

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

MEETING DATE: February 26, 2008

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 January 22, 2008, 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. 2005-863, CONSTRUCTION OF THE HONOMŪ PRODUCTION WELL AND 0.3 MG RESERVOIR:

Bids for this project were opened on February 14, 2008, at 2:00 p.m.; and following are the bid results:

Bidder	Amount
Isemoto Contracting Co., Ltd.	\$3,531,631.00
Jas. W. Glover, Ltd.	\$3,844,043.00
Kiewit Pacific Co.	\$4,908,000.00

Project Scope: This project consists of outfitting a well including controls, control building, and appurtenant piping/equipment and constructing a 0.3 MG reservoir.

Project Cost:

1) Low Bidder (Isemoto Contracting Co., Ltd.)	\$3,531,631.00
2) Construction Contingency (~10%)	<u>368,369.00</u>
Total Construction Cost:	<u>\$3,900,000.00</u>

The Engineer's Estimate is \$2,547,115.00. Funding for this project will be from the Department's C.I.P. budget with possible reimbursement through the State Drinking Water Revolving Fund loan program.

The contractor will have 360 calendar days to complete this project.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2005-863, CONSTRUCTION OF THE HONOMŪ PRODUCTION WELL AND 0.3 MG RESERVOIR, to the lowest responsible bidder, Isemoto Contracting Co., Ltd., for their bid amount of \$3,531,631.00 plus \$368,369.00 in construction contingency for a total contract amount of \$3,900,000.00, and that either the Chairperson or the Vice-Chairperson be authorized to sign the contract(s), subject to review as to form and legality of the contract(s) by Corporation Counsel.

B. JOB NO. 2006-889, CONSTRUCTION OF THE ANDRADE CAMP WATER SYSTEM IMPROVEMENTS:

Bids for this project will be opened on February 22, 2008, at 3:00 p.m.; and a report and recommendation will be provided at the meeting.

6) NORTH KOHALA:

A. RESOLUTION NO. 08-02, PROVIDING FOR THE ACQUISITION OF PRIVATE PROPERTY AND EASEMENTS SITUATE IN THE DISTRICT OF NORTH KOHALA, COUNTY AND STATE OF HAWAII, IDENTIFIED AS A PORTION OF TMK NO. (3) 5-2-005:023, LOT 78 FOR BACKUP WELL AND REPLACEMENT RESERVOIR SITE:

This resolution is being introduced for the condemnation of a portion of Tax Map Key 5-2-005:Portion 023, Lot 78, for the purpose of acquiring the property surrounding an existing USGS well which was funded by DWS. This site is adjacent to our existing tank and well site. Even though the new DWS well recently went on-line to support the Makapala-Keokea system, this USGS well is now needed as the back-up source for the Makapala-Keokea system due to the loss of the spring that was previously the primary source for the Makapala-Keokea Water System. In addition, it is necessary to condemn enough land at the same location to provide a site for a replacement tank for the existing Makapala Reservoir because it was damaged during the earthquake.

This condemnation is required because the new landowner was unwilling to sell the necessary portion of land to DWS.

RECOMMENDATION: It is recommended that the Board approve Resolution No. 08-02 and authorize the Department and Corporation Counsel to continue with the condemnation process.

7) SOUTH KOHALA:

A. JOB NO. 2004-850, CONSTRUCTION OF THE WAIMEA WATER TREATMENT PLANT SLUDGE DRYING BEDS:

Bids for this project were opened on February 15, 2008, at 2:00 p.m.; and following are the bid results:

Bidder	Amount
Bolton, Inc.	\$3,109,175.00*
Goodfellow Bros., Inc.	\$3,029,449.00
Isemoto Contracting Co., Ltd.	\$3,194,854.71
Kiewit Pacific Co.	\$3,741,000.00

*corrected bid amount

Project Scope: This project consists of installing a solar sludge drying bed system to process sludge created by the water treatment process.

Project Cost:

1) Low Bidder (Goodfellow Bros., Inc.)	\$ 3,029,449.00
2) Construction Contingency (~10%)	<u>\$ 303,551.00</u>
Total Construction Cost:	<u>\$ 3,333,000.00</u>

The Engineer's Estimate is \$3,878,422.00. Funding for this project will be from the Department's C.I.P. budget with possible reimbursement through the State Drinking Water Revolving Fund loan program.

The contractor will have 365 calendar days to complete this project.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2004-850 WAIMEA WATER TREATMENT PLANT SLUDGE DRYING BEDS, to the lowest responsible bidder, Goodfellow Bros., Inc., for their bid amount of \$3,029,449.00 plus \$303,551.00 in construction contingency for a total contract amount of \$3,333,000.00, subject to review as to form and legality of the contract by Corporation Counsel.

8) NORTH KONA:

A. RESOLUTION NO. 08-01, PROVIDING FOR THE ACQUISITION OF PRIVATE PROPERTY AND EASEMENTS SITUATE IN THE DISTRICT OF NORTH KONA, COUNTY AND STATE OF HAWAII, IDENTIFIED AS PORTIONS OF TMK NO. (3) 7-4-009:072, FOR TRANSMISSION LINE IMPROVEMENTS:

This resolution is being introduced for the condemnation of a portion of Tax Map Key 7-4-009:072 for the purpose of creating an access and utility easement for a transmission waterline and related access road. This transmission line is to be a key component of the overall plan to bring source water from wells located above Mamalahoa Highway down to the high-demand service areas of North Kona below the highway.

This condemnation is required because the landowner was requesting a selling price that was 250% of the assessed value determined during a recent appraisal of the affected property.

RECOMMENDATION: It is recommended that the Board approve Resolution No. 08-01 and authorize the Department and Corporation Counsel to continue with the condemnation process.

B. SUPPLEMENTAL AGREEMENT SETTING FORTH A LETTER OF CREDIT AMOUNT FOR WELL DEVELOPMENT AGREEMENT – LANIHAU PROPERTIES, WEST HAWAII BUSINESS PARK, PALANI RANCH COMPANY:

On August 22, 2006, Lanihau Properties, LLC, West Hawaii Business Park, LLC, Palani Ranch Company, LLC (“Owners”) and the Water Board entered into a Well Development Agreement for the development of a new potable water well and certain Well Site and Water Transmission Improvements. The Owners have completed the drilling, casing and pump testing of an exploratory well meeting the DWS’ requirements with respect to water quality and sustainable pumpage. The Owners are undertaking the development of the exploratory well to a production facility and are prepared to construct the Well Site and Water Transmission Improvements. This Supplemental Agreement specifies a letter of credit amount of \$7.5 million dollars to complete the remaining infrastructure required to put the subject well into production and get water into the existing DWS water system on Mamalahoa Highway. The well completion report has been filed with the State Commission on Water Resource Management.

Staff has reviewed the Supplemental Agreement as well as the letter of credit amount and finds it acceptable.

RECOMMENDATION: It is recommended that the Water Board approve the Supplemental Agreement subject to review and approval by Corporation Counsel.

C. JOB NO. 2006-891, KAHALUU SHAFT PUMPS CASING MODIFICATION:

The contractor, Beylik Drilling and Pump Service, Inc., has requested a contract time extension of 61 calendar days (see attached). This delay will allow the Department of Water Supply to have repair work done to the track of the Hil-A-Vator cable car system.

This will be the first time extension to the contract. Engineering staff has reviewed the request and finds that the 61 calendar days are justified. If approved, the contract completion date will be extended from February 27, 2008, to April 28, 2008.

RECOMMENDATION: It is recommended that the Board grant this extension of contract time of 61 calendar days to Beylik Drilling and Pump Service, Inc., for JOB NO. 2006-891, KAHALUU SHAFT PUMPS CASING MODIFICATION.

D. IRRIGATION AGREEMENTS FOR AUPAKA & LESSER PRESERVES WITHIN VILLAGES OF LAIOPUA:

PROJECT BACKGROUND: The Department of Hawaiian Home Lands (DHHL) has a project to preserve and mitigate an endangered plant specie, known as the Aupaka Preserve, on those certain lands situated in and around TMK (3) 7-4-21:05 and the Lesser Aupaka Preserve, on those certain lands situated in and around TMK (3) 7-4-20:06 (Portion).

DHHL is asking for water service for these parcels. The service will be to provide irrigation water only.

DHHL has revised some of the items in our typical irrigation agreement. It is being submitted for the Water Board's review and approval.

RECOMMENDATION: It is recommended that the Water Board approve the irrigation agreements as DHHL "agrees to hold harmless" the Department of Water Supply.

9) 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. **BILL OF SALE**
Kona Palisades High Pressure By-pass Waterline and PRV
Grantor: Seascap Development, LLC
TMK: (3) 7-3-035:014
E.W.O.: 2008-042
Final Inspection Date: 2/15/2008
Water System Cost: \$66,800.00

2. **GRANT OF EASEMENT**
(For Water meter Purposes)
Grantor: Keauhou Heights Limited Partnership
TMK: (3) 7-7-007: 018 Portion

RECOMMENDATION: It is recommended that the Water Board accept these documents subject to the approval of the Corporation Counsel and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents.

B. PROFESSIONAL SERVICES AGREEMENT:

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

- 1) Waimea Water Treatment Plant Compliance Upgrades Phases I and II
Phase I consists of studying the necessary upgrades to meet DOH water quality rules and to develop a master plan as well as prepare updated operations and maintenance, and emergency response plans and documents.
Phase II will consist of necessary design and construction improvements that were developed via the Phase I effort.

Consultant: To be determined
Fee: \$75,000.00 (estimate, subject to negotiation)

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 Chairperson or the Vice-Chairperson be authorized to sign the documents, subject to approval of our Corporation Counsel.

C. **PROFESSIONAL SERVICES AGREEMENT:**

1) Keopu-Puuhonua Production Well and 1.0 MG Reservoir, DWS Job No. 2004-839

Keopu-Puuhonua Production Well and 0.5 MG Reservoir was previously approved at the May 25, 2004, Water Board Meeting. A change order was also approved at the October 26, 2004, Water Board Meeting to modify the scope to increase the tank size to 1.0 MG and to do an NPDES permit.

The project is currently under construction. This change order request is to add geotechnical engineering services during construction to observe, test, and report on subgrade conditions for the new reservoir. Previous projects in Kona (Waiaha and Kona Coastview/Wonderview) encountered subsurface cavities below the reservoirs. This change order is to hire expertise to properly evaluate the subgrade on this project. This change order will be conducted on a time and materials basis with a not to exceed amount.

Consultant: TNWRE	
Original Fee:	\$246,581.00
Previous change order:	\$39,280.00
This change order:	\$26,900.00
Revised Contract Amount:	\$312,761.00

RECOMMENDATION: It is recommended that the Board approve the change order and that either the Chairperson or the Vice-Chairperson be authorized to sign the documents, subject to approval of our Corporation Counsel.

D. **PROFESSIONAL SERVICES AGREEMENT:**

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

Waiakea Office Plaza Landscaping

Project consists of evaluating the Department's property at 345 Kekuanaoa Street in Hilo, develop recommendations, consult with necessary parties, and prepare plans and specifications for improvements, removal, and/or replacement of existing trees and plants.

Consultant: To be determined

Fee: \$30,000.00 (estimate, subject to negotiation)
 Construction estimate: To be determined

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 documents, subject to approval of our Corporation Counsel.

E. MATERIAL BID NO. 2008-01, SALE OF USED VEHICLES, EQUIPMENT, OFFICE EQUIPMENT, OFFICE FURNITURE, TRANSFORMERS, SCRAP COPPER, AND SCRAP BRASS FROM THE DEPARTMENT OF WATER SUPPLY:

Bids were opened on February 14, 2008, at 2:30 p.m. (see attached sheets for results). All items for which the Department received bids and the successful bidders are as follows:

Item	Description	Bidder	Amount
1	Scrap Brass Goods	Atlas Recycling Center LLC	\$1.10/lb.
2	Scrap Copper	Atlas Recycling Center LLC	\$1.75/lb.
3	1975 Chevrolet 2½-ton truck with boom, DWS 10	Tyrone Rapozo	\$1,556.56
7	1996 Chevrolet ¾-ton pickup with utility box, DWS 111	Tyrone Rapozo	\$1,456.56
11	1984 Chevrolet ½-ton pickup, stake body, DWS 29	Robert Rivella	\$451.00
16	36-inch Radial Drill Press, Model No. 155873, ½ HP, 110 Volts	Mark Yoshioka	\$51.00
17	Pavement Cutter, Stow 8.0 Hp, Model No. 190438, Type 5536-01	Atlas Recycling Center LLC	\$75.00
18	Pavement Cutter, Stow 8.0 HP, Model No. 190438, Type 5536-01	Atlas Recycling Center LLC	\$75.00
24	Heath Tech Aquascope Leak Detector, SN 5586	David Faisca	\$150.00
32	Lockers, Unit 1-4	Earl Fukunaga	\$8.00
34	Lockers, Unit 16-19	Mark Yoshioka	\$27.00
35	Lockers, Unit 24-27	Earl Fukunaga	\$8.00
38	Pitney Bowes Mailing Scale, Model A510, SN 26173	Mark Yoshioka	\$32.00
39	4-Leg Steno Chair, Item No. 302 (Orange Fabric)	Doreen Shirota	\$5.00
40	5-Leg Steno Chair, Item No. 323838 (Tan Fabric)	Doreen Shirota	\$10.00
41	5-Leg Steno Chair, Model No. 8600 (Beige Fabric)	Doreen Shirota	\$8.00

RECOMMENDATION: It is recommended that the Board approve all of the high bids for MATERIAL BID NO. 2008-01, SALE OF USED VEHICLES, EQUIPMENT, OFFICE EQUIPMENT, OFFICE FURNITURE, TRANSFORMERS, SCRAP COPPER, AND SCRAP BRASS FROM THE DEPARTMENT OF WATER SUPPLY, as listed above and also authorize the Manager to dispose of all items for which no bids were received.

F. GASOLINE BID NO. 2006-05, FURNISHING AND DELIVERING GASOLINE AND DIESEL TO THE DEPARTMENT OF WATER SUPPLY:

Due to the increase in gas prices, which is allowed by contract, the Department of Water Supply will be experiencing a shortage in the contract amount with Aloha Petroleum, Ltd., and Hawaii Petroleum, Inc. Aloha Petroleum, Ltd., has the contract for the gasoline for the Hilo, Kona, and Waimea Baseyards; and Hawaii Petroleum, Inc., has the contract for the low-sulfur diesel at the Kona Baseyard.

The gasoline prices have increased from the contract price of \$2.7512 per gallon to \$3.1553 per gallon at the Hilo Baseyard, \$2.8658 per gallon to \$3.2654 per gallon at the Kona Baseyard, and from \$2.8449 per gallon to \$3.2453 per gallon at the Waimea Baseyard. The low-sulfur diesel price has increased from the contract price of \$2.569 per gallon to \$3.67 per gallon.

At the present rate of usage, which will be projected until the end of the fiscal year (June 30, 2008), it is estimated that the Department will require an additional \$40,000.00 for gasoline and \$5,000.00 for low-sulfur diesel to the existing contracts.

RECOMMENDATION: It is recommended that the Board award an additional \$40,000.00 to Aloha Petroleum, Ltd., for gasoline and \$5,000.00 to Hawaii Petroleum, Inc., for low-sulfur diesel to GASOLINE BID NO. 2006-05, FURNISHING AND DELIVERING GASOLINE AND DIESEL TO THE DEPARTMENT OF WATER SUPPLY. Aloha Petroleum, Ltd.'s, contract will increase from \$476,973.00 to \$516,973.00 and Hawaii Petroleum, Inc.'s, contract will increase from \$10,276.00 to \$15,276.00.

G. REALLOCATION REQUEST - PERSONNEL MANAGEMENT SPECIALIST II, POSITION NO. WS-03190:

The existing duties and responsibilities of the Personnel Management Specialist II, position No. WS-03190, have expanded significantly in recent years. The position:

- Oversees the daily operations of the Personnel Services Branch and supervises the staff in the performance of human resources activities.
- Advises Administrative, supervisory, and other departmental personnel in all aspects of human resources including collective bargaining law and contracts; civil service laws; rules, regulations and procedures; workers' compensation laws and procedures; etc.
- Evaluates, revises, recommends, and implements policies and operating procedures for all functions in the branch to ensure compliance with applicable laws, departmental procedures, collective bargaining agreements, ordinances, etc.
- Performs duties typical of other Personnel Management Specialist III positions in the County that have direct responsibility for the management and operations of a human resources program.

The County's Department of Human Resources performed a recent desk audit of the position and has determined that the more appropriate classification for this position is Personnel Management Specialist III, SR-24, and that a reallocation is warranted.

Attached is an organizational chart for both the "existing" position and "proposed" reallocated position in the Personnel Services Branch.

RECOMMENDATION: It is recommended that the Water Board approve the proposed reallocation and amendment to the existing Table of Organization.

H. **BANKING AND CASH MANAGEMENT:**

This Executive Session was deferred by the Board at its January 22, 2008, meeting.

Executive Session

The Board anticipates convening an Executive Session for the purpose consulting with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities and liabilities as per HRS 92-5(a)(4).

I. **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.

J. **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.

K. **DEPARTMENT OF WATER SUPPLY PROPOSED OPERATING AND CAPITAL IMPROVEMENT BUDGETS FOR FISCAL YEAR 2008 - 2009:**

Budgets for review and discussion.

L. **WATER RATE STUDY:**

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

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

Information on the selection process and the selected motto will be made at the meeting followed by discussion on the implementation.

N. **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.

O. **CHAIRMAN'S REPORT:**

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

10) **ANNOUNCEMENTS:**

1. **Next Meeting:**

The next meeting of the Water Board will be held on March 25, 2008, 10:00 a.m., in the Hilo Operations Center Conference Room, 889 Leilani Street, Hilo, Hawai'i.

11) **STATEMENTS FROM THE PUBLIC**

12) **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.