

MINUTES
BOARD OF WATER SUPPLY
Thursday, March 16, 2023

The Board of Water Supply, County of Kaua‘i, met in a regular meeting in Līhu‘e on Thursday, March 16, 2023. Chair Kurt Akamine called the meeting to order at 9:33 a.m. The following Board members were present:

BOARD:

Mr. Kurt Akamine, *Chair*
Ms. Julie Simonton, *Vice Chair*
Mr. Tom Shigemoto
Mr. Ka‘aina Hull
Mr. Larry Dill

EXCUSED:

Mr. Troy Tanigawa

Quorum was achieved with **5** members present at Roll Call.

ANNOUNCEMENTS

Next Scheduled Meeting: Thursday, April 20, 2023

APPROVAL OF AGENDA

The agenda was approved with no objections.

APPROVAL OF MEETING MINUTES

1. Regular Board Meeting – February 16, 2023
2. Executive Session – February 16, 2023

The meeting minutes were approved with no objections.

PUBLIC TESTIMONY

NEW BUSINESS

1. Discussion and Adoption of Resolution No. 23-07, 2022 Employee of the Year Michael Mack, Operations Division

Chief of Operations Val Reyna read Resolution No. 23-07 into the record. Manager Tait expressed that he has been fortunate enough to be out on a few jobs with Mr. Mack and stated he is a phenomenal worker and is everything the public would expect from a public servant. Chair Akamine added that Mr. Mack’s family have a lot to be proud of.

2. Discussion and Adoption of Resolution No. 23-08, 2022 Employee of the Year Jason Kagimoto, Engineering Division

Deputy Manager-Engineer Michael Hinazumi read Resolution No. 23-08 into the record.

Board Member Hull moved to approve the adoption of Resolution Nos. 23-07 and 23-08, seconded by Mr. Dill; with no objections, motion carried with 5 Ayes.

The meeting recessed at 9:47 a.m.

The meeting reconvened at 9:50 a.m.

3. Manager's Report No. 23-22 Discussion and Possible Action on the Sixth Amendment to Contract No. 440, Job No. 02-06, WP2020 #WKK-15, Kīlauea 1.0 Million Gallon (MG) Storage Tank, Kīlauea, Kaua'i, Hawai'i with Kodani & Associates Engineers, LLC for additional design funding and a contract time extension

Board member Hull recused himself from discussion and action on Manager's Report No. 23-22 as this item still needs to go before the Planning Commission.

Civil Engineer VII Jason Kagimoto provided a summary of the Manager's Report submitted.

Board member Dill asked what restrictions will be lifted in Kilauea area once this contract is complete. Mr. Kagimoto explained that the facilities for both source and storage need to be addressed so completing this project will lift part, but not all, of the restrictions; there is another project on this list that they are working on to address the source. Mr. Dill asked for clarification on the Ka Pa'akai Analysis to which Mr. Kagimoto explained that analysis, which will be part of this EA process, will include more outreach and discussion to ensure the cultural impacts of the project will be better addressed. Mr. Hinazumi provided additional background on the Ka Pa'akai analysis, explaining that there was a recent Supreme Court case Ka Pa'akai vs. State of Hawaii which determined that the EA process needs to address the cultural and historical impacts of the project; it is a State requirement and is also included in the Planning requirements.

Board member Simonton moved to approve Manager's Report No. 23-22, seconded by Mr. Dill; with no objections, motion carried with 4 Ayes (Mr. Hull recused)

4. Manager's Report No. 23-23 Discussion and Possible Action for Memorandum of Agreement Between Department of Public Works and Department of Parks and Recreation and Kauai Fire Department and Department of Water (Hanalei Base yard)

Civil Engineer VI Dustin Moises provided a summary of the Manager's Report submitted, noting that Chief of Operations Val Reyna and Assistant Chief of Operations Ryan Smith initiated the establishment of this satellite baseyard. Manager Tait added this provides a staging and storage area up at the North end on the other side of the bridge. In response to Mr. Dill, Mr. Moises pointed out on the map the location of the building DOW will have access to. A couple of vehicles will be stored there, and the area is secured; Public Works have cameras around the yard.

Board member Shigemoto moved to approve Manager's Report No. 23-23, seconded by Ms. Simonton; with no objections, motion carried with 5 Ayes.

5. Manager's Report No. 23-24 Discussion and Possible Action to approve the Dedication Deed from the Association of Apartment Owners of Kulana, for the Kulana 0.25 MG Tank site, Kapaa and Waipouli, Kawaihau, Kaua'i, Hawai'i TMK: (4) 4-4-003:089

Project Management Officer Scott Suga provided a summary of the Manager's Report submitted. Mr. Dill asked to clarify that the AOA built this tank at their own cost to which Mr. Suga stated yes, adding that it was a requirement of the subdivision.

Board member Simonton moved to approve Manager's Report No. 23-24, seconded by Mr. Dill; with no objections, motion carried with 5 Ayes.

Manager's Report No. 23-25 Discussion and Possible Action to approve a Grant of Easement Agreement for Construction Plans for Fire Service Water Meter (4" RPDA), MIK Inc. affecting Restaurant Kintaro's., TMK: (4) 4-1-005:021, Wailua, Kaua'i, Hawai'i

Project Management Officer Scott Suga provided a summary of the Manager's Report submitted.

Board member Shigemoto moved to approve Manager's Report No. 23-25, seconded by Mr. Dill; with no objections, motion carried with 5 Ayes.

6. *Manager's Report No. 23-26* Discussion and Possible Action to approve funds to enter into a Professional Services Contract with R.M. Towill Corporation for the Kīlauea Well No. 4 Drill and Test project.

Civil Engineer VII Jason Kagimoto provided a summary of the Manager's Report submitted.

In response to Board member Shigemoto, Mr. Kagimoto explained there is no existing well site there, but the location is along the highway where there is a water transmission main. This testing will allow them to do a pump test to determine how productive it is and whether it is preferable for the Department to do a permanent well. He further clarified that this request is for the permitting and design so they can bid out the package for drilling of the well. After that, they would have a contractor on board to do the actual construction and pump test; anything beyond that would be an additional design project for the site improvements.

Mr. Shigemoto moved to approve Manager's Report No. 23-26, seconded by Ms. Simonton; with no objections, motion carried with 5 Ayes.

7. Discussion and Possible Action on a proposed salary increase for the Manager and Chief Engineer pursuant to Salary Resolution 2022-1

Boards and Commissions Administrator Ellen Ching joined the meeting remotely and provided an overview of Salary Resolution 2022-1 and its related Table of Projected Increases. The decision before the Board is whether they want to grant an increase, what that increase would be, and when it would be effective. Ms. Ching stated that she has been working with several other commissions on this, and the feedback they have received from DHR is not to approve all three of the increases in one motion. Their reasoning is that the composition of the Boards change, and the Board at the time of each respective increase period should be providing input on those increases. She noted that the number shown in the highlighted columns is the maximum amount allowed, but the Board is not obligated to increase the salary to that number; they can go lower if they wish.

Board member Hull asked to clarify that DHR's recommendation is to NOT look at any future increases within the Salary Commission's already set increases. Ms. Ching stated yes and reiterated that DHR's guidance is to bring this item back before the Board when each subsequent increase would take effect since the composition of the Board may be different at that time. Mr. Hull stated his concern with that philosophy is that union contracts often cover multiple years for pay increases, and the administration does not go back before the legislative bodies each year.

He added that we are hemorrhaging employees in government across the sector, but particularly engineers, and he would propose that for the next 2 to 3 years, the Manager could expect to be locked into this salary. There is no security moving forward, and Mr. Hull finds it odd that DHR is providing guidance to NOT retain their engineer.

Chair Akamine stated with respect to the suggestions made by DHR, the Board ultimately has the authority to make the decision. Vice-Chair Simonton stated that as a sign of good faith in our Manager, she would very strongly support the maximum increases for the next 3 years. Ms. Ching concurred stating that she can provide suggestions or recommendations, but the Board has the full authority.

Mr. Dill asked to clarify that since the resolutions states an effective date of January 1, the increase will be retroactively paid to which Ms. Ching confirmed. In response to Mr. Shigemoto, Ms. Ching clarified that DHR's recommendation is solely based on the potential change in Board members and not any fiscal concerns.

Mr. Hull reiterated that he is a bit thrown off by DHR's recommendations considering how confident he is in Manager Tait's leadership skills, and the desire to signal to him that they want to retain him in the future. Mr. Hull stated goals he would like to see set over the course of the year is formulating a strategy to address Lihue, which is turning into a dire crisis. He expressed concern that the Department being unable to provide a response to the Mayor, Council and community on the strategies to address running out of water in an area that has all the Land Use Commission and General Plan designations could potentially result in DOW losing its semi-autonomy. Mr. Hull stated that he is absolutely supportive of all Mr. Tait has been doing, but he has certain expectations as a Board member moving forward.

Mr. Dill stated the State DOT has been experiencing the same challenges in hiring and retaining competent engineers, and don't have a lot of flexibility in attracting and keeping those positions. He expressed that having an opportunity like this, they should certainly exercise it to the extent that they can and will be supporting the motion.

Mr. Shigemoto stated none of the current members will be gone by 2024, and he feels that Manager Tait is doing a great job in trying to right the ship. He will also be supporting the motion.

Chair Akamine acknowledged Mr. Tait's leadership and all he has accomplished during his short time with the Department.

Board member Shigemoto moved to approve a pay increase for the Manager up to the maximum allowed salary retroactive to January 1, 2023, and to include the three periods included in Salary Resolution 2022-1, seconded by Mr. Dill; with no objections, motion carried with 5 Ayes.

STAFF REPORTS

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

Information and Education Specialist Jonell Kaohelaulii provided a summary of the PR Report submitted, highlighting the Department's partnership with Tanaka Hardware Store on their Leak Detection campaign. She thanked them for their participation and noted that they have gotten great feedback and larger outreach because of this partnership.

2. Fiscal

- a. Budget Report for January 2023
- b. Budget Report for February 2023

Manager Tait reported that they have received 13 or 14 candidates for the 2 vacancies of Controller and Assistant Controller. In the interim, Accountant III Anne Parrot has stepped up to provide the budget reports to the Board. She along with the excellent fiscal staff downstairs – Jonelle, Terri, Analyn, Gina, and Sherry – have been carrying the entire Fiscal load right now. Mr. Tait noted that previous management were unable to provide budget reports for the last 2 months and pointed out that Ms. Parrot has crafted a new format for the monthly reporting. This new format includes a condensed chart that shows all 3 divisions so there's no need to look through multiple lines and graphs. This format will continue to be fine-tuned to provide clear, concise information to the Board.

3. Operations – Monthly service dashboard and highlights

Chief of Operations Val Reyna provided a summary of the Operations Dashboard submitted.

4. Engineering – Monthly Service dashboard and highlights

Acting Engineering Division Head Jason Kagimoto provided a summary of the Engineering dashboard submitted. He noted that they have been having difficulty filling some of the engineering positions, but they have a lot of staff that are willing to step outside of their regular duties to help where needed. The flexibility of others has allowed him and Scott Suga to focus on getting their CIP projects moving forward. Mr. Shigemoto asked if we have current candidates for the vacant positions to which Mr. Kagimoto stated they have one qualified candidate for Civil Engineer V within the Project Management section. However, he is unsure we will be able to offer a salary they will accept based on their application and qualifications. They are currently in the hiring process for the Program Support Assistant within the Engineering division and have posted for Civil Engineer I and III within the Water Resources and Planning section. We had 2 candidates for the CE II, but by the time we got interview, they were no longer available. Manager Tait stated we did lose a couple of people due to the time issue, and the fact that we are forced by DHR to hire at the minimum low salary range, we are going to continue to be in this situation. Mr. Kagimoto stated they have been lucky to be operating okay on a day-to-day basis, but that could change.

Manager Tait stated he can see what's coming with Lihue Master Plan and other areas that are needed for affordable housing, but unless the hiring process changes, those things are not going to get done because DOW simply does not have the staff. By the time it takes to post, bid, and secure consultants, it's the same thing; it's easier if we are able to get in-house staff because they will be here for all of our projects, not individual bids. Mr. Akamine stated lack of staffing seems to be a theme in all of our staff reports and he would recommend Manager Tait present at ways we can remedy this at a subsequent meeting.

5. Manager and Chief Engineer – Monthly service dashboard, update on monthly activities, personnel matters, and required communications to the Board

Manager Tait provided an overview of his Manager's Update.

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

1. Updates on various DOW Programs

TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETING

1. Update regarding DOW's Water System Investment Plan *(May)*
2. Report from Manager and Chief Engineer – Manager's DOW Performance Audit *(June)*

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 (Civil No. 5CCV-21-000098)

The Board invited Manager Tait, Deputy Manager Michael Hinazumi, Deputy County Attorney Hugo Cabrera and Deputy County Attorney Chris Donahoe into Executive Session as Resources

The Board entered into Executive Session at 11:12 a.m.

The Board resumed in open session at 11:45 p.m.

Board member Simonton moved to ratify actions taken in executive session, seconded by Mr. Shigemoto; with no objections, motion carried with 4 Ayes.

ADJOURNMENT

The meeting was adjourned at 11:46 p.m.

Respectfully submitted,



Cherisse Zaima
Commission Support Clerk