

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

**MEETING DATE:** June 23, 2015

**TIME:** 10:00 a.m.

**PLACE:** Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

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1) CALL TO ORDER – 10:00 a.m. (*please turn cell phones off or set to silent*)

2) STATEMENTS FROM THE PUBLIC

3) APPROVAL OF MINUTES

- Minutes of the March 24, 2015, Public Hearing on FY2016 Operating and CIP Budgets
- Minutes of the May 26, 2015, Water Board meeting
- Minutes of the May 26, 2015, Public Hearing on Proposed Water Rates
- Minutes of the May 27, 2015, Public Hearing on Proposed Water Rates

4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA  
(**Note: Addendum requires Roll Call Vote**)

5) SOUTH HILO:

A. **RIGHT OF ENTRY INTO KAMANA ELDERLY HOUSING:**

The Department is requesting a Right of Entry to enter onto the Kamana Elderly Housing property, to define an easement and perform required maintenance to the system within the property.

Once the Right of Entry is obtained, the Department will begin the conveyance of the easement from State of Hawai‘i to the Board; the Board does not currently have the waterline easement described in the Right-of-Entry Agreement.

RECOMMENDATION: It is recommended that the Board approve the Right-of-Entry Agreement, and authorize the Chairperson or the Vice-Chairperson to sign the agreement, subject to review as to form and legality by Corporation Counsel.

6) SOUTH KOHALA:

A. **JOB NO. 2014-1010, LĀLĀMILO A DEEPWELL REPAIR:**

The contractor, Beylik Drilling and Pump Service, Inc., is requesting to address the Board to appeal the Department’s decision to deny a time extension for JOB NO. 2014-1010, LĀLĀMILO A DEEPWELL REPAIR.

B. **JOB NO. 2015-1022, PARKER #1 DEEPWELL REPAIR:**

Bids for this project were to be opened on June 18, 2015, at 2:00 p.m., and the results will be reported at the meeting.

7) NORTH KONA:

A. **QUEEN KA‘AHUMANU HIGHWAY WIDENING PROJECT—PHASE 2:  
MEMORANDUM OF UNDERSTANDING (MOU):**

State Department of Transportation, Highways Division staff will explain a proposed cost increase, and offer a status update on the above project. For discussion and possible action.

8) **MISCELLANEOUS:**

A. **DEDICATIONS:**

The Department has received the following document for action by the Water Board. The water system has been constructed in accordance with the Department’s standards and is in acceptable condition for dedication.

1. **GRANT OF EASEMENT**

(For Roadway Purposes)

Grantors: Robert Mark Stanga and Janice Marie Stanga

Tax Map Key: (3) 3-6-003: 003 portion

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

B. **ADOPTION OF WATER RATES FOR THE DEPARTMENT OF WATER SUPPLY:**

The consulting firm of Brown & Caldwell was contracted to propose water rates for the Department for the five-year period of Fiscal Year 2016 through Fiscal Year 2020, in order to adequately fund operations and capital improvements.

A presentation of these rates was made to the Board by Brown & Caldwell on March 24, 2015. Rate increases of 3% in FY2016, 4% in FY2017, 5% in FY2018, 5% in FY2019, and 5% in FY2020, were proposed.

Public hearings on these proposed rate increases were held in Kona on May 26, 2015, and in Hilo on May 27, 2015.

**RECOMMENDATION:** It is recommended that the Board adopt the five-year rate increases proposed by Brown & Caldwell, to begin July 1, 2015.

C. **PETITION FOR DECLARATORY RULING from Richard Santiago regarding Account Nos. 005-72016200-11 AND 005-76099420-10**

D. **UPDATE RE: NATIONAL PARKS SERVICE’S PETITION TO DESIGNATE KEAUKOU AQUIFER AS A GROUND WATER MANAGEMENT AREA:**

For discussion and possible action.

E. **EXECUTIVE SESSION RE: NATIONAL PARKS SERVICE’S PETITION TO DESIGNATE KEAUKOU AQUIFER AS A GROUND WATER MANAGEMENT AREA:**

The Water Board anticipates convening an executive meeting, closed to the public, pursuant to Hawai‘i Revised Statutes, Sections 92-4, 92-5(a)(2), to discuss mediation as directed by the Commission on Water Resource Management regarding the National Park Service’s petition to designate Keauhou Aquifer as a Ground Water Management Area, and for the purpose of

consulting with the Water Board's attorney on questions and issues pertaining to the Water Board's powers, duties, privileges, immunities and liabilities.

F. **DISCUSSION OF AMENDING RULES AND REGULATIONS REGARDING PLACING RESPONSIBILITY WITH PROPERTY OWNERS FOR TENANTS' DELINQUENT BILLS:**

*(This Item was deferred from the May 26, 2015, Board meeting.)*

Sub-Committee to report on proposed amendments to the Rules and Regulations regarding placing responsibility with property owners for tenants' delinquent bills, with discussion.

G. **MONTHLY PROGRESS REPORT:**

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

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

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

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

The Manager-Chief Engineer will provide an update or status on the following:

- 1) Public Information and Education Specialist Update
- 2) Recognition of Service Retirement
- 3) Manager-Chief Engineer Farewell Statement

J. **CHAIRPERSON'S REPORT:**

Chairperson to report on matters of interest to the Board.

9) **ADOPTION OF PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW AND DECISION AND ORDER FOR 5-26-15 CONTESTED CASE HEARING REGARDING WATER SERVICE ACCOUNT NUMBER 86530820-10 (TMK 7-8-017:020), (In the Matter of the Appeal of Raymond and Victoria Kalman):**

The above Contested Case Hearing took place on May 26, 2015, in accordance with Chapter 91 of the Hawai'i Revised Statutes and Rule 2-5 of the Rules and Regulations of the Department of Water Supply.

Review and adopt the Findings of Fact, Conclusions of Law and Decision and Order.

10) **EXECUTIVE SESSION RE: INTERVIEWS OF APPLICANTS FOR THE POSITION OF MANAGER-CHIEF ENGINEER OF THE DEPARTMENT OF WATER SUPPLY:**

The Water Board will interview the following applicants for the position of Manager-Chief Engineer of the Department of Water Supply:

- David Craddick
- Christopher Laude
- Keith Okamoto

The Water Board anticipates convening an executive meeting, closed to the public, pursuant to Hawai'i Revised Statutes, Sections 92-4, 92-5(a)(2), 92-5(a)(4) and 92-5(a)(8) and Hawai'i County Charter Section 13-20(b) to conduct interviews for the position of Manager-Chief Engineer, where consideration of matters affecting privacy will be involved, to deliberate or make decisions upon matters that require the consideration of information that must be kept confidential pursuant to state or federal law, or a court order, and for the purpose of consulting with the Water Board's attorney on questions and issues pertaining to the Water Board's powers, duties, privileges, immunities and liabilities. A two-thirds vote, pursuant to HRS Section 92-4, is necessary to hold an executive meeting.

11) ANNOUNCEMENT OF NEW MANAGER-CHIEF ENGINEER:

The Water Board will announce the new Manager-Chief Engineer of the Department of Water Supply, and discuss and set the salary of the new Manager-Chief Engineer.

12) EXECUTIVE SESSION RE: DISCUSSION REGARDING SALARY OF NEW MANAGER-CHIEF ENGINEER OF THE DEPARTMENT OF WATER SUPPLY:

The Water Board anticipates convening an executive meeting, closed to the public, pursuant to Hawai'i Revised Statutes, Sections 92-4, 92-5(a)(2), 92-5(a)(4) and 92-5(a)(8) and Hawai'i County Charter Section 13-20(b) to discuss the salary of the Manager-Chief Engineer, where consideration of matters affecting privacy will be involved, to deliberate or make decisions upon matters that require the consideration of information that must be kept confidential pursuant to state or federal law, or a court order, and for the purpose of consulting with the Water Board's attorney on questions and issues pertaining to the Water Board's powers, duties, privileges, immunities and liabilities. A two-thirds vote, pursuant to HRS Section 92-4, is necessary to hold an executive meeting.

13) ANNOUNCEMENTS:

1. Next Regular Meeting:

The next meeting of the Water Board is scheduled for 10:00 a.m. on July 28, 2015, at the Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

2. Following Meeting:

The following meeting of the Water Board will be held at 10:00 a.m. on August 25, 2015, at the West Hawai'i Civic Center, Community Center, Bldg. G, 74-5044 Ane Keohokalole Hwy, Kailua-Kona, HI.

14) ADJOURNMENT

Anyone who requires an auxiliary aid or service for effective communication or a modification of policies or procedures to participate in this Water Board Meeting should contact Janet Snyder, Secretary, at 961-8050 as soon as possible, but no later than five days before the scheduled meeting. Notice to Lobbyists: If you are a lobbyist, you must register with the Hawai'i County Clerk within five days of becoming a lobbyist. {Article 15, Section 2-91.3(b), Hawai'i County Code} A lobbyist means "any individual engaged for pay or other consideration who spends more than five hours in any month or \$275 in any six-month period for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials." {Article 15, Section 2-91.3(a)(6), Hawai'i County Code} Registration forms and expenditure report documents are available at the Office of the County Clerk-Council, Hilo, Hawai'i.