

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

MEETING DATE: August 25, 2015
TIME: 10:00 a.m.
PLACE: West Hawai‘i Civic Center, Community 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 28, 2015, Water Board meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA
(**Note: Addendum requires Roll Call Vote**)
- 5) HĀMĀKUA:

A. USE AND OCCUPANCY AGREEMENT – ĀHUALOA-HONOKA‘A:

The Department has received the subject Use and Occupancy Agreement (UOA) 126 from the State Department of Transportation, Highways Division’s Right-of-Way Branch, and finds it acceptable as submitted. The UOA is for the 12” waterline installation crossing Hawai‘i Belt Road between Āhualoa and Honoka‘a town. Acceptance of the UOA will allow the contractor for the subject project to obtain the necessary permits to perform the installation of the waterline within the State right-of-way.

RECOMMENDATION: It is recommended that the Water Board accept Use and Occupancy Agreement 126, and that either the Manager-Chief Engineer or the Deputy be authorized to sign the document subject to the approval of the Corporation Counsel.

6) SOUTH HILO:

A. JOB NO. 2015-1023, EMERGENCY GENERATOR SET REPAIR AND MAINTENANCE FOR THE DEPARTMENT OF WATER SUPPLY:

This project generally consists of an in-frame repair of a Caterpillar CAT C27 ATAAC diesel engine in-frame, which is part of a 750 kW Caterpillar generator set; inspecting and repairing engine exhaust system; performing preventative maintenance service; performing miscellaneous repairs and improvements to container; resurfacing container, trailer and fuel tank; and transporting the generator set to shop and to the Department of Water Supply’s Pana‘ewa Well site after completion.

Bids for this project were opened on August 13, at 2:00 p.m., and the following are the bid results:

Bidder	Bid Amount	
Hawthorne Pacific Corp	Non-Responsive	

RECOMMENDATION: It is recommended that the Board not award the contract for JOB NO. 2015-1023, EMERGENCY GENERATOR SET REPAIR AND MAINTENANCE FOR THE DEPARTMENT OF WATER SUPPLY, due to no qualified bids received. Staff will seek alternate methods of procurement, in accordance to procurement rules.

B. EQUIPMENT BID NO. 2015-06, FURNISHING AND DELIVERING EQUIPMENT TO THE DEPARTMENT OF WATER SUPPLY:

Bids for this project were opened at 2:30 p.m. on August 13, 2015, and the following are the bid results.

	Allied Machinery Corp.	American Machinery	Hawthorne Pacific Corp.
Part "A"			
Two(2) only 2015 or later Mini-Excavator			
Total Delivery Price	\$116,353.42	\$117,236.75	\$124,978.36
Part "B"			
Two (2) only 2015 or later Dual Purpose Dump Trailer			
Total Delivery Price	\$27,083.16	No Bid	\$41,249.74

RECOMMENDATION: It is recommended that the Board award EQUIPMENT BID NO. 2015-06, FURNISHING AND DELIVERING EQUIPMENT TO THE DEPARTMENT OF WATER SUPPLY, to Allied Machinery Corporation for Parts "A" and "B" at a total cost of \$143,436.58, 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.

7) **NORTH KONA:**

A. AMENDMENT TO MEMORANDUM OF UNDERSTANDING NO. 2088 - QUEEN KA'AHUMANU HIGHWAY WIDENING – KEALAKEHE TO KEAHOLE 16' WATERLINE INSTALLATION – STATE HIGHWAY PROJECT (QUEEN KA'AHUMANU HIGHWAY WIDENING, PHASE 2):

Memorandum of Understanding No. 2088 (MOU 2088) was entered into between the Water Board and the State Department of Transportation on October 28, 2010. The Department of Water Supply subsequently submitted a check for \$3,444,000.00, to the State, to cover the design and construction of the subject project, of which, \$164,000.00 was intended for contingencies.

The project has since been delayed due to permitting issues beyond the control of the contractor. Therefore, the contractor has submitted proposals for price escalation costs for materials, labor and equipment in the amount of \$244,240.00.

The State has agreed to give the Department a credit of \$50,242.23 for the interest earned on the funds that were deposited with the State. This would result in a net increase of **\$193,997.77** in cost to the Department. Therefore, it is proposed that an Amendment to MOU 2088 be executed, to increase the Department's overall cost on the project from \$3,444,000.00 to \$3,637,997.77.

Staff has reviewed the cost proposals, and the Amendment to MOU 2088 and finds it acceptable.

RECOMMENDATION: It is recommended that the Water Board accept the increase in cost of \$193,997.77, and that either the Chairperson or Vice-Chairperson be authorized to execute the AMENDMENT TO MEMORANDUM OF UNDERSTANDING NO. 2088 - QUEEN KA'AHUMANU HIGHWAY WIDENING – KEALAKEHE TO KEĀHOLE 16" WATERLINE INSTALLATION – STATE HIGHWAY PROJECT (QUEEN KA'AHUMANU HIGHWAY WIDENING, PHASE 2), subject to approval of our Corporation Counsel.

8) **KA'U:**

A. **JOB NO. 2015-1024, HAWAIIAN OCEAN VIEW ESTATES DEEPWELL REPAIR:**

This project generally consists of the replacement of the existing deep well submersible motor, pump, power cable, column pipe, discharge head and all appurtenant equipment, such as strapping, chlorination of the well and pumping assembly, and the removal and replacement of the existing soft starter and VFD equipment with a new VFD and filter system, in accordance with the plans and specifications.

Bids for this project were opened on August 13, 2015, at 1:00 p.m., and the following are the bid results:

Bidder	Bid Amount	
Beylik Drilling and Pump Service, Inc.	Non-Responsive	
Derrick's Well Drilling and Pump Services, LLC.	Non-Responsive	

RECOMMENDATION: It is recommended that the Board not award the contract for JOB NO. 2015-1024, HAWAIIAN OCEAN VIEW ESTATES DEEPWELL REPAIR, due to no qualified bids received. Staff will seek alternate methods of procurement, in accordance with procurement rules.

9) **MISCELLANEOUS:**

A. **DEDICATIONS:**

The Department has received the following documents 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. AMENDED AND RESTATED GRANT OF EASEMENT

Grantors: Trustees of the Queen Lili'uokalani Trust.
Tax Map Key: (3) 7-4-010: 001 (portion)

2. RELEASE AND CANCELLATION OF GRANT OF EASEMENT

Grantors: Kohanaiki Shores, LLC
Tax Map Keys: (3) 7-3-068: 003, 037 and 038
(formerly a portion of TMK: 7-3-068: 003 and 004)

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. **POWER COST CHARGE:**

The Department proposes reducing the Power Cost Charge from \$2.32 to \$1.85 per thousand gallons to reflect a decline in power costs for the Department's wells and pumps. A Public Hearing will have been prior to this Board meeting to accept public testimony on this change.

RECOMMENDATION: It is recommended that the Board approve the reduction of the Power Cost Charge from \$2.32 to **\$1.85**, effective September 1, 2015.

C. ENERGY STUDY UPDATE REPORT:

Steve Bolles, energy consultant from Process Energy Services, will provide a brief report on his energy study update for all districts. Funding for this study was provided by Hawaii Energy.

D. MATERIAL BID NO. 2015-05, FURNISHING AND DELIVERING SPARE DEEPWELL PUMP AND MOTOR SETS FOR WAIMEA DEEPWELL, KEAHUOLŪ #1 DEEPWELL, AND PI'IHONUA #1 DEEPWELL C FOR THE DEPARTMENT OF WATER SUPPLY:

Bids were received and opened on August 13, 2015, at 1:30 p.m., and the following are the bid results. All Sections are established price agreements for materials.

SECTION	DESCRIPTION	Beylik Drilling and Pump Service, Inc.	Derrick's Well Drilling and Pump Services, LLC
1	WAIMEA DEEPWELL	\$647,000	No Bid
2	KEAHUOLŪ #1 DEEPWELL	\$542,000	\$161,239
3	PI'IHONUA #1 DEEPWELL C	\$155,000	\$165,279

The estimated cost for the various pump and motor sets were as follows:

- Waimea Deepwell: \$380,000
- Keahuolū #1 Deepwell: \$160,000
- Pi'ihonua #1 Deepwell C: \$160,000

RECOMMENDATION: It is recommended that the Board award the contract to the following bidders for MATERIAL BID NO. 2015-05, FURNISHING AND DELIVERING SPARE DEEPWELL PUMP AND MOTOR SETS FOR WAIMEA DEEPWELL, KEAHUOLŪ #1 DEEPWELL, AND PI'IHONUA #1 DEEPWELL C FOR THE DEPARTMENT OF WATER SUPPLY, by Sections to the following for the amounts shown above, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel.

Section 2 – Keahuolū #1 Deepwell to Derrick's Well Drilling and Pump Services, LLC.

Section 3 – Pi'ihonua #1 Deepwell C to Beylik Drilling and Pump Service, Inc.

It is recommended that the Board not award Section 1 – Waimea Deepwell, due to the high cost of the bid. Staff will seek alternate methods of procurement, in accordance with procurement rules.

E. UPDATE RE: NATIONAL PARKS SERVICE'S PETITION TO DESIGNATE KEAUHOU AQUIFER AS A GROUND WATER MANAGEMENT AREA:

For discussion and possible action.

F. EXECUTIVE SESSION RE: 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 mediation as directed by the Commission on Water Resource Management regarding 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.

G. **DISCUSSION OF AMENDING RULES AND REGULATIONS REGARDING PLACING RESPONSIBILITY WITH PROPERTY OWNERS FOR TENANTS' DELINQUENT BILLS:**

The Board will discuss the draft proposed amendments to the Rules and Regulations regarding placing responsibility with property owners for tenants' delinquent bills, with discussion. The draft proposed amendments will have been circulated to the Department staff, who will provide input at this meeting.

H. **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.

I. **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.

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

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

- 1) Public Information and Education Specialist Update
- 2) Pauka'a Waterline Relocation Project

K. **CHAIRPERSON'S REPORT:**

Chairperson to report on matters of interest to the Board.

L. **EXECUTIVE SESSION RE: LIBERTY MUTUAL INSURANCE COMPANY V. WATER BOARD OF THE COUNTY OF HAWAI'I, ET AL:**

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), for the purpose of consulting with the Water Board's attorney regarding the Plaintiff's First Amended Complaint For Declaratory Judgment filed in the above-referenced case.

10) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board is scheduled for 10:00 a.m. on September 22, 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 October 27, 2015, 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.