

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

MEETING DATE: January 27, 2009

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

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
 - 1) Minutes of the December 16, 2008, Public Hearing on the Proposed Amendment to the Frequency and Method of Calculating the Power Cost Charge
 - 2) Minutes of the December 16, 2008, regular Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA
(**Note: Addendum requires Roll Call Vote**)
- 5) PUNA:

A. WATER CREDITS AGREEMENT, MAKUU HAWAII:

Na Kupa‘a O Kuhio (NKK), a non-profit entity, is proposing to construct and provide water for the Department of Hawaiian Home Lands’ Makuu subdivision in the district of Puna.

The proposed agreement specifies the number of water credits and percentage of Facility Charges credits they will receive for the construction of the water system. The water system will consist of a deepwell, pump and meter, reservoir, and transmission mains.

RECOMMENDATION: It is recommended that the Water Board approve the “Water Credits Agreement, Makuu Hawaii,” and that either the Chairperson or the Vice-Chairperson be authorized to execute the Agreement subject to review and approval by Corporation Counsel.

B. FOSTER KERN, LLC – PETITION FOR CANCELLATION OF EASEMENT 378 AND DESIGNATION OF EASEMENT (TBD) FOR WATERLINE PURPOSES:

The existing Easement 378 had a leak on the waterline that was buried too deep (approximately 11 feet) for DWS equipment and personnel to fix. The existing waterline is transite as well as cast iron (lead joint) pipe, that makes repair of leaks more difficult and usually temporary (leaks occur elsewhere). DWS, as well as the owner, Foster Kern, LLC, agreed to utilize the 12” waterline that was dedicated to DWS at the December 2007 Water Board Meeting. This new 12” waterline was to replace the existing 10” transite and cast iron pipeline in their next phase. A temporary line was installed between the old line and the 12” waterline that eliminated the portion of waterline that

was leaking and causing additional pumping from the existing DWS wells. Thus, DWS and Foster Kern, LLC, are in agreement that the easement over the abandoned portion of waterline should be cancelled and that a new easement shall be designated over the temporary line.

RECOMMENDATION: It is recommended that the Water Board approve the PETITION FOR CANCELLATION OF EASEMENT 378 AND DESIGNATION OF EASEMENT (TBD) FOR WATERLINE PURPOSES and that either the Chairperson or Vice-Chairperson be authorized to sign the documents.

6) SOUTH HILO:

A. **DRINKING WATER STATE REVOLVING FUND RESOLUTION NO. 09-01:**

Attached is Resolution No. 09-01 for the project of which we have submitted request for loans under the Drinking Water State Revolving Fund (DWSRF). As part of the requirements, a Resolution is required by the Water Board. This Resolution is specifically identified for the following project: JOB NO. 2007-926, HAKALAU IKI SPRING REMEDIATION, and authorizes the Manager or the Deputy Manager to execute loans with the DWSRF for up to \$606,167.00.

RECOMMENDATION: It is recommended that the Water Board adopt Resolution No. 09-01 subject to the approval of Corporation Counsel.

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

The Contractor, Ed Higa General Contracting, has requested a 62-calendar day time extension. This request is due to delays beyond the control of the contractor, and consists of 13 rain-out days, five unworkable days due to inclement conditions after the floods of December 2008 and January 2009, and 44 calendar days to do additional work to help mitigate future storm water runoff damage through the project site.

Staff has reviewed the request and finds that the 62 calendar days are justified. This is the first time extension request.

RECOMMENDATION: It is recommended that the Board approve a contract time extension of 62 calendar days for this project. The contract completion date will be revised from January 27, 2009, to March 30, 2009.

7) NORTH KOHALA:

A. **CONSTRUCTION RIGHT-OF-ENTRY AGREEMENT FOR THE HALAULA EXPLORATORY WELL SITE:**

The Department of Water Supply (DWS) is seeking to construct an exploratory well in the Halaula area of the North Kohala district. DWS intends to develop and test the well prior to acquisition of the property. If the well proves to be productive in terms of quantity and quality of water, then DWS will acquire the site to fully develop the well and to locate a storage reservoir at the site. In order to enter the site to construct and test the exploratory well, DWS has arranged to enter into a Construction Right-of-Entry Agreement with the current landowner, Surety Kohala Corporation.

Surety Kohala Corporation has approved the Agreement and signed it on their behalf. Corporation Counsel has reviewed the document.

The well is to be located at the upper end of Halaula Road at approximately the 785' elevation. The reservoir overflow elevation will be at the 810' elevation to match the Hawi Tank. Once constructed, the new Halaula well and 810' reservoir may be connected to the Hawi water system such that either system can provide backup for the other system. The additional water from the new well will allow increased water availability in the area. Current water policy allows only one equivalent unit of water per pre-existing lot of record.

RECOMMENDATION: It is recommended that the Water Board approve the execution of the Construction Right-of-Entry Agreement, and further that either the Chairperson or the Vice-Chairperson be authorized to execute the Agreement.

8) **SOUTH KOHALA:**

A. JOB NO. 2007-919, EARTHQUAKE DAMAGED TANK REPAIRS, GROUP #2 (N. KONA/S. KOHALA), COUNTY OF HAWAII, STATE OF HAWAII, FEMA-1664-DR-HI, FIPS NO. 001-UVKJ8-00:

This project involves the repair and seismic retrofit of six (6) concrete water tanks that were damaged in the October 15, 2006, Kiholo Bay Earthquake. *(Note: This project involves sites in South Kohala, as well as two sites in North Kona.)*

Bids for this project will be opened on January 22, 2009, at 2:00 p.m.; and a report and recommendation will be provided at the meeting.

B. JOB NO. 2007-043, CONSTRUCTION OF THE WAIKOLOA RESERVOIR NO. 2 EARTHQUAKE REPAIRS, KAMUELA, HAWAII, COUNTY OF HAWAII, STATE OF HAWAII, FEMA-1664-DR-HI, FIPS NO. 001-UVKJ8-00, PW NO. 638:

1) The present consultant agreement with Kleinfelder West, Inc., is in need of a change order to include construction services. These construction services will include the following tasks and their associated fees:

ITEM	TASK DESCRIPTION	FEE AMOUNT
1.	Attendance of Preconstruction Meeting by Design Engineer.	\$ 5,450.00
2.	Provide review, comments, and recommendations to Contractor's Submittals (including, but not limited to, shop drawings, Requests for Information, Change Orders, Request for Price Proposals, laboratory test results, etc.).	\$ 11,578.00
3.	Site visits and report preparation by Design Engineer. Each site visit to be five days duration. Anticipating six site visits.	\$ 68,148.00
4.	Site visits and report preparation by Synthetic Liner Specialist. Each site visit to be five days duration. Anticipating two site visits.	\$ 36,216.00

5.	Coordination work with Construction Manager, Geotechnical Engineer, and the Department.	\$ 20,332.00
6.	Project Close Out Services. a. Final site visit by Design Engineer (two days duration). b. Prepare Project Close Out Report / Construction Summary Report. c. Prepare First Filling Plan for reservoir leak test. d. Prepare Record Drawings.	\$ 46,945.00
TOTAL		\$188,669.00

Original Contract Amount: \$ 190,700.00
Change Orders to Date: \$ 41,727.00
Requested Amount: **\$ 188,669.00 (NOT TO EXCEED)**
Revised Contract Amount: \$ 421,096.00

The amount for construction services will be paid on a “time and material” basis. Funding will be from CIP Reserves.

The original contract had a completion date of June 30, 2008. The construction services are anticipated to extend about two months beyond the project completion date of November 9, 2009. This extension is needed to accomplish items 6b and 6d of the Project Close-Out Services (see chart above). Completion of these construction services will be scheduled for January 9, 2010. Therefore, it is requested to extend the contract completion date from June 30, 2008, to January 9, 2010, or an **extension of 558 calendar days**.

RECOMMENDATION: It is recommended that the Board grant this request for additional funds of \$188,669.00 and the extension of contract time of 558 calendar days to Kleinfelder West, Inc., and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents, subject to approval by Corporation Counsel.

2) **PROFESSIONAL SERVICES AGREEMENT:**

A Professional Services Agreement contract for Construction Management for this project is currently being processed. From the Department’s procurement procedure, SSFM International, Inc. (SSFM), was selected to provide the construction management services. DWS staff recommends the services of a construction management firm, due to the inspection and engineering services required during construction, as set forth by the State Department of Land and Natural Resources’ permitting requirements (including daily reports).

A fee proposal was requested and received from SSFM. These construction management services will include the following tasks and their associated fees:

ITEM	TASK DESCRIPTION	FEE AMOUNT
1.	Provide Resident Construction Management Services	\$ 159,170.00
2.	Provide Field Geotechnical Engineering Services	\$ 14,500.00
3.	Provide Laboratory and In-Situ Testing Services	\$ 32,000.00
TOTAL (NOT TO EXCEED)		\$ 205,670.00

The amount for construction management services will be paid on a “**time and material**” basis. The contract time will be for the duration of the project construction, or 270 calendar days. This project has a Notice to Proceed date of February 12, 2009, and a completion date of November 9, 2009.

Funding for the construction management services will be from G.O. Bond.

RECOMMENDATION: It is recommended that the Board approve the professional services contract with SSFM International, Inc., and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents, subject to approval by Corporation Counsel.

9) KA‘U:

A. **JOB NO. 2000-765, PAHALA 0.5 MG CONCRETE RESERVOIR:**

The contractor, Isemoto Contracting Co., Ltd., has submitted the costs associated with the excavation and backfill of the lava tube as well as other miscellaneous changes in the project. The total cost associated with the lava tube was \$157,155.00, and \$47,780.63 was associated to other changes in the contract for a total of \$204,935.63. The existing contingency amount was \$125,000.00; therefore, an additional \$79,935.63 is being requested at this time to close out the contract. Also, an additional 77 calendar days is being requested to cover the time that was required to await the chain of custody document from the designated facility on the mainland, which confirmed that the requirements of the hazardous materials (lead based paint on the steel reservoir) were disposed of per the contract.

DWS staff has reviewed the proposals for the additional costs as well as extension of time, and find it acceptable. This would be the fourth time extension.

- First extension – 280 calendar days (discovery and recording of petroglyphs)
- Second extension – 298 calendar days (excavation/backfill of lava tube and change to seismic reinforcing)
- Third extension – 28 calendar days (rescheduling of waterline connection)

RECOMMENDATION: It is recommended that the Board approve the additional \$79,935.63 for the construction contract and a contract time extension of 77 calendar days for this project. If approved, the total cost of the construction project will be \$1,836,319.63 and the contract completion date will be revised from November 3, 2006, to January 19, 2007.

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

Subdivision Application No. 2001-125

Grantors: Carrie Ann Inaba, Craig Alan Inaba and Jeffrey Ming Lee

3) Kulaimano Well and Facilities	\$3,000,000
4) Kukuihaele Well Improvement	\$2,000,000
5) Kapulena Well	\$1,345,000
6) Piihonua-Kukuau Reservoir and Transmission	\$4,600,000
7) Laupahoehoe Reservoir	\$2,000,000
8) Milo Street Waterline and Reservoir	<u>\$3,000,000</u>
TOTAL FY10	\$29,445,000

Currently, DWS has approximately \$18,000,000 in funds available to fund construction, broken down by source as follows:

1) CIP Reserve	\$4,660,000
2) Facilities Charges	\$3,000,000
3) 2006 GO Bonds	\$8,750,000
4) Kona Source Assessment Fee	<u>\$1,600,000</u>
TOTAL AVAILABLE	\$18,010,000

These funds are to be used to fund the following construction projects anticipated for the remainder of Fiscal Year 2009 (FY09):

1) Earthquake Tank Repairs #2	\$2,900,000
2) Piihonua Reservoir	\$7,500,000
3) Palani Transmission	\$17,000,000
4) Papaikou Pipeline	\$2,200,000
5) Puakea Reservoir	\$1,500,000
6) Earthquake Tank Repairs #3	<u>\$1,500,000</u>
TOTAL FY09	\$32,600,000

The County of Hawai‘i cannot say exactly when their next General Obligation Bond will be issued but has indicated that Water Board approval is required in order for DWS to be included.

RECOMMENDATION: The Department recommends that the Water Board approve a request to the County of Hawai‘i to be included in the County’s next General Obligation Bond issue for a \$25 million share; that DWS reimburse the County of Hawai‘i for DWS’ share of debt service and costs of issuance; and that the Manager be authorized to execute the necessary documents to complete the issuance.

F. 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.

G. WATER RATE STUDY:

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

H. MANAGER’S REPORT:

The Manager will provide an update or status on the following:

1. Hawaiian Ocean View Exploratory Well

2. Negotiations with Kamehameha Investment Corporation
3. Recycling Program
4. Transportation Committee
5. Employee of the Quarter Award (4th quarter of 2008)

I. **CHAIRPERSON'S REPORT:**

Chairperson 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 February 24, 2009, 10:00 a.m., at the Royal Kona Resort, Resolution Room, 75-5852 Ali'i Drive, Kailua-Kona, 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, Hilo, Hawai'i.