

MINUTES

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

June 25, 2013

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

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

ABSENT:
Mr. Duane Kanuha, Director, Planning Department (ex-officio member)
Mr. Warren Lee, Director, Department of Public Works (ex-officio member)

OTHERS PRESENT: Ms. Kathy Garson, Assistant Corporation Counsel
Ms. Nancy Cook Lauer, West Hawai'i Today
Mr. Radford Hirai, United Public Workers (UPW)

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

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

2) STATEMENTS FROM THE PUBLIC

None.

3) APPROVAL OF MINUTES

The Chairperson entertained a Motion to approve the Minutes of the May 28, 2013, Water Board meeting.

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

4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA

The Chairperson called for a Motion to add Supplemental Agenda Items 8(A), MATERIAL BID NO. 2013-06, FURNISHING AND DELIVERING WATER METERS, BRASS GOODS, FIRE HYDRANTS, VALVES, CHLORINATORS, PUMPS, PIPES, FITTINGS, SCADA, MOTORS AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK, and 8(B), WATER HAULING BID NO. 2013-05, PRICE AGREEMENT TO PROVIDE WATER HAULING SERVICES TO VARIOUS LOCATIONS ISLAND-WIDE (ON AN AS-NEEDED BASIS) FOR THE DEPARTMENT OF WATER SUPPLY.

ACTION: Ms. Lee Loy moved to add the Supplemental Agenda Items to the Agenda; seconded by Mr. Robinson, and carried unanimously by voice vote.

5) SOUTH KOHALA:

A. JOB NO. 2013-992, LĀLĀMILO ELECTRICAL DISTRIBUTION AND EQUIPMENT MAINTENANCE:

Bids for this project **were to be** opened on June 6, 2013, at 2:00 p.m., but there were no qualified bidders.

The project will be re-bid at a later date.

The Manager-Chief Engineer said that because there were no bidders, the Department can either re-bid or pursue other procurement procedures. No action needs to be taken by the Board at this time, he added.

6) NORTH KOHALA:

A. JOB NO. 2013-991, HĀWĪ #2 BOOSTER B REPAIR:

This project generally consists of the replacement of the existing pump and motor; minor modifications to the suction can; and chlorination of the pumping assembly, in accordance with the plans and specifications.

Bids for this project were opened on June 6, 2013, at 2:30 p.m., and the following are the bid results:

Bidder	Bid Amount
Beylik Drilling and Pump Service, Inc.	\$69,500.00
Derrick’s Well Drilling and Pump Services, LLC	\$34,862.00

Project Costs:

1) Low Bidder (Derrick’s Well Drilling and Pump Services, LLC)	\$ 34,862.00
2) Contingencies (10%)	\$ 3,486.20
Total Cost:	<u>\$ 38,348.20</u>

Funding for this project will be from DWS’s CIP Budget. The contractor will have 120 calendar days to complete this project. The Engineering estimate for this project was \$36,000.00.

The Manager-Chief Engineer recommended that the Board award the contract for JOB NO. 2013-991, HĀWĪ #2 BOOSTER B REPAIR, to the lowest responsible bidder, Derrick’s Well Drilling and Pump Services, LLC, for their bid amount of \$34,862.00 plus \$3,486.20 for contingencies, for a total contract amount of **\$38,348.20**. 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. Perry moved to approve; seconded by Mr. Robinson.

Mr. Uyeda asked why the bids were so far apart. He asked if it was maybe due to the type of brand of materials that the contractors are using.

Mr. Ikeda said that the bid by Derrick's came pretty close to the Department's estimate, while Beylik was the low bidder.

Mr. Uyeda said okay, he was just asking.

The Manager-Chief Engineer said that this kind of disparity in bids occurs upon occasion, but the Department does not really delve into the reason why.

ACTION: Motion carried unanimously by voice vote.

7) NORTH KONA:

A. QUEEN KA'AHUMANU HIGHWAY WIDENING – PHASE 2 PROJECT UPDATE:

The State Department of Transportation, Highways Division (DOT) has submitted a letter requesting the participation by the Department of Water Supply (DWS) to fund an additional \$195,865.00 for the redesign of a portion of the Queen Ka'ahumanu Highway Widening – Phase 2 project by May 15, 2013, as well as an estimated amount of \$200,000.00 for added construction costs based on the redesign.

The letter reiterates the importance of meeting their deadline, so as to not affect the contract schedule any further. There is an existing Memorandum of Agreement (MOA) that was entered into between DWS and DOT in the amount of \$3,744,000.00, but this additional work is considered to be over and beyond that original scope, due to DOT's directive to re-align a portion of the highway to avoid archeological sites.

It is the Department's understanding that DWS's commitment to fund the redesign is needed, or else the proposed water system will be removed from the contract. The Department has been in discussion with DOT regarding this matter, and this matter is being placed on the Agenda for discussion and possible action.

Chairperson Taniguchi said this Item was for discussion purposes only; the Board may need to go into Executive Session.

The Manager-Chief Engineer noted that the Board has a copy of a letter sent to DWS by the DOT. The letter basically says that DOT is putting on the back burner a June 10 deadline for DWS to submit additional funding; this allows DWS to continue discussion with DOT's district engineers and the contractor, Goodfellow Brothers. Mr. Inaba, the Engineering Division head, is in serious discussions with Goodfellow, but it is premature to give details of those discussions, the Manager-Chief Engineer said. DWS will present those details when the negotiations get closer to a conclusion. At this point, DWS has not yet seen exact costs, etc., but hopefully the Department will have a report for the Board next month.

Ms. Iokepa-Moses asked with whom the Department is holding discussions.

The Manager-Chief Engineer said that DWS is discussing the matter with the State Highways engineers and also with Goodfellow, the contractor.

Ms. Iokepa-Moses suggested that DWS find out the condition of the pipes that were purchased, to see if they are still intact.

The Manager-Chief Engineer said that although this matter has not yet been raised in the discussions, it is an issue that will be discussed. DWS will need to inspect the integrity of the pipes that are stored at the bottom of the Kealakehe Parkway, before they are laid in the ground, he said.

Ms. Iokepa-Moses said that it would be good to make sure that DOT does not use the additional funds to replace pipes that are damaged while in storage.

The Manager-Chief Engineer agreed; the Department should not be charged for replacing those pipes. He thanked Ms. Iokepa-Moses for her comment.

Mr. Robinson asked whether the pipes are the property of DWS or the State.

The Manager-Chief Engineer said that at this point, the pipes are the property of the State.

Mr. Robinson noted that DWS gave the State \$3.447 million; the State bought the pipes and they are being held by the State in its inventory, awaiting installation.

The Manager-Chief Engineer confirmed this.

Mr. Robinson asked whether the water system will be given back to DWS after the project is finished.

The Manager-Chief Engineer said that there will be a document that transfers the installation to the Water Board, for operation and maintenance.

Mr. Greenwell asked if there is any indication of what the Department of Environmental Management (DEM) is doing vis a vis DOT's request for additional funds.

The Manager-Chief Engineer said DEM is waiting to see how DWS's discussions go with DOT. The last time that DWS spoke directly with DEM, DEM was basically sticking to its guns about not paying the additional amount, he said. He noted that DEM has its funding in place already; it does not have to go back to the County Council for additional funds; DEM's budget has sufficient funds to cover the additional funds. DWS, on the other hand, must come before the Water Board for any additional funds. While DEM has the budget for the additional funding, DEM is waiting to see what DWS does in its negotiations with DOT to bring the costs down. The Manager-Chief Engineer said that meanwhile, DWS is keeping the Mayor's Office in the loop regarding the negotiations.

Mr. Perry asked about Goodfellow's intention, as stated by the letter, to see whether their costs could be reduced.

The Manager-Chief Engineer said that was part of the ongoing negotiations that Mr. Inaba is conducting.

Mr. Robinson asked if the DOT has given any indication when the construction will start.

The Manager-Chief Engineer said that DOT keeps saying it will give their contractor notice to proceed, but has given no definite date. DOT has mentioned August, but there is nothing definite yet. Meanwhile there has been no response from the State legislators who were cc'ed into Chairperson Taniguchi's letter to DOT.

8) MISCELLANEOUS:

A. **MATERIAL BID NO. 2013-06, FURNISHING AND DELIVERING WATER METERS, BRASS GOODS, FIRE HYDRANTS, VALVES, CHLORINATORS, PUMPS, PIPES, FITTINGS, SCADA, MOTORS AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK:**

(The results for Item 59, Industrial Control Wiring, were deferred at the May 28, 2013, Water Board meeting.)

The Manager-Chief Engineer said the Department had deferred this one item, to see if the vendor would come into compliance with State procurement requirements. Apparently, the vendor has not come into compliance. Therefore, the Department will pursue alternate means of purchasing the item, he said. This Item today is for information only, and no action is called for, he said.

B. **WATER HAULING BID NO. 2013-05, PRICE AGREEMENT TO PROVIDE WATER HAULING SERVICES TO VARIOUS LOCATIONS ISLAND-WIDE (ON AN AS-NEEDED BASIS) FOR THE DEPARTMENT OF WATER SUPPLY:**

(This Item was deferred at the May 28, 2013, Water Board meeting.)

Bids were opened on May 16, 2013, at 2:30 p.m., and the following are the bid results:

1. **Carnor Sumida dba ACR Water Hauling**
4,000-, and 5,000-gallon water trucks (price for all districts):

Regular Hours	\$85.35/hr
Overtime Hours	\$97.09/hr

2. **Kea'au Service Station, Inc.**
4,200-, and 5,000-gallon water truck (price for all districts):

Regular Hours	\$129.42
Overtime Hours	\$145.41

6,000-gallon water truck (price for all districts):

Regular Hours	\$142.36
Overtime Hours	\$158.35

The Manager-Chief Engineer recommended that the Board approve the price agreement for WATER HAULING BID NO. 2013-05, PRICE AGREEMENT TO PROVIDE WATER HAULING SERVICES TO VARIOUS LOCATIONS ISLAND-WIDE (ON AN AS-NEEDED BASIS) FOR THE DEPARTMENT OF WATER SUPPLY at the prices listed above, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. The price agreement shall be from July 1, 2013 to June 30, 2015.

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

The Manager-Chief Engineer explained that these were bids for water hauling services on an as-needed basis; the low bidder, ACR Water Hauling, would get the first call if DWS needs water hauling services. If ACR is not available, Kea'au Service Station, Inc., the second bidder, will be called.

Chairperson Taniguchi asked where the water is hauled.

The Manager-Chief Engineer said the water is hauled wherever DWS needs it. The last time DWS hauled water was when the Kukuihaele water system went down. He noted that DWS did not haul

water when the Hawaiian Ocean View Estates system went down, because of a standing agreement with the County.

Mr. Ikeda said that the two water hauling services mentioned earlier would be the *second* option for DWS; the first option for water hauling is the Department of Public Works (DPW). In an emergency, DWS calls DPW first to see if they can borrow DPW's water trucks. If DPW's water trucks are not available, DWS will call the commercial vendors (ACR Water Hauling and Kea'au Service Station, Inc.), Mr. Ikeda said.

ACTION: Motion carried unanimously by voice vote.

C. **PROFESSIONAL SERVICES AGREEMENT FOR THE FURNISHING OF POTABLE WATER QUALITY TESTING (MICROBIOLOGICAL AND CHEMICAL):**

A new service contract for the Furnishing of Microbiological Potable Water Quality Testing and Chemical Potable Water Testing (on an as-needed basis) is necessary for Fiscal Year 2013-2014, beginning July 1, 2013. These services are budgeted under the Department's approved operating and maintenance budget.

Staff has completed procurement of professional services to provide potable water quality testing services (microbiological and chemical). A schedule of fees for the "as-needed" testing services will be negotiated with Eurofins Eaton Analytical, Inc. The fees shall not to exceed \$100,000 (per the approved budget) for Fiscal Year 2013-2014.

The Manager-Chief Engineer recommended that the Board award the new service contract for the Furnishing of Microbiological Potable Water Quality Testing and Chemical Potable Water Testing (on an as-needed basis) to Eurofins Eaton Analytical Inc., and that the Chairperson or the Vice-Chairperson be authorized to sign the document, subject to approval of Corporation Counsel.

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

The Manager-Chief Engineer explained that DWS must do a service contract for water testing, in accordance with Federal Environmental Protection Agency/State Department of Health (DOH) requirements. DWS needs to have such a contract in place so that DWS can do the water quality testing that is required.

Chairperson Taniguchi asked when DWS tests water quality.

The Manager-Chief Engineer explained that there is normal water testing (done in-house). Upon occasion, there is *additional* testing, which this vendor will do. If there is a problem with contamination in a system, such additional water sampling is done, on an as-needed basis.

Mr. Greenwell asked whether the water sampling done in-house has ever been questioned, and whether DWS ever needed to resort to a third-party vendor in such an event.

The Manager-Chief Engineer said DWS's Microlab is overseen by the State DOH; all water testing by the Microlab must be certified by the DOH. DOH certifies the Microlab to do certain types of testing; the Microlab is certified by DOH, he said.

ACTION: Motion carried unanimously by voice vote.

D. **AMENDMENT TO LEASE AGREEMENT WITH COUNTY OF HAWAI'I FOR WAI'AKEA OFFICE PLAZA OFFICE SPACE:**

The County is requesting that the obligation to pay rent and term of the lease agreement for the Waiākea Office Plaza be amended from commencing on July 1, 2013, to commencing on October 1, 2013.

The Manager-Chief Engineer recommended that the Board approve the County's request that the obligation to pay rent and term of the lease agreement for the Waiākea Office Plaza be amended from commencing on July 1, 2013, to commencing on October 1, 2013, and that the Chairperson or the Vice-Chairperson be authorized to sign the document, subject to approval of Corporation Counsel.

MOTION: Mr. Arikawa moved to approve; seconded by Ms. Iokepa-Moses.

The Manager-Chief Engineer explained that DPW is doing improvements to the building, and they ran into some problems which caused some delays. The original intention was to move into the space in July, but due to the delays, the County is asking for a time extension until October.

Ms. Lee Loy asked if DPW is certain that it can complete the improvements in time.

The Manager-Chief Engineer said that Mr. Inaba has been in contact with DPW's building coordinator, and the word is yes, they expect to complete the improvements on schedule. The building is pretty old, he noted, dating back to the 1960s.

Mr. Inaba said it was the 1970s.

The Manager-Chief Engineer said that the problem that caused the delays was the discovery of some asbestos, which DPW needed to remove. It proved to be not much of a concern, but DPW needed to make sure everything was asbestos-free.

ACTION: Motion carried unanimously by voice vote.

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

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

- Discussion of DWS's cash handling procedures and proposed changes.

Chairperson Taniguchi said that he and Mr. Sumada had met with a software vendor at the recent Denver conference; they are requesting more information from the vendor, who may be able to fit DWS's needs. In the meantime, the Chairperson and Mr. Sumada are doing their due diligence checks, and may have a report for the next Board meeting.

F. **ENERGY MANAGEMENT ANALYST UPDATE:**

Ms. Myhre said the Mayor's Energy Advisory Commission is being reactivated. This group, which discusses energy issues, includes people from the business community and various government departments. DWS is likely to participate in the Commission again, probably sometime in the next couple of weeks, she said.

Regarding the Lālāmilo Windfarm project, DWS is negotiating a Power Purchase Agreement (PPA) with the company that was awarded the project. Meanwhile, Ms. Myhre is evaluating the value of the windfarm property for the purposes of the State lease of the property.

The County is looking at doing a giant solar contract, to put photovoltaic (PV) panels on all of the County buildings. DWS is being encouraged by the County to participate, but DWS is not sure whether it wants to participate, because it would entail a third-party PPA. There would be issues associated with ownership of the PV system, involving equipment owned by a third party atop DWS's buildings.

Liability is among the issues that DWS is concerned with, Ms. Myhre said. Ms. Myhre said she is looking into the matter, but DWS in the meantime is unsure if it wants to join the County in the giant RFP for the solar project.

Ms. Myhre, who attended the recent AWWA conference in Denver, met with people from the National Renewable Energy Laboratory (NREL). DWS is trying to get the NREL people back to Hawai'i County to do a study on the connection between water pumping and energy use on the Big Island. This is because so much electricity is used here to pump water. The study would also involve the other water supply departments in the state, she said. Ms. Myhre noted that NREL did the feasibility study for the Lālāmilo Windfarm, funded by the federal Department of Energy.

Mr. Robinson asked whether the PPA that Ms. Myhre is negotiating regarding the Lālāmilo Windfarm would entail DWS selling power back to HELCO.

Ms. Myhre said that HELCO will not purchase any electricity from the windfarm, because HELCO says it cannot take any more wind electricity on the grid. Even if HELCO *could* buy more wind power, the Lālāmilo Windfarm would be last in line to sell power to HELCO, after all of the geothermal, wind power and hydro-generation companies. DWS will be the **only** purchaser of electricity from the Lālāmilo Windfarm.

Mr. Robinson thought he heard Ms. Myhre say “negotiating a Power Purchase Agreement with HELCO.”

Ms. Myhre said if she said that, she misspoke. DWS's negotiations are with the third party that is doing the Lālāmilo Windfarm.

Mr. Robinson asked where in the queue the Hāmākua Energy Partners plant in Honoka'a would be on selling power to HELCO.

Ms. Myhre said she thought they would probably be in the top five.

Mr. Robinson noted that they are a private source.

Chairperson Taniguchi asked for more information about the County's giant solar project.

Ms. Myhre said the solar panels would generate power for all of the County buildings. She noted that the PV system at the West Hawai'i Civic Center provides all of the complex's electricity, and also powers the fleet of electric cars on-site. The County building in Hilo that houses the Mayor's Office and other departments also has a PV array on its roof. Aside from a couple of County fire stations, no other County buildings have solar power yet. Ms. Myhre confirmed that this project would provide solar power for all County buildings. County Council member Margaret Wille put out a Resolution calling for all County buildings to have solar power.

Chairperson Taniguchi asked if having PV panels at the Department's well sites would greatly reduce DWS's power costs.

Ms. Myhre said she had looked into that, but discovered that it would take five acres of PV panels to power a 100-horsepower motor. DWS does not have the acreage, and DWS has big motors. It would be more efficient to use PV systems for lighting and smaller loads, she said. She said that wind power is cheaper and more efficient in terms of the land area needed to power the Department's pump motors.

Chairperson Taniguchi said he did not realize that it took five acres of PV panels to power up one well.

Ms. Myhre said it would take five acres of PV panels to power one *100-horsepower motor*.

The Manager-Chief Engineer said the power demand at the wells is really huge; the County's solar project would only be to power up County buildings. To do an RFP for all of the County would probably mean lower costs for a solar system.

Ms. Myhre said the fact that a third party would be involved is still an issue; DWS would not own the solar equipment.

Chairperson Taniguchi said the Department would not want to own that kind of equipment anyway.

The Manager-Chief Engineer said there would be maintenance costs, etc.

Chairperson Taniguchi said the concept was kind of interesting.

Ms. Myhre said that DWS is looking into it, but it is not a done deal yet. The initiative is just starting, she added.

G. **MONTHLY PROGRESS REPORT:**

Mr. Robinson asked about the Pi'ihonua 2.0 MG Reservoir No. 2 project, which the report lists as being 96.5 percent done.

Mr. Inaba said that the main task to be completed involves shoulder work in the County's right-of-way. The problem has been repeated erosion of the base course that the contractor has used; the Department is working on a solution to the problem, Mr. Inaba said. The system itself is in full operation.

The Manager-Chief Engineer said that he appreciated Mr. Robinson's question. The Department intends to scrutinize the Monthly Progress Report, and do whatever is necessary to tie up the loose ends of nearly-completed projects that have sat on the list for years.

Chairperson Taniguchi asked whether the Palani Road project is completely finished.

The Manager-Chief Engineer said that the Department is working with the bonding company to make sure all of the final payments can be made. All of the construction has been completed, so now all that remains is to finalize the project's paperwork, he said.

Chairperson Taniguchi asked if there have been any recent complaints from the community.

The Manager-Chief Engineer said that DWS has not heard any complaints regarding noise or other construction-related disturbances.

Mr. Inaba confirmed this, saying there have not been any complaints.

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

No discussion.

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

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

- 1) Kawailani Tank update – Mr. Inaba continues to work with the contractor to ensure that the necessary tasks are being done; the contractor is ripping out the lining of the tank by pressure washing. That job has taken longer than expected. Mr. Inaba said that the liner removal is expected to be done in about a week. Once the liner is removed, some remedial work will be done within the tank. After that is done, the contractor will finish up any remaining work on the outside of the tank, Mr. Inaba said. The Manager-Chief Engineer said DWS continues to work with the contractor regarding the additional costs involved in completing the project.

- 2) Pu‘ukala/Kona Ocean View Properties Subdivision Improvement District Update – The Manager-Chief Engineer said that DWS is still working with the bond counsel to get everything finalized on this project, with an anticipated start date sometime in November. The project will probably be completed next summer. Ms. Garson said the Bond Ordinance and the Assessment Ordinance need to go to the County Council, sometime in July or August. After that step, DWS will get the go-ahead to proceed with the Improvement District. Mr. Uyeda asked what the June 4 meeting was about. Ms. Garson said it was a Public Hearing about the Improvement District. Mr. Inaba said it was to present the final numbers to the public. The Deputy said it was to give the community a chance to provide comment as well.
- 3) Waikoloa Reservoir No. 1 Update – Mr. Inaba said that the State had returned DWS’s consultant’s plans with a few comments; the consultant still needs to address a few remaining issues. The big news is that the Federal Emergency Management Agency (FEMA) has approved the Department’s appeal of FEMA’s decision not to finance a substantial portion of this repair project. FEMA also approved DWS’s time extension request. Initially, FEMA was only going to fund around \$30,000.00. In the latest development, FEMA has agreed to reimburse DWS for an additional \$500,000.00-plus. The Manager-Chief Engineer noted for the benefit of new Board members that the Waikoloa Reservoir No. 1 repair project came in the aftermath of the 2006 earthquake. The earthquake damaged some of DWS’s reservoirs, and DWS needed to repair them. DWS was obliged to get a consultant to see what repairs were needed to these man-made reservoirs. DWS needed to ensure the reservoirs’ structural integrity, and to make sure that the repairs were done properly. That is why this is taking so long, he said. Repairs to Waikoloa Reservoir No. 2 were completed last year. Now the repairs to Waikoloa Reservoir No. 1 are being undertaken, and as Mr. Inaba mentioned, some of that repair cost will be reimbursed by FEMA. The Manager-Chief Engineer noted that after the Kaloko Dam incident on Kauai, DLNR has been strictly enforcing compliance with dam design requirements. He noted that DWS’s reservoirs are considered dams. Mr. Greenwell asked Mr. Inaba whether DWS is still waiting for the State’s approvals. Mr. Inaba said no, the plans are now with DWS’s consultant, who is addressing DLNR’s comments on the plans. Mr. Greenwell asked whether the consultant has to send the plans back to DLNR for *more* review, etc. Mr. Inaba said hopefully, the plans will be approved this time around. Mr. Greenwell said in that case, there is a way to go yet. Mr. Inaba said hopefully not; the State does take a little while, because they actually send the plans to a consultant for review. The Manager-Chief Engineer asked Mr. Inaba what kind of timeline DWS is looking at, as far as going out to bid, doing the repairs, and completing the project. Mr. Inaba said that once approval comes from the State, DWS should be able to go out to bid within a month; it will be probably two to three months before DWS gets the bids from the contractor. After that, it will be another couple of months until DWS has the Notice to Proceed. The Manager-Chief Engineer said that basically it will be late this year or early 2014 when construction will begin, and the construction period itself will be about a year. Mr. Inaba confirmed this, adding that DWS learned from the previous reservoir repairs that all of the repair materials, etc. need to be imported. Climate conditions and moisture content are important concerns when creating the embankment on the exterior of the reservoir, he noted. The Manager-Chief Engineer said that DLNR has required DWS to maintain the grass to a certain height on the reservoir embankment. As a result, DWS is executing a contract with a sheep farmer to graze his herds on the embankment. Mr. Inaba said that DWS is going to install a fence up there; this was one of the lessons learned after the Waikoloa Reservoir No. 2 repairs. DWS is mandated by DLNR to keep the grass between six and 12 inches high, so that DWS can visually inspect the slope for leaks from the reservoir. This presents major challenges from a maintenance standpoint; there are several acres and a steep slope involved. Cutting the grass by manual labor is not

- 4) Public Information and Education Specialist Update – Ms. Aton said that among the meetings she attended was one involving Kamehameha Schools (KS), and their new vision for the Keauhou area. Ms. Lee Loy asked whether KS’s new development plans for Keauhou involved a marked reduction in the density of their holdings there. The Manager-Chief Engineer said that DWS has heard that KS will be doing away with their development branch, Kamehameha Investment Corporation (KIC). DWS has a meeting in late July with KS and KIC regarding their development plans, so the Manager-Chief Engineer will update the Board at the August Water Board meeting regarding the KS/KIC plans. Ms. Lee Loy noted that in the past, KIC had come to the Board regarding the development of some of their wells. The Manager-Chief Engineer said that last year, KS had agreed to let DWS develop one of the wells that KS had drilled years ago above Māmalahoa Highway. DWS is still in the process of working with the design consultant, and hopefully that well will be put on-line into DWS’s system. Mr. Robinson noted that KS actually had three wells in that area; he asked whether KS had talked with DWS about the other two wells. The Manager-Chief Engineer said no, the other two wells have not been brought into the discussion so far, but hopefully that subject will be raised at the meeting in July with KS and KIC. It is not clear what KS/KIC intend to do with those two other wells, he said. Mr. Greenwell asked about the status of the Parker Ranch Well repairs; the conditions in Waimea are very dry, and the State well is running 24/7. The Manager-Chief Engineer said he was not clear on the status of the Parker Ranch Well repairs. He said that DWS did run the State well a few weeks ago, because conditions were getting dry. However, because it started raining again, DWS discontinued pumping the State well. The storage levels have reached a satisfactory point, and DWS is not running the Waimea well as much now. However, DWS continues to monitor the situation, the Manager-Chief Engineer said. Mr. Ikeda said that the Department went through the regular procurement process for the Parker Ranch Well repairs; it was not considered an emergency repair. The Manager-Chief Engineer said he would have more information for Mr. Greenwell on the Parker Ranch Well repairs. Mr. Robinson asked about the status of the tie-in for the (Wai‘aha) water systems that Mr. Dan Bolton was doing. Mr. Inaba confirmed that construction was underway.

J. CHAIRPERSON’S REPORT:

Chairperson Taniguchi noted that he and a few other Board members attended the recent AWWA national conference in Denver; he encouraged all Board members to attend such informative events. He asked the attendees of the Denver conference to submit their trip reports to the Private Secretary. He invited the attendees to share their impressions in the remaining minutes of this meeting.

Mr. Kaneshiro said there were two big recurring themes in Denver: aging water infrastructure (aging pipes, etc.) and aging water supply workers (i.e., the succession planning issue). The aging pipes will need to be replaced all over the nation, at a cost of many billions of dollars, he said. Meanwhile, not enough younger people are coming up to be ready to succeed the legions of aging water supply people, with their years of expertise. These are problems that DWS and the Water Board need to tackle in the Department’s Strategic Plan, Mr. Kaneshiro said. Regarding the conference itself, there were an overwhelming number of interesting exhibits to cover.

Mr. Greenwell said that the value of water was another recurring theme. The cost of water is going to go up. The Mayor of Aurora, Colorado, a city just outside of Denver, told the conference that water rates in

Aurora's city water system were \$5.76 per 1,000 gallons. With rising populations in the Western United States and with growing areas that are being serviced by water supplies, it does not necessarily follow that water supplies will draw more revenue, Mr. Greenwell said. However, water rates will continue to climb. In an aside, Mr. Greenwell said that he traveled after the conference to Phoenix, where he noticed that there were far fewer of the traditional desert-style "swamp coolers" (i.e., evaporative coolers) than in previous years – and far more air conditioning units. A friend who lives in Phoenix told Mr. Greenwell that with water rates rising all the time, people in 20 years' time will not be using "swamp coolers," which up to now have been far more economical to run than air conditioners. Mr. Greenwell said the population continues to grow in the West, but the supply of water is not keeping up.

The Manager-Chief Engineer, touching on Aurora's water rates, noted that he had heard of rates in *private* water systems that are nearly \$10 per 1,000 gallons.

Mr. Perry said he was struck by the fact that Hawai'i's use of electricity comprises a uniquely high percentage of the cost of water (i.e., power cost comprises about two-thirds of the cost of water here). He said that other localities represented at the conference barely talked about the cost of electricity; it was somewhere around 5 percent of the cost of water in other places. He said he really wanted to see DWS reduce its electricity costs because it is such a big expense for the Department. One program that Mr. Perry attended was about "salvaging" water that is not normally potable, from streams, etc. The water would not come from sewage treatment plants, but from practically anyplace else, he said. Southern California has huge water salvaging projects, costing billions of dollars. By contrast, DWS's issue is going to be getting Hilo/Puna water over to the West side of the island at some point in the future. He recommended that Board members attend such conferences, when they become "senior" Board members.

Chairperson Taniguchi mentioned the AWWA's "Buried No More" initiative. All over the United States are millions of miles of buried aging water pipes. One conference speaker said it would take about a trillion dollars to replace all of the aging water pipe infrastructure in the U.S., he said. On a different subject, the Chairperson noted that Aurora, Colorado boasts a two-year supply of snow runoff *every year*. The snow runoff from Mauna Kea might be worth capturing, he said.

The Manager-Chief Engineer said that Board members should not wait to be "senior" members before attending conferences. As soon as Board members come on board, they should be encouraged to attend conferences, which afford great learning opportunities that can enrich discussion at Board meetings. He said that Board members should get out to conferences as soon as they can.

9) ANNOUNCEMENTS:

1. **Next Regular Meeting:**

The next meeting of the Water Board will be held at 10:00 a.m. on July 23, 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 August 27, 2013, at the West Hawai'i Civic Center, Bldg. G, 74-5044 Ane Keohokalole Hwy, Kailua-Kona, HI.

10) ADJOURNMENT

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

Chairperson Taniguchi adjourned the meeting at 10:58 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.*