

## MINUTES

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

September 26, 2023

Department of Water Supply, Hilo Operations Baseyard, 889 Leilani Street, Hilo, Hawai‘i

MEMBERS PRESENT: Mr. Steven Hirakami, Chairperson  
Mr. Michael Bell, Water Board Member  
Mr. Thomas Brown, Water Board Member  
Ms. Julie Hugo, Water Board Member  
Mr. Michael Pono Kekela, Water Board Member  
Ms. Kea Keolanui, Water Board Member  
Mr. Benjamin Ney, Water Board Member  
Mr. Keith K. Okamoto, Manager-Chief Engineer,  
Department of Water Supply (ex-officio member)

ABSENT: Mr. Stephen Kawena Lopez, Vice-Chairperson  
Mr. Keith Unger, Water Board Member  
Director, Planning Department (ex-officio member)  
Director, Department of Public Works (ex-officio member)

OTHERS PRESENT: Ms. Sherilyn Tavares, Deputy Corporation Counsel

#### DEPARTMENT OF WATER SUPPLY STAFF:

Mr. Kawika Uyehara, Deputy  
Mr. Kurt Inaba, Engineering Division Head  
Ms. Candace Gray, Waterworks Controller  
Mr. Gregory Goodale, Chief of Operations  
Mr. Eric Takamoto, Operations Division  
Ms. Kaiulani Matsumoto, Private Secretary  
Ms. Nora Avenue, Recording Secretary

- 1) **CALL TO ORDER** – Chairperson Hirakami called the meeting to order at 10:00 a.m. A quorum of seven Board Members were in attendance.
- 2) **STATEMENTS FROM THE PUBLIC** – Pursuant to HRS §92-3, oral testimony may be provided entirely at the beginning of the meeting, or immediately preceding the agenda item. There were no statements from the public at this time.
- 3) **APPROVAL OF MINUTES**

#### **Minutes of August 22, 2023, Public Hearing on the Power Cost Charge**

**ACTION:** Mr. Ney moved to approve the Minutes of August 22, 2023, Public Hearing on the Power Cost Charge; seconded by Mr. Kekela and carried unanimously by voice vote. Mr. Bell, Ms. Hugo, Mr. Kekela, and Ms. Keolanui were absent.

**ACTION:** Mr. Ney moved for approval; seconded by Mr. Kekela and carried unanimously by voice vote.

**Minutes of the August 22, 2023, Water Board Meeting**

**ACTION:** Mr. Bell moved to approve the Minutes of August 22, 2023; seconded by Mr. Kekela and carried unanimously by voice vote. Mr. Lopez and Mr. Unger were absent.

4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA – None.

5) PUNA:

A. JOB NO. 2023-1227, KEONEPOKO NUI BOOSTER A & B REPAIR:

*Chair: Is there any testimony for this item?*

This project consists of furnishing all labor, materials, tools, and equipment necessary to replace the existing booster pump, motor, discharge head and all appurtenant materials; provide discharge piping work; and complete an efficiency test; in accordance with the specifications.

Bids for this project were opened on September 7, 2023, at 2:00 p.m., and the following are the bid results:

<b>Bidder</b>	<b>Bid Amount</b>	<b>Adjusted Bid Amount w/ Preferences*</b>
Beylik/Energetic A JV	\$473,200.00	\$449,540.00
Derrick’s Well Drilling and Pump Services, LLC.	\$351,000.00	\$351,000.00

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

Project Costs:

1) Low Bidder (Derrick’s Well Drilling and Pump Services, LLC.)	\$ 351,000.00
2) Contingencies (~10.0%)	\$ 35,000.00
Total Cost:	\$ 386,000.00

Funding for this project will be from DWS’s Energy CIP and the CIP Budget under Repair and Maintenance. The contractor will have 270 calendar days to complete this project. The Engineering estimate for this project was \$320,000.

Booster History:

Keonepoko Nui Booster A:

Original Installation: June, 1980

Keonepoko Nui Booser B:

Original Installation: June, 1997

**RECOMMENDATION:** It is recommended that the Board award the contract for JOB NO. 2023-1227, KEONEPOKO NUI BOOSTER A & B REPAIR, to the lowest responsible bidder, Derrick’s Well Drilling and Pump Services, LLC., for their bid amount of \$351,000.00, plus \$35,000.00 for contingencies, for a total contract amount of \$386,000.00. 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.

CHR. HIRAKAMI: Do I have a motion to approve the contract for Derrick's?

MOTION: Mr. Bell moved for approval of the recommendation; seconded by Mr. Kekela.

CHR. HIRAKAMI: Now we go to discussion.

MR. OKAMOTO: Yes, thank you. Basically, the write-up explains the project but if you have any further technical questions, I have the smart guy (Eric Takamoto) sitting next to me.

CHR. HIRAKAMI: So, you're replacing—are any of the equipment sound enough for future use or anything?

MR. TAKAMOTO: At this point, it's beyond recommended salvage. This project is actually being done not only to refurbish the equipment but also for energy saving, so it wouldn't really make sense to be using equipment that is less efficient.

CHR. HIRAKAMI: Right.

MR. KEKELA: Supposed to be like a service interruption for this?

MR. TAKAMOTO: They should not because they'll stagger the repairs. They'll repair one booster at a time.

CHR. HIRAKAMI: So on these outdoor pumps, in places like Puna where it rains, is there any benefit at least putting a shed roof over because I know a lot of the metal is rusted? I mean it's totally exposed to the weather is one thing, but if it had at least had kind of like a simple shed roof over it. Would that add to the life expectancy of the equipment?

MR. TAKAMOTO: It probably would.

MR. OKAMOTO: Yeah, I guess it's a balance of the cost to benefit. To be quite candid, we probably could do a better job of just upkeep on the painting, which would help a lot. Part of the reason we don't typically put permanent structures over these types of equipment is because it kind of gets in the way of the replacement and the maintenance because I think the contractor typically uses something to lift it up; so if you have a shed over it, you're going to have to remove that to change the motor. But yeah, good thinking.

CHR. HIRAKAMI: No, it just looked all rusted and kind of in disrepair.

MR. OKAMOTO: Yeah.

CHR. HIRAKAMI: Because Puna, with all the geothermal activity and everything, all the sulfur dioxide and everything, I mean anything left outside, metal is sure to deteriorate.

MR. OKAMOTO: Yes.

CHR. HIRAKAMI: Just visited the site next door, and that's why I saw the equipment.

MR. OKAMOTO: Makes sense.

CHR. HIRAKAMI: Any other discussion?

MR. NEY: Just a quick question. I know in the past we've had some issues with jobs and stuff, but like I know on most projects you guys have like an onsite inspector or someone in-house, making sure things are going in accordance and to specification and all that. Is that the case with pumps and repairs regarding those too?

MR. OKAMOTO: Yes.

MR. NEY: Okay, because it just seems like there were some different stories or things that came out differently from two sides in the past, so I'm just wondering if you guys are really scrutinizing the installation process and just proper documentation for our end.

MR. OKAMOTO: Yeah, not only during the—so our guys don't have the ability to be there eight hours a day, whenever the contractor is working, five days a week, but we typically do go out. Our project engineers go out during key times of the installation, and maybe Eric can expand on that. In addition, these always typically come with the shop drawing review and approvals before they start the manufacturing process, or the ordering process, and things like that, just to make sure we don't get the wrong part in, or the part comes in and it doesn't meet spec.

MR. NEY: Yeah, it's just good for retaining for documentation purposes, because we had something where we had to go back and get a photo of something, and like having a picture is like a thousand words. It comes to clarifying a situation. But, just a thought.

CHR. HIRAKAMI: Does the department see any conflict when having a medical center? Because there's going to be an emergency and a hospital with 20 beds right next door, do you see any conflicts that they should be—? I mean, the Water Department isn't going to move, but when they're developing there's going to have to be wastewater treatment, and that's a medical waste and that's real toxic waste right next to our well. Are there going to be limitations on there because they should know that ahead of time?

MR. OKAMOTO: We are hopeful that if they meet whatever, the Department of Health requirements, for their wastewater system, then that should satisfy our concerns; but if there's something that we're made aware of, over and beyond that, then we'll definitely comment on whatever those concerns might be.

MR. INABA: We just received an inquiry, because I've heard of that on that site, we just received an inquiry about that, if there were any concerns. So we said we will state—we will have concerns. But we don't know again what it's going to be, how it's going to be treated, or to what level. It's going to have to satisfy the Department of Health.

CHR. HIRAKAMI: Yeah, they're going to have to do kind of like an on-site treatment plant, similar to what they're using at Puna Kai Shopping Center because that's the only way they can put a medical facility. Puna really needs a medical facility, especially an emergency room out there. But a hospital is a pretty big project that they're proposing, and it's all still in the planning phase.

Coincidentally, I didn't even know where the site was until we got invited to do some community service out there, and then I passed right by the well and said, "Wow, it's right next door." I was just thinking ahead of time, they need to know the conflicts, if any, before spending money on it.

MR. INABA: Preliminary inquiry just by, I guess maybe the consultant that's being—

**MR. OKAMOTO:** But we will review. It's a good point because what's occurring now and what's coming up, the EPA and the State Department of Health have all these new contaminants that they look at to regulate. I know some things are being determined not to degrade in the environment over long periods of time, and some of that stuff is pharmaceutical-related. So yeah, we may need to comment along those lines, just to make sure that we're on the record to say that whatever wastewater treatment you proposed for the facility should address that.

**CHR. HIRAKAMI:** Yeah, especially medical waste right next to the pump, right next to the well. Any other discussion?

**MR. NEY:** I like the cost comparison on this, right down to the—you kind of see the spread the (INAUDIBLE).

**MR. OKAMOTO:** Where the difference is. Sorry, we forgot to include this in the packet, but I think moving forward that's what had committed to do on our bids, provide you with the bid tabulations.

**CHR. HIRAKAMI:** Hearing no other further discussion, I'll call for the question. All in favor of awarding the contract say "ayes."

**ACTION:** There being no further discussion. Motion was carried unanimously by voice vote. Mr. Lopez and Mr. Unger were absent.

**CHR. HIRAKAMI:** Moving on to North Hilo. This is the Laupāhoehoe Deepwell, and this is another request for time extension. At the last one in Hilo, we awarded some time extension for manufactured delays, and they claimed—but then their staff with challenges. This is quite different; this is a HECO power shutdown, so we got more information on what can move and who is responsible for the delay.

6) **NORTH HILO:**

**A. JOB NO. 2021-1162 (REBID), LAUPĀHOEHOE DEEPWELL B REPAIR – REQUEST FOR TIME EXTENSION:**

*Chair: Is there any testimony for this item?*

The Department of Water Supply (DWS) is requesting a contract time extension of 21 calendar days, due to delays associated with scheduling a power shutdown with Hawaiian Electric Company (HECO). The power shutdown is being coordinated by DWS to ensure safe working conditions for the Contractor, as the rig will be operated near active power lines. This additional time is necessary to allow HECO to cut off power to the line above Deepwell B, while maintaining power to Deepwell A so DWS may continue providing water to the Laupāhoehoe community.

Note: There are no additional costs associated with this time extension.

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	10/31/2022	3/31/2023	151	Manufacturer delays in providing submittals and receiving materials for pump production.
2	3/31/2023	6/16/2023	77	Manufacturer delays in motor production.

3	6/16/2023	8/15/2023	60	Manufacturer requests motor substitution, delaying shipment.
4	8/15/2023	9/30/2023	46	Vendor staffing challenges.
5	9/30/2023	10/14/2023	21	HECO power shutdown.
Total Days (including this request)			355	

**RECOMMENDATION:** It is recommended that the Board approve a contract time extension of 21 calendar days to Derrick’s Well Drilling and Pump Services, LLC., for JOB NO. 2021-1162 (REBID), LAUPĀHOEHOE DEEPWELL B REPAIR. If approved, the contract completion date will be revised from September 30, 2023, to October 21, 2023.

**CHR. HIRAKAMI:** First I’d like to entertain a motion to award an extension of 21 calendar days to Derrick’s Well Drilling and Pump Services for the Laupāhoehoe Deepwell B Repair. Do I have a motion?

**MOTION:** Ms. Hugo moved for approval of the recommendation; seconded by Mr. Keolanui.

**CHR. HIRAKAMI:** Okay, moved and seconded. Is there any discussion?

**MR. OKAMOTO:** Yes. As you pointed out, Mr. Chair, this one is different and which is why there weren’t typical supporting documents in your packet, like normally comes with a time extension. This was actually initiated by the department. I’ll let Eric explain the background for this particular time extension.

**MR. TAKAMOTO:** Basically, as constructed, this well happens to be located where the overhead line powering the site happens to put it in close proximity to where the well gap is; and if you ever seen how they do well repairs, the pump rig is basically set up right in line with the well. The overhead derrick comes up and it becomes very close to the overhead line, so there is an electrical safety hazard as it currently is situated. So this proposal that we’re getting from Hawaiian Electric is to request that they de-energize the line temporarily so that the contractor can perform their work. Then once the work is complete, they’ll re-energize it again.

We do have a secondary proposal to this one to permanently resolve this situation, by relocating the pole, but that involves land acquisition and stuff, so that’s going to take a while, so we’re just proceeding with this temporarily just to get the repair completed.

**MR. OKAMOTO:** Any questions?

**CHR. HIRAKAMI:** No further discussion. All in favor of awarding this time extension say “aye.”

**ACTION:** There being no further discussion. Motion was carried unanimously by voice vote. Mr. Lopez and Mr. Unger were absent.

**CHR. HIRAKAMI:** Moving on to Number 7.

7) **SOUTH KOHALA:**

A. **JOB NO. 2023-1223, WAIMEA WATER TREATMENT PLANT SLUDGE REMOVAL**

*Chair: Is there any testimony for this item?*

This project generally consists of furnishing all labor, materials, tools, and equipment necessary to remove and dispose of settled sludge from the Waimea Water Treatment Plant 2.7 MG reservoir, for a period not to exceed one year.

Bids for this project were opened on June 8, 2023, at 2:00 p.m., and the following is the bid result:

Bidder	Bid Amount
2B Environmental, Inc.	\$0.29125/Gallon

**RECOMMENDATION:** It is recommended that the Board award the contract for WAIMEA WATER TREATMENT PLANT SLUDGE REMOVAL, JOB NO. 2023-1223 to the lowest responsible bidder, 2B Environmental, Inc., for a unit price of \$0.29125 per gallon, on an as-needed basis with a total contract amount not to exceed \$350,000.00, and 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. The sludge removal contract shall be from July 1, 2023 to June 30, 2024.

**CHR. HIRAKAMI:** Do I have a motion to approve this contract?

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

**CHR. HIRAKAMI:** Any discussion on this?

**MR. OKAMOTO:** Yes, first point of clarification. On the last sentence of the recommendation, the original intent was to have the contract go from July 1<sup>st</sup>, but because of this deferral, really the contract's effective date would be October 1<sup>st</sup>, 2023, and run through June 30<sup>th</sup>, 2024. Just to refresh the Board's memory, we had to postpone this award because the vendor did not meet their compliance requirement that's necessary for State procurement. So now they're finally compliant, and now we can award and now we can proceed with the contract.

**CHR. HIRAKAMI:** Is this a regular sludge removal? Is it monthly or is it as needed?

**MR. OKAMOTO:** I believe it's as needed.

**MR. GOODALE:** It's primarily been as needed, but we've got no good place with our lagoon, and had the absolute need for them to. But this is more the supplement when the levels and the lagoons start getting high.

**CHR. HIRAKAMI:** So how many gallons a year do you think are usually removed from that area?

**MR. GOODALE:** We could calculate it. By load, the truck they pump into is a 3,000-gallon. We have to go back and look at the number of loads taken out to get that total volume. If that's something you'd like to see, we could go back and flap last year's contract and calculate that.

**CHR. HIRAKAMI:** Okay. Yeah, I did the math, and that's 1.2 million gallons of sludge. This was added to the September agenda so we're not going to the full calendar year, we're just going to October through June 30<sup>th</sup>, right?

**MR. OKAMOTO:** That's the plan, yes.

MR. BROWN: I have a question. So this is like a price-term agreement? Is that what they call that? So we go back to bid next year too?

MR. OKAMOTO: Yes.

MR. BROWN: This is only to June 30?

MR. OKAMOTO: Yes. Usually, we don't do multi-year contracts, for the most part. So yeah, it's typically an annual contract and it goes by fiscal year. We typically go through the process prior to the end of the fiscal year, which is why this originally appeared on I think the June Water Board agenda, so our intent was to award, execute the contract so they could start work July 1<sup>st</sup>. We're backed up now, so yeah there might be sludge building up, so there might be some initial—

MR. GOODALE: Another thing to mention, we're in the process of purchasing two brand-new pumps. We should be taking a receipt of one soon. Once we get those two new pumps, we probably won't need this service as often and we may not even need it all come next June. So we'll have this to get us through this fiscal. Hopefully, by the time we get to June of next year, we'll have everything where we want it, and we may not even need this contract, but that's based on the new equipment that we've ordered for this work.

CHR. HIRAKAMI: So you're going to pump it into like a sludge pond or a dry out bed? Is that the plan for removal?

MR. GOODALE: We've got drying beds. The contractor on this actually haul the material away. That's actually used out on a farm lot. For our purposes, the pumps that we'll use will pump it up to a drying bed that we have up above.

CHR. HIRAKAMI: And that's pretty good. That's only like things you find in the river and stuff like—

MR. OKAMOTO: Organic.

CHR. HIRAKAMI: It's pretty usable for farmers?

MR. OKAMOTO: I would think so, yeah.

MR. GOODALE: It's all non-hazardous.

MR. OKAMOTO: We probably will still put this out to bid annually, just in case.

MR. BROWN: But if no need, then no need, right?

MR. OKAMOTO: Yeah.

CHR. HIRAKAMI: And that usable stuff, do we have any place we can donate it to or farmers that need it?

MR. OKAMOTO: We contemplated that back many years ago, and I don't know, we didn't get any interest for whatever reason. I think typically as County, we cannot just give it away; if it has value, we kind of have to put it out there for people to "bid" on, I think that's the right word.



MS. KEOLANUI: What does the sludge look like after it's gathered? How much? Is it like in a big truck? What does it look like as far as transporting it and getting it to a farm that would take it?

MR. OKAMOTO: Good question. It's like one of those—to me, it's like one of those trucks that pump your septic tank, similar to that. I never really looked at what it looked like when they pumped my septic tank. Our sludge is a kind of uniform color, a dark brown.

MS. KEOLANUI: So it's very like viscous watery?

MR. OKAMOTO: No, it's—what would you call the consistency similar to?

MR. GOODALE: Well, when it's pumped out of the lagoon, it is fairly viscous because it's got the water and drained in it, as well; but after it gets dried out on their drying beds and everything, basically like they said, it looks like real fine dirt. But in order to pump it out of the lagoon, it has to have water in there to use the vector pump because they use a vacuum hose to suck the material out.

MS. KEOLANUI: Yeah, I'm sure that it would have value with the nutrients for farmers, but more so thinking of farmers like in Puna that have less soil, that are really going after mulch and other types of soil that they kind of create.

MR. OKAMOTO: Got it.

CHR. HIRAKAMI: Yeah, in Puna it's gold.

MR. OKAMOTO: We might have to put it out to bid again.

MS. KEOLANUI: They would be like trucking it over, and how would that work, and then containing it once it gets onto their property.

MR. OKAMOTO: We'll probably leave that up to them, you know, "Here it is, come get it if you want." We probably won't have the volume because once it's dried out, it loses a lot of volume. Can cover not too much area.

CHR. HIRAKAMI: Okay, sludging right along, we have a motion on the table. All in favor of the motion say "aye."

**ACTION**: There being no further discussion. Motion was carried unanimously by voice vote. Mr. Lopez and Mr. Unger were absent.

CHR. HIRAKAMI: Number 8 is Dedications or use of dedications.

8) MISCELLANEOUS:

A. DEDICATIONS:

*Chair: Is there any testimony for this item?*

The Department received the following documents for action by the Water Board. The water systems have been constructed in accordance with the Department's standards and are in acceptable condition for dedication.

1. **Bill of Sale**

**Luiki Subdivision**

**Subdivision No. SUB-2019-001909**

**Seller: Coastal Land Company, LLC**

Tax Map Key (3) 6-2-024:000 and 6-4-007: 086 (Kahilu Road portion)

Pu‘ukapu, Waimea, South Kohala, Island of Hawai‘i, Hawai‘i

Facilities Charge: \$12,190.00 Date Paid: 8/05/2021

Final Inspection Date: 10/18/2021

Water System Cost: \$143,000.00

RECOMMENDATION: It is recommended that the Water Board accepts these documents subject to the approval of the Corporation Counsel and that either the Chairman or the Vice-Chairman be authorized to sign the documents.

CHR. HIRAKAMI: Do I have a motion to accept this Bill of Sale?

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

CHR. HIRAKAMI: We have a discussion as well as a map that was handed out by Kurt.

MR. INABA: Sorry, we wanted to make one correction on there. The first tax map key listed should be 6-4-033:999.

MS. HUGO: At the top you mean?

MR. INABA: Yeah, right under Coastal Land Company, 6-2-024:000 should be replaced with 6-4-033:999. The 999 indicates it's a Right of Way, a road Right of Way. It's a little different, just for your information, the TMKs listed are actually the road, where the waterline was installed. Because it's just a Bill of Sale, there's no Grant of Easement needed. The waterline was installed all within—there's a private portion of Kahilu Road as well as the public portion of Kahilu Road.

CHR. HIRAKAMI: So this is a flag lot?

MR. INABA: So the waterline was just extended to meet the pole portion of the flag lot, where the service lateral fronts the parcels.

MR. OKAMOTO: Yeah, so it's a bit confusing. The graphic shows you the TMK of the lots that got serviced, which is different from the agenda item, which is where the infrastructure was installed on.

MR. INABA: Yeah, the TMK, I put it just for the road section, in the cloud. That's what's listed in this Bill of Sale.

CHR. HIRAKAMI: So the easement part, is it of the plan, or is it alongside the plan?

MR. OKAMOTO: Yeah, the easement part covers, I don't know if you can see, it's a blue line. The blue line is the new infrastructure that was installed. That crosses two parcels, one is parcel 6-4-033:999, and then the other parcel is 6-4-007:086, which are like Kurt said, actually road parcels.

MR. INABA: Yeah, those are just road lots. In the dedication portion, probably just should have listed the subdivision TMKs because they're no easement needed in that. It's all existing. It didn't need an easement, that's why it's just a Bill of Sale.

MR. OKAMOTO: Sorry for the confusion.

CHR. HIRAKAMI: Yeah, it was totally confusing. How much land there is for the property?

MR. INABA: No more easement because we're just going—it's like somebody putting in the waterline, extending within an existing road. They just need to give the Bill of Sale for that improvement for us to take over.

Like the subdivision, if they built a road within the private property, then we need that easement. I mean, it stays there unless it gets dedicated to the County, then that road lot going supersede our easement. So this one is like nothing was put within private property.

CHR. HIRAKAMI: Any other discussion? Hearing none. All in favor of the motion?

**ACTION**: There being no further discussion. Motion was carried unanimously by voice vote. Mr. Lopez and Mr. Unger were absent.

CHR. HIRAKAMI: We move to Item B.

- B. RESOLUTION NO. 2023-01, APPROVING RECEIPT AND EXPENDITURE OF MONIES FOR THE DEPARTMENT OF WATER SUPPLY CAPITAL IMPROVEMENT PROJECTS FUNDED BY THE DRINKING WATER STATE REVOLVING FUND (DWSRF); AND, AUTHORIZING THE MANAGER-CHIEF ENGINEER OR DEPUTY TO REDUCE, REPLACE, AND ALLOCATE UP TO \$25,000,000.00 IN MONIES FOR SAID PROJECTS, IN THE FORM OF A LOAN AGREEMENT OR GRANT BETWEEN THE STATE OF HAWAI'I AND DEPARTMENT OF WATER SUPPLY, COUNTY OF HAWAI'I
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*Chair: Is there any testimony for this item?*

DWS is submitting a loan application to fund Capital Improvement Projects with the Drinking Water State Revolving Funds (DWSRF). One of the prerequisites for the loan is a Resolution approved by the Water Board. This Resolution authorizes the Manager-Chief Engineer or the Deputy to execute loans and/or grants with the State Department of Health for up to \$25,000,000.00.

**RECOMMENDATION**: It is recommended that the Water Board adopt DRINKING WATER STATE REVOLVING FUND RESOLUTION NO. 2023-01, subject to the approval of Corporation Counsel.

CHR. HIRAKAMI: Do I have a motion to adopt this Drinking Water State Revolving Fund Resolution No. 2023-01?

**MOTION**: Mr. Ney moved to recommend adoption of Resolution No. 2023-01. Seconded by Mr. Brown.

CHR. HIRAKAMI: Discussion?

MR. OKAMOTO: This one is typically what we'll bring to the Board when we want to utilize the State Department of Health Drinking Water Revolving Fund Loan Program. This is utilizing their program through a programmatic financing option which provides flexibility. So it's almost like an umbrella amount of money that we can use for various projects. If there are any other questions, I'll have Kurt or Candace—

CHR. HIRAKAMI: So this is part of that Federal EPA?

MR. OKAMOTO: Yeah, it's tied to it. It's not tied to the IIA (Infrastructure Investment and Jobs Act) or BIL (Bipartisan Infrastructure Law) Funding. This has been in existence for over 20 years, I would say, but it's something that we utilized a lot for our CIP projects. But this funding requires this resolution, pretty much every year.

MR. INABA: Yeah, depending how much we use of this resolution, so we did come to the Board last year. Proposed projects this year will exceed what we came for, so we're coming in for another \$25 million.

MR. NEY: Our Revolving Line of Credit is \$25 million, is the ceiling?

MR. INABA: It's just a number out there that we think we can come to be fit within this year's.

MR. NEY: Oh, okay.

MR. OKAMOTO: We have a whole list of projects that's on—you know, to qualify for this funding, there's always procedures. So you have to propose your projects and get it on an intended use plan that the State Department of Health publishes every year. We have a whole laundry list of projects that exceed \$25 million, but we're not going to do them all in one year.

MR. NEY: We have like a credit rating too for other—?

MR. OKAMOTO: We typically tie into the County's overall credit rating, you know, if we're talking about obtaining bonds and things like that. But yeah, this is separate from that. We don't have an associated credit rating for this program. That sounds right, Candace?

MS. GRAY: Yes.

CHR. HIRAKAMI: Is there a percentage between a loan amount and a grant amount? Is there a percentage of this that can be used as grants?

MR. OKAMOTO: Yes, so we're going to try as much as we can to qualify for those grant portions, and I believe the criteria is underserved and—

MR. INABA: Disadvantage

MR. NEY: Under privilege.

MR. OKAMOTO: The fortunate part is almost our entire island qualifies, all except for our Lālānilo Water System, and even that I think they were continuing to evaluate.

MR. INABA: Yes, they're evaluating that, and that would tie into being an amount to get the grant portion of the project cost. What they call principle forgiveness.

MR. OKAMOTO: For some reason they don't like to call it "grant."

MR. INABA: Yeah, there are different steps they've got to take.

CHR. HIRAKAMI: Yeah, that's the loan forgiveness part?

MR. INABA: Yeah.

MR. OKAMOTO: Yes, but that's basically the same thing. We don't have to pay it back.

CHR. HIRAKAMI: A grant is you know ahead of time it's a grant, but loan forgiveness you don't know that it's a loan forgiveness. Sometimes they grant that forgiveness, so you don't have to repay that. A grant you know ahead of time. When you apply for a grant they say, "We grant you." So this doesn't work like an out-front grant. The grant is in the form of forgiveness, so that's the only thing.

MR. OKAMOTO: That's our understanding. But yeah, we're going to try for whatever we can to qualify for that.

CHR. HIRAKAMI: So all in favor of accepting this resolution say "aye."

MR. OKAMOTO: Roll call vote for resolution.

**ACTION**: There being no further discussion. The motion to recommend adoption of Resolution No. 2023-01 was carried unanimously by **roll call** vote. Mr. Lopez and Mr. Unger were absent.

CHR. HIRAKAMI: Okay, on the agenda, can you put in for any items that need a "roll call" so that I know when calling for the vote?

CHR. HIRAKAMI: Okay, Item C.

#### C. DEPARTMENT OF WATER SUPPLY LEASE FOR SCANNER/COPIERS

*Chair: Is there any testimony for this item?*

The Department of Water Supply requested quotations for leasing six (6) full-function copy machines for a four-year period in accordance with the State Procurement Office (SPO) Price List Contract No. 20-07 for NASPO ValuePoint Copiers & Managed Print Services (RFP NP-18-001). The copy machines will replace existing leased machines in Hilo (4 machines), Waimea and Kona. The quotations are listed below:

• Canon Solutions America	No Bid
• Toshiba Business Solutions - Hilo	\$1,609.53/mo. Plus imprints
• Xerox Corporation	\$1,370.34/mo. Plus imprints

Staff has reviewed the quotations and finds the quotations/lease agreements acceptable, and recommends award to the low bidder, Xerox Corporation.

**RECOMMENDATION**: It is recommended that the Board award the lease to Xerox Corporation for six scanner/copy machines at \$1,370.34/mo. plus additional costs per imprint and authorize the Manager-Chief Engineer to execute the lease agreement, subject to the approval of Corporation Counsel.

CHR. HIRAKAMI: Do I hear a motion to accept the lease?

**MOTION**: Ms. Keolanui moved for approval of the recommendation. Seconded by Ms. Hugo.

CHR. HIRAKAMI: Discussion?

MR. OKAMOTO: Yes. Basically, as you all know, copiers don't last forever. The State Procurement Office—fortunately for us, they have Price List contracts that we can take advantage of and this is one of them. We still have to get quotes from them I guess because different models have different lease rates, imprint rates, and things like that. So for our needs, for the six this is what we received; if anybody wants to read through the State Procurement Office Price List Contract, it's available online. If you have any questions, I have it here, printed. But it's basically one of those that's applicable to all state agencies, all county agencies, and whatnot. They kind of did the upfront homework for us. We just had to get quotes, basically.

MR. NEY: This is like LaserJet printers?

MR. INABA: It's a LaserJet printer/copier.

MR. OKAMOTO: And scanner.

MR. NEY: But in terms of—this is just a rental for the machines. What about the paper and the—?

MR. INABA: Per imprint, means basically every copy or scan you make that counts as one. Doesn't matter if it has a letter or a picture covering the whole page, you know, completely colored.

MR. NEY: They keep track of that and charge you for that and try to (INAUDIBLE).

MR. INABA: Yeah. So the black and white, the way the contracts are set up from the State already they have their first 2,000 imprints of black and white should be included in it, and then you get a per price for each copy after that; and then if there's no color copies included, so you get a price for each colored copy.

MR. OKAMOTO: And we supply the paper.

MR. INABA: Yeah.

MR. NEY: Because LaserJet is a lot cheaper than ink-jet printing, huh?

MR. INABA: Supplies-wise. In this, the contract states that they're responsible. The companies providing these machines are responsible to maintain. It's a lease, basically. So they come in maintain the equipment, provide all the toner and whatnot that you would need. The waste cartridge, everything. But you've got to change it, you pay for the toner and everything.

MR. KEKELA: Who are you guys with now, Kurt?

MR. INABA: We currently have it with Xerox. Maybe just for your information, total average is like probably 1,700 to 1,800 a month, so our added cost for imprints, and this is for all six machines, plus Ka'ū actually, which isn't included in this, that's just desktop one, is about 1,700/1,800 a month.

MR. KEKELA: Including your guys providing your own paper?

MR. INABA: We buy our own paper, but they provide all the toner and the waste cartridge, and they come in and fix anything that's on the machine. It's right on the machine, you just call,

MR. KEKELA: If they're pretty good and responsive, it's worth it.

MR. INABA: Yep, and their machines really, I don't know, pretty trouble-free. I believe multiple companies, their machines are much better today. Done with the days of opening the thing and pulling out stuck paper.

MR. OKAMOTO: And I think you said the Price List Contract there's requirements that they have.

MR. INABA: Yeah, so it's all part of that.

CHR. HIRAKAMI: Okay, any other discussion? All in favor of accepting this Lease from Xerox say "aye."

**ACTION**: There being no further discussion. Motion was carried unanimously by voice vote. Mr. Lopez and Mr. Unger were absent.

#### D. POWER COST CHARGE ADJUSTMENT CRITERIA

For discussion and possible action.

CHR. HIRAKAMI: Is there any testimony for this item? Seeing none. I would now open it up to Candace. Is this you or is this Warren?

MR. OKAMOTO: I'll start it off and then Candace will fill in.

MR. OKAMOTO: This should have been bcc'd email to you folks, was the worksheet. Hopefully, you folks have that with you. So basically—the last discussion might have been a little bit confusing. I was confused last month when we were starting to talk about it.

Warren and Candace actually ran some numbers, some different scenarios, and that kind of paints the picture. I don't know if you recall, but originally—well, right now our Power Cost Charge is a very simple formula, right, how much power we use, how much thousands of gallons we pump. What we don't incorporate into the current formula is the overage, I don't know what the right word is, how much over or short we are by the time we implement it, so we're always lagging and we either, for some reason it looks like we're always on the short end of the stick, which I know was some of the concerns. So, Candace came up with another formula to include the shortage or the overage.

In addition to that, we looked at different frequency, intervals, of doing the evaluation, as well as—I think we talked about thresholds, either a percentage or an actual amount, up or down, before we bring it to the Board for evaluation. So that's what was evaluated, that's the different scenarios, I believe. From memory, five or six scenarios that's before you, five. It shows you that the new formula at a four-month interval—

MR. NEY: Gives the best results.

MR. OKAMOTO: Gives best results, which I believe is Option 3. What it looks like is, we'll propose to the Board that we change our formula, and we just do it every four months regardless of the amount, and that way we don't have this ambiguity. I guess it could be considered a little bit arbitrary if we set an amount without a basis; but if we do it just it every time, every four months, with the new formula, bring

it to the Board for action, I think it's a little bit more straight-forward. The numbers appear to show that it will put us in a better position. And any hard questions, Candace is ready.

CHR. HIRAKAMI: The comparison that I use, back when it was a dollar and something, eight-five cents, five cents was a bigger percentage of when it's \$3.00 a unit, so that five cents is now—becomes a less percentage, So can we make it so that—especially on the way up I think we want to be really agile because we want to keep up with the prices.

I think at gas stations for instance, they're really fast to go up. Like they'll change it like every day. You see, "Oh wow, yesterday was \$4.30, today it's \$4.50. And then on their way down, they're pretty retarded, they're really slow, because they got gas in their tanks that are worth more. They're paying more for it, so they're slow to recover it because they said, "We've got to recover our cost from the gas in the tank." So how can we kind of equate that kind of thinking to our Power Cost Charges?

MR. OKAMOTO: Sheri? So again, I'm concerned about the optics to that. I hear what you're saying.

MS. TAVARES: Well, first of all, the County is not a private entity, and therefore the County is not being forward into just be fluctuating its prices without having an open discussion about it beforehand, where the community has an opportunity to come and give their community. So they cannot compare those two scenarios. Although, I understand what your example is, the County does not have the ability to do that.

CHR. HIRAKAMI: Yeah, of course we will go through public hearings, but it's that thinking that—you know, the same scenario, like we paid for it. Because our billing is for two months, a lot can happen in two months, especially when prices are rising because they rise pretty fast, and fuel doesn't drop as fast. Electric costs kind of don't drop as fast. So I think that—I don't know what it is, there just needs to be a public way of doing it without injuring the accounts.

But unlike other county agencies, we're fiscally responsible, and we have to keep viable to keep on doing it. So we have to think a little bit more business-like than just an agency, public agency, "Okay, taxpayer's money. This is more like a fiscal responsibility, and that's why we're thinking like this.

MR. OKAMOTO: I hear what you're saying, I hear what Sheri is saying, so again, I'm concerned about the optics. Without basis, if we did the same thing, going up and coming down, the optics are quite clear. You're applying the same threshold moving up as you are moving down. But if we just use it as, oh we've got to recoup our money, so we're going to be a little bit slower coming down without some kind of basis for that, I think we could potentially get in trouble.

But what Candace tried to do to kind of compensate for that was include that additional overage or shortage in the equation, which will bring us more whole or closer to I think what we're all trying to accomplish, with including that in the equation to calculate the Power Cost Charge.

CHR. HIRAKAMI: So now that utility prices are kind of coming down now, four months would benefit us. But wouldn't it hurt us if in the time—if you look back to, in your history, if you look at the period between May and March 2023, with that one-year period, between March (2022) and March 2023, it went from \$2.00 to \$3.00. During that period of steeply rising costs, wouldn't it hurt us to be at four months rather than two months?

MR. OKAMOTO: Gut feeling that's what I thought. But if you look at Table 2, which included that longer-term calculation with the fluctuations, both up and down in the Power Cost Charge. If you look at the total sum, that yields at the best results if we did it every four months. We tried to do that same



calculation, which was Option No. 2, at a two-month interval, and we were almost twice as bad, which was kind of shocking to me.

CHR. HIRAKAMI: Yeah, it doesn't seem the best for our County.

MR. OKAMOTO: Weird yeah? It's totally anti-contrary, I don't know what the word is, but it goes against my train of thought. I think that was what Warren was trying to describe at last month's meeting, but it wasn't kind of coming out that way. But he's the one that did most of these calculations, so he made it fit what he was trying to explain last month. It turns out what he was saying last month was because I think of his knowledge of this.

CHR. HIRAKAMI: And this was going back on the past history?

MR. OKAMOTO: Yes, it went back almost two years.

CHR. HIRAKAMI: It's hard to debate the number without seeing the details on how you arrive at that number, and it would be pretty hard to—but I'm just logically—I'm thinking that it would benefit us now, four months. Can we change it? Are we saying because of—historically it's been two months, yeah, we've been able to do it in two months the Power Cost Charge, so this something totally new if we try the four months?

MR. OKAMOTO: What we can do is we can still calculate it. We can still run the numbers ever two months. I think it's just procedurally—our proposal is to procedurally just bring it to the Board every four months regardless of up or down amounts, percentage, or dollar amount. We just bring it to the Board every four months to do the public hearing and the Power Cost adjustment. You know, one time it might be just a penny, but other times it might be ten, fifteen cents, we don't know. But it looks like evaluating over the past, almost two years, that that scenario yield at the best results.

MR. NEY: In the past, you guys never did amount it to see like where you guys stood on what expenditure was and what actual pass-through cost was to see if—basically achieve—basically (INAUDIBLE) all this thing, a profit or loss to us, and that's the way it should be. But in the past, has there been that, I guess, accountability, you know, we're keeping track of that. It seems like it got away for a while and then we had that debt write-off that we had to—

MR. OKAMOTO: Well, we kept track of it every two months, but we didn't really come up with an evaluation of various scenarios till now.

MR. NEY: Because this Power Cost is just aggregating the usage of pumps only, or energy costs associated with pumpage. Not total energy meters aggregated, correct?

MS. GRAY: It does include,

MR. OKAMOTO: It does include?

MS. GRAY: Yes.

MR. OKAMOTO: So even the power for these buildings, it includes that?

MS. GRAY: It includes all consumption we've billed to our customers.

MR. OKAMOTO: Okay, but the cost for power that we're including in the equation, is it all our electrical power or is it just for the pumping power?

MS. GRAY: It is all of our electrical power. But as far consumption, it's based on what we bill to the customers.

MR. OKAMOTO: It's a simple formula now. What we're proposing to change it to is to add that other component, from the last Power Cost Adjustment, how much are we short by, or if we gained, how much did we gain?

MR. NEY: This actually is to control, to reconcile it.

MR. OKAMOTO: To get it closer. It's never going to be perfect.

CHR. HIRAKAMI: So the billing, is it done by meter, or do we get one bill for the all of the department electric use?

MR. OKAMOTO: By meter. We have probably—

CHR. HIRAKAMI: So each pump station has their own meter, so we could actually tell how much each well site is using?

MR. OKAMOTO: Possibly couple meters per pump station. It's all Hawaiian Electric meters.

CHR. HIRAKAMI: So we've got a hundred bills a month from Hawaiian Electric. +

MR. OKAMOTO: Quite a bit. I don't know about the total amount. I know we have about 70 well sites. I don't know, a couple hundred booster stations, plus our facilities. Yeah, and if power is going to them, they have a HECO meter.

CHR. HIRAKAMI: And we certainly would like to support the department in calculating this. If there's anybody that wants to entertain the motion that we adopt Option 3, which would turn the billing cycle to a four-month cycle they can, if not, it stays at the current cycle, right?

MS. TAVARES: Do you need a motion on this or is this just a reporting item?

MR. OKAMOTO: Yeah, it's for discussion and possible action. I would think we would need formal action to adopt it as our new calculation, just for the sake of transparency for the public so they know what we're doing here. Would we need a public hearing to change the equation, Sheri, or just when we change the rates?

MS. TAVARES: Not to change the equation.

MR. OKAMOTO: Okay.

MS. TAVARES: But it would have to be agendized if this is what it's going to be.

MR. OKAMOTO: Okay. I guess after this discussion, what we can do—and you folks can still contemplate it for the next time it appears on the agenda. So we'll put it on the agenda for next month to adopt a revised Power Cost Charge calculation.

MR. BROWN: And it'll have your recommendation of (INAUDIBLE).

MR. OKAMOTO: And we'll probably resend this to support our recommendation that we change to Option 3. So you folks will have additional time to review it, and if something else comes up that you think should be considered, can be part of next month's discussion.

MR. BROWN: So then if it passes next month, what then?

MR. OKAMOTO: Then we can move forward.

CHR. HIRAKAMI: So Candace, is it really complicated to come up with these single numbers for Option 1, \$102,381 in the positive; \$1,158,693, in the negative? Is it really complicated to show the calculation behind these figures here that we see in this chart?

MR. UYEHARA: No, we have them actually. That's what Warren worked hard with Candace. She did all the spreadsheets and accounts for each.

MS. GRAY: Actually, Warren went through maybe eight years for the data.

MR. UYEHARA: Evaluate it.

MS. GRAY: Yeah, with all the different options. He spent a lot of time.

CHR. HIRAKAMI: But for some of us that are interested in the numbers for recovery time. It would be really interesting to see these calculations because I know a lot of work went into it, but we're just single line item and just some numbers to make a real judgment. But if you see all the work and all the calculations and say, "Oh, that's how he came up with that number," and it would validate—

MR. UYEHARA: We could prep it for next month's meeting.

CHR. HIRAKAMI: If it's already there.

MR. UYEHARA: It is

MR. OKAMOTO: What we can do is we can bcc—we can do it right after this meeting.

CHR. HIRAKAMI: Just before the next meeting so we can get an idea what the recommendation is based on. That would be good just to see the—

MR. OKAMOTO: Can see the raw spreadsheet.

CHR. HIRAKAMI: Yeah, can see the raw data. This doesn't show the eight years, all the work, and everything like that. I'm just curious, that's all.

MR. UYEHARA: We went into detail for the percents and the amounts. We went one percent, two percent, three percent to ten percent. On the cents side, we went up two cents up to fifteen cents.

CHR. HIRAKAMI: It's really good. If he did all that work, that would be really good information to prepare us for that—because certainly, we want to support the recovery operations, and we don't want to come out in the red. The possible solution is to see that and adjust it and give it a try. Thank you for that discussion.

MR. OKAMOTO: Thank you, guys.

CHR. HIRAKAMI: And possibly I can—will show up on next month’s agenda.

MR. OKAMOTO: Next month’s, yeah.

CHR. HIRAKAMI: Now we have Employment Contract for Operations Division.

E. EMPLOYMENT CONTRACT FOR OPERATIONS DIVISION

*Chair: Is there any testimony for this item?*

Due to the shortage of staff and recruitment efforts for the Water Treatment Plant Operator II, the Department wishes to execute an employment contract for assistance.

**RECOMMENDATION**: It is recommended that the Water Board approve this contract subject to the approval of the Corporation Counsel and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract.

CHR. HIRAKAMI: Because it’s not really imminent right now, I’m going to change the Motion. I’m going to ask for a Motion to the Water Board to approve the Water Department entering into a contract subject to the approval of the Corporation Counsel. Although they’re not ready right now, this gives them the ability to enter into a contract without coming back to the Board because this might happen next week, next month. So before the next meeting, this will give them the department the ability to enter into a contract subject to the approval by the Corp. Counsel. Do I have a motion?

**MOTION**: Mr. Kekela moved to recommend that the Water Department entering into a contract subject to the approval of the Corporation Counsel. Seconded by Ms. Keolanui.

CHR. HIRAKAMI: Discussion, Keith?

MR. OKAMOTO: Yeah, I don’t know if it’s—maybe I’ll lean on Sheri for this. Thank you, Mr. Chair, for your consideration. It changes our recommendation from what’s listed on the agenda, so I don’t know if it’s going to need a separate motion, Sheri. But basically, it revises our recommendation to what it stated to, “It is recommended that the Water Board approve an employment contract.” How it’s written now is like we gave you the sample contract already for you to review, which we weren’t ready to do yet.

But what I do want to thank the Chair for is proposing to do it this way because there is a definite need. There is an extreme shortage of this position in the State, not to mention I think nationally, for somebody to hold this type of certification to run a Drinking Water Treatment Plant. We’ve already inquired within the State if there are even private entities to do this type of work. We’ve had recruitment. We’ve had internal recruitment, open recruitment, and we have not been successful in filling the position. This gives us an additional opportunity should something—a person appear that could fill the role, we can act quickly. So thank you, Mr. Chair, for proposing this change. Any other questions we have, Greg is very knowledgeable of the situation as is Kurt and Kawika.

MR. NEY: How long does the contract do you guys typically—?

MR. OKAMOTO: This typically is an 89-day contract.

MR. NEY: In regards to worker's compensation, I mean, they're not Collective Bargaining, they're not going to get any benefits. You guys calculate the wages, that take into account that the wage might be a little bit higher before those circumstances?

MR. OKAMOTO: Yes, exactly.

MR. BROWN: Have you checked with former employees?

MR. OKAMOTO: Yes, as a matter of fact, that's something that we're looking into also. We cannot discuss specific personnel matters, but we're looking at that too. They don't live here anymore, some of them. Yes, there are a lot of issues and things to overcome. But we're trying to find—whatever options are available, we're going to look at.

MR. NEY: Is there any out-of-state companies that contract these services? I mean like we've got traveling nurses coming into the State. There are a lot of needs that need to be plugged in their state, personnel, but have we looked further in regards to—?

MR. OKAMOTO: I don't know if we looked out for private consulting out-of-state. We know that they would need to carry their certification in-state, so we primarily looked at companies that we do know, at least do some kind of water system operations and maintenance, we are aware of those private companies within the state because they've got to carry that license certification, we explored that. We haven't gone out of state yet.

CHR. HIRAKAMI: What the real purpose is, is to fill the position permanently for the Water Treatment Plant Operator II, but this is giving them the authority to put in somebody temporary until that position is filled, or that person might be able to qualify too, until the position is open.

MR. OKAMOTO: Yeah, it's kind of a stop-gap measure at this point. So how employment contracts work is you really cannot hire somebody to do the job of a civil servant. We have somebody on staff now, but we only have one person, and she doesn't currently carry the certification needed to oversee the plant operations, so we need to bring in somebody to at least train her to do that because we don't have anybody on staff that can do that right now.

MR. GOODALE: We do have one person that is eligible.

MR. OKAMOTO: That's personnel matters that we don't want to discuss in a public forum.

MR. GOODALE: Okay, but I just wanted to—that we—

MR. NEY: Is there a possibility that we could cover the cost of assisting employees in getting the license?

MR. OKAMOTO: Yes, so that's what we're trying to do. So we've actually even gone as far as, you know, all with working within the confines the DHR (Department of Human Resources), their requirements and compliance with the laws and whatnot, is that—we're able to even downgrade positions so that people can qualify, and then as they work in that position and gain expertise, now they're employed by us and gaining experience to allow them to qualify for promotional opportunities and things like that. So, that's training on the job as well as providing out-source training that we provide.

MR. NEY: We still have to look at the criteria, and what the license requires in terms of time.

MR. OKAMOTO: You need years of experience.

MR. NEY: That's kind of a niche category of license, not a real broad—good luck.

MR. OKAMOTO: Thank you. This will help us.

CHR. HIRAKAMI: So we need to—like to pass this motion.

MR. BROWN: I'm also working with HR on that Tuition Reimbursement Committee, for employees. They can, whether it's correspondence, or at the UH or HCC, correspondence classes from mainland universities—it's not all education, a lot of it is training and certifications. They should apply. HR has I think it's close to half a million (\$500,000) coming out this next fiscal year.

MR. OKAMOTO: Yeah, they bumped it up.

MR. BROWN: Yeah, \$15,000 a year. That's an option, I'm not sure.

MR. OKAMOTO: We'll pay for the training. There are other organizations that provide specific training for treatment plant operators distribution system. Those are not college degrees. You have to kind of take a test. You have to kind of study on your own, but organizations do provide training for that. I'm not aware of any college programs to assist with—

MR. BROWN: Just has to be an educational program. Doesn't have to be college because some are not like traditional educational universities.

MR. OKAMOTO: So the tuition reimbursement could qualify for compensation for training?

MR. BROWN: Yeah, as long it improves the employee skills to let them do their job better.

MR. OKAMOTO: Okay. Yes, that's good to know.

CHR. HIRAKAMI: So to clarify, the motion is to allow the department to enter into a temporary employment contract to fill this position, the Water Treatment Plant Operator II. Is that clear?

MS. TAVARES: Yes, that's clear.

CHR. HIRAKAMI: It's giving the ability to enter into, not to execute a contract.

MR. OKAMOTO: Just to be—technically just more clarification, I would propose that our recommendation be revised to state, "It is recommended that the Water Board approve an employment contract subject to the approval of the Corporation Counsel and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract.

CHR. HIRAKAMI: Great motion. Everybody understand? Okay, so all in favor of the motion say "aye."

**ACTION**: There being no further discussion. The motion to approve the recommendation that the Water Board approve an employment contract subject to the approval of the Corporation Counsel and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract was carried unanimously by voice vote. Mr. Lopez and Mr. Unger were absent.

CHR. HIRAKAMI: Motion passed. Thank you, Keith, for clarifying that. Moving on to Item F, Monthly Progress Report.

F. MONTHLY PROGRESS REPORT:

*Chair: Is there any testimony for this item?*

Submission of Progress Report of Projects by the Department. Department personnel will be available to respond to questions by the Board regarding the status/progress of any project.

MR. INABA: Just wanted to report, so going down the list, for Kīlauea and Keawe Street, the contractor has started to install the pipeline. It's all going forward, ready for that. I guess one block, right now, needs to do the testing and chlorination. They'll liven up that section and continue installing on the next block.

MS. HUGO: I don't understand the "done under force account."

MR. INABA: Oh sorry, it's just a term for contracts that we use when there's no like contract amount right now, there wasn't a bid price. We are doing it—it's basically time and materials, think of it that way, actual cost for materials and time, plus a fixed overhead cost for the contractor.

MR. OKAMOTO: Since it wasn't clear exactly what the work was going to need to be done, so "force account" is you account for all the personnel needs; so you have a laborer, you might have a mason, you might have an equipment operator, so you're paying for them at their rate for whatever hours they work; you're paying for whatever material is used for the work; you're paying for equipment, whether it be rental. We have other ways to calculate daily rates for equipment, and then you tack on probably overhead and profit.

MR. INABA: Like 20 percent, and then you also pay the taxes and insurance.

MR. OKAMOTO: And insurance, right.

MR. NEY: Cost plus, yeah?

MR. OKAMOTO: Yes, basically. Your time and material, cost-plus. Yeah, different terminology.

MR. INABA: So a little bit more intensive part for us is to make sure that they're doing their work as efficiently as possible.

MR. OKAMOTO: Yes, and that they're charging the right people to do our work, right?

MR. INABA: Yeah.

MR. OKAMOTO: We don't want somebody doing something off on the side that might not be related to the waterline portion. So, we have an inspector on the job.

MR. NEY: How's Parker Ranch doing because that's kind of back for a while? We got the acquisition, right, the property?

MR. INABA: Yeah, so we're moving on that one there. The Purchase and Sale Agreement and the Construction Right of Entry were executed. We are. Right now the contractor—now that we have all of this Right of Entry, the owner gets to sign off on the permitting documents. They're uploading into the permitting process. Actual construction work is likely to begin at the beginning of next year.

MR. NEY: Is there a clause in our contracts that voids the contract if we don't on our end get our ducks in a row to get the project going? I mean, we're not doing (INAUDIBLE) projects, but we'll go, "Hey, we void the contract." If things don't get rolling within a certain timeframe because of your delay, we can't guarantee prices hold where they're at, those kinds of matters.

MR. INABA: There are some termination clauses in our contracts, and I believe one of them is for convenience.

MR. NEY: Because my concern is they're going to come back and go, "Hey you know what, boy we thought we were going to kick this thing off last year, and shoot, this went up 20 percent."

MR. INABA: So we are going to evaluate any price escalation request.

MR. OKAMOTO: We're expecting that. It's only fair.

MR. NEY: That's stipulated that the inflation increases if it's our delay, that we are going to make up that difference.

MR. INABA: Yeah.

MR. NEY: Okay. Because that's substantial when you're talking a large number like this, huh?

MR. OKAMOTO: Yep.

CHR. HIRAKAMI: Is there going to be a formal groundbreaking ceremony?

MR. OKAMOTO: Yes.

MR. INABA: Yes, basically we're looking at November, hopefully that timeframe.

CHR. HIRAKAMI: So you can invite up to two members of the Board.

MR. OKAMOTO: We'll send the invite. Well, we can discuss it with Corp. Counsel if more members want to attend. Might have to be agendaized and public notice, and things like that. We'd like to offer that opportunity. We have no problem with agendaizing something, putting out notice because we don't do it that often. I think it would be awesome if you guys wanted to attend. To me, it's a significant project, not just for us but meeting the State's renewable energy goals and things like that. It checks a couple of boxes.

CHR. HIRAKAMI: So we are going to be the first utility using renewable energy?

MR. OKAMOTO: I don't know if the first utility.

CHR. HIRAKAMI: First water utility.

MR. OKAMOTO: We might be, in the State, to do what we're doing with this.



MR. NEY: Just to give you some background, just was like a year and a half ago, meeting in my district and the Chair, it might have been David at that time, I'm not sure, we're going to go attend, and then it's like, "Oh, there are some issues."

MR. OKAMOTO: It was a little over a year ago. It was planned for August 2022.

CHR. HIRAKAMI: Well, it's been on our agenda a lot and it's been discussed, so looking forward to that groundbreaking so that we can plan to attend. Back to you, Kurt.

MR. INABA: Alrighty, maybe you can go back to Puakō, the contractor is scheduled to get out there next week. They're actually out there setting up their baseyard, and the materials are staged outside. They're kind of staking out right now.

CHR. HIRAKAMI: What kind of concerns were raised at the community meeting?

MR. INABA: There are just a handful I think of members out there that are concerned because they have some items in the shoulder, putting things in the right-of-way which may impact it, and may not be our part of it, but what may be coming later is when Public Works do their job. We're just saying when we do our job, we need to make sure we can do it safely, which may mean we need to utilize some of the shoulder area. Some of them had put—even there are planted things on the shoulder that may need to be cleared. It's within the right-of-way, though.

MR. NEY: What about tidal water issues, because we're down right now, the ocean side, and get some holes that were excavated on this project and get tidal water in there. Get a cesspool like 20 feet going from (INAUDIBLE). I'm like, "Don't step in the water," it's like pretty high in bacteria. But when are you guys anticipating? Is that going to be an issue excavating down there?

MR. INABA: It will be in specific locations. The contractor has kind of gone down there during the king tides and kind of identified those areas. Work would likely have to be done around those issues. With the extreme highs, you also get extreme lows.

MR. NEY: What about contaminate liability issues, like making sure this is done in a way that it doesn't contaminate where they install?

MR. OKAMOTO: Part of every pipeline installation is a chlorination and disinfection procedure, that we confirm before we activate it and put it into service.

MR. NEY: Have to be free of bacteria.

MR. INABA: Pohoiki and Kapoho Project, there's going to be a town hall meeting out there tonight with the Mayor, and I know a lot of the questions will be coming up about this project because it's a road back to Pohoiki as well as if we can put our waterline back there.

We learned yesterday that there are some significant comments that FEMA prepared—significant, that was received from the draft EA, so they're working on addressing those. They, right now, can't really give us a timeline on what that—I guess we do a determination of those comments in front of you. But from the original people reviewing it, it's being to be significant also. It was sent to headquarters, basically, to take a look at.

CHR. HIRAKAMI: Is any of that mainline that was put in, is any of that usable?

MR. INABA: No, it's not. When you hear of water quality concerns, cannot drink in Maui from the fire, so I kind of look at this as similar, it's kind of worse.

CHR. HIRAKAMI: Yeah, so it's going to be all brand new?

MR. INABA: Yeah.

CHR. HIRAKAMI: So it's going to follow the old road up to that new hundred-foot wide corridor adjacent to the mango road? Because under the protection of the mango trees they're not going to interfere with that?

MR. INABA: Yes, this is going to go along the new alignment.

CHR. HIRAKAMI: Yes, but some of the upper part is going to follow the old road.

MR. OKAMOTO: Yes. So again, that's the current plan, but we cannot finalize the plan until the EA is clear. The unfortunate part is what Kurt was basically describing, is there is no timeframe for when that's going to be. Conceptually, for the waterline it's quite simple. We're going to follow the road alignment. Wherever that road ends up is where the waterline will be; but figuring out where exactly where that is, again, hinges upon the outcome of the Environmental Assessment.

CHR. HIRAKAMI: So they did the EA, they finished the EA in June, for finishing up the harbor. Seems like the cart before the horse because they've got to do that access to get all the machinery down to drench the harbor. It's kind of like the road should have been first consideration.

MR. INABA: Yeah, that's a state project, so kind of a separate entity.

MR. INABA: It was the intent. We tried to coordinate as best as we could.

CHR. HIRAKAMI: Okay, thank you.

MR. OKAMOTO: Okay, anybody else have any other questions or updates on a particular project? All right, thanks, Kurt.

CHR. HIRAKAMI: Moving on to Item G.

#### G. REVIEW OF MONTHLY FINANCIAL STATEMENTS

*Chair: Is there any testimony for this item?*

Submission of financial statements and information relating to the financial status of the Department. Department personnel will be available to respond to questions by the Board relating to the financial status of the Department.

(Note: At this time, Ms. Gray gave a brief overview of the Monthly Financial Statements for August 2023.)

MR. NEY: For potential government shutdown (INAUDIBLE) for reimbursements and stuff, they haven't approved the budget, huh, so they might shut down the non-essential on the federal side. Does that affect any component of this, that we get money from feds or reimbursements, stuff of that nature?

We're going to start worrying about the FEMA stuff on money because of it, that's the only reason I asked.

MR. OKAMOTO: We're not anticipating any major impacts. I mean, if it's prolonged for like a long period of time.

MR. NEY: Can't see it would go long, too long.

MS. GRAY: Normally, most of our federal funds is just—well right now it's FEMA and USDA funds.

MR. OKAMOTO: Those are kind of typically set aside already, yeah?

MS. GRAY: It is obligated.

MR. OKAMOTO: Typically we spend it, and we ask for reimbursement, so it would be like, okay, well if anything, might—like in the reimbursement time, I don't know.

MR. NEY: I mean, I don't think this thing's been going on long because it's so detrimental to the County if we let this issue ride out. I think it did happen once though, for like 30 days or something.

MS. GRAY: As far our operating budget, it doesn't.

MR. NEY: It doesn't? Okay.

CHR. HIRAKAMI: Okay, any other question for Candace? Thank you very much, Candace. We're moving on to Manager-Chief Engineer Report.

#### H. MANAGER-CHIEF ENGINEER'S REPORT

*Chair: Is there any testimony for this item?*

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

1. North Kona Wells
2. 2023 Hawai'i Water Works Association Conference – October 25-27, 2023

CHR. HIRAKAMI: Go ahead, Keith.

MR. OKAMOTO: All right, and as normal I'll turn it over to Kawika to give you an update on the Kona wells.

MR. UYEHARA: Okay, thank you. So for this month, we have nine of our fourteen North Kona wells operating, As mentioned last month and just to reiterate, Hualālai well got back online last month. The five that are offline again are Palani, Honōkohau, Keōpū, Wai'aha, and Mākālei. So Palani, the repair schedule is anticipated at the end of October through Derricks; Keōpū is the next one, end of November this year; and Honokōhau, we have a completion date of December 25<sup>th</sup> of this year. So a letter to Wai'aha, Corp. Counsel is working on that one. Mākālei, it's still back with the developer, and we gave them information on the specifications, and they're working on ordering the pump and motor. If there are any questions?

MR. NEY: Is there any way that we can get a, maybe if it's not too much to ask for, like a picture showing all the well sites? Just for reference, just so it makes it a little more understanding.

MR. OKAMOTO: Yeah, can do, for sure. We've been doing this for so long, we just kind of assume. Good point.

MR. NEY: Especially Kona, I mean there's like 50 wells.

MR. OKAMOTO: But the location does play into the situation. Good point. Anybody have questions for Kawika on the well situation? We'll continue to work and continue to try and implement the strategies that we've come up through the Permitted Interaction Group findings as well as even implementing additional things like we brought up in the past: slimline motors, trying to standardize even the voltage on our motors. We'll continue to try and get better, I guess is what I'm trying to say.

MR. NEY: Does Kona got the most density of well sites in terms of what the Water Department has?

MR. OKAMOTO: I think so. It's got the most, period.

MR. NEY: Such is because of topographical issues with the construction up there, that we run so many well sites.

MR. OKAMOTO: Just some background, so originally the sources were the base of sources, right, the ones tapping the freshwater lens floating on salt water.

MR. NEY: Right.

MR. OKAMOTO: The state had given us the Kahalu'u shaft, and it was anticipated that it would produce 10 million gallons a day of potable water. So as time went on—the system was designed and built with the source down at that low elevation, right, so your bigger pipes, your bigger storage are lower, and then you boost as you need up mauka, so the infrastructure got smaller as you went mauka. But then we found out that that source was not capable of 10 million gallons a day because of the chloride. So fortunately for us in the 80's, that high-level source was discovered, all above that Old Māmalahoa Highway up mauka. Better quality doesn't show a direct interface with salt water and things like that. Higher quality. The downside was a lot deeper, so the pumping requirements are a lot more, but we decided to invest in that because of the water quality issue. So now we had to upsize our infrastructure to put the big stuff up mauka.

MR. NEY: It's like the strategy shifted.

MR. OKAMOTO: Yeah, infrastructure shift. So that's part of the reason why we have a lot of sources is because we have about—shaft, we have four Kahalu'u wells, Hōlualoa well, and Māklāei well. Have our sources in Kona are basal, and the other half are high-level.

MR. NEY: Are we to decommission some of this or keep them as redundant sites?

MR. OKAMOTO: Yeah, so what we want to do is reduce our reliance on the basal and shift more to the high-level sources; but because of the repair issues with the high-level, we still need to retain those basal sources to supply the region with water. It meets all the potable water standards. Chloride and saltiness are an aesthetic standard, primarily, and of course you don't want to get it too high because then you're talking about the overall health of the aquifer. You don't want to over pump the aquifer. So, those are all the things we're trying to balance, and this is why we have this on our Monthly Report to the Board.

MR. NEY: I was just curious. It wasn't by design that Kona's laid out that way. You guys had to kind of deal with a different strategy at some point. Okay, I was just curious because why does Kona got all these wells.

MR. OKAMOTO: And the pivot wasn't a 10-degree pivot, it was like a 90-degree pivot, or 180-degree pivot, right?

MR. NEY: Right.

MR. OKAMOTO: From sources here boost up to, oh now we've got to put sources here and gravity flow down.

MR. NEY: That's interesting. Thanks for that.

MR. OKAMOTO: Good question, though. All right, Item No. 2, Hawai'i Water Works Association Conference. So we did want to update the Board that it is coming up October 25 through 27. We have four of you registered. The Board Members attending are Chair Steve, Vice Chair Kawena, Board Member Ben Ney, and Board Member Julie Hugo. If you have any other questions—I think the rooms are booked for you folks also, registration is taken care of, so don't forget to show up. We'll provide the information to all registrants.

MR. UYEHARA: Yeah, we'll try to provide a packet or something, regarding per diem or/and hotel reservation conference reservation.

CHR. HIRAKAMI: So, it's where? It's on this island, right?

MR. OKAMOTO: Yes, this island. We're hosting it, and it's at the Mauna Lani Auberge. Nice menu. Should be a terrific conference. First time, again like a lot of things since COVID, that we're having this conference. This typically rotates to different counties, so next year it will be someplace else.

CHR. HIRAKAMI: Wow, that's pretty extravagant, Mauna Lani.

MR. OKAMOTO: It will be on Kaua'i.

MR. UYEHARA: It's in about a month, the conference. We had actually over 100, probably, conference registrants already, so it's pretty well—

MR. OKAMOTO: 130?

MR. UYEHARA: Yeah, 100-plus. There's a technical programs with at least 20-plus speaker slots, presentations. The morning would be a general format, one speaker to the entire conference participants, and then in the afternoon you would go to one session with these topics or another optional session of different topics. So, should be good.

MR. OKAMOTO: Yes, we're looking forward to it. There's a lot of work, and we don't have conference staff, right, so it's some people in this room. It's a lot of work to put on a conference, but I think it's worthwhile, and hopefully the folks that attend will enjoy it. For those who don't attend this one, there will be opportunities to attend future ones. That's all I have for my report, Mr. Chair.

CHR. HIRAKAMI: All right, very good. So it comes to my section, Item I.

## I. CHAIRPERSON'S REPORT

Chairperson to report on matters of interest to the Board.

CHR. HIRAKAMI: I have no questions and a report. I just noticed that the Governor released \$1.5 million for the whole well and 600K reservoir. One of the questions, how do they do it—so the cost—because I know if the County of Hawai'i would put in a well and a 600K reservoir it would cost well over \$1.5 million. I understand it's the State's prerogative to do it. Now the question, how does that tie into our County system? Potable water, would it be treated? It's untreated, basically?

MR. OKAMOTO: What might be more appropriate because I think I see Sheri being a little bit nervous. I mean, we can include that as an agenda item. I don't have all the details, but my limited understanding, it's not going to tie into our system. Ag well, yeah. We might want to agendize it. But we can talk story on the side, just one on one.

CHR. HIRAKAMI: Also, I noticed that today's paper has a really comprehensive design on wastewater over the next 20-something years. I think its due date is 2052 I think is that date. They're going to start putting out contracts in a couple of years, in 2026, and do six projects. I just wanted to know that I think the Water Department should have something to say that because of these objects they're going to be installing sewer rights, and no sense they dig the sewer line and then we come after they repaved it and everything to put in a waterline. So I think the department should definitely study their plans and coordinate it to our water distribution.

There are six different options, and one option is to take everything from all the way up to Fern Forest, all the way down to HPP, and divert it to the Kea'au Treatment Plant. It's not a feasible option to me. Kea'au already cannot handle enough. I think the middle option would be that they're going to develop kinds of sectional treat plants. There's going to be miles and miles of sewage lines, and I think the department needs to kind of—at the same time, come up with a companion plan for its water distribution, and they were to take care of that. Because it makes no sense for one department to do it and the other department doesn't. So I want to see the department get along and coordinate with Wastewater to see actually which one is to be in sync with that, whatever they develop.

The Water Department isn't like our Wastewater, then we're not under a timeline. We don't have to convert all the cesspools over by 2052, but along that line, if we want to distribute water and save on the cost of doing it ourselves, I think it would behoove us to.

MS. TAVARES: You're talking about the Puna Plant?

CHR. HIRAKAMI: The Puna Plant, yes. It's in today's paper. I just wanted to let the people know that it would be very wise to coordinate the water with the wastewater plans.

MR. OKAMOTO: Coordinate.

MS. TAVARES: DEM (Department of Environmental Management) also has to figure out where they're going to get money from to do that.

CHR. HIRAKAMI: Anyway, going back to the Lāhainā thing, I think we need to be proactive. Now in Maui, they're coordinating the Water Department with the Emergency Management Department, with the Fire and Police Department, I think that kind of coordination before a disaster on this island would be wise to know where all the hydrants are, where the water meters are, and how we can coordinate that.

That needs to happen pre-disaster rather than after disaster because I think it would be wise to look at all those factors and see what role the Water Department plays in a disaster should it happen, rather than wait till after disaster strikes. I'd like to see that happen. I'll be happy to join in any kind of discussion or panel.

MR. OKAMOTO: There are several things already happening within our County, I think, proactive. I think in general our County is quite proactive in disaster preparedness. I'm the Chair of the Drought Council on our island, which includes Hawai'i Wildfire Management Organization, the Fire Department, and things like that, so we've had discussions for years. I think the Mayor has also put together a task force, specifically related to wildfire mitigation and things like that. We've also been invited to participate in. So yeah, good points, Mr. Chair. I want to assure both this Board and the public that we also feel that being proactive is a good thing, and we'll do our part for sure.

CHR. HIRAKAMI: Thank you very much. Bringing me to the Announcements.

9) **ANNOUNCEMENTS**

**Next Meeting:** October 24, 2023, 10:00 a.m., at the Department of Water Supply, Hilo Operations Baseyard, Hilo, Hawai'i.

10) **ADJOURNMENT**

(There was no Motion made to adjourn this meeting.)

CHR. HIRAKAMI: So, we'll see you all in the month, pretty sure. And if there's no other business, I will call this meeting adjourned.

(Meeting adjourned at 11:43 a.m.)

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Recording Secretary