

**DEPARTMENT OF WATER SUPPLY  
COUNTY OF HAWAI‘I  
WATER BOARD MEETING  
AGENDA**

**MEETING DATE:** December 16, 2008

**PLACE:** Hilo Operations Center Conference Room, 889 Leilani Street, Hilo, Hawai‘i

**TIME:** **9:20 a.m.**

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- 1) CALL TO ORDER - 9:20 a.m. (*please turn cell phones off or set to silent*)
- 2) STATEMENTS FROM THE PUBLIC
- 3) APPROVAL OF MINUTES - Minutes of the November 25, 2008, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)  
(**Note: Addendum requires Roll Call Vote**)
- 5) PUNA:

**A. CANCELLATION OF GOVERNOR’S EXECUTIVE ORDER NO. 4143 (SETTING ASIDE LANDS; SITUATED AT HALONA, PUNA, ISLAND OF HAWAI‘I, HAWAI‘I) TAX MAP KEY 1-5-008:PORTION 001:**

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On March 2, 2006, the Department of Land and Natural Resources (DLNR) issued Executive Order No. 4143 (EO). The EO covers a combined area of 3.738 acres which was set aside by DLNR to the Water Board of the County of Hawai‘i (WBCOH) for the “Makuu Well” and “Reservoir Site” and “Access and Utility Easement” (infrastructure). To date, all of the improvements within the EO (including the drilling, casing and testing of the well) have been done by the Department of Hawaiian Home Lands (DHHL). DHHL intends to continue their development of the well and reservoir as well as the transmission waterline within the EO in order to provide the necessary infrastructure for their proposed Makuu development. It has been determined that in order for DHHL to facilitate the development of the infrastructure, the subject EO land must be under the control of DHHL, not the Department of Water Supply (DWS).

Based on the original intent that DHHL construct the improvements for their planned development, staff does not object to the cancellation of the current EO.

**RECOMMENDATION:** It is recommended that the Board approve this request to cancel the EO No. 4143 in order to allow DHHL to facilitate the necessary infrastructure improvements for their Makuu development. If approved, DWS, on behalf of WBCOH, will send the request to cancel EO No. 4143 to DLNR.

6) SOUTH HILO:

A. **RESOLUTION NO. 08-06: PROVIDING FOR THE ACQUISITION OF AN EASEMENT SITUATE IN THE DISTRICT OF SOUTH HILO, COUNTY OF HAWAI'I AND STATE OF HAWAI'I, IDENTIFIED AS PORTIONS OF TMK NO. (3) 2-5-028:029, FOR THE REPLACEMENT OF EXISTING FAILING GALVANIZED IRON WATERLINE:**

Attached is Resolution No. 08-06 for acquisition of an easement identified as a portion of Tax Map Key (3) 2-5-028:029 for the replacement of existing failing waterline.

RECOMMENDATION: It is recommended that the Water Board adopt Resolution No. 08-06.

7) NORTH KONA:

A. **JOB NO. 2008-944, KAHALUU WELL B REPAIR:**

Bids for this project were opened on November 28, 2008, at 2:00 p.m.; and following are the bid results:

<u>Bidder</u>	<u>Bid Amount</u>
Derrick's Well Drilling & Pump Services, LLC	\$291,878.54
Beylik Drilling & Pump Service, Inc.	\$337,602.82
Water Resources International, Inc.	\$351,092.00

Project Scope: This project consists of replacing the well pump and column pipe assembly for the Kahaluu Well B.

Project Cost:

1) Low Bidder (Derrick's Well Drilling & Pump Services, LLC)	\$291,878.54
2) Construction Contingency (~10%)	<u>\$29,121.46</u>
Total Construction Cost:	<u>\$321,000.00</u>

Funding for this project will be from the Department's C.I.P. Budget under "Deepwell Pump Replacement." The contractor will have 180 calendar days to complete this project.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2008-944, KAHALUU WELL B REPAIR, to the lowest responsible bidder, Derrick's Well Drilling & Pump Services, LLC, for their bid amount of \$291,878.54 plus \$29,141.26 in construction contingency for a total contract amount of \$321,000.00, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality of the contract by Corporation Counsel.

**B. RESOLUTION NO. 08-07 PROVIDING FOR THE ACQUISITION OF PRIVATE PROPERTY AND EASEMENTS SITUATE IN THE DISTRICT OF NORTH KONA, TMK (3) 7-4-004:003 AND A PORTION OF TMK (3) 7-4-004:076 FOR WATER TRANSMISSION LINE IMPROVEMENTS:**

Attached is Resolution No. 08-07 for acquisition of private property and easements identified as a portion of Tax Map Key (3) 7-4-004:003 and a portion of Tax Map Key (3) 7-4-004:076 for water transmission line improvements.

RECOMMENDATION: It is recommended that the Water Board adopt Resolution No. 08-07.

**C. RIGHT-OF-ENTRY AGREEMENT – PALAMANUI GLOBAL HOLDINGS, LLC, TAX MAP KEY 7-2-015:083 & 084:**

The Developer, Palamanui Global Holdings, LLC, (successor to Hiluhilu Development, LLC) is requesting a right-of-entry to enter onto the Kau #2 Well and Reservoir site. The Water Board approved the dedication of these properties on February 24, 2004.

The Water Board and the Developer entered into a Water Development Agreement, dated June 15, 1999, requiring the Developer to construct necessary water system improvements. There is a First Amendment to this Water Agreement dated January 11, 2007, identifying the successors. The Developer needs to conduct necessary site investigations, construct a 0.3 MG tank & rehabilitate Kau Well #2, replace existing 0.05 mg tank with a 0.3 MG tank and complete other related improvements.

The effective period of the right-of-entry agreement is from the date of execution till no later than June 2010.

RECOMMENDATION: It is recommended that the Board approve the Right-of-Entry Agreement and authorizes the Chairman or the Vice-Chairman to sign the agreement, subject to review as to form and legality by Corporation Counsel.

**D. MEMORANDUM OF UNDERSTANDING FOR: QUEEN K HIGHWAY WIDENING - KEALAKEHE TO KEAHOLE 16" W/L INSTALLATION – STATE HIGHWAY PROJECT (QUEEN K HIGHWAY WIDENING, PHASE 2)**

This DWS CIP project was included with the State Highways Queen Kaahumanu Highway Widening – Phase 2 project and is a “Design-Build” project. The best and final offer was accepted by the State and the waterline portion of the bid was \$2,896,723.00 not including contingency and does not include the required construction engineering by the State (\$235,307.00) as well as the administration costs (\$40,937.00). The estimate was \$5,000,000.00.

Staff has reviewed the Memorandum of Understanding (MOU) and finds it acceptable with the exception that DWS will certify that funds are available for the construction engineering and administration costs of \$276,244.00. The MOU states that DWS make a check payable to the State of Hawaii in that amount however, it has been agreed that in lieu of the check, the certification of funds is acceptable.

RECOMMENDATION: It is recommended that the Water Board accept the proposal amount of \$2,896,723.00 plus a contingency of \$150,000.00 (~5%) and Construction Engineering and Administration Costs of \$276,244.00 and that either the Chair or Vice Chair be authorize to execute the Contracts subject to approval or our Corporation Counsel.

8) SOUTH KONA:

A. **JOB NO. 2007-927, INSTALLATION OF ELECTRICAL INFRASTRUCTURE OF EMERGENCY GENERATOR CONNECTIONS AT HALEKI'I WELL SITE:**

Bids for this project will be opened on December 11, 2008, at 2:00 p.m.; and a report and recommendation will be provided at the meeting.

9) 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. WATER SYSTEM DEDICATION WITHIN MAUNA LANI RESORT**

**A) BILL OF SALE**

Seller: MAUNA LANI SERVICE, INC.  
TMK: (3) 6-8-022

**B) GRANT OF EASEMENT (Regular System)**

Grantor: MAUNA LANI RESORT (OPERATION), INC.  
TMK: (3) 6-8-022: 043, 044

**C) GRANT OF EASEMENT (Land Court System)**

Grantor: MAUNA LANI RESORT (OPERATION), INC.  
TMK: (3) 6-8-022: portion 045

**D) GRANT OF EASEMENT (Regular System)**

Grantor: MAUNA LANI SERVICE, INC.  
TMK: (3) 6-8-022

**E) GRANT OF EASEMENT (Land Court System)**

Grantor: MAUNA LANI SERVICE, INC.  
TMK: (3) 6-8-022

- F) GRANT OF EASEMENT (Regular System)**  
Grantor: MAUNA LANI SERVICE, INC.  
TMK: (3) 6-8-001: 053

**2. PURSUANT TO THE TRI-PARTY AGREEMENT BETWEEN MAUNA LANI SERVICES, INC, (MLS), MAUNA KEA PROPERTIES (MKP), AND DEPARTMENT OF WATER SUPPLY. APPROVED BY THE WATER BOARD AT ITS MEETING ON FEBRUARY 28, 2006. THE FOLLOWING DOCUMENTS ARE HEREBY PRESENTED FOR ACTION BY THE WATER BOARD.**

- A. GRANT OF EASEMENT**  
Grantor: Waikoloa Village Association  
TMK: (3) 6-8-002:019

- B. ASSIGNMENT OF EASEMENT**  
Grantor Mauna Lani Service, Inc.  
TMK: (3) 6-8-001:001

- C. BILL OF SALE**  
Seller: Mauna Lani Service, Inc.  
TMK: (3) 6-8-001 and (3) 6-8-002  
Final Inspection Date: *to be announced at the meeting*  
Water System Cost: \$ *to be announced at the meeting*

- D. DEED (Well Site 5 and Well Site 8)**  
Grantor: Mauna Lani Service, Inc.  
TMK: (3) 6-8-001: 044 and 047

**3. GRANT OF EASEMENT AND BILL OF SALE**

Betty Wung Subdivision  
Subdivision Application No. 05-0099  
Grantor/Seller: Betty Yet Jean Wung  
TMK: (3) 2-4-038: 016  
E.W.O.: 2007-088  
Lots: 6 and 1-Road Lot                      Zoning: RS-15  
Facilities Charge: \$ 27,500.00              Date Paid: 4/04/08  
Final Inspection Date: 3/06/08  
Water System Cost: \$40,800.00

**RECOMMENDATION:** It is recommended that the Water Board accept these documents subject to the approval of the Corporation Counsel and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents.

**B. POWER COST ADJUSTMENT CLAUSE:**

A Public Hearing on the Power Cost Adjustment Clause was held today. Public Hearing Notice was published in the Hawaii Tribune-Herald and in the West Hawaii Today on November 26 and 28, 2008.

RECOMMENDATION: It is recommended that the Water Board approve the proposed cost of Power Adjustment Clause of \$2.38 per thousand gallons effective the first day of the month after proposed establishment of the rate by the Water Board.

**C. MONTHLY PROGRESS REPORT:**

Submission of Progress Report of Projects by the Department (see attached). Department personnel will be available to respond to questions by the Board regarding the status/progress of any project.

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

Submission of financial statements and information relating to the financial status of the Department. Department personnel will be available to respond to questions by the Board relating to the financial status of the Department.

**E. WATER RATE STUDY:**

For discussion by the Water Board on results of the final report.

**F. MANAGER'S REPORT:**

The Manager will provide an update or status on the following:

1. Hawaiian Ocean View Exploratory Well
2. Negotiations with Kamehameha Investment Corporation
3. Automatic Meter Reading (AMR) Program
4. Water Hauling (Pepeekeo and other areas)
5. Recycling Program
6. Transportation Committee
7. Major West Hawaii Projects (executed agreements)
8. Emergency Generators Installation
9. Hawai'i Water Works Association (HWWA) Conference, Maui – October 29-31, 2008

**G. 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.

RECOMMENDATION: 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.

**H. ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON FOR 2009:**

Board to elect Chairperson and Vice-Chairperson for the 2009 term.

**I. EXECUTIVE SESSION:**

The Board anticipates convening an executive meeting to consider the evaluations of the Manager, as authorized by Hawai‘i Revised Statutes, Sections 92-4 and 92-5(a)(2). A two-thirds vote, pursuant to HRS Section 92-4, is necessary to hold an executive meeting.

**J. MANAGER’S EVALUATION:**

Discussion/Action on Manager’s evaluation and compensation.

**K. CHAIRPERSON’S REPORT:**

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

10) ANNOUNCEMENTS:

1. Next Meeting:

The next meeting of the Water Board will be held on January 27, 2009, 10:00 a.m., in the Hilo Operations Center Conference Room, 889 Leilani Street, Hilo, Hawai‘i.

11) STATEMENTS FROM THE PUBLIC

12) ADJOURNMENT

*The meeting place is accessible to persons with disabilities. If you require use of an auxiliary aid or other access accommodation, please contact Doreen Shirota at 961-8050 as soon as possible or at least 5 days prior to the meeting.*

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

*Notice to Lobbyists: If you are a lobbyist, you must register with the Hawai‘i County Clerk within five days of becoming a lobbyist. {Article 15, Section 2-91.3(b), Hawai‘i County Code} A lobbyist means “any individual engaged for pay or other consideration who spends more than five hours in any month or \$275 in any six-month period for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.” {Article 15, Section 2-91.3(a)(6), Hawai‘i County Code} Registration forms and expenditure report documents are available at the Office of the County Clerk-Council, Hilo, Hawai‘i.*