

## MINUTES

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

December 22, 2020

Via WebEx/Host Location: Department of Water Supply, 345 Kekūanaō'a Street, Suite 20, Hilo, HI

MEMBERS PRESENT VIA WEBEX: Mr. William Boswell, Jr., Chairperson  
Mr. Eric Scicchitano, Vice-Chairperson  
Mr. David De Luz, Jr.  
Mr. Nestorio Domingo  
Ms. Judy Howard  
Mr. Benjamin Ney  
Ms. Julie Hugo  
Mr. Kenneth Sugai  
Mr. Keith K. Okamoto, Manager-Chief Engineer, Department of Water Supply (ex-officio member)

ABSENT: Mr. Zendo Kern

OTHERS PRESENT VIA WEBEX: Ms. Diana Mellon-Lacey, Deputy Corporation Counsel  
Ms. Sunshine Carter  
Mr. Steve Lim, Carlsmith Ball LLC  
Mr. Lee Barrett

#### Department of Water Supply Staff

Mr. Kawika Uyehara, Deputy  
Mr. Richard Sumada, Waterworks Controller  
Ms. Candace Gray, Assistant Waterworks Controller  
Mr. Kurt Inaba, Engineering Division Head  
Ms. Judith Hayducsko, Chief of Operations  
Mr. Clyde Young, Operations Division  
Mr. Eric Takamoto, Operations Division  
Mr. Warren Ching, Energy Management Analyst

- 1) CALL TO ORDER – Chairperson Boswell called the meeting to order at 10:00 a.m. Roll call was taken for Board Members present. Mr. De Luz, Mr. Domingo, Ms. Howard, Ms. Hugo, Mr. Ney, Mr. Scicchitano, Mr. Sugai, and Chairperson Boswell were in attendance. The Secretary noted that there were three people from the public joined in on this meeting: Ms. Sunshine Carter, Mr. Lee Barrett, and Mr. Steve Lim. Mr. Barrett and Mr. Lim were in attendance for Agenda Item 6A.

#### 2) STATEMENTS FROM THE PUBLIC

Chairperson Boswell asked if there were any Statements from the Public. The Secretary replied there were none.

3) APPROVAL OF MINUTES

1. Minutes of the November 24, 2020, Public Hearing on the Power Cost Charge  
ACTION: Ms. Howard moved for approval; seconded by Mr. Scicchitano and carried by six ayes: Mr. Domingo, Ms. Howard, Ms. Hugo, Mr. Ney, Mr. Scicchitano, and Chairperson Boswell, two abstentions due to not attending the public hearing (Mr. De Luz, and Mr. Sugai), and one absent: Mr. Kern.
2. Minutes of the November 24, 2020, Public Hearing on the Proposed Changes to the Rules and Regulations of the Department of Water Supply of the County of Hawai‘i  
ACTION: Mr. Scicchitano moved for approval; seconded by Ms. Hugo and carried by seven ayes: Mr. De Luz, Mr. Domingo, Ms. Howard, Ms. Hugo, Mr. Ney, Mr. Scicchitano, and Chairperson Boswell, one abstention due to not attending this public hearing (Mr. Sugai), and one absent: Mr. Kern.
3. Minutes of the November 24, 2020, Regular Water Board Meeting  
ACTION: Mr. Ney moved for approval; seconded by Mr. Scicchitano and carried by seven Ayes: Mr. De Luz, Mr. Domingo, Ms. Howard, Ms. Hugo, Mr. Ney, Mr. Scicchitano, and Chairperson Boswell, one abstention due to not attending the meeting (Mr. Sugai), and one absent: Mr. Kern.

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

5) SOUTH KOHALA:

**A. JOB NO. 2018-1085, PARKER #1 DEEPWELL REPAIR – REQUEST FOR ADDITIONAL FUNDS:**

The contractor, Beylik Drilling & Pump Service, Inc., is requesting a contract change order for the additional work in association with previous attempts to install the pump assembly and an additional well extraction. The description of the additional work and associated fees are as follows:

ITEM	DESCRIPTION	AMOUNT
1.	Additional Mobilization/Demobilization due to fit-up of pump/motor coupling.	\$11,519.89
2.	Additional Well Extraction	\$31,671.36
	<b>TOTAL</b>	<b>\$43,191.25</b>

Staff reviewed the request for the additional funds and the accompanying supporting documentation and found that the \$43,191.25 can be considered justified.

Original Bid Amount: \$83,200.00

Original Contingency Amount: \$8,300.00

1<sup>st</sup> Additional Contingency Request: \$48,620.00 (Additional positive seal check valves)  
*approved at the 6/25/19 Water Board Meeting*

2<sup>nd</sup> Additional Contingency Request: \$13,668.00 (Replacement pump discharge case) *approved at the 8/27/19 Water Board Meeting*

3<sup>rd</sup> Additional Contingency Request: \$35,341.42 (Pump/motor half couplings, additional mobilization/demobilization, electrical splicing to extend power cable) *approved at the 6/23/20 Water Board Meeting*

4<sup>th</sup> Additional Contingency Request: \$43,191.25

**Total Revised Contract Amount: \$232,320.67**

The Manager-Chief Engineer recommended that the Board approve an increase in contingency of \$43,191.25 to Beylik Drilling & Pump Service, Inc., for JOB NO. 2018-1085, PARKER #1 DEEPWELL REPAIR. If approved, the total revised contract amount shall be \$232,320.67.

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

The Manager-Chief Engineer pointed out a one-page summary, prepared by staff, giving more information than what was described in the agenda item and contractor's letter. The Department is faced with a number of challenges with this well. At this point, the latest additional contingency request is the last effort under the current contract to get this well operational. It was discovered that there is now an issue with the power cable. Although the power cable "megged" okay before dropping the unit down the hole, upon attempting to start it up, it did not operate. After some investigative work, the power cable was found to be the issue. The Department and staff have decided to close out this contract and will follow up with a future competitive bid to get the well operational.

Mr. Domingo noted that the original bid amount and the revised contract amount went from \$80,000.00 to \$232,000.00. This leaves a sour, bitter taste with him and is what he would call a contract overrun. If his calculations were correct, the increase in the contract amount is 300%. It does not give a good impression.

Mr. Ney was not clear about what the Board action would be on this particular agenda item.

The Manager-Chief Engineer explained that this Board action is to close out the current contract with Beylik for the additional work required to pull out the pump and motor and determine that the power cable was the issue. With this additional contingency, the contract with Beylik can be closed out and they will be made whole with the work they have provided on this project. Subsequently, the Department will go out for bids on the actual work to get this well operational. The Department will try to utilize whatever equipment was purchased under this contract, including the pipe column, check valves, discharge head, pump and motor assembly, pump and motor coupling, as well as a new power cable. The goal with a new competitive bid is to hopefully get a better unit warranty. One of the challenges faced with providing a Department-supplied pump and motor to a contractor to install it is there is no overall warranty on the appurtenant items, such as a coupling, which was also an issue here. There are pluses and minus to having spare pumps and motors.

Mr. Scicchitano asked if Beylik would no longer be considered on the next round of Request for Proposals. There is already a limit of two or three contractors that are able bid.

The Manager-Chief Engineer replied that it does not eliminate Beylik. It only puts it back out for a competitive bid process. He also agreed with Mr. Domingo that the Department does not want to see original contracts balloon. The original scope for this project was to basically install the pump and motor supplied by the Department; but in the course of doing the work, a couple of things happened. Information was received from the consultant that positive seal check valves would be prudent to install, which is why the added cost. The second was that the discharge head assembly was found to be out of specification. Because the contractor was already on board and it fell within the original scope, it was added on. Other things were added once it was found that the pump and motor coupling was at issue. At this point, it is time to close this contract and get it out to a competitive process. Beylik will be allowed to participate as well as anyone else who meets qualifications for this type of bid.

Mr. Ney asked for clarification on the contingency amount versus if the contractor requests change order upon change order. A change order would imply that the work has fallen outside the scope of the original work. He wondered how they are differentiated.

The Manager-Chief Engineer explained that they are essentially the same thing. Contingency is common on construction projects to provide some funds because construction does not go 100% as designed. The contingency in any construction project is to accommodate unforeseen circumstances, and the typical practice is 10%. Additional work is also part of the contingency outside of the scope. Things are brought to the Board when the additional work exceeds the contingency amount and the contract amount needs to be increased. Any time a Board approved contract is altered, whether it be scope, schedule, or the budget, it requires the Board to approve the changes.

Mr. De Luz stated that this is one of those unfortunate contracts where every effort had been made to make it work. He applauded the Department for essentially working with the contractor to see if they could be made whole. At this time, it is just cutting your losses and saying enough is enough and get it completed. It is unfortunate that these occurrences happen. With that, he appreciated what the Department is doing and would accept the Department's proposal.

Ms. Howard asked if the Department would be re-examining the use of its own supplied equipment when this goes back out to bid.

The Manager-Chief Engineer replied that the Department has been working with Corporation Counsel to beef up the warranty provisions on spare pumps and motors. He would consider this one a manufacturer defect. Instead of a typical one-year warranty, he would like to pursue, if possible, extending the warranty to two or three years on manufacturers' defects. If a defect is discovered, the manufacturer would have to make the Department whole, even if it is five years down the line. He did not know how feasible that is, but there might be some kind of balance in between. The Department is learning from past mistakes and is making improvements. For added background on this project, the Department received a certification from a licensed engineer on the original contract that certified that the pump and motor were good to go. Certification by a licensed engineer was part of the original contract. Unfortunately, there was just the one-year warranty, which expired December of 2019. Some kind of defect warranty would have helped in this case.

Chairperson Boswell asked if there was any inventory of spare pumps and motors or if the Department stopped that type of procurement and is having the contractors responsible for the purchase.

Mr. Takamoto replied there are about four spare sets in inventory.

Chairperson Boswell asked if they would only fit certain wells but not all wells.

Mr. Takamoto replied that was correct.

The Manager-Chief Engineer explained how the units are shipped and are typically vacuum sealed in a protective covering, not really visible. You have to rely on the certification of the contractor and/or supplier that it is what was ordered, according to specifications. Unfortunately, sometimes you open the packaging and everything looks okay; but as in this case, before it is dropped down the hole, you find out there are issues. It is not a perfect system, but as long as improvements are made moving forward, the hope is to minimize these situations.

Mr. Ney asked if there has been much success with an out-of-warranty claim where it is near the warranty threshold and the manufacturer will say it is so close that they will honor it.

The Manager-Chief Engineer did not recall anything that close. He would hope the manufacturer would be alright with it. A lot of times, however, the Department is contracted with a well driller and

they buy it from a third-party supplier or supplier's representative. In that case, he was not sure if the third-party would be willing to honor something like that. This furthers the need to try and tighten up the warranties.

ACTION: Motion was carried by roll call vote: Ayes: 7 - Mss. Howard and Hugo and Messrs. De Luz, Ney (with reservation), Scicchitano, Sugai, and Chairperson Boswell; Nays: 1 - Mr. Domingo; absent: Mr. Kern.

6) NORTH KONA:

**A. PROPOSED SECOND AMENDMENT TO AMENDED AND RESTATED AGREEMENT REGARDING DEVELOPMENT OF SOUTH WAI'AHA WATER SYSTEM AND TERMINATION OF AGREEMENT REGARDING DEVELOPMENT OF NORTH WAI'AHA WATER SYSTEM:**

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Chairperson Boswell noted that he would read through this agenda item but would be recusing himself from the vote due to conflict of interest.

Hualālai Partners of Kona, LLC, and HU-KO-PA LLC (HKP) are current members of the Wai'aha System, along with Wai'aha System LLC and Kohanaiki Shores LLC. These entities are parties to The First Amendment to the Amended and Restated Agreement Regarding Development of South Wai'aha Water System and Termination of Agreement Regarding North Wai'aha System (The First Amendment). Hualālai Partners of Kona, LLC, owner of TMK 7-5-017:043 is requesting to transfer 69 of its assigned 75 units to HKP, owner of TMK 7-5-017:042. The First Amendment allows for the transfer of units but requires written approval by the Water Board prior to the transfer of EUs to other TMK parcels.

The parcels in question are adjacent to the South Wai'aha Water System that was installed as part of the First Amendment Agreement. It is represented that Wai'aha System LLC and Kohanaiki Shores LLC will consent to the transfer of units subsequent to the Water Board's approval. Staff has reviewed the proposed transfer of units and has no objections to the subject request. All other provisions of the Agreement will remain the same. If approved, the revised assignment of units from the Agreement will be as follows:

Tax Map Key 7-5-017:043 - 75 units – 69 units = **6 units**  
Tax Map Key 7-5-017:042 - 60 units + 69 units = **129 units**

The Manager-Chief Engineer recommended that the Water Board approve the SECOND AMENDMENT TO AMENDED AND RESTATED AGREEMENT REGARDING DEVELOPMENT OF SOUTH WAI'AHA WATER SYSTEM AND TERMINATION OF AGREEMENT REGARDING NORTH WAI'AHA WATER SYSTEM subject to the approval of the Corporation Counsel as to form and legality and that either the Chairperson or the Vice-Chairperson be authorized to sign the document.

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

The Manager-Chief Engineer provided some background for Board Members who joined the Board since this Agreement was established. This was an example of a public/private partnership between the Department, the Board, and several private entities. The agreement covers partnering in the installation of water infrastructure; and in return, the entities received water units for their participation. Exhibit F shows properties received, the units, and where the changes will occur based

on this proposed second amendment. He noted that Mr. Steve Lim of Carlsmith Ball, LLP, and Mr. Barrett, representing Hualālai Partners, were available if the Board had any questions.

Mr. Domingo asked for clarification on the number of units being transferred.

Mr. Inaba explained that the letter of request for Parcel 43 stated they needed seven (7) units but they already had one unit from the existing availability of the water system. Therefore, the six (6) additional units will leave them with seven (7).

The Manager-Chief Engineer pointed out that on Exhibit F, second to the bottom row, there is a typographical error under McClean Honomakau Properties, LP. It should be Honokōhau and not Honomakau. The change will be made before the agreement is forwarded for signatures.

ACTION: Motion was carried by roll call vote: Ayes: 7 - Mss. Howard and Hugo and Messrs. De Luz, Domingo, Ney, Scicchitano, Sugai; 1 Recusal: Chairperson Boswell; 1 absent: Mr. Kern.

(Messrs. Lim and Barrett thanked the Board and signed out of the meeting at 10:33 a.m.)

7) MISCELLANEOUS:

A. MONTHLY PROGRESS REPORT:

The Manager-Chief Engineer highlighted the Pāpa‘ikou Transite and G.I. Pipeline Replacement project. Notice to Proceed has been issued and construction is expected to begin shortly. A letter is being drafted to go out later this week to the customers that will be affected. There will be some traffic and typical challenges surrounding construction work in the town. This project is to upgrade the water infrastructure. There have been main breaks in the area because the pipe material is due for replacement.

Chairperson Boswell asked if anything on the Hala‘ula Well Development, Phase 2, has moved forward.

Staff explained that the Department received the landowner’s letter authorizing the Department to sign for the pump installation permit, which was a requirement of the State Commission on Water Resource Management. The Department can now proceed with the pump installation permit. The Department also received comments from the State of Hawai‘i, Department of Transportation, Highways Division, and responded to the comments. There is some additional work in the State Highway right-of-way where some of the waterline needed to be replaced. This is anticipated to fall within contingency. These are unforeseen circumstances that contingencies are put in for. The Department worked with the State Highways project engineer to get his approval on the proposed work within the State Highway right-of-way and it seems to be moving forward.

B. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

Mr. Ney hoped that things will stabilize with the upcoming water rate increase because the financial statements have not been looking good. He asked about the normal year-by-year, long-term planning and if there is a certain financial metric or margin that the Department tries to meet in terms of how many jobs can be funded every year, and what keeps it not just breaking even, but having a little more cash on hand.

Mr. Sumada replied that any finance planning comes from the water rate study. Revenues and consumption are looked at and forecast, as well as future projects and maintenance of the water systems by the Engineering and Operations divisions. They come up with rates that will generate enough money to fund construction. The metric that is important on a year-to-year basis is the contribution to the CIP reserve, because that tells him how close they came to the planning performed by the water rate study consultant. There has not been much, if any, contribution in recent years, and it should be of concern. The rate increase that is going into effect next month will go a long way in resolving this condition, but it is the rate study that really does the planning and the long-term look at the Department's financial condition.

Mr. Ney stated that his concern was that it gets evaluated every so often but may be something to look at on a continual basis in case adjustments need to be made.

Ms. Howard stated that she has been reading about the State budget and believed that in the past, the Department has gotten a significant amount of funds from the State. She asked if it was a concern that the Department may have significantly less contributions from the State of Hawai'i.

Mr. Sumada replied that State monies he was aware of come from the Department of Health's State Revolving Fund (SRF) that fund a lot of construction projects. He did not believe that is going to be affected. Other State monies that have come in are where the Legislature will allocate money for a specific construction project, for example, the Hawaiian Ocean View Estates standpipe facility in Ka'u. One project that comes to mind is the Lālāmilo well reservoir which the Department was planning to receive State monies for.

Mr. Scicchitano mentioned the new customer acquisition component of sales or cash flow and noticed that this year, there has been an uptick in at least residential construction on the east side. He wondered if there is a percentage increase in customer acquisition and if it was factored in.

Mr. Sumada replied that specific projects or specific customers is hard to factor in at the times the rate study forecasts are worked on, other than if the historical number of accounts and consumption shows an increase.

Mr. Domingo asked if there is a recovery plan for once the pandemic is under control.

Mr. Sumada stated that there was some good news to report this month. Consumption is showing signs of recovery. It is approaching what it was at this point last year, where it was lagging 5% to 7% for the first few months of the fiscal year, but now it is approaching even. That is a good sign.

#### **C. MANAGER-CHIEF ENGINEER'S REPORT:**

The Manager-Chief Engineer to provide an update on the following:

1. North Kona Wells - the Deputy reported that of the fourteen sources in North Kona, nine are online and five are offline. The five that are offline and in the order they are anticipated to return to service are: Kahalu'u B Well – the borehole alignment has been completed. The well jetting process is delayed, and completion is expected late January or early February of 2021. The next one is Kalaoa Well - the contractor is working on relocating the incoming electrical service for the step-down transformer. Anticipated completion is mid-February 2021. Palani Well - there were some electrical issues at the testing facility on the mainland for the pump and motor. The issues have been resolved and staff is trying to get more information from the contractor to relay to the Board next month. Wai'aha Well – the repair is on litigative hold, and the evaluation of the well

is still ongoing. The fifth well is Makalei Well - the developer is preparing to bid out their well repair in early 2021.

2. COVID-19 Update - the Manager-Chief Engineer reported that the Department is continually maintaining the proper protocols of physical distancing, face covering, washing hands, etc. He was happy to report that the Department has not had any positive COVID-19 cases in any of its worksites. There have been some secondary exposure concerns; and CDC guidelines are followed, as well as the Department's Human Resources Section. The seven-day average of COVID cases continues to creep up on the Big Island; therefore, the Department plans to continue its appointment-only, in-person services to minimize risk of exposure to staff and the public. For the most part, everyone has gotten used to either contacting the Department by telephone or email. Sign-up is the only thing that is done in person. Payments are accommodated either online, over the telephone, or by direct withdrawals. Also of mention is the joint letter, addressed to Governor Ige, signed by the four major water utilities, requesting consideration to have essential workers bumped up on the vaccine priority to Phase 1B. This would include employees who repair water main breaks. Maintaining a 6-foot distance and wearing a mask that is wet and muddy does not work, and it is what they face every time there is a main break. Other critical infrastructure personnel do have better opportunities for separation, such as water quality employees, electricians, etc.; but for the guys in the trenches, there is no way you can repair a main and maintain separation and face covering requirements. Mr. Ney asked if the Board could propose drafting a letter, signed by the Chairperson, to beef up that request. The Manager-Chief Engineer recommended placing it on the next agenda for formal action to make it cleaner. Right now, there is no opportunity for a Motion and action on an item such as this. Mr. Ney thanked him and supports that effort.
3. Retirees of the Department of Water Supply - the Manager-Chief Engineer announced that there are four retirees to honor. The first one did not want his name mentioned, but he was the District Supervisor for Ka'ū for almost 50 years. He leaves big shoes to fill, and is even willing volunteer if needed. The next two are from Engineering. Mr. Inaba announced that a Waterworks Construction Project Inspector I in Kona is retiring, Mr. Wayne Kukita, who was hired last November. He has been with Department just one year; but due to the pandemic, he is choosing to retire at this time. He has a number of years with the County. The other person is currently the Department's Data Processing Clerk in the Water Quality Assurance and Control Branch, Mr. Garrett Okui. He has been with the Department since 2000 and spent his first 12 years in the Operations Division as a Waterworks Helper and a Pipefitter for six years each. He had a lot of field knowledge that helped Mr. Inaba create some of his maps. Both employees will be missed. The Manager-Chief Engineer announced that Mr. Richard (Rick) Sumada, Waterworks Controller, is retiring at the end of this month. This is his last Water Board Meeting. He will definitely be missed. The Board may have noticed that Ms. Candace Gray, Assistant Waterworks Controller, has been attending Water Board meetings lately and will be filling both Mr. Sumada's and her shoes while the Department recruits to fill the position permanently. Some background on Mr. Sumada--he started with the Department in June of 1997 as Assistant Waterworks Controller. He was promoted to Waterworks Controller and has been in that position a little over 12 years. He has done a terrific job and will be missed. Mr. Sumada thanked the Board for its support all of these years, especially with audit reports.

**D. ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON FOR 2021:**

Chairperson Boswell opened it up for nominations for Chairperson for the year 2021.

**MOTION:** Mr. De Luz moved to nominate Mr. William Boswell, Jr., to continue another term as Chairperson; seconded by Ms. Hugo.

There were no further nominations and Mr. Boswell was asked and indicated he would serve another term as Chairperson.

ACTION: Mr. De Luz moved to close nominations. Roll call vote was taken on the Motion to elect Mr. William D. Boswell, Jr., as Chairperson for the term 2021. Motion was carried by seven ayes: Mss. Howard and Hugo, and Messrs. De Luz, Domingo, Ney, Scicchitano, and Sugai; one abstention: Chairperson Boswell; one absent: Mr. Kern.

Chairperson Boswell opened nominations for Vice-Chairperson.

MOTION: Chairperson Boswell moved to nominate Mr. Eric Scicchitano for Vice-Chairperson; seconded by Mr. Ney.

Mr. De Luz commented that he likes the successorship of leadership because of the Board's fiduciary capacity and that it affords more opportunity for management and the Board to have continuity and presence in regard to decision-making. He endorsed Mr. Scicchitano's nomination.

ACTION: Mr. De Luz moved to close nominations. Roll call vote was taken on the Motion to elect Mr. Eric Scicchitano as Vice-Chairperson for the term 2021. Motion was carried by seven ayes: Mss. Howard and Hugo, and Messrs. De Luz, Domingo, Ney, Sugai, and Chairperson Boswell; one abstention: Mr. Scicchitano; one absent: Mr. Kern.

**E. EXECUTIVE SESSION: MANAGER-CHIEF ENGINEER'S EVALUATION FOR CALENDAR YEAR 2020 AND APPOINTMENT OF PRIVATE SECRETARY:**

The Board anticipates convening an executive meeting to consider the evaluation of the Manager for its annual performance review, and to discuss and consider the appointment and salary of a Private Secretary, pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(2) and (a)(4) and Hawai'i County Charter Section 13-20(b) where consideration of matters affecting privacy will be involved, and for the purpose of consulting with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities and liabilities. 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. Howard moved to enter into Executive Session; seconded by Mr. Ney and carried by roll call vote: Ayes: 8 - Mss. Howard and Hugo, and Messrs. De Luz, Domingo, Ney, Scicchitano, Sugai, and Chairperson Boswell; Nays: 0; one absent: Mr. Kern.

(Executive Session began at 11:13 a.m. and ended at 11:45 a.m.)

**F. MANAGER-CHIEF ENGINEER'S EVALUATION FOR CALENDAR YEAR 2020:**

Chairperson Boswell asked for a Motion, noting that the Board had a pretty thorough discussion on this matter.

ACTION: Mr. De Luz moved that the Board accept the evaluation of the Manager-Chief Engineer and not to increase compensation this year; seconded by Ms. Howard and carried by roll call vote: Ayes - 8 (Mss. Howard and Hugo; Messrs. De Luz, Domingo, Ney, Scicchitano, Sugai, and Chairperson Boswell); and one absent: Mr. Kern.

**G. MANAGER-CHIEF ENGINEER RECOMMENDATION FOR APPOINTMENT OF PRIVATE SECRETARY:**

Chairperson Boswell asked for a recommendation on how to vote on this.

Ms. Mellon-Lacey recommended that the Motion be to approve the appointment of the Private Secretary at the discussed salary.

**ACTION:** Ms. Howard so moved; seconded by Mr. Ney and carried by roll call vote: Ayes - 8 (Mss. Howard and Hugo; Messrs. De Luz, Domingo, Ney, Scicchitano, Sugai, and Chairperson Boswell); and one absent: Mr. Kern.

Mr. De Luz asked for a point of clarification Ms. Mellon-Lacey. With regard to this particular motion, this is functionary for the record; but as a Board Member, he can indicate that the Manager-Chief Engineer had the ability to make this appointment, along with compensation, and not having to take it to the Board. He thought it was important for his staff and team to understand his leadership and transparency. All too often, the public will view public records like Minutes to see where the non-transparency exists and thought it was critical to put emphasis on that. It is important that this is a model and that hopefully other government officials will take note and hopefully instill more public confidence in them.

Mr. Ney concurred; it is a good precedent for this organization in terms of public perception.

**H. CHAIRPERSON'S REPORT:**

1. Chairperson Boswell stated that he never has quite too much to say, other than it is the closing of the year and he appreciates the team doing a great job working together. Many different facets are being covered. This is a good group of people, and working with the DWS team and seeing a Private Secretary coming on board, he felt that it has been a good year. There were a lot of issues, but the Board and DWS have done a good job working together.
2. Outgoing Water Board member – Mr. Nestorio Domingo, District 7, appointed April 13, 2017, is having his term on the Board ending December 31, 2020. Chairperson Boswell thanked Mr. Domingo for his service to the Board over the years. He will always remember the smile on his face and his questions, digging into the facts. The Board thanked Mr. Domingo and wished him well in his future endeavors. Mr. De Luz asked if he could, in closing, he wished to reemphasize the appreciation he has had with the Secretary for the time that he has worked with her. He did not realize that she was multi-tasking at that level. Hopefully, as mentioned, this will give her more capacity to get done what is needed in other areas. It was noted that she would be continuing as Board Secretary. The Board voiced its appreciation also. The Manager-Chief Engineer echoed those sentiments and thanked Mr. Domingo for his public service and representing his district. Mr. Domingo thanked the Board and staff and has enjoyed working with everyone.

9) **ANNOUNCEMENTS:**

1. **Next Meeting:** - January 26, 2021, 10:00 a.m., via Web Conferencing

8) ADJOURNMENT

ACTION: Mr. Scicchitano moved to adjourn the meeting; seconded by Ms. Hugo and carried by roll call vote: Ayes: 8 – Mr. De Luz, Mr. Domingo, Ms. Howard, Ms. Hugo, Mr. Ney, Mr. Scicchitano, Mr. Sugai, and Chairperson Boswell.

(Meeting adjourned at 11:57 a.m.)

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Recording Secretary

APPROVED BY WATER BOARD  
JANUARY 26, 2021