

MINUTES

DEPARTMENT OF WATER SUPPLY
COUNTY OF HAWAI'I
WATER BOARD MEETING
December 20, 2005

HILO OPERATIONS CONFERENCE ROOM

MEMBERS PRESENT: Mr. Ivan Mochida, Chairman
Mr. Thomas Goya
Ms. Paula Helfrich
Ms. Millie Kim
Ms. Sandra Scarr
Mr. Riley Smith
Mr. George Wilkins
Mr. Milton D. Pavao, Manager (ex-officio member)

ABSENT: Mr. Loren Heck, Vice-Chairman
Mr. Bernard Konanui, Water Board Member
Mr. Bruce McClure, Director, Department of Public Works
(ex-officio member)
Mr. Christopher Yuen, Director, Planning Department
(ex-officio member)

OTHERS PRESENT: Ms. Katherine Garson, Deputy Corporation Counsel
Ms. Amy Self, Deputy Corporation Counsel
Mr. Jon Henricks
Mr. Richard Ha
Mr. Rick Ryken
Representative Dwight Takamine
Mr. Richard Matsunami
Mr. Roy T. Oka

Department of Water Supply Staff:

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

CALL TO ORDER - Chairman Mochida called the meeting to order at 10:04 a.m.

STATEMENTS FROM THE PUBLIC

1. Mr. Jon Henricks

Mr. Henricks stated he was present, representing Council Member Fred Holschuh from District 1. They are in support of all of the work that everyone has put into the issue of Andrade Camp so far to alleviate the problems the residents are having in their long-term water supply issues. They appreciate efforts of Representative Takamine and Mr. Ha and support the Andrade Camp Water System Improvements on the Agenda today.

2. Mr. Richard Ha

Mr. Ha read from a letter from the Pepeekeo Community Association from Ms. Lorraine Mendoza. A portion of it reads, "On behalf of the members of the Pepeekeo Community Association and the residents of Pepeekeo, I ask for your favorable consideration of this serious and important request from the homeowners and users of this water system. Pepeekeo is a former plantation community that initially consisted of various camps. Today it boasts households numbering over 500 homes and with the continuous changes that are occurring, it will certainly increase in both size numbers and demand. I ask and implore you to agree in your commitment to the users of the Andrade Camp Water System and approve the financial assistance that they are seeking. Signed, Lorraine Mendoza, President." Mr. Ha continued that he was also speaking on behalf of his farm--Mauna Kea Banana Company. They are neighbors with Andrade Camp, and the master meter is in their property. They have been involved in this effort from the start. They use the water system that the plantation built to water their crops, and they need help with the water system; and he is here in support of this.

3. Mr. Rick Ryken

Mr. Ryken is one of the members of Andrade Camp water system. They are maintaining the old system inherited from Mauna Kea Plantation. They have been working a number of years trying to get the system on County water. Mr. Roy Oka is the president, and they have 30 to 35 members. A lot of these residents are retired from the plantation. They appeal to the Department of Water Supply and to the Federal government for federal funding for a grant and loan in order to bring Andrade Water System up to standard. They are hoping to get some engineering money in this because the Federal government wants to see some sort of money put into it. They do not want to carry the whole load. They are hoping to get some engineering funds donated from the Department of Water Supply.

4. Representative Takamine

Representative Takamine thanked the Board for the opportunity to appear. He also thanked the Board Members for their public service because without them, the public would not have a means of having their voices heard. The Andrade Camp is another example of where sugar is no longer a part of the Big Island landscape. Without this kind of support, they would not be able to bear the financial burden of what it would take to upgrade to County Standards and have their system dedicated to the Department of Water Supply. He thanked everyone involved in this effort and asked the Board for its favorable consideration.

APPROVAL OF MINUTES

ACTION: Mr. Wilkins moved for approval of the Minutes of the November 22, 2005, Water Board Meeting; seconded by Ms. Scarr and carried unanimously by voice vote.

APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA

ACTION: Ms. Scarr moved to add Addendum Items for SOUTH HILO, (C) PROFESSIONAL SERVICES AGREEMENT, MISCELLANEOUS (A) DEDICATION OF WATER SYSTEMS, Nos. 6 and 7, and (O) EXECUTIVE SESSION, to the Agenda; seconded by Mr. Goya and carried by roll call vote (Ayes: 7 - Messrs. Goya, Smith, Wilkins, and Chairman Mochida, and Mss. Kim, Helfrich, and Scarr; Nays: 0; Absent: 2 - Messrs. Heck and Konanui).

SOUTH HILO:

A. PROFESSIONAL SERVICES AGREEMENT:

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

1) Andrade Camp Water System Improvements

This project is to replace an old plantation water system for Andrade Camp in Pepekeo. The residents plan to utilize the loan and grant program from USDA. DWS will prepare plans and administer the project. The loan will be paid off by the residents of Andrade Camp.

Estimated Construction Cost is \$600,000.00

Estimated Consultant Services is \$60,000.00

The Manager recommended that the Board approve the professional services agreement for the design, plans, and survey for Andrade Camp Water System Improvements, subject to the procurement process, and that either the Chairman or the Vice-Chairman be authorized to execute the agreement, subject to approval of our Corporation Counsel.

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

The Manager explained that the money will be paid back through the people by way of USDA's Rural Utilities program. This should be a model for anyone else wishing to upgrade their system.

Mr. Wilkins asked where the source water is from and if there is any development in the area driving these improvements.

The Manager replied that the source is currently a spring that will be replaced with the Kulaimano Well, which was recently approved by the Water Board. There is no development in the area behind these improvements.

In response to Ms. Scarr's question if this is part of the water master plan and if it is a private system, the Manager replied that it is in the middle of an area currently served by the Department and will be integrated. It is currently on a master meter from this Department. The residents share in the costs of the meter, but this system will be built to standards and eventually dedicated to this Department.

The Board commented on how well this program works in communities like this where the sugar industry closed and is in support of this program. In response to Mr. Goya's question of what the timetable would be for completion, the Manager stated that it would be a minimum of two years. The project estimate is close to \$600,000.00.

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

B. JOB NO. 2004-848, KULAIMANO BOOSTER STATION IMPROVEMENTS:

The contractor, Ed Higa General Contracting, requests a 50 working-day time extension. This request is due to a delay in shipment of the transducer. This transducer is a replacement for a unit that was installed; however, the cable length was too short. DWS preferred that a new transducer with longer cable be ordered instead of installing an additional junction box. The contractor expects delivery at the end of January at the earliest.

Staff has reviewed the request and finds that the 50 working days are justified.

The Manager recommended that the Board approve a contract time extension of fifty (50) working days from December 19, 2005, to March 3, 2006, to Ed Higa General Contracting, for JOB NO. 2004-848, KULAIMANO BOOSTER STATION IMPROVEMENTS.

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

C. PROFESSIONAL SERVICES AGREEMENT:

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

1) Kapoho Wing Interior Space Design

Our tenant for a portion of the Kapoho wing has left, leaving a sizeable floor space that we plan to occupy to relieve the crowded conditions in the Hamakua and Kau wings. This agreement will provide for the efficient space planning and design of the Kapoho wing for our personnel.

Estimated Consultant Services is \$50,000.00

2) Waiakea Office Plaza Entrance Canopy

This project will provide a covering over the entrance to our office. The proposed covering will extend from the building entrance to the circular island in the driveway and will provide shelter from the rain for our personnel and customers.

Estimated Consultant Services is \$20,000.00

The Manager recommended that the Board approve the professional services agreements for the Kapoho Wing Interior Space Design and the Waiakea Office Plaza Entrance Canopy, subject to the procurement process, and that either the Chairman or the Vice-Chairman be authorized to execute the agreement, subject to approval of our Corporation Counsel.

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

In response to Ms. Scarr's question of why a canopy has to be "designed," the Manager replied that the ramp will need to be analyzed to see if it can support the canopy. He left room in the estimated costs because it will be negotiated.

In response to Mr. Smith's question if the loss of rent income from the tenant who recently moved out of the Department's office space was taken into account in the budget, the Manager replied in the affirmative.

In response to Ms. Scarr's question as to which fiscal year budget the renovations will be included in, the Manager replied it would probably be 2006/2007.

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

HAMAKUA:

A. FEE FOR TEMPORARY USE - JOB NO. 95-621, POHAKEA WATER SYSTEM IMPROVEMENTS:

In 1991, the Department agreed to pay Mr. Ed Broussard \$1,000.00 for the temporary use of a portion of his property (TMK 4-3-012:022) that is adjacent to our existing tank and pump site (TMK 4-3-012:021). For a period not to exceed two (2) years, the additional site was to be used to construct a temporary tank that would be in operation while the related improvements for the subject project were completed. Additionally, a new pump site as shown on the attached map, encompassing a portion of his property would be conveyed to DWS for the construction of a new pump. In exchange and contingent on the completion of the entire project, that would include the demolition of the existing tank and pump, the temporary use would be extinguished and the existing tank and pump site would be turned over to him.

Due to various challenges with easements and the design, the construction of the entire project has far exceeded the agreed to 2 years duration. In addition, the Department, during all this time, has occupied both the existing tank and pump site, as well as the new pump site.

In view of the above, Mr. Broussard has asked to renegotiate the fee for the temporary use of his property. After discussions between the Department and Mr. Broussard, it was felt that a flat fee of \$10,000 would be fair compensation for this use.

The Manager recommended that the Board approve the payment of \$10,000.00 to Mr. Ed Broussard for the temporary use of a portion of TMK 4-3-012:022.

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

Mr. Smith understood the rationale that in 1991, it was going to be a \$1,000.00 fee and 14 years later, \$10,000.00 sounded reasonable; but he wondered, for justification, if there was some kind of appraisal from someone verifying it was reasonable.

Mr. Inaba explained that in order to get it appraised, it would require procuring someone to do it. Instead, they stretched it out over the number of years, knowing that it is a burden to the property owner at this point. He had lost some use of his pastureland due to this project. He now wants some closure to this.

Mr. Smith asked that staff get something in writing from Real Property Tax to see if it is reasonable, for file purposes, in case there are questions later.

The Manager explained that staff had a difficult time with the property owner and felt this would be reasonable compensation for the burden to him. He asked staff to follow up on Mr. Smith's request.

ACTION: A vote was taken on the Motion. Motion was approved 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**

MAILANI VIEW ESTATES

Subdivision Application No. 2003-067

Grantor: CL & D NINE, LLC

E.W.O.: 2004-081

T.M.K.: (3) 7-5-010:052 & 065

Lots: 18 plus 2 roadway lots

Zoning: RS-20

Facilities Charge: \$88,000.00 (16 additional lots @ \$5,500.00) Paid: 12/09/05

Capital Assessment Fee: \$8,000.00 (16 lots @ \$500.00) Paid: 12/09/05

Final Inspection Date: May 27, 2005

Water System Cost: \$107,800.00

2. GRANT OF EASEMENT AND BILL OF SALE

GARY HANSON SUBDIVISION

Subdivision Application No. 2003-036

Grantor: Kaloko Kai, LLC

E.W.O.: 2005-105

T.M.K.: 7-3-008:065

Lots: 3

Zoning: A-3A

Facilities Charge: \$11,000.00 (2 additional lots @ \$5,500.00) Paid: 11/09/05

Capital Assessment Fee: \$1,000.00 (2 additional Lots @ \$500.00) Paid: 11/09/05

Final Inspection Date: 12/02/05

Water System Cost: \$35,533.00

3. GRANT OF EASEMENT

WAI'ULA'ULA SUBDIVISION

Grantor: Moana Ikena, LLC

E.W.O.: 2005-056

T.M.K.: 6-2-013:013, 014, 015, 016, Portion 007 & 017

Lots: 6

Zoning: RM-6, RM-15, Open

Facilities Charge: \$556,875.00 (165 units @ \$3,375.00) Paid: 5/04/98

Capital Assessment Fee: None

Final Inspection Date: 12/09/05

4. GRANT OF EASEMENT AND BILL OF SALE

STREET IMPROVEMENTS - PALAI PLACE

Subdivision Application No. 2003-082

Grantor: HJC Development Corporation

E.W.O.: 2005-110

T.M.K.: 2-2-046:008

Lots: 8

Zoning: RS-10

Facilities Charge: \$38,500.00 (7 additional lots @ \$5,500.00) Paid: 12/09/05

Capital Assessment Fee: None

Final Inspection Date: 12/07/05

Water System Cost: \$24,500.00

5. GRANT OF EASEMENT AND BILL OF SALE

ALII HEIGHTS, UNIT 2, PHASE IV

Grantor: Towne Keauhou, LLC

E.W.O.: 2005-071

T.M.K.: 7-7-008: Portion 011

Lots: 24

Zoning: RS-15

Facilities Charge: \$126,500.00 (23 additional lots @ \$5,500.00) Paid: 6/15/05

Capital Assessment Fee: None

Final Inspection Date: 12/13/05

Water System Cost: \$134,198.14

6. DEED (TANK SITE)

ALII HEIGHTS, UNIT 2, PHASE I

Grantor: Towne Keauhou, LLC

T.M.K.: 7-7-028:009

7. BILL OF SALE (0.30 MG WATER TANK)

ALII HEIGHTS, UNIT 2, PHASE I

Grantor: Towne Keauhou, LLC

E.W.O.: 2004-060

T.M.K.: 7-7-028:009

Final Inspection Date: 12/13/05

Water System Cost: \$1,290,222.00

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 Ms. Scarr and carried unanimously by voice vote.

B. PROFESSIONAL SERVICES AGREEMENT:

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

1) Laboratory Testing Services

Professional: MWH Laboratories

The services are required for compliance with the rules and regulations of the Safe Drinking Water Act as enforced by the Federal Environmental Protection Agency and the State Department of Health.

Fee: \$150,000.00 (estimate for miscellaneous lab testing services over a 2-year period, subject to negotiation)

The Manager recommended that the Board award the consultant contract to MWH Laboratories for an estimated fee not to exceed \$150,000.00, and that either the Chairman or the Vice-Chairman be authorized to sign the documents, subject to approval of our Corporation Counsel.

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

C. REVISED TABLE OF ORGANIZATION FOR THE OPERATIONS DIVISION:

1. Currently, the Operations Division has only a Civil Engineer IV position in its Civil Engineering section. This is a licensed position, where there are not many candidates

available. The last recruitment consisted of five applicants from the mainland, and no one made the commitment to be interviewed for the position.

It is proposed to create a Civil Engineering series in the Operations Division to have the flexibility to hire and train an unlicensed Engineer. This would mean the creation of Civil Engineer I, II, III, and V positions. The Operations Division currently has a Mechanical Engineer series consisting of Mechanical Engineer I, II, III, IV and V positions; and the proposed additions would be consistent with the Mechanical Engineer series. It is not the intent to recruit for all positions in the series.

2. Currently, the Operations Division has only one Electronic Tech position which services the Department islandwide. With the trend of new equipment going to electronics, it is becoming increasingly difficult for one person to keep up with the maintenance and repair of the equipment. Among his duties, the Electronic Tech position is in charge of the SCADA systems, two-way radios, telemetering, and programming of new equipment such as the motor control centers islandwide.

It is proposed to create a new Electronic Tech position to assist in the maintenance and repair of the Department's electronic equipment islandwide.

The Manager recommended that the Board approve the creation of the Civil Engineer I, II, III, and V positions to complete the Civil Engineering series for the Operations Division, and the creation of an Electronic Tech position.

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

D. PROPOSED TABLE OF ORGANIZATION - ENGINEERING BRANCH - ENGINEERING DIVISION:

Currently the career series for the Waterworks Construction Project Inspector (WCPI) positions in the Construction Section of Engineering Branch within the Engineering Division; namely, the WCPI I and II, does not allow for flexibility and advancement potential (see current attached Table of Organization. The number of WCPI I and II positions, not being equal in number, does not allow for the orderly progression and advancement through the series.

More critically, within the next two to three years, our incumbent Supervising WCPI, two WCPI IIIs, and one WCPI II will be eligible to retire. Should all or the most of these incumbents retire at the same time, the Department will be faced with a dire shortage of experienced project inspectors. In order to prepare for this potential shortage of upper level project inspectors, it is imperative, in the near term, to infuse some flexibility into the current Table of Organization (see to the attached copy of the proposed to facilitate the recruitment, training, and ultimate advancement of the lower level WCPI I and IIs.

Therefore, it is proposed that four (4) new positions be added to the current Table of Organization (see to the attached copy of the proposed Table of Organization). These new positions include:

- Two (2) Waterworks Construction Project Inspector I, SR16 (one each for Kona and Hilo)

- Two (2) Waterworks Construction Project Inspector II, SR19 (one each for Kona and Hilo)

The Manager recommended that the Board approve the proposed additions for four (4) new positions in the Waterworks Construction Project Inspector Series, I and II, as shown on the proposed Table of Organization for the Engineering Branch. It is also recommended that staff coordinate the creation of these new positions in accordance with Department of Civil Service policies and procedures.

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

E. TRI-PARTY WATER DEVELOPMENT AGREEMENT - MAUNA LANI SERVICES, INC. (MLS), MAUNA KEA PROPERTIES (MKP), AND DEPARTMENT OF WATER SUPPLY (DWS):

MLS AND MKP desire to develop Parker 3 and 4 Wells and related infrastructure that will connect to the existing DWS' Lalamilo Water System. These improvements, critical to providing water to the lands previously owned and assured of water commitments from MLS/MKP (Exhibits 1 and 2), include the following (Exhibit 3):

- Two (2) 1,250 gpm deep wells,
- Two (2) 2.0-M.G. prestressed concrete tanks (1,103' and 610' elevations),
- 18,400 lf ductile iron pipe, and
- other appurtenances.

These improvements, totaling approximately \$15 million when completed, will be dedicated to the Water Board and operated by DWS. As MLS/MKP are solely funding this, the Agreement stipulates that they will be allocated ninety percent (90%) and DWS ten percent (10%) of the water.

The Manager recommended that the Water Board accept the terms and conditions of the Agreement and authorize either the Chairman or the Vice-Chairman to execute the Agreement subject to review and acceptance by the Office of the Corporation Counsel as to form and legality.

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

Ms. Garson noticed that the Agreement was not attached to the Agenda and recommended that the Board not take action on it until after it is provided and reviewed by the Board.

MOTION WITHDRAWN: Mr. Goya withdrew the Motion; second withdrawn by Ms. Scarr.

DEFERRAL: Mr. Goya moved for deferral of this item; seconded by Ms. Scarr and carried unanimously by voice vote.

F. **ISSUANCE OF GENERAL OBLIGATIONS BONDS:**

The DWS has asked the County to include \$25 million in their proposed issuance of General Obligations Bonds. An Ordinance authorizing the issuance is currently being considered by the County Council. The \$25 million the Department is requesting is to fund three (3) projects. These projects are Palani Road Transmission Pipeline - \$12 million; Waiaha Corridor Pipeline - \$8 million; and Piihonua-Kukuau Transmission Pipeline and Reservoir - \$5 million. Should these projects not be ready for construction during the allotted time to expand the funds, then these funds will be used to finance projects that are ready to be bid upon.

The Manager recommended that the Board approve that DWS be included in the County of Hawaii issuance of General Obligation Bonds in the amount of \$25 million; that DWS reimburse the County's General Fund for DWS' share of the debt service on the GO bonds and the costs of issuance; and that the Manager be authorized to execute any and all necessary documents to complete and effectuate the issuance.

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

The Manager stated that there may be an issue with the County allowing the Council to do this as it may affect the ceiling on their bond floats. This Department was under the impression that it would not affect it. He also mentioned that it is the Department's intent to use this money to finance projects ready to go because it has to be used within three years. The Waiaha and Palani Road projects mentioned above are the big-ticket items in Kona, totaling \$20 million. Palani will be ready soon because it is currently under design. It will benefit Kailua-Kona by enabling mauka water to be brought down to that area. He asked that the Board approve this and if the Council has objections to it, then this Department is not losing anything.

The other benefit to this is that can share the cost of bond counsel with the County. It makes better sense, economically.

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

G. **MONTHLY PROGRESS REPORT:**

In response to Ms. Scarr's question if the Pahala Reservoir is completed, Mr. Okamoto stated that the exploratory well is finished; but the reservoir is still under construction. Contractor is putting together the time extension request due to the petroglyph issue.

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

Mr. Goya commented on the vacant positions within the Department--particularly, the public relations specialist. It would be nice to have the position in place for moving forward with the Strategic Plan.

The Deputy Manager stated that after the review process is finished, it will be presented to the Board for creation of the position.

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

Options for a proposed change to the published Water Rates were attached to the Agenda as follows:

1. Revise the flat fee based on historical average costs for the service lateral installation. DWS to continue doing the plans and installations. Flat fee could also be established by districts and also by which side of the highway the meter is to be on.
2. Have the potential customer be responsible to secure plans and do the service lateral installation. Installation to be done by a licensed contractor. DWS will perform the tap and do the inspection.
3. Collect a temporary deposit to do the plans and service lateral installation. Based on actual cost either refund the difference or bill the difference.
4. DWS to do the plans and obtain the permit. Potential customer to do the installation. Installation to be done by a licensed contractor. DWS to do the tap and inspection.
5. Combination of the above.

The Manager recommended that the Board agree in concept to an option provided to revise the published Water Rates and that the Department schedule public hearings in 2006, for that purpose, to accept public input.

ACTION: Mr. Goya moved for approval of the Manager's recommendation (Items 1 through 5); seconded by Ms. Kim and carried unanimously by voice vote.

J. **MANAGER'S REPORT:**

- 1) **Kona Coastview/Wonderview Improvement District** - project going well.
- 2) **USGS Drilling Program** - the Manager will be meeting with Mr. Gordon Tribble of the USGS. They hit water at 3.8 feet above sea level, but their findings are not very good. As a side note, the \$6 million from the Legislature has not yet been released. The State of Hawai'i, Department of Land and Natural Resources, is asking for water commitments from the well. He would be very hesitant to grant it; however, that would be something for the Board to discuss later on.
- 3) **Kona Water Quality** - study is ongoing by consultant.
- 4) **Water Board Schedule for 2006** - the Board set the meeting places for January, February, and March, and left the remaining meeting places to be announced. Schedule is as follows:
January 24, 2006 - 10:00 a.m., Hilo Operations Center; 889 Leilani St., Hilo
February 28, 2006 - 10:00 a.m., Waimea Community Center (adjacent to Waimea Ball Park)
March 28, 2006 - 10:00 a.m., Kona (meeting place to be determined)
April 25, 2006 - 10:00 a.m., place to be announced
May 23, 2006 - 10:00 a.m., place to be announced
June 27, 2006 - 10:00 a.m., place to be announced
July 25, 2006 - 10:00 a.m., place to be announced
August 22, 2006 - 10:00 a.m., place to be announced
September 26, 2006 - 10:00 a.m., place to be announced
October 24, 2006 - 10:00 a.m., place to be announced
November 28, 2006 - 10:00 a.m., place to be announced
December 19, 2006 - 10:00 a.m., place to be announced

K. **CHAIRMAN'S REPORT:**

Chairman to provide comments and/or information relating to matters of concern to the Water Board.

L. **ELECTION OF CHAIRMAN AND VICE-CHAIRMAN FOR 2006:**

ACTION: Mr. Smith moved to nominate Mr. Loren Heck for Chairman and Mr. Tom Goya for Vice-Chairman for the 2006 term; seconded by Ms. Kim and carried unanimously by voice vote. There being no further nominations, Messrs. Heck and Goya were elected to serve as Chairman and Vice-Chairman, respectively, for 2006.

M. **BOARD MEMBERS' SERVICE:**

Section 13-4(d) of the County Charter allows a Board Member to serve an additional ninety days or until a successor is appointed and confirmed, whichever comes first.

The Manager recommended that, pursuant to Section 13-4(d) of the County Charter, expired term Board Members will be allowed to serve an additional ninety days or until their successor is appointed and confirmed, whichever comes first, if desired to.

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

N. **MANAGER'S COMPENSATION:**

MOTION: Mr. Goya moved that the Board take action to approve a proposed increase; seconded by Ms. Helfrich.

Discussion took place regarding the Manager's salary. Mr. Wilkins remembered when the Manager waived a salary increase. This probably put him behind the "across-the-board" increase the County employees received recently. The 12.5% increase discussed by the Board may not even put him ahead on that ladder. He added that the Manager's performance has been very good.

AMENDMENT TO MOTION: Mr. Goya amended the Motion to a 10% increase; seconded by Ms. Helfrich.

Mr. Smith presented information that he had obtained from the Civil Service Department regarding Bargaining Unit 13. They received a 3.5% increase on October 1, 2005, will receive a 3% increase on October 1, 2006, and will receive a step movement of 4%, if applicable. This totals 11%.

Ms. Scarr mentioned that she was going to propose the salary be increased to \$114,000.00. She felt that his salary needs to be attractive to future applicants and needs to be paid significantly more than staff. She also felt strongly about keeping the salary moving ahead.

Mr. Smith's suggestion was for a minimum of 5.5% increase, effective January 1, 2006.

Ms. Scarr stated that 5.5% does not compensate him for the 3.5% everyone just received on October 1, 2005. She recommended \$113,000.00.

In response to Chairman Mochida's question to the Manager of how much his increase was last year, he replied that it was 7%, effective January 1, 2005.

Ms. Helfrich mentioned the media attention this might gain and suggested keeping in mind the salaries of other County department heads and also the Mayor. However, she suggested 6%.

Mr. Smith revised his percentage to 7.5%.

The Manager asked that the Board add the condition that the Deputy Manager's salary also be increased by 7.5%, and that the effective dates for both be January 1, 2006.

Ms. Scarr felt that 7.5% is a good investment and suggested the salary be systematically increased in order to avoid a large "catch-up" adjustment. She would compromise at 10%.

Mr. Goya offered another compromise, which was an 8% increase, to which the members agreed.

AMENDED MOTION: Mr. Goya amended the Motion to propose an 8% salary increase for the Manager and the Deputy Manager, effective January 1, 2006; seconded by Ms. Helfrich and carried unanimously by voice vote.

O. **EXECUTIVE SESSION:**

The Board convened 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. A two-thirds vote, pursuant to HRS Section 92-4, is necessary to hold an executive meeting.

1. Attorneys, BAUMAN, LOEWE & WITT, claim for subrogation on behalf of The Hartford and John & Irene Mcculloch regarding damages to Unit #A103, Kaulana at Kona.

The Executive Session began at 11:45 a.m.

ACTION: Ms. Scarr moved for approval of Corporation Counsel's recommendation; seconded by Mr. Wilkins and carried unanimously by voice vote.

ANNOUNCEMENTS:

1. **Next Meeting:**

The next meeting of the Water Board will be held on January 24, 2006, 10:00 a.m., in the Hilo Operations Center Conference Room, 889 Leilani Street, Hilo, Hawai'i.

STATEMENTS FROM THE PUBLIC

None

ADJOURNMENT

ACTION: Mr. Goya 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)