

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

MEETING DATE: August 23, 2011
TIME: 10:00 a.m.
PLACE: West Hawai‘i Civic Center, Bldg. G, 74-5044 Ane Keahokalole Hwy, Kailua-Kona

- 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 July 26, 2011, Water Board meeting

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

A. DRINKING WATER STATE REVOLVING FUND RESOLUTION NO. 2011-03:

(Note: Resolution requires roll call vote)

Resolution No. 2011-03 is for the project for which DWS has submitted a loan application, under the Drinking Water State Revolving Fund (DWSRF). One of the prerequisites for the loan is a Resolution approved by the Water Board. This Resolution is specifically identified for the following project: JOB NO. 2008-940, KULA‘IMANO PRODUCTION WELL AND SUPPORTING FACILITIES, and authorizes the Manager-Chief Engineer or Deputy to execute loans and/or grants with the State Department of Health for up to \$4,100,000.00.

The Water Board previously approved Resolution 2011-01 for \$3,500,000.00. However, the total “not to exceed” amount will be increased to \$4,100,000.00, to include an anticipated construction cost, plus contingency, plus an allowance for design services. The actual loan amount will be finalized after the opening of construction bids.

RECOMMENDATION: It is recommended that the Water Board adopt DRINKING WATER STATE REVOLVING FUND RESOLUTION NO. 2011-03, subject to approval by Corporation Counsel.

- 6) 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 70 calendar days. This is the third time extension request for this project. Information on the previous time extension requests are 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	Delays in receiving submittals and review from HELCO for Main Electrical Service Switchgear
3	9/26/11	12/5/11	70	<i>Additional time needed for start-up/testing of Motor Control Center, delays in painting due to moisture, delays in delivery of doors/louvers.</i>
Total Days (including this request)			462	

The contractor's previous time extension did not include the time needed for the instrumentation technicians to complete start-up and testing of the Motor Control Center equipment. The instrumentation technicians will need approximately eight (8) weeks after the current contract completion date to finish their work. Painting of the control building has also been delayed due to moisture in the building, and the main electrical work cannot be completed until the painting is finished. Delivery of the doors and louvers for the building has also taken longer than anticipated. The contractor estimates that an additional two (2) weeks will be needed to complete painting and delivery/installation of the doors and louvers.

Staff has reviewed the request and finds that the 70 calendar days are 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 70 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 26, 2011 to December 5, 2011.

7) NORTH KOHALA:

A. **JOB NO. 2005-867, HALA'ULA WELL DEVELOPMENT (WELL NO. 7247-03):**

The contractor, Derrick's Well Drilling and Pump Services, LLC, is requesting a time extension of 12 calendar days. The contractor's time extension request is supported by DWS's consulting engineer for the project. This is the second time extension request for this project.

Extension #	From (Date)	To (Date)	Days (Calendar)	Reason
1	4/20/11	5/22/11	33	Rain-out Days
2	5/22/11	6/3/11	12	Sample Retests
Total Days (incl. this ext.)			45	

The project completion date must be extended due to delays caused by positive water samples and subsequent retesting requirements.

RECOMMENDATION: It is recommended that the Board grant this time extension of 12 calendar days to Derrick's Well Drilling and Pump Services, LLC, for JOB NO. 2005-867, HALA'ULA WELL

DEVELOPMENT (WELL NO. 7247-03). If approved, the contract completion date will be extended from May 22, 2011 to June 3, 2011.

8) NORTH KONA:

A. **JOB NO. 2003-823: PALANI ROAD TRANSMISSION WATERLINE (MĀMALAHOA HIGHWAY TO PALANI NO. 2 RESERVOIR):**

The contractor, CTS Earthmoving, Inc., has submitted a request for a contract time extension of sixteen (16) working days, due to several recent change order items requested by DWS.

This would be the second time extension to the contract.

If approved, the contract completion date will be extended from September 7, 2011 until September 29, 2011. Engineering staff has reviewed the request, and finds that the sixteen (16) working day time extension is a reasonable request by the contractor, to include the change orders and complete the project.

RECOMMENDATION: It is recommended that the Board grant this extension of contract time of sixteen (16) working days, to CTS Earthmoving, Inc., for JOB NO. 2003-823, PALANI ROAD TRANSMISSION WATERLINE (MĀMALAHOA HIGHWAY TO PALANI NO. 2 RESERVOIR).

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. **BILL OF SALE**

WAIMEA WELL – State Well No. 6240-02

Seller: Board of Land and Natural Resources, State of Hawai'i

Tax Map Key: (3) 6-5-001: 003 (Portion)

DLNR Job No. 43-HW-A

Completion Date: April 19, 1999

Water System Cost: \$ 920,012.00

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. **POWER COST CHARGE:**

A Public Hearing will have been held before the Board meeting today, to receive testimony on the Power Cost Adjustment. The Power Cost Adjustment will be discussed, with possible action by the Board. Currently, the Power Cost Charge is \$2.23 per 1,000 gallons. The Power Cost Charge for July, the most recent available figure, was \$2.31. It is recommended that the Board approve an increase of the Power Cost Charge from \$2.23 to **\$2.31**, effective September 1, 2011.

C. **PRESENTATION REGARDING POSSIBLE DESALINATION PLANT:**

Mr. Steve Dearing, owner of Palms of Hawai'i, proposes to design, construct, finance and operate a desalination plant using reverse osmosis methods in the Kona area. Mr. Dearing will provide a presentation. Discussion by the Water Board.

D. 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:

- Possible approval of DWS's vehicle policy, based on modifications following union comments;
- Decals on DWS vehicles;
- Discussion of DWS's cash handling procedures and proposed changes. Discussion may include a possible switchover to Oahu's billing system.

E. DISCUSSION REGARDING PROPOSED RULE CHANGE REGARDING WATER SERVICE TO CONSUMERS/RESPONSIBILITY FOR PAYMENT OF BILLS:

For discussion. (Agendized at the request of the Water Board at the July 26, 2011, meeting.)

F. REPORT OF AD HOC COMMITTEE TO REVISE THE MANAGER-CHIEF ENGINEER'S EVALUATION FORM:

The Water Board's Chairperson of the Ad Hoc Committee to Revise the Manager-Chief Engineer's Evaluation Form, Mr. Ken Kaneshiro, has been looking at a revised Manager-Chief Engineer Evaluation Form.

At this meeting, the Committee may provide a report to the Board on its findings.

G. 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. Ms. Myhre and Mr. Alex Frost of the County's Department of Research and Development will provide a briefing on the "Vision 20/15 Green Government Action Plan."

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-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) Pu'ukala/Kona Ocean View Properties Subdivision Improvement District Update
- 4) Public Information and Education Specialist Update
- 5) Upcoming HWWA conference
- 6) Recognition of DWS's Big Island Tapping Team

K. CHAIRPERSON'S REPORT:

Chairperson to report on matters of interest to the Board.

10) **ADOPTION OF FINDINGS OF FACT, CONCLUSIONS OF LAW, DECISION AND ORDER FOR 7-26-11 CONTESTED CASE HEARING REGARDING WATER SERVICE ACCOUNT NUMBER 67054000-10 (TMK 4-5-003-124, Lt 2-C) (In the Matter of the Appeal of James Souza):**

The above Contested Case Hearing took place on July 26, 2011, 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.

The Board will review and adopt the Findings of Fact, Conclusions of Law and Decision and Order.

11) **DISCUSSION OF PROCEDURES AND TIME FRAME TO SELECT NEW MANAGER-CHIEF ENGINEER:**

At last month's Water Board meeting, the Manager-Chief Engineer announced his intention to retire at the end of this year.

Discussion of procedures and time frame to select a new Manager-Chief Engineer.

12) **EXECUTIVE SESSION RE: PROCEDURES AND TIME FRAME TO SELECT NEW MANAGER-CHIEF ENGINEER:**

The Water Board anticipates convening an executive meeting, closed to the public, pursuant to Hawai'i Revised Statutes, 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 Water Board's powers, duties, privileges, immunities and liabilities. A two-thirds vote, pursuant to HRS Section 92-4, is necessary to hold an executive meeting.

13) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board will be held on September 27, 2011, at 10:00 a.m. at the Department of Water Supply, Operations Conference Room, 889 Leilani Street, Hilo, HI.

2. **Following Meeting:**

The following meeting of the Water Board will be held on October 25, 2011, at 10:00 a.m. at the Department of Water Supply, Operations Conference Room, 889 Leilani Street, Hilo, HI.

14) **STATEMENTS FROM THE PUBLIC:**

15) **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.