

**DEPARTMENT OF WATER SUPPLY  
COUNTY OF HAWAII  
WATER BOARD MEETING  
AGENDA**

**MEETING DATE:** December 15, 2009

**TIME:** 10:00 a.m.

**PLACE:** Department of Water Supply, Operations Conference Room, 889 Leilani Street, Hilo

- 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 November 24, 2009, regular Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA  
**(Note: Addendum requires Roll Call Vote)**
- 5) HĀMĀKUA:

**A. JOB NO. 2006-905, CONSTRUCTION OF THE KAPULENA WELL DEVELOPMENT – PHASE 1 (WELL NO. ):**

Bids for this project were opened on December 3, 2009, at 2:00 p.m., and the following are the bid results:

| <b>Bidder</b>  | <b>Amount</b>       |
|--|---------------------|
| <b>Water Resources International, Inc. (Lowest Responsible Bidder)</b> | <b>\$857,741.00</b> |
| Beylik Drilling & Pump Service, Inc.                                   | \$996,487.00        |

Engineer’s Construction Cost Estimate: \$1,152,595.00.

Construction Contract Duration: Two hundred seventy (270) calendar days.

Project Scope: This project consists of providing all labor, materials, tools, and equipment necessary to drill, case, and pump test the 18-inch Kapulena Well at 1,033-foot elevation, all in accordance with the plans and specifications. The scope of work generally includes: 1) improvements to the existing access road to the drill construction site; 2) construction of the well drilling pad; and 3) construction, disinfection, and pump testing of the Kapulena well.

The project cost will be as follows:

Project Cost:

|   |                            |
|---|----------------------------|
| 1) Low Bidder (Water Resources International, Inc.) | \$857,741.00               |
| 2) Construction Contingency (~10%)                  | <u>\$ 86,259.00</u>        |
| Total Construction Cost:                            | <b><u>\$944,000.00</u></b> |

Funding for this project will initially be from DWS C.I.P. budget; however, DWS will be pursuing a loan under the Drinking Water State Revolving Fund (DWSRF).

Department Staff has reviewed the bids, and finds the bid from Water Resources International, Inc., acceptable as submitted.

**RECOMMENDATION:** It is recommended that the Board award the contract for JOB NO. 2006-905, CONSTRUCTION OF THE KAPULENA WELL DEVELOPMENT – PHASE 1 (WELL NO. \_\_\_\_), to the lowest responsible bidder, Water Resources International, Inc., for their bid amount of \$857,741.00, plus \$86,259.00 for construction contingency, for a total contract amount of \$944,000.00. It is further recommended that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality by Corporation Counsel.

6) **NORTH KONA:**

A. **JOB NO. 2009-954, KAHALU‘U SHAFT PUMP NO. 1 REPAIR:**

The contractor, Derrick’s Well Drilling and Pump Services, LLC, has requested a contract time extension of 91 calendar days. This is due to unavoidable material and manufacturing delays in the delivery of the pump. The contractor’s supplier has changed the scheduled arrival date to mid-April, 2010, which is beyond the control of the contractor.

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

Staff has reviewed the request and finds that the 91 calendar days are justified. This is the first time extension request.

- **1st time extension – 91 calendar days**

**RECOMMENDATION:** It is recommended that the Board approve a contract time extension to Derrick’s Well Drilling and Pump Services, LLC, of 91 calendar days for JOB NO. 2009-954, KAHALU‘U SHAFT PUMP NO. 1 REPAIR. If so approved, the contract completion date will be revised from January 29, 2010 to April 30, 2010.

7) **MISCELLANEOUS:**

A. **LEGISLATIVE AUDIT OF DWS:**

Discussion/Action on the Board’s recommended focus areas for the Legislative Auditor’s audit of DWS.

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. **BILL OF SALE**

Seller: Hospice of Hilo  
E.W.O. 2009-026

TMK: (3) 2-4-001:179)

Lots: 2

Zoning: RS-10

Facilities Charge: \$50,690.00

Paid: 4/28/2009

Final Inspection Date: 4/28/2009

Water System Cost: \$72,729.00

**RECOMMENDATION:** It is recommended that the Water Board accepts 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.

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

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

1. Report/discussion on vehicle take-home policy;
2. Report/discussion on procedures regarding cash control. (Discussion was deferred from the November 24, 2009 Board meeting, pending input from the Legislative Auditor.)

*Note: At the November 24, 2009 Board meeting, Mr. Taniguchi reported that the Committee concurred with DWS's policy on credit card use.*

**D. ENERGY MANAGEMENT ANALYST UPDATE:**

The following areas will be covered:

1. Report on the Lālāmilo Windfarm
2. Mayor's Energy Advisory Commission

**E. 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.

**F. 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.

**G. POWER COST CHARGE:**

The Power Cost Adjustment will be discussed, with possible action by the Board. (Currently, the Power Cost Charge is \$1.68 per 1,000 gallons.)

**H. 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.

RW Beck is planning to make their presentation to the Water Board at the January 26, 2010, Board Meeting. RW Beck plans to show what DWS's revenue requirements will be over the next 5 years based on our cost of service over the same period.

The Board will need to provide input as to:

1. When rate increases, if any, are to become effective beginning July 1, 2010;
2. Percentage increases for the water rates; and
3. How the agricultural rate will be adjusted, if at all.

**I. 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. Announcement of DWS service retirements
4. Ainaloa Pipeline update
5. Meeting Schedule/Venues for Water Board meetings in 2010

J. **BOARD MEMBERS' SERVICE:**

Section 13-4(d) of the County Charter allows a Board Member whose term has expired to serve an additional 90 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 90 days or until their successor is appointed and confirmed, whichever comes first, if so desired.

K. **ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON FOR 2010:**

Board to elect Chairperson and Vice-Chairperson for the 2010 term.

L. **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.

M. **MANAGER'S EVALUATION:**

Discussion/Action on Manager's evaluation and compensation.

N. **CHAIRPERSON'S REPORT:**

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

8) **ANNOUNCEMENTS:**

1. **Next Meeting:**

The next 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.

9) **STATEMENTS FROM THE PUBLIC:**

10) **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.*