

MINUTES

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

August 23, 2011

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

MEMBERS PRESENT: Mr. Dwayne Mukai, Chairperson
Mr. Robert Meierdiercks, Vice-Chairperson
Mr. David Greenwell
Mr. Kenneth Kaneshiro
Mr. Bryan Lindsey
Mr. Delan Perry
Mr. Art Taniguchi
Mr. Milton Pavao, Manager-Chief Engineer, Department of Water Supply
(ex-officio member)

ABSENT: Ms. Bobby Jean Leithead-Todd, Director, Planning Department (ex-officio member)
Mr. Warren Lee, Director, Department of Public Works (ex-officio member)

OTHERS PRESENT: Ms. Kathy Garson, Assistant Corporation Counsel
Mr. Alex Frost, Department of Research and Development
Mr. Ronald Takahashi, Director, Department of Human Resources (arrived at 11:50 a.m.)
Ms. Sharon Toriano, Deputy Director, Department of Human Resources (arrived at 12:00 p.m.)
Ms. Brenda Ford, Hawai'i County Council member (arrived at 10:18 a.m.)
Ms. Chelsea Jensen, West Hawai'i Today
Mr. Steve Dearing
Mr. Russ Robinson
Mr. George Wilkins
Mr. Ken Kawahara
Mr. Steve Bowles
Mr. John Richards
Mr. Jeff Nichols, National Energy Laboratory Authority of Hawai'i (NELHA)
Mr. Don Nitsche (arrived at 10:15 a.m.)
Mr. Alan Stafford (arrived at 10:15 a.m.)
Mr. Mike Dubois (arrived at 10:15 a.m.)

Department of Water Supply Staff
Mr. Quirino Antonio, Jr., Deputy
Mr. Kurt Inaba, Engineering Division Head
Mr. Rick Sumada, Waterworks Controller
Mr. Larry Beck, Engineering Division
Ms. Julie Myhre, Energy Management Specialist
Mr. Keith Okamoto, Engineering Division (arrived at 10:15 a.m.)
Mr. Leonard Midallia, Lead Pipefitter, Kohala District
Mr. Roy Miyasaki, Lead Pipefitter, Kohala District
Mr. Ted Lindsey, Pipefitter, Kohala District

- 1) CALL TO ORDER – Chairperson Mukai called the meeting to order at 10:07 a.m.
- 2) STATEMENTS FROM THE PUBLIC

(Mr. Russ Robinson spoke about Sustainable Water Production versus Planned Development. The following is Mr. Robinson's verbatim testimony:)

“Mahalo. I’m a retired geologist from the Mainland. I’ve lived here for 10 years, and recently, it’s come to my attention that the planning sector of the County and the general public has actually set into written documents, CDP’s, etc., planning for more houses which will create more demand than the engineers, hydrologists, hydro-geologists can reasonably foresee as sustainable production from the water supply on this island. And I feel that that’s criminal, that it’s unrighteous, that it is what you might call a “sin,” and in my book, the wages of sin...or death. I present as an example the credit default swaps that were put forward by the investment people, which basically said yeah, we can loan money to people who can’t pay it back, and they’ll default. But we’ll just spread it around enough people and hide it in various ways that it won’t matter. Well, it *did* matter, and we all know the result. And I say that if we plan to build and the commission-earners, like the commission-earners in the investment... will make it happen, because they really want nothing more than to earn a commission. And they don’t care what happens to our kids or grandkids, etc. We from natural science... I said I’m a geologist... We have to stand up, and I’m here to urge the Board to...and the Water Board staff to... stand up and stand by the faith of our science and what it tells us... And tell the political estate... and they turn over quite frequently as we’ve all noticed, and the public, at every opportunity... Make known to them that we have to live sustainably. We have to live on a principle that we can’t use more water from our aquifers than will be replaced by natural means, that if we do this, we’re putting a burden on our children and grandchildren that is unconscionable. In this State, we have a motto: “The life of the land is perpetuated in righteousness.” So I’m urging the scientists, engineers, and all the workers in the Board to be righteous. Live by that policy. Plan for a better world for our keiki. Mahalo.”

- 3) APPROVAL OF MINUTES

The Chairperson entertained a Motion to approve the Minutes of the July 26, 2011, Water Board meeting.

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

- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA
(Note: Addendum requires Roll Call Vote)

The Chairperson entertained a Motion to approve the addition of a Supplemental Agenda (i.e., a handout providing supplemental information) to Item No. 8(A), JOB NO. 2003-823, PALANI ROAD TRANSMISSION WATERLINE (MĀMALAHOA HIGHWAY TO PALANI ROAD NO. 2 RESERVOIR).

ACTION: Mr. Meierdiercks moved to approve; seconded by Mr. Taniguchi, and carried unanimously by voice vote.

Chairperson Mukai entertained a Motion that Item 9(C), PRESENTATION REGARDING POSSIBLE DESALINATION PLANT and Item 9(J)6 MANAGER-CHIEF ENGINEER’S REPORT, RECOGNITION OF DWS’S BIG ISLAND TAPPING TEAM, be moved to the top of the Agenda, ahead of Item 5(A), DRINKING WATER STATE REVOLVING FUND RESOLUTION NO. 2011-03.

ACTION: Mr. Taniguchi moved that the Item 9(J)(6), MANAGER-CHIEF ENGINEER'S REPORT, RECOGNITION OF DWS'S BIG ISLAND TAPPING TEAM, should go to the top of the Agenda, followed by Item 9(C), PRESENTATION REGARDING POSSIBLE DESALINATION PLANT. Mr. Perry seconded. Motion carried unanimously by voice vote.

9) MISCELLANEOUS:

J. MANAGER-CHIEF ENGINEER'S REPORT:

6) Recognition of DWS's Big Island Tapping Team – The team, which has won the State pipe tapping championships the past five years, is comprised of Mr. Leonard Midallia, Mr. Roy Miyasaki, Mr. Ted Lindsey and Mr. Norris Gonsalves. All four gentlemen work at the Waimea Baseyard, and have represented the Big Island at the national American Water Works Association (AWWA) pipe tapping competitions. Following their victory in the state championships last year, the team will represent Hawai'i at the national AWWA competition next June in Dallas, Texas. Chairperson Mukai presented each of the team members with a plaque emblazoned with their winning time of **one minute, 11.81 seconds**.

C. PRESENTATION REGARDING POSSIBLE DESALINATION PLANT:

Mr. Steve Dearing, owner of Palms of Hawai'i, proposes to design, construct, finance and operate a desalination plant using reverse osmosis methods in the Kona area. Mr. Dearing provided a presentation, including written materials that he distributed to the Board.

Mr. Dearing said the solution to the fast-depleting aquifers in Kona is desalination, using reverse osmosis. Mr. Dearing is working with CDM, a company which builds and designs desalination facilities on the Mainland including one at Sand City, California. Rather than drilling more wells and depleting the aquifers, the solution is to turn to the ocean as a source of water, he said. The Sand City facility, which is operated by Cal America and owned by Sand City, produces one million gallons of water a year. Mr. Dearing said he is not an expert, but he explained that the way to dispose of the brine is to mix it with sea water until it is no longer at toxic levels, and re-inject it into the ground near the ocean. He recommended that, rather than using an ocean water intake, instead drilling a beach front and using brackish water for this purpose. This would save a lot of money in processing the sea water, reducing the cost by 30 percent, Mr. Dearing said. He proposed that CDM will finance, construct and design a Kona desalination facility, which would be owned by the Board of Water Supply. He noted that other facilities on the Mainland are operated by private companies, citing Cal America's operation of the Sand City facility.

The Manager-Chief Engineer asked about the average cost per 1,000 gallons to produce the water.

Mr. Dearing said it would depend on the demand. The Sand City facility cost \$12 million for the plant alone, which produces one million gallons a year.

The Manager-Chief Engineer said that the demand here is more like one million gallons a day.

Mr. Dearing acknowledged that the Sand City facility was small in scale. He said that CDM is capable of producing 250 million gallons a day. He said that once the Board tells CDM where the facility is needed, when it is needed and how much is needed, then CDM can design the facility and determine how much it will cost. He said that in the long term, desalination is going to be a lot more affordable than drilling wells and pumping them dry to the brine. He said that that is where things are headed if DWS keeps using the wells here in Kona. He noted that there is the option of using the reverse osmosis process to clean up the water once the aquifer has been depleted. He said the experts need to determine

whether an entirely new facility is wanted, or whether to just clean up the aquifers that were depleted, (in other words, the intrusions).

Mr. Kaneshiro said that one of the concerns is going to be the disposal of the brine.

Mr. Dearing said if the Board reads the materials he provided, this concern is addressed by the experts in what they have proposed for Hawai'i. The disposal involves continually pumping sea water so the brine is diluted to non-toxic levels. This is re-injected into the ground along the beach front. There are no adverse effects to wildlife, etc., he said.

The Manager-Chief Engineer asked whether it would mean re-injecting highly-concentrated brine into the ground.

Mr. Dearing said no, it meant pumping a half-million gallons of sea water to dilute 10,000 gallons of brine to dilute it. It would be like sea water when it is re-injected into the ground, with no toxins whatsoever, he said.

Chairperson Mukai said that at this point, it is difficult to ask questions without having read the materials. He thanked Mr. Dearing for the information. Speaking for himself, the Chairperson said that if desalination can be done at an affordable level where it does not increase the cost to the end user, the Board should by all means look at it seriously.

Mr. Dearing said that the experts at CDM believe they can definitely meet or reduce the rate of water supply in the long term. The technology to do desalination is available and the demand for the water in the Kona region is great, he said. This is a long-term, sustainable method of producing unlimited amounts of water upon demand. He said that the water can be produced at off-peak hours, and the facility will be able to produce as much water as needed to supply demand. All that CDM needs is input on how much the Board of Water Supply is willing to pay per 10,000 gallons of water, to figure out where CDM stands on the cost to itself. CDM needs to know the quantity of water needed, etc., so that the private investors can step forward to construct the plant at no cost to the County, Mr. Dearing said.

2) STATEMENTS FROM THE PUBLIC:

(Ms. Brenda Ford gave a Public Statement regarding desalination. The following is Ms. Ford's verbatim testimony:)

MS. FORD: "Thank you. My name is Brenda Ford. I'm here as a private citizen. I want to tell you my story. Before I start my story, I want to tell you that you have very good people working for the Department of Water Supply, but in my opinion, you have some bad policy, and that's causing the problem. I moved here 16 years ago, and I lived in Kailua-Kona in the Pines subdivision, the downtown area, but not right in the village, and I worked on the northern end of the island. After I was there for some months, I started having a lot of salt retention problems. Sodium retention problems. And it got so bad that I knew what was causing the problem. I was swelling up, so I knew I was retaining salt. And so, the rule of thumb is you flush it out of your system by drinking water, right? And I drank water, and I drank water, and I was drinking copious amounts of water, and I was getting worse on an almost daily basis. I wound up in the doctor's office. And I had to go on Lasix, which is a diuretic. It has some very, very nasty side effects which I won't go into. And I was at home one day, and I pulled a tray of ice cubes out of my refrigerator, and one of them fell out of the tray. And I picked it up, and I noticed on one side, the bottom side, an eighth of an inch film of white, solid white. I don't know what possessed me at that time; I still don't understand why I picked up that cube and I licked that white portion of the cube, and it was salt. And then I knew what the problem was. I called the Department of Water Supply and said, 'how much salt is in the water in Kailua-Kona?' And at that time, it was just over 300 parts per million. There is no EPA standard, as you will be told shortly. There's no EPA

standard; there's no State standard, on sodium in the water. But medically, the water should be, for everyone's health, 60 parts per million or less of sodium. What you're going to hear today after I finish is, you're gonna hear everybody talking about chlorides. Well, we inject chlorine in to kill the pathogens. So chlorides and chlorine don't mean a thing to your body. You just turn it into stomach acid and it gets excreted out. Sodium is the problem. In West Hawai'i, we have a huge population of elderly: local people and people who move here as a retirement... we have a huge retirement community, and it is driving part of the economy here in West Hawai'i. Only Kailua-Kona has this disgusting level of sodium in our water. And 14 years ago, I came to the Board of Water Supply, and I have come about every three or four years since then, to tell the different Commissioners my story... how the water in Kailua-Kona makes people sick. It made me sick, and I was a relatively young woman at that time. To this day, 16 years later... and the Department has known about this problem for decades... not one thing has been done to reduce the sodium content in the water in Kailua-Kona. I'm not asking for desalinization any place else on the island, except Kailua-Kona. I don't live here anymore. I live in Captain Cook, but every time a well goes down in Captain Cook area, they pump this sodium, high-sodium water up to Captain Cook, I start getting phone calls at my house, because other people can taste it faster than me. And then, I have to go on bottled water until the well is repaired. We should not be producing high-sodium water for our population. We have massive amounts of diabetes, heart disease, congestive heart failure, kidney disease, on this island. And high sodium in your drinking water exacerbates that. Now, when I finish, you're gonna hear about desalinization is a new, novel technology. It's been used by the Israelis for more than 50 years. It's used by the U.S. military, and the entire Eastern Seaboard of the Mainland United States has thousands, and I do mean, thousands, of desalinization plants in those areas. This is not a new and novel technology. I'm not advocating for any particular company. I don't care what company you choose, as long as we get the job done. You're gonna hear about the high-elevation wells. Well, 16 years later, they haven't gotten any water down. You'll hear about re-routing the main, the water mains.... Didn't reduce the sodium because that wasn't the intent. You'll hear about 'Well, we're putting this pipeline in to bring water down.' And you ask the question: 'How much will it reduce the sodium?' And the answer is 'We don't know; we don't know how much water the well will produce. We don't know what the sodium content will be.' Basically, we've done nothing. We know nothing. And we're not doing anything, and there are no plans to do anything. It's not that you have bad people. You have wonderful people in the Department of Water Supply. You have a bad policy, and the policy is: we're not gonna get any desalinization for Kailua-Kona. I actually had a Commissioner who's not sitting on this Board now, years ago, bring me all the pretty pictures of the maps about how they're re-routing all the water mains in Kailua-Kona. He said, 'Look, this is the work we're doing.' I said, "Great. How much is it reducing the sodium content?" None. He said, 'But if we give Kona this high-quality water, we'd have to give it to everybody.' But everybody else already has high-quality water, except for Miloli'i, and they got their own R.O. plant down there. We, the County, do not have a single desalinization plant, not even for emergency purposes, not even on a cargo container that we could move around the island if we have a big emergency. We have nothing, except a bad policy that continues to prohibit us from getting a desalinization plant in Kailua-Kona. Please, for the health of your constituents, for the health of the community, please change this policy and get desalinization going here in Kailua-Kona, so that you're not making people sick. Because it's not just me; I had none of the diseases I've just mentioned, and I got sick from the water in Kailua-Kona, because of the high sodium content. The one thing we did accomplish years ago was to get a line of information at the bottom of the Annual Report you send out to everybody. It now contains the information about the sodium. That was the one thing we accomplished, but we haven't dropped the sodium content one bit. Thank you."

CHAIRPERSON MUKAI: Thank you, Ms. Ford. We also have another Statement from the public. The subject matter is Ocean View water, Don Nitsche. He's from Ocean View, and he's representing the Ocean View Community Development Corporation. Nice to see you again; it's been a while.

(Ms. Ford and Messrs. Robinson and Dearing left the meeting at 10:45 a.m.)

MR. NITSCHKE: I haven't been here for a while. Well, we understand that we're going to have a water source soon in Ocean View. I guess next month, is it scheduled?

MANAGER-CHIEF ENGINEER: In October.

MR. NITSCHKE: October? Oh, okay, it was originally to be September. Anyway, it's been a long time coming. We're very happy about this, but we have some concerns. We're concerned with the loading station, and the plan that was put together. It was a design-build plan, evidently. The community has never seen a plan, or a detailed plan on how it was to be, on how it was designed. And we'd like to, if there *is* a plan, we'd like to see it, and compare with what... We're not very happy with the way it's set up now. We think there's some dangers to trucks entering and leaving, and it's a little confusing to what it really is. So we would like to have the... a copy of this plan presented to the community, and that's the main reason we're here. We also would like to understand... would like to have a look at the plan for the operation of the water system in Ocean View, which is going to be, um, of course, not piped to the homes, but it'll be a place for the water trucks and the people to gather their own water. So we'd like to see a detailed plan of how that's going to operate. We've been kept in the dark. We were assured years ago that we would be kept up on what's happening, and we haven't really been kept up. The whole community has a lot of different ideas floating around, and nobody, really, that I'm aware of, has a copy of what is going to happen and what the plan for the loading area is. So those two items, we'd like to have brought to our attention as soon as possible.

CHAIRPERSON MUKAI: Okay, thank you.

MR. NITSCHKE: Is there any... any, uh?

CHAIRPERSON MUKAI: Uh, in this segment, there's no dialogue.

MR. NITSCHKE: Okay, if there's any questions, I'd be glad to help bring them up. I've been out of commission for a while, and I haven't been... I used to come here to the meetings quite a bit as Milton is aware of. But I have been out of whack for the last couple of years. I had a serious accident with my water truck, when I used to haul my own water... and I had some damage to my faculties, and I was slowed up for a while. But I'm back on the going again, and we're going to get reorganized in Ocean View as far as our Water Committee goes. Thank you very much.

(Mr. Alan Stafford provided testimony regarding water loading in Ocean View. The following is his verbatim testimony:)

MR. STAFFORD: Thank you for hearing me without filling out one of your forms. My name is Alan Stafford.

CHAIRPERSON MUKAI: Okay, thanks.

MR. STAFFORD: We would like to actually have a meeting at the site where they're going to be doing the filling of the vehicles. That way, we can have a better understanding. If the information can be brought down and we all get together... because there's some concerns about the width of the entrance and the turnaround area, where large trucks going in are going to actually have problems where they could overturn, or have accidents with other vehicles coming in. It's not wide enough. Also, the information he's asked for... if we could get a meeting down there at the site... and the plans that go... of the site. Also, the original site. Myself, I have some concerns about that; where the tank is, if possible, you could even talk about the filling of separate vehicles in two separate locations, which would cause less of a congestion at the sites. With larger trucks and smaller vehicles, a lot of times,

there ends up being accidents – trucks not being able to see the vehicles in back of them. I think there should be a concern of possibly two different sites: one for commercial, one for residential. With all the people coming down to get water... There's quite a few lots up there, and people would be real happy to have the water close by, and it'll increase the use. So I think that having two sites, one for vehicles, one for trucks, would lessen the chance of liability for the water district in accidents and liabilities. But what we really need is a meeting down there, to bring our representatives down, and we all have a talk, and see what's going on with the plans as they are.

CHAIRPERSON MUKAI: All right. Thank you very much.

5) SOUTH HILO:

A. **DRINKING WATER STATE REVOLVING FUND RESOLUTION NO. 2011-03:**

(Note: Resolution requires roll call vote)

Resolution No. 2011-03 is for the project for which DWS has submitted a loan application, under the Drinking Water State Revolving Fund (DWSRF). One of the prerequisites for the loan is a Resolution approved by the Water Board. This Resolution is specifically identified for the following project: JOB NO. 2008-940, KULA 'IMANO PRODUCTION WELL AND SUPPORTING FACILITIES, and authorizes the Manager-Chief Engineer or Deputy to execute loans and/or grants with the State Department of Health for up to \$4,100,000.00.

The Water Board previously approved Resolution 2011-01 for \$3,500,000.00. However, the total "not to exceed" amount will be increased to \$4,100,000.00, to include an anticipated construction cost, plus contingency, plus an allowance for design services. The actual loan amount will be finalized after the opening of construction bids.

The Manager-Chief Engineer recommended that the Water Board adopt DRINKING WATER STATE REVOLVING FUND RESOLUTION NO. 2011-03, subject to approval by Corporation Counsel.

MOTION: Mr. Meierdiercks moved to approve; seconded by Mr. Lindsey.

The Manager-Chief Engineer explained that this well is mauka of the highway above the old Kula'imano Camp, at an elevation of approximately 900 feet. The system will be gravity-fed to all of the customers below, he said. The new well will supplement an existing well that DWS has on the makai side of the highway.

Mr. Inaba said that the increased amount of the loan, at \$4.1 million, will provide a cushion in case the bids come in high.

Mr. Sumada said that the loan will be paid back at 3.5 percent interest.

ACTION: The Secretary took a roll call vote: Mr. Greenwell (Aye); Mr. Kaneshiro (Aye); Mr. Lindsey (Aye); Mr. Meierdiercks (Aye); Mr. Perry (Aye); Mr. Taniguchi (Aye); Chairperson Mukai (Aye). Motion carried with Seven (7) Ayes and Zero (0) Nays.

6) HĀMĀKUA:

A. **JOB NO. 2007-923, ĀHUALOA WELL DEVELOPMENT – PHASE 2 (PRODUCTION WELL AND 1.0 MG RESERVOIR):**

The contractor, Goodfellow Bros., Inc., requested a contract time extension of 70 calendar days. This is the third time extension request for this project. Information on the previous time extension requests are detailed below:

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	8/30/10	2/14/11	168	Delays in receiving drawings from HELCO and changes in electrical design.
2	2/14/11	9/26/11	224	Delays in receiving submittals and review from HELCO for Main Electrical Service Switchgear
3	9/26/11	12/5/11	70	<i>Additional time needed for start-up/testing of Motor Control Center, delays in painting due to moisture, delays in delivery of doors/louvers.</i>
Total Days (including this request)			462	

The contractor's previous time extension did not include the time needed for the instrumentation technicians to complete start-up and testing of the Motor Control Center equipment. The instrumentation technicians will need approximately eight (8) weeks after the current contract completion date to finish their work. Painting of the control building has also been delayed due to moisture in the building, and the main electrical work cannot be completed until the painting is finished. Delivery of the doors and louvers for the building has also taken longer than anticipated. The contractor estimates that an additional two (2) weeks will be needed to complete painting and delivery/installation of the doors and louvers.

Staff has reviewed the request and finds that the 70 calendar days are justified.

This project is being funded through the American Recovery and Reinvestment Act of 2009 (ARRA). The requested time extension will not affect ARRA funding for this project.

The Manager-Chief Engineer recommended that the Board grant this contract time extension of 70 calendar days to Goodfellow Bros., Inc., for JOB NO. 2007-923, AHUALOA WELL DEVELOPMENT – PHASE 2 (PRODUCTION WELL AND 1.0 MG RESERVOIR). If approved, the contract completion date will be extended from February 26, 2011 to December 5, 2011.

MOTION: Mr. Kaneshiro moved to approve; seconded by Mr. Lindsey.

Mr. Meierdiercks noted that a correction was needed in the Recommendation, to change the date from February 26, 2011 to **September** 26, 2011.

Mr. Inaba explained about the extension request. The contractor did not include in their previous request the time needed for the specialty contractor to program the Motor Control Center equipment. The current request asks for the time to do that portion of the work, Mr. Inaba said.

The Manager-Chief Engineer said things were compounded by the delay with HELCO. Because HELCO did not come in, the work could not proceed.

Chairperson Mukai asked about the previous extension, which was to September 26, 2011. He asked whether the contractor had finished his segment of the work and was sitting on it all this time.

Mr. Inaba said no, the contractor is still working on it.

The Manager-Chief Engineer said there is a lot of work that the contractor cannot do until HELCO finishes up because the contractor needs the power and needs to test. Therefore, the delays from HELCO naturally caused the contractor to delay their work, too.

Mr. Inaba said the contractor is currently installing the equipment, and it is pretty close to being done. He reiterated that the contractor did not include the time needed for their specialty contractor's work in the previous time extension request. The specialty contractor actually puts everything together to make sure it is running (and programs the equipment), he said.

Mr. Beck showed a map where the access road is located, noting that it is 4,400 feet long. This was in response to a question raised at a previous meeting, he said.

Chairperson Mukai, returning to the HELCO delay issue, said that DWS should submit to HELCO a list of DWS projects delayed by HELCO. He said these delays were beyond reason.

Mr. Inaba said that these delays had happened on the past couple of projects, and DWS's consultants are more aware of it and are working with HELCO to see how such delays can be avoided.

ACTION: Motion carried unanimously by voice vote.

7) NORTH KOHALA:

A. JOB NO. 2005-867, HALA'ULA WELL DEVELOPMENT (WELL NO. 7247-03):

The contractor, Derrick's Well Drilling and Pump Services, LLC, is requesting a time extension of 12 calendar days. The contractor's time extension request is supported by DWS's consulting engineer for the project. This is the second time extension request for this project.

Extension #	From (Date)	To (Date)	Days (Calendar)	Reason
1	4/20/11	5/22/11	33	Rain-out Days
2	5/22/11	6/3/11	12	Sample Retests
		Total Days (incl. this ext.)	45	

The project completion date must be extended due to delays caused by positive water samples and subsequent retesting requirements.

The Manager-Chief Engineer recommended that the Board grant this time extension of 12 calendar days to Derrick's Well Drilling and Pump Services, LLC, for JOB NO. 2005-867, HALA'ULA WELL DEVELOPMENT (WELL NO. 7247-03). If approved, the contract completion date will be extended from May 22, 2011 to June 3, 2011.

MOTION: Mr. Taniguchi moved to approve; seconded by Mr. Meierdiercks.

The Manager-Chief Engineer explained that the initial samples needed to be re-tested, and that takes time. The initial test was not satisfactory. The need to re-test was not the contractor's responsibility, he added.

Mr. Inaba said that DWS needed to confirm that the source was good. To all accounts, the contractor did everything properly in collecting the samples.

Mr. Kaneshiro asked whether this was an after-the-fact approval.

Mr. Inaba said yes, it was. DWS went to its consultant to verify whether this would be part of liquidated damages. DWS was unable to do final inspection until June 3, when the contract was completed. The re-testing, etc., has all been done, he said.

Mr. Perry asked what went wrong.

Mr. Inaba said the problem came when the contractor collected samples and came up with several positive hits. These positive hits came despite the contractor having followed the specifications to disinfect the source (i.e., the well), flushing it out before collecting the samples. DWS wants to make sure that there are no positive samples from the well. It is not clear whether the problem arose in the collection, or it involved the pumps down in the well, he said. He confirmed that everything was chlorinated and disinfected, so DWS could not find anything that the contractor may have done wrong. DWS also could not find anything wrong with the equipment that the contractor was using. Therefore, DWS repeated the proper procedures a number of times, and eventually got the sample that proved that the water was good.

The Manager-Chief Engineer said there could be a number of reasons why the sample did not come out as expected. For example, the problem could lie in the method of chlorinating, but the problem could be any number of things, he said. In any case, the Department just wanted to make sure the problem did not lie with the water. He confirmed that the water is good.

ACTION: Motion carried unanimously by voice vote.

8) NORTH KONA:

A. **JOB NO. 2003-823, PALANI ROAD TRANSMISSION WATERLINE (MĀMALAHOA HIGHWAY TO PALANI ROAD NO. 2 RESERVOIR):**

The contractor, CTS Earthmoving, Inc., has submitted a request for a contract time extension of sixteen (16) working days, due to several recent change order items requested by DWS.

This would be the second time extension to the contract.

If approved, the contract completion date will be extended from September 7, 2011 until September 29, 2011. Engineering staff has reviewed the request, and finds that the sixteen (16) working day time extension is a reasonable request by the contractor, to include the change orders and complete the project.

Extension #	From (Date)	To (Date)	Days (Work)	Reason
1	8/21/11	9/07/11	12	Add'l Work request by DWS
2	9/07/11	9/29/11	16	Add'l Work request by DWS
		Total Work Days (incl. this ext.)	28	

The Manager-Chief Engineer recommended that the Board grant this extension of contract time of sixteen (16) working days, to CTS Earthmoving, Inc., for JOB NO. 2003-823, PALANI ROAD TRANSMISSION WATERLINE (MĀMALAHOA HIGHWAY TO PALANI NO. 2 RESERVOIR).

MOTION: Mr. Lindsey moved to approve; seconded by Mr. Taniguchi.

Mr. Beck said that the extension was for work that was outside of the original scope. Among the work is the construction of a GRP (grouted rubble pavement) wall along Palani Road. The contractor also needs to install a cyclone security fence around the 595 Reservoir, and the slope there needs to be stabilized. This work will add seven days, Mr. Beck said. At the existing 935 tank, DWS is asking the contractor to do some additional grading and paving, and install another fence. That work will also take several days, he said. DWS is also asking for more fencing to block access from one of the neighboring residential areas to DWS's pipeline access road. The above items were not in the original plan, but the

Department believes that these are tasks that need to be done. DWS is asking the contractor for this additional work, and the contractor is asking for additional time to do it.

Mr. Taniguchi asked about the total cost proposals, which came to \$11,872.85.

Mr. Beck said that there is a major deduction (of \$47,183.00) because DWS is not asking the contractor to paint the interior of the tank. The net amount comes to \$11,872.85, he said.

ACTION: Motion carried unanimously by voice vote.

9) MISCELLANEOUS:

A. DEDICATION OF WATER SYSTEMS:

The Department has received the following documents for action by the Water Board. The water systems have been constructed in accordance with the Department's standards and are in acceptable condition for dedication.

1. **BILL OF SALE**

WAIMEA WELL – State Well No. 6240-02

Seller: Board of Land and Natural Resources, State of Hawai'i

Tax Map Key: (3) 6-5-001: 003 (Portion)

DLNR Job No. 43-HW-A

Completion Date: April 19, 1999

Water System Cost: \$ 920,012.00

RECOMMENDATION: It is recommended that the Water Board accepts these documents subject to the approval of the Corporation Counsel, and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents.

MOTION: Mr. Meierdiercks moved to approve; seconded by Mr. Greenwell.

The Manager-Chief Engineer noted that DWS uses this well for emergencies, and the well is outfitted and producing water for DWS whenever the surface water goes down. He added that because surface water is cheaper than well water, DWS utilizes the surface water there as much as possible. The well is a valuable back-up for Waimea.

ACTION: Motion carried unanimously by voice vote.

B. POWER COST CHARGE:

A Public Hearing was held before the Board meeting today, to receive testimony on the Power Cost Adjustment. The Power Cost Adjustment will be discussed, with possible action by the Board. Currently, the Power Cost Charge is \$2.23 per 1,000 gallons. The Power Cost Charge for July, the most recent available figure, was \$2.31.

The Manager-Chief Engineer recommended that the Board approve an increase of the Power Cost Charge from \$2.23 to **\$2.31**, effective September 1, 2011.

MOTION: Mr. Meierdiercks moved to approve; seconded by Mr. Taniguchi.

Mr. Meierdiercks asked whether this was the most recent figure available.

Mr. Sumada confirmed that it was.

Chairperson Mukai said that the Department is always behind the eight ball on adjusting the Power Cost Charge; DWS is basically in a deficit spending mode on the Power Cost Charge. It is costing DWS more to provide service than what DWS is charging.

ACTION: Motion carried unanimously by voice vote.

C. PRESENTATION REGARDING POSSIBLE DESALINATION PLANT:

(Item taken care of earlier in the meeting.)

D. REPORT OF AD HOC FINANCE COMMITTEE:

The Water Board's Ad Hoc Finance Committee Chairperson, Mr. Art Taniguchi, has been investigating the three focus areas (DWS's policies on credit card use, cash control and vehicle take-home), which encompass the scope of the Committee's work. At this meeting, the Committee may do the following:

- Possible approval of DWS's vehicle policy, based on modifications following union comments;
- Decals on DWS vehicles;
- Discussion of DWS's cash handling procedures and proposed changes. Discussion may include a possible switchover to Oahu's billing system.

The Committee met with the Manager-Chief Engineer and Mr. Sumada recently to discuss the above items. Mr. Taniguchi said that the unions had some concerns with DWS's vehicle policy, but those concerns have been resolved.

Regarding decals on DWS vehicles, Mr. Taniguchi noted that the Department's old logo is on all but two of DWS's vehicles. Those two were vehicles purchased in the last couple of years, and they sport the new motto: "Water, our Most Precious Resource." The Committee looked into the cost of decals needed for all of the rest of the vehicles in the fleet, which was a considerable amount. The Committee plans to sit down with Mr. Sumada to come up with a plan to systematically change the decals on the vehicles, starting with the newer vehicles. As the older vehicles are replaced, DWS will just put on the new decals on the new vehicles. The Committee will make a recommendation shortly, Mr. Taniguchi said.

Regarding the cash handling procedures, DWS continues to look at a lock box system, as well as the possibility of having the Honolulu Board of Water Supply handle DWS's billing. Honolulu has announced that it is going to monthly billing, instead of the bi-monthly billing system that Honolulu currently uses (as does DWS), Mr. Taniguchi said. DWS does not have the resources on this island to check the meters every month. However, DWS is looking into installing automatic meter readers islandwide, which would make it possible to bill monthly. The Committee will be working on a capital improvement budget proposal with Mr. Sumada and the Manager-Chief Engineer, and will present it to the Board in the very near future, Mr. Taniguchi said.

The Manager-Chief Engineer said that the morning news reported that the Honolulu Board of Water Supply's proposed rate increase was shot down; The Board did not act on the proposal. While it is not clear what the ramifications are, it may affect Honolulu's frequency of billing, he said. DWS needs to keep in contact with Honolulu to see if Honolulu still plans to go ahead with monthly billing. With this turn of events, Honolulu may stay with its current system of billing bi-monthly, the Manager-Chief Engineer said.

E. DISCUSSION REGARDING PROPOSED RULE CHANGE REGARDING WATER SERVICE TO CONSUMERS/RESPONSIBILITY FOR PAYMENT OF BILLS:

(This Item was agendaized at the request of the Water Board at the July 26, 2011, meeting.)

The Manager-Chief Engineer noted that there had been some discussion by Board members regarding the fact that a customer can be delinquent and yet a relative can apply for the same meter. He said this was grossly unfair, and costs the Department money. The Board talked about looking at revising DWS's Rules and Regulations to impose some degree of responsibility on the property owner, such that the property owner would be the applicant (or co-signer) for water service. That discussion triggered this Item on the Agenda, the Manager-Chief Engineer said. He thought it was a great idea to require the property owner to have some degree of responsibility for the application of any home that the property owner rents out. However, DWS's Customer Service people raised concerns regarding cases involving the Department of Hawaiian Home Lands (DHHL), whereby the people on the land just lease the property. The owner of the property is DHHL. Therefore, if DWS were to make a blanket rule change, then DHHL would have to apply for every single water meter, (i.e., instead of the lessee applying for the meter). DHHL will not want to do that, the Manager-Chief Engineer said. Any rule change will have to be worded such that there are exclusions for entities like DHHL, Bishop Estate, etc. However, a rule to impose responsibility on property owners of residential properties would take care of upwards of 97 percent of DWS's residential accounts – even excluding DHHL, Bishop Estate, etc. Any exclusions that DWS may make should make the rule change reasonable and logical, the Manager-Chief Engineer said. He said he thought DWS should pursue such a rule change. Right now, the property owner bears no responsibility for a tenant who is delinquent on his water bill. By imposing such responsibility on the property owner, the number of delinquent or uncollectible accounts would drop. This would be a positive situation for DWS, he said. He cautioned that DWS needs to be very careful on how the rule change is worded, and exclusions for entities like DHHL, condominium or apartment owners, etc., will need to be written into the language so that DWS can realistically enforce the rule.

Mr. Taniguchi agreed that it was unconscionable to have the relatives of a delinquent customer apply for the same water meter. He expressed hope that Ms. Garson would be able to work out language for a rule change to curtail this kind of thing.

Mr. Greenwell asked if HELCO has a similar rule that DWS could piggy-back on.

The Manager-Chief Engineer said no, HELCO is in the same situation as DWS. HELCO does not go after the property owner; they go after the renter only.

Chairperson Mukai said that for today, this is only a topic of discussion. However, this subject should be put on next month's Agenda, he said.

Ms. Garson asked the Board for direction on how to draft a new rule. She expressed doubt that she could address the problem of the family members applying for the same meter. However, she said she could certainly revise the rule to require the property owner to co-sign the application for water service. She asked if the Board wanted her to come up with some revised drafts, to enable the Board to discuss the drafts.

Mr. Taniguchi asked if the rule could say something like DWS "will not restore any water service to any location that has an unpaid bill."

Ms. Garson said that could present problems because it would hold someone responsible for another person's debts.

Mr. Taniguchi said that by wording it that way, DWS would not have to name the owner. It would only obligate someone who wants service to pay the unpaid bill in order to get service.

Ms. Garson said she would research that, and noted that she had seen examples imposing responsibility on the owner. She said she would research that, and also look into whether it would be possible to impose responsibility *by location*.

The Manager-Chief Engineer said that Ms. Garson needs to meet with the Customer Service people, because they had concerns with imposing a blanket policy. Meeting with Customer Service will help Ms. Garson draft language that addresses everybody's concerns.

Ms. Garson confirmed that for the next Board meeting, there will be something for the Board to mull over. She noted that revising a Rule is a major undertaking, involving a whole rule-making process including Public Hearings, etc. Next month, the Board will hash out in broad outline the language of a revised rule.

The Manager-Chief Engineer said that there are a lot of definitions and sections in the Rules and Regulations that will need to be changed in the process of making this rule change. The word "applicant" in particular will need to be re-defined throughout the Rules and Regulations, he said. Many sections of the Rules and Regulations will be affected by this rule change, he added.

Ms. Garson suggested that the Board might want to take the opportunity to review all of the Rules and Regulations to see if any other rules should be revised. Because of the rule-making process (involving Public Hearings, etc.), it might be a good idea to make a number of changes all at the same time, she said.

The Manager-Chief Engineer said that as a matter of fact, the Department has been waiting for an opportunity to make a number of revisions to the Rules and Regulations. Therefore, it is the intent to undertake those changes along with this particular rule change.

Mr. Meierdiercks asked whether the Board needs to put Ms. Garson's recommendations/changes on the Agenda for next month as well. By doing so, it would get things going, he said.

The Manager-Chief Engineer said yes, there will be an Agenda Item along the lines of a Draft of Proposed Rule Change, etc.

Mr. Meierdiercks said that would be good, so that it covers all of the changes that might be proposed.

F. **REPORT OF AD HOC COMMITTEE TO REVISE THE MANAGER-CHIEF ENGINEER'S EVALUATION FORM:**

The Water Board's Chairperson of the Ad Hoc Committee to Revise the Manager-Chief Engineer's Evaluation Form, Mr. Ken Kaneshiro, has been looking at a revised Manager-Chief Engineer Evaluation Form.

Mr. Kaneshiro said that he met with Ms. Wanda Kapahu, Human Resources Manager I, about the various performance appraisal reports that she has on hand. Ms. Kapahu provided a lot of information in response to the Committee's requests, which Ms. Kapahu sent to the two other Committee members, Mr. Perry and Chairperson Mukai. Mr. Kaneshiro asked the Committee to review the information, and to come up with some ideas on how they would like the evaluation form to be put together.

Mr. Kaneshiro expressed hopes that next month the Committee will meet ahead of the Board meeting to come up with a draft of how they envision the form. The Committee will also be meeting with the Manager-Chief Engineer and other staff to get their input.

The Manager-Chief Engineer said that the County's Human Resources Department is currently revising the job description of the Manager-Chief Engineer. He suggested that they obtain copies from Ms. Kapahu, if they have not already done so.

Mr. Kaneshiro said he talked with Ms. Kapahu about the position descriptions, etc., which date back several years. He noted that the Strategic Plan goes back to 2009 and the Business Plan goes back to 2005; all of these have expired. Therefore, there are things that need to be done, Mr. Kaneshiro said. The Committee will be talking with Human Resources to make sure that the Committee is going down the right path.

The Manager-Chief Engineer said that the Department of Human Resources is just finalizing its revision to the duties of the Manager-Chief Engineer's position.

G. ENERGY MANAGEMENT ANALYST UPDATE:

The Energy Management Analyst provided an update on significant changes or noteworthy areas relating to energy use and the Department's Green Initiatives. Ms. Myhre and Mr. Alex Frost of the County's Department of Research and Development provided a briefing on the "Vision 20/15 Green Government Action Plan."

Ms. Myhre introduced Mr. Frost as the primary author of the County's Vision 20/15 Green Government Action Plan, in conjunction with the Mayor's Green Team. A summary of Mr. Frost's presentation was distributed to the Board.

Mr. Frost gave an overview of the Plan, including the challenges that Hawai'i Island faces on energy dependence, the key findings of the Green Team, focus areas and recommendations for future action. Among the statistics he provided, an estimated \$1 billion per year flows from the Big Island to big oil companies and oil-producing countries.

Ms. Myhre noted that 70 percent of the electricity produced by HECO, HELCO and MECO (the electric utilities on Oahu, the Big Island and Maui respectively), is based on petroleum. Hawai'i is the most petroleum-dependent state in the United States. Meanwhile, fossil fuel production is decreasing, and is expected to continue decreasing.

Mr. Frost said that still-undiscovered oil is in more inaccessible places such as deep ocean areas, which heightens the risk and cost to produce the oil. Politically unstable areas in the Middle East and North Africa supply much of the world's oil, which contributes to price fluctuations. Producing a local, indigenous source of energy on the Big Island will mean that money stays on this island, provides incomes for families and businesses, and means big economic opportunity, Mr. Frost said. In 2009, Mayor Billy Kenoi formalized the Mayor's Green Team in 2009, made up of County employees from different departments. The Green Team's purpose was to make recommendations to improve the County's environmental, energy and economic performance. Mr. Frost noted that a lot of the federal grants that the County applies for require "green metrics" and a sustainability approach to projects. The County Council passed a sustainability policy in November 2009.

Ms. Myhre said the Green Team studied how the different County departments contribute to greenhouse gases. DWS is the largest user in the County, because of how the Department pumps water and because of how it uses electricity. DWS spent \$18 million for electricity in Fiscal Year 2007-2008, which was 70 percent of the total electricity costs of Hawai'i County government. As a result, DWS constitutes a very important piece of the Green Government Action Plan.

Mr. Frost said that in 2000, the County government spent \$11 million for electricity; by contrast, in 2011, the number is projected to be **\$30** million. This is a huge cost that the County does not proactively manage, but it can manage it, he said. DWS is actually the leader in the County in terms of tracking fuel use of vehicles and having clear data on energy or electricity use, Mr. Frost said. The Mayor wants the County to work towards a 20 percent reduction in fossil fuel use by the year 2015, a 20

percent reduction in energy costs, and a 20 percent reduction in greenhouse emissions. This “20 by 2015” goal is the first tangible, measurable target set by Hawai‘i County government, in terms of a strategy of energy use and climate protection, Mr. Frost said. The Green Government Action Plan lists 10 projects, whose goal is an estimated \$3.4 million a year in savings. This translates into savings of \$34 million over the course of 10 years. These projects aim at reducing the County’s energy use, replacing fossil fuels with renewable energy sources, and reducing the County’s carbon emissions.

Ms. Myhre noted that the West Hawai‘i Civic Center, the new home of County government in West Hawai‘i, boasts of a photovoltaic (PV) system that supplies 100 percent of the power in the 80,000-square foot facility during office hours. This means that the County pays half of the amount of HELCO utility rates, or \$46,000.00 a year, thanks to the PV system. This system would have cost \$1.8 million, but the County paid nothing in up-front costs because of a Power Purchase Agreement. A third party came in, installed the system, took the tax credits, and the County gets a very cheap electricity rate. Under the Power Purchase Agreement, the County agreed to purchase the power for 20 years at a certain rate – much lower than HELCO’s normal rates.

Mr. Frost said this arrangement gives the County price stability, and meanwhile the County gets to lead by example. He commended Mr. Will Rolston, the County’s Energy Coordinator, who did the heavy lifting on this PV project. The Mayor has appointed a cross-functional team to help with the implementation of the Green Government Action Plan, with capital improvement project (C.I.P.) funding of \$4 million for energy-efficiency improvements. The plan was published a couple of weeks ago, and now the ongoing work is with the departmental implementation coordinators, including Ms. Myhre, who represents DWS. The National Renewable Energy Laboratory (NREL) has been instrumental in providing pro bono consultation, Mr. Frost said.

Chairperson Mukai said that DWS is indeed in the forefront of the County’s “green” initiatives.

H. MONTHLY PROGRESS REPORT:

No discussion.

I. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

No discussion.

At this point, Chairperson Mukai asked to move up Item 14, STATEMENTS FROM THE PUBLIC.

Ms. Garson said the Statements should be heard at the appointed place on the Agenda, and not be moved up.

J. MANAGER-CHIEF ENGINEER’S REPORT:

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

- 1) Palani Road Transmission Waterline Project – Mr. Beck said that the work looks like it will be done by September 29. The pipes have been tested and there are no leaks. One of the tanks is being filled right now, to make sure it is sound. Additional paving work is being done. The electrical sub-contractor has finished his work, so now DWS is waiting for HELCO to go in and finish their work to enable DWS to operate the control equipment. Generally, things are looking good, Mr. Beck said.
- 2) Hawaiian Ocean View Estates Project – The project is on time, and is expected to be completed in September. However, the initial Department of Health (DOH) report was not made when the well was drilled, because DWS could not get sufficient water samples. Therefore, when the project is completed and energized so that DWS can start up the pump, DWS will take a sample and immediately do the report that DOH requires. That will take

- 3) Pu‘ukala/Kona Ocean View Properties Subdivision Improvement District Update – The County Council passed a Resolution, and the plans are pretty much completed. The Manager-Chief Engineer said that DWS will probably be advertising in about 3-4 months.
- 4) Public Information and Education Specialist Update – No report this month. Ms. Aton was leading a school excursion to the Waimea Treatment Plant, the Manager-Chief Engineer said.
- 5) Upcoming HWWA conference – DWS is in the process of editing a taped interview with the conference founder, Mr. William Y. Thompson, who founded it 50 years ago. This year is being celebrated as the 50th anniversary, and it should be an interesting conference, the Manager-Chief Engineer said.
- 6) Recognition of DWS’s Big Island Tapping Team (*Item taken up earlier.*)

K. CHAIRPERSON’S REPORT:

Chairperson Mukai reported that he attended the recent dedication of the Wai‘ōhinu Spigots, which he said is a really nice facility. He thanked Mr. Owen Nishioka of Engineering Division, who oversaw the project. He noted that the project took around six years to complete, and said that everyone concerned is really happy that water is now flowing through those spigots.

10) **ADOPTION OF FINDINGS OF FACT, CONCLUSIONS OF LAW, DECISION AND ORDER FOR 7-26-11 CONTESTED CASE HEARING REGARDING WATER SERVICE ACCOUNT NUMBER 67054000-10 (TMK 4-5-003-124, Lt 2-C) (In the Matter of the Appeal of James Souza):**

The above Contested Case Hearing took place on July 26, 2011, in accordance with Chapter 91 of the Hawai‘i Revised Statutes and Rule 2-5 of the Rules and Regulations of the Department of Water Supply.

ACTION: Mr. Taniguchi moved to approve the Findings of Fact, Conclusions of Law and Decision and Order; seconded by Mr. Lindsey. Motion carried unanimously by voice vote.

11) **DISCUSSION OF PROCEDURES AND TIME FRAME TO SELECT NEW MANAGER-CHIEF ENGINEER:**

At last month’s Water Board meeting, the Manager-Chief Engineer announced his intention to retire at the end of this year.

The Board discussed the procedures and time frame to select a new Manager-Chief Engineer.

Mr. Ron Takahashi, Director of the County Department of Human Resources, was on hand to answer the Board’s questions about the selection options it has going forward. He noted that Ms. Garson had prepared an outline for things to consider in developing the selection process.

Ms. Garson said that there were some minimum qualifications for the position of Manager-Chief Engineer: the candidate must be a registered engineer and have five years’ experience in an administrative capacity. There is also a residency requirement, whereby the candidate must live in Hawai‘i for at least one year preceding appointment to the position. She said that it is up to the Board to decide whether it wants to set other qualifications for the position. Ms. Garson said the Board needs to consider the position description.

Mr. Takahashi said that his staff at Human Resources, together with DWS's human resources manager, had drafted a more updated position description for the Manager-Chief Engineer. They also made some recommendations on qualifications that may be more specific to the job, he said. These are just drafts and suggestions from his department, and the Board is free to adopt whatever position description it wants, Mr. Takahashi said. The information packet that Mr. Takahashi distributed to the Board also included sample announcements for the recruitments of the Fire Chief and the Director of the Department of Liquor Control. He said the Fire Chief recruitment involved plain and simple interviews that were taken right out of the County Charter and the Hawai'i Revised Statutes, listing the residency requirement and the minimum requirements of the position stipulated in the Charter. In the case of the Liquor Control director recruitment, the Liquor Commission decided to expand on that, and added more detailed, job-specific requirements. Mr. Takahashi said that the Board may go with the minimum qualifications, or may choose to add criteria, specific to the job.

The Manager-Chief Engineer said that the Board has the right to recruit in-house also.

Mr. Takahashi said that is correct; the Board can tailor its announcement to be like the Liquor Control director's recruitment. The Board may advertise the position as far reaching afield as it likes (i.e., nationwide), or it may choose to make a selection from within the Department and not advertise at all.

Chairperson Mukai asked what the time frame was for doing an announcement.

Mr. Takahashi said there was no set time frame; it could be one week, two weeks, five days or however many days the Board wishes. The Board would set the time frame.

Mr. Greenwell asked if there were any guidelines on how the Board does the announcement.

Mr. Takahashi said no, he knew of no guidelines – unless DWS has rules and procedures that address the process.

Mr. Greenwell asked if the Board could have its decision on how to do the recruitment called into question, or stopped, or face other action such as a demand for arbitration.

Mr. Takahashi said no, the position is an Exempt position; it is not a Civil Service position where the Board would be obliged to follow Civil Service laws, rules or guidelines. This position is an Exempt position selected by the Board, under criteria set by the Board, he said.

The Manager-Chief Engineer said that the Board can handle the recruitment pretty much any way it chooses.

Mr. Takahashi confirmed that this was correct.

Chairperson Mukai noted that there was an Executive Session next on the Agenda.

Ms. Garson said that she had just put the Executive Session on the Agenda in case there were questions from the Board that she did not want to answer in open session. However, today the Board was talking in broad terms. Once the Board starts establishing selection criteria, the Board should go into Executive Session. The Board should definitely go into Executive Session when the Board is establishing the interview questions, Ms. Garson said. The Board has a lot of decisions to make. She drew the Board's attention to the outline she prepared, noting that the Board needs to look at establishing the starting salary for the position. The salary is another decision that the Board will need to make, she said. The Board also needs to decide -- assuming it wants to advertise the position -- how long the Board will advertise it and where to advertise it. The County Department of Human Resources now has electronic recruitment, with all applications online; Ms. Garson asked whether that was something that the Board wanted to do. If the Board wants to advertise nationwide, the Board will need to get going on that

process. The Board needs to do the interview questions and the reviewing sheets, etc. Even though it is only August, there are a number of things that the Board must start looking at, Ms. Garson said.

Chairperson Mukai asked Ms. Garson if it was okay under the Sunshine Law for the Board to contact the Department of Human Resources directly while the Board is going over all of the information it received from Human Resources.

Ms. Garson said there was no Sunshine Law issue if the Board contacts the Director of Human Resources to ask him questions.

Mr. Takahashi said he would leave his card with the Board.

Chairperson Mukai asked the Board to digest all of the information they received in the packets from Human Resources.

Mr. Takahashi noted that in the packets there is a table labeled "Manager-Chief Engineers' Salaries," which shows the salaries of all of the Manager-Chief Engineers in the four jurisdictions, along with salaries for their respective deputies. There is also salary information on the top three Civil Service employees within DWS; that information is not public. It is strictly confidential, but Mr. Takahashi provided it for information purposes because it affects the Board's decision-making.

The Manager-Chief Engineer said that he timed the announcement of his retirement to give the Board sufficient time to go through the selection process. He estimated that it will take at least three months from the time that the position is advertised to the time of selection. Therefore, the Board does not have much time. The Board needs to decide by the next regular meeting on how the Board is going to do the recruitment, so that the selection can be made by the end of December. By selecting his successor by the end of December, the current Manager-Chief Engineer can help out with any questions the person selected may have.

Ms. Garson said that for next month, the Board should look at the job description and the selection criteria.

Chairperson Mukai broached the subject of possibly setting up another ad hoc committee, and asked whether it would be justified in this case.

Ms. Garson said that because it takes three meetings to go through the process required of an ad hoc committee, she did not recommend setting up an ad hoc committee whose specific purpose would be to come up with a job description. She reminded the Board that with an ad hoc committee, the committee creates the ad hoc committee for a specific purpose, then it reports, then the Board discusses, and finally the Board votes. She reiterated that she would not recommend going that route.

Chairperson Mukai agreed, saying it would take too long.

Ms. Garson suggested holding special meetings on the selection process.

Mr. Taniguchi asked whether the whole Board does the interviews of the candidates.

Mr. Meierdiercks said the whole Board did the interviews the last time, when Mr. Pavao was selected.

Ms. Garson agreed that because the whole Board selects, the whole Board should sit in on the interviews.

Mr. Taniguchi asked if this was done in Executive Session.

Ms. Garson said it was a closed interview session. She said however, that Public Statements to give input on the candidates would be open as part of the same meeting at which the interviews take place. Those statements could also be made in Executive Session, if the Board so chooses.

The Manager-Chief Engineer said he recalled that the interviews were conducted in open session when he was among the candidates. None of the proceedings were done in Executive Session, including the voting. Nothing was done in Executive Session, he said.

Ms. Garson said that of course, the voting was done in open session.

Mr. Lindsey asked whether the Board should stick to structured questions that would be posed to every candidate, so that every candidate is asked the same, exact questions.

Mr. Meierdiercks said that was a good question.

Mr. Taniguchi said that would be better; he would recommend that.

Mr. Meierdiercks suggested that the Board schedule an additional meeting in October and an additional meeting in November to handle the selection process. He did not think that the Board would be able to cover the selection process in the number of regular meetings remaining this year. He said if the Board resolves things by the time of the additional November meeting, it could always be cancelled.

Chairperson Mukai asked if that was a Motion.

Mr. Meierdiercks said yes, and he wanted to come up with the specific dates, with the dates of the special meetings falling fairly evenly between the regular Board meetings. The only Agenda item for each of the special meetings would be the selection process.

MOTION: Mr. Meierdiercks moved to create a separate meeting, specifically for the selection process, in October and November; Mr. Perry seconded.

Mr. Taniguchi asked whether this was a regular meeting or just an Executive Session.

Mr. Meierdiercks said no, it would be a special meeting, but it still needs to be advertised ahead of time so that the Board can get the selection process set up. He said he did not think the regular Board meetings would afford enough time for the Board to take care of what it needs to do on the selection process.

Summarizing, Ms. Garson said okay, the special meetings would take place in October and November.

Chairperson Mukai asked whether timeframe-wise it would be possible to hold a special meeting in September.

Mr. Taniguchi agreed that it should be in September.

The Manager-Chief Engineer said that September would be better.

Chairperson Mukai said that he thought if the Board should get the advertising going by October 1st. He asked whether there was enough time for a Public Notice for a September special meeting.

The Manager-Chief Engineer said yes, it is a one-week notice period.

AMENDMENT TO THE MAIN MOTION: Chairperson Mukai made an Amendment to the Main Motion by adding a date in September; seconded by Mr. Taniguchi.

Chairperson Mukai said the reason for a September meeting was to get things going as soon as possible. He noted that if the Board gets its work on the selection process done by November, then the special meeting in November can be cancelled. In any event, the Board needs to get this thing done, the Chairperson said.

ACTION: Amendment to the Main Motion carried unanimously by voice vote.

Chairperson Mukai called for a vote on the Main Motion as Amended, which is basically to have additional meetings whose sole purpose is the process to select the Manager-Chief Engineer, adding a meeting in September, October and November.

Mr. Meierdiercks said the Board should specify the dates of the special meetings.

Mr. Taniguchi agreed that a date for the September meeting needed to be chosen; he asked how many days' Public Notice period was needed.

The Manager-Chief Engineer said seven days.

Ms. Garson said that because it is a special meeting, there will probably be advertising deadlines for the newspapers and radio stations to consider as well.

The Manager-Chief Engineer asked if the Board preferred to keep the special meetings on a Tuesday. He noted that the next Tuesday is September 6.

Chairperson Mukai said that the next regular Board meeting is September 27, so if the special meeting is on a Tuesday, it should either be on September 13 or September 20.

The Manager-Chief Engineer said the special meeting should be held as soon as possible, because the Board really does not have much time.

The Board deliberated on what day would be best for each of the Board members, but none of the Tuesdays in September were good for everybody.

The Manager-Chief Engineer suggested that the special meeting did not necessarily have to be on a Tuesday.

Chairperson Mukai suggested that the Board pick Thursday, September 15, because all but one Board member, Mr. Meierdiercks, would be able to attend. He concluded that September 15 would be the date for the first special meeting.

Mr. Meierdiercks suggested choosing a date for October.

Chairperson Mukai suggested October 11, which is the day before the October 12-14 HWWA Conference. The Board concurred that was a good day. Chairperson Mukai then suggested setting the November date as well. He suggested November 8 for the November special meeting, and the Board concurred. He summarized that the three special meetings would be on September 15, October 11 and November 8, beginning at 10:00 a.m.

Chairperson Mukai suggested Waimea as a venue for the September meeting.

Ms. Garson cautioned that if Waimea were a venue, it would require advanced notice for reserving the meeting place.

Chairperson Mukai said that Hilo should be the venue for the September meeting, so that the Board can call upon Human Resources personnel if need be.

The venues of the October and November meetings are to be announced.

ACTION: Main Motion as Amended passed unanimously by voice vote.

12) **EXECUTIVE SESSION RE: PROCEDURES AND TIME FRAME TO SELECT NEW
MANAGER-CHIEF ENGINEER:**

The Water Board had anticipated convening an executive meeting, closed to the public, pursuant to Hawai'i Revised Statutes, Sections 92-4 and 92-5(a)(4) 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. A two-thirds vote, pursuant to HRS Section 92-4, is necessary to hold an executive meeting.

(Executive Session was not held.)

13) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board will be held on September 27, 2011, at 10:00 a.m., at the Department of Water Supply, Operations Conference Room, 889 Leilani Street, Hilo, HI. *(A special meeting regarding the process to select the Manager-Chief Engineer will be held on Thursday, September 15, 2011, at the Department of Water Supply, Operations Conference Room, 889 Leilani Street, Hilo, HI.)*

2. **Following Meeting:**

The following meeting of the Water Board will be held on October 25, 2011, at 10:00 a.m. at the Department of Water Supply, Operations Conference Room, 889 Leilani Street, Hilo, HI. *(A special meeting regarding the process to select the Manager-Chief Engineer will be held on Tuesday, October 11, 2011, at a venue to be announced.)*

14) **STATEMENTS FROM THE PUBLIC:**

(Mr. Michael DuBois, representing Hawaiian Ocean View Estates, testified about the Hawaiian Ocean View Estates filling station facility. The following is Mr. DuBois's verbatim testimony:)

"So I want to bring a concern to the Board that's very, very important. Now, we have two other speakers who tried to tell you what... that there's a problem with the filling station. And I thought maybe you could bring them up and ask them some questions but... so the filling station at the HOVE water facility is a major problem. It's not designed right, and it's not well-thought-out. Now the entrance road is the biggest problem. The entrance road is supposedly a two-lane road for large water trucks to pass on both sides of each other. One is full as it's exiting, and one is empty as it's going up. It's 220 feet long, and it's raised by just a lot of gravel that was packed, and it's only 19 feet wide at the very top. Okay? And it's not very well-packed, because I weigh 250 pounds, and I'll admit it, but I'm standing on the edge, and it's crushing. And even with the asphalt that you can put on it, there are drivers that run these rigs who are telling me that there's gonna be a serious problem. It's six feet high, okay? And you're running these big rigs with heavy amounts of water. Now also in this area of the 220-foot ramp going up into the water facility, you're also gonna have trucks with trailers, cars, and other vehicles that are gonna go into this access area. There are no guard rails on this six-foot high embankment that was built with fencing down on the base. Now, what I'm asking is that we put... that we stop all activity on any further construction at this site until we can meet out there and review the situation. It is a very big problem. There are... This is... I don't know if any of you have been out there, but you need to go out there if you want, or, our representative, I guess, right here, *(gesturing toward Mr. Meierdiercks)* needs to go out there and look at this site, and meet with the Ocean View Community Development Corp.'s Water Committee. Now, they have some concerns, and I think they

need to be addressed. And if we can, as soon as possible, go out there and look at these problems that they're trying to address, then I think that would benefit everybody and then we can move on. But there are serious problems. So I would like to make sure that we have no further progress out there until we look and talk and discuss about these problems. And I don't think that that's unfair to do."

(Mr. Alan Stafford, who testified earlier, asked to make testimony again. The following is his verbatim testimony, made off-mike from the back of the room:)

"Before you adjourn, I just have something. Could the Board actually put a hold on it, because you're talking about paving it tomorrow or the next day? If they do that, then everything we just talked about (inaudible)."

Chairperson Mukai said the Board cannot make a decision on this matter; it is not an agenda item and therefore the Board cannot make any decision like that.

Mr. Greenwell asked if the contractor is doing what he is contracted to do, whether the Board has the right to stop him.

The Manager-Chief Engineer said absolutely, the Board has the right.

Mr. Meierdiercks said that the only time that the Board has any say over what the Department does is during Board meetings. Therefore, if the meeting is adjourned, the Board will have to wait until the next meeting to do anything, and then it will be up to the Department to make any changes, he said. The Board has not directed the Department to do anything, and the Department has to follow the contract, Mr. Meierdiercks said.

The Manager-Chief Engineer said that based on the testimony, it was his intent after the meeting to have Mr. Inaba call DWS's project engineer to stop the work. He said that after hearing all of the concerns, he was not going to go ahead with the work; he was going to have Mr. Inaba call the contractor to have him stop. The work will be stopped; DWS has the right to stop the contract. There are too many concerns here, and DWS needs to stop the work, he said.

Chairperson Mukai said in that case, the Board does not need to take any action.

The Manager-Chief Engineer said DWS will take care of it themselves, administratively.

15) ADJOURNMENT

Chairperson Mukai entertained a Motion to adjourn.

ACTION: Mr. Lindsey moved to adjourn; seconded by Mr. Taniguchi, and carried unanimously by voice vote.

Chairperson Mukai adjourned the meeting at 12:27 p.m.

Acting Secretary-Administrative Assistant

Anyone who requires an auxiliary aid or service for effective communication or a modification of policies or procedures to participate in this Water Board Meeting should contact Doreen Jollimore, Secretary, at 961-8050 as soon as possible, but no later than five days before the scheduled meeting. 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.
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