

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

MEETING DATE: January 26, 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 December 15, 2015, Water Board meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA
(**Note: Addendum requires Roll Call Vote**)
- 5) PRESENTATION OF AUDITED FINANCIAL STATEMENTS – JUNE 30, 2015

Copies of the Department’s Audited Financial Statements for the fiscal year ended June 30, 2015, have been distributed to Board members. Representatives of N&K CPAs, Inc., the Department’s independent auditors, will be here to answer any questions Board members may have regarding the report.

6) SOUTH HILO:

A. **JOB NO. 2014-1009, PANA‘EWA WELL A REPAIR:**

This project generally consists of the replacement of the existing well vertical hollow shaft motor, pump, column pipe, lineshaft, lineshaft bearings, all appurtenant equipment, such as strapping, and chlorination of the well and pumping assembly, in accordance with the plans and specifications.

Bids for this project were opened on January 14, 2016, at 1:30 p.m., and the following are the bid results:

Bidder	Bid Amount
Beylik Drilling and Pump Service, Inc.	\$228,970.00
Derrick’s Well Drilling and Pump Services, LLC	\$149,000.00

Project Costs:

1) Low Bidder (Derrick’s Well Drilling and Pump Services, LLC)	\$ 149,000.00
2) Contingencies (10.0%)	<u>\$ 14,900.00</u>
Total Cost:	<u>\$ 163,900.00</u>

Funding for this project will be from DWS’s CIP Budget under Deepwell Pump Replacement. The contractor will have 180 calendar days to complete this project. The Engineering estimate for this project was \$115,000.00.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2014-1009, PANA'EWA WELL A REPAIR, to the lowest responsible bidder, Derrick's Well Drilling and Pump Services, LLC, for their bid amount of \$149,000.00, plus \$14,900.00 for contingencies, for a total contract amount of **\$163,900.00**. It is further recommended that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality by Corporation Counsel.

7) NORTH HILO:

A. **JOB NO. 2005-870, LAUPĀHOEHOE (MANOWAI'ŌPAE) 0.5 MG RESERVOIR:**

The contractor, Yamada Paint Contracting, Inc., dba. GW Construction, is requesting a contract time extension of 4 working days (6 calendar days). This is the third time extension request for this project.

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	10/18/2015	01/08/2016	82	Inclement and unworkable weather conditions (16 working days) and design changes realigning new access easement (additional 60 calendar days)
2	01/08/2016	02/04/2016	23	Inclement and unworkable weather conditions (6 working days) and DWS's request to stop work to address a safety concern (additional 17 calendar days)
3	02/04/2016	02/10/2016	6	Inclement and unworkable weather conditions (4 working days)
Total Days (including this request)			111	

The contractor's time extension request of 4 working days (6 calendar days) is in concurrence with the Department's tally of reported agreed upon rain-outs.

RECOMMENDATION: It is recommended that the Board grant this contract time extension of 4 working days (6 calendar days) to Yamada Paint Contracting, Inc., dba GW Construction, for JOB NO. 2005-870, LAUPĀHOEHOE (MANOWAI'ŌPAE) 0.5 MG Reservoir. If approved, the contract completion date will be extended from February 4, 2016, to February 10, 2016.

8) HĀMĀKUA:

A. **JOB NO. 2008-945, ĀHUALOA-HONOKA'A TRANSMISSION WATERLINE, PHASE 2:**

The contractor, Isemoto Contracting Co., Ltd., is requesting a contract time extension of 89 calendar days. This time extension request is in conjunction with the Department acquiring the NPDES permit for the contractor's State Right-of-Way permit to complete the project. This is the first time extension request for this project.

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	1/2/2016	03/31/2016	89	NPDES permit requirement for work within State Right-of-Way.

RECOMMENDATION: It is recommended that the Board grant this contract time extension of 89 calendar days to Isemoto Contracting Co., Ltd., for JOB NO. 2008-945, ĀHUALOA-HONOKA‘A TRANSMISSION WATERLINE, PHASE 2. If approved, the contract completion date will be extended from January 2, 2016, to March 31, 2016.

9) NORTH KONA:

A. **JOB NO. 2015-1042, KALOKO MAUKA #1 STATION BOOSTERS B & D REPAIR:**

This project generally consists of the replacement of the existing pumps and motors; refurbishment of the existing discharge heads; and chlorination of the pumping assembly, in accordance with the plans and specifications.

Bids for this project were opened on January 14, 2016, at 2:30 p.m., and the following are the bid results:

Bidder	Bid Amount
Beylik Drilling and Pump Service, Inc.	\$ 89,200.00
Derrick’s Well Drilling and Pump Services, LLC	\$ 80,000.00
Water Resources International, Inc.	\$115,000.00

Project Costs:

1) Low Bidder (Derrick’s Well Drilling and Pump Services, LLC)	\$ 80,000.00
2) Contingencies (10.0%)	\$ 8,000.00
Total Cost:	\$ 88,000.00

Funding for this project will be from DWS’s CIP Budget under Deepwell Pump Replacement. The contractor will have 210 calendar days to complete this project. The Engineering estimate for this project was \$90,000.00.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2015-1042, KALOKO MAUKA #1 STATION BOOSTERS B & D REPAIR, to the lowest responsible bidder, Derrick’s Well Drilling and Pump Services, LLC, for their bid amount of \$80,000.00, plus \$8,000.00 for contingencies, for a total contract amount of **\$88,000.00**. It is further recommended that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality by Corporation Counsel.

B. **DIVISION AND ASSIGNMENT OF WATER UNITS OBTAINED THROUGH THE 1980 ALI‘I DRIVE AGREEMENT TO TMK PARCELS (3) 7-5-020:022 AND 034:**

As part of the 1980 Ali‘i Drive Agreement, TMK Parcels (3) 7-5-020:022 and (3) 7-5-020:034, which are adjoining parcels and at the time owned by Maclab Enterprises Ltd., were together provided 220 water units, with Maclab’s contribution of \$500.00 per water unit for a total contribution of \$110,000.00.

Since then, the two parcels have been sold to different owners. Those owners, through a private agreement executed on November 6, 2015, wish to assign the 220 units proportionally to the two parcels, based on land areas.

Ninety-seven (97) of the units would be assigned to TMK 7-5-020:022, and the remaining 123 units would be assigned to TMK 7-5-020:034. The 1980 agreement has a provision for assignment of developer’s rights to other developers, with the written consent of the Water Board.

RECOMMENDATION: It is recommended that the Water Board approve the assignment of 97 units to TMK (3) 7-5-020:022 and the assignment of 123 units to TMK (3) 7-5-020:034. It is further recommended that the Chairperson or Vice-Chairperson be authorized to execute the appropriate documents.

10) SOUTH KONA:

A. **JOB NO. 2015-1041, KE‘EI A DEEPWELL REPAIR:**

This project generally consists of the replacement of the existing deepwell submersible motor and pump, with DWS furnished pump and Contractor furnished motor; replacement of existing power cable, column pipe, column couplings and all appurtenant equipment; chlorination of the well and pumping assembly; and selective reconfiguration and replacement of above-ground discharge piping assembly.

Bids for this project were opened on January 14, 2016, at 2:00 p.m., and the following are the bid results:

Bidder	Bid Amount
Derrick’s Well Drilling and Pump Services, LLC	\$207,000.00
Beylik Drilling and Pump Service, Inc.	\$238,390.00

Project Costs:

- 1) Low Bidder (Derrick’s Well Drilling and Pump Services, LLC) \$ 207,000.00
 - 2) Contingencies (10%) \$ 20,700.00
- Total Cost: \$ 227,700.00**

Funding for this project will be from DWS’s CIP Budget under Deepwell Pump Replacement. The contractor will have 180 calendar days to complete this project. The Engineering estimate for this project was \$246,000.00.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2015-1041, KE‘EI A DEEPWELL REPAIR, to the lowest responsible bidder, Derrick’s Well Drilling and Pump Services, LLC, for their bid amount of \$207,000.00, plus \$20,700.00 for contingencies, for a total contract amount of **\$227,700.00**. It is further recommended that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality by Corporation Counsel.

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

Manager-Chief Engineer to provide status update.

11) 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 EASEMENT**

(POD 5 – Easement 56-B1)

Grantor: Kohanaiki Shores, LLC

Tax Map Key: (3) 7-3-063: 002 and 015

2. **RELEASE AND CANCELLATION OF GRANT OF EASEMENT**

Grantor: Kohanaiki Shores, LLC

Tax Map Key: (3) 7-3-063: 001 and 015

3. **BILL OF SALE**

Project Name: Smith-Souza Waterline Improvements

Sellers: John and Velma Souza; Preston and Kathleen Smith

Tax Map Key: (3) 4-5-003: 007 & (3) 4-5-003: 006

Facilities Charge: \$1,190.00 Date Paid: October 24, 2013

Final Inspection Date: 11/30/2015

Water System Cost: \$31,000.00

4. **BILL OF SALE**

Project Name: Iokepa Estate Subdivision Water System Improvements

Sellers: Gomes Family Limited Partnership

Tax Map Key: (3) 7-5-016: 088, 089, 090, 091, 092, 093, 097, 095, 015, 016, 017, and 029

Facilities Charge: \$47,370.00 Date Paid: 6/14/2002

Final Inspection Date: 3/15/2004

Water System Cost: \$418,500.00

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

B. POWER COST CHARGE:

The Department proposes reducing the Power Cost Charge from \$1.85 to \$1.81 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 \$1.85 to **\$1.81**, effective February 1, 2016.

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

For discussion and possible action.

D. 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.

E. **DISCUSSION OF AMENDING DWS RULE 3-10 AND 3-12, REGARDING LEAK ADJUSTMENTS:**

The Board will discuss the proposals regarding amendments to DWS Rules 3-10 and 3-12, regarding leak adjustments.

F. **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.

G. **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.

H. **MANAGER-CHIEF ENGINEER'S QUARTERLY UPDATE:**

Report on the second quarter of Fiscal Year 2015-2016 by the Manager-Chief Engineer, with discussion.

I. **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) Recognition of Employee of the Quarter

J. **CHAIRPERSON'S REPORT:**

Chairperson to report on matters of interest to the Board.

12) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board is scheduled for 10:00 a.m. on February 23, 2016, at the West Hawai'i Civic Center, Community Center, Bldg. G, 74-5044 Ane Keohokalole Hwy, Kailua-Kona, HI.

2. **Following Meeting:**

The following meeting of the Water Board will be held at 10:00 a.m. on March 22, 2016, at the Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

13) **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.