

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

**MEETING DATE:** December 17, 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 November 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. 2013-999, KULA‘IMANO WELL A REPAIR:**

Bids for this project will have been opened on December 12, 2013, at 2:00 p.m., and the results will be reported at the meeting.

6) SOUTH KOHALA:

A. **ASSIGNMENT OF INTEREST IN THE LĀLĀMILO RENEWABLE ENERGY SERVICE AND POWER PURCHASE AGREEMENT FROM SITE CONSTRUCTORS, INC., TO THE SPECIAL PURPOSE ENTITY, LĀLĀMILO WIND COMPANY, LLC:**

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 existing DWS wells within the Lālāmilo-Parker well system. A Renewable Energy Service and Power Purchase Agreement between DWS and Site Constructors, Inc was executed on November 8, 2013, that will allow DWS to purchase electricity at a rate of \$0.24 per kilowatt-hour from Site Constructors, Inc.

Under Section 14.3.1 of the Renewable Energy Service and Power Purchase Agreement, Site Constructors, Inc., wishes to assign interest in the Lālāmilo Renewable Energy Service and Power Purchase Agreement from Site Constructors, Inc., to a Special Purpose Entity, Lālāmilo Wind Company, LLC.

Site Constructors, Inc., will continue on as the general contractor of the Lālāmilo Windfarm project. The special purpose entity, Lālāmilo Wind Company, LLC, will be composed of Messrs. Richard Horn and Rodney Stiefvater, who is Mr. Horn’s co-owner in the Hāwī windfarm project.

**RECOMMENDATION:** It is recommended that the Board approve the ASSIGNMENT OF INTEREST IN THE LĀLĀMILO RENEWABLE ENERGY SERVICE AND POWER PURCHASE AGREEMENT FROM SITE CONSTRUCTORS, INC., TO THE SPECIAL

PURPOSE ENTITY, LĀLĀMILO WIND COMPANY, LLC, and that either the Chairperson or Vice-Chairperson be authorized to sign the documents, subject to approval of Corporation Counsel.

7) **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**

Grantor: Crystal Rose Andrade Gouveia  
Tax Map Key: (3) 4-6-010: 035 (portion)

*Note: DWS acquired this Easement for an existing 8-inch waterline.*

**RECOMMENDATION:** It is recommended that the Water Board accepts 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. **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.

C. **REVIEW OF MONTHLY FINANCIAL STATEMENTS:**

Due to December's early meeting date, financial statements for November 2013 were not completed in time for the Board packet mailing. November's statements will be provided to Board members at a later date upon completion.

D. **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) Waikoloa Reservoir No. 1 Update
- 3) Waimea Water Restriction
- 4) Kawaiiani Tank Update
- 5) Energy Management Analyst Update
- 6) Public Information and Education Specialist Update
- 7) Recognition of Service Retirement

E. **BOARD MEMBERS' SERVICE:**

Section 13-4(d) of the County Charter allows a Board Member whose term has expired to serve an additional 90 days or until a successor is appointed and confirmed, whichever comes first.

**RECOMMENDATION:** Pursuant to Section 13-4(d) of the County Charter, expired term Board Members will be allowed to serve an additional 90 days or until their successor is appointed and confirmed, whichever comes first, if so desired.

F. **ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON FOR 2014:**

Board to elect Chairperson and Vice-Chairperson for the 2014 term.

G. **EXECUTIVE SESSION:**

The Board anticipates convening an executive meeting to consider the evaluations of the Manager-Chief Engineer, as authorized by Hawai'i Revised Statutes, Sections 92-4 and 92-5(a)(2). A two-thirds vote, pursuant to HRS Section 92-4, is necessary to hold an executive meeting.

H. **MANAGER-CHIEF ENGINEER'S EVALUATION:**

Discussion/Action on Manager-Chief Engineer's evaluation and compensation.

I. **CHAIRPERSON'S REPORT:**

Discussion/decision on 2014 Meeting dates and venues.

8) **CONTESTED CASE HEARING (NOTICED FOR 10:30 A.M.):**

A. **WATER SERVICE ACCOUNT NUMBER 7093435-12 (TMK 1-2-018:005):**

The above Contested Case Hearing is to take place 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.

The issues involved in the above-referenced hearing will be Dr. Timothy K. Ambrose's appeal of the amounts shown due and owing on account #7093435-12 and consequently, the appeal of the shut-off notice dated October 7, 2013 for failure to pay said amount.

This hearing is being set pursuant to Dr. Ambrose's request per his letter of November 1, 2013.

B. **EXECUTIVE SESSION RE: WATER SERVICE ACCOUNT NUMBER 7093435-12 (TMK 1-2-018:005):**

The Board anticipates convening an Executive Session, closed to the public, regarding the foregoing matter, per Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(4), for the purpose of consulting with the Water Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities.

9) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board will be held at 10:00 a.m. on January 28, 2014 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 is tentatively scheduled for February 25, 2014, at 10:00 a.m. at the West Hawai'i Civic Center, Community Center, Building G, 7405044 Ane Keohokalole Hwy, Kailua-Kona, Hilo, 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.