

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

**MEETING DATE:** January 23, 2007

**PLACE:** Hilo Operations Center Conference Room; 889 Leilani Street, Hilo, Hawai'i

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

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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 December 19, 2006, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)  
(**Note: Addendum requires Roll Call Vote**)
- 5) SOUTH HILO:

**A. JOB NO 2004-840, HAAHEO WATER SYSTEM IMPROVEMENTS:**

Due to delays in obtaining a desired easement through a privately owned roadway lot within the Wainaku Farms Subdivision, the Department has decided to change the design scope of work to realign the waterline route such that it will be installed within existing County right-of-way and an existing easement along Kulana Kea Drive. This will require additional field surveying and construction stakeout services from the consultant, Inaba Engineering, Inc.

Based on a hydraulic report submitted by mechanical engineering subconsultant, MCE International, Inc., the Department has decided to also incorporate into the design scope of work, the replacement of the existing booster pumps at the "new" Haaheo Booster Pump Station No. 1, which is currently not in operation. This will increase the scope of work to include mechanical and electrical engineering design services.

The consultant's fee proposal for the proposed increased scope of work is \$34,530.00. Engineering staff has reviewed the fee proposal and finds that the proposal is acceptable. The consultant's existing contract amount is \$130,800.00. If approved, the total contract price will increase from \$130,800.00 to \$165,330.00.

**RECOMMENDATION:** It is recommended that the Board grant the addition of \$34,530.00 to the consultant's total contract price for JOB NO. 2004-840, Haaheo Water System Improvements.

6) PUNA:

A. **JOB NO. 2003-833, OLA 'A NO. 3 DEEP WELL REPAIR:**

The contractor, Beylik Drilling and Pump Service, Inc., has requested a contract time extension of 30 calendar days (see attached). This is due to further delays in the delivery of the spare Byron Jackson submersible motor from the supplier's Hamburg facility. The contractor's supplier has changed the scheduled shipping date to January 14, 2007, which is beyond the control of the contractor.

This is the second time extension to the contract. The first time extension request granted 90 calendar days due to a delay with the motor manufacturer in the construction of the spare Byron Jackson submersible motor. This extended the contract completion date from October 30, 2006, to January 29, 2007.

Engineering staff has reviewed the request and finds that the 30 calendar days are justified. If approved, the contract completion date will be extended from January 29, 2007, to February 28, 2007.

**RECOMMENDATION:** It is recommended that the Board grant this extension of contract time of 30 calendar days to Beylik Drilling and Pump Service, Inc., for JOB NO. 2003-833, OLA 'A NO. 3 DEEP WELL REPAIR.

7) NORTH KONA:

A. **JOB NO. 2006-898, KALOKO TANK #2 HYDROELECTRIC GENERATION PROJECT:**

Proposals for this RFP were received on January 12, 2007, at 2:00 p.m., and will subsequently be evaluated. A report and recommendation will be provided at the meeting.

B. **SEASCAPE DEVELOPMENT, LLC, RIGHT-OF-ENTRY:**

The developer, SEASCAPE DEVELOPMENT, LLC (Seascape), entered into a Water Development Agreement on October 4, 2005, and subsequently entered into a Right-of-Entry Agreement (both with the Water Board) on May 22, 2006. Due to unforeseeable involvement by a third party that is preventing representatives of Seascape from entering onto the Kalaoa Well Site and the easement accessing the Well Site, Seascape is requesting that the term of the Right-of-Entry Agreement be extended to May 1, 2007.

**RECOMMENDATION:** It is recommended that the Water Board agree to extend the term of the Right-of-Entry Agreement to May 1, 2007, and that either the Chairman or the Vice-Chairman be authorized to execute the extension subject to review and approval by Corporation Counsel.

**C. HILUHILU – KOHANAIKI DEVELOPER’S AGREEMENT:**

The developers, HILUHILU DEVELOPMENT, LLC (Hiluhilu), and KOHANAIKI SHORES, LLC (Kohanaiki), are requesting to amend the Water Agreement of June 15, 1999, by and between K-W KAU LLC, K-W KOHANAIKI LLC, and the WATER COMMISSION OF THE COUNTY OF HAWAI‘I, as stated in the attached “FIRST AMMENDMENT TO WATER AGREEMENT.” Hiluhilu and Kohanaiki are requesting to mainly be the successors of the original developers and to revise the allotment of water units to each development and will not require any more water units than allowed for in the original Water Agreement.

RECOMMENDATION: It is recommended that the Water Board agree to the First Amendment to Water Agreement by and between K-W KAU LLC, K-W KOHANAIKI LLC, and the WATER BOARD OF THE COUNTY OF HAWAI‘I and that either the Chairman or the Vice-Chairman be authorized to execute the document subject to approval by Corporation Counsel.

**D. WAIAHA SOUTH AND WAIAHA NORTH DEVELOPERS’ 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.

RECOMMENDATION: It is recommended that the Water Board agree to the Agreement with Waiaha System, LLC, and Waiaha System II, LLC, and that either the Chairman or the Vice-Chairman be authorized to execute the agreement subject to approval by Corporation Counsel.

**8) 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**

**KINOOLE SENIOR RESIDENCES**

Seller: 2020 Kinoole Limited Partnership

TMK: (3) 2-2-041:010

E.W.O.: 2007-007

Facilities Charge: \$126,500.00                      Paid: 8/29/2006

Final Inspection Date: 01/05/2007

Water System Cost: \$34,430.00

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

Subdivision Application No. 2004-0091

Grantor: Sena Properties, LLC

TMK: (3) 7-3-024:001 & 002

E.W.O.: 2006-006

Lots: 2 existing, 6 additional = 8 total

Zoning: FA-5a

Facilities Charge: \$34,200.00                      CAF: \$3,000.00

Paid: December 11, 2006

Final Inspection Date: September 29, 2006

Water System Cost: \$82,000.00

**3. GRANT OF NON-EXCLUSIVE EASEMENT**

Water Meter Easement affecting Keonepoko Elementary School

Grantor: State of Hawaii, Board of Land and Natural Resources

TMK: (3) 1-5-009:059

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. WATER RATE STUDY:**

R. W. Beck, Inc., will be presenting the Board with a preliminary revenue requirement and rate change results for the 2007 Water Rate Study, plus have discussion of several rate policy issues that the Board has raised in recent meetings. The rate policy issues to be addressed include:

- Agricultural rates and level of subsidy by other general service rate customers
- Separate rates for different districts
- Special charges for service to new, higher cost areas
- Low income assistance programs
- Rates that reflect and support more use of off-peak pumping costs

**C. 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.

**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. MANAGER'S REPORT:**

- 1) The Manager will provide an update of negotiations with Kamehameha Investment Corporation.
- 2) The Manager will provide the status of the Palani Road Transmission Waterline project.
- 3) Employee of the Quarter

**F. CHAIRMAN'S REPORT:**

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

9) ANNOUNCEMENTS:

1. Next Meeting:

The next meeting of the Water Board will be held on February 27, 2007, 10:00 a.m., in the Hilo Operations Center Conference Room, 889 Leilani Street, Hilo, Hawai'i.

10) STATEMENTS FROM THE PUBLIC

11) 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.*