

MINUTES
BOARD OF WATER SUPPLY
October 22, 2020

The Board of Water Supply, County of Kaua'i, met in regular meeting **via remote** in Lihue on Thursday, October 22, 2020. Chair Kurt Akamine called the meeting to order at 10:00 a.m. The following Board members were present:

BOARD: Mr. Kurt Akamine, *Chair*
Ms. Julie Simonton, *Vice Chair*
Mr. Troy Tanigawa
Mr. Ka`aina Hull
Mr. Elesther Calipjo (*joined @ 10:03 a.m.*)
Mr. Lawrence Dill (*joined @ 10:14 a.m.*)

EXCUSED: Mr. Gregory Kamm

Quorum was achieved with 4 members present at Roll Call.

STAFF:	Mr. Dustin Moises	Mr. Valentino Reyna
(<i>via remote</i>)	Mr. Michael Hinazumi	Mr. Claus Bollmann
	Mr. Keith Aoki	Mr. Marcelino Soliz
	Mr. Carl Arume	Mrs. Mary-jane Akuna
	Mrs. Jonell Kaohelaulii	Mr. Jas Banwait
	Board Advisor Steve Kyono	Mrs. Marites Yano
	Deputy County Attorney Mahealani Krafft	

Public Access Line: One person listened in, per IT.

C. ACCEPTANCE OF AGENDA

Ms. Simonton moved to approve the Agenda; seconded by Mr. Tanigawa; with no objections, motion carried with 4 ayes.

D. MEETING MINUTES

Review and Approval of:

Regular Board Meeting – September 24, 2020

Ms. Simonton moved to approve the Regular Board Meeting of September 24, 2020; seconded by Mr. Hull; with no objections, motion carried with 4 ayes.

Special Board Meeting – September 18, 2020

Ms. Simonton moved to approve the Special Board Meeting of September 18, 2020; seconded by Mr. Hull; with no objections, motion carried with 4 ayes.

Special Board Meeting – September 24, 2020

Ms. Simonton moved to approve the Special Board Meeting of September 24, 2020; seconded by Mr. Hull; with no objections, motion carried with 4 ayes.

Review and Approval of the Executive Session:

Regular Board Meeting – September 24, 2020

Mr. Hull moved to approve the Regular Board Meeting of September 24, 2020, seconded by Ms. Simonton; with no objections, motion carried with 4 ayes.

Special Board Meeting – September 18, 2020

Mr. Hull moved to approve the Special Board Meeting of September 18, 2020, seconded by Ms. Simonton; with no objections, motion carried with 4 ayes.

Special Board Meeting – September 24, 2020

Mr. Hull moved to approve the Special Board Meeting of September 24, 2020, seconded by Ms. Simonton; with no objections, motion carried with 4 ayes.

E. CORRESPONDENCE/ANNOUNCEMENTS/PUBLIC TESTIMONY

No voice messages or written testimonies were received as of October 21st.

1. Correspondence from Ms. Katrina Medina, CBRE, Inc. Manager regarding Plumbing Code Amendment Requirement Installation of Back Flow Preventors, dated September 21, 2020
Received
2. Correspondence from Mr. George Barker to Chair Kurt Akamine and Board Member Gregory Kamm regarding Water Bill, received September 21, 2020
Received
3. Correspondence from Mr. George Barker to Vice Chair Julie Simonton regarding Water Bill, received September 30, 2020
Received

F. BOARD COMMITTEE & PERMITTED INTERACTION GROUP REPORTS (PIG)

The report of the Permitted Action Group was discussed in Executive Session (Item J#2).

At 10:03 a.m., Mr. Elesther Calipjo joined the meeting.

G. OLD BUSINESS

1. Manager's Report No. 19-47 - Discussion and Possible Action for Board Approval to enter into the First Amendment to the Memorandum of Agreement between the Department of Public Works, County of Kaua'i and the Board of Water Supply, County of Kaua'i for the County's Kahiliholo Road Culvert Repair Project and expenditure of funds in the amount of \$44,100.00 (Update)

BACKGROUND:

Mr. Keith Aoki, Civil Engineer commented that the Hawai'i Emergency Management Agency requested the Department do an amended Memorandum of Agreement. The Department requested funds to reimburse the County of Kaua'i of \$44,100.00. This is an estimated amount. If the invoices from the COK are more, Mr. Aoki will come back to the Board for additional funding.

Mr. Tanigawa moved to approve Manager's Report No. 19-47 - Discussion and Possible Action for Board Approval to enter into the First Amendment to the Memorandum of Agreement between the Department of Public Works, County of Kaua'i and the Board of Water Supply, County of Kaua'i for the County's Kahiliholo Road Culvert Repair Project and expenditure of funds in the amount of \$44,100.00 (Update); seconded by Ms. Simonton; with no objections, motion carried with 5 ayes. Roll Call: KA, JS, KH, LC, TT,

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

The Board discussed Manager's Report No. 20-24 in Executive Session Item J#3. After Executive session, Ms. Simonton moved to defer Manager's Report No. 20-24; seconded by Mr. Dill; with no objections, motion carried with 4 Ayes in open session.

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

No Update

H. NEW BUSINESS

1. Manager's Report No. 21-12 – Discussion and Possible Action on the Fourth Amendment to Contract No. 639 Job No. 17-10, WP2020 Project No. KW-07 Rehabilitate Paua Valley Tank #1, 0.5MG Concrete, with KAI Hawaii Inc. for a time extension of 150 days and for additional design funding in the amount of \$212,719.00

An updated Manager's Report No. 21-12 was Received for the Record.

BACKGROUND:

Mr. Aoki mentioned that the last amendment tested materials on the tank for polychlorinated biphenyl (PCBs) that were found positive. The Environmental Protection Agency (EPA) required the Department to test the area surrounding tank and to do a soil testing plan. The amendment includes a contingency amount for further testing. There would be another test deep in the ground if the first test is positive with additional testing. If testing results come back negative, the contingency amount would not be used in this proposal. The Department will be testing the area around the tank at the construction start of the exterior. EPA will require testing after the construction of the exterior is completed. Another amendment request to the Board of approximately \$80,000 may be needed before the construction starts.

At 10:14 a.m., Mr. Dill joined the meeting.

DISCUSSION:

Ms. Simonton asked if the construction contracted was awarded with a stop order which Mr. Aoki confirmed. He did not know the magnitude on the cost impact of the construction project or did not know how much mitigation is needed. The PCB would need to be moved below the threshold level plus water in the tank needs to be treated. Ms. Simonton mentioned that the project started as a tank repair but has evolved into something that was not expected. The design changes would be addressed in the construction contract as a change order for the PCB; cost is unknown at this time. She asked how should the Department move forward with these issues? How does this affect the construction?

Chief of Construction Management Mr. Dustin Moises commended that the first or second iteration cleaning of the water, could cost from \$800,000 to \$1M for the water removal. There are two RFI's pending for a final response to the contractor for change orders to get a change order for each RFI's separately.

Ms. Simonton asked what was the total value of the contract for construction? Mr. Moises indicated over \$2M and \$100,000 was paid out for the stop work order and the stop work order was cleared to minimize any additional costs. There should not be any other costs at this time that Mr. Moises. Ms. Simonton asked the Department how they intend to move forward and if the change order cost is more than 50% of the contract value? Engineering's cost went from \$93K to \$386K without the environmental sub. Mr. Aoki would have to check with legal. Mr. Moises suggested to cancel the contract, then rebid; design could redo the specs and everyone rebid, creating more competition.

Mr. Dill agreed with Ms. Simonton's concern on cost control but was more concerned on construction. The project is now a PCB remediation project. He asked Mr. Moises if it is possible to bid the PCB work by a PCB contractor separately by leaving the existing contract in place? Mr. Moises indicated the original specs had PCB removal in it; a PCB project with structural repairs. The initial design specs did not anticipate a high level PCB that was tested at the beginning of construction. Mr. Dill asked if the current scope could be removed from the current contract and do a separate bid for remedial work? Mr. Moises said the Department would have to coordinate the new scope with the new contractor and the existing contract. There would have to do a stop work order on the existing contract until the water is removed to do the interior. The exterior abatement would need to be delayed until a new contractor could come in and what is in the soil. Ms. Simonton added the PCB coding needs to be kept together but asked if the water and soil testing be done as one? Data would be in the specs, ballpark costs and provide quantity, and knowing the baseline sampling after if the contractors made it worse.

The Department would regroup to discuss and review with legal potential magnitude of the cost.

Ms. Simonton moved to defer Manager's Report No. 21-12 – Discussion and Possible Action on the Fourth Amendment to Contract No. 639 Job No. 17-10, WP2020 Project No. KW-07 Rehabilitate Paua Valley Tank #1, 0.5MG Concrete, with KAI Hawaii Inc. for a time extension of 150 days and for additional design funding in the amount of \$212,719.00; seconded; seconded by Mr. Tanigawa; with no objections, motion carried with 6 Ayes.

J. STAFF REPORTS MONTHLY

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

BACKGROUND:

Waterworks Controller Mrs. Marites Yano mentioned that the latest approval of the Hawaii Government Employee Association and Excluded Managerial members were approved and effective from July 1, 2019 (not 2020). The total amount due to employees at the end of FY2020 is \$146,780.00. Board approval is not required because estimated pay raises were included in the FY2020 budget.

Received for the Record

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

BACKGROUND:

Information & Education Specialist Mrs. Jonell Kaohelaulii provide the following highlights:

1. PR completed the community outreach for the Imagine a Day Without Water awareness and social media event on October 21st. Campaign goals were met by posting outreach events on social media, promoting water conservation & water education which enhanced the Department's social media presence.
2. Over 520 water education kits were distributed and responded to the community until the kits are depleted. The Department received two newsprint features with a front page feature on The Garden Island newspaper. Ms. Kaohelaulii thanked 17 DOW employees for the successful water education distribution event. Two employee names will be added to the November PR report. She also thanked the Board's support and Board member Mr. Gregory Kamm for his kind assistance on October 6th.

Received for the Record

3. Discussion and Receipt of the Chief of Operation's Summary Report on Operational Activities

BACKGROUND:

Mr. Valentino Reyna highlighted the following:

1. Board member Mr. Dill requested the status of the water audit compared with industry standard with other counties was shown on Page 74 of the packet. Mr. Reyna contacted the Commission on Water Resources Management who provided the Median indicators (cols. 1, 2, & 3) that shows the current losses per day and Real Losses per connection per day and Real losses per mile mainline per day. For connections per day, the Department is below the State median but on per length of mile per day, the Department is above the State median. There is now an opportunity to do leak detection work.
2. Leaks – The past three months, there were a large amount of leaks after hours resulting in overtime (on real losses). Last fiscal year's overtime was only 88% that was expended. At this time, 50% has been used on the overtime budget.

DISCUSSION:

Mr. Dill appreciated the information on the real losses and that the Department is doing well with the other counties except for the length per main per day. Mr. Reyna indicated the second leak detection person was only dollar funded and is on track in filling this position. Leak detection will be checked on the main lines in the community. There are 6 inch diameter lateral hydrants that get hit resulting in a 6 inch full flow leak. If the hydrant valve cannot be closed immediately, there is a loss of water between 26,000 to 50,000 gallons/hr. especially at night. The Fire Department continues to assist Operations with hydrant water loss. Mr. Dill asked how are leak detections done for the mains using correlators? Are these done annually? Explain the program. Mr. Reyna will be going through all of the water audits and will determine which water system need attention.

Received for the Record

4. Discussion and Receipt of the Manager and Chief Engineer's Monthly Update Regarding Activities of Note of the DOW
 - a. Build America Bond - Quarterly Report *(July - September 2020)*

Received for the Record

QUARTERLY *(July - September 2020)*

1. Discussion and Receipt of the DOW's Quarterly Project Status Update:
 - a. Construction Management Division Status from Mr. Moises
 - Paua Valley - Mr. Moises will meet to Mr. Aoki regarding this project.
 - Hanapēpē Road 6" Main – should be finished by December 2020.
 - Kapa'a Well #4 –the casing is being worked on, then on the land drainage.
 - Private projects – 7 Certificates of Completion were done.

Received for the Record

- b. Engineering Division Design Status from Mr. Aoki
 - Working with Mr. Moises on contractor RFI's on construction projects.
 - Building Permit Approved for temporary Operations Office
 - Kīlauea Bid Update - Pending
 - Kukuīolono Bid Update – Recommendations were submitted for Kukuīolono on the tank demo/Pending comments.

Received for the Record

- c. Water Resources & Planning Division Status from Mr. Hinazumi
 - WR&P is down a few personnel and will be actively recruiting.
 - Building Permits – up approx. 50% from last fiscal year.

Received for the Record

- d. Information Technology Strategic Plan Status from Mr. Hinazumi
 - Continue to work on migrating the system to the cloud.
 - Firewall upgrades completed.
 - SCADA & IMPET upgrades completed.
 - Office 365 kickoff first week of November.
 - Interviewed & provided recommendation for IT Waterworks Manager which is currently with Department of Human Resources for processing.

Received for the Record

Chair Akamine acknowledged that recruiting with the divisions is a challenge. Staff has been working on priorities and the thanked the division heads.

At 10:46 a.m., Mr. Dill read the Executive Session language.

Mr. Dill moved to go into Executive Session for Items J#1 through J#6; seconded by Ms. Simonton; with no objections, motion carried with 6 ayes.

K. EXECUTIVE SESSION

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

1. Pursuant to Hawai'i Revised Statutes § 92-4 and § 92-5(a)(2) and (4), the purpose of this Executive Session is for the Board to consider the hiring of an interim manager and chief engineer where consideration of matters affecting privacy will be involved; provided that if the individual concerned requests an open meeting, an open meeting shall be held; and 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. No Action
2. Pursuant to Hawai'i Revised Statutes § 92-4 and § 92-5(a)(2) and (4), 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; and 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 the Report of the Permitted Interaction Group of the Kaua'i County Board of Water Supply.

Special Board meeting(s) will be set for interviews of the four applicants.

3. Pursuant to Hawai'i Revised Statutes § 92-4 and § 92-5(a)(4), the purpose of this Executive Session is for the Board to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as it relates to Manager's Report No. 20-24 – Discussion and Possible Action for the Proposed Amendment to the Memorandum of Agreement (Drainage) between Godwin M. Esaki and Janet M. Esaki, individually and as trustees of the Godwin M. Esaki Revocable Living Trust, and the Janet M. Esaki Revocable Living Trust, TMK: (4) 4-6-011:125, Kapa'a, Kaua'i, Hawai'i and the Board of Water Supply, dated August 21, 2017. No Action
4. 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 discipline of an officer or employee or of charges brought against the officer or employee, where consideration of matters affecting privacy will be involved; provided that if the individual concerned requests an open meeting, an open meeting shall be held. No Action

5. 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 discipline of an officer or employee or of charges brought against the officer or employee, where consideration of matters affecting privacy will be involved; provided that if the individual concerned requests an open meeting, an open meeting shall be held.
No Action
6. 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 those relate to *Shelly Seefeldt; DARREN Zastawny vs. The Parrish Collection, LLC., et al., CIV-19-1-0016; The Parrish Collection, LLC., Third Party Plaintiff, vs. County of Kaua'i Department of Water, Third Party Defendant.* No Action

At 11:40 a.m., Chair Akamine called the Regular Board meeting back to order.

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

1. Discussion and Receipt of the Department of Water's Draft Audit Financial Statements and Independent Auditor's Report by Accuity, Inc. for Fiscal Year 2020 and 2019
2. Election of Officers for 2021
3. Board Meeting Dates for 2021

M. TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETINGS

1. Department of Water Performance Audit (Update)
2. Table of Organization Workshop
3. Discussion and Possible Action to establish Fiscal Policies and Procedures
4. Baseyard Master Plan Workshop

N. UPCOMING EVENTS

O. NEXT WATER BOARD MEETING

1. Thursday, November 19, 2020, 10:00 a.m.
2. Thursday, December 17, 2020, 10:00 a.m.
3. Thursday, January 21, 2021, 10:00 a.m.
4. Thursday, February 25, 2021, 10:00 a.m.

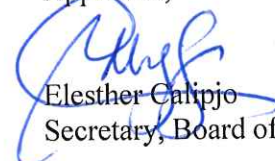
P. ADJOURNMENT

The Regular Board meeting adjourned at 11:42 a.m., with no objections.

Respectfully submitted,


Edith Ignacio Neumiller
Commission Support Clerk

Approved,


Elesther Calipjo
Secretary, Board of Water Supply