

MINUTES

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

June 19, 2007

Hilo Operations Center

MEMBERS PRESENT: Mr. Thomas Goya, Chairman
Mr. Riley Smith, Vice-Chairman
Mr. George Harai
Ms. Paula Helfrich (left the meeting at 11:07 a.m.)
Ms. Millie Kim (10:12 a.m.)
Mr. Bernard Konanui
Mr. Dwayne Mukai (10:14 a.m.)
Mr. Milton Pavao, Manager, Department of Water Supply
(ex-officio member)

ABSENT: Mr. Loren Heck, Water Board Member
Mr. Francis Kuailani, Water Board Member
Mr. Bruce McClure, Director, Department of Public Works
(ex-officio member)

OTHERS PRESENT: Mr. Craig Masuda, Deputy Corporation Counsel
Mr. Daryn Arai, representing Mr. Christopher Yuen, Director,
Planning Department (ex-officio member)
Mr. Sidney Fuke
Mr. Conrad Wareham
Mr. William Wismer

Department of Water Supply Staff

Mr. Quirino Antonio, Jr., Deputy Manager
Mr. Kurt Inaba, Engineering Division Head
Mr. Lawrence Beck, Engineering Division
Mr. Keith Okamoto, Engineering Division
Mr. Kawika Uehara, Engineering Division
Mr. Daryl Ikeda, Chief of Operations
Mr. Richard Tsunoda, Waterworks Controller
Mr. Richard Sumada, Assistant Waterworks Controller

CALL TO ORDER - Chairman Goya called the meeting to order at 10:06 a.m.

STATEMENTS FROM THE PUBLIC

Chairman Goya read a written statement, unsigned, from Mr. Lunakanawai Hauanio, addressed to the Water Board regarding Subdivision Application No. 98-124, Tax Map Key (3) 8-1-004:003, Lot 284, as follows:

“NOTICE OF OPPOSITION. This Notice is made to protest the acceptance of an applicant whose current land use district use is agriculture. Due to my current petition before the State of Hawaii Land Use Commission, any vicarious decision by this board may be contrary to its current official capacity, thereby warranting collateral attach upon board members individually. DEMAND DEFERAL. Until these types of spot zoning approvals are reviewed by process established under Hawaii’s Due Process laws, rules, ordinances and constitution, I extremely urge the water board members to postpone and reschedule a hearing in Kona, where I would be able to share crucial elements of concerns prior to your acceptance of agenda item 8) MISCELLANEOUS: A. DEDICATION OF WATER SYSTEMS: 1. GRANT OF EASEMENT AND BILL OF SALE INDEMNIFICATION AGREEMENT DEED, by 1250 Oceanside to the Hawaii Department of Water Supply. Mahalo, Lunakanawai Hauanio.”

Chairman Goya stated that the Board will take this up when it handles the miscellaneous items later on in the Agenda.

APPROVAL OF MINUTES

ACTION: Mr. Smith moved for approval of the Minutes of the May 22, 2007, Public Hearing on the Proposed Operating Budget and Capital Improvements Budget for Fiscal Year 2007-2008 for the Department of Water Supply; seconded by Ms. Helfrich and carried unanimously by voice vote.

ACTION: Mr. Smith moved for approval of the Minutes of the May 22, 2007, Water Board Meeting; seconded by Mr. Konanui and carried unanimously by voice vote.

ADDITION OF SUPPLEMENTAL AGENDA

None

SOUTH HILO:

A. MATERIAL BID NO. 2007-06, FURNISHING AND DELIVERING TEMPORARY POTABLE WATER STORAGE TANKS FOR THE DEPARTMENT OF WATER SUPPLY:

One bid was received and opened on June 8, 2007, at 3:00 p.m.; and following is the bid result:

Description	Bidder: Puna Water Services, Inc., dba Waterworks
Three (3) each 30,000-gallon potable water storage tanks each with 25 mil. HDPE liner (NSF 61 approved)	Bid Amount: \$28,500.00
	Taxes & Fees: <u>1,187.59</u>
	Total Delivery Price: <u>\$29,687.59</u>
	Delivery Time: 60 calendar days

The sole bid was evaluated and determined reasonable. Funding to be through the Federal Emergency Management Agency (FEMA).

The Manager recommended that the Board award the contract for MATERIAL BID NO. 2007-06, FURNISHING AND DELIVERING TEMPORARY POTABLE WATER STORAGE TANKS FOR THE DEPARTMENT OF WATER SUPPLY STOCK, to Puna Water Services, Inc., dba Waterworks, for their bid amount of \$29,687.59, and that either the Chairman or the Vice-Chairman be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel.

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

Mr. Smith asked some questions about the tank, such as if it would have a lid, and how it would be erected. He also asked if it was a good price, which the Manager indicated it was.

In response to Chairman Goya's question of whether the cost is covered by the Federal Emergency Management Assistance (FEMA) program, the Manager replied that normally, 75% is covered by them and 25% would be by this Department. However, this Department is going ahead and doing certain projects because they have to be done, and the assumption is that FEMA will reimburse the Department for qualifying projects.

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

(Ms. Kim and Mr. Mukai joined the meeting.)

B. JOB NO. 2004-846, ALAHELENUI G. I. PIPELINE REPLACEMENT:

The Board considered a request from the contractor, William C. Loeffler Construction, Inc., for a contract time extension of forty (40) working days. The water system is complete and is currently in service. This request is due to the contractor needing to go back out to the site and complete resurfacing pavement within the Alahelenui Street right-of-way as required by the Department of Public Works (DPW) and per the contract. The contractor's on-site personnel confused the additional paving to be the normal trench repair paving and demobilized, thinking the job was complete. DPW's inspector checked with DPW engineers and confirmed that the contractor will be required to complete the job and go back and finish the resurfacing of the pavement per DWS plans and specifications for the project.

This would be the second time extension to the contract. The previous extension was for nineteen (19) working days (12 rainout days and a 7-day delay caused by DWS personnel's limited ability to be present at the site to witness performance of certain procedures.)

Engineering staff has reviewed the request and finds that the 40-working day extension is necessary to complete the project. If approved, the contract completion date will be extended from May 24, 2007, until July 23, 2007.

The Manager recommended that the Board grant this extension of contract time of forty working days, to William C. Loeffler Construction, Inc., for JOB NO. 2004-846, ALAHELENUI G. I. PIPELINE REPLACEMENT.

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

NORTH KONA:

A. JOB NO. 2004-839, CONSTRUCTION OF THE KEOPU-PUUHONUA PRODUCTION WELL AND 1.0 MG RESERVOIR:

Bids for this project were opened on June 8, 2007, at 2:00 p.m.; and the results were enumerated in the Agenda. This project consists of outfitting a well, including controls, control building, and appurtenant piping/equipment and constructing a 1.0 MG reservoir. Funding for this project will be from the DWS C.I.P. Budget. The contractor will have 360 calendar days to complete this project.

The Manager recommended that the Board award the contract for JOB NO. 2004-839, CONSTRUCTION OF THE KEOPU-PUUHONUA PRODUCTION WELL AND 1.0 MG RESERVOIR, to the lowest responsible bidder, Isemoto Contracting Co., Ltd., for their bid amount of \$4,901,967.00 plus \$488,033.00 in construction contingency for a total contract amount of \$5,390,000.00, and that either the Chairman or the Vice-Chairman be authorized to sign the contract subject to review as to form and legality of the contract by Corporation Counsel.

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

Chairman Goya asked about the difference in bid prices (Primatech Construction Inc.'s bid amount was \$6,917,665.00).

The Manager explained that it was their first time bidding on a DWS project and was sure that when they bid again, it would be more reasonable. They have never done this type of work in Hawaii.

In response to Mr. Smith's question about how the contingency is calculated, Mr. Okamoto replied that he tries to make the total amount as simple as possible and still within the 10% contingency allowance.

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

B. JOB NO. 2002-806, MAMALAHOA HIGHWAY WATERLINE IMPROVEMENTS – PHASE 2:

The Board considered a second time extension request from the contractor, Isemoto Contracting Co., Ltd., of 180 calendar days. Construction of the project has been delayed due to revisions to the project plans, scope of work, and project scheduling. The contractor could not proceed with construction until the Department determined the appropriate design and sequencing of construction for the project.

Engineering staff has reviewed the request and finds that the 180 calendar days are justified. If approved, the contract completion date will be extended from June 3, 2007, to November 30, 2007.

The Manager recommended that the Board grant this extension of contract time of 180 calendar days to Isemoto Contracting Co., Ltd., for JOB NO. 2002-806, MAMALAHOA HIGHWAY WATERLINE IMPROVEMENTS – PHASE 2.

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

Mr. Smith asked about the description of the request. It seemed like a lot of issues were outside of the contractor's control.

Mr. Inaba explained that the plans were ready when it was found, during discussions with the Operations Division, how it could be modified so they could run the system more efficiently.

Mr. Smith stated that his concern is the contractor is asking for more time, but it seems like they are entitled to additional fees if the scope of work changes or they are delayed because things like wage rates and their union are affected. The plans should be clear and buildable to avoid putting the contractor on hold for months.

The Manager stated that this should have been caught during the first plan review.

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

KA‘U:

A. JOB NO. 2005-873, CONSTRUCTION OF NĀ‘ĀLEHU DEEPWELL MCC BUILDING:

Bids for this project were opened on June 8, 2007, at 2:30 p.m.; and the results were enumerated in the Agenda. This project consists of replacing the existing MCC (Motor Control Center) building and electrical appurtenances for the existing deepwell. Funding for this project will be from the Operations Budget. The engineering estimate for this project is \$600,000.00. The contractor will have 180 calendar days to complete this project.

The Manager recommended that the Board award the contract for JOB NO. 2005-873, CONSTRUCTION OF NĀ‘ĀLEHU DEEPWELL MCC BUILDING, to the lowest responsible bidder, Site Engineering, Inc., for their bid amount of \$809,433.65 plus \$90,566.35 in construction contingency for a total contract amount of \$900,000.00, and that either the Chairman or the Vice-Chairman be authorized to sign the contract, subject to review as to form and legality of the contract by Corporation Counsel.

MOTION: Ms. Helfrich moved for approval of the Manager’s recommendation; seconded by Ms. Kim.

Mr. Ikeda noted that the bid amounts in the Agenda showed a corrected amount for the other bidder, Isemoto Contracting Co., Ltd. Their submitted bid was \$817,675.00 and did not have any bearing on the award; but for information, their total was miscalculated.

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

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. **GRANT OF EASEMENT AND BILL OF SALE
INDEMNIFICATION AGREEMENT
DEED** (for 3-Tank Sites)
BILL OF SALE (for 3-Tank Sites)
Hokuli’a, Phase 1, Package 1
Subdivision Application No. 98-124
Grantor: 1250 Oceanside Partners
TMK: (3) 8-1-004: Portion 003
E.W.O.: 2001-049
Lots: 284
Facilities Charge: \$ 952,876.00
Final Inspection Date: _____
Water System Cost: \$3,721,569.00
Zoning: A-1A
Date Paid: 9/17/99

2. **GRANT OF EASEMENT AND BILL OF SALE**
Grantor/Seller: Wainani 42, LLC
TMK: (3) 7-3-010:027 (por.) and (3) 7-3-010:049 (por.) Tank Site
E.W.O.: 2006-063
Final Inspection Date: _____
Water System Cost: _____

3. **BILL OF SALE**
 Alii Drive Waterline Improvements
 Seller: Pacific Monarch Resorts, Inc.
 TMK: (3) 7-5-018:011, 078 & 080 (SMA-98-7)
 E.W.O.: 2006-064
 Facilities Charge: \$160,690.00 (CAF: \$14,500.00) Date Paid: 6/05/07
 Final Inspection Date: 9/28/2006
 Water System Cost: \$98,844.00

4. **GRANT OF EASEMENT**
 For Water Meter Purposes
 Grantor: Pacific Monarch Resorts, Inc.
 TMK: (3) 7-5-018:011

The Manager recommended that the Water Board defer Item Nos. 1 and 2 and accept Nos. 3 and 4, subject to the approval of the Corporation Counsel and that either the Chairman or the Vice-Chairman be authorized to sign the documents. It was noted that the deferral was not due to written testimony received by the Board this morning, nor from any fault of the Department. The reason No. 1 is not ready is because of paperwork and the agreement is not ready to be accepted by Corporation Counsel. The reason for deferral of No. 2 is that the work is not completed. Both should be ready by next meeting.

Mr. Conrad Wareham had a question regarding Item No. 1; however, the Chairman indicated this would be deferred, and there would be no discussion on the matter at today's meeting.

ACTION TO DEFER ITEM NOS. 1 AND 2: Mr. Mukai moved for deferral of Item Nos. 1 and 2; seconded by Ms. Kim and carried unanimously by voice vote.

ACTION TO APPROVE ITEM NOS. 3 AND 4: Mr. Harai moved for approval of Item Nos. 3 and 4; seconded by Ms. Helfrich and carried unanimously by voice vote.

B. REVISED TABLE OF ORGANIZATION FOR THE OPERATIONS DIVISION:

1. Currently, the Operations Division in Hilo has only one (1) Equipment Operator II position, which is filled. There are instances when the Equipment Operator II is on a project and the need arises for a second Equipment Operator II to deliver material to other districts with a dump truck. In order to fairly compensate the employee who drives the dump truck to deliver the materials, a second Equipment Operator II position needs to be created to be used on an as-needed basis. The employee would then be compensated financially if it is a higher position that he currently is in, as well as given credit for time served as an Equipment Operator II for promotional considerations.

2. Currently, the Operations Division is having difficulty filling the vacant Water Plant Electrician-Mechanic positions in Kona and Waimea due to a lack of qualified applicants with industrial electricity skills. In order to develop a trade progression/apprentice program to allow the Department to train and develop qualified applicants in-house, additional Water Plant Electrician-Mechanic Helper positions must be created. It is proposed to create an additional five (5) Water Plant Electrician-Mechanic Helper positions (1 - Hilo Baseyard, 2 - Waimea Baseyard, 2 - Kona Baseyard), so that a trade progression/apprenticeship program may be developed.

The Manager recommended that the Board approve the creation of an additional Equipment Operator II position for the Hilo Baseyard and a total of five (5) Water Plant Electrician-Mechanic Helper positions for the Hilo, Waimea, and Kona Baseyards as outlined above.

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

The Manager commented that Item No. 1 will allow the Department to operate more efficiently and more fair to personnel. Item No. 2 is because the Department is having a difficult time in recruiting qualified electricians. This program will help build up knowledge so they can qualify for the electrician position. He explained that the Department had started an apprenticeship program long ago but it was not approved by the union. The Department is trying to reactivate the program again.

Mr. Mukai asked if the Department foresees problems with the union again this time.

The Manager replied that the Department will try to work with the union again to show how the program will benefit their members.

Mr. Ikeda stated that the Department of Public Works is also trying something similar, so this Department may be able to "piggyback" its program with theirs.

Chairman Goya asked about Item No. 1, what would happen if no one could drive the delivery truck, who it would be.

Mr. Ikeda replied that originally, the Department was temporarily assigning them to another position; but then it was found that it was not fair to them in the case of future promotional considerations, they are not getting credit as an Operator while they are doing the work.

Chairman Goya stated that he thinks the Board agrees that allowing the Department flexibility to get the job done and to fill these positions is worthy.

Ms. Helfrich mentioned that there may be some other resources available right now, because \$1 million in Reed Act funding just came through the Workforce Development Council for apprenticeship programs. It may be worth it to talk to them.

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

C. **MONTHLY PROGRESS REPORT:**

Chairman Goya asked about the following two projects:

1. Honokaa Production Well and Supporting Facilities project in which the Board approved supplemental funding to get the State going on completion of the project.

The Manager stated that he spoke with Representative Dwight Takamine recently and explained that the Board had approved the extra funding that the State needed to complete the project but has not received any word from the State yet. Representative Takamine indicated he would follow up with the Department of Land and Natural Resources and that if they need the funding, they should make the request.

2. Honomu Production Well - Chairman Goya just commented that there is still an ongoing issue with crossing a State of Hawai'i, Department of Transportation, Highway's Division, property.

Ms. Helfrich mentioned a nice article covering the Department of Water Supply in the newspapers and asked if that was the work of the new Public Information and Education Specialist.

The Manager stated that it would not have been this Department's Public Information and Education Specialist because the person who was chosen for that position would not be starting work until July 9, 2007. The person will be introduced to the Board at its July 24th meeting.

D. DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING AND CAPITAL IMPROVEMENT BUDGETS FOR FISCAL YEAR 2007-2008:

The proposed Operating and Capital Improvement Budgets for Fiscal Year 2007-2008 were published in the newspapers for presentation at the Public Hearing held on May 22, 2007, at 9:30 a.m.

The Manager recommended that the Board approve the proposed Operating and Capital Improvement Budgets for the Fiscal Year 2007-2008.

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

E. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

Chairman Goya noted that it is almost the end of the fiscal year, and there is still some flexibility in the budget regarding vacant positions. Hopefully, those positions will be filled in the coming year.

The Manager stated that the next position the Department will pursue filling is the Information Technology (IT) position approved by the Board many months ago.

Chairman Goya noted that after further review, the Department may want to change other deviations that are reported because some of the items are fairly small and do not need further questions or may be easily explained.

The Manager stated that the reason the deviations were made was because the Board had set what would instigate explanations. It may be good for the Board to let staff know exactly which ones need changing and have this discussion at the next meeting.

Mr. Mukai mentioned that earlier, when the Manager spoke about the Public Information and Education Specialist, he was reminded of an article he had seen in the newspaper. He did not have the article with him, but it was in regards to the drought situation. The individual had made a personal comment about the permitting process, and he thought it would be wise that when making comments to the public, that those comments be related to only Department of Water Supply business.

The Manager asked that Mr. Mukai send that particular article to him because there had been so many articles during this drought.

Chairman Goya stated that along those lines, the Department should be providing the Water Board Members with any articles pertaining to water and particularly those affecting the Department's water systems. Copies should be kept and circulated at the Water Board Meetings.

F. MANAGER'S REPORT:

- 1) *Status of the Palani Road Transmission Waterline project* – the Manager reported that staff is waiting for appraisals so that easements from Queen Liliuokalani Trust (QLT) can be negotiated. Mr. Beck added that Mr. Jernigan is having his own appraisal done to compare with the Department's; and Lawrence Appraisal Group did a site survey last week for the QLT property. In response to Chairman

Goya's question of how this affects the Villages of La'i'opua and any funding for that project, the Manager replied that some of the water that will come down through the Palani Transmission Line will go to La'i'opua. The Department has had many discussions with them, so they are fully aware of how it will affect them. They currently have some allocations, even without that project; but any future work will depend on that project. The Department of Hawaiian Home Lands (DHHL) has committed to participate on one of the reservoirs that will benefit them. Instead of constructing a 1-million gallon reservoir, the Department will increase it to 2 million gallons, and DHHL will pay the cost difference so they can have adequate storage for part of that La'i'opua project. In response to Chairman Goya's question of whether the next increment was 400+ homes, the Deputy Manager replied he was not sure what the exact number was; however, they do have a certain amount of allotments through this commitment. If the Board recalls, in the settlement with the HELCO Keahole power plant, HELCO turned over some of their allotments to DHHL. Ms. Kim recalled the last time the Department talked about the easement issue with individual parties and asked if it had been resolved. The Manager replied it is being handled by an appraisal, and the Department will negotiate with them on the value.

- 2) *Status of the Waimea Clearwater Reservoir Repair* – the Manager reported that the repairs cannot be made right now because the reservoir is in use. Mr. Inaba reported on the contract to repair the reservoir. The Department had to claim for an exemption under Procurement Law because the contractor that has all of the experience, and was the low bidder, did not possess a Hawaii contractor's license. There are exemptions that can be made, similar to what was done with the Geotextile engineer. This is a highly specialized type of work, and there are no companies in the State specialized to do it. The State Department of Commerce and Consumer Affairs has given the Department some recommendations on the exemption route. The contract should be close to being signed.
- 3) *Status of the Hawaiian Ocean View exploratory well* – the Manager reported that there have been no complaints from the community since the last Water Board Meeting. Things are going smoothly. The consultant is confident they can meet the deadlines. There was a request from the neighbor of the fill station site about landscaping, sound attenuation, and hours of operation; and the consultants are working on that. The Department is looking at advertising bids for the exploratory well sometime in 2007. Chairman Goya mentioned that hopefully, all of this can be worked out with the Department, the consultant, and the community. As far as the Board is concerned, the Board welcomes public comments and input; but when a group of individuals drive all the way from Hawaiian Ocean View Estates with differing ideas and all the way to Waimea to provide public statement, it shows they are very much concerned. The Manager stated that one of the concerns was about drilling the well at the existing USGS site. Staff met with the consultants to have it put in the Environmental Assessment and explained to them why this Department did not feel that it made sense from an engineering standpoint, because of the extra cost and operation.
- 4) *Status of the Kona Water Quality* – Chairman Goya suggested the Board tour the Kahalu'u Shaft after it has been modified. The Manager continued that the Keopu project, awarded today, will help. Another well is Lanihau and will be online possibly as soon as a year and a half. In response to a question from Mr. Harai regarding Makalei, the Manager stated that their water comes from Kukio; however, the Department is working with a developer regarding that area because they want to put a subdivision in and are looking at ways to improve the system. Mr. Smith clarified that Kukio has two water sources. Makalei Golf Course is the mauka wells. Kukio's reverse osmosis plant is down by the resort. The Manager stated that the water to the golf course does not go through the plant like the water they serve Kukio with.
- 5) *Update on negotiations with Kamehameha Investment Corporation (KIC)* - the Manager reported that negotiations with KIC are getting close, but they have to come back to this Department with their answer to this Department's requirements and estimates that were provided to them. They have some

different ideas about requirements that they are proposing to this Department. Mr. Smith stated that Mr. Francis Kauhane's role has changed, and he is no longer an employee of KIC. He is working under contract with Brookfield Homes. Mr. Smith thinks Mr. Kauhane is still involved; however, this Department needs to understand that the agreement that is eventually going to be signed by DWS and KIC, that Mr. Kauhane is acting on behalf of Brookfield Homes. This changed a couple of months ago, and Mr. Smith thinks Mr. Kauhane has delegated his responsibly because it is an obligation of the developer. He is doing it on behalf of Brookfield Homes that has the agreement with KIC. The Manager stated that he would feel more comfortable working with somebody from KIC. Mr. Smith felt that it just needs clarification. Mr. Inaba indicated that he would follow up. Chairman Goya added that this will make a difference regarding easements. KIC owned most of the property that the transmission and distribution lines will be on. The Manager stated that about two weeks ago, the Department had an offer for a well site in the same area from a separate individual; and that also looks very attractive to this Department. It is a piece of land that they may be willing to give to the Department for credits, like would be done for any other developer. Mr. Smith mentioned the Commission on Water Resource Management (CWRM) permitting process. The Manager stated that if any land is obtained, that permitting process also has to be done.

- 6) *Update on drought conditions in specific districts* - the Manager reported that currently, there is 16.5 million gallons (MG) in Waimea Reservoir No. 1. In Reservoir No. 3, there is 41.5 MG, which brings the total to 58 MG. The lowest it had gone down to was 33 MG. At that point, this Department met with the Mayor and Civil Defense Agency to stress the urgency of the situation because some kind of cut-off period had to be established to ensure the hospital still has water. These provisions were already in place, but everything was accelerated. This Department is currently working on three projects to alleviate the problem, as follows:
 1. Use of State of Hawai'i, Department of Agriculture (DOA), Puukapu Deep Well (irrigation well). The Department flew in 7,000 feet of pipe from Sacramento, CA, which just arrived on June 17, and is at White Road. The intent is to use the irrigation well. The Department has diverted crews from its Hilo, Kau, and Kona districts to help the Waimea district lay this pipe. Permission was obtained from the Department of Hawaiian Home Lands (DHHL) to cross their land with this pipe. The Department's crews are currently working 12-hour shifts and are about half the distance from the well to the Department's reservoir. It should take about another day and a half to two days to reach there. About 1.4 MG is expected from that well. Meanwhile, the DOA sent a Memorandum of Agreement (MOA) to be signed by all parties for the use of the well. This MOA is not acceptable to this Department, and that needs to be settled before using the well. In response to Mr. Smith's question as to what the conditions were, the Manager explained that they want their Paauilo water system installed with a 1½-inch meter instead of the 5/8-inch meter that is there. That is not even the same water system that this Department would be using. They want the Civil Defense Agency to pay the operation costs of the well for a whole year with no conditions. They want this Department to hold a public meeting with the farmers before utilizing the well. The Manager noted that this Department already spoke with the farmers and were assured this Department would make provisions to pump water into their reservoir. He also commented on the fact that the DOA did not start up their well all this time; but when this Department asked to use the well and said it would pay the HELCO charges, they began to use the well and are pumping into their reservoir. In response to Mr. Smith's question of how it will be resolved, the Manager stated that this Department would contact their department head. Another thing is that the DOA is on a different HELCO rate schedule. When this Department goes to use the well, it will be using it 24 hours a day so it puts it into the peak time. He added that Ms. Bettina Arrigoni, the Department's Energy Analyst, is working with HELCO on that. HELCO will most likely forgive the demand charges because it is an emergency, like what they did for the emergency use of the Waimea Country Club Well.

Chairman Goya stated that the immediate concern for the Board is public awareness and not have the public getting second-hand and third-hand information. The Department of Agriculture agreement needs to be dealt with appropriately so that it does not become a public matter.

Mr. Smith mentioned the Waimea Roundtable meeting, and Ms. Sandy Kunimoto (Chairperson of the DOA Board of Agriculture) was there. They explained that they were not going to turn the well on because they did not have the money to pay for it. All of the farmers were stating that because the Hamakua the Ditch is damaged, they are not getting water, and they were not going to give the farmers water when the capability of turning on a well was there to provide it. Mr. Smith thought that this Department will need to go through the chain of command to talk to Ms. Kunimoto, but not to expect any success. Some of the channels he thinks this Department can use are the State Civil Defense and also the Governor's West Hawaii Advisory Council.

The Manager stated that the Department will take care of this situation.

2. Waimea Country Club - this Department has had online, since June 10, 2007, the Waimea Country Club, and that really helped this Department. With this well, the Department is able to fulfill all the demands of Ahualoa and Paauilo mauka without taking water from Waimea. Also, at night, those pumps are able to reach the Department's Waimea "Clearwater" Reservoir. This replenishing of the reservoir at night reduces the plant's production. Initially, when this started, the plant was producing about 2.4 mgd (million gallons per day). One day it went all the way up to 2.6 mgd. As of today, the plant production is 1.2 mgd. It made a big difference. The water conservation notices also helped. The practice of this Department for this type of situation is that any announcements come through the Civil Defense Agency. They have put out many radio announcements on behalf of this Department. The reason there were no further announcements was that the Department got some reprieve and did not want to startle the residents. The Manager gave credit to Mr. Andy Anderson of Waimea Country Club for his cooperation.

Chairman Goya stated that he thinks it is worthy of a press release to show that the Department is working with the private sector in providing water to the community. He also thinks it still requires information regarding water conservation notices, since this Department is using an alternate source.

The Manager stated that this is when it would have been good to have the Public Information and Education Specialist on staff because it is a difficult situation where you are focusing so much on coordinating the work to alleviate the problem, sometimes getting the word out falls behind. He realizes the Department needs to do more in the way of public relations.

Mr. Smith commented how Mr. Anderson and his son, Brian, helped this Department without throwing in a bunch of paperwork like another government agency; and it makes a big difference. He felt that it is worthy of having their names acknowledged and thanked in a public announcement.

3. State well (Waimea Well) - the third project is a well that the State drilled about 12 years ago next to the sludge basin at the Waimea Treatment Plant. The Department was able to procure an emergency contract with Beylik Drilling and Pump Service to put in a spare pump, which the Department had on hand, into the well. That should produce about 900 gpm (gallons per minute). It should take about one and a half weeks to get that online. Staff is out there putting up a temporary motor control center building. Through coordination with the Civil Defense Agency, the Department was able to get two 400-kw generators to run the pump.

The Manager continued that with all three of these emergency projects, the Department will have enough water. If any of the projects come online in addition to the Waimea Country Club, the Department will be in good shape. With 58 million gallons of water in the reservoirs, the Department has some leeway. Initially, the intent was to have crews working 24 hours with two 12-hour shifts. It was able to cut that back to one 12-hour shift because of the rainfall. It can get dangerous when there are men working out there that are already tired. As mentioned earlier, the Department has a lot of men out on White Road (three separate crews). They are about a day and a half to two days away from reaching the well site. Everything is moving along, except for the MOA, which needs to be taken care of.

Chairman Goya commended the Department and its staff for getting this work done and dealing with this emergency. He hopes contingency plans are being reviewed in case this happens to any other part of the island.

The Manager gave a lot of credit to the personnel, Operations Division, the engineers assigned to this project, Mr. Inaba and Mr. Okamoto, and also to the Finance Division, which is handling all of the expenses.

The Manager also commented that during the initial meeting this Department had with the Mayor and the Civil Defense Agency, the Mayor had offered the County's financial assistance for what needed to be done although they would not be reimbursed because this has not been declared a disaster by the Governor. To be reimbursed from the State, the Governor has to declare a disaster. The Manager stated that he would convey to the Mayor and Civil Defense Agency that this Department will pay all of the costs. He does not want the perception that the County is bailing this Department out. This Department has contingency funds and should be taking care of its own emergencies.

Ms. Kim stated that she agreed with that approach.

Mr. Smith commented that, from living in Waimea, the perception is that their usage of water tends to subsidize the rest of the island. The rationale is that water rates are the same wherever you live on this island. Water in Waimea comes from the surface; and even though it goes through the treatment process, you do not have the same pumping costs you do for Hilo or Kona. They think their cost of water is less. He thinks it is important to get the word out that when push came to shove and the Department had to look for alternative sources of water, it got very creative and went to State and private entities for help. It outfitted a well in advance of its schedule. The Department should get the word out now and not wait until the Public Information and Educational Specialist starts work. Things like flying pipe in and working weekends is a positive message to get out there.

The Manager stated that he had gotten upset when he read a complaint received by email, through Mr. Smith, in which the person had accused the Department of not taking this seriously.

Mr. Smith stated that the email was dated, it was from June 13, and the person did not have all the information. Now that Mr. Smith has more information, he can share it with the community. The gap is that the message did not get conveyed to the public.

The Manager stated that it has to do with his philosophy that you just go out and get the work done and not spend time tooting your own horn. Maybe nowadays, that is not enough.

Chairman Goya commented that it is also the Manager's job to manage public perception. From the Water Board's level, they see the need for this Public Information and Education Specialist to also educate the Department's customers to eliminate misperceptions.

The Manager stated this person will have to learn the Department, its systems, and procedures before they can be beneficial, but that the person would be a very valuable employee.

Ms. Kim commented that this person will also need to know the different communities. An example is the Waimea community which is one of the most “wired” communities on this island, and they really work together and keep track of things so diligently more than other communities do.

- 7) Mr. Beck handed a schedule to the Manager for the Water Use and Development Plan (WUDP) public meetings that are scheduled for the following dates:

July 25, 2007, 6:00 p.m. to 8:00 p.m. – Aupuni Center Conference Room

July 26, 2007, 6:00 p.m. to 8:00 p.m. – Naalehu Community Center

July 31, 2007, 6:00 p.m. to 8:00 p.m. – Waimea Community Center

August 1, 2007, 6:00 p.m. to 8:00 p.m. – King Kamehameha Kona Beach Hotel

These meetings are to present the WUDP to the communities. After that, the consultant, Fukunaga & Associates, would want to do a presentation for the Water Board. It may be beneficial if Board Members attend a meeting in each of their respective districts. The Manager asked that they turn in their mileage claim if they do attend, and they would be reimbursed.

Ms. Helfrich asked about last month’s Minutes where it was indicated that Ms. Bettina Arrigoni would make a presentation to the Board on her work. The Manager stated that it would be done at the Board’s August 28, 2007, meeting, which will be held in Kona, since Ms. Arrigoni works out of the Department’s Kona office.

G. CHAIRMAN’S REPORT:

Chairman Goya mentioned two newspaper articles--one regarding emergency generators, and the other about Andrade Camp. These are good things that are being done by the Department, and the public needs to be informed that the Department is working hard at it. All of this is positive for the Department’s image.

Mr. Smith announced that he is on the Board of Directors of the Kona-Kohala Chamber of Commerce; and they have put together an Ulumau Hawai’i Island Leadership Series. He acknowledged Mr. Richard Sumada for just completing the sessions. The sessions take place on weekends, and he appreciated Mr. Sumada’s taking time out of his personal schedule to improve himself and become an asset to the Department of Water Supply. It is a good example to set for the Department’s employees.

Mr. Mukai commented that something like this is what the Public Information and Education Specialist, when they begin work, might want to put a statement out about. He thinks the public has this tainted picture of what government employees are like.

The Manager stated he that wished the public could go out to White Road and see, first hand, how hard the Department’s crews work.

The Manager added that he thinks it is valuable to send someone every year to the program. Another thing the Department has participated in is the Leadership Series led by Mr. Glenn Furuya. Those who have gone through the program are happy to recommend to others to attend. Ms. Kim also stated that she attended one of the half-day sessions and found the interaction with staff very good.

Chairman Goya also mentioned that he and Mr. Mukai attended a breakfast meeting with Mr. Terry Rolan, President of the American Water Works Association, and various department heads at the Hawaii Section

conference held on Oahu May 23 to 25, 2007. He felt this is a valuable tool to get together regularly and discuss what work is being done, how specific issues are being handled, and looking for areas where everyone can jointly work together or better communicate with each other. It was really worthwhile. They are beginning to hear a little more information on the importance of protecting the environment from the watershed, to resource, to conservation. As he has said before, he feels the Department should look at changing the Department's motto to "Water, Our Most Precious Resource" to be truly in tune with available resources. He added that if anyone had questions regarding any of the discussions held at the conference workshops to call on him or Mr. Mukai.

Ms. Kim asked how Chairman Goya would suggest implementing a change to the Department's motto.

The Manager stated that the Board might want to come up with some suggestions at a future meeting.

Chairman Goya stated that he would suggest this to the Department as it goes through its planning for the future, since part of its plans should incorporate some of these kinds of visions. He thinks the Board would agree that this is the direction it should take.

Mr. Mukai made a suggestion that when the Public Information and Educational Specialist starts work, they could open up a contest to the whole community so everyone could have input on what the Department of Water Supply's motto should say.

Chairman Goya's last announcement was about the Department's pipe tapping team winning the competition again this year at the AWWA Hawaii Section Conference. He mentioned that for those who have not watched the pipe tapping competition, they do a residential tap into a main waterline within a time limit. He feels that they should be recognized and enjoy their trip to Toronto to compete on a national level. Since they won this year on Oahu, they will be going to Atlanta, Georgia, next year to compete again. At some time in the future, the Board should be recognizing them individually. While on that subject, he suggested that the Water Board's September 25, 2007, meeting be held in Waimea so they could be recognized by the Water Board there.

ANNOUNCEMENTS:

1. Upcoming Meeting Schedule:

- July 24, 2007, 10:00 a.m., in the Hilo Operations Center Conference Room; 889 Leilani Street, Hilo, Hawai'i
- August 28, 2007, 10:00 a.m., in the Royal Kona Resort, Resolution Room; 75-5852 Alii Drive, Kailua-Kona, Hawai'i
- September 25, 2007, 10:00 a.m. - Waimea (place to be determined)

ADJOURNMENT

ACTION: Mr. Smith moved for adjournment of the Meeting; seconded by Mr. Konanui and carried unanimously by voice vote.

(Meeting adjourned at 11:37 a.m.)

Secretary

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