

MINUTES
BOARD OF WATER SUPPLY
Thursday, April 28, 2022

The Board of Water Supply, County of Kaua'i, met in a regular meeting in Līhu'e on Thursday, April 28, 2022. Chair Julie Simonton called the meeting to order at 9:35 a.m. The following Board members were present:

BOARD:

Ms. Julie Simonton, *Chair*
Mr. Greg Kamm, *Vice Chair*
Mr. Kurt Akamine, *Secretary* (remote)
Mr. Lawrence Dill
Mr. Ka'aina Hull
Mr. Troy Tanigawa

EXCUSED:

Quorum was achieved with 6 members present at Roll Call.

STAFF:

Manager & Chief Engineer Joseph Tait	Waterworks Controller Marites Yano
Deputy County Attorney Mahealani M. Krafft	Asst. Waterworks Controller Marcelino Soliz
Deputy County Attorney Hugo Cabrera	Info. and Education Specialist Jonell Kaohelaulii
Commission Support Clerk Cherisse Zaima	Chief of Operations Valentino Reyna
Computer Systems Support Technician Darrel Acob	I.T. Specialist Wayne Takabayashi
Deputy Manager Judith Hayducsko	Private Secretary Mary-jane Akuna
Civil Engineer Michael Hinazumi	

ANNOUNCEMENTS

Next Scheduled Meeting: Thursday, May 26, 2022 – 9:30 a.m.

APPROVAL OF MEETING MINUTES

1. Regular Board Meeting – March 24, 2022
2. Executive Session – March 24, 2022

Board member Dill moved to approve the minutes of the Regular Meeting and Executive Session of March 24, 2022, seconded by Mr. Kamm; with no objections, motion carried with 6 Ayes.

APPROVAL OF AGENDA

The agenda was approved with no objections.

PUBLIC TESTIMONY

The department received no public testimony prior to the meeting, and there were no registered speakers.

NEW BUSINESS:

1. Discussion and Possible Action on Draft Budget for Fiscal Year 2022-2023
 - a. Draft Operating Budget FY 2022-2023
 - b. Draft Capital Outlay Budget FY 2022-2023

Chair Simonton stated that historically, the motion has been to refer the draft budget to the Finance Committee for review and recommendation and asked if there was any discussion on the draft budget at this time. Manager Joe Tait explained that as this is his first year with the department, this will be a transitional budget as the department looks at new practices and procedures, which may then lead to new fiscal management policies. The department is still going through that process and will be for the foreseeable future.

Vice Chair Kamm moved to refer the Draft Budget for Fiscal Year 2022-2023 to the Finance Committee for review and recommendation, seconded by Mr. Dill; with no objections, motion carried with 6 Ayes.

STAFF REPORTS

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

Assistant Waterworks Controller Marcelino Soliz provided a summary of the Fiscal Staff Report submitted. In response to Chair Simonton's request for clarification, Manager Tait noted that the third bullet under Section IV of the Summary Report (Page 190) which lists a Notice to Proceed to Raftelis Consultants to commence Water Rate Study is an incorrect statement and clarified that was to commence work on a rate modeling training program that was started years ago but was put on hold due to the pandemic.

Board member Hull asked if he could get an overall breakdown of FRC revenues for the last fiscal year with a comparison between commercial and residential users. Manager Tait suggested that Fiscal provide a breakdown for the last couple of years that show all the different types of accounts for FRC. Mr. Soliz stated he would obtain that information from their staff and provide it to the Commission Clerk to forward to the board.

2. Public Relations Activities – updates on Public Notices & Announcements, Community Outreach & Education, Upcoming Events, and Project WET

Information and Education Specialist Jonell Kaohelaulii provided a summary of the PR Report submitted, highlighting the results of DOW's Fix-A-Leak program, which they have extended for an additional month and a half to emphasize the importance of conservation within our communities. They exceeded their goal and were able to distribute leak detection awareness information to over 1000 homes, which is the most they have ever reached since the campaign started 11 years ago. She noted that the Garden Island newspaper did a front-page feature as well as a secondary follow-up article in the local section of the newspaper. They expect to continue this momentum for next year's events and hope to expand even further with business related opportunities.

Another highlight Ms. Kaohelaulii pointed out were plans to bring back the Make-A-Splash event this year. Online surveys have gone out to some of the teachers that have participated in the past to gauge their interest.

3. Operational Activities – Monthly service dashboard & highlights, Monthly comparison of water produced, customer meter read, and water loss

Chief of Operations Val Reyna provided a summary of the Operations report submitted, highlighting the Kilohana on-site sodium hypochlorite housing structure design contract, noting that negotiations with the number one ranked potential design fell through, and they will have to move on to the second rank and begin the process all over again. Manager Tait added that it was a fairly large discrepancy in numbers, totaling tens of thousands of dollars.

Mr. Reyna pointed out that the graph presentation has been revised which better reflects the overall water loss. In response to Vice Chair Kamm, Mr. Reyna explained that “water loss” includes the following: flushing losses – which includes water quality flushing after repairing a leak or system maintenance hydrant flushing; leak losses; tank overflow losses, which are rare; and fire-fighting losses.

Chair Simonton asked if the department has made any progress on the Anini leak mentioned at the last meeting to which Mr. Reyna explained that they have not been able to locate any leak from the start of the meter at Wylie Road down to the line that crosses under the river. The leak detection crew has gone from hydrant to hydrant but have not been able to locate a leak. Manager Tait mentioned that there are instances where property owners do their own connections and back flow maintenance outside of the Department’s knowledge. Mr. Reyna stated for clarification that DOW’s responsibility is to maintain up to the ball valve after the meter; anything beyond that is the property owner’s responsibility.

Board member Dill referenced the Operations Service Dashboard, noting that the Work Orders Closed are still significantly lower than Work Orders Issued. Mr. Reyna stated that the operations supervisors are diligently updating that information, further explaining that many of those work orders are year-round maintenance orders that are not closed immediately. Additionally, there may be some duplication as three different supervisors may open work orders for the same call-out.

Chair Simonton asked for a status on the meter replacement program which was discussed a few meetings ago. Mr. Reyna stated while they are planning an island-wide meter replacement, they still need to do year-round meter maintenance, repair and replacement. He noted that Operations has an increase in their budget for meter replacement which are to replace the currently failing meters; a separate contract will need to be opened for the island-wide meter replacement program. Chair Simonton asked if DOW has enough meters on-hand for the current replacement needs to which Mr. Reyna stated they still do not have enough. Deputy Manager Hayducsko stated that supply chain issues have caused extended delays, upward of 4 months. They have received a small portion of the order made after the December approval of funding and are still awaiting the rest. Mr. Reyna added that because different manufacturers make different parts that are required for a meter, they often receive only some of the components required and one cannot function without the other. Ms. Hayducsko added that they have identified that new meters going into new subdivisions would fall under Capital Improvement Projects and will now be budgeted as such.

Vice Chair Kamm asked for an update on the hydrant replacement plans to install hydrants that don’t gush when hit. Ms. Hayducsko stated there are plans in place as well as some budget items for possibly modifying the current hydrants to those that have a check valve.

4. Manager and Chief Engineer – update on monthly activities, personnel matters, and required communications to the Board

Manager Tait asked to include Engineering’s Quarterly Report as part of his update.

Engineering Quarterly Report

Civil Engineer Michael Hinazumi provided a summary of the Engineering Quarterly report submitted. Referencing the Hanapepe-Eleele Waterline (Job No. 15-07) under the Executive Summary, he noted that the project is complete; however, they recently had a meeting with Goodfellow Bros. regarding a claim for equitable adjustments as well as outstanding change orders. Chair Simonton requested an executive session at the end of the meeting to discuss any issues or potential settlements.

In response to Board Member Hull referencing “Water Restriction Areas”, Mr. Hinazumi explained that because there was a lot of resort development proposed in that area after the Mahaulepu Tank construction, the Manager at that time worked with the Board to restrict it to 300 per lot of record, which goes back to whatever lots were existing in 2005. They wanted to avoid potentially having a single lot with a 1000-unit development come in and take up the entire 300. Mr. Hull asked if there is a way to get a map of Kauai that includes a breakdown of water meters per region to which Mr. Hinazumi stated it’s probably something that can be developed using the GIS system, though it will take a level of effort. Manager Tait added that Michael’s team has the data, it’s just not geographically laid out in a map format; a list of restrictions by area already exists. Mr. Hull stated that if something like that could be developed over time it would help people in his department understand where the water resources are at, especially when developers come with a larger amount of units. Mr. Hinazumi stated that as they move forward with their GIS mapping, which is part of Water System Investment Plan, the Department will continue to coordinate with Planning as well as Public Works, and hopefully even with the State in sharing information.

In response to Board Member Dill referencing “IDIQ Services” Mr. Hinazumi explained that RM Towill Inc. and Bowers and Kubota are providing CM services, and Brown & Caldwell are providing as-needed design services for tank re-evaluation. Mr. Dill asked if future reports could identify the types of services to which Mr. Hinazumi agreed.

Manager’s Update

Manager Tait provided a summary of his Manager’s update submitted, noting that there are several on-going issues for review both legal and managerial. As discussed in previous meetings, the Department is currently at 25 vacancies. In reference to the graph on estimated meter endpoint failures, it was clarified that many of those reflect batteries and the transponders.

1st Quarter update on Manager’s Goals:

Manager Tait stated that they now have as many complementary calls as complaints which is a great sign as it was one-sided when he first arrived. Referencing the Organizational Chart, he explained that this chart reflects the top level of organization, which is fairly set in stone. The subsequent levels are still being worked on with Manager Tait taking under advisement input from the divisions on their preferred organizational structures and making necessary adjustments. Updates will continue to be provided to the Board as changes are made.

Vice Chair Kamm inquired about a County-wide checklist, including all departments, for the permitting process and possibly improving it. Manager Tait stated that at the Mayor's urging he has been meeting regularly with Mr. Hull at Planning and Mr. Tanigawa at Public Works to discuss coordinating their processes. Mr. Hull added that the checklist, even the one currently in existence, makes the process move quicker in theory. However, there are instances where an applicant may have failed to submit a document such as a zoning permit, which resulted in the permit being outright denied, forcing the applicant to start the process all over again with the correct documents, rather than making a 2-minute phone call to request the necessary document from the applicant. That then extends the applicant's timeframe for obtaining that permit by at least 4 weeks.

QUARTERLY REPORTS

1. Build America Bond – Statement of Expenditures
There was no update on the BAB
2. Claims Settled by Department of Water
There were no claims settled this quarter.
3. Engineering – updates on quarterly accomplishments, Water Plan 2020 Construction Project status, and IDIQ service contracts
The Engineering Quarterly Report was included as part of the Manager's update (see above)
4. Information Technology
I.T. Specialist Wayne Takabayashi provided a summary of the I.T. Quarterly Report submitted. He stated that in consulting with Hawaiian Tel on the demolition of the old Administration building and researching DOW's current phone issues, it was discovered that the cross-connect cable is connected to that building, which means there will have to be some infrastructure work to get the phones working normally again. In response to Vice Chair Kamm on the cost of that, Mr. Takabayashi stated that an informal quote of approximately \$5,000 was given; however, they are still scoping the project.

Mr. Takabayashi reported that DOW I.T. has been working with Mr. Tanigawa's team at Public Works to consolidate their consumption reports, explaining that our meter readers and billing staff consolidate our consumption numbers and provide them to Michelle and Trina at Wastewater. The goal is to develop an automated system. Manager Tait pointed out that Wayne developed a program that will interface from DOW to Wastewater simply by hitting a send button.

Mr. Takabayashi explained that the servers DOW uses are designed to live from 3 to 5 years, and we have pushed it to nearly 8 years. By replacing these, the Department hopes to alleviate many of the regularly occurring problems we've been having.

Referencing what was included in the audit report regarding I.T. deficiencies, Mr. Takabayashi highlighted what issues have been addressed and the status of what they are currently working on. They are working with a contractor who is responsible for the software and security of the SCADA servers, which are isolated in a separate server room and are secure. I.T. is also working with a security advisor to address the lack of security awareness training and vulnerability assessment. In regard to physical security, cyber locks have been installed on the doors to the I.T. rooms so that only the Manager, Deputy Manager and I.T. staff have access to the servers. He has not had a chance to look at the Great Plains software, which is the

accounting and Workplace requisition platform so he will be consulting with Fiscal on that. Mr. Takabayashi noted that the vendor for the Great Plains software was let go last year, so they'll have to work out a plan to get back to the current version of the software.

Mr. Dill asked if all of these changes will be coming out of this year's operating funds, or will some additional requests be made in next year's budget. Mr. Takabayashi explained that the server replacement will definitely be in next year's budget; there are bits and pieces of this year's budget that will be used for some of the software concerns, but the big ticket items will be out of next year's budget.

TOPICS FOR NEXT BOARD OF WATER SUPPLY MEETING: *(May)*

1. Board of Water Supply Finance Committee report:
 - Draft Budget for Fiscal Year 2022-2023
 - a. Draft Operating Budget FY 2022-2023
 - b. Draft Capital Outlay Budget FY 2022-2023

TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETINGS:

1. Recommendation for baseyard improvements
2. Facility Improvement Program/Safety & Security
3. Future organizational changes

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).

Pursuant to Hawai'i Revised Statutes § 92-4 and § 92-5(a)(4), the purpose of this Executive Session is for the Board to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as it relates to:

1. Goodfellow Bros.' Request for Reimbursements, Job No. 15-07, Reorganize Water System: Kaumuali'i Highway 16-Inch Main and Emergency Pump Connection, Hanapēpē Road 6-Inch Main Replacement, Job No. 15-07, Water Plan Project No. HE-01, HE-10, Hanapēpē, Kaua'i, Hawai'i

Chair Simonton read the Board into executive session, inviting Manager Joe Tait, Civil Engineer Michael Hinazumi, Special Projects Manager Mark Knoff, and Deputy County Attorney Hugo Cabrera as resources.

The Board entered into executive session at 10:48 a.m.

The Board resumed in open session at 11:18 a.m. *(Board Member Hull exited the Executive Session at 10:56 a.m.)*

Board Member Dill moved to authorize Manager Tait to enter into settlement agreements with Goodfellow Bros. regarding the claim with the parameters discussed in executive session, seconded by Vice Chair Kamm; with no objections, motion carried with 4 Ayes.

ADJOURNMENT

The meeting was adjourned at 11:20 a.m.

Respectfully submitted,

Cherisse Zaima
Commission Support Clerk

Approved,

Kurt Akamine
Secretary, Board of Water Supply