

MINUTES

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

October 23, 2007

Hilo Operations Center Conference Room

- MEMBERS PRESENT: Mr. Thomas Goya, Chairman
Mr. Riley Smith, Vice-Chairman
Mr. Loren Heck
Ms. Millie Kim
Mr. Dwayne Mukai
Mr. Milton Pavao, Manager, Department of Water Supply
(ex-officio member)
- ABSENT: Ms. Paula Helfrich, Water Board Member
Mr. Bernard Konanui, Water Board Member
Mr. Francis Kuailani, Water Board Member
Mr. George Harai, Water Board Member
Mr. Bruce McClure, Director, Department of Public Works
(ex-officio member)
Mr. Christopher Yuen, Director, Planning Department
(ex-officio member)
- OTHERS PRESENT: Ms. Katherine Garson, Deputy Corporation Counsel
Mr. Robert Arrigoni
Mr. Barry Francis, Clark Realty Corporation
Mr. Alexander Achmat
Mr. Ed Pollock

Department of Water Supply Staff

- Mr. Quirino Antonio, Jr., Deputy Manager
Ms. Kris "Kanani" Aton, Public Information and Education Specialist
Mr. Kurt Inaba, Engineering Division Head
Mr. Lawrence Beck, Engineering Division
Mr. Keith Okamoto, Engineering Division
Mr. Richard Tsunoda, Waterworks Controller
Mr. Daryl Ikeda, Chief of Operations
Mr. Clyde Young, Operations Division
Ms. Elaine Chiu, Operations Division
Mr. Norris Gonsalves (10:23 a.m.)
Mr. William Yamamoto, Waimea District Supervisor (10:23 a.m.)

Ms. Bettina Arrigoni, Energy Management Analyst
Mr. Cyrus Sumida, Ka'u District Supervisor

CALL TO ORDER - Chairman Goya called the meeting to order at 10:06 a.m.

STATEMENTS FROM THE PUBLIC - verbatim

1. Mr. Alexander Achmat

CHAIRMAN GOYA: At this time, I would like to welcome Alexander Achmat; and he is from Hawi. Could you give a little background before your presentation?

A. ACHMAT: Sure.

CHAIRMAN GOYA: Thank you for joining us this morning.

A. ACHMAT: Thank you for having me. Good morning. I live in Hawi, and I'm kind of a public spirited citizen and interested in the workings of our County. Recently, we had a water outage up in my area the first weekend of October. The Water Department and its activities became a hot topic of discussion at the coffee circle there, all the coffee shops, people were abuzz trying to figure out what was going on. There were a lot of rumors going through the community. I personally didn't see any public notices. I do live in the older section of Hawi near one of the wells. We lost water Friday and had it back Saturday, and so we weren't as terribly inconvenienced as some people. As part of that experience, it sparked our interest in the Water Board. So I'm here today because I went to your website, and it described the Water Board as a semi-autonomous department of the County. I didn't quite understand what that meant. As I read it, it seems to be that not only is it a semi-autonomous department, but you kind of create your own rules, you have the authority to change rules, and it's a pretty large scope. The only other time I had anything to do with the Water Department was a few months back when there was a suggested appointment out of Kona of a new Board Member; and I testified against that, knowing something about the Board Member and his character and his kind of efforts in the community. I thought he was an inappropriate candidate for that job. And then it did get denied so that was kind of interesting as well. And the two kind of tied together in, again, creating more interest in me and what the nature of the Water Board was and how it worked. And so I guess today, my first meeting, and not wanting to overburden you, I thought I might ask the question of what is the nature, if you could explain it to me more clearly, of this semi-autonomous state? I sort of understand it in terms of the rules, but I don't understand how it actually works.

CHAIRMAN GOYA: Okay, we can take your statement now, but we can't answer any questions at this time. We have Counsel here, represented; and if you'd like to take a little break and go out and talk to Counsel, you're welcome to do that.

A. ACHMAT: Well maybe you could direct me to who would do it. Because semi-autonomous-, I was confused if-, for instance, looking at your budget--I couldn't find this

year's budget, but last year's budget seemed to be around \$38 million. And then I know today there is some discussion on some changes to personnel and some additions and things, and those are part of the budget. And then I found a previous budget from 2005 on the internet, and it seems that the Water Department revenues are growing at a pretty good clip, somewhere between ten and twenty percent a year going up from-, I think it was thirty-four or thirty-five to about thirty-eight million dollars in the last couple of years. I didn't know whether there was a surplus of monies and where those ended up. Are those County funds in a particular fund or are they as part of the semi-autonomous arrangement? Or are they designated or delegated somewhere else? Because I notice you also have substantial interest income on the budget and that was the second part of the same question.

CHAIRMAN GOYA: Thank you for your concern and interest. Again, we have Counsel here -,

A. ACHMAT: Who would that be?

CHAIRMAN GOYA: Ms. Garson, right in back of you. And she'll be glad to answer your specific questions regarding this; and you're more than welcome to stay and follow our Agenda here today.

A. ACHMAT: Yes, I would like to.

CHAIRMAN GOYA: We welcome your driving in and joining us.

A. ACHMAT: And Ms. Garson is part of the Water Board?

CHAIRMAN GOYA: She is the attorney for the County of Hawai'i.

A. ACHMAT: So are you part of -?

K. GARSON: Corporation Counsel's Office.

A. ACHMAT: Okay.

CHAIRMAN GOYA: So again, thank you for your comments; and hopefully we can address some of your interests and concerns during the course of this meeting.

A. ACHMAT: Good. Thank you.

2. Mr. Ed Pollock

CHAIRMAN GOYA: The other person is Ed Pollock. He's also from Hawi; and again, we appreciate your driving in to join us this morning and hope you can stay for the meeting and get to know more about what the Board does here.

E. POLLOCK: We will be able to stay. The reason that I -, similarly to Alex, the reason that I am here today is slightly different. Two subjects--one is the health ramifications of the situation of the water loss that we received at the beginning of this month, which, in some places, lasted for less than 24 hours; and in other cases, lasted up to four days. What happened was it seems that there's an ability to actually get the message out that there is going to be a water problem. That happened relatively expeditiously. But what didn't happen expeditiously was that we weren't being told we were having non-potable water. So people were utilizing the water that was coming out of their faucets, not realizing that, in fact, it was non-potable. I became made aware of it late on Sunday evening where I saw the communication, a letter, from the Water Board that said that this was non-potable water. I didn't specifically speak to any of the people that became unwell by drinking this water. I did hear, and it was purely hearsay, that people did get unwell by drinking the water. I really think that an effort needs to be made to let the public know that there is a problem with the water -, drinking it, when it comes up. We happened to have our County fair on that weekend -, on that Saturday, of which there was a perfect situation to have somebody from either the County government or yourselves to be there to let us know that this is not water that we should be drinking. I just think this is very important and something that needs to be taken account for in the future. The other thing that comes into mind, and what draws our attention, is the inability to maintain water service due to tardiness in repairing the pump to -, I believe there were two drill sites -, well sites, that were affected. One had been out since March-, conservatively since March because of the inability to repair the pump, and then subsequent failure of the second pump, and thus allowing us to have no water. I just -, it's unfathomable that it would take six months to repair a piece of equipment that was predicated on continuing water supply. So, please, if you guys could pay a little bit more attention to the maintenance of the pumps, we would greatly appreciate it. The other thing -, it's a double-fold reason to come to Hilo today; the second reason is to look into a catchment tank. So I think that kind of tells its own story. Thank you for giving me the time.

CHAIRMAN GOYA: Thank you Mr. Pollock. You're welcome to stay for the rest of the meeting, and we'll try to accommodate you by maybe adjusting the Manager's Report to take it up front here.

E. POLLOCK: Thank you very much.

APPROVAL OF MINUTES

ACTION: Mr. Heck moved for approval of the Minutes of the September 25, 2007, Water Board Meeting; seconded by Mr. Smith and carried unanimously by voice vote.

ACTION TO MOVE UP AGENDA ITEM:

Chairman Goya entertained a Motion to move up the Manager's Report No. 5, North Kohala Water System Outage.

ACTION: Ms. Kim so moved; seconded by Mr. Mukai and carried unanimously by voice vote.

MISCELLANEOUS:

M. MANAGER'S REPORT:

5) North Kohala Water System Outage

The Manager reported that the Department (DWS) lost the Hawi No. 1 Well in North Kohala on Friday, October 5, 2007. The unfortunate part is when that well was lost, the second well, Hawi No. 2, was down for repairs. The breakdown was caused by a snapped shaft. He explained that this particular pump is a vertical turbine; and from the motor to the pump, it has a shaft, and the shaft snapped. For the Hawi No. 2 Well, fortunately there was a spare pump on the ground at the site that the Department had installed but was not happy with the installation. During this whole process, a pump to replace Hawi No. 2 was being shipped from the mainland to Kohala. It arrived a week and a half after this incident in North Kohala, on Wednesday, October 17, 2007.

Getting back to what caused everything is when the DWS first realized that the area was without water, the first thing done was to hire private contractors to haul water and ask the Department of Public Works (DPW) to help with strategic tankers around the North Kohala area. DWS also recognized the fact that the hospital, which is on the Halaula side, would be affected. In any cases where there are water outages, the primary concern is the hospitals because other users can go and get water elsewhere; but people in the hospital cannot be moved. The DWS took steps to haul water from the Makapala-Keokea system into the Halaula tank to keep the Halaula area with water and thereby assuring that the hospital had water. Further measures were taken to shut off a valve just from the Hawi side of the hospital to assure that whatever was put into the Halaula tank would be reserved for the hospital. Fortunately, the hospital in Halaula never went without water.

When the situation came about, the DWS started up a well owned by Surety Kohala. There were some problems with providing adequate chlorination and disinfection in the water. As a matter of practice, whenever a new source is started up, the DWS automatically takes water samples. When the samples were taken by staff, they found out there was some bacteria. It was a conscious decision to issue a notice not to drink the water unless boiled first. As far as communications, the DWS' Public Information and Education Specialist, Ms. Kris "Kanani" Aton, was constantly at Civil Defense working with them to get the message out. The DWS also posted whatever it could on its website. Mr. Riley Smith, Water Board Member from South and North Kohala, was also very helpful. Through his network, he would forward DWS' emails to individuals in the area to get the message out. Notices were posted wherever the water hauling tanks were. Information was sent out as much as possibly could be without physically being out there. DWS understood later that there was a Hoolaulea right in Hawi town. Maybe it was unfortunate that staff did not go there and get the message out; however, everybody was busy doing whatever was needed to make sure everybody had water. It is unfortunate that the boil water notice had to be issued, but it was purely precautionary. Staff also detected residual chlorine in the water, which is a good sign; but out of safety for the entire community, it was a decision on the DWS' part to issue the boil water notice. Unfortunately, from the time the sample is taken until you get the results is 24 hours, and that explains the gap.

There was a time when the water was safe to drink, but DWS still told the people not to drink it because the results were not in. He realized it caused some concern and apprehension as to what the DWS was doing, and he realized that things could have been done better. Personally, he thought everything possible was done based on the amount of people on hand and the circumstances involved. He called upon Mr. Keith Okamoto, DWS' Water Quality and Assurance Branch, and Ms. Aton to further explain.

Mr. Okamoto reported that as soon as his section knew that the Surety Kohala Well would be used, because it is a well that has not been previously approved by the State Department of Health, Safe Drinking Water Branch, the first notice was issued with the recommendation not to consume the water. In that notice was a recommendation that if they needed to consume the water, to boil it first. This is because they knew the laboratory results would take 24 hours.

The Manager stated that another topic of concern mentioned today was the DWS' inability to repair the pump as soon as possible. He assured everyone that was not the case. DWS was working on Hawi No. 2 for the longest time. It was just a matter of circumstances. He asked Mr. Clyde Young, Mechanical Engineer, to explain the events that led to that breakdown and why it was not fixed as fast as possible.

Mr. Young stated that DWS went through the emergency procurement in March when the well first went down. That pump got pulled out twice from that time until October. It was found that there were problems with the thrust bearings. He explained that pumps and motors are a complicated piece of equipment. A lot of engineering is involved in the repairs. The thrust bearings did not look like they were holding up. The third motor was on its way; but, unfortunately, Hawi No. 1 went down in the meantime. Everything was being air freighted and rushed as much as possible. He added that motors are not something you can buy right off the shelf. Right now, there is a temporary system on line; and Hawi No. 1 is still being worked on.

The Manager stated that one of the key things Mr. Young mentioned, and he wanted to make sure everybody understood, was that you cannot just go buy a pump. A pump is dependent on the well it is in. There are two factors to the pump--the size of the bowls and the number of bowls. The size of the bowls determines the capacity, or how much water you can get out of the well. The number of bowls determines how high you can pump it. For every well, there is a unique type of pump. DWS realized that time was of the essence and spent extra money to have it flown in, realizing the need for a backup well. That is the reason it took from March; and even now, it is not fixed because the bearings were not adequate in the motor that came in. DWS realized that if it was left in there, it would eventually give problems. Therefore, it got pulled out again. Pumps are not something that can break today and get a replacement one tomorrow. It does not work like that. He wished it did. He added that a snap in the shaft is very unusual. When the controls are designed, insurance is put in there that the pump will never start up until there is a timer that times out during the backspin, because if a pump spins backwards and then it kicks on to start up, it is guaranteed the shaft will break. DWS does not know why the shaft broke; however, unfortunately, it did. It is not like DWS was sitting on its hands just waiting. It did everything possible to get No. 2 going. The issue about the boil water notice is just something that happened; and actually what Mr. Okamoto and his crew did

was comply with the State Department of Health regulations. It is something that the DWS has to comply with, and it will not compromise the health of a community.

Ms. Aton stated that she was notified of the emergency on Friday, October 5. Even by that night, DWS was issuing notices to Civil Defense that said do not use this water for drinking until further notice; and that was maintained until the DWS' Microlab gave the green light based on the lab results. Meanwhile, Operations staff was "heads down" in the coordination of getting water to where they could so postings were placed on the tankers at the tanker sites and notices were faxed to the hospital cautioning to boil the water. They were able to send fax notices from Civil Defense to the newspapers, radio stations (including Maui), and news stations. Kohala Mountain News also helped with postings at local stores or bulletin boards on Sunday and Monday. She thanked Mr. Smith for his help with email connections and sending the word out. However, there was still a lot of room for improvement and for stronger connections.

The Manager stated that the Maui radio stations were contacted because there are certain parts of Kohala that cannot get good reception from Hilo stations but are able to get Maui stations.

Ms. Aton added that there were some small notices in the Honolulu Advertiser and other local newspapers describing the situation and were pretty much the same as what were given to Civil Defense. Again, with the opportunity for face-to-face communication on such a critical issue, like the opportunity at the Hoolaulea, that would be an excellent improvement on the public relations piece that was definitely lacking.

The Manager introduced Mr. William Yamamoto, District Supervisor in the DWS' Kamuela office, who was here today on a different matter. He asked if Mr. Yamamoto wished to add anything.

Mr. Yamamoto stated that the crew out in Waimea did all they could do to ensure that everybody could get water. The day of the emergency, tankers were brought in and water was pumped up from Hawi to the higher section so they would get water. For the lower section below Hawi, staff knew that the water tankers could be brought in to take care of the people below. In theory, people up in the higher elevation ran out of water on Sunday. Their crew sectioned off Kapaau so they could bring water from Halaula.

The Manager mentioned that he and Ms. Aton had a telephone interview with Mr. Joel Kennedy of The Kohala Mountain News. The article, which Ms. Aton indicated will be coming out next week to every mailbox and free in various places, goes into great detail about this entire situation. He urged everyone to read the article.

The Manager concluded that he did not know what to add except to apologize for what happened; but assured everyone that the Department did its best to get everyone water. He thanked Mr. Yamamoto and his crew, Ms. Aton, and Mr. Okamoto and his staff for their hard work.

The Deputy Manager added his appreciation for the crews who were out there doing the work that needed to be done, and also to the contractor, Beylik Drilling, for getting their rig out to Hawi No 2 as soon as they could. He understood they had a specialized rig that had to be mobilized, and it took a special operator to operate that rig. Obviously, their one operator who could operate the rig could not do it 24 hours a day and Beylik was willing to bring in additional supervision or crews from Oahu to help in getting the equipment installed as soon as they could. They ended up having the pump back on that Monday afternoon.

Mr. Mukai suggested that it might be a good idea to check and see if the Maui radio stations actually aired some of the announcements; and if they did not, to impress upon them the importance of the announcements, even though they affect the Big Island, because of radio reception in the area. He added that he had heard the announcements in Hilo, which were running almost every hour, but had forgotten that radio reception in Kohala is rather spotty.

Ms. Aton stated that the radio stations were also contacted by telephone, and staff tried to time it according to when people would be at the radio stations because it was the weekend. Definitely, that was a critical link that needed further strengthening.

Mr. Heck mentioned an article describing how hard the water haulers were working, and he thought that was extraordinary; however, his concern, like Ms. Aton, is that there was room for improvement as far as communication. He felt that someone should be out on location in times like this. This kind of communication needs to be brainstormed because it is a health factor-- whether it be hanging things on doorknobs or having signs that are pre-made to go along the highways. Whatever the solution would be, it seems to be a crucial area that was lacking a little bit.

The Manager added that staff had discussed that should this happen again, there might be a possibility of borrowing the State Highways road signs with flashing information.

Ms. Aton mentioned that Mayor Kim also pooled Police and Fire personnel to go out in uniform and personally share the updates as they became available. That request was issued on Sunday. The other thing was the number that was given on every notice that went out on paper and to radio was the Call Center (Department of Water Supply's answering service), and the Call Center was regularly updated through fax and email as the information became available. The Kohala Mountain News interview was a conglomerate of answers to many questions from the Operations Division, field crews, engineers, the Microlab, and from Administration. It includes a full timeline on Hawi Well No. 2.

Chairman Goya introduced Mr. Riley Smith to Messrs. Achmat and Pollock and stated that he represents their area and was very instrumental in making sure that the lines of communication were open. Mr. Smith forwarded his expertise and information as much as possible to make sure that the community was appropriately informed and represents their area extremely well.

Mr. Pollack appreciated the efforts and the trucking of water in try to keep water available. He thinks the key issue everyone realizes here is health. He thought the idea of having the road signs saying water was not drinkable was an excellent one and would have done the entire job.

He stated that he is reasonably well informed but did not find out about the water until Sunday night. He added that they had gone through this with the earthquake last year and that the communications were lacking.

Mr. Smith stated that when various drought issues occur, the DWS typically focuses its efforts on getting water back in service. Ms. Aton has recently been hired by the Department and does an excellent job. These emergency response plans are now being fine tuned. In a lot of situations, you learn from experiences. By going through this situation and everybody understanding the shortcomings, Ms. Aton would welcome input from the community or anyone. Also, just for information, a lot of the highway signs have restrictions on how they can be used because of the way they are funded, unless the Mayor gives a directive. Sometimes there might be a situation where the signs might be at a State Highways baseyard, but this is a Department of Water Supply issue. Having interpersonal relationships helps a lot in these situations. A couple of suggestions that he would make is the County Planning Department has been through their community development plan process, and he has all the email addresses for the South Kohala area but not all those up in North Kohala and all of the County employees that had it were not answering emails that weekend. It would probably be good to have Kona, North Kohala, and South Kohala, and Puna contacts. Another suggestion would be that if the Department expects to use a well, like the Surety Well, on a temporary basis in times like this, to periodically ask them if they can go through bacteriological testing so that data is updated.

Mr. Okamoto stated that the Department is sending that out already.

Mr. Smith stressed to the residents of North Kohala that the Department is also bound by protocol from the State Department of Health. If Mr. Okamoto does not have bacteriological data in front of him, he has to issue a boil water notice. That does not necessarily mean there is a health risk. It just means that he cannot certify to the community that the water is potable. The Department has its emergency response plans. The Water Board's role is to establish policy and give general guidance and direction--not to micromanage the Department. However, members of the Board all have different areas of expertise and background and can help to make sure that should the situation occur again, the impacts are minimized.

Ms. Kim thanked the Chairman and the Manager for covering this issue so well at this point in the Agenda. She explained that she was away when this happened and was really impressed to learn of the measures that were taken by the Department. Whatever was available was utilized, but it seems like there were some unfortunate circumstances. This has been good coverage of how things are dealt with on multi-agency level, involving the public and the private sector. She was glad to hear a lot of positive things coming out of this and was comfortable that the Department did everything it could but was a little alarmed that Civil Defense communications do not get a priority on radio networks no matter where they are located. On the health issue, the Department was clearly following the State requirements. She was satisfied that the Department was able to identify a lot of areas that needed improvement but that overall effort was done in a more than satisfactory manner.

Chairman Goya asked Mr. Okamoto to explain the chlorination and contact time that is essential to make sure water is appropriately treated.

Mr. Okamoto explained that the Department uses chlorine to kill off the bacteria; however, time is needed for interaction for the chlorine to kill the bacteria. With well sources, bacterial contamination is rather rare, and it was a little surprising. As a precaution, because the Department was using an unapproved source, it sent out the recommendation not to consume the water. As a means to try to flush that out of the system once Hawi No. 2 was back online, Mr. Yamamoto and his crew were flushing out the ends of the system and upping the chlorine dosage because the inactivation relies on a couple of things--the amount of chlorine and the time of that chlorine contact. Once it was flushed out, staff continued to take bacteria samples to make sure it was clear.

Chairman Goya stated that the Board appreciated all of the work effort that was done. Mr. Yamamoto and his crew did fantastic work. Their emergency procedures are outstanding, as seen during this experience as well as during the drought experienced this past May. Chairman Goya added that the Board is trying to manage perception. A lot of times, the Department is very technical about what it does. Getting the water back online is most important, and everyone needs to recognize the public perception of how everyone handles their job. It is important to open up additional avenues of communication and education. The lessons learned from this will only help the Department be better communicators. He also extended an invitation to members of the community that if they would like any further information from the Department or the Board, to call upon them. Their presence at the meeting today shows that they have a personal interest in what is going on and hoped they would share this information with others. The Department and the Board Members are open and take their jobs very seriously. He thanked them for coming and invited them to stay for the remainder of the meeting.

MISCELLANEOUS:

A. DEDICATION OF WATER SYSTEMS:

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**

Name of Subdivision/Project: Panaewa Farm Lots Improvements Lots 6A to 6D

Grantor: Sonomura Rentals, Inc.

TMK: (3) 2-2-048:010

E.W.O.: 2007-013

Lots: 4

Zoning: A-3A

Facilities Charge: \$0

Paid: (Existing services)

Final Inspection Date: 7/18/07

Water System Cost: \$89,500.00

2. **BILL OF SALE**

Name of Project: Kuawa Self Storage LLC (Parts A & B)

Grantor: MRP Kuawa Storage, LLC
TMK: (3) 2-2-032:020
E.W.O.: 2007-100
Facilities Charge: \$2,380.00 Paid: 8/8/07
Final Inspection Date: 9/10/07
Water System Cost: \$90,000.00 (Part A); \$10,500.00 (Part B)

3. **GRANT OF EASEMENT; BILL OF SALE**

Grantor/Seller: Wainani 42, LLC
TMK: (3) 7-3-010:027 & 049 (por.)
E.W.O.: 2007-038
Lots: 49
Facilities Charge: \$165,000.00 Paid: 10/12/07
Final Inspection Date: 10/9/07
Water System Cost: \$143,778.00

4. **DEED (Tank Site); BILL OF SALE (TANK SITE)**

Grantor/Seller: Wainani 42, LLC
TMK: (3) 7-3-010:049 (por.) Tank Site
E.W.O.: 2006-063

The Manager recommended that the Water Board accept 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.

ACTION: Mr. Heck moved for approval of the Manager's recommendation; seconded by Mr. Smith and carried unanimously by voice vote.

(Mr. Barry Francis left the meeting at 10:52 a.m.)

B. **JANITORIAL AND GROUNDS MAINTENANCE PERSONNEL FOR THE OPERATIONS DIVISION:**

The Department proposes to amend its Table of Organization to create positions for a grounds maintenance and janitorial crew islandwide. Due to the Konno decision, all site maintenance and janitorial contracts that the Department has with private contractors will be terminated effective December 31, 2007, at close of business. Any existing contracts with non-profit organizations such as ARC of Hilo will not be affected. The Department will have to hire its own grounds maintenance and janitorial crews to provide the services that the private contractors are now performing.

The following positions are being proposed to fulfill the duties:

Hilo District:	2-Groundskeeper I
	1-Custodian/Groundskeeper II
	1-Custodian/Groundskeeper I

Waimea District: 1-Groundskeeper II
 1-Groundskeeper I
 1-Custodian/Groundskeeper I

Kona District: 1-Groundskeeper II
 1-Groundskeeper I
 1-Custodian/Groundskeeper I

Kau District: 1-Groundskeeper II
 1-Groundskeeper I
 1-Custodian/Groundskeeper I

Funding for these positions will come from the savings from the terminated contracts.

The Manager recommended that the Water Board approve the amendment to the Table of Organization to create Grounds Maintenance and Janitorial crews for the Operations Division.

MOTION: Mr. Heck moved for approval of the Manager’s recommendation; seconded by Mr. Smith.

Mr. Smith stated he disagrees with the Konno decision, but he understands the Department has to follow it. His concern is that this is inefficient and not a good way to use government money. If you do not have full tasks for full positions, but you have to hire full-time County employees, it is not an efficient way to get things done; but he recognized that the Department’s hands are tied.

The Manager agreed and stated that it is a shame because the public expects government to be efficient, and this is taking one step backwards.

Mr. Smith’s commented that because of the implications of the Konno decision, if you had, at any time in government, hired an employee to do a certain task, you are setting the precedent that forever forward, you cannot hire someone else to do it or you will be scrutinized. If you ever want to reallocate a position or establish a new job class, that is the consequence.

Chairman Goya stated that the implication for the Department is that it keeps adding to the staffing, and it hastens the need for rate adjustments to provide for employee wages and benefits.

The Manager stated that the other implication is the creation of positions where there may not be enough for them to do eight hours a day.

Chairman Goya stated that the Board is not comfortable with this, but there is no other choice. He asked about cross-training and whether these employees could be trained to perform other types of work within their job scope.

The Manager stated that the job scopes are just “boiler plates” so far, but he assured the Board that they will be fine tuned to best utilize the people on staff and see what other jobs they can do within the scope of their job descriptions. It is also the intent to try to have them at more than one

site because it is foolish to stay in one area when there is not enough work. He recognized the challenge in front of the Department.

Mr. Ikeda pointed out that the Department of Human Resources created this position where they are combining the Custodian/Groundskeeper, which helps a little. At least the job specifications can be written where they can clean the buildings and also perform some yard work around the buildings.

ACTION: A vote was taken on the Motion to approve the amendment to the Table of Organization to create Grounds Maintenance and Janitorial crews for the Operations Division. Motion was carried unanimously by voice vote.

C. **REALLOCATION REQUEST FOR ACCOUNTANT III, POSITION NO. WS-02420:**

The existing duties and responsibilities of the Accountant III, Position No. WS-02420, have expanded significantly in recent years. The position:

- Oversees the daily operations of the Management Accounting Branch and supervises the staff in the performance of fiscal and accounting activities involving payroll processing; procurement; contractual payments; accounting journals; and accounts receivable for property damage, work orders, and miscellaneous billings.
- Evaluates, revises, recommends, and implements policies and operating procedures for all functions in the branch to ensure compliance with applicable laws, departmental procedures, collective bargaining agreements, ordinances, etc.
- Performs duties typical of other Accountant IV positions in the County that have direct responsibility for the management and operations of the fiscal program for their respective departments.

The County's Department of Human Resources performed a recent desk audit of the position and has determined that the more appropriate classification for this position is Accountant IV, SR-24, and that a reallocation is warranted. Attached to the Agenda was an organizational chart for both the "existing" position and "proposed" reallocated position in the Management Accounting Branch.

The Manager recommended that the Water Board approve the proposed reallocation and amendment to the existing Table of Organization.

MOTION: Mr. Mukai moved for approval of the Manager's recommendation; seconded by Ms. Kim.

In response to Mr. Smith's question as to the rating on the Accountant III position, Mr. Tsunoda replied that it is SR-22.

The Manager added that this was audited by the Department of Human Resources and it is their recommendation.

In response to Mr. Mukai's question regarding whether there are counterparts in another County agency, such as the Department of Public Works, Mr. Tsunoda replied that there are not very many Accountant IV's in the County, but he believed the Department of Public Works, the Police Department, and the Department of Environmental Management each have one, and they are all similar positions. When the Department of Human Resources looked at the rest of the County's Accountant IV positions for comparison and justification for this Department's reallocation, it found the responsibilities to match those of the other departments.

ACTION: A vote was taken on the Motion to approve the proposed reallocation and amendment to the existing Table of Organization. Motion was carried unanimously by voice vote.

D. WATER RATE STUDY 2007:

Chairman Goya entertained a Motion that this be deferred to the November 27, 2007, Water Board Meeting to hopefully have input from all nine Water Board Members. The Department spent a lot of money on this study, which covers planning for the next five years. No rate increase is proposed until 2012, and it has a lot to do with the budget expenditures; and now there will be extra staffing requirements that were mentioned earlier relating to janitorial/groundskeeping services. He advised the Board to study the document prior to the next meeting.

ACTION FOR DEFERRAL: Mr. Smith so moved to defer this until the November 27, 2007, meeting; seconded by Ms. Kim and carried unanimously by voice vote.

E. BANKING AND CASH MANAGEMENT:

Chairman Goya asked the Manager to give a follow-up report on the information that was provided with the Agenda.

The Manager stated that Mr. Tsunoda prepared a report that was attached to the Agenda, which outlines the process on cash management. The report is provided for the Board's information, and the Department is looking for some guidance from the Board as to that report. What the Department had intended to do was to choose the institution that provides the best service because the institutions are compatible in all other areas.

Mr. Tsunoda added that the focus of the Department was on the checking account. The financial institution was put on notice that their rate was way short of the competitor's offer. They failed to offer a competitive rate or banking products that could offset the higher rates from the other bank. When they were made aware of the Department's desire to move the checking account, they decided to increase the rate.

Mr. Smith noticed there was no recommendation in this Agenda item. A couple of concerns he had was first when he looked at this and saw the amount of money the Department potentially has available for investment, he thought the checking account was more in the neighborhood of \$1 million.

Mr. Tsunoda explained that in recent months, the checking account has been in the neighborhood of three to four million because of the magnitude of the capital improvement projects that are out there. The Department wanted to make sure it is liquid. He had gotten the impression from the Board that it wanted a cash management report and not a checking account report.

Mr. Smith stated that his other concern is that whatever the Department ends up doing or recommending to the Board for approval, that there be some kind of process shown. He mentioned the State Procurement process where perhaps you may need to go through a request for proposals or you ask questions of the competitors. His concern is just to have a defensible process in place that gives financial institutions an opportunity to make proposals to the Department and to have a selection criteria in place. It could be a scoring system where you give so much for rates, so much for service, etc., so the process can be shown by the Department to back up its decision.

Ms. Garson explained that there is an exception in the Procurement Code for investment purposes but that it is her job to ensure that the Department consults with her before taking any action.

Mr. Mukai agreed with Mr. Smith that there should be something in black and white to back up the decision in case the Department or the Board is questioned on the outcome.

The Manager added that he did not think it would ever happen where only one bank holds all of the Department's accounts because the Department follows the County's lead, and they spread theirs out among the different institutions. He added that the Department could summarize the criteria used and report back to the Board at the next meeting.

Chairman Goya noted that this Department falls under the County rules and policies regarding cash management, so it is important that the Department report to the Board on these matters and that the County Treasurer and the Director of Finance are equally responsible for the monies that the Department has available for them to invest on its behalf. Also, he felt that all of the banks would be competitive for the monies that the Department has available and that it should look at maybe spreading it out a bit. He thanked Mr. Tsunoda for his report to the Board.

The Manager added that thanks should also go out to Mr. Okamoto, County Treasurer, who assisted the Department in this process.

F. **AMENDMENT TO THE OPERATING BUDGET FOR FISCAL YEAR 2007/2008:**

The Operating Budget for fiscal year 2007 – 2008 should be revised to accommodate the creation and hiring of in-house positions to provide the janitorial and grounds maintenance services currently being performed by private (for-profit) contractors as proposed under Agenda Item No. 5(B) under Miscellaneous. A total net amount of \$134,500 – the amount budgeted for the six-month period, January 1, 2008, to June 30, 2008 – should be transferred from the Janitorial and Contractual Services budget accounts to the Salaries, Taxes, Employee Benefits, and Equipment accounts.

Budget Item:	Current	Addition (Reduction)	Revised
5000 Salaries	\$8,113,600	\$61,900	\$8,175,500
5005 Taxes	620,000	4,700	624,700
5010 Employee Benefits	3,151,000	17,900	3,168,900
5750 Equipment	538,500	50,000	588,500
5310 Janitorial Services	41,500	23,700	65,200
5320 Contractual Services	1,731,500	(158,200)	1,573,300
Total	\$14,196,100	(\$-0-)	\$14,196,100

The Manager recommended that the Board approve the revision to the above Operating Budget line items for Fiscal Year 2007-2008 should Agenda Item No. 5(B) under Miscellaneous be approved.

MOTION: Mr. Heck moved for approval of the Manager’s recommendation; seconded by Mr. Smith.

Mr. Mukai noted that the salaries are a pro-rated amount and that from January 2008, there will be unused portions of the maintenance contracts. It seems to balance the budget nicely, but he wondered if the amount was realistic for thirteen new Civil Service employees covered in the amendment to the Table of Organization that was approved earlier for janitorial and grounds maintenance personnel. He added that he learned from his brief time with the Prosecutor’s Office that contracting for private services was much cheaper than hiring a salary position.

Mr. Ikeda stated that it is not the Department’s intent to fill all of the positions right away.

The Manager added that the series was created to give the Department flexibility but that staff still needs to get together and figure out how it will go about this. The amendment to the Table of Organization was made as sort of a “worse case scenario” to ensure that the Department could accomplish what it needs to do. However, it is not the intent to fill all thirteen positions at once.

ACTION: A vote was taken on the Motion. Motion was carried unanimously by voice vote.

G. DWS LOBBY EFFORTS:

Chairman Goya asked the Manager to give a brief on the discussion that took place at last month’s Water Board Meeting regarding assistance or any help that the Department might need in soliciting money from the Legislature or representation at any Council meetings or an executive board.

The Manager stated that this item was placed on the Agenda because, as mentioned last month, the Department is looking for help to lobby for the three projects listed in the C.I.P. package. It was decided last month to place this on the Agenda so that the Board could grant authority for certain individuals to lobby on behalf of the Water Board. They would also be entitled to necessary reimbursements for their efforts.

Ms. Kim stated that although she was not present last month, she went through the Minutes and felt it was a good discussion to have the Board assist in lobbying. She thought it was a good idea for the Board to participate and liked the idea mentioned last month of funneling everything through the Chairperson because otherwise, it could be a disorganized mess. It needs to be well coordinated because you do not want people talking on the side to other people and circulating unauthorized information inadvertently. The only question she had was if it would create any ethics problem. She asked Ms. Garson is it okay for Board Members to be visible, proactive advocates on the part of the Department's projects since they are volunteers and not being paid to do this. She was looking at it in terms of having a Chairperson accompany the Department at hearings in Honolulu at the State Capitol during the session or submitting testimony on behalf of the Water Board where it could cosign a statement of support or even meet with island representatives individually, but having a consistent message.

Ms. Garson did not see there being an ethical problem here because it is a furtherance or part of the Board's responsibility in setting policy.

Ms. Kim stated that when she was on the State Arts Commission, the staff could not lobby because they had to follow the administration's direction, but board members could. They were not sure how far they could go in terms of lobbying.

Ms. Garson noted that she would look into it, but her understanding was that it is just to provide testimony.

The Manager added that it could also mean attendance at the Legislature or meeting with certain individuals.

Ms. Garson suggested that the Board could either set up a subcommittee but would need to be very specific in the kind of authority that is given, because of communications that might go on outside of a meeting, or it could give the Chairperson a blanket authority to lobby. When filtering everything through the Chairperson, the process for that needs to be defined so as to avoid any Sunshine Law violation.

Ms. Kim stated that she would prefer the idea of working it through Chairperson or the Vice-Chairperson, and that the Manager could let the other Water Board Members know when and how the Department needs their help.

Chairman Goya suggested giving authorization to the Chairperson, and in their absence, the Vice-Chairperson, to actively lobby for any capital improvement projects that have been addressed by the Board previously.

Mr. Smith and Ms. Kim thought that was a good suggestion.

Ms. Garson asked for clarification on whether it would mean any C.I.P. project addressed by the Board.

Ms. Kim noted that it would be for the projects in the booklet that was sent out last month to the various Representatives, which is public record.

Chairman Goya added that it is for what the Board has approved so far in its own capital budget for the 2007/2008 fiscal year and the specific projects that were already presented to some of the members of the Senate Ways and Means Committee. He entertained a Motion that the Board give authorization to the Chairperson, and in their absence, the Vice-Chairperson, to actively lobby for any capital improvement projects that have been addressed by the Board previously.

ACTION: Ms. Kim so moved; seconded by Mr. Mukai and carried unanimously by voice vote.

H. **DEPARTMENT OF WATER SUPPLY MOTTO:**

Chairman Goya stated that from the Board level, he would not want to over influence how a new motto is selected; however, it needs to fit strategically with everything going on within the Department. Most of all, the Board would like the employees to embrace the consideration of why it is being changed and the importance of a new motto. Some of the research that was done brings to life what should be considered in this small island environment.

Mr. Heck asked what the cost for signage on the Department's vehicles, stationery, etc., would be.

The Manager did not think it would be a huge cost. It involves decals on vehicles, and everything the Department's name is on. Most of it would not be changed until the old stock is used up, such as letterhead; however, the vehicle decals would be changed right away.

Chairman Goya suggested that the Manager and staff narrow the choices down to three or five of the top suggestions and bring it back to the Board.

The Manager stated that it could be sent out to the employees either by way of the newsletter or an email.

Chairman Goya stated that the Board could be queried individually on an informal basis as to their preferences.

Ms. Aton stated that alignment with the strategic and master plans is an element not present here at this time and should be brought forward.

Chairman noted that this message will be very powerful internally and externally.

In response to Ms. Kim's question of when Mr. William Chun served as manager of the Department of Water Supply, the Manager replied that the Department of Water Supply started in 1949 (when Mr. Chun became Manager) and prior to that was part of the Department of Public Works.

Ms. Kim asked if it was a division of the Department of Public Works.

The Manager explained that it was not a division, but the water supply function was under that department. In 1949, the Department of Water Supply was officially formed as a separate entity. In the Hawaii Revised Statutes, for some reason, it lays out the different departments of water supply, but there is a specific section for this island's water supply, although he does not know why it is like that.

Going back to the cost for signage, Mr. Ikeda thought the cost would be much more for the decals on vehicles because it is not something you can just peel off; and it may involve repainting the entire door of each vehicle.

Mr. Smith asked when the Department makes its recommendation, that it include what the cost consequences would be.

Chairman Goya hoped to have a report on this by the next meeting.

I. **C.I.P. PROJECT AND PROFESSIONAL SERVICES AGREEMENT:**

Professional Services Agreement contracts for the following Department of Water Supply project is needed. However, the project is not listed on the Department's 5-year Capital Improvement Projects list nor its current fiscal year C.I.P. project list.

1) Hakalau Iki Spring Remediation

This project is required due to the recent determination by the State of Hawai'i, Department of Health, Safe Drinking Water Branch, that the source is under the influence of surface water.

Fee: \$70,000.00 (estimate, subject to negotiation)
Construction cost estimate: \$700,000.00

The Manager recommended that the Board approve the new C.I.P. project and the professional services contract, subject to results of the Procurement Process and that either the Chairman or the Vice-Chairman be authorized to sign the documents, subject to approval by our Corporation Counsel.

MOTION: Mr. Heck moved for approval of the Manager's recommendation; seconded by Mr. Smith.

Mr. Smith stated that he was unclear on the scope of work and who might do this work.

The Manager replied it would be an engineering firm. He explained that the Department has been using this spring source from as long as it took over the Wailea-Hakalau Water System. It is a spring source located on Chin Chuck Road. It consists of a cement box with a roof that houses a spring. Recently, Mr. Okamoto and his staff accompanied the Department of Health to look at the site. Because there is rainwater pooling around the box and that water has a chance to go into the box, the Department of Health has determined that it is a possible source of contamination so it needs to be fixed. The professional services is just for somebody to come up with a design to

ensure there is no possibility of that standing water getting back into the box. It is something the Department could do, but it is faster to give it out to someone who could spend full time on it.

Mr. Okamoto added that it will also include monitoring equipment so there will be some electrical work as well.

In response to Chairman Goya's question of whether there was any problem with corrosion, the Manager replied there was none.

Mr. Heck asked what it is the Board is approving today--if it still needed to be negotiated and come back to the Board for approval.

Manager stated that the Department will procure a consultant, and the estimated fee is \$70,000.00.

Mr. Okamoto added it includes the estimated construction cost of \$700,000.00 because it was not included on this current fiscal year C.I.P. budget.

ACTION: A vote was taken on the Motion. Motion was carried unanimously by voice vote.

J. **MONTHLY PROGRESS REPORT:**

Chairman Goya reiterated his concern about getting the projects done and those that are either in litigation or discussion can be moved forward so it can reduce its lagging capital budget and get on with new projects.

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

No questions.

L. **MANAGER'S EVALUATION:**

The Board will be preparing individual evaluations of the Manager; and Ms. Kim has accepted the task of collating the Board's comments and concerns for presentation at the December 18, 2007, Water Board Meeting.

Mr. Heck asked if the Board Members that are the only ones that do this evaluation or if the Department's division heads do them as well. He mentioned that when he was new to the Water Board, he did not know much about how the Manager spends his time because he only sees him once a month. He wondered if there was anyone from within the Department who could fill in the form as well. The Manager might learn quite a bit that way.

The Manager stated he thought about doing that in the beginning and was advised that it could backfire for various reasons--one being retaliation and the other, trying to be too nice.

Mr. Heck mentioned that it could be done anonymously. He added that this is his fifth year on the Board and hoped he would be able to fill out this form better than he did last year, but he still does not know what it is the Manager does daily. The Board's perspective is limited.

The Manager stated that all the other agencies that have evaluations have been what their board's perception is of the individual they are rating. He has never heard of anyone looking at the subordinates' evaluations and then making a decision; however, he could try it if that is something the Board wants.

Chairman Goya asked Mr. Mukai for his thoughts, having been on the Salary Commission.

Mr. Mukai stated this is not his area of expertise; however, he knew that the Fire Commission has some kind of avenue where they have input from members of the department.

Chairman Goya felt that as the Manager of the Department, he should be soliciting this information so that he can be a better manager.

The Manager stated that he does do that, but not in writing.

Mr. Heck thought that it might be interesting to read some of the notes that the Manager's subordinates have to say.

The Manager stated that the Board could also feel free to call them.

Chairman Goya stated that the Board would leave that up to the Manager.

The Manager asked for clarification on what the Board wanted him to do. If it wanted him to solicit feedback from the division heads, he would.

Chairman Goya stated that it is not the Board's request for direct feedback, but an individual on the Board. However, he thought it would be a good idea for self improvement. The Board's requirement is the most important and that it holds the Manager accountable for performance of the current and fiscal year budget.

Ms. Kim asked that everyone take a look at the format of the evaluation form and if there were any comments or suggested changes, to let the Secretary know. (Mr. Smith asked that the form also be sent electronically.)

Chairman Goya indicated that the deadline to send in the forms to the Secretary would be by next meeting (November 27, 2007) and the secretary will forward them to Ms. Kim to compile.

M. MANAGER'S REPORT:

- 1) Palani Road Transmission Waterline Project - the Manager reported that the remaining easements are close to being obtained; and once that happens, the Department can advertise

the project. This project ties into the perception that the Department has a lot of money, because \$15 million is set aside for that project alone.

- 2) Hawaiian Ocean View Exploratory Well - the Manager reported that the consultant is comfortable that everything is on schedule. The Department is expecting to receive submissions November 6, 2007, for the Request for Qualifications, where the teams will present who their specific teams will be. The actual Request for Proposal deadline would be sometime in February or March 2008, where the Department will actually decide on a contractor that will do the design-build project. The Department has some concerns that the funds available will not be enough to do the entire project, so there are procedures to start cutting back components of the system. The first component that would probably be cut back would be the transmission to the commercial center that would provide fire protection. Based on the consultant's estimates, he does not think the second well will be drilled because of the estimated costs that are coming in. It will certainly be able to develop the well that is going to be drilled now, provide the tank, provide the transmission to the fill station, and provide a fill station.

Chairman Goya stated that the Department needs to be prepared for the November 27, 2007, Water Board Meeting that will be held at the Ocean View Community Center.

Manager stated that the Department can give a thorough recap of what is expected on this project. Based on the estimates and on today's construction prices from the consultants, there will not be enough funds to do the entire project.

Mr. Smith asked if the Department could still have it designed and bid on so there is a history on it. The worst thing is not to design it and the bids come in low and then you wish you had a plan in place.

The Manager replied that it is the Department's intent to advertise everything and then, based on monies, delete portions to suit the available funds.

Chairman Goya elaborated on a couple of concerns. The Department is lobbying for other projects at the Legislature. This was a \$6 million appropriation directly from the State Legislature to the County of Hawai'i, to which the Department is now in charge of because the Mayor assigned it to the Department. There is still the question, on the Board level, to determine how it is going to manage a water system and what will be available to the community. The Board will need to have some active discussion, as well as informing the community what will be available, especially the concern with going to the Legislature. If the community is lobbying individually at the Legislature and this Department has other projects, what will be the priority, and that needs to be managed as well.

The Manager stated that there are two decisions the Board will have to make. One is whether the Board will take over the system; and if it does, if it would implement a special rate because of the high pumping cost.

Mr. Heck asked if spigots are part of the Department's plan or if it is expecting that to be funded by another source.

The Manager replied that the spigots are part of the design and construction. What will probably be externally funded is if Civil Defense, under the Mayor's budget, is going to be responsible for the consumption charge, the water billing, like is done with all other spigots on the island.

Mr. Heck asked how the people there are going to pay for water out of the spigots--if it would be by some sort of card system, for example.

The Manager replied that the water will be free out of the spigots. The only water the Department will charge for is the water that comes out of the standpipe for the truckers.

Mr. Heck indicated that his term on the Board may be up at the end of this year, but he will remain an interested party regarding this project.

- 3) Kona Water Quality - proceeding with repairs to the Kahaluu Shaft project. Mr. Young stated that construction should start in the next couple of weeks by Beylik Drilling & Pump Service.
- 4) Update On Negotiations With Kamehameha Investment Corporation (KIC) - staff met with Mr. Gregory Chun of KIC and came out with an initial agreement. They seem receptive to some sort of arrangement, so there is a possibility the Department might share in the KIC water system. They have three wells in the Keauhou mauka area. The wells legally belong to Kamehameha Schools, not KIC, and that is part of the issue. Chairman Goya noted that the other issue is getting easements needed to connect it down to Keauhou.
- 5) North Kohala Water System Outage - Mr. Smith asked the Manager to comment on what was recognized as being critical to giving Ms. Aton the tools she needs to do her work in situations like this one where North Kohala was without water over the weekend.

The Manager stated that the Department is looking into getting Ms. Aton a wireless card by either Verizon or AT&T that will allow her to access the network no matter where she is. She will also be able to download forms onto a computer for all the templates that the Department has and provide her with a PDF program where she can make PDF files on her laptop, but she will have unlimited wireless access no matter where she is.

- 6) Waimea Water Treatment Plant Sludge Drying Beds - in response to Mr. Smith's question about how this works, the Manager explained that sludge is what is left after the water has been treated. The drying beds dry the water from that material so basically what is left is a solid that can be discarded.

Mr. Okamoto added that the drying beds are not open but are more of a greenhouse structure over the sludge with fans to assist with the drying process. Hopefully this project will be advertised next month.

- 7) FEMA Reimbursements - Ms. Elaine Chiu updated the Board on the FEMA reimbursements. FEMA reimburses up to 75% of eligible projects, once completed, as long as there are no other pending sources of funding. This Department's insurance policy does not include earthquake damage. The County of Hawai'i does have an overall policy that includes earthquake damage; however, this Department was never named an entity on that policy. The County policy also includes a \$1 million unnamed location umbrella. FEMA considers this Department to be part of the County, even though the County Charter was submitted to them showing this Department is semi-autonomous. At this point, FEMA wants to wait until the County settles its overall policy before they consider reimbursement for the DWS projects. This Department has been providing documentation to them that it has never paid out premiums and should not be included as a part of the County's insurance policy; however, they are still claiming that position. The name of the County's insurance carrier is AIG Insurance, and they are suggesting they come out to the DWS facilities, assess the damages, and determine on their own whether DWS is eligible or not and send documentation to this Department on their findings. If AIG does include DWS in with this \$1 million umbrella, the Department would need to discuss making back payments to the County for previous premiums as well as in the future if it should be included with the County's overall policy. The Department is still in negotiations with FEMA in an effort to understand what their specific requirements are because they typically say that any money that is funded from FEMA for future purposes, this Department would now need to have insurance on those properties.

In response to Chairman Goya's question if the cost estimate was about \$12 million, Ms. Chiu replied that was the original estimate but now is about \$10 million. (Chairman Goya noted that the Department's portion would then be \$2.5 million.)

Ms. Chiu stated that out of the \$1 million umbrella in the insurance policy, there is really only about \$300,000.00 to \$500,000.00 available for the Department of Water Supply because the rest was taken up by other County departments.

Chairman Goya noted that this Department's budget needs to be adjusted to account for the additional expense.

The Manager stated there was some contingency for emergencies, but that would probably need supplementing.

Chairman Goya asked if it would affect any projects planned for the remainder of the fiscal year.

The Manager was sure it would because that is about \$1.5 million in unexpected expenses.

Mr. Mukai asked if fronting this money is jeopardizing any other C.I.P. projects.

The Manager replied that it is a cash flow problem. The Department pays for projects as they go along.

Ms. Kim asked if any other counties have that type of coverage in their insurance policy for their semi-autonomous departments.

The Manager replied that he did not know, and that he was surprised to hear that AIG took that approach. It would have been faster if this Department was not considered part of that insurance policy.

Ms. Garson stated that, based upon the language in the policy, she thought the insurance company was being very fair. The reading of the insurance policy was so broad that they are treating it as a claim. Her impression was that they were probably going to cover. It is a good thing on the insurance company's behalf, but it just has consequences of delaying the FEMA reimbursement. It is not necessarily a bad thing. It just raises other issues, and the reason she asked that it be placed on the Agenda is it probably will be coming to the Board for authorization to procure earthquake insurance because FEMA will not pay twice for the same facility. Whether or not this Department wants to join up with the County and pay additional premium to be added to their policy or add earthquake coverage onto its own policy will have to be determined.

- 8) American Water Works Association (AWWA) Annual Conference and Exposition 2008 (ACE08), June 8 to 12, 2008, Georgia World Congress Center; Atlanta, Georgia – the Manager mentioned he has already received a list of conference hotels and will have the secretary forward hotel information.
- 9) Employee of the Quarter Presentation – the Employee of the Third Quarter of 2007 is Ms. Bettina Arrigoni. Mr. Clyde Young stated that she began working for the Department in August 2006. He mentioned that he has been with the Department 16 years, and she is one of the best workers he has had the chance to work with. In the short time she has been with the Department, the projects she has been involved in are the Kaloko and Kahaluu Shaft Hydrogeneration projects, the Waimea drought emergency, and the backup generation program the Department is involved in. He added that it is an honor to work with her.

Ms. Arrigoni stated that it has been her pleasure working with the Department.

Chairman Goya added that she is a model employee, and the projects that she has undertaken are really new to the Department, so it is a learning experience for the Department as well. Some of the projects here are actually reducing the cost of doing business. He thanked Ms. Arrigoni for all that she has done to date and looks forward to future projects that she would be involved in.

The Manager mentioned the fact that she saves the Department so much money, she actually is paying for her own salary.

- 10) William Y. Thompson Award - the Manager reported that this has been a wonderful month for the Department. First, the Hawaii Water Works Association (HWWA) William Y. Thompson Award was presented to Mr. Cyrus Sumida, District Supervisor, Ka'u District, at the Hawaii Water Works Association (HWWA) Conference earlier this month. This award

was made in honor of Mr. William Thompson who was the second Manager of this Department and was responsible for organizing the HWWA.

Mr. Sumida was congratulated by the Water Board on his selection. Chairman Goya stated that the Board is proud that an employee of this Department won the award.

- 11) County Employee of the Year Recognition Program - the Manager stated that the subject program was held October 19, 2007; and there are three categories--Manager (excluded management personnel), Supervisor, and Employee. This Department nominated one person for each category; and on Friday night, one of its personnel, Mr. Norris Gonsalves, Pipefitter, won the employee of the year for the entire County. At the ceremony, Ms. Helen Hemmes, one of the judges, spoke of the qualities that helped determine the winner; and she did such a wonderful job that by the time she called upon Mr. Gonsalves to come forward, he received a standing ovation. Mr. Gonsalves was congratulated by the Water Board.

The Manager added that he was pleased to have three very special and very much appreciated employees at this meeting today and thanked them for their accomplishments.

Chairman Goya provided information on the pipe tapping team for the benefit of the visitors from North Kohala today. He explained how they represented the Department and the State at the national American Water Works Association competition in Toronto this past June and how they will again compete next year in Atlanta. They represented the Department well, also taking into account that they worked on the drought emergency right up until they left for Toronto and did not have time to practice.

The Manager added that after the County Employee Recognition Program, he was approached by Ms. Gabriella Cabanas from the Department of Human Resources who expressed interest in filming a demonstration by the pipe tapping team for television. The Manager had asked Mr. Yamamoto if something could be arranged for the near future to have it filmed. It would also be a good opportunity for the Board Members to watch. There are a lot of people who have not seen this competition, and it is very interesting to watch. It should be held in Waimea because they have all of their equipment there.

Chairman Goya stated that whatever can be communicated with the public to let them know how hard the Department's employees work and what they are doing to improve their skills is really essential. It might also be advantageous to have it available to students as well. It would be a great challenge for them to join the Department.

The Manager stated that he would let everyone know when it will be after it is set up.

Ms. Aton stated that the Department was also able to do an earthquake anniversary package of information on some welding repair that was done on the Kynnersley tank, the Makapala Well Repair, and the Clearwater Tank underwater repairs that were actually featured in KGMG-9 News at 5 and a shorter version at 6:00 p.m. There was a two-minute piece that was done in concert with the Department of Public Works' repairs they were doing after the earthquake. With the help of Mr. William Yamamoto, Ms. Elaine Chiu, and Mr. Finn

McCall, they were able to piece that information together with the leadership of Ms. Noelani Whittington of the Department of Public Works. This Department has also been able to work with the Fire Department to go with them when they go to view the lava inundation and the possible patterns to prepare for the future. Both she and Mr. Carl Nishimura, Operations Division, were able to go up and take some pictures and really understand what is happening out there in Puna with the lava. She hopes to also prepare information as necessary.

N. **CHAIRMAN'S REPORT:**

Chairman Goya noted that Mr. Smith had a couple of items of interest.

Mr. Smith asked what the status was on the Kawaihoni Reservoir project with Jas. W. Glover, Ltd. (contractor), and Wesley R. Segawa, Inc. (consultant).

Mr. Inaba reported that a test patch of the waterproof topping was demonstrated, and the contractor will be providing the Department with a schedule of when they will do the repair. There are different subcontractors involved as well, so that will affect the schedule.

Mr. Smith's other concern was one regarding Environmental Assessments and Environmental Impact Studies. He mentioned that if a person wants to put in a driveway that connects to a State highway, that the State Department of Transportation is now requiring an Environmental Assessment. You may be putting in a driveway that costs \$4,000.00 to \$5,000.00 but end up spending \$20,000.00 because of an Environmental Assessment requirement, and that is ridiculous. In some cases, this Department has water laterals in State highways and they cross highways. So the Department needs to be aware that situations occur in this State that may have implications to work being done.

Mr. Inaba stated that if it is a service lateral for residential service, this Department has an existing exemption for that.

The Manager added that a concern is if the customer decides to extend their line from the meter to their property, that might kick in an Environmental Assessment requirement and that would be a tremendous burden on the customer.

Chairman Goya commented on a couple of things. One is that the New York Times says if you drink your recommended eight glasses water a day, if it is bottled water, it costs you \$1,500.00 a year. If you drink the same amount of tap water, it costs you 50 to 60 cents, and tap water has more minerals that are essential to your survival than bottled water.

The Manager added that another bit of trivia is that bottled water costs more than gasoline per gallon.

The second thing Chairman Goya mentioned is that the national conferences are now shifting their focus over to sustainability, protection of watersheds, concern for the environment, and other areas, which should be a clear signal to protect and preserve water resources and look for opportunities to communicate this to the next generation. He felt there should be a plan in

place in the next six months to a year or so on how to communicate to the public on water resources here on the Big Island.

Chairman Goya noted the last thing would be a reminder to Water Board Members to be careful of their involvement in any political campaigns or taking direct positions within candidates' election committees which may place them in the public limelight. He advised them to be sensitive to what public perception may be regarding their activities in the next year or so and to be careful, especially when asked to make contributions or show up and representing an individual candidate.

Ms. Garson added that her office would be coming out with another memorandum regarding this topic and would have it sent to members of the Board.

ANNOUNCEMENTS:

1. **Next Meeting:**

The next meeting of the Water Board will be held on November 27, 2007, 10:00 a.m., in the Ocean View Community Center, Leilani Parkway, Ocean View, Hawai'i.

STATEMENTS FROM THE PUBLIC:

Chairman Goya asked if there were any further statements from members of the public.

Mr. Achmat stated that it was charming to be at the meeting and to observe how the Department/Board operates, and he appreciated the good morale.

ADJOURNMENT

ACTION: Mr. Smith moved for adjournment of the Meeting; seconded by Ms. Kim and carried unanimously by voice vote.

(Meeting adjourned at 12:26 p.m.)

Secretary

The Department of Water Supply is an Equal Opportunity employer and provider.