

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

MEETING DATE: November 27, 2007

TIME: 10:00 a.m.

PLACE: **Ocean View Community Center**

Leilani Parkway, off Hawai'i Belt Road (mauka between 77-mile and 78-mile markers),
past the cross streets of *Luau, Coral, and Kona*; large blue building on the right

- 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 October 23, 2007, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
(**Note: Addendum requires Roll Call Vote**)
- 5) HAMAKUA:

A. JOB NO. 2007-923, AHUALOA WELL DEVELOPMENT – PHASE 2 (PRODUCTION WELL AND 1.0 MG RESERVOIR):

This project is a follow-up to Phase 1 of this project (approved at the October 26, 2004, Water Board Meeting), which involved the drilling, casing, and testing of an exploratory well near the Department's existing Ahualoa Backwash and Filter tanks. The well tests proved the well to be a reliable source. Therefore, the Department is pursuing outfitting the well and construction of a 1.0 MG reservoir for Phase 2 of the project. The project also includes the construction of approximately 1,100 L.F. of access road and 12-inch ductile iron waterline from Old Mamalahoa Highway to the site.

The estimated construction cost for this project is \$4,000,000.00. This project is NOT on the Department's existing C.I.P. list; therefore, Water Board approval is necessary to proceed. The project is on the DWS 20-year Water Master Plan. Funding for this project will initially be from DWS' C.I.P. budget; however, DWS is currently pursuing funding from the State Drinking Water Revolving Fund program for reimbursement.

RECOMMENDATION: It is recommended that the Board approve this project, JOB NO. 2007-923, AHUALOA WELL DEVELOPMENT – PHASE 2 (PRODUCTION WELL AND 1.0 MG RESERVOIR), and have the Department proceed with its design and implementation.

6) NORTH KONA:

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

Due to delays in the testing phase of the hydro generator equipment, the contractor, Aloha Machine and Welding, Ltd., is requesting an extension of 60 calendar days to the project completion date.

The original contract completion date is December 11, 2007. The proposed new contract completion date is February 12, 2008. This is the first time extension request.

Originally the equipment was to be built and tested by August 8, 2007. There were delays in the testing phase due to low water levels at the testing facility. Eventually, a large pump was brought in to complete the testing of the equipment. The equipment was shipped from the manufacturer on October 26, 2007. If approved, there is no change to the contract cost.

RECOMMENDATION: It is recommended that the Board grant a contract time extension of 60 calendar days to Aloha Machine and Welding, Ltd., for JOB NO. 2006-898, KALOKO TANK #2 HYDROELECTRIC GENERATION PROJECT.

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

Attached is a copy of a letter dated November 16, 2007, from Central Construction, Incorporated, requesting an extension of contract time. This is the contractor's fourth time extension request to allow the Department of Water Supply additional time to secure the necessary building permit for the project. The consultant engineer has informed DWS staff that the variance process includes an additional 30-day comment period once he has received the approval from the Planning Department to send letters to the surrounding property owners. Upon completion of the 30-day comment period, DWS will have to address any concerns or comments received by the Planning Department and then they will finalize the variance application. Therefore, staff has evaluated this request and finds that the 65-calendar day extension is justified.

Previously approved time extensions by the Water Board:

- 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)

This is the recommended time extension for Water Board approval:

- Fourth time extension 65 calendar days (November 11, 2007, to January 15, 2008)

RECOMMENDATION: It is recommended that the Board grant Central Construction, Incorporated, a 65-calendar day extension for JOB NO. 2003-834 (REVISED), CONSTRUCTION OF THE KONA BASEYARD FACILITY IMPROVEMENTS.

C. **JOB NO. 2002-806, MAMALAHOA HIGHWAY WATERLINE IMPROVEMENTS – PHASE 2:**

Due to unforeseen site conditions at the Holualoa Well and Reservoir site, the contractor, Isemoto Contracting Co., Inc., issued a Request for Information (RFI) to determine the appropriate course of action. In response to the RFI, our consultant BK, Inc., determined that a special pipe fitting could remedy the situation.

The contractor has submitted a request for time extension to the contract completion date of 152 days (see attached). The completion date for this project is set for November 30, 2007. The contractor has indicated that the number of days requested is largely due to a delivery time of 10 to 12 weeks for the special fitting. The Department and its consultant are currently working on a change in the overall design to expedite remedy of the situation.

Therefore, the Department recommends a time extension of 90 calendar days to finish the design, implement the required work, and proceed with the remainder of the work required for this contract.

This would be the third time extension to the contract. The first time extension request was for 180 calendar delays due to the consultant's preparation of additional plans and specifications for addition of inlet control units and check valves at Holualoa #1 and Kahaluu #1 tank sites, which were not included in the original plans, and the contractor's additional time required for installation of same. There were also delays in review and revisions to submittals for the project. The second time extension was for 180 calendar days due to revisions to the project plans, scope of work, and project scheduling. The contractor could not proceed with construction until the Department determined the appropriate design and sequencing of construction for the project.

Engineering staff has reviewed this third time extension request and finds that the 90 calendar days are justified. If approved, the contract completion date will be extended from November 30, 2007, to January 29, 2008.

RECOMMENDATION: It is recommended that the Board grant this extension of contract time of 90 calendar days to Isemoto Contracting Co., Ltd., for JOB NO. 2002-806, MAMALAHOA HIGHWAY WATERLINE IMPROVEMENTS – PHASE 2.

7) **KA'U:**

A. **HAWAIIAN OCEAN VIEW ESTATES (HOVE) WATER FACILITIES PROJECT (JOB NO. 2007-922):**

Status of the project and budget update will be provided by the Department and its consultant.

8) MISCELLANEOUS:

A. DEDICATION OF WATER SYSTEMS:

We 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**
(For Water Meters)
Grantor: Sandy's Drive-in, Inc.
TMK: (3) 7-9-007:065

2. **GRANT OF EASEMENT**
(For Water Meters)
Grantor: The Sullivan Family Limited Partnership
TMK: (3) 7-9-007:036

3. **GRANT OF EASEMENT**
(For Waterline Purposes)
Grantors: Richard Ha Jr. and June Dale Ha
TMK: (3) 7-9-007:036
E.W.O.: 2007-008

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.

B. FOSTER KERN LLC, TAX MAP KEY (3) 1-6-003:005 (PORTION) AND 108 ULUPONO CENTER:

Request for cancellation of waterline easement by Foster Kern LLC (see attached).
Recommendation to be provided at the meeting.

C. PROFESSIONAL SERVICES AGREEMENT:

Professional Services Agreement contracts for the following Department of Water Supply project is currently being processed. However, the project is not listed on the Department's current 5-year Capital Improvement Projects list.

- 1) Kona Ocean View Improvements - this project has been initiated by a County Council's Improvement District process. It consists of the installation of a new water system meeting the Department's Water System Standards to serve about 80 lots within the subdivision. Through the Improvement District process, the Department administers the project. Therefore, DWS needs to advance design funds to procure professional engineer to prepare/assist with the following in order to apply for funding through USDA's Rural Utilities Water and Waste Disposal Loan and Grant Program:

- Preliminary Engineering Report
- NEPA / 343 Environmental Assessment
- USDA R.U.S. application
- Construction documents

The Department is to get reimbursed the design funds from the Improvement District process. Design and Construction cost estimate: \$400,000.00

RECOMMENDATION: It is recommended that the Board approve the new project, the professional services contract, subject to results of the procurement process and that either the Chairman or the Vice-Chairman be authorized to sign the necessary documents, subject to approval of our Corporation Counsel.

D. **WATER RATE STUDY 2007:**

For general discussion.

E. **BANKING AND CASH MANAGEMENT:**

See attached report on the recommendation for bank checking account service and criteria used for selection.

F. **DEPARTMENT OF WATER SUPPLY MOTTO:**

Update scheduled for next meeting because feedback and information are forthcoming.

G. **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.

H. **AUTOMATIC METER READING (AMR) SYSTEM CONTRACT – NEPTUNE TECHNOLOGY GROUP (ADDITIONAL 1,000 UNITS):**

Attached is “Agreement For Sale And Installation Of Automatic Meter Reading System And Replacement Of Meters.” This agreement with Neptune is to have them install an additional 1,000 AMR units in addition to the 2,200 previously installed by contract dated September 19, 2006. These meters will allow our meter readers to obtain meter readings via radio signal to either a handheld device or drive-by receiver. Meter readings are then loaded directly into the billing system providing clerical, in addition to field efficiencies. Cost to the Department for 1,000 AMR meters and installation is \$293,000.00. Total contract cost for 3,200 meters is \$942,000.00.

RECOMMENDATION: The Department recommends approval of the AMR contract with Neptune Technology Group and that either the Chairman or the Vice-Chairman be authorized to sign the contract, subject to review as to form and legality of the contract by Corporation Counsel.

I. **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.

J. **MANAGER'S REPORT:**

- 1) The Manager will provide the status of the Palani Road Transmission Waterline project.
- 2) The Manager will provide a status of the Hawaiian Ocean View exploratory well.
- 3) The Manager will provide a status of the Kona Water Quality.
- 4) The Manager will provide an update on negotiations with Kamehameha Investment Corporation.
- 5) The Manager will provide an update on the meeting with State agencies in North Kona.

K. **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 December 18, 2007, 10:00 a.m., in the Department of Water Supply, 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.