

MINUTES

DEPARTMENT OF WATER SUPPLY  
COUNTY OF HAWAII  
WATER BOARD MEETING  
November 23, 2004

ROYAL KONA RESORT - DISCOVERY ROOM

MEMBERS PRESENT: Mr. Earl T. Nakashima, 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. Ivan Mochida, Vice-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. Bennett Mark, representing Mr. Christopher Yuen, Director,  
Planning Department (ex-officio member)  
Ms. Claire Bender

Department of Water Supply Staff:

Mr. Quirino Antonio, Deputy Manager  
Mr. Glenn Ahuna, Engineering Division Head  
Mr. Daryl Ikeda, Acting Chief of Operations  
Mr. Richard Tsunoda, Waterworks Controller  
Mr. Richard Sumada, Assistant Waterworks Controller  
Mr. Keith Okamoto, Water Quality Control and Assurance Branch  
Mr. Lawrence Beck, Engineering Division

CALL TO ORDER: Chairman Nakashima called the meeting to order at 10:02 a.m.

STATEMENTS FROM THE PUBLIC:

None.

APPROVAL OF MINUTES:

ACTION: Mr. Wilkins moved for approval of the Minutes of the October 26, 2004, Water Board Meeting; seconded by Ms. Scarr and carried unanimously by voice vote.

APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA

None

NORTH KOHALA:

A. **CONSTRUCTION RIGHT-OF-ENTRY AGREEMENT - HALAULA WELL SITE:**

The Department is desirous of installing a production well, within a portion of Tax Map Key 5-3-004:001, more specifically upgradient of its existing tank site in Halauala (5-3-004:005). In order to expeditiously proceed with the soil testing, conducting surveys, and drilling the exploratory well, prior to finalizing the land acquisition from Surety Kohala, the current owner, it was deemed appropriate to obtain this right-of-entry agreement in the interim.

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

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

In response to Mr. Heck's question as to what subdivisions or population this will be serving, the Manager replied it is the entire area. Halaula will supplement two wells in Hawi and serve a broader Kohala area.

Ms. Scarr asked for the status of the Kohala Ranch water system (they may possibly try to expand their water rights to service other subdivisions); and if they would be dedicating it to this Department.

The Manager replied that they are serving a couple of private subdivisions just below them, and also the State of Hawai'i, Department of Hawaiian Home Lands (DHHL), subdivision. DHHL tried to drill their own wells, but they were not suitable for production. Therefore, they will also be buying water from Kohala Ranch. They have not indicated they want to dedicate it to this Department.

In response to Chairman Nakashima's question on the timeframe for completion of this well, the Manager replied it would take approximately 2½ years until a complete production well is in place.

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

NORTH KONA:

A. **ASSIGNMENT OF HASEKO WATER AGREEMENT WATER UNITS:**

This matter was deferred at the October 26, 2004, Water Board Meeting. The Manager recommended that the Board approve this assignment and 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. Goya moved for approval of the Manager's recommendation; seconded by Ms. Scarr.

Ms. Garson noted that a representative was supposed to have come to the meeting today to answer questions. Since that person was not present, she suggested the Board may want to defer it once more.

Some Board Members had the same reservations about approving this without more background information, even though the Manager had explained that the Agreement provided for the transfer and it may be a violation of the Agreement not to allow it. The Board felt it has the right to defer until a representative is present to answer questions.

Mr. Goya felt that the Board needed more discussion on this. Assuming Haseko made a long-term commitment a while ago, and the project did not come to fruition in the timetable they had (assuming their plan was to develop their property when they made this contractual agreement), they took the risk. Since they are transferring in smaller increments, he did not feel it is really a problem. He agreed with the rest of the Board that it should have more information on their plans, if they have so. Also, what the Board is asking for is purely informational regarding Haseko. What still needs to be addressed is the larger question--if the current contracts are more stringent--that is the kind of assurance that the Board wants.

Since some Board Members preferred deferral, Chairman Nakashima asked if the makers of the main motion would withdraw that motion. **Mr. Goya and Ms. Scarr withdrew their main motion.**

MOTION TO DEFER: Mr. Wilkins moved to defer action until the proponents of one or both sides of the water right transfer can appear before the Board to present facts and arguments in favor of such a transfer; seconded by Mr. Heck and carried by vote of *five ayes* (Mss. Hons and Scarr, Messrs. Heck, Wilkins, and Chairman Nakashima) and *one nay* (Mr. Goya). Two members were absent (Messrs. Konanui and Mochida).

**B. AGREEMENT FOR ASSIGNMENT AND TRANSFER OF WATER COMMITMENTS FOR KONA SOURCE AGREEMENT II:**

Pualani Estates, Inc., previous owner of Tax Map Key 7-5-017:035, wishes to assign seventy two (72) Kona Source Agreement II commitments, currently assigned to said parcel, to D.R. Horton-Schuler Homes, LLC, the current owners of the parcel.

The Manager recommended that the Board approve this Assignment Agreement, 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 Ms. Hons.

Chairman Nakashima noted that Ms. Claire Bender was present, on behalf of Schuler Homes, to answer questions.

Ms. Scarr noted that this has been going on over a year. She asked if this were a change in ownership and not moving the water rights from one piece of land to another.

Ms. Garson explained that this parcel and the water units resulted from the litigation with Pualani Estates, International Development, and Westpro Development; and the Agreement is the result of the settlement of that lawsuit. This is one parcel, and these units were assigned to that parcel. The water rights are staying on the same land.

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

(Ms. Bender left the meeting at 10:20 a.m.)

#### SOUTH KONA:

##### A. STANDARD OPERATING PROCEDURE REGARDING SODIUM:

At the last Water Board meeting, action was deferred pending staff's research as to how many additional sources would need to be tested if the threshold was lowered to 20 mg/L.

An additional 22 sources will need to be tested if threshold is lowered to 20 mg/L versus 60 mg/L. Of these 22, 5 (Akaka Falls Spring, Murphy Tunnel, Papaikou Spring, Maukaloa Spring, and Chaves Spring) are most likely influenced by water treatment for corrosion control. These sources are or were being treated by soda ash (which contains sodium) at the time they were analyzed.

The Manager recommended that the Water Board approve the procedure regarding sodium for sources that have shown sodium levels greater than or equal to 60 mg/L and or chloride levels greater than or equal to 250 mg/L.

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

Mr. Wilkins commented that he did not feel like anything was gained since the last meeting, and he believed there was room for compromise regarding the threshold of 60 mg/L (possibly lowering it to 40 parts per million). An alternative to that, or maybe combined with it, would be for these near threshold sodium content wells to be tested in shorter intervals than every two years--not monthly, perhaps, but at shorter intervals enough to still cut down on the cost of testing and still give a shorter sample interval for more up to date information on sodium contents of the suspect wells.

Mr. Okamoto explained that he left it at 60 because that number represents the wells that are of concern. The others are places where there are no chloride concerns, which is the other indicator of salt.

Ms. Scarr suggested using 40 mg/L instead of 60 mg/L as a compromise and wondered how many wells that would impact.

The Manager agreed that 40 mg/L was a good compromise and also agreed to test it once a year.

AMENDMENT: Mr. Wilkins offered a friendly amendment the motion to include the change from 60 mg/L to 40 mg/L (no objections).

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

MISCELLANEOUS:

A. **PROFESSIONAL SERVICES AGREEMENT**:

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

1) ENVIRONMENTAL ASSESSMENT FOR THE CONSTRUCTION OF THE ISLAND-WIDE WATER SPIGOTS FACILITIES

DWS Job No. 2004-841

Consultant: M & E Pacific, Inc.

Fee: \$107,500.00

The United States Environmental Protection Agency is providing \$780,000.00 to the County of Hawai'i for the design and construction of the project. The project involves the acquisition, development, and eventual construction of six potable water spigot sites in the County of Hawai'i. The project goal is to upgrade the existing water system and to provide the public with six sanitary water spigot sites to obtain potable water for domestic use. Possible locations for the spigot sites include Puna, Kau, South Kona, and Hilo.

The Professional Services Agreement contract with M & E Pacific, Inc., is for the preparation and filing of the Environmental Assessment of ten possible spigot sites. Upon completion of the Environmental Assessment, the County of Hawai'i will enter into lease agreement, purchase agreement, or permanent easement for the six approved sites. The Department of Water Supply is managing the environmental assessment, design, and construction phases of the project for the County of Hawai'i. This project will come from Federal funds. The Mayor asked the Department to do this project for the County.

Pursuant to Resolution 04-01, it is recommended that the Water Board approve the Agreement contract for this project. Upon approval, the projects' Agreement contract may then be fully executed.

2) Reed's Island Waterline Replacement

Project Scope: The scope of work for this project includes the topographic survey, design, preparation of plans and specifications, and the construction of approximately 2,500 feet of 6-inch waterline replacement along Reed's Island Road with replacement of the existing galvanized service laterals.

Public Works is scheduling the repaving of this road in June 2005 and according to their current policies, any utility work within a recently paved road will require the repaving of the entire road. Based on this policy and the recurring waterline and service lateral breaks in this section, a condensed project implementation schedule became paramount. With this in mind, it was

decided to utilize a design/build effort, a first for the Engineering Division, in order to expedite this project. The Manager added that this will also avoid having to tear up pavement, after being done by DPW, if this Department were to wait to do the project.

Construction Cost Estimate: \$ 250,000

The Manager recommended that the Board award the consultant contract for Job No. 2004-841 (Environmental Assessment) to M & E Pacific, Inc., for \$107,500.00 and that the Board approve a consultant contract for the design of Reed's Island Waterline Replacement, estimated construction cost \$250,000.00, and that either the Chairman or the Vice-Chairman be authorized to sign the documents, subject to approval of our Corporation Counsel.

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

Mr. Heck asked about the spigots (Item #1).

The Manager explained that the County is working with various landowners for sites to place the spigots. So far, they have six confirmed (covered in this contract) and are trying to get the other four.

Mr. Wilkins asked if the spigot design is relatively standard and how rapidly (gallons per minute) water can be delivered to trucks.

The Manager replied that the standard 2-inch meter delivers about 100 gpm. The design allows for truckers to and residents to fill up in separate areas of the site without interfering with each other.

Ms. Scarr asked about Hookena. It is difficult because there is no flat area.

The Manager stated the Department is trying to secure a piece of property in that area in order to relocate that standpipe.

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

**A. SSFM INTERNATIONAL, INC., AGREEMENT - VULNERABILITY ASSESSMENT AND EMERGENCY RESPONSE PLAN FOR ISLAND OF HAWAI'I WATER SYSTEM, JOB NO. 2003-835, CHANGE ORDER NO. 1 AND REQUEST FOR ADDITIONAL FUNDS:**

This change order consists of providing all professional services necessary to perform a Vulnerability Assessment and Emergency Response Plan in accordance with the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (P.L. 107-188) and 42 USC 300I, P.L. 108-76 ("Bioterrorism Act") for the Island of Hawai'i for the South Kona district. The South Kona district was inadvertently left out of the original contract. The Department and the Department of Health recently determined that the South Kona district served more than 3,300 persons. Since the original contract does not have funding for this Change Order No. 1, a request is also to provide additional funding in the amount of \$17,100.00.

The Manager recommended that a change order for the above services be awarded to SSFM International, Inc., for an additional \$17,100.00, and that an additional \$17,100.00 be added to the

contract funding, for a final total of \$267,085.00 and that either the Chairman or the Vice-Chairman be authorized to sign the change order for said services subject to the approval of Corporation Counsel.

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

**B. STRATEGIC PLAN/ANNUAL BUSINESS PLAN:**

(The Manager first mentioned that he had brought with him the "Source Water Assessment Program" manual mentioned last month, if anyone wanted to take a look at it. Mr. Okamoto added that he is trying to get copies for the Department's Kona and Waimea district offices.)

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. **Glenn Ahuna** – review and improve CIP planning and prioritization process.

Tactics:

- Develop dynamic spreadsheet that tracks CIP budget and "real time" cost."
- Develop CIP prioritization process allowing ranking of projects based on critical parameters.
- Implement semi-annual CIP review and prioritization meetings with senior management and Division heads.
- Implement annual meetings between the Department and Department of Transportation to coordinate CIP projects.
- Ensure adequate funding of pipeline replacement program.

Process:

1. Work with Finance Division to develop a spreadsheet that is linked to financial reports (i.e. encumbered funds, cash assets, anticipated facilities charges, etc.), and proposed projects in order to identify availability of funding.
2. Develop a rating system that accounts for critical water system parameters, such as regulatory mandates, water system standards deficiency, frequency of repairs, age of facilities, and upcoming outside agency projects. This would be used to prioritize projects with input from Operations and Finance divisions at semi-annual review and prioritization meetings.
3. Implement annual meetings with DOT and DPW to review their 5-year CIP program in order to avoid project duplication.
4. Encourage Operations Division to increase their annual budget (\$200,000) for their pipeline replacement program. Possible source of funding is the State Revolving Fund. He has found out that this Fund can be used for various projects, only they have to be prioritized.

Ms. Scarr stressed that the Board needs to be involved in this process of setting priorities for the budget. It is the Board's mandate to set priorities; however, the Board would always listen to what the Department has to say about necessary repairs. The Board still needs to be involved in the process, nonetheless.

The Manager invited the Board to email him with any projects they see a need for in their areas. He added that a lot of credit goes to Mr. Ahuna for putting out \$17 million in projects this past year.

Mr. Ahuna also acknowledged his Engineering staff for its hard work. He added that a lot of projects came about that were not foreseen, and there may be a need to float bonds.

Ms. Scarr suggested that the Department use, perhaps 75%, of the \$12 million in restricted customer deposits before floating bonds.

The Manager stated that the account Ms. Scarr mentioned will be needed for anticipated projects surrounding the water quality problem. He assured her that it will be used before floating bonds.

Mr. Heck suggested that the Board be involved in a semi-annual CIP review process. In other words, add the Board to the end of “bullet number three” listed above. (The Manager agreed.)

Mr. Wilkins asked about meetings between this Department and the Department of Transportation. It was noted that the Manager was going to prepare a letter for the Chairman’s signature, addressed to the Department of Transportation. (The Manager will prepare the letter.)

2. **Keith Okamoto** – Develop Regulatory Compliance Plan (RCP) that tracks, anticipates and provides strategies to address EPA/DOH regulations.

He will be developing something written that outlines a strategy to keep track of things. One consideration is that some other state health websites have public water supply “survival guides” that give a “heads up” on upcoming rules, and he is going to approach our DOH and see if that is something they may want to consider. He also mentioned an annual workshop held by DOH, on which this Department will be participating in. It should outline what is coming up down the road in future regulations. DWS receives mailings from EPA, but attending these types of things will provide more specifics.

Mr. Goya suggested that when Mr. Okamoto prepares his write-up, to please make it informative, educational, and in layman’s terms and available to the public.

Ms. Scarr mentioned that the EPA is usually present at the AWWA national conferences, giving at least two or three “heads up” talks on upcoming regulations. It seemed to her that this Department would know a long time in advance as it takes the EPA five to seven years to go from a proposed to a finished regulation. That should give this Department plenty time to catch up.

3. **Larry Beck** – Prepare and implement dynamic Water Master Plan for DWS systems that supports County General Plan and identifies funding and personnel needs.

The goal is to ensure that the Department is in compliance with all applicable water system standards and regulations, and the Water Master Plan supports County’s General Plan. The

strategy is to prepare and implement a dynamic Water Master Plan for DWS systems that supports the County General Plan and identifies funding and needs for additional or redirected personnel to efficiently execute the Plan. His high priority tactics are:

- *Coordinate with the County General Plan to ensure compatibility between land use/growth planning and water system development.*

Organizational Benefit: Investment in system development will ideally coincide with growth patterns so the Department's systems can support a greater customer base, which will provide additional revenues to grow and update the system.

- *Ensure compatibility of the Water System Plan's elements (CIP, planning tools, etc.) with Strategic Direction provided in the Strategic and Business Plans.*

Organizational Benefit: Water System Master Plan will be in sync with the Department's strategic direction and complements strategies and helps in reaching goals as expressed above.

- *Replace a minimum of two steel tanks and 2,000 feet of substandard waterlines each year.*

Organizational Benefit: Reduce risk of failures, improves system operations, provides better service to existing and new customers and improves the image and reputation of the Department.

Steps they have been working on are as follows:

- Working with R.W. Beck, Inc., to develop the new Water Master Plan and H2OMAP hydraulic modeling software.
- Staff has recently toured the systems to get a first hand look at key facilities in order to better understand their operation (controls, set points, calls, priorities, and sequencing), verify drawings, schematics, and facility data and to get an idea of the general condition of those facilities. Staff is also attempting to get photo catalogs and GPS data (longitude and latitude) to enter into the database and to compare with mapping locations.
- Staff has met with Ms. Alice Kawaha of the Planning Department to get up to date information and to keep her informed of what this Department is doing with its consultants.
- Plans are to utilize general growth information from the County's General Plan and LUPAG maps (Land Use Pattern Allocation Guide Map) and hopes to keep up to date on where new projects are occurring or are planned.
- Working with the Department's Leak Detection Supervisor who related the importance and potential savings provided by this program and the need for and benefit of having additional help. Since then, another employee has been made available for the leak detection team. This is an area of very real and immediate savings, particularly in the Hilo area.
- Working and sharing information with Fukunaga and Associates, who are working on the Water Use and Development Plan for the State, and R. M. Towill Corporation who has done extensive water use studies in the Kona area, to ensure everyone is working with the

most complete background information available and the best assumptions based on current and expected trends.

- Making a special effort to accommodate the Mayor's request to expedite and facilitate affordable housing growth.
- Identified and are exploring additional potential source wells now available to the Department from the USGS.
- Working with the private sector to develop additional source, storage, and transmission in the Keauhou area, which will help replace the dependency on the Kahaluu Shaft water and will help the Department meet a significant portion of its water commitments.
- Other private sector projects to develop and bring high-level source water to the areas of demand include:
  - the Waiaha area
  - the Kalaoa area
  - QLT Lands - Palani Road area
  - Lalamilo and Parker Ranch area.
- Has contacted the District Supervisors and requested a prioritized list from each, indicating which tanks most need replacing based on perceived risk of failure and operational need.
- Substandard pipeline replacement is ongoing as part of the CIP.

Chairman Nakashima stated that this is a good plan. He asked that it be put in writing for presentation to the Board, including schedules, and findings.

Mr. Wilkins mentioned previous experience of putting together an analog computer map of a system, identifying whether the source is adequate to consumption, or where the "choke" points are if there are any. He asked if Mr. Beck has or is planning to achieve anything similar.

Mr. Beck replied they do have something along those lines. One is called the energy schematic, showing the profile of the Department's systems in terms of elevation, pump capacity, and location of wells. They also have "plan views," showing similar facilities and their layout--indicating line sizes. The Department is fairly aware of the choke points Mr. Wilkins spoke of.

Mr. Wilkins mentioned this would be very valuable information for the Planning Department so they do not authorize more subdivisions where not enough water is available.

The Manager added that would not happen because this Department provides input on Planning Department's applications before they give their approval.

Ms. Scarr applauded staff's efforts in working with the Planning and Public Works departments. She added that there is a chance the new Council will take up the proposed County General Plan very soon. It is very important for this Department since the old one is dated 1989 and there were areas that had not developed at all and now have significant population that need to be addressed by this Department.

Mr. Beck stated that they have an idea from those plans what the anticipated growth is by district, but were trying to get the specific areas that need improvements from speaking with Ms. Kawaha.

Ms. Scarr mentioned the project at South Point where they know there is a high-level aquifer from the USGS well. Water is needed in that area for the additional development for the Department of Hawaiian Home Lands and others down the South Point Road. She felt that should have some high priority for this Department, and it should be planning ahead.

The Manager indicated there have been no subdivision requests along South Point Road.

Ms. Scarr's thinking is that the DHHL will need water to develop homes down there; and it should be planned for.

Mr. Wilkins mentioned two subdivisions that were mentioned in the real estate section of West Hawaii Today near the windmills on South Point, so there seems to be interest in the area.

Mr. Heck mentioned the water pressure, etc., in the current system in Mark Twain and Green Sands subdivisions is substandard; and there is a need for improvement for those existing subdivisions.

The Manager stated that those subdivisions front the waterline. The classic example to improve there would be through Improvement District example of Kona Coastview/Wonderview subdivisions. In response to Mr. Heck's question if the Department's facilities could handle more, the Manager replied the Waiohinu well coming online would support it.

Ms. Scarr asked if the Department already has an adequate transmission line from Waiohinu to Discovery Harbour, and on to South Point.

The Manager replied that the transmission line from Waiohinu to Discovery Harbour was put in by Improvement District when Discovery Harbour was made. South Point is a different system and not connected to Waiohinu; but rather, from Mountain House.

In response to Ms. Scarr's question of what it would take to connect the two, the Manager replied that has been detailed before (in a presentation made by Mr. Dennis Lee at the Board's February 25, 2003, meeting). Ms. Scarr commented that she recalled it not being a huge amount. Noting that this is not on the Department's priority list, she stated it is the sort of thing the Board needs to talk about when the Department is forming its proposed list.

**C. MONTHLY PROGRESS REPORT:**

The Manager mentioned the Pohakea project would need more funding for contract change orders because of so many changes along the way.

Ms. Scarr asked about Pahala Well, and it was reported that the contractor encountered some petroglyphs in the area that may hold things up. It is being investigated.

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

Mr. Goya asked the Manager how much flexibility he has in changing the capital budget.

The Manager replied that staff meets monthly on CIP, right before the Board meetings. They confer with Mr. Tsunoda on funds. There is some flexibility with monies available strictly for the CIP to take money from one project to another, as long as it stays within scope. Projects are put out to bid by how fast they can be done. Projects that involve environmental assessments take a long time.

E. **EXECUTIVE SESSION:**

**ACTION:** Mr. Wilkins moved to enter into Executive Session to discuss the following items; seconded by Mr. Heck and carried unanimously by voice vote. Executive Session began at 11:26 a.m. after a short recess. (Mr. Bennett Mark left the meeting.)

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).

After Executive Session ended, Mr. Goya moved to defer Items 2 and 3; seconded by Mr. Heck and carried unanimously by voice vote.

F. **MANAGER'S EVALUATION:**

**MOTION:** Ms. Scarr moved that the Board authorize a 7.5% increase in salary for the Manager and the Deputy Manager in keeping with the compensation of those in the bargaining units; seconded by Mr. Heck.

Ms. Scarr pointed out how important it is to keep the appointed managers' salaries up because as the engineers, for example, salaries increase, if they become identical or above the salaries of managers, nobody will take the Manager's job. She believed this is what happened in the Department of Public Works--that the head of that department earns less than his head engineers. That is a situation this Board would not want to have happen.

The Manager agreed with Ms. Scarr and added that if this Board keeps this type of mentality, it will get a much better response when seeking another manager. He also asked that the Board clarify the Motion to include the effective date.

**AMENDMENT:** Ms. Scarr amended the Motion to include an effective date of December 1, 2004; seconded by Ms. Hons.

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

G. **2005 WATER BOARD MEETING SCHEDULE:**

MOTION: Ms. Scarr moved for approval of the schedule, with the understanding that it can be changed; seconded by Mr. Wilkins.

Comments were on why the meetings are mostly split east and West Hawai'i; and also, Mr. Wilkins favored taking away a Kona meeting and placing it in Ocean View or Hawi if the need arises.

ACTION: A vote was taken on the Motion. Motion was carried by five ayes (Mss. Hons and Scarr, Messrs. Nakashima, Goya and Wilkins), and one nay (Mr. Heck). Two members absent.

H. **DWS DRILLING PROGRAM:**

Because the Department is not going to be part of the USGS drilling program, it proposes to make a multi-part contract to drill in areas where there is uncertainty of water availability. The first part will be to drill an open hole. If there is water and the quality is good, then proceed with the rest of the project to ream out the hole, test, etc. If the quality is not good, the Department has the option of canceling the contract. The Manager thinks it will be cheaper than going with USGS.

In response to Ms. Scarr's question of the feasibility of purchasing a drill rig and having people dedicated to it, the Manager replied it would not be economical because the rig is expensive; you would have to hire specialized people; and there are not many areas where the geology is unfamiliar. He felt the places to drill would dwindle very fast.

The Manager was asked to get information from Mr. Tribble on the quality of the water in the well at the top of South Point Road.

I. **SPECIAL WATER BOARD MEETING:**

Topics to include:

- How to implement strategic plan
- Governance Policies
- Assisting areas not currently served by County water (Mr. Heck assumes this will cover the Kau to South Kona Master Plan).

J. **MANAGER'S REPORT:**

1. Resignation of Mr. Dennis Lee - as of November 9, 2004, Mr. Lee has resigned as Chief of Operations).
2. Kona Coastview/Wonderview status - progress reports posted on our website [www.hawaiiidws.org](http://www.hawaiiidws.org), under "Current Events."
3. USGS Drilling Program - Mr. Heck reported that the drill rig is down to 20 feet, at which time, they experienced another breakdown.
4. Kona Water Quality - negotiations ongoing.

5. Mr. Wilkins asked about Keei pump. The Manager replied the motor control center has been taken care of. The chloride content should be way down.
6. Mr. Heck asked about two things covered under the Manager's Report in the Minutes of last month's meeting. One was the water source assessment. It was noted earlier by the Manager that he had brought it with him for viewing. The other issue was the legal status of aquifers and the mention of having Ms. Yvonne Izu, Acting Director of CWRM, come meet with the Board. Ms. Garson mentioned she had spoken with Ms. Izu and that she would be happy to talk to the Board. The Board's February meeting was cited as a possible time.

**K. CHAIRMAN'S REPORT:**

Chairman Nakashima reminded everyone to keep in mind the election of new chairman and vice-chairman for 2005, to take place at December meeting.

**ANNOUNCEMENTS:**

- A. **Next Meeting:** The next Water Board Meeting will be held on December 21, 2004, 10:00 a.m., at the Department of Water Supply, Hilo Operations Center Conference Room, 889 Leilani Street, Hilo, Hawai'i.

**STATEMENTS FROM THE PUBLIC**

None

**ADJOURNMENT**

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

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Secretary

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