

MINUTES

DEPARTMENT OF WATER SUPPLY
COUNTY OF HAWAII
WATER BOARD MEETING

December 18, 2012

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

MEMBERS PRESENT: Mr. Bob Meierdiercks, Chairperson
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:

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. Ivan Torigoe, Deputy Corporation Counsel
Mr. Steven Lim, Carlsmith Ball LLP
Mr. Joe Root
Mr. Roger Harris
Mr. Norman Stuard
Mr. Dan Bolton
Ms. Jan Bolton
Mr. Ed Case, Bays Lung Rose Holma
Mr. Kaimi Judd, Kohanaiki Shores, LLC
Mr. Milton Pavao
Mr. Riley Smith, Lanihau Properties, LLC
Mr. Henry Terada

Department of Water Supply Staff

Mr. Keith Okamoto, Deputy
Mr. Kurt Inaba, Engineering Division Head
Mr. Daryl Ikeda, Chief of Operations
Mr. Richard Sumada, Waterworks Controller
Ms. Candace Pua, Assistant Waterworks Controller
Ms. Kanani Aton, Public Information and Education Specialist
Ms. Crestita Hudman, Customer Service Supervisor
Ms. Loraine Terada, Accountant II

1) CALL TO ORDER – Chairperson Meierdiercks called the meeting to order at 10:00 a.m.

2) STATEMENTS FROM THE PUBLIC

The following Statements from the Public are recorded verbatim:

Mr. Ed Case testified about the Wai'aha Agreement, listed on the Agenda as Items 6(A) and 6(B):

MR. CASE: Mr. Chair and Board members, good morning, aloha. I'm Ed Case of the Bays Lung law firm, representing Palamanui Holdings, which is the owner and developer of the Palamanui project in North Kona. With me today are Norm Studard and Roger Harris of Palamanui. We're appearing before you with respect to your Agenda Nos. 6(A) and 6(B), asking for approval of this proposed Wai'aha Agreement. By way of background, Palamanui, Kohanaiki Shores and this Board are parties to the 1999 Water Agreement regarding the development of water systems at Palamanui, which were intended to serve both Palamanui and the Kohanaiki developments, as well as this Board. Separately, Palamanui and Kohanaiki are parties to what we refer to as the "Two-Party Agreement," that allocates our rights and obligations under the Three-Party Agreement. At your November meeting, Palamanui asked us for...to delay approval of the Wai'aha Agreement, so that it could work through potential related issues with Kohanaiki and DWS, and this Board did, in fact, defer to today. We're happy to report that Palamanui and Kohanaiki have signed a binding agreement to resolve the matters between us, and the first thing we want to do is to thank both your Corporation Counsel and DWS for assisting in facilitating that resolution. Under the agreement, and subject to this Board's approval, Kohanaiki would assign to Palamanui all of its rights and obligations under the Palamanui Three-Party Agreement. Essentially, what will happen is Palamanui will become solely responsible for Palamanui, and Kohanaiki will not look to Palamanui any longer for its water needs with respect to its project. This agreement is conditioned on a couple of conditions, in addition to Board approval of the assignment and assumption. The first is Board approval of the Wai'aha Agreement. The second is Palamanui withdrawing any challenges or objections to the Wai'aha Agreement. And the third is the Department approving its due diligence review of the Wai'aha easements and facilities, and essentially confirming that Wai'aha can proceed with the Wai'aha System. And Palamanui does confirm to the Board now its satisfaction of the conditions of our agreement; that we withdraw any challenge to Wai'aha, and we ask the Board to approve the Wai'aha Agreement. As to what's coming up in the future, the agreement requires the parties to finalize certain documentation by January 11th. And that's intended so that if we can reach an agreement on the actual assignment and assumption agreement, we can get on your Agenda for your January 22 meeting, with the intention to ask for this Board's approval of that assignment and assumption, as of January 22nd. So that's an important date for us. And we will be working with, not only Kohanaiki, but the Department and the Corporation Counsel, on trying to get that done by then. We also respectfully request that DWS, to the extent that it can and is willing to do so, expedite any remaining approval of the Wai'aha System, so that, from not only the perspective of getting the Wai'aha System going, but as a commission to our agreement. Once that is accomplished, then our agreement becomes fully effective, and the parties can move on with their respective rights and obligations for their respective projects. So again, that's the basics of where we are today, and where we think we're gonna be going. For Palamanui, we want to thank you for your consideration, and we're available for any questions.

CHAIRPERSON MEIERDIERCKS: Thank you. Next testifier we have: Dan Bolton on Wai'aha.

MR. BOLTON: Good morning. I'd just like to say thank you to all of you parties that came together in this last month, to put together what was required to make the agreement with Palamanui and KOH. That was rather surprising in that last period, and I'm glad that's behind us. And I just wish that we can get...move forward, and appreciate also the support (inaudible) over the years trying to put this together...that we will finally get it done. So I appreciate it. Thank you, guys.

CHAIRPERSON MEIERDIERCKS: Thank you. Next testifier: Steven Lim.

MR. LIM: Good morning, Mr. Chairman, members of the Board. Happy Holiday Season to you. As Mr. Case indicated, we have reached an agreement with Palamanui Global Holdings Group, and I won't go into the details of that because that's a private agreement between us. However, we are in support of moving forward with the Wai'aha System, assisting them on their assignment in the Palamanui Agreement. Um, just to clarify, some of the issues that came up at the last hearing, I think that you were looking through the Minutes, and one of the issues that came up was whether there would be any redundancy measures for the rate of (inaudible) flow-control valve stations that's mentioned in the agreement. And we talked with the Department of Water Supply; we understand that they will be requiring those redundancy measures for those flow-control valve stations. The other issue was...um...and so that'll be, you know, contained in the construction drawings. The other issue was whether or not there's any advance payments and reimbursements from the...uh...utility companies... You know, who gets that reimbursement? We understand from the Department of Water Supply that the respective successors and assigns of the parties who have paid those up front will be getting that back. So, whether the Board feels a need to include that as a condition of the agreement is up to you folks, but I think that...um...we're fine with the agreement as it is, as we passed out to you at that last Board hearing on November 27th. The last issue is a clarification of where we are on the plans. We're...we indicated erroneously that the construction drawings for the Wai'aha System had been approved, but they have been only... Only the design has been approved, and we've submitted most of the construction drawings, but not all of them, as some of the details of the construction...aspects...still have to be prepared and submitted to DWS. So we're on our way, and we will...we've been in discussion with the Department and Corporation Counsel on various easements and proofing those up to their satisfaction. And other than that, we've come here with Kohanaiki Shores' project managers Joe Root and Kaimi Judd, and we would ask for your support of the water agreement. I think this is a project that will be a win-win-win for everybody across the board, and I request your support. Thank you very much.

CHAIRPERSON MEIERDIERCKS: Thank you.

MR. LIM: I'll stand by for any questions you have.

CHAIRPERSON MEIERDIERCKS: Thank you.

3) APPROVAL OF MINUTES

The Chairperson entertained a Motion to approve the Minutes of the November 27, 2012, Water Board meeting.

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

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

None.

5) SOUTH HILO:

A. **VEHICLE BID NO. 2012-12, FURNISHING AND DELIVERING VEHICLES TO THE DEPARTMENT OF WATER SUPPLY:**

Bids were opened on December 6, 2012, at 2:00 p.m., and the following are the bid results:

	Inter Pacific Motors, Inc. dba Orchid Isle Auto Center
Part "A"	
ONE (1) ONLY 2012 OR LATER, PASSENGER VAN, 2-WHEEL DRIVE	No Bid
Total delivery price	
Delivery time (calendar days)	
Part "B"	
ONE (1) ONLY 2012 OR LATER ¾ TON FULL-SIZE PICKUP WITH REGULAR CAB, SERVICE BODY AND LIFTGATE, REAR WHEEL DRIVE	
Total delivery price	\$35,096.00
Delivery time (calendar days)	210
Part "C"	
ONE (1) ONLY 2012 OR LATER 1 TON CREW CAB, SERVICE BODY AND LIFTGATE, 4-WHEEL DRIVE	
Total delivery price	\$41,778.00
Delivery time (calendar days)	210

The Manager-Chief Engineer recommended that the Board award VEHICLE BID NO. 2012-12, FURNISHING AND DELIVERING VEHICLES TO THE DEPARTMENT OF WATER SUPPLY, to Inter Pacific Motors, Inc. dba Orchid Isle Auto Center, for Parts B and C at a total cost of \$76,874.00, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to approval of the contract as to form and legality by Corporation Counsel.

For Part A, no bids were received, and staff shall obtain quotations in the best interest of the Department.

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

The Manager-Chief Engineer explained that there was no bid for the first item, the 2-wheel drive passenger van, which would have been for the meter readers.

Mr. Kaneshiro asked whether the Department has looked into why, at times, there are no bids.

The Manager-Chief Engineer said the reason for no bid could be that the dealer did not have that particular vehicle to bid on. He noted that DWS advertises its bids on the State Procurement website and on the DWS website; the Department has discontinued advertising bids in the newspapers. DWS does not call dealers up to inform them that something is out to bid; it is up to the dealers to stay

informed, the Manager-Chief Engineer said. He said that even if there is no bid, the Department can go out and seek quotations; the Procurement Code allows this.

Mr. Taniguchi asked why the Department did not just go out for quotations in the first place.

The Manager-Chief Engineer said that because the item in question here had an estimated amount of more than \$25,000.00, the item must first be put out to bid. If there are no bids, the Department can then seek quotations, he said.

Mr. Taniguchi asked if in that case, the Department must wait until nobody bids in order to seek quotations.

The Manager-Chief Engineer confirmed this.

ACTION: Motion carried unanimously by voice vote.

6) NORTH KONA:

A. **AMENDMENT TO AGREEMENT REGARDING DEVELOPMENT OF SOUTH WAI‘AHA SYSTEM AND AMENDMENT TO AGREEMENT REGARDING DEVELOPMENT OF NORTH WAI‘AHA SYSTEM:**

(Deferred at the November 27, 2012, Board meeting.)

The Manager-Chief Engineer recommended that this matter be withdrawn, as on November 14, 2012, Kohanaiki Shores, LLC, submitted a revised agreement for consideration.

ACTION: Mr. Greenwell moved to approve the withdrawal of the Item; seconded by Ms. Lee Loy, and carried unanimously by voice vote.

B. **AMENDED AND RESTATED AGREEMENT REGARDING DEVELOPMENT OF SOUTH WAI‘AHA WATER SYSTEM AND TERMINATION OF THE AGREEMENT REGARDING THE DEVELOPMENT OF THE NORTH WAI‘AHA WATER SYSTEM:**

(This Item was being reconsidered, per the Water Board’s vote at the November 27, 2012, Board meeting.)

The developers of the South Wai‘aha System and North Wai‘aha System, Wai‘aha System, LLC and Wai‘aha System II, LLC, respectively, would like to amend the existing agreements. There will be new members, as previous members of each agreement have executed “redemption agreements,” releasing them from the respective agreements. There will be one amended agreement inclusive of both existing agreements identifying the terms and members of the agreement. The parties to this proposed Amended Agreement are the Water Board of the County of Hawai‘i, Waiaha System, LLC, Waiaha System II, LLC and Kohanaiki Shores, LLC.

The Manager-Chief Engineer said that the Motion that is still on the floor is to approve the agreement as submitted at the last Board meeting. He noted that the Board had heard from both Palamanui and Kohanaiki this morning, and he commended Ms. Garson for working diligently with the attorneys for Palamanui and Kohanaiki. He also commended Messrs. Okamoto and Inaba for working diligently with the client’s staff, which made DWS’s approval of this agreement possible. DWS has believed all along that this Wai‘aha Agreement was needed, to bring good water from mauka above the Māmalahoa Highway (i.e., from the Wai‘aha Well) down into the Department’s Queen Ka‘ahumanu water system all the way to Kailua town. The Manager-Chief Engineer said this was an objective that the Department had pushed for all along, and he said he was happy that things can move forward from today. He acknowledged that DWS does not have a final design yet, but the Department is working towards the

final design, with the preliminary drawings that the Department has reviewed. DWS is working closely with Mr. Bolton to get approvals. Mr. Bolton has assured DWS that the required easements and sites are in his hands, and DWS is confident that Mr. Bolton will come through on this.

Chairperson Meierdiercks asked if the Motion is to approve the agreement.

The Manager-Chief Engineer said yes, the Motion is still there to approve the agreement.

Chairperson Meierdiercks asked if a new Motion was needed this morning, or if the Motion was already there.

Mr. Torigoe, representing the Water Board, said that the effect of the Reconsideration Motion that was passed at the previous meeting is to restore things to the point in time just before the last vote was taken. Therefore, the Motion is live on the floor to approve the agreement.

Mr. Taniguchi asked Mr. Sumada if the \$2.9 million cap on the reimbursement was allocated.

Mr. Sumada said yes, it was part of the five-year CIP Budget.

Mr. Uyeda thanked Mr. Lim for clarifying all of the questions that Mr. Uyeda posed at the previous meeting; all of his concerns were addressed by Mr. Lim's explanation this morning.

ACTION: Motion carried unanimously by voice vote.

C. EXECUTIVE SESSION: RE: AMENDED AND RESTATED AGREEMENT REGARDING DEVELOPMENT OF SOUTH WAI'AHA WATER SYSTEM AND TERMINATION OF THE AGREEMENT REGARDING THE DEVELOPMENT OF THE NORTH WAI'AHA WATER SYSTEM:

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

(No Executive Session was held.)

D. FIRST SUPPLEMENTAL WELL DEVELOPMENT AGREEMENT DATED AUGUST 12, 2009; PALANI WELL (TMK: 7-4-002:008):

The developers Lanihau Properties, LLC, West Hawaii Business Park, LLC, and Palani Ranch Company, Inc. ("Owners") request an extension of the "Completion Deadline" identified in Section 1(b) of the First Supplemental Well Development Agreement dated August 12, 2009 ("Agreement"), due to circumstances beyond the control of the Owners. The original "Completion Deadline" as specified in the Agreement was December 31, 2011 and the request as allowed by the Agreement, would change the "Completion Deadline" to June 30, 2014.

DWS Staff has been kept apprised of the situation and has no objections to the extension request. All other requirements and conditions of the Agreement will remain unchanged.

The Manager-Chief Engineer recommended that the Board approve the extension request to change the "Completion Deadline" as defined in the First Supplemental Well Development Agreement from December 31, 2011, to June 30, 2014.

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

The Manager-Chief Engineer said that DWS has been in close contact with the developer, Palani Ranch, and feels the time extension request is justified.

Mr. Greenwell recused himself from the discussion of this Item.

Chairperson Meierdiercks said the recusal was so noted.

Mr. Uyeda asked for an explanation of the general items that need to take place to complete the project.

Mr. Riley Smith, the president and chief operating officer of Lanihau Properties and Palani Ranch, came to the microphone. He explained that Palani Ranch understood that it had an obligation to complete the water system, and the project was scheduled to finish in September 2011. The project went out to bid in November 2009, and work started in April 2010. The contractor had a number of complications, and fell behind schedule. Palani Ranch learned that in February 2012, there was a motor failure in the pump that was in the well shaft. Mr. Smith said that the million-gallon reservoir is completed; it has not been water tested. The control building and all of the pipeline have been installed and inspected by DWS staff. Palani Ranch is in regular contact with DWS staff members Mr. Owen Nishioka and Mr. Inaba, who have been apprised of the project's status. The problem is a combination of things, involving the pump and motor that were installed, and the design provided by the project engineers. Mr. Smith likened the situation to the one that has plagued the Kawaihau Reservoir project. Palani Ranch is trying, as the owner, to work out a mediated solution between the contractor and the design team. A meeting was held in Honolulu last Friday, where a conceptual agreement was reached with Beylik Drilling & Pump Service, Inc. regarding the manufacturer. The consultant team, comprised of Okahara & Associates and Akinaka & Associates, is stepping up and assisting Palani Ranch in resolving the problem. The biggest challenge involves the general contractor, Mr. Smith said. Mr. Smith is optimistic because the pump is actually back at the factory in Maryland, where it will be refabricated. The motor is going to be repaired. If Palani Ranch can give the notice to proceed within the next month, the pump and motor can get back into the ground and be tested within seven months. Mr. Smith said that he is optimistic that the project could be completed, turned over, tested and dedicated to DWS within 2013. He is protectively giving himself a deadline of the middle of 2014, to avoid having to come back to the Board for another extension. Mr. Smith said his goal is to get the project done as soon as possible.

Mr. Uyeda asked if the project still needs to get Department of Health (DOH) approval.

Mr. Smith said that the project already has DOH approval.

Mr. Uyeda asked if then, all of the conditions have been met, based on the letter of April 3, 2009.

Mr. Smith said that the shaft was encased in 2007, and some preliminary testing took place. Before the permanent pump was installed two years ago, testing again took place, and the project got the "clean letter" from DOH regarding the water source.

Mr. Uyeda asked if the bond was still in place.

Mr. Smith said it will be in full force and effect until the completion of the project.

Mr. Robinson asked where the well is located.

The Manager-Chief Engineer said the well is just south of the Kaloko Mauka Subdivision.

Messrs. Okamoto and Inaba unfurled a map to show the location.

Mr. Smith said it was at the 2,000-foot elevation, on Palani Ranch property.

C. **ENERGY MANAGEMENT ANALYST UPDATE:**

No report this month.

D. **MONTHLY PROGRESS REPORT:**

No discussion.

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

Mr. Robinson asked Mr. Sumada if he could modify the section regarding Past Due Accounts. He asked that the section be consolidated by month, with just the bottom line figures instead of the detailed information currently provided. He said this would help the Board see where the figure moves up or down in any given month.

Mr. Sumada confirmed that he would modify that section as Mr. Robinson requested.

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

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

- 1) Palani Road Transmission Waterline Project – Mr. Inaba confirmed that the water system is in use; all of the construction work has been completed. Mr. Inaba met with Queen Lili'uokalani Trust (QLT) and the contractor last Friday, and QLT made a couple of requests regarding clean-up of the area. Mr. Inaba assured QLT that the construction debris, etc. on their property would be taken care of. DWS is going to meet with QLT and the contractor again this Thursday to go over more details on the clean-up. He noted that during the meeting last Friday, DWS's inspector was unable to be there the entire time, so the inspector will also be on hand when DWS, QLT and the contractor meet on Thursday. The sites are almost completely clean, including weeds that have been cut and bundled to be hauled away. Mr. Greenwell asked if everybody is happy on Tomi Tomi Drive. Mr. Inaba said that DWS has not received any complaints of late; he noted that people inevitably will use the easement as a walking path. DWS has put up as much signage as possible. Mr. Greenwell asked when the project would be completely turned over. Mr. Inaba said he would have an idea on Thursday, when the punch list is finalized with the contractor; the contractor can look at what remains to be done, and can give DWS a timetable. Mr. Inaba figured the project would be turned over within the next month or two, because of the large area for clean-up. No construction issues remain, he said. The Manager-Chief Engineer said he was happy that DWS did not have to call the bond and engage in legal wrangling with the contractor to get the project completed.
- 2) Kawailani Tank update – Mr. Inaba said he had just requested a meeting with Corporation Counsel. He had told the contractor that if DWS cannot get any commitment from the contractor, then the next step is to see how DWS can move forward with the project, with the possibility of terminating the contract. This would mean re-bidding on the remaining work, Mr. Inaba said. The Manager-Chief Engineer said there would likely be additional costs because of the long delay, and DWS would just have to bite the bullet on it. The Manager-Chief Engineer said that hopefully, Mr. Inaba will be able to come up with estimated costs in the near future; the Department will have to come before the Board for additional funds. Mr. Inaba said that the general contractor is waiting on his sub-contractors to get those escalation costs for the delayed period.
- 3) Pu'ukala/Kona Ocean View Properties Subdivision Improvement District Update – Mr. Inaba said that this project should be going out to bid this month. However, the process of opening bids and awarding is a bit different in this case. DWS will be coming to the Board with the bid results in February; the time frame will be too tight to make it in time for the January Board meeting. The Department's Recommendation to award will be subject to County Council

- 4) Public Information and Education Specialist Update – Ms. Aton said the 2013 DWS calendar was ready, and all of the Board will have received copies. The Board will also have received invitations to the next Kona Water Roundtable, which the Department of Health (DOH) is sponsoring. This event will be different from ones in the past in that it will be part of a joint water agency conference; registration is required. DOH is handling the registration, and Ms. Aton urged members planning to attend to send DOH their registration. The Kona Water Roundtable will be held on Thursday, January 17 in Kona, and on Friday, January 18 in Hilo. There will be different speakers for each of the two sessions. The National Parks Service (NPS) has lined up three speakers; many in the community have been waiting for NPS to provide empirical data regarding their claims about the water pumped from mauka. DWS, as it does every year, submitted its 2013 CIP projection in an article for Trade Publishing magazine. Among the newspaper clippings Ms. Aton distributed to the Board today was an article about a recent field trip to the Waimea Water Treatment Plant by 15 Honoka‘a High School agriculture students. The students themselves submitted the photos and the details of their trip to the newspaper. DWS recently met with Legislative Auditor Ms. Colleen Schrandt regarding a compilation of documents that Ms. Schrandt requested to help develop the scope of her audit of the standpipe allocation process. Mr. Greenwell commended Ms. Aton for the field trips to the Waimea Water Treatment Plant, which have been well-received by other schools as well. Ms. Aton noted that Mr. Lawrence Domingo, the Lead Water Treatment Plant Operator IV, talked at length with the very receptive group of Honoka‘a students. Mr. Taniguchi asked about the two different sessions of the Kona Water Roundtable; he asked if Ms. Aton recommended Board members to attend on whichever side of the island they represent. Ms. Aton said that both sessions are going to be good; the Kona session would deal with the specifics of the NPS issue. Mr. Taniguchi asked if that issue would not be addressed in the Hilo session. Ms. Aton said that everybody is asking where the empirical data on the NPS issue is. Ms. Lee Loy thanked the Department for its participation in the County Building’s Christmas tree event. Ms. Aton said Mr. Duane Nishimori, a DWS staff member at the Microlab, volunteered his balloon-making skills for the kids on the night hosted by DWS – in full tiger costume. The Manager-Chief Engineer commended the County Band, which played wonderfully on the night hosted by DWS. Mr. Kaneshiro asked Ms. Garson about Sunshine Law considerations regarding the Kona Water Roundtable. Ms. Garson said she needed to look at the agenda for the two sessions, but if there is no Board business on the agenda, there would not be a problem with Sunshine Law. Ms. Garson said she would check the agenda and get back to the Board via email.
- 5) Recognition of Service Retirements – Mr. Ikeda introduced two retirees from Operations. Mr. Lawrence Domingo, honorably mentioned earlier in the meeting, is retiring as Lead Water Treatment Plant Operator IV after 23 years with DWS. Mr. Domingo, who worked his way up from an entry level position as Pipefitter, has been responsible for running the treatment plant in Waimea. Mr. Neal Nakagawa, Water Plant Operator, has worked for DWS for 32 years. His job has been to make the rounds in Hilo to ensure that all of DWS’s sites, wells and tanks are running properly, to maintain good, potable water for Hilo. Mr. Sumada introduced two retirees from Finance Division. Ms. Crestita Hudman, Customer Service Supervisor, will retire at the end of December after 30 years with DWS. Ms. Loraine Terada, Accountant II, has been with DWS for 32 years. Mr. Sumada said these two long-time employees will be missed, and will be very hard to replace.

G. BOARD MEMBERS’ SERVICE:

Section 13-4(d) of the County Charter allows a Board Member whose term has expired to serve an additional 90 days or until a successor is appointed and confirmed, whichever comes first.

Pursuant to Section 13-4(d) of the County Charter, expired term Board Members will be allowed to serve an additional 90 days or until their successor is appointed and confirmed, whichever comes first, if so desired.

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

The Manager-Chief Engineer sent a letter to the Mayor's Office to ask them to start looking for replacement Board members. DWS has not heard back from the Mayor's Office so the Manager-Chief Engineer asked outgoing Board members Chairperson Meierdiercks and Mr. Lindsey to stand ready to be called upon to serve the next 90 days.

ACTION: Motion carried unanimously by voice vote.

H. **ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON FOR 2013:**

Chairperson Meierdiercks entertained a Motion to nominate the Chairperson for 2013.

MOTION: Mr. Greenwell nominated Mr. Taniguchi for Chairperson; seconded by Mr. Robinson.

ACTION: Mr. Robinson moved to close nominations for Chairperson; seconded by Ms. Lee Loy, and passed unanimously by voice vote.

Chairperson Meierdiercks entertained a Motion to nominate the Vice-Chairperson for 2013.

MOTION: Mr. Taniguchi nominated Mr. Kaneshiro for Vice-Chairperson; seconded by Mr. Greenwell.

ACTION: Mr. Robinson moved to close nominations for Vice-Chairperson; seconded by Mr. Greenwell, and passed unanimously by voice vote.

Ms. Garson said the Board now needed to vote on the slate of Chairperson and Vice-Chairperson.

ACTION: Mr. Greenwell moved to elect the slate of Mr. Taniguchi as Chairperson and Mr. Kaneshiro as Vice-Chairperson; seconded by Ms. Lee Loy, and carried unanimously by voice vote.

I. **CHAIRPERSON'S REPORT:**

Chairperson Meierdiercks thanked the Board for a very good year, with good decisions and good discussions. He appreciated the Board for participating in all of the decisions the Board made this past year.

9) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board will be held at 10:00 a.m. on January 22, 2013, at the Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

2. **Following Meeting:**

The following meeting of the Water Board will be held at 10:00 a.m. on February 26, 2013, at West Hawai'i Civic Center, 74-5044 Ane Keohokalole Hwy, Kailua-Kona, HI. *Room location to be announced once a reservation is secured.*

The tentative dates for the 2013 Board meetings were distributed in the Board packets, and Chairperson Meierdiercks confirmed that the dates were okay, noting that the March and December

meetings will be held on the third Tuesday of the month due to holidays, instead of the customary fourth Tuesday of each month. The venues of the meetings will be determined by incoming Chairperson Taniguchi.

Mr. Taniguchi asked to go on the record with his appreciation for Chairperson Meierdiercks's leadership this year. Mr. Taniguchi said it was good to see former Chairperson Riley Smith and former Manager-Chief Engineer Milton Pavao at today's meeting. He quipped that the only person missing was last year's Chairperson, Mr. Dwayne Mukai. Mr. Taniguchi said that the Board has changed and done well over the past years, from Mr. Smith's time to now. Mr. Taniguchi said he looked forward to next year, citing the array of expertise among the members of this Water Board. Everybody on the Board contributes, which is really impressive, Mr. Taniguchi said.

10) ADJOURNMENT

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

Chairperson Meierdiercks adjourned the meeting at 10:57 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.