

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

MEETING DATE: August 27, 2013

TIME: 10:00 a.m.

PLACE: West Hawai‘i Civic 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 July 23, 2013, Water Board meeting

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

5) SOUTH HILO:

A. VEHICLE BID NO. 2013-09, FURNISHING AND DELIVERING A VEHICLE TO THE DEPARTMENT OF WATER SUPPLY:

Bids for this item were opened on August 9, 2013, at 2:00 p.m., and the following are the bid results:

| | David S. DeLuz Sr. Enterprises, Inc. dba Big Island Toyota, Inc. | Inter Pacific Motors, Inc., dba Orchid Isle Auto Center |
|--|---|--|
| Vehicle: | | |
| One (1) only 2013 or later, Sport Utility Vehicle (SUV), 4-door, 4-wheel drive | | |
| Total delivery price | \$41,999.95 | Non-responsive |
| Delivery time (calendar days) | 30 | |

RECOMMENDATION: It is recommended that the Board award VEHICLE BID NO. 2013-09, FURNISHING AND DELIVERING A VEHICLE TO THE DEPARTMENT OF WATER SUPPLY, to David S. DeLuz Sr. Enterprises, Inc. dba Big Island Toyota, Inc., at a cost of \$41,999.95 and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to approval of the contract as to form and legality by Corporation Counsel.

B. VEHICLE BID NO. 2012-12, FURNISHING AND DELIVERING VEHICLES TO THE DEPARTMENT OF WATER SUPPLY, PARTS “B” AND “C”:

The vendor, Inter-Pacific Motors dba Orchid Isle Auto Center, is requesting to address the Board to appeal the Department’s decision to deny a time extension for Parts “B” and “C” of VEHICLE BID NO.

2012-12, FURNISHING AND DELIVERING VEHICLES TO THE DEPARTMENT OF WATER SUPPLY, PARTS “B” AND “C”.

C. **JOB NO. 98-721: KAWAILANI NEW 1.0 MG CONCRETE TANK AND REMOVAL OF EXISTING 0.5 MG STEEL TANK - UPDATE:KAWAILANI TANK:**

DWS and Glover have been negotiating the additional work items and costs, and have agreed that \$420,043.02 is justified for work that has been done, as well as work that still needs to be done to complete the work items as listed on the breakdown. Staff is requesting that additional funds be approved for the proposed items in the amount of \$420,043.02. Staff is also requesting that a time extension be issued since there is no contract extension from the current contract completion date of April 21, 2005. Based on the contractor’s previously submitted estimate, it is requested that a contract completion date of December 31, 2013, be established.

- 1st time extension: 88 calendar days -- Reinforcing steel subcontractor was replaced at no additional cost; however, the material submittal and arrival was delayed due to the withdrawal of subcontractor.
- 2nd time extension: 70 calendar days -- Asphalt material was recalled and contractor could not complete the interior of the reservoir until new material was delivered.
- 3rd time extension: 84 calendar days -- New product (liner) required due to specified product no longer carrying the NSF 61 approval. Additional pre-lining leakage test also requested by DWS.
- 4th time extension: 60 calendar days -- DWS required Contractor to seal leaks before lining was installed.
- 5th time extension: 265 calendar days -- New liner product manufacturer made additional requirements to preparing the surface and addressing joints and hairline cracks from product technical representative that provided on-site inspection and training.

RECOMMENDATION: It is recommended that the Board approve additional funds of \$420,043.02, as well as grant a time extension to the contract to bring the completion date from April 21, 2005 to December 31, 2013. If approved, a Contract Change Order will be processed and the revised contract amount will be \$2,275,510.90, with a contract completion date of December 31, 2013.

D. **EXECUTIVE SESSION RE: JOB NO. 98-721: KAWAILANI NEW 1.0 MG CONCRETE TANK AND REMOVAL OF EXISTING 0.5 MG STEEL TANK - UPDATE:KAWAILANI TANK:**

The Water Board is expected to convene 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.

E. **SECOND AMENDMENT TO COUNTY OF HAWAI‘I LEASE AGREEMENT:**

The Lease to the County of the lower portion of the Waiākea Office Plaza Building is being amended to accurately reflect the area the County desires to Lease.

RECOMMENDATION: It is recommended that the Board approve the SECOND AMENDMENT TO COUNTY OF HAWAI‘I LEASE AGREEMENT, and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents, subject to approval of Corporation Counsel.

6) HĀMĀKUA:

A. **DRINKING WATER STATE REVOLVING FUND RESOLUTION NO. 2013-01:**

(Note: Resolution requires roll call vote)

Resolution No. 2013-01 is for the project for which DWS has submitted a loan application, under the Drinking Water State Revolving Fund (DWSRF). One of the prerequisites for the loan is a Resolution approved by the Water Board. This Resolution is specifically identified for the following project: JOB NO. 2008-945, ĀHUALOA-HONOKA‘A WATERLINE PHASE 2, and authorizes the Manager–Chief Engineer or Deputy to execute loans and/or grants with the State Department of Health for up to \$2,600,000.00.

RECOMMENDATION: It is recommended that the Water Board adopt DRINKING WATER STATE REVOLVING FUND RESOLUTION NO. 2013-01, subject to approval of Corporation Counsel.

7) SOUTH KOHALA:

A. **JOB NO. 2013-992 (REBID), LĀLĀMILO ELECTRICAL DISTRIBUTION AND EQUIPMENT MAINTENANCE:**

This project generally consists of the inspection, cleaning, and minor repairs of the electrical distribution system and equipment servicing the Lālāmilo Windfarm and Lālāmilo/Parker Wells.

Bids for this project were opened on August 8, 2013, at 2:00 p.m., and the following are the bid results:

| Bidder | Bid Amount |
|-------------------------------|-------------------|
| American Electric, LLC | No Bid |
| Network Power Solutions, Inc. | \$166,000.00 |

The Engineer’s estimate for the project was \$35,000.00.

RECOMMENDATION: It is recommended that the Board not award the bid for JOB NO. 2013-992 (REBID), LĀLĀMILO ELECTRICAL DISTRIBUTION AND EQUIPMENT MAINTENANCE, due to the high cost of the bid. Staff will re-evaluate the scope of work and will procure the necessary services according to procurement rules.

8) NORTH KONA:

A. **JOB NO. 2013-994, KEAHUOLŪ (QUEEN LILI‘UOKALANI TRUST) DEEPWELL REPAIR:**

This project generally consists of the replacement of the existing deep well submersible motor, pump, power cable, column pipe and appurtenances and chlorination of the well and pumping assembly, in accordance with the plans and specifications.

Bids for this project were opened on August 15, 2013, at 2:30 p.m., and the following are the bid results:

| Bidder | Bid Amount |
|--|-------------------|
| Beylik Drilling and Pump Service, Inc. | \$257,530.00 |
| Derrick’s Well Drilling and Pump Services, LLC | \$266,788.00 |

Project Costs:

- | | |
|--|--------------|
| 1) Low Bidder (Beylik Drilling and Pump Service, Inc.) | \$257,530.00 |
| 2) Contingencies (10%) | \$ 25,753.00 |

Total Cost: \$283,283.00

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 \$274,000.00.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2013-994, KEAHUOLŪ (QUEEN LILI'UOKALANI TRUST) DEEPWELL REPAIR, to the lowest responsible bidder, Beylik Drilling and Pump Services, Inc., for their bid amount of \$257,530.00 plus \$25,753.00 for contingencies, for a total contract amount of **\$283,283.00**. 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. **GRANT OF EASEMENT AND BILL OF SALE**

Asia Pacific Group Subdivision
Subdivision Application No. 2011-001077
Grantor: Glory to Yahuwah, LLC
Tax Map Key: (3) 4-7-007: 017
Zoning: A-40a
No. of Lots: 5
Facilities Charge: *Not Applicable*
Final Inspection Date: 2/21/2013
Water System Cost: \$13,820.00

2. **LICENSE NO. 784**

Kawaihae 1.0 MG Tank, Phase II
EWO No. 2007-087
Licensor: State of Hawai'i Department of Hawaiian Home Lands
Tax Map Key: (3) 6-1-001: 003 (portion), 005 (portion), & 007 (portion)
Facilities Charge: *Not Applicable*
Final Inspection Date: 11/29/2012
Water System Cost: \$2,898,650.00

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. RIGHT OF ENTRY AGREEMENTS – OCEANIC TIME WARNER CABLE LLC:

The Department procured Oceanic Time Warner Cable LLC (OTWC) to provide high-speed wide area connectivity between Waiākea Office Plaza and four satellite locations via fiber optic cables. OTWC requires right of entry agreements to provide the required services at the respective locations.

RECOMMENDATION: It is recommended that the Board approve the Right of Entry Agreements, and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents, subject to approval of Corporation Counsel.

C. **REVOCABLE RIGHT OF ENTRY AGREEMENT -- OWNER: TRUSTEES OF THE ESTATE OF BERNICE PAUAHI BISHOP; PERMITTEE: COUNTY OF HAWAII DEPARTMENT OF WATER SUPPLY, TAX MAP KEY: 7-8-004: 4, 12, 15, 13, AND 16:**

The County of Hawaii Department of Water Supply (DWS) is requesting a right of entry from the Trustees of the Estate of Bernice Pauahi Bishop on its property in Keauhou, North Kona, Hawai'i, TMK: 7-8-004: 4, 12, 15, 13, and 16 (Kamehameha Schools/Bishop Estate property). The request is to allow DWS to proceed with its due diligence for the planning of the construction of a storage tank and waterline on the said Kamehameha Schools/Bishop Estate Property.

RECOMMENDATION: It is recommended that the Water Board approve the Revocable Right of Entry Agreement, and authorize the Chairperson or Vice Chairperson to execute the agreement subject to the approval as to form and legality of the Office of the Corporation Counsel.

D. **AD HOC COMMITTEE PURSUANT TO HRS SECTION 92-2.5(B) TO PRESENT, DISCUSS AND/OR NEGOTIATE FOR LEGISLATION REGARDING THE PLACEMENT OF SUCH LIENS ON REAL PROPERTY FOR NON-PAYMENT OF WATER BILLS:**

The Ad Hoc Committee is exploring legislation pursuant to HRS Section 92-2.5(B) which would allow the placement of an automatic lien on property for non-payment of water bills. Ad Hoc Committee chairperson, Mr. Rick Robinson, will appoint two members of the Board to the Committee to present, discuss, and/or negotiate for such legislation with any necessary person including, but not limited to, any water or wastewater department or division of any county, and/or with any legislators in the State of Hawai'i.

The Ad Hoc Committee is also exploring a revision of the Department of Water Supply Rules and Regulations to hold a property owner responsible for any water bill for water service to such property, whether or not the property owner resides on the property; and that no water service will be granted to such property until all such delinquencies are paid or other agreement is reached.

E. **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.

F. **ENERGY MANAGEMENT ANALYST UPDATE:**

The Energy Management Analyst will provide a quarterly update on significant changes or noteworthy areas relating to energy use and the Department's Green Initiatives.

G. **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.

H. **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.

I. **MANAGER-CHIEF ENGINEER'S REPORT:**

The Manager-Chief Engineer will provide an update or status on the following:

- 1) Pu'ukala/Kona Ocean View Properties Subdivision Improvement District Update
- 2) Kamehameha Schools/Kamehameha Investment Corp. (KIC) – Development Plans Update
- 3) Queen Ka'ahumanu Highway Widening Project Update
- 4) Kaloko Heights Water Commitment Deposit Update
- 5) Waikoloa Reservoir No. 1 Update
- 6) Parker Well Repairs Update
- 7) Public Information and Education Specialist Update

J. **CHAIRPERSON'S REPORT:**

Chairperson will raise issues of interest to the Board.

10) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board will be held at 10:00 a.m. on September 24, 2013 at the Department of Water Supply, Operations Center 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 October 22, 2013 at the Department of Water Supply, Operations Center 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.