

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

MEETING DATE: September 27, 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 August 23, 2011, Public Hearing on the Power Cost Charge
 - Minutes of the August 23, 2011, Water Board meeting
 - Minutes of the September 15, 2011, Special Meeting on Selection of new Manager-Chief Engineer
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA
 (Note: Addendum requires Roll Call Vote)

5) PUNA:

A. JOB NO. 2011-973, PĀHOA DEEPWELL #2 REPAIR:

This project generally consists of the replacement of the existing submersible pump, motor, column assembly, cable and appurtenances.

Bids for this project were opened on September 15, 2011, at 2:30 p.m., and the following are the bid results:

Bidder	Bid Amount
Derrick’s Well Drilling & Pump Services, LLC.	\$133,803.88
Beylik Drilling & Pump Service, Inc	\$139,000.00

Project Costs:

1) Low Bidder (Derrick’s Well Drilling & Pump Services, LLC)	\$ 133,803.88
2) Contingencies	<u>\$ 13,380.39</u>
Total Cost:	\$ 147,184.27

Funding for this project will be from DWS’s CIP Budget under Deepwell Pump Replacement. The contractor will have 180 calendar days to complete this project.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2011-973, PĀHOA DEEPWELL #2 REPAIR to the lowest responsible bidder, Derrick’s Well Drilling & Pump Services, LLC, for their bid amount of \$133,803.88 plus \$13,380.39 for contingencies, for a total of \$147,184.27. 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, by Corporation Counsel.

6) NORTH KONA:

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

The contractor, CTS Earthmoving, Inc., has submitted a request for a contract time extension of thirty-three (33) calendar days, due to a delay by HELCO.

This would be the third time extension to the contract.

If approved, the contract completion date will be extended from September 29, 2011 until October 31, 2011. Engineering staff has reviewed the request, and finds that the thirty-three (33) calendar day time extension is a reasonable request by the contractor to allow HELCO to get on site and complete their work and then for CTS to do operational testing and full start-up.

Extension #	From (Date)	To (Date)	Days (Calendar)	Reason
1	8/21/11	9/07/11	17	Add'l Work Request by DWS
2	9/07/11	9/29/11	22	Add'l Work Request by DWS
3	9/29/11	10/31/11	33	HELCO DELAY
		TOTAL	72	

RECOMMENDATION: It is recommended that the Board grant this extension of contract time of thirty-three (33) calendar days, to CTS Earthmoving, Inc., for JOB NO. 2003-823, PALANI ROAD TRANSMISSION WATERLINE (MĀMALAHOA HWY TO PALANI NO. 2 RESERVOIR).

B. WATER AGREEMENT -- KEŌPŪ – HHFDC WELL NO. 3957-05:

The Developer, Forest City Hawaii Kona, LLC, (through the Hawaii Housing Finance and Development Corporation, HHFDC), wishes to enter into a development agreement for a new potable water source, storage and transmission facilities to service their development, Kamakana Villages at Keauhou. Kamakana Villages at Keauhou has been certified as a HRS 201H affordable housing project by the County of Hawai'i.

The agreement sets out the requirements for the development of the existing Keōpū-HHFDC Well No. 3957-05, which has been drilled and tested by the State, along with its supporting facilities. The agreement also outlines the initial assignment of equivalent units, as well as the subsequent assignment(s) of equivalent units.

RECOMMENDATION: It is recommended that the Water Board approve the Water Agreement between Forest City Hawai'i Kona, 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 review as to form and legality by Corporation Counsel.

C. AMENDMENT OF WATER FACILITIES AGREEMENT - SEASCAPE DEVELOPMENT, LLC:

On October 28, 2008, Seascape Development, LLC ("Seascape") and the Water Board entered into a Water Facilities Agreement for the development, construction, and installation of certain improvements and other water transmission-related facilities in the vicinity of the Water Board's existing Kalaoa Well. Seascape was to also complete the engineering and design work, and assign the same, as well as obtain all necessary permits in accordance with DWS requirements within one year of the executed Agreement.

The deadline of October 28, 2009, was extended to October 28, 2010, by the Water Board at its meeting of September 22, 2009. The Water Board approved a second amendment to the Water Facilities Agreement to extend the submittal deadline to October 28, 2011, at the Water Board's meeting of October 26, 2010. In both cases, the reason was the challenging economy at that time, which made it impossible for Seascope to proceed on schedule.

Seascope is proposing a third amendment to the Water Facilities Agreement to extend such submittal deadline to October 28, 2012. They feel that this new deadline will enable them to meet their obligations in the current economic climate.

Staff has reviewed the Third Amendment of Water Facilities Agreement and finds it acceptable.

RECOMMENDATION: It is recommended that the Water Board approve the Third Amendment of Water Facilities Agreement, subject to review as to form and legality by Corporation Counsel.

D. **AGREEMENT BETWEEN ESTATE OF BERNICE PAUHI BISHOP, KAMEHAMEHA INVESTMENT CORPORATION (KIC) AND THE DEPARTMENT OF WATER SUPPLY:**

The Trustees of the Estate of Bernice Pauahi Bishop (KS) and Kamehameha Investment Corporation (KIC) are requesting to enter into an agreement with the Water Board to allow the transfer of water units that were previously assigned and used on Tax Map Key 7-8-013-002 (the "Property"), through a 4-inch meter to Lands that are currently owned by KS and/or KIC within the same pressure zone and serviced from the same reservoir.

The water service to the Property was used for the former 462-room Kona Lagoon Hotel until it was razed and replaced with a pavilion and other amenities. The agreement specifies that KS/KIC will cut and plug the existing service lateral for the 4-inch meter and replace it with an appropriate-sized lateral, based on the current and foreseeable water usage. The balance of the 235 units that are assigned through the 4-inch meter will then be available for KS/KIC, to reallocate to their lands currently owned and serviced by the same reservoir.

RECOMMENDATION: It is recommended that the Water Board agree to the Water Agreement between the Trustees of the Estate of Bernice Pauahi Bishop and Kamehameha Investment Corporation 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 review as to form and legality by Corporation Counsel.

7) **KA'U:**

A. **AGREEMENT WITH COUNTY OF HAWAI'I FOR MANAGEMENT OF NEW WATER FACILITY IN HAWAIIAN OCEAN VIEW ESTATES:**

The Department of Water Supply (DWS) is proposing that it enter into an agreement with the County of Hawai'i ("County") Water Board for the operation and maintenance of the Hawaiian Ocean View Water System. The County received \$6 million for the development of a basic water system with a well, storage tank and a fill station for the Hawaiian Ocean View Community. Rather than dedicate the system to DWS at this time, this agreement gives the Water Board the authority to manager, operate, maintain, and collect user fees for the water system.

RECOMMENDATION: It is recommended that the Water Board approve the Agreement between the County of Hawai'i 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 review as to form and legality by Corporation Counsel.

B. GATE AGREEMENT WITH THE OCEAN VIEW COMMUNITY ASSOCIATION, INC.:

In various meetings with the Hawaiian Ocean View community, many community members expressed a desire to have a locked gate at the new spigot site entrance, to reduce the potential for the site to become a place where people congregate in the evenings. If the Department of Water Supply (DWS) manages the site, it recommends that an agreement be made with the Ocean View Community Association, Inc., to open and lock the gates at the beginning and end of the agreed-upon hours of operation.

RECOMMENDATION: It is recommended that the Water Board authorize the DWS to enter into an agreement with the Ocean View Community Association, Inc., regarding the locking of the gates, and that either the Chairperson or the Vice-Chairperson be authorized to execute the document, subject to approval by the Manager-Chief Engineer and the Corporation Counsel.

8) **MISCELLANEOUS:**

A. 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.

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

For discussion.

C. 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.

D. 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.

E. 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.

F. 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.

G. 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

H. CHAIRPERSON'S REPORT:

Chairperson to report on matters of interest to the Board.

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

At the July 26, 2011, 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.

10) **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.

11) **ANNOUNCEMENTS:**

1. Next Regular Meeting:

The next 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. *(A special meeting regarding the process to select the Manager-Chief Engineer will be held on **Monday, October 10, 2011**, 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 November 22, 2011, at 10:00 a.m. at the West Hawai'i Civic Center, Bldg. G, 74-5044 Ane Keahokalole Hwy, Kailua-Kona. *(A special meeting regarding the process to select the Manager-Chief Engineer will be held on **Tuesday, November 8, 2011**, at a venue to be announced.)*

12) **STATEMENTS FROM THE PUBLIC:**

13) **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.