

**DEPARTMENT OF WATER SUPPLY  
COUNTY OF HAWAII  
WATER BOARD MEETING  
AGENDA**

**MEETING DATE:** February 28, 2012

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

**PLACE:** Department of Water Supply, Operations Center Conf. Rm., 889 Leilani St., 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 January 24, 2012, Water Board meeting

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

5) PUNA:

**A. JOB NO. 2006-899, CONSTRUCTION OF THE ‘OLA‘A NO. 6 PRODUCTION WELL AND 1.0 MG RESERVOIR:**

The contractor, Isemoto Contracting Company, Ltd., is requesting a contract time extension of 41 calendar days. This is the fourth time extension request for this project.

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	5/26/11	11/25/11	183	Delays in receiving approval of the Medium Voltage switchgear submittal from HELCO.
2	11/25/11	12/16/11	21	Delay in receiving test electrical power from HELCO.
3	12/16/11	1/30/12	45	Additional work required by Post-Contract Documents (PCD) #8 and #9.
4	1/30/12	3/11/12	<b>41</b>	Weather related delays and completion of telemetering phone line by Hawaiian Telcom between the new Ola‘a #6 tank and Pacific Paradise Gardens tank.
Total Days (including this request)			<b>290</b>	

The project completion date must be extended due to weather-related delays (22 calendar days) experienced on the project, and the delay (19 calendar days) in completion of the new telemetering phone line between the new Ola‘a #6 tank and the Pacific Paradise Gardens tank.

Staff has reviewed the request, and finds that the extension of an additional 41 days is justified.

**RECOMMENDATION:** It is recommended that the Board grant this contract time extension of 41 calendar days to Isemoto Contracting Company, Ltd., for JOB NO. 2006-899, ‘OLA‘A NO. 6

PRODUCTION WELL AND 1.0 MG RESERVOIR. If approved, the contract completion date will be extended from January 30, 2012 to March 11, 2012.

6) SOUTH HILO:

A. **JOB NO. 2008-940, CONSTRUCTION OF THE KULA‘IMANO PRODUCTION WELL AND SUPPORTING FACILITIES PROJECT:**

This project involves outfitting the Kula‘imano Well exploratory well into a production well, site grading, motor control/chlorination building, drainage improvements, on-site and off-site electrical improvements, asphalt concrete pavement, and site fencing.

Bids for this project were opened on February 9, 2012, at 2:00 p.m., and the following are the bid results:

<b>Bidder</b>	<b>Base Bid Amount</b>	<b>Corrected Bid Amount*</b>	<b>Adjusted Bid Amount* (for purposes of bid award)</b>
Isemoto Contracting Co., Ltd.	\$1,905,564.00	\$1,155,564.00	\$1,095,504.80
Site Engineering, Inc.	\$1,261,900.00		\$1,194,587.37
Koga Engineering and Construction, Inc.	\$2,024,400.00	\$1,274,400.00	\$1,208,204.10
Yamada Paint Contracting, Inc. DBA GW Construction.	\$1,339,105.00		\$1,271,609.75

\*Bids were adjusted (for the purposes of award) to provide credits for use of Hawaii Products, participation in the State Apprenticeship Program, and were allowed to be corrected because of an obvious mistake, all in accordance with DWS General Requirements and Covenants and the Hawaii Administrative Rules.

Project Costs:

1) Low Bidder (Isemoto Contracting Co. Ltd.)	\$ 1,155,564.00
2) Construction Contingency (9.9%)	<u>\$ 114,436.00</u>
<b>Total Cost:</b>	<b><u>\$ 1,270,000.00</u></b>

Funding for this project will be from DWS’s C.I.P. Budget and then reimbursed through a Drinking Water State Revolving Fund loan. The contractor will have 360 calendar days to complete this project.

**RECOMMENDATION:** It is recommended that the Board award the contract for JOB NO. 2008-940, CONSTRUCTION OF THE KULAIMANO PRODUCTION WELL AND SUPPORTING FACILITIES PROJECT, to the lowest responsible bidder, Isemoto Contracting Co., Ltd., for their bid amount of \$1,155,564.00, plus \$114,436.00 for construction contingency, for a total contract amount of \$1,270,000.00. 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 of the contract by Corporation Counsel.

**B. JOB NO. 2011-975, PANA'EWA BOOSTER #1 REPAIR:**

The contractor, Derrick's Well Drilling & Pump Services, LLC, is requesting a contract time extension of 41 calendar days. This is the first time extension request for this project. Information on the time extension request is detailed below:

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	2/28/12	4/9/12	41	Modifications to the existing discharge head by previous contractor require complete replacement.
Total Days (including this request)			41	

The project completion date must be extended due to modifications to the existing discharge head by the previous contractor, requiring complete replacement. Replacement of discharge head was not within the project's original scope of work, requiring additional time for fabrication and delivery.

Staff has reviewed the request, and finds that the extension of 41 calendar days is justified.

RECOMMENDATION: It is recommended that the Board grant this contract time extension of 41 calendar days to Derrick's Well Drilling & Pump Services, LLC, for JOB NO. 2011-975, PANA'EWA BOOSTER #1 REPAIR. If approved, the contract completion date will be extended from February 28, 2012, to April 9, 2012.

**C. JOB NO. 2002-802: PI'IHONUA RESERVOIR NO. 2 REPLACEMENT:**

The contractor, Isemoto Contracting Co, Ltd., has requested a time extension of 38 calendar days. This request is for additional time to make up for days that the contractor could not work due to inclement weather.

Staff has reviewed the request and finds the 38 calendar days are justified.

This is the third time extension request.

Ext #	From (Date)	To (Date)	Days (Calendar)	Reason
1	12/28/2010	11/8/2011	315	Days required to order the MCC, and complete the remainder of the project including demolition of the existing facilities.
2	11/8/2011	3/26/2012	139	Days required to take delivery and install the MCC, and complete the remainder of the project including demolition of the existing facilities.
3	3/26/2012	4/17/2012	<b>38</b>	Rain-out Days
Total Days (including this request)			492	

RECOMMENDATION: It is recommended that the Board approve a contract time extension to Isemoto Contracting Co., Ltd., of thirty-eight (38) calendar days from March 26, 2012, to May 3, 2012,

for JOB NO. 2002-802, CONSTRUCTION OF THE PI‘IHONUA RESERVOIR NO. 2 REPLACEMENT.

7) HĀMĀKUA:

A. **JOB NO. 2011-979, HONOKA‘A DEEPWELL 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 February 9, 2011, at 3:00 p.m., and the following are the bid results:

<b>Bidder</b>	<b>Bid Amount</b>
Beylik Drilling & Pump Service, Inc.	\$129,000.00
Derrick’s Well Drilling & Pump Services, LLC	\$129,284.31
Water Resources International, Inc.	\$176,109.00

Project Costs:

1) Low Bidder (Beylik Drilling & Pump Service, Inc.)	\$ 129,000.00
2) Contingencies	\$ 12,900.00
<b>Total Cost:</b>	<b><u>\$ 141,900.00</u></b>

Funding for this project will be from DWS’s C.I.P. Budget under Deepwell Pump Replacement. The contractor will have 180 calendar days to complete this project. The Engineering estimate for this project was \$96,800.00.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2011-979, HONOKA‘A DEEPWELL REPAIR, to the lowest responsible bidder, Beylik Drilling & Pump Service, Inc., for their bid amount of \$129,000.00, plus \$12,900.00 for contingencies, for a total of \$141,900.00. 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.

8) NORTH KONA:

A. **SECOND AMENDMENT TO WATER AGREEMENT: KOHANAIKI SHORES, LLC, PALAMANUI GLOBAL HOLDINGS, LLC, AND WATER BOARD:**

Kohanaiki Shores, LLC, Palamanui Global Holdings, LLC, and the Water Board and/or their predecessors in interest (“The Parties”) entered into an agreement dated June 15, 1999, relating to the development of water sources in North Kona. A First Amendment to the Water Agreement was entered into on January 11, 2007. Water quality issues have arisen with respect to the water sources that were the subject of this agreement. The parties now wish to enter into a Second Amendment to the Water Agreement that addresses those concerns.

RECOMMENDATION: A recommendation will be provided at the Board meeting.

9) 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.



C. **DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING BUDGET FOR FISCAL YEAR 2013 AND 5-YEAR CAPITAL IMPROVEMENT BUDGET FOR FISCAL YEARS 2013-2017:**

FY 2013 Operating revenues were computed based on a 3.53% decline in consumption to 8.2 billion gallons, along with a 2.2% increase in water rates that were determined in a rate study by RW Beck. Salaries expense was reduced 4.6% for 1-day furloughs in effect through FY 2013. Salaries were included for 165 employees and 18 vacant positions.

The C.I.P. budget is presented in a new 5-year format in order to give a clearer picture of where and what our infrastructure needs are.

**RECOMMENDATION:** It is recommended that the Water Board approve the Department's FY 2013 Operating budget and 5-year C.I.P. budgets for Fiscal Years 2013-2017 on this first of two readings. Staff also recommends that a public hearing on the proposed Operating Budget for FY 2013 and 5-Year Capital Improvement Budget for Fiscal Years 2013-2017 be held at **9:45 a.m. on March 27, 2012**, just prior to the regular Water Board meeting.

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

For discussion.

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:

- 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.

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 Board will discuss the Committee's report to the Board on its findings.

G. **REPORT ON DWS'S COLLECTIONS:**

This Item was placed on the Agenda per Chairperson's instructions at 1-24-12 Board meeting.

H. **RENAME DEPUTY MANAGER POSITION TO DEPUTY – ADMINISTRATION DIVISION:**

The Department proposes to amend its Table of Organization to rename the Deputy Manager position title to Deputy. This is to be consistent with the language within Section 8-3 of the County Charter, County of Hawaii, 2010.

*(The Board will have received the existing and proposed position organization charts in their packets.)*

RECOMMENDATION: It is recommended that the Water Board approve the renaming of the Deputy Manager to Deputy, Administration Division.

**I. 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.

**J. 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.

**K. 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.

**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) HELCO/Āhualoa update
- 4) Keauhou Aquifer update
- 5) Kawaiiani Tank update
- 6) Pu'ukala/Kona Ocean View Properties Subdivision Improvement District Update
- 7) Upcoming AWWA Conferences
- 8) Public Information and Education Specialist Update

**M. CHAIRPERSON'S REPORT:**

Chairperson will propose venue for April 24, 2012 meeting.

**N. DETERMINATION OF SALARY OF DEPUTY:**

The Board will make a determination and set the salary of the Deputy.

**10) EXECUTIVE SESSION RE: SALARY OF DEPUTY:**

The Water Board anticipates convening an executive meeting, closed to the public, pursuant to Hawai'i Revised Statutes, Sections 92-4, 92-5(a)(2), 92-5(a)(4), and Hawai'i County Charter Section 13-20(b) to discuss and consider the salary for the Deputy, where consideration of matters affecting privacy will be involved, and 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) EXECUTIVE SESSION RE: DEWAYNE SLUSS V. COUNTY OF HAWAII BOARD OF WATER SUPPLY; CTS EARTHMOVING, INC. -- CIVIL NO. 3RC11-1-1111K IN THE DISTRICT COURT OF THE THIRD CIRCUIT NORTH AND SOUTH KONA DIVISION STATE OF HAWAII:

The Water Board anticipates convening an executive meeting, closed to the public, pursuant to Hawai'i Revised Statutes, Sections 92-4, 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.

12) ANNOUNCEMENTS:

1. **Next Regular Meeting:**

The next meeting of the Water Board will be held on March 27, 2012, 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 April 24, 2012, at a venue to be announced.

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 Janet Snyder, 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.*