

MINUTES

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

March 28, 2006

ROYAL KONA RESORT, DISCOVERY ROOM

MEMBERS PRESENT: Mr. Thomas Goya, Vice-Chairman
Mr. George Harai
Ms. Paula Helfrich
Ms. Millie Kim
Mr. Riley Smith
Mr. George Wilkins
Mr. Milton D. Pavao, Manager, Department of Water Supply
(ex-officio member)

ABSENT: Mr. Loren Heck, Chairman
Mr. Bernard Konanui, Water Board Member
Mr. Ivan Mochida, Water Board Member
Mr. Christopher Yuen, Director, Planning Department
(ex-officio member)

OTHERS PRESENT: Ms. Katherine Garson, Deputy Corporation Counsel
Mr. Jai Cheng, Building Division, representing Mr. Bruce McClure,
Director, Department of Public Works
Mr. Joe Nakao, DPW Building Division
Mr. Dwayne Inouye, DPW Building Division
Ms. Marni Herkes
Ms. Brenda Ford
Ms. Doreen White

Department of Water Supply Staff

Mr. Quirino Antonio, Jr., Deputy Manager
Mr. Kurt Inaba, Engineering Division Head
Mr. Daryl Ikeda, Chief of Operations
Mr. Richard Tsunoda, Waterworks Controller
Mr. Richard Sumada, Assistant Waterworks Controller
Ms. Crestita Hudman, Customer Service Supervisor
Mr. Lawrence Beck, Engineering Division
Mr. Keith Okamoto, Engineering Division
Mr. Vincent Ortiz, Water Quality Assurance and Control Branch

CALL TO ORDER - Vice-Chairman Goya called the meeting to order at 10:12 a.m.

STATEMENTS FROM THE PUBLIC

1) Ms. Marni Herkes

Ms. Herkes spoke about two things--one was the Kuakini Highway. They are coming down to the end of fourteen months of repair there. They have come down to where they have a waterline and a sewer and cannot get them together, and it is delaying the project. They really want to get this highway finished. They are ready for a finished paving; ready to get those high caps off the road; and ready to put the lines in and coordinate the signals. She asked the Board to encourage the Department of Water Supply (DWS) to use as much speed as possible to get their problems solved. They also cannot put the irrigation in because they do not have water meters. In the last fifteen months, the DWS has not showed up for any of the 7:30 a.m. Tuesday meetings that the County holds. Those meetings are where things are hashed out and where the community finds out what is happening. The second thing was the Waiaha project. She encouraged the Board to approve the contract for cutting down the trees in Waiaha because the trees have already been cut down, and it would be a good idea to have a contract to do that so that everything is legal. There is the usual clear cutting that the DWS is known for so it would be good to have a contract after it has already been done. She thanked the Board and stated that she could not stay for the rest of the meeting because she had to leave for a Kona Community Plan meeting. She would appreciate any help the Board can do to help on those two issues.

2) Brenda Ford

Ms. Ford stated that she has periodically come before this Board over the last nine years testifying about one issue in particular; and she is not aware that anything has been done, to date, to resolve the problem. That is the high sodium content in the water in North Kona. The Board may wonder why a South Kona resident is testifying on the water quality in North Kona. It is because every time a well or pump goes out in South Kona, the DWS starts pumping Kailua water up the hill to them. The sodium content in the water is well above recommendations. While the DWS will tell you that there is no Environmental Protection Agency (EPA) standard for sodium in water, they will acknowledge the fact, and have acknowledged in some of their reports they put out annually, that between 30 and 60 mg of sodium in water supposedly cannot be tasted by people. However, if you have any kind of illness that is affected by the sodium content in the water, it is recommended by the EPA that it should be no more than 20 mg. Currently, the water in North Kona varies from 28 mg in Honokohau; and this is as of 2002, and no current information is available because the DWS only tests every three years. So all their information is completely out of date. She has requested multiple times that they produce, not just an annual report, but annual testing of the water in North and South Kona; but they have been resistant to this. If you go down to Kahaluu, the sodium content goes up as high as 166 mg. In May of 2004, this Board required that the DWS put out a public notice in the newspaper. At that time, the sodium content in the Kailua water was around 306 mg. This is brackish water that is being delivered to their homes. The two wells that are listed in the annual report for South Kona are very good--13 and 16 parts

per million; and normally, it tastes good. Currently, the water in South Kona does not taste good, and she did know why or if the Department is doing something different or pumping from a different area; but the taste has become almost offensive. She has been getting complaints from people about the taste of the water in South Kona. She wondered if they are receiving North Kona water again without being notified. She made a report up on this problem (which she would give to the Board) and showed the wells in North Kona, the two wells in South Kona, and compared them to the water quality, as far as sodium, in Hilo. North Kona has between three and twenty times the amount of sodium in its water compared to Hilo. South Kona is better--about three times. The DWS will tell you it has different aquifers and wells in North and South Kona, and they are pumping so much water out of them that the water is getting down into the brackish water. However, this has not slowed down any development because the water quality in North Kona is not good as far as sodium content. It is unhealthy. She spoke with five different doctors in the Kona area and questioned them about the sodium content of the water, and they were all horrified to learn that it is as high as it is. However, DWS continues to step back and say the EPA has no requirements therefore it does not have any. Ms. Ford thinks it is time to bite the bullet on this situation. Since the DWS is not digging any new wells that can produce water with much lower sodium content than it is today in North Kona, it should start to get some desalination units in the interim. They come in containers. Once delivered, they can be hooked up within 24 hours; and they could reduce the salt load in North Kona dramatically by putting one near the reservoirs. Yes, it would cost money; but in 2003, the DWS' annual report made a comment that sodium concentrations greater than 120 mg per liter could be problematic. Yet they are producing much greater quantities than that in the water. In February 2004, she stated that she talked with Mr. Galen, the engineer, and he did not want to get desalination units because he said the technology was untried. She mentioned other places that are using them--Israel, for over 30 years, and the state of Virginia, for almost the same length of time, and not having any problems with them. These units could also be used in an emergency, if they ever do get the water in North Kona cleaned up as far as sodium. These units could be placed in other areas that need help in cleaning the water--Waimea comes to mind. Milolii is buying their own water company and desalination units because the DWS will not supply them water.

In summary, Ms. Ford stated she is asking for annual testing and reporting on the sodium content of all the wells in North and South Kona and that they be reported, not as an aggregate group of wells. If you look at the annual report, you will see three, four, or six wells together. She wants to see each well individually named and individually identified as to its sodium content. She also would like the Board to no longer allow the DWS to delay on ordering some desalination units. They need some water over there that is good for their health, and sodium is one of those issues that needs to be dealt with. It is true that we get most of our sodium from food, but the purpose of low sodium water is to purge the body of an excess of salt; and you cannot do that if you are drinking brackish water.

With regard to the Wai Puna project, the water spigots, she attended the South Kona meeting a few weeks ago; and they were advised that eleven potential sites in the County of Hawai'i are covered by this grant that is for approximately .9 million dollars for the survey and consulting. They asked who made the decisions on these eleven potential sites, and the consultant and the DWS employee refused to say beyond that it was a group of departments. Of course, most of

the sites are in Hilo and there were two in South Kona, which are the ones she wanted to testify about. Currently, South Kona has two spigots that were put in by the Civil Defense Department 20 to 30 years ago for emergency purposes. They have now formed the backbone of the water distribution system through South Kona. They end in Hookena, if she recalled correctly. The first spigot is at the Greenwell park site. To get to it requires crossing a flood channel and proceeding up a dirt road. There is a flood channel and no pavement, so if there was any kind of a disaster and that channel was filled with rushing water, it would be unsafe to drive through. However, it is a good location to pick up water there so they would like to have it improved. There is no guarantee, however, in this project, that the Greenwell site will be selected for improvement. In fact, that spigot may be shut down. The second spigot is in Hookena; however, the site is a hotbed for drug dealers. They are consistently doing their business at the site. It is so bad that people driving from Kau to get water for their catchments have been bypassing Hookena and driving all the way up to the Greenwell site in Kealakekua. This contributes to traffic problems in the area. It is not a Police Department problem--it is a drug problem. They need the Police help, but they need that spigot and need it to be improved and be a crime free area. There were two locations that were potential sites--one is at the rodeo grounds on the road down to the City of Refuge. The group unanimously said do not put a spigot down there. This location is back off the road, hidden behind a lot of vegetation, the Police cannot see it, and you are just asking for drug issues to start up there. It is about a mile off the highway also, which is a problem. These spigots should be along the highway so that people can get to them easily and not have to be driving up and down that steep hill. They asked the consultant to please pass on their comments not to use the rodeo ground for a spigot. The second potential spigot location was somewhere near Honaunau School. If it is on the school site, there will be problems from competition with school traffic. But in that area, whether it is the school or some other area farther down or north of the location, is a good spot for people to get water. They ask to get a spigot there. They are asking for improvements to two existing spigots and only one of the two potential spigots for South Kona. That would pretty much take care of their problem in South Kona. The greater issue that they talked about is that there is no County water to the Ocean View area. Those 6,000 people have to drive to South Kona if they need water. She realized that this .9 million dollars is not even going to touch getting the waterlines to the Kau line; but they need the Board to step up to this and, if necessary, get a federal (rural) grant to at least get the waterlines past the Kau line so that people in Kau, not just Ocean View, do not have to drive all the way into the north end of South Kona. They need to have potable water delivered from the County. Milolii is so desperate to get their water, they have incorporated and gotten a federal grant to put in a desalination unit. They have one fire station in Captain Cook and one volunteer fire station down in Milolii all the way at the end of the road near the beach because they do ocean rescue work too. She asked them where they get their water, and they replied it was from catchment. Unless there is rain, there is no water for the truck. Help is needed there. She is asking this Board to stop accepting excuses and please help them get water to South Kona and Kau.

Mr. Harai mentioned that he is a South Kona resident and asked Ms. Ford specifically what subdivision she referred to with respect to the change in water quality.

Ms. Ford replied that she lives in Kaahoolo Orchards at the extreme north end of South Kona near the junction of Napoopoo Road and the highway, about a quarter of a mile down from the

highway. In the last couple of months, the water has been noticeably different.

In response to Mr. Harai's question to the Manager of where they get their water from, he replied that it would be a mix of north and south. Halekii Well serves that area and is a good well. He did not understand why there would be complaints.

Mr. Harai mentioned that he lives in the McCoy Subdivision and has not noticed any changes in the water in his subdivision.

The Manager stated that there have been no changes in the last few months. If anything, the Department is keeping the north water north because the Queen Liliuokalani Trust (QLT) Well was down. The north water is not being taken south.

Vice-Chairman Goya invited Ms. Ford to stay for the duration of the meeting because some of her concerns and issues would be appropriately addressed and hopefully the other questions she had will be answered directly. She thanked the Board and stated that she would remain.

APPROVAL OF ADDENDUM

None.

APPROVAL OF MINUTES

ACTION: Mr. Smith moved for approval of the Minutes of the February 28, 2006, Water Board Meeting; seconded by Ms. Kim and carried unanimously by voice vote.

SOUTH HILO:

A. JOB NO. 2005-869, NON-REVENUE WATER LOSS STUDY FOR HILO, PHASE I:

The Board considered a request from the contractor, Fluid Conservation Systems, Inc. (FCS), for a contract time extension of 60 calendar days. In addition, the Department requests \$30,000.00 to survey areas not currently covered in the South Hilo District. Additional time will allow the Department to fix additional leaks and allow FCS to better cover the entire South Hilo District, which has the highest leak rates in the County. FCS found 171 leaks in the initial phase and the additional 80 were found in the subsequent survey. Since the study was started, the Department was able to reduce the initial unaccounted water rate from 49% to 29% which equates to at least \$30,000.00 per month in energy savings. This would be the second time extension to the contract. Staff has reviewed the request and finds that the 60 calendar days are justified. The first time extension was for 120 calendar days, which will expire on March 30, 2006.

The Manager recommended that the Board grant this extension of contract time of 60 calendar days and additional funding of \$30,000.00 for JOB NO. 2005-869, NON-REVENUE WATER LOSS STUDY FOR HILO, PHASE I. If approved, the contract completion date will be extended

from March 30, 2006, to May 30, 2006. The new contract amount is \$330,000.00, which will be covered in the 2005-2006 Operations Budget under “Contractual Services.”

MOTION: Mr. Smith moved for approval of the Manager’s recommendation; seconded by Mr. Wilkins.

Mr. Smith spoke of his experience with the way leaks are repaired in wastewater systems where if a leak is found and repaired, it causes increased pressure in the pipe. He asked if that is being found here where if a leak is sealed, the joint next to it starts leaking.

Mr. Ikeda replied that it has occurred; but after the leaks are found and repaired, the contractor comes back to check the system again. They have found that the pressure increases elsewhere.

In response to Ms. Kim’s question of whether the age of the Hilo system is the reason why there are more leaks than in other places, Mr. Ikeda replied that was correct.

Mr. Wilkins mentioned that he read somewhere that the method of patching a leak as it is found is to put an aluminum shield around it. That should immediately start a galvanic corrosion action where the patch would not last very long. He asked if staff could comment on that.

Mr. Ikeda and the Manager explained that it depends on the type of leak. If it is just a pinhole, a Stainless Steel band is put around it. The Stainless Steel patch has a rubber gasket to prevent corrosive action and there is a coating on the inside.

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

NORTH KONA:

A. KONA COASTVIEW/WONDERVIEW SUBDIVISIONS IMPROVEMENT DISTRICT:

Vice-Chairman Goya introduced Mr. Jai Cheng from the Department of Public Works, Building Division. Mr. Cheng also introduced two of his staff members, Mr. Joe Nakao and Mr. Dwayne Inouye.

The Manager stated that prior to the meeting, Engineering staff passed out a fact sheet that responds to some of the questions posed by Mr. Wilkins in his letter of March 13, 2006. With respect to the comment that the Department of Water Supply should attend future meetings, he indicated that the DWS would be glad to attend if notified about it. He suggested that for future meetings, if they want the DWS represented, please call and ask that someone be there.

Mr. Wilkins indicated that he called the Manager two days prior to the meeting as a courtesy to let him know that the meeting was being held [on March 9] and that he had been asked by two Council Members and the residents of Coastview that he was planning to attend. He, and the residents, would have welcomed the Manager’s attendance at that meeting. He believed the Manager was out of the office at the time, and he ended up speaking with the Deputy Manager before and after the meeting. The first copy of the report he wrote, dated March 13, 2006, was

sent to the Manager, two days later to the Council people involved, and the following day to the lady who requested the meeting. The Manager was first in line for all notifications.

The Manager apologized for the DWS not being present at that meeting and indicated that the Department would be more than happy to attend upon notification of future meetings. He continued that the fact sheet answers the questions in Mr. Wilkins' letter. He added something before turning concerns over to Mr. Cheng and his department and that is to assure the residents that the Department of Water Supply will not inconvenience them in any way. There are things in Mr. Wilkins' letter that indicated that people were wondering what they were going to do come June 29, 2006. He stated that if people are not ready by June 29, this Department will not turn over the system. The intent is to have the two systems running simultaneously for about one month or so because it is impossible to reconnect everybody on the same day. Unfortunately, this Department has no control over the Matsumoto water system--only this Department's public water system, which is the one being constructed now. Theoretically, they could turn their system off tomorrow if they wanted to, and this Department would have no control. However, he assured them that this Department will make every effort to have both systems running simultaneously so that nobody gets inconvenienced. There was an issue in Mr. Wilkins' letter about not being able to get pipe and asking for the DWS' help in securing pipe. He did not know what clout this Department would have as far as getting pipe. First of all, this Department does not use that type of pipe so it would not have any influence on anybody that sells it because the Department does not buy it. The pipes used by this Department are either ductile iron (DI) or copper. Between the meter and the house, the DWS has no jurisdiction and has no standards. That falls under the Department of Public Works (DPW) plumbing division. As far as he knew, there is no set guideline as to what particular pipe you need to install. Theoretically, you can have copper, galvanized, plastic, Drisco, polyethylene, and a whole bunch of choices between the meter and the house. Again, DWS has no jurisdiction from the meter to the house. There were some references that this Department was insisting on a certain type of pipe, and that is not true. He thought maybe Mr. Cheng or his staff could explain what is allowable.

Mr. Wilkins mentioned something from the notes from the Engineering Division given out today. One point was not clear to him and that is that owners of CPR water units will be treated in the same way as owners of a regular pipe. He asked if that would mean that to plumb a CPR and put in its own meter, they would also be charged \$1,190.00 for the meter.

The Manager replied they would be charged that amount for a 5/8-inch meter.

Mr. Nakao indicated to the Manager that he thought they were all 5/8-inch meters.

The Manager replied that they are supposed to be, but they are talking about CPRs. Some of them have multi units in there. Those are still 5/8 inches. Normally, they are supposed to be bigger. Actually they are not supposed to be taking multi units off a single meter. The Department never knew about it.

Ms. Kim asked for background information on the Coastview/Wonderview subdivisions.

The Manager explained that about 30 years ago, Coastview/Wonderview subdivisions were constructed without water, similar to Hawaiian Acres, Paradise Park, and Orchidland Estates. Back then, an individual, Mr. Carl Matsumoto, requested meters off the end of the Palisades Subdivision system. At that time, this Department granted those meters. That individual took the meters and strung individual lines into Coastview/Wonderview and started to serve people. Eventually, he got six meters and started up his own water company. From the six meters, he had waterlines going all over the place in Coastview/Wonderview. Most of the waterlines are above ground and plastic. At that time, they did not have the ultraviolet coating they do now, so the lines became brittle and started to break and leak. Over the years, the delinquency on the six meters grew and grew. About twenty years ago, the Department recognized that this was a problem and made an attempt to recover the delinquency but was never successful. In the meantime, over the years, the residents became dissatisfied with the service they were receiving from this so-called water system and would complain to the DWS. Unfortunately, this Department had no control. The amazing part is that this water system was allowed to be constructed, developed, and continue to grow without any PUC regulations. DWS started about 20 years ago to inform the people that the best way to solve the situation was to go through the Improvement District process and get their own water system. There was so much opposition up until about three or four years ago, where the Department was able to secure a Rural Development grant program in conjunction with the Improvement District process. This reduced the total cost to the residents by about 45% and spread the payback time from 20 years to 35 years. That was an opportunity for the residents to construct the system to DWS' standards and only pay 55% of the cost over a 35-year period. Finally, they were able to get enough people to agree for it to become a reality. However, in the meantime, the delinquency continues to increase. Several years ago, this Board recognized the fact that it could not turn off the water because at that time, there were about 160 homes reliant upon the Matsumoto service. The Board gave the Department a statement that the Department would not turn off the Matsumoto water system because there so many people dependent on it. The rest of the people in Kona Coastview/Wonderview are getting their water from another water company, Kalaoa Water Company; and they have been paying their bills. There are no complaints against that particular water system. To make matters more complicated, Mr. Matsumoto died two or three years ago. His wife took over the system. The Department had several meetings with her where a payment plan was agreed upon, but it never came to fruition. About \$700,000.00 is owed right now. This new water system will "stop the bleeding" (delinquency). This Department cannot do anything about Matsumoto. If people want to stay with that company, they can; but they still have to pay the assessment for the Improvement District. Recently, there have been meetings because they see the new water system almost completed; and the concern comes from how to get everyone connected. It seems like they think that come June 29 when the contract is complete, that if they are not connected by then they will be without water. That is not true. First of all, the contractor may not be done by June 29 and might ask for an extension, which may come before the Board in the next month or two. He asked Mr. Kurt Inaba, Engineering Division Head, to comment on the requests from the contractor.

Mr. Kurt mentioned that it is possible they will be but that would only be to complete the new system.

The Manager added that it would probably not include completely doing all of the installations. It is highly unlikely that June 29 would be the contract cut-off date. They would be extended over.

He stressed again that the people in Coastview/Wonderview subdivisions will not be abandoned by this Department. This Department will work with them and make sure they are given ample time or whatever assistance needed so they can connect from the meter to the house. For those that did not have service with this Department (about 105 have service off the Department's water system and ran their own customer lines down into their properties), because they were already a customer of the DWS, they do not pay anything. Everything is being relocated free because they are existing customers and have already paid their dues. For the people who are not customers, these are the people the Department will be collecting the facilities charge from like was done for everybody else, plus a meter installation drop fee, which is \$75.00. They will be coordinated by Customer Service, who will be conducting a meeting on April 11, 2006, to come out and meet with the people give them an opportunity to sign up ahead of time and pay their facility charge and the drop-in fee. For those who do not want to do it at that time, they do not have to. They can do it later; however, the Department would prefer to have it done all at once since it will be bringing staff from Hilo to Kona to conduct the meeting. This is all in an effort to help the transition go smoothly. Again, he repeated that the Department of Water Supply does not have any control over Matsumoto's interior system. He hopes Mrs. Matsumoto will continue the system until this Department can locate everybody onto the new system.

Vice-Chairman Goya asked for comments from the Department of Public Works and how we can work together on this matter.

The Manager asked their representatives to give an understanding of what is required from DPW from the meter to the house.

Mr. Nakao stated that they made an exception for the houses that are already built--not the new ones coming up. In there, to dig, you have to use a buster. It is going to take probably a couple of months because it is all blue rock and you cannot get a hole ram in there. So they told them it was okay to lay the pipe on the surface in the corner and come to the house, but it has to be covered. For new houses, they go by the regular Code, which is 12 inches down because it is all open space--anything can get in there. It is only going to add to their cost if they have to hire a contractor to bust all the rock out because you cannot get the hole ram in. The houses are so close together, and most of them have rock walls so it is harder to get in.

The Manager asked Mr. Nakao to go over what is considered allowable piping material from the meter to the house (allowed in the Plumbing Code).

Mr. Nakao replied that it would be copper, Drisco, and for PVC--only the CPVC or the "PB" types, or galvanized. The rest of the regular PVC pipes are not coated. All of that has to be buried because, like the Hookena one going down to the beach, all of the patches are from the sun eating the pipe up. That is why only CPVC or PB pipe. The best is Drisco. Most people do not use galvanized because it will corrode, although it would meet the Code.

Mr. Wilkins mentioned that these were two points that were very important at the meeting he attended--one is a unanimous feeling among all the plumbers who were there, and accepted by all, that high-density polyethylene or Drisco pipe would be the best alternative. They are available on

long rolls and are relatively cheap--1" or 1¼". He asked Mr. Nakao to confirm that it is an acceptable choice. (Mr. Nakao replied that it is about the best.)

Mr. Wilkins continued that the second point was the matter of trenching. They had been told by the excavators and plumbers that they would have to trench in to a depth of 17" and then backfill with sand and local fill. He asked if that was still the Code, or as he thought he heard Mr. Nakao say, they would be allowed to cover to an equivalent depth, perhaps behind or within a wall. He asked if that would be acceptable.

Mr. Nakao stated that he did not know why they were told that because that is that little group of plumbers that were told that for the houses already built--not the new ones--they could go on the surface; but it has to be covered up. He did not know why they told the residents they had to trench.

Mr. Wilkins stated that they said they knew of other jurisdictions where cover was allowed, and they did not know if that was the case here. He guessed that all the homes they were familiar with, they were installing the trench at the time they were building the home. But people are looking for an emergency system that would hold them over for two or three months until the monstrous job of trenching in blue rock and a lava could be done offline. So he would be free to tell them, yes, cover would be acceptable. It would help if there were a more quantitative description of what constitutes cover.

Mr. Nakao stated that the Code says twelve inches down, 6 inches of sand, the pipe, and 6 inches more of sand. But, like Mr. Wilkins said, you have blue rock and the houses are so close together, it is going to be hard. So they made an exception to that--run it on the surface but cover it up. One guy asked him what if they do not want to cover it. He said that is like giving them an inch and they are taking a mile. In that case, he was going to just say to follow the Code then--dig the trench.

Mr. Smith asked if it would be possible to get a typical section of minimal coverage that is required so it is clear what the expectations are. His other question had to do with the availability of high-density polyethylene pipe and something mentioned about not being able to accommodate a delivery until June. He asked if they were aware of any shortages in the availability of this pipe.

Mr. Nakao replied that it may be correct because at one time, suppliers ran out of soft-roll copper. This is the Big Island and always the last to get a shipment if Honolulu is short.

Mr. Smith stated that he was concerned because he saw something like that in the notes, and that is a question of fact that can be verified. He works with Parker Ranch they use a lot of high-density pipe for their livestock troughs. He called both Central Supply, who has 10,000 feet in stock of under 2" pipe, Classes 11 and 9; and Kona Irrigation has 3,000 feet in stock. Central Supply is going to get a shipment in 2½ weeks and Kona Irrigation will be getting one next week. He thinks as far as whether it is available or not, it may not be available in large quantities today; but within the next month, there should be adequate supply, if that is what the homeowners want to use.

Mr. Nakao stated that those pipes come on 300 to 500-foot rolls. That is the only way you can buy them, and 300 is the shortest. The houses are pretty close together. From one roll, you could probably do four or five houses. (The Manager thought it could do more than that.)

Mr. Smith stated that there was an item in here about 400 rolls required so he was trying to address how much might be necessary. He thought that was an overestimate too.

Mr. Wilkins commented that he was concentrating on passing on, as factually as he could, what had been told to him by the professional plumbers and excavators and did not question the voracity of their numbers.

The Manager commented that if there was a project in his area that started a year ago and he knew he had to connect to it, why would he wait until one month prior to its completion. The other thing he wondered is if this select group of people are representative of the entire subdivision or are they just a few irritated people, because the Department has not been getting calls from people complaining. He asked Mr. Wilkins if he thinks this group of people really represent the entire subdivision.

Mr. Wilkins replied that he does not think they do. He thinks they represent all of the professional plumbers and excavators that Mrs. McGeachy could get her hands on quickly, and he thought they were remarkably in agreement on two points--the magnitude of the effort that would be needed to trench in these pipelines in hard rock area; and second, their concern for those members of the Coastview/Wonderview subdivisions who do not have the money to pay the very high costs they felt had been identified. They were looking at ways they could team together and do common ditches in some areas, for example, to cut the costs. They are even talking about doing a complimentary job for a few widowed senior citizens who live in the area. He felt they were conscientious, professional people who talked with him.

In response to the Manager's question about how many residents appeared at that meeting, Mr. Wilkins replied that there were about four or five.

The Manager commented about four or five people speaking for 400.

Mr. Wilkins mentioned that the meeting had not been organized until a day or two before.

Mr. Harai stated that one concern on Mr. Wilkins' list was Item 10(c) about offering financial support. He feels the Department should not take a stance in this area because there will be similar financial problems from future Rural Development loan programs, and he did not think that is the Department's area to get into.

Mr. Wilkins thought that the Manager has answered one of the most important questions about how things can be phased into the future. He thought that would be very critical to these people. He knew that Ms. McGeachy had said she has contacted a local credit union, and they are quite willing to negotiate shorter-term loans for individuals, so he thinks much of the urgency is going away. All these people felt they were facing an Armageddon on June 29 in which the only water they would get from the city street is what splashed over from the rains.

The Manager again stressed that the only thing this Department can control is its water system and the scheduling of its water system. He repeated that the Department has no control over the Matsumoto water system. If they decide to close it prematurely, there will be problems.

Mr. Wilkins understood and commented that he was disappointed that Coastview/Wonderview had no representative apparent to make their presentations to the Board.

Ms. Helfrich commended everybody for keeping a cool head on this issue. It is one of these things where, when the Department gets its public relations and communications specialist, that person will try to assist the Department in the work of communicating what the Department is really doing. The Board might know about the Matsumoto problem, but obviously the residents, either through the plumbers group or whatever, were not being provided with totally adequate information. It is a great job that everybody is doing, and let's move on from there.

The Manager mentioned that this Department has one engineer on staff who is constantly answering questions through email from various people. If anybody has a question, that is who the questions are being directed to. Her name is Ms. Shari Komata.

Vice-Chairman Goya thanked everybody for their comments. Again, perception becomes fact and gets turned around, unfortunately. Hopefully, in the future, we can address some of these concerns ahead of time so they will not come to a head as this issue has.

(Messrs. Cheng, Nakao, Inouye, and Ortiz left the meeting at 11:07 a.m.)

B. JOB NO. 2001-785, CONSTRUCTION OF THE WAIAHA PRODUCTION WELL AND 2.0-MG RESERVOIR - ADDITIONAL WORK (TREE REMOVAL):

Isemoto Contracting Co., Ltd., has submitted a change proposal for additional work to cut down, remove, and herbicide-treat the stumps of the existing trees within the boundaries of the Waiaha Well and Reservoir site property. The tree removal will enhance security and maintenance of the site.

Staff has reviewed the contractor's change proposal and recommends acceptance of the contractor's fee to perform the tree work and the additional contract time of 49 calendar days needed to complete the work. This will be the sixth extension to the original contract completion date. Previous extensions are listed below:

- 1st time extension July 5, 2005, to September 11, 2005 (Lava tube probing and backfilling).
- 2nd time extension September 11, 2005, to November 2, 2005 (Gauging and video logging the well casing).
- 3rd time extension November 2, 2005, to November 30, 2005 (Delay due to late shipment of equipment from supplier).
- 4th time extension November 30, 2005, to January 28, 2006 (Delay due to late provision of electrical power to operate deepwell pump to the site and redesign, fabrication, and shipping of booster pump control panel).
- 5th time extension January 28, 2006, to February 28, 2006, to allow for acquiring the

Supervisory Control and Data Acquisition (SCADA) program from the Department of Water Supply and for the additional time to correct the discrepancy in the contract documents concerning the pump control equipment.

The Manager recommended that the Water Board approve the contractor's change proposal for JOB NO. 2001-785, WAIAHA PRODUCTION WELL AND 2.0-MG RESERVOIR, which shall also extend the contract completion date by 49 calendar days to April 18, 2006.

MOTION: Ms. Kim moved for approval of the Manager's recommendation; seconded by Mr. Harai.

Mr. Smith mentioned that the construction plans would probably identify the site at the start of the work, and the Department knew the trees were there. He asked why the Department is thinking now to remove the trees and did not think about it when the contract started.

The Manager replied that the Department was asked to do this because even during the construction period, there was evidence of drug use in the area because it is not visible from the highway; and the removal of these trees will make the area visible so the Police patrol may have some visual contact with the area. It is the Department's effort to reduce community problems. Even with the fence there, it is not enough.

Mr. Smith asked about Ms. Herkes' earlier comments about DWS being known to clear-cut sites.

The Manager stated that the Department tries not to. When it constructs well or reservoir sites, efforts are made to landscape to match the environment. The thought was that the Waiaha site would look nice the way it was, with the rose apple trees around; however, when it means trees versus drug problems, the trees have to come down.

Mr. Wilkins stated that he made his way up to the site yesterday and went all around it. His first impression was all the trees have already been cut and poisoned. He noticed stumps all over the site with the blue/green paint. The only trees left standing were two leaning over the highway and a fringe of trees between the site and the private property up above. He did not know what trees were remaining to be cut. The other point is in the clearing that has been cut, and he believed, part of the DWS' site, is an abandoned coffee farmers' shack that is in very dilapidated condition. This, he would guess, is the reason for the drug users coming in more than any other single item. The third thing is that last summer, he logged 8 acres of fir trees in Oregon for \$15,000.00 paid to the logger, and he questioned this \$83,000.00 fee for a tree cutting operation, which extensively, is only now being submitted to the Water Board for approval.

The Manager stated that the coffee shack is the Department's old Kona office. The reason it has not been torn down is because there has been some interest about its historical value. As far as the cost, the trees that are cut have to be hauled away and disposed of, and that adds to the cost.

Mr. Wilkins stated that his main concern was whether there was more logging to be done.

Mr. Inaba stated that the request for this change order is for a time extension because there was an issue regarding whether or not they are going to accept the price over trimming the trees and that issue of clearing. The price is within the contingency amount so it is not a request for more money.

Mr. Wilkins stated that he hoped the trees on the mauka side of the site would be preserved. They are not very tall or thick, and the people who live above are hoping they will remain as a block to the water tank site.

Ms. Kim commented that she had been asked about this by some people she works with in the Holualoa area. For the residents there who are interested in historic preservation, she obtained information from Mr. Inaba, which helped clarify for them what was happening and they are very happy with what the DWS is doing. It is a difficult site and there is the property on the makai side of the highway, as well, which is a flood stream area.

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

C. **IRRIGATION AGREEMENT, COUNTY OF HAWAI'I (DPW):**

The County of Hawai'i, Department of Public Works, is requesting landscape irrigation for park strips within the Kuakini Highway Improvements project. The Agreement specifies the terms and conditions for two (2) water meters with a total of 10 units between them.

The Manager recommended that the Board approve this Agreement and authorizes the Chairman or the Vice-Chairman to sign the document.

MOTION: Mr. Wilkins moved for approval of the Manager's recommendation; seconded by Ms. Kim.

Mr. Smith asked if there was something unique about this where DPW applies for two meters, and has to come before the Board. He also asked if it is different than just applying for a meter.

The Manager replied that because it is for irrigation meters, the Department has an irrigation agreement that needs to be approved by the Board because it is signed by the Chairman. They also get charged a different block rate and have to pay the facility charge. This is probably an administrative thing where the Board might want to consider delegating authority to the Manager so they do not have come to the Board for approval.

Ms. Garson added that this is on a list of possible amendments to the Rules and Regulations next time there are enough to consider all at one time.

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

D. JOB NO. 2003-823, PALANI ROAD TRANSMISSION LINE:

The Board considered a change order proposal submitted by Akinaka & Associates, Ltd., for additional work requested by DWS. Staff has reviewed the proposal and recommends acceptance of the items in the amount of \$269,377.00. The original contract amount was \$449,808.00. The amended total contract amount will be \$719,185.00. Funds for the additional work are available.

The Manager recommended that the Board approve the fee proposal for additional design services as submitted by Akinaka & Associates, Ltd., for a total additional amount of \$269,377.00 as Change Order No. 1 for JOB NO. 2003-823, PALANI ROAD TRANSMISSION LINE, and further that the Chairman or Vice-Chairman be authorized to execute the appropriate change order.

MOTION: Ms. Kim moved for approval of the Manager's recommendation; seconded by Mr. Harai.

Mr. Smith thought the fees seemed high, just based on the description; but in looking at the breakdown, he wondered if it was for two reservoir sites.

The Manager replied in the affirmative. The fee seems high, but there is a lot of work to be done. The beauty of it is that it is a cooperative effort between the DWS and the Department of Hawaiian Home Lands (DHHL). Because this Department could provide for their future needs, at this time, the DWS went to the consultant and asked them to do this design. Example was that a 1-MG reservoir was going to be done, which required a site. Upon discussion with DHHL, the DWS agreed to do a 2-MG because they will need a million in the future, and DWS needs a 1-MG reservoir. It will definitely be cheaper for everyone. There are other things that were cooperatively worked out with DHHL that require additional work to be done now. This will benefit the DWS and DHHL and also allow for the construction to occur now so the DWS does not have to incur future expenses with contracts. DHHL is putting up a portion of the funds to do the extras.

Ms. Kim asked if this was the Kealakehe project where there would be a buildout of about 1,000 homes. (The Vice-Chairman stated it was the Villages of La'i'opua.)

In response to Vice-Chairman Goya's question of whether there was any interconnection with Queen Liliuokalani Trust's (QLT) projects, the Manager replied that the Department is discussing that right now because it is the understanding that QLT wants to come down, but on the south corridor. DWS is coming down on the north side of their property, so there are ongoing discussions with their consultants. Because this Department is still in a design phase, it can accommodate that if it is known where these connections are going to be.

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

E. TRANSFER OF 1.0-MG RESERVOIR, ELEVATION 125 ' AT HINALANI:

As part of the Hinalani Street Water System Development, a 1.0-MG reservoir was constructed at elevation 125 feet. This water system was intended to provide water from makai to mauka

through a series of booster pumps. Since the discovery of the high-level water, we are now transmitting water along Hinalani Street from mauka to makai. Due to this reversal of flow pattern, the 1.0-MG reservoir at elevation 125 feet does not fit into our overall system and has not been used for several years.

Recently, the Department of Environmental Management has expressed an interest in the reservoir for the purpose of storing R1 treated sewer effluent for irrigation purposes along Queen Kaahumanu Highway. Use of R1 treated sewer effluent would benefit the County as well as the DWS. Use of alternate sources for irrigation preserves potable water for domestic uses. The Department of Environmental Management has therefore requested that our unused 1.0-MG reservoir at elevation 125 ' on Hinalani Street be transferred to them.

The Manager recommended that the Board approve the transfer of our 1.0-MG reservoir at elevation 125 ' on Hinalani Street to the Department of Environmental Management and that either the Chairman or the Vice-Chairman be authorized to execute the transfer documents subject to review and approval of Corporation Counsel.

MOTION: Ms. Kim moved for approval of the Manager's recommendation; seconded by Mr. Harai.

In response to Mr. Harai's question of whether DWS will realize any financial gain, the Manager replied it does not. The consideration on the Board's part should be that whatever can be utilized by reclaimed water frees up that much more for this Department. It also delays improvements, which avoids costs. Indirectly, it is a gain. The DWS, however, will not give up the electrical controls because they can be used for spare parts. Only the reservoir is being given up.

Mr. Smith questioned the financial aspect of this transfer as this reservoir would be on the Department's books and you are basically giving away an asset without any compensation.

Mr. Tsunoda stated that it may not be fully depreciated; and if that were the case, there would be some loss.

Mr. Smith asked what happens with ownership of the land.

The Manager replied that the tank and ownership of the land would have to be transferred but with the stipulation that the controls are left there. Some work will have to be done to disconnect the tank from the system. Ms. Garson will be involved in the legal issues.

Vice-Chairman Goya noticed the recommendation does not include the land. He asked if anyone wanted to amend the Motion to that effect.

Ms. Helfrich so moved; seconded by Ms. Kim.

ACTION: A vote was taken on the Motion to approve the transfer of our 1.0-MG reservoir at elevation 125' on Hinalani Street, with the amendment to add the land, to the Department of Environmental Management and that either the Chairman or the Vice-Chairman be authorized to execute the transfer documents subject to review and approval of Corporation Counsel. Motion carried unanimously by voice vote.

SOUTH KONA:

A. **SITE ACQUISITION FOR KEEI WELL STATION D:**

The expanded portion of the well site for the present facilities at Keei Well D needs to be purchased from the property owner, Kamehameha Schools – Bishop Estates (KSBE). The expanded portion of the well site is 4,591 square feet in area and the current appraised purchase price is \$16,500.00. The appraisal was done in January of 2006 by Baird Appraisals. The site to be acquired is a portion of Tax Map Key 8-3-011:008. (See attached map.) Additional expenses may include one half of the closing cost, which is estimated to be \$500.00. Funds are available in the current budget for this land acquisition.

The Manager recommended that the Water Board approve the purchase of 4,591 square feet portion from TMK 8-3-011:008 for the purchase price of \$16,500.00 plus one half of the closing cost and that either the Chairman or the Vice-Chairman be authorized to sign the document(s), subject to review as to form and legality of the document(s) by Corporation Counsel.

ACTION: Mr. Harai moved for approval of the Manager's recommendation; seconded by Ms. Kim and carried unanimously by voice vote.

MISCELLANEOUS:

A. **GRANT OF EASEMENT FOR WATER METER, TAX MAP KEY 7-5-006:014:**

1. GRANT OF EASEMENT (for Water Meter purposes)
Grantor: Fishhopper, LLC, a Hawaii limited liability company
TMK: (3) 7-5-006:014

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

MOTION: Ms. Kim moved for approval of the Manager's recommendation; seconded by Mr. Smith.

In response to questions of why the Department is granting an easement for a water meter, it was clarified that this meter was supposed to be in the County right-of-way but is in private property so they are giving this Department an easement for it to remain there rather than relocate it.

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

B. PROFESSIONAL SERVICES AGREEMENT:

Professional Services Agreement contracts for the following Department of Water Supply projects are currently being processed. However, the projects are not listed on the Department's current 5-year Capital Improvement Projects list.

- 1) Kahaluu Shaft Water Quality Enhancement, Part II (consists of engineering design work)
Consultant: To be determined
Estimated Fee: \$250,000.00
Estimated Construction Cost: \$2,000,000.00

Part I of this project was to evaluate options to improve the water quality of the Kahaluu Shaft. These options included desalination treatment and also the possibility of physical modifications or operational adjustments to reduce chloride and sodium levels. Staff met with Brown and Caldwell, consultant for Part I, on Tuesday, March 21, 2006 to discuss their findings. Based on their findings it is recommended that physical modifications at the Kahaluu Shaft is the more prudent alternative.

The Manager recommended that the Board approve the above project, and that either the Chairman or the Vice-Chairman be authorized to sign the documents, subject to approval of Corporation Counsel.

MOTION: Ms. Kim moved for approval of the Manager's recommendation; seconded by Mr. Smith.

The Manager stated that the Department is very excited about this project. The water quality study that the Department conducted was in an effort to compare chemical treatment versus modification of the way the water is pumped. Recently, with the assistance of a third-party geologist, the Department realized that during the shaft's construction, it was not constructed according to design and it was never found out until the pump was removed. This project is to go back and redesign that feature the way it was supposed to be, with additional modifications. What this will do is force the water to come from the infiltration galleries rather than from straight below, which is what is happening now. It was supposed to be a solid casing all the way down but turned out to be perforated and nobody realized it. If anything, the water quality in the shaft will improve. Currently, the Department is reducing pumping from the shaft because it realizes the chlorides go down by doing so. This project will ensure that the chlorides will go down because water will be taken from the upper three feet or so.

In response to Mr. Smith's question of whether the Board was only approving the \$250,000.00 for design service, the Manager replied in the affirmative.

In response to Mr. Smith's concern if Phases 1 and 2 are done by different consultants, there might be problems, Mr. Okamoto stated that the procurement was done for both phases one and two. Brown and Caldwell is the consultant for both phases.

Vice-Chairman Goya asked if this could be communicated to area residents so they know this Department is doing something about the situation.

The Manager replied that although the Department is doing something, he felt it would be wise to wait until the results are known. It may also lead to the consultant getting swamped with questions.

Mr. Smith agreed and would hate to speculate on the results of something that might happen. The message is that the Department is going to explore numerous ways to improve the water quality.

Ms. Helfrich stated that she would like to hear from the community as far as what their feeling is. Obviously, there is a lot of frustration about the past. She asked if there were some way there could be direct communication between the community and the consultant or the Department's staff in charge of the project so there may be some dialog.

Mr. Wilkins requested that Ms. Ford be allowed to ask questions as it was of interest to her.

Ms. Ford expressed her gratitude that a problem has been located after nine years of testimony on water quality. However, she did not have a feeling of confidence that this is going to drastically reduce the sodium content in the water. She understood, until the project is done, that it is an unknown at this point. It has not been discussed when this project will be finished. If the water quality, as far as sodium, is not drastically reduced--she has advocated for years that it should be under 30 mg/liter--the question is what next and how long. She mentioned the elderly population in her area that have diabetes, heart disease, and other medical conditions that are being adversely affected by the sodium content in the water. She stated that she was not interested in dealing with consultants, because she is not qualified to do so. She would much rather deal with the Board because it is certainly in charge of the situation. Her question is if this does not work to perform a drastic drop (it was at 166 mg/liter four years ago--could be much higher now), what is going to be done and what timeframe. To her, to go out and make a public announcement and say this is what is being done but the results are not known, it is a test at this point. It is a good test, however, and she commended the Department for finding out the problems and taking action. She questioned what Plan B is if this does not work and what the timeframe would be.

Vice-Chairman Goya thanked Ms. Ford for her comments. Hopefully, people will feel more free to contact the Department and find out directly from them what is going on and how their concerns can be properly addressed.

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

C. **GROUND RENT FOR LALAMILO WIND-FARM, SOUTH KOHALA, HAWAI'I (G.L. NO. S-5240), TAX MAP KEY 6-6-01:02(PORTION):**

The Board was provided with a letter drafted by Mr. Warren Lee, President, Hawaii Electric Light Company, Inc. (HELCO).

MOTION: Mr. Smith moved to approve the sending of this letter to the Department of Land and Natural Resources, from the Water Board, County of Hawai‘i, recommending that the DLNR reconsider an annual rent increase for the Lalamilo Windfarm; seconded by Mr. Wilkins.

Mr. Smith suggested that an acceptable level of rent should be included in the letter and then the DLNR would have something to respond to.

The Manager stated that the letter can be revised, and should also be copied to everybody--DBED, the Governor, the Mayor, etc., so that DLNR is put on notice that everyone is aware of what is going on. (The Deputy Manager also suggested sending copies to each Legislator.)

Ms. Helfrich’s concern was that just by copying, it would not address the main issue and that is that the State has undertaken a major shift in support of renewable energy resources. If the DWS is being asked to sign onto a lease for a windfarm when, in fact, there are many discussions underway to expand wind energy generation by at least 30 or 40 megawatts in total, there has to be a wider discussion; and that was the intent of the letter. Her intent was not to quibble over the amount of money for this particular lease, but thought the DWS should tie the amount of lease it is paying to what the land is being used for. In this situation, by freezing ourselves with a 5-year lease at a 40% increase, we are losing the opportunity to have more discussion on diversified energy. One of the opportunities here is perhaps using some kind of a credit system for HELCO to be paying for pumpage in some other location, for example, or having the discussion regarding new energy itself; but most of all, having DBED and DLNR sign on to what is being asked. A 40% increase without, as Mr. Smith said, rationale, does not make sense. It would be encouraging the continuation of everybody doing business the same old way. That is what she was trying to get away from. She added that she had some suggested language additions, to which the Manager suggested could be provided after the meeting, and the Deputy Manager could discuss it with Mr. Lee.

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

D. CELL TOWER SPACE RENTAL:

MOTION: Mr. Smith moved that the Water Board concur on the opportunities for shared use of the Department’s water facility sites and allow Corporation Counsel to investigate further opportunities; seconded by Mr. Wilkins.

The Manager stated that at the last meeting, the question was whether or not the Department can do this type of thing, so Ms. Garson did research and advised that it can lease, but with conditions. He thought that the next step should be if a request comes in, then the Department can respond and as long as it falls within the conditions as advised in Ms. Garson’s communication of March 14, 2006.

Since the research had already been done by Ms. Garson, it was determined that the Motion was not needed.

MOTION WITHDRAWN: Mr. Smith withdrew his Motion; Mr. Wilkins removed his second.

E. **DAM SAFETY:**

At the request of the Board, the Manager provided a briefing Dam Safety as it relates to the Department of Water Supply because of the recent dam failure on Kauai.

The Manager stated that the Department has three reservoirs in Waimea that are considered dams because of the way they were constructed. Two of them have shotcrete linings and one has a concrete lining. Because of the quantity of the water they hold and the elevation of the embankment, they qualify as dams. In 2002, inspections were made by the State of Hawai'i. Inspections were scheduled for yesterday (March 27, 2006), but they were cancelled. Reservoir No. 2 was previously found to have evidence of leaks. After a report was made, remedial action was taken on the recommendations. Staff also checks the reservoirs once a week. The Department also prevents anything from growing along the banks, and this was one of the problems cited from reports from Kauai. Also, unlike the reservoir on Kauai that breached, these reservoirs include controls that are automatically set to prevent water from coming in after reaching a certain level. They also have elevations on the rim road that go around the reservoirs so detecting any kind of movement is possible because of these benchmarks. There is also a flood water path that was made as a precaution. If Reservoir Nos. 1 or 2 breach, the possibility is that it would dump into the stream because of the way they are made. If No. 3 breaches, it will affect some of the homes in the Waimea area; but the Department has a plan for that. This Department and the State have been responsible, and he did not see any problems with the reservoirs at this time.

Mr. Harai asked whether the Department has insurance if something should happen resulting in a lawsuit.

The Manager did not know if the Department had any insurance for that type of situation.

Ms. Kim mentioned that the Manager's explanation was the best she has heard on the difference between a reservoir and a dam. The news reports have not been as clear in their explanations. She asked if this was the only area where the Department has reservoirs that could also be considered a dam. (The Manager replied in the affirmative.)

Mr. Smith asked if there was a place the public could view the dam failure report the Manager spoke of.

The Manager indicated it is in the Department's main office.

F. **HAWAIIAN OCEAN VIEW ESTATES \$6 MILLION APPROPRIATION RELEASE:**

The Manager and the Board thanked Ms. Garson for working with the Attorney General's Office on this matter.

Ms. Garson reported that the Governor sent a note to the Finance Division to release the money.

The Manager added that the Department is now in the process of procuring a consultant to go ahead with the design for the project. That should be coming to the Board for approval. The project is to drill an exploratory well, outfit the well, provide a reservoir, fill station, and possibly some transmission pipeline.

In response to Vice-Chairman Goya's question about the next steps, the Manager stated that the Mayor's intent is to have the consultant procured, provide four different scenarios, and go out to the community and seek input before design continues. Vice-Chairman Goya asked that the Manager keep the Board informed.

Ms. Helfrich noted that some Legislators are missing on the "copy to" portion of the draft and asked that it be sent to all Big Island Legislators.

G. **MONTHLY PROGRESS REPORT:**

Vice-Chairman asked the Manager to give an update on the Department's lobbying efforts at the Legislature.

The Manager stated that the Department was asked by the State as well as the Department of Hawaiian Home Lands to assist them in lobbying for a \$12 million appropriation for drilling and outfitting some wells in the mauka area, north of Waiaha (high-level water). This will support State projects (between the area from Palani to Keauhou), Hawaiian Homes projects (La'i'opua), and some of the water will be coming to this Department. Messrs. Antonio and Okamoto from this Department went to the Governor's office and met with Ms. Linda Smith and some of the Senators to ask for assistance in putting this on their budget. On March 24, 2006, the Manager received a call from Senator Kokubun asking if the Department would consider any kind of cost sharing. Because these are exactly the kinds of projects this Department is interested in doing, he assured Senator Kokubun that the Department would definitely be willing to sit down and talk about it. There might be some requests for commitment on the part of this Department as far as cost sharing. The Senator felt that it was such a big item to put before the Legislature without any kind of proof of matching funds.

In response to Vice-Chairman Goya's question of how the Board can support this project at this time, the Manager replied that it has not even reached the floor yet. When it does, maybe the Board could lobby for it.

Mr. Okamoto added that if any Board Members know the Chair of the Senate Ways and Means Committee, that might be an opportunity.

In response to Mss. Helfrich's and Kim's question of whether it was in their budget request, Mr. Okamoto replied that it was drafted as an executive request. It is an add-on to the budget.

Ms. Garson advised the Board that if they are going to be lobbying individually, the group needs to agree on the parameters if they are going to be speaking for the whole Board. However, there is nothing against any Board Member going and speaking as individuals.

Vice-Chairman Goya thanked Ms. Garson for her words of caution, and mentioned that the Board Members should be reminded that they do not represent the Board without prior approval from the Board.

H. DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING AND CAPITAL IMPROVEMENT BUDGETS FOR FISCAL YEAR 2006-2007:

Ms. Kim noticed that the funding for advertising and public relations is being moved and asked if that had to do with the new position (Public Relations Specialist).

The Manager commented that because the costs were spread out all over, he thought that things that are necessary to conduct the business of the Department, not necessarily unique to each division, should be under Administration. Advertising and utilities were done that way, and possibly the electrical costs would be brought into Administration. The Operations Division gets blamed for spending all the money, when it is not really their fault; it is just that the electrical costs are so high. It is a cost of doing business and should be with Administration.

Ms. Helfrich mentioned, again, the use of the word “public relations.” That is a tremendously negative connotation. Communication and public purpose or awareness are better words to use.

Vice-Chairman Goya felt that the Board is on the same page in trying to get the right information out to its customers and the public in a timely manner. He asked if the Budget is based on full employment. Assuming so, there is some flexibility in the Budget, should there be vacancies and unfilled positions.

The Manager stated that there is flexibility because vacancies were provided for positions that were approved and positions that the Department knows it will be filling. That is the reason why there is an increase in the salary line item.

In response to Vice-Chairman Goya’s question about the Capital Improvements Budget and what prices the Department is paying for construction during this housing boom, the Manager explained that the increase is because three of the projects are huge; for example, Palani Road Transmission Line (\$12 million). Many of the engineering estimates have been exceeded because of the strong economy. The material prices have also gone sky high.

Mr. Tsunoda stated that the Board will have another opportunity to revisit the Budget at its April meeting. On May 22, he would like to submit the proposed budget to the media to give enough time for the public hearing notice. The Public Hearing is to be scheduled for the same day as the June 27, 2006, Water Board Meeting. The Board will first accept testimony at the Public Hearing; and thereafter, at its regular meeting that same day, will take action to adopt the Budget.

I. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

No questions.

J. **MANAGER'S REPORT:**

- 1) Kona Coastview/Wonderview Improvement District project - discussed earlier.
- 2) USGS Drilling Program - the USGS is almost finished their work in Ocean View. After that, they will be moving their equipment to the Department's Panaewa Well Site and will advise the Department who to hire as an auctioneer to auction off all the drilling equipment and the rig. Proceeds will be split among the departments that have ownership of the rig--Kauai, Maui, and Big Island water departments.
- 3) Kona Water Quality - to address some of the comments made earlier, the Manager explained that over the years, the Department has worked hard to reduce shaft pumping and has been meeting with developers to bring the high level water down to the lower areas, through corridors. Negotiating with land owners can be a long and trying process. Discussions are still ongoing with Kamehemeha Investment Corporation (KIC) in the development of their three wells and bringing water down directly to the shaft. Staff is also working with Mr. Bolton in an effort to get corridors. Mr. Bolton is in the process of getting participants so that the project can become a reality. This is what was explained earlier where the Facility Charge monies would be used to finance the project because it would be dedicated back to this Department. Those people who participate in the project will, therefore, have their Facility Charge already paid up. Negotiations on another corridor with another individual are also ongoing.
- 4) With regards to the statement made to the Board today about the Department not attending the Kuakini Highway meetings on Tuesdays, the Manager explained that those meetings were not designed for this Department. They are for the highway improvement project. This Department has nothing to do with the highway improvements. The DWS' Kuakini Highway Waterline project is from Hualalai going south and is not part of the Kuakini Highway improvements.

Mr. Smith agreed with the Manager that it is not necessary for this Department to be at the meetings Ms. Herkes spoke of since it is not a DWS project; and he disagreed with her statements made this morning.

Vice-Chairman Goya asked the Manager to respond directly to Ms. Marni Herkes on that issue.

The Manager commented on the perception of government by the public and stressed that if they would contact pertinent agencies and get information directly, misconception could be avoided. He added that this Department works very hard and is genuinely concerned.

In response to Vice-Chairman Goya's request for the Manager to explain the County's water spigot project, the Manager stated that the spigot locations were pretty much determined by the Mayor. There was also criteria to try and place them in County lands in an effort to save spending money on land. With regard to earlier comments about the Greenwell site, he has not heard any negative comments about it.

Mr. Smith commented that sometimes the public's frustration comes from not knowing who to talk to. In this instance, with the water spigots, they should call the Mayor's office if they

have concerns about the locations because the DWS is only the water supplier. The Manager indicated that the Mayor would probably refer them to this Department because it is assisting with the consultant contract.

With respect to earlier discussion about Kona water quality, Mr. Smith asked what the EPA's standard is as far as acceptable chlorides.

The Manager replied there really is no standard. It is called an aesthetic standard. It goes by taste. The DWS tries to follow 150 parts. The State goes up to 250 parts. He asked Mr. Okamoto to comment.

Mr. Okamoto stated that there are no maximum levels for chlorides or sodium. They are secondary; more for aesthetic effects. As far as sodium, the current adopted report was 30 to 60 mg per liter as a recommendation. EPA does not have a set number for chlorides.

Mr. Smith asked what the current chlorides are in South Kona.

The Manager stated that at the shaft, which is mixed with other water also, it peaked at 300 when it was pumping four to six million gallons a day. The Department tried to maintain two to three million gallons a day, in which case, the chlorides would drop. However, when there is a well outage, like right now with QLT, the Department will try to make up with whatever water it can, but realizing that the shaft is the last resort.

Mr. Wilkins commented that he had spoken with the head of EPA's standards committee at last year's AWWA annual conference and asked if there was any thought about establishing a limit on sodium in drinking water. He said it had not come up for consideration at any of their committee meetings for years and was very reticent to offer any response to one isolated island in the middle of the Pacific Ocean. It is not a national problem, although in Florida and along the Atlantic coast, there are many states where it is becoming a problem. The second thing is that he has gone to look at reverse osmosis devices at Home Depot, Costco, and Lowes; and they have systems that will take chlorine out of the water but very few of them even touch the sodium content so they are not a solution that can be applied by a homeowner in that respect.

Ms. Helfrich asked if it would be possible to get a better location on the KIC potential wells for the next meeting for the Board's information. (The Manager stated that a map could be provided.)

K. **CHAIRMAN'S REPORT:**

None.

ANNOUNCEMENTS:

1. **Next Meeting:**

The next meeting of the Water Board will be held on April 25, 2006, 10:00 a.m., in the Hilo Operations Center Conference Room; 889 Leilani Street, Hilo, Hawai'i.

STATEMENTS FROM THE PUBLIC - None

ADJOURNMENT

ACTION: Ms. Kim moved for adjournment of the meeting; seconded by Mr. Harai and carried unanimously by voice vote. Meeting adjourned at 12:23 p.m.

Secretary

The Department of Water Supply is an Equal Opportunity employer and provider.