

MINUTES

DEPARTMENT OF WATER SUPPLY
COUNTY OF HAWAI'I
WATER BOARD MEETING
October 25, 2005

HILO OPERATIONS CONFERENCE ROOM

MEMBERS PRESENT: Mr. Ivan Mochida, Chairman
Mr. Loren Heck, Vice-Chairman (10:07 a.m.)
Mr. Thomas Goya
Ms. Paula Helfrich (10:04 a.m.)
Mr. Bernard Konanui
Mr. Riley Smith
Mr. George Wilkins
Mr. Milton D. Pavao, Manager (ex-officio member)

ABSENT: Ms. Millie Kim, Water Board Member
Ms. Sandra Scarr, Water Board Member
Mr. Bruce McClure, Director, Department of Public Works
(ex-officio member)

OTHERS PRESENT: Ms. Katherine Garson, Deputy Corporation Counsel
Ms. Amy Self, Deputy Corporation Counsel
Ms. Donna Springer, Corporation Counsel's Office (10:20 a.m.)
Mr. Daryn Arai, representing Mr. Christopher Yuen, Director,
Planning Department (ex-officio member)
Mr. Mike Crolius, Hilolani Enterprises LLC (10:10 a.m.)

Department of Water Supply Staff:

Mr. Quirino Antonio, Jr., Deputy Manager
Mr. Glenn Ahuna, 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, Civil Engineer V

CALL TO ORDER - Chairman Mochida called the meeting to order at 10:00 a.m.

STATEMENTS FROM THE PUBLIC

None

APPROVAL OF MINUTES

ACTION: Mr. Goya moved for approval of the Minutes of the September 27, 2005, Water Board Meeting; seconded by Mr. Wilkins and carried unanimously by voice vote.

APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA - none

NORTH KONA:

A. **JOB NO. 2001-785, CONSTRUCTION OF THE WAIAHA PRODUCTION WELL AND 2.0-MG RESERVOIR:**

The Board considered a contract time extension request from the contractor, Isemoto Contracting Company, Ltd., for a 28-calendar day extension to allow for the late delivery of the gas detection control panel. The supplier had originally planned to ship the control panel to the contractor on September 23, 2005. However, due to the damage caused by Hurricane Rita to the production facility, the shipping date was postponed until October 21, 2005, a total of 28 calendar days. This is the contractor's third time extension request. Staff has evaluated this request and finds that the 28-calendar day extension is justified.

The Manager recommended that the Board grant Isemoto Contracting Company, Ltd., a 28-calendar day extension for JOB NO. 2001-785, CONSTRUCTION OF THE WAIAHA PRODUCTION WELL AND 2.0-MG RESERVOIR, from November 2, 2005, to November 30, 2005.

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

Mr. Smith stated that it would be good for the Board to know what the first and second time extensions involved and the duration.

Mr. Ahuna briefed the Board on the previous time extensions for this project.

The Manager stated that on future Agenda items for time extensions, staff could list the previous extensions.

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

MISCELLANEOUS:

A. **DEDICATION OF WATER SYSTEMS:**

The Department 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
 HILOLANI SUBDIVISION
 Subdivision Application No. 2003-175
 Grantor: Hilolani Enterprises, LLC
 E.W.O.: 2005-090
 T.M.K.: (3) 2-2-044:041
 Lots: 43 plus 1 roadway lot
 Facilities Charge: \$232,190.00
 Final Inspection Date: 9/30/2005
 Water System Cost: \$157,466.00
 Zoning: RS-10
 Paid: January 19, 2005

2. GRANT OF EASEMENT AND BILL OF SALE
 DEED
 BILL OF SALE
 KOHANAIKI INDUSTRIAL PARK, PHASE II
 Subdivision Application No. 2000-043
 Grantor: Kona Business Park Phase II LLC
 E.W.O.: 2003-031
 T.M.K.: (3) 7-3-009:015
 Lots: 24 plus 1 roadway lot
 Facilities Charge: \$104,400.00
 Capital Assessment Fee: \$500.00
 Final Inspection Date: 10/17/2005
 Water System Cost: \$2,306,295.00
 Zoning: ML-1A
 Paid: December 4, 2002
 Paid: December 4, 2002

3. GRANT OF EASEMENT AND BILL OF SALE
 HUALALAI HEIGHTS SUBDIVISION
 Grantor: International Development Projects Ltd.
 E.W.O.: 2004-086
 T.M.K.: 7-5-017:032
 Lots: 28 plus 8 Roadway Lots
 Facilities Charge: \$11,000.00
 Water System Cost: \$275,716.00
 Final Inspection Date: 9/23/2005
 Zoning: RS 7.5 & RS 20
 Paid: 2/11/2005

The Manager recommended that the Water Board accept these documents subject to the approval of the Corporation Counsel and that either the Chairman or the Vice-Chairman be authorized to sign the documents.

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

Mr. Crolius was present to answer questions on Item #1, Hilolani Subdivision, if there were any.

Mr. Wilkins asked about the facilities charge and the water system cost. The Manager explained that the water system cost is what is paid to the contractor to install the water system. The reason

it is shown is because it is entered into the Department's books as equity. The facilities charge is the fee paid directly to the Department and has nothing to do with installation.

In response to Mr. Smith's question if the consultant fee is included in the water system cost, the Manager replied that it is not because it is not something that would be a benefit. The Department benefits by the dedication of the tangible product. There is a form given to the contractor after the project is completed, and it does not include design fee.

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

B. VEHICLE BID NO. 2005-07, FURNISHING AND DELIVERING VEHICLES TO THE DEPARTMENT OF WATER SUPPLY:

At its September 27, 2005, meeting, the Water Board awarded Parts A, C, and F, of the subject vehicle bid to Inter Pacific Motors, Inc., dba Orchid Isle Auto Center (Inter Pacific Motors), at a cost of \$96,172.19. After award of the bid, Inter Pacific Motors requested an exemption to the bid that the size of the engine be smaller than specified in the specifications for all of the parts.

Staff reviewed the request and found it to be unacceptable. Any exceptions to the specifications should have been requested before the bid opening and specified on the bidding documents per bid requirements.

The Manager recommended that the Board cancel the award to Inter Pacific Motors, Inc., dba Orchid Isle Auto Center, for Parts A, C, and F of VEHICLE BID NO. 2005-07, FURNISHING AND DELIVERING VEHICLES TO THE DEPARTMENT OF WATER SUPPLY, and award the bid for Parts A, C, and F to the next bidder, Clark Automotive Group, Inc., dba Island Chevrolet at a new contract price of \$103,667.88 and that either the Chairman or the Vice-Chairman be authorized to sign the documents, subject to approval of Corporation Counsel. (Additional resulting expenditure is \$7,495.69.)

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

The Board asked some questions about the bidding process and type of engine required by the Department. The Manager stated that it is not a matter of the engine. It is a matter of the legality of the bidding documents. The only time the bidder could have changed is prior to the bid opening, as a bidder's exception to the bid specifications.

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

C. MONTHLY PROGRESS REPORT:

Mr. Goya asked about the following:

1. *Piihonua-Kukuau 2.0-MG Reservoir & Transmission Line (Page 1)* - what the timetable is on the condemnation of the parcel for the reservoirs.

Ms. Garson replied that they have received an Order from the Court, so her office deposited the money with the Court. They are now in discussions with the other attorneys about how to work things out. They are discussing other solutions instead of payment. She requested an updated appraisal because the whole process started about one year ago.

2. *Waimea Water Treatment Plant, Sludge Disposal (Page 3)* - Mr. Ahuna reported that rain has been hindering the survey that is needed.

Mr. Heck asked if the report could include more facts in the Remarks column. For example, the Piihonua project just discussed shows in the Remarks column, "New property owner wants to negotiate for water units," but nothing else is shown. He and Mr. Wilkins commented that they like the format of the Financial Statements.

Mr. Smith suggested that if the information does not fit, then more rows could be added under that particular item. The Board agreed that the 8½- x 11-inch document size is fine.

D. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

Mr. Goya asked about two things:

1. Under "Detailed Listing of Funds Invested in Time Certificates and Deposits," there is money in transportation and vehicle fund and asked what it was for.

Mr. Sumada replied that it is money set aside to pay for the new vehicles (approved earlier).

2. Construction Funds, Kona Source Development - the Department stopped taking new monies, but asked if there are plans to expedite any projects to use the funds already in there.

The Manager replied that the funds can only be used for certain projects, so when the qualifying projects come up, then the funds can be taken out.

E. WAIAKEA OFFICE PLAZA LEASE AMENDMENT NO. 1 - STATE OF HAWAI'I, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS:

The Board considered approval of Lease Amendment No. 1 for The State of Hawai'i, Department of Commerce and Consumer Affairs, a tenant at the Waiakea Office Plaza, leasing 546 square feet of office space. The lease amendment provides for lease terms and monthly rents of \$982.80 (\$1.80/sf) for July 1, 2004, to June 30, 2005; and \$1,037.40 (\$1.90/sf) for July 1, 2005, to June 30, 2006.

The Manager recommended that the Board approve Lease Amendment No. 1 for the State of Hawai'i, Department of Commerce and Consumer Affairs.

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

Mr. Smith questioned why the Board needed to take action if it is a lease that included a certain amount of time anyway.

The Manager replied that this is an amendment; and since the Chairman needs to sign, the Board needs to be aware of it. The lease may have been structured so that amendments needed to be executed.

Mr. Goya asked if the Department had plans to use the office space occupied by Merrill Lynch after they move to their new location, noting that it would be a reduction in rent income, and also asked about the air conditioning overhaul.

The Manager replied that the Department does plan to utilize the space after Merrill Lynch moves out (their rent will be paid through the end of November 2005). The air conditioning for the building is currently under design by a consultant.

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

F. **RATE BLOCK THRESHOLDS:**

As requested by the Water Board at their last month's meeting, this item was included in this Agenda for discussion and/or action.

The block thresholds and corresponding rates are commonly referred to as inverted block rates. It is structured to promote conservation of water and discourage waste since the more water is used, the more expensive it is per 1000 gallons. It should be noted also that projected revenues depend in part by the inverted block structure. Modifying the block thresholds will have an effect on future revenues. The Manager suggested that the block thresholds be left as is for these reasons.

The Manager also spoke about testimony received by the Board at its September 27, 2005, meeting where the person complained about paying the higher block rate because he has one meter serving two houses. The Manager clarified that the person was not supposed to have done that in the first place. He just connected another house to one meter and did not pay the facility charge.

Chairman Mochida agreed with the Manager but asked what would happen on a regular lot--if he wanted to go get another meter and pay the facility charge, if the Department would give the meter.

The Manager replied that it depends on the situation and if the Department's system can handle it.

Mr. Wilkins asked about the 5/8-inch meter and the 600-gallons per day (gpd) limit--if it was the Department's intent to have it fall into the second block rate. The Manager explained that when you pay the facility charge, it allows you to use 600 gpd; however, the normal household will not use all of that. In response to Mr. Wilkins' comment that you would if you are involved in agriculture, he replied that if they are, they should be applying for a larger meter.

Mr. Goya asked Mr. Arai if he could comment from the Planning Department's side regarding multiple dwellings on existing lots--if his department is communicating well with others, who has the say-so, and what the options are, realizing the crisis we are in trying to get the people on the land.

Mr. Arai and the Manager agreed that the Department of Water Supply (DWS) and the Planning Department work well together. It used to be that ohana and additional farm dwellings were passed by the Planning Department without DWS' comments, but Planning's rules have been modified to allow that to happen now. The working relationship has helped ensure that the DWS water systems are not overtaxed.

The Manager stated that this Department's concern was that the ohana and additional farm dwellings caused lost revenues from facility charges; and since the rules were modified, the applicants have to come to this Department to get a meter.

The Board decided to keep the status quo.

Mr. Wilkins suggested that the step up to higher charges be more closely tied to what is regarded as an acceptable limit with consumption--example, with a 5/8-inch meter, the average home, at 18,000 gallons a month, there be an increase to a higher rate. He did not make it a formal recommendation, but more a suggestion.

The Manager stated that he could pose that to R. W. Beck, Inc., during the water rate study.

G. FUNDING AGREEMENT WITH UNITED STATES GEOLOGICAL SURVEY:

The Manager stated that the Joint Funding Agreement with USGS is because the drill rig has been on this island so long, and the Department has gone through a couple of them already. This is a new Agreement at \$140,000.00 from October 1, 2005, to January 31, 2006.

Ms. Self stated that this came about because she had done a legal opinion (August 23, 2005) for the Board, upon its request, based on the Agreements that were supplied to her by the Department. Some of the Agreements that she had seen were due to expire. The question had been if a new Agreement had been signed. The Board's concern had been about the shut down of the operation of the drill rig and what it could do based on the contract.

The Manager stated that once the USGS finishes the well at Hawaiian Ocean View Estates, the Department will no longer participate in this Agreement.

Mr. Heck commented that a few months ago, there was more pressure and questions as to what responsibility the Board had in spurring on the action at the well. They have made progress since then, and it is almost moot at this point since the well is almost finished.

In response to Ms. Helfrich's question if the drilling was almost complete, the Manager replied that it is. They have 200 feet to go.

Discussion followed on ending the Agreement once the work is done. The Manager explained that a meeting will need to be held involving this Department, the Kauai and Maui water departments, and USGS to determine the fate of the drill rig. His understanding is that Kauai still wants to utilize it. Theoretically, the three jurisdictions own the rig and USGS just operates it. There may be some value in the rig; however, it is in bad shape. There may be some money coming back to the Department.

Upon Corporation Counsel's advice, the Board took formal action to include a recommendation on the Agenda.

ACTION FOR ADDENDUM: Ms. Helfrich moved to add an Agenda item to obtain a recommendation from the Board to authorize the Manager to sign an extended agreement with USGS to be in effect from October 1, 2005, to January 31, 2006; seconded by Mr. Smith and carried unanimously by roll call vote (Ayes: 7 - Ms. Helfrich and Messrs. Goya, Heck, Konanui, Smith, Wilkins, and Chairman Mochida; Nays: 0; Absent: 2 - Mss. Kim and Scarr).

ACTION: Mr. Smith moved to approve authorizing the Manager to sign said Agreement; seconded by Mr. Goya and carried unanimously by voice vote.

**H. PROPOSED REVISION TO SERVICE LATERAL
INSTALLATION CHARGES FOR STATE RIGHT-OF-WAYS:**

Currently, the fee to install a service lateral connection for a 5/8-inch meter on State right-of-ways pursuant to the Department's published Water Rates is \$4,600.00. This is a flat rate fee and applies to either side of the highway regardless of the location of the pipeline. The actual cost the Department incurs for a service lateral connection on State right-of-ways, which crosses the highway, is averaging \$25,002.46 islandwide. This average includes the cost to do the design and plans as required by State Highways. The specific district cost averages are: Hilo-Puna, \$22,095.25; Hamakua-Kohala, \$16,200.00; and Kona, \$26,792.50. For every service lateral connection, the Department provides on State right-of-ways, which crosses the highway, it is losing an average of \$20,402.46. To revise the fee charged to prospective consumers for service lateral connections on State right-of-ways, the Water Rates need to be changed through the public hearing process. An alternate revision, which would provide prospective consumers greater flexibility, is to allow them to contract on their own for the design and plans and for the construction of the service lateral connection, providing that the construction is done by a licensed contractor. In this case, this Department would perform the wet tap to the pipeline and provide inspection of the construction to assure conformance to the Water System Standards. To assure fairness to residents alongside a State Highway, this alternate revision should apply to either side of the highway, regardless of where the pipeline is.

The Manager recommended that the Board agree in concept to the above proposed alternate revision to the published Water Rates and that staff prepare a draft amendment to the Water Rates for the Board's review at the November 2005 regular Board meeting and that public hearings for this purpose be scheduled in 2006.

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

The Manager added that the difference in the cost the Department is charging (\$4,600.00) and the actual cost paid out is due to more strict requirements by the State. Theoretically, the rates could just be changed to become more comparable to the actual cost; but he feels that sometimes contractors charge government entities more than they would charge private individuals. In an effort to save the residents some money, the proposal is that the resident do it himself, provided he hires a licensed contractor, and this Department do the tap and provide the inspection.

Mr. Heck asked if \$4,600.00 would be way under what they could possibly do it for.

The Manager replied that a few years ago, the Department could do it for that amount. Now the rules have changed so much in construction that it is outrageous.

Mr. Heck asked how they are going to get any better deal than what the Department is giving them.

The Manager thought they would save two to three thousand dollars because of the paving work.

Mr. Heck thought it would be great to give them the option, but his concern is why the Department is charging so little compared to what the cost is.

The Manager replied that at the time the rates were developed, that was the average cost, taking into consideration what it cost to install on the same side of the street as the pipeline and across the street.

Mr. Wilkins thought it would be more fair to have a same-side/other-side division of the cost.

The Manager stated that it was like that long before, but the theory was that people should not be penalized for what side of the pipeline (street) they live on, so at that time, the Board decided to make one charge for either side.

Chairman Mochida questioned if they hire a private contractor, example Hilo/Puna, they charge the Department \$22,000.00. If they charge the customer \$10,000.00, would the Department still charge them \$4,600.00.

The Manager replied that the Department would only charge them for labor costs to do the tap. Inspection is free.

Mr. Smith stated that if you get meter relocated within a County right-of-way, you assess a certain fee but then you actually charge them the actual so sometimes you give a refund. A conservative way to do it may be where your most expensive cost is \$26,800.00, then maybe you make your lateral extension charge \$27,000.00 and agree to refund the difference, whatever the actual cost is, then it is fair.

The Manager replied that it is another proposed way to change the water rate. They provide temporary deposit and the Department collects more or refunds as necessary. The thought was to free up staff's time and place the responsibility on the resident. He thinks they can do it cheaper than this Department.

Mr. Smith stated that a lot of times, speaking for a developer, you have a consultant on board doing a whole lot of design work for you, and this is incidental. So to hire a consultant to do this design would probably cost a lot; but if they are doing a lot of other work for you, it is like no incremental cost. Then from a private contractor point of view, you would not have to carry a lot of the cost that you would have to when you procure services, so he could see a lot of savings for a private individual to contract it separate.

The Manager stated that you could even do a hybrid plan where the Department is still responsible for the plans, and let them do the cost. There is a whole combination of ways of doing this. What is proposed today is just one method. However, he would avoid the Department doing the whole thing because then it is penalizing the customer.

Chairman Mochida asked if staff can look into it--what is best for the customer and the Department and bring up something.

The Manager replied that he would come back with several options for next meeting for the Board to decide on.

Mr. Smith thought it might be prudent for the Department to send a letter to the State of Hawai'i, Department of Transportation (DOT), expressing concerns over the difference in construction versus the County and State highway right-of-ways. The reason he brings this up is they are doing a lot of work in the North Kohala area; and because DOT is so protective of their right-of-ways, they do not want waterlines, telephone lines, or power lines in them. Rights-of-way, besides access, they are utility corridors for the public. By taking this position, the DOT is requiring a lot of people to go to private landowners to obtain easements, so they have to pay for something that they are really entitled to in the State right-of-way. Experience in his prior employment was where they went out of their way to pay for right-of-ways in private property because the processing and the cost to operate within the State right-of-way was so expensive. For individual homeowners, they do not have choices. It just increases the cost of business and everything else that people complain about from living in Hawai'i.

The Manager agreed and added that this Department, as a utility, has every right to be in the right-of-way, according to the Hawai'i Revised Statutes. The Department has asked them to be reasonable because it is a utility and it is for the public's benefit, and this is a public right-of-way.

Mr. Goya agreed that maybe a letter could be drafted to the DOT and co-signed by the Manager and Chairman Mochida, to place additional emphasis on the concerns.

The Board questioned whether a Motion was needed to have a letter drafted.

The Manager replied that no motion was required and that he would draft a letter and bring it to the next meeting for the Board to look at.

Discussion followed regarding the two times this Department has sent letters to the Director of DOT (Mr. Rodney Haraga), inviting him to appear before the Board. The first letter was responded to by offering to send someone in his place, but that was not satisfactory to this Board. No response was received to the second letter.

Ms. Helfrich commented that maybe it is time to write the letter to the Governor's office because this could be a very serious taking advantage of county government or a utility. This deserves a lot better attention.

Mr. Smith mentioned that Mr. Brennon Morioka, Deputy Director of DOT, has been coming to a lot of community meetings in Waimea. He thought if he is invited to a Board Meeting, he may

come. He could be provided with the Board's meeting schedule for the next six months and see which one he can make.

The Manager mentioned the Highway Utilities Meetings, in which Mr. Ahuna of this Department attends quarterly.

Mr. Ahuna reported that the meetings are held in an effort to coordinate projects that are within the State highway. He had mentioned this Department's concern about doing work in State highways; and right now, they are trying to draft several memorandums of understanding and the use and occupancy agreement that is like a generic form DWS has to sign off on that it is responsible for anything it does in the State highways. As far as pushing it along, he does not think that committee has any power. It is just a coordinating committee.

The Board deferred this item until the November 22, 2005, Water Board Meeting.

I. **EXECUTIVE SESSION:**

Chairman Mochida asked that the Board take a five-minute break but first vote to go into Executive Session after the break, and entertained a Motion.

MOTION TO ENTER EXECUTIVE SESSION: Ms. Helfrich moved that the Board convene an executive meeting regarding the following case, pursuant to Section 92-5(a)(4), Hawai'i Revised Statutes (HRS), as amended, for the purpose of consulting with its attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities on the matter of *Attorneys, BAUMAN, LOEWE & WITT, claim for subrogation on behalf of The Hartford and John & Irene Mcculloch regarding damages to Unit #A103, Kaulana at Kona*; seconded by Mr. Wilkins.

Mr. Goya asked if Executive Session could be deferred until the end of the Agenda. He thought that it would flow much better, and the Executive Session could be handled very quickly without disruption of other matters.

Chairman Mochida stated that there are only two more items to cover under the Manager's Report after the Executive Session.

ACTION: A vote was taken on the Motion. Motion carried as follows: Ayes: 5 - Ms. Helfrich, Messrs. Heck, Konanui, Wilkins, and Chairman Mochida; Nays: 2 - Messrs. Goya and Smith; Absent: 2 - Mss. Kim and Scarr.)

BREAK: 11:02 a.m. to 11:16 a.m.

Executive Session began at 11:16 a.m. and ended at 11:43 a.m. (Ms. Springer left the meeting at 11:30 a.m.)

ACTION: Mr. Goya moved to accept Corporation Counsel's recommendation; seconded by Mr. Wilkins and carried unanimously by voice vote.

J. **MANAGER'S REPORT:**

- 1) Kona Coastview/Wonderview Improvement District project - project going well. Chairman Mochida stated that something the Board should know is that Ms. Lillian Matsumoto is going to be raising the rates for her customers. Information is from a landowner there.
- 2) USGS Drilling Program - The Manager reported that the drill rig is down to 1,800 feet.

In response to Mr. Wilkins' question if they will go to sea level, the Manager replied in the affirmative.

The Manager mentioned that this Department has been working with the Mayor's Office in an attempt to get release of the money (\$6 million) for Hawaiian Ocean View. The request was sent to the Governor. As of this morning, no word has been received if release of the money was made. The Mayor had asked this Department to administer the project. As soon as they have the release, the intent is to procure a consultant to do the design. A community meeting will be held to see what they want. He mentioned a meeting he had with Mr. Bob Barry and Mr. Don Nitsche a few days ago, and he explained the procedures to them.

Ms. Helfrich asked if it might make sense to consider writing a letter to the Governor to ask for the release of the funds for the Hawaiian Ocean View Estates project.

Mr. Heck thought that was a good idea. Chairman Mochida asked Ms. Helfrich to work on something, for review by Corporation Counsel.

Mr. Heck stated that the community cannot help but try to make some progress with community development, based on facts that have not happened yet--the water well. He asked at what point will DWS consult with the community to find out if the park is the proper place for a well.

The Manager replied that what the Department plans to do is the minute the word comes in that the money is released, it will procure the consultant, brief the consultant, and have them come up with about four different scenarios and take them to the community to choose what one they want to design for.

Mr. Heck stated that there was a letter that went to the Mayor--he asked different organizations to recommend a specific plan. He thinks they are in agreement of what it is they expect, based on the water plan from Townscape, Inc.

The Manager stated that when this Department goes to the community, if they give that information and are all in agreement, that is what will be designed.

Mr. Heck asked if the expectation is to have general meetings at the community center.

The Manager replied the first one will be in the community; and then after that, probably just select people to look at the plans. Also, at some point in time, this Board will have to decide,

if the question comes up, if it is going to take over this system or leave it in the private hands of the community; however, that is premature right now.

- 3) Kona Water Quality - consultant work still ongoing.
- 4) County Employee of the Year Program - the Department of Water Supply is submitting three names this year--Ms. Gwen Sugahara, Personnel Clerk, for employee of the year nominee; Mr. Robert Ravenscraft, Water Service District Supervisor II, Kona Office, as supervisor of the year nominee; and Mr. Richard Sumada, Assistant Waterworks Controller, as manager of the year nominee.
- 5) Employee of the Quarter presentation - Mr. Kurt Inaba, Engineer IV, with the Engineering Division was presented with the Employee of the Quarter award for the third quarter of 2005. Mr. Ahuna briefed the Board on Mr. Inaba's achievements and performance, including Young Engineer of the Year Award from the Hawaii State Professional Engineers local chapter, and was granted the William Thompson Award from the Hawaii Water Works Association.

K. CHAIRMAN'S REPORT:

Ms. Self mentioned a letter she had distributed to the Board reminding members that if they voice any opinions on water issues outside of the Water Board Meetings, to make sure it is known that they are personal opinions and not those of the Water Board, unless the Board gives that authority on behalf of the Board. She understood that Mr. Wilkins was going to be speaking in public, and that would be something to keep in mind. Mr. Wilkins indicated that he had given one talk already and had informed his audience that he was a member of the Water Board; however, he was speaking as an individual.

ANNOUNCEMENTS:

1. Next Meeting:

The Water Board chose to move the location of its upcoming November 22, 2005, meeting to the Hilo Operations Center; 889 Leilani Street, Hilo, Hawai'i, because R. W. Beck, Inc., will be making an hour-long presentation on their progress on the Water Use Development Plan. The meeting time remains 10:00 a.m.

STATEMENTS FROM THE PUBLIC

None.

ADJOURNMENT

ACTION: Mr. Heck moved for adjournment of the Meeting; seconded by Ms. Helfrich and carried unanimously by voice vote. (Meeting adjourned at 12:00 p.m.)

Secretary

The Department of Water Supply is an Equal Opportunity provider and employer. To file a complaint of discrimination, write: USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington DC 20250-9410. Or call (202) 720-5964 (voice and TDD)