

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

MEETING DATE: May 22, 2012

TIME: 9:00 a.m.

PLACE: Department of Water Supply, Operations Center Conf. Rm., 889 Leilani Street, Hilo, HI

- 1) CALL TO ORDER – 9:00 a.m. *(please turn cell phones off or set to silent)*
- 2) STATEMENTS FROM THE PUBLIC
- 3) APPROVAL OF MINUTES
 - Minutes of the April 24, 2012, Water Board meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA
(Note: Addendum requires Roll Call Vote)
- 5) SOUTH HILO:

A. MATERIAL BID NO. 2012-01, FURNISHING AND DELIVERING WATER METERS, BRASS GOODS, FIRE HYDRANTS, VALVES, CHLORINATORS, PUMPS, PIPES, FITTINGS, SCADA, MOTORS, AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK:

Bids were opened on May 10, 2012, at 2:30 p.m., and the following are the bid results.

RECOMMENDATION: It is recommended that the Board award the contract to the following bidder for MATERIAL BID NO. 2012-01, FURNISHING AND DELIVERING WATER METERS, BRASS GOODS, FIRE HYDRANTS, VALVES, CHLORINATORS, PUMPS, PIPES, FITTINGS, SCADA, MOTORS AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK, on an as-needed basis, as listed below, and that either the Chairman or the Vice-Chairman be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. The contract period shall be from July 01, 2012, to June 30, 2013.

PART NO.	DESCRIPTION	BIDDER	AMOUNT
1	DUCTILE IRON PIPES, PUSH-ON TYPE JOINT	Ferguson Enterprises, Inc.	\$78,726.00
2	DUCTILE IRON FITTINGS	Ferguson Enterprises, Inc.	\$4,299.68
3	FLANGE GASKETS	Ferguson Enterprises, Inc.	\$5,488.25
4	NUTS, BOLTS AND THREADED RODS	A.P. Water Supply, Inc. dba HIW-Hawai‘i	\$49,280.97
5	COPPER TUBING	Ferguson Enterprises, Inc.	\$80,239.11
6	GALVANIZED PIPES T & C (THREADED & COUPLED)	Ferguson Enterprises, Inc.	\$3,969.33
7	HIGH DENSITY POLYETHYLENE (HDPE) PIPE	Ferguson Enterprises, Inc.	\$462,983.28
8	INTEGRATED ENCODER AND METER	Ferguson Enterprises, Inc.	\$219.14

	INTERFACE UNIT/AUTOMATIC METER READING		
9	5/8" WATER METERS	Ferguson Enterprises, Inc.	\$76,284.00
10	1" – 2" WATER METERS	Badger Meter, Inc.	\$15,682.50
11	METER BOXES AND COVERS	Ferguson Enterprises, Inc.	\$51,393.42
12	COMPOUND WATER METERS	No Bid	No Bid
13	TURBINE METERS AND STRAINERS	Ferguson Enterprises, Inc.	\$20,851.43
14	DETECTOR CHECK METERS	No Bid	No Bid
15	FIRE SERVICE METERS	No Bid	No Bid
16	FIRE HYDRANTS	A.P. Water Supply, Inc. dba HIW-Hawai'i	\$89,071.00
17	AMERICAN DARLING FIRE HYDRANT EXTENSION KIT	Ferguson Enterprises, Inc.	\$6,075.01
18	MUELLER FIRE HYDRANT EXTENSION KIT	A.P. Water Supply, Inc. dba HIW-Hawai'i	\$3,974.00
19	BALL METER VALVES	Ferguson Enterprises, Inc.	\$56,067.01
20	BALL VALVE, PACK JOINT X METER COUPLING/FIP	Ferguson Enterprises, Inc.	\$33,604.00
21	PACK JOINT COUPLING	Ferguson Enterprises, Inc.	\$43,590.02
22	CORPORATION AND CURB STOPS – BALL TYPE	Ferguson Enterprises, Inc.	\$73,540.88
23	INVERTED MARKING PAINT	Ferguson Enterprises, Inc.	\$9,468.97
24	HOSE BIBBS	Ferguson Enterprises, Inc.	\$2,681.67
25	PRESSURE REGULATORS	Ferguson Enterprises, Inc.	\$2,555.21
26	GATE VALVES – 3" AND LARGER, 125# CLASS	A.P. Water Supply, Inc. dba HIW-Hawai'i	\$31,743.00
27	GATE VALVES – 3" AND LARGER, 250# CLASS	Ferguson Enterprises, Inc.	\$46,138.60
28	DUCKBILL CHECK VALVES	Ferguson Enterprises, Inc.	\$65,733.31
29	AIR RELIEF VALVES	Ferguson Enterprises, Inc.	\$7,336.92
30	BUTTERFLY VALVES	A.P. Water Supply, Inc. dba HIW-Hawai'i	\$7,826.00
31	BOOSTER AND DEEPWELL PUMP CONTROL BALL VALVES	Ferguson Enterprises, Inc.	\$449,608.79
32	AUTOMATIC CONTROL VALVES	A.P. Water Supply, Inc. dba HIW-Hawai'i	\$1,149,432.00
33	PRESSURE REGULATING VALVES	No Bid	No Bid
34	ANTI-CAVITATION VALVE	A.P. Water Supply, Inc. dba HIW-Hawai'i	\$230,840.00
35	INDUSTRIAL ACTUATOR	TK Process Hawai'i, LLC	\$9,996.61
36	DIGITAL HIGH-RESOLUTION CONTROLLER	TK Process Hawai'i, LLC	\$1,963.17
37	MECHANICAL SEALS	No Bid	No Bid
38	PUMP SEALS	No Bid	No Bid
39	REGENERATIVE TURBINE PUMP	No Bid	No bid
40	OIL-FILLED SUBMERSIBLE MOTORS (NEW ONLY)	Beylik Drilling Pump Services	\$5,555,367.00
41	OIL-FILLED SUBMERSIBLE MOTORS (REFURBISHED AND REWIND ONLY)	Beylik Drilling Pump Services	\$2,191,866.00

42	WATER-FILLED SUBMERSIBLE MOTORS (NEW ONLY)	Beylik Drilling Pump Services	\$2,174,384.00
43	WATER-FILLED SUBMERSIBLE MOTORS (REFURBISHED AND REWIND ONLY)	Beylik Drilling Pump Services	\$2,364,913.00
44	MOTORS	No Bid	No Bid
45	INDUSTRIAL MOTOR LEAD CABLE	OneSource Distributors	\$22,580.00
46	INDUSTRIAL CONTROL WIRING	OneSource Distributors	\$1,962.45
47	VARIABLE FREQUENCY DRIVES	TK Process Hawai'i, LLC	\$7,569,542.50
48	LOW HORSEPOWER VFD (1/4 HP – 15 HP 460 VAC)	TK Process Hawai'i, LLC	\$5,564.74
49	SOLID STATE REDUCED VOLTAGE SOFT STARTER & SPARE PARTS	TK Process Hawai'i, LLC	\$1,257,490.44
50	3 PHASE MONITOR RELAY	Scada & Control Systems, LLC	\$1,028.00
51	SURGE PROTECTION DEVICES	Akamai Controls, Inc.	\$28,067.23
52	POWER MONITORING EQUIPMENT	Dynatek, Inc.	\$43,301.00
53	GROUNDING EQUIPMENT	OneSource Distributors	\$43.88
54	HIGH POWERED LICENSED RADIO EQUIPMENT	Akamai Controls, Inc.	\$2,615.61
55	LICENSED RADIO EQUIPMENT	Akamai Controls, Inc.	\$44,000.00
56	LICENSE-FREE RADIO EQUIPMENT	TK Process Hawai'i, LLC	\$3,067.47
57	COMMUNICATION HARDWARE	TK Process Hawai'i, LLC	\$96,504.37
58	AUTODIALERS	Scada & Control Systems, LLC	\$950.00
59	INDUSTRIAL ELECTRONIC COMPONENTS	Dynatek, Inc.	\$18,284.50
60	ENCLOSURES	Akamai Controls, Inc.	\$104,010.01
61	PRE-FABRICATED RTU PANELS	Dynatek, Inc	\$41,885.00
62	AUTOMATION AND CONTROL SYSTEMS	Control Systems West, Inc.	\$49,884.35
63	PROGRAMMING SERVICES	Dynatek, Inc	\$749.00
64	UNINTERRUPTIBLE POWER SUPPLY (UPS)	OneSource Distributors	\$2,292.44
65	DIGITAL PRESSURE GAUGE	Ferguson Enterprises, Inc.	\$2,789.09
66	PRESSURE TRANSDUCER	No Bid	No Bid
67	PRESSURE TRANSMITTER	TK Process Hawai'i, LLC	\$1,317.47
68	LIQUID LEVEL SENSOR	TK Process Hawai'i, LLC	\$8,249.44
69	FLOW SWITCH	Scada & Control Systems, LLC	\$930.00
70	MAG METERS	Akamai Controls, LLC	\$228,988.12
71	DIRECT CURRENT MAG METERS	Akamai Controls, LLC	\$194,671.26
72	CIRCULAR CHART RECORDER	TK Process Hawai'i, LLC	\$2,607.92
73	PAPERLESS DIGITAL RECORDER	TK Process Hawai'i, LLC	\$6,404.54
74	TABLET CHLORINATORS	No Bid	No Bid
75	CHLORINATORS	No Bid	No Bid
76	CHLORINE GAS FEEDERS	OneSource Distributors	\$10,271.26
77	STAND-ALONE CHLORINE GAS DETECTOR	No Bid	No Bid

78	DIGITAL CHLORINE CYLINDER SCALES	TK Process Hawai'i, LLC	\$5,498.04
79	CHEMICAL FEEDER PUMP	TK Process Hawai'i, LLC	\$6,304.56
80	HIGH-DENSITY POLYETHYLENE (HDPE) DISCHARGE TUBING	No Bid	No Bid
81	WATER QUALITY EQUIPMENT	Hach Co.	\$35,064.69
82	ULTRAFILTRATION PACKAGE PLANT	No Bid	No Bid
83	LEAK NOISE DATA LOGGERS	Wong's Equipment & Service	\$18,226.96
84	HATCH FRAMES AND COVERS	BK, Inc.	\$6,490.00
85	LIGHT EMITTING DIODE (LED) LUMINARIES	TK Process Hawai'i, LLC	\$2,931.08
86	FLEET MANAGEMENT SYSTEM	TK Process Hawai'i, LLC	\$51,787.77

For the following Sections: 12 (Compound Water Meters), 14 (Detector Check Meters), 15 (Fire Service Meters), 33 (Pressure Regulator Valves), 37 (Mechanical Seals), 38 (Pump Seals), 39 (Regenerative Turbine Pump), 44 (Motors), 66 (Pressure Transducer), 74 (Tablet Chlorinators), 75 (Chlorinators), 77 (Stand-Alone Chlorine Gas Detector), 80 (High Density Polyethylene (HDPE) Discharge Tubing, and 82 (Ultrafiltration Package Plant), no bids were received.

For the Sections where no bids were received, staff shall obtain quotations in the best interest of the Department.

6) SOUTH KOHALA:

A. **WATER TREATMENT PROPOSAL NO 2012-02, FURNISHING AND DELIVERING POLYMERS TO WAIMEA WATER TREATMENT PLANT:**

Bids were opened on May 10, 2012, at 2:00 p.m., and the following are the bid results.

Bidder	Amount
Phoenix V LLC dba BEI Hawai'i	\$404,362.70

<u>Bidder</u>	<u>Amount</u>
Phoenix V LLC dba BEI Hawai'i	\$404,362.70
Contingency	\$ 45,637.30
TOTAL CONTRACT PRICE:	<u>\$450,000.00</u>

The estimated quantity of polymers needed for the 24-month period of the contract, as determined by the County, is 367,268.58 pounds, at \$1.101 per pound.

The reason for the high contingency is that due to past experiences, the dosage of polymers used at the time of the plant test is lower than at other times of the year. As the quality of water goes down during the year due to unstable weather conditions, more polymers are used to meet the water quality requirements of the State of Hawai'i, Department of Health.

RECOMMENDATION: It is recommended that the Board award the contract for WATER TREATMENT PROPOSAL NO. 2012-02, FURNISHING AND DELIVERING POLYMERS TO WAIMEA WATER TREATMENT PLANT, to **Phoenix V LLC dba BEI Hawai'i**, for the bid price of \$404,362.70, plus \$45,637.30 in contingency, for a total contract price of \$450,000.00, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. The contract period is from July 1, 2012, to June 30, 2014.

7) NORTH KOHALA:

A. **JOB NO. 2008-950, CONSTRUCTION OF THE KYNERSLEY NO. 1 RESERVOIR 0.3 MG REPLACEMENT:**

The project generally consists of construction of new 0.3 MG concrete reservoir, demolition of existing steel tanks, as well as associated site work, waterline, asphalt pavement, grading and drainage improvements, all mechanical, electrical and structural work, in accordance with the plans and specifications, ready for operation.

Bids for this project were opened on May 17, 2012, at 2:00 p.m., and the results will be reported at this meeting.

8) NORTH KONA:

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

(This Item was deferred at the April 24, 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: To be withdrawn at the request of the parties.

B. **FOURTH AMENDMENT TO WATER FACILITIES AGREEMENT BETWEEN SEASCAPE DEVELOPMENT, LLC, AND WATER BOARD OF THE COUNTY OF HAWAII – 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.

Staff has reviewed the consultant’s proposal and finds it to be reasonable and consistent with the terms in the proposed Fourth Amendment of Water Facilities Agreement.

RECOMMENDATION: It is recommended that the Board approve the FOURTH AMENDMENT OF WATER FACILITIES AGREEMENT BETWEEN SEASCAPE DEVELOPMENT, LLC, AND WATER BOARD OF THE COUNTY OF HAWAII – TAX MAP KEY (3) 7-3-010:052 AND 053, and that either the Chairperson or Vice-Chairperson be authorize to sign the documents, subject to approval 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 April 24, 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*

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. MATERIAL BID NO. 2012-03, FURNISHING BASE COURSE, SAND, COLD MIX, HOT MIX, PORTLAND CEMENT AND NO. 3F ROCK TO THE DEPARTMENT OF WATER SUPPLY:

Bids were opened on May 8, 2012, at 2:00 p.m., and the following are the bid results:

		Yamada & Sons, Inc.	WHC LTD dba West Hawai‘i Concrete	Grace Pacific Corporation
	DISTRICT I:			
A.	3/4-Inch Base Course (Cost per ton)	\$16.15	No Bid	No Bid
B.	1½-Inch Base Course (Cost per ton)	\$15.10	No Bid	No Bid
C.	No. 3F Rock (Cost per ton)	\$24.75	No Bid	No Bid
D.	#4 Sand (Cost per ton)	\$50.00	No Bid	No Bid
E.	Mortar Sand - ASTM C144 (Cost per ton)	No Bid	No Bid	No Bid
F.	Portland Cement 94 lb. bags (Cost per bag)	No Bid	No Bid	No Bid
G.	Cold Mix- ASTM D4215-87 (Cost per ton)	\$138.75	No Bid	No Bid
H.	Blended Material 60% #4 Sand and 40% No. 3F Rock (Cost per ton)	No Bid	No Bid	No Bid
I.	Hot Mix – County Mix IV	\$144.75		
	DISTRICT II:	Yamada & Sons, Inc.	WHC LTD dba West Hawai‘i Concrete	Grace Pacific Corporation
A.	3/4-Inch Base Course (Cost per ton)	No Bid	\$11.75	No Bid
B.	1½-Inch Base Course (Cost per ton)	No Bid	\$10.64	No Bid
C.	No. 3F Rock (Cost per ton)	No Bid	\$16.34	No Bid
D.	#4 Sand (Cost per ton)	No Bid	\$20.53	No Bid
E.	Mortar Sand - ASTM C144 (Cost per ton)	No Bid	\$38.98	No Bid
F.	Portland Cement 94 lb. bags (Cost per bag)	No Bid	No Bid	No Bid
G.	Cold Mix- ASTM D4215-87 (Cost per ton)	No Bid	No Bid	No Bid

	DISTRICT III:	Yamada & Sons, Inc.	WHC LTD dba West Hawai'i Concrete	Grace Pacific Corporation
A.	3/4-Inch Base Course (Cost per ton)	No Bid	\$16.83	No Bid
B.	1½-Inch Base Course (Cost per ton)	No Bid	\$15.51	No Bid
C.	No. 3F Rock (Cost per ton)	No Bid	\$22.29	No Bid
D.	#4 Sand (Cost per ton)	No Bid	\$27.25	No Bid
E.	Mortar Sand - ASTM C144 (Cost per ton)	No Bid	\$51.85	No Bid
F.	Portland Cement 94 lb. bags (Cost per bag)	No Bid	No Bid	No Bid
G.	Cold Mix–ASTM D4215-87 (Cost per ton)	No Bid	No Bid	\$146.00
H.	Hot Mix - County Mix IV (Cost per ton)	No Bid	No Bid	145.10

RECOMMENDATION: It is recommended that the Board award the contract for MATERIAL BID NO. 2012-03, FURNISH BASE COURSE, SAND, COLD MIX, HOT MIX, PORTLAND CEMENT, AND NO. 3F ROCK TO THE DEPARTMENT OF WATER SUPPLY, by Parts to the following for the amounts shown above, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel.

District I – Parts A, B, C, D, G and I to Yamada & Sons, Inc.

District II – Parts A, B, C, D and E to WHC LTD dba West Hawai'i Concrete

**District III – Parts A, B, C, D and E to WHC LTD dba West Hawai'i Concrete
Parts G and H to Grace Pacific Corporation**

For the Parts where no bids were received, staff shall obtain quotations in the best interest of the Department. The contract period shall be from July 1, 2012, to June 30, 2013.

C. WATER TREATMENT BID NO. 2012-04, FURNISHING AND DELIVERING A~LIQUID CHLORINE TO VARIOUS LOCATIONS IN THE ISLAND OF HAWAI'I (ON AN AS-NEEDED BASIS); B~LIQUID AMMONIA TO WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA (ON AN AS-NEEDED BASIS); C~50% LIQUID CAUSTIC SODA TO WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA (ON AN AS-NEEDED BASIS); D~C-9 POLYPHOSPHATE TO WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA (ON AN AS-NEEDED BASIS):

Bids were opened on May 8, 2012, at 2:30 p.m., and following are the bid results:

<u>Bidder</u>	<u>Amount</u>
Phoenix V LLC dba BEI Hawai'i	
PART A - FURNISH AND DELIVER LIQUID CHLORINE	
I. HILO DISTRICT	
a. Pana'ewa Deep Well (125 cylinders per year) Cost per 150-lb. cylinder	\$312.30
II. PUNA DISTRICT	
a. Pana'ewa Deep Well Chlorinator Building (20 cylinders per year) Cost per 150-lb. cylinder	\$326.00

III. KA‘U DISTRICT

- a. Pāhala Deep Well Chlorinator Building (12 cylinders per year)
Cost per 150-lb. cylinder \$378.50

IV. KOHALA DISTRICT

- a. Waimea Water Treatment Plant
Cost per 1,200-lb cylinder (20 cylinders per year) \$2,145.00
Cost per 150-lb. cylinder (60 cylinders per year) \$343.80

V. KONA DISTRICT

- a. DWS Kona Baseyard (150 cylinders per year)
Cost per 150-lb. cylinder \$351.20

PART B – FURNISH AND DELIVER LIQUID AMMONIA

- a. Waimea Water Treatment Plant (12 cylinders per year)
Cost per 150-lb. cylinder No Bid

PART C – FURNISH AND DELIVER 50% LIQUID CAUSTIC SODA

- a. Waimea Water Treatment Plant
Cost per dry ton \$1,665.00

PART D – FURNISH AND DELIVER C-9 POLYPHOSPHATE:

- a. Waimea Water Treatment Plant
Cost per 30-gallon drum \$831.50

RECOMMENDATION: It is recommended that the Board award the contract for WATER TREATMENT PROPOSAL NO. 2012-04, FURNISHING AND DELIVERING A~LIQUID CHLORINE TO VARIOUS LOCATIONS IN THE ISLAND OF HAWAI‘I (ON AN AS-NEEDED BASIS); B~LIQUID AMMONIA TO WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA (ON AN AS-NEEDED BASIS); C~50% LIQUID CAUSTIC SODA TO WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA (ON AN AS-NEEDED BASIS); D~C-9 POLYPHOSPHATE TO WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA (ON AN AS-NEEDED BASIS), to Phoenix V LLC dba BEI Hawai‘i for Parts A, C and D, at the unit prices listed above, for the period from July 1, 2012, through June 30, 2014, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. For Part B, where no bid was received, staff shall obtain quotations in the best interest of the Department.

D. GASOLINE BID NO. 2012-05, FURNISHING AND DELIVERING GASOLINE AND DIESEL TO THE DEPARTMENT OF WATER SUPPLY:

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

Part "A"	Hilo Baseyard	Aloha Petroleum, Inc.	Hawai‘i Petroleum, Inc.	Big Island Energy Co., LLC dba Akana Petroleum
1.	Unleaded Gasoline (delivered gallon price) <i>Estimated 55,000 gallons/year x 2 years</i>	\$4.0434/gal. = \$444,774.00	\$4.24/gal. = \$466,400.00	\$3.9126/gal. = \$430,386.00
Part "B"	Kona Baseyard			
1.	Unleaded Gasoline (delivered gallon price) <i>Estimated 25,000 gallons/year x 2 years</i>	\$4.1434/gal. = \$207,170.00	\$4.24/gal. = \$212,000.00	\$3.9962/gal. = \$199,810.00

2.	Low-Sulfur Diesel (delivered gallon price) <i>Estimated 3,000 gallons/year x 2 years</i>	\$5.1115/gal. = \$30,669.00	\$4.196/gal. = \$25,176.00	\$4.0171/gal. = \$ 24,102.60
Part "C"	Waimea Baseyard			
1.	Unleaded Gasoline (delivered gallon price) <i>Estimated 30,000 gallons/year x 2 years</i>	\$4.1034/gal. = \$246,204.00	\$4.24/gal. = \$254,400.00	\$3.9441/gal. = \$236,646.00

RECOMMENDATION: It is recommended that the Water Board award the contract for GASOLINE BID NO. 2012-05, FURNISHING AND DELIVERING GASOLINE AND DIESEL TO THE DEPARTMENT OF WATER SUPPLY, to **Big Island Energy Co., LLC dba Akana Petroleum**, for Parts A-1, B-1, B-2, and C-1, at the bid prices listed above and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. The contract period shall be from July 1, 2012 to June 30, 2014.

E. **WATER HAULING BID NO. 2012-06, PRICE AGREEMENT TO PROVIDE WATER HAULING SERVICES TO VARIOUS LOCATIONS ISLAND-WIDE (ON AN AS-NEEDED BASIS) FOR THE DEPARTMENT OF WATER SUPPLY, DISTRICTS – ENTIRE ISLAND:**

Bids were opened on May 9, 2012, at 2:30 p.m., and the following are the bid results:

1. **Carnor Sumida dba ACR Water Hauling**

4,000-, 4,200- and 5,000-gallon water trucks (price for all districts):
 Regular Hours \$85.35/hr.
 Overtime Hours \$97.09/hr.

RECOMMENDATION: It is recommended that the Board approve the price agreement for WATER HAULING BID NO. 2012-06, PRICE AGREEMENT TO PROVIDE WATER HAULING SERVICES TO VARIOUS LOCATIONS ISLAND-WIDE (ON AN AS-NEEDED BASIS) FOR THE DEPARTMENT OF WATER SUPPLY to **Carnor Sumida dba ACR Water Hauling**, at the prices listed above, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. The price agreement shall be from July 1, 2012 to June 30, 2014.

F. **RENEWAL OF CONTRACT FOR MAINTENANCE AGREEMENT – SOUTH KOHALA, HAMAKUA, AND LAUPAHOEHOE SITES (BRANTLEY CENTER, INC.):**

Brantley Center, Inc., presently has a Maintenance Agreement for site maintenance for the Department’s South Kohala, Hāmākua, and Laupāhoehoe tank and pump sites. They are requesting to renew the Agreement for two (2) years from July 1, 2012 to June 30, 2014. The new rates would be as follows:

South Kohala –	FY 2012-2013: \$3,917.60/month x 12 months = \$47,011.20
	FY 2013-2014: \$3,993.04/month x 12 months = \$47,916.48
Hāmākua -	FY 2012-2013: \$2,618.55/month x 12 months = \$31,422.60
	FY 2013-2014: \$2,676.51/month x 12 months = \$32,118.12
Laupāhoehoe -	FY 2012-2013: \$654.98/month x 12 months = \$7,859.76
	FY 2013-2014: \$671.35/month x 12 months = \$8,056.20

Two-Year Total: **\$174,384.36**

The Department has the right to award the contract to Brantley Center, Inc., without advertising or calling for bids, according to Hawai`i Revised Statutes Section 103D-1010. Brantley Center, Inc., has submitted the necessary documents to meet the requirements as a qualified rehabilitation facility.

The South Kohala district has added four new sites since their last contract executed in 2010 and the proposed agreement reflects this increase and includes a 2.5% increase from their last contract for FY 2012-2013. Brantley Center Inc. is also proposing a 2.5 % increase for FY 2013-2014.

Brantley Center's performance has been satisfactory and the costs are reasonable. A total of 41 sites are covered by this agreement.

RECOMMENDATION: It is recommended that the Board award the contract for the RENEWAL OF CONTRACT FOR MAINTENANCE AGREEMENT – SOUTH KOHALA, HĀMĀKUA, AND LAUPĀHOEHOE SITES to Brantley Center Inc., for a period for two years from July 1, 2012 to June 30, 2014 at a total cost of \$174,384.36, and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents, subject to approval by Corporation Counsel.

G. **DISCUSSION REGARDING DRAFT OF PROPOSED RULE CHANGE REGARDING WATER SERVICE TO CONSUMERS/RESPONSIBILITY FOR PAYMENT OF BILLS (Rule 3-4):**

Discussions between the Ad Hoc Finance Committee and DWS staff, aimed at improving collection of balances due from customers, resulted in making the following proposed changes to the Department's credit deposit policy:

1. Increase credit deposits on all meters sizes from \$50 to \$150;
2. Retain credit deposits until accounts are closed, at which time they will be used to settle unpaid balances before refunding any excess to customers; and
3. Eliminate payment of interest on credit deposits returned to customers.

RECOMMENDATION: The Department recommends that these credit deposit changes be made, and that a Public Hearing be held prior to the June 26, 2012, Water Board meeting, in order to reflect these changes in Rule 3-4 of the Department's Rules and Regulations.

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

The Department's drafts of its Goals and Strategic Initiatives and Tactics Table, for discussion and action.

I. **CESSATION OF ABNORMAL READING NOTICES:**

The Department is looking for ways to streamline customer service procedures, and to utilize personnel more effectively. One of the areas identified as time-consuming for DWS's meter readers is the manual preparation and mailing of high-reading notices to customers. The meter readers send out approximately 750 of these notices every month, equivalent to approximately 62 man-hours, at a cost of approximately \$1,750.00 per month. By contrast, DWS processes an average of 80 leakage adjustment applications per month, or approximately 11% of the number of notices DWS issues. It turns out that most customers contact the Department after receiving a high water **bill** -- instead of a high-reading notice. High-reading notices are only generated when meters are read every two months, so if a leak were to occur right *after* a meter is read, the earliest that DWS would be able to send the customer a high reading notice would be two months *later*, when the meter was read again.

DWS believes that meter readers' time would be better spent investigating zero-consumption meter readings, which are a symptom of meter failure and a possible source of significant revenue loss. Approximately 10% of meter readings fall into this category, but DWS does not have the manpower to investigate these occurrences. Meanwhile, DWS also needs to increase automatic meter reading (AMR) meter site maintenance, so that meters can continue to be located.

Although DWS's plan is to eliminate the use of high-reading notices, the Department plans to continue notifying customers with extremely high consumption and/or obvious meter issues, by calling them directly and/or leaving a high reading tag at the property at the time the meter is read. DWS is also exploring the possibility of programming its billing system to print a special message on water bills alerting customers of unusually high consumption.

For discussion.

J. REPORT BY ATTENDEE(S) OF AWWA CONFERENCE IN HONOLULU:

A report will be given by Water Board members who attended the AWWA Conference in Honolulu. (Any items of specific interest for discussion will be placed on a subsequent agenda.)

K. 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.

L. 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.

M. 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.

N. 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) Kawaiāni 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) Public Information and Education Specialist Update
- 10) Recognition of Employee of the Quarter
- 11) Recognition of Service Retirements

O. CHAIRPERSON'S REPORT:

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

P. MANAGER-CHIEF ENGINEER RECOMMENDATION REGARDING SALARY OF PRIVATE SECRETARY:

In a letter dated May 2, 2012, the Manager-Chief Engineer recommended the salary of the Private Secretary. The Water Board will vote on the Recommendation.

10) EXECUTIVE SESSION RE: PRIVATE SECRETARY SALARY:

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), and 92-5(a)(4) and Hawai'i County Charter Section 13-20(b) to discuss and consider the salary of the Private Secretary, 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 at 10:00 a.m. on June 26, 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 at 10:00 a.m. on July 24, 2012, at Department of Water Supply, Operations Conference Room, 889 Leilani Street, Hilo, HI.

11) 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.