

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

**MEETING DATE:** December 16, 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 November 25, 2014, Water Board meeting

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

5) PUNA:

A. **JOB NO. 2013-996, PĀHOA DEEPWELL A REPAIR:**

This project generally consists of the demolition and construction of a new well pump pad and 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 set to be opened on November 20, 2014, but there were no bids. This project was **re-bid on December 11, 2014**, at 2:30 p.m., and the results will be reported at the meeting.

6) NORTH HILO:

A. **REQUEST FOR CONSTRUCTION RIGHT-OF-ENTRY FOR ELECTRICAL POWER RELOCATION WORK FOR THE LAUPĀHOEHOE (MANOWAI‘ŌPAE) RESERVOIR SITE ON TAX MAP KEY (3)3-6-003:035:**

The Hawaii Electric Light Company, Inc. (HELCO) has requested a construction right-of-entry onto the Department’s Laupāhoehoe (Manowai‘ōpae) Reservoir site to perform electrical relocation work. This work is necessary, to allow HELCO to relocate existing electrical lines away from the new reservoir that is currently under construction (Job No. 2005-870). Coordination of the entry to our site will be with the District Supervisor and Project Engineer.

**RECOMMENDATION:** It is recommended that the Board approve the Right-of-Entry request, and authorize the Chairperson or the Vice-Chairperson to execute the document, subject to the approval as to form and legality by Corporation Counsel.

7) HĀMĀKUA:

A. **RESOLUTION NO. 2014-04, APPROVING THE RECEIPT AND EXPENDITURE OF MONIES FOR THE ĀHUALOA-HONOKA‘A WATERLINE – PHASE 2 PROJECT (FUNDED BY THE DRINKING WATER STATE REVOLVING FUND (DWSRF)):**

*(Note: Resolution requires roll call vote)*

This Water Board Resolution No. 2014-04 seeks to supersede Resolution No. 2013-01. Resolution No. 2013-01 previously approved a lower amount than what is necessary. The Resolution is a prerequisite for the Drinking Water State Revolving Fund (DWSRF) program. 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 \$3,200,000.00.

**RECOMMENDATION:** It is recommended that the Water Board adopt RESOLUTION NO. 2014-04, APPROVING THE RECEIPT AND EXPENDITURE OF MONIES FOR THE ĀHUALOA-HONOKA‘A WATERLINE – PHASE 2 PROJECT (FUNDED BY THE DRINKING WATER STATE REVOLVING FUND (DWSRF)), subject to the approval of Corporation Counsel.

8) SOUTH KOHALA:

A. **JOB NO. 2011-972, LĀLĀMILO WIND FARM REPOWERING PROJECT, RENEWABLE ENERGY SERVICE AND POWER PURCHASE AGREEMENT; LEASE FROM STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES AND SUBLEASE TO LĀLĀMILO WIND COMPANY, LLC:**

The Department of Land and Natural Resources (DLNR) has provided DWS with a copy of the appraisal for the lease for the subject properties, encompassing a total of 83.997 acres. The Board will be discussing this appraisal, and the effect on the Lease and Sublease.

The Developer is also requesting an amendment to the Renewable Energy Service and Power Purchase Agreement, to change the date by which certain conditions precedent to the commencement of construction and installation are to take place. Currently, certain conditions precedent were to take place by September 15, 2014. The Developer is requesting an extension of time to July 31, 2015.

**RECOMMENDATION:** It is recommended that the Board grant the requested time extension for JOB NO. 2011-972, LĀLĀMILO WIND FARM REPOWERING PROJECT, to July 31, 2015.

B. **EXECUTIVE SESSION RE: JOB NO. 2011-972, LĀLĀMILO WIND FARM REPOWERING PROJECT, RENEWABLE ENERGY SERVICE AND POWER PURCHASE AGREEMENT; LEASE FROM STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES AND SUBLEASE TO LĀLĀMILO WIND COMPANY, LLC**

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.

C. **REQUEST TO CONSENT FOR ASSIGNMENT AND TRANSFER OF WATER UNITS MAUNA KEA PROPERTIES, INC.:**

Mauna Kea Properties, Inc. (MKP), MK Parcel F, LLC (Parcel F LLC), and One Puako Bay Associates, LLC (One Puako LLC) requests DWS consent to allow One Puako LLC, to receive an assignment of 11 water units from MKP's allocation from the Parker Wells 3 and 4 Tri-Party Agreement (Agreement) dated April 6, 2006. Parcel F LLC and One Puako LLC have shared ownership and under the management of the same individual, Mr. Kevin J. Hayes. Parcel F LLC will limit their development to 74 units of water or 40 residential units, whichever results in fewer units of water. The original estimate for water assignment to Parcel F LLC was 102 water units.

Tokyū Corporation, successor in interest to Mauna Lani Service, Inc. (MLS) and the third party in the Agreement, has also consented to the 11-unit assignment to One Puako LLC.

Although One Puako LLC is not in the development area as defined in the Tri-Party Agreement, it is being served by the same system that provides MKP's allocation of water from the Tri-Party Agreement.

Staff has reviewed the proposal and finds it acceptable.

**RECOMMENDATION:** It is recommended that the Water Board accept the consent documents subject to the approval of the Corporation Counsel as to form and legality, and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents.

9) **NORTH KONA:**

A. **JOB NO. 2014-1019, HŌLUALOA DEEPWELL REPAIR:**

This project generally consists of the replacement of the existing deep well submersible motor, pump, power cable, column pipe and all appurtenant equipment, such as strapping, chlorination of the well and pumping assembly; and electrical work involving the installation of a new step-up transformer.

Bids for this project were opened on December 11, 2014, at 2:00 p.m., and the results will be reported at the meeting.

B. **FIRST SUPPLEMENTAL WELL DEVELOPMENT AGREEMENT DATED AUGUST 12, 2009; PALANI WELL (TMK: 7-4-002:008):**

The developers Lanihau Properties, LLC, West Hawaii Business Park, LLC, and Palani Ranch Company, Inc. ("Owners") request an extension of the "Completion Deadline" identified in Section 1(b) of the First Supplemental Well Development Agreement dated August 12, 2009 ("Agreement"), due to circumstances beyond the control of the Owners. The original "Completion Deadline" as specified in the Agreement was December 31, 2011 and the request as allowed by the Agreement, would change the "Completion Deadline" to December 31, 2015.

DWS Staff has been kept apprised of the situation and has no objections to the extension request. All other requirements and conditions of the Agreement will remain unchanged.

**RECOMMENDATION:** It is recommended that the Board approve the extension request to change the "Completion Deadline" as defined in the First Supplemental Well Development Agreement from December 31, 2014, to December 31, 2015.

10) MISCELLANEOUS:

A. DEDICATION OF WATER SYSTEMS:

The Department has received the following document for action by the Water Board. The water system has been constructed in accordance with the Department's standards and is in acceptable condition for dedication.

1. **GRANT OF EASEMENT**

(For Access and Utility Purposes)

Laupāhoehoe 0.5 MG Reservoir

Grantors: Robert Mark Stanga and Janice Marie Stanga

Tax Map Key: (3) 3-6-003: 003 (Portion)

RECOMMENDATION: It is recommended that the Water Board accept this document subject to the approval of the Corporation Counsel and that either the Chairman or the Vice-Chairman be authorized to sign the document.

B. DISCUSSION REGARDING DECEMBER 10, 2014, COMMISSION ON WATER RESOURCE MANAGEMENT (CWRM) MEETING ON NATIONAL PARKS SERVICE'S PETITION TO DESIGNATE KEAUHOU AQUIFER AS A GROUND WATER MANAGEMENT AREA:

For discussion and possible action.

C. EXECUTIVE SESSION RE: DECEMBER 10, 2014, COMMISSION ON WATER RESOURCE MANAGEMENT (CWRM) MEETING ON NATIONAL PARKS SERVICE'S PETITION TO DESIGNATE KEAUHOU AQUIFER 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)(2), to discuss its response to the Commission on Water Resource Management's decision on the National Park Service's petition to designate Keauhou Aquifer as a Ground Water Management Area, and 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. 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. 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.

G. **ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON FOR 2015:**

Board to elect Chairperson and Vice-Chairperson for the 2015 term.

H. **REVIEW/APPROVAL OF REVISED DRAFT MANAGER-CHIEF ENGINEER'S EVALUATION FORM AND PROCEDURES FORM FOR CALENDAR 2015:**

For discussion and possible action.

I. **MANAGER-CHIEF ENGINEER'S EVALUATION FOR CALENDAR YEAR 2014:**

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

J. **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), 92-5(a)(4) and Hawai'i County Charter Section 13-20(b), where consideration of matters affecting privacy will be involved, and 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.

K. **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) Lava Update
- 3) Public Information and Education Specialist Update
- 4) Recognition of Service Retirement

L. **CHAIRPERSON'S REPORT:**

Discussion/decision on 2015 Meeting dates and venues.

11) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board is scheduled for January 27, 2015, 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 February 24, 2015, at the West Hawai'i Civic Center, Community Center, Bldg. G, 74-5044 Ane Keohokalole Hwy, Kailua-Kona, HI.

12) **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.