

MINUTES

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

December 16, 2014

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

MEMBERS PRESENT: Mr. Kenneth Kaneshiro, Chairperson
Mr. Rick Robinson, Vice-Chairperson
Mr. David Greenwell
Ms. Brenda Iokepa-Moses
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:

Mr. Russell Arikawa, 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. Riley Smith, Lanihau Properties, LLC
Mr. Sidney Fuke
Mr. Alan Okamoto
Mr. Kevin Hayes
Ms. Tomoko Matsumoto
Mr. Ron Gonzalez

Department of Water Supply Staff

Mr. Keith Okamoto, Deputy
Mr. Kurt Inaba, Engineering Division Head
Mr. Richard Sumada, Waterworks Controller
Mr. Daryl Ikeda, Chief of Operations
Ms. Kanani Aton, Public Information and Education Specialist
Mr. Owen Nishioka, Engineering Division

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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. Riley Smith, representing Lanihau Properties, LLC, testified regarding Item 9(B), FIRST SUPPLEMENTAL WELL DEVELOPMENT AGREEMENT DATED AUGUST 12, 2009; PALANI WELL (TMK: 7-4-002:008); and Item 10(B), DISCUSSION REGARDING DECEMBER 10, 2014, COMMISSION ON WATER RESOURCE MANAGEMENT (CWRM) MEETING ON NATIONAL PARKS SERVICE'S PETITION TO DESIGNATE KEAUKOU AQUIFER AS A GROUND WATER MANAGEMENT AREA.

The following statements are verbatim.

MR. SMITH: Good morning, Chair Kaneshiro and members of the Water Board. My name is Riley Smith; I think most of you know me. I'm the president of Lanihau Properties, speaking on two items. One is Item 9(B), the extension of time for the Palani Well, and also I just wanted to provide some comments on the recent Keauhou Aquifer issue. First of all, on the Palani Well, we signed an agreement some time back. We've been diligently working to fulfill our portion of the well agreement. We had some (inaudible) issues on our well pump and motor, similar to some of the challenges that the Department is facing with the Hualālai Well. We're actually tearing down that pump and motor in Maryland today; we have more information on the repair that's required, but are optimistic that, with the extension of time that we're requesting...we should be able to finish everything, and get it dedicated to the Water Supply...to the Department. That will enable the Department to turn it on. It's a high-level source. With high-level sources in North Kona not impacted by chlorides or salinity, which will enable the Department to curtail some of the use from the Kahalu'u Shaft source, which is impacted by chlorides. So the blend of all the water for your customers in North Kona from the day you turn it on, should improve, as it has with some of the other high-level sources that you've been turning on... So that's how that one relates to the Keauhou Aquifer... The Item on the Agenda is to grant an extension until the end of 2015. I'm hoping I can get this thing done in April or May, but again, I thought the same thing a year ago when I asked for an extension, so I appreciate your cooperation in approving that. The other comments I just wanted to make...many of us attended the Commission on Water Resource Management meeting last week Wednesday in Kona...a very long meeting. It took about 11 hours. At the end of the meeting, it took about half an hour for CWRM to agree on a Motion that they could approve. At the end of the meeting, people...some of my owners were asking, well, what was approved? I was trying to summarize what I thought they approved, but as most of you that were there...I think you're all kinda confused, well, what did they actually approve, 'cos there's so many amendments and additions and interim deadlines and milestones...that my suggestion is that, since this is such a complicated issue, that the Department be very proactive in writing up what you guys think the Motion is, sending it in to CWRM, okay, and just making sure there's clarity on exactly what you have to do, when. 'Cos I know, there was the May 30th deadline...but there's a whole bunch of other interim deadlines, too. My other comment is that, in these deliberations, you do not appear to need to be transparent and fair nor objective, so I think the Department is geared up; you have outside counsel now. You have a strategy to protect the Department's interests. I think you have to be very diligent; you need to document everything in writing, because a lot of the other agencies you're dealing with are not always clear in the statements they make, the facts they provide to substantiate those statements, and the way that the Department is treated by CWRM and the National Park Service. So the stakeholders in North Kona are very much behind the Department; and wanna cooperate with you guys, as we have, and wish all of us a lot of good luck in getting through this thing, which is not fair to all of us. Okay. Thank you.

3) APPROVAL OF MINUTES

The Chairperson entertained a Motion to approve the Minutes of the November 25, 2014, Water Board meeting.

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

4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA

ACTION: Chairperson Kaneshiro entertained a Motion to approve Supplemental Agenda Items 5(A), JOB NO. 2013-996, PĀHOA DEEPWELL A REPAIR, and 9(A), JOB NO. 2014-1019,

HŌLUALOA DEEPWELL REPAIR. Mr. Uyeda moved to approve; seconded by Mr. Greenwell, and carried unanimously by voice vote.

5) PUNA:

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

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

Bids for this project were set to be opened on November 20, 2014, but there were no bids. This project was **re-bid on December 11, 2014**, at 2:30 p.m., and the results are as follows.

Bidder	Bid Amount
Beylik Drilling and Pump Service, Inc.	\$134,040.00
Derrick's Well Drilling and Pump Services, LLC	\$160,000.00

Project Costs:

1) Low Bidder (Beylik Drilling and Pump Service, Inc.)	\$134,040.00
2) Contingencies (10%)	\$ 13,404.00
Total Cost:	<u>\$147,444.00</u>

Funding for this project will be from DWS's CIP Budget under Deepwell Pump Replacement. The contractor will have 180 calendar days to complete this project. The Engineering estimate for this project was \$191,100.00.

The Manager-Chief Engineer had recommended that the Board award the contract for JOB NO. 2013-996 RE-BID, PĀHOA DEEPWELL A REPAIR, to the lowest responsible bidder, Beylik Drilling and Pump Service, Inc., for their bid amount of \$134,040.00 plus \$13,404.00 for contingencies, for a total contract amount of **\$147,444.00**. It is further recommended that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality by Corporation Counsel.

At today's meeting, the Manager-Chief Engineer reported that DWS had received a protest letter from the second bidder; he asked the Board to defer to the January meeting, to give the Department time to review the letter and respond.

MOTION: Ms. Lee Loy moved to defer this Item until the January meeting; seconded by Mr. Uyeda.

Mr. Robinson asked why the second bidder appealed.

The Manager-Chief Engineer said that the protest letter seemed to indicate that DWS had spec'ed out a certain pump, but that the low bidder had spec'ed out a pump that had not been approved. DWS needs to take a close look at that, and determine what the conditions were as far as the specs (specifications). It appears that DWS staff did not receive any requests for substitution on the pump that the low bidder had submitted; DWS needs to review that.

Ms. Lee Loy asked how long DWS has to respond to the protest.

The Manager-Chief Engineer said he believed DWS has seven days in which to respond to the protest.

Ms. Garson said she was not sure.

Ms. Lee Loy asked if the deferral of this Item to next month would provide enough time to flesh things out.

The Manager-Chief Engineer said this issue should be resolved by next month's meeting.

Mr. Uyeda asked what make of pump was involved.

Mr. Ikeda said it was a Simflo.

ACTION: Motion to defer passed unanimously by voice vote.

6) NORTH HILO:

A. **REQUEST FOR CONSTRUCTION RIGHT-OF-ENTRY FOR ELECTRICAL POWER RELOCATION WORK FOR THE LAUPĀHOEHOE (MANOWAI'ŌPAE) RESERVOIR SITE ON TAX MAP KEY (3)3-6-003:035:**

The Hawaii Electric Light Company, Inc. (HELCO) has requested a construction right-of-entry onto the Department's Laupāhoehoe (Manowai'ōpae) Reservoir site to perform electrical relocation work. This work is necessary, to allow HELCO to relocate existing electrical lines away from the new reservoir that is currently under construction (Job No. 2005-870). Coordination of the entry to our site will be with the District Supervisor and Project Engineer.

The Manager-Chief Engineer recommended that the Board approve the Right-of-Entry request, and authorize the Chairperson or the Vice-Chairperson to execute the document, subject to the approval as to form and legality by Corporation Counsel.

MOTION: Mr. Robinson moved to approve; seconded by Ms. Lee Loy.

The Manager-Chief Engineer said this Right-of-Entry is to allow HELCO on to the site to do their work. This project was previously awarded and approved by the Board, he added.

ACTION: Motion carried unanimously by voice vote.

7) HĀMĀKUA:

A. **RESOLUTION NO. 2014-04, APPROVING THE RECEIPT AND EXPENDITURE OF MONIES FOR THE ĀHUALOA-HONOKA'A WATERLINE – PHASE 2 PROJECT (FUNDED BY THE DRINKING WATER STATE REVOLVING FUND (DWSRF):**

(Note: Resolution requires roll call vote)

This Water Board Resolution No. 2014-04 seeks to supersede Resolution No. 2013-01. Resolution No. 2013-01 previously approved a lower amount than what is necessary. The Resolution is a prerequisite for the Drinking Water State Revolving Fund (DWSRF) program. This Resolution is specifically identified for the following project: JOB NO. 2008-945, ĀHUALOA-HONOKA'A WATERLINE PHASE 2, and authorizes the Manager-Chief Engineer or Deputy to execute loans and/or grants with the State Department of Health for up to \$3,200,000.00.

The Manager-Chief Engineer recommended that the Water Board adopt RESOLUTION NO. 2014-04, APPROVING THE RECEIPT AND EXPENDITURE OF MONIES FOR THE ĀHUALOA-HONOKA‘A WATERLINE – PHASE 2 PROJECT (FUNDED BY THE DRINKING WATER STATE REVOLVING FUND (DWSRF), subject to the approval of Corporation Counsel.

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

The Manager-Chief Engineer said that DWS was able to secure an additional amount for this project from the Safe Drinking Water loan program; this increases the amount from a previous Resolution for this project, that had been approved by the Board prior to going out to bid. This is obviously a positive thing because it means additional monies for the project.

Ms. Lee Loy asked whether there were any reporting requirements for the loan; sometimes loan programs have benchmarks that the borrower must meet.

The Manager-Chief Engineer said yes, there are some reporting requirements.

Mr. Inaba said this program allows DWS to draw, or request, funding right after DWS pays. DWS draws the funds as the project goes along; DWS does not need to wait for the funds until the project is complete.

Ms. Lee Loy said okay, she understood; this was a draw, as DWS spends.

Mr. Inaba confirmed this.

Mr. Uyeda asked for some background on what effect this project will have on the water system.

The Manager-Chief Engineer said that this is Phase 2 of the waterline project that was completed a year or so ago. This waterline will take the water from mauka, across the highway makai into Honoka‘a town, he said.

Mr. Uyeda asked how the water is currently being transmitted.

The Manager-Chief Engineer said that DWS pumped water above the highway from Haina Well and Honoka‘a Well. The Āhualoa Well is expected to be a better well, he said. That well is currently under repair due to the air issue, but that well will enable DWS to take more water from mauka to makai, the Manager-Chief Engineer said.

Mr. Uyeda said that this affords DWS more flexibility in the transmission of water in the area.

The Manager-Chief Engineer confirmed this.

ACTION: The Secretary took a roll call vote: Ms. Lee Loy (Aye); Mr. Uyeda (Aye); Mr. Robinson (Aye); Chairperson Kaneshiro (Aye); Mr. Greenwell (Aye); Mr. Takamine (Aye) and Ms. Iokepa-Moses (Aye). Motion carried with Seven (7) Ayes, Zero (0) Nays; and One (1) Absent: (Mr. Arikawa).

8) SOUTH KOHALA:

A. **JOB NO. 2011-972, LĀLĀMILO WIND FARM REPOWERING PROJECT, RENEWABLE ENERGY SERVICE AND POWER PURCHASE AGREEMENT; LEASE FROM STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES AND SUBLEASE TO LĀLĀMILO WIND COMPANY, LLC;**

The Department of Land and Natural Resources (DLNR) has provided DWS with a copy of the appraisal for the lease for the subject properties, encompassing a total of 83.997 acres. The Board will be discussing this appraisal, and the effect on the Lease and Sublease.

The Developer is also requesting an amendment to the Renewable Energy Service and Power Purchase Agreement, to change the date by which certain conditions precedent to the commencement of construction and installation are to take place. Currently, certain conditions precedent were to take place by September 15, 2014. The Developer is requesting an extension of time to July 31, 2015.

The Manager-Chief Engineer recommended that the Board grant the requested time extension for JOB NO. 2011-972, LĀLĀMILO WIND FARM REPOWERING PROJECT, to July 31, 2015.

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

Mr. Greenwell asked if there was a handout or something that the Board could read regarding the State lease.

The Manager-Chief Engineer asked if this was what Ms. Garson had prepared.

Ms. Garson said no.

The Manager-Chief Engineer apologized for not providing anything on the lease. He noted that in the Power Purchase Agreement (PPA), there was a time limit that actually ended in September of this year. DWS is still doing additional work to get things done, including agreements with HELCO, which are a requirement for getting the final lease from the Department of Land and Natural Resources (DLNR). The Department needs to get that time limit extended to July 2015, in order to complete the things it needs to get done. The HELCO agreements, as well as the final lease, are needed in order to grant a Notice to Proceed to the vendor. DWS hopes to go to the Land Board for the lease approval next month, he said. The vendor needs the final lease in order to secure the vendor's financing. The Manager-Chief Engineer noted that the Board had approved the lease-in-concept in May or June this year, but the vendor still needs the final lease arrangement.

Mr. Greenwell asked if the Board could go into Executive Session to discuss the appraisal for the lease.

Ms. Garson suggested that the Board go into Executive Session for both Item 8(B), EXECUTIVE SESSION RE: JOB NO. 2011-972, LĀLĀMILO WIND FARM REPOWERING PROJECT, RENEWABLE ENERGY SERVICE AND POWER PURCHASE AGREEMENT; LEASE FROM STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES AND SUBLEASE TO LĀLĀMILO WIND COMPANY, LLC, and Item 10(C), EXECUTIVE SESSION RE: DECEMBER 10, 2014, COMMISSION ON WATER RESOURCE MANAGEMENT (CWRM) MEETING ON NATIONAL PARKS SERVICE'S PETITION TO DESIGNATE KEAUHOU AQUIFER AS A GROUND WATER MANAGEMENT AREA.

Mr. Robinson asked why the Board could not instead dispense with other business first, and do the Executive Sessions later.

Ms. Garson said that the Board had a phone call at 10:30 a.m.

Mr. Robinson said okay.

Ms. Garson asked for a Motion to go into Executive Session for Items 8(B) and 10(C).

ACTION: Mr. Robinson so moved; seconded by Mr. Takamine, and carried unanimously by voice vote.

B. **EXECUTIVE SESSION RE: JOB NO. 2011-972, LĀLĀMILO WIND FARM REPOWERING PROJECT, RENEWABLE ENERGY SERVICE AND POWER PURCHASE AGREEMENT; LEASE FROM STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES AND SUBLEASE TO LĀLĀMILO WIND COMPANY, LLC:**

(The Board entered Executive Session on this Item, followed immediately after by Item 10(C), DISCUSSION REGARDING DECEMBER 10, 2014, COMMISSION ON WATER RESOURCE MANAGEMENT (CWRM) MEETING ON NATIONAL PARKS SERVICE'S PETITION TO DESIGNATE KEAUHOU AQUIFER AS A GROUND WATER MANAGEMENT AREA), at 10:22 a.m. The Board exited Executive Session at 11:32 a.m.)

ACTION: Regarding Item 8(B), EXECUTIVE SESSION RE: JOB NO. 2011-972, LĀLĀMILO WIND FARM REPOWERING PROJECT, RENEWABLE ENERGY SERVICE AND POWER PURCHASE AGREEMENT; LEASE FROM STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES AND SUBLEASE TO LĀLĀMILO WIND COMPANY, LLC, Mr. Robinson moved to authorize the Manager-Chief Engineer and Corporation Counsel to proceed with negotiations with the State of Hawai'i on the lease; seconded by Ms. Lee Loy. Motion carried unanimously by voice vote.

Ms. Garson reminded the Board that Item 8(A), JOB NO. 2011-972, LĀLĀMILO WIND FARM REPOWERING PROJECT, RENEWABLE ENERGY SERVICE AND POWER PURCHASE AGREEMENT; LEASE FROM STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES AND SUBLEASE TO LĀLĀMILO WIND COMPANY, LLC, had a Recommendation regarding the time extension to July 31, 2015.

ACTION: Mr. Robinson moved to grant the time extension; seconded by Mr. Greenwell, and carried unanimously by voice vote.

Ms. Lee Loy suggested now taking up Item 10(C), which was covered in Executive Session.

Ms. Garson suggested instead that the Board move on that Item later when its companion Item 10(B) comes up, in order to allow further discussion of the Item. She suggested going back to the Agenda order at this time.

C. **REQUEST TO CONSENT FOR ASSIGNMENT AND TRANSFER OF WATER UNITS MAUNA KEA PROPERTIES, INC.:**

Mauna Kea Properties, Inc. (MKP), MK Parcel F, LLC (Parcel F LLC), and One Puako Bay Associates, LLC (One Puako LLC) requests DWS consent to allow One Puako LLC, to receive an assignment of 11 water units from MKP's allocation from the Parker Wells 3 and 4 Tri-Party Agreement (Agreement) dated April 6, 2006. Parcel F LLC and One Puako LLC have shared ownership and under the management of the same individual, Mr. Kevin J. Hayes. Parcel F LLC will limit their development to 74 units of water or 40 residential units, whichever results in fewer units of water. The original estimate for water assignment to Parcel F LLC was 102 water units.

Tokyū Corporation, successor in interest to Mauna Lani Service, Inc. (MLS) and the third party in the Agreement, has also consented to the 11-unit assignment to One Puako LLC.

Although One Puako LLC is not in the development area as defined in the Tri-Party Agreement, it is being served by the same system that provides MKP's allocation of water from the Tri-Party Agreement.

Staff has reviewed the proposal and finds it acceptable.

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

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

Chairperson Kaneshiro invited Messrs. Sidney Fuke, Alan Okamoto and Kevin Hayes to the speaker's table.

Mr. Fuke introduced himself as a planning consultant, who is assisting Mr. Hayes on some land use entitlements associated with this project. He assured the Board that the handout that he had just distributed would not take too long to go through. He introduced Mr. Hayes as the principal managing member of both of the subject properties, one of which is the receiving property and the other is the donor property. He also introduced Mr. Okamoto, an attorney who was on hand to answer any technical legal questions regarding the transfer of the water units. Mr. Fuke pointed out Puakō as the receiver property; this is right next to the boat ramp.

In Figure 1 in the handout, there are three existing parcels right now, collectively just under seven acres in size. The property is zoned Resort, and based on the zoning, it is capable of supporting more than 240 units. However, that is not what Mr. Hayes plans for; his plans, as indicated in Figure 2, call for a maximum seven-lot subdivision – instead of 200-plus units. Currently, he has three parcels, and all he wants to do is increase the parcels by four additional lots, Mr. Fuke said. Associated with that, Mr. Hayes had applied for and secured a Special Management Area (SMA) permit from the Planning Commission. What this property needs, in order to accomplish the seven-lot subdivision, is to get a minimum of four additional water units, he said. That is the reason why Mr. Fuke and his associates are seeking this transfer. Puakō is the receiver property, and the donor property is a property in Mauna Kea, shown highlighted in yellow in Figure 3. This property is situated on the mauka side of the Queen Ka'ahumanu Highway; it is zoned for multiple-family, and is capable of supporting 122 units. However, Mr. Hayes' plans, as indicated in Figure 4, are not to do a maxed-out type of project with 120-odd units; instead, he wants to do just 36 residential-sized lots. Those lots would vary in size from 14,000 to 23,000 square feet each. Mr. Fuke said that to be able to do that, his associates had to get several things entitled. Among them was to get a Planning Use Development (PUD) permit, issued by the Planning Director; this was because the roadway standards are a little bit less than County-dedicable standard, and the desire was to be fitting for that particular environment, Mr. Fuke said. His associates also received tentative subdivision approval on December 8 of this year.

The request before the Board today involves a transfer of a portion of its water units to the Puakō property. He noted that the Mauna Kea currently has an allocation of 102 water units. Mauna Kea would refrain from using all 102 of its allocated units, and instead would reserve only 74 of its allocated units. Mauna Kea would then transfer 11 units to the Puakō property, which would leave a balance of 17 unused units, Mr. Fuke said. Mauna Kea, to reduce its water consumption demand, has already established a private irrigation system. Mauna Kea will be tapping into that private irrigations system, so it will not be using potable water for irrigation. Mr. Fuke noted that County standards and hydrologists like Mr. Tom Nance would attest that the minimum requirement for water for a residential lot subdivision is generally one water unit per parcel, or 400-600 gallons per day (gpd). However, Mr. Hayes' project plans to allocate a maximum of two

units per lot, to make sure that they do not exceed the total allocation for the property. This is in case the individual parcel needs a little more than one water unit each, he said.

Mr. Fuke said that he and his associates had appeared before the Board in February of this year to request the transfer of water units, but at that time, there was an issue regarding the Tri-Party Agreement, whose parties were DWS, the Mauna Kea and the Mauna Lani. He said the Board wisely decided that all of the parties needed to consent to that Tri-Party Agreement. Noting that the water system falls within the same region, it took until now to have the Tri-Party Agreement finally consented to by Mauna Lani, Mr. Fuke said. That was consummated on November 26 of this year, he said. The reason for the difficulty in getting Mauna Lani to agree was because the original party to the Tri-Party Agreement was called Mauna Lani *Services*, which no longer exists. Therefore, everybody had to go back up to the parent company in Japan, whereupon much discussion took place. Fortunately, the consent was given, Mr. Fuke said. The developer has been looking at a number of options for getting water to this site, he said, pointing to Page 2, Item C, on Mr. Fuke's handout, entitled "Water Options for the Puakō Property." As part of the subdivision process, the developer has to comply with the Subdivision Code, which says that one must have a water system which meets DWS requirements. While there is a way to get relief from that requirement, there is a Catch 22 called "Rule 22"; this Rule stipulates that one can get relief by using a catchment system, provided that it is in a rainfall area that exceeds 60 inches a year. It is virtually impossible that Puako, with approximately 10 inches of rainfall a year, will ever get that level of rainfall, Mr. Fuke said. Therefore, Puakō does not qualify for that relief. DWS's commitment policy in Puakō only allocates one water unit per existing lot of record. That is a very responsible policy, based on the resources in the area. The Puakō property in question here has only three water units; it needs to have four additional units, he said. One of the other options is to have a reverse osmosis system. However, that would be a costly proposition, and would need a variance because it is a system which does not meet DWS standards under the Subdivision Code. Developing an on-site well would not be feasible, because this property is almost at sea level, and an on-site well is not likely to be successful, and that too would fail to get a variance because it would not meet DWS standards, Mr. Fuke said. He cited the example of a system up in Āhualoa where a variance was granted; the system was a "mini-version" of the DWS standard. The developer in that case had a primary well and a back-up well, along with operating pumps, a storage tank, etc., to service six ag lots. The other option for the Puakō developer might have been to develop an *off-site* well, using the same aquifer, like the Lālāmilo System. However, that would entail finding a property, drilling a primary well, drilling a back-up well, developing the transmission line, the tank and a separate waterline coming down to the Puakō property. That option would be unfeasible, Mr. Fuke said.

All things considered, the most feasible option is what the developer is asking for right now: to have the 11 surplus water units transferred from one property to the other, Mr. Fuke said. The source is already proven; the water commitment is already there. The well is already developed, he said. The State Water Commission's predecessor entity approved the entire project; they issued the well-drilling permit, the installation permit, as well as the Notice of Completion permit, Mr. Fuke said. The State certified the amount of resource that was capable of being drawn from that particular well source; based on that, DWS ruled that the three parties (i.e., Mauna Lani, Mauna Kea and DWS) would each get their respective share of the allocation. The transfer in question would not create any additional stress on the existing water resource. Whether the water resource is used at Mauna Kea or at Puakō, the water is coming from the same well and the same resource, Mr. Fuke said. This is not like asking for an additional straw to be put into that well; whatever comes out from that initial straw would now be just redistributed, he said. That is the request today, Mr. Fuke said. The resource is there; it is available. The developer has gotten the consent of the donor and the receiver, and all of the private parties have

agreed to the transfer, he said. All that Mr. Fuke and his associates are asking for is for the Board to ratify the agreement, he concluded.

Ms. Iokepa-Moses, recalling the February Board meeting, said that the transfer sounded like a very good plan, whereby the developer would be under-utilizing the property. However, the issue then was that there were three parties, and not all of the parties were in agreement. She said she recalled that the issue was one of setting a precedent regarding the transfer of water rights from one property to another – even though this plan sounds like it would benefit the community. The problem is that this would be opening the door to everybody else to come in and start changing water rights to different properties, Ms. Iokepa-Moses said. That was the concern that she recalled from the February meeting. She asked how the other Board members felt.

Ms. Lee Loy said she shared that concern. She noted that the developer had received his Special Management Area (SMA) approval just a couple of months ago. She asked if there were a density cap on that SMA.

Mr. Fuke said that there was a cap of seven units.

Ms. Lee Loy asked about the Planned Use Development (PUD) permit listed on Mr. Fuke's handout. She noted that PUDs entail a lot of conditions, and asked whether there are some timing elements.

Mr. Fuke confirmed this.

Ms. Lee Loy asked what the timing elements were on the SMA and the PUD.

Mr. Fuke said that on the SMA portion, the final subdivision approval had to be secured within five years of October 2014; so that will be in 2019. On the PUD portion, subdivision approval needs to be secured within a year; tentative approval has already been issued, Mr. Fuke said.

Ms. Lee Loy asked if there were conditions to the tentative approval.

Mr. Fuke said yes, a final plat map must be submitted within three years, etc.

Ms. Lee Loy, noting that Mr. Fuke had said the water is servicing the same area, asked DWS staff about the aquifer involved here. She asked whether this was a separate aquifer from the (Keauhou) Aquifer.

Mr. Fuke confirmed this.

Ms. Lee Loy, alluding to the ongoing update of the Water Use and Development Plan (WUDP), noted that there were two areas that were identified as "sensitive;" she asked if the aquifer that covers Puakō was one of these areas.

The Deputy said yes.

Mr. Hayes asked to address Ms. Iokepa-Moses's earlier point regarding the issue of precedents. He said that this transfer would not be without precedent; there have been other transfers like this in the past. He said that he and his associates had gone to great lengths to try to establish a very positive precedent here. Mr. Hayes said that there is common ownership between the two parcels, and both parcels are within the same water system; these factors alone set a pretty hard standard to meet. There is no money being transferred between the two parties: that is covenanted in the agreement, he said. That sets a really narrow window, he added. The current proposed arrangement is trying to establish two positive precedents for DWS's Engineering staff. One involves the fact that most lots in Puakō had one water unit per lot. The developer wants to

transfer 11 water units to Puakō, adding to the three existing water units to make a total of 14. This would establish a precedent of *two* water units per residential lot, which currently none of the residents have. This would help Engineering staff going forward by preventing Puakō from being a potential abuser of these water units, Mr. Hayes said. The second precedent is being established in “F” Parcel in Mauna Kea, where all of the development’s landscaping needs must be taken care of by non-potable water from the private water supply. This encompasses all landscaping for residents, as well as the common area, he said. The developer is also requiring that on “F” Parcel, there will be 74 water units for 36 lots; this will be a 2 to 1 requirement like at Puakō. The developer will effectively be retiring around 60 water units, taking them out of the system so that they can never be used, Mr. Hayes said. That will be the overall effect of approving this transfer; the developer will be basically decreasing the demand on the overall water system into perpetuity, he said.

Mr. Greenwell asked what happens with the 17 water units that the developer will not be using. He also asked if the developer was aware of DWS’s project to upgrade to the Puakō waterline; he asked how that would affect the development.

Mr. Fuke said that he believed the 17 unused water units go back to the Mauna Kea allotment. Mauna Kea was allocated X number of water units; as part of their purchase, Mauna Kea was allotted 102 units. Therefore, whatever units are not used for this property go back again into Mauna Kea’s allotment, and DWS would monitor how they are used. Regarding the Puakō waterline project, Mr. Fuke said that even if the water improvement lines are made, it goes back to a source issue. Even if the line is improved, if the source is not available, DWS will not issue additional water commitments to that property.

Ms. Lee Loy asked whether, in the event that the transfer did not occur, the water units would still stay back at Mauna Kea.

Mr. Fuke said this was correct.

Ms. Lee Loy asked if those units would just go unused.

Mr. Hayes said that in the event that the transfer did not occur, he as the developer of that parcel would revisit whether he wanted to go to only 36 lots; he would go back up to a higher number of lots. He said that in fact, the Mauna Kea people suggested that there be 74 residences on that “F” Parcel. He said that the current plan is to deliberately downsize the number of residences to accommodate this transfer.

Ms. Lee Loy said that this is a lot to digest; she said she wanted to consult with Ms. Garson amid the concerns she had vis a vis DWS Rules.

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

(The Board entered Executive Session at 11:56 a.m., and exited Executive Session at 12:14 p.m.)

Mr. Robinson said that he was aware that the Board had a Motion on the floor to approve this transfer, but he wanted to make a Motion to Defer the vote on this Item until the February 2015 Board meeting. This would provide time for Corporation Counsel and the developer’s attorney to arrive at an understanding on the project and the entitlements, particularly as they relate to DWS’s Rule 5.

MOTION: Mr. Robinson so moved; seconded by Ms. Lee Loy.

Ms. Lee Loy commented that this Item posed a lot for the Board to digest, and the Board is having some heartburn regarding some of the DWS Rules. She also noted that there are other things going on in this Aquifer, with a lot more questions than answers. This would be a good opportunity to take a pause to allow Ms. Garson to work with the developer's legal counsel.

Mr. Fuke said that was perfectly understandable, and that was a wise move on the part of all parties.

ACTION: Motion carried unanimously by voice vote.

9) NORTH KONA:

A. JOB NO. 2014-1019, HÖLUALOA DEEPWELL REPAIR:

This project generally consists of the replacement of the existing deepwell submersible motor, pump, power cable, column pipe and all appurtenant equipment, such as strapping, chlorination of the well and pumping assembly; and electrical work involving the installation of a new step-up transformer, in accordance with the plans and specifications.

Bids for this project were opened on December 11, 2014, at 2:00 p.m., and the following are the bid results:

Bidder	Bid Amount
Derrick's Well Drilling and Pump Services, LLC	\$335,000.00
Beylik Drilling and Pump Service, Inc.	\$345,200.00

Project Costs:

1) Low Bidder (Derrick's Well Drilling and Pump Services, LLC)	\$335,000.00
2) Contingencies (10%)	\$ 33,500.00
Total Cost:	<u>\$368,500.00</u>

Funding for this project will be from DWS's CIP Budget under Deepwell Pump Replacement. The contractor will have 360 calendar days to complete this project. The Engineering estimate for this project was \$406,500.00.

The Manager-Chief Engineer recommended that the Board award the contract for JOB NO. 2014-1019, HÖLUALOA DEEPWELL REPAIR, to the lowest responsible bidder, Derrick's Well Drilling and Pump Services, LLC, for their bid amount of \$335,000.00 plus \$33,500.00 for contingencies, for a total contract amount of **\$368,500.00**. It is further recommended that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality by Corporation Counsel.

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

Ms. Lee Loy asked if the second bidder will challenge this bid; she noted that the same two bidders were involved in the Pāhoa Deepwell A Repair bid, which one of the bidders is protesting.

The Manager-Chief Engineer said that there is no protest on this bid so far.

Ms. Lee Loy asked when the window to protest closes.

Ms. Garson said it was five or seven days; she could not remember which.

Mr. Inaba said that a protest could even be lodged after the award, but there are different requirements.

Ms. Garson said yes, there are different requirements, based on when they get knowledge of the problem.

Mr. Greenwell asked for clarification regarding the fact that this bid involves a pump replacement; he asked if it really takes a year. He asked if it was because the contractor needs to make a brand-new pump; he asked what causes the greatest time delay.

The Manager-Chief Engineer confirmed that the contractor has to make the pump; it is not an off-the-shelf item. The contractor needs to look at what DWS's specs are on the pump and motor, and make sure that they can produce it. He noted that the pump must be manufactured, shipped over, put into the ground, run and tested, etc.

Mr. Ikeda said there are a couple of more things regarding this particular bid. Because the original hole was so tight, DWS is using a smaller cable so that a conduit can be run down the hole. To do that, DWS has to put in a new transformer. In order to put in a new transformer, DWS needs to get an electrical design done, and must order the transformer. That is a long-lead item, he said.

Mr. Greenwell asked what happens if there is a problem with the pump once it gets here. He asked who would be liable for transportation, etc.

The Manager-Chief Engineer said that DWS would look at who would be liable for whatever happened: either the contractor or DWS. DWS would take a good look at whether the liability lies with DWS or the contractor, he said.

Mr. Greenwell asked whether there should be a requirement that the manufacturer test these pumps before they leave the Mainland.

Mr. Ikeda said they do test the pumps.

The Manager-Chief Engineer said that the manufacturer certifies that the pumps are built to DWS's specs. He said he was pretty sure that there was some kind of certification that is required of the manufacturer.

Mr. Ikeda said that there is certification required of the manufacturer, who runs the pump through a test before shipping the pump.

The Manager-Chief Engineer said that the manufacturer tests the pump at the factory.

Mr. Ikeda confirmed this.

Ms. Lee Loy asked if the Deputy did a pre-bid meeting on this project, to notify the bidders that the Board does not grant time extensions.

The Deputy said he did not do a pre-bid meeting on this one, but assured that DWS holds contractors accountable on their time frames. He thought this time frame should be adequate.

Mr. Robinson said he was glad that DWS had two competitive firms bidding on this.

ACTION: Motion carried unanimously by voice vote.

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

The developers Lanihau Properties, LLC, West Hawaii Business Park, LLC, and Palani Ranch Company, Inc. (“Owners”) request an extension of the “Completion Deadline” identified in Section 1(b) of the First Supplemental Well Development Agreement dated August 12, 2009 (“Agreement”), due to circumstances beyond the control of the Owners. The original “Completion Deadline” as specified in the Agreement was December 31, 2011 and the request as allowed by the Agreement, would change the “Completion Deadline” to December 31, 2015.

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

The Manager-Chief Engineer recommended that the Board approve the extension request to change the “Completion Deadline” as defined in the First Supplemental Well Development Agreement from December 31, 2014, to December 31, 2015.

MOTION: Mr. Robinson moved to approve; seconded by Ms. Lee Loy.

The Manager-Chief Engineer said that DWS has no objections to approving the time extension to December 31, 2015. He noted that Mr. Riley Smith had testified earlier that the well could be put back online earlier, mentioning April as a possibility.

Mr. Greenwell said that for the record, he wanted to abstain from the vote.

Mr. Robinson noted that this project is just another pump gone bad.

Ms. Lee Loy said that DWS has had a few of those.

The Manager-Chief Engineer said that Mr. Smith had mentioned that similar issues have arisen with one of DWS’s well repairs.

ACTION: Motion carried with six (6) Ayes, and one abstention (Mr. Greenwell).

10) **MISCELLANEOUS:**

A. DEDICATION OF WATER SYSTEMS:

The Department has received the following document for action by the Water Board. The water system has been constructed in accordance with the Department’s standards and is in acceptable condition for dedication.

a. **GRANT OF EASEMENT**

(For Access and Utility Purposes)

Laupāhoehoe 0.5 MG Reservoir

Grantors: Robert Mark Stanga and Janice Marie Stanga

Tax Map Key: (3) 3-6-003: 003 (Portion)

The Manager-Chief Engineer recommended that the Water Board accept this document subject to the approval of the Corporation Counsel and that either the Chairman or the Vice-Chairman be authorized to sign the document.

MOTION: Mr. Robinson moved to approve; seconded by Ms. Lee Loy.

The Manager-Chief Engineer said that this Grant of Easement was required for the Laupāhoehoe 0.5 MG Reservoir project, which the Board has approved.

ACTION: Motion carried unanimously by voice vote.

B. DISCUSSION REGARDING DECEMBER 10, 2014, COMMISSION ON WATER RESOURCE MANAGEMENT (CWRM) MEETING ON NATIONAL PARKS SERVICE'S PETITION TO DESIGNATE KEAUKOU AQUIFER AS A GROUND WATER MANAGEMENT AREA:

ACTION: Mr. Robinson moved that the Board concur with the Recommendation by Special Counsel to not file an appeal at this time; seconded by Ms. Lee Loy. Motion carried unanimously by voice vote.

MOTION: Mr. Robinson moved that the Board direct Corporation Counsel to prepare a letter requesting mediation and that there be a mediator appointed for this mediation. He further moved that the same letter contain a summary of the Board's understanding of CWRM's Motion (made at the December 10, 2014, CWRM meeting in Kona), because there was some lack of clarity as to what was actually required in the Motion itself; seconded by Ms. Lee Loy.

Ms. Garson asked for confirmation that this letter would be coming from the Board.

Mr. Robinson confirmed this.

Ms. Garson said that in that case, the Board would be authorizing the Chairperson to sign the letter.

Mr. Robinson added that language to his Motion.

ACTION: Motion carried unanimously by voice vote.

C. EXECUTIVE SESSION RE: DECEMBER 10, 2014, COMMISSION ON WATER RESOURCE MANAGEMENT (CWRM) MEETING ON NATIONAL PARKS SERVICE'S PETITION TO DESIGNATE KEAUKOU AQUIFER AS A GROUND WATER MANAGEMENT AREA:

(The Executive Session took place earlier in the meeting.)

D. MONTHLY PROGRESS REPORT:

Mr. Greenwell asked if there were any updates on the Puakō Pipeline Replacement project.

Mr. Inaba said that it is scheduled for this coming Fiscal Year.

Mr. Greenwell asked about the status of the Waikoloa No. 1 Reservoir.

Mr. Inaba said that DWS has gotten approval from the Department of Hawaiian Home Lands (DHHL); there is no review required for the draft plan for the State Historical Preservation Division (SHPD). Things are moving along, he added. He noted that DWS is holding weekly meetings with the State Civil Defense representative, who comes to DWS every Monday to meet with Mr. Nishioka of Engineering and Ms. Candace Gray of Finance. The State Civil Defense representative is helping DWS push things along; this project is among other projects that DWS is still trying to get reimbursement for.

The Manager-Chief Engineer said that DWS is engaging in weekly discussions with contractors and consultants, to help move along projects such as the Lālāmilo Windfarm.

Mr. Robinson turned to the Queen Ka'ahumanu Highway Widening project. He said he understood that both Federal and State Highways had signed off, as did the SHPD. His understanding was that the only entity that has not signed off yet is the National Parks Service (NPS). He asked if that update was correct.

Mr. Inaba said that there actually are *two* entities, including the NPS, which still need to sign off. He did not know at what stage things were.

Mr. Robinson said that he understood that the SHPD signed off, which was a big deal; those Federal funds just have to be kept alive, he said. Meanwhile, DWS's pipes lay waiting for the project to start.

The Manager-Chief Engineer said that DWS only has verbal indications from the State Highways Division at this point.

E. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

No discussion.

F. BOARD MEMBERS' SERVICE:

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

Ms. Garson said that a Motion on this Item is not necessary; she asked if Messrs. Kaneshiro and Greenwell were willing to hold over for a maximum of 90 days.

Chairperson Kaneshiro and Mr. Greenwell both agreed to stay on for the additional 90 days, or until their respective successors are appointed and confirmed, whichever comes first.

G. ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON FOR 2015:

(Chairperson Kaneshiro asked that this Item be taken up later in the Agenda.)

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

Ms. Lee Loy reported that at the November Board meeting, the Board had approved some amendments to the Evaluation Form; those changes were underlined on the form before the Board today. She noted that Chairperson Kaneshiro had wanted language in Item 2 which called for a schedule or timeline to be prepared. Another change involved a goal related to the re-use of water, or R-1 water. Ms. Lee Loy folded that amendment into Item 4 as: "Develop and implement educational and informational programs related to conservation with a focus related to re-use water and/or R-1 water."

Chairperson Kaneshiro asked the Board if everyone was in agreement.

Ms. Garson suggested that someone move to approve the use of this form for the next calendar year.

ACTION: Ms. Lee Loy so moved; seconded by Ms. Iokepa-Moses, and carried unanimously by voice vote.

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

Chairperson Kaneshiro asked the Board if everyone had sent in their Evaluations.

The Secretary confirmed that everybody had submitted them, but there was one late entry today. Therefore, the Secretary was only able to tally an overall average, but had not had the opportunity to do the itemized tally that she had done last year. She said that she could have that ready for the Board by the next meeting.

Chairperson Kaneshiro asked the Manager-Chief Engineer if he wanted to go into Executive Session.

The Manager-Chief Engineer said no.

Ms. Garson said that since the evaluation results were preliminary, she did not think the results should be discussed yet. She suggested deferring this Item to the January meeting.

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

J. **EXECUTIVE SESSION:**

The Board had anticipated convening an executive meeting to consider the evaluations of the Manager-Chief Engineer, as authorized by Hawai'i Revised Statutes, Sections 92-4, and 92-5(a)(2), 92-5(a)(4) and Hawai'i County Charter Section 13-20(b), where consideration of matters affecting privacy will be involved, and for the purpose of consulting with the Water Board's attorney on questions and issues pertaining to the Water Board's powers, duties, privileges, immunities, and liabilities.

(The Manager-Chief Engineer waived his right to an Executive Session.)

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

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

- 1) **Pu'ukala/Kona Ocean View Properties Subdivision Improvement District Update** – DWS is in the process of installing meters, either this week or next week. The Manager-Chief Engineer said he did not know if Engineering had a firm completion date, but things are moving along. Mr. Greenwell asked whether the road paving, etc. was taken care of. The Manager-Chief Engineer said the Department is in discussions as to how much monies are available, and as to how much paving can be done. Mr. Inaba said DWS had received a proposal from the contractor, who walked the entire subdivision to pinpoint the worst damage; the contractor was aiming to adhere as closely as possible to the original project scope. However, it was decided that repair was necessary to stretches of the road that were substantially damaged. In the meantime, DWS is not holding up the installation of the meters, which has started, Mr. Inaba said. Customers who have applied for service are having their meters installed. Mr. Greenwell said that was good, because a woman sitting next to him at the CWRM meeting had complained about the progress of the installation. Mr. Greenwell said he had assured her that the Department was working on it, and invited her to attend a Board meeting to hear about the progress. The Manager-Chief Engineer said that he appreciated Mr. Greenwell's response, adding that Mr. Inaba and his engineering staff are tasked with responding to customers' concerns.
- 2) **Lava Update** – The Deputy reported that the lava is steadily advancing along its projected path, which is taking it toward the Pāhoa Marketplace. The lava is going to

split the DWS system, and DWS is looking to install emergency pipeline and a small storage tank. This is aimed at continuing to provide uninterrupted service to critical facilities such as the new fire station, the new police station, and the DWS spigot and standpipes. The spigot and standpipes will be even more needed, during this event, the Deputy said. Mr. Ikeda and his Operations crew will be very busy in the coming days, as the lava looks poised to hit Highway 130 (i.e., the Pāhoa Bypass Road), in about a week. There is a lot of work to do; DWS has coordinated a temporary easement access through Hawaiian Homes land, and DWS is also working with DLNR just in case DWS needs to utilize some of their land as well. Ms. Iokepa-Moses asked if there were any FEMA or other emergency money; she asked if these costs are coming out of DWS's pocket. The Deputy said that right now it is coming out of DWS's pocket, but DWS has met with FEMA, State Civil Defense, County Civil Defense, and elected officials regarding public assistance. This situation poses a first for FEMA, too, because they do not have a prior scenario that dealt with lava and the rate that lava affects the community. Ms. Iokepa-Moses said that this is one time that DWS wants to set precedents. The Deputy said that DWS is working on emergency funding, and Ms. Candace Gray of Finance is working directly as DWS's point-of-contact with State Civil Defense and FEMA. The Manager-Chief Engineer noted to Mr. Greenwell that DWS is using the PVC pipeline that was stored up in Waimea, and the Department is looking for more pipeline. The Deputy said that currently it looks like DWS has enough; DWS has a certain number of lineal feet of 12-inch PVC for the White Road, as well as a certain number of lineal feet of 8-inch plastic pipeline. This should carry DWS the distance, but the Department would keep everyone informed, the Deputy said. Mr. Robinson said he is amazed at how many people have contacted him from all over the world regarding the lava flow and its impact on Pāhoa; this is really big news everywhere. The Manager-Chief Engineer said that the regular briefings held by Civil Defense have really helped keep people informed, and feel safer.

- 3) Public Information and Education Specialist Update – Ms. Aton said that DWS had hosted last night's edition of the County's Magic of the Season holiday event, in tandem with the Department of Environmental Management (DEM). DWS and DEM volunteers handed out food and candy to upwards of 400 people; the headline entertainment for the evening was Mr. Henry Kaponono and Ms. Darlene Ahuna. DWS also volunteered with Civil Defense to host schoolchildren at the lava viewing area at the now-closed Pāhoa Transfer Station. Ms. Lee Loy asked Ms. Aton to post on the DWS website some talking points to help the public understand the issues and arguments behind the NPS petition. She noted that people ask her where to look for such information, as they prepare to attend meetings regarding the NPS petition; she said that CWRM's website was slow to update its information. Ms. Lee Loy said that at the December 10, 2014, CWRM meeting in Kona, everybody wanted to have a voice and wanted to make an impact; but some people simply did not know how. Mr. Robinson agreed that talking points were very useful, adding that the NPS did a good job of putting out their talking points. Ms. Lee Loy said that with her own projects, she often does a Fact or Myth kind of talking point. She said that a lot of people talked about whether or not water meters would be issued (in the event of designation). People often either misrepresent or inaccurately state issues like that; sound bites or talking points can alleviate that, and would be helpful to the entire community, Ms. Lee Loy said. Mr. Robinson said that talking points would be good because DWS has science on its side, whereas the NPS tends to rely less on science in arguing for designation. Ms. Aton said that she had been posting letters, etc., to the DWS website, but removed them as events overtook them. Ms. Aton said that DWS does have a lot of letters and other fact-based and science-based material that could

serve as talking points. She said these could certainly be summarized, and she said she could do frequently asked questions (FAQs). Ms. Lee Loy said such FAQs would be helpful.

- 4) Recognition of Service Retirement – Mr. Inaba said that Mr. Vince Ortiz, who was not in attendance today, was retiring as a Cross Connection Technician III. With more than 20 years’ service with DWS, Mr. Ortiz spent nearly half of his career in Operations, but he moved over to the Department’s Cross Connection program and progressed up that series. The position he holds requires a considerably difficult certification process, Mr. Inaba said. The section he belongs to is a small one, and his retirement poses a big loss and a tough vacancy to fill; the Department appreciates all of the work he did, Mr. Inaba said.

L. **CHAIRPERSON’S REPORT:**

Chairperson Kaneshiro drew the Board’s attention to the schedule of the 2015 Meetings and venues, which was in the Board packets.

The Chairperson said the Board at the January meeting needs to start thinking about Cost-of-Living Allowances for the Manager-Chief Engineer and the Deputy.

G. **ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON FOR 2015:**

MOTION: Mr. Greenwell moved to nominate Mr. Robinson as the Chairperson for 2015; seconded by Ms. Lee Loy.

Chairperson Kaneshiro asked if there were any other nominations.

Ms. Lee Loy asked to close the nominations.

ACTION: Motion carried unanimously by voice vote.

Chairperson Kaneshiro entertained a Motion to nominate the Vice-Chairperson.

MOTION: Ms. Lee Loy moved to nominate Mr. Takamine as Vice-Chairperson; seconded by Mr. Greenwell.

Ms. Lee Loy said that she noticed a lot of people looking her way regarding the Vice-Chairperson position, but she felt that her plate was full. She commended Mr. Takamine as a great complement to Kona-based Mr. Robinson, with Mr. Takamine being in Hilo. This will really help the Board, she said.

Chairperson Kaneshiro asked if there were any other nominations.

Ms. Lee Loy asked to close the nominations.

ACTION: Motion carried unanimously by voice vote.

Chairperson Kaneshiro asked whether he would be the one to sign documents through the end of the year.

Ms. Garson confirmed that he would be the one to sign, because the new Chairperson’s term starts on January 1.

11) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board will be held at 10:00 a.m. on January 27, 2015, 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 February 24, 2015, at West Hawai'i Civic Center, Community Center, Bldg. G, 74-5044 Ane Keohokalole Hwy, Kailua-Kona, HI.

The Manager-Chief Engineer congratulated Mr. Robinson on his election as Chairperson, and Mr. Takamine on his election as Vice-Chairperson. He said that there will be a lot of documents to sign, and noted that it is easier for the staff when the Vice-Chairperson is on this side of the island.

The Manager-Chief Engineer mentioned that the AWWA conference on Oahu is coming up in February and the national AWWA conference in Anaheim is coming up in June, so he urged the Board members interested in attending to contact the Executive Secretary for arrangements.

(Ms. Aton ushered Mayor Billy Kenoi into the room at 12:55 p.m.)

The Mayor said that he had been at the Hilo Yacht Club for the Board's year-end luncheon, and wanted to come to thank Messrs. Kaneshiro and Greenwell for their service on the Board, and for bringing a balanced perspective and a voice for the farmers and ranchers. He commended them for their honesty and integrity, and for doing the right things for the right reasons. The Mayor said that he was headed to the other side of the island, and apologized that he would have to miss the Board luncheon. The Mayor said that he wished he could just reappoint the two gentlemen; he would have to appoint some new Board members now that their terms were completed.

12) **ADJOURNMENT**

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

The meeting adjourned at 12:58 p.m.

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.