

MINUTES  
BOARD OF WATER SUPPLY  
September 24, 2020

The Board of Water Supply, County of Kaua'i, met in regular meeting **via remote** in Lihu'e on Thursday, September 24, 2020. Chair Kurt Akamine called the meeting to order at 10:02 a.m. The following Board members were present:

**BOARD:** Mr. Kurt Akamine, *Chair*  
Ms. Julie Simonton, *Vice Chair*  
Mr. Lawrence Dill  
Mr. Elesther Calipjo  
Mr. Gregory Kamm  
Mr. Troy Tanigawa (*joined @ 10:07 a.m.*)  
Mr. Ka'aina Hull (*joined @ 10:19 a.m.*)

Quorum was achieved with 5 members present at Roll Call.

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

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

**C. ACCEPTANCE OF AGENDA**

Mr. Dill moved to approve the Agenda as distributed; seconded by Mr. Kamm; with no objections.

**D. MEETING MINUTES**

**Review and Approval of:**

Regular Board Meeting – August 27, 2020

Mr. Dill moved to approve the Regular Board meeting minutes of August 27, 2020; seconded by Ms. Simonton; with no objections, motion carried with 5 ayes.

**Review and Approval of:**

Executive Session Meeting – August 27, 2020

Mr. Dill moved to approve the Executive Session meeting minutes of August 27, 2020; seconded by Ms. Simonton; with no objections.

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

No voice messages or written testimonies received.

*Mr. Tanigawa joined the meeting at 10:07 a.m.*

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

1. Report of the Permitted Action Group of the Kaua'i County Board of Water Supply

The PIG report was "Received for the Record."

**G. OLD BUSINESS**

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

No update.

## H. NEW BUSINESS

1. Manager's Report No. 21-06 - Discussion and Possible Action on approval of funds for Contract No. 427, Job No. 02-14, WP2020 WK-08 Kapa'a Homesteads 325' Tanks – Two 0.5 Million Gallon (MG) Storage Tanks, Kapa'a, with Belt Collins Hawai'i, LLC in the amount of \$40,978.70

### **BACKGROUND:**

Civil Engineer Mr. Keith Aoki mentioned that this project is in design review and explained that many years ago the funds for the contract were not rolled over to the budget. He requested for the remaining funds for the contract be re-approved by the Board to pay the consultant when invoiced. No additional funds were being requested.

### **DISCUSSION:**

Mr. Dill pointed out on the Manager's Report on Page 23, 3<sup>rd</sup> paragraph, "Fiscal has started checking with Engineering for Purchase Order (PO) rollovers when the budget of the new year is being prepared." This may be a Fiscal question to identify POs that are rolled over yearly for budget process. He mentioned that Engineering must now track the remaining outstanding rollover balances.

Mr. Dill asked Waterworks Controller Mrs. Yano if Fiscal could track all POs with remaining balances by cross reference check. During the budget process, rollover POs should not be missed. Mrs. Yano responded by saying Fiscal cross checks PO balances in existing contracts but didn't noticed that on the contract terms it expired and the rollover did not happen. According to Engineering, there was a contract extension but instead of letting the contract lapse, the contractor was extended based on Engineering's suspension. As a result, the contract was zeroed out.

*At 10:12 a.m., Mr. Kamm lost connection on remote but reconnected.*

Chair Akamine called a one minute Recess at 10:14 a.m. to consult with DCA Krafft.  
Chair Akamine called the meeting back to order at 10:16 a.m.

Mr. Kamm asked how frequent are rollover cross checks done? Mrs. Yano said the cross checks are done at the end of the year. She agreed to do cross checks more frequently as suggested by Mr. Kamm.

*At 10:19 a.m., Mr. Hull joined the meeting.*

Mr. Dill moved to approve *pending legal review* Manager's Report No. 21-06 - Discussion and Possible Action on approval of funds for Contract No. 427, Job No. 02-14, WP2020 WK-08 Kapa'a Homesteads 325' Tanks – Two 0.5 Million Gallon (MG) Storage Tanks, Kapa'a, with Belt Collins Hawai'i, LLC in the amount of \$40,978.70; seconded by Ms. Simonton; with no objections, motion carried with 7 ayes, Roll Call: KA, JS, LD, GK, LC, TT, KH

Chair acknowledged members of the public who have logged on the access call in number.

2. Manager's Report No. 21-07 - Discussion and Possible Action on the 7<sup>th</sup> Amendment to Contract No. 666 to extend the Information Technology Support Services with Brio Consulting, LLC until January 31, 2021 for an additional amount of \$160,000.00

### **BACKGROUND:**

Civil Engineer Mr. Michael Hinazumi requested the Board for approval of \$160,000 for Information Technology (IT) support services on Option 1 on Page 25. IT support services was extended a couple of times pending the interview and selection of a Waterworks IT Manager. The individual who was selected in July declined the position then the Department re-recruited for an IT Manager again. Interviews are tentatively set for next week and during this time, IT support services continues to be needed to service the public. The extension will carry over to January 31, 2021. When the request for funds are made, Mr. Hinazumi will work with legal counsel to fund the contract amendment.



**DISCUSSION:**

Mr. Hinazumi indicated the beginning of the proposed amendment would start October 1, 2020 (next 4 mos.).

Chair Akamine inquired if the amendment amount of \$160,000 is approved and the new IT Manager has started, would some of the funds not be expended? Mr. Hinazumi said some funds may be used as a cross over to transition the new IT Manager, if not, the additional funds may not be spent.

Mr. Dill moved to amend his motion to approve, *pending legal review* Manager's Report No. 21-07 - Discussion and Possible Action on the 7<sup>th</sup> Amendment to Contract No. 666 to extend the Information Technology Support Services with Brio Consulting, LLC until January 31, 2021 for an additional amount of \$160,000.00; seconded by Mr. Tanigawa; with no objections, motion carried with 7 ayes, Roll Call: KA, JS, LD, GK, LC, TT, KH

**I. CONSENT CALENDAR**

1. Manager's Report No. 21-08 - Discussion and Possible Action to approve a Grant of Easement Agreement for Construction Plans for Commercial Site, Kōloa Village, LLC affecting the following:
  - a. Koloa Village, LLC, TMK: (4) 2-8-008:001, Kōloa, Kaua'i, Hawai'i

**BACKGROUND:**

Chief of Construction Management Mr. Dustin Moises commented that this easement allows the Department to maintain a new waterline.

**DISCUSSION:**

Mr. Kamm asked if there was a way to locate meters pm public property? Mr. Aoki commented that the contractor installed a Reduced Pressure Detector Assembly (RPDA) that is required on private property within an easement vs. County right of way.

Mr. Kamm moved to approve Manager's Report No. 21-08 - Discussion and Possible Action to approve a Grant of Easement Agreement for Construction Plans for Commercial Site, Kōloa Village, LLC affecting the following: a) Koloa Village, LLC, TMK: (4) 2-8-008:001, Kōloa, Kaua'i, Hawai'i; seconded by Mr. Dill; with no objections, motions carried with 7 ayes, Roll Call: Roll Call: KA, JS, LD, GK, LC, TT, KH

2. Manager's Report No. 21-09 – Discussion and Possible Action to approve a Grant of Easement Agreement for Construction Plans for Lot 114-A-1, TMK: (4) 2-3-012:003, Kalāheo Homesteads affecting the following:
  - a. Guy A. Mechlem, Trustee of the Guy A. Mechlem and Jennifer M. Mechlem Revocable Living Trust dated March 6, 2002
  - b. Jennifer M. Mechlem, Trustee of the Guy A. Mechlem and Jennifer M. Mechlem Revocable Living Trust dated March 6, 2002
  - c. Richard Waalani Jr.
  - d. Michael A. Dahilig
  - e. Brandon S. Tengan and Nikki N. Tengan, husband and wife
  - f. Hanakekala, LLC, a Hawaii limited liability company
  - g. Hoihui, LLC, a Hawaii limited liability company
  - h. Dean S. Marugame and Nilda C. Marugame, husband and wife
  - i. Julius and Gloria Crescines, husband and wife

**BACKGROUND:**

Mr. Moises indicated there are a cluster of 5/8 inch meters on this lot. The easement is necessary for future maintenance and operations.

Mr. Kamm moved to approved Manager's Report No. 21-09 – Discussion and Possible Action to approve a Grant of Easement Agreement for Construction Plans for Lot 114-A-1, TMK: (4) 2-3-012:003, Kalāheo Homesteads; seconded by Mr. Dill; with no objections, motions carried with 7 ayes, Roll Call: Roll Call: KA, JS, LD, GK, LC, TT, KH

3. Manager's Report No. 21-10 – Discussion and Possible Action to approve a Grant of Easement Agreement for Kulana Subdivision Onsite Water System, Phase I, affecting the following:
  - a. Kulana Association of Apartment Owners, TMK: (4) 4-3-011:001, Kapa'a, Kaua'i, Hawai'i

**BACKGROUND:**

Mr. Moises mentioned this decade subdivision restarted in 2018 and Phase 1 is nearing completion for onsite water facilities. The new roadway will not be conveyed to the County and in order for the Department to maintain the facilities, the County has to provide an easement throughout all private roadways.

Mr. Kamm moved to approve Manager's Report No. 21-10 – Discussion and Possible Action to approve a Grant of Easement Agreement for Kulana Subdivision Onsite Water System, Phase I, affecting the following: a) Kulana Association of Apartment Owners, TMK: (4) 4-3-011:001, Kapa'a, Kaua'i, Hawai'i, seconded by Dill; with no objections, motions carried with 7 ayes, Roll Call: Roll Call: KA, JS, LD, GK, LC, TT, KH

4. Manager's Report No. 21-11 – Discussion and Possible Action to approve the Conveyance of Water Facility from Kulana Association of Apartment Owners, for the Kulana Subdivision Onsite Water System, Phase I, TMK: (4) 4-3-011:001, Kapa'a, Kaua'i, Hawai'i

**BACKGROUND:**

Mr. Moises commented that since the Conveyance of Water Facility is more than \$500,000, per Board Policy No. 24, this requires a Manager's Report. This recognizes developers who convey a large amounts to the Department.

Mr. Kamm moved to approve Manager's Report No. 21-11 – Discussion and Possible Action to approve the Conveyance of Water Facility from Kulana Association of Apartment Owners, for the Kulana Subdivision Onsite Water System, Phase I, TMK: (4) 4-3-011:001, Kapa'a, Kaua'i, Hawai'i, seconded by Mr. Dill; with no objections, motions carried with 7 ayes, Roll Call: Roll Call: KA, JS, LD, GK, LC, TT, KH

**J. STAFF REPORTS MONTHLY**

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

**BACKGROUND:**

Waterworks Controller Mrs. Marites Yano referenced the Billed Revenues Comparative Chart, Page 122. The accumulative billed revenues is \$682,862. Cash Receipts was down by \$3M and Mrs. Yano explained that at the same time last year, the Department received a \$2.2M State grant that resulted in a decrease in cash receipts. Metered Consumption, Page 124 – is the decrease for the month, 66M gallons YTD. YTD Metered Consumption, Page 125 showed a cumulative decrease of 97M gallons. Monthly Budget Summary vs. Actual, Page 114 – Water sales is up by \$875,371 YTD due to conservative revenue projections.

Collection efforts with island utilities during the pandemic – Fiscal reached out to Board of Water Supply, County of Maui, County of Hawai'i and Honolulu Board of Water Supply who are suspending all collection efforts until December 31, 2020. The Department of Water will also suspend collections until the end of the year.

**DISCUSSION:**

DOW does not need a policy to suspend collections until December 31<sup>st</sup> because this is only temporary according to Mrs. Yano. The collection efforts are already in the Rules & Regulations.

Received for the Record

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



**BACKGROUND:**

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

1. PR continues to support customer service efforts during the COVID related closures through social media, revised internal procedures for public notices and Black Board Connect. PR supports all divisions with customer relations and public service announcements.
2. Increasing education and community outreach efforts - Next community outreach is Water Education Today (WET) is the kit distribution event for keiki on Tuesday, October 6<sup>th</sup> 9 am to 10 am at the Vidinha Stadium parking lot. This is a drive through event and open to the public. Volunteers are needed especially the Board to assist in distributing 700 water education kits to the public. This is part of the Department's Imagine a Day without Water campaign held in October.
3. PR is developing a Facebook campaign for the Department and joining thousands of water agencies across the nation to educate local communities about the value of water. PR is co-leading the state-wide effort with the sister water departments to host Facebook campaigns.
4. PR is hosting a hashtag value water challenge on Facebook to encourage the community the question: Why is water important to you? Water and water infrastructure to provide water service should not be taken for granted. Community member interviews will be scheduled to share their water story on this campaign.
5. Project WET Hawai'i on line Trainings – County and State agencies will be continuing training on line.
6. Fourth Quarter – PR will work on its first visual workshop for an educator and facilitator trainings on January 2021.

Received for the Record

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

**BACKGROUND:**

Mr. Valentino Reyna highlighted the following:

1. Personnel – Christopher Caoagas was promoted from Groundskeeper to Utility worker.
2. Certified Flagger training and Respiratory Safety Class & Fit testing was attended by Operations staff.

Discussion:

Industry Standard in Water Loss (gallons per day) – Mr. Dill requested Mr. Reyna to compare the industry standard on water loss with other county departments and to update the Board in the next Operations report. Currently Operations is within the industry standard of 15%.

Mr. Reyna provided an update on the backflow preventer leak at Aloha Church – The leak has been ongoing for a month. The Operations Superintendent visited the site to inform Aloha Church they are the owner responsible to do the repairs. The owners are waiting to receive the parts to be repaired by a licensed contractor. The leak is before the meter on their side of assembly. DCA Krafft indicated that the Department has the authority to make repairs if an owner does not respond and to charge the customer. Mr. Reyna credited Mrs. Yano and Mr. Soliz for persuading the owner to act on the repair.

Received for the Record

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

Chair Akamine highlighted the following:

1. Contacts Awarded/Extension/Amendments – Contract No. 533, Contract No. 698, Contact 702, and Contract 703,
2. Personnel Matters – Recruitment continues for several open positions.
3. Board Advisor's Report – Mr. Steve Kyono continues to assist the Board and Department on operations.
4. Waimea Huakai Subdivision Project – There were potential delays but the Department worked with the contractor to get requirements in place by September 1<sup>st</sup> (affordable housing; 31 units, 800 applicants).

Received for the Record

At 10:47 a.m. Mr. Hull read the Executive Session language.

Mr. Hull moved to go into Executive Session and to invite Mr. Robert O'Brien and Waterworks Controller Mrs. Marites Yano for K #2 as resources and to adjourn after Executive Session; seconded by Ms. Simonton; with no objections.

**K. EXECUTIVE SESSION**

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

1. Pursuant to Hawai'i Revised Statutes § 92-4 and § 92-5(a)(2), 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)(4), the purpose of this Executive Session is for the Board to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as it relates to Manager's Report No. 20-53 Discussion and Possible Action on correspondence from Grove Farm regarding Grove Farm's Request for Revenue Requirement Shortfall (*Update*)

Board approved to enter into negotiations with Grove Farm to resolve this matter and will demonstrate the Board's good faith effort to Grove Farm to resolve this matter.

**K. TOPICS FOR NEXT BOARD OF WATER SUPPLY MEETING (October 2020)**

1. *Manager's Report No. 19-47* - Discussion and Possible Action for Board Approval to enter into the First Amendment to the Memorandum of Agreement between the Department of Public Works, County of Kaua'i and the Board of Water Supply, County of Kaua'i for the County's Kahilihoho Road Culvert Repair Project and expenditure of funds in the amount of \$44,100.00 (*Update*)
2. *Manager's Report No. 19-60* - Discussion and Possible Action for Water Plan 2020 Project No. WK-39 Drill & Develop Kapa'a Homesteads Well No. 4 & Package A-Well and Drainage Package of Water Plan 2020 Project No. WK-08, Job No. 02-14, Kapa'a Homesteads 325' Tanks, Two 0.5 MG Tanks Projects, Kapa'a, Kaua'i, Hawai'i for additional construction funding in the amount of \$150,311.48 and 298 calendar day time extension for proposed Change Order #14 (*Update*)

**L. TOPICS 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. *Manager's Report No. 20-51* – Discussion and Possible Action regarding the communication from the Salary Commission requesting for the Board's opinion on the challenges that the Board is facing while hiring a Manager & Chief Engineer (*Update*)
5. Baseyard Master Plan Workshop
6. Discussion and Receipt of the Department of Water's Draft Audit Financial Statements and Independent Auditor's Report by Accuity, Inc. for Fiscal Year 2020 and 2019 (November 2020)
7. Election of Officers for 2021 (November 2020)
8. Board Meeting Dates for 2021 (November 2020)

**M. UPCOMING EVENTS**

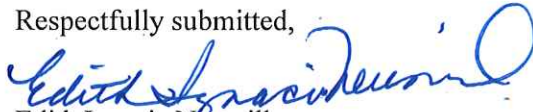
**N. NEXT WATER BOARD MEETING**

1. Thursday, October 22, 2020, 10:00 a.m.
2. Thursday, November 19, 2020, 10:00 a.m.
3. Thursday, December 17, 2020, 10:00 a.m.
4. Thursday, December 21, 2020, 10:00 a.m.

**O. ADJOURNMENT**

Chair Akamine adjourned the meeting after Executive Session at 11:49 p.m. with no objections.

Respectfully submitted,



Edith Ignacio Neumiller  
Commission Support Clerk

Approved,



Elesther Calipjo  
Secretary, Board of Water Supply