

**MINUTES**

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

November 25, 2014

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

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

ABSENT:

Ms. Brenda Iokepa-Moses, Water Board Member  
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, Deputy Corporation Counsel  
Mr. Jeff Zimpfer, National Parks Service  
Mr. Dan Bolton  
Mr. Bill Boswell  
Mr. Craig "Bo" Kahui  
Mr. John Winter

Department of Water Supply Staff

Mr. Keith Okamoto, Deputy  
Mr. Kurt Inaba, Engineering Division Head  
Mr. Daryl Ikeda, Chief of Operations  
Ms. Kanani Aton, Public Information and Education Specialist  
Ms. Candace Gray, Assistant Waterworks Controller

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- 1) CALL TO ORDER – Chairperson Kaneshiro called the meeting to order at 10:03 a.m.
  - 2) STATEMENTS FROM THE PUBLIC

*Mr. Craig "Bo" Kahui, representing La'i'Ōpua 2020 and The Villages of La'i'Ōpua Association, testified regarding the Keauhou Aquifer Designation.*

The following statements are verbatim.

MR. KAHUI: Maybe out of caution, is there a time limit? Not that I'm gonna take all day, but...about five minutes? I'll try to keep it brief. Mr. Chairman and members of the Water Board, I appreciate this opportunity to speak before you on the National Park's petition to designate the Keauhou Aquifer. At the outset, I represent La'i'Ōpua 2020 as the Executive Director, serving this

community to bring community facilities for social, educational, recreational, cultural practices here in our ahupua'a of Kealakehe. I also am a director of the Villages of La'i'Opua Master Association. That's the largest development in Kona...affordable housing development by the Department of Hawaiian Homes. In the end, there's a projection of 1,200 units that are gonna be built here. I also represent West Hawai'i Parks and Athletic Corporation. WEPAC was established for the creation of the new regional park. I founded the corporation...the 501(C) 3 corporation for the purpose of helping this County bring funding sources to build this park in our lifetime. This is 25 years too long, waiting for a regional park for our community. I think we can make that happen. I also serve on the Board of Directors for Habitat for Humanity, and we bring affordable housing to the general public, not to mention they just recently...we built six homes in our community for Hawaiians. So when you look at my participation in this community, I'm kinda spread thin. At the outset, we oppose the National Park's petition to designate the Keauhou Aquifer. First, it's gonna affect our Hawaiian Homes development. Currently, we have 119 units under construction as we speak...119 units. If those units don't come to fruition, then those that are on the waiting list have to wait longer. And as you might know, many of you know...our Hawaiians have been waiting for a long time to get into a home. This is an opportunity, where we can, again, you know, bring affordable housing to our community. We oppose the petition, because The Villages of La'i'Opua Master Association, along with La'i'Opua 2020, are bringing these community facilities to this region. It's not just serving Native Hawaiians. For example, we're currently building a medical clinic with West Hawai'i Medical Clinic, here in Kona. We're 50 percent through construction. We've brought \$22 million to this region, just on that project alone. I mean, we're doing what we're supposed to do. And that is, to bring these resources to our community. That is also jeopardized by this petition. We won \$1 million in grant-in-aid last year...well, \$950,000.00. We're waiting for the Governor to release those funds, so we can trigger a 20,000-square foot, or estimated 20,000-square foot community center, adjacent to the medical center. If we cannot get our water because of this designation, that project goes away, along with an estimated 20 more million dollars in funding. So it's not just about money. It's really about bringing resources to our community. West Hawai'i Parks and Athletic Corporation has been founded now almost two and a half years. We were able to get the County administration to earmark \$750,000.00 for design and planning, and for community outreach. We have hundreds of people come out from this community, to tell their story about what they wanted to see in this regional park...from a dog park, to a what-they-call-that? Frisbee Golf to...you name it, we have it. We're gonna have it over here. It is also under jeopardy under this petition, because it too needs a water meter. We need water for that. Potable, and again, non-potable water, with the reclamation of the Kealakehe Sewage Treatment Center. We do more than this; we're trying to be a partner with the County, and more recently, we are coming and bringing USDA dollars to the County, by way of retrofitting the water...the sewage treatment plant. The community can, with a compact between the County and USDA, bring 45 percent of that construction cost. But it, too, is under jeopardy under this petition. It does selfishly help us, if we can change sewage water to R-1, and use it for irrigation for the West Hawai'i parks, the regional park. Then, we save on potable water we could use elsewhere. And that's when we selfishly need water up in our community projects, in our community facilities. As we look around Kona, we see a lotta things going on...most of which has been driven, really, by a core group of leaders in this community, you know. And that's because we have a passion for where we live, and what is it about...what we do in Kona, is different from Kalihi, where I come from? And if we urbanize this area, as may be the case by the National Parks, to say, "Oh, we're gon' create this urban area, and we're gonna use up all the water, and we're gonna affect the Aquifer, and therefore should not allow... Therefore, the Commission on Water Resource Management should approve the petition. I argue quite the opposite. There's no science; I've read all of the articles. I've done my homework. And I stand here before you to support this Board's decision to oppose the National Park's petition related to the Keauhou Aquifer. It's not wrong. What they're doing is not wrong. I get it. I get what they wanna do. But we have a law for that. CWRM, or the Commission on Water Resource

Management, has its fiduciary duty to the State and us, the public. The Keauhou Aquifer, or any area, is triggered by State law...when the sustainable yield reaches a certain amount. They have a mechanism already in place. To trump this now by the National Park's petition, I think, is wrong. We should follow the law. It was created for the protection of our water...not for the preservation, or the special interests, of one small, little group. And to wield their Federal muscle like this is wrong...just like U.S. Fish and Wildlife did with us, and took our resources away from our homesteaders...in the amount of \$3 million and 30 acres. You know how much this 30 acres here in value...over here in Kona?! That's big money, a big chunk of change...you can leverage for housing development. How's about another \$3 million over 20 years for a program that's gonna *maybe* help plant...maybe not? Where's our people? They're still waiting to get in homes. That's the fallacy about all of this. So I argue strenuously for our members, that we are in opposition of this Aquifer petition by the National Parks, and absolutely in support of the Water Board's decision to oppose same. Thank you. Any questions? Mahalo.

MR. ROBINSON: Could I, Mr. Kahui?

MR. KAHUI: Yeah.

MR. ROBINSON: I wish I had recorded that, because what you said is so spot on. It's just perfect. And this Spirit of Kaloko-Honokōhau...they have an Advisory Group that's formed, and none of the groups that you mentioned as, you know, you're working with, is even listed in there as participating in that. It seems that the Advisory Group comes from...and admittedly, was back in 1972... Now that the community has changed, it doesn't include any updates for any new members of the community.

MR. KAHUI: Uh, that's correct.

CHAIRPERSON KANESHIRO: When we have Statements from the Public, we don't have any...

MR. ROBINSON: Oh, sorry.

CHAIRPERSON KANESHIRO: Comments. You just make a Statement.

MR. ROBINSON: Okay, I'm sorry.

CHAIRPERSON KANESHIRO: I'm sorry; if you wanna talk with the Board, please put yourself on the Agenda.

MR. KAHUI: I appreciate that. Thank you. I apologize. Thank you.

MR. ROBINSON: I couldn't resist...

CHAIRPERSON KANESHIRO: Okay, next, I'd like to call Mr. Jeff Zimpfer on the NPS petition for Kaloko-Honokōhau.

*Mr. Jeff Zimpfer of the National Park Service testified regarding the NPS Petition for the Water Management Area.*

MR. ZIMPFER: Aloha Chairman Kaneshiro and members of the Board. My name is Jeff Zimpfer, and I am an Environmental Protection Specialist for Kaloko-Honokōhau Historical Park. On December 10<sup>th</sup>, the members of the Commission on Water Resource Management will provide

direction regarding next steps in the petition process. The National Park Service would like to reiterate that we are willing to continue discussions on ways we can work together so that both the water needs of the residents of West Hawai'i can be met, and the park's natural and cultural resources, and ecosystems are preserved for the enjoyment of future generations.

3) APPROVAL OF MINUTES

The Chairperson entertained a Motion to approve the Minutes of the October 28, 2014, Water Board meeting.

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

The Chairperson entertained a Motion to approve the Minutes of the November 13, 2014, Special Board Meeting.

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

4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA

None.

5) PUNA:

**A. JOB NO. 2013-996, PĀHOA DEEPWELL A REPAIR:**

The Manager-Chief Engineer reported that there were no bidders when the bids were to be opened on November 20, 2014, at 2:00 p.m. He said that DWS will be re-advertising for a re-bid; he was not sure why there were no bidders. He said that bids for the re-bid will be opened in early December.

The Secretary said that the re-bid date is December 11.

The Manager-Chief Engineer confirmed this.

Mr. Greenwell asked if there was an estimate for the project.

Mr. Ikeda said the estimate was less than \$100,000.00.

The Manager-Chief Engineer confirmed this, and said that DWS had intended to put the project out to bid earlier, but because of the lava flow, the Department put Pāhoa Well B online first. The intent now is to put Pāhoa Well A back online as well, in case the lava flow overruns DWS's system or separates the system. Having Well B back online would make that water available.

Mr. Greenwell asked how long the contract was for.

Mr. Ikeda said DWS was asking for 180 days. He explained that the pumps, etc., need to be manufactured on the Mainland; they are not available off-the-shelf.

The Manager-Chief Engineer said he understood that there may be a concern about the number of days. The last project involving 360 days may have made the Department gun-shy, but the staff

is watchful of the number of days that these projects take. He noted that deepwell projects take time mainly because pumps and motors, etc. need to be built; they are not off-the-shelf items.

Mr. Uyeda asked how long this well has been offline, and he asked how many wells provide water for this system.

The Manager-Chief Engineer said that it has been at least a couple of years that Well A has been offline, as had the recently-repaired Well B. DWS has four wells that can provide water to the system, he said. Two wells are located at Keonepoko; DWS is able to pump those wells into the reservoir that the Pāhoa wells pump into. Thanks to the two Keonepoko wells, DWS had been able to defer repairs on Wells A and B, he said. However, due to the lava flow, DWS needs both Pāhoa wells online, in case the system is separated by lava.

Chairperson Kaneshiro asked if there could be any problems in providing the water to the people of Pāhoa, in the event that Well B is not completed.

The Manager-Chief Engineer said that as long as DWS has at least Well B online and nothing happens to that well, things should be okay. That is why DWS is going through the regular procurement process, instead of resorting to emergency procurement. He noted that DWS did go through emergency procurement for Well B, the first of the two Pāhoa wells to be repaired. With Well B online, DWS should be good to go, he said.

6) NORTH KOHALA:

A. NORTH KOHALA WATER DISCUSSION:

Mr. John Winter, representing the Water, Parks and Roads Subcommittee of the North Kohala Community Development Plan Action Committee, gave information on the paper that the Action Committee had produced, which was distributed in the Board packets. He noted that he was not appearing before the Board to complain or to make a request. The paper entitled “Water Supply in North Kohala” is providing the basis for negotiations between Mr. Winter’s Subcommittee and DWS. He said that those negotiations are going well, and today’s presentation is aimed at apprising the Water Board of these activities. To summarize the paper, Mr. Winter said that the paper ends with four requests that his Subcommittee is negotiating with DWS.

One of the requests is for DWS to add more wells, and connect the wells for redundancy. Mr. Winter noted that a couple of years ago, the main water pump for the wells in North Kohala failed, followed soon after by the failure of the only back-up water pump. This cut Kohala off from public water. Putting in redundancy is something that DWS wants to do, and DWS is working on that right now with the Hala‘ula Well, which would be connected into the grid, he said. There is also the Kealahewa Well, which is a functioning, albeit unpermitted, well; this would be good to connect up also, Mr. Winter said. There is a problem with the Hala‘ula Well, regarding the gap between the owner’s appraisal and DWS’s estimated appraisal price. That matter is under negotiation, and it could be a year before the parties come to terms, and another two years before the well is completed. Mr. Winter said the situation is a bit tenuous, so his Subcommittee is trying to expedite the negotiations as best it can.

The second request is to initiate a program to upgrade the aging delivery system as soon as possible, Mr. Winter said, noting the plethora of aging infrastructure dating back to plantation days. There is a lot of repair work underway in North Kohala, with one road having its water pipes repaired four or five times in just the past year. The Subcommittee would like to expedite

this, he said. He asked whether funding for infrastructure like this is available in DWS's CIP Budget.

The Manager-Chief Engineer said that DWS has a certain amount of funds in its CIP Budget for pipeline repairs; he was not sure if there was anything specifically earmarked for North Kohala. If DWS has to do some emergency repairs or the like, DWS has funds available. He cited the Department's storage reservoir in Ka'auhuhu, whose roof collapsed. To mitigate that, DWS built a smaller, temporary storage reservoir; DWS is still working to replace the roofing on the larger reservoir in Ka'auhuhu.

Mr. Winter said his question actually was whether those Capital Improvement funds come out of the DWS Budget, or whether the funds can come from other public funds as well.

The Manager-Chief Engineer said that DWS may receive State funds on occasion, or USDA loan/grant funds; DWS receives hardly any County funds. He noted that there are some Federal programs that may have funds available to DWS in the near future.

Mr. Winter said that he asked that because the Action Committee, which he chairs, at its last meeting prioritized the capital improvement projects that the Committee was submitting to the County. Repair of infrastructure was one of the two top priorities, he said. He just wanted to make sure that it was okay to put in for such funding.

The third item among the Subcommittee's requests was with regard to the moratorium on new water meters in North Kohala; his Subcommittee gets a lot of heat about that as the Subcommittee tries to serve the will of the public of Kohala, Mr. Winter said. He said that the Subcommittee understands that the water meter availability largely depends on the new wells and the redundancy which is getting connected in. The problem of aging pipes might also figure in, and cited the inability to get sufficient water to places whose population is growing right now. The Subcommittee wanted that to be on the table in the negotiations with DWS.

The fourth and final request, regarding agricultural water in the Kohala Ditch, really does not have much to do with the Water Board, Mr. Winter said. The Subcommittee wanted to explore creative ways of distributing that ag (i.e., non-potable) water, instead of having the growing agricultural community in Kohala using potable water from DWS. The ag water is at a high elevation, and the Subcommittee is seeking ways to distribute it. He reiterated that his appearance today was just to apprise the Water Board of what is going on in North Kohala.

Mr. Greenwell said that Messrs. Inaba and Okamoto (the Deputy) are aware of the Beers Road situation, and that project is on the replacement schedule, and so that is moving forward. He went on to clarify that there are in fact two Hala'ula Wells, one dating back from the plantation days, and the newer one, which is the one Mr. Winter referred to earlier. That well is the higher-level domestic-use well, Mr. Greenwell said. He said that the Kealahewa Well, which Mr. Bill Shontell of Surety Kohala Corporation brought to the Board's attention as a possible water source earlier this year, has strings attached, with regard to obtaining that property.

Mr. Winter thanked Mr. Greenwell, and said that his Action Committee understood that there were problems. His group was just trying to advocate for the Kohala community in order to get things going. He said that his group believed that problems are surmountable, and they have hope.

Ms. Lee Loy asked Mr. Winter when the Kohala CDP was approved.

Mr. Winter said he believed that it was in 2001 or 2003; the information was on the web.

Ms. Lee Loy raised the question of the CDP's funding mechanism. She said that Mr. Winter lives in a very tight-knit community, and suggested that the Action Committee look at making it an Improvement District, where there could be other contributions, rather than just relying on DWS for funding. She said she shared that because funding is where the heartburn always happens; communities have great plans, but the funding mechanism is what holds them back. Ms. Lee Loy also suggested that the Action Committee, as one of its goals, keep the information on the CDP current. DWS is in the process of updating the County's Water Use and Development Plan (WUDP), and it needs current information from CDPs and other sources to make correct assumptions.

Mr. Winter thanked Ms. Lee Loy for her suggestions. He said that his Action Committee tries to be as current as possible; he noted that the Action Committee relies on whatever publications are available to keep current. He said the Action Committee has been talking with the Rural Water Association regarding low-interest grants, and has been trying to find creative funding mechanisms. One way to do that is to add it to the user's bill, Mr. Winter said.

Mr. Robinson complimented Mr. Winter on the paper that Mr. Winter wrote.

Chairperson Kaneshiro, touching on the subject of agricultural water, suggested that Mr. Winter contact Mr. Matthew Wong, in the Waimea Field Office of the Natural Resources Conservation Service of the USDA. He gave the phone number: 885-6602. Mr. Wong may be able to assist on the agricultural water issue, Chairperson Kaneshiro said.

The Manager-Chief Engineer said that DWS works closely with the various CDP Action Committees through the Planning Department. DWS provides comment on some of the things involving CDPs. He said he appreciated Ms. Lee Loy's mention of the updates to the WUDP that its consultants are doing, using some of the information provided in the CDPs.

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. DEDICATION DEED**

(Water Tank – South Makai)  
Grantor: Waiaha System, LLC  
Tax Map Key: (3) 7-5-017: 030

**2. GRANT OF EASEMENT AND BILL OF SALE**

Grantor/Seller: Waiaha System, LLC  
Tax Map Keys: (3) 7-5-017: 40 (Lot B); 7-5-017: 041 (Lot C); 7-5-017: 042 (Lot D)  
and 7-5-017: 043 (Lot E)

**3. ASSIGNMENT OF GRANT OF EASEMENT**

(Waiaha Systems, LLC, South Makai Leg)  
Assignor: Waiaha System, LLC

Tax Map Key: (3) 7-5-017: 040; 7-5-017: 042; 7-5-017: 043

**4. DEDICATION DEED**

(Water Tank)

Grantor: Waiaha System, LLC

Tax Map Key: (3) 7-5-016: 089 (Lot 5-B)

**5. GRANT OF EASEMENT AND BILL OF SALE**

Grantor/Seller: Waiaha System, LLC

Tax Map Keys: (3) 7-5-016:015; 7-5-016:016; 7-5-016:017; 7-5-016:029; 7-5-016:088; 7-5-016:089; 7-5-016:090; 7-5-016:091; 7-5-016:092; 7-5-016:093; 7-5-016:094; and 7-5-016:095

**6. GRANT OF EASEMENT AND BILL OF SALE**

Grantor/Seller: Fred Arnold Bolton and Barbara Frances Bolton

Tax Map Key: (3) 7-5-016: 087

Final Inspection Date: *TBA*

Water System Cost: \$ *TBA*

**7. GRANT OF EASEMENT AND BILL OF SALE**

Grantor/Seller: Waiaha System, LLC

Tax Map Key: (3) 7-5-016: 102 (Lot 2H)

**8. GRANT OF EASEMENT AND BILL OF SALE**

Grantor/Seller: Waiaha System, LLC

Tax Map Key: (3) 7-5-016: 103 (Lot 2J)

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

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

Mr. Uyeda asked for confirmation that the grantee in all of these designations is the Water Board.

Ms. Garson confirmed this.

Mr. Uyeda asked whether these documents need to carry any language whereby the grantee is self-insured.

Ms. Garson said that it is the County's standard practice to be self-insured.

Mr. Uyeda asked whether there was any indemnification.

Ms. Garson said that is not in the forms.

Mr. Greenwell, noting all of these new items coming into the Department's inventory, asked what happens to old inventory that needs to be taken out, sold or given back to the original owner. He asked what the procedure was.

The Manager-Chief Engineer said that when DWS needs to give back easements, etc., the Department comes back to the Board to extinguish those easements. Turning to the dedications at

hand in today's meeting, he noted that this Waiaha LLC project is involved in recent agreements with Kohanaiki and Palamanui, etc. The dedications signal the completion of the project, whereby DWS will soon bringing higher-level water from Māmalahoa Highway, down to DWS's Queen Ka'ahumanu System. The Manager-Chief Engineer noted that Mr. Dan Bolton was in the audience, in case the Board had any questions regarding the project.

Mr. Robinson asked whether the easements were exclusive or non-exclusive.

Ms. Garson said they are non-exclusive.

Mr. Robinson asked if there were any provisions in case DWS has to relocate an easement.

Ms. Garson said that she did not recall any such provisions; these dedications are typical of everything that comes before the Board every month. The form is the same form, and all of the dedications go through DWS's inspection process.

ACTION: Motion carried unanimously by voice vote.

**B. DEPARTMENT OF WATER SUPPLY RESPONSE TO NATIONAL PARKS SERVICE'S PETITION TO DESIGNATE KEAUHOU AQUIFER AS A GROUND WATER MANAGEMENT AREA:**

Ms. Lee Loy reported that she had attended the November 19, 2014, CWRM meeting in Honolulu, which included a presentation to CWRM of DWS's Water Use and Development Plan (WUDP) numbers by consultant Mr. Jon Nishimura of Fukunaga & Associates. Mr. Inaba, the Deputy and the Manager-Chief Engineer did an excellent job with their presentations, conveying technical information in an easily-digestible manner. She said that members of boards and commissions are just like her: they are people who do not know everything about everything. It is really important to communicate good information to the Commissioners so that they can make good decisions, Ms. Lee Loy said. The County Planning Director, Mr. Duane Kanuha, was there to give information on long-range development in the Kona area. After that, Mr. Nishimura did his presentation regarding the sustainable yield numbers, etc. Ms. Lee Loy observed that some of the Commissioners' questions were pretty spot on, but some questions strayed from the criteria for designation. She said that the Board, as it goes forward, has an opportunity in its response letter to reel the Commissioners in, and to focus the Commissioners on what the criteria for designation are. The Water Board needs to gently remind CWRM that the criteria for designation are outlined in the Water Code. The Board's response letter will become the fundamental blueprint for how the Commissioners make their decision, Ms. Lee Loy said.

Ms. Lee Loy noted that Messrs. Greenwell and Robinson were there at the meeting, along with the Deputy, the Manager-Chief Engineer, Mr. Inaba and Ms. Aton.

The Manager-Chief Engineer said he appreciated that the Board members were attending all of these meetings. He noted that there was a long wait from 11:00 a.m. to 1:00 p.m. on November 19, when DWS finally got to plead its case to CWRM. He said it was important to drive home to CWRM what DWS's responsibilities are. He said that the Commissioners are laypeople like the Water Board, with the exception of the DLNR Director and the Department of Health (DOH) Director. (He noted that the DOH Director did not attend the November 19 CWRM meeting.) The Manager-Chief Engineer thanked the Deputy and Mr. Inaba for working diligently to present the necessary information to CWRM, and thanked DWS's attorneys for being present to help with the presentation. He noted that CWRM has scheduled the December

10 decision-making meeting in Kona. He expected that the meeting would run long, and would probably well into the afternoon. The Manager-Chief Engineer said he anticipated a big showing from the public, as well as from County agencies including Planning and hopefully, the Mayor's Office.

Mr. Robinson said he envied Ms. Lee Loy's tactful style of presentation. Attending the CWRM meeting was a good opportunity to get insight, through the kinds of questions the Commissioners asked. There were few questions about the scientific findings; he had expected more questions about the science. Most of the questions were about other things. He praised the Planning Director for being spot on in his presentation about the Kona CDP, in which Mr. Kanuha gave details on how the CDP is intended to be part of the General Plan, on how long the process had taken, on how many groups had participated, etc. He also praised the DWS presenters and Mr. Nishimura.

Mr. Robinson said that the only thing he was disappointed in was the last-minute communication from NPS today, in which NPS attested that they really want to negotiate. Mr. Robinson said that was an affront after everything that DWS and the Water Board has been through, and after all of the time that has been wasted. Mr. Robinson said that this whole affair could have been handled far better, and it was an affront for NPS to come in at the proverbial 13<sup>th</sup> inning, and throw something like this at the Board. He said it was a ploy that was merely intended to allow NPS to be able to say that they had offered to negotiate. This was an affront, he said. NPS could have made the offer much earlier, and in a much better manner, Mr. Robinson said.

Ms. Lee Loy asked to allow Mr. Kahui to come back up to speak to the Board.

Ms. Garson said that it was okay to have a dialogue with Mr. Kahui at this point in the meeting.

Ms. Lee Loy said she had a few questions to ask Mr. Kahui, noting that she herself is a beneficiary of a Native Hawaiian Trust. She asked whether the community center that Mr. Kahui mentioned earlier was part of the larger, long-range plans for La'i'Ōpua, or if it was a larger community plan.

Mr. Kahui said that La'i'Ōpua 2020's mission is to bring these community facilities to the broader region. They will include a medical and dental center, a community center, an aquatic center/gymnasium, an inter-generational daycare center and a social services center in compact with the State's Child and Family Services agency. These initiatives were bridged with a number of stakeholders in the region, Mr. Kahui said. He cited the Kona Dove Day Care Center in Kealakekua, which operates just at the fringe of its Federal allowance. It can barely service the Kealakehe community because it can only provide service within its perimeter of 19 miles. Federal guidelines bar seniors from sitting on a bus or in a caravan for any length of time, so now La'i'Ōpua is looking to create its own inter-generational day care facility for seniors and keiki. As in most cultures and traditions, Hawaiian tradition has kupuna and keiki together; they share a common, innocent bond between each other, and they flourish, Mr. Kahui said. La'i'Ōpua hopes to instill that tradition in this new inter-generational day care program; this is different from conventional day care today, he said. The facility will be on a 26-acre parcel, on a DHHL lease. Just adjacent to that parcel is 26-acre commercial center, which is part of La'i'Ōpua's economic engine to generate revenues to support the social services side. La'i'Ōpua is looking to sustain its programs, projects and community services, by seeking ways to generate income, such as via the commercial center. La'i'Ōpua 2020 has only six years left to bring those services and programs together, Mr. Kahui said. Right now, the programs are a bit fractured. Mr. Kahui said he sat on the Kona CDP board for four years, and La'i'Ōpua 2020 was really engaged in the CDP process.

If one looks at the land use map of the area, the whole Kealakehe ahupua‘a and the Keahuolū ahupua‘a are now designated as the new urban core of Kona. Mr. Kahui has urged his colleagues not to create another Kalihi, where urban housing is built with none of the social, recreational or cultural infrastructure that ensures a degree of quality of life that everyone can share. Mr. Kahui said that he wants to do the responsible thing for the community. To make these projects work, La‘i‘Ōpua was able to secure New Market Tax Credits, which are accorded to qualifying new affordable development areas. Certain criteria must be met, and Hawaiian Home Lands was the only qualifying area in the entire region, Mr. Kahui said.

Mr. Kahui, changing the subject, said that he attended a DHHL Commission meeting last week. He noted that DHHL has a constitutional right to reserve water, under its reservation rights. He said that DHHL has been mulling whether or not to support the NPS petition. He said that on numerous occasions at DHHL Commission hearings, he had asked the DHHL Commissioners to either oppose the petition, or stand silent on the matter. He told them that the Commissioners should look at who among the Hawaiian Homestead community is geographically affected by the proposed designation. In this particular matter, it is not the State reservation right that is at stake; it is the Keauhou Aquifer. It does not affect the other land owners or Homesteaders across the State. Therefore, Mr. Kahui and his colleagues are asking the Commissioners to stand silent on this particular matter, or oppose it. He told the Commissioners to let the process take its course. He found it disturbing that the DHHL Administration had asked the DHHL Commissioners to extend the Commission’s authority **to the Chairperson** of the DHHL Administration. Mr. Kahui and his colleagues opposed that, because it left the door open for the Chairperson to negotiate; the word “negotiate”, to Mr. Kahui, was troublesome. It was not clear with whom, and about what, the Chairperson would negotiate. It was ambiguous and open-ended, and there were no real criteria behind the authority that the Chairperson was seeking; it would have left things wide open, Mr. Kahui said. He said he mentioned this because the opposition to the petition is getting hit from all kinds of angles.

Mr. Greenwell asked Mr. Kahui to give details about the R-1 water, i.e., where the R-1 water is going to go, how far it is going to go, etc.

Mr. Kahui gave some historical background about the R-1 water. About 30 years ago, the County worked out a deal with the State and Kealakehe Associates, a Japanese entity, to develop the golf course there. The Japanese entity paid their dues to the tune of some \$20 million, but the venture went kaput. Legislation required that the golf course use reuse water from the sewage treatment facility. About four years ago, just after then-Gov. Abercrombie took office, La‘i‘Ōpua went through the community process of re-planning Maka‘eo Park. When the new park was being developed through a three-day charette, Mr. Kahui said he felt personally affronted because the planners were taking all of the open space. This park was to have been a place reserved for the community and their families. Mr. Kahui said he drew up a petition, and got a lot of people on board to turn the golf course into a regional park. That is how the regional park got started. Legislation was passed, and an Executive Order was approved to convert the golf course into a regional park, which included the transfer of all of that R-1 water which was to have come from the sewage treatment facility. The park cannot be built without this R-1 water, Mr. Kahui said. The push, then, was to make the R-1 water happen. The Department of Environmental Management (DEM) has already been moving on a plan to retrofit the facility, and La‘i‘Ōpua went to the USDA for a grant as a community initiative to move the project along. La‘i‘Ōpua brought 45 percent of the cost of the project to the County; Mr. Kahui said he met with the Mayor last Friday, and the County said they want to do this project. La‘i‘Ōpua now needs to work with USDA to see if they want to do the project; on a compact, the project will happen, Mr. Kahui said. The R-1 water will now be dedicated to the regional park, and not to the golf course. He

noted that the R-1 water consists of more than a million gallons a day that is being dumped into an injection well. He said he is not an engineer, and does not understand how it works, but the whole thing takes some politics and ingenuity to get it going. He said that the cost for the first phase of the project is \$14 million; of that \$14 million, Mr. Kahui's group can bring \$6 million to the project. This would reduce the County's bond debt, and allow those funds to be used somewhere else, Mr. Kahui said. It will cost another \$18-20 million to do the retrofit for the R-1 water, and again, Mr. Kahui's group will bring in 45 percent of that cost, i.e., about \$9-10 million. Mr. Kahui noted that his group was fortunate to have recruited the former USDA program director to join the team. This person quit USDA to join the team; he had been La'i'Ōpua's consultant for a couple of years, and was eager to bring more projects online. Mr. Kahui noted that the new team member had done the Pāpa'ikou water project, noting that Ms. Garson had helped broker the project. Mr. Kahui said that he believed that La'i'Ōpua had the makings of something going on. It made sense to use free money to reduce the County's debt service, while making projects happen. It is a win-win situation for everybody, he said.

Mr. Kahui said that water development is tough in Kona. La'i'Ōpua is a non-profit corporation, managed by three people in a small office in the Old Industrial Area, and yet the team manages to bring things together. The La'i'Ōpua project is valued at \$100 million, upon completion, but La'i'Ōpua does not have the money to develop the water for the project. Nonetheless, La'i'Ōpua can find the solution, using Rural Utilities Service (RUS) funding. Mr. Kahui said that the County can dedicate some water to the project, for the community's benefit. By having the water, the regional park project can move forward, and the social infrastructure facilities can be brought in. He stressed being akamai about managing resources, to bring in capital that can make things happen. Mr. Kahui noted that he is not a developer by profession; he is a commercial fisherman by trade, having fished for many years out of Hilo before moving to Kona. He said he got involved in community development because he did not want Kona to become like his old neighborhood on Oahu, Kalihi. He said that he witnessed firsthand how urbanization can devastate people, having lived in the projects. That is why he is here, Mr. Kahui said in closing. He said that his group supports the Water Board.

Chairperson Kaneshiro offered Mr. Zimpfer, who testified earlier on behalf of NPS, the chance to approach the Board.

Mr. Zimpfer said he did not have anything to add.

Mr. Robinson asked Mr. Zimpfer why he brought the offer to discuss the petition.

Mr. Zimpfer said that was because NPS is willing to discuss ways to address the common goal of providing water for people in West Hawai'i, and to preserve the Park's biological and cultural resources.

Mr. Robinson said that would have been a much better message to have come six months ago, but to wait until the last minute to throw the offer on the Board's desk – after creating such a firestorm in the community with the NPS petition – is just wrong.

Ms. Lee Loy noted that there had been some conversation about requesting a 90-day extension and of possibly using that opportunity to mediate. She asked if the 90-day extension was still on the table.

Mr. Zimpfer said that as far as he was aware, a 90-day extension is not on the table. He said he is not the ultimate decider, but if the Board wants him to ask about the 90-day extension, he can ask. However, he said he was confident that it was not on the table.

Ms. Lee Loy said that she was with Mr. Robinson in seeing this as the 13<sup>th</sup> inning. She asked about the 90-day extension because it is hard to believe that there will be options later on. She said that when the Board asked a very specific question, the Board just got more runaround. She told Mr. Zimpfer to go ask about the 90-day extension.

Mr. Zimpfer said that NPS is open to options, and if someone can present to NPS tools or mechanisms that can be protective of the Park's resources, NPS is open to that.

Ms. Lee Loy asked if NPS was willing to withdraw the petition at this point.

Mr. Zimpfer said that as far as he was aware, no.

Mr. Uyeda said that based on the criteria to designate, the Keauhou Aquifer does not meet any of the criteria.

Mr. Zimpfer asked Mr. Uyeda to repeat himself.

Mr. Uyeda said that the Aquifer does not meet any of the criteria to designate, and asked why NPS kept the petition alive.

Mr. Zimpfer said that is a long debate, but NPS's hydrologist had made a presentation.

Mr. Uyeda said that the NPS hydrologist had stated that NPS does not have the science to back the petition.

Mr. Zimpfer said that NPS had specific presentations as to why the petition met various criteria; he did not elaborate, but said that those presentations are online. If the Board wished, he could point them out exactly.

Mr. Robinson said he had already looked at them.

Chairperson Kaneshiro asked if there were further questions.

**MOTION:** Mr. Robinson said he wanted to make a Motion that the Board respond to the NPS offer of discussions, to whoever the Board needs to respond to at NPS, and that the Board is more than willing to meet with NPS **and its Advisory Board** at their earliest convenience. He noted that the Advisory Board is the equivalent of the Water Board.

Ms. Garson said that she had missed what Mr. Robinson said.

Mr. Robinson said that he had made a Motion that the Board respond to the offer from NPS, and say that DWS and the Water Board is prepared to meet with the NPS and its Advisory Committee to discuss the petition.

Ms. Lee Loy seconded, noting that she understood it to be a response to the NPS statement made earlier in the meeting.

Mr. Greenwell said that he could see responding to the statement, but it was very late in the day to have such a meeting. In two weeks, CWRM will have its decision-making meeting, he said. He asked whether, if a discussion with NPS were arranged in that short time, CWRM would come in as a mediator. He wondered aloud how to keep the ball from rolling down the hill at this point; he feared that things were too close to the end already.

Mr. Arikawa agreed with Mr. Greenwell, saying that he did not think the Board should respond at all. The situation has gone on too long, and it was too late for NPS to come in at this late stage of the game to offer to discuss. Through all of these months of turmoil, NPS came up with nothing, Mr. Arikawa said.

Mr. Robinson told Mr. Arikawa he was with him, saying this was just a Hail Mary pass designed to be able to show CWRM that they had offered to meet. For that reason, the Board has to respond. That was the purpose for the Motion to write back to NPS, he said.

Mr. Arikawa said okay, he understood.

Mr. Robinson said that if the Board left the NPS statement out there with no response, NPS could use that to claim that they, NPS, had tried but that the Board refused to work with NPS. Mr. Robinson said he could see that coming, so that was NPS's Hail Mary pass; the Board has to respond.

Mr. Arikawa said that he understood.

Chairperson Kaneshiro said it was good for the Board to respond, although he did not think it would do any good. If the Board were to meet with NPS, there are only about 10 days before CWRM holds its decision-making meeting. He noted that Mr. Zimpfer said that the 90-day extension was off the table; there is no time left. The Chairperson said he agreed with Mr. Robinson that the Board needs to respond, to express willingness to meet. However, he did not think that anything would come of it, because there is no time.

ACTION: Motion carried unanimously by voice vote.

ACTION: Ms. Lee Loy moved to go into Executive Session, seconded by Mr. Greenwell; and carried unanimously by voice vote.

C. **EXECUTIVE SESSION RE: WATER BOARD/DEPARTMENT OF WATER SUPPLY RESPONSE TO NATIONAL PARK SERVICE'S PETITION TO DESIGNATE KEAHOA AQUIFER AS A GROUND WATER MANAGEMENT AREA:**

*(Executive Session started at 11:16 a.m., and ended at 12:02 p.m.)*

MOTION: Mr. Robinson moved to send the Water Board's response letter as amended, to CWRM, and to authorize the Chairperson to sign the letter; seconded by Ms. Lee Loy.

Mr. Greenwell asked whether the Manager-Chief Engineer would also be signing the letter.

Ms. Garson said yes, but the Board in its Motion did not have to authorize the Manager-Chief Engineer to sign the letter.

ACTION: Motion carried unanimously by voice vote.

**D. DISCUSSION OF AMENDING RULES AND REGULATIONS REGARDING PLACING RESPONSIBILITY WITH PROPERTY OWNERS FOR TENANTS' DELINQUENT BILLS:**

Ms. Lee Loy noted that the draft set of Rules had gone out to the Board three or so meetings ago.

Ms. Garson said that this was something that the Board had looked at years ago.

Ms. Lee Loy said that things have been busy lately for Ms. Garson and herself; she said that she and Ms. Garson would be retooling those draft amendments a little bit, and will come back to the Board with the amendments in January.

Ms. Garson noted that the County Council last week passed the ordinance authorizing water shut-offs for delinquent sewer bills.

The Deputy said it was passed on November 19<sup>th</sup>.

Ms. Garson said that she and Ms. Lee Loy had looked at it before, but did not think the Rule needed to be revised that much. She said that rule revisions are called for, and said that next year, she was expecting to take a comprehensive look at the Rules and Rule revisions as a whole – not just this one Rule. It would be easier to do it all together, rather than one-by-one. Therefore, the Board is looking at a comprehensive Rule amendment next year; that will be the big project for next year, Ms. Garson said. She suggested that in the meantime, the Board should look at the Rules, and see what areas need to be beefed up, etc. She said that this Item can be removed from the December Agenda, and be put back on for the January Agenda.

Mr. Greenwell said that Ms. Garson and Ms. Lee Loy have been working very hard at letter-writing and putting things together, amid the NPS petition to designate. He called for recognition of their outstanding efforts, and the Board gave them a round of applause.

Ms. Garson praised DWS staff, particularly the Deputy and Mr. Inaba, for their hard work in gathering scientific information regarding the NPS petition.

**E. AD HOC COMMITTEE PURSUANT TO HRS SECTION 92-2.5(B) TO PRESENT, DISCUSS AND/OR NEGOTIATE FOR LEGISLATION REGARDING THE PLACEMENT OF SUCH LIENS ON REAL PROPERTY FOR NON-PAYMENT OF WATER BILLS:**

The Deputy reported that on November 18, there was a Government Relations & Economic Development Committee meeting, which DWS looked to as a chance to share with State lawmakers some of the things the Department wants to do in the next Legislative Session. The meeting itself was a non-starter, since only one legislator participated. However, there was an opportunity to speak one-on-one with State Senator Russell Ruderman, who seemed to grasp well what DWS wanted to do.

Ms. Lee Loy, who attended the meeting, noted that the Council recently passed the sewer ordinance, and Senator Ruderman saw that as a nicely dove-tailing piece of legislation. The Senator thought that the Senate Bill that DWS was pushing for last year could easily be dove-tailed into supporting what is going on here in Hawai'i County, as well as across the State. The Senator gave DWS some timelines as far as submitting any draft pieces of legislation. Basically,

DWS will be taking the Senate Bill that it already has, and send it right back to the Legislative Review Board (LRB). The LRB will then put the bill in whatever form they need to. Senator Ruderman is working closely with Representative-Elect Joy San Buenaventura to do the House companion bill for DWS. Ms. Lee Loy noted that while senators can introduce as many pieces of legislation that they want, House members cannot.

Ms. Lee Loy explained that the strategy is that the Senate hears the DWS bill, and the House hears it; at their first crossover, the House bill goes to the Senate, and vice versa. The bill passes first cross-over, and then proceeds on to its Committee relatively early in the Legislative Session. That is the benefit of having companion bills, she said. Everything is in place; Ms. Lee Loy has emailed Senator Ruderman the Word version of the Senate bill. DWS will keep nudging the Senator and his staff to get the bill on board at the Legislature. Ms. Lee Loy said that the Water Board will be kept updated on the bill's progress as it goes through committee, etc.

**F. MONTHLY PROGRESS REPORT:**

Mr. Uyeda asked about the entry regarding the Ola'a Production Well, noting that it says that the project is almost complete, with punchlist items. He asked what that meant, and added that the project has been going for nearly four years.

Mr. Inaba said that he would have to confirm with the project's engineer and inspector. The big thing, which has nothing to do with the punchlist items, is that DWS is trying to get liquidated damages settled with the contractor.

Mr. Uyeda asked if anything was happening with the Queen Ka'ahumanu Highway Widening project.

The Manager-Chief Engineer said that DWS has verbally touched base with State Highways, but it does not appear that State Highways is ready to come up with anything formal at this time.

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

Ms. Candace Gray, the Assistant Waterworks Controller, was filling in for the Controller.

Mr. Robinson commended the Department on the year-to-year drop in Collection Items; he noted that it was down a sizeable \$500,000.00 in 2014, compared with 2013.

**H. MANAGER-CHIEF ENGINEER'S QUARTERLY UPDATE:**

*(This Item was deferred from the October 28, 2014, Board meeting.)*

Ms. Aton provided a summary of the update, which had been slated to be presented last month. The Administrative Division is working on outcomes for Information Systems, as well as Human Resources, which has goals regarding performance reviews and training needs. The Contracts Section is working on a contracts management system, which is close to completion. Contracts has also completed its electronic bid distribution goal for this year, Ms. Aton said.

Engineering Division has made progress on some of the water system standards that deal with tanks, even though that overall outcome is not due until the end of FY2015. In the Water Resources and Planning area, there were efforts in monitoring, as well as the WUDP update. The Water Quality Regional Comprehensive Plan (RCP) was updated in September, she added.

In the Finance Division, the rate study is ongoing. Finance is also moving forward with the ordinances required for the collaboration with DEM on the water shut-offs. The next step for Finance, according to the Business Plan, is to work out procedures for the water shut-offs.

Mr. Greenwell asked about the Information Systems item.

Ms. Aton said that Mr. Dennis Wong is the manager of DWS's information technology (IT), which includes the computers, servers, etc.

Mr. Greenwell asked what the upgrades entailed.

Ms. Aton said that Mr. Wong has multiple goals; he actually has the most goals in the entire Strategic and Business Plan. He continues to move forward on each of those goals, and is not late on any of them, she said.

The Deputy said that part of IT's goal was to improve DWS's connection speed to its district offices. DWS has a pretty good GIS system in place, but unfortunately, the district offices do not have adequate enough speed to connect to the server, which is housed in Hilo. One of the priorities was to allow the district offices to access the GIS system, so that they can use it in their day-to-day work; the GIS system will help locate pipes, etc. Some of Mr. Wong's other goals involves maintenance that is required for IT systems. DWS is weighing what kind of technology to keep in-house, versus what to outsource. Touching back on the Contracts Management software that Ms. Aton mentioned, DWS has hired a local vendor who is housing the data on their server, or cloud. One of the goals for the Contract Management software was to centralize DWS's contract information, so that staff can go online to get updates on projects – rather than hunt down the project engineer. The hope is that the software will help feed into the Monthly Progress Reports, so that Mr. Inaba will no longer need to chase each engineer or project manager for project updates. With the software, a person can see what the progress is on payments, etc.

Ms. Lee Loy asked when the water rate study was due, or slated to be done.

Ms. Gray said she believed it would be in January 2015. The consultant had completed a preliminary report for the Controller to review.

The Deputy asked when the consultant would appear before the Board.

Ms. Gray said that the consultant is planning to come to the January Board meeting.

Mr. Uyeda asked if the rate study had been done internally; he asked if DWS had hired a consultant to do it.

Ms. Gray said that DWS hired a consultant.

Mr. Uyeda asked if the consultant was looking at all of the rates across-the-board, including commercial, residential, etc.

Ms. Gray confirmed that the consultant was looking at all of the rates.

Mr. Robinson asked whether the rate study would make an allowance vis a vis the eventuality of the Aquifer designation, to take into account the dramatically higher costs to DWS in generating water sources. He asked if that would be a consideration.

Ms. Gray said that she would have to confirm that with the Controller.

The Manager-Chief Engineer said that the consultant, in doing the rate study, has been looking at the full range of costs, etc.

*(Mr. Arikawa left the meeting at 12:22 p.m.)*

Mr. Robinson asked to go back to the Monthly Progress Report entry regarding the Queen Ka'ahumanu Highway Widening. He noted that DWS has already spent \$1.2 million on pipes that are sitting there aging. He said that the Memorandum of Agreement (MOA) had come back; he asked if there were any update on that.

The Manager-Chief Engineer reiterated his earlier response, that DWS had verbally touched bases with State Highways, but that there was no indication from State Highways that they were ready to do anything formal. He said he did not know what else State Highways was dealing with.

Mr. Inaba said he believed that State Highways had some revisions to the MOA, but has yet to come back with them to DWS.

Mr. Robinson noted that DWS had put up additional money for those revisions.

Mr. Inaba said that DWS agreed, within the MOA, to put up additional funding for this delay.

The Manager-Chief Engineer confirmed this, saying it was an additional \$54,000.00. That money will come out of the contingency.

Mr. Inaba said the funds were coming out of the original contingency that was included in the original contract.

Mr. Robinson said that the public has no idea of what is going on; there are no formal announcements or any information.

The Manager-Chief Engineer said that nobody knows.

Mr. Greenwell, turning to Mr. Robinson, said that the subject of the delayed highway widening project came up at a recent Waimea Traffic Safety Committee meeting. The project appears delayed for the next three to six months, he said, adding that right now, it is just up in the air.

**I. MANAGER-CHIEF ENGINEER'S EVALUATION FOR CALENDAR YEAR 2014:**

Chairperson Kaneshiro told the Manager-Chief Engineer that the Board needed to get the Manager-Chief Engineer's report on his accomplishments for 2014, to enable the Board to do their Evaluation of the Manager-Chief Engineer. The Manager-Chief Engineer needed to send his report to the Board, following the same format of major topics and categories as last year. Once the Board receives the report, the Board will give the Manager-Chief Engineer a rating on the score sheet, and the results will be compiled like last year, the Chairperson said. He said that the Manager-Chief Engineer should submit his report in November, so that the Board can do its Evaluation of the Manager-Chief Engineer in December. The Chairperson said that as soon as the Manager-Chief Engineer finishes his report, he should send it out to the Board.

The Manager-Chief Engineer confirmed that he would prepare the report and submit it to the Board.

J. **REVIEW/APPROVAL OF REVISED DRAFT MANAGER-CHIEF ENGINEER'S EVALUATION FORM AND PROCEDURES FORM FOR CALENDAR 2015:**

*(This Item was deferred from the October 28, 2014, Board meeting.)*

Ms. Lee Loy said that the group tasked with revising the form incorporated DWS's Five-Year Plan, and articulated various Goals and Objectives to keep everybody on track. She asked the Board for any feedback, which can be folded into the final version of the form.

Chairperson Kaneshiro said that the finalized form needs to be signed by himself and the Manager-Chief Engineer so that the form is ready for January. He said to the Manager-Chief Engineer that once the form is finalized, the Chairperson and the Manager-Chief Engineer will both sign it, just like the past three years.

Mr. Greenwell suggested inserting something about **Education on Conservation**, under the topic of Public Relations and Information. Conservation is a subject that keeps coming up at every water conference and meeting. He said that the R-1 and re-use water fall under the realm of conservation.

Chairperson Kaneshiro said he was glad that Mr. Greenwell raised that subject. He held up a magazine, Water Projects Showcase, which he said had an article addressing this same topic; he told Ms. Aton that he would give her the article.

Ms. Garson asked who would be making the revisions to the Evaluation Form for 2015.

Ms. Lee Loy said that she would make the revisions.

Ms. Garson confirmed that Ms. Lee Loy would revise the form, adding the words "Conservation Education." She asked whether the Board planned to approve the finalized version of the form at the December meeting.

Chairperson Kaneshiro said the Board needs to approve the 2015 form in December.

Ms. Garson, turning to the 2014 Evaluation of the Manager-Chief Engineer, asked for clarification on how it would work: the Manager-Chief Engineer will send the Board his self-evaluation; the Board members will all individually do their evaluations of the Manager-Chief Engineer, and the Board members will all send their score sheets to the Secretary for summarization of the results ahead of the December meeting. Ms. Garson said that this was the process that was followed last year, and it will prevail this year as well. She said that once the Secretary gets all of the Board's score sheets, the Secretary will summarize the results and then the Board will discuss them at the December meeting.

Chairperson Kaneshiro confirmed this was correct. Regarding the revised Evaluation Form for 2015, he asked whether any further suggestions or comments could be sent to Ms. Lee Loy.

Ms. Garson said no; the Board either makes the revisions at the meeting now, or the Board can do revisions at the December meeting before the Board approves the form.

Chairperson Kaneshiro said that he had a suggestion, under Critical Elements, 2. Financial Management. The item that reads “Assure timely adoption of audit recommendations” should have the following wording added: “To prepare a schedule to complete the recommendations.” With that wording, everything is in there, and the Board will be assured that it is not open-ended, the Chairperson said. This will assure the Board that the task will be completed in a timely manner, he said.

After the next paragraph of the Evaluation Form for 2015, beginning with the words: “Implement annual goals and objectives...” the Chairperson suggested adding the words: “Prepare a plan for implementation.” He said these two suggestions were all he had.

Ms. Lee Loy said that she had learned some useful things about evaluations from Mr. Rob McElroy, a speaker at the recent water conference on Kaua‘i. Mr. McElroy suggested making evaluations more binding, by creating binary goals within the Goals and Objectives. One example Mr. McElroy gave was to set a schedule for accomplishing a task, such as obtaining an engineer’s license by a certain time. Ms. Lee Loy said that in putting together the revised Evaluation Form, the aim was to put the Goals and Objectives together with a timeframe that stipulates when the goals will be met; this alleviates having the goals being open-ended.

Chairperson Kaneshiro said that the evaluation process that the Board has been working on has taken time to get used to; it is a little different from the past. However, this is the third or fourth year since the revisions have begun, so everyone should start getting used to it, he said.

**K. MANAGER-CHIEF ENGINEER’S REPORT:**

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

- 1) Pu‘ukala/Kona Ocean View Properties Subdivision Improvement District Update -- The Manager-Chief Engineer said that the project is winding down, with paving scheduled. The residents still need to hook up to the new system through the installation of their consumer pipeline. Mr. Inaba said that DWS staff, the contractor and the consultant are going to the site tomorrow to determine the limits on the resurfacing of the roads; the funding to do so is limited. The contractor will use as much of the available funding as possible to re-do the roads damaged by heavy equipment during construction. Tomorrow’s walk-through will determine the most-needed places for the additional paving, he said. After the paving is done, DWS will start installing the meters, and take meter readings, etc. Mr. Greenwell asked Mr. Inaba to explain the damage. Mr. Inaba said that the roads were all substandard to start with, and the roads degraded further by the heavy equipment. DWS tried early in the project to get funding to resurface the road, but USDA did not think that was part of the project scope. The project was bid out with allowances only to “trench patch,” i.e., patching over the trench that had been dug for the waterlines. However, amid the additional impact that the construction had on the roads, USDA agreed that the project can use available funding to repair the roads. That funding is not going to be enough to do the entire subdivision, Mr. Inaba said. Mr. Greenwell asked why the Department of Public Works (DPW) cannot get involved. Ms. Garson said no, and reminded him that this was an Improvement District. Mr. Greenwell asked why DWS cannot do it, since they pave undedicated roads. Mr. Inaba said that the contractor will be doing the paving; they are getting paid for the work at their unit price. He reiterated that only a certain amount of paving can be done with the funds available; if the community wants to request more, they can do so. DWS has approached the community, and the community has some funds available.

However, at this point, DWS will finish the contract with the funding available now. Mr. Robinson asked what the interest rate for the bonds was. Mr. Inaba said he was not sure; only the grant funding is left over. Ms. Gray said that it is a combination of loan and grant funds; the interest rate is 3.4 percent or thereabouts. Mr. Inaba noted that the loan portion is used up first, and DWS has used that up; DWS is now in the grant portion, so there is a certain amount sitting, that would go unused if DWS did only the trench patch. There is a little bit of the grant money left over, so DWS will fix as much of the road as possible, Mr. Inaba said. Mr. Robinson said that this is a combination of loan and grant, so the effective interest rate will actually be much lower (than 3.4 percent). The community gets the same amount of project, but is only paying a portion on the project from the interest, Mr. Robinson said, adding that so much of the project has been done at the actual effective rate – which is much lower than 3.4 percent. Ms. Gray said that was correct. Mr. Inaba said that up to 45 percent of the project was the grant.

- 2) Lava Update – The Deputy said there was no update at this time, since the lava has stopped for the time being. The Manager-Chief Engineer said that the Village Road is slated to be reopened by the end of the week; there are breakouts up mauka, which are being monitored. Mr. Robinson asked if the Transfer Station was completely closed. The Manager-Chief Engineer said no, in fact the talk is that the County might be opening the Transfer Station up for lava viewing.
- 3) Public Information and Education Specialist Update – Ms. Aton said that there has been a lot of public inquiry about the DEM water shutoff ordinance. DWS will host one of eight nights of Magic of the Season food and entertainment, along with DEM, on December 15, she said. Ms. Aton attended the Water Reuse Conference on Oahu on November 13-14; DEM Wastewater Division Chief Dora Beck gave a presentation on future plans for reuse water, etc.

Mr. Greenwell asked for more details on the DEM water shutoffs. The Manager-Chief Engineer said that the County Council passed the ordinance regarding the water shutoffs; the next step is for DEM to come up with procedures regarding how the shutoffs will be done out in the field, etc. The shutoffs will be a last resort, after all other avenues to obtain payment for sewer bills are exhausted. DEM has to go through their process of notifying the customer, offering payment plans, etc., before DEM can authorize DWS to shut off the water. Mr. Greenwell asked if DWS would then go out and shut off the water. The Manager-Chief Engineer said that when DWS shuts off water due to a water bill delinquency, the DWS Collections Clerk, Mr. David Mellom, goes out with DWS staffers, who remove the meters. However, in the case of a DEM bill delinquency, DWS operations staff will shut off the water, but a DEM collector will go out with them, in case the customer wants to make good on his sewer bill delinquency. Mr. Greenwell asked whether the water would stay shut off until DEM informs DWS that everything is okay. The Manager-Chief Engineer confirmed this. Mr. Greenwell asked if there were any costs involved to send DWS staff out to remove the meter and to put it back in. The Manager-Chief Engineer said there will be some costs for DWS personnel going out to the field. Mr. Greenwell asked if that entails some sort of negotiations, etc., that need to be written up. The Manager-Chief Engineer said yes, DWS is talking with DEM about the costs involved; DWS will definitely have to get some kind of reimbursement from DEM for personnel going out to the field. He said that those details still need to be worked out. The Deputy noted that because the Council has passed the ordinance, DWS will need to adjust its own Rules to accommodate the shutoff procedure. Ms. Garson said that the arrangement was set up

so that DWS will not be doing a Contested Case Hearing in these cases; DEM will hear all Contested Case Hearings involving shutoffs for a sewer bill delinquency.

Ms. Lee Loy asked whether there was any response from the Office of Information Practices (OIP) to the Hawai'i Leeward Planning Conference (HLPC) Sunshine Law complaint against CWRM. Ms. Garson said there has been no response from OIP so far.

Chairperson Kaneshiro asked the Manager-Chief Engineer about the recent decision regarding the DWS Pipe Tapping Team. The Manager-Chief Engineer said that he had sent the Pipe Tapping Team a memo notifying them that due to liability concerns, he had ended the Pipe Tapping Team program. Chairperson Kaneshiro said that the Board should be informed of some of these actions. The Manager-Chief Engineer said that he had not heard from anybody regarding that memo. Mr. Greenwell said that because the Pipe Tapping Team is based in his District, he had heard about it. Mr. Greenwell said that he has not said too much about it publicly, but he was a little concerned about whether DWS would ever have a Pipe Tapping Team again. Mr. Greenwell asked whether DWS has an obligation as members of the American Water Works Association (AWWA) to have a team participate; he asked what statewide interest there is in having Pipe Tapping Teams. Mr. Greenwell wondered if it has gotten to the point that nobody wants to put in the time. The Manager-Chief Engineer said that pipe tapping is voluntary; it is not something that DWS has to do. Over the past few years, the only teams have been on the Big Island and Oahu, and the last couple of competitions, it was more like entertainment for conferees and staff. If there were to be a continuation of the program, it would be under different circumstances, as far as DWS providing anything. He reiterated that pipe tapping is strictly voluntary, and DWS has no obligation to anybody to continue the program. Mr. Greenwell asked whether the Manager-Chief Engineer had any ideas about the parameters of the program, if it were reinstated. Mr. Greenwell said he knew that the DWS team had practiced on their own time, and he did not see them practicing on company time. Mr. Greenwell asked if there could be a team that could use the Department's name; he asked what if the team wanted to compete again. Mr. Greenwell asked if that was something that needs to be looked at or thought about; he said he did not mean to put the Manager-Chief Engineer on the spot. The Manager-Chief Engineer said that after sending that memo, he did not see how much support DWS could provide to the Pipe Tapping Team. He said it was something that he had not worked out with anybody. The Manager-Chief Engineer said that his memo virtually killed DWS's participation in the program, and he said that he had not worked out any details on how the program could be revived from DWS's standpoint. Mr. Takamine asked how long the program had been active. The Manager-Chief Engineer said that it had been years; he said that the other islands might be willing to continue with the program. From DWS's end, it has been difficult to continue with the program, the Manager-Chief Engineer said.

**L. CHAIRPERSON'S REPORT:**

Chairperson Kaneshiro reminded the Board that there would be elections for the next Board Chairperson and Vice-Chairperson, and asked the Board to think about it in the meantime.

**8) ANNOUNCEMENTS:**

**1. Next Regular Meeting:**

The next meeting of the Water Board will be held at 10:00 a.m. on December 16, 2014, 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 is scheduled for 10:00 a.m. on January 27, 2014, at Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

9) **ADJOURNMENT**

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

The meeting adjourned at 12:55 p.m.

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**Secretary**

*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.*