

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

**MEETING DATE:** July 28, 2015  
**TIME:** 10:00 a.m.  
**PLACE:** Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

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- 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 June 23, 2015, Water Board meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA  
**(Note: Addendum requires Roll Call Vote)**
- 5) SOUTH HILO:

**A. PAUKA‘A WATERLINE RELOCATION PROJECT:**

This project has been delayed until a Use and Occupancy Agreement can be reached with the State Department of Transportation, Rights-of-Way Branch. For discussion.

6) SOUTH KOHALA:

**A. JOB NO. 2015-1026, PARKER #2 DEEPWELL REPAIR:**

This project generally consists of the replacement of the existing deepwell submersible motor, pump, power cable, column pipe and all appurtenant equipment, such as strapping, chlorination of the well and pumping assembly, in accordance with the plans and specifications.

Bids for this project were opened on July 16, 2015, at 1:30 p.m., and the following are the bid results:

<b>Bidder</b>	<b>Bid Amount</b>
Beylik Drilling and Pump Service, Inc.	\$638,000.00
Derrick’s Well Drilling and Pump Services, LLC	\$488,000.00

Project Costs:

1) Low Bidder (Derrick’s Well Drilling and Pump Services, LLC)	\$ 488,000.00
2) Contingencies (10%)	<u>\$ 48,800.00</u>
<b>Total Cost:</b>	<b><u>\$ 536,800.00</u></b>

Funding for this project will be from DWS’s CIP Budget under Deepwell Pump Replacement. The contractor will have 240 calendar days to complete this project. The Engineering estimate for this project was \$354,000.00.

**RECOMMENDATION:** It is recommended that the Board award the contract for JOB NO. 2015-1026, PARKER #2 DEEPWELL REPAIR, to the lowest responsible bidder, Derrick's Well Drilling and Pump Services, LLC, for their bid amount of \$488,000.00, plus \$48,800.00 for contingencies, for a total contract amount of **\$536,800.00**. 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. JOB NO. 2014-1010, LĀLĀMILO A DEEPWELL REPAIR – STATUS UPDATE:**

The contractor, Beylik Drilling and Pump Service, Inc., was granted a time extension at the June Board meeting for the above-mentioned project, whose revised completion date was set at July 14. For status update and possible action.

**C. JOB NO. 2015-1025, WAIMEA WATER TREATMENT PLAN FLOCCULATION DRIVE REPAIR:**

Bids for this project were to be opened at 2:30 p.m. on July 23, and the results will be reported at the meeting.

7) **NORTH KONA:**

**A. QUEEN KA'AHUMANU HIGHWAY WIDENING PROJECT—PHASE 2: MEMORANDUM OF UNDERSTANDING (MOU):**

*(This Item was deferred from the June 23, 2015, Board meeting.)*

State Department of Transportation, Highways Division staff will explain a proposed cost increase, and offer a status update on the above project. For discussion and possible action.

**B. PALANI WELL NO. 1 – SECOND SUPPLEMENTAL WELL DEVELOPMENT AGREEMENT:**

The developers, Lanihau Properties, LLC, West Hawaii Business Park, LLC, and Palani Ranch Company, Inc., have submitted a Second Supplemental Well Development Agreement, due to a recent discovery. The owners have recently been made aware that the well's casing is in a condition that may impact operations of the well in the future. Therefore, this Supplemental Agreement stipulates future maintenance and/or repair protocols to monitor and assess the condition of the casing.

The agreement also stipulates mitigation measures in the event that the casing deteriorates to the point that it affects operations of the well. The agreement obligates the owners to cover additional expenses for the repair and maintenance protocols as well as provide security should the mitigation measures need to be implemented.

**RECOMMENDATION:** It is recommended that the Board approve this Second Supplemental Well Development Agreement and 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. 2012-985 HUALĀLAI DEEPWELL REPAIR – CHANGE ORDER:**

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 to cover costs associated with shortages on estimates provided as part of Change Order No. 4 for push/pull costs, motor repair work and the full string testing of the pump and motor assembly. It also

covers discrepancies with payments for invoices No. 3 through 4, in which the incorrect percentage of 15% for overhead allowance was applied and how bond and insurance fees were handled. Total project costs shall not exceed \$718,959.93.

Original Contract Amount:	\$79,223.00
Original Contingency amount:	7,922.00
1 <sup>st</sup> Additional Contingency & 123 day extension request:	94,500.00 (approved 10/22/13)
2 <sup>nd</sup> Additional Contingency & 273 day extension request:	53,611.72 (approved 6/24/14)
3 <sup>rd</sup> Additional Contingency request (emergency procurement)	23,581.06
4 <sup>th</sup> Additional Contingency & 274 day extension request:	413,680.15 (approved 4/28/15)
5 <sup>th</sup> Additional Contingency & 61 day extension request:	<b>\$46,442.00</b>

The contractor, Beylik Drilling and Pump Service, Inc., is also requesting a contract time extension of 92 calendar days. The Department issued a stop work notice to the contractor upon notification that the estimated costs for the motor repair work and string testing were inadequate for completion. This action has delayed the receipt of the motor for reinstallation because the job at both the motor repair shop and testing facility got shifted back to the end of the queue. These factors are 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 \$46,442.00 to Beylik Drilling and Pump Service, Inc., for a total project cost of \$718,959.93, and approve a contract time extension of 92 calendar days for JOB NO. 2012-985, HUALĀLAI DEEPWELL REPAIR. If approved, the contract completion date will be revised from July 31, 2015, to October 31, 2015.

8) SOUTH KONA:

A. JOB NO. 2015-1021, KE‘EI D DEEPWELL INCOMING SWITCHGEAR MAINTENANCE:

Bids for this project were to be opened at 2:00 p.m. on July 23, 2015, and the results will be reported at the meeting.

9) KA‘U:

A. JOB NO. 2015-1024, HAWAIIAN OCEAN VIEW ESTATES DEEPWELL REPAIR:

Bids for this project were opened at 1:30 p.m., on July 23, 2015, and the results will be reported at the meeting.

10) MISCELLANEOUS:

A. DEDICATIONS:

The Department has received the following documents for action by the Water Board. The water system has been constructed in accordance with the Department’s standards and is in acceptable condition for dedication.

**1. GRANT OF EASEMENT AND BILL OF SALE**

Project Name: Palani Ranch Well No. 1  
Grantor/Seller: Palani Ranch Company, Inc.  
Tax Map Key: (3)7-4-002:008 (Portion)  
No. of Lots: n/a                      Zoning: n/a  
Facilities Charge: n/a  
Final Inspection Date: 7/15/2015

Water System Cost: \$5,058,903.02

**2. DEED**

Project Name: Palani Ranch Well No. 1 (Same as above)

Grantor/Seller: Palani Ranch Company, Inc.

Tax Map Key: (3)7-4-002:021

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

**B. POWER COST CHARGE:**

Departmental power costs have declined as a result of a decline in Hawai'i Electric Light Company (HELCO) billings for electricity for the Department's wells and pumps. The Department proposes reducing the Power Cost Charge from \$2.32 to \$1.85 per thousand gallons to reflect this decline. In order to accept public testimony on this change, a Public Hearing should be scheduled before the new Power Cost Charge is reduced.

RECOMMENDATION: It is recommended that the Board approve holding a Public Hearing on August 25, 2015, at 9:45 a.m., to receive testimony on reducing the Power Cost Charge from \$2.32 to **\$1.85**, effective September 1, 2015.

**C. PROFESSIONAL SERVICES AGREEMENT - WATER USE AND DEVELOPMENT PLAN UPDATE – PHASE 2:**

Due to unforeseen additional scope of work required by the Commission on Water Resource Management (CWRM) as an approving agency, the Water Use and Development Plan (WUDP) Update currently contracted with Fukunaga & Associates, Inc., will be revised to complete the Keauhou Aquifer System Area (ASYA).

The proposed Phase 2 of the WUDP Update will include source and infrastructure development strategies, as well as traditional and cultural practices (including non-consumptive) uses of water for the Keauhou ASYA, and the entire update of the Waimea ASYA.

The *original* scope approved by the Board in May 2014 was to update the WUDP for two aquifer sector areas, Hualālai and West Mauna Kea (which includes the Keauhou ASYA and Waimea ASYA, respectively). This was because of new, updated information that was not available at the time that the WUDP was being done.

During this latest update, there have been numerous changes in the scope of work which were requested and subsequently approved by CWRM, in order to address concerns raised amid the petition to designate the Keauhou ASYA.

This project will require a consultant which would be procured through professional services procedures. Based on the updated scope of work expectations, it is anticipated that this contract will be approximately \$100,000.00, and will be funded from the Department's Capital Improvements Budget (CIP). It is anticipated that this update will take approximately one year to complete.

RECOMMENDATION: It is recommended that the Board approve the Water Use and Development Plan – Phase 2 as a project to be added to the Department's Fiscal Year 2016 CIP Budget.

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

For discussion and possible action.

E. **EXECUTIVE SESSION RE: NATIONAL PARKS SERVICE'S PETITION TO DESIGNATE KEAUCOHOU 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:**

*(This Item was deferred from the June 23, 2015, Board meeting.)*

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 second quarter of 2015 by the Manager-Chief Engineer, with discussion.

J. **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

K. **CHAIRPERSON'S REPORT:**

Chairperson to report on matters of interest to the Board.

L. **MANAGER-CHIEF ENGINEER RECOMMENDATION OF MR. KAWIKA UYEHARA FOR POSITION OF DEPUTY -- CONFIRMATION OF DEPUTY, SALARY, AND EFFECTIVE START DATE:**

In a letter dated July 7, 2015, the Manager-Chief Engineer recommended Mr. Kawika Uyehara for the position of Deputy. The Water Board will vote on his confirmation, salary, and effective start date.

M. **EXECUTIVE SESSION RE: CONFIRMATION OF DEPUTY, SALARY, AND EFFECTIVE START DATE:**

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), 92-5(a)(4), 92-5(a)(8) and Hawai'i County Charter Section 13-20(b) to discuss and consider Mr. Kawika Uyehara for the position of Deputy, where consideration of matters affecting privacy will be involved, to deliberate or make decisions upon matters that require the consideration of information that must be kept confidential pursuant to state or federal law, or a court order, 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. A two-thirds vote, pursuant to HRS Section 92-4, is necessary to hold an executive meeting.

11) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board is scheduled for 10:00 a.m. on August 25, 2015, 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 September 22, 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.