

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

MEETING DATE: March 27, 2007

PLACE: Royal Kona Resort (Resolution Room); 75-5852 Alii Drive, Kailua-Kona, HI

TIME: 10:00 a.m.

- 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 February 27, 2007, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
(**Note: Addendum requires Roll Call Vote**)
- 5) SOUTH HILO:

A. HONOMU EXPLORATORY WELL, DWS JOB NO. 98-705 AND HONOMU PRODUCTION WELL AND 0.3 MG RESERVOIR, DWS JOB NO. 2005-863; DRINKING WATER STATE REVOLVING FUND (DWSRF):

The Department intends to utilize the DWSRF loan program administered by the State Department of Health to fund this project. The Final Loan Agreement outlines the conditions of the loan program specific to this project. Note that the Department has only completed the Honomu Exploratory Well (Job No. 98-705) project and it is these costs that are reflected in the current Final Loan Agreement. This agreement will be amended when the Department proceeds with the Honomu Production Well and 0.3 MG Reservoir (Job No. 2005-863).

RECOMMENDATION: It is recommended that the Board approve the final loan agreement as well as its subsequent amendment(s) and that the Chairman be authorized to sign the documents.

6) NORTH KONA:

A. JOB NO. 2005-880RFP, KAHALU‘U SHAFT BY-PASS HYDROELECTRIC PROJECT AT THE KAHALU‘U SHAFT:

Proposals for this RFP were received on March 8, 2007, at 2:00 p.m.

REFERRAL FOR EXECUTIVE SESSION: The Water Board anticipates convening an executive meeting pursuant to Section 92-5(a)(8), Hawaii Revised Statutes, as amended,

for the purpose of deliberating and making a decision upon a matter that requires the consideration of information that must be kept confidential pursuant to a state law. More specifically, H.R.S. 103D-303(d), 103D-303(f) and Hawaii Administrative Rule §3-122-58 require that the contents of proposals be kept confidential until the posting of the award. Therefore, the proposals and the Department's recommendation will be discussed in executive session.

B. WAIAHA SOUTH AND WAIAHA NORTH DEVELOPER'S AGREEMENTS:

The developers of the Waiaha South and Waiaha North Water Systems, WAIAHA SYSTEM, LLC and WAIAHA SYSTEM II, LLC (Developers) intend to develop water systems along mauka-makai corridors that would allow the Department's Waiaha Well and Reservoir to be used in a more efficient manner. Currently, the existing water system cannot make use of the 2 Million Gallon capacity of the new Well and Reservoir. The existing system lacks the transmission capacity from the Well site to the areas of "high consumption" or the makai systems. The Developers, upon completion of the water systems, will be granted water units for development on their respective parcels that are able to benefit directly from the installation of the water systems.

Upon execution of this Agreement, the Developers will have 120 days to finalize all parties involved and the actual number of units that will be allocated to each lot included in a subsequent agreement.

C. WELL SITE DEVELOPMENT AGREEMENT (OCEANSIDE AND GREENWELLS):

The developers **Oceanside**, and the **Greenwells**, intend to develop a potable well site above the DWS 0.5 MG Reservoir Site above Konawaena High School and dedicate this site and improvements to the Water Board. This potential source will be redundant to the Halekii Well which also serves the Kona Hospital. Upon completion of the exploratory well, the developers will be granted water units as specified in the agreement for development of their lands subject to other necessary water system improvements. Water service will be subject to the completion of the production well and supporting facilities and all other necessary water system improvements including but not limited to the transmission of the well water to their lands where the existing DWS water system cannot support the proposed use.

DWS will also participate in the development of the well by requiring oversizing of the well should the well test prove the capacity is greater than the requirements for the developers. This will allow DWS to have a greater share of the well capacity for use in the entire South Kona Water System.

RECOMMENDATION: It is recommended that the Water Board agree to the terms of the Well Site Development Agreement between DWS, Oceanside, and the Greenwells and that either the Chairman or the Vice-Chairman be authorized to execute the agreement subject to approval by Corporation Counsel.

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**
KALAOA WELL OUTFITTING
Seller: Seascape Development, LLC, by Westpro Holdings, LLC
TMK: (3) 7-3-004:017
E.W.O.: 2007-060
Facilities Charge: *Not Applicable*
Final Inspection Date: *Efficiency Test scheduled for 03/20/07*
Water System Cost: *Not available yet... to be provided at the meeting*

2. **GRANT OF EASEMENT AND BILL OF SALE**
KONA VIEW ESTATES
Subdivision Application No. 2005-0036
Grantor: 327 Kona, LLC
TMK: (3) 7-4-008:047
E.W.O.: 2006-070
Lots: 29 Total
Facilities Charge: \$153,190.00
Final Inspection Date: February 8, 2007
Water System Cost: \$367,835.00

Zoning: A-1A, A-5A
Paid: February 1, 2007

3. **GRANT OF EASEMENT**
BILL OF SALE
ORCHARDS AT PEPEEKEO SUBDIVISION, PHASE II
Subdivision Application No. 2004-189
Grantor: Continental Pacific, LLC
Seller: Hawaiian Rainbows Second Fund, LLC
TMK: 2-8-008:095 portion
E.W.O.: 2006-080
Lots: 10
Facilities Charge: 68 EU through 2-inch meter (paid July 16, 2002) @ \$940.00/unit
Transfer of 20 water units to Lot 82 & 83 approved by Water Board 9/23/03
Final Inspection Date: 06/16/06
Water System Cost: \$255,730.00

Zoning: AG20

4. **GRANT OF EASEMENT (OFF-SITE)**
BILL OF SALE
KE KAILANI SUBDIVISION – Easement “E”
Subdivision Application No. 2004-079

Grantor: Mauna Lani Resort (Operation), Inc.
Seller: Ke Kailani Development LLC
TMK: 6-8-022:039 portion
E.W.O.: 2006-020

Note: Action was taken on the Grant of Easement and Bill of Sale document for the remainder of Ke Kailani Subdivision at the November 28, 2006, Water Board Meeting.

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

B. MONTHLY PROGRESS REPORT:

Submission of Progress Report of Projects by the Department (see attached). Department personnel will be available to respond to questions by the Board regarding the status/progress of any project.

C. DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING AND CAPITAL IMPROVEMENT BUDGETS FOR FISCAL YEAR 2007-2008:

Budgets for review and discussion.

D. 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.

E. KONA WATER QUALITY:

Discussion of Kau Water Quality and proposed projects that will have a positive impact.

F. HAWAIIAN OCEAN VIEW ESTATES:

Discussion and status of ongoing design and proposed project.

G. MANAGER'S REPORT:

- 1) The Manager will provide an update of negotiations with Kamehameha Investment Corp.
- 2) The Manager will provide the status of the Palani Road Transmission Waterline project.
- 3) The Manager will provide a status of the Public Information and Education Specialist.
- 4) The Manager will provide a status of the Automatic Meter Reading project.
- 5) The Manager will provide a status of the Waimea Clearwater Reservoir Repair.
- 6) The Manager will provide a status of the Mauna Lani Wells.

H. EXECUTIVE SESSION:

The Board anticipates convening an executive meeting regarding the following, pursuant to Section 92-5(a)(4), Hawaii Revised Statutes (HRS), as amended, for the purpose of consulting with its attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities. A two-thirds vote, pursuant to HRS 92-4, is necessary to hold an executive meeting:

1. Request to the Water Board from the Office of the Corporation Counsel for a waiver of the attorney-client privilege to publish on the Corporation Counsel website certain privileged written opinions previously given to the Water Board.

I. CHAIRMAN'S REPORT:

Chairman to provide comments and/or information relating to matters of concern to the Water Board.

8) ANNOUNCEMENTS:

1. Next Meeting:

The next meeting of the Water Board will be held on April 24, 2007, 10:00 a.m., in the Waimea Community Center (adjacent to the ball park); Kamuela, Hawai'i.

9) STATEMENTS FROM THE PUBLIC

10) ADJOURNMENT

The meeting place is accessible to persons with disabilities. If you require use of an auxiliary aid or other access accommodation, please contact Doreen Shirota at 961-8050 as soon as possible or at least 5 days prior to the 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, 25 Aupuni Street, Hilo, Hawai'i 96720.