

MINUTES

DEPARTMENT OF WATER SUPPLY
COUNTY OF HAWAII
WATER BOARD MEETING

March 22, 2011

Department of Water Supply, Operations Center 889 Leilani Street, Hilo

- MEMBERS PRESENT: Mr. Dwayne Mukai, Chairperson
Mr. Robert Meierdiercks, Vice-Chairperson
Mr. Kenneth Kaneshiro
Mr. Delan Perry
Mr. Art Taniguchi
Mr. Bryan Lindsey
Mr. Milton Pavao, Manager-Chief Engineer, Department of Water Supply
(ex-officio member)
- ABSENT: Mr. George Harai, Water Board member
Mr. David Greenwell, Water Board member
Mr. Joe Reynolds, Water Board member
Ms. Bobby Jean Leithead-Todd, Director, Planning Department (ex-officio member)
Mr. Warren Lee, Director, Department of Public Works (ex-officio member)
- OTHERS PRESENT: Ms. Kathy Garson, Assistant Corporation Counsel
Mr. Brooks Bancroft, Deputy Corporation Counsel (arrived 10:35 a.m.)
Ms. Nancy Cook Lauer, West Hawai'i Today
- Department of Water Supply Staff
Mr. Quirino Antonio, Jr., Deputy
Mr. Kurt Inaba, Engineering Division Head (arrived 10:06 a.m.)
Mr. Rick Sumada, Waterworks Controller
Mr. Daryl Ikeda, Operations Chief
Mr. Larry Beck, Engineering Division
Ms. Kanani Aton, Public Information and Education Specialist
Ms. Julie Myhre, Energy Management Analyst
Mr. Keith Okamoto, Engineering Division (arrived 10:05 a.m.)
Mr. Clyde Young, Operations Division (arrived 10:05 a.m.)

CALL TO ORDER - Chairperson Mukai called the Meeting to order at 10:00 a.m. Chairperson Mukai asked all present to observe a moment of silence to remember the victims of the March 11, 2011, tsunami in Japan.

STATEMENTS FROM THE PUBLIC:

None.

APPROVAL OF MINUTES:

The Chairperson entertained a Motion to approve the Minutes of the February 22, 2011, Public Hearing on Power Cost Charge.

ACTION: Mr. Meierdiercks moved to approve; seconded by Mr. Perry. Motion carried unanimously by voice vote.

The Chairperson entertained a Motion to approve the Minutes of the February 22, 2011, regular Board meeting.

ACTION: Mr. Meierdiercks moved to approve; seconded by Mr. Perry. Motion carried unanimously by voice vote.

APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA:

None.

ACTION TO MOVE AGENDA ITEMS:

None.

SOUTH HILO:

A RIGHT-OF-ENTRY AGREEMENT BETWEEN DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES (DAGS) AND DEPARTMENT OF WATER SUPPLY:

The Department of Accounting and General Services (DAGS) of the State of Hawaii is requesting a Right-of-Entry over a DWS reservoir site (TMK 2-4-001:040), so that it can study the possible location of a radio tower and equipment near the DWS reservoir site. The site is State property that was granted to the Water Board through Executive Order 1391.

The Manager-Chief Engineer recommended that the Water Board approve the RIGHT-OF-ENTRY AGREEMENT BETWEEN DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES (DAGS) AND DEPARTMENT OF WATER SUPPLY, and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents, subject to approval of Corporation Counsel.

ACTION: Mr. Meierdiercks moved to approve; seconded by Mr. Lindsey. Motion carried unanimously by voice vote.

NORTH KOHALA:

A. JOB NO. 2005-867, HALA'ULA WELL DEVELOPMENT (WELL NO. 7247-03):

The contractor, Derrick's Well Drilling and Pump Services LLC, is requesting a time extension of 33 calendar days. This is the first time extension request for this project.

Extension #	From (Date)	To (Date)	Days (Calendar)	Reason
1	4/20/11	5/22/11	33	Rain-out Days
		Total Days (including this request)	33	

The project completion date must be extended due to delays caused by rain days.

The Manager-Chief Engineer recommended that the Board grant this time extension of thirty (33) calendar days to Derrick's Well Drilling and Pump Services LLC for JOB NO. 2005-867, HALA'ULA WELL DEVELOPMENT (WELL NO. 7247-03). If approved, the contract completion date will be extended from April 19, 2011 to May 22, 2011.

MOTION: Mr. Meierdiercks moved to approve; seconded by Mr. Taniguchi.

The Manager-Chief Engineer noted that the extension request was due to rain-out days. He said that it is dangerous to do well drilling when it rains, due to all of the pulleys and cables involved. It is too dangerous for the drillers to work in the rain.

Mr. Meierdiercks asked whether the number of days requested were calendar days.

The Manager-Chief Engineer confirmed this, saying that unless otherwise specified, contracts always grant extensions in calendar days (as opposed to work days).

ACTION: Motion carried unanimously by voice vote.

NORTH KONA:

A. IRRIGATION AGREEMENTS FOR VILLAGES OF LAI'OPUA – PLANT MITIGATION PROJECT:

The Department of Hawaiian Home Lands (DHHL) has a project to preserve and mitigate an endangered plant species, on those certain lands situated in and around TMK (3) 7-4-21:16 “Archaeological Preserve” and “Uhiuhi Preserve”, on those certain lands situated in and around TMK (3) 7-4-21:011.

DHHL is asking for water service for these parcels. The service will be to provide irrigation water only.

DHHL has revised some of the items in the Department’s typical irrigation agreement. It is being submitted for the Water Board’s review and approval.

The Manager-Chief Engineer recommended that the Water Board accepts these documents subject to the approval of the Corporation Counsel and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents.

MOTION: Mr. Kaneshiro moved to approve; seconded by Mr. Perry.

Mr. Inaba said that normally, a standard irrigation agreement can be executed by the Manager-Chief Engineer, but these agreements are slightly different.

Ms. Garson confirmed that the agreements are slightly different from the standard irrigation agreement, with specific references to plant life, etc. She said that the State and DHHL typically do not agree with DWS’s indemnification language, and there is always an alteration of the wording. This is not a full indemnification; it is always subject to monies being budgeted, and the State is only responsible for their employees’ actions, Ms. Garson said.

Mr. Taniguchi asked what the difference was between the two agreements.

Mr. Inaba said the agreements are alike except that they involve two different TMKs (and therefore, two different irrigation services).

Mr. Meierdiercks asked when these agreements would take effect.

Mr. Inaba said they would be effective from when they are executed and when the application for service is made. He noted that the agreements sign DHHL up at the irrigation rate. There is already water available for the project, and the water is already assigned. Because the water that was assigned is strictly for irrigation, DHHL needed to execute these agreements, Mr. Inaba said.

Mr. Taniguchi asked if this involved potable water.

Mr. Inaba confirmed this.

Chairperson Mukai asked where the property is located.

Mr. Inaba said that it is above Kealakehe High School.

Mr. Meierdiercks said it is between the new West Hawai'i Civic Center and the high school.

ACTION: Motion carried unanimously by voice vote.

MISCELLANEOUS:

A. DEDICATION OF WATER SYSTEMS:

The Department has 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. GRANT OF EASEMENT

(For Water Meter Purposes)

Grantor: County of Hawaii

Tax Map Key: (3) 4-5-003: 018 portion

2. GRANT OF EASEMENT

(For Water Meter Purposes)

Grantor: Barbara P. Moreno

Tax Map Key: (3) 5-4-004: 003 portion

3. GRANT OF EASEMENT

(For Water Meter Purposes)

Grantor: Colin R. Washburn

Tax Map Key: (3) 5-4-004: 003 portion

4. GRANT OF EASEMENT AND BILL OF SALE

Kupulau Heights, Increment 1 and 2

Subdivision Application No. 2008-000831

No. of Lots: 14, Zoning: RS-15

Grantor/Seller: Deponte Brothers, LLC

Tax Map Key: (3) 2-4-065: 004

E.W.O. 2005-042

Facilities Charge: \$60,500.00 Date Paid: 01/25/2011

Final Inspection Date: 01/20/2011

Water System Cost: \$72,590.00**

5. GRANT OF EASEMENT AND BILL OF SALE (REVISED)

Subdivision Application No. 2004-238

Kaloko Light Industrial Subdivision, Phase 3

Grantor/Seller: TSA, LLC

Tax Map Key: (3) 7-3-051: 060

E.W.O.: 2008-025

No. of Lots: 31 and Remainder Lot Zoning: MCX-1a

Facilities Charge: \$ 453,750.00 Date Paid 01/09/2009

Final Inspection Date: 09/14/2010

Water System Cost: \$406,927.00

Note: This item was approved by the Water Board at its meeting on December 21, 2010. However, during the review process, the Department found out that there were unacceptable encumbrances on the

property; the document is now revised to meet the acceptable requirements. Upon the recommendation of Corporation Counsel, the Department presents this revised document to the Board for re-approval.

The Manager-Chief Engineer recommended that the Water Board accepts these documents subject to the approval of Corporation Counsel, and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents.

In reading the details of the Dedications, Chairperson Mukai noted that he did not understand what the abbreviation "E.W.O." meant.

MOTION: Mr. Meierdiercks moved to approve; seconded by Mr. Perry.

Mr. Inaba said there was an error in the total cost of the water system listed in item No. 4 above. Instead of a total Water System Cost of \$72,590.00, the actual total cost is **\$118,390.00**. Mr. Inaba explained that the \$72,950.00 was actually for Increment 1 of the project.

The Manager-Chief Engineer explained that E.W.O. stood for "Engineering Work Order," a purely internal control, for DWS purposes only.

ACTION: Motion carried unanimously by voice vote.

B. DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING AND CAPITAL IMPROVEMENT BUDGETS FOR FISCAL YEAR 2012:

The Department's FY 2012 Operating Budget includes water sales revenues estimated with a 6.8% increase over FY 2011 rates. An increase of 3.7% had previously been approved for FY 2012, but did not incorporate increases in health care retirement costs. The 6.8% increase was calculated by R.W. Beck to cover these costs, as well as costs associated with transferring the Department's billing system to the Honolulu Board of Water. This budget does not include salary reductions for employee furloughs.

The Department's FY 2012 CIP Budget totals \$29.8 million, to be funded by SRF loans (\$13.3 million) and GO Bonds/CIP Reserve (\$16.5 million).

The Manager-Chief Engineer recommended that the Water Board approve the Department's FY 2012 Operating and CIP budgets on this second of two readings. A Public Hearing on the proposed Operating and Capital Improvement Budgets for FY 2012 was held just prior to the regular Water Board meeting.

MOTION: Mr. Meirdiercks moved to approve; seconded by Mr. Taniguchi.

Mr. Taniguchi thanked Mr. Sumada for providing information on the increase in salaries. He noted that with the anticipated end to the furloughs, the budget will increase DWS's budget by around \$800,000.00. He asked whether the proposed increase equates to about four bodies.

Mr. Sumada said that the vacancy amounts are related to vacancies that are currently in place, i.e., positions that are vacant right now. These vacancies have been open for differing lengths of time, and involve more than one person, he said. Engineering Division alone has more than one vacancy. Administration and Finance Divisions had just one vacancy, he said.

Mr. Taniguchi asked whether these vacancies were for positions that need to be filled.

Mr. Sumada said yes, there are Engineering positions, as well as two inspector positions left vacant when a couple of inspectors retired.

Mr. Taniguchi asked whether the actual increase only came to about 2 percent, when the furloughs are counted back in.

Mr. Sumada confirmed this.

Mr. Taniguchi asked for an explanation of the large increase in contractual services in the Budget.

Mr. Sumada said that the increase is primarily for converting to the Honolulu Board of Water Supply's billing system.

Mr. Taniguchi asked whether DWS would make cuts somewhere else.

Mr. Sumada said that DWS is not anticipating making major cuts; when DWS converts to Honolulu's billing system, DWS will still maintain the old billing system for a while.

ACTION: Motion carried unanimously by voice vote.

C. REPORT OF AD HOC FINANCE COMMITTEE:

The Water Board's Ad Hoc Finance Committee Chairperson, Mr. Taniguchi, has been investigating the three focus areas (DWS's policies on credit card use, cash control and vehicle take-home), which encompass the scope of the Committee's work. At this meeting, the Committee may do the following:

- Discussion/action on vehicle take-home policy.
- Discussion of DWS's cash handling procedures and proposed changes.

Mr. Taniguchi said the Committee had met recently with the Manager-Chief Engineer and Mr. Sumada. Regarding the cash handling procedures, etc., the Committee is still working on it, so there was nothing to report today. Mr. Taniguchi turned to two handouts regarding the vehicle policy that were distributed to the Board.

Ms. Garson interjected that today was the second step in the Ad Hoc Committee process, the reporting phase. Therefore, Mr. Taniguchi today would only be reporting, and no discussion would take place at this time. This item will be on *next month's* Agenda for **discussion**, she said.

Chairperson Mukai said that to clarify, Mr. Taniguchi would be just reporting the findings of the Committee, and today's report would be for informational purposes only. This item will be agendaized for discussion at next month's meeting, he added.

Mr. Taniguchi said that one of today's handouts is a condensed version of DWS's proposed vehicle policy. Mr. Taniguchi asked the Board to review this proposed draft, and come back next month with input. He noted that DWS had solicited information from the other counties' water departments on their vehicle policies. The other handout involved the cost to replace decals on DWS vehicles. DWS has changed its slogan, and the Department is replacing its decals as it purchases new vehicles. The majority of DWS's vehicles still have the old slogan on them. The Committee looked into how much it would cost to replace all of the decals, or to do the job piecemeal, etc. He asked the Board to review the handout regarding the cost to replace the decals, so that the Board can discuss it at the next meeting.

D. REVISION OF DWS'S VISION STATEMENT:

Discussion and possible adoption of DWS's new Vision Statement. At the February 22, 2011, Water Board meeting, Corporation Counsel recommended that the adoption of a new Vision Statement should precede the adoption of the Department's Energy Policy Statement. The proposed language for the new Vision Statement is as follows: "The Department of Water Supply **is** recognized as an industry leader and employer of choice, and will satisfy the water needs of the County of Hawai'i."

The Manager-Chief Engineer noted that this item was agendized as a stand-alone item following discussion at last month's meeting. He added that the Board could discuss and possibly adopt the new Vision Statement today.

Ms. Myhre said that the only change to the Vision Statement was in bold: "The Department of Water Supply **is** (*instead of "will be"*) recognized as an industry leader..."

MOTION: Mr. Meierdiercks moved to approve; seconded by Mr. Perry.

The Manager-Chief Engineer noted that the only change in language was from "will be" to "**is.**"

ACTION: Motion carried unanimously by voice vote.

E. **ENERGY MANAGEMENT ANALYST REPORT:**

The following areas were covered:

- DWS's Green Initiatives
- DWS's Draft Energy Policy Statement – Discussion and possible adoption of Energy Policy Statement

Ms. Myhre pointed out the "radar diagram" on Page 2 of the Green Initiatives report, listed as the DWS Energy Program Self Assessment Plot. The objective is to have all of the dots outside of the radar. The diagram is a self assessment that Ms. Myhre did as part of the Environmental Protection Agency (EPA) webinar series in which she participates on a once-monthly basis. Ms. Myhre evaluated DWS on how the Department is doing in its energy management program. The conclusion is that DWS has room for improvement on energy goals, action plans and Plan-Do-Check-Act Management Systems. The Department is making good progress in tracking and measuring, training and awareness and using renewable energy resources, Ms. Myhre said. This diagram is akin to a report card for DWS on energy management, based on Ms. Myhre's assessment.

Ms. Myhre suggested doing the Green Initiatives report on a quarterly, rather than monthly, basis. The reason is that much of the information is repetitive, with much of the same things reported every month. The report might be more interesting if it appeared less often, with new information.

The Manager-Chief Engineer agreed that doing it quarterly would be fine.

Chairperson Mukai asked whether Ms. Myhre expected the radar diagram to be more of a circle (i.e., with more dots outside the radar) the next time Ms. Myhre reported to the Board.

Ms. Myhre said probably not the next time, but it would be hopefully, by the end of this year.

Ms. Myhre referred to the Department's energy goals included in the Mayor's Green Team entry in the Green Initiatives report.

Note: The Department's goals are to:

- *Reduce un-metered water loss to 15 percent (national average) and promote water conservation and facility energy efficiencies*
- *Increase on-site renewable energy generation to 10 percent of total energy use*
- *Align with the other applicable County initiatives to move towards environmentally, economically, and socially sustainable practices pertaining to fleet vehicle fuel use, building energy efficiencies, employee commutes, facility lighting, and purchasing.*

Ms. Myhre is working with the Green Team on its Vision 2015 plan that is going to be presented to the Mayor sometime in April. The overall goal is to reduce the County's energy use by 20 percent by 2015, and DWS's piece of that overall plan is listed above in italics. Ms. Myhre said that these goals are doable.

Chairperson Mukai said he had no problem with Ms. Myhre doing the Green Initiatives report on a quarterly basis, but he asked Ms. Myhre to review, before each Board meeting, the various line items to see if there are any major changes. If anything seems out of synch, Ms. Myhre should bring it to the Board's attention so that the Board may address it.

Mr. Meierdiercks said that in that case, the next Green Initiatives report would come out in June.

Mr. Taniguchi asked what DWS's energy goals were.

Ms. Myhre referred him to the last page of the Green Initiatives report, where the goals are in boxed bullet points (listed above in italics).

Chairperson Mukai asked whether Ms. Myhre considered these goals attainable.

Ms. Myhre affirmed that the goals were attainable.

The Manager-Chief Engineer said that DWS would really need to work on the second bullet point, "*Increase on-site renewable energy generation to 10 percent of total energy use.*" He said that 10 percent was a lot.

Mr. Perry said he really looked forward to Ms. Myhre's monthly updates, noting that the reports draw attention to the subject of energy management every month. He said it was really important for DWS to work on energy management. He said he was a little reluctant to have the Green Initiatives come out quarterly, but he was okay with it if Ms. Myhre was still going to make a report on current things.

Ms. Myhre, summarizing, said that her understanding was that the Board wanted her to do an abbreviated report if things change. She asked whether she should still be on the Agenda every month.

Chairperson Mukai said yes, she would need to come to the Board meetings.

Turning to the draft Energy Policy Statement, Ms. Myhre said that at the March 9, 2010, EPA webinar, the participants were assigned to do an energy policy statement for their respective organizations. These are due on April 9, 2011, the date of the next webinar. Ms. Myhre said she had received some feedback on the draft statement, and had made changes since last month's meeting. She replaced the word "pollution" with "environmental impacts," because the word "pollution" has an emotional connotation. Therefore, in the new paragraph under **Energy Policy**, it reads: "The purpose is to continually strive to reduce energy use and its associated cost and **environmental impacts** (*instead of "pollution"*). Below that is the bullet point under **Energy Goals**, which now reads: "Reducing environmental impacts." Also under Energy Policy, besides educating Department personnel, the words "and Water Board" were added. The other change was that Ms. Myhre added a signature line at the bottom for the Manager-Chief Engineer.

Chairperson Mukai noted that the Green Initiatives report said current savings from the Kahalu'u hydro-generator are \$5,500.00 per month, and DWS is also saving \$2,300.00 per month on energy to operate the treatment plant. He expressed dismay that the Federal Budget for 2011-2012 has eliminated the USDA High Energy Cost grant, which DWS had applied for on September 8, 2010, to install four additional hydro-generators in its system. Chairperson Mukai asked what the next step would be to finding grants or other funding for these hydro-generators.

The Manager-Chief Engineer said DWS would continue to seek other types of grants or funding to install these hydro-generators because they save DWS money. These hydro-generators work best for DWS when installed where DWS uses the energy, as opposed to selling the energy back to HELCO. Ms. Myhre is tasked with seeing where DWS can install these hydro-generators so that DWS can use the energy it generates.

Chairperson Mukai asked if there were any funding options such as grants, versus DWS actually building the hydro-generators itself, (which is expensive and therefore not feasible.)

Ms. Myhre said she is always looking for grants, using various search engines and contacts who send her information on grants.

Chairperson Mukai asked what the chances of success in finding grants were.

The Manager-Chief Engineer noted that Ms. Myhre is always looking for grants, and applies for whatever funding is out there for DWS's energy projects.

F. **MONTHLY PROGRESS REPORT:**

Mr. Taniguchi asked about the Ka'ie'ie Mauka Production Well, noting that DWS accepted the well and control, but that the tank still needs repairs. The project, which was scheduled to end in 2006, is listed as 82 percent complete. He asked for an explanation.

Mr. Inaba said that damage was discovered after the 2006 earthquake, and the consultant went back in to suggest a fix. The work involves digging out what was installed, etc. There are only two tanks of this type that DWS built; it was not an old tank that had been retro-fitted. The difference here is that there is reinforcing from the footing to the wall. The fix is a rigid one, as opposed to one that has seismic cables that allow deflection, Mr. Inaba explained. The fix is not one where DWS would put a collar around the tank. Instead, the consultant came up with a suggested fix, which is currently being installed, he said.

Mr. Taniguchi asked whether the end date should be changed.

Mr. Inaba said that was rather difficult; the contractor could not give DWS an end date until the contractor got what DWS gave them regarding how to fix the tank.

Mr. Okamoto said that the timing was a bit complicated because a portion of the delay was caused by DWS and a portion was caused by the contractor. This is something that DWS needs to figure out, and Mr. Okamoto expected that the Department would be coming back to the Board for a time extension, possibly more money.

Mr. Taniguchi asked about the Honomū Production Well, which was supposed to be completed in 2009. The progress report shows that it is 99.7 percent completed.

Mr. Okamoto said it has been completed and DWS has accepted it. However, DWS has not yet paid it out 100 percent because some warranty-related issues need to be cleaned up first.

The Manager-Chief Engineer said that the percentage is based on the amount paid, and normally DWS retains 5 percent, or 2.5 percent, of the total contract amount pending the contractor's submission of the closing documents. He observed that sometimes contractors take their time sending in the closing documents, and DWS will not release final payment until those documents come in. Therefore, although a project may be completed and actually in use, the percentage will not be 100 percent until the contractors submit all of the necessary documents. He confirmed that the "% Complete" column actually means the **percent paid**.

Mr. Taniguchi asked what happens if the contract comes out below.

Mr. Inaba said that in that case, DWS does a deductive change order to make it the payment come out 100 percent.

Mr. Okamoto said that the percent complete column is based on whatever the revised contract amount, based on whatever change order is processed, and what is paid up to that point.

Mr. Taniguchi asked about the \$1.7 million and total \$2.4 million in the Pāhala Production Well project. He asked whether they were supposed to “foot.”

Mr. Inaba said this item was completed and closed up, and there were probably hidden rows as a result.

Mr. Okamoto confirmed this, noting that in the past, Board members had said they did not want to see jobs that were completely closed out anymore, so the Department hid those rows (i.e., there was probably an amount there that was hidden.)

Mr. Taniguchi asked whether, in that case, the \$1.7 million should be \$1.7 million.

Mr. Inaba said yes, that was a stand-alone item there.

G. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

Mr. Taniguchi noted that DWS was 45 percent paid to date on GO bonds for the fiscal year, and he asked if the percentage should not be closer to 67 percent at this point. He asked whether it was because DWS had not been billed, or was DWS going to anticipate the 100 percent for the year.

Mr. Sumada said it was because DWS did not draw the total \$30 million that was approved; DWS got just half of that amount.

Mr. Taniguchi then noted that DWS seemed to be way ahead, or over pace, on injuries and damages.

Mr. Sumada said that was hard to budget for; what throws things off are settlements to injured workers, and DWS has had a few this year. There were not as many such settlements last year, so when DWS budgeted for this year, the number will come out low, he said. It was hit or miss with that account, based on settlements, which can be quite large. These involve employee injuries, where they get paid for permanent disability, Mr. Sumada said.

H. MANAGER-CHIEF ENGINEER’S REPORT:

The Manager-Chief Engineer gave the Board a briefing about how DWS handled the tsunami watch on the night of the tsunami in Japan, (Thursday, March 10, 2011 Hawai‘i time). At 9:00 p.m., the Deputy reported to Civil Defense and the Manager-Chief Engineer went to the DWS office, which staff evacuated. When the tsunami hit West Hawai‘i, one water line was damaged in the Keauhou Bay area; DWS did the necessary repairs. DWS also had to provide a spigot for three homes in Nāpo‘opo‘o that lost their customer line which was beyond the meter. DWS provided them with a spigot up above a fire hydrant. Meanwhile, DWS staff were monitoring the system and getting prepared to shut valves if the need arose. Total expenses for the repair of the 12-inch water line in Keauhou came to about \$1,000.00, which DWS reported to Civil Defense. The one variable outstanding is that DWS does not yet know what kind of damage was sustained with the backfill around DWS’s 12-inch pipe on Ali‘i Drive. A lot of DWS staff came in to help evacuate the computers, as-builts, contracts and other legal files, etc., and crews in the field monitored the system to make sure that the tanks were topped off. DWS will be holding a debriefing among the staff next Monday or Tuesday, to see what could have been done better. It took DWS staff about two hours to evacuate the office. The Manager-Chief Engineer spoke to Civil Defense Administrator Quince Mento about DWS’s evacuation, and DWS is probably going to revise its evacuation plan. That information will probably be given at next week’s debriefing.

Ms. Garson said that a full tsunami report will be put on next month’s Agenda for discussion.

Chairperson Mukai said that for the record, the area where DWS’s headquarters is located was wiped out during the 1960 tsunami.

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

- 1) Palani Road Transmission Waterline Project – Mr. Beck reported that a number of things are going on behind the scenes, although there has not been any official work done on Mr. Mark Jernigan’s easement. However, DWS has seen revised plans and a change order for the PRV work at the top. CTS is supposed to be out there working on that tomorrow. DWS has also gotten change plans for the dry well issue, involving the neighbor who cannot access his property as well as he used to. Regarding the actual field work that has been done recently, paving has been done between the upper new tank and the lower new tank, Mr. Beck said.
- 2) Hawaiian Ocean View Estates Project – Work is proceeding well on the tank site and the fill station. The Manager-Chief Engineer said he was happy to report that the pump and motor are already in the hole. Normally this would be the last item, he said. The pump and motor (along with electrical controls) are frequently the cause of delays in a project, so to have this done already is a big plus. The Manager-Chief Engineer and the Deputy attended a community meeting in Ocean View on Saturday night, at the invitation of Senator Gil Kahele. DWS gave an update on the project status, and brought the project’s financial accounting sheet to show the community exactly what monies were spent and where the monies were spent. He noted that there were the perennial comments and questions from some community members, regarding the reasons why the project was taking so long, etc. One question raised at this meeting involved why the contractor kept so much material at the work site. The Manager-Chief Engineer noted that such a decision was purely up to the contractor. He confirmed that the project is on track for completion in September. Mr. Inaba confirmed that the floor of the tank was poured yesterday. Chairperson Mukai asked if it appeared that the community understands why DWS uses earthquake-resistant reinforced concrete tanks, instead of steel tanks. The Manager-Chief Engineer said that DWS has stressed this repeatedly, and did so again at Saturday’s meeting; DWS’s reinforced concrete tanks are designed for Earthquake Zone 4 conditions. DWS will not install a steel tank, and in fact, the Department is working to get rid of all of its steel tanks. Mr. Inaba said he replied to a recent inquiry on this subject, and told the individual that none of the counties has steel tanks within their water system standards. Mr. Inaba knew of nobody actually accepting steel tanks at this time. Mr. Beck said that steel tanks get taken out of service for maintenance every five years. Therefore, while a steel tank may be cheaper, two tanks are needed because one must be kept in service while the other one is undergoing maintenance. In a practical sense, steel tanks are expensive. Mr. Inaba said that the cost of maintenance is around \$50,000.00 each time. The Manager-Chief Engineer said that the useful life of a reinforced concrete tank is 50 years, while a steel tank’s useful lifespan is much shorter. All of these factors point to the fact that reinforced concrete tanks make the most practical sense in terms of the integrity of DWS’s water systems, the Manager-Chief Engineer said. Chairperson Mukai said that in light of the tragic tsunami in Japan, there is probably more public awareness of tsunamis and earthquakes, and hopefully, people will understand the wisdom of using reinforced concrete tanks.
- 3) Recognition of Service Retirement – Mr. Inaba announced the retirement of Allen K. Perry, Waterworks Construction Project Inspector II in Kona at the end of March. Mr. Perry joined DWS in 1993, starting in Operations, and ultimately moving to his current position in Engineering. Mr. Inaba said Mr. Perry declined an invitation to luncheon today.
- 4) Public Relations and Education Specialist Update – Ms. Aton said DWS was putting the Hawai‘i Energy Conservation and Efficiency Program link regarding \$50 rebates for purchases of energy-efficient clothes washers on the DWS website for customers. Ms. Aton said she would work with Finance to get the rebate information to customers via their water bills. On educational presentations coming up in March and April, Ms. Aton was going to Kealakehe Elementary School to do three school-wide presentations for some 900 students. There will also be a project web presentation to Waiākeawaena Boy Scout Pack 65 on water knowledge and conservation. Ms. Aton attended a Honolulu Board of Water Supply workshop, taking part in a group focusing on conservation. Mr. Earl Fukunaga, who leads DWS’s leak detection program, took part in a group focusing on leak detection. Ms. Aton reported that there was a

lot of interest among the workshop participants in DWS's draft energy policy. During the tsunami emergency, Civil Defense's Civil Watch software helped DWS communicate with essential staff, Ms. Aton said. On the upcoming Hawai'i Water Works Association (HWWA) conference in October, the theme is "50 Years of Service: Then, Now and In the Future." The Deputy noted that Ms. Aton at Civil Defense was able to link to their computer, while DWS's servers were down. The Manager-Chief Engineer noted that DWS's normal emergency practice is for the Deputy to go to Civil Defense because he can get there much faster from home than the Manager-Chief Engineer. The Manager-Chief Engineer goes to the DWS Baseyard. Chairperson Mukai commented that he got the first word about the tsunami **watch** from his father-in-law, who called him around 6:30 p.m. or 7:00 p.m. from Oahu. It was only an hour or two later that the Chairperson got his first alert on his cell phone from Civil Defense. The Manager-Chief Engineer said DWS did not get the first official tsunami **warning** status until about 8:30 p.m. Ms. Aton explained that when it is a tsunami watch, the County does not respond, and it is only when the alert is elevated to **warning** status that essential personnel are to report to Civil Defense. Chairperson Mukai said that Civil Defense should announce the tsunami watch alert right away. The Manager-Chief Engineer suggested that the Chairperson contact Civil Defense and make sure that his number is registered for City Watch. The Chairperson confirmed that he is registered, but that the alerts only came later. Ms. Aton recalled that it took two hours to register all of the numbers into the City Watch system. The Manager-Chief Engineer noted that on the night of the tsunami, he too had problems with his number, as AT&T was down. He praised DWS staff for coming in and helping evacuate the office very quickly.

- 5) Upcoming HWWA and AWWA conferences – Board members planning to attend the AWWA conference are currently working with the Secretary on arrangements. On the HWWA conference in May on Oahu, Chairperson Mukai said that as far as he knew, just one Board member indicated that he would be attending. He complimented the Department for the great job during the tsunami crisis.

I. MANAGER-CHIEF ENGINEER'S EVALUATION FORM FORMAT/JOB DESCRIPTION:

Discussion on the format of the Manager-Chief Engineer's evaluation form, and discussion of Manager-Chief Engineer's job description. (This Item was included at the request of the Chairperson and Board members during the January 25, 2011, Water Board meeting.)

Chairperson Mukai said the Board at its January meeting had talked about upgrading the format of the evaluation form now in use. He asked Ms. Garson if a Motion was necessary to discuss this. He noted that members of the Board had felt that the evaluation form that is currently being used needs to be upgraded, or that the form may not be appropriate in its current format.

Ms. Garson asked if the Board wanted to form a Committee to review the format.

Chairperson Mukai said yes, maybe the Board should form an Ad Hoc Committee focused on this one item.

Ms. Garson confirmed that the Board could do this. She suggested that the Board could move to approve the formation of a Committee to come up with the format, to appoint a Committee chair, and then appoint the persons on the Committee. The Ad Hoc Committee may have no more than four members, she added.

Chairperson Mukai entertained a Motion to establish an Ad Hoc Committee whose purpose is to evaluate the current Manager-Chief Engineer's Evaluation Form, and to come up with a recommendation on a possible new form.

MOTION: Mr. Kaneshiro moved to approve; seconded by Mr. Perry.

Chairperson Mukai asked who would be willing to chair this Committee.

Mr. Kaneshiro volunteered to chair the Committee.

Chairperson Mukai asked if any other member would like to serve on the Ad Hoc Committee. He said he himself could serve on the Committee until his term expires at the end of December.

Mr. Kaneshiro said he did not think a new evaluation form should be for this year, because putting it together will take some time. In fairness to the Manager-Chief Engineer, the Manager-Chief Engineer needs to buy in to how he is going to be evaluated. Mr. Kaneshiro said the Manager-Chief Engineer needs to be afforded the opportunity to input on the goals upon which he is to be evaluated, etc. Therefore, the new evaluation form should be for the following year, he said.

Chairperson Mukai confirmed this, saying that the Ad Hoc Committee will be looking at the form and possible making recommendations for the next evaluation go-round, which would be next year.

Mr. Meierdiercks said it should be up to the Committee.

The Manager-Chief Engineer said normally, the evaluation forms are distributed to the Board in October.

Mr. Meierdiercks said that should be up to the Committee, and it would be one of the guidelines upon which they would decide.

Mr. Perry volunteered to serve on the Committee.

Chairperson Mukai said he would also serve on the Committee through to the end of his term in December, by which time he expected the Committee's work to be done. He confirmed that the Committee so far had three members.

Mr. Kaneshiro asked when the Committee's work should be complete.

Chairperson Mukai said that depends on how long it takes to complete its single purpose.

Mr. Meierdiercks asked whether the Ad Hoc Committee should be added as an Agenda item, in case the Committee meets and has something to report to the Board.

Ms. Garson said that the Committee chairperson could ask the item to be put on the Agenda, if he has something to report.

Chairperson Mukai asked whether any other Board member wanted to join Mr. Kaneshiro, Mr. Perry and himself on the Ad Hoc Committee. He asked Ms. Garson if it was okay to go with just three members.

Ms. Garson confirmed this.

Mr. Kaneshiro asked if the Committee has approval to talk with the staff about information such as their annual goals and the job description of the Manager-Chief Engineer. He said he believed all of these things needed to be put into perspective in coming up with the evaluation form. Goals for the year, etc., would need to be included in the evaluation form.

Chairperson Mukai said he believed that all of those items, such as employee evaluation forms, are for the record already.

Mr. Kaneshiro said that if he remembered correctly, there was a line of communication or a protocol on how the Board could communicate with the staff. He said he wanted to make sure that it was okay for the Committee to move ahead and talk with the staff.

Chairperson Mukai said that protocol regarding communication with the staff was still in place. If Board members want to talk with the staff, they must first go through the Manager-Chief Engineer's office. He noted that the Board's jurisdiction is only over the Manager-Chief Engineer's position, and to speak to anyone beyond the Manager-Chief Engineer, the Board needs to go through the Manager-Chief Engineer.

The Manager-Chief Engineer confirmed this, and said if the Board wants to talk to somebody else in the Department, it is not a problem as long as it goes through the Manager-Chief Engineer. This is to ensure that the staff feels comfortable speaking with Board members, safe in the knowledge that the Manager-Chief Engineer has been consulted.

ACTION: Motion carried unanimously by voice vote.

J. CHAIRPERSON'S REPORT:

Chairperson Mukai asked for a show of hands on who could attend the upcoming Public Hearings on Water Rates.

Mr. Meierdiercks said that the Board needed to do Item 8(K) below, first, and then take up the matter of the Public Hearings during Item 9 (ANNOUNCEMENTS).

Ms. Garson agreed, and noted that the dates of the Public Hearings on Water Rates have been set in stone, and the discussion would be to figure out who among the Board could attend.

Chairperson Mukai said yes, his purpose in taking a head count was to see whether there would be a quorum at each of the Public Hearings.

Ms. Garson said that if there is a quorum, the Public Hearing will be treated like a Board meeting, and the Public Hearing Notice that has been published and posted becomes like an Agenda item. A Public Hearing with a quorum present would be treated a little differently from a Public Hearing lacking a quorum, she said.

Chairperson Mukai said he would take the head count during the Announcements item.

The Manager-Chief Engineer asked Ms. Garson whether the meeting would be cancelled if the Public Hearing were set as an Agenda meeting but not enough members show up. He asked if, in that case, the Public Hearing could still go ahead with two members present.

Ms. Garson said in that case, two members would be allowed to attend the Public Hearing, and the other Board members would be released; the Public Hearing would not have to be cancelled.

**K. EXECUTIVE SESSION RE: WATER BOARD OF THE COUNTY OF HAWAII
V. WESLEY R. SEGAWA AND ASSOCIATES, ET AL. CIVIL NO. 09-1-0319:**

The Water Board convened an executive meeting, closed to the public, regarding the foregoing matter, pursuant to HRS Sections 92-4 and 92-5(a)(4), for the purpose of consulting with the Water Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities and liabilities.

ACTION: Mr. Meierdiercks moved to go to Executive Session; seconded by Mr. Taniguchi, and carried unanimously by voice vote.

(Executive Session began at 11:19 a.m., and ended at 11:35 a.m.)

ANNOUNCEMENTS:

1. **Next Meeting:**

Public hearings on Water Rates are planned for Wednesday, March 30, 2011 at 6:00 p.m. at Aupuni Center, 101 Pauahi Street in Hilo, and on Thursday, March 31, 2011, at 6:00 p.m. at West Hawai'i Civic Center, 74-5044 Ane Keohokalole Street, **Building G** (*the whole building is a single conference room*) Kailua-Kona.

Chairperson Mukai took a head count of who in attendance today planned to attend the Public Hearing in Hilo on March 30. (*Messrs. Kaneshiro, Lindsey, Perry, Taniguchi and Chairperson Mukai raised their hands.*)

Chairperson Mukai then took a head count of who in attendance today planned to attend the Public Hearing in Kona on March 31. (*Messrs. Lindsey, Meierdiercks, Taniguchi and Chairperson Mukai raised their hands.*)

**Note: Earlier in the week, Mr. Greenwell also indicated to Ms. Snyder that he planned to attend the Public Hearing in Kona, and Mr. Reynolds said he hoped to attend as well.*

The Manager-Chief Engineer reminded the Board that if on the day of the Public Hearing there was no quorum, only two members would be allowed to stay.

Mr. Meierdiercks said that the conference room at the new West Hawai'i Civic Center is **Building G**, and the building itself is one large conference room. A parking lot is located right next to Building G, he added.

Chairperson Mukai asked that the Secretary send the Board a map with directions to the new West Hawai'i Civic Center, Building G.

1. **Next Regular Meeting:**

The next meeting of the Water Board will be held on April 26, 2011, at 10:00 a.m. 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 on May 24, 2011, at 10:00 a.m. at the West Hawai'i Civic Center, 74-5044 Ane Keahokalole Highway, Kailua-Kona, HI.

STATEMENTS FROM THE PUBLIC:

None.

ADJOURNMENT

Chairperson Mukai adjourned the meeting at 11:37 a.m.

Senior Clerk-Stenographer

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 Doreen Jollimore, Secretary, at 961-8050 as soon as possible, but no later than five days before the scheduled meeting.

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

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.