

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

MEETING DATE: April 27, 2010

TIME: 10:00 a.m.

PLACE: Department of Water Supply, Operations Center, Conference Room, 889 Leilani Street, Hilo, Hawai‘i

- 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
 - 1) Minutes of the March 23, 2010, Public Hearing on the Proposed Operating and Capital Improvement Budgets for Fiscal Year 2010-2011
 - 2) Minutes of the March 23, 2010, Public Hearing on the Power Cost Adjustment
 - 3) Minutes of the March 23, 2010, Water Board Meeting

4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA
(Note: Addendum requires Roll Call Vote)

5) SOUTH HILO:

A. JOB NO. 2005-862, WAIĀKEA OFFICE PLAZA AIR CONDITIONING REPLACEMENT:

The contractor, Isemoto Contracting Co., Ltd., requests a 56 calendar-day time extension. This request is due to additional work requested by the Department for the air conditioning system work in the Ka‘u Wing. The additional work involved a variable air volume controller for the customer service vault, which includes the server cabinet.

Staff has reviewed the request and finds that the 56 calendar days are justified. This is the third extension request.

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	5/28/2009	11/30/2009	186	Shipping and arrival times of new air handler units.
2	11/30/2009	3/31/2010	121	Shipping and arrival time schedule of critical air conditioning system equipment, unforeseen relocations of existing electrical and structural facilities, unforeseen additional asbestos material removal.
3	3/31/2010	5/26/2010	56	Waiting for arrival of vital air-conditioning system equipment, and to balance the air conditioning system after the equipment is installed.
Total Days (including this request)			363	

RECOMMENDATION: It is recommended that the Board approve a contract time extension to Isemoto Contracting Co., Ltd., of fifty-six (56) calendar days from March 31, 2010 to May 26, 2010, for JOB NO. 2005-862, WAIĀKEA OFFICE PLAZA AIR-CONDITIONING REPLACEMENT.

B. **WATER AVAILABILITY FOR TMK: (3) 2-5-006:143:**

Mr. Ronald Dalessio, owner of the subject property, would like to address the Water Board about the decision made in response to his complaint filed with the Mayor's Office dated March 3, 2010.

The Department's response letter had addressed the existing conditions of the water system and his property. Further, the Department's letter states the water availability policy in the area and the requirements necessary to provide water for a subdivision. This property is zoned A-3a and has a land area of 12.573 acres.

6) SOUTH KOHALA:

A. **JOB NO. 2007-043, WAIKOLOA RESERVOIR NO. 2 FINAL DESIGN OF REPAIRS -- PROFESSIONAL SERVICES AGREEMENT:**

The Consultant, Kleinfelder West, Inc., has requested compensation to cover additional work due to the ongoing construction of this project. The description of the additional work and the associated fees are as follows:

1. Technical review and response for groundwater seepage into the reservoir and its impact to liner system installation.
Consultant's Fees Requested: \$ 5,270.00
2. Prepare memorandum to DLNR to address their concerns for additional documentation regarding the earthwork test results.
Consultant's Fees Requested: \$ 2,550.00
3. Prepare memorandum with recommendation regarding options for the Zone 1 material.
Consultant's Fees Requested: \$ 1,275.00
4. Additional fees for Task 5 of the Consultant's construction services. The description for Task 5 is: *Coordination Work with Construction Manager, Geotechnical Engineer, and the Department*. The requested amount will cover the months of January through May 2010.
Consultant's Fees Requested: \$ 25,238.00
5. Additional fees for Task 2 of the Consultant's construction services. The description for Task 2 is: *Provide Review, Comments, and Recommendations to Contractor's Submittals*. The requested amount will cover the months of March through May 2010.
Consultant's Fees Requested: \$ 4,700.00
6. Kleinfelder's representative (A. Hastings) for two weeks of full time inspection of the 6-inch minus native material placement.
Consultant's Fees Requested: \$ 16,305.00
7. Kleinfelder's representative (C. Williams) for two weeks of full-time inspection of the 2 ½ - inch base course imported material placement.
Consultant's Fees Requested: \$ 16,096.00

SUMMARY TABLE:

ITEM	TASK DESCRIPTION	FEE AMOUNT
1.	Technical review and response for groundwater seepage into reservoir.	\$ 5,270.00
2.	Prepare memorandum to DLNR.	\$ 2,550.00
3.	Prepare memorandum regarding options for the Zone 1 material.	\$ 1,275.00
4.	Additional fees for Task 5 - Coordination Work with Construction Manager, Geotechnical Engineer, and the Department.	\$ 25,238.00
5	Additional fees for Task 2 – Submittal Reviews	\$ 4,700.00
6	Kleinfelder’s engineer for two weeks of full time inspection.	\$ 16,305.00
7	Kleinfelder’s technician for two weeks of full-time inspection.	\$ 16,096.00
TOTAL (Not To Exceed)		\$ 71,434.00

Staff has reviewed the request and finds the \$ 71,434.00 additional fees are justified.

RECOMMENDATION: It is recommended that the Board grant this request for additional funds of \$71,434.00 to Kleinfelder West, Inc. and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents, subject to approval by our Corporation Counsel.

B. JOB NO. 2007-043, CONSTRUCTION OF THE WAIKOLOA RESERVOIR NO. 2 EARTHQUAKE REPAIRS, COUNTY OF HAWAI‘I, STATE OF HAWAI‘I, FEMA-1644-DR-HI, FIPS NO. 001-UVKJ8-00, PW NO. 638:

The contractor, Goodfellow Bros., Inc., has submitted a change proposal to furnish imported soil for use as backfill for the remaining exterior slope, trench, and berm areas of the reservoir. The total cost for the imported soil will be \$229,741.44. This cost is for furnishing the imported soil material only.

The imported material will save approximately five months of construction time, and provide a superior end product. It will also provide for much more reliable quality control, as required by the Department of Land and Natural Resources (DLNR). The original scope of work, which specified use of native material, was developed during very dry weather conditions. The scope went through peer review by a consultant hired by the State, and the scope was deemed appropriate at that time.

The contractor has also submitted a change proposal for additional coring and grouting to fill the voids behind the existing concrete slope panels. The total cost for the additional coring and grouting will be \$285,154.02.

The actual field conditions did not reflect the scope of the FEMA project work sheet, from which the original bid quantities for the grout were based. This material, which is required to completely fill the voids, will subsequently provide the necessary support of the new liner system.

The original bid quantity was 12 percent of the actual required amount of grout. The consultant did a random survey of the slope panels, but the results did not indicate the severity of the actual conditions. This was an unforeseen condition.

Staff also requests \$69,500.00 for contingency.

There is no additional contract time requested by the Contractor for the imported soil change proposal and a contract time extension of 63 calendar days for the additional coring and grouting change proposal. Staff has reviewed the change proposals and finds it acceptable as submitted.

RECOMMENDATION: It is recommended that the Board grant this request for additional funds of \$514,895.46 to cover these two change proposals and \$69,500.00 for contingency. The total requested is \$584,395.46. Funds will be from CIP reserves.

C. **JOB NO. 2007-043, CONSTRUCTION OF THE WAIKOLOA RESERVOIR NO. 2 EARTHQUAKE REPAIRS, COUNTY OF HAWAI'I, STATE OF HAWAI'I, FEMA-1644-DR-HI, FIPS NO. 001-UVKJ8-00, PW NO. 638:**

The Contractor, Goodfellow Bros., Inc., has requested a 26 calendar-day time extension. This request consists of 3 calendar days to accomplish the work for Change Order No. 6, (2 calendar days to apply the Armatec 110 coating on the existing rebars and one calendar day to install the additional cleanout assembly); 15 calendar days for the additional work of Change Order No. 7 (100 linear feet of wet crack repair); and 8 calendar days for rain-outs and unworkable conditions from January 1, 2010 to March 31, 2010.

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

Staff has reviewed the request and finds that the 26 calendar days are justified.

This is the fourth time extension request.

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	11/9/2009	1/30/2010	82	Rainout days and Hypalon polymer supply issues.
2	1/30/2010	2/25/2010	26	Additional cleanout installation work and rainout days.
3	2/25/2010	5/9/2010	73	Additional work for Change Order Nos. 3, 4, and 5; and rainout days.
4	5/9/2010	6/4/2010	26	Additional work for Change Order Nos. 6 and 7; and rainout days.
Total Days (including this request)			207	

RECOMMENDATION: It is recommended that the Board approve a contract time extension to Goodfellow Bros., Inc. of twenty-six (26) calendar days from May 9, 2010 to June 4, 2010, for JOB NO. 2007-043, CONSTRUCTION OF THE WAIKOLOA RESERVOIR NO. 2 EARTHQUAKE REPAIRS.

7) **NORTH KONA:**

A. **JOB NO. 2007-919, EARTHQUAKE DAMAGED TANK REPAIRS – GROUP #2:**

The contractor, Isemoto Contracting Co., Ltd., has requested a contract time extension of 30 calendar days.

The project has been delayed due to unanticipated leaks in the Kailua View Estates 0.1 MG tank that developed after the post-repair leak test. The adjacent Pines Offsite 0.3 MG tank, which is the last tank to be repaired for this project, cannot be repaired until the Kailua View Estates tank is fully repaired and operational.

This would be the second time extension request for this project.

Ext. #	From (Date)	To (Date)	Days (Calendar)	Reason
1	2/15/2010	5/16/2010	90	Additional interior repairs at Lālāmilo 610' 1.0 MG tank and delays in acquisition of temporary tanks for South Kohala Resort 404' 0.5 MG tank.

The first time extension extended the project 90 calendar days to provide for additional interior repairs at the Lālāmilo 610' 1.0 MG tank and because of delays in acquiring the temporary storage tanks needed to repair the South Kohala Resort 404' 0.5 MG tank.

RECOMMENDATION: It is recommended that the Board grant this contract time extension of 30 calendar days to Isemoto Contracting Co., Ltd., for JOB NO. 2007-919, EARTHQUAKE DAMAGED TANK REPAIRS – GROUP #2. If approved, the contract completion date will be extended from May 16, 2010 to June 15, 2010.

8) KA'U:

A. **JOB NO. 2009-959, PĀHALA WELL #1 REPAIR:**

(This item was deferred from the 3-23-10 Water Board Meeting.)

Bid opening was on March 11, 2010, at 2:30 p.m., and the following are the bid results.

Bidder	Amount
Beylik Drilling and Pumping Service	\$162,143.00
Derrick's Well Drilling and Pump Service	\$136,223.31

Project Scope: This project generally consists of the removal and replacement of the existing deep well submersible motor, pump, power cable, column pipe and appurtenances.

Project Cost:

1) Low Bidder (Derrick's Well Drilling & Pump Services, LLC)	\$136,223.31
2) Construction Contingency (10%)	<u>13,622.33</u>
Total Construction Cost:	<u>\$149,845.64</u>

Funding for this project will be from DWS's CIP Budget under Deepwell Pump Replacement. The contractor will have 240 calendar days to complete this project.

RECOMMENDATION: It is recommended that the Board cancel the award of this project. It is the intent of the Department of Water Supply to re-bid the project due to a procurement violation.

B. **HAWAIIAN OCEAN VIEW ESTATES:**

Information on the project to be provided, followed by discussion.

9) MISCELLANEOUS:

A. **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. BILL OF SALE

Alaloa Acres Subdivision
Subdivision No. 2006-000304
Seller: Isamu Maedo, Trustee of the Isamu Maedo Trust
Tax Map Key: (3) 2-4-005:018
E.W.O. 2010-003
No. of Lots: 9 Zoning: A-3a
Facilities Charge: \$44,000.00 Date Paid: 01/15/2010
Final Inspection Date: 02/24/2010
Water System Cost: \$22,000.00

2. BILL OF SALE

West Hawai'i Emergency Shelter
Seller: County of Hawai'i, Office of Housing and Community Development
Tax Map Key: (3) 7-4-010:020
E.W.O. 2010-014
Facilities Charge: \$ 49,500.00 Date Paid: 04/13/2010
Final Inspection Date: *To be announced at the meeting*
Water System Cost: \$ 55,000.00

3. GRANT OF EASEMENT AND BILL OF SALE

Grantor: K PONO, LLC
Tax Map Key: (3) 7-5-012:014-018, 043
E.W.O. 2007-089
Facilities Charge: \$ 183,880.00 CAF: \$16,500.00 Date Paid: 05/02/2008
Final Inspection Date: 01/20/2010
Water System Cost: \$440,000.00

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. DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING AND CAPITAL IMPROVEMENT BUDGETS FOR FISCAL YEAR 2011:

Fiscal Year 2011 Operating and C.I.P. Budgets for approval. A Public Hearing was scheduled to receive testimony on the Department's proposed budgets for FY2011 on March 23, 2010 at 9:30 a.m., before the Board meeting. The first reading of the Budgets took place at the Water Board Meeting on March 23, 2010.

This is the **second reading** of the Budgets.

RECOMMENDATION: It is recommended that the Water Board adopt the Fiscal Year 2010-2011 Operating and Capital Improvement Budgets.

C. **REPORT OF AD HOC FINANCE COMMITTEE:**

The Water Board's Ad Hoc Finance Committee Chairperson, Mr. Art Taniguchi, has been investigating the three focus areas (DWS's policies on credit card use, cash control and vehicle take-home), which encompass the scope of the Committee's work. At this meeting, the Committee may do the following:

- Report/discussion on vehicle take-home policy.

D. **RENEWAL OF CONTRACT FOR MAINTENANCE AGREEMENT – SOUTH KOHALA, HĀMĀKUA, AND LAUPĀHOEHOE SITES (BRANTLEY CENTER, INC.):**

Brantley Center, Inc., presently has a Maintenance Agreement for site maintenance for the Department's South Kohala, Hāmākua, and Laupāhoehoe tank and pump sites. They are requesting to renew the Agreement for two years from July 1, 2010, to June 30, 2012. The new rates would be as follows:

Hāmākua	--	\$2,446.00/month
Laupāhoehoe	--	\$691.00/month
South Kohala	--	\$3,183.00/month

The Department has the right to award the contract to Brantley Center, Inc., without advertising or calling for bids, according to Subsection 103D-1010 of the Hawai'i Public Procurement Code. Brantley Center, Inc., has submitted the necessary documents to meet the requirement as a qualified rehabilitation facility.

There is no increase in their cost from the previous two years. Brantley Center's performance has been satisfactory, and the costs are reasonable.

RECOMMENDATION: It is recommended that the Board award the contract for the RENEWAL OF CONTRACT FOR MAINTENANCE AGREEMENT – SOUTH KOHALA, HĀMĀKUA, AND LAUPĀHOEHOE SITES (BRANTLEY CENTER, INC.), to Brantley Center, Inc., for a period of two years from July 1, 2010, to June 30, 2012 at the rates as follows, and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents, subject to approval by Corporation Counsel:

South Kohala Sites (\$3,183.00/month x 2 years)	\$76,392.00
Hāmākua Sites (\$2,446.00/month x 2 years)	58,704.00
Laupāhoehoe Sites (\$691.00/month x 2 years)	<u>16,584.00</u>
TWO-YEAR TOTAL:	<u>\$151,680.00</u>

E. **ENERGY MANAGEMENT ANALYST UPDATE:**

The following areas will be covered:

- Lālāmilo Update
 - a. Progress on clean-up;
 - b. Discussion on possible renewal of the lease.
- DWS's Green Initiatives

F. **MONTHLY PROGRESS REPORT:**

Submission of Progress Report of Projects by the Department. 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. **POWER COST CHARGE:**

The Board will discuss whether to authorize the Department to publish a Notice of Public Hearing on the Power Cost Adjustment, for a Public Hearing to be held on May 25, 2010. This is in anticipation of a fluctuation in the power cost that would warrant an adjustment in the Power Cost Charge.

I. **WATER RATE STUDY:**

General and agriculture use water rates update from RW Beck for review by the Board. Proposed water rates will be presented at Public Hearings in Hilo on Tuesday, May 4, 2010 at 6:00 p.m. at the Aupuni Center, and in Kona on Wednesday, May 5, 2010, at 6:00 p.m. at King Kamehameha's Kona Beach Hotel.

J. **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 Waterline Project
3. Department plans for implementation of furloughs
4. Employee of the Quarter presentation

K. **CHAIRPERSON'S REPORT:**

The Chairperson will make an announcement regarding the American Water Works Association Hawai'i Section Conference – May 19 to 21, 2010, Hawai'i Convention Center, Oahu.

10) **ANNOUNCEMENTS:**

1. **Next Meeting:**

The next meeting of the Water Board will be held on May 25, 2010, at 10:00 a.m. in Kona at the Royal Kona Resort, Resolution Room, 75-5852 Ali'i Drive, Kailua-Kona, HI.

2. **Following Meeting:**

The following meeting of the Water Board will be held on **June 15**, 2010, at 10:00 a.m. at the Department of Water Supply, Operations Center Conference Room, 889 Leilani Street, Hilo, HI.

11) **STATEMENTS FROM THE PUBLIC:**

12) **ADJOURNMENT**

Anyone who requires an auxiliary aid or service for effective communication or a modification of policies or procedures to participate in this Water Board Meeting should contact Doreen Shiota, Secretary, at 961-8050 as soon as possible, but no later than five days before the scheduled 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.*