

## MINUTES

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

August 24, 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. Michael Bell  
Mr. David De Luz, Jr.  
Mr. Steven Hirakami  
Ms. Judy Howard  
Mr. Benjamin Ney  
Mr. Kenneth Sugai  
Mr. Keith K. Okamoto, Manager-Chief Engineer, Department of Water  
Supply (ex-officio member)

ABSENT: Ms. Julie Hugo, Water Board Member  
Mr. Eric Scicchitano, Vice-Chairperson

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

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. Seven members were present: Mr. Bell, Mr. De Luz, Mr. Hirakami, Ms. Howard, Mr. Ney, Mr. Sugai, and Chairperson Boswell.

2) STATEMENTS FROM THE PUBLIC - None

3) APPROVAL OF MINUTES

ACTION: Ms. Howard moved for approval of the Minutes of the July 27, 2021, Water Board Meeting; seconded by Mr. Ney, and carried by roll call (Ayes: 6 - Mr. Bell, Mr. Hirakami, Ms. Howard, Mr. Ney, Mr. Sugai, and Chairperson Boswell; Absent: 2 - Ms. Hugo and Mr. Scicchitano) Note: Mr. De Luz had audio difficulties.

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

5) SOUTH HILO:

A. **VEHICLE BID NO. 2020-04, FURNISHING AND DELIVERING VEHICLES TO THE DEPARTMENT OF WATER SUPPLY – REQUEST FOR TIME EXTENSION:**

The vendor, IK Motors, Inc. dba Kama‘aina Motors, is requesting a contract time extension of 63 calendar days for Parts A & G. The construction of the vehicles is being delayed due to the global micro-chip shortage brought on by the COVID-19 pandemic. The shipment of the vehicles is also expected to be delayed due to more infrequent barge sails. These delays are beyond the control of the vendor. *Note: There are no additional costs associated with this time extension.*

1<sup>st</sup> time extension – 63 calendar days Parts A & G

The Manager-Chief Engineer recommended that the Board approve a contract time extension of 63 calendar days for Parts A & G to IK Motors, Inc. dba Kama‘aina Motors, for VEHICLE BID NO. 2020-04. If approved, the contract completion date will be revised from September 14, 2021, to November 16, 2021, for Parts A & G.

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

Chairperson Boswell noted the detailed letter from the contractor and asked if there were any questions. There being none, he asked for a roll call vote.

ACTION: Motion was carried by roll call vote (Ayes: 7 - Mr. Bell, Mr. De Luz, Mr. Hirakami, Ms. Howard, Mr. Ney, Mr. Sugai, and Chairperson Boswell; Absent: 2 - Ms. Hugo and Mr. Scicchitano).

6) NORTH KONA:

A. **JOB NO. 2017-1069, WAI‘AHA SOURCE DEVELOPMENT - SITE SELECTION AND EXPLORATORY PHASE:**

This project generally consists of furnishing all labor, materials, tools, and equipment necessary for constructing the Wai‘aha Source Well, including site grading work, well drilling pad, new chain-link fence and drilling and testing the source well, in accordance with the plans and specifications.

Bids for this project were opened on August 12, 2021, at 3:00 p.m., and following are the bid results:

<b>Bidder</b>	<b>Bid Amount</b>	<b>Adjusted Bid Amount w/Preferences*</b>
Beylik Drilling & Pump Service, Inc.	\$2,900,000.00	\$2,900,000.00
Alpha Inc.	\$3,661,072.00	\$3,478,018.40

\*Bids were adjusted (for purposes of award) to provide credits for use of Hawai‘i Products and participation in the State Apprenticeship Program, in accordance with Hawai‘i Administrative Rules.

Project Costs:

1) Low Bidder (Beylik Drilling & Pump Service, Inc.)	\$2,900,000.00
2) Construction Contingency (5%)	<u>145,000.00</u>
<b>Total Cost:</b>	<b><u>\$3,045,000.00</u></b>

Funding for this project will be from a DWSRF Loan. The contractor will have 270 calendar days to complete this project. The engineering estimate is \$2,917,100.00.

The Manager-Chief Engineer recommended that the Board award the contract for JOB NO. 2017-1069, WAI'AHA SOURCE DEVELOPMENT – SITE SELECTION AND EXPLORATORY PHASE, to the lowest responsible bidder, Beylik Drilling & Pump Service, Inc., for their bid amount of \$2,900,000.00, plus \$145,000.00 for construction contingency, for a total contract amount of \$3,045,000.00. It is further recommended that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality by Corporation Counsel.

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

The Manager-Chief Engineer stated that this is for the second well on the existing Wai'aha Well site. For the Board's information, this is continuing with the Department's strategy for the North Kona wells. This is intended to be a lower-capacity well, and this particular bid is for the first phase of the project, which is drilling the new hole, setting the casing, doing the appropriate site work, and then doing the pump test to verify that the well can be turned into a production well, which will come in the second phase.

Mr. Ney asked if Alpha Inc. is a new outfit. He has not seen their name on a lot of the Requests for Proposals that have gone out. He also asked about the construction contingency, noting that it is at five percent (5%). He asked if that contingency amount is being lowered or if it is due to the estimation being more predictable.

The Manager-Chief Engineer replied that Alpha Inc. is an established contractor, although this Department has not had them bid on its projects before. Staff did confirm that they are a licensed contractor, able to do the work. Part of bidding on a job is a requirement for a Statement of Qualifications to be completed in order for the Department to verify their financial status and that they are a viable contractor. He believed they come from Maui.

Mr. Ney asked what type of license classification is required for contractors for this work.

The Manager-Chief Engineer replied that a general contractor can bid on this project with an "A" license and a specialty contractor would be a C-57 license.

Chairperson Boswell stated that a quick internet search shows them to be a rather extensive company, working on Maui, with civil, water well drilling, and renewable energy as their forte. They look like they are sizeable.

The Manager-Chief Engineer went back to Mr. Ney's question about the contingency. The Department anticipates fewer unknowns with this project. A couple of factors that lead to that conclusion was this is basically a first phase which is drilling a hole vertically. This is not traversing or anticipating any conflicts with other utilities, etc. The line items pretty much cover every aspect of the project, and there is an existing well on the site for which there are drilling records. That is why the contingency was set at 5% on this project.

ACTION: Motion was carried by roll call vote (Ayes: 7 - Mr. Bell, Mr. De Luz, Mr. Hirakami, Ms. Howard, Mr. Ney, Mr. Sugai, and Chairperson Boswell; Absent: 2 - Ms. Hugo and Mr. Scicchitano).

7) MISCELLANEOUS:

A. **JOB NO. 2018-1093, SOLAR PHOTOVOLTAIC ENERGY GENERATION SYSTEM AT FIVE (5) DEPARTMENT OF WATER SUPPLY LOCATIONS - POWER PURCHASE AGREEMENT - REQUEST FOR TIME EXTENSION:**

The contractor, EnRG Hawaii Solutions, LLC, is requesting a contract time extension of 114 calendar days due to delays in receiving the building permits to start construction. 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 114 calendar days justified. *Note: There are no additional costs associated with this time extension.*

1<sup>st</sup> time extension – 68 calendar days (due to statewide “stay at home” order and associated suspension of on-site work) *approved at the June 2020 Water Board Meeting.*

2<sup>nd</sup> time extension – 15 calendar days (due to statewide “stay at home” order) *approved at the July 2020 Water Board Meeting.*

3<sup>rd</sup> time extension – 114 calendar days

The Manager-Chief Engineer recommended that the Board approve a contract time extension of 114 calendar days to EnRG Hawaii Solutions, LLC, for JOB NO. 2018-1093, SOLAR PHOTOVOLTAIC ENERGY GENERATION SYSTEM AT FIVE (5) DEPARTMENT OF WATER SUPPLY LOCATIONS – POWER PURCHASE AGREEMENT. If approved, the contract completion date will be revised from September 23, 2021, to January 15, 2022.

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

Chairperson Boswell noted the extensive backup provided by the contractor, which is self-explanatory. He asked if there were any questions. There being none, he asked for a roll call vote.

ACTION: Motion was carried by roll call vote (Ayes: 7 - Mr. Bell, Mr. De Luz, Mr. Hiramaki, Ms. Howard, Mr. Ney, Mr. Sugai, and Chairperson Boswell; Absent: 2 - Ms. Hugo and Mr. Scicchitano).

B. **MONTHLY PROGRESS REPORT:**

The Manager-Chief Engineer stated that there was quite a bit of discussion last month regarding the Pāpa‘ikou Transite and G.I. Pipeline Replacement project. Mr. Inaba has prepared a presentation for the Board on some of the issues the contractor was faced with, resulting in the request for time extension.

Mr. Inaba shared his screen with the Board, showing photos of the ongoing project. It consists of approximately three miles of pipeline and 269 service connections. This is in a plantation area with tight working spaces. The pipeline is being protected with a poly wrap to prevent corrosion. For the time extension request, five working days were for where the pipe would cross a culvert. The trench had to be dewatered and filter fabric and drain rock had to be installed. The waterline is crossing a lot of other utilities and sewer lines. There is not much room for work outside of the travel lanes in this area. One of the photos showed an arched culvert which is fairly old and well below the surface of the road. The contractor did some “potholing” to see how high the culvert extended. The stack rocks came up pretty high so the waterline was jacketed due to being installed above the culvert and ending up being installed somewhat shallow. There are a lot of challenges in crossing utilities, and the

contractor has been aware of all of the conditions. They found two sets of sewer systems that have to be avoided. One was supposed to replace the old system but since everyone could not be forced off the old line, it is still live. There are other challenges such as a service lateral right next to the garage of a home and also a driveway and rock wall with a fence and gate that was put up in the last four to five years. The meter is located inside the wall, and there is a conflict in the property line, which is being resolved. The meter needs to be relocated to the outside of the wall. Another area shown is where a paper road, more like a dirt driveway, is so close between two homes, the contractor had to bring in some smaller machines to do the work. There is a side road where the sewer line runs up the middle, and the waterline has to be right between the property line and the sewer line. Every so often, there are large sewer manholes that the waterline is going to be right up against. Considering all of these challenges, the contractor has made good progress and has been able to address field conditions fairly timely. The main delay was the permitting issue.

The Manager-Chief Engineer added that this is the first time DWS has a contract with this contractor, and it has been going well with established relationships formed between the project engineer, inspector, and the contractor in working together to find reasonable solutions.

Chairperson Boswell stated that the job looks very professional.

Mr. Ney asked if the records are good, showing where the utilities and sewer lines are.

The Manager-Chief Engineer replied that no matter where you go, especially in plantation camps, the historical records do not show everything that is in there. Experienced contractors also know that if they see other manholes or valve covers in the area, they will not go in blindly and dig.

Mr. De Luz stated that the good news is that now that you are identifying all of these public matters, there is more capacity in regard to breaks with the other system as well. It is just unfortunate that the DWS is taking the brunt of this capital improvement. He asked if the Council has been provided with information on this project.

The Manager-Chief Engineer replied that the Department did reach out to the Councilmember in the district and has done a couple of outreach efforts with the community.

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

The Manager-Chief Engineer noted that the Board should have received two Financial Statements. One is a reconciled June statement and there is also one for July.

Mr. De Luz stated that because of the year-end adjustment, he would wait for the audit report because that will give more details on the adjustments. He thanked Ms. Gray for the year-end Financial Statements.

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

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

1. North Kona Wells - the Deputy reported that for Kalaoa and Palani wells, the equipment was installed in early August and both wells were started up successfully. They are both in the process of being disinfected and pump efficiency tests are scheduled for them. The hope is that Palani Well will return to service in a week or so and Kalaoa Well shortly thereafter. With these two wells back online, that would be 12 of the 14 sources online.

2. COVID-19 Update - the Manager-Chief Engineer mentioned the recent proclamation by the Governor requiring State and County workers to be vaccinated or be subject to testing. The County of Hawai‘i will implement this requirement effective August 29, 2021. Part of the effort was to document which employees have been vaccinated, partially vaccinated, or not vaccinated. Up until this point, because it was everyone’s individual efforts to go and get vaccinated, those numbers were not available; however, now that this requirement is going into effect, part of the effort was to assemble that information. He was pleased with the results and proud that the Department of Water Supply’s staff is 80% fully vaccinated, 9% partially vaccinated, and 11% not vaccinated. He is hopeful that even more will get vaccinated so we can continue to provide a safe working environment for staff and customers. As we all know, this Delta variant is surging in Hawai‘i County. The Department maintains physical separation, mask wearing within the offices, and continuing with weekly updates to staff encouraging them and providing positive notes on good hygiene, physical distancing, and responsible behavior in and outside of the workplace. An internal meeting will be held to see if there are any concerns throughout the Department’s districts and if there would be a need to revert back to appointment only, in-person visits; but for now, it appears that the volume of in-person visits is quite low and manageable.

Mr. Ney asked if those who choose not to get vaccinated have the option to test once a week.

The Manager-Chief Engineer replied that was what the Mayor has evoked for Hawai‘i County.

Mr. Hiramami mentioned his experience in the Department of Education area where the guidelines published August 12, 2021, for partially vaccinated people, if they have proof that they are partially vaccinated by August 16, they do not have to test until after September 13. In the meantime, if they reach that two weeks after their vaccination and they become fully vaccinated, they do not have to test.

The Manager-Chief Engineer thanked Mr. Hiramami for sharing that information as he had not gotten that particular detail. In every situation, there is going to be something not covered in the guidelines; and the Department is leaning on the County Department of Human Resources for guidance when those situations arise.

3. Claim history and Processes - the Deputy provided the Board with an update on the current claim processes and history. County Charter and County Code allows for self-insurance and both the County and the Department of Water Supply are self-insured and use it to process any claims as needed. If there is damage or anything occurs, the claimant usually files their complaint with the County Clerk’s Office. They forward the claim to the Office of Corporation Counsel who works with the Department to evaluate the validity and merits and negotiates reasonable compensation, if appropriate. If there is a civil lawsuit filed, it is referred to Corporation Counsel’s Litigation Section for further evaluation and defense in accordance with Hawai‘i Revised Statutes. The Department of Water Supply’s claim history between 2011 and 2021 is eleven (11) claims that were addressed, negotiated, and settled upon, totaling approximately \$38,000.00. These claims were primarily from property damage due to issues with water systems or vehicle accidents. A recent vehicle accident resulted in a larger claim amount. This Department maintains a self-insurance fund, currently \$1 million, which is used or settling these claims. The Department also has insurance for property damage caused by earthquakes, hurricanes, etc. When the Department enters into agreements with consultants for professional services, a standard indemnification is maintained with a “defend and hold harmless clause” that protects the Department and the Board for the consultant’s work. For commercial, private insurance, also known as public officials’ liability insurance, the Department previously had annual policies for it, the most recent in 2016. The quotations obtained in the past were for \$130,000.00 annually.

Corporation Counsel's responsibilities are to defend the Department of Water Supply and the Water Board against claims for work-related issues and decisions, per Statute. Corporation Counsel is responsible for defending Board Members acting within the scope of their duties and not in violation of federal, state, or local laws. It is appropriate that the Department proceed in that way for now, using the processes established through County Clerk and Corporation Counsel's offices; and if there is a need to settle a claim, to use the self-insurance fund to process and settle that claim.

Mr. Hirakami asked if there has ever been an action against the Board itself or any individual Water Board member and, if so, were they covered with that self-insurance or if it was under another jurisdiction.

The Manager-Chief Engineer replied that he was not aware of any lawsuits or claims against a Board Member. He knew of a claim against a former Manager-Chief Engineer, which was within the normal duties of the position. Corporation Counsel's Office defended against that claim. He asked Ms. Mellon-Lacey if she had anything to add.

Ms. Mellon-Lacey stated that Corporation Counsel's Office would provide representation as long as you are acting within the scope of your duties. If it went to court, they have a litigation division that would handle it. Anything outside the scope, of course, they would not. For example, if a Board member were to negotiate a contract on their own, the Corporation Counsel's Office would not be able to represent them. The self-insurance money set aside for that purpose is what would cover you at this point. There is no separate policy to provide funds for coverage.

Mr. Ney complimented the Department's low amount of lawsuits but thought the Board should at least agendize and spend some time looking at possibilities of what might provide a little more degree of protection in case of a catastrophic incident that could be very damaging. In terms of contractual disputes or litigation, he asked if there is a forced arbitration clause in contracts for lawsuits that might come from that direction.

The Manager-Chief Engineer stated that the Department's recommendation is to proceed as it has been and possibly turn to some discussions down the road about internal fiscal guidelines for the self-insurance fund. There is no requirement by Code or Statute that could be found that requires the Department to maintain a separate fund. It has been done based on its internal decision. Ms. Gray had reached out to the past two Waterworks Controllers to see how that fund was established but could not find any formal reason for why it was set a \$1 million. Internally, staff can have discussions with the Board to either keep it as is or elevate it to \$2 million. It will factor into water rates as part of overhead and factoring in what the rates need to be. As far as a force arbitration clause, he did not believe that is in any of the standard contracts. They may appear in certain individual water development agreements, but he could not think of a specific example.

Mr. Ney recalled reading something about one of the contractual things with manufacturers and customers does not relate to exactly what we are doing; but they do put their clause in place, in case there is litigation, that it has to be arbitrated first. It definitely allows for a smoother ability to settle disputes.

Ms. Mellon-Lacey stated that in Third Circuit Court, for all of the civil cases, the Judge will always send it through arbitration first before they will proceed. Corporation Counsel's Office has a court-appointed arbitration system where the attorneys are required to serve. In fact, many of their attorneys will serve as the arbitrator.

Ms. Howard asked if she was understanding correctly, in that as long as the Board Members are acting within the scope of their official duties, the Corporation Counsel's Office will defend and the \$1 million fund can be applied toward indemnifying the Board Members for any liability found.

Ms. Mellon-Lacey replied that would be correct.

Mr. De Luz stated that this Board is a little different from most other boards in that it has fiduciary responsibilities. As Ms. Mellon-Lacey has indicated, if there is an unfortunate situation, and nine out of ten times, it is going to be a civil suit as opposed to another type, he was comfortable with that understanding of protection. The main thing is for Board members to defer and direct any inquiries or conversations of what it covers to the Manager-Chief Engineer and he will work with the Chairperson and the Vice-Chairperson and with Corporation Counsel. The main thing is to isolate that communication. Turning back to the proposal on earthquakes, he asked if there was a requirement by FEMA to have coverage on infrastructure and how it would be addressed. He noticed that on Page 17, it states, "Earthquake Coverage required by FEMA on all water tanks or reservoirs..." He asked if the Department would have to get an exemption from FEMA to let them know the Department is self-insured or would there need to be another provision for that particular matter. The intent he gets from this is that the Department would have to apply to FEMA for repair of that infrastructure. Perhaps one way to look at it is if the Department went in with a half-million-dollar "stop-loss policy," meaning it is responsible for the half million, could it look at the excess lines to cover the balance, which might make it reasonable. He asked Mr. Inaba if, after the Kiholo Bay earthquake and FEMA helped pay for the repairs for the damaged reservoirs, it was part of their requirements that the Department obtain and maintain earthquake insurance for those assets that were reimbursed by FEMA.

Mr. Inaba replied that it was his understanding that FEMA says the Department needs to get insurance on those assets, the main reason being that they will not pay for the same equipment damage the second time. If they are going to pay for this, the Department needs to get the insurance.

The Manager-Chief Engineer stated that FEMA is a different animal and the Department tries to comply with their requirements in order to get reimbursement from them. As far as maintaining a self-insured account and use that to offset some premiums, even with that, it was \$130,000.00 for liability insurance. These are all things that can be revisited. It was about four or five years ago, and he did not expect premiums to be any less now. They probably carried some deductible with them at the time.

Mr. De Luz stated that with the addition of only mandatory compliance like FEMA, he would not recommend going out to the market; only if it is required. The reason is that the market is so specific that he did not believe the premiums you would pay is a benefit based upon your self-insurance. The Department may have to weigh the pros and cons on the FEMA requirement or if the self-insurance route to rebuild or borrowing would be more effective.

The Manager-Chief Engineer stated that the Department has been investing and beefing up water tank design for the particular seismic zone they are in. New water tanks are designed and constructed to survive earthquakes in their region, which is why the Department making that investment now.

Mr. Ney asked if the Department could get a lower insurance rate if it went high on the deductible. For himself, his business is not large enough to be self-insured and there is some

degree of feeling good about having millions of dollars in liability protection. He wondered if the Department had ever looked into how that slides in terms of the deductible.

Ms. Gray stated that if she recalled correctly, the \$130,000.00 premium for liability insurance back in 2017 had deductibles ranging from half a million dollars to one million, but she could look back and research more and confirm.

The Manager-Chief Engineer stated that a lot of what the Department is exposed to is when contractors are working and interacting with members of the public. In those circumstances, the contracts require general liability coverages. All of the CIP projects have the requirement in the contract to carry that coverage. In consulting/engineering projects, there are general liability coverages as well as errors and omissions insurance for their engineers.

Ms. Howard asked if the Department has looked into just getting the equivalent of directors and officers liability insurance, just to see what the premium is, and self-insuring for everything else.

The Manager-Chief Engineer believed that was part of the quote under public official liability coverage.

Ms. Howard thought that the quote was for more extensive coverage but was wondering if that could be isolated out.

The Manager-Chief Engineer stated that staff could double check with insurance companies to see what possible quotes there would be and if they would be any different from 2017.

Ms. Howard stated that she would appreciate it.

4. Department of Water Supply Energy Report - Mr. Ching reviewed his energy report. The total power costs for the second quarter of 2021 were just over \$4.2 million, which was up 7.5% from the same quarter of 2020. Compared to the first quarter of 2021, it was up almost 11%. The Department has 158 HELCO accounts under three different schedules. HELCO's energy rate for the second quarter of 2021 was 29.4 cents per kilowatt hour, up 12.9% from the same quarter of 2020 and up about 8.3% compared to the first quarter of 2021. The demand rate for the second quarter of 2021 was \$20.50 per kilowatt, which was up 1.9% from last year and did not change from the previous quarter. The Power Cost Charge (PCC) is currently \$1.85 per thousand gallons, last changed June 1, 2021. Looking at the PCC graph and given that HELCO rates have been going up, it is likely the PCC will go up accordingly. The HELCO rate is one of the primary factors when looking at the PCC and adjustments up or down. Getting into the fiscal year energy summaries, for Fiscal Year 2021, the total power cost was almost \$16 million. This was a decrease of almost 6% from the previous year. Total energy use for Fiscal Year 2021 was 53.5 million kilowatt hours used, a decrease of about .5%. Looking at last year's fiscal year power costs, there was a lower cost believed to be primarily because the HELCO rates during this year were lower than last year and even the previous year. Energy use was just about the same. Getting into the Graphic on Page 4, it breaks down where that energy goes by water system. A lot of it goes to North Kona, the Lā'āmilō area, and South Kona. There is more consumption in those areas, which is one of the reasons they are a large portion of this energy use. Reviewing DWS projects with Hawai'i Energy's support, Hawai'i Energy follows the same fiscal year; and he went over DWS' partnership with them for the last fiscal year. The table on Page 5 shows projects for which DWS will receive rebates; and the largest one is the Leak Detection Loggers and Battery Kits. Hawai'i Energy has been supporting this program for the past few years. The Department has a request in to them for support of this fiscal year's leak detection program. Ongoing power

cost-saving projects are the Solar Photovoltaic Systems at Five Locations. The contractor has completed most of the construction at the Waimea and Kona baseyards and are currently working on the main office in Hilo. The Hilo Baseyard and the Water Quality buildings are still in the permitting stage. The completion date for the project is January 2022. The Air Conditioning Equipment Replacement was just completed, and the rebate was received for that project. There is also a booster replacement project under contract, which is to be completed February of 2022.

Mr. De Luz asked where the Waikoloa surface water system plays in this chart as far as the breakdown per water system.

Mr. Ching replied that the surface water system, the Waimea Water Treatment Plant, is going to be in South Kohala. The water audit breaks it down in cost per 1,000 gallons but they include the energy, plus chemical costs, plus some other costs so that might be the most accurate depiction. In surface water, you may not use as much energy, but a lot more chemical costs come into play when you try to figure out the cost per 1,000 gallons.

Mr. De Luz stated that in energy consumption, that surface water system is an energy hog. One of the challenges in consumption is the cost to provide water, not including the storage and distribution. Here you have a hybrid system, but you have to identify the high-cost systems to really understand that if you expand distribution or consumption, sometimes the cost might be higher than the return.

**E. EXECUTIVE SESSION: MANAGER-CHIEF ENGINEER'S EVALUATION FOR CALENDAR YEAR 2021:**

The Board anticipates convening an executive meeting to consider the evaluations of the Manager for its annual performance review, as authorized by Hawai'i County Charter Section 7-4.6(d) and Hawai'i Revised Statutes ("HRS"), Sections 92-4 and 92-5(a)(2). The Board wishes to have its attorney present, in order to consult with the board's attorney on its questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities pursuant to HRS Section 92-5(a)(4). A two-thirds vote of the members present, pursuant to HRS Section 92-4, is necessary to hold an executive meeting, provided that the affirmative vote constitutes a majority of the board.

**ACTION:** Ms. Howard moved that the Board enter Executive Session; seconded by Mr. De Luz and carried by roll call vote (Ayes: 7 - Mr. Bell, Mr. De Luz, Mr. Hiramaki, Ms. Howard, Mr. Ney, Mr. Sugai, and Chairperson Boswell; Absent: 2 - Ms. Hugo and Mr. Scicchitano).

(Executive Session began at 11:20 a.m. and ended at 11:52 a.m.)

**F. MANAGER-CHIEF ENGINEER'S EVALUATION FOR CALENDAR YEAR 2021:**

Chairperson Boswell recapped that during the discussion/action on the Manager-Chief Engineer's evaluation and compensation, the Board has requested additional information from the County of Hawai'i, Department of Human Resources, and from DWS Administration to be provided to the Board next month on two different formats--one on the pay scales of various entities within the State and within the Department and also asking for further evaluation of the form being used for this process. He was not sure what direction that will take as he has already completed and sent back his evaluation form to the Department. The Board can have further discussion on the process so everyone feels comfortable with what is being worked on.

**G. CHAIRPERSON'S REPORT:**

Chairperson Boswell did not have a report to make but commented that the more he sees this group coming together and making good decisions and having rational discussions, the more he enjoys working with everyone.

8) **ANNOUNCEMENTS:**

1. **Next Meeting:** - The next meeting of the Water Board will September 28, 2021, 10:00 a.m., via Web Conferencing.

9) **ADJOURNMENT**

**ACTION:** Ms. Howard moved to adjourn the meeting; seconded by Mr. Sugai and carried unanimously roll call vote (Ayes: 7 - Mr. Bell, Mr. De Luz, Mr. Hirakami, Ms. Howard, Mr. Ney, Mr. Sugai, and Chairperson Boswell; Absent: 2 - Ms. Hugo and Mr. Scicchitano).

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

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Recording Secretary

APPROVED BY WATER BOARD  
SEPTEMBER 28, 2021