

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

MEETING DATE: March 19, 2013
TIME: 10:00 a.m.
PLACE: Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, 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 February 26, 2013, Water Board meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA
 (Note: Addendum requires Roll Call Vote)
- 5) SOUTH HILO:

A. JOB NO. 2013-987, PAPA‘IKOU WELL REPAIR:

This project generally consists of the replacement of the existing pump column, pipe, combination couplings, lineshaft, lineshaft Graphalloy bearings, couplings, air line and all appurtenant equipment, such as strapping, and chlorination of the well and pumping assembly, in accordance with the plans and specifications.

Bids for this project were opened on March 7, 2013, at 2:30 p.m., and the following are the bid results:

Bidder	Bid Amount
Beylik Drilling & Pump Service, Inc.	\$169,730.00
Derrick’s Well Drilling & Pump Services, LLC	Non-Responsive

Project Costs:

1) Low Bidder (Beylik Drilling & Pump Service, Inc.)	\$ 169,730.00
2) Contingencies (10%)	<u>\$ 16,973.00</u>
Total Cost:	<u>\$ 186,703.00</u>

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. The Engineering estimate for this project was \$153,000.00.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2013-987, PAPA‘IKOU WELL REPAIR, to the lowest responsible bidder, Beylik Drilling & Pump Service, Inc., for their bid amount of \$169,730.00 plus \$16,973.00 for contingencies, for a total contract amount of **\$186,703.00**. 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.

6) NORTH KONA:

(This Item was deferred at the February 26, 2013 Board meeting.)

A. **FIRST AMENDMENT TO AMENDED AND RESTATED AGREEMENT REGARDING DEVELOPMENT OF SOUTH WAI‘AHA WATER SYSTEM AND TERMINATION OF AGREEMENT REGARDING DEVELOPMENT OF NORTH WAI‘AHA WATER SYSTEM:**

The Developer, Wai‘aha System, LLC has requested to amend the subject agreement and transfer 120 units from Tax Map Key (TMK) 7-5-017:031 (Kona Coffee & Tea Company, Inc.) to TMK’s 7-4-024:002, 004, 006, 007, 008, 009, 010, 011, 012, 014, 015 and 017 (McClellan Honokōhau Properties). The amended agreement shall include the revised language to incorporate the new property being served by the Wai‘aha Water System. It shall also include the necessary exhibits, as well as a revised hydraulic analysis approved by the Department of Water Supply (DWS), showing that the subject property can be adequately served by the Wai‘aha Water System, as well as the existing DWS system. Any improvements required shall also be outlined in the analysis, and shall be the responsibility of the developer to receive water service to the property from this agreement.

RECOMMENDATION: It is recommended that the Board approve the FIRST AMENDMENT TO AMENDED AND RESTATED AGREEMENT REGARDING DEVELOPMENT OF SOUTH WAI‘AHA WATER SYSTEM AND TERMINATION OF AGREEMENT REGARDING DEVELOPMENT OF NORTH WAI‘AHA WATER SYSTEM, and authorize either the Chairperson or Vice-Chairperson to execute the document subject to review as to form and legality and approval by the Corporation Counsel.

7) MISCELLANEOUS:

A. **DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING BUDGET FOR FISCAL YEAR 2014 AND 5-YEAR CAPITAL IMPROVEMENT BUDGET FOR FISCAL YEARS 2014-2018:**

FY 2014 Operating revenues were computed based on a 3.3% consumption increase, plus a 4.3% increase in water rates that were determined in a rate study by RW Beck. The Department’s largest expense remains purchased power totaling \$23,600,000 for the year. Salaries totaling \$9,442,500 were not adjusted for furloughs or pay increases, and include 189 positions, 23 of which are currently vacant, and 6 of which are new.

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

RECOMMENDATION: It is recommended that the Water Board approve the Department’s FY 2014 Operating budget and 5-year C.I.P. budgets for Fiscal Years 2014-2018 on this second of two readings. A public hearing on the proposed Operating Budget for FY 2014 and 5-Year Capital Improvement Budget for Fiscal Years 2014-2018 will have been held just prior to this regular Water Board meeting.

B. **SERVICE CONTRACT NO. 2013-02, PROVIDE HIGH SPEED WIDE AREA CONNECTIVITY BETWEEN WAI‘AKEA OFFICE PLAZA AND FOUR SATELLITE LOCATIONS, ISLAND WIDE:**

Bids were opened on March 6, 2013, at 2:00 p.m., and following are the bid results:

Bidder	Monthly Service Price	Design, Install, Configure and Setup
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Time Warner Cable Inc. dba Oceanic		
Time Warner Cable	\$3,593.73	\$2,083.32

This contract generally consists of providing a turnkey solution to connect the four satellite locations (Hilo Baseyard, Waimea Baseyard, Kona Baseyard and Ka‘u Baseyard) to DWS’s Waiākea Office Plaza location over a synchronous, full duplex connection. The increased speeds provided by these high speed connections are in direct alignment with strategic goals for Information Technology. Quicker data transfers will allow off-site replication of backup data for disaster recovery, as well as promote more productive use of our in-house GIS systems and Intranet services.

Funding for this project will come from the Department’s Operating and Maintenance Utilities Budget.

This contract is for a 38-month period starting May 1, 2013, through June 30, 2016, with an option to extend for an additional 12-month period, until June 30, 2017.

RECOMMENDATION: It is recommended that the Water Board award the contract for SERVICE CONTRACT NO. 2013-02, PROVIDE HIGH SPEED WIDE AREA NETWORK CONNECTIVITY BETWEEN WAIĀKEA OFFICE PLAZA AND FOUR SATELLITE LOCATIONS, ISLAND WIDE, to the lowest responsible bidder, Time Warner Cable Inc. dba Oceanic Time Warner Cable, for their bid amount of \$2,083.32 for design, installation, configuration, and setup, plus a monthly service price of \$3,593.73, over a 38-month contract period, and that either the Chairperson or Vice-Chairperson be authorized to sign the contract subject to review of the contract as to form and legality by Corporation Counsel.

C. AD HOC FINANCE COMMITTEE REPORT:

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.

D. MANAGER-CHIEF ENGINEER’S EVALUATION:

Discussion and action on implementing the evaluation of the Manager-Chief Engineer, including the possible formation of an ad-hoc committee.

E. 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.

F. 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.

G. 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.

H. 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) Pu'ukala/Kona Ocean View Properties Subdivision Improvement District Update
- 3) Public Information and Education Specialist Update
- 4) Recognition of Employees of the Quarter

I. **CHAIRPERSON'S REPORT:**

Chairperson will raise issues of interest to the Board.

J. **JOB NO. 1998-721, CONSTRUCTION OF KAWAILANI NEW 1.0 MG CONCRETE TANK:**

Update and discussion on construction progress.

8) **EXECUTIVE SESSION RE: JOB NO. 1998-721, CONSTRUCTION OF KAWAILANI NEW 1.0 MG CONCRETE TANK:**

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.

9) **EXECUTIVE SESSION: IN RE 1250 OCEANSIDE PARTNERS, A HAWAII LIMITED PARTNERSHIP, CASE NO. 13-00353 IN THE UNITED STATES BANKRUPTCY COURT, DISTRICT 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, including the Water Board's contribution to the County's possible hiring of special counsel in the above-referenced case. A two-thirds vote, pursuant to HRS Section 92-4, is necessary to hold an executive meeting.

10) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board will be held at 10:00 a.m. on April 23, 2013, 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 at 10:00 a.m. on May 28, 2013, at the 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.