

MINUTES

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

April 26, 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. David Greenwell
Mr. Milton Pavao, Manager-Chief Engineer, Department of Water Supply
(ex-officio member)
- ABSENT: 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
Ms. Nancy Cook Lauer, West Hawai'i Today
Mr. Brooks Bancroft, Deputy Corporation Counsel (arrived 10:32 a.m.)
- Department of Water Supply Staff
Mr. Quirino Antonio, Jr., Deputy
Mr. Kurt Inaba, Engineering Division Head
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
Mr. Clyde Young, Operations Division
Kawika Uyehara, Engineering Division

CALL TO ORDER - Chairperson Mukai called the Meeting to order at 10:00 a.m.

STATEMENTS FROM THE PUBLIC:

None.

APPROVAL OF MINUTES:

The Chairperson entertained a Motion to approve the Minutes of the March 22, 2011, Public Hearing on the Proposed Operating Budget and Capital Improvements Budget for Fiscal Year 2011-2012.

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 March 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:

ADDENDUM TO AGENDA: Mr. Taniguchi moved to add to the Agenda the approval of the Minutes of the March 30, 2011, Public Hearing on Water Rates in Hilo and approval of the Minutes of the March 31, 2011, Public Hearing on Water Rates in Kona; seconded by Mr. Meierdiercks.

ACTION: A roll call vote on the Addendum to the Agenda was taken: Mr. Kaneshiro (Aye); Mr. Greenwell (Aye); Mr. Lindsey (Aye); Mr. Meierdiercks (Aye); Mr. Taniguchi (Aye); Mr. Perry (Aye) and Chairperson Mukai (Aye). Motion carried unanimously with seven (7) Ayes; and one (1) absent, (Mr. Reynolds).

ACTION: Mr. Taniguchi moved to approve the Minutes of the March 30, 2011, Public Hearing on Water Rates in Hilo; seconded by Mr. Meierdiercks. Motion carried unanimously by voice vote.

ACTION: Mr. Meierdiercks moved to approve the Minutes of the March 31, 2011, Public Hearing on Water Rates in Kona; seconded by Mr. Taniguchi. Motion carried unanimously by voice vote.

ACTION TO MOVE AGENDA ITEMS:

None.

SOUTH HILO:

A. VEHICLE BID NO. 2011-02, FURNISHING AND DELIVERING A PASSENGER VAN TO THE DEPARTMENT OF WATER SUPPLY:

Bid opening was scheduled for April 13, 2011, at 2:00 p.m., but no bids were received.

This passenger van will be re-bid in FY2012 as part of a vehicle bid package.

The Manager-Chief Engineer noted that this bid was to be for a meter reading van. DWS now plans to combine this with a bid opening for other vehicles. The idea is that if there are a lot more vehicles involved, there may be more bids coming in.

Mr. Meierdiercks asked if the van is needed right now.

The Manager-Chief Engineer said that while DWS can do without the van right now, it is needed.

Mr. Perry asked whether the bid reflected the new proposed energy policy.

The Manager-Chief Engineer said that DWS tries to get the best possible vehicle, with the best fuel efficiency. He noted that the van in question would need to do the job; it is a six-passenger van.

Mr. Taniguchi asked who bids on vehicles, and he also asked how prospective bidders are notified about bid openings.

The Manager-Chief Engineer said that standard procedure is followed, whereby DWS publishes the bid opening notice in both newspapers.

MOTION: Mr. Meierdiercks moved to accept all three items, with review of each item individually; seconded by Mr. Perry.

Mr. Inaba said that on Item 1, the Facilities Charge is actually \$497,640.00 (*instead of \$411,840.00*). DWS has received the additional \$85,800.00 because the developer of Nohea at Mauna Lani wanted to keep the service, rather than remove it. That is the reason for the additional cost here, he added. As for Item 3, the FAA Control Tower at Kona International Airport, the Department of Transportation (DOT) erred in its calculation of the Facilities Charge (*and* their calculation of their water demand). Mr. Inaba said that Item 3 needs to be deferred, because the Facilities Charge will be much less. DOT made a mistake when calculating their water demand; they had assumed that they would have to refill their air conditioning units in order to have an HVAC system. This would be a one-time fill, and DOT then would just have make-up water, he said. DOT took the capacity of that system and used it for their daily demand. As a result, they made an error in their calculations, and the Facilities Charge will actually be much less than the above-posted amount. DOT was unable to get their check to DWS in time for this meeting, Mr. Inaba said.

ACTION ON AMENDMENT TO MAIN MOTION: Mr. Meierdiercks amended his Motion, to delete Item 3 from the original Motion; seconded by Mr. Perry. Motion carried unanimously by voice vote.

Mr. Meierdiercks asked to view Item 1, regarding Nohea at Mauna Lani, on the overhead projector.

Mr. Inaba said this was Phase 1.

The Manager-Chief Engineer said this phase is just makai of the shopping center.

ACTION ON MAIN MOTION AS AMENDED: Main Motion as Amended, to approve Items 1 and 2, passed unanimously by voice vote.

B. WATER RATE STUDY:

R.W. Beck has recalculated water rates for FY 2012, and adjusted the increase from 3.7% to 6.8%, based on revised expenditure estimates for health care retirement costs and billing system conversion. No changes were made to the already-approved rate increases of 2.2%, 4.3% and 2.7% for FY13, FY14, and FY15; however, rates for these periods do require revision if FY 2012 rates are increased 6.8% as proposed.

Public hearings were held on Wednesday, March 30, 2011 at 6:00 p.m. at Aupuni Center in Hilo, and on Thursday, March 31, 2011, at 6:00 p.m. at West Hawai'i Civic Center in Kona.

RECOMMENDATION: The Manager-Chief Engineer recommended that the Water Board approve R.W. Beck's 6.8% increase to FY 2012 water rates, and the corresponding revision to FY13, FY14, and FY15 rates.

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

Mr. Greenwell asked if this Motion ties the Department's hands to only a 6.8 percent increase in Fiscal Years 2012, 2013, 2014 and 2015.

The Manager-Chief Engineer said no, the Department can always go back to the Board with revisions, amendments, or a different rate. It would then be up to the Board to decide. He noted that if the Board decides to change the rates, the Board will need to undergo the public hearing process again.

ACTION: Motion passed unanimously by voice vote.

C. PROFESSIONAL SERVICES AGREEMENT:

A second amendment to the Service Contract for the Furnishing of Microbiological Potable Water Quality Testing and Chemical Potable Water Quality Testing (On an As-Needed Basis) is needed. It is budgeted under the Department's operating and maintenance budget. The Department is also requesting a one-year time extension to the contract. This will be dependent on both parties agreeing to the current costs for the various testing fees within the contract.

- Budget Amount for FY 2011: \$100,000.00
- Budget Amount for FY 2012: \$100,000.00

RECOMMENDATION: The Manager-Chief Engineer recommended that the Board approve the service contract amendment and the one-year time extension, and that either the Chairperson or the Vice-Chairperson be authorized to sign the document, subject to approval of Corporation Counsel.

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

Mr. Okamoto said that this second revision includes the additional testing for two radiation isotopes that have been in the news since the nuclear incident triggered by the tsunami in Japan. This revision involves a two-part request: to add the testing for the two isotopes and also to extend the current contract for another year. This would be contingent on DWS and the contract lab agreeing to prices, Mr. Okamoto said.

Chairperson Mukai asked if this is a major increase over what was budgeted by DWS before.

Mr. Okamoto said no, this is pretty much what DWS budgets for every year.

Mr. Meierdiercks asked if the testing for the two isotopes is just being added to the current contract. He asked if the additional tests might be in lieu of tests for other things.

Mr. Okamoto said yes, it is on an as-needed basis.

Mr. Taniguchi noted that the change order calls for testing for iodine and cesium. He asked whether DWS does not normally test for those isotopes.

Mr. Okamoto confirmed this.

The Manager-Chief Engineer said that DWS tests for similar things.

Mr. Okamoto confirmed this, saying that DWS, in compliance with a radionuclide rule, tests for radium-226 and -228, as well as gross alpha, beta and uranium.

Mr. Taniguchi asked if the testing for the two additional isotopes (iodine and cesium) was in response to the Japan disaster.

Mr. Okamoto said he had talked with DWS's lab staff about what DWS should be prepared to test for, in case there is public concern or interest. The decision was to test for iodine and cesium. He noted that the State Department of Health (DOH) does their own tests for similar or the same isotopes, and possibly others.

The Manager-Chief Engineer said that DWS did get inquiries about radiation, which Mr. Okamoto and his colleagues are responding to.

Mr. Meierdiercks asked if the testing was only for DWS's system, and not for residential catchment, etc. He asked if DOH would do that kind of testing.

Mr. Okamoto said that he would have to defer requests like that to DOH, or individuals might have to find labs on their own to contact.

The Manager-Chief Engineer said the rule is that a catchment system that serves more than 15 services or 25 or more people becomes a public water system, which means they would qualify for DOH testing. Individual catchment systems would have to be tested at the private owner's expense, he said.

Mr. Okamoto noted that Volcano Village's (Hawai'i Volcanoes National Park) catchment is a public water system.

Mr. Perry said it was really good that DWS is trying to be as transparent as it can be about contaminants that could get into the water. He asked if DWS has a plan in the event that these particular isotopes are found in the water.

Mr. Okamoto said that a plan has not been discussed; DWS does not anticipate that there will be anything more than trace amounts. The radiological staff at DOH actually expects the levels of airborne radiation to drop. While there is a lot of public concern, Mr. Okamoto said he did not think the Big Island is in any jeopardy as far as radiation is concerned.

The Manager-Chief Engineer said in the very unlikely event that the maximum acceptable level of contaminant is exceeded, DWS would take directions from DOH, which would take its guidance from the federal Environmental Protection Agency (EPA) as to the necessary measures to counteract the contamination. In some cases of contamination, it might mean boiling water or using different sources of water. If the allowable levels are exceeded, DWS would take its lead from DOH. However, the likelihood of exceeding allowable levels is very, very unlikely, he said.

Mr. Okamoto confirmed that it was very unlikely.

Chairperson Mukai asked if DWS will still operate within budget if DWS adds more testing and requirements of the vendor.

Mr. Okamoto confirmed it would still be within budget.

Chairperson Mukai asked if DWS is using the same testing lab as DOH for the radiological analysis.

Mr. Okamoto said he was not sure, because the lab that DWS has its contract with will probably have to sub-contract this particular analysis. He did not know exactly what sub-lab would be used or which labs DOH will use.

Chairperson Mukai suggested that DWS provide information to the public on where to look for labs that can test for that kind of contaminant.

Mr. Okamoto said he had given the phone number of DOH's Radiological Branch to one caller so far. He said that DOH is more familiar with this type of analysis and what labs can do it. DWS's contract lab mentioned a couple of names: G.E.L. Lab and Pace Labs. He said he would get more information.

Chairperson Mukai said that the first place that the public will call regarding water issues is the Department of Water Supply, even though DOH is handling this issue, among others.

ACTION: Motion carried unanimously by voice vote.

D. ENERGY POLICY STATEMENT:

Discussion and possible adoption of DWS's new Energy Policy.

Ms. Myhre said that adopting this Energy Policy Statement will be a different way for DWS to look at projects and purchases – through the lens of energy. She noted that this is a bigger issue than other policies, and is not just an administrative issue. She noted that there is a line item for the Chairperson and the Manager-Chief Engineer to sign. Ms. Myhre said that nothing has changed since the last three versions that were on the Agenda.

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

Mr. Meierdiercks said he was glad that the Board had an Energy Policy Statement on paper, which is a work in progress that could always be changed at a future date.

Chairperson Mukai said that this document has been pretty fine-tuned, incorporating changes recommended by the Board.

The Manager-Chief Engineer said the Department is probably the most innovative in terms of being energy-efficient. He noted that Ms. Myhre had put a lot of work and research into these efforts, and the Department should be very proud of what it is doing to save energy.

Chairperson Mukai agreed that this was indeed something to be proud of. He said the Department is way out ahead of its counterparts in the State in terms of green initiatives. He ventured to say that DWS could well be in the top quartile in the nation in terms of going green.

ACTION: Motion carried unanimously by voice vote.

E. **REPORT OF AD HOC FINANCE COMMITTEE:**

The Water Board's Ad Hoc Finance Committee Chairperson, Mr. Art 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 that today is the discussion phase of the vehicle take-home policy, since last time was a *report*. He said the Committee last month circulated a draft vehicle take-home policy for the Board to review.

Chairperson Mukai asked if a Motion was necessary to discuss it today.

Mr. Taniguchi said it was just for discussion today (i.e., not for action at this time).

Ms. Garson agreed no Motion was necessary.

The Manager-Chief Engineer said Item 18 on Page 4 of the draft policy, the words "and the exterior" were added as a result of the last Ad Hoc Committee meeting. Item 18 on Page 4 should read: "Employees are responsible for keeping the interior and exterior of the company vehicle neat." That was the only revision, he said. As a courtesy, the draft policy will be sent to the union. It is likely that DWS will get some feedback, which can be dealt with when the time comes, the Manager-Chief Engineer said.

Mr. Taniguchi said that the language regarding keeping the car neat both inside and out is pretty commonsense in nature. He asked if Board members would be allowed to email him any further comments about the draft policy.

Ms. Garson said no, the comments would need to be provided *during* a Board meeting.

Mr. Taniguchi said the new language mentioned above would be added to the draft policy. The draft policy will be agendized for next month's Board meeting.

Ms. Garson said it would be agendized for possible **approval**.

Mr. Taniguchi said it would be for discussion/approval.

Mr. Meierdiercks asked if a Motion was needed to table the item until the next meeting, because the current item is listed as for "discussion/action."

Chairperson Mukai said no, it was for discussion only this time.

The Manager-Chief Engineer noted that his Proposed Amendment to DWS's Vehicle Policy is the next Agenda item.

Chairperson Mukai reiterated that the draft vehicle policy will be agendized for adoption at the next Board meeting.

Mr. Taniguchi said the Committee had nothing on the cash handling procedures. He said that the billing procedure change will not take place for another couple of months.

F. **PROPOSED AMENDMENT TO DWS VEHICLE POLICY:**

A proposed amendment to the DWS Vehicle Policy is being considered to ensure the most efficient use of DWS's vehicles.

RECOMMENDATION: It is recommended that the Water Board approve the amendment to the DWS Vehicle Policy.

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

The Manager-Chief Engineer said that Ms. Myhre had drafted this amendment, and it will be put on the Agenda for approval at next month's Board meeting.

Ms. Myhre said she has been participating with the federal Environmental Protection Agency (EPA) in installing a SCADA system into DWS's system that will allow DWS's operators to *not* visit every site, because the data on water chemistry and flow levels, etc. will be coming in via electronic means. In the process, DWS is trying to track how much less fuel will be used by the operators. The idea of installing an on-board tracking system in DWS vehicles is to have some kind of device that would monitor real-time, or record, information such as the speed and location of DWS's fleet vehicles. Ms. Myhre said that in the course of her research, she realized that this kind of tracking system is somewhat a contentious issue because it could be used for disciplinary purposes. That is why the union needs to be allowed to review and comment on the vehicle policy. Ms. Myhre said she had vetted the language of this amendment with the County's Human Resources Department, DWS's Human Resources, as well as the EPA, to see what policies have been implemented elsewhere. Having on-board tracking systems such as GPS units on County vehicles is not unprecedented; all of the Hele On buses have this equipment.

The Manager-Chief Engineer said this equipment will provide greater safety for DWS's employees, because if they get into trouble, the Department will find out. Therefore, in addition to enhancing fuel efficiency, it will be a safety device that will benefit employees.

Mr. Greenwell asked that the two paragraphs in the amendment be combined, since they essentially talk about the same thing.

Ms. Myhre said sure, she could reword it to condense it.

Mr. Perry asked if this system is automatically monitored.

Ms. Myhre said that there are many different types of systems. Some systems can be downloaded on a WiFi-type of connection at the end of the day. The system that HELCO has actually uses Google Earth, using real-time monitoring of their vehicles. Ms. Myhre said she expects that DWS will end up with a combination of systems. She said that some systems just teach the driver how to drive more safely, whereby the system can log whether or not the person is wearing a seat belt, etc. DWS will figure out what it needs, and then seek a vendor that can fill those needs.

Mr. Taniguchi asked how much such systems cost.

Ms. Myhre said it would cost about \$20,000.00 on the low end, and \$100,000.00 on the high end.

The Manager-Chief Engineer said that about four or five years ago, DWS was approached by AT&T on a similar system. At that time, the system cost about \$30,000.00. The intent at that time was to make DWS more efficient dispatch-wise. The AT&T system was a visual one, where somebody would have to look at it to see where they were in order to dispatch the closest vehicle. This would save fuel, he said. The price at the time of \$30,000.00 did not cover the entire DWS fleet, and only covered workers like inspectors, operators and field crews. It was not meant for the Engineering Division vehicles, etc. That system was only meant for staff who respond to certain situations. The cost was \$30,000.00, with a monthly recurring fee to pay for the GPS service.

Ms. Myhre said that \$100,000.00 would be for real-time monitoring on the Internet, and enable tracking of the vehicle anywhere in the world. It would provide real-time monitoring of all of the vehicles in the fleet.

Mr. Taniguchi asked how much such a system would cost annually.

Ms. Myhre said she did not know.

The Manager-Chief Engineer said that the monthly charges would increase, depending on what components DWS wants to monitor.

Mr. Taniguchi asked what DWS's realized savings would be.

Ms. Myhre said she was not sure, but there was anecdotal evidence from HELCO, whose staff noted that the system could pay for itself within six months.

Mr. Meierdiercks said it would be more like six years.

Chairperson Mukai observed that all that was being discussed now was amending the policy to allow the Board to do this item. This is a major fiscal matter, and the Board would have to scrutinize and review it before deciding whether or not to do it.

The Manager-Chief Engineer agreed; this does not mean that the vehicle policy, including this amendment, would necessarily stay the way it is.

ACTION: Motion carried unanimously by voice vote.

Ms. Myhre confirmed that she would reword the amendment per Mr. Greenwell's suggestion, to be submitted for next month's Agenda.

G. POWER COST CHARGE:

The Power Cost Adjustment will be discussed, with possible action by the Board. Currently, the Power Cost Charge is \$1.89 per 1,000 gallons. The most recent Power Cost Charge is **\$2.06**, as of March 2011. A Public Hearing is being scheduled to receive testimony on the Power Cost Adjustment on May 24, 2011, at 9:45 a.m., before the Board meeting.

Chairperson Mukai said that the oil crisis is hitting everyone hard, not only at the gas pump. It also has an impact on the cost to pump water, he said.

Mr. Greenwell asked whether by putting off the Public Hearing to next month, the \$2.06 would be sufficient amid climbing electricity costs.

The Manager-Chief Engineer said that DWS has the means to redo the calculations in the meantime.

The Deputy noted that the Public Hearing Notice gives a range of \$1.89 to \$2.25.

The Manager-Chief Engineer reminded the Board that under the rules passed by the Board, the Power Cost Charge can only be adjusted every two months.

H. ENERGY MANAGEMENT ANALYST UPDATE:

Ms. Myhre reported that DWS is working with Hawai'i Energy in getting additional rebates and also in increasing DWS's energy efficiency. She explained that Hawai'i Energy is the consulting firm that is channeling the public benefit fund off each person's HELCO bills into a fund for getting rebates to the public. DWS has been working with Hawai'i Energy to get DWS a custom rebate on LED lights. DWS is also working with Hawai'i Energy on commissioning the Waiākea Office Plaza's air conditioning building. She said there is a competition involving buildings of this size to reduce energy use by tweaking the system to run more efficiently. DWS's air conditioning building qualifies for this competition, whose winner gets some kind of monetary reward. Ms. Myhre was not sure how exactly this will work out.

Hawai'i Energy is working to find ways to give more rebates to residents, businesses and government agencies on the Big Island by the end of their fiscal year, which is June 30. The consulting firm is looking at various demonstration projects where Hawai'i Energy could actually fund the equipment, etc., to reduce energy use. This is all about efficiency, *not* about renewable energy. DWS is currently talking with Hawai'i Energy on whether DWS has a project that qualifies.

The Mayor's Green Team has basically accomplished its mission and has been disbanded. Its purpose was to recommend to the Mayor and County departments how to become more energy-efficient, become more environmentally conscious and have less of an impact on the environment, while increasing the economic benefits to the County. The team's final report, on reducing energy use by 20 percent by the Year 2015, will be sent to the Mayor in May. Copies of the report will be provided to the Board, Ms. Myhre said.

On the Mayor's Energy Advisory Commission, the commission sent a report to the Mayor with 10 recommendations on what the County could do for energy-related projects. Ms. Myhre said the Board would receive copies of that report when they become available.

The Commission is also going over the 2007 Energy Plan that was written by the Kohala Center, with an eye to making it more practicable for the County. Currently the Energy Plan is more of a series of recommendations, rather than an actual *plan*, Ms. Myhre said.

Chairperson Mukai asked about the 20 percent energy reduction by the Year 2015. He asked from what year were they measuring.

Ms. Myhre said it was from 2007.

Chairperson Mukai said that from that perspective, DWS is ahead of the curve.

I. MONTHLY PROGRESS REPORT:

The Manager-Chief Engineer said that financially, DWS does not have much C.I.P. money, so the Department's ability to put out projects is hampered. However, DWS is trying to put out the most critical projects to the extent possible. The next project that is likely to go before the Board is transmission line from Āhualoa, down to Honoka'a. There is currently a discussion on whether to use State Revolving Funds (SRF), or to use reserve bond money that DWS has. This is considered a critical project, because currently in Honoka'a there is not enough water to allow any division of lots, etc. Having this water coming down to Honoka'a will allow some expansion in the area, which has been stifled for the past several years, the Manager-Chief Engineer said.

K. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

Mr. Taniguchi asked Mr. Sumada to explain what transpired with the "inactive work orders."

Mr. Sumada said that was in response to the recommendation of the auditors, who said that DWS was leaving these inactive work orders open too long. DWS had been reviewing them every three years, but the auditors asked that they be reviewed annually. Mr. Sumada said that DWS was expensing part of it and capitalizing part of it.

Mr. Taniguchi said he just had not understood what "inactive" meant.

Mr. Sumada explained that at the time that the work order was open, costs would be incurred and posted to those work orders. However, after the project was over, there would not be any more costs being accumulated in the work order.

Mr. Taniguchi asked whether DWS paid.

Mr. Sumada confirmed that those costs were paid, but never expensed.

Mr. Taniguchi asked where those costs were sitting.

Mr. Sumada said they were sitting on the balance sheet, in a construction-in-progress type account.

K. PROPOSED WATER BOARD RESOLUTION REGARDING CONTRACT TIME EXTENSIONS:

The Department requested that the Water Board entertain the creation of a Resolution to allow the Manager-Chief Engineer to approve certain contract time extension requests, when the reason for the contract time extension meets specified criteria. If conceptually agreed to, the Department will draft the Resolution for review and/or execution by the Water Board.

For discussion.

The Manager-Chief Engineer noted that the Department often asks the Board to approve contract time extensions, where the reason for the time extension is unquestionable, such as in the case of rain-out days or when a vendor cannot supply critical needs. Therefore, in the interests of saving the Board time, Department staff thought it would be good to draft a Resolution to allow such standard time extensions to be executed administratively. Doing so would make the process much more efficient, and make things easier for all concerned, the Manager-Chief Engineer said. The Department is asking the Board to allow staff to draw up a draft Resolution with specific reasons or circumstances that would allow the

Department to grant contract time extensions administratively. With such a Resolution stipulating specific reasons, the Department can execute certain time extensions without going to the Board. The draft Resolution will have the reasons and the statements for the Board to review, and the Board can then either agree or disagree. The Department did a similar Resolution for contract procurements, where the project in question was on DWS's list. So long as the project was on the list, the Department can go ahead and do the procurement without Board approval because the Board had already reviewed the list to begin with, the Manager-Chief Engineer said. The draft Resolution on time extensions would be pretty similar, except that in this case it will have specific circumstances or reasons, for extension. Rain-outs are definitely one of those reasons. The Manager-Chief Engineer figured that the Department would have a few more clear-cut reasons for extension. The idea behind this is to make the Board's job and the Department's job easier.

Chairperson Mukai said the Board looked forward to seeing what the Department drafts up for discussion.

L. MANAGER-CHIEF ENGINEER'S REPORT:

The Manager-Chief Engineer noted that the Board seat held up to last month by Mr. George Harai (representing District 7 in South Kona) is now vacant. The office of Mr. Lincoln Ashida, the Corporation Counsel, is handling the recruitment. Mr. Ashida informed the Manager-Chief Engineer that there is no list of names of people applying for the vacancy. The Manager-Chief Engineer asked the Board to let their contacts know about the vacancy, and encourage them to apply. He said that Board members can either have the person contact Mr. Ashida or the Board members can contact Mr. Ashida.

Chairperson Mukai said that the terms for his own seat (representing District 4 in Hilo) and the seat currently held by Mr. Joe Reynolds (representing District 8 in North Kona) will both expire at the end of December. The search to fill those impending vacancies should start now, he said.

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

- 1) Palani Road Transmission Waterline Project – Mr. Beck reported that the good news is that Mr. Mark Jernigan's driveway is now open to the highway at the top as of about three weeks ago. DWS filled in some material at the top of his driveway to make it less steep, which is good for both DWS and Mr. Jernigan. All of this has been re-paved, and Mr. Jernigan's driveway has been re-paved. Kuni Road is also going to be re-paved. DWS is putting in large, 2 1/2-inch drain rock on both sides of the road to help control some of the runoff that had washed out in the roadway during some of the big storm events about a month and a half ago. DWS is working on a retaining wall near that dry well, to give Mr. Teruo Matsumoto additional room to turn in and out of his driveway with his trees. The access road is about 80 percent paved. The only section that is not paved is from the 935 Tank down to a corner that Mr. Beck showed on the overhead projector. The reason for that is that the electrical lines are still going in. DWS has installed gates at a number of locations, which should reduce the incidence of trespassing and similar complaints from residents. Mr. Beck said things are progressing nicely at this time. Chairperson Mukai asked if all of the residents' concerns had been addressed. Mr. Beck said a few minor issues remain, including rocks that need to be replaced in some of the rock walls. DWS also needs to establish some property corners, etc., that were obliterated during construction. Mr. Greenwell asked how many of these projects will be completed by the next Kona meeting. Mr. Beck said that DWS is trying to wrap things up, and it is getting closer to that point. The Manager-Chief Engineer said that the reality is that loose ends like property pins, etc., cannot be taken care of until everything else is done. He expressed hope that residents will understand that it makes no sense to do things prematurely, only to have to redo them. Mr. Kaneshiro asked whether DWS had contact with

2) Hawaiian Ocean View Estates Project – Mr. Inaba reported that the first section of the wall for the reservoir is going to be poured tomorrow. HELCO appears to be gearing up to get their things in, because they asked DWS to trim some trees in HELCO’s alignment. The Manager-Chief Engineer said he had only one concern, regarding the pump and motor that are already in the hole. There is no electrical power to the pump and motor yet, and that means that the heaters that are on the pump are not energized yet. The pump and motor are just sitting in the hole, and the Manager-Chief Engineer fears that when the electricity is finally connected, something may go wrong with the pump. He noted that this is one of the rare instances that the pump and motor were put into the hole so fast; normally they are the last things to arrive. Mr. Taniguchi asked if the pump and motor could be tested. The Manager-Chief Engineer said no, they cannot be tested because there is no power, a huge generator would be needed. Mr. Lindsey asked if infrastructure is needed to get the power. The Manager-Chief Engineer said he thought that HELCO had to plant some poles and transformers. Mr. Lindsey asked if HELCO had given a date for putting in the power. Mr. Inaba said no, they have not given a specific date. Chairperson Mukai asked if the power was the last remaining thing on this project. The Manager-Chief Engineer said there were still other things to be done, but things are progressing well. Chairperson Mukai asked if it was still realistic to believe the project would be done in September. The Manager-Chief Engineer said yes, it was realistic. Mr. Taniguchi asked what happens after the project is completed. The Manager-Chief Engineer said that the Board has to make decisions on two things:

- Whether to accept the H.O.V.E. system from the County. The Manager-Chief Engineer said that the monies for the project from the State went to the County, not to DWS. DWS administered the project as a favor to then Mayor Harry Kim.
- Whether to set up a special rate for this particular area, bearing in mind that this is the deepest well that DWS has on the island, at 2,100 feet deep. (The deepest well up to now is the one in Kona that is 1,800 feet deep. Hilo wells are about 200 feet deep.) The Manager-Chief Engineer noted that there is a huge difference in the power cost to pump water from such a deep well.

Mr. Taniguchi noted that the water is not going to be transmitted to the homes of area residents. The Manager-Chief Engineer said the facility is strictly a fill station, where there will be standpipes for licensed truckers that haul water. The truckers will pay for that water. There will also be public spigots, for whose meters the Department of Public Works (DPW) will pay. The spigot water is free for the general population; the general homeowner will come to the spigots for water. If the homeowner wants delivery to his home, he will contract with a trucker. The only individual service will be the County park that is right next to the well. Parks and Recreation (P&R) requested the service a long time ago, and DWS explained to P&R that the service will be sub-standard in the sense that it will be less than 40 psi (parts per square inch). To do that service, P&R needs a special agreement with DPW because there is a playground and a catchment tank. DWS agreed to provide a meter for the playground. Mr. Meierdiercks noted that backflow preventers will be needed due to the sub-standard pressure; he asked if they would need to get special backflow preventers due to the sub-standard pressure. The Manager-Chief Engineer said the regular ones would probably work, although they would probably reduce the pressure even more. One good thing is that P&R has a catchment tank already, so P&R can use the service to fill the tank. P&R will still need to use their own pressure pump because there is going to be hardly any pressure coming out of the meter. Chairperson Mukai asked what is to stop a water tanker from filling up at the free spigots, and taking three to four hours to fill it up. The Manager-Chief Engineer said that it does happen, but unfortunately there is no rule or ordinance that prevents it. A while back, Councilman Guy Enriques proposed a

regulation that would limit the amount of water that could go into a tank at one time, but the Council did not pass it. As it stands now, there is a sign at the spigots that asks people to limit how much water they take, but there is no rule or ordinance in place. Mr. Inaba said that the Council is working on limiting the number of gallons. Ms. Garson said yes, there is something more recent in the works; she said she would get the Board the information for the next meeting. Mr. Greenwell asked whatever happened regarding a discussion years ago on increasing the cost of water going up to Kaloko Subdivision. He asked if this was the same kind of situation. The Manager-Chief Engineer said yes, it was the same situation.

- 3) Tsunami De-briefing – The Manager-Chief Engineer noted that the Department mobilized and evacuated the office. DWS has since changed its policy, to not evacuate in future events. There were only two instances where DWS had to do post-tsunami work. At Keauhou Bay, a rock banged a hole into a 12-inch pipe, which had to be repaired. At Nāpo‘opo‘o, several meters were washed away, so DWS put spigots off the hydrants for residents to take water. The initial expense for the two instances was about \$1,000.00.
- 4) Employee of the Quarter – (*Deferred to end of Manager’s Report*)
- 5) Public Relations and Education Specialist Update – Ms. Aton reported that the link to get \$50.00 rebates for purchases of qualified clothes washers and dish washers is now posted on the DWS website. Ms. Aton went to Kealakehe Elementary School to do presentations for some 900 students. She also did a presentation to some 25 Cub Scouts from Pack 65 on water knowledge and conservation, and on April 29 DWS will host students from Waimea Country School at the Waimea Treatment Plant. Ms. Aton is working with the Manager-Chief Engineer, the Deputy and Mr. Okamoto on a coordinated public information response to the radiation testing that DWS will do following the nuclear disaster in Japan. Ms. Aton will do a press release in coordination with Mr. Okamoto when the test result information becomes available. Currently, all media inquiries regarding water quality are going to Mr. Okamoto.
- 6) Upcoming HWWA and AWWA conferences – Ms. Aton said that the Save the Date notices are set to be sent out on May 2. DWS is waiting to hear from DOH regarding subsidies for the conference, with possible subsidies for registration fees coming from HWWA. HWWA is set for October 12-14, 2011. Ms. Aton plans to attend the AWWA- Hawai‘i Section conference on Oahu from May 3-5, 2011. She will be working with possible speakers for the HWWA conference here. Chairperson Mukai reminded all attending Board members to do their conference evaluations.
- 7) Employee of the Quarter – The Employee of the Quarter, Mr. David Mellom, was unable to attend the meeting. Mr. Mellom, DWS’s Credit and Collection Clerk, works in the Finance Division. Mr. Sumada noted that Mr. Mellom, who joined DWS about six years ago, has spoken to the Board about what he does. Mr. Mellom is independent and conscientious, and does his work extremely well with very little supervision, Mr. Sumada said. Chairperson Mukai said that Mr. Mellom’s position, involving bringing money into DWS, is a very important if thankless task. Mr. Mellom is doing a fine job under very stressful conditions, the Chairperson said. The Manager-Chief Engineer said Mr. Mellom has a fantastic attitude towards his job, and this award is well-deserved.

M. CHAIRPERSON’S REPORT:

Chairperson Mukai requested that DWS arrange a demonstration of a water meter test, to familiarize the Board with how it works. This would be useful in the event that a dispute over a meter reading comes up, as has happened in the past. The Manager-Chief Engineer said that Operations would arrange a demonstration for right after the June 28, 2011, regular Water Board meeting in Hilo.

Chairperson Mukai thanked Mr. Kaneshiro for bringing malasadas and Mr. Greenwell for bringing freshly-picked cabbages.

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

The Water Board anticipates convening 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 into Executive Session; seconded by Mr. Taniguchi.

(Executive Session began at 11:22 a.m. Meeting reconvened at 11:40 a.m.)

ACTION: Mr. Taniguchi moved to accept Corporation Counsel's recommendation; seconded by Mr. Lindsey. Motion carried unanimously by voice vote.

ANNOUNCEMENTS:

1. **Next Regular Meeting:**

The next meeting of the Water Board will be held on May 24, 2011, at 10:00 a.m. at the **West Hawai'i Civic Center**, Building G, 74-5044 Ane Keahokalole Highway, Kailua-Kona, HI. A Public Hearing on the Power Cost Adjustment will be held immediately preceding the regular Board meeting, at 9:45 a.m.

2. **Following Meeting:**

The following meeting of the Water Board will be held on June 28, 2011, at 10:00 a.m. at the Department of Water Supply, Operations Conference Room, 889 Leilani Street, Hilo, HI. A demonstration of a water meter test will be performed immediately following the meeting, at the Operations testing bench.

STATEMENTS FROM THE PUBLIC:

None.

ADJOURNMENT

Chairperson Mukai adjourned the meeting at 11:42 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.

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.

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