

## MINUTES

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

July 27, 2021

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

MEMBERS PRESENT: Mr. William Boswell, Jr., Chairperson  
Mr. Eric Scicchitano, Vice-Chairperson  
Mr. Michael Bell  
Mr. David De Luz, Jr. (10:05 a.m.)  
Mr. Steven Hirakami  
Ms. Judy Howard  
Ms. Julie Hugo  
Mr. Benjamin Ney (10:06 a.m.)  
Mr. Keith K. Okamoto, Manager-Chief Engineer, Department of Water  
Supply (ex-officio member)

ABSENT: Mr. Kenneth Sugai, Water Board Member

OTHERS PRESENT: 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  
Mr. William O'Neil, Water Service District Supervisor II, and Temporary  
Assignment to Chief of Operations  
Mr. Eric Takamoto, Operations Division  
Mr. Warren Ching, Energy Management Analyst  
Ms. Mae Kise, Water Microbiologist IV, Water Quality Assurance and  
Control Branch (WQAC) 10:55 a.m.  
Mr. Blayne Castillo, Water Microbiologist III, WQAC (10:55 a.m.)

- 1) CALL TO ORDER – Chairperson Boswell called the meeting to order at 10:00 a.m. A roll call was taken for Water Board Members in attendance: Mr. Bell, Mr. Hirakami, Ms. Howard, Ms. Hugo, Mr. Scicchitano, and Chairperson Boswell were present. Mr. Sugai was absent and excused. (Note: Mr. De Luz and Mr. Ney joined the meeting shortly thereafter.)
- 2) STATEMENTS FROM THE PUBLIC - None
- 3) APPROVAL OF MINUTES

MOTION: Mr. Bell moved for approval of the Minutes of the June 22, 2021, Water Board Meeting; seconded by Ms. Howard.

The Manager-Chief Engineer noted there was a correction to offer on the Minutes. For Item 7B, on Page 13 under the Monthly Progress Report, in the second paragraph where it reads the project name is

Wai‘aha Well Water System Improvements - Transmission; that should be corrected to Wai‘aha Well No. 2, Phase 1.

ACTION: Motion to approve the Minutes as corrected was carried by roll call vote: Ayes: 5 - Mr. Bell, Mr. Hirakami, Ms. Howard, Mr. Scicchitano, and Chairperson Boswell (Note: Ms. Hugo was not audible); Absent: 3 - Mr. De Luz, Mr. Ney, and Mr. Sugai.

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

5) PUNA:

**A. JOB NO. 2018-1083, ‘ŌLA‘A #3 DEEPWELL REPAIR - REQUEST FOR TIME EXTENSION:**

The contractor, Derrick’s Well Drilling & Pump Services, LLC, is requesting a contract time extension of 12 calendar days due to unforeseen delays caused by a cement shortage. These delays were beyond the control of the contractor.

Staff reviewed the request for the contract time extension and the accompanying supporting documentation and finds the 12 calendar days justified. *Note: There are no additional costs associated with this time extension.*

1<sup>st</sup> time extension – 12 calendar days

The Manager-Chief Engineer recommended that the Board approve a contract time extension of 12 calendar days to Derrick’s Well Drilling & Pump Services, LLC, for JOB NO. 2018-1083, ‘ŌLA‘A #3 DEEPWELL REPAIR. If approved, the contract completion date will be revised from July 11, 2021, to July 23, 2021.

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

(Mr. De Luz joined the meeting at 10:05 a.m.)

Ms. Howard asked if the project has been completed as the revised date has passed.

Mr. Takamoto replied that all work on this project has been completed.

Mr. Hirakami wondered if there was a way the Board could authorize the Manager-Chief Engineer to approve things such as this administratively if there is no cost related and it was beyond the control of the contractor, rather than the Board approving something after the fact.

The Manager-Chief Engineer replied that he could place this as a separate agenda item for discussion because it may require some form of Resolution, authorized by the Board, with specific terms and conditions.

(Mr. Ney joined the meeting at 10:06 a.m.)

Ms. Mellon-Lacey replied that was correct; it would require a Resolution. The other point is that if the Board voted not to approve the extension, there would be penalties to the contractor. It is not really after the fact because the contractor had to complete the work. It is just a matter of whether it is going to be forgiven or the time granted.

The Manager-Chief Engineer added that there are a lot of factors involved and this may be going beyond the scope of this agenda item. He appreciated Mr. Hirakami’s comments, but it would be easier to place an agenda item on the August agenda for further discussion and evaluation.

**ACTION:** Motion to approve the recommendation for a contract time extension of 12 calendar days was carried by six (6) Ayes: Mr. Bell, Mr. De Luz, Mr. Hirakami, Ms. Howard, Mr. Scicchitano and Chairperson Boswell (Note: Ms. Hugo was not audible); one Abstention: Mr. Ney; and one Absent: Mr. Sugai.

6) **SOUTH HILO:**

A. **JOB NO. 2005-875, CONSTRUCTION OF THE PĀPA‘IKOU TRANSITE AND G.I. PIPELINE REPLACEMENT – REQUEST FOR TIME EXTENSION:**

The contractor, Nan, Inc., is requesting a contract time extension of 38 calendar days. This is the first time extension request for this project.

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	11/09/2021	12/17/2021	38	Excess delays transferring the National Pollutant Discharge Elimination System (NPDES) permit (additional 33 calendar days) and Change Order No. 2 (5 calendar days)
Total Days (including this request)			38	

The Department initiated the transfer to the contractor of the NPDES permit on October 29, 2020, prior to the contract start date of November 9, 2020. The Department of Health issued the permit on December 22, 2020. This prevented the contractor from being able to mobilize and start construction of the waterline. Therefore, the contractor is requesting 33 additional calendar days for this delay.

The contractor is also requesting five (5) additional calendar days for additional work. This includes two (2) days to de-water the trench, install filter fabric, and install drain rock under an existing cracked drainage structure where the new waterline was being installed; and one (1) additional day to form and pour a reinforced concrete jacket around an existing DWS waterline where it crosses a shallow sewer main.

Staff reviewed the request for the contract time extension and finds the request for the additional 38 calendar days to be acceptable. *Note: There are additional costs associated with this time extension which are within the existing contingency.*

The Manager-Chief Engineer recommended that the Board approve a contract time extension of 38 calendar days to Nan, Inc., for JOB NO. 2005-875, CONSTRUCTION OF THE PĀPA‘IKOU TRANSITE AND G.I. PIPELINE REPLACEMENT. If approved, the contract completion date will be revised from November 9, 2021, to December 17, 2021.

**MOTION:** Mr. De Luz moved for approval of the recommendation; seconded by Ms. Howard.

The Manager-Chief Engineer noted that the agenda write-up was written with as much explanation of the situation as possible. If there are any questions from the Board, Mr. Inaba was standing by.

Ms. Howard stated that she did not see any specification for additional costs incurred.

Mr. Inaba replied that the additional costs incurred were for two items--adding the filter fabric under the crack drainage structure (\$2,168.08) and the additional concrete jacket (\$3,116.62). There is no cost for the delay in permitting.

Mr. Ney noticed that a lot of this agenda's items are related to time extensions or cost extensions. He asked how many times contractors tap into their contingency and if there should be more discretion used in allowing contingency. He can understand if there is a cost overrun due to a change in the scope of work; however, he is not as favorable to giving a cost or time extension when it relates to bad estimating of time or for cost overrun not directly related to more material or scope of work. He will be judging these requests from here on out as to whether they were unforeseen circumstances or just poorly planned logistics or estimating costs.

Mr. Hirakami questioned if there a standard on contingency percentage associated with contracts.

The Manager-Chief Engineer replied that for most civil or capital improvement projects, the contingency amount is roughly 10%. When there are extreme, unforeseen circumstances, the Department needs to come to the Board to ask for additional funds. Anything that changes the contract terms (time, schedule, or costs) needs to come to the Board for approval. Going back to Mr. Ney's question, staff does an internal review of time extension requests; and as the Board may have noticed in previous requests, if the request does not make sense, the contractor is asked for a schedule. If it appears the time extension they requested can be modified, that is what is brought to the Board for review and approval. It is not an automatic thing that what the contractor requested is what is brought to the Board.

Mr. Hirakami asked if the contingency scale is for the larger projects because there is a big difference between 10% of a \$10,000.00 project and 10% of a \$30 million project. It could affect the budget.

Mr. Inaba replied that on some larger projects, the contingency can be brought down a bit; but it depends on the complexity of the project. There may be a project area where you are dealing with existing infrastructure and unknowns. The records of the older infrastructure are not the greatest, which was experienced with this project, and the reason it is being brought before the Board.

Mr. Ney asked if there are instances where the contractor did not have to use the contingency because their estimate came in correctly.

Mr. Inaba replied that the Department does not allow change orders based on their estimates or their contract price. It would have to be a change in scope. As long as the project does not have any unforeseen things, there have been a few projects that have had zero contingency use; but a lot of them have had minimal use of contingency.

The Manager-Chief Engineer stated that the evaluations are not haphazard. County agencies and Department of Water Supply have their own General Terms and Conditions (GRCs) which lay out how contracts are managed, and there are provisions in the contract as well. If the Board wished to look at the Department's GRCs, they can be made available.

Mr. De Luz stated that he had the same concerns as Mr. Ney and Mr. Hirakami are having until after he attended an American Water Works Association (AWWA) conference in 2019. He learned that one of the challenges for this type of utility is that every system is unique. This is such a geophysical diverse island and there is limited capacity. Engineering relies heavily on third-party project managers and their information. The questions being brought forth are very important, and there may

be an opportunity to vet some of the information in the agenda by talking to staff and understanding how they go through the process. They do their due diligence, but sometimes things come into play for the contractor that are unforeseen.

Mr. Ney mentioned that Pacific Pipe was telling him that inflation is making just about everything go up and asked if there is an inflation clause written into the contracts.

The Manager-Chief Engineer replied that there is no inflation clause in the contracts; but if a situation does come up where costs go up substantially, the contractor would have to let the Department know and would have to show proof, such as the invoice from when they did the original estimate, compared to a current invoice and the reason they waited to order. When Notice to Proceed is issued, contractors are encouraged to place their orders. If they do not have a valid reason for not doing it at that time, it takes part in the consideration.

Mr. Ney recalled locking in a procurement line item cost from Pacific Pipe Company a number of meetings back and hoped they will honor that. He asked if the contract extended a year out and if they have indicated they would have to revisit their prices.

The Manager-Chief Engineer replied there has been no indication of that at this point.

Mr. Hirakami stated that all large contractors do not bid the exact price. They put in a cost and add their own contingency to that cost and if they use up their own contingency, under most circumstances, they would eat it as a loss. He asked if the Department is going to constantly make up for mis-bidding because at some point, the contractors have to take responsibility because they won the award through a low bid. If somebody else bid the right price but this contractor, even with the contingency, if the Water Board approves it, then it is actually not awarded to the lowest bidder.

Chairperson Boswell stated that this was getting far off the subject.

The Manager-Chief Engineer noted these were all valid concerns, but it would be good to bring the discussion back to this agenda item.

Mr. De Luz called for the vote.

**ACTION:** Motion to approve the recommendation for a time extension of 38 calendar days was carried with eight (8) Ayes: Mr. Bell, Mr. De Luz, Mr. Hirakami (with reservation) Ms. Howard, Ms. Hugo, Mr. Ney, Mr. Scicchitano, and Chairperson Boswell; and one (1) Absent: Mr. Sugai.

7) **NORTH KOHALA:**

A. **JOB NO. 2016-1045, CONSTRUCTION OF THE HALA‘ULA WELL DEVELOPMENT - PHASE 2 – REQUEST FOR TIME EXTENSION:**

The contractor, Goodfellow Bros., LLC, is requesting a contract time extension of 122 calendar days. This is the second time extension request for this project.

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	11/18/2020	7/31/2021	255	Excess delays due to land ownership changes and lack of site access.

2	7/31/2021	11/30/2021	122	Delay in receiving the pump installation permit from CWRM (Commission on Water Resource Management).
Total Days (including this request)			377	

The contractor has not received the Well Pump Installation Permit from the State Commission on Water Resource Management (CWRM) and is, therefore, unable to begin the installation of the pump. The contractor is requesting 122 additional calendar days to complete the project.

Staff reviewed the request for the contract time extension and finds the request for the additional 122 calendar days to be acceptable. *Note: There are no additional costs associated with this time extension.*

The Manager-Chief Engineer recommended that the Board approve a contract time extension of 122 calendar days to Goodfellow Bros., LLC, for JOB NO. 2016-1045, CONSTRUCTION OF THE HALA‘ULA WELL DEVELOPMENT – PHASE 2. If approved, the contract completion date will be revised from July 31, 2021, to November 30, 2021.

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

The Manager-Chief Engineer stated that this is one of those extenuating circumstances that you do not like to see happen, resulting in long time extensions. Each time the Department puts a project out for bids, it strives to do the best estimate possible on a reasonable timeframe to complete it. During the bidding process, if a contractor suspects the timeframe is unrealistic, they will submit a Request for Information (RFI) indicating they think the contract duration is too short. So far, that has been a rare occurrence. For this particular project, part of the scope of work is to install the pump and motor into the well, and this requires a Pump Installation Permit from the State Commission on Water Resource Management (CWRM). DWS had already received SHPD (State Historic Preservation Division) approvals prior to awarding the contract; but for whatever reason, CWRM decided to include a re-review of the SHPD requirements in the pump installation permit. DWS provided them all of the SHPD approval letters, but CWRM re-initiated review by SHPD, which is causing the current delay. As a heads-up for the Board, there could be additional delays because a response still has not been received, plus the other thing holding things up is the electrical utility work to bring power to the site. Staff is working with Hawaiian Electric to try and nail down a schedule, but this could also affect the contract completion date, and could lead to another time extension request after this one.

Mr. Hirakami asked how this will affect delivery of water in that area.

The Manager-Chief Engineer replied that the area is covered by two wells in Hāwī, and this well will provide redundancy in the area. This Hala‘ula Well is more towards the Pololū Valley side, and it will add capacity to the system. For a long time, water availability in the region was restricted, and this project will help. This delay does affect that situation.

Mr. Ney asked if there is a specific point person that the DWS staff works with to keep on top of how the permitting process is going. In his own experience, they have had issues with County and State permits and sometimes you need to call and bug them.

Mr. Inaba noted that staff has contacts within CWRM but not so much with SHPD. The local contact generally says it has to be sent to their main office and then gets distributed down.

The Manager-Chief Engineer understood what Mr. Ney was saying and not to wait for a reply, but be proactive in scheduling regular calls to the agencies to check on the status.

Mr. Hirakami asked if there is any standard response time that a commission or agency needs to respond within.

Mr. Inaba replied for this particular one, there is supposed to be a timeline; but it did pass and staff is following up on that.

Chairperson Boswell asked for roll call vote.

ACTION: Motion to approve the recommendation for a time extension of 122 calendar days was carried with eight (8) Ayes: Mr. Bell, Mr. De Luz, Mr. Hirakami, Ms. Howard, Ms. Hugo, Mr. Ney, Mr. Scicchitano, and Chairperson Boswell; and one (1) Absent: Mr. Sugai.

8) MISCELLANEOUS:

A. EXTINGUISHMENT OF EASEMENTS AFFECTING TAX MAP KEY (3) 2-1-008:023:

The Department of Water Supply abandoned waterlines within the subject property and no longer requires the related easements as follows:

Easement "A" (0.039 acres)

Easement "B" (0.031 acres)

Easement "C" (0.032 acres)

The Manager-Chief Engineer recommended that the Water Board approve the release of the subject Easements recorded in Liber 3072, Page 169 at the Bureau of Conveyances of the State of Hawai'i on January 11, 1956, to the current property owner, CPN Investments, LLC.

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

Mr. Inaba explained that this is in the Keaukaha area in Hilo. It is somewhat unusual where an old waterline goes through private property that DWS had an easement for. That waterline is no longer in use and has not been for a long time. This action is to "clean house" and get rid of that easement over private property. The Department has an easement for the new line.

Chairperson Boswell asked for roll call vote.

ACTION: Motion to approve the recommendation was carried with eight (8) Ayes: Mr. Bell, Mr. De Luz, Mr. Hirakami, Ms. Howard, Ms. Hugo, Mr. Ney, Mr. Scicchitano, and Chairperson Boswell; and one (1) Absent: Mr. Sugai.

B. MONTHLY PROGRESS REPORT:

Mr. Inaba provided an update on Wai'aha Well No. 2. It is currently out to bid and is expected to be on the next Board for award.

The Manager-Chief Engineer stated that since the topic today was time extensions, he provided the Board a heads up of another change at the State Water Commission level. They now require the actual contractor of a project to initiate the well construction permit process, and not the Department of Water Supply, as it has been up to now. What that means is that a project has to be bid out with a

best guess for the contract duration. At this point, it is unknown how long the contract will actually take because this permitting process will now become part of the actual construction contract. For this area in Kona, it appears that CWRM has decided to take all of the permits they used to process administratively to the actual commission body instead.

Mr. De Luz asked the Manager-Chief Engineer if he could help the Board understand whether this was within their commission rules. He would like to get clarity on what created this policy change. He felt that some commissions and boards seem to think they have authority over things that are more administrative in nature. He did not understand why a water utility, which has a mission within the Constitution, is now having a commission making it arbitrarily more difficult and expensive to fulfill that mission. He would be happy to research this himself as it might take someone from the outside to investigate.

The Manager-Chief Engineer stated that he was not sure how the change was made, whether it was within a particular statute or internal administrative rule, but he appreciated Mr. De Luz's offer to inquire.

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

Mr. De Luz thanked Ms. Gray for the footnotes she added to the financial statements. He noticed there may be a lot of adjustments made to the year-end report, for which she replied yes. Mr. De Luz asked about the income statement, which, to his understanding, is more of a timing issue with regard to recording the pension liability; and because of the way it is done, the Department does not have the ability or it is not the practice to accrue it, but rather is more of a stated thing where the Department is told what the amount is and when it is due. Ms. Gray acknowledged that. Mr. De Luz stated that the good news is the long-term debt and interest expense, which is only about one hundred thousand and change. It is a pretty good deal because although there is least interest income, there is less interest expense, and the net effect is good. The delinquencies are a good/bad news deal as he sees it. He did not know if the reduction in receivables was due to the unfortunate situation now where the Department has the ability to terminate services and/or if it was where customers were able to receive some type of assistance from the CARES Act funds. He wondered if there was a way to understand to what degree this will impact customers, how many, and in what areas. He belongs to another board; and apparently, there is going to be carryover CARES Act money going into next year for a lot of the NGO's (non-governmental organizations) social services side. He did not know how much of it could be earmarked for water; but there is for rent and electricity. He has a strong feeling there are specific communities that will be impacted more severely, and his gut feeling is that these are the areas that also have issues with rent and electrical. If he could get some demographic information, without sharing customer information, he could see if one of the initiatives is water. There may be an opportunity there for DWS to acquire funding assistance to help with late-payment customers. He gave kudos to the Department for managing expenses as there is significant decrease. He wondered if there was a way to take a look at repayment of loans and if it would be prudent to keep the same level of payment but reduce the principle because the interest rates are low. The reason for his suggestion is that when you look at general and administrative expenses and going to the collective bargaining table, they are going to look at this as an opportunity for additional monies for wages and benefits. He asked if it would be prudent, if the higher repayment is in the budget, to continue paying at that level but reduce the principle. Hopefully, that would increase the Department's borrowing ability and reduce debt.

Mr. Ney noted that for General and Administrative (on the Income Statement under Operating Expenses), it looks like 2020 was roughly \$11,294,000 and it is now about \$8,600,000. He asked what has caused the number to decrease. If spending in that area was cut down, he applauds that

because there is a significant difference. The numbers run a little bit closer from the comparison from 2020 to 2021, and it just kind of popped out.

Ms. Gray stated that this financial statement for June is actually based on the Department's initial closing of the books and has yet to do fiscal year-end adjustments for accruals after reconciliations. There will be a final June 2021 financial statements, and the Board will see on the cover sheets that there are some differences noted as being due to some things not being recorded for fiscal year end. This would be one of them.

Mr. Ney thanked Ms. Gray for that explanation as it was not clear to him.

The Manager-Chief Engineer stated that it goes back to what Mr. De Luz noticed earlier where he caught that some things still need to be adjusted for fiscal year end. Probably next month is where the Board would see the actual adjusted amount for everything as of close of Fiscal Year 2021. The numbers will be compared to that of the final Fiscal Year 2020 numbers and reflect a more accurate picture of where the Department stands this year compared to last year. There were some other comments from Mr. De Luz that Ms. Gray could probably chime in on such as debt and considering additional principle payments at this time.

Ms. Gray stated that is something that could always be done. There is no penalty for prepayments or paying off loans early. For the State Revolving Fund loans, the financing terms were recently changed where the Department could just pay the interest for the first couple of years and then pay down the principle after that; but for projects done in recent years, the Department has actually paid off the principle or made principle payments from the beginning so she understood what Mr. De Luz meant as far as paying off debt a little bit earlier.

Mr. De Luz stated that his concern is that unless you have these schedules when you go to the bargaining table to show what really is contingent liability on your debt, is they do not look at that contingent operating liability and you are going to commit to these legacy costs that continue to pile up and puts the Department, in his opinion, in kind of a handcuff in regard to increasing capacity and distribution. It is not to suggest that people do not deserve living wages, but there a more prudent way of understanding what the Department's true costs should be and are managed accordingly.

Mr. Hirakami stated that he was interested in what strategies work to reduce the receivables \$116,000 in one month and what it was due to, whether it was due to the CARES Act and due to advertising. Whatever worked to reduce it by that much should be continued.

Ms. Gray replied that it would be a combination of both. The Department received some utility assistance payments although it would like to see more. The County is working hard to continue getting the word out. The delinquent notices and collection process have been restarted; and as far as the change, she would attribute that for this month.

The Manager-Chief Engineer clarified that the numbers seen in the report are not a comparison to last month, but are a snapshot of where things are for July of 2021 in comparison to what July of 2020 looked like. Adjustments will be made in the next several weeks as the books are closed out on Fiscal Year Ending June 30, 2021, and the Board will see a more accurate picture of where the Department stands at the close of that fiscal year.

Mr. Ney apologized to Ms. Gray for not being able to connect after last month's meeting to go over his questions as he had a full schedule. He encouraged other Board Members to connect with her as

well to go over the financial statements. He would like to understand some of the maturity dates and when loans will be paid off.

Ms. Gray replied she would reach out to Mr. Ney again to set up that appointment.

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

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

1. North Kona Wells - the Deputy reported on a couple of the active repair projects. For Kalaoa Well, the electrical bypass conductor was installed as of today. The contractor will be scheduling the start-up soon. For Palani Well, the pump, motor, and equipment are on island and the motor technician is also on island. They are planning to start the coupling and splicing and servicing and set up of that equipment starting July 28. Updates on these repairs will be provided next month.

Mr. De Luz commented that this may become a risk management issue very shortly with respect to management of COVID. He wondered if there is a specific portion within the Department's contracts with regard to work site protocol. He just saw civil litigation on HIV; and from his perspective, there may be litigants and attorneys who will do the same thing with COVID, especially if there is a death. He suggested checking on the risk liability and if supplemental contracts may need to be issued on current contracts. This could potentially be something that comes to light quicker than you may think.

2. COVID-19 Update - the Manager-Chief Engineer reported that staff have been reminded of the Department's internal policies and guidelines regarding mask wearing, physical distancing, and staying home if sick. There are physical barriers at the offices and extended cubicle heights as well as plexiglass partitions on all of the service counters where staff interact with the public. The offices are disinfected by fogging on a weekly basis. There is concern about the COVID case numbers. The seven- and fourteen-day averages are the highest they have been on this island since the start of the pandemic. So far the Department has continued to avoid any employees testing positive, which is a pretty significant accomplishment, and is due to diligence, not only in the office space, but being responsible outside of the workplace. The Department follows the Governor's and Mayor's directives as well as policies established by County Human Resources and has implemented its own directives, stricter than those provided at County and State levels.

Mr. Ney thought this situation is going to be evolving for some time and asked if the Department has looked at what it can put in place, legally, if it had to, such as requiring vaccinations.

The Manager-Chief Engineer replied that is a very hot topic. At this point, it is not seen as an option to require employees to be vaccinated in order to continue doing their work. Some entities are doing that to some degree, and the Governor is even evaluating that possibility with State workers, but he believes it is only for certain classes of work. Even if it became legally possible, it would still be a difficult decision for him to make.

Mr. Ney hoped it does not get to that point, but in the back of your mind, there should be some long-term strategy approach.

Mr. Hirakami reported on his situation in education and being responsible for over 750 kids and 113 employees. The most you can do is keep your employees educated and encourage vaccinations. The trend on Hawai'i Island, just two days this week, reached 99 cases. Sunday was 65 and was 34 on Monday. That is the highest single-day total since this pandemic started.

While the State is going one way and relaxing the standards to get everyone back to work and school, and tourism, responsible administrators try as much as possible to keep their policies strict.

Ms. Howard asked what the Department's current policy is--whether it is back to walk-ins or do people need appointments.

The Manager-Chief Engineer replied that there were always in-person services; but prior to June of this year, it was by appointment only. Since June, they can walk in without an appointment. Foot traffic has not been very large. It still seems to be quite reduced from pre-COVID times. Additionally, the Department's internal Information Education Specialist is providing weekly email blasts as a reminder wash your hands for 20 seconds, keep your distance, and wear your face covering.

Ms. Howard thought if it does continue to ramp up, the first step might be to revert back to restricting access to appointment only and maybe require proof of a negative test or a vaccination just because probably your most likely source of infection would be a member of the public.

The Manager-Chief Engineer replied that would be open for consideration again.

Mr. De Luz complimented the Department on being accessible by the public. He has had unfortunate scenarios within the County, specifically one department, that will not return phone calls, will not answer the phone, and will only take appointments. The DWS, even during normal times, returns calls, and is accessible, at least over the phone. As a consumer and/or tax payer, access is really important and some people do prefer face to face interaction. New technology may become part of access; and the more we can move towards that, the better the efficiency will be. He thanked the Department and was sure it receives some pretty irritable people calling or coming in to demand service and complimented how that is handled.

Mr. Ney echoed that the Department is doing a good job and was just emphasizing the concern that COVID is a cluster type of situation. It only takes one employee and some employees cannot social distance such as the field crews. He looks forward to continuation of this discussion down the line but the Department has done a magnificent job on keeping a clamp on this.

The Manager-Chief Engineer stated that the field crews typically go out, three to a vehicle; and there are policies in place to stay apart as much as possible and keeping masks on while travelling together. This will always be a concern especially as it potentially has the impact to the workforce. He thanked the Board Members for their comments and kudos.

3. Report on Alternative Procurement - the Manager-Chief Engineer stated that the report on alternative procurement was emailed to the Board. The report explains what happened at the original bid opening, where it is now with regard to alternative procurement, and shows some that are still pending. The Board was invited to call or email if they had any questions on the report.
4. Employee of the Quarter (Second Quarter 2021) - Mr. Blayne Castillo, Water Microbiologist III at the Water Quality Assurance and Control Branch, was selected as employee of the second quarter of 2021. His supervisor, Ms. Mae Kise, experienced audio difficulties, and Mr. Inaba reviewed the write-up she had done for Blayne. He came from the medical field with laboratory background to the Department of Water Supply in January of 2019. Mae sees qualities in Blayne that made her very comfortable with the progress he has made. You cannot prepare yourself for every situation, but he is very calm and shows qualities needed to address them. This award is

well deserved. It was noted that both Blayne and Mae did not have audio due to connectivity issues at the Microbiology Laboratory location within the Department's baseyard. The Manager-Chief Engineer added that the Water Quality Assurance and Control Branch falls under the Engineering Division and is tasked with ensuring the Department stays in compliance with Environmental Protection Agency and State Department of Health Safe Drinking Water Act regulations. These are not soft requirements. They come with heavy penalties (\$25,000.00 per occurrence, per day); not to mention the health and well-being of customers, which is top priority.

The Board thanked Mr. Castillo for his dedication and excellence and to the Department for honoring its employees.

5. Retirees of the Department of Water Supply

- The Manager-Chief Engineer announced that one of the retirees at the end of this month will be Ms. Mae Kise, whom he thinks of as his surrogate mom in the way she keeps an eye on, not only regulations, but on his and the Deputy's well-being. He added his appreciation that she delayed her retirement to make sure the Department remained in a good place with an adequate and capable successor, which has now been found in Blayne. She feels comfortable handing the reins over and enjoying retirement. Mr. Inaba provided some background on Mae. She started with the Department in July of 1995 as a Laboratory Technician I and progressed up the ladder to Laboratory Technician II in 1997, to Water Microbiologist II in 1998, Water Microbiologist III in 2000. In between 2000 and 2004, there was a time where she was on temporary assignment to the supervisory role at the laboratory. Since 2004, she has been the Water Microbiologist IV, supervising the staff there. Mae has been at her latest position since the time he became head of Engineering and he has always had the pleasure of being able to work with her. She is someone he can lean on and will certainly be missed. She has been an all-star for all of these years. He appreciates that she has stayed on longer than she had to. The Deputy also thanked Mae for her years of guidance and keeping the Department's water quality on track. She trained Blayne and staff at the lab well and will be missed.
- Mr. William O'Neil announced that he had two employees retiring from the Operations Division at the end of this month. Ms. Gail Cantor has been with the Department for 16 years. She started in August 2005 as a Clerk-Meter Reader and worked her way up to the Customer Service Representative II for the Kona District Office on November 16, 2010. Also retiring is Mr. Darren Okimoto, with 30 years of service. He started with the Department on August 1, 1991, as a Waterworks Helper and worked his way up through the ranks, becoming the Water Service District Supervisor II for the North and South Kona Districts on March 1, 2019. Mr. O'Neil said that, coming from the Waimea district office, he could say that the Waimea and Kona districts work very closely together; and it has been an honor and privilege working with both of them through the years. He wished them both a happy and well-deserved retirement as well as the others retiring from other divisions.

The Manager-Chief Engineer stated that Gail is an employee who cared for the customers and was on the front line dealing with them and was always professional. The Department has received compliments from customers on her interactions with them. Darrin is a soft-spoken person who got along well with his staff. It is a tough job to be a supervisor and then having to deal with management's directives and balancing that with his staffs' needs and concerns and he managed it very well. He expressed appreciation to both of them for all their years.

- Ms. Gray announced that her section has an employee retiring at the end of this month. He is Mr. Jack Vanderhoff from the Customer Service Section, retiring after over 30 years of

service. Jack began in January 1991 as a Waterworks Helper and has been in several different positions as Clerk-Meter Reader, Meter Reader I, and will retire with us as our lead Meter Reader II position. He has been in that position for over 23 years. She wished him well and thanked him for his service and dedication, solely to the Department of Water Supply.

The Manager-Chief Engineer added that Jack is another long-timer. He is a character, to put it mildly, and he provided an essential service for the Department. Meter Reading is the basis for water bills which is the basis for revenues. It is another big gap to fill. From this, you can see that a lot of times, when you come into our Department, you typically retire from our Department. Hopefully that sends a message about what type of Department this is. It is a bittersweet but happy day for these retirees and best wishes to them.

The Board congratulated the retirees and was impressed with the quality of each and how the torch is passed along to another in the organization and keeping things running smoothly.

Mr. De Luz spoke of the water quality issue in light of what, unfortunately, is in the news about the Department of Education schools having traces of lead in the water. From a public education side and when the water quality reports go out, it would be good to have people understand that the Department's water quality goes up to the meter. The reason it is so imperative to appreciate and understand is that, especially with a lot of older homes, is their interconnection is probably galvanized pipes from their side of the meter to the home. If they took a water sampling from their faucet, it would not be an accurate representation of the quality of the water coming to the meter. Perhaps some helpful hints, like Frequently Asked Questions (FAQ) would help people appreciate that. If someone comes and does a test at an older home, it is more to help understand the concept.

The Manager-Chief Engineer stated that the Department issued its own press release yesterday to let people know that throughout the 20 years the Department has been doing lead monitoring on this island, nothing indicates that lead originates from the Department's system. A copy of that press release would have gone out to the Board Members as well.

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

1. Chairperson Boswell stated that in his four and a half years on the Board, he has never seen such a touching ohana moment that he just saw with Blayne moving up the ladder, Mae being comfortable with going into retirement, and the other 20- to 30-year employees who dedicate their lives to that whole ohana that the Department has developed. He thinks it is awesome and it has been a pleasure being involved in it and he congratulated everyone.

#### **9) ANNOUNCEMENTS:**

1. **Next Meeting:** - August 24, 2021, 10:00 a.m., via Web Conferencing
2. **Request for Agenda Item:** Mr. De Luz requested an agenda item for the August meeting for the annual review of the Manager-Chief Engineer and Deputy to start that process. There have been some changes in the County's Human Resources department, and it would give more lead time to work with that department. Chairperson Boswell agreed it would give more time rather than waiting until the end of the calendar year. It will also give the new Board Members a chance to understand the process. The Manager-Chief Engineer noted that it will be placed on the August agenda for discussions and actions in subsequent months.

Mr. Ney asked how much time in advance does a Board member need to give in advance to have an agenda item added. Chairperson Boswell replied generally, at least a month because of the notice period. The request should be emailed to the Department of Water Supply.

10) ADJOURNMENT

ACTION: Mr. Ney moved to adjourn the meeting; seconded by Ms. Howard and carried unanimously roll call vote (Ayes: 8 – Mr. Bell, Mr. De Luz, Mr. Hiramami, Ms. Howard, Ms. Hugo, Mr. Ney, Mr. Scicchitano, and Chairperson Boswell; Absent: 1 - Mr. Sugai).

(Meeting adjourned at 11:46 a.m.)

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Recording Secretary

APPROVED BY WATER BOARD  
AUGUST 24, 2021