

## 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 the Commission Support Clerk via email at [board@kauaiwater.org](mailto:board@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, Lihu'e, Kaua'i, Hawai'i 96766 with attention to the Commission Support Clerk. The public is asked to please provide sufficient time for receipt of the testimony if mailing in public testimony.
  - Persons wishing to testify are requested to register their name, phone number, and agenda item via email at [board@kauaiwater.org](mailto:board@kauaiwater.org) or by calling (808) 245-5406.
  - If you wish to submit oral testimony prior to the Board meeting, it may be submitted by leaving a voice message at (808) 245-5406.
  - 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](http://www.kauaiwater.org/cp_waterboard_agendas.asp).

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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**

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**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, January 21, 2021  
10:00 a.m. or shortly thereafter

**PUBLIC ACCESS: + 1-415-655-0001 US Toll, Conference ID: 126 691 8195, 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 of the public require technical assistance please contact:  
[informationtechnology@kauaiwater.org](mailto:informationtechnology@kauaiwater.org)

#### **CALL TO ORDER**

#### **ROLL CALL**

#### **ANNOUNCEMENTS:**

Next Scheduled Meeting: Thursday, February 25, 2021 – 10:00 a.m. via Tele-Conference

#### **APPROVAL OF AGENDA**

#### **APPROVAL OF MEETING MINUTES:**

- a) Regular Board Meeting – December 17, 2020
- b) Executive Session – December 17, 2020

#### **PUBLIC TESTIMONY**

#### **CORRESPONDENCE**

1. Chairperson's Appointments for 2021 Rules Committee, Finance Committee, Committee of the Whole
2. Correspondence from Shawn L. Shimabukuru, Grove Farm regarding Request for Revenue Requirement Shortfall per Water Treatment and Delivery Agreement dated December 17, 2020
3. Correspondence from Corey Yamashita, Goodfellow Bros. regarding Request for Equitable Adjustment, 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 dated December 18, 2020

**OLD BUSINESS:**

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

**NEW BUSINESS:**

1. Manager's Report No. 21-18 – Discussion and Possible Action to transfer from the Water Utility funds to the Construction Management Professional Services funding in the amount of \$217,815.00
2. Discussion and Possible Action on Creating a Permitted Interaction Group for the Recruitment and Recommendation of a Manager and Chief Engineer

**STAFF REPORTS:**

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

**QUARTERLY (October – December 2020)**

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

**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
5. Employee of the Year Resolutions (*February 2021*)

**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).

## **EXECUTIVE SESSION (Cont'd)**

1. 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 this agenda item:

Correspondence from Shawn L. Shimabukuru, Grove Farm regarding Request for Revenue Requirement Shortfall per Water Treatment and Delivery Agreement dated December 17, 2020

2. Pursuant to Hawai'i Revised Statutes §94-4 and §92-5(a)(2) and (4), the purpose of this executive session is for the Board to consider the hiring of the 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 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 this agenda item:

Discussion and Possible Action on Creating a Permitted Interaction Group for the Recruitment and Recommendation of a Manager and Chief Engineer

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 this agenda item:

Correspondence from Corey Yamashita, Goodfellow Bros. regarding Request for Equitable Adjustment, 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 dated December 18, 2020

## **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](mailto: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](mailto: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](mailto: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  
December 17, 2020

The Board of Water Supply, County of Kaua‘i, met in regular meeting **via remote** in Līhu'e on Thursday, December 17, 2020. Chair Kurt Akamine called the meeting to order at 10:01 a.m. The following Board members were present:

**BOARD:** Mr. Kurt Akamine, *Chair*  
Ms. Julie Simonton, *Vice Chair*  
Mr. Troy Tanigawa  
Mr. Elesther Calipjo  
Mr. Lawrence Dill  
Mr. Gregory Kamm (*joined at 10:03 a.m.*)

**EXCUSED:** Mr. Ka'aina Hull

Quorum was achieved with 6 members present at Roll Call.

**STAFF:** Manager & Chief Engineer Mark Knoff Mr. Carl Arume  
(*via remote*) Mr. Steve Kyono, Board Advisor Mr. Val Reyna  
Mr. Michael Hinazumi Mrs. Mary-jane Akuna  
Mrs. Marites Yano Mrs. Jonell Kaohelauii  
Deputy County Attorney Mahealani Krafft Mr. Jas Banwait

**GUEST:** DCA Laura Barzilai, County Attorney's Office

**C. ACCEPTANCE OF AGENDA**

Mr. Tanigawa moved to approve the Agenda as distributed; seconded by Ms. Simonton; with no objections, Motion carried with 5 Ayes.

*At 10:03 a.m., Mr. Kamm joined the meeting.*

**D. MEETING MINUTES**

**Review and Approval of:**

Regular Board Meeting – November 19, 2020

Mr. Tanigawa moved to approve the Regular Board Meeting minutes of November 19, 2020; seconded by Ms. Simonton; with no objections, motion carried with 6 ayes.

Special Board Meeting – November 16, 2020

Mr. Kamm moved to approve the Special Board Meeting minutes of November 16, 2020; seconded by Ms. Simonton, with no objections, motion carried with 6 ayes.

**Review and Approval of:**

Executive Session – November 19, 2020

Ms. Simonton moved to approve Executive Session of November 19, 2020, seconded by Mr. Kamm; with no objections, motion carried with 6 ayes.

Executive Session – November 16, 2020 – Special Board Meeting

Ms. Simonton moved to approve Executive Session of November 16, 2020 – Special Board Meeting; seconded by Mr. Tanigawa; with no objections, motion carried with 6 ayes.

Executive Session – November 19, 2020 – Special Board Meeting Continuance

Ms. Simonton moved to approve Executive Session of November 19, 2020 – Special Board Meeting Continuance; seconded by Mr. Tanigawa; with no objections, motion carried with 6 ayes.

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

1. Report of the Independent Auditors, Accuity LLP, Department of Water County of Kauai Financial Statement June 20, 2020 and 2019, Dated November 19, 2020

Received for the Record

No voice or written testimonies were received as of December 16<sup>th</sup>.

(Note: 12/24, 9:04 am Muriel Urigawa left an after-the-fact voice message public testimony regarding the water planning design section on the Board agenda.)

Chair Akamine acknowledged Board Advisor Mr. Steve Kyono for assisting the Department this year and welcomed acting Manager & Chief Engineer Mr. Mark Knoff. Chair also acknowledged the following staff: Mr. Michael Hinazumi has been an excellent resource to the Chair and Board with difficult decisions, the Division Heads and supervisors for their hard work on projects and DCA Krafft who has been another excellent resource for the Department.

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

None.

**G. OLD BUSINESS**

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

No update.

2. Manager's Report No. 21-12 - Discussion and Receipt relating to Contract No. 639 Job No. 17-10, WP2020 Project No. KW-07 Rehabilitate Paua Valley Tank #1, 0.5MG Concrete, As-Needed Engineering Services Indefinite Delivery Indefinite Quantity (*Update*)

**BACKGROUND:**

Manager Knoff gave an update on this project to take a step back on its evaluation before going forward. The Environmental Protection Agency information was received on the potential disposal of the tank or to take a different route to demolish it completely and that waste changes financials on potential paths. Manager Knoff highlighted three task orders (refer to details on page 87 in packet): 1) Provide a high-level analysis of all options; demolish or replace 2) Analyze options to filter and dispose of the PCB contaminated water currently in the tank and give a solution & 3) Provide a high-level analysis of the other 15 tanks within the Department of Water (DOW) system which may be contaminated with PCBs; provide options & recommendations. A cost-effective action for consumers would be presented to the Board at a future meeting.

Received for the Record

**H. NEW BUSINESS**

1. Resolution No. 21-02 – Farewell to Randal H. Watanabe (Retiree), Pipefitter, Operations Division

**BACKGROUND:**

Retiree Randal Watanabe was not available for his Resolution presentation by Operations Chief Mr. Valentino Reyna. Randal was reliable employee and will be missed in Operations. Chair Akamine expressed, on behalf of the Board, that they appreciated Randal's 14 years with the Department.



Ms. Simonton moved to approve and adopt Resolution No. 21-02 – Farewell to Randal H. Watanabe (Retiree), Pipefitter, Operations Division; seconded by Ms. Simonton; seconded by Mr. Tanigawa; with no objections, motion carried with 6 Ayes.

2. Manager's Report No. 21-15 - Discussion and Possible Action to Approve Supplementary Budget for Vacancies on Active Recruitment

**BACKGROUND:**

Chair Akamine has been in discussions with Waterworks Controller Mrs. Marites Yano to move forward with positions that were dollar funded.

Assistant Waterworks Controller Mr. Marcelino Soliz reviewed the background (Page 91). Option 1 is to approve additional salaries and wages budget of \$397,530.00 (which are accurate).

**DISCUSSION:**

Mr. Dill asked what the Percent of Funding column represented? Mr. Soliz explained the column is partial funding for the end of the fiscal year. The Proposed Salaries column represents 1/3 of a full salary.

Chair Akamine discussed the active recruitment of positions with division heads that would potentially be filled. The percentage was based on when the position would be filled and on the interview status, etc. Positions were previously approved by the Board and Mr. Dill explained this schedule is to put funding back in to fill positions. Chair Akamine clarified that when Mr. Knoff was hired, a vacant position had to be assigned as the acting Manager for Department of Human Resources (DHR) to move forward. Mr. Dill commented that next year the budget should be close to \$1M and the annual budget is safe.

Mr. Dill moved to approve Manager's Report No. 21-15 - Discussion and Possible Action to Approve Supplementary Budget for Vacancies on Active Recruitment; seconded by Mr. Calipjo; with no objections, motion carried with 6 ayes. Roll Call: KA, JS, LD, TT, LC, GK

3. Chairperson's Report No. 21-16 – Discussion and Possible Action on Board Policy No. 32, Oral Testimony

**BACKGROUND:**

Chair Akamine commented that the Board must afford all interested persons an opportunity to submit data, views, or arguments, in writing, on any agenda items. Option 1 is to approve Board Policy No. 32.

The Board approved language for Board Policy No. 32: “The Chair may limit all oral testimony during a Board meeting to **3** minutes. The Chair may grant an additional **2** minutes to provide further testimony after all interested persons have had an opportunity to provide oral testimony.”

**DISCUSSION:**

DCA Krafft clarified that the Chair has discretion to extend the testimony time for each Board meeting but not per testifier. Each additional testifier should have 5 minutes.

Mr. Tanigawa moved to approve/adopt Chairperson's Report No. 21-16 – Discussion and Possible Action on Board Policy No. 32, Oral Testimony; seconded by Ms. Simonton; with no objections.

4. Manager's Report No. 21-17 – Discussion and Possible Action for Board Approval on the Eighth Amendment to Contract No. 666 for the Information Technology Support Services with Brio Consulting, LLC for an extension until March 31, 2021 in an additional amount of \$80,000.00

**BACKGROUND:**

Civil Engineer Mr. Michael Hinazumi requested the Board's approval of \$80,000 to fund the extension of IT Support Service with Brio Consulting. The Department's IT Support is Jas Banwait to fund for two additional months to the end of March 2021. An offer has been made to the IT Manager's applicant.

Mr. Dill approved Manager's Report No. 21-17 – Discussion and Possible Action for Board Approval on the Eighth Amendment to Contract No. 666 for the Information Technology Support Services with Brio Consulting, LLC for an extension until March 31, 2021 in an additional amount of \$80,000.00; pending legal review to add \$80,000 as an amendment; seconded by Mr. Tanigawa; with no objections, motion carried with 6 ayes.

**I. STAFF REPORTS MONTHLY**

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

**BACKGROUND:**

Assistant Waterworks Controller Mr. Soliz provided the Fiscal Report: Monthly Summary Highlights for November 2020 (Pages 99 -101). Marcy Soliz will prepare a schedule for pandemic items purchased to recover costs to be submitted to FEMA.

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 highlighted the following:

1. DOW was a recipient of the 2019-2020 Hawai'i GREEN Business program's Green Event award.
2. DOW received a commendation from Governor David Y. Ige for the 16<sup>th</sup> Annual Make a Splash water education festival held September 19, 2019. Video clip of the recognition ceremony featuring the Governor's commendation was shown during the meeting. (Page 118)

Received for the Record

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

**BACKGROUND:**

Chief of Operations Mr. Valentino Reyna provided the following highlights:

1. No hydrants hit in November.
2. Overtime (OT) in November decreased from the previous four months of summer due to overnight OT with contractors.
3. New monthly tabulated graphs would be reformatted for the monthly Operations report.

Received for the Record

4. Discussion and Receipt of the Manager and Chief Engineer's Monthly Update Regarding Activities of Note of the DOW

**BACKGROUND:**

Manager Knoff highlighted the following items:

1. Contract Award to Allied Machinery for a replacement generator for \$99,685.82.
2. Waiver, Release & Indemnity Applications - None.
3. Personnel Matters – Previously discussed funding for the end of the year and active hiring. A new format will be developed with respect to various positions during hiring process.
4. Conveyance of Water Facilities – No requests.
5. Customer Care & Billing – Continue to install the Beacon meters and providing better data for practical decisions.
6. IT Strategic Plan Update – Done quarterly.
7. IT Initiatives Update – 365 already launched, IT Manager position offer is going out & progressing on SharePoint.
8. Board Advisor's Report Update – Refer to Page 129.

Received for the Record

At 11:06 a.m., Mr. Dill read the following Executive Session language with no objections.

**J. 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 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.
2. 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.

Board deferred Executive Session Item #2 to the January Board meeting.

At 11:33 a.m., Chair Akamine reconvened the Regular Board meeting.

Additional requests:

- 1) Mr. Dill requested Manager Knoff to discuss with Accuity financial consultants on the executed items from the audit that would be included in a future performance audit going forward. (See Page 69 & 70 in today's Accuity's audit report.)
- 2) Chair Akamine and Manager Knoff will discuss a future audit to develop internal controls as it relates to Information Technology matters; put into place policies and procedures based on investigations.

**K. TOPICS FOR NEXT BOARD OF WATER SUPPLY MEETING (January 2021)**

1. Committee Appointments by 2021 Chair Gregory Kamm for Rules Committee, Finance Committee, Committee of the Whole

**L. 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
5. Employee of the Year Resolutions (*February 2021*)

**M. UPCOMING EVENTS**

**N. NEXT WATER BOARD MEETING**

1. Thursday, January 21, 2021, 10:00 a.m.
2. Thursday, February 25, 2021, 10:00 a.m.
3. Thursday, March 25, 2021, 10:00 a.m.
4. Thursday, April 22, 2021, 10:00 a.m.

**M. ADJOURNMENT**

Chair Akamine adjourned the meeting at 11:40 a.m. with no objections.

Respectfully submitted,

Approved,

Edith Ignacio Neumiller  
Commission Support Clerk

Elesther Calipjo  
Secretary, Board of Water Supply

# Correspondence

# DEPARTMENT OF WATER

County of Kaua'i

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

## Board of Water Supply

### Officers and Committee Members for 2021

(Effective January 1, 2021)

#### 2020

#### 2021

Current Officers – Board of Water Supply:

**2021 Officers:**

Chair Kurt Akamine

Chair: Gregory Kamm

Vice-Chair Julie Simonton

Vice-Chair: Kurt Akamine

Secretary Elesther Calipjo

Secretary: Julie Simonton

Rules Committee:

Chair Ka`aina Hull

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

Member Julie Simonton

Member: \_\_\_\_\_

Member Gregory Kamm

Member: \_\_\_\_\_

Finance Committee:

Chair Lawrence Dill

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

Member Ka`aina Hull

Member: \_\_\_\_\_

Member Elesther Calipjo

Member: \_\_\_\_\_

Committee of the Whole:

All Board Members

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





RECEIVED

2020 Dec 18 PM 12:52

DEPARTMENT OF WATER  
COUNTY OF KAUAI

December 17, 2020

Chairman Kurt Akamine  
County of Kaua'i, Department of Water  
4398 Pua Loke Street  
Līhu'e, Hawai'i 96766

**RE: Request for Revenue Requirement Shortfall per Water Treatment and Delivery Agreement**

Honorable Chairman Akamine:

This is in response to the Board of Water Supply's (BWS) letter dated October 1, 2020 (the "BWS Response"), containing the review and analysis of the cumulative additional revenue requirement under the *Water Treatment and Delivery Agreement* dated February 4, 2004 (the "Agreement"), performed by BWS consultant, Robert O'Brien.

Subsequent to receipt of the October 1 letter, we held additional discussions and information exchanges with Mr. O'Brien, Marites Yano of the Department of Water, and Board member Julie Simonton. After these exchanges, the revised BWS Response was transmitted to Grove Farm in an email dated December 14, 2020. This analysis showed that \$3,921,887 was owed covering the period from 2006 to 2018.

Grove Farm agreed to offset the amount owed by one-third of the monitoring cost paid by the Department of Water, which amounted to \$92,219 through 2018.

Next, since the membrane replacement was completed in 2020 – outside of the 2006-2018 period under review – and the new membranes should be treated as an "Upgrade" rather than a "Plant Addition" -- we excluded the payments made by DOW from the calculation of amount owed. We plan to address this issue when we file the final audited results for 2020 but it is acceptable to exclude them from this 2006 – 2018 analysis. These recent adjustments brought the amount owing – less the unresolved book vs. tax depreciation issue – to \$3,829,668.

We continue to disagree on the book vs. tax depreciation treatment and per the terms of the Agreement, we reserve the right to seek alternative resolution through arbitration and/or mediation on the differences in income tax calculations. The basis of the DOW's adjustment point to regulatory ratemaking treatment and this facility is not a public utility subject to these ratemaking practices. Plus, we have a fixed time period for the Water

Delivery Agreement and need assurance of revenue requirement during that finite period, unlike a traditional PUC-regulated entity which has no finite end date.

We also disagree and would like to continue discussion regarding the treatment of the payments made for the new membranes as a "Plant Addition" in 2020 rather than an "Upgrade" and DOW's use of the corporate tax rate, instead of the individual tax rate actually paid on income earned. We pay taxes at the individual tax rate due to our ownership structure and the corporate tax rate application is inappropriate.

We would like to request the prompt payment of the \$3,829,668 for the undisputed amounts by February 1, 2021. We reserve the right to continue to pursue the additional difference due to the tax and book depreciation timing, as mentioned above. Since the revenue requirement true-up request and the detailed review were for the years 2006 – 2018 and based on final, audited numbers, we cannot agree to any adjustments for 2019 and 2020, which are based on projections.

As you are aware, this process has involved an incredible amount of time and spanned the tenures of numerous DOW managers. Let's at least settle up the amount that is not in dispute.

Should there be questions or if you wish to discuss this matter, please do not hesitate to contact me at (808) 632-2525.

Sincerely,



Shawn L. Shimabukuro  
Vice President



December 18, 2020

Mr. Kurt Akamine  
Chair  
Board of Water Supply  
County of Kauai  
4398 Pua Loke Street  
Lihue, Hawaii 96766

Mr. Michael K. Hinazumi, P.E.  
County of Kauai  
Department of Water – Water Resource and Planning Division  
4398 Pua Loke Street  
Lihue, Hawaii 96766

Ms. Lydia S. Yee, PE, CCM, CISEC  
Construction Manager  
R.M. Towill Corporation  
2024 N. King St., Ste 200  
Honolulu, HI 96819

RE: Request for Equitable Adjustment  
Job No. 15-07  
Reorganize Water System: Kaumuali'i Highway 16-Inch  
Main and Emergency Pump Connection, Hanapepe Road  
6-Inch Main Replacement, Job No. 15-07, Waterplan Project No.  
HE-01, HE-10, Hanapepe, Kauai, Hawaii

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Dear Mr. Akamine, Mr. Hinazumi, and Ms. Yee:

On June 6, 2018, the Department of Water, County of Kauai (DOW) and Goodfellow Bros. LLC (formerly known as "Goodfellow Bros. Inc.") entered into a written construction contract for the above-reference project (hereinafter referred to as the "Kaumuali'i-Hanapepe Water Plan Project").

Based on the contract plans, plan notes, contract specifications (including section 302.29, Chlorination of Water Pipelines) and other contract provisions, Goodfellow Bros. asserts this request for equitable adjustment. The Department of Water has rejected chlorination results that have met the contract specifications based on what they are classifying as "Atypical" results. The test samples developed a tint of color that was deemed Atypical by DOW. The contract documents do not address the issue of water color and do not establish that the tint of color of the water is a basis for DOW to reject a water sample. Per the contract, the DOW has the authority to reject testing results, however the costs associated with the rejection is the burden of DOW.

As a result, through this request, Goodfellow Bros. seeks a 369 calendar day extension of the contract period and payment of \$1,161,067.

It is our hope that we will be able to reach an amicable resolution to this matter as soon as possible. If we are unable to do so, Goodfellow Bros. is prepared to proceed in accordance with Section 8, Remedies, of the General Provisions for Construction Contract of the Department of Water, County of Kauai, State of Hawaii, including filing a lawsuit in the Fifth Circuit Court of the State of Hawaii, and seek recovery to the fullest extent permitted by law. We respectfully request a meeting as soon as possible with the Manager for the Department of Water to initiate the resolution of this matter.

#### I. Key Facts

The 16" Kaumualii Waterline portion of the project included four individual water systems: the 12" Ductile Iron Temp Bypass System @ Waialo Road, the 16" Kamualii Main Waterline A connection from Waialo Road to Kona Road, the 8" Ductile Iron Waterline B at the Emergency Booster Pump Connection, and the 8" Ductile Iron Waterline C at the Emergency Booster Pump Connection. Chlorination Plans were submitted and approved by DOW for each individual section of the Kamualii Water System. Key facts are summarized below:

- From the Individual Water Systems above, the amount of chlorination testing performed for each system is summarized below:
  - Kaumualii 12" Ductile Iron Temp Bypass System (95 LF of 12" Ductile Iron Pipe): 1 Chlorination Cycle
  - 16" Kaumualii Main Waterline A Connection from Waialo Road to Kona Road (3050 LF of 12" and 16" C900/Ductile Iron Pipe) – 9 Total Chlorination Cycles
    - i. Complete Segment – 6 cycles (8-08-2019 to 1-23-2020)
    - ii. Waterline A Broken into Segments A1, A2, and A3 – 3 chlorination cycles (1-23-2019 to 5-14-2019).
  - 8" Ductile Iron Waterline B at the Emergency Booster Pump Connection (80 LF of 8" Ductile Iron Pipe): 6 Chlorination Cycles
  - 8" Ductile Iron Waterline C at the Emergency Booster Pump Connection (315 LF of 8" Ductile Iron Pipe): 7 Chlorination Cycles
  
- 02/08/19 - GBI passed Chlorination of Kaumualii 12" Ductile Iron Temp Bypass per WSS Standards.
  
- 8/31/2019 - GBI passed Chlorination of Kaumualii WL A per WSS Standards, however, Atypical results were found to be present and DOW failed the test. GBI was not allowed to connect Kaumualii WL A into the existing 12" WL at Waialo Road and Kona Road. GBI scheduled another tie in request from DOW.

- 1/10/2020 - GBI passed Chlorination of Kaumualii WL A per WSS Standards, however, Atypical results were found to be present again and DOW failed the test. GBI was not allowed to connect Kaumualii WL A into the existing 12” WL at Waialo Road and Kona Road. GBI scheduled another tie in request from DOW.
- 1/25/2020 - GBI passed Chlorination of Kaumualii WL A per WSS Standards, however, Atypical results were found to be present again and DOW failed the test. GBI was not allowed to connect Kaumualii WL A into the existing 12” WL at Waialo Road and Kona Road. At this point, GBI split the Kaumualii WL A chlorination into 3 segments; WL A1, WL A2, and WL A3. GBI scheduled another tie in request from DOW.
- 2/21/2020 - GBI passed Kaumualii WL A1 Chlorination and had no Atypical results present in the testing. GBI proceeded with WL A1 tie in on 03/4/20.
- 3/11/2020 - GBI passed Kaumualii WL A2 Chlorination and had no Atypical results present in the testing. GBI proceeded with the WL A1 to A2 tie in on 03/19/20.
- 05/14/2020 - GBI passed Kaumualii WL A3 Chlorination and had no Atypical results present in the testing. GBI proceeded with the WL A3 tie in and WL A2 to A3 tie in on 05/27/20. This concluded the Kaumualii WL A chlorination testing.
- 6/06/2020 – GBI passed combined Chlorination testing of Kaumualii WL B and C per WSS Standards, however, Atypical results were found to be present and DOW failed the test. GBI was not allowed to connect Kaumualii WL B and WL C into the existing 12” WL at Waialo Road. At this point GBI split the Kaumualii WL BC chlorination into 2 segments; WL B and WL C. GBI scheduled another tie in request from DOW.
- 07/15/2020 - GBI passed Kaumualii WL B Chlorination and had no Atypical results present in the testing. GBI proceeded with the WL B tie in on 07/28/20. This concluded the Kaumualii WL B chlorination testing.
- 09/23/2020 - GBI passed Kaumualii WL C Chlorination and had no Atypical results present in the testing. GBI proceeded with the WL C tie in on 10/01//20. This concluded the Kaumualii WL C chlorination testing.

## II. Relevant Provisions

As a result of a competitive seal bid process, the construction contract for the Kaumualii-Hanapepe Water Plan Project was awarded to Goodfellow Bros. The construction contract consisted of Goodfellow Bros. furnishing materials, labor, tools and equipment for the installation of approximately 1,690 lineal feet of 16-inch ductile iron pipe; 1,696 lineal feet of 12-inch ductile iron pipe; 131 lineal feet of 6-inch ductile iron pipe; 5 lineal feet of 4-inch ductile iron pipe; 1,248 lineal feet of 16-inch C-900 PVC pipe; 720 lineal feet of 12-inch C-900 PVC

pipe; 184 lineal feet of 6-inch C-900 PVC pipe; 203 lineal feet of 12-inch TR flex pipe; 83 lineal feet of 16-inch of Fusible C-900 PVC pipe and 823 lineal feet of 12-inch Fusible C-900 PVC pipe, plus connections, all in accordance with the plans and specifications.

All bidders relied upon the precise words stated in the contract documents and anticipated that the plans and specifications would be applied in accordance with its plain meaning. The list of contract documents were included in Section 1 of the construction contract. The 2002 Water System Standards for the Department of Water Supply, County of Hawaii; Board of Water Supply, City and County of Honolulu; Department of Water, County of Kauai; Department of Water Supply, County of Maui applied to the subject project. Goodfellow Bros. expected, just as all bidders in a competitive sealed bid procurement would have expected, that the plans and specifications would be interpreted in a fair and reasonable manner and that it would have to perform no less than and no more than what was stated in those plans and specifications.

With regards to the disinfection procedures of a new waterline installation, unless otherwise directed, prior to the connection of any pipelines and/or laterals to the existing main, the pipelines/laterals installed shall be cleaned, pressure tested, chlorinated, flushed, and samples in accordance with Division 300, sections 302.27 to 302.29 of the Water system standards.

Relevant information is as follows:

In pertinent part, Section 302.29, Chlorination of Water Pipeline, subsection B of the Water System Standards is to be followed to achieve proper disinfection of new waterline mains. Certification procedures for new waterline chlorination tests are listed below:

The water samples shall be analyzed by a laboratory certified by the State Department of Health. The laboratory shall be certified to test for coliforms in potable drinking water.

The disinfection procedure shall be considered acceptable after the laboratory test results show the following for each water sample collected:

1. Total coliform counts equal to zero (0); and
2. Per Water Construction Note #13 on the Kaumualii Project plans, the total bacteria count is to be less than 300 colonies per 100 mils. Section 1.4 of the construction contract states that the project plans shall govern over the Water Systems Standards. The Department of Water drafted the contract. Courts in the State of Hawaii have held that ambiguities and conflicts in the contracts shall be resolve against the drafter. As a result, the Plan Notes, including Plan Note #13, takes precedence over conflicting provisions in the specifications because conflicts in the contract documents should be resolved against the interest of the Department of Water.

The Contractor shall submit a certification that the water system has been disinfected according to these standards and project plans. The Department reserves the

right to evaluate additional samples before certifying a main.

All costs associated with the microbacterial testing shall be at the Contractor's expense.

The fundamental rules of contract interpretation favor Goodfellow Bros. The contract documents should be interpreted according to their plain meaning and the Department of Water is permitted to reject water samples only if total coliform counts are greater than zero or if total bacteria counts are less than 300 colonies per 100 mils. Although the Department of Water does have some discretion, the Department of Water is not granted unfettered discretion. It failed to act in accordance with the specifications, and thus is in breach of contract, and it also failed to meet the covenant of good faith and fair dealing by declaring samples "Atypical" based on matters other than coliform count and bacteria count. By taking this position, the Department of Water obstructed Goodfellow Bros.' work. Delays and damages resulted from the positions taken by the Department of Water.

### III. Delay

The keys facts listed above are to be used to illustrate the time impact sustained by Goodfellow Bros.

On August 31, 2019, Goodfellow Bros. was refrained from proceeding with contract work at the Kaumualii Waterline A due to Atypical results. As a result, Goodfellow Bros. didn't complete the Kaumualii Waterline A disinfection until May 14, 2020.

On June 6, 2020, Goodfellow Bros. was again refrained from proceeding with contract work at the Kaumualii WL B and C portion due to Atypical results. Goodfellow Bros. didn't complete the Kaumualii Waterline B and C disinfection until September 23, 2020.

Goodfellow Bros. recognizes two segments of delay and time extension due to the inability to proceed with contract work at the Kaumualii Waterline portion; Kaumualii Waterline A and Kaumualii Waterline B and Kaumualii Waterline C. For Kaumualii Waterline A, using August 31, 2019 as the start date and May 14, 2020 as a completion date. Goodfellow Bros. calculates 37 weeks of delay time or 258 Calendar Days. For Kaumualii Waterline B and C, using June 6, 2020 as the start date and 9/23/2020 as a completion date. Goodfellow Bros. calculates 15.8 weeks of delay time or 111 Calendar Days.

With this information, the total time impact sustained by Goodfellow Bros. due to "Atypical" results at the Kaumualii Waterline portion is 52.8 weeks or 369 calendar days.

### IV. Damages

In addition to the time impact and delays, damages were also sustained by Goodfellow Bros. Please refer to the attached *Kaumualii Cost Breakdown Sheet – Atypical Results Impact*. From the attached breakdown, Goodfellow Bros. sustained weekly damages of \$13,176 for indirect project overhead. Furthermore, direct cost damages were also sustained as

Goodfellow Bros. continued to re-pig, flush, and clean to achieve passing chlorination results at the newly installed waterlines. Direct and indirect costs incurred by Goodfellow Bros. as a result of the Department of Water's unjustified reliance on an "Atypical" finding to reject water samples total \$1,161,067. At a minimum, Goodfellow Bros. is entitled to recovery of that amount as a result of the breach of contract on the part of the Department of Water and based on the failure of the Department of Water to comply with the covenant of good faith and fair dealing.

## V. Conclusion

In conclusion, Goodfellow Bros. has suffered significant project delays and damages due to the rejection of Atypical chlorination results by the County of Kauai. We intend to pursue our rights to the fullest extent permitted by law. In a public bid project, all bidders rely upon the specific wording of the contract. For the County of Kauai to add additional requirements, above and beyond the plain language (the black-and-white provisions), of the contract documents, is unfair, unjust and unreasonable. Goodfellow Bros. reasonably relied upon the contract documents and suffered delays and damages. Consequently, Goodfellow Bros. has strong claims on both equitable and legal principles. The County of Kauai is in breach of contract, its actions constitute negligence and, we believe that the County of Kauai has breached the implied covenant of good faith and fair dealing. Based on the foregoing, Goodfellow Bros. has completed its analysis of the number of days of delay and the total damages, fees, costs and expenses it has suffered and incurred as result of the breaches, faults and wrongdoing on the part of the County of Kauai, and will pursue this Request for Equitable Adjustment to the fullest extent permitted by law.

Let's meet as soon as possible. If the Department of Water is unwilling to meet, please let us know in writing and Goodfellow Bros. will have no choice but to take this matter to the next level. It is our preference that we resolve this matter amicably and I encourage that we open our lines of communication to accomplish a goal that will be in our mutual best interests.

Sincerely,

GOODFELLOW BROS. LLC

By   
Corey Yamashita  
Its Hawaii Division Operations Manager

cc: Tristan Gonzales  
Ryan Mountcastle  
Dustin Moises  
Mark Knoff

Attachments:

1. Kaumualii Cost Breakdown Sheet – Atypical Results Impact



**Kaunualii Cost Breakdown Sheet - Atypical Results Impact**

<u>Description</u>	<u>QTY</u>	<u>UM</u>	<u>Unit Price</u>	<u>Pricing</u>	<u>Subtotal</u>
Kaunualii Project Delay WL A - Atypical Results (Refer to attached Chlorination Log - GBI Passed WL A with A typical results on 8/31/2019. Per DOW Direction, GBI was not allowed to proceed with WL A Tie in. GBI received acceptable chlorination results at WL A on 05/14/2020)		37 WKS	\$13,176.00	\$487,512.00	
Kaunualii Project Delay WL BC - Atypical Results (Refer to attached Chlorination Log - GBI Passed WL BC with A typical results on 06/06/2020. Per DOW Direction, GBI was not allowed to proceed with WL BC Tie in. GBI received acceptable chlorination results at WL BC on 09/23/2020)		15.8 WKS	\$13,176.00	\$208,180.80	
Kaunualii WL A Direct Cost (Cost includes pigging, constant flushing, pressure testing, and chlorinations performed. GBI's cost to break Kaunualii WL A into 3 segments; A1, A2, and A3 are also included in this price evaluation.)		1 LS	\$386,552.60	\$386,552.60	
Kaunualii WL BC Direct Cost (Cost includes pigging, constant flushing, pressure testing, and chlorinations performed. GBI's cost to break Kaunualii WL BC into 2 segments; B and C are also included in this price evaluation.)		1 LS	\$78,822.14	\$78,822.14	
<b><u>TOTAL ADD:</u></b>					\$1,161,067.54
<b><u>TOTAL CREDIT:</u></b>					\$0.00
<b><u>TOTAL CP AMOUNT:</u></b>					\$1,161,067.54



# Old Business

# DEPARTMENT OF WATER

County of Kaua'i

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

## MANAGER'S REPORT No. 20-41 (Update)

January 21, 2021

Re: Waiahi Surface Water Treatment Plant Renovation Construction Cost Progress Report

### **RECOMMENDATION:**

There is no action necessary; for Board review and discussion purposes only.

**FUNDING:** N/A.

### **BACKGROUND:**

As requested by the Board of Water during its January 24, 2020 and February 28, 2020 Regular Board meetings, the Board requested the Department to provide a monthly update on the status of payments to Grove Farm in accordance with the project's budget. Please refer to Attachment 1.

There are no updates to report since the August 27, 2020 Board meeting. It is anticipated that work will resume on the project sometime in the first quarter of 2021.

BW/ein

Attachment(s): Waiahi Surface Water Treatment Plant Renovation Construction Cost Progress Report as of January 1, 2021.

Mgrrp/January 1, 2021/20-41/Waiahi Surface Water Treatment Plant Renovation Project Construction Cost Progress Report (Update) (1-24-20, 2-28-20, 6-25-20, 7-23-20, 8-27-20, 9-24-20, 10-22-20, 11-19-20, 12-17-20, 1-21-21):ein

**Waiahi SWTP Renovation  
Maintaining 3.0 MGD  
Construction Costs**

Item No.	Qty.	Unit	Cost Per Unit	Description	Total Cost Estimate	Grove Farm Total (1/3) 33.33%	BWS Total (2/3) 66.67%	BWS Total Amount Due to Date (\$)	BWS Amount Paid to Date (\$)	Estimate Total to Date (% Line Item)	All Payments Received by Grove Farm within 15 days?
<b>SITEWORK<sup>1</sup></b>											
1	1	LS	\$100,000	Mobilization & Demobilization	\$100,000	\$33,333	\$66,667	\$0	\$0	0.00%	N/A
2	1.44	Acre	\$14,876	Clearing & Grubbing, including demolition of existing shed at Off-site Detention Basins, in place complete	\$21,421	\$7,140	\$14,281	\$0	\$0	0.00%	N/A
3	4151	CY	\$30	Excavation, in place complete	\$124,530	\$41,510	\$83,020	\$0	\$0	0.00%	N/A
4	2673	CY	\$15	Embankment, in place complete.	\$40,095	\$13,365	\$26,730	\$0	\$0	0.00%	N/A
5	1	LS	\$11,950	Erosion Control, including temp silt fence, temp wheel wash area, temp ground cover & erosion control fabric	\$11,950	\$3,983	\$7,966	\$0	\$0	0.00%	N/A
6	16	SY	\$450	Rip-rap Lined Embankment Swale, in place complete	\$7,200	\$2,400	\$4,800	\$0	\$0	0.00%	N/A
7	956	LF	\$80	Chain Link Fence, including warning signs, in place complete	\$76,480	\$25,493	\$50,987	\$0	\$0	0.00%	N/A
8	1	EA	\$2,500	Chain Link Gate, 18' Wide X 6' High at Off-site Detention Basins, in place complete.	\$2,500	\$833	\$1,667	\$0	\$0	0.00%	N/A
9	1	EA	\$1,000	Chain Link Pedestrian Gate, 30" Wide X 6' High at Drain/Reject Water Pump Station, in place complete	\$1,000	\$333	\$667	\$0	\$0	0.00%	N/A
10	2434	SY	\$80	Asphalt Concrete Pavement, including base course, in place complete	\$194,720	\$64,907	\$129,813	\$0	\$0	0.00%	N/A
11	1055	LF	\$55	Concrete curb, in place complete	\$58,025	\$19,342	\$38,683	\$0	\$0	0.00%	N/A
12	1321	LF	\$45	Concrete header, in place complete	\$59,445	\$19,815	\$39,630	\$0	\$0	0.00%	N/A
13	8	EA	\$250	Concrete drop curb, in place complete	\$2,000	\$667	\$1,333	\$0	\$0	0.00%	N/A
14	13	EA	\$800	Bollards, in place complete.	\$10,400	\$3,467	\$6,933	\$0	\$0	0.00%	N/A
15	2	EA	\$500	Ring Buoy, including pipe stand, in place complete	\$1,000	\$333	\$667	\$0	\$0	0.00%	N/A
<b>YARD PIPING<sup>1</sup></b>											
1	1	LS	\$58,000	Pre-lube Line for Existing Reservoir Intake Pumps, including fittings and appurtenances, in place complete	\$58,000	\$19,333	\$38,667	\$0	\$0	0.00%	N/A
2	1	LS	\$123,000	Flocculation Tank Inlet Line, including fittings, valves, and appurtenances, cutting, removing and relocating	\$123,000	\$41,000	\$82,000	\$0	\$0	0.00%	N/A

**Waiahi SWTP Renovation  
Maintaining 3.0 MGD  
Construction Costs**

Item No.	Qty.	Unit	Cost Per Unit	Description	Total Cost Estimate	Grove Farm Total (1/3) 33.33%	BWS Total (2/3) 66.67%	BWS Total Amount Due to Date (\$)	BWS Amount Paid to Date (\$)	Estimate Total to Date (% Line Item)	All Payments Received by Grove Farm within 15 days?
3	1	LS	\$29,000	Drainline "A", including connection to existing drain manholes & modifications to existing DMH "A-2"	\$29,000	\$9,667	\$19,333	\$0	\$0	0.00%	N/A
4	1	LS	\$150,000	Drainline "B," including headwall with ungrouted rip rap, & drain manholes, in place complete	\$150,000	\$50,000	\$100,000	\$0	\$0	0.00%	N/A
5	1	LS	\$24,000	Drainline "C", including headwalls, in place complete	\$24,000	\$8,000	\$16,000	\$0	\$0	0.00%	N/A
6	1	LS	\$130,000	Force Mains "A", "B" & "C", including fittings, valves & appurtenances, & concrete blocks	\$130,000	\$43,333	\$86,667	\$0	\$0	0.00%	N/A
7	1	LS	\$69,182	Off-Site Detention Basin Inlet & Outlet Lines, including residuals discharge connection	\$69,182	\$23,061	\$46,121	\$0	\$0	0.00%	N/A
8	1	LS	\$28,302	Residuals Discharge Lines "A" & "B", including fittings, valves & appurtenances & concrete blocks	\$28,302	\$9,434	\$18,868	\$0	\$0	0.00%	N/A
9	1	LS	\$75,472	Residuals Drying Beds Inlet Lines, including fittings, valves & appurtenances, concrete blocks	\$75,472	\$25,157	\$50,315	\$0	\$0	0.00%	N/A
<b>STRAINER SYSTEM<sup>1</sup></b>											
1	1	LS	\$120,000	16" Automatic Backwashing Strainer, including removal & disposal of ex. strainer, drain & backwash lines	\$120,000	\$40,000	\$80,000	\$0	\$0	0.00%	N/A
<b>PUMP GALLERY IMPROVEMENTS<sup>1</sup></b>											
1	1	LS	\$5,000	Liquid Level Sensor Alarm System, in place complete	\$5,000	\$1,667	\$3,333	\$0	\$0	0.00%	N/A
2	1	LS	\$5,000	8" Butterfly Valve on Permeate Line to Backpulse Tank, in place complete	\$5,000	\$1,667	\$3,333	\$0	\$0	0.00%	N/A
3	1	LS	\$10,000	Replace Existing Membrane Tank Level Transmitters. (Transmitters furnished by SUEZ. See Bid Item G-1.)	\$10,000	\$3,333	\$6,667	\$0	\$0	0.00%	N/A
4	1	LS	\$10,000	Combined Permeate Turbidimeter, including sampling line & revisions to sample drains & control wiring	\$10,000	\$3,333	\$6,667	\$0	\$0	0.00%	N/A
<b>DRAIN/REJECT WATER PUMP STATION<sup>1</sup></b>											
1	1	LS	\$44,025	Drain/Reject Water Pump Station Concrete Wet Well & Pipe Support, including structural excavation	\$44,025	\$14,675	\$29,350	\$0	\$0	0.00%	N/A

**Waiahi SWTP Renovation  
Maintaining 3.0 MGD  
Construction Costs**

Item No.	Qty.	Unit	Cost Per Unit	Description	Total Cost Estimate	Grove Farm Total (1/3) 33.33%	BWS Total (2/3) 66.67%	BWS Total Amount Due to Date (\$)	BWS Amount Paid to Date (\$)	Estimate Total to Date (% Line Item)	All Payments Received by Grove Farm within 15 days?
2	1	LS	\$69,182	Drain/Reject Water Pump System, including liquid level sensor, transducer, pump accessories, access hatch	\$69,182	\$23,061	\$46,121	\$0	\$0	0.00%	N/A
3	1	LS	\$62,893	Drain/Reject Water Piping, including fittings, valves & appurtenances, & connection to existing drain line	\$62,893	\$20,964	\$41,929	\$0	\$0	0.00%	N/A
<b>MEMBRANE UNIT REPLACEMENT<sup>2</sup></b>											
1	1	LS	\$1,015,545	Membrane Unit Upgrades by SUEZ, all in accordance with SUEZ's proposal dated 9/6/2019.	\$1,015,545	\$338,515.00	\$677,030	\$677,030.00	\$677,030.00	100.00%	Yes
2	1	LS	\$160,941	Installation of Membrane Unit Upgrades by SUEZ, in place complete. Aqua Engineers, proposal dated 9/16/2019	\$160,941	\$53,647.00	\$107,294	\$107,294.00	\$107,294.00	100.00%	Yes
3	1	LS	*Initial estimate \$0	Taxes & Additional US Customs Duty Fees, in accordance with SUEZ's proposal (*estimate was \$0)	\$47,852.48	\$15,950.83	\$31,901.65	\$31,901.65	\$31,901.65	100.00%	Yes
<b>LINER FOR OFF-SITE DETENTION BASINS<sup>1</sup></b>											
1	1	LS	\$119,497	Liner for Off-Site Detention Basins, including geotextile fabric, anchoring battens & trenches	\$119,497	\$39,832	\$79,665	\$0	\$0	0.00%	N/A
<b>PORTABLE PUMP FOR RESIDUALS TRANSFER<sup>3</sup></b>											
1	1	LS	\$41,024	Portable Pump for Residuals Transfer, including wheel kit & hoses, in place complete.	\$41,024	\$13,675	\$27,349	\$0	\$0	0.00%	N/A
<b>GENERATOR BUILDING<sup>1</sup></b>											
1	1	LS	\$350,000	Generator Building	\$350,000	\$116,667	\$233,333	\$0	\$0	0.00%	N/A
2	1	LS	\$300,000	Emergency Generator System	\$300,000	\$100,000	\$200,000	\$0	\$0	0.00%	N/A
3	1	LS	\$28,000	Painting and Coating	\$28,000	\$9,333	\$18,667	\$0	\$0	0.00%	N/A
<b>ELECTRICAL WORK<sup>1</sup></b>											
1	1	LS	\$493,192	Electrical Work, in place complete.	\$493,192	\$164,397	\$328,795	\$0	\$0	0.00%	N/A

**Waiahi SWTP Renovation  
Maintaining 3.0 MGD  
Construction Costs**

Item No.	Qty.	Unit	Cost Per Unit	Description	Total Cost Estimate	Grove Farm Total (1/3) 33.33%	BWS Total (2/3) 66.67%	BWS Total Amount Due to Date (\$)	BWS Amount Paid to Date (\$)	Estimate Total to Date (% Line Item)	All Payments Received by Grove Farm within 15 days?
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Summary for January 28, 2021 Board Meeting

	Total Cost Estimate	GF Total 1/3 (33.33%)	BWS Total 2/3 (66.67%)	BWS Total Amount Due to Date (\$)	BWS Total Amount Paid to Date (\$)	Estimate Total to Date (% of total project)	All Payments Received by Grove Farm within 15 days?
<b>Project Total Estimates =</b>	\$4,279,874	\$1,426,625	\$2,853,249	\$816,226	\$816,226	28.61%	Yes

**DOW NOTES**

\*Payments due within 15 calendar days of receipt of invoice.

\*DOW will not be withholding 5% retainage.

# New Business

# DEPARTMENT OF WATER

County of Kaua'i

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

## MANAGER'S REPORT No 21-18

January 21, 2021

Re: Discussion and Possible Action to transfer from the Water Utility funds to the Construction Management Professional Services funding in the amount of \$217,815.00

### **RECOMMENDATION:**

It is recommended that the Board approve the revisions to allow time extension and additional funding for the subject contract fourth amendment due to unanticipated project delays and Kauai County COVID-19 travel expenses.

### **FUNDING: Water Utility Fund (unrestricted)**

Additional funding required at this is time \$217,815.00

Account No. 10-21-10-540-010, WU-CNS-ADMIN-PROFESSIONAL SERVICES-GENERAL – Approved Budget available for Contract No. 637 per June 22, 2018 Board meeting			\$ 619,069.00
<del>Project Assignment Order #1 (Issued June 30, 2018)</del>		<del>\$619,069.00</del>	
Project Assignment Order #1R (Superseded PAO#1)		\$600,405.00	
Project Assignment Order #2		440,000.00	
Proposed Project Assignment Order #3		236,479.00	
Total Funds Required			\$1,276,884.00
Remaining Contingency		18,664.00	
Total additional funding required for proposed project assignment order #3 and for future project assignment orders if necessary			\$ 217,815.00

### **BACKGROUND:**

#### Approved First Amendment to Contract No. 637:

Unanticipated delays during the design phase caused the construction work to proceed later in construction than originally planned, resulting in the contract work extending beyond the original contractual limit. The Department of Water (DOW) was unable to attract qualified engineering and inspection staff. This impacted our Construction Management (CM) ability to manage projects with current staff and was exacerbated with the infusion of the state appropriation funding projects such as the Hanapēpē Waterlines project (Job No. 15-07) that RM Towill Corporations (RMTC) has been utilized as our As Needed Construction Manager. Although the cost for As-Needed CM project management and inspectional services are extremely high compared to staff costs, the DOW was at a point of no other choice to meet the project construction deadlines but to use the As-Needed CM contract. The Board approved additional funding for this project at the



June 22, 2018 meeting and RMTC was given notice to proceed as the As Needed Construction Manager via Project Assignment Order #1 on June 30, 2018.

The original contract language and Project Assignment Order #1 did not clearly state that the monthly rental of housing in lieu of a hotel room is allowed. In June of 2018 when the DOW received RMTC's proposal, they included \$82,750.00 for airfare and \$14,000 for car rental. During the June 22, 2018 Board meeting, DOW staff mentioned to the Board having RMTC look for housing on island to lower travel costs. They secured a condo at approximately \$1,850 per month that is furnished. The amendment was approved by the Board at the August 24, 2018 meeting to realize cost savings.

Approved Second Amendment to Contract No. 637:

There have been numerous unanticipated delays during the course of construction with the biggest being the redesign of the waterline crossing the historic Hanapēpē Bridge and encountering petroleum contaminated soils in Hanapēpē Town. The redesign of the waterline crossing is nearing completion and the proposed plan in dealing with contaminated soils is currently being formulated. Due to these delays, a contract amendment to extend the contract to September 30, 2020 and an additional \$440,000.00 in funding for the span from the current contract end date of December 31, 2019 to September 30, 2020 is necessary to complete the construction management portion of the project.

Approved Third Amendment to Contract No. 637:

The COVID 19 pandemic required a stop work order for a portion of late March through early May 2020. For this reason, the contractor schedule of physical construction had been delayed until October 2020. It was anticipated that project close out could take several months after that. Due to these delays, a contract amendment to extend the contract to February 28, 2021 for the span from the contract end date of September 30, 2020 to February 28, 2021 was necessary to complete the construction management portion of the project. There was sufficient funding remaining so it was only a time extension to the contract.

Proposed Fourth Amendment to Contract No. 637:

The project has seen additional delays related to redesigns and construction related delays. For this reason, the contractor schedule of physical construction has been delayed into early 2021. It is anticipated that project close out could take several months after that. Due to these delays, a contract amendment to extend the contract to June 30, 2021 for the span from the current contract end date of February 28, 2021 is necessary to complete the construction management portion of the project. In addition, there are costs related to the County of Kauai travel program related to COVID 19 pandemic that are being acknowledged with this contract amendment

DOW staff recommends approval for extending the project completion date by 122 calendar days for a revised contract end date of June 30, 2021. The time extension will allow pay out of the Project Assignment Orders 1R and 2 that have been issued prior to the current February 28, 2021 contract end date. It will also allow for additional Project Assignment Order(s) to be issued under this contract extending work beyond February 28, 2021 with the additional funding through June 30, 2021.

It is the DOW staff's opinion that RMTC has made sufficient progress related to Project Assignment Order 1R and 2 for project management and inspection, and anticipate the same performance for future project assignment orders. We reviewed the time extension for work and additional cost proposal based on current rates for the work and find it acceptable.

Contract NTP Date: June 26, 2017  
Original Contract End Date: June 25, 2019  
1st Contract Amendment End Date: December 31, 2019  
2<sup>nd</sup> Contract Amendment End Date: September 30, 2020  
3<sup>rd</sup> Contract Amendment End Date: February 28, 2021  
New Contract End Date if Contract Time Extension: June 30, 2021

~~Original Project Assignment Order #1 = \$619,069.00~~  
Approved Project Assignment Order #1R = \$600,405.00  
Approved Project Assignment Order #2 = \$440,000.00  
Proposed Project Assignment Order #3 = 236,479.00

Proposed contingency = \$0.00

**Upon full execution of the contract amendment #4, the DOW will issue and execute a Project Assignment Order #3 (PAO#3) to complete the project management through June 30, 2021.**

**OPTIONS:**

**Option 1: Approve as recommended.**

Pro: DOW can manage construction of existing and new projects such as Hanapēpē Waterlines (Job 15-07) and pay RMTC as required for the Project Assignment Orders issued within an active contract end date per the approved scope of work fees. They have managed the project from the beginning of construction so continuity would be maintained through completion.

Con: Higher costs than existing in-house staff.

**Option 2: Do not approve.**

Pro: Reduce overall costs to managing the project.

Con: DOW in-house staff would have to manage construction of this on-going complicated project and it would be extremely difficult given the other current construction projects and anticipated projects that will begin in 2021.

DM/ein

Mgrp/January 2021/21-18/Discussion and Possible Action to transfer from the Water Utility funds to the Construction Management Professional Services funding in the amount of \$217,815.00 (1-21-21):ein

## NEW BUSINESS

2. Discussion and Possible Action on  
Creating a Permitted Interaction Group for  
the Recruitment and Recommendation of a  
Manager and Chief Engineer

# Executive Session Discussion

# Staff Reports



# DEPARTMENT OF WATER

County of Kaua'i

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

## FISCAL REPORT: MONTHLY SUMMARY HIGHLIGHTS – DECEMBER 2020

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

#### YEAR TO DATE (YTD) BUDGET & ACTUAL EXPENSES SUMMARY – AS OF DECEMBER, 2020

	<u>BUDGET</u>	<u>vs</u>	<u>EXPENSED</u>
· Operating Expenses	\$18,342,264		\$11,158,736
· Debt Principal Payment	4,014,034		4,266,231
· Capital Projects	<u>30,788,082</u>		<u>3,050,654</u>
TOTAL	<u>\$53,144,380</u>		<u>\$18,475,621</u>

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

- Total Revenue as of December 2020 was 6% below projection.
  - Water sales of \$13.2 million ("M") was \$1.7M or 15% higher than projected.
  - Other Water Revenue - Receipts of \$72 thousand ("K") was \$77.6K below projection or (52%).
  - Capital Contributions: Contributions from Federal & State Grants – \$400.6K receipts from BAB Subsidy.
  - Investment Income & Net Increase in FV of Investments –\$241.8K.
  - Miscellaneous Revenues - \$3.5K.

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

EXPENSES; POSITIVE INDICATES LESS SPENDING THAN PLANNED. **REVISED YTD BUDGET COLUMNS INCLUDE PO ROLLOVER FROM FY ENDING 2020.**

- YTD Operating Expenses before depreciation and amortization was \$11.2M. Total spending was \$7.2M less from the total of the approved operating budget and FY 2020 PO rollovers. This returned a positive variance of 39%.
  - Employee Related Expenses was \$5.1M with a 9% positive variance.
  - Contracts & Services was \$2.3M with a 70% positive variance.
    - Professional Services, Other Services – Billing, Communication, Insurance and Repairs and Maintenance for non-water systems are the main items contributing to the 70% positive variance.
  - Exceptional Expenses – None.
  - Fuel & Utilities was \$1.3M with an 18% positive variance.
  - Bulk Water Purchase was \$485.1K with a 47% positive variance.
  - Office & Operating Supplies was \$448.2K with 49% positive variance.
  - Training, Travel & Meeting Expenses – \$6.7K with a 92% positive variance.
  - Debt Service – Interest Expense - \$1.47M with 3% positive variance.
  - Depreciation & Amortization (non-cash expenses) is \$3.6M with 1% positive variance.



# DEPARTMENT OF WATER

County of Kaua'i

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## NET OPERATING INCOME:

- Net Operating Income before depreciation and amortization - \$3.8M.
- Net Operating Income (loss) after depreciation & amortization was \$214.5K.

## NON-OPERATING PROCEEDS & DISBURSEMENTS

- SRF Loan Proceeds – None.
- FRC – Facility Reserve Charge –\$821.6K.
- YTD Debt Principal Payment is \$4.26M.

## CAPITAL PROJECTS BUDGET: YTD DISBURSEMENTS = \$3,050,654.13

- Capital Projects: Water Utility Fund - \$3.0M.
- Capital Projects: FRC Fund – None
- Capital Projects: BAB Fund - \$43.3K
- Capital Projects: SRF Loan Fund - None

## II. FY 2020 – 2021 CERTIFICATION OF FUNDS YTD \$1,979,999.32

	REPORT TO MANAGER (with approved Budget)	MANAGER'S REPORT (New Budget Requests)
Water Utility Fund	\$374,870.62	\$1,519,150.00
FRC Fund	\$ .00	\$ .00
BAB Fund	\$ .00	\$85,978.70
<b>Total</b>	<b>\$374,870.62</b>	<b>\$1,605,128.70</b>

## III. COMPARATIVE CHARTS:

### METERED CONSUMPTION:

- December 2020 monthly metered consumption was 272.6 million gallons (mg); decreased by 22.1 mg or 6% as compared from the same month of FY 2020.
- Year to Date (YTD) metered consumption as of 12/31/20 was 1,851.3 mg with a YTD cumulative decrease of 175.5 mg or 9% as compared from the same month of FY 2020.

## IV. COMPARATIVE BALANCE SHEET: SEE ATTACHED.

Statement of Net Positions as of December 31, 2020.

## V. OTHER FISCAL ONGOING ACTIVITIES/INITIATIVES:

- Annual Proposed Operating & Capital Outlay Budgets – FY 2021-2022.
- On-going; Great Plains (GP) switch to the cloud, update the 2007 Depreciation Study & implement Share point in the cloud.
- Depreciation Study – Ongoing.
- New Beacon Meters: testing and validation - Ongoing.



# DEPARTMENT OF WATER

County of Kaua'i

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- Develop Financial Policies for DOW – Statement of Qualifications were solicited for FY 2021, DOW will proceed with procurement.
- Budget Program Solution – It will be addressed concurrently with the Financial Policies Development procurement.
- Five (5) years Water Rate Study terminated; DOW will restart with an updated consumer database. Foresee procurement beginning of FY 2022.
- 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/ein



Department of Water, County of Kauai  
 Monthly Budget Summary vs. Actual  
 SUMMARY  
 12/31/2020

	December				FY 2021			
	Original Budget	Revised Budget	Actual	Variance	Revised YTD Budget	YTD Actual	*Variance	Variance %
<b>I. OPERATING BUDGET</b>								
<b>Revenue</b>								
Water Sales	\$1,916,124.00	\$1,916,124.00	\$1,932,047.17	\$15,923.17	\$11,496,744.00	\$13,165,833.99	\$1,669,089.99	15%
Revenue from Public Fire Protection	181,192.00	181,192.00	181,191.50	(0.50)	1,087,152.00	1,087,149.00	(3.00)	
Other Water Revenue	25,000.00	25,000.00	8,319.97	(16,680.03)	150,000.00	72,447.76	(77,552.24)	(52%)
Federal Grants	89,069.00	89,069.00		(89,069.00)	534,414.00		(534,414.00)	(100%)
State Grants	375,000.00	375,000.00		(375,000.00)	2,250,000.00		(2,250,000.00)	(100%)
Capital Contributions	46,723.00	46,723.00	66,761.61	20,038.61	280,338.00	400,569.66	120,231.66	43%
Net Increase in Fair Value of Investments	2,500.00	2,500.00		(2,500.00)	15,000.00	(45,214.74)	(60,214.74)	(401%)
Investment Income	11,250.00	11,250.00	58,464.54	47,214.54	67,500.00	287,026.39	219,526.39	325%
Gain or Loss on Disposal of Capital Assets	417.00	417.00		(417.00)	2,502.00		(2,502.00)	(100%)
Gain or Loss from the Retirement of Debt								
Miscellaneous Revenues	83.00	83.00	2,106.00	2,023.00	498.00	3,452.70	2,954.70	593%
<b>Total Revenue</b>	<b>2,647,358.00</b>	<b>2,647,358.00</b>	<b>2,248,890.79</b>	<b>(398,467.21)</b>	<b>15,884,148.00</b>	<b>14,971,264.76</b>	<b>(912,883.24)</b>	<b>(6%)</b>
<b>Employee-Related Expenses</b>								
Salaries and Wages (includes Leaves & CTO)	541,224.00	541,224.00	479,108.42	62,115.58	3,247,344.00	2,671,570.72	575,773.28	18%
Temporary Assignment	5,042.00	5,042.00	6,274.65	(1,232.65)	30,252.00	45,889.31	(15,637.31)	(52%)
Overtime	39,750.00	39,750.00	38,259.70	1,490.30	238,500.00	327,833.34	(89,333.34)	(37%)
Standby	16,250.00	16,250.00	18,072.57	(1,822.57)	97,500.00	108,208.88	(10,708.88)	(11%)
FICA	46,075.00	46,075.00	37,450.88	8,624.12	276,450.00	244,824.25	31,625.75	11%
Retirement Contribution	143,644.00	143,644.00	122,549.25	21,094.75	861,864.00	766,774.51	95,089.49	11%
Life & Health Insurance	53,623.00	53,623.00	47,644.45	5,978.55	321,738.00	284,118.17	37,619.83	12%
Workers Compensation								
Unemployment Compensation								
Post Employment Benefits (OPEB)	89,748.00	89,748.00	107,253.20	(17,505.20)	538,488.00	683,913.58	(145,425.58)	(27%)
<b>Total Employee-Related Expenses</b>	<b>935,356.00</b>	<b>935,356.00</b>	<b>856,613.12</b>	<b>78,742.88</b>	<b>5,612,136.00</b>	<b>5,133,132.76</b>	<b>479,003.24</b>	<b>9%</b>
<b>Contracts &amp; Services</b>								
Professional Services-General	294,316.00	294,316.00	108,510.73	185,805.27	5,382,473.78	657,877.30	4,724,596.48	88%
Professional Services-Accounting & Auditing	8,900.00	8,900.00	7,000.00	1,900.00	164,000.00	72,000.00	92,000.00	56%
Other Services-General	4,249.00	4,249.00	3,799.92	449.08	70,014.50	26,224.38	43,790.12	63%
Other Services-Billing Costs	14,952.00	14,952.00	11,747.27	3,204.73	177,219.83	59,691.25	117,528.58	66%
Public Relations-General	9,644.00	9,644.00	5,014.18	4,629.82	45,131.67	12,281.44	32,850.23	73%
Procurement Advertising	833.00	833.00		833.00	24,998.00	12,682.72	12,315.28	49%
Communication Services	10,871.00	10,871.00	13,059.07	(2,188.07)	116,254.45	54,573.20	61,681.25	53%
Freight and Postage	1,198.00	1,198.00	2,052.86	(854.86)	8,254.78	3,298.20	4,956.58	60%
Rentals and Leases	10,923.00	10,923.00	2,279.14	8,643.86	84,497.96	40,401.52	44,096.44	52%
Insurance	12,917.00	12,917.00		12,917.00	77,502.00	5,000.00	72,502.00	94%
County Service Charge	181,192.00	181,192.00	181,191.50	0.50	1,087,152.00	1,087,149.00	3.00	
Repairs and Maintenance-Water System	17,583.00	17,583.00	1,142.86	16,440.14	111,466.02	14,483.39	96,982.63	87%
Repairs and Maint-Non Water System	30,391.00	30,391.00	48,687.49	(18,296.49)	458,521.47	298,456.34	160,065.13	35%
<b>Total Contracts &amp; Services</b>	<b>597,969.00</b>	<b>597,969.00</b>	<b>384,485.02</b>	<b>213,483.98</b>	<b>7,807,486.46</b>	<b>2,344,118.74</b>	<b>5,463,367.72</b>	<b>70%</b>





Department of Water, County of Kauai  
 Monthly Budget Summary vs. Actual  
 SUMMARY  
 12/31/2020

	December				FY 2021			
	Original Budget	Revised Budget	Actual	Variance	Revised YTD Budget	YTD Actual	*Variance	Variance %
<b>Exceptional Expenses</b>								
FY2014 & FY2015 Kalaheo Emergency								
FY 2015 Kilauea								
Abandoning Hanamaulu Wells 1 & 2								
<b>Total Exceptional Expenses</b>								
<b>Fuel &amp; Utilities</b>								
Utility Services	238,657.00	238,657.00	299,892.83	(61,235.83)	1,470,423.30	1,226,762.16	243,661.14	17%
Fuel	10,208.00	10,208.00	6,973.94	3,234.06	78,730.50	42,995.67	35,734.83	45%
<b>Total Fuel &amp; Utilities</b>	<b>248,865.00</b>	<b>248,865.00</b>	<b>306,866.77</b>	<b>(58,001.77)</b>	<b>1,549,153.80</b>	<b>1,269,757.83</b>	<b>279,395.97</b>	<b>18%</b>
<b>Bulk Water Purchase</b>								
Bulk Water Purchase	151,681.00	151,681.00	126,481.57	25,199.43	910,086.00	485,078.25	425,007.75	47%
<b>Total Bulk Water Purchase</b>	<b>151,681.00</b>	<b>151,681.00</b>	<b>126,481.57</b>	<b>25,199.43</b>	<b>910,086.00</b>	<b>485,078.25</b>	<b>425,007.75</b>	<b>47%</b>
<b>Office &amp; Operating Supplies</b>								
Office Supplies	1,833.00	1,833.00	1,383.14	449.86	11,349.26	7,736.85	3,612.41	32%
Operating Supplies	78,484.00	78,484.00	78,959.36	(475.36)	810,598.59	425,156.67	385,441.92	48%
Books, Subscriptions and Dues	5,874.00	5,874.00	11,295.71	(5,421.71)	48,694.00	15,296.40	33,397.60	69%
Books, Subscriptions and Dues - Board	91.00	91.00	91.00	0.00	546.00	546.00	0.00	100%
<b>Total Office &amp; Operating Supplies</b>	<b>86,282.00</b>	<b>86,282.00</b>	<b>91,638.21</b>	<b>(5,356.21)</b>	<b>871,187.85</b>	<b>448,189.92</b>	<b>422,997.93</b>	<b>49%</b>
<b>Training, Travel &amp; Meeting Expenses</b>								
Training and Development	6,966.00	6,966.00	723.93	6,242.07	41,796.00	6,672.23	35,123.77	84%
Travel and Per Diem	4,638.00	4,638.00	4,638.00	0.00	27,828.00	27,828.00	0.00	100%
Travel and Per Diem - Board								
Meeting Expense	1,656.00	1,656.00	11.51	1,644.49	9,936.00	25.73	9,910.27	100%
Meeting Expense - Board								
<b>Total Training, Travel &amp; Meeting Expenses</b>	<b>13,260.00</b>	<b>13,260.00</b>	<b>735.44</b>	<b>12,524.56</b>	<b>79,560.00</b>	<b>6,697.96</b>	<b>72,862.04</b>	<b>92%</b>
<b>Debt Service</b>								
Interest Expense	252,109.00	252,109.00	245,293.44	6,815.56	1,512,654.00	1,471,760.64	40,893.36	3%
<b>Total Interest Expense</b>	<b>252,109.00</b>	<b>252,109.00</b>	<b>245,293.44</b>	<b>6,815.56</b>	<b>1,512,654.00</b>	<b>1,471,760.64</b>	<b>40,893.36</b>	<b>3%</b>
<b>Total Operating Expenses</b>	<b>2,285,522.00</b>	<b>2,285,522.00</b>	<b>2,012,113.57</b>	<b>273,408.43</b>	<b>18,342,264.11</b>	<b>11,158,736.10</b>	<b>7,183,528.01</b>	<b>39%</b>
<b>Net Operating Income (Loss) Before Depreciation &amp; Amortization</b>	<b>\$361,836.00</b>	<b>\$361,836.00</b>	<b>\$236,777.22</b>	<b>(\$125,058.78)</b>	<b>(\$2,458,116.11)</b>	<b>\$3,812,528.66</b>	<b>\$6,270,644.77</b>	<b>(255%)</b>
<b>Depreciation &amp; Amortization</b>								
Depreciation	541,667.00	541,667.00	580,675.24	(39,008.24)	3,250,002.00	3,480,705.50	(230,703.50)	(7%)
Amortization	62,721.00	62,721.00	19,501.05	43,219.95	376,326.00	117,313.17	259,012.83	69%
<b>Total Depreciation &amp; Amortization</b>	<b>604,388.00</b>	<b>604,388.00</b>	<b>600,176.29</b>	<b>4,211.71</b>	<b>3,626,328.00</b>	<b>3,598,018.67</b>	<b>28,309.33</b>	<b>1%</b>
<b>Net Operating Income (Loss)</b>	<b>(242,552.00)</b>	<b>(242,552.00)</b>	<b>(363,399.07)</b>	<b>(120,847.07)</b>	<b>(6,084,444.11)</b>	<b>214,509.99</b>	<b>6,298,954.10</b>	<b>(104%)</b>



Department of Water, County of Kauai  
 Monthly Budget Summary vs. Actual  
 SUMMARY  
 12/31/2020

	December				FY 2021			
	Original Budget	Revised Budget	Actual	Variance	Revised YTD Budget	YTD Actual	*Variance	Variance %
Non Operating Proceeds								
FRC-Facility Reserve Charge	33,333.00	33,333.00	100,555.00	67,222.00	199,998.00	821,633.55	621,635.55	311%
<b>Total Non Operating Proceeds</b>	<b>33,333.00</b>	<b>33,333.00</b>	<b>100,555.00</b>	<b>67,222.00</b>	<b>199,998.00</b>	<b>821,633.55</b>	<b>621,635.55</b>	<b>311%</b>
Transfers Out(In) to Other Funds								
Debt Principal Payment	430,045.00		131,974.27	(131,974.27)	4,014,034.00	4,266,231.13	(252,197.13)	(6%)
<b>Net Proceeds (Expenditures)</b>	<b>(639,264.00)</b>	<b>(209,219.00)</b>	<b>(394,818.34)</b>	<b>(185,599.34)</b>	<b>(9,898,480.11)</b>	<b>(3,230,087.59)</b>	<b>6,668,392.52</b>	<b>(67%)</b>
<b>II. CAPITAL BUDGET</b>								
Capital Projects (See Attached for Details)	2,350,620.00	2,350,620.00	1,309,609.77	1,041,010.23	30,788,081.81	3,050,654.13	27,737,427.68	90%



Department of Water, County of Kauai  
 Monthly Budget Summary vs. Actual  
 SUMMARY  
 12/31/2020

	December				FY 2021			
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Revised YTD Budget</u>	<u>YTD Actual</u>	<u>*Variance</u>	<u>Variance %</u>
Capital Projects (See Attached for Details):								
Water Utility - Capital Projects (See Attached for Details)	1,794,370.00	1,794,370.00	1,309,609.77	484,760.23	24,004,384.87	3,007,404.13	20,996,980.74	87%
FRC Special Trust Fund - Capital Projects (See Attached for Details)	56,250.00	56,250.00		56,250.00	808,383.22		808,383.22	100%
BAB Fund - Capital Projects (See Attached for Details)	500,000.00	500,000.00		500,000.00	5,975,313.72	43,250.00	5,932,063.72	99%
SRF Loan Fund - Capital Projects (See Attached for Details)								
Total Capital Projects (See Attached for Details)	2,350,620.00	2,350,620.00	1,309,609.77	1,041,010.23	30,788,081.81	3,050,654.13	27,737,427.68	90%



Department of Water, County of Kauai  
 Monthly Budget Summary vs. Actual  
 10  
 12/31/2020

	December				FY 2021			
	Original Budget	Revised Budget	Actual	Variance	Revised YTD Budget	YTD Actual	*Variance	Variance %
Capital Projects (See Attached for Details):								
10-02-00-604-999 WU-IT-RandR Capital Purchases--	9,359.00	9,359.00	70.90	9,288.10	239,894.34	53,375.13	186,519.21	78%
10-02-00-605-999 WU-IT-Expansion Capital Purchases--	13,333.00	13,333.00	8,232.97	5,100.03	104,941.47	51,714.86	53,226.61	51%
10-10-40-604-999 WU-QualRandR Capital Purchases	3,333.00	3,333.00		3,333.00	19,998.00		19,998.00	100%
10-20-00-604-001 WU-Eng-ALLR-17-10-KW-07 Paua Valley Tank Repair	7,083.00	7,083.00		7,083.00	59,768.12		59,768.12	100%
10-20-00-604-132 WU-Eng-ALLR-13-05 Kolo Rd Main Replacement					2,712.50		2,712.50	100%
10-20-00-604-138 WU-Eng-69%R-11-07 HE-03 Hanapepe & Koloa Well MCC					24,467.50		24,467.50	100%
10-20-00-604-146 WU-Eng-12%R-Job 15-7 HE-01&10HanapepeEleleeConn PL					3,426.68		3,426.68	100%
10-20-00-604-148 WU-Eng-56%R-Kuhio Hwy Hardy-Oxford 16IN Main Repla					171,593.09	8,148.07	163,445.02	95%
10-20-00-604-157 WU-Eng-16-4-WKK-03-Kilauea Wells MCC Rehab	20,833.00	20,833.00		20,833.00	191,861.70		191,861.70	100%
10-20-00-604-160 Job 18-02 Islandwide Rehabilitation of Tanks					346,218.15		346,218.15	100%
10-20-00-604-164 WU-Eng-Job. 18-9 Makaleha Tunnel					229,632.00		229,632.00	100%
10-20-00-604-999 WU-Eng-RandR Capital Purchases	833.00	833.00	3,215.00	(2,382.00)	4,998.00	4,233.00	765.00	15%
10-20-00-605-139 WU-Eng-ALLE-02-11 M-02 100K Tank & Pipeline Moloaa					125,200.00		125,200.00	100%
10-21-00-604-001 Job 17-10 KW-07 Paua Valley Tank Repair					2,375,000.00	107,541.25	2,267,458.75	95%
10-21-00-604-029 WU-Cns-44%R-09-01 Yamada Tank Clearwell, Conn Pipe	1,100,000.00	1,100,000.00		1,100,000.00	6,600,000.00		6,600,000.00	100%
10-21-00-604-146 Job 15-07 HE-01 HE-10 Kaunualii Hwy 16" Main Boost			1,240,063.00	(1,240,063.00)	4,931,895.55	2,554,126.86	2,377,768.69	48%
10-21-00-604-157 Job 16-4 WKK-03-Kilauea Wells MCC Rehab	312,917.00	312,917.00		312,917.00	1,877,502.00		1,877,502.00	100%
10-21-00-604-167 WU-CM-R&R-Kukuiilono Tank Demo	62,500.00	62,500.00		62,500.00	375,000.00		375,000.00	100%
10-21-00-604-999 WU-CM-RandR Capital Purchases	833.00	833.00		833.00	4,998.00		4,998.00	100%
10-21-00-605-017 Job 16-02 PLH-35B Kapaia Cane Haul Rd 18" Main					3,195,675.00		3,195,675.00	100%
10-21-00-605-118 Job 02-14 WK39 WK08 Kapaa Hmstd Well 4; Pkg A Well					603,660.83		603,660.83	100%
10-21-00-605-146 Job 15-07 HE-01 HE-10 Kaunualii Hwy 16" Main Boost					125,231.08		125,231.08	100%
10-21-00-605-999 WU-CM-Expansion Capital Purchases	833.00	833.00		833.00	4,998.00		4,998.00	100%
10-30-00-604-999 WU-Bill-RandR Capital Purchases	13,250.00	13,250.00		13,250.00	79,500.00		79,500.00	100%
10-40-00-604-166 WU-Operations-R&R-SWTP Delivery Agreement-GroveFar	183,496.00	183,496.00		183,496.00	1,100,976.00		1,100,976.00	100%
10-40-00-604-999 WU-Ops-RandR Capital Purchases	64,250.00	64,250.00	58,027.90	6,222.10	720,086.95	97,431.87	622,655.08	86%
10-40-00-605-999 WU-Ops-Expansion Capital Purchases	1,517.00	1,517.00		1,517.00	485,149.91	130,833.09	354,316.82	73%
<b>Total Capital Projects (See Attached for Details)</b>	<b>1,794,370.00</b>	<b>1,794,370.00</b>	<b>1,309,609.77</b>	<b>484,760.23</b>	<b>24,004,384.87</b>	<b>3,007,404.13</b>	<b>20,996,980.74</b>	<b>87%</b>



Department of Water, County of Kauai  
 Monthly Budget Summary vs. Actual  
 20  
 12/31/2020

	<u>December</u>				<u>FY 2021</u>			
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Revised YTD Budget</u>	<u>YTD Actual</u>	<u>*Variance</u>	<u>Variance %</u>
Capital Projects (See Attached for Details):								
20-20-00-605-117 FRC-Eng-ALLE-12-02 WK-23 UH Expmntal Storage Tank					26,832.00		26,832.00	100%
20-20-00-605-118 Job 04-08 WK-39 Drill Kapaa Homestead Well 4	37,500.00	37,500.00		37,500.00	305,926.50		305,926.50	100%
20-20-00-605-120 FRC-Eng-90%E-Kilauea 1.0MG Tank Job 02-06					7,212.24		7,212.24	100%
20-20-00-605-153 Job 15-08-HW-11-Haena 0.2MG Tank					58,672.48		58,672.48	100%
20-20-00-605-154 Job 17-11 Drill & Test Kilauea Well #3					297,240.00		297,240.00	100%
20-21-00-605-161 FRC-Cns-Hanapepe River Bridge Kaumualii Hwy	18,750.00	18,750.00		18,750.00	112,500.00		112,500.00	100%
Total Capital Projects (See Attached for Details)	56,250.00	56,250.00		56,250.00	808,383.22		808,383.22	100%

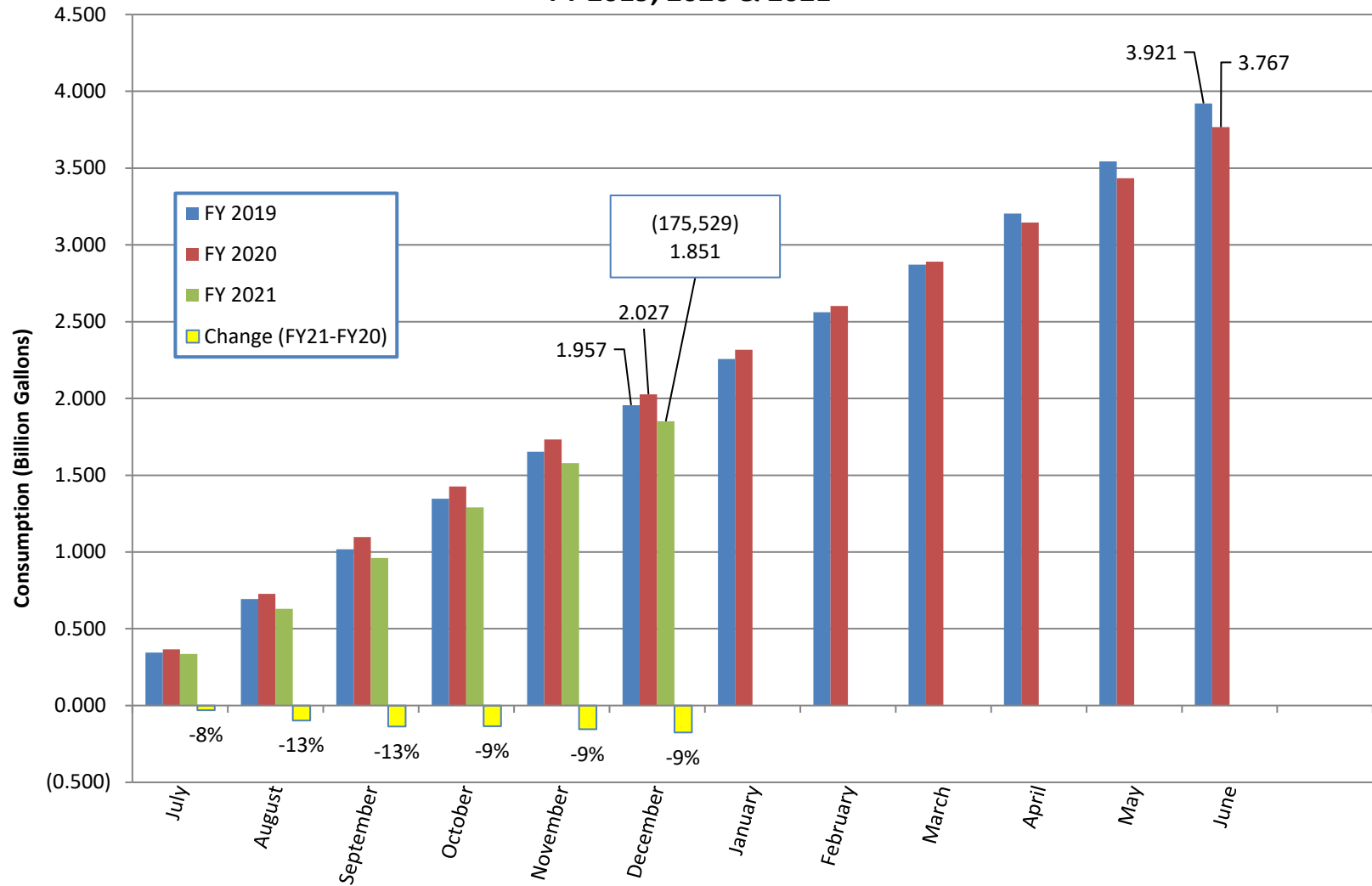


Department of Water, County of Kauai  
 Monthly Budget Summary vs. Actual  
 30  
 12/31/2020

	December				FY 2021			
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Revised YTD Budget</u>	<u>YTD Actual</u>	<u>*Variance</u>	<u>Variance %</u>
Capital Projects (See Attached for Details):								
30-20-00-604-105 BAB-Eng-ALLR-09-01 K-01 Kalaheo 1111FT & 1222FT					332,924.26		332,924.26	100%
30-20-00-605-120 BAB-Cns-ALLE-02-06WKK15-Kilauea 466 Tank Puu Pane					22,649.00		22,649.00	100%
30-20-00-605-125 BAB-Eng-98%E-02-01 Land for Kukuiolono Tank Site					53,508.05		53,508.05	100%
30-20-00-605-139 BAB-Eng-ALLE-02-11 M-02 100K Tnk & Pipeline Moloaa					94,222.00		94,222.00	100%
30-21-00-604-017 Job 16-02 PLH-35B Kapaia Cane Haul Rd 18" Main					1,091,650.00		1,091,650.00	100%
30-21-00-604-107 Job 11-07 KP-09-MCC Chlor KoloaWell16-A,B,E					1,323,634.55		1,323,634.55	100%
30-21-00-605-029 BAB--09-01 Yamada Tank Clearwell, Conn Pip	500,000.00	500,000.00		500,000.00	3,000,000.00		3,000,000.00	100%
30-21-00-605-118 Job 04-08 WK39 WK08 Kapaa Hmstd Well 4; Pkg A Well					56,725.86	43,250.00	13,475.86	24%
Total Capital Projects (See Attached for Details)	500,000.00	500,000.00		500,000.00	5,975,313.72	43,250.00	5,932,063.72	99%

FY 2020 - 2021 Certification of Funds					REPORTS TO MANAGER (RTM)				MANAGER'S REPORT (MR) - New or Additional Funds			
DATE	Contract #	Description	ACCOUNT #	CO/OE	W/U (10)	FRC (20)	BAB (30)	SUB-TOTAL	W/U (10)	FRC (20)	BAB (30)	SUB-TOTAL
7/23/2020	MOA	Kahiliholo Rd. Culvert Repair Project	10-40-00-604-999					-	44,100.00			44,100.00
7/23/2020	MOA	Reconstruction of WEKE Rd. & reinstallation of damaged water main and appurtunances	10-21-00-604-165					-	139,215.00			139,215.00
9/24/2020	701	Job No. 20-03 SCADA Contract	10-40-60-560-000		150,000.00			150,000.00	16,702.00			16,702.00
9/24/2020	702	Job No. 20-06, Wailua Homesteads Wells A&B	10-20-10-540-010		97,690.00			97,690.00				-
9/24/2020	703	Job No. 20-05 - Waimea Well B Pump Repl	10-40-00-604-999		84,124.62			84,124.62				-
9/24/2020	666	ITSP - IT Support	10-10-10-540-010					-	160,000.00			160,000.00
10/22/2020	639	Job No. 17-10, WP 2020 KW-07, Rehabilitate Paua Valley Tank #1	10-20-00-604-001					-	212,719.00			212,719.00
10/22/2020	639	Job No. 17-10, WP 2020 KW-07, Rehabilitate Paua Valley Tank #1	10-20-00-604-001					-	(212,719.00)			(212,719.00)
10/15/2020	427	Reinstatement of Contract Balance	30-20-00-605-116					-			40,978.70	40,978.70
11/10/2020	704	Furnishing & Delivery of Sewage Lift Station Control System	10-40-00-604-999		23,056.00			23,056.00				-
11/19/2020	639	4th Am.; contract # 639 Job No. 17-10, WP2020 Project 10th Am; contract # 427 Job No. 02-14, WP 2020 WK+08	10-20-00-604-000					-	292,719.00			292,719.00
11/19/2020	427	Kapaa Homesteads 325' Tanks.	30-20-00-605-116					-			45,000.00	45,000.00
12/17/2020	639	Job No. 17-10, WP 2020 KW-07, Rehabilitate Paua Valley Tank #1 (Rescind 10/22/20 and resubmitted	10-20-00-604-001					-	251,069.00			251,069.00
12/17/2020	N/A	MR 21-15; Salaries, supplemental budget.						-	397,530.00			397,530.00
1/21/2020	637	4th_Am. As Needed CM- Hanapepe WL	10-21-10-540-010					-	217,815.00			217,815.00
1/11/2021	627	MMIS	10-40-560-561-000		20,000.00			20,000.00				-
								-				-
								-				-
								-				-
					374,870.62	-	-	374,870.62	1,519,150.00	-	85,978.70	1,605,128.70

## YTD CUMULATIVE WATER CONSUMPTION FY 2019, 2020 & 2021

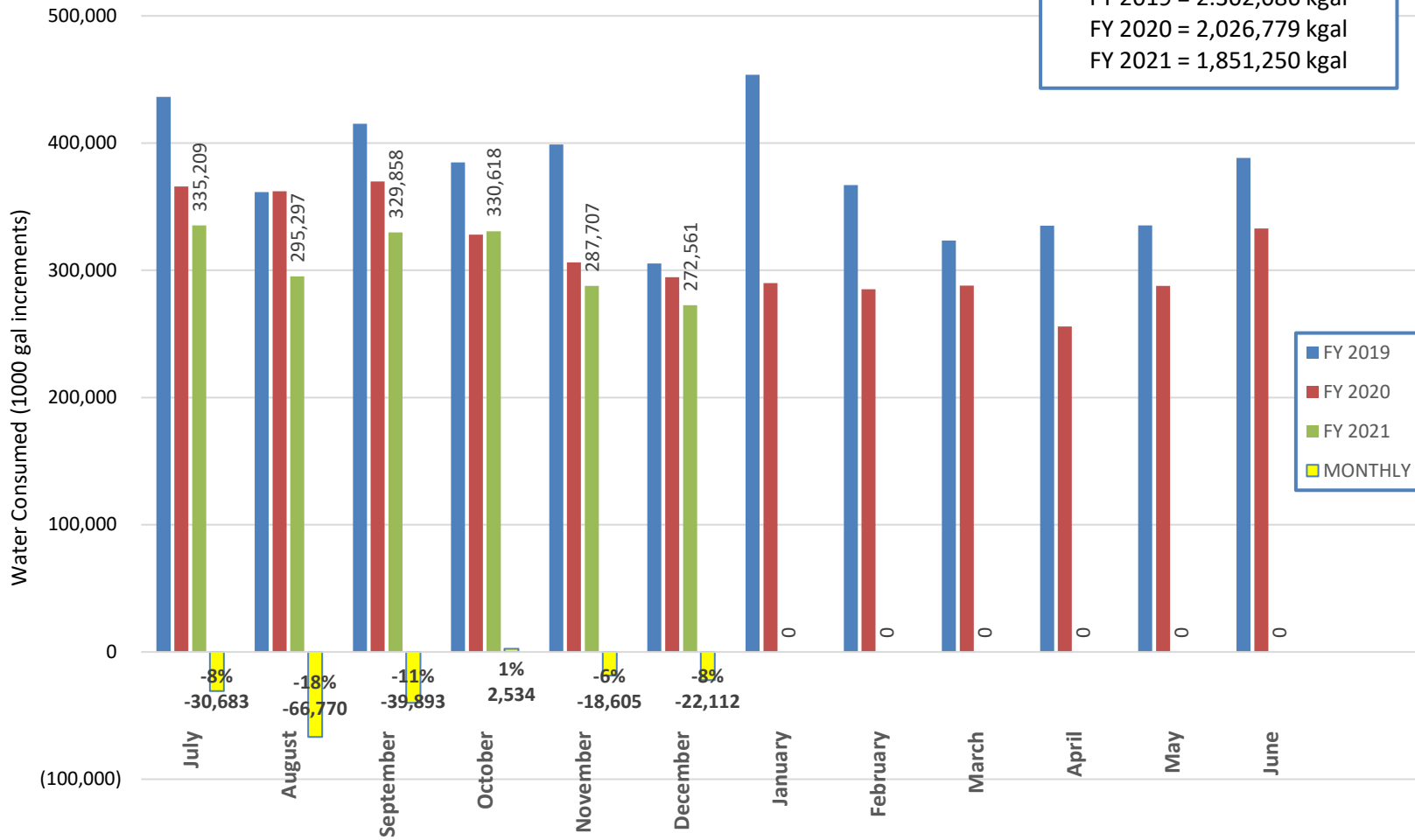




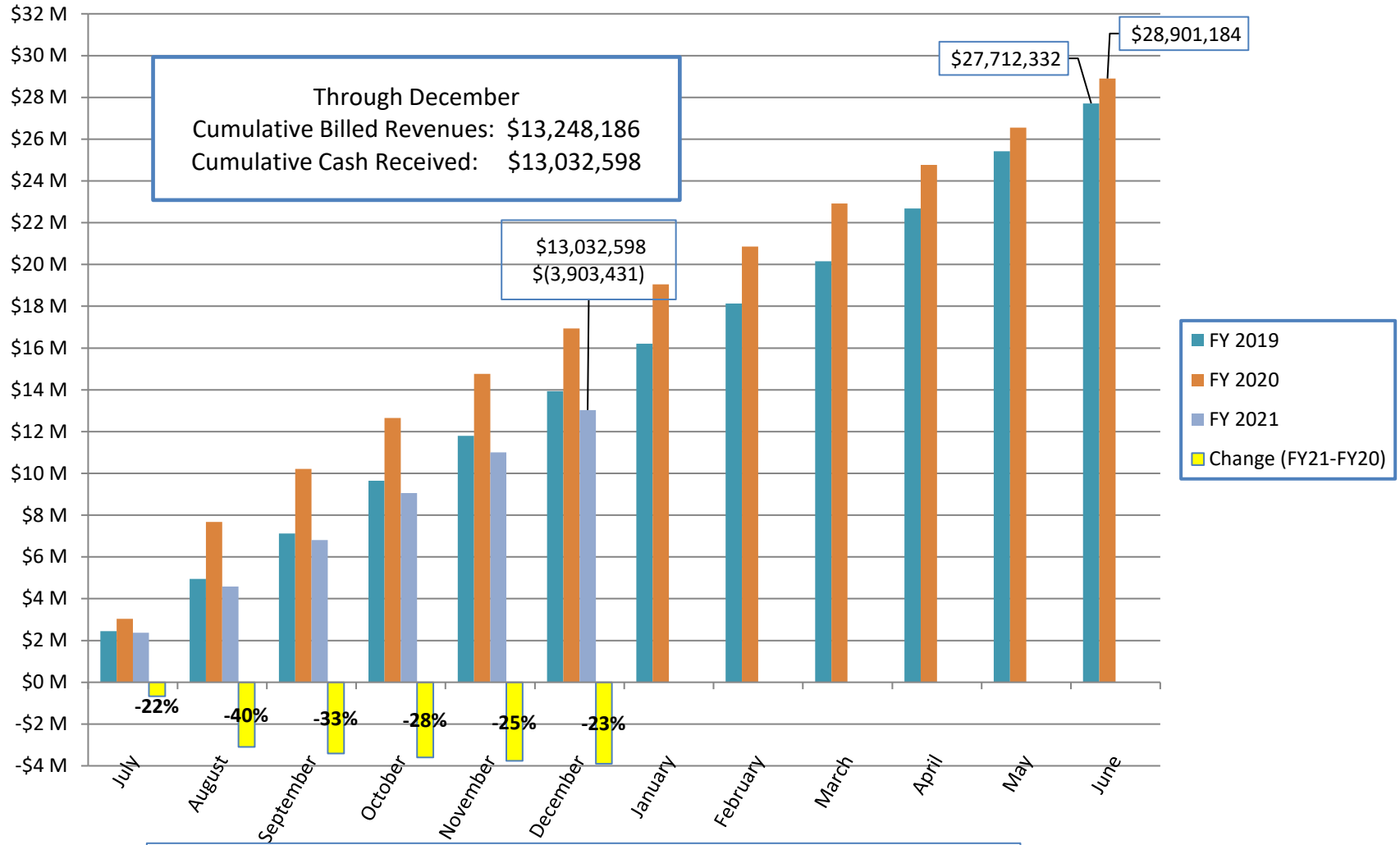
# MONTHLY CONSUMPTION

FY 2019, 2020 & 2021

Total Through December  
 FY 2019 = 2,302,086 kgal  
 FY 2020 = 2,026,779 kgal  
 FY 2021 = 1,851,250 kgal



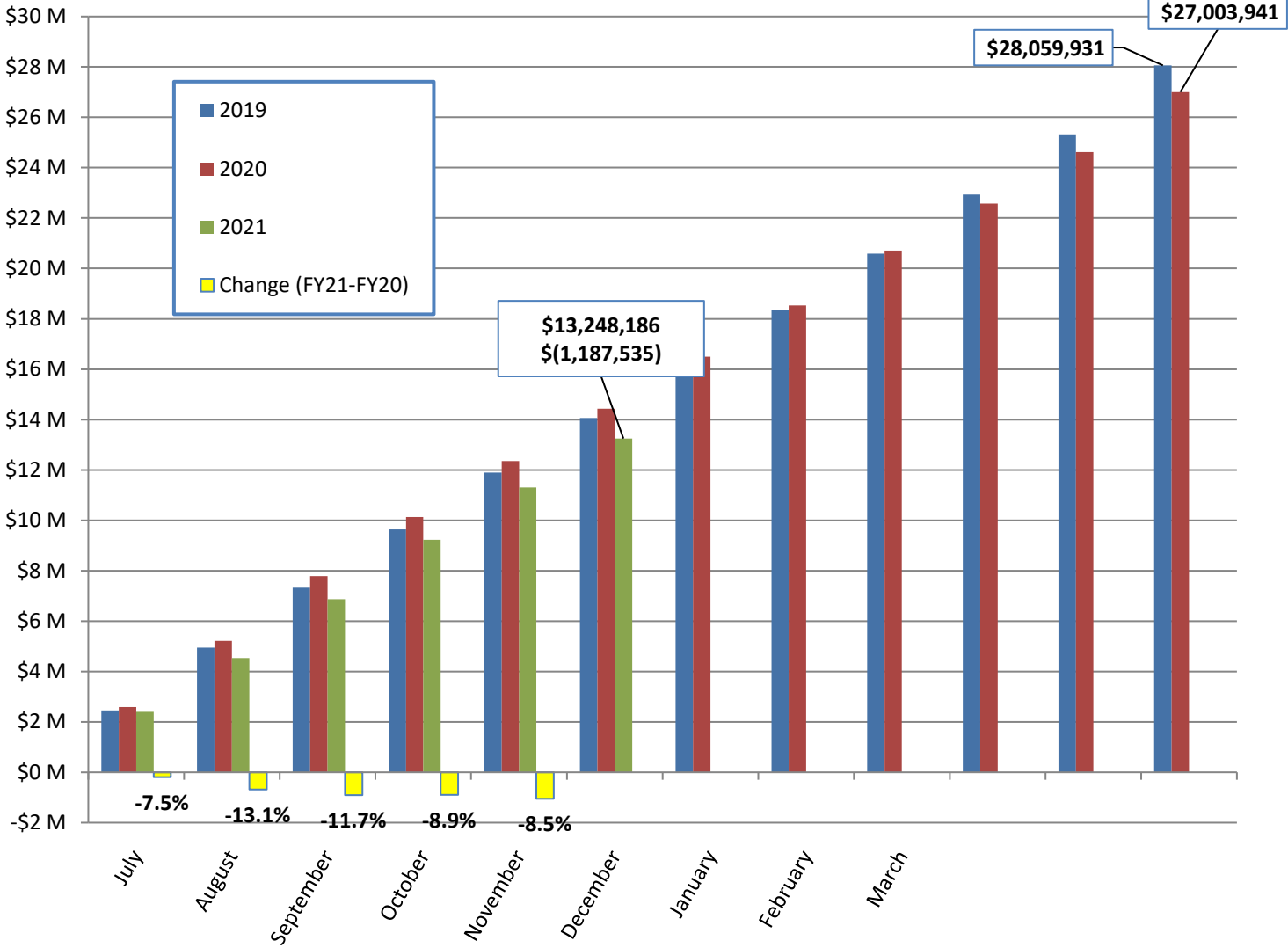
## WU CUMULATIVE CASH RECEIPTS FY 2019, 2020 & 2021



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

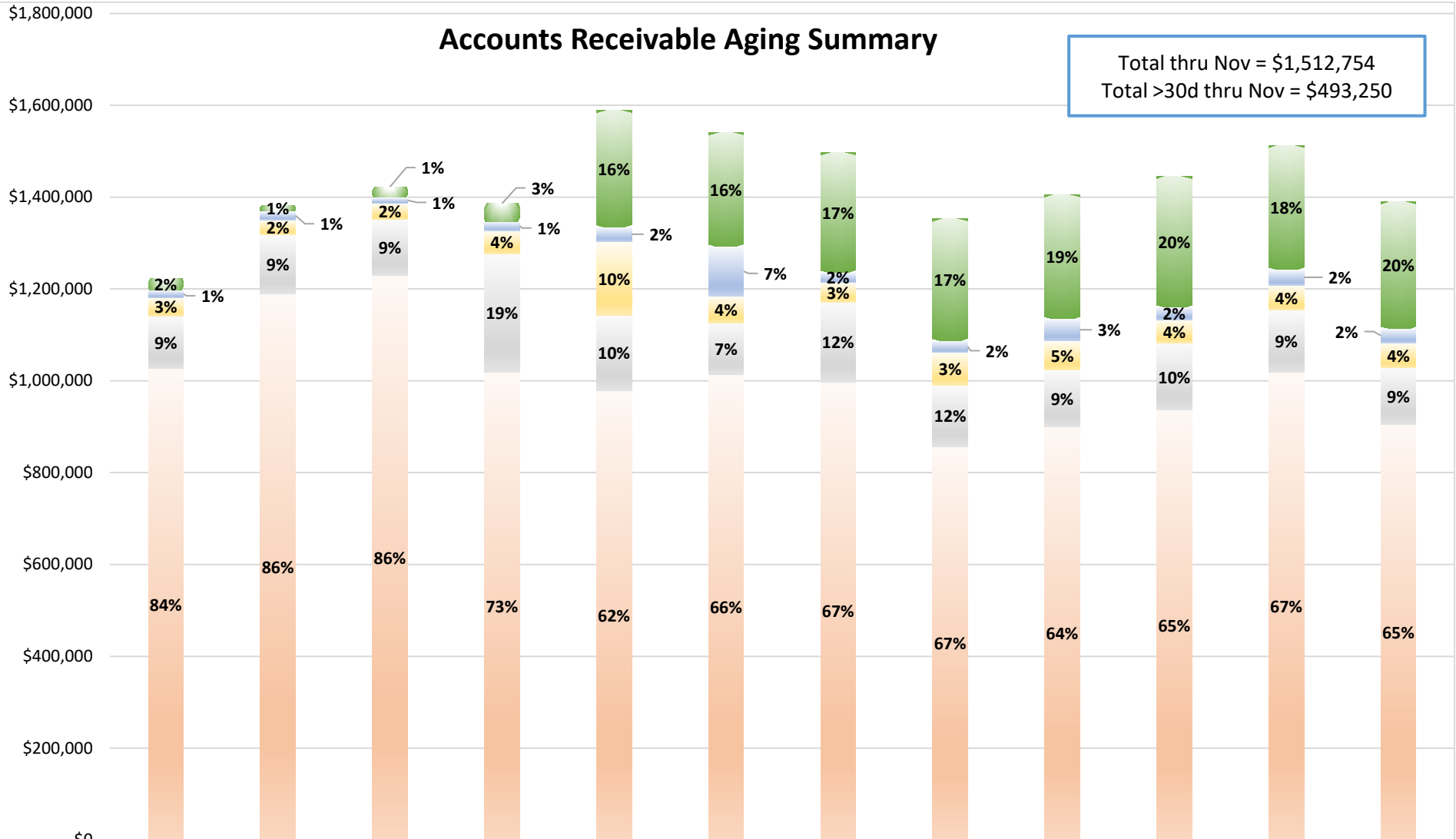
# CUMULATIVE BILLED REVENUES

FY 2019, 2020 & 2021



## Accounts Receivable Aging Summary

Total thru Nov = \$1,512,754  
Total >30d thru Nov = \$493,250



	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
121 days and over	\$24,330	\$12,326	\$22,887	\$38,823	\$253,755	\$247,167	\$259,985	\$265,097	\$269,845	\$284,230	\$270,064	\$275,630
91-120 days	\$17,200	\$18,953	\$13,058	\$20,048	\$31,926	\$109,466	\$22,617	\$26,278	\$48,399	\$27,822	\$34,480	\$31,783
61-90 days	\$39,702	\$31,955	\$35,486	\$50,533	\$160,892	\$57,756	\$42,403	\$70,981	\$63,689	\$51,326	\$54,366	\$54,399
31-60 days	\$115,141	\$128,663	\$121,758	\$257,987	\$163,476	\$112,070	\$174,030	\$133,850	\$123,235	\$145,805	\$134,340	\$123,236
0-30 days	\$1,026,241	\$1,189,752	\$1,229,258	\$1,018,686	\$978,907	\$1,013,854	\$997,485	\$856,561	\$900,032	\$935,900	\$1,019,504	\$904,886

## Assets and Deferred Outflows

### Current Assets

Cash	\$7,924,154.52
Equity interest in pooled investments	8,294,230.00

### Receivables:

Accounts, net of allowance for doubtful accounts	1,332,699.63
Due from other funds	
Unbilled accounts	1,378,549.63
Grants and subsidies	2,887,865.98
Accrued interest	209,775.36

<b>Total receivables</b>	<b>5,808,890.60</b>
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Materials and supplies	1,089,731.90
Prepaid expenses	43,875.18

<b>Total current asset</b>	<b>23,160,882.20</b>
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### Restricted Assets:

#### Facility reserve charge funds:

Cash	2,743,937.99
Equity interest in pool investments	
Accounts receivable and other	219,895.89

<b>Total facility reserve charge funds</b>	<b>2,963,833.88</b>
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#### Bond funds:

Cash	1,224,895.47
Equity interest in pooled investments	8,625,324.78
Accrued interest	39,439.66

<b>Total bond funds</b>	<b>9,889,659.91</b>
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<b>Total restricted assets</b>	<b>12,853,493.79</b>
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### Equity Interest in Pooled Investment - Noncurrent

Investment - Non-Current	24,482,215.70
Investment - Reserves	9,300,000.00
Investment - Debt Service Reserve	

<b>Total Equity Interest in Pooled Investment - Noncurrent</b>	<b>33,782,215.70</b>
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### Utility Plant:

In service	346,915,304.39
Accumulated depreciation	(145,016,008.90)

<b>Total utility plant</b>	<b>201,899,295.49</b>
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Construction work in progress	18,870,076.42
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<b>Total property, plant and equipment</b>	<b>220,769,371.91</b>
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<b>Total assets</b>	<b>290,565,963.60</b>
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Deferred Outflow of Resources - Deferred Refunding Costs, net	8,691,610.28
<b>Total assets and deferred outflows</b>	<b>299,257,573.88</b>

**\*Allowance for doubtful accounts** **(242,004.30)**

**Liabilities and Net Position**

**Current Liabilities:**

Accounts payable and accrued liabilities	2,356,153.77
Contracts payable, including retainages	626,258.61
Accrued Vacation And Compensatory Pay, current portion	581,336.63
Due to/Due From Other Funds	
Customer overpayment	180,925.09
Customer deposits and advances	485,147.49
Current portion of long term debt	5,160,540.98
Current portion of capital lease obligation	0.03
<b>Total current liabilities</b>	<b>9,390,574.33</b>

Long-Term Debt	57,865,060.43
Capital Lease Obligation	
OPEB & Retirement Benefits	31,132,093.20
Accrued Vacation and Compensatory Pay	971,573.47
Deferred Inflow of Assets	555,205.00
<b>Total liabilities and deferred inflows:</b>	<b>99,914,506.43</b>

**Net Position:**

Water Utility Reserves	9,300,000.00
Restricted FRC	2,955,983.12
Restricted Build American Bonds	9,782,627.24
Invested in Capital Assets Net of Related Debt	157,720,413.67
Unrestricted	19,584,043.42
<b>Total net position</b>	<b>199,343,067.45</b>

**Total liabilities, deferred inflows and net position:** **299,257,573.88**

# DEPARTMENT OF WATER

County of Kaua'i

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

## INFORMATION & EDUCATION SPECIALIST REPORT

January 21, 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](http://www.kauai.gov/press-releases).

### **Service Announcements:**

<i>Date Issued</i>	<i>Water System &amp; Affected Service Areas</i>	<i>Announcement</i>	<i>Effective Date &amp; Times</i>	<i>Other Notices</i>
12/15	POIPU - Portion of Lawai Road; from Ho'ona Road to the Lawai Beach Resort in Poipu.	Water service shutdown -Service lateral replacement	Dec. 17, 2020 9 a.m. to 2 p.m.	BlackBoard CTY Direct Calls to resorts
12/17	WAILUA – Portion of Kuhio Highway; near intersection of Kuamo'o Road and the Wailua Bridge.	One lane road closure -Main line break repairs *No customers affected	Dec. 17, 2020 10 a.m. to 4 p.m.	
12/21	WAILUA – Portion of Kuamo'o Road; between Opaeka'a Road & Pa'ako Street, including Lihau Street, Kuhoho Street, Aleo Street, Pa'ako Street, Iliki Street, Hie Street, Molo Street and Alahele Street.	Water service shutdown -Emergency repairs to recent main line break.	Dec. 21, 2020 10 a.m. to 2:30 p.m.	BlackBoard CTY

### **Other Media:**

- A news release was issued on Dec. 7, 2020 to announce the Department of Water as a recipient of the 2019-2020 Hawaii Green Business Award. The Department was recently honored for its environmentally conscious logistics and water conservation efforts during its 16<sup>th</sup> Annual Make a Splash water education festival. The award is part of the state's Hawaii Green Business Program, which is administered by the Department of Business, Economic Development and Tourism (DBEDT) and its partners.
  - An article titled "Ige honors green: The Cliffs at Princeville, Department of Water recognized" acknowledged the Department's receipt of the Hawaii Green Business Award and Governor's Commendation from Governor David Ige. The article was published in the Garden Island Newspaper on Dec. 10, 2020 (*Attached*).
- The Department's field employees received positive praise for their mindful work ethic during recent water line improvement work in Poipu. The compliment was from Koloa resident, Andy Murphy, and was published in the Letters to the Editor section; entitled "Mahalo, Westside water crew", in the Garden Island Newspaper on December 23, 2020 (*Attached*).

### **Public Relations Program**

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

- Jonell Kaohelauli'i designed and submitted a water conservation advertisement for Kauai Family Magazine's Spring 2021 issue. The ad focused on water-related lawn and garden tips for the spring season.
- A print advertising contract with the Garden Island Newspaper has been finalized. Weekly advertisements are scheduled to begin on Jan. 13th and will include public messages to promote the Department's services and conservation. It may also include special

announcements to support all divisions, as part of the “Wise Water Wednesday” campaign. Wise Water Wednesday’s campaign messages will be promoted simultaneously on Wednesdays thru June 30<sup>th</sup>. Messaging platforms will include Facebook, radio and newspaper.

- The Department participated in a virtual ceremony for the Water Conservationist of the Year Award, hosted by the East & West Kauai Soil and Water Conservation District (EWKSWCD) on Jan. 8<sup>th</sup>. The ceremony honored 2 recipients; Brad Seymour of Seymour Resources Hawaii and local farmer, Steve Gnazzo for their extensive water conservation efforts in 2020. The Department continues to support agencies; such as EWKSWCD, as an extension of its existing conservation program.

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

- March 15-19, 2021 – Fix a Leak Awareness Week

### **Project WET Hawaii**

- Jonell will be participating in the “Getting Little Feet WET” Facilitator workshop and webinar for additional training and certification. The training will be held virtually on Jan. 14 and will be conducted by Project WET.

JK/ein

Attachments:        *The Garden Island* (Ige honors green)  
                              *The Garden Island* (Mahalo Westside Water Crew)

Mgrpp/January 2021/Education & Information Specialist Report (1-21-21):ein





Translate to ▼

## Ige honors green

*The Cliffs at Princeville, Department of Water recognized*

Stephanie Shinno

THE GARDEN ISLAND

LIHU'E — Last week, Gov. David Ige honored 20 businesses, venues, and events for their energy efficiency and sustainable business practices in the Hawai'i Green Business Program (HGBP) which is apart of the Hawai'i State Energy Office, and two honorees are from Kaua'i.

The Kaua'i Department of Water's (DOW) 16th Annual "Make a Splash" Festival was one of the events to receive this award.

"As leaders for water education, we are continuously seeking to improve our approach towards how the community values water and our natural resources," DOW's Information and Education Specialist Jonell Kaohelaulii said. "Encouraging attendees to bring their own reusable water bottle was an important part of the event's announcements.

"Additionally, preparations for the event included gathering compostable products, recyclable cardboard boxes and recycled papers to be sorted, compiled and prepared for use at the event," Kaohelaulii said.

According to DOW, the Make a Splash with Project WET water education festival is a student-focused event that gathers nearly 800 fifth grade students and teachers for an interactive, hands-on educational experience.

Dow said 12 activity stations were offered in 2019 that addressed water topics such as resource management, conservation, water quality and filtration, environmental impact from natural disasters, the importance of drinking water service, and more.

"Environmental impact is taken into consideration in every DOW project and our annual water education festival is no different," Kaohelaulii said. "We took the necessary steps to replace materials with compostable and recycled products; and by doing so, we're able to eliminate plastic waste and minimize trash at the event."

When DOW coordinated their event; they had two goals in mind. The first goal was to provide an exciting, interactive water education experience for students and their second goal was to improve the event's green efforts by applying the HGBP's checklist of green business recommendations.

"The DOW's efforts to minimize environmental impact is paramount in all areas of our operations and we are honored to be recognized as a Hawai'i Green Business Award

recipient this year," Board Chair of the Kaua'i Board of Water Supply Kurt Akamine said. "Providing water education at an environmentally conscious event is a win-win for sustainability on our island and we could not have done it without our hard-working staff, partnering agencies, and participating residents."

DOW's other green efforts included: activities that featured reusable supplies, change from paper to email registration forms, offered compostable and recycle bins throughout the event, purchased eco-friendly versions of required event materials; such as compostable napkins, bags made of recycled materials, etc.

Transportation offered by bus or carpool to and from the event. Post-event, staff collected reusable name-tag holders, cleaned and washed supplies, carefully restored items, and used leftover water from activities to feed grass and plants nearby.

DOW said in addition to other recommendations aligned with the state's green business program, no electricity was used during the event.

Another Kaua'i honoree was The Cliffs at Princeville, and General Manager Jim Braman is thrilled.

"The Cliffs at Princeville is proud to be awarded the state of Hawai'i's Green Business certification for the second year in a row," Braman said. "We are all the luckiest people in the world to get to live in one of the most beautiful islands in the world. We need to act like it."

Braman said any business can be a part of this program, and once they join the Department of Health will oversee it.

"You start to go through a checklist," Braman said. "And you can expand from there, we did it for several years. We are super proud to be apart of it and hope more businesses on Kaua'i will take advantage of the opportunity."

Braman also talked about another award his resort received as well.

"Greening is huge for us," Brahman said. "Last year April, we were voted number one in the nation by the RCI (Resort Recognition Program) Award.

According to Braman, The Cliffs at Princeville has 3,000 operating solar panels, which generates 53% of the resort's electricity. They also have 200 Tesla Powerwall 2 batteries powered up. And the last two years, the resort saved over a million gallons of water.

"We also planted more than 100 native trees on our property," Braman said. "It's really a big thing for us to be the greenest resort we can possibly be," Braman said.

The Cliffs at Princeville's also has an annual sustainability report that addresses six categories: Climate Change and Resiliency;

-continued-

Operations & Community Engagement; Energy Consumption & Renewable Energy Production; Land Use and Maintenance; Water Use & Conservation and Waste Management & Recycling.

Ige praised the awardees for their commitment to conserving energy and water, reducing waste, and protecting Hawai'i's environment.

"This group of HGBP awardees has put in the time and effort to demonstrate their excellent stewardship of the environment and a strong commitment to helping Hawai'i achieve energy independence," Ige said. "They have shown that becoming greener and more sustainable not only benefits the environment, it makes good business sense."

The state said all of the awardees were recognized during the annual HGBP awards ceremony, which was held virtually for the first time on Dec. 4 due to the COVID-19 pandemic.

And the Hawai'i State Energy Office, the Hawai'i State Department of Health, and the Honolulu Board of Water Supply hosted the ceremony.

The HGBP, which was created by the Hawai'i State Energy Office and the Department of Health in 2002, provides technical assistance to businesses, government agencies, and nonprofits seeking to operate in a more environmental and socially responsible manner.

###

**Mahalo, Westside water crew**

Last week, I had been notified that the water would be turned off at our condo on Lawa'i Road as a buried line and valve needed necessary replacement. The water department crew arrived promptly and began its work.

I was disappointed but not surprised to see that they had to remove a hedge of song of India bushes that had been planted a couple of years ago to lessen the sound from traffic on the adjacent road. I requested that they not destroy the plants, as I thought I might be able to replant them after they concluded their work. The job was finished later in the afternoon and I was about to check and remind them to leave the plants intact. Much to my surprise, I found that the crew was in the process of digging holes and replanting the bushes before leaving the work site.

Frequently, public-sector employees are unnecessarily criticized and maligned by the general public. I wish to take this opportunity to publicly thank the Westside water department crew for their thoughtfulness and professionalism in fixing the water issue on time as promised. But I particularly want to thank them for adding a bit of Christmas cheer to the residents of our condo complex by replanting these bushes.

Mahalo nui loa.

***Andy Murphy***

Koloa

# DEPARTMENT OF WATER

County of Kaua'i

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

## Operations Division Report for the Month of December 2020

### Personnel

- Congratulations and Aloha to Randal Watanabe, Pipefitter. Retired effective December 31, 2020.
- Kudos to Field Operations personnel, west side crews. Commended by customers in Lawai and Kalaheo for job well done and excellent service.
- Congratulations to Alan Iwasaki transferred from Lead Pipefitter to Water Service Investigator.

### Source and Storage

- Job-20-05 Waimea Well B Repair Contract No. 703 was executed and Notice to Proceed issued.
- SCADA Contract No. 701 with Glenmount Global Services executed. Notice To Proceed issued.

### Distribution

- Estimated non-revenue water based on reported leaks/breaks and flushing for the month of November is 268,982 gallons.

### Fleet, Inventory, Warehouse and Baseyard Area

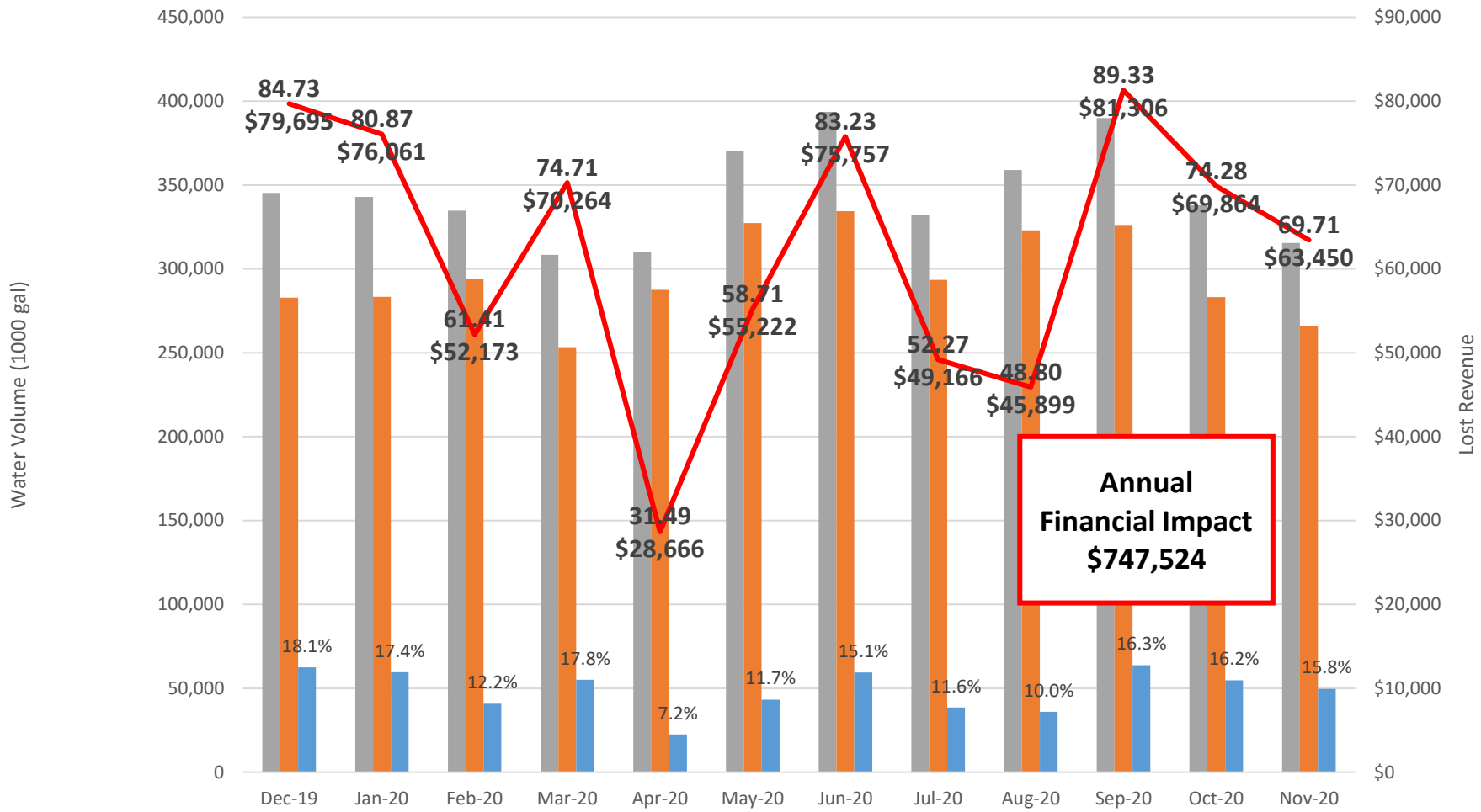
- 165 work orders were issued for Operations Division including 33 Hawaii One Call requests for pipe locating and marking.
- GS-2021-01 Sewage Lift Station Control System award under review.
- GS-2021-02 Emergency Generator award posted, contract being processed for execution.
- GS-2021-03 Compact Track Loader Addendum 1 issued.

VPR/ein

Attachments: Monthly Water Audit – December 2019 to November 2020  
Water loss by District  
Overtime  
Overtime by Division

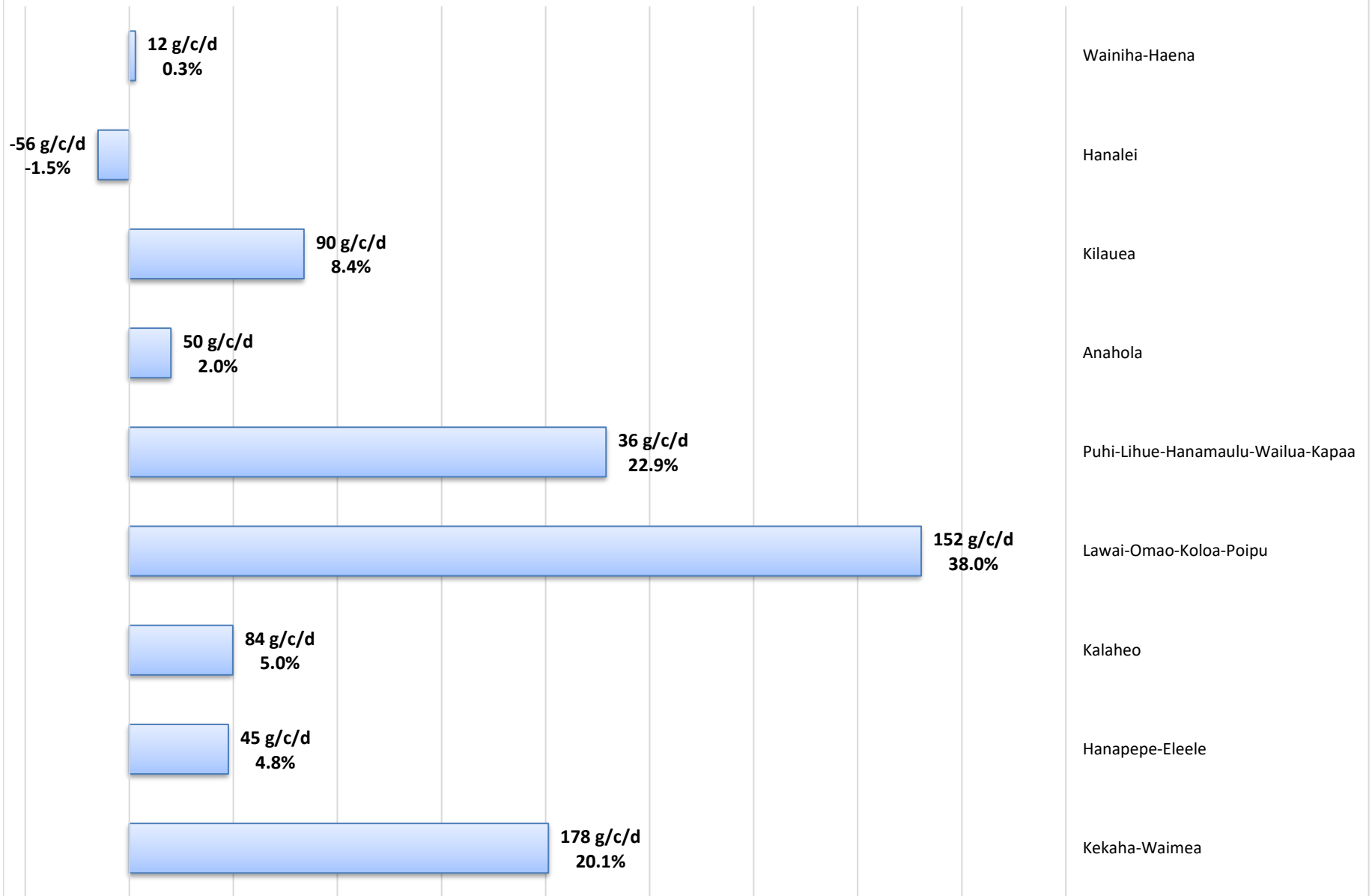
Mgrp/January 2021/Operations Division Report for the Month of December 2020 (1-28-21):ein

## Monthly Water Audit December 2019 - November 2020



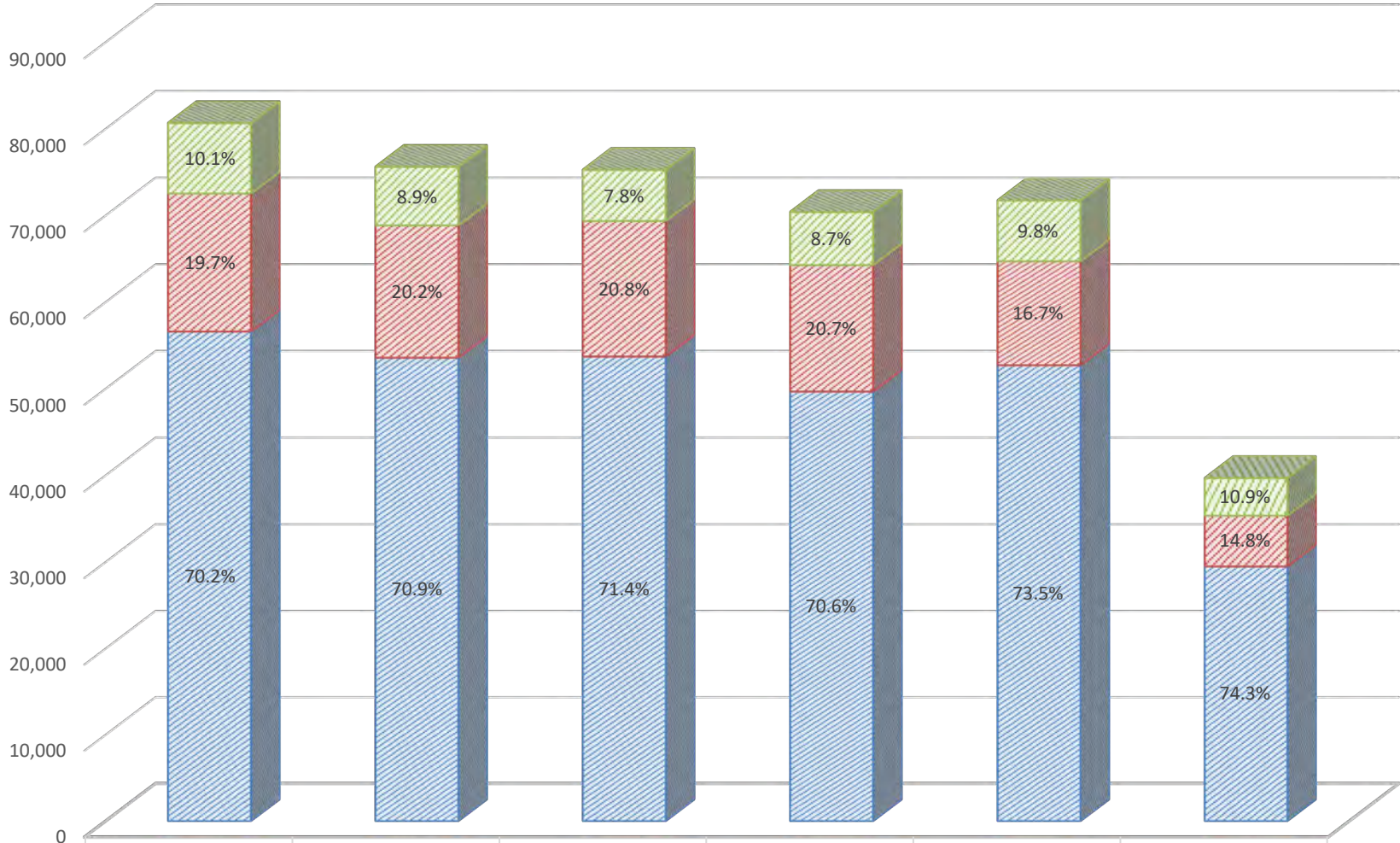
	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20
Produced	345,277	342,849	334,596	308,281	309,984	370,458	393,627	331,959	358,841	389,892	337,846	315,350
Customer Meter Read	282,869	283,286	293,740	253,258	287,536	327,214	334,303	293,457	322,898	326,223	283,136	265,663
Waterloss	62,408	59,563	40,856	55,023	22,448	43,244	59,324	38,502	35,943	63,669	54,710	49,687
Waterloss	\$79,695	\$76,061	\$52,173	\$70,264	\$28,666	\$55,222	\$75,757	\$49,166	\$45,899	\$81,306	\$69,864	\$63,450

## Water Loss by District



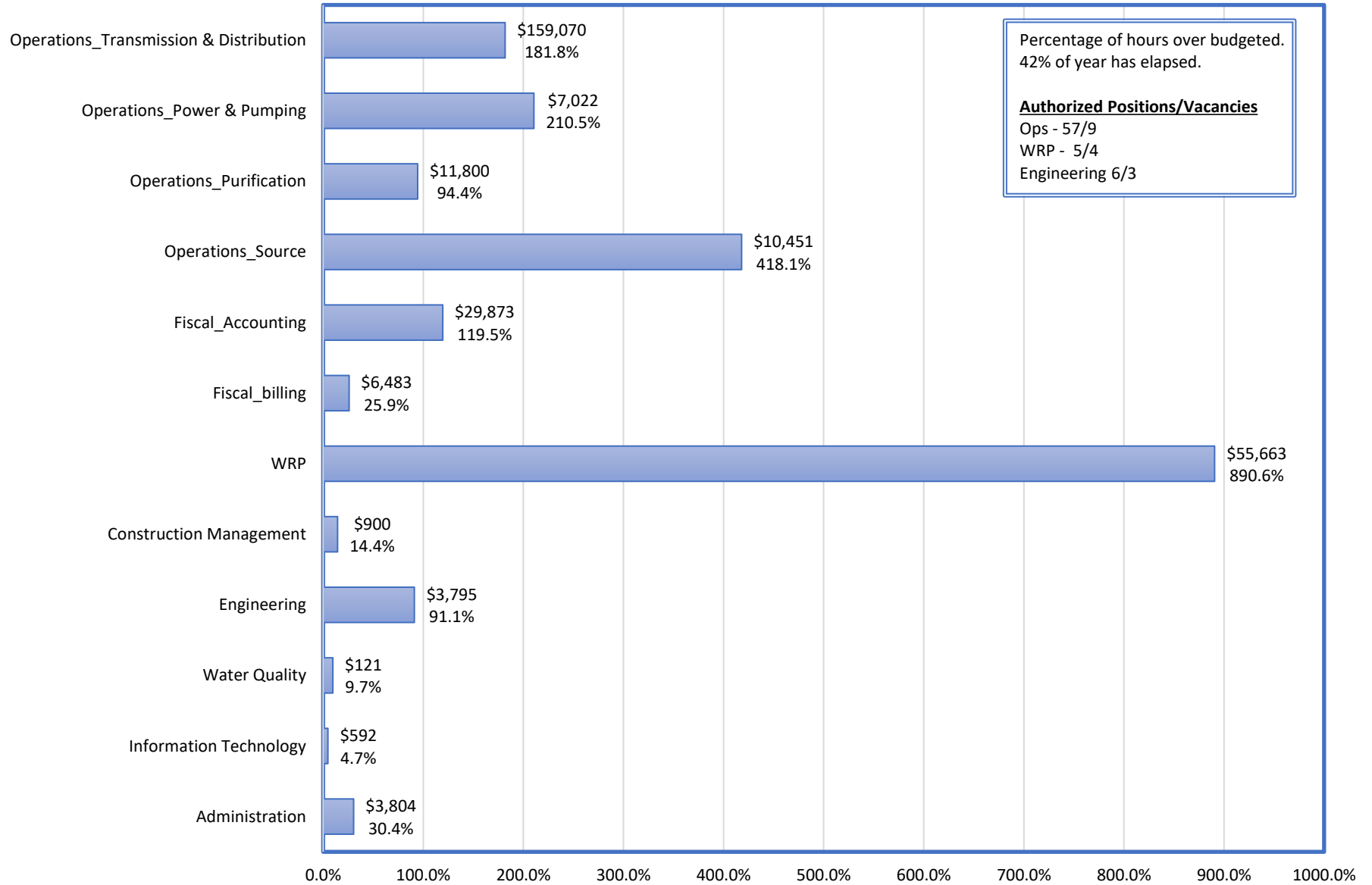
# OPERATIONS PERSONNEL HOURS

▣ Regular Hours   
 ▣ Time-off   
 ▣ Overtime



<span style="color: green;">▣</span> Overtime	8,128	6,749	5,889	6,122	7,012	4,327
<span style="color: red;">▣</span> Time-off	15,927	15,275	15,650	14,595	12,002	5,862
<span style="color: blue;">▣</span> Regular Hours	56,629	53,605	53,745	49,705	52,742	29,515

## YTD Budgeted versus Actual Overtime by Division





# DEPARTMENT OF WATER

County of Kaua'i

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

**MANAGER'S UPDATE**

January 21, 2021

*Pursuant to Board Policy No. 3*

**CONTRACTS AWARDED/EXTENSION/AMENDMENTS:**

**1 FOURTH AMENDMENT TO CONTRACT NO. 637, JOB NO. 15-07, HANAPĒPĒ WATERLINE PROJECT FOR AS NEEDED CONSTRUCTION MANAGEMENT SERVICES WITH R.M. TOWILL CORPORATIONS IN THE AMOUNT OF \$217,815.00 AND A TIME EXTENSION OF 122 CALENDAR DAYS**

**FUNDING:**

<b>FROM:</b>	Water Utility Fund (unrestricted)			
Account No.	10-00-00-330-000	\$	217,815.00	
<b>TO:</b>				
Account No.	10-21-10-540-010			
Acct Description	WU/Const/Admin/Professional Services-General			
Funds Available	Per Manager's Report No. 21-18			\$ 217,815.00
Contract No.	637			
Vendor	R.M. Towill Corporation			
	Contract Amount	\$	200,000.00	
	Contingency	\$	<18,664.00>	
	PAO#1R	\$	400,405.00	
	First Amendment	\$	0.00	
	Second Amendment	\$	440,000.00	
	Third Amendment	\$	0.00	
	Total Funds Certified To Date	\$	1,059,069.00	
<b>Fourth Amendment:</b>				
	Contract Time Extension and Additional Funding for Proposed PAO#3 (Reference Manager's Report No. 21- )	\$	217,815.00	
	Contingency	\$	18,664.00	
	Total Amendment (PAO#3)	\$	236,479.00	\$ <217,815.00>
	Contract Amount To Date	\$	1,276,884.00	
	Fund Balance			\$ N/A

**BACKGROUND:**

Contract NTP Date:	June 26, 2017
Original Contract End Date:	June 25, 2019
First Amendment Contract End Date:	December 31, 2019
Second Amendment Contract End Date:	September 30, 2020
Third Amendment Contract End Date:	February 28, 2021
Fourth Amendment Contract End Date:	June 30, 2021

**Upon full execution of the Fourth Amendment to Contract No. 637, the DOW will issue and execute a Project Assignment Order #3 (PAO#3) to complete the project management through June 30, 2021 as necessary. Currently PAO #2 is valid until future amendments expire so unless more money is needed, PAO #2 can be completed as executed with the execution of this Fourth Amendment.**

Approved First Amendment to Contract No. 637:

Unanticipated delays during the design phase caused the construction work to proceed later in construction than originally planned, resulting in the contract work extending beyond the original contractual limit. The Department of Water (DOW) was unable to attract qualified engineering and inspection staff. This impacted our Construction Management (CM) ability to manage projects with current staff and was exacerbated with the infusion of the state appropriation funding projects such as the Hanapēpē Waterlines project (Job No. 15-07) that RM Towill Corporations (RMTTC) has been utilized as our As Needed Construction Manager. Although the cost for As-Needed CM project management and inspectional services are extremely high compared to staff costs, the DOW was at a point of no other choice to meet the project construction deadlines but to use the As-Needed CM contract. The Board approved additional funding for this project at the June 22, 2018 meeting and RMTTC was given notice to proceed as the As Needed Construction Manager via Project Assignment Order #1 on June 30, 2018.

The original contract language and Project Assignment Order #1 did not clearly state that the monthly rental of housing in lieu of a hotel room is allowed. In June of 2018 when the DOW received RMTTC's proposal, they included \$82,750.00 for airfare and \$14,000 for car rental. During the June 22, 2018 Board meeting, DOW staff mentioned to the Board having RMTTC look for housing on island to lower travel costs. They secured a condo at approximately \$1,850 per month that is furnished. The amendment was approved by the Board at the August 24, 2018 meeting to realize cost savings.

Approved Second Amendment to Contract No. 637:

There have been numerous unanticipated delays during the course of construction with the biggest being the redesign of the waterline crossing the historic Hanapēpē Bridge and encountering petroleum contaminated soils in Hanapēpē Town. The redesign of the waterline crossing is nearing completion and the proposed plan in dealing with contaminated soils is currently being formulated. Due to these delays, a contract amendment to extend the contract to September 30, 2020 and an additional \$440,000.00 in funding for the span from the current contract end date of December 31, 2019 to September 30, 2020 is necessary to complete the construction management portion of the project.

Approved Third Amendment to Contract No. 637:

The COVID 19 pandemic required a stop work order for a portion of late March through early May 2020. For this reason, the contractor schedule of physical construction had been delayed until October 2020. It was anticipated that project close out could take several months after that. Due to these delays, a contract amendment to extend the contract to February 28, 2021 for the span from the contract end date of September 30, 2020 to February 28, 2021 was necessary to complete the construction management portion of the project. There was sufficient funding remaining so it was only a time extension to the contract.

Proposed Fourth Amendment to Contract No. 637:

The project has seen additional delays related to redesigns and construction related delays. For this reason, the contractor schedule of physical construction has been delayed into early 2021. It is anticipated that project close out could take several months after that. Due to these delays, a contract amendment to extend the contract to June 30, 2021 for the span from the current contract end date of February 28, 2021 is necessary to complete the construction management portion of the project. In addition, there are costs related to the County of Kaua'i travel program related to COVID 19 pandemic that are being acknowledged with this contract amendment.

DOW staff recommends approval for extending the project completion date by 122 calendar days for a revised contract end date of June 30, 2021. The time extension will allow pay out of the Project Assignment Orders 1R and 2 that have been issued prior to the current February 28, 2021 contract end date. It will also allow for additional Project Assignment Order(s) to issue under this contract extending work beyond February 28, 2021 with the additional funding through June 30, 2021.

It is the DOW staff's opinion that RMTTC has made sufficient progress related to Project Assignment Order 1R and 2 for project management and inspection, and anticipate the same performance for future project assignment orders. We reviewed the time extension for work and additional cost proposal based on current rates for the work and find it acceptable.

**2 THIRD AMENDMENT TO CONTRACT NO. 627, ANNUAL LICENSE AND MAINTENANCE SUPPORT FOR COMPUTERIZED MAINTENANCE MANAGEMENT INFORMATION SYSTEM (M-PET@MMIS) WITH FOUR WINDS GROUP, INC. FOR AN ADDITIONAL \$20,000 AND A CONTRACT TIME EXTENSION TO FEBRUARY 11, 2022**

FUNDING:

Account No.	10-40-60-561-000			
Acct Description	WU/Ops/T and D/Repairs and Maintenance – Other than Water System			
Funds Available	Verified by WWC		\$	20,000.00
Contract No.	627			
Vendor	Four Winds Group, Inc			
	Contract Amount	\$	18,500.00	
	5% Contingency	\$	925.00	
	First Amendment	\$	19,109.94	
	Second Amendment	\$	19,371.72	
	Total Funds Certified To Date	\$	57,906.66	
Third Amendment:				
	Final Contract Time Extension to 02/11/22 and funds not to exceed \$20,000	\$	20,000.00	
	Total Amendment	\$	20,000.00	\$ <20,000.00>

MANAGER'S UPDATE

Re: Manager's Update for December 2020 to January 2021

January 21, 2021

Page 4 of 6

Contract Amount To Date	\$	76,981.66	
Fund Balance			\$ 0.00

**BACKGROUND:**

Contract NTP Date: 1/6/2017  
Original Contract End Date: 1/6/2019; Stop Order Issued: 01/02/19  
First Amendment Contract End Date: March 3, 2020  
Second Amendment Contract End Date: February 11, 2021  
Third Amendment Contract End Date: Estimated February 11, 2022

Four Winds Group, Inc. who is the registered trademark owner has been working with the Department of Water's MMIS software program since 1998. In accordance with HAR Chapter 3-122-81 No. 3, Sole Source Procurements for annual license renewal and maintenance for computer software is approved by the Procurement Policy Board.

The Contract allows for extension of time not to exceed a total of 36 months.

**3 TENTH AMENDMENT TO CONTRACT NO. 427, JOB NO. 02-14, WP2020 #WK-08, KAPA'A HOMESTEADS 0.5 MG STORAGE TANK AND KAPA'A HOMESTEADS 325' TANKS – TWO 0.5 MG TANKS AND CONNECTING PIPELINES, WAILUA-KAPA'A, WATER SYSTEM, KAPA'A, KAUA'I, HAWAI'I WITH BELT COLLINS HAWAI'I, LLC. FOR AN ADDITIONAL \$37,125.00 AND A CONTRACT TIME EXTENSION FOR AN ADDITIONAL 60 DAYS**

**FUNDING:**

Funds Available	Per Approved Manager's Report No. 21-14 (11/19/20)		\$	45,000.00
Account No.	30-20-00-605-116			
Account Description:	BAB/Capital Projects/Expansion/Design (Tenth Amendment)			
Contract No.	427			
Vendor	Belt Collins Hawaii LLC			
	Contract Amount	\$	256,700.00	
	First Amendment	\$	354,978.00	
	Second Amendment	\$	10,000.00	
	Third Amendment	\$	19,000.00	
	Fourth Amendment	\$	40,450.00	
	Fifth Amendment	\$	76,200.00	
	Sixth Amendment	\$	2,300.00	
	Seventh Amendment	\$	18,100.00	
	Eighth Amendment	\$	51,911.26	

	Nineth Amendment	\$	160,149.00	
	Total Funds Certified To Date	\$	989,788.26	
Tenth Amendment:				
	Design Changes and Contract Time Extension (Reference Manager's Report No. 21-14)	\$	37,125.00	
	Total Amendment	\$	37,125.00	\$ <37,125.00>
	Contract Amount To Date	\$	1,026,913.26	
	Fund Balance			\$ 7,875.00

**BACKGROUND:**

Contract NTP Date: March 15, 2004  
 Original Contract End Date: March 09, 2005  
 First Amendment: Start: November 07, 2007 End: December 31, 2009  
 Second Amendment: Start: June 05, 2008 End:  
 Third Amendment: Start: November 26, 2008 End:  
 Fourth Amendment: Start: March 24, 2010 End: December 01, 2010  
 Fifth Amendment: Start: March 14, 2011 End: December 13, 2013  
 Sixth Amendment: Start: February 27, 2014 End: June 30, 2014  
 Seventh Amendment: Start: July 01, 2015 End: May 26, 2016  
 Eighth Amendment: Start: October 28, 2016 End: June 30, 2017  
 Ninth Amendment: Start: August 23, 2017 End: Suspended November 26, 2018\*  
 Tenth Amendment: End: 60 days from NTP for the Tenth Amendment

\*Multiple contract time suspensions have been issued for this project when DOW is reviewing submittals.

The Department of Water (DOW) is proposing to construct two new 0.5 MG concrete storage tanks on the same site as the existing Ornellas tank in the Kāpa'a Homesteads located near the intersection of Kawaihau Road and Ka'apuni Road. The project's design includes drainage improvements for site storm water and potential tank overflow or washout events. The Department also is constructing a separate project, *Drill and Test Kāpa'a Well No. 4* at the same site.

Tenth Amendment:

The construction of the *Kāpa'a Homesteads 325' Tanks* and *Drill and Test Kāpa'a Well No. 4* projects has been delayed because the landowner that initially agreed to accept the drainage from the projects had second thoughts about accepting the drainage during construction. Construction was stopped until the landowner and the Board could resolve the drainage. The Board has agreed to purchase an easement from the landowner and the DOW will be responsible for maintaining the drainage facilities on the landowner's property. Therefore, the Tenth Amendment to the Contract is necessary to make the requested changes to the project's drainage, which include the following:

Package A (Drainage Improvements) will be updated to remove the ditch located at TMK 4-6-11:125 and restore the Esaki's property. The drain line on the property will be revised to connect to the existing drainage outlet. The consultant will also provide an opinion of probable construction cost and quantities for this work.

Package B (Kāpa'a Homesteads 325' Two 0.5 MG Tanks) will be updated to provide a detention basin at the northeast corner of the Ornellas Tank Site and the Drainage Report will be revised and submitted to the Department of Public Works for review and approval.

The services during construction phase of the project are also being modified to include construction support for the modified scope of both Package A and Package B.

The Board previously approved \$45,000.00 for this contract amendment at the November 19, 2020 Board meeting. Reference Manager's Report No. 21-14.

**WAIVER, RELEASE & INDEMNITY APPLICATIONS:**

*None*

**STAFF REPORTS - FY 20-21:**

**PERSONNEL MATTERS**

*January 8, 2021*

Please reference attachment.

*Pursuant to Board Policy No. 24*

**CONVEYANCE OF WATER FACILITIES**

*None*

**CUSTOMER CARE AND BILLING (CC&B) SYSTEM UPDATE:**

*None*

**I.T. INITIATIVES UPDATE:**

*None*

**ADVISOR REPORT TO THE BOARD OF WATER SUPPLY UPDATE**

*Period ending December 31, 2020*

- Handled emails, calls and texts from staff
- Discussions with Acting MCE and Construction Division on various projects
- Participated in and/or conducted DH/Leads weekly meeting
- Prepared for and participated in DOW Board Meeting

The special services contract has been extended until June 30, 2021 with no additional funding required.

Attachment: Personnel Matters

Mgrpp/Manager's Update (January 21, 2021):mja

**Personnel Summary (FY 2020-2021) Updated: 12/31/2020**

		Engineering			Operations		Fiscal			Admin	Water Quality	Info Tech
TOTALS		Planning	ENG-Design	CM	Field	OPS-Plant	FISCAL-Acctg	Billing	Meters	(includes PR)		
Positions Authorized	118	6	5	8	27	30	10	8	4	13	3	4
Positions Vacant	28	4	2	2	4	6	2	1	0	4	0	3
Actively Recruiting	11	0	2	1	1	3	1	0	0	1	0	2
Recruitment		Submitted NeoGov Request	Approvals Completed	Job Posted	Eligibles List Received	Interviews Completed	Selection to NeoGov	Job Offered	Start with COK	Start at DOW	Completed	Hired
Recruiting	Civil Engineer V #2355 CM	X	X	X								0
Not recruiting	Civil Engineer III #2484 CM											0
Recruiting	Civil Engineer II #2458 Eng Srv	X	X	X								0
Recruiting	Civil Engineer V #2468 Eng Srv	X	X	X								0
Completed	Civil Engineer VII #2460 ENG Division Head	X	X	X	X	X	X	X	X	X	X	1
Not recruiting	Civil Engineer VI #2428 WRP											0
Completed	Civil Engineer III #2360 WRP	X	X	X	X	X	X	X	X	X	X	1
Not recruiting	Civil Engineer I #2494 WRP											0
Not recruiting	Engineering Drafting Technician III #2352 WRP											0
Not recruiting	Engineering Support Technician IV #2445 WRP											0
Not recruiting	Lead Pipefitter #2404 Field											0
Not recruiting	Pipefitter #2443 Field											0
Recruiting	Pipefitter Helper #2405 Field	X	X	X								0
Not recruiting	Water Meter Mechanic #2409 Field	X	X	X								0
Completed	Water Service Investigator II #2617 Field	X	X	X	X	X	X	X	X	X	X	1
Completed	Utility Worker #2612 Field	X	X	X	X	X	X	X	X	X	X	1
Recruiting	Assistant Water Plant Operator #2312 Plant	X	X	X								0
Not recruiting	Automotive Mechanic I #2614 Plant											0
Completed	Constr & Maint Wrkr I #2401 Plant	X	X	X	X	X	X	X	X	X	X	1
Completed	Groundskeeper #2601 Plant	X	X	X	X	X	X	X	X	X	X	1
Recruiting	Maintenance Worker I #2611 Plant	X	X	X	X							0
Recruiting	Plant Electrician #2457 Plant	X	X	X								0
Not recruiting	Repair Shop Supervisor #2618 Plant											0
Not recruiting	Water Plant Operator I #2461 Plant											0
Completed	Asst Wtrwks Controller #2619 Fiscal	X	X	X	X	X	X	X	X	X	X	1
Not recruiting	Accountant I #2488 Acctg											0
Recruiting	Accountant IV #2303 Acctg	X	X	X								0
Completed	Customer Service Rep. I #2605 Billing	X	X	X	X	X	X	X	X	X	X	1
Not recruiting	Customer Service Rep. I #2302 Billing											0
Not recruiting	Deputy Manager-Engineer #E-30 Admin											0
Recruiting	Information Specialist I #2499 (Permanent) Admin	X										0
Completed	Information Specialist I #2499 (Temporary) Admin	X	X				X	X	X	X	X	1
Recruiting	Manager & Chief Engineer #E-19 Admin	X	X	X	X	X	X	X				0
Not recruiting	Secretary (to the Deputy) #2354 Admin											0
Not recruiting	Senior Clerk #2479 Admin											0
Completed	Water Special Projects Manager #2358 Admin	X	X	X	X	X	X	X	X	X	X	1

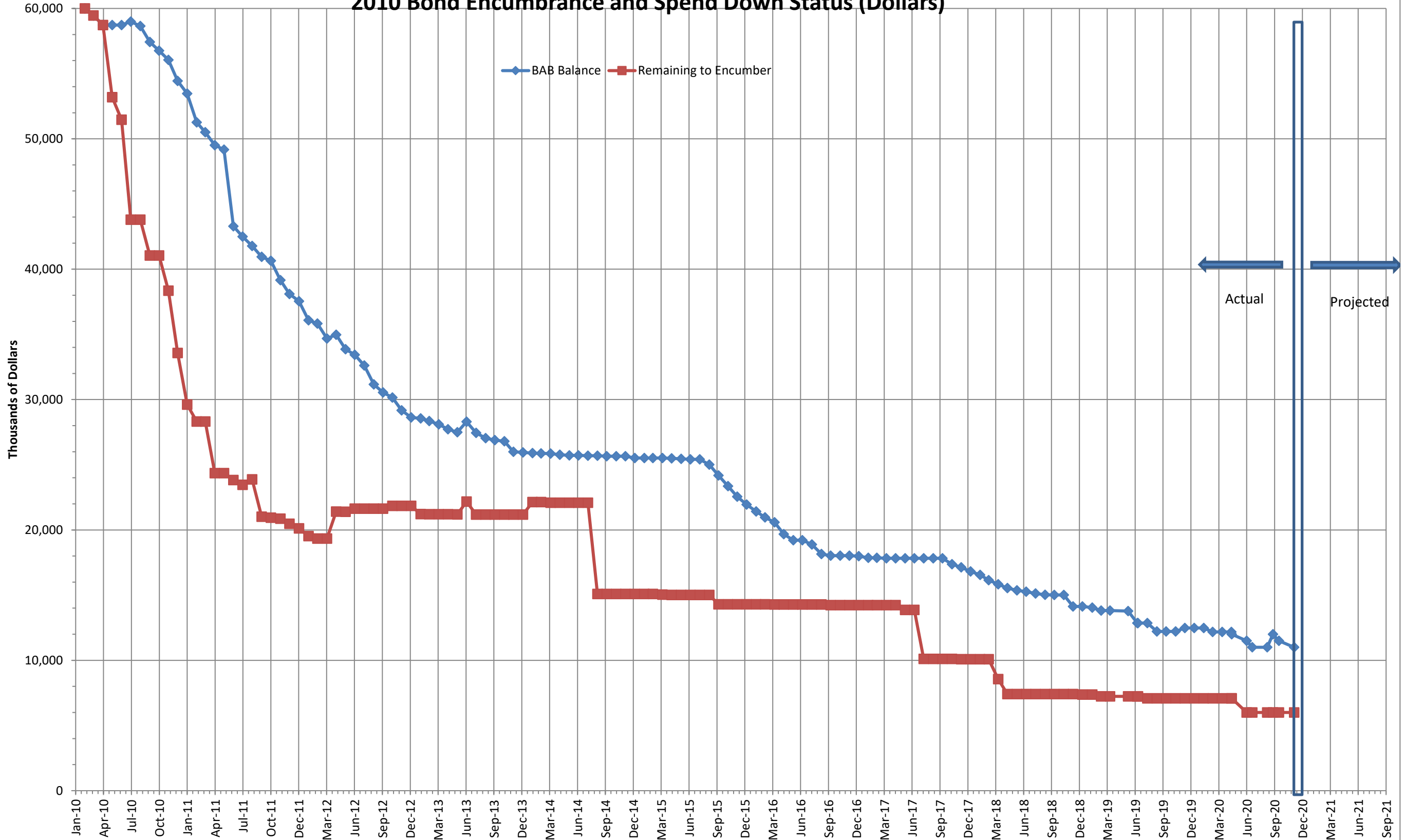
	Recruitment	Submitted NeoGov Request	Approvals Completed	Job Posted	Eligibles List Received	Interviews Completed	Selection to NeoGov	Job Offered	Start with COK	Start at DOW	Completed	Hired
Recruiting	Computer Sys Supp Tech I #2615 IT	X	X	X								0
Not recruiting	IT Specialist III #2475 IT											0
Recruiting	Waterwork IT Manager #2485 IT	X	X	X	X	X	X	X				0
Classification		Submitted NeoGov Request	Approvals Completed	Job Posted	Eligibles List Received	Interviews Completed	Selection to NeoGov	Job Offered	Start with COK	Start at DOW	Completed	Hired
Completed	Accountant IV #2303 Acctg	X	X								X	1
Initial submittal to DHR, then update #2354 instead.	Senior Clerk #2479	X	See #2354									
DOW drafting submittal.	Secretary (to the Deputy) #2354											
Completed	Water Special Projects Manager #2358	X	X								X	1
Completed	IT Specialist III to Computer Sys Supp Tech I #2615	X	X								X	1



# Quarterly Reports



### 2010 Bond Encumbrance and Spend Down Status (Dollars)



## OFFICE OF THE MANAGER AND CHIEF ENGINEER

DEPARTMENT OF WATER, COUNTY OF KAUAI

MARK R. KNOFF, P.E., PH.D. MANAGER AND CHIEF ENGINEER

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January 21, 2021

### WATER QUALITY QUARTERLY REPORT

1. Engineering continues to work with the Lab and contractors to install sample stations in new subdivisions. The new subdivision behind the Poipu Shopping Center will also have a sampling station. They will be added to the updated sampling plan required by new Total Coliform Rule. One has been installed in the current Hanamaulu project. One more slated for the expansion of the Ulu Ko subdivision. The Lab incorporated the Hanamaulu Station into the Routine Sampling Plan in 2020. The Poipu Subdivision station is pending until more development occurs. Sampling Points are being looked at to update the site list before end of year when the Compliance Monitoring Data Portal (CMDP) is implemented. The next sample station may in the new Kulana Subdivision after it is conveyed to DOW.
2. Micro data is being submitted to CMDP website. Hawaii is still in the test environment, however, SDWB is saying we are going real time in 2021. We expect to start in January 2021.
3. Continued microbiological sampling of sources to see if any will present problems with fecal indicators. This is part of the Triggered Monitoring part of the Ground Water Rule.
4. Phase 2-5 sampling for the 2020-2021 continues. Sys. 400 is complete.
5. Baseline Chemistry for sources ongoing. pH at Wainiha Well is low. The existing soda ash equipment at Waihiha #2 initially boosted the pH to 7.0. We are monitoring it monthly with the addition of alkalinity testing and it seems to be holding. Testing results are sent to SDWB for their records. SDWB has put the system on an advanced monitoring schedule for Lead and Copper (20 samples 2x/year). This is problematic as it is difficult to get volunteers out there because mostly, it is vacation rentals. However, both rounds were accomplished with results below the Action Level so Sys.415 only has to sample once in 2019 which was completed. Sampling also occurred in July of 2020. We expect to return to advanced monitoring schedule when we switch from soda ash to NaOH.
6. Contract for analytical services with Eurofins has been extended to FY 2020-2021. Contract executed. RTM has been submitted for FY2020 budget. RTM was not submitted for 2021 as contact covers 2021 fiscal year. Preparing contract for FY 2022.
7. Updated sample site plan and sites on Xcel spreadsheet. Continuing.
8. Lab inspection for microbial analysis certification was completed virtually due to Covid 19. Passed, next inspection will be April, 2022.
9. Microbiological analysis ongoing with no coliform hits.

10. Maintenance and filter replacement completed for RO system. Although we may have to do water suitability testing anyway. Connected autoclave to RO system to use more water. It seems to be working as we are getting conductivity readings below 1.0 uU/cm. Still good.
11. UCMR 4 – completed.
12. PCBs found in Paua Valley tank. Tank has been isolated. Lab is working with SDWB and Engineering to get tank back on line. Ongoing.
  - a. On Kauai entry points to distribution (EPD) are usually after the well head and before the storage tanks. The reason for this is because well water can go into the distribution system before going to a storage tank. This is common to most of DOW sources.
  - b. Therefore, chemical (and to a limited extent, microbiological) samples are taken at the EPDs before going to the storage tanks. DOH does not require sampling from the tanks unless it represents an EPD. There are two tanks that qualify, the Kalaheo Deep Well Tank and the Anahola Tanks.
  - c. Because of the recent findings, we are requesting sampling taps on the storage tanks (many do not have them). OPS has installed taps on most of the tanks in question. They have been sampled for PCB.
13. sampling and testing with the DOH Lab continues.
14. Microbiological QA/QC items for certification completed 2020.
15. Monitoring of chlorides in Sys. 406 ongoing. Waipa Well back in service.
16. Working with Engineering and Brown and Caldwell on GAC system in Wailua Homesteads. We will be doing the required sampling and paying for the testing.
17. Still looking at the Moalepe Tunnel chlorination project again to revive it.
18. The Grove Farm Surface Water Treatment Plant was taken offline for two month while a color issue was being investigated. It is now back on line and the color has cleared. Color still ok.

**OFFICE OF THE MANAGER AND CHIEF ENGINEER**

**DEPARTMENT OF WATER, COUNTY OF KAUAI**

**MARK R. KNOFF, P.E., Ph.D. MANAGER AND CHIEF ENGINEER**



January 21, 2021

**COUNTY ATTORNEY QUARTERLY REPORT**

This report is submitted pursuant to Board Policy No. 25.

CLAIMS SETTLED: None

Claimant(s)	Date of Loss	Filed with Office	Date Closed	Basis of Claim	Claim Amount	Settled Amount	Corrective Action Recommendation
Aiu, Ernest	1/13/2020 - 7/14/2020	09/25/2020	11/12/2020	Partial Reimbursement: Claimant said on Jan. 13, 2020 thru July 14, 2020 the water meter during these period produced erroneous high reading, which resulted in over charges of \$953.86.	\$953.86	Denied	None

# QUARTERLY UPDATE

Period of October 1, 2020 to December 31, 2020

ENGINEERING DIVISION

Submitted by: Michael K. Hinazumi, P.E.

DEPARTMENT OF WATER

January 21, 2020

# Executive Summary

Significant updates for this quarter include:

- **Water Resources and Planning Section**
  - Subdivision-Land Use applications completed => 53 (increase of 294%)
  - Water Service Requests => 87 (increase of 74%)
  - Building Permit applications => 456 (decrease of 11%)\*

\*Building Permit applications increased 43% compared to the same period in FY19-20
  
- **Engineering Services Section**
  - Overseeing 22 ongoing DOW Design project, including several multi-phased projects
  - Completed 27 private project reviews
  - Kapaia Cane Haul Road 18-Inch Waterline (Job No. 16-02) => Pending SHPD approval to move forward
  - Rehabilitate Paua Valley Tank No. 1 (Job No. 17-10) => Construction on hold pending project re-evaluation
  
- **Construction Management Section**
  - Overseeing four (4) DOW projects in various phases of construction
  - Completed and closed seven (7) private projects

# Water Restriction Areas

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



# Accomplishments

	October – December 2020
Subdivision Applications; Zoning / Land Use / Variance Permits; Zoning Amendments; ADU/ARU Clearance Applications	53
Water Service Requests	87
Building Permit Applications	456
Backflow Inspection Program – No. of Tested Devices	1650

Private Projects	October – December 2020
Design Approved	10
In Design Review	17
Preparing to enter Construction	3
In Construction	1642
Closing	32
Completed	7

# Water Plan 2020 Construction Project Status

WP 2020 NUMBER	JOB NO	PROJECT TITLE	% COMPLETE SEPT 2020	% COMPLETE DEC 2020	ORIGINAL ESTIMATE TO COMPLETE	CURRENT ESTIMATE TO COMPLETE	CURRENT CONTRACT AMOUNT
HE-01	15-07	Kaumuali'i Highway 16" Main and Emergency Booster Pump Connection	76 (10)	87	Q3 2019	Q2 2021 (9 & 11)	\$10,934,299.27
HE-10	15-07	Hanapepe Road 6" Main Replacement					Combined with HE-01
WK-39& WK-08	02-14	Kapaa Well 4 Drainage line & Kapaa Well 4 Drill & Test	86	86	Q3 2019	Q2 2021 (9 & 11)	\$2,382,043.35
KW-07	17-10	Paua Valley Tank Repairs	4	4	Q2 2021	Q4 2021 (12)	\$2,264,750.00
PLH-35B	16-02	Kapaia Haul Cane Road 18" Transmission Line	7	7	Q3 2019	Q4 2021 (8)	\$4,127,545
						<b>TOTAL =</b>	\$19,708,637.62

- (1) Change order issued which extended project schedule.
- (2) Awaiting close out documents
- (3) Awaiting contract dispute resolution
- (4) Awaiting DPW road permit signoff
- (5) Contract closed out
- (6) Liquidated Damages being enforced
- (7) Awaiting Building Permit signoff
- (8) Project issued stop work order and is on hold due to SHPD, UOA issues
- (9) Redesign required additional time
- (10) Progress made but new change order amounts were substantial and reduced work completed to contract amount ratio.
- (11) Project issued stop work order due to COVID-19
- (12) Project issued stop work order due to redesign needed

# IDIQ Services

Contract Number	Company	Contract Amount	Number of Projects Assignments
637	RM Towill Inc.	\$1,059,069	1
690	Bowers & Kubota	\$700,000	2
700	Brown & Caldwell	\$150,000	0



# IT STRATEGIC PLAN QUARTERLY UPDATE

*October 2020 – December 2020*

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Update provided by: Michael K. Hinazumi

January 2021

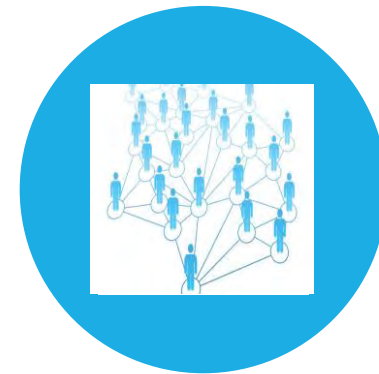
# IT STRATEGIES



TECHNOLOGY



BUSINESS PROCESS  
IMPROVEMENTS



ORGANIZATION

# TECHNOLOGY

- Upgrade M-PET with a GIS-based Work Management System
  - Upgrade completed in Q2
- Upgrade SCADA and Replace Servers
  - Upgrade completed in Q2
- Upgrade Financial Information System
  - Dynamics365 upgrade in process, estimated Q3 completion
- Core IT Infrastructure Upgrades
  - O365 Cloud Migration in progress

# BUSINESS PROCESS IMPROVEMENTS

- CC&B Process Evaluation
  - In process
- Improve Use of SharePoint
  - O365 Cloud Migration in process, estimated Q3 completion

# CONTRACT 666 WITH BRIO CONSULTING

	Execution Date	Amount	Summary
Initial Contract	8/2/2018	\$79,979	Review & Update IT Strategic Plan
1 <sup>st</sup> Amendment	4/30/2019	\$9,820	Additional Presentation to the Board and 90 day time extension
2 <sup>nd</sup> Amendment	10/8/2019	\$70,000	IT Support Services
3 <sup>rd</sup> Amendment	11/14/2019	\$229,380	IT Support Services
4 <sup>th</sup> Amendment	02/11/2020	\$79,860	IT Support Services
5 <sup>th</sup> Amendment	05/13/2020	\$144,000	IT Support Services
6 <sup>th</sup> Amendment	06/26/2020	\$687,986	Additional tasks for O365, SharePoint, Dynamics365, Depreciation Study and IT Support Services
7 <sup>th</sup> Amendment	12/02/2020	\$160,000	IT Support Services