

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

**MEETING DATE:** September 22, 2009

**TIME:** 10:00 a.m.

**PLACE:** Waimea Community Center, 65-1260 Kawaihae Road, Kamuela.

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- 1) CALL TO ORDER – 10:00 a.m. (*please turn cell phones off or set to silent*)
- 2) STATEMENTS FROM THE PUBLIC
- 3) APPROVAL OF MINUTES  
Minutes of the August 25, 2009, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA  
**(Note: Addendum requires Roll Call Vote)**
- 5) SOUTH KOHALA:

**A. JOB NO. 2007-043, CONSTRUCTION OF THE WAIKOLOA RESERVOIR NO. 2 EARTHQUAKE REPAIRS, COUNTY OF HAWAI'I, STATE OF HAWAI'I, FEMA-1644-DR-HI, FIPS NO. 001-UVKJ8-00, PW NO. 638:**

The contractor, Goodfellow Bros., Inc., has requested an 82-calendar day time extension. This request is due to delays beyond the control of the contractor, and consists of 72 calendar days for rain-outs and unworkable conditions, and 10 calendar days for investigating the pending closure of the DuPont Hypalon CSM polymer manufacturing plant.

Burke Industries, the supplier of the Hypalon liner to be used for this project, was required to delay the shop drawing submittal while looking for an adequate alternate source of Hypalon CSM polymer. An alternate source was located, but Burke Industries issued another letter saying DuPont will manufacture enough CSM polymer to meet most, if not all, of the 2009 demand.

*Note: There is no additional cost associated with this time extension.*

Staff has reviewed the request and finds that the 82 calendar days are justified. This is the first time extension request.

**1st time extension – 82 calendar days**

**RECOMMENDATION:** It is recommended that the Board approve a contract time extension to Goodfellow Bros., Inc. of 82 calendar days for JOB NO. 2007-043, CONSTRUCTION OF THE WAIKOLOA RESERVOIR NO. 2 EARTHQUAKE REPAIRS, COUNTY OF HAWAI'I, STATE OF HAWAI'I, FEMA-1644-DR-HI, FIPS NO. 001-UVKJ8-00, PW NO. 638. If so approved, the contract completion date will be revised from November 9, 2009 to January 30, 2010.

6) NORTH KONA:

A. **JOB NO. 2004-839, KEŌPŪ-PU‘UHONUA PRODUCTION WELL AND 1.0 MG RESERVOIR:**

The contractor, Isemoto Contracting Co., Ltd., requests a 74-calendar day time extension. This request is due to additional work requested by the Department for off-site waterline work needed to allow water from this project to feed into the Department’s existing distribution system.

Staff has reviewed the request and finds that the 74 calendar days are justified.

This is the **fifth** extension request.

<b>Ext. #</b>	<b>From:</b>	<b>To:</b>	<b>Calendar Days</b>	<b>Reason for Time Extension</b>
1	8/19/2008	11/18/2008	91	Process building permit
2	11/18/2008	6/3/2009	197	Deepwell motor and pump manufacturing, shipping, testing
3	6/3/2009	7/10/2009	37	Clean and bail well
4	7/10/2009	9/30/2009	82	HELCO and HawaiianTel work
5	9/30/2009	12/13/2009	74	<i>Additional off-site waterline work</i>
<b>Total Days (including this request):</b>			<b>481</b>	

**RECOMMENDATION:** It is recommended that the Board approve a contract time extension to Isemoto Contracting Co., Ltd., of seventy-four (74) calendar days from September 30, 2009 to December 13, 2009, for JOB NO. 2004-839, KEŌPŪ-PU‘UHONUA PRODUCTION WELL AND 1.0 MG RESERVOIR.

B. **AMENDMENT OF WATER FACILITIES AGREEMENT – SEASCAPE DEVELOPMENT, LLC**

On October 28, 2008, Seascape Development, LLC (“Seascape”) and the Water Board entered into a Water Facilities Agreement for the development, construction and installation of certain improvements and other water transmission-related facilities in the vicinity of the Water Board’s existing Kalaoa Well. Seascape was to also complete the engineering and design work, and assign the same, as well as obtain all necessary permits in accordance with DWS requirements within one year of the executed Agreement. The current deadline is October 28, 2009. However, the current challenging economy as well as the bank liquidity crisis makes it impossible for Seascape to proceed on the schedule it originally had envisioned. Seascape is proposing to amend the Water Facilities Agreement to extend such submittal deadline to October 28, 2010, an extension of one year. Seascape feels that this new deadline will enable them to meet their obligations in the current economic climate.

Staff has reviewed the Amendment of Water Facilities Agreement and finds it acceptable.

**RECOMMENDATION:** It is recommended that the Water Board approve the Amendment of Water Facilities Agreement subject to review and approval by Corporation Counsel.

7) SOUTH KONA:

A. **TRANSFER OF 25 KSA II EQUIVALENT UNITS OF WATER -- TAX MAP KEY 8-1-008:004**

The department has received a request from Ms. Sharilyn Shields, with West Hawaii Excavating, Inc., on behalf of Robert E. and Amy Hagen Cowell, to transfer 25 water commitments attached to Tax Map Key Parcel 8-1-008:004, formerly owned by Timothy and Sheryl Dernback, to the Amy Hagen Cowell Trust, the current owner of TMK Parcel 8-1-008:004.

The 25 units originated with the Kona Source Agreement II (also known as KSA II), under which DWS gave water commitments to landowners who helped invest in source water development.

**RECOMMENDATION:** It is recommended that the Water Board approve the transfer of water commitments for twenty-five (25) equivalent units from the former owners, Timothy and Sheryl Dernback, to the current owner, the Amy Hagen Cowell Trust.

8) MISCELLANEOUS:

A. **INTRODUCTION OF STATE PIPE TAPPING TEAM CHAMPIONS OF 2009:**

Waimea Pipe Tapping Team, the state champions for 2009, to be introduced to the Water Board.

B. **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. **GRANT OF EASEMENT AND BILL OF SALE**

Subdivision Application No. 2007-000677

Rodillas Subdivision

Grantor: Francis H. and Martha A. Rodillas

TMK: (3) 2-5-040:018

E.W.O. 2009-047

No. of Lots: 2

Zoning: FA-2A

Final Inspection Date:

(TBA)

Facilities Charge: \$5,500.00

Date Paid: 09/10/09

Water System Cost:

(TBA)

**RECOMMENDATION:** It is recommended that the Water Board accepts 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.

C. **VEHICLE BID NO. 2008-11, FURNISHING AND DELIVERING VEHICLES TO THE DEPARTMENT OF WATER SUPPLY:**

The Department will provide an update on the location of the vehicles, which have arrived on U.S. soil.

D. **ENERGY MANAGEMENT ANALYST UPDATE:**

Report to be given.

E. **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.

F. **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.

G. **POWER COST CHARGE UPDATE:**

A Public Hearing on the Power Cost Adjustment Clause was held today. Public Hearing Notice was published in the Hawai'i Tribune-Herald and in the West Hawai'i Today on August 31 and September 2, 2009.

The Department's power cost charge (PCC) formula allows updating of the PCC as often as every two months. The PCC was changed to its present \$1.83 per 1,000 gallons effective July 1, 2009. The Power Cost Adjustment for August 2009 was **\$1.68** per 1,000 gallons.

Discussion of an appropriate revision to the PCC will be held.

RECOMMENDATION: It is recommended that the Water Board approve the proposed cost of the Power Cost Adjustment to **\$1.68** per thousand gallons based on the August 2009 calculations, effective the first day of the month after proposed establishment of the rate by the Water Board.

H. **WATER RATE STUDY:**

Discussion on the new water rate study that the Department is planning to conduct, to address the shortage of funds being generated from water sales.

I. **BUDGET STATUS AND PROPOSED ACTIONS:**

Status of the current budget will be discussed, along with proposed actions implemented and anticipated savings. (See attached FY10 Budget Analysis.)

J. **MANAGER'S REPORT:**

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

1. Update on use agreement on KIC wells
2. Palani Road Transmission Project
3. Hawai'i Water Works Association (HWWA) '09 conference update
4. Use of lobbyists by City and County of Honolulu Board of Water Supply
5. DWS financial daily receipts procedures
6. Status of filling Water Board vacancies

K. **CHAIRPERSON'S REPORT:**

Chairperson to provide comments and/or information relating to the following matters of concern to the Water Board:

Discussion/Action regarding establishing an Ad Hoc Finance Committee -- Discussion/action will include the creation of the committee, the scope of the matters to be investigated by the committee, and the selection of the members of the committee.

9) **ANNOUNCEMENTS:**

1. **Next Meeting:**

The next meeting of the Water Board will be held on October 27, 2009, at 10:00 a.m. at Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo.

2. **Following Meeting:**

The following meeting of the Water Board will be held on November 24, at the Royal Kona Resort, Resolution Room, 75-5852 Ali'i Drive, Kailua-Kona.

10) **STATEMENTS FROM THE PUBLIC:**

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 Doreen Shirota, 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.*