

## MINUTES

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

December 20, 2016

Hilo Operations Conference Room, 889 Leilani Street, Hilo, HI

MEMBERS PRESENT: Mr. Craig Takamine, Chairperson  
Mr. Russell Arikawa, Vice-Chairperson  
Mr. Leningrad Elarionoff  
Ms. Brenda Iokepa-Moses  
Ms. Susan Lee Loy  
Ms. Kanoe Wilson  
Mr. Keith K. Okamoto, Manager-Chief Engineer, Department of Water Supply (ex-officio member)

ABSENT: Mr. Bryant Balog, Water Board Member  
Mr. Jay Uyeda, Water Board Member  
Director, Planning Department (ex-officio member)  
Director, Department of Public Works (ex-officio member)

OTHERS PRESENT: Ms. Amy Self, Deputy Corporation Counsel  
Mr. Ronald Kim, Deputy Corporation Counsel  
Mr. Gerald Yamada, GW Construction  
Ms. Wendy Yamada, GW Construction  
Mr. Eleot Kaipō, Qualified Plumbing  
Mr. Dwight Kokubun, AIA Lectrician  
Mr. Dayle Kajiyo, AIA Lectrician

#### Department of Water Supply Staff

Mr. Kawika Uyehara, Deputy  
Ms. Janet Snyder, Information and Education Specialist  
Mr. Kurt Inaba, Engineering Division Head  
Mr. Richard Sumada, Waterworks Controller  
Mr. Clyde Young, Operations Division  
Mr. Eric Takamoto, Operations Division (11:15 a.m.)

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

#### STATEMENTS FROM THE PUBLIC

1. Mr. Gerald Yamada, GW Construction

MR. YAMADA: Good morning Board Members. (Board Members greeted Mr. Yamada.) My name is Gerald Yamada. I'm with GW Construction. (Mr. Yamada handed out some information to the Board Members.) I'm here to speak on..., we recently completed the Laupāhoehoe Reservoir and

Pump Station for you folks and then we heard that there might be some liquidated damage charges for going over the timeframe. So the reason I'm here..., how long I can talk? (The Manager-Chief Engineer replied three minutes). Three minutes. So the reason that we came today..., we came along with two of our subcontractors, AIA Electric (sic) and Qualified Plumbing, to explain why that delay was and ask that you consider a few changes in your General Conditions. So the two main..., the biggest delay in the project was a delay in our..., was from Dynatek, with the motor control center. So all of your projects usually have a motor control center, which is, you know, right in the control building. And what they had happen was they had problems getting their submittals approved and so, you know, the equipment came in late; and that was one of the major causes of the delay. We noticed in your General Conditions, it does not allow for items beyond the control of the contractor. So like if a..., um, so the other subcontractor also had a pump that came in wrong. And because they're highly specialized, it's not something you can go down to HPM and pick up. It has to be rebuilt and you have to wait for it and, you know, it takes a long time to get it. So we brought a copy of the State Procurement Law, which does allow for delays beyond the control of the contractor and then we brought a copy..., I think we have a copy of the DWS Standard also which does not allow it. And we're asking if you can take that into consideration before..., on this project. The..., after me, Dynatek is going to speak and they'll tell you what was the delay in their submittal and their equipment.

CHAIRPERSON TAKAMINE: Thanks Gerald. Up next we have Dwight Kokubun from AIA.

2. Mr. Dwight Kokubun, AIA Lectrician

MR. KOKUBUN: Good morning (Water Board greeted Mr. Kokubun). I'm Dwight with AIA Lectrician, and we use Gexpro, our supplier, and we use Dynatek to supply our MCC equipment. So basically what we're asking is please look at the timelines that we sent out and look at the submittal process--took kind of long. In the beginning, we submitted the submittals and five months later, was approved, or certain items were not approved. And two weeks later, Dynatek did come out with the new submittals and that review took another two months; and..., you know, when we look at the MCC, we supply power conduits, control, wiring, you know..., the actual equipment that is being supplied, we're not qualified to look at it or approve or, you know, to build the MCC. So we're not able to see what's wrong with the MCC itself except what is showing on the drawing. So we're just asking to please look at the timeline and, you know, that delay, is in the submittal process, did hold the job back. Thank you.

CHAIRPERSON TAKAMINE: Thank you. Up next, we have Eleot Kaipo from Qualified Plumbing.

3. Mr. Eleot Kaipo, Qualified Plumbing

MR. KAIPO: Good morning. (Board Members greeted Mr. Kaipo.) I'm Eleot Kaipo with Qualified Plumbing. We did booster pumps and the chlorination system. What I'm asking is, geez, you know, there was a lot of delays on the (indiscernible)..., one of them was booster pump came in wrong. Manufacturer..., called them up..., they didn't get back to me in early enough time to do it, so we got with the project engineering and everything else to focus on how to deal with the problem, which took a lot of delays. And then the pump is not where you can just send 'em back and bring 'em back. It took longer than what we expected to finish. So with the unforeseen things, we took it with project manager to proceed and to use that pump. And then that's what kind of delayed the project on everything. So, just asking, you know, all the delays and stuff, I mean, consider all that kind stuff. So thank you. Have a nice Christmas.

MANAGER-CHIEF ENGINEER: Mr. Chair, if I may provide statements just from our side. I know this item is not for discussion, but I just wanted to provide the Board with some information from the Department's perspective, if that's okay. And I'll keep it to three minutes or less. Okay, so these contractors..., we have no question on their contracting ability and their reputation and their ability to do good work. So I think we hear their concerns and we've been made aware of the differences between our GRC's and the HRS. So staff will look into that and see what's fair. And what we can do is bring it back to the Board for future discussion. As far as submittals, what kind of things they were talking about is typical for all of our projects; but if a subcontractor or a supplier provides..., these MCC drawings are quite complicated. It's a lot of detailed drawing. Now if they deviate from the design..., so the submittal review really depends on how close they are to the original design. If it deviates any way, it takes our designers some time to review these submittals and get it back to them. So it's not something that can be turned around in a week or so. It's an actual engineering review. So I just wanted to clarify a few of those points. Again, terrific contractors; we had a great product at the end. It's just that per our GRC's, we are required to only allow for time extensions for certain conditions, and that's what we followed.

CHAIRPERSON TAKAMINE: Thanks Keith.

*(Members of the public left the meeting at 10:12 a.m.)*

#### APPROVAL OF MINUTES

ACTION: Mr. Arikawa moved for approval of the Minutes of the November 22, 2016, Water Board Meeting; seconded by Ms. Wilson and carried unanimously by voice vote.

#### APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA

ACTION: Ms. Lee Loy moved to add Addendum Item No. 6(B) JOB NO. 2013-994, KEAHUOLŪ (QUEEN LILI'UOKALANI TRUST) DEEPWELL REPAIR to the Agenda; seconded by Ms. Iokepa-Moses and carried unanimously by roll call vote (Ayes: 6 – Mr. Arikawa, Mr. Elarionoff, Ms. Iokepa-Moses, Ms. Lee Loy, Ms. Wilson, and Chairperson Takamine; Absent: 2 – Messrs. Balog and Uyeda).

The Manager-Chief Engineer asked if the Board could move up Agenda Items 6(C) and (D) on the Agenda.

Chairperson Takamine asked to move to Item 6(C) regarding the National Park Service Petition to Designate the Keauhou Aquifer as a Groundwater Management Area.

#### MISCELLANEOUS:

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

The Manager-Chief Engineer reported that staff had some updates for the Board, and it does involve some matters that should probably be discussed in Executive Session, as it pertains to matters that relate to the legal rights and liabilities that the Board and the Department may be faced with on this particular subject matter.

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

ACTION: Ms. Lee Loy moved that the Board go into Executive Session 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; seconded by Mr. Arikawa and carried unanimously by voice vote.

(Executive Session began at 10:14 a.m. and ended at 11:15 a.m.)

**NORTH KOHALA:**

**A. MEMORANDUM OF UNDERSTANDING FOR THE HALA'ULA WELL AND TANK SITE IN THE DISTRICT OF NORTH KOHALA, TMK (3) 5-3-004:001:**

The Department of Water Supply has reached an agreement to acquire a portion of Tax Map Key (3) 5-3-004:001 for a well and reservoir site, including an easement, and obtain an immediate right of entry for survey and construction purposes. This Memorandum of Understanding identifies the responsibilities of the owner and the Department as a means to distinguish the modifications to our typical dedication documents where a developer is responsible for the water system improvements and conveys the improvements to the Water Board.

Staff has reviewed the Memorandum of Understanding and finds the terms of the document acceptable.

The Manager-Chief Engineer recommended that the Water Board approve the subject Memorandum of Understanding subject to the review and approval of Corporation Counsel and that the Chairperson or Vice-Chairperson be authorized to sign the documents.

MOTION: Ms. Wilson moved for approval of the Recommendation; seconded by Mr. Arikawa.

The Manager-Chief Engineer stated that just this morning, the Board was handed several versions of this document, but the version showing a date at the bottom left of October 10, 2016, is the one that was on the Agenda. Yesterday afternoon, the Department was made aware of some revisions that the land owner wanted to incorporate in the Memorandum of Understanding. However, upon review this morning, staff is not comfortable with most of those proposed revisions. The option is to move ahead and approve the one dated October 10, 2016, or defer to allow the Department and Mr. Ronald Kim, Deputy Corporation Counsel, to work it out with the land owner. The Manager-Chief Engineer's recommendation was to proceed "as-is" today with the version that the Department was comfortable with. The Department has been going back and forth on this issue for quite some time. He felt that the version dated October 10, 2016, is what the Department would recommend approval on by the Board, and not the one that was just handed out this morning.

Mr. Arikawa asked if the Manager-Chief Engineer would rather defer. Upon Mr. Elarionoff's question of the reason to defer it, Mr. Arikawa replied it would be to review the new version dated December 19, 2016.

The Manager-Chief Engineer replied that could be done; however, it would then go back to the land owner because the Department is not in agreement with the latest revisions.

Mr. Arikawa asked if the Department is comfortable approving the version dated October 10, 2016.

Mr. Kim was asked to provide additional information. He stated that he did not have anything to add, other than the fact that the land owner's attorney sent some proposed revisions yesterday afternoon, most of which the Department is not on board with. That is why the Manager-Chief Engineer is asking that the version to approve is the one the Corporation Counsel's office had sent over to their attorney.

AMENDMENT TO MOTION: Ms. Iokepa-Moses moved to accept the October 10, 2016, version of the document; seconded by Mr. Elarionoff.

Ms. Wilson asked what it is the Department is not comfortable with on the attorney's version.

The Manager-Chief Engineer replied that in Item No. 2, Acquisition Value, the Department's proposed language would be "the just compensation for the property is agreed to be 95,000 US dollars." Their proposed language is "the just compensation for the *condemnation* of the property is agreed to be \$95,000.00." However, the Department has not proceeded with condemnation. Condemnation could result in a value that is lower. The Department is offering the \$95,000.00 as a mutually-agreeable purchase price. A few months back, the Department brought the Resolution to the Board to proceed with condemnation proceedings if need be. An appraisal had been done with the criteria that are required to proceed with condemnation, and that value came in at zero. In order to proceed with this project in a mutually-agreeable fashion, the Department proposed the first appraisal of \$95,000.00 to the landowner, and this first appraisal was done some years back. The current appraisal is zero. The landowner was given the option of being paid \$95,000.00; otherwise, the option of condemnation is there to proceed with. The Department does not agree with their language because it would negate the appraisal that was most recently done. There are other concerns, including the narrowed scope for the Right of Entry, which is in conflict with the language of the Right of Entry document. For whatever reason, they want to specify what the Right of Entry allows the Department to do in this document, which is not consistent with the language in the actual Right of Entry document, the next item on the Agenda. There was some other indemnification language in Item 12, i.e., the addition of Item 12.4, that perhaps Mr. Kim could expand upon.

Mr. Kim explained that he looked at the revisions in Paragraph 12, and did not see them as substantive, meaning they did not really change the party's rights and liabilities, but their attorney tried to make it read more clearly. Item 12.4 broke down definitions, which made it read a little easier. Paragraph 12 was not seen as being problematic, as were Paragraphs 2 and 3.

Ms. Lee Loy commented that they have had since October 2016, and had only passed over a draft a day ago. It puts the Board and the Department in an awkward position. They were given more than ample time to provide comments. She supports the Motion as amended today.

The Manager-Chief Engineer agreed, and said that his recommendation is to move forward with the language that the Department proposed; if they do not accept that, the condemnation process can proceed.

ACTION: Motion was carried unanimously by voice vote.

**B. RIGHT OF ENTRY FOR THE HALA'ULA WELL AND TANK SITE IN THE DISTRICT OF NORTH KOHALA, TMK (3) 5-3-004:001:**

*(This Item was deferred from the November 22, 2016, Board meeting.)*

The Department of Water Supply is working to acquire a portion of Tax Map Key (3) 5-3-004:001 for a well and tank site. In order to begin the design work prior to completion of the acquisition, DWS intends to execute a Right of Entry Agreement with the land owner.

The Manager-Chief Engineer recommended that the Water Board approve the subject Right of Entry Agreement for the Hala'ula Well and Tank Site in the District of North Kohala, Tax Map Key (3) 5-3-004:001, subject to review and approval of Corporation Counsel, and that the Manager-Chief Engineer or the Deputy be authorized to sign the documents.

MOTION: Mr. Arikawa moved for approval of the recommendation; seconded by Ms. Wilson.

The Manager-Chief Engineer stated that the Department is comfortable accepting the Right of Entry that was provided with the Agenda, dated December 12, 2016, in the lower left corner of the document. He did not think there were any revisions like there were to the Memorandum of Understanding.

Mr. Kim added that there was one revision, but it was not substantive. When he was revising and editing the document, he cut out the party's name, Halawa, on the last page. It should say Halawa NW LLC on that signature block above "By Its." That is the only thing they had changed; they added that name back in.

The Manager-Chief Engineer informed the Board that, as with all agreements and memorandums of understanding, etc., the approval by the Board allows for some of these non-substantive changes to be made by Corporation Counsel after the fact -- things like typos or discrepancies that are minor in nature.

Mr. Inaba pointed this project out on a map and explained the purpose of it. The Department currently has two sources in Hāwī that come across the Akoni Pule State Highway, and end near the Kohala Hongwanji Mission. This project will provide a redundant source to the system; and with that redundancy, the Department can evaluate its availability of water. Currently, the sources are all on one side of the system. This will not be able to feed all the way back to Hāwī, but it does increase water availability, and will take care of all the sources in Hala'ula, plus accept water from the Hāwī side. Increasing redundancy makes water more available.

The Manager-Chief Engineer added that hopefully in the near future, after staff does an evaluation on the additional capacity within the system, the Department can adjust what it calls water availability guidelines, and allow for people to do small two- or three-lot subdivisions. The current limit is one meter per pre-existing lot.

ACTION: Motion was carried unanimously by voice vote.

#### NORTH KONA:

##### **A. JOB NO. 2013-994, KEAHUOLŪ (QUEEN LILI'UOKALANI TRUST) DEEPWELL REPAIR:**

*[Correction to Addendum numbering 6(c)]*

The contractor, Beylik Drilling and Pump Service, Inc., has requested a contract time extension to February 28, 2017. The Department had requested the contractor to suspend work on the well extraction and installation portion of this repair due to system demand requirements making this well essential while ongoing repairs were being conducted to other North Kona wells, which are a part of the same water system. Repairs to the other wells had been a priority before allowing the contractor to proceed with taking Keahuolū Deepwell out of service for repairs to ensure sufficient capacity to meet demand. Due to the failure of the Keauholū Deepwell on December 13, 2016, the contractor was notified the same day to proceed with repairs.

1<sup>st</sup> time extension – 92 calendar days

2<sup>nd</sup> time extension – 929 calendar days

The Manager-Chief Engineer recommended that the Board approve a contract time extension to Beylik Drilling and Pump Service, Inc., of 929 calendar days for JOB NO. 2013-994, Keahuolū (Queen Lili‘uokalani Trust) Deepwell Repair. If so approved, the contract completion date will be revised from August 14, 2014, to February 28, 2017.

MOTION: Ms. Lee Loy moved for approval of the recommendation; seconded by Ms. Wilson.

The Manager-Chief Engineer explained the reason for this request. In 2013, this well was showing signs of failure, so it was put out to bid for repairs. Subsequent to that bid being awarded and the contract being executed, the Department had other wells that were down -- one of them being the Hualālai Well. The Keahuolū Well was still managing to limp along, so in order to continue to provide high-quality water to customers in the region of the Hualālai Well, the Department decided to pause on this contract. The other option, at that time, would have been to close out the contract and re-bid at a later time. However, knowing the condition of the well, it was better to keep it open after already going through the procurement process and receiving a competitive bid. The contractor had already ordered the material (pump, motor, and pump cable), and the rest of the materials were to be ordered at the time of repair. The Department is now seeking to proceed with the rest of the project scope, and continue with the well repair.

Ms. Wilson asked if this could have been considered an emergency repair.

The Manager-Chief Engineer replied that the Department wants to ensure that it uses the emergency procurement procedures as intended by the Code; it has to be an impending threat to health. The Department has other sources available for use, including basal sources; and therefore, in his capacity as Chief Procurement Officer for the Department, the Manager-Chief Engineer could not consider it an emergency, because there are other sources available, albeit not at the same quality. The Department has not terminated service to any of its customers due to this well being down. It is just a matter of shifting the sources being used.

Ms. Lee Loy asked when the pause button was hit on this contract.

The Manager-Chief Engineer replied that the original completion date was August 14. Because the contractor already had the materials ordered, it would be basically the pull/push phase of the work; the contractor is confident they can get it done by February 28, 2017, which is why the time extension was set the way it is.

When asked if there would be extra costs, the Manager-Chief Engineer replied there may be price escalation, and that would be per the Department’s GRC’s (General Requirements and Covenants) and the State Procurement Code. The understanding is that this escalation cost would fall within contingency. He noted that the project engineer made sure the contractor did not do any unnecessary work, and stayed within the available contingency.

ACTION: Motion was carried unanimously by voice vote.

#### MISCELLANEOUS:

##### A. DEDICATIONS:

The Department has received the following document 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. Partial Cancellation of Lease**

Lessor: Pu‘a Foundation aka The Board of the Hawaiian Evangelical Association  
 Lessee: Water Board of the County of Hawai‘i  
 Tax Map Key: (3) 2-5-001:011 and 012 portions

The Manager-Chief Engineer recommended that the Water Board accept this document subject to the approval of the Corporation Counsel, and that either the Chairperson the Vice-Chairperson be authorized to sign the document.

ACTION: Ms. Wilson moved for approval of the recommendation; seconded by Ms. Lee Loy and carried unanimously by voice vote.

**B. VEHICLE BID NO. 2016-10, FURNISHING AND DELIVERING VEHICLES TO THE DEPARTMENT OF WATER SUPPLY:**

Bids were opened on December 8, 2016, at 2:00 p.m., and the following are the bid results:

	<b>Inter Pacific Motors, Inc., dba Orchid Isle Auto Center</b>	<b>IK Motors, Inc., dba Kamaaina Motors</b>	<b>Big Island Motors, Inc., dba Hilo Kona Mazda Subaru Hyundai</b>
<b>Part “A”</b> One (1) only 2016 or later, 1-ton crew cab with service body pickup, 4-wheel drive Total delivery price: Delivery time (calendar days):	<b>\$48,952.24</b>  240	\$51,212.17	No Bid
<b>Part “B”</b> One (1) only 2016 or later, full-size pickup with extended cab, service body, 4-wheel drive Total delivery price: Delivery time (calendar days):	<b>\$41,670.97</b>  240	No Bid	No Bid



	<b>Inter Pacific Motors, Inc., dba Orchid Isle Auto Center</b>	<b>IK Motors, Inc., dba Kamaaina Motors</b>	<b>Big Island Motors, Inc., dba Hilo Kona Mazda Subaru Hyundai</b>
<p><b>Part “C”</b></p> <p>Two (2) only 2016 or later, mid-size extended cab pickup, 4-wheel drive</p> <p>Total delivery price:</p> <p>Delivery time (calendar days):</p>	<p>\$62,891.86</p> <p>180</p>	<p><b>\$60,918.36</b></p>	<p>No Bid</p>
<p><b>Part “D”</b></p> <p>One (1) only 2016 or later, mid-size regular cab pickup, 4-wheel drive</p> <p>Total delivery price:</p> <p>Delivery time (calendar days):</p>	<p><b>\$28,286.55</b></p> <p>180</p>	<p>\$29,459.19</p>	<p>No Bid</p>
<p><b>Part “E”</b></p> <p>One (1) only 2016 or later, mid-size extended cab pickup with lift gate, 4-wheel drive</p> <p>Total delivery price:</p> <p>Delivery time (calendar days):</p>	<p><b>\$36,024.07</b></p> <p>210</p>	<p>\$37,476.84</p>	<p>No Bid</p>
<p><b>Part “F”</b></p> <p>One (1) only 2016 or later, mid-size crew cab pickup, 4-wheel drive</p> <p>Total delivery price:</p> <p>Delivery time (calendar days):</p>	<p><b>\$33,683.44</b></p> <p>180</p>	<p>\$34,427.90</p>	<p>No Bid</p>

	<b>Inter Pacific Motors, Inc., dba Orchid Isle Auto Center</b>	<b>IK Motors, Inc., dba Kamaaina Motors</b>	<b>Big Island Motors, Inc., dba Hilo Kona Mazda Subaru Hyundai</b>
<b>Part “G”</b> One (1) only 2016 or later, passenger van, 2-wheel drive  Total delivery price: Delivery time (calendar days):	No Bid	No Bid	No Bid
<b>Part “H”</b> One (1) only 2016 or later, passenger van, 2-wheel drive  Total delivery price: Delivery time (calendar days):	<b>\$28,913.63</b>  240	No Bid	No Bid
<b>Part “I”</b> Two (2) only 2016 or later, all-wheel drive compact cross-over wagon or SUV  Total delivery price: Delivery time (calendar days):	Non-responsive	\$53,747.58	<b>\$53,100.68</b>  120
<b>Part “J”</b> One (1) only 2016 or later, 1-ton dump truck, 4-wheel drive  Total delivery price: Delivery time (calendar days):	<b>\$51,431.41</b>  240	No Bid	No Bid

The Manager-Chief Engineer recommended that the Board award VEHICLE BID NO. 2016-10, FURNISHING AND DELIVERING VEHICLES TO THE DEPARTMENT OF WATER SUPPLY, to:

- Inter Pacific Motors, Inc., dba Orchid Isle Auto Center, for Parts A, B, D, E, F, H, and J at a total cost of \$268,962.31;
- IK Motors, Inc., dba Kamaaina Motors, for Part C at a total cost of \$60,918.36;
- Big Island Motors, Inc., dba Hilo Kona Mazda Subaru Hyundai, for Part I at a total cost of \$53,100.68;

and that either the Chairperson or the Vice-Chairperson be authorized to sign the contracts subject to approval of the contracts as to form and legality by Corporation Counsel.

For Part G, for which no bids were received, staff will seek alternate methods of procurement, in accordance with State Procurement rules.

MOTION: Ms. Wilson moved for approval of the recommendation; seconded by Ms. Iokepa-Moses.

**The Manager-Chief Engineer pointed out an error on the Agenda for Part “B,” which should show a quantity of two (2) vehicles. The total delivery price would be two times the \$41,670.97 originally shown, bringing the actual amount for Part “B” to \$83,341.94. That revises the Recommendation on the award to Inter-Pacific Motors dba Orchid Isle Auto Center for Parts A, B, D, E, F, H, and J to a total cost of \$310,633.28.**

AMENDMENT/ACTION: Ms. Wilson withdrew her original Motion, and made a Motion to accept the amended amount on the Vehicle Bid No. 2016-10; seconded by Ms. Lee Loy, and carried unanimously by voice vote.

C. **UPDATE RE: NATIONAL PARKS SERVICE’S PETITION TO DESIGNATE KEAUHOU AQUIFER AS A GROUND WATER MANAGEMENT AREA:**

Taken up earlier.

D. **EXECUTIVE SESSION RE: NATIONAL PARKS SERVICE’S PETITION TO DESIGNATE KEAUHOU AQUIFER AS A GROUND WATER MANAGEMENT AREA:**

Taken up earlier.

E. **MONTHLY PROGRESS REPORT:**

Mr. Elarionoff asked about the Queen Ka‘ahumanu Highway project delays, which have been frustrating for everyone out there. He asked if the delays affect the waterline portion of the project, whether it be delays or price changes.

Mr. Inaba replied that in terms of the project itself, the waterline is delayed also. He did not think the contractor even knows, or has a targeted completed date at this point. His understanding is that construction is pretty much at a halt again. In response to Mr. Elarionoff’s question of whether it would require extra waterline work or cost because of the extra work being done on the project, Mr. Inaba explained that the design of the waterline is completed. Whether the waterline moves three feet or so mauka or makai is what will need to be looked at. However, the entire length of the waterline is not going to change.

Chairman Takamine noted that after the other delay, new seals and gaskets had to be purchased.

Mr. Inaba replied that was an extra cost, and it does depend on the duration of the delay. Currently, no one knows how long this delay will impact the waterline portion.

Mr. Arikawa asked about the Laupāhoehoe Reservoir project, which was the project some had provided testimony on earlier today. The progress report notes the project is substantially complete, and punchlist items are being done. He asked what punchlist items are.

The Manager-Chief Engineer explained that the Department is allowed to give a contractor substantial completion. The contractor is required to request final inspection, and the date of that request is when the Department can stop the clock, whereby the contractor does not incur any further liquidated damages. "Substantially Complete" means the Department can pretty much use the system. Punchlist items are typically minor things like electrical plates not mounted properly, touching up gravel, poisoning weeds, and could also include closing out documents such as guarantees from subcontractors, etc. He asked Mr. Inaba if he knew of any specific punchlist items on this project.

Mr. Inaba replied there was some touch up to the access road and placing backfill under the fence to close the gap at the bottom, to keep animals from intruding.

Mr. Arikawa noted that it only shows 85 percent on the Progress Report.

Mr. Inaba replied that the 85 percent represents the payment amount.

The Manager-Chief Engineer stated that as far as the project's physical completion, it would be 90-something percent. Although the Board heard from the contractor earlier in this meeting, in his opinion, the Department has been very fair. As discussed in the past, he has attended pre-bid meetings and reminded the contractors that the Department would be very stingy on time extension requests, and strives to ensure that contractors make their submittals in a timely manner, etc. The Department wants to be fair and yet not stray far from State statutes. At the same time, when a project is put out to bid, there is a need to have that project completed. There is a balance of being fair while getting projects completed in a timely manner.

Ms. Wilson asked about the Āhualoa-Honoka'a Transmission project. The report notes the project is complete, but the final payment request has not been submitted.

Mr. Inaba replied that was correct. There is some warranty work the contractor has to do, involving touch up work involving the pavement, which was damaged during this period. Besides the final payment request, there are closing documents still needed, which include the subcontractor's releases and guarantees.

Mr. Elarionoff asked about the Waimea Reservoir project, and thought it strange that permission has to be sought from the Department of Hawaiian Home Lands to remove trees.

Mr. Inaba explained that the improvements on the reservoir will encroach into the forest reserve portion. The embankment needs to be expanded, and the Department needs access to inspect it. Access road clearing is required. In response to Mr. Elarionoff's question of whether the original construction of the reservoir was insufficient, Mr. Inaba replied it was sufficient at the time, but now it does not meet current standards, which have changed.

F. **REVIEW OF MONTHLY FINANCIAL STATEMENTS:**

No discussion.

G. **POWER COST CHARGE:**

Departmental power costs have increased as a result of Hawai'i Electric Light Company, Inc. (HELCO), billings. The Department proposes to increase the Power Cost Charge from \$1.61 to \$1.69 per thousand gallons to reflect this increase. In order to accept public testimony on this change, a Public Hearing should be scheduled before the new Power Cost Charge is increased.

The Manager-Chief Engineer recommended that the Board approve holding a Public Hearing on January 24, 2017, at 9:45 a.m., to receive testimony on increasing the Power Cost Charge from \$1.61 to **\$1.69**, effective February 1, 2017.

ACTION: Ms. Iokepa-Moses moved for approval of the recommendation; seconded by Ms. Wilson and carried unanimously by voice vote.

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

The Manager-Chief Engineer reported that the Department has two employees retiring at the end of this year. As noted by Mr. Sumada, Ms. Colleen Nakamura, of the Finance Division, has been with the Department for 36 years, and has been processing the paychecks for most of those years. She will be sorely missed and hard to replace. She was very dependable and accurate in her work.

The second employee, of the Operations Division, is Mr. Dean Nakamura. Mr. Young reported that he has been with the Department for 38 years, and 40 years in the County. He started out as a Water Plant Electrician/Mechanic Helper in 1978, and became a Water Plant Operator in 1980. He will be missed, and was Employee of the Quarter back in 2006. A lot of knowledge is going out the door with him.

I. **MANAGER-CHIEF ENGINEER'S EVALUATION FOR CALENDAR YEAR 2016:**

Chairperson Takamine noted that at the last Water Board Meeting, a salary increase was set for the Manager-Chief Engineer and the Deputy; however, no effective date was set. Mr. Sumada was asked how much time would be needed to make this increase effective. It was suggested January 1, 2017, would be a good choice, if that gives Finance enough time to make it effective. Mr. Sumada replied that was reasonable.

ACTION: Mr. Arikawa moved to set the salary increase for the Manager-Chief Engineer and the Deputy to be effective January 1, 2017; seconded by Ms. Lee Loy and carried unanimously by voice vote.

J. **EXECUTIVE SESSION: MANAGER-CHIEF ENGINEER'S EVALUATION FOR CALENDAR YEAR 2016:**

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No Executive Session was needed at this meeting, as it had been covered at the November meeting. Chairperson Takamine thanked the Manager-Chief Engineer and the Deputy for the great job they have been doing; it has been a pleasure working with everyone.

The Manager-Chief Engineer appreciated the Board's support, and added that this Department is blessed with a terrific team.

K. **ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON FOR 2017:**

Chairperson Takamine opened the floor for nominations for Chairperson for 2017.

MOTION: Mr. Arikawa moved to nominate Mr. Craig Takamine to remain as Chairperson for 2017; seconded by Ms. Lee Loy.

ACTION: Ms. Lee Loy moved to close nominations. A vote was taken on the Motion to elect Mr. Craig Takamine as Chairperson for 2017, carried unanimously by voice vote.

MOTION: Ms. Lee Loy moved to nominate Mr. Russell Arikawa to remain as Vice-Chairperson for the 2017 term; seconded by Ms. Wilson.

Ms. Lee Loy noted that the Board, going forward, will be facing a few things, and with that continuity, especially with the Keauhou Aquifer issue and some other things coming up, the continuation of the current Chairperson and Vice-Chairperson will make a wonderful team.

ACTION: Ms. Wilson moved to close nominations. A vote was taken on the Motion to elect Mr. Russell Arikawa as Vice-Chairperson for 2017, carried unanimously by voice vote.

L. **CHAIRPERSON'S REPORT:**

Chairperson Takamine stated that it has been a pleasure and honor to serve as Chairperson and noted that some outstanding Water Board Members' terms are up at the end of this year. He hopes the Mayor appoints people that can fill their shoes, who hopefully have similar skill sets and bring a lot to the table. He asked Ms. Lee Loy if she would continue on for the 90-day period, if needed. She replied that she would check with Corporation Counsel's Office.

Ms. Self noted that the Council Committee meetings usually run on Tuesdays, so there may be some conflict there. She added that she had been speaking with Ms. Rose Bautista of the Mayor's Office yesterday, and she will be the person reviewing applications for Boards and Commissions. She advised if anyone knows of someone who would be willing to volunteer their time to make sure they complete an application, and send it in to the Mayor's Office. The applications are online.

It was noted that the Water Board will have three vacancies to fill: Districts 4, 7, and 8.

Chairperson Takamine requested that the Board Members place the next couple of months' meetings on their calendars in order to help make a quorum.

The Manager-Chief Engineer suggested that if everyone has Outlook Calendar, the Secretary could try and place on their calendars for them. Board Members were in agreement with that idea.

**ANNOUNCEMENTS:**

1. **Next Regular Meeting:**

The next meeting of the Water Board is scheduled for January 24, 2017, 10:00 a.m., at the Department of Water Supply, Hilo Operations Center Conference Room, 889 Leilani Street, Hilo, Hawai'i.  
*Public Hearing on the Power Cost Charge will be held at 9:45 a.m. that same day.*

2. **Following Meeting:**

The following meeting of the Water Board is scheduled for February 28, 2017, at the West Hawai'i Civic Center, Community Center, Bldg. G, 74-5044 Ane Keohokalole Highway, Kailua-Kona, Hawai'i.

**ADJOURNMENT**

ACTION: Ms. Lee Loy moved to adjourn the meeting; seconded by Ms. Wilson and carried unanimously by voice vote. Meeting adjourned at 12:10 p.m.

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Secretary