

MINUTES

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

May 22, 2012

Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI

MEMBERS PRESENT: Mr. Art Taniguchi, Vice-Chairperson
Mr. David Greenwell
Mr. Kenneth Kaneshiro
Ms. Susan Lee Loy
Mr. Bryan Lindsey
Mr. Delan Perry
Mr. Rick Robinson
Mr. Jay Uyeda
Mr. Quirino Antonio, Jr., Manager-Chief Engineer, Department of Water Supply (ex-officio member)

ABSENT: Mr. Bob Meierdiercks, Chairperson
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. Terrance Nago, Okahara & Associates
Mr. Dennis Newell, Kona Seascape Development, LLC
Mrs. Fay Higa

Department of Water Supply Staff

Mr. Keith Okamoto, Deputy
Mr. Kurt Inaba, Engineering Division Head
Mr. Daryl Ikeda, Chief of Operations
Mr. Rick Sumada, Waterworks Controller
Ms. Kanani Aton, Public Information and Education Specialist
Ms. Julie Myhre, Energy Management Analyst
Mr. Andrew Higa, Water Service District Supervisor I, Kohala District

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- 1) CALL TO ORDER – Vice-Chairperson Taniguchi called the meeting to order at 9:02 a.m.
 - 2) STATEMENTS FROM THE PUBLIC

Vice-Chairperson Taniguchi noted that the Board had received a letter from Mr. Richard Kuehner regarding his water bill. Copies of the letter were included in the Board packets.

- 3) APPROVAL OF MINUTES

The Vice-Chairperson entertained a Motion to approve the Minutes of the April 24, 2012, Water Board meeting.

ACTION: Mr. Lindsey moved to approve; seconded by Mr. Perry, and carried unanimously by voice vote.

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

The Vice-Chairperson entertained a Motion to approve Supplemental Agenda Item, 7(A) JOB NO. 2008-950, CONSTRUCTION OF THE KYNNERSLEY NO. 1 RESERVOIR 0.3 MG REPLACEMENT.

ACTION: Mr. Robinson moved to approve; seconded by Ms. Lee Loy, and carried unanimously by voice vote.

Vice-Chairperson Taniguchi asked to move to the top of the Agenda, Item 8(B), FOURTH AMENDMENT OF WATER FACILITIES AGREEMENT BETWEEN SEASCAPE DEVELOPMENT, LLC, AND WATER BOARD OF THE COUNTY OF HAWAI'I – TAX MAP KEY (3) 7-3-010:052 AND 053.

8) NORTH KONA:

B. FOURTH AMENDMENT TO WATER FACILITIES AGREEMENT BETWEEN SEASCAPE DEVELOPMENT, LLC, AND WATER BOARD OF THE COUNTY OF HAWAI'I – TAX MAP KEY (3) 7-3-010:052 AND 053:

Seascape states that it underwent a change in ownership, and the new ownership desires to complete their obligations to the Agreement as expeditiously as possible. Seascape requests a time extension that will enable Seascape to meet their obligations with the Water Board.

Staff has reviewed the consultant's proposal and finds it to be reasonable and consistent with the terms in the proposed Fourth Amendment of Water Facilities Agreement.

The Manager-Chief Engineer recommended that the Board approve the FOURTH AMENDMENT OF WATER FACILITIES AGREEMENT BETWEEN SEASCAPE DEVELOPMENT, LLC, AND WATER BOARD OF THE COUNTY OF HAWAI'I – TAX MAP KEY (3) 7-3-010:052 AND 053, and that either the Chairperson or Vice-Chairperson be authorize to sign the documents, subject to approval by Corporation Counsel.

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

Mr. Inaba explained the table that he provided for the Board packets, in which he summarized the Department's agreements with Seascape. DWS had two separate agreements with Seascape: a Water Development Agreement and a Water Facilities Agreement. The latest agreement is the Water Facilities Agreement for 204 units. Mr. Inaba noted that under the original agreement, Seascape was to build a reservoir to increase the capacity for DWS to pump from its well. Under that agreement, Seascape would have gotten more units. Instead, Seascape decided to secure a site, do the design, and then have DWS build the reservoir; Seascape would pay the full Facilities Charge amount (*instead of getting a Facilities Charge credit if they had built the reservoir themselves.*). The number of units that Seascape will get is fewer than they would have had they decided to build the reservoir themselves, Mr. Inaba added. Under the current agreement, Seascape secures the site, does the design and gets all of the approvals; DWS will build the reservoir when the Department gets the funds to do so. This is where matters stand today; Seascape has for several years come to the Board to request time extensions. He noted, referring to the table he provided, that Seascape has acquired the property and has done the Environmental Assessment (EA), but they have not completed the design.

Ms. Lee Loy asked whether Seascap will have enough water for the density (i.e., the number of units) they can construct on this parcel. She also asked if this project has been scaled back, and if so, whether the design or the number of units had also been scaled back.

Mr. Inaba confirmed this.

The Manager-Chief Engineer pointed out that this Fourth Amendment would extend the time period for completing the design to June 30, 2013.

Mr. Robinson asked whether that would be enough time.

Mr. Nago, the design consultant for the project, reported that at this point, the design is about 60 percent done; his firm needs 40 percent more to complete the design. He said the big items remaining are the approvals to construct, including in particular the approval within the State right-of-way. The project will extend a waterline for the new reservoir to connect to the existing system, which will maximize the benefit of this new tank to DWS's North Kona water system, Mr. Nago said. The waterline has to go through the State right-of-way, so that is what will be the lengthiest process. However, Mr. Nago said that based on past experience with obtaining agreements with State Highways, the June 30, 2013 deadline will be enough time to get it done. Mr. Nago noted that Wilson Okamoto prepared the EA, but there was a final EA and a Finding of No Significant Impact (FONSI).

Ms. Lee Loy asked whether the EA or the FONSI covered this work within the State right-of-way.

Mr. Nago said he believed that it did cover it, and that it would trigger a Use and Occupancy Agreement, which is something that takes a long time to get done.

ACTION: Motion carried unanimously by voice vote.

5) SOUTH HILO:

A. **MATERIAL BID NO. 2012-01, FURNISHING AND DELIVERING WATER METERS, BRASS GOODS, FIRE HYDRANTS, VALVES, CHLORINATORS, PUMPS, PIPES, FITTINGS, SCADA, MOTORS, AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK:**

Bids were opened on May 10, 2012, at 2:30 p.m., and the following are the bid results.

The Manager-Chief Engineer recommended that the Board award the contract to the following bidder for MATERIAL BID NO. 2012-01, FURNISHING AND DELIVERING WATER METERS, BRASS GOODS, FIRE HYDRANTS, VALVES, CHLORINATORS, PUMPS, PIPES, FITTINGS, SCADA, MOTORS AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK, on an as-needed basis, as listed below, and that either the Chairman or the Vice-Chairman be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. The contract period shall be from July 1, 2012, to June 30, 2013.

PART NO.	DESCRIPTION	BIDDER	AMOUNT
1	DUCTILE IRON PIPES, PUSH-ON TYPE JOINT	Ferguson Enterprises, Inc.	\$78,726.00
2	DUCTILE IRON FITTINGS	Ferguson Enterprises, Inc.	\$4,299.68
3	FLANGE GASKETS	Ferguson Enterprises, Inc.	\$5,488.25
4	NUTS, BOLTS AND THREADED RODS	A.P. Water Supply, Inc. dba HIW-Hawai'i	\$49,280.97

5	COPPER TUBING	Ferguson Enterprises, Inc.	\$80,239.11
6	GALVANIZED PIPES T & C (THREADED & COUPLED)	Ferguson Enterprises, Inc.	\$3,969.33
7	HIGH DENSITY POLYETHYLENE (HDPE) PIPE	Ferguson Enterprises, Inc.	\$462,983.28
8	INTEGRATED ENCODER AND METER INTERFACE UNIT/AUTOMATIC METER READING	Ferguson Enterprises, Inc.	\$219.14
9	5/8" WATER METERS	Ferguson Enterprises, Inc.	\$76,284.00
10	1" – 2" WATER METERS	Badger Meter, Inc.	\$15,682.50
11	METER BOXES AND COVERS	Ferguson Enterprises, Inc.	\$51,393.42
12	COMPOUND WATER METERS	No Bid	No Bid
13	TURBINE METERS AND STRAINERS	Ferguson Enterprises, Inc.	\$20,851.43
14	DETECTOR CHECK METERS	No Bid	No Bid
15	FIRE SERVICE METERS	No Bid	No Bid
16	FIRE HYDRANTS	A.P. Water Supply, Inc. dba HIW-Hawai'i	\$89,071.00
17	AMERICAN DARLING FIRE HYDRANT EXTENSION KIT	Ferguson Enterprises, Inc.	\$6,075.01
18	MUELLER FIRE HYDRANT EXTENSION KIT	A.P. Water Supply, Inc. dba HIW-Hawai'i	\$3,974.00
19	BALL METER VALVES	Ferguson Enterprises, Inc.	\$56,067.01
20	BALL VALVE, PACK JOINT X METER COUPLING/FIP	Ferguson Enterprises, Inc.	\$33,604.00
21	PACK JOINT COUPLING	Ferguson Enterprises, Inc.	\$43,590.02
22	CORPORATION AND CURB STOPS – BALL TYPE	Ferguson Enterprises, Inc.	\$73,540.88
23	INVERTED MARKING PAINT	Ferguson Enterprises, Inc.	\$9,468.97
24	HOSE BIBBS	Ferguson Enterprises, Inc.	\$2,681.67
25	PRESSURE REGULATORS	Ferguson Enterprises, Inc.	\$2,555.21
26	GATE VALVES – 3" AND LARGER, 125# CLASS	A.P. Water Supply, Inc. dba HIW-Hawai'i	\$31,743.00
27	GATE VALVES – 3" AND LARGER, 250# CLASS	Ferguson Enterprises, Inc.	\$46,138.60
28	DUCKBILL CHECK VALVES	Ferguson Enterprises, Inc.	\$65,733.31
29	AIR RELIEF VALVES	Ferguson Enterprises, Inc.	\$7,336.92
30	BUTTERFLY VALVES	A.P. Water Supply, Inc. dba HIW-Hawai'i	\$7,826.00
31	BOOSTER AND DEEPWELL PUMP CONTROL BALL VALVES	Ferguson Enterprises, Inc.	\$449,608.79
32	AUTOMATIC CONTROL VALVES	A.P. Water Supply, Inc. dba HIW-Hawai'i	\$1,149,432.00
33	PRESSURE REGULATING VALVES	No Bid	No Bid
34	ANTI-CAVITATION VALVE	A.P. Water Supply, Inc. dba HIW-Hawai'i	\$230,840.00
35	INDUSTRIAL ACTUATOR	TK Process Hawai'i, LLC	\$9,996.61
36	DIGITAL HIGH-RESOLUTION CONTROLLER	TK Process Hawai'i, LLC	\$1,963.17
37	MECHANICAL SEALS	No Bid	No Bid

38	PUMP SEALS	No Bid	No Bid
39	REGENERATIVE TURBINE PUMP	No Bid	No bid
40	OIL-FILLED SUBMERSIBLE MOTORS (NEW ONLY)	Beylik Drilling Pump Services	\$5,555,367.00
41	OIL-FILLED SUBMERSIBLE MOTORS (REFURBISHED AND REWIND ONLY)	Beylik Drilling Pump Services	\$2,191,866.00
42	WATER-FILLED SUBMERSIBLE MOTORS (NEW ONLY)	Beylik Drilling Pump Services	\$2,174,384.00
43	WATER-FILLED SUBMERSIBLE MOTORS (REFURBISHED AND REWIND ONLY)	Beylik Drilling Pump Services	\$2,364,913.00
44	MOTORS	No Bid	No Bid
45	INDUSTRIAL MOTOR LEAD CABLE	OneSource Distributors	\$22,580.00
46	INDUSTRIAL CONTROL WIRING	OneSource Distributors	\$1,962.45
47	VARIABLE FREQUENCY DRIVES	TK Process Hawai'i, LLC	\$7,569,542.50
48	LOW HORSEPOWER VFD (1/4 HP – 15 HP 460 VAC)	TK Process Hawai'i, LLC	\$5,564.74
49	SOLID STATE REDUCED VOLTAGE SOFT STARTER & SPARE PARTS	TK Process Hawai'i, LLC	\$1,257,490.44
50	3 PHASE MONITOR RELAY	Scada & Control Systems, LLC	\$1,028.00
51	SURGE PROTECTION DEVICES	Akamai Controls, Inc.	\$28,067.23
52	POWER MONITORING EQUIPMENT	Dynatek, Inc.	\$43,301.00
53	GROUNDING EQUIPMENT	OneSource Distributors	\$43.88
54	HIGH POWERED LICENSED RADIO EQUIPMENT	Akamai Controls, Inc.	\$2,615.61
55	LICENSED RADIO EQUIPMENT	Akamai Controls, Inc.	\$44,000.00
56	LICENSE-FREE RADIO EQUIPMENT	TK Process Hawai'i, LLC	\$3,067.47
57	COMMUNICATION HARDWARE	TK Process Hawai'i, LLC	\$96,504.37
58	AUTODIALERS	Scada & Control Systems, LLC	\$950.00
59	INDUSTRIAL ELECTRONIC COMPONENTS	Dynatek, Inc.	\$18,284.50
60	ENCLOSURES	Akamai Controls, Inc.	\$104,010.01
61	PRE-FABRICATED RTU PANELS	Dynatek, Inc	\$41,885.00
62	AUTOMATION AND CONTROL SYSTEMS	Control Systems West, Inc.	\$49,884.35
63	PROGRAMMING SERVICES	Dynatek, Inc	\$749.00
64	UNINTERRUPTIBLE POWER SUPPLY (UPS)	OneSource Distributors	\$2,292.44
65	DIGITAL PRESSURE GAUGE	Ferguson Enterprises, Inc.	\$2,789.09
66	PRESSURE TRANSDUCER	No Bid	No Bid
67	PRESSURE TRANSMITTER	TK Process Hawai'i, LLC	\$1,317.47
68	LIQUID LEVEL SENSOR	TK Process Hawai'i, LLC	\$8,249.44
69	FLOW SWITCH	Scada & Control Systems, LLC	\$930.00
70	MAG METERS	Akamai Controls, LLC	\$228,988.12
71	DIRECT CURRENT MAG METERS	Akamai Controls, LLC	\$194,671.26
72	CIRCULAR CHART RECORDER	TK Process Hawai'i, LLC	\$2,607.92

73	PAPERLESS DIGITAL RECORDER	TK Process Hawai'i, LLC	\$6,404.54
74	TABLET CHLORINATORS	No Bid	No Bid
75	CHLORINATORS	No Bid	No Bid
76	CHLORINE GAS FEEDERS	OneSource Distributors	\$10,271.26
77	STAND-ALONE CHLORINE GAS DETECTOR	No Bid	No Bid
78	DIGITAL CHLORINE CYLINDER SCALES	TK Process Hawai'i, LLC	\$5,498.04
79	CHEMICAL FEEDER PUMP	TK Process Hawai'i, LLC	\$6,304.56
80	HIGH-DENSITY POLYETHYLENE (HDPE) DISCHARGE TUBING	No Bid	No Bid
81	WATER QUALITY EQUIPMENT	Hach Co.	\$35,064.69
82	ULTRAFILTRATION PACKAGE PLANT	No Bid	No Bid
83	LEAK NOISE DATA LOGGERS	Wong's Equipment & Service	\$18,226.96
84	HATCH FRAMES AND COVERS	BK, Inc.	\$6,490.00
85	LIGHT EMITTING DIODE (LED) LUMINARIES	TK Process Hawai'i, LLC	\$2,931.08
86	FLEET MANAGEMENT SYSTEM	TK Process Hawai'i, LLC	\$51,787.77

For the following Sections: 12 (Compound Water Meters), 14 (Detector Check Meters), 15 (Fire Service Meters), 33 (Pressure Regulator Valves), 37 (Mechanical Seals), 38 (Pump Seals), 39 (Regenerative Turbine Pump), 44 (Motors), 66 (Pressure Transducer), 74 (Tablet Chlorinators), 75 (Chlorinators), 77 (Stand-Alone Chlorine Gas Detector), 80 (High Density Polyethylene (HDPE) Discharge Tubing, and 82 (Ultrafiltration Package Plant), no bids were received.

For the Sections where no bids were received, staff shall obtain quotations in the best interest of the Department.

Vice-Chairperson Taniguchi said that there were several items that needed to be deferred.

Mr. Ikeda said that prior to making awards, DWS needs to make sure that vendors are registered on Hawai'i Compliance Express (HCE), and are in compliance with their taxes, etc. At this point, some vendors are not compliant with HCE, so Mr. Ikeda asked that certain items listed below be deferred to the June meeting. If those vendors are not compliant by the June meeting, DWS will do the procurement for those items either by recommending the next lowest bidder, or by just getting quotes in accordance with the State Procurement rules. Mr. Ikeda asked to defer the following items:

- No. 10 (1"-2" water meters); No. 51 (Surge Protection Devices); No. 52 (Power Monitoring Equipment); No. 54 (High Powered Licensed Radio Equipment); No. 55 (Licensed Radio Equipment); No. 59 (Industrial Electronic Components); No. 60 (Enclosures); No. 61 (Pre-Fabricated RTU Panels); No. 62 (Automation and Control Systems); No. 63 (Programming Services); No. 70 (Mag Meters) and No. 71 (Direct Current Mag Meters).

ACTION: Ms. Lee Loy moved to approve the deferrals; seconded by Mr. Perry; and carried unanimously by voice vote.

MOTION: Mr. Lindsey moved to approve the remainder of the items; seconded by Ms. Lee Loy.

Mr. Uyeda asked what the Board was approving.

The Manager-Chief Engineer explained that the Department has the materials on hand, but this bid is part of a price agreement for materials that DWS purchases on an as-needed basis.

Mr. Robinson asked about Items 40 through 43, for various types of motors. Beylik was the lowest responsible bidder for these items. Mr. Robinson asked if Beylik did the installing.

Mr. Ikeda noted that this bid was for purchases, not installing. He said that the items might look like a lot. They are listed with a price for each item, but only purchased on an *as-needed* basis.

ACTION: Motion carried unanimously by voice vote.

6) SOUTH KOHALA:

A. **WATER TREATMENT PROPOSAL NO 2012-02, FURNISHING AND DELIVERING POLYMERS TO WAIMEA WATER TREATMENT PLANT:**

Bids were opened on May 10, 2012, at 2:00 p.m., and the following are the bid results.

Bidder	Amount
Phoenix V LLC dba BEI Hawai'i	\$404,362.70

<u>Bidder</u>	<u>Amount</u>
Phoenix V LLC dba BEI Hawai'i	\$404,362.70
Contingency	\$ 45,637.30
TOTAL CONTRACT PRICE:	<u>\$450,000.00</u>

The estimated quantity of polymers needed for the 24-month period of the contract, as determined by the County, is 367,268.58 pounds, at \$1.101 per pound.

The reason for the high contingency is that past experience has shown that the dosage of polymers used at the time of the plant test is lower than at other times of the year. As the quality of water goes down during the year amid unstable weather conditions, more polymers are used to meet the water quality requirements of the State of Hawai'i, Department of Health.

The Manager-Chief Engineer recommended that the Board award the contract for WATER TREATMENT PROPOSAL NO. 2012-02, FURNISHING AND DELIVERING POLYMERS TO WAIMEA WATER TREATMENT PLANT, to **Phoenix V LLC dba BEI Hawai'i**, for the bid price of \$404,362.70, plus \$45,637.30 in contingency, for a total contract price of \$450,000.00, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. The contract period is from July 1, 2012, to June 30, 2014.

MOTION: Mr. Lindsey moved to approve; seconded by Mr. Greenwell.

Mr. Ikeda explained that the contractor in this case has to do a one-week plant test, whereby DWS gives the contractor the correct dosage of the product that the contractor bids on. Based on the one-week test, DWS gives the contractor the optimum dosage, and it is upon that dosage that the contractor bids. The contingency is a little higher than normal, because over the course of the year, the water quality fluctuates. DWS has found that in past years, the water quality at times is not consistently good. Therefore, DWS needs to use more polymers.

Mr. Greenwell asked who is responsible for storing the polymers, BEI or DWS. He also asks what happens if BEI does not have the polymers in stock.

Mr. Ikeda said that BEI knows how much polymer that DWS uses, so BEI has enough in stock. DWS orders a certain number of dosages at a time, to last about three months. When DWS gets down to about a month's supply, the supply gets topped up. DWS has never run out of polymers so far.

The Manager-Chief Engineer said that if DWS were to run out of polymers, DWS can rely on two wells that service this system, which do not require chemicals.

Mr. Uyeda asked if there were another vendor in the State that supplies polymers. He also asked how DWS was sure it got a good price, with just one bidder.

Mr. Ikeda said that normally, DWS has at least another bidder that tests their chemicals at the plant. However, this year, BEI was the only one that went through the one-week test. He acknowledged that the one-week test poses an expense to vendors, who must provide the polymers and use their own personnel to run the plant. He said that BEI's price looks pretty comparable.

The Manager-Chief Engineer said that the Department can tell by experience whether a price is good or not.

Ms. Garson said that under the Procurement Code, if there is only one bid, the Chief Procurement Officer does an independent analysis to ascertain that the price is fair. She noted that this was an advertised bid.

ACTION: Motion carried unanimously by voice vote.

7) NORTH KOHALA:

A. **JOB NO. 2008-950, CONSTRUCTION OF THE KYNERSLEY NO. 1 RESERVOIR 0.3 MG REPLACEMENT:**

The project generally consists of construction of new 0.3 MG concrete reservoir, demolition of existing steel tanks, as well as associated site work, waterline, asphalt pavement, grading and drainage improvements, all mechanical, electrical and structural work, in accordance with the plans and specifications, ready for operation.

Bids for this project were opened on May 17, 2012, at 2:00 p.m., and the results reported at this meeting are as follows:

Bidder	Bid Amount	Adjusted Bid Amount* (for purposes of bid award)
Isemoto Contracting Co., Ltd.	\$2,065,160.00	\$1,949,220.00
Koga Engineering & Construction, Inc.	\$2,125,000.00	\$2,006,307.00
Goodfellow Brothers, Inc.	\$2,141,955.00	\$2,021,924.55
Yamada Paint Contracting Inc. dba GW Construction	\$2,273,801.60	\$2,159,151.52
Nan, Inc.	\$2,430,194.00	\$2,298,411.60
Jas. W. Glover, Ltd.	\$2,392,940.00	\$2,375,346.23

*Bids were adjusted (for the purposes of award) to provide credits for use of Hawaii Products, participation in the State Apprenticeship Program, and were allowed to be corrected because of an obvious mistake, all in accordance with DWS General Requirements and Covenants and the Hawaii Administrative Rules.

Project Costs:

1) Low Bidder (Isemoto Contracting Co., Ltd.)	\$ 2,065,160.00
2) Construction Contingency (10%)	\$ 206,516.00
Total Cost:	<u>\$ 2,271,676.00</u>

Funding for this project will be from a DWSRF Loan. The contractor will have 360 calendar days to complete this project.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2008-950, CONSTRUCTION OF THE KYNNERSLEY NO. 1 RESERVOIR 0.3 MG REPLACEMENT, to the lowest responsible bidder, Isemoto Contracting Co., Ltd., for their bid amount of \$2,065,160.00, plus \$206,516.00 for construction contingency, for a total contract amount of **\$2,271,676.00**. It is further recommended that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality by Corporation Counsel.

MOTION: Mr. Greenwell moved to approve; seconded by Mr. Uyeda.

The Manager-Chief Engineer noted that despite the adjustments to the bid amounts based on the Hawai'i Products preference and the preference for the State Apprenticeship Program, the preferences did not make a difference in terms of who the award should go to. He asked Mr. Inaba what the cost estimate for the project was.

Mr. Inaba said that the cost estimate was \$2,036,010.00. He also noted that the interim loan agreement being executed for construction was for \$2,500,000.00.

Ms. Lee Loy asked about whether the Deputy was taking part of the bid process, to assert how the Board reacts to requests for time extensions, etc.

The Deputy confirmed that he was present for the pre-bid meeting, where he made clear to those present that DWS will be monitoring and managing its projects with a higher level of scrutiny, particularly regarding time extensions. The Deputy also intends to sit in on all pre-construction meetings, which take place once a particular contractor is awarded a project. At those meetings, the Deputy intends to reinforce the Department's stance on project management, scheduling, budgets, scope, etc.

Mr. Uyeda noted that this project involves replacing a 0.3 MG tank with another one of the same size. He asked if there had been an opportunity to upsize, or whether DWS had to stick to the same size of tank due to State Revolving Funds (SRF) limitations.

Mr. Inaba said it probably could have been upsized if DWS felt a need to do so, but there really was no need for a bigger tank in that location.

The Manager-Chief Engineer noted that DWS is working on a project in the vicinity, in Hala'ula, which will include a new well and additional storage.

Mr. Robinson said that Ms. Lee Loy made a really salient point about time extensions. He said he felt that too many times, contractors will send a letter requesting a time extension, and Department staff get thrown to the wolves. He asked whether contractors requesting time extensions could come before the Board themselves instead. Mr. Robinson said he felt sorry for staff being thrown to the wolves.

The Manager-Chief Engineer said that the Department could ask the contractor to come before the Board to say his piece in requesting a time extension.

ACTION: Motion carried unanimously by voice vote.

8) NORTH KONA:

A. SECOND AMENDMENT TO WATER AGREEMENT: KOHANAIKI SHORES, LLC, PALAMANUI GLOBAL HOLDINGS, LLC, AND WATER BOARD:

(This Item was deferred at the April 24, 2012 Board meeting.)

Kohanaiki Shores, LLC, Palamanui Global Holdings, LLC, and the Water Board and/or their predecessors in interest (“The Parties”) entered into an agreement dated June 15, 1999, relating to the development of water sources in North Kona. A First Amendment to the Water Agreement was entered into on January 11, 2007. Water quality issues have arisen with respect to the water sources that were the subject of this agreement. The parties now wish to enter into a Second Amendment to the Water Agreement that addresses those concerns.

The Manager-Chief Engineer recommended that this Item be withdrawn, at the request of the parties.

Vice-Chairperson Taniguchi said that the Recommendation is to withdraw, so there is no Motion necessary. He noted that there is a letter in the file that the Board has received.

B. FOURTH AMENDMENT TO WATER FACILITIES AGREEMENT BETWEEN SEASCAPE DEVELOPMENT, LLC, AND WATER BOARD OF THE COUNTY OF HAWAI‘I – TAX MAP KEY (3) 7-3-010:052 AND 053:

(Item handled earlier in the meeting.)

9) MISCELLANEOUS:

A. DEDICATION OF WATER SYSTEMS:

The Department received the following documents for action by the Water Board. The water systems have been constructed in accordance with the Department’s standards and are in acceptable condition for dedication.

The Department received the following documents for action by the Water Board. The water systems have been constructed in accordance with the Department’s standards and are in acceptable condition for dedication.

1. LICENSE NO. 764

(This item was deferred from the March 27, 2012, Board meeting.)

(Non-Exclusive Right) (Benefit (B))

Lālāmilo Offsite Water Systems and New Lālāmilo 1.0 MG Reservoir

Licensors: State of Hawai‘i, Department of Hawaiian Home Lands

Tax Map Key: (3) 6-6-001:077 portion

Final Inspection Date: *TBA*

Water System Cost: *TBA*

ACTION: Ms. Lee Loy moved to defer, seconded by Mr. Lindsey, and carried unanimously by voice vote.

B. MATERIAL BID NO. 2012-03, FURNISHING BASE COURSE, SAND, COLD MIX, HOT MIX, PORTLAND CEMENT AND NO. 3F ROCK TO THE DEPARTMENT OF WATER SUPPLY:

Bids were opened on May 8, 2012, at 2:00 p.m., and the following are the bid results:

		Yamada & Sons, Inc.	WHC LTD dba West Hawai‘i Concrete	Grace Pacific Corporation
	DISTRICT I:			
A.	3/4-Inch Base Course (Cost per ton)	\$16.15	No Bid	No Bid

B.	1½-Inch Base Course (Cost per ton)	\$15.10	No Bid	No Bid
C.	No. 3F Rock (Cost per ton)	\$24.75	No Bid	No Bid
D.	#4 Sand (Cost per ton)	\$50.00	No Bid	No Bid
E.	Mortar Sand - ASTM C144 (Cost per ton)	No Bid	No Bid	No Bid
F.	Portland Cement 94 lb. bags (Cost per bag)	No Bid	No Bid	No Bid
G.	Cold Mix- ASTM D4215-87 (Cost per ton)	\$138.75	No Bid	No Bid
H.	Blended Material 60% #4 Sand and 40% No. 3F Rock (Cost per ton)	No Bid	No Bid	No Bid
I.	Hot Mix – County Mix IV	\$144.75		
	DISTRICT II:	Yamada & Sons, Inc.	WHC LTD dba West Hawai‘i Concrete	Grace Pacific Corporation
A.	¾-Inch Base Course (Cost per ton)	No Bid	\$11.75	No Bid
B.	1½-Inch Base Course (Cost per ton)	No Bid	\$10.64	No Bid
C.	No. 3F Rock (Cost per ton)	No Bid	\$16.34	No Bid
D.	#4 Sand (Cost per ton)	No Bid	\$20.53	No Bid
E.	Mortar Sand - ASTM C144 (Cost per ton)	No Bid	\$38.98	No Bid
F.	Portland Cement 94 lb. bags (Cost per bag)	No Bid	No Bid	No Bid
G.	Cold Mix- ASTM D4215-87 (Cost per ton)	No Bid	No Bid	No Bid
	DISTRICT III:	Yamada & Sons, Inc.	WHC LTD dba West Hawai‘i Concrete	Grace Pacific Corporation
A.	¾-Inch Base Course (Cost per ton)	No Bid	\$16.83	No Bid
B.	1½-Inch Base Course (Cost per ton)	No Bid	\$15.51	No Bid
C.	No. 3F Rock (Cost per ton)	No Bid	\$22.29	No Bid
D.	#4 Sand (Cost per ton)	No Bid	\$27.25	No Bid
E.	Mortar Sand - ASTM C144 (Cost per ton)	No Bid	\$51.85	No Bid
F.	Portland Cement 94 lb. bags (Cost per bag)	No Bid	No Bid	No Bid
G.	Cold Mix–ASTM D4215-87 (Cost per ton)	No Bid	No Bid	\$146.00
H.	Hot Mix - County Mix IV (Cost per ton)	No Bid	No Bid	145.10

The Manager-Chief Engineer recommended that the Board award the contract for MATERIAL BID NO. 2012-03, FURNISH BASE COURSE, SAND, COLD MIX, HOT MIX, PORTLAND CEMENT, AND NO. 3F ROCK TO THE DEPARTMENT OF WATER SUPPLY, by Parts to the following for the amounts shown above, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel.

District I – Parts A, B, C, D, G and I to Yamada & Sons, Inc.

District II – Parts A, B, C, D and E to WHC LTD dba West Hawai‘i Concrete

**District III – Parts A, B, C, D and E to WHC LTD dba West Hawai‘i Concrete
Parts G and H to Grace Pacific Corporation**

For the Parts where no bids were received, staff shall obtain quotations in the best interest of the Department. The contract period shall be from July 1, 2012, to June 30, 2013.

MOTION: Mr. Lindsey moved to approve; seconded by Mr. Greenwell.

The Manager-Chief Engineer explained that DWS has three baseyards on the island, and that is why there are specific bids for different parts of the island.

Mr. Kaneshiro asked about the wording in the Item: “For the Parts where no bids were received, staff shall obtain quotations in the best interest of the Department.” He asked what that meant.

The Manager-Chief Engineer said that in the case where there is no bid, the staff can secure whatever materials it needs in accordance with the Procurement Code. The no-bids are usually because a vendor does not want to supply a different part of the island.

ACTION: Motion carried unanimously by voice vote.

C. **WATER TREATMENT BID NO. 2012-04, FURNISHING AND DELIVERING A~LIQUID CHLORINE TO VARIOUS LOCATIONS IN THE ISLAND OF HAWAI‘I (ON AN AS-NEEDED BASIS); B~LIQUID AMMONIA TO WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA (ON AN AS-NEEDED BASIS); C~50% LIQUID CAUSTIC SODA TO WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA (ON AN AS-NEEDED BASIS); D~C-9 POLYPHOSPHATE TO WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA (ON AN AS-NEEDED BASIS):**

Bids were opened on May 8, 2012, at 2:30 p.m., and following are the bid results:

<u>Bidder</u>	<u>Amount</u>
Phoenix V LLC dba BEI Hawai‘i	
PART A - FURNISH AND DELIVER LIQUID CHLORINE	
I. HILO DISTRICT	
a. Pana‘ewa Deep Well (125 cylinders per year) Cost per 150-lb. cylinder	\$312.30
II. PUNA DISTRICT	
a. Pana‘ewa Deep Well Chlorinator Building (20 cylinders per year) Cost per 150-lb. cylinder	\$326.00
III. KA‘U DISTRICT	
a. Pāhala Deep Well Chlorinator Building (12 cylinders per year) Cost per 150-lb. cylinder	\$378.50
IV. KOHALA DISTRICT	
a. Waimea Water Treatment Plant Cost per 1,200-lb cylinder (20 cylinders per year) Cost per 150-lb. cylinder (60 cylinders per year)	\$2,145.00 \$343.80
V. KONA DISTRICT	
a. DWS Kona Baseyard (150 cylinders per year) Cost per 150-lb. cylinder	\$351.20
PART B – FURNISH AND DELIVER LIQUID AMMONIA	
a. Waimea Water Treatment Plant (12 cylinders per year)	

Cost per 150-lb. cylinder

No Bid

PART C – FURNISH AND DELIVER 50% LIQUID CAUSTIC SODA

- a. Waimea Water Treatment Plant
Cost per dry ton

\$1,665.00

PART D – FURNISH AND DELIVER C-9 POLYPHOSPHATE:

- a. Waimea Water Treatment Plant
Cost per 30-gallon drum

\$831.50

The Manager-Chief Engineer recommended that the Board award the contract for WATER TREATMENT PROPOSAL NO. 2012-04, FURNISHING AND DELIVERING A~LIQUID CHLORINE TO VARIOUS LOCATIONS IN THE ISLAND OF HAWAI'I (ON AN AS-NEEDED BASIS); B~LIQUID AMMONIA TO WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA (ON AN AS-NEEDED BASIS); C~50% LIQUID CAUSTIC SODA TO WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA (ON AN AS-NEEDED BASIS); D~C-9 POLYPHOSPHATE TO WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA (ON AN AS-NEEDED BASIS), to Phoenix V LLC dba BEI Hawai'i for Parts A, C and D, at the unit prices listed above, for the period from July 1, 2012, through June 30, 2014, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. For Part B, where no bid was received, staff shall obtain quotations in the best interest of the Department.

ACTION: Mr. Robinson moved to approve; seconded by Mr. Greenwell, and carried unanimously by voice vote.

D. **GASOLINE BID NO. 2012-05, FURNISHING AND DELIVERING GASOLINE AND DIESEL TO THE DEPARTMENT OF WATER SUPPLY:**

Bids were opened on May 9, 2012, at 2:00 p.m., and the following are the bid results:

Part "A"	Hilo Baseyard	Aloha Petroleum, Inc.	Hawai'i Petroleum, Inc.	Big Island Energy Co., LLC dba Akana Petroleum
1.	Unleaded Gasoline (delivered gallon price) <i>Estimated 55,000 gallons/year x 2 years</i>	\$4.0434/gal. = \$444,774.00	\$4.24/gal. = \$466,400.00	\$3.9126/gal. = \$430,386.00
Part "B"	Kona Baseyard			
1.	Unleaded Gasoline (delivered gallon price) <i>Estimated 25,000 gallons/year x 2 years</i>	\$4.1434/gal. = \$207,170.00	\$4.24/gal. = \$212,000.00	\$3.9962/gal. = \$199,810.00
2.	Low-Sulfur Diesel (delivered gallon price) <i>Estimated 3,000 gallons/year x 2 years</i>	\$5.1115/gal. = \$30,669.00	\$4.196/gal. = \$25,176.00	\$4.0171/gal. = \$ 24,102.60
Part "C"	Waimea Baseyard			
1.	Unleaded Gasoline (delivered gallon price) <i>Estimated 30,000 gallons/year x 2 years</i>	\$4.1034/gal. = \$246,204.00	\$4.24/gal. = \$254,400.00	\$3.9441/gal. = \$236,646.00

The Manager-Chief Engineer recommended that the Water Board award the contract for GASOLINE BID NO. 2012-05, FURNISHING AND DELIVERING GASOLINE AND DIESEL TO THE DEPARTMENT OF WATER SUPPLY, to **Big Island Energy Co., LLC dba Akana Petroleum**, for Parts A-1, B-1, B-2, and C-1, at the bid prices listed above and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. The contract period shall be from July 1, 2012 to June 30, 2014.

MOTION: Mr. Greenwell moved to approve; seconded by Mr. Robinson.

The Manager-Chief Engineer said that in certain regions, such as Ka‘u, DWS purchases *diesel* from the County’s Department of Public Works.

Mr. Uyeda, noting that this is a two-year contract, asked whether the vendor holds his price.

Mr. Ikeda said no, they do have an escalation clause, to reflect the fluctuation in oil prices.

The Manager-Chief Engineer said that if the oil price goes up, the vendor’s price goes up, and if it goes down, it goes down.

Mr. Uyeda asked if each vendor has a different escalation clause amount, or if it was pretty straight.

Mr. Ikeda said it is the same escalation clause amount. However, this time, Akana Petroleum got everything.

Vice-Chairperson Taniguchi asked what the escalation clause was tied to.

Mr. Ikeda said that it is based on the oil price. The vendor will submit a letter to DWS showing that they want the price to increase by, for example, two cents a gallon. DWS will review the request, and if it is justified, DWS will allow the vendor to use that price. However, vendors also sometimes drop their price, he said.

ACTION: Motion carried unanimously by voice vote.

E. **WATER HAULING BID NO. 2012-06, PRICE AGREEMENT TO PROVIDE WATER HAULING SERVICES TO VARIOUS LOCATIONS ISLAND-WIDE (ON AN AS-NEEDED BASIS) FOR THE DEPARTMENT OF WATER SUPPLY, DISTRICTS – ENTIRE ISLAND:**

Bids were opened on May 9, 2012, at 2:30 p.m., and the following are the bid results:

1. Carnor Sumida dba ACR Water Hauling	
4,000-, 4,200- and 5,000-gallon water trucks (price for all districts):	
Regular Hours	\$85.35/hr.
Overtime Hours	\$97.09/hr.

The Manager-Chief Engineer recommended that the Board approve the price agreement for WATER HAULING BID NO. 2012-06, PRICE AGREEMENT TO PROVIDE WATER HAULING SERVICES TO VARIOUS LOCATIONS ISLAND-WIDE (ON AN AS-NEEDED BASIS) FOR THE DEPARTMENT OF WATER SUPPLY to **Carnor Sumida dba ACR Water Hauling**, at the prices listed above, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. The price agreement shall be from July 1, 2012 to June 30, 2014.

Mr. Ikeda asked that this Item be deferred to the June meeting.

MOTION: Ms. Lee Loy moved to defer; seconded by Mr. Kaneshiro.

Mr. Ikeda said this was deferred because the vendors need to be compliant with Hawai‘i Compliance Express (HCE).

Ms. Garson said that the issue is that the State now no longer issues paper certificates for tax clearance and other requirements; the system is entirely electronic on HCE, so vendors must be registered. DWS

has been notifying all of the vendors that they must be registered on HCE, but some of the vendors are going through some growing pains right now.

The Deputy noted that this requirement was mentioned in the bid documents.

Ms. Garson said that despite all of the warnings DWS gave, some of the vendors were caught off-guard. Therefore, DWS is allowing the vendors a little extra time to become compliant.

The Deputy noted that if you go on-line with HCE, you can find out who is non-compliant with the Internal Revenue Service or other government agencies.

ACTION: Motion carried unanimously by voice vote.

F. **RENEWAL OF CONTRACT FOR MAINTENANCE AGREEMENT – SOUTH KOHALA, HĀMĀKUA, AND LAUPĀHOEHOE SITES (BRANTLEY CENTER, INC.):**

Brantley Center, Inc., presently has a Maintenance Agreement for site maintenance for the Department's South Kohala, Hāmākua, and Laupāhoehoe tank and pump sites. They are requesting to renew the Agreement for two (2) years from July 1, 2012 to June 30, 2014. The new rates would be as follows:

South Kohala –	FY 2012-2013: \$3,917.60/month x 12 months = \$47,011.20
	FY 2013-2014: \$3,993.04/month x 12 months = \$47,916.48

Hāmākua -	FY 2012-2013: \$2,618.55/month x 12 months = \$31,422.60
	FY 2013-2014: \$2,676.51/month x 12 months = \$32,118.12

Laupāhoehoe -	FY 2012-2013: \$654.98/month x 12 months = \$7,859.76
	FY 2013-2014: \$671.35/month x 12 months = \$8,056.20

Two-Year Total: **\$174,384.36**

The Department has the right to award the contract to Brantley Center, Inc., without advertising or calling for bids, according to Hawai'i Revised Statutes Section 103D-1010. Brantley Center, Inc., has submitted the necessary documents to meet the requirements as a qualified rehabilitation facility.

The South Kohala district has added four new sites since their last contract executed in 2010, and the proposed agreement reflects this increase, and includes a 2.5% increase from their last contract for FY 2012-2013. Brantley Center Inc. is also proposing a 2.5 % increase for FY 2013-2014.

Brantley Center's performance has been satisfactory, and the costs are reasonable. A total of 41 sites are covered by this agreement.

The Manager-Chief Engineer recommended that the Board award the contract for the RENEWAL OF CONTRACT FOR MAINTENANCE AGREEMENT – SOUTH KOHALA, HĀMĀKUA, AND LAUPĀHOEHOE SITES to Brantley Center Inc., for a period for two years from July 1, 2012 to June 30, 2014, at a total cost of \$174,384.36, and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents, subject to approval by Corporation Counsel.

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

The Manager-Chief Engineer said that State laws allow DWS to procure this contract without bids, but DWS does check Brantley Center's prices. The reason that DWS can procure this contract without bids is because Brantley Center is a rehabilitation facility. Their prices are okay, he added. He noted that there was a slight increase in their prices since the previous contract two years ago.

Mr. Ikeda said there was a 2.5 percent increase for this year, and another 2.5 percent increase for next year.

Mr. Greenwell asked who does the maintenance on DWS's other sites.

The Manager-Chief Engineer said DWS has its own groundskeepers maintaining the other sites. The only reason that DWS is retaining Brantley Center is because DWS has an ongoing contract with them; DWS opted to continue having Brantley Center do the maintenance on these sites. Meanwhile, in Hilo, Waimea and Kona, DWS has its own personnel doing the maintenance. It was part of a lawsuit brought by the United Public Workers (UPW) several years ago, whereby DWS was obliged to hire its own civil service personnel to do maintenance work.

Mr. Ikeda said that before the settlement of the lawsuit, DWS used to hire private contractors. After the Konno decision came through, DWS had to hire civil servants as groundskeepers to do the work in Hilo and Kona. Ka'u has always done its own maintenance, he added. Because DWS already had Brantley Center on board, State law allowed DWS to continue using Brantley Center. Therefore, DWS has been renewing its contract with Brantley Center every other year. However, once DWS breaks off its contract with Brantley Center, it can never get them back. Brantley Center does satisfactory work; DWS is satisfied with them, and so that is why DWS keeps renewing their contract.

Mr. Greenwell asked whether DWS would have to hire personnel to do the work, if DWS breaks off the contract with Brantley Center.

The Manager-Chief Engineer confirmed this; DWS would not be allowed to contract out that work, and would have to hire its own personnel.

Mr. Ikeda said that it would mean adding more positions in the Department, and require the hiring of more personnel.

Ms. Garson said that it was part of a settlement agreement, whereby DWS could continue to use workers from qualified rehabilitation centers (such as Brantley Center or Arc of Hilo) at certain sites. However, once DWS stops using workers from such rehab centers, the Department would be required to hire civil servants to do the job.

Ms. Lee Loy, noting that Brantley Center is taking care of 41 sites, asked how many other sites DWS has.

The Deputy said there were upwards of 200 other sites.

ACTION: Motion carried unanimously by voice vote.

G. **DISCUSSION REGARDING DRAFT OF PROPOSED RULE CHANGE REGARDING WATER SERVICE TO CONSUMERS/RESPONSIBILITY FOR PAYMENT OF BILLS (Rule 3-4):**

Discussions between the Ad Hoc Finance Committee and DWS staff, aimed at improving collection of balances due from customers, resulted in making the following proposed changes to the Department's credit deposit policy:

1. Increase credit deposits on all meters sizes from \$50 to \$150;
2. Retain credit deposits until accounts are closed, at which time they will be used to settle unpaid balances before refunding any excess to customers; and
3. Eliminate payment of interest on credit deposits returned to customers.

The Manager-Chief Engineer recommended that these credit deposit changes be made, and that a Public Hearing be held prior to the June 26, 2012, Water Board meeting, in order to reflect these changes in Rule 3-4 of the Department's Rules and Regulations.

MOTION: Mr. Lindsey moved to approve; seconded by Mr. Robinson.

Ms. Garson said there was a change in the Recommendation; the Department actually wants the Board to hold a Public Hearing on **July 24, 2012** at 9:30 a.m., (instead of July 26, 2012).

MOTION: Mr. Robinson moved to amend the Recommendation; seconded by Mr. Greenwell.

Ms. Garson said that the changes to Rule 3-4 are itemized in the Agenda Item. The proposed amendment to Rule 3-4 increases the security deposit to \$150.00; the deposit currently stands at \$50, and has been that amount for many years, she said. The amendment also said that DWS will retain the credit deposit until the account is closed; the credit deposit can be used to pay any outstanding balance at the time that the account is closed. The amendment also eliminates the payment of interest on the credit deposit, Ms. Garson said. Today is the day to discuss this rule change, because there is a 30-day statutory notice period for rule changes. She noted that the Secretary wanted to run the Public Hearing Notice in the Sunday, June 17, editions of the two Big Island newspapers, to meet the statutory deadline.

Vice-Chairperson Taniguchi asked about the reference to "consumers" in the amendment; he asked whether this amendment would apply only to residential customers, and *not* to commercial customers.

Mr. Sumada said that "consumers" referred to all customers, residential or commercial.

Vice-Chairperson Taniguchi asked if the word "consumer" should stay in.

Ms. Garson said yes, it should. Otherwise, every reference to "consumers" in the Rules & Regulations would have to be changed.

The Manager-Chief Engineer said that "consumer" is defined as any person receiving water service from DWS.

Ms. Lee Loy asked about the proposed draft for a revision of the Rules & Regulations that came up in February; she asked whether the proposed amendment today was the same thing.

Ms. Garson said that the draft Ms. Lee Loy was referring to dealt with changing the responsible person to the owner. This time, the Department is instead proposing an interim fix – to see if it boosts collections. The majority of delinquencies are from residential customers; DWS staff felt that by just increasing the security deposit, the delinquency problem could be abated. This was instead of a doing a complete overhaul of the collections process, she said.

Ms. Lee Loy said that this constituted "baby steps."

Ms. Garson said yes, this is a baby step that could be implemented on a more immediate basis. She noted that she asked the Secretary to post a copy of the proposed Rule 3-4 on the DWS website, so that the public would not have to request mailed copies of the proposed rule. The Public Hearing Notice will contain the links to the website, she said.

Mr. Kaneshiro asked about the elimination of the payment of interest on the security deposit. He asked whether DWS currently is obligated to refund the deposit with interest.

Ms. Garson confirmed this. She said that the proposed Rule 3-4, along with the Ramseyer format (i.e., red-lined version that reflects the changes and the original version of the rule) will also be posted on the DWS website so that it will be available to anyone who requests a copy of it.

Mr. Kaneshiro asked whether the deletion of the payment of interest would be retroactive; in other words, he asked whether people who have deposits now will no longer get their deposit back with interest.

Ms. Garson said no, she was only recommending that the deletion of the payment of interest be applied *prospectively*. By the same token, people who paid \$50 for their deposit will not be required to pay another \$100 once the new Rule is introduced, she said.

Mr. Kaneshiro asked whether the interest currently is put into escrow.

The Manager-Chief Engineer said customers who paid their deposits prior to the rule change will get their deposits returned with interest.

Ms. Garson said yes, there would not be a retroactive application of the new rule to customers who paid their deposits prior to the rule change. They would get their deposits back with interest.

Mr. Greenwell asked about cases where a customer dies, and the family wants to continue service. He asked whether the surviving daughter or son would be obliged to pay the \$150 deposit, despite the fact that the family has had water service for years and the father had paid the \$50 deposit years before.

The Manager-Chief Engineer said situations like this do come up; DWS has to collect a deposit from every new customer. The initial \$50 will have been returned already and will no longer be in the picture; with the new rule, the new applicant would be obliged to pay the \$150 deposit.

Vice-Chairperson Taniguchi said the Board might have to take a good look at retroactivity, to go back and pay interest on an account that could go back 50 years. He said it would be a nightmare to go through all of that.

The Manager-Chief Engineer said that he has seen cases where the customer of record has died, and the surviving family carried on the account in the deceased person's name and continued paying the water bill. DWS has no way of knowing, in such cases, that the customer has passed away.

Ms. Garson noted that as the rule is written currently, the deposit is returned to the customer after 12 consecutive months of timely payments. Therefore, it appears that DWS does not hang on to deposits for years; after a year of regular, timely payments, the customer gets his deposit refunded with interest. Ms. Garson said that the Motion on the floor is to approve the amended Public Hearing Notice to say that the Public Hearing on Rule 3-4 will be held on July 24, 2012 at 9:30.

ACTION: Motion carried unanimously by voice vote.

H. **AD HOC COMMITTEE TO ESTABLISH WATER BOARD'S 2012-2013 GOALS FOR THE ADMINISTRATION:**

The Department's drafts of its **Goals** and **Strategic Initiatives and Tactics Table**, for discussion and action.

Vice-Chairperson Taniguchi noted that the Board had received copies of the Department's draft Strategic and Business Plan.

The Manager-Chief Engineer said the draft Strategic and Business Plan was presented for the Board to review and discuss; he did not know whether the Ad Hoc Committee, which met on Monday, May 21, had discussed it at their meeting.

Mr. Perry said the Ad Hoc Committee had been anticipating the draft; he said it was beautiful.

Vice-Chairperson Taniguchi asked whether the draft was for information purposes only.

The Manager-Chief Engineer asked whether the Ad Hoc Committee had anything to report.

Mr. Kaneshiro thanked the Department for the draft. The Ad Hoc Committee during its meeting had worked on Evaluation Procedures, Evaluation Criteria, and the Evaluation Form. Committee members were given assignments as follows:

- Ms. Lee Loy will specifically work on public information, personnel management, as well as outreach and customer service, as these critical areas relate to the Evaluation Form;
- Mr. Perry will work on financial management vis a vis the Evaluation Form; and
- Mr. Kaneshiro will focus on leadership, planning and organization, as these areas relate to the Evaluation Form.

Mr. Kaneshiro said the Ad Hoc Committee's deadline for completing the draft FY13 Evaluation Form is June 30, 2012.

The Manager-Chief Engineer suggested that the deadline instead be set for *before* the next Board meeting, on June 26, 2012, so that the Ad Hoc Committee can provide the draft for the Board to review.

I. CESSATION OF ABNORMAL READING NOTICES:

The Department is looking for ways to streamline customer service procedures, and to utilize personnel more effectively. One of the areas identified as time-consuming for DWS's meter readers is the manual preparation and mailing of high-reading notices to customers. The meter readers send out approximately 750 of these notices every month, equivalent to approximately 62 man-hours, at a cost of approximately \$1,750.00 per month. By contrast, DWS processes an average of 80 leakage adjustment applications per month, or approximately 11% of the number of notices DWS issues. It turns out that most customers contact the Department after receiving a high water **bill** -- instead of a high-reading notice. High-reading notices are only generated when meters are read every two months, so if a leak were to occur right *after* a meter is read, the earliest that DWS would be able to send the customer a high reading notice would be two months *later*, when the meter was read again.

DWS believes that meter readers' time would be better spent investigating zero-consumption meter readings, which are a symptom of meter failure and a possible source of significant revenue loss. Approximately 10% of meter readings fall into this category, but DWS does not have the manpower to investigate these occurrences. Meanwhile, DWS also needs to increase automatic meter reading (AMR) meter site maintenance, so that meters can continue to be located.

Although DWS's plan is to eliminate the use of high-reading notices, the Department plans to continue notifying customers with extremely high consumption and/or obvious meter issues, by calling them directly and/or leaving a high reading tag at the property at the time the meter is read. DWS is also exploring the possibility of programming its billing system to print a special message on water bills alerting customers of unusually high consumption.

Ms. Garson recommended that the Board defer this Item to the June meeting, following a conversation she had with Chairperson Meierdiercks regarding the public testimony by Mr. Kuehner. A discussion of Rule 3-10, regarding adjustments for water leaks, will be put on the June Agenda, she said. The issue of leak adjustments has arisen on numerous occasions. Any discussion of possible changes to Rule 3-10 and the way that the Department applies this rule could well be taken up in conjunction with the cessation of abnormal reading notices, Ms. Garson said. The two topics are related, she said.

Vice-Chairperson Taniguchi asked for a Motion to defer this Item.

Mr. Perry said that as a point of order, he had a comment to make on this point.

Ms. Garson suggested that a Motion to defer could come first, and then discussion.

MOTION: Motion to defer by Mr. Uyeda; seconded by Mr. Lindsey.

Mr. Perry said that he had been concerned and bothered for some time, especially when the Board deals with contested cases over water leaks in which a customer gets a bill for \$3,000.00 or \$5,000.00. At the last HWWA meeting, Mr. Perry concentrated on seeking a possible way for consumers to determine whether they have a leak. Mr. Perry said he found a few suppliers of hardware that sends an electronic signal to a receiver in the case of leaks. Such devices could be mounted on one's refrigerator. The total cost of the device is around \$300.00. Such a device would be a good investment for people who do not like getting \$1,000 water bills, he said. It would be a good public relations project, whereby DWS would offer incentives for installing a device to warn of water leaks. Mr. Perry suggested that DWS give a \$50 discount for installing such devices. He thought it would be good for public relations, and it would be a good thing for DWS to do.

Ms. Garson said this subject could be discussed at the next meeting in conjunction with Rule 3-10.

Vice-Chairperson Taniguchi said it was good that everybody on the Board attends conferences like this.

Mr. Robinson said he was glad to see this Item on the Agenda; he himself had received abnormal reading notices. Mr. Robinson spoke to Mr. Kuehner, who complained that he had gotten a high water bill, whereas he normally pays about \$300.00 a month for his small irrigation system. It was obvious that Mr. Kuehner had a stuck valve somewhere, Mr. Robinson said. He asked Mr. Kuehner if he checks his meters or anything else, and Mr. Kuehner told Mr. Robinson that he had been told never to look inside the meter box. Mr. Robinson said he was not in favor of deferring this Item.

Ms. Garson said the only reason that the deferral is being requested, to be discussed at the June meeting in conjunction with Rule 3-10, is that Mr. Kuehner is likely to be present for the discussion at the June meeting.

Mr. Robinson said that in that case, he understood. He asked whether DWS was still going to be mailing out the abnormal reading notices.

The Manager-Chief Engineer said no, DWS had discontinued mailing abnormal reading notices. Instead, the meter readers have been instructed to actually call customers with abnormal readings to alert them.

Vice-Chairperson Taniguchi said that was even better.

Mr. Kaneshiro asked whether the Board was going to discuss the possibility of doing monthly billing, instead of bi-monthly billing.

The Manager-Chief Engineer said no, the Department is staying away from the idea of monthly billing at this point in time. There are too many things that must be done in order to do monthly billing, including the hiring of more meter readers as well as changing DWS's billing system. DWS will stick with bi-monthly billing for the time being.

Vice-Chairperson Taniguchi said that monthly billing is something that his Ad Hoc Finance Committee is looking at. One of the big challenges is that DWS must physically read the meters on what is the biggest island in the State; the other water departments have electronic meter readers, he said.

Mr. Kaneshiro said the Board needs to look ahead, and should build a schedule for implementing electronic meter readers throughout the island, so that monthly billing can happen.

Ms. Garson reminded the Board that the topic at hand was the Motion to defer.

Vice-Chairperson Taniguchi said the subjects were all related.

Ms. Garson asked if the Ad Hoc Finance Committee would have a report at the next meeting.

Vice-Chairperson Taniguchi said there are a lot of issues involved, including the incorporation of the sewer bills with the water bills. It is not something that can be done overnight, he said. He acknowledged that it makes sense for the Board to look at all of the related issues. He agreed that as the bills get bigger, he himself would rather break the water bill into monthly bills, versus bi-monthly bills.

Ms. Garson suggested that the Board separately agendaize for the next meeting an Item for discussion of monthly bills.

Vice-Chairperson Taniguchi said that would be premature at this point. He said the Motion is to defer the cessation of abnormal reading notices to the June meeting; the primary reason is because Mr. Kuehner, today's public testifier, will probably be at the June meeting.

Mr. Robinson said he had invited Mr. Kuehner to come to talk to the Board; he noted that Mr. Kuehner lives about five miles from him.

ACTION: Motion carried unanimously by voice vote.

J. **REPORT BY ATTENDEE(S) OF AWWA CONFERENCE IN HONOLULU:**

A report was be given by Water Board members who attended the AWWA Conference in Honolulu.

Mr. Kaneshiro reported that there was discussion about the state of the Honolulu Board of Water Supply (BWS), whose semi-autonomous status is under fire from the City and County Council in Honolulu. Lack of communication with the Council was one of the things that BWS was chastised for, he said. Mr. Kaneshiro said he was very interested in the multi-skilled worker program highlighted at the conference, whereby employees are encouraged to move up and learn more skills. Watershed management was a topic of major interest for Mr. Kaneshiro. He also mentioned a Japanese-style toilet with hand-washing spigot on top of the tank, as a great idea that could catch on here. Mr. Kaneshiro said these water conferences are great learning opportunities.

Mr. Perry reported that Ms. Ann Hajnosz did a great presentation on the history of water departments in this country, whose reason for being at first was the battle against water-borne diseases. Mr. Perry asked Ms. Hajnosz if she could make her presentation available to the Board for a future meeting; she said yes.

Mr. Greenwell said the conference was a great opportunity to learn about the different aspects of water, such as the problems of water service, the political side of water service, etc. He noted that some foreign countries deride the United States for being too stringent in its water quality regulations. He attended an interesting presentation regarding the presence of chromium-6 and other contaminants in drinking water, etc. Mr. Greenwell noted with pride that the Waimea Tapping Team won again.

Mr. Kaneshiro asked the Manager-Chief Engineer why DWS is using concrete tanks instead of steel tanks. Mr. Kaneshiro said he talked to manufacturers at the conference and came away with this question.

The Manager-Chief Engineer said that years ago, DWS put out a bid to compare the costs of a glass-lined steel tank with a concrete tank. It turned out that the concrete tank came in cheaper than the glass-lined tank, he said. The problem with glass-lined steel tanks is the fact that on the Big Island there are a lot of people who go hunting. A stray shot will crack the glass-lined steel tank, and moisture will seep

in and rot out the steel, he said. The other hazard with using glass-lined steel tanks lies with the island's frequent earthquakes. Over the years, DWS has been replacing its steel tanks with reinforced concrete tanks, which are quake-resistant. DWS stays away from using polyethylene, or PVC, pipes for the same reason – they are less quake-resistant. DWS uses quake-resistant ductile iron pipe and copper pipes as its standard, the Manager-Chief Engineer said.

K. ENERGY MANAGEMENT ANALYST UPDATE:

Ms. Myhre referred to DWS's energy use, shown in a graph on the first page of her Green Initiatives report. The reason that energy use has risen in the first three months of 2012 versus last year is that DWS is using more boosters, following the failure of two wells in the Kona district. This means that DWS must use more electricity to pump water to compensate. Ms. Myhre noted that the ongoing drought is another factor.

Ms. Myhre explored energy efficiency projects that were *not* on the five-year C.I.P. Budget that runs through FY2017. The conclusion is that there is enough money in the Budget through 2017 to accomplish what the Department wants to do, with the possible exception of an energy audit.

Ms. Myhre plans in the next year or so to look at what it would take to do an energy audit – once the Lālāmilo Windfarm project is underway. She said she believes there will be enough money to do the energy efficiency projects already on the C.I.P. list for FY2013-2017.

The vehicle monitors are set to be installed in all of the Kohala fleet vehicles between May 30 and June 1. These monitors will help show where people are driving, how much fuel is being used, and how much fuel to purchase for the district, she said.

Ms. Myhre learned last week from Mr. Earl Fukunaga, who is in charge of the leak detection program, that two major repairs took place in the Hilo district which will translate directly into about \$200,000.00 in energy savings for DWS. This shows the economic benefits of the leak detection program.

Regarding the Rider M contracts that DWS has with HELCO, Ms. Myhre noted that the two wells in Kona that are currently off-line were part of the Rider M program. (Under the Rider M program, DWS shuts off its wells during the peak energy use period, between 5:00 p.m. and 9:00 p.m. In exchange, HELCO gives DWS a discount.) With the QLT Well off-line, the Honōkohau Well, which was on Rider M, will have to run through the peak time to keep up with customer demand in the area.

Mr. Greenwell asked whether this meant that the Rider M program was out the window.

Ms. Myhre said no, there were 10 wells on the Rider M program islandwide. However, she acknowledged that with two Kona wells off-line, there has been a noticeable impact on the bottom line.

Ms. Lee Loy said she really appreciated the kind of data that the vehicle monitor program will generate, to help DWS write future contracts for fuel.

Ms. Myhre began a presentation on the Lālāmilo Windfarm project, showing a map of the area in question. DWS plans to go out for a Request for Proposal (RFP) on this project next month, she said. She noted that this project will not come before the Board for a formal decision until October. The purpose of the project is to install a wind energy generation facility to serve electricity to four wells that were on the old Windfarm powerline.

Ms. Garson at this point asked Ms. Myhre to wait until next month to do her presentation, because the project is a very significant one for DWS, and because the project is of great community interest. She asked that her Lālāmilo Windfarm presentation be agendized as a separate Item for the June board meeting.

The Manager-Chief Engineer asked if Ms. Myhre could just do a quick update on the project here.

Ms. Garson said okay, but a comprehensive presentation would be placed on next month's Agenda.

Ms. Myhre, summing up, said that the draft of the RFP is under legal review, and DWS is planning to issue the RFP in June. The contractors will have a month or so to respond, and then DWS will determine who qualifies, etc. DWS expects to issue a contract in September, and come to the Board for formal approval in October, she said.

L. MONTHLY PROGRESS REPORT:

No discussion.

M. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

Mr. Robinson asked Mr. Sumada where on the Financials the security deposits could be found.

Mr. Sumada said it was on the right side of the Balance Sheet, under "Customers Deposits for Service." The Balance Sheet showed \$134,445.00 for that entry in the latest Financials.

Vice-Chairperson Taniguchi asked about the coding error on Petty Cash, which was a small dollar amount, but a large percentage.

Mr. Sumada said it was put in the wrong account in March, and reversed in April.

N. MANAGER-CHIEF ENGINEER'S REPORT:

Before reporting on his scheduled items, the Manager-Chief Engineer said that DWS had done an emergency contract for the QLT Well that went down yesterday. DWS also sent out water restriction notices for the affected North Kona area. The emergency contractor was pulling out the submersible motor today, and DWS expected to get an exact situation update later in the day. DWS crews in the area were able to keep up with demand last night; the tanks did not run dry, so things are okay for the time being, the Manager-Chief Engineer said.

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

- 1) Palani Road Transmission Waterline Project—DWS is continuing its talks with the bonding company and the contractor to get the project done. There is only a little bit more to do to finish the project, but the progress is very slow. DWS has been discussing other options with Engineering and Ms. Garson, with an eye to getting the project completed.
- 2) Hawaiian Ocean View Estates Project—DWS is still waiting for the Department of Health (DOH) to respond on the water quality reports. Hopefully, the approval will come through, whereupon DWS will run the system. Last week, DWS signed up 10 water haulers for water service. Ms. Aton is working with the Mayor's Office and the community association in Ocean View to schedule a grand opening of the system. The Department has decided to do the opening and closing of the gate to the facility, opening at 7:00 a.m. and closing at 7:00 p.m. DWS's standby crews will do the opening and closing; at first, DWS thought it would contract it out to the community association. However, the person who was expected by the community association to do the job passed away, the Manager-Chief Engineer said.
- 3) HELCO/Āhualoa update – Mr. Inaba reported that HELCO power is there now. A request has gone out to the sub-contractors to come back to analyze the system, which should take two weeks.
- 4) Ke'ei D Well Emergency Repair – The repair was completed about two weeks ago, and the conservation advisory has been lifted. The contractor for that repair is now working to repair the QLT Well.

- 5) Kawailani Tank update – The original contractor is still getting a schedule and prices together. Mr. Inaba is waiting for a final letter to close up this repair. The Manager-Chief Engineer asked Mr. Inaba to get a clear schedule on when this project will be completed, as far as the dismantling of the existing steel reservoir on site.
- 6) Pu‘ukala/Kona Ocean View Properties Subdivision Improvement District Update – State Highways, which has the construction plans, is telling DWS that they will grant the construction permit, subject to the review and approval of the Use and Occupancy Agreement that is now with Highways’ Right-of-Way Branch. Once DWS gets the construction permit, the project can go to the County Council so that the project can be put to bid.
- 7) Update on Delinquencies – No report.
- 8) Timeline for completing Strategic and Business Plans – The Department is ready to move forward on the Strategic and Business Plans, which were discussed earlier in the meeting.
- 9) Public Information and Education Specialist Update – Ms. Aton said that the QLT Well information was sent to all of the media last night, and it was on the 9:00 p.m. news. The next Kona Water Roundtable will be held on July 11, 2012, in the West Hawai‘i Council Chambers. An information session in Ocean View was held regarding the account sign-up; some 40 people attended. Once DOH approval comes in, DWS will inform the community about the opening. DWS has briefed Council Members Brenda Ford, Brittney Smart and Angel Pilago on the issues regarding QLT, Ocean View, Ke‘ei Well D and the Āhualoa Waterline project. Mr. Uyeda asked whether the water quality would be affected during the QLT repairs. The Manager-Chief Engineer said that water was being pumped from the Kahalu‘u Shaft, which does have higher chlorides. Regarding the sign-up for the Ocean View meters, 10 water haulers signed up for the 10 available meters. Turnout of applicants was very large, starting from before 5:00 a.m.
- 10) Recognition of Service Retirements -- The Manager-Chief Engineer recognized Mr. Clarence Cabatbat, Waterworks Construction Project Inspector III, and Mr. Warren Sako, Water Microbiologist III. Neither of these gentlemen wanted any fanfare on their retirement. The Manager-Chief Engineer said that Human Resources would be recruiting replacements for these two positions.
- 11) Recognition of Employee of the Quarter – The Employee of the First Quarter 2012 is Mr. Andrew Higa, Water Service District Supervisor I for the Kohala District. Mr. Ikeda noted that Mr. Higa had joined DWS in 2000, and had worked his way up from Waterworks Helper in Kona, to Pipefitter, Building Maintenance Supervisor, and ultimately to his current position in Waimea. Mr. Higa made a smooth transition of leadership following the retirement in December 2011 of Mr. Billy Yamamoto, long-time Water Service District Supervisor II. Vice-Chairperson Taniguchi said he and Mr. Higa go back some 30 years, when they were co-workers. Mr. Higa gave credit to the people he works with in Waimea, who make him look good.

O. CHAIRPERSON’S REPORT:

None.

(A recess was called at 10:56 a.m.; meeting resumed at 11:05 a.m.)

Vice-Chairperson Taniguchi entertained a Motion to skip Item 9(P), MANAGER-CHIEF ENGINEER RECOMMENDATION REGARDING SALARY OF PRIVATE SECRETARY for now, and go directly into Executive Session for both Item 10, EXECUTIVE SESSION RE: PRIVATE SECRETARY SALARY and Item 11, EXECUTIVE SESSION RE: DEWAYNE SLUSS V. COUNTY OF HAWAII BOARD OF WATER SUPPLY; CTS EARTHMOVING, INC. -- CIVIL NO. 3RC11-1-1111K IN THE DISTRICT COURT OF THE THIRD CIRCUIT NORTH AND SOUTH KONA DIVISION STATE OF HAWAII.

ACTION: Mr. Lindsey moved to go into Executive Session; seconded by Mr. Perry, and carried unanimously by voice vote.

P. **MANAGER-CHIEF ENGINEER RECOMMENDATION REGARDING SALARY OF PRIVATE SECRETARY:**

In a letter dated May 2, 2012, the Manager-Chief Engineer recommended the salary of the Private Secretary. The Water Board will vote on the Recommendation.

ACTION: Mr. Lindsey moved to approve; seconded by Mr. Kaneshiro, and carried unanimously by voice vote.

10) **EXECUTIVE SESSION RE: PRIVATE SECRETARY SALARY:**

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), and 92-5(a)(4) and Hawai'i County Charter Section 13-20(b) to discuss and consider the salary of the Private Secretary, where consideration of matters affecting privacy will be involved, 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) **EXECUTIVE SESSION RE: DEWAYNE SLUSS V. COUNTY OF HAWAII BOARD OF WATER SUPPLY; CTS EARTHMOVING, INC. -- CIVIL NO. 3RC11-1-1111K IN THE DISTRICT COURT OF THE THIRD CIRCUIT NORTH AND SOUTH KONA DIVISION STATE OF HAWAII:**

The Water Board anticipates convening an executive meeting, closed to the public, pursuant to Hawai'i Revised Statutes, Sections 92-4, 92-5(a)(4), 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.

ACTION: Mr. Robinson moved to approve Corporation Counsel's recommendation; seconded by Mr. Perry, and carried unanimously by voice vote.

12) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board will be held at 10:00 a.m. on June 26, 2012, at Department of Water Supply, Operations Conference Room, 889 Leilani Street, Hilo, HI.

2. **Following Meeting:**

Vice-Chairperson Taniguchi proposed that the July 24, 2012, meeting be held in Kona, since the venue had not yet been officially set. Mr. Greenwell asked whether the June 26, 2012, meeting in Hilo would be at the usual time of 10:00 a.m., or was it changed to 9:00 a.m. Vice-Chairperson Taniguchi said he liked the 9:00 a.m. start. The Manager-Chief Engineer asked whether it was possible to change the time. Ms. Garson noted that the Rules & Regulations stipulate that the meeting time is **10:00 a.m.** She quoted the Rules & Regulations as saying: "Regular meetings of the Board shall be held at 10:00 a.m., on the 4th Tuesday of each month, or as scheduled by the Board at any duly noticed and convened meeting." Vice-Chairperson Taniguchi said the meeting time change to 9:00 a.m. could be agendaized for the next meeting. Vice-Chairperson Taniguchi said he was fine with 9:00 a.m. on either side of the island. Ms. Lee Loy said the Board should probably meet again in Kona. Mr. Robinson asked whether there were a Public Hearing on July 24; the Secretary confirmed this. Vice-Chairperson Taniguchi asked whether the July 24 meeting had to be in Hilo. Ms. Garson said the venue for the Public Hearing would have to be published; the Public Hearing Notice has not yet been published. Ms. Lee Loy proposed that the July 24 meeting be in Kona. Ms. Garson said there was enough notice to have the July 24 meeting in Kona, but she cautioned that the Department would need to make sure that the meeting room there was available. Therefore, the location for the Kona meeting was not known yet. Vice-Chairperson Taniguchi concluded that the July 24 meeting would be in Kona, at a venue to be determined.

13) **ADJOURNMENT**

Vice-Chairperson Taniguchi adjourned the meeting at 11:19 a.m.

Secretary

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.

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.