

BOARD OF WATER SUPPLY

KURT AKAMINE CHAIR
JULIE SIMONTON, VICE CHAIR
TOM SHIGEMOTO, SECRETARY

MICAH FINNILA, MEMBER
LAWRENCE DILL, MEMBER
KA'AINA HULL, MEMBER
TROY TANIGAWA, MEMBER



JOSEPH E. TAIT
MANAGER AND CHIEF ENGINEER

REGULAR MONTHLY MEETING NOTICE AND AGENDA

Thursday, June 15, 2023
9:30 a.m. or shortly thereafter

Meetings of the Board of Water Supply, County of Kaua'i will be conducted in-person at the Department of Water Board Room, 2nd Floor located at 4398 Pua Loke Street, Lihue, Kauai, Hawaii, and remotely in accordance with Act 220, Session Laws of Hawai'i 2021 via interactive conference technology as follows:

Click on the link below to join on your computer or mobile app by VIDEO:

<https://us06web.zoom.us/j/85000094181>

Passcode: 310238

OR

Dial phone number and enter conference ID to call in and join by AUDIO:

Phone: 888 788 0099 US Toll-free

Phone Conference ID: 850 0009 4181

Please Note: If you do not provide a name, unique identifier, or alias when joining the meeting, you will be renamed to allow staff to address and manage individual guests.

In the event of a lost connection the Board will recess for up to 30 minutes to restore the connection. If the connection cannot be restored within 30 minutes, the Board will continue the meeting to 12:00 p.m. or shortly thereafter. If the visual link cannot be restored, the Board may reconvene with an audio-only link using the above dial-in phone number and conference ID. A lost connection only applies to remote connections provided as part of the remote meeting but does not apply to a public member being unable to access the meeting due to a connectivity issue on their end.

CALL TO ORDER

ROLL CALL

ANNOUNCEMENTS

Next Scheduled Meeting: Thursday, July 20, 2023 – 9:30 a.m.

APPROVAL OF AGENDA

MEETING MINUTES

1. Regular Board Meeting – May 19, 2023

PUBLIC TESTIMONY

NEW BUSINESS

1. Manager's Report No. 23-31 Discussion and Possible Action on the Fourth Change Order to Contract No. 688, Job No. 17-10, WP2020 KW-07, Paua Valley Tank No. 1 Rehabilitation Project, Kekaha, Kaua'i, Hawai'i with Earthworks Pacific, Inc. for additional construction funding in the amount of \$32,899.55.

STAFF REPORTS

1. Fiscal:
 - a. Updated Goals and Objectives
 - b. Monthly dashboard
 - c. Budget Report for May 2023
2. Operations – Monthly dashboard
3. Engineering – Monthly dashboard
4. Administration:
 - a. Monthly dashboard
 - b. Public Relations – updates on Public Notices & Announcements, Community Outreach & Education, and Upcoming Events
 - c. Human Resources – updates on Personnel Vacancies
 - d. Information Technology – updates on Corrective Action Plan
5. Manager and Chief Engineer – Required communications to the Board, and update of Department activities

TOPICS FOR NEXT BOARD OF WATER SUPPLY MEETING:

TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETING:

1. Water Systems Investment Plan Briefing (*July/August*)
2. CIP Update

EXECUTIVE SESSION:

Pursuant to Hawai'i Revised Statutes (HRS) §92-7(a), the Board may, when deemed necessary, hold an executive session on any agenda item without written public notice if the Executive Session was not anticipated in advance. Any such executive session shall be held pursuant to HRS §92-4 and shall be limited to those items described in HRS §92-5(a).

ADJOURNMENT

WRITTEN TESTIMONY

The Board is required to afford all interested persons an opportunity to present testimony on any agenda item. The Board encourages written testimony at least two (2) business days prior to a scheduled Board meeting. At each Board meeting, the Board will accept oral and written testimony on any agenda item during the Public Testimony portion.

Please include:

1. Your name and if applicable, your position/title and organization you are representing
2. The agenda item that you are providing comments on; and
3. Whether you are a registered lobbyist and, if so, on whose behalf you are appearing.

Send written testimony to:

Board of Water Supply, County of Kaua'i
C/O Administration
4398 Pua Loke Street
Līhu'e, Hawai'i 96766

E-Mail: board@kauaiwater.org

Phone: (808) 245-5406

Fax: (808) 245-5813

Public Testimony

You do not need to register to provide oral testimony on the day of the meeting. Please note that public testimony is taken after the approval of the meeting agenda to ensure public testimony is received before any action is taken on an agenda item. The length of time allocated to present oral testimony may be limited at the discretion of the chairperson.

SPECIAL ASSISTANCE

If you need an auxiliary aid/service or other accommodation due to a disability, or an interpreter for non-English speaking persons, please call (808) 245-5406 or email board@kauaiwater.org as soon as possible. Requests made as early as possible will allow adequate time to fulfil your request. Upon request, this notice is available in alternate formats such as large print, Braille, or electronic copy.

A horizontal splash of clear blue water with bubbles, positioned behind the text.

DRAFT

MINUTES

MINUTES
BOARD OF WATER SUPPLY
Friday May 19, 2023

The Board of Water Supply, County of Kaua'i, met in a regular meeting in Līhu'e on Friday, May 19, 2023. Chair Kurt Akamine called the meeting to order at 2:03 p.m. The following Board members were present:

BOARD:

Mr. Kurt Akamine, *Chair*
Ms. Julie Simonton, *Vice Chair*
Mr. Tom Shigemoto
Ms. Micah Finnila
Mr. Ka'aina Hull
Mr. Troy Tanigawa

EXCUSED:

Mr. Larry Dill

Quorum was achieved with **6** members present at Roll Call.

ANNOUNCEMENTS

Next Scheduled Meeting: Thursday, June 15, 2023

APPROVAL OF AGENDA

The agenda was approved with no objections.

APPROVAL OF MEETING MINUTES

1. Regular Board Meeting – April 20, 2023
2. Executive Session – April 20, 2023
3. Special Board Meeting – May 3, 2023
4. Finance Committee Meeting – May 8, 2023
5. Finance Committee Meeting – May 10, 2023
6. Finance Committee Meeting – May 11, 2023

The meeting minutes were approved with no objections.

PUBLIC TESTIMONY

CORRESPONDENCE

1. Letter from Council Vice-Chair Kipukai Kualii dated May 2, 2023 re: Council Committee of the Whole Briefing on State Water Policies scheduled for June 21, 2023

Correspondence Item 1. was received for the record.

COMMITTEE REPORTS

1. Report of the Finance Committee of the Board of Water Supply, County of Kauai Draft Budget for Fiscal Year 2023-2024

The Finance Committee Report was received for the record.

OLD BUSINESS

1. *Manager's Report No. 23-27*: Discussion and Possible Action to execute an annual Use and Occupancy Permit No. 874 between the State of Hawai'i and the Board of Water Supply, County of Kaua'i for non-trenching maintenance, inspection and other uses and activities

within the State Highway Right of Way, Kaua'i, Hawai'i. (*Deferred from April 20, 2023 regular meeting*)

Board member Simonton moved to approve Manager's Report No. 23-27, seconded by Mr. Shigemoto; with no objections, motion carried with 6 Ayes.

2. Discussion and Possible Action on Department of Water's DRAFT Operating and Capital Budgets for FY 2023-2024 (*referred to Finance Committee at May 3, 2023 Special Meeting*)

Board member Shigemoto moved to approve DOW's Draft Operating and Capital Budgets for FY 2023-2024, seconded by Mr. Tanigawa; with no objections, motion carried with 6 Ayes.

NEW BUSINESS

1. Discussion and Possible Adoption of Budget Resolution No. 23-09, Department of Water's Annual Operating and Capital Budgets for Fiscal Year (FY) 2023-2024

Board member Simonton moved to adopt Resolution No. 23-09, seconded by Mr. Shigemoto; with no objections, motion carried with 6 Ayes.

2. Discussion and possible action, including permitted interactions under HRS Ch. 92, Pt. I (Sunshine Law), on Correspondence item 1, Letter from Council Vice-Chair Kipukai Kualii dated May 2, 2023 re: Council Committee of the Whole Briefing on State Water Policies scheduled for June 21, 2023

Board member Shigemoto asked to clarify that in addition to the 2 board members that would be attending to represent the Department, another Board member would not be allowed to attend as a member of the public. Deputy County Attorney Mahealani Krafft explained that if it was not going to pertain to board business, all the members could attend. However, some of the items listed, such as the short- and long-term priorities, could delve into specific matters over which the Board has supervisory jurisdiction, which would be considered board business. Any discussion on something that can be considered board business that takes place outside a posted meeting would be a violation of Sunshine Law. Because of that, Ms. Krafft's recommendation is to keep it to 2 board members attending and keeping the discussion very general with no specifics and then providing a report to the full Board at the July meeting.

Board member Simonton moved to delegate 2 members of the Board for response to Council Vice-Chair's request, and attendance at the Council Committee of the Whole briefing re: State Water Policies scheduled for June 21, 2023 pursuant to HRS 92-2.5(e), and provide a report on matters presented and discussed at the July Board meeting, seconded by Mr. Tanigawa; with no objections, motion carried with 6 Ayes.

STAFF REPORTS

1. Public Relations Activities – updates on Public Notices & Announcements, Community Outreach & Education and Upcoming Events

Information and Education Specialist Jonell Kaohelaulii provided a summary of the PR Report submitted, highlighting the Annual Make-A-Splash water education festival scheduled for September 15, 2023. She shared that DOW hosted their first water station event of the year on May 6 at the Visitor Industry Charity Walk, where they provided chilled tap water in reusable

Department of Water bottles. Ms. Kaohelauii emphasized that participating in events like this where we serve our own drinking water is a crucial part of DOW's community outreach efforts which not only allows for engagement with residents and customers, but also enables us to instill good will in the quality of water we serve as well as customer service.

2. Fiscal

- a. Monthly dashboard
- b. Budget Report for April 2023

Waterworks Controller Renee Yadao thanked Anne Parrot for preparing the April recap while they were busy working on the budget. She provided a brief summary of the April report and noted that the dashboard was not prepared for this month, but the primary concern was the budget and now, her focus is on the fiscal vacancies. Ms. Yadao reported that she currently has 7 vacancies, 2 of which will be filled June 1 – a CSR I and Accountant IV. Her goal is to fill all but one before July and are actively recruiting; they will be interviewing for 2 Accountant II positions in the coming month.

3. Operations – Monthly service dashboard and highlights

Assistant Chief of Operations Ryan Smith provided a summary of the Operations Dashboard submitted highlighting that they have been actively getting staff refreshed and updated with their annual and current trainings. He noted that Water Plant Operators are now fully staffed, which is the first time that has happened in 12 years and that they are moving forward with selecting a Water Service Investigator, which they have a good candidate for and are excited about. Additionally, the automotive shop staff are all certified crane operators now. Mr. Smith noted a few changes made to the dashboard on the Monthly Water Audit chart that changed the non-revenue water numbers from percentages to gallons/connection, which follows AWWA standards. He also noted that the annual and monthly financial impacts are based off the total non-revenue water, of which one-third are due to leaks, hydrant flushing/hits that would not be recoverable revenue.

4. Engineering – Monthly Service dashboard and highlights

Acting Engineering Division Head Jason Kagimoto provided a summary of the Engineering dashboard submitted. He reported that they were able to internally fill the Program Support Technician position in Water Resources and Planning, which has been a big help. Regina Flores has hit the ground running in her position as Acting Water Resources and Planning head and has made a lot of changes which has been instrumental in keeping things up to date. They are looking to interview one of two Water Microbiologist vacancies and have scheduled interviews for the Civil Engineer V position under Construction Management. Mr. Kagimoto provided an update on the SRF loan for Kalaheo, noting that the initial discussion was for a \$3 million principal forgiveness, but they were recently informed that the executed loan has a \$5.2 million principal forgiveness. In total, \$15.4 million out of \$23 million will not be paid through our rate payers. Chair Akamine asked if DOW received a lot of Federal monies in the past to which Deputy Manager Hinazumi stated in the recent past, they have not leveraged their State and County dollars to gain Federal funding. Manager Tait stated that there is quite a bit of money available every year and will be a new initiative moving forward.

5. IT – Monthly Update

IT Manager Wayne Takabayashi was unable to attend the meeting. Deputy Manager Michael Hinazumi provided an update on his behalf noting that IT has been continuing to address deficiencies with physical equipment and appliance replacement and upgrades as well as cyber-security which continues to be a challenge among all water utilities. Primary focus has been on site security as well as infrastructure network security. They are currently working on getting professional services consulting contracts to assist the Department with upgrades, software updates and security issues. Mr. Hinazumi noted that the number of Help Desk tickets reported shows a low number, IT is continuing to encourage staff to submit tickets. The actual number of issues resolved is three times what is shown, mainly because Wayne and Scott are so easily accessible and accommodating.

Manager and Chief Engineer – Monthly service dashboard, update on monthly activities, personnel matters, and required communications to the Board

Manager Tait provided an overview of his Manager's Update. Board member Finnila mentioned that she did not see any links to our job openings on our website and asked if that is something that we would consider including. Information and Education Specialist Jonell Kaohelaulii stated that DOW is doing periodic updates of our Facebook page which lists our current open positions. Additionally, she has been working with our IT division as time permits to include an HR link that takes you straight to the County website where all the job listings are posted. They will continue to look for more ways to promote job opportunities. In response to Ms. Finnila Mr. Hinazumi stated all jurisdictions are advertising similarly; however, Kauai County is the only County not offering salaries on the range which has been a huge deterrent. There are candidates out there with many years of experience that would fill an SR class, but County HR only allow us to offer them the minimum range. In response to Mr. Shigemoto Manager Tait explained that DOW has attempted to propose alternate recruitment and hiring options to COK DHR, but were could not get them to agree. We were fortunate to acquire our current Waterworks Controller, but to attract and retain talent like her, we need to offer them a competitive edge which we are unable to do with the current process.

TOPICS FOR NEXT BOARD OF WATER SUPPLY MEETING: (June)

1. Report from Manager and Chief Engineer – Manager's DOW Performance Audit

TOPICS FOR FUTURE BOARD OF WATER SUPPLY MEETING

1. Water Systems Investment Plan Briefing (July)

EXECUTIVE SESSION:

Pursuant to Hawai'i Revised Statutes (HRS) §92-7(a), the Board may, when deemed necessary, hold an executive session on any agenda item without written public notice if the Executive Session was not anticipated in advance. Any such executive session shall be held pursuant to HRS §92-4 and shall be limited to those items described in HRS §92-5(a).

ADJOURNMENT

The meeting was adjourned at 2:57 p.m.

Respectfully submitted,

Cherisse Zaima
Commission Support Clerk

DRAFT

A dynamic splash of clear blue water with bubbles and ripples, set against a white background. The water appears to be moving from left to right, creating a sense of freshness and movement.

NEW

BUSINESS

DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve It!"

MANAGER'S REPORT No. 23-31

June 15, 2023

Re: Discussion and Possible Action on the Fourth Change Order to Contract No. 688, Job No. 17-10, WP2020 KW-07, Paua Valley Tank No. 1 Rehabilitation Project, Kekaha, Kaua'i, Hawai'i with Earthworks Pacific, Inc. for additional construction funding in the amount of \$32,899.55.

RECOMMENDATION:

It is recommended that the Board approve Change Order 4 for Contract No. 688 with Earthworks Pacific, Inc. for the subject project for additional construction funding in the amount of \$32,899.55.

FUNDING:

Account No.	10-21-00-604-171		
Acct Description	WU/Cons/Admin/Capital Outlay – R&R (Tank Remediation and Repair)		
Funds Available	<i>Verified by WWC</i>		\$2,000,000.00
Contract No.	688		
Vendor	Earthworks Pacific, Inc.		
	Contract Amount	\$2,264,750.00	
	5% Contingency	\$22,776.56	
	Change Order No. 1	\$0.00	
	Change Order No. 2	\$994,393.77	
	Change Order No. 3	\$248,329.67	
	Total Funds Certified To Date	\$3,530,250.00	
Change Order No. 4:			
	Description: Replace tank mid-wall joint	\$32,899.55	
	Total Change Order No. 4	\$32,899.55	<\$32,899.55>
	Contract Amount To Date	3,540,372.99	
	Fund Balance		\$1,967,100.45

Contract NTP Date: January 21, 2020

Original Contract End Date: April 20, 2021

New Contract End Date: May 17, 2024

BACKGROUND:

The original scope of the Paua Valley Tank No. 1 Rehabilitation Project was to address the cause of a leak in the tank and perform hazardous material testing. During this testing, it was determined that the tank's liner contained Polychlorinated Biphenyls (PCBs). The tank was then taken out of service by the DOW Operations Division. This project then added the mitigation of the PCBs and other hazardous materials such as lead paint in addition to fixing the leak(s) in the existing tank.

During the tank interior work, it was discovered that the tank's mid-level wall joint was not constructed with a typical water-stop construction joint connection. The mid-level wall joint was constructed and sealed with joint caulking material which requires removal and replacement. A proposal of \$32,899.55 was received to address the additional work required. The proposal was reviewed and deemed acceptable.

OPTIONS:

Option 1: Approve Manager's Report as recommended.

Pro: The tank's mid-level wall joint will be replaced to remove PCB contaminated material.

Con: Additional funding will be required.

Option 2: Do Not Approve Manager's Report as recommended.

Pro: Less funding will be expensed.

Con: The tank will not be able to be brought back online.

JK/ce

Attachment(s): Change Order No. 4



DEPARTMENT OF WATER
 COUNTY OF KAUAI

Water has no substitute.....Conserve it!

CONTRACT CHANGE ORDER

Project: KW-07 Rehabilitate Paua Valley Tank No. 1, 0.5 MG Concrete, Water Plan 2020 No.: 17-10, KW-07		Order No.	4
		Date:	5/19/2023
Project No. 17-10	Change Requested By: DOW	Contract No. 688	

To: Earthworks Pacific Inc, Contractor:

SCOPE OF WORK:

Remove and replace joint caulking material from the tank's mid-level joint and replace with approved material per the contract documents.

JUSTIFICATION:

During the tank interior work, it was discovered that the tank's mid-level wall joint was not constructed with a typical water-stop construction joint connection. The mid-level wall joint was constructed and sealed with joint caulking material which requires removal and replacement. A proposal of \$32,899.55 was received to address the additional work required. The proposal was reviewed and deemed acceptable for the contract work to proceed.

Estimate of Quantities and Costs:

Item No.	Item	Quantity	Unit	Contract Unit Price	Agreed Unit Price	\$ Amount (+ or -)
01	Mid Tank Wall Joint					+32,899 55
Total						+32,899 55

CONTRACT PRICE		CONTRACT CERTIFICATION		CONTRACT TIME	
<input type="checkbox"/> No Change		Amount Certified \$ 32,899.55 New Contract Price \$ 3,540,372.99		<input checked="" type="checkbox"/> No Change	_____
<input checked="" type="checkbox"/> Increased by \$ 32,899.55				<input type="checkbox"/> Increased by _____	Calendar days
<input type="checkbox"/> Decreased by \$				<input type="checkbox"/> Decreased by _____	Calendar days

Submitted by:		Approved:		Accepted: Earthworks Pacific, Inc.	
Project Engineer:		Fiscal Officer: _____		Contractor	
Division Head: _____		Mgr & Chief Eng _____		Signed by: _____	
Date		Date		Date	
				Title:	

A horizontal splash of clear blue water with bubbles, positioned behind the text.

STAFF

REPORTS

FISCAL DIVISION



Goals and Objectives

Goal #1:

Compliance with Generally Accepted Account Principles (GAAP) and Government Accounting Standards Board (GASB) pronouncements, prepare accurate, timely, and reliable financial reports for decision-making.

Goal #2:

Maintain and preserve the integrity of the general ledger accounting system and billing system.

Goal #3:

Provide guidance and oversight of financial procedures to all Department-wide employees.

Goal #4:

Maintain internal controls over financial procedures, develop policies and procedures that foster fiscal and fiduciary responsibilities to ensure compliance with federal, state, and local laws, rules, and regulations.

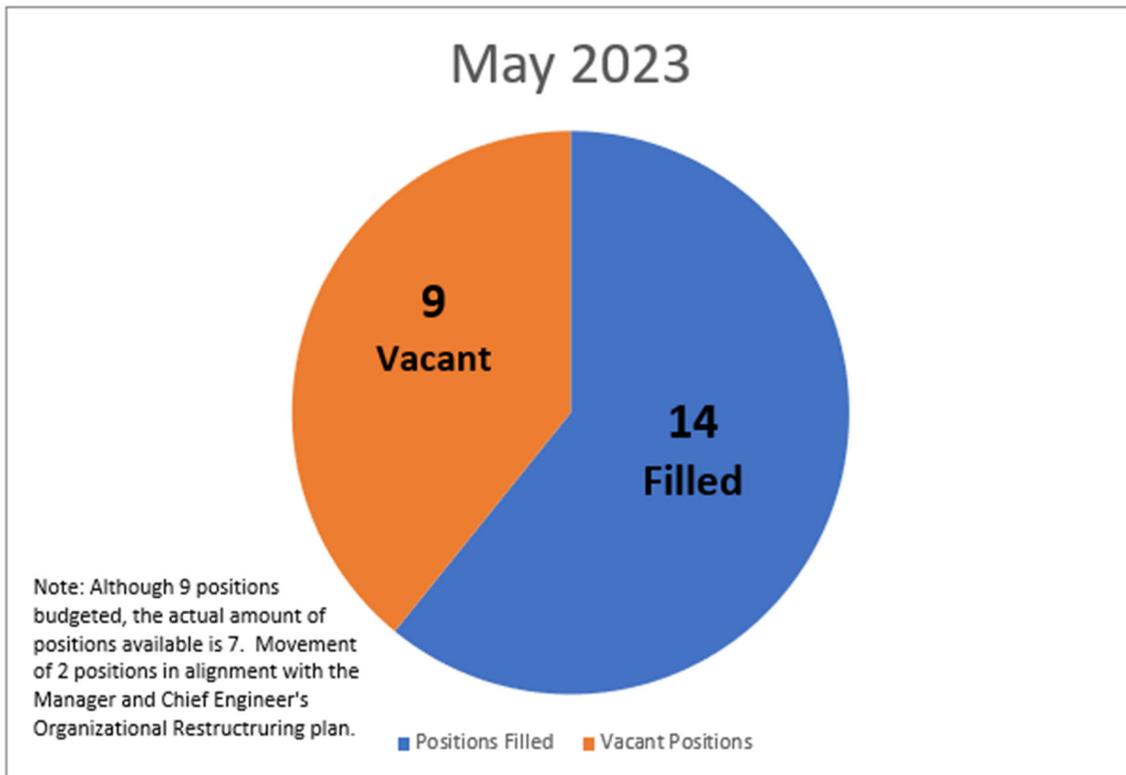
Goal #5:

Continue to improve operations by fostering the philosophy of continuous improvement and investment in professional growth. We will mentor, grow, support, and retain fellow team members for the purposes of succession planning.

FISCAL DIVISION DASHBOARD



Staffing



Dashboard information listed above is provided as of May 2023; however, the following is being provided as of June 8, 2023:

- Position 2302. Customer Service Representative I, Lillian Mack started on June 1, 2023.
- Position 2303. Accountant IV, Marisa Bettencourt started on June 1, 2023.
- Position 2619. Assistant Waterworks Controller selected. Sherri Silva will start on July 3, 2023.
- Position 2498. Accountant II. Kelsie Iida-Vierra will start on July 3, 2023.
- Summer Intern. Accounting intern will start on July 3, 2023. Emily Melchor assisted the Department of Finance, Accounting Division in the prior year.

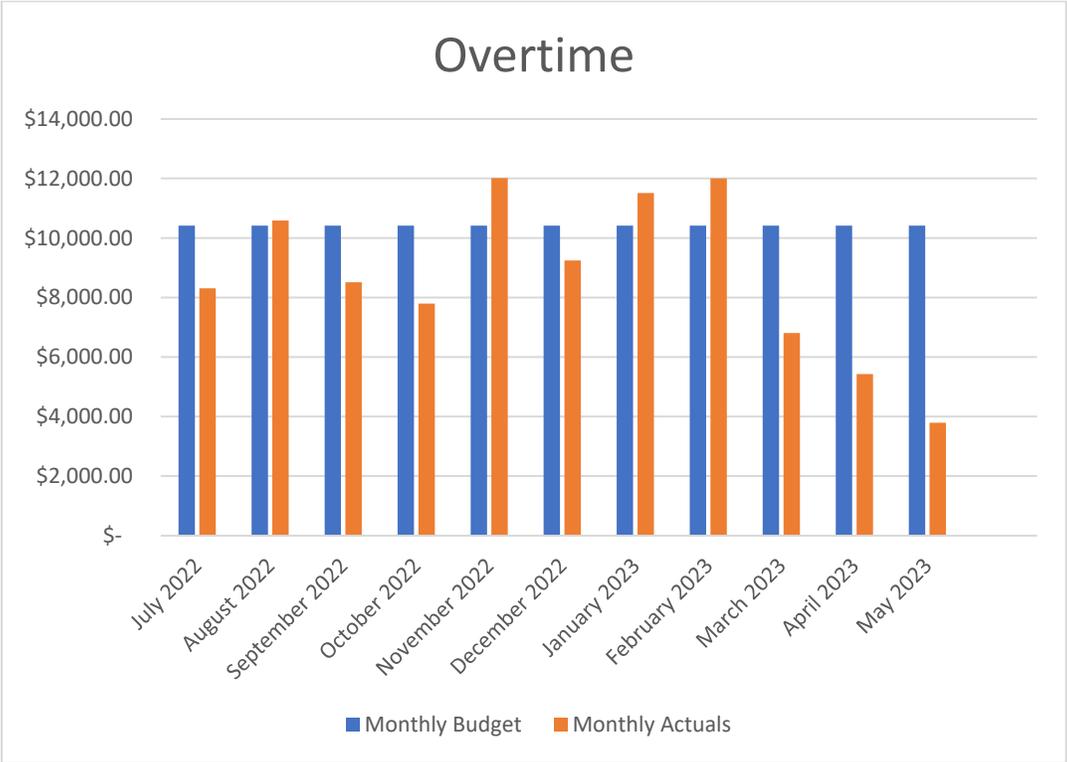
Positions remain vacant, unfilled:

- Position 2447. Customer Service Representative I. Continuous recruitment on-going.
- Position 2448. Accountant II. Continuous recruitment, on-going.
- Position 2463. Account Clerk. Recruitment is on hold, pending assessment of current needs.

FISCAL DIVISION DASHBOARD



Overtime



Note: May 2023 includes “unposted, pending” amounts for the pay period May 1st – 15th (pay date May 30th). Once HR Payroll reconciles and processes the payroll closing batches, the Central Accounting Division will post the payroll transactions to the general ledger.

Department Of Water Budget Report for May 2023

	May 2023			Fiscal Year 2023			
	Budget	Actual	Variance	YTD Budget	YTD Actual	Variance	Variance %
Operating Revenue *	\$ 3,014,483.00	\$ 2,318,859.33	\$ (695,623.67)	\$ 33,159,313.00	\$ 30,519,753.22	\$ (2,369,461.60)	(7.%)
Expenses							
Labor	\$ 1,050,437.00	\$ 630,796.31	\$ 419,640.69	\$ 11,554,807.00	\$ 10,897,449.20	\$ 657,357.80	6.%
Services	789,148.00	284,753.06	504,268.33	8,680,628.00	4,273,019.34	4,407,608.66	51.%
Utilities & Materials	495,223.00	470,061.16	25,161.84	5,447,453.00	5,101,298.05	346,154.95	6.%
Debt Service Principal & Interest	631,734.92	261,833.77	369,901.15	6,949,084.12	7,281,861.96	(332,777.84)	(5.%)
Operating Expenses	\$ 2,966,542.92	\$ 1,647,444.30	\$ 1,318,972.01	\$ 32,631,972.12	\$ 27,553,628.55	\$ 5,078,343.57	16%
Net Operating Income (Loss)	\$ 47,940.08	\$ 671,415.03	\$ (2,014,595.68)	\$ 527,340.88	\$ 2,966,124.67	\$ (7,447,805.17)	(23.%)

Capital Projects and Purchases**

	May 2023			
	Budget	Actual	Fiscal Year to Date Actual	Remaining Budget
Water Utility Funded Projects				
IT Capital Purchases	\$ 2,105,000.00	\$ -	\$ 408,029.89	\$ 1,696,970.11
Job 09-01 Yamada Tank	-	6,127.96	26,656.48	(6,656.48)
Job 17-10 KW-07 Paua Valley Tank Repair	-	173,565.00	1,371,040.92	(1,371,040.92)
Job 15-07 HE-01 HE-10 Kaumualii Hwy 16" Main Boost	-	3,700,000.00	3,943,918.34	(3,943,918.34)
Kukuilono Tank Demo	-	-	170,424.92	(170,424.92)
Kuhio Hwy Hardy Oxford 16" Main	100,000.00	2,398.95	7,132.79	92,867.21
Engineering Capital Purchases	20,000.00	-	6,959.00	13,041.00
Billing Capital Purchases	60,897.00	-	47,138.41	13,758.59
Ops Meter Replacement Program	-	-	131,272.31	(131,272.31)
Ops Pump Replacement Program	-	-	10,776.02	(10,776.02)
Ops Satellite Operations Facility	1,399,876.00	-	475,233.34	924,642.66
Ops Capital Purchases	3,306,000.00	153,626.68	683,999.29	2,622,000.71
	\$ 6,991,773.00	\$ 4,035,718.59	\$ 7,282,581.71	\$ (290,808.71)
Job 02-14 WK-08 Kapaa Homesteads Tank	\$ 700,000.00	\$ 41,480.20	\$ 41,480.20	658,519.80
Build America Bonds Funded Projects				
Job 02-14 WK-08 Kapaa Homesteads Tank	\$ -	\$ 6,391.50	\$ 29,813.20	\$ (29,813.20)
Job 04-08 WK39 WK08 Kapaa Hmstd Well 4; Pkg A Well	2,600,000.00	-	32,504.61	2,567,495.39
	\$ 2,600,000.00	\$ 6,391.50	\$ 62,317.81	\$ 2,537,682.19
Total Capital Projects with fiscal year expenditures	\$ 10,291,773.00	\$ 4,083,590.29	\$ 7,386,379.72	\$ 2,905,393.28

* Budgeted revenue for State funded projects that appeared on previous reports has been eliminated. The budget and revenue will be presented subsequent to the projects incurring costs. Investment income is an estimate based on an average July-January. Actuals are not yet available

** Capital projects and capital purchases with no activity in the 2023 fiscal year are not presented. Total capital budget for 2023 is \$50,834,336

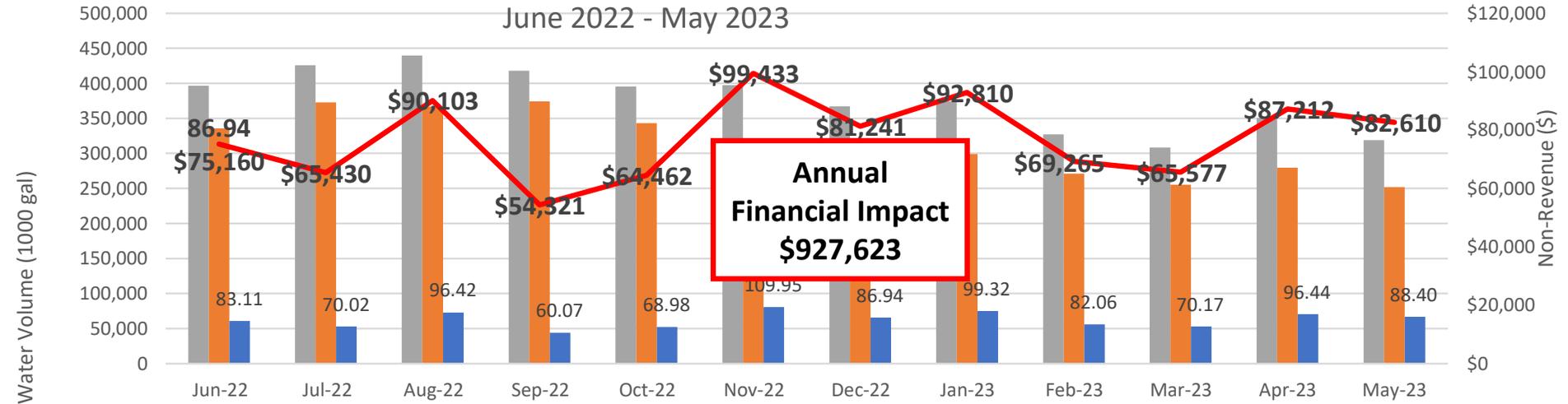
Selected Divisions

	May 2023			Fiscal Year 2023			
	Budget	Actual	Variance	YTD Budget	YTD Actual	Variance	Variance %
Engineering	\$ 448,425.68	\$ 113,141.88	\$ 335,283.80	\$ 4,932,682.43	\$ 2,494,258.83	\$ 2,438,423.60	49.%
Fiscal	347,098.00	45,361.74	301,736.26	3,818,078.00	1,913,473.22	1,904,604.78	50.%
Operations	1,053,061.98	840,124.65	212,937.33	11,583,681.76	11,231,660.21	352,021.55	3.%
	\$ 1,848,585.65	\$ 998,628.27	\$ 849,957.38	\$ 20,334,442.18	\$ 15,639,392.26	\$ 4,695,049.92	23%



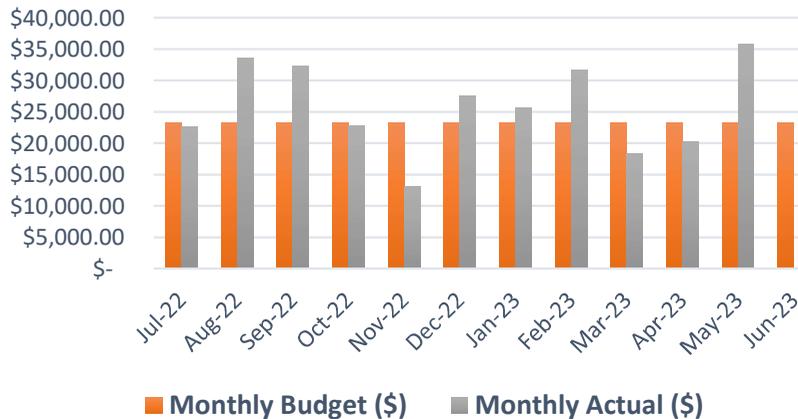
OPERATIONS DASHBOARD

Monthly Water Audit
June 2022 - May 2023

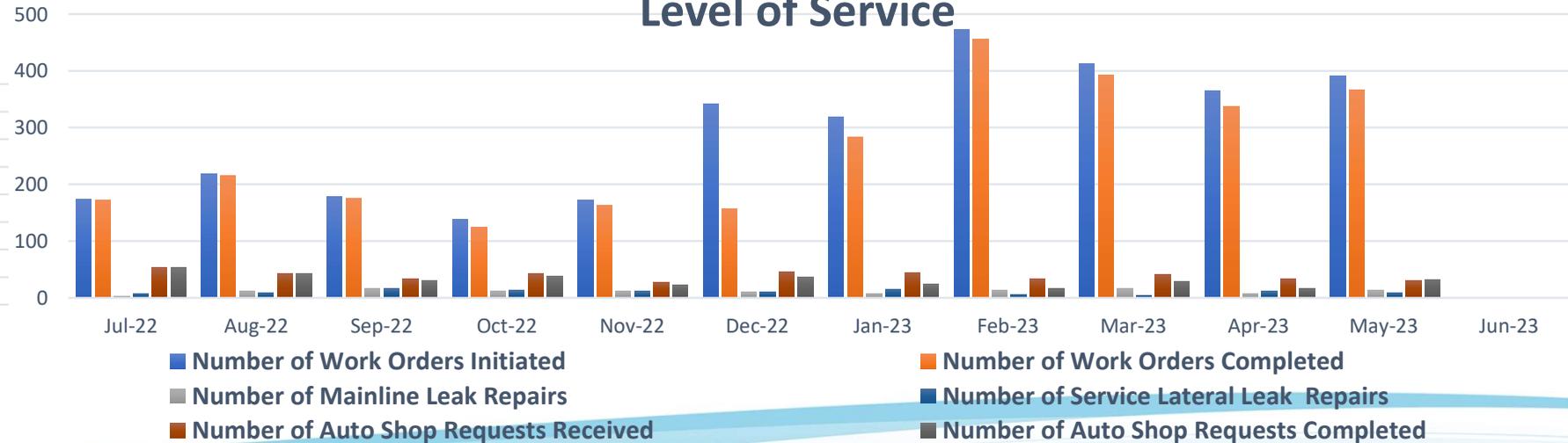


	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
Produced (Kgals)	396,641	425,598	439,498	418,076	395,404	397,481	367,005	374,035	326,932	308,539	350,219	319,002
Customer Read (Kgals)	335,754	372,593	366,506	374,070	343,184	316,931	301,192	298,850	270,820	255,415	279,569	252,080
Non-Rev Water (Kgals)	60,887	53,005	72,992	44,006	52,220	80,550	65,813	75,185	56,112	53,124	70,650	66,922
Financial Impact	\$75,160	\$65,430	\$90,103	\$54,321	\$64,462	\$99,433	\$81,241	\$92,810	\$69,265	\$65,577	\$87,212	\$82,610

Overtime



Level of Service



OPERATIONS

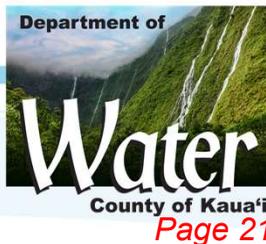
	Apr-23		May-23		Previous FY Year to Date		Current FY Year to Date	
STAFFING								
Budgeted Staff Vacancies	50	7	50	7			50	7
OVERTIME								
Budget (\$) Actual (\$)	\$ 23,283.33	\$20,158.62	\$ 23,283.33	\$35,857.78			\$ 256,116.67	\$283,612.01
FLEET MANAGEMENT								
# of Vehicles Active per day	44		42				41	
# of Vehicles Active per month	44		42				41	
METER PROGRAM								
# of Existing Meters Replaced	5		1				36	
# of Existing Meters Repaired	177		228				1408	
# of New Meters Installed	6		5				101	
# of New Laterals Installed	3		0				31	

OPERATIONS

Photo or graphic can be removed, used to fill space

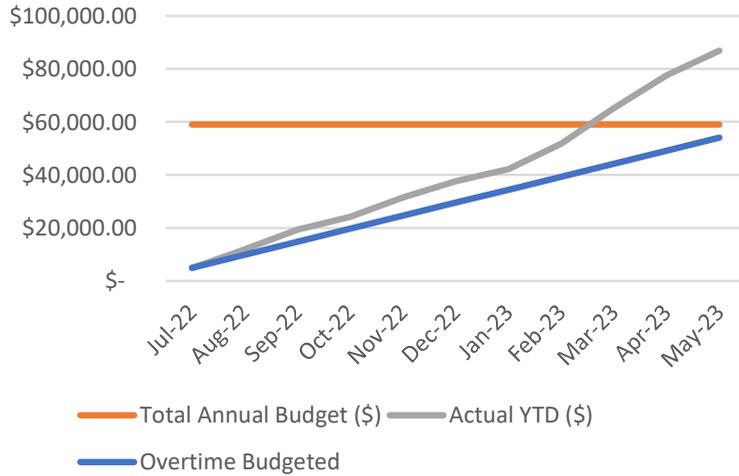
LEVEL OF SERVICES						
	Last		Current		Previous FY YTD	Current FY YTD
	Month	Month	Month	Month		
# of Work Orders Initiated	365		391			3183
# of Work Orders Completed	337		366			2842
# of Mainline Leak Repairs	7		13			121
# of Service Lateral Leak Repairs	11		9			111
# of Calls for Service	154		184			1967
# of Temporary Hydrant Meters Installed	1		2			23
# One Call Request Received Completed	28	28	32	32		327 327
# of Auto Shop Requests Received Completed	34	17	31	32		430 342
# of Hydrant Hits	1		1			19

WATER AUDIT				
	Last	Current Month	Previous	Current
	Month		FY YTD	FY YTD
Water Produced (Million Gallons)	350.219	319.002		4121.789
Customer Meter Reading (Million Gallons)	279.569	252.080		3431.21
Non-Revenue Water (Million Gallons)	70.65	66.92		690.579
Water Loss %	20%	21%		17%
Water Loss \$	\$ 87,211.77	\$ 82,609.86		\$ 852,464.53



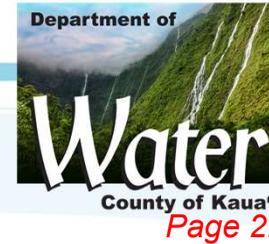
ENGINEERING DASHBOARD

Overtime



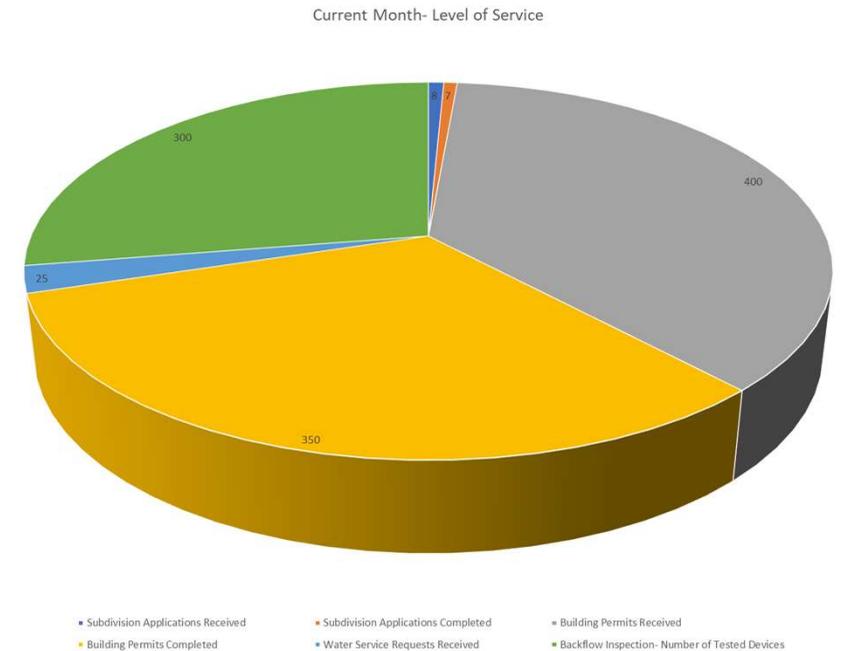
	Last Month	Current Month	Previous FY Year to Date	Current FY Year to Date
STAFFING				
Budgeted Staff (\$) vs Vacancies (\$)	15	9	15	9
Professional Services: Total \$ Amount % of Division Budget	\$401,000	13%	\$57,000	2%
			\$1,759,000	57%
OVERTIME				
Budget (\$) Actual (\$)	\$5,000	\$12,000	\$5,000	\$9,000
			\$54,000	\$87,000

	Last Month	Current Month	Previous FY Year to Date	Current FY Year to Date
PROJECT MANAGEMENT				
# of DOW Projects in Design In Construction	21	5	21	5
# of DOW Projects completed	0	0	0	0
# of Private Projects Design Approved In construction	62	19	62	18
# of Private Projects Construction Completed	17	0	0	117

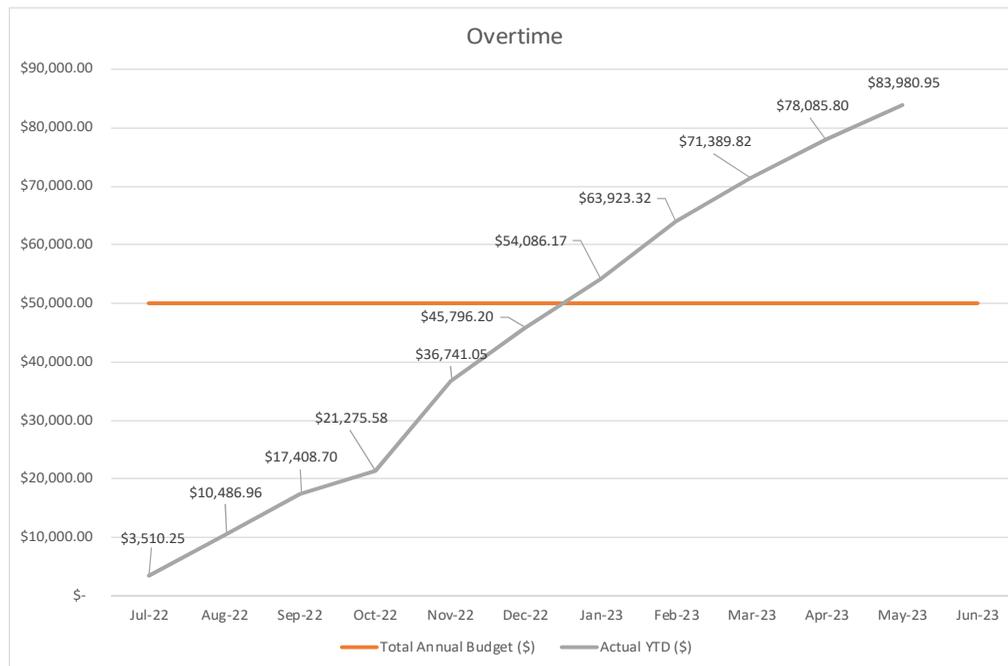
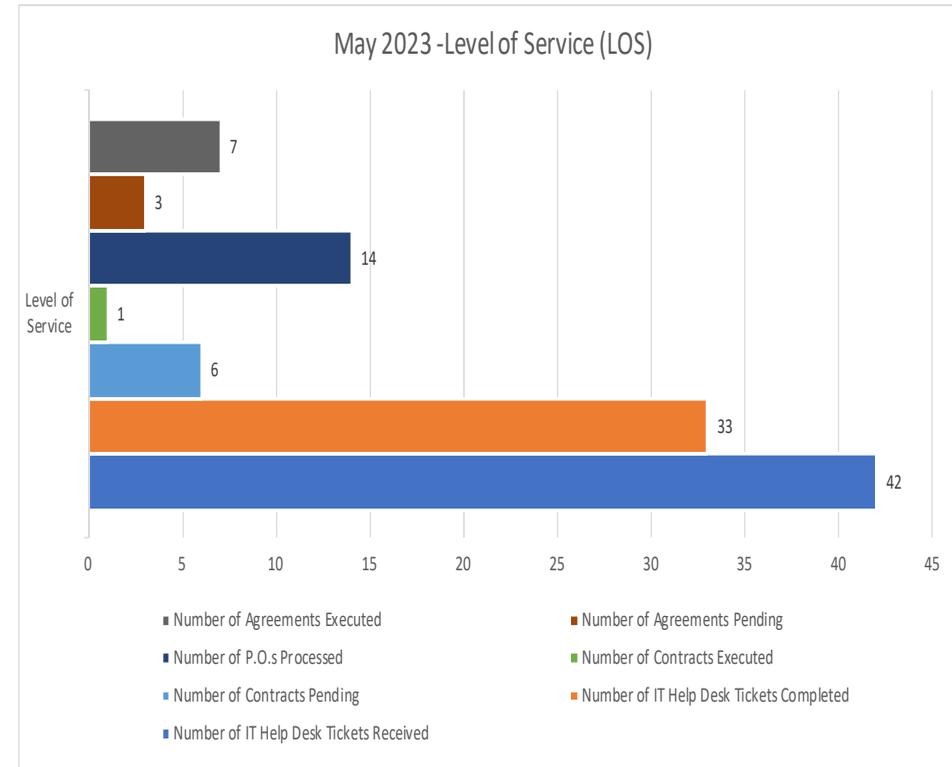
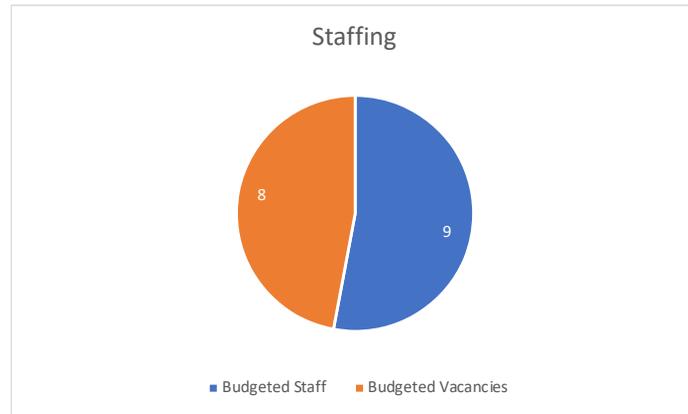


ENGINEERING

	Last Month	Current Month	Previous FY Year to Date	Current FY Year to Date		
LEVEL OF SERVICE						
Number of Customer Requests Received Completed by Type						
Subdivision Applications, Zoning, Land Use and Variance Permits	19	23	5	5	58	102
ADU/ARU Clearance Applications	3	3	5	5	77	77
Building Permits	144	126	136	142	957	1,686
Water Service Requests	26	31	23	25	170	238
Government Records Request	1	1	0	0	10	6
Backflow Inspection # of Devices Tested	-	-	-	-	940	
Average Response Time to Customer Requests by Type (Days)						
ADU/ARU Clearance Applications	-	-	-	-	-	-
Building Permits	-	-	-	-	-	-
Water Service Requests	-	-	-	-	-	-

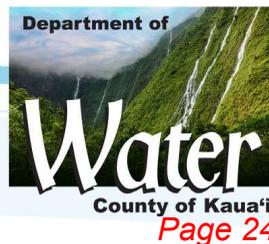


ADMINISTRATION DASHBOARD



On April 27, 2023, Operations staff fixed our water meter after a vehicle accident. "It was a display of a total team effort. I wanted to let you know that these men represent the Department and the County of Kaua'i with exceptional professionalism and spirit of Aloha."

-B. Hasegawa



ADMINISTRATION

	Apr-23		May-23		Previous FY YTD		Current FY YTD	
STAFFING								
Budgeted Staff vs Vacancies (Admin-HR-IT-PR)	9	8	9	8			9	8
OVERTIME								
Budget (\$) vs Actual (\$)	\$ 4,166.67	\$ 6,695.98	\$ 4,166.67	\$ 5,895.15			\$ 45,833.33	\$ 83,980.95

	Apr-23		May-23		Previous FY YTD		Current FY YTD	
LEVEL OF SERVICES								
# of IT Help Desk Tickets Received Completed	32	23	42	33			234	178
# of Legal Claims Outstanding Resolved	2	0	2	0			2	0
# of Contracts Pending Executed	2	4	6	1			6	8
# of Purchase Orders Processed	23		14				163	
# of Agreements Pending Executed	6	10	3	7			38	42
# of MOU MOA Pending	0	0	0	0			0	0
# of MOU MOA Executed	0	1	0	0			0	1
# of Customer Remarks	0		2				5	
# of Customer Compliments	0		3				6	

Note: DOW Dashboard data tracking started November 2022



DEPARTMENT OF WATER

County of Kaua'i

"Water has no Substitute – Conserve it!"

INFORMATION & EDUCATION SPECIALIST REPORT

June 15, 2023

Public Notices and Announcements

All news releases are sent to statewide media partners, published on the Department of Water's (DOW) Facebook page and the County of Kaua'i's website at www.kauai.gov/press-releases. Notices labeled as a Public Service Announcement (PSA) are shared directly with local newspaper and radio stations and posted on the Department's Facebook page. Additionally, all roadwork notices are emailed to the Department of Transportation's (DOT) communications office.

Service Announcements

<i>Date Issued</i>	<i>Water System & Affected Service Areas</i>	<i>Announcement</i>	<i>Effective Date & Times</i>	<i>Other Notices</i>
05-09-2023	All systems	2023 Water Quality Reports now available	n/a	Media published via Kauai Now News (Attached)

Public Relations Programs

Community Outreach & Education

- The Department provided a water education lecture and activity presentation at Hawaii Technology Academy on May 12, 2023. The lecture and presentation topics included drinking water services, identifying water users, their needs and a water resource management activity from Project WET. Water education activity booklet and resource tools were provided to 46 teachers and students. *Event photos attached.*
- The Department honored and participated in national Drinking Water Week from May 8-12 via social media campaign and community presentations. The department's annual water quality reports were published on May 9, 2023, in conjunction with drinking water week.
- The Department participated in the hurricane claims readiness drill event on May 24, 2023, hosted by Zephyr Insurance. This event kicks off hurricane season awareness and department's water emergency preparedness campaign. The department hosted a vendor table to share important information about emergency preparedness, promote sign-ups for Kauai County Emergency Alerts and distribute the department's emergency water storage jugs. Approximately 75 water storage jugs were distributed at the event. Special thanks to Dustin Moises and Jonell Kaohelauli'i for representing the department at the event.

Advertising & Communications:

- The Department's "Wise Water Wednesday" advertising awareness campaign for the month of June includes messages about water emergency preparedness, conservation tips, and automatic bill pay services. The weekly media campaign is posted on the Department's Facebook page, aired on local radio stations and published in the Garden Island Newspaper's local section.

Upcoming Community Outreach & Educational Events

- Make a Splash with Project WET Festival – September 15, 2023
- Water station at Ohana Fit Festival – Oct. 2023

Project WET (Water Education Today) Hawaii

- Make a Splash with Project WET festival logistical planning is on-going. School registration forms have been sent out. Procurement for vendor services is in process.

Attachments: *KauaiNowNews* (Kaua'i Department of Water's quality reports now available)

Photos of Hawaii Technology Academy (HTA) students participating in the water source management activity on May 12, 2023. During the activity, students form a community to manage their water source while going through an obstacle of pollution, flood, drought and endangered species, with only a string to help them lead.



Photo 1: Students prepare to carry their water source (container) through an obstacle course simulating a flood and pollution.

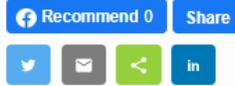
Photo 2: An HTA teacher helps to refill the team's water source after they spilled the water attempting to transport it through the drought and endangered species obstacle.



Kauai News

Kaua'i Department of Water's quality reports now available

May 10, 2023 · 6:00 AM HST



The Department of Water's 2023 Water Quality Reports, covering the period of Jan. 1, 2022, to Dec. 31, 2022, are now available on the Department's website at [Kauaiwater.org](https://www.kauaiwater.org).

In accordance with The Safe Drinking Water Act, the Department of Water produces and provides its customers with an annual water quality report by July 1.

This year, the release of the water quality reports coincides with the start of National Drinking Water Week, celebrated May 8 through 12, by the American Water Works Association, the Department of Water and water utilities around the country to recognize the vital role tap water plays in everyday life, the infrastructure that delivers water to communities and the important work of water professionals behind-the-scenes.

"We are pleased to publish the comprehensive and data-driven water quality reports and show our commitment to delivering high-quality water service to our more than 24,000 customers," said Joe Tait, the Department's manager and chief engineer.

The Department of Water's water quality reports contain information on Kaua'i's water sources, results of water analyses, compliance with drinking water rules, and other educational materials. Water is tested regularly through the State Department of Health and the Department of Water's certified laboratories.

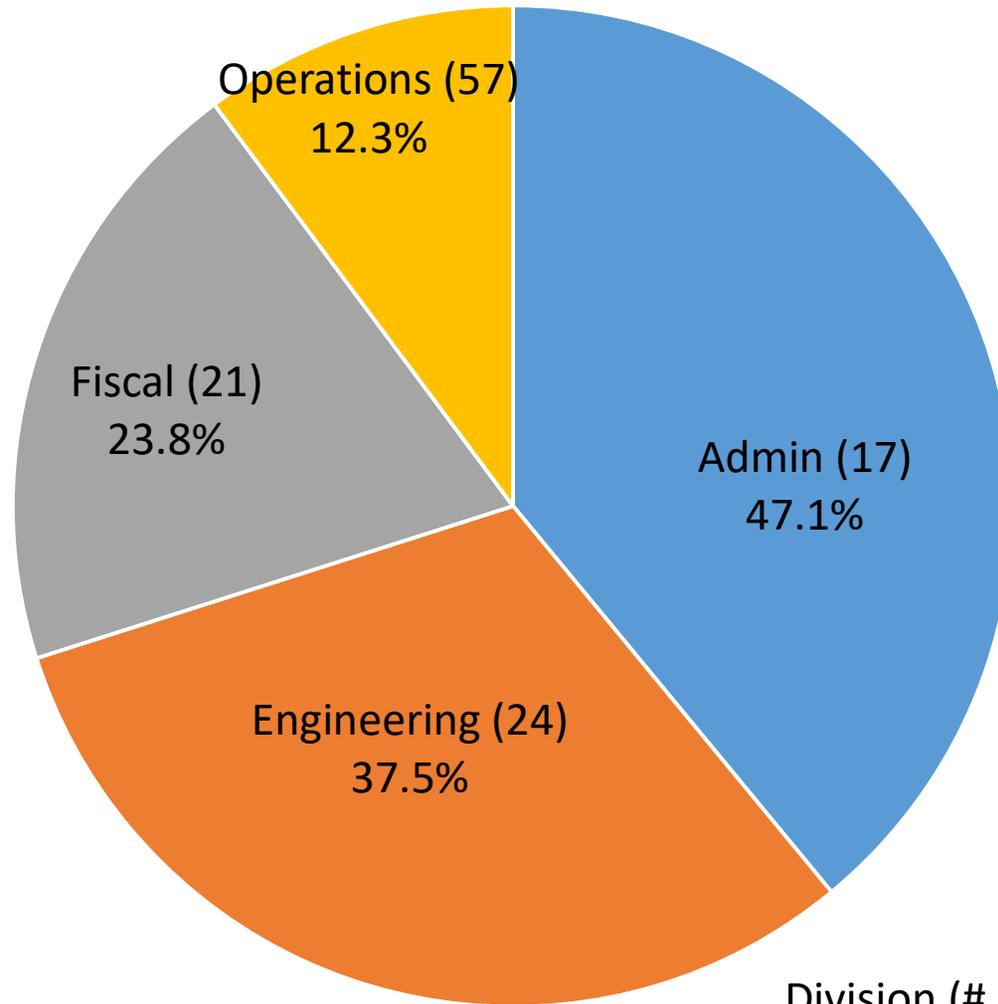
The Department of Water's drinking water meets all the Environmental Protection Agency's guidelines for safe drinking water and any contaminants found were well below the levels allowed by the EPA.

The Department of Water's annual Water Quality Reports are issued electronically unless a paper copy is requested. Customers also receive a direct link to their specific report noted on their monthly billing statement and those who have requested annual paper copies in the past will be automatically mailed a paper copy again this year.

To request a paper copy of a water quality report or to be removed from the annual report mailing list, please contact the Department of Water at 808-245-5455.

###

% Vacancy Within Each Division Level



Division (# Auth) - % Vacant

CORRECTIVE ACTION PLAN

2022-001 **Improve Internal Communication**

- The Manager & Chief Engineer (MCE) will continue to hold bi-weekly Division/Section Manager (DSM) meetings.
- MCE will require meeting minutes of these DSM meetings distributed for use by attendees when researching critical decisions and plans.

Schedule for Implementation:

The MCE will have DSM minutes distributed to all invited managers in attendance and/or excused. Managers will be held accountable for scheduling assigned projects and tasks with submittal to MCE and Deputy Manager-Engineer (DME) for tracking assigned programs and projects for submittal to Fiscal managers and Contracts Officer responsible for budget and accounting tracking and confirmation of adjoined funds within contracts. **Effective 03/15/2023**

2022-002 **IT General Control Deficiencies**

Logical Security

- A formal offboarding process will be designed and implemented for use by the IT Manager and Human Resources Coordinator to ensure effective termination of users as they separate from DOW.

Schedule for Implementation:

The process is under review and preparations to implement will follow. Plan is that this will become part of the change management solution in addition to the current ADCUA forms. **Effective 4/15/2023**

- Ensure a process that documents non-adherence to password security policies and that protection of systems has been adequately demonstrated to management.

Schedule for Implementation:

Password security has been reviewed and implementation by group policy is now in line with current industry standards. **Completed 3/31/2023**

- DOW Policies and Procedures will be developed for use by Management upon recommendations from the IT Steering Committee and retained IT consultants contracted by DOW.

Schedule for Implementation:

System analysis continues with the assistance of IT professionals and peers to help define the policies and procedures to be implemented. **Effective 3/1/2023**

- DOW will utilize CISA and contracted IT security consultants to design a new Security Awareness Program implemented through the IT Manager.

Schedule for Implementation:

Consultant services will be utilized to assist with the development of a security awareness program. **Effective 6/1/2023**

- This is currently underway as DOW has contracted with professional services firms to work alongside IT staff.

Schedule for Implementation:

Consultant services and staff work is ongoing. **Effective 1/31/2023**

- This effort will be completed in conjunction with hardware, software, and staffing augmentation overseen by the IT Manager.

Schedule for Implementation:

Efforts have been underway to address critical issues with hardware, software and system security. We plan to contract a Managed Services Provider using FY23 budget. **Effective 1/31/2023**

Physical Security

- Management and the IT Manager will identify and monitor server room access.

Schedule for Implementation:

Leadership has identified authorized personnel who are granted access to the server room, based on position responsibility. Access monitoring has been implemented and is ongoing. **Completed 1/31/2023**

Change Management

- The IT Steering Committee will design and recommend a new DOW SOP to define and ensure that changes to systems are authorized, tested, accepted, and tracked.

Schedule for Implementation:

The Department has been and continues to work through the process of creating a stable environment; and will be creating a process of change authorization, unit testing, system test and implementation. Database schema and use cases being developed. Planned implementation using software or dev IIS server and SQL Server. **Effective as of 2/1/2023**

2022-003 **Improve Procedures to Identify and Account for Contracts**

- Management will design, implement, and monitor collection, additions, changes to and elimination of DOW contracts and agreements to ensure staff efficiency through utilization of a one-source database.

Schedule for Implementation:

A new Contracts, Agreements, Licenses, and Leases Team (*CALL team*) has been formed to include MCE, DME, Contracts Officer, Accountant IV, and IT Manager to ensure that all formal, financial documents relating to procurement, purchasing, inventory, and electronic cataloging and storage of DOW documents continuously occurs for ease of accounting by supervisors and managers as well as offering a one-stop location for DOW annual audit process. **Effective 5/1/23.**

DEPARTMENT OF WATER
 County of Kaua'i

"Water has no substitute – Conserve It!"

MANAGER'S UPDATE

June 15, 2023

Pursuant to Board Policy No. 3

CONTRACTS AWARDED, EXTENDED, AND/OR AMENDED

- PROFESSIONAL SERVICES 2023-PROF-1-ENG, CONTRACT AWARD TO BOWERS + KUBOTA CONSULTING, INC.
 JOB NO. 23-03, PROJECT NO. WK-25, KŪHIŌ HIGHWAY (N. PAPALOA TO KAWAIHAU) 16" AND 12" MAIN REPLACEMENT PROJECT**

RECOMMENDATION:

It is recommended that the Manager approve a professional services contract with Bowers + Kubota Consulting, Inc. in the amount of \$519,187.00.

FUNDING:

Account No.	10-20-00-604-149		\$500,000.00
Account No.	10-20-00-604-148		\$100,000.00
Acct Description	WU/Eng/Admin/Capital Outlay – R&R		
Funds Available	<i>Verified by WWC</i>		\$600,000.00
Contract No.	749		
Vendor	Bowers + Kubota Consulting, Inc.		
	Contract Amount	\$519,187.00	
	5% Contingency	\$25,960.00	
	Total Funds Certified	\$545,147.00	<\$545,147.00>
	Fund Balance for Account No. 10-20-00-604-148		\$54,853.00

BACKGROUND:

The DOW has identified the subject project in Water Plan as WK-25. The subject project will perform the preliminary engineering and planning work for the project. If future funds are allocated for this project, future amendments will allow the bid documents to be developed in order to replace the water main along Kūhiō Highway from N. Papaloa to Kawaihau Roads.

2. PROFESSIONAL SERVICES #DOW-2023-PROF-1, CONTRACT AWARD TO KENNEDY/JENKS CONSULTANTS, INC. JOB NO. 23-12, AS-NEEDED PROJECT MANAGEMENT AND INSPECTIONAL SERVICES, DEPARTMENT OF WATER, COUNTY OF KAUA'I

RECOMMENDATION:

It is recommended that the Manager approve a professional services contract with Kennedy/Jenks Consultants, Inc. in the amount of \$1,000,000.00.

FUNDING:

Account No.	10-20-10-540-010		
Acct Description	WU/Eng/Admin/Professional Services		
Funds Available	Verified by WWC		\$ 1,000,000.00
Contract No.	747		
Vendor	Kennedy/Jenks Consultants, Inc.		
	Contract Amount	\$ 1,000,000.00	
	5% Contingency	\$ N/A	
	Total Funds Certified	\$ 1,000,000.00	<\$ 1,000,000.00>

BACKGROUND:

This project will provide Project Management services on an as-needed basis to supplement and support the Engineering Division with its Project Management and Inspectional services. The Review and Selection Committee conducted evaluations pursuant to HRS 103D-304 and the recommendation was approved by the Manager and Chief Engineer to negotiate with Kennedy Jenks. Kennedy Jenks proposed rates were reviewed and deemed acceptable.

3. PROFESSIONAL SERVICES DOW-2023-PROF-1, CONTRACT AWARD TO KENNEDY/JENKS CONSULTANTS, INC. JOB NO. 23-02, PROJECT NO. WK-34, KUAMO'O ROAD WATER MAIN REPLACEMENT, WAILUA, KAUA'I, HAWAII

RECOMMENDATION:

It is recommended that the Manager approve a professional services contract with Kennedy/Jenks Consultants, Inc. in the amount of \$374,265.00.

FUNDING:

Account No.	10-20-00-604-177		\$ 200,000.00
Account No.	10-20-00-604-147		\$ 165,772.00
Account No.	10-20-00-604-136		\$ 19,000.00

Account No.	10-20-00-604-009		\$ 500,000.00
Acct Description	WU/Eng/Admin/Capital Outlay – R&R		
Funds Available	<i>Verified by WWC</i>		\$ 884,772.00
Contract No.	748		
Vendor	Kennedy/Jenks Consultants, Inc.		
	Contract Amount	\$ 374,265.00	
	5% Contingency	\$ 18,713.00	
	Total Funds Certified	\$ 392,978.00	<\$ 392,978.00>
Fund Balance for Account No. 10-20-00-604-009			\$ 491,794.00

BACKGROUND:

The DOW has identified the subject project in Water Plan 2020 as WK-34. The subject project will provide project management, preliminary 30% design documents, and initial permitting services for the replacement of approximately 11,000 linear feet of existing 8-inch and 6-inch diameter asbestos cement (AC) and 4-inch polyvinyl chloride (PVC) water main along Kuamo'o Road between Mala Street and the University of Hawai'i (U.H.) Agricultural Experiment Station.

**4. PROFESSIONAL SERVICES 2023-PROF-1, CONTRACT AWARD TO CAROLLO ENGINEERS, INC.
 JOB NO. 23-14, PROJECT NO. WK-10, WAILUA HOMESTEADS 538' TANK CONSTRUCTION PROJECT**

RECOMMENDATION:

It is recommended that the Manager approve a professional services contract with Carollo Engineers, Inc. in the amount of \$225,317.00.

FUNDING:

Account No.	10-20-00-604-010		\$ 117,300.00
Account No.	10-20-00-604-009		\$ 491,791.00
Acct Description	WU/Eng/Admin/Capital Outlay – R&R		
Funds Available	<i>Verified by WWC</i>		\$ 609,091.00
Contract No.	750		
Vendor	Carollo Engineers, Inc.		
	Contract Amount	\$ 225,317.00	
	5% Contingency	\$ 11,266.00	
	Total Funds Certified	\$ 236,583.00	<\$ 236,583.00>

Fund Balance for Account No. 10-20-00-604-009	\$ 372,508.00
---	---------------

BACKGROUND:

The DOW has identified the subject project in Water Plan 2020 as WK-10. The subject project will evaluate an existing tank site (TMK (4) 4-4-014:019) to determine if DOW should design and construct a new storage tank, up to one million gallons. If this existing site is determined to be the location of a new storage tank and if there are future funds for this project to move forward with design and construction, it will be addressed with future amendments.

**5. ELEVENTH AMENDMENT TO CONTRACT NO. 427
 JOB NO. 02-14, WP2020 #WK-08, KĀPA‘A HOMESTEADS 0.5 MG STORAGE TANK AND
 KĀPA‘A HOMESTEADS 325’ TANKS – TWO 0.5 MG TANKS AND CONNECTING
 PIPELINES, WAILUA-KĀPA‘A WATER SYSTEM, KĀPA‘A, KAUA‘I, HAWAI‘I**

RECOMMENDATION:

It is recommended that the Manager approve the Eleventh Amendment to Contract No. 427 with Bowers+Kubota Consulting, Inc. for additional funds in the amount of \$182,400.00 and a contract time extension of 900 calendar days.

FUNDING:

Account No.	20-20-00-605-118		
Account Description:	FRC Fund (Capital Projects – Expansion – Design)		
Funds Available	Verified by WWC		\$182,400.00
Contract No.	427		
Vendor	Bowers+Kubota Consulting, Inc.		
	Contract Amount	256,700.00	
	Amendment No. 1 (Ext to 12/31/09)	354,978.00	
	Amendment No. 2	10,000.00	
	Amendment No. 3	19,000.00	
	Amendment No. 4 (Ext to 12/10/10)	40,450.00	
	Amendment No. 5 (Ext to 12/31/13)	76,200.00	
	Amendment No. 6 (Ext to 06/30/14)	2,300.00	
	Amendment No. 7 (Ext to 05/26/16)	18,100.00	
	Amendment No. 8 (Ext to 06/30/17)	57,630.46	
	Amendment No. 9 (NTP 08/23/17: Pkg “A” 180 days, Pkg “B” 360 days from NTP, both Pkgs excluding Board review time)	160,149.00	

	Amendment No. 10 (Ext to 06/09/22)	44,600.00	
	Total Funds Certified To Date	1,040,107.46	
Amendment No. 11:			
	Update bid documents, NPDES, EA, and Contract Time Extension	182,400.00	
	Total Amendment	182,400.00	<182,400.00>
Contract Amount To Date			
		1,222,507.46	

BACKGROUND:

Contract NTP Date: March 15, 2004
 Original Contract End Date: March 09, 2005
 New Contract End Date: 900 days from Execution of the Eleventh Amendment

The Department of Water (DOW) is proposing to construct two new 0.5 MG concrete storage tanks on the same site as the existing Ornellas tank in the Kapa‘a Homesteads located near the intersection of Kawaihau Road and Ka‘apuni Road. The project’s design includes drainage improvements for site storm water and potential tank overflow or washout events. DOW is also constructing a separate project, *Drill and Test Kapa ‘a Well No. 4* at the same site.

Eleventh Amendment:

The *Kapa ‘a Homesteads 325’ Tanks* project requires updating the design drawings to update the drain line for the tanks and relocate the detention basin to the tanks site. Accordingly, the drainage report needs to be updated and the permits refreshed. The Environmental Assessment (EA) also needs to be updated to reflect the updated drain line. A variance will also be needed in order to install a 6-foot-tall fence on top of a retaining wall. The structural portion of the design also needs updating since the initial scope of work consisted of one concrete tank and the current design includes two 0.5 million gallon (MG) tanks built on caissons. Additionally, the tank ladders have been replaced with stairs.

UPDATE 06/15/23: Manager’s Report No. 23-17 was submitted and approved at the January 26, 2023 board meeting. An error was later discovered in the funding table. This update is to clarify that funds are available from G/L Account No. 20-20-00-605-118; therefore, this contract does not need any funds from the Water Utility account.

**6. CHANGE ORDER NO. 4 TO CONTRACT NO. 688 (EARTHWORKS PACIFIC, INC.)
 JOB NO. 17-10, WP2020 #KW-07, REHABILITATE PAUA VALLEY TANK NO. 1, 0.5 MG
 CONCRETE, KEKAHA WATER SYSTEM, KEKAHA, KAUA‘I, HAWAI‘I**

RECOMMENDATION:

It is recommended that the Manager approve Change Order No. 4 for Contract No. 688.

FUNDING:

Account No.	10-21-00-604-171		
Acct Description	WU/Cons/Admin/Capital Outlay – R&R (Tank Remediation and Repair)		
Funds Available	<i>Verified by WWC (Contingent upon approval of Manager's Report No. 23-31, 06/15/23)</i>		\$2,000,000.00
Contract No.	688		
Vendor	Earthworks Pacific, Inc.		
	Contract Amount	\$2,264,750.00	
	5% Contingency	\$22,776.56	
	Change Order No. 1	\$0.00	
	Change Order No. 2	\$994,393.77	
	Change Order No. 3	\$248,329.67	
	Total Funds Certified To Date	\$3,530,250.00	
Change Order No. 4:			
Description:	Replace tank mid-wall joint	\$32,899.55	
	Total Change Order No. 4	\$32,899.55	<\$32,899.55>
Contract Amount To Date		\$3,540,372.99	
Fund Balance			\$1,967,100.45

BACKGROUND:

Contract NTP Date: January 21, 2020
 Original Contract End Date: April 20, 2021
 New Contract End Date: May 17, 2024

The original scope of the Paua Valley Tank No. 1 Rehabilitation Project was to address the cause of a leak in the tank and perform hazardous material testing. During this testing, it was determined that the tank's liner contained Polychlorinated Biphenyls (PCBs). The tank was then taken out of service by the DOW Operations Division. This project then added the mitigation of the PCBs and other hazardous materials such as lead paint in addition to fixing the leak(s) in the existing tank.

During the tank interior work, it was noticed that the tank's mid-level wall joint was not addressed in the plans and specifications. The Department requested a proposal to have the existing joint caulking material removed and replaced. A proposal of \$32,899.55 has been received and reviewed by Department Staff. The work is necessary and the cost proposal is deemed acceptable.

**7. NOVATION/ASSIGNMENT AGREEMENT TO CONTRACT NO. 708 KAUA'I AIR CONDITIONING & MAINTENANCE, INC.
 RFQ AIR 2021-2022, MAINTENANCE AND SERVICE FOR DOW'S VARIOUS AIR CONDITIONING UNITS**

RECOMMENDATION:

It is recommended that the Manager approve the Novation/Assignment Agreement to Contract No. 708, from Kaua'i Air Conditioning & Maintenance, Inc. to Kaua'i Mechanical, Inc.

FUNDING:

Account No.	10-40-60-561-000		
Acct Description	WU/Ops/TandD/Repairs and maintenance – Other than Water System		
Funds Available	<i>Verified by WWC</i>		N/A
Contract No.	708		
Vendor	Kaua'i Air Conditioning & Maintenance, Inc.		
	Contract Amount	\$ 35,606.00	
	5% Contingency	N/A	
	First Amendment (Year 2 of 3)	\$ 35,606.00	
	Total Funds Certified To Date	\$ 71,212.00	
Novation/Assignment Agreement:			
	From Kaua'i Air Conditioning & Refrigeration, Inc. to Kaua'i Mechanical, Inc.	\$0.00	
	Total (No Funds Requested)	\$0.00	
	Contract Amount To Date	\$ 71,212.00	

BACKGROUND:

Contract NTP Date: July 1, 2021
 Original Contract End Date: June 30, 2022
 New Contract End Date: June 30, 2023

Pursuant to HAR 3-125-14(2), a Novation/Assignment Agreement is proposed to reflect Kaua'i Air Conditioning & Maintenance, Inc. transferring all obligations of this contract to Kaua'i Mechanical, Inc.

**8. CHANGE ORDER NO. 1 TO CONTRACT NO. 722 (KIEWIT INFRASTRUCTURE WEST CO.
 JOB NO. 16-04, WP2020 #KW-03, MCC, CHLORINATION FACILITIES KILAUEA WELLS NO. 1 AND NO. 2, KILAUEA WATER SYSTEM, KILAUEA, KAUA'I, HAWAII**

RECOMMENDATION:

It is recommended that the Manager approve Change Order No. 1 for Contract No. 722.

FUNDING:

Account No.	10-21-00-604-157		
Acct Description	WU/Cons/Admin/Capital Outlay – R&R		
Funds Available	<i>Verified by WWC</i>		\$ 111,250.00
Contract No.	722		
Vendor	Kiewit Infrastructure West Co.		
	Contract Amount	\$ 3,124,020.00	
	Contingency	0.00	
	Total Funds Certified	\$ 3,124,020.00	
Change Order No. 1:			
Description:	Cost Escalation	\$ 64,870.08	
	Total Change Order No. 1	\$ 64,870.08	<\$64,870.08>
Contract Amount To Date		\$ 3,188,890.08	
Fund Balance			\$ 46,379.92

BACKGROUND:

Contract NTP Date: November 7, 2022
 Original Contract End Date: July 28, 2024
 New Contract End Date: N/A

The Kilauea Wells No. 1 and 2 MCC, Chlorination Facilities project consists of removing and installing a temporary and permanent motor control center (MCC), demolishing and installing a new roof and other hardening features to the existing pump control building, constructing a new shelter for the existing generator, and associated site grading for the new generator shelter, in accordance with the contract document requirements.

These project improvements are required to address the existing aged MCC's, upgrade the existing pump control building, and adding a shelter for the existing generator.

Bids were opened on December 17, 2021. The contract award went to Kiewit Infrastructure West Co (KIWC). in the amount of \$3,124,020.00, whose bid was deemed responsive to procurement.

The Contract between KIWC and the Board was executed on May 4, 2022. The Department tried to assign a Construction Manager (Bowers + Kubota) to the project. Unfortunately, on May 10, 2022 it was determined the Contract for Bowers + Kubota expired on 3-1-22. The Department performed a new Professional Services selection. A new Contract was executed with Bowers + Kubota on November 14, 2022. A NTP with KIWC was executed on November 7, 2022.

There has been a cost escalation for materials, labor, and equipment. A proposal of \$64,870.08 has been received and reviewed by the Department Staff. Due to this extended delay in issuing the NTP. Change Order No. 1 additional cost is necessary and the cost proposal is deemed acceptable.

**9. CHANGE ORDER NO. 2 TO CONTRACT NO. 722 (KIEWIT INFRASTRUCTURE WEST CO.
 JOB NO. 16-04, WP2020 #KW-03, MCC, CHLORINATION FACILITIES KILAUEA WELLS NO. 1 AND NO. 2, KILAUEA WATER SYSTEM, KILAUEA, KAUA'I, HAWAII**

RECOMMENDATION:

It is recommended that the Manager approve Change Order No. 2 for Contract No. 722.

FUNDING:

Account No.	10-21-00-604-157		
Acct Description	WU/Cons/Admin/Capital Outlay – R&R		
Funds Available	<i>Verified by WWC</i>		\$ 46,379.92
Contract No.	722		
Vendor	Kiewit Infrastructure West Co.		
	Contract Amount	\$ 3,124,020.00	
	Change Order No. 1	\$ 64,870.08	
	Total Funds Certified	\$ 3,188,890.08	
Change Order No. 2:			
	Description: Project Access Road	\$ 22,976.72	
	Total Change Order	\$ 22,976.72	<\$ 22,976.72>
	Certify Remaining Funds for Contingency	\$ 23,403.20	<\$ 23,403.20>
	Contract Amount To Date	3,211,866.80	
	Fund Balance		0.00

BACKGROUND:

Contract NTP Date: November 7, 2022
Original Contract End Date: July 28, 2024
New Contract End Date: August 7, 2024

The Kilauea Wells No. 1 and 2 MCC, Chlorination Facilities project consists of removing and installing a temporary and permanent motor control center (MCC), demolishing and installing a new roof and other hardening features to the existing pump control building, constructing a new shelter for the existing generator, and associated site grading for the new generator shelter, in accordance with the contract document requirements.

These project improvements are required to address the existing aged MCC's, upgrade the existing pump control building, and adding a shelter for the existing generator.

Bids were opened on December 17, 2021. The contract award went to Kiewit Infrastructure West Co. in the amount of \$3,124,020.00, whose bid was deemed responsive to procurement.

The Contract between Kiewit Infrastructure West Co. (KIWC) and the Board was executed on May 4, 2022. The Department tried to assign a Construction Manager (Bowers + Kubota) to the project. Unfortunately, on May 10, 2022 it was determined the Contract for Bowers + Kubota expired on 3-1-22. The Department performed a new Professional Services selection. A new Contract was executed with Bowers + Kubota on November 14, 2022. A NTP with KIWC was executed on November 7, 2022.

There has been a cost escalation for materials, labor, and equipment. A proposal of \$64,870.08 has been received and reviewed by the Department Staff. Due to this extended delay in issuing the NTP. Change Order No. 1 additional cost is necessary and the cost proposal is deemed acceptable.

The access road to the project site was deemed unsafe and hazardous for vehicular traffic due to the wet and muddy conditions. KIWC proposed to make some access road improvements by placing aggregate material in muddy access road sections. On March 31, 2023 KIWC proposed a estimated cost of \$23,135.49. This would allow for manageable access to the project site. All proposed work was tracked via force account (FA). The FA sheets were signed off daily by KIWC and Bowers + Kubota. After the computation of the FA sheets. KIWC is proposing a total of \$22,976.72 and an additional 10 calendar days for Change Order No. 2.

**10. MEMORANDUM OF UNDERSTANDING BETWEEN THE OFFICE OF THE AUDITOR,
STATE OF HAWAII AND DEPARTMENT OF WATER, COUNTY OF KAUA'I**

RECOMMENDATION:

It is recommended that the Manager approve a Memorandum of Understanding between the Office of The Auditor, State of Hawaii and Department of Water, County of Kaua'i, for audit services for Fiscal Years ending June 30, 2023, 2024, and 2025, in accordance with GASB Statement No. 75.

FUNDING:

Account No.	10-31-10-540-010		
Acct Description	WU/Acctg/Admin/Professional Services-General		
Funds Available	<i>Verified by WWC</i>		\$ 4,200.00
Contract No.	N/A		
Vendor	Office of the Auditor, State of Hawaii		
	FY 2023 (1 st Year)	\$ 4,200.00	
	Total Funds Certified	\$ 4,200.00	<\$ 4,200.00>
Fund Balance			\$ 0.00

BACKGROUND:

The Office of the Auditor conducts the audit of Hawai'i Employer-Union Health Benefits Trust Fund ("EUTF") of the actuarial information received for the schedule of changes in fiduciary net position by employer and related notes to the schedule and the examination report on census data for the fiscal years ending June 30, 2023, 2024 and 2025, in accordance to GASB Statement No. 75. The total cost for each Fiscal Year's audit are as follows:

FY 2023 (1st Year) = \$4,200.00
 FY 2024 (2nd Year) = \$4,300.00
 FY 2025 (3rd Year) = \$4,400.00

For participating in this MOU, the actuary report, and the audit results from KKDLY LLC (Auditor for the State of Hawai'i, and Office of the Auditor) will be provided to the DOW with the financial information specific to DOW.

CONVEYANCE OF WATER FACILITIES

NONE