

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

MEETING DATE: April 28, 2015
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 the March 24, 2015, Water Board meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA
(**Note: Addendum requires Roll Call Vote**)
- 5) SOUTH KOHALA:

A. LĀLĀMILO WELL A (KAMAKOA) WATER AGREEMENT:

The developer, Kamakoa Partners, LLC (Kamakoa) is proposing to enter into a development agreement to upsize an existing well in the DWS Lālāmilo water system to provide the potable water needs for their proposed development. The agreement specifically calls for upsizing the existing Lālāmilo Well A pump, motor and related facilities from 700 gallons per minute (GPM), to 1,000 GPM, making it comparable in size to Lālāmilo Wells B, C, and D.

RECOMMENDATION: It is recommended that the Water Board approve the Water Agreement between Kamakoa Partners, LLC and the Water Board of the County of Hawai‘i, subject to the procurement process, and that either the Chairperson or Vice-Chairperson be authorized to execute the documents subject to review as to form and legality by Corporation Counsel.

6) NORTH KONA:

A. JOB NO. 2012-985 HUALĀLAI DEEPWELL REPAIR – CHANGE ORDER:

(This Item was deferred at the March 24, 2015, Board meeting.)

The contractor, Beylik Drilling and Pump Service, Inc., is requesting a contract change order and contract time extension for the Hualālai Deepwell Repair. The contract change order is for the replacement and repair of damaged materials and equipment, and troubleshooting services for Hualālai Deepwell. Amid repeated failures of the motor’s thrust bearing, the well repair has involved multiple repair cycles and associated costs for equipment, labor, shipping, pump and motor repairs/testing and replacement materials including thrust bearings, step-up transformer, junction box, column pipe, discharge head, and check valves. Total project costs shall not exceed \$672,517.93. The description of additional materials and associated fees are as follows:

Original Contract Amount:	\$79,223.00
Original Contingency amount:	7,922.00

1 st Additional Contingency & 123 day extension request:	94,500.00 (approved 10/22/13)
2 nd Additional Contingency & 273 day extension request:	53,611.72 (approved 6/24/14)
3 rd Additional Contingency request (emergency procurement)	23,581.06
4 th Additional Contingency & 274 day extension request:	\$413,680.15

The contractor, Beylik Drilling and Pump Service, Inc., is also requesting a contract time extension of 274 calendar days. This is due to unforeseen events, involving repeated failures of the motor's thrust bearing. This request is to cover the time expended on troubleshooting, well extraction and repair of damaged equipment; and the time required to procure replacement materials and for reinstallation work. These factors were beyond the control of the contractor and the original scope of the repair.

RECOMMENDATION: It is recommended that the Board approve an increase in contingency of \$413,680.15 to Beylik Drilling and Pump Service, Inc., and approve a contract time extension of 274 calendar days for JOB NO. 2012-985, HUALĀLAI DEEPWELL REPAIR. If approved, the contract completion date will be revised from October 31, 2014, to July 31, 2015.

B. QUEEN KA'AHUMANU HIGHWAY PHASE 2 REVISED TRI-PARTY AGREEMENT:

The State of Hawai'i Department of Transportation (HDOT), and Goodfellow Bros., Inc., (Goodfellow), propose to enter into a Tri-Party agreement with the Department of Water Supply (DWS), as a cooperative effort to re-design the waterline installation affected by the re-alignment of the highway.

Goodfellow had originally proposed a change order cost of \$195,865.00 for the re-design of the waterline by their design-build team. DWS did not agree to those costs; through this Tri-Party agreement, DWS would be responsible for providing the design to Goodfellow for \$54,804.00, for inclusion in the final construction plans.

RECOMMENDATION: It is recommended that the Water Board approve the QUEEN KA'AHUMANU HIGHWAY PHASE 2 REVISED TRI-PARTY AGREEMENT, and that either the Chairperson or Vice-Chairperson be authorized to execute the document subject to review as to form and legality by Corporation Counsel.

C. MANAGEMENT AND CONSTRUCTION RIGHT-OF-ENTRY FROM DEPARTMENT OF LAND AND NATURAL RESOURCES FOR THE PALAMANUI INTERIM WATER SYSTEM IMPROVEMENTS:

The Board of Land and Natural Resources approved the subject Right-of-Entry for the management and construction of the Palamanui Interim Water System. Upon acceptance of the water system by the Water Board, DLNR will prepare easement documents.

RECOMMENDATION: It is recommended that the Water Board approve the Management and Construction Right-of-Entry for the Palamanui Interim Water System Improvements and authorize either the Chairperson or Vice-Chairperson to execute the documents subject to review as to form and legality by Corporation Counsel.

7) 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

Grantors/Sellers: Edward J. Rapoza and Rhondall K. Rapoza, Robert D. Triantos and Richard S. Fallon and Nancy T. McKinley

Tax Map Key: (3) 7-6-011: 003 (por.), 009 (por.) and 019 (por.)

Facilities Charge: \$79,380.00 Date Paid: 02/04/2015

Final Inspection Date: TBA

Water System Cost: \$ TBA

2. GRANT OF EASEMENT OF W-1

Grantor: Palamanui Global Holdings, LLC

Tax Map Key: (3) 7-2-005: 001 (portion)

3. BILL OF SALE

Seller: Palamanui Global Holdings, LLC

Tax Map Key: (3) 7-2-005: 001 (por.), (3) 7-3-010: 042 (por.), 044 (por.) and 045 (por.)

Final Inspection Date: 7/14/14

Water System Cost: \$ 5,783,445.81

4. LICENSE EASEMENT NO. 798

Licensor: State of Hawaii Department of Hawaiian Home Lands

Tax Map Key: (3) 7-3-010: 039 (portion)

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

B. DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING BUDGET FOR FISCAL YEAR (FY) 2016 AND 5-YEAR CAPITAL IMPROVEMENT PROJECTS (CIP) BUDGET FOR FY2016-2020:

The Department's FY2016 Operating Budget, totaling \$53,174,000, and 5-Year CIP Budget for FY2016–2020, have been distributed for the Board's review and advertised for the public's review.

RECOMMENDATION: It is recommended that the Water Board approve the Department's FY 2016 Operating budget and 5-year C.I.P. budgets for Fiscal Years 2016-2020 on this second of two readings.

C. POWER COST CHARGE:

Departmental power costs have declined as a result of a decline in HELCO billings for electricity for the Department's wells and pumps. The Department proposes reducing the Power Cost Charge from \$2.35 to \$2.32 per thousand gallons to reflect this decline. A Public Hearing to accept testimony on this change will have been held just prior to the regular meeting.

RECOMMENDATION: It is recommended that the Board approve the reduction of the Power Cost Charge from \$2.35 to **\$2.32**, effective May 1, 2015.

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

For discussion and possible action.

E. **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.

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

Sub-Committee to report on proposed amendments to the Rules and Regulations regarding placing responsibility with property owners for tenants' delinquent bills, with discussion.

G. **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.

H. **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.

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

Report on the first quarter of 2015 by the Manager-Chief Engineer, with discussion.

J. **DISCUSSION OF PROCESS AND CRITERIA FOR SELECTION OF NEW MANAGER-CHIEF ENGINEER OF THE DEPARTMENT OF WATER SUPPLY:**

The Water Board will discuss the process and criteria for selection of the new Manager-Chief Engineer of the Department of Water Supply.

K. **EXECUTIVE SESSION RE: PROCESS AND CRITERIA FOR SELECTION OF NEW MANAGER-CHIEF ENGINEER OF THE DEPARTMENT OF WATER SUPPLY:**

The Water Board anticipates convening an executive meeting, closed to the public, pursuant to Hawai'i Revised Statutes, Sections 92-4 and 92-5(a)(4) 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. A two-thirds vote, pursuant to HRS Section 92-4, is necessary to hold an executive meeting.

L. **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) Employee of the Quarter
- 3) Recognition of Service Retirement

M. **CHAIRPERSON'S REPORT:**

Chairperson to report on matters of interest to the Board.

11) ANNOUNCEMENTS:

1. **Next Regular Meeting:**

The next meeting of the Water Board is scheduled for 10:00 a.m. on May 26, 2015, at the West Hawai'i Civic Center, Community Center, Bldg. G, 74-5044 Ane Keohokalole Hwy, Kailua-Kona, HI.

A Public Hearing regarding proposed water rates will be held at **5:00** p.m. on May 26, 2015, at the West Hawai'i Civic Center, Community Center, Bldg. G, 74-5044 Ane Keohokalole Hwy, Kailua-Kona, HI. An additional Public Hearing regarding proposed water rates will be held at **6:00 p.m.** on May 27, 2015, at the Liquor Control Conference Room, Hilo Lagoon Center, 101 Aupuni Street, Lobby Level, Hilo, HI.

2. **Following Meeting:**

The following meeting of the Water Board will be held at 10:00 a.m. on June 23, 2015, at the Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

12) 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.