

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

**MEETING DATE:** February 23, 2016  
**TIME:** 10:00 a.m.  
**PLACE:** West Hawai‘i Civic Center, Community Center, Bldg. G, 74-5044 Ane Keohokalole Hwy, Kailua-Kona, 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 January 26, 2016, Water Board meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA  
(**Note: Addendum requires Roll Call Vote**)
- 5) PUNA:

A. **UTILITY AGREEMENT NO. 2219 WITH THE STATE DEPARTMENT OF TRANSPORTATION (DOT) FOR KEA‘AU-PĀHOA ROAD SHOULDER LANE CONVERSION, PHASE 2:**

The State Department of Transportation (DOT) has submitted for execution a Utility Agreement (UA) for water system improvements, which were necessary for the Kea‘au-Pāhoa Shoulder Lane Conversion project. There was no cost to the Department of Water Supply, as all improvements were necessary to accommodate the DOT’s road improvements.

Staff has reviewed Utility Agreement No. 2219, and finds it acceptable.

**RECOMMENDATION:** It is recommended that the Board approve the execution of the UTILITY AGREEMENT NO. 2219 FOR THE KEA‘AU-PAHOA ROAD SHOULDER LANE CONVERSION, PHASE 2, and that the Chairperson or Vice-Chairperson be authorized to execute the Agreement, subject to review as to form and legality by Corporation Counsel.

- 6) SOUTH KONA:
  - A. **4<sup>th</sup> AMENDMENT TO WELL SITE DEVELOPMENT AGREEMENT, 1250 OCEANSIDE (HŌKULIA) WELLSITE DEVELOPMENT AGREEMENT - UPDATE:**

Manager-Chief Engineer to provide status update.

- 7) MISCELLANEOUS:
  - A. **PROFESSIONAL SERVICES AGREEMENT – CONSERVATION, EFFICIENCY, AND CUSTOMER ENGAGEMENT PROGRAM:**

The Department desires to enter into a professional services agreement with a computer software company, WaterSmart Software, with expertise in developing customer engagement reports to educate customers on water conservation and efficiency.

This project requires a consultant procured through professional services procedures. Based on the anticipated scope of work, the contract amount will be \$50,000.00, and will be funded from the Department's Capital Improvements Projects (CIP) Budget. It is anticipated that this initiative will take approximately 12 to 15 months to complete.

RECOMMENDATION: It is recommended that the Board approve the Conservation, Efficiency, and Customer Engagement Program, as a project to be added to the Department's Fiscal Year 2017 CIP Budget.

**B. DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING AND 5-YEAR CAPITAL IMPROVEMENT PROJECTS (CIP) BUDGETS FOR FISCAL YEAR: (FY) 2017:**

The Department's FY 2017 Operating Budget, totaling \$53,901,500, and 5-Year CIP Budget for FY 2017–2021, has been distributed for the Board's review.

RECOMMENDATION: It is recommended that the Board approve a public hearing to be held on Tuesday, March 22, 2016 at 9:45 a.m., prior to the Water Board's regular meeting, to accept public testimony regarding the Department's FY 2017 Operating and CIP Budgets.

**C. PROPOSED ENERGY CIP RATE:**

In conjunction with the Department's FY 2017 Operating Budget, a new rate is being proposed to fund projects intended to reduce the department's dependence on purchased power, which is budgeted at \$22 million in FY 2017.

The concept for this new rate was developed in part by consultant Steve Bolles, who reported the results of his Energy Evaluation Study of DWS at the Water Board meeting on August 25, 2015.

Among his various recommendations, Mr. Bolles noted that funding for energy improvements was a hurdle that needed to be addressed. This new rate was developed as a means to address that need.

The energy rate is budgeted at \$0.05 per 1,000 gallons, and is expected to generate \$460,000.00 in FY 2017, to be used on 2 projects:

- To install power factor correction capacitors at 16 well sites (\$240,000.00); and
- To install variable frequency drives at 2 well sites (\$220,000.00).

The energy rate is to be adjusted annually, depending on projects to be funded.

RECOMMENDATION: It is recommended that the Board approve a Public Hearing to be held on Tuesday, March 22, 2016, at 9:30 a.m., prior to the Water Board's regular meeting, to accept testimony regarding the Department's new Energy CIP rate, beginning in FY 2017 at \$0.05 per 1,000 gallons. The rate will be adjusted annually, based on energy-saving projects proposed by the Department for the year.

**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. 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.

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

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

- 1) Report on Pacific Water Conference
- 2) Upcoming AWWA Conference

**J. CHAIRPERSON'S REPORT:**

Chairperson to report on matters of interest to the Board.

8) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board is scheduled for 10:00 a.m. on March 22, 2016, at the Department of Water Supply, Operations Center 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 26, 2016, at the Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

9) **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.