

MINUTES

DEPARTMENT OF WATER SUPPLY COUNTY OF HAWAI‘I WATER BOARD MEETING

June 25, 2019

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

MEMBERS PRESENT: Mr. William Boswell, Jr., Chairperson
Mr. Eric Scicchitano, Vice-Chairperson
Mr. Nestorio Domingo
Mr. Leningrad Elarionoff
Ms. Julie Hugo
Mr. Zendo Kern
Mr. Kenneth Sugai
Mr. Keith K. Okamoto, Manager-Chief Engineer, Department of Water Supply
(ex-officio member)

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

OTHERS PRESENT: Ms. Diana Mellon-Lacey, Deputy Corporation Counsel
Ms. Nancy Cook Lauer, Hawai‘i Tribune-Herald
Mr. James Lenner
Ms. Debra Smith
Ms. Eileen O’Hara
Ms. Shannon “Smiley” Burrows
Mr. Jeff Zimpher (10:15 a.m.)

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. Clyde Young, Operations Division
Mr. Eric Takamoto, Operations Division

- 1) CALL TO ORDER – Chairperson Boswell called the meeting to order at 10:00 a.m.
- 2) STATEMENTS FROM THE PUBLIC (*transcribed verbatim*)

1. Mr. James Lenner

Good morning. I’ll be brief. I’m James Lenner, Treasurer if Kapoho Kai Water Association. We just learned we were going to be here. Kapoho Kai Water Association is located within the Vacationland community, Hawai‘i Community Association; and as you all know, some substantial changes

occurred down there in the last thirteen months. Basically what I'm here for is that we had talked to the Department of Public Works and Kurt Inaba, and we're trying to get some push going on to look at restoring water down there. I understand that you applied for FEMA loans for restoring water in that area; and I think Kurt can probably tell you what's been going on, what's been done as far as test wells and everything. But all of us in Vacationland are a great group and are looking at going back in someday. It's a little soon but we have to put stuff on the table and get started, to plan. Water is essential down there for the farm lots. Some of the best orchid growing is down there. Five orchid farms, which were inundated, that's the best area to grow orchids on the island and water is essential. It's essential for us at House Lots too. We spent upwards of \$100,000.00 back in 2002 to put in 3,400 feet of 6-inch ductile iron pipe and we dedicated it to the County. And then we purchased up to 150 water meters at this time. So we had a lot of money invested in that. We're applying and hoping to get you to look at putting water back in down in that area. A part of your Rules and Regulations say that when an application for water service has been approved, the service connection will be installed by the Department at the expense of the applicant and thereafter be maintained by the Department at his expense. So we're doing our part. And I'm just asking you to look at this and work with the Department of Public Works and help getting our water back to us. Thank you.

2. Ms. Debra Smith

Good morning. I'm the President of Vacationland Homeowner's Association and as Jim said, a lot of us had water. I had water in the Farm Lots. I have my receipt for my meter. And we are looking to give our membership as much information as possible and having water restoration is a big important step. And Farm Lots, we are looking at trying to reestablish some farming in that area. And water catchment won't cut it for them. And so we are hoping that we can get you guys talking to Public Works and see if we can at least move the conversation forward. We understand this is going to be a long process. It's not gonna happen overnight and we're just wanting to get our feelings out there because if we don't speak up, nobody knows that we're wanting to go home. I personally have an acre of land out there, and a house. There's three houses left, and that house does have water catchment, so when we can get a road into there, we can move home. But everybody else, we need some water. So that's part of our plan.

3. Ms. Eileen O'Hara:

Good morning. I just wanted to address the item on the Agenda. I think it's number 9(B) which is your monthly status report. In that report, I don't see any information regarding the FEMA 428 application for funding water resource restoration for the areas affected by lava in Puna. And that's a concern because we had spoken with Kurt Inaba, your head engineer here at the Department, and he told us the application was submitted that that was confirmed by Tom Travis, who I spoke with on a conference call yesterday. He's the head of State Civil Defense. So I'm surprised we're not hearing anything about this application. Meantime, you may have heard from other members of the Vacationland board and Water Board that Vacationland has submitted for FEMA funds for restoration of its service lines which is part of the water distribution service. But the public part where the Board of Water Supply provides water is, of course, not there and needs to be recovered. The Vacationland Community Association has also gotten approvals for SPA loan to restore its seven miles of subdivision private roads. So we're being very proactive. When the County commenced the work on [Highway] 132, which was the County's major rural route, they had to go through federal highways instead of FEMA. That has complicated things in certain ways, but we were told initially it was going to be a temporary road--22 feet of asphalt, no shoulders. We had a meeting--these folks back here and I had a meeting with David Yamamoto and Allan Simeon last week and they are now trying to get permission from federal highways to do a permanent restoration, which of course would involve paved shoulders. Now we all know that public waterlines have to go under pavement so this becomes

critical. This was not the route that Vacationland was previously provided water by. Previously, it came from the Lanipuna Well down Pohoiki Road, which fed the County park, up Highway 137 feeding Ahalanui and Kua O Ka La before it came to Vacationland and Kapoho Beach Lots. Kind of convoluted route to go but that was the route previous. It could be brought down 132 from the Pāhoa Well. Previously water only extended to PGV, the Puna Geothermal Plant. But if water were run down 132 by the Board of Water Supply, you would have a lot more customers because there are hundreds of homes in the Kapoho area that are getting their electricity restored. We know HELCO is calling them. They would love to be on water too. So aside from the Vacationland and Beach Lots where there are 516 TMK's that want to go back, you also have the folks in Kapoho that would be serviced by a new route. And just matter of fact, talking to Tom Travis, the FEMA 428 application allows you to get money for recovery of system but it doesn't have to be placed exactly where it was previously. So think ahead--might be a good time to change up. And in that, time is of the essence. As I just said, Department of Public Works is thinking they might be able to get Federal Highways to approve a permanent installation of 132. And we would hate to see it go down and then be dug up and you know how that one goes. So those are some of the concerns I wanted to bring to your attention. I think, Jim just covered, that when the application for water service was approved, that you guys have rules about maintaining that side of the service. It's up to us, of course, to provide service on the other side of the main meter. And we're prepared to do that. So we just want to work together collectively and ask that you agendaize this item on your next agenda in July so that we can have a real thorough discussion. You can see the maps and see what is at play here. And let's not wait because the County plans to be done by October 5. So time is moving along and we gotta see what we can do now. Thank you.

4. Ms. Shannon "Smiley" Burrows:

Good morning. I'm Smiley Burrows, and we are the owners of Kapoho Crater. We've been very involved with the Water Department, of course, with our tank and really have always appreciated all of the help and support and communication with the Water Department. We lost our new home in the Farm Lots. We reside in Leilani Estates now. So it's really been an opportunity for me to engage in recovery for the community. I'm hopefully going to be on the action committee with the community development plan in progress, which of course is a 25-year overview long-term goals. Short-term right now, we're just getting roads open. People want to go home. I support the need for water restoration in our Kapoho community. A lot of these farms were actually above-ground orchid farms, palm farms. It's really easy to level out these five-acre parcels and make a lot of money again in our area. So as much of a vulnerability it is and a risk area, we know that the risks of the whole entire island in several Lava Zone 2's are always an "if." So being said, I definitely feel that restoring infrastructure and hopefully getting FEMA funding to help with the costs of bringing water back is a possibility and something that can be brought to the table, which it really hasn't been since we've been working on road restoration since September with Public Works and Research and Development. The boat ramp; so this is a big issue that we're working on. My husband is a fisherman. Of course, we lost access down at Pohoiki and there is still quite a lot of confusion and trying to figure out the best specific spot to put a new boat ramp but the fishermen obviously are going to need water wherever that's going to happen. So I also look at the aspect of restoring the water for the sake of the fishermen. I met with a group, Aloha Aina, down at Pohoiki the other day. Being that the park was opened in December, the lifeguards really asked the County to make it a point to try to get water restoration to our only usable County park down in that lower Puna area right now. So we're working on temporary fixes to get some temporary water catchments; and it looks like our district Councilwoman, Ashley Kierkiewicz, is going to organize a big meeting and facilitate that short-term. But long-term, it makes sense to me to try to get the water back down to Pohoiki way which was able to make it to Kapoho so I just want to let you guys know that I'm in support of the aspect of bringing water down for the community, commercially as well as recreationally; and our tank on the top of

Kapoho Crater is steaming right now, so one question that I do have for the aspect of...I'm not a hydrologist but I've heard from many different sources that the watersheds below the eruption have become contaminated. I do know that the water that we were getting for those areas were actually above from the Pāhoā way because our pump was...our area was contaminated and wasn't useful down in Kapoho for the tank on top but it's there and hopefully it will eventually be able to be utilized; and thank you for everything that you guys do. So, yeah, I guess the question, for me, is...is the watershed below the eruption contaminated and is that a rumor or has there been clear understanding of what's going on with the watersheds and the aquifer below the eruption area or can we potentially create wells? And so that's a question that I'm interested in finding more actual facts about instead of just hearing rumors, so...mahalo.

Chairperson Boswell: Anyone else? (Secretary noted there were no additional sign-ins for testimony.)

D. Mellon-Lacey: Apparently there are four copies of emailed testimony that are before the Board.

Chairperson Boswell: Do we speak for these people in light of the fact that they are not here, or no?

D. Mellon-Lacey: It's been given to the Board for consideration. It could be read into the record. To my understanding, that's not mandatory; but it can be. It is all on the same issue of support for the water being restored in Kapoho and one is just acknowledging another person's letter as discussing the issues.

Chairperson Boswell: Yeah, that's the context that I got out of it all, that they are all supporting the same.

D. Mellon-Lacey: Yes.

Chairperson Boswell: So, if you can give me direction. I don't want to read them...if they weren't able to make it...

D. Mellon-Lacey: Yeah, no I mean the Board has the information so they would be accepted as testimony that has been presented to the Board on this issue.

Manager-Chief Engineer: It will be incorporated into the file.

Chairperson Boswell: Nobody gets forgotten. So we're going to move into our...can we say something or do we just...?

D. Mellon-Lacey: Generally we don't respond to the testimony that is given. It is given to the Board for consideration.

Chairperson Boswell: Not even a cordial...?

D. Mellon-Lacey: If there is a summary comment you wish to make.

Chairperson Boswell: We appreciate all of you coming in and the positive attitude. I know, from our engineering and administration staff, they're very supportive of what's happening down there; and we just need to work through the bureaucracy of it. It's quite a task. I'm sure you're aware of it. I wish the best for all of you.

Ms. O'Hara: And thank you. We'll probably all get up and leave because...

Chairperson Boswell: I don't want to drag you through the rest of it.

Ms. O'Hara: Don't consider us rude. Thank you for hearing us.

Chairperson Boswell: I appreciate you being here.

Ms. Burrows: I'm just wondering if anybody does have a possible answer to the question I posed?

Manager-Chief Engineer: You know what, the best thing to do, Smiley, is just send us an email requesting whatever information we have. We don't have that information right now. We do have some information on a particular well in the area but that's about it. So send us an email.

Ms. Burrows: Okay. Thank you. Have a great day you guys.

Chairperson Boswell: Thank you.

(Mr. Lenner and Mss. Smith, O'Hara, and Burrows left the meeting at 10:16 a.m.)

3) APPROVAL OF MINUTES

ACTION: Mr. Elarionoff moved for approval of the Minutes of the May 28, 2019, Public Hearing on the Power Cost Charge and the May 28, 2019, Minutes of the Regular Water Board Meeting; seconded by Mr. Sugai and carried unanimously by voice vote.

4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA - none

5) SOUTH HILO:

A. **JOB NO. 2019-1115, PANA'EWA WELL A REPAIR:**

This project consists of furnishing all labor, materials, tools and equipment necessary to remove the existing pump, motor, and column assembly; replace all column assembly bearings; install the existing line shaft pump and motor, column assembly, sounding tubes, and all appurtenant materials; chlorinate the well and pumping assembly; and complete efficiency test; in accordance with the specifications.

Bids for this project were opened on June 13, 2019, at 2:00 p.m., and the following are the bid results:

Bidder	Bid Amount
Derrick's Well Drilling & Pump Services, LLC	\$98,000.00
Beylik Drilling & Pump Service, Inc.	\$107,450.00

Project Costs:

1) Low Bidder (Derrick's Well Drilling & Pump Services, LLC)	\$98,000.00
2) Contingencies (~10.0%)	<u>\$9,800.00</u>
Total Cost:	<u>\$107,800.00</u>

Funding for this project will be from DWS's CIP Budget under Deepwell Pump Replacement. The contractor will have 100 calendar days to complete this project. The Engineering estimate for this project was \$80,000.00.

Well History:

Pana'ewa Well A:

Original Installation: March 1964

Repaired: September 1999

Last Repaired: September 2016 – Final Contract Amount \$145,000.00

Mitigation Measures:

This project will implement the mitigation measure of conducting a borehole alignment survey.

The Manager-Chief Engineer recommended that the Board award the contract for JOB NO. 2019-1115, PANA'EWA WELL A REPAIR, to the lowest responsible bidder, Derrick's Well Drilling & Pump Services, LLC, for their bid amount of \$98,000.00, plus \$9,800.00 for contingencies, for a total contract amount of \$107,800.00. 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. Kern moved for approval of the recommendation; seconded by Mr. Sugai.

The Manager-Chief Engineer stated that if there were any technical questions, Mr. Takamoto, project engineer, was here to answer.

Chairperson Boswell asked what the well depth was that makes it a lineshaft.

Mr. Takamoto replied it is just over 300 feet.

Mr. Scicchitano asked for some history on the last repair done in 2016.

Mr. Takamoto replied that it was a complete repair that included a pump and motor assembly, complete column assembly, and all lineshafts.

Mr. Kern asked if there was any redundancy from that original work that is being done now.

Mr. Takamoto replied that this project includes replacing the bearings that were installed in that last repair.

The Manager-Chief Engineer added that although lineshaft pumps are preferred because they are easier to maintain, the motor is at the surface and there are bearings in between the motor, or the drive shaft, and the pump at the bottom of the well. The bearings keep that shaft in a locked center position to spin around that certain axis. If there is any wobble or misalignment, it will wear out the bearings. His understanding was that this one had some of that issue; therefore, the bearings will be replaced plus what Mr. Takamoto refers to as a "stuffing box" up at the discharge head. That may have been what caused this well to need repair.

Mr. Kern asked if three years was a typical amount of time between replacement of bearings or if it was pretty quick.

Mr. Takamoto replied it is a little unusual for a lineshaft. Normally, they last longer than that.

Mr. Kern asked if there was any recourse from the original contract.

Mr. Takamoto replied there was none. The warranty period on the previous repair has passed.

Mr. Kern mentioned other upcoming items on today's agenda with change orders and time extensions and asked how staff feels about this one. He is new to the Board, but it seemed to be a bit of a theme.

The Manager-Chief Engineer replied that several of these items are actually what he calls cleaning house. As mentioned in the past, it is not the Department's intent to come to the Board after the fact. Efforts have been made to see how staff can communicate with the contractor to get information from them as best as possible. Part of the challenge has been that the contractor did not have a firm timeline from the pump manufacturer or the motor manufacturer. He would not want to come before the Board with a request for 45 days when it ends up they actually need 60 to 90 days. However, at this point, the Department asked them to provide something. A lot of these time extensions are primarily to clean house and try to get the projects up to current completion dates and show the reasons behind them. For this project, it is higher than the project estimate, but staff always does a review to ensure the cost is fair and reasonable. The assessment on this one shows that it is fair and reasonable. From what he understood, the stuffing box and the bearings came in higher than anticipated; but it is still fair and reasonable.

Mr. Kern thought that it sounded relatively straightforward as far as scope of work goes. He asked what variables were thought to exist that would warrant the change order.

Mr. Takamoto replied that, if anything, it would be furnishing the stuffing box because it is a manufactured product. It is a custom item.

Mr. Kern asked if that meant the change order would be in the form of time and not money.

Mr. Takamoto replied that was correct.

The Manager-Chief Engineer stated that more often than not, the lineshafts are a little more straightforward. With the deep submersible wells, something the Department did not think needed to be replaced may have been in need of replacing. Example, if a power cable was fairly new, it could be reused; but all it would take was one kink in that length of power cable and it could not be used. Right now, the Department is trying to balance being prudent with the funds versus when is it time to just replace something.

Mr. Kern stated that it is good to be fiscally responsible and not replace things that do not need it; but the other side of it is when certain things are not available, there are alternates and the contractor may sometimes be able to charge a premium because they are already locked in. He asked if there was any way those alternates could have a price locked in so the change order effect is not as bad.

The Manager-Chief Engineer agreed; but regardless, it would not eliminate change orders. Sometimes not everything can be foreseen. Even with change orders, if there is any suspicion that it is being overinflated, staff asks for invoices from the manufacturer and does another assessment to make sure the price is fair and reasonable. There is also the option of force-account work where they have to show material, equipment, manpower, and overhead; but it is evaluated to ensure fiscal responsibility.

Mr. Ikeda stated that there are projects where certain things are specified and if they are not needed, then a deductive change order is done.

The Manager-Chief Engineer noted that type of change order would not typically come before the Board because it would be administrative and funds are put back into the reserves.

Mr. Elarionoff was concerned about the time element between the first, second, and third repairs. He asked how many bearings are between the motor and the pump.

Mr. Takamoto replied there are twenty-one.

Mr. Elarionoff asked if the bearings wear out the same or if only certain ones wear out.

Mr. Takamoto explained that when they are first installed, they are concentric. The hole and the thickness of the bearing versus the hole in the bearing is right on center. By the time they are worn out, basically, the centric gets thin on one side and thick on the other side so the lineshaft is playing in the column. At that point, you are getting too much vibration on the top.

Mr. Elarionoff asked what causes that wear.

Mr. Takamoto replied that on the last repair, one of the contractors had an opportunity to look at the components; and they suspected the stuffing box on the previous repair was machined out a little too much where the wall where the bearing fits in was too thin, allowing it to flex and vibrate more.

Mr. Elarionoff noted there was another agenda item where the repairs were done very close together.

ACTION: Motion was carried unanimously by voice vote.

B. JOB NO. 2018-1081, PI‘IHONUA #1 DEEPWELL C REPAIR – REQUEST FOR TIME EXTENSION:

The contractor, Derrick’s Well Drilling & Pump Services, LLC, is requesting a contract time extension of 353 calendar days. The contractor experienced delays caused by the pump manufacturer and issues securing a test facility. These delays were beyond the control of the contractor.

Staff reviewed the request for a contract time extension and the accompanying supporting documentation and found that only 290 calendar days of the requested time can be considered justified.

Note: There are no additional costs associated with this time extension.

1st time extension – 290 calendar days

The Manager-Chief Engineer recommended that the Board approve a contract time extension of 290 calendar days to Derrick’s Well Drilling & Pump Services, LLC, for JOB NO. 2018-1081, PI‘IHONUA #1 DEEPWELL C REPAIR. If approved, the contract completion date will be revised from July 31, 2018, to May 17, 2019.

MOTION: Mr. Elarionoff moved for approval of the recommendation; seconded by Mr. Kern.

(Ms. Julie Hugo joined the meeting at 10:30 a.m.)

The Board noticed that the date has gone by, May 17, 2019.

The Manager-Chief Engineer stated that this is another one of the clean house items. It was mentioned at the last meeting that this would be brought before the Board. He had double checked with Mr. Takamoto on the amount of time requested; and if the Board will notice, the completion date was revised to May 17. The job is still not complete. Per the Department's General Requirements and Covenants, unless there are some other justifiable reasons to extend the time further, the contractor will probably be assessed liquidated damages from May 17, 2019, until the project is accepted.

Chairperson Boswell asked if liquidated damages would typically be encumbered from the contract amount.

The Manager-Chief Engineer replied that the Department holds a retainage; and if there is enough in there, it processes a change order to revise the contract amount to incorporate the liquidated damages, and it is deducted from what the Department is supposed to pay them.

Mr. Elarionoff asked who sets the contract time.

The Manager-Chief Engineer replied that the Department does when it advertises for bids. The contractor, at that point, can send a Request for Information, for example, if their supplier needs more time. The Department would evaluate that request and if it seems justifiable, the contract completion date can be amended. The completion time is a part of the contract, and they are supposed to do the work within the timeframe. What he thinks is happening is the contractors are getting a verbal response from the manufacturers that they can get an item to them within a certain timeframe; but when the order is placed, it does not happen.

Mr. Elarionoff noticed that there are a couple of reports on the agenda today that seemed similar.

The Manager-Chief Engineer acknowledged that.

ACTION: Motion was carried unanimously by voice vote.

6) SOUTH KOHALA:

A. **JOB NO. 2018-1085, PARKER #1 DEEPWELL REPAIR – CHANGE ORDER REQUEST:**

The contractor, Beylik Drilling & Pump Service, Inc., is requesting a contract change order for the additional work in association with the furnishing of four (4) additional positive seal check valves. The description of additional work and associated fees are as follows:

ITEM	DESCRIPTION	AMOUNT
1.	Furnish four (4) additional positive seal check valves	\$56,920.00
	TOTAL	\$56,920.00

Original Contract Amount: \$83,200.00
 Original Contingency amount: \$8,300.00
 1st Additional Contingency request: \$48,620.00

Total Revised Contract Amount: \$140,120.00

The contractor, Beylik Drilling & Pump Service, Inc., is also requesting a contract time extension of 61 calendar days. The Department requested a change in the scope of work to add four (4) positive

seal check valves based on recommendation from our consultant. These delays were beyond the control of the contractor.

1st time extension – 61 calendar days

The Manager-Chief Engineer recommended that the Board approve an increase in contingency of \$48,620.00 to Beylik Drilling & Pump Service, Inc., for a total project cost of \$140,120.00, and approve a contract time extension of 61 calendar days for JOB NO. 2018-1085, PARKER #1 DEEPWELL REPAIR. If approved, the contract completion date will be revised from June 30, 2019, to August 30, 2019.

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

The Manager-Chief Engineer noted that this is a little different. The extension request is not because of the manufacturer but was due to the Department's request to include positive seal check valves. This is a continuation of the dialogue with the Department's consultant regarding pump repairs and this was one of their recommendations. The positive seal check valves allow the water to go up the pipe column but keep it from coming back down. The Lakewood check valves, used in the past, would allow water to slowly flow back past the check valves, spinning the pump and motor in a backwards direction. It is not ideal for the thrust bearing. The challenge will be having that water and extra weight in the column pipe. If doing a repair, that additional weight will have to be factored in before extracting the equipment from the hole. This is the Department's continuing effort to make improvements and lengthen the lifespan of its pumps and motors.

Mr. Domingo stated that he is seeing a pattern here where a contract is awarded and then the positive seal check valves are added on later. He thought that should be put into consideration before award and should involve better planning. He did not see this as a very good procedure.

The Manager-Chief Engineer clarified that if the Department knew the positive seal check valves were needed prior to advertising the project, it would have been done. However, this was a recommendation made mid-span. To just go ahead and disregard that recommendation when the opportunity is there to make the change while the repair is being done would not have been a prudent decision.

Mr. Domingo thought that it should have been a standard part of the planning process.

The Manager-Chief Engineer stated that it would have been included from the beginning, but the recommendation came in after the award of the contract. It was a recent recommendation from the consultant.

Mr. Kern asked what consultant is being used on the project.

Mr. Takamoto replied it was John Pitz.

Mr. Kern asked if their working relationship with DWS is new.

The Manager-Chief Engineer replied it is not a new working relationship. The Department has worked with them before. This check valve issue is one where the Department never got a clear answer, even from the pump or motor manufacturers. They are still not sticking their neck out that far. It is the Department's consultant making the recommendation.

Chairperson Boswell recalled this conversation over the past year, leading up to this point. A lot of these recommendations have evolved.

Mr. Scicchitano asked if, during the work of the Permitted Interaction Group with Brown and Caldwell, the positive seal check valves issue was not discovered, and if this is a separate discovery.

Mr. Inaba replied that Brown and Caldwell searched through a number of manufacturers and have a lot of contacts; but everyone has different opinions such as different recommendations for different well depths, and there is nothing clear out there that is known.

Chairperson Boswell added that there is no engineering program for exactly how it is all supposed to go down.

Mr. Scicchitano commended the Department for having the forethought to include the check valves in this job as opposed to doing it later.

Mr. Elarionoff asked what the additional weight would be with the water in the pipe.

The Manager-Chief Engineer replied it depends on how deep it is and the diameter of the pipe column. It is not a percentage. If you have 1,000 feet of pipe with an 8-inch diameter and you fill that with water, that is a certain volume.

Mr. Elarionoff stated that he asked that question about the extra weight because of what happened on the well where the contractor's cable broke and they lost everything.

The Manager-Chief Engineer stated that the contractor is supposed to know the repair conditions. If they have to pull the equipment out with all the water in the pipe, they better bring a rig that can handle that load.

Mr. Kern asked if the concept behind the positive seal check valves was to save the equipment from additional wear.

The Manager-Chief Engineer replied that there are two major concepts. One is you do not want the motor to spin backwards. The thrust bearing spins and you want to get it up to a certain RPM in a short amount of time because it relies on hydroplaning. It is a carbon or metal type material designed to hydroplane by spinning in one direction, and not in the other direction. The second thing is that pumps are designed with the total dynamic head, which is basically the whole height of the water in the column, plus the height of the water in the tank. When that is drained, you are pumping against zero head, which puts you in a different place on the pump curve and that may also cause some wear on the pump. If positive seal check valves are installed, it will be pumping at the head it was designed to pump against. In response to Mr. Kern's question of whether this will be a standard procedure going forward, he replied that it will be implemented from now on.

ACTION: Motion was carried unanimously by voice vote.

B. JOB NO. 2018-1089, LĀLĀMILO D DEEPWELL REPAIR – REQUEST FOR TIME EXTENSION:

The contractor, Beylik Drilling & Pump Service, Inc., is requesting a contract time extension of 122 calendar days. The Department requested a change in the scope of work to add three (3) positive seal check valves based on recommendation from consultant. These delays were beyond the control of the contractor.

Note: There are additional costs of \$10,860.00 associated with this time extension. These associated costs are within the original contingency of \$25,900.00 for this project.

1st time extension – 122 calendar days

The Manager-Chief Engineer recommended that the Board approve a contract time extension of 122 calendar days to Beylik Drilling & Pump Service, Inc., for JOB NO. 2018-1089, LĀLĀMILO D DEEPWELL REPAIR. If approved, the contract completion date will be revised from May 31, 2019, to September 30, 2019.

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

The Manager-Chief Engineer stated that this is similar to the previous agenda item, and it was the Department's request to add the positive seal check valves.

Mr. Scicchitano asked about the difference in the amount of extension days, comparing this project's 122 calendar days for three check valves to the previous project's 61 calendar days for four check valves.

Mr. Takamoto explained that this contractor is using a different manufacturer for the check valves, and this particular manufacturer has a longer lead time on the product.

The Manager-Chief Engineer added that he had asked staff why there are different materials. The previous project included four 10-inch Stainless Steel positive seal check valves and this one is three 8-inch ductile iron valves.

Mr. Takamoto explained that this project has a cast housing. That is supposed to be "off the shelf" but in this particular size and thread requirement, they still need to cast it because it is not a popular product. The previous project included fully custom check valves. Each one is made to order, and that is why the cost is high because of the fabrication cost.

Mr. Kern asked why different materials are being used.

Mr. Takamoto replied that Stainless Steel was specified for longevity of the product but this manufacturer could only provide ductile iron. An evaluation was done for the life of that pump. The internals are Stainless Steel and the body would be sufficient enough as ductile iron to not be compromised and would be strong enough to perform.

Chairperson Boswell asked if that meant the internal portion was Stainless Steel but only the body is not. (Mr. Takamoto replied that was correct.)

Mr. Kern asked if, moving forward, the new projects would all be Stainless Steel body or if it would still be variable.

Mr. Takamoto replied that moving forward, the Department will be specifying Stainless Steel.

Mr. Domingo noticed a pattern of check valves for all of the deep wells on the agenda today.

ACTION: Motion was carried unanimously by voice vote.

7) SOUTH KONA:

A. **JOB NO. 2019-1114, KE‘EI C DEEPWELL AND BOOSTERS A & B REPAIR:**

This project consists of furnishing all labor, materials, tools and equipment necessary to remove the existing pump, motor and column assembly; install a Contractor supplied submersible pump, motor, column assembly, power cable, sounding tube, and all appurtenant materials; well rehabilitation; borehole alignment survey; remove the existing booster pumps, discharge heads, and motors; install the Contractor supplied booster pumps, discharge heads, motors, and suction can liners; refurbishing suction cans; electrical work; chlorinate the well and pumping assembly; and complete an efficiency test; in accordance with the specifications.

Bids for this project were opened on June 13, 2019, at 1:30 p.m., and the following are the bid results:

Bidder	Bid Amount
Beylik Drilling & Pump Service, Inc.	\$857,120.00
Derrick’s Well Drilling & Pump Services, LLC	\$900,463.24

Project Costs:

1) Low Bidder (Beylik Drilling & Pump Service, Inc.)	\$857,120.00
2) Contingencies (~10.0%)	<u>\$84,880.00</u>
Total Cost:	<u>\$942,000.00</u>

Funding for this project will be from DWS’s CIP Budget under Deepwell Pump Replacement. The contractor will have 135 calendar days to complete this project. The Engineering estimate for this project was \$688,700.00.

Well History:

Ke‘ei C Deepwell:

Original Installation: June 1964
Repaired: January 1979
Repaired: April 1986
Repaired: August 1986
Repaired: May 1988
Repaired: April 1990
Repaired: November 1994 – Final Contract Amount \$28,755.00
Repaired: December 1997 – Final Contract Amount \$46,302.00
Last Repaired: April 1999 – Final Contract Amount \$45,161.00

Mitigation Measures:

This project will implement the mitigation measure of conducting a borehole alignment survey.

Chairperson Boswell read from a supplemental well history report provided at the meeting:

Well History:

Original Installation: June 1964

Repaired: January 1979

No additional data available within records.

Repaired: April 1986

No additional data available within records.

Repaired: August 1986

No additional data available within records.

Repaired: May 1988

No additional data available within records.

Repaired: April 1990

No additional data available within records.

Repaired: November 1994 – Final Contract Amount \$28,755.00

The project consisted of removing the existing pump, motor and column assembly; installing a DWS supplied submersible pump, motor, Contractor supplied check valves, existing column assembly, power cable, sounding tube, and all appurtenant materials; and completed an efficiency test.

Repaired: December 1997 – Final Contract Amount \$46,302.00

The project consisted of removing the existing pump, motor and column assembly; installing a DWS supplied submersible pump, motor, Contractor supplied check valves, existing column assembly, power cable, sounding tube, and all appurtenant materials; completed an efficiency test; and furnished a spare pump and motor set.

Last Repaired: April 1999 – Final Contract Amount \$45,161.00

The project consisted of removing the existing pump, motor and column assembly; installing a DWS supplied submersible pump, motor, existing column assembly, power cable, sounding tube, and all appurtenant materials; and completed an efficiency test.

The Manager-Chief Engineer recommended that the Board award the contract for JOB NO. 2019-1114, KE'EI C DEEPWELL AND BOOSTERS A & B REPAIR, to the lowest responsible bidder, Beylik Drilling & Pump Service, Inc., for their bid amount of \$857,120.00, plus \$84,880.00 for contingencies, for a total contract amount of \$942,000.00. 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. Kern moved for approval of the recommendation; seconded by Mr. Sugai.

The Manager-Chief Engineer noted that bids came out about 25% higher than the estimate. He had asked Mr. Takamoto why he thought that was, and it was because there were several components that came in higher than expected; however, the two bids are in the neighborhood of each other. An evaluation was done and it was determined it to be fair and reasonable; therefore, the recommendation is to proceed with the repair.

Mr. Scicchitano asked if Mr. Takamoto could speak about the scope comparison from 1999. The price differences are huge. He asked what has changed over time and if repairs were even similar to back then.

Mr. Takamoto stated that over time, labor itself has gotten significantly higher; but past projects were just for the well repair itself. This project includes repairing the boosters and rehabilitation of the well. This is a new service that the Department will start implementing, meaning a cleaning out of the casings to try and get the production of the well a little higher and possibly improve the water quality.

The Manager-Chief Engineer added that the description of the previous repairs shows that the Department provided certain major components like the pump and motor; but for this repair, it is all a part of the bid.

Mr. Young added some history from his earlier days with the Department. Mr. Takamoto was not with the Department back in 1999. Back then, there typically were three contractors that would bid on jobs so there was a little more competition, and pricing was a little more competitive. However, one big factor was metal pricing, which has taken a big jump in the last 20 years. Not only labor, but material costs have gone up quite a bit. Well repairs have gone up quite a bit all the way around.

Mr. Kern asked if the tariffs have had any effect on these prices.

Mr. Takamoto replied that it has had an effect on column pipe and metal pricing in general.

Mr. Elarionoff asked what well rehabilitation entailed.

Mr. Takamoto explained that the well casing is solid and on the bottom is what is called a louvered or perforated casing. The perforated casing is where the water comes in from the aquifer into the well. Over time, encrustation (rust and mineral build-up) starts blocking the perforations. The rehabilitation is to clean off all that material. In response to Mr. Elarionoff's question of how that is done, he stated it is a process called water jetting. It can be thought of as a pressure washer sent down the hole, which, in this case, is 800 to 1,000 feet down.

Chairperson Boswell asked where a piece of rust would end up after the cleaning.

The Manager-Chief Engineer stated it would probably settle at the bottom of the tank or go out through the purge, which is done for several minutes before sending the water from the well into the tank. On all of the tanks, the outlet pipes are 16 to 18 inches above the floor so water is not drawn from the bottom.

ACTION: Motion was carried unanimously by voice vote.

8) NORTH KONA:

A. **JOB NO. 2017-1077 (REBID), HUALĀLAI DEEPWELL REPAIR – REQUEST FOR TIME EXTENSION:**

The contractor, Beylik Drilling & Pump Service, Inc., is requesting a contract time extension of 273 calendar days. The contractor experienced delays caused by the pump manufacturer and the Department requested a change in the scope of work to replace the existing power cable after it was determined to be defective. These delays were beyond the control of the contractor.

Note: There are no additional costs associated with this time extension.

1st time extension – 273 calendar days

The Manager-Chief Engineer recommended that the Board approve a contract time extension of 273 calendar days to Beylik Drilling & Pump Service, Inc., for JOB NO. 2017-1077 (REBID), HUALĀLAI DEEPWELL REPAIR. If approved, the contract completion date will be revised from November 15, 2018, to August 15, 2019.

MOTION: Mr. Elarionoff moved for approval of the recommendation; seconded by Mr. Kern.

The Manager-Chief Engineer apologized that he had just learned that this project did not include positive seal check valves, which should have included. The Department may need to go back and reevaluate this one. There have been numerous challenges with Hualālai Well over the years and it has had multiple repairs. The original thought with this one was to go with a complete package-- pump, motor, and the power cable and have them all be brand new. This is a Centrilift pump and motor set and Centrilift cable, making it a warrantable product from the contractor's side. However, it did not include the positive seal check valves. To follow the consultant's recommendation, it would make sense to put them in this project instead of finding out later they should have been included.

Chairperson Boswell asked if it would be an amended contract versus a change order.

The Manager-Chief Engineer was not sure. The whole thing might need to be rebid.

Mr. Kern asked if the Board should continue this item.

The Manager-Chief Engineer thought it could be voted on based on the scope and that the Department would bring another agenda item to the Board in the future.

Ms. Mellon-Lacey stated that would be fine, as long as this is still the project scope.

The Manager-Chief Engineer thought it could either be deferred or accepted.

Mr. Elarionoff stated that he did not want to change his Motion.

Mr. Domingo stated that he had a problem with this and felt that it sounded like a half-baked decision and not well thought out. He had a problem with this extension after extension. There is no way of knowing that these are really the true reasons for all the delays. Maybe the contractors are taking on more than they can do in a reasonable amount of time and just coming in for extensions after experiencing problems. He reiterated that he was having a problem with all of the reasons they are coming up with.

Chairperson Boswell asked Mr. Domingo if he has read the supporting documents. Each one of these situations has a pretty lengthy email chain, including manufacturer's information; and his interpretation is that this is what the Department is vetting out in the process before they bring a recommendation to the Board and they have seriously reviewed this. He did not think there was anything haphazard going on at all. This has been through a very thorough process. This is an existing contract, and the Board has observed this Hualālai Well down for a considerable amount of time. There was a luxury of time for the repair only because the Department is meeting its pumping demands. This is not about extra money. It is just about the contractor dealing with the manufacturer's delays and the fact that a power cable was added to the project. It has quite a history to it and a lot of it is written out in the supporting documents. He felt that the explanations were pretty thorough. Not trying to talk Mr. Domingo into anything, he just wanted to say he did not think there was anything haphazard here and there was a lot of serious effort put into bringing these items to

the Water Board. When the Department makes a recommendation, unless the Board has done research to contradict that recommendation, it should go with the one presented.

Mr. Domingo stated that he just thought that it is becoming like a part of the procedure now where there are delays, and then extensions are asked for.

The Manager-Chief Engineer stated that it is never the Department's desire to extend the contract, and it is not the contractors' preference either.

Chairperson Boswell added that is not how the contractor makes money either.

The Manager-Chief Engineer mentioned previous discussions with the Board where it was decided, collectively, that if something was beyond the control of the contractor, it could be presented to the Board and that one of the major challenges of being in Hawai'i is that you are at the whim at some of the manufacturers. The Department has even made contact with them at their booths during national water conferences. They give their business cards and promise the world, but it still ends up the same. He thanked Chairperson Boswell for acknowledging that it is not a haphazard evaluation by the Department. The burden is put on the contractor to prove that they placed their order in a timely manner and followed up regularly with the manufacturer. If there is a gap in their justification, as was in the previous agenda item, the amount of extension days may be cut back to what is justified. Project management is something that the Department recognizes can be done better and will continue to train staff. He reiterated that this is not an ideal situation. The Department does not want to bring time extensions to the Board. It is partly due to cleaning house and bringing the well contracts up to current where the completion date is past today's date and not prior to. He apologized again that he dropped the ball on this one by not confirming with staff that positive seal check valves were included. This well is too vital to have it break down again in a short time period and, therefore, he would rather do it correctly at this point.

Chairperson Boswell stated that the Board could vote on what is presented today and any additional information could be brought forth thereafter and treated accordingly.

The Manager-Chief Engineer noted that this action today will bring the completion date to a future time. Otherwise, technically, the contract would be in arrears because it is not complete. It was supposed to be done November 15, 2018. A time extension for the check valves will include extra costs, but the contract may still have contingency available. Like anything, it will be placed on a future agenda for discussion.

Mr. Elarionoff joked that if the check valves last a long time, the current Board Members will not be around to tell the Department it did a good job.

ACTION: Motion was carried unanimously by voice vote.

9) MISCELLANEOUS:

A. DEDICATIONS:

We received the following document for action by the Water Board. The water system has been constructed in accordance with the Department's standards and is in acceptable condition for dedication.

1. Grant of Easement and Bill of Sale
Grantors: Chun-Kai Huang, Hsin-Yi Huang, Dien-Jung Lin and Chris Brillhante
Subdivision No.: 15-001539
Tax Map Key: (3) 2-2-043:029
Facilities Charge: \$16,500.00 Date Paid: 1/4/2019
Final Inspection Date: 1/2/2019
Water System Cost: \$16,150.00

The Manager-Chief Engineer recommended that the Water Board accept this document subject to the approval of the Corporation Counsel and that either the Chairperson or the Vice-Chairperson be authorized to sign the document.

MOTION: Mr. Elarionoff moved for approval of the recommendation; seconded by Mr. Kern.

Mr. Inaba handed out a small map showing the location. It is along Kīlauea Avenue just below the Hilo Municipal Golf Course. It is a four-lot subdivision involving about 85 feet of pipe and a fire hydrant.

ACTION: Motion was carried unanimously by voice vote.

B. MONTHLY PROGRESS REPORT:

Before getting into this agenda item, Chairperson Boswell asked if the Board could find out what the next step would be for the people who came earlier today with testimony. It could be next month, but he would like to hear about it.

Ms. Mellon-Lacey indicated it could be added to the agenda for the next meeting.

Chairperson Boswell stated he was interested in the inherent knowledge of what starts that project with the entitlement process. Just a brief would be good so that the Board could have the same knowledge as the Department in the event they need to field questions. They looked like nice folks and he would not want to disappoint them.

The Manager-Chief Engineer indicated the Department could include an agenda item to provide the Board with what the Department knows and where it stands as far as restoring water to the area and have it open for discussion, probably with no action item at that point. He invited the Board to email him their questions of the Department, of course, avoiding serial email communications.

Ms. Mellon-Lacey stated that as long as there is a general request for the Board to be provided with the information the Department has on this issue, that would be the best way to handle it.

Chairperson Boswell stated he was not trying to trigger public review because not enough is known to even speak up. He would rather get a chance to study it beforehand.

The Manager-Chief Engineer stated that the Department could put something together on where it stands at this point as far as restoring water and send to the Board not by serial communication, in advance of the next meeting.

Mr. Elarionoff wondered what prompted them to come before the Board today.

Ms. Mellon-Lacey thought it sounded as though they had been talking with the Department of Public Works (DPW) Director, Mr. David Yamamoto; and because they found out there is work to happen on the road, they became motivated to see water restored. She mentioned that Mr. David Yamamoto is an ex-officio member of this Board and perhaps he could be invited to come.

The Manager-Chief Engineer thought it could be at the call of the Chairperson and they could work together to decide how to place this on the agenda and whether or not to involve DPW.

Chairperson Boswell stated that he preferred doing the fact finding first to educate the Board, and be expeditious about it so the Board is not found shy of responding.

Mr. Scicchitano suggested communicating it with the Chairperson and that district's representative from the Board.

The Manager-Chief Engineer stated that the information could be sent out to the Water Board Members by blind copy email to comply with Sunshine Law.

Chairperson Boswell added that he would be very interested to know about the quality of the water in the areas that have been seismically active and how it affects the future.

The Manager-Chief Engineer stated he would get the Board what the Department knows.

Mr. Kern asked if the Board would just get the information by email first and then have something agendaized or if it would be just the information.

The Manager-Chief Engineer stated he would send it out first and then he and the Chairperson will have a discussion on how to proceed after that.

Ms. Mellon-Lacey suggested getting the information to the Board Members and then having it on the agenda to be discussed at a Water Board Meeting.

The Manager-Chief Engineer invited the Board to call or email him with any specific needs they may have and he would get that out to the rest of the Board as well, by way of non-serial communication.

Mr. Kern thought that there is a lot of concern about money coming up and the spending and planning of it. Just so people are informed, he thought that having an open discussion at some point soon would be helpful.

Moving on to the Monthly Report of Projects, Mr. Inaba highlighted the Hala'ula Well Development, Phase 2, community meeting, which has been scheduled for Tuesday, July 16, at 5:30 p.m. This is a meeting to make the community aware that construction will begin shortly. The contractor will be there with their project schedule. Most people are more worried about the traffic impact. There may be some noise as well.

The Deputy added that it will be held at one of the meeting rooms at the Kamehameha Park complex in the Kapaa area. This week, he will send advance notice of the meeting to the Board and then release public notice to the community thereafter.

Chairperson Boswell asked if some information on the mid-level water source could be provided on a road map, perhaps in an emailed information package. A bit of mapping was seen during the budget review earlier in the year, and he would like an update.

Mr. Inaba stated that because the Department is dealing with more than one landowner, it is taking a safe approach by contacting two landowners in case there are any delays. The outcome from the first well will tell if negotiations with the second landowner should continue. The Department is keeping both options open, whichever one comes first.

Chairperson Boswell understood that it does not necessarily mean more water. It is more of a reallocation of where the water is being sourced from. The same amount of water would be used, but it would allow the Department to pull back from the wells that are located on the high level.

The Manager-Chief Engineer noted that the real benefit, if this source pans out, is high-quality water without the basal connection because it is separated from the salt water and would mean less pumping and maintenance. If possible, lineshafts might even be utilized at that elevation.

Chairperson Boswell asked if there might be a point of connection where the mid-level transmission intersects with the Wai'aha 16-inch waterline that is coming down to the highway.

Mr. Inaba stated that it might be possible to utilize some of the higher-pressure water to take care of the facility itself, such as disinfection and emergency eyewash, rather than rely on separate pumps. It is probably going to require another corridor to bring it down from makai to the main transmission.

C. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

Mr. Elarionoff asked how the Department's financial situation is on a scale of one to one hundred.

Mr. Sumada replied that it is about 75 to 80. The Department is not in financial distress. In answer to Mr. Elarionoff's question of whether the Department is far from financial distress, he replied it is. In the near future, the Department will have a water rate study done to set the rates for the next five years. The Department is about to enter the fifth year of the last rate study; and usually by that time, the forecast gets cloudier and revenues start coming up short. If the rates are not addressed, there is potential for the Department not to have enough money to fund projects that need to be done.

Mr. Elarionoff asked if that included the population increase.

Mr. Sumada replied it does because consumption is not growing as quickly as was thought. Power costs have gone up. Also, payroll/salary costs are slowly going up and rates are not keeping pace. A rate study is in order and is being planned for in the next fiscal year.

Mr. Elarionoff stated the reason he asked that question is because when the County budget was done, there were a lot of complaints, and people associate the Department of Water Supply with the County. The job the Department does as far as providing water is really good, cost-wise; but people do not look at it that way. They look at the overall.

The Manager-Chief Engineer stated that the Board will be involved in the water rate study process the whole time. It will be brought before the Board with a request to conduct the study, and the Board can question the scope and what factors in. As Mr. Sumada mentioned, the cost to do business does not go down. He was proud to say that the Department has maintained its amount of staffing pretty steady for the last ten years, about 160 to 165. The largest was about 182 employees ten to twelve years ago. The requirements to do business do not go down, whether it be procurement related, safety related, and costs for personnel or for projects, and yet expectations keep going up. Our mission is to provide a continuous and adequate supply of safe drinking water in a financially responsible manner. He felt pretty proud to say it has been doing that. If you look at any of your utility bills, water is still

the best deal in town; but at the same time, costs are going up. The Water Rate Study has to be done, and he can confidently say water rates will not be lowered. There are a lot of things the Department should be doing, whether it be stewardship of the water resource, etc., which is all great but everything requires resources. The Department wants to remain in that 75 to 80 percent comfort level and not be in a financial situation where it is scrambling and having to cut programs or services. Even the auditors, when asked how the situation was, had a good prognosis.

D. MANAGER-CHIEF ENGINEER'S REPORT:

1. North Kona Wells - the Deputy provided an update on the wells. Of the fourteen sources in the North Kona system, nine are online and five are offline, which are: Hualālai, Palani, Wai‘aha, Holualoa, and Makalei. For Hualālai, the power cable is in Centrilift’s California facility and they are working on getting the splicing from the cable to the motor lead extension done on at that facility, which is the preferred route. After that, the power cable is expected on island towards the middle to end of July. As mentioned earlier in this meeting, the issue of the check valves needs to be addressed at a future time. For Palani, project completion is expected August 23, 2019. The pump is on schedule. The delivery schedule for the motor is being worked on with the manufacturer. For Wai‘aha Well, there is still a litigative hold on the repair of the well. Holualoa Well is out to bid now, and award is expected at the Water Board’s July 23 meeting. For Makalei Estates Well, similar to last month, the Department is working with the developer to reevaluate the size of the pump and the motor and possibly downsizing it from a 700 gpm (gallons per minute) well to 350 gpm.

Mr. Sugai asked how things are in terms of resiliency with the current nine wells operating, if the weather gets dry.

The Deputy stated that the Department is providing service and meeting demand for the customers with the nine wells online. Staff does need to run some of the basal sources a little bit more, such as the Kahalu‘u Wells A through D. They are not the wells normally run; but because of the situation, Operations staff is still able to run it makai to the mauka area. He added that management receives daily updates from the field on the tank levels and run times. In response to Mr. Sugai’s question, then, if it is looking stable and sustainable, he replied in the affirmative.

E. EXECUTIVE SESSION: REGARDING OPEN LITIGATION:

The Board anticipates convening an executive meeting for the purposes of discussing the legal rights, duties and liabilities of the Board concerning open litigation against the Board, as authorized by Hawai‘i County Charter Section 74.6 and Hawai‘i Revised Statutes (“HRS”), Section 92-4 and 92-5(a)(4). 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: Ms. Hugo moved that the Board enter into Executive Session; seconded by Mr. Scicchitano and carried by roll call vote (Ayes: 7 - Ms. Hugo and Messrs. Domingo, Elarionoff, Kern, Scicchitano, Sugai, and Chairperson Boswell; Nays: 0; Absent: 2 (Messrs. Balog and De Luz).

(Executive Session began at 11:38 a.m. and ended at 12:16 p.m.)

F. **CHAIRPERSON'S REPORT:**

Chairperson Boswell stated that he had nothing to report. Mr. Sugai asked if he could speak on his attendance to the American Water Works Association national conference in Denver. He had attended the Public Officials classes, which were three half days, and gained an overview of water works. He learned about infrastructure and resiliency. One of the key notes was that everyone kicks the can down the road, but the rustier the can, the more difficult it becomes to kick down the road. This would tie into the water rate review. He and Mr. De Luz, who also attended the sessions, discussed how some type of reserve fund for those projects could be set aside only for that purpose without the Department being seen as having plenty money where the employees' unions would think it is more money for their members. He felt that people commonly think water should be cheap because it falls out of the sky and it should be free. It may be interesting to look for a program on educating consumers on what it takes to get water to their faucet. Having people understand the cost of the infrastructure to bring the water to the house is something worthwhile. The issue is the aging infrastructure and not continuing to kick the rusty can down the road.

10) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board will be July 23, 2019, 10:00 a.m., in the Department of Water Supply, Operations Center Conference Room; 889 Leilani Street, Hilo, Hawai'i.

2. **Following Meeting:**

The following meeting of the Water Board will be August 27, 2019, 10:00 a.m., at the West Hawai'i Civic Center, Community Meeting Hale, Building G; 74-5044 Ane Keohokalole Highway, Kailua-Kona, Hawai'i.

11) **ADJOURNMENT:**

ACTION: Mr. Kern moved to adjourn the meeting; seconded by Ms. Hugo and carried unanimously by voice vote. The meeting adjourned at 12:22 p.m.

Recording Secretary

APPROVED BY WATER BOARD
JULY 23, 2019