

BOARD OF WATER SUPPLY, COUNTY OF KAUAI

On March 16, 2020, Governor David Y. Ige issued a Supplementary Emergency Proclamation related to COVID-19 which suspended Chapter 92 of the Hawai'i Revised Statutes ("HRS"), relating to Public Agency Meetings and Records (commonly referred to as the Sunshine Law) to the extent necessary in order to enable boards to conduct business in-person or through remote technology without holding meetings open to the public. Boards shall consider reasonable measures to allow public participation consistent with social distancing practices, such as providing notice of meetings, allowing the submission of written testimony on items which have been posted on an agenda, live streaming of meetings, and posting minutes of meetings online. No board deliberation or action shall be invalid, if such measures are not taken.

In accordance with the Governor's Proclamations including the stay-at-home order and the Mayor's Proclamations and Emergency Rules, the Board of Water Supply meetings will be conducted as follows until further notice:

- Board meetings will be held via remote technology to be consistent with social distancing practices and stay-at-home orders.
- Board members and/or resource individuals may appear via remote technology.
- Board meetings will continue to be noticed pursuant to HRS Chapter 92.
- Written testimony on any agenda item will continue to be accepted.
 - Written testimony may be submitted to Cherisse Zaima, the Commission Support Clerk via email at czaima@kauaiwater.org by the close of business the day before the Board meeting is scheduled or mailed to the Board of Water Supply at 4398 Pua Loke Street, Lihū'e, Kaua'i, Hawai'i 96766 with attention to the Commission Support Clerk. The public is asked to please provide sufficient time if mailing in public testimony.
 - Oral testimony may be submitted by leaving a voice message at (808) 245-5412.
 - The Commission Support Clerk will provide electronic copies of public testimony received, if any, to the Board members prior to the start of the meeting.
- Board meeting minutes will continue to comply with HRS Chapter 92 and be posted to the Board's website at http://www.kauaiwater.org/cp_waterboard_agendas.asp.

For more information on COVID-19 and to access the Governor's Proclamations please visit: <https://hawaiicovid19.com/>.

For County of Kaua'i information, including the Mayor Kawakami's daily updates, Proclamations, and Emergency Rules, please visit: <http://www.kauai.gov/COVID-19>.



BOARD OF WATER SUPPLY

GREGORY KAMM, CHAIR
KURT AKAMINE, VICE CHAIR

JULIE SIMONTON, SECRETARY
LAWRENCE DILL, MEMBER
KA'AINA HULL, MEMBER
TROY TANIGAWA, MEMBER
ELESTHER CALIPJO, MEMBER

REGULAR MONTHLY TELECONFERENCE MEETING NOTICE AND AGENDA

Thursday, August 26, 2021
9:00 a.m. or shortly thereafter

If the Board determines additional time is necessary for discussion and deliberation on the agenda items, the meeting may be continued on the dates and at the times noted below. Meeting dates after the initial meeting are a continuation of the initial meeting and may be cancelled.

CONTINUED TO:

Friday, August 27, 2021	10:00 a.m. or shortly thereafter
Monday, August 30, 2021	10:00 a.m. or shortly thereafter
Tuesday, August 31, 2021	10:00 a.m. or shortly thereafter

CANCELLED AUGUST 27

PUBLIC ACCESS +1- 415-655-0001 US Toll, Conference ID: 2550 344 9658, Password: 4398#

This meeting will be held via Microsoft Teams conferencing only. Members of the public are invited to join this meeting by calling the number above with the conference ID information. You may testify during the video conference or submit written testimony in advance of the meeting via e-mail, fax, or mail. To avoid excessive noise/feedback, please mute your microphone except when you are called to testify.

If members or the public require technical assistance, please contact: informationtechnology@kauaiwater.org

CALL TO ORDER

ROLL CALL

ANNOUNCEMENTS:

Next Scheduled Meeting: Thursday, September 23, 2021 – 10:00 a.m. via Tele-Conference.

APPROVAL OF AGENDA

APPROVAL OF MEETING MINUTES:

1. Regular Board Meeting – July 22, 2021

PUBLIC TESTIMONY

1. From Tristan Gonzales, Assistant Regional Manager Goodfellow Bros. re: Job No. 15-07 WP 2020 No. HE-01 and Job No. 15-07 WP 2020 No. HE-10. Email received on August 12, 2021.

CORRESPONDENCE

1. From Michael Serpa, owner/developer Koloa Village Project, re: FRC Charge \$138,300 dated July 21, 2021.

CONSENT CALENDAR

1. Manager's Report No. 22-09 Discussion and Possible Action to Rescind Board Policy 2, Lowering of Pipelines or Service Laterals
2. Manager's Report No. 22-10 Discussion and Possible Action on Proposed Changes to Board Policy 3, Water Utility Fund
3. Manager's Report No. 22-11 Discussion and Possible Action to Rescind Board Policy 11, Delinquent Water Sales Accounts Receivable
4. Manager's Report No. 22-12 Discussion and Possible Action to Rescind Changes to Board Policy 13, Facilities Reserve Charge – Accounting Procedures
5. Manager's Report No. 22-13 Discussion and Possible Action to Rescind Board Policy 14, Charges for Professional Services for Subdivisions and Other Developments
6. Manager's Report No. 22-14 Discussion and Possible Action to Rescind Board Policy 18, Replacement of Service Connection within Private Property

NEW BUSINESS:

1. Manager's Report No. 22-15 Discussion and Possible Action on the Adoption of Board Policy No. 33, Legislation Pending Before the State Legislature
2. Manager's Report No. 22-16 Discussion and Possible Action on the Approval of the Department of Water's Supplemental Budget for Fiscal Year 2022
3. Manager's Report No. 22-17 Discussion and possible action on the approval of funding for the Information Technology Division Capital Budget in the amount of \$200,000.00 to fund the replacement, upgrade, and configuration of critical infrastructure
4. Manager's Report No. 22-18 Review and Discussion to approve the DOW's Request to enter into the Data Sharing and Confidentiality Agreement between the Hawai'i Employer Union Health Benefits Trust Fund, State of Hawai'i and County of Kaua'i DOW
5. Resolution No. 22-19 Farewell to Craig Shirai (Retiree), Waterworks Inspector III, Construction Management Division

STAFF REPORTS:

1. Statement of Revenues and Expenditures
 - a. July Monthly Summary Budget
 - b. Accounts Receivable Aging Summary
2. Public Relations Activities
3. Operational Activities
4. Manager and Chief Engineer

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

1. Discussion and Suggestions of the Department of Water's Capital Improvement Projects for 2022-2023
2. Discussion and Possible Action to establish Fiscal Policies and Procedures
3. Discussion and Possible Action on Proposed Board Policies
4. Paua Valley Tank recommendations

TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETINGS:

1. Manager’s Report No. 17-29 - Discussion and Possible Action on the Financial Management Planning and Water Rate Study for the Department of Water for Fiscal Year 2022 through Fiscal Year 2026
2. Department of Water Performance Audit
3. Baseyard Master Plan Workshop

EXECUTIVE SESSION:

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

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 hiring of a Manager and Chief Engineer where consideration of matters affecting privacy will be involved; provided that if the individual concerned requests an open meeting, an open meeting shall be held as it relates to this agenda item.

ADJOURNMENT

WRITTEN TESTIMONY

The Board is required to afford all interested persons an opportunity to present testimony on any agenda item. The Board encourages written testimony at least two (2) business days prior to a scheduled Board meeting. At each Board meeting, the Board will accept oral and written testimony on any agenda item at item Public Testimony.

Please include:

1. Your name and if applicable, your position/title and organization you are representing
2. The agenda item that you are providing comments on; and
3. Whether you are a registered lobbyist and, if so, on whose behalf you are appearing.

Send written testimony to:

Board of Water Supply, County of Kaua'i
C/O Administration
4398 Pua Loke Street
Līhu'e, Hawai'i 96766

E-Mail: board@kauaiwater.org
Phone: (808) 245-5406
Fax: (808) 245-5813

SPEAKER REGISTRATION

Prior to the Day of the Meeting: Persons wishing to testify are requested to register their name, phone number, and identify the agenda item for which they wish to provide testimony via email at board@kauaiwater.org or by calling (808) 245-5406.

On the Day of the Meeting: Persons who have not registered to testify by the time the Board meeting begins will be given an opportunity to speak on an item following oral testimonies of

registered speakers. The length of time allocated to person(s) wishing to present verbal testimony may be limited at the discretion of the chairperson.

SPECIAL ASSISTANCE

If you need an auxiliary aid/service or other accommodation due to a disability, or an interpreter for non-English speaking persons, please call (808) 245-5406 or email board@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

MINUTES
BOARD OF WATER SUPPLY
July 22, 2021

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

BOARD: Mr. Gregory Kamm, *Chair*
Mr. Kurt Akamine, *Vice Chair*
Mr. Kaaina Hull
Ms. Julie Simonton
Mr. Lawrence Dill
Mr. Lester Calipjo

EXCUSED: Mr. Troy Tanigawa

Quorum was achieved with **6** members present at Roll Call.

STAFF: Manager & Chief Engineer Mark Knoff
Deputy Manager-Engineer Judith Hayducsko
Mrs. Mary-jane Akuna
Mr. Jaspreet Banwait
Mr. Michael Hinazumi
Mrs. Jonell Kaohelaulii
Mr. Valentino Reyna
Mr. Marcelino Soliz
Ms. Cherisse Zaima
Deputy County Attorney Mahealani M. Krafft

ANNOUNCEMENTS

Next Scheduled Meeting: Thursday, August 26, 2021 – 10:00 a.m. via Tele-Conference

There were three (3) callers from the public who joined in the meeting.

Prior to the approval of the agenda, Manager Mark Knoff informed the commission of the following correspondence received after the agenda had been posted:

- Testimony from Tristan Gonzales, Assistant Regional Manager Goodfellow Bros. re: Job No. 15-07 WP 2020 No. HE-01 and Job No. 15-07 WP 2020 No. HE-10. Email dated July 21, 2021.

In response to Board Member Simonton, Manager Knoff stated due to the late receipt of the testimony, he would prefer it be placed on the August Board meeting agenda to allow him time to prepare for discussion.

Board member Simonton moved that the agenda remain as is, without the addition of the correspondence, seconded by Mr. Akamine; with no objections, motion carried with 6 Ayes. Chairman Kamm noted that the correspondence will be placed on the August 26, 2021 agenda.

APPROVAL OF AGENDA

Board Member Simonton moved to approve the Agenda, seconded by Mr. Hull; with no objections, motion carried with 6 Ayes.

APPROVAL OF MEETING MINUTES

1. Regular Board Meeting – July 22, 2021

Board Member Simonton moved to approve the Regular Board Meeting minutes of June 24, 2021 seconded by Mr. Hull; with no objections, motion carried with 6 Ayes.

PUBLIC TESTIMONY

There were no registered testimonies received by email or by phone.
There were four (4) callers from the public who joined in the meeting.

CORRESPONDENCE

1. From Nikki Cristobal of Kamāwaelualani Corp. re: Koloa Water Tower Mural dated June 24, 2021.

CONSENT CALENDAR

1. Manager's Report No. 22-01 Discussion and Possible Action on Rescind Board Policy 10, Temporary Assignments
2. Manager's Report No. 22-02 Discussion and Possible Action on Proposed Board Policy 23, Delegating Routine Personnel Actions from the Water Board to the DOW's Manager and Chief Engineer
3. Manager's Report No. 22-03 Discussion and Possible Action on Proposed Board Policy 25, Authorizing the County Attorney to Investigate, Settle and Pay Claims Against the Board of Water Supply, County of Kaua'i

Manager Knoff provided a brief explanation of the proposed board policies. Policy 10 is no longer applicable; Policy 23 is a clarification on the Manager's authority to sign budgeted personnel actions on the Board's behalf; Policy 25 included minor grammatical changes.

4. Manager's Report No. 22-04 Discussion and Possible Action to approve a Grant of Easement Agreement for Kukui'ula Development Company (Hawai'i), LLC, A Hawai'i limited liability company, S-2019-09, TMK: (4) 2-6-019:018, Po'ipū
5. Manager's Report No. 22-05 Discussion and Possible Action to approve a Grant of Easement Agreement for Kealaka Partners, LLC, S-2004-33, TMK: (4) 2-3-002:108, Kalāheo

Manager Knoff explained that with both of these Grant of Easements, the grantor has requested indemnification. The language is in line with what the board has previously approved, and have been reviewed by the County Attorney's office.

Board member Hull moved to approve Manager's Report No. 22-01 Discussion and Possible Action on Rescind Board Policy 10, Temporary Assignments seconded by Ms. Simonton; with no objections, motion carried with 6 Ayes.

Board member Hull moved to approve Manager's Report No. 22-02 Discussion and Possible Action on Proposed Board Policy 23, Delegating Routine Personnel Actions from the Water Board

to the DOW's Manager and Chief Engineer seconded by Ms. Simonton; with no objections, motion carried with 6 Ayes.

Board member Hull moved to approve Manager's Report No. 22-03 Discussion and Possible Action on Proposed Board Policy 25, Authorizing the County Attorney to Investigate, Settle and Pay Claims Against the Board of Water Supply, County of Kaua'i seconded by Ms. Simonton; with no objections, motion carried with 6 Ayes

Board member Hull moved to approve Manager's Report No. 22-04 Discussion and Possible Action to approve a Grant of Easement Agreement for Kukui'ula Development Company (Hawai'i), LLC, A Hawai'i limited liability company, S-2019-09, TMK: (4) 2-6-019:018, Po'ipū seconded by Ms. Simonton; with no objections, motion carried with 6 Ayes.

Board member Hull moved to approve Manager's Report No. 22-05 Discussion and Possible Action to approve a Grant of Easement Agreement for Kealakaa Partners, LLC, S-2004-33, TMK: (4) 2-3-002:108, Kalāheo seconded by Ms. Simonton; with no objections, motion carried with 6 Ayes.

NEW BUSINESS

1. Manager's Report No. 22-06 - Budget Resolution No. 22-01 for the acceptance and expenditure of grant monies from the State of Hawai'i Appropriations Act of 2019 – ACT 40, SLH 2019 in the amount of \$ 4,500,000.00 for the following projects:
 - Water Plan 2020 K-01 and K-15 Kalāheo 1,111' and 1,222' Water System Improvements, Kalāheo-Lāwa'i-'Ōma'o Water System
 - Water Plan WKK-03 MCC, Chlorination Facilities – Kīlauea Wells No. 1 & 2, Kīlauea Water System
 - Rehabilitate Paua Valley Tank #1, 0.5 MG Concrete, Waimea-Kekaha Water System
2. Manager's Report No. 22-07 - Budget Resolution No. 22-02 for the acceptance and expenditure of grant monies from the State of Hawai'i Appropriations Act of 2020 – ACT 6, SLH 2020 in the amount of \$ 9,500,000.00 for the following projects:
 - Water Plan 2020 K-01 and K-15 Kalāheo 1,111' and 1,222' Water System Improvements, Kalāheo-Lāwa'i-'Ōma'o Water System
 - Water Plan WKK-03 MCC, Chlorination Facilities – Kīlauea Wells No. 1 & 2, Kīlauea Water System
 - Rehabilitate Paua Valley Tank #1, 0.5 MG Concrete, Waimea-Kekaha Water System

Board member Hull asked what the general water system improvements and timelines are for the Kalaheo water system. Michael Hinazumi explained that these improvements are for the Kalaheo Nursery/Yamada Well Tank sites where temporary tanks are currently in place; the Clear Well tank is structurally deficient and requires replacement.

Board member Hull moved to approve Manager's Report No. 22-06 - Budget Resolution No. 22-01 for the acceptance and expenditure of grant monies from the State of Hawai'i Appropriations Act of 2019 – ACT 40, SLH 2019 in the amount of \$ 4,500,000.00 seconded by Ms. Simonton; with no objections, motion carried with 6 Ayes.

Board member Hull moved to approve Manager's Report No. 22-07 - Budget Resolution No. 22-02 for the acceptance and expenditure of grant monies from the State of Hawai'i Appropriations

Act of 2020 – ACT 6, SLH 2020 in the amount of \$ 9,500,000.00 seconded by Ms. Simonton; with no objections, motion carried with 6 Ayes.

3. Manager's Report No. 22-08 – Discussion and Possible Action to approve the Manager's recommendation regarding the correspondence from Nikki Cristobal of Kamāwaelualani Corp. re: Koloa Water Tower Mural dated June 24, 2021

Manager Knoff explained his recommendation to deny the request is based on the following:

- Significant security risks
- Potential significant traffic hazard due to the curve and banks in that location
- It creates a precedent that would lead to DOW staff having to deal with issues unrelated to creating safe, reliable drinking water
- Email received from Michael Miyahira, Acting Branch Chief of the Department of Health Safe Drinking Water Branch indicating strong opposition, and urging the department to adhere to the current practice of painting the tanks as specified under water system standards

In reference to the traffic hazard issue on Kōloa Road, which is a county road, Board member Dill asked whether the County Engineering division had been consulted to which Manager Knoff replied no. However, he did go out to the site to assess the road and shoulder widths. One of the concerns cited by the Department of Health was the number of people that would be drawn to critical infrastructure in an area that lacks adequate area for people to safely pull off the road and park alongside it. In response to Mr. Dill, Manager Knoff stated he did not know whether or not the State has any policies regarding this issue. Additionally, both the DOW Chief of Operations and the Deputy Manager are not aware of any instances of murals being painted on water tanks. Mr. Knoff further noted that in previous positions as a public works director, they did not allow murals to be painted on critical infrastructure.

Chairman Kamm commented that there is a pretty severe grade in addition to the curve prompting the County to install major guardrails. As a resident of the area for 37 years, he knows of several fatalities at that curve, and would not want people slowing down or getting distracted.

Board member Hull noted that the County has been heavily promoting the creation of murals in numerous areas, and utilizing County assets, when possible, to allow the telling of Kaua'i's story, which is in line with the County's vision. He acknowledges and agrees with potential issues with people wanting to access the site to take pictures and view the mural. Mr. Hull commented that there is a very large mural painted on a warehouse in the nearby area belonging to Daryl Kaneshiro, and upon speaking with him, Mr. Kaneshiro expressed that he has not had any trespassers or vandalism. Mr. Hull is hesitant to wholly agree with the department's recommendation based on the overall policy the County has to support the visual heightening of these government assets.

Chairman Kamm noted that many of the murals he has seen are on buildings or flat areas with a parking lot around them; the water tank is a completely different situation. Mr. Hull stated that if that is the primary concern, he would ask for input from the County Engineer.

Board member Simonton stated that the overriding concern is that the Chief of the Department of Health Safe Drinking Water Branch does not recommend this, and the traffic issue is ancillary. While she is in support of murals and likes the idea, she does not feel this is a good fit for that,

noting that the Kaneshiro warehouse, by comparison, has a better sight plain and seems rather secure.

Board member Hull acknowledged the water safety concern, but added that everyone already knows the tank is there so he doesn't feel adding a mural would make it more susceptible to tampering than it already is.

Board member Dill asked to clarify whether the concerns raised by Michael Miyahara were security issues. Manager Knoff explained that the email he received raised safety concerns resulting from inviting strangers to become familiar with the tank location and providing access to paint it as well as inviting droves of visitors to view it exposes customers' water quality to unnecessary risk. Mr. Miyahara feels that additional security burdens would be placed on the limited administrative and operations resources, and that the proposal endangers DOW's ability to perform their duties to provide safe and reliable supply of regulatory drinking water to customers.

Vice Chair Akamine pointed out that the request by the organization to paint the mural is not for the Board to take action on as it is a departmental decision. Deputy County Attorney Krafft noted that the Chair requested that this item be placed on the agenda. A recommendation is being presented to the Board in the form of a Manager's Report which the Board can take action on. Chair Kamm feels action should be taken to avoid setting a precedent.

Board member Hull commented that this may not be the most appropriate place for a mural, but he feels that each government agency should look at ways to use the assets and resources available to look beyond their specific missions, and allow organizations like these to provide value and input to help make a better Kaua'i.

Board member Simonton suggested that maybe the tank may not be appropriate, but there may be a fence or wall that does not encroach upon the tank site that could be painted instead.

Board member Akamine moved to approve Manager's Report No. 22-08 – Discussion and Possible Action to approve the Manager's recommendation regarding the correspondence from Nikki Cristobal of Kamāwaelualani Corp. re: Koloa Water Tower Mural dated June 24, 2021 seconded by Mr. Dill; motion carried with 5 Ayes, 1 Nay (Hull).

STAFF REPORTS

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

Chairman Kamm asked whether the moratorium on water shut-offs is still in effect to which Mr. Soliz explained the moratorium will cease to exist on August 6, 2021; they are working on a PSA to inform and encourage customers to begin working out payment plans with the department. Normal business operations will resume on September 1, 2021.

2. Public Relations Activities
3. Operational Activities

In response to Chairman Kamm, Chief of Operations Val Reyna stated that there are some hydrants that have been hit multiple times. They are looking into dry barrel hydrants as part of next fiscal year's budget. Currently there are breakaway bollards installed, and they are experimenting with early warning devices.

4. Manager and Chief Engineer

Board member Simonton asked for large developments such as Kukui'ula that requires flushing, is there a way for the department to be compensated for the water loss? Ms. Hayducsko explained that during construction the water that is used for development and to flush mains is typically accounted for. Mr. Reyna added that once the infrastructure is turned over and is accepted by DOW, the department takes full responsibility for the system. In the future, they should incorporate a flushing plan for developments.

Manager Knoff informed the Board that the department will be putting up signage and issuing parking passes for employees and board members.

QUARTERLY: (April – June 2021)

1. Build America Bond
2. Claims Settled by Department of Water
3. Engineering
4. Information Technology

TOPICS FOR NEXT BOARD OF WATER SUPPLY MEETINGS

1. Department of Water's Supplemental Budget for Fiscal Year 2022
2. Discussion and Possible Action to Adopt Board Policy for the Delegation of Legislative Actions to the Manager and Chief Engineer

TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETINGS:

1. Discussion and Suggestions of the Department of Water's Capital Improvement Projects for 2022-2023
2. Discussion and Possible Action to establish Fiscal Policies and Procedures
3. Manager's Report No. 17-29 - Discussion and Possible Action on the Financial Management Planning and Water Rate Study for the Department of Water for Fiscal Year 2022 through Fiscal Year 2026
4. Department of Water Performance Audit
5. Baseyard Master Plan Workshop
6. Discussion and Possible Action on Proposed Board Policies

Chairman Kamm asked whether the Baseyard Master Plan Workshop is urgent to which Manager Knoff replied no, but will have to be addressed at some point considering the limited space for personnel and equipment and the increases in personnel.

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 hiring of a Manager and Chief Engineer where consideration of matters affecting privacy will be involved; provided that if the individual concerned requests an open meeting, an open meeting shall be held as it relates to this agenda item:

Discussion and receipt of the Permitted Interaction Group status update on the Recruitment and Recommendation of a Manager & Chief Engineer

Manager Knoff stated that upon further review by Deputy County Attorney Krafft, it was determined that this item was not appropriate for discussion at this time. Ms. Krafft explained that per statute deliberations are only to be held after the final recommendation at a subsequent meeting. Because this is just a status update it would be inappropriate to go into executive session for discussion. However, the update could be taken as correspondence with no discussion and no action. Board member Hull asked whether the Board could go into executive session if there were any further questions to which Ms. Krafft replied no, there could be no deliberation.

Board member Hull moved to amend the agenda to add the status update of the Permitted Action Group as correspondence seconded by Mr. Dill; with no objections, motion carried 6:0.

Board member Simonton moved to adjourn the Regular Board Meeting at 11:41 a.m. seconded by Kaaina Hull; with no objections, motion carried 6:0.

Respectfully submitted,

Cherisse Zaima
Commission Support Clerk

Approved,

Julie Simonton
Secretary, Board of Water Supply

A horizontal splash of clear blue water with bubbles and ripples, positioned across the middle of the page. The water is moving from left to right, creating a sense of motion.

PUBLIC

TESTIMONIES

Cherisse Zaima

From: Tristan Gonzales [REDACTED]
Sent: Thursday, August 12, 2021 9:24 AM
To: Board
Cc: [REDACTED]
Subject: DOW Board Meeting 8/26/21 - Written Testimony & Speaker Registration
Attachments: Goodfellow Bros. DOW Board Meeting Testimony - FINAL R1 8.12.21.pdf

[External]

CAUTION: This email originated from outside of the Department of Water. Do not follow guidance, click links, or open attachments unless you recognize the sender and know the content is safe.

Board of Water Supply, County of Kaua'i,
Please accept the attached Written Testimony to be added to the meeting agenda and read during the scheduled DOW Board Meeting for Thursday, August 26, 2021. This testimony replaces the previously submitted testimony on July 21, 2021.

Speaker Registration

Name: Tristan Gonzales

Phone Number: [REDACTED]

Agenda Item: Read Written Testimony Submitted and Attached in this Email.

Thank You,

Tristan Gonzales

Kaua'i Asst. Regional Manager



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Koloa, HI 96756

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Members of the Board,

My name is Tristan Gonzales. I am the Assistant Regional Manager for Goodfellow Bros. here on Kauai. The purpose of my testimony here today is to bring to the Board's attention specific issues Goodfellow Bros. has identified in the administration of two jobs combined into one current project we are working on for the Department of Water. The first is Job No. 15-07 WP 2020 No. HE-01 Reorganize Water System: Kaunualii Highway 16 Inch Main and Emergency Booster Pump Connection Hanapepe-Ele'ele Water System. The second is Job No. 15-07 WP 2020 No. HE-10, Reorganize Water System: Hanapepe Road 6-Inch Main Replacement Hanapepe – Ele'ele Water System. Both jobs are being built concurrently by Goodfellow Bros. with R.M. Towill Corporation acting as the Construction Manager for the Department of Water. The issues that warrant the Board's immediate attention are listed and explained below.

1. Contractor Pay Application Approval Process

- Goodfellow Bros. has currently completed more than 96% of the project and has not been paid for any work completed in 2021. Goodfellow Bros. received payment for Pay Application #13 covering work completed from October 2020 to December 2020 on July 27, 2021.
- The existing PM WEB system does not allow a contractor to bill for each month's completed work as was intended in the project's contract. For GBI to submit a monthly pay application on PM WEB, the previous month's pay application needs to be reviewed and approved by R.M. Towill acting as the DOW Project Engineer, the DOW Chief of Construction Management, DOW Fiscal Accounting, the DOW Fiscal Division Head, and the DOW Manager and Chief Engineer before reaching final approval. Without any fault on the part of Goodfellow Bros., this process has proven to be lengthy, cumbersome, and prohibits the contractor from submitting another pay application until the previous application has been finalized. GBI was recently notified that changes would be made in the project's pay application process, but I fear these changes have come too late and the extremely slow processing of payment throughout the project has put an undue burden on Goodfellow Bros. and its Subcontractors.
- Project Management at Goodfellow Bros. has submitted multiple pay applications to R.M. Towill via email outside of the PM WEB system to confirm quantities and agree upon unit price billings in an effort to mitigate the detrimental effects of the PM WEB lengthy approval process. The average response time from R.M. Towill concerning project quantity review has been two to three months. This is far in excess of what an average, reasonable contractor would expect and places an unfair detriment to the cash flow situation of Goodfellow Bros. and its subcontractors and suppliers.
- Hawaii law requires prompt payment to contractors and the Department of Water has not met that duty. We are here to inform the Board of the difficulties that Goodfellow Bros. has experienced and to request the Board's suggestions to help solve this problem.

2. Change Order Requests and Response

- The Hanapepe Project currently has 1.2 million dollars' worth of unsettled change order requests initiated by DOW design changes and unforeseen conditions covering 5 different issues. Some of these issues date back to June 2020. GBI has made multiple attempts to

schedule and coordinate meetings to discuss and move towards resolution of these outstanding change orders. Due to recent turn over in DOW Management, it has become even more challenging to determine who will attend or when the needed coordination meetings can be scheduled. This is one of the main reasons I felt these issues had to be brought in front of the Board. Goodfellow Bros. requests the Board's assistance in scheduling the needed Change Order Requests Meetings.

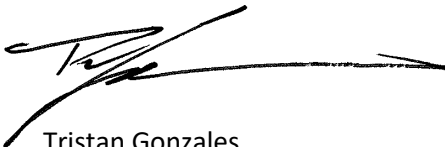
- Per the DOW contract, change order requests are to be submitted via PM WEB. Although change order requests are mentioned in the project OAC meetings, no formal responses or resolutions are provided until months after they are submitted. Per the contract, GBI is to continue contractual work until instructed otherwise by the owner. When a change order request affects the scheduling and completion of contractual work, the review period becomes critical to the progress of the project and has resulted in substantial project delays. Again, this is a failure on the part of DOW to meet its prompt payment obligations and treats Goodfellow Bros. and its subcontractors and suppliers unfairly.

3. Request for Equitable Adjustment - Contract No. 655, Job No. 15-07 Kaumualii Claim

- Goodfellow Bros. does not consider the Request for Equitable Adjustment submitted December 18, 2020, a settled issue. While we did receive a letter on March 3, 2021, from Mr. Mark Knoff, the DOW Manager and Chief Engineer in response to the request, it does not answer the original request in a reasonable manner and does not answer the questions and requests at the heart of the issue. Goodfellow Bros. formally requests this matter be elevated to mediation with an experienced and impartial mediator, representation from the Department of Water, representation from the Mayor's Office, representation from Goodfellow Bros. and to also include a 3rd party professional experienced in the matters brought forward in the Request for Equitable Adjustment. We have always tried to avoid litigation, when a fair and reasonable resolution can be achieved, and we believe if we work together, our good faith joint efforts in mediation will allow us to accomplish that goal. Please work with us in the selection of a mediator and the scheduling of a mediation to allow this process to proceed.

These issues associated with the Kaumualii Highway / Hanapepe Waterline project can be corrected. I ask the Board's help in reviewing the current Pay Application Approval process and in assisting in scheduling the needed meetings to discuss the outstanding Change Order Requests and find meaningful resolution to our Request for Equitable Adjustment.

Thank You and Aloha,



Tristan Gonzales

Kauai Assistant Regional Manager

Goodfellow Bros.

CORRESPONDENCE

&

ANNOUNCEMENTS



July 21, 2021

Kaua'i County Department of Water Board
4444 Rice Street, Suite 175
Lihue, HI 96766-1340

RE: Request for Refund
No water meters – FRC Charge \$138,300 - Koloa Village 14 Live/Work Apartments

Aloha Water Board:

First let me say that I have not had a problem with your department until the issue described below. You have good people and they are trying to follow their mandated rules and policies; however, the problem is that the policies and fee classifications do not support or promote the type of housing that is sorely needed on Kaua'i. I have worked with the Kaua'i Planning Department and Planning Commission on the Koloa Village project to provide housing that will serve local citizens and the current fee structure that we face is a disincentive to do so.

I am the owner and developer of the Koloa Village project in Koloa Town. I have owned the property since 2014 and since that time I have worked hard to make the project a reality. We have eight (8) completed commercial buildings and we hope to open in the fall of this year. Though none of us could have predicted a *pandemic*, we have been fortunate to have had tremendous community support as we designed and funded sanitary sewer for Koloa town and added over 200 public parking spaces to the downtown area. We are fortunate to have all local contractors and Kauai-based, owner-run businesses at Koloa Village.

Koloa Village is a mixed use development consisting of approximately 45,000 square feet of commercial retail and approximately 60,000 square feet of residential divided into 30 one-bedroom one-bath and 30 two-bedroom two-bath homes.

The commercial side of the development includes space for restaurants, office, service retail (dentist, medical, and traditional retail). We are very fortunate to be nearly fully leased with outstanding tenants that refuse to give in to the nearly insurmountable circumstances that the COVID-19 pandemic has caused. They are our true heroes and they are putting everything they have into surviving and striving. I am personally inspired by our tenants, which helps me continue to invest and push forward to create something that does not exist on Kaua'i, which results in attainable non-deed restricted housing and all local businesses in one village area.

With that said, we request your support in adjusting a \$138,300 fee paid for our proposed micro apartments.

Koloa Village | Po Box 12 | Koloa, Hawaii 96756

www.KoloaVillage.com

When interviewing prospective tenants I ask “what can I do as a landlord to help you be successful with your business”. Every tenant gives the same first response, which is to “create housing that our chefs, services and employees can afford that is close to work”. Same answer, every time.

While we are creating a great deal of housing that is technically *under* the threshold of affordable housing, I chose to convert approximately 6,000 square feet of office space on the commercial side to *studio* apartments for commercial tenant to lease for their employees, or their employees directly. The spaces are about the size of a large hotel room with kitchen and bathroom. This was an amendment to the master zoning permits for the change in use and we spent nearly a year to get it approved by the Planning Commission who in the final vote applauded and thanked me for providing affordable housing that was not “deed restricted”. Offices would have cost approximately \$35,000 per space. The apartments cost approximately \$75,000 per unit. We chose to do the apartments.

All was good, tenants happy and the Planning Department was happy until we applied for a building permit for our final building, which contains the micro-apartments. All agencies signed off quickly except for the Department of Water (DOW). The department held that because these small, work-force targeted apartments, were residential they would have to charge their standard multi-family fee of \$9,880 per unit, or \$138,300. We have tenants that have spend a great deal of money on designs. All buildings are complete except the one with the apartment, yet the DOW stood in the way of our building permit and the continuing of construction until we paid the FRC charge. We had no choice but to pay the fee so we could continue and keep people employed and businesses on the way to opening and recovery. Here is why the department and the policy was and remains wrong and why I would appreciate your consideration and refund of the \$138,300 that we have paid (see attached receipt):

- 1) **Already paid \$225,000 for 3” water meter** that feeds the micro apartments, and the conversion of office space to micro apartments are within the fixture counts previously identified for the 3” water meter.
- 2) **Will pay for use** - DOW will be paid for water usage via 3” water meter **by landlord**
- 3) **No water meters** – for micro units
- 4) **Double dipping** – to charge FRC where there is no water meter and I will be paying
- 5) **DOW policy does not recognize this type of housing.** Example: a 3,000 sf foot apartment same fee as a 300 sf apartment. Simply not fair and is a *disincentive* to providing this type of housing that the the planning department says is needed on island
- 6) **DOW recognizes Deed Restricted affordable housing only** – what about *attainable* housing like this?

On behalf of myself and tenants, we request a refund of the \$138,300 given the prior payment of \$225,000 for the 3-inch water meter that feeds the micro apartments. Pursunt to Part 5, Facilities Reserve Charge Section IV.d. – Collection and Refund of FRC, we request an offset and allow the prior FRC payment as sufficient to convert the office space to micro apartment units. Because the DOW has not considered this type of housing, it should not penalize those of us that are doing the right thing and willing to invest our own money to do so. For an island that has a mountain that is the wettest place on earth one would think that that the finances of the DOW are healthy enough to support housing that is so desperately needed on island.

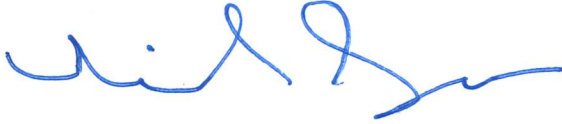
Koloa Village – Micro Residential - FRC Charge Appeal

July 21, 2021

Page 3 of 3

Mahalo for your time and attention and please do not hesitate to call me directly, 808-634-4924.

Respectfully and sincerely,

A handwritten signature in blue ink, appearing to read "Michael Serpa", with a long horizontal flourish extending to the right.

Michael Serpa, Owner and Managing Member

/ms

RECEIVED

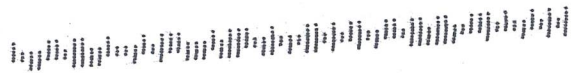
HONOLULU HI 96
22 JUL 2021 PM 5



2021 JUL 26 PM 1:54
DEPARTMENT OF WATER
BOARD OF KAUAI

Kauai County Department of Water Board
4444 Rice Street, Suite 175
Lihue, HI 96766-1340

96766-132899



DEPARTMENT OF WATER

County of Kauai

OFFICIAL RECEIPT

No. 97511

\$ 130,320.00

Received from Koloa Village LLC

the amount of ONE HUNDRED THIRTY EIGHT THOUSAND THREE HUNDRED TWENTY TWO

Date MAY 4, 2021

FOR:

- Installation Charges.....
- Specs. & Plans.....
- Advance Deposit.....
- Construction Deposit.....
- Others.....

Poni

Authorized Agent

TMK: 2 808 001

5400 Koloa Rd Water System

Koloa, HI 96756

FRC # 14 + 138,320.00

CONSENT

CALENDAR

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 22-09

August 26, 2021

Re: Discussion and Possible Action to Rescind Board Policy 2, Lowering of Pipelines or Service Laterals

RECOMMENDATION:

It is recommended that the Board rescind Board Policy 2, Lowering of Pipelines or Service Laterals.

FUNDING:

Not applicable.

BACKGROUND:

Board Policy #2 is covered under the Board's Rules and Regulations, Part 2, Section VI.11.b.

MRK/mja

Attachment: Board Policy 2, Lowering of Pipelines or Service Laterals

Mgrrp/August 2021/22-09/ Discussion and Possible Action to Rescind Board Policy 2, Lowering of Pipelines or Service Laterals (08/26//21):mja

BOARD OF WATER SUPPLY POLICY NO. 2

RE: Lowering of Pipelines or Service Laterals

1. Pipelines and service laterals which were not installed to Board of Water Supply Standards at the time of initial construction will be lowered free of charge when the lowering is necessary for the construction of a driveway into the property.
2. In cases where there is no easement, the property owner must first convey an easement to the Board.

Date:



Chairperson, Kaua'i Board of Water Supply

SEP 19 2013

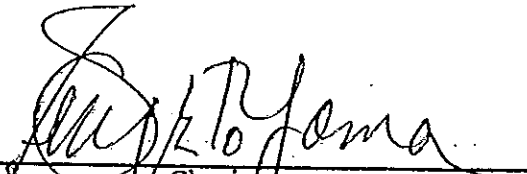
RE: LOWERING OF PIPELINES OR SERVICE LATERALS

Effective Date: September 19, 2013
Supersedes: February 12, 1970

BOARD OF WATER SUPPLY POLICY NO. 2

RE: LOWERING OF PIPELINES

Pipelines within the shoulder area which were not installed to present Board of Water Supply Standards will be lowered free of charge for the property owner in the event such lowering is necessary for the construction of a driveway into the property.



Chairman
Board of Water Supply

2/12/70

Date

RE: LOWERING OF PIPELINES

Effective Date: February 12, 1970

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 22-10

August 26, 2021

Re: Discussion and Possible Action on Proposed changes to Board Policy 3, Water Utility Fund

RECOMMENDATION:

It is recommended that the Board approve the proposed changes to Board Policy 3, Water Utility Fund.

FUNDING:

Not applicable.

BACKGROUND:

The purpose of the policy is to establish and maintain the Water Utility Fund and outline how expenditures of the operating and capital budgets are withdrawn in accordance with Board of Water Supply (Board) approval, all applicable laws, and general accounting principles.

The policy was amended to remove any references to the Debt Service Fund and Emergency Reserve Fund. These funds have been replaced by the Reserve Fund. Reserve Fund policies are found in Board Policy #31. There were not any other substantive policy changes made outside of those two changes. The policy was reformatted for readability and to identify policy execution responsibilities more easily.

MRK/mja

Attachment: Board Policy 3 – Water Utility Fund

Mgrrp/August 2021/22-10/ Discussion and Possible Action on Proposed Changes to Board Policy 3, Water Utility Fund (08/26/21):mja

BOARD OF WATER SUPPLY POLICY NO. 3

Re: Water Utility Fund (WUF)

Purpose

To establish and maintain a fund from which expenditures of the operating and capital budgets are withdrawn in accordance with Board of Water Supply (Board) approval, all applicable laws, and general accounting principles.

Manager and Chief Engineer (Manager) Responsibilities

The Manager is the approval authority for all WUF operating and capital outlays, as approved by the Board in the DOW annual operating and capital budgets and as amended from time-to-time. At the Manager's discretion and pursuant to applicable laws, approval authority may be delegated to a designee as the need arises.

Board Responsibilities

Board approval is required to purchase furniture, fixtures and equipment (FFE), not itemized in the budget, in excess of **\$10,000.00**, that will be capitalized.

Board Chair Responsibilities

The Board Chair is authorized to sign any encumbrances or contract documents that have been reported to the Board through a Manager's Update or a Report to the Manager from staff.

Expenditure Guidelines

1. Every expenditure must be supported by a documented business purpose.
2. The dollar limits set forth in the budget are not "entitlements", but rather, are maximum limits.
3. Every expenditure must adhere to all applicable laws including and general accounting practices and principles.

Exceptions

The Manager may approve expenditures for budget line items that are exceeded provided the total budgeted amount within each of the following expenditure classifications is not exceeded.

1. Salaries and provision for accrued vacation.
2. Administrative-office and engineering except for travel items.
3. Operations and maintenance.
4. Insurance and employee benefits.
5. Debt service.

6. Miscellaneous capital expenditures (as itemized and approved in the budget).

Interfund Loans

Interfund loans apply to the different funds maintain by DOW. Interfund loans shall be accomplished by Board resolution and will include the loan terms, conditions, and covenants. All interfund loans must be approved by five (5) Board members. The resolution must be executed prior to transferring funds.

Reporting

The Manger shall provide the Board a monthly report that includes:

1. Operating and capital expenditures.
2. Interfund transfers.
3. New agreements or contracts that are awarded.

APPROVED BY:

Chair, Board of Water Supply

Date: August 26, 2021

RE: EXPENDITURES OF WATER UTILITY FUND

Effective Date: August 26, 2021
Supersedes: June 30, 2016
Supersedes: January 23, 2014
Supersedes: October 17, 2006

BOARD OF WATER SUPPLY POLICY NO. 3

Re: ~~Expenditures of~~ Water Utility Fund (WUF)

~~I. OBJECTIVE~~Purpose:

~~1.——To establish and maintain a fund from which expenditures of the operating and capital budgets are withdrawn in accordance with Board of Water Supply (Board) approval, all applicable laws, and general accounting principles. To ensure that expenditures of the Department of Water's (DOW) Water Utility Fund are in accordance with the State of Hawaii procurement laws, administrative rules and regulations and any applicable County of Kauai Ordinances.~~

~~H. OVERVIEW: The Department of Water maintains accounting of its resources. This board policy applies to Water Utility Fund as follows:~~

~~1.——Debt Service Fund (DSF) is a separate fund set aside to account for debt service to pay principal debts and interest expenditures. The Department of Water maintains the Water Utility fund to keep an accurate accounting of its financial resources and related expenditures.~~

~~Emergency Reserve Fund (ERF) allocated for emergency purposes; as authorized by the Department's board policy. Allocation of its financial resources are guided with a board approved annual operating and capital outlays budget through a board resolution.~~

~~2.——~~

~~Unrestricted Fund (UF) allocated for expenditures not reported in another fund, including but not limited to operating expenses and capital outlay. This policy applies to expenditures in the Water Utility Fund for both operating expenses and capital outlay for the orderly conduct of business.~~

~~3.——~~

~~Manager and Chief Engineer (Manager) Responsibilities~~HI. POLICY: Policy:

~~The Manager is the approval authority for all WUF operating and capital outlays, as approved by the Board in the DOW annual operating and capital budgets and as amended from time-to-time. At the Manager's discretion and pursuant to applicable laws, approval authority may be delegated to a designee as the need arises.~~

~~Expenditures of Operating operating and Capital Capital Outlay are to be expended paid, as approved by the Board in the DOW Operating operating and Capital Capital Budgets budgets, as outlined below the following guidelines will be followed for approving expenditures:: by the Board of Water Supply (Board).~~

- ~~1. The DOW is held to a high level of accountability for its business practices. Accordingly, every reasonable effort must be made to ensure that funds are used in a responsible and appropriate manner.~~
- ~~2. Every expenditure transaction must be supported by a documented business purpose.~~
- ~~3. The dollar limits set forth in the budget are not "entitlements", but, rather, they are maximum limits.~~
- ~~4. DOW staff with approval authority for Every expenditure transactions must adhere to all applicable laws including but not limited to the State of Hawaii Procurement laws Code, administrative rules and regulations and any applicable County of Kauai Ordinances and general accounting practices an principles.~~

~~— The Manager may approve expenditures for budget line items that are exceeded provided the total budgeted amount within each of the following expenditure classifications is not exceeded.~~

- ~~— Salaries and provision for accrued vacation~~
- ~~— Administrative office and engineering except for travel items.~~
- ~~— Operations and maintenance~~
- ~~— Insurance and employee benefits~~
- ~~— Debt service~~
- ~~— Miscellaneous capital expenditures (as itemized and approved in the budget)~~

~~The Manager and Chief Engineer (Manager) is Approval Authority the aApproval authority as it relates to this policy means approval by the Manager and Chief Engineer (Manager) for all WUF expenditures. At the Manager's discretion of the Manager and pursuant to applicable laws, approval authority may be designated delegated to a designee as the need arises.~~

~~— A. The Manager and Chief Engineer or his an authorized designee shall approve operating and capital expenditures as itemized and approved in the Department's annual budget resolution for the operation and maintenance of the water system.~~

~~B. The Manager may approve expenditures for budget line items that are exceeded provided the total budgeted amount within each of the following expenditure classifications is not exceeded.~~

- ~~a. Salaries and provision for accrued vacation~~
- ~~b. Administrative office and engineering with the exception of except for Travel items.~~
- ~~c. Operations and maintenance~~
- ~~d. Insurance and employee benefits~~
- ~~e. Debt Service~~
- ~~f. Miscellaneous Capital Expenditures (as itemized and approved in the budget)~~

Board Responsibilities

~~Board approval is required to purchase C. Miscellaneous Capital Purchases such as furniture, fixtures and equipment (FFE) equipment, and furniture and fixtures, not itemized in the budget, in excess of \$10,000.00, which that will be capitalized, and which is are not itemized in the budget requires prior Finance Committee and/or Board approval.~~

~~D. A monthly report shall be provided to the Bboard members with the following, as applicable:~~

Board Chair Responsibilities

The Board Chair is authorized to sign any encumbrances or contract documents that have been reported to the Board through a Manager's Update or a Report to the Manager from staff.

~~a. Report of operating and capital expenditures every month~~

Expenditure Guidelines

1. Every expenditure must be supported by a documented business purpose.
2. The dollar limits set forth in the budget are not "entitlements", but rather, are maximum limits.
3. Every expenditure must adhere to all applicable laws including and general accounting practices and principles.

Exceptions

The Manager may approve expenditures for budget line items that are exceeded provided the total budgeted amount within each of the following expenditure classifications is not exceeded.

1. Salaries and provision for accrued vacation.
 2. Administrative-office and engineering except for travel items.
 3. Operations and maintenance.
 4. Insurance and employee benefits.
 5. Debt service.
 6. Miscellaneous capital expenditures (as itemized and approved in the budget).
- ~~1. b. Inter fund transfers~~
~~2. c. New Agreements or Contracts awarded~~
~~d. Approval signature from the Board Chair person will only be given for encumbrances or contract documents that have been reported to the Board through a Manager's Update or a Report to the Manager from Staff.~~
- ~~5. Intra fund transfers. Intra fund applies to the different funds within the Water Utility Fund. These are: Debt Service Fund (DRF), Emergency Reserve Fund (ERF), and the Unrestricted Fund. Transfers to ERF and/or DSE shall be based on the approved budget of DOW.~~

~~6. E. Expenditures from the DSF and ERF Reserve Fund shall be guided by separate policies approved by the a separate Board policy to manage each respective fund Policy #31.~~

~~F. Inter-fund loans. Interfund Loans~~

~~7. Inter-fund loans means... and applies to the different funds maintain by DOW. These are: Water Utility Fund (WUF), Facilities Reserve Charge (FRC) Fund, Bond (BAB) Fund and State Revolving Fund (SRF).~~

~~1. G. Inter-fund loans shall be done accomplished only by Board resolution that states and will include outlining the loan terms, conditions, and covenants. and approved by five (5) members of the Board. The loan terms shall be determined at the time of transfer.~~

~~a. All interfund loans must be approved by five (5) Board members of the Board. The resolution must be executed prior to transferring funds.~~

Reporting

The Manger shall provide the Board a monthly report that includes:

1. Operating and capital expenditures.
2. Inter-fund transfers.
3. New agreements or contracts that are awarded.

APPROVED BY:

Chairperson, Board of Water Supply

Date: ~~June July 30 2022, 2016 21~~ August 26, 2021

RE: EXPENDITURES OF WATER UTILITY FUND

Effective Date: July 22 August 26, 2021

Supersedes: June 30, 2016

Supersedes: January 23, 2014

Supersedes: October 17, 2006

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 22-11

August 26, 2021

Re: Discussion and Possible Action to rescind Board Policy 11, Delinquent Water Sales Accounts Receivable

RECOMMENDATION:

It is recommended that the Board rescind Board Policy 11, Delinquent Water Sales Accounts Receivable.

FUNDING:

Not applicable.

BACKGROUND:

The purpose of this policy is to outline Department how delinquent accounts are handled after the Department's standard collection procedures have been exhausted. The policy was reformatted for readability and to identify policy execution responsibilities more easily. No substantive changes were made to the policy.

MRK/mja

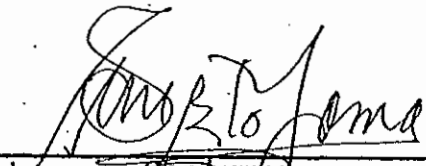
Attachment: Board Policy 11, Delinquent Water Sales Accounts Receivable

Mgrrp/August 2021/22-11/ Discussion and Possible Action to rescind Board Policy 11, Delinquent Water Sales Accounts Receivable (08/26//21):mja

BOARD OF WATER SUPPLY POLICY NO. 1B

RE: ' DELINQUENT WATER SALES ACCOUNTS RECEIVABLE

1. After our standard collection procedures have been exhausted, all unpaid accounts shall be referred to the County Attorney for action. The Attorney will first warn the consumer that civil suit will follow if the account is not paid. If the account is still unpaid, the Attorney will take the matter to the courts. Signing of the complaint shall be by the Manager and Chief Engineer.
2. If the Attorney is not able to bring the case to court, the amount due will be deleted from Accounts Receivable. However, a record called the "Consumer Delinquent List" shall be kept in the event the consumer re-applies for service in the future.
3. If the case does go to court and judgment is not in our favor, we must delete the amount from Accounts Receivable.
4. The "statute of limitations" provide that if a civil suit has not been filed prior to the lapse of six years from the obligation of the debt then the case cannot be taken to the courts. For this reason, all unpaid accounts older than six years shall be deleted immediately from our Accounts Receivable.
5. Amounts which we now show as being owed to the Board but which cannot be substantiated by appropriate records shall be deleted both from Accounts Receivable and from the "Consumer Delinquent List."
6. All accounts for firms or persons who are bankrupt or for persons who are deceased and the estate has been settled or it has been found that the deceased is insolvent shall be deleted from Accounts Receivable.



Chairman
Board of Water Supply

10/8/70

Date

~~RE: DELINQUENT WATER SALES ACCOUNTS RECEIVABLE~~

Effective Date: October 8, 1970

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 22-12

August 26, 2021

Re: Discussion and Possible Action to Rescind Board Policy 13, Facilities Reserve Charge – Accounting Procedures

RECOMMENDATION:

It is recommended that the Board rescind Board Policy 13, Facilities Reserve Charge – Accounting Procedures.

FUNDING:

Not applicable.

BACKGROUND:

Board Policy #13 is covered under the Board's Rules and Regulations, Part 5, Facilities Reserve Charge, Section IV, Collection and Refund of FRC.

MRK/mja

Attachment: Board Policy 13, Facilities Reserve Charge – Accounting Procedures

Mgrrp/August 2021/22-12/ Discussion and Possible Action to rescind Board Policy 13, Facilities Reserve Charge – Accounting Procedures (08/26//21):mja

BOARD OF WATER SUPPLY POLICY NO. 13


RE: FACILITIES RESERVE CHARGE - ACCOUNTING PROCEDURES

In order to separate the Facilities Reserve Charges collected and to assure that these funds are being expended properly, the status of the budget shall show the following:

1. A separate and independent fund account called, "FRC Fund". This account will be used to record all FRC receipts and disbursements.
2. Under Cash Receipts, all Facilities Reserve Charges collected will be accounted for in Item 4A Facilities Reserve Charge, and interest income in Item 3A Interest Earned.
3. Under Capital Expenditures, all related disbursements will be accounted for in Item 301, FRC Expenditure and 301B FRC Fund balance.

At such time as capital projects are authorized, they shall be shown in Item 310 in accordance with the project title and number together with the FRC funding involved.

FRC funds shall be utilized before CIP funds are considered for transfer. These funds shall not be used for operations or maintenance.



Chairperson
Board of Water Supply

5/20/81

Date

RE: FACILITIES RESERVE CHARGE - ACCOUNTING PROCEDURES

Effective Date: May 20, 1981

(Effective December 2, 1981 terminology change from CRP to CIP.)

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 22-13

August 26, 2021

Re: Discussion and Possible Action to Rescind Board Policy 14, Charges for Professional Services for Subdivisions and Other Developments

RECOMMENDATION:

It is recommended that the Board rescind Board Policy 14, Charges for Professional Services for Subdivisions and Other Developments.

FUNDING:

Not applicable.

BACKGROUND:

Board Policy #14 is covered under Water System Standards, Section 301.16, Inspection. The Waster System Standards have the force and effect of law. The Department does not charge for engineering professional services so a policy is not necessary to address this issue.

MRK/mja

Attachment: Board Policy 14, Charges for Professional Services for Subdivisions and Other Developments

Mgrrp/August 2021/22-13/ Discussion and Possible Action to rescind Board Policy 14, Charges for Professional Services for Subdivisions and Other Developments (08/26//21):mja

BOARD OF WATER SUPPLY POLICY NO. 14

RE: CHARGES FOR PROFESSIONAL SERVICES FOR SUBDIVISIONS
AND OTHER DEVELOPMENTS

1. No charge shall be made for engineering and other professional services rendered for preliminary consultation, construction plan review and approval or for construction inspection for those subdivisions and developments which will be connected to our water system and/or which will be producing revenues for the Department.
2. Charges will be made to recover actual costs for construction inspection of subdivisions or other developments which are not connected to the Department's water system and which do not produce revenues for the Department. In these instances, no charges will be made for preliminary consultation or for construction plan review and approval.

J. Jacobson

Chairman
Board of Water Supply

8/9/71

Date

RE: CHARGES FOR PROFESSIONAL SERVICES FOR
SUBDIVISIONS AND OTHER DEVELOPMENTS

Effective Date: August 9, 1971

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 22-14

August 26, 2021

Re: Discussion and Possible Action to Rescind Board Policy 18, Replacement of Service Connection within Private Property

RECOMMENDATION:

It is recommended that the Board rescind Board Policy 18, Replacement of Service Connection within Private Property.

FUNDING:

Not applicable.

BACKGROUND:

Board Policy #18 is covered under the Board's Rules and Regulations, Part 2, Section VI.8.

MRK/mja

Attachment: Board Policy 18, Replacement of Service Connection within Private Property

Mgrrp/August 2021/22-14/ Discussion and Possible Action to Rescind Board Policy 18, Replacement of Service Connection within Private Property (08/26//21):mja

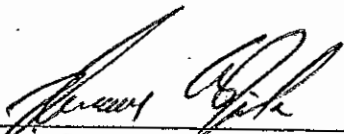
BOARD OF WATER SUPPLY POLICY NO. 18

RE: REPLACEMENT OF SERVICE CONNECTION WITHIN PRIVATE
PROPERTY

When it is necessary or desirable to replace the Department's service connections located within private property, the meter shall be moved to the government right-of-way and a new pipe installed between the old and new meter locations. Exception: When replacing the Department's multiple meters serviced from a single pipe, the meters may be left within the private property if

- 1) an easement is obtained at no charge to the Department; and
- 2) it is more economical, taking into account future operational cost differences, to install a main replacement and maintain the meters within the easement area than to install multiple separate lines.

The replacement costs shall be borne by the Department.



Chairperson
Board of Water Supply

July 21, 1978

Date

RE: REPLACEMENT OF SERVICE CONNECTION
WITHIN PRIVATE PROPERTY

Effective Date: July 21, 1978

A horizontal splash of clear blue water with bubbles, centered on the page. The splash is wider in the middle and tapers off towards the left and right edges. The water is bright blue and has a glossy, reflective surface.

NEW

BUSINESS

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 22-15

August 26, 2021

Re: Discussion and Possible Action on the Adoption of Board Policy No. 33, Legislation Pending Before the State Legislature

RECOMMENDATION:

It is recommended that the Board review and approve the proposed Board Policy No. 33, Legislation Pending Before the State Legislature.

FUNDING: N/A

BACKGROUND:

The purpose of this policy is to outline the Manager and Chief Engineer (Manager) and Board responsibilities with respect to legislation that is pending before the State legislature. The Manager and Deputy County Attorney worked together to draft the new policy to ensure that the Board is appropriately consulted on proposed legislation that may be pertinent to the Board's ability to make responsible decisions and addresses the time sensitive nature of the legislative process. The policy describes the interaction between the Manager and Board, shared information, timing, and reporting requirements. The policy was drafted to provide options to the Board to help craft the final policy.

There are two sets of potential options for the Board with respect to this policy. It is requested that the Board select one from each of the set of options. The first set of options (A-C) clarifies proposed legislation that the Board may wish to consider. The three proposed options are:

- A. may affect;
- B. relates to; or
- C. may affect Board policy decisions of.

Option A gives some deference to the Manager. The Manager would decide which pending legislation may affect the Department of Water (DOW). It limits Board interactions to pending legislation affects the DOW's operations or policies. Option B is much more inclusive. This option includes all legislation that may in some manner be related to the DOW. This could require significantly more coordination for legislation that may be administrative in nature. Option C is like Option A but is more specific in that it covers only legislation that could affect Board policy decisions. The Manager would not need to confer with the Board for legislation that only affects DOW operations and/or administration.

The second set of options (1-3) identifies the preferred contact for the Manager concerning legislative activities. The three proposed options are:

- 1. Chair;

2. Chair and Vice Chair; or
3. Subject Matter Expert (SME).

Option 1 ensures that the Board Chair is kept informed during the legislative session and can call a special meeting as needed to confer with the remainder of the Board. Option 2 provides the Manager some redundancy for consultation and access to the opinion of two members of the Board. This option could mitigate the need for additional special meetings with the Board. In Option 3, the Board would identify a subject matter expert (SME) for each legislative item. The SME would be able to provide better guidance to the Manager. However, it may be difficult to track and coordinate with each SME during a heavy legislative session. More coordination is needed by the SME and Chair to schedule a special meeting to address pending legislation that would need the entire Board's attention.

OPTIONS:

Option 1: Approve Manager's Report as recommended and select either Option A, B or C and Option 1, 2 or 3.

Option 2: Disapprove the Manager's Report as recommended and provide direction to the Manger as to how to proceed with developing an acceptable legislative policy.

MRK/mja

Attachment: Proposed Board Policy No. 33, Legislative Policy

Mgrrp/August 2021/22-15/ Discussion and Possible Action on the Adoption of Board Policy No. 33, Legislation Pending Before the State Legislature (08/26//21):mja

BOARD OF WATER SUPPLY POLICY NO. 33

RE: Legislation Pending Before the State Legislature

Purpose

The purpose is to outline the Manager and Chief Engineer (Manager) and Board responsibilities with respect to legislation that is pending before the State legislature.

Manager's Responsibilities

1. Chart of Proposed Bills.
 - a. At the beginning of each legislative session, the Manager will assemble a list of pending legislation that ***(A) may affect, (B) relates to, or (C) may affect Board policy decisions of*** the Department of Water (DOW) and provide it to the ***(1) Chair, (2) Chair and Vice-Chair, or (3) Board Member Subject Matter Expert (SME)***. The list will include:
 1. Bill Number;
 2. If the same or similar bill was submitted in previous years, if so, whether the text of the bill has changed and how;
 3. Items in the bill that may affect, positively or negatively, the DOW and how specifically it may affect the DOW;
 4. Previous written testimony, if it exists;
 5. Whether or not the Manager will provide oral or written testimony; and
 6. the Manager's preliminary position.
 - b. As the legislative session progresses the Manager will update the Chart of Proposed Bills in the Manager's monthly update.
2. Proposed Action/Testimony. If the Manager determines that the DOW will need to correspond with respect to a particular bill, the Manager will notify the ***(1) Chair, (2) Chair and Vice-Chair, or (3) Board Member SME*** and include: the issues, proposed position, whether it is official testimony, the status of the proposed bill, and whom the Manager plans on contacting.

(1) Chair, (2) Chair and Vice-Chair, or (3) Board Member Subject Matter Expert Responsibilities

1. Time of the Essence. The ***(1) Chair, (2) Chair and Vice-Chair, or (3) Board Member SME*** will notify the Manager, within 48 hours, if they have any concerns with the Manager's proposed position and/or planned course of action. Some items brought to the ***(1) Chair's, (2) Chair's and Vice-Chair's, or (3) Board Member SME's*** attention may require a shorter turnaround time because of the

unpredictability of the legislative process in such case the Manager will provide the deadline for response.

2. Special Board Meeting. A Special Board meeting will be immediately scheduled for proposed legislation that the **(1) Chair, (2) Chair and Vice-Chair, or (3) Board Member SME** deems is of sufficient importance or requires input of other Board members. The **(1) Chair, (2) Chair and Vice-Chair, or (3) Board Member SME** will provide the basis for the request. The Open Meetings statute requires a minimum of six calendar days' notice for board meetings.¹

Reporting

During the legislative session, the Manager will provide an update to the Board of any actions taken during the regularly scheduled Board meeting. The Manager will include any written testimony submitted on a proposed bill in the monthly update.

Chair, Kaua'i Board of Water Supply

Date

RE: Legislation Pending Before the State Legislature

Effective Date:

¹ Haw. Rev. Stat. Ann. § 92-8 (six days' notice unless it meets the basis for an emergency meeting).

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 22-16

August 22, 2021

Re: Discussion and Possible Action on the Approval of the Department of Water (DOW)'s Supplemental Budget for Fiscal Year 2022

RECOMMENDATION:

The Department is requesting Board approval to rollover the budget of the attached list of Outstanding Purchase Orders (PO) into the current Fiscal Year (FY) 2021- 2022 DOW Budget.

BACKGROUND:

The Board approved the Operating & New Capital Outlay Budgets for FY 2022 on May 20, 2021.

In addition to the approved Operating and Capital Outlay budgets, the Department requests Board approval to rollover the attached list of Outstanding Purchase Orders from the FY 2021 budget to the FY 2022 Operating and Capital Outlay budget. These PO Rollovers are existing encumbrances of contracts and miscellaneous purchase orders for materials and services as of June 30, 2021. The Outstanding PO list is attached.

If approved, the FY 2022 budget will be increased as follows:

Operating Expenses - W/U		\$ 3,930,333.35
Capital Outlay:		12,262,252.14
Water Utility	\$ 10,146,617.98	
FRC	494,388.45	
BAB	1,621,245.71	
Total PO Rollovers		\$ 16,192,585.49

OPTIONS:

Option 1: Approve the Supplemental Budget for Fiscal Year 2022 as recommended.

Pro: The Department will be able to continue the implementation of its ongoing programs and projects.

Con: None known.

Option 2: Do not approve the Supplemental Budget for Fiscal Year 2022.

Pro: None Known.

Con: The DOW is still obliged to fulfill its contractual obligations for the remaining terms of the contract.

MY/crz

Attachments: Supplemental Budget Year End Encumbrance Increase Report

Mgrrp/August 2021/22-16/ Discussion and Possible Action on the Approval of the Department of Water's Supplemental Budget for Fiscal Year 2022 (08/26//21):mja

Supplemental Budget - Year End Encumbrance Increase Report
PO Rollvers

FY 2021 Encumbrance Increase Budget Report				16,192,585.49
Year Encumbrances - Operating Expenses				3,930,333.35
PO Number	Vendor	G/L code	Description	Roll over amt
PO0004898	ASHFORDWRISTON	10-01-10-540-010	ADMIN-SERVICES	11,546.96
PO0004964	Ashford & Wriston	10-01-10-540-010	4th Amendment - Legal Services	40,000.00
10-01-10-540-010 Total				51,546.96
PO0004619	PACRADIO001	10-01-10-542-010	PR-PROGRAMS	753.93
PO0004811	GIADS	10-01-10-542-010	PR-PROGRAMS	4,764.50
10-01-10-542-010 Total				5,518.43
PO0004675	BRIO	10-02-10-540-010	IT-PROFESSIONAL SERVICES	687,986.00
10-02-10-540-010 Total				687,986.00
PO0004750	LAVANET	10-02-10-543-000	IT-COMMUNICATION	293.77
10-02-10-543-000 Total				293.77
PO0003807	RICAM01	10-02-10-545-000	IT-HW-204-07	1,924.75
PO0004933	XEROX01	10-02-10-545-000	IT-HW-204-07	983.32
10-02-10-545-000 Total				2,908.07
PO0004800	BUSCH	10-02-10-563-000	IT-SW-204-03	1,413.30
PO0004922	SHI	10-02-10-563-000	IT-SW-204-03	223.18
PO0004938	XEROX01	10-02-10-563-000	IT-SW-204-03	1,276.95
PO0004939	XEROX01	10-02-10-563-000	IT-SW-204-03	10,217.60
PO0004950	BADME01	10-02-10-563-000	IT-HW-204-03	52.41
10-02-10-563-000 Total				13,183.44
PO0004744	CDWG	10-02-10-570-010	IT-HW-204-08	23,040.00
10-02-10-570-010 Total				23,040.00
PO0004723	EUREA01	10-10-40-540-010	WQ-SERVICES	9,064.00
10-10-40-540-010 Total				9,064.00
PO0004886	CINTAS	10-10-40-563-000	WQ-EQUIPMENT	1,212.54
PO0004948	IDELA01	10-10-40-563-000	WQ-SIMPLATE	974.60
PO0004949	MICSC01	10-10-40-563-000	WQ-REAGENTS	303.12
10-10-40-563-000 Total				2,490.26
PO0002615	AKINAKA	10-20-10-540-010	ENG-SERVICES	14,473.18
PO0002601	BROCA01	10-20-10-540-010	ENG-SERVICES	72,505.66
PO0004183	BROCA01	10-20-10-540-010	ENG-SERVICES	147,892.46
PO0004300	ESASU01	10-20-10-540-010	ENG-SERVICES	21,000.00
PO0004301	ESASU01 (631)	10-20-10-540-010	ENG-SERVICES	12,016.68
PO0004460	BROCA01	10-20-10-540-010	ENG-SERVICES	51,516.00
PO0004548	HDREN01	10-20-10-540-010	ENG-SERVICES	25,654.59
PO0004593	BROCA01	10-20-10-540-010	ENG-SERVICES	115,019.91
PO0004705	SNISHIMURA01	10-20-10-540-010	ENG-SERVICES	1,571.00
PO0004804	BROCA01	10-20-10-540-010	ENG-SERVICES	77,622.05
Budget Transfer	MOU - COK	10-20-10-540-010	Hanalei Project	160,000.00
10-20-10-540-010 Total				699,271.53
PO0002835	RMTOW01	10-21-10-540-010	CM-SERVICES	288,435.12
PO0004461	BOWKUB001	10-21-10-540-010	CM-SERVICES	700,000.00
PO0004866	RMTOW01	10-21-10-540-010	CM-SERVICES	92,413.43
POA4_637	RM Towhill	10-21-10-540-010	CM-SERVICES	217,815.00
10-21-10-540-010 Total				1,298,663.55
PO0004217	FUKAS01	10-22-10-540-010	WRP-SERVICES	138,211.40
10-22-10-540-010 Total				138,211.40
PO0004892	PRITHIBI	10-30-20-540-010	BILL-SERVICES	162,640.00
10-30-20-540-010 Total				162,640.00
PO0004876	BADME01	10-30-20-563-000	BILL-OPERATING	2,642.67
10-30-20-563-000 Total				2,642.67

PO0004605	BRIO	10-31-10-540-010	IT-PROFESSIONAL SERVICES	94,657.00
PO0004959	BRIO	10-31-10-540-010	ACCT-SERVICES	160,000.00
10-31-10-540-010 Total				254,657.00
PO0004945	ACCUITY	10-31-10-540-020	ACCT-AUDITING	93,800.00
10-31-10-540-020 Total				93,800.00
PO0004863	VENAS01	10-31-10-562-000	ACCT-OPERATING SUPPLIES	340.04
PO0004952	VENAS01	10-31-10-562-000	ACCT-OPERATING SUPPLIES	57.49
10-31-10-562-000 Total				397.53
PO0004883	CINTAS	10-31-10-563-000	ACCT-OPERATING SUPPLIES	872.54
10-31-10-563-000 Total				872.54
PO0004885	CINTAS	10-40-30-563-000	OPS-OPERATING SUPPLIES	2,327.34
10-40-30-563-000 Total				2,327.34
PO0004655	LOKDE01	10-40-30-565-000	OPS-OPERATING SUPPLIES	382.96
PO0004656	SOHDHHL	10-40-30-565-000	OPS-OPERATING SUPPLIES	982.00
10-40-30-565-000 Total				1,364.96
PO0004601	AQUEOUS VETS	10-40-50-563-000	OPS-PNPMISC	117,094.00
10-40-50-563-000 Total				117,094.00
PO0004947	BACUN01	10-40-60-545-000	OPS LEASE	680.62
10-40-60-545-000 Total				680.62
PO0004778	GLENMOUNTGLOBAL	10-40-60-560-000	OPS-TND-MAINTENANCE	142,071.36
10-40-60-560-000 Total				142,071.36
PO0004872	FOURWINDS	10-40-60-561-000	OPS-TND-MAINTENANCE-OTHER	20,000.00
PO0004920	JASWG01	10-40-60-561-000	OPS-TND-MAINTENANCE-OTHER	4,613.12
PO0004921	JASWG01	10-40-60-561-000	OPS-TND-MAINTENANCE-OTHER	1,515.63
PO0004943	OTISELEV01	10-40-60-561-000	OPS-TND-MAINTENANCE-OTHER	362.32
PO0004955	KAUAI01	10-40-60-561-000	OPS-TND-MAINTENANCE-OTHER	12,494.24
PO0004960	KONIN01	10-40-60-561-000	OPS-TND-MAINTENANCE-OTHER	4,680.00
10-40-60-561-000 Total				43,665.31
PO0004852	PSND01	10-40-60-563-000	OPS-OPERATING SUPPLIES	2,912.46
PO0004899	PAREN01	10-40-60-563-000	OPS-OPERATING SUPPLIES	149.16
PO0004957	4IMPRINT	10-40-60-563-000	OPS-OPERATING SUPPLIES	7,359.78
10-40-60-563-000 Total				10,421.40
PO0004917	MUPLUMBING	10-40-60-563-010	VALVE-003	3,616.24
PO0004919	DYNAT01	10-40-60-563-010	SCADA-010	10,618.41
PO0004926	BADME01	10-40-60-563-010	ORION LTE-M(CELLULAR)ENPOINT	8,129.09
PO0004953	CALIN01	10-40-60-563-010	GAUGE-265	12,239.93
Budget Transfer	On Procurement	10-40-60-563-010	GS 2021-05 Hydrants & Appurtenances	128,057.86
10-40-60-563-010 Total				162,661.53
PO0004935	DMKWE01	10-40-60-571-010	OPS-TRAINING	2,859.68
10-40-60-571-010 Total				2,859.68
All Funds - Prior Year Encumbrances - Capital Outlay				12,262,252.14
PO00004968	Kuhio Auto Group	10-01-10-604-999	Nissan battery replacement	11,020.45
10-01-10-604-999 Total				11,020.45
PO0004698	RICAM01	10-02-00-604-999	IT-HW-204-07	2,163.33
PO0004887	DELLCO	10-02-00-604-999	IT-CAPITAL PURCHASES NEW	5,780.03
PO0004956	DELLCO	10-02-00-604-999	IT-HW-204-01	25,479.93
10-02-00-604-999 Total				33,423.29
PO0004799	DELLCO	10-02-00-605-999	IT-CAPITAL PURCHASES NEW	4,845.28
PO0004958	DELLCO	10-02-00-605-999	IT-HW-204-01	18,085.00
10-02-00-605-999 Total				22,930.28
Budget Transfer	Under Procurement	10-30-00-604-999	GS 2021-06 - Vehicles	70,000.00
10-30-00-604-999 Total				70,000.00
PO0004566	DERWE01	10-40-00-604-999	OPS-CAPITAL PUCHASES REHAB	30,478.10
PO0004831	OASWA01	10-40-00-604-999	OPS-CAPITAL PURCHASES NEW	56,193.73
PO0004864	SAKO01	10-40-00-604-999	OPS-CAPITAL PUCHASES REHAB	7,000.01
PO0004881	BEIHA01	10-40-00-604-999	OPS-CAPITAL PUCHASES REHAB	2,957.59

PO0004905	AMEEL01	10-40-00-604-999	OPS-CAPITAL PUCHASES REHAB	6,442.00
PO0004910	CGEQUIP	10-40-00-604-999	OPS-CAPITAL PUCHASES REHAB	4,235.60
PO0004946	KAUMA01	10-40-00-604-999	OPS-CAPITAL PUCHASES REHAB	1,668.41
10-40-00-604-999 Total				108,975.44
Water Utility Fund (Miscellaneous Capital Outlay)				246,349.46
PO0004335	KAIHAWAII	10-20-00-604-001	ENG-CAPITAL PUCHASES REHAB	17,270.12
PO0002601	OKAAS01	10-20-00-604-138	ENG-CONTINGENCY	21,451.47
PO0003601	BELCO01	10-20-00-604-148	ENG-CAPITAL PUCHASES REHAB	137,070.01
PO0002836	BROCA01	10-20-00-604-157	ENG-CAPITAL PUCHASES REHAB	91,979.80
PO0003581	RMTOW01	10-20-00-604-160	ENG-CAPITAL PUCHASES REHAB	346,218.15
PO0004577	ESASU01	10-20-00-604-164	ENG-CAPITAL PUCHASES REHAB	241,268.00
PO0002624	ESASU01	10-20-00-605-139	ENG-CAPITAL PURCHASES NEW	125,200.00
10-20-00-604-000 Total				980,457.55
PO0004404	EARPA01	10-21-00-604-001	CM-CAPITAL PUCHASES REHAB	2,272,835.81
PO0003576	GOOBR01	10-21-00-604-146	CM-CAPITAL PUCHASES REHAB	2,847,639.33
10-21-00-604-000 Total				5,120,475.14
PO0003577	HEJOHNSON	10-21-00-605-017	CM-CAPITAL PURCHASES NEW	3,195,675.00
PO0003575	EARPA01	10-21-00-605-118	CM-CAPITAL PUCHASES REHAB	603,660.83
10-21-00-604-000 Total				3,799,335.83
Water Utility Fund (Capital Outlay - R&R & Expansion)				10,146,617.98
PO0004612	ESASU01 567	20-20-00-605-117	ENG-CAPITAL PUCHASES REHAB	26,832.00
PO0004545	HDREN01	20-20-00-605-118	ENG-SERVICES	63,183.14
PO0002616	BROCA01	20-20-00-605-153	ENG-CAPITAL PURCHASES NEW	49,105.48
PO0004401	BROCA01	20-20-00-605-153	ENG-FRC-CAPITAL	9,567.00
PO0003149	RMTOW01	20-20-00-605-154	ENG-FRC-CAPITAL	345,700.83
FRC (Capital Outlay - R&R)				494,388.45
PO0004218	BELCO01	30-20-00-604-105	ENG-CAPITAL PUCHASES REHAB	22,158.75
PO0004334	BELCO01	30-20-00-604-105	ENG-CAPITAL PUCHASES REHAB	33,672.05
PO0004334	BELCO01	30-20-00-604-105	ENG-CAPITAL PUCHASES REHAB	227,423.46
BAB Fund (Capital Outlay - R&R)				283,254.26
PO0004748	BELCO01 427	30-20-00-605-116	ENG-CAPITAL PURCHASES NEW	40,978.70
PO0004929	BELCO01 427	30-20-00-605-116	ENG-BOND-CAPITAL	37,125.00
PO0002611	KODAS01 440	30-20-00-605-120	ENG-CAPITAL PURCHASES NEW	13,079.24
PO0002608	ESASU01	30-20-00-605-125	ENG-CAPITAL PURCHASES NEW	53,508.05
PO0002620	ESASU01	30-20-00-605-139	ENG-CAPITAL PURCHASES NEW	94,222.00
PO0003577	HEJOHNSON	30-21-00-605-017	CM-CAPITAL PURCHASES NEW	1,091,650.00
PO0003575	EARPA01	30-21-00-605-118	CM-CAPITAL PUCHASES REHAB	7,428.46
BAB Fund (Capital Outlay - Exp)				1,337,991.45
BAB (Capital Outlay - R&R & Expansion)				1,621,245.71

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 22-17

August 26, 2021

Re: Discussion and Possible Action for Board Approval on the replacement, upgrade, and configuration of critical infrastructure for the Information Technology Division in the amount of \$200,000.00

RECOMMENDATION:

It is recommended that the Board approve funding for the Information Technology Division Capital Budget in the amount of \$200,000.00 to fund the replacement, upgrade, and configuration of critical infrastructure.

FUNDING: Water Utility Fund

Account No.	10-00-00-330-000			
Acct Description	Water Utility Fund (unrestricted)			
Funds Available	<i>Verified by WWC</i>		\$	200,000.00

BACKGROUND:

The Department of Water (DOW) currently has six hypervisor appliances and ten network switches. The hypervisors host all our on-premises servers, including but not limited to networked file servers, Windows update applications, GIS applications, Active Directory, and Group Policy. The expected life of the network switches and servers is 3-5 years. These servers have been in service for over 5 years.

DOW budgeted \$200,000 in FY 2019-2020 and again in FY 2020-2021. The project was not completed due to the absence of an IT (Information Technology) Manager during that time.

The project is needed to address major security gaps, provide redundancy to our applications hosted on the cloud, and replace outdated equipment.

OPTIONS:

Option 1: Approve the proposed replacement, upgrade, and configuration of critical infrastructure for the Information Technology Division in the amount of \$200,000.00.

Pro: This will allow DOW IT to effectively support the business.

Con: Not funded in the FY 22 budget so additional funds are needed but are available. If equipment malfunctions, it can severely hinder DOW's operations due to the chip shortage and long lead times shipping to Hawaii.

Option 2: Do not approve the proposed replacement, upgrade, and configuration of critical infrastructure for the Information Technology Division in the amount of \$200,000.00.

Pro: Additional funds will not be expended.

Con: The DOW will not realize the benefits listed in Option 1 and will be at considerable risk of impacting DOW's business performance if any equipment malfunctions.

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT NO. 22-18

August 26, 2021

Re: Board Review and Discussion to approve the Department of Water ("DOW")'s request to enter into the Data Sharing and Confidentiality Agreement ("Agreement") between the Hawai'i Employer Union Health Benefits Trust Fund, State of Hawaii ("EUTF") and County of Kaua'i, DOW

RECOMMENDATION:

It is recommended that the Board approve the DOW's request to enter into the Data Sharing and Confidentiality Agreement between the State of Hawaii EUTF and County of Kaua'i, DOW.

FUNDING: N/A

BACKGROUND:

The State of Hawaii, EUTF administers the retirement benefits of its members; the employees of the State of Hawaii and County Agencies which includes County of Kauai, DOW. The process requires sharing of employee information between EUTF and DOW which may contain protected Personal Information ("PI") or Protected Health Information ("PHI").

The EUTF will be implementing the Benefits Administrator System ("BAS"), a portal that will allow both individual EUTF members and their respective employers to access, enter, or upload information relating to the member's health benefit plans.

To use the BAS, the EUTF Administrator requires employers to enter into confidentiality agreement with EUTF to ensure adherence to all Health Insurance Portability and Accountability Act (HIPAA) of 1996 requirements.

The attached draft agreement is hereby submitted for your review and discussion and further approval to allow the Department to participate in the BAS.

OPTIONS:

Pros: 1) If approved, the DOW will have access to the State of Hawaii, EUTF's BAS portal which will provide a secured method of data transmission thereby ensuring DOW's compliance to HIPAA.

Cons: 2) If not approved, the DOW will not have access to the State of Hawaii, EUTF's BAS portal and transmission of protected employee information may likely be compromised if transmitted in different forms.

Attachments: EUTF Data Sharing and Confidentiality Agreement

Mgrpp/August 2021/22-18/ Discussion and Possible Action to approve DOW's request to enter into the Date Sharing and Confidentiality Agreement between Hawai'i EUTF and COK DOW (08/26//21):mja

DATA SHARING AND CONFIDENTIALITY AGREEMENT

This Agreement, is effective as of _____, 2021, between the Hawai'i Employer-Union Health Benefits Trust Fund, State of Hawai'i ("EUTF"), by its Administrator, whose address is 201 Merchant Street, Suite 1700, Honolulu, Hawai'i 96813, and County of Kaua'i Department of Water, by its _____, whose address is _____ ("AGENCY").

RECITALS

A. The EUTF and the AGENCY wish to obtain and share data that may contain protected Personal Information ("PI") or Protected Health Information ("PHI") in order to facilitate the Plan Administration Functions of both agencies. The AGENCIES are committed to complying with the privacy and security laws with respect to PI and PHI.

B. The EUTF, as a "covered entity" under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), has a heightened duty to protect any information in its possession that HIPAA considers to be PHI. The EUTF must follow stringent procedures when handling such individually identifiable health information, including those required by HIPAA, the Health Insurance Reform Security Standards ("Security Rule"), the Standards for Privacy of Individually Identifiable Health Information ("Privacy Rule"), and the American Recovery and Reinvestment Act of 2009 ("ARRA").

C. The EUTF and the AGENCY are subject to restrictions governing the use and disclosure of PI, under Act 10 and Chapters 487N and 487R, Hawai'i Revised Statutes ("HRS").

D. The EUTF will be implementing a Benefits Administration System ("BAS") that will allow both individual EUTF members and their respective employers to access, enter, or upload information relating to the member's health benefit plans. In order for a member's employer to use the BAS, HIPAA requires the employer to enter into a confidentially agreement with the EUTF to ensure adherence to all HIPAA requirements.

E. The AGENCIES acknowledge this Agreement is necessary and desirable for the privacy and security of PHI and PI provided by the AGENCIES, to protect against the unauthorized use and disclosure of such information, and to facilitate the Plan Administration Functions of the AGENCIES.

F. This Agreement sets forth the terms and conditions pursuant to which PI, will be disclosed or provided by the AGENCY to the EUTF, and the conditions under which PI and PHI are disclosed or provided by the EUTF to the AGENCY, and how the

information is to be used and this Agreement supersedes any other confidentially agreement previously entered into by the AGENCIES.

Now therefore, in consideration of the promises contained in the Agreement, the AGENCIES agree as follows.

TERMS AND CONDITIONS

1. Definitions as used in this Agreement:

- a. Act 10 means Act 10, 2008 Session Laws of Hawai'i, Special Session.
- b. AGENCIES or AGENCY means the EUTF and/or the State or County department or entity described and identified above.
- c. ARRA means the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, and the rules and regulations promulgated under the ARRA.
- d. Breach means a material breach of this agreement and/or a breach as set forth in the ARRA.
- e. County means the City and County of Honolulu and the counties of Hawaii, Kauai and Maui, and their departments or semi-autonomous agencies.
- f. Electronic Protected Health Information has the meaning set forth in 45 C.F.R. § 160.103. For purposes of this Agreement, "Electronic Protected Health Information" is limited to Electronic Protected Health Information that is: (i) disclosed to or used by EUTF; and/or (ii) created, received, maintained, or transmitted by EUTF on behalf of the State.
- g. Electronic Transactions Rule means the final rule set forth in 45 C.F.R. §§ 160 and 162.
- h. EUTF means the Hawaii Employer-Union Health Benefits Trust Fund, a State agency that is administratively attached to the State of Hawaii Department of Budget and Finance and a covered entity under HIPAA.
- i. HIPAA means the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.
- j. Individual means the person who is the subject of PI and PHI and for PHI it shall also include a person who qualifies as a personal representative under 45 C.F.R. § 164.502(g).
- k. Individually Identifiable Health Information has the meaning set forth in 45 C.F.R. § 160.103.
- l. PHI has the meaning set forth in 45 C.F.R. § 160.103. For purposes of this Agreement, "PHI" is limited to PHI that is: (i) disclosed to or used by the EUTF; and/or (ii) created, received, maintained, or transmitted by the EUTF on behalf of the State. PHI includes Electronic Protected Health Information.

m. PI means “Personal Information” as set forth in Section 487N-1, Hawai‘i Revised Statutes. For purposes of this Agreement, “PI” is limited to Personal Information provided to either the EUTF or the AGENCY by the other respective agency.

n. Ping means a request-response utility or other method used to determine whether a specific Internet Protocol (“IP”) address, or host, exists or is accessible.

o. Plan Administration Functions means administration functions performed by the EUTF and the AGENCY in order to facilitate the provision of health benefits to State and County employees and retirees, including utilization of the BAS.

p. Port Scan means a process that sends requests to a host to determine network services that are available on that host.

q. Privacy and Security Laws includes: (1) the provisions of HIPAA that relate to PHI and Electronic Protected Health Information; (2) the Privacy and Security Rules; (3) the provisions of ARRA, including the rules and regulations promulgated under the ARRA, that relate to the privacy and security of PHI and Electronic Protected Health Information; (4) Act 10 and, to the extent applicable, Chapters 487N and 487R, Hawai‘i Revised Statutes; and (5) other Federal and State privacy or security statutes and regulations that apply to PHI, Electronic Protected Health Information, or PI.

r. Privacy Rule means the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Part 160 and Subparts A and E of Part 164, as amended.

s. Secretary means the Secretary of the U.S. Department of Health and Human Services or designee.

t. Security Rule means the Health Insurance Reform: Security Standards at 45 C.F.R. 160 and Subparts A and C of Part 164, as amended.

u. State means the State of Hawai‘i.

v. Technological Safeguards means the technology and the policy and procedures for use of the technology to protect and control access to PI and PHI, including access controls and authentication and transmission security, workstation security, and device and media controls.

w. Unsecured Protected Health Information has the meaning set forth in the ARRA.

2. Responsibilities of the Agencies:

a. General Use Provisions. Except as otherwise limited in this Agreement, the AGENCIES may disclose or use PI or PHI to perform their respective functions, activities, or services, including utilization of the BAS, and to otherwise carry out the legal responsibilities of the AGENCIES.

The AGENCIES shall only request, use, and disclose the minimum amount of PI or PHI necessary to accomplish the purpose of the request, use, or disclosure.

The AGENCIES agree to follow industry standards, best practices, and appropriate safeguards, including Technological Safeguards to prevent the misuse or improper disclosure of PI and PHI obtained pursuant to this Agreement. The AGENCIES further agree to safeguard PI and PHI in accordance with any rules, policies, procedures, and directions that have been adopted or implemented by an AGENCY, to the extent such directives have been communicated to the other AGENCY.

The AGENCIES agree to adopt and enforce policies and procedures to prevent the improper use or disclosure of PI and PHI, including training their employees and agents on the proper use and disclosure of PI and PHI, and to provide updated training on a regular basis in accordance with HIPAA.

The AGENCIES agree not to use or disclose PHI for employment related actions and decisions or in connection with other benefit or employee or employee benefit plan of the State or County.

The AGENCIES may use PI or PHI to report violations of law to appropriate Federal and State authorities consistent with 45 C.F.R section 164.502(j)(1).

b. Contracts with Third Parties.

The AGENCIES agree to require third parties that obtain PI or PHI from the AGENCIES pursuant to this Agreement to adhere to the requirements contained in this Agreement.

The AGENCIES shall comply with the provisions of Part V of Act 10 if either entity: (1) Contracts with third parties to provide support services that require access to PI obtained through this Agreement; or (2) is requested by a credit bureau or similar financial reporting organization to provide access to PI.

3. Prohibited, Unlawful or Unauthorized Use and Disclosure of PI and PHI; Breach

The AGENCIES shall not use or disclose any PI or PHI in a manner that would violate the Privacy Rule if done by a covered entity or business associate under HIPAA. The AGENCIES agree that it will allow its employees to have access to PI or PHI to the minimum extent necessary to facilitate the AGENCIES' Plan Administrative Functions. In the event that any employee does not comply with the privacy requirements under

HIPAA, the employee will be subject to disciplinary action as allowed by collective bargaining agreements or other rules, policies or procedures for non compliance.

The AGENCIES agree to mitigate, to the extent practicable, any harmful effect that is known to the AGENCIES of a security breach or disclosure or use of PI or PHI by the AGENCIES in violation of this Agreement.

Breach. If there is a Breach of PI, PHI, or Unsecured Protected Health Information, including a "security breach" as defined in Chapter 487N(1), HRS, the breaching AGENCY shall: (i) notify the non-breaching AGENCY in writing of the Breach in a prompt and complete manner but no less than twenty (20) calendar days after the breaching AGENCY's discovery of the Breach; (ii) investigate and report the causes of the Breach, including without limitation, any steps that the breaching AGENCY will take to mitigate the Breach and prevent the occurrence of similar Breaches; (iii) in consultation with the non-breaching AGENCY, provide all notifications regarding the Breach that breaching AGENCY and/or the non-breaching AGENCY are required to make under law, including but not limited to HRS Chapter 487N, and (iv) provide a log of all Breaches of Unsecured Protected Health Information to the non-breaching AGENCY no later than twenty (20) calendar days after the end of each calendar year in order to comply with security and privacy laws.

Report of Improper Use or Disclosure. The AGENCIES agree to immediately report any use or disclosure of PI or PHI that is inconsistent with the uses or disclosures provided for by this Agreement. The AGENCIES agree to report any security incidents that are required to be reported under 45 C.F.R. Part 164, particularly 45 C.F.R. section 164.314. Notwithstanding the forgoing, no additional notice is required for the ongoing existence and occurrence of routine attempted, but unsuccessful incidents such as Pings on the firewall, Port Scans, attempts to log in to the AGENCIES' computer systems with an invalid password or username, denial-of-service attacks that do not result in a server being taken offline, or malware as long as such incidents do not result in unauthorized access or disclosure of PI or PHI.

The AGENCIES agree to document disclosures of PHI and information related to such disclosures as would be required to respond to a request by an Individual for an accounting of the disclosures of PHI in accordance with HIPAA and ARRA, and to timely respond to such a request.

4. Modification of Agreement.

Any modification of this Agreement shall be by written amendment to the Agreement. The AGENCIES acknowledge that the likelihood of future changes to existing Privacy and Security Laws may necessitate modification of this Agreement. The AGENCIES agree that any amendment of PHI will be done in accordance with 45 C.F.R. section 164.526.

5. Termination.

The AGENCIES may terminate this Agreement at any time upon giving written notice of such termination to the non-terminating AGENCY. The respective rights and

obligations of the AGENCIES under section 3 above and sections 5 (a) and (b) below, shall survive the termination of this Agreement.

a. Return and destruction of PI and PHI. The AGENCIES agree, upon request or upon termination of this Agreement to, if feasible, return or destroy all PI including any copies received from the other AGENCY, that it still maintains in any form, and it will retain no copies of such information when no longer needed for the purpose for which disclosure was made or upon termination of this Agreement.

b. If such return or destruction is not feasible, the AGENCIES shall limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible, and continue to provide the protections outlined in this Agreement. The AGENCIES shall comply with any applicable provisions of HRS Chapter 487R.

HAWAI'I EMPLOYER-UNION HEALTH
BENEFITS TRUST FUND, STATE OF HAWAII

By _____
Its Administrator

Date: _____, 2021

COUNTY OF KAUA'I DEPARTMENT OF
WATER ("AGENCY")

By _____
Its

Date: _____, 2021

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Deputy Attorney General
State of Hawai'i (EUTF)

COUNTY OF KAUA'I
DEPARTMENT OF WATER

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 22-19

August 26, 2021

Re: Discussion and Adoption of Resolution No. 22-03, Mahalo and Aloha to Craig Shirai

It is requested that the Board approve Resolution 22-03, and wish Craig Shirai, Waterworks Inspector III, Construction Management Division, a happy retirement.

MK/crz

Attachment: Resolution No. 22-03 Mahalo and Aloha Craig Shirai

Mgrpp/August 2021/22-19/Discussion and Adoption of Resolution No. 22-03, (2021-2022), Mahalo and Aloha to Craig Shirai (08-26-21) crz

Mahalo and Aloha

Craig Shirai

Waterworks Inspector III

WHEREAS, Craig Shirai joined the Department of Water (DOW) team on July 3, 1991 a Laborer I and diligently worked his way to Pipefitter Helper (May 1992), Pipefitter (April 2001) and Lead Pipefitter (December 2004) with the Operations Division;

WHEREAS, Craig furthered his DOW career by transitioning to the Construction Management Division as Waterworks Inspector II (September 2018) and finally Waterworks Inspector III (November 2019) in the Engineering Division where he will be ending his career at the close of July 2021.

WHEREAS, Craig has been an instrumental influence and advocate to help bridge the communication, learning, sharing and performance gap between the Construction Management/Engineering and Operations Divisions;

WHEREAS, Craig no longer has to sit through lengthy construction meetings and will be able to focus his efforts studying Vegas gaming strategies to assist his retirement income;

WHEREAS, Craig will be able to concentrate his efforts into coordinating travel arrangements to Las Vegas instead of arrangements for construction inspection and water service shutdowns;

WHEREAS, Craig will be able to research and purchase his next high performance "retirement" vehicle to be able to zip around the island and get the most out of his retirement time;

WHEREAS, Craig can spend his time fishing and leisurely come and go as he pleases without DOW work crossing his mind;

WHEREAS, the Engineering Division will miss his infectious laugh and his always smiling face:

WHEREAS, Craig has long been deserving of the opportunity for retirement after years of hard work and will be missed by his co-workers and contractors;

WHEREAS, Craig will be entering a new chapter of this life with the best wishes from his co-workers and peers and a Glenlivet in his hand:

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF WATER SUPPLY, COUNTY OF KAUAI, STATE OF HAWAII, that on behalf of the water-consuming customers on Kaua'i, the Board expresses its gratitude and appreciation for the many years of dedicated service rendered by Craig Shirai. We extend to Craig our best wishes for much happiness and success in his retirement.

BE IT FURTHER RESOLVED that a copy of this Resolution be forwarded to CRAIG SHIRAI with our warmest Aloha and best wishes for success in all his future endeavors.

We do certify that the foregoing was duly adopted by the Board of Water Supply during its meeting on August 26, 2021.

Gregory Kamm, Chairman

Julie Simonton, Secretary

A horizontal splash of clear blue water with bubbles, positioned behind the text.

STAFF

REPORTS



DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

FISCAL REPORT: MONTHLY SUMMARY HIGHLIGHTS – JULY, 2021

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

YEAR TO DATE (YTD) BUDGET & ACTUAL EXPENSES SUMMARY – AS OF JULY, 2021

	<u>BUDGET</u>	<u>vs</u>	<u>EXPENSED</u>
· Operating Expenses	\$5,940,079		\$2,400,027
· Debt Principal Payment	3,794,865		3,794,865
· Capital Projects	<u>14,406,846</u>		<u>10,445</u>
TOTAL	<u>\$24,141,790</u>		<u>\$6,205,337</u>

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

- Total Revenue as of July, 2021 was 18% below projection.
 - Water sales of \$2.67 million (M) was 582 thousand (K) or 28% higher than projected.
 - Other Water Revenue - Receipts of \$58K was \$32.3K above projection or –126%.
 - Capital Contributions: Contributions from Federal & State Grants – 66.8K.
 - Investment Income & Net Increase in FV of Investments –\$18.9K.

OPERATING EXPENSES: VARIANCE = BUDGET LESS ACTUAL

EXPENSES; POSITIVE INDICATES LESS SPENDING THAN PLANNED. **REVISED YTD BUDGET COLUMNS INCLUDE PO ROLLOVER FROM FY ENDING 2021.**

- YTD Operating Expenses before depreciation and amortization was \$2.4M. Total spending was \$3.5M less than budget.
 - Employee Related Expenses –\$935.2K with a 14% positive variance.
 - Contracts & Services – \$588.1K with a 85% positive variance.
 - Professional Services, Other Services – Billing, Communication, Insurance and Repairs and Maintenance for non-water systems are the main items contributing to the 85% positive variance.
 - Exceptional Expenses – None.
 - Fuel & Utilities – \$263.2K with a \$14.3K or 6% negative variance.
 - Bulk Water Purchase –\$138.4K with a 10% positive variance.
 - Office & Operating Supplies – \$211.2K with 26% positive variance.
 - Training, Travel & Meeting Expenses – \$18.7K or 6% negative variance.
 - Debt Service – Interest Expense - \$245.3 with 4% negative variance.
 - Depreciation & Amortization (non-cash expenses) is \$598.4K with 10% positive variance.

NET OPERATING INCOME:

Fiscal report 7/2021



DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

- Net Operating Income before depreciation and amortization - \$590.3K
- Net Operating Income after depreciation & amortization was negative \$8K.

NON-OPERATING PROCEEDS & DISBURSEMENTS

- SRF Loan Proceeds – None.
- FRC – Facility Reserve Charge –\$25.2K.
- YTD Debt Principal Payment is \$3.79M.

CAPITAL PROJECTS BUDGET: YTD DISBURSEMENTS = \$10,445.33

- Capital Projects: Water Utility Fund - \$10.4K
- Capital Projects: FRC Fund – None
- Capital Projects: BAB Fund - None
- Capital Projects: SRF Loan Fund - None

II. FY 2020 – 2021 CERTIFICATION OF FUNDS YTD \$187,061.84.

	REPORT TO MANAGER (with approved Budget)	MANAGER'S REPORT (New Budget Requests)
Water Utility Fund	\$187,061.84	\$0
FRC Fund	\$0	\$0
BAB Fund	\$0	\$0
Total	\$187,061.84	\$0

III. COMPARATIVE CHARTS:

METERED CONSUMPTION:

- July, 2021, monthly metered consumption was 406.2 million gallons (mg) increased by 71 mg or 21% as compared from the same month of FY 2022.
- Year to Date (YTD) metered consumption as of 7/31/21 was 406.2 mg with a YTD cumulative increase of 71 mg as compared from the same month of FY 2022.

IV. COMPARATIVE BALANCE SHEET: SEE ATTACHED.

Statement of Net Position as of July 31, 2022 (unadjusted).

V. OTHER FISCAL ONGOING ACTIVITIES/INITIATIVES:

- Fiscal Year end closing is in progress.
- FY 2021 Financial Audit is in progress. Draft Audit Report will be submitted to the November board meeting.
- Procurement of Raftelis Consultants to commence the Water Rate Study.
- Microsoft (MS) Dynamics Great Plains will be replaced with Cloud - Dynamics Business Central. Ongoing staff training. The "Go live" was originally scheduled on 4/12/21, initially moved to the week of July 12th and moved again to the 1st week of October 2021.
- Develop Financial Policies for DOW – Statement of Qualifications were solicited for FY 2021. Procurement has been delayed due to COVID 19 pandemic and was pushed on the side due to three other ongoing IT initiatives; the Depreciation Study



DEPARTMENT OF WATER

County of Kaua'i

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which was completed in April 2021, the ongoing conversion of Microsoft (MS) Dynamics – Great Plains to MS Business Central and another ongoing project on the Beacon Meters; Automatic Meter Reading (AMR) upgrade to Advanced Metering Infrastructure (AMI).

- Budget Program Solution – It will be addressed concurrently with the Financial Policies Development procurement.
- 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.

MY/



Department of Water, County of Kauai
Monthly Budget Summary vs. Actual
SUMMARY

	July 7/31/2021				FY 2022			
	Original Budget	Revised Budget	Actual	Variance	Revised YTD Budget	YTD Actual	*Variance	%
I. OPERATING BUDGET								
Revenue								
Water Sales	\$2,085,217.00	\$2,085,217.00	\$2,667,557.43	\$582,340.43	\$2,085,217.00	\$2,667,557.43	\$582,340.43	28. %
Revenue from Public Fire Protection Tot	181,192.00	181,192.00	181,191.50	(0.50)	181,192.00	181,191.50	(0.50)	(0.%)
Miscellaneous Revenues Total	25,709.00	25,709.00	57,974.50	32,265.50	25,709.00	57,974.50	32,265.50	126. %
Non Operating Proceeds Total	1,367,641.00	1,367,641.00	83,622.49	(1,284,018.51)	1,367,641.00	83,622.49	(1,284,018.51)	(94.%)
Total Revenues	3,659,759.00	3,659,759.00	2,990,345.92	(669,413.08)	3,659,759.00	2,990,345.92	(669,413.08)	(18.%)
Expenses								
Total Employee-Related Expenses	1,087,505.00	1,087,505.00	935,184.39	152,320.61	1,087,505.00	935,184.39	152,320.61	14. %
Total Contracts & Services	3,912,427.32	3,912,427.32	588,077.21	3,324,350.11	3,912,427.32	588,077.21	3,324,350.11	85. %
Total Fuel & Utilities	248,865.00	248,865.00	263,200.08	(14,335.08)	248,865.00	263,200.08	(14,335.08)	(6.%)
Total Bulk Water Purchase	153,045.96	153,045.96	138,355.41	14,690.55	153,045.96	138,355.41	14,690.55	10. %
Total Office & Operating Supplies	285,712.50	285,712.50	211,199.04	74,513.46	285,712.50	211,199.04	74,513.46	26. %
Total Training, Travel & Meeting Expens	17,612.68	17,612.68	18,717.86	(1,105.18)	17,612.68	18,717.86	(1,105.18)	(6.%)
Total Interest Expense	234,911.00	234,911.00	245,293.44	(10,382.44)	234,911.00	245,293.44	(10,382.44)	(4.%)
Total Operating Expenses	5,940,079.46	5,940,079.46	2,400,027.43	3,540,052.03	5,940,079.46	2,400,027.43	3,540,052.03	60. %
Net Operating Income (Loss) Before Depreciation & Amortization								
	(2,280,320.46)	(2,280,320.46)	590,318.49	2,870,638.95	(2,280,320.46)	590,318.49	2,870,638.95	(126.%)
Total Depreciation & Amortization	661,895.00	661,895.00	598,402.74	63,492.26	661,895.00	598,402.74	63,492.26	10. %
Net Operating Income (Loss)	(2,942,215.46)	(2,942,215.46)	(8,084.25)	2,934,131.21	(2,942,215.46)	(8,084.25)	2,934,131.21	(100.%)
Non Operating Proceeds	1,191,667.00	1,191,667.00	(1,191,667.00)	(1,191,667.00)	1,191,667.00	(1,191,667.00)	(1,191,667.00)	(100.%)
FRC-Facility Reserve Charge	66,667.00	66,667.00	25,210.00	(41,457.00)	66,667.00	25,210.00	(41,457.00)	(62.%)
Total Non Operating Proceeds	1,258,334.00	1,258,334.00	25,210.00	(1,233,124.00)	1,258,334.00	25,210.00	(1,233,124.00)	(98.%)
Debt Principal Payment	3,794,864.89	3,794,864.89	3,794,864.89		3,794,864.89	3,794,864.89		
Net Proceeds (Expenditures)	(5,478,746.35)	(5,478,746.35)	(3,777,739.14)	1,701,007.21	(5,478,746.35)	(3,777,739.14)	1,701,007.21	(31.%)
	(5,478,746.35)	(5,478,746.35)	(3,777,739.14)	1,701,007.21	(5,478,746.35)	(3,777,739.14)	1,701,007.21	(0.31)
II. CAPITAL BUDGET								
Capital Projects (See Attached for Details)	14,406,845.98	14,406,845.98	10,445.33	14,396,400.65	14,406,845.98	10,445.33	14,396,400.65	100. %

Assets and Deferred Outflows

Current Assets

Cash \$4,417,194.57
Equity interest in pooled investments \$3,452,396.73

\$0.00
Receivables: \$0.00

Accounts, net of allowance for doubtful accounts \$1,821,396.84

Due from other funds \$0.00

Unbilled accounts \$1,378,549.63

Grants and subsidies \$677,485.18

Accrued interest \$209,775.36

Total receivables 4,087,207.01

Materials and supplies \$1,089,731.90

Prepaid expenses \$41,940.68

Total current asset 13,088,470.89

Restricted Assets:

Facility reserve charge funds:

Cash \$3,346,069.84

Equity interest in pool investments \$0.00

Accounts receivable and other \$239,095.59

Total facility reserve charge funds 3,585,165.43

Bond funds:

Cash \$1,199,760.47

Equity interest in pooled investments \$8,631,388.64

Accrued interest \$43,524.38

Total bond funds 9,874,673.49

Total restricted assets 13,459,838.92

Equity Interest in Pooled Investment - Noncurrent

Investment - Non-Current \$24,482,215.70

Investment - Reserves \$9,300,000.00

Investment - Debt Service Reserve \$0.00

Total Equity Interest in Pooled Investment - Noncurrent 33,782,215.70

Utility Plant:

In service \$346,650,839.24

Accumulated depreciation (\$148,930,520.45)

Total utility plant 197,720,318.79

Construction work in progress \$22,369,312.49

Total property, plant and equipment 220,089,631.28

Total assets 280,420,156.79

1. DEPT OF WATER, COUNTY OF KAUAI NEW
For the Month Ending July 31, 2021

Deferred Outflow of Resources - Deferred Refunding Costs, net \$8,783,387.54
Total assets and deferred outflows 289,203,544.33

***Allowance for doubtful accounts** (\$231,752.04)

Liabilities and Net Position

Current Liabilities:

Accounts payable and accrued liabilities (\$2,063,772.75)
Contracts payable, including retainages \$627,728.66
Accrued Vacation And Compensatory Pay, current portion \$476,188.36
Due to/Due From Other Funds \$211.73
Customer overpayment \$186,790.85
Customer deposits and advances \$502,730.26
Current portion of long term debt \$5,160,540.98
Current portion of capital lease obligation \$0.03
Total current liabilities 4,890,418.12

Long-Term Debt \$53,058,782.13
Capital Lease Obligation \$0.00
OPEB & Retirement Benefits \$31,395,804.53
Accrued Vacation and Compensatory Pay \$971,573.47
Deferred Inflow of Assets \$555,205.00
Total liabilities and deferred inflows: 90,871,783.25

Net Position:

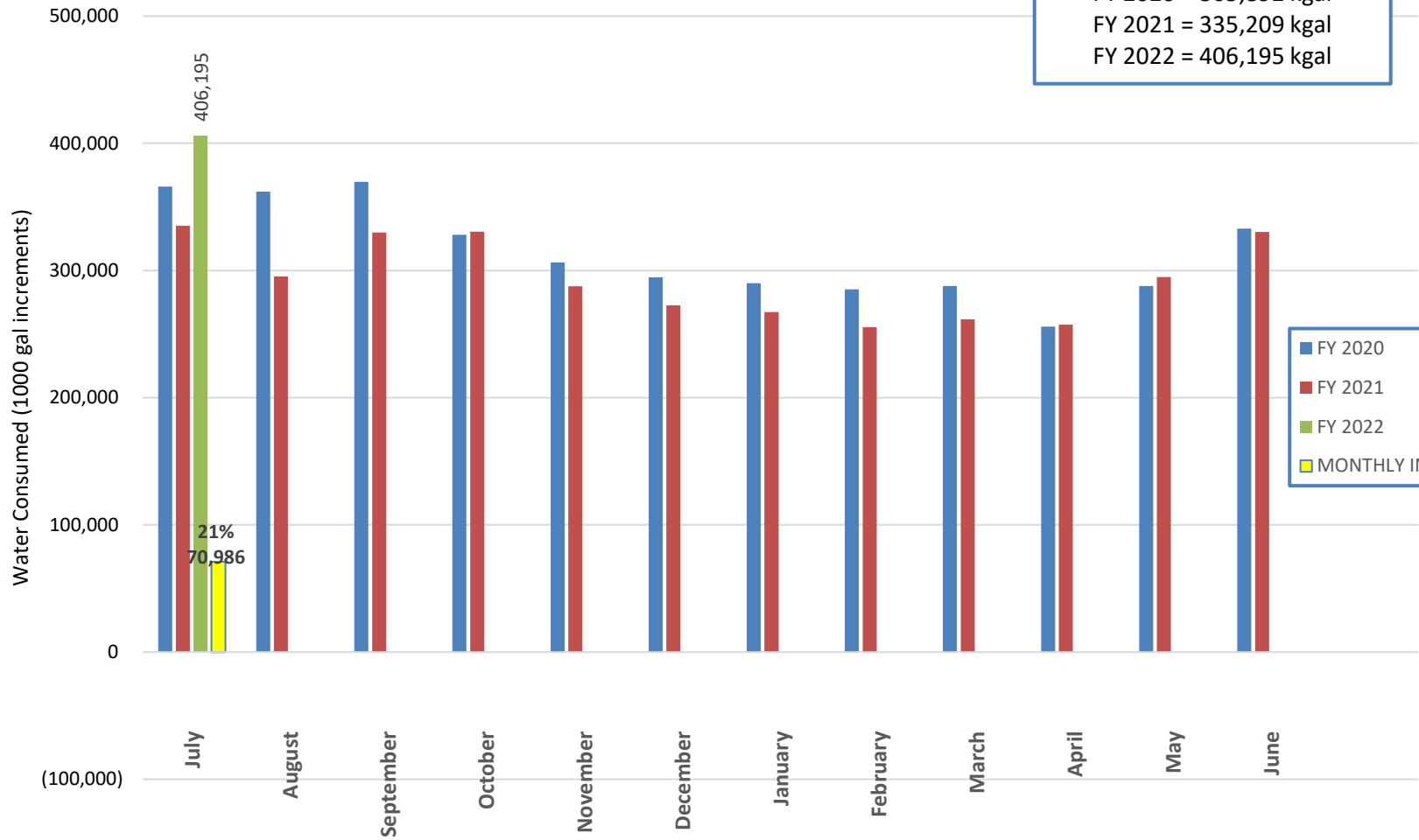
Water Utility Reserves \$9,300,000.00
Restricted FRC \$3,577,314.67
Restricted Build American Bonds \$9,767,640.82
Invested in Capital Assets Net of Related Debt \$161,837,453.60
Unrestricted \$13,849,351.99

Total net position 198,331,761.08
Total liabilities, deferred inflows and net position: 289,203,544.33
0.00

MONTHLY CONSUMPTION

FY 2020, 2021 & 2022

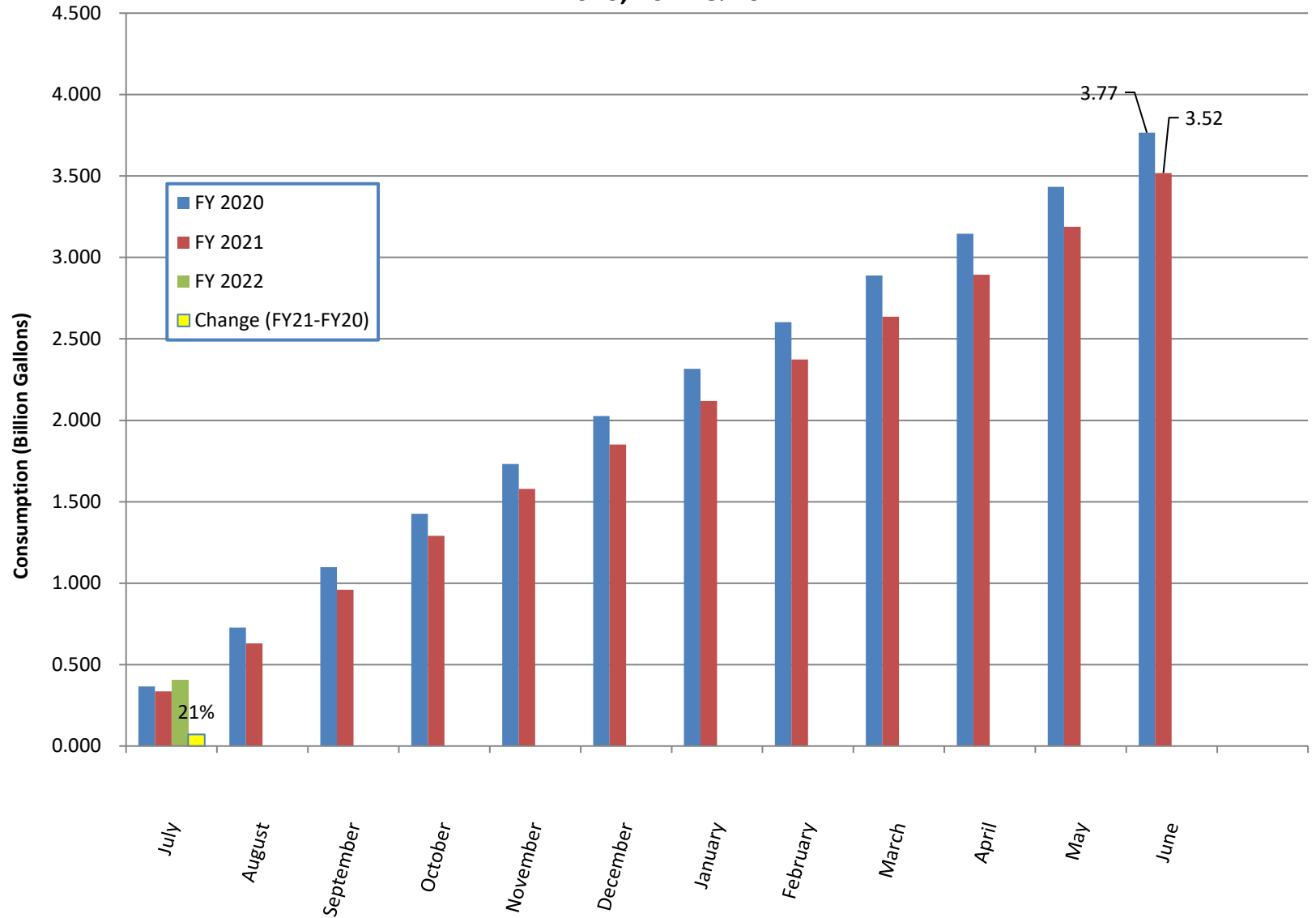
Total Through July
FY 2020 = 365,892 kgal
FY 2021 = 335,209 kgal
FY 2022 = 406,195 kgal



■ FY 2020
■ FY 2021
■ FY 2022
■ MONTHLY INC. (DEC.)

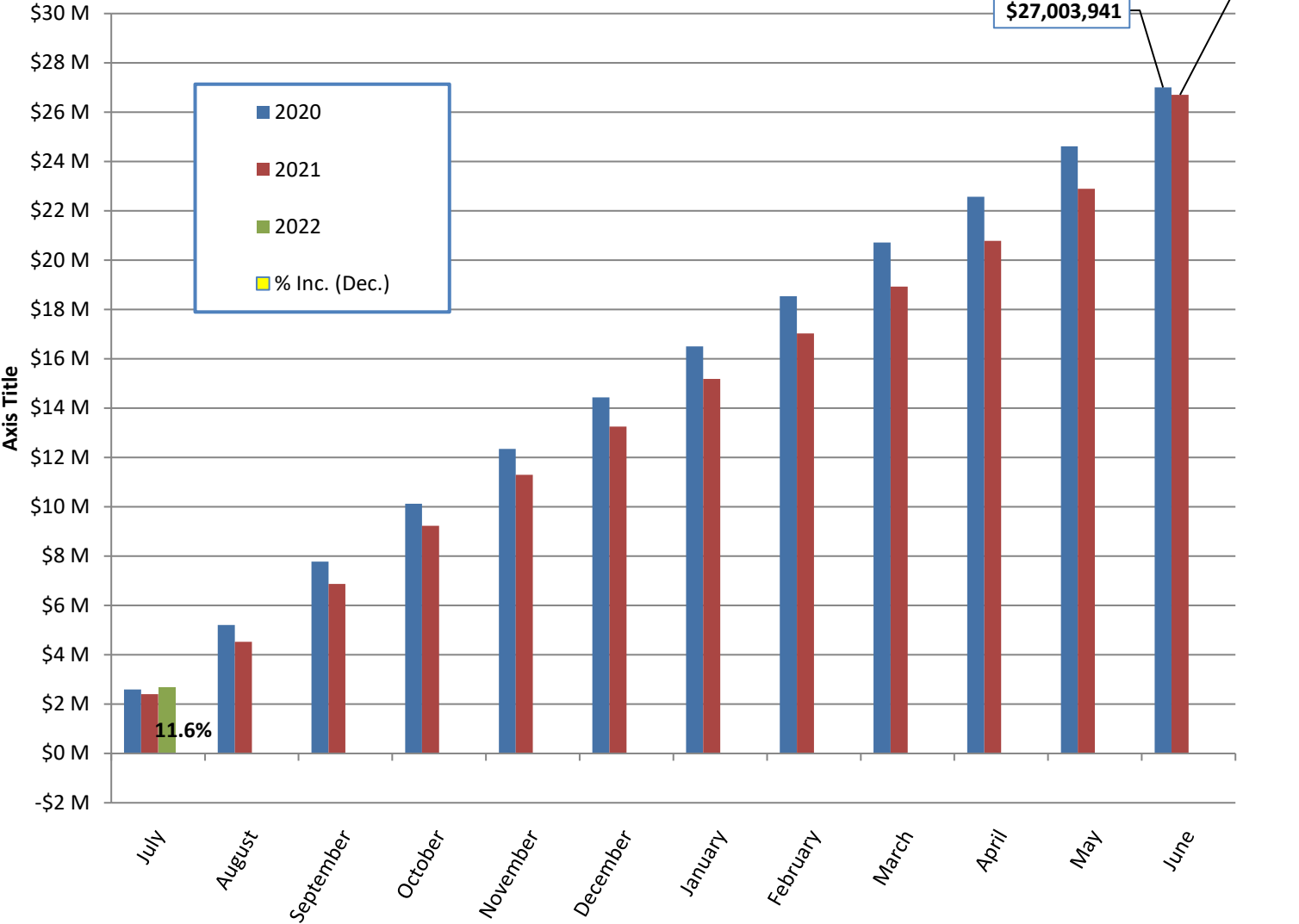
YTD CUMULATIVE WATER CONSUMPTION

FY 2020, 2021 & 2022

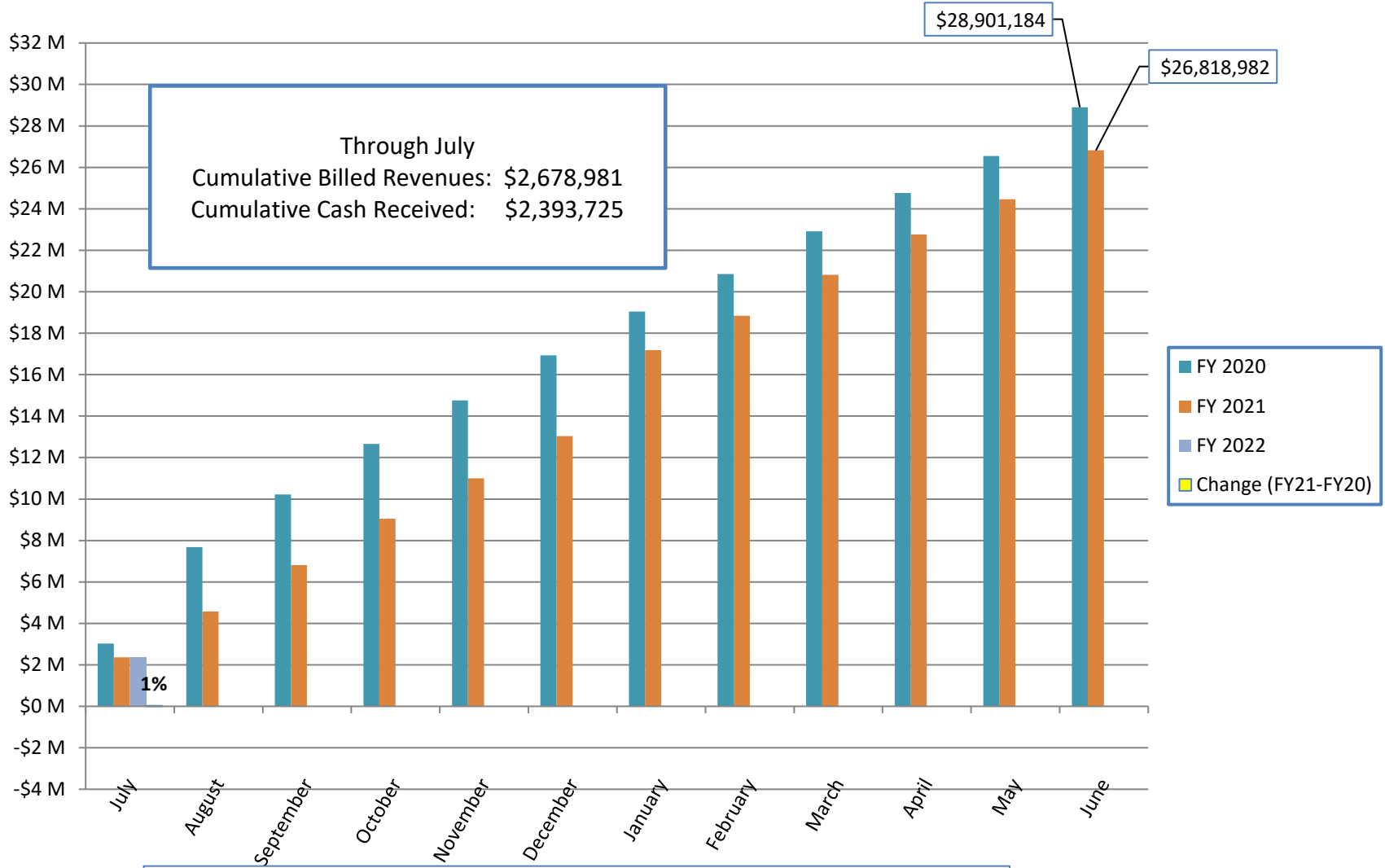


CUMULATIVE BILLED REVENUES

FY 2020, 2021 & 2022



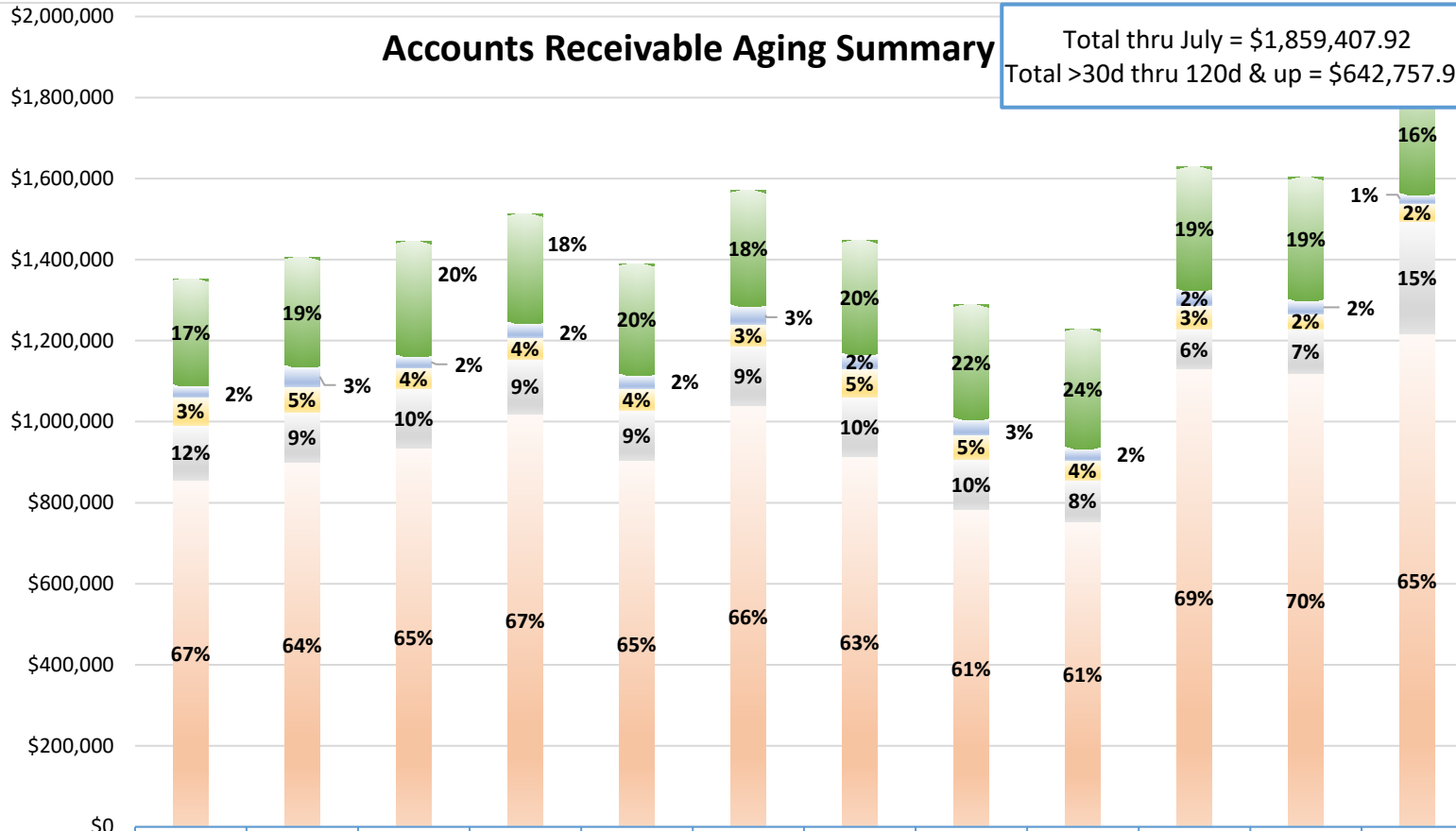
WU CUMULATIVE CASH RECEIPTS FY 2020, 2021 & 2022



Note: July '19-'20 receipts included a \$2.29 million state appropriation grant for the Hanapēpē

Accounts Receivable Aging Summary

Total thru July = \$1,859,407.92
 Total >30d thru 120d & up = \$642,757.99



	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21
121 days and over	\$265,097	\$269,845	\$284,230	\$270,064	\$275,630	\$285,894	\$282,561	\$282,746	\$295,191	\$305,635	\$304,593	\$299,428
91-120 days	\$26,278	\$48,399	\$27,822	\$34,480	\$31,783	\$43,603	\$34,412	\$38,586	\$28,801	\$36,974	\$31,973	\$20,378
61-90 days	\$70,981	\$63,689	\$51,326	\$54,366	\$54,399	\$54,665	\$70,380	\$59,276	\$48,425	\$56,984	\$36,744	\$44,461
31-60 days	\$133,850	\$123,235	\$145,805	\$134,340	\$123,236	\$147,762	\$147,068	\$125,361	\$103,880	\$99,573	\$111,658	\$278,491
0-30 days	\$856,561	\$900,032	\$935,900	\$1,019,504	\$904,886	\$1,038,902	\$912,997	\$782,492	\$752,624	\$1,129,799	\$1,117,983	\$1,216,650

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve it!"

INFORMATION & EDUCATION SPECIALIST REPORT

August 26, 2021

Public Notices and Announcements

All news releases were published online via the Department's Facebook page and on the County of Kaua'i's website at www.kauai.gov/press-releases. Additionally, roadwork notices are emailed to the Department of Transportation (DOT) communications office.

Service Announcements:

<i>Date Issued</i>	<i>Water System & Affected Service Areas</i>	<i>Announcement</i>	<i>Effective Date & Times</i>	<i>Other Notices</i>
07/21/2021 07/26/2021	Hanapēpē – Ele'ele: portion of Hanapēpē Road, Awawa Road and Puolo Road	Water service shutdown for waterline improvements Reminder notice for water service shutdown	July 27 – July 28 8 p.m. to 5 a.m.	Blackboard CTY Electronic Message Boards Published in the Garden Island Newspaper <i>(Attached)</i>
07/26/2021 PSA	Hā'ena-Wainiha: Powerhouse Road	Emergency water service shutdown due to mainline break	July 26, 2021 10 a.m. – 2 p.m.	Blackboard CTY
07/26/2021	Department Announcement	Discontinuation of service for non-payment to resume Sept. 1, 2021	n/a	Customer letters by mail
08/09/2021	Traffic Announcement	Intermittent lane and road closures on Hanapēpē Road, Awawa Road and Puolo Road	August 12, 2021 7 a.m. to 5 p.m.	Traffic signs, Flagger personnel
08/11/2021	Līhu'e – Kapa'a: Portion of Kuamo'o Road, Pa'ako Street, Aleo Street, Kuhoho Street, Lihau Street, Iliki Street, Hie Street, Alahela Street, Molo Street.	Emergency water service shutdown due to mainline break	August 11, 2021 10 a.m. to 2 p.m.	Blackboard CTY Published online via khon2.com <i>(Attached)</i>

Other media:

- The Department was mentioned in an article titled "County to improve Hanalei Baseyard" by Scott Yunker in the Garden Island Newspaper on Aug. 2, 2021. The article mentions the Department's involvement in the County's Hanalei Baseyard Project. *(Attached)*.

Public Relations Program

Community Outreach & Education

- The Department's "Wise Water Wednesday" campaign for the month of August includes water meter education and billing reminders. The weekly campaign is published on the Department's Facebook page, in radio advertisements and in the Garden Island Newspaper.
- PR produced announcements of the Department's "Discontinuance of service for non-payment" to resume on Sept. 1, 2021. Public announcements included a news release to all local and statewide media, Facebook post and posting of the announcement on the homepage of the Department's website and on the County of Kaua'i website. Billing message updates included revisions to the automated past-due letters and information on applying for the County of Kaua'i's Coronavirus Rent and Utility Assistance program to aid in past-due payments. Additionally, separate notices have been sent directly to delinquent accounts that may be subject to water service termination after Sept. 1st.

Upcoming Community Outreach & Educational Events

- Water Emergency Preparedness Awareness – June to Nov. 2021
- Water Meter display in lobby – August 1-31, 2021
- Project WET Facilitator Training – August 24-25, 2021
- Your Better Shower (EPA WaterSense promotion) – September 1-30, 2021
- Imagine a Day Without Water – October 21, 2021

Project WET Hawaii

- A Project WET Facilitator training is scheduled for August 24-25, 2021 in Kamuela, Hawaii. Jonell Kaohelaulii will be conducting training to certify personnel of the Hawaii Rural Water Association (HRWA) and the Department's new Information Specialist I, Jenny Paleracio. Safety and sanitization procedures will be in place during the in-person training.

Attachments: *The Garden Island* (Water shutdown in Hanapēpē on Tuesday)
 The Garden Island (County to improve Hanalei Baseyard)
 KHON2.com (Mainline break in Wailua prompts emergency water service shutdown for residents in the area as crews work to make repairs)

Water shutdown in Hanapepe Tuesday

THE GARDEN ISLAND

HANAPEPE — An overnight water shutdown on a portion of Hanapepe Road, from Moi Road to Awawa Road, and from Hanapepe Road to Kaumuali'i Highway, and some customers on Awawa Road, is scheduled from Tuesday from 8 p.m. to Wednesday at 5 a.m., weather-permitting, according to the county Department of Water.

The shutdown is necessary in order to allow contractor, Goodfellow Bros. Inc, to install a main line and conduct water-line work in the area as part of the DOW's Hanapepe - 'Ele'ele Water Systems Improvements Project.

Additionally, partial one-lane road closures on Awawa Road and on Hanapepe Road, near the intersection of Moi Road and Hanapepe Road, will be in place.

Access to Puolo Road from Hanapepe Road and the Hanapepe bridge will be closed to vehicular traffic during the overnight work.

Customers located in the affected service area are advised to prepare for the service shutdown by taking the following steps:

- ◆ Store water to meet your needs until water service can be restored;
- ◆ Notify neighbors, family and friends of the shutdown;
- ◆ Monitor water-service announcements online via [facebook.com/KauaiDOW](https://www.facebook.com/KauaiDOW).

Those with faulty water heaters should ensure that heaters do not empty during the shutdown.

- ◆ Info: DOW, 808-245-5461

Published on 08-02-2021 in the Garden Island Newspaper

Hawaii News

County to improve Hanalei Baseyard

By [Scott Yunker The Garden Island](#) | Monday, August 2, 2021, 12:05 a.m.

Share this story [f](#) [t](#) [e](#)



Courtesy of County of Kaua'i

This aerial photo shows the existing county Department of Public Works Hanalei Baseyard, at bottom center of photo. Above it is Kuhio Highway, looking mauka.

-continued-

Additions to include public playground

Scott Yunker

THE GARDEN ISLAND

HANAIEI — The Hanalei Baseyard project will break ground later this month, following a planning process that included input from several community organizations, according to county officials.

Improvements and additions to the county Department of Public Works site include a new main building, garages, office and storage space for the county Department of Water and Hanalei's first public playground in 30 years.

"This is in the Wai'oli area, just across from the Wai'oli Church," Project Engineer Chuck Finlay said last week during a virtual public meeting about the project. "Our goals are to reduce the risk of exposure to flooding events and heavy rains, as well as to just generally improve the facilities for the workers and equipment there."

The new structures will be painted in "Hanalei green" and feature pitched roofing, he said.

The DOW became involved with the project to improve its local operations, according to county Project Manager Michael Contrades.

"Currently, they do not have space to store materials and supplies," Contrades said. "When it's needed to service the North Shore, they actually have to drive back to Lihue to get supplies at times. But with the new building, the Department of Water will be able to respond more effectively and efficiently to the needs of the North Shore community."

The playground will front the baseyard in a space adjacent to the Hanalei Neighborhood Center, surrounded by a white picket fence and shaded by a large mango tree already there. A local nonprofit, The Hanalei Initiative, will purchase the playground equipment using \$94,000 in funds raised by the community.

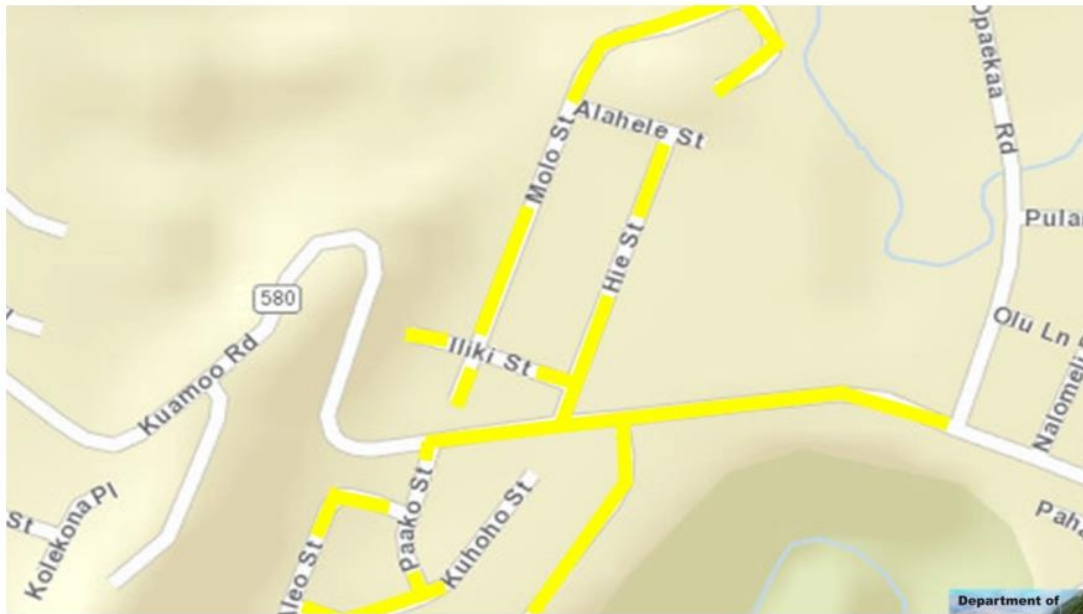
Residents voiced disapproval of the county's apparent denial of a swingset in the project's final plan, at Thursday night's meeting. However, when approached by The Garden Island for comment on Friday, a county spokesperson said "the swingset will be included."

Officials expect construction to begin in mid-August. The work is expected to last nine to 10 months.

...

LOCAL NEWS

Mainline break in Wailua prompts emergency water service shutdown for residents in the area as crews work to make repairs



Courtesy: Department of Water, Kauai County

Posted: Aug 11, 2021 / 09:57 AM HST / Updated: Aug 11, 2021 / 09:57 AM HST

WAILUA, Hawaii (KHON2) — Kauai's Department of Water (DOW) has announced it will shutdown water on a portion of Kuamo'o Road, between Opaeka'a Road to Pa'ako Street, to make repairs to a reported mainline break in the area.

The water shutdown will last from 10 a.m. to 2 p.m.

Aleo, Kuhoho, Lihau, Pa'ako, Iliki, Hie, Alahele and Molo Streets may also be impacted.

Additionally, a partial one-lane road closure will be in place on Kuamo'o Road in order to create a safe work zone for crews. Flagger personnel will be in place to assist with traffic control.

To prepare for a water service shutdown, customers are advised to:

- Store water to meet their needs during the water service outage.
- Those with faulty water heaters should ensure their water heater does not empty.
- Notify neighbors, family and friends of the service shutdown.
- Monitor water service updates [here](#).

For more information, please call the Department of Water at 245-5461.

###

Operations Services Dashboard

Month	Leak Repairs	Calls for Service	Meters Installed	Temporary Hydrant Meters	Work Orders Issued	Work Orders Closed	One Call Requests	Hydrants Hit
July '21	33	191	103	0	176	165	13	1
August '21								
September '21								
October '21								
November '20	20	205	63	4	129	91	14	0
December '20	38	217	68	4	165	102	33	2
January '21	33	183	64	2	178	172	36	2
February '21	26	213	52	4	126	122	25	1
March '21	36	215	30	2	345	167	31	0
April '21	36	217	76	0	182	174	33	2
May '21	26	229	53	2	167	165	51	2
June '21	40	211	74	2	167	162	18	1

Operations Contract Dashboard

Open for Bid

Type	Contract Number	Job Number	Title	Contractor/Vendor

Awaiting Board Approval

Type	Contract Number	Job Number	Title	Contractor

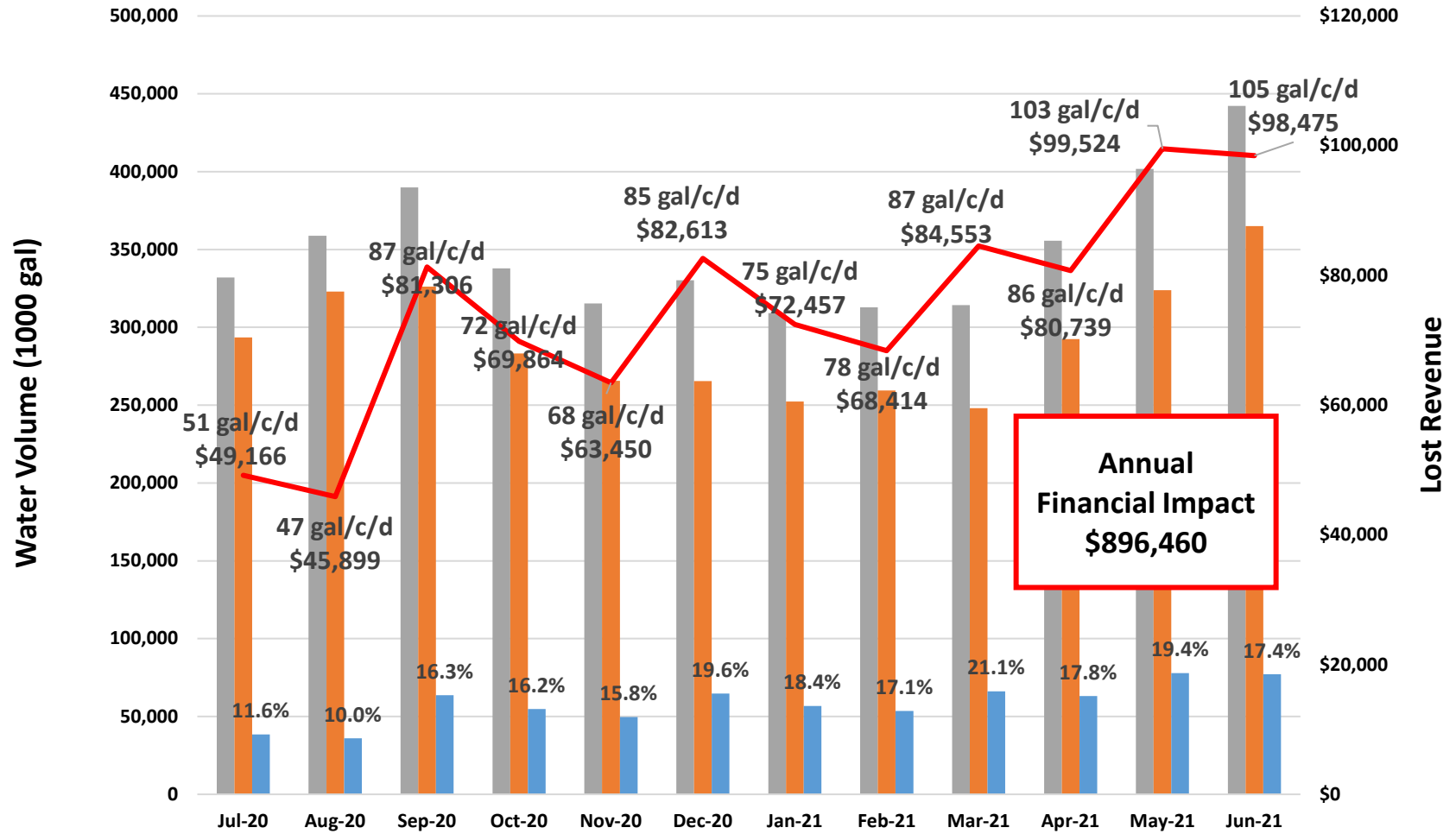
Processing/Notice to Proceed

Type	Contract Number	Job Number	Title	Contractor
Goods	C711	GS-2021-5	Various Pipe Repair Fittings	Pacific Pipe
Goods	C712	GS-2021-5	Various Pipe Repair Fittings	Mutual Plumbing
Services			Hazmat Survey for Old Admin Bldg	Belt Collins, LLC
Services			Paua Valley Well MCC Replacement	Ronald N.S. Ho & Associates

Highlights

1. Estimated non-revenue water due to flushing and reported leaks for the month of July is 2,724,834 gallons

Monthly Water Audit July 2020 - June 2021



**Annual
Financial Impact
\$896,460**

	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
Produced (1000 gal/mo)	331,959	358,841	389,892	337,846	315,350	330,207	309,068	312,917	314,312	355,704	401,828	442,170
Metered (1000 gal/mo)	293,457	322,898	326,223	283,136	265,663	265,514	252,328	259,343	248,100	292,478	323,892	365,056
Loss (1000 gal/mo)	38,502	35,943	63,669	54,710	49,687	64,693	56,740	53,574	66,212	63,226	77,936	77,114
Waterloss (\$/month)	\$49,166	\$45,899	\$81,306	\$69,864	\$63,450	\$82,613	\$72,457	\$68,414	\$84,553	\$80,739	\$99,524	\$98,475

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S UPDATE

August 26, 2021

Pursuant to Board Policy No. 3

CONTRACTS AWARDED/EXTENSION/AMENDMENTS:

1 CONTRACT NO 715, PROFESSIONAL SERVICES TO PERFORM HAZMAT SURVEY FOR OLD ADMIN BUILDING AWARDED TO BELT COLLINS HAWAII, LLC IN THE AMOUNT OF \$24,700.00

FUNDING:

Account No.	10-40-00-604-000			
Acct Description	WU/Ops/Capital Outlay – R&R (Demolish Admin Bldg/Add Temp Parking Lot)			
Funds Available	Verified by WWC (Per approved Budget FY 2021-2022)		\$	400,000.00
Contract No.	715			
Vendor	Belt Collins Hawaii			
	Contract Amount	\$	24,700.00	
	5% Contingency	\$	1,235.00	
	Total Funds Certified	\$	25,935.00	
Fund Balance			\$	374,065.00

BACKGROUND:

The consultant selection process was completed on 6/15/21. Demolition of the Old Admin Building is budgeted for FY22, with the first step being to analyze the building for hazardous material. Belt Collins was the #1 ranked consultant and negotiations for scope and cost proposal were completed on 8/6/21. Cost analysis was submitted and approved on 8/10/21.

2 CONTRACT NO 716, PROFESSIONAL SERVICES FOR THE DESIGN SERVICES FOR PAUA VALLEY WELL MCC REPLACEMENT AWARDED TO RONALD N.S. HO AND ASSOCIATES, INC. IN THE AMOUNT OF \$68,222.04

FUNDING:

Account No.	10-40-00-604-000			
Acct Description	WU/Ops/Capital Outlay – R&R (Pump Replacement – Paua Valley)			

MANAGER'S UPDATE

Re: Manager's Update for July 2021 to August 2021

August 26, 2021

Page 2 of 3

Funds Available	<i>Verified by WWC (Per approved Budget FY 2021-2022)</i>			\$	150,000.00
Contract No.	716				
Vendor	Ronald N.S. Ho & Associates, Inc.				
	Contract Amount	\$	68,222.04		
	5% Contingency	\$	3,411.00		
	Total Funds Certified	\$	71,633.04	\$	<71,633.04>
Fund Balance				\$	78,366.96

BACKGROUND:

The consultant selection process was completed on 6/21/21. Paua Valley Pump Replacement is budgeted for FY22, with the first step being to design replacement of the MCC. Ronald N.S. Ho & Associates was the #1 ranked consultant and negotiations for scope and cost proposal were completed on 7/30/21. Cost analysis was submitted and approved on 8/10/21.

3 CONTRACT NO 714, SOLE SOURCE SS-2022-1, CONSULTATION SERVICES AND FINANCIAL MODELLING TRAINING FOR DOW WATER RATE STUDY AWARDED TO RAFTELIS FINANCIAL CONSULTANTS, INC. IN THE AMOUNT OF \$100,000.00

FUNDING:

Account No.	10-31-10-540-010				
Acct Description	WU/Acctg/Admin/Professional Services-General				
Funds Available	<i>Verified by WWC</i>			\$	100,000.00
Contract No.	714				
Vendor	Raftelis Financial Consultants, Inc.				
	Contract Amount (Not To Exceed)	\$	100,000.00		
	5% Contingency	\$	N/A		
	Total Funds Certified	\$	100,000.00	\$	<100,000.00>
Fund Balance				\$	0.00

BACKGROUND:

The Department of Water (DOW) is recommencing the Water Rate Study (“WRS”) after it was terminated on August 27, 2020 due to uncertainties caused by the COVID 19 pandemic. The most recent WRS ended on June 30, 2016 with the last water rate increase being implemented on July 1, 2014. This WRS will be for five fiscal years (“FY”) FY 2023- FY2027.

As operations are now beginning to return to normal, we have again procured the services of Raftelis Financial Consultants, Inc. to help the DOW continue the unfinalized WRS. The DOW will be using the FY 2019 pre-pandemic customer and consumption data to amend the financial model that was previously provided to us by Raftelis.

Additionally, training will be provided to relevant staff on how to use the financial model for the DOW's internal use as the source and uses of funds changes.

WAIVER, RELEASE & INDEMNITY APPLICATIONS:

None

PERSONNEL MATTERS

Please reference attachment.

Pursuant to Board Policy No. 24

CONVEYANCE OF WATER FACILITIES

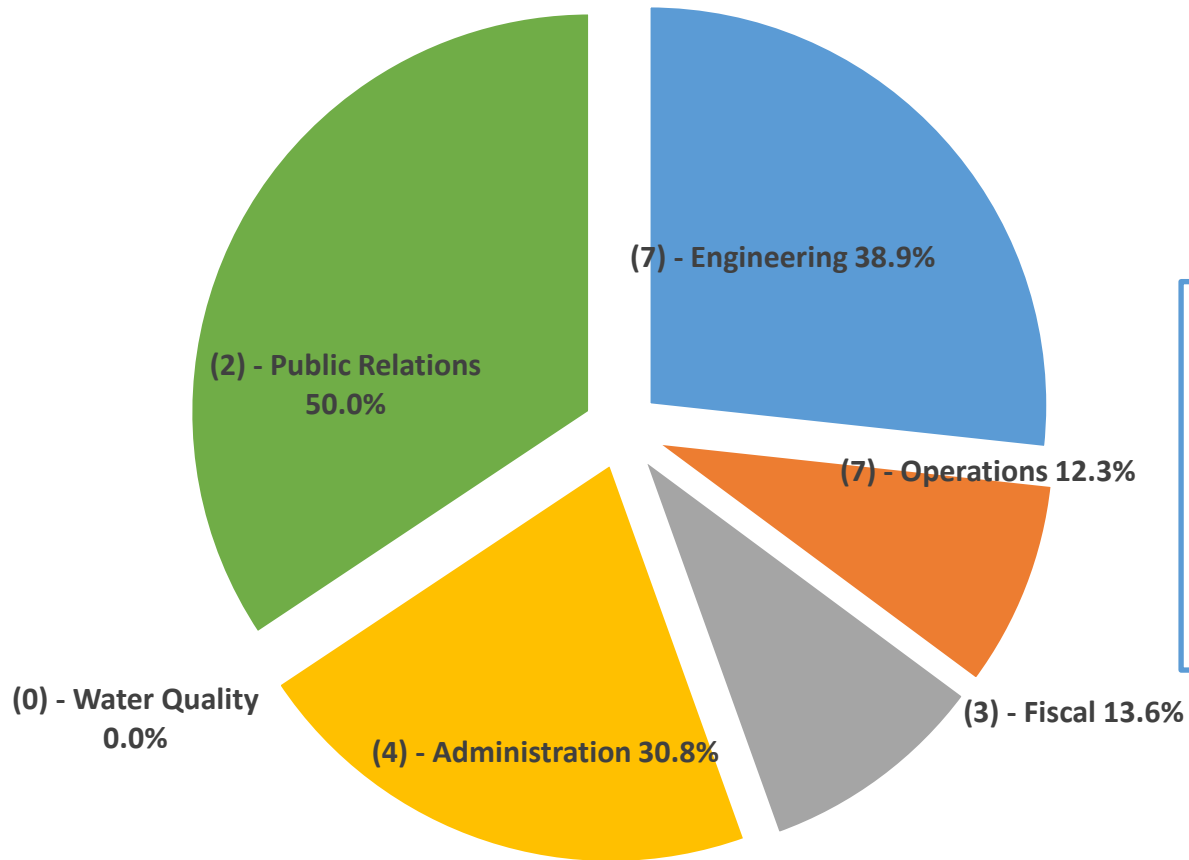
None

OTHER ITEMS OF INTEREST:

1. \$9.85M (50/50) Grant for Wailua-Kapa'a Water System
2. Fiduciary Training
3. COVID vaccinations and mandatory testing
4. Waiahi Surface Water Treatment Plant negotiations progress update

Attachment: Personnel Matters

Personnel Dashboard



Vacancies by Division

(# Vacancies), Division, Percent Vacant

Summary

Total Authorized = 117

Total Vacant = 23

Actively Recruiting = 7

Highlights

1. Utility Worker #2438 started 7/16/2021.
2. Information Specialist I #2499 started 7/16/2021.
3. Waterworks Inspector III #2483 retired 7/30/2021.
4. Repair Shop Supervisor #2618 started 8/16/2021.