

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

MEETING DATE: September 23, 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 August 26, 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. 2005-862, CONSTRUCTION OF THE WAI'AKEA OFFICE PLAZA AIR
CONDITIONING REPLACEMENT:**

Bids were opened on September 12, 2008; and following are the bid results:

Bidder	Amount
Isemoto Contracting Company, Ltd.	\$4,728,600.00
Central Construction, Inc.	\$4,970,824.00
Constructors Hawaii, Inc.	\$5,600,000.00

Project Scope: This project consists of replacing the existing air conditioning system, constructing a new mechanical equipment building, and performing incidental architectural, electrical, civil, and structural work.

Project Cost:

1) Low Bidder (Isemoto Contracting Company, Ltd.)	\$4,728,600.00
2) Construction Contingency (8%)	<u>378,288.00</u>
Total Construction Cost:	<u>\$5,106,888.00</u>

Funding for this project will be from the 2006 General Obligation Bond. The contractor will have 180 calendar days to complete this project. The Engineering estimate was \$3,000,000.00.

RECOMMENDATION: It is recommended that the Board award the contract for JOB NO. 2005-862, CONSTRUCTION OF THE WAIĀKEA OFFICE PLAZA AIR CONDITIONING REPLACEMENT, to the lowest responsible bidder, Isemoto Contracting Company, Ltd., for their bid amount of \$4,728,600.00 plus \$378,288.00 in construction contingency for a total contract amount of \$5,106,888.00, 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. 2006-893, CONSTRUCTION OF THE WAIĀKEA OFFICE PLAZA COVERED WALKWAY:

Contractor is requesting additional compensation beyond the contingency. This additional compensation is due to price escalation of materials and labor for delays beyond the control of the contractor as well as additional work requested by the Department. Additional funds requested by the contractor is \$20,541.00 of which staff has reviewed and found that \$11,062.00 are justified.

Original contract amount is \$166,000.00 and original contingency amount is \$14,000.00.
Change order no. 1 processed for \$13,300.00
Additional funds required: \$11,062.00 – (\$14,000.00 - \$13,300.00) = \$10,362.00

RECOMMENDATION: It is recommended that the Board allocate additional funds in the amount of \$10,362.00 for JOB NO. 2006-893, CONSTRUCTION OF THE WAIĀKEA OFFICE PLAZA COVERED WALKWAY.

C. WAIAKEA OFFICE PLAZA LEASE AMENDMENT - STATE OF HAWAI‘I, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS (DCCA):

The State of Hawai‘i, Department of Commerce and Consumer Affairs (DCCA), is a tenant at the Waiakea Office Plaza, leasing 546 square feet of office space in the upper level of the Kapoho wing. This lease amendment extends the term of their lease through December 31, 2008, when DCCA is expected to vacate the building. Lease rent is being increased from \$2.50 to \$3.00 per square foot as follows:

July 1, 2008, to December 31, 2008 (month to month) - \$1,638.00 per month

Common area maintenance comprises \$1.30 of the square foot rate with office rent making up the remaining \$1.70.

RECOMMENDATION: It is recommended that the Board approve the State of Hawai‘i, Department of Accounting and General Services, Amendment No. 2 of Lease Agreement No. 91-30-0011, subject to the approval of Corporation Counsel, and authorizes either the Chairperson or the Vice-Chairperson to sign the lease amendment.

D. KAWAILANI 0.50-MILLION GALLON RESERVOIR:

Executive Session

The Board anticipates convening an Executive Session for the purpose conferring with the Board's attorney per Hawaii Revised Statutes (HRS) Sections 92-4 and 92-5(4) to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities relating to this project.

6) SOUTH KOHALA:

A. WATER TREATMENT PROPOSAL NO. 2008-09, FURNISHING AND DELIVERING C-9 POLYPHOSPHATE TO WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA (ON AN AS-NEEDED BASIS):

Bids were opened on September 11, 2008; and following are the bid results:

<u>BIDDERS</u>	C-9 POLYPHOSPHATE (ON AN AS-NEEDED BASIS) DELIVERY POINT: WAIMEA WATER TREATMENT PLANT DELIVERY TO BE MADE ABOUT ONCE EVERY THREE (3) TO FOUR (4) WEEKS ESTIMATED 5 DRUMS AT A TIME
Phoenix V LLC dba BEI Hawaii	Unit Price \$ 693.50 per 30-gallon drum
F2 Industries, LLC	Unit Price \$830.30 per 30-gallon drum
Shannon Chemical Corporation	Unit Price \$ 1,359.28 per 30-gallon drum

RECOMMENDATION: It is recommended that the Board award the contract for WATER TREATMENT PROPOSAL NO. 2008-09, FURNISHING AND DELIVERING C-9 POLYPHOSPHATE TO WAIMEA WATER TREATMENT PLANT, DISTRICT OF SOUTH KOHALA (ON AN AS-NEEDED BASIS), to Phoenix V LLC dba BEI Hawaii at the unit price of \$693.50 for the period beginning October 1, 2008, and ending June 30, 2010, 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. WAIKOLOA RESERVOIR NO. 2 EARTHQUAKE REPAIRS
JOB NO. 2007-043/ENGINEERING WORK ORDER NO. 43-001:**

A draft copy of the terms and conditions for right-of-entry to State lands was received from the Department of Land and Natural Resources for action by the Water Board. The right-of-entry is needed for construction of this project.

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

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

At its March 25, 2008, meeting, the Water Board approved the First Amendment of Agreement that extended the completion date from April 6, 2008, to August 31, 2008. Due to delays beyond their control, Mauna Lani Services, Inc. (MLS), and Mauna Kea Properties (MKP) are proposing to amend the agreement again to allow them an extension of time to complete their required improvements. They have been proceeding in an acceptable manner and have been delayed due to reasons beyond their control. DWS has been kept informed and feels that they and their contractor have been doing what they can to complete the project as expeditiously as possible.

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

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

7) NORTH KONA:

A. MATERIAL BID NO. 2008-04, FURNISHING AND DELIVERING SPARE DEEPWELL PUMP AND MOTOR SETS FOR PA‘AUILO DEEPWELL, HONOKŌHAU DEEPWELL, HĀWĪ DEEPWELL NO. 1, AND KE‘EI DEEPWELL A; FURNISHING AND DELIVERING SPARE DEEPWELL PUMPS FOR SADDLE ROAD DEEPWELL, HAINA DEEPWELL, HALEKI‘I DEEPWELL, AND ‘O‘ŌKALA DEEPWELL:

The contractor, Beylik Drilling and Pump Service, Inc., has requested a contract time extension of 30 calendar days (see attached), due to a delay from the pump manufacturer.

This will be the first time extension to the contract. Engineering staff has reviewed the request and finds that the 30 calendar days are justified.

RECOMMENDATION: It is recommended that the Board grant this extension of contract time of 30 calendar days to Beylik Drilling and Pump Service, Inc., for MATERIAL BID NO. 2008-04, FURNISHING AND DELIVERING SPARE DEEPWELL PUMP AND MOTOR SETS FOR PA‘AUILO DEEPWELL, HONOKŌHAU DEEPWELL, HĀWĪ DEEPWELL NO. 1 AND KE‘EI DEEPWELL A, FURNISHING AND DELIVERING SPARE DEEPWELL PUMPS FOR SADDLE ROAD DEEPWELL, HAINA DEEPWELL, HALEKI‘I DEEPWELL AND ‘O‘ŌKALA DEEPWELL FOR THE DEPARTMENT OF WATER SUPPLY. If approved, the contract completion date will be extended from October 15, 2008, to November 15, 2008.

B. JOB NO. 2002-806, MAMALAHOA HIGHWAY WATERLINE IMPROVEMENTS – PHASE 2:

The contractor, Isemoto Contracting Co., Ltd., has requested a contract time extension of 130 days due to ongoing complications with the Kona SCADA system, causing delays in the contractor's electrical work for this project. The contractor has been informed by DWS staff that no work may be done on the SCADA system until approximately December 2008 while modifications are being done to the system.

This would be the sixth time extension to the contract. The previously approved time extensions are listed below:

- Time Extension #1: Project extended 180 calendar days to allow for revisions to the plans and specifications.
- Time Extension #2: Project extended 180 calendar days due to change in scope of work, project scheduling, and revisions to the plans.
- Time Extension #3: Project extended 90 days due to unforeseen site conditions at Holualoa Well and Reservoir site requiring redesign.
- Time Extension #4: Project extended 90 days due to valve control additions that were not shown on the plans and the installation of an additional valve at the Holualoa Well site, also not shown on the plans.
- Time Extension #5: Project extended 180 days due to unexpected problems interfacing with the Kona SCADA system.

Engineering staff has reviewed this time extension request and finds that the 130 calendar days are justified.

RECOMMENDATION: It is recommended that the Board grant this extension of contract time of 130 calendar days to Isemoto Contracting Co., Ltd., for JOB NO. 2002-806, MAMALAHOA HIGHWAY WATERLINE IMPROVEMENTS – PHASE 2. If approved, the contract completion date will be extended from October 25, 2008, to May 4, 2009.

C. SEASCAPE DEVELOPMENT, LLC – WATER FACILITIES AGREEMENT:

The developer, Seascope Development, LLC (Seascope), through an earlier agreement, replaced the existing 300 gallons per minute (gpm) to 500 gpm pump with a new 500 gpm to 700 gpm pump and appurtenances to allow the Department of Water Supply (DWS) to pump from the Kalaoa Well at 500 gpm based on the existing well permit and power at the well site. In order to obtain water units for their development, Seascope is proposing to enter into this Water Facilities Agreement requiring them to obtain CWRM approval to utilize the pump above the original permitted 500 gpm use. Seascope also upsized controls and equipment necessary to allow pumping up to 700 gpm. To better utilize the pump at 700 gpm, DWS is requiring Seascope to provide the land necessary to place a 1.0-million gallon (MG) reservoir and supporting facilities on. Seascope is in the process of obtaining this parcel and will provide DWS with approved construction plans with the design that allows DWS to utilize the

Grantor: HV Associates, LLC
TMK: (3) 7-3-007:089, (Lot 9)
E.W.O.: 2006-071

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. UNACCOUNTED WATER PROGRAM UPDATE AND ENERGY RECOVERY:

A second presentation will be given by Department personnel, followed by discussion.

C. POWER COST ADJUSTMENT CLAUSE:

Report to be given followed by discussion.

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:

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

G. MANAGER'S REPORT:

- 1) The Manager will provide a status of the Hawaiian Ocean View exploratory well.
- 2) The Manager will provide an update on negotiations with Kamehameha Investment Corporation.
- 3) The Manager will provide a report of the Hamakua Community Meeting.

H. STATE REVOLVING FUND PROGRAM AWARD:

The Department of Water Supply won a national award for its Honomu and Pahala State Revolving Fund projects. Details of the award to be given.

I. **CHAIRPERSON'S REPORT:**

Chairperson 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 October 28, 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 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.