

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

MEETING DATE: March 22, 2016

TIME: 10:00 a.m.

PLACE: Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, 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 January 26, 2016, Public Hearing on the Power Cost Charge
- Minutes of February 23, 2016, regular Water Board Meeting

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

5) SOUTH KOHALA:

A. **SERVICE BID NO. 2016-06, PRICE AGREEMENT TO PROVIDE WATER TREATMENT PLANT OPERATOR SERVICES AT THE WAIMEA WATER TREATMENT PLANT (ON AN AS-NEEDED BASIS) FOR THE DEPARTMENT OF WATER SUPPLY:**

This bid was to be used to establish a price agreement to provide a Grade 4 Operator to run the Waimea Water Treatment Plant on an as-needed basis.

No bids were received at the bid opening date of March 10, 2016 at 2:00 pm.

RECOMMENDATION: Since no bids were received for SERVICE BID NO. 2016-06, PRICE AGREEMENT TO PROVIDE WATER TREATMENT PLANT OPERATOR SERVICES AT THE WAIMEA WATER TREATMENT PLANT (ON AN AS-NEEDED BASIS) FOR THE DEPARTMENT OF WATER SUPPLY, it is recommended that the Board allow staff to seek other options to provide the necessary services, including alternate methods of procurement according to Procurement rules.

6) SOUTH KONA:

A. **4th AMENDMENT TO WELL SITE DEVELOPMENT AGREEMENT, 1250 OCEANSIDE (HŌKULIA) WELLSITE DEVELOPMENT AGREEMENT - UPDATE:**

Manager-Chief Engineer to provide status update.

7) MISCELLANEOUS:

A. **DEDICATIONS:**

The Department has 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 NON-EXCLUSIVE EASEMENT AND BILL OF SALE

UH Hilo Water Infrastructure Improvements (for Access and Waterline Improvements)

Grantor: University of Hawai'i

Final Inspection: TBD

Tax Map Key: (3) 2-4-001:122

Water System Cost: \$840,276.00

2. GRANT OF EXCLUSIVE EASEMENT AND BILL OF SALE

UH Hilo Water Infrastructure Improvements (for Well Site Improvements)

Grantor: University of Hawai'i

Final Inspection: TBD

Tax Map Key: (3) 2-4-001:122

Water System Cost: \$1,634,375.00

RECOMMENDATION: It is recommended that the Water Board accept these documents subject to the approval of the Corporation Counsel, and that either the Chairperson the Vice-Chairperson be authorized to sign the documents.

B. STANDPIPE SIGNUP PROCEDURES:

Due to the ongoing dry weather conditions across the island, the Department anticipates the need to provide additional standpipe services. The Department has several vacant standpipe accounts that can be utilized, and would like to propose application procedures for discussion and implementation.

RECOMMENDATION: It is recommended that the Water Board discuss and approve the standpipe application procedures for implementation by the Department.

C. DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING AND 5-YEAR CAPITAL IMPROVEMENT PROJECTS (CIP) BUDGETS FOR FISCAL YEAR: (FY) 2017:

The Department's FY 2017 Operating Budget, totaling \$53,901,500, and 5-Year CIP Budget for FY 2017-2021, has been distributed for the Board's review. A public hearing was held prior to this meeting to accept public testimony. The Board may change either Budget, or adopt them as presented over two readings.

RECOMMENDATION: It is recommended that the Water Board approve the Department's FY 2017 Operating budget and 5-year C.I.P. budgets for Fiscal Years 2017-2021 on this first of two readings.

D. PROPOSED ENERGY CIP RATE:

In conjunction with the Department's FY 2017 Operating Budget, a new rate is being proposed to fund projects intended to reduce the department's dependence on purchased power, which is budgeted at \$22 million in FY 2017. A public hearing was held prior to this meeting to accept public testimony.

The concept for this new rate was developed as a result of a funding option recommendation in the Department's 2015 Energy Evaluation Report.

The energy rate is budgeted at \$0.05 per 1,000 gallons, and is expected to generate \$460,000.00 in FY 2017, to be used on 2 projects:

- To install power factor correction capacitors at 16 well sites (\$240,000.00); and
- To install variable frequency drives at 2 well sites (\$220,000.00).

The energy rate is to be adjusted annually, depending on projects to be funded.

RECOMMENDATION: It is recommended that the Board approve the Department's new Energy CIP rate, beginning in FY 2017 at \$0.05 per 1,000 gallons. The rate will be adjusted annually, based on energy-saving projects proposed by the Department for the year.

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 DWS RULES AND REGULATIONS:**

The Board will discuss proposals regarding amendments to DWS Rules and Regulations.

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) Report on Meeting with Big Island Legislative Caucus
- 2) Upcoming AWWA Conference
- 3) Matters of interest to the Board

K. **CHAIRPERSON'S REPORT:**

Chairperson to report on matters of interest to the Board.

8) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board is scheduled for 10:00 a.m. on April 26, 2016, 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 May 24, 2016, at the West Hawai'i Civic Center, Community Center, Bldg. G, 74-5044 Ane Keohokalole Hwy, Kailua-Kona, HI.

9) 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.