

MINUTES

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

January 26, 2021

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.
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: Director, Planning Department (ex-officio member)
Director, Department of Public Works (ex-officio member)

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

Department of Water Supply Staff

Mr. Kawika Uyehara, Deputy
Ms. Candace Gray, Waterworks Controller
Mr. Kurt Inaba, Engineering Division Head
Ms. Judith Hayduesko, Chief of Operations
Mr. Clyde Young, Operations Division
Mr. Eric Takamoto, Operations Division
Mr. Feliciano Agdeppa, Jr., Operations Division (Waimea)

1) CALL TO ORDER – 10:00 a.m. A roll call was taken for Water Board Members in attendance as follows: Mss. Howard and Hugo; Messrs. De Luz, Ney, Scicchitano, Sugai, and Chairperson Boswell.

2) STATEMENTS FROM THE PUBLIC - None

3) APPROVAL OF MINUTES:

ACTION: Mr. Ney moved for approval of the Minutes of the December 22, 2020, Water Board Meeting; seconded by Mr. Sugai and carried unanimously by roll call vote (Ayes: 7 - Mss. Howard and Hugo; Messrs. De Luz, Ney, Scicchitano, Sugai, and Chairperson Boswell).

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

5) NORTH KONA:

A. MATERIAL BID NO. 2020-14, FURNISHING AND DELIVERING REPLACEMENT VENTILATION FAN FOR KAHALU'U SHAFT – REQUEST FOR TIME EXTENSION:

The vendor, Hawai'i Sheetmetal & Mechanical, Inc., is requesting a contract time extension of 56 calendar days. The vendor's supplier for the motor-starting equipment and controls encountered delays attributed COVID, holiday closures, and abbreviated shipping schedules. These delays were beyond the control of the vendor.

Staff reviewed the request for contract time extension and found all 56 calendar days of the requested time justified. *Note: There are no additional costs associated with this time extension.*

1st time extension – 56 calendar days

The Manager-Chief Engineer recommended that the Board approve a contract time extension of 56 calendar days to Hawai'i Sheetmetal & Mechanical, Inc., for MATERIAL BID NO. 2020-14, FURNISHING AND DELIVERING REPLACEMENT VENTILATION FAN FOR KAHALU'U SHAFT. If approved, the contract completion date will be revised from March 31, 2021, to May 26, 2021.

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

The Manager-Chief Engineer stated that there was nothing else to offer at this time. It is basically as written in the agenda, related to scheduling from the mainland and not due to fault of the contractor. If there were any questions or further technical information needed, Mr. Young was standing by.

Chairperson Boswell complimented the Department on including the contractors' explanations with the agenda. There being no questions, he asked for a roll call vote.

ACTION: Motion was carried unanimously by roll call vote (Ayes: 7 - Mss. Howard and Hugo; Messrs. De Luz, Ney, Scicchitano, Sugai, and Chairperson Boswell).

B. JOB NO. 2017-1062, KALAOA #1 DEEPWELL REPAIR:

The contractor, Beylik Drilling & Pump Service, Inc., is requesting a contract time extension of 117 calendar days. The contractor was delayed due to work required by the Department of Water Supply to ensure continuity of service of the existing telemetry system during the interim when site power was de-energized for contract work. Additionally, there were scheduling delays with Hawai'i Electric Light Company, Inc. (HELCO), due to the holidays. These delays were beyond the control of the contractor.

Staff reviewed the request for contract time extension and found all 117 calendar days of the requested time justified. *Note: There are no additional costs associated with this time extension. Project was on suspension due to multiple well outages in North Kona. Notice to resume work was issued July 27, 2020.*

1st time extension – 117 calendar days

The Manager-Chief Engineer recommended that the Board approve a contract time extension of 117 calendar days to Beylik Drilling & Pump Service, Inc., for JOB NO. 2017-1062, KALAOA #1

DEEPWELL REPAIR. If approved, the contract completion date will be revised from February 21, 2021, to June 18, 2021.

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

Chairperson Boswell commented that the agenda item and attachment were self-explanatory.

The Manager-Chief Engineer noted that Mr. Takamoto was standing by if there were any questions. There being none, Chairperson Boswell called for a roll call vote.

ACTION: Motion was carried unanimously by roll call vote (Ayes: 7 - Mss. Howard and Hugo; Messrs. De Luz, Ney, Scicchitano, Sugai, and Chairperson Boswell).

6) MISCELLANEOUS:

A. MONTHLY PROGRESS REPORT:

Mr. Inaba reported on the Pāpa'ikou Transite and G.I. Pipeline Replacement. Work has begun on the waterline. It is not impacting road traffic at this time.

The Manager-Chief Engineer added that the Department is was able to identify some community contacts in the area and has reached out with project updates and provided a map of the area. The Department's website is also updated with the same information.

The Deputy added that a mail-out went to those closest to and affected by the proposed construction, and this will be continued through the Department's communications branch and through the identified points of contact in the community.

Mr. Ney asked if the Department has thought about using Nixle as a communication tool for its public announcements like other departments such as Police and Fire do.

The Deputy replied that the Department has explored some of the mass messaging software and has spoken with Civil Defense about partnering with them on their Everbridge system, particularly for emergency situations where messaging needs to be sent out timely to a specific group or a larger population. Typically, for project updates to a community, the Department would not use the Everbridge alert system. It would depend on the type of situation.

Mr. Ney thanked the Deputy for the explanation. He thought he would ask as he knew a lot of people who use it.

The Manager-Chief Engineer welcomed the Board Members to contact the Department any time if something comes up or someone from the community raises a question on any particular project.

B. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

Mr. De Luz asked if the deferred outflows on the Balance Sheet were the pension liability.

Ms. Gray replied that was correct. It is attributed to pension.

Mr. De Luz commented on the Workers Compensation line item on the Balance Sheet and asked if the decrease from 2019 to 2020 is due to expenses going down.

Ms. Gray replied that she would say it is attributed to the difference in claims between the two years.

Mr. De Luz commended the Department on its efforts in safety and also in keeping its expenses down while revenue has not kept pace. Without interruption to service or any furloughs or adjustments to personnel, it is not an easy task.

The Manager-Chief Engineer thanked Mr. De Luz for recognizing that and added that expenses are always scrutinized but they are being scrutinized at an even more robust level at this point. He thanked the department heads because they are the ones leading their divisions and making that happen. He asked Ms. Gray to provide the Board with some updates on upcoming agenda items for February.

Ms. Gray stated that the Fiscal Year 2019/2020 Audit has been completed, and the reports will be going out to the Board. The auditors, N&K, Inc., are prepared to attend the February Water Board meeting to go over the report. Also, the Budget for Fiscal Year 2021/2022 is being worked on and will be included on the agenda for the Board to schedule a public hearing for March. The Budget will be distributed to the Board Members ahead of time.

Mr. Ney asked if there was a way to show unfavorable situations in the Monthly Financial Statements in a color, rather than in parenthesis, for emphasis. He mentioned that he is interested to see what the following months will look like on the Financial Statements and is curious to see how things stabilize with the rate adjustment. If they do not stabilize, expenses would have to be scrutinized even more, as there is no income besides selling water.

Mr. De Luz stated that the water rate increase, effective since January 1, 2021, is up for review at the end of the year. He suggested looking at the trends or offset in revenue throughout the year, perhaps quarterly or after six months, to give some insight on how things are going and not waiting until later in the year. If quarterly would be too cumbersome, then after the first six months would be fine. March might be too soon to see any trends.

The Manager-Chief Engineer replied that quarterly would be fine. March may be too soon, but might give some direction on where it is headed. He thought that some information could be shared in March.

C. COVID-19 VACCINATIONS FOR THE DRINKING WATER SECTOR:

The four municipal water utilities of the State sent a joint letter to Governor Ige on December 17, 2020, requesting consideration of including frontline water utility employees in Phase 1-B of the vaccination priority.

Discussion at last month's Water Board meeting indicated there was interest for a support letter from the Board to Governor Ige as well. This item is for discussion and possible action.

RECOMMENDATION: If the Board agrees, the proposed letter will be prepared on Department of Water Supply letterhead for signature by the Chairperson or the Vice-Chairperson and sent to Governor Ige for consideration.

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

The Manager-Chief Engineer mentioned that the letter sent to Governor Ige on December 17, 2020, and the proposed draft on the Department's letterhead on behalf of the Water Board to be signed by

the Chairperson or Vice-Chairperson were included in the board packet. He shared that as of Friday, January 22, 2020, after the Deputy and the Department's Human Resources staff worked with Civil Defense and the Department of Health, it looks like all of the Department's employees have been included in submission through the Centers for Disease Control & Prevention's Vaccine Administration Management System (VAMS). That means all of the Department of Water Supply employees can register for an appointment to get vaccinated. Eligibility for the vaccine was determined by the Department of Health. The Department needed to state its case and why our functions are important. They considered the Department of Water Supply essential enough to be included in the VAMS registration. At this point, the Board may consider whether it still wants to proceed with sending a letter.

Mr. De Luz stated that the private sector has been having some issues where some employees have been refusing to get vaccinated, for whatever reason. The concern is that businesses have to provide a safe environment; and he believed that President Biden will execute an executive order that if someone feels their workplace is not safe, they may qualify for unemployment. What he suggested was that Human Resources might need to evaluate where the Department stands and look at a waiver to mitigate any potential liability on the Department of Water Supply if someone chooses not to get vaccinated. That is more from a risk management perspective. There is a need to make sure that all team members have equal access to safe working environments and manage accordingly. He did support having the letter available at Management's discretion if there is a need for it. He would support keeping it on file as a tool just in case.

The Manager-Chief Engineer thought that was a good point. He added that regarding risk management, for the Department's employees, the vaccine is voluntary. It cannot be made mandatory. The Department has been coordinating with the County Department of Human Resources on the various matters regarding the situation.

Going back to the letter, that would be for the Board to discuss whether or not to go ahead. It may provide a message on where the Board stands on the overall situation.

Mr. Ney concurred with Mr. De Luz that it should be on hand. He did not see any negative to sending the letter. He asked if the Department is still keeping its contingency plans in place until further changes in the COVID situation.

The Manager-Chief Engineer replied that was correct. Prevention and response protocols are still in place.

There being no further discussion, Chairperson Boswell called for a roll call vote.

ACTION: Motion was carried unanimously by roll call vote (Ayes: 7 - Mss. Howard and Hugo; Messrs. De Luz, Ney, Scicchitano, Sugai, and Chairperson Boswell).

D. MANAGER-CHIEF ENGINEER'S REPORT:

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

1. North Kona Wells - the Deputy provided an update on the North Kona wells. Five wells are offline: Kahalu'u B, Kalaoa, Palani, Wai'aha, and Makalei. Kalaoa Well was discussed earlier in the agenda. Kahalu'u B may potentially have an extended completion date. A gyroscopic borehole alignment was done on the well, which is 800 to 900 feet deep, and it was found that there are some bends in the alignment that would not be beneficial for a water lube pump, which was specified. The Department is working with the contractor on converting it to an oil lube pump, which is recommended to ensure longevity and reliability in the pump and motor. Once more details on that are received, it will be brought to the Board for appropriate action. For Palani

Well, the pump and motor are still on the mainland to be tested. The pump manufacturer identified an issue with the motor, and they are working with the contractor to resolve and test it prior to shipping to the Big Island. Having the certification of the equipment done on the mainland is a benefit because any issues will be resolved by the contractor and their manufacturers prior to shipping and prior to installation in the well. Any timeframes or possible time extensions will be brought to the Board as appropriate. Wai'aha Well is still on litigative hold. Makalei Well is scheduled to be bid out by the developer soon, and a more definite timeframe will be reported to the Board.

Mr. De Luz mentioned the Clean Water Act and the Biden administration, which may bring renewed emphasis, as far as enforcement, and may potentially have a significant impact on the Department. It may be prudent to look at some of the either suspended policies or things that have been legislatively put on hold in Congress to come up with a strategic plan. The reality is that they will require more money and may need some thought as far as contingency, whether it be this fiscal year or next, or perhaps create the need for a surcharge, similar to the energy surcharge.

The Manager-Chief Engineer thanked Mr. De Luz for bringing that up. That is always on the Department's radar. There is a process, especially at the Federal level, when they do update rules and regulations, where it has to go through the registry and be open for public comment. There may be some Bills or regulations that have been sitting idle. This can definitely be placed on the agenda at a future meeting to provide an update, if the Board so desires. Going back to the Kahalu'u B well, he explained that the well is a lineshaft with the motor above ground and the pump near the bottom of the well casing. The shaft goes through a series of bearings down the pipe column. What happens, as part of the regulatory process, is a sanitary survey is done by the Department of Health at all of the facilities. In this particular case, when there is an oil lube, there may be some slight oil sheen visible in the tank because the oil lubrication has been used for years. It is a food-grade oil suitable for use in a potable water source. Also of mention is that the Department has learned that with the deeper set wells where alignment can matter, the gyroscopic alignment is evaluated to determine whether an oil lube pump or water lube pump should be specified in the bidding documents.

2. COVID-19 Update - The Manager-Chief Engineer reported that, aside from the vaccinations for staff, the Department will continue to implement its prevention and response protocols. So far, the Department has not had any employees testing positive for COVID-19, and that is due to everyone's good work in being responsible citizens both in and outside of the workplace. The Department will continue in-person services by appointment only and will continue conducting many internal and external meetings via web-based technology to minimize risk and exposure.

Mr. Ney asked if the regulating and enforcement for the Department of Water Supply on compliance issues falls under the State Department of Health's purview, unless there is something egregious that may require the Environmental Protection Agency (EPA) to get involved.

The Manager-Chief Engineer replied that was correct.

Mr. De Luz stated that one of the challenges, and with the last major Clean Water Act legislation, is that the State of Hawai'i took eight years to update their regulations to meet the requirements. The concern is that although the Department has to answer to them, the State requirements can be more but not less than, and it is something that he feels for the Department on because there have been delays in the federal initiatives being implicated. The American Water Works Association has a tremendous amount of resources, and he asked if the Manager-Chief Engineer could send

the Board any information that may come his way to help the Board keep informed. The Manager-Chief Engineer acknowledged that he would do so.

3. Employee of the Quarter - Fourth quarter of 2020 - The Manager-Chief Engineer announced that the Department wished to recognize the employee of the quarter for the fourth quarter of 2020. Mr. Feliciano Agdeppa, Jr., was the recipient of the award and is in attendance for this meeting by WebEx. The Department is very fortunate to have Mr. Agdeppa on staff. He came to the Department from the private sector. Everyone knows him as Jay. He turned it over to Mr. Young to provide more background.

Mr. Young stated that he was honored to announce the Employee of the Fourth Quarter Award, Mr. Feliciano “Jay” Agdeppa, Jr. Jay is an electrician at the Department’s Waimea district. He started in April of 2019, as an Electrician and then became the Lead Electrician in July of 2020. He has not been with the Department very long but is turning out to be a great employee. When Clyde does get to work with Jay, Jay is very enthusiastic and a joy to work with. He read from two quotes in the nomination that may give a bit of reflection on his philosophy. One is as follows: “One co-worker told me that he is ordering all these parts and he seems to be wanting to fix all the problems in the district, maintain equipment, and wanting to be prepared for unforeseen repairs. He is ordering Cla-Valve parts, wires, and many other parts for his district’s plant section.” Another quote was regarding his proactive attitude. “He developed a spreadsheet for his monthly pumpage reports. His goal was to reduce data entry, calculation errors, and to submit reports that were legible. He is the only one that is doing that out of the four districts.” He thanked Mr. Agdeppa for taking that initiative, and making it easier for everyone to do their jobs. The Board and staff congratulated Mr. Agdeppa on this award. The Manager-Chief Engineer added that a lot of people do not realize that the Department’s electricians differ from a residential electrician: Department electricians do more work on the industrial side, working with high horsepower motors, high amperage, high voltage, and some electronics tied in. Anytime you get someone who is proactive is really a blessing, and he thanked Jay for his good work. Mr. Agdeppa thanked everyone and stated that he appreciates the great team in Waimea and it has been a pleasure working with everyone and he enjoys learning everything.

E. **CHAIRPERSON’S REPORT:**

Chairperson Boswell stated that he enjoys seeing these employees of the quarter come through and seeing the quality of employees that the Department has on staff. It matches the quality of the administration staff involved in Water Board Meetings, and it is a good team to be on. He looks forward to his last year on the Board and hopes the COVID-19 situation calms down and water consumption increases.

9) **ANNOUNCEMENTS:**

1. **Next Meeting:** - February 23, 2021, 10:00 a.m., via Web Conferencing

10) **ADJOURNMENT**

ACTION: Mr. Sugai moved to adjourn the meeting; seconded by Ms. Hugo and carried by roll call vote: Ayes: 7 – Mss. Howard and Hugo and Messrs. De Luz, Ney, Scicchitano, Sugai, and Chairperson Boswell.

(Meeting adjourned at 10:47 a.m.)

(Approved by Water Board 2/23/21)

Recording Secretary