

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

**MEETING DATE:** April 26, 2011

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

**PLACE:** Department of Water Supply, Operations Center, 889 Leilani St., Hilo

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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

- Minutes of the March 22, 2011, Public Hearing on FY2012 Budget
- Minutes of the March 22, 2011, regular Water Board meeting

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

5) SOUTH HILO:

A. **VEHICLE BID NO. 2011-02, FURNISHING AND DELIVERING A PASSENGER VAN TO  
THE DEPARTMENT OF WATER SUPPLY:**

Bid opening was scheduled for April 13, 2011, at 2:00 p.m., but no bids were received.

This passenger van will be re-bid in FY2012 as part of a vehicle bid package.

6) 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**

Subdivision Application No. 09-000960, Phase I

Grantor/Seller: Nohea at Mauna Lani, LLC

Tax Map Key: (3) 6-8-022: 014

E.W.O.: 2010-023

No. of Lots: 30

Zoning: RM-3

Facilities Charge: \$ 411,840.00      Date Paid: 09/02/2010

Final Inspection Date: 04/12/2011

Water System Cost: \$305,607.00

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

“Kapua Subdivision”

Subdivision Application No. 2004-000127

Grantor/Seller: EWM Investments, LLC

Tax Map Key: (3) 5-4-007: 010 and (3) 5-4-008: 001

E.W.O.: 2010-027

No. of Lots: 6 and Road Lot A      Zoning: RS-15 and A-20a  
Facilities Charge: *Not applicable (previously paid: existing units)*  
Final Inspection Date: 04/12/2011  
Water System Cost: \$50,069.00

**3. AMENDMENT OF NON-EXCLUSIVE OF EASEMENT AND BILL OF SALE**

Grantor/Seller: State of Hawai‘i, Department of Transportation  
FAA-Control Tower, Kona International Airport at Keāhole  
Tax Map Key: (3)7-3-043: 003 and 032  
E.W.O.: 2011-002  
Facilities Charge: \$148,500.00      Date Paid: *To be paid before the meeting*  
Final Inspection Date: *Report to be made at the meeting*  
Water System Cost: *Report to be made at the meeting*

**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. WATER RATE STUDY:**

R.W. Beck has recalculated water rates for FY 2012, and adjusted the increase from 3.7% to 6.8%, based on revised expenditure estimates for health care retirement costs and billing system conversion. No changes were made to the already-approved rate increases of 2.2%, 4.3% and 2.7% for FY13, FY14, and FY15; however, rates for these periods do require revision if FY 2012 rates are increased 6.8% as proposed.

Public hearings were held on Wednesday, March 30, 2011 at 6:00 p.m. at Aupuni Center in Hilo, and on Thursday, March 31, 2011, at 6:00 p.m. at West Hawai‘i Civic Center in Kona.

**RECOMMENDATION:** It is recommended that the Water Board approve R.W. Beck’s 6.8% increase to FY 2012 water rates, and the corresponding revision to FY13, FY14, and FY15 rates.

**C. PROFESSIONAL SERVICES AGREEMENT:**

A second 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. The Department is also requesting a one-year time extension to the contract. This will be dependent on both parties agreeing to the current costs for the various testing fees within the contract.

- Budget Amount for FY 2011: \$100,000.00
- Budget Amount for FY 2012: \$100,000.00

**RECOMMENDATION:** It is recommended that the Board approve the service contract amendment and the one-year time extension, and that either the Chairperson or the Vice-Chairperson be authorized to sign the document, subject to approval of Corporation Counsel.

**D. ENERGY POLICY STATEMENT:**

Discussion and possible adoption of DWS’s new Energy Policy.

**E. 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.

**F. PROPOSED AMENDMENT TO DWS VEHICLE POLICY:**

A proposed amendment to the DWS Vehicle Policy is being considered to ensure the most efficient use of DWS's vehicles.

**RECOMMENDATION:** It is recommended that the Water Board approve the amendment to the DWS Vehicle Policy.

**G. POWER COST CHARGE:**

The Power Cost Adjustment will be discussed, with possible action by the Board. Currently, the Power Cost Charge is \$1.89 per 1,000 gallons. The most recent Power Cost Charge is **\$2.06**, as of March 2011. A Public Hearing is being scheduled to receive testimony on the Power Cost Adjustment on May 24, 2011, at 9:45 a.m., before the Board meeting.

**H. ENERGY MANAGEMENT ANALYST UPDATE:**

The Energy Management Analyst will provide an update on significant changes or noteworthy areas relating to energy use and the Department's Green Initiatives.

**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. PROPOSED WATER BOARD RESOLUTION REGARDING CONTRACT TIME EXTENSIONS:**

The Department requests that the Water Board entertain the creation of a Resolution to allow the Manager-Chief Engineer to approve certain contract time extension requests, when the reason for the contract time extension meets specified criteria. If conceptually agreed to, the Department will draft the Resolution for review and/or execution by the Water Board.

For discussion.

**L. 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
- 3) Tsunami De-briefing
- 4) Employee of the Quarter
- 5) Public Relations and Education Specialist Update
- 6) Upcoming HWWA and AWWA conferences

**M. CHAIRPERSON'S REPORT:**

Chairperson to report on matters of interest to the Board.

**N. EXECUTIVE SESSION RE: WATER BOARD OF THE COUNTY OF HAWAI'I V. WESLEY R. SEGAWA AND ASSOCIATES, ET AL. CIVIL NO. 09-1-0319:**

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.

7) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board will be held on May 24, 2011, at 10:00 a.m. at the **West Hawai'i Civic Center**, Building G, 74-5044 Ane Keahokalole Highway, Kailua-Kona, HI. A Public Hearing on the Power Cost Adjustment will be held immediately preceding the regular Board meeting, at 9:45 a.m.

2. **Following Meeting:**

The following meeting of the Water Board will be held on June 28, 2011, at 10:00 a.m. at the Department of Water Supply, Operations Conference Room, 889 Leilani Street, Hilo, HI.

8) **STATEMENTS FROM THE PUBLIC:**

9) **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.*