

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

**MEETING DATE:** January 25, 2011  
**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 December 21, 2010, Public Hearing on the Power Cost Charge
  - Minutes of the December 21, 2010, Water Board meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA  
**(Note: Addendum requires Roll Call Vote)**

5) HĀMĀKUA:

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

The contractor, Goodfellow Bros., Inc., is requesting a contract time extension of 224 calendar days. This is the second time extension request for this project. Information on the previous time extension request is detailed below.

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	8/30/10	2/14/11	168	Delays in receiving drawings from HELCO and changes in electrical design.
2	2/14/11	9/26/11	224	<i>Delays in receiving submittals and review from HELCO for Main Electrical Service Switchgear (MESS).</i>
Total Days (including this request)			392	

The project completion date must be extended due to delays in receiving submittals from the manufacturer, and in obtaining approval from HELCO for the Main Electrical Service Switchgear (MESS) submittals. HELCO’s comments on the MESS submittal are currently under review by DWS and its engineering consultant. The MESS equipment cannot be ordered until HELCO’s requested changes to the MESS submittals are accepted. It is anticipated that the MESS submittals with HELCO’s comments will be reviewed and accepted by the current project completion date of February 14, 2011.

Staff has reviewed the request and finds that the extension of 224 calendar days is justified.

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.

RECOMMENDATION: It is recommended that the Board grant this contract time extension of 224 calendar days to Goodfellow Bros., Inc., for JOB NO. 2007-923, ĀHUALOA WELL DEVELOPMENT – PHASE 2 (PRODUCTION WELL AND 1.0 MG RESERVOIR). If approved, the contract completion date will be extended from February 14, 2011 to September 26, 2011.

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 Water Board approved an inter-governmental agreement between the Department of Land and Natural Resources (DLNR) and the Department of Water Supply at the September 28, 2010, Water Board meeting. However, the State is requesting changes to subject agreement.

*(This Item was deferred from the December 21, 2010, Water Board meeting.)*

7) NORTH KONA:

A. KOHANAIKI REIMBURSEMENT AGREEMENT:

The developer, KOHANAIKI SHORES, LLC (Kohanaiki), is requesting the Water Board to enter into a reimbursement agreement, under which Kohanaiki shall reimburse DWS for preliminary design changes to the new 16-inch waterline that will be installed with the Queen Ka‘ahumanu Highway Widening Phase 2 Project. The proposed design changes will help improve the flow of water along Queen Ka‘ahumanu Highway in both directions.

The preliminary design will allow for the contractor, Goodfellow Bros, Inc., to establish a cost estimate to determine whether or not the actual construction of the proposed changes can be afforded by Kohanaiki. Should Kohanaiki choose to accept the proposal by the contractor, they will enter into a subsequent agreement with the Board for the proposed work prior.

RECOMMENDATION: It is recommended that the Water Board agree to the Reimbursement Agreement by and between KOHANAIKI SHORES, LLC, and the Water Board of the County of Hawai‘i, and that either the Chairperson or the Vice-Chairperson be authorized to execute the document, subject to approval by Corporation Counsel.

8) 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. **CANCELLATION OF EASEMENT**

Grantor: Water Board of the County of Hawaii  
Tax Map Key: (3) 7-3-051: 060 portion

2. **LICENSE EASEMENT NO. 752**

For Water Meter Purposes: (Target and Safeway Stores)  
Licensor: State of Hawai‘i Department of Hawaiian Home Lands (DHHL)  
Tax Map Key: (3) 2-2-047: 072 portion  
E.W.O.: 2011-003

Facilities Charge: \$319,000.00      Date Paid: 01/12/2011

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

**B. 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.

**C. PROPOSED AD HOC COMMITTEE FORMATION:**

A proposed Ad Hoc Committee on Energy is being requested by Board member Delan Perry.

**D. HELCO RELEASE AND TERMINATION AGREEMENT – LĀLĀMILO:**

A Release and Termination Agreement for the Lālāmilo Windfarm is needed to terminate the June 30, 1986, Power Purchase Agreement between Department of Water Supply and Hawaii Electric Light Company, Inc. (HELCO). There is no budget amount for this project.

**RECOMMENDATION:** It is recommended that the Board approve the Release and Termination Agreement for the Lālāmilo Windfarm, and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents, subject to approval of Corporation Counsel.

**E. ENERGY MANAGEMENT ANALYST UPDATE:**

The following areas will be covered:

- DLNR Lease Application status
- DWS's Green Initiatives
- DWS's Draft Energy Policy Statement – Discussion and possible adoption of Energy Policy Statement

**F. PROFESSIONAL SERVICES AGREEMENT:**

An amendment to the Service Contract for the Furnishing of Microbiological Potable Water Quality Testing and Chemical Potable Water Quality Testing (On an As-Needed Basis) is needed. It is budgeted under the Department's operating and maintenance budget.

Budget Amount for FY 2011: \$100,000.00

**RECOMMENDATION:** It is recommended that the Board approve the service contract amendment as well as ratify the original contract, and that either the Chairperson or the Vice-Chairperson be authorized to sign the document, subject to approval of Corporation Counsel.

**G. POWER COST CHARGE:**

The Power Cost Adjustment will be discussed, with possible action by the Board. Currently, the Power Cost Charge is \$1.75 per 1,000 gallons. The most recent Power Cost Charge is \$2.00, as of December 2010. A Public Hearing is being scheduled to receive testimony on the Power Cost Adjustment on February 22, 2011 at 9:45 a.m., before the Board meeting.

**H. WATER RATE STUDY:**

Review proposed water rate increases prepared by R.W. Beck, and schedule public hearing(s) to give the public an opportunity to comment on the proposed increases.

**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. MANAGER-CHIEF ENGINEER'S REPORT:**

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

- 1) Palani Road Transmission Waterline Project
- 2) Hawaiian Ocean View Estates Project (including a report on the finding of the Legislature's Investigative Committee)
- 3) 2011 Water Board Schedule – Revised with new Kona venue from May 2011
- 4) Public Relations and Education Specialist Update
- 5) Employee of the Quarter
- 6) Upcoming HWWA and AWWA conferences

**L. MANAGER-CHIEF ENGINEER'S COMPENSATION:**

Discussion/Action on Manager-Chief Engineer's and Deputy's compensation.

**M. CHAIRPERSON'S REPORT:**

Chairperson to report on matters of interest to the Board.

**N. DISCUSSION WITH CORPORATION COUNSEL REGARDING COUNTY COUNCIL CHANGES TO HAWAII COUNTY CHARTER, CHAPTER 29:**

The Water Board anticipates convening an executive meeting, closed to the public, regarding the foregoing matter, pursuant to HRS Sections 92-4 and 92-5(a)(4), for the purpose of consulting with the Water Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities and liabilities.

**O. CLAIM BY JERRY YAHIKU RE: CLAIM 10-0071 -- DATE OF INCIDENT: DECEMBER 2, 2010:**

The Water Board anticipates convening an executive meeting, closed to the public, regarding the foregoing matter, pursuant to HRS Sections 92-4 and 92-5(a)(4), for the purpose of consulting with the Water Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities and liabilities.

9) **ANNOUNCEMENTS:**

1. **Next Meeting:**

The next meeting of the Water Board will be held on February 22, 2011, at 10:00 a.m. at the Royal Kona Resort, Resolution Room, 75-5852 Ali'i Drive, Kailua-Kona, HI.

**2. Following Meeting:**

The following meeting of the Water Board will be held on March 22, 2011, at 10:00 a.m. at the Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

10) STATEMENTS FROM THE PUBLIC:

11) 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 Jollimore, 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.*