

## MINUTES

### DEPARTMENT OF WATER SUPPLY COUNTY OF HAWAI'I WATER BOARD MEETING

March 24, 2020

West Hawai'i Civic Center, Building G, 74-5044 Ane Keohokalole Highway, Kailua-Kona, Hawai'i

MEMBERS PRESENT: Mr. Eric Scicchitano, Vice-Chairperson (via WebEx)  
Mr. Zendo Kern (via WebEx)  
Ms. Judy Howard (via WebEx)  
Ms. Julie Hugo (via WebEx) - 10:23 a.m.  
Mr. Nestorio Domingo (at meeting venue)  
Mr. Benjamin Ney (at meeting venue)  
Mr. Keith K. Okamoto, Manager-Chief Engineer, Department of Water Supply (ex-officio member) – at meeting venue

ABSENT: Mr. William Boswell, Jr., Chairperson  
Mr. David De Luz, Jr., Water Board Member  
Mr. Kenneth Sugai, 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 (via WebEx)

#### Department of Water Supply Staff

Mr. Kawika Uyehara, Deputy  
Mr. Richard Sumada, Waterworks Controller  
Via WebEx:  
Mr. Warren Ching, Energy Management Analyst  
Mr. Kurt Inaba, Engineering Division Head  
Ms. Judith Hayducsko, Chief of Operations (Temporary Assignment)

1) CALL TO ORDER – Vice-Chairperson Scicchitano called the meeting to order at 10:00 a.m. The Manager-Chief Engineer asked that it be clarified who was in attendance from the Board. In Kona, Mr. Benjamin Ney and Mr. Nestorio Domingo were present. On WebEx, in attendance were Mr. Zendo Kern, Ms. Judy Howard, and Vice-Chair Scicchitano who is currently running the meeting. (Ms. Hugo joined the meeting at 10:23 a.m.)

2) STATEMENTS FROM THE PUBLIC - None

3) APPROVAL OF MINUTES

ACTION: Ms. Howard moved for approval of the Minutes of the February 25, 2020, Water Board Meeting; seconded by Mr. Kern and carried unanimously by voice vote.

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

5) **WATER RATE STUDY CHANGE ORDER, JOB NO. 2019-08:**

Rate study consultant, Harris & Associates, was contracted to conduct a 5-year Water Rate Study for the Department in order to provide water rates for the fiscal years 2021 to 2025. The contract total was \$562,706.00. This amount did not include making a presentation to the Water Board, which was requested by the Board at a prior meeting. The contract does include having the consultant attend public hearings in Kona and Hilo on consecutive days in order to provide information and answer questions about the water rate study. Ms. Ann Hajnosz from Harris & Associates will be attending the April 28, 2020, Water Board meeting to provide background of the Department's water rate structure and to inform the Board of her findings to date. The additional cost for this presentation is \$12,165.00.

The recommendation was that the Board approve a change order to the Harris & Associates contract, Job No. 2019-08, totaling \$12,165.00 to provide for a presentation to the Water Board on April 28, 2020.

MOTION: Mr. Domingo moved for approval of the recommendation; seconded by Mr. Ney.

The Manager-Chief Engineer stated that this item will need to be deferred. Because of travel restrictions due to COVID-19, Ms. Hajnosz will not be attending in person at the April Water Board Meeting. The Department will set up remote access of her presentation for that meeting and has asked her to do additional work related to facilities charges as part of this water rate study. There will be a revised agenda item for the April meeting.

Mr. Kern asked if the fee would be reduced because of the remote presentation.

The Manager-Chief Engineer replied that was correct. A large chunk of the fee was travel related as Ms. Hajnosz is from Washington state.

Mr. Kern thought that if a consultant was doing a large study like this, part of their work should have included a face to face presentation.

The Manager-Chief Engineer stated that this specific presentation was not included in the scope of work; only her attendance at the public hearings.

Ms. Howard thought it seemed like a lot of money for someone to come in for a couple of hours and asked if their presentations could always be done over the internet.

The Manager-Chief Engineer replied that was possible.

Mr. Domingo also felt that the price of \$12,165.00 just to make a presentation to the Board was high and asked if there could be a line item accounting of what the fee entails.

The Manager-Chief Engineer replied that a breakdown could be provided for the next meeting. The fee will now be different because it will not include travel for the presentation.

Mr. Ney asked for clarification that she was going to be present at the public hearings and if that could be aligned with the presentation.

The Manager-Chief Engineer replied that was one thing to consider; but originally, the Board requested to have a presentation made as soon as practicable while the process is ongoing; but by the time April and May comes around, it would be getting into the public hearings already. At this point with the April

presentation done remotely, some of these questions might be moot because she will not be travelling to Hawai'i. If this Board decides they do not want to see a presentation, she could be advised as such and would not have to put anymore work into creating a presentation.

Mr. Kern asked if by having the presentation remotely at the next meeting, there would still be a charge associated with it that the Board would not be approving ahead of time, and how that could be handled.

The Manager-Chief Engineer stated that she could be told to pause on the presentation or the Board could leave it to the Department to evaluate her charges for a remote presentation to see whether it is fair or reasonable, or set an amount that shall not be exceeded.

Mr. Kern stated that his intent was to have an amended motion to reflect just that and leave it up to the Department to make a decision on what is fair and reasonable.

Ms. Howard asked if it could be capped so as not to exceed a certain amount.

The Manager-Chief Engineer stated that the Department always checks change orders for fairness, adding that the fee shown today was not the first number the Department was given. Moving forward, though, the next Board Meeting's action will include additional work that is being asked of her related to facilities charge rates. He clarified that if a cap is set, it is for a presentation and that staff will do a reasonable check on the additional work the Department is requesting of them surrounding the facilities charge rates. He asked if someone wished to propose an amended motion to reflect that.

Mr. Kern wondered what kind of cap should be looked at because whatever cap is set would probably still be too much in his opinion. However, you would not want it to be too little and then the fee goes over and you are stuck.

The Manager-Chief Engineer suggested \$5,000.00.

Ms. Howard asked what Ms. Hajnosh's hourly rate is.

Mr. Sumada replied it is \$275.00 an hour.

Vice-Chairperson Scicchitano commented that he had no idea of how she would have arrived at the fee of \$12,165.00; it was so egregious. He thought that basing it on an hourly rate would be a more reasonable method since there is no air travel.

Ms. Howard suggested about two hours of preparation time and one hour of presentation.

Mr. Kern pitched six hours.

Ms. Howard proposed a compromise of four hours, noting it should not take long to put this together.

Mr. Kern agreed with the four hours.

The Manager-Chief Engineer noted staff would send that to the consultant.

AMENDMENT TO MOTION: Mr. Kern moved to amend the current motion to allow for the presentation to occur at the April 28, 2020, Water Board Meeting and the charge to not exceed four hours of the consultant's time, based on the price of around \$275.00 an hour, and giving the Department their best judgment on that dollar figure; seconded by Ms. Howard.

Vice-Chairperson Scicchitano called for the vote on the amended motion.

ACTION: The amended motion was carried unanimously by voice vote.

Mr. Kern mentioned that Ms. Hugo had not received her WebEx link into the meeting, and it may make sense to take a brief recess to have her as part of the meeting.

Motion to Recess: Vice-Chairperson Scicchitano called for a motion to recess. Mr. Kern so moved; seconded by Mr. Ney and carried unanimously by voice vote.

Recess: The Board recessed from 10:18 a.m. to 10:23 a.m.

Vice-Chairperson Scicchitano called the meeting back to order and welcomed Ms. Julie Hugo to the meeting via WebEx.

6) **WATER RATE STUDY FOR FISCAL YEAR 2021 - 2025:**

Before the proposed rates can be adopted, Public Hearings must be held to accept public testimony on the matter. In the past, two public hearings were held on consecutive nights in Hilo and Kona at 6:00 p.m.

The Manager-Chief Engineer recommended that Public Hearings be scheduled in Hilo and Kona for 6:00 p.m. on consecutive days in order to receive public testimony on the proposed five-year water rates.

MOTION: Ms. Howard moved for approval of the recommendation; seconded by Mr. Domingo.

The Manager-Chief Engineer proposed some choices for holding the public hearings, one in Hilo and one in Kona: May 26 and 27, 2020; June 2 and 3, 2020; or June 23 and 24, 2020. He noted that if the public hearings are June 23 and 24, it would mean the water rates probably would not go into effect at the beginning of the next fiscal year (July 1, 2020).

The Board discussed which option was the best and still make the cut-off. Due to the current COVID-19 situation, it would make more sense to shoot for June 2 and 3 rather than May 26 and 27 and give as much time as possible.

The Manager-Chief Engineer suggested an amendment might be appropriate to state the specific dates.

AMENDMENT TO MOTION: Mr. Kern moved to have the dates for the public hearings on the water rates take place on June 2 and 3, 2020; seconded by Ms. Howard.

Mr. Domingo asked if there would be enough time before the effective date to address any concerns.

The Manager-Chief Engineer replied yes because it is early enough for the Department to address comments and include them on the agenda for the June 23, 2020, Water Board Meeting. If it is complicated and cannot be addressed prior to the June meeting, it would have to be pushed back anyway.

Mr. Domingo felt that as long as the Board had those assurances, he was okay with it.

The Manager-Chief Engineer stated there is no guarantee because you would not know what comments may arise from the public hearings. If they are substantial enough that the Department needs to go back to the consultant and re-evaluate or re-analyze, it depends on how much time it would take. Some of the

other Board Members felt that early June might be the best option to give as much time as possible, given the current situation, but still leave time to make minor adjustments in advance of the June Water Board Meeting for adoption of water rates by July 1, 2020.

Vice-Chairperson Scicchitano asked Corporation Counsel if any further amendments needed to be made.

Ms. Mellon-Lacey indicated there were none; therefore, Vice-Chairperson Scicchitano called for the vote.

ACTION: Motion to hold public hearings on June 2 and 3, 2020, in both Hilo and Kona was carried unanimously by voice vote.

7) **DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING AND 5-YEAR CAPITAL IMPROVEMENT PROJECTS (C.I.P.) BUDGETS FOR FISCAL YEAR 2021:**

The Department's Fiscal Year 2021 Operating Budget, totaling \$55,373,200, and 5-Year C.I.P. Budget for Fiscal Year 2021-2025, totaling \$135,100,000, have been distributed for the Board's review. A public hearing was held prior to this meeting to accept testimony. The Board may change either Budget or adopt them as presented over two readings.

The Manager-Chief Engineer recommended that the Board approve the Department's Fiscal Year 2021 Operating and C.I.P. Budgets on this first of two readings.

MOTION: Mr. Kern moved for approval of the recommendation in this first of two readings; seconded by Ms. Howard.

Mr. Ney asked if the Department is comfortable with the budget.

The Manager-Chief Engineer replied that the Department is comfortable with the budget. No one has a crystal ball for the future; but at this point, this budget was presented for the public hearing and can be moved forward with. If, down the road, the budget needs to be amended, it can be brought back to the Board for consideration.

ACTION: There being no further discussion, the motion to approve the Department's Fiscal Year 2021 Operating and C.I.P. Budgets on this first of two readings was carried unanimously by voice vote.

8) **PRESENTATION OF COUNTY OF HAWAI'I AUDIT REPORT ON CONTINGENCY PLANS AT COUNTY OF HAWAI'I'S DEPARTMENT OF WATER SUPPLY:**

The Manager-Chief Engineer announced that this item will be postponed to a future date. Because of the current situation, Ms. Bonnie Nims could not be present to review her County of Hawai'i, Office of the Legislative Auditor, "Audit Report on Contingency Plans at County of Hawai'i's Department of Water Supply." This was to have coincided with the Legislative Auditor's appearance in front of the Council Committee, and that is not happening. This item will be placed on another appropriate agenda.

ACTION TO DEFER: Mr. Kern moved to defer this item; seconded by Mr. Domingo and carried unanimously by voice vote.

9) SOUTH HILO:

**A. EQUIPMENT BID NO. 2019-10, FURNISHING AND DELIVERING EQUIPMENT TO THE DEPARTMENT OF WATER SUPPLY:**

Bids were opened on March 12, 2020, at 1:30 p.m. and following are the bid results:

	Part "A" ONE (1) MINI EXCAVATOR	Part "B" ONE (1) DUAL PURPOSE DUMP TRAILER	Part "C" REMOVED	Part "D" ONE (1) BUCKET TRUCK
Allied Machinery Corporation Hilo	<b>\$63,887.43</b> <b>150 Days</b>	<b>\$15,008.72</b> <b>120 Days</b>		No Bid
American Machinery dba Island Equipment, Inc.	\$96,434.83 180 Days	No Bid		No Bid
Gill Island Motors	No Bid	No Bid		<b>\$161,291.94</b> <b>400 Days</b>
HT&T Hawaii LLC dba HT&T Truck Center	No Bid	No Bid		No Bid
Inter Pacific Motors, Inc., dba Orchid Isle Auto Center	No Bid	No Bid		\$166,485.80 460 Days

The Manager-Chief Engineer recommended that the Board award EQUIPMENT BID NO. 2019-10, FURNISHING AND DELIVERING EQUIPMENT TO THE DEPARTMENT OF WATER SUPPLY, to:

- Allied Machinery Corporation Hilo, for **Parts A and B** at a total cost of \$78,896.15;
- Gill Island Motors, for **Part D** at a total cost of \$161,291.94;

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: Ms. Howard moved for approval of the recommendation; seconded by Mr. Kern.

In response to Mr. Kern's question of the type of excavator coming from Allied Machinery, staff replied it is a Takaguchi brand Model TB240 mini excavator with four attachments: two buckets, a hammer, and a thumb.

Mr. Ney stated that he had a couple of them and there is quite a variation in price depending on whether it has an enclosed cab, air conditioning, etc.

Mr. Kern asked if the Department touched base with Bacon Universal and Hawthorne.

The Manager-Chief Engineer replied that it is put out for competitive bid and is up to them if they wish to pick up the bid package and submit a bid. In response to Mr. Domingo's question of what the "Days" meant in the table, he explained that is the delivery time.

ACTION: Motion was carried unanimously by voice vote.

**B. JOB NO. 2012-983, KA‘IE‘IE MAUKA FACILITY IMPROVEMENTS - REQUEST FOR TIME EXTENSION:**

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The contractor, Isemoto Contracting Co., Ltd., is requesting a contract time extension of 60 calendar days. This time extension request will allow the contractor to complete the project due to required design changes to the electrical work for the booster pumps. The issues were discovered while troubleshooting during the start-up testing. The delays were beyond the control of the contractor.

Staff reviewed the request for the contract time extension finds the 60 calendar days are justified.

*Note: There are additional costs of \$14,643.00 associated with this time extension, which are within the existing contingency amount.*

1<sup>st</sup> time extension – 56 calendar days (granted 12/17/19 due to issuance of building permit)

2<sup>nd</sup> time extension – 52 calendar days (granted 1/28/20 due to weather and design changes)

3<sup>rd</sup> time extension – 60 calendar days

The Manager-Chief Engineer recommended that the Board approve a contract time extension of 60 calendar days to Isemoto Contracting Co., Ltd., for JOB NO. 2012-983, KA‘IE‘IE MAUKA FACILITY IMPROVEMENTS. If approved, the contract completion date will be extended from March 30, 2020, to May 29, 2020.

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

Mr. Ney asked if the time extension and the cost within contingency was an oversight on the contractor’s part by not scrutinizing the plans well or if it was an unforeseen change on the plans that was not clear.

The Manager-Chief Engineer replied that it is not the fault of the contractor. It was a redesign that needed to happen at the end of the project. He asked Mr. Inaba to provide some of the details on those design changes.

Mr. Inaba explained that it dealt with having to mesh the SCADA (System Control and Data Acquisition) and the electrical equipment. Because of compatibility issues, they had to order additional equipment for installation.

Mr. Ney asked if the contractor is given product submittals and specifications from the start or if it was on their due diligence to make sure specifications are correct.

The Manager-Chief Engineer replied that they do as much as they can; and if they recognize an obvious error, they would advise the Department by way of a Request for Information prior to bid opening. Sometimes, it is not obvious though.

Mr. Domingo misinterpreted the agenda write-up, stating that the way it was written makes it seem like the additional costs of \$14,643.00 are above the 10% contingency amount in the contract. He wondered if it should be restated to say the cost is covered by contingency and is not an additional cost.

The Manager-Chief Engineer explained that the Department is being as transparent as possible by stating what the additional cost is due to and that it is within the contingency. If there was a better way to restate that, he was open to suggestions. The Board had none. Vice-Chairperson Scicchitano thought it was clear as presented.

Mr. Ney asked when the contractor wants to tap the contingency allowance, if they need to provide adequate justification for using it.

The Manager-Chief Engineer replied that was correct. A contract change order needs to be processed even if it falls within the contingency amount.

ACTION: Motion to approve was carried unanimously by voice vote.

10) NORTH KONA:

A. **JOB NO. 2020-1133, KAHALU‘U B DEEPWELL REPAIR:**

This project consists of furnishing all labor, materials, tools and equipment necessary to remove the existing pump, motor, and column assembly; install a vertical turbine pump, vertical hollow shaft motor, column assembly, sounding tubes and all appurtenant materials; discharge piping work; 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 March 12, 2020, at 2:30 p.m., and following are the bid results:

<b>Bidder</b>	<b>Bid Amount</b>
Derrick’s Well Drilling & Pump Services, LLC	\$600,000.00
Water Resources International, Inc.	\$604,267.00

Project Costs:

1) Low Bidder (Derrick’s Well Drilling & Pump Services, LLC)	\$600,000.00
2) Contingencies (10.0%)	<u>\$ 60,000.00</u>
<b>Total Cost:</b>	<b><u>\$660,000.00</u></b>

Funding for this project will be from DWS’s CIP Budget under Deepwell Pump Replacement. The contractor will have 210 calendar days to complete this project. The Engineering estimate for this project was \$710,000.00.

The Manager-Chief Engineer recommended that the Board award the contract for JOB NO. 2020-1133, KAHALU‘U B DEEPWELL REPAIR, to the lowest responsible bidder, Derrick’s Well Drilling & Pump Services, LLC, for their bid amount of \$600,000.00, plus \$60,000.00 for contingencies, for a total contract amount of \$660,000.00. 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: Ms. Howard moved for approval of the recommendation; seconded by Mr. Kern.

Mr. Kern asked if Water Resources International, Inc., was new to the Department.

The Manager-Chief Engineer replied that they have been around for a while; but due to their own business challenges, they have not bid in a while. The Department is glad to see them participating again, and competitively.

Ms. Howard asked if the Department has any discretion to award to the second lowest bidder, given that you would want to encourage additional contractors to bid and that the two bids are so close together.

Ms. Mellon-Lacey and the Manager-Chief Engineer replied no.

The Manager-Chief Engineer clarified that there are provisions where it does not have to be awarded to the lowest bidder, but it has to be awarded to the lowest responsive and responsible bidder. If there was any evidence that the low bidder was not responsive or responsible, it would have been shown on the table as “nonresponsive” and the bid amount would not be shown. There is no evidence here to that effect.

Mr. Ney commented that it was nice to see the cost fall under the engineering estimate.

Vice-Chairperson Scicchitano agreed, that it continues to be an impressive job by staff.

Mr. Domingo still thought that there might be some consideration to the fact that Water Resources International is just coming online and picking up bids from DWS, and perhaps maybe it should be awarded to them to prop them up economically so they will become competitive in the future and take some slack from Derrick’s Well Drilling & Pump Services.

The Manager-Chief Engineer replied that the response to that question was the same.

Mr. Ney mentioned that Water Resources International could now review the bid results and then try to hit that target next time.

ACTION: Motion to approve was carried unanimously by voice vote.

11) MISCELLANEOUS:

A. DEDICATIONS:

The Department 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**

Grantor: RS10 Kalaoa, LLC  
“Kukuinui Subdivision, Increment II”  
Subdivision No. 98-000070  
Tax Map Key: (3) 7-3-028:102  
Facilities Charge: \$20,400.00, Date Paid: April 30, 2018  
Capital Assessment Fee: \$5,000.00 (paid)  
Final Inspection Date: 11/06/2019  
Water System Cost: \$119,328.00

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.

ACTION: Ms. Howard moved for approval of the recommendation; seconded by Mr. Ney and carried unanimously by voice vote.

**B. JOB NO. 2019-1129, EMERGENCY STANDBY POWER CONNECTION AT CRITICAL SITES:**

The Manager-Chief Engineer announced that this bid opening was scheduled for March 12, 2020, at 2:00 p.m. No responsive, responsible bids were received; therefore, staff will seek alternate methods of procurement per Hawai'i Administrative Rules (HAR), Section 3-122-35 (b), in accordance with procurement rules.

This bid was for four sites where the DWS wanted to install transfer switches and termination boxes to make it easier to hook up back-up generator power. The DWS is trying to utilize funds available through the State Hawai'i Mitigation Emergency Grant Fund Program, which provides a 75/25 funding source. They put up 75%. It is a way for DWS to accomplish some much-needed projects at one-fourth the cost.

Mr. Kern commended the Department on the great effort in trying to get the cost reduction. He asked if there were no responses or there were no responsive and responsible bids.

Mr. Ching replied that there were no bids at all. Under alternative procurement, the Department should have a better chance of receiving bids.

The Manager-Chief Engineer explained, for the benefit of the new Board members, how the procurement law works. Under Hawai'i Administrative Rules (HAR), if a project exceeds a certain dollar amount, it has to go out to competitive, sealed bidding and is opened up to everyone via some type of advertising. You cannot solicit from specific companies. If there are is no response, you can then go out to alternative procurement, which is request for quotations from certain companies or individuals.

Mr. Ney asked if there is an expiration date on the funding from the matching source.

The Manager-Chief Engineer replied that there is, and the Department has put in a request for extension with FEMA and will be following up on that request. He added that this item needed no motion but was for information to the Board. The Department's practice is to be as transparent with the public as possible. Some things may not even be required to be on a board agenda but they are placed on there for the Board to be aware of some of the positive efforts by the Department.

Vice-Chairperson Scicchitano thanked the Department for the transparency, which was echoed by the other Board Members.

**C. MONTHLY PROGRESS REPORT:**

Vice-Chairperson Scicchitano recalled a previous request he had on whether there was a way to see or review the projects that have been completed and have fallen off this report, to appreciate the items that were completed throughout the year. He asked if they are tracked in any way.

The Manager-Chief Engineer recalled Vice-Chairperson's earlier request and apologized for it not being reflected in the report. Perhaps there would be a way to add a summary to the bottom of this spreadsheet or something to that effect, but it will be worked out. (Vice-Chair appreciated it.)

Mr. Ney asked if there is a direct correlation to the completion of a job and the dollar amount paid out. He wondered how the projects are billed out and whether there was some type of schedule of values. He keeps coming back to that one contractor at the Waimea Reservoir that does not seem to be doing

anything and wondered how the Department keeps from paying out money without work getting done.

The Manager-Chief Engineer assured Mr. Ney that the Department does not pay for work not done. Each payment request is accompanied by a statement of progress and certified payroll, required under State law; and is why the Department has inspectors on staff. Every progress payment, submitted monthly at the most frequent interval, is reviewed by staff and the work has to have been done in order for that payment to be made. Mr. Ney was probably referencing the Waikoloa Reservoir No. 1 Earthquake Repairs because it does not show much progress (5.4%) and asked Mr. Inaba if he could explain.

Mr. Inaba stated that during discussion with the contractor, and from their proposal, or change order, they came to an agreement that the Department will terminate the contract because of the extensive design change requirements. There is a clause in the contract to terminate. The Department has the new design, and it will re-bid accordingly.

Mr. Ney thanked staff for the update.

**D. REVIEW OF MONTHLY FINANCIAL STATEMENTS:**

Mr. Kern asked if the Department anticipates any financial losses due to the COVID-19 situation.

Mr. Sumada replied that consumption decline is expected, to some extent.

The Manager-Chief Engineer added that it will be tracked; and if it affects revenue, the Department will have to modify expenditures accordingly.

Vice-Chairperson Scicchitano asked if it could be added as an item for review on a future agenda; in particular, the impacts as they are being recorded. It may take a while to get some data.

The Manager-Chief Engineer replied that could be done. Also, part of Mr. Sumada's report each month, on the back of the first page, is a recap related to consumption.

**E. MANAGER-CHIEF ENGINEER'S REPORT:**

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

1. North Kona Wells - the Deputy reported on the North Kona Wells. For Palani Well, emergency procurement was put out for the well, and Derrick's Well Drilling is working on the repair. Tentative completion is October of this year. For Wai'aha Well, the Department has a consultant evaluating the pump capacity of the well. A test rig is expected on site by the end of next month. For Holualoa Well, start-up is planned for tomorrow, March 25; and the well is expected to be online by the contract completion date of March 31. Keahuolū Deepwell Repair was awarded at last month's meeting. As soon as the contractor is finished with Holualoa Well, they will get on this project. Kahalu'u Well B was covered earlier in today's meeting. The project was awarded and has 210 calendar days from Notice to Proceed for completion. Emergency procurement was done for Kahalu'u C Deepwell, and the contract completion is the end of June of this year. Makalei Well is being worked on by the developer and their consultant to get it out to bid. He added that service is being provided as normal to customers, and efforts to work with the contractors to expedite the repairs is underway.

Mr. Domingo asked how many wells in total are operational at this time.

The Deputy replied that seven are operational.

Mr. Kern asked if there were any effects from contractors due to the COVID-19 situation.

The Deputy and Operations staff replied that the contractors are working with the Department and have an understanding of the Department's situation and are helping as much as they can within their contract obligations.

Mr. Domingo asked if the October 2020 date for Palani Well was a new date.

The Deputy replied that it is a new date. This is the well that failed earlier this year and went into emergency procurement to get it back online; and this is the new contract completion date.

2. American Water Works Association National Conference, Orlando, Florida, June 14-17, 2020 - the Manager-Chief Engineer announced that the Department of Water Supply will not be attending this year due to the COVID-19 situation. It is just the right thing to do.
3. Coronavirus Update - The Manager-Chief Engineer reported that as far as Water Board related items, the Department's plan for the April Water Board Meeting is to do it 100% via WebEx or some other teleconferencing means. Today was a good trial run. It should work smoother with everyone participating by WebEx versus some in person and some by WebEx. He asked the Board to be aware that this is very fluid, very dynamic situation related to Coronavirus and the Department is already seeing some impacts to a few projects. The Kahalu'u Shaft is one of them where some of the mandates put out by the various counties results in some sub-contractors not flying inter-island. That will affect schedules. For the critical projects, such as repairs, the Department has not seen many impacts. Moving forward, the Department of Water Supply is an essential function as listed under Homeland Security Critical Infrastructure. The plan is to stay open. The Department is exploring various means and checking with the other water utilities to see what they are doing to maximize physical distancing as much as possible and see if other types of schedules may be incorporated, such as flex schedules or possibly relaxing some of the vehicle take-home policies. This is different than a natural disaster where essential and non-essential employees are part of a short duration and the stay-home period is clearer. This is different situation because the current Governor's Proclamation extends the shut-down through the end of April. There is really no employee that can be away from work 100% of the time without some kind of impact to services. The Department is trying to work within those shut-down guidelines, while being able to provide water.

Mr. Domingo commented that the Department's services are more critical at this time, especially with government encouragement about washing your hands often.

Mr. Ney asked if there is a game plan in the event this situation spreads over time, and within the Department's workforce, especially in the Operations side. If someone does contract COVID-19, he asked how the Department would address that within its crews because they do work close together on projects.

The Manager-Chief Engineer replied that the Department has a continuity of operations plan which establishes a sequencing or delegation plan should people not be able to come to work. The Department is also implementing ways to improve physical distancing among the crews such as a maximum of two people per crew cab. At this point in time, anyone who is sick needs to go home.

For field operations, there is a fair amount of staff; and, if needed, could have resources from other districts supplement each other. There is also a HIWARN in place which is basically a response network with the other water utilities to assist each other in times of need. If everyone gets hit hard, adjustments will need to be made. The Department is working to minimize in-person interactions as much as possible.

Mr. Kern commended the Department on doing an amazing job and asked what the Department would need from the Board because things are moving fast; and obviously, it seems like, aside from the monthly meetings, there may be emergency meetings needed. He asked what type of latitude the Department might need.

The Manager-Chief Engineer stated that he would possibly be placing on next month's agenda, a Resolution that would be worked out with Corporation Counsel for the Board to discuss and consider granting the Department certain administrative authority in lieu of having to bring it in front of the Board. Such things might be Dedications, which are normally straightforward, Change Orders or Time Extensions, with the provision that the Department report them to the Board. There are some things on the Agenda that maybe could be handled administratively with a report provided later to the Board.

Mr. Kern asked if there is a provision if an emergency meeting does need to be called and how much time for notification would be needed.

Ms. Mellon-Lacey replied that under the Supplemental Proclamation of the Governor, all of the deadlines and notice deadlines are suspended. Sunshine Law has basically been suspended, so if there was a need for a meeting, the Secretary could let everyone know; and efforts be made to post the notice as soon as possible to let the public know.

Mr. Kern thought that should be kept in mind. If an emergency meeting is needed and there is some time, it would be great to put out a notice to keep the appearance doing our best.

The Manager-Chief Engineer replied that would be the Department's plan.

Ms. Howard asked if a quorum would still be need.

Ms. Mellon-Lacey replied it would. That part does not change.

The Manager-Chief Engineer stated that he was reviewing the Governor's Proclamations this morning; and the First Supplemental Proclamation provided a deadline of May 15, 2020, and then a Second Supplemental Proclamation mentioned something about May 20, so there are set deadlines for these proclamations. That is why he is planning for the April meeting to be by WebEx and be closed to the public. The public can still provide written testimony. Starting from May, it may change again.

Ms. Howard agreed, and as mentioned earlier, the situation is fluid and she was sure the Governor will issue directives based on circumstances.

#### **F. CHAIRPERSON'S REPORT:**

Vice-Chairperson Scicchitano did not have anything to report aside from being appreciative of the Department for being dynamic and the team being flexible to be online today, a great accomplishment.

12) ANNOUNCEMENTS:

1. Next Regular Meeting:

The next meeting of the Water Board will be April 28, 2020, 10:00 a.m. at the Department of Water Supply, Hilo Operations Center Conference Room; 889 Leilani Street, Hilo, Hawai'i.

2. Following Meeting:

The following meeting of the Water Board will be May 26, 2020, 10:00 a.m., at the West Hawai'i Civic Center, (Building G); 74-5044 Ane Keohokalole Highway, Kailua-Kona, Hawai'i.

**The Manager-Chief Engineer stated that if the Department continues to use WebEx for the meetings, Ms. Mellon-Lacey may need to be consulted with on whether there is any official notice that needs to state the location. His thought was that it could be the Department's main office at 345 Kekūanaō'a Street, Hilo. This is for heads up that some of the details may change moving forward.**

**Ms. Mellon-Lacey stated that there is a lot of flexibility in the Sunshine Law now, due to the Coronavirus, so it is not an issue to list it that way.**

13) ADJOURNMENT

ACTION: Mr. Kern moved to adjourn the meeting; seconded by Ms. Howard and carried unanimously by voice vote. (Meeting adjourned at 11:25 a.m.)

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Recording Secretary

APPROVED BY WATER BOARD  
4/28/2020