

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

MEETING DATE: August 28, 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 July 24, 2007, 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. 2006-886, JANITORIAL SERVICES AT THE WAIAKEA OFFICE PLAZA (2006-2007):

The Department is requesting a 1-year extension to its Waiakea Office Plaza janitorial services contract with Hawaii Island Removal Services, LLC. The original contract term was from July 1, 2006, through June 30, 2007, for a total of \$53,526.60. The contract extension will be from July 1, 2007, through June 30, 2008, for the same total amount.

RECOMMENDATION: The Department recommends approval of a 1-year extension to the contract with Hawaii Island Removal Services, LLC, for JOB NO. 2006-886, JANITORIAL SERVICES AT THE WAIAKEA OFFICE PLAZA (2006-2007), for \$53,526.60.

B. RESOLUTION 07-01: RESOLUTION AUTHORIZING THE DEPARTMENT OF WATER SUPPLY TO REQUEST THE COUNTY COUNCIL OF THE COUNTY OF HAWAII TO ISSUE A GENERAL OBLIGATION BOND FOR THE ANDRADE CAMP WATERLINE IMPROVEMENT PROJECT AND TO NEGOTIATE A REPAYMENT PLAN:

Because of United States Department of Agriculture (USDA), Rural Utilities Service (RUS) loan requirements, a General Obligation Bond is required to secure the loan for the Andrade Camp Water System Improvements. The USDA has proposed to loan \$147,000.00 to the Department of Water Supply for a General Obligation Bond with a term of thirty-five (35)

years and with an approximate interest rate of 4.125%. In turn, the Department will administer the loan to the residents of the Andrade Camp Community Association.

RECOMMENDATION: It is recommended that the Board adopt the attached Resolution No. 07-01, and that either the Chairman or the Vice-Chairman be authorized to sign the loan documents, subject to approval of our Corporation Counsel.

6) NORTH KOHALA:

A. **JOB NO. 2002-805, MAKAPALA PRODUCTION WELL AND SUPPORTING FACILITIES:**

Staff requests a 92 calendar-day time extension. This request is due to delays due to Hawaiian Tel's work to install telephone service required for SCADA portion of contract.

This is the 8th time extension request for this project. Previous extensions were as follows:

- First time extension - 170 calendar days (delays in the building permit processing, modifications to the access road, and changes in the motor controls).
- Second time extension - 9 working days (rain-out days).
- Third time extension - 56 working days due to asphalt shortage and time to obtain easements.
- Fourth time extension - 59 calendar days due to Hawaii Electric Light Company, Inc.'s, problems in trying to obtain their required easements.
- Fifth time extension - 61 calendar days due to continuing delays with Hawaii Electric Light Company, Inc.'s, work to design/install power poles.
- Sixth time extension - 30 calendar days due to continuing delays due HELCO's work to design/install power poles.
- Seventh time extension - 123 calendar days due to continuing delays with Hawaii Electric Light Company, Inc's. (HELCO), work to design/install power poles.

RECOMMENDATION: It is recommended that the Board approve a contract time extension to Isemoto Contracting Company, Inc., of ninety-two (92) calendar days from July 31, 2007, to October 31, 2007, for JOB NO. 2002-805, MAKAPALA PRODUCTION WELL AND SUPPORTING FACILITIES.

7) SOUTH KOHALA:

A. **JOB NO. DWS-5A, EMERGENCY REPAIR TO THE WAIMEA CLEARWATER TANK:**

The contractor, Aquatic Inspections, Inc., was requested by the Department to provide additional sediment removal services and repairs in the Waimea Clearwater Tank, which were not included in the original project scope of work. The contractor's additional costs were \$42,527.00.

Due to there being leftover sediment in the tank from a previous contractor's cleaning of the tank, it was necessary that the sediment be removed so that damaged expansion joints inside the tank could be properly inspected and repaired. In addition, the contractor identified and repaired an area in the tank where there was additional damage, which was not identified in previous inspections using remotely operated vehicles and not included in the original project scope of work.

Engineering staff has reviewed the request and finds that \$42,527.00.00 for the additional work provided is acceptable. The contract contingency (10%) allowed for \$5,920.00 in extras and additions; therefore, an additional \$36,607.00 is required to cover the contractor's costs.

This project is NOT on the Department's 5-year C.I.P list.

RECOMMENDATION: It is recommended that the Board grant the addition of \$36,607.00 to the contract price for JOB NO. DWS-5A, EMERGENCY REPAIR TO THE WAIMEA CLEARWATER TANK. If approved, the total contract price will increase from \$59,200.00 (without contingency) to \$101,727.00.

8) SOUTH KONA:

A. **JOB NO. 2007-911, NON-REVENUE WATER LOSS PHASE III:**

In the Department's continuing efforts to reduce non-revenue water loss, we are continuing with a Phase III of a Leak Detection Program for South Kona. The overall mission of the program is to identify leaks, remit leak reports to field operations for repair, and reduce the unaccounted for water and energy costs. An initial study was performed to identify the areas with the greatest non-revenue system losses. Phase I was implemented for the Hilo District. Phase II was completed for the South Kohala District. This project is to cover the South Kona area.

Bids for this project were opened on July 19, 2007, at 2:00 p.m.; and following are the bid results:

<u>Bidder</u>	<u>Amount</u>
TK Process Hawaii, LLC	\$168,578.35

Project Scope: The project consists of the contractor supplying all labor, materials, tools and equipment necessary for the mobilization, preparation, and installation of loggers and updating of electronic maps for a leak detection system covering approximately 45 miles of water distribution pipeline and approximately 225 loggers.

Project Cost:

1) TK Process Hawaii, LLC	\$168,578.35
2) Construction Contingency	<u>16,421.65</u>
Total Construction Cost:	<u>\$185,000.00</u>

Funding for this project will be from the 2007-2008 Operations Contractual Services Budget.

The contractor will have 180 calendar days to complete this project.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2007-911, NON REVENUE WATER LOSS PHASE III to the lowest responsible bidder, TK Process Hawaii, LLC, for their bid amount of \$168,578.35 plus \$16,421.65 in construction contingency for a total contract amount of \$185,000.00, and that either the Chairman or the Vice-Chairman be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel.

B. FIRST SUPPLEMENTAL WELL SITE DEVELOPMENT AGREEMENT:

The First Supplemental Well Site Development Agreement provides for the oversizing of the well in Kealakekua as provided for in the original agreement between the Greenwells, Oceanside, and the Water Board. The oversizing stated in the First Supplemental Well Site Development Agreement will increase the well capacity from 700 gallons per minute (approximately 1.0 million gallons per day) to 1,000 gallons per minute (approximately 1.40 million gallons per day). The First Supplemental Well Site Development Agreement specifies the share of the increased capacity that the DWS will receive and also the share of the oversizing cost that the DWS will reimburse Oceanside. The First Supplemental Well Site Development Agreement is attached for review.

RECOMMENDATION: It is recommended that the Water Board approve the First Supplemental Well Site Development Agreement and that either the Chairman or the Vice-Chairman be authorized to execute the Agreement, subject to review and approval by Corporation Counsel.

C. HOOKENA STANDPIPE INTERIM LETTER AGREEMENT:

The Department is in negotiations to purchase the piece of property that our Hookena Standpipe facility is located on. In the interim, the owners of the parcel are requesting payment of \$1,500.00 per month as rent for the use of the property from September 1, 2007, through December 31, 2007. Should an agreement not be reached by December 31, 2007, the Department shall either vacate the property or initiate condemnation proceedings. See attached draft interim agreement letter.

RECOMMENDATION: It is recommended that the Water Board approve the monthly rent payment of \$1,500.00 from September 1, 2007, through December 31, 2007, and that the Manager be authorized to execute a final interim agreement letter, subject to review and approval by Corporation Counsel.

9) NORTH KONA:

A. **TAX MAP KEY 7-5-015:008 – WAIAHA SITE:**

This is a follow-up on the August 22, 2006, Water Board Agenda item where the Department of Water Supply had no objections to the subdivision of the Waiaha Site as long as the County had no objections and where the Water Board gave the Manager the authority to act on behalf of the Water Board to provide any information as requested by the County Council. It is now brought to our attention that the parcel cannot be subdivided and then sold to an individual as a remnant piece. It would have to be auctioned, and that would not guarantee that the individual wanting the property would be the winning offeror. The County is working with Ms. Sarah Peck's attorney, looking into the different options that would allow the possible subdivision of her lot.

10) 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. **GRANT OF EASEMENT AND BILL OF SALE
INDEMNIFICATION AGREEMENT**

DEED (for 3-Tank Sites)

BILL OF SALE (for 3-Tank Sites)

Hokuli'a, Phase 1, Package 1

Subdivision Application No. 98-124

Grantor: 1250 Oceanside Partners

TMK: (3) 8-1-004: Portion 003

E.W.O.: 2001-049

Lots: 284

Zoning: A-1A

Facilities Charge: \$ 952,876.00

Date Paid: 9/17/99

Final Inspection Date: _____

Water System Cost: \$3,721,569.00

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

"KAHAOPEA GARDENS" (SUB 04-000138)

Grantor: Kahaopea '03, LLC

TMK: (3) 2-4-010:001 & 132

E.W.O.: 2007-037

Lots: 29 plus 3 Roadway Lots & a 40-Foot Road Reserve

Facilities Charge: \$144,190.00

Paid: 10/03/06

Final Inspection Date: 5/25/2007

Water System Cost: \$250,345.00

3. **GRANT OF EASEMENT AND BILL OF SALE**
CAHOON SUBDIVISION (SUB 03-000144)
Grantor: Bartley T. Cahoon
TMK: (3) 7-3-005:097 portion
E.W.O.: 2006-082
Lots: 7 plus 1 Roadway Lot Zoning: RS-15
Facilities Charge: \$33,000.00 CAF: \$3,000.00 Paid: 6/05/2007
Final Inspection Date: 5/17/2007
Water System Cost: \$61,468.00

4. **GRANT OF EASEMENT AND BILL OF SALE**
"LOKAHI MAKAI," PHASE V
Subdivision Application No. 05-000076
TMK: 7-3-010:047 & 049 (PORTION LOT 506)
Grantor: Sonny Ventures, LLC
TMK: (3) 7-3-061:051 & 054
E.W.O.: 2007-031
Lots: 21 plus 3 Roadway Lots Zoning: RS-10
Facilities Charge: \$121,000.00 Paid: 11/20/2006
Final Inspection Date: 5/10/2007
Water System Cost: \$134,683.30

5. **GRANT OF EASEMENT AND BILL OF SALE**
KŌNALE SUBDIVISION (Kōnale Way Improvements)
Subdivision Application No. 2003-0042
Grantor: J. A. MacCosham & Company, Ltd., et al.
TMK: (3) 7-3-024:011
E.W.O.: 2006-058
Lots: 1 existing 6 additional 7 Total Zoning: A-3a (FA-3a)
Facilities Charge: \$20,790.00 Paid: 9/08/2007
Final Inspection Date: 11/06/2006
Water System Cost: \$80,000.00

6. **GRANT OF EASEMENT AND BILL OF SALE**
Subdivision Application No. 2003-019
Grantors: Hazel Jane Maertens and David Joseph Maertens
TMK: (3) 6-4-030:010
E.W.O.: 2006-066
Lots: 4 Zoning: A-10A
Facilities Charge: \$16,500.00 Paid: 7/11/2006
Final Inspection Date: 9/13/2006
Water System Cost: \$49,998.00

7. **GRANT OF EASEMENT**
Naauao Street Waterline Extension

Grantor: Clayton E. Chong
TMK: (3) 2-5014:049 & 2-5-015:051
E.W.O.: 2006-047

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. DWS ENERGY SAVINGS PROGRAM:

Briefing to be provided by Bettina Arrigoni, our Energy Management Analyst.

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 the status of the Palani Road Transmission Waterline project.
- 2) The Manager will provide a status of the Waimea Clearwater Reservoir Repair.
- 3) The Manager will provide a status of the Hawaiian Ocean View exploratory well.
- 4) The Manager will provide a status of the Kona Water Quality.
- 5) The Manager will provide an update on negotiations with Kamehameha Investment Corporation.
- 6) The Manager will provide an update on the Automatic Meter Reading project.
- 7) The Manager will provide an update on drought conditions in specific districts.
- 8) The Manager will provide an update on Kawaihoni Reservoir.
- 9) The Manager will provide an update on Hurricane Flossie.
- 10) DWS Audit as asked for by Hawaii County Council.

F. CHAIRMAN'S REPORT:

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

11) **ANNOUNCEMENTS:**

1. **Next Meeting:**

The next meeting of the Water Board will be held on September 25, 2007, 10:00 a.m., in the Waimea Community Center (next to the ball park); Kamuela, Hawai‘i.

12) STATEMENTS FROM THE PUBLIC

13) 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.