

MINUTES

DEPARTMENT OF WATER SUPPLY COUNTY OF HAWAII WATER BOARD MEETING

December 18, 2018

Department of Water Supply, Hilo Operations Conference Room, 889 Leilani Street, Hilo, HI

MEMBERS PRESENT: Mr. Craig Takamine, Chairperson
Mr. William Boswell, Jr., Vice-Chairperson
Mr. David De Luz, Jr.
Mr. Nestorio Domingo
Mr. Eric Scicchitano
Mr. Kenneth Sugai
Ms. Kanoe Wilson
Mr. Leningrad Elarionoff (time 10:03 a.m.)
Mr. Keith K. Okamoto, Manager-Chief Engineer, Department of Water Supply
(ex-officio member)

ABSENT: Mr. Bryant Balog, Water Board Member
Director, Planning Department (ex-officio member)
Director, Department of Public Works (ex-officio member)

OTHERS PRESENT: Ms. Diana Mellon-Lacey, Deputy Corporation Counsel

DEPARTMENT OF
WATER SUPPLY STAFF: Mr. Kawika Uyehara, Deputy
Mr. Kurt Inaba, Engineering Division Head
Mr. Richard Sumada, Waterworks Controller
Mr. Daryl Ikeda, Chief of Operations
Mr. Eric Takamoto, Operations Division
Mr. Clyde Young, Operations Division
Mr. Warren Ching, Energy Management Analyst

1) CALL TO ORDER – Chairperson Takamine called the meeting to order at 10:00 a.m.

2) STATEMENTS FROM THE PUBLIC:

None

3) APPROVAL OF MINUTES:

ACTION: Mr. Boswell moved for approval of the Minutes of the November 27, 2018, Water Board Meeting; seconded by Mr. De Luz and carried unanimously by voice vote. (Note: correction from Mr. Elarionoff was made later in the meeting. See Page 12.)

4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA:

ACTION: Mr. Boswell moved for approval to add the Supplemental Report for Item 6(B) Job No. 2018-1099, Pana‘ewa Wells B and C Repair, to the Agenda; seconded by Ms. Wilson and carried unanimously by roll call vote (Ayes: 7 - Ms. Wilson, Messrs. Boswell, De Luz, Domingo, Scicchitano, Sugai, and Chairperson Takamine; Absent: 2 - Messrs. Elarionoff and Balog.)

(Mr. Elarionoff joined the meeting at 10:03 a.m.)

5) POWER COST CHARGE:

Departmental power costs from all power sources decreased since the last Power Cost Charge rate was determined. The Department proposes to decrease the Power Cost Charge from \$1.94 to \$1.89 per thousand gallons as a result of this decline. Power cost charges over the past sixteen months were as follows:

<u>Effective</u>	<u>PCC</u>
August 1, 2018	\$1.94
April 1, 2018	\$1.88
December 1, 2017	\$1.62
August 1, 2017	\$1.73

Before the Power Cost Charge is changed, a Public Hearing should be scheduled to accept public testimony.

The Manager-Chief Engineer recommended that the Board approve holding a Public Hearing on January 22, 2019, at 9:45 a.m., to receive testimony on decreasing the Power Cost Charge from \$1.94 to \$1.89, effective February 1, 2019.

MOTION: Mr. Boswell moved for approval of the recommendation; seconded by Ms. Wilson.

The Manager-Chief Engineer noted that this is the regular evaluation and subsequent action.

ACTION: Motion carried unanimously by voice vote.

6) SOUTH HILO:

A. VEHICLE BID NO. 2018-16, FURNISHING AND DELIVERING VEHICLES TO THE DEPARTMENT OF WATER SUPPLY:

Bids were opened on December 6, 2018, at 2:00 p.m. and following are the bid results:

	Inter Pacific Motors, Inc., dba Orchid Isle Auto Center	IK Motors Inc. dba Kamaaina Motors	Big Island Motors, Inc., dba Hilo Kona Mazda Subaru	Kamaaina Nissan, Inc.
Part "A"				

	Inter Pacific Motors, Inc., dba Orchid Isle Auto Center	IK Motors Inc. dba Kamaaina Motors	Big Island Motors, Inc., dba Hilo Kona Mazda Subaru	Kamaaina Nissan, Inc.
One (1) only 2018 or later, mid-size regular cab pickup, 4-wheel drive Total delivery price: Delivery Time (calendar days)	\$34,263.00 320	\$31,135.40 120	No Bid	No Bid
Part "B"				
Two (2) only 2018 or later, compact extended cab pickup, 4-wheel drive, lift gate Total delivery price: Delivery Time (calendar days)	\$82,003.00 320	No Bid	No Bid	\$70,981.53 90
Part "C"				
One (1) only 2018 or later, mid-size extended cab pickup with lockable camper, 4-wheel drive Total delivery price: Delivery Time (calendar days)	\$34,299.00 320	\$32,682.21 120	No Bid	No Bid
Part "D"				
One (1) only 2018 or later, 1-ton crew cab with service body pickup, 4-wheel drive Total delivery price: Delivery Time (calendar days)	\$57,928.00 320	No Bid	No Bid	No Bid
Part "E"				

	Inter Pacific Motors, Inc., dba Orchid Isle Auto Center	IK Motors Inc. dba Kamaaina Motors	Big Island Motors, Inc., dba Hilo Kona Mazda Subaru	Kamaaina Nissan, Inc.
One (1) only 2018 or later, mid-size extended cab pickup, 4-wheel drive Total delivery price: Delivery Time (calendar days)	\$31,532.00 240	\$28,489.77 120	No Bid	No Bid
Part "F"				
One (1) only 2018 or later, all-wheel drive compact cross-over wagon or SUV, 4-door Total delivery price: Delivery Time (calendar days)	\$27,588.00 240	No Bid	\$27,806.51 90	\$27,382.68 90
Part "G"				
Three (3) only 2018 or later, 1-ton dump truck, 4-wheel drive Total delivery price: Delivery Time (calendar days)	\$159,617.00 320	No Bid	No Bid	No Bid
Part "H"				
One (1) only 2018 or later, compact extended cab pickup, 4-wheel drive Total delivery price: Delivery Time (calendar days)	\$38,465.00 240	No Bid	No Bid	\$31,251.43 90

The Manager-Chief Engineer recommended that the Board award VEHICLE BID NO. 2018-16, FURNISHING AND DELIVERING VEHICLES TO THE DEPARTMENT OF WATER SUPPLY, to:

- Inter Pacific Motors, Inc., dba Orchid Isle Auto Center, for **Parts D and G** at a total cost of \$217,545.00;
- Kamaaina Motors, for **Parts A, C, and E** at a total cost of \$92,307.38;
- Kamaaina Nissan, Inc., for **Parts B, F, and H** at a total cost of \$129,615.64;

and that either the Chairperson or the Vice-Chairperson be authorized to sign the contracts subject to approval of the contracts as to form and legality by Corporation Counsel.

MOTION: Mr. Boswell moved for approval of the recommendation; seconded by Mr. Sugai.

The Manager-Chief Engineer noted that it is good to see some competition in this bid and mentioned that the Department's Contracts Technician has been communicating with the County's Purchasing Division and the State Procurement Office to find ways of improving participation. In the past, there may have been only one participant in a bid. It appears to be a statewide situation where there is not as much competition as one may think. This bid was put out via the electronic procurement method, called "Public Purchase."

Mr. De Luz mentioned the Fire Department's issue with limited approved vendors that are able to bid, resulting in their vehicles costing twenty to thirty percent more. Perhaps a way to encourage more Hawai'i based participation is by asking State Procurement if it can be expanded to mainland vendors that are approved to work in Hawai'i. In particular, for the 1-ton truck, unless it is very specialized equipment, more competition would result in better prices.

The Manager-Chief Engineer stated that the Department is always in communication with State Procurement regarding ways to help vendors be aware of the public purchase or electronic bidding process and see if it helps with competition.

Mr. De Luz asked if it was possible to ask Procurement about a "Cost-Plus" method where an invoice is produced with all of the outstanding incentives which is kind of like an "as-build" concept of purchasing. For the more specialized machinery, it might be a different approach.

The Manager-Chief Engineer replied the Department would take a look at various options.

Mr. Elarionoff asked if the 320 delivery days bothers staff.

The Manager-Chief Engineer replied it does. That particular bidder had challenges in the past with their third-party supplier for the utility box. It appears they are being extra cautious so they do not have to ask for a time extension. This is causing the Department to look at how it will put out subsequent bids because it is a rather long period of time and takes the contract into the next fiscal year.

Mr. Domingo asked if the Federal Government law "Buy American" applies here.

The Manager-Chief Engineer replied it does not, in this case. Only projects that receive Federal funding have that requirement.

Ms. Wilson asked about the sole bid from one particular bidder and if there were no vendors on Oahu.

Mr. Ikeda replied that one vendor indicated they would have liked to bid; however, their suppliers were not building that item for another eight months down the road. Therefore, they declined to bid. They could have extended their delivery days but chose not to bid.

The Manager-Chief Engineer added that State Procurement Law also allows the Department to do an evaluation if there is one sole bid to see if it is a fair and reasonable price. If not, it can be rejected and put out for quotations by an alternate method of procurement. In this particular case, the bid price seemed in line with what was thought to be fair and reasonable. It is not a perfect system, but the Department is trying to make improvements.

ACTION: Motion was carried unanimously by voice vote.

B. JOB NO. 2018-1099, PANA'EWA WELLS B & C REPAIR:

This project consists of furnishing all labor, materials, tools and equipment necessary to remove the existing pumps, motors, and column assemblies; install new line shaft pumps and motors, column assemblies, sounding tubes, and all appurtenant materials; install new electrical equipment and appurtenances; chlorinate the well and pumping assemblies; and complete efficiency tests; in accordance with the specifications.

Bids for this project were opened on December 13, 2018, at 1:30 p.m., and the following are the bid results:

Bidder	Bid Amount
Beylik Drilling and Pump Service, Inc.	\$813,020.00

Project Costs:

1) Low Bidder (Beylik Drilling & Pump Service, Inc.)	\$ 813,020.00
2) Contingencies (~10.0%)	<u>\$ 80,980.00</u>
Total Cost:	<u>\$ 894,000.00</u>

Funding for this project will be from DWS's CIP Budget under Deepwell Pump Replacement. The contractor will have 270 calendar days to complete this project. The Engineering estimate for this project was \$703,200.00.

Well History:

Pana'ewa Well B:

Original Installation: December 1968
 Repaired: April 1977
 Repaired: April 1986
 Repaired: November 2002
 Repaired: March 2011
 Last Repaired: September 2012

Pana'ewa Well C:

Original Installation: May 1984
 Last Repaired: December 2000

The Manager-Chief Engineer recommended that the Board award the contract for JOB NO. 2018-1099, PANA'EWA WELLS B & C REPAIR, to the lowest responsible bidder, Beylik Drilling and Pump Service, Inc., for their bid amount of \$813,020.00, plus \$80,980.00 for contingencies, for a total contract amount of \$894,000.00. It is further recommended that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality by Corporation Counsel.

MOTION: Mr. De Luz moved for approval of the recommendation; seconded by Mr. Sugai.

The Manager-Chief Engineer stated that staff was proactive in putting this out to bid as the wells have been showing signs of potential failure. The cost includes more than just a pull/push of a pump and motor. It will include a significant amount of electrical work, some SCADA (Supervisory Control and Data Acquisition) work, above-ground piping work, and some appurtenant work such as sounding tubes, cables, etc.

Mr. De Luz asked if Well “B” is a problem well. It seems that Well “C” had less frequent repairs.

The Manager-Chief Engineer replied that both wells have been extraordinary as far as duration because they operate at a high capacity (2,100 gpm according to Mr. Young), about three million gallons a day, and they operate regularly every day.

In response to Chairperson Takamine’s question about the depth of the wells, Mr. Young stated they are 200 feet deep. Expanding on the scope of work, he indicated one of the reasons staff prefers line shafts is that they have a better lifespan than submersibles. One other thing that will be looked at, such as what is being done on the wells in Kona, is to check the alignment of the well to see if there are any issues.

Chairperson Takamine asked what the reason was for the total cost ending up being almost \$200,000.00 higher than the engineer’s estimate.

Mr. Young replied that more work was added to the scope of the project and that most of the added costs were on the electrical portion. Staff was hoping for more competition this time around because another electrical contractor has been submitting quotes to the drilling contractors; but it did not seem to pan out. About 75% of the higher costs were on the electrical side.

The Manager-Chief Engineer added that, along with the limited pool of drilling contractors, it appears as though not as many electrical subcontractors are partnering with them. Because this is a sole bid, staff did an evaluation to make sure that the cost was fair and reasonable and are, therefore, recommending award to the sole bidder.

Chairperson Takamine was glad the Department is being proactive with the well repairs.

ACTION: Motion was carried unanimously by voice vote.

7) NORTH KONA:

A. JOB NO. 2013-989, KAHALU‘U SHAFT INCLINED LIFT REPLACEMENT – REQUEST FOR TIME EXTENSION:

This time extension is to allow the inclined lift contractor to do repairs to the tracks for the inclined lift at the Kahalu‘u Shaft. The track repair is not in the contractor’s contract. The Hil-A-Vator, the existing inclined lift, started locking the emergency brakes in September 2018. The DWS, the contractor (Jas. W. Glover, Ltd.), and a welding company (Universal Welding), subsequently met to investigate; and with the concurrence of the cart manufacturer, found that the tracks are in need of some repair. The contractor and the welder have been working on the design for repair of the tracks. The contractor is asking for 90 calendar days to complete the design and installation.

This would be the first time extension to the contract.

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	1/19/2019	04/20/2019	90	Repair existing tracks for cart.
Total Days (including this request)			90	

If approved, the contract completion date would be extended from January 19, 2019, to April 20, 2019. Engineering staff has reviewed the request and finds that the time extension request is justified to complete the repair work required for the project.

The Manager-Chief Engineer recommended that the Board grant this extension of contract time of ninety (90) calendar days, to Jas. W. Glover, Ltd., for JOB NO. 2013-989, KAHALU‘U SHAFT INCLINED LIFT REPLACEMENT.

MOTION: Mr. Scicchitano moved for approval of the recommendation; seconded by Ms. Wilson.

The Manager-Chief Engineer stated that this time extension was brought to the Board today because the contract completion precedes the next Board meeting in January. There are still evaluations being done as to the exact scope of work needed. The best guess, at this point, is that 90 days will be needed. It may also need to come back for additional funds. It was discovered during the course of work that some portions of the track are in such bad condition that the repair work cannot proceed without fixing the track. The condition of the track is causing the emergency brakes on the cart to lock up. He explained that this is an incline shaft, and the cart rides on what looks like a railroad track to transport personnel. In answer to Mr. Boswell’s question about the length of the track, he stated it is about 1,100 feet. Only certain segments need to be inspected, replaced, and properly welded.

In response to Mr. Boswell’s question of whether the current contract had no money for that work, Mr. Inaba replied there is contingency, but it will not cover it.

The Manager-Chief Engineer added that their proposed cost will be checked to ensure it is fair. One of the options available to the Department is force account.

Mr. Boswell what the life expectancy of the well is and if it would be used forever or if it is one the Department would prefer not to use.

The Manager-Chief Engineer replied that the Department would prefer to see it relegated to back-up duty just because of the basal and chloride concerns. He is hopeful that with the continued development of high- and mid-level sources, the basal sources can be relegated to back-up duty.

Mr. Boswell asked what the long-term fix for the track would be--if it meant complete replacement or whether it needed hardened steel or the proper material to last.

The Manager-Chief Engineer replied they were all good questions; however, the Department is limited to what the manufacturers use to make those types of tracks. The source is still needed for the foreseeable future.

ACTION: Motion was carried unanimously by voice vote.

8) MISCELLANEOUS:

A. MONTHLY PROGRESS REPORT:

Mr. Inaba pointed out that the Department will be holding community meetings prior to construction for the three recently executed contracts: Ka'ie'ie Mauka Facility Improvements in Pāpa'ikou mauka; the Wai'aha Water System Improvements project; and the Waikoloa Reservoir No. 1 Repair project.

The Deputy added that the Wai'aha Water System Improvements project community meeting will be January 9, 2019, at 5:30 p.m. at the Kona Imin Center. The meeting for the Ka'ie'ie Mauka project is tentatively set for January 14, 2019, at the Pāpa'ikou Community Center; and the Waikoloa project meeting is set for January 24, 2019, at the Waimea Community Center. Press releases on all three meetings will be sent out, and the Manager-Chief Engineer indicated that they would be forwarded to the Water Board prior to press release.

Mr. Scicchitano asked about the Progress Report of Projects in terms of when completed projects fall off the list, say for the fiscal year, or how staff shows them on the report. It would be good to see from an operations perspective, over the course of a year.

Mr. Inaba indicated that it could be shown on the report as a project completed and then after the fiscal year, wiped off the report.

Mr. Elarionoff asked about the Puakō Waterline Replacement project. When he first came to Waimea, that waterline was changed and has been changed again since then. He asked if there is any type of pipe that can be used so it does not have to be changed so often, due to exposure to salt water.

Mr. Inaba explained about a zinc-coated ductile iron pipe with a bio-poly wrap that the Department will spec out. It is supposed to create a favorable environment for the ductile iron pipe to prevent corrosion. It will cost an extra \$2.00 per foot, but since the pipe itself is \$40.00 a foot, it is felt to be a worthwhile investment. The important part will be maintaining what is installed when doing any type of connections, for example, if another developer comes in, the Department will ensure that what is put back is the same as what was in the ground. In response to Mr. Elarionoff's question about warranty on the pipe, he replied there is a standard warranty on it.

Mr. Elarionoff asked about the Waimea Water Treatment Plant 5.0 MG Clearwell Reservoir - Planning and Design and why the Department always hires a consultant. He asked what the consultant does and if it is too much to have it done in-house.

Mr. Inaba explained that this project is not a typical water system project. The consultant would have the full staff required to do specialty work such as permitting, environmental issues, electrical, mechanical, structural, and civil engineering.

Mr. Elarionoff asked about the Lālānilo Wind Farm project, noting the report says a third environmental assessment (EA) had been done. He wondered why the need for the third one.

Mr. Inaba replied that the second EA was needed after the first, due to the requirement for a HCP and IDP study. They were not deemed complete in the second EA; and therefore, the State is requiring the third EA be done.

Mr. Elarionoff stated that brings him back to his second question of what the consultant was doing.

Mr. Inaba replied this was an RFP (Request for Proposals) so they hired the consultant. They were design builders.

The Manager-Chief Engineer added that the Department did not pay for this one. Going back to the question about consultants, it is more prudent for the Department to hire consultants for doing the design work because the Department does not have the resources in-house. Today's design, from planning all the way through permitting, requires planners, environmentalists, environmental consultants, and specialty consultants such as soil and sub-surface, structural, electrical; and the Department does not have any of those on staff. They could be brought on staff, but it may not be prudent because of the volume of work. There are other things to consider as well such as overhead, more office space, benefits such as retirement packages, etc.

B. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

Mr. Elarionoff asked about the mention on the first page, fourth paragraph, of "an additional month in the current year" and how you get an additional month in the current year.

Mr. Sumada replied that it meant for November, the Department had paid for six months of that cost by the end of the fifth month. In the prior year, there were only five payments in the 5-month period. It is merely a matter of timing for the sixth payment.

Mr. Elarionoff also asked where the volcano losses would be shown.

Mr. Sumada replied that the volcano losses were recorded in fiscal year end 2018. They will appear in the audited report which will be available in the next couple of months from the auditors.

Mr. De Luz asked when the transfer was to be made to the CIP Reserve account on the Status of the Budget Report. He noted that it had not yet been made on the budget side, and there is a 10% variance between receipts and expenditures.

Mr. Sumada explained that the transfer is typically made at year end in order to balance receipts and expenditures.

C. MANAGER-CHIEF ENGINEER'S REPORT:

The Manager-Chief Engineer provided an update on the following:

1. North Kona Wells - the Deputy gave the Board an update on the wells. As of today, eleven of the fourteen wells are up and running. Honokōhau Well was repaired last week and was put online yesterday. At this time, the region is still under the ten percent voluntary water conservation. Hualālai Well is next on the priority list. The motor and seal are completed, and the pump is in transit to Centrilift's California facility where it will be fitted up. The pump, motor, and seal are anticipated to be shipped out later this week or early next week, and expected on this island by January 2, 2019. The contractor is fabricating the shroud necessary for this well due its alignment and is expected by the third week of January. Once all materials are onsite, installation can begin.

For Palani Well, the Department is finalizing the bid specifications. Staff is working to advertise and award in January/February of 2019.

For Wai'aha Well, there is no change from last month. The Department has no further comments because of its potential for litigation.

Mr. De Luz asked when they match the pump and the motor for Hualālai Well, if they are bench tested at that time.

Mr. Takamoto stated it will be a full string test. It is all the same manufacturer.

The Deputy stated that the Department is now specifying in the bids for the pump and motor manufacturer to be the same. It will ensure that a full test of the equipment is done prior to shipping.

Mr. Domingo asked about the area still being under the 10% conservation.

The Manager-Chief Engineer stated that it is a way to maintain awareness for people to continue to use water wisely. The Department will be going ahead with the Kalaoa Well Repair, which was put off during the time the other wells were down. It has been awarded but was held back. Once Hualālai Well is back online and Palani is ready to advertise, the Kalaoa Well Repair can go ahead.

Mr. Elarionoff asked if putting off the repair escalates the price, since prices change over time.

The Manager-Chief Engineer replied that the hope is that the contractor will honor their bid; however, they have every right to come in and ask for escalation costs.

Mr. De Luz raised the topic of concentrated growth happening on the west side of the island. The unfortunate scenario is it does not cost the same to provide water to some of those communities. Based upon what is known about the wells, their resiliency, and sustainability, discussion may be needed in the coming years about regional costs versus the delivery benefit and doing necessary adjustments to water delivery rates. The reason he brought this up was that the mandate for the Department in regards to water is to socially be able to have it accessible. The key to it is who bears the brunt of that responsibility. If the residents are living with a 10% conservation, this may be an opportunity to start looking at how to allow for more capacity with the current systems in place and hopefully slow the need for more infrastructure to catch up.

Mr. Inaba mentioned that with new developments, the Department has been more up front in letting them know what their plan should be and that they are limited to 400 gallons per day, per lot. They typically have to put in infrastructure or participate in putting in for source, storage, and transmission. Once it is turned over, the Department is responsible.

The Manager-Chief Engineer stated that Mr. De Luz's question is a huge one and is something the Board will need to weigh in on. It is a multi-pronged approach that the Department is currently taking. One is conservation efforts, and the other is engineering on the new land use applications. Definitive language is being put in for use of alternate water supplies for non-consumptive uses. Moving forward, the Department's next water rate study and water rate evaluation is going to incorporate all of the things learned and what is needed to be more resilient and better prepared for challenges on both sides of the island. As far as different rates for different regions, that is something that is always going to be up for discussion at the appropriate time. The Water Rate Study is due in this upcoming fiscal year.

- 1a) The Manager-Chief Engineer mentioned the Pacific Water Conference coming up February 20 to 21, 2019, on Oahu. Four Board Members are budgeted. Please let the Secretary know if Board Members are interested.

2. Retirees of the Department

Mr. Ikeda noted that for Operations Division, there are three employees retiring at the end of the year. They could not be here as they are from the district offices. In Kona, Mr. Robert Ravenscraft will be retiring. He has been with the Department for 30 years and is the Water Service District Supervisor. He runs all of North and South Kona. In Ka‘ū, Mr. Harvey Galapir is retiring. He is a Lead Pipefitter and has been with the Department for about twelve years. In Waimea, Mr. Theodore (Ted) Lindsey is retiring. He has been with the Department about eighteen years. Some may recognize him as being the pipe man on the pipe tapping team. They will all be missed.

Mr. Sumada reported that from the Finance Division, Ms. Claire Kawahara is retiring the end of this year. She is a Customer Service Representative at the Hilo office and has been with the Department 29 years. Her strength is the care that she gives the customers. Every once in a while, a customer will write a letter to the Department with thanks on the service they receive; and usually, they are talking about Claire. He read a letter from a customer from Arizona who wrote “I am writing this letter to commend Claire on her professional behavior and patience when she received my call for assistance. Most calls for assistance are rushed and there is no sense of sincerity. Please pass on my comments of gratitude and appreciation on how she conducted herself. It is a pleasure to know the aloha spirit is a way of conducting business in your office.”

The Deputy reported that Administration Division’s retiree is Ms. Wanda Kapahu. She has been with this Department almost 31 years and started as a Personnel Clerk, was a Personnel Assistant, Personal Management Specialist II, and is, since 2008, our Human Resources Manager in charge of all of our personnel HR related things. Prior to coming to our Department, she was with the County almost 10 years. Total with the County of Hawai‘i, she has been with the County 40 years. Wanda will be missed very much. Everyone has had interactions with her because of her duties in the HR office. He has personally worked with her the last couple of years and appreciates her straightforwardness. She keeps everyone on their toes and is always pleasant to work with. She is wished all the best.

The Manager-Chief Engineer thanked Ms. Kawahara and Ms. Kapahu as well as the three from Operations because every time someone with that many years leaves, there is a lot of institutional knowledge that leaves with them. They leave big shoes to fill and will be missed.

Change to Minutes: Mr. Elarionoff asked Chairperson Takamine if he could make a correction to the Minutes as he was a little late arriving today due to road work. Page 26, at the very bottom where he spoke, it says “with the Lālāmilo Wind Farm lot.” The word “lot” is incorrect and should be “**plot.**” He asked how that could be changed since the Minutes had already been approved today.

Ms. Mellon-Lacey stated it would need a Motion to recall the approval of the Minutes.

Chairperson Takamine asked for a Motion for Item 3, to recall approval.

MOTION: Mr. De Luz moved to recall Item 3, approval of the minutes; seconded by Mr. Sugai.

Mr. Elarionoff asked to change the last word on Page 26, second to the last paragraph, from “lot” to “plot.”

ACTION: Motion to make correction to the Minutes was carried unanimously by voice vote.

D. EXECUTIVE SESSION: MANAGER-CHIEF ENGINEER’S EVALUATION FOR CALENDAR YEAR 2018:

The Board anticipates convening an executive meeting to consider the evaluations of the Manager for its annual performance review, as authorized by Hawai‘i Revised Statutes (“HRS”), Sections 92-4 and 92-5(a)(2). The Board wishes to have its attorney present, in order to consult with the board’s attorney on its questions and issues pertaining to the board’s powers, duties, privileges, immunities, and liabilities pursuant to HRS Section 92-5(a)(4). A two-thirds vote of the members present, pursuant to HRS Section 92-4, is necessary to hold an executive meeting, provided that the affirmative vote constitutes a majority of the board.

ACTION: Mr. Boswell moved that the Board enter Executive Session; seconded by Mr. Sugai and carried by roll call vote (8 ayes: Messrs. Boswell, De Luz, Domingo, Elarionoff, Scicchitano, Sugai, Chairperson Takamine, and Ms. Wilson); nays: 0; absent: 1 (Mr. Balog).

(Executive Session began at 10:59 a.m. and ended at 11:30 a.m.)

E. MANAGER-CHIEF ENGINEER’S EVALUATION FOR CALENDAR YEAR 2018:

MOTION: Chairperson Takamine moved to raise the Manager-Chief Engineer’s salary five percent (5%) over the current and to give the Deputy a raise of five percent (5%) less than what the Manager-Chief Engineer’s new salary will be, effective January 1, 2019; seconded by Ms. Wilson.

Mr. De Luz stated, for clarity, it is his belief that the Board is compensating for the position. It just happens there are names attached to those positions. For the Manager-Chief Engineer and for the Deputy, the compensation, from his perspective, is paying for the quality of people we expect of those positions. He believes those positions deserve this level of compensation and supports this Motion.

ACTION: Motion carried unanimously by voice vote.

The Manager-Chief Engineer stated that he appreciated the Board making that adjustment for the Deputy, which is, in his opinion, appropriate.

Mr. Boswell stated that the Board’s opinion was that it was overdue by a year, but the Board is catching up, purposefully.

The Deputy and Manager-Chief Engineer thanked the Board.

F. ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON FOR 2019:

Chairperson asked if anyone wished to nominate a new Chairperson.

MOTION: Mr. De Luz stated that although Mr. Boswell may have reservations, he wished to nominate him for Chairperson. The reason is that he believes continuity is important and believes we have enough talent to support Mr. Boswell in his Chairmanship. He felt the complexity of this particular Board lends not to have someone who has not been in that position and being able to work

with Management so that they have some kind of continuity in being able to understand what is expected of them, especially because of the high fiduciary responsibility in regards to contracts. Not to mention, Mr. Boswell's background lends to his ability to have that insight in reviewing the contracts. Motion was seconded by Mr. Sugai.

There being no other nominations, the Board entered discussion.

Mr. Elarionoff stated that he would be willing to go along with that as long as the Vice-Chairperson comes from the other side of the island for the convenience of signing paperwork, etc.

Chairperson Takamine agreed that it is easier to be able to have one of the two to come in and sign because there are a lot of documents needing signature over the course of each month.

Mr. Boswell stated that was his primary reservation, knowing that he cannot just be on the Hilo side on a moment's notice. It does not mean he cannot drive over; his employer is very gracious in that respect, but he agreed that having the Vice-Chair be from the Hilo side is a big plus.

Ms. Mellon-Lacey suggested a motion be made to close nominations if there are no further.

Chairperson Takamine entertained a Motion that nominations for Chairperson be closed.

ACTION: Mr. De Luz so moved; seconded by Mr. Sugai and carried unanimously by voice vote.

Chairperson Takamine entertained motions for nomination for Vice-Chairperson for 2019.

MOTION: Mr. Elarionoff moved to nominate Mr. Scicchitano for Vice-Chairperson; seconded by Mr. De Luz.

Mr. Boswell and Chairperson Takamine stated that Mr. Scicchitano would be a good fit for Vice-Chairperson.

Ms. Mellon-Lacey asked if Mr. Scicchitano was willing to accept, and he accepted.

Ms. Wilson moved to close nominations; seconded by Mr. Elarionoff and carried unanimously by voice vote.

Chairperson Takamine called for a vote on the Motion to have Mr. Scicchitano as Vice-Chairperson.

ACTION: Motion was carried unanimously by voice vote.

Mr. Boswell and Mr. Scicchitano were congratulated for positions of Chairperson and Vice-Chairperson, respectively, for 2019.

G. **CHAIRPERSON'S REPORT:**

Chairperson Takamine reported that today is bittersweet because when he thinks back on the last five years, there have been a lot of changes, not only islandwide, but to the Department of Water Supply. When he first started, Mr. Quirino Antonio was the Manager-Chief Engineer and Mr. Keith Okamoto was the Deputy. He thinks the Department is in a good position right now, noting some of the changes that were made with respect to the wells in Kona. Along with the Manager-Chief Engineer

and his Deputy, the Department Heads make a very good executive team. He is content to leave the Board, happy that it is in a much better position.

9) ANNOUNCEMENTS:

1. **Next Regular Meeting:**

The next meeting of the Water Board will be January 22, 2019, 10:00 a.m., at the Department of Water Supply, Operations Center, 889 Leilani Street, Hilo, Hawai'i.

2. **Following Meeting:**

The following meeting of the Water Board will be February 26, 2019, 10:00 a.m., at the Department of Water Supply, Operations Center, 889 Leilani Street, Hilo, Hawai'i.

10) ADJOURNMENT:

ACTION: Mr. De Luz moved for adjournment of the meeting; seconded by Mr. Boswell and carried unanimously by voice vote.

(Meeting adjourned at 11:42 a.m.)

Recording Secretary

(Minutes approved at 1/22/19 Water Board Meeting)