

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

**MEETING DATE:** April 22, 2014  
**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 March 25, 2014, Water Board meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA  
(**Note: Addendum requires Roll Call Vote**)
- 5) PUNA:

A. **JOB NO. 2014-1003, OLA'A #3 BOOSTERS A & B REPAIR:**

Bids for this project were opened on April 17, 2014 at 2:00 p.m., and the results will be reported at the meeting.

6) SOUTH KOHALA:

A. **STANDARD THREE-PARTY INTERCONNECTION AGREEMENT BETWEEN THE DEPARTMENT OF WATER SUPPLY, LĀLĀMILO WIND COMPANY, LLC, AND HAWAI'I ELECTRIC LIGHT COMPANY (HELCO) FOR A WIND FARM AT LĀLĀMILO, SOUTH KOHALA, HAWAI'I:**

The Water Board and Site Constructors, Inc., entered into a Renewable Energy Service and Power Purchase Agreement dated October 22, 2013 (“PPA”), and subsequently that PPA was reassigned to the Lālāmilo Wind Company, LLC on December 23, 2013.

The Department of Water Supply (DWS) and Lālāmilo Wind Company, LLC, will be seeking a Standard Three-Party Interconnection Agreement with Hawaii Electric Light Company (HELCO), for the purpose of installing the electricity generation facility to be operated in parallel to the HELCO system. This agreement can be changed or terminated with a 60-day prior written notice, and is needed to initiate HELCO’s review of the Lālāmilo wind farm project’s electrical design. The Windfarm is to be located on a portion of TMK (3) 6-6-001:071.

Staff has reviewed the agreement and finds it acceptable.

**RECOMMENDATION:** It is recommended that the Water Board approve the STANDARD THREE-PARTY INTERCONNECTION AGREEMENT BETWEEN THE DEPARTMENT OF WATER SUPPLY, LĀLĀMILO WIND COMPANY, LLC, AND HAWAI'I ELECTRIC LIGHT COMPANY (HELCO) FOR A WIND FARM AT LĀLĀMILO, SOUTH KOHALA, HAWAI'I,

and that either the Chairperson or Vice-Chairperson be authorized to sign the document, subject to review as to form and legality by Corporation Counsel.

7) NORTH KONA:

A. **JOB NO. 2014-1005, KAHALU‘U SHAFT PUMP #3 REPAIR:**

Bids for this project were opened on April 17, 2014 at 2:30 p.m., and the results will be reported at the meeting.

B. **DISCUSSION OF DRAFT RESPONSE FROM WATER BOARD REGARDING THE COMMISSION ON WATER RESOURCE MANAGEMENT'S REQUEST FOR CONSULTATION ON THE KALOKO-HONOKŌHAU NATIONAL PARK SERVICE PETITION TO DESIGNATE KEAUHOU AQUIFER SYSTEM AREA (NORTH KONA), HAWAII AS A GROUND WATER MANAGEMENT AREA:**

For discussion and possible action.

C. **EXECUTIVE SESSION RE: DRAFT RESPONSE FROM WATER BOARD REGARDING THE COMMISSION ON WATER RESOURCE MANAGEMENT'S REQUEST FOR CONSULTATION ON THE KALOKO-HONOKŌHAU NATIONAL PARK SERVICE PETITION TO DESIGNATE KEAUHOU AQUIFER SYSTEM AREA (NORTH KONA), HAWAII AS A GROUND WATER MANAGEMENT AREA:**

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.

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

The contractor, Beylik Drilling and Pump Service, Inc., has requested a contract time extension from May 14, 2014 to August 14, 2014. The contractor has been unable to begin work on this repair due to system demand requirements while repairs are being conducted on the Hualālai Deepwell, which is part of the same water system. To ensure sufficient capacity to meet demand, repairs to the Hualālai Deepwell must be completed before taking Keahuolū Deepwell off-line for repairs.

*Note: There is no additional cost associated with this time extension.*

1<sup>st</sup> time extension – 92 calendar days

**RECOMMENDATION:** It is recommended that the Board approve a contract time extension to Beylik Drilling and Pump Service, Inc., of 92 calendar days for JOB NO. 2013-994, Keahuolū (Queen Lili‘uokalani Trust) Deepwell Repair. If approved, the contract completion date will be revised from May 14, 2014 to August 14, 2014.

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

The contractor, Derrick’s Drilling and Pump Services, LLC, is requesting to address the Board to appeal the Department’s decision to deny a time extension for JOB NO. 2013-995, KAHALU‘U D DEEPWELL & IMPROVEMENTS.



Grantor/Seller: State of Hawai'i Department of Transportation -- Airports Division  
Tax Map Key: (3) 7-3-043: 001, 002, 003, (which includes parcels 006-018, 022-035,  
037, 038, 040-050, 052-059, 062, 064, 095-097 and 103-105) and 7-2-005: 007  
Facilities Charge: N/A Date Paid: N/A  
Final Inspection Date: 4/14/14  
Water System Cost: \$58,820.00

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. DEPARTMENT'S OPERATING AND CAPITAL IMPROVEMENT BUDGETS FOR FISCAL YEAR 2015:**

The Department's FY2015 Operating and CIP Budgets totaling \$52,188,000.00 and \$32,155,000.00, respectively, have been distributed for the Board's review. Operating revenues include a 2.7% rate increase provided for by the 2010 RW Beck rate study. Consumption is not expected to change from estimates for the current year. Power costs are estimated at \$23,000,000.00, and salaries include increases based on negotiated bargaining unit contracts.

RECOMMENDATION: It is recommended that the Water Board approve the Department's FY 2015 Operating budget and 5-year C.I.P. budget for Fiscal Years 2015-2019 on this second of two readings.

**C. AD HOC COMMITTEE REPORT ON STATUS OF SB3094, SD2, HD2, REGARDING THE PLACEMENT OF AUTOMATIC LIENS ON PROPERTY FOR WATER AND WASTEWATER DELINQUENCIES:**

The Ad Hoc Committee will report on the progress of SB3094, SD2, HD2, and upcoming hearings.

**D. 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.

**E. 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.

**F. MANAGER-CHIEF ENGINEER'S QUARTERLY REPORT:**

Report on the first quarter of 2014 by the Manager-Chief Engineer, with discussion.

**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) Waikoloa Reservoir No. 1 Update
- 3) Kawaiiani Tank Update
- 4) Energy Management Analyst Update
- 5) Public Information and Education Specialist Update

- 6) Employee of the Quarter
- 7) Recognition of Service Retirement

H. **CHAIRPERSON'S REPORT:**

Chairperson to report on matters 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 May 27, 2014, 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.

2. **Following Meeting:**

The following meeting of the Water Board is scheduled for June 24, 2014, at 10:00 a.m. at the Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, 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.