feet | along the southeast side of Waialo Road (formerly Port Allen Spur, Federal Aid Project No. 12-J);   |



Kaumualii Highway  
 Project No. 12-J  
 UOA No. 368-A

- |     |  |        |      |   |
|-----|--|--------|------|---|
| 29. | 124° 53'   | 10.61  | feet | along the remainder of Waialo Road (formerly Port Allen Spur, Federal Aid Project No. 12-J);                    |
| 30. | 34° 53'  | 6.88   | feet | along same;   |
| 31. | 304° 53'   | 10.61  | feet | along same;   |
| 32. | 34° 53'  | 15.00  | feet | along the southeast side of Waialo Road (formerly Port Allen Spur, Federal Aid Project No. 12-J);               |
| 33. | 124° 53'   | 10.61  | feet | along the remainder of Waialo Road (formerly Port Allen Spur, Federal Aid Project No. 12-J);                    |
| 34. | 34° 53'  | 3.79   | feet | along same;   |
| 35. | 124° 53'   | 15.00  | feet | along same;   |
| 36. | 214° 53'   | 25.67  | feet | along same;   |
| 37. | 124° 53'   | 74.39  | feet | along same;   |
| 38. | 214° 53'   | 314.77 | feet | along the northwest side of Waialo Road (formerly Port Allen Spur, Federal Aid Project No. 12-J);               |
| 39. | Thence along same on a curve to the left with a radius of 247.27 feet, the chord azimuth and distance being: 177° 33' 25.5" 299.87 feet;   |        |      |   |
| 40. | Thence along the west side of Kaumualii Highway (formerly Kauai Belt Road, Federal Aid Project No. 12-J) on a curve to the right with a radius of 642.50 feet, the chord azimuth and distance being: 164° 02' 23.5" 518.74 feet; |        |      |   |
| 41. | 89° 53'  | 16.74  | feet | along the west side and on a jog of Kaumualii Highway (formerly Kauai Belt Road, Federal Aid Project No. 12-J); |

Kaumualii Highway  
 Project No. 12-J  
 UOA No. 368-A

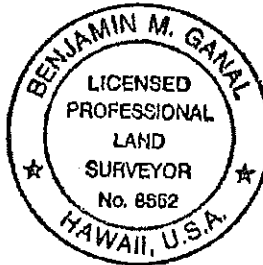
42. 181° 17' 41" 54.94 feet along the remainder of Kaumualii Highway (formerly Kauai Belt Road, Federal Aid Project No. 12-J);
43. 185° 19' 25" 58.43 feet along the remainders of Kaumualii Highway (formerly Kauai Belt Road, Federal Aid Project No. 12-J) and Kaumualii Highway Safety Improvements, Project No. 50 C-01-76 (C.S.F. No. 18,829);
44. 178° 01' 04" 120.77 feet along the remainder of Kaumualii Highway Safety Improvements, Project No. 50-C-01-76 (C.S.F. No. 18,829);
45. 198° 18' 58" 195.32 feet along same;
46. Thence along same on a curve to the left with a radius of 443.00 feet, the chord azimuth and distance being: 157° 57' 55.5" 429.51 feet;
47. Thence along same on a curve to the right with a radius of 30.00 feet, the chord azimuth and distance being: 156° 18' 31" 27.56 feet;
48. 183° 38' 58" 38.27 feet along same;
49. 138° 38' 58" 62.67 feet along the remainders of Kaumualii Highway Safety Improvements, Project No. 50-C-01-76 (C.S.F. No. 18,829) and Kaumualii Highway (formerly Kauai Belt Road, Federal Aid Project No. 12-J);
50. Thence along the remainder of Kaumualii Highway (formerly Kauai Belt Road, Federal Aid Project No. 12-J) on a curve to the left with a radius of 12.24 feet, the chord azimuth and distance being: 127° 23' 58" 4.78 feet;
51. Thence along the south side of Kaumualii Highway (formerly Kauai Belt Road, Federal Aid Project No. 12-J) on a curve to the left with a radius of 510.00 feet, the chord azimuth and distance being: 101° 24' 59" 259.40 feet;

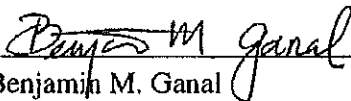
Kaunualii Highway  
Project No. 12-J  
UOA No. 368-A

52. 86°41' 481.86 feet along same, to the point of beginning and containing an area of 61,385 sq. ft.

DESCRIPTION PREPARED BY  
AKINAKA & ASSOCIATES, LTD.

1100 Alakea Street, 18<sup>th</sup> floor  
Honolulu, Hawaii 96813  
January 2, 2019



  
Benjamin M. Ganal  
Licensed Professional Land Surveyor  
Certificate Number 8652  
License Expires April 30, 2020

**TAX MAP KEYS:**

(4) 1-9-007; (4) 2-1-003 & 005: ROAD (Por.)

**WAIALO ROAD  
ELEELE AND HANAPEPE SECTION  
FEDERAL AID PROJECT NO. 12-J**

**“USE AND OCCUPANCY AGREEMENT NO. 368-B”  
(For Water Line Purposes)**

Being portion of Waialo Road  
(formerly Port Allen Spur, Federal Aid Project No. 12-J)

Land situated at Eleele, Kauai, Hawaii

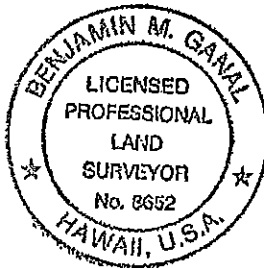
Beginning at the South corner of this piece of land, on the Southeast Side of Waialo Road, (formerly Port Allen Spur, Federal Aid Project No. 12-J), the coordinates of said point of beginning referred to Government Survey Triangulation Station “PUOLO” being, 4,023.99 feet North and 6,654.98 feet East, thence running by azimuths measured clockwise from true South:

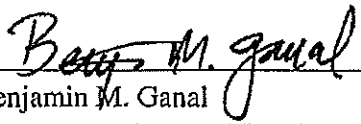
- |    |          |       |      |  |
|----|----------|-------|------|--|
| 1. | 124° 53' | 18.55 | feet | along the remainder of Waialo Road (formerly Port Allen Spur, Federal Aid Project No. 12-J);   |
| 2. | 214° 53' | 15.00 | feet | along same;  |
| 3. | 304° 53' | 18.55 | feet | along same;  |
| 4. | 34° 53'  | 15.00 | feet | along the southeast side of Waialo Road (formerly Port Allen Spur, Federal Aid Project No. 12-J), to the point of beginning and containing an area of 278 sq. ft.; |

WAIALO ROAD  
Project No. 12-J  
UOA No. 368-B

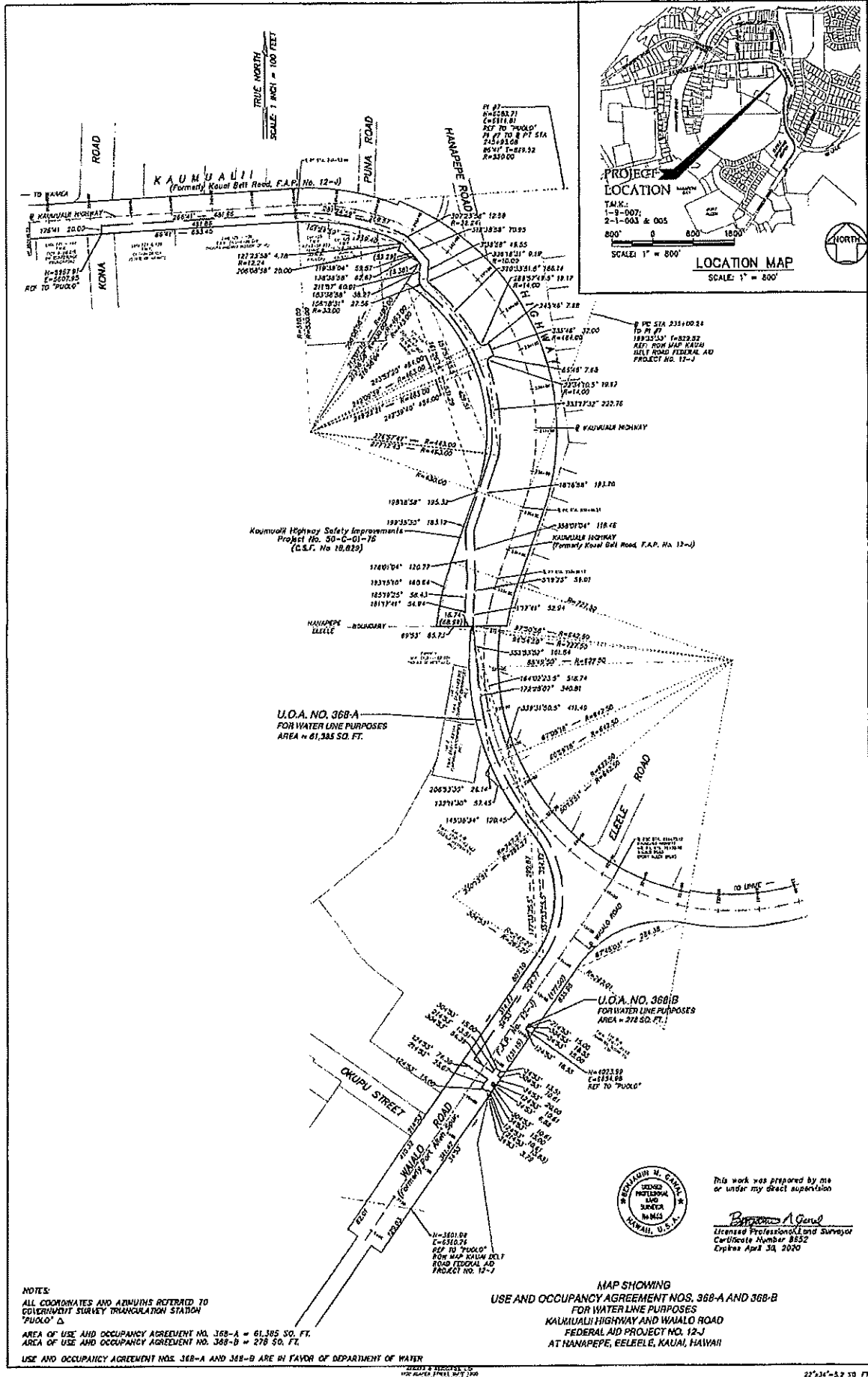
DESCRIPTION PREPARED BY  
AKINAKA & ASSOCIATES, LTD.

1100 Alakea Street, 18<sup>th</sup> floor  
Honolulu, Hawaii 96813  
January 2, 2019



  
Benjamin M. Ganal  
Licensed Professional Land Surveyor  
Certificate Number 8652  
License Expires April 30, 2020

TAX MAP KEY:  
(4) 2-1-003: ROAD (Por.)



NOTES:  
 ALL COORDINATES AND AZIMUTHS REFERRED TO GOVERNMENT SURVEY TRIANGULATION STATION "PUOLO" Δ  
 AREA OF USE AND OCCUPANCY AGREEMENT NO. 368-A = 61,385 SQ. FT.  
 AREA OF USE AND OCCUPANCY AGREEMENT NO. 368-B = 278 SQ. FT.  
 USE AND OCCUPANCY AGREEMENT NOS. 368-A AND 368-B ARE IN FAVOR OF DEPARTMENT OF WATER

MAP SHOWING  
 USE AND OCCUPANCY AGREEMENT NOS. 368-A AND 368-B  
 FOR WATER LINE PURPOSES  
 KAULUALI HIGHWAY AND WAIALO ROAD  
 FEDERAL AID PROJECT NO. 12-J  
 AT HANAPEPE, ELEELE, KAUAI, HAWAII



This work was prepared by me or under my direct supervision  
 William M. Gault  
 Licensed Professional Engineer and Surveyor  
 Certificate Number 8852  
 Expires April 30, 2020



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
12/13/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Atlas Insurance Agency, Inc. 201 Merchant St., Suite 1100 Honolulu, HI 96813 808 533-3222	<b>CONTACT NAME:</b> Darlene Blas <b>PHONE (A/C, No, Ext):</b> 808 533-3222 <b>FAX (A/C, No):</b> 808 533-8777 <b>E-MAIL ADDRESS:</b> <table style="width:100%; border: none;"> <tr> <td style="width:80%; border: none; text-align: center;">INSURER(S) AFFORDING COVERAGE</td> <td style="width:20%; border: none; text-align: center;">NAIC #</td> </tr> <tr> <td style="border: none;">INSURER A : Peleus Insurance Company</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">INSURER B : Broker: Trident Insurance Svcs</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">INSURER C :</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">INSURER D :</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">INSURER E :</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">INSURER F :</td> <td style="border: none;"></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Peleus Insurance Company		INSURER B : Broker: Trident Insurance Svcs		INSURER C :		INSURER D :		INSURER E :		INSURER F :	
INSURER(S) AFFORDING COVERAGE	NAIC #														
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INSURER C :															
INSURER D :															
INSURER E :															
INSURER F :															
<b>INSURED</b>  County of Kauai 4444 Rice Street, Suite 280 Lihue, HI 96766															

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="checked" type="checkbox"/> COMMERCIAL GENERAL LIABILITY  CLAIMS-MADE <input checked="checked" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X		<b>290209502</b>  This insurance contract is issued by an Insurer which is not licensed by the State of Hawaii and is not subject to its regulation or examination. If the Insurer is found insolvent, claims under this contract are not covered by any guaranty fund of the State of Hawaii.  Broker Name: Atlas Insurance Agency License #: 118986 Address: 201 Merchant St., Suite 1100 Honolulu, HI 96813	11/01/2019	11/01/2020	EACH OCCURRENCE \$ <b>10,000,000</b> DAMAGE TO RENTED PREMISES (Ea occurrence) \$ <b>1,000,000</b> MED EXP (Any one person) \$ <b>Excluded</b> PERSONAL & ADV INJURY \$ <b>10,000,000</b> GENERAL AGGREGATE \$ <b>10,000,000</b> PRODUCTS - COMP/OP AGG \$ <b>10,000,000</b> \$
	<b>AUTOMOBILE LIABILITY</b>  <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED \$ RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y / N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
**Re: Use and Occupancy Agreement No. 368-A and 368-B**  
 State of Hawaii, Department of Transportation, Highways Division is named an Additional Insured per General Liability form GL RLIO02 (04/13) Public Risk General Liability Retained Limit Coverage Form - Limited Reporting as per policy provisions.

<b>CERTIFICATE HOLDER</b>  State of Hawaii, Department of Transportation Highways Division 869 Punchbowl Street Honolulu, HI 96813	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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# New Business



# DEPARTMENT OF WATER

County of Kaua'i

*"Water has no Substitute – Conserve It!"*

## MANAGER'S REPORT No. 20-39

January 24, 2020

Re: Request Board Approval of Resolution No. 20-02 (1/20), Mahalo and Aloha Board Member, Thomas Canute

It is requested that the Board approve Resolution No. 20-02 (1/20), Mahalo and Aloha Board Member, Thomas Canute.

/ein

Attachment: Resolution No. 20-02 (1/20), Mahalo and Aloha Board Member, Thomas Canute

Mgrrp/January 2020/Request Board Approval of Resolution No. 20-02 (1/20), Mahalo and Aloha Board Member, Thomas Canute (1-24-20):ein

# RESOLUTION NO. 20-02

(1/20)

## COUNTY OF KAUAI DEPARTMENT OF WATER Board of Water Supply, Board Member

THOMAS CANUTE  
MAHALO & ALOHA  
January 2017 – December 2019

WHEREAS, Mahalo and Aloha are in order for Chair Thomas “Tom” Canute, who served on the Board of Water from January 2017 to December 2019; and

WHEREAS, gratitude is in order as Chair Canute voluntarily dedicated three (3) years of his life in guiding the Department of Water with his leadership, perceptive input, and insight to help steward Kaua'i's most important resource; and

WHEREAS, Chair Canute successfully navigated a multitude of unique and complex issues and challenging decisions as the Board Chair in 2019; and

WHEREAS, Chair Canute was instrumental and supportive on the many Fiscal Year Budgets from 2017 to 2019; and

WHEREAS, Congratulations are in order as Chair Canute can finally dedicate more of his time and treasurer expertise as he continues to lead with the Kaua'i Habitat for Humanity Board of Directors; and

WHEREAS, Chair Canute is finally off the hook where he will no longer be pestered to attend monthly Agenda meetings and any outbound flights to conferences; and

WHEREAS, Chair Canute always had a smile and ‘Aloha’ to share even when being nagged for his signatures on contract or approval on agenda items and kind and calm manner managing meetings; and

WHEREAS, CHAIR Canute will be missed because of his ability to formulate motions and forever rid the Board of “so moved”; and

WHEREAS, Aloha and best of luck to Chair Canute in all his free time available to jet set at peace without having to hug his ipad 24/7; and

WHEREAS, congratulations are in order as Chair Canute looks forward to his retirement; and

WHEREAS, with one less board to serve on, Chair Canute will have more time to dedicate to trips to support the UH football team, subsidize his community volunteerism for grandpa duties and to visit with his grandchildren & Scarlett; and

WHEREAS, Chair Canute will now have more time to devote to his loving wife Joy; and

WHEREAS, the Department wishes the best of luck and extends its warmest Aloha to Chair Canute in all his future endeavors; and

WHEREAS, Chair Canute will be sorely missed by the water ‘ohana for his cheerfulness, camaraderie and generosity during his tenure and dedication to protect our most precious resource for future generations; and

BE IT RESOLVED BY THE BOARD OF WATER SUPPLY, COUNTY OF KAUAI, STATE OF HAWAII, in recognition of the outstanding service and commitment of CHAIR THOMAS CANUTE to our Garden Island Community, does hereby extend to Chair Thomas Canute, a fond Mahalo and heartfelt Aloha for the contributions he has made as a member of the Board of Water Supply. We extend our best wishes to him for all of the happiness, prosperity, and success as he deserves in all of his future endeavors.

BE IT FURTHER RESOLVED that a copy of this Resolution be forwarded to CHAIR THOMAS CANUTE.

## Aloha Thomas Canute



We do certify that the foregoing was duly adopted by the Board of Water Supply during its meeting on January 24, 2020.

---

Kurt Akamine, Chairperson

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Ka`aina Hull, Secretary

# DEPARTMENT OF WATER

County of Kaua'i

*“Water has no Substitute – Conserve It!”*

## MANAGER’S REPORT No. 20-40

January 24, 2020

Re: Discussion and Possible Action on Proposed Board Policy No. 31 to Fund the Net Pension Liability and the Net Other Post Employment Benefit Liability as determined by the Government Accounting Standards Board

### **RECOMMENDATION:**

It is recommended that the Board approve the proposed Board Policy No. 31 to fund the Net Pension Liability and the Net Other Post Employment Benefit Liability.

**FUNDING:** Water Utility Fund

### **BACKGROUND:**

The Government Accounting Standards Board (GASB) issues pronouncements and standards for all government units. The Department of Water (DOW) as a component unit of the County of Kaua'i follows these standards of accounting and reporting of the DOW's financial statements.

In FY 2012 GASB 68 was issued which required the recognition and reporting of employees' retirement pension expense, the deferred inflows and outflows of resources and the accounting recognition of the DOW's net pension liability. It was implemented by the DOW in FY 2016.

In FY 2015, GASB 75 was issued which required the expense recognition and reporting of Other Postemployment Benefits (OPEB), the Deferred Inflows and Deferred Outflows of Resources, and the accounting recognition of the DOW's net OPEB liability. It was implemented by the DOW in FY 2018.

The implementation of these two (2) GASB pronouncements prompted government units to undertake actuarial studies to determine the Unfunded Actuarial Accrued Liabilities (UAAL) of each government employer. The State of Hawai'i (SOH) Employees Retirement System as the plan administrator of all SOH government employers engaged the services of actuary consultants to provide the annual actuarial reports for each participating SOH employer.

The actuarial study determines the annual required contributions of each SOH employer on an annual basis and provides each SOH employer a report of their UAAL every fiscal year end for accounting recognition and reporting in their Financial Statements.

The implementation of GASB 68 and GASB 75 created a huge impact to the DOW's Financial Statements when they were first implemented. A cumulative Net Pension Liability (NPL) was recorded for the first time in FY 2016 and the Net OPEB liability (NOL) was first recorded in FY 2018. As of June 30, 2019, the total NPL recorded was \$16,156,668 and NOL was \$8,459,304; representing a total sum of \$24,615,972 in long term obligations of the DOW.

The accounting recognition of these two long term liabilities subsequently reduced the DOW's Unrestricted Net Position. As a result, the matching dollar equivalent in assets (cash and investments) was restricted, which, in turn, reduced the amount of unrestricted funds available to the DOW. The NOL and NPL are calculated based on 30-year terms. This is significant in consideration of the proposed Board policy because it is very conservative to restrict (i.e. set aside) the full amount of the NOL and NPL in any given year.

Therefore, before the DOW finalizes the ongoing water rate study, it has been recommended that the funding of the NPL and NOL be addressed with a Board Policy to allow the DOW to manage its financial resources more effectively. The overall intent of the policy is to balance two key factors:

1. To restrict an appropriate amount of funds for the NPL and NOL to ensure sufficient funds are available, even in the event of a significant economic hardship.
2. To release an appropriate amount of funds from the total NPL and the total NOL, as those amounts represent a 30-year liability cost. The current practice of restricting the total amounts of each is overly conservative and prevents a significant portion of those funds from being available for the DOW's operating and CIP budget. Releasing a portion of the funds will also improve the proposed water rates in the ongoing water rate study.

Board Policy No. 31, attached, proposes a release 80% of the matching asset equivalent of the NPL & NOL. As of 6/30/19, the total NPL + NOL was \$24,615,972; therefore, 80% of that amount is \$19,962,777.60. This amount would be added to the DOW's spendable balance budgetary planning and funding of the DOW's operating and non-operating programs.

For the Board's consideration, the proposed policy recommendation of restricting 20% of the matching asset equivalent of the NPL and NOL is based on the judgment of the DOW staff. There are no known industry standards for pre-funding the NPL and NOL. The County of Kaua'i currently includes the annual NPL and NOL amounts in its annual budget, but does not fund these amounts beyond the next fiscal year. The DOW is recommending that a larger portion of the 30-year cost (i.e. the total NPL and total NOL) be set aside and restricted to ensure funds are available in the event of a significant economic hardship. Should the Board wish to be less conservative, an amount less than 20% of the matching asset equivalent can be chosen for the proposed Board Policy No. 31.

Table 1, on the next page, shows the corresponding amount of funds that would be restricted versus unrestricted based on the current total NPL + total NOL amount of \$24,615,972:

Table 1: Amount of Total 30-year Liability Cost (NPL + NOL) to be Restricted vs. Spendable

% Restricted for NPL + NOL	Equivalent Number of Years	Corresponding Amount Restricted	% Unrestricted for Spendable Balance	Corresponding Amount Unrestricted	Notes
0%	0	\$0	100%	\$24,615,972	These amounts would be less conservative than the recommended amount.
5%	1.5	\$1,230,799	95%	\$23,385,173	
10%	3	\$2,461,597	90%	\$22,154,375	
15%	4.5	\$3,692,396	85%	\$20,923,576	
20%	6	\$4,923,194	80%	\$19,692,778	
25%	7.5	\$6,153,993	75%	\$18,461,979	These amounts would be more conservative than the recommended amount.
30%	9	\$7,384,792	70%	\$17,231,180	
35%	10.5	\$8,615,590	65%	\$16,000,382	
40%	12	\$9,846,389	60%	\$14,769,583	
45%	13.5	\$11,077,187	55%	\$13,538,785	
50%	15	\$12,307,986	50%	\$12,307,986	
55%	16.5	\$13,538,785	45%	\$11,077,187	
60%	18	\$14,769,583	40%	\$9,846,389	
65%	19.5	\$16,000,382	35%	\$8,615,590	
70%	21	\$17,231,180	30%	\$7,384,792	
75%	22.5	\$18,461,979	25%	\$6,153,993	
80%	24	\$19,692,778	20%	\$4,923,194	
85%	25.5	\$20,923,576	15%	\$3,692,396	
90%	27	\$22,154,375	10%	\$2,461,597	
95%	28.5	\$23,385,173	5%	\$1,230,799	
100%	30	\$24,615,972	0%	\$0	<- Current fiscal policy.

**OPTIONS:**

**Option 1: Approve the proposed Board Policy No. 31 as recommended.**

Pros: If approved, the DOW's spendable balance will be increased by the matching asset equivalent of the NPL & NOL and will allow the DOW to use its Cash & Investment resources first before considering other financing options. The ongoing water study will be improved as more funds will be available to offset the proposed rate increases.

Con: The Unrestricted Net Position may become negative. The burden of funding the DOW's accrued liabilities is passed on to future rate payers.

**Option 2: Do Not Approve Board Policy No. 31 as recommended**

Pros: Higher cash reserves.

Cons: The burden of funding is carried on by the current rate payers and a higher financing requirement is needed to fund the proposed Capital Projects listed in the ongoing water rate study.

**Option 3: Approve Board Policy No. 31 with a different percentage restricted of the 30-year liability Cost.**

**Pros:** Similar to option 1, the DOW's spendable balance will be increased by the matching asset equivalent of the NPL & NOL and will allow the DOW to use its Cash & Investment resources first before considering other financing options.

**Cons:** Similar to Option 1.

MY/ein

Attachment: Board Policy No. 31 – Pre-funding the Net OPEB and Pension Liabilities

Mgrrp/January 2020/20-40/Discussion and Possible Action on Proposed Board Policy No. 31 to Fund the Net Pension Liability and the Net Other Post Employment Benefit Liability as determined by the Government Accounting Standards Board (1-24-20):ein

# **BOARD OF WATER SUPPLY POLICY NO. 31**

Pre-funding the Net Pension Liability and the Net Other Post-Employment Benefits (OPEB) Liability

## **I. Purpose**

1. To establish a funding policy for the Net Pension Liability and the Net OPEB Liability.
2. To increase the level of spendable balance for budgetary planning and funding the operating and non-operating programs of the DOW.

## **II. Summary**

The DOW's financial statements use the Generally Accepted Accounting Principle (GAAP) and government accounting Standards Board (GASB) for accounting and reporting.

The introduction of GASB 68 and GASB 75 required every government unit to recognize their unfunded actuarial accrued liabilities related to pension and other post-employment benefits. The implementation of GASB 68 and GASB 75 created a huge impact on the DOW's financial statements because the unfunded actuarial accrued liabilities were assessed and recorded, creating two long term liabilities; the Net Pension Liability (NPL) and Net OPEB Liability (NOL). Consequently, the Net Position of the DOW was reduced for the same amounts of NPL and NOL (assets plus [+] deferred outflows less [-] liabilities and deferred inflows equals [=] net position). This accounting approach limited the DOW's ability to fund its ongoing operating and non-operating programs because the DOW's Net Position was reduced by the same amount of long term liabilities that were recorded for the NPL and NOL.

To maximize the DOW's use of financial resources, the matching funds in assets (Cash & Investments) for the NPL and NOL can be managed so that the DOW's matching Cash & Investment resources are not restricted to service these obligations. To implement this, the DOW may designate a fixed percentage annually to fund the total NOL & NPL. The remaining Cash and Investment matching fund to the NOL & NPL can be added to the Unrestricted Net Position balance, which will be used for budgetary planning and funding of the DOW's operating and non-operating programs.

## **III. Procedure:**

The NOL and NPL are long term obligations of the DOW; they are calculated as 30-year liability cost obligations. These obligations are not due immediately and therefore don't require immediate funding by DOW.

This policy establishes the guidelines of funding the NOL and NPL as follows:

1. The DOW shall create a Reserve for OPEB and Pension benefits (ROP). The ROP can be invested together with the COK's portfolio of Investments.
2. Effective immediately, the DOW shall set aside 20% of the prior year's audited NOL & NPL balance to fund the initial ROP.
3. Every June 30<sup>th</sup> thereafter, the DOW shall adjust the ROP balance equal to 20% of the audited NOL & NPL balance.

4. Consequently, the DOW shall adjust the spendable balance by adding the 80% matching asset equivalent of the audited NOL & NPL to the unrestricted net position balance for budgetary planning and funding appropriations.

#### IV. Terms used and definitions

1. The Net pension liability is the unfunded actuarial accrued pension of the DOW. This liability arises when the accumulated benefit obligation is greater than the fair value of the plan assets.
2. Net OPEB Liability is the unfunded portion of the accumulated health benefits for retirees.
3. The Net Position is a measure of available financial resources after total liabilities and deferred inflows of resources are subtracted from the total assets and deferred outflows of resources.
4. The Unrestricted Net Position is the remaining funds after subtracting net investments in capital assets and restricted funds.

APPROVED BY:

\_\_\_\_\_  
Chairperson, Board of Water Supply

Date: \_\_\_\_\_

RE: **BOARD OF WATER SUPPLY POLICY NO. 31**  
Pre-funding the Net OPEB and Pension Liabilities

Effective Date: \_\_\_\_\_



# DEPARTMENT OF WATER

County of Kaua'i

*"Water has no Substitute – Conserve It!"*

**MANAGER'S REPORT No. 20-41**

January 24, 2020

Re: Discussion and Possible Action to approve funding for the Waiahi Surface Water Treatment Plant per the Water Treatment and Delivery Agreement in the amount of \$2,821,347.00

**RECOMMENDATION:**

It is recommended that the Board approve funding in the amount of \$2,821,347.00 for the Waiahi Surface Water Treatment Plant per the Water Treatment and Delivery Agreement.

**FUNDING: Water Utility/Capital Outlay/R&R**

Account No.	10-01-00-604-169			
Acct Description	WU-Admin-Replacement Capital Purchases-Waiahi SWTP			
*Funds Available	<i>Water Utility Fund Unrestricted Balance</i>		\$	*See Note below
Contract No.	N/A			
Vendor	Grove Farm			
Funds required per Water Treatment and Delivery Agreement		\$	\$2,821,347.00	
	<i>Remaining Water Utility Fund Unrestricted Balance</i>		\$	*See Note below

\*Note: This amount will be provided following Board action on Manager's Report No. 20-40.

**BACKGROUND:**

The Board of Water entered into the Water Treatment and Delivery Agreement ("Agreement") with Grove Farm on February 19, 2004. The Agreement was made effective February 19, 2004 and, per Section 3. Term of Agreement, "...this Agreement, unless earlier terminated in accordance with Section 17, shall terminate fifteen (15) years after the Effective Date or upon dedication of the Facility to BWS, whichever occurs first, except to the extent specifically provided to the contrary in this Agreement. If the Facility has not been dedicated to BWS within the initial fifteen (15) year term of this Agreement, the term of this Agreement shall be automatically extended for successive two (2) year periods (the "Renewal Term(s)") unless and until (i) the Facility is dedicated to BWS, (ii) either party delivers to the other written notice of such party's election to terminate this Agreement at least ninety (90) days prior to the conclusion of the initial term or any successive two (2) year term (the "Termination Notice") or (iii) the parties mutually agree to terminate this Agreement. In the event a timely Termination Notice is given, this Agreement shall terminate at the conclusion of the initial fifteen (15) year term or Renewal Term during which the Termination Notice is given."

The Facility has not been dedicated to the BWS and is therefore in the first two (2) year Renewal period.

Section 12.e of the Agreement states “In the event of a change in regulations applicable to the Facility requiring the upgrade of the Facility or in the event the parties mutually approve a capital improvement to the Facility, the parties shall cooperate to undertake any such required upgrade. The cost of any such upgrade required prior to BWS’s exercise of the Dedication Option shall be borne 66.66% by BWS and 33.34% by Grove Farm. The method of payment for any such upgrade shall be mutually approved by the parties and may include, without limitation, cash payment, refinancing, or other methods. Any upgrade required post-dedication shall be the responsibility of BWS”.

Over the past year, Grove Farm has indicated that various components within the treatment plant must be replaced as they are nearing the end of their useful life. The most significant items to be replaced are the water filtration membranes, which have an expected life of 10-15 years. Please refer to the correspondence from Grove Farm dated November 19, 2019 shown in Attachment 1. DOW staff have reviewed the cost estimates provided by Grove Farm and worked with them, as well as their engineering consultants, to verify and ensure that each item is required for the Waiahi Surface Water Treatment Plant to continue to operate in compliance with all applicable drinking water standards. The DOW’s response to Grove Farm’s November 19, 2019 letter is shown in Attachment 2 (“DOW Response dated November 27, 2019”).

A comprehensive list of the items included in this replacement project, and the corresponding cost estimate, is shown in Attachment 3. Additional details for the project management and field support services to be provided by Aqua Engineers is also included. These documents have been reviewed thoroughly and the DOW is recommending Board approval of funding for this work.

Per Section 12.e. of the Agreement, the method of payment shall be mutually approved by both parties. Per the December 11, 2019 letter, Grove Farm is requesting a lump sum payment in the amount of \$2,821,347.00 based on the cost estimates provide. This amount is an estimate and the actual costs will be provided once a construction contract is awarded. Should the construction costs be higher than the estimate provided, the DOW would then owe 2/3 of the difference to Grove Farm. Similarly, should the actual costs be lower than the estimated amount, Grove Farm will then owe the difference to the DOW, to be calculated based on a 2/3 DOW and 1/3 Grove Farm basis.

This Manager’s Report is being submitted by the former Manager and Chief Engineer to address the November 19, 2019 request submitted by Grove Farm.

**OPTIONS:**

**Option 1: Approve funding in the amount of \$2,821,347.00 as recommended.**

Pros: The DOW will be in compliance with the Water Treatment and Delivery Agreement. Funds will be approved for the Waiahi SWTP to continue to be maintained and operated properly, ensuring compliance with applicable drinking water standards. Grove Farm has been proactive in ordering the replacement membranes and it is appropriate for the DOW to make payment now to keep in step with the intent of the Water Treatment and Delivery Agreement.

Con: Additional funds will be expended which were not included in the current FY 2020 budget. Because the funding request is based on an estimate, an adjustment will need to be made once the actual costs for construction are known. Therefore, it is possible that additional funds will be needed for this work.

**Option 2: Do not approve funding in the amount of \$2,821,347.00.**

Pro: Funds will not be expended.

Con: The DOW will be at risk of violating the terms of the Water Treatment and Delivery Agreement. The operation and maintenance of the Waiahi SWTP would be jeopardized if the membranes are not replaced: compliance with applicable drinking water standards would eventually be compromised.

**Option 3: Defer approval of funding in the amount of \$2,821,347.00 and wait until the actual construction cost is known.**

Pro: The actual construction cost will need to be used to adjust any balance between DOW and Grove Farm.

Con: Grove Farm is requesting payment now, as they have been proactive in ordering the replacement membranes and it is appropriate for the DOW to make payment now to keep in step with the intent of the Water Treatment and Delivery Agreement.

BW/ein

Attachment(s):

1. Correspondence from Shawn Shimabukuro, Grove Farm Company, RE: Waiahi Surface Water Treatment Plant Upgrades, November 19, 2019
2. Correspondence from Bryan Wienand, Department of Water, County of Kaua'i, RE: Waiahi Surface Water Treatment Plant Upgrades dated November 27, 2019
3. Cost Estimate for Waiahi Surface Water Treatment Plant Replacement Costs and Correspondence from Grove Farm dated December 11, 2019.

Mgrrp/January 2020/20-41/Discussion and Possible Action to approve funding for the Waiahi Surface Water Treatment Plant per the Water Treatment and Delivery Agreement in the amount of \$2,821,347.00 (1-24-20):ein



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DEPARTMENT OF WATER  
COUNTY OF KAUAI

November 19, 2019

Mr. Bryan Wienand, P. E., Manager-Chief Engineer  
Department of Water, County of Kaua'i  
4398 Pua Loke Street  
Lihu'e, Hawai'i 96766

**Re: Waiahi Surface Water Treatment Plant Upgrades**

Dear Mr. Wienand:

Grove Farm's continued delivery to the Department of Water of up to 3.0 million gallons of potable water per day from the Waiahi Surface Water Treatment Plant is of utmost importance to Kaua'i, due to the fact that about 15,000 residents and businesses rely on this for their various water needs. We take this responsibility seriously and continue to keep the plant maintained in its optimal condition.

We have met and discussed, on many occasions, the upgrade of the Waiahi Surface Water Treatment Plant. We have stressed the need to replace the membranes, which is critical for the plant to continue operating and providing the people of Kaua'i with safe drinking water.

Despite not getting your concurrence to move forward with the membrane replacement, we will proceed with the necessary upgrades. As such, we will be ordering the replacement membranes and equipment needed to keep the plant operating as we cannot risk jeopardizing this island's most critical potable water facility.

It is in the island's best interest that we proceed, as any further delays may be detrimental to the Department of Water's responsibility to provide potable water to its customers. Please feel free to contact me at (808) 632-2525 if you wish to discuss further.

Sincerely,

Shawn Shimabukuro  
Vice President



November 27, 2019

Grove Farm  
3-1850 Kaumuali'i Highway  
Līhu'e, HI 96766-8609  
**Attn: Ms. Shawn Shimabukuro**

Dear Ms. Shimabukuro:

**Subject: Waiahi Surface Water Treatment Plant Upgrades**

The Department of Water, County of Kaua'i (KDOW) is in receipt of your November 25, 2019 letter regarding the Waiahi Surface Water Treatment Plant (SWTP) Upgrades. We sincerely appreciate your continued commitment and partnership in ensuring that the Waiahi SWTP operates in compliance with all applicable drinking water standards.

We agree that the membranes should be replaced and, as previously stated, we have a fiduciary duty to our ratepayers to review the information provided and ensure that the costs associated with the Waiahi SWTP upgrades are for replacement only. Any costs attributable to an expansion in existing capacity will not be shared by the KDOW per Section 12.e. of the Water Treatment and Delivery Agreement. In our most recent meetings and previous correspondence, we have communicated that the cost estimates provided must clearly indicate that the costs are strictly limited to replacement items for the continued operation and maintenance of the plant at its existing capacity. We appreciate the efforts of you and your staff to work collaboratively towards that end.

We are nearly finalized with our review of all of the cost information submitted to the KDOW and anticipate presenting a report to the Board of Water Supply at the upcoming December 20, 2019 meeting to request approval of the funds needed to address your request and comply with the Water Treatment and Delivery Agreement.

We appreciate your understanding in this matter. Please feel free to contact me at [bwienand@kauaiwater.org](mailto:bwienand@kauaiwater.org).

Sincerely,

A handwritten signature in blue ink that reads "Bryan Wienand".

Bryan Wienand, P.E.  
Manager and Chief Engineer

Attachment 1: November 25, 2019 Letter from Grove Farm



2019 DEC 17 AM 10:43

December 11, 2019

Mr. Bryan Wienand, P. E.  
Department of Water, County of Kaua'i  
4398 Pua Loke Street  
Lihu'e, Hawai'i 96766

**Re: Waiahi Surface Water Treatment Plant Operational Maintenance**

Dear Mr. Wienand:

In response to your questions regarding the Waiahi Surface Water Treatment Plant operational maintenance of the existing 3.0 MGD facility, please find the following responses:

**1. Membrane Replacement for the 3.0 MGD Plant:**

The latest proposals from Suez and Aqua Engineers for the replacement of the existing 3.0 MGD membranes are reflected in the attached Opinion of Probable Construction Cost (OPCC), revised December 11, 2019. [Exhibit 1]

Note, there was also a typographical error in *Line 4* under *Yard Piping*. The correction was made to reflect \$150,000, versus \$100,000.

**2. Detention Basins:**

The construction plan calls for three detention basins and two drying beds to resolve the existing exceedances of certain parameters in the National Pollutant Discharge Elimination System (NPDES) permit for the plants discharge water.

In working with the existing basin and Dr. Stephen Duranceau, it has been proven that extending the settling time of the discharge water results in improved water quality. Doubling the detention time with two basins will yield positive result. A third basin will not only extend the settling time but serves as a standby basin for operator maintenance. That is, the plant can continue to operate without having to take the plant off-line for cleaning when silt is being pumped into the drying beds.

Bryan Wienand  
Waiahi Surface Water Treatment Plant Operational Maintenance  
December 11, 2019  
Page -2-

Drying beds were designed to capture the silt and allow adequate drying time before being properly disposed of. The two drying beds allows adequate drying time to occur without having a break in maintenance of the basins.

Attached is an OPCC that reflects the cost of the three detention basins and two drying beds [Exhibit 2]. The Board of Water Supply column reflects two-thirds of the cost to support a 3.0 MGD discharge system.

**3. Electrical Work:**

Attached is an itemized list of electrical work from Ronald Ho & Associates, Inc. [Exhibit 3]. The DOW portion of the costs is estimated based on a 2/3 – 1/3 basis of a 3.0 MGD allocation (2.0 MGD for DOW).

**4. Payment:**

Of your two proposals, we would prefer that the payment from the Board of Water Supply be made upfront and we can reconcile any differences once we have final construction costs.

Should you have any questions, please do not hesitate to contact me at (808) 632-2525.

Sincerely,



Shawn Shimabukuro

Enclosures

**Waiahi WTP Renovation  
Maintaining 3.0 MGD  
Opinion of Probable Construction Costs**

**EXHIBIT 1**

Item No.	Quantity	Unit	Description	Unit Estimate	Grove Farm Total 33.33%	BWS Total 66.67%
<b>SITEWORK<sup>1</sup></b>						
1	1	LS	Mobilization & Demobilization (not to exceed 2% of Total Sum Bid)	\$ 100,000	\$ 33,333	\$ 66,667
2	1.44	Acre	Clearing & Grubbing, including demolition of existing shed at Off-site Detention Basins, in place complete	\$ 14,876	\$ 7,140	\$ 14,281
3	4151	CY	Excavation, in place complete	\$ 30	\$ 41,510	\$ 83,020
4	2673	CY	Embankment, in place complete.	\$ 15	\$ 13,365	\$ 26,730
5	1	LS	Erosion Control, including temp silt fence, temp wheel wash area, temp ground cover & erosion control fabric	\$ 11,950	\$ 3,983	\$ 7,966
6	16	SY	Rip-rap Lined Embankment Swale, in place complete	\$ 450	\$ 2,400	\$ 4,800
7	956	LF	Chain Link Fence, including warning signs, in place complete	\$ 80	\$ 25,493	\$ 50,987
8	1	EA	Chain Link Gate, 18' Wide X 6' High at Off-site Detention Basins, in place complete.	\$ 2,500	\$ 833	\$ 1,667
9	1	EA	Chain Link Pedestrian Gate, 30" Wide X 6' High at Drain/Reject Water Pump Station, in place complete	\$ 1,000	\$ 333	\$ 667
10	2434	SY	Asphalt Concrete Pavement, including base course, in place complete	\$ 80	\$ 64,907	\$ 129,813
11	1055	LF	Concrete curb, in place complete	\$ 55	\$ 19,342	\$ 38,683
12	1321	LF	Concrete header, in place complete	\$ 45	\$ 19,815	\$ 39,630
13	8	EA	Concrete drop curb, in place complete	\$ 250	\$ 667	\$ 1,333
14	13	EA	Bollards, in place complete.	\$ 800	\$ 3,467	\$ 6,933
15	2	EA	Ring Buoy, including pipe stand, in place complete	\$ 500	\$ 333	\$ 667
<b>YARD PIPING<sup>1</sup></b>						
1	1	LS	Pre-lube Line for Existing Reservoir Intake Pumps, including fittings and appurtenances, in place complete	\$ 58,000	\$ 19,333	\$ 38,667
2	1	LS	Flocculation Tank Inlet Line, including fittings, valves, and appurtenances, cutting, removing and relocating	\$ 123,000	\$ 41,000	\$ 82,000
3	1	LS	Drainline "A", including connection to existing drain manholes & modifications to existing DMH "A-2"	\$ 29,000	\$ 9,667	\$ 19,333
4	1	LS	Drainline "B," including headwall with ungrouted rip rap, & drain manholes, in place complete	\$ 150,000	\$ 50,000	\$ 100,000
5	1	LS	Drainline "C", including headwalls, in place complete	\$ 24,000	\$ 8,000	\$ 16,000



**Waiahi WTP Renovation  
Maintaining 3.0 MGD  
Opinion of Probable Construction Costs**

**EXHIBIT 1**

Item No.	Quantity	Unit	Description	Unit Estimate	Grove Farm Total 33.33%	BWS Total 66.67%
6	1	LS	Force Mains "A", "B" & "C", including fittings, valves & appurtenances, & concrete blocks	\$ 130,000	\$ 43,333	\$ 86,667
7	1	LS	Off-Site Detention Basin Inlet & Outlet Lines, including residuals discharge connection	\$ 69,182	\$ 23,061	\$ 46,121
8	1	LS	Residuals Discharge Lines "A" & "B", including fittings, valves & appurtenances & concrete blocks	\$ 28,302	\$ 9,434	\$ 18,868
9	1	LS	Residuals Drying Beds Inlet Lines, including fittings, valves & appurtenances, concrete blocks	\$ 75,472	\$ 25,157	\$ 50,315
<b>STRAINER SYSTEM<sup>1</sup></b>						
1	1	LS	16" Automatic Backwashing Strainer, including removal & disposal of ex. strainer, drain & backwash lines	\$ 120,000	\$ 40,000	\$ 80,000
<b>PUMP GALLERY IMPROVEMENTS<sup>1</sup></b>						
1	1	LS	Liquid Level Sensor Alarm System, in place complete	\$ 5,000	\$ 1,667	\$ 3,333
2	1	LS	8" Butterfly Valve on Permeate Line to Backpulse Tank, in place complete	\$ 5,000	\$ 1,667	\$ 3,333
3	1	LS	Replace Existing Membrane Tank Level Transmitters. (Transmitters furnished by SUEZ. See Bid Item G-1.)	\$ 10,000	\$ 3,333	\$ 6,667
4	1	LS	Combined Permeate Turbidimeter, including sampling line & revisions to sample drains & control wiring	\$ 10,000	\$ 3,333	\$ 6,667
<b>DRAIN/REJECT WATER PUMP STATION<sup>1</sup></b>						
1	1	LS	Drain/Reject Water Pump Station Concrete Wet Well & Pipe Support, including structural excavation	\$ 44,025	\$ 14,675	\$ 29,350
2	1	LS	Drain/Reject Water Pump System, including liquid level sensor, transducer, pump accessories, access hatch	\$ 69,182	\$ 23,061	\$ 46,121
3	1	LS	Drain/Reject Water Piping, including fittings, valves & appurtenances, & connection to existing drain line	\$ 62,893	\$ 20,964	\$ 41,929
<b>MEMBRANE UNIT REPLACEMENT<sup>2</sup></b>						
1	1	LS	Membrane Unit Upgrades by SUEZ, all in accordance with SUEZ's proposal dated 9/6/2019.	\$ 1,015,545	\$ 338,515	\$ 677,030
2	1	LS	Installation of Membrane Unit Upgrades by SUEZ, in place complete. Aqua Engineers, proposal dated 9/16/2019	\$ 160,941	\$ 53,647	\$ 107,294

**Waiahi WTP Renovation  
Maintaining 3.0 MGD  
Opinion of Probable Construction Costs**

**EXHIBIT 1**

Item No.	Quantity	Unit	Description	Unit Estimate	Grove Farm Total 33.33%	BWS Total 66.67%
3	1	LS	Taxes & Additional US Customs Duty Fees, in accordance with SUEZ's proposal	\$ -	\$ -	\$ -
<b>LINER FOR OFF-SITE DETENTION BASINS<sup>1</sup></b>						
1	1	LS	Liner for Off-Site Detention Basins, including geotextile fabric, anchoring battens & trenches	\$ 119,497	\$ 39,832	\$ 79,665
<b>PORTABLE PUMP FOR RESIDUALS TRANSFER<sup>3</sup></b>						
1	1	LS	Portable Pump for Residuals Transfer, including wheel kit & hoses, in place complete.	\$ 41,024	\$ 13,675	\$ 27,349
<b>GENERATOR BUILDING<sup>1</sup></b>						
1	1	LS	Generator Building	\$ 350,000	\$ 116,667	\$ 233,333
2	1	LS	Emergency Generator System	\$ 300,000	\$ 100,000	\$ 200,000
2	1	LS	Painting and Coating	\$ 28,000	\$ 9,333	\$ 18,667
<b>ELECTRICAL WORK<sup>1</sup></b>						
1	1	LS	Electrical Work, in place complete.	\$ 493,192	\$ 164,397	\$ 328,795
				<b>Total Estimate =</b>	<b>\$ 1,410,674</b>	<b>\$ 2,821,347</b>

**NOTES:**

1. Costs based on the Engineer's OPCC (Pre-Final Submittal),
2. Costs based on proposals (Suez proposal dated 9/6/2019 for 3.00 MGD) (Aqua Engineers proposal dated 9/16/2019), and
3. Cost per budget price provided by Engineered Systems Hawaii dated 5/15/2019, plus shipping.

**Waiahi WTP Renovation**  
**DETENTION BASINS and DRYING BEDS ONLY**  
**Opinion of Probable Construction Costs**

**EXHIBIT 2**

Item No.	Quantity	Unit	Description	Unit Estimate	Grove Farm Pro-Rata Share	BWS Pro-Rata Share
<b>SITework<sup>1</sup></b>						
1	1	LS	Mobilization & Demobilization (not to exceed 2% of Total Sum Bid)	\$ 100,000	\$ 58,071	\$ 66,667
2	2.29	Acre	Clearing & Grubbing, including demolition of existing shed at Off-site Detention Basins, in place complete	\$ 14,876	\$ 19,783	\$ 14,281
3	6600	CY	Excavation, in place complete	\$ 30	\$ 114,981	\$ 83,020
4	4250	CY	Embankment, in place complete.	\$ 15	\$ 37,020	\$ 26,730
5	1	LS	Erosion Control, including temp silt fence, temp wheel wash area, temp ground cover & erosion control fabric	\$ 19,000	\$ 11,034	\$ 7,966
6	26	SY	Rip-rap Lined Embankment Swale, in place complete	\$ 450	\$ 6,794	\$ 4,800
7	1520	LF	Chain Link Fence, including warning signs, in place complete	\$ 80	\$ 70,615	\$ 50,987
8	1	EA	Chain Link Gate, 18' Wide X 6' High at Off-site Detention Basins, in place complete.	\$ 2,500	\$ 833	\$ 1,667
9	1	EA	Chain Link Pedestrian Gate, 30" Wide X 6' High at Drain/Reject Water Pump Station, in place complete	\$ 1,000	\$ 333	\$ 667
10	3870	SY	Asphalt Concrete Pavement, including base course, in place complete	\$ 80	\$ 179,789	\$ 129,813
11	1677	LF	Concrete curb, in place complete	\$ 55	\$ 53,562	\$ 38,683
12	2100	LF	Concrete header, in place complete	\$ 45	\$ 54,877	\$ 39,630
13	13	EA	Concrete drop curb, in place complete	\$ 250	\$ 1,887	\$ 1,333
14	20	EA	Bollards, in place complete.	\$ 800	\$ 9,291	\$ 6,933
15	2	EA	Ring Buoy, including pipe stand, in place complete	\$ 500	\$ 581	\$ 667
<b>YARD PIPING<sup>1</sup></b>						
1			Pre-lube Line for Existing Reservoir Intake Pumps, including fittings and appurtenances, in place complete			
2			Flocculation Tank Inlet Line, including fittings, valves, and appurtenances, cutting, removing and relocating			
3	1	LS	Drainline "A", including connection to existing drain manholes & modifications to existing DMH "A-2"	\$ 29,000	\$ 9,667	\$ 19,333
4	1	LS	Drainline "B," including headwall with ungrouted rip rap, & drain manholes, in place complete	\$ 150,000	\$ 50,000	\$ 100,000
5	1	LS	Drainline "C", including headwalls, in place complete	\$ 24,000	\$ 8,000	\$ 16,000

**Waiahi WTP Renovation**  
**DETENTION BASINS and DRYING BEDS ONLY**  
**Opinion of Probable Construction Costs**

**EXHIBIT 2**

Item No.	Quantity	Unit	Description	Unit Estimate	Grove Farm Pro-Rata Share	BWS Pro-Rata Share
6	1	LS	Force Mains "A", "B" & "C", including fittings, valves & appurtenances, & concrete blocks	\$ 130,000	\$ 43,333	\$ 86,667
7	1	LS	Off-Site Detention Basin Inlet & Outlet Lines, including residuals discharge connection	\$ 69,182	\$ 63,878	\$ 46,121
8	1	LS	Residuals Discharge Lines "A" & "B", including fittings, valves & appurtenances & concrete blocks	\$ 28,302	\$ 26,132	\$ 18,868
9	1	LS	Residuals Drying Beds Inlet Lines, including fittings, valves & appurtenances, concrete blocks	\$ 75,472	\$ 69,686	\$ 50,315
<b>STRAINER SYSTEM<sup>1</sup></b>						
1			16" Automatic Backwashing Strainer, including removal & disposal of ex. strainer, drain & backwash lines			
<b>PUMP GALLERY IMPROVEMENTS<sup>1</sup></b>						
1			Liquid Level Sensor Alarm System, in place complete			
2			8" Butterfly Valve on Permeate Line to Backpulse Tank, in place complete			
3			Replace Existing Membrane Tank Level Transmitters. (Transmitters furnished by SUEZ. See Bid Item G-1.)			
4			Combined Permeate Turbidimeter, including sampling line & revisions to sample drains & control wiring			
<b>DRAIN/REJECT WATER PUMP STATION<sup>1</sup></b>						
1	1	LS	Drain/Reject Water Pump Station Concrete Wet Well & Pipe Support, including structural excavation	\$ 44,025	\$ 40,650	\$ 29,350
2	1	LS	Drain/Reject Water Pump System, including liquid level sensor, transducer, pump accessories, access hatch	\$ 69,182	\$ 63,878	\$ 46,121
3	1	LS	Drain/Reject Water Piping, including fittings, valves & appurtenances, & connection to existing drain line	\$ 62,893	\$ 58,071	\$ 41,929
<b>MEMBRANE UNIT REPLACEMENT<sup>2</sup></b>						
1			Membrane Unit Upgrades by SUEZ, all in accordance with SUEZ's proposal dated 9/6/2019.			
2			Installation of Membrane Unit Upgrades by SUEZ, in place complete. Aqua Engineers, proposal dated 9/16/2019			

**Waiahi WTP Renovation**  
**DETENTION BASINS and DRYING BEDS ONLY**  
**Opinion of Probable Construction Costs**

Item No.	Quantity	Unit	Description	Unit Estimate	Grove Farm Pro-Rata Share	BWS Pro-Rata Share
3			Taxes & Additional US Customs Duty Fees, in accordance with SUEZ's proposal			
<b>LINER FOR OFF-SITE DETENTION BASINS<sup>1</sup></b>						
1	1	LS	Liner for Off-Site Detention Basins, including geotextile fabric, anchoring battens & trenches	\$ 119,497	\$ 110,335	\$ 79,665
<b>PORTABLE PUMP FOR RESIDUALS TRANSFER<sup>3</sup></b>						
1	1	LS	Portable Pump for Residuals Transfer, including wheel kit & hoses, in place complete.	\$ 41,024	\$ 13,675	\$ 27,349
<b>GENERATOR BUILDING<sup>1</sup></b>						
1			Generator Building			
2			Emergency Generator System			
3			Painting and Coating			
<b>ELECTRICAL WORK<sup>1</sup></b>						
1	1	LS	Electrical Work, in place complete.	\$ 493,192	\$ 455,381	\$ 328,795
				<b>Total Estimate =</b>	<b>\$ 1,632,139</b>	<b>\$ 1,364,357</b>

**NOTES:**

1. Costs based on the Engineer's OPCC (Pre-Final Submittal),
2. Costs based on proposals (Suez proposal dated 9/6/2019 for 3.00 MGD) (Aqua Engineers proposal dated 9/16/2019), and
3. Cost per budget price provided by Engineered Systems Hawaii dated 5/15/2019, plus shipping.

DETAILED ELECTRICAL CONSTRUCTION COST ESTIMATE					
Date: 2018-07-09					
Est. by: Ronald Ho & Assoc., Inc.					
Design: 90%					
Proj. Title: Waiahi Water Treatment Plant Initial Upgrades					
PROPOSAL	ITEM DESCRIPTION	QUANTITY		ENGINEERING ESTIMATE	
		NUMBER	UNIT	UNIT	TOTAL
E-1	WIAIHI WTP NEW ELECTRICAL				
	DEMOLITION WORK	1	LS	500.00	500
	TRENCH & BACKFILL	660	LF	50.00	33,000
	CONCRETE	33	CY	350.00	11,550
	CONCRETE PAD	1	EA	3,000.00	3,000
	SERVICE CONDUCTORS AND CONDUIT	500	LF	100.00	50,000
	PUMP FEEDER AND CONDUIT	1,400	LF	70.00	98,000
	PUMP CONTROLS AND CONDUIT	850	LF	20.00	17,000
	PUMP INSTRUMENTATION AND CONDUIT	950	LF	20.00	19,000
	SAFETY DISCONNECT SWITCH, NEMA 4XSS	4	EA	13,500.00	54,000
	EQUIPMENT CONNECTIONS	20	EA	1,000.00	20,000
	24"SQ X 8"D JUNCTION BOX, NEMA 4XSS	1	EA	2,800.00	2,800
	8"SQ X 6"D JUNCTION BOX, NEMA 4XSS	1	EA	2,000.00	2,000
	6"SQ X 6"D JUNCTION BOX, NEMA 4XSS	2	EA	1,200.00	2,400
	12"H X 8"W X 6"D JUNCTION BOX, NEMA 4XSS	2	EA	2,000.00	4,000
	24"SQ X 8"D JUNCTION BOX	1	EA	600.00	600
	8"SQ X 6"D JUNCTION BOX	1	EA	200.00	200
	12"H X 8"W X 6"D JUNCTION BOX	1	EA	400.00	400
	12"X20" ELECTRIC PULLBOX	3	EA	1,000.00	3,000
	12"X20" CONTROLS PULLBOX	3	EA	1,000.00	3,000
	12"X20" INSTRUMENTATION PULLBOX	3	EA	1,000.00	3,000
	DUPLEX RECEPTACLE	7	EA	150.00	1,050
	TYPE "A" LIGHT FIXTURE	6	EA	950.00	5,700
	TYPE "B" LIGHT FIXTURE	4	EA	700.00	2,800
	1P20A LIGHT SWITCH	3	EA	200.00	600
	LOADCENTER	1	EA	750.00	750
	LOADCENTER FEEDER AND CONDUIT	130	LF	70.00	9,100
	BUILDING GROUNDING SYSTEM	1	LS	500.00	500
	TESTING OF SYSTEM	1	LS	10,000.00	10,000
	MODIFICATIONS TO EXISTING SCADA SYSTEM	1	LS	5,000.00	5,000
	MISCELLANEOUS	1	LS	30,000.00	30,000
	SUB-TOTAL				392,950
	OVERHEAD	15%			58,943
	SUB-TOTAL				451,893
	PROFIT	15%			67,784
E-1	WIAIHI WTP NEW ELECTRICAL				\$519,676

DETAILED ELECTRICAL CONSTRUCTION COST ESTIMATE					
Date: 2018-07-09					
Est. by: Ronald Ho & Assoc., Inc.					
Design: 90%					
Proj. Title: Waiahi Water Treatment Plant Initial Upgrades					
PROPOSAL	ITEM DESCRIPTION	QUANTITY		ENGINEERING ESTIMATE	
		NUMBER	UNIT	UNIT	TOTAL
E-2	WAI AHI WTP MOTOR CONTROL CENTER				
	RESERVOIR INTAKE MOTOR CONTROL CENTER	1	EA	200,000.00	200,000
	SUB-TOTAL				200,000
	OVERHEAD	15%			30,000
	SUB-TOTAL				230,000
	PROFIT	15%			34,500
E-2	WAI AHI WTP MOTOR CONTROL CENTER				\$264,500
	SUMMARY				
E-1	WAI AHI WTP NEW ELECTRICAL				519,676
E-2	WAI AHI WTP MOTOR CONTROL CENTER				264,500
	TOTAL ELECTRICAL CONSTRUCTION COST ESTIMATE				\$784,176

September 16, 2019

Mr. William Eddy, PE  
Vice President  
Kodani & Associates Engineers, LLC

Subject: Waiahi Water Treatment Plant (WTP) – Upgrade  
Proposal for on-site support and SCADA upgrade

Dear Mr. Eddy,

Aqua Engineers, Inc. appreciates the opportunity to assist with the Waiahi WTP upgrade and the following is our proposal for project management and field support services for Waiahi WTP upgrade.

**Scope of Services**

1. Labor to remove existing membrane cassettes utilizing existing bridge crane.
2. Labor to install a total of 336 new ZeeWeed 500D 440ft. drinking water membrane modules supplied by Suez and delivered to site, utilizing existing bridge crane.
3. Labor to dispose of membrane module preservatives as well as retired membrane modules and cassettes components. Disposal of used membranes and components will be to the landfill assuming no special preparation prior to disposal will be needed. Disposal for diluted glycerin water will be to Puhi Sewer WWTP for a total of 80 loads (20 loads/train over two weeks period).
4. Labor to clean empty shipping frames by pressure washing, assuming no additional/special preparation prior to return shipping will be needed.
5. Labor to assist in removal of the existing hardware and installation of the new hardware, supplied by Suez and delivered to the site.
6. Labor to install one (1) MIT pressure relief valve, supplied by Suez and delivered to the site.
7. Labor to assist in retrofit of the existing cassettes to accept the new 440 ft. membranes, and blank modules, supplied by Suez and delivered to the site.
8. Coordinate PLC/HMI replacement as it relates to the plant operations.
9. Labor to receive, off-load and handle the material upon delivery to the site. Membranes will be stored in the shipping crates outdoors as delivered to the site until the installation. No special shelter will be provided for the crates.
10. Loading dock, extended forks and experienced forklift driver, cranes, and scissor lifts as needed for material off-loading and handling at the site.
11. One operator on site for a period of 15 working days of 8 hr/day to assist with installation and commissioning process for removal of existing membranes/cassettes, refurbish existing cassette retrofit kits, install new membrane modules, upload required revisions to the PLC program with adjusted set-points and perform bubble test.
12. One operator on site for a period of 3 working days of 8 hr/day to assist with performance test.
13. Plant SCADA Hardware – provide and install SCADA Software/Hardware as shown in the Attachment A (by Glenmount Global Solution):
14. Plant SCADA Engineering Services – as shown in the Attachment A (by Glenmount Global Solution):



Exclusions:

1. Existing crane capacity upgrade;
2. Material and labor for the replacement of the membrane tank level transmitters;
3. Any special preparation of the membrane modules prior to disposal to the landfill;
4. Any special preparation of the shipping frame for return to the supplier.
5. Material delivery to the site.
6. Temperature controlled/refrigerated container for material storage upon delivery.
7. Shelter for membrane crates.
8. Membrane cleaning and neutralizing chemicals.
9. Labor and material to rebuild permeate pumps.

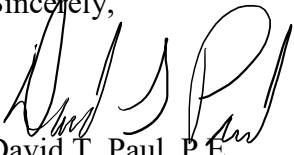
Compensation

We propose to perform the listed services for a total fee of **\$160,941.00 inclusive of State General Excise Tax**. Any additional services, not included in this proposal, shall be quoted separately. This proposal is valid for 90 days.

To authorize us to begin work, please return a signed copy of this form to our office, at your earliest convenience.

Thank you for the opportunity to offer our services. If you have any questions regarding this proposal, please contact Diana Kenjic at (808) 240-2206 or [Diana@aquaengineers.com](mailto:Diana@aquaengineers.com).

Sincerely,



David T. Paul, P.E.  
Senior Vice President,  
Director of Engineering  
& Construction Services

Approved by:

---

Bill Eddy, Vice President  
Kodani & Associates Engineers LLC

cc: File

---

Date

# DEPARTMENT OF WATER

County of Kaua'i

*"Water has no Substitute – Conserve It!"*

## MANAGER'S REPORT No. 20-42

January 24, 2020

Re: Discussion and Possible Action to transfer funds from the Professional Services Budget to the Operating Capital Outlay Budget in the amount of \$62,618.73

### **RECOMMENDATION:**

It is recommended that the Board approve a funds transfer from the Professional Services Budget to the Operating Capital Outlay Budget in the amount of \$62,618.73.

### **FUNDING:**

Account No.	10-20-10-540-010			
Acct Description	WU/Eng/Admin/Prof Services			
Funds Available				\$ 541,206.80
Transfer Funds to				
Account No.	10-20-00-604-169			
Acct Description	WU/Eng/AdminCapital Outlay – Rehab and Replacement/Capital Purchases			
	Current Balance	\$	0.00	
	Funds Transferred	\$	62,618.73	
Fund Balance				\$ 478,588.07

### **BACKGROUND:**

Contract NTP Date: December 17, 2018  
Original Contract End Date: September 12, 2019  
New Contract End Date: Estimate April 14, 2021

The Operations Division office area is overcrowded and there is no space to provide work stations for both vacant positions and positions currently filled. The Baseyard Master Plan Concept B that was adopted by the Board made available the Microlab 2<sup>nd</sup> floor for renovation with temporary offices to relieve the overcrowding situation. Meetings were conducted with IT staff, Operations staff and the Manager. Comments were provided and the Manager made the decision to move forward with the renovation of the Microlab 2<sup>nd</sup> floor to convert the old Board Room into office space. The new temporary offices will house the Chief of Operations, Assistant Chief of Operations, Water Field Superintendent, Water Plants Superintendent, Waterworks Program Technician and the Senior Account Clerk. This will open up much needed space in the current Operations Office to allow for the filling of vacant positions while also providing work stations for all UPW Working Supervisors including the Water Plant Operator, Construction and Maintenance Worker, Water Meter Mechanic, Maintenance Workers, Lead Pipefitters as well as the Water Service Investigator. Cleaning, reorganizing and constructing the new temp offices in the Microlab 2<sup>nd</sup> floor space will increase the amount of floor space for IT staff to utilize. A shared conference room will be available for use by both IT and Ops Admin staff. When the new

Ops Admin/Warehouse Building is constructed in Phase 1 of the Baseyard Master Plan, the temp offices in the Microlab 2<sup>nd</sup> floor can be repurposed for future use by other parties as deemed necessary by the Department.

The proposed amendment and funding are necessary to obtain the building permit and clearances to allow the Department to construct temporary office space needed to accommodate the growing division until the new operations building can be constructed. Funds from projects having professional services funds budgeted, but aren't anticipated to utilize them this fiscal year, will be used for this amendment: Develop Kapa'a Homesteads Well No. 4 Site Improvements. In the event that this project is able to be done this year, additional funds will be requested, if needed. We have reviewed the proposal from HDR for additional architectural and engineering services for the work and the fee of \$62,618.73 and find it acceptable.

**OPTIONS:**

**Option 1:**            **Approve the transfer of funds from the professional services budget to the operating capital outlay budget.**

Pro:                    This will allow DOW to obtain the necessary building permit and clearances to construct temporary offices for the Operations Division.

Con:                    None known.

**Option 2:**            **Do not approve the transfer of funds from the professional services budget to the operating capital outlay budget.**

Pro:                    None known.

Con:                    This will not allow DOW to obtain the necessary building permit and clearances to construct temporary offices for the Operations Division. The Operations Division will need to find an alternate solution to provide work stations and space for staff.

VR/KA:ein

Mgrrp/January 2020/20-42/Discussion and Possible Action to transfer funds from the Professional Services Budget to the Operating Capital Outlay Budget in the amount of \$62,618.73 (1-24-20):ein

# DEPARTMENT OF WATER

County of Kaua'i

*"Water has no Substitute – Conserve It!"*

## MANAGER'S REPORT No. 20-43

January 24, 2020

Re: Discussion and Possible Action for Board Approval to enter into a Memorandum of Agreement between the County of Kaua'i, Housing Agency and the Board of Water Supply, County of Kaua'i for the County's Pua Loke Affordable Housing Project

### **RECOMMENDATION:**

It is recommended that the Board approve Option 1 to enter a Memorandum of Agreement with the County of Kaua'i, Housing Agency for the County's Pua Loke Affordable Housing Project

**FUNDING:** N/A

### **BACKGROUND:**

The Housing Agency is developing an affordable housing project on Pua Loke Street in Līhu'e located at Tax Map Key (4) 3-8-005:029. As a part of the project, the County intends to include on-street parking within portions of the County Road along Pua Loke Street. The Board of Water Supply (BWS) has existing water facilities, including a water main, located within portions of the County Road along Pua Loke Street and desires to continue to operate and maintain the water systems which are beneath Pua Loke Street where the on-street parking would be located.

The Housing Agency is not willing to relocate the existing water main along Pua Loke Street due to the anticipated costs of doing so. Therefore, this Agreement has been made so that the Housing Agency agrees to be responsible for the removal or towing of any vehicles located above the existing water facilities, including any damage or loss to the vehicles as a result of the removal or towing, in the event water facility repair or maintenance is required.

Per the Agreement, the Housing Agency shall be responsible for procuring and maintaining a contract for towing services, the cost of such contracted services, and related services and materials to remove and/or tow any vehicles. The Housing Agency will ensure the towing services are available as-needed and will respond to BWS personnel calls for requests for such services. The Housing Agency contractor will be required to report damages to any vehicles as a result of their services directly to the Housing Agency. The Housing Agency will comply with due process obligations for towing.

Per the Agreement, should the BWS disturb the roadway in the event water facility repairs or maintenance are required, the BWS shall restore the ground to the extent that such restoration is suitable for public use at its own expense.

The County Attorney, County Director of Finance, and County Housing Agency Director have signed the document and the Board Chair is the last signature needed to execute the document.

**OPTIONS:**

**Option 1: Approve the Memorandum of Agreement.**

Pros: This will allow the Department of Water to enter into the Agreement with the County.

Per the Agreement, the Housing Agency agrees to be responsible for the removal or towing of any vehicles located above the existing water facilities, including any damage or loss to the vehicles as a result of the removal or towing, in the event water facility repair or maintenance is required.

Per the Agreement, the Housing Agency shall be responsible for procuring and maintaining a contract for towing services, the cost of such contracted services, and related services and materials to remove and/or tow any vehicles. The Housing Agency will ensure the towing services are available as-needed and will respond to BWS personnel calls for requests for such services. The Housing Agency contractor will be required to report damages to any vehicles as a result of their services directly to the Housing Agency. The Housing Agency will comply with due process obligations for towing.

Cons: Per the Agreement, should the BWS disturb the roadway in the event water facility repairs or maintenance are required, the BWS shall restore the ground to the extent that such restoration is suitable for public use at its own expense.

**Option 2: Do not approve the Memorandum of Agreement.**

Pros: None known.

Cons: The benefits listed in Option 1 will not be realized.

BW/ein

Attachment: Memorandum of Agreement: Pua Loke Affordable Housing Project, Lihu'e-Puhi-Hanamā'ulu Water System

Mgrrp/January 2020/20-43/Discussion and Possible Action for Board Approval to enter into a Memorandum of Agreement between the County of Kaua'i, Housing Agency and the Board of Water Supply, County of Kaua'i for the County's Pua Loke Affordable Housing Project (1-24-20):ein

MEMORANDUM OF AGREEMENT

FOR

PUA LOKE AFFORDABLE HOUSING PROJECT

LĪHU'E-PUHI-HANAMĀ'ULU WATER SYSTEM

THIS Memorandum of Agreement ("Agreement") effective as of January 24th 2020, by and between the BOARD OF WATER SUPPLY, COUNTY OF KAUA'I (hereinafter referred to as the "BWS"), whose business and mailing address is 4398 Pua Loke Street, Līhu'e, Hawai'i 96766 and the COUNTY OF KAUA'I by and through its HOUSING AGENCY (hereinafter referred to as the "Housing Agency"), whose principle place of business and mailing address is 4444 Rice Street, Suite 330, Līhu'e, Hawai'i 96766.

RECITALS

WHEREAS, the Housing Agency is developing an affordable housing project on Pua Loke Street in Līhu'e located at Tax Map Key (4) 3-8-005:029 (hereinafter referred to as the "Pua Loke Project"); and

WHEREAS, the Housing Agency intends to include on-street parking within portions of the County Road along Pua Loke Street as a part of the Pua Loke Project; and

WHEREAS, the BWS has existing water facilities located within portions of the County Road along Pua Loke Street; and

WHEREAS, the BWS desires to continue to operate and maintain the water systems beneath Pua Loke Street including the water facilities along Pua Loke Street the repair, operation, and maintenance of which would be affected by the on-street parking for the Pua Loke Project; and

WHEREAS, the Housing Agency is not willing to relocate the existing water main along Pua Loke Street due to the anticipated costs of doing so; and

WHEREAS, the Housing Agency agrees to be responsible for the removal or towing of any vehicles located above the existing water facilities including any damage or loss to the vehicles as a result of the removal or towing in the event water facility repair or maintenance is required.

NOW THEREFORE, in consideration of the mutual covenants and promises herein made, the parties do hereby agree as follows:

1. Responsibility of the Housing Agency.
  - a. In the event water facility repairs or maintenance are required by the BWS to ensure the proper operation of its water system the Housing Agency is responsible for the removal and/or towing of any vehicles located above the existing water facilities including any damage or loss to the vehicles as a result of the removal and/or towing.
  - b. The Housing Agency shall be responsible for procuring and maintaining a contract for towing services, the cost of such contracted services, and related services and materials to remove and/or tow any vehicles. The Housing Agency will ensure the towing services are available as-needed and will respond to BWS personnel calls for requests for such services. The Housing Agency contractor will be required to report damages to any vehicles as a result of their services directly to the Housing Agency. The Housing Agency will comply with due process obligations for towing.
2. Responsibility of the BWS.

- a. Should BWS disturb the roadway in the event water facility repairs or maintenance are required, BWS shall at its own expense restore the ground to the extent that such restoration is suitable for public use.
  - b. Notification to the Housing Agency. The BWS shall notify the Housing Agency in writing within ten (10) days, of any request to remove a vehicle made to the Housing Agency's contractor.
3. Termination. If not otherwise terminated or canceled, this Agreement may be canceled by the mutual written agreement of the parties hereto.
  4. Headings. The headings and captions herein are for convenience of reference only and are not intended to fully describe, define, or limit the provisions of this Agreement to which they may pertain.

IN WITNESS WHEREOF, this Agreement will become effective when all signatories below have signed it. The date of this agreement will be the date this agreement is signed by the last signatory to sign it (as indicated by the date associated with that signatory's signature).

RECOMMEND APPROVAL:

BOARD OF WATER SUPPLY  
COUNTY OF KAUAI

N/A

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Manager and Chief Engineer  
Department of Water

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Kurt Akamine	Date
Chairperson	
Board of Water Supply	

APPROVED AS TO FORM  
AND LEGALITY:

*Mahealani M. Krafft*

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Mahealani M. Krafft  
Deputy County Attorney

RECOMMEND APPROVAL:

APPROVED:

*Adam Roversi*

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Adam Roversi  
Housing Agency Director  
County of Kauai

*Reiko Matsuyama*  
Reiko Matsuyama (Nov 15, 2019)

Nov 15, 2019

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Reiko Matsuyama	Date
Director of Finance	
County of Kauai	

APPROVED AS TO FORM  
AND LEGALITY:

*Matt Bracken*

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Deputy County Attorney

# Staff Reports





# DEPARTMENT OF WATER

County of Kaua'i

*"Water has no Substitute – Conserve It!"*

## FISCAL REPORT: MONTHLY SUMMARY HIGHLIGHTS – DECEMBER, 2019

### I. BUDGET SUMMARY VS. ACTUAL (see attached report for details)

#### YEAR TO DATE (YTD) BUDGET & ACTUAL EXPENSES SUMMARY – AS OF DECEMBER, 2019

	<u>BUDGET</u>	<u>vs</u>	<u>EXPENSED</u>
· Operating Expenses	\$18,932,492		11,633,856
· Debt Principal Payment	2,508,518		4,045,057
· Capital Projects	<u>23,913,393</u>		<u>3,181,801</u>
TOTAL	<u>\$45,354,403</u>		<u>\$18,860,714</u>

**REVENUES:** VARIANCE = "ACTUAL" LESS "BUDGET"; POSITIVE INDICATES HIGHER PERFORMANCE THAN EXPECTED.

- Total Revenue as of December, 2019 was .1% above projection.
  - Water sales of \$14.3million (M) was \$844K higher or 6%
  - Other Water Revenue - Receipts of \$125 thousand (K) was \$13.4K below projection or -11%
  - Capital Contributions: Contributions from Federal & State Grants – 1.7M
  - Investment Income & Net Increase in FV of Investments – 270.6K
  - Miscellaneous Revenues - \$2K

**OPERATING EXPENSES:** VARIANCE = BUDGET LESS ACTUAL

EXPENSES; POSITIVE INDICATES LESS SPENDING THAN PLANNED. **REVISED YTD BUDGET COLUMNS INCLUDE PO ROLLOVER FROM FY ENDING 2019.**

- YTD Operating Expenses before depreciation and amortization was \$11.7M. Total spending was \$7.3M less than planned or budgeted; a positive variance of 38%.
  - Employee Related Expenses –\$4.5M with a 24% positive variance.
  - Contracts & Services – \$2.9M with a 60% positive variance.
  - Professional Services, Other Services – Billing, Communication, Insurance and Repairs and Maintenance for non-water systems are the main items contributing to the 64% positive variance.
  - Exceptional Expenses – None.
  - Fuel & Utilities – \$1.4M; 15% positive variance.
  - Bulk Water Purchase –\$730K, 20% positive variance.
  - Office & Operating Supplies – \$513.5K, 57% positive variance.
  - Training, Travel & Meeting Expenses – \$68.3K; 53% positive variance.
  - Debt Service – Interest Expense - \$1.6M; 2% positive variance.
  - Depreciation & Amortization (non-cash expenses) is \$3.6M; 11% positive variance.



# DEPARTMENT OF WATER

County of Kaua'i

*“Water has no Substitute – Conserve It!”*

## NET OPERATING INCOME:

- Net Operating Income before depreciation and amortization - \$5.9M.
- Net Operating Income after depreciation & amortization was \$2.3M.

## NON-OPERATING PROCEEDS & DISBURSEMENTS

- SRF Loan Proceeds – None
- FRC – Facility Reserve Charge –\$729.1K
- YTD Debt Principal Payment is \$4.1M

## CAPITAL PROJECTS BUDGET: YTD DISBURSEMENTS = \$2,898,188.11

- Capital Projects: Water Utility Fund - \$2.55M
- Capital Projects: FRC Fund – \$0.0
- Capital Projects: BAB Fund - \$631K
- Capital Projects: SRF Loan Fund - None

## II. FY 2019 – 2020 CERTIFICATION OF FUNDS YTD \$6,292,607

	REPORT TO MANAGER (with approved Budget)	MANAGER'S REPORT (New Budget Requests)
Water Utility Fund	\$2,043,844	\$4,085,742
FRC Fund	\$9,567	\$0
BAB Fund	\$0.00	\$153,454
<b>Total</b>	<b>\$2,053,411</b>	<b>\$4,239,196</b>

## III. COMPARATIVE CHARTS:

### METERED CONSUMPTION:

- December 2019, monthly metered consumption was 303.7 million gallons (mg) which slightly decreased by 6.9m as compared from the same month of FY 2018.
- Year to Date (YTD) metered consumption as of 11/30/19 was 1,9567 mg; YTD decrease of 221 mg as compared from the same month of FY 2018.

## IV. COMPARATIVE BALANCE SHEET: SEE ATTACHED.

Statement of Net Position as of November 30, 2019 (unadjusted).

## V. OTHER FISCAL ONGOING ACTIVITIES/INITIATIVES:

- Five (5) years Water Rate Study – The study was deferred and is to be rescheduled at a later time, yet to be determined. The staff submitted a draft proposed board policy for board’s review, discussion and action to address the status of funds sitting in the pension fund. If policy is changed, it could free up some funding for some project that will impact the rate study.
- FEMA update: DOW submitted a request for an additional 30 months’ extension to complete two outstanding projects for FEMA grant funding reimbursement; the Makaleha tunnel and Mānoa Stream.
- Develop Financial Policies for DOW – scope of work is in progress; procurement of Consultants will follow.



# DEPARTMENT OF WATER

County of Kaua'i

*"Water has no Substitute – Conserve It!"*

- Budget Program Solution – It will be addressed concurrently with the Financial Policies Development procurement.
- Upcoming: Water Audit & Annual Proposed Budget.

MY/ein



Department of Water, County of Kauai  
 Monthly Budget Summary vs. Actual  
 SUMMARY  
 12/31/2019

	December				FY 2020			
	Original Budget	Revised Budget	Actual	Variance	Revised YTD Budget	YTD Actual	*Variance	Variance %
<b>I. OPERATING BUDGET</b>								
<b>Revenue</b>								
Water Sales	\$2,244,154.00	\$2,244,154.00	\$2,070,337.32	(\$173,816.68)	\$13,464,924.00	\$14,308,699.20	\$843,775.20	6.%
Revenue from Public Fire Protection	178,042.00	178,042.00	181,191.50	3,149.50	1,068,252.00	1,087,149.00	18,897.00	2.%
Other Water Revenue	20,833.00	20,833.00	14,705.35	(6,127.65)	124,998.00	111,531.68	(13,466.32)	(11.%)
Federal Grants	90,897.00	90,897.00		(90,897.00)	545,382.00		(545,382.00)	(100.%)
State Grants	316,666.00	316,666.00		(316,666.00)	1,899,996.00	1,350,363.82	(549,632.18)	(29.%)
Capital Contributions	50,990.00	50,990.00	69,678.05	18,688.05	305,940.00	418,008.30	112,068.30	37.%
Net Increase in Fair Value of Investments	(2,500.00)	(2,500.00)		2,500.00	(15,000.00)	9,461.03	24,461.03	(163.%)
Investment Income	22,084.00	22,083.67		(22,083.67)	132,502.02	261,115.89	128,613.87	97.%
Gain or Loss on Disposal of Capital Assets	417.00	416.67		(416.67)	2,500.02		(2,500.02)	(100.%)
Gain or Loss from the Retirement of Debt								
Miscellaneous Revenues	83.00		9.70	9.70		1,968.20	1,968.20	
<b>Total Revenue</b>	<b>2,921,666.00</b>	<b>2,921,582.34</b>	<b>2,335,921.92</b>	<b>(585,660.42)</b>	<b>17,529,494.04</b>	<b>17,548,297.12</b>	<b>18,803.08</b>	<b>0.%</b>
<b>Employee-Related Expenses</b>								
Salaries and Wages (includes Leaves & CTO)	597,142.00	597,142.00	446,179.75	150,962.25	3,582,859.00	2,465,493.26	1,117,365.74	31.%
Temporary Assignment	5,917.00	5,917.00	6,592.18	(675.18)	35,498.00	42,165.47	(6,667.47)	(19.%)
Overtime	40,500.00	40,500.00	48,999.24	(8,499.24)	243,000.00	278,608.45	(35,608.45)	(15.%)
Standby	16,250.00	16,250.00	11,855.20	4,394.80	97,500.00	90,242.82	7,257.18	7.%
FICA	50,474.00	50,474.00	36,496.61	13,977.39	302,862.00	208,676.34	94,185.66	31.%
Retirement Contribution	144,332.00	144,332.00	109,296.79	35,035.21	866,005.00	611,475.60	254,529.40	29.%
Life & Health Insurance	50,919.00	50,919.00	43,541.04	7,377.96	305,531.00	245,045.86	60,485.14	20.%
Workers Compensation						1,818.90	(1,818.90)	
Unemployment Compensation	1,250.00	1,250.00		1,250.00	7,500.00		7,500.00	100.%
Post Employment Benefits (OPEB)	89,752.00	89,752.00	103,573.06	(13,821.06)	538,490.00	577,327.19	(38,837.19)	(7.%)
<b>Total Employee-Related Expenses</b>	<b>996,536.00</b>	<b>996,536.00</b>	<b>806,533.87</b>	<b>190,002.13</b>	<b>5,979,245.00</b>	<b>4,520,853.89</b>	<b>1,458,391.11</b>	<b>24.%</b>
<b>Contracts &amp; Services</b>								
Professional Services-General	303,613.00	303,613.00	191,029.14	112,583.86	4,600,020.80	1,241,052.63	3,358,968.17	73.%
Professional Services-Accounting & Auditing	8,900.00	8,900.00	3,603.63	5,296.37	53,400.00	69,900.00	(16,500.00)	(31.%)
Other Services-General	5,374.00	5,374.00	4,063.96	1,310.04	36,961.99	33,464.32	3,497.67	9.%
Other Services-Billing Costs	17,221.00	17,221.00	11,873.00	5,348.00	256,018.06	86,046.20	169,971.86	66.%
Public Relations-General	6,674.00	6,674.00	2,710.65	3,963.35	48,363.06	44,439.50	3,923.56	8.%
Procurement Advertising	833.00	833.00		833.00	5,002.00	592.71	4,409.29	88.%
Communication Services	10,596.00	10,596.00	12,844.38	(2,248.38)	109,180.20	50,668.48	58,511.72	54.%
Freight and Postage	1,365.00	1,365.00	533.39	831.61	8,180.00	1,488.19	6,691.81	82.%
Rentals and Leases	10,924.00	10,924.00	6,090.98	4,833.02	94,831.89	35,611.71	59,220.18	62.%
Insurance	32,917.00	32,917.00		32,917.00	197,498.00	1,357.70	196,140.30	99.%
County Service Charge	178,042.00	178,042.00	181,191.50	(3,149.50)	1,068,258.00	1,087,149.00	(18,891.00)	(2.%)
Repairs and Maintenance-Water System	18,417.00	18,417.00		18,417.00	135,512.43	74,374.76	61,137.67	45.%
Repairs and Maint-Non Water System	58,396.00	58,396.00	42,999.21	15,396.79	668,500.37	200,258.69	468,241.68	70.%
<b>Total Contracts &amp; Services</b>	<b>653,272.00</b>	<b>653,272.00</b>	<b>456,939.84</b>	<b>196,332.16</b>	<b>7,281,726.80</b>	<b>2,926,403.89</b>	<b>4,355,322.91</b>	<b>60.%</b>



Department of Water, County of Kauai  
 Monthly Budget Summary vs. Actual  
 SUMMARY  
 12/31/2019

**Exceptional Expenses**

FY2014 & FY2015 Kalaheo Emergency  
 FY 2015 Kilauea  
 Abandoning Hanamaulu Wells 1 & 2

261,975.00 261,975.00 100.%  
**261,975.00 261,975.00 100.%**

**Fuel & Utilities**

Utility Services  
 Fuel

238,552.00 238,552.00 228,250.61 10,301.39 1,447,345.59 1,300,471.17 146,874.42 10.%  
 9,625.00 9,625.00 3,215.58 6,409.42 110,953.50 50,343.87 60,609.63 55.%  
**248,177.00 248,177.00 231,466.19 16,710.81 1,558,299.09 1,350,815.04 207,484.05 13.%**

**Bulk Water Purchase**

Bulk Water Purchase  
**Total Bulk Water Purchase**

151,348.00 151,348.00 6,462.05 144,885.95 908,088.00 730,230.24 177,857.76 20.%  
**151,348.00 151,348.00 6,462.05 144,885.95 908,088.00 730,230.24 177,857.76 20.%**

**Office & Operating Supplies**

Office Supplies  
 Operating Supplies  
 Books, Subscriptions and Dues  
 Books, Subscriptions and Dues - Board

1,833.00 1,833.00 2,165.88 (332.88) 11,002.36 8,062.96 2,939.40 27.%  
 113,025.00 113,025.00 55,441.65 57,583.35 1,156,569.02 492,059.82 664,509.20 57.%  
 2,737.00 2,737.00 4,041.54 (1,304.54) 16,423.00 13,356.34 3,066.66 19.%  
 91.00 91.00 91.00 91.00 549.00 549.00 549.00 100.%  
**117,686.00 117,686.00 61,649.07 56,036.93 1,184,543.38 513,479.12 671,064.26 57.%**

**Training, Travel & Meeting Expenses**

Training and Development  
 Travel and Per Diem  
 Travel and Per Diem - Board  
 Meeting Expense  
 Meeting Expense - Board

6,740.00 6,740.00 1,748.27 4,991.73 55,856.12 25,610.39 30,245.73 54.%  
 8,885.00 8,885.00 1,937.86 6,947.14 53,300.00 31,534.54 21,765.46 41.%  
 1,748.00 1,748.00 1,748.00 1,748.00 10,482.00 10,482.00 10,482.00 100.%  
 3,108.00 3,108.00 4,417.76 (1,309.76) 20,940.95 10,573.52 10,367.43 50.%  
 829.00 829.00 239.85 589.15 4,978.00 604.52 4,373.48 88.%  
**21,310.00 21,310.00 8,343.74 12,966.26 145,557.07 68,322.97 77,234.10 53.%**

**Debt Service**

Interest Expense  
**Total Interest Expense**

268,843.00 268,843.00 262,291.75 6,551.25 1,613,058.00 1,573,750.50 39,307.50 2.%  
**268,843.00 268,843.00 262,291.75 6,551.25 1,613,058.00 1,573,750.50 39,307.50 2.%**

**Total Operating Expenses**

**2,457,172.00 2,457,172.00 1,833,686.51 623,485.49 18,932,492.34 11,683,855.65 7,248,636.69 38.%**

**Net Operating Income (Loss) Before Depreciation & Amortization**

**\$464,494.00 \$464,410.34 \$502,235.41 \$37,825.07 (\$1,402,998.30) \$5,864,441.47 \$7,267,439.77 (518.%)**

**Depreciation & Amortization**

Depreciation  
 Amortization

609,562.00 609,562.00 576,033.25 33,528.75 3,657,378.00 3,453,583.75 203,794.25 6.%  
 58,333.00 58,333.00 19,013.89 39,319.11 350,002.00 114,682.66 235,319.34 67.%  
**667,895.00 667,895.00 595,047.14 72,847.86 4,007,380.00 3,568,266.41 439,113.59 11.%**

**Net Operating Income (Loss)**

**(203,401.00) (203,484.66) (92,811.73) 110,672.93 (5,410,378.30) 2,296,175.06 7,706,553.36 (142.%)**



Department of Water, County of Kauai  
 Monthly Budget Summary vs. Actual  
 SUMMARY  
 12/31/2019

Non Operating Proceeds								
FRC-Facility Reserve Charge	33,333.00	33,333.00	43,390.00	10,057.00	199,998.00	729,095.00	529,097.00	265.%
<b>Total Non Operating Proceeds</b>	<b>33,333.00</b>	<b>33,333.00</b>	<b>43,390.00</b>	<b>10,057.00</b>	<b>199,998.00</b>	<b>729,095.00</b>	<b>529,097.00</b>	<b>265.%</b>
Transfers Out(In) to Other Funds								
Debt Principal Payment	418,086.00	418,086.00		418,086.00	2,508,518.00	4,045,056.53	(1,536,538.53)	(61.%)
<b>Net Proceeds (Expenditures)</b>	<b>(588,154.00)</b>	<b>(588,237.66)</b>	<b>(49,421.73)</b>	<b>538,815.93</b>	<b>(7,718,898.30)</b>	<b>(1,019,786.47)</b>	<b>6,699,111.83</b>	<b>(87.%)</b>
<b>II. CAPITAL BUDGET</b>								
Capital Projects (See Attached for Details)	724,833.00	724,833.00	283,613.31	441,219.69	23,913,392.52	3,181,801.42	20,731,591.10	87.%

# DEPARTMENT OF WATER

County of Kaua'i

*"Water has no Substitute – Conserve it!"*

## **INFORMATION & EDUCATION SPECIALIST REPORT**

January 24, 2020

### **Public Notices and Announcements**

All news releases were also published on the Department's Facebook and Twitter social media pages.

- **Koloa – Water service shutdown scheduled for Kōloa**
  - A news release was issued on December 10, 2019 to announce a scheduled water service shutdown on Tuesday, December 17th from 10 p.m. to 5 a.m. on Wednesday, December 18th; weather permitting. During the scheduled shutdown, water service was interrupted for customers located in the following service areas: Waila'au Road, Emi Road, a portion of Ala Kinoiki Road; from Maluhia Road to Waila'au Road, Waihohonou Road, Aloha Place, Wailani Road, Ohuoho Road, Ho'olei Street, Olona Street, Tapa Street, Mamaki Street, Ohuohu Street, Maki Street, Pala'a Place, Waikomo Road, Waoke Street, Waoke Place, A'alu Place, Puni Road, Kapau Road, Malino Road, including a portion of Weliweli Road; from Kōloa Road to Waikomo Road, a portion of Kōloa Road; from Waikomo Road to Po'ipū Road, a portion of Po'ipū Road; from Kōloa Road to Pa'anau Road and a portion of Maluhia Road; from Waila'au Road to Kōloa Road. A BlackBoard Connect CTY notification, door to door notices and courtesy calls were also made notify customers in the affected service area. The 7-hour water service shutdown was necessary in order to allow the contractor for the Kōloa Rum Universal Center, Koga Engineering and Construction Inc., to install a new waterline connection.
    - In addition to the news release and social media posts, a BlackBoard Connect CTY mass notification was issued and electronic message board were in place in the affected service area. Courtesy calls were conducted to notify local businesses and property managers of the businesses located in Kōloa town.
  - A news release was issued on December 16, 2019 to remind customers of the water service shutdown scheduled for Kōloa customers on Tuesday, December 17, from 10 p.m. to 5:00 a.m., weather permitting.
    - In addition to the news release and social media posts, a BlackBoard Connect CTY mass reminder notification was issued and electronic message board remained in place in the affected service area. Courtesy calls were conducted and an email was sent to remind local businesses and property managers of Kōloa Town Shops of the scheduled shutdown.

### **Public Relations Program**

#### **Education & Community Outreach**

- The Department conducted an educational presentation for high school students at Island School in Puhī. The presentation focused on source water protection, water quality, Department services and water samplings. The Department donated 3 ground water kits to the class to encourage extended learning about groundwater and sustainability. Special thanks to Carl Arume, Jason Fujinaka and Jonell Kaohelaulii for contributing towards the educational value of the presentation and community outreach on behalf of the Department.
- Jonell designed and composed a water conservation editorial and advertisement for the Department's print advertisement for the Spring 2020 edition of the Kaua'i Family Magazine.

The focus of the spring ad will be the Department's upcoming Fix a Leak Week event in March.

### **Upcoming Community Outreach & Educational Events**

- March 6, 2020 – Career Day at Eleele Elementary School
- March 14, 2020 – Health and Wellness Fair at Waimea High School
- March 16-20, 2020 – EPA's Fix a Leak Week at the DOW
- April 18, 2020 – Project WET Educator Workshop
- May 4-8, 2020 – AWWA's National Drinking Water Week at the DOW
- October 21, 2020 – Imagine a Day Without Water

### **Project WET Hawaii**

- Project WET Hawai'i completed its first Facilitator training workshops in 2020 on January 10<sup>th</sup> in Hilo, Hawai'i. Jonell and Jason certified 5 new Facilitators, achieving its goal to expand Project WET into Hawai'i Island.
- An Educator Workshop is being scheduled for April 18, 2020 in Pāhoa, Hawai'i to promote Project WET and water education at an upcoming Public Charter Schools event.
- Jonell Kaohelaulii continues to work on the annual report for Project WET Hawai'i. The annual report is due on January 31, 2020.

### **Miscellaneous**

- Jonell and Jason met with Jason Armstrong of the Department of Water Supply, Hawai'i County on January 9<sup>th</sup> to discuss current and future public relation activities, in a joint effort to further networking and partnership opportunities for neighbor island water departments.

JK/ein

Mgrrp/January 2020/Information & Education Specialist Report (1-24-20):ein



# DEPARTMENT OF WATER

County of Kaua'i

*"Water has no Substitute – Conserve It!"*

## **Operations Division Report for the Month of December 2019**

### **Personnel**

- Interviews for Utility Worker and Pipefitter Helper were completed. Recommendations to hire forwarded for further processing.
- Congratulations to Michael Mack and Duane Moriguchi. Perfect attendance for 2019 with no sick calls.

### **Source and Storage**

- Maintenance Workers continued cleaning of various remote facilities island-wide. Works included clearing of vegetation and drainage as well as repair and construction of structures and facilities.
- Water Plant Operators performed routine inspection and maintenance at all sites including valve maintenance, piping repair and replacement, chlorination equipment maintenance, and mixing of sodium hypochlorite.
- Refurbishment and pump replacement at Hanamā'ulu Pump Station is completed. Chlorination and flushing to be scheduled.
- Puhi Well 3 refurbishment Contract 679 with Derrick's Well Drilling is on-going.
- Koloa Well D refurbishment bid documents are being reviewed prior to posting for solicitation.
- Anahola Well A pump replacement Contract 687 executed.
- Installation of Sodium Hypochlorite On-Site Generation project on Makaleha Wells and Tank site complete. Site and equipment monitoring on-going.
- Electrical workers performed routine electrical maintenance at all sites including SCADA radio troubleshooting, electrical wiring for motor controls, lighting repair and replacement.
- Auto mechanics performed routine maintenance of all DOW vehicle and equipment including light, medium and heavy vehicles as well as construction equipment and generators.

## **Distribution**

- Operations Division Field Section crews continue to perform routine leak repair of service laterals and mainlines. Field Section personnel responded to thirty (30) leak repair work orders.
- Field Section personnel installed two (2) service laterals.
- We received a total of 101 calls from customers reporting leaks on the mainline, service laterals, meters, meter boxes and fire hydrants including complaints of no water, complaints of low pressure, high pressure, calls requesting remote site/facility grounds and vegetation maintenance, calls for assistance in shutting off the water meter, calls reporting damaged meter box and cover, reports of leaking or damaged fire hydrants and report of white milky water, and non-water emergency calls mainly customer inquiries. Work orders were generated and all calls resolved. Leak after the meter needs to be addressed by the customer.
- For the month of December, Operations Division responded to one (1) call out for hydrant that hit by vehicle. For the year 2019, a total of 30 hydrants were hit by vehicles.

## **Fleet, Inventory, Warehouse and Baseyard Area**

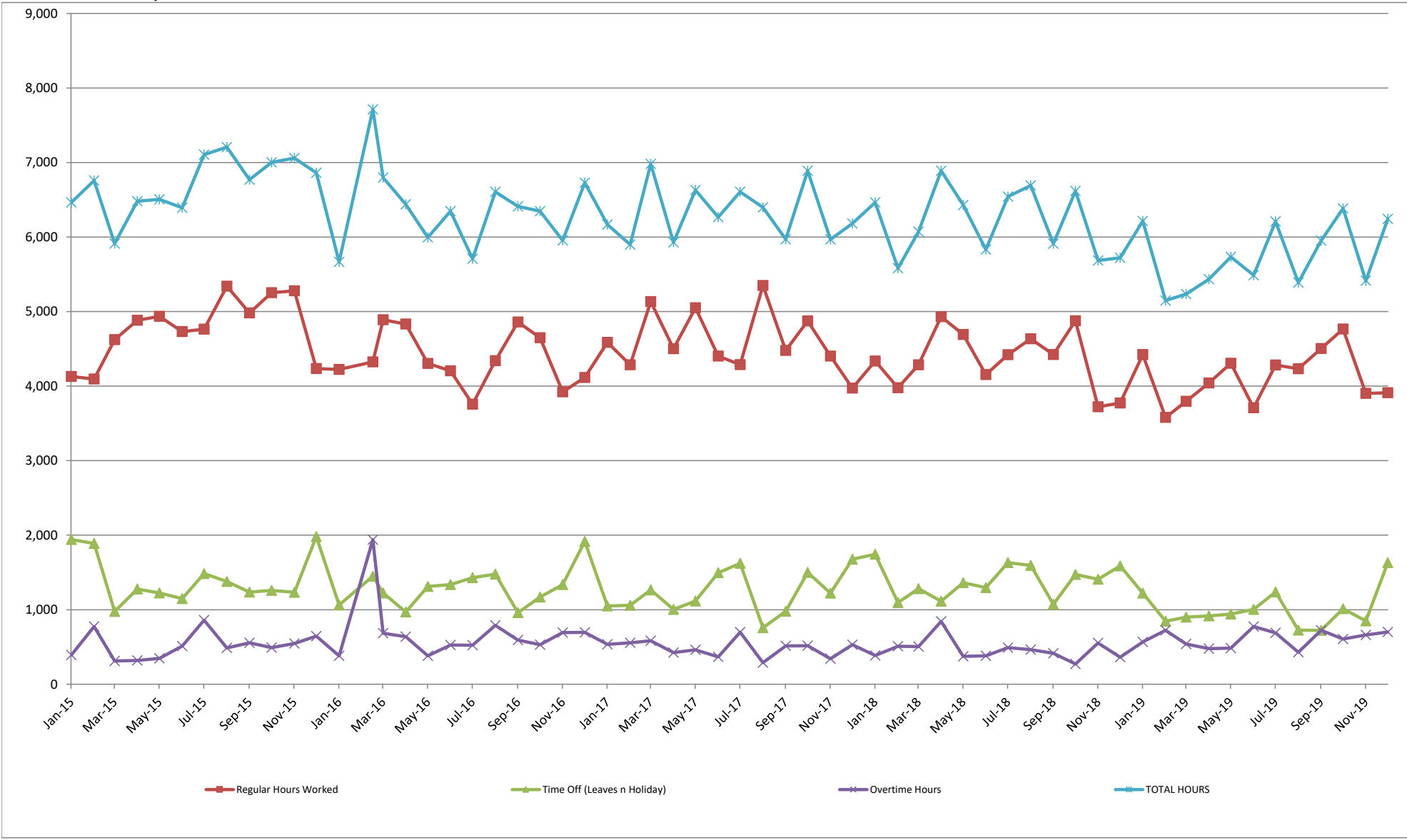
- For the month of December, a total of one hundred eighty-one (181) work orders were issued for Operations Division. Works included: electrical repairs and maintenance; automotive repairs and maintenance including power generator maintenance; Hawai'i One Call requests for markings; water meter installation and replacement; service lateral installations; leak repairs; well, tank site and PRV maintenance; replace damaged meter boxes; repair defective meters; replace damaged or leaking hydrant; door-to-door customer notifications for tie-ins of new lines to existing lines as well as notifications regarding scheduled repairs; callouts due to customer complaints/reports; meter replacement requests; Hawai'i One Call relative to contractor's requests for markings.
- For the month of December 2019, twenty-three (23) Hawaii One Call requests for markings were received. Also, twenty-seven (27) meters were maintained, replaced, repaired, issued and installed.

VPR/ein

Attachments: Overtime Chart  
Leak Report Chart  
Production/Billing Chart

Mgrrp/January 2020/Operations Division Report for the Month of December 2019 (01-24-20):ein

County Of Kauai - DEPARTMENT OF WATER  
 Operations Division: Plant & Field  
 Total Hours for the Month  
 For the Period: January 2015 to November 2019

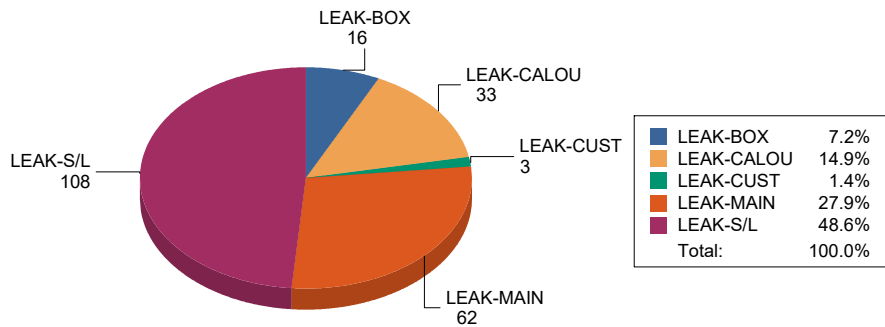


**Work Orders by Job Reason Code for Selected Date Range**

12/01/2018 to 12/31/2019

# of W/O's	Job Reason Code	Description
16	LEAK-BOX	Meter Box Leak Repair
33	LEAK-CALOU	LEAK CALL OUT
3	LEAK-CUST	Customer-Side Leak Repair
62	LEAK-MAIN	Mainline Leak Repair
108	LEAK-S/L	Service Lateral Leak Repair

**Work Orders by Job Reason Code**

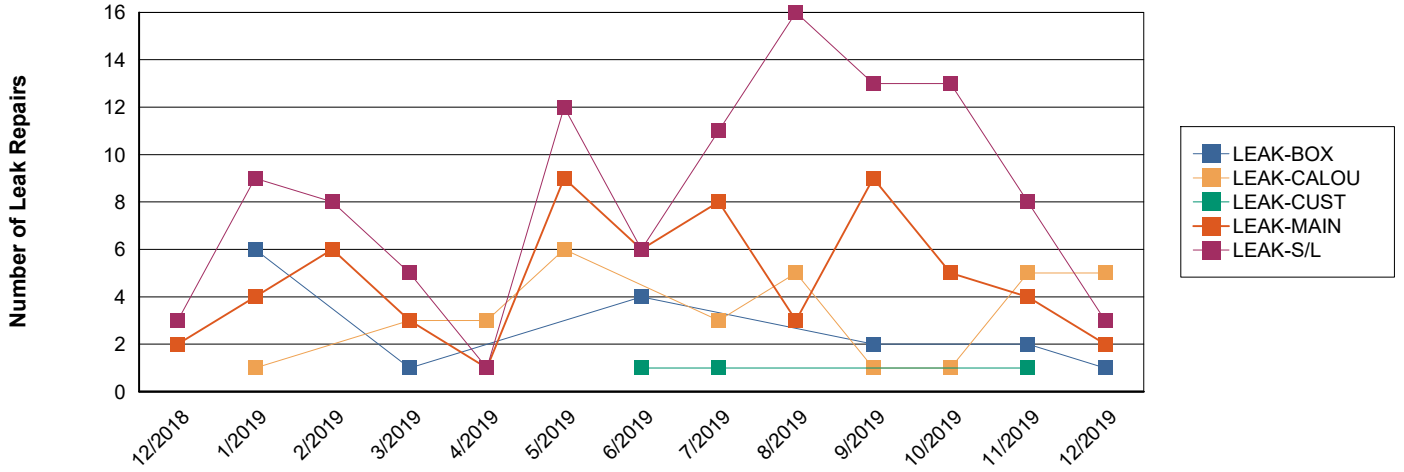


### Work Orders by Job Reason Code for Selected Date Range

12/01/2018 to 12/31/2019

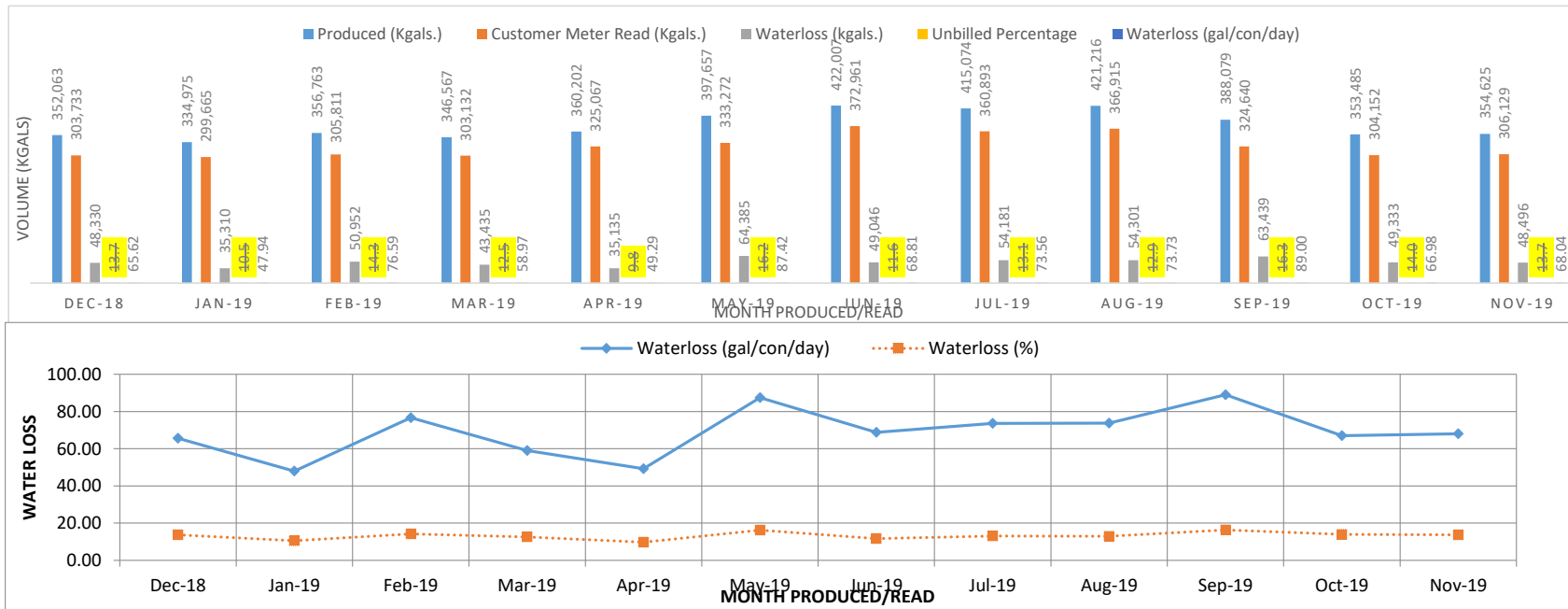
# of W/O's      Job Reason Code      Description

### Number of Leak Repairs per Month



Monthly Water Produced, Customer Meter Read and Waterloss Comparison For Calendar Year 2018/2019

	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Total Year
Produced (Kgals.)	352,063	334,975	356,763	346,567	360,202	397,657	422,007	415,074	421,216	388,079	353,485	354,625	4,502,711
Customer Meter Read (Kgals.)	303,733	299,665	305,811	303,132	325,067	333,272	372,961	360,893	366,915	324,640	304,152	306,129	3,906,370
Waterloss (kgals.)	48,330	35,310	50,952	43,435	35,135	64,385	49,046	54,181	54,301	63,439	49,333	48,496	596,341
Waterloss (%)	13.7	10.5	14.3	12.5	9.8	16.2	11.6	13.1	12.9	16.3	14.0	13.7	13.2
Waterloss (\$)	61,717	45,091	65,065	55,467	44,867	82,219	62,632	69,189	69,343	81,011	62,998	61,929	761,528
Waterloss (gal/con/day)	65.62	47.94	76.59	58.97	49.29	87.42	68.81	73.56	73.73	89.00	66.98	68.04	68.77



# DEPARTMENT OF WATER

County of Kaua'i

*"Water has no Substitute – Conserve It!"*

**MANAGER'S UPDATE**

January 24, 2020

*Pursuant to Board Policy No. 3*

**CONTRACTS AWARDED/EXTENSION/AMENDMENTS:**

**1 2<sup>nd</sup> AMENDMENT TO CONTRACT NO. 648, JOB NO. AIR 2017-2018, AC SERVICES AND MAINTENANCE OF DOW'S VARIOUS AIR CONDITIONING UNITS WITH KAUA'I AIR CONDITIONING & REFRIGERATION, INC. FOR A 365 DAY TIME EXTENSION AND ADDITIONAL FUNDING IN THE AMOUNT OF \$32,600.00**

**FUNDING:**

Account No.	10-40-60-561-000			
Acct Description	WU/Ops/TandD/Repairs and Maintenance – Other than Water System			
Funds Available	<i>Verified by WWC</i>		\$	40,000.00
Contract No.	648			
Vendor	Kaua'i Air Conditioning & Refrigeration, Inc.			
	Contract Amount	\$	32,600.00	
	Contingency	\$	320.00	
	First Amendment	\$	32,600.00	
	<b>Total Funds Certified To Date</b>	<b>\$</b>	<b>65,520.00</b>	
<b>Second Amendment:</b>				
	Contract Time Extension for Maintenance Services	\$	32,600.00	
	<b>Total Amendment</b>	<b>\$</b>	<b>32,600.00</b>	<b>\$ &lt;32,600.00&gt;</b>
	Contract Amount To Date	\$	97,800.00	
	Fund Balance		\$	7,400.00

**BACKGROUND:**

Contract NTP Date: February 1, 2018  
 Original Contract End Date: February 1, 2019  
 First Amendment End Date: January 31, 2020  
 New Contract End Date: January 31, 2021

The original contract was for 365 calendar days of maintenance with an option to extend not to exceed 24 months. Price and scope of work for the extension as mutually agreed upon between the contractor and

MANAGER'S UPDATE

Re: Manager's Update for December 2019 to January 2020

January 24, 2020

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the Department to remain same as the original contract price and scope. This would constitute the final contract time extension and fulfill the total of 24 months of contract time extension.

**2 1<sup>ST</sup> AMENDMENT TO CONTRACT NO. 674, JOB NO. 19-02 DEPARTMENT OF WATER BASEYARD MASTER PLAN WITH HDR ENGINEERING, INC. FOR A 455 DAY TIME EXTENSION AND ADDITIONAL FUNDING IN THE AMOUNT OF \$62,618.73**

FUNDING:

<b>FROM:</b>	Per Manager's Report No. 20-42			
Account No.	10-20-10-540-010			
Acct Description	WU/Eng/Admin/Professional Services	\$	<62,618.73>	
<b>TO:</b>				
Account No.	10-20-00-604-169			
Acct Description	WU/Eng/AdminCapital Outlay-Rehabilitation and Replacement/Capital Purchases			
Funds Available	Verified by WWC			\$ 62,618.73
Contract No.	674			
Vendor	HDR Engineering, Inc.			
	Contract Amount	\$	301,983.34	
	5% Contingency	\$	15,099.00	
	Total Funds Certified To Date	\$	317,082.34	
<b>First Amendment:</b>				
	Additional Funds for Design – Microlab 2 <sup>nd</sup> Floor Temporary Offices, Ref: Manager's Report No.20-42	\$	62,618.73	\$ <62,618.73>
	Total Amendment	\$	62,618.73	
	Contract Amount To Date	\$	364,602.07	
Fund Balance				\$ 0.00

BACKGROUND:

Contract NTP Date: December 17, 2018

Original Contract End Date: September 12, 2019

New Contract End Date: Estimate April 14, 2021

The Operations Division office area is overcrowded and there is no space to provide work stations for both vacant positions and positions currently filled. The Baseyard Master Plan Concept B that was adopted by the Board made available the Microlab 2<sup>nd</sup> floor for renovation with temporary offices to relieve the overcrowding situation. Meetings were conducted with IT staff, Operations staff, and the Manager. Comments were provided and the Manager made the decision to move forward with the



renovation of the Microlab 2<sup>nd</sup> floor to convert the old Board Room into office space. The new temporary offices will house the Chief of Operations, Assistant Chief of Operations, Water Field Superintendent, Water Plants Superintendent, Waterworks Program Technician, and the Senior Account Clerk. This will open up much needed space in the current Operations Office to allow for the filling of vacant positions while also providing work stations for all UPW Working Supervisors including the Water Plant Operator, Construction and Maintenance Worker, Water Meter Mechanic, Maintenance Workers, Lead Pipefitters as well as the Water Service Investigator. Cleaning, reorganizing, and constructing the new temp offices in the Microlab 2<sup>nd</sup> floor space will increase the amount of floor space for IT staff to utilize. A shared conference room will be available for use by both IT and Ops Admin staff. When the new Ops Admin/Warehouse Building is constructed in Phase 1 of the Baseyard Master Plan, the temporary offices in the Microlab 2<sup>nd</sup> floor can be repurposed for future use by other parties as deemed necessary by the Department.

The proposed amendment and funding are necessary to obtain the building permit and clearances to allow the Department to construct temporary office space needed to accommodate the growing division until the new operations building can be constructed. Funds from Engineering professional services account are budgeted for line item "Develop Kapa'a Homesteads Well No. 4 Site Improvements", but aren't anticipated to utilize them this fiscal year; therefore, funds will be used for this amendment. In the event that this project is able to be done this year, additional funds will be requested, if needed. We have reviewed the proposal from HDR Engineering, Inc. for additional architectural and engineering services for the work, and the fee of \$62,618.73 is acceptable.

This Report to Manager and approval of the First Amendment to Contract No. 674 is contingent upon Board approval of Manager's Report No. 20-42 to transfer funds from the Engineering Professional Services budget to the Engineering Capital budget.

**3 4<sup>th</sup> AMENDMENT TO CONTRACT NO. 666, JOB NO. IT-2018-4, REVIEW AND UPDATE I.T. STRATEGIC PLANNING, IMPLEMENTATION AND SUPPORT WITH BRIO CONSULTING, LLC IN THE AMOUNT OF 79,860.00**

**FUNDING:**

Account No.	10-02-10-540-010			
Acct Description	WU/IT/Admin/Professional Services			
Funds Available	Verified by WWC			\$ 79,860.00
Contract No.	666			
Vendor	Brio Consulting, LLC			
	Contract Amount	\$	79,979.00	
	Contingency	\$	201.00	
	First Amendment	\$	9,820.00	
	Second Amendment	\$	70,000.00	
	Third Amendment	\$	229,380.00	
	Total Funds Certified To Date	\$	389,380.00	
Fourth Amendment:				

MANAGER'S UPDATE

Re: Manager's Update for December 2019 to January 2020

January 24, 2020

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Contract Time Extension and Additional Funds (Per Approved Manager's Report No. 20-38 on 12/19/19)	\$	79,860.00		
		Total Amendment	\$	79,860.00
			\$	<79,860.00>
Contract Amount To Date	\$	469,039.00		
Fund Balance			\$	0.00

BACKGROUND:

Contract NTP Date: September 1, 2018  
Original Contract End Date: December 29, 2018 (Stop Work Orders were issued on this contract to provide DOW staff to review the Draft I.T. Strategic Plan  
First Amendment End Date: July 24, 2019  
Second Amendment End Date: November 15, 2019  
Third Amendment End Date: January 25, 2020  
New Contract End Date: February 28, 2020

The 5-year Information Technology Strategic Plan (ITSP) was finalized and approved by the Board of Water at the July 26, 2019 Board meeting. The ITSP recommends new technologies, technology upgrades, business process improvements, and organizational modifications in support of the Department of Water's (DOW) vision for the future. The strategies are based on the DOW's current needs, the significant progress made against recommendations in the 2013 ITSP and an analysis of the current situation. Staff from Brio Consulting compiled the 2013 ITSP and assisted DOW with design and implementation of the finance and accounting system during 2014 through 2016. The same Brio staff have worked with DOW management to compile this ITSP.

*Vision for New Plan:*

DOW intends to use information technology to improve its effectiveness and efficiency, maintain good customer service, help plan for future rehabilitation, repairs and improvements and provide reliable safe drinking water. The vision for IT over the six-year planning horizon is as follows:

- Manage our work, assets, projects and materials professionally and collaboratively
- Provide excellent customer service and maintain accurate and complete billing records
- Use technology to operate effectively and efficiently and to make evidence-based decisions
- Understand and follow our processes
- Know how to use our technologies to best support our processes
- Build partnerships between users and IT staff, and work as a team
- Develop an IT organization with the resources needed to provide valued advice and great support

The Second Amendment to Contract No. 666 was executed on October 8, 2019 with available funds and is focused primarily on providing staff augmentation and staff support services to the Department while we await vacancies to be filled. In the interim, it is critical for the Department that I.T. infrastructure is supported and I.T. functions continue to be addressed.

The Second Amendment was intended to serve as a bridge to the Third Amendment, and the Third Amendment requested additional funds for I.T. staff augmentation services through the end of the 2019 calendar year. This was necessary to ensure that critical I.T. infrastructure will continue to be supported and to protect the Department against any systematic failures of our Network, SCADA, LAN, hardware, software, and all other I.T. related systems that serve the Department and our customers. The scope of

the Third Amendment also incorporated evaluating the potential for upgrades to Great Plains and SharePoint as funds are available via the approved FY2020 budget.

The Fourth Amendment to Contract No. 666 is now being requested as the DOW's staffing shortage within the I.T. division continues to pose serious challenges to the Department. Of the DOW's two existing staff within I.T., both are on leave and unavailable through the end of 2019. The newly created I.T. Specialist III position, and the vacant position of the Waterworks I.T. Officer, are still not filled. The Waterworks I.T. Officer position still has not been posted for recruitment. It is estimated that the earliest that either of these vacant positions will be filled is late January 2020. It is more likely that these positions will not be filled until at least February 2020.

In the meantime, the additional workload caused by these challenges have caused Brio Consulting to expend more hours of the contract than initially anticipated and the approved funding through the Third Amendment is anticipated to be expended by mid-January 2020.

Ideally, the DOW will have both of our existing I.T. staff back in January 2020 and will also be able to hire one or both of the vacant positions within I.T. in January and February. In that scenario, the contract with Brio consulting will still provide a high level of value as Brio's on-site support staff, Jas Banwait, will be able to directly interface with the DOW's I.T. staff and transition knowledge and initiatives back to DOW I.T. staff over a more reasonable timeframe. By comparison, at a minimum, if we have zero or one of the DOW's existing I.T. staff at the DOW in January, Brio's services will allow the Department to continue to function with respect to I.T. support.

We believe the scope and fee provided in the Fourth Amendment to Contract No. 666 are fair, reasonable, and it is in the best interest of the Department and its ratepayers that the Fourth Amendment be executed to provide continued, critical I.T. infrastructure support through February 28, 2020 with Brio Consulting.

Funds were approved at the December 19, 2019 board meeting (Reference Manager's Report No. 20-38).

### **WAIVER, RELEASE & INDEMNITY APPLICATIONS:**

None

### **STAFF REPORTS - FY 19-20:**

### **PERSONNEL MATTERS**

*January 13, 2020*

#### Administration

1. Manager & Chief Engineer. The job announcement has been posted.
2. Senior Clerk #2479. Resignation of incumbent effective 1/22/2020 close of business.

#### IT Division

1. Information Technology Specialist III #2615. Pending eligibles list from DHR.
2. Waterworks Information Technology Manager #2485. Pending eligibles list from DHR.

#### Fiscal Division

1. Assistant Waterworks Controller #2619. Pending eligibles list from DHR.

2. Meter Reader I #2466. Selection made. Start date agreed upon for March 1, 2020.
3. Customer Service Representative #2433. Working with DHR on start date.

Operations Division

1. Equipment Operator II #2439. Pending eligibles list.
2. Lead Water Meter Mechanic #2616. No qualified eligibles. Working with Department of HR to re-recruit.
3. Pipefitter Helper #2410. Working with DHR on start date.
4. Utility Worker #2438. Working with DHR on start date.
5. Utility Worker #2612. Received eligibles list.
6. Water Plant Operator #2414. Received eligible information.
7. Water Service Investigator III #2617. Pending eligibles list.

HIRE/SEPARATION/POSITION CHANGE

1. Senior Clerk #2479. Received notification of resignation. Resignation effective 1/22/2020 close of business.

*Pursuant to Board Policy No. 24*

**CONVEYANCE OF WATER FACILITIES \$27,633.56**

1/24/2020	Michael A. Kaplan, Revocable Trust	5-2-012:019	Hā'ena	\$ 27,633.56
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**CUSTOMER CARE AND BILLING (CC&B) SYSTEM UPDATE:**

*October 14, 2019*

The Customer Account Portal continues to see increased usage, with the total number of registered accounts exceeding 2,000 during the first week of October, 2019. The following updates that were implemented in CAP Production during the week of October 14-18:

1. Develop Recurring Payment Option
  - For ACH, there is now a link to the DOW's ACH form.
  - For credit cards, recurring payments have been setup. Customers will have their payment taken out 3 days prior to the due date and will receive an email that payment has been taken out. The payment is scheduled to be done at 5:15 am in the morning on that day.
2. Add notification to users when a bill is pending
  - Customers who are enrolled in e-billing by default will be enrolled in having an email sent 5 days prior to their bill due date reminding them of a pending bill payment. This setting is a default setting and customers can go into the e-billing settings section to uncheck the box and not receive email notification if they don't want to receive the reminder email.
  - Emails will be sent out 5 am HST.
3. Refunded Payments in Prithibi Stripe is shown as Succeeded in CSS Payment History
  - Previously refunded payments would show up in CAP as "succeeded". Now, payments that are refunded will show up as such in CAP Payment History tab.
4. Registration Error Message to be Changed

- Previously, for customers that were registering there was an issue with their email receiving a message on the screen to contact DOW. Now, they will receive the following message on the screen: "Please check your email (inbox/spam) to complete the verification process. It may take up to 24 hours for emails to appear in the email inbox. If you don't receive an email within 24 hours then please call 808-245-5442 or email [billing@kauaiwater.org](mailto:billing@kauaiwater.org) to activate your account."

We are targeting release of the following items within the last two weeks of October, 2019:

- Changes to CAP Layout
- Enable Real Time Integration of Stripe with CC&B
- Data from CAP and Stripe to be available in Apex
- Build an Account Summaries Page for Commercial Customers
- Automatically Send follow-up email after 5 days if account is still not active

### **I.T. STRATEGIC PLAN UPDATE:**

*These updates will be placed in the Quarterly reports per Board action during the July 26, 2019 Regular Board meeting. The current update is in the October 25, 2019 Regular Board meeting.*

### **I.T. INITIATIVES UPDATE:**

*January 6, 2020*

I.T. Update

January 2020 Board Meeting Update

Help Desk:

December No. of Received Tickets:	161
December No. of Resolved Tickets:	149
Avg Response Time (hrs):	157:47
Avg Resolution Time (hrs):	96:34
Current Open tickets:	4

December Closed Tickets (149):

by Computer Tech: 31

by IT Specialist: 63

by Consultant: 55

I.T. continues to be short-staffed.

I.T. received approval for Microsoft Windows 10 Upgrade and will continue to work with an I.T. Consultant to work on the upgrading of staff computers. Windows 7 Operating System will no longer be supported by Microsoft in January 2020.

I.T. Consultant tasked with moving forward with creation of SharePoint Portal for Divisions who don't have a portal.

I.T. Consultant tasked with moving forward with the upgrade of Great Plains and Workplace.

### **QUARTERLY UPDATES – 4<sup>th</sup> Quarter (October – December 2019)**

### **WATER QUALITY QUARTERLY REPORT:**

1. Engineering continues to work with the Lab and contractors to install sample stations in new subdivisions. The new subdivision behind the Poipu Shopping Center will also have a sampling station. They will be added to the updated sampling plan required by new Total Coliform Rule. One has been installed in the current Hanamaulu project. One more slated for the expansion of the Ulu Ko subdivision. The Lab will incorporate the 'Hanamaulu Station and Poipu Subdivision station into the Routine Sampling Plan in 2019. Sampling Points are being looked at to update the site list before end of year when the Compliance Monitoring Data Portal (CMDP) is implemented.
2. Trained for CMDP at SDWB and did some practice runs. Seem like there will be a break in period. Did a few dry runs with SDWB and had a conference call to go over issues that cropped up. Seems like we are ok. If we do run into problems, we will have to solve them as we go.
3. Continued microbiological sampling of sources to see if any will present problems with fecal indicators. This is part of the Triggered Monitoring part of the Ground Water Rule.
4. Phase 2-5 sampling for 2017-2019 period completed. Final samples taken in December.
5. Baseline Chemistry for sources ongoing. Emphasis is on pH at problem sources, Puhi #3 and Wainiha #2. The existing soda ash equipment at Waihiha #2 initially boosted the pH to 7.0. But pH has since dropped to 6.7-6.8. DOH has put the system on an advanced monitoring schedule for Lead and Copper (20 samples 2x/year). This is problematic as it is difficult to get volunteers out there because mostly, it is vacation rentals. However, both rounds were accomplished with results below the Action Level so Sys.415 only has to sample once in 2019 which was completed this Qtr. pH remains in the 6.8 -6.9 range. Testing every two weeks and we ordered an alkalinity kit to test that also. Results will be sent to SDWB for review.
6. Contract for analytical services with Eurofins has been extended to FY 2020-2021. Contract executed. RTM has been submitted for FY2020 budget.
7. Updated sample site plan and sites on Xcel spreadsheet. Continuing.
8. Lab inspection for microbial analysis certification in April 2018 - passed. Next inspection is in 2020.
9. Microbiological analysis ongoing with no coliform hits.
10. Maintenance and filter replacement completed for RO system. Although we may have to do water suitability testing anyway. Connected autoclave to RO system to use more water. It seems to be working as we are getting conductivity readings below 1.0 uU/cm.
11. UCMR 4 – Updating SDWARS inventory and scheduling. Sys. 400 AM1, AM2 and AM3 UCMR4 is completed for 2019. Next round will be in May 2020.
12. PCBs found in Paua Valley tank. Tank has been isolated. Lab is working with SDWB and Engineering to get tank back on line. Ongoing.
  - a. On Kauai entry points to distribution (EPD) are usually after the well head and before the storage tanks. The reason for this is because well water can go into the distribution system before going to a storage tank. This is common to most of DOW sources.
  - b. Therefore, chemical (and to a limited extent, microbiological) samples are taken at the EPDs before going to the storage tanks. DOH does not require sampling from the tanks unless it represents an EPD. There are two tanks that qualify, the Kalaheo Deep Well Tank and the Anahola Tanks.
  - c. Because of the recent findings, we are requesting sampling taps on the storage tanks (many do not have them). OPS has installed taps on most of the tanks in question. They have been sampled for PCB.
13. Scheduling samples for State Labs for 2020 has started. However, new schedule is not out yet so we are just requesting dates.
14. Microbiological QA/QC items for certification completed for 4<sup>th</sup> Qtr. 2019.
15. Monitoring of chlorides in Sys. 406 ongoing. Waipa Well back in service.

*Pursuant to Board Policy No. 25*

COUNTY ATTORNEY QUARTERLY REPORT:

CLAIMS SETTLED: NONE Claims listed below were previously presented to the Board, however, the actual closing dates occurred in the quarter and are therefore being provided again.

Claimant(s)	Date of Loss	Filed with Office	Date Closed	Basis of Claim	Claim Amount	Settled Amount	Corrective Action Recommendation
Padilla, Catana	5/14/2019	5/28/2019	10/08/2019	Vehicle Damage: Claimant was at stand still at a stop sign on the corner of Kamalu Rd. & Kuamoo Rd. she was struck from behind allegedly by a DOW fleet vehicle. Resulting in serious damage to her bumper.	\$1,500.00	\$1,357.70	Settled; being processed
Chapman, Tamara	7/12/2019	8/29/2019	10/01/2019 <i>*originally listed as closed on 9/12/2019</i>	Claimant says DOW conducted repairs on Maikai St. on July 10 and 11, 2019. On the morning of July 12, 2019 Claimant discovered that the repair has failed which resulted in a large leak. DOW returned and fixed the leak on July 12. Claimant made repeated calls to DOW to, but was told that she would just have to wait for an inaccurate bill to arrive and make a claim at that time.	\$90.20	\$58.95	Settled; refund to customer's account

**DEPARTMENT OF WATER'S CAPITAL IMPROVEMENT PROJECTS REQUESTS FOR STATE AID FOR FY 2020-2021 UPDATE**

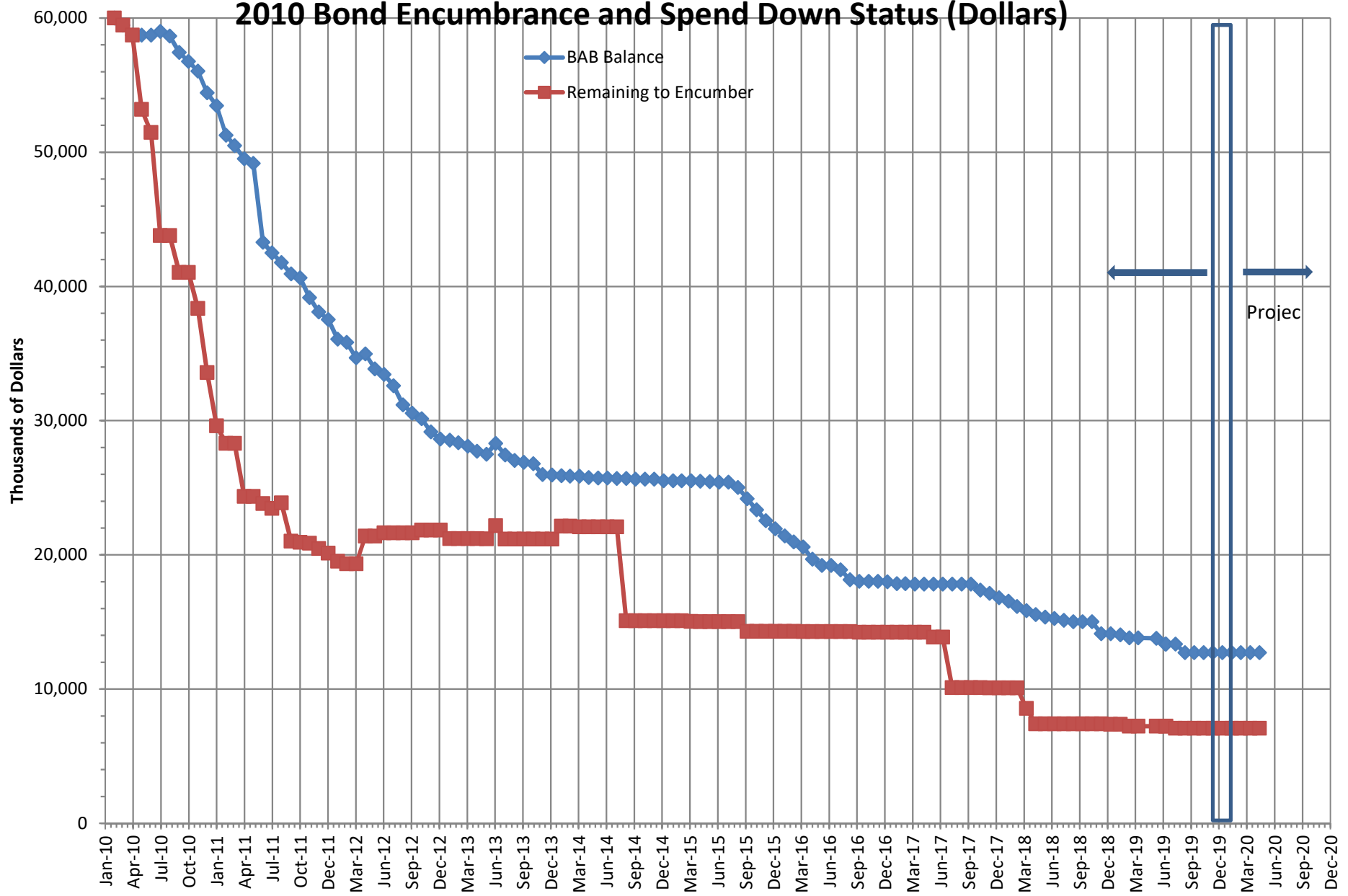
The Department transmitted the CIP packet with the proposed projects to the legislature and is utilizing a legislative liaison to monitor and evaluate measures of the Board/Department's interest and will be deliberating and formulating testimonies on bills. The DOW's Chief of Water Resources and Planning Edward Doi and Michael Hinazumi attended the opening Session of the Legislature on January 15, 2020. The Department will keep the Board updated on the progress of the legislative budget.

mja

Attachments: 2010 BAB Spend Down Report as of December 2019

Mgrrp/Manager's Update (January 24, 2020):mja

# 2010 Bond Encumbrance and Spend Down Status (Dollars)





# Quarterly Reports



# Quarterly Status of DOW Projects

Period of October 1, 2019 – December 31, 2019

**CONSTRUCTION MANAGEMENT DIVISION**

Submitted by Dustin Moises, P.E.

**Department of Water**  
**January 24, 2020**

# EXECUTIVE SUMMARY

The significant changes for Water Plan 2020 Projects within the CM Division during this quarter are:

## Current WP 2020 CM Design Reviews:

1. Kūhiō Highway (Hardy-Oxford) 16" Main Replacement – Completed preliminary design review. Informed design team to research nearby gas stations
2. Islandwide Rehab of Kaua'i Inn and Paanau Tank 1 – Completed preliminary design review.

## Current WP 2020 Construction:

1. Job No. HE-14, Hanapepe-Eleele Booster Pump Replacements – Contract closed.
2. Job No. KP-09 – MCC, Chlorination Facilities, Koloa Well 16A & 16B, Site and Building Improvements – Contract closed
3. Job No. HE-01– Kaumuali'i Highway 16" Main and Emergency Booster Pump Connection – In construction
4. Job No. HE-10 – Hanapepe Road 6" Main Replacement – In construction
5. Job No. WK-08, WK-39 – Kapaa Well 4 Drainage line & Kapaa Well 4 Drill & Test– In construction. Will be on hold once well casing completed.
6. Job No. PLH-35B – Kapaia Haul Cane Road 18" Transmission Line –Issued extension of stop work order until March 31, 2020.

## Upcoming WP 2020 Construction Projects: CM RFP/IFB Reviews:

1. Rehabilitate Paua Valley Tank #1, 0.5MG. – Contract awarded. Anticipate January 2020 NTP
2. Kukuiolono 0.2 MG Tank Demolition – Advertised. Bid opening January 9, 2020. Anticipate March 2020 NTP

## Private Construction Projects:

1. Certificate of completion - 3 projects.

- Current WP 2020  
Construction Projects

# Construction Projects – Water Plan 2020

WP 2020 NUMBER	JOB NO	PROJECT TITLE	% COMPLETE SEP 2019	% COMPLETE DEC 2019	ORIGINAL ESTIMATE TO COMPLETE	CURRENT ESTIMATE TO COMPLETE	CURRENT CONTRACT AMOUNT
KP-09	11-07	MCC, Chlorination Facilities, Koloa Well 16A & 16B, Site and Building Improvements	99	100	Q2 2019	Q3 2019 (2)	\$3,667,032.67
HE-14	12-04	Hanapepe-Eleele Booster Pump Replacements	97	100	Q1 2019	Contract closed	\$1,108,157.02
HE-01	15-07	Kaunualii Highway 16" Main and Emergency Booster Pump Connection	56	69	Q3 2019	Q3 2020 (9)	\$10,427,505.47
HE-10	15-07	Hanapepe Road 6" Main Replacement					Combined with HE-01
WK-39& WK-08	02-14	Kapaa Well 4 Drainage line & Kapaa Well 4 Drill & Test	74	84	Q3 2019	Q1 2020 (9)	\$2,372,846.35
PLH-35B	16-02	Kapaia Haul Cane Road 18" Transmission Line	7	7	Q3 2019	Q4 2021 (8)	\$4,127,545
						<b>TOTAL =</b>	<b>\$21,703,086.51</b>

- (1) Change order issued which extended project schedule.
- (2) Awaiting close out documents
- (3) Awaiting contract dispute resolution
- (4) Awaiting DPW road permit signoff
- (5) Contract closed out
- (6) Liquidated Damages being enforced
- (7) Awaiting Building Permit signoff
- (8) Project issued stop work order and is on hold
- (9) Redesign required additional time

# Water Plan 2020 Construction Projects

Previous 4 quarters				
QUARTER	JAN - MAR 2019	APR - JUN 2019	JUL – SEP 2019	OCT - DEC 2019
CONSTRUCTION CONTRACTS AWARDED	0	0	0	0
CONSTRUCTION CONTRACTS COMPLETED	0	0	0	2
OPEN CONSTRUCTION CONTRACTS (#)	5	5	5	3
OPEN CONSTRUCTION CONTRACTS (\$)	\$19,684,422.94	\$19,920,998.68	\$19,987,906.28	\$21,703,086.51

- Upcoming WP 2020  
Construction Projects

# Water Plan 2020 CM Design/RFP Review Status

OCTOBER 2019- DECEMBER 2019

WP 2020 No.	PROJECT TITLE	DESIGN STATUS	IFB/RFP STATUS
WKK-15	CONSTRUCT KILAUEA 466 TANK, 1.0 MG	REVIEWED FINAL DESIGN REVIEW SET	AWAITING FINAL SET FOR IFB REVIEW
HW-11	CONSTRUCT 0.2 MG HAENA TANK, 144' SYSTEM	REVIEWED PREFINAL DESIGN SET	WILL REVIEW IFB WITH FINAL DESIGN REVIEW
PLH-01A	GROVE FARM TANKS REPLACEMENT	RECEIVED SIGNED SET	RFP CANCELLED – PROJECT SHELVED MARCH 2017
WK-08	KAPAHI HOMESTEADS 2-0.5 MG STORAGE TANKS	REVIEWED FINAL DESIGN REVIEW SET	REVIEWED FINAL SET. AWAITING BID DOCS
WKK-03	MCC, CHLORINATION FACILITIES FOR KILAUEA WELLS 1 & 2	REVIEWED PREFINAL DESIGN SET	WORKING ON BID ADVERTISEMENT DOCS
K-01, K-12	KALAHEO CLEARWELL TANK, YAMADA TANK AND PIPELINE (PACKAGES A, B AND C)	REVIEWED FINAL DESIGN SET	AWAITING FINAL SET FOR RFP REVIEW
ANI-01A	ANINI PIPELINE PHASE 2	RECEIVED SIGNED SET	RFP CANCELLED – PROJECT SHELVED APRIL 2017
K-05A	KUKUIOLONO 0.5 MG TANK (886')	REVIEWED PREFINAL DESIGN SET	WILL REVIEW WITH FINAL PLAN REVIEW
	KUKUIOLONO 0.2 MG TANK DEMOLITION	REVIEWED FINAL DESIGN SET	BID OPENING JAN 9,2020
	ISLANDWIDE REHAB OF KAUAI INN AND PAANAU TANK 1	REVIEWED PRELIMINARY DESIGN SET	AWAITING IFB SET WITH PREFINAL DESIGN SET
	KUHIO HIGHWAY (HARDY-OXFORD) 16" MAIN REPLACEMENT	REVIEWED PRELIMINARY DESIGN SET	AWAITING IFB SET WITH PREFINAL DESIGN SET

Note: DOW CM Division reviews all WP 2020 or DOW funded plans prior to design completion. Green indicates work during this quarter. PAGE 120



# Future Water Plan 2020 Construction Projects

FY 19-20						
WP 2020 No.	PROJECT TITLE	STATUS	% EXP	% R&R	ANTICIPATE NTP	EST. COST
	KUKUIOLONO 0.2 MG TANK DEMO	IN DESIGN	0	100	MARCH 2020	\$0.1 M
WKK-03	MCC, CHLORINATION FACILITIES FOR KILAUEA WELLS 1 & 2	IN DESIGN	0	100	MAY 2020	\$3.755
K-01, K-12	KALAHEO PACKAGES A, B, C	IN DESIGN	VARIES		FY20-21	\$19.0M
WKK-15	KILAUEA 1.0 MG TANK	IN DESIGN	100	0	FY20-21	\$5M
WK-08	KAPAHI 2-0.5MG TANKS	IN DESIGN	100	0	FY 21-22	\$11.5M
* Optimistic estimate at this time – DOW CM will procure no more than 3-4 projects per year or have more than 4 active projects due to staffing capabilities.					<b>TOTAL =</b>	<b>\$39.71355M</b>

- Private Construction Projects

# Construction Projects – Private

TMK #	OWNER	DESCRIPTION	STATUS	CERT. OF COMPLETION
2-6-04:019	County of Kaua'i	Koa'e Workforce Housing Development	Completed	12/20/19
(4)2-6-4:09; (4)2-6-15:06; (4)2-6-15:08	Kukuiula Development Company, LLC	Sewer and Water Extension for County of Kauai Proposed Workforce Housing [WATER]	Completed	12/20/19
(4)2-6-4:09; (4)2-6-15:06; (4)2-6-15:08	Kukuiula Development Company, LLC	Sewer and Water Extension for County of Kauai Proposed Workforce Housing [SEWER]	Completed	12/20/19
			PAGE 123	

# Construction Projects – Private

TMK #	OWNER	DESCRIPTION	STATUS	CERT. OF COMPLETION
1-6-08:006	Ahe Group/Kaua'i Habitat	Waimea Huakai and Habitat Affordable Housing [S-2019-10]	In Construction	
1-6-08:006	Ahe Group/Kaua'i Habitat	Waimea Huakai Affordable Housing OFFSITE [S-2019-10]	In Construction	
NONE	State DOT	Hanapēpē River Bridge (Federal Highways)- Permanent	Awaiting Precon	
2-1-01:052 (por)	COK - Dept. of Public Works	Mahea Road Sidewalk	Awaiting Closeout Docs	
2-1-01:052 (por)	Kauai Habitat for Humanity	Sidewalk Improvement Plans Eleele Iluna Phase 2 Subdivision Increment 1	Awaiting Closeout Docs	
	State of Hawaii - DOT - Harbors Division	Installation of Lift Station and Force Main	Awaiting Closeout Docs	
(4)2-1-003:017; (4)2-3-012:030; (4)2-6-004:057; (4)2-6-004:058	Department of Human Services Hawaii Public Housing Authority State of Hawaii	AMP 38 Infrastructure, Site & Water Improvements, & Installation of 8" RPDA at Hale Hoonanea (HA 1055), Kalaheo Homes (HA 1022), Kawailehua Federal (HA 1086) & Kawailehua State (HA 2204) Eleele, Kalaheo & Koloa Kauai Hawaii [HPHA]	Awaiting Closeout Docs	
2-3-02:108; 2-3-02:111	Kealakaa Partners LLC	Construction Plans for Makaio Estates & Lalena Gardens	In Construction	
2-3-12:003	HoiHui LLC	Construction Plans for Lot 114-A-1 [Kalaheo Hmstd]	In Construction	
2-5-01:Por 2	Kauai Bible Church	Kauai Bible Church Highway Access	Awaiting Closeout Docs	
NONE	Kukuiula Development Company, LLC	Kōloa 69kV Transmission Line Relocation	Awaiting Closeout Docs	
2-6-03:031; 2-6-03:068	Kukuiula Development Company, LLC	Electrical Plans for Kukui'ula Antenna Site	Awaiting Closeout Docs	

# Construction Projects – Private

TMK #	OWNER	DESCRIPTION	STATUS	CERT. OF COMPLETION
2-6-14:042	Kukuiula Development Company, LLC	Construction Plans for Lopaka Paipa Blvd.	Awaiting Closeout Docs	
2-6-20:022	Kukuiula Development Company, LLC	Kainani Villas	Awaiting Closeout Docs	
2-8-22:033-4	Blake and Kathy Hillis Trust	Proposed Structural Utilities Jacket Crossing Easement W-9	Awaiting Closeout Docs	
(4)2-8-16:004	Vistana Sheraton Kauai	Vistana Sheraton Kauai Conversion Site Improvement Plan	In Construction	
	County of Kaua'i	Koae Workforce Housing Development [ELECTRICAL]	Awaiting Closeout Docs	
2-8-06:001	Kōloa Rum Company	Improvements on Maluhia Road	In Construction	
2-8-08:001	Kōloa Village LLC	Construction Plan for Commercial Site	Awaiting Closeout Docs	
2-8-31:184	John H. Murray	Installation of 2nd Single Service Lateral & Backflow Preventor for Lot 184	Awaiting Precon	
3-3-02:001	Grove Farm	Construction Plans for Sewer Lateral for Lot 1528 (Puhī Road & Kaneka Street Intersection)	Awaiting Closeout Docs	
3-3-11:002; 3-3-11:005; 3-3-18:005	Grove Farm	Construction Plans for 8" Sewer Line	Awaiting Closeout Docs	
3-3-13:017	Extra Space Management	Installation of 6-Inch RPDA for Lot 1105 [Puhī Industrial]	Awaiting Precon	

# Construction Projects – Private

TMK #	OWNER	DESCRIPTION	STATUS	CERT. OF COMPLETION
(4)3-3-13:23	Hawthorne Pacific Corporation	Construction Plans for Hawthorne Pacific Corporation Facility	Awaiting Precon	
	State-DOT	Nawiliwili Road Improvements Phase I (Kaumualii HWY to Kanani St.)	Awaiting Closeout Docs	
3-6-17:057	Steve Trinh	Water Service Connection Single Service Lateral for Unit 2	Awaiting Precon	
NONE	COK-DPW	Līhu'e Town core Mobility and Revitalization Project (Kūhi'ō Hwy to Rice St.) [TGR-0700(073)]	In Construction	
	County of Kauai	Kamalu Bridge Erosion Protection Repairs	Awaiting Closeout Docs	
	County of Kauai	Kamalu Road Culvert Emergency Repair	Awaiting Closeout Docs	
	County of Kaua'i	Puuopae Bridge Replacement	In Construction	
4-2-06:	COK-DPW	Opaekaa Bridge Repair/Rehabilitation [Federal Aid Project No. BR-0700(60)]	In Construction	
4-2-03:023	Youn Family Trust	Water Meter Plan for Lot 3-G-1A	Awaiting Closeout Docs	
4-3-02:015; 4-3-02:016; 4-3-02:020	SPD II Makawa Resort Developmet LLC	Water System Improvements @ Coconut Beach Resort	Awaiting Closeout Docs	
4-3-03:005	AOUA Kulana	Kulana Subdivision OFFSITE Water System & 0.25 MG Tank	In Construction	
				PAGE 126

# Construction Projects – Private

TMK #	OWNER	DESCRIPTION	STATUS	CERT. OF COMPLETION
4-3-01:001	AOUA Kulana	Kulana Subdivision ONSITE Phase 1	Awaiting Closeout Docs	
4-3-03:005	Steven W. Long & Associates	Relocation of Hauiki Road	In Construction	
4-3-11:001		Kulana Subdivision Roadways & Onsite Water System Phase II	In Construction	
4-5-10:001	Aloiau Inc.	Water Meter Relocation Plan for Dragon Treasures LLC Lot 8	Awaiting Precon	
4-5-12:024	South Pacific Bistro Inc.	1-Inch Water Meter Plan for Lot 1	Awaiting Precon	
4-5-13:016	Kenneth Allen	Water Service Connection Single Service Lateral [ALLEN]	Awaiting Precon	
4-6-04:	County of Kauai	Kapahi Bridge Replacement	Awaiting Closeout Docs	
4-6-06:093	Anuenue Gardens LLC	Cut & Plug Water Lateral for Lot 5	Awaiting Closeout Docs	
4-6-07:010; 4-6-07:040	Hauiki Hui LLC	Construction Plans for Lot 83 - WATERS	In Construction	
5-1-04:007; 5-1-04:008	Jeffrey Lindner	Water Meter and Fire Protection Service Connections for Bertleman's Subdivision	Awaiting Closeout Docs	
5-2-12:035/915	Charles Somers	Water Service Installation Plan for Lot 8-W-9-A (Parcel 35)	Awaiting Closeout Docs	

# Construction Projects – Private

TMK #	OWNER	DESCRIPTION	STATUS	CERT. OF COMPLETION
NONE	County of Kaua'i	Kahiliholo Road Emergency Repairs	Awaiting Closeout Docs	
(4) 5-1-05:105	Bruce Martin 2007Trust	Water Service Connection Single Service Lateral for Pu'u Pane Subdivision Phase 1 [MARTIN]	Awaiting Closeout Docs	
5-2-12:019	Michael Kaplan Revocable Trust	WS Connection SSL for LC AW 10333 [KAPLAN]	Awaiting Closeout Docs	
5-5-06:016	Hanalei Ozone LLC	WS Installation Plan for Parcel 16	Awaiting Precon	
5-5-10:073; 5-5-10:074	Jay & Nicole Welsh	Water Service Installatin Plan for Parcel 73; Lot 28-A	Awaiting Closeout Docs	
5-6-04:023/853	Waipa Foundation Community Cultural Center	Waipa Foundation Community Cultural Center	Awaiting Closeout Docs	
NONE	County of Kaua'i	Weke Road Emergency Repairs	Awaiting Closeout Docs	
5-8-08:009	Lon Malapit	Water Meter Plan for Lot 62	Awaiting Closeout Docs	
5-8-08:014	Kent & Sharon Lucien	Water Improvement Plan for Lot 55	Awaiting Closeout Docs	
5-9-03:001; 5-9-03:029	Katherine Richardson/Jonathan Wichman	Water Service Installation Plan for Lot 148 and Lot 149	Awaiting Closeout Docs	
NONE	SOH - DOT - Highways	WAIKOKO Temp Line	Awaiting Closeout Docs	



# Construction Projects – Private

TMK #	OWNER	DESCRIPTION	STATUS	CERT. OF COMPLETION
NONE	SOH - DOT - Highways	WAIPA Temp Line	Awaiting Closeout Docs	
NONE	SOH - DOT - Highways	WAIOLI Water Line Brackets	Awaiting Closeout Docs	
NONE	SOH - DOT - Highways	WAIPA Permanent Line	Awaiting Closeout Docs	
NONE	SOH - DOT - Highways	WAIKOKO Permanent Line	Awaiting Closeout Docs	

# DOW CM Staffing Update

POSITION #	POSITION TITLE	NAME	STATUS
2470	Chief of Construction Management	Dustin Moises	Reallocation appeal denied by HR.
2355	Civil Engineer V	Vacant	Reallocation denied. Working towards attaining eligible list
2484	Civil Engineer III	Claus Bollman	
2351	Civil Engineer I	Takara Kunioka	
2353	Waterworks Inspector III	Jet Levinthol	
2483	Waterworks Inspector II	Craig Shirai	
2357	Waterworks Inspector I	Weston Moniz	
2604	Engineering Program Assistant	Bekki Malapit	
2607	CE IV		Position deleted
2608	Waterworks Inspector I		Position deleted
2609	Waterworks Inspector I		Position deleted

See As Needed CM Staffing Update for additional staff overseen by chief of CM

# As Needed CM Staffing Update

<b>Contract #</b>	<b>Company</b>	<b>Contract Amount</b>	<b>Scope</b>
620	SSFM International	536,283.49	<p>Kōloa Well 16A/B – Provide 1 Project Engineer &amp; 1 Inspector</p> <p>Kapa'a Well 4 drill/test and Drainage package – Provide 1 Project Engineer &amp; 1 Inspector</p> <p>Contract end date December 31, 2019</p>
637	RM Towill Inc.	1,059,069.00	Hanapēpē Waterlines (State & County Phases)– Provide 1 Project Engineer & 1 Inspector



# Quarterly Status of DOW Projects

Period of October 1, 2019 – December 31, 2019

ENGINEERING DIVISION

**Department of Water**

**January 24, 2020**

Submitted by Keith Aoki, P.E.

# EXECUTIVE SUMMARY

The Engineering Division is currently overseeing **23** ongoing **DOW Design projects**, including several multi-phased projects:

Significant updates for this quarter include:

- 1) Maalo Road easements and land conveyance documents finalized. Project completed.
- 2) Department of Water Baseyard Master Plan, Job No. 19-02 – Consultant presented various plan options. Board selected Option B for DOW to move forward with.
- 3) Hanapēpē-‘Ele‘ele Connecting Pipeline, Job No. 15-07, WP2020 Job HE-10 & HE-1:
  - State clarified UOA insurance requirement. County insurance now able to issue a Certificate of Insurance (COI).
- 4) Makaleha Tunnel Water Line Repairs, Job No. 18-09 – Consultant proceeding with PER.
- 5) Drill and Test Kīlauea Well No. 3, Job No. 17-11 – DOW met with land owner on October 11, 2019. Land owner having his legal review draft ROE.
- 6) Job No. 19-01, Island Wide Vulnerability and Resiliency Assessment – Design in progress.
- 7) Job No. 18-8, Rain18 Manoa Stream Water Line Repairs – HDR submitted a revised proposal. In review/negotiation.



# EXECUTIVE SUMMARY

Upcoming design projects:

- 1) WK-39, Develop Kapaa Well No. 4 Well Site (pending successful completion of Drill and Test Kapaa Well No. 4 project)

# EXECUTIVE SUMMARY

Projects with design estimated to be completed within the next three to six months :

- Job No. 19-02 Department of Water Baseyard Master Plan
- Job No. 11-03 Land Acquisition, Waimea, (depending on State BLNR review)
- Job No. 02-06 Kīlauea 1.0 MG Storage Tank, WP2020 No. WK-15

## PRIVATE PROJECTS:

- **28** private project reviews (new and existing) were completed by Engineering during this quarter, including 12 new projects which were submitted for Engineering review during this quarter.



# Design Projects



# WEST SIDE DESIGN PROJECTS

## Kekaha, Waimea, Hanapēpē, ‘Ele‘Ele

WP 2020 NUMBER	PROJECT TITLE	% COMPLETE SEPT 2019	% COMPLETE DEC 2019	EST. DESIGN COMPLETE	BUDGET COST (DESIGN)	FRC GENERATING PROJECT?	STATUS
	Island Wide Rehab of Storage Tanks	10%	10%	Q3 2020	\$458,594	No	In design
	Island Wide Vulnerability and Resiliency	0%	5%	Q4 2020	\$629,686	No	In design
HE-14	Hanapēpē-‘Ele‘ele Booster Pump Replacements	100%	100%	Completed	\$92,000	No	Construction completed
KW-28	Amfac Shaft Renovation, Phase 3	0%	0%	-	-	Yes	No change - project on hold indefinitely.
HE-1 & HE-10	Reorganize Water System- Hanapēpē-‘Ele‘ele Connecting Pipeline	100%	100%	Completed	\$499,972	Yes	In construction State ROW: Use and Occupancy Agreement with State to be completed.
KW-07	Rehabilitate Paua Valley Tank #1, 0.5 MG Concrete	100%	100%	Completed	\$162,420	No	Ready for construction

# SOUTH SIDE DESIGN PROJECTS

## Kālaheo, Lawai, Po'ipu, Kōloa

WP 2020 NUMBER	PROJECT TITLE	% COMPLETE SEPT 2019	% COMPLETE DEC 2019	EST. DESIGN COMPLETE	BUDGET COST (DESIGN)	FRC GENERATING PROJECT?	STATUS
K-01	<p>Kālaheo 1111' &amp; 1222' Water System Improvements:</p> <p>Package A (Yamada Tank)            Package B (Clearwell Tank)            Package C (Water Main)            Package D (Yamada Well)</p>	95%	95%	<p>Packages A, B, and C completed.</p> <p>Package D completion TBD</p>	\$1.2 million	Yes	<p>Design completed for packages A, B, and C. Contract amendment #4 for recertification and additional environmental work to meet SRF requirements executed.</p> <p><u>Package D</u>: - Design to commence after Package A construction is complete.</p>
K-05A	Kukuiolono (Kālaheo) 0.5 MG Tank, 886'	95%	95%	TBD	\$250,253	Yes	DOW working on land exchange. Plans for old tank demo approved by DOW.

# SOUTH SIDE DESIGN PROJECTS

## Kālaheo, Lawai, Po‘ipu, Kōloa

WP 2020 NUMBER	PROJECT TITLE	% COMPLETE SEPT 2019	% COMPLETE DEC 2019	EST. DESIGN COMPLETE	BUDGET COST (DESIGN)	FRC GENERATING PROJECT?	STATUS
KP-09	Kōloa Wells “16A” & “16B”, MCC Improvements, Site and Building Improvements, MCC Chlorination Facilities	100%	100%	Completed	\$300,000	No	Consultant working on drainage overflow discovered after construction.

# EAST SIDE DESIGN PROJECTS

Lihu'e-Puhi, Wailua-Kapa'a, Anahola

WP 2020 NUMBER	PROJECT TITLE	% COMPLETE SEPT 2019	% COMPLETE DEC 2019	EST. DESIGN COMPLETE	BUDGET COST (DESIGN)	FRC GENERATING PROJECT?	STATUS
PLH-37	Deepen Puhi Well No. 2	PH 1 is 100%	PH 1 is 100%	-	\$ 67,900	No	No change - Phase II Proposal Pending
PLH-27	Kūhi'ō Hwy (Hardy-Oxford) 16" Main Replacement	25%	30%	Q3 2020	\$270,608	No	Draft PER and preliminary plans submitted to DOW for review.
N/A	DOW Baseyard Master Plan	70%	80%	Q1 2020	\$301,983	No	Multiple Concepts/Options submitted to DOW for review.
(DOW Job No. 18-09)	Makaleha Tunnel Water Line Repair (Rain18 project)	10%	15%	TBD	\$335,820	No	Preliminary concept submitted to DOW for review. Will need a new ROE for construction

# EAST SIDE DESIGN PROJECTS

## Lihu'e-Puhi, Wailua-Kapa'a, Anahola

WP 2020 NUMBER	PROJECT TITLE	% COMPLETE SEPT 2019	% COMPLETE DEC 2019	EST. DESIGN COMPLETE	BUDGET COST (DESIGN)	FRC GENERATING PROJECT?	STATUS
WK-8	Construct Drainage Improvements (Package A) and Kapa'a Homestead 325' Tanks, 1.0MG - Two 0.5 MG Tanks (Package B)	Package B 92%  Package A 100%	Package B 92%  Package A 100%	Package B Q1 2020  Package A completed	\$989,788	Yes	Package A in construction with Kapa'a Well No. 4
WK-23	Wailua Homesteads 0.25 MG Tank site - U.H. Experimental Station Phase 1	35%	35%	TBD (2021)	\$50,000	Yes	DOW working on land rights
WK-39	Kapa'a Homesteads Well #4 drill and test	100%	100%	Design is complete	\$ 352,000	Yes	In construction with he drainage Package A Drainage Improvements - Kapa'a Homesteads 325' Tanks.

# NORTH SHORE DESIGN PROJECTS

## Moloa'a, Kilauea, 'Anini, Hanalei, Ha'ena

WP 2020 NUMBER	PROJECT TITLE	% COMPLETE SEPT 2019	% COMPLETE DEC 2019	EST. DESIGN COMPLETE	BUDGET COST (DESIGN)	FRC GENERATING PROJECT?	STATUS
MO-03	Land and Well Acquisition, Moloa'a and Waimea	100% (Moloa'a)  Waimea - 90% Complete TBD	100% (Moloa'a)  Waimea - 90% Complete TBD	Moloaa complete  Waimea TBD – Dependent on State BLNR	\$161,278	No	Moloa'a portion of contract complete.  Waimea land acquisition ongoing. State is requiring DOW to resolve mapping discrepancy with DOT for Waimea tank and well site. Pending DOT research and response.
M-02	Construct Moloa'a 0.10 MG Tank	25%	25%	TBD	\$ 119,207	Yes	No change Contract amendment needed. DOW reevaluating project and priority.
WKK-15	Kilauea 1.0 MG Tank	95%	95%	Q4 2019	\$367,884	Yes	final plans submitted to DOW for review
WKK-2	Drill and Develop New Kilauea Well No. 3	10%	10%	TBD	\$370,000	Yes	Design cannot proceed until land rights for the well are obtained. Working on obtaining a ROE from the land owner.
	Mānoa Stream Water Line Repair	0%	0%	TBD	\$250,000	No	Negotiating with selected consultant

# NORTH SHORE DESIGN PROJECTS

## Moloa'a, Kilauea, 'Anini, Hanalei, Ha'ena

WP 2020 NUMBER	PROJECT TITLE	% COMPLETE SEPT 2019	% COMPLETE DEC 2019	EST. DESIGN COMPLETE	BUDGET COST (DESIGN)	FRC GENERATING PROJECT?	STATUS
WKK-03 & WKK-21	MCC, Chlorination Facilities – Kilauea Wells No. 1 & 2 & Replace Kilauea Well #2	100%	100%	Completed	\$349,168	No	Design completed. Start of construction TBD. Recertification of plans may be needed, depending on when construction starts.

# NORTH SHORE DESIGN PROJECTS

## Moloa'a, Kīlauea, 'Anini, Hanalei, Ha'ena

WP 2020 NUMBER	PROJECT TITLE	% COMPLETE SEPT 2019	% COMPLETE DEC 2019	EST. DESIGN COMPLETE	BUDGET COST (DESIGN)	FRC GENERATING PROJECT?	STATUS
HW-11	Construct 0.2 MG Storage Tank Project, 144', Ha'ena	90%	90%	Q3 2020	\$412,401	Yes	Site location pending confirmation by land owner.  Negotiations with consultant for contract amendment pending site location.
HW-12	Drill and Test Wainiha Well #4	75% (Re-design)	75% (Re-design)	TBD	\$133,740	Yes	Alternate well site agreed upon. Contract amendment needed. Proposal from consultant to be submitted to DOW.
	Rain18 Repair Mānoa Stream Water Line	0%	0%	TBD	TBD	No	Negotiating with selected consultant for design.



# Private Projects of Note

<b>Area</b>	<b>DEVELOPMENT OR DEVELOPER</b>	<b>PLAN REVIEW STATUS</b>
Hanapepe	COK – Hanapēpē Stadium Complex Improvements	In review
Eleele	Lima Ola Subdivision, Phase I	DOW awaiting resubmittal
Koloa	Waihohonu CPR (Z-III-2015-2) - Recertification	DOW awaiting resubmittal
Poipu	Kukui'ula parcel FF Subdivision (S-2019-09)	DOW awaiting resubmittal
Poipu	Kahela Subdivision Parcel H (S-2016-02)	DOW awaiting resubmittal
Poipu	COK Kōloa-Maluhia Road Improvements	approved
Lihue	Waiola Subdivision Ph I	DOW awaiting resubmittal
Lihue	Waiola Subdivision Ph III (S-2009-15)	DOW awaiting resubmittal
Lihue	Waiahi SWTP – Initial upgrades	DOW awaiting resubmittal
Lihue	Waiahi 2 MG Storage Tank	In review
Lihue	COK Puhi Road Rehabilitation, Phase II	DOW awaiting resubmittal
Lihue	Pua Loke Affordable Housing	DOW awaiting resubmittal
Lihue	Ahukini Makai Subdivision (S-2005-41)	DOW awaiting resubmittal
Lihue	Ahukini Makai Subdivision-offsite (S-2005-41)	In review
Kapa`a	COK- Lydgate Bike-Ped Path PH C(por) & D	DOW awaiting resubmittal
		<b>PAGE 145</b>

# Personnel Status

Civil Engineer VI	Keith Aoki
Civil Engineer V	Eric Fujikawa
Civil Engineer V	Bryan Wienand (1 month)
Civil Engineer V	Vacant
Civil Engineer II	Vacant

# QUARTERLY REPORT

Period of October 1 – December 31, 2019

WATER RESOURCES AND PLANNING DIVISION

Submitted by: Edward Doi, P.E.

DEPARTMENT OF WATER

January 24, 2020

# Executive Summary

The significant changes for this quarter are:

- The Division prepared proposed rule amendments to address the FRC impact fee to size limited dwellings, Guest Houses containing kitchens and Affordable Rental Units (ARUs). The Board was amenable to the proposed rule amendment and directed the Department to proceed with the rule amendment public involvement process.
- The Division continues to implement the amendments to the Rules and Regulations relating to the Facilities Reserve Charge. Meter Installation Notices was prepared and sent to customers reminding them of the “Grace Period” rule, to install their water meters before November 29, 2018.
- The Division continues to work with Manager to address requests for FRC exemptions for customers affected by the “Grace Period” rule.
- The Division continues to assist other Divisions with the overall review of DOW water infrastructure needs and island wide project prioritization.
- The Division continued to assist other Divisions regarding the Water Audit (CWRM)

# Water Restriction Policy

Water System / System	Sub-	Restrictions (5/8-inch water meter or number units per lot)	Inadequate Facilities	Comments
Upper Lawai		2	Storage	Administration Approved
Poipu		300	Storage	Board Approved (50% of new tank allowed for new development; 50% to make up storage deficit)
Wailua Homesteads		5	Storage	Administration Approved
Upper Wailua Homesteads		2	Storage	Administration Approved
Kapaa Homesteads		5	Source	Board Approved
Moloa'a		0	Source and Storage	Water Purchase Agreement
Kilauea-Kalihiwai		5	Source and Storage	Administration Approved
Aliomanu – Kukuna Road		0	Transmission	Administration Approved
Anini		1	Source and Storage	Water Purchase Agreement
Upper Wainiha Valley		1	Storage	Administration Approved
Wainiha – Haena		3	Storage	Administration Approved

# Completed Tasks

	October – December 2019
Subdivision Applications; Zoning / Land Use / Variance Permits; Zoning Amendments; ADU/ARU Clearance Applications	24
Water Service Requests	52
Approved Building Permit Applications	318
Backflow Inspection Program – No. of Tested Devices	1642

# Personnel Status

Chief of Water Resources and Planning	Edward Doi
Civil Engineer VI	Michael Hinazumi
Civil Engineer III	Regina Flores
Civil Engineer III	Vacant
Civil Engineer II	Vacant
Engineering Drafting Technician IV	Cleve Shigematsu
Engineering Support Technician IV	Keith Konishi



# IT STRATEGIC PLAN QUARTERLY UPDATE

*PERIOD COVERING: October 2019 – December 2019*

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Update provided by: Sandi Nadatani

January 24, 2020



# EXECUTIVE SUMMARY

The current strategies are based on the departments needs. There has been significant progress made against the recommendations in the 2013 plan.

The I.T. Section with a staff of two were able to implement most of the recommendations from the 2013 plan.

The strategies fall into three categories: Technology, Business Process Improvements and Organization Improvements.

The full I.T. plan was approved by the Board in July 2019.

# VISION FOR THE NEW PLAN

- Manage our work, assets, projects and materials professionally and collaboratively
- Provide excellent customer service and maintain accurate and complete billing records
- Use technology to operate effectively and efficiently and to make evidence-based decisions
- Understand and follow our processes
- Know how to use our technologies to best support our processes
- Building partnerships between users and IT staff, and work as a team
- Develop an IT organization with the resources needed to provide valued advice and great support

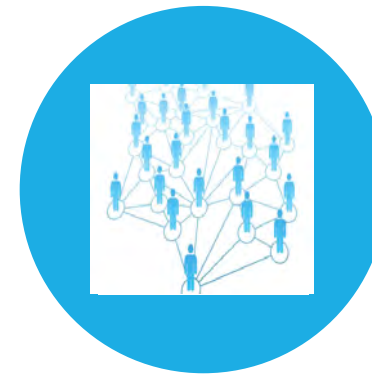
# IT STRATEGIES



TECHNOLOGY



BUSINESS PROCESS  
IMPROVEMENTS



ORGANIZATION

# TECHNOLOGY

- Replace M-PET with a GIS-based Work Management System
  - I.T. Will work on Solicitation Documentation
  
- Upgrade SCADA and Replace Servers
  - Operations handling the Contract Change Order, I.T. waiting on Hardware & Computer Specifications
    - Review & Approval of Terms and Conditions for Hardware & Software were approved by the Board at the December Board Meeting
    - Specifications for Hardware and Software were forwarded to SCADA Consultants in Dec 2019 for final review prior to purchasing
  
- Upgrade Financial Information System and Correct Issues
  - Amendment to Contract was approved
  - I.T. Consultant to begin working on this in January 2020
  
- Develop GIS Technologies and Processes
  - Currently working with ESRI on a Contract to create a Road Map (*on hold till I.T. Manager is hired*)
  
- Maintain and Support Hydraulic Model Software
  - Currently with Water Resources and Planning – Continuing to work on Terms and Conditions
  
- Core IT Infrastructure Upgrades
  - On-going
    - I.T. looking at moving DOW to Office 365 (IT Specialist has been in contact with the County I.T.)
  
- Procure Emergency Communication Equipment – Completed in FY 2019

# BUSINESS PROCESS IMPROVEMENTS

- SOPs and Proficiency Testing Program
  - CC&B Manual Creation with Fiscal to complete
    - Manual still pending as of December 2019
- Improve Use of SharePoint
  - Consultant was tasked with creating Portal for Divisions
  - Consultant tasked with migrating CM's portal to updated SharePoint

# ORGANIZATION

- Expand the Information Technology (I.T.) Section
  - Creation of a I.T. Specialist III Position. Position Description sent to Human Resources
    - Position Announcement closed on December 13, 2019
      - Pending List of Qualified Applicants
  - Revision of Waterworks I.T. Officer Duties Position Description.
    - Position Title Updated to Waterworks I.T. Manager
    - Position Announcement closed December 31, 2019
      - Pending List of Qualified Applicants
  - Creation of I.T. Division sent to HR for Approval
    - **Approved November 2019**
  - Reallocation of Computer System Support Tech I
    - Candidate did not meet minimum qualifications
- Develop User Groups

# UPDATE TO CONTRACT 666 WITH BRIO CONSULTING

	Execution Date	NTP Date	Contract Amount	Summary
Original Contract	8/2/2018	9/1/2018	\$79,979.00	Review & Update I.T. Strategic Plan
1 <sup>st</sup> Amendment	4/30/2019		\$,9820.00	Provide Additional Presentation to the Board – 90 day time extension
2 <sup>nd</sup> Amendment	10/8/2019	10/14/2019	\$70,000.00	I.T. Project Implementation and Support Services
3 <sup>rd</sup> Amendment	11/14/2019	11/15/2019	\$229,380.00	I.T. Project Implementation and Support Services

# QUARTERLY HELP DESK TICKETS UPDATE

Month	Help Desk Tickets Received	Help Desk Tickets Resolved	BRIO Consultant	Computer System Support Technician	Information Technology Specialist III
October 2019	133	117	7	57	53
November 2019	186	167	21	116	30
December 2019	161	149	55	31	63
TOTALS	480	433	83	204	146



# I.T. SECTION STAFFING UPDATE

Position Title	Personnel
Waterworks Information Technology Manager	Vacant
Information Technology Specialist III	Sandi Nadatani
Information Technology Specialist III	Vacant
Computer System Support Technician I	Darrell Acob