

MINUTES

DEPARTMENT OF WATER SUPPLY
COUNTY OF HAWAI'I
WATER BOARD MEETING
October 26, 2004

HILO OPERATIONS CENTER CONFERENCE ROOM

MEMBERS PRESENT: Mr. Ivan Mochida, Vice-Chairman
Mr. Thomas Goya
Mr. Loren Heck
Ms. Pamela Hons
Ms. Sandra Scarr
Mr. George Wilkins
Mr. Milton D. Pavao, Manager (ex-officio member)

ABSENT: Mr. Earl T. Nakashima, Chairman
Mr. Bernard Konanui, Water Board Member
Mr. Bruce McClure, Director, Department of Public Works
(ex-officio member)

OTHERS PRESENT: Ms. Katherine Garson, Deputy Corporation Counsel
Mr. Darrin Arai, representing Mr. Christopher Yuen, Director, Planning
Department (ex-officio member)
Mr. Kenneth Kaneshiro

Department of Water Supply Staff:

Mr. Quirino Antonio, Deputy Manager
Mr. Glenn Ahuna, Engineering Division Head
Mr. Richard Tsunoda, Waterworks Controller
Mr. Dennis Lee, Chief of Operations
Mr. Keith Okamoto, Engineering Division
Mr. Kurt Inaba, Engineering Division
Mr. Richard Sumada, Assistant Waterworks Controller
Ms. Crestita Hudman, Customer Service
Mr. Clyde Young, Mechanical Engineer (from 11:45 a.m.)

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

STATEMENTS FROM THE PUBLIC:

None

APPROVAL OF MINUTES:

ACTION: Ms. Scarr moved for approval of the Minutes of the September 28, 2004, Water Board Meeting; seconded by Mr. Goya and carried unanimously by voice vote.

APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA

ACTION: Ms. Scarr moved to add Addendum Items SOUTH HILO (B) Job No. 98-721 Request for Contract Time Extension; and SOUTH KOHALA (A) Job No. 97-684 Request for Contract Time Extension; seconded by Mr. Heck and carried unanimously by roll call vote (Ayes: 6 - Mss. Hons and Scarr and Messrs. Goya, Heck, Mochida, and Wilkins; Nays: 0; Absent: 2 - Mr. Konanui and Chairman Nakashima).

PUNA:

A. JOB NO. 2000-767, OLAA NO. 6 EXPLORATORY WELL:

The Board considered a request from the contractor for a 73 working-day time extension. This request is due to Notice to Proceed date (2/18/04) preceding the execution of a Well Construction Permit for the well drilling (5/3/04) which equates to 51 working days; 16 working days for rain-out; and 6 working days for material and outside service delays.

Staff has reviewed the request and finds that the 51 working days for Well Construction Permit and the 16 working days for rain-out are justified for a total of 67 working days. This is the first time extension request for the project.

The Manager recommended that the Board approve a contract time extension of sixty-seven (67) working days from November 13, 2004, to February 18, 2005, to Water Resources International, Inc., for JOB NO. 2000-767, OLAA NO. 6 EXPLORATORY WELL.

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

SOUTH HILO:

A. JOB NO. 98-705, HONOMU EXPLORATORY WELL:

The Board considered a request from the contractor for a 19 working-day time extension. This request is due to rain-out days (12) and delay due to casing manufacture and shipping (7). Staff has reviewed the request and finds it acceptable.

This is the third time extension request for the project.

The Manager recommended that the Board approve a contract time extension of nineteen (19) working days from November 10, 2004, to December 17, 2004, to Water Resources International, Inc., for JOB NO. 98-705, HONOMU EXPLORATORY WELL.

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

B. JOB NO. 98-721, KAWAILANI NEW 1.0 MG CONCRETE TANK & REMOVAL OF EXISTING 0.5 MG STEEL TANK:

The Board considered a fifth contract time extension request from the contractor, Jas. W. Glover, Ltd., for 265 calendar days. Engineering staff has reviewed the request and finds that the 265 calendar days are justified.

The Manager recommended that the Board grant this extension of contract time of 265 calendar days to Jas. W. Glover, Ltd., for JOB NO. 98-721, KAWAILANI NEW 1.0 MG CONCRETE TANK & REMOVAL OF EXISTING 0.5 MG STEEL TANK. If approved, the contract completion date will be extended from July 30, 2004, to April 21, 2005.

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

The Manager had the Department's project engineer, Mr. Kurt Inaba, explain the reason for this request.

Mr. Inaba explained that the approved paint specified in the contract is no longer carried by the manufacturer. The contractor needed to get NSF approval (National Sanitary Foundation) for a new product, meaning the product may come in contact with potable water. Also, there were additional requirements for preparing and repairing the reservoir surfaces, beyond the original manufacturer's requirements. After investigation by the consultant into the replacement products, they were manufactured (not a stock item) and are scheduled to arrive on November 11, 2004. It will take an additional 44 calendar days to complete the preparation work. The remainder of the project is per the original schedule (117 calendar days). The consultant, Wesley R. Segawa & Associates, Inc., has reviewed the manufacturer's procedures and finds them acceptable.

Discussion followed regarding whether this was the fault of the contractor. Mention was made by the Board about the fact that the contractor is supposed to provide what is specified in the contract documents and should absorb any deviations from it. Staff explained that the contractor had no control over discontinuance of the original product. Discussion was also directed toward the subcontractors; however, Vice-Chairman Mochida reminded the Board that it is dealing with the contractor here, as the contractor is the one this Department holds the contract with. Mr. Wilkins did not feel that the supplier offered enough justification, and a lesson should be learned from this experience.

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

SOUTH KOHALA:

A. JOB NO. 97-684, CONSTRUCTION OF THE PUUKAPU-NIENIE BOOSTER PUMP STATION NO. 1 & NO. 2 REPLACEMENT:

The Board considered a 61 calendar-day contract time extension from the contractor, Dick Pacific Construction Company, Ltd. This third extension request was reviewed by Engineering staff and determined to be justified.

The Manager recommended that the Board grant Dick Pacific Construction Company, Ltd., a 61 calendar-day extension for JOB NO. 97-684, CONSTRUCTION OF THE PUUKAPU-NIENUE BOOSTER PUMP STATION NO. 1 & NO. 2 REPLACEMENT, from October 31, 2004, to December 31, 2004.

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

Ms. Scarr noted that the delay due to Verizon was the same problem as before, and Mr. Wilkins asked if it is any closer to being resolved.

The Manager stated that staff is in constant contact with contractors when situations occur; however, utilities have their schedules too.

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

Before moving on to the next item, Ms. Scarr expressed her concern that when the Department makes its contracts, it needs to be very specific. She feels that if something goes wrong, the contractor should cover it and has to deliver that contract. Understanding there is no extra money involved here, the other issue is the delay in time; and that costs the Department as well.

NORTH KONA:

A. JOB NO. 2002-806, CONSTRUCTION OF THE MAMALAHOA HIGHWAY WATERLINE IMPROVEMENTS - PHASE I:

Bids were opened on October 14, 2004; and the results were enumerated in the Agenda.

Project Scope: This project consists of paying for all labor, materials, tools, and equipment necessary for installing approximately 7,407 lineal feet of new 16-inch waterline and related appurtenances and the removal and disposal of the existing 8-inch waterline and appurtenances as shown on the construction plans. The contractor will have 360 days to complete the project after Notice to Proceed is issued. Funds are available from the C.I.P. budget and from the USEPA Spigot Grant.

The Manager recommended that the Board award the contract for JOB NO. 2002-806, CONSTRUCTION OF THE MAMALAHOA HIGHWAY WATERLINE IMPROVEMENTS - PHASE I, to the lowest responsible bidder, Isemoto Contracting Co., Ltd., for the bid amount of \$1,888,855.00 plus \$151,108.00 in construction contingency for a total contract amount of \$2,039,963.00, subject to review as to form and legality of the contract by Corporation Counsel.

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

In response to Ms. Scarr's question of the project location, the Manager replied it is on the road between Palani junction and Honalo, and is in an effort to utilize the high-level water for the lower areas.

Mr. Heck asked about the project funding; and in particular, the mention of the USEPA Spigot Grant. He questioned if a spigot will be included in the project, and also if this means money will be taken from the \$900,000.00 grant allotted to the County.

Manager explained that there would be no spigot there. He explained that this was a matching type program with USEPA whereby the Department had to show that it would spend about \$400,000.00+ to match that grant money. There will be no money taken from the grant money for this project.

Mr. Wilkins noticed that it seems like the rate of water flow along that waterline is increasing by at least a factor of four (from an 8-inch pipe to a 16-inch pipe). He asked if the pipeline is primarily for distribution of high-level water to the high-level users and down the easements.

The Manager replied that this project would basically be a transmission line to transmit water from the wells to areas that people want to use it, and will take it to Palani Road junction. There is still a need for projects to transmit the water farther down from that junction.

Mr. Wilkins commented on the tremendous expansion of building along the upper stretch of Mamalahoa Highway where the ditch is, and this project is probably very timely. He just worried about the equation of the availability of high-level water and the users of that water--many of whom are down at the coastline, or will be. He asked if the Manager were certain that a 16-inch pipeline would be enough to handle this distribution in the future.

The Manager replied that the consultant conducted capacity studies.

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

B. ASSIGNMENT OF HASEKO WATER AGREEMENT WATER UNITS:

SUNRA COFFEE, LLC, owner of forty-six (46) units acquired through the Haseko Agreement, assigned to TMK 7-5-001:044, desires to assign fifteen (15) of these units to Wainani 42 LLC, to be used on TMK 7-5-001:027.

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

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

Ms. Scarr expressed her concern that it seems like this means transferring water rights to a different company that the Department/Board are not party to. The Department has thousands of outstanding water rights and people paying fees--it may become a black market in water rights.

Water rights are extremely valuable. The Department grants them for a set fee. People could be selling them for hundreds of thousands of dollars.

Mr. Wilkins agreed it sounds like a case of some of the banked water rights are now coming out from the shadows. We essentially know nothing about what the rate of return is and who gets the profit as you expend funds from this bank. He asked Ms. Garson if the Board has the authority to ask or demand that the exchange of monies for the transfer of these water rights be made public knowledge.

Ms. Garson replied she was not certain of what provisions are contained in this particular agreement but would check into it.

Ms. Scarr suggested that this be deferred until it is made known what is changing hands--this is changing from one company to another. There is opportunity in North Kona and South Kohala for enormous speculation in water rights. She did not like this, without the knowledge of what is changing hands.

Mr. Wilkins saw the potential of water rights being handed around and agreed with Ms. Scarr's idea of asking for a legal briefing of what is involved, what our rights are, and how far they extend. A one-month deferral until we can get such a presentation cannot hurt anyone.

MOTION TO DEFER: Ms. Scarr moved to defer this matter until Corporation Counsel can review the agreement between Sunra Coffee LLC and Wainani 42 LLC with respect to the water rights and their transfer; seconded by Mr. Wilkins.

Staff asked for clarification of this deferral request.

Ms. Scarr stated that she wants to know what affects the water rights and any value changing hands.

Mr. Wilkins stated that one question here is what the real value is of these water rights in a transaction. It is easy to imagine a situation in which the owner or developer of a tract of land does not have access to water rights because the area is in generally short supply. If that is so, the only recourse left for him is to get someone else to transfer water rights to him. On a scale of housing that is being built in the upper Kona coast right now, half a million as a starting point for a moderate home, that \$5,500.00 cost for one water right could easily become \$55,000.00 in a secret deal. He is also suspicious.

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

C. CAPITAL ASSESSMENT FEE – NORTH KONA WATER SYSTEM:

At its regular meeting of September 23, 1986, the Water Commission, now known as the Water Board, instituted a \$500.00 capital assessment fee for the North Kona Water System. The fee is allowed in accordance with the Department's Rules and Regulations, Rules 3-1(2) and 4-1(2). The fee was required to assist the Department in financing source development projects in the North Kona Water System.

The Manager recommended that the Water Board rescind the directive to collect the \$500.00 capital assessment fee for source development in the North Kona Water System. The rescission shall be effective upon the date of approval of the Water Board. Further, the fee shall continue to be collected for ongoing developments, provided it was previously required as a condition of approval.

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

Ms. Scarr stated that the Water Board (then known as the Water Commission) made this decision several years ago, and she was pleased to see this change being made. Her belief is to treat everyone equally.

Some questions were asked for clarity and explained by the Manager--this covers all of North Kona and is not retroactive. Example, for documents already ongoing, this decision does not apply. For all those received after this decision today, it will apply.

Mr. Goya suggested a notification period--example, have it effective the beginning of the calendar year.

The Manager did not think that was necessary because the people the Department deals with after this meeting (new applicants), will not be told about this fee because it will not be in effect.

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

SOUTH KONA:

A. STANDARD OPERATING PROCEDURE REGARDING SODIUM:

At the last Water Board meeting, a draft procedure was presented for review. This meeting is to determine if the Board wishes to approve this procedure.

The Manager recommended that the Water Board approve this procedure regarding sodium.

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

Ms. Scarr stated that she discussed this with some people that were concerned about it, and they wondered if 60 mg per liter was too high a limit.

The Manager stated that it also mentioned that people on sodium-restricted diets should consult their physician. The recommendation that Mr. Okamoto researched is 20.

Ms. Scarr questioned if this criterion were changed to levels greater than or equal to 20 mg per liter, would the Department be testing a number of more wells. If it would only be about five more wells, from a public relations point of view, it might be worth it; and it should not be a huge additional cost to sample a few more wells to get it down to 20.

Mr. Okamoto stated he would have to research how many more wells would be required.

The Manager suggested if the Board wants to reduce the 60 down to 20, to defer until the Department can show the difference in cost to test extra wells.

Mr. Heck stated that the notice mentions at the end that the Keei Well D repair work is expected to last two weeks. He wondered if it would be good idea to include a date when the levels are expected to come down. Readers may think that the “two weeks” is from the time they are reading the article.

Staff indicated that this notice already went out because the transformer went down; and action was taken before this Board Meeting in order to get the word out.

MOTION WITHDRAWN: Ms. Scarr moved to withdraw the Motion to approve; Mr. Goya withdrew his second.

DEFERRAL: Ms. Scarr moved to defer this item with respect to the public notification procedures regarding sodium until next meeting when the Board reviews additional information; seconded by Mr. Goya and 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. **LICENSE EASEMENT NO. 545**
HILO SCATTERED LOTS - PIIHONUA SITE
E.W.O.: 2002-031
Grantor: Department of Hawaiian Home Lands
TMK: (3) 2-3-025:014 to 017 and 047
Lots: 17 plus 1 roadway lot
Facilities Charge: \$71,950.00
Final Inspection Date: September 10, 2004
Water System Cost: \$115,955.00

2. **GRANT OF EASEMENT AND BILL OF SALE**
Subdivision Application No. 2003-147
E.W.O.: 2005-022
Grantor: Edward A. and Lorie J. Machado
Lots: 5 (2 Existing, 3 Additional)
Facilities Charge: \$18,880.00
Capital Assessment Fee: \$1,500.00
Final Inspection Date: October 8, 2004
Water System Cost: \$43,050.00

**3. GRANT OF EASEMENT
(For Fire Hydrant Purposes)**

Grantor: Yoshio Miyashiro and Betty K. Miyashiro
TMK: (3) 2-8-013:portion 057

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.

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

B. VEHICLE AND EQUIPMENT BID NO. 2004-08, FURNISHING AND DELIVERING VEHICLES AND EQUIPMENT TO THE DEPARTMENT OF WATER SUPPLY:

Bids were opened on October 13, 2004; and the results were enumerated in the Agenda.

For Part "B," no bid was received. Therefore, staff shall obtain quotations in the best interest of the Department.

The Manager recommended that the Board award contracts to the following, subject to approval of contracts by Corporation Counsel and that either the Chairman or the Vice-Chairman be authorized to sign the contracts:

eVehicles of Hawaii LLC - Part "A" - \$62,603.88 (delivery time 175 calendar days)

Clark Automotive Group, Inc., dba Island Chevrolet - Parts "C," "D," "E," "F," and "G" for a total amount of \$162,547.84 (delivery time 150 days for Parts D, F, and G, and 180 days for Part E).

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

C. PROFESSIONAL SERVICES AGREEMENT:

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

1) Haaheo Water System Improvements

Job No. 2004-840

Project Scope: The scope of the services for this contract includes the survey, preparation the environmental assessment, mechanical efficiency analysis of booster pumps and the preparation of construction plans, specifications, bid proposal, and cost estimate for the installation of 7,800 feet of 12-inch transmission water main from our recently completed Haaheo Booster Pump to the Haaheo Reservoir No. 2.

Consultant Fee (estimate): \$130,800.00

Construction Cost Estimate: \$1,400,000.00

2) Keopu-Puuhonua Production Well and 0.5 MG Reservoir was previously approved at the May 25, 2004, Board meeting. However, subsequent discussions with staff and management determined that a 1.0 MG reservoir was worth pursuing instead of a 0.5 MG reservoir. Therefore, a contract change order for additional design work must be processed. It should also be noted that \$7,610.00 of the change order amount below is to process a NPDES permit, not due to the change in the scope of the project.

Consultant: Tom Nance Water Resource Engineering

Original Fee: \$246,581.00

Change order: \$ 39,280.00

Revised Contract Amount: \$285,861.00

The Manager recommended that the Board approve the new project (Item No. 1 - Haaheo Water System Improvements) and also approve the change order and that either the Chairman or the Vice-Chairman be authorized to sign the documents, subject to approval of our Corporation Counsel.

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

Ms. Scarr asked why the consultant needs additional money to prepare for a 1-million gallon tank rather than 0.5 million gallons as there was previous discussion about going with 1 million gallons in those situations for all projects. The Department should already have a 1-million gallon tank design since they are being constructed all around the island.

The Manager explained that the seismic zones vary, and this zone has been upgraded from a category three to a category four. The design will also change in this circumstance.

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

D. STRATEGIC PLAN/ANNUAL BUSINESS PLAN:

Information presentation to be made by the “champions” of the next three strategic initiatives and tactics listed in the 2004-2005 Annual Business Plan:

1. Milton Pavao - His initiatives and tactics are to explore opportunities to provide water for non-potable uses. He explained that he has been working with Lower Hamakua Ditch representatives to ensure that it continues. He has been working with the Department of Agriculture to expand their system. He has also been exploring if the County can provide flexibility as far as effluent from the treatment plants because that is good agricultural water. Also looking at areas where wells may be developed strictly for irrigation. That poses different problems because you have to make sure nobody drinks that water.

Ms. Scarr noted that Maui County does more with wastewater than this County.

The Manager added that what makes this County different is that it is more spread out.

2. Quirino Antonio - His tactics are to review and improve communications among staff, management, and Board. In this effort, he has been working on the acceleration of the GIS program. There may be a lot of cost needed to get it going. The other tactic is the Department's website, which is already up and running but needs improvement. The next tactic is to improve information and public relations specialist strategic and business plan manager. He is working on a position description (PD). Hopefully by end of fiscal year (PD's take awhile).
3. Crestita Hudman - Her tactics are to improve coordination and relationship with external stakeholders, including customers and other agencies. She considers the Department, management, staff, and everybody as a customer. The most important ingredient is communication. She has also been looking through forms used by the Customer Service Section--whether internal or between the Department and its customers. Most need updating. For other agencies such as the Sewer Department, with whom this Department works closely, they have them involved in the communication process prior to subdivision dedications and inform them of such dedications. They, in turn, inform us if they are on sewer or not. Communication between these two departments has been improving. The biggest challenge yet is State Highways.

Discussion followed on the topic of having the Mr. Rodney Haraga, Director State Highways, come to one of the Water Board Meetings. The Manager noted that he had already been invited as a result of a prior meeting, but was going to send a representative. The Deputy Manager added that the Director recently visited with our Mayor. Mayor Kim was provided with our concerns and he gave assurances that he would forward them to Mr. Haraga. Also mentioned were the meetings on Oahu by that department that Mr. Ahuna has been attending. When asked what his impressions were of those meetings, Mr. Ahuna replied that it was his impression that they do not want anybody else within their right-of-way. They want a memorandum of agreement between the utilities and their department and something specifically each project. It is really involved.

Mr. Heck asked if they are going through the process of resolving it or are they just dodging any issue that comes up that has to be resolved.

Mr. Ahuna replied that he thinks it is the whole process they have to go through--not just the engineering review, but the legal process also. The Manager added that they are even thinking of assessing this Department a fee to put waterlines in the highway right-of-way. Mr. Ahuna continued that they also want you to take out existing material if you replace utility lines within their corridor. They have gone so far as to agree with the Honolulu Board of Water if it is a non-toxic material that is being discarded, it can be left there; but if it is toxic, it has to be taken out, such as asbestos pipeline. The Manager added that it will more than double the cost of pipeline installations.

The Board agreed to have the Manager draft a letter to the Director of the State Department of Transportation, asking him to meet with the Board. Letter to be signed by either the Chairman or the Vice-Chairman.

Ms. Scarr asked that if we succeed in getting the Director to come, staff needs to brief the Board on some specifics of impediments to our progress by the DOT. Also, we need to invite the local representatives to be present.

Vice-Chairman Mochida asked that the Manager let the Board know what the response to the letter is.

E. **MONTHLY PROGRESS REPORT:**

Ms. Scarr asked for an update on the Keei Well D and also asked about the Department's capability to put out newsletters with its water bills like some other departments do. Her feeling is that it is important to get the word out on where to go for assistance with different customer matters and also when wells are down, such as Keei.

In response to Mr. Goya's questions about the upcoming Kuakini waterline project, the Manager stated that the project will be next year. The Department of Public Works project will be starting soon.

F. **REVIEW OF MONTHLY FINANCIAL STATEMENTS:**

Questions were asked about collection efforts; and in particular, the Matsumoto account. Ms. Scarr asked Ms. Garson to pursue this matter because Mrs. Matsumoto should be paying this Department if she is collecting from the users of the Matsumoto Water Company.

RECESS: 11:18 a.m. to 11:28 a.m.

G. **EXECUTIVE SESSION:**

ACTION: Ms. Scarr moved that the Board enter Executive Session for the following matters; seconded by Ms. Hons and carried unanimously by voice vote.

1) *Manager's Evaluation*

The purpose of this meeting is to consider the evaluations of the Manager, as authorized by Hawai'i Revised Statutes, Sections 92-4 and 92-5(a)(2).

2) *First Insurance of Hawaii (Kaulana at Kona)*

The purpose of this meeting is to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, and liabilities, as authorized by Hawai'i Revised Statutes, Section 92-4 and 92-5(a)(5).

3) *Association of Apartment Owners Kaulana at Kona*

The purpose of this meeting is to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, and liabilities, as authorized by Hawai'i Revised Statutes, Section 92-4 and 92-5(a)(5).

H. **MANAGER'S EVALUATION:**

ACTION: Ms. Scarr moved to defer the Manager's evaluation until the November 23, 2004, Water Board Meeting; seconded by Ms. Hons and carried unanimously by voice vote.

I. **MANAGER'S REPORT**:

1. Kona Coastview/Wonderview status - Notice to Proceed has been set for December 5, 2004. The contractor agreed to hold a groundbreaking ceremony. The date has not been set yet. They have agreed to provide some refreshments.
2. USGS Drilling Program - the rig has begun drilling at Ocean View. After discussion about the future of the drilling program, Ms. Scarr asked that an Agenda item be included at a future meeting to discuss where we want to drill exploratory wells, as the USGS drilling program will be discontinued after this drill is completed. She mentioned that the Board would like to be part of the discussions on where to go from here.
3. Kona Water Quality - meetings with Kamehameha Investment Corporation still ongoing. Ms. Scarr inquired about the contract with Brown & Caldwell. She asked about the scope of work. The Manager stated they will determine the best way to improve the water quality coming from the Kahaluu Shaft. Deputy Manager stated the contract is in the stages of being executed.
4. 2005 Water Board Schedule - place Agenda item on for next month to discuss next year's schedule. Mr. Wilkins stated that he enjoyed the meeting in Ocean View, and that location could tie in nicely with the South Kona to Kau Water Master Plan to actually see some of the facilities.
5. County Employee of the Year Program - the Manager announced that three of the Department's personnel are nominated in the program. In the Management category is Mr. Glenn Ahuna (Engineering Division Head); in the Supervisor category is Ms. Patsy Takeguchi (Secretary-Administrative Assistant); and in the Employee category is Ms. Doreen Shirota (Secretary).
6. Ms. Scarr mentioned a Water Source Assessment sponsored by EPA carried out by DOH/UH. They had mapped an area around every well on this island, most of which this Department does not own. They are looking for contamination flow and are determining the scope of the protected area around each well and the potential contaminants. This has huge implications for this Department in terms of future plans in locating well sites. We should know more about this. Mr. William Wong said he would be happy to come and speak with the Board.

The Manager stated that he has been provided with a copy of this Assessment and will bring it with him to the next meeting. He added that it already affected one land acquisition because when the owner found out the impact it would have to his land, he backed out.

7. Ms. Scarr mentioned Ms. Yvonne Izu, Acting Director of CWRM, had spoken at the HWWA Conference on Maui. She had reviewed the legal status of our aquifers, and it was quite an eye opener. CWRM made an informed decision that people whose land the water is under have some rights to that water. This differs from what was known as the State owning the water under Hawai'i. This case came about as a result of two brothers in Maui who own land under which there is water the Maui Department of Water has interest in. The CWRM said they have some interest in it too. Based on this new direction, the DHHL has established reservations on water under their lands in Maui and are trying to do it on Oahu all over the

State. If they are successful, it will affect potential for development of water supply since they own more land on this island than any other island. She added that Ms. Izu expressed the desire to come speak to this Water Board.

8. Mr. Heck mentioned something discussed last month that was supposed to be on the Agenda, and that was the discussion of how to assist areas that are not currently connected to County water. The Manager suggested that since there are so many topics the Board wants to hold discussions on, perhaps a special meeting might be in order. For instance, the Agenda item to discuss the Governance Policies needs more time. He offered to get a consensus from the Board on whether to reserve an entire day at a future meeting or to set a special meeting date. Ms. Garson reminded the Board that it is one member short and two more members will be leaving after December. If there are going to be discussions on matters of significant interest, it might be a good idea to wait until next year, just as a suggestion.

J. **CHAIRMAN'S REPORT:**

None

K. **WATER BOARD GOVERNANCE POLICIES:**

DEFERRAL: Mr. Goya moved to defer; seconded by Ms. Scarr and carried unanimously by voice vote. It was decided to put this item on the next agenda. If the Board is willing to stay late to discuss it, it may; or it may be deferred again.

ANNOUNCEMENTS:

Next Meeting:

The next meeting of the Water Board will be held on November 23, 2004, in the Royal Kona Resort, Discovery Room, 75-5852 Ali'i Drive, Kailua-Kona, Hawai'i.

STATEMENTS FROM THE PUBLIC

None

ADJOURNMENT

ACTION: Mr. Goya moved for adjournment of the meeting; seconded by Mr. Heck and carried unanimously by voice vote. Meeting adjourned at 12:07 p.m.

Secretary

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