

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

MEETING DATE: June 30, 2009

TIME: 10:00 a.m.

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

- 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 May 26, 2009, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA
(Note: Addendum requires Roll Call Vote)
- 5) PUNA:

**A. UTILITY AGREEMENT NO. 2020 – KEA'AU-PĀHOA ROAD, SHOULDER LANE
CONVERSION, KEA'AU BYPASS ROAD TO SHOWER DRIVE, FEDERAL AID
PROJECT NO. STP-0130(28):**

This Utility Agreement (UA), for the subject project that includes or affects the Department of Water Supply (DWS) water systems, is required for State Highways projects. *(See attached agreement.)*

The UA sets forth the responsibilities and liabilities of each agency regarding the water system within the State Right-of-Way. It also includes the provisions for future improvements and/or maintenance requirements by either the State or DWS. The contents of this UA are consistent with previous executed agreements, as well as the requirements of HRS 264-33. Construction plans for this project have been approved by DWS.

Staff has reviewed the subject UA, and finds it acceptable as submitted.

Note: There is no additional cost to DWS associated with this Utility Agreement.

RECOMMENDATION: It is recommended that the Water Board approve UTILITY AGREEMENT NO. 2020 – KEA'AU-PĀHOA ROAD, SHOULDER LANE CONVERSION, KEA'AU BYPASS ROAD TO SHOWER DRIVE, FEDERAL AID PROJECT NO. STP-0130(28), and authorize the either the Chairperson or Vice-Chairperson to execute the document subject to the review and approval of the Corporation Counsel.

6) SOUTH HILO:

A. JOB NO. 2007-926, HAKALAU IKI SPRING REMEDIATION:

The contractor, Ed Higa General Contracting, has requested a 49-calendar day time extension. This time extension request is because of delays due to a faulty conductivity probe. *(See*

attached request from the contractor.) The probe could not be calibrated properly and after it went through in-situ troubleshooting, the factory concluded that it needed to be replaced. The probe was reordered, and a new probe was shipped from the factory and finally reinstalled.

Subsequently, the SCADA programming and testing had to be rescheduled until the new probe could be installed. This resulted in further delays because of unavailability of field personnel to do the SCADA programming and testing.

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

Staff has reviewed the request and finds that the 49 calendar days are justified. This is the fourth time extension request. Previous extensions are listed as follows:

Request	Time Requested	From	To
First Time Extension	62 Calendar Days	January 27, 2009	March 30, 2009
Second Time Extension	57 Calendar Days	March 30, 2009	May 26, 2009
Third Time Extension	35 Calendar Days	May 26, 2009	June 30, 2009
Fourth Time Extension	49 Calendar Days	June 30, 2009	August 18, 2009

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 49 calendar days to JOB NO. 2007-926, HAKALAU IKI SPRING REMEDIATION. The contract completion date will be revised from June 30, 2009 to August 18, 2009.

B. JOB NO. 2002-802, CONSTRUCTION OF THE PI'IHONUA RESERVOIR NO. 2 REPLACEMENT, DISTRICT OF SOUTH HILO, HAWAII, COUNTY OF HAWAII, STATE OF HAWAII:

Bids were opened on June 18, 2009, at 2:00 p.m.; and the following are the bid results:

Bidder	Amount
Isemoto Contracting Co., Ltd. (Lowest Responsible Bidder)	\$6,505,870.00
Ledcor Construction Hawaii, LLC	\$6,737,125.00
Goodfellow Bros., Inc.	\$6,952,420.00
E.M. Rivera & Sons, Inc.	\$7,405,373.75
Jas W. Glover, Ltd.	\$7,584,710.00

Engineer's Construction Cost Estimate: \$7,000,000.00.

Construction Contract Duration: Four hundred eighty (480) calendar days.

Project Scope: The project consists of: a 2.0-MG prestressed concrete tank, control building, booster pump station, reservoir influent control station, pressure reducing valve station, facility piping and connecting pipelines, drainage structures, electrical work, instrumentation, approximately 1,700 linear feet of 8-inch waterline with attendant service re-connections and fire hydrant assemblies, asphalt concrete paving and repaving work, site perimeter fencing, demolition of the existing reservoir site, and landscaping.

The project cost will be as follows:

Project Cost:

1) Low Bidder (Isemoto Contracting Co., Ltd.)	\$6,505,870.00
2) Construction Contingency (~8%)	<u>494,130.00</u>
Total Construction Cost:	<u>\$7,000,000.00</u>

Funding for this project will be from DWS C.I.P. funds.

Department Staff has reviewed the bids and finds the bid from Isemoto Contracting Co., Ltd., acceptable as submitted.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2002-802, CONSTRUCTION OF THE PI'IHONUA RESERVOIR NO. 2 REPLACEMENT, DISTRICT OF SOUTH HILO, HAWAI'I, COUNTY OF HAWAI'I, STATE OF HAWAI'I, to the lowest responsible bidder, Isemoto Contracting Co., Ltd., for their bid amount of \$6,505,870.00 plus \$494,130.00 for construction contingency for a total contract amount of \$7,000,000.00, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality of the contract by Corporation Counsel.

7) HĀMĀKUA:

A. JOB NO. 95-621, CONSTRUCTION OF THE PŌHĀKEA WATER SYSTEM IMPROVEMENTS, HĀMĀKUA, HAWAI'I, COUNTY OF HAWAI'I, STATE OF HAWAI'I:

The contractor, Willocks Construction Corporation, has requested a 45-calendar day time extension. (*See attached request from the contractor.*) This request is because of an unforeseen delay due to the existing concrete bridge on Pōhākea/Pa'auilo Homestead Road (Bridge 45-3). This bridge has a 12-ton weight restriction that became an issue during construction of the tank upgrades (Change Order No. 6).

The contractor investigated alternate routes to the project sites, but found much weaker wooden bridges on these alternate routes. Therefore, the contractor sought approval from the Department of Public Works (DPW) to cross Bridge 45-3 with their concrete trucks. After a lengthy deliberation, DPW reanalyzed the bridge, and allowed the contractor to cross the bridge with a reduced load in the concrete trucks.

Staff has reviewed the request and finds the 45 calendar days are justified. This is the seventh time extension request. Previous extensions are listed below:

- 1st time extension – 225 calendar days
- 2nd time extension – 153 calendar days
- 3rd time extension – 152 calendar days
- 4th time extension – 91 calendar days
- 5th time extension – 92 calendar days
- 6th time extension – 1,704 calendar days
- **7th time extension – 45 calendar days**

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

RECOMMENDATION: It is recommended that the Board approve the contract time extension of 45 calendar days to JOB NO. 95-621, CONSTRUCTION OF THE PŌHĀKEA WATER SYSTEM IMPROVEMENTS, HĀMĀKUA, HAWAI'I, COUNTY OF HAWAI'I, STATE OF HAWAI'I. If approved, the contract completion date will be extended from June 30, 2009 to August 14, 2009.

8) SOUTH KOHALA

A. ASSIGNMENT OF USE AND OCCUPANCY AGREEMENT AND CONSENT (MAUNA LANI SERVICE, INC./WATER BOARD/DEPARTMENT OF TRANSPORTATION):

At its May 26, 2009 meeting, the Water Board approved the acceptance of an assignment of the Use and Occupancy Agreement (UOA) between the State of Hawai'i through its Director of Transportation (DOT), and Mauna Lani Service, Inc., contingent upon the execution of the UOA as Mauna Lani had submitted it to DOT.

Since that meeting, the Attorney General for DOT made minor changes to the UOA and to the consent form attached to the Assignment of Use and Occupancy Agreement and Consent between Mauna Lani Service, Inc., and the Water Board. Because of those changes, DWS requests that the Water Board re-approve the revised Assignment of Use and Occupancy Agreement and Consent.

RECOMMENDATION: It is recommended that the Water Board re-approve the ASSIGNMENT OF USE AND OCCUPANCY AGREEMENT AND CONSENT between Mauna Lani Service, Inc. and the Water Board, and authorize either the Chairperson or the Vice-Chairperson to execute the Assignment of Use and Occupancy Agreement and Consent, subject to the review and approval of the Corporation Counsel.

9) NORTH KONA

A. JOB NO. 2009-954, KAHALU'U SHAFT PUMP NO. 1 REPAIR:

Bids were opened on June 5, 2009, at 2:00 p.m.; and following are the bid results:

Bidder	Bid Amount
Derrick's Well Drilling & Pump Services, LLC	\$215,459.44
Beylik Drilling & Pump Service, Inc.	\$238,223.00

Project Scope: This project consists of the removal and replacement of the existing motor, discharge head, line shaft pump, column pipe, inner column assembly, and appurtenances of the Kahalu'u Shaft Pump No. 1.

Project Cost:

1) Low Bidder (Derrick's Well Drilling & Pump Services)	\$215,459.44
2) Construction Contingency (10%)	<u>\$ 20,540.56</u>
Total Construction Cost:	\$236,000.00

Funding for this project will be from DWS's CIP Budget under Deepwell Pump Replacement. The contractor will have 180 calendar days to complete this project. The Engineering estimate was \$215,000.00.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2009-954, KAHALU'U SHAFT PUMP NO. 1 REPAIR, to the lowest responsible bidder, Derrick's Well Drilling & Pump Services, for their bid amount of \$ 215,459.44, plus \$20,540.56 in construction contingency for a total contract amount of \$236,000.00. It is further recommended that either the Chairperson or the Vice-Chairperson be authorized to sign the contract, subject to review as to form and legality of the contract by Corporation Counsel.

B. JOB NO. 2004-839, KEŌPŪ-PU'UHONUA PRODUCTION WELL AND 1.0 MG RESERVOIR:

The contractor, Isemoto Contracting Co., Ltd., requests an 82-calendar day time extension. This request is due to the delay resulting from HELCO and Hawaiian Telcom work. (*See attached request from the contractor.*)

Staff has reviewed the request and finds that the 82 calendar days are justified.

This is the fourth extension request. The first time extension granted at the April 22, 2008, meeting was for 91 calendar days from August 19, 2008, to November 18, 2008. The second time extension granted at the November 25, 2008 was for 197 calendar-days from November 18, 2008, to June 3, 2009. The third extension was granted at the May 26, 2009 Water Board Meeting, for 37 calendar-days, from June 3, 2009 to July 10, 2009.

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

RECOMMENDATION: It is recommended that the Board approve a contract time extension to Isemoto Contracting Co., Ltd., of eighty-two (82) calendar days from July 10, 2009 to September, 30, 2009, for JOB NO. 2004-839, KEŌPŪ-PU'UHONUA PRODUCTION WELL AND 1.0 MG RESERVOIR.

C. FIRST SUPPLEMENTAL WELL DEVELOPMENT AGREEMENT - LANIHAU PROPERTIES, LLC, WEST HAWAII BUSINESS PARK, LLC, PALANI RANCH COMPANY, INC.:

The Well Development Agreement between Lanihau Properties, LLC, West Hawai'i Business Park, LLC, Palani Ranch Company, Inc., and the Water Board was approved at the Board Meeting on June 27, 2006 and executed on August 22, 2006. Now that the well has been drilled, cased, and tested, Lanihau, West Hawai'i Business Park and Palani Ranch desire to enter into this First Supplemental Well Development Agreement which details the well capacity as well as the requirements to outfit the well and its supporting facilities to obtain the water allocations for their Honokōhau Properties. This First Supplemental Agreement also outlines the allocation of and initial assignment as well as subsequent assignment(s) of equivalent units. (*See attached agreement.*)

RECOMMENDATION: It is recommended that the Water Board approve this First Supplemental Well Development Agreement, and authorize either the Chairperson or Vice-

Chairperson to execute the Agreement subject to the review and approval of the Corporation Counsel.

D. OFF-SITE IMPROVEMENT AGREEMENT – WEST HAWAII BUSINESS PARK:

Lanihau Properties, LLC, and West Hawaii Business Park, LLC (WHBP) wish to enter into this “Off-Site Improvement Agreement” (Off-Site Agreement) to provide potable water to the West Hawaii Business Park Development (WHBP Project), included in their Honokōhau Properties as described in the Well Development Agreement. This Off-Site Agreement describes the allocation of equivalent units and the water system improvements required by WHBP in order to provide potable water to the WHBP Project. The off-site improvements include but are not limited to, a 0.5-million gallon concrete reservoir and transmission mains adequate to service the WHBP Project. A portion of the project will be serviced by the existing water system adjacent to the WHBP Project. *(See attached agreement.)*

This Off-Site Agreement is subject to the terms set forth in the Well Development Agreement and the First Supplemental Well Development Agreement if approved.

RECOMMENDATION: It is recommended that the Water Board approve this Off-Site Improvement Agreement and authorize either the Chairperson or Vice-Chairperson to execute the Agreement subject to the review and approval of the Corporation Counsel.

10) KA’U

A. JOB NO. 2002-809, PĀHALA PRODUCTION WELL AND SUPPORTING FACILITIES:

The contractor, Isemoto Contracting Co., Ltd., requests a 51-calendar day, no-cost time extension, due to the additional time required for Hawaiian Electric Light Company (HELCO) to remove the existing HELCO transformers, and due to weather-related delays on December 15, 2008 and March 9, 2009. *(See attached request from the contractor.)*

This is the fourth time extension request. The previously approved time extensions are listed below:

- Time Extension #1: Project extended 97 calendar days to allow for additional time required to obtain the County Building permit.
- Time Extension #2: Project extended 42 calendar days to allow for additional time required to return the undersized pump power cable to the Mainland and ship the required pump power cable to the project site.
- Time Extension #3: Project extended 38 calendar days to allow additional time for HELCO to install the new electric service lines.

This is a no-cost time extension. Engineering staff has reviewed this time extension request and finds that the additional 51 calendar days are justified.

RECOMMENDATION: It is recommended that the Water Board approve a contract time extension to Isemoto Contracting Co., Ltd. of 51 calendar days from June 29, 2009 to August 19, 2009, for JOB NO. 2002-809, PĀHALA PRODUCTION WELL AND SUPPORTING FACILITIES.

11) MISCELLANEOUS:

A. ENERGY PERFORMANCE PROJECT:

Information on status of project to be given.

B. DEDICATION OF WATER SYSTEMS:

The Department 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 Access Purposes, Hakalau Iki Spring)
Grantor: Kevin L. Hill and Kimberly C. Hill
TMK: (3) 2-9-004: Portion 099

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. POWER COST ADJUSTMENT CLAUSE:

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 June 5 and 7, 2009.

The Department's new power cost charge (PCC) formula allows updating of the PCC as often as every two months. The PCC was changed to its present \$2.38 per 1,000 gallons effective January 1, 2009, and has allowed the Department to recover 93% of the actual power costs paid to HELCO since July 2008.

As the Department's power costs have been decreasing, it is appropriate to lower the PCC to more closely reflect the Department's actual power costs. As of May 2009, the PCC computes to \$1.83 per 1,000 gallons ($\$9,772,897 / 5,346,747$ 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 Adjustment Clause per thousand gallons based on the above discussion, effective the first day of the month after proposed establishment of the rate by the Water Board.

D. 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.

E. 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.

F. 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.

G. 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. AWWA ACE 09
4. Kona Water Round Table
5. Computer Use – Internet/Email Policy
6. Sustainability/Energy/Green Team update

H. CHAIRPERSON'S REPORT:

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

12) ANNOUNCEMENTS:

1. Next Meeting:

The next meeting of the Water Board will be held on July 28, 2009 at 10:00 a.m. in Hilo at the 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 August 25, 2009, at 10:00 a.m. at the Royal Kona Resort, Resolution Room, 75-5852 Ali'i Drive, Kailua-Kona.

13) STATEMENTS FROM THE PUBLIC:

14) 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 Shiota 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.