

**DEPARTMENT OF WATER SUPPLY
COUNTY OF HAWAII
WATER BOARD MEETING**

MEETING DATE: January 28, 2014

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 December 17, 2013, Water Board meeting

4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA
(**Note: Addendum requires Roll Call Vote**)

5) PRESENTATION OF AUDITED FINANCIAL STATEMENTS – JUNE 30, 2013

Copies of the Department’s Audited Financial Statements for the fiscal year ended June 30, 2013, have been distributed to Board members. Representatives of Accuity LLP, the Department’s independent auditors, will be here to answer any questions Board members may have regarding the report.

6) HĀMĀKUA:

A. JOB NO. 2013-997, HAINA DEEPWELL REPAIR:

Bids for this project were opened on January 16, 2014, at 2:00 p.m., and the following are the bid results:

Bidder	Bid Amount
Derrick’s Well Drilling and Pump Services, LLC	\$167,000.00
Beylik Drilling and Pump Service, Inc.	\$248,865.00
Water Resources International, Inc.	\$259,550.00

Project Costs:

1) Low Bidder (Derrick’s Well Drilling and Pump Services, LLC)	\$ 167,000.00
2) Contingency (10%)	\$ 16,700.00
Total Cost:	<u>\$ 183,700.00</u>

Funding for this project will be from DWS’s CIP Budget under Deepwell Pump Replacement. The contractor will have 180 calendar days to complete this project. The Engineering estimate for this project was \$209,450.00.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2013-997, HAINA DEEPWELL REPAIR, to the lowest responsible bidder, Derrick’s Well Drilling and Pump Services, LLC, for their bid amount of \$167,000.00, plus \$16,700.00 for contingency, for a total contract amount of **\$183,700.00**. 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.

7) SOUTH HILO:

A. MAINTENANCE BID NO. 2013-12, REPAIR AND MAINTENANCE OF AIR CONDITIONING SYSTEM, WAIĀKEA OFFICE PLAZA, DEPARTMENT OF WATER SUPPLY:

Bids were opened on January 16, 2014, at 2:30 p.m., and the following are the bid results.

Bidder	Monthly Maintenance Amount	Total w/estimated repair cost
Heide & Cook, LLC	\$ 809.69	\$3,865.89
Oahu Air Conditioning Service, Inc.	\$1,068.59	\$3,948.59

Maintenance Cost from March 1, 2014 to June 30, 2015 (inclusive – 16 months):

Heide & Cook, LLC **\$809.69/mo. = \$12,955.04**

Hourly Labor Rates for repair:

Regular Journeyman	\$ 102.08/hr.
Regular Helper	\$ 67.71/hr.
Emergency Journeyman	\$ 102.08/hr.
Emergency Helper	\$ 67.71/hr.
Emergency O.T. Journeyman	\$ 153.12/hr.
Emergency O.T. Helper	\$ 101.56/hr.

Option Contract Years Monthly Maintenance Cost

(July 1, 2015 – June 30, 2016):	\$ 833.98/mo.
(July 1, 2016 – June 30, 2017):	\$ 859.00/mo.
(July 1, 2017 – June 30, 2018):	\$ 884.77/mo.

RECOMMENDATION: It is recommended that the Water Board award the contract for Maintenance Bid No. 2013-12, REPAIR AND MAINTENANCE OF AIR CONDITIONING SYSTEM, WAIĀKEA OFFICE PLAZA, DEPARTMENT OF WATER SUPPLY, to the lowest responsible bidder, Heide & Cook, LLC for \$12,955.04, and the associated labor costs for repairs as necessary during the maintenance period. It is further recommended that either the Chairperson or Vice-Chairperson be authorized to sign the contract subject to review as to form and legality by Corporation Counsel.

B. DEPARTMENT OF WATER SUPPLY, WAIĀKEA OFFICE PLAZA LANDSCAPE IMPROVEMENTS:

The Department of Water Supply is proposing to remove the grove of eucalyptus trees in the front yard, as well as the tree in the back corner, of the Waiākea Office Plaza (WOP) property. The tree in the back corner overhangs the parking lot and neighboring property structures. The Department plans to landscape the property with native plants/trees that would better suit the property.

Removal of the existing trees, which pose a hazard to the WOP and neighboring properties, will reduce the liability risk to the Department. A Special Management Area (SMA) Use Permit Assessment Application was submitted to the Planning Department. The hazards and incidents, as well as near-incidents, are stated in the SMA Use Permit Assessment Application submittal.

No further review of the SMA rules and regulations regarding the tree removal is required. The estimate for the tree removal is \$150,000.

RECOMMENDATION: It is recommended that the Water Board approve the DEPARTMENT OF WATER SUPPLY, WAIĀKEA OFFICE PLAZA LANDSCAPE IMPROVEMENTS project, and allow the Department to proceed with plans and bidding process.

8) NORTH KONA:

A. **PARTIAL RELEASE OF AGREEMENT RE: TMK 7-5-020:079:**

TMK 7-5-020:079 is one of the lots within the Stanford Carr *Kahakai Estates* subdivision, which are covered by the conditions of an Irrigation Agreement with the Department of Water Supply.

According to the subdivision plans, the subject lot was set aside and designated to become either a park or to be annexed to the Kahakai Elementary School on the adjacent lot. Note that the school was not part of the subdivision, and was never subject to the irrigation agreement. All of the water that was available through the irrigation meter is being used for landscaping on other community lots within the subdivision, and the subject lot was never developed into a park. The Department of Education (DOE) has opted to take over the parcel for the benefit of the school. However, DOE viewed the inclusion of the subject lot in the irrigation agreement to be an encumbrance on the property. There is wording within the irrigation agreement that suggests the property owner might be jointly liable to help fund a future irrigation system to benefit the subdivision. Therefore, DOE is seeking to have the Water Board execute the Partial Release of Agreement document with respect to the subject parcel only.

Staff has reviewed the agreement and recommends that the Water Board execute the Partial Release of Agreement document for TMK 7-5-020:079. The Irrigation Agreement will otherwise remain intact for all of the other applicable lots within the Kahakai Estates Subdivision.

RECOMMENDATION: It is recommended that the Board approve the PARTIAL RELEASE OF AGREEMENT RE: TMK 7-5-020:079, subject to review as to form and legality by Corporation Counsel, and the Chairperson or Vice-Chairperson be authorized to sign the document.

9) 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**

Grantors: Marian Grace Andrade Maxwell and Audrey Maxwell
Tax Map Key: (3) 4-6-010: 036 portion

Note: DWS acquired this Easement for an existing 8-inch waterline.

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 documents.

B. **RESOLUTION NO. 2014-01: A RESOLUTION AUTHORIZING CORPORATION COUNSEL TO SETTLE CLAIMS UP TO \$10,000 INVOLVING THE WATER BOARD AND DEPARTMENT OF WATER SUPPLY OF THE COUNTY OF HAWAII:**

(Note: Resolution requires roll call vote)

Hawai'i County Code section 2-9 was recently amended by Ordinance No. 13-129 to authorize the Corporation Counsel, on behalf of the County of Hawai'i, to settle, compromise or otherwise resolve any claim now existing or which may arise, not involving or requiring payment in excess of \$10,000.00.

The Water Board will determine whether to authorize attorneys in the Office of the Corporation Counsel, with the consent of the Manager-Chief Engineer or Deputy of the Department of Water Supply, County of Hawai'i, to settle, compromise or otherwise resolve any claim now existing or which may arise, not involving or requiring payment in excess of \$10,000.00 in favor of or against the Department of Water Supply and/or the Water Board.

RECOMMENDATION: It is recommended that the Water Board adopt RESOLUTION NO. 2014-01, A RESOLUTION AUTHORIZING CORPORATION COUNSEL TO SETTLE CLAIMS UP TO \$10,000.00 INVOLVING THE WATER BOARD AND DEPARTMENT OF WATER SUPPLY OF THE COUNTY OF HAWAII, subject to approval of Corporation Counsel.

C. **DEPARTMENT OF ENVIRONMENTAL MANAGEMENT DISCUSSION REGARDING BILLING, DELINQUENCIES AND COUNTY CODE AMENDMENTS TO PERMIT WATER SHUT-OFF:**

For discussion and possible action.

D. **AD HOC COMMITTEE PURSUANT TO HRS SECTION 92-2.5(B) TO PRESENT, DISCUSS AND/OR NEGOTIATE FOR LEGISLATION REGARDING THE PLACEMENT OF SUCH LIENS ON REAL PROPERTY FOR NON-PAYMENT OF WATER BILLS:**

The Ad Hoc Committee is exploring legislation pursuant to HRS Section 92-2.5(B) which would allow the placement of an automatic lien on property for non-payment of water bills. The Ad Hoc Committee will present, discuss, and/or negotiate for such legislation with any necessary person including, but not limited to, any water or wastewater department or division of any county, and/or with any legislators in the State of Hawai'i.

The Ad Hoc Committee is also exploring a revision of the Department of Water Supply Rules and Regulations to hold a property owner responsible for any water bill for water service to such property, whether or not the property owner resides on the property; and that no water service will be granted to such property until all such delinquencies are paid or other agreement is reached.

Ms. Lee Loy will make a report on possible legislation.

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

The Water Board's Ad Hoc Finance Committee has investigated 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. Final report to be provided by the Ad Hoc Committee.

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) Pu'ukala/Kona Ocean View Properties Subdivision Improvement District Update
- 2) Waikoloa Reservoir No. 1 Update
- 3) Waimea Water Restriction
- 4) Kawaiiani Tank Update
- 5) Queen Ka'ahumanu Highway Widening -- Phase II Project Update
- 6) Energy Management Analyst Update
- 7) Public Information and Education Specialist Update
- 8) Recognition of Employee of the Quarter

I. MANAGER-CHIEF ENGINEER'S QUARTERLY UPDATE:

Report on the fourth quarter of 2013 by the Manager-Chief Engineer, with discussion.

J. MANAGER-CHIEF ENGINEER'S EVALUATION:

The Board will have submitted the Summary Sheet to evaluate the Manager-Chief Engineer to the Water Board secretary before the meeting, and the summarized results will be provided to the Board. Discussion/Action on Manager-Chief Engineer's evaluation and salary for both the Manager-Chief Engineer and the Deputy.

K. EXECUTIVE SESSION REGARDING THE MANAGER-CHIEF ENGINEER'S EVALUATION:

The Board anticipates convening an executive meeting, closed to the public, to consider the evaluation of the Manager-Chief Engineer, as authorized by Hawai'i Revised Statutes Sections 92-4 and 92-5(a)(2) , 92-5(a)(4) and Hawai'i County Charter section 13-20(b) where consideration of matters affecting privacy will be involved, and/or 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. REVISED PERFORMANCE APPRAISAL FORM:

Revised Performance Appraisal form for discussion and approval.

M. CHAIRPERSON'S REPORT:

Discussion/decision on 2014 Meeting dates and venues.

N. **EXECUTIVE SESSION RE: SETTLEMENT OF CLAIM 11-0023 AGAINST GEICO FOR OSCAR RIGG:**

The Water Board anticipates convening an executive meeting, closed to the public, pursuant to Hawai'i Revised Statutes, Sections 92-4, 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.

10) **ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board will be held at 10:00 a.m. on February 25, 2014, at 10:00 a.m. at the West Hawai'i Civic Center, Community Center, Building G, 74-5044 Ane Keohokalole Hwy, Kailua-Kona, Hilo, HI.

2. **Following Meeting:**

The following meeting of the Water Board is tentatively scheduled for March 25, 2014 at the Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

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 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.