

MINUTES

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

February 26, 2013

West Hawai'i Civic Center, Community Center, Bldg. G, 74-5044 Ane Keohokalole Hwy, Kailua-Kona

MEMBERS PRESENT:

Mr. Art Taniguchi, Chairperson
Mr. Kenneth Kaneshiro, Vice-Chairperson
Mr. David Greenwell
Ms. Susan Lee Loy (arrived at 10:20 a.m.)
Mr. Bryan Lindsey
Mr. Bob Meierdiercks
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. Roger Harris, Palamanui Global Holdings, LLC
Mr. Norm Stuard
Mr. Dan Bolton
Mr. Jim McClean
Ms. Margaret Wille, Hawai'i County Councilperson
Ms. Maile David, Assistant County Clerk
Ms. Wendy Baez, Assistant to Hawai'i County Councilperson Karen Eoff

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. Kanani Aton, Public Information and Education Specialist
Ms. Julie Myhre, Energy Management Analyst
Mr. Jason Killam, Engineering Division

-
- 1) CALL TO ORDER – Chairperson Taniguchi called the meeting to order at 10:02 a.m.
 - 2) STATEMENTS FROM THE PUBLIC

The following Statement from the Public is recorded verbatim:

Mr. Roger Harris testified about Agenda Item 5(A) ASSIGNMENT AND ASSUMPTION; CONSENT:

MR. HARRIS: Good morning, Mr. Chairman, members of the Board. My name is Roger Harris, from Palamanui. We would just like to urge you to approve the execution of the Item 5(A)...let's see...the Assumption and Consent agreement for Palamanui and Kohanaiki. Thank you very much.

3) APPROVAL OF MINUTES

The Chairperson entertained a Motion to approve the Minutes of the January 22, 2013, Water Board meeting.

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

Chairperson Taniguchi noted a misspelling on Page 8 of the Minutes. The spelling should be "principal," instead of "principle."

ACTION: Mr. Meierdiercks moved to amend the Minutes; seconded by Mr. Uyeda, and carried unanimously by voice vote.

ACTION: Main Motion to Approve Amended Minutes carried unanimously by voice vote.

4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA

(Note: Addendum requires Roll Call Vote)

None

5) NORTH KONA:

A. **ASSIGNMENT AND ASSUMPTION; CONSENT:**

(This Item was deferred at the January 22, 2013, Board meeting.)

Palamanui Global Holdings LLC and Kohanaiki Shores LLC, developers of the Palamanui and Kohanaiki projects, respectively, in North Kona and current parties with the Board to a June 15, 1999, Water Agreement, as amended, seek the Board's consent to the assignment by Kohanaiki to Palamanui and the assumption by Palamanui from Kohanaiki of all of Kohanaiki's rights and obligations under the agreement, and the Board's release of Kohanaiki from any further obligations under the agreement.

The Manager-Chief Engineer recommended that the Board accept this document, subject to approval by Corporation Counsel as to form and legality, and that either the Chairperson or the Vice-Chairperson be authorized to sign the document.

The Manager-Chief Engineer said that the Department had reviewed the agreement, and had no objections to the assignment and recommended approval by the Board.

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

The Manager-Chief Engineer noted that Palamanui had signed off on the agreement, but Kohanaiki had still not signed.

ACTION: Motion carried unanimously by voice vote.

B. JOB NO. 2012-985, HUALĀLAI DEEPWELL REPAIR:

(This Item was deferred at the January 22, 2013, Board meeting.)

This project generally consists of the replacement of the existing deepwell submersible motor, pump, power cable, column pipe and appurtenances and chlorination of the well and pumping assembly, in accordance with the plans and specifications.

Bids for this project were opened on January 15, 2013, at 2:30 p.m., and the following are the bid results:

Bidder	Bid Amount
Beylik Drilling and Pump Service, Inc.	\$79,223.00
Derrick's Well Drilling and Pump Services, LLC	\$93,000.00

Project Costs:

1) Low Bidder (Beylik Drilling and Pump Service, Inc.)	\$ 79,223.00
2) Contingencies (~10%)	\$ 7,922.00
Total Cost:	<u>\$ 87,145.00</u>

Funding for this project will be from DWS's CIP Budget. The contractor will have 180 calendar days to complete this project. The engineering estimate for this project was \$146,500.00.

The Manager-Chief Engineer recommended that the Board award the contract for JOB NO. 2012-985, HUALĀLAI DEEPWELL REPAIR, to the lowest responsible bidder, Beylik Drilling and Pump Services, Inc., for their bid amount of \$79,223.00 plus \$7,922.00 for contingencies, for a total contract amount of **\$87,145.00**. 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. Meierdiercks moved to approve; seconded by Mr. Robinson.

The Manager-Chief Engineer said this Item was deferred last month because the Department had some questions and concerns. However, the Department now recommends awarding to Beylik Drilling and Pump Services, Inc., the lowest bidder.

Mr. Kaneshiro asked why there was such a big difference between the engineering estimate and the bids.

Mr. Ikeda explained that this engineering estimate was done for a previous repair at this well, where a brand-new motor was used. In the current bid, a refurbished motor will be used. That is the reason for the big difference between the engineering estimate and the bids.

Mr. Uyeda asked if the Department had changed the specifications when the job went out to bid, or if it was stated up-front (that a refurbished motor would be used).

Mr. Ikeda said it was stated up-front. The Department stayed with the higher estimate.

ACTION: Motion carried unanimously by voice vote.

C. **JOB NO. 2008-934, CONSTRUCTION OF THE KONA OCEAN VIEW PROPERTIES WATER SYSTEM IMPROVEMENTS:**

Bids were opened on February 7, 2013 at 2:00 p.m.; and the following are the bid results:

Bidder	Bid Amount	Adjusted Bid Amount* (for purposes of bid award)
Koga Engineering & Construction, Inc.	\$1,121,544.90	\$1,057,017.66
Isemoto Contracting Co., Ltd	\$1,274,964.00	\$1,211,215.80
Kona Kau Construction Services & Supplies, Inc.	\$1,352,345.64	\$1,276,328.36
Nan, Inc.	\$1,945,943.56	\$1,945,910.08
Goodfellow Bros., Inc.	\$2,389,274.00	\$2,248,200.30

*Bids were adjusted (for the purposes of award) to provide credits for use of Hawaii Products and participation in the State Apprenticeship Program. There was also a minor correction to one of the bids.

Project Cost:

1. Low Bidder (Koga Engineering & Construction, Inc.)	\$1,121,544.90
2. Construction Contingency (~10%)	<u>112,155.10</u>
Total Construction Cost:	<u>\$1,233,700.00</u>

Funding for this project will be from the USDA's Rural Utilities Service Water and Waste Water Loan and Grant program and County G.O. Bonds (Loan - \$1,169,000, Grant - \$353,369 and Total \$1,522,369). The consultant contract amount is \$151,750.00. There are other fees that will be reimbursable by the loan/grant funds.

The contractor will have 270 calendar days to complete this project.

Pursuant to the Hawai'i County Code, Section 12-24, the award of contract is subject to the creation of the Improvement District.

The Manager-Chief Engineer recommended that the Board award the contract for JOB NO. 2008-934, CONSTRUCTION OF KONA OCEAN VIEW PROPERTIES WATER SYSTEM IMPROVEMENTS, to the lowest responsible bidder, Koga Engineering & Construction, Inc., for their bid amount of \$1,121,544.90 plus \$112,155.10 in construction contingency, for a total contract amount of \$1,233,700.00, subject to review as to form and legality of the contract by Corporation Counsel and the acceptance by the USDA Rural Development, Hawai'i County Council and homeowners of the Improvement District Assessment amount.

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

The Manager-Chief Engineer said the Department received favorable bids on this project. Once approved by the Board, this project will go to the County Council for approval. A public hearing must be held, and then DWS can award the contract, he said. It may take several months before everything is executed. The process in an Improvement District project like this takes that long, the Manager-Chief Engineer said.

Mr. Greenwell asked whether the 270 calendar days allotted to complete the project was the actual construction time.

The Deputy said that with every one of DWS's contracts, the contract duration starts upon execution of the contract. The contractor needs time to mobilize, demobilize, set up the equipment, buy the

materials, etc. The actual construction is *within* the 270 days, he said. The clock starts upon execution, so the contractor is supposed to complete the project 270 calendar days thereafter.

Mr. Greenwell asked whether that number sat well with Engineering.

The Deputy confirmed that it did.

Mr. Kaneshiro, noting that this is an Improvement District project, asked whether the land owners were responsible to pay a portion of the cost of the project.

The Manager-Chief Engineer confirmed this. DWS was able to secure some U.S. Department of Agriculture (USDA) funding; a portion of the funding is a grant and a portion of the funding is a loan. The residents in the Improvement District will be paying back the loan portion of the funding. He asked Mr. Inaba what the cost to the land owners would be.

Mr. Inaba said the cost to the land owners has not yet been determined. The project will go next to the County Council, where the cost will be determined. He noted that a Public Hearing must be held, and said that the community needs to approve the loan repayment amount, etc.

Ms. Garson said that the County Council will eventually pass an ordinance that sets forth the assessments in the Improvement District. That is when the amount that the residents must pay will be set. The residents will have an opportunity to provide public testimony regarding the assessments, she said. The Council will look at the numbers, and the assessments will be set in an ordinance.

The Manager-Chief Engineer said the County will be responsible for collecting the assessments from the land owners, similar to how the County collects real property taxes. In an Improvement District, failure to pay one's assessment can lead to foreclosure on one's property.

Mr. Kaneshiro asked if the residents would be responsible to pay the entire loan portion of the funding.

The Manager-Chief Engineer confirmed that the residents would pay the whole amount of the loan.

Mr. Robinson said he was surprised at the difference in the bid amounts; the high bid was double the amount of the low bid. He asked if the low bidder, Koga Engineering & Construction, Inc., might come back and say they under-bid, and that they needed to get more money for doing the project.

The Manager-Chief Engineer said no. The Department was comfortable that the bids are proper. This kind of spread among bids happens sometimes, for whatever reason. He vouched for the contractors as bona fide and in good standing.

Mr. Uyeda asked what the scope of the project included.

Mr. Inaba said the project involved the installation of waterline and laterals.

Mr. Uyeda asked if it would be a 12-inch waterline.

Mr. Inaba said no, it would be an 8-inch waterline.

The Manager-Chief Engineer said this is a small subdivision of about 80 lots; the project would provide water in a neighborhood where no water system currently exists. DWS has been working on this Improvement District over the past 20 years or so. The process to get an Improvement District takes that long, and is subject to how proactive or diligent the district's Councilperson is in getting it going in cooperation with the residents. He said that many community meetings were held in order to get this Improvement District through.

Mr. Uyeda asked if this project, with its special funding, would require more project management, including more paperwork.

The Manager-Chief Engineer said no, it would not call for any additional project management, beyond the normal inspections on DWS's part.

Mr. Uyeda asked whether the construction management cost to DWS would be the same as with other, similar projects.

The Manager-Chief Engineer confirmed this.

Chairperson Taniguchi asked whether the County was the source of the funds, through County bonds.

The Manager-Chief Engineer confirmed this.

Chairperson Taniguchi asked if then this is a County project, i.e., not a DWS project.

The Manager-Chief Engineer confirmed that it is a County project, and therefore it must go to the County Council for approval.

ACTION: Motion carried unanimously by voice vote.

D. **FIRST AMENDMENT TO AMENDED AND RESTATED AGREEMENT REGARDING DEVELOPMENT OF SOUTH WAI'AHA WATER SYSTEM AND TERMINATION OF AGREEMENT REGARDING DEVELOPMENT OF NORTH WAI'AHA WATER SYSTEM:**

The Developer, Wai'aha System, LLC has requested to amend the subject agreement and transfer 120 units from Tax Map Key (TMK) 7-5-017:031 (Kona Coffee & Tea Company, Inc.) to TMK's 7-4-024:011, 012 and 017 (McClellan Honokōhau Properties). The amended agreement shall include the revised language to incorporate the new property being served by the Wai'aha Water System. It shall also include the necessary exhibits as well as a revised hydraulic analysis approved by the Department of Water Supply (DWS) showing that the subject property can be adequately served by the Wai'aha Water System as well as the existing DWS system. Any improvements required shall also be outlined in the analysis and shall be the responsibility of the developer to receive water service to the property from this agreement.

The Manager-Chief Engineer said the Department had received a draft document late on Friday afternoon; the Department and its attorney did not have enough time to review the document. Because discussion of the document is ongoing and because the Department did not have anything to put in front of the Board today, the Department asked that the Item be deferred.

MOTION: Mr. Meierdiercks moved to defer; seconded by Mr. Greenwell.

Mr. Robinson said it felt like death by a thousand nicks; the Board and the Department have been working on this matter for a while. Mr. Robinson said he kept thinking that it would be done at some point, so that water can start flowing through the Wai'aha pipeline.

The Manager-Chief Engineer said yes, it would be done. It was a matter of Mr. Bolton looking for financiers for his project, which hopefully can happen, he said. Everything is riding on Mr. Bolton being able to proceed with the project, and meanwhile, DWS is working with Mr. Bolton on getting the construction plans approved. DWS engineers will be visiting the site today to ensure that certain things are in place, the Manager-Chief Engineer said. He noted that getting construction plans approved takes a lot of work. The Manager-Chief Engineer said that a proper review of Mr. Bolton's construction plans needs to take place, and the Department also wants to make sure that Mr. Bolton's engineers are all on board in signing off on the construction plans.

Mr. Robinson asked whether the hold-up was the construction plans or the legal documentation.

The Manager-Chief Engineer said the hold-up was a combination of both. He said the Department continues to work closely with Mr. Bolton on the plans, and meanwhile, Mr. Bolton is diligently trying to get his financing in place. Without the financing, Mr. Bolton will not be able to do the project, he noted.

ACTION: Motion to defer carried with seven (7) Ayes: (Messrs. Greenwell, Kaneshiro, Lindsey, Meierdiercks, Perry, Uyeda and Chairperson Taniguchi); one Nay: (Mr. Robinson); and one Absent: (Ms. Lee Loy).

Mr. Robinson explained that he voted Nay on deferring the Item because he preferred that the project go ahead.

Chairperson Taniguchi asked that the Department refrain from putting Items on the Agenda where there are documents, etc., missing from the packets when they are mailed out. He asked that in such cases, the Items should be deferred to the next month's Agenda.

(Ms. Lee Loy arrived at the meeting at 10:20 a.m.)

The Manager-Chief Engineer said he agreed entirely with the Chairperson. He suggested that the Department work with the Chairperson on creating criteria regarding the placement of Items on the Agenda. He said the Board should not be put into the position of being surprised with Items where there are no documents available to review.

7) MISCELLANEOUS:

A. DEDICATION OF WATER SYSTEMS:

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

1. **GRANT OF EASEMENT**

Subdivision Application No. 2007-000665

Grantor/Sellers: Charlotte Chiung-Chiao Cheng, Michael Hiroshi Seto and
Florine Ku'ualoha Paro

Tax Map Keys: (3) 2-4-009: 099, 058 and 096

Facilities Charge: \$45,190.00 Date Paid: 2/14/2013

Final Inspection Date: 2/15/2013

Water System Cost: \$ TBA

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

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

Mr. Inaba reported that the water system cost is \$45,176.78.

ACTION: Motion carried unanimously by voice vote.

B. DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING BUDGET FOR FISCAL YEAR 2014 AND 5-YEAR CAPITAL IMPROVEMENT BUDGET FOR FISCAL YEARS 2014-2018:

FY 2014 Operating revenues were computed based on a 3.3% consumption increase, plus a 4.3% increase in water rates that were determined in a rate study by RW Beck. The Department's largest expense remains purchased power totaling \$23,600,000 for the year. Salaries totaling \$9,442,500 were not adjusted for furloughs or pay increases, and include 189 positions, 23 of which are currently vacant, and 6 of which are new.

The C.I.P. budget is presented in a new 5-year format in order to give a clearer picture of where and what the Department's infrastructure needs are.

The Manager-Chief Engineer recommended that the Water Board approve the Department's FY2014 Operating budget and 5-year C.I.P. budgets for Fiscal Years 2014-2018 on this first of two readings. Staff also recommends that a public hearing on the proposed Operating Budget for FY2014 and 5-Year Capital Improvement Budget for Fiscal Years 2014-2018 be held at **9:45 a.m. on March 19, 2013**, just prior to the regular Water Board meeting.

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

Mr. Sumada said the tentative schedule for approving the Budgets includes setting up a Public Hearing for next month, prior to next month's regular Board meeting. After that, the Board approves the Budgets twice before it becomes final. Those votes may take place at the May and June Board meetings.

Mr. Greenwell asked Mr. Sumada about the GF Reimbursement/CIP Reserve figures, listed on Page 4 of the Budget's Expenditure Summary. The table shows years going across (from FY2012 Actual to FY2014 Proposed), he noted. He asked why the 2013 Budget figure was so low compared with the other years.

Mr. Sumada explained that it represents the net income for the year, after compiling revenues and expenses. Mr. Sumada said he had budgeted for a decline, based on no increase in consumption. However, DWS has actually experienced an increase in consumption, and so actual revenues are doing much better than projected.

Mr. Greenwell asked about a scenario whereby an upgrade of a reservoir tank is completed, and there is an upgrade clause in the original contract when a reservoir tank was increased in size. He asked where that money comes from.

The Manager-Chief Engineer said it comes from the CIP account; the over-sizing is covered in DWS's CIP project account.

Mr. Robinson noted that the employee benefit portion in the Budget seemed high. He asked whether that was related to the discussion about contributing to retiree benefits.

Mr. Sumada explained that the employee benefits are high because of DWS's contributions to the Hawai'i Employer-Union Trust Fund (EUTF) retiree health fund, which was set up three or four years ago. This required that all participants start funding this new liability that actuaries calculated for each participant to fund health care premiums for retirees. For the next 30 years, DWS will be making contributions to fund that liability. Other participants, such as the State of Hawai'i, have opted not to make contributions because their liability is so large. DWS factored its liability into the rate increases that were put in place by the five-year rate study. When DWS first started contributing to this liability,

Mr. Sumada had budgeted \$2.5 million or so a year in contributions. This year, the amount has been reduced to \$2 million. That accounts for the decrease in employee benefits this year.

Mr. Robinson asked what effect the advent of the federal Affordable Care Act would have on DWS's EUTF contributions.

Mr. Sumada said he had no idea how that would work itself out. He noted that EUTF tends to set the medical premiums for DWS, and DWS does not find out what the premiums are until a few months before the year starts.

Chairperson Taniguchi said it was good that DWS opted to make contributions to EUTF, instead of opting to defer contributions like other participants.

The Manager-Chief Engineer said that whenever DWS does cost estimates for its projects, DWS always factors in salary, plus 43 percent for benefits. That is why that benefits figure is rather high. DWS is fortunate that it can do that, thanks to its semi-autonomous status.

Mr. Uyeda said he had several questions regarding the 5-year CIP projects. He asked what criteria DWS uses to list these projects per year. He asked what mechanism DWS uses to get these projects on the list. He asked whether DWS evaluates the facilities, etc., in determining what projects get on the list.

Mr. Inaba said the projects were ranked in DWS's 20-year Master Plan. Most of the projects on that plan are on the CIP list. There are a few projects that became more of a priority than when DWS did the 20-year plan. DWS basically chooses the projects by ranking, funding availability, possibility of outside funding (such as State Revolving Fund loans), etc. One of the criteria is how long DWS thinks it will take to get the project out. When a project requires DWS to get land, that project may get pushed back.

Mr. Uyeda, looking at the CIP list, noted that there is an obvious need to improve the Kahalu'u Shaft. The CIP Budget shows that in the next three years, there are various phases of improvements to the Kahalu'u Shaft. He asked whether a project gets on the list based on immediate need for the facility.

Mr. Inaba said yes. He noted that DWS had an unsuccessful bid to do improvements to the Kahalu'u Shaft. Therefore, DWS is modifying the improvements, to include the improvements that DWS thinks should be done first. DWS's original scope of work for the improvements proved to be too large of an undertaking, and only one bidder attempted to bid on it, Mr. Inaba said.

Chairperson Taniguchi, turning to revenues, noted that DWS budgeted \$107,000.00 for rental income in 2013, but the Department projected that there would be only \$13,000.00. Meanwhile, the Department is projecting \$214,000.00 in rental income for 2014. He asked Mr. Sumada to explain.

Mr. Sumada said that the Budgets for FY2013 and 2014 were based on the County moving into the lower level of the Waiākea Office Plaza, but the County still has not moved in. DWS figured that for FY2013, the County would have been a tenant for a half-year. However, they have still not moved in. Mr. Sumada said that the last he heard, the County plans to move into the building in April. Therefore, obviously, DWS is not going to make the \$107,000.00 budgeted for FY2013. In FY2014, the County should be in for a full year, and the \$214,000.00 is the amount budgeted in rent that the County is expected to pay during that full year.

Chairperson Taniguchi, turning to salaries, asked about the 7 percent rise in salaries between the FY2013 and FY2014 Budgets. He said that based on the actual figures, salaries are going to go up approximately 21 percent, over actual projected salaries. He asked why benefits went down by 8 percent, if salaries are going up by 21 percent, but then he noted that Mr. Sumada had explained about

the benefits in response to Mr. Robinson's queries. He asked Mr. Sumada to explain the increase in salaries.

Mr. Sumada said that the projected figures for FY2013 were based on DWS staffing levels in November, when Mr. Sumada put the Budget together. In November, there were several vacancies, and the FY2013 projection includes those vacancies, extrapolated for the whole year. The increase that is shown for FY2014 projected figures is based on filling the November vacancies, and six new positions that were created in Administration and Finance. He noted that there were three new positions in Administration, six vacancies in Engineering, two vacancies in Finance and three new positions in Finance, and 15 vacancies in Operations that make up the increase in the FY2014 Budget. He also noted that the FY2014 numbers do not include the furloughs, which were included the prior year – at 4.6 percent.

The Manager-Chief Engineer said that the Deputy later in the Agenda would describe the new positions and reorganization.

Chairperson Taniguchi asked why the advertising and public relations budget was cut in half, from \$20,000.00 in FY2013 to \$10,000.00 in FY2014.

Mr. Sumada said that DWS has started to advertise construction projects almost exclusively on the DWS website and the State Procurement website. That made a big difference in the amount of money spent on advertising, which formerly was done through the newspapers. He noted that at this point, DWS just needs approval to hold the Public Hearing on the Budget next month.

ACTION: Motion carried unanimously by voice vote.

C. DEPARTMENT OF WATER SUPPLY PROPOSED TABLE OF ORGANIZATION:

The Department recognizes the need to revise its current table of organization to align with current and future needs as identified in the Strategic Plan. As such, the Department proposes the following changes:

1) **REVISED POSITION ORGANIZATION CHART -- ADMINISTRATION DIVISION - INFORMATION SYSTEMS BRANCH**

The Department proposes to amend its Table of Organization, Position Organization Chart to create a Network and Systems Section and an Applications and Database Section, in addition to the existing Geographic Information Systems (GIS) and Information Technology Support Sections.

The proposed Network and Systems Section will provide hardware and software support for network and systems. The proposed newly-created table of organization positions will include five Information Systems Analyst (I SR-16, II SR-18, III SR-20, IV SR-22, V SR-24) positions.

The proposed Applications and Database Section will provide applications, database and web support. The proposed newly created table of organization positions will include five Information Systems Analyst (I SR-16, II SR-18, III SR-20, IV SR-22, V SR-24) and one Information Systems Support Technician (II SR-15) positions.

The existing Information Technology Support Section will also be more accurately renamed to the Information Systems Support Section.

The proposed changes will provide the Department the ability to meet its goals of improved efficiency, through the appropriate use of technology (integrated information management:

centralized data, Intranet communication, electronic bidding, GIS, etc.). Please note that although numerous positions appear on the organization chart, positions will only be filled as needed.

2) REVISED POSITION ORGANIZATION CHART -- ADMINISTRATION DIVISION - HUMAN RESOURCES BRANCH

The Department proposes to amend its Table of Organization, Position Organization Chart to create a new Safety Trainer position, as well add Human Resources Technician II, Human Resources Specialist I and II positions.

The proposed Safety and Driver Coordinator will oversee department-wide industrial safety and comprehensive driver improvement programs. The Safety Trainer will conduct annual safety and equipment training to comply with all OSHA and HIOSH regulations, legislation, standards and practices.

The proposed Human Resources Technician II, Human Resources Specialist I and Human Resources Specialist II positions will provide the ability to meet the increasing requirements in the human resources/personnel field. There have been increasing duties as a result of Federal and State legislation, as well as revised procedures at the County of Hawaii Department of Human Resources.

3) REVISED POSITION ORGANIZATION CHART -- ENGINEERING DIVISION

The Department proposes to amend its Table of Organization, Position Organization Chart, to add the Engineering Drafting Technician I through IV positions to the Support Services Branch, and more appropriately renaming that branch the Drafting Services Branch, while eliminating one of the Engineering Drafting Technician V positions. In addition, the Department is adding the Technical Support Services Section to the Engineering Branch which includes three positions: the Engineering Support Technician I, II and III. The Department is also adding an Engineering Support Technician I to the Technical Support Section of the Water Resources and Planning Branch, as well as the Records Section of the Water Quality Assurance and Control Branch.

Creating the Engineering Drafting Technician series allows the Department to hire an entry-level drafting technician who could eventually progress to higher drafting technician levels as the need arises. The Engineering Drafting Technicians will be supporting the Engineering Division staff with drafting needs, as well as organization and maintenance of As-Built plans. Responsibilities of the positions will also include the support and maintenance of major drafting equipment within the Engineering Division, and coordinating the inclusion of water systems with the Department's GIS system.

Creation of the Technical Support Services Section in the Engineering Branch is consistent with the sections in the Water Quality Assurance and Control Branch, as well as the Water Resources and Planning Branch. Besides assisting the engineers and inspectors with research and other duties, the Engineering Support Technicians will log, track, file and distribute construction plans from initial submittal to completion of As-Built plans. Being able to keep up with logging, tracking, and filing of plans whether for review or processing of As-Built plans, allows the engineering staff to operate and respond to inquiries more efficiently.

Rename the Civil Engineer VII (EM07) position to Chief of Engineering (EM07) for consistency among division heads.

4) REVISED POSITION ORGANIZATION CHART -- FINANCE DIVISION

The Department proposes to amend its Table of Organization, Position Organization Chart, to create the Accountant I, Credit & Collections Supervisor, and Supervising Cashier positions. In addition,

the Department proposes to transfer the Billing Support section from the Support Services Branch to the Customer Service Branch, transfer the Accountant III position from the Support Services Branch to the Management Accounting Branch, and reallocate the Waterworks Controller, Customer Service Supervisor, and Assistant Customer Service Supervisor positions.

The Accountant I (SR18) position will oversee the processing and reporting of Departmental payroll which has consistently been under pressure to meet deadlines while also providing for normal vacation and sick leave among staff.

The Credit & Collections Supervisor (SR17) will oversee the collection of delinquent accounts, both active and closed, on a timely basis. Monitoring both active and closed accounts on a timely basis is not possible without additional manpower.

The Supervising Cashier (SR14) will oversee servicing of walk-in customers, processing of incoming mail, and accounting and depositing of department funds on a daily basis, which have consistently been difficult to accomplish while also providing for normal vacation and sick leave among staff.

Reallocate the Waterworks Controller (EM05) position to Chief of Finance (EM07) to make compensation consistent with responsibilities and between division heads.

Reallocate Customer Service Supervisor position (SR18 to SR24) and Assistant Customer Service Supervisor position (SR16 to SR22) to reflect additional responsibilities relating to supervision, coordination between functions with other divisions, and advances in technology and equipment.

Consolidate accounting positions in the Management Accounting Branch under an Accounting section. This will provide more flexibility to utilize accounting positions between functions and provide a series for promotion within the Department.

Delete the existing Purchasing Agent position which has never been filled.

Please note that although numerous positions appear on the organization chart, positions will only be filled as needed. The proposed changes will also help the Department achieve its Strategic vision of being an 'employer of choice,' as the changes will provide career paths for upward mobility.

The Manager-Chief Engineer recommended that the Water Board approve the proposed revised Table of Organization.

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

The Deputy acknowledged that the write-up for this Item was lengthy, but it needed to be. He explained that the basic premise of this undertaking is tied into DWS's Strategic Plan and into the Strategic Vision, in which DWS strives to be an employer of choice. DWS recognizes that there are some gaps in its organization, which need to be filled in order for DWS to be a workplace that attracts quality people. DWS recognizes the need to provide opportunities within the Department, either by filling vacancies or creating new positions that are needed. The Deputy cited the example of the Information Technology branch. DWS also recognizes the need to create a progression within existing series; currently there are some wide gaps between low-level positions and higher-level supervisory positions, with nothing in between. By creating new positions considered necessary, creating series and filling gaps in series, DWS is striving to make the Department attractive to quality personnel and to be seen as an employer of choice, where quality personnel stay for the long term. This is the basic underlying purpose of this revised Table of Organization, the Deputy said.

Mr. Robinson asked about the four new positions being created for the Human Resources Branch, noting that County Human Resources has a Safety position and a Driver's Education position. He asked if the creation of these positions at DWS indicates that County Human Resources is not providing the services DWS needs.

The Deputy said that there have been some changes to the County Human Resources Department, where some funding has been lost, specifically for the CDL driver training position. That position is gone, he said. DWS recognized the need to have such a position in-house; otherwise, DWS would have to hire a private contractor to do the CDL training. DWS needs both a CDL trainer and a Safety officer, because workplace safety is federally-mandated and is subject to inspections by the Occupational Safety and Health Administration (OSHA). The new DWS position would be responsible for both CDL training and safety. Regarding DWS's Human Resources (HR) branch, there is a wide gap in positions, between only an HR Assistant and a Technician I, and the HR Manager – with no positions in between. That is why DWS created that series, but DWS's intent is not to fill all of those positions. This series will incentivize quality HR personnel, who may progress along the career path.

Mr. Robinson said he wanted to commend DWS for its efforts in creating opportunities for people to advance within the Department.

Ms. Lee Loy asked about the student helpers on the Table of Organization, wondering who would supervise them.

The Deputy said the HR Manager would continue to supervise the student helpers.

Ms. Lee Loy asked if the student helpers would be able to get assigned to help with the Safety/CDL coordinator.

The Deputy said the intention is for Administration to provide support to all of the different divisions: Engineering, Finance and Operations, so student helpers, who are under Administration's supervision, are meant to assist the other divisions as needed.

Chairperson Taniguchi asked for confirmation that the positions shown in red on the revised Table of Organization will not necessarily be filled entirely.

The Deputy confirmed this.

Chairperson Taniguchi observed that the Department is just setting up a framework of how the Department should be organized.

The Manager-Chief Engineer confirmed that was correct.

Chairperson Taniguchi asked if the six additional positions that Mr. Sumada alluded to earlier were totally separate, and were budgeted for in FY2014.

The Deputy confirmed this.

Regarding the positions listed in red on the revised Table of Organization, Chairperson Taniguchi confirmed that when the Department wants to fill those positions the Department will come before the Board to request that they be budgeted for.

The Deputy confirmed this.

Mr. Sumada confirmed that the six positions he spoke of earlier were positions that the Department plans on filling, and those positions are in the FY2014 Budget.

Chairperson Taniguchi asked for confirmation that the positions in red on the revised Table of Organization have nothing to do with these six positions budgeted for by Mr. Sumada; the positions in red come to way more than six positions.

The Deputy confirmed that this was correct. Every year, the Department will come to the Board to request a Budget for the personnel that the Department wants to budget for.

Mr. Greenwell asked what the Department is doing to recruit qualified people out in the field (for example, in Operations), outside of Hilo.

The Manager-Chief Engineer said the Department is looking specifically at its electricians. He said that there is no training program at Hawai'i Community College for aspiring electricians. In the past, the Department was able to hire skilled electricians straight out of the plantations, whose expertise translated easily into what DWS does (i.e., pumps, deepwells, etc.) That is why the Department last year asked the Board to approve the creation of an apprenticeship program for DWS's electricians, as a way of attracting more qualified people in the field. It is a process that DWS continues to review; DWS is still having problems recruiting electricians.

Mr. Ikeda said that DWS was having problems recruiting BC-12 grade licensed electricians with expertise in electronics and sub-components, etc. Therefore, DWS downgraded the position to BC-10, so that more people with licenses (although lacking the necessary *experience*) could apply. Once the BC-10s get enough experience, they can be upgraded eventually to BC-12. The expectation is that DWS will be able to get more people for the BC-12 position.

Chairperson Taniguchi asked if this was a training program.

Mr. Ikeda confirmed this. He reiterated the difficulty that DWS is having in finding electricians with the kind of experience that was routine back in the days of the plantations.

Chairperson Taniguchi said that the Motion on the floor is to approve the new re-organizational chart – not to necessarily fill all of the positions listed in red.

ACTION: Motion carried unanimously by voice vote.

D. **AD HOC FINANCE COMMITTEE REPORT:**

Mr. Sumada reported that he had visited three banks in Honolulu (Bank of Hawai'i, First Hawaiian Bank and American Savings Bank) last week to observe their lock box operations. The intent was to observe the facilities, how transactions were processed, how the banks were handling the mail, what kind of technology was being used, etc. The aim was to see how the whole process worked and how it would affect DWS. The visit went really well, and Mr. Sumada reported that he is currently analyzing the different costs associated with the services from each of the banks, before he makes a decision on which bank will handle DWS's lock box transactions. Once the decision is made, Mr. Sumada plans to meet with DWS's billing software vendor to make any needed changes to DWS's billing statement, to work out electronic file transfers that need to be made, etc. At that point, DWS will be ready to test the whole process, he said. This will all take a few months, but the Department definitely plans to get it done this year, Mr. Sumada said.

Chairperson Taniguchi noted that one of the reasons that the Ad Hoc Committee was formed was to deal with cash handling issues, which were raised in the previous Legislative Audit. One of the suggestions was for DWS to go to a lock box system. He noted that originally, DWS had wanted to have Honolulu handle the Department's billing, but because Honolulu requires monthly billing, it was not feasible for DWS. Therefore, DWS is exploring other options. Meanwhile, the Department of Environmental Management's Waste Water Division is asking DWS to assist with their collections.

DWS needs to re-format its billing to enable it to go to a lock box system. Currently, the top of DWS's billing is torn off, but a machine scanner may misread the coding because the bottom of the billing is uneven. The idea would be to have the bottom be straight so that the machine can read the coding properly. DWS is also looking at billing vendors. The Chairperson noted that at last year's national conference there were only two billing vendors that handled DWS's level of billing.

Mr. Greenwell asked whether customers would be dropping off their DWS payments at the banks.

Mr. Sumada said no, only the mailed-in payments will be going directly to the banks.

Mr. Greenwell asked what happens to the customers that are currently paying at the counter at the Department.

The Manager-Chief Engineer said customers will still be able to do that.

Mr. Sumada said that would not change.

Chairperson Taniguchi said that what might change is at the remote locations (i.e., Kona, Ka'u and Waimea).

Mr. Sumada confirmed this.

Chairperson Taniguchi said that was something that Mr. Sumada is working to iron out. He noted that many companies have gone to strictly mailed-in payments only; their customers cannot pay over the counter unless it is at the main office. He said that it is a sensitive issue, because DWS cannot just cut everybody off all at once.

Mr. Greenwell said yes, it is a sensitive issue. He asked if the Department had any ideas about people who are paying at the counter, whether it is in the remote areas or in Hilo.

Chairperson Taniguchi said that Hilo is no problem; the issue would be the remote areas.

Mr. Sumada said that right now he is focused on the lock box and sewer billing. The issue of how to deal with customers wanting to pay their bills over the counter in remote areas will be dealt with later. He said that right now, the Department does not know how it wants to handle this issue.

Mr. Meierdiercks asked whether the bank DWS chooses to do the lock box would also take walk-in payments.

Mr. Sumada said no, the intention would be for the bank to just pick up payments that the customers mail in. All of the mailed-in payments that the bank picks up will be addressed specifically to a certain post office box. All other payments (i.e., walk-ins) will be handled the way they are now, he said.

The Manager-Chief Engineer said that the customer will not be aware which bank is handling DWS's lock box. If DWS were to start a program whereby customers could pay their bill at the banks, DWS would probably inform customers that they could pay at any bank. However, right now, there is no such plan, he added.

Mr. Meierdiercks said that allowing customers to pay their water bills at the bank would take the cash handling situation out of DWS's hands, and put the cash handling into a financial institution which is bonded and insured. It would be the bank's responsibility to make the payment to DWS. It would take a lot of pressure off of the Department as far as cash handling, especially in the remote areas. That may be a consideration, he added.

Chairperson Taniguchi, speaking as an employee of a bank, said that most banks have gotten away from taking bill payments such as property taxes, electric bills, etc. The fees for handling these manual transactions rose, and it got too expensive, and the companies/agencies opted out. Most larger companies are going to a lock box of some form or another, he said. He explained that a lock box simply means that a bank takes the mail and processes it as if it were processed by DWS. He noted that real property tax bills are now handled by somebody else, and the electronic payment information is fed to the Finance Department.

The Manager-Chief Engineer noted that the Secretary should strike out from next month's Agenda the words in this Item that say: "possible switching over to Oahu's billing system," because the switchover has been ruled out.

E. **ENERGY MANAGEMENT ANALYST UPDATE:**

Ms. Myhre, speaking about her quarterly report, noted that it includes calendar 2012 year-end information. On consumption, she noted that it fluctuates mainly with tourism levels and the state of the economy. Consumption fluctuations have been leveling off over the past year or so, she said. Fuel use in the Department in calendar 2012 was about 1,000 gallons less than the previous year. The big drop in fuel use between 2010 and 2011 was most likely due to furloughs, and the drop last year was also due to awareness of driving habits.

On hydro-generator output, DWS is on track, Ms. Myhre said. She noted that this report was for the fiscal year, not the calendar year. This shows how much electricity generated by the hydro-generators that HELCO bought from DWS. It also shows how much money DWS has taken in from its hydro-generators.

On Rider M discounts, DWS in calendar 2012 had lower discounts because there were several wells under repair in Kona. She explained that when a well goes down, DWS has to run other wells which are run on timers, which would normally shut the pumps down during peak hours (in order to get the Rider M discounts from HELCO). When the wells on the Rider M program have to run during peak times, DWS's discount is lower.

DWS is interviewing three offerors for the Lālāmilo Windfarm re-powering project, and Ms. Myhre was making a site visit with one of the offerors after today's meeting. DWS is monitoring for the endangered Hawaiian hoary bat, which occasionally visits the area. She planned to contact the U.S. Fish and Wildlife Service to make sure that DWS's monitoring coverage would be adequate. (DWS is six months into the one-year monitoring period.) DWS has started planning its public outreach campaign on the project. Various local organizations will be invited to a presentation regarding the Lālāmilo Windfarm, sometime late in March. In April, DWS will bring to the Board its recommendation regarding the offeror for the project, so that will be an Item on the April Agenda.

Mr. Robinson asked about the Power Purchase entry in the Budget, where the figure in 2014 goes up to \$23,600,000.00. He asked whether that was due to the change in the price of oil, or because of increased energy use. He asked whether the Department's energy conservation programs might have a substantial impact on the Power Purchase, to possibly reduce it.

Ms. Myhre said that when she put that Power Purchase number together, she assumed an increase in water consumption – which would mean more electricity cost, due to more pumping of water. She said she also assumed an increase in electricity rates by around 2 percent. Conservation, an ongoing practice, did not figure in the Budget per se.

Mr. Robinson said that with energy conservation measures that *work*, the Department would see a reduction in Power Purchase costs.

Ms. Myhre agreed.

Mr. Greenwell said he fully supports DWS's hydro-generator program, but he asked Mr. Ikeda whether DWS came out ahead with the electricity it is generating versus the cost of maintaining the hydro-generators. He also asked if there were any other places on the island where DWS might be able to install one or two more hydro-generators. He again asked if having the hydro-generators was more of a "feel good" thing, albeit the right thing to do.

Mr. Ikeda said that DWS does have a contract for regular periodic maintenance of the hydro-generators. DWS is looking at several other sites; the criteria would include sufficient pressure and close proximity with DWS facilities, so that the power can be used on-site.

The Manager-Chief Engineer said that DWS does not want to use its own funds for hydro-generator projects like this. Instead, the Department is always on the lookout for grants that would allow DWS to do such projects. He noted that the hydro-generators that DWS did were funded by grants; DWS does not use its own capital to fund such projects. As far as maintenance goes, DWS makes out with the amount of electricity that the hydro-generators can produce and sell to HELCO, he said.

Ms. Myhre said that maintenance costs come out way less than what DWS is making in electricity. The maintenance for the three hydro-generators comes to about \$10,000.00 a year. She noted that DWS uses all of the electricity generated by the Waimea hydro-generator, and the Department also gets a benefit from HELCO. DWS is in a positive position, she said.

The Manager-Chief Engineer said that there are a lot of power producers out there who are keen to build such systems for DWS, and the Department continues to talk with these power producers. DWS must of course go through the normal procurement process, etc. and work with the Department's attorneys, but there are always vendors out there who are willing to build systems to lower DWS's energy costs.

Chairperson Taniguchi asked why the 2012-2013 annual production was so low; he asked if that was for the whole year.

Ms. Myhre said no, it was the Fiscal Year, so the production number was only for six months. She noted that since the Palani Road well system went on-line, it has affected DWS's Hinalani transmission line, and the Kaloko hydro-generator has been tripping on- and off-line because of the fluctuating flows. DWS is in the process of tweaking the Hinalani Road system, and that is why the production is a little less than last year.

F. **MONTHLY PROGRESS REPORT:**

No discussion.

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

Chairperson Taniguchi asked about the atrazine settlement mentioned in the Financial Statements.

The Manager-Chief Engineer said that a while back, the Department had come before the Board to report that DWS would be participating in a class-action lawsuit regarding atrazine.

Mr. Inaba said that the lawsuit was against the manufacturer of atrazine, which was detected in water systems across the nation.

Chairperson Taniguchi asked whether atrazine was a chemical in the water.

The Manager-Chief Engineer said yes, the plantations used to use atrazine, a herbicide, on their fields. Some of the chemical leached into what are now DWS water systems. DWS detected atrazine in wells that were located in plantation systems; the levels of the chemical did not reach the maximum levels that the U.S. Environmental Protection Agency had established. Nevertheless, DWS was obliged to monitor for the chemical, and decided to join in the class-action lawsuit. The Department had expected only a minimum amount of settlement, but instead, DWS received checks amounting to nearly \$176,000.00.

Mr. Greenwell noted that this case happened on the Mainland 25 to 30 years ago, and wound up blowing up nationwide.

H. 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 said the system is complete. The contractor is still cleaning up the construction easements, including the construction right-of-entry with Queen Lili'uokalani Trust (QLT). The contractor will need to satisfy the items that QLT listed; most of those items have been taken care of. The contractor still needs to remove some unused pipe materials. The contractor removed the concrete and rock piles on-site, and the contractor did the site maintenance for the reservoir sites for DWS. Mr. Inaba is looking to do the final walk-through with QLT in the near future.
- 2) Kawailani Tank update – Mr. Inaba spoke with the contractor this morning; the contractor confirmed that he had not heard back from the manufacturer of the paint (lining) system that is on the interior of the tank. DWS submitted some photos to the manufacturer, who came up with their analysis of the situation and recommendation. However, Mr. Inaba wrote back to the contractor to say that DWS does not agree with the manufacturer – based on the physical evidence of blistering on the interior lining of the tank. The tank is full of water. The manufacturer said that *gases* appeared to be trapped behind the lining; their recommendation involved a paint system they have for the *exterior* of the tank. Mr. Inaba said no, it is clear that there is water behind all of the blisters. Mr. Inaba said that the manufacturer needs to look again at what the situation is; the contractor wrote to the manufacturer, forwarding Mr. Inaba's email to the contractor. The contractor did not hear back from the manufacturer, so he will try again to get a response. Mr. Inaba said he thinks that DWS will probably have to move forward on its own, to work with the Department's consultant to remedy the situation. Luckily, the tank walls appear to be holding the water, which is behind the lining; the water is not leaking out of the tank itself. Mr. Greenwell asked if there was any money left over on this project. Mr. Inaba said there was very little left. The Manager-Chief Engineer said the Department might have to come back to the Board for additional funds, because prices have risen. Mr. Inaba said he would keep trying to hear from the manufacturer this week. Ms. Lee Loy said the Board needs to put more pressure on the situation. Ms. Lee Loy said that in the year since she joined the Board, this issue has dragged on. Ms. Lee Loy suggested that Corporation Counsel write a letter putting the contractor on notice that the Board is serious about getting this issue fixed. The Board needs to find the solution. The Manager-Chief Engineer agreed entirely with Ms. Lee Loy, and said he appreciated her support in getting the issue resolved. He said it was high time that the Department pushed harder, and he said he would be working with Mr. Inaba and Ms. Garson to get something out to the contractor. Ms. Lee Loy said the Board should send a demand letter, or at least bring the contractor here to the Board to answer to the Board. Ms. Lee Loy said she believed that doing so would resonate a lot better than the current course of action, and it will help to get the situation remedied. The Manager-Chief Engineer thanked Ms. Lee Loy; such support from the Board helps the Department a lot. Chairperson Taniguchi agreed with Ms. Lee Loy; the Department needs to look at all options to get this situation remedied. He noted that this issue has been on the

Agenda since he himself joined the Board nearly five years ago. Chairperson Taniguchi asked the Department to bring this issue to an end.

- 3) Pu‘ukala/Kona Ocean View Properties Subdivision Improvement District Update – Handled earlier in the meeting.
- 4) Public Information and Education Specialist Update – DWS has been holding introductory meetings with new Councilpersons Dru Kanuha, Karen Eoff, Margaret Wille, Greggor Ilagan and Zendo Kern. Ms. Aton said DWS plans to hold a community meeting in Āhualoa, although no firm date has been set. DWS is doing educational efforts through a Source Water Protection grant from the Department of Health (DOH). Ms. Aton distributed copies of the quarterly Strategic and Business Plan update; she reported substantial progress on the tactics table. A majority of the tactics are either completed or ongoing. She cited progress in Human Resources, Information Technology (specifically on the DWS website, Geographic Information Systems, the speed of DWS’s technology and the section’s reorganization), as well as in Operations (specifically in systems improvements and energy management) and Finance (specifically in the migration of DWS’s billing software to a new server). Ms. Aton said that the next update will show changes in the Strategic Initiatives and Tactics table. Mr. Greenwell asked how things are going in Ocean View. Ms. Aton said there have been more complaints about unleashed dogs at the spigot facility; DWS has posted signage about the leash laws. Occasionally, questions are asked by the public regarding water quality, and DWS responds with information about its compliance and monitoring, etc. Regarding the Hawaiian Ocean View Estates audit by the Legislative Auditor, the Legislative Auditor’s Office has written DWS to confirm that they are reviewing the documents that DWS sent them. The Legislative Auditor wants to meet with DWS sometime soon, Ms. Aton said. There is no indication of a delay on the Legislative Auditor’s part, Ms. Aton said. The Legislative Auditor has projected the overall timeline for the audit at about six months. The situation in Ocean View seems to have calmed down, although there is the problem with the unleashed dogs; the Police Chief has heard about this issue, Ms. Aton said. The Manager-Chief Engineer said that the Department has heard unconfirmed reports that some of the water haulers who signed up for water service are in the process of obtaining their Public Utilities Commission (PUC) licenses; some of them are reportedly close to having their licenses. He considered that to be good, positive information in light of all that has happened.

I. CHAIRPERSON’S REPORT:

Chairperson Taniguchi noted that last year Mr. Kaneshiro had chaired the sub-committee on revising the Evaluation Form and establishing the evaluation process for the Manager-Chief Engineer. This is the first year that DWS will be going into the new evaluation process, the Chairperson said. Now that the process has been already put in place, Chairperson Taniguchi proposed appointing Mr. Kaneshiro to head a sub-committee to ensure that the evaluation process goes through smoothly. He asked whether a Motion was needed to set up the sub-committee.

Ms. Garson said that this should be put on the Agenda; the Board needs to specify what the sub-committee is going to do.

Chairperson Taniguchi said okay, it will be put on the next Agenda.

Ms. Garson said the Board will take one meeting to appoint the sub-committee, and the following meeting the sub-committee will do a report, and then there will be discussion (of the report). Therefore, the Item for the next month’s Agenda will be Discussion/Appointment of Sub-Committee for Implementing Manager-Chief Engineer’s Evaluation, she said.

Mr. Kaneshiro said that this year, the Manager-Chief Engineer needs to go through the process every quarter; a periodic review is needed to see how the evaluation is coming along, as far as the checklist items, the activities, and whether the Manager-Chief Engineer agrees with the evaluation and how far along the Department is with the evaluation.

Ms. Garson said she would work with the Board on how to do the Agenda Item. Ms. Garson asked to clarify a point that Chairperson Taniguchi had previously made, that the Board did not want to see an Item on the Agenda if it lacked the necessary accompanying documents for the Board to review in advance. She asked for some direction on this. Ms. Garson noted that under Sunshine Law, the Agenda needs to be posted six days prior to the Water Board meeting. The Secretary posts the Agenda on the Tuesday prior to the meeting, which is actually 7 days prior. The deadline for Agenda Items is the Friday before the posting, so it is about a week and a half prior to the Water Board meeting. Ms. Garson asked if that Friday before the posting could be the cut-off date for receiving all documents that the Board needs to see; failure to produce the documents will mean that that particular Item will not be agendized.

Chairperson Taniguchi said yes, he believed that would be fair to the Board members, so that documents are not sprung on the Board without time for review.

Ms. Garson said that there are people who want Items put on the Agenda, and who ask the Department to put the Item on the Agenda with the promise that the accompanying documents will come in *later*. In the most recent situation, DWS only got the relevant document on the Friday night before the Board meeting. That presented a problem for the Board, which never got to see the document.

The Manager-Chief Engineer said that the Department can come up with some criteria regarding how Items get on the Agenda. He said the Department would consult with the Chairperson regarding Items that come up, and to set criteria regarding what needs to happen before an Item goes on the Agenda.

Ms. Garson said that was why she was asking the Board for direction.

Chairperson Taniguchi said that would be fair to everybody, including the staff.

Mr. Uyeda suggested setting a cut-off date; if things are not in by that date, then the Item does not get on the Agenda.

Chairperson Taniguchi agreed; in such a case, the Item would go on the following Agenda. As it stands now, items without sufficient documents get deferred anyway, he noted.

Mr. Meierdiercks asked if a Motion to set a cut-off date was necessary, or to set it as a policy.

The Manager-Chief Engineer said no, the rules require that the Chairperson and the Manager-Chief Engineer prepare the Agenda Items; he said he believed that he and the Chairperson could work out a policy.

Ms. Lee Loy noted that it would be helpful for members of the public to see what is being discussed, since some members of the public may be preparing comments or statements on specific Agenda Items.

The Manager-Chief Engineer said that Sunshine Law mandates that Items need to be properly agendized.

Ms. Garson said that the Department has been trying to accommodate people's requests as they come in, but lately, it seems that these last-minute Items are to the detriment of the Board. That is why Ms. Garson was seeking the Board's direction, she said.

7) ANNOUNCEMENTS:

1. **Next Regular Meeting:**

The next meeting of the Water Board will be held at 10:00 a.m. on March 19, 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 April 23, 2013, at the Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

Chairperson Taniguchi acknowledged the presence of Councilmember Margaret Wille.

The Manager-Chief Engineer acknowledged the presence of Deputy County Clerk Maile David, who introduced Ms. Wendy Baez, a member of Councilmember Karen Eoff's staff.

10) ADJOURNMENT

Chairperson Taniguchi adjourned the meeting at 11:38 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.