

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

MEETING DATE: November 24, 2009

TIME: 10:00 a.m.

PLACE: Royal Kona Resort, Resolution Room, 75-5852 Ali‘i Drive, Kailua-Kona.

- 1) CALL TO ORDER – 10:00 a.m. *(please turn cell phones off or set to silent)*
- 2) STATEMENTS FROM THE PUBLIC
- 3) APPROVAL OF MINUTES
Minutes of the October 27, 2009, regular Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA
(Note: Addendum requires Roll Call Vote)
- 5) SOUTH HILO:

A. PROFESSIONAL SERVICES AGREEMENT: AINAKO AND AINA-NANI WATERLINE REPLACEMENT, JOB NO. 2002-0798:

The first bid for the subject project on June 23, 2006 had only two bidders, and the bids were judged to be high for the scope of work. The apparent low bid was for \$1,958,107.00, or more than double Engineering’s estimate of \$940,000.00. A decision was made to re-bid the project, with some controls to scale back the project if necessary. In the meantime, there were other problems with the plans, where additional pipeline work would be required.

The consultant, Hilo Engineering, Inc., has submitted a proposal for a supplemental agreement to re-bid the subject project, with the addition of replacing approximately 2,800 linear feet of 6-inch waterline to meet National Pollutant Discharge Elimination System (NPDES) and Best Management Practices (BMP) requirements, and also for additional pavement repairs.

The original agreement was for \$67,650.00, with one change order for \$7,000.00, for a revised agreement amount of \$74,650.00.

Staff has reviewed the request and finds that the \$129,500.00 in additional engineering fees are justified.

RECOMMENDATION: It is recommended that the Board grant this request for additional funds of \$129,500.00 to Hilo Engineering, Inc., and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents for PROFESSIONAL SERVICES AGREEMENT: AINAKO AND AINA-NANI WATERLINE REPLACEMENT, JOB NO. 2002-0798, subject to review as to form and legality by Corporation Counsel.

6) HĀMĀKUA:

A. DRINKING WATER STATE REVOLVING FUND RESOLUTION NO. 09-03:

(Note: Resolution requires roll call vote.)

Resolution No. 09-03 is for the project for which DWS has submitted a loan application, under the Drinking Water State Revolving Fund (DWSRF). One of the prerequisites for the loan is a Resolution approved by the Water Board. This Resolution is specifically identified for the following project: JOB NO. 2006-905, KAPULENA WELL DEVELOPMENT - PHASE 1, and authorizes the Manager or Deputy Manager to execute loans and/or grants with the State Department of Health for up to \$1,500,000.00.

RECOMMENDATION: It is recommended that the Water Board adopt Resolution No. 09-03 subject to the approval of Corporation Counsel.

7) NORTH KOHALA:

A. DRINKING WATER STATE REVOLVING FUND RESOLUTION NO. 09-04:

(Note: Resolution requires roll call vote.)

Resolution No. 09-04 is for the project for which DWS has submitted a loan application, under the Drinking Water State Revolving Fund (DWSRF). One of the prerequisites for the loan is a Resolution approved by the Water Board. This Resolution is specifically identified for the following project: JOB NO. 2005-867, HALAULA WELL DEVELOPMENT - PHASE 1, and authorizes the Manager or Deputy Manager to execute loans and/or grants with the State Department of Health for up to \$1,500,000.00.

RECOMMENDATION: It is recommended that the Water Board adopt Resolution No. 09-04 subject to the approval of Corporation Counsel.

8) SOUTH KOHALA:

A. JOB NO. 2007-043, CONSTRUCTION OF THE WAIKOLOA RESERVOIR NO. 2 EARTHQUAKE REPAIRS, COUNTY OF HAWAI'I, STATE OF HAWAI'I, FEMA-1644-DR-HI, FIPS NO. 001-UVKJ8-00, PW NO. 638:

The contractor, Goodfellow Bros., Inc., has requested a 26-calendar day time extension. This request consists of 2 calendar days for the additional work of Change Order No. 1 (five added clean-outs to the subdrainage piping system); and 24 calendar days for rain-outs and unworkable conditions from September 1, 2009 to October 31, 2009.

Note: There is no additional cost associated with this time extension.

Staff has reviewed the request and finds that the 26 calendar days are justified. This is the second time extension request.

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	11/9/2009	1/30/2010	82	Rain-out days and Hypalon polymer supply issues.
2	1/30/2010	2/25/2010	26	Additional clean-out installation work and rain-out days.
Total Days (including this request)			108	

RECOMMENDATION: It is recommended that the Board approve a contract time extension to Goodfellow Bros., Inc., of twenty-six (26) calendar days from January 30, 2010 to February 25, 2010, for JOB NO. 2007-043, CONSTRUCTION OF THE WAIKOLOA RESERVOIR NO. 2 EARTHQUAKE REPAIRS.

9) NORTH KONA:

A. JERNIGAN PROPERTY CONDEMNATION DISPUTE:

Corporation Counsel will provide an update.

10) MISCELLANEOUS:

A. LEGISLATIVE AUDIT OF DWS:

Ms. Colleen Schrandt, Legislative Auditor, will provide an update of the upcoming DWS Legislative Audit and will discuss the process and desired outcome.

B. 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

Subdivision Application No. 2005-000211

Grantor/Seller: Big Island Bamboo/BIBCO, LLC

TMK: (3)1-3-008:027 portion

E.W.O.: 2009-031

Lots: 7

Zoning: A-1a

Facilities Charge: \$33,000.00

Paid: 5/14/2009

Final Inspection Date: 1/22/2009

Water System Cost: \$46,000.00

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.

C. LETTER FROM PLUMBING SERVICES HAWAI'I ON REQUEST TO ADJUST HIGH WATER USAGE BILL FOR MS. MARY MCGRATH (WAIMEA):

Discussion and possible decision making.

D. COUNTY OF HAWAI'I'S GENERAL OBLIGATION BOND ISSUE ON BEHALF OF DEPARTMENT OF WATER SUPPLY:

The Department will provide an update on Bill 160, which authorizes the sale of \$31 million in general obligation bonds for the purpose of funding various improvement projects for the Department of Water Supply.

Bill 160 had its first reading at the Hawai'i County Council meeting held on November 4, 2009.

The DWS will reimburse the General Fund for the related debt service on the bonds and the cost of issuance.

E. **REPORT OF AD HOC FINANCE COMMITTEE:**

The Water Board's Ad Hoc Finance Committee Chairperson, Mr. Art Taniguchi, is investigating on the following areas, which encompass the scope of the Committee's work. At this meeting, the Committee may do the following:

1. Recommendation and possible concurring vote on DWS policy regarding credit card expenses;
2. Report on procedures regarding cash control;
3. Report on vehicle take-home policy.

F. **ENERGY MANAGEMENT ANALYST UPDATE:**

The following areas will be covered:

1. Negotiations with HELCO on Lālāmilo Windfarm/DLNR land lease
2. Mayor's Green Team
3. Mayor's Energy Advisory Commission

G. **MONTHLY PROGRESS REPORT:**

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

H. **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.

I. **POWER COST CHARGE UPDATE:**

The Power Cost Adjustment for October 2009 was **\$1.77** per 1,000 gallons, compared with the current Power Cost Charge of \$1.68. This will be discussed, with possible action by the Board.

J. **WATER RATE STUDY:**

Discussion on the new water rate study that the Department is planning to conduct to address the shortage of funds being generated from water sales.

K. **MANAGER'S EVALUATION:**

Discussion of processing and procedures regarding the yearly evaluation of the Manager.

L. **MANAGER'S REPORT:**

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

1. Update on use agreement on KIC wells
2. Palani Road Transmission Project
3. Report on Hawaiian Ocean View Estates/County Council
4. DWS Preparation for Legislative Audit

M. **CHAIRPERSON'S REPORT:**

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

N. **KAWAILANI 1.0-MILLION GALLON RESERVOIR:**

Corporation Counsel to provide update.

11) ANNOUNCEMENTS:

1. **Next Meeting:**

The next meeting of the Water Board will be held on December 15, 2009, at 10:00 a.m. at the Department of Water Supply, Operations Center, Conference Room, 889 Leilani Street, Hilo.

2. **Following Meeting:**

The following meeting of the Water Board will be held on January 26, 2010, at 10:00 a.m. at the Department of Water Supply, Operations Center, Conference Room, 889 Leilani Street, Hilo.

12) STATEMENTS FROM THE PUBLIC:

13) ADJOURNMENT

Anyone who requires an auxiliary aid or service for effective communication or a modification of policies or procedures to participate in this Water Board Meeting should contact Doreen Shiota, Secretary, at 961-8050 as soon as possible, but no later than five days before the scheduled 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.