

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

**MEETING DATE:** September 24, 2013

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

**PLACE:** Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI

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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 August 27, 2013, Water Board meeting

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

5) HĀMĀKUA:

A. **RESOLUTION NO. 13-02, PROVIDING FOR THE ACQUISITION OF PRIVATE PROPERTY AND EASEMENTS SITUATE IN THE DISTRICT OF HĀMĀKUA, COUNTY AND STATE OF HAWAI‘I, IDENTIFIED AS A PORTION OF TMK NO. (3) 4-7-002:035, FOR CONSTRUCTION OF A WELL, RESERVOIR, TRANSMISSION MAIN, ACCESS ROAD, AND RELATED FACILITIES:**

*(Note: Resolution requires roll call vote)*

This resolution is being introduced for the condemnation of a portion of Tax Map Key 4-7-002:035, for the purpose of acquiring the property surrounding an existing well which was funded by DWS. This site is adjacent to our existing tank site and matches its elevation.

The drilling and testing of the existing well was recently completed. Phase 2 of the project, which includes but is not limited to the outfitting of the well and controls, reservoir, transmission main and access road, is on hold until the land is acquired. This well will be the primary water source for the Kapulena-Kukuihaele Water System, which is currently being provided with water through a temporary line from the Waimea Water System. The original source for the system, the Waiūlili Spring, lost production after the 2006 Kīholo Earthquake.

**RECOMMENDATION:** It is recommended that the Board approve Resolution No. 13-02, and authorize the Department and Corporation Counsel to continue with the condemnation process.

6) SOUTH KOHALA:

A. **JOB NO. 2011-972, LĀLĀMILO WIND FARM REPOWERING PROJECT, RENEWABLE ENERGY SERVICE AND POWER PURCHASE AGREEMENT:**

A Renewable Energy Service and Power Purchase Agreement between DWS and Site Constructors, Inc., has been prepared that will allow DWS to purchase electricity at a rate of \$0.24 per kilowatt-hour from Site Constructors, Inc. An annual price escalation of 2.9 percent in years 6 to 20 is proposed, with

an expected annual consumption of energy by the eight (8) Lālāmilo-Parker wells of 8,000 megawatt-hours, resulting in an annual savings to DWS of over \$1 million at today’s electricity rate.

On April 26, 2013, Site Constructors, Inc. was awarded the winning proposal for the furnishing, delivery, installation, operation, and maintenance of a wind energy generation facility in the vicinity of eight (8) existing DWS wells within the Lālāmilo-Parker well system. The project encompasses:

- Constructing a new wind energy generation system to supply electricity to four (4) existing Lālāmilo wells A, B, C, and D that were previously connected to the Lālāmilo wind farm constructed in 1985;
- Installing power lines and connecting four (4) existing Parker wells 1, 2, 3, and 4 to the new wind farm equipment;
- Installing Supervisory Control and Data Acquisition equipment so that the pump motors can maximize the use of renewable energy generated electricity;
- Successfully negotiating a Standard Three Party Interconnection Agreement with Hawai‘i Electric Light Company (HELCO); and
- Associated work such as grading, asphalt pavement of access road, security fence (if desired to keep livestock out), drainage, lighting, and landscaping.

Construction expenses will be funded by Site Constructors, Inc., at no cost to DWS. All permits and approvals are scheduled to be secured by September 15, 2014, and commercial operation of the wind farm is expected to occur within 18 months of the date that all permits and approvals are granted.

**RECOMMENDATION:** It is recommended that the Board approve JOB NO. 2011-972, LĀLĀMILO WIND FARM REPOWERING PROJECT, RENEWABLE ENERGY SERVICE AND POWER PURCHASE AGREEMENT, and authorize the Chairperson or Vice-Chairperson to execute the agreement, subject to review as to form and legality by Corporation Counsel.

7) NORTH KONA:

A. **JOB NO. 2013-995, KAHALU‘U D DEEPWELL REPAIR AND IMPROVEMENTS:**

This project generally consists of the replacement of the existing deepwell submersible motor, pump, power cable, column pipe and all appurtenant equipment, such as strapping, chlorination of the well and pumping assembly, and installation of a new step-up transformer, in accordance with the plans and specifications.

Bids for this project were opened on September 5, 2013, at 2:30 p.m., and the following are the bid results:

<b>Bidder</b>	<b>Bid Amount</b>
Alpha, Inc.	\$345,384.75
Beylik Drilling and Pump Service, Inc.	\$158,500.00
Derrick’s Well Drilling and Pump Services, LLC	<b>\$141,900.00</b>

Project Costs:

1) Low Bidder (Derrick’s Well Drilling and Pump Services, LLC.)	\$141,900.00
2) Contingency (10%)	\$ 14,190.00
<b>Total Cost:</b>	<b><u>\$156,090.00</u></b>

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 \$200,000.00.

**RECOMMENDATION:** It is recommended that the Board award the contract for JOB NO. 2013-995, KAHALU'U D DEEPWELL REPAIR AND IMPROVEMENTS, to the lowest responsible bidder, Derrick's Well Drilling and Pump Services, LLC., for their bid amount of \$141,900.00 plus \$14,190.00 for contingencies, for a total contract amount of **\$156,090.00**. 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) MISCELLANEOUS:

A. **DEPARTMENT OF WATER SUPPLY PROPOSED TABLE OF ORGANIZATION:**

The Department recognizes the need to revise its current table of organization to align with current and future needs as identified in the Strategic Plan. As such, the Department proposes the following:

REVISED POSITION ORGANIZATION CHART -- ADMINISTRATION DIVISION – PUBLIC RELATIONS BRANCH

The Department proposes to amend its Table of Organization, Position Organization Chart, Public Relations Branch by creating a Public Relations Section, a Strategic & Business Plan Section, and a Support Section. The proposed amended branch will allow the Department to better administer and execute public information, education, and strategic planning programs. The existing Public Information Education Specialist position is proposed to change to an Information and Education Manager (SR-26) that will supervise the proposed subordinate positions: Public Relations Technician I (SR-14), Public Relations Technician II (SR-16), Information and Education Specialist I (SR-18), Information and Education Specialist II (SR-20), Information and Education Specialist III (SR-22), and a Clerk III (SR-10).

The proposed changes will provide the Department the ability to meet its goals of improved efficiency, through the appropriate separation and distribution of workload. Please note that although numerous positions appear on the proposed organization chart, positions will only be filled as needed.

**RECOMMENDATION:** It is recommended that the Water Board approve the proposed revised Table of Organization.

B. **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. The Ad Hoc Committee will 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.

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. **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.

E. **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.

F. **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.

G. **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) Queen Ka'ahumanu Highway Widening Project Update
- 3) Kawaiiani Tank update
- 4) Waikoloa Reservoir No. 1 Update
- 5) Parker Well Repairs Update
- 6) Public Information and Education Specialist Update

H. **CHAIRPERSON'S REPORT:**

Chairperson will raise issues of interest to the Board.

9) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next 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.

2. **Following Meeting:**

The following meeting of the Water Board will be held at 10:00 a.m. on November 26, 2013 at the West Hawai'i Civic Center, **Liquor Control Conference Room, Bldg. B, 2<sup>nd</sup> Floor**, 74-5044 Ane Keohokalole Hwy, Kailua-Kona, HI.

10) **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.