

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

**MEETING DATE:** September 28, 2010

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

**PLACE:** Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, 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 August 24, 2010, Water Board Meeting (includes Minutes of Public Hearing on Final Draft -- Water Use and Development Plan Update: DWS Job 2003-818)

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

5) HĀMĀKUA:

**A. 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.

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

Discussion/approval of DRAFT LETTER TO HELCO, regarding delays to JOB NO. 2007-923, CONSTRUCTION OF THE ĀHUALOA WELL DEVELOPMENT – PHASE 2 (PRODUCTION WELL AND 1.0 MG RESERVOIR), per Water Board’s request of August 24, 2010.

6) SOUTH KOHALA:

A. **INTER-GOVERNMENTAL AGREEMENT BETWEEN THE STATE OF HAWAII – DEPARTMENT OF LAND AND NATURAL RESOURCES AND THE COUNTY OF HAWAII – DEPARTMENT OF WATER SUPPLY: REGARDING DEDICATION OF WAIMEA EXPLORATORY WELL:**

The Department of Natural Resources (DLNR) completed the drilling, casing and testing of the Waimea Exploratory Well in 1999. However, plans to complete the development of the well were put on hold. In 2003, the Department of Water Supply (DWS) requested to complete the development of the well.

Since then, there has been no dedication or conveyance of DLNR’s improvements.

The subject Inter-Governmental Agreement is to convey and dedicate DLNR’s improvements to DWS. DWS will grant a number of water units in direct proportion to DLNR’s financial contribution.

RECOMMENDATION: It is recommended that the Board approve the agreement subject to the review and approval of the Manager and Corporation Counsel and to allow either the Chairperson or the Vice-Chairperson to execute the document.

B. **JOB NO. 2004-850, WAIMEA WATER TREATMENT PLANT SLUDGE DRYING BEDS**

The contractor, Goodfellow Bros., Inc., requests an 11 working-day time extension. This is due to rain-out days, as well as days needed to do additional work.

Staff has reviewed the request and finds that the 11 working days are justified. The 11 working days convert to 18 *calendar* days (including weekends, holidays and furlough days).

This is the second extension request.

| Ext. #                              | From (Date) | To (Date)  | Days (Calendar) | Reason  |
|-------------------------------------|-------------|------------|-----------------|---|
| 1                                   | 5/19/2009   | 3/4/2010   | 289             | Process Building permit   |
| 2                                   | 3/5/2010    | 6/18/2010  | 107             | Process Building permit   |
| 3                                   | 6/19/2010   | 8/5/2010   | 48              | Additional work including: silt fencing, parking, concrete jacketing, piping and electrical |
| 4                                   | 8/6/2010    | 10/14/2010 | 70              | Delays for Hawaiian Telcom service  |
| 5                                   | 10/15/2010  | 11/1/2010  | 18              | <i>Rain out days and additional work</i>  |
| Total Days (including this request) |             |            | 532             |   |

RECOMMENDATION: It is recommended that the Board approve a contract time extension to Goodfellow Bros., Inc., of eighteen (18) calendar days from October 15, 2010 to November 1, 2010, for JOB NO. 2004-850, WAIMEA WATER TREATMENT PLANT SLUDGE DRYING BEDS.

7) NORTH KONA:

A. **MEMORANDUM OF UNDERSTANDING FOR: QUEEN KA‘AHUMANU HIGHWAY WIDENING – KEALAKEHE TO KEAHOLE 16” WATERLINE INSTALLATION – STATE HIGHWAY PROJECT (QUEEN KA‘AHUMANU HIGHWAY WIDENING, PHASE 2):**

The Water Board at its December 2008 meeting approved the bid amount of \$2,896,723.00 plus a contingency of \$150,000.00 as well as administration costs of \$276,244.00 for the subject DWS CIP project. There was a protest to that proposal, and the State subsequently re-bid the project. The current

proposal accepted by the State had a best and final offer of \$3,280,000.00, with a contingency of \$164,000.00 for the waterline portion of work. The administration costs are estimated to be \$300,000.00. Although the waterline design scope has not changed, the contractor's cost for the waterline installation has changed. The original estimate for the project was \$5,000,000.00.

DWS staff has reviewed the new Memorandum of Understanding (MOU), and finds it acceptable.

RECOMMENDATION: It is recommended that the Water Board accept the contract bid amount of \$3,280,000.00 plus a contingency of \$164,000.00, and Construction Engineering and Administration Costs of \$300,000.00, and that either the Chairperson or Vice-Chairperson be authorized to execute the MOU, subject to approval of our Corporation Counsel.

8) SOUTH KONA:

A. EXTENSION OF WELL SITE DEVELOPMENT AGREEMENT – 1250 OCEANSIDE PARTNERS AND REVOCABLE TRUST OF E. JEAN GREENWELL:

On April 12, 2007, William N. Greenwell and Ethelyn Jean Greenwell, trustees of the Revocable Trust of E. Jean Greenwell dated September 11, 1992, and 1250 Oceanside Partners (collectively the "Developer") entered into a Well Site Development Agreement with the Water Board to develop and dedicate a potable water well referred to as the Kalukalu Well, in addition to other off-site water system improvements located in South Kona.

The Developer was previously granted a time extension to complete the construction and testing of the Exploratory Well, from October 12, 2009 to October 12, 2010. The Developer is requesting a six-month time extension from October 12, 2010 to April 12, 2011.

Pumping and testing of the well have been completed. The Developer is requesting a time extension to receive final report and approvals. The Developer believes that these will not be received before the development agreement extension expires on October 12, 2010.

RECOMMENDATION: It is recommended that the Water Board grant the Developer a six-month time extension to April 12, 2011 regarding EXTENSION OF WELL SITE DEVELOPMENT AGREEMENT – 1250 OCEANSIDE PARTNERS AND REVOCABLE TRUST OF E. JEAN GREENWELL to receive final approvals from the Department of Health.

9) MISCELLANEOUS:

A. DEDICATION OF WATER SYSTEMS:

The Department has 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**

KA'OKO'A Subdivision  
Pana'ewa Farm Lots, Improvements Lots 6A to 6D  
Grantor: Sonomura Rentals, LLC  
Tax Map Key: (3) 2-2-048: 010  
No. of Lots: 4 Zoning: A-3a  
E.W.O. 2007-013  
Facilities Charge: None (Existing Services)  
Final Inspection Date: 7/18/2007  
Water System Cost: \$89,500.00

**Note:** This Bill of Sale document was approved by the Water Board at its meeting on October 23, 2007 for this subdivision, but it was not recorded.  
This Grant of Easement and Bill of Sale document is a replacement.

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

Grantors: Alan Z. Inaba, Gordon Inaba, Jason K. Inaba, and Melvin K. Inaba  
Tax Map Key: (3) 6-4-017:040  
No. of Lots: 8 and 2 Road Lots      Zoning: A-5a  
E.W.O. 2010-019  
Facilities Charge: \$33,000.00      Date Paid: 9/14/2010  
Final Inspection Date: 7/23/2010  
Water System Cost: \$27,290.00

RECOMMENDATION: It is recommended that the Water Board accepts 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. 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 Nā'ālehu) in 2006 and 2007.

The Final Draft is available on the Department of Water Supply's website at [www.hawaiiidws.org](http://www.hawaiiidws.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 Department will have held a Public Hearing at 9:45 a.m., just prior to this Board meeting, to adjust the Power Cost Charge from the current \$1.91 to a range between **\$1.55 and \$1.91**. The Power Cost Charge for August 2010, the latest figure available, was **\$1.66**.

RECOMMENDATION: It is recommended that the Water Board approve an adjustment of the Power Cost Charge to **\$1.66**, from the current \$1.91.

**D. REPORT ON WALK-IN PAYMENTS IN WAIMEA AND KONA:**

Report by the Waterworks Controller on walk-in payments in Waimea and Kona.

**E. REPORT ON DELINQUENCIES:**

Report by the Waterworks Controller on the current state of delinquencies.

**F. 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.
- Discussion of DWS's cash handling procedures and proposed changes.

**G. ENERGY MANAGEMENT ANALYST UPDATE:**

The following areas will be covered:

- Lālāmilo Site Clean-up and DLNR Lease Application Status
- DWS's Green Initiatives
- Draft Energy Policy Statement for DWS

**H. 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.

**I. 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.

**J. 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. Recognition of Service Retirement

**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 October 26, 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 November 23, at 10:00 a.m. at the Royal Kona Resort, Resolution Room, 75-5852 Ali'i Drive, Kailua-Kona, 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.*