

**MINUTES**

DEPARTMENT OF WATER SUPPLY  
COUNTY OF HAWAI'I  
WATER BOARD MEETING

May 28, 2013

West Hawai'i Civic Center, Bldg. G, 74-5044 Ane Keohokalole Hwy, Kailua-Kona, Hawai'i

MEMBERS PRESENT: Mr. Art Taniguchi, Chairperson  
Mr. Kenneth Kaneshiro, Vice-Chairperson  
Mr. Russell Arikawa  
Mr. David Greenwell  
Ms. Brenda Iokepa-Moses  
Ms. Susan Lee Loy  
Mr. Delan Perry  
Mr. Rick Robinson (*arrived 10:02 a.m.*)  
Mr. Jay Uyeda  
Mr. Quirino Antonio, Jr., Manager-Chief Engineer, Department of Water Supply (ex-officio member)

ABSENT:  
Ms. Bobby Jean Leithead-Todd, Director, Planning Department (ex-officio member)  
Mr. Warren Lee, Director, Department of Public Works (ex-officio member)

OTHERS PRESENT: Ms. Kathy Garson, Assistant Corporation Counsel

Department of Water Supply Staff  
Mr. Keith Okamoto, Deputy  
Mr. Kurt Inaba, Engineering Division Head  
Mr. Daryl Ikeda, Chief of Operations  
Mr. Richard Sumada, Waterworks Controller  
Ms. Kanani Aton, Public Information and Education Specialist  
Ms. Julie Myhre, Energy Management Analyst

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1) CALL TO ORDER – Chairperson Taniguchi called the meeting to order at 10:00 a.m.

The Chairperson welcomed two new Board members, Ms. Brenda Iokepa-Moses and Mr. Russell Arikawa.

2) STATEMENTS FROM THE PUBLIC

None.

3) APPROVAL OF MINUTES

The Chairperson entertained a Motion to approve the Minutes of the April 23, 2013, Water Board meeting.

**ACTION:** Mr. Kaneshiro moved to approve; seconded by Mr. Greenwell, and carried unanimously by voice vote.

4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA

The Chairperson called for a Motion to approve Supplemental Agenda Items 6(A), MAINTENANCE BID NO. 2013-04, REPAIR AND MAINTENANCE OF KAHALU‘U SHAFT HIL-A-VATOR, KONA; and 7(B), MATERIAL BID NO. 2013-06, FURNISHING AND DELIVERING WATER METERS, BRASS GOODS, FIRE HYDRANTS, VALVES, CHLORINATORS, PUMPS, PIPES, FITTINGS, SCADA, MOTORS AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK.

ACTION: Mr. Perry moved to approve; seconded by Ms. Lee Loy, and carried unanimously by voice vote.

5) SOUTH HILO:

A. **JOB NO. 2008-940, KULA‘IMANO PRODUCTION WELL AND SUPPORTING FACILITIES:**

The contractor, Isemoto Contracting Company, Ltd., is requesting a contract time extension of 37 calendar days. This is the first time extension request for this project.

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	5/20/13	6/26/13	37	Additional work (not in original scope) requested or required by DWS and HELCO (13 working days). Inclement and unworkable weather conditions (12 working days).
Total Days (including this request)			37	

The contractor originally requested a 78 working-day extension. Staff reviewed the request and found that a 37 calendar (25 working) day extension was justified.

The Manager-Chief Engineer recommended that the Board grant this contract time extension of 37 calendar days to Isemoto Contracting Company, Ltd., for JOB NO. 2008-940, KULAI‘MANO PRODUCTION WELL AND SUPPORTING FACILITIES. If approved, the contract completion date will be extended from May 20, 2013 to June 26, 2013.

MOTION: Mr. Greenwell moved to approve, seconded by Mr. Kaneshiro.

The Manager-Chief Engineer said that the staff had scrutinized the time extension request, which was for inclement weather and for one change order; the staff found the number of days requested was acceptable.

Mr. Greenwell said he appreciated that the Department had brought the number of days down to a reasonable number.

The Manager-Chief Engineer said that there is a directive to the staff to carefully scrutinize the number of days requested for time extensions; DWS will not grant time requests willy-nilly.

Chairperson Taniguchi expressed his appreciation for the reduction of the original request of 78 working days to the current request for 37 *calendar* days.

Mr. Uyeda noted that the new completion date is June 26, and asked if that was enough time to finish the project.

The Manager-Chief Engineer said yes, the contractor had already been pretty close to completing the project when making the request. In the last couple of weeks, the contractor was getting ready to start up the pump.

ACTION: Motion carried unanimously by voice vote.

6) NORTH KONA:

A. **MAINTENANCE BID NO. 2013-04, REPAIR AND MAINTENANCE OF KAHALU‘U SHAFT HIL-A-VATOR, KONA:**

There were no bids received for this contract, and staff will obtain quotations in the best interest of the Department.

The Manager-Chief Engineer said that DWS will seek quotations from available contractors for just this fiscal year, and come back for bids again next year.

B. **QUEEN KA‘AHUMANU HIGHWAY WIDENING – PHASE 2 PROJECT UPDATE:**

*(This Item was deferred from the April 23, 2013, Water Board meeting.)*

The State Department of Transportation, Highways Division (DOT) has submitted a letter requesting the participation by the Department of Water Supply (DWS) to fund an additional \$195,865.00 for the redesign of a portion of the Queen Ka‘ahumanu Highway Widening – Phase 2 project by May 15, 2013, as well as an estimated amount of \$200,000.00 for added construction costs based on the redesign.

The letter reiterates the importance of meeting their deadline, so as to not affect the contract schedule any further. There is an existing Memorandum of Agreement (MOA) that was entered into between DWS and DOT in the amount of \$3,744,000.00, but this additional work is considered to be over and beyond that original scope, due to DOT’s directive to re-align a portion of the highway to avoid archeological sites.

It was the Department’s understanding that DWS’s commitment to fund the redesign is needed, or else the proposed water system will be removed from the contract. The Department has been in discussion with DOT regarding this matter, and this matter was placed on the Agenda for discussion and possible action.

The Manager-Chief Engineer said that he and the Deputy had met last Friday afternoon with Mr. Sal Panem and Mr. Sterling Chow of the Department of Transportation, along with Mr. Steve Bartholomew of Goodfellow Brothers, the contractor. The meeting was an attempt by Goodfellow Brothers to convince DWS to pay the additional cost that they were requesting on the project. However, the Manager-Chief Engineer and the Deputy held their ground, saying that DWS is not convinced that the additional costs are justifiable. DWS tried to negotiate the cost down, the Manager-Chief Engineer said. The talks went nowhere, although Goodfellow Brothers basically agreed to take a second look at their request. No other agreement was reached. The Manager-Chief Engineer said that during the recent American Water Works Association (AWWA) conference on Oahu, the Manager-Chief Engineer tried to arrange a meeting with Mr. Glenn Okimoto, the DOT Director, but Mr. Okimoto was not available. The Manager-Chief Engineer then tried to arrange a meeting with the Deputy Director, Ms. Jadine Urasaki. However, Ms. Urasaki was unavailable until sometime in early June. Following the inconclusive meeting on Friday, the Manager-Chief Engineer suggested that this matter be either deferred or tabled until some kind of acceptable solution can be reached with DOT. DWS intends to keep talking with DOT. However, the deadlines that DOT has set will not matter until such time as the Water Board approves any additional costs. The Manager-Chief Engineer said that the Department of Environmental Management (DEM) also wrote a letter to the DOT in May, to which

DOT has not responded. It is not clear what is happening at DOT, he said. The Manager-Chief Engineer again suggested either deferring or tabling this matter until something comes up that the Department can bring to the Board.

Mr. Greenwell asked that the Board hold more discussion on this matter in Executive Session, instead of going over it now.

Ms. Garson said yes, the Board can do that. She noted that the current open session discussion was for the Manager-Chief Engineer to inform the Board about his meeting on Friday.

Ms. Garson noted that the Board had received an email on this issue with DOT from a member of the public; copies of the email were distributed to the Board today.

The Deputy wanted to have it on record that he and the Manager-Chief Engineer had reiterated to the DOT on Friday that the Department remains committed to this project; DWS wants to be participants in this project because it is smart government. It is a prudent thing to do, he said. DWS's willingness to participate is evidenced by its deposit of the \$3.4 million with DOT in 2010.

Mr. Robinson asked what DWS is getting for the \$3.4 million.

The Manager-Chief Engineer said that DWS is getting an estimated five miles of 16-inch pipeline all the way to the airport. It works out to approximately \$136 per foot of 16-inch pipeline, which is a pretty cheap price.

Mr. Robinson asked whether DOT is paying the Department any interest on the \$3.4 million for the period that DOT has held it.

The Manager-Chief Engineer said that DWS asked DOT that question at last month's Board meeting; it is still not clear what is happening as far as interest accrued on that \$3.4 million that DWS deposited with DOT back in 2010. DWS should ask DOT that question again, he said.

Mr. Robinson asked whether the funds are held in an escrow account, or whether the funds are just sucked up into a general fund account with the State.

The Manager-Chief Engineer said he really did not know. He thought DWS should write DOT a letter to ask what is happening with DWS's funds.

Mr. Inaba said that DOT explained to him that the money went into DOT's general C.I.P. account that is used for projects statewide. DOT assured Mr. Inaba that the money will be used to do DWS's part of the highway widening project.

Mr. Robinson asked whether it was the general C.I.P. account at the DOT.

Mr. Inaba confirmed this, but said it was not clear whether it was earmarked just for highways, or was for all DOT projects.

Chairperson Taniguchi asked whether DOT had referred to the interest on the money as belonging to DOT.

Mr. Inaba said yes, DOT basically said DWS was not going to earn any interest on the money.

Mr. Kaneshiro asked whether this design change would increase the amount of pipeline needed.

The Manager-Chief Engineer said no, it would not. The amount of pipeline would basically be the same, or maybe a little less.

Ms. Lee Loy said she appreciated the Manager-Chief Engineer articulating the Board's concerns in its (May 7, 2013) letter to DOT. She asked whether DOT had responded.

The Manager-Chief Engineer said no, there was no response.

Ms. Lee Loy said she would save further questions for the Executive Session.

Chairperson Taniguchi clarified that the letter in question was dated May 7, 2013.

The Manager-Chief Engineer said DEM had also written to DOT regarding the May 15, 2013 deadline that DOT had set for them (and DWS). He said that DOT had not responded to DEM's letter, either. As far as deadlines go, it is up in the air, he said.

Mr. Kaneshiro asked whether a Motion to defer was needed.

Ms. Garson said no. No Motion was on the floor, and no Motion to defer was needed. The Board also did not need to table the Item; the Department can just re-agendize it if there is an update, or if the Board needs to discuss new information on the matter.

Chairperson Taniguchi asked about the writer of the email, Mr. Aaron Stene.

Ms. Garson said that he is a member of the public.

Ms. Aton said that Mr. Stene had his own blog for a while.

The Manager-Chief Engineer said that he is a concerned citizen who read the Board's April 23, 2013 Minutes, and emailed the Board his concerns.

Mr. Arikawa asked what happens if DWS is kicked out of the project; he asked if DWS gets the full \$3.4 million back.

The Manager-Chief Engineer said that early on in the project, the contractor had purchased the pipes. He said the stockpile of pipes is visible at the intersection between Queen Ka'ahumanu Highway and Kealakehe Parkway. DWS paid for those pipes, which have yet to be installed, he added. It is unclear whether or not DWS would get its full \$3.4 million back from DOT, if DWS does not participate in the project, he said.

Mr. Inaba noted that DWS paid just over \$1 million for the pipes.

## 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. **BILL OF SALE**  
Subdivision Application No.: N/A  
Seller: Kyong Sung  
Tax Map Key: (3) 1-6-003:018 and 023  
E.W.O.: 2010-015  
No. of Lots: Not applicable      Zoning: ML-1a  
Facilities Charge: N/A  
Final Inspection Date: 4/6/2011

Water System Cost: \$89,000.00

**2. GRANT OF EASEMENT**

Grantor: Kyong Suk Sung and Christine Sung

Tax Map Key: (3) 1-6-003:022 portion

E.W.O.: 2010-015

Facilities Charge: N/A

The Manager-Chief Engineer 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.

Ms. Garson noted that the Supplemental Agenda regarding MATERIAL BID NO. 2013-06, FURNISHING AND DELIVERING WATER METERS, BRASS GOODS, FIRE HYDRANTS, VALVES, CHLORINATORS, PUMPS, PIPES, FITTINGS, SCADA, MOTORS AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK, had been erroneously labeled 7(A). The Minutes hereby confirm that the Material Bid Item is 7(B), she said.

MOTION: Mr. Robinson moved to approve; seconded by Mr. Perry.

The Manager-Chief Engineer asked why the Dedications were separate.

Mr. Inaba said they were separate because the land ownership falls under two names, while the improvements were put in by one individual.

The Manager-Chief Engineer said that this Dedication is for a subdivision that has been completed and has passed inspection by DWS inspectors.

Mr. Inaba confirmed this, and noted that the Facilities Charge had been paid.

Mr. Arikawa asked to recuse himself from the vote.

Chairperson Taniguchi asked where the subdivision was located.

Mr. Arikawa said that it was behind the Christian Liberty School in Kea'au.

Ms. Lee Loy said that it was on Milo Street.

The Manager-Chief Engineer suggested going back to DWS's practice of providing maps to illustrate the location of Items on the Agenda, to help the Board orient themselves.

Chairperson Taniguchi noted that Mr. Larry Beck of Engineering Division used to project maps on the screen during Board meetings.

Mr. Inaba said that maps could be provided as attachments to the Board packets.

Ms. Lee Loy said that providing maps would be very helpful to provide context.

The Manager-Chief Engineer said that the Department could provide maps as attachments to the Board packets.

ACTION: Motion carried with eight (8) Ayes, and one recusal (Mr. Arikawa).

**B. MATERIAL BID NO. 2013-06, FURNISHING AND DELIVERING WATER METERS, BRASS GOODS, FIRE HYDRANTS, VALVES, CHLORINATORS, PUMPS, PIPES, FITTINGS, SCADA, MOTORS AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK:**

Bids were received and opened on May 22, 2013, at 2:00 p.m. The contract period for all Parts is one year, from July 1, 2013 to June 30, 2014. All Parts are established price agreements for materials on an “As-Needed Basis.”

The Manager-Chief Engineer recommended that the Board award the contract to the following bidders for MATERIAL BID NO. 2013-06, FURNISHING AND DELIVERING WATER METERS, BRASS GOODS, FIRE HYDRANTS, VALVES, CHLORINATORS, PUMPS, PIPES, FITTINGS, SCADA, MOTORS, AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK, on an as-needed basis, as listed below, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel. The contract period shall be from July 1, 2013 to June 30, 2014.

<b>PART NO.</b>	<b>DESCRIPTION</b>	<b>BIDDER</b>	<b>AMOUNT</b>
<b>1</b>	DUCTILE IRON PIPE, PUSH-ON TYPE JOINT	Ferguson Enterprises, Inc.	\$78,454.01
<b>2</b>	DUCTILE IRON FITTINGS	Ferguson Enterprises, Inc.	\$28,965.90
<b>3</b>	FLANGE GASKETS	Ferguson Enterprises, Inc.	\$20,604.77
<b>4</b>	NUTS, BOLTS, AND THREADED RODS	AP Water Supply, Inc. dba HIW Hawaii	\$48,724.53
<b>5</b>	COPPER TUBING	Ferguson Enterprises, Inc.	\$92,663.05
<b>6</b>	GALVANIZED PIPES T&C (THREADED & COUPLED)	Ferguson Enterprises, Inc.	\$7,164.90
<b>7</b>	HIGH DENSITY POLYETHYLENE (HDPE) PIPE	Ferguson Enterprises, Inc.	\$222,143.58
<b>8</b>	METER BOXES	Ferguson Enterprises, Inc.	\$51,637.17
<b>9</b>	METER COVERS	AP Water Supply, Inc. dba HIW Hawaii	\$3,600.00
<b>10A</b>	AUTOMATIC METER READING UNIT	Ferguson Enterprises, Inc.	\$425.25
<b>11</b>	5/8" WATER METERS	Ferguson Enterprises, Inc.	\$73,499.53
<b>12</b>	1" - 2" WATER METERS	Ferguson Enterprises, Inc.	\$19,975.13
<b>13A</b>	COMPOUND WATER METERS	Ferguson Enterprises, Inc.	\$9,594.31
<b>14</b>	TURBINE METERS AND STRAINERS	Ferguson Enterprises, Inc.	\$21,638.62
<b>15A</b>	DETECTOR CHECK METERS	Ferguson Enterprises, Inc.	\$4,934.60
<b>16A</b>	FIRE SERVICE METERS	Ferguson Enterprises, Inc.	\$40,557.65
<b>17</b>	FIRE HYDRANTS	Ferguson Enterprises, Inc.	\$90,758.07
<b>18</b>	AMERICAN DARLING FIRE HYDRANT EXTENSION KIT	Ferguson Enterprises, Inc.	\$6,654.59
<b>19</b>	MUELLER FIRE HYDRANT EXTENSION KIT	AP Water Supply, Inc. dba HIW Hawaii	\$4,288.00
<b>20</b>	BALL METER VALVES	Ferguson Enterprises, Inc.	\$56,065.00
<b>21</b>	BALL VALVE, PACK JOINT X METER COUPLING / FIP	Ferguson Enterprises, Inc.	\$33,604.00
<b>22</b>	COMPRESSION JOINT COUPLING	Ferguson Enterprises, Inc.	\$5,253.20
<b>23</b>	PACK JOINT COUPLING	Ferguson Enterprises, Inc.	\$37,690.95

24	CORPORATION AND CURB STOPS – BALL TYPE	Ferguson Enterprises, Inc.	\$73,614.90
25	PRESSURE REGULATORS	Ferguson Enterprises, Inc.	\$981.55
26	HOSE BIBBS	Ferguson Enterprises, Inc.	\$3,007.79
27	INVERTED MARKING PAINT	Ferguson Enterprises, Inc.	\$9,567.13
28	AIR RELIEF VALVES	Ferguson Enterprises, Inc.	\$5,661.00
29	DUCKBILL CHECK VALVES	Ferguson Enterprises, Inc.	\$73,311.13
31	GATE VALVES – 3” AND LARGER, 125# CLASS	Ferguson Enterprises, Inc.	\$30,478.41
32	GATE VALVES – 3” AND LARGER, 250# CLASS	Ferguson Enterprises, Inc.	\$47,575.71
33	BUTTERFLY VALVES	AP Water Supply, Inc. dba HIW Hawaii	\$9,712.00
34	AUTOMATIC CONTROL VALVES	AP Water Supply, Inc. dba HIW Hawaii	\$1,178,655.00
35	ANTI-CAVITATION VALVES	Ferguson Enterprises, Inc.	\$234,599.69
37	INDUSTRIAL ACTUATOR	TK Process Hawaii, LLC	\$12,550.06
38	DIGITAL HIGH-RESOLUTION CONTROLLER	TK Process Hawaii, LLC	\$2,615.27
39	MECHANICAL SEALS	TK Process Hawaii, LLC	\$114,740.08
41	MOTORS	The Solaray Corp. dba Inter-Island Solar Supply	\$1,391,163.72
42	LOW HORSEPOWER VFD (1/4 HP – 15 HP 460 VAC)	TK Process Hawaii, LLC	\$14,118.67
43	SOLID STATE REDUCED VOLTAGE SOFT STARTER & SPARE PARTS	TK Process Hawaii, LLC	\$2,970,518.19
45A	SURGE PROTECTION DEVICES	Caltrol, Inc.	\$27,288.23
47	3 PHASE MONITOR RELAY	OneSource Distributors	\$1,707.00
49A	PRESSURE TRANSMITTER	TK Process Hawaii, LLC	\$1,367.00
50	LIQUID LEVEL SENSOR	TK Process Hawaii, LLC	\$8,027.14
51A	FLOW SWITCH	TK Process Hawaii, LLC	\$929.36
52A	ELECTROMAGNETIC FLOW METERS	AP Water Supply, Inc. dba HIW Hawaii	\$495,186.00
54	CIRCULAR CHART RECORDER	OneSource Distributors	\$174.40
57A	ENCLOSURES	Caltrol, Inc.	\$106,584.79
58	INDUSTRIAL MOTOR LEAD CABLE	OneSource Distributors	\$19,830.00
59	INDUSTRIAL CONTROL WIRING	Gexpro	\$2,808.90
60A	INDUSTRIAL ELECTRONIC COMPONENTS	Caltrol, Inc.	\$9,922.41
61	PRE-FABRICATED RTU PANELS	Control Systems West, Inc.	\$11,095.00
62	AUTOMATION AND CONTROL SYSTEM	Control Systems West, Inc.	\$49,694.25
64	UNINTERRUPTIBLE POWER SUPPLY (UPS)	OneSource Distributors	\$2,952.50
65	HIGH POWERED LICENSED RADIO EQUIPMENT	Caltrol, Inc.	\$2,400.00
66	LICENSED RADIO EQUIPMENT	Caltrol, Inc.	\$7,800.00
67	COMMUNICATION HARDWARE	Caltrol, Inc.	\$55,808.39
68	GROUNDING EQUIPMENT	TK Process Hawaii, LLC	\$519.86

<b>70</b>	CHLORINE GAS FEEDERS	OneSource Distributors	\$12,013.92
<b>72</b>	DIGITAL CHLORINE CYLINDER SCALES	TK Process Hawaii, LLC	\$5,959.85
<b>73</b>	CHEMICAL FEEDER PUMP	Caltrol, Inc.	\$6,881.39
<b>77</b>	LEAK NOISE DATA LOGGERS	Wong's Equipment & Service	\$30,490.84
<b>78</b>	HATCH FRAMES AND COVERS	BK, Inc.	\$6,490.00
<b>79A</b>	LIGHT EMITTING DIODE (LED) LUMINARIES	TK Process Hawaii, LLC	\$7,322.78

For the following Sections: 30 (Valve Box Debris Cap), 36 (Pump Control Ball Valves), 40 (Regenerative Turbine Pump), 44 (Non-Automatic Transfer Switch), 46 (Power Monitoring Equipment), 48 (Pressure Transducer), 53 (Venturi Differential Flow Meters), 55 (Paperless Digital Recorder), 56 (Autodialers), 63 (Programming Services), 69 (Chlorinators), 71 (Stand-Alone Chlorine Gas Detector), 74 (High Density Polyethylene (HDPE) Discharge Tubing), 75 (Water Quality Equipment), and 76 (Ultrafiltration Package Plant), no bids were received.

For the Sections where no bids were received, staff shall obtain quotations in the best interest of the Department.

Ms. Garson said that the Department had requested that the Board defer Section 59, involving the bid for Industrial Control Wiring.

ACTION: Mr. Perry moved to defer Section 59; seconded by Ms. Lee Loy, and carried unanimously by voice vote.

MOTION: Mr. Perry moved to approve all Sections above, minus Section 59; seconded by Mr. Kaneshiro.

The Manager-Chief Engineer explained that this list is to establish a price list, so that DWS has a price for items it needs during the course of the year. It does not necessarily mean that DWS will buy everything on the list.

Mr. Perry asked what Section 52A was.

The Manager-Chief Manager said that it was for electromagnetic flow meters, which are master meters that are installed on well sites or tank sites. The devices measure daily flows that serve a huge service area, he said.

Mr. Robinson asked about Section 41, listed as "Motors." He asked whether that referred to all motors, or certain types of motors.

Mr. Ikeda said that it refers to an array of motors of different sizes in use around the island. The total price is \$1.3 million, but it includes about 50 different types and sizes of motors.

Mr. Robinson asked if that price would be for one motor.

Mr. Ikeda said no, it is for the combination of all of the different motors. When DWS awards on this Section, the Department lists all of the motors, and puts a unit price on each motor. When DWS puts out the specifications for this Section, it is looking for the lowest price for the whole thing (i.e., the sum of all of the motors). He noted that it was the same case with Item 41 that Mr. Perry earlier asked about, i.e., the electromagnetic flow meters. The price is for all of the different sizes of meters, priced together.

The Manager-Chief Engineer asked how much a 6-inch meter would cost, for example.

Mr. Inaba said that combination meters cost around \$2,000.00, while other types cost under \$1,000.00.

The Manager-Chief Engineer said that this shows the Board the magnitude as far as the cost of the meters, compared with a regular house meter, which costs about \$45-50.

ACTION: Motion carried unanimously by voice vote.

**C. MATERIAL BID NO. 2013-03, FURNISH BASE COURSE, SAND, COLD MIX, HOT MIX, PORTLAND CEMENT AND NO. 3F ROCK TO THE DEPARTMENT OF WATER SUPPLY:**

Bids for this contract were opened on May 16, 2013, at 1:30 p.m., and the following are the bid results.

		<b>Yamada &amp; Sons, Inc.</b>	<b>WHC LTD dba West Hawai'i Concrete</b>	<b>Grace Pacific Corp.</b>	<b>Jas. W. Glover, Ltd.</b>
	<b>DISTRICT I:</b>				
A.	3/4-Inch Base Course (Cost per ton)	\$17.00	No Bid	No Bid	\$33.00
B.	1½-Inch Base Course (Cost per ton)	\$16.00	No Bid	No Bid	\$31.00
C.	No. 3F Rock (Cost per ton)	\$25.00	No Bid	No Bid	\$41.00
D.	#4 Sand (Cost per ton)	\$50.00	No Bid	No Bid	\$40.00
E.	Mortar Sand - ASTM C144 (Cost per ton)	No Bid	No Bid	No Bid	\$64.00
F.	Portland Cement 94 lb. bags (Cost per bag)	No Bid	No Bid	No Bid	\$32.00
G.	Cold Mix- ASTM D4215-87 (Cost per ton)	\$149.00	No Bid	No Bid	\$145.00
H.	Blended Material 60% #4 Sand and 40% No. 3F Rock (Cost per ton)	\$52.10	No Bid	No Bid	\$57.00
I.	Hot Mix – County Mix IV	\$153.00	No Bid	No Bid	\$143.00
	<b>DISTRICT II:</b>	<b>Yamada &amp; Sons, Inc.</b>	<b>WHC LTD dba West Hawai'i Concrete</b>	<b>Grace Pacific Corp.</b>	<b>Jas. W. Glover, Ltd.</b>
A.	3/4-Inch Base Course (Cost per ton)	No Bid	\$12.22	No Bid	No Bid
B.	1½-Inch Base Course (Cost per ton)	No Bid	\$11.06	No Bid	No Bid
C.	No. 3F Rock (Cost per ton)	No Bid	\$17.00	No Bid	No Bid
D.	#4 Sand (Cost per ton)	No Bid	\$21.34	No Bid	No Bid
E.	Mortar Sand - ASTM C144 (Cost per ton)	No Bid	\$40.54	No Bid	No Bid
F.	Portland Cement 94 lb. bags (Cost per bag)	No Bid	No Bid	No Bid	No Bid
G.	Cold Mix- ASTM D4215-87 (Cost per ton)	No Bid	No Bid	No Bid	No Bid

	<b>DISTRICT III:</b>	<b>Yamada &amp; Sons, Inc.</b>	<b>WHC LTD dba West Hawai'i Concrete</b>	<b>Grace Pacific Corp.</b>	<b>Jas. W. Glover, Ltd.</b>
A.	3/4-Inch Base Course (Cost per ton)	No Bid	\$17.17	No Bid	No Bid
B.	1½-Inch Base Course (Cost per ton)	No Bid	\$15.82	No Bid	No Bid
C.	No. 3F Rock (Cost per ton)	No Bid	\$22.73	No Bid	\$60.00



No report.

F. **ENERGY MANAGEMENT ANALYST UPDATE:**

Ms. Myhre explained to the two new Board members that her job is to monitor the Department's energy use, to seek avenues of energy efficiency, to save DWS money on its HELCO bills, and to seek opportunities for generating electricity within the water system. She said that every quarter she prepares a Green Initiatives report, which she distributed through the Board packets this month. Among the highlights, Ms. Myhre said the Department was averaging about 7,300 gallons of diesel and gasoline use per month during the first three months of 2013. That is below what DWS has been averaging in fuel use the past couple of years, she said.

Ms. Myhre said she also tracks recycling at the Department's baseyards and the Main Office. Recycling has been fairly steady, and in fact has increased a bit recently. On power generation, DWS has three hydro-generators: at the Waimea Treatment Plant, in Kaloko near Costco, and at the Kahalu'u Shaft. In Waimea, the electricity is used on-site and excess electricity there is sold to HELCO. At the Kaloko site, all of the electricity is sold back to HELCO, and at the Kahalu'u Shaft, all of the electricity is used on-site to operate DWS's motors. At that one site, the hydro-generator has pretty much paid for itself in terms of energy savings.

Ms. Myhre explained the Rider M contracts that DWS has with HELCO, whereby DWS has agreed to shut the motors off at 11 wells during peak hours. In exchange, DWS gets a discount on electricity from HELCO. She noted that the amount of discount that DWS gets under Rider M has dropped from a high of \$27,000.00 a month in savings in 2011 to \$20,000.00 a month. The drop in discounts comes when DWS needs to run a Rider M well during peak hours. This happens when a nearby well goes down and the nearest Rider M well is kept running to compensate. Ms. Myhre is meeting with the Kona Baseyard electrician and HELCO tomorrow, to show them the benefits to DWS of the Rider M program. They will also look at what happened over the past year, when DWS had to shut off the timers of some of its Rider M wells' motors and run during the peak period (and thus lose out on the discount from HELCO).

DWS is currently reviewing a Power Purchase Agreement (PPA) with Site Constructors for the Lālāmilo Windfarm repowering project. Site Constructors, the contractor recently chosen for the windfarm project, also owns the windfarm at Hāwī. DWS is looking at an in-service date of 2015 for the Lālāmilo Windfarm.

Mr. Perry asked why the in-service date was 2015.

Ms. Myhre said DWS is in the process of doing an Environmental Assessment (EA), which takes time to complete. The bat surveys have begun, and there will be a need for various bird surveys as well. The surveys must be done during the migration period, she said. The design needs to be done, and HELCO needs to approve an inter-connect agreement. That will all take time, she said. DWS also needs to get a final lease from the Department of Land and Natural Resources (DLNR) for the 80-acre site. That lease approval will occur only after the EA is done. With all these steps to undergo, an in-service date of 2015 has been predicted.

Mr. Greenwell told Ms. Myhre that his associates had recently gotten a better rate from HELCO on stand-by pumping for the Department of Agriculture's two wells in Waimea.

Ms. Myhre received that news with great interest.

Mr. Greenwell said his associates had pleaded the case with HELCO, and HELCO gave them a slightly better rate and a slightly better pump testing schedule. He advised Ms. Myhre to nudge HELCO to get a better deal for DWS.

Regarding the Rider M contracts, Mr. Uyeda asked if the contracts are specifically for DWS's Kona wells or for wells island-wide.

Ms. Myhre said the Rider M program covered 11 wells island-wide, whose motors are shut off during the peak hours of 5:00 p.m. to 9:00 p.m.

Mr. Uyeda asked if the reason to run the Rider M wells during peak time was due to mechanical or operational circumstances.

Ms. Myhre said DWS shuts a Rider M well's motor's timer off when other wells in the same system are not pumping enough water to meet demand. DWS makes sure that there is enough storage, etc. The scenario is that a primary well in the same area that feeds water to the system goes off-line, and therefore a Rider M well that normally shuts off during peak hours has to go back on because there is not enough water to meet demand.

Mr. Robinson asked about Site Constructors; he asked if that was Mr. Michael Saffelt's group.

Ms. Myhre said no, it is Mr. Richard Horn and his group, based in 'Upolu, near the airport in Kohala.

Mr. Robinson asked if Site Constructors had to do an EA for their windfarm up there.

Ms. Myhre confirmed this; Site Constructors is very familiar with the process. They are doing an ongoing survey of various species, and so they are on top of the whole process, she said.

Mr. Robinson asked if the EA is a condition or a requirement for the issuance of the lease for the site.

The Manager-Chief Engineer said that it is a DLNR requirement; DWS must do an EA for DLNR's review and approval of the lease.

Mr. Robinson noted that DLNR has committed to issue the lease to DWS, provided that DWS fulfills those conditions.

Ms. Myhre confirmed this; DWS has an approval-in-concept, in writing, and DWS has access to the property.

Mr. Perry asked whether, under the Rider M program, the pumps are dedicated. He asked whether DWS can swap off the Rider M benefits to any well when one well goes down.

Ms. Myhre said that DWS cannot swap off to another meter; the Rider M contract is with a particular meter. She explained that at a Rider M site, DWS is essentially curtailing demand. Under Rider M, HELCO looks at the average demand for three months or so, and gives DWS a credit based on that curtailed demand for the site. Each Rider M site has its own Rider M contract, she said.

G. **MONTHLY PROGRESS REPORT:**

Chairperson Taniguchi asked about the comments on the Ola'a No. 6 Production Well project in Puna. One comment said that the project was put on hold as of April 25. The project was 96.9 percent completed, and the last comments said that the contractor was to test again in mid-April. The Chairperson asked the Manager-Chief Engineer to explain what happened.

The Manager-Chief Engineer said that this project was where a sub-contractor was electrocuted. During the last month or so, insurance people and attorneys have been investigating, and DWS has asked the contractor to stay off the site until the investigation is complete. DWS wants to make sure that

everything is safe to go back in, he added. He confirmed that the project was nearly complete when the incident took place.

#### H. **REVIEW OF MONTHLY FINANCIAL STATEMENTS:**

Chairperson Taniguchi asked about the entry under Engineering, Contractual Services and Operations; he asked what caused that to be above budget.

Mr. Sumada said the Contractual Services account was charged for some reservoir fees levied by DLNR; these fees are new ones recently imposed on DWS.

Chairperson Taniguchi asked whether the consulting fee for the Hawaiian Ocean View Estates project was part of the same account.

Mr. Sumada said no, that was separate. It referred to consulting fees for work done by Mr. Tom Nance on the project design.

Chairperson Taniguchi asked Mr. Sumada to talk about the Operations account dealing with the clear-water reservoir.

Mr. Sumada explained that for larger projects, DWS sets up Engineering Work Orders (E.W.O.'s) that will accumulate all of the costs that are incurred on the project. Payments to contractors, for example, are primarily the larger amounts that hit those E.W.O.'s, he said. The Work Orders stay open until the project is completed, and can stay open for two or three years or so. It depends on how long it takes to finish the project, Mr. Sumada said. While those Work Orders accumulate, those costs do not appear on DWS's Income Statement as an expense; they show up on DWS's Balance Sheet as "Construction Work in Progress," which is an asset. When the project is completed, DWS closes out the Work Order, and it stays on the Balance Sheet, but the dollar amounts from that "Work in Progress" are moved to Fixed Asset Accounts, such as reservoirs, transmission lines, etc. Those are asset accounts which DWS then depreciates over the life of the asset. In the present case with the Operations budget, some of the costs that were closed down – instead of being capitalized to fixed assets – were transferred as *expenses* in the Operations budget. Because those costs typically relate to large projects, the amounts that get expensed are larger amounts that tend to throw off Mr. Ikeda's Operations budget, Mr. Sumada said.

Mr. Ikeda jokingly said it was not his fault.

Mr. Sumada said that every now and then, these costs have to be transferred to the expense account; Mr. Ikeda indeed has no control over unforeseen costs like this that hit during the course of the year.

#### H. **MANAGER-CHIEF ENGINEER'S REPORT:**

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

- 1) Kawailani Tank update – The contractor continues to do work on-site; Mr. Inaba is in close contact with the contractor to ensure that work continues. The directive is to ensure that this project is done, and Mr. Inaba is on it. DWS still needs to get more definite costs on the items that still need to be done, so that DWS can execute a change order. There will be additional costs because of the long delays in this project, the Manager-Chief Engineer said. DWS will just have to eat these additional costs; DWS will bring that before the Board when the contractor submits his costs.
- 2) Pu'ukala/Kona Ocean View Properties Subdivision Improvement District Update – The County Council is scheduling a Public Hearing in Kona next week regarding this project. Once the Public Hearing is held, the Council will be able to approve the ordinance to establish the Improvement District. At that point, DWS will be able to execute the Agreements with the Bond Counsel and the U.S. Department of Agriculture, and then issue the Notice to Proceed to

- 4) Public Information and Education Specialist Update –Ms. Aton said there were some meetings regarding the Kalaoa Deep Well site, which will be dealt with today in Executive Session. There were also meetings regarding the incident at the Ola‘a No. 6 Well project. The Department is preparing for the Public Hearing on the Pu‘ukala/Ocean View Properties Subdivision Improvement District next week. DWS has participated in the Mayor’s talk-story sessions regarding the County Budget in Honoka‘a, Kona, Pāpa‘ikou and Hilo. Mr. Robinson asked what was wrong with the Ocean View well. The Manager-Chief Engineer said that the motor had burned out, and the motor has been sent to the Mainland for investigation. Mr. Inaba said that the motor was to be taken apart to ascertain what caused it to burn out. Mr. Robinson asked whether there might be too much solid material in the well water. The Manager-Chief Engineer said no, he did not think so. Mr. Greenwell asked if DWS had incurred liability on the motor and pump, as far as having to ship the motor back; he asked if that was the Department of Public Works’ (DPW’s) responsibility. The Manager-Chief Engineer said that DWS had operated the pump and motor for just over a year, and the warranty period had expired. The repair and maintenance of the pump and motor were DWS’s responsibility. Mr. Greenwell asked whose responsibility it is if the currently operating motor fails after the warranty period. The Manager-Chief Engineer said that DPW is not involved at all. When DWS took over the operation and maintenance of this system, the County had actually assigned the operations and maintenance to DWS. Therefore, the only responsibility that DPW has is to pay for the water that is being used at the spigot site, as well as the maintenance of the spigot site itself. As far as the overall system operation and maintenance, it is purely DWS’s responsibility. The Manager-Chief Engineer pointed out that DWS is keeping close tabs on the costs to run the system. If the costs exceed normal rates, DWS may have to impose special rates on whoever is purchasing water off of this system, i.e., the water haulers and DPW. The costs include the repair and maintenance of the facility, he noted. Mr. Robinson asked if the brouhaha involving the water haulers has blown over. The Manager-Chief Engineer said that the Legislative Auditor has been in contact with DWS for information, and DWS will be meeting with the Legislative Auditor sometime next week to iron out some of the details regarding the Legislative Auditor’s study. That study is still being worked on, he said. Ms. Aton said that the atmosphere among the community has undergone a nice change since last year. DWS has gotten thanks from the community following the well repair. Chairperson Taniguchi noted that the scope of the Legislative Auditor’s audit was to determine whether or not the Department followed the Department’s rules (on allotting the meters at the Ocean View facility). The Department was specific on what the audit would cover; DWS needs to make that clear. The Manager-Chief Engineer said yes, the fact that DWS did follow its rules was one part of it; moving forward, the question is what will be the next step. There will be recommendations from the Legislative Auditor regarding what DWS will do in the next situation, he said.

J. **CHAIRPERSON’S REPORT:**

Chairperson Taniguchi noted that earlier in the month, he, Ms. Lee Loy, Mr. Greenwell and Mr. Perry had attended the AWWA Hawai‘i section conference on Oahu. He said that attendance at such conferences was really valuable, and he encouraged all of the Board to take the opportunity to attend conferences to learn more about water. He reminded the attendees at the AWWA conference to submit their trip reports to Ms. Doreen Jollimore, the Department’s Private Secretary.

8) EXECUTIVE SESSION RE: KALAOA WELL AND RESERVOIR SITE AND ACCESS:

The Water Board convened an executive meeting, closed to the public, pursuant to Hawai'i Revised Statutes, Sections 92-4, 92-5(a)(4), and 92-5(a)(8) 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.

9) EXECUTIVE SESSION RE: QUEEN KA'AHUMANU HIGHWAY WIDENING – PHASE 2 PROJECT:

The Water Board convened an executive meeting, closed to the public, pursuant to Hawai'i Revised Statutes, Sections 92-4, 92-5(a)(4), and 92-5(a)(8) 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.

ACTION: Mr. Perry moved to go into Executive Session for Item 8, regarding KALAOA WELL AND RESERVOIR SITE AND ACCESS and Item 9, QUEEN KA'AHUMANU HIGHWAY WIDENING – PHASE 2 PROJECT; seconded by Ms. Lee Loy, and carried unanimously by voice vote.

*(The Board recessed at 10:52 a.m., and reconvened for Executive Session at 11:01 a.m. The Executive Session ended at 11:45 a.m.)*

ACTION: Ms. Lee Loy moved to follow Corporation Counsel's recommendation, which authorizes the Chairperson to collaborate with Corporation Counsel to send a letter to the DOT with the support of the Board, with copies of the letter to the legislators; seconded by Mr. Perry, and carried unanimously by voice vote.

10) ANNOUNCEMENTS:

1. Next Regular Meeting:

The next meeting of the Water Board will be held at 10:00 a.m. on June 25, 2013, 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 on July 23, 2013, at 10:00 a.m. on June 25, 2013, at the Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

11) ADJOURNMENT

ACTION: Mr. Uyeda moved to adjourn; seconded by Ms. Lee Loy, and carried unanimously by voice vote.

Chairperson Taniguchi adjourned the meeting at 11:47 a.m.

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Secretary

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.

*The Department of Water Supply is an Equal Opportunity provider and employer.*

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.*