

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

MEETING DATE: April 24, 2012

TIME: 10:00 a.m.

PLACE: West Hawai‘i Civic Center, Community Center, Bldg. G, 74-5044 Ane Keohokalole Hwy, Kailua-Kona, HI

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 27, 2012, Public Hearing on the Budget
- Minutes of the March 27, 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, ŌLA‘A NO. 6 PRODUCTION WELL AND 1.0 MG RESERVOIR:

The contractor, Isemoto Contracting Company, Ltd., is requesting a contract time extension of 47 calendar days. This is the fifth 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	41	Weather related delays and completion of telemetering phone line by Hawaiian Telcom between the new Ola‘a #6 tank and Pacific Paradise Gardens tank.
5	3/11/12	4/27/12	47	Weather related delays and the delay in disconnecting the obsolete utilities to the old Ōla‘a #6 tank site.
Total Days (including this request)			337	

The project completion date must be extended due to weather-related delays (4 calendar days) experienced on the project, and the delay (43 calendar days) in disconnecting the obsolete utilities (electric and phone) at the old Ōla‘a #6 tank site.

Staff has reviewed the request, and finds that the extension of an additional 47 days is justified.

RECOMMENDATION: It is recommended that the Board grant this contract time extension of 47 calendar days to Isemoto Contracting Company, Ltd., for JOB NO. 2006-899, ‘ŌLA‘A NO. 6 PRODUCTION WELL AND 1.0 MG RESERVOIR. If approved, the contract completion date will be extended from March 11, 2012 to April 27, 2012.

6) SOUTH HILO:

A. JOB NO. 2002-802, PI‘IHONUA RESERVOIR NO. 2 REPLACEMENT:

The contractor, Isemoto Contracting Co, Ltd., requested a time extension of 40 calendar days. This request is for additional time to have Hawaiian Telcom install telephone lines for telemetering and alarm purposes.

Staff has reviewed the request and finds the 40 calendar days are justified. This is the fourth 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	5/3/2012	38	Rain-out Days
4	5/3/2012	6/12/2012	40	Days required to have telephone service installed.
Total Days (including this request)			532	

RECOMMENDATION: It is recommended that the Board approve a contract time extension to Isemoto Contracting Co., Ltd., of forty (40) calendar days from May 3, 2012, to June 12, 2012, for JOB NO. 2002-802, CONSTRUCTION OF THE PI‘IHONUA RESERVOIR NO. 2 REPLACEMENT.

7) NORTH KONA:

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

(This Item was deferred at the March 27, 2012 Board meeting.)

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: It is recommended to defer this matter to the May 22, 2012, Board meeting.

B. THIRD AMENDMENT TO WATER FACILITIES AGREEMENT BETWEEN SEASCAPE DEVELOPMENT, LLC, AND WATER BOARD OF THE COUNTY OF HAWAI'I -- TAX MAP KEY (3) 7-3-010:052 AND 053:

Seascape states that it underwent a change in ownership, and the new ownership desires to complete their obligations to the Agreement as expeditiously as possible. Seascape requests a time extension that will enable Seascape to meet their obligations with the Water Board.

Report to be made at the meeting, with possible action by the Water Board.

8) **SOUTH KONA:**

A. MATERIAL BID NO. 2012-07, FURNISHING AND DELIVERING KE'EI #3 (TSUKAMOTO) BOOSTER C FOR THE DEPARTMENT OF WATER SUPPLY:

Bids for this project were opened on April 12, 2012 at 2:30 p.m., and the following are the bid results.

Bidder	Bid Amount
Beylik Drilling & Pump Service, Inc.	Non-responsive
Derrick's Well Drilling & Pump Services, LLC	\$32,615.00

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RECOMMENDATION: It is recommended that the Board award the contract for MATERIAL BID NO. 2012-07, FURNISHING AND DELIVERING KE'EI #3 (TSUKAMOTO) BOOSTER C FOR THE DEPARTMENT OF WATER SUPPLY, to the lowest responsive bidder, Derrick's Well Drilling and Pump Services, LLC, for their bid amount of \$32,615.00. 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.

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.

1. LICENSE NO. 764

(This item was deferred from the March 27, 2012 Board meeting.)

(Non-Exclusive Right) (Benefit (B)

Lālāmilo Offsite Water Systems and New Lālāmilo 1.0 MG Reservoir

Licensors: State of Hawai'i, Department of Hawaiian Home Lands

Tax Map Key: (3) 6-6-001:077 portion

Final Inspection Date: *TBA*

Water System Cost: *TBA*

2. BILL OF SALE

Ane Keohokalole Highway, Phase 1

Seller: County of Hawai'i

Tax Map Keys: (3) 7-4-020: Por. 010 and 022; (3) 7-4-021: Por. 003 and 020

E.W. O. 2010-041

Final Inspection Date: 04/13/2012

Water System Cost: \$ 571,839.00

RECOMMENDATION: It is recommended that the Water Board accept 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. DISCUSSION REGARDING DRAFT OF PROPOSED RULE CHANGE REGARDING WATER SERVICE TO CONSUMERS/RESPONSIBILITY FOR PAYMENT OF BILLS:

For discussion.

C. 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 of DWS's cash handling procedures and proposed changes. Discussion may include a possible switchover to Oahu's billing system.

D. AD HOC COMMITTEE TO ESTABLISH WATER BOARD'S 2012-2013 GOALS FOR THE ADMINISTRATION:

It is anticipated that the Ad Hoc Committee will provide a report.

E. AD HOC COMMITTEE TO REPORT ON KONA WATER ROUNDTABLE:

The Ad Hoc Committee of Board members that attended the Kona Water Roundtable on March 29, 2012 will provide a report.

F. REVISED TABLE OF ORGANIZATION FOR THE OPERATIONS DIVISION:

Currently, the Operations Division has positions for licensed Water Plant Electrical/Electronic Equipment Repairer I at the Hilo, Waimea and Kona Bases. There is also an unlicensed Water Plant Electrician-Mechanic Helper position at the Hilo Base. The Department has found it to be increasingly difficult to fill the licensed Water Plant Electrical/Electronic Equipment Repairer I positions when an opening occurs. The unlicensed Water Plant Electrician-Mechanic Helper position does not have the avenue to be promoted to the licensed position at this time.

It is proposed to create two (2) Plant Electrician-Electronics Trainee positions each at the Hilo, Waimea and Kona bases. This will allow the Department to train and promote qualified employees until they are able to take and pass the State of Hawai'i examination to become a licensed Water Plant Electrical/Electronic Equipment Repairer I. These positions will be filled on an as-needed basis.

RECOMMENDATION: It is recommended that the Board approve the creation of six (6) Plant Electrician-Electronics Trainees positions for the Operations Division. These positions will split among the Hilo, Waimea and Kona Bases.

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.

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) HELCO/Āhualoa update
- 4) Ke'ei D Well Emergency Repair
- 5) Kawaiiani Tank update
- 6) Pu'ukala/Kona Ocean View Properties Subdivision Improvement District Update
- 7) Update on Delinquencies
- 8) Timeline for completing Strategic and Business Plans
- 9) Kona Water Roundtable
- 10) Public Information and Education Specialist Update

K. CHAIRPERSON'S REPORT:

Chairperson will raise issues of interest to the Board, including possibly future venues for Board meetings this year.

10) ADOPTION OF PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW AND DECISION AND ORDER FOR 3-27-12 CONTESTED CASE HEARING REGARDING WATER SERVICE ACCOUNT NUMBER 83088290-10 (TMK 6-2-009:020), (In the Matter of the Appeal of Maia Wasowski):

The above Contested Case Hearing took place on March 27, 2012, 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.

Review and adopt the Findings of Fact, Conclusions of Law and Decision and Order.

11) ANNOUNCEMENTS:

1. Next Regular Meeting:

The next meeting of the Water Board will be held on May 22, 2012, at 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 June 26, 2012 at Department of Water Supply, Operations Conference Room, 889 Leilani Street, Hilo, HI.

12) 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.