

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

**MEETING DATE:** August 24, 2010  
**TIME:** 10:00 a.m.  
**PLACE:** Royal Kona Resort, Resolution Room, 75-5852 Ali‘i Drive, Kailua-Kona, HI

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- 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
  1. Minutes of the July 27, 2010, Public Hearing on New Water Rate Schedule
  2. Minutes of the July 27, 2010, regular Water Board Meeting

- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA  
**(Note: Addendum requires Roll Call Vote)**

5) HĀMĀKUA:

A. **JOB NO. 2007-923, CONSTRUCTION OF THE ĀHUALOA WELL DEVELOPMENT – PHASE 2 (PRODUCTION WELL AND 1.0 MG RESERVOIR):**

The contractor, Goodfellow Bros., Inc., has requested a contract time extension of 168 calendar days. This is the first time extension request for this project.

Due to delays in receiving the required electrical drawings for the project from HELCO, the contractor has been unable to proceed with electrical work within the motor control building. The remainder of work required to construct the control building (and all components within) cannot proceed until the building foundation is constructed. This construction cannot be done until all necessary floor-penetrating electrical conduits, etc., are in place.

The contractor’s electrical work has also been delayed, due to changes in the electrical design for which contract change orders will be forthcoming.

This project is being funded through the American Recovery and Reinvestment Act of 2009 (ARRA). The requested time extension will not affect ARRA funding for this project.

If approved, the contract completion date will be extended from August 30, 2010 to February 14, 2011.

RECOMMENDATION: It is recommended that the Board grant this contract time extension of 168 calendar days to Goodfellow Bros., Inc., for JOB NO. 2007-923, CONSTRUCTION OF THE ĀHUALOA WELL DEVELOPMENT – PHASE 2 (PRODUCTION WELL AND 1.0 MG RESERVOIR).

B. **AGREEMENTS WITH DEPARTMENT OF HEALTH SAFE DRINKING WATER BRANCH FOR USE OF SOURCE WATER PROTECTION FUNDS:**

The Board is being asked to consider approval of two agreements for the use of Source Water Protection funds from the State Department of Health, Safe Drinking Water Branch.

The first agreement will be to utilize the funds (grant monies) to remove and dispose of an abandoned underground storage tank (UST) in Honoka‘a, located upgradient of the Department’s Haina Well source. The UST was discovered during the County of Hawai‘i, Department of Environmental Management’s Honoka‘a sewer project.

The second agreement will be to utilize the funds (grant monies) for non-specific projects related to source water protection. Examples include educational pamphlets, work related to land use guidelines to protect drinking water sources, physical improvements to contain known contaminants in the influence area, etc. Exclusions include land acquisition.

RECOMMENDATION: It is recommended that the Water Board approve the execution of the FUNDING AGREEMENTS, and further that either the Chairperson or the Vice-Chairperson be authorized to execute the Agreements, subject to review as to form and legality by Corporation Counsel.

6) SOUTH KOHALA:

A. JOB NO. 2010-966, WAIMEA WATER TREATMENT PLANT SLUDGE REMOVAL:

Bids for this project were received on August 12, 2010, at 2:00 p.m. The following are the bid results:

<b>Bidder</b>	<b>Bid Amount</b>
2B Environmental, Inc. DBA Bob’s Sweetwater Pumping Services	\$137,880.00

This project generally consists of the periodic removal and disposal of sludge, from the Waimea Water Treatment Plant, for a period not to exceed one year. The bid amount was determined by multiplying the bidder’s unit price per load by 15 loads per month, for 12 months, from September 1, 2010 through August 31, 2011. Actual payment will be for the actual number of loads made.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2010-966, WAIMEA WATER TREATMENT PLANT SLUDGE REMOVAL, to 2B Environmental, Inc. DBA Bob’s Sweetwater Pumping Services, for their bid amount of \$137,880.00, 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.

7) KA‘U:

A. JOB NO. 2009-959 (REBID), PĀHALA WELL #1 REPAIR:

This project generally consists of the replacement of the deepwell submersible motor, pump power cable, column pipe and appurtenances.

Bids for this project were opened on August 5, 2010, at 2:30 p.m., and following are the bid results:

<b>Bidder</b>	<b>Bid Amount</b>
Beylik Drilling & Pump Service, Inc.	\$121,923.00
Derrick’s Well Drilling & Pump Services, LLC	\$123,562.61

Project Cost:

1) Low Bidder (Beylik Drilling & Pump Service, Inc.)	\$121,923.00
2) Contingency (~10%)	<u>\$ 12,000.00</u>
<b>Total Construction Cost:</b>	<b>\$133,923.00</b>

Funding for this project will be from DWS's C.I.P. Budget under Deepwell Pump Replacement. The contractor will have 360 calendar days to complete this project. The contract time is to allow for the long delivery time of the submersible pump and motor.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2009-959 (REBID), PĀHALA WELL #1 REPAIR, to the lowest responsible bidder, Beylik Drilling & Pump Service, Inc., for their bid amount of \$121,923.00 plus \$12,000.00 in contingency, for a total contract amount of **\$133,923.00**. 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 of the contract by Corporation Counsel.

8) MISCELLANEOUS:

A. **PROFESSIONAL SERVICES AGREEMENT: DWS UPDATE TO THE WATER USE AND DEVELOPMENT PLAN: JOB NO. 2003-818:**

The consultant, Fukunaga & Associates, Inc., requested additional payment for work done beyond the scope of the current contract. The following items are descriptions of the additional work:

1.) Amendment of County Ordinance:

In the beginning, Fukunaga & Associates, Inc., developed a new ordinance modeled after the current Honolulu Board of Water Supply (BWS) ordinance. After discussions with the affected parties, the consultant changed course with an amended ordinance that focused on certain problematic wording in the existing ordinance. This resulted in an expenditure of more than double the allocated amount for this portion of the work, which was \$9,900.00. Therefore, for this item, the consultant is requesting an additional amount of \$10,000.00.

2.) Costs for Public Informational Meetings:

The first change order on the contract was an amendment increasing the contract amount by \$37,000.00 for additional public information meetings (i.e., instead of the originally planned two meetings in Hilo and Kona, a total of eight meetings were held: two each in Hilo, Kona, Waimea and Nā'ālehu in 2006 and 2007.) The meetings were to solicit input from the community and to avoid the difficulties encountered by another County agency, that arose when the public felt that the agency had not adequately informed the public or allowed for public input. Of the \$37,000.00, \$8,900.00 was allocated for responding to comments. Due to the extent of the public's comments and the need to amend the Water Use and Development Plan in response, the consultant ended up spending over 40 man-days, or \$31,000.00, to respond to the comments and revise the document. Therefore, for this item, the consultant is requesting an additional amount of \$20,000.00.

DWS recognizes that Fukunaga & Associates, Inc., has performed significant additional work beyond the initial expectations of DWS and Fukunaga and Associates, Inc., when the original scope of work was developed. Staff and management have reviewed the request for additional payment and recommend acceptance of the change order in the amount of \$30,000.00. The original contract amount was \$250,000.00. Change Order No. 1 for \$37,000.00 increased the project cost to \$287,000.00. The amended total contract amount, including this Change Order No. 2, will be \$317,000.00. Funds for the additional work are available.

Consultant: Fukunaga & Associates, Inc.	
Original Fee:	\$250,000.00
Previous Change Order:	\$37,000.00
This Change Order:	<u>\$30,000.00</u>
Revised Contract Amount:	<b>\$317,000.00</b>

**RECOMMENDATION:** It is recommended that the Board approve the additional payment for work performed by Fukunaga & Associates, Inc., for a total additional amount of \$30,000.00 as Change Order No. 2 for JOB NO. 2003-818, DWS UPDATE TO THE WATER USE AND DEVELOPMENT PLAN and, further, that either the Chairperson or the Vice-Chairperson be authorized to execute the appropriate change order.

**B. PUBLIC HEARING: FINAL DRAFT -- WATER USE AND DEVELOPMENT PLAN UPDATE: DWS JOB 2003-818:**

The County of Hawai'i Water Board is the review committee for the Water Use and Development Plan (WUDP), and the Board is preparing to submit the Final Draft of the amended plan to the County Council for adoption by ordinance.

The amended plan incorporates public review and comment received during eight Public Meetings held at four separate locations around the island (i.e., two meetings each, held in Hilo, Kona, Waimea, and Na'alehu) in 2006 and 2007.

The Board will be holding another public hearing in Hilo at the next Water Board meeting on September 28, 2010, prior to submittal of the ordinance to County Council for adoption. The Final Draft is available on the Department of Water Supply's website at [www.hawaiidws.org](http://www.hawaiidws.org).

The Water Board will accept comments from the public during the STATEMENTS FROM THE PUBLIC portion of this Agenda and during this Agenda item.

**C. POWER COST CHARGE:**

The Power Cost Charge in July dropped to \$1.55, compared to the current Power Cost Charge of \$1.91. The Department will schedule a Public Hearing prior to the next Board meeting to adjust the Power Cost Charge from the current \$1.91 to a range between \$1.55 and \$1.91.

**D. DWS C.I.P. BUDGET AMENDMENT FOR FISCAL YEAR 2010-2011:**

Based on the status of budgeted C.I.P. projects, we are proposing to amend the C.I.P. to remove one project and add two projects that are ready to go out to bid. The project being removed is Hala'ula Well Development Phase 2. The projects being added are Pāpa'ikou Pipeline Replacement and Waimea Water System Improvements. The designs for both projects are complete, and bid documents are being drafted.

**Original C.I.P.:**

Kula'imano Production Well and Supporting Facilities	\$3,000,000
Āhualoa Power Line	\$500,000
Kona Building	\$700,000
Puakea (Kokoiki) 0.1 MG Reservoir	\$1,500,000
Kukuihaele Well Water Quality Improvement	\$2,000,000
Waimea Water Treatment Plant Compliance Upgrades Phase II	\$500,000
Kahalu'u Shaft Miscellaneous Projects	\$600,000
Kynnersley .3 MG Reservoir	\$1,500,000
Āhualoa-Honokaa Transmission Line	\$5,000,000
Puakō Waterline Replacement	\$1,400,000
Hala'ula Well Development Phase 2	\$3,000,000

TOTAL \$19,700,000

Amended C.I.P.:

Kula‘imano Production Well and Supporting Facilities	\$3,000,000
Āhualoa Power Line	\$500,000
Kona Building	\$700,000
Puakea (Kokoiki) 0.1 MG Reservoir	\$1,500,000
Kukuihaele Well Water Quality Improvement	\$2,000,000
Waimea Water Treatment Plant Compliance Upgrades Phase II	\$500,000
Kahalu‘u Shaft Miscellaneous Projects	\$600,000
Kynnersley .3 MG Reservoir	\$1,500,000
Āhualoa-Honokaa Transmission Line	\$5,000,000
Puakō Waterline Replacement	\$1,400,000
Pāpa‘ikou Pipeline Replacement (Phases 1 & 2)	\$4,200,000
Waimea Water System Improvements (Spencer Rd. to Opelo Rd.)	\$1,200,000
<b>TOTAL</b>	<b>\$22,100,000</b>

RECOMMENDATION: It is recommended that the Board approve the amended C.I.P. Budget of \$22,100,000.00. If approved, the additional funds required for the budget will come from the recently approved Bond float from the County.

E. **REPORT ON CASH HANDLING PROCEDURES:**

Report by the Waterworks Controller on specific steps that the Department is taking on cash handling procedures.

F. **FEDEX PRICING AGREEMENT:**

The Board is being asked to consider approval of a pricing agreement for the use of FedEx for the shipping for the Water Quality Assurance and Control Branch (WQAC).

This agreement will be used primarily for shipments of water sample containers to Oahu and the Mainland. This agreement will save the Department 25-28% in shipping costs.

RECOMMENDATION: It is recommended that the Water Board approve the execution of the FEDEX PRICING AGREEMENT, and further that either the Chairperson or the Vice-Chairperson be authorized to execute the Agreement, subject to review as to form and legality by Corporation Counsel.

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

The Water Board’s Ad Hoc Finance Committee Chairperson, Mr. Art Taniguchi, has been investigating the three focus areas (DWS’s policies on credit card use, cash control and vehicle take-home), which encompass the scope of the Committee’s work. At this meeting, the Committee may do the following:

- Discussion/action on vehicle take-home policy.

H. **ENERGY MANAGEMENT ANALYST UPDATE:**

The following areas will be covered:

- Lālāmilo Site Clean-up and DLNR Lease Application Status

- DWS's Green Initiatives
- Update on Mayor's Green Team and Energy Advisory Commission
- Energy Saving Projects

I. **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.

J. **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.

K. **AGRICULTURAL WATER POLICIES:**

Discussion of the Department's agricultural water policies.

L. **MANAGER'S REPORT:**

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

1. Palani Road Transmission Waterline Project
2. Hawaiian Ocean View Estates Project
3. Waiākea Office Plaza project (ADA access)

M. **CHAIRPERSON'S REPORT:**

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

9) **ADOPTION OF FINDINGS OF FACT, CONCLUSIONS OF LAW, DECISION AND ORDER FOR 7-27-10 CONTESTED CASE HEARING REGARDING WATER SERVICE ACCOUNT NUMBER 69036800-11 (TMK 4-4-003:029), (In the Matter of the Appeal of Morag and Kenneth Miranda):**

The above Contested Case Hearing took place on July 27, 2010, in accordance with Chapter 91 of the Hawai'i Revised Statutes and Rule 2-5 of the Rules and Regulations of the Department of Water Supply.

Review and adopt the Findings of Fact, Conclusions of Law and Decision and Order.

10) **ANNOUNCEMENTS:**

1. **Next Meeting:**

The next meeting of the Water Board will be held on September 28, 2010, at 10:00 a.m. at the Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

2. **Following Meeting:**

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

11) **STATEMENTS FROM THE PUBLIC:**

12) **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.*

*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.*

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