

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

MEETING DATE: October 28, 2008

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

TIME: 9:20 a.m.

- 1) CALL TO ORDER - 9:20 a.m. (*please turn cell phones off or set to silent*)
- 2) STATEMENTS FROM THE PUBLIC
- 3) APPROVAL OF MINUTES - Minutes of the September 23, 2008, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
(**Note: Addendum requires Roll Call Vote**)
- 5) SOUTH HILO:

A. RESOLUTION NO. 08-06: PROVIDING FOR THE ACQUISITION OF AN EASEMENT SITUATE IN THE DISTRICT OF SOUTH HILO, COUNTY OF HAWAI'I AND STATE OF HAWAI'I, IDENTIFIED AS PORTIONS OF TMK NO. (3) 2-5-028:029, FOR THE REPLACEMENT OF EXISTING FAILING GALVANIZED IRON WATERLINE:

This Resolution is being introduced for the condemnation of a portion Tax Map Key (3) 2-5-028:029, for the purpose of acquiring an easement to replace the existing waterline along the roadway. The Piihonua G.I. Pipeline Replacement project is an approved C.I.P. project designed to replace failing above-ground galvanized iron waterline with new 6-inch ductile iron waterline and appurtenances installed to current standards.

The condemnation is required because the minority landowner, while initially sounding receptive, over the past 14 months has been unresponsive and uncooperative. Thus, the Department of Water Supply has not been able to obtain the easement necessary for the waterline replacement project.

RECOMMENDATION: It is recommended that the Water Board approve Resolution No. 08-06 and authorize the Department and Corporation Counsel to continue with the condemnation process.

6) SOUTH KOHALA:

A. **RIGHT-OF-ENTRY AGREEMENT - SHELL WINDENERGY, INC.:**

The Water Board, at its meeting of October 5, 2006, granted a right-of-entry over a portion of Tax Map Key 6-6-001:002 to Shell Windenergy, Inc., for vehicular as well as pedestrian access to their property for the purpose of developing a wind powered electrical generation facility. This right-of-entry has lapsed, and they are requesting for a renewal as they are still working on a proposal to develop a wind powered electrical generation facility. If approved, the term of this agreement will be 18 months.

Staff has reviewed this agreement and finds it acceptable as submitted.

RECOMMENDATION: It is recommended that the Board approve the right-of-entry agreement for the period of October 28, 2008, until April 30, 2010, and subject to the approval of the Corporation Counsel and that either the Chairperson or the Vice-Chairperson be authorized to sign the document.

7) NORTH KONA:

A. **JOB NO. 2003-834 (REVISED), CONSTRUCTION OF THE KONA BASEYARD FACILITY IMPROVEMENTS:**

Attached are copies of letters dated September 25 and 26, 2008, from Central Construction, Incorporated, requesting an extension of contract time and an approval of their escalated contact cost. This is the contractor's fifth time extension request to allow the Department of Water Supply additional time to secure the necessary building permit for the project. Staff has evaluated this request and finds that the 412-calendar day extension is justified.

The contractor's escalated price (\$214,862.00) reflects the present-day cost to construct the project. The contract bid price (\$192,513.40) and contingency funding totals \$208,000.00. We will need to allocate additional monetary funds to make up the shortage:

Escalated Cost	\$214,862.00
Contingency (~8%)	<u>17,188.00</u>
Total	= \$232,050.00
Available Funds	<u>208,000.00</u>
Additional Funds	= \$ <u>24,050.00</u>

Previously approved time extensions by the Water Board (no contract price increase):

- First time extension 64 calendar days (May 11, 2007, to July 14, 2007)
- Second time extension 60 calendar days (July 14, 2007, to September 12, 2007)
- Third time extension 60 calendar days (September 12, 2007, to November 11, 2007)
- Fourth time extension 65 calendar days (November 11, 2007, to January 15, 2008)

This is the recommended time extension and contract fund revision for Water Board approval:

- Fifth time extension 413 calendar days (January 15, 2008, to March 3, 2009), **and**
- Increase funding for the project construction by \$24,050.00

RECOMMENDATION: It is recommended that the Board grant Central Construction, Incorporated, a 412-calendar day time extension to the contract completion date from January 15, 2008, to March 2, 2009, and approve an additional \$24,050.00 for JOB NO. 2003-834 (REVISED), CONSTRUCTION OF THE KONA BASEYARD FACILITY IMPROVEMENTS.

B. SUPPLEMENTAL AGREEMENT SETTING FORTH A LETTER OF CREDIT AMOUNT FOR WELL DEVELOPMENT AGREEMENT – LANIHAU PROPERTIES, WEST HAWAII BUSINESS PARK, PALANI RANCH COMPANY:

At its February 26, 2008, meeting, the Water Board approved a Supplemental Agreement specifying a letter of credit in the amount of \$7.5 million dollars to complete the remaining infrastructure which included constructing the production well and supporting facilities and the transmission improvements. The agreement has not been executed as it was pending the approval from the Department of Health and we subsequently received a request to withdraw this Supplemental Agreement due to a cancellation of the sale of their land. The Owners are requesting that we do not execute the Supplemental Agreement and we return all of the copies to them.

RECOMMENDATION: It is recommended that the Board approve this request to withdraw the Supplemental Agreement and all copies of the Supplemental Agreement will be returned to the owners unexecuted.

C. PALANI TRANSMISSION PROJECT:

Status of negotiations for easements for the project to be presented.

8) MISCELLANEOUS:

A. MATERIAL BID NO. 2007-01, FURNISHING AND DELIVERING WATER METERS, BRASS GOODS, FIRE HYDRANTS, VALVES, CHLORINATORS, PUMPS, PIPES, FITTINGS, SCADA, METERS, AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK:

SOAR Technologies, Inc., was awarded the bid to furnish and deliver Section 59, Hydroelectric Turbine Generator, to the Department of Water Supply for Material Bid No. 2007-01, Furnishing and Delivering Water Meters, Brass Goods, Fire Hydrants, Valves, Chlorinators, Pumps, Pipes, Fittings, SCADA, Meters, and Miscellaneous Items for the Department of Water Supply Stock. A Hydroelectric Turbine Generator was ordered to be installed at the Waimea Water Treatment Plant. The Department did not realize that the bid by the Contractor included installation costs, which was not required in the bid. SOAR Technologies, Inc., was the only bidder for this section.

A contract amendment is being proposed to account for the installation costs for the bid. As part of the amendment, an exemption request to have the SOAR Technologies, Inc., to perform the installation was completed. As part of the installation, it was found that the

existing air compressor, air lines, and turbine strainer also needed to be replaced. The cost to replace these items is \$19,270.74.

The original contract amount to SOAR Technologies, Inc., totaled \$187,714.15. The additional cost to include the amendment would bring the contract amount to \$206,984.89.

RECOMMENDATION: It is recommended that the Board approve the amendment to Material Bid No. 2007-01, Furnishing and Delivering Water Meters, Brass Goods, Fire Hydrants, Valve, Chlorinators, Pumps, Pipes, Fittings, SCADA, Meters, and Miscellaneous Items for the Department of Water Supply Stock to allow SOAR Technologies, Inc. to install the Hydroelectric Turbine Generator, and to replace the air compressor, air lines and turbine strainer at the Waimea Water Treatment Plant, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract amendment, subject to review as to form and legality of the contract amendment by Corporation Counsel.

B. MATERIAL BID NO. 2007-01, FURNISHING AND DELIVERING WATER METERS, BRASS GOODS, FIRE HYDRANTS, VALVES, CHLORINATORS, PUMPS, PIPES, FITTINGS, SCADA, METERS AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK:

If the amendment to the above contract is approved for SOAR Technologies, Inc., it is requested that the total amount of the contract be increased by \$32,453.90 to provide for a change order to account for additional labor charges due to the Contractor having to comply with the Davis-Bacon law, which requires the Contractor to pay their employees wages that is listed in the Compensation Plan for government projects. The Contractor was also required to obtain a performance bond for the project.

RECOMMENDATION: It is recommended that the Board approve the increase in funding by \$32,453.90 to SOAR Technologies, Inc., for Material Bid No. 2007-01, FURNISHING AND DELIVERING WATER METERS, BRASS GOODS, FIRE HYDRANTS, VALVES, CHLORINATORS, PUMPS, PIPES, FITTINGS, SCADA, METERS, AND MISCELLANEOUS ITEMS FOR THE DEPARTMENT OF WATER SUPPLY STOCK. The total contract amount will be increased from \$206,984.89 to \$239,438.79.

C. FUEL COMMITTEE:

Summary of Fuel and Recycling Effort for the October 2008 Board Meeting

The Department's Fuel Reduction/Recycling Committee and Manager met on October 8th to discuss the outcomes of the following two prior efforts:

- June 12, 2008 meeting of the Department's fuel reduction committee; and
- June 23, 2008 summary of the Hawaii County Recycling Coordinator.

Conclusion and Next Steps:

Fuel Reduction: The priority action items should focus on changes with the most impact on reducing the Department's fuel consumption. Education on driving habits and why it is important to both the Department and Hawaii in general should be initiated soon thereafter.

Policy development on carpooling, planning routes, and further tracking of all fuel consumption is needed. The energy performance contract may be able to address some of the long-term efforts for reducing fuel consumption. Perceived buy-in from top levels of management can support acceptance of this needed change at the other Department levels.

Recycling: The Department's recycling effort is expected to become a part of each employee's regular work process. First priority is education to staff about procedures, equipment, upkeep, and how DWS benefits. Sectional meetings with employees and base yards are appropriate.

The roll out is commencing collaboratively with the County's Recycling Coordinator. A recent October 22 meeting identified container options and resources. The effort will initially begin at the Hilo Base Yard and the Main Office building prior to expanding to outside offices. The effort will be measured by reductions of the amount of regular rubbish hauling.

D. UNACCOUNTED WATER PROGRAM UPDATE AND ENERGY RECOVERY:

A third presentation will be given by Department personnel, followed by discussion.

E. POWER COST ADJUSTMENT CLAUSE:

A Public Hearing on the Power Cost Adjustment Clause was held today.

RECOMMENDATION: It is recommended that the Board approve the proposed changes to the Method of Calculating the Power Cost Adjustment Charge and frequency of calculations as stated in the Notice of Public Hearing published in the Hawaii Tribune-Herald and the West Hawaii Today on October 5 and 7, 2008.

F. 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.

G. 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.

H. WATER RATE STUDY:

For discussion by the Water Board on results of the final report.

I. MANAGER'S EVALUATION:

Attached is an evaluation form for Appointees/Managers, used by the Water Board for the yearly evaluation of the Manager. For discussion on processing, procedures, and summarized results.

J. EXECUTIVE SESSION:

This item was deferred at the September 23, 2008, Water Board Meeting.

Kawailani 0.50-Million Gallon Reservoir

The Board anticipates convening an Executive Session for the purpose conferring with the Board's attorney per Hawaii Revised Statutes (HRS) Sections 92-4 and 92-5(4) to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities relating to this project.

K. MANAGER'S REPORT:

- 1) The Manager will provide a status of the Hawaiian Ocean View exploratory well.
- 2) The Manager will provide update on negotiations with Kamehameha Investment Corp.
- 3) The Manager will provide a report of recent and upcoming Public Relations efforts:
 - Community Meetings: Downtown Hilo, Department of Hawaiian Home Lands - Kawaihae, Waimea Rotary, Waikoloa Seniors, Arborist Committee
 - Visits: Elementary schools, Hawaii Electric Light Co., Inc., Integrated Resource Planning Hydro field trip
 - Special Events: November 3 - Kona Water Round Table, November 8 - E Malama Aina Festival, November 14 - HELCO IRP presentation
- 4) Vacant Positions Priority
- 5) The Manager will provide a report of recent Staff Nominations/Recognition
 - DWS employee and supervisor of the year
 - Employee of the Quarter (3rd Quarter) – Kawika Uyehara
 - William Y. Thompson Award - Norris Gonsalves
 - Retiree of the Department of Water Supply – Herbert Chang, Jr.
 - Remembrance of Len Nakano

L. CHAIRPERSON'S REPORT:

Chairperson 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 November 25, 2008, 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, Hilo, Hawai'i.