

MINUTES

WATER BOARD PUBLIC HEARING ON THE POWER COST CHARGE COUNTY OF HAWAI'I, DEPARTMENT OF WATER SUPPLY

January 28, 2020

DWS Hilo Operations Center Conference Room, 889 Leilani Street, Hilo, Hawai'i

MEMBERS PRESENT: Mr. William Boswell, Jr., Chairperson
Mr. Eric Scicchitano, Vice-Chairperson
Mr. Nestorio Domingo
Mr. Zendo Kern
Mr. Benjamin Ney
Mr. Kenneth Sugai
Ms. Judy Howard (9:49 a.m.)
Mr. David De Luz, Jr. (9:50 a.m.)
Mr. Keith K. Okamoto, Manager-Chief Engineer, Department of Water Supply
(ex-officio member)

ABSENT: Ms. Julie Hugo, Water Board Member
Director, Planning Department (ex-officio member)
Director, Department of Public Works (ex-officio member)

OTHERS PRESENT: Ms. Diana Mellon-Lacey, Deputy Corporation Counsel
Mr. Doug Adams

DEPARTMENT OF
WATER SUPPLY STAFF: Mr. Kawika Uyehara, Deputy
Mr. Warren Ching, Energy Management Analyst
Mr. Kurt Inaba, Engineering Division Head
Mr. Richard Sumada, Waterworks Controller
Mr. Eric Takamoto, Operations Division

(Chairperson Boswell called the Public Hearing to order at 9:45 a.m.)

Chairperson Boswell: Good morning. Will the public hearing of the Water Board on the proposed new cost of Power Adjustment Clause please come to order. The notice of this public hearing was published in the Hawai'i Tribune-Herald and West Hawai'i Today on January 5, 2020. Good morning. My name is William Boswell, Chairperson of the Water Board, and will the members of the Board please introduce themselves?

Board Members: Nestorio Domingo, Ken Sugai, Zendo Kern, Eric Scicchitano, Ben Ney; Diana Mellon-Lacey of Corporation Counsel. *Note: Ms. Howard and Mr. De Luz came after introductions.*

Chairperson Boswell: Thank you. The Department of Water Supply is operated and controlled by this Water Board as provided by the Hawai'i County Charter. Section 63 of Part III, Chapter 54, Hawai'i Revised Statutes, reads as follows:

“The Board of Water Supply may fix and adjust rates and charges for the furnishing of water and for water services so that the revenues derived therefrom shall be sufficient to make the waterworks and water systems self-supporting and to meet all expenditures authorized by this part; the Board may establish variable rates among the several districts of the County, or among the areas served by the individual water systems within the County, for the purpose of establishing charges as closely as possible to the necessary amount required for the maintenance and operation of the particular individual water systems; provided no rates and charges shall be fixed or adjusted prior to the holding by the Board of a public hearing, public notice of which shall have been given not less than twenty days before the date set for the hearing. The notice shall state the time and place for the hearing and the proposed rates and charges to be considered thereat. The time within which the notice shall be given shall be computed by including the first day (the day of notice) and excluding the last day.”

We are here to receive comments or testimony on the proposed amendment to the Power Cost Charge. The Department recommends decreasing the Power Cost Charge from **\$2.00** to **\$1.90** per thousand gallons to reflect the decrease in power costs.

As stated in the hearing notice, all comments or testimony were to be filed in writing before the time of the hearing or are to be presented in person at the time of the hearing. We would like to follow this format as closely as possible; however, because there may be some of you who do not have any written statements but would like to testify or comment, we would like to afford you this opportunity to do so but would like to limit such presentations to five minutes because of the time limit.

The hearing is now open for comments from the floor. Will you please wait until you are recognized by the Chair; and for the record, could you please step forward, state your name and the organization you represent, if any. Do we have anyone here for oral testimony?

Secretary: Yes we do.

Chairperson Boswell: Okay. Mr. Adams. Or I'll introduce you, and then you can introduce yourself. Please come up.

(Ms. Howard joined the meeting.)

D. Adams: Thank you. My name is Doug Adams. I'm from Hilo. I represent myself best I can. First of all, congratulations on lowering rates. First, I had to come. I've never seen it. It's amazing. Um, but in all seriousness; and I'm sure you're making the comments, but I just wanted to kind of go on the record, I guess, for myself. There's a lot of work, I mean, water infrastructure is so important. You guys deal with it on a regular basis and so ten cents may not seem like a lot, but ten cents is something that can be used; and I'm sure that you have taken a look at that. This isn't gonna go away. We're gonna have more population over the next decade. They're talking about up to 250,000 to 300,000. And so water is going to be something that we need and we're gonna need the infrastructure for that. So thinking about that and the expenses that it is going to relay and it's gonna be coming from your finances, not necessarily from anybody else, so... I get the idea. You know, a year ago, we were essentially at \$1.90. We're gonna be going back to that with the approval of this particular rate

change. I guess I just hope that you have also considered, yes, people will be happy; it will be ten cents less a thousand gallons, but that's also available for the infrastructure needs that we're gonna have that we have now and that we're gonna have in the future. Thank you.

Manager-Chief Engineer: Thanks.

Chairperson Boswell: Thank you.

(Mr. De Luz joined the public hearing.)

Manager-Chief Engineer: I think I can explain a little bit more. Can you repeat that? David just came in.

D. Adams: I'll talk some more. (laughter)

Chairperson Boswell: Do we have a motion for the approval of the rate change?

Z. Kern: So move.

Chairperson Boswell: Second?

K. Sugai: Second.

Chairperson Boswell: Any discussion?

Z. Kern: Point of clarification?

D. Mellon-Lacey: You're not approving the rate change, per say, you're just closing the public hearing.

Z. Kern: We're just...this is just the public hearing part then?

Chairperson Boswell: All it says here is so move; second.

Z. Kern: So "...so move to close public hearing"?

D. Mellon-Lacey: Yes.

Chairperson Boswell: Okay.

Z. Kern: Do we need to...?

Chairperson Boswell: Do we have a Motion to close the public hearing?

E. Scicchitano: So move.

Chairperson Boswell: Second?

K. Sugai: Second.

Chairperson Boswell: Okay. So we're out of public session?

Z. Kern: We need to vote.

D. Mellon-Lacey: Yes.

Manager-Chief Engineer: Call for the vote.

D. Mellon-Lacey: Yeah. This part is...so we need to have the public... In the public meeting, we can redo the vote.

E. Scicchitano: One vote together or is it separate?

Z. Kern: Point of clarification. So this is the public hearing portion where we announce it, the public can come in, speak about it, essentially we're gonna close this; and this item will come up on the agenda probably next meeting, and we can actually get into discussion?

D. Mellon-Lacey: That's correct.

Chairperson Boswell: So all we're looking to do is close the public hearing?

D. Mellon-Lacey: That's correct.

Chairperson Boswell: And we need to vote on that?

D. Mellon-Lacey: Yes.

Chairperson Boswell: All in favor?

Board Members: Unanimous ayes.

Chairperson Boswell: Opposed? (none) The Motion carries. Thank you.

(Public Hearing adjourned at 9:52 a.m.)

Recording Secretary