

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

**MEETING DATE:** December 21, 2010

**TIME:** 10:00 a.m.

**PLACE:** Department of Water Supply, Operations Conference Room, 889 Leilani Street, Hilo

- 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 23, 2010, Water Board meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA  
**(Note: Addendum requires Roll Call Vote)**
- 5) SOUTH HILO:

**A. JOB NO. 2002-802, CONSTRUCTION OF THE PI‘IHONUA RESERVOIR NO. 2 REPLACEMENT:**

The contractor, Isemoto Contracting Co., Ltd., has requested a 315-calendar day time extension. This request consists of additional time to order the Motor Control Center (MCC) equipment, complete the installation, and make the system operational, and then demolish the existing water tank and appurtenances.

Staff has reviewed the request and finds the 315 calendar days are justified.

This is the first time extension request.

| Ext #                               | From (Date) | To (Date) | Days (Calendar) | Reason  |
|-------------------------------------|-------------|-----------|-----------------|---|
| 1                                   | 12/28/2010  | 11/8/2011 | 315             | Days required to order the MCC, and complete the remainder of the project, including demolition of the existing facilities. |
| Total Days (including this request) |             |           | 315             |   |

**RECOMMENDATION:** It is recommended that the Board approve a contract time extension to Isemoto Contracting Co., Ltd., of three hundred fifteen (315) calendar days from December 28, 2010, to November 8, 2011, for JOB NO. 2002-802, CONSTRUCTION OF THE PI‘IHONUA RESERVOIR NO. 2 REPLACEMENT.

**B. STEVE SHROPSHIRE HAKALAU AGREEMENT:**

At the March 2009 meeting, the Water Board had approved this agreement, subject to Manager-Chief Engineer’s recommended changes to the agreement. The developer, Aloha Green, LLC (Steve Shropshire), had sold this property with the condition that the new owner could still have this agreement fully executed.

The Manager-Chief Engineer's recommended changes were incorporated into the agreement, along with the new owner receiving 17 additional units and Shropshire receiving the initial 8 additional units.

RECOMMENDATION: It is recommended that the Water Board approve the revised Water Facilities Agreement and that either the Chairperson or the Vice-Chairperson be authorized to execute the Agreement subject to the review and approval by Corporation Counsel.

6) HĀMĀKUA:

A. **DRINKING WATER STATE REVOLVING FUND RESOLUTION NO. 2010-01:**

*(Note: Resolution requires roll call vote)*

Resolution No. 2010-01 is for the project which DWS has submitted a loan application, under the Drinking Water State Revolving Fund (DWSRF). One of the prerequisites for the loan is a Resolution approved by the Water Board. This Resolution is specifically identified for the following project: JOB NO. 2009-952, KUKUIHAELE PRODUCTION WELL AND SUPPORTING FACILITIES, and authorizes the Manager-Chief Engineer or Deputy to execute loans and/or grants with the State Department of Health for up to \$1,750,000.00.

RECOMMENDATION: It is recommended that the Water Board adopt Resolution No. 2010-01 subject to the approval of Corporation Counsel.

7) SOUTH KOHALA:

A. **INTER-GOVERNMENTAL AGREEMENT BETWEEN THE STATE OF HAWAII – DEPARTMENT OF LAND AND NATURAL RESOURCES AND THE COUNTY OF HAWAII – DEPARTMENT OF WATER SUPPLY: REGARDING DEDICATION OF WAIMEA EXPLORATORY WELL:**

The Water Board approved an inter-governmental agreement between the Department of Land and Natural Resources (DLNR) and the Department of Water Supply at the September 28, 2010, Water Board meeting. However, the State is requesting changes to subject agreement.

*(This Item was deferred from the November 23, 2010, Water Board meeting.)*

B. **WAIKOLOA RESERVOIR NO. 1 EARTHQUAKE REPAIRS:**

The Waikoloa Reservoir No. 2 project is complete, and the reservoir will be filled and tested as soon as the State Department of Land and Natural Resources (DLNR) approves the first filling plan. Once this reservoir is full and in use, we will be able to drain Reservoir No. 1 and fully assess the damages, as well as design the repairs. It is anticipated that the fill plan for Waikoloa Reservoir No. 2 will be approved, and that the reservoir will be put into use by the end of February 2011.

The current FEMA project worksheet is for only \$8,650.00; however, the estimate will be revised once the Department is able to determine the extent of the damage. It is anticipated that the cost will be close to \$2,500,000.00, if the repairs are similar to Reservoir No. 2. A time extension for the repairs was approved by FEMA until March 31, 2012, and thus the Department anticipates that DWS will be reimbursed approximately 40 percent of the actual bid prices based on the Reservoir No. 2 project.

RECOMMENDATION: It is recommended that the Board approve the addition of the Waikoloa Reservoir No. 1 Earthquake Repairs project to DWS's C.I.P. list for 2011.

8) MISCELLANEOUS:

A. **DEDICATION OF WATER SYSTEMS:**

The Department 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. 2004-238

Kaloko Light Industrial Subdivision, Phase 3

Grantor/Seller: TSA, LLC

Tax Map Key: (3) 7-3-051: 060

E.W.O.: 2008-025

No. of Lots: 31 and Remainder Lot

Zoning: MCX-1a

Facilities Charge: \$ 453,750.00

Date Paid: 01/09/2009

Final Inspection Date: 09/14/2010

Water System Cost: \$406,927.00

**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. **REPORT OF AD HOC FINANCE COMMITTEE:**

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/action on vehicle take-home policy.
- Discussion of DWS's cash handling procedures and proposed changes.

C. **PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW, DECISION AND ORDER FOR 11-23-10 CONTESTED CASE HEARING REGARDING WATER SERVICE ACCOUNT NUMBER 85795490 (TMK: 7-5-022:020) (IN THE MATTER OF THE APPEAL OF PAMELA MCLAUGHLIN):**

The above Contested Case Hearing took place on November 23, 2010, in accordance with Chapter 91 of the Hawai'i Revised Statutes and Rule 2-5 of the Rules and Regulations of the Department of Water Supply.

Review and adopt the Proposed Findings of Fact, Conclusions of Law and Decision and Order.

D. **ENERGY MANAGEMENT ANALYST UPDATE:**

*(To be deferred to January 25, 2011, Water Board meeting.)*

E. **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.

F. **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.

**G. POWER COST CHARGE:**

A Public Hearing on December 21, 2010 at 9:45 a.m., immediately preceding this regular Water Board meeting, will have taken testimony on raising the Power Cost Adjustment to **\$1.75** from the current Power Cost Charge of \$1.66. The approved rate will be effective on the first day of the month after the establishment of the rate by the Water Board.

**H. WATER RATE STUDY:**

Update on the status of R.W. Beck's revision of water rates for the years Fiscal Year 2012 through Fiscal Year 2015, adjusted for the inclusion of additional funding, primarily for medical premium contributions to the State's Employer Union Trust Fund for future retirees, and for CIP Reserves.

Funding for this analysis was approved at the Board's October 26, 2010, meeting.

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

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

- 1) Palani Road Transmission Waterline Project -- Report on status of residents' concerns regarding the project, per request made by Board at November Board Meeting.
- 2) Hawaiian Ocean View Estates Project
- 3) Haina Well Update
- 4) County of Hawai'i's Water Spigots Project
- 5) Recognition of Service Retirements

**J. 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.

**K. ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON FOR 2011:**

Board to elect Chairperson and Vice-Chairperson for the 2011 term.

**L. 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). A two-thirds vote, pursuant to HRS Section 92-4, is necessary to hold an executive meeting.

**M. MANAGER-CHIEF ENGINEER'S EVALUATION:**

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

**N. CHAIRPERSON'S REPORT:**

Discussion of Tentative Meeting Schedule and venues for 2011.

9) ANNOUNCEMENTS:

1. **Next Meeting:**

The next meeting of the Water Board will be held on January 25, 2011, at 10:00 a.m. at the Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

10) STATEMENTS FROM THE PUBLIC:

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 Doreen Shirota, 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.

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