

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

(Revises Item 5 B. JOB NO. 2012-985, HUALĀLAI DEEPWELL REPAIR, and Adds Item 5 D. FIRST AMENDMENT TO AMENDED AND RESTATED AGREEMENT REGARDING DEVELOPMENT OF SOUTH WAI‘AHA WATER SYSTEM AND TERMINATION OF AGREEMENT REGARDING DEVELOPMENT OF NORTH WAI‘AHA WATER SYSTEM.)

MEETING DATE: February 26, 2013
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 January 22, 2013, Water Board meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA
(**Note: Addendum requires Roll Call Vote**)
- 5) NORTH KONA:

A. ASSIGNMENT AND ASSUMPTION; CONSENT:

(This Item was deferred at the January 22, 2013, Board meeting.)

Palamanui Global Holdings LLC and Kohanaiki Shores LLC, developers of the Palamanui and Kohanaiki projects, respectively, in North Kona and current parties with the Board to a June 15, 1999 Water Agreement, as amended, seek the Board’s consent to the assignment by Kohanaiki to Palamanui and the assumption by Palamanui from Kohanaiki of all of Kohanaiki’s rights and obligations under the agreement, and the Board’s release of Kohanaiki from any further obligations under the agreement.

RECOMMENDATION: It is recommended that the Board accept this document, subject to approval by Corporation Counsel as to form and legality, and that either the Chairperson or the Vice-Chairperson be authorized to sign the document.

B. JOB NO. 2012-985, HUALĀLAI DEEPWELL REPAIR:

(This Item was deferred at the January 22, 2013, Board meeting.)

This project generally consists of the 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 opened on January 15, 2013, at 2:30 p.m., and the following are the bid results:

Bidder	Bid Amount
Beylik Drilling and Pump Service, Inc.	\$79,223.00
Derrick's Well Drilling and Pump Services, LLC	\$93,000.00

Project Costs:

1) Low Bidder (Beylik Drilling and Pump Service, Inc.)	\$ 79,223.00
2) Contingencies (~10%)	<u>\$ 7,922.00</u>
Total Cost:	<u>\$ 87,145.00</u>

Funding for this project will be from DWS's CIP Budget. The contractor will have 180 calendar days to complete this project. The engineering estimate for this project was \$146,500.00.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2012-985, HUALĀLAI DEEPWELL REPAIR, to the lowest responsible bidder, Beylik Drilling and Pump Services, Inc., for their bid amount of \$79,223.00 plus \$7,922.00 for contingencies, for a total contract amount of **\$87,145.00**. 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.

C. **JOB NO. 2008-934, CONSTRUCTION OF THE KONA OCEAN VIEW PROPERTIES WATER SYSTEM IMPROVEMENTS:**

Bids were opened on February 7, 2013 at 2:00 p.m.; and the following are the bid results:

Bidder	Bid Amount	Adjusted Bid Amount* (for purposes of bid award)
Koga Engineering & Construction, Inc.	\$1,121,544.90	\$1,057,017.66
Isemoto Contracting Co., Ltd	\$1,274,964.00	\$1,211,215.80
Kona Kau Construction Services & Supplies, Inc.	\$1,352,345.64	\$1,276,328.36
Nan, Inc.	\$1,945,943.56	\$1,945,910.08
Goodfellow Bros., Inc.	\$2,389,274.00	\$2,248,200.30

*Bids were adjusted (for the purposes of award) to provide credits for use of Hawaii Products and participation in the State Apprenticeship Program. There was also a minor correction to one of the bids.

Project Cost:

1. Low Bidder (Koga Engineering & Construction, Inc.)	\$1,121,544.90
2. Construction Contingency (~10%)	<u>112,155.10</u>
Total Construction Cost:	<u>\$1,233,700.00</u>

Funding for this project will be from the USDA's Rural Utilities Service Water and Waste Water Loan and Grant program and County G.O. Bonds (Loan - \$1,169,000, Grant - \$353,369 and Total \$1,522,369). The consultant contract amount is \$151,750.00. There are other fees that will be reimbursable by the loan/grant funds.

The contractor will have 270 calendar days to complete this project.

Pursuant to the Hawai'i County Code, Section 12-24, the award of contract is subject to the creation of the improvement district.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2008-934, CONSTRUCTION OF KONA OCEAN VIEW PROPERTIES WATER SYSTEM IMPROVEMENTS,

to the lowest responsible bidder, Koga Engineering & Construction, Inc., for their bid amount of \$1,121,544.90 plus \$112,155.10 in construction contingency, for a total contract amount of \$1,233,700.00, subject to review as to form and legality of the contract by Corporation Counsel and the acceptance by the USDA Rural Development, Hawai'i County Council and homeowners of the Improvement District Assessment amount.

D. **FIRST AMENDMENT TO AMENDED AND RESTATED AGREEMENT REGARDING DEVELOPMENT OF SOUTH WAI'AHA WATER SYSTEM AND TERMINATION OF AGREEMENT REGARDING DEVELOPMENT OF NORTH WAI'AHA WATER SYSTEM:**

The Developer, Wai'aha System, LLC has requested to amend the subject agreement and transfer 120 units from Tax Map Key (TMK) 7-5-017:031 (Kona Coffee & Tea Company, Inc.) to TMK's 7-4-024:011, 012 and 017 (McClellan Honokōhau Properties). The amended agreement shall include the revised language to incorporate the new property being served by the Wai'aha Water System. It shall also include the necessary exhibits as well as a revised hydraulic analysis approved by the Department of Water Supply (DWS) showing that the subject property can be adequately served by the Wai'aha Water System as well as the existing DWS system. Any improvements required shall also be outlined in the analysis and shall be the responsibility of the developer to receive water service to the property from this agreement.

Recommendation to be made at the meeting.

6) **MISCELLANEOUS:**

A. **DEDICATION OF WATER SYSTEMS:**

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 AND BILL OF SALE**

Subdivision Application No. 2007-000665

Grantors/Sellers: Charlotte Chiung-Chiao Cheng, Michael Hiroshi Seto and Florine Ku'ualoha Paro

Tax Map Keys: (3) 2-4-009: 099, 058 and 096

Facilities Charge: \$45,190.00 Date Paid: 2/14/2013

Final Inspection Date: 2/15/2013

Water System Cost: \$ TBA

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

B. **DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING BUDGET FOR FISCAL YEAR 2014 AND 5-YEAR CAPITAL IMPROVEMENT BUDGET FOR FISCAL YEARS 2014-2018:**

FY 2014 Operating revenues were computed based on a 3.3% consumption increase, plus a 4.3% increase in water rates that were determined in a rate study by RW Beck. The Department's largest expense remains purchased power totaling \$23,600,000 for the year. Salaries totaling \$9,442,500 were not adjusted for furloughs or pay increases, and include 189 positions, 23 of which are currently vacant, and 6 of which are new.

The C.I.P. budget is presented in a new 5-year format in order to give a clearer picture of where and what the Department's infrastructure needs are.

RECOMMENDATION: It is recommended that the Water Board approve the Department's FY 2014 Operating budget and 5-year C.I.P. budgets for Fiscal Years 2014-2018 on this first of two readings. Staff also recommends that a public hearing on the proposed Operating Budget for FY 2014 and 5-Year Capital Improvement Budget for Fiscal Years 2014-2018 be held at **9:45 a.m. on March 19, 2013**, just prior to the regular Water Board meeting.

C. **DEPARTMENT OF WATER SUPPLY PROPOSED TABLE OF ORGANIZATION:**

The Department recognizes the need to revise its current table of organization to align with current and future needs as identified in the Strategic Plan. As such, the Department proposes the following changes:

1) **REVISED POSITION ORGANIZATION CHART -- ADMINISTRATION DIVISION - INFORMATION SYSTEMS BRANCH**

The Department proposes to amend its Table of Organization, Position Organization Chart to create a Network and Systems Section and an Applications and Database Section, in addition to the existing Geographic Information Systems (GIS) and Information Technology Support Sections.

The proposed Network and Systems Section will provide hardware and software support for network and systems. The proposed newly-created table of organization positions will include five Information Systems Analyst (I SR-16, II SR-18, III SR-20, IV SR-22, V SR-24) positions.

The proposed Applications and Database Section will provide applications, database and web support. The proposed newly created table of organization positions will include five Information Systems Analyst (I SR-16, II SR-18, III SR-20, IV SR-22, V SR-24) and one Information Systems Support Technician (II SR-15) positions.

The existing Information Technology Support Section will also be more accurately renamed to the Information Systems Support Section.

The proposed changes will provide the Department the ability to meet its goals of improved efficiency, through the appropriate use of technology (integrated information management: centralized data, Intranet communication, electronic bidding, GIS, etc.). Please note that although numerous positions appear on the organization chart, positions will only be filled as needed.

2) **REVISED POSITION ORGANIZATION CHART -- ADMINISTRATION DIVISION - HUMAN RESOURCES BRANCH**

The Department proposes to amend its Table of Organization, Position Organization Chart to create a new Safety Trainer position, as well add Human Resources Technician II, Human Resources Specialist I and II positions.

The proposed Safety and Driver Coordinator will oversee department-wide industrial safety and comprehensive driver improvement programs. The Safety Trainer will conduct annual safety and equipment training to comply with all OSHA and HIOSH regulations, legislation, standards and practices.

The proposed Human Resources Technician II, Human Resources Specialist I and Human Resources Specialist II positions will provide the ability to meet the increasing requirements in the

human resources/personnel field. There have been increasing duties as a result of Federal and State legislation, as well as revised procedures at the County of Hawaii Department of Human Resources.

3) REVISED POSITION ORGANIZATION CHART -- ENGINEERING DIVISION

The Department proposes to amend its Table of Organization, Position Organization Chart, to add the Engineering Drafting Technician I through IV positions to the Support Services Branch, and more appropriately renaming that branch the Drafting Services Branch, while eliminating one of the Engineering Drafting Technician V positions. In addition, the Department is adding the Technical Support Services Section to the Engineering Branch which includes three positions: the Engineering Support Technician I, II and III. The Department is also adding an Engineering Support Technician I to the Technical Support Section of the Water Resources and Planning Branch, as well as the Records Section of the Water Quality Assurance and Control Branch.

Creating the Engineering Drafting Technician series allows the Department to hire an entry-level drafting technician who could eventually progress to higher drafting technician levels as the need arises. The Engineering Drafting Technicians will be supporting the Engineering Division staff with drafting needs, as well as organization and maintenance of As-Built plans. Responsibilities of the positions will also include the support and maintenance of major drafting equipment within the Engineering Division, and coordinating the inclusion of water systems with the Department's GIS system.

Creation of the Technical Support Services Section in the Engineering Branch is consistent with the sections in the Water Quality Assurance and Control Branch, as well as the Water Resources and Planning Branch. Besides assisting the engineers and inspectors with research and other duties, the Engineering Support Technicians will log, track, file and distribute construction plans from initial submittal to completion of As-Built plans. Being able to keep up with logging, tracking, and filing of plans whether for review or processing of As-Built plans, allows the engineering staff to operate and respond to inquiries more efficiently.

Rename the Civil Engineer VII (EM07) position to Chief of Engineering (EM07) for consistency among division heads.

4) REVISED POSITION ORGANIZATION CHART -- FINANCE DIVISION

The Department proposes to amend its Table of Organization, Position Organization Chart, to create the Accountant I, Credit & Collections Supervisor, and Supervising Cashier positions. In addition, the Department proposes to transfer the Billing Support section from the Support Services Branch to the Customer Service Branch, transfer the Accountant III position from the Support Services Branch to the Management Accounting Branch, and reallocate the Waterworks Controller, Customer Service Supervisor, and Assistant Customer Service Supervisor positions.

The Accountant I (SR18) position will oversee the processing and reporting of Departmental payroll which has consistently been under pressure to meet deadlines while also providing for normal vacation and sick leave among staff.

The Credit & Collections Supervisor (SR17) will oversee the collection of delinquent accounts, both active and closed, on a timely basis. Monitoring both active and closed accounts on a timely basis is not possible without additional manpower.

The Supervising Cashier (SR14) will oversee servicing of walk-in customers, processing of incoming mail, and accounting and depositing of department funds on a daily basis, which have

consistently been difficult to accomplish while also providing for normal vacation and sick leave among staff.

Reallocate the Waterworks Controller (EM05) position to Chief of Finance (EM07) to make compensation consistent with responsibilities and between division heads.

Reallocate Customer Service Supervisor position (SR18 to SR24) and Assistant Customer Service Supervisor position (SR16 to SR22) to reflect additional responsibilities relating to supervision, coordination between functions with other divisions, and advances in technology and equipment.

Consolidate accounting positions in the Management Accounting Branch under an Accounting section. This will provide more flexibility to utilize accounting positions between functions and provide a series for promotion within the Department.

Delete the existing Purchasing Agent position which has never been filled.

Please note that although numerous positions appear on the organization chart, positions will only be filled as needed. The proposed changes will also help the Department achieve its Strategic vision of being an 'employer of choice,' as the changes will provide career paths for upward mobility.

RECOMMENDATION: It is recommended that the Water Board approve the proposed revised Table of Organization.

D. AD HOC FINANCE COMMITTEE REPORT:

The Water Board's Ad Hoc Finance Committee Chairperson, Mr. Art Taniguchi, has been investigating the three focus areas (DWS's policies on credit card use, cash control and vehicle take-home), which encompass the scope of the Committee's work. At this meeting, the Committee may do the following:

- Discussion of DWS's cash handling procedures and proposed changes. Discussion may include a possible switchover to Oahu's billing system.

E. ENERGY MANAGEMENT ANALYST UPDATE:

The Energy Management Analyst will provide an update on significant changes or noteworthy areas relating to energy use and the Department's Green Initiatives.

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 REPORT:

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

- 1) Palani Road Transmission Waterline Project
- 2) Kawaiiani Tank update
- 3) Pu'ukala/Kona Ocean View Properties Subdivision Improvement District Update
- 4) Public Information and Education Specialist Update

I. **CHAIRPERSON'S REPORT:**

Chairperson will raise issues of interest to the Board.

7) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board will be held at 10:00 a.m. on March 19, 2013, at the Department of Water Supply, Operations 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 April 23, 2013, at the Department of Water Supply, Operations Conference Room, 889 Leilani Street, Hilo, HI.

8) **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.