

MINUTES

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

July 26, 2016

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

MEMBERS PRESENT: Mr. Craig Takamine, Chairperson
Mr. Russell Arikawa, Vice-Chairperson
Mr. Bryant Balog
Mr. Leningrad Elarionoff
Ms. Brenda Iokepa-Moses
Mr. Jay Uyeda
Ms. Kanoë Wilson

ABSENT:

Ms. Susan Lee Loy, 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. Amy Self, Deputy Corporation Counsel
Mr. Steve Shropshire
Ms. Elena Thomas
Ms. Chloe Iokepa-Moses
Mr. Jon Horton, Hawai'i Technical Environmental Construction Corp.
Mr. Robert J. Thomas, Hawai'i Technical Environmental Construction Corp.
Mr. John Kaye, Hakalau Point Preservation Association
Ms. Sunshine Carter, Legislative Assistant to Councilmember
Valerie Poindexter

Department of Water Supply Staff

Mr. Keith Okamoto, Manager-Chief Engineer
Mr. Kawika Uyehara, Deputy
Mr. Kurt Inaba, Engineering Division Head
Mr. Richard Sumada, Waterworks Controller
Mr. Clyde Young, Operations
Mr. Warren Ching, Operations

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- 1) CALL TO ORDER – Chairperson Takamine called the meeting to order at 10:02 a.m. Chairperson Takamine announced that Janet Snyder, the Board Secretary, had been promoted to Information & Education Specialist, effective August 1, 2016. Ms. Snyder said that Ms. Doreen Jollimore, who serves as Private Secretary, will be taking over the duties of Board Secretary from next month.
 - 2) STATEMENTS FROM THE PUBLIC
(See Statement from Mr. John Kaye later in meeting.)

3) APPROVAL OF MINUTES

The Chairperson entertained a Motion to approve the Minutes of the Public Hearing on DWS's Amended Rules & Regulations, and the Minutes of the June 28, 2016, regular Water Board Meeting.

ACTION: Ms. Iokepa-Moses moved to approve; seconded by Mr. Arikawa; and carried unanimously by voice vote.

4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA

None.

5) SOUTH HILO:

A. **ASSIGNMENT OF WATER UNITS OBTAINED THROUGH AN ASSIGNMENT BY MAUNA KEA AGRIBUSINESS CO., INC., TO TMK PARCELS (3) 2-9-002:079 AND 081:**

In 2003, Mauna Kea Agribusiness Co., Inc., assigned 25 units of water from their 1989 development agreement with the Board, to Tax Map Key (3) 2-9-002:024, owned by Shropshire Group LLC, with the consent of the Board. The parcel was subdivided into 22 lots, and the developer utilized 21 of the assignment units of water for the lots within the Hakalau Plantation Village subdivision, leaving four units of water unused.

Shropshire Group LLC also owns parcels Tax Map Key (3) 2-9-002:079 and 081, and is requesting to assign the remaining four units of water to develop the parcels. The assignment of units will be two units for each parcel.

The Manager-Chief Engineer recommended that the Water Board approve the ASSIGNMENT OF WATER UNITS OBTAINED THROUGH AN ASSIGNMENT BY MAUNA KEA AGRIBUSINESS CO., INC., TO TMK PARCELS (3) 2-9-002:079 AND 081. It is further recommended that the Chairperson or Vice-Chairperson be authorized to execute the appropriate documents.

MOTION: Mr. Arikawa moved to approve; seconded by Ms. Wilson.

The Manager-Chief Engineer said that the supporting documentation behind the Recommendation was included in the Board packets. A graphic projected on the screen showed the location of the parcels in question. He said that it is within the scope of the agreements to allow this transfer of four water units across the street in Hakalau to Parcels 79 and 81. This was all within the same development area, under the original 1989 agreement with Mauna Kea Agribusiness, who owned all of this property previously. He pointed out the 12-acre parcel that was subdivided; there were four water units unused of the original 25 units assigned to the property. The Manager-Chief Engineer said that the transfer of the four units is within the scope of the agreement, so DWS has no objection to this transfer.

Mr. Elarionoff noted that the parcel was subdivided into 22 lots, and 21 of those lots were developed. There are four water units remaining unused, he said. He asked whether the developer has subdivided that last lot.

The Manager-Chief Engineer said that the original parcel had a water unit already assigned to it, so when the developer subdivided it into 22 lots, all the developer needed was 21 units of the total 25 water units. That is where the four remaining water units came from.

Mr. Elarionoff asked whether it was necessary for the Board to go through this process today. According to the documents, the assignor, i.e., Shropshire, is allowed to assign the water units; Mr. Elarionoff said he did not see the problem. He asked if it was necessary to bring this before the Board today.

The Manager-Chief Engineer said the landowner had requested that it be brought to the Board today. DWS is recommending approval of the assignment because it is within the realm of the agreement.

Mr. Elarionoff said okay, he now understood that the landowner requested it.

Chairperson Takamine called on Mr. John Kaye, representing the Hakalau Point Preservation Association and the Hakalau Plantation Village Association, to testify regarding the assignment.

(The following testimony is verbatim.)

MR. JOHN KAYE: I represent an organization called the Hakalau Point Preservation Association. I'm also a member of the Hakalau Plantation Village Association, because I live there. And I'm just also my own citizen. So on behalf of all those reasons, that's why I'm here today. And I just have a couple questions on them, because I couldn't figure it out... One, was the extra water units that you just discussed today, was, um, apparently, the transaction was for 25...and 22 lots were actually subdivided, and all of them are, or most of them, have homes on them at this point. Not all, but most... And so the idea that there was already one water meter there on the property... Have we really hammered that down as being correct? Because when I talked to the neighbors, you know, nobody knew anything about that...that there was already one water meter on that area. Um, the second question I have is...when we're talking about *units*, which is what was transferred here, what is a unit, in terms of...? How, how...what's the definition? I don't know what that is, and we were a little bit confused on that... What is a water unit, which is what the land owner was assigned? Third, was when you asked the question about...you're not sure why we even had to go through this process today... When I read the assignment, I read it that the assignment was for the Hakalau Plantation Village, because it referred only to the one particular parcel, which is where I live... And I specifically then said that the person assigning...which is no longer in the picture anymore...and the Water Division (sic) had to agree to...well, it didn't say "had to agree,"...it just says that we are agreeing to this assignment of the 25... But there was no language in there that I saw... In fact, it said the otherwise, that this only applies to this assignment, and that this conveyance to the Hakalau Plantation Village parcel, um, is all this assignment is good for, so when I read it, I got a whole different impression..., which is that, yeah, if the land owner did wanna take any extras and bring them across the street to another subdivision...then he would have to get another assignment, or permission, for that, because the first one was restricted to that parcel only, um... So I'm not sure...I would've come to a different conclusion...in saying, yes, this *is* required for him to do. And my third point is... The reason I'm asking about water units is...what this assignment will do is give two water units to one parcel...or to two parcels... No, one parcel that is going to be commercial/industrial, two more water units...he has four...that will be going over to the planned subdivision of houses that the landowner is contemplating. And my question is, is there any difference in terms of water pressure...water amounts between these units? In other words, are they all the same? Is the unit the same, and if so, then the two that are going toward these...what will be four parcels of commercial/industrial...don't they require more water than the houses would? So when you give two to four parcels that are planned for factories...isn't that not giving very much, compared to giving two that's gonna be intended for houses? And I'm just wondering how that jibes with the zoning request, to have four parcels become commercial

warehouses, and commercial activities in them? And you've got two water units for that purpose... And then, finally, my last point...

(Vice-Chairperson Arikawa holds up the sign that the testifier's allotted time is up.)

MR. KAYE: I'm sorry, because I'm ignorant about a lotta this stuff, but in terms of...let me see... I'll stop there because that's all I can think of at this point.

CHAIRPERSON: Can someone from the Department answer his questions?

MANAGER-CHIEF ENGINEER: Well, actually, this is public testimony...

MS. SELF: Yes.

MANAGER-CHIEF ENGINEER: It's not for discussion.

MR. KAYE: Okay.

MANAGER-CHIEF ENGINEER: But if you have specific questions, as Mr. Kaye might have brought up as it relates to the particular Agenda item...then you guys can bring that up for discussion.

MR. KAYE: Well, okay. That's all I have to say.

Ms. Iokepa-Moses moved to accept the assignment as written, and Ms. Wilson seconded.
(Earlier, there was a Motion and a Second to accept the assignment.)

Mr. Elarionoff said that the Board should ask Mr. Kaye to explain some of his questions.

Ms. Iokepa-Moses said Mr. Kaye made a public statement, i.e., not for discussion by the Board. She said that the Board does not have any information before it regarding whether the parcels will be commercially zoned for factories, etc. The Board today is only dealing with the assignment of the water units; that is all, she said. Therefore, the Board should stick to the matter at hand on the Agenda. Ms. Iokepa-Moses said that there are public concerns regarding the full plan that Mr. Kaye should maybe discuss with the landowner. However, the Board does not have that information to entertain such questions at this time, she said. The Agenda item involves the assignment, and that is what the Board should be voting on today.

Mr. Elarionoff said the point he was trying to make is that when the landowner applied for a subdivision, various things are required, including water. That is where these questions should be answered, he said.

Ms. Iokepa-Moses pointed out that the landowner was not asking for anything additional; they are asking for the same amount of water units that they had. It is only that the water units are going to different lots, she said. The entire parcel had been owned by Mauna Kea Agribusiness before. Ms. Iokepa-Moses said that there seemed to be no question here.

Chairperson Takamine said that the Board cannot make any assumptions about what the property owner is going to be doing. He agreed with Ms. Iokepa-Moses that the Board should just look at what is on the Agenda.

Ms. Self said that if Mr. Kaye has any issues or concerns about zoning, he should go talk to the Planning Department. They will be able to answer all of his questions regarding zoning.

ACTION: Motion carried unanimously by voice vote.

B. JOB NO. 2014-1016 (ALT), FURNISHING AND INSTALLATION OF A FLEET FUEL MANAGEMENT SYSTEM, PHASE 1-- CHANGE ORDER:

The contractor, Hawai'i Technical Environmental Construction Corporation, is requesting a contract change order for the Furnishing and Installation of a Fleet Fuel Management System – Phase 1. The contract change order is for the testing and removal of up to 60 tons of unforeseen gasoline-contaminated soil and previously-abandoned fuel lines, which were discovered during excavation of the project area. Testing, removal, and disposal of contaminated soils will be completed as required by the Department of Health.

The change order also includes work to backfill the excavated area, and to restore the asphalt and concrete to their original condition. This additional work is based on an unforeseen condition and is beyond the original scope of the contract.

Original Contract Amount:	\$ 69,700.00
Original Contingency Amount:	\$ 6,900.00
1 st Additional Contingency Request (time and materials basis):	<u>\$ 80,000.00</u>
Total Revised Contract Amount (not to exceed)	\$156,600.00

The contractor is also requesting a time extension of 138 calendar days. Staff has reviewed the request by Hawai'i Technical Environmental Construction Corporation, and finds the additional contingency amount and additional 138 calendar days to be acceptable.

The additional funds will come from the CIP budget.

The Manager-Chief Engineer recommended that the Board approve an increase in contingency of \$80,000.00 for a total contract amount of \$156,600.00, and a contract time extension of 138 calendar days to Hawai'i Technical Environmental Construction Corporation, for JOB NO. 2014-1016 (ALT), FURNISHING AND INSTALLATION OF A FLEET FUEL MANAGEMENT SYSTEM – PHASE 1. If approved, the contract completion date will be revised from May 2, 2016, to September 16, 2016.

MOTION: Mr. Arikawa moved to approve; seconded by Ms. Wilson.

The Manager-Chief Engineer said that after evaluating this item further, DWS would like to revise the Recommendation to 104 days, which would bring the contract completion date to August 14, 2016. DWS took a closer look at the contractor's schedule, the work performed and the timeframe in which it was performed, and decided, after the original Agenda write-up, that 34 days should be removed from the extension request. Therefore, DWS would like to revise its Recommendation accordingly.

Mr. Arikawa asked where this system was located.

The Manager-Chief Engineer said it was on the Baseyard grounds. He offered to take the Board to see where it was. He noted that the scope of the project involved the replacement of DWS's fueling system for its fleet vehicles; this includes a gas pump and a Convault above-ground fuel storage tank. During the excavation and demolition of the existing system, some contaminated soil was discovered, possibly due to a leak somewhere in the fuel line. Unfortunately, it is difficult to quantify the exact scope of the potential impact. Therefore, DWS is proposing to perform this additional scope on a time-and-material, or force-account, basis, with a ceiling of \$80,000.00. The contractor will need to hire an environmental specialist to do the appropriate testing to be submitted to the Department of Health (DOH); the contractor will need to excavate

to determine the extent of the impact, and will then remediate it. The Manager-Chief Engineer said that unfortunately, at this time, DWS does not know the exact quantities.

Mr. Arikawa observed that 60 tons is a lot of material. He asked where DWS would dispose of 60 tons of contaminated soil.

The Manager-Chief Engineer said that is yet to be determined, but in any case, the disposal would have to be in compliance with DOH rules or any other regulatory requirements.

Mr. Warren Ching, the project engineer, said that disposal would be in the Waikoloa area; that is where contaminated soils are disposed of.

Mr. Uyeda said that in his experience, the soils are tested, and if they meet a certain threshold range for petroleum content, the landfill can accept it. However, if it exceeds the range, the contaminated soils will need to be shipped elsewhere.

Chairperson Takamine asked how old the original Convault tank was.

Mr. Ching said that originally, DWS had an underground storage tank – before the Department had the above-ground Convault tank. Mr. Ching said he found a circa-1971 drawing of the original underground tank. The Convault tank currently in use was built around 1991; it was installed along with a dispenser. When the underground storage tank was removed, some fuel lines were left behind. Those abandoned fuel lines were also discovered; they need to be tested.

Mr. Elarionoff asked whether DWS would come back to the Board if the contractor goes through the allotted \$80,000.00.

The Manager-Chief Engineer confirmed this; he said DWS tried to strike a balance here. DWS did not want to provide a blank check, and instead the Department sought to establish some boundaries for this course of action. If the work gets to be much larger than the anticipated scope, DWS will have to come back to the Board regarding the next course of action.

Mr. Elarionoff asked what would happen if the quantity of contaminated soils came to less than 60 tons.

The Manager-Chief Engineer said in that event, DWS would pay the contractor according to the actual quantities that were removed.

Chairperson Takamine noted that this was being done on a time-and-materials basis.

Ms. Wilson said that 60 tons is the cap.

Mr. Arikawa asked whether this revised schedule of 104 days would affect the actual contingency, and therefore the total contract amount.

The Manager-Chief Engineer said yes, this will be in addition to the original contingency amount. The original contingency amount was tapped a bit, because in the interim, DWS still needed the system to fuel the Department's vehicles. DWS asked the contractor to reposition the fuel pump system so that staff could still fill gas. That posed additional work, beyond the scope, so this \$80,000.000 is on top of the original contingency amount.

Mr. Arikawa asked whether, even though the extension request has been lowered to 104 days, DWS is still asking for \$80,000.00.

The Manager-Chief Engineer said that was correct; the quantity is still what it was based on.

Mr. Uyeda said he was trying to get a handle on the scope of work. He asked what the additional scope would encompass. He asked the Manager-Chief Engineer to explain the scope of the original contract amount of \$69,700.00 (plus \$6,900.00 in contingency).

Mr. Ching said the original scope was just to replace the fuel dispenser, because the parts are obsolete. DWS also wanted to include a fuel management system; rather than write down fill-up information on a ticket as is currently done, the fill-ups will be recorded automatically. A report will be generated at the front office, so the staff do not have to do paperwork while filling up. This will expedite the fueling process and the record-keeping.

Mr. Uyeda asked if that work had been completed.

Mr. Ching said no, not yet. The contractor had just gotten to the demolition phase, but work was stopped because the Department needed to come to the Board regarding the remediation process.

Mr. Uyeda asked for confirmation that, assuming that the Board grants the 104 days, the completion date will be August 14, i.e., two weeks from now.

Mr. Ching said yes, adding that the contractor was already in liquidated damages when the contamination was found. That is where the 138 days were reduced to 104 days, because DWS did not account for the fact that the contractor was already in liquidated damages. DWS had to remove those 34 days of liquidated damages that the contractor was already into.

The Manager-Chief Engineer said that the contractor is beyond the contract completion date already, per DWS's General Requirements and Covenants. DWS has that schedule of values for liquidated damages.

Chairperson Takamine said he had thought DWS was also replacing the *tank*; instead, DWS is only replacing the dispenser.

The Manager-Chief Engineer said yes, and also some of the fuel lines.

Ms. Iokepa-Moses observed that there is nothing one can do when one finds things like contamination. She moved to approve, and Mr. Balog seconded.

Ms. Self said there already was a Motion on the floor; that Motion would have to be amended.

AMENDED MOTION: Ms. Iokepa-Moses moved to amend the Motion to be 104 days, with the \$80,000.00 in additional funds, and with an end date of August 14, 2016. Mr. Balog seconded.

Mr. Uyeda had one last question before the Board voted. He asked whether there was a good chance that there may be another change order, to adjust the working days yet again. He asked if that would just be on the contractor, based on liquidated damages.

The Manager-Chief Engineer said it was highly unlikely that the contractor will finish the job by August 14.

Mr. Uyeda said that was his point.

The Manager-Chief Engineer said that if there is an additional justification for why the contractor could not complete the work in that time frame, the contractor would need to submit a request. DWS would check that request against the General Requirements and Covenants (GRCs); if the justification was not consistent with the GRCs, DWS would reject that request. The contractor

would then still need to abide by that August 14 date, and would have to pay liquidated damages for whatever days extended beyond the August 14 date, he said.

Chairperson Takamine said that DWS staff have been really good about holding contractors to their contract times, and about holding them to the GRCs.

ACTION: Motion as Amended carried unanimously by voice vote.

6) MISCELLANEOUS:

A. DEDICATIONS:

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.

1. **DEED** (Honoka'a Tank Site)

Grantor: Honoka'a Plantation Cottages, LLC

Tax Map Key: (3) 4-5-010: 121

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

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

Mr. Inaba said that DWS had executed an agreement in 2014 with the landowner, Honoka'a Plantation Cottages, whereby the owner would deed this parcel to DWS to enable the Department to construct a reservoir on it. The deed documents are ready to be executed, upon Board approval.

ACTION: Motion carried unanimously by voice vote.

B. VEHICLE AND EQUIPMENT BID NO. 2015-10, FURNISHING AND DELIVERING VEHICLES AND EQUIPMENT TO THE DEPARTMENT OF WATER SUPPLY:

The contractor, Orchid Isle Auto Center, is requesting a contract time extension of 123 calendar days for Part H (1-Ton Dump Truck) of the subject project. The dump truck was in Kansas City waiting to be transported to Hawai'i when a hail storm damaged the truck. Ford will be auctioning off the damaged truck, which is not available for the Department of Water Supply to purchase at a discounted price.

Orchid Isle Auto Center will be reordering a new dump truck to replace the damaged one. All of the other vehicles under this contract have been received by the Department of Water Supply.

Staff has reviewed this request and finds it to be acceptable under Section 8.8 of DWS's "General Requirement and Covenants," dated 1986.

The Manager-Chief Engineer recommended that the Board approve a contract time extension to Orchid Isle Auto Center of 123 calendar days for VEHICLE AND EQUIPMENT BID NO. 2015-10, FURNISHING AND DELIVERING VEHICLES AND EQUIPMENT TO THE DEPARTMENT OF WATER SUPPLY. If approved, the contract completion date will be revised from August 23, 2016, to December 24, 2016.

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

The Manager-Chief Engineer said that this job is in compliance with the GRCs. The truck was badly damaged in a hailstorm. The vendor Orchid Isle explored various options, such as trying to salvage the truck after removing the utility body, but the entire unit needed to be replaced. This request seems to be straightforward, and so DWS recommended granting the time extension.

Mr. Elarionoff said he never heard of a hailstorm doing such damage.

The Manager-Chief Engineer said that apparently, DWS's truck was among numerous vehicles that sustained damage in the hailstorm.

ACTION: Motion carried unanimously by voice vote.

C. **UPDATE RE: NATIONAL PARKS SERVICE'S PETITION TO DESIGNATE KEAUHOU AQUIFER AS A GROUND WATER MANAGEMENT AREA:**

The Manager-Chief Engineer said there was nothing to report.

D. **EXECUTIVE SESSION RE: NATIONAL PARKS SERVICE'S PETITION TO DESIGNATE KEAUHOU AQUIFER AS A GROUND WATER MANAGEMENT AREA:**

No Executive Session was held.

E. **MONTHLY PROGRESS REPORT:**

Mr. Uyeda asked whether all of DWS's waterlines had been installed on the Queen Ka'ahumanu Highway Widening project.

Mr. Inaba said not yet; the contractor has been installing in the Second Phase, on the south segment of the job.

Mr. Uyeda asked how much of the work on the water system had been completed.

Mr. Inaba explained that the waterline still needs to be brought up to the finish grade, the step just before paving. Until then, DWS will not have the contractor pressure-test the waterline; after the pressure test, the water line will be chlorinated. Once that is done, DWS will be able to say that the waterline has been completely installed.

Mr. Uyeda asked if all of the piping that had lain exposed in the sun for years is now underground.

Mr. Inaba said yes, for the most part. DWS had had the manufacturer come out to inspect and certify that all of the materials were good; DWS made sure that the piping, etc., was going to be okay, he said.

Ms. Wilson asked about the Laupāhoehoe (Manowai'ōpae) 0.5 MG Reservoir and the Āhualoa-Honoka'a Transmission Waterline Phase 2 projects, slated for completion in 2016. She asked if the projects were complete.

Mr. Inaba said that the Āhualoa project is substantially complete, with just a few minor punch-list items to go. The Laupāhoehoe project, however, experienced an electrical power incident on May 18. The contractor had been in liquidated damages up to that date, but on May 18, there was this incident, which damaged DWS's equipment. There have been some claims, and DWS has arranged to meet with HELCO to address those claims; the project is currently on hold.

Arrangements have been made to replace the equipment, and the work should be finishing up soon, but the project is on hold right now due to the electrical damage, Mr. Inaba said.

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

Turning to the bottom of Page BUD1, listed as “Operations, Repair & Maintenance,” Mr. Elarionoff asked whether the repairs were done in-house, or contracted out.

Mr. Sumada said that these repairs were contracted out to various vendors on the island.

Mr. Elarionoff asked whether backhoe repairs, etc., were done in-house or outside.

Mr. Sumada said they were contracted out.

Ms. Wilson asked if the Financials this month reflected the close of Fiscal Year 2016.

Mr. Sumada confirmed that June 30 is DWS’s fiscal year end. The fiscal year-end numbers are still subject to auditor adjustments; the auditors will look at the numbers, and make adjustments when they complete their work in September. The numbers will be finalized in September.

Mr. Arikawa congratulated the Department, as he did last month, on coming in under budget.

Mr. Elarionoff turned to Page BUD1, under “Revenues, Standby Charges.” He read the passage: “Revenues to date totaling 11,464,424 and comprising 103% of budget is due to 3% rate increase.” He asked Mr. Sumada to explain that section.

Mr. Sumada said the actual standby charges that DWS received had exceeded budget by 3 percent. The budget for standby charges was \$11.1 million. DWS actually received \$11.5 million. DWS received *more* than was budgeted, due to the 3% rate increase that was implemented for the year, as well as an increased number of services islandwide.

Mr. Elarionoff asked if, in that case, the rate increase was unnecessary.

Mr. Sumada said no, it means that DWS estimated that X amount was going to come in, based on the rate increase. DWS wound up receiving a little bit more because there were more services generating this kind of revenue.

Ms. Wilson asked whether the original budget that DWS projected did not take into account the increase in services.

Ms. Iokepa-Moses said that the Department can only *anticipate* what kind of service increases there will be in the course of the year; DWS came up with a number that was pretty close. In fact, it came in over the number that DWS anticipated it would have.

Ms. Wilson asked if the increase in services was a factor.

Ms. Sumada said yes, he had estimated that services would stay flat.

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

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

- 1) Matters of interest to the Board – The Manager-Chief Engineer commended the Deputy and Mr. Young for their outstanding leadership during the week of Tropical Storm Darby, while both Operations Chief Daryl Ikeda and the Manager-Chief Engineer were on vacation. The Deputy kept the Manager-Chief Engineer apprised of developments via texting and emails, etc. The Deputy, Mr. Young, and the staff in the field did a great

job monitoring DWS's systems, making sure that water kept flowing amid an erratic electric power situation, at times ranging from North Kohala to South Kohala. On a different subject, the Manager-Chief Engineer reported that with Ms. Snyder moving to her new position, Ms. Doreen Jollimore, the Private Secretary will also be serving as Board Secretary. He noted that Ms. Snyder will continue to attend Board meetings. Mr. Uyeda asked if the tropical storm had damaged any DWS equipment. Mr. Young said that the only damage came when a tree toppled onto a fence at the Camp 6 tank site in Waiākea Uka; there was no loss of power to any facilities. The Deputy reported that Operations personnel were vital in keeping all of DWS's water systems flowing. He noted that while he was at the Emergency Operations Center (EOC) at Civil Defense, it was good to see how all of the various government agencies coordinated with their personnel in the field to maintain functionality and keep people safe islandwide.

- 2) Recognition of Employee of the Quarter -- Mr. Young introduced Mechanical Engineer I Warren Ching as this quarter's awardee. Mr. Ching joined DWS last February soon after graduation from University of Portland. Mr. Arikawa noted that Mr. Ching was an All-Star volleyball player at Waiākea High School. The Manager-Chief Engineer said that Mr. Ching is very deserving of this award; he is one of two or three engineers dispatched to check on the various wells under repair, and he comes up with accurate cost estimates for projects.
- 3) Recognition of Service Retirement – Mr. Sumada commended the soon-to-retire Ms. Lynn Hirano, who has been a cashier in the Hilo main office for 25 years. Ms. Hirano, who retires on Friday, is a solid, dependable worker who will be very much missed. Ms. Iokepa-Moses asked if her position will be filled right away. Mr. Sumada said that the Department hopes to fill it as soon as possible. The Manager-Chief Engineer said that Ms. Hirano was always at work early, and would routinely open her window before official work hours to serve early-bird customers. Cashiering is a very precise profession, and Ms. Hirano was always consistent and meticulous, he said. He said that in government, a position cannot be filled until it is vacant, but things are in motion to fill the position.

H. CHAIRPERSON'S REPORT:

Chairperson Takamine said that next month, he would be meeting with one particular legislator to start the discussion about how DWS can tap the State for more funds to do more projects. DWS is trying to be really proactive in starting the conversation before the Legislative Session starts. The Chairperson noted the article about Waiākea Water in today's paper; he commended the Deputy for representing DWS very well. The Chairperson said he had heard about the company, which has been selling Big Island water to Whole Foods, etc. It goes to show that Big Island water is the best in the nation, and it is a blessing to be grateful for, he said.

Mr. Elarionoff said he was bothered that the Board failed to respond to Mr. Kaye's questions earlier in the meeting.

Ms. Iokepa-Moses said that Mr. Kaye had not made a public statement; instead, he asked a series of questions.

Mr. Elarionoff said he understood that, but some people are unfamiliar with technical jargon such as "water units." The Board could have given him a little bit of information to make him feel like his appearance before the Board was worthwhile. The Board did not give him anything, he said.

Ms. Self said that Mr. Kaye could call the Department, and the staff would be glad to answer any question he had. The Board meeting was really not the place for the types of questions he was

asking; Mr. Kaye was also getting into zoning and other areas. This project came under dispute at the County Council. There are people who oppose the project, but that issue should not be taken up at the Water Board meeting, she said. Any water-related questions that Mr. Kaye has can always be addressed by DWS.

Mr. Elarionoff said that the Board could have told him that, but the Board did not. The impression that he got was that the Board did not care.

Ms. Iokepa-Moses observed that she sits on various boards in Ka'ū, and hostile situations often arise. A board has to be very careful; sometimes it may seem a little cold. The Water Board must keep within the parameters of its Agenda, she said. It was not clear what Mr. Kaye's own agenda was; it was not clear whether he was seeking the Water Board's support against this project, etc. The Board could have told Mr. Kaye to feel free to call the Department after the meeting to address his questions, Ms. Iokepa-Moses said. However, Mr. Kaye's questions did not pertain to the Water Board's Agenda; he was seeking a back-and-forth dialogue, but this was not the arena to do it, she said. Ms. Iokepa-Moses said that the Board does not know the history of the project, but she said she perceived that he was frustrated at the prospect of having a factory built near his home. She said the Water Board did the right thing today, but things could have been improved by inviting Mr. Kaye to call the Department to get the definition of water units, etc. The Board needs to be careful not to lean one way or the other in an effort to be nice, she said.

Mr. Elarionoff said he understood.

Ms. Iokepa-Moses said the Board could have invited Mr. Kaye to bring his many questions to the Department off-line, and the Board could have invited him to make a *Statement*, as opposed to asking a series of questions.

Mr. Elarionoff said that was what he was saying; the Board could have responded to that. He said the Board should build relationships.

Ms. Iokepa-Moses said that the Board needs to make sure it does not compromise good relationships by bending the line for certain people.

7) ANNOUNCEMENTS:

1. **Next Regular Meeting:**

The next meeting of the Water Board is scheduled for 10:00 a.m. on August 23, 2016, at the West Hawai'i Civic Center, Community Center, Bldg. G, 74-5044 Ane Keohokalole Hwy, Kailua-Kona, HI.

2. **Following Meeting:**

The following meeting of the Water Board will be held at 10:00 a.m. on September 27, 2016, at the Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

10) ADJOURNMENT

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

The meeting adjourned at 10:53 a.m.

Secretary