

## MINUTES

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

August 23, 2016

West Hawai'i Civic Center, Building G, 74-5044 Ane Keohokalole Highway, Kailua-Kona, HI

MEMBERS PRESENT: Mr. Russell Arikawa, Vice-Chairperson  
Mr. Bryant Balog  
Mr. Leningrad Elarionoff  
Ms. Brenda Iokepa-Moses  
Ms. Susan Lee Loy  
Ms. Kanoe Wilson  
Mr. Keith K. Okamoto, Manager-Chief Engineer, Department of Water Supply (ex-officio member)

ABSENT: Mr. Craig Takamine, Chairperson  
Mr. Jay Uyeda, 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

#### Department of Water Supply Staff

Mr. Kawika Uyehara, Deputy  
Ms. Janet Snyder, Information and Education Specialist  
Mr. Kurt Inaba, Engineering Division Head  
Mr. Richard Sumada, Waterworks Controller  
Mr. Daryl Ikeda, Chief of Operations  
Mr. Clyde Young, Operations Division  
Mr. Eric Takamoto, Operations Division  
Mr. Warren Ching, Operations Division

- 1) CALL TO ORDER – Vice-Chairperson Arikawa called the meeting to order at 10:00 a.m.
- 2) STATEMENTS FROM THE PUBLIC - None
- 3) APPROVAL OF MINUTES

ACTION: Mr. Balog moved to approve the Minutes of the July 26, 2016, Water Board Meeting; seconded by Ms. Wilson and carried unanimously by voice vote.

- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA – None

5) SOUTH HILO:

A. **JOB NO. 2014-1009, PANA'EWA WELL A REPAIR – TIME EXTENSION:**

The contractor, Derrick's Well Drilling and Pump Services, LLC, is requesting a contract time extension of 30 calendar days because the Department of Water Supply (Department) requested that they suspend their work of repairing Pana'ewa Well A while the Department completed repairs on the starting equipment that failed for Pana'ewa Well B. Staff has reviewed the request and is recommending approval of 14 calendar days, because that was the time required to repair the starting equipment for Pana'ewa Well B and was beyond the control of the Contractor.

The recommendation was for the Board to approve a contract time extension of 14 calendar days to Derrick's Well Drilling and Pump Services, LLC, for JOB NO. 2014-1009, PANA'EWA WELL A REPAIR. If approved, the contract completion date will be revised from August 31, 2016, to September 14, 2016.

MOTION: Ms. Iokepa-Moses moved for approval of the recommendation; seconded by Ms. Wilson.

The Manager-Chief Engineer stated that he had been recently informed that the fourteen (14) days should be **replaced by twenty (20) calendar days**. As described in the write-up, it was due to the Department's request that the contractor suspend their work while the Department did some work on Pana'ewa Well B. The Department will wrap up the work within that 20-calendar day time period, thus allowing the contractor to return to work on Pana'ewa Well A. Instead of the thirty (30) days that they requested, the actual impact to the contractor is twenty (20) calendar days. **That would change the revised completion date to September 20, 2016.**

MOTION TO AMEND/ACTION: Ms. Iokepa-Moses moved to amend the Motion to reflect a contract time extension of twenty (20) calendar days, and to revise the completion date to September 20, 2016; seconded by Ms. Wilson. Amended Motion was carried unanimously by voice vote.

6) NORTH KOHALA:

A. **RESOLUTION NO. 2016-04 PROVIDING FOR THE ACQUISITION OF PRIVATE PROPERTY AND AN EASEMENT SITUATE IN THE DISTRICT OF NORTH KOHALA, TAX MAP KEY (3) 5-3-004:001 FOR A WELL SITE, STORAGE AND TRANSMISSION WATERLINE IMPROVEMENTS:**

Resolution No. 2016-04 is for acquisition of private property and an easement that are identified as a portion of Tax Map Key (3) 5-3-004:001 for the Hala'ula Well and 0.5-MG Reservoir project, which includes, but not limited to, outfitting an existing exploratory well to a production well, construction of a 0.5-MG reservoir, and installation of a transmission waterline.

The Manager-Chief Engineer recommended that the Water Board adopt Resolution No. 2016-04, subject to the approval of Corporation Counsel.

MOTION: Mr. Elarionoff moved for approval of the recommendation; seconded by Ms. Wilson.

The Manager-Chief Engineer reported that this involves a well that the Department would like to construct in Kohala, known as the Hala'ula Well. For the past several years, the Department has been trying to come to a mutually-agreeable solution to the land acquisition, and is still hopeful. However,

at this point the Department thinks it is prudent to initiate this Resolution process, so it can exercise its authority to acquire the property in a non-mutually agreeable method, otherwise known as condemnation. This is typically the last resort; however, the Department would like to work together with the landowner. The Department's representative from Corporation Counsel is working together with the landowner's representative, currently, to see if they can iron out the last details to ensure that both sides are okay on terms. If not, this Resolution is needed for the Department to proceed along the other path.

Vice-Chairperson Arikawa recalled this being brought to the Board a couple of years ago, and had thought it was a done deal already.

The Manager-Chief Engineer said it could have been when Mr. Shiro Takata came in front of the Board. The Department wants to move on and get this project actually moving forward. It is for the benefit of the community overall.

In response to Mr. Elarionoff's question of what the hang-up is, the Manager-Chief Engineer replied that the landowner, previously Surety Kohala, and the Department had an understanding that the Department was pursuing this. The Department had a construction right-of-entry, it had drilled an exploratory well, and had tested it to make sure it was a viable source. However, in the meantime, Surety sold the property to another private entity. Apparently, that understanding was not conveyed to them. When it came time for the Department to pursue this next phase, which is outfitting the well, putting in a tank, etc., the other party was not aware that it had these plans in place all this time. The Department did an appraisal, but they did not like that one, so the other party did their own appraisal, which was not acceptable for various reasons. The main reason was they wanted market rate for an undevelopable, or non-conforming, lot. It was only sized to accommodate a government infrastructure.

Mr. Inaba added that it was sized to accommodate a public utility, and that is the only way it can be subdivided.

The Manager-Chief Engineer stated that it is non-compliant, because it does not have the lot size for the zoning in the area. The other party tried to do an appraisal based on selling it as a market value lot. The Department said no, it was not acceptable, and did a third appraisal, this time with an appraiser who had the certification to proceed with this condemnation process. That is where it stands at this point.

Ms. Self reported that right now, she and the Department are working out the language for the Grant of Easement (GOE) for the road, and working out the responsibilities of the parties for maintaining and repairing the road. That is the last detail. It will need to be added into the standard form for a GOE.

Ms. Lee Loy had one thing, maybe food for thought later on. If the properties are sold, it might be ideal to create language in some of those agreements, whereby it is recorded through the Deed process that this source goes with the purchase and sale of the property. It may help in future agreements where the Department is not chasing the new landowner to renegotiate.

The Manager-Chief Engineer replied that the Department had definitely learned from this experience.

In response to Ms. Wilson's question of how much water the Department is looking at from the well to provide for this community, the Manager-Chief Engineer replied it would be 400 gpm.

Mr. Inaba added that the well is tested up to 700 gpm, or 1 million gallons a day. It can produce up to that.

Vice-Chairperson Arikawa commented that it is a good well.

ACTION: A roll call vote was taken on the Motion to adopt Resolution No. 2016-04. Motion was carried by Ayes: 6 (Mr. Balog, Ms. Lee Loy, Ms. Wilson, Ms. Iokepa-Moses, Mr. Elarionoff, and Vice-Chairperson Arikawa); Nays: 0, and Absent: 2 (Chairperson Takamine and Mr. Uyeda).

7) SOUTH KOHALA:

A. **JOB NO. 2015-1029, PARKER #2 DEEPWELL REPAIR – TIME EXTENSION:**

The contractor, Derrick’s Well Drilling and Pump Services, LLC, is requesting a contract time extension of 30 calendar days. Staff has reviewed the request and is recommending approval of 30 calendar days as the contractor had all the materials required to complete the repair work by the project completion deadline; however, due to a change in scope of work for Parker #1, the Department had directed the contractor to use materials from Parker #2 to expedite the completion of repairs at Parker #1. This action caused the contractor the need to reorder materials for Parker #2 and was beyond the control of the contractor.

The Manager-Chief Engineer recommended that the Board approve a contract time extension of 30 calendar days to Derrick’s Well Drilling and Pump Services, LLC, for JOB NO. 2015-1029, PARKER #2 DEEPWELL REPAIR. If approved, the contract completion date will be revised from August 2, 2016, to September 1, 2016.

MOTION: Ms. Lee Loy moved for approval of the Manager-Chief Engineer’s recommendation; seconded by Ms. Wilson.

The Manager-Chief Engineer explained that this is another one where the Department initiated a request to the contractor. This one was to utilize materials from the Parker #2 repair on a Parker #1 well repair. That resulted in the contractor having to order another material. The Department wanted to expedite Parker #1 so that well was up and running before the Department started putting another repair job in process, as well as wanting to have as many wells up as possible, so as not to postpone the Lālāmilo Windfarm, and to avoid postponing any energy savings to the Department and customers. That was the thought process behind that request. The Department is giving the contractor the 30 days.

Ms. Wilson asked if the contractor is on track to finish by next week.

The Manager-Chief Engineer replied they were.

ACTION: A vote was taken on the Motion. Motion was carried unanimously by voice vote.

8) NORTH KONA:

A. **JOB NO. 2016-1049, KAHALU‘U BOOSTERS A, B & D REPAIR:**

This project consists of replacing the existing booster pumps, discharge heads, motors, and appurtenant materials; chlorination and testing of the booster pump assemblies; and replacement of above-ground discharge piping assembly.

Bids for this project were opened on August 11, 2016, at 2:00 p.m., and the following are the bid results:

<b>Bidder</b>	<b>Bid Amount</b>	<b>Adjusted Bid Amount (for purposes of bid award)*</b>
Beylik Drilling & Pump Service, Inc.	\$250,150.00	\$237,642.50
Derrick's Well Drilling & Pump Services, LLC	\$298,000.00	N/A

\*Bids were adjusted (for the purpose of award) to provide credits for participation in the State Apprenticeship Program, in accordance with Hawai'i Administrative Rules.

Project Costs:

1) Low Bidder (Beylik Drilling & Pump Service, Inc.)	\$250,150.00
2) Construction Contingency (10%)	<u>25,000.00</u>
<b>Total Cost:</b>	<b><u>\$275,150.00</u></b>

Funding for this project will be from DWS's CIP Budget under Pump Replacement. The contractor will have 210 calendar days to complete this project. The Engineering estimate for this project was \$289,000.00.

The Manager-Chief Engineer recommended that the Board award the contract for JOB NO. 2016-1049, KAHALU'U BOOSTERS A, B & D REPAIR, to the lowest responsible bidder, Beylik Drilling & Pump Service, Inc., for their bid amount of \$250,150.00, plus \$25,000.00 for construction contingency, for a total contract amount of **\$275,150.00**. 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 of the contract by Corporation Counsel.

MOTION: Ms. Iokepa-Moses moved for approval; seconded by Ms. Wilson.

The Manager-Chief Engineer explained that this is a straight forward booster repair, but Derrick's Well Drilling & Pump Services, LLC (Derrick's), has submitted a letter requesting a protest. His understanding of the Hawai'i Revised Statutes (HRS) and Hawai'i Administrative Rules is that they can protest an award. Therefore, his understanding is if the Water Board makes an award today, then that is what this protest letter will be applied to (i.e., protest of the award). After that, the Department will have to put the brakes on, and cannot execute the contract until this protest letter is dealt with. He wanted to make sure the Board is aware of that. If the Board chooses to recommend approval of this award to Beylik Drilling & Pump Service, Inc. (Beylik), the Department will then have to take Derrick's protest letter, and address that before moving on to execute the contract with Beylik. It could go either way, and the Department may need to come back to the Board, depending on its review of this protest.

Vice-Chairperson Arikawa asked what they are protesting.

The Manager-Chief Engineer stated that his understanding is that they need to protest an *actual* action, so it would be a protest of the award of the contract to Beylik.

Vice-Chairperson Arikawa asked what the contractor's issue is, or if it was not relevant at this point.

The Manager-Chief Engineer stated that his understanding of the HRS is that there are two instances where you can protest, which are pre-opening of bids, and post-award. This is in the in-between phase. Bids were opened, and the Department is here before the Board asking to award it to Beylik. There is really nothing to protest yet. If the Board chooses not to award it to Beylik, there is really nothing to protest.

Mr. Balog asked the Manager-Chief Engineer if, from what he has seen and from his perspective, the Department would want to address some of the concerns, and rebid the job.

The Manager-Chief Engineer replied that it is not the intent to rebid the job. Based on the reasons that are in the letter that was mailed in already, the Department's preliminary review assessment is that their protest is unfounded. He thinks it is appropriate to award to Beylik.

Ms. Self added that they did not provide any evidence to support what they were protesting. Some of the case laws that she has read show that one of the requirements is they have to provide evidence, and cannot just say they had been told something.

The Manager-Chief Engineer stated that they were told by a pump manufacturer that they could only guarantee 76 percent efficiency, but the bid specifications required 77 percent. Apparently, this same pump manufacturer indicated to Beylik a different and higher efficiency, which was acceptable to the Department. It processed an addendum with an approved substitution request for this pump manufacturer. That is what Beylik used in their bid. Basically, the protest is that the manufacturer could not guarantee them the efficiency, so they questioned their counterparts using that pump manufacturer.

Ms. Self stated that if the manufacturer actually said that to them, they could have gotten that in writing from the manufacturer, and submitted it with their letter. They did not do that. Even if they want to follow through with the protest if this gets awarded, they will have to file another protest.

The Manager-Chief Engineer stated that the Department can advise them of that.

Mr. Elarionoff asked for a description of a booster pump and a discharge head.

Mr. Ching, Mechanical Engineer, showed the Board a diagram and explained that a booster pump increases the pressure, which adds flow and moves the water uphill. He showed a cross-section of what you would see underground.

The Manager-Chief Engineer noted that this question has come up in the past, and perhaps it would be better to agendize a presentation to the Board, to give a better understanding of the equipment.

Ms. Lee Loy asked, if she understand correctly, that there was no protest at the bid, or through the bid specification process. Bids were opened and based on the Board's action today; they are trying to keep the door open for a potential protest on the action of the Board.

Ms. Self replied that it is not known what they are going to do, but their protest was premature, because you only have pre-award and post-award. Pre-award is before the bids are opened, whereby they are protesting something that occurred during the bid process. For post-award, the contractor has to wait to see, because they have no idea who is going to be awarded the contract. The Board has not even decided yet. That is why they are premature in their protest. It does not match either one.

Ms. Lee Loy asked about the timing element.

Ms. Self stated that they have a very short window of five days to protest.

Ms. Wilson asked if she was hearing correctly that if the Board does award, that is when it could trigger their protest.

Ms. Self replied that was correct. It would give them another opportunity to protest.

Ms. Wilson asked what that process would be.

Ms. Self replied they will have to put up a bond if they are going to protest again. There is a process whereby, if the value of the award is over a certain amount, they have to post a bond.

Vice-Chairperson Arikawa asked for clarification if the Board approves this award, and Derricks protests, they have five days.

Ms. Self replied that they have five days to protest from the date of the award; i.e., from when it is public.

Vice-Chairperson Arikawa asked about the process of the protest and the posting of a bond.

Ms. Self replied that they would need to post a bond. The whole thing about procurement is they do not want to hold up projects. These things move very quickly. Once there is a protest in place, the cases go quickly. They will go to a hearing before the DCCA (Department of Consumer and Corporate Affairs), and there are deadlines. As soon as it is filed with the DCCA, they set a hearing date. It goes really fast.

In response to Ms. Wilson's question of when the Department is projecting to start this project, the Manager-Chief Engineer replied that the typical process is after award. It takes several weeks to actually execute the contract, because of the paperwork and the hands it needs to go through. From there, there is a time period where the Department needs to issue a Notice to Proceed, which is 45 days. Oftentimes, the contractor will request the full 45 days, because it pushes their completion date as far down the line as possible, and gives them time to order materials and mobilize, etc. It is about two to three months after award before the actual Notice to Proceed date is established, sometimes sooner, especially on well repair or booster repair jobs.

ACTION: A vote was taken on the Motion to award this job to the lowest bidder, Beylik Drilling & Pump Service, Inc. Motion was carried unanimously by voice vote.

9) MISCELLANEOUS:

A. POWER COST CHARGE:

Departmental power costs have declined as a result of a decline in Hawai'i Electric Light Company (HELCO) billings for electricity for the Department's wells and pumps. The Department proposes reducing the Power Cost Charge from \$1.70 to \$1.61 per thousand gallons to reflect this decline.

In order to accept public testimony on this change, a Public Hearing shall be scheduled before the new Power Cost Charge is reduced.

The Manager-Chief Engineer recommended that the Board approve holding a Public Hearing on September 27, 2016, at 9:45 a.m., to receive testimony on reducing the Power Cost Charge from \$1.70 to \$1.61, effective October 1, 2016.

MOTION: Ms. Lee Loy moved for approval of the Manager-Chief Engineer's recommendation; seconded by Ms. Wilson.

The Manager-Chief Engineer recapped that the Department is asking Board approval to hold a public hearing in order to put the reduced Power Cost Charge into effect, thus passing it along to the customers.

Vice-Chairperson Arikawa mentioned that he had just heard on the news this morning that the price of oil is going up.

The Manager-Chief Engineer stated that the Department is tracking it regularly, so every two months, an assessment is done. If it goes up, the Department will be back in front of the Board.

Mr. Elarionoff asked what the savings would be to an average customer.

The Manager-Chief Engineer replied it would be about \$1.80 per billing cycle.

ACTION: A vote was taken on the Motion to hold a Public Hearing on September 27, 2016, at 9:45 a.m. Motion was carried unanimously by voice vote.

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

No report.

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

No report.

**D. MONTHLY PROGRESS REPORT:**

The Manager-Chief Engineer mentioned the Pi'ihonua-Kūkūau project in South Hilo. The Department recently held a public informational meeting out at the project site. There was a terrific turnout of 62, according to Ms. Snyder. The Manager-Chief Engineer stated that the Department wanted to give the community a heads up on what was happening construction-wise, and what to expect as this project moves forward. The Department received terrific questions, and hopefully their concerns were taken care of. Staff also has a lot of their contact information now, so as the project progresses, the community will be updated on the project and given opportunities to voice their concerns. The Department would like to do more of these public informational meetings for future projects as well.

Ms. Self added that this is her neighborhood, and commented that the Department did a great job. All of her neighbors were appreciative. It shows everyone that the Department is a good neighbor. The community was relieved once they learned of the details.

Ms. Lee Loy stated that she also attended, and staff did an amazing job in talking to the community and addressing their concerns. It is good for the community, because it alleviated some of their fears, especially about the construction and traffic. There were some imaginative ideas about the color to paint the tank, which were cute takeaways. Everybody did a fantastic job.

The Manager-Chief Engineer also reported on the Lālāmilo Windfarm. The Department is targeting September 28 for a grand opening (time is yet to be determined). He invited the Board to pencil that on their calendars. It is the day after the Water Board meeting. He added it is terrific, not only for the Department, the Board, and the customers, but for the County in general, that the Department has done this kind of project. He did not know any other County utility that has partnered with a windfarm to reduce their electrical costs, and this is just the beginning. He is hoping to see further energy projects coming down the pipeline. If any Board Members have not been up to the site, the Department can coordinate getting there for the event.

Ms. Lee Loy asked about the Santos Lane project. In the progress report, it notes “awaiting approval of construction contract from the State.” She asked if the Department has been able to iron out those right-of-entry/use-of-entry issues over State lands. She knew the Department had problems in that area in the past, involving the crossing over of State lands.

The Manager-Chief Engineer explained that this project involves funds appropriated by the State Legislature; therefore, the State has to execute the construction contract. There will be no actual award or notice to proceed set as of this time, until that is executed.

Mr. Inaba added that everything on the County side was executed because DWS is administering the project, but it is still through the County. The County sent everything back up to the State Department of Accounting and General Services for final execution.

Ms. Lee Loy noted, then, that this is something separate from the other State right-of-way issues that the Department was struggling with over in the Hāmākua district.

The Manager-Chief Engineer confirmed that. It was a Use and Occupancy Agreement. The Department is still hopeful for the template the Department had executed for the Hāmākua project.

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

Ms. Lee Loy stated that she is very proud that the Department is reducing its cost of water and water pumping, which are passed through to the customers. On the other hand, she wondered if it is impacting monies being generated to complete future CIP projects.

Mr. Sumada replied that the Department is doing well in generating funds for projects, and a big part of that has to do with the water rate study, that increases the rates a little bit over the next five years. That is primarily what it was for. The less the Department pays for power, the more monies are available for construction. At the moment, the Department is doing well in that area.

Mr. Balog asked about the Rider M agreements. He has not heard much about them recently, and asked if the outcome has been good.

Mr. Young stated that he did not have numbers with him today, but the Department has been doing Rider M's for years now. The last numbers he saw were around \$200,000.00 a year, plus or minus. It has been significant.

Mr. Balog asked if the trend has been going more in favor of the Department. There were a few months where it was always on the Agenda, and the Board heard reports about it, but not lately.

The Manager-Chief Engineer explained that the Department had lost its energy management analyst, but has someone starting up September 1<sup>st</sup>, so the Department will be going back to making quarterly updates for the Board on energy-specific issues, including those Rider M's. Hopefully in the next few months, the Board will see some updated numbers. He recalled it peaked at about \$300,000.00 in savings at one point, but he would not want to guess the trend right now. Rider M has been a successful program for the Department, as long as one of those sources is not utilized during peak times.

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

The Manager-Chief Engineer reported on some good press, one story on Civil Beat, and the other in Honolulu Business Magazine. Both articles provided good information about water. There was also a press release from the Department of Health, which showed how the Department partnered well with the State Revolving Fund loan program. Out of the other counties, DWS did the most projects. There was a West Hawai'i Today front page article on August 20 headlined "Red flag Raised After What May Have Been Bird Feathers Found Inside Showerhead." Although the Department tried to educate them as much as possible, the paper still felt compelled to run that story based on what was basically hearsay from a single plumber. The Manager-Chief Engineer invited the Board to read the article, and let him know if there were any questions or concerns.

Ms. Iokepa-Moses asked if there was any way, when there is an article that is going to be going out there, for the Department to do its own work inside there.

The Manager-Chief Engineer stated that the Department does not know for sure when an article is going to go in. They will say they are working on something, and give a deadline for when they need information, but there is no way to know when they will run the article. At the same time, the Department wants to be as upfront with the reporters as possible. The Department has found that as long as it is honest and straightforward, it has had a good relationship with the press; DWS would like to keep it that way.

Ms. Iokepa-Moses noted the importance of their report not containing things like "(DWS was) not able to contact," or "no comment."

The Manager-Chief Engineer stated that the Department tries to make a conscientious effort to respect their deadlines, and respond to them. He agreed that "no response" does not come across well.

Mr. Elarionoff asked what has been done about this showerhead situation, on their side. He asked if the point was proven or clarified, if it is in fact bird feathers that were found in the showerhead.

The Manager-Chief Engineer replied that he did not know if there was going to be any follow-up as far as whether that is or is not bird feathers. The Department had its District Supervisor from the area go out and inspect all of the tanks that serve the area. He confirmed that all the vents were intact, and there was no compromise in any of the sanitary seals. He added that if anyone were to look at the Department's facilities, the discharge heads, the construction of boosters, tanks, and wells, an animal cannot get into the system. The Department's employees go out to the sites daily to check chlorine residual, and if anything were amiss at a site, they would bring it to the supervisors' attention and would resolve it right away.

In response to Mr. Elarionoff's question if there was anything to identify the material that was found, the Manager-Chief Engineer replied that, from his understanding, it was just a visual by the plumber.

Mr. Elarionoff asked if it disappeared since then.

The Manager-Chief Engineer replied that he did not know. He had never seen it. He guessed the plumber showed it to the reporter.

Mr. Uyehara reported on the WaterSmart Customer Engagement Program that the Department is working on to give a message to customers in the North and South Kona areas (Ka'iminani, Kalaoa, down to Kealakekua and Ho'okena area) and the Lālāmilo areas (Puakō, Kawaihae, and Mauna Lani resort areas), to encourage water conservation and to educate customers on water efficient measures they can take at their homes. A welcome letter will be sent out to about 11,000 customers in these three focus areas. Over the course of the next twelve months, every two months, the customers will be receiving water reports encouraging water conservation and giving them links to more information. The focus is on these systems because of their larger water use, pumpage volumes, and higher costs to pump the water. There is also more irrigation in these areas.

**G. CHAIRPERSON'S REPORT:**

No report.

10) ANNOUNCEMENTS:

1. **Next Regular Meeting:**

The next meeting of the Water Board is scheduled for 10:00 a.m. on September 27, 2016, at the Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

2. **Following Meeting:**

The following meeting of the Water Board will be held at 10:00 a.m. on October 25, 2016, at the Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

11) ADJOURNMENT

**ACTION:** Ms. Wilson moved for adjournment of the meeting; seconded by Ms. Lee Loy and carried unanimously by voice vote.

Meeting adjourned at 10:50 a.m.