

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

MEETING DATE: March 25, 2008

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 - Minutes of the February 26, 2008, Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA (if necessary)
(**Note: Addendum requires Roll Call Vote**)
- 5) **PRESENTATION OF AUDITED FINANCIAL STATEMENTS – JUNE 30, 2007:**

Copies of the Department's audited Financial Statements for the fiscal year ended June 30, 2007, are enclosed for Board Members. Representatives from KPMG, the Department's independent auditors from Honolulu, will be present to answer any questions Board Members may have regarding the report.

6) **SOUTH HILO:**

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

Bids for this project were opened on March 12, 2008, at 2:00 p.m.; and following are the bid results:

Bidder	Amount
Ludwig Construction, Inc.	\$441,326.00
Willocks Construction Corp.	\$476,255.88*
Big Island Excavating, LLC	\$481,750.00
Koga Engineering & Construction, Inc.	\$519,830.00
William C. Loeffler Construction	\$546,455.00*
Isemoto Contracting Co., Ltd.	\$588,064.32*
Drainpipe Plumbing & Solar, LLC	\$645,200.00
Jas. W. Glover, Ltd.	\$1,091,179.00

***Corrected bid amounts. Did not affect the outcome of the bids.**

Project Scope: This project consists of replacing the existing private water system for Andrade Camp with a county dedicable water system through the United States Department of Agriculture, Rural Utilities Services (U.S.D.A - R.U.S.) loan/grant program.

Project Cost:

1) Low Bidder (Ludwig Construction, Inc.)	\$441,326.00
2) Construction Contingency (~10%)	<u>44,174.00</u>
Total Construction Cost:	<u>\$485,500.00</u>

Funding for this project will be from the Department's C.I.P. budget and the U.S.D.A. - R.U.S. loan/grant program with repayment to the U.S.D.A.'s - R.U.S. program.

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

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2006-889, CONSTRUCTION OF THE ANDRADE CAMP WATER SYSTEM IMPROVEMENTS, to the lowest responsible bidder, Ludwig Construction, Inc., for their bid amount of \$441,326.00 plus \$44,174.00 in construction contingency for a total contract amount of \$485,500.00, 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.

7) 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:**

Attached is Resolution No. 08-02 for acquisition of private property and easements identified as a portion of Tax Map Key (3) 5-2-005:023, Lot 78, for backup well and replacement reservoir site.

RECOMMENDATION: It is recommended that the Water Board adopt Resolution No. 08-02.

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:**

Attached is Resolution No. 08-01 for acquisition of private property and easements identified as portions of Tax Map Key (3) 7-4-009:072, for transmission line improvements.

RECOMMENDATION: It is recommended that the Water Board adopt Resolution No. 08-01.

9) SOUTH KOHALA:

A. **PARKER WELLS 3 AND 4, FIRST AMENDMENT OF AGREEMENT (TRI-PARTY WATER DEVELOPMENT AGREEMENT - MAUNA LANI SERVICES, INC., MAUNA KEA PROPERTIES, AND DEPARTMENT OF WATER SUPPLY):**

At its February 28, 2006, meeting, the Water Board approved the Tri-Party Agreement between Mauna Lani Service, Inc. (MLS), Mauna Kea Properties (MKP), and the Department of Water Supply (DWS). MLS and MKP are proposing to amend the agreement to allow them an extension of time to complete their required improvements. They have been proceeding along in an acceptable manner but have run into delays beyond their control. DWS has been kept informed of these possible delays that would require this amendment and feel that they and their contractor have been doing what they can to complete the project on time.

DWS Staff has reviewed this First Amendment of Agreement and finds it acceptable as submitted. If approved, it will change their required completion date from April 6, 2008, to August 31, 2008.

RECOMMENDATION: It is recommended that the Water Board accept the terms and conditions of the First Amendment of Agreement and authorize either the Chairman or the Vice-Chairman to execute the Agreement subject to review and approval of the Corporation Counsel.

10) KA‘U:

A. **JOB NO. 2000-758, CONSTRUCTION OF THE WAIOHINU WELL DEVELOPMENT - PHASE 1:**

(Please refer to the attached copy of the Tom Nance Water Resource Engineering Memorandum and its attached sheet – “Video Log of the Waiohinu Pilot Borehole,” dated January 14, 2008).

As a result of the field-measured well water level and other conditions encountered during the drilling phase of the subject well development, Tom Nance Water Resource Engineering (TNWRE) has recommended revisions to the contracted quantities of work for the subject well development. Water Resources International, Inc., is the drilling contractor. The revised quantities of contracted work and their related costs are listed in the “Revised February 5, 2008” table.

The following cost tabulation indicates a need to allocate additional monetary funding to meet the increased project construction cost due to revising the original quantities of contracted work.

Revised quantities of work and related costs	= \$884,010.00
Less Original Contract Amount	= <u>777,040.00</u>
Increase in Contract Amount	= \$106,970.00

Funds for the additional work are available. Further, the original \$62,160.00 contract construction contingency fund is available for use, should unforeseen construction costs occur.

RECOMMENDATION: It is recommended that the Board approve an additional \$106,970.00 for JOB NO. 2000-758, CONSTRUCTION OF THE WAIOHINU WELL DEVELOPMENT – PHASE 1, and that either the Chairman or the Vice-Chairman be authorized to execute the appropriate Contract Change Order to Water Resources International, Inc.

11) **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**
Subdivision Application No. 2004-0157 (Kailine Subdivision)
Grantors: Gerald and Wendy Yamada
TMK: (3) 2-4-038:008
E.W.O.: 2006-073
Lots: 8
Facilities Charge: \$34,190.00
Final Inspection Date: 11/08/07
Water System Cost: \$34,150.00
Zoning: RS-10
Paid: 5/10/2006
- 2. GRANT OF EASEMENT AND BILL OF SALE**
Subdivision Application No. 2004-038
Grantor: Hualalai Vistas, LLC
TMK: (3) 7-3-007:027 and 050
E.W.O.: 2006-071
Lots: 45
Facilities Charge: \$57,380.00
Final Inspection Date: 03/07/2008
Water System Cost: \$600,280.00
Zoning: FA-1
Paid: 04/03/07

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. CUSTODIAN/GROUNDSKEEPER I POSITION FOR OPERATIONS DIVISION:

Due to the Konno decision, the Department of Water Supply had to terminate all existing site maintenance and janitorial contracts with “for profit” companies effective December 31, 2007. We previously created Custodian/Groundskeeper and Groundskeeper positions around the island to perform these duties. After evaluating the amount of work required to maintain the Department’s Waiakea Office Plaza and the Microlab, it was determined that an additional Custodian/Groundskeeper I position is required to properly maintain these sites.

This position would also have the flexibility in covering for the existing Custodian/ Groundskeeper and Groundskeeper positions while they are on leave or on vacation.

RECOMMENDATION: It is recommended that the Water Board approve the amendment to the Table of Organization to create an additional Custodian/Groundskeeper I position for the Operations Division.

C. BANKING AND CASH MANAGEMENT:

This Executive Session was deferred by the Board at its January 22 and February 26, 2008, meetings.

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).

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

The proposed Operating and Capital Improvement Budgets for Fiscal Year 2008-2009 were published in the newspapers for presentation at the Public Hearing held on March 25, 2008, at 9:30 a.m. For further discussion by the Water Board.

G. WATER RATE STUDY:

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

H. DEPARTMENT OF WATER SUPPLY MOTTO:

Division Heads consider cost and timing of the motto change-out, and, UHH Hawaiian Language Center Director is consulted on Hawaiian terminology. Please see attached update.

RECOMMENDATION: It is recommended that the Board adopt the new motto for the Department of Water Supply, “Water, Our Most Precious Resource, *Ka Wai A Kāne.*”

I. 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 Corp.
- 5) Retirement of Richard Tsunoda, Finance Division Head.

J. CHAIRMAN’S REPORT:

Chairman 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 April 22, 2008, 10:00 a.m., in the Hilo Operations Center Conference Room, 889 Leilani Street, Hilo, Hawai‘i.

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.